

Implementing data-driven marketing

 By [Lauretta Ngakane](#)

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In August this year, the DMASA (Direct Marketing Association of South Africa) welcomed Pegg Nadler to give two one-day workshops on data-driven marketing.

Pegg hails from New York and has been a consultant in marketing databases for 17 years. Before that she headed up the marketing database at the Smithsonian Institute; Phillips Publishing International, and the Consumer Reports Magazine. Her global experience is unique as are her insights into the future of effective marketing. FNB generously sponsored her trip to SA.

Explosion of data

The workshops looked at how data-driven marketing has rapidly evolved over the last decade and where it is likely to go in the future. So, why use the term data-driven? Pegg points out that today there has been an explosion of data generated from a vast array of sources, from the traditional marketing lists produced by list brokers; to CRM and loyalty-card data; data provided by consumers on social media, and in-company data from non-marketing sources, including, of course, employee data. This goes beyond traditional interactive & direct marketing.

The challenge is to be able to bring this data together and to legally exploit it for marketing in an effective and efficient way. As Martha Bush of Sigma Marketing said "It's not the data - it's what you do with it that makes the difference", and in order to do the right thing companies must create internal data governance policies which cover information security, transparency, choice, understanding of the core business, stewardship within the company, and ownership. This policy can be seen as setting the "data culture" of the company, including data hygiene and avoidance of data silos.

There also has to be a well-thought policy laid down by the marketing company on how often data is used. Mailing a consumer with a variety of offers too often usually becomes a nuisance and then spam and before you know it, the customer has opted out and the company has lost a valuable client.

Today companies are looking at the lifetime value (LTV) of their customers to ensure that they retain them as loyal customers. The old adage that 30% of your customers provide 70% of the turnover remains as true today as it was in the past. The tools to leverage that and ensure that the consumer remains loyal are to be found in the professional use of data-driven marketing including analytics and data assessment to identify core customers and to predict their lifetime value.

Marketing performance

In order to ensure that the various sources of data are used effectively the Chief Marketing Officer (CMO) has become the main purchaser of new IT solutions, and the choice of solutions has grown expedientially.

Pegg also pointed out that to thrive in marketing today it is essential to build a strong database marketing operation in your company, which includes understanding staff roles and skill sets. This also required top management commitment, without which the tools needed in terms of specialised software and analytics/segmentation, would not be made available.

At the end of the day, Pegg pointed out that the customer is becoming increasingly sophisticated and empowered thanks to the information available on the internet and social media. If marketers fail to recognise this, and fail to take action to ensure that their customers remained loyal, customers would quickly drift away.

Marketers should therefore continuously ask themselves a few key questions - are you looking at the full picture to understand your marketing programme's performance? Are you spending enough time on the front-end and back-end analysis? Do you have the right players in your data-driven marketing team? How can you improve the data, systems and tools to ensure your database marketing is effective? And do you have support of senior management?

ABOUT LAURETTA NGAKANE

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