Components, Applications and Process of Marketing Analytics

Topics covered

➢ Components of Marketing Analytics

➢ Applications of Marketing Analytics

➢ Marketing Analytics Process

Components of Marketing Analytics

As the definition for marketing analytics implies, it isn't just a set of numbers. Instead, it is a process that has these **primary components**:

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1. **People**

2. **Steps**

3. **Tools and technology**

4. **Input and output**

Components of Marketing Analytics

1. **People**: The marketing analytics process is created, executed, and managed by people who own it.

2. **Steps**: The marketing analytics process consists of a sequence of steps. The steps that make up the marketing analytics process.

3. **Tools and technology:** While the marketing analytics process isn't necessarily complex, tools and technology help marketing organizations deliver greater value faster than they ordinarily might.

4. **Input and output:** Data feeds the process, with insights and decisions as the output of the process.

Applications of MA

➢ *Better Customer understanding*

➢ **Market-basket analysis**

➢ **Cross-selling and up-selling**

➢ **Management of customer relationships**

➢ *Brand recognition:*

Applications of MA

➢ **Content optimization**

➢ **Channel optimization**

➢ **Pricing optimisation**

➢ **Predictive intelligence**

➢ **Improve sales**

Marketing Analytics Process

Marketing Analytics Process

The marketing analytics process is a continuous cycle of measure, analyze and improve.

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Step 1: Define goal

Step 2: Identify Metrics and Measure

Step 3: Analyze the Metrics

Step 4: Take Improvement Actions

Step 1. Define MA goal

- Start with the aim of answering key questions.

- *What problem needs to be solved?*

- Increasing profit by increasing customer retention.

- Enhancing user/customer engagement.

- Improving customer loyalty.

- Predicting product demands.

Step 2: Identify Metrics and measure

- **Metrics refers to** standards of measurement by which something can be assessed.

- **Metrics** are measures of quantitative assessment commonly used for assessing, comparing, and tracking performance.

- **Marketing can provide hundreds of metrics**

- Challenges in **identifying the best set of metrics** for the marketing analytics process.

Step 3: Analyze the Metrics

➢ The second step in the analytics process is analysis: taking the data and, through inspection and analysis, turning it into actionable information.

➢ The goal of this analysis step is to draw **insights** from the data about marketing's progress toward achieving its objectives.

Step 4: Take Improvement Actions

➢ This step of the analytics process is determine what actions and changes are most likely to yield improvement.

➢ Sometimes, the improvement actions are obvious. For example, analysis of a mass email sent that performs poorly reveals that an unusually high number of email addresses bounced back.

The improvement action here is obvious: remove the invalid addresses

References:

➤ Rackley, Jerry (2015). Marketing Analytics Roadmap: Methods, Metrics, and Tools. Apress, 2015

➤ Winston, Wayne L (2014). Marketing Analytics: Data-Driven Techniques with Microsoft Excel. Hohn Wiley & Sons, 1st Ed.