Best Practices for Creating an Analytics Driven Marketing Organization

7 Secrets From Award-Winning Brands

Each year, the ANA Genius Awards for excellence in marketing analytics recognize the best, brightest, most innovative and most impactful work in marketing analytics today. In past years, winners and finalists in this prestigious award program (which is presented by Neustar MarketShare) have included such companies as Intel, Fidelity, LEGO, Citrix, USAA and C Spire. In this report are seven best practices for building an effective, analytics-driven marketing organization gleaned from some of the past award winners.

1 Gain Wide Internal Buy-in: The Best Don't Go It Alone.

How do you gain that internal buy-in? What are best practices for bringing in a wider group?

A FEW LEARNINGS

APPROACH EVERY LEVEL OF THE ORGANIZATION. That's one of the key lessons from Intel. Their analytics team provides clear and simple presentation materials in customized packages targeting one senior Marketing and Finance executive at a time. In addition, the team reaches Intel's marketing community by integrating key insights gained through analytics in executive keynotes, short videos and training sessions. Also, the team engages with key marketing stakeholders to ensure their questions are addressed as analytics models evolve.

GAIN CROSS-ORGANIZATIONAL GUIDANCE. One best practice that Citrix points to is the creation of a cross-functional, global team that meets regularly, reviews the data, and advises next steps.

KNOW THE DATA YOUR STAKEHOLDERS WANT. As a leading research firm wrote in a case study about USAA, one of USAA's key wins was understanding what Finance wanted from the analytics project. That agreement up-front laid the foundation for cooperation and joint planning on which marketing programs were working, and which were not.

INVITE THE TOUGH QUESTIONS. The case study also noted that USAA's analytics team invites questions and challenges, which builds confidence in the model and leads to broad support.

2 Ask Smarter, More Precise and Tougher Questions

Asking the right questions means being more exacting about how measurable your marketing analytics questions really are, and braver about what you'll do with your learnings. Two key quotes:

"Keeping our analytics in a cycle of model/ test-learn-pivot gives us the confidence to challenge ourselves even if we are uncomfortable."

– Citrix

"If you can't measure the outcome, you need to ask yourself if you should be doing this at all."

– Justin Croft, former Manager, Brand Platforms & Analytics for C Spire

3 Buy/Build Smarter Technology

How should you think about the technology you're exploring? Here's how USAA thought it through.

Key Qulaifications	Criteria for USAA's Marketing Mix Partnership
Business Fit	Experience with complex product portfolios Strategic perspective to advise on next dollar investment across media, marketing, product, and service opportunities.
Data Integration	Marketing: direct response, media, and digital Call Center: volume, applications, and accounts won/lost External: competitive activity and macroeconomic conditions
Tool Functionality	Accessibly of the tool across functional groups, with ability to share results with executives down to marketing managers
Optimization Approach	Ability to predict and forecast results from different mix scenarios
Metric	Contribution to marginal revenue by medium/ channel

4 Validate the Results

It's not enough to get interesting insights—you need to validate learnings to know if you're right. Intel and Neustar MarketShare, for instance, combine "stats and sensibility" to validate learnings.

Top analytics-driven brands strike a balance between marketing sensibility and statistical fit. In checking the sensibility of the results they do the following:

- Check for acceptable measures in marketing contribution, source of volume change, and relative effectiveness of each touch point (coefficient).

- Conduct sanity checks against known business truths and existing knowledge.

- Look at mean absolute percentage error (MAPE) and t-statistics to gauge statistical fit.
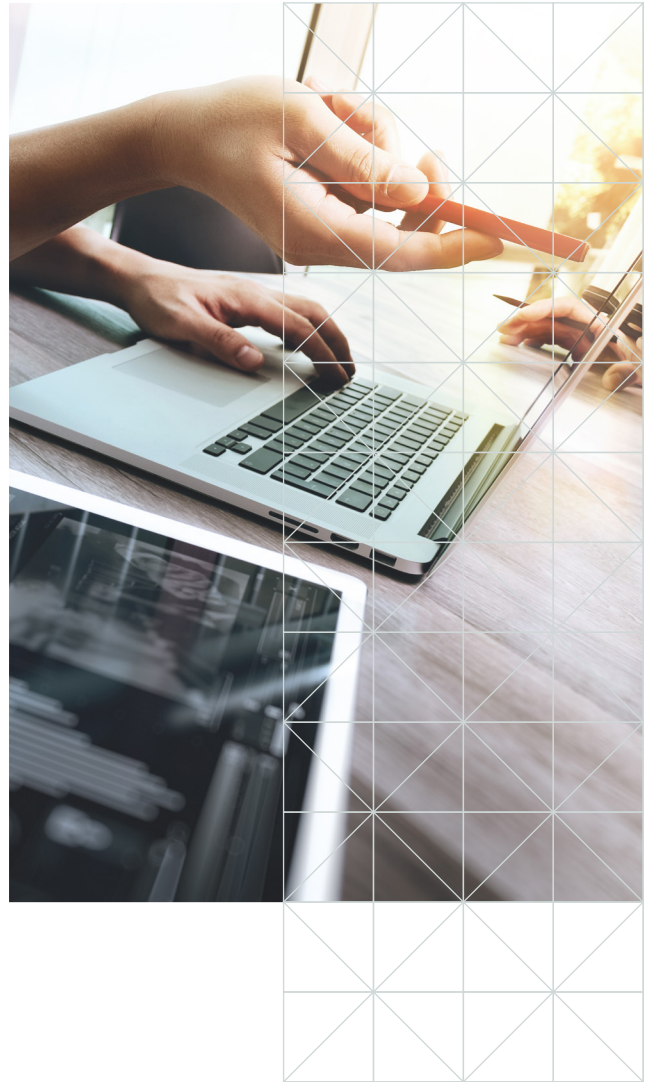
5 Make Unprecedented Connections

One commonality among many analytics-driven brands is the ability to make connections from one business group to the next—or one business to the next.

- Citrix looks at halo effects.

- Intel looks at the impact of ingredient brands.

- C Spire carries marketing insights across multiple departments, like customer service and sales (as the analytics program guides touch points including the 1-800 number, email, text marketing, mobile apps, and retail POS).

6 Go Agile: Rapid insights Allow for Faster Pivots

The obvious example here is using digital insights to guide programmatic buys, but it's hardly the only one. Rapid, analytics-based insights allow for pivots in traditional media buying as well. From USAA in the Case Study:

"We literally make decisions week over week based on performance. For example, we have created the agility to shift dollars from national TV to local markets when a specific designated market area is outperforming"

—USAA

7 Get Results

In the end, results are what get attention internally. Here's a sample of the kinds of impact that marketers have seen.

- USAA's Applied Analytics team surged from selling nine percent of its products from marketing investments in 2008 to 29 percent.

- Incremental marketing investments in 2013 generated more than $100 million in revenues for Intel. The marketing mix optimization that it drove generated from 1% to 3% increase in sales contribution from marketing in one year alone.

- Within six months of its new analytics program, Citrix saw a 5 percent lift in sales and a 465% return on its investment.

- C Spire increased the effectiveness of retention campaigns by 50%. Additionally, the integration of predictive upsell campaigns delivered the equivalent of an additional 3% of sales with no additional distribution costs or employees.

About Neustar.

Neustar, Inc. (NYSE: NSR) is a global information services provider offering marketing, risk, security and communications solutions. As the leader in Connection Science, our mission is to help clients grow and guard their business with the most complete understanding of how to connect people, places and things using authoritative identity. With our commitment to privacy, security and neutrality, Neustar Marketing Solutions helps clients make better decisions about their customers, understand their customers better, activate their customer experiences and manage all of their customer data. Powered by Neustar's OneID system for authoritative identity, our Marketing Solutions include Data Onboarding, Customer Scoring and Segmentation, Audience Activation, Identity Data Management Platform and MarketShare Advanced Analytics.

More information is available at

www.neustar.biz