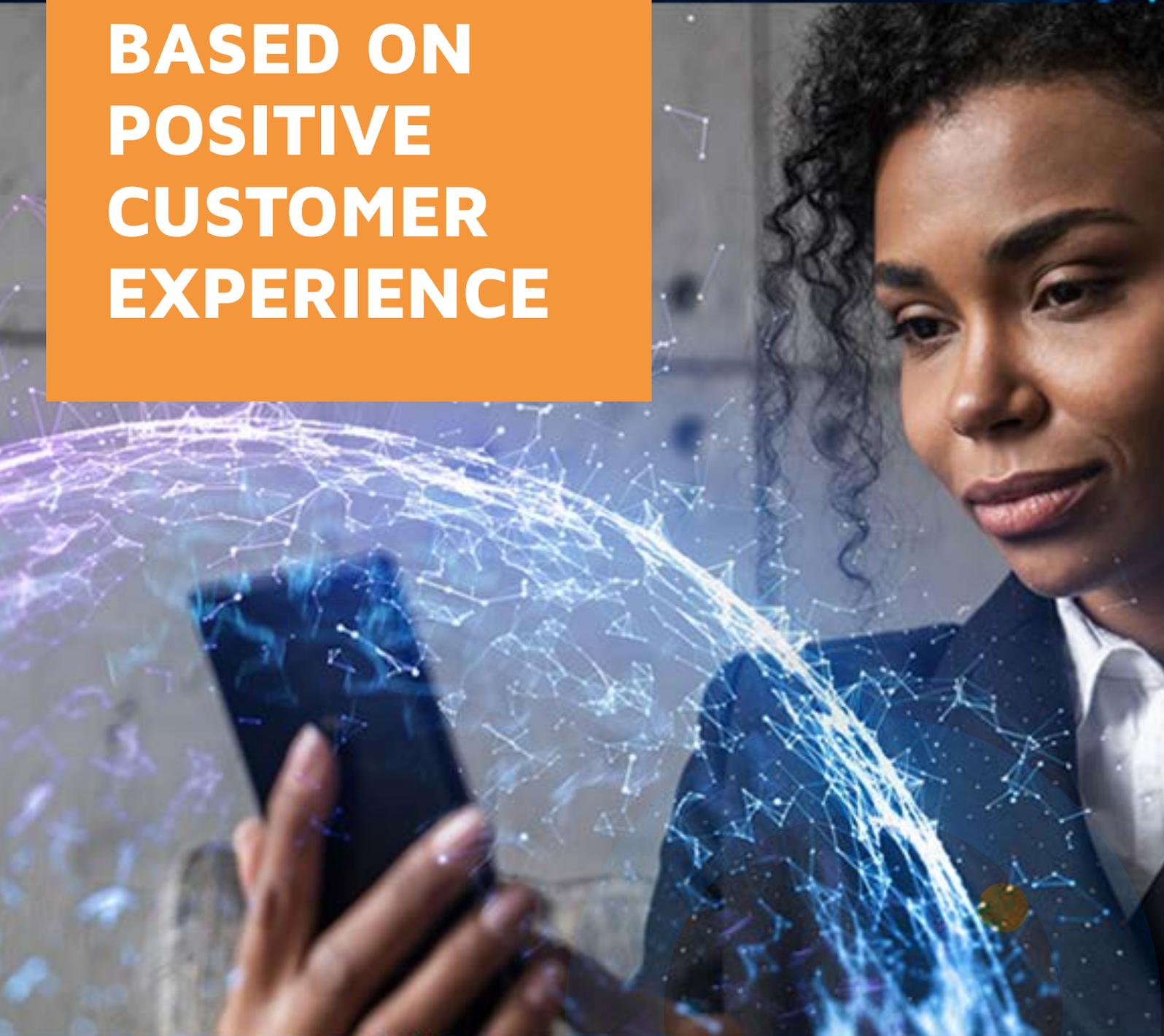


HOW TO BUILD A DATA STRATEGY BASED ON POSITIVE CUSTOMER EXPERIENCE

3radical



Wave Good-bye to the Wild West
of Non-Consented Data Tactics

Do you need a vacation? It may seem an odd way to start a discussion on data strategy, but it's an honest question. We're willing to bet that most readers will answer with a version of "YES", perhaps even accompanied by some adjectives and expletives!

At the risk of sounding like a downer, let's suggest that the real answer however, is "No". Why? Because what you likely really need is respite from the stresses of daily life (and there are a lot of stresses in the world right now). A vacation often happens to be an effective method of fulfilling that need. However, consider the vacations that didn't go to plan, the extra work before and after, the disrupted travel, and you may reassess a vacation's true effectiveness.

Not to be coy with words, but rather this is an attempt to make a point that's comparable to how individuals and companies currently think about data and data strategy. Brands and their leaders tend to think that data, whatever its source, is the panacea for whatever ails them. Yet, most brands are swimming in a vast sea of data with a seemingly unended belief that if they can just add a bit more, they will land on the shore of business paradise. It's a mirage that causes so many to drown under the weight of useless data.

Stepping off the plane for a week in Bermuda without a place to stay is hardly likely to achieve a goal of relaxation. Data sitting in a database without a strategy for how to build, nurture, and unlock the value is unlikely to achieve anything. Just as important is the strategy of how to plan for, leverage, and extract value from the asset.

What is a **DATA STRATEGY?**

A data strategy, like all strategies, must be a well-thought-out and intentional plan. Rather than cosmetic 'wants', it must focus on real, unvarnished 'needs', such as "We need to economically scale our market share of the customer wallet within the land of widgets" for example. But it must also go a step further, acknowledging what is missing and thus identifying the magic components that unlock the rest of the solution.

It must address in detail, what will be done to unleash the power of the assets being developed. It's the equivalent of having a sense of the attractions you want to visit on holiday, the restaurants where you want to dine, and the activities you want to take part in. Aligning your teams and processes, along with having a firm plan for capturing, storing, validating, and analyzing the data gathered is critical. Knowing how you will govern both the data and the insights gleaned, how your teams will make decisions based on the data, and how you will operationalize these decisions to deliver both internal and external value, is critical in avoiding drowning in an ever-deeper pool of data.

Finally, a data strategy must be actionable, adaptable, and culture forming. In other words, it must work within the contexts and limitations that every company faces – be that the skills and capabilities of internal teams, the technology platforms you are invested in, or the timelines for achieving the return on investment (ROI) demanded by shareholders. It also must have the ability to shift and change as conditions change. Most importantly of all, it must have the mechanisms for measurement, assessment, and communication that engenders your data strategy into the culture of the company itself. For it is only when an organization adopts a strategy as a way of life (or of doing business), that it truly has a chance of success.



Why do you **NEED A DATA STRATEGY?**

Let's leave analogies aside for now and get to brass tacks: Why is this all so important? It's not hyperbole to suggest if you don't have a data strategy today, you don't have a strategy at all and are in trouble.

There are three key reasons why you need a data strategy to be successful:

- 1 3rd party data has largely been eliminated. The wild-west days of non-permissioned data sharing and the assumption that all customers who buy shoes somewhere must look, act, and behave alike, are over. Whether it's due to the death of the 3rd party cookie or the rise of the "walled gardens" (and their opaque and proprietary data sets), brands now must rely on data they gather directly from their customers. It is the only source of customer truth and the foundation of trusting relationships.
- 2 In a world that is changing so rapidly, only the brands with strategic agility can pivot fast enough to stay ahead of the game. Changing customer expectations, regulations, and technology developments all create a demand for near-constant transformation. The only way to be successful in such an environment is to have a rock-solid foundation that can be easily built upon with whatever new technology, process, or regulation is coming down the pipeline next. No matter the transformation, it is always the data that drives success. Strategic agility and data strategy are therefore essentially synonymous.
- 3 If one of the ultimate goals for a brand is to scale and grow profitable market share, then it must find a way to do so without getting buried under capital and operational expense, and without being slowed by the burdens of burnout and friction. Many brands struggle to give key teams access to critical operational data. When companies don't trust their data, or worse, they spend lots of money replacing tech in the hope it will solve the problem, they risk neglecting what's most important, the fundamental data strategy.

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No matter the capital investment, no matter the sophistication of an executive dashboard, no matter the floorplan and "pod" structure for teams, a failure to have a data strategy will quickly render them obsolete and even counterproductive.



Why today's **APPROACHES ARE OFTEN INEFFECTIVE**

Even if you have a data strategy today, there is a good chance it is not as effective as you would like it to be.

There are several key issues that tend to cause this. Firstly, most companies have a **"data strategy"** that is too myopic and therefore more of a tactic than a strategy. If you are focused mainly on understanding and improving a conversion funnel, this is likely you. Whether it's a shopping cart, a lead form, a product adoption, or a registration, these discrete processes and events lack wider context to the customer and the business. Customers and transactions are not the same thing. Focusing on transactions is the business equivalent of playing **'Hungry Hungry Hippos'** – you expend a ton of energy collecting pellets, only to find that in doing so, you're just created a need to collect more, and more, and more.

Today's approaches also tend to be reactionary. While the maxim that "history repeats itself" may be true on a global level, it fails to articulate the context and nuance that drives so much of consumer behavior. Understanding the motivations, the drivers, triggers, opinions, and needs that foster transactions is ultimately more important and valuable than the transaction itself.

In combining these two points, we arrive at the primary reason your data strategy likely needs to change. Myopic and reactionary views combine to create tunnel vision, which provides a narrow view of a big picture. The result is a failure to account for how best to operationalize, how to deal with change, and how to be accountable. Not knowing what worked and what didn't, can be utterly disastrous.



How to BUILD A BETTER DATA STRATEGY

Let's talk approaches. While there are far more actions to take than we can reasonably cover here, there are three shifts in approaches that are particularly important and so often overlooked:

- 1 Change your paradigm and think of your customers as more than a breadcrumb trail or clickstream.
- 2 Build around the fact that at the end of the breadcrumb trail is a customer, not a transaction.
- 3 Plan deeply around what you really want to know, which you can't get anywhere else.



I will grant you that the first two sound almost identical, but there are important differences. The first shift requires letting go of the traditional approach used for the past 30 years. We have all become too accustomed to basing our analysis, planning, and decisions on views that are too narrow to be of real value to the customer or the brand.

This approach has been based on (often wrong) assumptions; if someone visits content or products about birdseed, that person is therefore a bird lover. Worse, we then assume that this is basically all they are, until some new discrete piece of data comes in that is equally narrow in its view.

The business-to-business (B2B) space has been equally prone to this mistake. Just because someone downloaded your whitepaper or registered for your webinar, does not mean they want to buy your services. They may well be educating themselves for career development or they may be struggling to solve bigger business problems than what Software as a Service (SaaS) product to buy next.

By realizing that each click, each download, each view is just a piece of the puzzle, and not the puzzle itself, we have an opportunity to create genuine dialogue and long-term value for customers. The birdseed buyer may have been shopping for someone else and the real value lies in recognizing and accepting that. The birdseed is but a tiny puzzle piece.

Similarly, by looking at a much broader picture of someone who downloaded a paper on email strategy, we can identify and take action to support this person on their wider journey. We may discover the person is struggling to grow and scale an audience and struggling to connect with them in relevant ways. Even if you sell email platforms, treating this prospect as an individual with much broader ambitions will allow you start the true transformative discussions that place your brand at the heart of this prospect's future plans (rather than simply pushing a certain product in isolation).

In short, don't be myopic, be epic in your view of those who interact with you.

This takes us to the next big shift that needs to be made: focusing on customers instead of transactions. This is a mistake that almost all brands, regardless of sector, are guilty of. The allure of the transactional view is easy to understand. It's a trigger point, be that for revenue, lead volume, donations, or registrations. However, in addition to its narrow scope, it is rooted in the past and is not the actual source of value to your business. Just because a transaction occurred does not mean it was profitable. It doesn't mean it was scalable. It's just a transaction – a point in time that may have had some value, but its value drops rapidly from the moment it occurred.

Customers, on the other hand, are the true source of value. If you can attract and retain relationships with customers, not only do transactions follow, you also get marketing vehicles, research and insights, brand advocates, and profit generators. You get to build a business that matters, which has genuine impact and purpose. That is not to say you must save the world or somehow become transcendent. It's just to say that transactions are no more than checkpoints, signposts, or building blocks.

To build around a customer instead of a transaction requires knowing your customers, their motivations, drivers, aspirations, needs, and challenges. It is the easiest thing to conceive but one of the hardest to do. That's not because of limitations on technology, legal compliance, or a lack of a compelling economic model, but simply because it is hard to build a new habit and to take a risk by doing things differently.

There are only two steps to take here: figure out what you really want to know about your customer and determine how you would use that information if you had it.

So, what do you want to know? This may sound like the simplest of questions, but it can be a difficult paradigm shift for many marketers. It can help to look at it in comparison to what you already know (even if you don't KNOW that you know it).



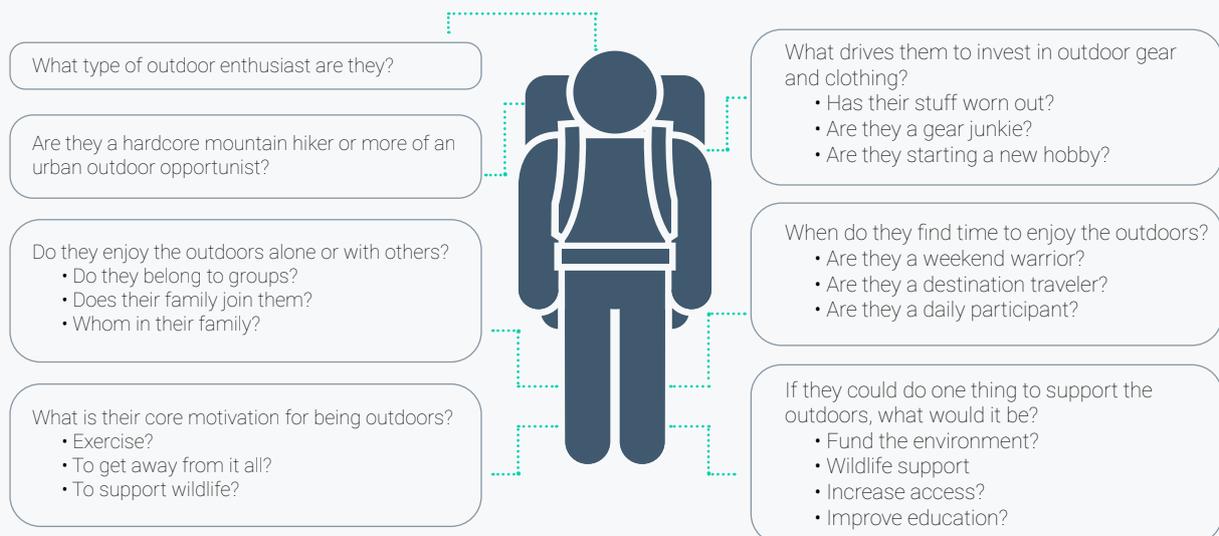
You likely already have a ton of historic and event-based information like:

- What content has been viewed
- What events have been attended
- What products and brands have been purchased
- What websites were visited prior to yours

While this information is potentially useful, what you REALLY want to know are things like:

- What motivated someone to visit your brand
- What triggered someone to interact with your brand
- The context in which your product or service is going to be used
- A customer's likes, dislikes, worries, needs, and desires

Let's use an example. If you were a seller of outdoor gear and apparel, the real insight comes not from knowing what products, brands, and price points a customer is interested in, but in knowing the answers to the following:



Armed with this type of personal information, information not available from any other source, a brand has the insight, knowledge, and a relationship on which to build a true long-term relationship. You've moved beyond the trite, the inferred and the historical, to the personal and can capture not just the next revenue opportunity, but the heart and mind of customers. You can now distinguish yourself from the crowd and stand out as someone, something, or someplace your customer truly relates with and depends upon.

How to **EXECUTE ON YOUR DATA STRATEGY**

Two questions remain; how do I capture this data and what do I do with it? The latter question is easy. You likely already do it, just with inferior data. Build more personalized experiences, marketing campaigns and content. Deliver the right service and offers at the right time and place. The real question is how to capture this data in the first place.

There are a few key elements you should have in place to accomplish this.



The ability to **ask** straightforward questions to your customers, ensure they clearly understand how their answers will be used, and have a way for them to provide consent.



The ability to **grow and adapt** experiences that are informed by those interactions.



The ability to **provide** fair value exchange, encouraging the customer to come back for more.

Having the ability to ask the questions you really want answered is a matter of identifying where and when to ask given sets of questions, with the ability to record the consent and the answer, such that you don't repeatedly ask the same questions each time the customer comes back. You can do this almost anywhere along your customer journey that is relevant to the discussion you wish to have. Classic and effective places to consider include, but are not limited to:

- Account registration pages/processes
- Marketing communication signup pages (email, SMS, etc.)
- Confirmation pages
- 'My Account' sections
- Major content sections

This can be as simple as adding an extra question to the email signup form or as complex as building sophisticated progressive profiling questions delivered each time a customer returns (based on an engagement algorithm over time).

It is this more sophisticated path that really sets brands apart and generates deep relationships with customers. To execute this, think not only about how to ask more questions, but how to link the various data capture touchpoints together in meaningful ways. By thinking holistically about the customer journey, you can tie data capture points together into a seamless experience – one that adapts the questions and content based on the data the customer has already provided at other points in the journey. This allows the experience to become deeply engaging, rather than a seemingly random set of disconnected questions that risk being perceived as overly aggressive.



The last piece is perhaps the most critical. No one wants to feel like you are fleecing them for data. Their data, opinions, feelings, and motivations are all deeply personal and highly valuable. Most often, so long as there is trust and transparency, customers will be willing to share far more with you than you might think. The key to making it happen is respecting your customer by giving them something of appropriate value in return for engaging with you and providing you with this information.

The trick here is in realizing that providing value is not necessarily the same thing as providing discounts or other such offers. Too many brands equate value to financial incentives (usually via some type of coupon code or discount). This can reinforce the belief that brands are just trying to buy customers. There are times when financial incentives are appropriate; but it just needs to be one of multiple types of strategies for rewarding customers.

Most customers feel better about the "value" they could receive in exchange for their data if it is something they choose, rather than something the brand forces upon them. They also tend to feel more respected and listened to when it incorporates non-monetary value exchanges that are deeply relevant to their interests. Value comes in many forms.

Customers very often respond well to concepts like recognition, early access, privileged access, gated content, access to educational content and the provision of useful, relevant tools.

By adding a variety of monetary and non-monetary value exchange opportunities and combining them with intelligent opportunities for customers to share valuable information, a platform of engagement emerges. This platform has several significant benefits to the traditional way of engaging with customers. It encourages repeat visits and engagement, effectively turning one-way marketing into a two-way dialogue with customers. While marketing messages tend to be short lived and discrete, the types of engagements discussed here will very often last weeks, even months. By leveraging data strategies that connect to their customer experience, brands can often take their average customer engagement from 3 days to over 12 months. This is significant.

Whether you build your strategy with existing technology and resources, or leverage dedicated tools and expertise via the likes of 3radical, move beyond yesterday's approaches and build a data strategy that delivers value to both you and your customer along the way. Doing so will be the difference between success and irrelevance in today's world, which is dominated by customer control, demands for privacy, transparency and consent, and an overwhelming desire from customers to reduce noise and focus on what, and whom, matters most to them.

About 3radical

3radical is a consumer data acquisition and audience engagement solutions provider. We give organizations an innovative way to achieve unprecedented engagement and earn data directly from their audiences through 3radical's award winning Voco software. Supported by comprehensive strategy and execution services, business users have the ability to quickly create and publish interactive digital experiences based on a wide array of gamification mechanics and rewards. These compelling online experiences are delivered directly to each recipient and optimized by preference data, real-time decisioning, and learning based on billions of interactions. Every exchange results in fully-permissioned, "earned data" provided willingly by the individual in a transparent, mutually beneficial environment – critical to informing the business and elevating communication strategies, especially as other data sources become less effective. 3radical operates globally through offices in North America, the UK and Asia Pac and serves major brands across a broad range of industries.

For more information about 3radical,
please visit:

www.3radical.com

3radical

UK

Desk Lodge House, Redcliffe Way,
Bristol BS1 6NL England

+44 117 205 0150

SINGAPORE

111 Middle Road, #03-02,
National Design Centre
Singapore 188969

+65 6970 6400

U.S.A

564 W. Randolph Street
2nd Floor, Chicago,
Illinois 60661, USA

+1 312 646 2542

w: www.3radical.com

e: info@3radical.com

t: [@3radicaltweets](https://twitter.com/3radicaltweets)

l: [linkedin.com/company/3radical](https://www.linkedin.com/company/3radical)