

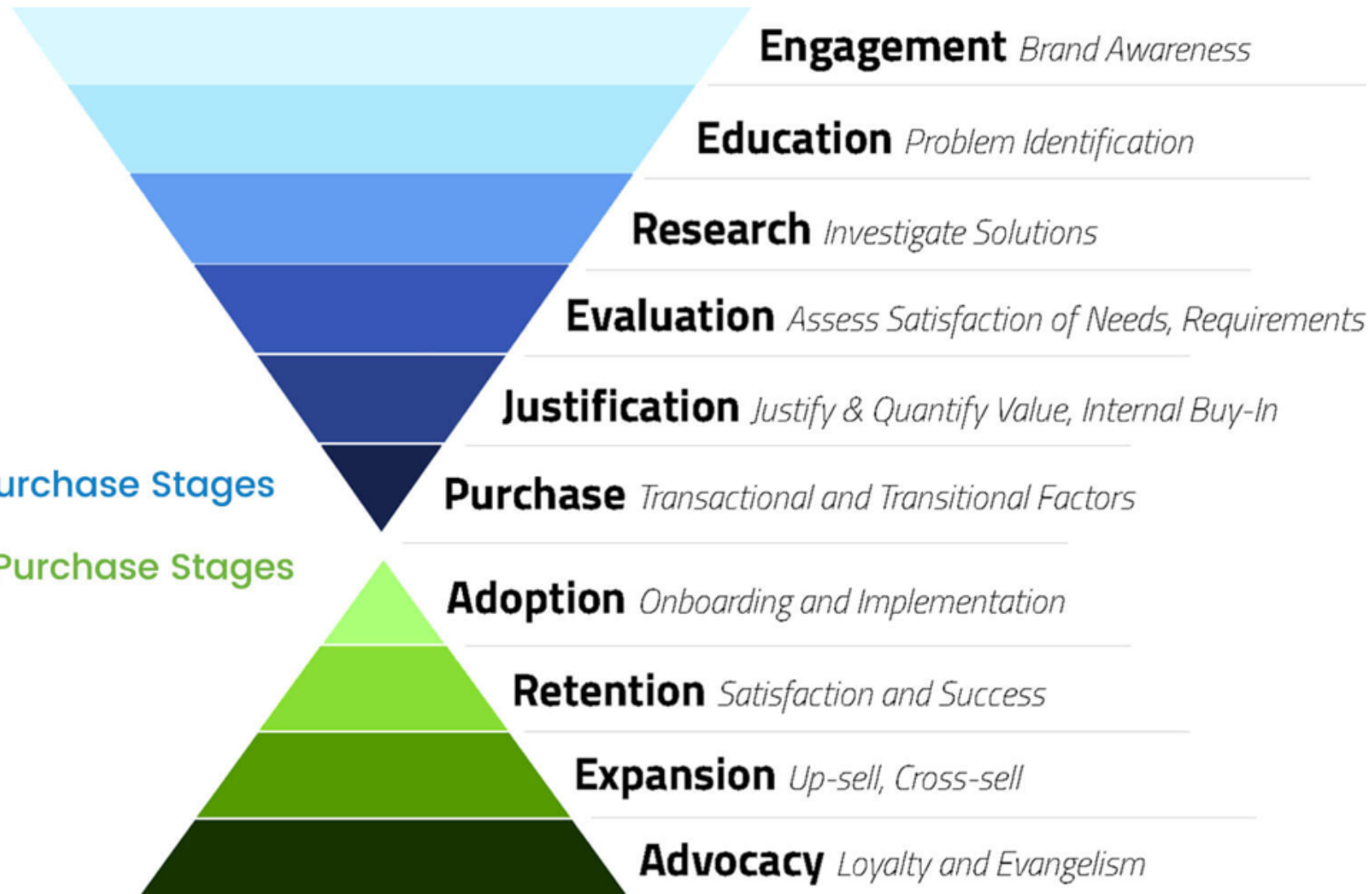
ISE 599

Special Topics Applied
Predictive Analytics

Marketing analytics: an introduction

- Thus far we have been looking at the 'technical' side of predictive analytics
- In the real world, we must often work with departments such as marketing, operations etc. to make these predictive analytics 'applied'
- Today we will be looking at a particularly potent application, and one that is becoming more prominent: marketing analytics
- Marketing analytics has several definitions, based on who you ask (try to look up some of them online, and see if you can figure out the similarities and differences!)

Digital marketing funnel/hourglass



Digital marketing KPIs

- KPIs: Key performance indicators
- Lead Generation KPIs: Monthly new leads, Cost per lead generated, Cost per conversion, Retention rate, Attrition Rate, Net promoter score (very important!)
- Website KPIs: Monthly website traffic (use Google Analytics), Returning vs. new visitors, visits per channel, Website conversion rate, average time on page, CTR on webpages
- SEO (Search Engine Optimization) KPIs: Inbound links to a website, volume of traffic from video content (new)...
- Advertising KPIs: Leads and conversions from paid advertising, cost per acquisition, cost per conversion, traffic from social media, engagement rate
- Social media tracking
 - Find the social media channels with the highest ROI and focus your marketing efforts there. Per some sources, Facebook is accountable for 8% of all page views on the internet. LinkedIn and Twitter are responsible for about 1% of all page views. This means that you're likely to get a higher ROI on Facebook than any other social media channels

Customer Relationship Management (CRM)

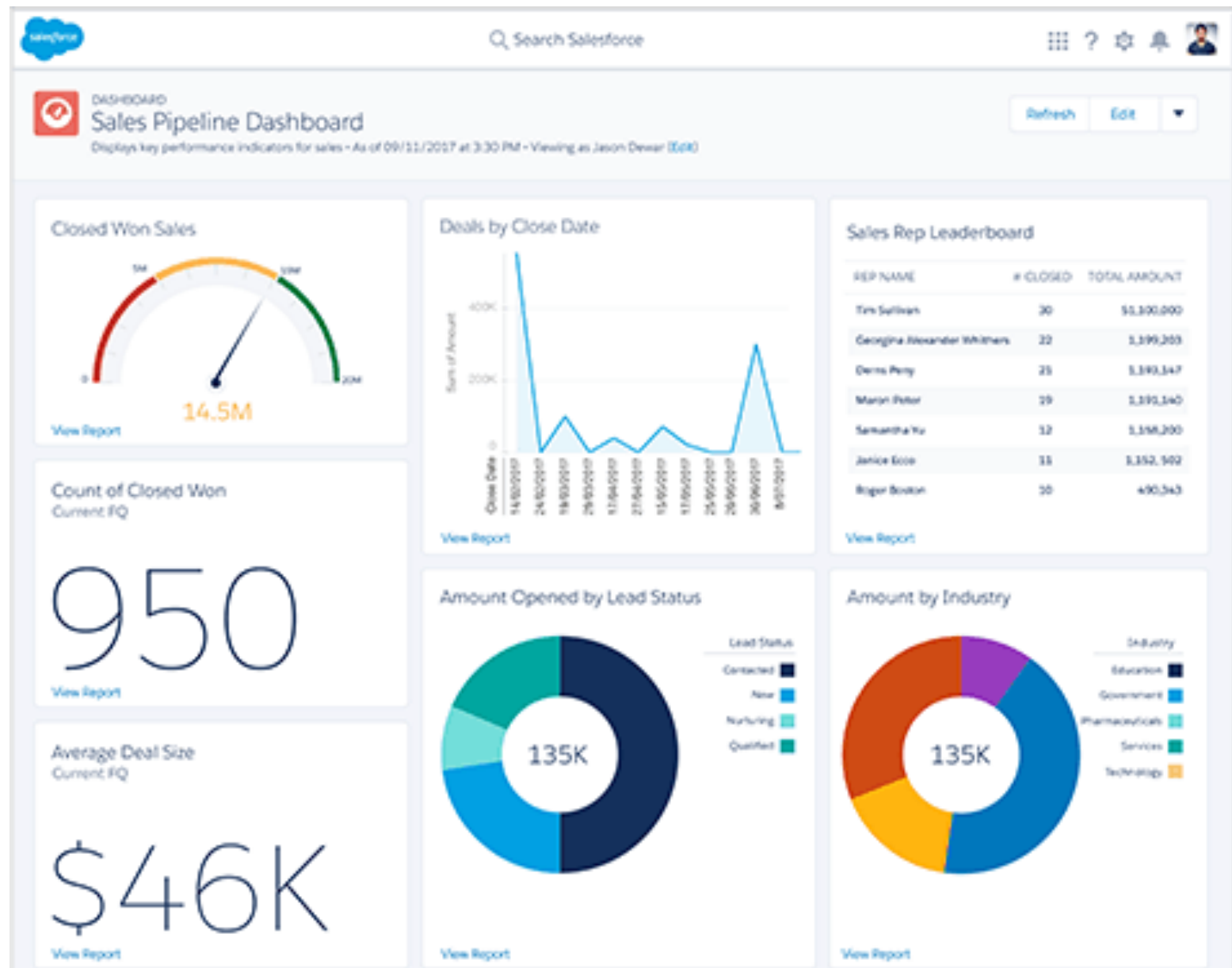
What is it?

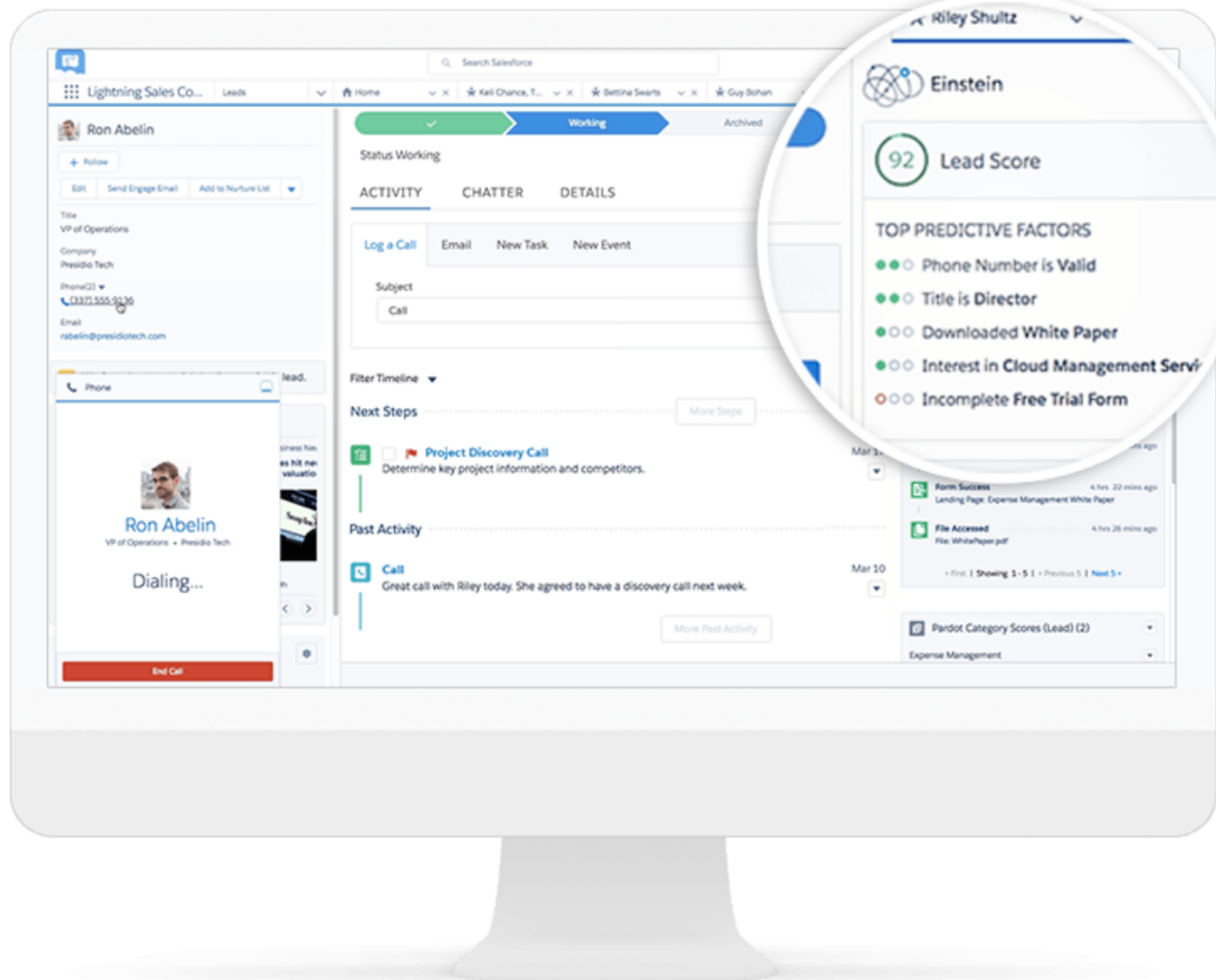
- Business strategy that aims to understand, anticipate and manage the needs of an organization's current and potential customers
- Shift from traditional marketing as it focuses on retention of customers in addition to acquisition of new customers
- Integrates people, process and technology

Worldwide Enterprise Software Revenue
By Subsegment, 2010 - 2017
(Millions of U.S. Dollars)



What does it look like?



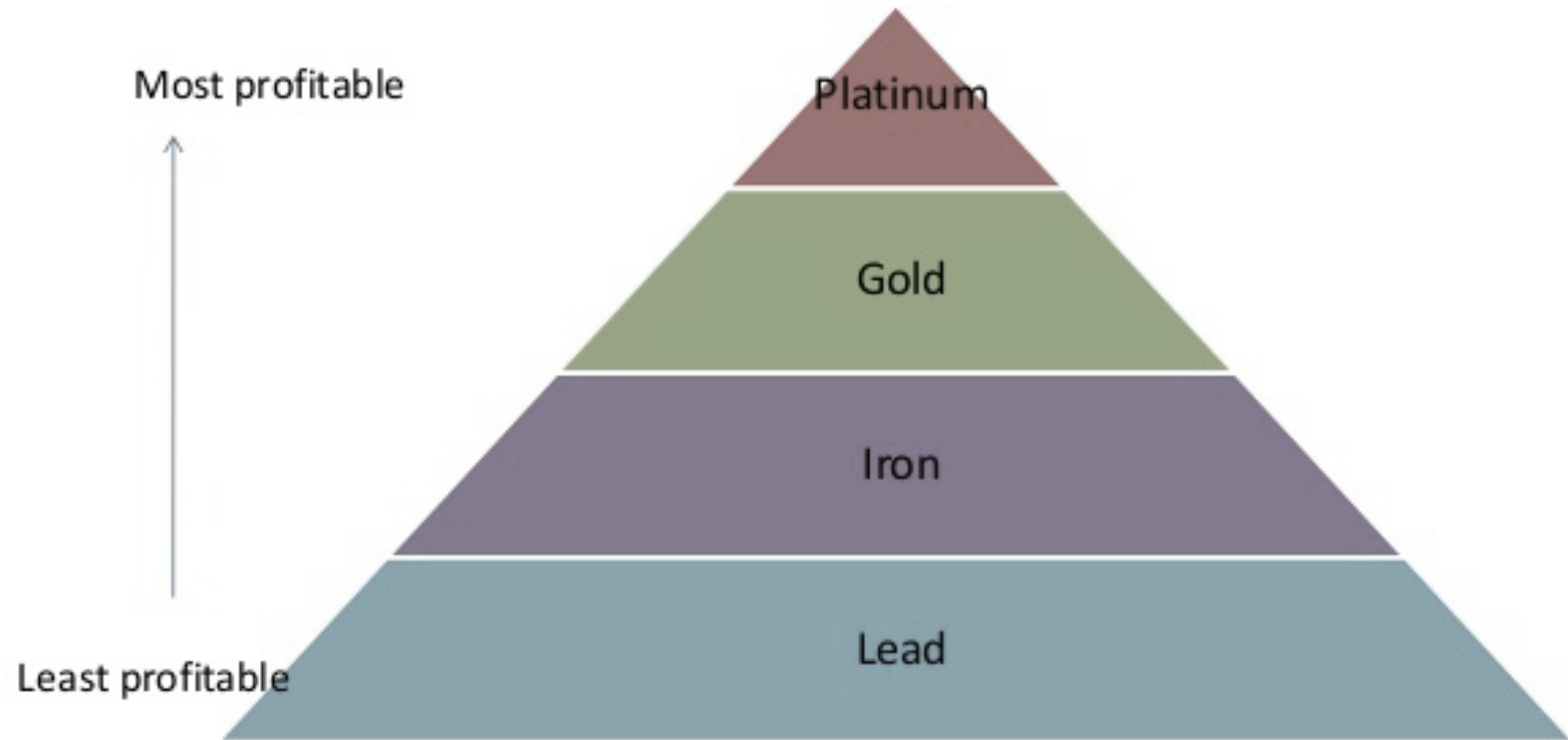


When did it develop?

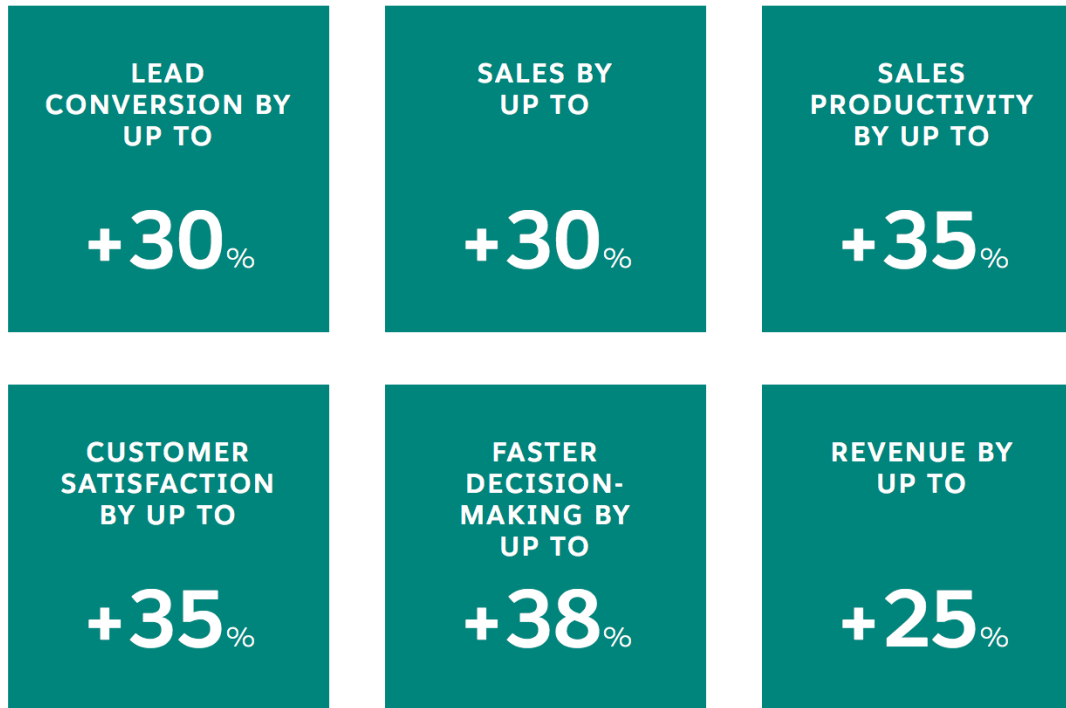
- 1980s saw rapid shifts in business that changed customer power
- Supply exceeded demand for many products
- Sellers did not have pricing power
- Customer relationships became a source of competitive advantage
- IT started playing a dominant role in how these relationships were managed and tracked

Key insight: Not all customers are equally important!

The Customer Pyramid



How does it help?



Average Percentage Improvements Reported by Salesforce Customers

Source: *Salesforce Relationship Survey* conducted 2014–2016 among 10,500+ customers randomly selected.

Response sizes per question vary.