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The Quest For Data-Driven Engagement In APAC And The Middle East

Develop Deep Understanding Of Customers To Meet Customer
Experience And Marketing Goals With CDP

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FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY ADOBE, EPSILON,
AND PUBLICIS | MARCH 2021

The Region Is At The Cusp Of Leveraging Data Strategies And Insight For Action And Outcomes. Are You Ready?

The quest for customer engagement has left marketers with mountains of data, bloated martech stacks, and distraught customers. With trust, privacy, and choice now driving buying decisions, marketers must reevaluate if they are customer-centric. To win, serve, and retain customers, organizations must embrace the right data practices. **The time to talk insights from data is long gone; organizations must now look for actions that are driven by data insight. Mature countries like Australia and Singapore point the way.**

Forrester Consulting was commissioned to examine marketers' priorities and challenges in enabling customer data platforms (CDPs) and the broader data value chain and to understand the current approach, mindset, and existing data practices.

This study will provide APAC marketers tactical guidance on how to articulate and act on comprehensive CDP strategy.

Marketers in APAC commit 22% of their budget to technology-related initiatives while 79% plan to increase their martech budget in 2021.¹ However, enabling these technologies for decision-making is a challenge. Marketers still struggle to overcome siloed data among channels and teams — critical to delivering a consistent customer view. Additionally, managing operational and evolving privacy requirements have compelled marketers to leverage first-party data.

The opportunity for CDPs is big, though most firms struggle to turn insights into action.

Access To Multiple Data Sources Drives A Shift In APAC Marketing Landscape

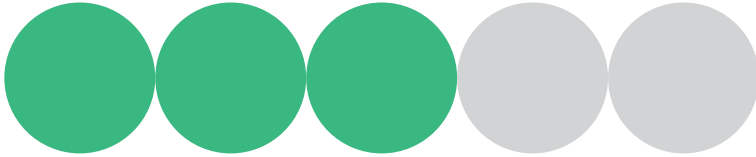
Every day, demanding customers, unforeseen competition, and disruptive new technologies hammer home that we have entered the age of the customer, where traditional marketing techniques don't work. Our study results show that **mature markets (Australia and Singapore) are moving away from established marketing techniques and are more focused on using multiple data sources for segmented targeting.** Why? It helps firms to build a comprehensive understanding of customer preference for targeted outreach.

Furthermore, **67% of marketing leaders and 54% of technology leaders** agree that building a single view of customer is vital to shape products and capabilities. It also reflects a baseline understanding between marketing and IT functions on the customer engagement approaches.



3 in 4
decision-makers in
Australia and Singapore
say their firms focus on
predictive behavioral data
to build effective audience
targeting and customer
experience.

In our study, we asked about the key strategies leaders will prioritize to execute on marketing objectives for their organizations:



Three in five said they will invest in marketing automation tools and partner with digital advertising agencies. This will help organizations maximize data value and existing resources and deliver better customer experience. Therefore, hiring additional marketing staff is a low priority for most organizations.

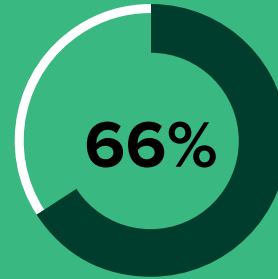


One in two said they will increase use of first-party data and invest in CDPs. Organizations understand that CDPs offer the capability to centralize disparate data and simplify complex orchestration processes.

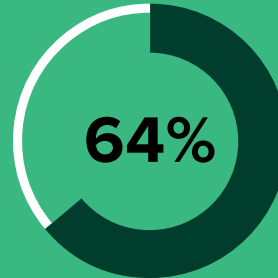
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“To what extent would you agree the following statements describe your organization’s approach to customer engagement?”

(Showing those answering “Agree” and “Strongly agree”)



We use a combination of direct and indirect data sources to build a comprehensive understanding of customer preferences for targeted outreach.

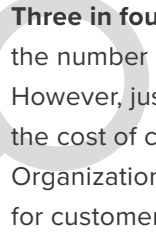


We focus on direct customer engagement with traditional marketing techniques (e.g., website, email).

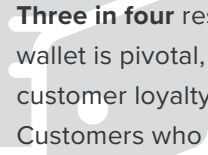
Base: 250 senior managers responsible for their companies’ martech and customer engagement strategies
Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, Epsilon, and Publicis, January 2021

“Business As Usual” To Give Way To “Action Driven By Data Insight” For True Advancement

Continuing with “**business as usual**” will sabotage your marketing function. Adjust the responsibilities and competencies of your marketing function to make it customer obsessed. Our study results show three fundamental contradictions:



Three in four respondents said that increasing the number of leads is vital for their organizations. However, just 57% of respondents said that reducing the cost of customer acquisition is also important. Organizations that can extract actionable insights for customer targeting would be in a better position to experience better marketing outcomes and drive cost reduction.



Three in four respondents said increasing customer share of wallet is pivotal, but the value of the associated improvements in customer loyalty and retention are lowest on marketing metrics. Customers who are better served by companies will be more likely to purchase again in the future, which is the way to increase customer share of wallet and profitability.



Three in four respondents said that improving marketing ROI, marketing productivity, and output is paramount. While these are important metrics, a successful marketing strategy requires linking these elements back to the company’s revenue growth. However, our survey results show that a significant percentage of respondents (48%) still do not believe growing their companies’ revenue should be an important marketing metric. Marketing leaders who link marketing efforts to financial outcomes for businesses are likely to succeed in today’s hyperdemanding business environment.

Firms Prioritize Insight-Driven Capabilities But Fail To Measure Impact

The modern business environment requires swift and smart decision-making to capture opportunities, gain competitive advantages, and manage risks. Enterprises that put digital insights at the core of their business decision-making possess a significant competitive advantage over their peers. **They harness and implement actionable digital insights strategically and at scale to drive growth, mitigate risk, and create differentiating customer experiences, products, and services.**

According to our study, the top priorities are:

- Streamlining content planning and communications (76%).
- Turning customer insights into marketing actions (72%).
- Providing outreach to new customers and online audiences to expand the customer base (69%).
- Updating digital marketing channels and partners (67%).

However, the metrics to measure the effectiveness of insight-driven marketing capabilities and their outcomes are relatively low on the priority list.

“To what extent are the following priorities a focus for your organization?”

(Showing percentages for “Critical” and “High priority”)

Defining metrics on marketing success

62%

Improving customer onboarding process and engaging audiences at scale

62%

Responding to market changes with messaging and campaign changes

60%

Increasing influence and brand reach in the market

59%

Turning Insights Into Action Is The Biggest Challenge

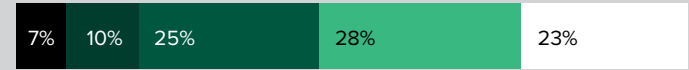
While respondents indicated that creating a seamless customer experience was the main goal, they struggled to convert insights to action due to disjointed systems and data silos. Forty-two percent of respondents indicated their organizations are either ineffective or somewhat effective in creating a single unified customer data profile from customer data.

More than half of respondents said they are either ineffective or only somewhat effective in:

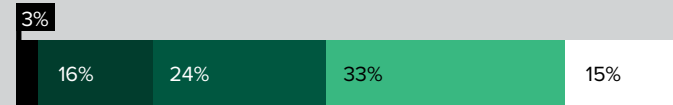
- Using customer data and insights to drive contextually relevant engagement with customers.
- Personalizing customer experience based on behavior across channel and drivers.
- Using web data and insights to drive contextually relevant engagement with prospects.

“How effective is your organization at achieving the following?”

- Very ineffective
- Somewhat ineffective
- Somewhat effective
- Very effective
- Extremely effective



Creating a single unified customer profile from all your organization's customer data



Using customer data and insights to drive contextually relevant engagement with customers



Personalizing customer experience based on behavior across channels and devices



Using web visitor data and insights to drive contextually relevant engagement with prospects

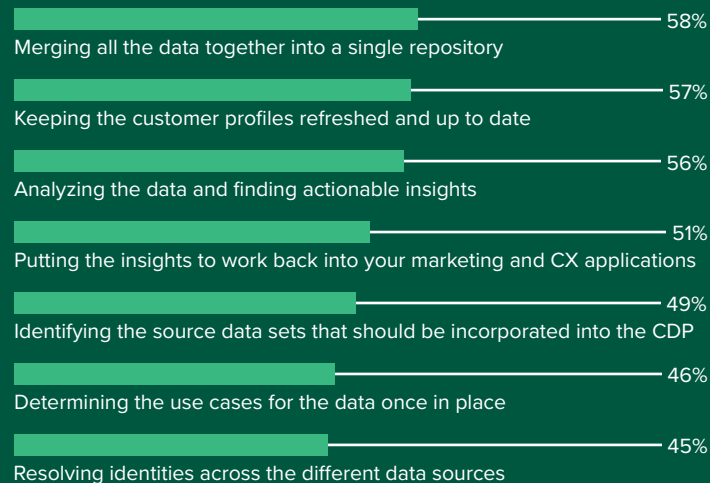
Lack Of Data Maturity Hampers CDP Success

Strong customer data management solutions enable insights into customer needs and optimal business operations. However, data management solutions are only as good as the data insights they produce, the actions they influence, and the results they foster.

In our study, we found that data management issues stifle the success of CDPs. Decision-makers whose organizations have implemented some version of a CDP cited challenges with merging all data together into single repository; keeping customer profiles up to date; and analyzing the data and finding actionable insights.

In addition, our survey explored the key reasons some organizations are not adopting CDPs. **Major barriers include the complexity (44%) and cost (33%) of implementation.**

“In thinking about how your organization implements and operates its current unified customer data management solution, which of the following were challenges your firm encountered?”



The landscape of CDPs is vast; choosing and integrating the right data management solution can be challenging. Look to partners for guidance when considering major marketing technologies.

Firms Plan To Increase Investment In CDPs

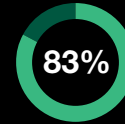
Marketing leaders are betting on customer data management analytics and audience creation toolsets to meet customer needs. Thirty-five percent of respondents said they are planning to invest or increase their investment in CDPs in the next 12 months.

When looking at planned investments over the next 12 months across industries, we found that retail companies are most compelled to invest or increase their investments in CDPs, followed by banking, financial services, and insurance (BFSI) and hospitality and tourism.

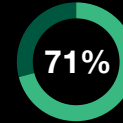
Organizations are more likely to invest in the following CDP features over the next two years:

- Audience analytics dashboarding and visualization tools (77%).
- Online and offline customer data management (78%).
- Personalized campaign and messaging (73%).

Key Factors That Drive CDP Adoption, According To CDP Users



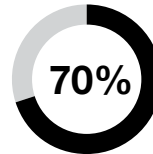
Ability to create a single unified customer profile across channels and devices



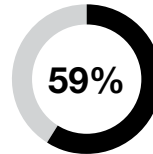
Ability to increase customer acquisition through more targeted ads



Ability to customize experiences, for both known and unknown customers



of respondents believe that integration of online and offline data sources provides a differentiated customer experience.



of respondents know that existing customer channels will not provide the depth of customer context required to make informed decisions for customer engagements.

Elevate Customer Identity Management Practices To Foster Better Business Outcomes, With Convenience

Customer identity management practices are fundamental for modern marketing engines. Companies must strategically use and link first-party data to build robust customer profiles, such as individual identity, and underpin purchase expectations for future experiences. When asked about the customer identity management practices, **half of decision-makers said that first-party data is mostly or significantly combined across online and offline sources and linked to customer records for sales and marketing teams to have a complete view of their customers.**

First-party data is crucial as it helps marketer connect with customers. Our study results show that organizations have been leveraging multiple data sources to understand customer preferences.

Key Results That Drive Customer Identity Management Practices



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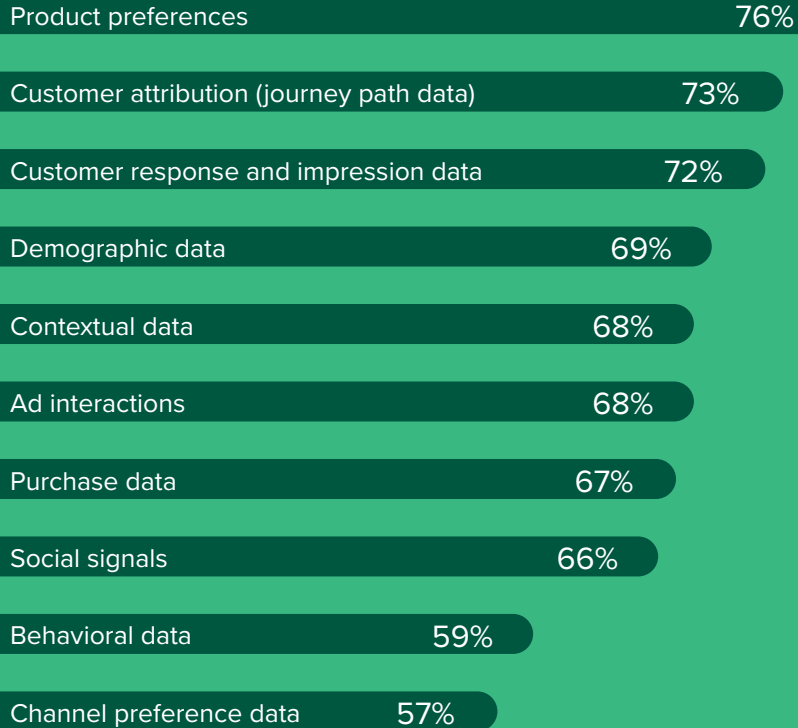


have seen increase in revenue growth aligned to customer identity management and practices.

Furthermore, **three in four** respondents said that customer identity management will significantly drive the personalization necessary to win, serve, and retain customers.

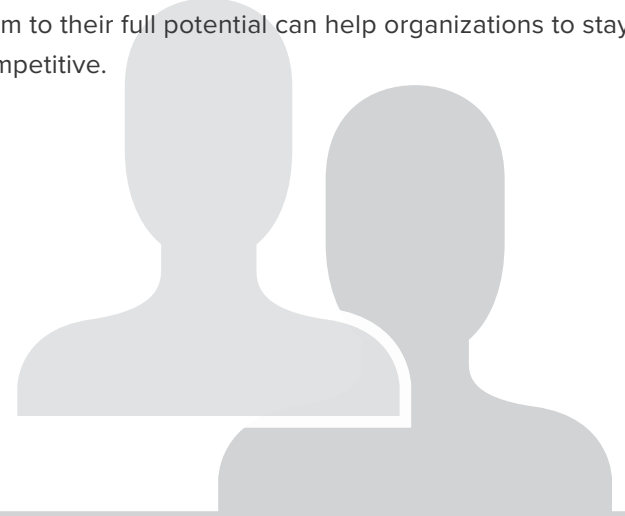


“Which of the following types of data do you currently gather in your understanding of your customer?”



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As firms continue to develop more customized experiences, investments in identity management, multiple data sources, unified customer profiles, and leveraging them to their full potential can help organizations to stay competitive.



Marketers should leverage partner guidance to assess the impact of first-party data on their current identity management practices to enable more precise and customized experience.

Base: 250 senior managers responsible for their companies' martech and customer engagement strategies
Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, Epsilon, and Publicis, January 2021

Conclusion

To remain competitive, companies must adopt a holistic data-driven approach and use the resulting insights to optimize customer service experiences. However, a lack of data maturity prevents companies from delivering timely and contextually relevant customer experiences. Customer data platforms are the way forward.

- Converting insights into action remains the key challenge.
- Managing customer identities across touchpoints, devices, and data sets can lead to several benefits.
- CDPs are successful in improving customer experience and satisfaction.
- Increased automation for CDPs is the next frontier.

Project Director:

Sri Prakash Gupta,
Market Impact Consultant

Contributing Research:

Forrester's B2C marketing and research group

Methodology

This Opportunity Snapshot was commissioned by Adobe, Epsilon, and Publicis. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of 250 senior managers responsible for their companies' martech and customer engagement strategies. The custom survey was completed in January 2021.

ENDNOTES

¹ Source: Forrester Analytics Business Technographics Business And Technology Services Survey, 2020.

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Demographics

COUNTRY

40% ANZ:

20% India

20% Singapore

20% UAE

RESPONDENT LEVEL

10% C-level executive

19% Vice president

38% Director

34% Senior manager

COMPANY REVENUE

16% \$5B or more

43% \$1B to \$4.99B

41% \$500M to \$999M

INDUSTRY (TOP 3)

20% BFSI: 20%

20% Hospitality and tourism

20% Retail



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