Ensuring Accurate Reporting

A Primer for Marketers

In building effective CRM campaigns, accurate reporting should be an essential element for marketers to use in justifying the investment in the program. This reporting, when done well, also can build overall confidence in the results among the management hierarchy.

BY DAVID BERNARD

arketers invest heavily in CRM and database marketing so they can build customer insight to improve marketing effectiveness and increase customer profitability. And reporting is the vehicle for marketers to receive the key benefits from this investment through the provision of concrete program performance measurement, illumination of opportunities to improve tactics and, most importantly, objective demonstration of the value of the marketer's contribution to the company's bottom line.

Reporting is therefore essential to marketers and a core part of justifying the entire investment in customer marketing programs. Yet, when reporting errors occur, a lack of confidence in the results ensues and the soundness of the marketer's investment in CRM is questioned. Senior management becomes skeptical of results they see and of the marketer's ability to deliver.

Not a pretty picture, but it all can be avoided.

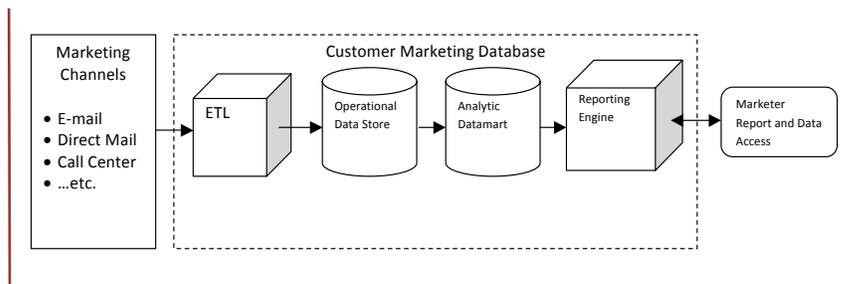### Where reporting errors come from

To effectively manage issues stemming from reporting errors, marketers need to become more savvy in marketing automation and database technology – just enough to know forensically how reporting errors are introduced in the first place and what to ask for from their partners to prevent them.

Figure 1 represents a typical CRM Architecture driving reporting.

Each component has an important downstream impact on the reporting output:

- **Marketing Channels.** The source of transactional customer marketing interactions that populate the customer database and drive reporting. Marketing Channels are managed by channel vendors at the direction of marketers and agencies.
- **ETL (Extract, Transform, Load).** The process that manipulates the data from the marketing channels so they can optimally be stored in the customer database. The ETL is based on the business rules and requirements defined by marketers and agencies.
- **Operational Data Store.** The customer database optimized for transactional processing and marketing execution.
- **Analytic Datamart.** The customer database optimized for reporting and analytics.

Fig 1: Typical CRM Architecture

	Error/Issue	Category	Typical Root Causes
1	Responses are attributed to the wrong channel or program	Mis-attributed value	• **Channel Provider:** Data sent to the customer database from the channel is mis-coded. • **Marketer/Agency:** Business rules defined to attribute transactions to channels/programs are incorrect or are not logically sound. • **Marketing Database Provider:** The development/configuration of the ETL process into the customer database contains errors and/or does not properly follow the business rules designed by the marketer/agency.
2	Responses from a given channel are under-reported or missing	Missing Values	• **Channel Provider:** The channel provider does not reliably execute the interface between the channel and the customer database. • **Marketing Database Provider:** The operations management and ETL process does not reliably process data into the customer database. • **Marketing Database Provider:** The Reporting Engine and/or Report Template refer to incorrect fields.
3	Incorrect Response Rate, ROI value	Incorrect Calculated/Derived Value or Measure	• **Marketer/Agency:** Definition/specification for calculation of the measure is incorrect or is not logically sound. • **Marketer/Agency:** Baseline values of cost/plan data are incorrect or not provided reliably. • **Marketing Database Provider:** The programming for the calculation of the measure contains errors and/or does not properly following the definition/specification designed by the marketer/agency.

• **Reporting Engine.** The portal that serves reports to the marketer.

Most errors typically fall into one of three categories. Reducing or eliminating these errors requires proactive steps from marketers and their partners.

The typical marketer can only spend two hours or less each week looking at reporting or using a query tool to extract information. With such a tight time window, reporting must be highly optimized for marketer's needs to be used with any regularity.

Reduce risk of reporting errors by minimizing manual processes

Steps in the reporting production process that require manual intervention reduce stability and increase the risk of error.

For example, a reporting production process that involves an agency analyst pulling data from the customer database, summarizing that data in Excel and formatting that data in PowerPoint to be delivered to the marketer on a monthly or quarterly basis is perhaps the worst-case scenario. Each point in the process – from the accuracy of the query used to pull the data, to the steps used to summarize and structure that data, to the way in which that data is represented in PowerPoint and even to when and if the process is performed at all is subject to the actions (or inactions) of a human being.

Bottom Line: Marketers should ensure that the marketing database partner be leveraged to implement automated report production, including backend data processing, automated data transfers and report distribution. Manual efforts from the agency or other partners that do not directly handle the database should not be needed. Not only will this reduce risk, but it will reduce costs by eliminating fees associated with the agency labor formerly used to produce the reports.

Implement QC checkpoints at multiple places in the process

The most insidious reporting errors are subtle inaccuracies that emerge under the radar and are left unresolved for extended periods of time until they are discovered. Each day such anomalies are not resolved, direct and indirect costs accumulate – making proactive identification of error a priority. A majority of reporting errors are introduced through data operations anomalies—data not passed consistently or coded properly – which can be difficult to see without the proper procedures in place.

Bottom Line: Marketers must take charge and hold both the channel partners and the marketing database partner responsible for proactive QC. Each channel partner and the marketing database partner should be required to establish operational reporting that contains counts of transactions passed by each program and campaign over time and compares these results to a range of acceptable values. When values fall out of range—a big indication that transactions are not being passed or coded properly – the error can be caught and action can be taken proactively. This type of operational reporting should not be costly to implement, and is certainly far less costly than the errors that would emerge without them.

Marketers who take a hands-on approach to ensure accurate and relevant reporting are able to prove the success of their marketing initiatives and make better decisions.

Use the reporting resources that are available

Chances are, if a marketing database vendor has been engaged to support customer marketing programs, a reporting tool is available somewhere in the organization. These reporting tools usually contain a series of standard reports that not only describe program activity, performance and customer attributes but also provide an interactive query capability that marketers could use to answer questions. Unfortunately, interactive reporting is severely under-utilized by marketers, even those who have access and were trained.

Why the lack of use? The typical marketer can only spend two hours or less each week looking at reporting or using a query tool to extract information. With such a tight time window, reporting must be highly optimized for marketer's needs to be used with any regularity. Fifty-page PowerPoint decks or query software with numerous standard reports with hundreds of data elements do not make marketer's jobs easier, and are likely not utilized.

It is astounding that even with the increased focus on transparency and results in marketing, many marketers do not use the reporting tools at their disposal. Whether this is due to a lack of confidence in the numbers, a lack of understanding of the metrics or an overall aversion to quantitative thinking, marketer aversion to reporting is dysfunctional and harmful to the organization.

Bottom Line: Marketers need to work closely with their partners to make the reporting capability usable. Requirements need to be understood by partners, and it is up to the marketer to describe the key metrics that are important to their business so marketing database vendors and internal analytics teams can deliver. At the same time, marketing database vendors and the internal analytics teams must proactively understand the business and the array of marketing programs to ensure that their efforts are relevant to their clients. Even more important is that these partners understand the way in which marketers need data presented so that results, reporting and query tools are optimized for their use.

Marketers who take a hands-on approach to ensure accurate and relevant reporting are able to prove the success of their marketing initiatives and make better decisions. The result – an empowered marketer who instills confidence in senior management and continually delivers for their company. **DTC**

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Read the Complete Series

Editor's note: This is the third installment of a series about databases. The first article, from our March 2009 issue, detailed the crucial steps for creating a marketing database, as well as to give marketers an understanding of how to work with their database, "Six Steps to Building a Successful Database: A Primer for Marketers." The second installment, from our March 2010 issue, was about maintaining and keeping the various processes of databases in alignment, "Turnkey or Time Bomb?" (These articles can be found under "Past Issues" in the "Magazine" section of our Web site, www.dtcperspectives.com.)