JANET DRISCOLL-MILLER AND JULIA LIM

DATA-FIRST MARKETING

HOW MARKETERS MUST COMPETE TO WIN IN THE AGE OF ANALYTICS

WILEY

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DATA-FIRST

MARKETING

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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.

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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!

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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 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. 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 (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 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.