

# Use Customer Analytics Evangelism to Transform Your Organization

*Five steps to accelerating advanced analytics adoption*

**analysisfactory**

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Big data demands sophisticated expertise delivering nuanced insights, which BI analysts, marketers, and others living and breathing in that analytical world readily understand. But for your organization to become truly customer-centric, appreciation of and commitment to those insights must be pervasive.

Communicating customer and market insights is ever more critical today, because analytical complexity, along with the sheer amount of data, will only grow. How do customer insights (CI) pros most effectively evangelize the power of analytical findings?

What's the best way to deliver the analytical gospel to non-technical colleagues in other departments such as Sales, Finance, and Operations—and to skeptical, time-pressed C-suite executives who have both budget and influence?

This white paper outlines the steps, their sequence, and the message content to help CI move their organizations to a relentless focus on customers.

## KEY TAKEAWAYS

### ✓ **CI Pros and Marketers Must Speak the Language of Business Metrics, Not Marketing Metrics**

Statistics-speak wins no friends among non-statisticians. Focus on how advanced customer analytics can improve measurable business outcomes such as EBITDA, profit margin, and ROI. The language of a compelling story always takes its audience's main concerns into account.

### ✓ **Emphasizing Outcomes Will Turn Cross-Departmental Skeptics into Analytics Allies**

From the small, business wins driven by customer insights that you can cite as your company's good start, to memorable examples in the industry that your firm can aspire to, a singular concentration on documentable outcomes will serve to convince and convert your colleagues to the analytics gospel.



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## SOME COMPANIES LAG ANALYTICALLY EVEN AS ADVANCED CUSTOMER ANALYTICS IS MORE CRITICAL THAN EVER

In a generation, we have moved from the utter lack of customer information in the “Mad Men” era to today’s data overload. The world generates in excess of 2.5 exabytes of data every day.<sup>1</sup> A significant portion of the data is by, for, and about customers. Additionally, about three-fourths of all the new information we are generating is unstructured (text, voice, video, *etc.*), meaning that it is challenging to parse and mine for insights. Companies that are customer-centric—or striving to be—find themselves on a broad spectrum of analytical abilities in addressing this current explosion of customer data.

As customer insights professionals evaluate how analytically evolved their own firms are, in preparing to plead or accelerate the case for advanced analytics, they need to keep the following front and center:

- **Companies succeed—by all measures—proportionally with their commitment to analytics.** *The Economist’s* Intelligence Unit survey last year revealed a lockstep relationship between companies that use “data to substantiate business decisions”—in short, analytics—and performance. Comparing respondents who said they “always” use analytics to those who “sometimes or rarely” use analytics, the former group reported outperforming their competitors (68% *versus* 40%), greater innovation (78% vs. 37%), a more collaborative environment (59% vs. 24%), increased quality and speed of execution (55% vs. 24%), faster decision-making (55% vs. 28%), and even higher employee satisfaction (44% vs. 21%).<sup>2</sup> It is little wonder that 86% of respondents to a February 2015 Regalix survey of senior marketing execs viewed marketing analytics as critical to their success.<sup>3</sup>
- **But barriers to analytics adoption still persist.** Still, in that same Regalix survey, 87% of marketing executives said they allocate less than 10% of their marketing budgets to marketing analytics.<sup>4</sup> 42% of customer analytics professionals surveyed report that “getting... management commitment for analytics projects” is a key inhibitor of customer analytics adoption, the third highest barrier of 11 reasons cited. Right behind that reason, another 38% reported “communicating [the] results of analytics” as an adoption barrier.<sup>5</sup>
- **Meanwhile, time is not on the side of the analytical laggards.** Even as only a small minority of companies report strong capabilities in the fundamentals such as collecting data about individual website users (18%), analyzing data that comes from different systems (11%), collecting data about individual users of mobile apps (9%), and modeling user data from disparate systems (only 7%), the customer data explosion continues and accelerates.<sup>6</sup> Companies already behind in the current state of customer analytics will fall further behind because even more disruption is coming. Developments on the horizon include prescriptive analytics, facial recognition data, location-based advertising, activity-based data from wearable devices, situational and preference data collected from the Internet of Things, immersive intelligence (data visualizations presented in a virtual 3D world), and, of course, Artificial Intelligence.

## CI PROFESSIONALS ARE IN THE BEST POSITION TO EVANGELIZE ADVANCED ANALYTICS

In lagging organizations, advanced customer analytics will not get budget from the CFO, resources from the CTO, buy-in from the SVP of Sales, or support from the CEO without acceptance and appreciation. And explanation is difficult. But Customer Insights pros are in the right position and have the requisite skills to preach the advanced analytics gospel in a way that ensures it is heard and understood. CI pros have the benefit of being on the front line with customers, are superbly aligned with the top priorities of business leaders, are highly motivated by their accountability, and are natural-born storytellers. While other business units have some of these characteristics (e.g., customer service and sales are on the front line, sales is visible and accountable, etc.), only CI pros meet all these criteria.

- **CI pros live in the immediacy of real marketplace feedback.** McKinsey & Co. famously said that “we’re all marketers now,” but CI pros were marketers *first*.<sup>7</sup> No other group in the organization is likely to have a more comprehensive view of customers, who are ultimately the company’s lifeblood. That closeness to the customer gives CI pros a significant advantage in extolling the advantages of the even deeper customer understanding that advanced analytics can deliver.
- **CI pros are highly aligned with business leaders’ priorities.** Of the top five priorities identified in a global survey of business leaders—which were, in rank order, to grow revenues, improve the customer experience, reduce costs, improve differentiation in the marketplace, and better comply with regulations and requirements—CI pros are completely focused on the first four.<sup>8</sup> This inherent alignment makes CI pros in marketing the ideal functional business group to lead the charge on advanced customer analytics. Marketers can catalyze the kind of decisions that will truly drive the business.
- **CI pros have high visibility and accountability within their firms.** A marketing campaign’s success or failure is visible to everyone in the business, often immediately—the email campaign that achieves virtually no clickthrough, the media campaign greeted by a yawning silence from social media. As such, the constant threat of embarrassment motivates members of the marketing organization to know customer preferences and triggers on a profound level. Preaching advanced analytics comes from a deep need.
- **CI pros are marketers who know how to raise awareness.** Typically, CI pros have a blend of skills that led them into marketing in the first place. They understand the power of brand, message, and creativity in communication. The ability to marshal these skills on behalf of advanced analytics equips the CI pro again to be the best voice for the task.

## SUCCEED IN ANALYTICS EVANGELISM WITH THESE FIVE STEPS

Conversion to your cause and building alliances is not going to happen overnight. Rather, it's a commitment to a multi-month process. Within that process, there are dependencies, which suggest a series of steps taken in an appropriate order to achieve the outcome you seek: building an organization that's strategically committed to as deep an understanding of customers as possible. To successfully evangelize the value of advanced customer analytics, you as a CI professional must:

- **First, change the language you speak.** You must shift your terms from marketing metrics, such as clickthrough rate, conversion rate, and cost per acquisition, to business metrics, such as ROI, revenue lift, and EBITDA. And you must be able to quantify marketing's contribution to the latter set of measures. Otherwise, to quote Forrester Research, "Colleagues who haven't caught on to your push for customer-centric leadership will roll their eyes and think it's marketing speak."<sup>9</sup> Your CEO doesn't, and shouldn't care about improved open rates on email campaigns.
- **Achieve a few measurable, leverageable successes with the analytics you have.** No one said it better than Demirkan and Dal in *Analytics Magazine* last summer: "Identify what part of the business would benefit from quick wins. Look for opportunities that will show ... wins within no more than three months. Success brings more people to the table."<sup>10</sup> Adds Forrester analyst Michael Barnes, linking your initiatives to clearly defined, measurable business goals, with "a direct and unambiguous relationship to achieving the stated business outcomes," sends a powerful message. Barnes references the example of an emergency services organization citing as a customer analytics benefit the direct reduction of emergency response times.<sup>11</sup>
- **Have your benchmarks lined up, ensuring your story is fact-based.** "Before-and-after" tells a compelling story. There are two kinds of benchmarks you should have at your fingertips. The first are internal: through CI, we achieved X% revenue growth, Y improvement of EBITDA, a Z lift in ROI. But additionally, you need to keep your colleagues focused on how *others* in your industry are using customer analytics, as well. Do your homework. Know the shining examples in the use of customer analytics among your company's peers. Be relentless in your enthusiastic message on how analytics is changing everything. For example, top retailers have seen their operating margins increase by 60% through monitoring customers' in-store movements to optimize product placement and mix.<sup>12</sup> The U.S. healthcare industry is poised to add \$300 billion in revenue through the analysis of big data.<sup>13</sup> And the average Fortune 1000 company realizes a \$66 million increase in annual net income for merely every 10% increase in data *accessibility*, setting aside any downstream analytics.<sup>14</sup>
- **Approach and win over your allies in the right order, and focus on their outcomes.** The right order is Sales, IT, Finance, and HR.

1) As mentioned, Sales shares the same visibility and accountability as Marketing, which creates a common cause. Explain to Sales how advanced analytics can deliver better-qualified leads and more revenue. Pilot an analytically-driven short-term program to do so. Get Sales in your corner.

(2) Next, win over IT. Recent survey results show that IT departments' relationships are the worst with the Marketing department, with only 33% of CIOs reporting their group's relationship with Marketing as "very strong."<sup>15</sup> It's time for relational repair. Demonstrate how a marketing/IT alliance can deliver business value, which is, of course, the CIO's primary concern.<sup>16</sup>

(3) With both Sales and IT allied on the power of customer analytics, making the budgetary case to your CFO will be easier. But again, speak her language, which is the language of ROI, delivered through internal and external analytics case studies/success stories.

(4) Finally, organizational alignment becomes complete with HR involvement. Meet with your senior HR staff, and explain how a better understanding of your customers is transforming the business. Hiring must add a customer-centric mentality to the required criteria for job candidates. Customer focus is everyone's job, and great ideas for valuable customer analytics often come from front-line employees.

- **Finally, invite your new allies to collaborate on analytics planning.** Marketing's message should be that functions far removed from marketing have important roles to play. One way to cement that is to invite all members of the alliance newly formed around the value of advanced customer analytics into analytics planning. Create a CI Council including representatives from Sales, IT, finance, and HR to help plan your upcoming analytics initiatives. Ask what do we most need to know about customers to advance our business; what are the persistent blind spots we have with respect to our key markets; and where do we face resource shortfalls in accomplishing these goals?

Knowing that non-marketing members of this Council do not live and breathe customer analytics, come to the table with tantalizing questions. Who are the next 1,000 customers we will lose, and why—and does it matter? What does the current social media sentiment forecast about our sales? What share-of-wallet do we have with our customers, and how would we find out? A small committed team enthusiastic about the value of such insights can start a transformation that changes the entire culture of even some of the largest corporations.

## WIN ANALYTICS ALLIES THROUGH A COMMON LANGUAGE, A COMMON CAUSE

Speaking in terms your audience understands is of course fundamental. Speaking to your audience's deepest motives—in the business world, being seen as making a significant contribution to the company's success—will transform a message from one that's merely understood to one that's compelling. Infused throughout all the steps to analytics evangelism outlined above are these common themes:

- **Bridge the communications gap through business metrics.** The onus is on you, the CI pro, to communicate the benefits of advanced customer analytics in terms that everyone in the organization should understand—revenue, profit, and ROI.
- **Emphasize aspirational examples of analytics success.** Always have salient examples at your fingertips. It is indisputable that companies with the most advanced analytics capabilities outperform their competitors by wide margins.<sup>17</sup> Tell those stories again and again.
- **Build a shared stake through focusing on analytical value-add to date.** For example, when First Tennessee Bank used predictive analytics to achieve a 600% ROI through more efficiently allocated marketing resources, Dan Marks, the CMO, saw a wholesale conversion to his way of thinking.<sup>18</sup>
- **Success is shared advocacy.** Evangelism at its most successful ends up making others stakeholders in your cause. You will know you have succeeded when everyone in the organization is focused on acquiring the deeper understanding it takes in today's marketplace to win, serve, and retain customers.

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## ABOUT ANALYSIS FACTORY

For over 15 years Analysis Factory has provided end-to-end analytics services for a wide range of businesses in the public and private sectors. Using the tools of data visualization and predictive analytics, we translate clients' business needs into business intelligence solutions that are clear, contextual, insightful, and intuitive. Analysis Factory solutions track accounts receivables for international construction companies, monitor gas & oil well production, keep budgets for small private schools under control, and frame briefings for the US Navy and US Air Force.

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## Endnotes

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