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# Customer Recognition

How Marketing is Failing at its Top  
Priority

In partnership with Epsilon  
and Conversant

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and Conversant

**EPSILON®**

**CONVERSANT** 



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# 1. Foreword from Epsilon and Conversant

Anyone involved in marketing knows that the industry has changed dramatically over the last decade. It's accelerated in the past five years, as digital technology continues to transform the brand-to-customer relationship. Those of us entrenched in the industry are well aware that marketers are struggling to adapt. The customer journey is faster and more compressed across offline and online channels, and we must be ready to make micro-decisions in milliseconds.

The only way to effectively communicate with customers across media, time and devices is to have a robust recognition capability. To achieve customer recognition, marketers require data-management capabilities with access to customer profiles that are broad, accurate, rich, real-time ready and persistent. The richness is the deep and accurate understanding of who customers are, their online and offline behaviors and their interactions with marketing tactics. The persistence is the ability to maintain accurate connections in the face of always-changing activity, online and off.

At Epsilon and Conversant, we are seeing chief marketing officers move budget away from mass advertising, like radio, TV and print promotions, toward more addressable channels like digital. Yet, in speaking with clients around the world, it's clear that marketing capabilities lag behind strategic goals tied to customer recognition and reaching these audiences through personalized digital marketing.

A big component of this disconnect is the ability to execute personalized digital marketing that goes well beyond the skillset of brands' in-house teams. The architecture required to deliver personalized, real-time communications is changing the marketing-supply chain, creating more reliance on machine learning, automation, technology and third-party vendors. The recognition technology fabric that enables this covers devices and interactions with brands and sites that span industries. This fabric provides consistent recognition that allows you companies to be more specific and consistent in their relationship with customers.

To better understand how marketers can achieve strategic customer-recognition goals through technology and data capabilities, Epsilon and Conversant partnered with Econsultancy for research across more than 200 brand and business-marketing executives in North America. We asked them about their digital-marketing priorities, realities around data-management capabilities as well as what type of data composes their customer views.

We think the results of this research will be enlightening and perhaps provide confirmation of what many marketers have been thinking all along. We want to achieve an integrated experience for customers. We want to treat customers as real people and not just segments. We want persistent connections to them that create long-term loyalty. This research shows senior-level executives the imperatives required to achieve customer recognition and reach customers across time, channels and devices.

**Chris Harrison**

Chief Technology Officer, Epsilon

**Ric Elert**

President, Conversant



## 2. Executive Summary

The long-held promise of digital is to make mass marketing personal. For years, the technologies of marketing have pushed the industry closer to the goal of one-to-one marketing, but consumer habits have changed even faster. The move to mobile pulled the rug out from under data-reliant marketers just as they were truly beginning to understand how to sell on the desktop.

To deliver personalized and valuable services, we have to know the individual. That knowledge doesn't have to come with an SSN, ZIP+4 and credit score, but it does need to distinguish them sufficiently to know that one path is more useful to them than another. Today the industry is grappling with the fundamental questions of how to recognize individuals across devices and understand the complicated set of encounters that make up the customer experience.

*The Customer Recognition Report* explores where marketing is today in its pursuit of personalized promotion and finds a stark gap between perception and reality. The report is based on a survey of 220 executives with knowledge of their organization's measurement and analytics capabilities. Sixty-three percent of respondent companies reported revenues over \$1.5 billion in 2015.

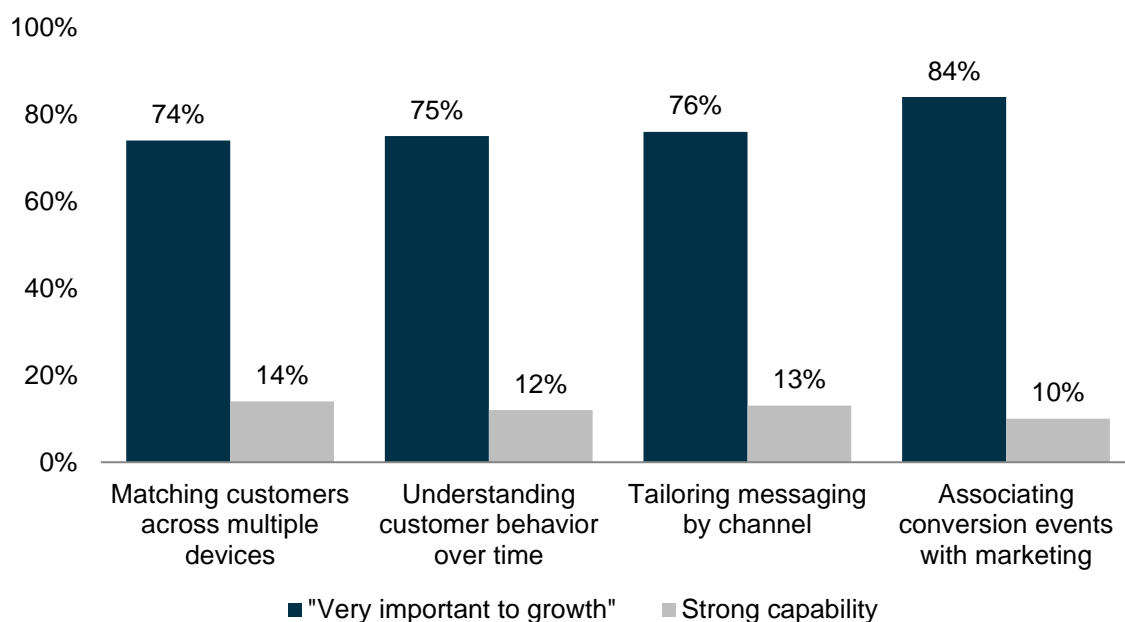
### Recognition is the foundation for marketing's top priority

**Eighty-six percent of marketers prioritize providing an integrated experience across devices and media.** This goal is at the core of modern marketing, and it requires the ability to know who customers and prospects are, at scale, wherever they are.

To this end, marketers acknowledge the necessity of being able to recognize their customers across media, time and devices. **Seventy-five percent agree that their growth depends on communication with their customers and prospects as individuals.** The pressure to develop personalization is heightened by the marketplace; **70% believe their competitors are focused on this capability.**

### Belief vs. reality in digital capabilities

Focusing on some of the components to customer-experience management, there is a remarkable disparity between need and capability. **While as many as 84% of marketers describe identifying users, personalizing messaging and measuring impact as "very important to growth," only 10–14% enjoy strong capabilities in these areas.**



## Why the single customer view eludes marketers

While data unification is one of the most discussed and sought-after capabilities in digital marketing, it is also one of the most misunderstood. The study highlights a remarkable distance between the share of respondents who say their organizations have achieved a single customer view, and the real capabilities they have in place.

Over 40% of large organizations report having a system for data unification in place. But when that number is reverse-engineered based on the integration of specific sources such as CRM, channel data and behavioral data, **the number with a true single customer view drops to only 12% of the sample.**

Achieving a true single customer view is a real challenge. Even for those organizations in the 12% who have tied together the necessary data sets, some activities are still obscured, whether for technical or procedural reasons. For example, even though 77% of these companies have integrated offline data sources, only half can tie offline sales back to online marketing programs, or roughly 5% of all responding organizations.

## Promise vs. reality in data management vendors

Few spaces in digital marketing have evolved more dramatically or rapidly than data management, so perhaps it's not surprising that marketers aren't all happy with their data management platforms. **Nearly 60% say that the reality of their technologies does not align to the promises they were sold.**

One of the most critical discrepancies between vendor promise and product reality is in testing. **Seventy-three percent of respondents report that vendors lack the ability to apply test-and-control measurement across devices and channels consistently.** Lacking this fundamental capability, marketers are left with a patchwork of information.

When asked to rate their ability to tailor messaging to particular channels, only 13% of respondents were "very satisfied." Customized messaging is essential to marketers' top priority of providing an integrated customer experience, highlighting another key tension between what they need to accomplish and the tools they have available.

Supporting the theme running throughout this research, customized messaging depends on having a reliable and current view of the customer. Without it, any customization is a blunt-force instrument based on segment-level correlations: not a truly personal experience.

## Moving forward

For marketers with the goal of data-led, personalized marketing, the report lays out five ways to move their analytics practice forward. These include conducting capability audits; the importance of matching spending with consumer behavior; and the relationship between corporate inertia and measurement. In addition, readers are offered a simple self-test to quickly indicate their organization's customer-recognition capability.

### ***Also in the Customer Recognition Report:***

- How to conduct a true capability audit
- Why it's vital to reduce data-friction with customers, and guidelines for doing so
- How to align the company behind measurement as a strategic resource
- The internal threat to evolving measurement practices
- The ongoing discrepancy between media allocation and customer behavior

## 2.1. Methodology

This report is based on an online survey conducted in February and March of 2016, using primarily third-party providers for distribution. Respondents from third parties were offered an incentive to complete the survey. It closed on March 28 with 220 qualified responses.

The sample was comprised of brand and business-marketing executives in North America who were qualified for the sample based on revenue, seniority and knowledge in relevant areas.

- Any respondent below the "manager" level was disqualified. Seventy-two percent were at the director or senior director level, with 24% at a VP level or above.
- The study represented a wide range of sectors. The most heavily represented industries were financial services (17%), technology (12%) and retail (12%).
- All qualifying organizations reported annual revenues above \$225 million, with 63% reporting over \$1.5 billion in 2015 revenues.

## 2.2. About Econsultancy

Econsultancy's mission is to help its customers achieve excellence in digital business, marketing and ecommerce through research, training and events.

Founded in 1999, Econsultancy has offices in New York, London and Singapore.

Econsultancy is used by more than 600,000 professionals every month. Subscribers receive access to research, market data, best practice guides, case studies and elearning—all focused on helping individuals and enterprises get better at digital.

The subscription is supported by digital transformation services including digital capability programs, training courses, skills assessments and audits. We train and develop thousands of professionals each year as well as run events and networking that bring the Econsultancy community together around the world.

[Subscribe to Econsultancy today](#) to accelerate your journey to digital excellence.

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## 2.3.

# About Epsilon and Conversant

**Epsilon** is a global leader in creating connections between people and brands. An all-encompassing global marketing company, we harness the power of rich data, groundbreaking technologies, engaging creative and transformative ideas to get the results our clients require. Recognized by Ad Age as the #1 World's Largest CRM/Direct Marketing Network, #1 Largest U.S. Agency from All Disciplines and #1 Largest U.S. Mobile Marketing Agency, Epsilon employs over 7,000 associates in 70 offices worldwide. Epsilon is an Alliance Data company.

For more information, visit [www.epsilon.com](http://www.epsilon.com), follow us on Twitter @EpsilonMktg or call 1.800.309.0505.

**Conversant** is a leader in personalized digital marketing. Conversant helps the world's biggest companies grow by creating personalized experiences that deliver higher returns for brands and greater satisfaction for people. We offer a fully integrated personalization platform, personalized media programs and one of the world's largest affiliate marketing networks—all fueled by a deep understanding of what motivates people to engage, connect and buy.

For more information, visit [www.conversantmedia.com](http://www.conversantmedia.com) and follow us on Twitter @Conversant.



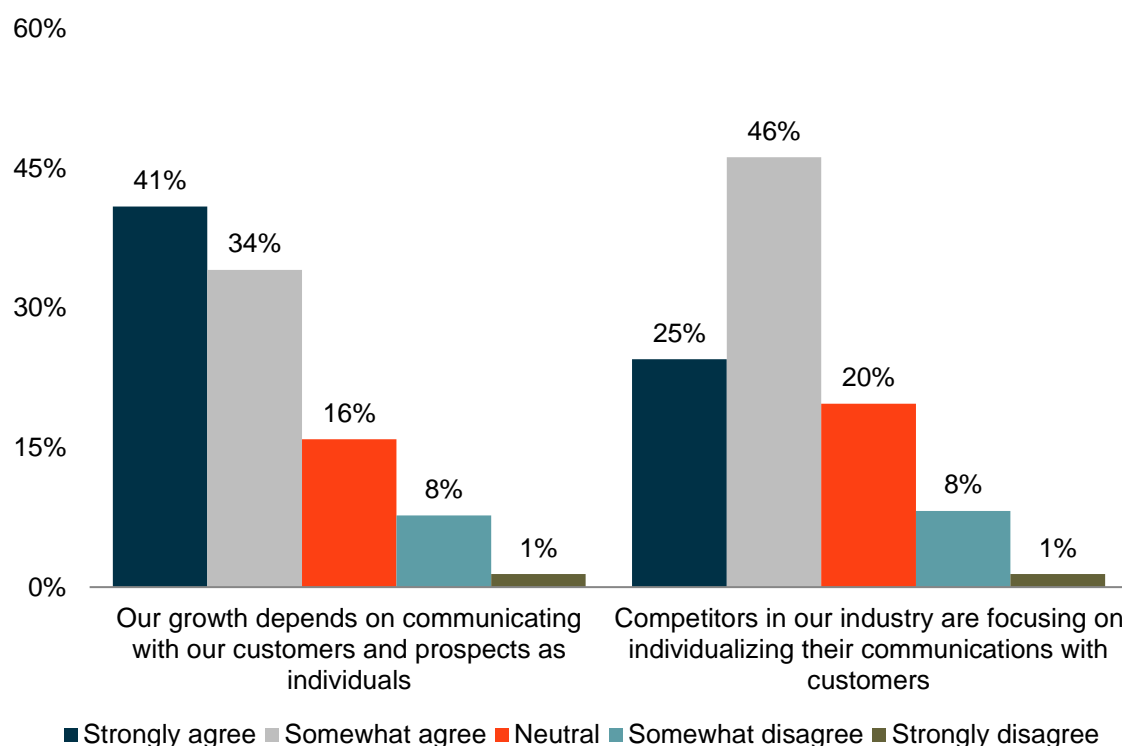
### 3. Recognizing individuals across channels: the marketer's imperative

Veterans in digital business will recall the original promise of interactive marketing: delivering the right message to the right person at the right time. Roughly 20 years later, reality may have finally caught up, but only for companies seriously engaged with the challenge of consumer recognition.

The days when the customer's journey took place entirely on the desktop, from search to purchase, are over. Marketers don't need ample research on the topic to confirm that their customers interact with their earned, owned and paid media in many ways and on many devices, often in the process of purchasing a single product or service. They travel from offline to online and back again, using mobile devices in addition to home and work computers, as well as emerging connection options from game consoles to wearables to devices in the Internet of Things.

As customers' patterns grow more complex and less predictable, organizations are committing to growth through personalization: the premise that to provide great experiences, we must know the individual and provide marketing, products and services that fit them and their needs in the moment. It's a tall order that depends on the ability to recognize customers, wherever they encounter a brand.

Figure 1: Do you agree or disagree with the following statements?



Respondents: 201

Most marketers acknowledge the necessity of being able to recognize their customers across media, time and devices. Seventy-five percent agree that their growth depends on communication with their customers and prospects *as individuals*, and over 70% see their competitors focusing on this capability.

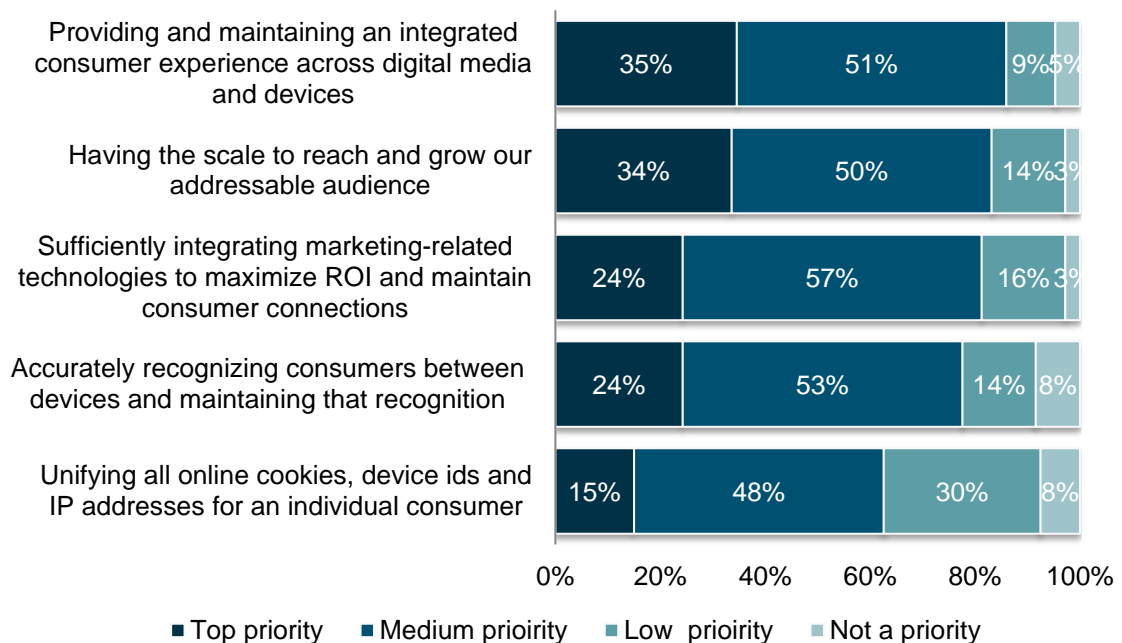
Recognizing customers and prospects isn't an end in itself: it's the foundation for a variety of capabilities that are becoming essential to modern marketing, specifically customer-experience management.

If customer experience is the sum total of all interactions between a customer and brand, what share of that experience takes place in the carefully controlled environment of a primary website? The answer varies by sector and product, but one thing is for sure: the time that consumers spend on mobile devices and alternate media is growing quickly.

As we look at organizational priorities through 2017, it's obvious that accurate digital recognition is central to growth and retention strategies.

Eighty-six percent of marketers prioritize providing *an integrated experience across devices and media*, albeit in a statistical tie with *growing an addressable audience*. Together, these two are at the core of modern marketing; they represent the ability to know who customers and prospects are, at scale, wherever they are, and the ability to use that knowledge to provide excellent products, marketing and services.

Figure 2: How does your organization prioritize the following over the next 12–24 months?



Respondents: 199

## 4. The true state of data-driven marketing

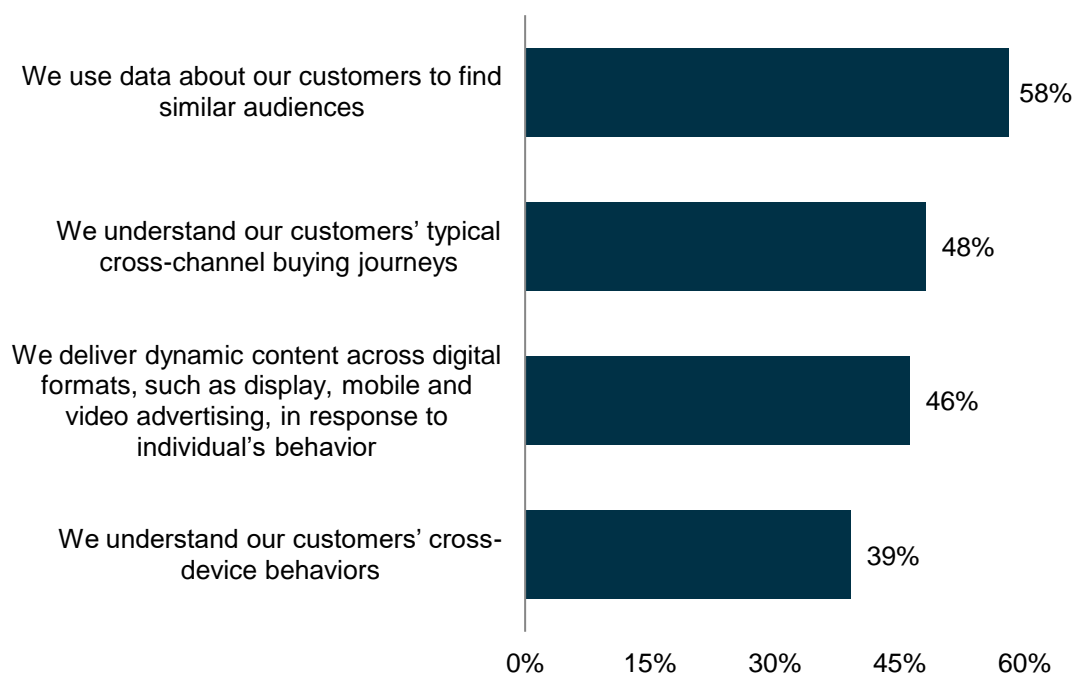
### 4.1. The uphill pursuit of digital capability

The internet ushered in the age of the consumer, and marketers have responded, in theory. But a strategic emphasis on the individual means nothing without the ability to identify them in practice. Any sort of personalization depends on collecting and interpreting transactional and behavioral data. Yet even among large organizations, there's a long way to go.

In all but one category, less than half of the sample reports having the fundamental data-related capabilities laid out in Figure 3. From lacking the ability to locate relevant new audiences based on existing customer profiles, to insufficient knowledge of cross-device behaviors and increasingly complex customer journeys, marketers are largely blind to vital information.

Nor are all digital capabilities created equally. As we'll see in Figure 4 (next page), the share of companies with strong capabilities in these and related priorities is much smaller than the total. It's just one example of several that suggest the industry's understanding of digital recognition is limited, which leads to confusion and frequent overestimation of current capabilities.

Figure 3: Which of the following apply to your organization?



Respondents: 212

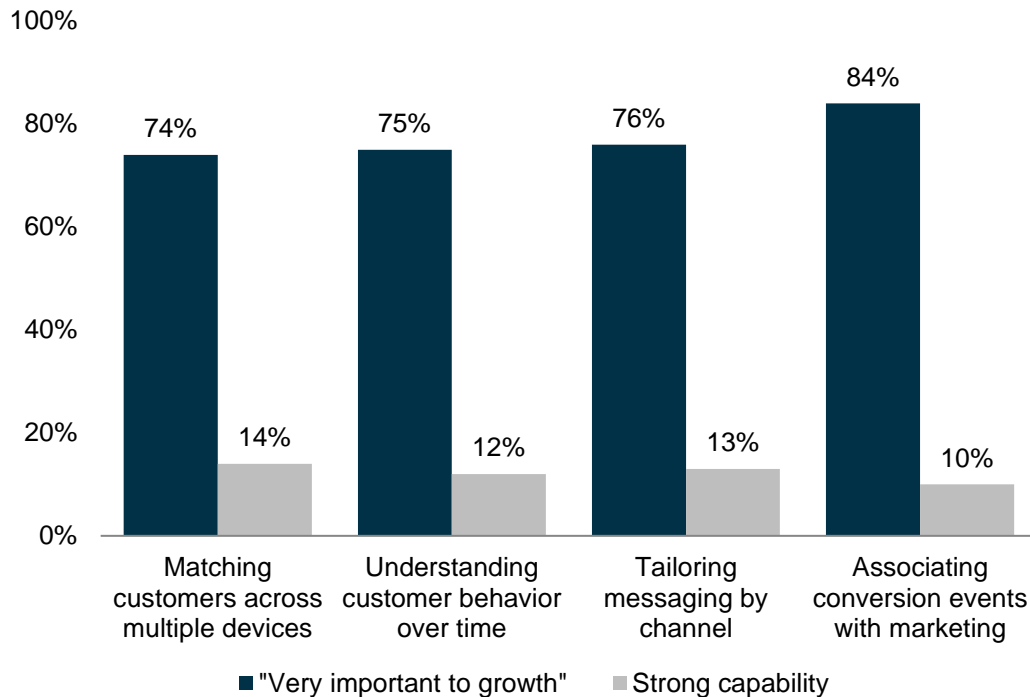
Companies with weak digital-marketing capabilities often face steeper climbs to improve than those with no existing capabilities. Limited proficiencies can lead to limited results, making it more difficult to build the budgetary case for improving a capability than for implementing one from scratch.

Among the survey respondents, it was clear that most organizations are not expert in the practices they consider to be very important to growth. In example after example, it's evident that while marketers have some insight into things like cross-device behavior or the relationship between marketing and conversion, these insights are often inhibited by technology and siloed from the context of integrated data sources.

At issue is trust: Anything less than a strong, reliable capability in a given data-driven area introduces doubt in its efficacy and conclusions.

What's compromising this trust? Everything is a function of time in modern marketing. Multiplying demands are pulling marketers into new areas of attention, spreading teams and their partners thin. Unless the capability is clear and its results can be measured accurately, marketers will view any experiment critically through the lens of opportunity cost.

Figure 4: Digital priorities versus current capability



Respondents: 184

There are two sides to customer-experience management: understanding and execution. *Figure 4* highlights the disparity between need and capability. While as many as 84% of marketers describe identifying users, personalizing messaging and measuring impact as “very important to growth,” only 10–14% enjoy strong capabilities in these areas.

Unfortunately, there's little room for half measures in today's digital markets. If we are to provide an individualized customer experience, then dynamic content delivery is essential. Regardless of channel or device, customers should get content that makes sense for them, that makes their experience more pleasant and efficient.

But before marketers can customize content, they need to understand customers' behavior en masse and as individuals. They also must be able to speak to those customers wherever and whenever they encounter the brand.

Finally, to maintain funding for customer-experience management and progressive digital maturity, brands must be able to associate conversion events with the marketing activities that sparked them. And their definition of “marketing activities” must expand and evolve along with the customer relationship itself. The customer's experience includes a wide variety of interactions that can lead to deeper engagement and, ultimately, revenue. Marketing needs to be in a position to measure and accurately attribute them.

## 4.2. Focus on a unified, single customer view: perception vs. reality

A single customer view (SCV) is achieved when marketing data sources are brought together into one database to give analysts a holistic picture. Any true SCV should combine all of the fundamental components of a modern marketing infrastructure, including customer data that would be contained in a traditional CRM, as well as behavioral and channel data. Just as important, it must do so over time, building and clarifying the profile as the consumer's actions and needs evolve.

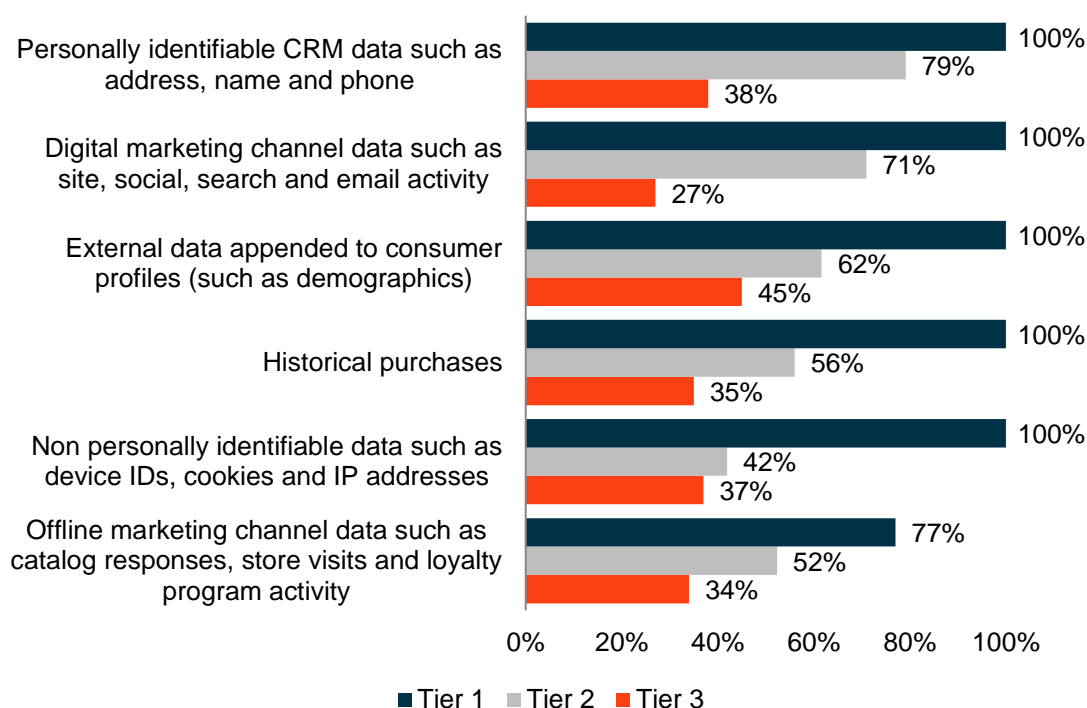
But what's clear from the respondents is a singular lack of clarity. While data unification is one of the most discussed and sought-after capabilities in digital marketing, it's also one of the most misunderstood. We see a significant gap between those who say they have achieved an SCV and the real capabilities they have in place.

In *Figure 5*, we see the respondents broken into three tiers, comparing what they believe and the reality of their capability in marketing-data unification and management.

### Tier One: 12% of respondent companies

The first tier was created by working backwards from the definition of SCV; it's made up of those organizations that have tied the fundamental information sources together in a unified database. The exception is offline marketing-channel data, which doesn't apply to all organizations.

Figure 5: Which types of data compose your current customer view used for online messaging?



Respondents: 203

### Tier Two: 32% of respondent companies

The second tier self-identifies as having achieved a single customer view, but in reality only has some pieces in place. In many cases it appears they've associated CRM with channel data, but often lack the offline and non-PII data that are important to maintaining digital recognition, especially in the mobile realm.

### Tier Three: 57% of respondent companies

The remaining tier describes itself as having no working single-customer view. In many cases these organizations have some database associations, but lack the cohesion to view and manage varied data from a single system.

Achieving a true single-customer view is a real challenge. Even for those organizations in the 12% that have tied together the necessary data sets, some activities are still obscured, whether for technical or procedural reasons. For example, even though 77% of Tier One companies have integrated offline data sources, only half can tie offline sales back to online marketing programs (Figure 6).

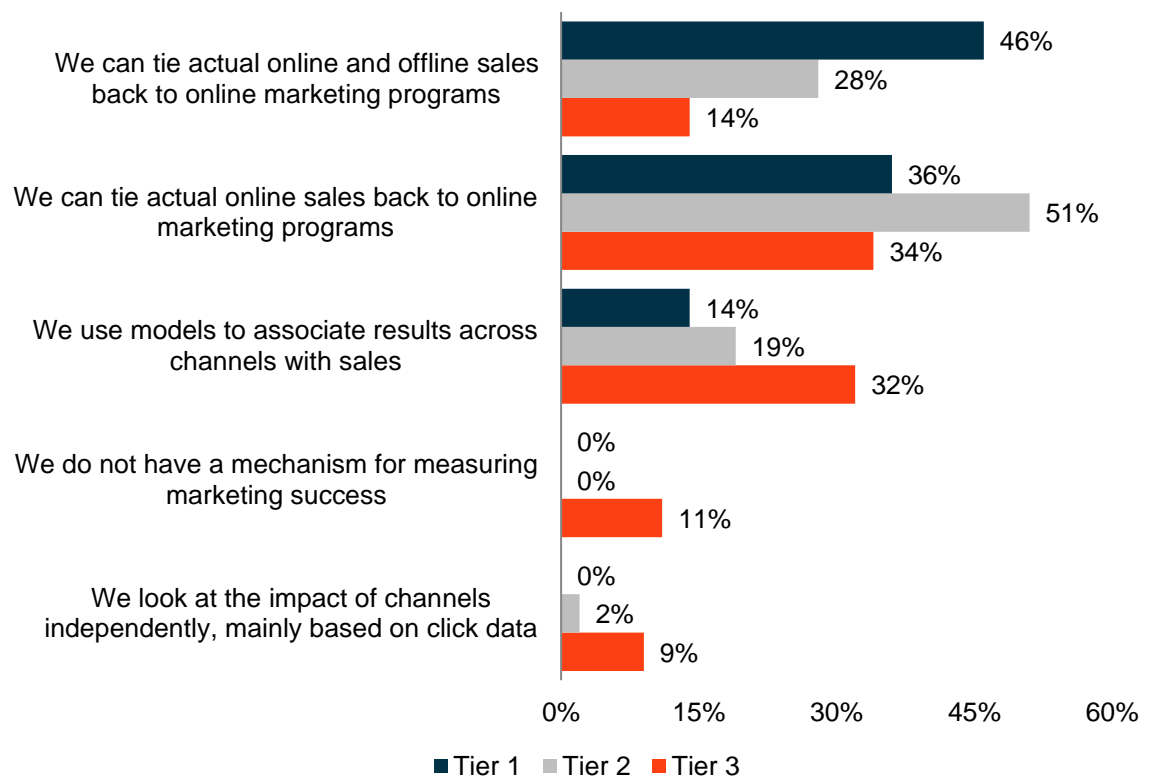
Time is another element of a holistic customer view. Most companies are limited due to interrupted customer connections. With consistent recognition, brands can build upon profiles to refine and improve their understanding of individuals over time—but that's the future state for the vast majority of marketers.

These distinctions aren't just important in understanding the state of the industry as it works to implement single customer views. They also highlight how a lack of knowledge and agreement can confuse the issue. If marketers believe they have a single-customer view, but have only part of the puzzle, it confounds their maturation in information gathering, data strategy and customer experience.

## 4.3. Focus on the online/offline data divide

With the current emphasis on digital, it can be easy to forget that a majority of consumer and business spending takes place in the offline world, even if much of it is influenced by the digital. Understanding the interplay between online programs and offline sales is perhaps the greatest challenge for marketing today.

Figure 6: Which of the following statements best describes your measurement of marketing success?



Respondents: 184

Even among those with a true single-customer view—the elite in digital analytics—less than half (roughly 5% of the industry as a whole) are able to tie offline sales back to online activities.

The share improves considerably across all respondent groups when it comes to the simpler task of associating marketing with online sales. However, less than 20% of organizations conducting attribution studies invest the time and budget in nuanced modeling, so even these online associations are likely to skew toward the beginning or end of the purchase process.

Even among the elite 12% of the industry, accuracy is often compromised. Those without a persistent view tied to customer IDs are limited to cookies and device profiles. This not only causes confusion as different people use common devices, but often results in lost connections, creating gaps in the data.

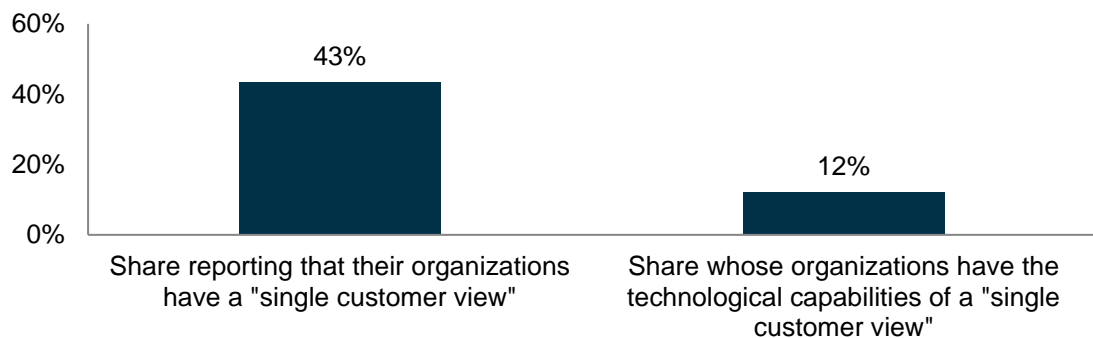
Online budgets are growing, especially at consumer-facing organizations that are most affected by device-driven changes in their customers' behavior. But that growth is fueled in part by the shift in budget from expensive offline media to more economical online options. Budget is falling to digital, but that growth is a result of circumstance as much as proof. This is an area where the elite companies have an enormous advantage because they're truly able to understand how their investments perform.

## 5. Moving forward

### 5.1. Take a long look in the mirror

Earlier in this report, we saw that there is confusion between the definitions and capabilities inherent to a *single customer view*. Forty-three percent reported having an SCV, but only 12% have the capabilities to achieve a truly holistic customer view. Success isn't simply connecting several data sources; it's about having a usable output that gives marketers a 360-degree view of their customers' characteristics, behaviors and interactions.

Figure 7: Do companies really have a “single-customer view?”



Respondents: 212

But the single-customer view is just one area where organizations need to separate truth from fiction. Any key capability should be examined and verified as part of a standard, repeatable assessment.

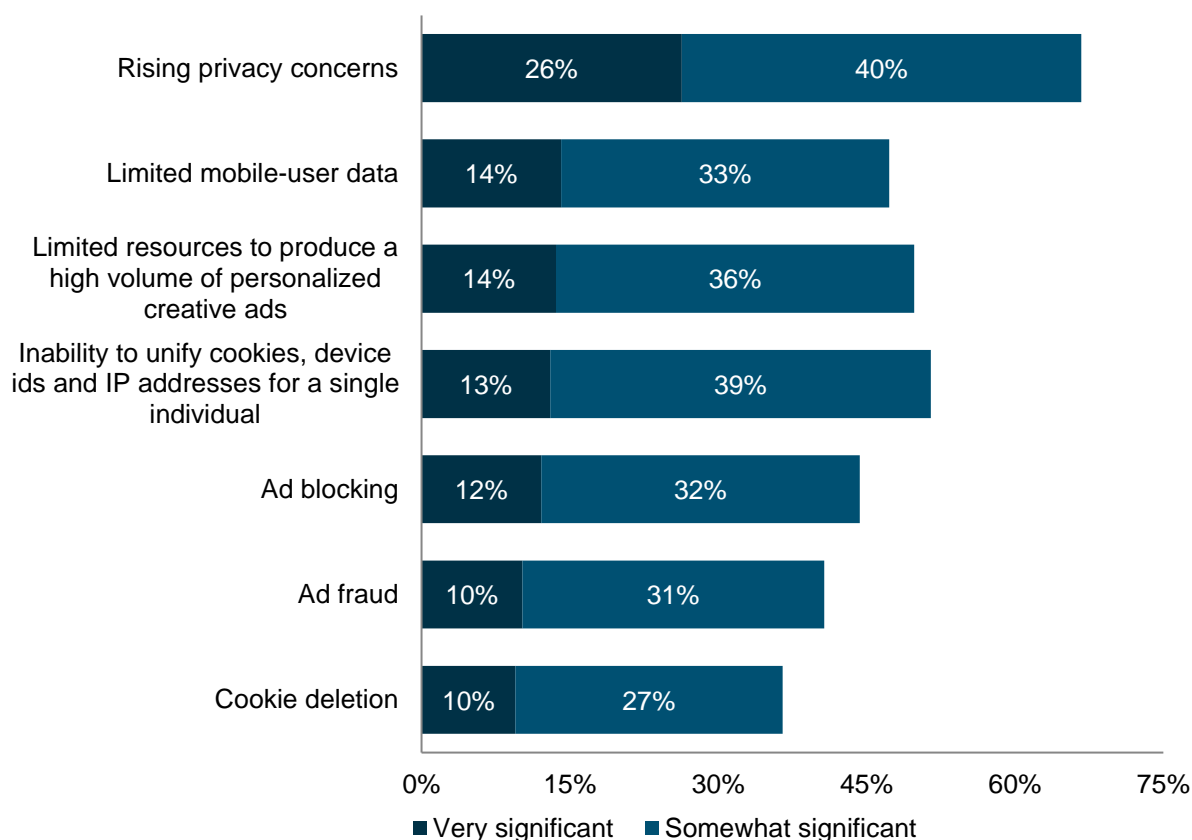
1. **Setting definitions and parameters.** Teams and organizations have to agree on the terms and conditions that define their sales and marketing capabilities. Any of the components of customer-experience management—customer-journey analysis, behavioral analysis, content optimization—are all complex ideas. Internal definitions often vary from industry standards, but they should only do so when the definition is more effective for being more specialized.
2. **Evaluation.** With definitions in place, evaluation should be straightforward. The team should include executives who have no skin in the game. Their focus should be granular enough to identify specific strengths and weaknesses, but also elevate to a strategic view that defines success and failure by the larger business goal.
3. **Comparison.** With some benchmarks and evaluation in place, the team can turn its eyes outward and define where the organization needs to go by where leaders already are.
4. **Planning.** At this point, the team should have a good idea of where they are and where they want to go, leaving the question of how to get there. This means addressing internal issues around budgets, human resources and priority. The team should be ready to lean on the senior executives who initiated the assessment in the first place, and work hard at building internal public relations around the recommendations. Team leadership should consider how messaging will be received and how best to tailor it to emphasize growth and opportunity.
5. **Execution.** Emerging marketing capabilities are inherently technical capabilities. While some organizations are in a position to effectively build up in-house technologies, they are in the minority. The pace of change makes it increasingly expensive and risky to go the “build” route, at a time when the costs for moving from one third party to another are dropping.

For most, an essential piece in the execution phase is choosing and integrating with third-party technology. Equally important is to ensure that the new capability is sufficiently staffed with people who understand it and are committed to making the most of it.



## 5.2. Reduce data friction with customers

Figure 8: What level of threat do the following trends pose to your data-related marketing efforts?



Respondents: 197

Data-driven marketing is at a crossroads. As we've seen throughout this report, organizations are evolving toward a future of individual personalization that depends on persistent connections between the company and its customers, wherever and whenever they interact. Today, this is a reality for a small share of companies, but that number will grow quickly.

As the business relationship with customers' data evolves, so too does the relationship between an individual and their own data. They see value, risk and opportunity. In fact, perceptions around privacy and security are seen as the single greatest threat to data-related marketing efforts.

Fifty-eight percent of respondents believe that privacy concerns will result in laws that hamper their data-driven marketing, but an even greater percentage believes the obstacle will be de facto. Seventy-two percent say that "users are increasingly reluctant to share their personal data."

As consumers manifest these concerns through the use of ad blocking and anonymizing technologies, the industry will inevitably respond for further innovation. However, a privacy arms race with customers is not an ideal outcome or long-term strategy. Instead, companies can look to their own strategic priorities around customer experience for guidance. At the heart of these plans is a relationship where the sharing of information is not a necessary evil, but a virtuous exchange of value.

Historically there are many examples of services and technologies that radically increased consumer data sharing. When people evaluate their use of phone books, credit cards or Facebook, they see that the value in the service is greater than the cost of exposure.

Moving forward, marketers should keep several ideas in mind:

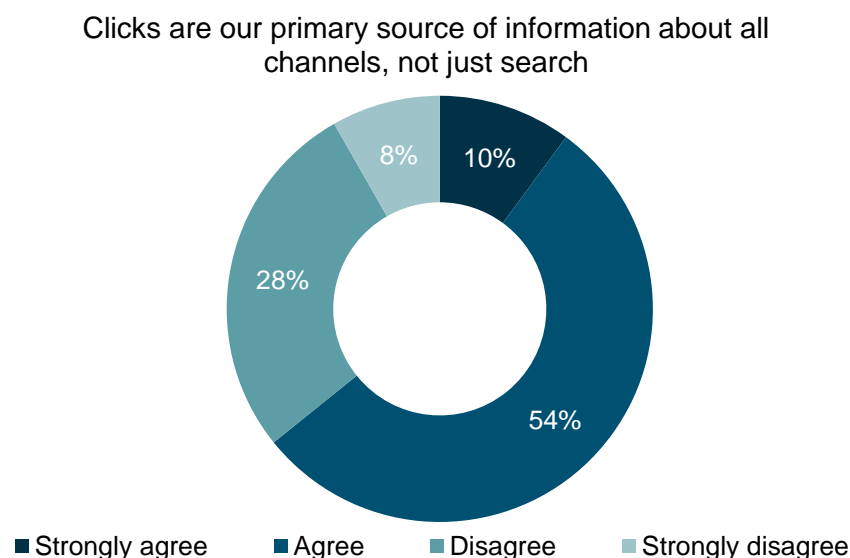
- Advanced solutions for personalization and a single-customer view don't require the use of personally identifiable information. Brands employing non-invasive methods can educate their consumers on the differences in approach.
- Powerful uses of data should be valuable uses of data.
- Privacy is part of the customer experience. A great customer experience should include the ability for customers to understand easily how and why their data is put to work.
- Concerns about privacy and security occur at the lowest point in the customer relationship. Excellent user experience communicates how seriously the company takes its responsibilities for data management. Mistakes in execution, such as retargeting already-purchased products, increase friction with customers and introduce doubt around data management.
- No relationship is perfect, and mistakes will be made. Companies that openly, honestly and vigorously embrace those mistakes survive and can even improve their customer relationships. Those that obfuscate when problems arise suffer.

## 5.3. Align behind measurement

There are many obvious differences between the haves and have-nots of analytics. But behind the gulf in capability and proficiency is a cultural commitment to understanding the customer that puts analytics at the center of strategy.

The majority of consumer-facing organizations readily agree that their growth depends on customer experience, yet only a minority actually position themselves to provide a personalized and valuable customer experience.

Figure 9: To what degree do you agree or disagree with the following statements?

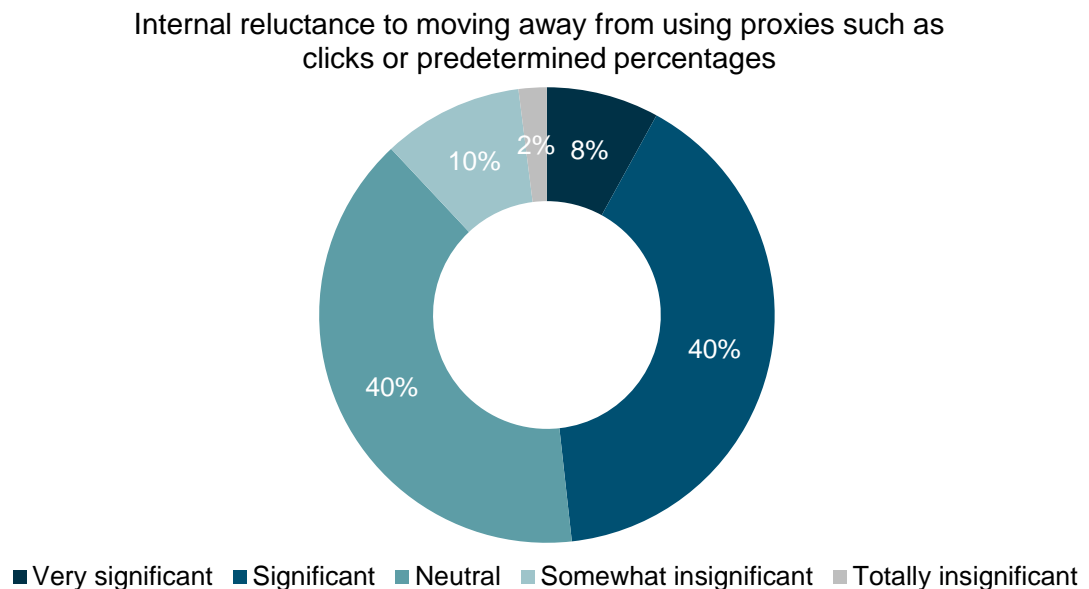


Respondents: 196

In a time when marketers want to understand their customers holistically, most companies are limited to a narrow view; nearly two-thirds of responding organizations agree that clicks are their primary source of information. That's an astounding figure considering their limitations.

Outside of search marketing, clicks are a thin part of measurement, and one that often oversimplifies and misleads marketers. In display advertising, for example, clicks are rare and often fraudulent when they do occur. More importantly, they tend not to correlate well with conversion; campaigns optimized for clicks underperform those that benefit from deeper measures collected over time.

Figure 10: What level of threat does this pose to your measurement capabilities?



*Respondents: 190*

One of the main reasons that companies are sticking with clicks is simple inertia. Nearly half the sample agrees that there's internal reluctance to moving past their current proxy measures. This reluctance is unique to each organization, but whether the issues are budget, strategy or talent, the outcome and implications are the same.

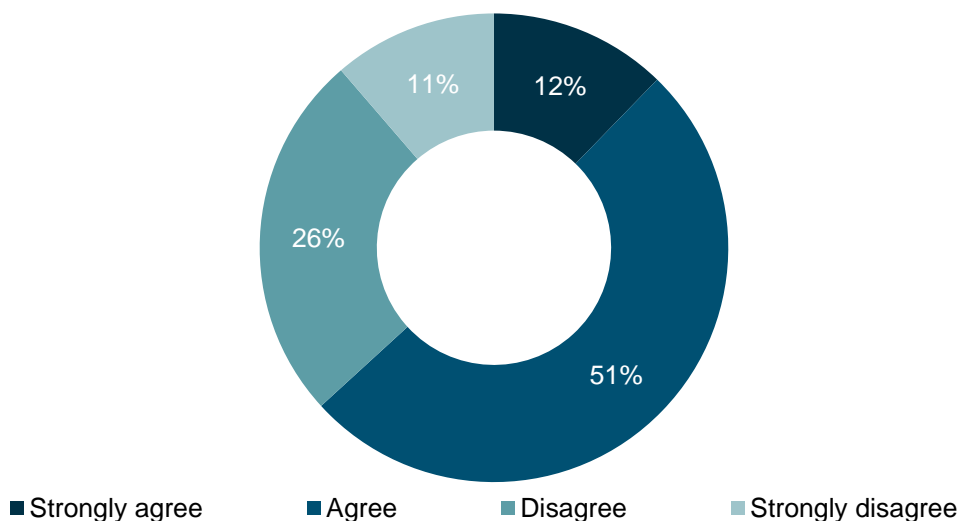
Companies that don't move toward complete views of their customers will be increasingly outpaced by their competitors. Making the use case for better analytics should be easy at any company that says it's customer focused.

## 5.4. Catch up with the consumer

Aligning media spend with audience behavior has been a driving force behind the adoption of advanced analytics and attribution practices. But as in other areas, only a minority have committed to a mix that truly reflects the modern consumer.

Figure 11: To what degree do you agree or disagree with the following statement?

Our online spending lags users' habits and share of time online



*Respondents: 196*

Nearly two-thirds of respondents acknowledge that their spending lags users' habits and share of time spent online. That ratio drops by half for those organizations with a true single-customer view, leaving the vast majority of the industry continuing to spend inefficiently.

In this case, measurement may be the simplest part of the problem. Reforming the politics of budgets and how teams are structured presents a larger obstacle. Most large brands still maintain a system where media spend and corporate influence are linked, giving high-investment channels a disproportionate momentum when being evaluated. These media—television, display and paid search, for example—also tend to be rewarded by simple attribution systems that focus on acquisition or the last click in a conversion.

This institutional momentum has tended to keep spending high on offline channels, while under-crediting important digital activities that positively impact consumer behavior throughout the purchase funnel, such as email, social, mobile, display and video marketing.

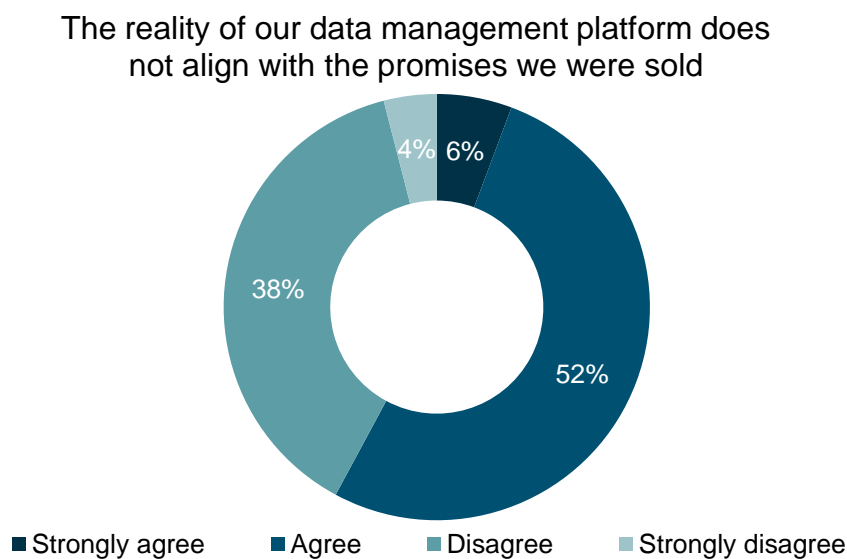
## 5.5. Identify the right solution

In a recent study, marketing executives were asked about the factors influencing their success in using customer data. While factors such as staffing and budget were cited, their number one answer was having the right technologies underpinning their analytics efforts.<sup>1</sup>

Vast investment and rapid innovation have changed marketing very quickly. As the discipline struggles to understand how markets are evolving, the vendors serving it struggle to stay ahead of rapid innovations and their own burn rates. Even a small strategic misstep can lead to misalignment with market needs and rapid course corrections.

The result is that foundering marketing-technology companies flood into new areas of opportunity while they still have funding and development resources. They swell an already-bewildering network of vendors and muddy the waters for marketers trying to make sense of them all.

Figure 12: To what degree do you agree or disagree with the following statements?



Respondents: 197

Few spaces in digital marketing have evolved more dramatically or rapidly than data management, so perhaps it's not surprising that marketers aren't all happy with their data-management platforms. Nearly 60% say that the reality of their technologies does not align to the promises they were sold.

- As we've seen in Figure 4, there are significant differences between **single-customer view** in concept and in practice. Every data-management solution makes some mention of unifying data across devices and channels, but it's clear that few allow marketers to make good on their intentions.
- Since cookies can't be accurately employed to track mobile users, the industry has turned to solutions that use different methods to establish matches between databases and otherwise anonymous users. The matching methods aren't the same, but promises for **match rates** tend to be.
- Although clicks are still the standard for most companies (Figure 9), they are a deeply limited measurement because the vast majority of ad viewers don't take immediate action. Marketers want to understand the real impact of display advertising. The **association of conversion**

<sup>1</sup> The Financial Impact of Customer Analytics, Econsultancy, 2016

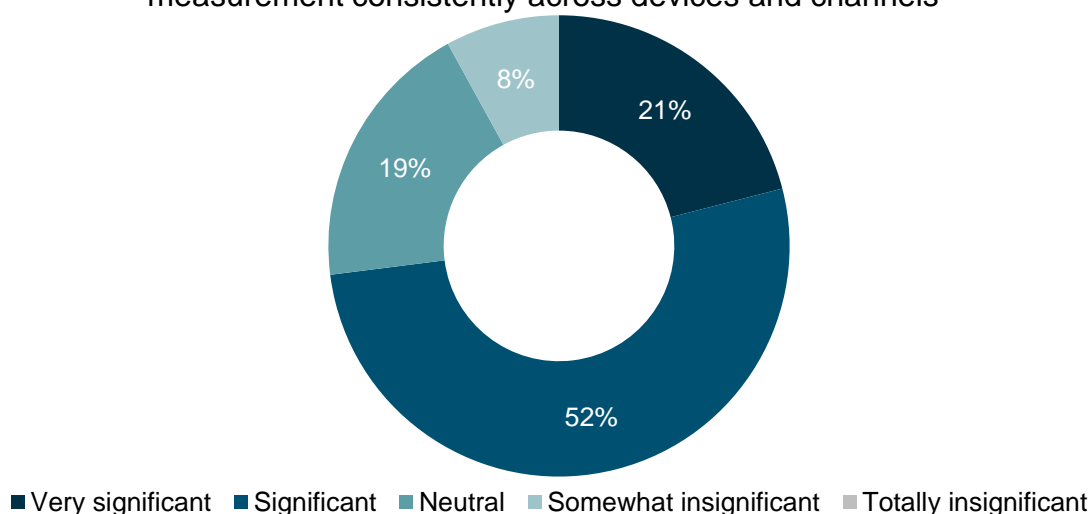
**events with ads viewed** is rated highly as a need but rated poorly as a capability, suggesting another area of concern with vendors.

- One of the most critical discrepancies between vendor promise and product reality is in **testing**. Seventy-three percent of respondents report that vendors lack the ability to apply test-and-control measurement consistently across devices and channels. Lacking this fundamental capability, marketers are left with a patchwork of information.

Test-and-control is how marketers discern what works and address the complexities of digital marketing. Marketers use this approach on everything from conversion-rate optimization to examining the incremental lift of display campaigns (as opposed to looking at clicks), and it's essential to their journey toward success and digital maturity.

Figure 13: What level of threat does this pose to your measurement capabilities?

Vendors lack the ability to apply test and control measurement consistently across devices and channels



Respondents: 196

- When asked to rate their ability to tailor messaging to particular channels, only 13% of respondents were “very satisfied.” **Customized messaging** is essential to marketers’ top priority of providing an integrated customer experience, highlighting another key tension between what they need to accomplish and the tools they have available.

Returning to the theme running through this research, customized messaging depends on having a reliable and current view of the customer. Without it, customization is at a remove, and can’t be a truly personal experience.

## 6. Conclusion

Growing complexity confounds every aspect of marketing today, but none as much as data management. New opportunities, capabilities and responsibilities pile on marketing departments that are simultaneously trying to evolve while operating at near peak capacity.

Most vendors see the landscape through their own lens and put their solutions at the center of the strategic map. While they can provide enormous value in a specific area, few vendors excel at understanding the larger issues into which they're injecting a solution. They insist on the ease of use of their products regardless of the sophistication of the prospect, and try to distill support into a one-size-fits-all formula.

Throughout these findings, we've seen a digital marketing discipline that's striving to mature in its data management and activate that data for personalization and an integrated customer experience. Across sectors, marketers want to see their customers as individuals, to understand them and to use that information to better sell and serve them.

Marketers recognize the opportunities in customer-experience management, media optimization, customer retention and other parts of business. But discontinuity between the theory and practice of data management suggests that most vendors aren't going the extra mile. Very few approach the problem of recognition with a platform that can address its layered challenges; maintaining an ongoing connection to individuals across channels and devices, using that to develop a true single customer view and finally, taking action through relevant, personalized messaging and effectively measuring the process across channels.

Few seem to provide the right tools for the job, and more rarely do they offer the guidance, education and support for companies to excel.

As we've seen throughout this report, even among large companies, only a handful attempt to approach a true, holistic view. This group is growing as it embraces solutions that align with the strategic priority to understand consumers' behaviors across time, channels and devices. The transition is difficult, but clearly necessary to growth and competitiveness.

Where does your organization stand? Take a moment to answer the following questions:

1. If a known customer moves from their desktop to their phone and makes the purchase, do you **know it's the same customer before they log in**?
2. If a known customer buys in-store, **does your online marketing reflect that purchase** so you can continue building the customer relationship with relevant cross-sell/expanded messaging?
3. Are you using online and offline transactional data and CRM data to verify that each online ID (cookie, device ID, IP address) is **mapped to a verified individual**?
4. Do you have **one view** of each consumer's purchases online and offline and their digital media consumption and engagement with your brand across their devices? Does that view get updated and maintained over the long run?
5. Are you (and your data-management vendors) able to **detach personally identifiable information** from online profiles to maintain consumer privacy without jeopardizing a meaningful consumer experience?

If you answered "yes" to these questions, your marketing capabilities are ahead of 90% of the industry. If not, it's time to take action to develop them.