MONEYBALL MARKETING

UP YOUR GAME WITH A NEW APPROACH TO DATA
You probably saw the movie Moneyball with Brad Pitt. Perhaps you even read the book the movie was based on. But what you may not have noticed was that the movie and the book actually reveal a way to optimize your marketing, in much the same way the Oakland A’s optimized their baseball team.

First, a quick Moneyball refresher. Traditionally, major league baseball teams assumed that a roster full of players with great numbers for batting average, stolen bases, runs batted in and home runs was the key to winning baseball games. Rich teams spent big money to sign the top performers, while poor teams, who too often saw their best players poached by the big boys, struggled to keep pace in the standings.

Knowing they couldn’t compete with the richest teams on player salaries, ahead of the 2002 season the Oakland A’s, led by general manager Billy Beane, looked hard at their meager budget to find a way to get more wins with less. They dug deep into the data using counterintuitive metrics—primarily on-base percentage—to find undervalued players who could produce more than their modest price tags would suggest. The grand experiment was this: How would a whole team of these overlooked, cost-effective performers fare?

The very next season told the story. The 2002 A’s finished first in their division, won a league-high 103 games and posted a record 20-game winning streak. Billy Beane, his right-hand data men, and the data gurus who inspired them became the most sought-after resources in the game. Data now drives baseball. Period. The game will never be staffed in the same way again.

Marketing is at a similar crossroads. The past 50 years in marketing have been defined by plunking down big dollars for TV and other “heavy hitters.” Today, modern marketers have a world of options for getting on base and connecting with customers. Yet data is still underused when making cross-channel decisions (building and managing our roster). There is a new, more data-driven way to market, and if you want to be a relevant marketing leader in the next five years, you need to play by the new rules of Moneyball Marketing.
LOOK BEYOND THE BLING TO THE WORKHORSES THAT DELIVER

In baseball, it was the marquee players who attracted most of the dollars and attention. The former catcher who could hardly throw anymore and who was just released by another team was definitely not “hot,” but he had a history of getting on base, and when the Oakland A’s signed him and converted him to play first base, he delivered and delivered reliably. Marketers tend to focus on TV ads and high-concept campaigns. But in the Moneyball mentality you ask, What works? What drives results? Judge everything by what it delivers and at what cost, which leads us to...

USE COST AS THE GREAT NORMALIZER

You can rank players based on, say, how often they get on base. Or you can rank players by how often they get on base divided by how much you need to pay for them. No matter what brand you represent, you are being asked to do more with less. You are the Oakland A’s. You need to find a way to win games as cost-effectively as possible, so divide outcomes by what they cost to make sure you’re picking the right players (marketing tactics) to get the job done.

DON’T JUST AIM FOR HOME RUNS, GET ON BASE

No matter what brand you represent, you are being asked to do more with less. You are the Oakland A’s. The Oakland A’s had a simple focus: Find players with high on-base percentages that they could afford. They didn’t optimize based on how many home runs a player hit last year. They didn’t even optimize for runs scored. They focused on on-base percentage. Because the more often you get on base, the more often you score runs. The more often you score runs, the more often you win. Sure, it’s nice to have home run hitters, but be sure you are stuffing your roster with players that get on base.
In baseball, the ideal outcome is wins. In marketing, it’s revenue. So just do the stuff that drives the most revenue, right? Of course that’s far easier said than done. But at minimum, you know that you won’t get revenue if no one is aware of your brand. And you know you won’t get revenue if you don’t engage those who are aware of you. These are factors you can optimize around. In other words, even when certain marketing efforts don’t have direct revenue attributed to them, you’re not off the hook from being a data-driven, Moneyball Marketer. You should still be driving awareness and engagement cost-effectively. In essence, get on base.

**Optimizing marketing results has no single silver bullet.**

**DETERMINE YOUR KPIs UP FRONT**

The Oakland A’s were clear at the outset about the Key Performance Indicator they would use to judge players (on-base percentage), which made decisions very straightforward. Similarly, in marketing, if you decide upfront the criteria by which you’ll judge your marketing efforts, decisions become very clear. No matter what you set out to do, no matter what channel—an email, an event, a TV ad—decide before you begin the KPIs or criteria by which it will be judged.

**NO ONE PLAYER WINS GAMES**

Just as baseball learned that consistently winning games isn’t about trotting out a superstar, optimizing marketing results has no single silver bullet. No one Super Bowl ad will make or break you (with very rare exceptions). Your brand is created by the millions of individual experiences customers have with you. And optimizing your marketing results is going to happen via a hundred small optimizations—shifting budget from underperforming tactics / channels / agencies / campaigns (again, from a cost-effectiveness perspective) to overperformers. Which brings us to the next point...

**THE PERFECT IS THE ENEMY OF THE GOOD**

Billy Beane couldn’t be sure exactly which of his Moneyball signings would...
end up working out. But that didn’t stop him. If the data showed a certain player might be a good contributor, they extended him an offer (in some cases even when others on the player-personnel team disagreed). Baseball plays a lot of games per season. There is plenty of time to tweak. General managers trade players, bring new players up and send others down all the time. Once you’ve confirmed what you’re optimizing for (that is, whatever your equivalent of on-base percentage turns out to be) just get going. Then, watch your marketing mix performance closely and make sure your team is always optimizing. Postponing the “did my marketing work” question until year-end is like waiting until the baseball season is over before taking any action to try and win more games.

ARE YOU A MONEYBALL MARKETER?

The era of data-driven marketing is here. And the Billy Beanes of the marketing world will be the sought-after marketing leaders over the next five years. With a Moneyball mindset and the right team and tools by your side, you’ll be well on your way.

ABOUT BECKON

Beckon is performance management for marketing in all its modern complexity. Only Beckon brings together data management, planning, reporting and analytics in a simple, powerful, SaaS platform built by marketers, for marketers. It aggregates, normalizes, categorizes and analyzes all the data that matters to marketers and gives the world’s best brands insight into what’s working best across it all.

LEARN MORE

Contact us for a complimentary consultation to find out how Beckon can help you better demonstrate the marketing contribution at your organization.

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