Let Your Data Take the Wheel

Data-Driven Marketing - An Agency Perspective

SharpSpring

This white paper covers:

- *The Age of Relevancy and Personalization*
- *A Defense for Data*
- *Quality Over Quantity*
- *The Future of Data-Driven Marketing*
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The Age of Relevancy and Personalization

We live in an age where we can customize virtually every aspect of our lives. Increasingly, we demand products and services that satisfy our specific needs, and we're quick to dismiss anything we consider even slightly irrelevant. From browsing for recipes to creating song playlists, we want exactly what we're looking for, exactly when we're looking for it.

So, why would people expect anything less when it comes to digital marketing?

While businesses have traditionally relied on a "spray and pray" approach to marketing – treating consumers as one mass audience and using generic messaging to promote their products and services – today's growing demands have quickly rendered this method obsolete. Companies looking to remain competitive must now find ways to address consumers as unique individuals with highly specific, personal preferences.

This is the essence of data-driven marketing. By gathering rich, relevant data on consumer behavior and demographics, businesses can target their leads and customers on a far more personal level, optimizing their engagement rates while ensuring a positive brand experience.

But delivering on this data-driven expectation can present a number of challenges – particularly for digital agencies, whose clients are throwing unprecedented amounts of data in their direction.

In an effort to find out how agencies are overcoming some of these obstacles, SharpSpring partnered with Ascend2 to field the *Data-Driven Marketing Trends Survey*. This paper draws on the results of the study to offer an in-depth view of the challenges involved in successful data-driven marketing as well as the many ways in which agencies are helping their clients stay ahead of the curve.

A Defense for Data

Evidence to support the effectiveness of data-driven marketing abounds, and more and more companies are beginning to catch on.

According to *Forbes Insights* and *Turn*[1], industry leaders in data-driven marketing "are three times more likely than [their 'laggard' counterparts] to say they have achieved competitive advantage in customer engagement/loyalty... and almost three times more likely to have increased revenues."
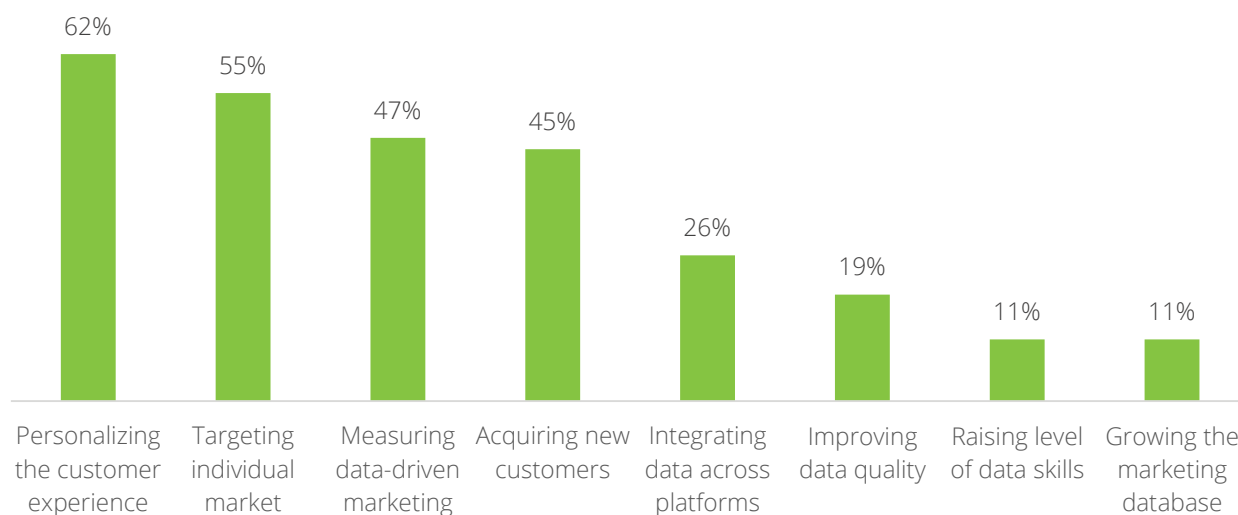
New Challenges, New Objectives

As consumers grow more demanding of information and services that satisfy their immediate needs, businesses are faced with a new, major challenge: making the customer experience as personalized and relevant as possible.

When asked to rank their marketing objectives, 62% of agencies rated *personalizing the customer experience* as the most important. The runner-up objective was *targeting individual market segments*, according to 55% of agencies.

> **91% of agencies say data-driven marketing is somewhat or very successful in achieving important objectives.**

Most Important Marketing Objectives

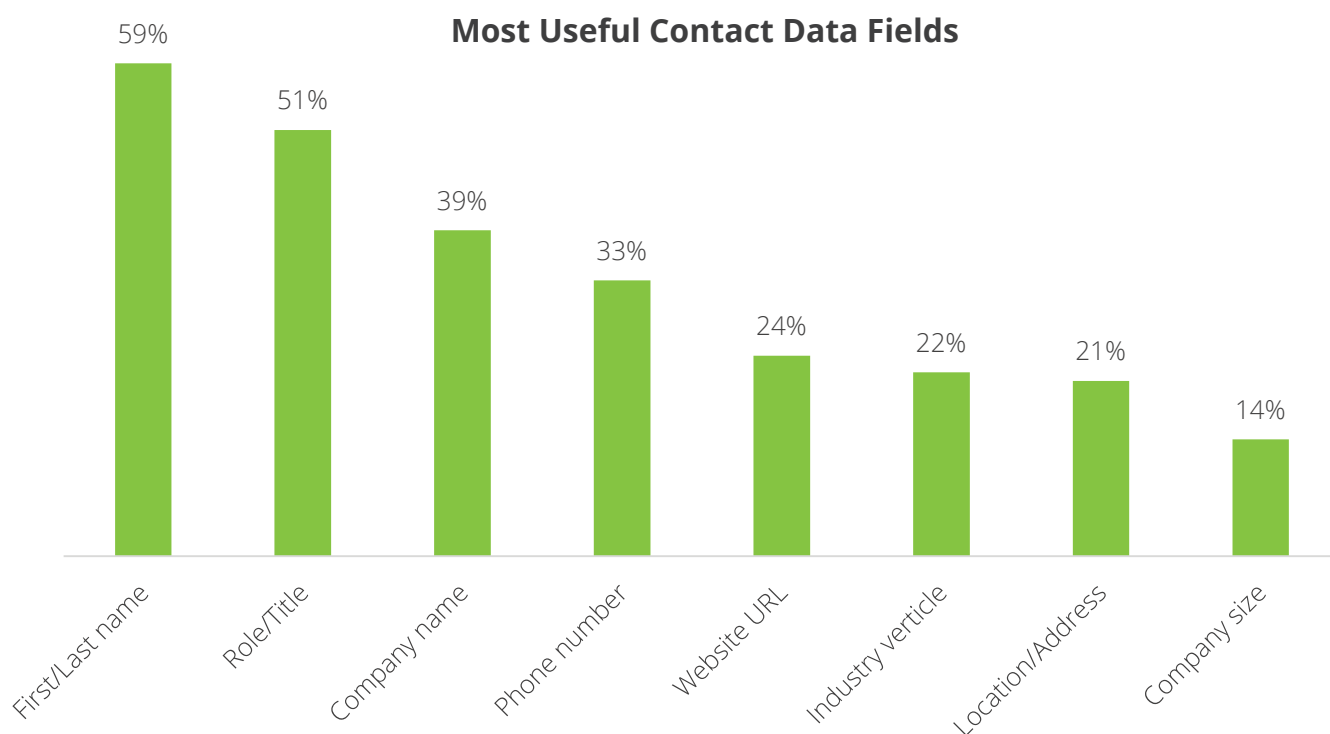| Objective	Percentage
Personalizing the customer experience	62%
Targeting individual market	55%
Measuring data-driven marketing	47%
Acquiring new customers	45%
Integrating data across platforms	26%
Improving data quality	19%
Raising level of data skills	11%
Growing the marketing database	11%

1 "New Report Shows Data-Driven Marketing Drives Customer Engagement & Market Growth." Forbes. Forbes Magazine, 8 Jan. 2015. Web. 15 Jan. 2016.

Keeping Things Personal

One of the key aspects of personalizing your marketing strategy is to treat your customers like you "know" them. The ability to address consumers by name, in particular, is one of the most important steps to gaining credibility as a marketer. People are far more likely to pay attention to an email that's addressed to them personally than one with a generic greeting - or worse, one with the wrong name.

It's therefore no surprise that over half of the agencies surveyed in this study ranked name and title as the most useful pieces of data - well above others like phone number and location/address.

Most Useful Contact Data Fields

Field	Percentage
First/Last name	59%
Role/Title	51%
Company name	39%
Phone number	33%
Website URL	24%
Industry verticle	22%
Location/Address	21%
Company size	14%

Agencies ranked targeting individual market segments as their second-most important objective - yet another clear indicator of the recent shifts in consumer demands. As the expectation for relevancy continues to grow, it becomes important to identify the similarities and differences among your customers and to divide them up accordingly. Using strong data to segment your lists allows you to more effectively target the individual needs of your leads and customers.

Interested in learning more about the benefits of segmenting your lists?
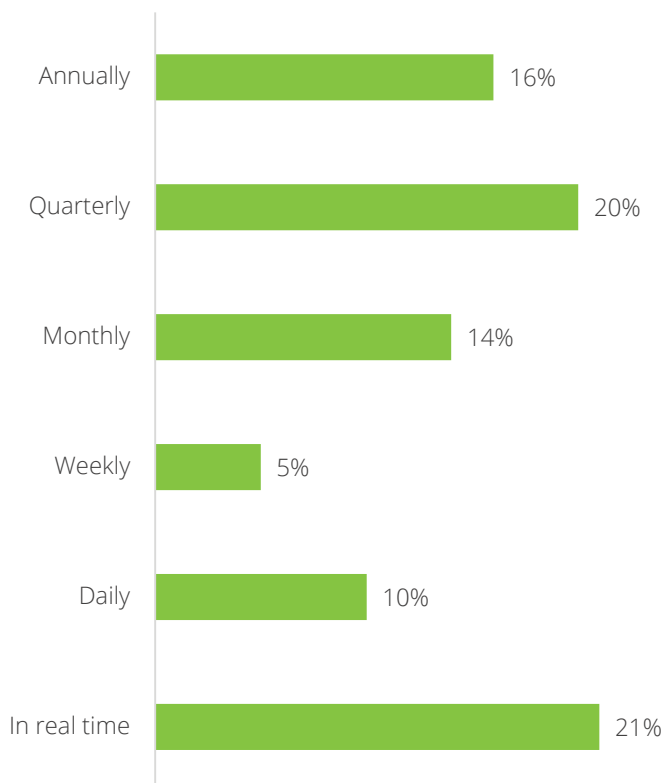**Check out our case study: Sweet Success of Customer Segmentation**

🗎 **GET CASE STUDY**

Quality Over Quantity

Quality is everything when it comes to data-driven marketing. We all know what it looks like when a company uses poor-quality data, or disregards consumer data entirely. Whether you're 20 years old and receiving ads for assisted living options, or 65 years old and getting emails with discounts on college apartments, uninformed marketing is lousy marketing.

> **Only 16% of agencies consider the data they use for marketing purposes to be of very good quality.**

How Often Agencies Cleanse Their Data

Frequency	Percentage
Annually	16%
Quarterly	20%
Monthly	14%
Weekly	5%
Daily	10%
In real time	21%

Data Hygiene Rituals

According to the study, 50% of agencies cleanse their data at least once a month to maximize data quality, with 21% updating their data in real time.

Cleansing your data is like clearing out a messy closet - once you get rid of all the useless clutter (like that sweater you haven't worn in three years), you gain better visibility of what you've got that is actually of value.

Similarly, when you cleanse your data more often, you accumulate fewer old sweaters (i.e., leads/customers who haven't engaged in months or years) and can focus on what's happening among your active recipients. Such visibility will not only offer more reliable indicators of open/click-through rates, but will also give your engagement rates a natural boost.

Cleansing your lists regularly (which you can do using Microsoft Excel formulas or other data cleansing tools) is one of the most effective ways to keep your data authentic and up-to-date, so that you can focus your efforts and resources on leads and customers that are most likely to convert.

Expanding Your Efforts

Many businesses have found that outsourcing their data quality improvement efforts is beneficial – particularly digital agencies, which are often responsible for cleansing and interpreting an overwhelming amount of data for an overwhelming number of clients.

Data-driven marketing, when used effectively, is a sure-fire way to increase revenue and minimize waste. So although outsourcing data quality improvement processes may incur higher initial costs, it's a worthy investment given all of the benefits you'll reap in the long run.

80% of the agencies surveyed claim they outsource all or part of their data quality improvement efforts.

Want to learn more about how to cleanse your data?
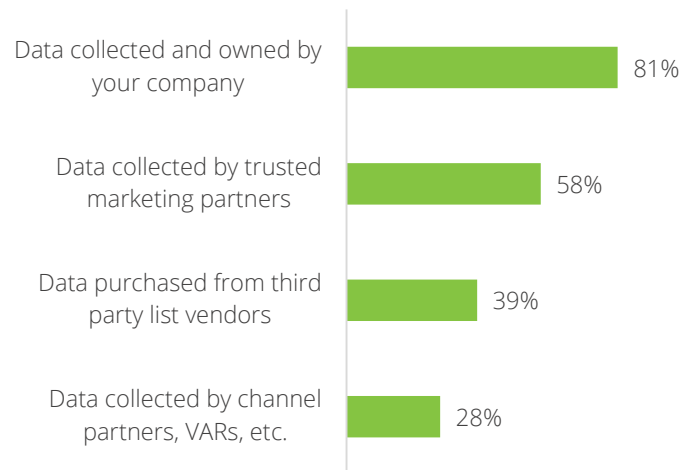**Watch our webinar: Dirty Dirty Dirty Data**

🎥 **WATCH WEBINAR**

Sources of Data

In addition to regularly cleansing your data, it's important to ensure you're using reputable sources when working with third party data. Although the majority of agencies surveyed in this study use data gathered and owned by their clients or by trusted marketing partners, there's a variety a different sources from which they can acquire data to use in their marketing campaigns.

When companies gather information based on the behaviors of their own lead and customer bases, they will end up with data that is directly relevant to their marketing efforts. So when it comes to budget decisions, it's safer to invest in growing your own database rather than dropping countless dollars on a third-party vendor who will return a long list of potentially useless, irrelevant data.

81% of agencies use data collected by their clients, and 58% borrow from trusted marketing partners.

Most Common Sources of Data

Data collected and owned by your company — 81%

Data collected by trusted marketing partners — 58%

Data purchased from third party list vendors — 39%

Data collected by channel partners, VARs, etc. — 28%

Tying It All Together

The growing number of platforms through which businesses can now market their products and services offers many opportunities that were not available before. However, it also presents some major challenges, as companies struggle to sift through an unprecedented influx of data coming from multiple disparate channels.

One of the most powerful tools for addressing this issue is marketing automation, which allows you to easily integrate and interpret multiple data points (for example AdWords, social media stats, analytics, etc.). It offers detailed reports comparing the performance of your various campaigns – from initial touchpoints to a successful sale – so you can determine which channels are most effective for your campaign. If your billboard ads are bringing in a higher ROI than your radio ads, marketing automation will be the first to let you know.

55% of agencies claim that their most challenging obstacle is integrating data from disparate platforms.

If switching to marketing automation seems overwhelming, check out our webinar: Making the Leap to Marketing Automation

🎥 **WATCH WEBINAR**

The Future of Data-Driven Marketing

Today's businesses are under a lot of pressure to change the way they do marketing. They are spending more time and resources than ever before on growing and maintaining clean databases – so they have the information they need to meet growing consumer expectations.

There's one thing, however, that is unlikely to change.

When it comes to budget decisions, business executives tend to prioritize departments with steady, trackable revenue streams. Traditionally, this has often resulted in a lack of funding for marketing, as compared with other departments that can more readily attribute revenue to their programs and campaigns.

71% of agencies surveyed say their clients are planning to increase spending on data-driven marketing.

Data-driven marketing has begun to even that playing field. It offers a whole range of options for tracking KPIs and revenue, so that when the time comes, marketing departments have the empirical evidence they need to back up all their hard efforts.

It's no secret that good, clean data is key in the today's marketing world. As testament to the effectiveness and growing importance of data-driven marketing – not only in terms of competing for internal support and funding but also for keeping ahead of the competition – 71% of agencies surveyed said their clients plan to increase spending on data-driven marketing.

The overall effect of data-driven marketing is virtually priceless. Not only can it improve your ROI and give you unprecedented insight into the performance of your campaigns, but it can also optimize the relevance of your ads to individual consumers - providing them with an exceptional customer experience and helping you boost your brand's reputation.

Interested in learning more about data-driven marketing and the tools you can use to grow your business?

Sign up now for a live demo: **LEARN MORE**

About the Research

Ascend2 benchmarks the performance of popular digital marketing strategies and practices using a standardized questionnaire, research methodology and three-minute survey format. Findings are examined in a quantitative context by experienced analysts and reported objectively.

This survey was conducted online from a panel of more than 50,000 US and international marketing, sales and business professionals. The following is a breakout ofthe demographics represented in this report:

Role in the Agency		Number of Employees	
Owner / Partner / C-Level	43%	More than 500	21%
Vice President / Director / Manager	39%	50 to 500	21%
Non-Management Professional	18%	Fewer than 50	58%

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