

Never more true, garbage in garbage out.

Part of the Anderson Baillie Improved Data Management Series

Your company, in common with all others, has one asset that if maximised will lead to business success. It is the business information you hold describing your customers, their habits and preferences.

Managing that data, no matter whether as marts or warehouse, will be fundamental to your customers satisfaction, marketing campaigning success and overall business strategy.

There's no such thing as junk mail

There is a groan each morning, from every household and business throughout the country – often followed by endless colourful metaphors regarding 'junk mail'. It has become part of our national language and a derogatory term used to generally tarnish all forms of promotional mail. In more recent internet times, the business world is experiencing even more intrusion from 'junk email' known more commonly as 'spam'. But what is junk mail?

As a mail item it is probably sound, well executed and highly creative. Certainly, it will have cost plenty and will have been logistically executed with the deftness and dexterity of a military operation. So why are they hated by the recipient?

In 99% of occasions, it is because the recipient didn't want the promotion or correspondence in the first place. So we should all stop calling it junk mail and refer to it as misdirected mail!

Admittedly, there may have been some effort to segment generally or profile the audience but as a method of communication it is clearly failing, judging by the polling of recipients recently.

Indeed it seems, that to get the title wrong, spell the name incorrectly and generally send the mail piece without first considering the proposition's validity; all helps to create a piece of junk – sorry misdirected mail.

It rarely leaves a good impression and in many cases results in the mail item being sent to the bin without even being opened.

Design agencies, to counter the execution of 'mail direct to the bin' – rather than reaching for the issue of data quality or quality segmentation – instantly think of putting the proposition all over the envelope (just in case!) and yes, this hits the bin with the same gusto resulting in a poor return on investment with little or no business generation.

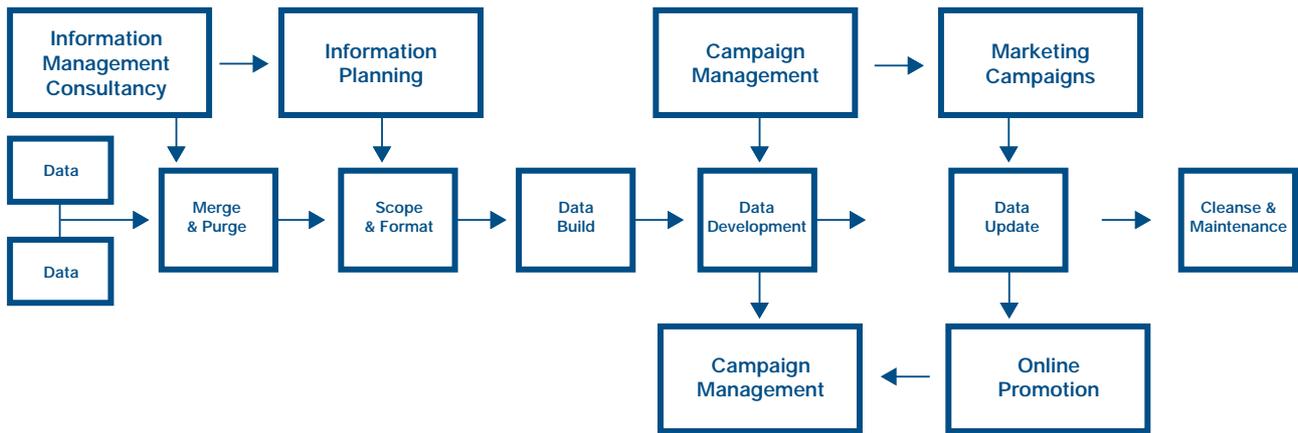
So, if the message position doesn't change things, it has to be the quality of the data and the proposition's strength, which is the foundation of marketing success. However, if – as research has demonstrated – you get the basics of data and content wrong, then even this strategy will completely fail.

It's a matter of getting the data structure right

Before going any further with this discussion paper, one thing must be cleared up. Data isn't an IT issue, it's a business issue and as marketing professionals we are probably one of the heaviest users and, therefore, have a greater responsibility to pursue data quality excellence.

The secret to getting your data right, is a passion for accuracy and the deliverance to keep quality at the forefront. It's all well and good cleaning your data once a year, but what if your audience changes jobs three times in that period? Getting your data right and keeping it to a high standard is all a matter of process and sustained dedication.

When considering a data management strategy during initial audit, you should consider 'target market churn' – how often the data will change through natural rotation and match this with a cleansing, as well as a data acquisition policy for new information and/or new target customers.



Creating a foundation layer within your data

Start by considering a foundation layer through auditing your current databases, what information is required, superfluous and more importantly missing? Try and gauge the level of data corruption – complete or partial – and begin a process of purge and merge to reduce the duplication throughout the database.

Where possible, begin to profile and group data under marts or warehouses. This improves performance and permits closer profiling to improve the marketing process.

Where poor data or no data is apparent, consider third parties for additional information. However, do not take their 'quality' word for granted – importing more infected data into a partially clean database makes things worse, not better.

So, always test sample and if necessary, purge and merge new data against a 'dummy database' prior to full import. This later exercise will at least give you an option to reduce your costs by only purchasing 'new' data. As for quality – simply get it cleaned where possible before final merge and don't forget to check by more than just the postcode and include telephone numbers or fax – the latter is now proving more useful for business to business communications as this is often a dedicated number and not a DDI.

Having established your foundation layer for data – or at best a framework, consider further what promotional data you will need, which when added to core contact information allows you to profile, segment and drive campaigns more accurately.

Even more importantly, this profiling information allows you to begin modelling who may or may not be interested in your proposition – business intelligence modelling or propensity modelling for projections or forecasts. On a more basic note, you can now start segmenting more easily and use a greater number of filters, allowing you to focus your promotional campaigns more accurately.

At this point you are now presented with the option of creating a single view of the customer environment.

Is it possible to have a single view of the customer?

In short yes! The only problem is cost and for many organisations the benefit doesn't out way the total investment, as they not only have to be intuitive with their data integration, but they also need to have the creativity in their marketing to exploit this new business benefit.

A single view of the customer is an architecture whereby all known data sources are drawn together to create a complete and perfect profiling of your customers as prospects, their past buying habits, contracts in action, disagreements – the entire history of interaction from all the channels of your business.

A single view can show what your customer has bought, it doesn't demonstrate to you what they want – it's a matter of interpretation and a yearning to make new compelling propositions, which introduce new revenue streams to your business.

More importantly, if your data is out of date or incorrect, your single view of the customer could equally be false or simply distorted historically, so when marketing uses this for targeted mailing, a poor image is gained of your company or its ability to understand their customers buying behaviour.

Marketing programmes flounder with poor data

It is clearly beneficial to have the basic contact data right such as name, address and title or telephone numbers. This at least demonstrates a basic quality to the customer or prospect and doesn't switch them off before even engaging with your communications or media.

However, what is not so often clear is the impact profiling data can have on campaigns – mail to all, 'buck-shot' style or highly profiled and targeted to a single individual who has a given preference.

This latter approach in many cases called 'one-to-one marketing' requires a much deeper understanding of both customer and prospect. Often this understanding takes your foundation layer further by adding 'What if...or would they like...?' options through propensity modelling and sophisticated approach to segmentation. This is an advancement upon traditional segmentation, where basic filters provide the targeting to a given hypothetical need or demand. Propensity modelling means that you can interrogate your data before campaigns take place and suggest propositions or product bundles directly to the data audience to see what response you will have. As a weighted average it will be possible to see changes by fine tuning or moving to a different market sector or region.

Marketing programmes without segmentation will become too costly to continue with in the long-term. They will rarely return high levels of investment returns and branding will become diluted or even damaged through irritation at a customer level.

This means marketing teams must now consider what is beyond traditional segmentation and grasp the opportunities modelling and business intelligence will have upon their campaigns to improve results and reduce the 'noise' generated through over communicating to a finite audience.

And what of business intelligence, can we develop analytical marketing?

We have already propensity modelling but what options are available to marketing through the entire business intelligence model?

For many 'slice 'n dice' is sufficient – your datamarts or warehouses broken down by simple filters. For example, all IT software vendors in the EMEA region that use Microsoft BizTalk. Simple filter layers for IT, Software, EMEA Microsoft and BizTalk, which slice the datamarts apart resulting in a basic group of companies for targeting the proposition.

Then you have the option of modelling which allows you to then suggest to this layer of data 'who would like... or what would their reaction be...?' This option is only possible when you have previously asked these organisations questions, which either provide this data directly or indirectly.

This data gathering exercise is expensive. So it is better to approach the data gathering exercise from an Analytical Lead Development (ALD) approach. Adopting this approach to your marketing campaigns and research moves traditional marketing into Analytical Marketing Techniques (AMT). AMTs are more cost effective and reduce risk through pilot trial which based upon their results are then delivered as full blown marketing exercises.

What is Analytical Lead Development?

Put simply, it is a way of getting valuable market research and re-usage of the results to improve the effectiveness of other marketing activities e.g. new product launch, promotions, sales engagement, new market penetration or changes to a product life cycle.

The research is used in two ways so you halve the investment cost and improve the returns upon investment. The data is stored as part of your profiling datamart – so always craft questions either online or direct to produce information which can be used at a later date for additional marketing programmes.

At the same time, this very same research may be promoted as an event to demonstrate demand for the proposition being tested. A double if not triple 'wammy' for those with new promotions as not only can you use the data in two ways, you also generate a pipeline to support your research efforts.

Data is not an IT thing but a business asset

If anything, this white paper should have demonstrated one simple fact. Data is a business asset, you market more effectively by it and support your customers better through a complete understanding of their behaviour and history. As for new business development, data reduces the cost of marketing or improves the effectiveness of campaigns by controlling their size and the intensity to the audience that is most interested in the proposition on hand.

What should now be of concern is where to get the best data management approach for all of your datamarts and warehouses. Fail to get the best partner (in most cases far better than in-house management) and your campaigns and business success is ultimately jeopardised.

Further reading

Seeing the Wood from the Trees – Introducing Intelligent Lead Generation Programmes.

An introduction into research led lead generation programmes for more business issue specific marketing and proposition development.

Notes about the Author

Anderson Baillie provides its client base with integrated marketing solutions and Business Growth consultancy.

Anderson Baillie has developed its own methodology of strategy development through to communications planning and deployment for companies operating throughout Europe.

Data Management and Analytical Marketing Techniques are Anderson Baillie Research Solutions.

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