



JANET DRISCOLL MILLER AND JULIA LIM

DATA-FIRST

MARKETING

HOW TO
COMPETE AND WIN
IN THE AGE OF ANALYTICS

FOREWORD BY DAVID MEERMAN SCOTT



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“Janet and Julia merge their passions, talents, and experiences by taking you on a journey of how successful data-driven marketing strategies can radically transform organizations. *Data-First Marketing* is THE essential marketing analytics book if you need actionable recommendations and a time-tested framework to develop, execute, and measure campaigns.”

Dr. Theresa B. Clarke, academic unit head and professor of marketing, James Madison University

“I am a data guy. Period. I have built three companies all based on using data as our primary guideline to success. Janet and Julia have provided one of the best guides to implementing the systems needed and using the resulting data to profitably grow any business. Data-first!”

Arnie Kuenn, author of *Content Marketing Works: 8 Steps to Transform Your Business and Accelerate!*

“A detailed guide to unlocking the full value of your company's marketing data! Written by industry veterans, this book is a must-read for online marketers at agencies and within companies.”

Tim Ash, best-selling author of *Unleash Your Primal Brain* and *Landing Page Optimization* and CEO, TimAsh.com

JANET DRISCOLL MILLER AND JULIA LIM

DATA-FIRST MARKETING

**HOW TO COMPETE AND WIN IN THE
AGE OF ANALYTICS**

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From Janet:

To my daughters, Emma and Molly: I hope that you will continue always to be strong believers in math and science and let data guide your decisions.

To my parents, Charles and Donna: Thank you for always believing in me and teaching me, from a very young age, that I could be anything and accomplish whatever I put my mind to.

To all of my family and friends: thank you for your continued support during this journey. It has meant the world to me.

From Julia:

To the boy who hid out in the movie theater so he could watch *From Here to Eternity* all day long. You dreamed big and taught me to do the same.

Foreword

“Where are the hot leads!?” The vice president of sales yelled at me on a regular basis. “These leads stink! Our people can't sell.”

I'd respond with something clever like “You've got good leads! Your people just stink at closing!”

In the late 1990s and very early 2000s, I served as the vice president of marketing of several different publicly traded technology companies. The tension at the companies I worked for was common at most organizations and it stemmed from the sales process involving a handoff. Marketing generated the leads and then handed them over to the sales team, who owned them until close.

Back then, I now realize, the marketing and sales departments at the companies I was with weren't aligned because we didn't share common goals based on easy to understand data. Marketing had metrics like how many people subscribed to our email newsletter, how many business cards we collected in the fishbowl at the tradeshow booth, and how many press clips talked about our company. Sales was measured on how much new business they closed and how many existing customers they kept.

Like a marriage on the rocks, we were speaking different languages. We weren't communicating. And it was negatively affecting the business.

In the two decades since my tension-filled encounters with the sales VP, the amount of data available to marketers has exploded. We're able to measure every click in our campaigns and every like in social media. We can see exactly what people do when they visit our site and we can

learn much about what's happening in the wider marketplace and with our competitors.

This explosion in the availability of data actually makes that sales-versus-marketing disconnect even worse, because at most companies we're still not aligned. Marketing and sales (and finance too) are still speaking different languages.

The good news is we can do something about the disconnect! Janet Driscoll Miller and Julia Lim are here to show us how in *Data-First Marketing*. This is the book I wish I had back when I was trying to communicate with the sales VP. But more than that, this is the book that would have gotten me speaking the language of the CFO and the CEO and the board of directors.

Data-First Marketing is a deep dive into how to understand modern marketing in our new age of analytics. Janet and Julia show you how to create a process to align your entire organization around business goals so that what we do as marketers is always focused on what's most important for the business.

Understanding data-first marketing means our strategies and tactics, including goals, activities, and campaigns, are clearly defined and measurable within the context of the business as a whole.

I particularly like that the ideas in these pages can be used by large companies like those I used to work for, or for tiny companies of just one person like I run now.

Janet and Julia have been at the forefront of data-driven marketing for many years and write from the perspective of practitioners who have achieved success. They make the ideas both practical and easy to understand.

You will soon read their answer when they ask: "Many of the concepts this book has put forth may seem like common sense. But if the concepts were so simple, why haven't

marketers done it?” While you will learn how Janet and Julia answer their own question, I would add another reason: *fear*.

We all face fear in our professional lives. Fear of the strange, of the new, of the untested. It's a natural human response.

It's okay to be fearful of data-first marketing if it is new to you! However, that's not a good reason to ignore the power of what it can do for your company.

We also fear learning a new marketing language. For example, the world of marketing data seems to be filled with an enormous number of three letter acronyms. “CNN and HBR say B2B CMOs need a PIP focused on KPIs around CTR and CPC to drive ROI but need buy-in from the CFO and CEO first.” (Do you understand this sentence I just made up?)

To truly achieve marketing success for yourself and your organization, you must overcome your fear of the new. Understanding the data-first marketing approach as outlined in these pages will help eliminate your fear so you can implement the ideas that lead to greatness.

Here's to your success and to your personal fulfillment!

David Meerman Scott
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Preface

From Janet

I was first drawn to a career in marketing as a kid. I vividly remember watching the revolutionary Apple Macintosh ad of 1984 during Super Bowl XVIII and the sense of amazement and wonder I felt after watching the ad. It was like nothing I'd seen before in a TV ad. As a young marketer, I was drawn to Apple's "Think Different." campaign, featuring inspirational figures that broke the mold, like Gandhi, Muhammad Ali, John Lennon, and more. I still have a copy of the ad featuring Jim Henson - one of my all-time favorites. I also found myself drawn to the inspirational marketing messages of Nike ads of "Just Do It." or "Stop Dreaming. Start Working." These ads covered my bulletin board. I loved their creativity and the way they inspired me.

While the creativity of marketing drew me to the profession, marketing was beginning to make a profound shift in the early nineties. I entered marketing, in my estimation, at exactly the right time for me. In 1995, barely out of college and working in my first job, I was invited to a nearby business by a friend to be a part of a focus group to evaluate a new tool to find information on the growing Internet. The search engine I was evaluating that night was Yahoo!

In the mid-nineties, as the Internet began exposing a new, graphical format for finding and reading information on the network, I found myself drawn to it. The World Wide Web and its GUI interface offered me a way to marry my creative side with my technical side, so I learned how to program in HTML. The question remained at that time,

though: how will this really be adapted for marketing? There weren't many measurement tools in the nineties to understand how marketing efforts on the Internet were affecting a business. Aside from basic traffic information from server logs and tools to process that data like WebTrends, marketers were mostly happy with seeing that people were visiting their websites.

In 1998 GoTo.com, later renamed Overture, launched the first pay-per-click advertising model. The product revolutionized how businesses advertised on the Internet. With this new model, advertisers no longer had to pay solely by impression (the ad being shown). Instead, advertisers could pay for their ads on an action basis – when the searcher clicked on the ad itself and thus visited the advertiser's website. As the pricing model grew in popularity with advertisers and search engines began adding this ad model to their sites, I found myself shifting from a more creative marketer to a more analytical one. Between the website measurement tools being developed, such as Urchin (the precursor to Google Analytics), and new digital advertising options with associated metrics, such as Google AdWords, in a very short time marketers had developed new metrics that better defined marketing key performance indicators than broad measurement tools of the print and TV world, such as BPA audits or Nielsen data respectively. These metrics were *exact*.

I found myself shifting too. After being laid off once and surviving a layoff at my next company, I longed for a way to prove my worth to the business I worked for. Digital marketing gave me the best chance at exactly measuring my impact, and the impact of all of our team's marketing efforts, on the business. I began to embrace data and statistics, and I found ways to use them to bolster my position. While I began my career in marketing fully

expecting to harness my artistic creativity, I find that I now channel my analytical side so much more.

In 2005 I founded my own search marketing agency, Search Mojo (now renamed Marketing Mojo), focused on search engine optimization (SEO) and paid search advertising. One question I ask all account manager candidates interviewing with our firm is, "Do you see yourself as a more creative person or a more analytical person?" There's no right or wrong answer to this question, per se, but I expect that many recent college graduates entered the marketing field for similar reasons that I did. They saw enormously creative business-to-consumer ads that inspired them. And while there is some artistic creativity in search advertising, analytics play a much larger role today. If you don't enjoy spreadsheets and math, you may not enjoy what marketing has become.

There is, however, still a long way to go. Today, we have more data and tools available to us as marketers than ever before. As an agency owner over the past fourteen years, I've seen so many clients, large and small, with poor measurement implementation or the inability to connect the data points to provide them with a full understanding of their results. Just last year a client with over 1,500 employees confessed that they were storing their incoming website leads in a spreadsheet, then entering each lead by hand into the sales CRM. Yikes.

Today the wealth of information available to us as marketers can seem overwhelming. I encourage you instead to think of the data available as an opportunity. I wrote this book with Julia to help clarify where disconnects exist between the marketing team and the rest of the company and to help close that gap. I wrote it so that other marketers can see the value that marketing data brings to strengthening your positions and reinforcing the marketing

team's value to the organization. I've added many actual examples to illustrate mistakes as well as fantastic successes when *the right data* is implemented and utilized correctly in an organization. I hope we can help you create a dynamic shift in your company and solidify the value that your marketing team brings to your organization.

From Julia

Armed with my very new MBA, I joined a web hosting company (originally part of AOL) that would later be merged into UUNET in the late nineties. What a fantastic time to be a marketer in technology! We were truly pioneers; everything we did was the first or one of the first of its kind. We were the first to launch co-location services. We were the one of the first companies to launch hosted ad servers and ecommerce platforms. We dominated the Lotus Notes hosting market. We coined the term “enterprise hosting.” Everything we did was new; we defined this very large and rapidly growing market and set its direction. How would I ever top that experience?

A few years after the dot.com bust, I joined a network monitoring startup. I was employee number five, and the first dedicated marketing resource. Despite the extreme lack of sleep, I loved the experience. This was another “greenfield” opportunity; not the market itself this time - network monitoring had been around for a while with huge incumbents like IBM and HP - but the opportunity to create marketing strategy, programs, and processes, really everything, from scratch. The truly fortuitous part of this is that this is exactly when digital marketing was beginning to revolutionize not only how we could reach our customers online, but also how much we could actually do and how quickly. I didn't have bureaucracy to cut through or a “this is how we've always done it” attitude/culture to get around. I evaluated digital marketing tools and services purely on

their own merit. Is this the best way to generate qualified leads for sales? Is this the best bang for my marketing buck? ROI wasn't a "pie-in-the-sky" idea; it was vital for a boot-strapped startup like us. If a tool, program, or campaign didn't produce or perform an absolutely necessary function, we didn't do it again. We didn't have the time or the money to waste.

I continued my education on the job. Digital marketing appealed to the nerd in me. I was our [Salesforce.com](https://www.salesforce.com) administrator and defined every field. We were an early adopter of marketing automation; I defined every one of those fields as well, plus the integration with [Salesforce.com](https://www.salesforce.com). I met Janet, who was just starting her own SEO agency (later helping us with digital advertising too). During our engagement, she was my partner in really exploring what the new digital marketing tools could do. Because I defined all the data fields plus the sales and marketing processes to ensure data governance, we were able to pull ROI reports out of our new systems and make smarter decisions about what programs, campaigns, and content we should produce to achieve our goals.

Since that initial experience of setting up ROI reporting capabilities across multiple digital marketing platforms in a greenfield environment, I went to two other companies that had existing databases and sales processes, and while I spent more time on evaluating and cleaning up data (a *lot* of time on cleaning up data), the fundamentals were the same. Set up your marketing/sales databases and the processes that would feed those databases from real marketing campaigns so that I could actually pull reports that showed marketing value.

I listed a lot of what happened in detail because I've come to understand that most marketers do not get these kinds of opportunities or learning experiences. With this

experience and background, I started to assume that everyone thinks this way: *Data is my friend. I'm going to collect as much data as possible because I'm not sure exactly how I'll use it later or need to filter it but I'd rather have the data than not be able to do the analysis. In the end, everything I do needs to be able to be tied to actual sales for the company.* My epiphany happened in week one after joining Janet's agency.

Janet reached out to me when I was between jobs and looking for my next adventure. I hadn't worked for an agency before, and I admired Janet, her brain, and her commitment to getting things right. (I'd already had my rude awakening about bureaucracy and how it kills initiative and what I had naively thought was everyone's desire to get the job done “right.”) As a former customer of Marketing Mojo (twice), I was a good resource for training the rest of the team on what a customer expects from their SEO and digital advertising engagements – or so I thought.

In the training, I focused on “conversion.” I had noticed that the “conversion” in the SEO reports, for example, was not necessarily what I thought of as a conversion from a business marketing sense. The SEO reports were pulling from Google Analytics and tied to defined goals in that platform. I tried to explain that to a B2B marketer in particular, “conversion” ideally isn't just a click-through or a website visit; it needs to be tied to pipeline or revenue. I then took them through an example of what I meant, showing a data flow from website (e.g., intake form) to a marketing automation platform (which housed marketing-defined data including lead activities) to a CRM like [Salesforce.com](https://www.salesforce.com) (which housed actual opportunities, pipeline, and revenue tied to the leads that came in through the form, got processed in the marketing automation stage, and eventually and hopefully were qualified enough to pass for direct sales interaction). This, I

thought, is how marketers think about conversion and would want to measure it.

Crickets.

Well, maybe not that bad, but it wasn't too far off. I was then told an astonishing thing, which interaction with multiple prospects and customers across a variety of industries over the last two years has only confirmed. Our customers aren't doing this. And there was also maybe the tongue-in-cheek comment that they didn't go to Harvard and MIT.

My turn for crickets. What do you mean everyone else doesn't do this? At least to the extent of understanding that marketing conversions must be tied to pipeline and revenue, right?

So, just in case, I'm here to tell you that you definitely don't have to have gone to Harvard and MIT to be able to work with data like this and actually use it to measure ROI and make smarter decisions in marketing. This reminds me a little of that part in *Moneyball*, where the stats people are called propeller-heads or something derisive like that. That's okay; I can own being a nerd.

But what I couldn't seem to get past was the idea that other marketers didn't think this way. Was it true? How could it be true? Given the possibilities with data that digital marketing served up, this was absolutely the direction everyone should at least be heading toward, wasn't it?

That smack in the face of my belief that everyone does some version of this was a wake-up call, and I started to pay more attention. Why weren't people doing this? What were the real reasons behind it? And how could I help?

When Janet and I were working through different ideas for this book, we kept dancing around topics having to do with data, analytics, and ROI. (One potential topic I did way too

much research on was tying quantum theory to digital marketing - yes, yes, I know, but really it was fascinating and oddly amusing.)

Between the time we started writing and the time we finished the manuscript, there have been two multibillion-dollar acquisitions in this space. This just confirms for us that this is the right topic at the right time. Like the advent of digital marketing before it, marketing data analytics will be a sea change for the field of marketing, and we hope that this book helps you navigate it.

Introduction

UNCERTAINTY ABOUT THE CMO ROLE AS MARKETING IS ASKED TO TAKE ON MORE

The chief marketing officer (CMO) is under attack. In 2019, Forrester predicted the decline of CMO titles stating that “2020 marks the beginning of a final, desperate fight for CMO relevance” (Johnston, 2019).

For a while now, it's been widely known that the CMO has the shortest tenure of any executive in the C-suite (Korn Ferry, 2020). On top of that, in the last couple of years, there have been some very high-profile examples of big business-to-consumer (B2C) companies, like Walmart, Johnson & Johnson, and McDonalds, that have eliminated the position entirely and instead have installed people in less broad roles, such as chief growth officer, chief marketing technology officer, and chief customer experience officer. So what has changed? As it turns out – almost everything.

The new digital economy has disrupted traditional business models – from transportation and supply chain to music and publishing and beyond – leaving businesses scrambling to keep up, innovate, or be left behind. It has spawned completely new industries and fundamentally changed how we research, buy, review, and communicate with one another. In a few short decades, the digital economy has come to dominate even how we live our lives. It has changed buyers; consumers are much more tech savvy, and they have expectations – convenience, ease of purchase,

and personalization – set by companies like Amazon, which spends billions in R&D every year.

The average buyer intrinsically knows what is possible when it comes to digital marketing today – from targeted ads and remarketing (e.g., those ads that show up on YouTube for the product you were just looking at) to new video and social media channels. If the average consumer is now tech savvy, CEOs and other business executives are even more so. More informed CEOs, CFOs, and COOs demand more from the CMO as the leadership of marketing teams that are being asked to compete in completely new channels, sometimes even required to create those channels as a source of growth and innovation for their companies.

In May 2017, Coca-Cola appointed James Quincey as the new CEO. As part of the changes he brought, the role of global CMO disappeared and marketing, customer, and commercial leadership strategy were combined into one function under Francisco Crespo, who became the new chief growth officer, reporting to the CEO. At the same time that the CMO role disappeared, a new Chief Innovation Officer was appointed and the CIO started reporting directly to the CEO “to increase visibility and focus on efforts to digitize all aspects of the company's business” (Schultz, 2017).

Two years after it eliminated the role of CMO to create an expanded chief growth officer role, Coca-Cola brought the CMO position back, but with new expectations, as illustrated in this quote from Coca-Cola CEO James Quincey:

There's a much greater intersection and integration of how to engage with consumers and shoppers....And therefore, bringing together in one group the classical marketing pieces with a customer piece with a commercial piece and with the strategy, underpinned with the digital engagement, is what's going to allow us to more seamlessly operate in this new environment. (Ives, 2019)

At heart, the uncertainty surrounding the role of the CMO today is a reflection of the difference between what marketing is and what business leaders think marketing could and should be. There is tremendous pressure on marketing leadership to lead the charge for their companies when it comes to competing and winning in the digital marketplace, and any failures in the short term, fairly or unfairly, are often laid at their feet. Marketing leadership is expected to navigate rapidly changing consumer expectations, identify new digital opportunities, and master any and every new digital technology that can help along the way. Just keeping on top of the new technologies is a constant battle as marketing technology (martech) continues to explode - add in everything else on top of that, and the role of the CMO just got exponentially tougher.

REINVENTING MARKETING STARTS WITH DATA AND ANALYTICS

CMOs and the marketing function must reinvent themselves. If they fail to do so themselves, it will be done for them - when it's out of their control and probably not to their benefit. This is a massive opportunity for the ones who get it right, and it starts with data and analytics.

Marketing leaders who think that the field is the same and that digital marketing is just a new set of tools and channels to explore will lose out to those who understand that there has been a fundamental change to marketing that must reverberate through the people, processes, and technology that make up how marketing is accomplished in each company.

Thanks to the digital economy and the ever growing martech that we use to exploit it, there is now a fourth critical dimension to marketing - data, or more specifically, the ability to use analytics to glean meaningful information from the vast amount of data available to all modern marketers (See [Figure I.1](#)). Data is the new marketing battlefield - from the information that potential buyers provide about themselves on social media or on your digital properties to the quantitative results you have on your sales and marketing operations. In the Age of Analytics, it is this data - captured, filtered, and interpreted intelligently using the lens of your unique business goals - that can create competitive advantages for any business and showcase the true value of what marketing can and should be.

Using data and analytics for competitive advantage is not a new idea, and not just for marketing. But saying something and doing it can be worlds apart. Data-driven marketing is a term that has been used increasingly over the past few years, but as practiced today, it doesn't go far enough to truly transform marketers and the organization to get the most out of the ever-increasing mountain of data available to all of us today. And that is where data-first marketing comes in.

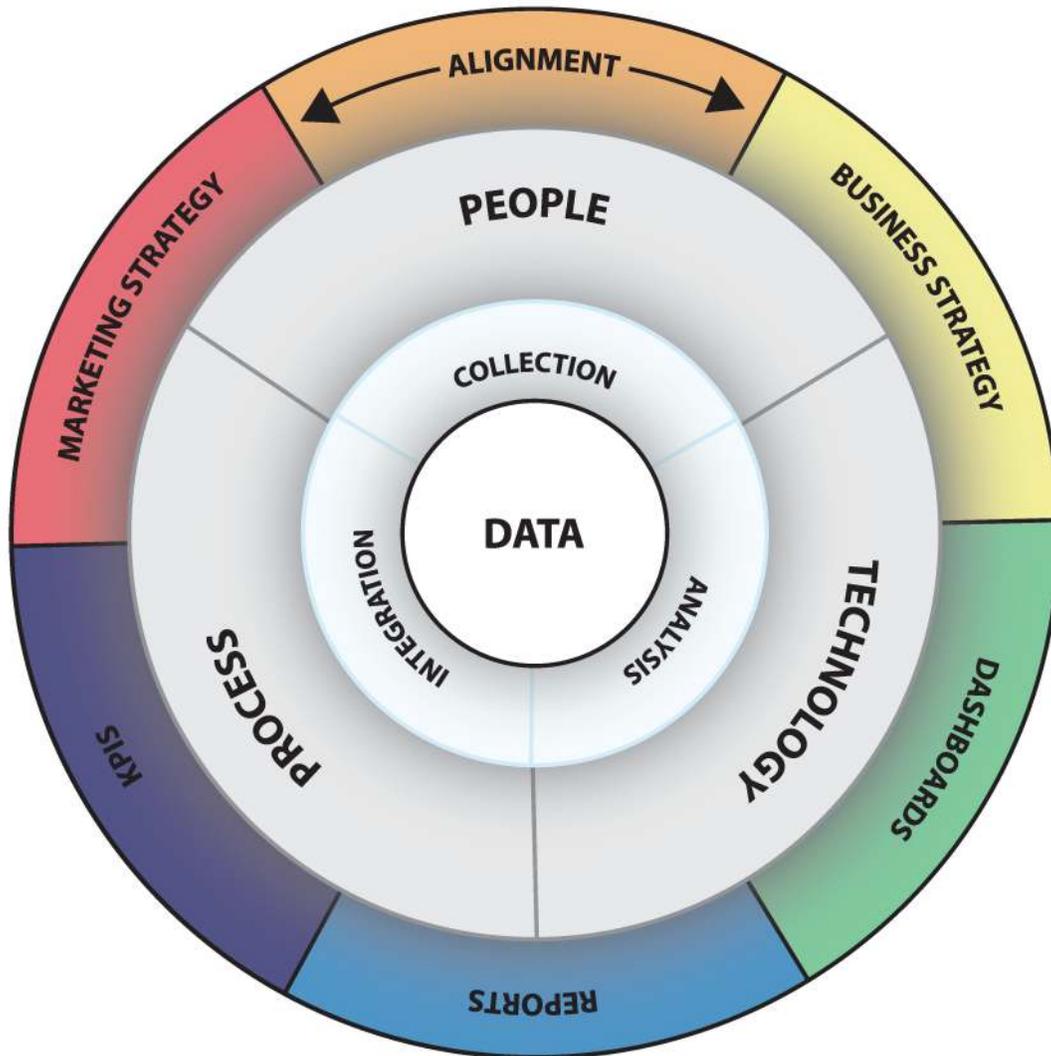


FIGURE I.1 Data-First Marketing Framework

DATA-FIRST MARKETING PROVES MARKETING'S VALUE

Data-first marketing is a new marketing strategy that focuses on intelligently utilizing the vast amount of marketing data available today in order to create true competitive advantage in any industry. It combines data-

driven marketing with business strategy and goals and requires a top-down transformation of people, processes, technology, data, and culture.

The marketing leaders who win will embrace data and move rapidly to take advantage of being first adopters in their respective industries. With marketing data analytics, these marketing leaders can clearly show the rest of the business just how important marketing is to overall business success with metrics that prove it.

Not everyone will do this, and truthfully not everyone can do it, as we see every day in our own practice. The old adage holds true: if it were easy, everyone would do it. A recent Forbes Insight survey conducted for Treasure Data, "Data versus Goliath: Customer Data Strategies to Disrupt the Disrupter," asked 400 executives (CMOs, heads of marketing, chief data or analytics officers, and heads of customer experience) at \$1 billion-plus companies how far along they were when it came to data-driven marketing. Some of the highlights:

- Only 1 in 4 executives report they are able to fully leverage data that is available to them.
- Only 13% consider they've taken the necessary steps to ensure they're making the most of customer data.
- 65% say customer data analytics has not yet enhanced their competitive capabilities while only 1% report a significant shift.
- In two years, they expect this to change dramatically – 40% anticipate a significant shift in their competitive capabilities from mastering their data.

The opportunity is right in front of us, right now. It's not just the CMO that is in danger of becoming obsolete. Competing and winning in the Age of Analytics requires