

Leading with data in SSA

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*Unlocking the value of information can be a challenge, says **Jaco Lintvelt**, managing director of Dentsu Data Labs. But developing a sound data strategy can help businesses access that value.*



What does a sound data strategy look like?

Before we can answer this question, we need to understand the context in which companies will be operating in sub-Saharan Africa (SSA) in future. The complexity of businesses in SSA is going to drastically increase over the next couple of years as the world population grows from 7.7 billion to 10 billion people (consumers). During this period, there will be immense growth on the African continent as 1.3 billion of these 2.3 billion people will be in Africa.

This makes SSA replete with business opportunities, and together with the growth of internet penetration, Africa will emerge as the perfect place to grow business and increase profits. While conditions may be optimal, this is not going to be easy for CEOs and CMOs on the continent; as we know, consumers in our region are unique and complex.

Why do businesses in Africa need a data strategy?

1. Financial benefits

Businesses that are taking advantage of data-driven marketing are seeing significant benefits in cost savings and increased revenue but, over and above that, marketers in Africa need to develop new rules for success.

As all brands are trying to drive higher profits in tough economic times, a sound data strategy needs to underpin all the areas where growth can occur:

- Communication
- Experiences
- Commerce
- Technology

2. Communication and branding benefits: The new consumer

Consumers in Africa have moved away from being brand-led (marketing success meant changing consumer behaviour) to being consumer-led (marketing success means getting brands to change behaviour). For brands to understand the context and the environment in which they operate, they need to be open to data to inform their next steps.

At least 10 years ago, 60% of touchpoints were brand-driven, for example, advertising, direct marketing, promotions, in-store experiences and salespeople. In 2020, 60% of the consumer touchpoints are consumer-driven, for example, search advertising, third-party sites, social media and blog reviews, among others. The most fundamental challenge for today's marketers: consumers curate their own path to purchase.

What do brands need to keep top of mind?

For brands to navigate this new communication space, they need to make sure they have a strategic approach to how they define the following:

1. Business strategy:

- Is the data strategy underpinning the business strategy?
- How does the organisation understand and maximise lifetime value from its audiences?

2. Data strategy defines how data will enable you to:

- **Understand** its prospects and customers
- **Capture** the experience the client delivers
- **Measure** the effectiveness of the strategy

3. Data strategy then determines or contributes to:

- The technology the client needs to deliver experiences and capture data
- How the client will analyse that data
- How audiences will be classified and managed
- The organisational structure, which underpins these activities
- What steps the client will take to meet privacy and regulatory requirements

If the above is in place, core issues such as leads decrease, ad wastage and market share reduction can be more easily addressed. Solutions like optimising communication and media towards purchase value, product type, purchase frequency and upselling also become a viable reality.

What is the current view?

Most CMOs will agree that there is still a lot of work to be done in this area. The consumer is served different experiences from different brands across all these touchpoints, and the messaging will remain inconsistent if the right data strategy is not implemented.

The magic lies in creating a strategy that's cohesive and tuned in to brand tone, as well as a service offering that matches the brand promise. This is what consumers are expecting of marketers.

I believe that's what a data leader in SSA will look like, and the success will be evident not just in the satisfaction that consumers have with every brand experience, but also in the company's financial results.

What is my advice to CEOs and CMOs?

Everyone would like to jump straight to advanced data science and transformative change, however, that demands that the

fundamentals be in place. Brands must approach the consumer's 'data journey' in a very structured and humane way – if they want to better understand their current and prospective consumer.

Make sure your organisation has a view – even if it is very basic – on:

1. The company's approach to data (both technically and in view of the culture around data sharing internally and with key partners).
2. How data is stored in compliant ways, but usable and easily accessible.
3. How to use or activate data in communication on owned assets like the company website, or even in the e-commerce environment.
4. There is a consistent way in which the data and the value of it are measured.
5. The process is constantly refined to remain relevant.

As a CMO, go through your current consumer journey across all your owned assets, like your website and app, but also evaluate how your media and creative addresses these touchpoints and conduct a thorough and honest audit. Are we tracking the right activities across this process to be able to answer the above questions?

Interrogate the strategy and include questions around the authenticity of the consumer journey and its link to the brand promise. This is critical in building consumer loyalty and retention. A sound data strategy must also deliver a better customer experience than your competitors. If you're not there yet and you've answered 'no' to the above, then the time to relook your data strategy is right now.

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