KEY LEARNING SUMMARY

Leading Marketing Excellence with Analytics

A HARVARD BUSINESS REVIEW WEBINAR FEATURING

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and **Adele Sweetwood**

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Leading Marketing Excellence with Analytics

OVERVIEW

Customers expect a great deal out of every experience they have with a company. Every touch point is a marketing opportunity with the potential to shape opinions and sell. What can enable a company to win customers over, consistently, offering the efficient and seamless experiences they expect? The answer: marketing analytics.

Yet companies generally find it difficult to realize the full potential of marketing analytics to optimize the customer experience and maximize profitability. The panelists, however, show it is possible to use marketing analytics effectively. Their experiences have imparted a strong belief in the need to bust organizational silos, integrate marketing and IT, and approach marketing with an analytics mindset.

CONTEXT

The panelists discussed what it takes for companies to reap the value of marketing analytics. The webinar was broadcast live from a SAS-sponsored conference in Las Vegas.

KEY LEARNINGS

Marketing analytics can be deployed in multiple ways to enhance customer experiences.

The experiences of these panelists showed that marketing leaders are spearheading efforts to leverage marketing analytics. They are each using analytics to optimize profitability by enhancing the customer experience. Analytics can also help focus the entire organization on creating a consistent customer experience; such focus helps create the customer-centric culture that is key to business success.

Enhancing the customer experience, however, means different things for each, as customer value propositions differ:

- **Synchrony Financial.** Formerly GE Capital Retail Finance, this recent GE spinoff provides store-branded and private-label credit cards. Enhancing the customer experience means providing the best value proposition to incent customers to use store cards versus some other form of tender. Using data on individual customers' past behavior, analytics determines whether to offer rewards points, discounts, promotional offers, etc. Predictive analytics goes into encouraging desired customer behavior too (i.e., actions like using the card early).

CONTRIBUTORS

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Angelia Herrin (Moderator)
Editor, Special Projects and Research, *Harvard Business Review*

- **Visa.** As a network that processes credit card transactions, Visa is a B2B company. But it is also a "B2B2C," using its voluminous transactional data to help credit card issuers like Synchrony do value-proposition matching. Visa uses IT solutions to create seamless transactional experiences, as instantaneous as possible while still protecting consumers against fraud. Innovations like the Visa Checkout app further extend this value proposition, making smartphone purchase transactions faster and easier for the user.

- **Las Vegas Sands.** What Sands sells is customer experience. Its multiple properties include not just casinos but exposition centers, shows, spas, museums, restaurants, and hotels. Analytics are used to optimize profitability in multiple ways affecting the customer experience, such as what free offers to make to loyalty club members, who gets a room when capacity is tight, and optimal placement of gaming machines. Because the gaming industry is heavily regulated, Sands can use only internally generated customer data; that is, from its own transactions or from loyalty club members. But there is a viable and untapped source of customer data to mine: the wealth of publicly available online data (e.g., matching TripAdvisor reviews to individuals).

- **SAS.** SAS is a B2B company that provides analytics solutions to help clients serve customers. But SAS also uses analytics in its own customer-focused business and marketing efforts. Increasingly, Sweetwood is incorporating analytics into marketers' work, and marketing is being blended with customer service. Analytics are integral to learning from customer service interactions how best to engage, support, and talk to individual customers. This requires a new marketing mindset. In an age when customers educate themselves before contacting providers, marketers can no longer try to lead prospects by the nose; they need to discuss what prospects want to hear. Analytics points the way.

In the new marketing mindset, all is marketing. Technology is the enabler.

The specific ways that companies deploy analytics differ by business model, but the general way that these panelists see marketing, technology, and analytics is similar:

- **Marketing is everything.** In a sense, everything an organization does is marketing, because nearly everything touches the consumer and influences perceptions of the organization. For example, Cleveland Clinic even sees electronic health records in this light. In one respect these electronic records are IT, but they are also a marketing opportunity. As a result, the CMO and CIO are working together.

- **Technology is integral to marketing.** Since optimizing the critical marketing function requires analytics, this enabling technology is now integral to marketing. Sweetwood discussed "creating an analytics culture [in how SAS does marketing]." At SAS, marketers don't go to an IT function for analytics; they do it themselves. They are educated and equipped with the tools and knowledge to use analytics for decision making.

> "The customer experience . . . is the most important thing for an organization, and to enable that most important thing, you need . . . the best technology."
>
> **– SANJAY SIDHWANI**

> "Prospects now have lots of information before they have a conversation with you. . . . We need to converge all of our information and . . . base the conversation on what they want."
>
> **– ADELE SWEETWOOD**

> "Every touch point is a marketing opportunity. . . . Technology has to enable it to do it in an an efficient, consistent way."
>
> **– ROM HENDLER**

Even the most cutting-edge companies still find marketing analytics tough.

A recent survey of Harvard Business Review readers surprised the folks at HBR. Even the small group of respondents who rated themselves as "leading edge" in marketing analytics were not where they wanted to be. Most were enjoying growing revenue, market share, profitability, and customer retention as a result of analytics, comparing favorably on these metrics versus self-proclaimed laggards. But they were not yet using analytics and technology to create seamless customer experiences or innovate. The reason: "This stuff is hard."

The source of many challenges is the difficulty of integrating silos.

When asked why companies widely find marketing analytics so difficult, the panelists described many operational challenges. A central theme to using marketing analytics most effectively is the need to integrate organizational silos as well as data and people silos. Specifically mentioned as challenging are the needs to:

- **Integrate data silos across the organization.** A basic challenge in implementing marketing analytics systems is that the data needed resides in many places within the company.

- **Replace legacy data systems.** Legacy systems are expensive to replace, but switching to systems that allow customers to be better served can be a difficult cultural change. This is both a systems and mindset issue.

- **Integrate silos of marketing efforts.** When Rom Hendler was CMO, his efforts to develop a cohesive sales and marketing function across all regions, and align marketing with strategy, ran up against the attitude that each business—casinos, hotels, etc.—required its own marketing function: "Nobody thinks they should have their own IT organization or their own HR, but everyone thinks they need their own marketing function."

- **Break functional silos.** For Synchrony to roll out technology letting retail customers apply for store cards via smartphone while in the store required cross-function collaboration, not just between IT and marketing but also involving risk management, designers, and others.

- **Make CIOs and CMOs "best buddies."** Marketing and IT need to work closely together, in alignment with organizational priorities. An easy way to foster collaboration is for the two departments to share work space, as is the case at Synchrony. Falkenborg recommends regularly getting business and technology people together to work out strategy details. "Simple thing: Get together in a room, create your requirements together, and you've laid a strong foundation. Along the way, continue to engage."

"There are new systems that enable us to serve customers better [than our legacy systems], but there's often a legacy mindset making these types of dramatic changes difficult. So I think it's a systems and mindset issue."

– **NATHAN FALKENBORG**

"The relationship between the CIO and CMO is paramount. . . . We've solved this [challenge] by physically putting IT and marketing together, in an innovation station that feels more like Silicon Valley than a banking environment."

– **SANJAY SIDHWANI**

- **Get the entire organization to "think as one," sharing the same view of each customer.** Another challenge is that customer-facing functions may see and treat individual customers very differently than analytics suggest is the best way. With analytics, everyone who interacts with a customer knows whether the person represents high or low spending potential to the organization.

- **Embed analytics in Marketing.** To equip non-tech-oriented marketing people to use analytics, SAS created Analytics Center of Excellence groups.

Learn More

Read about how to build a marketing analytics culture: http://go.sas.com/4wu42n

For more details about SAS Customer Intelligence: sas.com/customer intelligence

To get fresh perspectives from marketing practitioners: http://blogs.sas.com/content/customeranalytics/

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SAS is the leader in business analytics software and services, and the largest independent vendor in the business intelligence market. SAS Customer Intelligence solutions offer the processes and technologies that allow marketers to plan, coordinate and evaluate the success of their marketing initiatives. By putting data in the hands of business users, marketing programs become more effective and the organization becomes more efficient in execution. Deeper insights from data gathered help organizations to become customer-centric by understanding their customers better and improving customer loyalty. Since 1976 SAS has been giving customers around the world THE POWER TO KNOW®.

BIOGRAPHIES

Nathan Falkenborg
Vice President, Head of Business Intelligence, Visa Analytics

Nathan Falkenborg is the Head of Business Intelligence for Visa globally. He is responsible for turning data into relevant and consumable insights that inform decision making, identify opportunities, and cultivate a measurement focused culture.

Falkenborg was previously the Head of Analytics for Visa across Asia Pacific, Central Europe, Middle East, and Africa. He built and operated the high-performing analytics unit in Singapore and Dubai. He was also previously the Regional Director of Affluent Products for the APCEMEA region. Leading premium product strategy and execution from South Korea to South Africa, he and his team helped issuers find new ways of serving affluent cardholders.

Under his leadership as the Head of Consumer Credit Analytics for the North America region, the team developed powerful and flexible analytical capabilities that drive deep consumer insights, and empower banks to serve their customers better through actionable segmentation.

Falkenborg began his career at Visa in 2006, as a Director of Product Management Consulting. Prior to joining Visa, he developed product and marketing strategies for GE Money and Providian Financial.

Falkenborg earned a MBA from the Sam M. Walton College of Business at the University of Arkansas, and a Bachelor of Arts from Saint Mary's College of California.

Rom E. Hendler
Chief Administration Officer, Las Vegas Sands Corporation

Rom currently serves as the Chief Administration Officer for the Las Vegas Sands Corporation, a position he has been heading since August 2013. In his current role he oversees the global budgeting process, capital expenditures spent, project management, financial reviews, and corporate travel. In his role Hendler drives process enhancement, efficiencies, and labor analysis, and streamlines approvals and standardization of operation procedures.

Hendler joined the Las Vegas Sands in 2000. Through several promotions he eventually held the title of Senior Vice President & Chief Marketing Officer overseeing Global Sales & Marketing efforts worldwide from October 2010 to August 2013.

In December 2012, Hendler was appointed interim Chief Information Officer until July 2013 when a new CIO was hired, while keeping his CMO position. In October 2009 he was appointed Corporate Vice President of Strategic Marketing, responsible for developing best practices for marketing analytics, distribution strategies, CRM, revenue management, e-commerce, loyalty programs, direct marketing, casino floor optimization, and standardization of marketing systems among all properties.

In 2007 he was appointed Vice President of Strategic Marketing for the entire complex consisting of the Venetian and Palazzo 7,093-suite properties.

Sanjay Sidhwani
VP, Marketing Analytics, Synchrony Financial

Sanjay Sidhwani took his role as the marketing analytics leader for Synchrony Financial (formerly GE Capital Retail Finance) in September 2011. In this role, Sidhwani is responsible for creating the overall data strategy, developing analytical /data platforms, and generating actionable insights to drive profitable growth for all sales platforms across the business. This includes identifying new external data sources, building predictive tools to optimize marketing investments, creating comprehensive customer-data environments, and developing analytical talent across the organization.

Prior to assuming the analytics leader role, Sidhwani was the targeting and segmentation leader for GE Capital Retail Finance. In this role, he was responsible for developing enterprise-wide advanced analytics tools and targeting strategies for all retail card clients. Prior to this role, Sanjay was the analytics leader for several specialty retail clients.

Prior to joining GE in 2007, Sidhwani held multiple analytics and consulting roles at Merkle Inc., Ernst & Young, and FedEx Corporation. Sanjay has spoken at several industry events on the application of data in financial services and has authored/co-authored multiple white papers on retail/customer analytics.

Adele K. Sweetwood

Vice President, Americas Marketing and Support, **SAS**

Adele Sweetwood leads Americas Marketing and Support at SAS, the largest independent vendor in the business analytics market. She fosters the exploration of customer experience strategies, directing efforts across field and digital marketing, demand generation, retention marketing, and analytical marketing services, and she manages the investments for advertising, search, and social media marketing channels. With an emphasis on building an analytical culture in marketing, she has enabled her organization to deliver consistent results with a strong impact on overall revenue.

Sweetwood is a leader in innovation, overseeing SAS' award-winning Executive Briefing Center, where customers, prospects, and partners meet and network to bring new insights to their businesses.

In addition, she is on SAS' Global Marketing Board, collaborating with her peers to develop and promote cross-regional marketing strategies.

Angelia Herrin (Moderator)

Editor, Special Projects and Research, **Harvard Business Review**

Angelia Herrin is the editor for special projects and research at HBR. Her journalism experience spans 25 years, primarily with Knight-Ridder newspapers and *USA TODAY*, where she was the Washington editor. She won the Knight Fellowship in Professional Journalism at Stanford University in 1990. She has taught journalism at the University of Maryland and Harvard University.

Prior to coming to HBR, Angelia was the vice president for content at womenConnect.com, a website focused on women business owners and executives.