snowflake®

5 REASONS B2C MARKETERS SHOULD CARE ABOUT THEIR DATA PLATFORM

Shatter data silos, understand your customers, inform marketing and merchandising decisions, and more.

CHAMPION GUIDES

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SHATTER SILOS AND UNLOCK YOUR DATA'S TRUE POTENTIAL

It's been almost a decade since the term "big data" became ubiquitous, and investment by marketing organizations in technology to harness the benefits of big data has increased dramatically ever since. A 2018 Forrester survey found that 64% of global B2C marketing decision-makers said their companies planned to increase their investments in data and analytics technology.[1]

The power of data to personalize content, experiences, and offers to individual customers, and to optimize media and channel mix decision-making drives these increased investments. But data collection is only one piece of the puzzle. The ability to access and act on data in real time has become a key differentiator for companies that successfully leverage their data. Still, data silos—the practice of storing different types of information in separate, disconnected systems—often prevent that from happening.

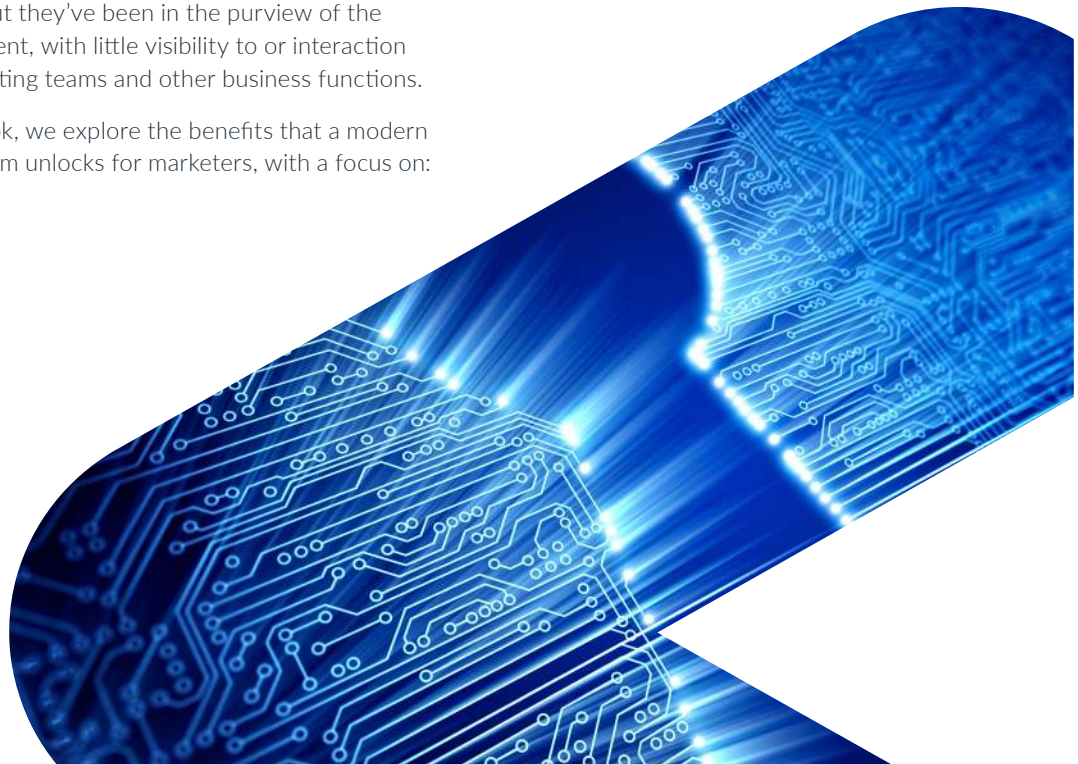
The problem of data silos isn't going away. Forrester analyst Jay McBain predicted the number of companies in what he describes as the "channel software stack" would increase from roughly 100,000 in 2017 to 1 million by 2027,[2] notwithstanding the fact that CMOs wish for less complexity.

So how can marketers ensure they're extracting maximum value from their data? How can they make their data accessible and actionable in real time? The answer may lie in a cloud data platform where all of a company's data can be securely stored and then seamlessly accessed by technical and non-technical users alike.

The idea of a data platform that brings all of a company's data together isn't new; legacy data-warehousing technologies have existed for decades, but they've been in the purview of the IT department, with little visibility to or interaction from marketing teams and other business functions.

In this ebook, we explore the benefits that a modern data platform unlocks for marketers, with a focus on:

- Obtaining a holistic view of customers to deliver personalized experiences, increasing loyalty, and lifetime value (LTV)
- Increasing speed to ROI by enabling data and analytics teams to be more agile
- Harnessing predictive analytics to improve customer experience and inform spend, channel mix, merchandising, and other key marketing decisions
- Attracting and retaining high-value analytics talent
- Getting ahead of IT and regulatory compliance requirements



[1] "Research Round-Up: Artificial Intelligence for Marketers." Forrester. https://bit.ly/2KvqAPE
[2] "The Channel Software Stack — A Comprehensive (and Critical) Look at the Future of the Industry." Forrester. https://bit.ly/35cwxc2

REASON 1: INCREASE CUSTOMER LIFETIME VALUE THROUGH PERSONALIZATION

When it comes to increasing loyalty and retention, many brands are operating at a disadvantage due to their customer data being held in silos, which makes it difficult to obtain the deep insights that marketing personalization at scale requires.

To appreciate the magnitude of the problem (and the resulting opportunity), consider how much data today's marketers are swimming in:

- Purchase data, which shows what customers have actually bought
- Website traffic data, which sheds light on the path to purchase
- Email and mobile app data, which also reveals details about the path to purchase
- Paid media data, which unlocks insights about where customers are coming from and the touchpoints influencing their decisions
- Loyalty program data, which provides key insights into the attributes of existing high-value customers

These troves of data are often stored in different places, making it extremely difficult to connect the dots and obtain a complete picture of who your customers are and what their journeys look like. As a result, many marketers are missing the opportunity to cultivate high-value customers through personalized content and offers. And when customers with a proven affinity for your brand aren't getting the best experience, you are leaving revenue potential on the table.

Enabling informed decision-making:

Lilly Pulitzer

Before high-end women's retailer Lilly Pulitzer adopted a cloud data platform, the brand's data and analytics teams used multiple systems, making it impossible to get a handle on all the data they needed at once.

"Even if we did, those systems would not necessarily agree with each other," said Lilly Pulitzer's Max Beaumont, Head of Business Intelligence.

After implementing Snowflake, Lilly Pulitzer started benefiting from a unified reporting system enabling business teams to make informed and sometimes counterintuitive decisions. For example, when the brand started a free-returns initiative, they expected new customers to be the largest segment placing returns. Instead, leveraging the capabilities of their new cloud data platform, they learned that existing customers were the ones most likely to take advantage of the policy. As a result, the brand shifted its marketing strategy to promote the initiative as a value-added benefit for existing customers.

Advanced analytics have also enabled an omnichannel customer experience at Lilly Pulitzer.

"[An] associate can very easily walk up to [a customer], tell her about her past purchases, and help serve her even better," Beaumont said.

REASON 2: INCREASE SPEED TO ROI BY MAKING YOUR ANALYTICS TEAMS MORE AGILE

At organizations that rely on traditional data warehouse technology, concurrent queries on the same data sets cause performance delays for everyone. Combine that with the delays caused by the need to access siloed data and the reliance on multiple teams to transform or package that data for business users, and your marketing team may be spending more time waiting for data than using it.

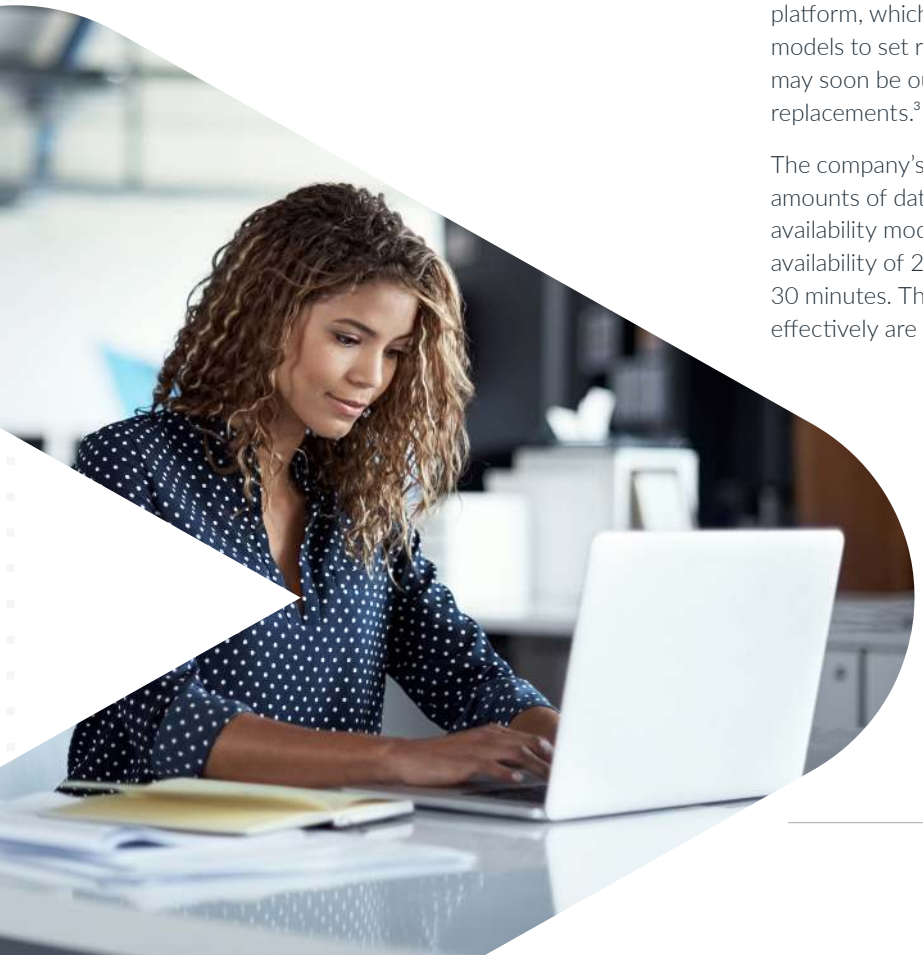
A cloud data platform can reduce the time to value of data significantly, enabling the entire team to work in parallel and on more-complex problems, with more data. Cloud data platforms allow teams to stay more focused, engaged, and productive instead of splintering their attention between other tasks as they wait for complex queries to finish running.

Teams can also be freer to experiment, try new queries (for example, does sentiment data from Twitter correlate with purchase size?), and make new connections without fear of slowing down or "breaking" core activities. The result is increased speed to ROI and the ability to report on the performance of new programs and technologies available to senior management and C-level executives much faster.

Streaming data ingestion combined with low-latency processing also unlocks faster product iteration cycles, because metrics and feedback from product updates become available much more quickly—in a matter of minutes, not days.

REASON 3: HARNESS PREDICTIVE ANALYTICS TO DRIVE SMARTER DECISIONS

Cloud data platforms also power predictive analytics, enabling scenario modeling to inform decisions about media spend, channel mix, and merchandising and to improve customer experience.



In practice, this means brands can do things such as identify look-alike segments with the attributes of existing high-value customers and target ads and offers to them or identify existing customers at risk of churn and proactively improve their experience.

Advanced product and inventory analytics also become possible. Take Instacart, the grocery-delivery platform, which has built sophisticated prediction models to set realistic expectations about items that may soon be out of stock and recommend acceptable replacements.[3]

The company's 100,000 shoppers generate vast amounts of data, which powers Instacart's item availability model that constantly predicts the availability of 200 million grocery items every 30 minutes. The stakes of the model operating effectively are high: Customers will have a poor experience if they go to the site and complete an order, only to realize when the order is delivered that not all of it could be fulfilled.

Marketers are increasingly aware of the benefits of predictive analytics, though execution remains challenging due to data silos. Only 16% of the respondents to a 2018 Harvard Business Review survey said they work in organizations that already perform predictive analytics, compared with 51% that were planning to do so within the next two years.

The gap between current adoption and future intent to execute is even wider for "prescriptive" analytics, which goes beyond forecasting outcomes to outlining recommendations and automating future decision-making. Seven percent of respondents said their companies were practicing prescriptive analytics, compared to 37% whose companies were planning to roll it out in the near future.[4]

Marketing organizations committed to rolling out predictive analytics should carefully evaluate their data platform and consider upgrading to a modern solution that enables speed, concurrency, and instant scalability. Data and analytics teams require real-time access to a wide variety of data streams in order to build effective models and execute their queries quickly. That isn't possible if data storage is happening piecemeal, with some information kept in a data mart, some in a data lake, and some in an on-premises legacy system.

[3] "Predicting the real-time availability of 200 million grocery items." Medium. https://bit.ly/33hkQzG
[4] "An Inflection Point for the Data-Driven Enterprise." Harvard Business Review. https://bit.ly/2rMoTqq

REASON 4: ATTRACT AND RETAIN DATA AND ANALYTICS TALENT

Virtually every marketing organization is hungry for data and analytics talent, but hiring and retaining data analysts and data scientists can be a struggle, even when your company is offering competitive (and sometimes uncomfortably high) salaries, extensive benefits, and flexible working arrangements to these valuable employees.

A recent report from IBM estimates that there will be more than 2.7 million positions for data and analytics talent in the U.S. by 2020.[5] Demand for this talent far outpaces supply, which means candidates get to be selective.

Strong talent is required to harness the full power of a company's data. According to a 2018 report by the National Association of Colleges and Employers (NACE) about the challenges of recruiting for data roles, more than 38% of respondents said their companies didn't currently have the technology infrastructure required to derive value from their data.[6] This is significant because a company's infrastructure—or lack thereof—can be a large factor in the decision-making process of whether to take a job or stay in one.

A lack of flexible and scalable infrastructure to support their work is one of the primary drivers of turnover among data workers, especially when they spend the vast majority of their time on "data wrangling" tasks, such as the process of transforming raw data to make it usable for downstream purposes. A cloud data platform can automate or eliminate this sort of tedious and time-consuming manual work.

At a time when data workers are expensive and easily persuaded to move to greener pastures, marketing organizations can make their data and analytics jobs more desirable by implementing a cloud data platform. A data platform can eliminate many of the tedious manual tasks data analysts would otherwise need to perform, freeing them to focus on higher-impact work.

The bottom line is that your data and analytics team is expensive, especially if you have high turnover. By investing in technology and a data architecture that supports them, recruiting and retaining of technical talent can become a competitive advantage for your organization.

[5] "The Quant Crunch: How the Demand for Data Science Skills Is Disrupting the Job Market." https://ibm.co/2CUy2zv

[6] Key Skills for the Future: Data Analytics and Cybersecurity." NACE Center. https://bit.ly/37jOzLF

REASON 5: GET AHEAD OF INFORMATION TECHNOLOGY AND REGULATORY COMPLIANCE REQUIREMENTS

Amid constant concern about budgets and ROI, marketers are also entering an environment of increased regulation and compliance requirements. A cloud data platform can help alleviate the pain on both fronts.

USING A CLOUD DATA PLATFORM TO ENABLE COST-EFFECTIVE COMPUTING FLEXIBILITY

One of the biggest sources of tension between marketing analytics and IT teams arises from the marketing team's need to scale the business and the IT team's imperative to guard against budget overruns. Marketing personalization models play into this dynamic, because they require petabytes of data to execute, and computing power at that scale can become expensive.

As marketing organizations seek to increase customer lifetime value through personalized content, offers, and experiences, they will require a larger amount of computing resources—but sometimes only for short bursts of time. Legacy on-premises data warehouses aren't well suited for this purpose, because IT departments would need to procure and maintain an elastic number of physical servers (anywhere from tens to thousands, depending on the day's computing needs), which simply isn't realistic.

A cloud data platform technology, on the other hand, allows for scalability while still permitting IT teams to set guardrails for the business. Specifically, IT teams can have visibility and control over the planned budget by predetermining the amount of computing resources a data scientist or analyst is permitted to use during various periods. This lets analytics teams scale up and down as needed without going through a time-intensive IT ticketing process, which can stymie efforts, such as marketing personalization and predictive analytics, that depend on the ability to access data in real time.

USING A CLOUD DATA PLATFORM TO MEET DATA COMPLIANCE REQUIREMENTS

A modern data warehouse also enables compliance with the EU's General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA). Companies that lack the unified reporting enabled by a cloud data platform might need to resort to a laborious process to comply with these new data requirements, tapping a variety of functions or business units to locate personally identifiable information (PII) within their respective silos.

Given the extent of the PII data obtained and used by modern marketing organizations, this is an area marketing decision-makers need to pay close attention to in order to prevent teams from getting bogged down in compliance work.

NEXT STEPS

We've covered the benefits of implementing a cloud data platform, which include obtaining a holistic view of consumers to increase lifetime value, increasing the speed and productivity of data-led teams, harnessing predictive analytics to improve customer experience, improving recruiting and retention, and clearing hurdles to IT and regulatory compliance.

But how do you lay the groundwork for moving forward? Here are three ways to get started:

1. **Create a data map:** What data do you currently capture and where does it live? Understanding the silos within your organization will help identify silos that need to be removed. Mapping your data will also help identify gaps in your data set wish list.
2. **Consult with users from your data and analytics teams:** Understand the current state by posing questions such as "How long do you typically wait for results on queries?" and "How long does it usually takes for IT staff to provision servers when you submit a ticket asking for more resources?" Enlist these users as a partner in selecting a cloud data platform that best serves your organization's needs. If employee retention is one of your goals (and, as we've established, it should be), it's important that your data experts feel buy-in and a sense of ownership over technology that will make their lives easier.
3. **Gather feedback from the IT team:** Talk to the team managing your IT infrastructure about how much time they typically spend provisioning servers and dealing with user tickets that request more computing resources. Understand their pain points, and enlist them as a collaborator when selecting a vendor that can meet your needs as well as those of the business.

Harnessing data has never been more critical for a marketer, but it's also never been so achievable. The good news is that the benefits of a cloud data platform are clear enough for virtually every stakeholder in your organization to rally around.

ABOUT SNOWFLAKE

Snowflake Cloud Data Platform shatters the barriers that prevent organizations from unleashing the true value from their data. Thousands of customers deploy Snowflake to advance their businesses beyond what was once possible by deriving all the insights from all their data by all their business users. Snowflake equips organizations with a single, integrated platform that offers the only data warehouse built for any cloud; instant, secure, and governed access to their entire network of data; and a core architecture to enable many other types of data workloads, including a single platform for developing modern data applications. Snowflake: Data without limits. Find out more at **snowflake.com**.

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