EXECUTIVE SUMMARY: TRANSFORMING THE RETAIL CMO THROUGH DATA-DRIVEN MARKETING

Retail has gone through a seismic change. Consumer interactivity is at an all-time high as digitally savvy customers access more information than ever and, in turn, constantly pass data back to the retailer. In return, however, consumers expect both better communication and better service. And they demand that companies digest and *filter* information back to them accordingly.

All of these shifts have redefined the role of marketers, who must find new and better ways to engage customers beyond the point of sale. That means having access to data from every channel at their fingertips. It's this data deluge that has CMOs facing a new challenge: how to access the right information at the right time to create strategies to meet the demands of shoppers and gain significant competitive advantage. But that same deluge has also created unprecedented opportunity – the chance to showcase a marketer's value to the organization by delivering customer-centric solutions and services that are relevant at all touchpoints.

Today's CMO can take advantage of the power of predictive analytics and big data to build stronger customer connections. How? By following three key strategies for turning today's wealth of data into business-impacting decisions and customer-centric marketing campaigns.

STEP #1: **Integrate and understand data across multiple commercial channels or touchpoints**

This first step entails taking an in-depth inventory of an organization's environment, beginning with developing an understanding of all consumer interaction points. Today's CMOs, however, face two distinct challenges: identifying all the available sources of data and then integrating the data into a comprehensive, 360-degree view of the customer across all channels. In addition, CMOs must determine what key business questions to ask of an organization's data. By asking tough questions, and getting the answers to long-held queries, smart marketers can discover what's been missing from their data, and how to gain a real competitive edge in today's global marketplace.

STEP #2: **Analyze and discover the value and meaning of data – and learn the right lessons**

CMOs must learn to listen to customers across all touchpoints and constantly test their marketing and engagement strategies so they can gain true insight into behaviors across multiple channels. Having this kind of insight helps marketers evaluate marketing spend and its effectiveness in driving path to purchase. Customer purchase analytics, along with path-to-purchase analysis, and revenue attribution, allow marketers to evaluate what their customers are buying; where they are buying; and what is influencing their buying decisions. Having this kind of insight helps marketers evaluate marketing spend and its effectiveness in driving path to purchase. These types of analytics combined with predictive analytics, that allow marketers to build a model, test it, learn from it, and then build the next model, help marketers constantly find opportunities to improve their customer engagement strategies.

STEP #3: **Act and optimize marketing operations for excellence**

As customer segments become more and more fragmented due to increased ways for shoppers to buy, learn and influence, the need for customer segmentation is growing in importance. Well-crafted marketing campaigns that leverage knowledge about your customer segments is a time-tested solution for driving revenue for a company... and enhancing the customer experience. Success, however, also requires a campaign management system with strong linkage into marketing resource management tools so that budgets, processes, and assets are all integrated to deliver an effective data-driven program with benchmarks and measurements.

> "Big Data could help U.S. retailers boost margins by 60%."
>
> McKinsey Global Institute

10000 Innovation Drive Dayton, OH 45342 teradata.com

TERADATA. THE BEST DECISION POSSIBLE™

The Best Decision Possible is a trademark, and Teradata and the Teradata logo are registered trademarks of Teradata Corporation and/or its affiliates in the U.S. and worldwide. Teradata continually improves products as new technologies and components become available. Teradata, therefore, reserves the right to change specifications without prior notice. All features, functions, and operations described herein may not be marketed in all parts of the world. Consult your Teradata representative or Teradata.com for more information.

EB-6659 10.12 Copyright © 2012 by Teradata Corporation All Rights Reserved. Produced in U.S.A.