

Customer Insight **Simone Barratt, e-Dialog UK Ltd**

## Bringing the data to life



Successful data analysis can lead to huge improvements in your business performance, including increased sales, better retention of customers and even helping you to plan for the future.

The secret is being able to mine your data sources for the nuggets of information that will help you to identify the opportunities and challenges facing your business.

This prospecting should begin with your data dashboard, your window into the data from your business. Any good dashboard should deliver you campaign results, including monthly sales figures and projections and competitor information, plus open rates for

e-mails and click-through rates for online ads. As well as these 'hard' metrics you should also be paying attention to 'softer' ones, such as customer services, including the number of complaints and returns you generate.

Once you have the full spread of data at your fingertips you can get to work digging for data gold. Data is only useful if it is interrogated, and a common way to slice and dice your data is to use segmentation. You can use demographic, psychographic, geographic and behavioural segmentation and this can help you to focus on the trends within particular groups that are critical to your business, such as empty nesters – those who have had children who have now left home – or silver surfers, the elder generation of internet users.

Now that you have segmented your data to match your market sector you

can start the panning process to sift out your nuggets of information. The key to identifying these is to map your data against your business objectives to see if you are achieving them. If you are not, then why not? If you are below target, how can you do better? Data is useful only if it is compared against something. You may have three million visitors a month to your website, but if they are not buying anything this fact is useless.

When you have identified your nugget of information you can begin to investigate why it is happening. It is rare in business not to know why something is happening once it has been identified, but it may require taking a hard look at your operation from a different perspective. You may have to look at different aspects of your business, such as pricing, user experience, customer journey, customer service, marketing and communications. Do not forget to listen to your customers: ask them about an opportunity or an issue.

The good news about applying insight via the internet channel is that it can give you the ability rapidly to take advantage of the opportunity created or fix the problem, with speed-to-market and results analysis possible in days and weeks rather than months. However, this depends on the issue and proposed solution. If it is a marketing issue that can be taken care of by tweaking your communications, testing online is a quick and easy way to investigate alternatives and get the data back to see if they work. If it is a development issue, it may take longer. In either case, by going through the data analysis process you will have delivered actionable insights into your business and the benefits will follow.

### Example

Imagine you run an online car insurance business. By looking at your top-line statistics you can see that your renewal rate is about industry standard. You are meeting your overall business targets and everything looks rosy.

However, when you segment your data you can see that female drivers under the age of 35 are not renewing at anywhere near the rate they should be. So you look at how this group is using

your website, the communications they are receiving and if your price is competitive. Nothing seems obviously wrong, but you are worried by the noise in the marketplace and the added value of niche competitors focusing on the female driver. Getting creative with the data collection process, you conduct focus groups and discover that this segment likes extra benefits such as special discounts with affiliated third party companies.

Now you have identified this key point, you can take appropriate action, either by offering a similar service or attracting the group in a different way, perhaps through reduced prices. Critically, your segmentation analysis and retention rate data for the under 35 females now helps to justify the business case for your new product enhancements. The finance department is confident when it can agree realistic targets and run sensitivity analysis based on solid information. By bringing the data to life you have brought valuable insight to your business and will make a difference to the bottom line.

### Top five tips for bringing data to life

1. Understand the big data picture. It is vital to have a working dashboard that collates your critical information in one place.
2. Investigate the micro as well as the macro and pay particular attention to your key customer segments.
3. Gain insight by mapping back micro data to your business objectives to identify opportunities and challenges.
4. Carry out creative investigation to find out what your data nuggets mean in the real world.
5. Develop and implement an action plan of testing and feed the results back into the data lifecycle to measure their success.

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