How to Improve Content Marketing Results with Predictive Models

Mike Bryant
Worldwide Practice Leader
Strategy & Marketing Analytics
Using predictive modeling, you can identify customers and prospects who are most likely to take a desired action. By analyzing data before you start a campaign, you can apply laser-like clarity to find the right audiences faster, develop precisely targeted content and improve response rates.
Introduction

You want to maximize return on marketing investments, no matter where you are on the customer acquisition or retention curve. The better you know your audiences, the better your decisions. Traditional audience analysis tools are helpful, to a point; after all, any segmentation is better than none at all. But there is a way to obtain precise, actionable customer insights that improve the odds of sending the right content to the right audiences in the right channels: predictive modeling.

Predictive models analyze your data and provide insights that enable you to make marketing decisions based on customers’ propensities to act or not to act in certain ways. Predictive analytics go beyond simple segmentation or criteria-based lists pulled from customer relationship management (CRM) systems or other databases. Using predictive modeling, you can identify customers and prospects who are most likely to take a desired action. By analyzing data before you start a campaign, you can apply laser-like clarity to find the right audiences faster, develop precisely targeted content and improve response rates.

Why do so few marketers make data-driven decisions?

There’s gold to be found in customer data, but few marketers look for it. According to an article published in Forbes, a Nucleus Research study shows that an incremental 241 percent ROI can be generated by applying data to business decisions. And, 91 percent of CMOs believe that successful brands make data-driven decisions, according to the Columbia Business School. Only 11 percent of marketers, however, use data to make business decisions. Why? The top reason is that the people who are in charge of marketing are usually not in charge of data.

Further, siloed data is difficult to access and use. Or, data is captured inconsistently from customer touch points. Or, data gathering and analysis just seem too daunting in this era of Big Data. The good news is that you don’t have to sift through all of your data, and getting started is easier than you think.

Predictive models reveal propensities

Marketing analytics, which also is called data analytics, is the broad term for the tools you use to prepare, track and view campaigns at all stages to determine what methods and messages are working, what isn’t working and to fine tune strategies and tactics.

Predictive analytics fit under the marketing analytics umbrella. You can build predictive models, or algorithms, internally if you have the staff and expertise, or you can use outside providers. Data is run through the algorithms, and customers’ propensities to behave in certain ways are ranked (a 1 to 10 score, for example, with the lower numbers linked to highest propensity). It’s easy to see who to include and who to exclude from each campaign.
Use predictive analytics because they work

A lot of people are involved in creating and distributing content, not to mention paper, printing and postage costs for mailed items. Why waste resources preparing and sending content to people who aren’t receptive to it? Predictive modeling not only simplifies marketing decisions but also saves time and money.

Additionally, precisely targeted content is relevant content. Relevance lowers “message fatigue” because you’re excluding individuals from campaigns and messages that aren’t meaningful to them. When your readers believe you know them and receive only information they want to read, your credibility goes up.

And finally, the use of predictive models increases response rates. Not every campaign may see the 241 percent incremental ROI mentioned above, but triple-digit results are possible.

Seven steps to improve content marketing

Start small, and keep your first project simple! No need to jump into advanced data analytics right away. The following seven steps give you a framework for getting started. >>>
1. Identify sources of data. >>>

Think about sources of credible customer data. Data credibility is affected by things like how old it is and how it was collected. Investigate CRM databases, opt-in lists, web capture, social networks, the call center, accounting and customer service. It’s possible that you may need to supplement your data with purchased lists, survey findings or other sources. But, depending on your campaign objectives, it’s likely that you already have enough data in-house to get started. You can always add more data to the mix.

Many companies use CRM databases to segment customers, but databases are criteria-based. Generally, they don’t include some of the data that makes predictive modeling effective. For example, demographics, length of relationship, products purchased, buying frequency and so on.

2. Collect the data. >>>

Your campaign objectives will determine the specific data you should collect. Non-sensitive, unscreened raw data is more than enough to get started with predictive modeling, whether you collect it yourself or select a third party to help you. Non-sensitive data does not include names, addresses or other personal information—meaning no red flags should be raised by your legal department. The data you hand over to your data analyst or vendor may be database extracts, product purchase information and billing/revenue numbers for specific months.

Unfortunately, there is no one-size-fits-all solution for data collection. It’s really specific to each industry and the problem you’re trying to solve. When you work with a vendor or an internal data analyst, make sure they understand the problem and what you’re hoping to accomplish. If they don’t “get it,” the data collection and analysis may not be as productive as it could be.

3. Analyze the data. >>>

The predictive modeling exercise serves two purposes:

- Discover something new about your customers
- Validate what you already know

Let’s say you learn that 50 percent of your customers who purchase a certain product have a high propensity to buy other products from you. Or that customers who bought X service have high attrition rates. Or you see your customers ranked by their propensity to transact business with you online. How will these insights influence decisions about target audiences, campaign size, cost and messaging?

4. Choose test and control audiences. >>>

Whether you call them champion and challenger, or test and control, the best practice is to compare your current method to the new method, preferably using one variable at a time. Large companies have the resources and customer numbers to do lots of testing. Small companies with fewer resources may not need a control group. Just roll out a new approach, but set up your baseline and measure against it. For example, you can see that without predictive models you sold X, and with predictive analytics, you sold 2X.
5. Determine metrics. >>>

The more metrics, the better, as long as you have an easy way to maintain them—in a dashboard tool, for example. The metrics provide visibility into the problem or problems you’re trying to solve. For example, increase leads across certain channels. Or, lower customer service costs. Or, increase revenue related to specific products or services. Common metrics include revenue/ROI improvements, cost of customer acquisition, rate of customer acquisition, customer departure rate, lifetime value of a customer, up sell/cross sell and call center costs.

6. Create and publish content. >>>

Now that you have defined objectives, target audiences and metrics, you can decide which audiences get which content in which channels. It’s far easier to develop a content marketing plan based on your available budget and resources.

Also, as part of your planning process, develop a likely scenario or scenarios that reflect the flow of touch points, at least for key campaigns. For example, perhaps the first touch point is a click-through from a tweet to a landing page. The second touch point is a white paper download from the landing page. And so on. Understand the probable path from first touch to first conversation to first purchase and so on, and support these touch points with relevant content.

Testing may be ongoing as you try different formats, colors and images to see which combinations yield the highest results.

7. Measure results and fine tune. >>>

Generally, when you look at the results, you’ll see one or more emerging story lines. Compare results to your campaign objectives. In predictive modeling terms, you can evaluate groups that were ranked 1 and 3, for example, and compare results. Focus on what’s working and build on that.

Conclusion

The No. 1 priority in content marketing is relevance. Studies show that up to 90 percent of subscribers will unsubscribe to emails they consider irrelevant, and that more than 60 percent of customers will stop doing business with a brand due to irrelevant communications. Social activity is soaring—more than 400 million tweets and 290 billion emails are sent daily. Relevant content is essential to capture someone’s time and attention.

Predictive analytics go beyond traditional segmentation tools. They reveal insights that help you zero in quickly on the right audiences and send the right messages. Follow the seven steps, and you’re on your way to improving marketing ROI.

To learn more:


Join the conversation at: [www.printandbeyondblog.com](http://www.printandbeyondblog.com)
About Ricoh

Ricoh Production Print Solutions (RPPS, henceforth referred to as “Ricoh”) is a strategic business unit within the Ricoh Family Group of Companies. Ricoh delivers greater customer value by bringing together resources to develop, market and support industry-leading, end-to-end offerings in the commercial print, transactional print and critical communications industries. Our solutions and services line-up consists of award-winning offerings such as the InfoPrint 5000, document workflow solutions such as RICOH ProcessDirector and RICOH ProcessDirector Express and TotalFlow software suite.

The unit’s reach spans across a wide range of printing environments, including light production, wide-format and production print solutions, and goes beyond print with solutions for PDF editing, data analytics, direct marketing, mail services and postal savings. Ricoh offers many hardware, software and professional services solutions targeted at businesses ranging from small and medium business to large enterprises in the form of service bureaus, higher education institutions, publishers and book manufacturers, legal firms, direct mailers, multi-channel marketers, utilities, data centers, commercial and in-plant printers.

Ricoh has established a leadership role in the high-end production print and workflow industries. The organization has been named a market leader in these sectors from international powerhouse analyst firms such as IDC, Gartner and Madison Advisors.