

# *Making Sense of Data:* Creating a Structured Digital Measurement, Reporting, Testing & Optimisation Framework.

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*“If I had more time I would have written a shorter ~~letter~~ presentation.”*

Mark Twain

# What I'll try and cover

1. The Macro and Micro Context of Analytics – [Slide 4](#)
2. The Reality of a Marketers world – [Slide 26](#)
3. Introducing and operationalising a Digital Measurement Framework – [Slide 32](#)
  - Revenue Performance Management via Marketing Automation – [Slide 40](#)
  - Search Measurement – [Slide 104](#)
  - Long Tail Advertising Performance Insights – [Slide 120](#)
  - Social Influence (Media) Marketing Measurement – [Slide 123](#)
4. Qualitative vs Quantitative Analytics – [Slide 133](#)
5. Optimisation – [Slide 169](#)
6. Developing a Digital Taxonomy – [Slide 175](#)
7. Key takeaways – [Slide 195](#)

To be successful with analytics we must first understand the Macro and Micro Environmental Picture....

# Senior executives now want businesses run on data-driven decisions.\*

These expectations can be met – but with a caveat.

For analytics-driven insights to be *consumed* – that is, to trigger new actions across the organisation, they must be:

1. Closely linked to business strategy
2. Information must become easier to understand and act upon
3. Embedded into organisational processes to take action at the right time

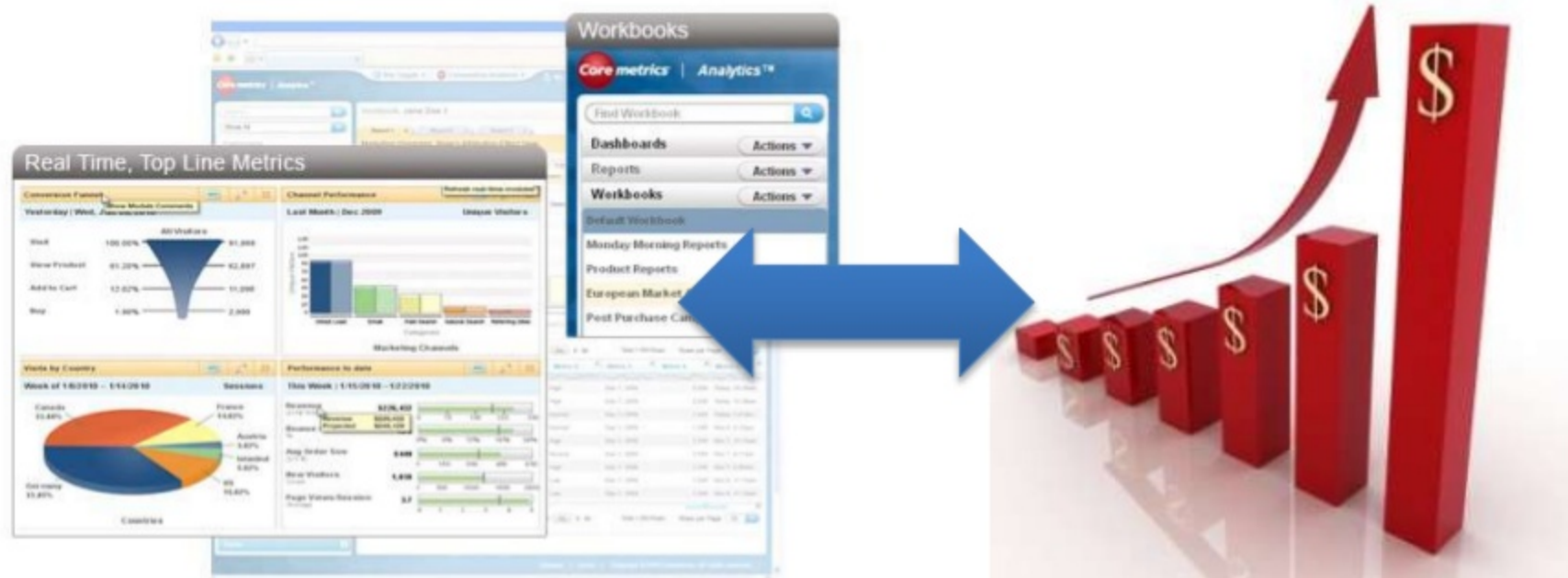
Each year marketers stake their reputations on digital marketing programs and online activity.



And yet the marketplace is glutted with Digital measurement tools and applications.....



So, why is there such a disconnect between digital analytics tools and business results?






# Macro Environment: Key Finding 1

*Good news: Analytics correlates to performance*



3x

Organisations that lead in analytics outperform those who are just beginning to adopt analytics



5.4x

Top Performers are more likely to use an analytic approach over intuition

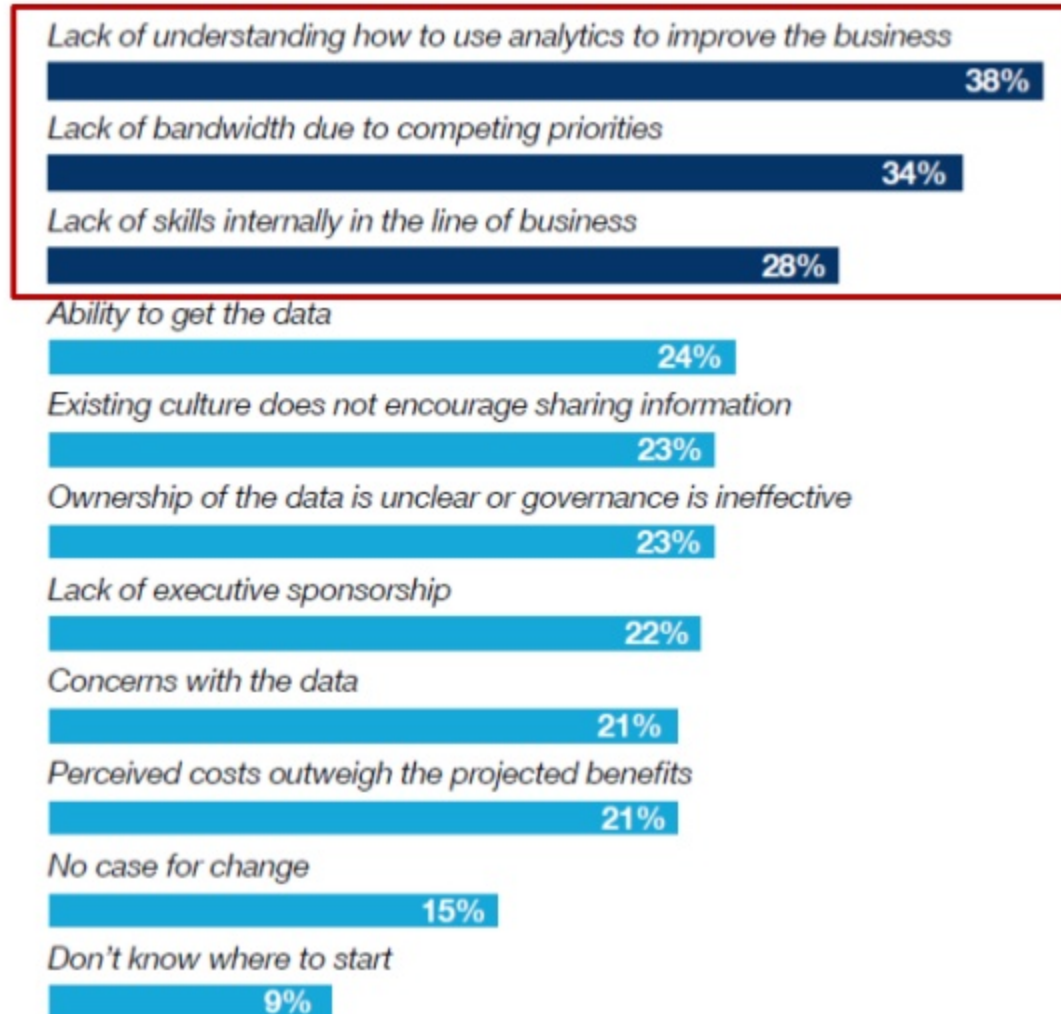
*\*Source: "Analytics: The New Path to Value."  
MIT Sloan and IBM 2010*

# Why Data Matters: Extracting Insights, Making Better Decisions



# Macro Environment: Key Finding 2

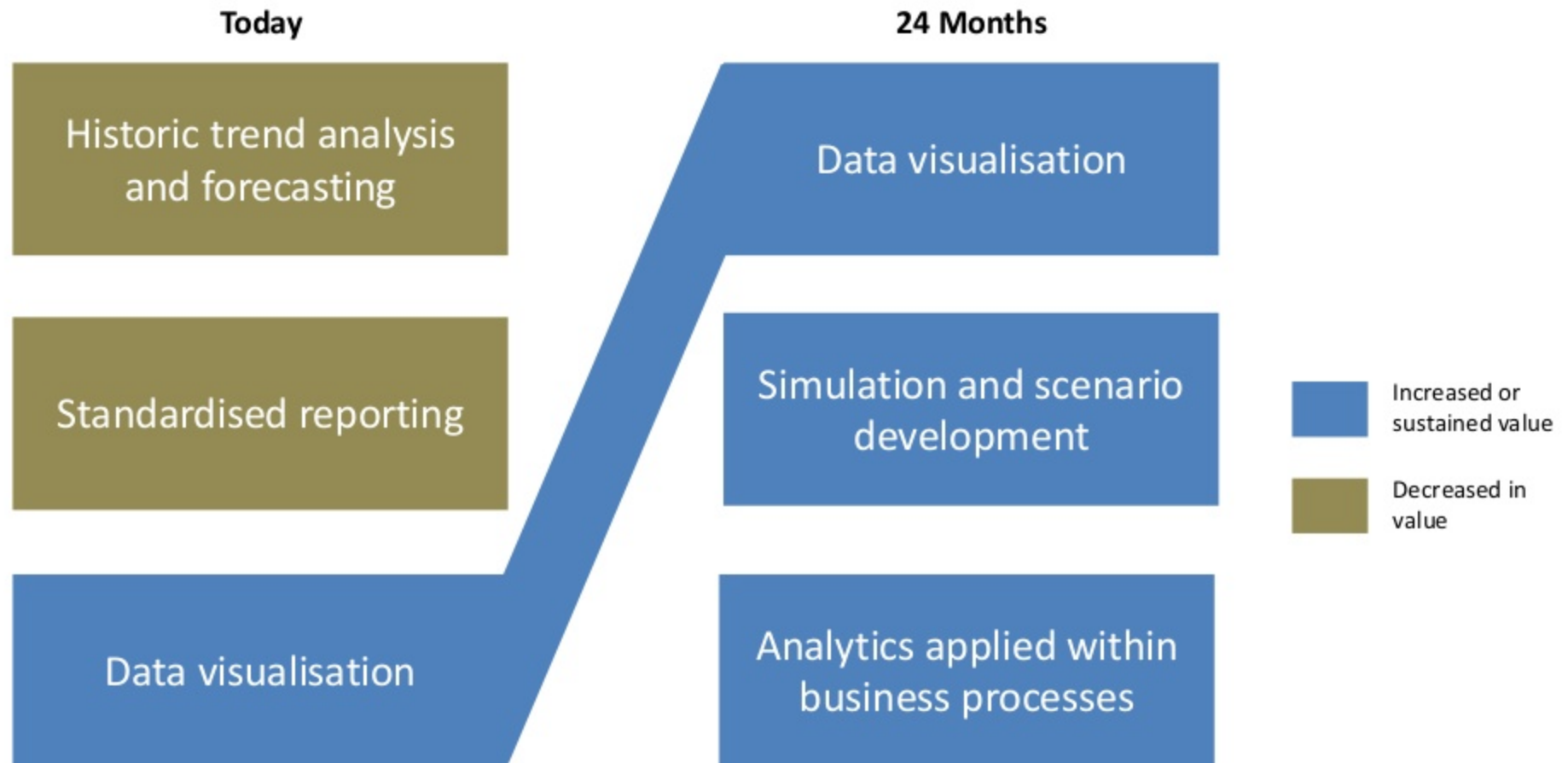
*Organisational, not data or financial concerns, are holding back adoption*



\*Source: "Analytics: The New Path to Value."  
MIT Sloan and IBM 2010

# Macro Environment: Key Finding 3

*Organisation want to 'see' insights more clearly and act on them*



*\*Source: "Analytics: The New Path to Value."  
MIT Sloan and IBM 2010*

# Macro Environment: Key Finding 4

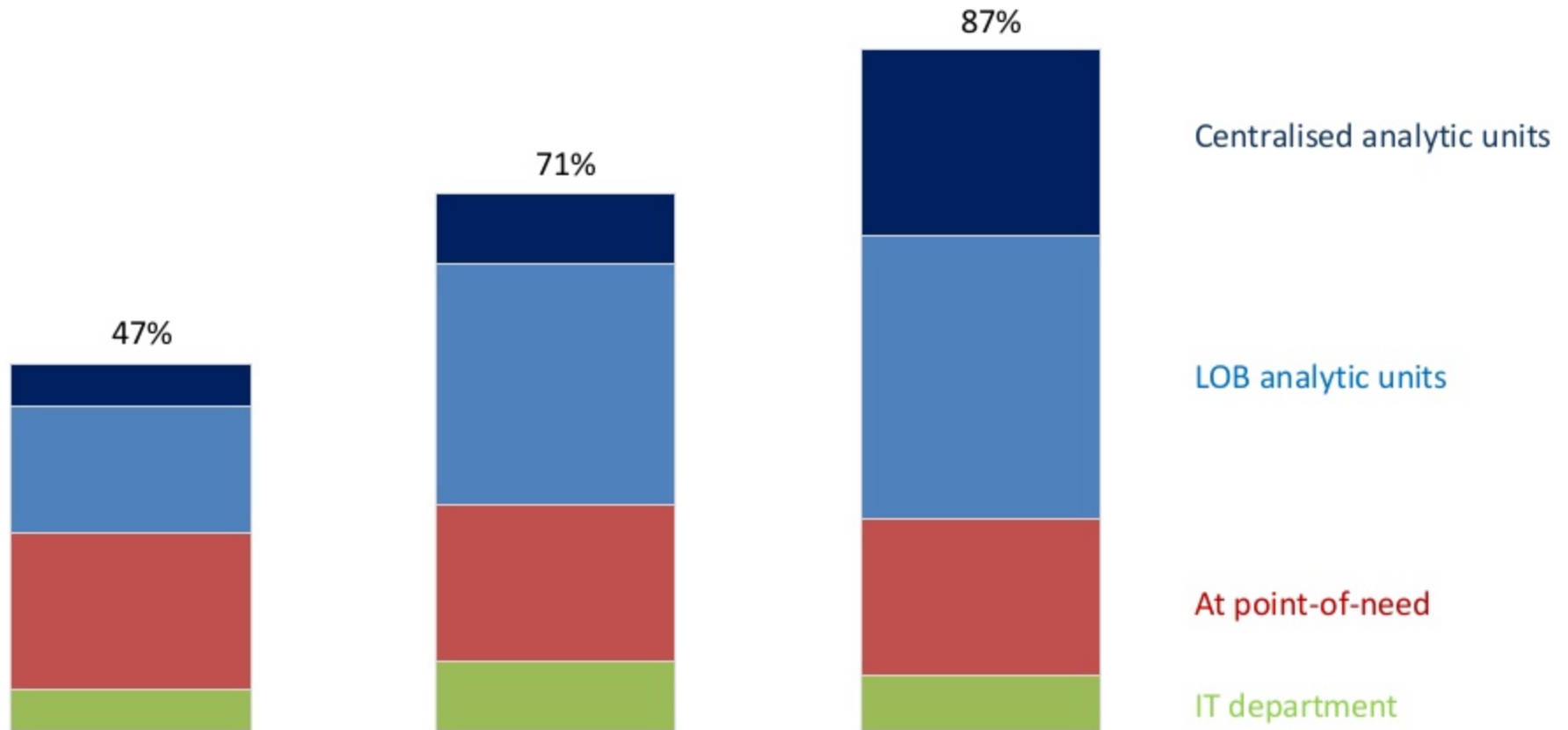
*Analytics use propagates across functions in a predictable pattern*



*\*Source: "Analytics: The New Path to Value."  
MIT Sloan and IBM 2010*

# Macro Environment: Key Finding 5

*As adoption spreads, there is a growing demand for a greater variety of skills and deeper expertise.*



*Note: Chart combines responses to two questions. Percentage figures at top of bars reflect respondents who answered "frequently" or "every day" to the question, "How often do you use information and analytics to inform your actions and support decision making in your day-to-day role?" The height of coloured segments within each bar reflect respondents' answers to the question, "Where are analytics primarily performed within your organization?"*

*\*Source: "Analytics: The New Path to Value."  
MIT Sloan and IBM 2010*



# Micro Environment

## Marketers Perceptions vs Reality

Most companies have not established a framework for customer value and customer experience as key performance indicators .\*

- Marketers overestimate the extent of their customer-centricity.
- Marketers overestimate their measurement capabilities.
- Marketers overestimate the scope of their customer segmentation.

# Marketers Think They Are Customer Centric

Most organisations want to think that they put customers first, but in reality most are structured around products, services and line of business.

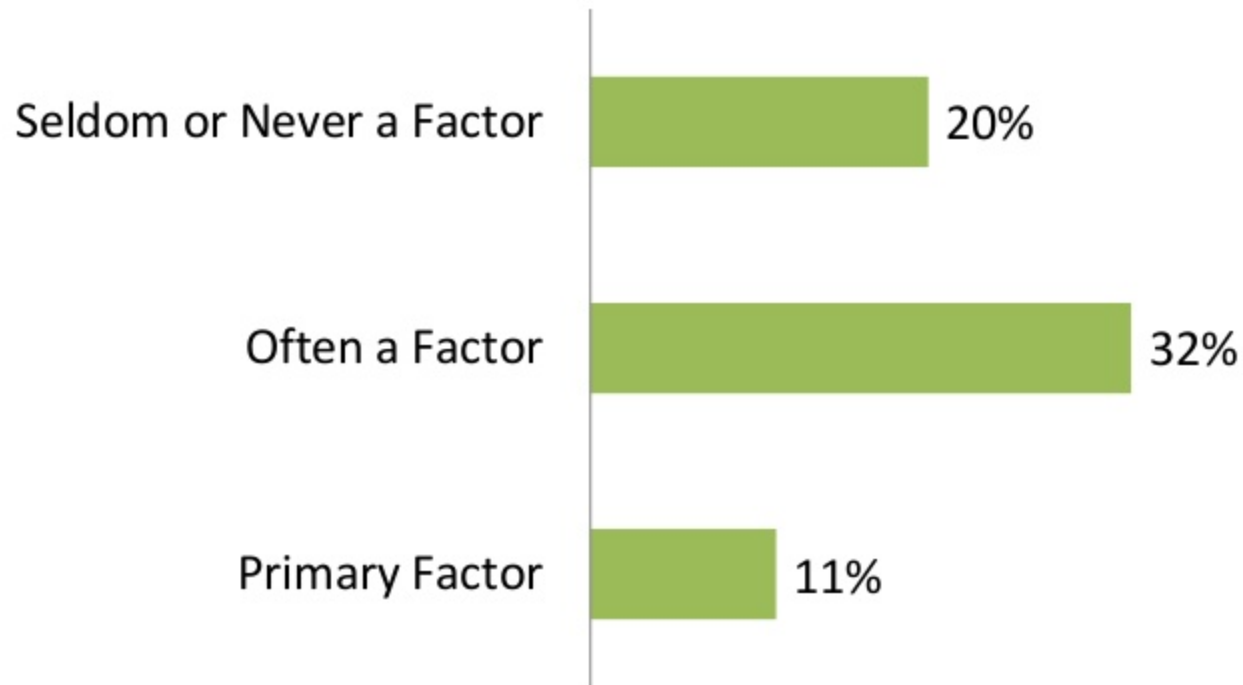


*\*Source: "Integrated, Customer-Centric Marketing. Exposing Marketing's Delusion."  
Forrester, August 2009*



# Marketers Think They Are Customer Centric

Very few marketers use *customer engagement* as a primary factor in their communications.



*"We struggle to measure customer engagement. We don't have a system to manage it, in part because nobody has singular responsibility for managing it. Unfortunately, it's just not a priority."*

Senior Marketer at a high-tech company

# Marketers Think They Are Customer Centric

Only half calculate customer value and fewer still, use it beyond marketing.

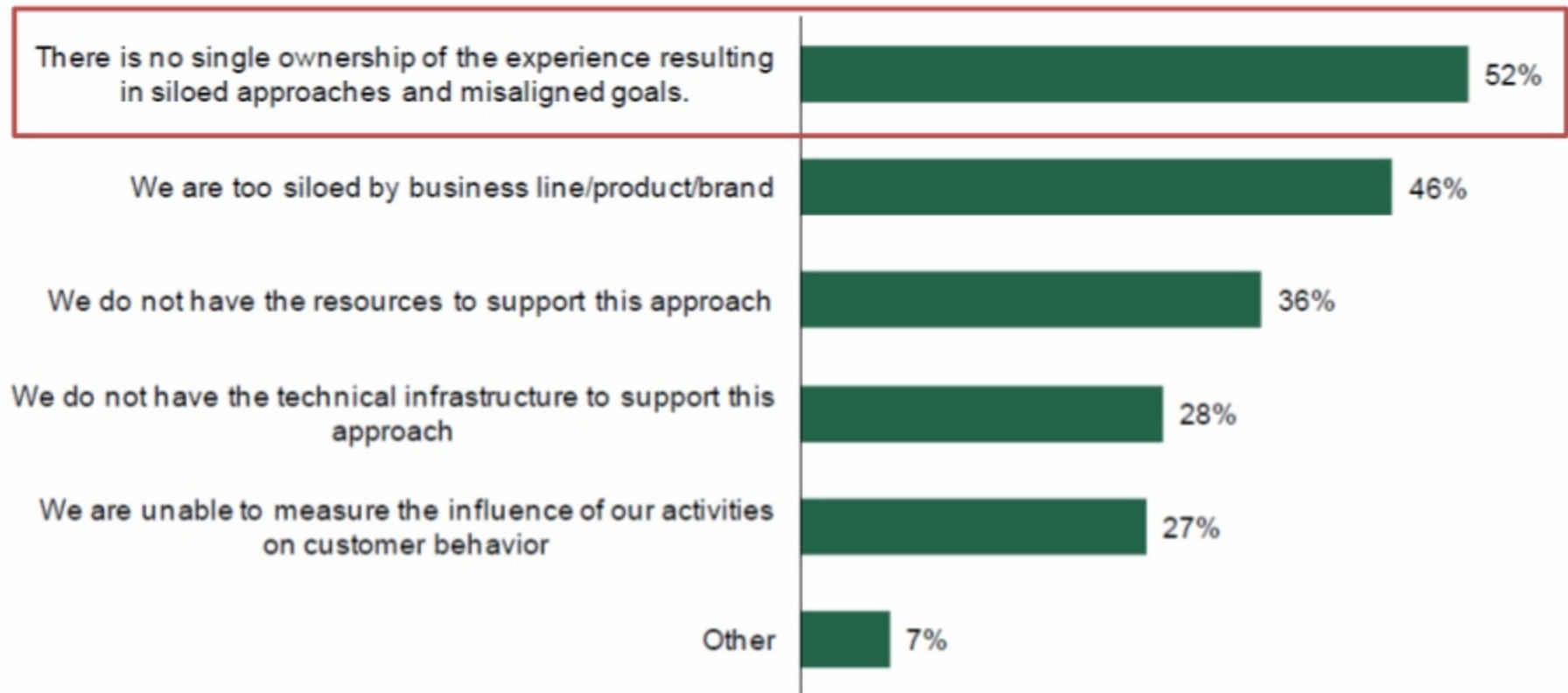
- 50% say they have a customer value metric such as Lifetime Value (LTV).
- 29% that have a value metric say it is not consistent throughout marketing.
- 31% say that they are unable to measure incremental impact of their marketing on customer value.

*"We measure profitability where we can, but we are only starting to tackle what a customer lifetime value metric might look like. Historically, our business lines have been too separate – the concept of value for each was very different – but we are starting to bring those perspectives together and are thinking about how to calculate lifetime value at a household level."*

A senior marketer at a financial services company.

# A Siloed Approach is the Greatest Barrier to Adoption of a Customer Management Approach

**“What are the biggest barriers preventing you from adopting an integrated customer management approach (or what were the biggest barriers you overcame in adopting this approach)? (Select all that apply)”**



*\*Source: "Integrated, Customer-Centric Marketing. Exposing Marketing's Delusion."  
Forrester, August 2009*

# Marketers Believe They Consistently and Systematically Measure Marketing

**55%** of marketers say that they use a standard or consistent framework to measure all marketing activity.

But.....