E-Commerce and Online Business Data-Driven Marketing

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Abstract - It is a phrase that refers to the process of developing and implementing advertising plans in consideration of quantitative and qualitative client data obtained through digital analytics as well as other sources. All of these many aspects of marketing form an intertwined and interdependent web. Businesses and online merchants who want to get off to a solid start and stay ahead of the competition are required to adopt data-driven marketing tactics that are at the leading edge. Because of this, data-driven marketing has gained a lot of traction in recent years. Not only can data-driven marketing improve conversion rates, but it also enables marketers to create more engaging campaigns and, most importantly, to increase the amount of money they generate from online sales. First things first: in order for companies to properly pitch their commodities to prospective buyers, they need to amass pertinent information on those buyers. In data-driven marketing, rather than relying on an executive's best judgement, the plan is determined by cold, hard facts. It should come as no surprise that data-driven marketing would be of assistance to your e-commerce firm in increasing conversion rates, gaining insights for product development, and monitoring consumer experiences. Putting this concept into action, however, is notoriously challenging.

Keywords - E-commerce, Online Business, Digital Analytics, Data Driven Marketing.

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INTRODUCTION

The marketing industry's adoption of data and digital technology has progressed through several fascinating iterations. The marketing department's reach and significance inside the business have grown and evolved with each passing phase. We study the evolution of data-driven marketing and digital technologies by drawing on previous research. Each phase explains how the changing nature of the corporate environment affected the development of data-driven applications, which in turn facilitated the growth of marketing departments and their responsibilities.The agency's mission was to organise a campaign calendar for farm machinery producer Nichols-Shepard Company. The advertising firm reached out by telephone to editors and government representatives from every state to inquire about crop yields. One of the first examples of data-driven marketing, the data collecting process resembled a rudimentary market survey. Additionally, in 1895, Harlow Gale of the University of Minnesota used postal questionnaires to collect feedback on advertising, and in 1901, Walter Dill Scott of the Northwestern University conducted experimental study on advertising for the Agate Club of Chicago. [1]

During this time period, the entrepreneur and self-described "marketing pioneer" John Wanamaker said, "Half the money I spend on advertising is squandered; the difficulty is I don't know which half." His words revealed the predicament of marketing at the turn of the century and clarified why so much attention had been paid to advertising research in the context of quantitative methods.As the relevance of data-driven marketing applications connected to managing creativity for producing relevant content for customers increased after 1903, so did the body of literature devoted to advertising. There were over 130 books written on the topic before 1950, which is indicative of advertising's widespread appeal. Since then, surveys and lab tests have been the preferred means for gathering and interpreting quantitative data. [2]

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When was the last time you were urged to take some form of action as a result of seeing a targeted advertisement? It is challenging to compete with a company that has achieved success via the application of data-driven marketing. The best advertisements are the ones that make you feel as though they were created specifically for you, whether it's because the model looks exactly like you, the problem it's solving is one you didn't even know you had, or it's the type of difficult use case that you and your coworker were discussing earlier.As a result, data-driven advertising has gained significant ground in

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recent years. However, just 15% of marketers assess the success of their content marketing by looking at the number of leads they generate.

In order to stay ahead of the curve and competitive, brands and e-commerce online stores must continually alter their data-driven marketing plan. Here, we'll define data-driven marketing, discuss its potential benefits to businesses, and dive into the most effective strategies used by E-commerce marketing agencies to raise their customers' online profiles.[3]

Define data-driven marketing

A data-driven marketing strategy is one that is built on information about the target audience. Marketers that are "data driven" make judgments not based on executive intuition but on hard data. Businesses may learn more about their consumers and potential customers by collecting and analysing large volumes of data about their demographics, interests, and interactions with the company's many touchpoints (e.g., website, email, and social media). Since 50% of potential buyers won't even bother reading or interacting with irrelevant content, this is vital.

As a result, conversion rates improve when marketers have access to customer data. Since consumer behaviour changes over time and might fluctuate based on a number of factors, data-driven marketing is an iterative procedure (the items they buy, the number of new rivals entering the market, etc.). For the best return on advertising investment and the acquisition of the most valuable consumers possible, marketers must access to real-time information on consumer behaviour. Despite the additional effort, data-driven marketing yields better results. [4]

Data-driven marketing promotes E-commerce

An abundance of "specific" data is the first and most evident benefit of data-driven marketing. Instead of trying to please everyone, E-commerce digital marketers should segment their audience into subsets defined by commonalities in their tastes and habits. Based on the chance that particular demographic groupings would respond favourably to various distribution channels, this data may be used by e-commerce marketers to predict the optimal times to post on social media, send email campaigns, and release new adverts.

The use of data-driven marketing is also beneficial to e-commerce businesses since it allows them to better respond to shifting customer tastes. Marketers may be able to better anticipate and cater to future customer requests if they evaluate data like the duration of the purchase cycle to uncover tendencies like seasonality or other patterns in product usage. Using this data, e-commerce marketing groups may

reimagine their products, consider new pricing points, and plot out their future strategies.

Online stores may show they care about their customers by tailoring their offerings to each individual and keeping an eye out for new trends. To sum up, more successful sales results may be accomplished by more precise advertising.[5]

Data to boost digital marketing

The success of any business in the modern marketing landscape is dependent on digital marketing strategies. You'll have a considerably tougher job drawing clients and establishing your brand without them if you run an online store. When it comes to digital marketing, data-driven marketing is the natural next step since it identifies the most engaging content and the ideal posting schedule to keep audiences engaged. Marketers can evaluate what is working and what needs fixing by analysing performance indicators and keeping eyes on how customers react to each campaign. If a campaign is fruitful, it may suggest that a certain piece of material is particularly well-received by a target audience and should be included more prominently in future campaigns.[6]

Consumer behaviour analysis may be used to identify the most successful terms for a business' niche, which can then be used into search engine optimization (SEO) strategies and sponsored search ads. Some digital marketers supplement their personas with data like cookies or demographic information to make educated guesses about their prospects' likely purchasing behaviour. To progress, though, you need helpful data. That's why a lot of companies employ Hub Spot and similar E-commerce marketing services to spread the word online. With the aid of a competent agency and a suitable platform, marketers may distribute and monitor the efficacy of content marketing, social media marketing, and email marketing. If you compile this data, you can improve the efficiency of your marketing campaigns.[7]

Strategies for Successful Data-Driven Advertising

Data-driven marketing requires strict adherence to a number of principles:

i. Gather relevant information

A successful data-driven marketing strategy relies on a comprehensive database of customer information. Understanding where your present and potential customers get their information and inspiration is crucial. Find out about their personal characteristics (such as age and gender), spending patterns (including how often they buy),

and product preferences. After a customer persona has been developed, it is necessary to consider what additional data points would be most beneficial to the company and how to get them. Don't be shy about asking your customers for help. You might get a lot of useful information from doing brief surveys of your customers and asking them how they heard about you.

ii. Audience segmentation

People who buy your wares will have a wide range of backgrounds and preferences. That's why it's crucial to segment your audience according to shared qualities and behaviours so you can serve each group relevant information and ads. The following stage is to determine how to categorise your clients in order to motivate a certain segment of them to take some form of action. Examples include things like the buyer's location, stage in the purchase process, age, gender, etc.[8]

iii. Learn from your performance

Each campaign, data point, and KPI is an opportunity to gain a deeper understanding of your customers' habits and preferences. Just don't take anything for granted. In its place, your marketing plan should take into account the lessons you've learnt from your past actions. Over time, your material might become so well-honed that it proactively addresses consumer pain points and enthusiastically recommends related products.

iv. Retargeting Prospects and Clients

Successful retargeting strategies keep in touch with past customers and leads. In some way, people have engaged with your online content, whether by clicking on an ad, reading a blog post, or commenting on social media. If you give them one last push, especially if you entice them with a fantastic deal, they will likely respond positively.

EFFECTIVE DATA-DRIVEN MARKETING TECHNIQUES AND METHODS

Repeat customers are not usually like new ones, and your best customers are not necessarily like your worst. If you pay close enough attention, you may use the patterns in your customers' behaviour as precursors to potential problems. One example is if your best consumers tend to make purchases at regular intervals. Increasing time between orders is an indicator of trouble. Reactivation campaigns are a great way to draw back inactive customers since they serve as a subtle but constant prod to get them to make a purchase again.

Free trial signups, customer retention rates, and similar metrics might all be used as benchmarks. The way you promote your products will need to change if

you can utilise this data to get consumers hooked on your first offering. It seems to reason, though, that you'd also do well to hone in on the most valuable data and do all you can to obtain more of it. It's standard procedure to send a survey to new members shortly after they join a website. There may be several survey questions that can accurately indicate high lifetime value. Sending visitors to a survey and then following up with them via automated emails tailored to their comments is a terrific way to boost engagement and conversion rates.[9]

Data do Businesses Collect

The actions of your website's visitors might tell you a lot about them as possible customers if you watch how they interact with your site. The normalised length of time that visitors spend on each page throughout your session. What are visitors actually looking at on your site? Is there any enthusiasm for your suggestions? Is there anything in their shopping basket at this point? Customers' and visitors' actions on your site can provide useful information on how to improve the interface and experience, as well as what kinds of content and products are most popular. When a returning consumer browses your e-commerce site, they should be shown products that are most likely to appeal to their tastes.

It is important to use the results of A/B tests in conjunction with information gleaned from your website to power your marketing efforts. A perfect first draught of an email, commercial, or Instagram post is not always guaranteed. Doing A/B testing on comparable material is essential for honing your messaging and eliciting a stronger response and higher engagement rates from your social media audience. It might be overwhelming to think about how much information could be collected. However, E-commerce marketing agencies can advise you on which data-driven marketing strategies will provide the most results for your business in its current phase of development.[10]

Marketing Analytics and Technology to Drive Results

It's important to have tools at your disposal that can analyse and present data when working with big amounts of it. Google Data Studio is a data visualisation tool that can be used to interpret internet data and make custom dashboards. In contrast to the premium enterprise version, the consumer and team versions are both free to use. Using Google Ads, Search Ads 360, and Google Analytics, you can easily connect and analyse data from a variety of sources with little to no scripting. Hub Spot's Marketing Hub is another option for businesses who value data-driven marketing strategies. It's possible to consolidate

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and disperse client data thanks to its compatibility with Hub Spot CRM and other platforms. The intuitive interface and fine-grained controls of Marketing Hub have the potential to enhance common digital marketing tasks including email marketing, content production, retargeting campaigns, and social media administration. Data-driven analytics on a campaign's success may be obscure. E-commerce businesses may benefit immensely from working with a Hub Spot Solutions Partner and Digital Marketing Agency like Iron Plane to enhance conversions and sales.[11]

Data box is a cloud-based marketing analytics tool similar to Google Analytics, Facebook Ads, Moz, and Hub Spot that provides access to KPI data and the ability to generate reports. Data box offers a REST API and software development kits (SDKs) that may be used to import data from external databases. Executives may have alerts, scorecards, and weekly summaries of KPIs delivered straight to their phones with the help of the Data box app. As a certified data box technology partner, Iron Plane can provide your company with relevant analytics, campaign metrics, and key performance indicators to aid in making data-driven marketing choices. You may utilise any of these resources to translate customer feedback into effective online store promotion strategies. Data analysis may help you detect trends early and keep a competitive edge by providing insight into campaign performance, customer behaviour, and consumer attributes. If you're looking to increase your online sales, hiring a professional E-commerce marketing agency might be a great investment. [12]

Data-driven E-commerce clients

In order to maintain a lead over their rivals, an increasing number of companies are resorting to data-driven marketing methods in order to increase their income from e-commerce. In this post, we will investigate several real-world instances that demonstrate how Big E-commerce has assisted consumers in advancing their data-driven marketing strategy. Programming for use on the World Wide Web.[13]

i. Origin

In order to keep up with its fast development in the retail channel, the nutrition and apparel firm Origin need a scalable IT stack. The Origin marketing team used Google Data Studio and Big E-commerce to properly and effectively combine consumer data from several sources. Because of its centralised data, Origin can make long-term investments in content and advertising.

ii. Garrett Wade

Garrett Wade is in the carpentry and hand tool industry, and he specialises in gardening tools. Like

Origin, Garrett Wade's marketing department manually aggregated client data, which introduced both room for mistake and a time lag in the data. Garrett Wade used a digital marketing platform to reduce the time it needed to verify the integrity of their data before putting it into production. In addition, Garrett Wade's research of its clients' purchasing patterns has helped the firm acquire insight and personalise its marketing content, creating returns that more than pay the cost of the service. [14]

MULTIPLE BENEFITS OF DATA-DRIVEN MARKETING

An improvement on previous levels of commercial success. There are a variety of ways in which using data to direct your marketing approach might boost your profits. The activities are more clear now. In three ways, data improves operational clarity: [15]

i. Campaign success is obvious

Examining the results of a marketing effort and drawing inferences from them is an essential part of data-driven marketing. Have you, for example, obtained the necessary quantity of new customers from prospects, or have prospects been converted into customers?

ii. This eliminates guessing

Never forget that there is more than one method to reach your goals; this is especially true while formulating a marketing plan. Data-driven marketing eliminates the need for arguments over who came up with the best ad copy by allowing you to narrow down the field to a handful of top contenders and let the market decide. In data-driven marketing, we compare and contrast several ideas to find the ones that provide the greatest results for our customers. A/B testing, machine-learning algorithms built into ad-buying software, and so on are all examples of data-driven marketing.

iii. Optimization of marketing credit

Data-driven marketing makes use of analytical tools that help businesses determine which aspects of their advertising spend are most responsible for generating interest in their products and ultimately leading to sales. Finally, marketeers will be able to observe which advertising and campaigns are not generating any leads, allowing them to better allocate their budgets. Knowing what drives new and returning clients further along the sales funnel allows businesses to invest resources effectively.

iv. Writing engaging material

Marketers can hit the point with their message if they know what kind of material their intended audience responds to best. Information gathered through data-driven marketing allows businesses to learn what their customers find most interesting and useful. [16]

An important aspect of data-driven marketing

Segment reports that 71 percent of customers get dissatisfied when they are not provided with a tailored purchasing experience. In the end, Statista found that 90% of U.S. respondents agreed that tailored advertising is essential to attracting customers. This makes the assertion that in today's digital marketing world, personalisation is everything, even stronger. A complicated data-driven marketing plan takes into consideration data, media, creativity, and other elements. There should be a strong emphasis on the medium of communication, the actual ad, consumer behaviour, and trends by marketing teams.

Once upon a time, marketers would only make one set of materials, or have one set of messages, to use across all of their channels. Rich media commercials and other flashy ad formats were utilised to attract customers' attention, but these strategies are now seen as obtrusive. Marketers are shifting their attention to more user-friendly techniques that include customization options in order to entice potential customers. As a result of the mergingWe may reach our target audience using a variety of modern marketing platforms, including as:

- Emails
- Display ads
- Videos
- Social media

Each of which calls for a different approach to data-driven advertising. This means that you're not limited to just one format for any given piece of creative work. Data doesn't make marketing easier, but it does improve results. [17]

Implementing a data-driven marketing approach

- Establishing goals for the company should be your first step.
- Develop marketing strategies that are aligned with the business's goals.
- Determine which kind of data are essential before beginning work on the marketing efforts.
- Set up a system to keep track of relevant information.
- Conduct the advertising campaign.
- Analyze the data to see how effective the marketing effort was.

DATA COLLECTION CULTURE

The lack of a unified data gathering and storage culture in Russian businesses is a major roadblock to enhancing the precision of marketing decisions. Businesses of all sizes are affected by this issue. Numerous businesses use Excel to keep track of data relating to over 18,000 SKUs and 2,000 points of sale. The move is disastrous from a strategic perspective. Using a customer relationship management system (CRM) is the best method for gathering information. While the specific CRM system used is not as vital as its presence and use, the recording of transactional data in an electronic system is still crucial. The timely and thorough filling of all CRM fields must become the company's top priority.

All current CRMs have the option to create custom fields, which may then be filled in manually or automatically by other programmes or monetary management tools. The marketing decision-making process needs four main sets of data. [18]

i. Statistics on Current and Future Clients

It is possible for it to include information on the customer's gender, age, income, education level, place of residence, country of origin, and CAC card (cost to attract customers).

ii. Indicators of Change in "Hourglass"

The "hourglass" method is becoming an increasingly well-liked replacement for the traditional sales funnel. The customer experiences not just the pre-sale, sale, and post-sale stages, but also loyalty and affiliation throughout the course of the transaction. The most intuitive and straightforward user interface for compiling conversion statistics may be found in Universal Analytics. As a consequence of this, Return on Investment (ROI), as opposed to more nebulous, non-monetary factors, may be monitored.

iii. Data on Checks

This page contains information not just on the overall dollar amounts but also on the specifics of each transaction. You should consider, for instance, which SKUs tend to move in tandem with one another in terms of sales volume.

iv.Repeated Counterparty Purchases

In order for this to function properly, each user must have a unique ID, up to a specified limit. The most common mistake made by companies is giving customers loyalty cards without attaching any requirements or restrictions to them about their subsequent purchases (for example, we give the card only to those who bought for the sum of

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at least RUB 5,000). The developers of these tactics anticipate that they will lead to an increase in check amounts since receivers will be more driven to save money in order to get the card that was promised to them. This is not the case, though; the customer is not the reason you want his card in the first place. It is advisable to "cut" the card's bonuses into smaller bits and spread them around to as many individuals as possible rather than offering significant advantages to a select few people. This will allow more people to benefit from the card.

CONCLUSION

In light of this information, advertisers may fine-tune their campaigns to better resonate with their ideal consumers by tailoring messages to their demographics and interests. Although it is clear that data-driven marketing may help your E-commerce firm optimise conversions, acquire useful insights into product development, and track the route of the customer, putting data-driven marketing into practise is notoriously challenging. In order to keep tabs on data-driven analytics, monitor performance, and assess results, many e-commerce businesses use digital marketing agencies. This is because there is an overwhelming quantity of data to process, and thus, a great deal of room for error.

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