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Dr. Roberto Cioffi

DATA-DRIVEN MARKETING: Strategies, metrics and infrastructures to optimize the marketing performances

Tutor

Prof. Ing. Claudio Giovanni Demartini

Politecnico di Torino

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PART I
The theory of the data-driven marketing

CHAPTER I
Learning the basics

1.1 Where does the data-driven marketing come from?

The current marketing ecosystem is more complex than ever and it is really hard to handle it with the traditional tools. Customers are more exigent and always switching between an increasing number of retailers while the competition keeps expanding. Decisions have to be made faster, and smarter. [1]

These are budget-cutting times and marketing budgets are among the first to get cut if not directly related to sales. When the non-marketing executives take a hard look at the numbers, they often can’t see a tangible link between marketing and overall revenue.

This is only the result of having no concrete data to answer hard questions about the value of marketing: the marketing today has shifted from being a discipline close to communications, to a discipline incorporating more scientific, strategic and technical responsibilities.

Marketing professionals are tasked with measuring, executing, quantifying and expanding a growth strategy based on the customer-centric approaches and the data-driven decisions. A CMO is no longer looking for a shotgun model—spending money to broadcast a message, converting only a fraction of the impressions, then re-investing profits into further broadcasting. [2]

The new model involves innovation in many technologies combined with targeted spending, executed to maximize the precision and to drive growth.

The importance of the proper handling of data has never been as obvious as in the last period: Donald Trump, outsider and reality star became president of the most powerful country in the world and allegedly by the power of the data; a small and unknown company named Cambridge Analytica is said to have performed the miracle.

The magic is in the Data driven marketing.

This highly complex challenge has an incredible potential: reaching the right user at the right time with the appropriate message in the right place and motivating them to an appropriate action represents the major challenge for the marketers of the companies. This applies both to classic off-site marketing as well as digital advertising. [3]

Data has become the cornerstone of modern marketing; however, as more and more data is gathered from different sources, the more complex the management of this data becomes.

Data-driven marketing has transformed from an innovative approach to a fundamental part of advertising and business strategy; it can now be defined in several ways, but at the most basic level, it can be explained as follows: “data-driven marketing refers to strategies built on insights pulled from the analysis of big data, collected through consumer interactions and engagements, to form predictions about future behaviors. This involves understanding the data you already have, the data you can get, and how to organize, analyze, and apply that data to better marketing efforts”.
Although there are many reasons why companies decide to start using the data-driven marketing, more often than not, its intended goal is to enhance and personalize the customer journey. [4]

I.2 Traditional vs. Data-Driven

The definition of Marketing for a long time has been translated in a circular model of spending, broadcasting, converting (when directly related) and spending the profits again. Nowadays, with this availability of data, the marketing managers can take a more personal approach toward customers. Learning from existing customer data, they can personalize the strategies and the customer experience.

The classic marketing funnel that has been used for decades, if not switched to the digital version, actually fails to recognize and prioritize the best customers; when having a full database of data that in real time can help to serve relevant experiences.

The quantity of information obtainable through the data-driven marketing is the base for the optimization process, the fundamental advantage of this approach: the data around the customer journey helps the marketing manager to find key tactics and experiences that will influence exactly the segments targeted, transforming the marketing team into a zero-waste system.

In the traditional scenario, the same results were impossible or incredibly time-consuming. Finally in the traditional marketing there was an indirect relationship between revenue and costs and so it was hard to transform the estimations in budget and planning. [5]

<table>
<thead>
<tr>
<th>Traditional Marketing</th>
<th>Data-Driven Marketing</th>
</tr>
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<tbody>
<tr>
<td>Segmentation criteria are selected by humans based on opinion and superficial data.</td>
<td>Segmentation criteria are intelligently derived from data.</td>
</tr>
<tr>
<td>Number segmentation criteria are limited, usually to 3-10 factors, including job position, geography, industry and so on.</td>
<td>Segmentation criteria are data-derived and can be any behavior, trait or interaction, as long as it indicates a segment with specific behavior similarities and is predictive of results.</td>
</tr>
<tr>
<td>Classifying and prioritizing customers and marketing actions cannot happen in real time. Distribution of priorities is derived from scarce data and statistical methods, such as surveys.</td>
<td>Classifying and prioritizing customers happens in real time, based on a full analysis of the voluminous customer data.</td>
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Img.1 – Traditional versus data-driven marketing [5]

I.3 The companies’ point of view

Shifting to a data-driven marketing approach is much more than buying the right piece of technology. It’s a process that requires a complete commitment from stakeholders across the company, and even with that will likely take several months to implement if there isn’t the proper experience. [2]
Marketing experts are notoriously intuitive and creative because the marketing campaigns will never perform if do not surprise and capture the customers’ attention between the huge amounts of messages they are presented with every day. In a market environment as complex as today’s, there is so much information to process before every effective decision, that just being imaginative no longer suffices. The best marketing managers in the companies are those that understand the power of data and have enough analytical capabilities to truly get what they can accomplish with it. This does not mean that they need to be statisticians or fully fledged data scientists, the real answer lies in approachable analytics: one of the most important advantages of business-oriented analytics is a better collaboration between the CMOs and the CIO’s department.

Being no longer the sole source of maths and analytics in the company, the data scientist team is no longer an over-solicited bottleneck. The marketing managers, on the other hand, don’t have to waste their time waiting for customer insights that are sometimes obsolete when they arrive. Approachable analytics are clearly a win-win. [1]

An interesting insight on how the companies are facing this data revolution comes from the data-driven marketing survey report from Ascend2, where the respondents represent small and big companies providing an overview of the goals, barriers and progresses of today’s organizations. According to the survey result, customer personalization is the top reason companies are looking to use data to speed up their marketing activities, in fact the ultimate goal is to create more direct and meaningful connections with individual customers.

Another significant result is that the 41% of companies are realizing that the effectiveness of data-driven personalization is increasing dramatically the quality of the performances, optimizing their marketing efforts and boosting the results. 50% of companies say that integrating data across different platforms is the most significant barrier to obtain data-driven marketing success. Ensuring the quality of data, using it correctly and accurately verifying the results remain the top challenges for the companies when they come to data-driven marketing. On the other hand, “integrating data across platforms” was the most commonly noted barrier to data-driven marketing success, close behind (49%) is “enriching data quality and completeness”—something that many companies continue to have problems with. [6]

I.4 Obstacles to the data-driven marketing

In the last years a very big problem arose: most marketing managers had a fairly good handle on what they were doing from an activity perspective, but only a few could explain what data-driven marketing might look like. This was holding marketers and organizations back from adopting these new principles creating five main obstacles.

The first obstacle lies in the fundamentals: how do we get started? Many organizations don’t know how to get started, don’t know how to use the huge amount of data they have and they spend the focus on the wrong metrics. The point is that it isn’t necessary a multimillion-dollar data infrastructure to get started. The key is to focus on collecting the right information. Then, after the early stage results, the proper approach can drive the organization to the next level.
Another obstacle in this shift from traditional to data-driven lies in the causality: for the organizations there are too many chaotic factors, the overlapped campaigns make impossible the definition of cause and effect. This happens also because there is a time delay between the first impression and the final action of the customer. Furthermore awareness campaigns do not directly results in sales, even if the requests of the CFO are related to the financial ROI.

The “answer” in large part is taking a systematic and disciplined approach to the execution. The idea is simple: conduct small experiments, isolating as many variables as possible, seeing what works and what not, identifying causes and effects.

For business-to-business companies that sell indirectly to the customers, the obstacle of lack of a proper data infrastructure can be significant when dealing with data-driven marketing. While B2C companies struggle with too much data, the B2B have a legitimate data challenge. The first solution to bridge this gap is to obtain insights into what products or services the customer purchases and the ability to act upon these data, through the channel partner. Another approach to solve this problem for B2B companies is to use focus groups for fine-grained segmentation and target marketing; even if this is not as effective as analysing large customer data sets.

Customer data collection can be touchy and the organizations must be sure to follow the highest ethical and professional standards. The marketing operations must have the proper privacy policy in order to communicate how the data will be used and stored internally and externally. For this purpose in the next sections will be studied in depth the GDPR in order to have a clearer idea of the data collection.

The fourth obstacles to DDM are the resources and the right tools that the marketing managers are afraid to use in a new and unexplored field: in fact it seems that the time spent to shift to new technologies is wasted and costly. This often happens because of a lack of communication between marketing managers and IT.

As a marketing manager, it is mandatory to become an educated consumer of the technology that supports the data-driven marketing activities. Learning to ask the right questions ensures that the wheels don’t fall off the project and that the system delivers value.

A key to let DDM work with an easy and not painful approach is to design all the campaigns in advance; in order to be able to split all the necessary variables and measure their performances. The final great advantage of this process is that, by definition, it will create business cases for the future marketing investments so that it becomes possible to justify increased spending for infrastructure to support data-driven activities.

The last problem that many organizations have to face when getting started is the cultural one: the people and the change. Traditionally the marketing managers do not have the culture of measurement, they are not used to learn new analytical skills (for the fear of not being able to be as effective as with the traditional means) and they want to let prevail the creativity to the data-driven approaches.

This is the worst behaviour that a manager can have, the fear of the changes.

The data-driven marketing has shown clearly that small changes can have big impacts on the performances: the companies must dream big, act fast and start small. Now it is clear that in marketing it was really hard but necessary task to understand which portion of the expenditures was driving the sales, because, of course, if you can measure something, you
can control it.

To conclude, a shift in marketing shouldn’t be done necessarily by the marketing managers: executives should be able to understand the importance of this approach and also give them the training as a component of organizational change. Marketers must have new approaches, tools, techniques and skills to optimize the management and to deliver the best in class data-driven marketing.

I.5 Leaders versus Laggards

The difference in good and great for marketing is not so subtle; there are a few repeatable processes that separate the great marketing organizations from the average. The creativity nowadays is a commodity for all the companies, since the 72% of organizations outsource the creative aspect of their marketing. The real big difference between leaders and laggards lies in the internal hard processes for selecting, executing and measuring the campaign performances and how they use the technology to support these processes.

There is also a marketing difference between how these two categories invest their budget portfolios; in the specific, there are five objectives in which the finances must be splitted: demand generation marketing, branding and awareness, customer relationships, shaping markets and infrastructure.

The low performers invest the 4% less than the average on marketing overall and the high performers invest 20% more than the average. Furthermore it is really different on how they split the budget between these objectives: the leaders spend less on demand generation marketing and more on branding, customer equity and on infrastructure to support DDM. As a result of this we can see that the leaders have significantly better sales growth and financial performance compared with the laggards’. [13]
I.6 Data as a competitive advantage

Over the last ten years, the big data revolution has reshaped the common practices of marketing, impacting how the ads are bought; the way in which the customer relationships are managed and how the promotional messages are orchestrated across a multitude of channels.

What was once the exclusive domain of the “quant jock” has now become the norm, having the possibility of working with a slew of new practices—programmatic media buying, granular audience segmentation and targeted, real-time trigger marketing—that would otherwise be unsustainable without a constant stream of information on consumer audiences and their interactions. [9]

Marketing managers are now able to see the competitive advantage as something that’s driven by a better understanding of their customers and a better-informed deployment of the media channels through the new technologies. Perhaps not surprisingly, the greatest data-driven successes thus far have been associated with the collection and segmentation of first-party data in efforts to drive a richer, more actionable view into the customer interactions.

Audience data represents a fundamental source of competitive advantage, particularly as it gives deeper and more actionable insights into consumers and ideal segmentation of those audiences. By contrast, the data-driven approach has so far delivered less significant results in support of basic business objectives—including sales revenue and profitability growth—that typically represent the most important enterprise priorities.

The competitive advantage is in the culture of the data-driven marketing: deriving it from data requires a concerted effort to activate a range of different resources in close coordination.

Above all else, practitioners say that the growing “buy-in” of senior executives both within and external to the marketing function—leaders that provide support for and encourage development of a “data-driven” culture across the enterprise—has been most influential in driving innovations across various data applications.
CHAPTER II

The Data-Driven Marketing for the companies

II.1 Basic marketing strategies

Finding the proper marketing strategies to use has always been challenging for businesses of all the
dimensions. The increasing number of marketing channels available today makes it also more
difficult for traditional marketers to find the best method to build the different kinds of businesses.

Unfortunately, there are no magic marketing ideas that will send a huge stream of customers to the
door: whether the companies sell products or services, they must use multiple strategies to attract
and keep customers.

For all the mature companies that have been in business for a long time and haven't changed the
marketing methods over the years, must know how the attention to the strategies that involve the
Internet and digital marketing can become golden nuggets. Doesn’t matter how the existing
customers found the product, businesses and consumers today regularly turn to digital media to
gather information about their needs and research service providers before choosing which they'll
use.

Before a marketing manager can choose the proper strategies for the company, he needs to consider
what are the real goals: different objectives often require different strategies to achieve.
Nowadays it is possible to focus on brand awareness, on a long-term strategy/ funnel for customers’
acquisition or a direct lead generation approach, where the data-driven marketing through online
advertising campaigns is able to generate sales in a short-term time frame.

In all of these cases, once the target market is found, the company must focus on the right channel
to use, in order to have the largest availability of potential customers ready to be persuaded from the
ads. Using the current data-driven approach it is possible to split test multiples traffic sources,
extrapolate the data needed and then identify which one is performing better thanks to the essential
marketing metrics discussed in the next chapter.

In the actual marketing scenario, one of the top performing strategies is related to the press releases.
The customers don’t want to buy the product itself; they want the emotions related to it.
People like to buy from people they know and trust.
This sentence means that a company that focuses on the customer’s information and on a good
reputation is following a basic and necessary marketing strategy.
The marketing managers must be able to let the company be a resource for the media through the
initiatives, the business vision and the way in which employees are treated: this can dramatically
improve the customer perception of the product and also it become easier to conduct marketing
campaigns. [11]

It is incredible how in 2018 there are still companies that don’t have a fully functional website
properly set in order to track the customer experience.

A basic strategy in the online era is to optimize the funnel in order to reduce the marketing costs
with the consciousness to do not lose potential customers. Each company should have many
different developers ready to fix any bug or to improve the interface to be aligned with the market
level.
Furthermore actually it is necessary to never stop marketing to keep the business coming in regularly: the more is the social presence, the more is the impact/cost ratio of the ads.

II.2 Agile Marketing

The Agile Marketing is based on the idea to collect data from the campaign performance, as it is running, and changing it during its course if it is not working. This approach includes event-driven marketing, delivering customized marketing offers based on the analytics and triggered events.

The managers must be able to analyse and act on the data collected while the campaign is running: to cut the budget if it's not performing as planned and actively work to amplify it if this has a positive result. This clearly shows how the agile marketing is a planned and structured activity, and companies have to think in advance on what to do with the data once they have collected have them.

To apply this strategy, new approaches and mind-sets are needed in the companies: it is necessary to plan in advance how to be flexible based on the data, a very challenging match for old style marketing organizations accustomed to running only very big, monolithic marketing campaigns. There is also an increased reliance on technology and analysis for decision-making, the need of learning tech speaks and new analysis skills may feel intimidating.

In general, it is not hard to apply the agile approach to the campaigns. The first thing that a manager must keep in mind is to fail fast with small expenditures by killing early what do not produce results in order to win big by increasing funding for campaigns with early demonstrated results. It is important to define both success and failure criteria before starting a marketing campaign.

If the company has, for example, a nine-month campaign, it is important to design stage-gate review sessions at a minimum of once per month. If the campaign duration is 10 weeks, then it is needed at least a review each week. It must be planned in advance to collect the key success metrics and to think through the criteria for the stage evaluations.
II.3 Skills to build a data driven organization

The companies that want to pursue the objective to become data driven have to take into account these fundamental elements:

• **Automate and integrate:** integrating new tools and technologies into the marketing plans can be overwhelming at times. The marketing can only be properly and efficiently automated if the department has smart analytics that can uncover insights from raw data, if they have the ability to turn these insights into relevant customer actions and if they are able to keep a good balance with what’s best from a commercial point of view. For this, all the data, the analytics and the marketing automation have to be centralized and integrated into one platform. By creating an automated process that still allows for personalization, the company will stay true to the objectives and avoid complicating results. [1]

• **Collaboration across teams:** since data is something that needs to be managed across an entire organization, marketers must ensure that the information is being shared across departments and teams.

• **Monitor industry changes:** keeping a close eye on the competition so the company can either follow suit or learn from their mistakes. Like every other area in this industry, the data-driven marketing is constantly changing. Staying up-to-date on the latest trends will only help with all the strategies.

• **Continued measurement:** data-driven marketing is not a one-size-fits-all solution. It must be constantly monitored and adjusted based on the results (successes or failures) that the
manager is seeing. This will help to identify which tactics are working and encourage the buy-in from organizational leaders. [4]

For a company that is not aware of the current approaches to the online marketing, a deep understanding of retargeting, dynamic advertising, optimized paid search and targeted bot/email campaigns will increase the possibility to get how to fit the data-driven marketing into the current organization.

Collecting, organizing and interpreting data in a way that drives decisions takes skill that marketing managers must have:

- **Separate knowledge from data**: experienced marketers gather information from years of campaign creation and analysis, but nowadays it's important that they separate this knowledge from the data collected. Experience may suggest one path, but data may suggest another. The reason they are collecting data is to have a help in order choose the right path.

- **Create a well-oiled “martech” stack**: to be data-driven, managers must rely on a variety of tools to streamline data collection and mining. They'll need employees that can create a martech stack, a stack of marketing tech tools that work together to provide the valuable insights needed to elevate the customer relationships.

- **Use customer insight to make real-time decisions**: the need of marketers is to analyze data that comes in and use it to make real-time decisions. For instance, if the social media ad metrics show high engagement during a certain time of day, the marketer has to adjust the timing of the ads to maximize the budget spent. Having a look at metrics and making adjustments is a crucial component in data-driven marketing.

- **Constantly mine data**: a data-driven marketer is always mining statistics for new insights. The need of a marketer must start from thinking of new and inventive ways to use the data collected, to find new customer segments, to identify characteristics of recurrent customers and to pick up on patterns and trends that lead to proactive tactics.

- **Bridge the gap between marketing and sales**: marketing and sales are used to be different departments, but they're both dedicated to landing new customers and keeping existing ones. A fundamental skill of a marketer is to work with the sales team and encourage them to focus on stats like average customer value and annual recurring revenue rather than compete for lead totals or vetted prospects.

The wave of the digital channels and the shift of consumer behavior have forced marketing managers to collect and analyze data to thrive.

Organizations that embrace data collection and evolve with technology will become the frontrunners in the marketing landscape today and in the future. [8]

II.4 Budgeting and technology

There are a few repeatable processes that clearly separate the great marketing organizations from the average ones. Nowadays the creativity is becoming a commodity in marketing and since all the organizations have access to similar creative, it cannot be a source of competitive advantage anymore: in fact the 72 per cent of organizations outsource this element of the marketing.

A big difference between a good and great marketing organization is in their internal process for selecting, executing and measuring campaign performance, and how they use technology to support these processes. [13]
The Marketing campaign management (MCM) is a combination of methods, processes and tools used to develop, monitor, measure and control campaigns and programs to increase the return on both individual and aggregate marketing investments. This is possible through a support capability: the technology and the infrastructure such as enterprise data warehouse (EDW), marketing resource management (MRM) and analytic tools for decision-making.

The technology in this case is not directly connected to the firm performances but thorough MCM capability: just investing in technology doesn’t lead to firm performance instead it supports management processes. So to make this investment profitable for the company, it must have the MCM process capabilities in place: selection, portfolio view, monitoring and adaptive learning.

Considering the budget for the marketing management as a portfolio we can say that there is a difference in how B2B and B2C firms invest their dollars.

The marketing portfolio can be divided in 5 components:
- Branding: to create brand equity and designed to make a product or service top of mind for the customer.
- Customer equity: relationships to build customer equity.
- Demand generation: activities to drive sales in the short term
- Shaping markets: processes to shift customer perception toward the need for a product or service and/or to influence groups of customers toward a product using third-party recommendations
- Infrastructure and capabilities: investments in technology infrastructure as EDW, analytics, and MRM (to support broader marketing activities)

There is a marketing divide between how the leaders and laggards invest their marketing budget portfolios: the former invest more on branding, customer relationships and infrastructure to support data-driven marketing, the latter spend more on demand generation marketing.
II.5 Data-driven decisions

When executed in the proper way, data-driven marketing initiatives can increase lead quality and quantity—making it easier for the sales representatives to identify and analyse the fundamental variables in a negotiation.

The overall marketing efforts can be optimized taking a closer look at the data available in the company:

**Identify the best buyers:** with access to customer data and insights, the marketing managers become able to get the characteristics that make up the best buyers—or buyer personas. The key to data-driven marketing is to tailor the campaigns to the buyer personas.

**Personalize outreach:** the customers want offers that speak to their specific needs and pain points. In fact, in a study of 650 multi-channel campaigns, personalizing consistently and overwhelmingly beat out static approach in generating a high response rate from recipients.

**Score the leads:** assigning a value to the leads based on the likelihood that the person is going to buy the product or service. The value should be calculated based on data points like job title, industry, company, and more. Once the manager understands what makes a good lead, the team can work to attract similar prospects. According to different studies, the 68% of “highly effective and efficient” marketers pointed to lead scoring as a top revenue contributor.
**Implement nurture campaigns:** create relationships with prospects at every level of the funnel and nurture these relationships with better segmentation and targeted content. In this way, when a prospect becomes ready to buy, the brand is top-of-mind.

Finally, customer and prospect data can fine-tune every aspect of a strategy; from campaign type to audience, to the language you use. Although a data-driven marketing strategy starts with the marketing team, it’s a company-wide effort that requires time, expertise, and resources from many departments within an organization.

Marketing managers in many organizations still believe that data is not successfully and fully utilized in automation, processes and decision-making. As a result, decisions are still based largely on opinions. Even mature marketing companies struggle to understand their customer’s journey and in which ways each step influence him. The reason is twofold: even large datasets fail to make meaningful connections to desired outcomes in a well-connected 360-degree view, taking into account multiple variables affecting volume, probability, average cost and revenue. The mere volume of accumulated data simply doesn’t fit the old “spreadsheet” model anymore.

All the insights are based on much larger datasets and discover more complex patterns requiring visualization, validation and process integration. Each company can benefit from transparency in goal-centric metrics, and those metrics need to have a very meaningful standardized tie-in with the marketing and sales process.

The solution is simple but not easy: data analysis based on business goals needs to be embedded in each and every organizational process, so that insights can automatically drive action, leading to improved metrics.

The redefined purpose of data-driven marketing is to allow organizations to focus and refine each activity of their customer’s journey through meaningful conversations, carefully measured interactions and timely, strategic and serendipitous intervention. [5]

Marketing and business executives have become strategically and very closely connected to the overall growth. Their only true strategic objective is to maintain growth, and this objective relies on sophisticated technology and data-savvy teams to understand customer needs and growth drivers. Combining this expectation with the actual plague of impatience, marketers often have less than a year to complete very challenging journeys.

There is an endless supply of solutions claiming to solve the data-driven marketing challenge, but the executives require a solid understanding of the technological principles each embodies, to prioritize and make the best decision for their entire organization.
CHAPTER III
How to manage the data

III.1 The essential marketing metrics

When a manager has to deal with the data-driven marketing, if it is a Fortune 500 company or a small business, the core problem is whether to use advanced tools and techniques for linking marketing to sales, such as the regression, or to use simple but effective metrics and frameworks. The former is useful but has significant limitations, including the need for large and clean data sets, which often are not available in the time frame at disposal. The best approach is to focus on a framework for marketing measurements, balanced scorecards with the few key metrics that point to value and approaches for analyses that are relatively straightforward to implement. [13]

Here will be discussed in depth the most important metrics for the data-driven marketing. In the following part we will see nonfinancial metrics, harder to measure but necessary to the marketing managers that want to have a clearer idea of the data they are evaluating.

The first is the awareness metric. The **brand awareness** is the ability to recall a product or service. Top of mind recall means that in the purchasing cycle the product or the service will be the first that the consumer thinks about to purchase. Awareness marketing comes in many forms such as TV advertising, billboards, sports sponsorships and mainly creative use of the Internet such as display marketing or social ads. The brand perception is driven both by marketing and experience with the product and by recommendations of friends and colleagues. Financial metrics are not notably useful for measuring awareness and branding; firms often conduct large surveys, tracking the demographics and geographies over time. Typical metrics to measure efficacy of awareness marketing are number of attendees at events, insights from the website and social campaigns or media impressions.

The second is the evaluative metric. **Evaluation marketing** is designed to drive customer purchase intent by enabling customers to compare different product or services. Examples are breakdown of the benefits and features, brochures and product descriptions. Evaluative marketing expresses the value proposition of the product or the service, the benefits and the costs trade-offs. A challenge is that there is a time delay between evaluation and purchase that could be weeks, months or longer. For these reasons, financial metrics do not work particularly well unless it is possible to track who engaged with the ad and then purchased immediately. With the most recent tracking tools it is possible to collect the generalities of the customer that engaged the ad and then check whether it purchased or not. This is basically made through the cookies. Examples of evaluative marketing metrics include product information downloads or social insights.

The third is the loyalty metric. The **customer churn** measures the percentage of existing customers who stop purchasing the products or services. Marketing activities for retention of high-value customers can have a significant impact on firm profitability. For this purpose it is important to have a direct contact with customers, engaging them
in communities and to send them recurrent messages/emails in order to evaluate their interest in the product.

The fourth is the **customer satisfaction**. Historically this was measured by asking “would recommend it to a friend or colleague?” through the use of surveys or interviews. Customer satisfaction bridges both loyalty and brand awareness, and can be used as a leading indicator of future sales.

All the ads can be created in order to gain information from the customer base. Usually these tests are conducted by third party agencies with the aim to do not spoil the real intention of the advertising campaign. Furthermore it is possible to monitor the performances of the campaigns with the only objective to retain current customers and receive a feedback on the products.

The fifth is the **take rate**. This metric defines how well the marketing is working from a tactical perspective and focusing on increasing the take rate can dramatically improve the overall marketing performance. The take rate is often applied to demand generation marketing and it is applicable to all the campaigns that have a call to action, that is, a clear activity that the marketing is intended to produce from the customer. In Internet marketing it can be calculated through the CTR multiplied by the CR. We’ll discuss later in detail about these metrics.

There are also four financial/marketing metrics that are necessary to have a clear idea of how to manage data-driven campaigns.

The first metric is the **profit**, derived from the revenues generated less the costs.

\[
\text{Profit} = \text{Revenues} - \text{Costs}
\]

It is important here to identify which are the revenues generated by the demand generation or brand awareness and loyalty campaigns. This will help to kill only the not profitable ones.

The second financial metric is the **net present value**.

\[
\text{NPV} = \text{PV} - \text{Cost} \\
\text{NPV} = -C_0 + \sum_{i=0}^{n} \frac{B_i - C_i}{(1+r)^n}
\]

The PV is called present value and is the value for cash discounted to include the time value of money, the \((1+r)\) factors, so that money in the future is worth less; “\(r\)” is the rate of return the company expects to get on the investments and is called the discount rate or cost of capital. \(C\) is the initial cost and \(B\) is the benefit.

This metric is necessary to have an answer for the question “is it better an amount \(x\) today or an amount \(y\) per year for \(z\) years?”

The NPV in marketing campaigns is also fundamental to evaluate how to scale the ads that are performing well, if the metric is positive it is possible to invest more, if it’s negative it is suggested to stop wasting money. As a result, marketing managers able to speak with this language are able to speak the language of the boardroom.

The third is the **internal rate of return**.

The IRR is the rate that money is compounding internally to the campaign or program. It is better than just calculating the return on investment (\(\text{ROI} = \frac{\text{Benefit} - \text{Cost}}{\text{Cost}} \times 100\%\)) because it takes into account the time value of money.

IRR is technically calculated by setting the NPV equation equal to zero and solving for \(r=\text{IRR}\):
\[-Co + \sum_{i=0}^{n} \frac{(R-C)}{(i+r)} = 0\]

The final decisions are made by comparing the IRR to the discount rate \(r\), if IRR > \(r\) the company should invest, otherwise the company shouldn’t.

The fourth is the **Payback**.

The payback is the time for the cash benefit out to equal the cost. It is usually not discounted, but it is used as a rule of thumb for decision-making.

It is the time period when the profit goes from negative to positive, so the campaign or program has paid back the cost so far. [13]
Among the financial and the Internet metrics, there is the essential metric of the marketing: the **customer lifetime value**.

\[
\text{CLTV} = -AC + \sum_{i=0}^{N} \frac{(Mn-Cn)p^n}{(1+r)^n}
\]

where AC is the acquisition cost, Mn is the margin produced by the customer in each time period n, Cn is the cost of marketing and serving the customer, p is the probability the customer will not defect in a year, and N is the total number of time periods.

CLTV is the NPV of a customer.

So although the calculation is easily done, getting the data is not so easy and may require an enterprise data warehouse and industrial-strength analytic infrastructure for a large firm.

The Internet has been a “Wild West” for marketers until the scenario has been regulated and experienced in the last few years by the biggest players. This drove the marketing companies, but
also the advertising platforms and all the traffic sources in general, to establish the common metrics to evaluate the quality and the value of the ads. So now we are going to discuss the Internet marketing metrics that are fundamental for a manager in order to quantify the overall performances of the online campaigns.

The first two metrics that have been used in the Internet marketing era are the cost per thousand impression (CPM) and the cost per click on a sponsored search link, banner or social media ad (CPC). In the CPM model, the advertisers pay just to be seen by the users. In the CPC model, advertisers pay for a click-through that has good odds of resulting in a purchase. The traffic sources such as Google Ads or Facebook Ads use these models to quote the ads with auctions and bidding systems, we will see this in depth in the next chapter.

In addition to CPC and CPM, the next really useful Internet Marketing metric is click-through rate (CTR). CTR is just the percentage of customers who click through on a link, and it is calculated from the number of clicks divided by the number of impressions (ads served).

The fourth metric connecting Internet clicks to the dollars is the conversion rate (CR), the percentage of customers who purchase after clicking through to the website or landing page. Furthermore we need to measure the efficiency of generating net revenue from ad dollars spent when the end action is the purchase of a product or service. This is made through the return on ad dollars spent metric (ROA).

\[
\text{ROA} = \frac{\text{Net revenue}}{\text{cost}}
\]

In addition to CR, there are also other many metrics to measure the website or landing page performances, these include time on site and number of page views. Often these metrics tend to be ambiguous because it is not clear how the different campaign objectives affect them. Whether the website is designed to help customers to find products and services to quickly purchase, or if the website is a blog, with all the contents in a single web page, the most important website performance metric is the bounce rate. It measures the percentage of customers who leave the page after spending less than five seconds on it (5 is used as a rule of thumb). Bounce is exactly the website churn.

The last metric regards the value of the social media marketing activities: the word of mouth (WOM). It quantifies the question “would you recommend to a friend?”

\[
\text{WOM} = \text{number of direct clicks} + \text{number of clicks from recommendations}/\text{number of direct clicks}
\]

\[ III.2 \text{ Analytic Marketing} \]

In the data-driven marketing scenario, the analytic approach is fundamental for the company to let the customer have the reaction: “Wow, that’s exactly what I need!” This requires analytics to target the customer. There are three important approaches that are used depending on the type of marketing activity (cross-sell, up-sell, retention, etc.): propensity models, market basket analysis and decision trees.

The \textit{propensity models} use regression to predict what specific customers are most likely to buy next, given their prior purchases and demographics. This helps the marketing managers to score for
each specific variable of customers (age, hobbies, age of children, health, neighbourhoods, etc.)
what’s the propensity to buy a specific product in the successive week.
This model can be used to improve the retargeting, email and bot campaigns.

Another common analysis approach is called market-based analysis, which is particularly relevant
to retail. The concept is to figure out what bundles of products or services customers purchase
together when they shop.
Cluster analysis is the data-mining technique most often used for market basket analysis. The
insight is not in the technical details, however, but that the analysis can be done and the results are
actionable recommendations. These recommendations are called association rules used to influence
the marketing behaviour.

The decision tree is one of the three core methods of data mining, a great way to segment customer
for actionable insight; the other two are cluster analysis and neural networks.
The idea of the decision trees is to split a data set into subgroups that are more pure, with more
clearly defined characteristics, than the original population.
The approach is broadly applicable: it’s possible run the models and, based on insight from the
analytics, deliver targeted marketing at customers triggered by events or characteristics suggested
by the models.
What is important is to understand the power of the techniques and how to interpret the data, and
take action.

III.3 Infrastructure for Data-Driven Marketing

The infrastructure for data-driven marketing has many different solutions defined by the business
questions the company wants to ask and answer.

If the data-driven marketing goal is a handle on the customer life cycle, with balanced scorecards of
brand awareness, customer satisfaction, test-drive, take rate and the new age Internet metrics, then
the Marketing team can absolutely get started with tools like Excel. But if the scope is to actively
manage churn, do value-based marketing based on customer lifetime value, and/or event-driven
marketing, then a data warehousing and analytics infrastructure are needed.
To get started, it is important to focus on few questions to identify the business goals, then all the
rest will be easy to manage since after the beginning the marketers will have a cascade of follow-on
questions. Furthermore, to have an answer the managers need to pull the data from isolated
databases and put it into a central database, the EDW, where it can be analysed.

There are several additional factors that significantly impact the data management requirements,
including the number of customers, the need for detailed data, the complexity of the queries and
analysis, and the need for unpredicted analysis.

The amount of data warehousing infrastructure required for data-driven marketing depends on two
important dimensions: the number of customers and the complexity of requirements. The former is
directly related to the size of the EDW, since each customer interaction creates data for the
customer that need to be retained for CLTV analysis. The latter dimension acts as a multiplier of
infrastructure cost and complexity.
Business stakeholders must have an idea of the scale and complexity of the data warehouse being created for them, as if they would if sponsoring a building. They should know whether the project was to create a residential home or the “Empire State Building”. Unfortunately, because data warehouses are invisible, executives sometimes undertake a project with a bigger scale while imagining they are just building another residential home, planting the seeds for disaster. [13]

Building the wrong infrastructure is a big problem that easily happen, especially for scaling purposes: data warehouse scalability problems surface at the worst possible time. They are created during the design, engineering and construction of the database, but no one knows until the system has gone into large-scale production.

In summary, the technology for data-driven marketing is way too important to leave to the technologists: the lack of focus and vision, the lack of resources, the lack of skills, the scalability and the politics can be the major risks to fail to build an EDW project for marketing.

III.4 GDPR

GDPR has a big effect on how businesses collect, store and secure personal customer data. This means that GDPR impacts marketing, it changes sales prospecting and it requires change in customer service departments as all personal data needs to be handled in a more professional manner.

Historically, personal data such as name, address, phone number, date of birth, sex, age, and ethnicity have been collected with consent as individuals filled out forms, booked holidays, bought tickets and entered competitions. But with the advancement of social media, smart phones and cloud applications, personally identifiable information (PII) can be collected in far more indirect ways.

For example, the IP address and location can be captured from the phone while at a cafe during a coffee break. Too often, individuals have little to no insight into the scale and breadth of how their data is being collected, analyzed and shared.

Ultimately, this explosive combination of ever-growing personal data collection and the sharp increase in data loss incidents has led to robust new regulation designed to protect personal data.

With the rapid rise of technological capabilities and the borderless nature of the modern digital economy, governments have had to adapt to provide better data protection and improve the fundamental rights of their data subjects. On May 25, 2018 the European Union’s General Data Protection Regulation (GDPR), have become law.

The GDPR requires comprehensive reform and prompt action with key mandates to follow:

- **Accountability and governance:** maintain relevant documentation on data processing activities and implement measures that demonstrate compliance, such as audits.
- **Storage limitation:** personal data may not be kept for longer than is necessary for the purposes for which it was originally obtained.
- **Breach notification:** a notifiable breach must be reported to the relevant supervisory authority within 72 hours of the organization becoming aware of it.
- **Individual rights:** an individual may request the deletion or removal of personal data when there is no compelling reason for its continued existence. [14]
The GDPR gives EU residents the right to withdraw consent and order the destruction of their email and other personal data, giving way to a new landscape of compliance requirements that organizations must adhere to. While the right to delete personal data has been emphasized by many, it is only one of the aspects of the regulation. It is also clearly focused on the protection of personal data, which affects operational backup and recovery decisions. The teams charged with managing backup and email data require robust and yet easy to use tools that allow them to quickly identify personal data and remove it from their systems.

Where the marketing is concerned, this completely changes the way marketers think about handling data. Direct advertisers will need to demonstrate how their organization meets the lawful conditions. If an organization cannot prove how they have obtained consent the likelihood is that they will be fined.

Marketers must align themselves with the GDPR principles.

The collection of data needs to be relevant for the purpose. This means if you have run a campaign or competition you can only use the information for that purpose. Creating another purpose to use that information will need further consent from the data subject. This is bad news for marketing, as a common practice has been to grow databases using these methods. In terms of databases these will need to be cleansed and reviewed to ensure your organization can identify if consent has been granted lawfully and fairly, whether it is being used for explicit and legitimate purposes, what data has been collected, and the accuracy of that information.

Here we can find a few ways the marketing teams can make sure their database is secure and compliant with GDPR, without bending over:

1. **Create and enforce roles and permissions**
   Recital 39 of the GDPR states: “Personal data should be processed in a manner that ensures appropriate security and confidentiality of the personal data, including for preventing unauthorized access to or use of personal data and the equipment used for processing.” By defining roles and permissions on the database level in advance, you can prevent unauthorized access to sensitive PII. This is a smart security move for your organization in general, and can assist in preventing catastrophic errors and loss of data.

2. **Mask sensitive data**
   Article 32 and Recital 83 of the GDPR address the issue of maintaining security and privacy in data processing. As data often needs to be passed backwards and forwards between environments for the sake of development, testing and deployment, it may fall into the hands of multiple individuals along the way. In order to maintain the best level of privacy and protection for the individuals whose information is being processed, encryption or pseudonymizing technologies can easily be implemented on the database level. Data masking within the database ensures that the developers and engineers can use real data when working on their databases, without compromising any individual’s privacy or breaching any articles of the GDPR.

3. **Produce an audit trail of database activity**
   Keeping track of who did what, when, and why it was done in the first place, is not only crucial for the business management but for demonstrating compliance as well. Having a complete history of all the changes made to a data structure on the backend is critical for the sake of security, accountability, and detecting the causes of errors. Moreover, Article 24 of the GDPR requires organizations to demonstrate the security measures implemented for the sake of compliance; documentation of all database activities is a great way to do this.
4. Create alerts that notify you of breach attempts
If the first suggestion wants to be followed, the company will have roles and permissions in place to prevent unauthorized parties from accessing or making changes to the database. Using the right tools, overseers can see when attempts were made (and denied) to make changes in the database. Some database tools will go as far as to alert designated personnel when these attempts are made, with the purpose of raising immediate attention to suspected malicious activity or breaches. This is not only a brilliant security measure for the protection of crucial data, but it assists in meeting Recital 39 of the GDPR.

5. Prevent configuration drift and data loss
A big piece of the GDPR puzzle has to do with loss and alteration of PII data. Maintaining the integrity of PII is just as important as the security measures used to collect and store it. GDPR Article 32(2) refers to the measures that must be taken to prevent “accidental or unlawful destruction, loss, alteration, unauthorized disclosure of or access to personal data.” Putting aside intentional edits, disclosure or deletions made to PII, accidental removal or edits to the data are a bit harder to prevent. [16]
CHAPTER IV
Data and social networks

IV.1 Understanding the social media ads

Social media marketing is characterized by advertisements served to users on social media platforms. Social networks utilize user information to serve highly relevant ads based on interactions within a specific platform. In many instances, when target market aligns with the user demographics of a social platform, social advertising can provide huge increases in conversions and sales with lower cost of acquisition. [17]

The benefits of advertising through social media include:
  • Grow your sales and your fan base.
  • Use customer-generated content for ads that perform better, too.
  • Better target new and returning customers in order to waste less money.
  • A/B test on the fly, using platform analytics to determine winners.

One of the fascinating things about social advertising is that there is virtually no limit to your ability to scale.

The company doesn’t have to wait for someone to search for the targeted keywords. The managers don’t have to wait for someone to run the promotion or read the blog. If there is the necessity to reach 50,000 people in one day, you can.

The choice of the proper social media network depends on three very important factors:
  1. Where the target customers are most concentrated (usage, groups, etc.)
  2. Where the target customers are most accessible (preferred media, ad targeting, etc.)
  3. Where the target customers most actively engage with ads (testing required)

Up to 2018 there have been so many social networks without the proper success that even for small businesses with low budget it’s important to focus the marketing efforts on the evergreen and top platforms: Facebook, Instagram, Linkedin, Twitter, Youtube Pinterest and Snapchat.

  • **Facebook** is the social media with the world’s largest user base, which offers a very solid and reliable advertising platform. Aside from having an enormous potential audience, it has the advantage of being extremely visual and offering multiple and detailed segmentation options, from demographics to lookalike audiences.
  • **Instagram** is an extremely visual social media, where users are inclined to like a large quantity and variety of posts. To take maximum advantage of Instagram’s potential, the main focus has to be on optimizing your images and videos.
  • **Twitter**, offers very interesting social ads options, letting advertisers create campaigns adapted to various different objectives (conversion, leads, app installs, etc.) and increase their potential audience with Twitter Audience Platform.
  • Video marketing on **YouTube** is the closest form to traditional advertising that did not take place on social medias, but instead on TV. The customers are really good engaged by the stories and communities.
  • **Snapchat** is a relatively recent social media has a very young and tech-savvy audience. Social ads on Snapchat share the app’s relaxed, fun and informal nature, offering amazing and creative options through vertical videos, sponsored geofilters and sponsored lenses (the perfect way to get your users to have a great time playing around with your brand).
• **Pinterest** brings a largely female audience to social media and is an absolute hotspot for topics such as weddings, cooking or fashion, making it very useful for advertisers in this niche.

• **LinkedIn** is the social media platform with a large professional user base brings an advertising solution for those looking to reach out to a corporate audience, with B2B marketing. [18]

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**IV.2 The pixel**

The tracking pixel is a snippet of code supplied by some traffic sources (like Facebook, Twitter, etc.) that you place in the `<head>` section of the website template.

The code places a small transparent pixel in the page that allows the advertising platform to interact with your website and gives feedback on a user’s actions. In both platforms a single pixel is used across your entire site to supply this information. [20] When users take a certain action – visiting a site, opening emails, viewing digital ad, etc. – they send a request to the server to download the tracking pixel attached to the content they’re interacting with. It’s an invisible process to the user but the data collected can help brands build better digital ad and content experiences for consumers.

There are several ways the company can use data collected from the pixel tracking to refine the advertising strategy.

**Track conversions**

The pixel allows you to monitor how people interact with your website after viewing your ad. The marketing managers can even track customers across their devices so, for example, if people tend to see the ads on mobile but switch to a desktop before making a purchase—or maybe it’s the other way around. This information can help to refine the ad strategy and calculate the return on investment.

**Remarketing**

Pixel tracking data allows showing targeted ads to people who have already visited the site. It is possible to choose to get really granular showing people an ad for the exact product that they abandoned in a shopping cart or added to a wish list on the website.

This is why the marketers should create a pixel even if they’re not using Facebook ads yet—so they have retargeting capabilities from the very first Facebook ad.

**Create lookalike audiences**
Facebook can use its targeting data to help build a lookalike audience of people who have similar likes, interests, and demographics to people who are already interacting with the website, helping to expand the potential customer base.

**Run effective ads**

Using a pixel can make the ads more effective by improving the quality of the ads marketers run, and by improving the targeting of the people who see them. In addition to improving the ads based on tracking their effectiveness, it is possible to use the pixel data to ensure the people who are most likely to take the desired action see the ads. [19]

Tracking pixels have become a key component of digital ads’ success over the past few years. They’re at the core of successful retargeting campaigns, enabling brands to carefully monitor clicks, cost per lead and cost per pixel. As technology gets smarter, performs better and continues to drive integration across multiple platforms and services, tracking pixels will be part of the next evolution of digital ads: personalized advertising experiences driven by creative. [21]

**IV.3 Data driven creativity**

Before the data-driven revolution, all the creative material for the ads was produced once with one version for everyone. Traditionally the company only needed one final file for an ad and this file was self-contained. It could run on any publisher in that media channel. All the designers essentially “produced” a creative file and controlled its rendering and once the file was passed along, it was supposed to be effective without any further research.

In recent times, some publishers like Facebook have created new formats that require multiple separate assets to be uploaded for the publisher itself to render the final ad. This became known as “publishing” a native ad or a creative, in other words, the message, a combination of creative assets, presented to the customer in the context of the medium it is running in.

Social data quickly surpassed other types of customer data in quality of measurements and results.

Nowadays, with creativity, media and data coming together, marketers want to personalize the message based on who is seeing it and where they are seeing it. Intrusive rich media ads are dying, giving way to new trends in more consumer-friendly formats that use message personalization—not intrusion—to gain attention.

Social media isn’t the only channel where all of this is possible anymore. With programmatic advertising and marketing automation, nearly every aspect of the customer journey can be personalized.

Data-driven advertising doesn’t necessarily require individualized 1:1 messaging, like with someone’s name appearing in the ad. Marketers must be careful to balance the customer experience (creep factor) in the ad or marketing message. Instead, it means knowing what the companies know about the targeted person—who may belong in larger audience segments of shared characteristics—what would we do differently in the creative.

But data-driven marketing does mean creative needs to be personalized based on some of the data attributes of the viewer. This may be a large shift in mindset for some agencies and advertisers. [22] In the [img.8] we can see how the creativity is related to the media and data.
Creative is the message, data is who will see the message and what do we know about the people as far as characteristics and their past interactions. Media is where the message appears, which may also dictate the creative requirements.

With data-driven digital marketing, the marketing managers have to combine all those three elements.

Depending on the media channel, they can either:

1. Combine creative and data into a dynamic creative unit which operates independently of the media
2. Combine creative, data and media within the confines of the media platform into a campaign that targets

The process behind dynamic creative, sometimes called programmatic creative, is to set up within a platform all combinations of creatives and audience segment data. A single ad unit then uses this data to show the most relevant creative to customers on-the-fly in real time.

It is possible to re-use this dynamic creative ad unit in multiple media placements without modification for each media placement. This can save a lot of effort in marketing and ad operations. However, when they spread the same dynamic creative ads around, they lose the benefit of total campaign optimization factoring media and creative together. That’s because dynamic creative ads operate independently of the media system.

Marketers can realistically do this for display, website, and video where you may be in more control of the media and marketing data.

With some programmatic creative setups, it’s possible to set up the media platform, creative messaging, and targeting data together.
Using this setup, specific creative versions will appear based on the data and the media parameters together—not just the data parameters.

IV.4 Learning the behaviours

Behavioural analytics is a relatively new method of analyzing the way customers interact with websites, web and mobile applications, and more. The challenge with traditional analytics is that each platform gives you a different set of data. Google Analytics shows you the website traffic, MailChimp shows you the email open rates, and Facebook Ads shows you the performance of your advertising campaigns. When the data is fragmented among several different platforms, it’s really hard to see the entire customer journey. To truly harness the power of behavioural analytics, the centralized data warehouse is needed and lets to unify all the data and cross-references in order to ask any question, no matter how complex.

The analysis of the massive amount of raw event data being generated on such platforms provides marketers with countless new insights into the behaviour of their consumers. This, in turn, allows them to conduct far more effective optimizations and dramatically increases their ability to generate traffic, convert leads, and close sales. Behavioural analytics goes well beyond the realm of traditional analytics and traditional metrics, allowing marketers to ask virtually any question and received the answers they need to make important decisions in real time.

Behavioural analytics is a system that helps marketers to better understand how and why buyers act, as well as make more accurate predictions based on that information. In short, it allows marketers to put the right offer in front of the appropriate buyer segment at the perfect time. [23]

With behavioural analytics it is possible to track people. You track the entire customer journey in the form of events. These events can be:

Online (client-side):
- Clicks
- Page views
- Conversions
- Mouse hovers
- Page scrolling
- Approved/declined credit card transactions
- Email opens/clicks
- CRM activities

Online (server-side):
- 404 error pages
- Declined credit cards

Offline:
- Sales
- Trade show activities
- TV/radio ads
- Log files
- QR codes
- Paper coupons
Behavioural data analytics allows marketers to visualize all the events in a customer’s journey. This way, for example, marketers can see that a customer x:
  • Found a brand on Facebook in June
  • Visited their blog in July
  • Subscribed to the blog in August
  • Downloaded a whitepaper in September
  • Talked to a sales rep in October
  • and so on…
Because behavioural analytics helps to track all the data in one place, it takes the ability to understand the customers to a level far beyond what’s possible with traditional analytics platforms like Google Analytics. But unifying all the data is just one of the many benefits of behavioural analytics. [23]

This kind of analytics gives marketing agencies the ability to provide the next generation of results to their clients, and it gives in-house teams the ability to deliver results far beyond their current capabilities.
Here there are some of the benefits of analyzing data using behavioural analytics to apply them to the marketing:
1. Understand the customers on a deeper level
2. Segment the audience according to more relevant information
3. Reverse engineer the objectives
4. Use cohort reporting for more relevant marketing optimizations
5. Analyze causes of churn to actively reduce it
6. Establish a single viewpoint for all the data
7. Base the ROI on the real-time analysis of the marketing channels
8. Establish a system to get instant answers to important questions
9. Automate and customize the reporting process
10. Include all relevant data in a single report
CHAPTER V
The customer

V.1 Customer centric marketing

Businesses across the industries are embracing the concept of customer centricity by forgoing traditional business-driven strategies and adopting a more customer-driven strategy. Customer centricity is sometimes used as a catchall term for talking about customer feedback or customer satisfaction results, but making people happy is only one part of the equation. To have sustained success, companies must understand current customer needs and wants, and ensure that there are the right internal and customer-facing strategies, processes and marketing initiatives to satisfy them. [24]

Customer-centric marketing stands in contrast to other common marketing approaches, including the following:

- **Channel-centric marketing**: optimize individual channels based on channel-specific metrics (e.g., “likes” or followers for social media, opens and click-throughs for email)
- **Product-centric marketing**: optimize sales of individual product categories or brands, or of the overall mix/“portfolio” of products
- **Event-based marketing**: manage marketing decisions based on optimizing events of interest (e.g., on-site conversions) [25]

The limitation of each of these approaches in isolation is that they miss out on opportunities to synthesize rich insights about individual customers.

Customer centricity empowers the marketing team to target the right customer with the right channel and right message – at the right time. It also helps teams align around a strategy that will drive long-term value to the business: acquiring high-value customers, and keeping them coming back.

Several core competencies are necessary for companies to embrace customer-centric marketing, including:

- **Customer market segmentation**: by managing the demographic group rather than channels or products, the marketers are able to remain focused on the unique wants, needs and tastes of each market. Brands built around the customer attract more business because they are targeted towards a specific segment, e.g., women’s prenatal or post-menopausal vitamins.
- **Laser focus**: narrowing and sharpening the segment enhances its perceived value. Customers want to feel special, so even if a company develops market segments that focus on age-specific or gender-specific groups, for example, customers will feel more — not less — appreciated.
- **Atomic-level customer views**: simple segmentation isn’t enough to truly put the customers at the centre of the marketing initiatives these days. In fact customers demand an individualized experience and companies that leverage technology to gain an atomic-level view of every individual prospect and customer are poised to deliver.
- **Actionable analytics**: if a customer’s buying behaviour shifts, marketers must respond readily to adapt to their changing needs. That may mean up levelling a customer, or it may mean responding to indicators that a customer is about to churn with efforts aimed at retention.
- **Adaptability to respond to trends and consumer demands**: customers, like products, evolve with the times. A preservative-laden snack line may now be less popular than the
company’s newer organic snack line. This is a growth opportunity, and understanding your customers inside and out, along with shifting trends and changing demands within broader customer segments, is key to adapting to these shifts. [26]

A recent McKinsey study found that companies with a customer-centric, data-driven marketing and sales platform improve marketing ROI by 15-20% or more. Successful customer-centric marketing relies on four best practices:

1. **Start with senior leadership**
   - Establish a core philosophy for customer centricity that unifies functional goals and processes.
   - Align corporate culture with customer needs.
   - Identify key stakeholders across marketing channels.
   - Leverage technology that eliminates data silos and promotes the sharing of information across channels and teams.

2. **Define and measure**
   - Tie metrics to tactics: organize customer record and identity in a single location.
   - Factor multichannel into the customer journey: text message, push notification, email, Facebook ad — without overdoing it.
   - Track results: a data-driven, adaptive approach helps you determine the best timing and optimal number of touch points by testing your content as appropriate.

3. **Iterate and automate**
   - Test, learn, optimize, repeat.
   - Implement customer-centric data in every aspect of your organizational framework.
   - Onboard data-driven, customer-centric technologies.

4. **Build infrastructure from customer-centric insights**
   - Craft a culture based on a cohesive customer experience that makes sense for that customer at that place and time.
   - Personalize the journey with targeted messaging and optimized design.
   - Create a closed-loop feedback system.

There is proven ROI in doing whatever the companies can to turn the customers into advocates for the brand or business. The way to create advocates is to offer superior customer service that is the essence of a customer-centric culture.

**V.2 The customer segmentation**

Customer segmentation is the process of dividing customers into groups based on common characteristics so companies can market to each group effectively and appropriately. Segmentation allows marketers to better tailor their marketing efforts to various audience subsets. Those efforts can relate to both communications and product development. Specifically, segmentation helps a company to:

- Create and communicate targeted marketing messages that will resonate with specific groups of customers, but not with others (who will receive messages tailored to their needs and interests, instead).
- Select the best communication channel for the segment, which might be email, social media posts, radio advertising, or another approach, depending on the segment.
- Identify ways to improve products or new product or service opportunities.
- Establish better customer relationships.
- Test pricing options.
• Focus on the most profitable customers.
• Improve customer service.
• Upsell and cross-sell other products and services. [27]

Customer segmentation requires a company to gather specific data about customers and analyze it to identify patterns that can be used to create segments. Some of that can be gathered from purchasing information – job title, geography, products purchased, for example. Some of it might be gleaned from how the customer entered your system. A marketing manager working from an opt-in email list might segment marketing messages according to the opt-in offer that attracted the customer, for example. Other information, however, including consumer demographics such as age and marital status, will need to be acquired in other ways.

Typical information-gathering methods include:
• Face-to-face or telephone interviews
• Analytics
• Surveys
• General research using published information about market categories
• Focus groups

Common characteristics in customer segments can guide how a company markets to individual segments and what products or services it promotes to them. A small business selling hand-made guitars, for example, might decide to promote lower-priced products to younger guitarists and higher-priced premium guitars to older musicians based on segment knowledge that tells them that younger musicians have less disposable income than their older counterparts. Similarly, a meals-by-mail service might emphasize convenience to millennial customers and “tastes-like-mother-used-to-make” benefits to baby boomers.

Customer segmentation can be practiced by all businesses regardless of size or industry and whether they sell online or in person. It begins with gathering and analyzing data and ends with acting on the information gathered in a way that is appropriate and effective. [27]

A data-driven approach for customer segmentation removes anything opinion based or based on scarce and incomplete data. Instead, it starts with the question “Who is my customer?” and lets data reveal patterns to guide decision-making.

RFM (Recency, Frequency, Monetary) analysis is a behavior-based approach grouping customers into segments. It groups the customers on the basis of their previous purchase transactions. How recently, how often, and how much did a customer buy. RFM filters customers into various groups for the purpose of better service. It helps managers to identify potential customers to do more profitable business. There is a segment of customer who is the big spender but what if they purchased only once or how recently they purchased? Do they often purchase our product? Also, It helps managers to run an effective promotional campaign for personalized service.

• Recency (R): Who have purchased recently? Number of days since last purchase (least recency)
• Frequency (F): Who has purchased frequently? It means the total number of purchases. (high frequency)
• Monetary Value (M): Who have high purchase amount? It means the total money customer spent (high monetary value)

Here, Each of the three variables (Recency, Frequency, and Monetary) consists of four equal groups, which creates 64 (4x4x4) different customer segments. The steps of RFM are:
1. Calculate the Recency, Frequency, Monetary values for each customer.
2. Add segment bin values to RFM table using quartile.
3. Sort the customer RFM score in ascending order. [28]

V.3 CRM and DMP

Data is typically voluminous, disparate and difficult to use on its own.

To benefit from it, marketers need a flexible tool to help them to collect, analyze, and activate that data in a wide array of marketing use cases. For most marketers, that tool is a Data Management Platform (DMP).

In simple terms, a DMP is a software platform that provides a data warehouse, along with a suite of tools to put that data to use. Basic functionality includes:

- **Data Collection:** DMPs serve as a centralized repository for a wide range of first-, second- and third-party datasets. This collection process requires several capabilities, such as data-ingestion (this is critically important since it will need to import massive volumes of data and classify it in ways that make sense to the organization), as well as multiple tools for storing and retrieving the data.
- **Data Analysis:** DMPs offer tools to help marketers make sense of their data, thereby enabling them to see the connections between data points that lead to meaningful insights. Most DMPs include tools for querying data and creating reports. Others go further, offering advanced visualization tools to help marketers easily identify data-driven insights that are important to their businesses.
- **Data Segmentation:** Once data is stored and analyzed marketers can begin to think about how to use it in advertising campaigns, marketing activities, and even customer-care initiatives. For instance, DMPs can be used to sort data into audience segments for targeting (e.g. create segments for recent website visitors, high spenders, moms in cities, new customers who’ve seen a specific offer, or even customers who are subject to a product recall). Marketers can also use segments to A/B test marketing strategies or campaign messages.
- **Data Activation:** Once audience segments have been created for targeting, they’ll need to be exported to the marketing systems used to execute campaigns. This is known as ‘data activation.’ For example, if a marketer plans to execute a programmatic campaign, he will need to send the DMP-generated targeting criteria or audience segments to a demand-side platform (DSP). Data activation refers to the ability to export data from the DMP to marketing-execution systems. There are some challenges to data activation if the marketing organization uses multiple point solutions provided by different vendors. Audience data will invariably be lost if the DMP and DSP used are provided by different vendors, as each will classify data slightly differently. Additionally, APIs may be required to export the data from the DMP to the DSP or other marketing execution platform.
- **Data Optimization:** All of a marketer’s data insights, market research and intuition will result in a data strategy that will form the basis of an initial go-to-market strategy. But in truth, all of that represents the marketer’s “best guess.” Once a campaign goes live, the marketer will no doubt encounter certain surprises in the marketplace. Consumers are fickle; world events, celebrity antics, changing seasons and a host of other events influence consumer perception and behavior. This means the targeting criteria must be updated on a continuous basis to improve campaign results. This process is known as data optimization, and it is what DMPs are particularly good at. [3]

DMP and CRM have more differences than imagined. Most businesses use a customer relationship management (CRM) system to manage interactions with customers and prospects. As such, many marketers question why they need a DMP to do what their CRM system already does. But in practice, the two platforms differ significantly. The goal of a CRM system is to help brands analyze
data about their customers’ history, and to improve their relationship with them. CRM solutions, by nature, are fully dependent on personally identifiable information (PII) data. Privacy laws throughout the EU protect PII data, and its use is barred in digital advertising. This contrasts with DMPs which in general do not store PII data. Moreover, the purpose of a DMP is to ingest a wide variety is disparate datasets and look for statistically meaningful connections between them. In other words, DMPs are focused on data trends and cookie IDs, while CRMs are focused on individual customer records (customer IDs).

As consumers get deeper into their digital lifestyles, embracing new channels, devices and screens, they leave a myriad of clues as to who they are, what they value, as well as their attitudes towards brands, products and services. It’s an ocean of information that every company will need to harness in order to secure their futures. In recent years, companies such as Amazon and Facebook, have done a great job in profiting from the consumer-data tsunami, collecting a wealth of consumer insight based on the products people look at, purchase, comment on and share. At the same time, these companies have built walls around their data, sharing it sparingly and at a steep cost to marketers.

The lesson is clear: whoever owns the customer data essentially owns the customer relationship.

Now more than ever, all businesses need to adopt a comprehensive data strategy, or face the risk of losing their customers. Taking the time and effort to develop a data strategy will pay off in numerous ways. For instance, data will help marketers create nuanced profiles of their customers, which they can then use to identify and target similar ones (aka ‘lookalike modelling) who are new to their brand, ultimately allowing them to grow their businesses.

Customer acquisition through lookalike modelling: the old adage, “Our current customers are our best customers,” has a lot of truth to it. It’s easier to upsell existing customers than to convince wholly new ones to purchase from a brand. But all brands require a constant source of new consumers in order to secure their long-term future.

Lookalike modelling allows them to grow their brand by targeting new consumers who look just like their loyal existing ones. Lookalike models leverage first-party data to identify characteristics of a brand’s best customers for a particular product or product suite. For instance, let’s assume an auto manufacturer collects demographic and psychographic data on customers who purchase each car model, using a DMP to identify data connections, a marketer can develop a clear picture of the types of consumers most likely to purchase its economy, SUV and sports models.

With lookalike modelling, marketers can purchase third-party data at scale, and create and target audience segments that “look like” the consumers who purchase each model.

In doing the marketing for the customer journey, these are some basics questions to ask: what is the consumer’s decision-making process? Where do they get their information? From the experiences, it is known that consumers seek information from multiple sources, including the brands themselves, third-party category experts such as consumer review sites, as well friends, family members and colleagues.

Consumers are more likely to rely on a specific device or channel during certain times of the day. For instance, consumers tend to favour their mobile phones in the early morning hours and tablets during their commutes or while they watch TV. The challenge for marketers is to engage prospects wherever they are in the digital universe, and at whatever time they’re open to influence – and not just when those prospects choose to visit the brand’s website from, say, an office laptop.

DMPs deliver the deep demographic, psychographic, and behavioural insights that enable marketers to understand how their customers make decisions – and who their influences are – as well as the
types of content they consume throughout. This insight helps marketers propagate their messages wherever their prospects spend time.

For instance, let’s assume that using a DMP, a marketer learns that consumers who see two banner ads on their mobiles, followed by a video ad on their desktops, were 60% more likely to take a desired action. And let’s further assume that the banner ads were viewed during lunchtime hours, and the video ads were seen in the evening. Such insight provides a clear direction on how that marketer should allocate their media budget to acquire new customers. [3]

V.4 The customer journey

The customer journey is not a simple flow measurement—measuring people in and out of the buying cycle and seeking to increase them, it captures every single step of every single customer. It does that to find patterns. With patterns, the marketer can resurface priorities at will, such as who are your most important customers, which prospects have the biggest customer potential, which customer engagements are working and which can be improved.

The customer journey fixes some of the biggest flaws in the funnel, namely, its inability to prioritize customers and actions. Why has the industry migrated toward this model? This is where the customer-centric trend comes into play.

The right customer, when he or she is happy, engaged and promoting, brings a level of circular attribution and exponential growth that becomes sustainable. Additionally, knowing exactly what made a customer convert helps you convert more customers in kind. This is then coupled with the increasing expectations of customers to be more connected and receive personal and compelling experiences prior to conversion.

The confluence of factors means that meeting and exceeding customer expectations requires solving multiple problems, while creating a model of sustainable, sometimes exponential growth amid a continuous learning system that improves customer acquisitions and produces happy customers. This is the win-win scenario for which data-driven and strategic marketing strives.

The world of marketing and digital experience relates very closely to the capacity to influence a certain outcome in a certain amount of time. It’s important to consider a strategic and tactical perspective. Draw models and process based on a long-term strategy, but consider optimizations and tactics as they relate to the next step with the most potential to produce a maximum measurable impact.

What exactly is this model for growth from which we can derive tactics? Again, this is where customers come into play. It starts from the existing and ideal customers, learning why the company have become successful in acquiring and converting them and where they have failed the rest. This becomes an insight to acquire more of the best customers—where do they come from and what are they interested in?

This is an insight applicable within a demand generation or advertising strategy. Based on those insights, it is also possible to optimize some of the key routes they go through and become more successful in acquiring new customers. This in turn resurfaces new insights on new routes to optimize. Simply put, in a data-driven marketing world, we first answer the question, “What do we want to achieve: sales, donations, sales conversation?” With data we can start answering questions such as: “Which customers deliver this result most often?” “What’s the profile?” “What are the trends and patterns in the customer journey that lead to a positive result?” How?
Let’s consider the 80/20 rule of productivity. The twenty percent of the things done bring the eighty percent of the results. A more likely rule for the business is the following: the two percent of the visitors bring in the eighty percent of the revenue. This is an essential component to consider when starting to examine the customer journey.

What are the dynamics that attract your best and happiest customers, at both a macro and micro level? It’s important to influence the customer experience for those folks first, so when a similar customer comes in, it is possible to usher them toward a faster path to conversion. Repeating and refining the process for each successive group until the level of granularity is so acute it approximates a personal conversation. [5]
PART II
CASE STUDY

VI Introduction

The first part of this work has been done with the scope to give to the reader a deep understanding of the topics covered in the case study. The Data-Driven Marketing is a trend that in the last ten years has changed completely the way companies make businesses and the approach to the marketing. This helped many organizations to scale worldwide their products or services and also, unfortunately, drove many other companies to cut costs and employees because of their inability to act, in order to be part of the “data-revolution”.

This happened because we are in an industrial revolution, where the market behaviours are changing really fast, and they will increase always more their speed. In fact, nowadays, it is really clear how the “millennials” are addicted to the technology and able to use a device even if they handle it only for few minutes. The progress and the wellness of different countries have permitted to many families to let the children play with electronic devices since their first life steps. This drives the world in a situation where a young boy, once becomes a teenager, he already has all the tools to start a business and much more skills for a business compared to an old school experienced marketer.

The more the time is going on, the more many old-school companies are fixing the problem of rejuvenating all the departments to let the employees facing better all the innovative challenges related to the social media and the digital world. Furthermore, there is a big pressure from small companies and freelancers to do things better: there is a lot of concurrence and competences from Tier 3/4 companies.

The company
BESA Digital is born to scale worldwide a performance marketing company started in the Canary Islands. The business in the early 2010 were just at the beginning and the two young founders started selling third party products through the paid online traffic sources, being the pioneers of the affiliate marketing in Europe. The easiness to scale the business online of that time and their vision drove the two-men-company to become in 7 years a 25-employees limited liability company in Dubai. The business model has changed dramatically in these years, facing many difficulties and shifts due to market changes and regulations. Actually the performance marketing is the core business, where many companies find the best strategies and tools to evolve their productivity and sales.

BESA Digital is able to conduct market analysis in every kind of industry in order to extract significant data for the customer and to start working based on real and updated social behaviors rather than focusing only on what is provided from the customer. This can be done only thanks to the different connections established by the company during these years: in the digital marketing world it is not only matter of skills and studies, the networking can give you the power to scale better and faster avoiding many mistakes that other companies have already done.
This case study is taken from the biggest and most important customer who has chosen BESA Digital as the main partner for the digital evolution. For privacy purposes it won’t be possible to share sensible data, materials and links but the principal scope of this thesis won’t change, driving the reader in a complete digital marketing experience where many different aspects and strategies are used.
VII Customer’s overview

ABC Ltd. is a company established in 1963, founded and headquartered in London. The core business of the company during the decades has been based on the production of sport equipment and on the design and manufacture of shoes, clothing and accessories.

Since the early beginning, ABC was unable to sell their products: the focus on the quality of the material and on the manufacture lead the founders to stop selling B2C, changing their direction and taking advantage of many other little resellers that were able to buy from them and then sell to the final customers.
With the renewed business model they have been able to shift from an “in house” production to a large factory where they started hiring their first 200 employees.

In the last ten years, when the e-commerce has disrupted the offline sales, ABC noticed that their revenues were increasing dramatically thanks to the fact that their resellers were able to scale faster their products as has never happened.
The supplier discovered also that many other fast-growing e-commerces were looking for their most selling products, being ready to scale them with their online traffic.
The old-school sport company decided to fix this issue following an obsolete way to make business online: preparing a catalogue and hosting it on their website.

At the beginning, the reaction of the affiliates was euphoric: they had the possibility to add new and desired products on their websites, taking images and descriptions from the website.
The customers were attracted from this increased availability and started buying always more. The more they were buying, the less were the control ABC had on their products and their margins.

After one year, the managers of the British company discovered that they were selling the double and making more than doubled profits.

The material had less costs because of larger orders, the employees were always more skilled and rewarded with more prizes and the company was ready to be scaled worldwide thanks also to the gained liquidity.
The problem that the CEO had to face was or to fight against the low cost Chinese production that is leading the worldwide production or to continue giving the same quality but selling B2C, loosing definitely their resellers and trying to get their market share.

ABC decided to choose the second option and to entrust BESA Digital to drive their business to the next step.

Their main objective was to take advantage of digital marketing strategies in order to take also the slice of the pie they were “giving away” to resellers.

ABC wanted to start from their offline presence, based on the word of mouth branding and also on their brand name that’s well known by people who are addicted to sport, in order to gain also online credibility.
Their billboards are widespread in many different European traditional markets, where they had the biggest portion of sales.
Their managers decided to do not send anymore to their buyers all the new collections.

Their online presence, instead, was quite absent. All the traffic received was from organic
customers who were not able to buy anything. They were only able to check the cheapest e-commerce that was reselling the products and to control if the new models were released. There were no social accounts, no social managers and all the creativity they put was only in the design of new products thanks to their skilled R&D department.

The ABC brand, instead, was and still is really strong. All of their customers really appreciate how their products, their quality and their approach to the business are strongly trained by the innate passion of the founders for the sports. Paradoxically, they had fewer enthusiast customers that they deserved because of the unfair behaviour of some resellers who didn’t deliver the proper customer service and this misuse was attributed to the brand itself. That was also one of the starting points of the marketing revolution of the British company.

When ABC decided to start their marketing experience they already knew that their skills were close to zero and also they didn’t have any customers’ data. Since the beginning, they were not considering a fundamental aspect of their resources: the size, the colors, the dimensions and the expected quality of all their best selling products.

The company had golden data that they didn’t expect would be so useful for their successive marketing steps. They were really good in tracking their production flows, to optimize the processes and to cut all the unnecessary costs, but they never took into account that they had to use a big infrastructure of tools and databases in order to take data-driven decisions. They didn’t know how to use the numbers they had, but they understood that they had to reacquire them and finally reuse them in order to scale the company “to the moon”.

When they contacted BESA Digital, what they really wanted to take advantage from was the ability of the Emirate Company to scale fast their dimensions as they did in the past with themselves and all the other customers. The objectives of ABC were clear and not so impossible to reach:

- to build a proper infrastructure of data to take data-driven decisions
- to promote the brand worldwide through all the social channels
- to have a clear idea of the customers and how to engage them
- to learn how to use the digital marketing to scale a business
- to ensure that no one was using their brand for selling low quality products (branding protection)
- to create an innovative and futuristic user experience for online shopping

The vision of the company’s board of directors has been so clear that they have been able to guarantee all the budgets needed to reach their digital goals. Their ability to understand where the market was going helped them to more than double the revenues in the first six months and then scale to the American market during the successive year.
VIII Marketing tools and advertising strategies

When the ABC managers met BESA Digital, the objective situation was clear, it was a partnership that had to drive totally the British company to have a strong presence online from a situation of complete inadequacy on the Internet.

From a marketing agency point of view, this is the best scenario to work with, since all the techniques and strategies can be applied without having troubles with the old habits. It’s a longer process but it can give better results, it can drive the company in few months to have a stronger brand reputation and many more returning customers. For the ABC case, it was clear that the potential to be leader in the industry was so high that the probability of success was close to 100%. But the strategies can also fail, so BESA Digital decided to use an immersive approach to build an active community of sports lovers in order to let them spread the message all over the world.

To start working on the project, the first step was to build a team able to work exclusively on this, with the aim to let it feel part of the ABC Company.

One project manager was needed to lead the team. The most creative figures were three social media managers able to understand the community needs and engaging them with the proper contents, supported by one graphic designer able to prepare graphics and animations for the social posts and also a content creator able to engage the community with exclusive and professional articles.

Behind the creators, two media buyers were needed to manage the ads and also one data analysts with statistic skills had to support their decisions.

Finally, one web developer and one UI/UX designer was needed to build first all the websites and infrastructures to sustain the business and then to maintain it and let it work properly to support the marketing initiatives.

The professional tools support the most effective marketing strategies in order to do not add useless problems that can slow down the project:

- **Volumum** is the cloud-hosted tracking software that provides data analytics insights and AI-powered optimization tools to make advertising easier and more profitable. Volumum gives to the user the possibility to track all the campaigns in one place from all the paid and organic sources, then it will help to control the distribution of the traffic and to perform manual A/B test or to apply automated AI rules to optimize the campaigns.

- **Google Analytics** is a web analytics service offered by Google that tracks and reports website traffic. The users can review online campaigns by tracking landing page quality and conversions (goals). Goals might include sales, lead generation, viewing a specific page, or downloading a particular file. Google Analytics' approach is to show high-level, dashboard-type data for the casual user, and more in-depth data further into the report set. Google Analytics analysis can identify poorly performing pages with techniques such as funnel visualization, where visitors came from (referrers), how long they stayed on the website and their geographical position. It also provides more advanced features, including custom visitor segmentation. Google Analytics e-commerce reporting can track sales activity and performance. The e-commerce reports shows a site's transactions, revenue, and many other commerce-related metrics.

- **Google Tag Manager** is a tag management system created by Google to manage JavaScript and HTML tags used for tracking and analytics on websites (variants of e-marketing tags, sometimes referred to as tracking pixels or web beacons).

- **Slack** is a cloud-based set of proprietary team collaboration tools and services. Slack offers many IRC-like features, including persistent chat rooms (channels) organized by topic,
private groups and direct messaging. All content inside Slack is searchable, including files, conversations, and people.

- An **internally developed project management tool** is used to plan, assign and schedule all the activities to be performed, avoiding missing files or information. It helps the project manager in tracking and assessing productivity through resource management and reporting.

- An **internally developed tool for the campaign creation and management**, able to speed up the process of launching campaigns on Facebook or Google and also able to join all the data together in order to have the proper databases of information from all the potential customers.

**IX Building the fundamentals of the online presence**

When ABC purchased a domain to build their first website, they had no clue of the possibilities that a strong online presence can give to a business. They were just trying to be aligned with the competitors and also to let someone finding their mobile phone or email address on search platforms.

Even if their core business was based on the e-commerce, ABC didn’t get how it would be easy to set up properly an owned store, removing middlemen that were making good profits without guaranteeing fair marketing.

To start working on the website, a first and deep analysis of the core activities of the company had to be done. So the content creator, the designer and a graphic visited the ABC factory, understanding all the aspects of the traditional production and also talking with all the employees that were working there since at least 10 years.

This amazing activity helped them to have clearer ideas on how to structure the basis of the online presence and of the contents in general for the future.

What was really earned from this visit is that the customer had to understand the history behind the brand, continue researches that the R&D were doing for the innovation and also how their vision was influencing the way the people in the world are training.

With these information in mind the structure of the website was born: an immersive path from the materials chosen to the quality checks with famous sportsmen, driving the customer first to understand what was going to buy beyond the product itself and also letting him to be able to compare a cheap Chinese manufacture with a traditional artisanal one.

The user experience decided for the homepage had different steps where the users had to interact with the website to choose the path that were enthuse them the most, giving them at the end also the possibility to have a free pass to visit the original factory (not working for mass production anymore, only for special editions of the products).

The list of the products with all the features, images and videos was only one click away from the home.

All the categories were built in order to let the customer buy in the simplest way, without recurring in any hard step or time consuming activity. It was calculated that in 30 seconds from the decision to buy the user had to be on the thank you page.

The e-commerce platform used to increase the quality of the website was **Shopify**, it helped ABC to have a complete control of the inventory, the customers and the billing. It was possible to integrate the management tool with the custom website planned by the designers.

Furthermore, only one website was not enough to have a wide range of marketing strategies, so other three different landing pages were built in order to have warm up the customer on a web page that were really close to their purchasing behaviors. The idea was to start on the old data and then
update the landing in order to let it fit better with the target audience, once all the data were acquired.

The first landing page was an article from an ABC’s testimonial that shared his experience with the products. It was written as a professional review where many aspects of the sportsmen where covered. The customer that uses to train as a professional or semi-professional would be really attracted from this angle.

The second was an experience from a fat woman who had been able to loose weight thanks to their home exercises kits.

The third was a doctor from the R&D department that describes all the advantages of using the ABC’s technology in the everyday life. This was created with the aim to educate all the potential and existing customers to the use of proper equipment.

The choice of the different angles of the landing pages at the end of the marketing activities was really good performing and so it wasn’t needed to update them with the data collected.

During the choice of the user experience and interface, the designer was preparing one of the biggest challenges for the initial part of the activities: to choose the style that will be in each imageanimationvideo of the company. The process starts with the analysis of all the competitors, magazines, TV shows, films, events etc. in order to find the common elements able to call back in the mind of the customer all the past experiences and emotions. With this subliminal approach the designer was able to create a unique style aligned with the customer expectations.

The design criteria at the end of the research was subject to the acceptance of a group of selected testimonials, following their past experience with existing customers.

While the graphic and UI/UX designers were building the look and feel of the online presence, the content writers were preparing the copywriting and many articles to have in the blog since the first launch of the new website. A deep focus on the history, vision, products, materials and so on was needed in the blog. The aim of this is to link the customer to the experience and not only to the product itself.
The digital advertising strategy used by BESA for the ABC company was built with the aim to make the British company competitive all over the world, with the most innovative techniques and experienced tricks to scale the business in many different fields.

It was clear that the moment was really good to enter in the market, even if many different competitors were already running successful stores. This favourable timing happened because the online presence was hard to gain for low-budgeted companies. In fact when the digital marketing took place, the barriers to entry in many different industries were totally destroyed since in every moment it was possible to place huge budgets, to adopt a proper strategy and to gain a big portion of the market share.

ABC didn’t want to decide an advertising budget to allocate for BESA, since they didn’t want to put limits to the strategies. So all was in the hand of the project manager dedicated to this project.

The final decision after all the meetings was to use in the best way all the top performing traffic sources, trying to figure out how to build during the years the strongest brand in their industry.

Facebook Ads was the first place where to start. It is one of the most powerful tools of advertising because it mixes the social network and the advertising side. The platform gives many solutions in order to have the most effective ads at the cheapest price.

The marketing objectives that BESA Digital decided pursue were the brand awareness and conversions.

The brand built on Facebook is powerful to spread the products all over the world without looking for direct sales. It starts with the existing ABC Facebook page that was totally remade following the initial content strategies.

Photos, videos, articles and many other formats were at the basis of the page population, to give a major trust to the new customers. The objective of the brand awareness campaigns was to make the posts and articles viral in order to let people discuss on the topics and feel like part of ABC also through the Facebook group where all the community has to be managed.

The advertising budget was used to spread the most engaged posts to different targets in order to find new customers from unexplored areas of the world. The plan was to reach all the tier 1 and 2 countries for the first two years and then to spread the products all over the world.

The conversions needed on Facebook are the direct sales, where through the ads the user becomes customer after visiting one of the different landings and website.

The material needed for the leads side is different compared to the branding one. In this case what we need is strictly related to the targeted audience and also to a specific product or set of products. All the ads must have videos/images that clearly describe the need that the products are going to fulfil, going in depth on the characteristics and comparing it also to the different alternatives that are in the market.

The conversion ads are the ones that require more advertising skills and experience on the platform. BESA Digital, thanks to the successful background, is able to build the best campaign structure and settings in order to have real data from statistically meaningful samples, “hacking” the auctions and the algorithms in order to have the best performances.

Both the objectives, used properly and in addiction to the pixel, will help the marketers involved in the project to build highly targeted audiences for the short and long term retargeting, and also to find lookalike segments for new customers with similar purchasing behaviours.
All the audiences created can be used many times during the years to boost the sales, so they must be created paying attention on how many people not interested are included. A properly built audience is like gold for marketers.

Since with the Facebook ads platform the marketing manager can choose what will be the conversion the company is looking for, the lead ads were included to have the biggest amount possible of data. As a lead, it is possible to choose to collect demographics, mobile numbers and emails. In this way, through a CRM platform built from BESA specifically for ABC, will be possible to store the data and make analysis. Furthermore other audiences can be built from the list of contacts the company has collected (email list, mobile number list etc.).

To conclude the marketing strategies on Facebook ads, BESA Digital added a new and uncontested way to engage the customers and also to have a low cost advertising with long term results: the messenger bots. Thanks to Facebook for developers tools, it was possible to code a Messenger bot able to drive who clicks on the ad in a path of questions/answers from a cold user to a customer or just a subscribed member of the newsletter. Once a user accepts to receive message from the bot, it will be possible to send as many messages as wanted until they decide to unsubscribe. All the users can be notified of a new product, article or just a new discount. This will drive ABC to be also innovative in their way to engage customers.

When the focus of the advertising shifts from Facebook ads to Google ads, all the strategies must change in order to let the latter be efficient as the former. Google ads was used mainly in two different ways: display ads for remarketing and search ads to acquire new customers and increase the daily conversions. The remarketing is similar to the usual retargeting done on Facebook, with the following specifications:

- Shows ads to the past visitors as they browse sites and apps on the Display Network.
- Boosts the results with dynamic remarketing, which takes remarketing to the next level with ads that include products or services that people viewed on the website or app.
- Shows the ads to the past visitors as they do follow-up searches for what they need on Google, after leaving the website.
- Shows ads to people who have interacted with the videos or the YouTube channel as they use YouTube and browse Display Network videos, websites, and apps.
- Uploads lists of contact information that the customers have given and when those people are signed into Google

The Display ads were done through banners, gifs or little videos that was shown on many different websites that allow Google’s banners.

In a totally different way, there was another kind of advertising on Google and it was related to the search engine. It was possible to target and bet on the main keywords related to the product and the category in general with many different strategies. BESA outlined the following three for ABC:
- A search campaign that targets the brand name. These usually were the cheapest and most profitable campaigns.
- A search campaign targeting the competitor’s brand. Guaranteed to annoy the competitors and didn’t always work.
- Product brand search campaigns, borrowing some of other brands’ power and run campaigns targeting searches for the brand/product/SKUs. These are often the most
competitive keywords because the company competes with other sites selling similar products.

With the two kinds of Google ads campaigns was not easy to find the best match between placement/target and keyword/graphic material since the inventory available is so big that a huge amount must be spent before seeing interesting results. The strategy pursued by BESA was to spend as much as possible on the remarketing and to take data from existing customers to create something close to the tastes of possible new ones.

As the second largest social network, Twitter was another ads platform that BESA was planning to use for ABC in order to gain new the potential customers. The main difference with Facebook lies in the kind of people in a specific country that engages with the social network, in fact Twitter is faster, with less functions and less “social activities”, mainly it is related to news, events and opinions. For this reason it was used to target in a different way the users following the same strategies of brand awareness and conversion as with Facebook.

Since the brand was never been on Twitter, the strategy was first to introduce the company with the history, the tradition and the success behind the founders in order to build twitter-focused brand to scale horizontally the sales. The budget allocated wasn’t as high as on Facebook or Google because the ads performances from the past data of other campaigns run by BESA were really poor. However to build a brand it is important to test all the traffic sources in order to have enough data to make all the possible optimizations.

The last platform where the branding was needed was LinkedIn. It was uncommon to sell things to a direct customer through this traffic source because of the kind of users: people willing to find a new job, companies with the scope to hire someone or employees to jump on with the career. So it was clear that the only way to promote on this was trying to find if B2B advertising was needed. After a brief meeting between ABC and BESA it was clear that the British company had the requirement to find new partnerships on materials, testimonials or businesses that could take advantage from their sports equipment.

So, since the professional are more willing to accept business requests on LinkedIn and also the quality of the advertising is better compared to the banners since it’s native in the app, this advertising platform were used from the beginning of the new digital era of ABC to reshape the perception that other businesses had on the brand.

Obviously, the more the digital advertising space grows, the more there are many different traffic sources where to buy traffic for the products ABC had, but a proper marketing strategy focuses on few platforms and tries to scale them up till the total saturation. Facebook Ads, Google Ads, Twitter Ads and LinkedIn Ads are the main traffic sources that BESA decided to use with ABC, but a 5% of the budget was allocated to the native traffic from companies like Outbrain and Mgid to increase the amount of data stored and to test what is the customer perception with this format.

Native advertising is the use of paid ads that match the look, feel and function of the media format in which they appear, so it’s less aggressive than usual ads. ABC could be found in social media feeds, or as recommended content on a web page. Unlike display ads or banner ads, native ads don't really look like ads; they look like part of the editorial flow of the page. The key to native advertising is that it is non-disruptive; it exposes the reader to advertising content without sticking out like a sore thumb.
The strategy behind this format is to add much more data in the tracking tools in order to find the best combination of landing page, images and text. The native ads were planned to be a support for the social media campaigns and also to approach the customer in a smoother way, to get a different reputation: in fact this advertising format gives to the ABC’s data a more detailed insight on the behaviour of the non-customers. The campaigns were scheduled to spend a small amount of daily budget but in a big amount of time.

Even if with the Facebook bot campaigns all the users that engaged the website can be reached and turned into customers or recurring customers, the best way to target all the existing customers, giving them constantly many different updates and also sending them special offers was through the email marketing campaigns.

During the years all the strategies related to the email marketing campaigns changed so fast that each different business decided to adopt the one that best fit with their customers. So BESA opted to first work on building different email databases: one with one-time customers, another with recurring customers and the last one with all the users interested in the products but that didn’t purchase.

For each kind of user, the email had to send a specific and personalized content in order to engage them, let them understand better what there is behind the products and also to let them fell part of a community of sportsmen.

One of the biggest challenges of the email marketing campaigns was to constantly update the customers on the new features of the products but also to give them insights on the challenges of the everyday life of the champions that work with ABC products. In this way they will link their emotions to the need of the equipment, in order to get a bigger satisfaction once they purchase a generic product.

The email marketing strategy was integrated since the beginning to the CRM built ad hoc for ABC and this was helpful to have targeted databases and data from all the marketing campaigns in one place.

As we mentioned in the previous chapter, ABC had some testimonials that were just promoting the company through their face in the product images; no one was using their social accounts to spread their brand.

Many famous boxers, singers, football and basketball players were using ABC equipment to train and the company paid them to do that. The biggest problem was that their budget were not used in the proper way, all these influencers didn’t sign a contract where they had to public many different posts to engage the users and to let them visit the ecommerce. So BESA decided to change totally the previous strategy and then to apply an innovative way to use the testimonials.

In the current scenario the data available for a marketing manager in case of influencer marketing campaigns were only the amount of customer who purchased with a discount code related to a specific testimonial and their demographics. This could seem not enough because of the statistical irrelevance, but with the exponential growth of social networks, the power of influencers was so big that sometimes it’s priceless what they can do with their followers.

The strategy used to find the best testimonials was to make an analysis of all the sportsmen in order to make a list with the respective followers, engagement rate and average prices for collaboration. The final result was then evaluated in order to rank them and eventually contact them to evaluate
the specific quotation.

Once all the main influencers to work with were found, the partnership was divided in three parts: the first one was the warm up, then the testing phase and finally the scaling phase.

At the beginning the influencer had to post some photo/videos while using the products without any link to the website, trying to understand how the public engaged with the post and with the brand (with comments, questions etc.).

In the second part, a discount code was showed while promoting the equipment used like a traditional social advertising. Taking advantage of the users’ attention, it was possible to evaluate all the data received in order to check if the return on the investment with the current influencer was enough to continue with the phase three.

In the last part, if the first and second phase gave satisfying results, the influencer was considered like a real testimonial and an advertising budget was monthly allocated to the selected ones.

In the third phase the number of sales grew constantly till the saturation (if any), the testimonials were fundamental for the traditional ads and also for the sales in general.

To scale the business offline it was planned to organize sponsored events in many countries where the testimonial had the best audience. In fact, through their support it was possible to engage a huge amount of people and then the main aim was to transform them into customers.

The type of the event was decided following the main geopolitical characteristics, in general it was decided from BESA that just presentations events had to be done in countries where people didn’t use to buy from ABC, so it was needed to start to warm up them. On the other hand, where the sales were growing faster, bigger events were scheduled: football tournaments, boxing matches and also concerts.

The main objective of these strategies were to spend a lot of the budget to scale hard and fast, in order to gain the biggest market share worldwide, in order to collect the real results within 15 months.
XI Campaigns settings, results and performance analysis

The scope of this case study is to show how a proper advertising strategy can give to the companies an incredible boost in sales, profits and in the amount of data related to the customers that could be gold for expert analysts.

All the campaigns described in the previous section have been set in order to give to ABC the widest plan of action, to explore all the kinds of traffic available online and to obtain the largest amount of data. This was of course also a bet on some hard traffic sources like Twitter and LinkedIn, since they are not famous for direct purchase advertising or branding.

The most interesting results that have been obtained were through Facebook Ads, Google Ads and the email marketing campaigns.

To go in depth through the settings and the results of these campaigns this section has been divided in three parts in order to let the reader understand better all the process.

**Facebook Ads**

To resume the work done with the Facebook ads, the data have been aggregated in six different tables where the main aspects of the performances are highlighted.

These results are related to the initial marketing action, where it was needed to collect data and so to explore better many tier 1 countries and also the specific target for improved marketing campaigns. In the first table [img.9] we have a conversion campaign where ten different targets and twenty-four different ads have been tested for each Country.

All the targets were created following the common characteristics of the customers, but also trying to figure out the main competitors, following the magazines and analysing the main behaviors of the best shoppers. No data from the Facebook pixel have been used.

For the ads, it was mandatory to focus on the influencers and on the specific characteristics of the products; so some photos/videos were related to the testimonial that shared their experience with ABC’s equipment or clothes, exploiting the pros of adopting this brand. Then the other part of the creatives was done through the description of the details of some best selling products, where the people wanted to know more about.

As it was shown in the first chapters, many essential metrics have been added to these tables in order to understand what are the differences among the adsets and how much can a single variable affect the overall performances.

<table>
<thead>
<tr>
<th>Campaign Objective:</th>
<th>Conversions</th>
<th>Details:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adsets</td>
<td>Duration</td>
<td>Reach</td>
</tr>
<tr>
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<td>182</td>
<td>d</td>
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<tr>
<td>CA</td>
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<td>d</td>
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<tr>
<td>UK</td>
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<td>d</td>
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<tr>
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<td>d</td>
</tr>
<tr>
<td>FI</td>
<td>69</td>
<td>d</td>
</tr>
</tbody>
</table>

Once the quantity of traffic needed to build custom audiences were reached, it was possible to create lookalike audiences using the web visitors, the Facebook page engagers and the contact list obtained with people who left the email in the web form.

The different lookalikes where of 1%, 3% and 5%, that means how close are these people to the
ones who interacted with the pixel. The smaller the percentage of the lookalike the more precise will be the audience.

Even in this case, all the targets have been aggregated for each Country and 24 ads have been used.

<table>
<thead>
<tr>
<th>FACEBOOK ADS</th>
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</thead>
<tbody>
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<td>CAMPAIGN OBJECTIVE:</td>
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</tr>
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<td>IT 90 d</td>
</tr>
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<td>FR 90 d</td>
</tr>
<tr>
<td>DE 90 d</td>
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<tr>
<td>PT 90 d</td>
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<tr>
<td>FR 90 d</td>
</tr>
</tbody>
</table>

When testing the targets, all the Countries have been aggregated in each adset and 24 ads have been used like in the [img 9]

<table>
<thead>
<tr>
<th>FACEBOOK ADS</th>
</tr>
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<tbody>
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</tr>
<tr>
<td>PT 90 d</td>
</tr>
<tr>
<td>FR 90 d</td>
</tr>
</tbody>
</table>

While in the previous tables the campaign objective was related to the conversions (direct sales and specific objectives in the website), now in the [img 12] the focus of the 24 ads were to engage the users in order to spread the brand presence in these selected Countries.

Even in this case the target used it’s not related to the pixel but this is another powerful way to collect data.

The biggest amount of data BESA has, are related to the different ads needed to cover all the preferences of the users. As we said before, there are video of testimonials and detailed product descriptions, while in the images we have straight-to-the-point eye-catching images.
In the table below it is also possible to see three different versions for each video, this happened because three thumbnails have been tested. No data from the pixel has been used for the targeting and also all the previous seen Countries have been tested.

### Facebook Ads

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<th>IMPRESSION</th>
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<th>TOTAL VALUE</th>
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<td>10.5%</td>
<td>0.2%</td>
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</tr>
</tbody>
</table>

### Google Ads

The Google Ads campaigns at the beginning have been used in order to make the remarketing on the existing customers and also on the people who interacted with the website. In this first table we have the same Countries used for the Facebook campaigns, but the campaign type is display, where banners and gifs have been used to engage the customers.
In this second table, all the advertising material has been exploited and so it’s possible to check how each banner or gif affects the marketing performances. The targeting was the remarketing as usual and the campaign objective display.

The second campaign objective used for the Google Ads is the most traditional search. In this case we have no specific target related to the behaviour or interest of the user, but 16 keywords and set of keywords have been used for each Country only in English language.

In this last section regarding the Google Ads, we have exploited the data related to the search campaign but aggregated for each keyword user, in order to keep track of the different performances.
Email marketing

The email marketing campaigns had the advantage to do not incur in any considerable cost, since the marginal cost of sending an email is zero. Comparing these two tables with the Google and Facebook ones, it is clear that the metric used are not the same since in this case the flow of the users was totally different. Also the campaign objective was not the same, because even if it was related to the conversions, there wasn’t an algorithm able to optimize the process.

In the following table we have the list of all the funnels used, with the email of all the worldwide people who accepted to receive them but that didn’t make the first purchase.

On the other hand in this last table we have the marketing result of sending the different funnels to all the worldwide customers in order to make more conversions and to let them feel part of the community.
The performances of the first marketing campaigns of BESA for the ABC’s brand and sales were even better than ever expected. It was clear that the quality provided from the British company was well known for the athletes and also that customers used to buy a lot from the different resellers worldwide; but the company didn’t know how much were burning in commissions. With this first analysis, since only few e-commercines were selling ABC’s products, it was clear how much value was in the brand. In fact it’s impossible to deny how much value the brand itself gave to the performance results, since it is quite uncommon that the vast majority of the campaigns had a positive ROAS. BESA of course had a special strategic role in all the marketing choices and the experience in the digital field was necessary to do not destroy and take advantage of the current scenario.

In the specific, analysing [img.9], first of all it is possible to see that for each Country there is a different duration; this is due to the fact that in this first step it was needed to gain all the possible data from worldwide customers and make a first evaluation in order to improve the overall performances. Obviously the agile marketing strategies have been used to optimize the landing pages and the creative, but in this section the main attention will be on the data collected in the tables.

In this first conversion Facebook campaign, the most interesting result has been a geographical one, in facts some Countries have shown that even if the cost per result in higher, what is really important is the average order value. A superficial evaluation could drive in mistakes if only the cost per result was considered; even the CTR is quite misleading. Looking at ES it is clear that the cost per purchase is really low and the average order value is higher than in many other Countries but the CTR doesn’t match this analysis if we compare it with UK and US. This can be related to the fact that in ES many different creativities and copies must be tested in order to optimize the way in which people interact with the posts.

In [img.10] we have the same campaign objective like in the [img.9], but the main difference is in the targeting: here we have the lookalike audiences from the data of the different campaigns and also built from the email list obtained. It is clear that the more is small the audience, the more will cost the clicks and the impressions. The first different values are in the frequency column, in fact, having smaller and more targeted audiences, it was needed to let the post being seen around two times per user to let the campaigns do its work.

From the analysis done in advantage, these adsets had to perform much better, but this was not true. The adsets that were performing well with the previous targets didn’t perform the same with lookalike audiences: an explanation lies in the fact that the average order value went down more than the cost per result. This anomaly had to be analysed better in order to understand where was the problem to adjust the marketing. From many different interviews it was clear that with this approach many frequent

<table>
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<tr>
<th>CAMPAIGN OBJECTIVE:</th>
<th>RETARGETING</th>
<th>DETAILS:</th>
<th>ALL THE COUNTRIES AGGREGATED IN EACH FUNNEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAIL SENT</td>
<td>JUNK</td>
<td>OPEN RATE</td>
<td>CTR</td>
</tr>
<tr>
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<td>13418</td>
<td>31,3%</td>
</tr>
<tr>
<td>F2</td>
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customers were targeted so average cart value went dramatically down. In the Countries where the overall ROAS is negative, some custom audiences from the email list obtained had really bad results. In general, the more negative results are only in DE.

The [img.11] approach clarifies some uncertainties of the first two graphs where the targets were not exploited. Here we can see how different interests and behaviors impact on the campaign performances. The T3 and T10 show how much value of the campaigns can come from only few adsets that are performing really well. In this case it’s obvious that the further decisions had to be based on these results. With a deeper analysis it can be shown in which Countries these adset will perform better in order to make more optimization on the ads.

When the campaign objective is not the conversion, it’s obvious that the campaign performances for the sales won’t be really satisfying. This can be seen in the [img.12], where the ROAS seen in the previous tables has going down dramatically. The point is that these adsets haven’t been created for the direct purchases, but to increase the brand power of ABC. In fact, it is also thanks to this campaign that the value of the conversions is bigger when the objective is different. It is possible to check the different role of the clicks on the ads from the CTR, many users become interested in the project but they decide to do not purchase. In this case, indirectly, a new potential customer has been identified. With this kind of data it is possible to optimize the branding performances. Specifically, mixing [img.12] and [img.13] it is clear that there are many ads that really affect the overall performances: even a single thumbnail can be able to double the ROAS. This means that the perception of the brand is still not clear and the engagement posts must be optimized in order to let the user interact only on what they need to see to purchase more. In this case it’s not possible to exclude with certainty the video or the images approach since a clear scenario is not appeared in the tables. So a first approach in the optimization lies in more tests on the different ads format. What is clear instead is that the video ads are more clicked; probably the users are more video friendly rather than focused on the old style image ads.

In the last table of the Facebook ads performances we have the messenger campaigns where the main objective is to collect the biggest number of users in the messenger bot campaigns. Through this innovative approach we have the possibility to subscribe a user to a bot and then send him messages in order to convert it into a customer. It is normal to have a lower CTR but in this case the performances of the ads were really good. Many people were interested in what the marketing was communicating and also the value of the purchases was quite high. This is a signal that many users need to be warmed up in a different way before visiting the website. It is common that the CTR is low and the CPC is quite high, but the ROAS is surprisingly high in ES, UK and US.

When we start analysing the Google Ads performances, it is clear that they are directly related to the Facebook Ads campaigns, due to the fact that the remarketing comes from the audience build through the Facebook visitors. With these ads we can really appreciate the value and the power of the retargeting, where the businesses don’t need to be directly in touch with the customer, but they become attracted from the products they love. This result is clear in [img.15], when the ROAS is compared with all previous ones. The dynamic remarketing in fact is able to show the products the web visitor loves more through the banners on targeted websites. The frequency in this case is really high, the CTR is on average really low but the cost per result and also the total value of purchases gives to this marketing strategy an important role in the overall purchases level.
Considering that on Google Ads the frequency will be high because of the remarketing, in the [img.16] it is possible to analyse in depth how each banner or gif affects the overall performances. In this case, it is clear that some banners attract more the attention of the customers, but this doesn’t necessary mean a higher return on the ads spent. In fact, in the case of B8, a really low CTR is able to give a higher value of the total purchases. In the [img.16] is really important to underline another important characteristic of the advertising algorithms: usually it is possible to think that the higher is the CPM, the lower is the quality of the banner. This is not true, and it clearly showed in B1 and B11: the high CPM is related to a high CTR and a higher ROAS, this means that the quality of the traffic is better and there is more competition to get the advertising spaces. This leads to a more expensive price of the placements.

Another fundamental marketing strategy that increased the profits of ABC has been the search marketing on Google ads. Being with an ad at the top of the search for specific keywords means having access to a quantity of highly targeted users that are really interested in the project. When the data from [img.17] have been studied, the main result was on the really high CTR in some Countries. All the keywords used were searched in English, and better analysis showed that not so many users in non-English Countries were searching in the same way the products. So for better local results, all the keywords had to be translated in the native language. Obviously, it is clear that the higher the competition on some keywords, the higher will be the CPC and the CPM, but in the case of the search ads the CR is really much higher than the usual one.

In the last Google table, [img.18], it is possible to clearly understand what are the differences between different keywords searches. The CPM can be 10x higher in some occasions, but the CR maintains the same proportions. The most interesting result is related to the keyword 16 that shows incredible results and it shows how all the other must be improved to get the same results. This is also a fundamental insight for the overall marketing on all the platforms, because it clearly exploits something in which customer are really attracted.

While the performances on the traffic sources like Google and Facebook are directly related on the quality of the creatives but also on the technical skills to handle the platforms, with the email marketing the biggest challenge is only to have the lower possible amount of junk. For the rest of the performance, it is all related to the funnel strategy. This also because the more the time goes on, the more the users are blind to the emails received for the amount of scam that are used to be received by emails. It is clear from [img.19] that the funnel F5 is so much better compared to the others. The only performances that a media buyer in this case analyses are the CR and the value of the purchases. Furthermore, before considering this one as the best funnel, it is possible to analyse each step and where the others lose their traffic. Usually it is possible that is just a matter of a button or a simple headline that is not written properly. The open rate also helps to improve the performances, in fact the first words that a user reads clearly defines the approach he will have in the following steps. Obviously, the biggest optimization must be done on the email list: the more is targeted, the higher will be the CR. The differences in this sense can easily be found in [img.20], where an already existing customer who recognises the brand reads the email: the first improvement is seen in the open rate. But this is not where the gold of the email marketing is: the real value lies in the CR, dramatically higher compared to the one of cold users. BESA didn’t expect to have so good results with the emails collected, but this showed how the lead generation campaigns on Facebook and Google had an incredible result in an indirect way.
In general, these campaigns structured from BESA for ABC on the different traffic sources had a huge result because of the mix of digital marketing experience and brand positioning. All the revenues generated in this initial marketing investment have been reinvested and ABC is increasingly gaining market share.

A non-indifferent result was obtained also thanks to the influencer marketing that wasn’t mentioned in the tables because of the scarcity of data, but also this affected a lot the quality of the email marketing thanks to the followers of famous athletes.
XII Conclusion

This case study from BESA Digital has been analysed to give to the reader a deep insight on how to properly structure a digital marketing strategy and how to analyse the results obtained. Obviously it was not possible to explain all the details of one year of hard work on an important project as the branding of ABC, but the overall strategy, the management setup and the tools used have been discussed.

The first chapters of this thesis have been necessary as an introduction to these arguments; in fact many techniques, platforms and metrics evolve periodically together with the Internet world. The theoretical part can be used to understand also how the marketing is changing and how the data is going to be central in all the aspects of the everyday life, even in our creativity.

The data-driven approaches will have to be central in all the industries, and from the marketing perspective, if correctly understood, it is possible to spread the same theory to many other fields. It is really important to learn how to collect data from many different sources, how to collect them together and how to properly analyse them with the correct tools.

The more the digital grows, the more techniques can be adopted to achieve data from customers, employees, suppliers and so on. This will led to a future where all the decision will be mandatorily data-driven and all the problems will be faced with a statistical approach.

BESA Digital, pioneer of the data-driven approach in the marketing, has applied all of these managerial techniques to ABC in order to build an infrastructure that from a long-term perspective was sustainable and profitable. The brand build on the social media with the help of influencers and testimonials is a goldmine for companies who are approaching the ecommerce world. Since the beginning it was clear that a so strong brand could not disappear in a so challenging scenario, but the low barriers to entry for many different competitors, made everything harder. Another big problem for BESA were all the mistakes made in the past when using third parties to sell their products: all the quality of the products were put in the shade because of the marketing mistakes of the resellers.

After the application of all the strategies discussed above, one year later from the beginning of the partnership, ABC becomes one of the largest sports brand in Europe, United States and Australia. The market share gained with the advertising was half due to the proper marketing solutions and another half was the hidden brand that the company at the beginning was not able to exploit. This is a fundamental point of this thesis: the data-driven approach helps all the aspects of a company, from the production side, to the sales. In fact ABC would never say that the brand was so strong till the advertising results showed this clearly.

Since the ads results were so strong that more or less all the campaigns had a positive ROAS, it can seem obvious that scaling more, scaling harder and scaling faster can drive more sales and the business “to the moon”. But this is not true. The strategy for the long-term run must change from the one that it’s needed to spread the brand worldwide. From this point of view BESA decided to adopt and schedule different approaches: the first was to build a strong community driven by the influencers and testimonials that had to engage the users and build relationships with them in order to create a direct contact customer-brand; the second was to continue working on the major traffic sources like Facebook and Google in the native language of all the main Countries selected.
In fact the penetration only with the English language is hard where the people don’t use to know this language, so local departments in many different well performing Countries must be done. The ads in this way can be adapted to the specific cultures, can be less aggressive and more integrated to the local societies. The branding advertising must become part of the everyday life of the customers, where they must become at the core of the company’s choices.

The customers must desire to feel part of the ABC community, where they can meet their favourite athletes, they can share their trainings with new friends and learn always new things thanks to the quality of the information provided by the social media managers.

For the long-term run ABC decided to entrust BESA Digital also for the support marketing: the British company will adopt all the new techniques and strategies, being ready to become one of the biggest sports ecommerce in the internet world.
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