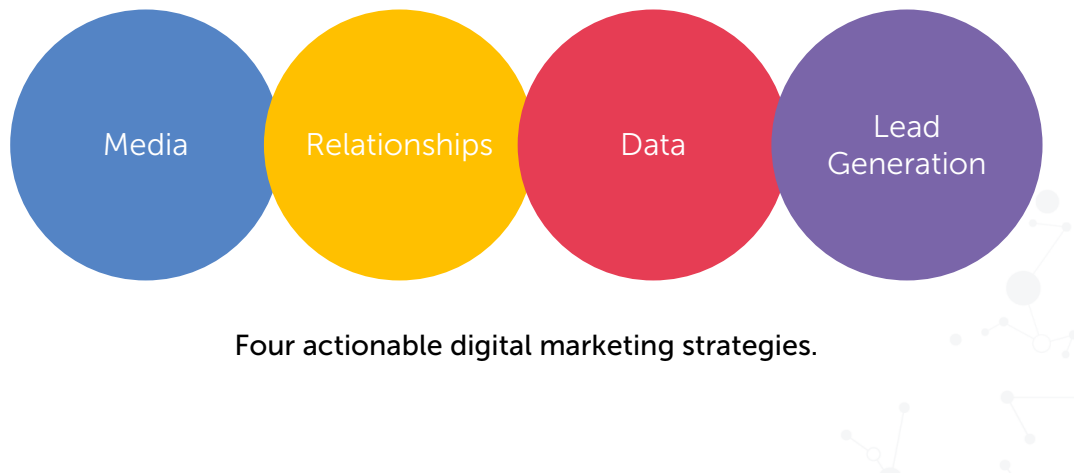UNIVERSITY OF WISCONSIN
DATA SCIENCE

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Data Science and Strategic Decision-Making
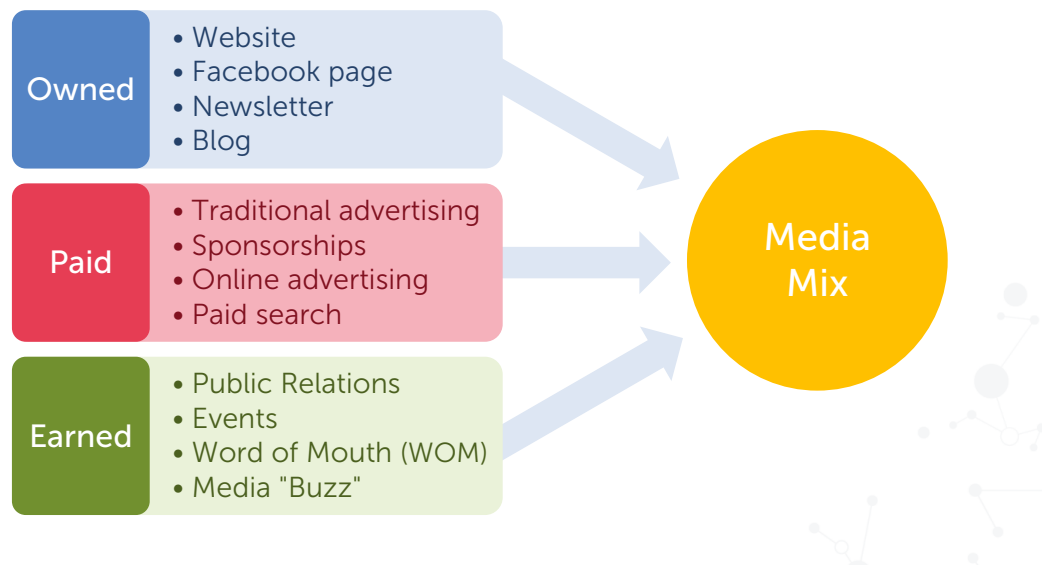
Lesson 5 Introduction
Managing the New Marketing Normal

Introduction

Four actionable digital marketing strategies.

Chapter 5, Managing the New Marketing Normal is divided into four major sections. One section deals with managing media, the second, managing relationships, the third, managing data, and the fourth, managing lead generation. These are for actionable digital marketing strategies that are discussed individually as we go through the chapter.

Managing Media

| Owned	• Website • Facebook page • Newsletter • Blog
Paid	• Traditional advertising • Sponsorships • Online advertising • Paid search
Earned	• Public Relations • Events • Word of Mouth (WOM) • Media "Buzz"

Media Mix

So let's talk about the first topic, managing media. There's three types of media that we break everything down into-- owned media, paid media, and earned media. You can see on the slide that owned media includes things like websites, Facebook pages, newsletters, blogs-- blog that you would be doing in-house, that is. And these are things that you and your company can control. You know what's going to be on there, what graphics going to be on there, when it's going to appear-- all of that. You have control over that. But whoever is viewing or reading it knows that you have control over it. They know it's a message directly from your organization, that can be good or maybe not so good depending on the situation.

The next type, paid media. The most well-known type of paid media, of course, is traditional advertising, and that would extend to online advertising, but it could be sponsorships, it could be paid search where you pay for getting listed at the top of the page for Google or other search engines. In this case, you still control things for the most part. For, say, traditional advertising, you write the copy, you provide the graphics, you tell them the media when to run it and where to run it, and all that. So you've got control over both the message, and the timing, and where people actually see it with paid media, which makes sense because you're paying for it.

Now the third is earned media. You're not paying directly for it-- that doesn't mean it's free, because it's going to cost you to get it out there, but you're not actually paying any of the media for that privilege. So the thing that's thought of most often is just plain, old-fashioned public relations, where you go pitch an article or interview to a reporter, say. And the idea is to get the reporter to write about your product or your company, or to interview your CEO, or something along that line to get to whatever your objective is, but it goes does go beyond public relations. It could be events, it includes word of mouth and media buzz, things that start typically with some kind of article, or a television piece, or a piece from an independent blogger outside of your company. So here you don't have control. You could pitch and they could say, no, we're not interested, but what you can do is pitch to a lot of different media outlets, and then also make it easy for them.

You always want to give them the path of least resistance, so that it makes it easier for them to write the article. Provides them with the research, the information, photographs, access to employees to interview, all those sorts of things that can make it easier for the reporter, or whoever is actually creating this to do their jobs and to give you your publicity. Now in the book on page 90, there's a very nice chart that lays out owned media, paid media, and earned media with definitions, examples, what it's for, its role, the benefits, challenges. So it's a good chart, a good one to take a pretty close look at.

Managing Media
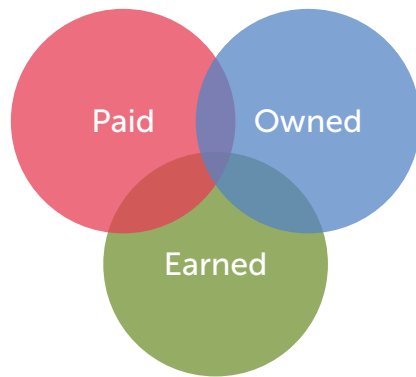
Converged Media

✓ Two or more channels
✓ Consistency between channels
   • Message
   • Look and Feel
✓ Reach customers where, how and when they prefer
✓ Use best suited media, devices
✓ Mix of online and offline as needed

Now of course, with managing media, as I mentioned, you might use different combinations of paid, owned, and earned media. You can combine them into your media mix-- what's your recipe for whatever it is you're going to be doing to reach your objective. Now these three media channels are illustrated here in a Venn diagram, a three-way Venn diagram, and it's also shown in your book. In the book, it actually has each of the small pieces labeled from the viewpoint of the authors.

The important thing is that when you see any kind of overlap here, what we're talking about now is converged media. So the definition, two or more channels-- so that little section at the top, where paid and owned, just the two of them overlap, that's converged media, as are the parts between owned and earned, or earned and paid. And then, of course, there's the fourth part, where all three overlap. That would be converged media as well. Now the whole idea here is, if you're going to use converge media, and it's generally a good idea to do so, you want to have consistency between the channels the message should be the same in each case, and the look and feel, as much as possible, should be the same. Of course in an earned media, you don't have as much control over that, but you can give it a try. So you want consistency between the channels.

And the idea here is that you want to be able to reach customers where, how, and when they prefer. That's why you're going to use different sorts of media to reach different customers at different places where it might be preferable. And the whole idea is to use the best suited media and also devices-- devices as in a desktop computer, a tablet, a mobile phone, or things of that nature. So in both the media and the devices, you want to use the ones that are best suited for your target audience and what you're trying to achieve. And typically a mix of online and offline is needed, so it'll be some sort of mix, basically.

Managing Relationships

CRM
- Operations focused
- One way
- Designed to meet company objectives

SCRM
- Customer focused
- Two way
- Designed to meet both company and customer objectives

The next topic is managing relationships. And really the star of this section is CRM, or customer relationship management. Now, the book gives me a very good definition of CRM, or at least a CRM system. It basically says that this is something that manages relationships and shares information across various teams. They talk about it using digital technology to organize, automate, and synchronize sales, marketing, customer service, and technical support. The last sentence of their description is really quite good. It is the nerve center that allows a company to manage interactions with current and future customers-- that's really it in a nutshell.

One thing that you might want to keep in mind is that when they're talking about CRM, they're talking about automated CRM, which really started pretty much in the '90s for most companies, and some larger companies were doing things like this back in the '80s on very customized expensive large systems running on large computers. As the PC came in, and then the internet came in, the PC allowed small-scale databases that could be used. The problem was sharing was tough. And then when the internet came in, it led to CRM that were cloud based with the lead off player being salesforce.com-- one of the first big winners in that area.

Now before automation though, before automation, CRM was actually being practiced. And it could have been somebody with a binder full of pieces of paper, one for each account, or file folders for each account, or three by five

cards for each account. Customer relationship management was being practiced manually like that. Now of course, there's lots of limitations, because you can't share long distances and those sorts of things. And if you go back even further than that, if you think of CRM with an independent grocer, or somebody running sort of a general store type of operation, it's the owner there every day talking to the customers. They know the customers. Their CRM system probably wasn't on three by five cards, it was up in their head. They knew each other those customers, they knew their preferences, and all that sort of thing.

And that's what CRM systems are really trying to do. They're trying to mimic the ability that that store owner had in dealing with the customers that he had from around the neighborhood. Now, CRM is something that's been around for a while. What the book is talking about is the next step is social CRM. And as you can see on the slide, there's some differences. Traditional CRM is operations-focused. Communications are generally one-way-- that's not completely true, but generally. And it's designed to meet the company's objectives. It makes you more efficient, it allows you to serve your customers better, those sorts of things.

Social CRM, On the other hand, is more customer-focused, so the customer can see some direct benefits, besides just the improved service from the company. The communications are two-way. And it's designed to meet both the companies and the customers objectives.

Managing Relationships

Sales

Operations → Firm ← Marketing

Customer Service

Traditional CRM is firm centric
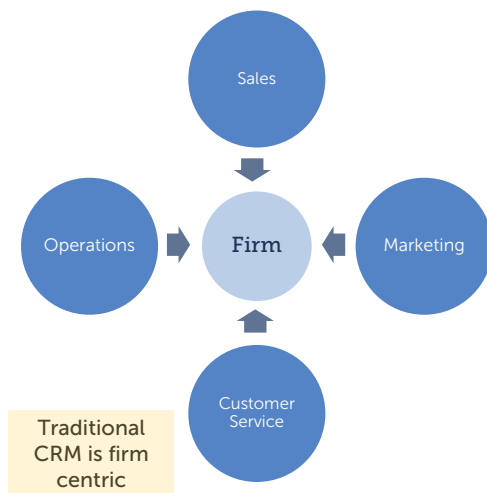
CRM
- Based on collecting data from:
  - Sales
  - Marketing
  - Customer service activities
  - Other operational activities
- Centralizes data and allows data to flow between silos within firm
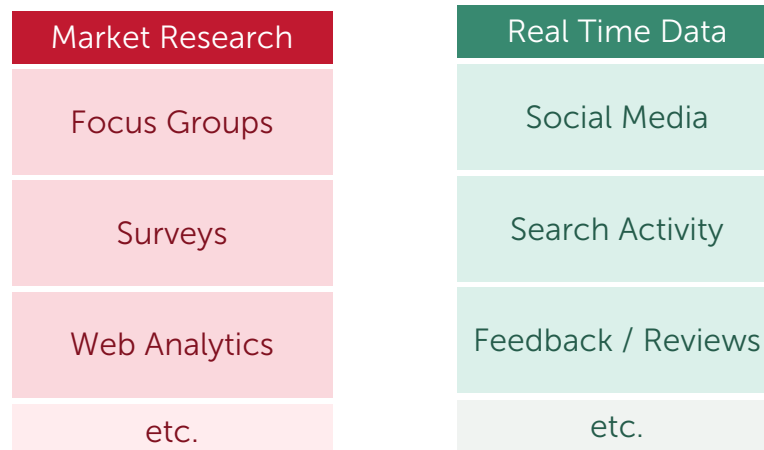
Social CRM (SCRM)
- Social platform allows data to also flow back to customers
- Customers become user group
- Fosters interactions that improve CX

So continue on with the differences between CRM and social CRM, traditional CRM is based on collecting data that's coming from a sales and marketing, customer service area, and whatever operational activities the firm has-- whether it be manufacturing, or retail, or whatever. All of that information is coming in mostly from employees of the firm, based on their interactions with customers. And the system centralized this data and allows the data to flow between the silos and the firm. So for instance, if a salesperson is trying to close a deal with that company that's in the system, and a customer service person who's trying to solve a problem can see that, they can maybe see that there's a deal hanging in the balance, and maybe that impacts how they handled the customer service call. So there's a lot of ways it ends up happening to help the company, and provide better service, and to hang on to their top customers, but it's based on information flowing into the system from employees interactions with customers for the most part. There are some minor exceptions, but for the most part.

Now social CRM, on the other hand, and what happens here is there's some kind of social platform involved. And it allows data to flow back and forth, as we see in pretty much any social media, where it's out there and everybody can see it, or at least everybody that's in the know-- so people from that account and employees that need to know about it. The customers actually become a user group from an IT standpoint within a company. The marketing department, the sales department, the operations, customers-- each of those

are user groups. And customers really become another user group. And when you put all that together it ends up fostering interactions that can really have an impact on customer experience.

Managing Data

Market Research
Focus Groups
Surveys
Web Analytics
etc.

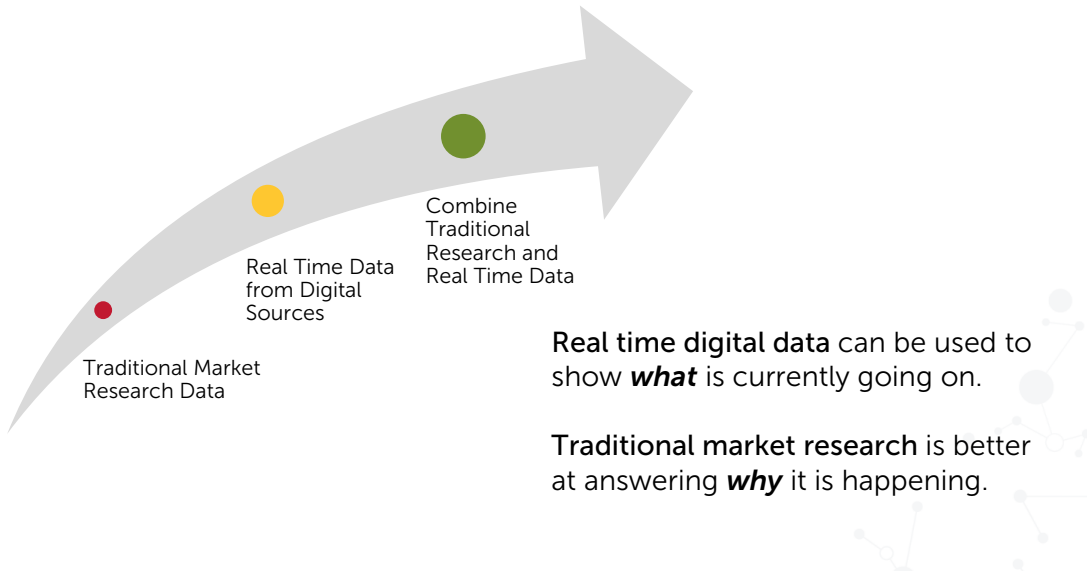| Real Time Data |
|:---:|
| Social Media |
| Search Activity |
| Feedback / Reviews |
| etc. |

The third major part of the chapter is about managing data, and it's a relatively short section in the chapter that focuses on two types of data, or sources of data really. One data that comes from traditional market research-- what companies have been doing all along, or at least for decades they've been doing this. And then the second source is a lot of real time data specialty stuff that's coming out of the social media, and search, and a lot of the reviews that you see now that are the result of social media platforms. So on the market research side, there's things like focus groups-- a qualitative type of research where you've got a bunch of people in a room, maybe 10 people, and there's somebody leading the discussion, trying to get at how people feel about things, and view things, and motivation, and reasons they feel that way, so that sort of thing. It's qualitative, you're not going to be able to pull any numbers out of that are statistically valid, anyway. People try to pull numbers out of it, but there's no statistical validity.

Surveys might be informal surveys that don't have a whole lot of statistical validity. They may be very sophisticated surveys that have relatively small margins of error and that sort of thing. And then there's web analytics that have been around for quite awhile now since the mid-90s, really the first primitive ones started to appear, that tell you what's going on in terms of people looking at your website, how many page views, and things in that nature. That market research tends to be, especially the focus groups and

surveys, a little bit slower in getting to decision makers. It takes time to do the research, it takes time to tabulate it, and prepare reports, and that sort of thing.

On the real-time side, social media, search activity, and so forth can give you information very, very quickly-- just like it can give the users, quite often, very similar information-- or excuse me, the customers similar information depending on the social media platform. So two very different types. And the question is how do you mix these together and why do you use one over the other.

Managing Data

Combine
Traditional
Research and
Real Time Data

Real Time Data
from Digital
Sources

Traditional Market
Research Data

Real time digital data can be used to show ***what*** is currently going on.

Traditional market research is better at answering ***why*** it is happening.

Now there is a reason to use traditional market research data and there's a reason to use the real-time data, mostly it has to do with what kind of data is and the timing. So in terms of traditional market research, like I've said, it's slower. It takes time to get out there, but it has a benefit. Real time-- it's fast, it can be out there real quickly, but it has a bit of a shortcoming. So the idea is we want to combine both traditional research and real-time data in our decision making. Now the shortcoming of the real-time digital data is that it's really good at telling you what is currently going on, and can tell you very quickly-- you know, it's very, very timely data-- but it only tells you what is happening, it doesn't tell you why it's happening. And that's the strength of traditional market research. That traditional market research is far better at answering why, the question why, something is happening. So at the end of the day, we need both kinds of research.

Managing Lead Generation

Outbound Marketing	Inbound Marketing
• Segment & target • Mass media • Direct Marketing • Interruption marketing	• Attract interested prospects with **content** • Help them find you with **SEO** • **Social media** = megaphone • Build **relationships** • Focus on **service**, **quality**, and **reputation**

Last section the chapter covers managing lead generation and that is what it talks about. But the main topics here really are about outbound marketing and inbound marketing, and how outbound marketing is becoming less effective, where inbound marketing seems to be the next big deal, or the current big deal, really, because a lot of people are using it these days. So outbound marketing it is using segmentation and targeting-- tried and trued marketing tools, works very well, works great with advertising consumer advertising, but it may or may not work well with the sales force, say. It may or may not work real well with certain kinds of mass consumer advertising, depends on the situation.

But it's delivered possibly through mass media, maybe through some kind of direct marketing, whether it's a sales rep calling up, or whether it's direct mail, or email, marketing, those sorts of things. Sometimes called interruption marketing. So when you're trying to reach somebody while they're eating dinner at home, if you're selling a consumer product, or if you were interrupting somebody at the office when they're working on their budget that's due tomorrow, or going off to a meeting in five minutes, that sort of thing. So the reason outbound marketing is becoming less effective is simply because of the flood of information that's going to these people that are targeted. If you're interested in talking to them, a lot of people are, so they're getting a flood of information that's coming at them.

And there are also now more technical hurdles that you might have to get over in order to contact these people. Things as simple as caller ID that help people screen out some of these messages, these outbound marketing messages that come flying in to their home or to their office. Now on the inbound marketing side, and this is sometimes called content marketing, the whole idea here is that instead of pushing information out and trying to contact somebody, here you're making information available, making content available.

And then when people have a need or have an interest, you help them find their website and your content through search engine optimization. You make it easy to find your website by spending a lot of time and effort making sure that when they put certain keywords in Google, that you're going to come up near the top of the list, and that's an ongoing process. It's a very complex process. And then also social media can be used. Essentially, as the book calls it a megaphone that can be used to push the fact that this information is available out there to your website or whatever point you're making it available out in social media. So again, if people have a general interest in whatever the topic or the product is, they might go to your website and see what you have to offer. They don't have to put up with the salesperson, they can do it whenever they want, they can do it at 3 o'clock in the morning if that's when they've got time. It just makes a lot of sense in a busy, busy world.

And then it also is the start of building relationships, and that may seem a little strange when the alternative that we're saying doesn't work as well was a human that actually was trying to call you possibly. But what happens here is you're providing content to a potential customer or maybe a current customer that might be interested in buying additional types of products, but you're making information available to them-- you're actually giving something to them. And the content has to be meaningful, it has to be useful, it can't just be advertising. It has to be something that can actually help them out in their life or their job, and that's how you build these relationships.

And finally, the focus of all of this is on service, and quality, and reputation. So if you take an example, if you're interested in some kind of technology thing, now whatever the product is, some kind of software, service, or something along that line, what happens? I mean, how do you find out about that? Quite often you're offered a chance to download a white paper on something. You know about how to adopt a CRM system, for instance. If we went out and looked at CRM providers, I can pretty much guarantee you that most of their websites have something where you could download a white paper on CRM. It shows them as experts in their field. It provides you information, that while

probably a little biased, isn't just blatant advertising, and it's kind of a service that you can provide and start that relationship building. So that's basically what managing lead generation, the discussion in the book, is all about.

Managing the New Marketing Normal

Media	Relationships	Data	Lead Generation
Managing toward converged media and a savvy marketing mix.	Manage by being customer focused and using two-way communications with SCRM.	Managing traditional and real time data to explain both what is happening and why.	Manage the process to attract inquiries rather than interrupt customers to deliver a sales message.

Four actionable digital marketing strategies.

All right well to sum things up for chapter 5 here, Managing the New Marketing Normal, let's just take a look at each of the four sections, about the four things that we want to be managing. First, media. We want to manage media toward converged media, and having, what I'd call, a savvy marketing mix. So you're going to be taking two or three of the different media types, mixing them together in whatever combination makes sense for your company, your product, your objectives.

In relationships, managing relationships, you want to manage by being customer-focused and using two-way communications, and that's done, most easily these days, with social CRM. As far as managing data goes, you've got two kinds of data to manage-- both traditional and real time. And you do need both, so you can explain in a timely manner what's happening, but you can also explain why it's happening. And then lastly in lead generation, or really a discussion between outbound marketing and inbound market or content marketing, you've got to manage the process to attract inquiries, rather than interrupt customers when you're trying to deliver some sort of sales message, or to set up an appointment, or whatever it might be. And that's where a website with a lot of good information, maybe some downloadable documents that you can offer in exchange for somebody's email address and phone number, and it starts a relationship that way on the customers terms. So you put the bait out there, and you let the customer come to the bait, rather than knocking on the door.

So those are four actionable, digital marketing strategies that are covered in chapter 5.