Fighting Market Disruption — It's All In The Data

By Jim Harenchar, President & CEO, Response Marketing Group

Much more than just a buzzword, disruptive marketing is changing the way we react to, understand and accept companies and their advertising. From a business standpoint, disruptive marketing represents a key shift in an era where promotional strategies update as fast as the technology that carries them.

Apple didn't change music—it changed the way consumers shop for music with a disruptive service that revolutionized the industry. Netflix has revolutionized media consumption. Tesla has disrupted the auto industry by creating direct-to-consumer purchasing pipelines that break from the traditional dealership model and give consumers a way to interact with a car brand that's familiar to their experiences in other categories. When you look at Airbnb — and also Uber, for that matter — it's clear that many of today's disruptors are focusing on the social aspect of consumerism. There's something more attractive to today's customer about purchasing a product or service from a person as opposed to a large corporate brand. Airbnb accomplishes this by connecting people to people. This peer-sharing aspect is what's allowed the company to grow so quickly.

Whereas disruption turns an industry on its head by offering customers something that previously didn't exist, innovation merely makes an existing value offering better, cheaper or

faster. Marketers who focus on building relationships around good products will be rewarded, while fake fast followers with shabby products and poor service will be ostracized.

Follow The Leaders

Financial services companies were some of the first to embrace data mining and customer analytics. It has been used as a tool for customer acquisition, retention, cross-selling and Onboarding for nearly 20 years. Other industries have followed that lead and begun to apply similar methodologies for their business applications. We believe two industries that can benefit greatly from applying data-driven marketing are hospitality companies and health systems.

As outlined in a recent study conducted by Deloitte Consulting, hospitality companies are data-rich but insight-poor. To truly understand their customers' needs and deliver an outstanding experience, hospitality companies should be able to access and leverage the right information at the right time—not an easy task. In fact, many hospitality companies struggle to turn the disjointed data they have into useful information, and valuable insights to enhance the experience. Others have difficulty determining what information to collect, how frequently it should be collected, or how best to distribute it to internal and external stakeholders.

Within the healthcare sector, an evaluation of the marketplace by McKinsey & Company revealed that more than 200 businesses created since 2010 are developing innovative tools to make use of available health care information. The good news is that the proliferation of electronic medical records and mobile devices, enhanced computing platforms and infrastructure, new data sharing and mining tools, and other recent technological advances have dramatically increased the ability of health care providers, payers, and their affiliates to generate, aggregate, store, and analyze health information. As market leaders like Cleveland Clinic, Mayo Clinic and Johns Hopkins

develop strategies to leverage existing patient and prospective patient data, we're seeing more interest in embracing data to improve marketing effectiveness and measurement.

Whether you're a brand activation agency fine-tuning a creative brand campaign or an ecommerce business analyzing customer-buying behavior, data analysis plays a huge role in brand disruption. Data-driven marketers are using both unstructured and structured data to discover valuable trends, opportunities, and consumer insights. New analytics tools make it possible to analyze sophisticated text-based data, which can include anything from online customer reviews to emails. Brands that invest in data analytics can easily spot customer behavioral trends, identify areas for improvement in products and services, and glean insight about what their customers want. In other words, data analytics is a gold mine for identifying disruptive market opportunities and capitalizing on them.

We believe the basic principals that we have applied to customer and prospect marketing in other verticals translates to success in hospitality and hospital marketing and advertising. We would also advise you to look no further than your existing data as a starting point for implementing a data-driven marketing strategy in 2017.

About the Author: *Jim Harenchar is the President & CEO of Response Marketing Group, a consumer-data focused marketing agency in Richmond, VA. The 12 person independent agency, offers branding, marketing strategy/planning, data analytics, measurement and management of multichannel marketing campaigns. The agency serves a number of clients in the financial services, hospitality, healthcare, and real estate development sectors. The firm can be reached at*

www.rmg-usa.com. Jim Harenchar can be reached at 866-574-7665.