Drowning in Data but Thirsty for Insight?

Getting Data You Can Trust

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About the Author

Elizabeth Crinejo, Director of Client Operations for (un)Common Logic, has been a PR account executive in the high tech sector, a programmer for a large consulting firm and a consultant helping businesses develop their management teams—and a professional chef. Since joining (un)Common Logic in 2009, Elizabeth has managed both data-oriented detail and top-level thinking to make impressive strategic and tactical differences for our clients.

About This Book

When they named it "Big Data," they weren't kidding. Marketers have more data than ever at their disposal, but interpreting it can seem like an overwhelming task. Multiple collection platforms and the sheer volume of data they produce pose one set of problems, while internal challenges such as data silos and unclear data ownership further complicate matters.

Dealing with the data deluge is frustrating on its own, and that frustration is compounded by the knowledge that having usable data could help every aspect of your marketing team.

This eBook covers:

* ❋ *The biggest dangers to functional marketing data*

* ❋ *The damage those "data sea monsters" can cause*

* ❋ *How to defeat the sea monsters*

Let's dive in.

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The Data Deluge

You're almost certainly aware of the proliferation of data and data sources around you. But you might not realize how much data we're surrounded by, or how fast the total data is growing.

The term "Big Data" came into general usage in 2012. That year, 2.5 exabytes of marketing data were created world-wide. 2017 is on target to create 1.46 zettabytes. That's 584 times as much data than 2012's output—and that doesn't even approach the 16.3 ZB of *total* data to be created this year.

At the end of 2017, the total cumulative marketing data in the world will be 4.4 ZB. That amount will more than double with 2018's expected 5.4 ZB of marketing data.

What does that mean for users? It means that as of 2017, *every minute*:

 - ❊ Google conducts 3.6 million searches
   - ❊ Does your content match the search terms your customers use?
 - ❊ Twitter users send out 456,000 tweets

> *"We are drowning in information, while starving for wisdom. The world henceforth will be run by synthesizers, people able to put together the right information at the right time, think critically about it, and make important choices wisely."*
>
> —E.O. Wilson, *The Unity of Knowledge*, 1998

 - ❊ Is your content easily sharable and share-worthy?
 - ❊ 103.5 million spam emails are received
   - ❊ Do your content-promoting emails get opened?

We've asked marketing leaders about their data-related challenges. Some of the most frequent responses include:

 - ❊ Data siloed within departments or teams
 - ❊ Data siloed within platforms or sources
 - ❊ Combining data from different sources without distortions or duplications
 - ❊ Choosing which data to consider when making strategic decisions
 - ❊ Using data carefully, to nurture leads rather than overwhelming or ignoring them
 - ❊ Working with small slices or segments of data
 - ❊ Taking the numbers from data and converting them to practical actions

The Six Data Sea Monsters

Just about every data-related frustration stems from one or more of these terrors.

Competing systems of record

As marketing tools and platforms have prolif-erated, they haven't just increased data by addi-tion, they've multiplied it, often by covering the same actions in slightly different ways. These are just some of the data sources your department might use:
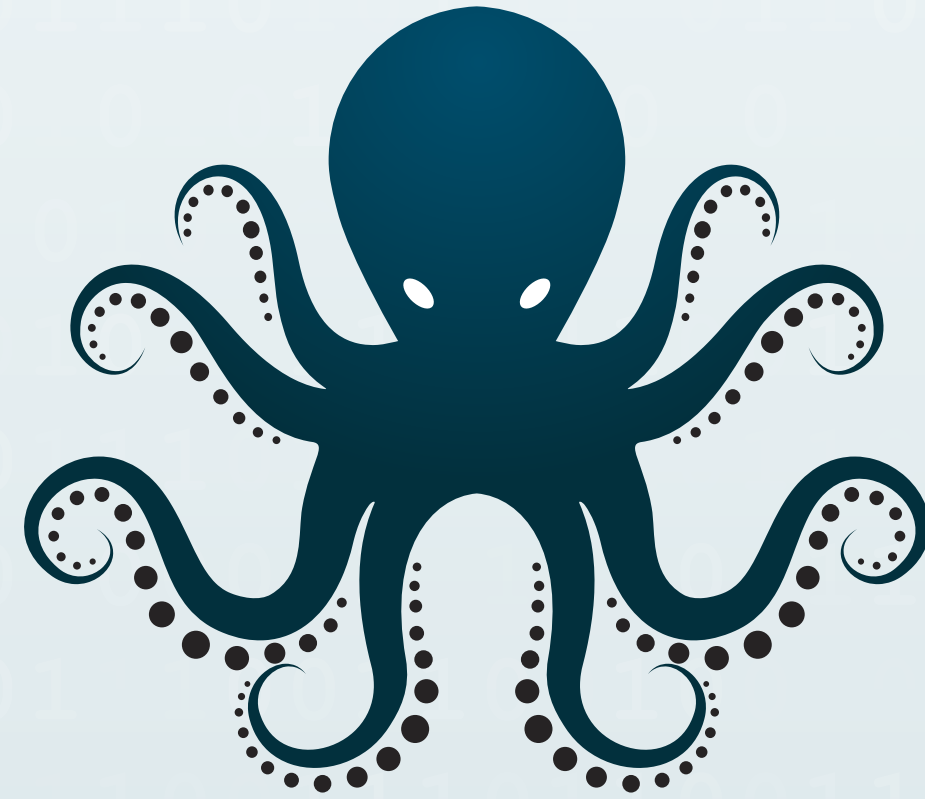
- ❈ Site analytics such as Google Analytics and Search Console, third-party analytical tools, including SEO tools

- ❈ Paid search tools such as Google AdWords or Bing Ads, plus third-party paid search measuring/optimizing tools

- ❈ Marketing automation platforms such as Marketo and InfusionSoft

- ❈ Email marketing tools such as MailChimp or Pardot

- ❈ CRMs such as Salesforce or Oracle

An addiction to vanity metrics

Some metrics have a real impact on increasing revenue, efficiency, ROI, and ROAS. Vanity metrics, however, don't. They might sound good on the surface, but at best they distract from more important metrics, and at worst they distort actual performance and hide deeper problems. Vanity metrics can include ad impressions, social followers, aggregate docu-ment downloads—anything that can be counted but doesn't really count.

No clear owner

Data silos are formed when individuals don't share their knowl-edge or coordi-nate their activ-ities around that data so it's managed consistently. This monster might be lurking if any of these questions make you nervous:
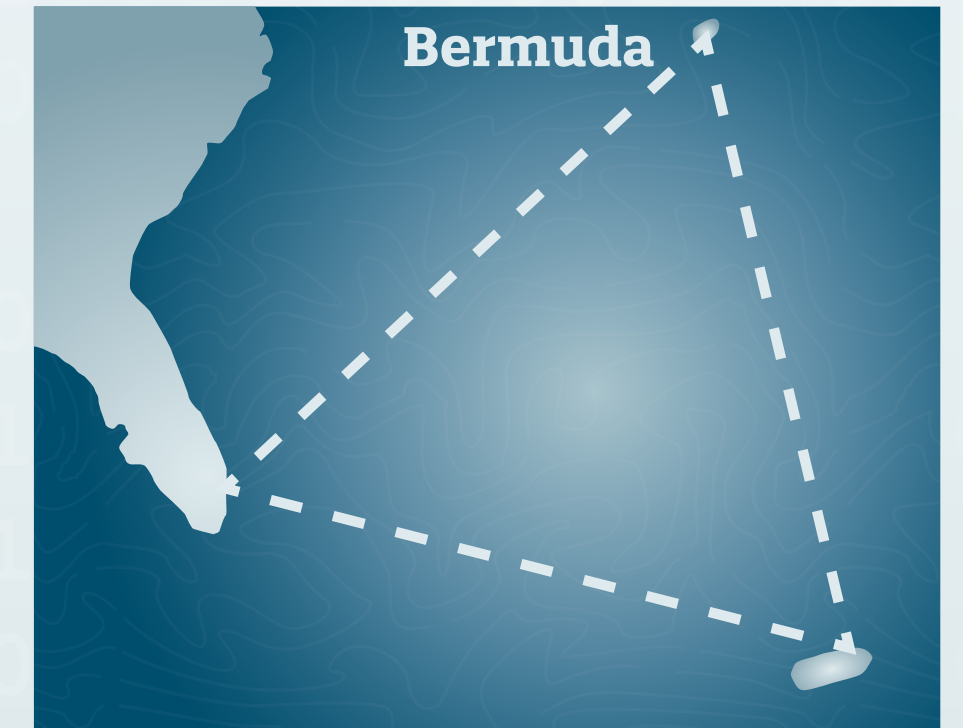
- ❈ Who has access to your company's analytics platform(s)?

- ❈ Who knows the logins for all your digital tools?

- ❈ Do these people all talk to each other regularly?

- ❈ Is there only one person who knows how to use your email marketing platform?

- ❈ What do you do if one or more of these people leave the company?

Not understanding all the systems used

Every data system behaves differently: it tracks things differently, reports events differently, defines metrics differently, even exports into spreadsheets differently. Everyone who's involved with data must understand these functions of every system your department uses. Most importantly, they should all know what it takes to break each system, what its limits are, and how to use it most efficiently.

A non-data-driven culture

Data has its own set of languages and customs, which can vary greatly from company to company. However, the languages and customs must be consistent within the company, so everyone who handles marketing data understands what it means, and data is talked about regularly—not just the numbers, but their strategic importance as well. A data-driven culture drives greater understanding, better decision-making, and higher returns.

Just plain bad data

Sometimes, the problem is within the data itself. Bad data could arise from any number of circumstances:

- ❋ Incomplete data caused by gaps in tracking
- ❋ "Dirty" data that isn't validated or can't be validated
- ❋ Duplicate data from multiple platforms with no way of identifying or separating duplicates
- ❋ Missing data from not historically tracking important metrics

If any of these sea monsters are lurking within your company, you shouldn't trust your data, at least not in its current state.

The Six Data Sea Monsters in Action

"83% bounce rate?!"

This company was migrating to a new website, and was about 75% through the migration. However, there was no clear owner of the entire process or the data involved. Thus, the web dev team wasn't telling the digital marketing/CRO team when they were moving forward with the migration, and the digital marketing/CRO team wasn't telling the web dev team when they were running tests on the website.

So when the digital marketing team ran a test on a portion of the website that had already been migrated, the results were predictably awful. This lack of communication between the teams is one of the hallmarks of a non-data-driven culture.

Furthermore, the digital marketing team was using 10 different tools to run their tests, so up to 10 platforms were hitting the website at any time. These tools each had unique ways of measuring and reporting the test results, so any benefit the tool stack might have offered was offset or completely negated by the confusion and work involved in interpreting the tools' results.
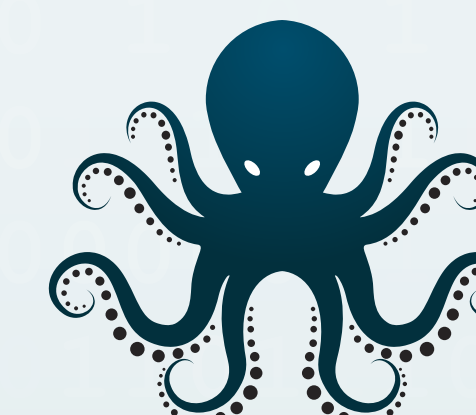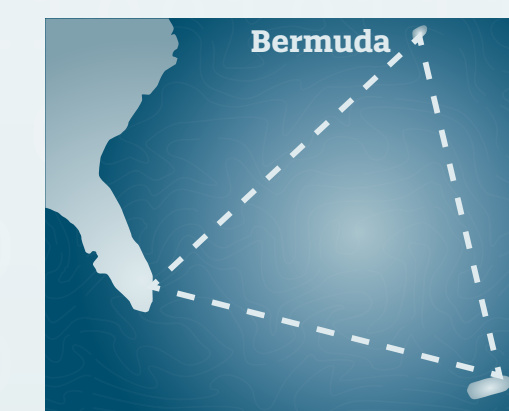
"Our CPL is great; we just need to grow."

In this case, the company wasn't viewing their data with the necessary critical eye. Their average cost per lead (CPL) was around $110, well within their target range. However, that average CPL included all their keywords, brand and non-brand.

In general, brand keywords target existing customers while non-brand keywords target new customers. This company's paid search portfolio revealed that 52%of their total spend went to brand keywords. (We recommend no more than 10%.)

CPL for brand keywords can be a vanity metric, especially when calculated as part of the overall CPL. Brand terms' costs are lower due to low competition and search volume; non-brand terms are more expensive. The average CPL for this company's brand keywords was $75, well below their average CPL of $110.

By comparison, the average CPL for non-brand keywords was $175—but even with the higher costs, these keywords were utterly essential for growth. By leaving only 48% of their paid search budget for non-brand keywords, the company was starving the keywords targeting new customers and thus actually sabotaging its growth.

A stronger understanding of paid search data and a culture with regular conversations about interpreting data would have prevented the digital marketing team from sinking so much ad spend into brand keywords.

## "We don't have keyword-level data!"

We had worked with members of this company's digital marketing team to build out keyword-level data and connect it to revenue, so we were astonished to hear this. However, the two people we had worked with—the company's "stewards of data"—had left the company. When they left, not only did they take all their data-related knowledge with them, they left a void in the company for data-driven conversations.

None of the remaining team members knew about:

❋ The systems the two stewards had been using

❋ How to access tand harvest the data

❋ How to get keyword-level information and tie it back to revenue

❋ The importance of regular conversations about data

We showed the rest of the team where to find and how to use their keyword-level data, but this experience underscored the danger of having only one or two people who understand company data.
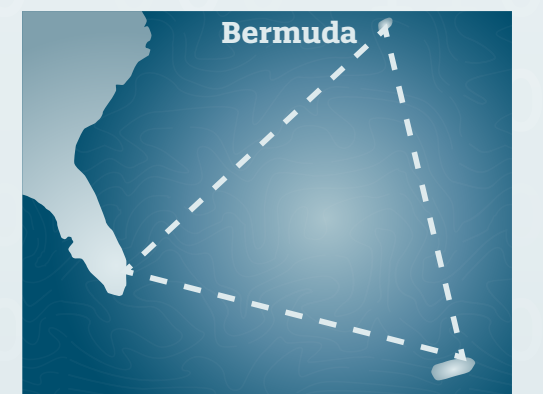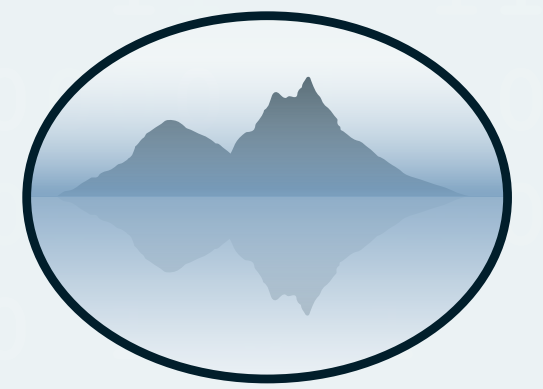
"Impressions are down. What's going on?"

This power company was concerned about impressions, believing that how many people viewed their ads was a crucial metric. To maximize impressions, they had cast a wide net with their keywords. So they were dismayed to see that their ads weren't getting as wide of an audience as they had hoped.

That said, the company was quite happy with the click-through rate (CTR) of some of their keywords. While their average CTR was only .09%, the CTR for many of their low-impression keywords averaged .60% - almost 7 times the aggregate CTR.

When we examined their keywords, we found that their wide-net approach had led to deceptive metrics with potentially devastating results. Many of their high-CTR keywords had nothing to do with what the company offered:

❋ Keywords related to gas prices had high CTRs, but were used by people seeking gasoline for their cars, not gas heating for their homes

❋ "Transformers" as a keyword attracted fans of the movies and toys, not people interested in electrical transformers

❋ More mystical keyword choices included "Power Rangers," "Power Ball numbers," "Monster Energy Drink," and "juicers"

These keywords were delivering traffic, but not the kind of traffic that would turn into customers and revenue. Worse, the company was spending almost 25% of their paid search budget on these non-relevant keywords.

We suspected that so many strange keywords had come as a result of using a keyword planning tool, then adding all keywords in a group without reviewing each keyword individually. A more in-depth understanding of paid search data and tools would have prevented such a significant waste of spend.

Defeating the Six Sea Monsters: A Six-Step Plan

Many of these monsters are culture-based, so they can be overcome through conversations and accountability. That's good and bad news, since your management and leadership are what will right the ship, but it might take months of conversations and new layers of accountability.

Step 1: Start scheduling meetings to discuss data.

Don't wait for a data-driven culture to evolve on its own; actively create it by working to incorporate it into regular team meetings.

Initial meetings can be about how they're currently using data and how they'd like to use it, with meetings to follow about the tool inventory in Step 3, and all ensuing steps.

## Step 2: Determine which metrics most closely align with your business objectives.

These will most likely be metrics that contribute to bottom-line numbers such as customer acquisition cost (CAC) and lifetime customer value (LCV). It's crucial to do this before Step 3, so you'll know what you want and need to measure, independent of whether or not your current tools can measure it.

Step 3: Get an inventory of all the tools, platforms, and systems you're currently using.

Include all the data-gathering tools you have, even if nobody remembers how to log into them and use them. Each item should have a summary of the metrics it tracks, which of those metrics it's especially good at tracking, how far back it can gather data (possibly filling gaps in data), and how it gathers and presents reports.

The summary should also include the known/unknown status of login credentials, tool usage, and training completion, as well as any subscription/renewal/upgrade information.
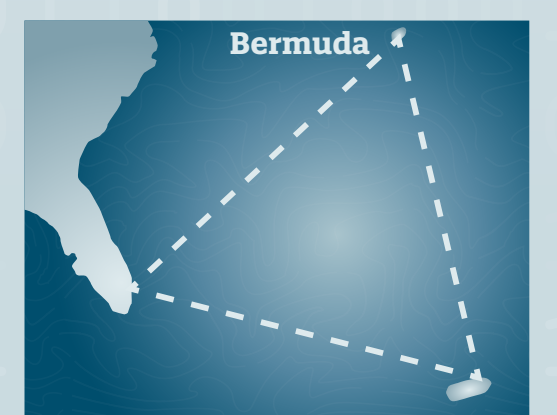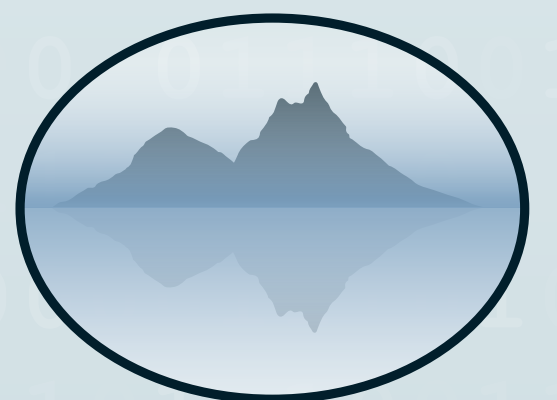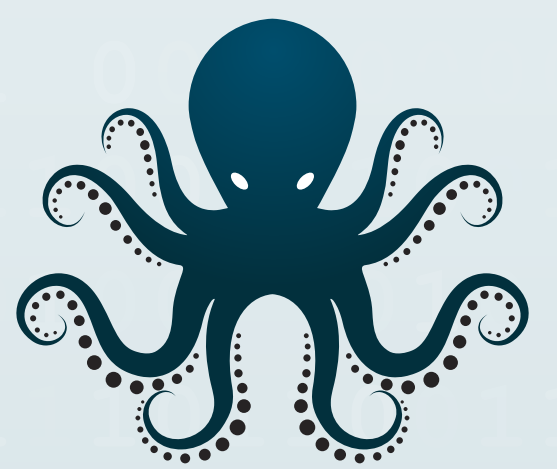
Step 4: Select your systems.

Determine which of the items from the inventory best measure the most critical metrics for your business. If there are any gaps between tools/ systems and metrics, consider investing in additional tools. Also, investigate if you're getting the most out of the tools you have; many tool providers offer additional benefits such as training and customized reporting.

⚓ For the tools that don't make the cut: If there's no cost involved in using the tool and its security and functionality are solid, allow it to keep gathering data. This can be useful for double-checking the accuracy of the tools you've chosen.
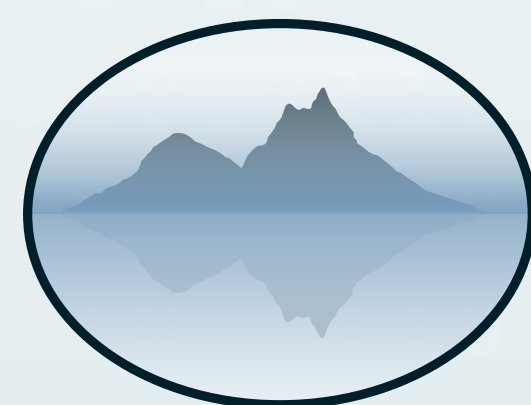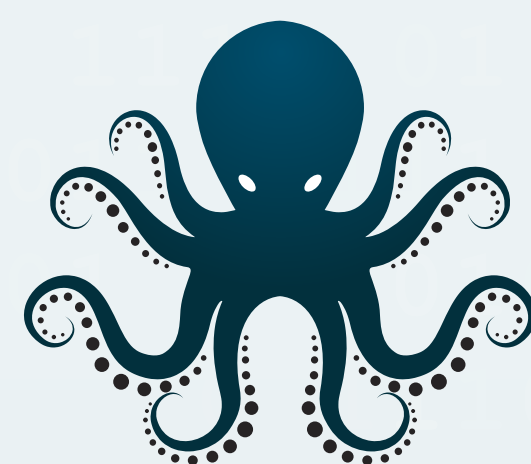
Step 5: Get all the relevant people trained on all the tools.

This could be the most demanding step, as it will require an investment of time and money, and might seem redundant at times. However, this step is crucial to breaking down silos, maintaining institutional knowledge, getting the best return on your tool investment, and furthering a data-driven culture.
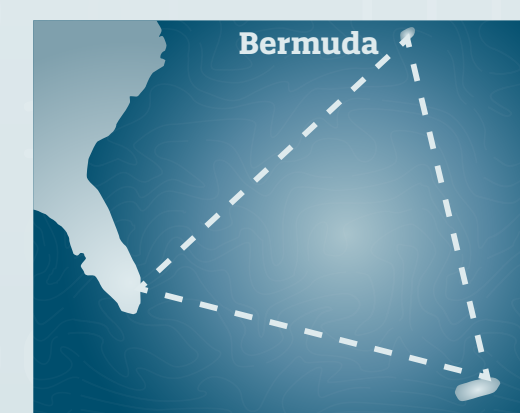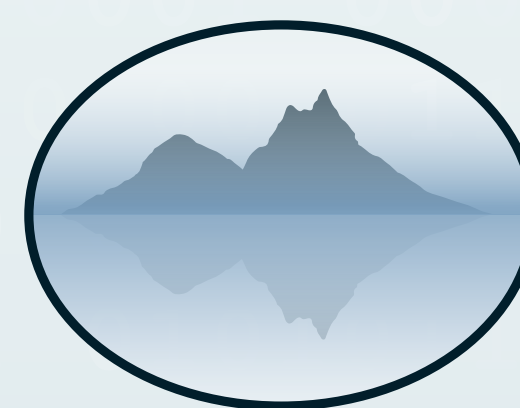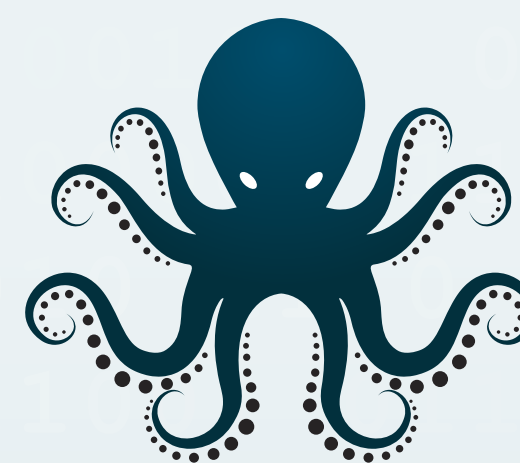
Step 6: Centralize all relevant metrics into one data stream.

As you and your team have gone through this process, you've probably gained much greater insight into how each metric ties into the overall customer journey. You might have re-evaluated your attribution model and extended your data-gathering into post-purchase activity, customer service, renewals and upgrades, and other aspects of the customer lifecycle. Now it's time to put that data together into one consistent, end-to-end model that clearly depicts the meaning and impact of each metric.
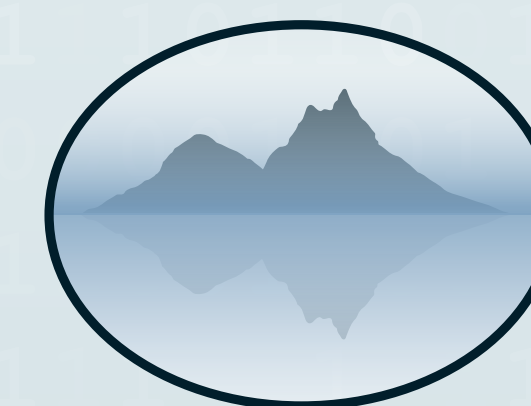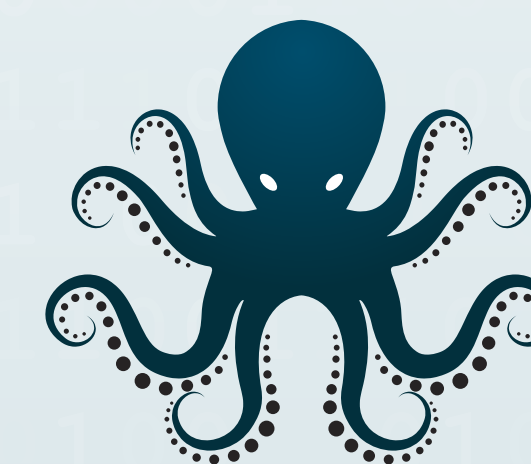
Now that you've got data you can trust, you can begin harnessing it for real insights.

To start your own voyage from drowning in data to sailing smoothly on it, contact Elizabeth Crinejo at (un)Common Logic.

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