

Connecting the Dots: Turning Customer Acquisition Analytics and Data into Market Wisdom and Actionable Market Intelligence

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As a trusted adviser and partner to our clients, we commit to provide solutions that create wisdom from data. Wisdom is evidence-based, factual, experiential, timeless, truthful, selfless and insightful. The greatest challenge facing businesses in the 21st century is to identify usable methodologies (systems and people) which deliver wisdom, then translating that wisdom into action.

Just like a customer relationship management (CRM) solution is only as good as the data that goes into it, a sales lead is only as good as the wisdom behind it. If the contact information is not connected to a deeper level of information - such as what the market is thinking about, their needs and pains, the influences on their buying decisions, their purchasing patterns and schedules, and their decision-making chain - then you might as well be cold-calling or randomly selecting a name from a purchased list. The odds are slim to none that your message or product will resonate. You may not even be connected with the right person within the organization that influences or makes the buying decision, and you are totally reliant on meeting the statistical average of contacts before you stumble upon a halfway decent prospect.

Targeting your market with accurate data and verified intelligence can significantly improve your lead quality. Outreach to prospects becomes more effective at hitting their pain points, and you start reaching them precisely when they are ready to buy. Your message resonates in a way that they feel you know exactly what their needs are. At the very least, you are empowered with marketing and sales intelligence that can result in an exponentially better set of outreach programs and buyer contact strategies.

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If the intelligence is integrated into the marketing strategy, your customer acquisition results are guaranteed to steadily climb upward. It is critical for companies to realize that garnering market wisdom from data is not a feat that is accomplished in the short-term, but requires a long-term commitment and steady discipline.

Unfortunately, it is a common mistake for companies to suspend a lead-generation project early in its lifecycle because leads are not resulting in sales. Nine times out of ten, the reason that leads are not closing is because the message is wrong and/or the market has shifted. A performance-based outsourcer will not supply leads that don't comply with the predefined set

of standards defined early in the engagement as a qualified lead. The most detrimental move at this point is to ignore what your market is telling you, because it is the exact point when you have your finger on the pulse of the market with the clearest idea of what barriers are effecting the conversion of leads to sales. When the message is not resonating, that is the point where an effective program would go into "overdrive" to unearth what the problem is. While this discovery process may take time and money, we have found that it is often the best investment our clients can make.

On the most fundamental level, if you want to know what's going on in the marketplace, just ask. To identify who is most likely to purchase your product or service, you need to talk to three groups: those who purchased your product, those who purchased from a competitor and those who did not make a purchase. Talk to your customers. Get opinions from prospects, both in the pipeline looking to make a purchase and those that purchased from a competitor or decided not to buy. Listen carefully to what they say and notice what they hold back. Leave your assumptions at the door, and hear their stories with fresh ears. Then implement relevant feedback into every level of the product or service.

What Customers Can Tell You

Customer feedback gives a rare opportunity to identify trends and translate them into pragmatic usage and best practices. For example, ask them what their experience in the market is, and how they view your client and the competition. Other questions might include:

- What made your product appealing to them as a buyer?
- What persuaded them to make the final buying decision in favor of your product?
- What dissuaded them against the competition?
- At what point in their purchasing cycle are they most likely to make a decision?
- Did the salesperson have the right training and information to provide adequate product knowledge and key differentiators?

What Prospects Can Tell You

Instead of just contacting the prospect periodically to test their interest level, take the time to form a much deeper dialog. The stronger relationship will allow you to drill down deep enough to mine precious data. Just by asking the right questions, you will uncover surprising pieces of intelligence.

In one case, senior-level management of a major technology provider assumed that they made the short list of vendors for most of their qualified prospects. Through close observation, however, it was determined that they were only considered by less than 25 percent of their prospects and made the short list in only 30 percent of the opportunities. They were, in fact, shot out of the market 92.5 percent of the time.

To validate our preliminary findings, the technology provider outsourced a survey initiative to develop intelligence on what factors cost them the sale. Prospects were asked:

1. When you think of our product, which vendor comes to mind first?
2. Who do you feel is the strongest vendor in the marketplace?
3. If you take price out of the equation, now who do you feel is strongest?

Turning Data into Wisdom

Information becomes usable, relevant knowledge at the point in the sample where redundancy of answers indicate the sample size is sufficient. In response to the third question, "If you take price out of the equation, now who do you feel is strongest?", prospects collectively replied, "You are the strongest vendor in the marketplace until price enters the equation." The follow-up question to the prospect was, "What would it take for you to move from your preferred vendor to us?" Answers revealed that price was the single determining factor.

Now armed with specific, actionable intelligence that could be considered bad news, it is the perfect opportunity to make course corrections including remessaging, retargeting and/or repricing. The strength of turning data to wisdom is the leverage gained by learning specific lessons from every contact and translating that into current and future value. Instead of focusing on bad news, it is important to realize that this is a critical juncture of receiving intelligence that can significantly impact the bottom line. It is important to stay focused on the end result you are trying to achieve.

While price can be the whipping boy for all lost sales, what was relevant in this case was that the technology provider's value proposition did not resonate in the lost deals. This could be a function of many factors, beginning with the prospect's initial impression concluding with a sale.

Since ROI is the name of the game today, myopia is a common obstacle to understanding and leveraging best practices. If this particular client had chosen to ignore the valuable byproducts of the program initiative, then the engagement would have concluded. The collective wisdom clearly illustrated that the appropriate course corrections would improve their competitiveness.

Stopping the Assumption Freight Train

In the above scenario, imagine if the client had not taken a closer look at their lost sales and not turned their analysis into actionable intelligence. Their assumptions or speculations may have led them to other conclusions, obscuring the importance of the information (leads) that they were receiving.

Few companies will admit it outright, but many base their sales strategies on past history and tired assumptions about the market. It is quite difficult, not to mention time-consuming, to identify and challenge assumptions, and even harder to shift course if issues are brought to light. Along with finding the courage to explore, validate or challenge assumptions, organizations must be flexible enough to turn actionable intelligence into market wisdom.

Taking Action

For a variety of reasons, there may be a tremendous resistance toward validating or challenging assumptions, or even defining what they are. Companies also resist acknowledging one version of the truth, even after they identify what that truth is. Indeed, bad news rarely surfaces easily, and especially in the largest organizations, the main barrier to improve performance can be a fear of change or charting new and unfamiliar territory or executives who find themselves stuck in a static, myopic mode.

Whether because of political agendas, fear of looking foolish, or even a management or sales

team actively ignoring their own business processes, the potential for critical market information to surface to an actionable level in a timely manner often gets smothered. Sometimes this occurs because the problem affects so many departments and individuals at so many different levels that changing this counterproductive behavior seems impossible without some seismic event, e.g., a disappointing earnings call.

From another perspective, company executives may fail to recognize that some manageable initiative, such as increased sales training, could resolve the problem. Unfortunately, where gaps like this obstruct information from trickling down to the departmental level, organizations cannot identify and implement positive change.

Looking From the Outside In

Where organizational inertia has taken hold, an unbiased third-party outsourcer can be invaluable. In the earlier example, the existing sales team had neither the real interest nor the bandwidth to determine why some sales didn't close. They were more focused on actions most likely to generate a sales commission than diligently troubleshooting the sales process. This is where a committed, objective third party can effectively come into play.

Outsourcing customer acquisition or customer surveying can yield unexpected intelligence. Connecting the events and customer needs leading to a purchasing decision can be extremely ambiguous; exploring these factors is like tracing a trail from the woods back to the trailhead. But the result - a sales organization that can understand the purchasing process and replicate it with all future sales prospects - is well worth it.

The effort requires an outsource team savvy enough to dialog at a meaningful level with decision-makers, while drilling down to a deeper level of conversation to catch subtle customer nuances. After all, how can the outsourcer know exactly what questions to ask if it lacks a fundamental understanding of the client's business, the industry, the prospects and the competitive landscape? They must be able to connect all of the players and act as the glue linking information to wisdom.

Vested in Your Success

Turning straw into gold - or customer acquisition analytics and data into market wisdom and actionable intelligence - includes acquiring as much feedback and information as possible, assembling the data and extracting salient points, which are then correlated to others, until you can draw conclusions or make recommendations. We like to call this the "data to information to knowledge to wisdom" chain.

If available, comparing the newfound wisdom against your historic sales win/loss ratios also highlights trends and factors that might otherwise escape your attention. Working with a third-party outsourcer requires an investment of time and resources, but it is a project that typically delivers impressive results.

On another note, this example clearly reflects the difference between a typical, commodity-based outsourcer and an outsourcing partner on a performance-based model. The latter is vested in your success and is encouraged to utilize the intelligence gained in a mutually beneficial manner.

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