USE OF ANALYTICS IN MARKETING

WRITTEN BY - MR. DHRUMIL GADA

Abstract: The report provides readers a better understanding of "marketing analytics:" and uncovers various steps and processes involved to be a better analyst. We understand the actual meaning of marketing analytics and what problems does marketing analytics solace per se. You also learn basics on how to analyze your own projects and attempts at marketing analytics, whereas you get a brief on how to calculate the return on investment. As marketing can be very expensive and unless you know the ROI it would be impractical to keep on pumping money. Lastly, we understand the realm of digital marketing analytics.

I. INTRODUCTION

1.1 What exactly is marketing analytics

Marketing analytics is the process of controlling and analyzing metrics data to determine the return on investment (ROI) of marketing initiatives such as calls-to-action (CTAs), articles, channel effectiveness, and thought leadership content, and to identify areas for improvement. By tracking and providing information on company performance data, diagnostic metrics, and key performance metrics, marketers will be able to respond to their stakeholders' most pressing analytic queries.

CMOs are allocating more time and money to comprehending the performance and development impact of their marketing efforts as technology advances. A recent survey predicted that expenditures in the region will increase by 200 percent over the next three years. It can be difficult for marketing teams to demonstrate their credibility, but strategic marketing analytics can make it simpler to demonstrate the ROI of your marketing efforts.

Regardless of a company's scale, marketing analytics can provide essential information that drives expansion. Small- and medium-sized business (SMB) marketers mistakenly believe that a company of their scale cannot benefit from adopting metrics, despite the fact that neither perception is accurate.

With appropriate marketing metrics and analytics in position, marketers can better comprehend broad marketing trends, determine which programmes were successful and why, track trends over time, fully comprehend the ROI of each programme, and predict future outcomes.

1.2 Common issues addressed by marketing analytics

Determining the efficacy of your marketing efforts is sometimes more difficult than measuring simple engagement, and collecting this data does not inherently result in the optimisation of future campaigns. Listed below are several issues that a marketing analytics solution can aid in resolving:

- **Problem: I feel like I'm reporting for reporting's sake.**
  Solution: By default, marketers typically implement primary metrics such as lead source tracking and cost-per-lead, but there is no comprehensive comprehension of how marketing activities affect key bottom-line metrics. Ensure that analytics are set up to support the objectives that matter most to your stakeholders so that you are not collecting data without a plan.

- **Problem: I do not know how to consolidate my data**
  Solution: Get your data out of spreadsheets and divisions. When your data is automatically connected and unified, you can spend more time acting on the insights you've laboriously gathered and less time on tedious reporting duties.

- **Problem: I am unable to demonstrate the impact on revenue and profit.**
  Solution: Many marketers view marketing return on investment as reporting on the results of their programmes, often in the form of a monthly set of reports. However, the most successful businesses recognise that reporting for the sake of reporting is less essential than using reports to make sales-boosting decisions.

II.   ANALYZING YOU MARKETING PROGRAMME

2,1 Four Techniques of analyzing

To have a strategic marketing analytics programme, you must know which data points to monitor and which impede your ultimate objective of demonstrating return on investment. This will necessitate more work upfront, but it will make analysis much simpler in the long term. The techniques are as follows :

Method 1: Single attribution (first touch/last contact) - Single attribution is one of the most prevalent marketing analytics techniques. This strategy assigns all value to either the initial or final interaction with the prospect prior to the sale.First-touch attribution attributes the eventual transaction to the lead generation strategy regardless of when the sale occurs. First contact attribution attributes the sale value to the SEO campaign if, for example, an SEO-optimized landing page attracts a new lead from a search engine result who later consumes branded content, engages in social media, and attends a trade show before becoming a customer.Last-touch attribution attributes the closing of new business to the concluding communication. In the preceding example, the trade show would be credited with the transaction because it was the final interaction the lead had prior to making a purchase.

Method 2: Single Attribution with Revenue Cycle Projection - Single-attribution strategies are straightforward, but their simplicity can have negative consequences. In order to create a precise depiction of the quality of current marketing efforts, brands with extended purchasing cycles must account for this period of time as well as all of the lead nurturing that takes place in between.This issue can be resolved by incorporating revenue cycle projections into a first-touch/single-attribution analytics strategy. Projects related to the revenue cycle utilise comprehensive data from previous campaigns to predict the eventual outcome of recent and comparable marketing efforts.

Method 3: Attribution across multiple programmes and individuals - Attribution across multiple programmes and individuals provides a more holistic perspective on credit. You acknowledge that no single marketing effort is responsible for a transaction, and you attempt to determine the value of each touch by working backwards from the action that led to a sale.After identifying every touch, you determine how to evaluate each one so that their values can be accurately assessed. Some assumptions are required for this technique, which is acceptable. However, if you are not prepared to defend them to the C-suite, you risk discrediting the entire process.

Method 4: Test and control groups - Test groups are one of the better methods to analyze the effectiveness of your marketing campaign as they give you accurate and human responses, rather than just prediction or forecasting. Using test and control groups requires additional planning at the outset, as you must design a programme that can be evaluated. The objective is to apply the variable of interest to a subset of the target

market. Consequently, you must divide your audience into two groups with comparable other fundamental metrics.

2.2 Return on investment (ROI) of a successful marketing analytics programme

ROI is one of the finest assets of a successful marketing analytics programme, and it can have a global impact on your business.

- **Marketing analytics contributes to credibility**: Marketers can earn some recognition and credibility from their seniors and teammates by adopting a professional approach to marketing and analytics by using technology and data analysis to provide improved insights for making better business decisions. Marketers who invest in assessing and handling performance generate more value, achieving 5% greater returns on spending on marketing and over 7% greater growth performance.
- **Marketing analytics can accelerate revenue expansion**: When the analysts use marketing metrics and help gather data and present it to the team, a better strategy can be formulated. An accurate insight into, which product to continue, which city to expand, every small detail can be presented which will eventually lead to revenue expansion itself.
- **Save time and money while increasing productivity:** By using analytics, firms are saving on a lot of time spent on manual research and hours of extracting data, marketing analytics also increases the productivity of the team by showcasing accurate reports, hence now no time is wasted in report creation as well. With the use of accurate reports, companies can now take accurate business decisions and use their resources more wisely.

III.   Programme Planning, implementation, and Optimization

Step 1: Plan Before you hit the ground running: You will need to establish goals and objectives so that you're not reporting for the sake of reporting. Estimate your expected return on investment, and then devise programmes that are designed to be measurable so that you don't have to struggle to gather data. Ensure that you prioritize all decisions that will ultimately improve marketing efforts.

Step 2: Implement: As with any other business transformation, the success of your marketing measurement programme is contingent on its implementation. Ensure your success by assembling the right team, employing the right strategies, and utilizing the appropriate technology.

Step 3: Embrace the use of analytics: Hiring (or designating) the appropriate individuals is only the initial phase. Even for businesses that already have substantial analytic initiatives in place, concluding the analysis is roughly one-third of the battle. It is critical for businesses to inculcate analytics as it will require the existing employee to upskill himself or be replaced by skilled staff.

Step 4: Optimize: When you can distribute revenue across multiple activities, you can determine which marketing activities are effective for top-of-funnel campaigns versus bottom-of-funnel campaigns. You may conclude that trade fairs are excellent for generating leads, whereas webinars are more effective for advancing leads through the sales funnel.

IV.   Understanding Data-Driven Marketing

The demand for digital marketing analytics is increasing, with business leaders requesting metrics that measure the value of their marketing expenditures on a regular basis. Complex data management platforms (DMPs) are utilized to assist marketers in sifting through mountains of data and transforming it into actionable information. With data-driven marketing, marketers turn to digital marketing analytics tools for the answers to questions that will help them refine their strategies. From on-site customization to targeting and data analysis, information plays a significant role in how contemporary marketers conduct their work. Given the marketing industry's emphasis on data and analytics, it's not surprising that there is a proliferation of tools that may or may not help marketers make sense of the abundance of data at their disposal.

4.1 Marketing Analytics Types :

Four categories of analytics are frequently sought by marketers: website, social media, lead generation, and return on investment. These characteristics of your customers and prospects form the premise of a data-driven marketing strategy. Marketing analytics can help you obtain understanding of cross-channel attribute, campaign tracking, and consumer segmentation, as well as examine your competitors' brands to determine if you are gaining traction against them. Although they are frequently mentioned together, it is essential for marketers to note that web analytics and marketing analytics provide two separate perceptions of your audience.

4.2 What is Digital Marketing Analytics

Digital marketing analytics are used to help you comprehend the limited interactions with your website's content that your audience has. In digital marketing, web analytics are used to determine whether your online message is enticing your audience and inciting them to take action, or if they are simply clicking away and visiting a competitor's website. Core web analytics include the following: Pageload speed, Pageviews per visit, Time on site, Downloads, Geographical position of site visitors, new as opposed to returning visitors. In general, website analytics evaluate the efficacy of a singular communication channel: your website. There is insufficient data to inform business decisions regarding the overall efficacy of your marketing.

With digital marketing analytics, you are able to view a much more comprehensive, user-centric, and multi-locational picture of your business: Email engagement, Interactions over social media, Online income and prospects, Offline purchases, Website Traffic, Website Events, Digital advertising, SEO/SEM. It is difficult to overstate the significance of insights in digital marketing, especially when considering the power of evaluating different marketing platforms and shifting your marketing budget to where it generates the best results.

Conclusion

As a marketer, you must be familiar with every single new marketing platform that is introduced. In this age of marketing, you cannot rely on intuition or conjecture to be successful. Every activity's viability must be supported by facts and figures. Each action that a visitor takes on your online properties or even on social networking sites is recorded by marketing analytics. It enables you to determine which marketing activities generate revenue.

References:

https://www.martechadvisor.com/articles/marketing-analytics/marketing-analytics-martech-101-basics/#section-ib
https://hevodata.com/learn/marketing-analytics-process/
https://ahrefs.com/blog/marketing-analytics/
https://www.marketingevolution.com/marketing-essentials/marketing-roi
https://www.oracle.com/in/cx/marketing/marketing-roi/
https://www.fivetran.com/blog/intro-to-marketing-analytics
https://blog.hubspot.com/marketing/digital-marketing-analytics