

How Accurate is Targeted Marketing if You Can't See Your Target?

The CMO Mission: Data-Driven Segmentation



CONTENTS

How Do You Make Digital Marketing Strategic?

Why is Data-Driven Segmentation Important?

The Role of Data Unification in Segmentation Success

Data Unification: Not as Difficult as Once Thought

Digital Marketing and Data Unification: A Natural Evolution

The Value of Customer Information Crosses Disciplines

For CMOs in today's competitive, dynamic business landscape, what is the most prominent marketing medium where everyone is vying for customer attention? Three words – the digital marketplace. Why? Because digital marketing is the most inexpensive and measurable means for expanding a customer base and increasing sales. It's also at the forefront of improving customer experience because it offers a touch point that is highly customizable and targeted. And, in a climate where one missed step can send demanding consumers straight into the arms of the competition, its strategic use is becoming more critical.



Digital marketing is the most inexpensive and measurable means for expanding a customer base and increasing sales.

How Do You Make Digital Marketing Strategic?

So how do you make digital marketing strategic? The answer is accurately defining and profiling your audience so as to leverage digital marketing's targeting capabilities to the greatest advantage. To do this, you need effective, data-driven segmentation that leverages all available customer and prospect information, including the "traditionally hard-to-access" customer data housed in the long-trusted mainframe. Because it has been the "keeper" of data for so long, the mainframe is likely to offer the best snapshot into target audiences that will create the greatest potential engagement.

Because it has been the "keeper" of data for so long, the mainframe is likely to offer the best snapshot into target audiences that will create the greatest potential engagement.

Why is Data-Driven Segmentation Important?

Amassing Meaningful Data

Long gone are the days when targeting your marketing efforts by household income, zip code, age and sex can be considered sufficient, or successful. To compete in today's digitally-driven world, CMOs in businesses across all industries must collect enough data to create a 360 degree view of the customer. With this breadth of customer data, it's possible to successfully market to specific customer needs, and in turn, drive revenue growth. This comprehensive vantage point is made possible only by integrating data across all platforms and from all available sources to realize true data-driven segmentation.

This means more than simply leveraging data analytics to formulate a digital marketing plan. Why? Because data-driven segmentation relies on your ability to create, and identify, actionable data – data that demonstrates what customers/prospects are worth to a company, how often they interact with the brand, their buying habits and preferences, what they currently own and, most importantly, what they are yet to own. Knowing this information can effectively drive the message and frequency of communications, while having an exponential effect on marketing efforts

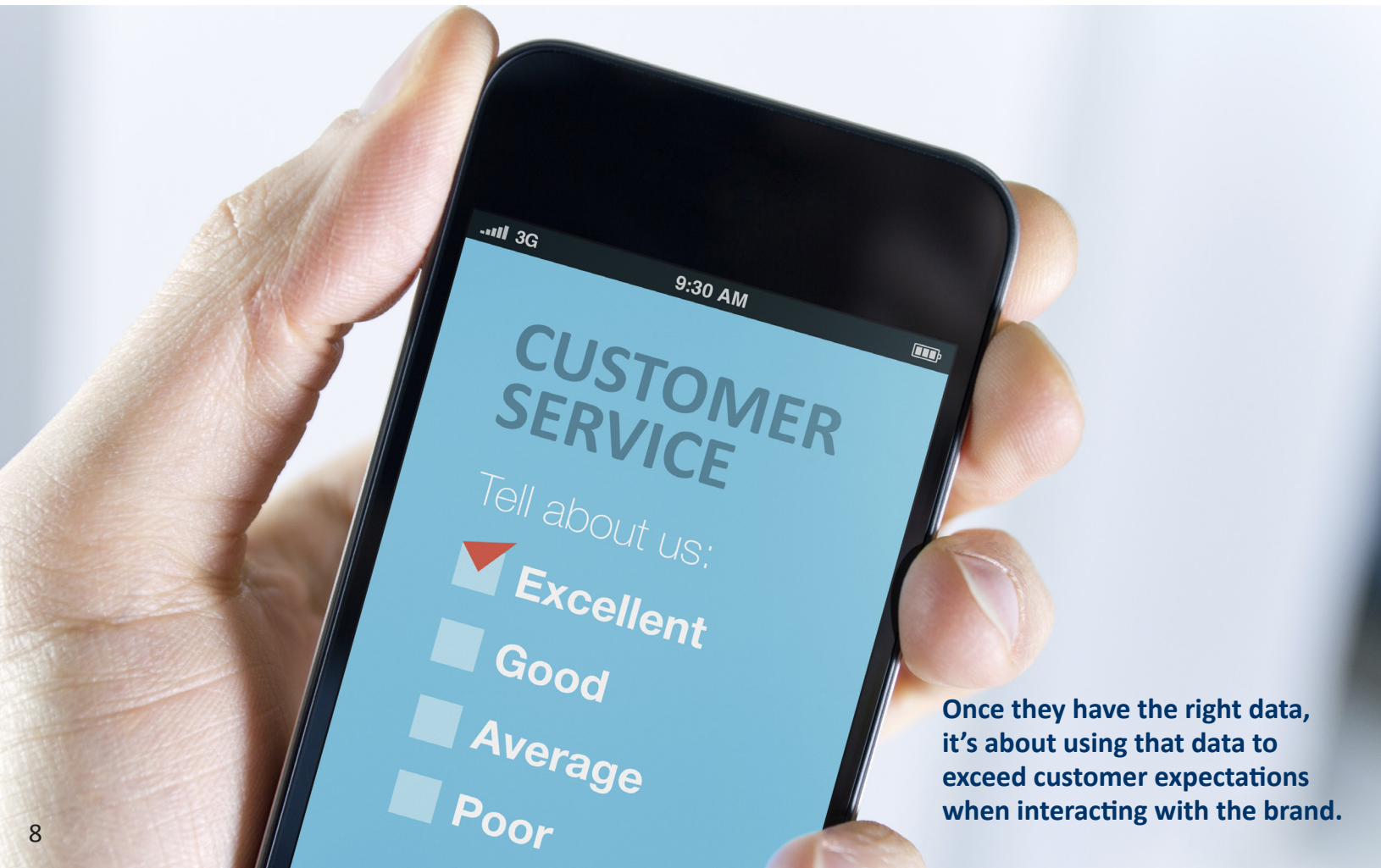


Data-driven segmentation relies on your ability to create, and identify, actionable data – data that demonstrates what customers/prospects are worth to a company, how often they interact with the brand, their buying habits and preferences, what they currently own and, most importantly, what they are yet to own.

	DNT	BID	ASK	PRO	QUA		BAI	BID	ASK	PRO	QUA
JAN	€ 241,00	€ 558,00	€ 104,00	339	JAN	€ 942,00	€ 348,00	€ 820,00	820		
FEB	€ 955,00	€ 348,00	€ 374,00	223	FEB	€ 685,00	€ 920,00	€ 784,00	784		
MAR	€ 116,00	€ 415,00	€ 930,00	269	MAR	€ 993,00	€ 604,00	€ 934,00	934		
APR	€ 202,00	€ 146,00	€ 307,00	437	APR	€ 228,00	€ 202,00	€ 555,00	555		
MAY	€ 839,00	€ 890,00	€ 801,00	934	MAY	€ 468,00	€ 685,00	€ 386,00	386		
JUN	€ 706,00	€ 579,00	€ 691,00	933	JUN	€ 609,00	€ 963,00	€ 974,00	974		
JUL	€ 622,00	€ 876,00	€ 933,00	691	JUL	€ 617,00	€ 780,00	€ 575,00	575		
AUG	€ 937,00	€ 775,00	€ 918,00	801	AUG	€ 919,00	€ 838,00	€ 645,00	645		
SEP	€ 50,00	€ 306,00	€ 437,00	107	SEP	€ 654,00	€ 248,00	€ 941,00	941		
OCT	€ 817,00	€ 518,00	€ 269,00	938	OCT	€ 911,00	€ 952,00	€ 802,00	802		
NOV	€ 173,00	€ 331,00	€ 723,00	374	NOV	€ 823,00	€ 715,00	€ 715,00	715		
DEC	€ 608,00	€ 599,00	€ 319,00	104	DEC	€ 748,00	€ 542,00	€ 557,00	557		

Achieving a Seamless User Experience

According to the *Rightnow Customer Experience Impact Report*, 89% of customers say they've stopped doing business with a company after one poor experience¹. For organizations, this means that once they have the right data, it's about using that data to exceed customer expectations when interacting with the brand. This is where omni-channel marketing plays an integral role. Customers demand a seamless marketing experience regardless of the tool they use to access product information – be it a smartphone, tablet, notebook or desktop. And to take that a step further, they expect consistency from online to offline communications, including social media channels, websites, text-based communications, direct mail and even a brand's call center.



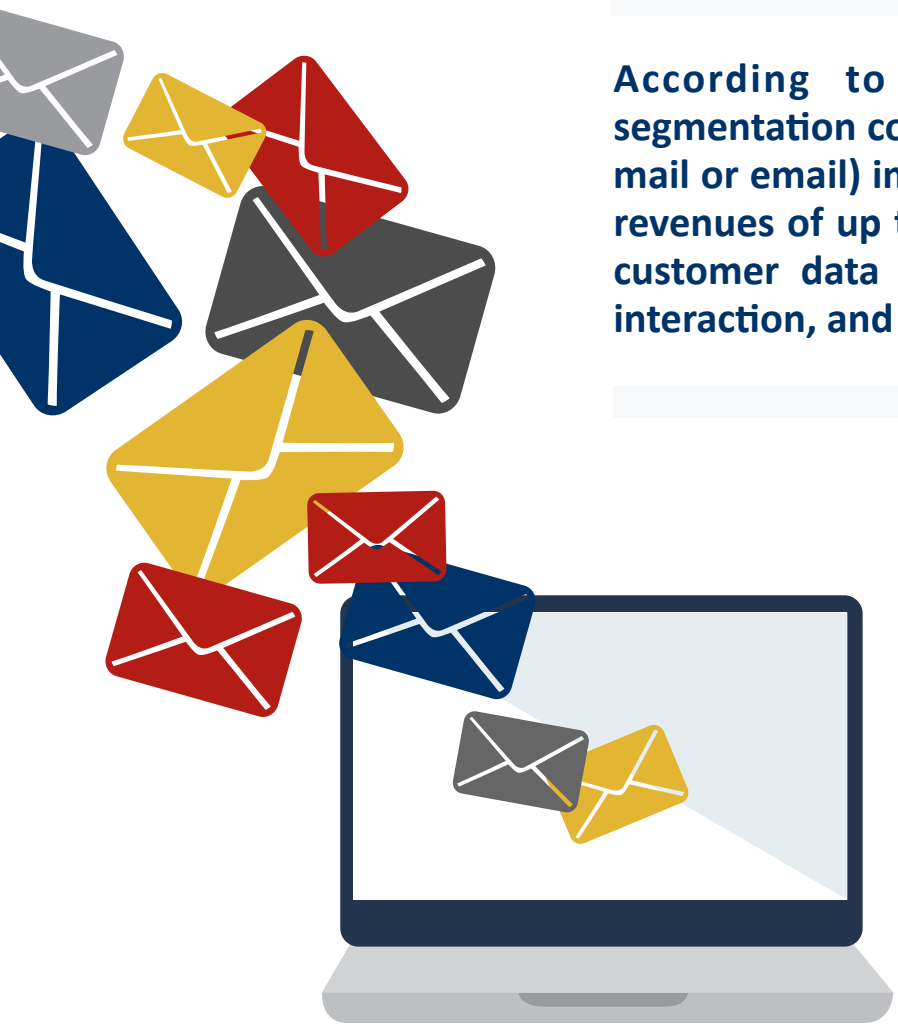
Once they have the right data, it's about using that data to exceed customer expectations when interacting with the brand.

Consider this: in a recent *CMO Club and Visual IQ Report*, 85% of CMOs say their efforts at implementing an omni-channel marketing strategy are challenged by a lack of access to data and inadequate tools/technology¹. By embracing data-driven segmentation, companies can uncover actionable customer data to create a marketing experience tailored to each customer. Whether in the B2B or B2C arena, marketers can ensure that they are only sharing the most appropriate, relevant messages, on the appropriate channels for a holistic, personalized brand interaction. In addition, companies can more effectively measure marketing success and determine ROI. This is crucial, considering that in the same report, 82% of CMOs believe it's the inability to measure cross-channel performance that's standing in the way of implementing effective omni-channel marketing in the first place¹.

85% of CMOs say their efforts at implementing an omni-channel marketing strategy are challenged by a lack of access to data and inadequate tools/technology¹.

Improving Conversion Rates

Conversion rates are a crucial measurement in determining cross-channel performance, and segmentation is greatly impacted by their success. According to Jupiter Research, customer segmentation conversion rates (whether via direct mail or email) improve 355%, leading to increased revenues of up to 781%, if you segment your target audience based on customer data such as: customer spend, brand interaction, and customer life cycle management². Yet the majority of marketers do no customer segmentation at all, relying on single, “one size fits all” mass email, which most savvy consumers are likely to delete before reading. The implication being that lack of targeted segmentation not only creates lost sales, it may actually be damaging to the brand.



According to Jupiter Research, customer segmentation conversion rates (whether via direct mail or email) improve **355%**, leading to increased revenues of up to **781%**, if you segment based on customer data such as: customer spend, brand interaction, and customer life cycle management².

The Role of Data Unification in Segmentation Success

Although, as we've established, it is "all about the data," many organizations, due to a belief that access is challenging, still ignore a large majority of their data, which resides on the mainframe. This leaves a valuable pool of what is often the most robust information unexplored. For many enterprises today, the reality is that the Customer Information System (CIS) which contains transaction information and spend history, resides on platforms like the IBM System z mainframe. In addition, for many companies their Product Information System (PIM), which houses valuable pricing data and product descriptions, also resides on the mainframe or another distributed platform, like Oracle or SAP.

Successful CMOs have long recognized the importance of leveraging this collective customer data in their digital marketing efforts, yet for years they have been told that the difficulty connecting mainframe data to the data in other systems makes a unified approach unattainable. Not so! With the right tool, it's not only possible – it's easy and seamless.

For years they have been told that the difficulty connecting mainframe data to the data in other systems makes a unified approach unattainable. Not so! With the right tool, it's not only possible – it's easy and seamless.

²Active Internet Marketing's 5 Best B2B Leads Segments

(<https://www.activeinternetmarketing.com/blog/lead-generation/5-best-b2b-lead-segments/>)

Data Unification: Not as Difficult as Once Thought

Data unification is an orchestration tool that makes possible the consolidation of data from multiple source systems. It allows organizations to neutralize format, validate relationships between records and data elements, and create a single information source.

By leveraging data unification solutions for more effective omni-channel marketing, companies can:

- More accurately segment, target and track customer purchases and interactions using measurable business performance indicators with improved ROI measures
- Orchestrate data from disparate corporate systems on the distributed network and combine it into one web-based service for a live, real-time connection to automated marketing systems
- Quickly and economically connect mainframe data to an automated marketing system, producing results with new capabilities for configuration and training



6

Steps to Data Unification and Revolutionizing Segmentation

- 1.** Assess your business objectives. Conduct a complete inventory of the programs and data elements.
- 2.** Plan to implement a unified interface and lightweight installation. Pick technologies that can be easily configured, implemented and managed. To reduce cost and complexity, pick a solution that can be installed quickly and with minimal IT staff involvement.
- 3.** Conduct comprehensive data mapping. Use tools that are simple to use but powerful enough to get the job done. Mapping the data accurately is essential to keeping the project on track with the end goal in mind. The data-mapping function is typically performed by someone with extensive knowledge of the data, such as a DBA or an application developer.
- 4.** Complete data integration and seamless transfer. Provide for the ability to access the necessary data, and be ready to transfer large amounts of data from one place to another.
- 5.** Ensure strong project management and troubleshooting. Offer options for systems administrators and data administrators to manage and fix errors.
- 6.** Future-proof and leverage technology. Reuse, repurpose and grow data unification across the enterprise as business needs and objectives change.

Digital Marketing and Data Unification: A Natural Evolution

In a world where personalized marketing based on customer spend, habits and brand experience will become the driving force behind digital marketing activities, CMOs must look to next-generation solutions. To ensure that customer communications are targeted, accurate, and provide an exceptional customer experience, marketers must gather all the possible information about their customer.

Investing in data unification solutions and leveraging tools to achieve data-driven segmentation is the next logical step toward building a better marketing engine.

Ultimately, creating a personalized, refined customer experience and achieving the ROI as a result is the prize for which every CMO aims to win.

Investing in data unification solutions and leveraging tools to achieve data-driven segmentation and a refined customer experience, regardless of the device used to access information, is the next logical step toward building a better marketing engine and achieving the ROI for which every CMO ultimately aims.



The Value of Customer Information Crosses Disciplines

So we've established the value that customer/prospect information can have on marketing efforts, but how much does it cost the entire organization to not have it available when needed? Apparently it costs enough that CEOs from companies of all sizes are starting to rank access to data as a high priority. Reported in a 2014 survey, 59% of CFOs indicated that business intelligence was their #1 priority. Yet, just as the marketing department is challenged with data collection, the reality of comprehensive business intelligence also remains challenging because the data, is often dispersed across multiple sources, formats, and technologies, including the notoriously hard-to-access mainframe.

GT Software's Data Unification Solution can help you easily access your business information from any platform, language or data type, in unison so your organization is more efficient, information flows faster and smarter decisions are possible. To learn more about how GT Software can help your marketing efforts and overall business intelligence insight contact GT Software at www.gtsoftware.com.



59% of CFOs indicated that business intelligence was their #1 priority.



gtsoftware.com | 1-800-765-4348

GT Software (www.gtsoftware.com) turns yesterday's legacy systems into tomorrow's leading edge applications. Its solutions help organizations extend the value of their IT investments through agile development and standards-based APIs, which improves workflow and enhances operational efficiency. Masters of application modernization and a global distributor of the Fujitsu NetCOBOL compiler, GT Software's proven solutions power mainframe integration with today's technologies. Currently, more than 2,500 organizations globally trust GT Software's solutions to ensure they are able to drive forward innovation that improves customer experiences, increases operational efficiency, and generates revenue.

The information contained in this document represents the current view of GT Software on the issues discussed as of the date of publication. Because GT Software must respond to changing market conditions, it should not be interpreted to be a commitment on the part of GT Software, and GT Software cannot guarantee the accuracy of any information presented after the date of publication. This white paper is for informational purposes only. GT Software makes no warranties, express or implied in the document.

© 2020 GT Software. All rights reserved.

GT Software trademarks, products and services are either registered trademarks or trademarks of GT Software in the United States and/or other countries.