POWERING YOUR DATA JOURNEY: DATA UTILIZATION

TRANSFORM BEHAVIORAL DATA INTO ACTIONABLE INSIGHTS

Extract maximum value from your data to make smarter business decisions and improve performance.

SPEEDREAD: DATA UTILIZATION IN 60 SECONDS

- Developing a single customer view and effectively identifying users has become a hot topic in the analytics community for two main reasons:

  > Users demand excellent user experiences on digital platforms, increasingly expecting experiences to be personalized, or expecting marketing and recommendations to be highly relevant.

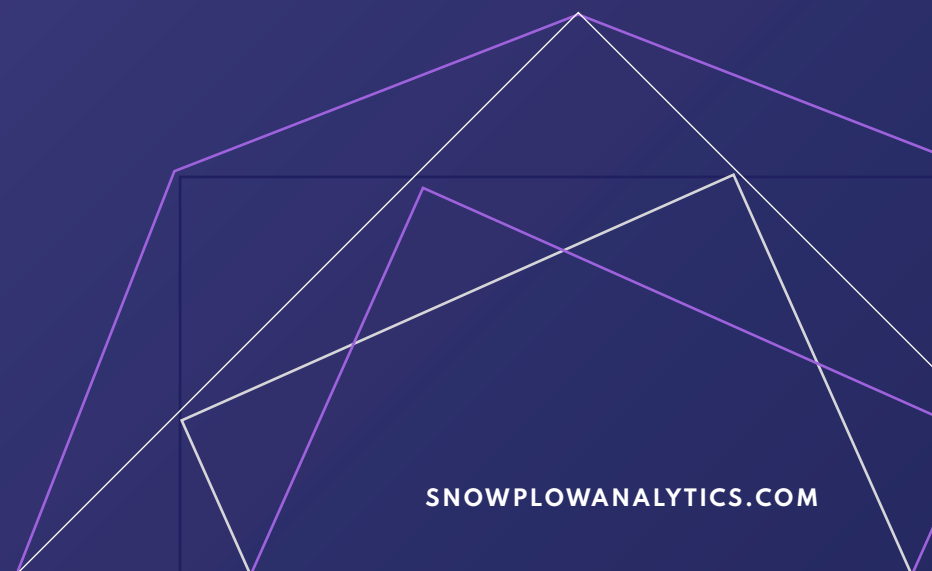
  > This increases the need for effective user identification across platforms and over time.

- However, analytics operations need to be carefully managed to ensure that they are delivering maximum value for the business as a whole.

- When properly managed and structured, data analysis can be a significant revenue driver for departments across a wide range of business functions. Data can be monetized directly or it can be used to reduce costs and fuel revenue growth throughout other business units—such as by improving per-user revenue by delivering personalized recommendations or tracking behavior to identify top-performing products.

- The effectiveness of individual sources of data pales in comparison to a robust data architecture that merges multiple sources to create a single customer view.
- The key factor in building a data-driven organization is a clear and thought-through data strategy, led by a data champion with insight into the overarching goals and operation processes of the business.
- Company-wide dashboards and business intelligence tools allow different functions to make use of the full scope of the organization's data without individual teams having to buy in multiple separate third-party tools.
- As the architects of the engines of digital transformation, heads of data have a big responsibility to deliver digestible, actionable intelligence to the rest of the business, driven by a system that must adapt to the rapidly-changing demands of the modern enterprise.

However, these data champions also have a prized role as the enablers of knowledge, understanding, and acceleration, which, when properly harnessed, can propel companies to new heights.



A SINGLE SOURCE OF DATA TRUTH

It's hardly a secret that a modern business runs on data. Gartner reports that by 2022, 90% of corporate strategies[1] will explicitly mention information as a critical enterprise asset and analytics as an essential competency.

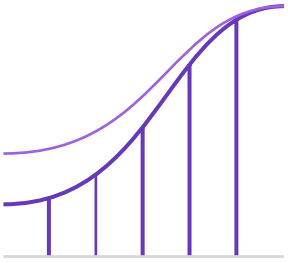
This is fueling the rise of data monetization, which Gartner[2] describes as:

> **"The process of using data to obtain quantifiable economic benefit. Internal or indirect methods include using data to make measurable business performance improvements and inform decisions."**

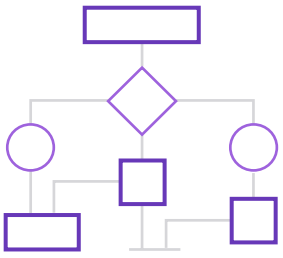
[1] Predicts 2019: Data and Analytics Strategy | https://www.gartner.com/en/documents/3894082
[2] https://www.gartner.com/en/information-technology/glossary/data-monetization

Across the globe, organizations are turning to data analysis to:

Improve their products and customer experiences



Predict future performance based on historical data



Identify customer purchase triggers

Anticipate and prevent churn

And, more often than not, a holistic approach to data will drive maximum value. Simply put, by gathering and analyzing data from different areas of a business in isolation, businesses risk relying on insights that may be misleading or less powerful in comparison to analytics that combine data from many different sources.

By using an integrated approach to data, organizations can accurately determine how changes in one area of the business can affect the others, allowing them to optimize different departments in different ways in order to meet the needs of the company as a whole.

This, in turn, fuels data-informed decision making, where analytics allows companies to augment instinct with evidence to plan smarter strategies.

In this white paper we'll look at real-life use cases across different functions, exploring how the data strategy put in place was key to realizing the full potential of the data. We'll also look at commonalities between those data strategies, analyzing why a flexible approach to data delivery underpins successful data initiatives.

Our aim is not to tell you which approach will work for you, or claim that the same approach will deliver universal benefits for all companies. What we believe in is empowering you to take ownership of your own data strategy. Because ultimately, it's your data, and your rules.

MISSED DATA OPPORTUNITIES

We know that we're preaching to the converted when we talk about the importance of high-quality data in delivering optimal business performance.

Yet despite costly initiatives to leverage the full value of their behavioral data, many businesses are struggling to see any returns.

Forbes reports that 89% of companies have adopted a digital transformation strategy.[3] And it's estimated that companies spent US$2tn on data transformation in 2019.[4] But despite this, less than 20% have achieved data success.[5]

Meanwhile, of the 125 senior data executives present at McKinsey's North American Data Summit, fewer than half said they had a true data strategy designed to deliver business results.[6]

The desire may be there, but the execution has not delivered.

There is no single silver bullet to solve this data conundrum. There are too many variables relating to each industry, legacy tech, and specific use cases to possibly suggest a catch-all solution. However, by applying a series of basic principles, organizations can use data to do many different things. It's an approach that depends on a business transforming its culture and processes as well as its technology toolkit.

[3] https://www.forbes.com/sites/blakemorgan/2019/12/16/100-stats-on-digital-transformation-and-customer-experience/
[4] State of the CIO | https://images.idgesg.net/assets/2018/01/state_of_the_cio_01_ciod_winter_final.pdf
[5] https://www.mckinsey.com/industries/financial-services/our-insights/designing-a-data-transformation-that-delivers-value-right-from-the-start
[6] https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/digital-blog/how-to-maximize-the-returns-from-your-data

BREAKING DOWN DATA SILOS

In order to deliver demonstrable value, organizations can benefit by first defining the most important KPIs to help them hit their overall business objectives. Departmental targets and KPIs can then be linked to these clearly identified and broadly communicated company-wide goals. With aligned goals established throughout each function, it's then possible for data teams to work out how to build a data asset that meets the needs of the business.

It sounds simple. Yet in an attempt to empower departments and encourage autonomy, many businesses have implemented numerous data tracking and analytics tools. This can produce unintentional negative results.

For example, using different tools to track behavioral data can lead to discrepancies in the data that's collected. The clicks that product sees may be completely different to the numbers that marketing is looking at. There are obvious issues here when it comes to measuring the relative success or failure of marketing campaigns or product updates, which in turn makes it very difficult to take data-informed decisions. It's virtually impossible to determine which channels and activities will benefit from further investment, and which should not be repeated.

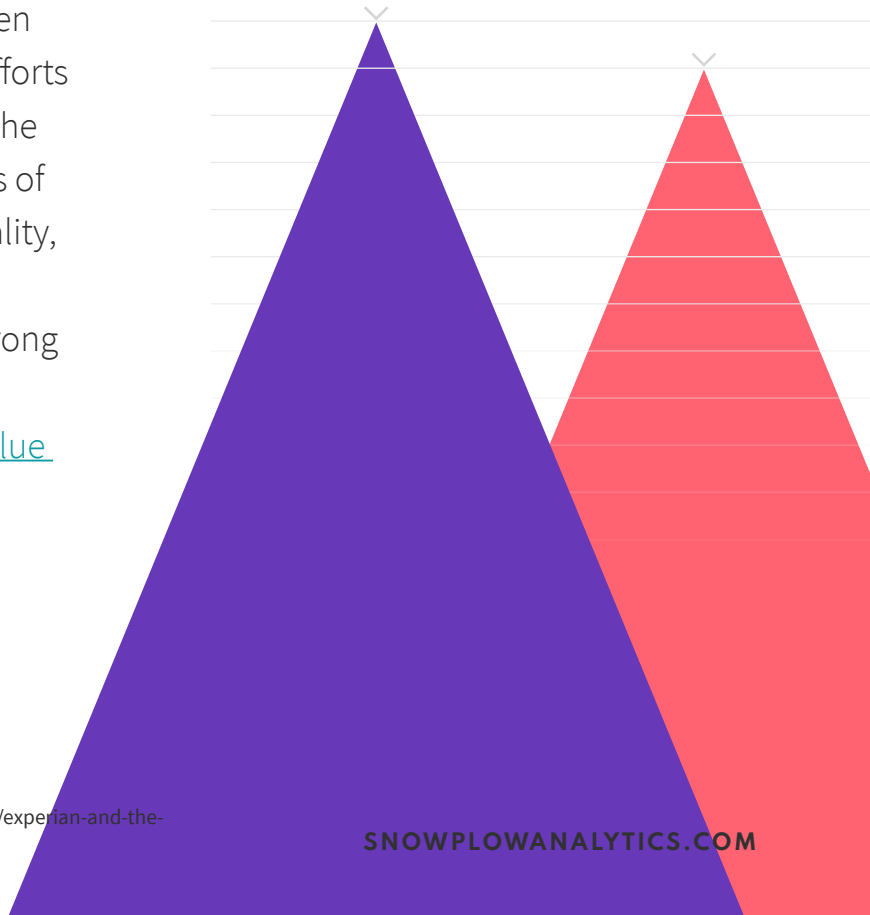
In addition, it's entirely feasible for a department to achieve a KPI that doesn't deliver any tangible benefits outside of its own silo. What are the wider benefits to marketing increasing click through rates or product determining which button color gets more clicks?

ONE DATA ASSET FOR THE WHOLE COMPANY

An effective data strategy will set up the whole business for success, not just benefit selected departments or individuals. And this is where the head of data will play a pivotal role.

Senior data decision makers act as 'data champions' for the business, ensuring that data is treated as a valuable asset that the entire organization can call upon as a resource.

These 'data champions' are also often the ones spearheading education efforts within the organization, increasing the understanding within business units of ideas such as data literacy, data quality, and responsible data management. Research shows that firms with a strong corporate data literacy culture or workforce can increase company value by up to five percent.[7]



[7] https://www.experian.co.uk/blogs/latest-thinking/data-and-innovation/experian-and-the-data-literacy-project/

Part of this responsibility involves supporting colleagues with different levels of ability when it comes to data, ensuring that all staff can access and understand insights, regardless of how comfortable they feel working with data.

Mismanagement of data programmes can have disastrous consequences. Ineffective analytics using siloed data sources can be expensive and inefficient, delivering minimal return on investment, while a fragmented or poorly organized data estate can lead to compliance challenges if security and access permissions are neglected.

For businesses who manage their data and analytics programmes effectively, however, the rewards can be substantial. Smart use of behavioral data can drive customers to spend more, keep users on a site for longer, reduce inefficient marketing spending, and improve customer loyalty.

Let’s take a quick look at some real-life use cases.

GREEN BUILDING SUPPLY

Tourlane

LA PRESSE

CASE STUDY: MARKETING ATTRIBUTION

Sustainable construction specialist Green Building Supply (GBS)[8] was using Google Ads to drive customers to its site and place an order for samples.

The company's sales cycle is typically based on potential customers ordering a small sample of their desired construction materials to assess suitability, and then coming back to place a separate, larger order for the materials required to complete a full project. But with months passing between the initial sample request and a full order being placed, GBS was unable to attribute large orders to the Google Ads that initially led to sample orders.

Plus follow-up orders may have been placed online, in store, or by phone.

GBS' attribution model only showed that ads were driving roughly 300 new customer orders per month, each of whom would only order $2-$3 worth of samples. Without an accurate end-to-end analytics solution, GBS found it impossible to ascertain which of those visitors were converting to higher-spending customers later on.

This is a problem many marketing teams wrestle with. While omni-channel campaigns are generally taken to be best practice, spreading your activity across multiple platforms and channels can result in fragmented data and no clear picture of which platforms are actually delivering the desired results.

[8] https://snowplowanalytics.com/customers/green-building-supply/

This can lead to marketing teams wasting money on channels that aren't going to be valuable to the business long-term, and not diverting spend to the ones that are. It can also prevent marketing teams from securing additional budget, as lack of proper attribution means they have no insight into which channels are working, and so find it harder to justify increasing spend. In GBS' case, proving the effectiveness of their Google Ads allowed the marketing team to actually grow their budget.

Once GBS implemented Snowplow's data delivery platform, it was able to combine data from multiple sources and accurately track its entire customer journey, over multiple channels and touchpoints, to find out how its customers were being acquired. Armed with this knowledge, GBS could then optimize its marketing by quadrupling its spending on digital ads, safe in the knowledge that this would yield results.

Sure enough, those paid ads achieved:

13x
more customers

1,400%
growth in revenue

106%
increase in conversion rates

This is one of the most direct examples of data monetization, where a business combines data from across all its channels to gain a complete picture of where its marketing is having the biggest impact—and maximizes the opportunities within that channel.

Tourlane

CASE STUDY: PRODUCT

Gaining a single customer view is a goal for many businesses. It helps them understand how each user interacts with their brand, and enables the business to deliver personalized, relevant customer experiences.

High-quality, accurate, and complete data is essential to help data teams stitch together information from different platforms and channels and build this single customer view. If any data is missing or incomplete, a 360° perspective is not possible.

As a travel business specializing in personalized, tailor-made experiences, Tourlane[9] wanted to improve its customer-centricity.

The out-of-the-box data tracking capabilities it was using from Google Analytics were making it impossible to join the dots between individual customers and the page views, impressions, and conversions they were tracking. Online and offline data—such as telephone calls—was trapped in disparate silos.

By upgrading to Snowplow, Tourlane was finally able to centralize data from all their touchpoints and piece together a single view of its customers. Tourlane's data team could move away from generic, limited data tracking to user-specific insights and a greater understanding of its customer's behavior. In turn, this meant Tourlane could better predict customer intent, optimize supply and demand, and bring data-tracking into the center of the business.

[9] https://snowplowanalytics.com/customers/tourlane/

CASE STUDY: PERSONALIZATION

Speed is another often-overlooked factor when organizations are thinking about analytics. While all businesses move at different paces, it is a universal truth that the faster you can obtain data, the faster you can act on it.

In the case of Canadian media firm La Presse,[10] it needed access to real-time behavioral data about how its readers were interacting with its digital products. Going into competition with online advertising juggernauts like Facebook and Google meant that to offer value to clients, it needed to drive deeper engagement with readers by giving them a truly personalized ad experience.

To do that, however, La Presse needed to track and control a huge amount of event-based user activity data in real time.

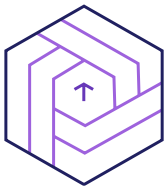
Snowplow's technology enabled it to do this effectively, as well as giving the organization the ability to integrate with vital custom-built and third-party solutions. The result was a system that allowed La Presse to ingest real-time behavioral data from users to deliver personalized content recommendations to maximize retention and engagement, reduce churn, and increase the value per user.

Editorial teams could also draw on this data to ascertain which topics were of most interest to their readers on a moment-to-moment basis. Real-time insights such as this are an incredible enabler for business agility, as they allow organizations to adapt to changing situations and perform course-corrections extremely rapidly, making them more resilient and performant overall.

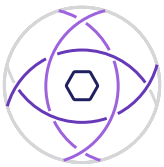
[10] https://snowplowanalytics.com/customers/lapresse/

DELIVERING AN INTELLIGENT DATA STRATEGY

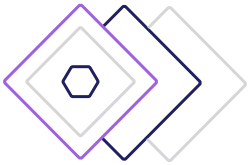
As seen in these examples, data monetization can mean many different things, whether it's:



Optimizing marketing spend for maximum ROI

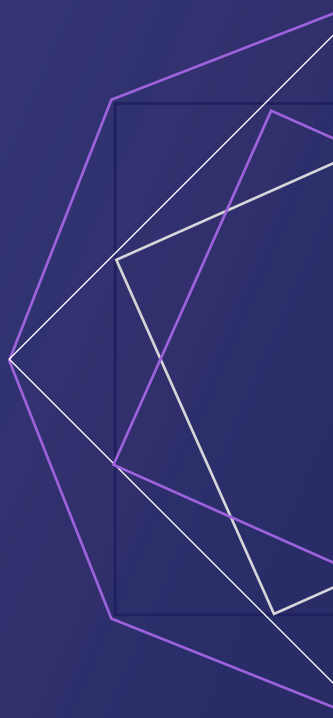


Building a single customer view to manage product supply and demand



Providing market differentiation by layering deep personalization on top of your services

All of these companies have used data to transform their businesses, but the common thread between them is that they are informed by an intelligent data strategy that uses data in a targeted way to deliver benefits across the organization as a whole.



Many departments within a business will request specific insights and data. The key to building a truly effective data strategy is to have a cross-functional approach, which allows stakeholders from all areas of the business to derive value from it.

An individual data stream becomes exponentially more useful when combined with other sources. But because individual teams often lack the necessary insight into what other areas of the organization are doing, they rely on data champions to look at the data requirements of the business at large. Heads of data are best positioned to look at what goals different parts of the business are trying to accomplish, and what combination of data points is needed to get there.

KPIs should be at the root of an analytics initiative; capturing and analyzing behavioral data for its own sake is inefficient and unnecessary. Data collection activities should drive metrics that directly inform the tracking of specific KPIs. Ideally, these KPIs should be informed by multiple data streams from all relevant sources, ensuring that they offer a well-rounded, holistic outlook on the business challenges they're attached to.

PUTTING THE HEAD OF DATA AT THE HEART OF THE BUSINESS

Data heads are also instrumental in contextualizing data.

While the raw output of a data processing system may be suitable for a data scientist or business analyst to work with, line-of-business teams such as marketing and product may not be properly skilled or equipped to work with it.

In these cases, data heads can deliver the insights that the data offers in a more digestible form—such as visualizations or interactive dashboards—complete with information and data points from other areas of the business to form a complete picture, in a form that's instantly understandable and actionable.

This doesn't mean that every team and department should be provided with its own customized tool, however.

The ultimate goal of many data projects is to build a culture of self-service analytics, where data teams are responsible for building a centralized portal for the organization's data, and equipping the rest of the business with the knowledge and skills to use and interpret it effectively.[11] Data assets should be flexible enough to meet the needs of multiple units within a company, without being too generic to provide meaningful intelligence.

[11] hhttps://www.gartner.com/en/documents/3878963/maximize-the-value-of-your-data-science-efforts-by-empow

Data assets will naturally grow along with your business. Some sources may become less relevant as the organization's technology and channels change, while expansion and strategy adjustments will require the measurement of new metrics.

This is why successful organizations put data heads at the heart of their operations, making sure that they are kept in the loop regarding business priorities and consulted on changes to technical infrastructure.

It's also important for these specialists to ensure that, as the needs of the business change, the data assets they maintain are adapted and modified to best support those changing requirements.

This is the dual role of the head of data in enabling data monetization, helping to both craft and deliver essential data projects. It's a role that requires the head of data to listen to the business as well as talk to it.

CUSTOMER INSIGHT

“With Snowplow data, we set sales records five months in a row from when we started the ad tests.”

Aaron Hirshberg, COO, Green Building Supply