Turning Data into Dollars: How to Use Predictive Analytics to Increase Revenue and Decrease Marketing Costs

Here's an interesting statistic. Did you know that 90% of the world's data has been created in the last three years? No wonder it's called Big Data… and getting bigger! As most marketers know, data is a gold mine of market intelligence for anticipating buying decisions. According to *Furniture Today*, May 2014, most retailers are not tapping into the treasure trove of data available to them.

They know that retailers would love nothing better than to fuel their marketing plans with customer data. After all, the on-the-go furniture consumer is a moving and evolving target, and data helps marketers keep pace and anticipate their needs.

As a savvy retailer yourself, you understand this only too well. The challenge is: How do I turn data into dollars with my marketing efforts?

In this article, I will show you how Predictive Analytics can be integrated into a highly strategic, data-driven marketing plan for increasing your company's revenue and significantly decreasing marketing costs.

Pinpoint What Your Customers Want – and When They Want It
…without Asking Them!

Predictive Analytics provides market intelligence on your customers as to what they *really* want. By following their data trail, you take the guesswork – and lost revenue – out of your communication efforts.

Find out:

- *Why customers behave in a certain way – (purchasing drivers)*
- *When they are most likely to make a purchase, and*
- *How to position your store to fulfill their ever-changing needs*

If you can accurately predict what your customers want, you won't waste time or money guessing. You will only invest in marketing strategies that promise predictable outcomes, and in turn, drastically increase revenue and slash marketing costs.

With that kind of marketing ammo, you have dramatically increased your profitability potential! No wonder they call it data *mining*?

Reduce Marketing Costs – Online and Off

Streamline Your Email Marketing

It's a fact. Most people get too many emails, and are quick to hit that 'opt-out' button. The reason? The email campaign was poorly strategized from the get go. The company sends out a mass email hoping they snag some clicks and conversions by casting a broad net. The outcome? They just wasted valuable time, energy and precious resources on an email campaign with little or no ROI, and worse, they have pushed away a customer.

 Don't let this happen to you!

Use Data for Winning Email Strategies

Email campaigns fail because data wasn't part of the game plan. Professional athletes know this; they study their opponents past performances to predict their future behavior performance. The same can be said for Predictive Analytics. It gives you past customer behavior to help predict future outcomes.

By analyzing how a customer has responded to your past email campaigns, you can create follow-up sequences specifically tailored to their purchasing behavior.

And always see email through your customers' eyes. Would you hit 'delete' when you read the subject line or be intrigued to learn more?

Segmenting is another strategy for cutting marketing spend and increase customer engagement. By segmenting email lists based on specific criteria like geography and demographics, you target only those customers most likely to respond to a particular campaign.

Decrease Direct Mail Costs

Casting too broad of a net also applies to failed direct mail campaigns. Many companies practice a 'set it and forget it' mentality. If you have a direct mail budget and a mailing list, you may be tempted to send mailings to everyone on that list every single time.

Stop!

The same strategy applies to direct mail campaigns as it does to data-driven email s. By using Predictive Analytics, you can pinpoint which customer segments will be most responsive to your mailings. And as any marketer knows, those direct mail costs can spin out of control far too easily.

Data will help you segment your lists mailing only to viable 'ready to buy' prospects. Now you can drastically minimize your direct mailing costs while maximizing marketing strategies that do resonate with specific customer sectors.

Turning Data into Dollars

With Predictive Analytics, you can simultaneously increase revenue and decrease marketing costs by accurately predicting what your customers want, when they want it. Instead of wasting money marketing to every customer every time, you'll be able to create offers for segments that are ready to buy right now.

Rev up your revenue with Massa Inc.'s exclusive report on retail furniture profitability, "Breakthrough Results." Click here to get your FREE copy today!

The following post was written by Bonnie Massa, President at [Massa & Company](#).