



Demystifying Predictive Marketing For Brands

5 MYTHS



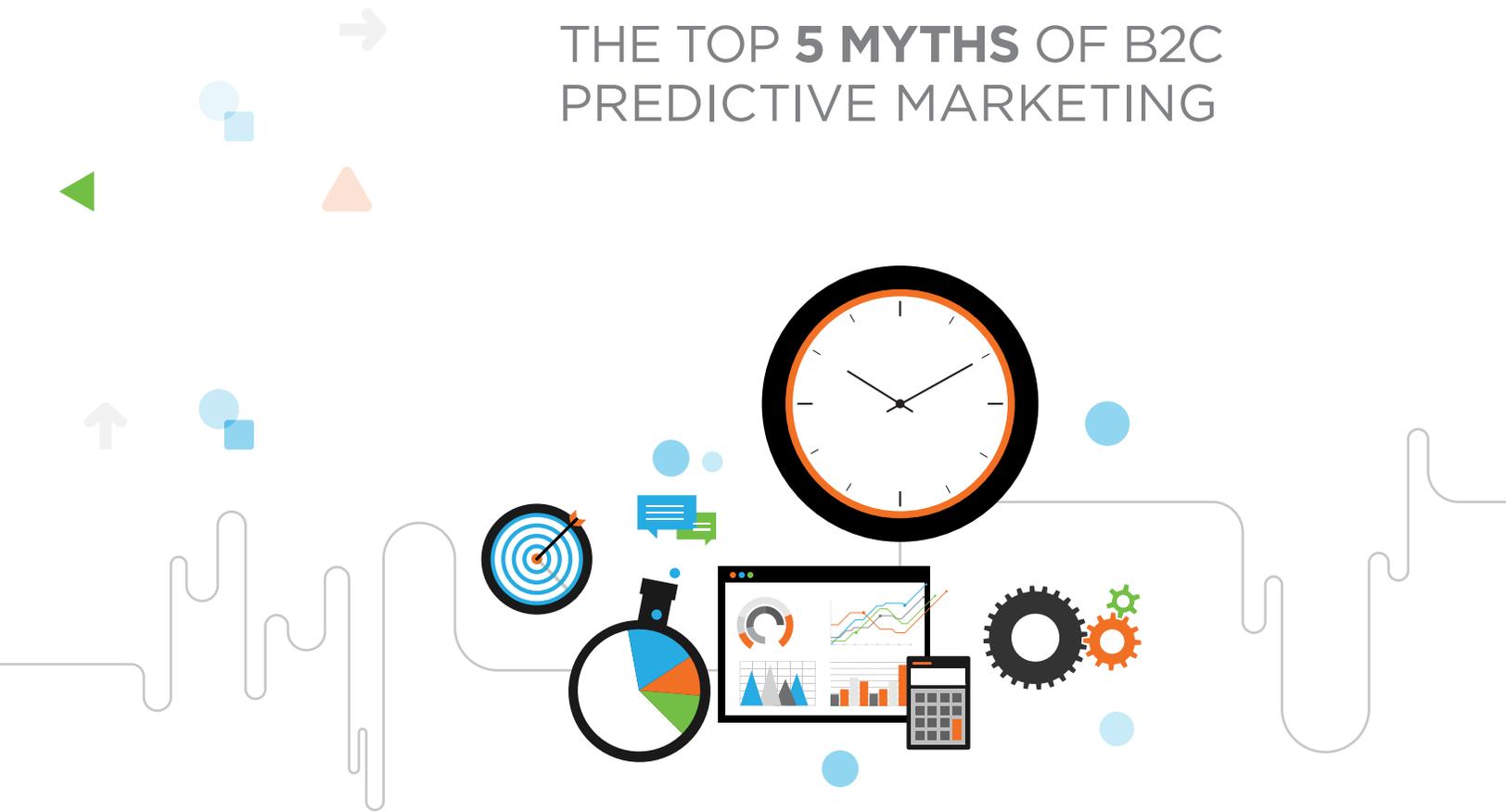
The term predictive marketing can conjure up thoughts of either complicated data science or mystical fortune telling. But it's really not that complicated or mysterious.

Prediction boils down to finding patterns in data, specifically patterns that let you calculate the likelihood of future actions or desired outcomes.

For example, if you have customers who purchased a product or service—like high-end bed linens or on-demand doctor services—then you can use data to find new people likely to buy those products as well. We call these people net-new prospects. These prospects are people new to your brand, who are going to love and buy your products. For customer acquisition marketers, real net-new prospects are what dreams are made of. Predictive marketing lets you find and acquire them.

→ To help you further demystify predictive marketing, here are a few common misconceptions—

THE TOP 5 MYTHS OF B2C PREDICTIVE MARKETING



MYTH N°

1

Building Predictive Models Takes a Long Time

This used to be true, but advances in machine learning and cloud computing are automating predictive marketing. Technology has dramatically reduced the time required to build powerful and accurate models. With the right software, it's now routine to build models on a daily or even hourly basis.

From data preparation, to model building, to scoring prospects for campaigns—the process can be streamlined for better customer acquisition.

MYTH N°

2

You Need Data Scientists, Statisticians or Analysts to Build Predictive Models

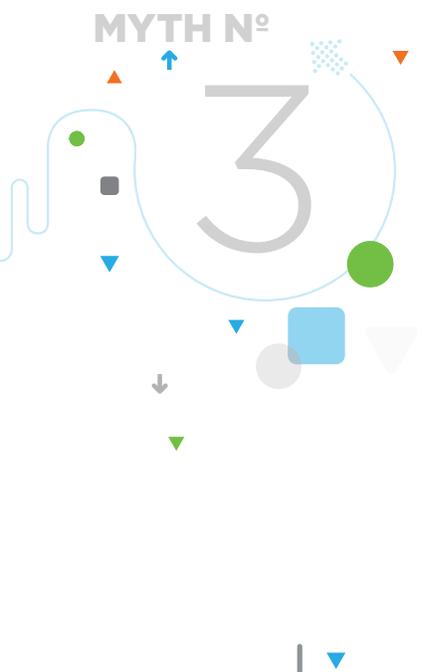


Predictive models can now be created easily in the cloud. It doesn't require technical subject matter experts. Any marketer can build a solid model themselves in minutes, which is great, because there is still a human element - and marketers are well suited for the job.

Using a software platform to build predictive models is a vast improvement in the field, and your knowledge of the marketing strategy and the customer base enables better planning, goals and KPIs for model building across the board.

Marketers can quickly grasp what they need to know about how modeling works. It's become an accessible discipline, like content marketing or digital advertising. As you plan, build, and implement predictive models, your familiarity with predictive details like 'tiles', 'scoring,' and 'likelihoods' increases over time.

More importantly, marketers know what to do with model results. They can rapidly run acquisition campaigns to predictive-based prospects and feed results back into the modeling software for continued campaign improvements and optimization.



Building Predictive Models Is Expensive

This myth is still true for companies using in-house, manual data science. It's still expensive, due to the team, expertise and resources required. Likewise, outsourced, manual model building can still cost thousands of dollars per model—and that's just for the build and doesn't include implementation.

Predictive software platforms reduce costs by using machine learning and algorithmic prospecting to automate processes. With cloud-based efficiency, the results are better modeling and implementation than previously available, at a reduced cost.

MYTH N°

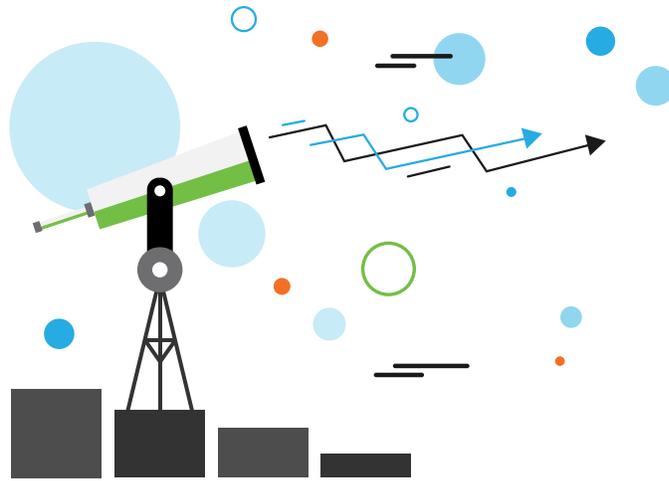
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Transactional Customer Data is Sufficient to Build Predictive Models

Brands are rich in data. Or are they? Transactional customer data is an advantage, but by itself won't let you find net-new customers, who have yet to purchase your product. You also need demographic, financial, and behavioral characteristics to determine who your best customers will be, beyond previous spending that occurred. Predictive software platforms are able to enrich existing customer transaction data with hundreds of other valuable pieces of information.

Likewise, third-party behavioral and community data is a vital resource that allows you to reach net-new customers and avoid "red oceans." (Red oceans are instances where companies fight for limited pools of customers and thus end up competing on price.) Predictive software processes external data to open up immense pools of relevant prospects, new to your brand, who will look and act like your best customers.





MYTH N°

5

Predictive Models Don't Work—They Aren't Better Than Univariate Targeting

Targeting prospects based on a single variable or (supposed) personas are expiring solutions.

Marketers have relied on simple targeting, because there wasn't a better option. When trying to hone in on future buyers, it was better to identify at least one, or a few, meaningful variables that maybe indicated something important about customers or prospects. This has limitations in the real world. People are more complex than basic persona modeling or univariate targeting can account for.

As marketers, we're used to making assumptions about our ideal customer and potential buyers. We've grown used to attributing traits to segments like "Eco-Conscious Moms," based on anecdotal evidence or severely fragmented data, which—when put to the test—doesn't correlate or predict future purchase behavior. It's not our fault. Marketers chose the best criteria available, but have been missing the many hundreds of variables and characteristics that can give a true and dynamic view of customers and can identify best prospects.

TRY IT YOURSELF

Run a campaign with predictive-targeting versus a random selection and check the results. With a control group, you can clearly see the power and ROI of predictive prospecting, compared to random or univariate selection.

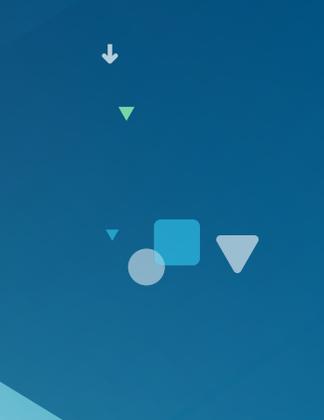


Want to be a predictive marketing myth buster?

Sign up for a free trial or request a demo at www.reachanalytics.com, or you can contact us directly:

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ABOUT REACH ANALYTICS

Reach Analytics provides automated predictive marketing, with the only predictive cloud platform designed for B2C brands. We help companies gain a deeper understanding of their customers and discover their best prospects—delivering the top predictive-based consumer targeting, profiling, insights and acquisition tools available.

Reach Analytics is a privately held company headquartered in Redwood City, California.