

MAKE KNOWLEDGE YOUR POWER

Contrary to hype, Big Data will not solve a marketer's problems. It's Knowledge that will help you to win over customers and form long-lasting business relationships. Read our expert insights on developing your data into true customer understanding, integrating your essential data sources, boosting your knowledge with the right benchmarks, and even utilizing machine learning for marketing and sales success. Enjoy!

1. Forget Big Data – say hello to Big Knowledge!

Why do data integrations keep marketers awake at night? In all the recent marketing research I found, 'data integration' was named as the top challenge of marketing departments. Marketing platforms integrate pretty easily, data flows both ways. So, what's the real issue?

Well, let's start with the phrase 'data integration'. Does that mean the technical knowledge required for integration? Having the right data? Or is the biggest obstacle for B2B marketers simply a massive disconnect between 'data integration' and improving marketing > sales > revenue?

The amazing difference between Data and Knowledge

The concept of 'data' is itself problematic. It's a term that leaves me cold. 'Data' has not inspired me to higher win rates, larger deals or better margins. Even the word cannot be less appealing.

Knowledge is the opposite. It has charm. It suggests power.

Customer knowledge leads me closer to deals and long-lasting business relationships. Market knowledge helps me to navigate towards oceans of opportunities. Competitor knowledge guarantees me the right punch lines in face-to-face meetings.

Data stops the show. You can bang your head against the wall all you want with Big Data—gigatons of bits and bytes are not going to help you sell.

Is the word 'data' misleading us? Deceiving us? Yes.

I experimented by replacing 'data' with 'knowledge'.

Immediately, all jargon started to make sense. See for yourself: Combine first- and third-party data sources to gain a more complete view of your audience.

...and the same sentence with knowledge treatment:

Combine first- and third-party knowledge sources to gain a more complete view of your audience.

See what I mean? Here's another one where I replaced all 'data' with 'knowledge':

Customer knowledge refers to all personal, behavioural, and demographic knowledge that is collected by marketing companies and departments from their customer base. The collection of knowledge is aimed at finding insights into customer behaviour and maximizing profits.

Know why this works? Because data is like a mineral. Most of it is useless stone, but there are valuable particles that we can refine into knowledge. To do that, you have to know where to dig, how to refine, purify—and of course how to use. Once you have knowledge, you have power. You can do something with it.

So, how do you convert customer data into customer knowledge?

In order to win each micro-moment of the journey, marketers need to deliver better, more relevant experiences—NOT FROM YOUR VIEW—but from the customer's. Understanding motivation at each phase of the journey is the golden bridge you must build. And the bridge's building blocks are alluring, brass-tacks, amusing or otherwise attractive content. It can range from Twitter comments to videos to eBooks, heavy-duty white papers or research documents.

Do you know what prospects are thinking?

The following diagram will give you some generic guidelines.



Prospect's key questions along buyer journey are clued to the purchasing phase. No giant leaps accepted.

The simple, universal fact is that prospects are not keen on getting offers in the research phase. You can accelerate the velocity of the purchasing process, but you cannot skip phases.

You have to tailor the questions in the above diagram to fit your line of solutions and vary them to capture the essence of each issue from the buyer persona's point of view.

2. Essential customer knowledge to gather along the buyer journey

There's a new rule of thumb for this evolving digital age: whenever a prospect or customer interacts with you, store all the information you can. If you store the details of an interaction, you don't need to guess if something happened...and facts are better than guesswork, ten times out of ten. The customer either did something, or they didn't. Computing power has gone up and the cost of storage down, so there's really no reason not to store everything.

The types of knowledge you need

You can slice and dice prospect/customer knowledge in many ways, but the following six categories work well for our purposes. These are the kinds of knowledge that are useful to marketers, especially with respect to setting up a marketing automation program:

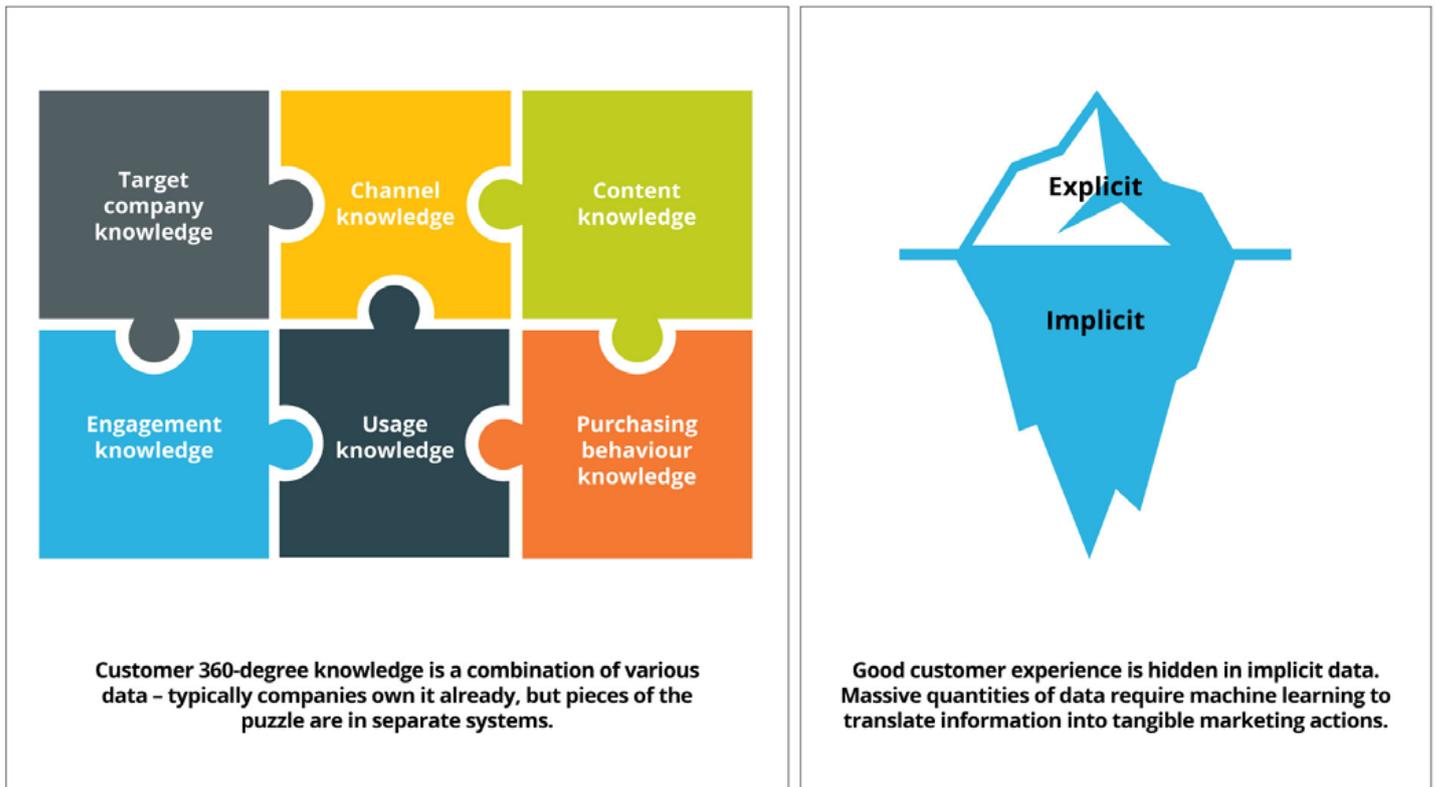
- **Target company knowledge:** In addition to firmographics: what are their needs and challenges, what's their focus, who are their key competitors?
- **Channel knowledge:** What search terms are most popular; what are the hot forum and opinion-leader topics? Where are the hot spots where my audiences spend their time?
- **Content knowledge:** Of the topics you identified in the previous step, what gets consumed? Is it eBooks, videos, case studies, comparisons, reviews & ratings, etc?
- **Engagement knowledge:** To what extent do prospects/customers engage and by what means? What are the results? Are they filling out surveys, adding ratings, leaving comments or reading FAQ pages?
- **Usage knowledge:** What are user and time metric trends on the various platforms you are using, from unique email opens to post likes? What about help desk and support usage?
- **Purchasing behaviour knowledge:** What makes it into the shopping cart and what causes shoppers to abandon their carts? At what point do they tend to do so? How well do special-offer-after-abandonment efforts work? What results do up-sells and special offers yield?

Explicit, implicit

No, we're not talking about adult content or nasty rap songs. We're talking about two different types of data. It's an important distinction because explicit data yields knowledge that's immediately actionable, while implicit takes a whole lot of manipulation to turn into knowledge—something best accomplished with tools like machine learning. When you accumulate knowledge, be sure to draw that distinction. Here are the definitions:

Explicit data is that which leaves no ambiguity around customer intent. As examples, someone buys a product, rates a film, or gives a post a thumbs up. It's clear how they feel about a product, service or idea. There is a direct line from this kind of data to knowledge that you can act on confidently.

Implicit data leaves you guessing at motives. It's much more prevalent than explicit data and includes actions like browsing a website, opening an email, viewing a product online without making a purchase, or simply reading an article. Because action does not clearly indicate intent, it requires manipulating before you have knowledge you can act on.



An interesting study on lead scoring shows that companies with the highest (most effective) lead scores had incorporated at least 3 implicit attributes. The study's authors suggest that the reason why many companies don't use implicit attributes is because they are much harder to process/ implement—but that machine learning can be used to solve this issue.

Soon we will look into using machine learning to rapidly accumulate quantities of valuable prospect/customer knowledge. But first there is one more step: how to accumulate the various kinds of knowledge we need....which is our next topic.

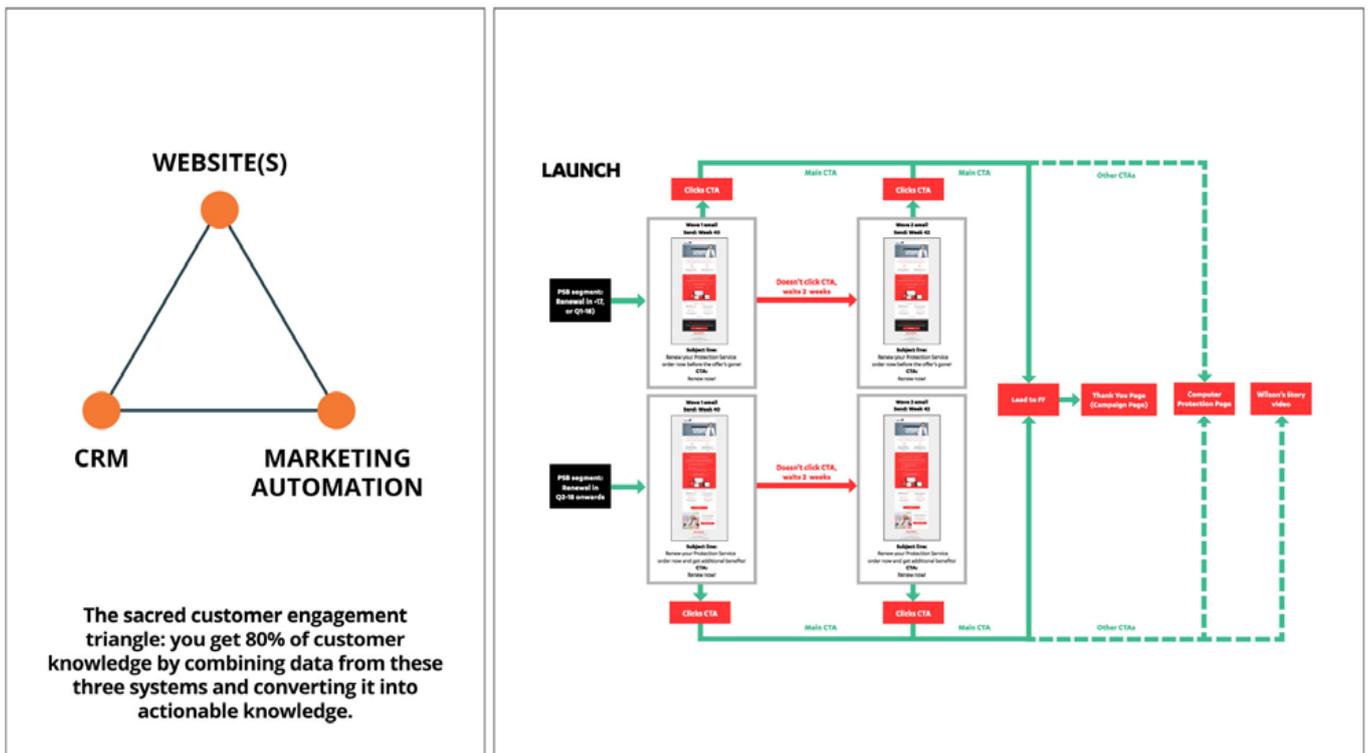
3. What data sources to integrate to gain from big knowledge

Let's assume that you need customer knowledge in order to feed a marketing automation system intelligently. There are many sources...which do you go to first? The first and most obvious source of knowledge to connect to for most companies is the CRM system.

There are two reasons for this:

- Great data, great segmentation. You have lots of data: different account types, locations, numbers of people employed and all kinds of useful details
- If the CRM is connected to your Marketing Automation application, marketing can happen automatically once pre-set thresholds are reached

When you're setting up an automated marketing program, think of your marketing automation system (we use Oracle Eloqua, Salesforce Marketing Cloud and Salesforce Pardot) as your hub. It can pull data from web form registrations, from your CRM...from lots of places. Connecting your CRM to your website can be tricky, but it's simple when you use a robust marketing automation system as an intermediary. These are applications built with the connection in mind.



Integration is not the issue

Ten years ago when you said 'integration' to a manager in a big company, their thoughts went straight to what might go wrong. That's a thing of the past, especially with marketing automation systems. Most integrations are trivial from a technical point of view. They are not only great for automating marketing processes, but also as middleware. Leading marketing automation systems like Oracle Eloqua can integrate with the latest versions of more than 300 applications. So when you have a webinar, for example, your marketing automation system can integrate with your broadcast platform and send out messages to participants at the right time – 'don't forget', 'thanks for participating', 'here's a questionnaire, how was it?'

SMS messaging is another great communication medium to integrate into your marketing automation system. Maybe Sarah didn't open her email, but we can send her an SMS – 'we haven't heard from you...act now and get free parking'. When you capture responses as well, SMS becomes an important source of customer knowledge...because it's coming straight from the customer! People tend to pay more attention to SMS. Some people hate SMS. Some prefer it over email. Younger audiences may like push messaging. (Here I'm thinking of The Guardian's app, but there are hundreds.) For those who like it, sending alerts and messages is a nice way to communicate.

Integrate to enrich

The most valuable knowledge is that which you produce using marketing automation. The more data sources you integrate, the richer and the more valuable the knowledge. Integrating data sources into your marketing automation system is also a lean way of doing things (as in, Lean Manufacturing). Feed the data into one application, then manipulate it rather than crunching data half a dozen times.

The more data sources that you feed into your marketing automation system, the richer the resulting knowledge. You'll know, for instance, that James has worked for a mid-sized manufacturer for at least three years; prefers email over text; opens 52% of emails for an average of 34 seconds; engages with LinkedIn but not Facebook; and has downloaded three pieces of content, two on topic X and one on topic Y. You know exactly where he is in the sales funnel and therefore how best to engage with him. Taken on an aggregate basis, this is powerful stuff. Marketing automation systems can quickly gather millions of rows of actionable data, giving us the basis for intimate prospect/customer knowledge.

Knowledge in action: F-Secure

Let's look at an actual case that ID BBN had a hand in.

F-Secure, a global provider of information security services for consumers and businesses, offers 30-day trial downloads of their small business security software at www.F-secure.com. You get instructions by email, passwords by SMS, then your contact details are sent to F-Secure's CRM, Salesforce, for contact or nurturing. But before F-Secure receives your details, automated lookups in commercial databases detect that you work for a manufacturer based in Berlin with 3,000 employees.

Salesforce flags this anomaly for F-Secure salespeople. The download might be for your cousin's wife's company or your side hustle, but it could also be that you chose the wrong product for your own enterprise. For F-Secure, time is of the essence and you get a call the next day.

Another F-Secure salesperson might have simply clicked the box in Salesforce marked 'sale' and put you into a small business customer nurturing program. Still another might have put you into a similar program for enterprise. The more information available, the more informed the action.

Best information sources

The real value of the knowledge you gather comes from contextualisation. What is the person's industry and role? Do they fit one of your buyer personas, whose behaviour you know and can predict? And go from there. There are different knowledge sources for different categories of company. Initial contact may be more likely to come through social media apps like LinkedIn forms, for example. Or through webinars.

Social media—LinkedIn, Facebook and others—is very nice because it's becoming the de facto standard in integration. While email is still the gold standard in business communication, social media is less avoidable than email. You didn't open your email, but you can see the same messaging on your Facebook wall. It's efficient, too, because forms can be placed on Facebook or LinkedIn, and filled-in forms fly straight into the marketing automation system.

Social media profiles are rich information sources, to begin with. They telegraph preferences clearly. For marketers, targeting on social media is getting quite sophisticated. And if you respond well to a marketer's first social media campaign, you can be included in the next or act as a seed for a lookalike audience—when your preferences on, say, Facebook are used as building blocks to build a bigger audience.

This works well integrated with the Salesforce Marketing Cloud, but it also works with an Excel sheet.

Back to 'it's all about the content'

You rarely have the opportunity to sit someone down and talk to them for 2 hours. So you had better have a good way to capture their attention quickly, and to keep it for long enough to get them to take the next step along the funnel. The data that we collect about the customer's journey helps us to improve content as we go. It's simple: create good content, then refine. When we have enough data, we can get our data scientist to sort it and clean it, then put all the variables together and use machine learning algorithms to figure out the trends.

4. From Knowledge analytics to insights – help from machine learning

Digital marketing, in general, is very quickly turning what used to be a guessing game into an uninterrupted series of data-driven actions. Effective marketing has become a blend of science, strategy and creativity. There's a lot to know about new ways of driving business with customer data. Machine learning is, for example, a key part of how ID BBN client, Visma Software, was able to find 602 new leads and predict 722 customer businesses at risk of churn. (More on that later.)



Various types of data accumulate along the buyer journey. Similarly, there are different ways to use it.

How does Machine Learning work?

Machine learning is easy to understand: it's an application of artificial intelligence (AI) that finds patterns in data. It can, for example, predict buyer behaviour with a high degree of accuracy. Without being explicitly programmed to do so, machine learning algorithms automatically learn and improve from experience. This is different from traditional analytics, where you typically start with an assumption about the data itself, then select the appropriate method of analysis. Machine learning is a simple thing in theory: you put your data through an algorithm...and it finds patterns.

Key to the effective use of machine learning is a large quantity of data. With a large enough data set and enough parameters, machine learning will find linkages between data that a human would miss. There is really no limit to how much data you can feed into a machine learning process.

In practice, you still need a data scientist on board to combine the data sets you have and extract the relevant information. Then you need them to help customize the machine learning algorithms themselves, as they are so complicated that you simply can't build a model by hand. We often use RapidMiner for processing data and building machine learning programs. When building from scratch, Python and R are the main programming language contenders for data science and both have machine learning algorithm libraries.

Uniting data sets for Machine Learning

With machine learning, raw customer data is fed into an unsupervised learning algorithm that separates contacts by pre-defined actions. Many machine learning models are non-linear, which means they can explore the data in greater depth than their linear counterparts, producing more insightful results. In the case of lead scoring, customer behavioural data is fed into a supervised learning algorithm that calculates the likelihood of purchase with a high degree of accuracy.

As with most data analysis, the biggest challenge with machine learning lies in uniting and normalising data before it's fed into an algorithm. For high-quality results, you need to start with high-quality data. First, you have to look at variables in the data sets and discard those with lots of missing values. Then join different data sets together into one large one. This is where time often plays a role. The format of information from a marketing automation platform like Oracle Eloqua, for example, is collected over the course of an entire year, while firmographics information is from one point in time. So you need to summarize the activity data in Eloqua so that it follows the same format as the firmographics data.

Meet, sort and test

If data sets are significantly different, for example, richer data for one subset of customers, you need to consider if that's going to have a negative effect on the machine learning algorithm. If it starts to rely on data that doesn't exist for other customers or prospects, the results will be skewed.

That there are no critical data collection flaws is something you have to verify. You essentially need to have a good understanding of an organization's business so that you can be sure that it is properly reflected in the data. That's where data governance plays a part in building a solid machine learning program. The best way to know how data is being collected and stored is by meeting with customers and building an understanding of their processes.

Once you have united your data, you should test how well the machine learning model performs to get an indication of your data quality. For example, split your data set 70/30 do A/B testing. Use 70 as 'old data' and 30 good.

Machine learning in action: Visma Software

The Visma Group of Companies has 900,000 customers spanning 12 countries and services in five distinct business areas. One business unit, Visma Software, wanted to take their digital marketing to the next level, which involved machine learning. We had two objectives: to analyse and predict the probability of both churn and buying; and to understand the factors, processes and variables that influence churn & buying probability the most—so that we could prevent churn or accelerate buying.

Visma Software had plenty of customer data to use. We combined sales and support data sets, enriched with marketing activity data such as email activity data and website and customer portal activity data, along with firmographics information. All in all, we gathered data from five systems, controlled 70 variables and analysed 168,000 data points across 2,722 customer businesses for churn and an additional 6,444 potential purchasers.

In the end, we achieved prediction model accuracy of 84.6% for churn and 84.1% for sales—very high when it comes to predictive marketing. A big part of this success was the availability of multiple years of activity data. The marketing team identified a total of 602 new leads and 722 customer businesses at risk of churn. The stimulation and mitigation that will follow will have a positive effect on the bottom line for years to come. The results also provided new insights into the processes and mechanisms at Visma that affect churn and buying.

5. Customer knowledge feeds sales success

What would your sales director say if you could save 6 man-months for her team? Or if you could build a shortlist of the 50 targets with the greatest potential of being upsold in the next 30 days? The data your company owns can be converted into knowledge – and more importantly into revenue – together with the help of the sales team. Want to understand how this actually works? See the Visma case in our previous blog.

Most marketers don't appreciate the reality of salespeople's revenue-driven lives day-to-day and month-to-month. Reaching sales targets is essentially the only goal that salespeople have. Marketers' drivers ought to be helping salespeople to close deals and to reduce routine tasks in order to close more deals.

It stands to reason, then, that modern marketers' key career driver should be the ability to convert customer and prospect data into knowledge in order to drive better sales results. This ability is based on bringing a thorough understanding of customers' purchasing processes into alignment with sales teams' fine-tuned procedures in such a way as to close more deals more quickly.

Offer concrete, actionable things

Sales is typically short-sighted. It's not a weakness; it's a requirement of success. Reaching sales targets requires wins this month and the next. Then comes the next quarter. With sales, objectives need to be concrete and simple, with a clear focus on what to sell.

A list of people who visit your website regularly is not a prospect list. The top 20 key decision makers with turnover above 250 M€ who have recently shown interest in your product lines X and Y are prospects. You should probably call them. Or the 40 clients worth 2.4 M€ in sales revenue with a 75% probability of cancelling their contract in the next six months. Those are actionable lists that sales can move on immediately.

Picture it. Draw an image of a better opportunity from the dull data. Salespeople read better when sentences contain dollar or euro signs. That's the nature of the profession.

Be sales' time salvation

Financial departments first introduced CRM as a means of understanding and forecasting sales. Systems were sold as "sales organisers" to get buy-in. The reporting that CRMs demanded of salespeople stigmatised these systems as reporting torture machines for decades.

What can you do to save sales' time on routines? Find the right contacts? Provide their contact information? Include prospects' financial data?

Salesforce's third annual State of Sales report found that sales professionals spend just 34% of their time selling. The time-eaters that gobble up the other 66% are the ones marketing can help to erase:

- **Prioritising leads/opportunities**
- **Manually entering customer info**
- **Researching prospects**

Marketing efforts don't end with a campaign launch. Delivering a prioritised list of leads into CRM would be better—and even that is just a milestone on the journey of integrating marketing and sales, where all share the KPI of sales won and lost.

A practical example of this is improving the accuracy of sales forecasts. Machine learning algorithms can run through historical selling, pricing and buying data to produce Marketing-Qualified Lead (MQL) and Sales-Qualified Lead (SQL) estimates that are several degrees more accurate than those of an optimistic sales team. With improved sales accuracy, companies gain the confidence they need to be more forward-looking in their investment plans, with a much lower level of risk.

How to turn marketing data into sales knowledge

Take the latest season's sales kick-off meeting target list and turn it into marketing goal headlines. "Increase mid-size customer sales by 15% through an expanded service offering" easily turns into a marketing goal. You know the number of mid-sized customers and the total budgetary value of that segment. So you know how much 15% means, on average, and what earnings an expanded service offering typically brings. Sales can give you their rule-of-thumb win rate. Now you know how many leads your marketing operations must produce.

Predicting churn and retention rates is a bit more challenging. But not as far-fetched as it may sound. Modern machine-learning algorithms will work that list with 75% accuracy or greater in no time. That could be the next big win of your career: to derive great benefit from the data your company already owns.

6. Boosting Marketing knowledge with benchmarks

To get the right answers, you must have the right questions. Machine learning processes can only be as good as the data they use. If the data going in is poor, the predictions will not accelerate your success. To predict future behaviour, you have to have some knowledge of past behaviour.

What is the amount of data needed to build beneficial knowledge? When onboarding machine learning, ask yourself these questions: how does the knowledge and data level reflect on customer success? What data do we typically have from our 'A' accounts? If you could optimise the data gathered, automate gathering and remove all 'bad' and 'waste' data, could you save 10% to 20% of your sales organisation's time? This means 100,000 to 300,000 euros of annual savings for every team of ten.

Kill conventions to make room for new growth

The best goal scorers don't play defence. Most organisations waste salespeople's skills and competences on admin routines. Early-stage target list building and contacting doesn't require fine-tuned (and expensive) negotiation and closing skills. Sophisticated marketing solutions can deliver results faster...and vaster.

A software company targeting accounting firms realised their sales team was spending considerable time chasing down new accounts picked from an Excel list. They knew there were two main buyer profiles: elder conservatives and young tech-savvy early adopters. Marketing built a testing platform where account representatives could discover whether prospects were technically literate or an endangered species. Tests directed both audiences to curated content reflecting their situation and preferences, while simultaneously alerting sales. Now sales could pick the top prospects and also gain access to precise knowledge with which to open a conversation.

To succeed later with sales opportunities, it's highly essential to gather knowledge in the early stages of the buying cycle. Knowledge creates opportunities that can incubate for quarters and years.

When do the sales start?

We just finalised a major deal and realised that it was ignited 23 months ago. From receipt of RFP to close took 6 months, but that's not the whole story. All started with an innocent one-to-one type industry foresight & credentials presentation two years back.

So what happened along the way? In creating a timeline, we realised there were several touchpoints with the organisation. Not precisely with the project owner, but with several other experts and opinion leaders. This was wide-scale Account Based Marketing with a long tail.

Our interest was to win this client, but our actions were totally unplanned—picking random opportunities to enhance our visibility and positioning. We were also blind to all client-side process phases—how the project owner navigated through internal obstacles to get to the RFP phase and beyond.

Could we now do this all over again, but intentionally? Could we model a prospect-side timeline to better understand what the steps are and how to bridge roadblocks? The answer is YES.

Looking through your CRM data and feeding it into a machine-learning algorithm can result in knowledge of timelines, with events that can be distilled into a standard buyer's journey model. Then you will see the dialogue gaps you need to fill in to ensure your success.

And you realise that sales and marketing are more closely intertwined than you thought.

Are you copying best practises from used car salespeople?

Competition is normally about market share. Companies are less concerned about customer longevity. Especially when they copy benchmarks from short-sighted consumer marketing. They'll let the tailboard leak freely—a Finnish expression that speaks to rapid onboarding and rapid churn. True B2B professionals know that it takes months and years to win new accounts.

The same applies to existing customers. How do you avoid having long relationships grow stale? How can you constantly be the 'greener grass' among the competition? How do you predict the best next move a customer might take tomorrow? The simple answer is customer knowledge. The challenge is to refine it out of the data – companies' biggest unused asset and a bigger white spot than the Larsen Ice Shelf.

Measuring success

Measuring the success of your customer knowledge-based marketing program is not so different from measuring the success of any program. The one thing that makes all the difference is your starting point. If you embark on a print ad campaign, what knowledge do you typically start with? Not a whole lot.

1- Measure everything

The central premise of this white paper is that you're starting with data and refining it into knowledge. That presupposes that you are able to measure everything, which is a very strong position to be in when it comes time to evaluating success. Whether it's website visits, landing page performance, blog reads, social media statistics, CTA clicks or actual sales, measure everything.

2- Short view: cost of customer acquisition

The nice thing about digital marketing is that many, many tasks are automated. This lowers the cost of customer acquisition (CCA). The big question is, what was the CCA for your knowledge-based campaign versus past methods? Did you shed traditional media in this campaign? The bottom line is that if the ratio of cost to find, nurture and sell to a prospect is good, you have a viable method. This is the one metric that will give you a 30,000-foot view of the health of your program.

3- Long view: customer lifetime value

If CCA indicates the health of campaign ROI, customer lifetime value (CLV) lets you know the health of your sales/marketing model for years to come. Understand the projected profit from each customer over time and you can decide how much you want to spend to attract and retain new customers. The learning here is that you can spend more on marketing, assuming you build in nurturing as a retention tool, than you might have thought to acquire new prospects. The trick is to fix the leaky tailboard!

Take the CCA and subtract lifetime value. CCA costs include advertising, marketing and sales rep costs over the average sales cycle. So if your sales process normally takes three months, take three months' worth of cost and divide it by the number of sales made in that time. If you have a CCA of \$500 and an LTV of \$20,000, you know you're winning.



Let's talk!

Contact me for further tips on getting started on your marketing journey from Data to Knowledge.

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