

Empower Your Clients With Data-Driven Decisions

How to Win in the Age of Data-Driven Marketing

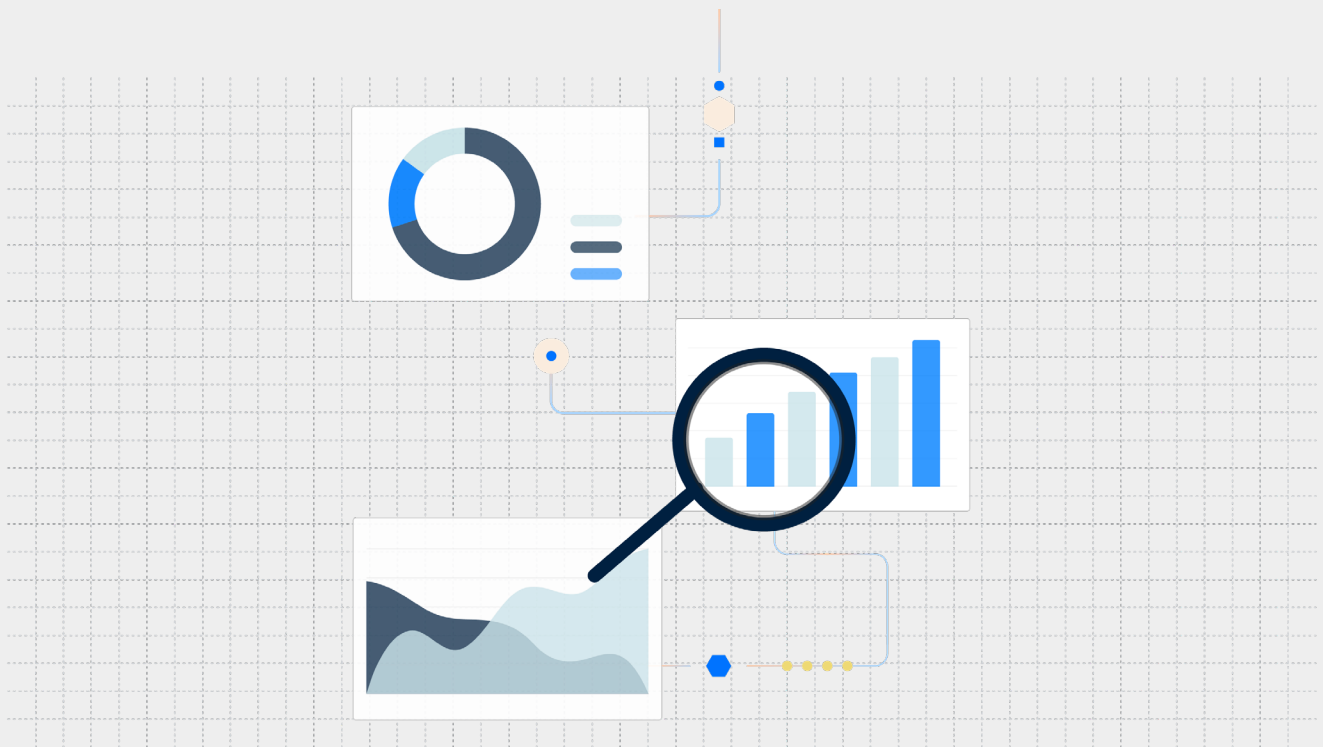


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Marketing continues to evolve in the Data Age

Modern organizations have access to unprecedented volumes of data — data that can vastly improve business decision-making and unlock greater levels of efficiency. This is especially true in marketing, which has undergone a dramatic transformation over the past decade. The widespread digitization of society has brought with it an entirely new media mix for marketers: They now have access to a never-ending stream of invaluable insights into their customers, their performance and opportunities for improvement. Marketing is poised to become more science and less art, with marketers relying on data-driven decision-making over creative hunches.

Marketing agencies and marketing departments that don't become data-driven risk being outpaced by competitors — and by consumer expectations. A [Salesforce](#) survey of 6,700 people found that 76% of consumers expect marketers to anticipate their needs. This is perhaps unsurprising — we live in the age of hyper-personalization, with Big Tech setting the standard when it comes to delivering seamless, connected, omnichannel customer journeys.

So the incentives to become data-driven are overwhelming, but getting there is a major challenge. Today's marketers are faced with myriad data sources in a complex omnichannel landscape, rapidly changing consumer expectations and measurement methods stuck in the past. At the same time, growing concerns about security risks, privacy and regulation are bumping up against the analytics benefits offered by cloud computing, machine learning and artificial intelligence.

"It's challenging for businesses to get their message across effectively. Our goal is to create for our clients an optimal ad experience or many iterations of a website and then connect each of their customers with the user experience that will best help them understand the product. For us to tailor marketing to that level, we need to effectively use data and AI."

—

Brandon Beidel, Director of Product Management, Red Ventures

We wrote this guide to show how to centralize the vast array of available data and transform it into timely and actionable insights that improve strategic decision-making. At Fivetran, we believe that data has the power

to transform the world around us, and we're on a mission to democratize access to data — making it as simple as accessing electricity from a power outlet.

After reading this guide, you will be able to:

- ☐ Explain what marketing analytics is and how it's evolving
- ☐ Make a compelling case for why your organization should begin investing in the future / improved marketing analytics
- ☐ Support marketing analytics adoption by following best practices and avoiding common pitfalls
- ☐ Help your marketing team prepare for a post cookie world

What Is Marketing Analytics?

Marketing lives at the intersection of art and science. For a long time, you could argue, creative intuition has dominated strategic decision-making in the marketing space, largely because access to meaningful data has been difficult and expensive. Though intuition is a helpful tool, it's a mistake to base strategic marketing decisions on mere gut feelings.

Marketing analytics, at its core, is about identifying patterns within data to inform smarter marketing decisions. Put simply, marketing analytics helps you better understand customers and their behaviors, enabling you to make data-informed decisions about your marketing activities to drive higher efficiency and ROI for your clients.

There's a huge spectrum of sophistication within marketing analytics, but pretty much every marketer today already engages in some form of marketing analytics or another. Starting simply is about focusing on a single platform or campaign: Are you assessing visitor behavior on your client's website in Google Analytics? Or perhaps reviewing social media engagement data? Well, you're analyzing marketing data.

As you get more modern in your approach to marketing analytics, you will want to look at how multiple campaigns interact with each other and with your target audience to drive revenue. You'll need to find a way to centralize data from individual platforms and campaigns so you can see larger patterns and make decisions with more data backing you up.

Our fundamental value proposition to clients isn't data engineering or data movement. The largest component is insights and activation, not engineering pipelines — the value is in what we uncover and how we are able to leverage it. We're more efficient in allocating our time and resources, enabling us to optimize for what actually drives value for our clients."

—
**Kade Killary, Data Scientist,
Crossmedia**

Today, marketing agencies can use data analytics to help answer strategic questions such as:

Q: Who are our clients' customers and what do they care about?

Q: How much money are we spending on acquiring new customers?

Q: Which marketing channels should we use to reach people?

Q: What should we do to increase customer retention?

Q: What messaging and creative should we use to influence their behavior?

Q: What is the return on marketing investment across different channels?

Embracing a data-driven marketing approach gives you a deeper understanding of where your customers are and where the market as a whole is going. It allows you to stop being reactive and start being proactive.

To see exactly why this is, let's take a deep dive into the benefits of marketing analytics.



What Are the Benefits of Marketing Analytics?

As we saw in the introduction, effectively leveraging data has become a competitive necessity, and consumers now expect the kind of hyper-personalization that only data-driven teams can deliver. But how does marketing analytics enable that kind of personalization? What specific benefits does it offer, and how relevant are they to your current challenges? Let's take a look at seven key benefits of marketing analytics. Although we focus on how these benefits apply when running campaigns for your clients, these same benefits also apply when your agency is running campaigns to grow your client base.

1

An Integrated View of Your Marketing Data

"Fivetran has opened us up to new capabilities that weren't possible before. Now we can analyze very large CSV files, put them into a database and produce client-facing reports...it has become an automated task."

—

Leon Richard, Lead Data Strategist, Moroch.

Agencies tend to run many different efforts across many different platforms and teams. Getting all the data from these disparate efforts into one place requires a lot of coordination.

A solid marketing analytics program will identify all the different tools and platforms used and centralize the data they generate for analysis. Getting the data from all of your paid efforts in one place, for example, allows you to understand what's working, where to put more budget and how you can share learnings across teams and channels. Imagine that an image is leading to numerous clicks on your Facebook ads but you aren't getting the same number of clicks on your Twitter ads. Now you can consider bringing that winning image over into Twitter to see if it performs better.

Over time, you can add elements to your marketing mix and build out a fuller picture of what's happening and — importantly — what's working. Being able to combine and cross-analyze data from all your efforts is foundational, and it will enable more sophisticated analytics involving things like attribution and ROI. It's about getting all your data in one place, in the same format, at the same level of freshness.

Check out [our guide](#) to get started on seeing your marketing mix.

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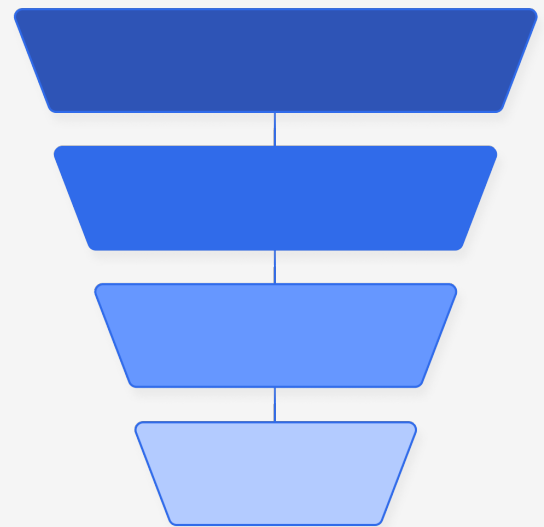
Campaign Optimization

On its own, raw data is useless. Your agency only derives value from their data when they use it to assess current performance, identify opportunities for improvement and use these insights to optimize future campaign performance.

A/B testing, an important element of marketing analytics, allows marketers to do just this. They can instantly compare contrasting approaches, like running two starkly different ads (both in terms of design and copy) for the same campaign. Even better, everything can be A/B tested: messaging, creative elements, retargeting strategies and more.

A/B testing involves getting comfortable with the end-to-end process of devising a hypothesis, setting out the test parameters (channels, KPIs, duration), executing the plan and relaying these insights into your next effort. You'll start by making small-scale adjustments to one particular problem, such as tweaking the CTA on a low-converting ad.

Once you have a firm grasp on the process, you'll go bolder. You can A/B test large strategies instead of merely fine-tuning the details.



3

Top-of-Funnel Brand Awareness Analysis

Brand awareness is crucial. If your target audience has never heard of your client's brand, how do you expect the end consumer to buy from them? Measuring brand awareness has traditionally been tricky. Large-scale ad campaigns might make your client's brand more recognizable, but this doesn't necessarily translate into higher conversions and sales.

With marketing analytics, companies can delve into brand awareness analysis without having to rely on recent changes to the bottom line or likes on Facebook. Social listening/tracking, search volume data, content reach, web traffic (especially direct traffic) and share of voice analysis are all great places to start.

You'll want to look at key metrics across your social channels (followers, engagement rate, etc.) and compare these against your clients' competitors. This will give you an initial, very rough way to estimate brand awareness.

You can then include more data points into the awareness analysis. For example, you may implement social listening tools to pick up all relevant online chatter, analyze search volume data and direct traffic, conduct surveys with your target customer base, set up Google alerts and collect data from Google Search Console.

Check out [our resource page](#) to learn more about how to run sophisticated top-of-the-funnel analysis.

4

Prospect Profiling and Segmentation

Prospects are far from homogeneous. They each have their own background, preferences and demographic profile, meaning you can't simply adopt a one-size-fits-all strategy when marketing to them.

"Having quick access to data means we can be much more efficient with our people, time and product development. That's gold. You can shorten the window to get out in front of your customers."

—

Peter Knox, Director of Product Management at ShopKeep

Profiling and segmentation allow you to group similar prospects together according to the factors you deem most important. This enables you to devise targeted strategies that will resonate with each individual segment's preferences. By speaking to customers the way they want to be spoken to, you'll increase your marketing success and reduce wasted efforts.

A marketing analytics approach will allow you to split customers into useful segments before devising targeted outreach strategies. For instance, if you're running a campaign for an outdoor sporting goods store, you might geographically target customers, showing ads for surfboards to customers located on the coast and ads for skis to customers living in mountainous, high-altitude regions.

Now you can continue to analyze your campaign data and tweak your customer profiles accordingly. Perhaps your surfboard ads fell flat among consumers based in the Pacific Northwest. When you take a step back, you realize that these consumers have both beaches and mountains on their doorstep — and in the winter, they're more likely to look for skis than surfboards.

5 Customer Journey Analysis

Individual customers follow their own path prior to purchasing products, and afterwards as well. These journeys likely involve multiple touchpoints across a variety of channels. Your marketing analytics might demonstrate that most customers use social media for brand awareness, search engines for consideration and your website for purchases.

Armed with these insights, you can make sure to provide consumers with appropriate information at each stage of their journey. For example, you might consider using less detailed but more aspirational content on social media pages. However, knowing that consumers use search engines to help them find out more about your clients' products, you should probably design the website around the most common FAQs and clearly lay out everything that their products have to offer.

Your effort might begin with a tool like Google Analytics, which allows you to establish targets, i.e., steps that a customer will take before purchasing from you (clicking on your promotional ad, booking a demo, etc.). Once you've set up your goals, you can then begin to map out the sources that drove customers to complete each goal, helping you link your customer journeys together.



Data from Google Analytics will guide improvements to the customer journey, identifying areas where you can remove friction. If you notice that plenty of prospects click “Book a demo” but only a small percentage fill out the corresponding form, analyze why this is. Are there too many form fields, for example?

You can get even more sophisticated by continuing the mapping beyond the sale. Look to understand how a customer interacts with content and what it takes to upsell and cross-sell them. Then find moments to automate and bring more of a [product-led growth \(PLG\)](#) motion into your business.

When you combine the data gained from social media platforms, web analytics and your email platforms like HubSpot with a customer CRM like Salesforce, you can build the coveted customer 360. A customer 360 captures all of the data and interactions that you have with your clients’ customers across all channels and touchpoints to better understand preference, patterns and needs. This centralized view enables more personalized marketing and experiences, helping to improve customer engagement. For example, a customer 360 can help with identifying customers at risk for churn, cross selling & upselling and tailoring customer service.

6

Attribution Modeling

Customer journey analysis reveals the path consumers took before purchasing — but it doesn't outline which of these steps was the most important (i.e., resulted in the highest ROI). That's where attribution modeling comes in. It reveals which touchpoints were present in a customer's journey, and also assigns a level of credit to each touchpoint depending on how influential it was. Attribution modeling can consist of connecting data from ad platforms, email campaign management and web analytics tools with an identity resolution platform. Marketers can then direct investment toward efforts that have proven successful.

As you feed the insights from attribution modeling back into your marketing strategy, improving campaign ROI and unlocking more budget as a result, you'll want to consider refining your attribution model to ensure it's appropriate for your business model. Most models start with last-touch, meaning all credit for a purchase goes to the last touchpoint before conversion, but there are many others, including time decay, first touch, u-shaped and more.

Check out [Bizible's guide](#) to see what might be the best model for your company.

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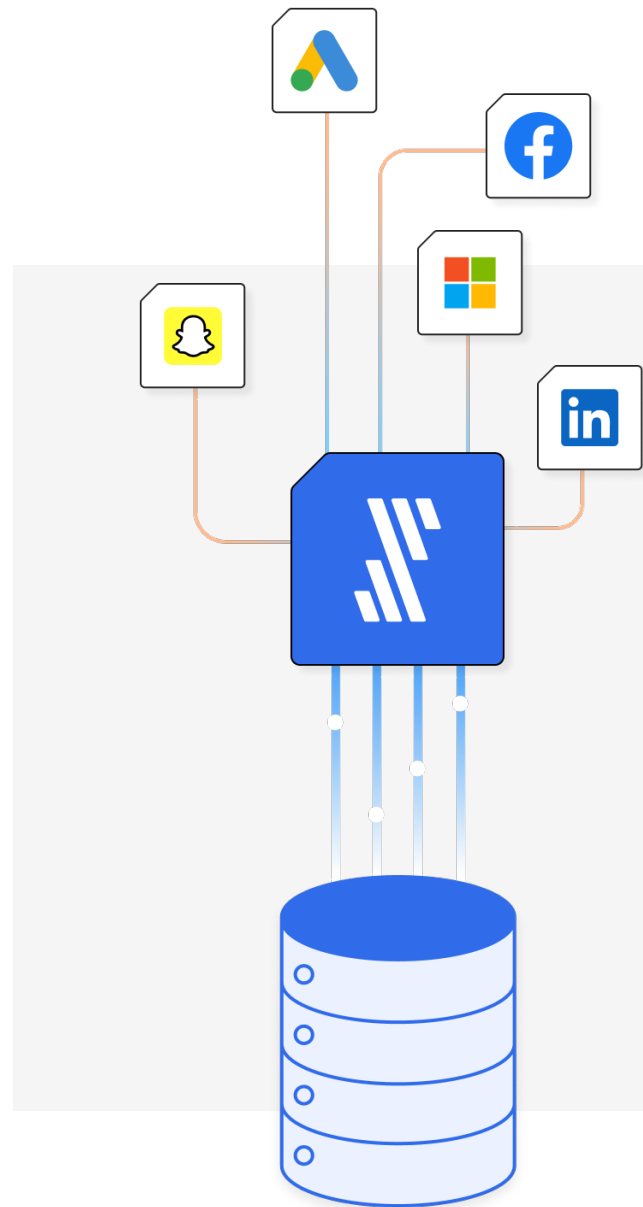
Cost of Acquisition Analysis

Imagine you have a firm grasp on all your different marketing strategies, have seen precisely how customers move through the buying journey and worked out which channels and strategies are most effective. Now you need to put all this information together and work out how much it costs to acquire each customer. Thankfully, this is as simple as dividing the amount you spent on a campaign by the number of customers that you acquired.

A marketing analytics program will track the performance of all your cross-channel campaigns, helping you easily identify which strategies, products and demographics have the lowest cost per acquisition (CPA). Invest more heavily into these areas going forward to increase your marketing ROI.

You'll also be able to compare your average CPA to industry standards and benchmark yourself against the competition. Why do different campaigns result in different CPAs? Is it down to a subpar strategy or simply segment-specific variations?

You'll want to identify a target CPA for each of your strategies and segments and A/B test different strategies until you reach your goals.

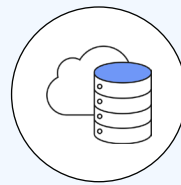


Essential Building Blocks of Marketing Analytics

Despite an abundance of data and the increasing power of analytics technologies, there's a significant disparity between the potential of marketing analytics and what's really happening within many marketing departments today. [HubSpot recently found](#) that while 75% of marketers report on how their campaigns influence revenue, only 35% said that understanding return on investment is "very important" or "extremely important." [A recent Gartner survey found](#) that nearly half of marketing decisions are made without the influence of analytics. One of the main reasons was a resistance to following analytical recommendations that contradicted pre-existing plans.

This research points to the fact that implementing a marketing analytics program requires much more than investing in a swanky tool or reading up on the latest best practices. Becoming a data-driven agency is a holistic effort that requires cultural and organizational shifts as well as an expanded portfolio of technology tools.

Let's take a look at five essential building blocks that will make your marketing analytics initiative a success.



Data Culture

Data analytics is like a car engine, powering marketers on their journey towards better marketing outcomes. But an engine alone doesn't make a car. In order to make a difference, analytics needs to be supported by an organization-wide attitude that prioritizes data-driven thinking at all times. In other words, organizations need a strong data culture.

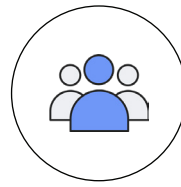
There are five key steps to creating a data-driven culture:

1. Define how a data-driven culture will help you achieve tangible organizational goals.

2. Assess your data culture as things stand, identifying what needs to be improved before investing accordingly.
3. Make this a top-down effort. Clearly communicate that creating a data-driven culture is a leadership priority.
4. Ask managers to hold their team members accountable. Whenever a strategy changes, or a new suggestion is tabled, ask employees to present the specific data that guided their decision-making.
5. Champion data-driven initiatives. Celebrate wins, no matter how big or small, and discuss failures widely to understand what could be improved in the future.

"At our monthly town halls, analytics and BI are consulted or referenced consistently and measurable KPIs are becoming more critical. It has completely started to change the culture here and we have a line of people wanting us to do more for them. It is a lot but it is extremely exciting."

—
**Terence Knorr,
Senior Manager of BI, Braze**



Team Structure

Red Ventures (RV) used to spend up to 150 hours per data integration. Today, that figure is 10 hours — which frees up time to work on higher-value tasks. This data democratization helped its clients increase cost efficiency by 20 percent while supporting 30 percent more clients, without increasing headcount.

Siloes cripple an organization's ability to effectively use its data. Therefore, you need to set up teams correctly in order to move confidently from initial insights to appropriate actions.

1. If you're a growth agency looking to begin your analytics journey, hire generalists to start and invest in specialists later on. Generalists will get you up and running, but specialists will take you to the next level.
2. Look to integrate dedicated data analysts into each team. This will allow them to serve each team's specific needs, and they'll be on hand to answer any ad hoc questions that your team might have.
3. If this isn't possible, consider putting your data analysts to use on a rotational basis, spending a day (or a week) at a time with different areas of the business.



Skills Development

Unfortunately, data-driven marketing isn't as simple as purchasing analytics software and following precise instructions to the letter. Instead, you need to ensure that your team develops the appropriate skills to derive daily value from marketing data.

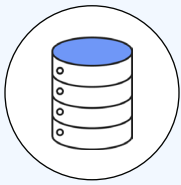
1. Identify the skills that your team requires: analytical thinking, data visualization, software-specific skills (e.g., reporting in a BI tool like Tableau) and more.
2. Score each individual marketer's competencies in each of these areas. Consider using employee surveys to gauge individuals' own perceptions of their analytics-based skills.
3. Devise a skills development plan. Will you need to invest in appropriate learning and development tools? Is there any way you can collate experienced employees' existing knowledge before sharing it with the rest of the team? How will you assess progress?
4. Share this plan, including an estimated budget, with your leadership team for approval before executing.



Marketing Data Sources

Incomplete data gives you an incomplete picture of your clients and their customers. Without accurate, up-to-date data, your analytics efforts will be less than impactful at best. At a minimum, make sure to analyze data from the following seven sources:

1. Email marketing (aka marketing automation): Marketo, Mailchimp, HubSpot
2. Customer relationship management (aka CRM): Salesforce, HubSpot
3. Paid digital advertising: social media ads like Google Ads, LinkedIn Ads, Facebook Ads, Snapchat Ads, Microsoft Ads, as well as ad delivery platforms like DV360 and AdRoll
4. Organic social and digital: Facebook, Twitter, LinkedIn, Google Search Console
5. Conversion data: Salesforce, Shopify, Square, Stripe
6. Website or engagement analytics: Google Analytics, YouTube Analytics, Snowplow Analytics, Segment
7. Additional sources: Qualtrics, Braze, Survey Monkey



A Modern Data Stack

Most marketers first approach campaign or program analysis via an individual platform or dashboard. This can be helpful to see how a single campaign or element of that campaign is performing, but marketers often need to merge data from different sources in order to compare performance across platforms or bring together paid and organic efforts. In the absence of automated technology, this may require downloading data from multiple platforms and aggregating into one spreadsheet. This can easily lead to human error, stale data and ultimately burnout on the part of marketers trying to wrangle it all, while trying to manage their day to day activities.

Rapid technological advances in cloud data tools mean you can now automate the process of extracting data from marketing sources and loading it into a single destination, where it can be used for analytics. This means automatically centralizing data from the platforms you use into a data warehouse, where you can query it. This is the only way to unlock reliable, useful and holistic analytics outcomes.

In short, marketers require a modern data stack. But what does this consist of?

1. Data sources, such as Salesforce and Google Ads, to provide the raw data
2. An automated data pipeline tool, such as Fivetran, to integrate disparate data into a single destination
3. A cloud data warehouse, like Snowflake, to store all your data
4. A business intelligence tool, such as Looker or Tableau, to enable data visualization



What's Next for Marketing Analytics?

It's impossible to predict the future, but a couple of analytics trends are set to shape the marketing industry for years to come. Let's examine what the future holds: what's likely to happen, and what it means for marketers.

What's Likely to Happen

The gulf between those using data to drive decision-making and those using it poorly — or not at all — will widen significantly. In part, this will be due to the sharp increase in the amount of data available to marketers as more channels and technologies emerge.

Additionally, the disappearance of third-party cookies will significantly change the digital tracking landscape. Safari and iOS 14 already block them, with Google Chrome — the last browser standing — set to phase them out by 2024.

For years now, third-party cookies have enabled companies to track and identify users as they hop from site to site across the internet. Whereas first-party cookies merely allow companies to store information

about what users looked at on their website alone, third-party cookies enrich this data with their behavior on other sites. This helps companies build a more complete picture of their customers, enabling them to serve up increasingly relevant ads.

What It Means for Marketers

First and foremost, marketers need to make better use of the data that's available to them — instead of simply trying to acquire more. They need a sustainable, scalable system to move from raw and siloed data to valuable insights, and they need to minimize the number of manual steps involved in this process.

In other words, they require a modern data stack powered by an automated data ingestion tool. This will allow them to pour their time and energy into generating key data-driven insights, rather than dealing with manual data integration and broken data pipelines. It will also ensure that they are on the right side of the widening gulf between truly data-driven marketing departments and those that don't effectively leverage data.

For example, by leveraging a modern data stack, Seer Interactive created dashboards to zero in on effective optimizations recommended from their Account Managers and save thousands of advertising dollars by tracking the pace between both spending and budgets across Google Ads and Microsoft Ads.

Even though the end of third-party cookies is on the horizon, [Salesforce](#) reports that 75% of marketers say they still partially rely on third party data. To deal with the disappearance of third-party cookies, marketers will need to place greater emphasis on first-party data — i.e., customer information that their organization has gleaned itself. The same report also notes that 54% of surveyed marketers have "Creating a first-party data strategy" as a top priority.

Be aware that valuable first-party data often exists in silos, spread throughout different platforms. A modern data stack will help you unify these disparate data sources and build a 360-degree understanding of both your clients and their customers.

What's more, storing your organization's data in a cloud data warehouse will greatly facilitate agile analytics and real-time marketing decisions. Rather than adopting a historic view of consumer preferences from, let's say, the last quarter, you will be able to generate insights with fresh data that continually syncs from source to destination.

It would take two people a year to do what we've done with Fivetran in 10 minutes. So is it really worth it? Yeah."

—
Ethan Lyon,
Associate Director of Engineering,
Seer Interactive

Key Takeaways and Next Steps

A recent survey of 600 marketing agencies by [CallRail](#) found 85% of agencies believe providing ROI to clients will be the key to growth in 2023. Marketing analytics is what separates good marketers from great ones and allows your agency to provide valuable insights and ROI to clients. Having read this guide, you are well-positioned to begin putting analytics at the center of your marketing operation:

- You understand the importance of creating a data-driven culture from the top down.
- You know how to set up your teams to maximize existing in-house data expertise, ensuring that data is centralized, comprehensive and easy to access.
- You appreciate the value of organization-wide data literacy and teaching employees the skills they need to navigate an increasingly data-driven future.
- You understand how to make the most out of your available data sources and build a holistic, complete picture of your clients' customers and your clients alike.

In order to get started on your journey toward modern marketing analytics, we'd recommend sitting down with your BI team to understand where in this journey your organization currently is. Next, determine the largest projects you want to solve for.

From there, it's as simple as either plugging into your company's existing system — like bringing your marketing data into your data warehouse using Fivetran — or working with your BI team to start your free trials on the right data stack for you.

For more guidance, head to our [Marketing Analytics Resource Center](#). We've created an array of content resources — ebooks, case studies, videos and more — to help marketers become more data-driven.



Fivetran is the global leader in modern data integration. Our mission is to make access to data as simple and reliable as electricity. Built for the cloud, Fivetran enables data teams to effortlessly centralize and transform data from hundreds of SaaS and on-prem data sources into high-performance cloud destinations. Fast-moving startups to the world's largest companies use Fivetran to accelerate modern analytics and operational efficiency, fueling data-driven business growth. For more info, visit [Fivetran.com](https://fivetran.com).