DATA-DRIVEN MARKETING- INTEGRAL PART OF MODERN ORGANIZATION

❑ K.G. Raja Sabarish Babu*
Dr. B. Anbazhagan**

ABSTRACT

Customer is king as said by Philip Kotler. If a company has to survive long and to generate revenue, They should take care of their customers well. A company may attempt to bring in Potential new customer or can try to retain their loyal customers. Customers taste and preference are not idle, it keeps on changing as the time progresses. To Understand the behaviour of customers, A new concept called Data-Driven Marketing has been adopted by most of the companies. Data-Driven Marketing is used to analyse the customer data which is collected and helps the companies to make decision quicker and to satisfy the customer by providing the product as per his preference. This article is about Data-Driven Marketing and its challenges and how companies are viewing this new concept and how they are adopting this concept.

Keywords : AI- Artificial Intelligence, CRM- Customer Relationship Management, Social Media Marketing, e-commerce.

Introduction :

Marketing, the most powerful word in today's high competitive world. It is the base for sales which creates revenue for the company. As quoted by Philip Kotler, Marketing is to anticipate the needs and wants of the customers and deliver a product or service that would satisfy them. There are many types of marketing that a firm uses to satisfy their customers. Many use traditional face to face marketing, Telephonic marketing, social media marketing. The recent development is Data-Driven Marketing. Modern Companies realize that Data is King in today's Market. Data-Driven Marketing is a method of marketing that uses data through customers interaction and from other third-parties and analyse the data to know the customers preference and taste without getting directly to customers.

Why Data-Driven Marketing?

In today's environment almost all the websites we use gives a message to accept cookies. These websites use our cookies to track our preference through the websites we visit. For example, if we are searching for footwear through e-commerce, suddenly you may see a popup or Social Ad Stating Popular footwear or Quality footwears and you may see these Ad's continuously day after day which intends you to buy even you don't want to. Data Driven Marketers gets insights about customer preferences which inturn helps the company to tap the customer with personalised communications. According to CMO, 67 % of Marketers believe that the speed and accuracy are the prime benefit of data-driven marketing. Recent Forbes survey reveal that 88% of the marketers use third parties to extract big data for the purpose of marketing and the survey also have concluded that the companies which deploy data-driven marketing are six times more likely to remain profitable year-over-year.

Traditional marketing vs Data-Driven Marketing :

Traditional Marketing involves channels like Newspaper, Billboards, and TV while Data-driven

*Assistant Professor - Research Department of Business Administration, Sourashtra College
**Associate Professor - Research Department of Business Administration, Sourashtra College

marketing mostly uses online platforms. Traditional Marketing doesn't mean that it is outdated, Still Indian households are very fond of TV's which is more effective advertisement medium till date. If a Company has high budget it could still use TV as a medium for advertisement and it is more effective. The pros of Traditional Marketing is that it is very impactful as it makes the people to see a Ad frequently and it creates a impact in individuals memory. While the main cons is that it is very expensive and it is quite hard to measure.

With rise in use of internet which is well guided by low data rates from Indian telecom companies has created a huge potential for Data-driven Marketing. According the Clickz, Interne users now make 57% of the global population. On an average, People spend 6 hours and 42 minutes online each day. The main pros of Data-Driven Marketing is that it helps to personally target the audience with their preferred taste and it is very less expensive
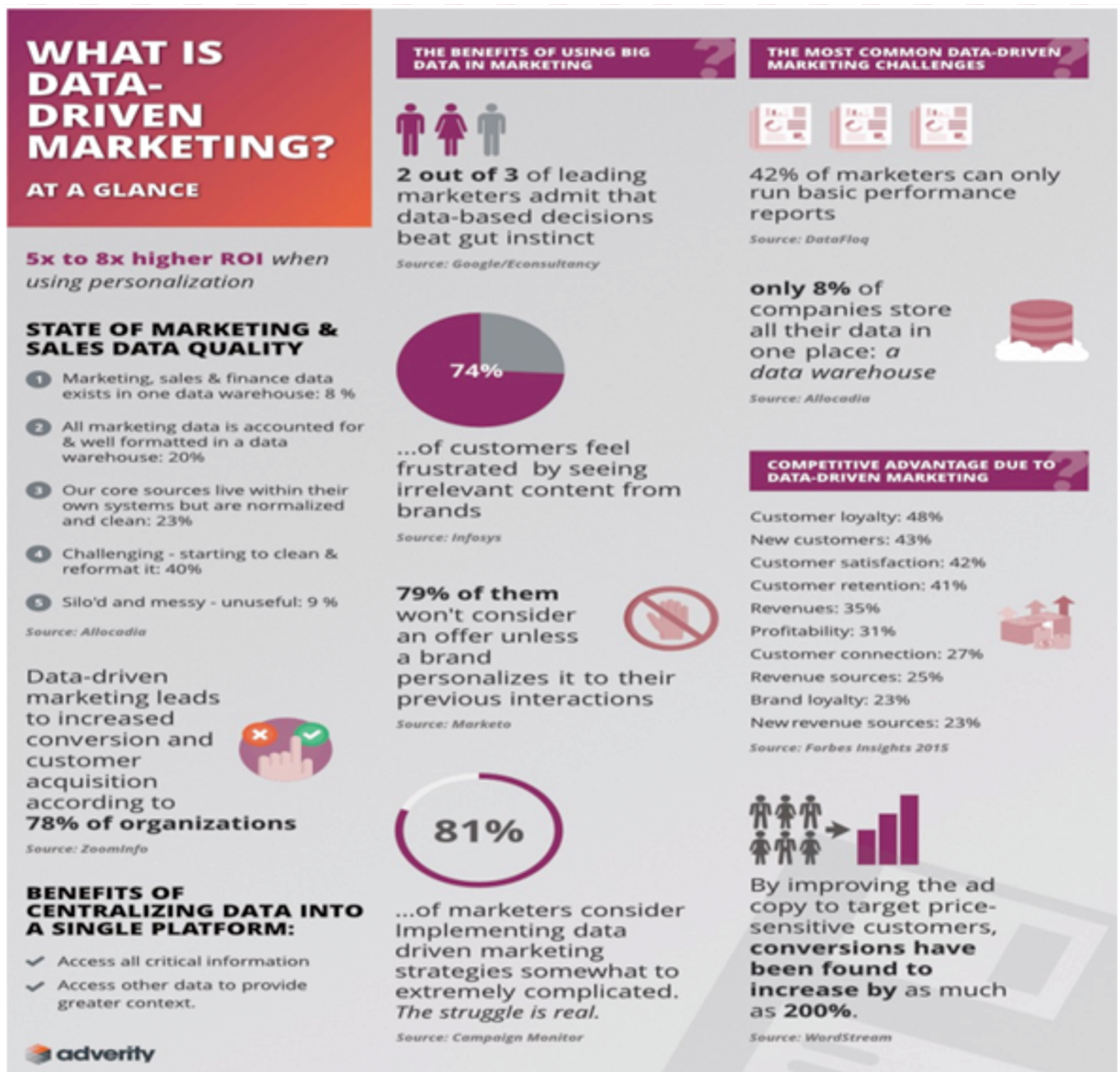

Figure1: Data-Driven Marketing Summary

**Practices to thrive as Data-Driven Organisation :**

As per the Forbes Survey on What makes Data-Driven Marketing a inseperable practice in an organization, More companies have stated that it helps to increase sales as it focuses on personalised marketing, Many also have stated that it helps to attract new customers towards the organization. Below chart explains the company's view on data analytics and its importance.
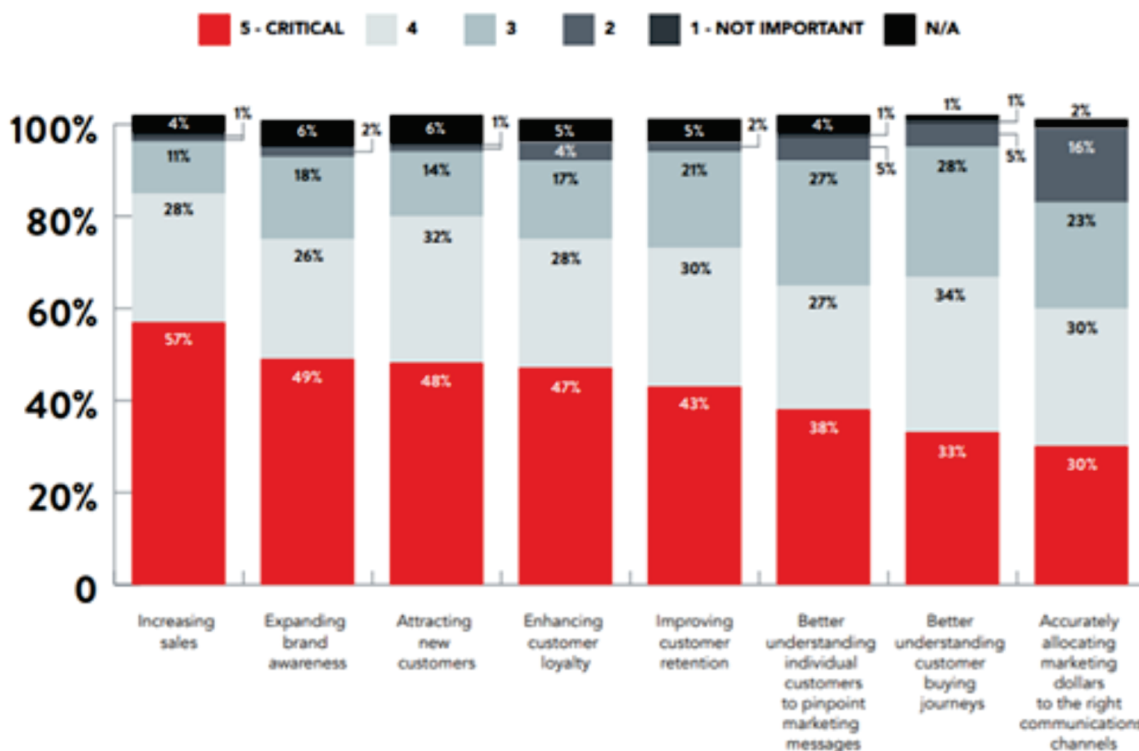
Figure2: Companies view on Data-Driven Marketing and its influence

So how to make a organization a data-driven one? Before getting into that AN organisation must have be equipped with below technology and skills.

Tech Savy : Any organisation which makes decision based on facts rather than the gut-feeling is a Data-Driven organisation. The Ability to create and collect all relevant digital data, Analyse and integrate and structure the data into information.

Data Analytics : CRM a Customer Relationship Management tool, Which is used for Customer Data Management is one of the widely used software among the companies. Data Analytics helps to decode the data and create insights from it. In simple, It is AI which analyses the data and gives reports based on it.

Data Literacy : It delivers the ability to make decisions and formulate actions based upon intelligence and insights. It involves with competencies to work with data. Employees in the organisation must have two soft skills to complete this step , 1. Critical thinking skills-Creativity and 2. Business Skills: Communication, time Management and privacy.
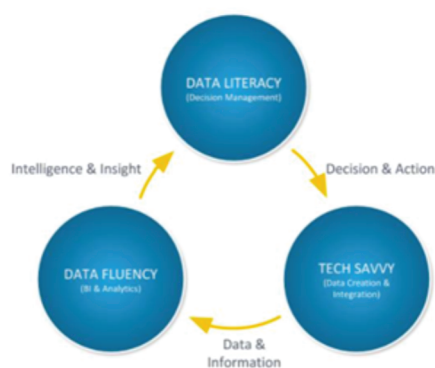
The below steps can be followed to successfully transform the organization to data-driven.

1. **Limited and Accurate Data :** The amount of data that a marketer collect matters the most. More than data collection, it is about collecting relevant information. Irrelevant information creates unnecessary headaches and even mislead the marketer. Limited and accurate data reduces the time and also helps to target the customer better.

2. **Be Compliant with Data Privacy Measures – GDPR :** General Data Protection Regulation(GDPR) is a European approach to protect customers data from being misused, same has been followed by Indian government. In growing internet world protecting the customers data is becoming very important. The data which you collect from the customers should be safe and used for business research purpose alone.

3. **Integrated User-friendly tools :** Tools which the company use for Data Analytics should be user-friendly. There are many software like Tableau, SAP, Google Data Studio. These software help the top management of a company to view the customers record or even past performance reports in a graphical way and will help to visualize things which would help in decision-making. Rather than relying on the expert for handling the tools, if the tools are user-friendly anyone can access the analytics which will increase time and efficiency.

4. **A Better Customer Experience :** Atlast, It all comes to the customer who is the ultimate user. The more your know about your customer, the more you may be able to offer an accurate user experience. Many websites like Amazon, Create their visitors and customers experience entirely from their previous behaviour. For example: Amazon collect the customer data based on Users entry point, Location, Language, Items viewed, Items added to the cart etc. These information help to customise the customers login and next time the customer can easily view similar products to his previous searches.

Data Analysis :

We have tried to find the preference and relationship between the sector and their preferred advertisement mode. We collected questionnaire from marketers working in various sectors.N=100

Sector	Newspaper	TV/Radio	Data-Driven Marketing	Social Media	Total
Cement Sector	19	51	8	22	100
IT Sector	26	30	18	26	100
Consumer Non-Durable	11	31	47	11	100
FMCG	13	25	53	9	100
Total	**69**	**137**	**126**	**8**	**400**

Table1: Sector vs preferred advertisement mode

Inference1: Particular sector vs the mode of advertisement

We have used One way Anova test and found that there is no relationship between the sector and the Marketing medium. Results are as follows

Groups	N	Mean	Std. Dev.	Std.Error
Group 1	4	25	18.3485	9.1742
Group 2	4	25	5.0332	2.5166
Group 3	4	25	17.4356	8.7178
Group 4	4	25	19.8662	9.9331

Source	Degrees of Freedom	Sum of Squares	Mean Square	F-Stat	P-Value
Between Groups	3	0	0	0	1
Within Groups	12	3181.99	265.1667		
Total	15	3181.99			

Inference 2: Particluar advertisement vs sector

Groups	N	Mean	Std. Dev.	Std.Error
Group 1	4	17.25	6.7515	3.3758
Group 2	4	34.25	11.471	5.7355
Group 3	4	31.5	21.8861	10.943
Group 4	4	17	8.2865	4.1433

Source	Degrees of Freedom	Sum of Squares	Mean Square	F-Stat	P-Value
Between Groups	3	1007.5	335.833	1.8533	0.1913
Within Groups	12	2174.5021	181.2085		
Total	15	3182.0021			

Since p-value .0.05, Hence we accept null hypothesis, there is no significance difference between Advertisement mode and Sector.

Conclusion :

Data-Driven Marketing is the most effective yet powerful concept which helps the organisation to generate revenue and to survive in long term. Most sectors like Consumer Non-durables and e-commerce sector started adopting Data-driven marketing which started generating more revenues when compared to other Marketing mediums. But the challenge is to maintain customer privacy as more customer data are collected. Customers data are collected through various sources which leads to large data most of which is irrelevant. The challenge is to manage the data and to interpret the data to make decision. Companies must start adopting to various software tools like CRM, Tableau which helps to interpret and visualise data to help in decision making. On the whole companies must start adopting to data-driven marketing in this fast changing environment.

References :

1. Alexander Bickov, 4 - Recent Data-Driven Marketing Trends and how to use them. February 2018.

2. Braverman, S. Global Review of Data-Driven Marketing and Advertising. J Direct Data DigitMark Pract 16, 181–183 (2015).

3. Chandan Kumar Mishra Digital Marketing Scope and Opportunities June 2020 Interchopen.92329

4. Forbes Insights(2017) Data-Driven Marketing Push Forward or Fall Behind -Oracle Data Cloud

5. G. Rejikumar, A. Aswathy Asokan & V. Raja Sreedharan (2020) Impact of data-driven decision-making in Lean Six Sigma: an empirical analysis, Total Quality Management & Business Excellence, 31:3-4, 279-296.

6. **Jagdish Sheth Charles H. Kellstadt** Next frontiers of research in data driven marketing: Will techniques keep up with data tsunami? ; Journal of Business Research, Vol.125, March 2021, pages 780-784

7. Kyle Mears, The Myth of Data-Driven Marketing, Forbes Communication Council, October 2019

8. Michael Reddy What is Data-Driven Marketing and Why Should Marketers Care, Digital Authority Partners June 2019

9. Mark Jeffery(2010)- :Data-Driven Marketing The 15 Metrics Everyone in Marketing Should Know

10. Sara Brown - How to Build a data-driven Company MIT SLOAN School of Management 2021

11. (2020) Special Issue on Data Driven Marketing Strategies, Journal of Strategic Marketing, 28:6, 469-471, DOI: 10.1080/0965254X.2020.1789292

12. **www.managementevents.com/news/how-to-become-and-thrive-as-a-data-driven-organization/**

13. **https://www.delaware.pro/en-be/solutions/data-driven-organization**

14. **https://learn.g2.com/data-driven-marketing-By Jon fee-Salesforce.org**

15. **https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/data-driven-marketing#**

16. **https://www.glew.io/articles/infographic-traditional-vs-data-driven-marketing**

❑ ❑ ❑