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Thought Leadership Paper
Commissioned By Simon Data
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When Data Drags You Down

Maximize Marketing Objectives With Modern
Data Infrastructure



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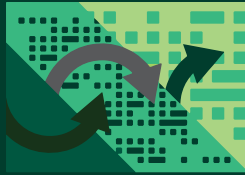
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Most organizations experience strategic hurdles, ineffective data application, and low maturity among processes and technology.

Executive Summary

Marketers have a lot of data at their disposal to help them understand customers and take effective action to meet their customers' needs. But in many instances, they continue to fall short of their customers' expectations. The suboptimal application of data is to blame, stemming from marketers' misconceptions about their data use. If marketers can recognize these gaps and prioritize a roadmap that defines a plan for maximizing the use of customer data, they will be well-positioned for success.

Simon Data commissioned Forrester Consulting to evaluate marketing data use cases, objectives, and supporting technologies. Forrester conducted an online survey with 465 respondents responsible for marketing technology strategy to explore this topic.

KEY FINDINGS

- › **Marketers report high alignment, yet performance is still in the red.** Marketing decision-makers have a high level of confidence regarding their strategies. Ninety percent of decision-makers report their marketing strategy is well-aligned with their organization's priorities, and most feel confident they have the right tools and processes in place. However, 90% also report they experience challenges with delivering on these priorities. How can this be if performance is top-notch?
- › **The whole of marketing's view of the customer is less than its parts.** Integration struggles and the inability to keep pace with interactions stop organizations from delivering to their fullest extent. Further, we see that alignment among and collaboration within teams is lacking, complicating organizations' ability to achieve their goals. Without clear communication and a shared perception of reality, progress is slow, if not impossible.
- › **Your marketing technology (martech) stack can be the key to success — if you let it.** A modern data foundation can help bolster the bottom line and improve customer experience — a true win-win. Solutions that address strategic and technical challenges, map clearly to capabilities gaps, and amplify the use and value of data will be the key to getting ahead and staying ahead.

Marketers Report High Alignment, Yet Performance Is Still In The Red

Marketers have more challenges to confront than ever before, including the pandemic, longer standing issues of digital transformation, the accelerating pace of business, emerging competitors, and new business models. Coupled with the complexities of day-to-day operations, it's no wonder marketers are feeling pressure to perform better and faster than ever before.

In surveying 465 marketing technology decision-makers in the United States, we found that marketers report high confidence in alignment, even though performance leaves much to be desired. We found that:

- › **Ninety percent of respondents say their organization's marketing strategy aligns with this year's business priorities.** The top five marketing priorities reported encompass some aspect of customer experience improvements. They span acquisition and customer marketing; business and operational enhancements; and have a particular emphasis on data capabilities (see Figure 1). These initiatives will ultimately support the key data use cases that are central to customer-centricity, including targeting, analytics, and personalization. Aligning marketing strategy to key business initiatives is imperative for success, and marketers are confident they've got it right.
- › **Organizations have the right skills, data, and tools to support these priorities.** On average, survey takers report using seven types of data to gain customer insights. More than 40% of the survey takers utilize real-time interaction data, identity, transactions, demographics, social, and product usage data (see Figure 2). More than 80% of respondents rate their ability to target, initiate campaigns, optimize experience, and analyze the results as either "Advanced" or "Extremely advanced". More than 80% of our respondents rated their existing marketing suites, data platforms, measurement, and loyalty marketing as "Effective" or "Extremely effective".

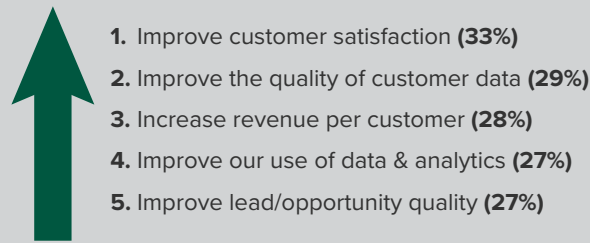
Organizations have a defined list of initiatives and an eye-popping array of tools and techniques ready to deploy to achieve them. Point marketers in the right direction, and get ready to start banking sales, right? Not quite. Despite the reported high performance, 90% of organizations report they've experienced challenges in achieving their objectives. How can this be? The root lies in a set of strategic and technological challenges.



Despite 90% of respondents reporting marketing strategy alignment to business priorities, just as many say they have experienced challenges in achieving their organization's business objectives.

Figure 1

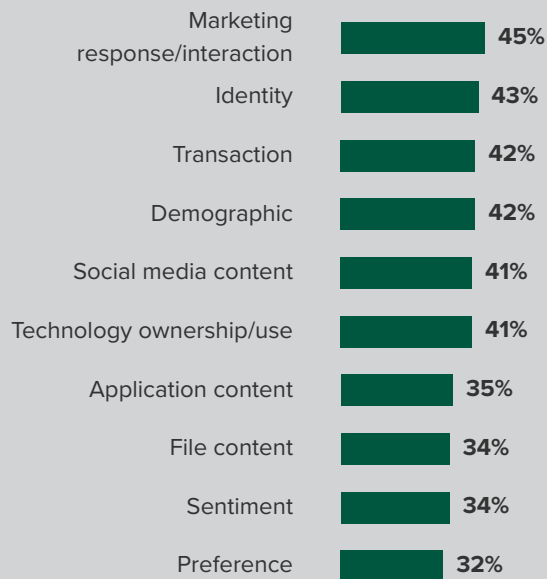
Top 5 Marketing Priorities Over The Next 12 Months



Base: 465 marketing technology decision-makers
 Source: A commissioned study conducted by Forrester Consulting on behalf of Simon Data, January 2021

Figure 2

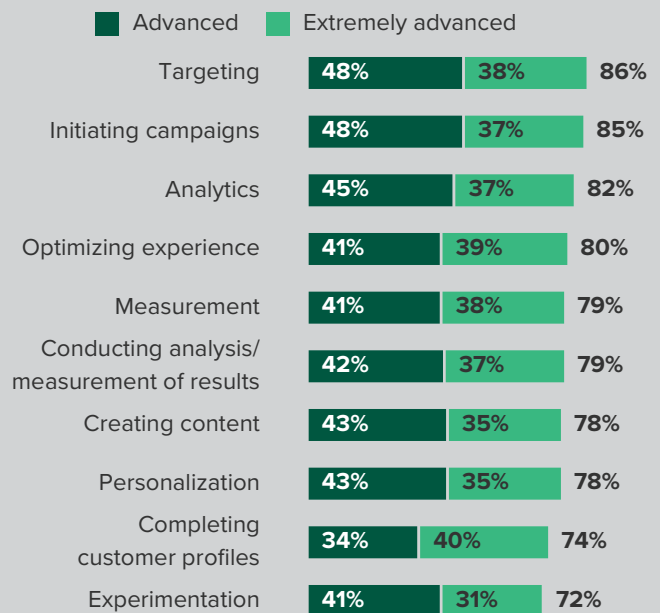
Types Of Data Used/Collected To Gain Customer Insight



Least frequently used data sources:

- Journey/activity (26%)
- Situation (26%)
- Environment (26%)

“How would you describe your organization’s maturity for applying customer data in each of the following use cases?”



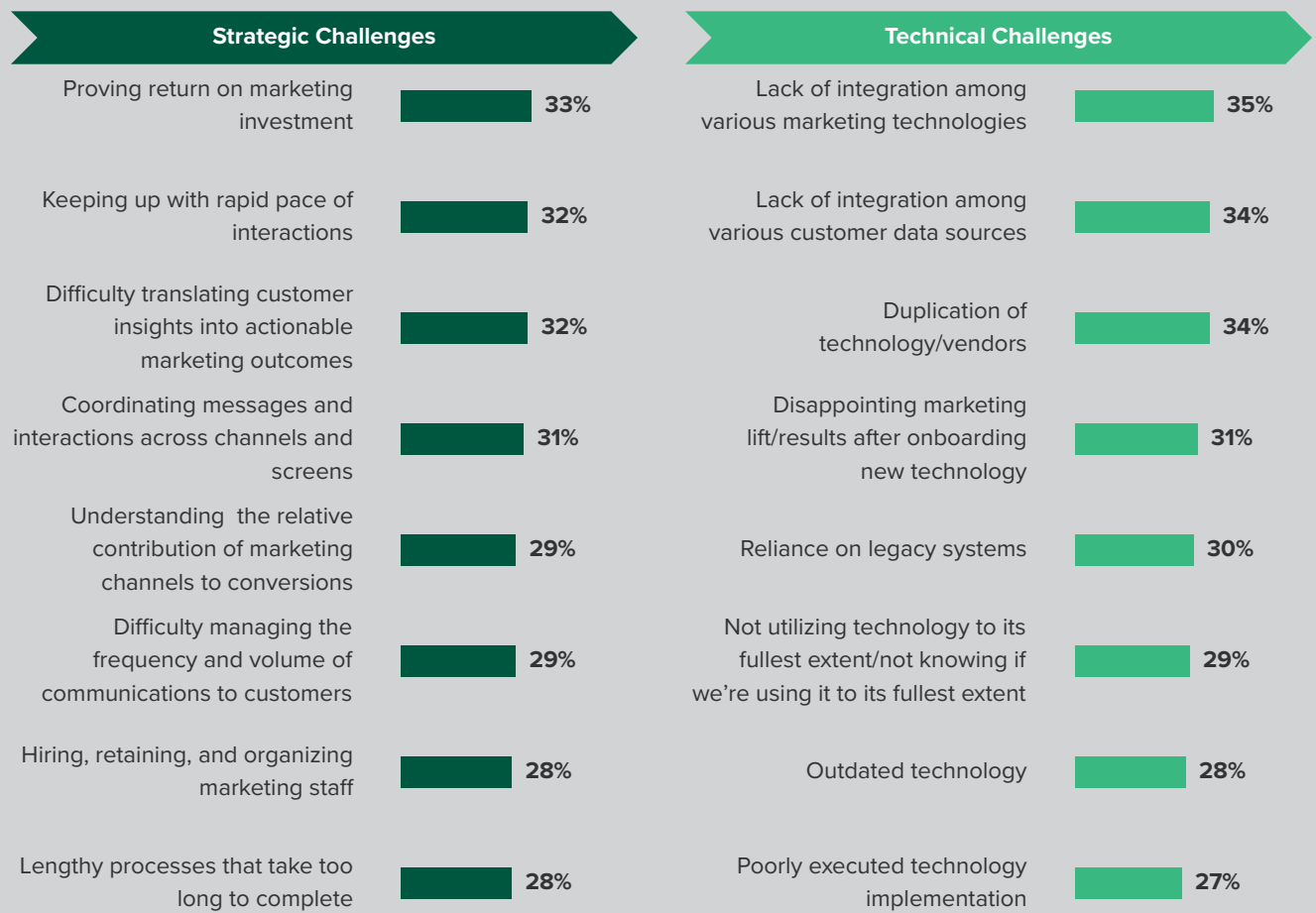
Base: 465 marketing technology decision-makers
 Note: Only top 10 data sources shown
 Source: A commissioned study conducted by Forrester Consulting on behalf of Simon Data, January 2021

Why Marketing Data's Whole Is Less Than Its Parts

Ninety percent of decision-makers are experiencing some sort of strategic or technological challenge that hinders their organization's ability to achieve their marketing priorities (see Figure 3). Organizations struggle to prove a return on marketing investment and fail to keep up with the rapid pace of interaction. They also struggle to translate customer insights into marketing outcomes and can't coordinate messages across channels and screens.

Strategic challenges around agility, measurement, and translating data into insights point to the need to define success metrics and streamline marketing and analytics processes. This will help marketers deliver higher-quality experiences to customers. Technical challenges surrounding integration and duplication of vendors show that, while the effort is there, these disparate solutions have not been brought together effectively. Where do marketers fall short?

Figure 3



Base: 465 marketing technology decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Simon Data, January 2021

FUNCTIONAL ALIGNMENT IS OFTEN AN ILLUSION

We see the challenge in full relief as we compare marketing leadership to operations. Leaders (C-level executives and vice presidents) are particularly confident about marketing's alignment with priorities when compared to decision-makers (directors and managers) — 54% vs. 35% report “Extremely aligned,” respectively. While leadership focuses on the big picture, they often have a disconnected view of reality that doesn't consider the struggles decision-makers are confronted with daily.

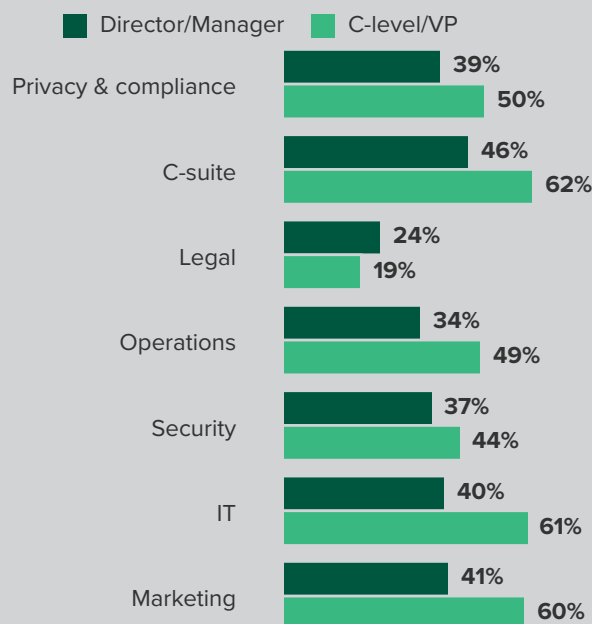
MARKETING IS A TEAM SPORT, AND THE PLAYERS DON'T COLLABORATE WELL

Only 23% of respondents manage their marketing technology stack within the marketing organization. Most businesses split responsibility between a mix of marketing, in-house IT, and out-sourced agencies and managed service providers. Marketers often lack control of marketing technology; this responsibility typically falls to parties outside of marketing. This could create higher costs, the potential to use the wrong data or tools, and gaps in understanding data and tech needs. Indeed, even marketing's priorities aren't its own. We found marketing priorities over the next year are cross-functional, multi-disciplinary objectives and range from improving customer satisfaction to improving lead/opportunity quality.

Leadership once again takes a more optimistic view of collaboration when asked about inter-company partnerships with marketing (see Figure 4). The perception gap between leaders and decision-makers persists with the former reporting a more positive view of collaboration effectiveness than the latter.

Figure 4

“How collaborative is the relationship between marketing and each of the following departments?”



Base: 465 marketing technology decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Simon Data, January 2021

Ninety-five percent of respondents have experienced negative business impacts because of the marketing and strategy challenges they face. This includes missed market opportunities (39%), decreased customer satisfaction (38%), missed strategic growth opportunities (36%), increased costs (36%), and lowered engagement (35%). If organizations do not work to close these strategic and collaborative gaps, they risk damaging their bottom line — and their reputation.

Invest In A Modern Data Foundation To Drive Bottom Line And CX Improvements

These are not problems to be solved by a single function alone. Real, reliable, and instantly actionable customer data is the heart of marketing and essential to each of its objectives. Yet multiple functions — from IT to data science to legal — must collaborate around customer data to deliver results for the entire business. Capabilities that support customer understanding, brand strategy, brand experience, and meaningful customer touchpoints must work together with the underlying data to deliver the best customer experience throughout the entire journey.¹

Taking steps to ensure you can leverage the right data at the right time, then applying said data in an optimal way, yields multiple business benefits. Marketers are starting to take steps to achieve their organizations’ expected customer, revenue, and sales benefits (see Figure 5). But how should they go about doing so?

More data and technology doesn’t necessarily lead to success. The ultimate goal is to create a data foundation that is available to make this data actionable and useful.

Figure 5
Business Benefits Expected From Improving Marketing Strategy



“What actions is your organization taking to improve its marketing strategy?”

- 1** Collecting more data (46%)
- 2** Hiring new skills (45%)
- 3** Improving measurement (44%)
- 4** Updating our approach to planning (44%)
- 5** Training for new skills (43%)

Base: 465 marketing technology decision-makers

Note: Only top 10 benefits shown; only top 5 actions shown

Source: A commissioned study conducted by Forrester Consulting on behalf of Simon Data, January 2021

DON'T MAKE THE "MORE DATA" MISTAKE

Forty six percent of marketers report that their first action to improve marketing strategy is "Collecting more data" (see Figure 5). Yet respondents also cited some form of data integration as blockers; lack of data integration between marketing technologies and between data sources are marketers' top two technical challenges.

While we agree that more data can help marketers achieve marketing KPIs and company objectives, more data without a strong and modern data infrastructure will only compound marketers' problems and further dampen results.

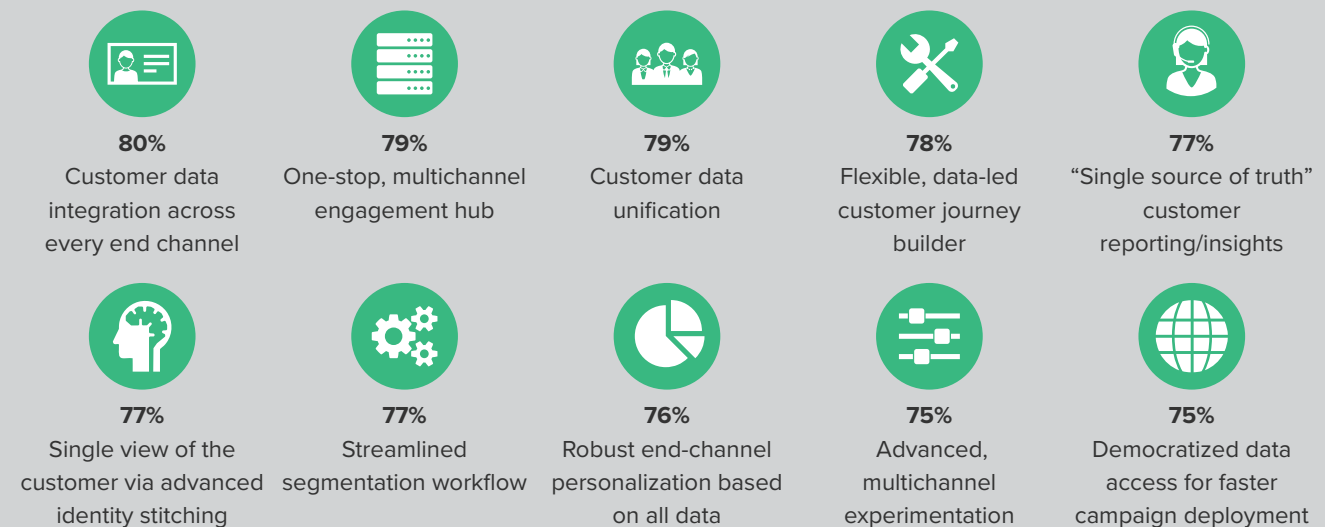
TECHNOLOGY PAVES THE WAY

Marketing technology strategy must first prioritize modern customer data infrastructure to create a cross-functional collaboration that drives business outcomes. The ultimate goal is to create a data foundation based on complete, accurate first-party data to build and maintain comprehensive customer profiles, and make that data available to systems so it is actionable. The foundation must be a central system that operates across marketing use cases. This includes supplying data to analytics systems to generate customer insights, as well as customer marketing systems to deliver customer experiences.

The most sought-after capabilities are those that address firms' strategic and technical challenges and map clearly to what their current solutions are lacking, all while supporting their marketing priorities. Organizations look for a streamlined hub, seamless integrations, and various capabilities to improve the use and effectiveness of customer insights (see Figure 6). These capabilities enable organizations to move past internal siloes and operate across a unified customer journey — ultimately delivering higher quality experiences.

Figure 6

Most valuable technology capabilities to achieve marketing priorities



Base: 465 marketing technology decision-makers

Note: percentages indicate "Valuable" and "Extremely valuable/critical". Only top 10 shown.

Source: A commissioned study conducted by Forrester Consulting on behalf of Simon Data, January 2021

Key Recommendations

Forrester's in-depth survey of marketing data decision-makers yielded several important recommendations:



Synchronize strategic and technological priorities. Marketers' strategic and technological priorities are interconnected and must be developed in lockstep. For example, firms cannot extend their measurement strategy if they don't have the right data, and they will be limited in integrating data sources without the right processes in place. Effective coordination starts with a collaborative effort across stakeholders to clarify cross functional impacts and requirements, develop unified data and technical practices, and define success measures and KPIs. Rather than pursuing massive leaps in a single priority to the exclusion of others, organizations must consistently develop all priorities in parallel so they can support one another and show immediate results.



Focus plans on customer experiences. Marketers have lined up a variety of initiatives to expand their capabilities and connect insights to execution, but these are broad strokes that require specificity. Firms must determine what customer experiences they want to deliver — how they are targeted, what is personalized, and where they are delivered — and use those as requirements to develop specific initiatives and start their maturity journey. By starting with the end point of experiences in mind, marketers can assess the exact data types, analyses, technical capabilities, and processes that are needed to deliver on their priorities.



Close the loop with measurement and optimization. Executing on priorities in coordination with one another will be an iterative process as marketers' maturity increases and customer needs evolve. In a changing environment, firms must be able to evaluate the customer experiences and processes. This will ensure the outcomes are driving the business and meeting expectations and continuously optimize deliverables. In addition to planning out the stages of development, create a measurement plan for strategic and technological initiatives.



Realistically assess the current state before developing a roadmap. The keys to successfully and pragmatically advancing data, technology, and processes to maximize customer value lie in leveraging legacy capabilities where possible and defining an accurate launching-off point. Marketing organizations must undertake an honest assessment of their current state of capabilities to calibrate their needs and goals, and determine where current capabilities are effective, what capabilities can be enhanced, and what net-new capabilities are required. Firms that cannot properly gauge their current state will be at risk of committing resources to developing capabilities they will underutilize at best or, at worst, will make current shortfalls more severe.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 465 marketing technology decision-makers in the United States from a variety of industries to evaluate marketing technology and customer insights data strategies. Questions provided to the participants asked about current marketing priorities and martech use, challenges with obtaining marketing goals, and what they view the ideal state to look like. Respondents were offered incentives as a thank-you for time spent on the survey. The study was completed in January 2021.

Appendix B: Demographics

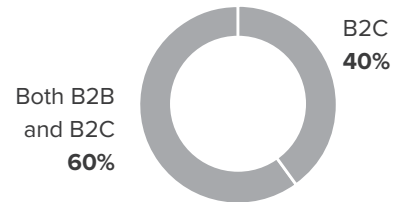
FIRMOGRAPHICS

GEOGRAPHY

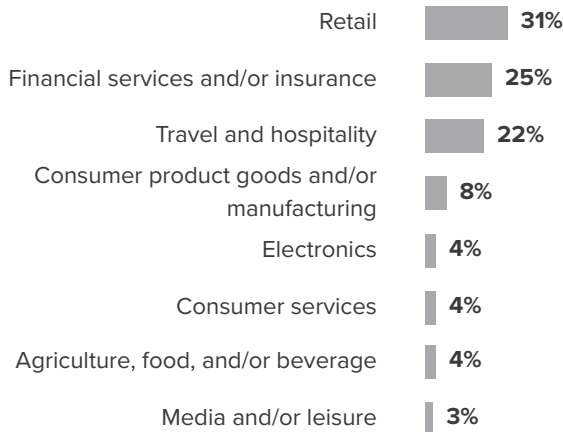


100%
United States

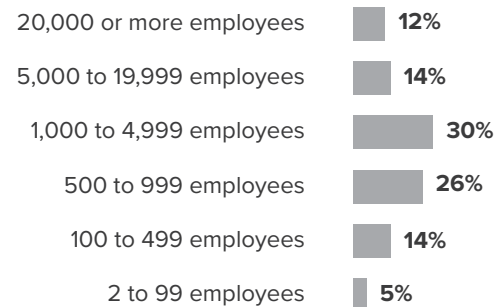
“Which of the following best describes your organization’s business model?”



“Which of the following best describes the industry to which your company belongs?”

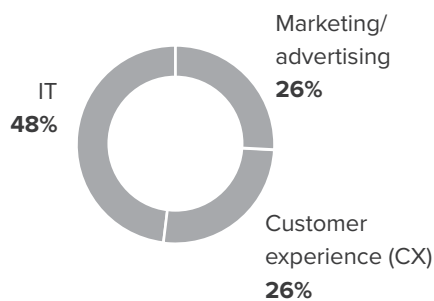


“Using your best estimate, how many employees work for your firm/organization worldwide?”

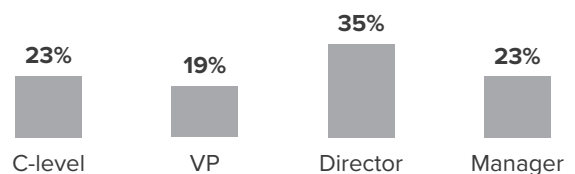


RESPONDENT DEMOGRAPHICS

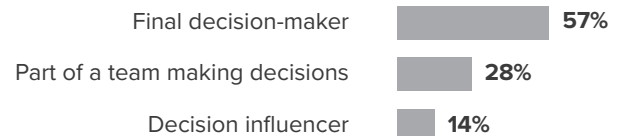
DEPARTMENT



LEVEL



Marketing Technology Purchasing Responsibility



Base: 465 marketing technology decision-makers

Note: Percentages may not total 100 because of rounding.

Source: A commissioned study conducted by Forrester Consulting on behalf of Simon Data, January 2021

Appendix C: Endnotes

¹ Source: “The Future Of Enterprise Marketing Technology,” Forrester Research, Inc., November 25, 2020.