Data Drives Dollars

Leverage Your Organization's Data and Grow Your Business

About Alex

- Director, Social Marketing at GrowthWeaver
- Former VP, Marketing at Boston-based social media startup
- Client history:
  - Susan G. Komen
  - MillerCoors
  - Domino's Pizza
  - Kraft Macaroni and Cheese
  - Microsoft
  - Bing
  - Applebee's
  - JELL-O

What We Do

- Work with media companies to add digital tools to their sales portfolio
- Drive sales for online businesses through digital marketing
- Utilize social media to drive local business
- Create online tools to assist businesses in finding new customers
- Help publishers drive more revenue and readership via social advertising

What is Big Data?

big da·ta

noun COMPUTING

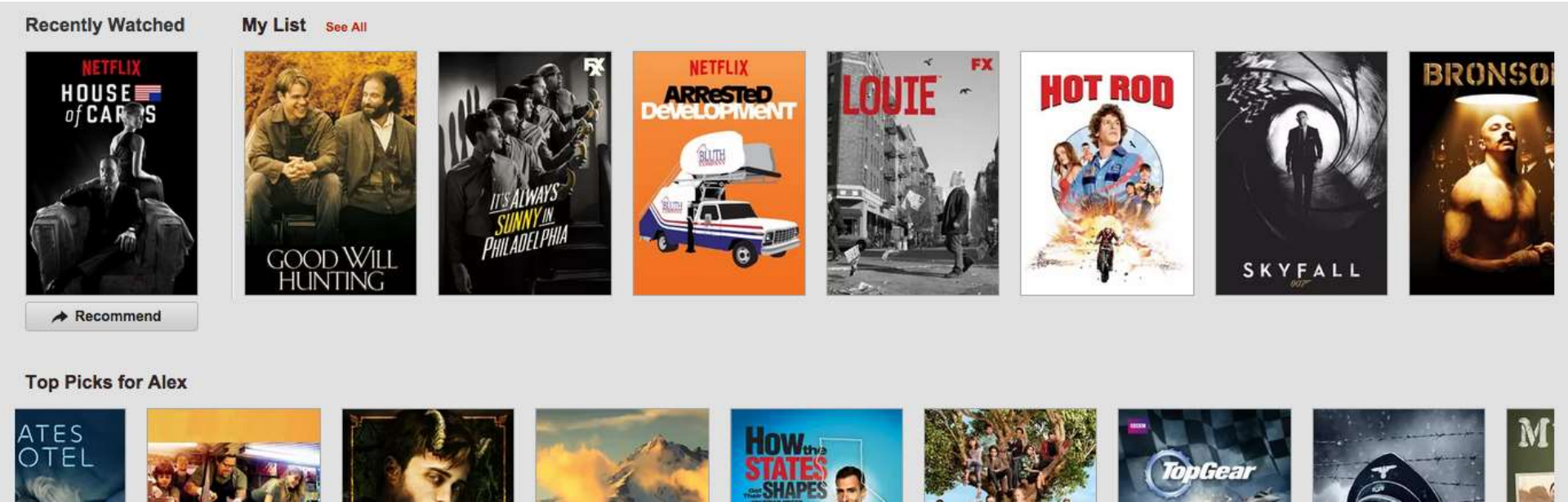
extremely large data sets that may be analyzed computationally to reveal patterns, trends, and associations, especially relating to human behavior and interactions.
"much IT investment is going towards managing and maintaining big data"

What is Big Data?

- “Big Data” is lots of information that a business or entity can use to better its practices.
- Who uses big data?
  - Netflix
  - Target
  - Amazon
  - Social Media Marketers
  - You (?)

Data Drives: Netflix

- Data Drives:
  - Improved Customer Experience
  - Content
  - Aesthetic Appeal



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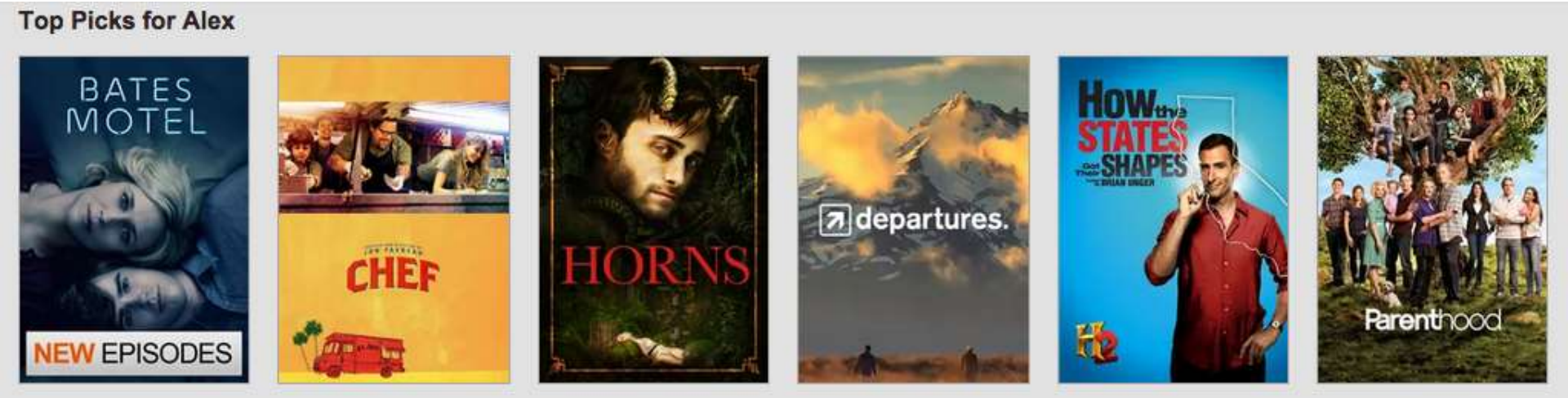
Data Drives: Customer Experience

- Recommendation Engine
  - "How does it all work? We use a recommendation algorithm that takes certain factors into consideration, such as:
    - The genres of movies and TV shows available.
    - Your streaming history, and previous ratings you've made.
    - The combined ratings of all Netflix members who have similar tastes in titles to you."



Data Drives: Content

(Traditional Studio vs. Netflix)

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- Traditional Studio
  - Receives hundreds of pitches
  - Creates 20-30 pilots
  - Approves a handful of pilots
  - 1/3 get renewed for a second season
- Netflix Studio
  - Uses data to find what fans want
  - Licenses 5 original series for pilot
  - 4/5 renew for a second season

Data Drives: Content

House of Cards

- Plot/Storyline
  - Dramas are popular
  - Right setting for political drama
- Actors/Directors
  - David Fincher-directed/produced shows performing well
  - Kevin Spacey is popular
- Promotion
  - Recommendation Engine
  - 10 different House of Cards trailers
    - Kevin Spacey fans see pilots featuring him
    - Political drama fans see politically-oriented pilots
    - Viewers who prefer woman-starring roles see more women in the pilot

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Data Drives: Aesthetics

- Color/Title Analysis
  - Do customers trend towards specific cover types? Should personalized recommendations automatically change?
  - Which title colors appeal to which colors?
  - Is there an ideal cover for an original series? Or should different colors be used for different audiences?
  - Netflix can even use data to determine the “average color of titles for each customer in a 216-degree vector over the last N days.”

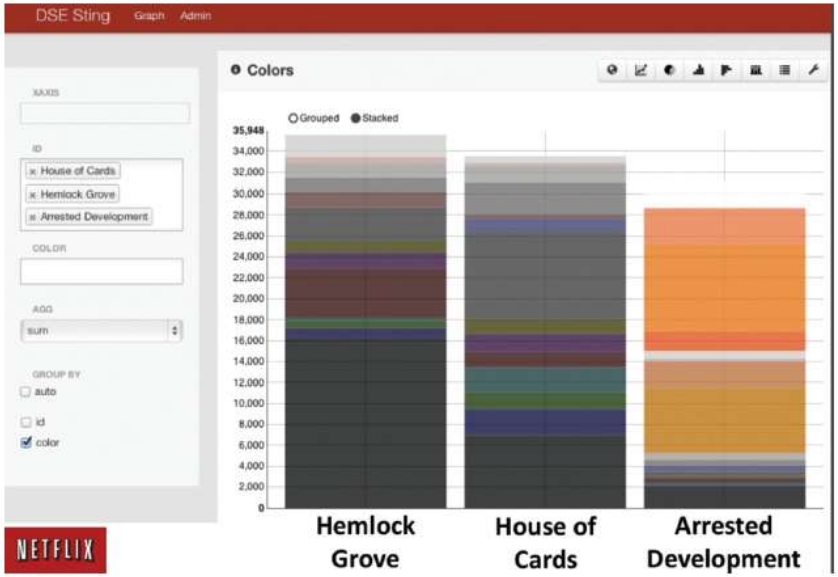

Figure 3.2 Detailed Color Comparison of *Hemlock Grove*, *House of Cards*, and *Arrested Development*
Source: Netflix Technology Blog (techblog.netflix.com)

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Data Drives Netflix: Key Takeaways

- Data can improve customer experience through user experience analysis
- Use data to refine existing content offerings
- Use data to decide direction for new content
- Drive aesthetic improvements through data analysis

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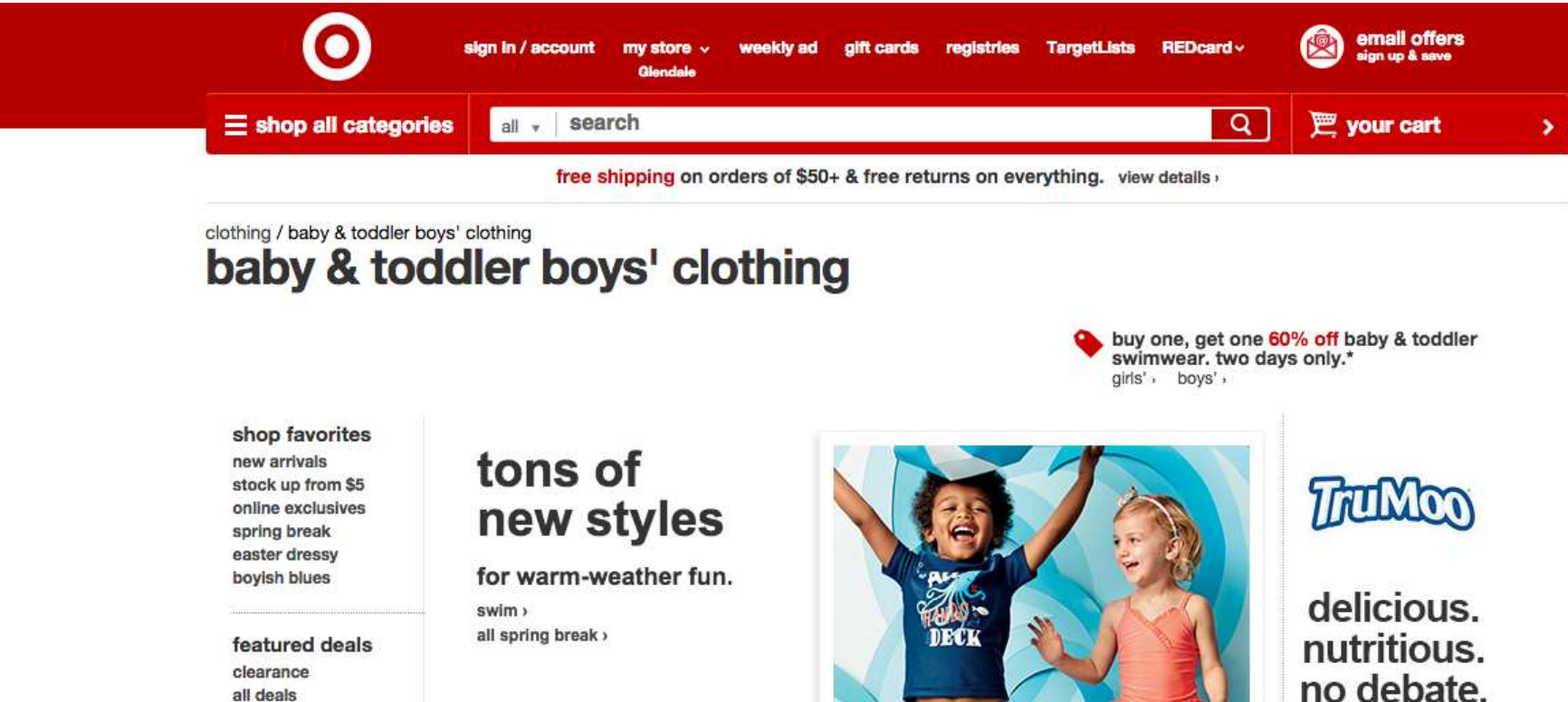
Possible Next Steps

- Use paywall data to determine major content areas and customer preferences
- Build new content based upon those findings
- Sell new content at a premium

Data Drives: Target

- Data Drives:
  - Purchase Behavior



Data Drives: Purchase Behavior

- Target profiles customers' recent buys to suggest additional purchases.
  - "If you use a credit card or a coupon, or fill out a survey, or mail in a refund, or call the customer help line, or open an e-mail we've sent you or visit our Web site, we'll record it and link it to your Guest ID. We want to know everything we can."
  - "If we wanted to figure out if a customer is pregnant, even if she didn't want us to know, can you do that? "

Data Drives: Purchase Behavior

- "My daughter got this in the mail!" an angered said to a Target store manager. "She's still in high school, and you're sending her coupons for baby clothes and cribs? Are you trying to encourage her to get pregnant?"

- What happened here? What went wrong for Target?
  - "[Target] ran test after test, analyzing the data, and before long some useful patterns emerged. Lotions, for example. Lots of people buy lotion, but…women on the baby registry were buying larger quantities of unscented lotion around the beginning of their second trimester. Another analyst noted that sometime in the first 20 weeks, pregnant women loaded up on supplements like calcium, magnesium and zinc. Many shoppers purchase soap and cotton balls, but when someone suddenly starts buying lots of scent-free soap and extra-big bags of cotton balls, in addition to hand sanitizers and washcloths, it signals they could be getting close to their delivery"
  - Big data is excellent for pointing out overall trends, but may not always work on the micro level.

Data Drives: Purchase Behavior

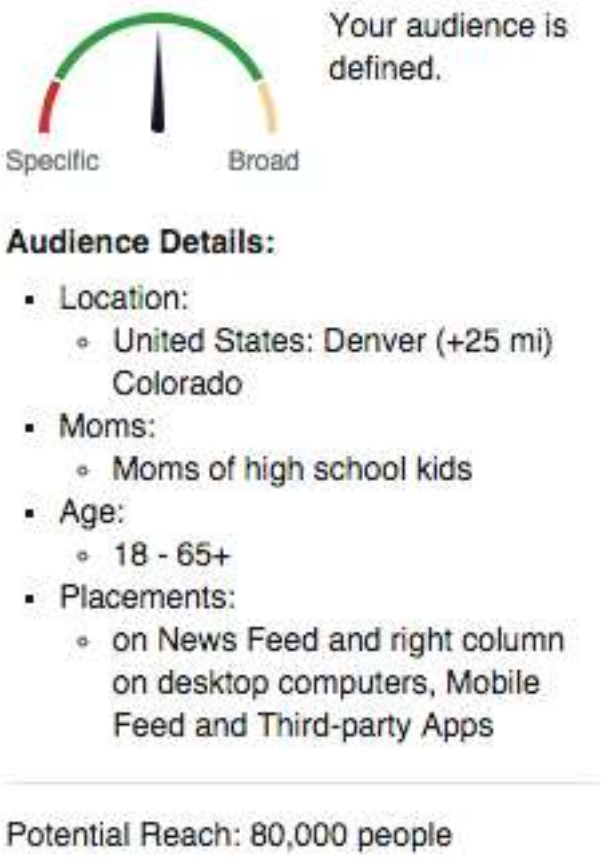
- “I had a talk with my daughter. It turns out there’s been some activities in my house I haven’t been completely aware of. She’s due in August. I owe you an apology.”

Data Drives Target: Key Takeaways

- Data can help drive the right sales and promotions
- Data can help segment and profile customers
- Advertisers must be tactful about how they pursue that data

Possible Next Steps

- Analyze paywall sales and determine interests
- Track your customers' digital behaviors to determine additional opportunities
- Use social marketing to target relevant adults in market and sell your services



Data Drives: Amazon

- Data Drives:
  - Customer Service

amazon.com

Data Drives: Customer Service

- Amazon tracks all purchases online
- Amazon creates in-depth customer profiles of purchase history, browsing behavior, etc.
- Information readily available to customer service reps during conversations
- Uses purchase behavior to suggest additional purchases

Data Drives Amazon: Key Takeaways

- Use data to help suggest relevant offerings to current customers
- Back-end data, if presented correctly, can be useful to customer service and sales professionals.

amazon.com

Possible Next Steps

- Provide sales and customer service teams with relevant customer information
- Develop specialty products can you sell to current readers and advertisers based upon preferences
  - Events
  - Specialty Publications

shoutlet

Data Drives: Social Marketing

- Shoutlet utilized to monitor #WolvesMadness
- Identified “power users,” brand advocates and fans with powerful following with Social CRM
- Encouraged and rewarded fan interactions with prizes

shoutlet

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Data Drives: Customer Profiling

- 12,000 new Shoutlet profiles collected
  - Age
  - Hometown
  - Interests
  - Behaviors
  - Other Demographics

shoutlet

Data Drives Social: Key Takeaways

- Utilize data to determine which social users are worth an interaction
- Track social profile information to better understand audience

shoutlet

Next Possible Steps

- Find a Social CRM that will help profile your audience
- Use Social CRMs to efficiently interact with power users and influencers
- Motivate fans to become advocates of your brand through specific promotions

Data Drives: Newspaper Revenue

- Data Drives:
  - Sales Efficiency
  - New Product Development
  - Advertising Revenue

Data Drives: Sales Efficiency

- This newspaper looked at its advertisers and their spend relative to the rest of the company
- Lowest tier of ad spenders made up the vast majority of their company's advertisers

REVENUE SUMMARY			
Revenue	**Accounts**	**Percent**	**Running**
$1,000	1450	58%	58%
$2,000	292	12%	69%
$5,000	337	13%	83%
$10,000	171	7%	90%
$25,000	143	6%	95%
$50,000	65	3%	98%
$100,000	32	1%	99%
$100,000+	19	1%	100%

Data Drives: Sales Efficiency

- Lowest ad spend tier is quickest group to cancel services
- New sales takes more than upsells
- Dropping the bottom 60% of spenders would only drop a small portion of paper's revenue
- Solution: drop (or move to self-serve) lowest tier of advertisers to boost efficiency, increase upsells and decrease churn rate

New Product Development

- The Newspaper focused on building on programs focused on ROI
- Scrapped products and publications with little ROI to the advertiser
- Moved advertisers to more successful products
  - Reduced cancellation rate of all advertisers by increasing ROI

Data Drives Newspapers: Key Takeaways

- Leverage data to make your sales team more efficient
- Let data drive new product development
- Improve offerings to customers by removing non-results-driving products
- Increase revenue by maximizing efficiency through focusing sales efforts on highest-yielding clients

Data Drives Newspapers: Key Takeaways

- Use web data to improve online customer experience
- Content consumption data can help improve future content offerings
- Online analytics can yield data for aesthetic improvement
- Alter customer purchase behavior through analysis, customer profiling and suggestion
- Improve customer relations by providing data to sales and customer service representatives
- Utilize a Social CRM (such as Shoutlet) to better leverage your audience
- Maximize sales team efficiency by only focusing on the most revenue-driving advertisers
- Drive new product offerings and remove unsuccessful product offerings through ROI analysis

Questions?