



## MARKETING ANALYTICS – A PARADIGM SHIFT TO DIGITAL MARKETING

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### INTRODUCTION

Marketing analytics is the measurement and optimization of your marketing activities. Rather than focusing only on your site's performance like you do with web analytics, you focus on how your marketing efforts are performing, and adjust them accordingly. Marketing analytics goes beyond on-site indicators and leans on other tools, offsite metrics, and even offline efforts. It takes a whole-picture approach to the measurement of your marketing.

**Marketing analytics** also measures, manage and analyze marketing performance to maximize its effectiveness and optimize return on investment (ROI). Understanding marketing analytics allows marketers to be more efficient at their jobs and minimize wasted web marketing dollars.

Beyond the obvious sales and lead generation applications, marketing analytics can offer profound insights into customer preferences and trends. Despite these compelling benefits, a majority of organizations fail to ever realize the promises of marketing analytics. According to a survey of senior marketing executives published in the Harvard Business Review, "more than 80% of respondents were dissatisfied with their ability to measure marketing ROI."

If most digital marketing programs or campaigns have a weak area, it's analytics. One recent study identified that the biggest talent and hiring gap in online marketing is in the analytics space. 37% of companies surveyed said that they desperately needed staff with serious data chops.

If you're in the field of online marketing or content marketing and want to ensure that you're bringing the best data to bear on your projects, here's a quick look at some strategic approaches that can help you improve your performance in 2014. This applies whether it's upgrading your own skills, adding strategically to your freelance stable, or improving your content planning skills.

### NEED FOR MARKETING ANALYTICS

Marketing analytics, Internet (or Web) marketing analytics in particular, allow you to monitor campaigns and their respective outcomes, enabling you to spend each dollar as effectively as possible.

Over the years, as businesses expanded into new marketing categories, new technologies were adopted to support them. Because each new technology was typically deployed in isolation, the result was a hodgepodge of disconnected data environments.

The importance of marketing analytics is obvious: if something costs more than it returns, it's not a good long-term business strategy. In a 2008 study, the Lenskold Group found that "companies making improvements in their measurement and ROI capabilities were more likely to report outgrowing competitors and a higher level of effectiveness and efficiency in their marketing." Simply put: Knowledge is power.

Consequently, marketers often make decisions based on data from individual channels (website metrics, for example), not taking into account the entire marketing picture. Social media data alone is not enough. Web analytics data alone is not enough. And tools that look at just a snapshot in time for a single channel are woefully inadequate. Marketing analytics, by contrast, considers all marketing efforts across all channels over a span of time – which is essential for sound decision making and effective, efficient program execution.

In search marketing in particular, one of the most powerful marketing performance metrics comes in the form of keywords. Keywords tell you exactly what is on the mind of your current and potential customers. In fact, the most valuable long-term benefit of engaging in paid and natural search marketing isn't incremental traffic to your website, it's the keyword data contained within each click which can be utilized to inform and optimize other business processes.

**Product Design:** Keywords can reveal exactly what features or solutions your customers are looking for.

**Customer Surveys:** By examining keyword frequency data you can infer the relative priorities of competing interests.



**Industry Trends:** By monitoring the relative change in keyword frequencies you can identify and predict trends in customer behavior.

**Customer Support:** Understand where customers are struggling the most and how support resources should be deployed.

### FIVE TIPS FOR DIGITAL MARKETING

**Start with Keyword Research:** A stagnant keyword list is dangerous as it neglects trends and information on new products or developments.

**Set up some Paid Search Marketing Campaigns:** Group keywords in relevant groups and write appropriate ad text to help improve your Quality Score, which will lower your bid and improve ad position.

**Analyze the Results:** Displaying your keywords in ad text prove to the searcher and to Google that your ad is relevant to their search.

**Implement Natural Search:** Google estimates that 80% of searchers click on an organic result over a paid advertisement. Incorporate your best performing keywords into your website and continue to generate relevant content.

**Repeat Ad Nauseum:** Negative keywords are great because they prevent unnecessary clicks and spend, ensuring your advertisement displays only for applicable searches.

### MARKET RESEARCH Vs MARKETING ANALYTICS

Technological advances have enabled changes in both market research and market analytics. Improvements in database structures, the adoption of the internet, and the penetration of smart phones have all contributed to a rapid evolution in both market research and market analytics. Finally, the resulting availability of information, and the increasing demand by business to use information to increase marketing efficiency, drives the two disciplines, closer and closer together.

In the past, Market Analytics was used to measure the health of a particular business. Market Analysts provided sales data by market and assessed profitability levels by product line. If the business was engaged in the direct sale of products to consumers Market Analysts could read the sales by internally developed market segments (Heavy buyers, Recent buyers, etc.) In the past Market Analytics have referred to the analysis of data associated with sales internally to allow an enterprise to set a course based on the success of previous tactics.

### GETTING STARTED WITH MARKETING ANALYTICS

Like many new approaches to analytics, there is a learning curve. There will need to be some up-front explanation and defining. We wanted to break down the parts of marketing analytics and leave you with some kick-off questions to get started with.

#### 1. How are your marketing activities performing?

This is the piece that most marketers have down pat. This is all about how are you performing right now. How are your current efforts paying off? If you focus solely on web analytics, you may find yourself focusing too narrowly on your site's results. With marketing analytics, you'll take a wide angle view.

Rather than simply reporting your visitor counts, time on site, and conversions, what about reporting more? What about the results that happened offsite? What about the less traditional KPI-driven results like conversations, comments, and shares? In addition to reporting more metrics, we should also be reporting them in a way that speaks to the entire team and the company at large. If you want to change how your company invests their marketing resources, you need to make a strong case for analyzing what is happening beyond your site, and to go beyond cookie cutter KPIs and report formats.

Here are a few examples of common web analytics performance KPIs (on the left) and then a contrasting list of marketing analytics KPIs (on the right). You can see how the list doesn't just grow in size, but requires us to use many tools, compile our own reports, and work to tell a story with the data.

Marketing analytics goes beyond traditional website KPIs. We find more of the metrics we care about tend to be people-centered: how are we doing our best job for both current visitors/customers and for future ones? How are our fans, friends, and followers engaging with us? Who's talking about our brand on other sites? We track metrics that help us use our time in the most valuable way possible, and we work to know exactly how our marketing activities are doing for us.



Common KPIs for Web Analytics	Common KPIs for Marketing Analytics
# of visitors to your site # of pageviews Time on site Bounce rate Conversions Growth over time	Channel-specific ROI \$ gained on a CRO test # of shares by content topic \$ saved with a new lifecycle campaign # of signups from an email # of tweets during a webinar # of brand mentions from an event # of new community signups from a PR story

## 2. Where are your competitors investing time and resources?

It's one of those things that all marketers know is important, but so many of us fail to carve out dedicated time for it. Marketing analytics assumes that competitive research is an ongoing, fluid effort. It shouldn't be something we do at the beginning of a project or when we take on a new client. It should be a constant metric we are aware of — and one we know as well as we do our own.

In addition to performance, we need to be aware of where they are putting their time. What are they testing? What are they investing in? This requires we jump out of our software and tools and become observers. Are they engaging more on certain networks? Are they pushing more money into content marketing? Are they investing heavily into channels that you may or may not be in?

This competitive layer adds color to your performance research. Now you know where you stand, where they stand, and you have a better sense of where things are going. This helps you invest in the right efforts, and possibly pull back from others.

## 3. How do your marketing activities perform in the long-term?

We understand the importance of knowing if we have improved week over week, and month over month, but too often we stop at that. There are so many other things to be watching closely when tracking success. How about the momentum of those gains and losses? What about the long-term quality of those gains and losses? How do those short-term wins turn into loyalty and ongoing engagement? Marketing analytics focuses more on the overall performance of our efforts, and the many ways we can single them out to improve them.

Imagine planning your marketing roadmap around yesterday's results only or your site's performance only. Now imagine planning a marketing roadmap around how each channel has done over time, and how your specific efforts returned across all the objectives you care about (money, engagement, loyalty, etc.) — that sounds way better. If you take the time up front to map that movement out, you will make more holistic decisions about where to invest your energy.

## 4. How does your marketing analytics data inform your next decision?

We all understand the premise that we need to invest where things are returning well. This is most commonly applied in performance marketing, but all of our marketing efforts demand the same closing of the loop. Marketing analytics can help us close the loop as it relates to our marketing efforts and investments. Instead of assuming some channels always work, or that some channels are never going to work, you should be testing where and how you spend your time, and prioritizing next quarter's investments accordingly.

This is most easily applied when it comes to staffing and budgets spend, but what about time spent on researching new tools, new processes, creating new tests, and designs? Are you giving your time to the right channels? Marketing analytics helps us get to the bottom of that, and because of it you can make your next move a fully informed one.



## CHALLENGES IN IMPLEMENTING MARKETING ANALYTICS

There are quite a few common challenges people face when trying to invest in marketing analytics. Here are a few we've found, and tips on how to avoid them.

### Set it and forget it dilemma

We've all done it. You hear about this new cool analytics tool. You set it up and start collecting data, but you never quite circle back to see how things are going and what it's telling you. Or, worse yet, we receive weekly reports sent to us but we fail to interpret the data for valuable insights. It's the "set it and forget it" dilemma. Marketing analytics expects more. To do it well, you need to be testing both new channels and new tools to track their success, then set aside time to dive into the data. A key piece to successful marketing analytics is to be proactive and constantly pushing the limits on the process behind your decisions. It takes time. Marketers are strapped for time, but this is time well spent.

### Thinking it's a CMO's job

A common misconception around deciding how to grow a marketing program is to think it's solely the CMO's job to do so. Instead, we should look at it as every marketer's responsibility to know how their efforts are returning and what to do next. This should back out to a roadmap for your channel or job responsibilities. If you leave it to the top of the organization, you often get a very disconnected roadmap. It should be a joint conversation.

### Failing to evangelize the wins and losses

One of the most common mistakes we fast-moving, highly caffeinated marketers make is failing to evangelize the results of our efforts. To make marketing analytics part of your team's culture and place it in the forefront of your company's mind, you need to be sharing how things are going on a regular basis. Rather than tell them you "use inbound marketing to attract community members," you can talk about the specific campaigns, content pieces, and efforts. Show them which ones are working, and which ones need work. Ask for ideas and feedback. By getting them involved, they will be more invested in seeing it succeed.

## STEPS FOR SUCCESS IN MARKETING ANALYTICS

Marketing analytics can be achieved successfully by following these three steps:

- Use a balanced assortment of analytic techniques.
- Assess your analytic capabilities, and fill in the gaps.
- Act on what you learn.

## CONCLUSION

If your business is one of the many that's struggling with a gap in analytical capacity, it's time to have a frank internal conversation about which data gaps can dramatically improve your business. Start by evaluating your current data state, what metrics you should be tracking, and what cultural impact adding data to your process is likely to have. Then you'll be ready to take a deeper dive into understanding different analytical resources and technologies available to you. While we think marketing analytics is critical for a successful marketing program, it is not said that it should replace your web analytics. It is the combination of the two that set a team up to succeed in marketing programs.

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