MAKING SENSE OF THE MARKETING DATA MESS AND ADVANCING THE ANALYTICS ADVANTAGE

INFORMATION OVERLOAD

It is said that "by 2020, around 1.7 megabytes of new information will be created per second for every human that is on the planet". Apart from that, we will also be "performing 40,000 search queries every second on Google, making 3.5 searches per day and 1.2 trillion searches per year". With the increasing amount of data humans are handling, analytics comes in very handy in helping to find meaningful patterns and drawing a conclusion out of these data. It is no doubt that analytics is providing a competitive edge for industries across the board with faster planning and better decision making, ultimately contributing to business growth and predictability.

INDUSTRY WINNING WITH INSIGHTS

Often times, struggles were faced in knowing what kind of data to analyze and how to form the link between those data in order to make a constructive impact on the business. Thankfully, with the advancement of technology, there exists tools and software which helps businesses in solving this pain point easily. While all industries stand to gain benefit from the use of analytics, e-commerce is said to be one of the leaders in industries that is gaining the most out of it.

With the use of analytics, e-commerce businesses are able to have a deeper understanding of their customers' habits and preferences. For instance, predictive analysis of pricing patterns and customer sentiments allow businesses to gain insights on the highest price a customer is willing to pay and decide on the most favorable pricing. Customers can also be shown with recommended products based on analysis of their shopping history and browsing pattern. Relevant product recommendations are becoming a primary factor in the success of e-commerce business and it is playing a part in driving a healthy conversion rate.

WHAT DOES WINNING MEAN

Winning means keeping score, and keeping score requires a scorecard. Yet in our experience, few marketing organizations are able to quantify and communicate their contributions to such critical corporate goals as raising revenue and increasing brand recognition and advocacy. It's not for lack of actual success. Today's paradox is that with an unprecedented amount of data, tools, and analytics at their disposal, marketers are finding it more and more difficult to demonstrate the value that they create.

A CASE FOR BETTER ANALYTICS
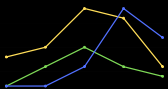
Identifying your target audience is of paramount importance when it comes to reaching out and connecting with the right customers. With improved targeting, businesses get to enjoy the advantage of having profitable campaigns and stronger returns.

An e-commerce company identified the opportunity for a positive change when it realizes campaigns could be much more optimized if they are able to know which customers would most likely return and purchase again. Leveraging on analytics along with the complement of technology in machine learning, historical data was analyzed and the company was able to come up with a list of customers with high probability of purchasing within a month. With a focused group of customers to target, the company benefited from it with a 60% reduction in their cost per acquisition.

Sources: Forbes, Medium

transformation
ACHIEVING GREATER HEIGHTS

In recent years, a large number of traditional retailers such as groceries, drugstores, apparels and speciality stores are struggling to maintain revenue growth and profitability. In most matured markets, they are facing intense competition from online retailers, as consumer buying behaviour and journey evolve. With data growth explosion, translating consumer data into actionable commercial insights has helped many retailers to capture growth regardless fierce competition. Here are some of the examples:

Retail Optimization: Having to develop a data strategy to improve customer experience will accelerate revenue growth through data driven assortment optimization. This will help the organization to meet the needs of your most valuable consumers. Customer loyalty analysis will involve analyzing customer frequency or penetration into high priority customer segment. By analyzing customer 'switching' behavaviourr, retailers can identify which SKUs value adds or not. A European retailed reduced its assortments by 10% across 100 categories while margin improved by 1% point.

Improve pricing strategy and promotions: Retailers can use market basket analysis to understand how price perception by customer segments and price accordingly to consumer trend. Retailers can also design promotions based on the analysis of the impact of past promotions onto current customer behaviour. A supermarket chain was able to increase returns on promotion by 3-5% after such analysis.

Customizing marketing promotions and activating online customer base: Based on consumer's past behaviours, retailers can tailor promotions to customers. Big data can also help retailers to improve return on investment against their online ad spend with targeted content and promotions. Based on consumer profile, an Asian retailer used big data to send customized coupons to vast number of customers. This has helped to different their marketing promotion from their competitors, resulted to a 3% point lift in same-store sales.

Investing in data analytics talent be it in-house or outsource is crucial to generate actionable insights in a timely manner and maximise your online & offline marketing returns. A specialty retailer has used a heat map to assess its strengths and weaknesses in using data analytics. The heat map has helped the company to identify and prioritize opportunities for investment and turned insights into profit.

USING DATA TO MAKE BETTER DECISIONS

01 Retail Optimization
Develop a data strategy to improve customer experience

03 Customizing marketing promotions & Activating online customer base
Leverage big data to differentiate your marketing promotions from your competitors

Retailers can translate consumer data into insights by having a mindful data strategy

02 Improve pricing strategy & promotions
Retailers can use market basket analysis to design promotions in tandem with consumer trends

ENGAGE WITH US TODAY!

If you're looking to transform and stay competitive, please feel free to find out how our marketing & sales transformation programs could help you.

For more information please go to: https://www.vktransformation.com.

We would also like to learn about your vision and priorities over a cup of coffee, as well as explore how we can help you achieve your business growth ambition.

Reach out to us on our website and feel free to share our newsletter!

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