



3 Critical Components of Successful Data-Driven Marketing

In very simplistic terms there are three critical drivers of a successful data-driven marketing campaign.

1. **Targeting criteria**
2. **The offer** (product and positioning)
3. **The creative** (the ad design and brand elements)

Targeting Criteria. This is the most critical component of direct marketing campaigns; it identifies the bank customers who receive specific offers and how the offers are presented. For example, two possible media options for a direct marketing campaign are; email or snail mail.

With either media, the ability to target distinct customer segments is directly related to the success of your campaign. If you are putting together a home equity cross-sell campaign to existing customers it is important to select a group of customers who are not only interested in a home equity product, but who own a home.

You start the discovery process to identify HELOC prospects by looking at customers who already have a home equity line of credit. Once completed, the next step is to look at customers with the same demographics who do not have a HELOC. There can clearly be more than one segment of customers that have home equity loan.

We can use this information as the starting point and keep refining the targeting criteria with additional customer data that might include a customer's product usage, home ownership,

length of this ownership and incidence of children (by age). Additional analytics of this group by age can begin to identify the motivation for product purchase; such as college tuition, home improvement or even a second home purchase.

The Offer. Developing the offer is a direct result of your work with targeting criteria and the ability to create distinct targets of customers with specific needs for purchasing the product. The offer addresses the “buy motives” of these specific customer segments and maximizes responses by utilizing all the knowledge gained regarding preferences for media, messaging and brand portrayal. Messaging, structuring of product fees and service delivery can all be configured to make the direct marketing campaign more compelling to specific targets within the overall campaign.

The Creative. With the first two components we have identified discrete groups of customers with similar motives for purchasing your institution's services/products. We have also worked to maximize our responses to these groups by keeping in mind the preferences they have with regard to product structure, media, messaging and brand.

With data driven marketing, the creative becomes a more tactical aspect of the total marketing campaign. While it is still important to reinforce your bank's brand and to use language and graphics that encourage customers to read the promotion – in the data driven marketing campaign it is not the top priority.