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Association for data-driven marketing & advertising

DRIVING STRONGER RETURNS ON YOUR TECHNOLOGY INVESTMENT

Developing strong business cases for
investment through robust analysis

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Technology continues to transform the digital landscape for marketers. It offers more ways for us to get closer to consumers, understand their needs, and build stronger relationships with a broader range of stakeholders than ever. However, challenges remain.

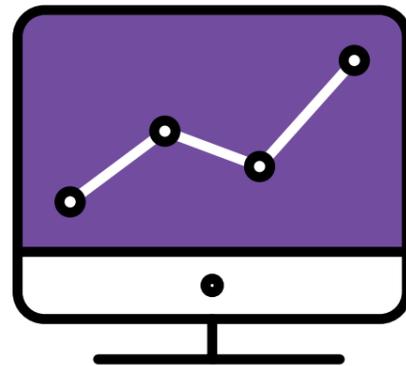


In this paper, we discuss the three key questions most important to marketers today:

- How can we improve the return on investment (ROI) achieved by our marketing-technology spend?
 - What can we do to improve the way we measure and report ROI?
 - Which intangible benefits of marketing technology do the C-suite deem relevant?
 - How can we boost ROI on our existing marketing technology investment?
 - What techniques can we use to increase the accuracy of ROI forecasting?
 - How can marketers improve the way they communicate to achieve better cut through with the C-suite?
- How can we use technology to improve the way we deliver content across communication channels?
 - What can we learn from those who are using technology well?
- How can we immerse the digital channel within the business, and move away from the channel-lead thinking that limits digital to a silo?
 - What does an organisation that fully embraces the digital channel look like?
 - Can we diffuse digital through a shift in organisational culture or do we need to restructure business?

MEASURING AND REPORTING MARKETING TECHNOLOGY ROI

Without doubt return on investment (ROI) is the most significant single metric decision makers use when evaluating whether or not to invest in marketing technology. The challenge for marketers is to measure ROI accurately, and communicate it clearly, with sufficient supporting evidence, so those in the C-suite can make informed investment decisions.



THE BOTTOM LINE IS, THE BOTTOM LINE MATTERS

No matter how interesting, innovative or compelling a marketing technology might appear, without solid ROI figures that can be relied on for accuracy, the C-suite is not going to invest capital.

Providing sound data from pilot studies will support your argument for investment. The other key source of data that will influence decision makers is actual ROI achieved by users of the technology. Choose organisations of a similar size to your own, or those operating in the same industry so the information you are comparing is relevant.

Making the time to measure

As time-poor marketers, it's often too easy to become caught up in delivering the next campaign, overlooking the need to evaluate the performance of the last one. One way to avoid this practice is to hardwire measurement and analysis into the campaign project plan. Include measurement and analysis as part of the campaign's activities to ensure it occurs.

Deciding what to measure

The most obvious and easiest benefits to measure from any investment in marketing technology are the changes in sales volumes and profitability. More difficult to measure are the intangible benefits achieved.

How to measure the effect a marketing technology has on operational efficiency

Example	Measure
<p>Evaluate the time taken to produce a standard marketing campaign.</p> <ul style="list-style-type: none">▪ Cost of technology licences▪ Cost and time of training in each system used▪ Impact of failure of any one of the systems involved in producing the campaign	<p>Compare the time taken to perform marketing operations under existing and new technology.</p> <p>Where you are moving from multiple systems to a single platform to deliver all your content, your team will spend less time learning and operating multiple systems. Estimate the time saved by comparing the training involved in learning the new system with the cumulative time taken to learn the multiple systems.</p> <p>By moving to a more efficient platform, your team has more time for improving other skills, as well as creative and strategic thinking, which can unlock significant potential in your business.</p>

“Most CEOs are on-board with marketing technology. It’s not a new thing. If marketing technology can provide a way to disrupt an industry, and give you first-mover advantage, CEOs want to know about it.”

Measuring against vision and business objectives

The business’s strategic objectives are at the forefront of all investment decisions made by the C-suite. Where a marketing technology will support these objectives, such as quantitative metrics around customer experience and net promoter score, these benefits will be considered by the C-suite.

Leaders are responsible for creating an organisation’s long-term vision. Cutting edge technology can sometimes offer a glimpse into the future. Where the vision for the business’s future and technology align, the C-suite might consider becoming an early adopter of new technology.

There are gold prizes to be won for achieving second place

Apple’s success has been well documented. Although they deal with the very latest technology, they are usually not the first organisation to introduce a technology into the market. Rather, they are the first to introduce a reliable version of the technology, which integrates smoothly with the other products they have in the market.

The Apple example illustrates the benefits of reflecting on new technology, taking time to fully understand how it is used, and learning from other people’s mistake before considering it for your own business.

Marketing technology as a forecaster of consumer behaviour

One of the most valuable benefits the technology stack delivers for the C-suite is feedback about customer behaviour. Marketing technology enables businesses to capture and analyse a wide variety of information about consumers and how they are behaving very quickly. The faster the feedback, the more agile a business can be in responding to changing patterns of behaviour.

Net promoter score is relevant

Of the many metrics used to evaluate marketing success, the net-promoter-score is becoming one of the most relevant measures for members of the C-suite. It is widely understood by leaders, and useful because it captures a wide range of variables that indicate future buying intention.

Understanding ‘why’ is valuable

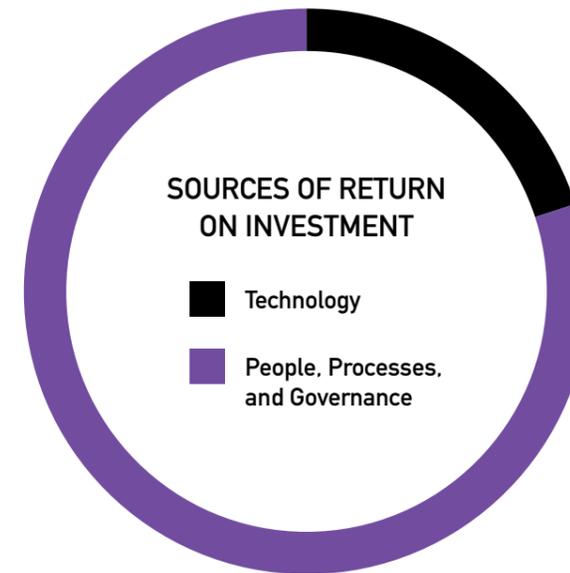
Marketing technology can improve your business’s understanding of why something has occurred. Basic technology can tell you what’s happening, but it won’t tell you *why*. More sophisticated marketing technology develops a richer picture of the customer. It enables you to more accurately track the customer journey and measure the effects your marketing activities are having at the stages along that journey.

“The C-suite is always looking at ways to speed up the business.”

“You’ve got to enable your team to be curious. You have to allow them the time they need to really learn how to use the technology, and then let them use it in imaginative ways.”

IMPROVING THE ROI YOU ACHIEVE

Understand how the 80:20 rule applies



Without the right people in place, following the best processes within a suitable governance framework, it is difficult to achieve the full potential of your technology investment.

Although technology can enable you to perform complex and high volume process quickly, unless your business is able to use the technology properly you will not capture these efficiency gains. To maximise your return on investment, you need three things in place:

- The right people with the right skills to operate the technology
- Efficient processes that enable the technology to interact seamlessly with other systems within your business
- A thoughtful governance model that enables innovative uses of the technology while maintaining integrity.

Get help from the experts

Experienced suppliers are able to help you measure and evaluate your ROI at each stage of implementation. They have value engineering teams who can provide you with a benchmark ROI on your technology stack, based on your industry and business size, using data from organisations they have worked with.

Invest in your team’s skills

High demand for marketers with the right skills to operate new marketing technology has inflated salaries by as much as 20%. It therefore makes sense to invest in your existing team, who know your business well, rather than looking only outside your team for the skills you need.

Learn from your experience

Although it sounds obvious, there is a natural tendency to repeat activities that have not been successful in the past, under the false assumption that with a different person running the campaign, or modest changes to the customer base, different results will be achieved.

One way of reducing the incidents of unsuccessful activities is to document outcomes, so when ideas are revisited, you can be clear about exactly what would need to have changed to produce a different outcome.

It’s not what you do, it’s how you do what you do that has the biggest affect on the ROI you achieve.

“It’s amazing what marketing you can do with \$0.”

Improving your ROI by balancing your resources

Within every marketing function, a balance needs to be struck between the amount of budget spent on permanent staff and the amount available for business as usual marketing activities. If your staff levels are too low, your team will not have adequate time to maximise the benefits your marketing technology can deliver.

The balance between staff and the budget they have to spend is different for every business, and changes as organisations evolve. However, you need to consider how you balance your budget, between internal and external spending, so you achieve the highest overall ROI on your marketing technology spend.

Start with free

There are a lot of free and low-cost tools available for marketers today. Google’s suite of tools offers small to medium sized businesses most of the services they are likely to need to get started in marketing analysis. Online web design and content management tools such as Wix and SurveyMonkey are also low-cost tools marketers can rely on.

One of the most powerful benefits for these tools is the opportunity they give marketers to test out ideas. This fully-outsourced approach limits expenditure and minimises the amount of time you need from other parts of the business to test your idea. Once an idea has been tested you, and its value proven, you can then decide whether or not to bring it in-house or not.

Encourage the experimenters

It can be difficult to allow for innovative thinking and experimentation when budgets are limited. However, by taking the right approach to funding for trials, you can be quite creative.

- Foster innovation through trials with external low-cost tools.
- Ask suppliers to consider providing their technology for a trial, with the understanding you will purchase it, if the trial is successful and the investment is approved.

Encourage your team to build and present business cases that show the ROI achievable for their project. This process will sharpen their thinking and more closely align experimental ideas with your overall business goals.

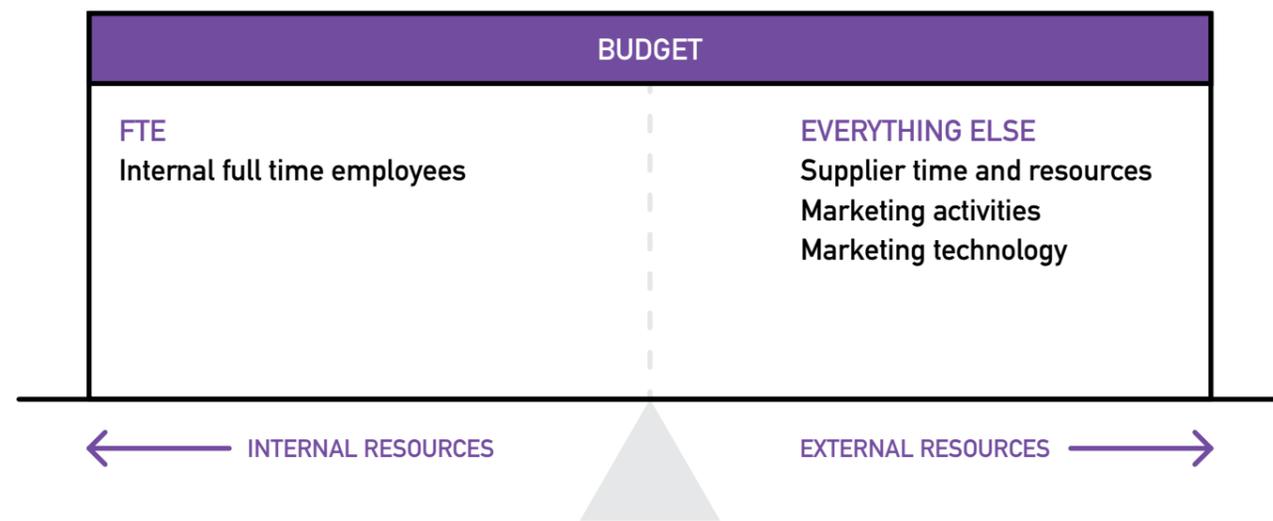
Improving the accuracy of your ROI forecasting

There are several different sources you can use to help you forecast the return on investment your organisation can achieve by investing in a particular marketing technology.

- Industry benchmarking is a helpful way of finding out the potential range of outcomes you might experience from investing in a particular technology. Evaluate what best practice looks like. Find out which technologies are being used by successful business and why they have chosen them.
- Asking other organisations that have implemented the same, or similar technology about their experience can be invaluable. Not only can you find out about the actual ROI achieved, but you can unearth the real costs and benefits of implementing a technology that you haven’t included in your forecasting.
- Your internal business analysts know your organisation and market well. They are a useful resource for validating estimates you are given from external parties.
- Suppliers know their product well, and have experience implementing their technology in other businesses. They should be able to provide you with the ROI figures their solutions achieve for other organisations in the same industry as you, as well as businesses of a similar size and level of sophistication in other industries.

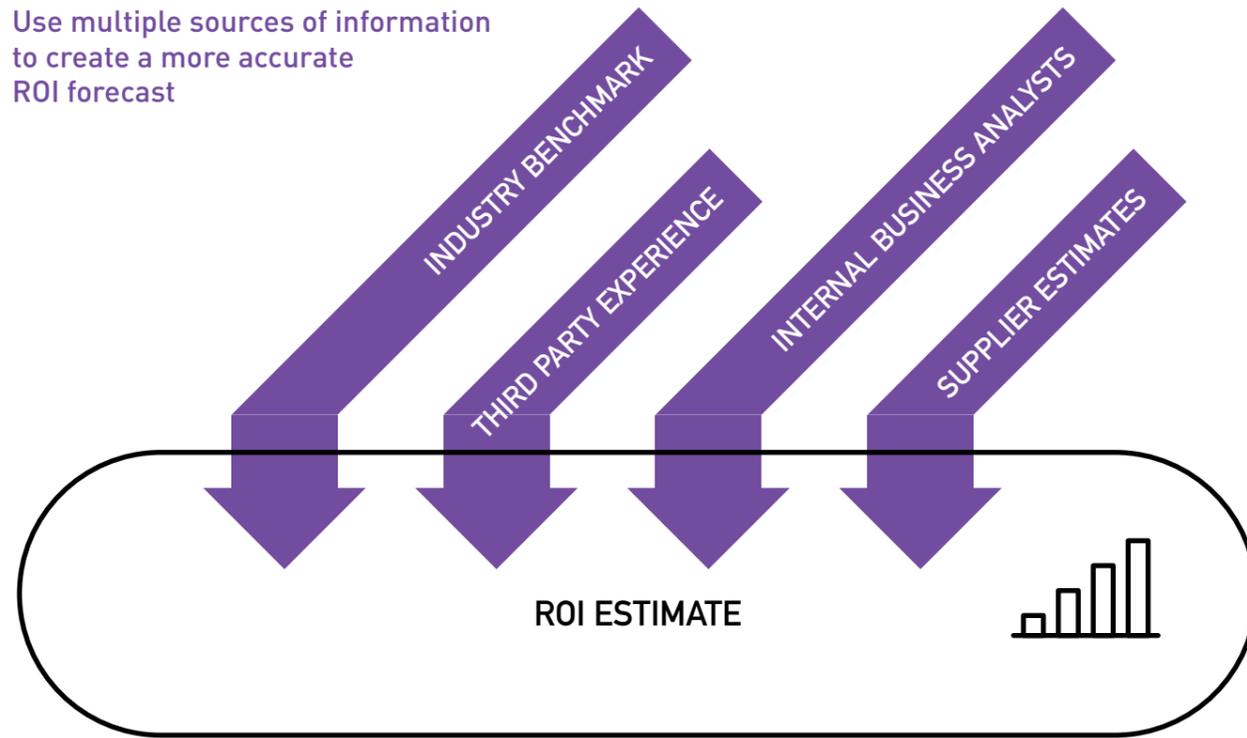
“Don’t not do something because you don’t think the resources are available to do it. Present your business case, and if the figures are strong enough, funding will be made available.”

FINDING THE RIGHT BALANCE FOR YOUR BUSINESS



With a limited budget, you need to find the right balance between internal and external resources.

Use multiple sources of information to create a more accurate ROI forecast



DON'T OVERLOOK BUSINESS RISKS WHEN PRESENTING YOUR BUSINESS CASE

Your customer data is valuable. You need to take care in the way you use it, and take adequate steps to protect it. Ideally, the way your customer information is handled by any new technology you are considering will align with the existing systems and policies you have in place to protect your data's integrity. However, it is important not to overlook this source of risk when presenting to the C-suite, and ensure you have adequate controls in place before undertaking any pilot programs.

IMPROVING THE WAY WE COMMUNICATE WITH THE C-SUITE

Marketers can overlook the importance of designing a presentation that is tailored to the specific needs and characteristics of the decision makers in the C-suite. The same principles that apply in marketing translate directly into the way you pitch for funds to your senior executives.

Speak the right language:

- Avoid marketing jargon.
- Become familiar with essential financial formulas and the acronyms your C-suite use.

Use third party endorsement:

- Contact other organisations that have implemented the same technology you are proposing.
- Understand how the technology has changed their business and whether it was able to deliver the benefits it promised. Identify any costs or benefits you have overlooked in your analysis.
- Ask about the implementation process. Find out what went well, what went wrong, and what they would do differently if they were undertaking the process again.
- Where possible, arrange a forum that enables your decision makers to ask direct questions of the organisation already using the technology. Not only can the C-suite benefit from these open discussions, but the IT and project management teams who would be implementing the technology can also benefit from such open dialogue.

Provide relevant benchmarks to compare your performance and set reasonable expectations:

- Suppliers know their products and are well versed in the benefits their solutions can deliver. Ask them to provide you with return on investment figures for

similar businesses they have worked with. By examining actual results achieved by similar businesses you can establish a benchmark, along with a range of outcomes you can reasonably expect to achieve if you were to implement the technology.

Identify market-best practice suppliers:

- Use 'meet up groups' to find out which suppliers are being used by market-leading organisations. Successful businesses will be using particular suppliers for a reason: they are reliable and deliver on their quality promise.

Provide evidence of ROI

- Vendors are often willing to test their solution for you on a small sample of your customers. Make use of these pilot studies to measure the ROI from the sample. These figures can then be extrapolated to your full customer base to establish the actual ROI the marketing technology could achieve.

Take a flexible approach to your investment:

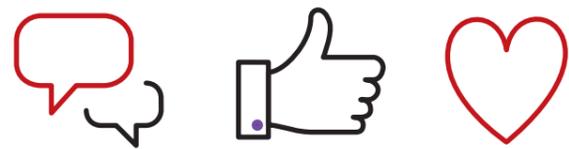
- Using a company's technology and buying the technology they are selling are two different things. What you're looking for is control over the asset, not necessarily leasing or owning the technology yourself.
- In some instances it may be preferable to buy a stake in the technology firm to access the expertise, rather than buying their off-the-shelf product.

Explore ways to monetise the investment

- Your investment in marketing technology can provide benefits to others you can on-sell. Qantas Red Planet is an example of where customer data has been monetised, off-setting to some extent, the cost of the marketing technology investment.

IMPROVING THE WAY WE USE DIGITAL TECHNOLOGY TO SUPPORT CONTENT PRODUCTION AND DISTRIBUTION

Communicating the right message to the right person at the right time through the right channel has never been more important. Communicating well directly affects the way your audiences think and feel about your organisation, driving engagement and satisfaction.



The way you market to your audiences matters



Building processes to react in real time

When you open up a channel for communication, you need to be prepared to respond fully to your audience using that channel. As communication channels now operate all the time, businesses need to be ready to respond as communications are received.

Rather than acting as gatekeepers, marketers should choose marketing technology systems that enable a free flow of communication between customers and the appropriate people within the organisation who can address the customer's needs directly. This improves the overall understanding of who the customer is and what their needs are, while presenting a single face of the organisation to the customer.

Getting your key words right

Digital marketing technology can produce large amounts of data. Filtering that data to produce meaningful information can take time. Refining the keywords, searches and alerts to focus on the metrics that provide you with meaningful information is an iterative process that requires continuous refinement.

As people's behaviours change over time, you need to adapt the key words and filters you use to ensure you continue to capture current customer sentiment.

CASE STUDIES

Using technology to support surprise and delight campaigns

Sydney Opera House uses social media platforms to monitor posts made by visitors to the precinct. These tools enable the world's busiest performing arts centre to measure visitor engagement and sentiment through social media. In addition to monitoring content, the Opera House receives alerts, which staff can action, about the positive and negative experiences visitors have while on Bennelong Point. This real-time feedback enables the organisation to surprise and delight visitors at an individual level, supporting its overall goal of providing the best possible experience to the 8.2 million people who visit the precinct each year.

Leveraging social media

Sydney Opera House also uses social media platforms to filter visitor posts in real-time, helping the Australian icon to quickly identify user-generated content they wish to highlight to the wider community. By flagging content posted by influencers, or individuals with high numbers of followers within specific content streams, the Opera House is able access engaging user generated content that can then be shared on digital screens across the precinct.



Speaking with one voice to customers

Large organisations, running multiple campaigns concurrently, run the risk of sending several communications to customers at the same time. These overlaps can degrade the value of messages and create an impression of a disorganised business, where the left hand doesn't know what the right hand is doing. Customers view businesses as one organisation; we need to behave in a way that reflects this perspective.

When all marketers are including the digital channel in their communication, they are, in effect, sharing the one set of customer data. Digital platforms can help eliminate redundancy by providing visibility to all marketers within an organisation. These platforms enable large organisations to speak in a co-ordinated way, communicating with a single voice to customers.

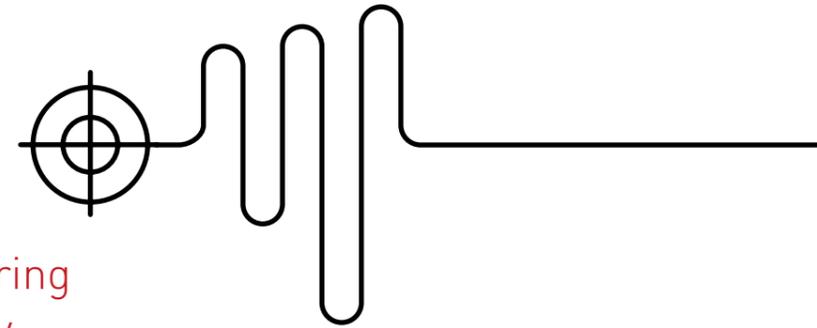
Connect your suppliers

Aligning communications across channels is made easier when external suppliers are aware of all the campaigns and communications you are undertaking. Aldi asks its partner agencies to communicate with one another so they are aware of what each other is currently working on. This simple step ensures agencies work in concert with one another as an extension of the Aldi marketing team.

MAINTAIN FOCUS ON THE CONTENT THAT'S RELEVANT TO YOUR AUDIENCE

The most important information about your products and services that consumers use to make a purchasing decision must be kept current. Marketers often focus on ways to drive traffic to their content; overlooking the importance of constantly investing in ensuring that content is current.

It's not exciting or creative, but maintaining accurate information about your offering should be at the top of every marketer's content priority list.



ACHIEVING BETTER INTEGRATION OF THE DIGITAL CHANNEL WITHIN BUSINESS

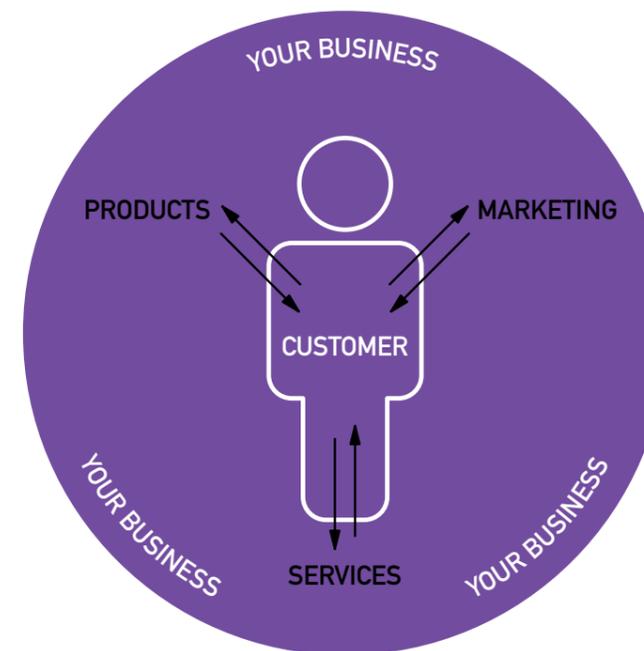
Fully integrating digital technology into your business requires a shift in mindset. Rather than thinking of digital as a channel, all channels need to be recognised as digital. To achieve this shift, you need to reframe discussion about the role of digital technology to one where it is understood as a tool that can be used to drive consumer behaviour.

REFRAMING THE RELATIONSHIP WITH CUSTOMERS THROUGH TECHNOLOGY

Integrating the digital channel within a business is a cultural challenge. However, it is not a simple discussion about diffusing marketing technology across other silos or streams. Rather, marketers should be reframing the discussion from one about the internal workings of the business to a customer-centric view.

By taking the customer's perspective, seeing and interacting with a business through the eyes of the customer, it is obvious that the digital channel is simply another way of interacting with customers. As such, it forms an integral part of all areas of the business. When you make this shift in mindset, it is clear that everyone is responsible for, and participants in, serving the customer using digital technology.

BUILD YOUR BUSINESS AROUND YOUR CUSTOMERS



Start with a customer-centric view and build your business around their needs

Is it time for a Chief Marketing Information Officer?

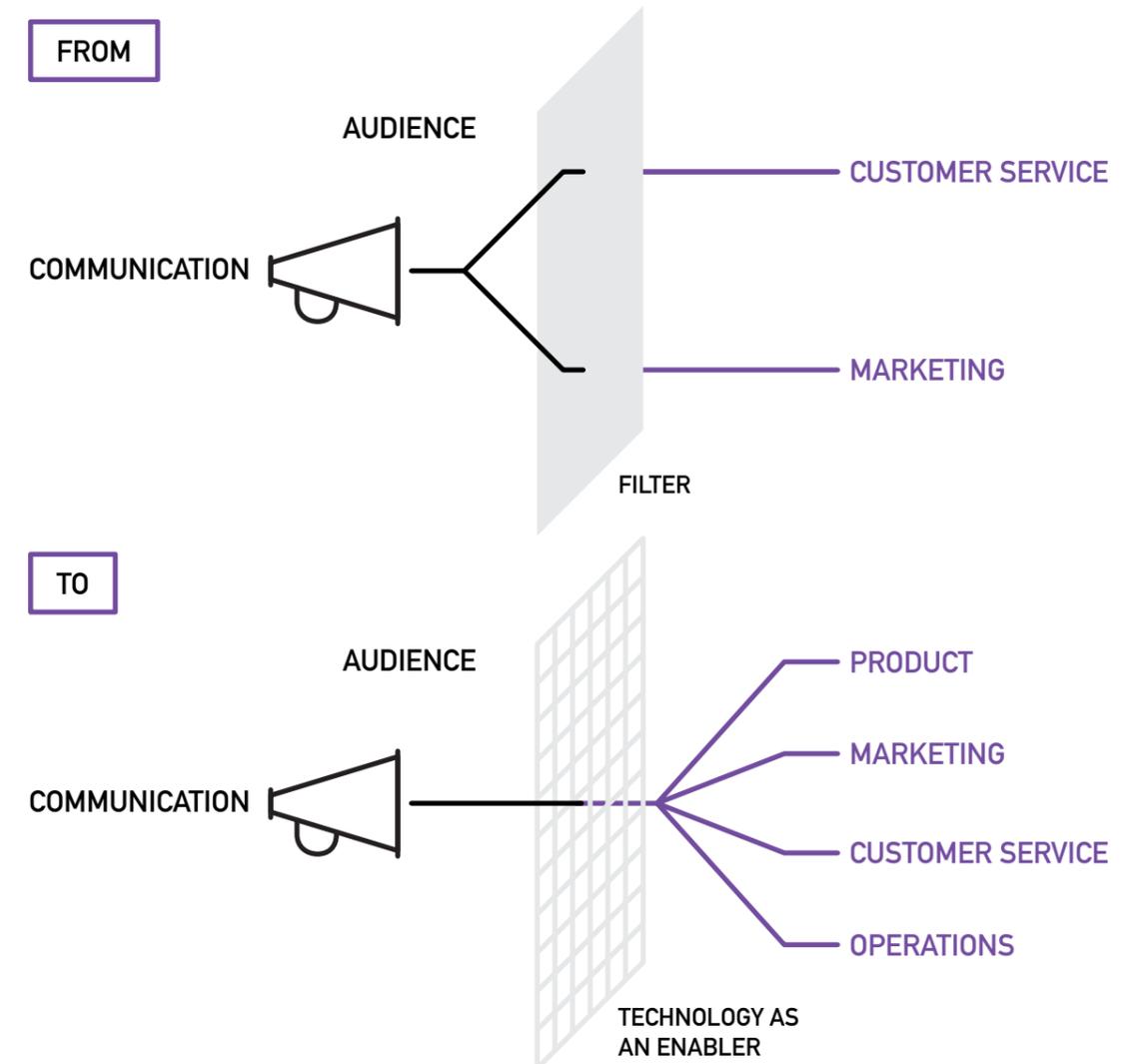
As the Chief Marketing Officer (CMO) and Chief Information Officer (CIO) roles become more closely entwined, has the time come to fully integrate these two distinct roles into one? If we are asking businesses to accept the digital channel fully throughout businesses, perhaps marketing should take the lead by merging the CMO and CIO roles.

SHIFTING MINDSETS TO EMBED DIGITAL ACROSS ALL PARTS OF THE BUSINESS

Old mindset	New mindset
Digital is a channel of its own.	Digital is simply a tool for interacting with customers, so it belongs in every part of the business.
The digital channel is responsible for its own performance.	Responsibility for digital outcomes falls into all channels. IT managers who have product KPIs in their goals, and Product managers who have digital KPIs will work collaboratively to achieve common goals.
The digital channel is just about selling things through the website.	Our digital presence is a way we deliver a customer experience. Digital tools can make us more efficient in the way we operate.
Once we've set up our digital technology, we will only need to maintain it.	To remain relevant, digital strategies should be continually optimised and evolve with customers Digital activities are no different from the other processes your business undertakes: you need to optimise your assets. Look at what's effective, what's not, and make changes accordingly, on a regular basis.
We only need one digital strategy.	Customers are not all the same. They will follow their own path with you as a business, so need multiple digital strategies that reflect the different journeys your customers take.

“Expectations have changed. Today’s customer expects a fully-integrated experience. They assume the customer journey they take will flow seamlessly between digital and real-world experiences.”

DIGITAL CHANNELS CREATE TRANSPARENT ORGANISATIONS



SHIFTING MINDSETS TO EMBED DIGITAL ACROSS ALL PARTS OF THE BUSINESS

Challenges	Solutions
Connecting existing resources to strategy: overall business strategy as well as digital technology strategy	<p>Education</p> <p>Moving marketers around the business</p> <p>Change the language from 'marketing technology' to 'benefit-driven technology' to shift thinking around the purpose of marketing technology</p> <p>Redefining organisational structure to a functional rather than a channel-support structure</p>
Change of pace; business is always on	Larger organisations can adopt a 'start up' culture, where fast-fail trial and learning from mistakes speeds up cultural change, and shifts the focus from within the business to understanding the customer and meeting their needs
Achieving buy-in from C-suite to fast changing technology	Reverse mentoring; pairing well-seasoned executives with recent graduates to improve the executive understanding of new technologies and how they are used in practice.

Building bridges by sharing insights

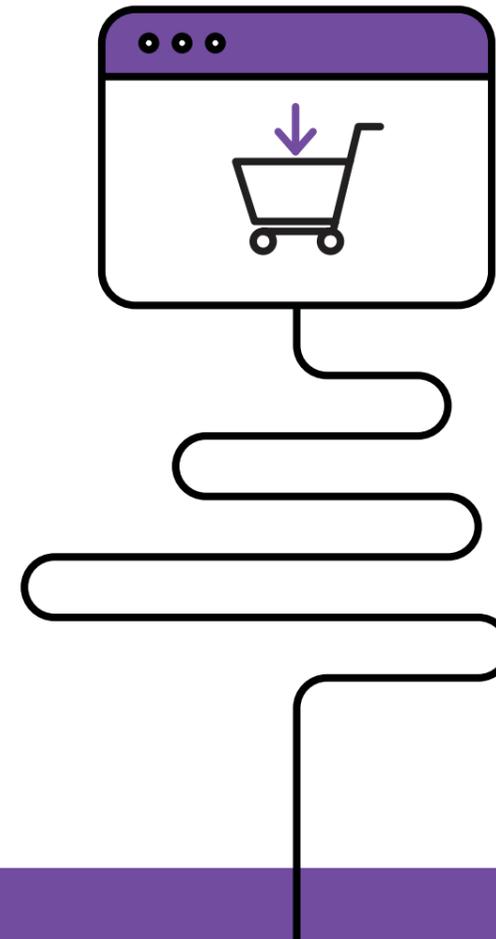
The digital channel is often able to quantify consumer behaviours in a way that is more expensive, or simply not possible in the real world. Tracking the path customers take through a website, analysing visitor search patterns, evaluating which products are commonly purchased together, are all relatively easy to do in a digital environment.

Taking the insights learned about consumer behaviour from the digital environment and sharing it with bricks and mortar businesses can generate significant returns. An Australian automotive parts, tools, and car-care retailer changed the way its retail stores were laid out using insights from their online site. They were able to group products better in-store, increasing the number of items sold.

By sharing insights into consumer behaviour learned online with off-line channels, the digital channel can become more relevant and valuable to other sales channels.

The end goal

When the skills and responsibility for achieving digital results can be found in every area of your organisation, you will have fully integrated digital within your business.

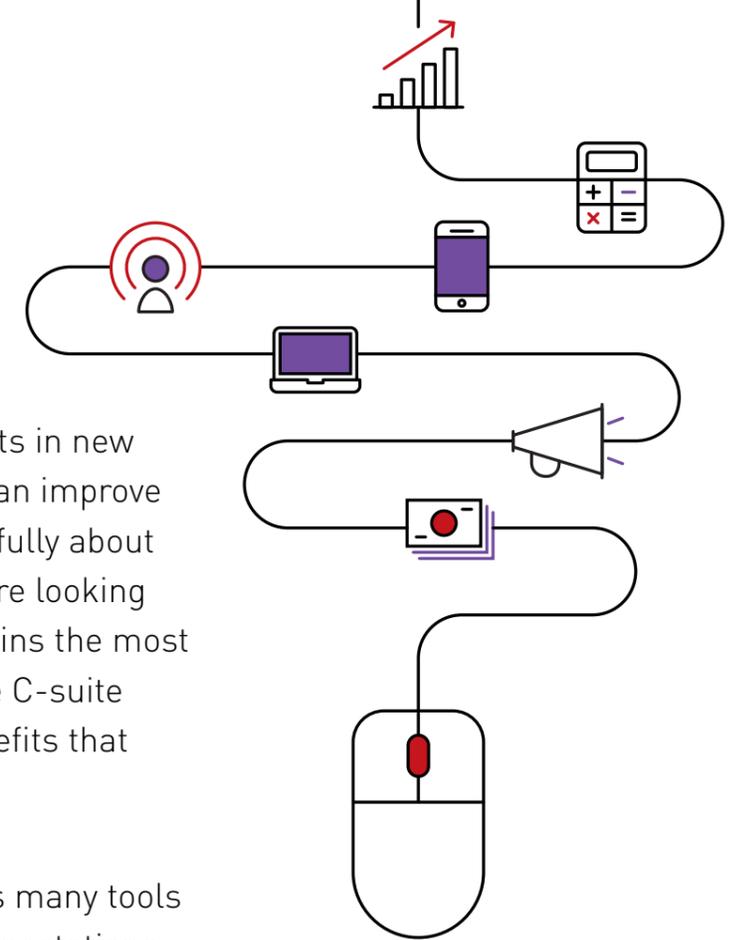


CONCLUSION

The digital age is changing the way consumers view businesses. Expectations have risen significantly. **Consumers expect businesses to know them and their needs**, and to interact with them as one organisation. Whether we like it or not, mastering the digital channel is critical to remaining relevant.

When discussing potential investments in new marketing technologies, marketers can improve the way they present by thinking carefully about the C-suite audience and what they are looking for when deciding to invest. ROI remains the most important single metric, however, the C-suite recognises and values intangible benefits that directly support business strategy.

Although marketing technology offers many tools to help businesses meet customer expectations, the way the technology is implemented and the business culture surrounding responsibility for digital will ultimately determine how successful or otherwise businesses are.



CONTRIBUTORS

This white paper is a result of the experience, ideas and thought leadership generated by the ADMA technology expert group think tank.

These invitation-only facilitated workshops explore topics related to our pillars: data, technology, content and creative with customer experience at the centre.

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ADMA WHITEPAPERS

Our whitepapers are designed to inform decision-making executives about the latest developments in an area of best practice. We include examples of what can be achieved, how it can transform the operations of an organisation, and the main issues you need to consider when applying the principles, practices and technologies to your organisation. To find out more about ADMA and our market-leading insights, please visit us online at adma.com.au.

ABOUT ADMA

The Association for Data-Driven Marketing and Advertising, or ADMA, is the principal industry body for information-based marketing and advertising and is the largest marketing and advertising body in Australia.

ADMA is the ultimate authority and go-to resource for creative and effective data driven marketing across all channels and platforms, providing insight, ideas and innovations to advance responsive and enlightened marketing.

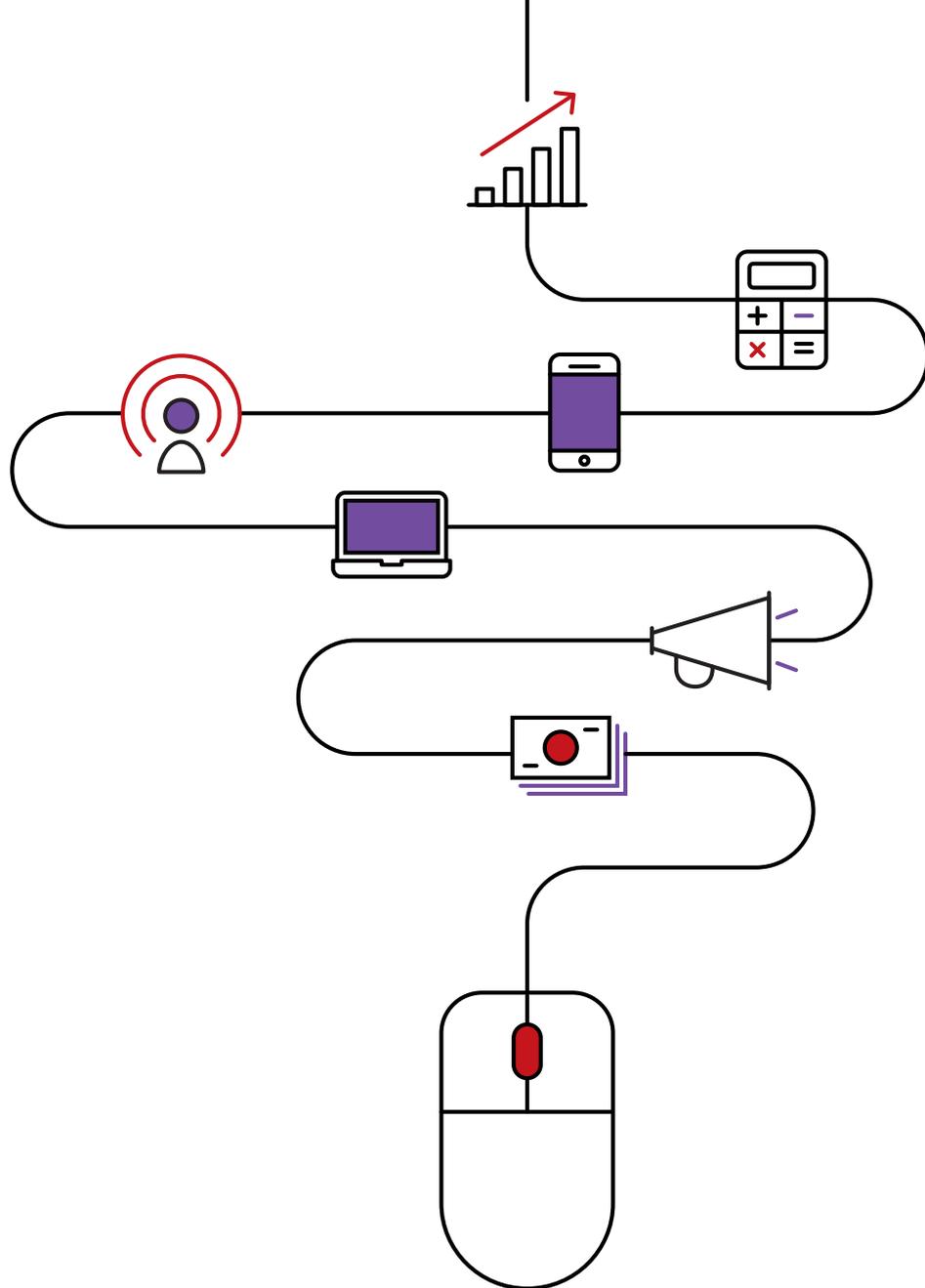
- We represent the new era of marketing and advertising.

We signify the full spectrum – a 360 view – end-to-end:

- From marketing to advertising,
- From effective to creative,
- From above to below,
- From measurable to engaging.

ADMA has over 550 member organisations. Our members include major financial institutions, telecommunications companies, energy providers, leading media companies, travel service companies, airlines, major charities, statutory corporations, educational institutions and specialist suppliers to the industry, such as advertising agencies, software and internet companies.

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