The 2017 data-driven marketing report

How advanced are marketers with the use of data in marketing today?
Introduction

Most brands recognise the importance of data to their current and future marketing success, yet they have only just scratched the surface of what’s possible.

New tech, new streams of data
During 2017 the marketing industry will go through significant change as Artificial Intelligence (AI) and machine learning are set to drive a new era of marketing, fuelled by technology.

With the rise of these new technologies, marketers have the ability to capture more information about their customers than ever before — but are they making the most out of this new data?

And if much of this technology operates in separate silos the challenge will be to make sure we connect audience insights together.

Marketing must be data-driven
In the age of the empowered customer who expect brands to know what they like and dislike based on their needs, preferences and behaviours — the ability to consolidate this data from disparate technologies will become a marketer’s greatest asset to drive insight and improve decision making.

In reality though, brands are struggling to get the most out of new technology and all that customer data.

A steady shift to data-driven marketing will deliver brands with opportunities to deliver personalised and seamless people-based communications to stand out from the competition.

In this report
This report reveals the results from our 2017 marketing research study and includes expert opinion based on our experience of working with many of the UK’s leading brands on advanced attribution, personalisation, predictive analytics and customer relationship management.

“The brands that will rise above the rest, will be those who can revolutionise their marketing strategies with data-driven approaches before their competitors do.

Knowing where to start can feel overwhelming, however it isn’t necessary to tackle everything all at once. We recommend taking a strategic approach to implementing data-driven marketing techniques and new technology. This way brands can take incremental steps forwards to set themselves up for both now and the future.”

Nick Evans, Marketing Practice Director, Jaywing
About Jaywing

Jaywing has a long-standing heritage in data. From developing and delivering data-driven solutions across both marketing and credit risk functions, everything we do is grounded in data.

Over the past 17 years, we have worked extensively across a variety of industry sectors, including retail, financial services, travel and leisure, and telecoms and utilities to transform data into value.

With our heritage in data science, we deliver exceptional results, creating brilliant work that’s impossible to ignore.

We have a solid reputation for developing complex analytical and modelling approaches that underpin major investment decisions across many industry sectors, where accuracy and rigour are critical to success.

Jaywing has a team of over 70 data, analysis and modelling experts. Many of these people have held senior positions in client organisations, and our focus is very much on the commercial application of analysis and data-driven decisions.

Research methodology

We commissioned a study to evaluate marketing’s maturing in data-driven marketing. During February and March 2017, we surveyed and captured the views of over 250 managerial to C-level marketers, within medium to large sized businesses.

Sectors interviewed include:
- Financial Services
- Travel & Leisure
- Retail, Wholesale & Distribution
- Telecoms or Utilities

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So what did the results show?
The research results clearly show that marketers are prioritising the customer this year above all else, with 61% saying Customer Relationship Management (CRM) is the most important skill for a marketer in 2017 and 62% citing improving the customer contact strategy as the top data-driven priority for this year.

Yet many brands still have a long way to go before they are ready for the data revolution. While there’s been a lot of talk about improving customer relationships, we aren’t seeing a huge amount of action.

We found that 65% of marketers are doing none, basic or only segment-based personalisation, with only 8% fully personalising individual communications.

When it comes to measuring the success of marketing, only 18% of marketers are able to measure attribution at an advanced level - meaning 82% are using inadequate methods and not modelling attribution effectively.

Jaywing expert opinion
“While it’s encouraging to see brands ranking CRM and improving the customer contact strategy as top priorities, our study revealed a disconnect, with brands ranking data science/analytics as the least important skill for their organisation (23%) – yet data is critical to the success of CRM and customer contact strategies.”

Key findings
• Customer Relationship Management is cited as the most important marketing skill for 61% of marketers, closely followed by Brand management (60%), and Digital marketing (47%)
• Data-driven marketing is all about customer obsession, with improving the customer contact strategy (62%), improving retention strategies (56%), and acquiring more profitable customers (43%), ranked as the top three data-driven marketing priorities for 2017
• Despite this customer obsession, the majority of marketers (65%) are currently only providing their customers with none, basic or only segment-based personalisation, with only 8% fully personalising individual communications, across all channels
• Only 18% of marketers use advanced attribution techniques and only 50% think they are using the right method
• Managing data better is a priority for 92% of brands in 2017, yet just over half (57%) said they had the right data skills and resource available
The skillset of today’s marketer

The role of the modern marketer is increasingly seen as customer centric, with six in ten citing Customer Relationship Management as the most important skill for marketers in 2017. This is closely followed by brand management (60%) and digital marketing (47%).

Yet, data science/analytics – an essential skill to vastly improve customer centricity – is significantly lagging behind, with only two in ten brands saying it is important.

Jaywing expert opinion

“With the pace of change in the technological landscape, marketers need to be more technically adept and more data-focused than ever before. While technical skills can be learned, traditional marketing skills are just as important to success.

But there are some notable skills gaps and a potential ticking talent bomb in data science and analytics. Companies are moving away from hiring marketers with one specific skills set and are now looking for people who can do a number of things, from delivering a content marketing strategy to analysing insights from data.”
Top 2017 data-driven marketing priorities

Given the emphasis placed on customer focus this year, the challenge is how marketers will improve their strategies to benefit from data.

Overall, marketers ranked improving the customer contact strategy (62%), improving customer retention strategies (56%) and acquiring more high value customers (43%) as their top three priorities for 2017.

Telecoms and utilities most heavily weighted improving customer contact strategies (73%) and customer retention (68%) as their priorities. Similarly, improving customer contact strategies ranked top for financial services (64%) and travel and leisure (67%), whereas retention was top for the retail sector (58%).

Jaywing expert opinion

“Until recently, it was not possible to know if a customer who clicked on a link is the same person who acted on a display ad or bought a product in store. But new technology is making it possible to track customers across all channels.”
Access to data science and analytics

While many brands may be data rich, they are often insight poor.

Data Scientists manage the chaos of pulling together unstructured data from multiple sources (web traffic, social media, and transactional behaviour), to organise and then analyse it to fuel marketers with rich customer insight that informs marketing communications across channels.

It makes the difference between being able to say “Hello first name” on an email to being able to fully tailor timely communications based on an individual’s current and future needs.

Jaywing expert opinion

“Marketers must be able to work with data and apply data insights in an effective and measurable way if they want to succeed in today’s marketing.

The benefits of data-driven marketing are well documented. From precise targeting and accurately attributing value across all channels to providing insight for the creative aspects of the job, data has transformative powers.”
How do sectors compare in their data-driven maturity?

It is clear that all sectors share a passion for customer focus this year, but the majority of marketers are behind in their readiness to execute data-driven marketing.

Overall, 59% said they were behind or in-line with their competitors with the application of data-driven marketing.

Interestingly, telecoms and utilities marketers came out on top, with 51% saying they were ahead of the competitors and peers, compared to 41% for both retail, and travel and leisure, and 33% for finance marketers.

Jaywing expert opinion

“We often find that even the biggest brands that have the support of internal data scientists, are only able to do basic analysis. This is because their data scientists are either busy working on business as usual work or don’t have the right skillset to work on strategic projects, such as advanced attribution models or creating a single customer view.

With a shortage of data scientists, this adds to the issue when it comes to recruitment.”
The maturity of personalisation

While most brands have developed big datasets on their customers, they have not kept up with the latest data science techniques when it comes to implementing a personalised approach across all channels.

With the majority of marketers (65%) currently only providing their customers with none, basic or only segment-based personalisation, marketers appear to be immature in their use of personalisation techniques.

Yet one-to-one, full cross-channel personalisation is crucial for brands looking to engage and connect with today’s omnichannel customer.

Jaywing expert opinion

“With consumers expecting you to understand their individual needs, the key to success is to use data and analytics to uncover insights that will enable you to personalise every touch point in the customer’s journey.

While every organisation is different, all companies can take incremental steps towards the final goal of one-to-one full cross-channel personalisation. Fully mature personalisation enables brands to move beyond treating customers like strangers and leads to improvements in customer lifetime value, the overall customer experience and ultimately brand loyalty.”

Figure 9: What level of personalisation does your organisation currently deploy in communications?
Unsurprisingly, based on how far behind most brands are along the personalisation maturity curve, email is the main channel that brands are personalising at an individual-level, with 95% saying that they apply individual-level personalisation to email. Of this, at least 40% of these emails are not personalised beyond “Hello first name”.

With the majority of marketers still not personalising messaging across all channels, they are at risk of damaging the customer’s experience. Customers may receive fully personalised emails, but that experience breaks down when, for example, website visitors are presented with generic content that doesn’t reflect their buying stage, choices and behaviour.

**Jaywing expert opinion**

“The goal for marketers is to deliver personalised experiences to each individual across all channels. However, our research shows a disconnect, where marketers need to provide the same personal experience across their other key channels.”

**Figure 10: What level of personalisation does your organisation currently deploy in communications?**

- **Email**: 95%
- **Direct Mail**: 43%
- **Website**: 37%
- **PPC**: 30%
- **Display**: 20%
- **Social**: 9%
- **None**: 5%
“Marketers now have the ability to reach many customers with targeted individual messages across all channels - yet we are still not being personal enough.”

Nick Evans, Marketing Practice Director
The maturity of attribution and measuring ROI

Organisations need to embed data-driven marketing into the entire marketing strategy to make sense of the huge amounts of data flowing from connected devices — but the question many are trying to answer is whether this will lead to a tangible return on investment.

The majority of marketers (69%) either agree or highly agree that accurately attributing value across channels is vitally important to their organisation. Yet a significant proportion of marketers are still in the process of working out the correct metrics to measure ROI.

Jaywing expert opinion

“Simple attribution models mislead marketing teams, giving an incomplete picture, leading to possible over-investment in the wrong places and under-investment in the right ones.

That’s why so many marketers are now looking to invest in new technology that links together online and offline channels and the right expertise to build advanced attribution models, based on machine learning techniques, that model how all channels work together to drive sales.”
The current state of measuring marketing effectiveness

Customer journeys are increasingly complex, with customers frequently hopping between channels and devices, and moving between digital and offline worlds quicker than ever before.

Our research reveals that brands across all sectors are lagging behind when it comes to measuring ROI and attribution across channels.

Around half of marketers (45%) are only measuring ROI at channel-level using free tools such as Google Analytics. And only two in ten brands have a single customer view to calculate attribution.

Jaywing expert opinion

“Marketers can now be held accountable to bottom-line goals, because data makes it both feasible and measurable. Intelligent technology and the latest data science techniques enable marketers to see their customers and markets holistically.

With customer and market data at our fingertips, we can precisely measure attribution at an individual-level, not just by channel. It is important to ensure you are using the right tools to help you to gain a true single customer view that then enables you to assess which channels work best.”
The majority of marketers (82%) are still using single touch point attribution (first, last and most engaged channel) to help calculate ROI, with a mere 18% using an advanced approach across all channels.

Yet when we asked respondents if they were using the right approach to attribution, over half (51%) said they were and only 3% said they strongly disagree with their organisation’s approach to attribution. These results may indicate a skills/knowledge gap where marketers are not yet up to date on the latest attribution modelling techniques.

**Jaywing expert opinion**

“We often find marketers struggle when it comes to attribution, with many tending to choose either first or last click and sticking with it so that they can consistently measure and compare results. Moreover, marketers are often either unaware of a better way to attribute or they don’t have the right tools/capabilities.

While many appear satisfied with their approach to attribution, only 22% are using a single customer view to accurately assess ROI. This means 78% are lagging behind and this can distort their view on what is and isn’t working.”
The importance of data management

The importance of data management may be well-known, but there are still obstacles to its collection, understanding and management. Companies report time and again that there are barriers due to siloed data, lack of training and data management not being seen as a priority at board level.

Accessing, defining and using customer data is one of the most difficult challenges faced by brands today. And with six in ten organisations saying CRM is the most important priority for their organisation in 2017, it comes as no surprise that 92% say data management is a priority for this year. Adopting best practice data management is crucial to the success of a good CRM programme.

Jaywing expert opinion

“Before embarking on a fully-fledged data focused programme, marketers need to have access to trusted information that is easy to use. With marketers having access to more data than ever, the prospect of having so much data to work with is exciting - but it can quickly become overwhelming.

All data is valuable but not all data is equally valuable. A pragmatic approach is required to implementing an appropriate data environment that can deliver immediate business value, while being flexible enough to take on new and exciting sources of data as they become available.”
“Data availability is growing exponentially. Adopting best practice data management is the only way marketers can maintain a competitive advantage.”

Inderjit Mund, Data Management Practice Director
Not surprisingly, given the wealth of data available to marketers today, 65% of respondents said data availability is their greatest data management strength, closely followed by data quality (62%) and database integration (60%).

When we asked marketers what the main obstacles were to improving data management in their organisation, a skills gap was cited as the top obstacle by 4 in 10 marketers.

Only 9% overall, said there were no obstacles, clearly indicating that brands are struggling with the management of the wealth of data available today.

**Jaywing expert opinion**

“More data is available from more sources at an ever increasing frequency. Monetising this asset is expected by the C-suite but marketers find themselves in the uncomfortable position of not being able to do this due to a lack of internal expertise. Using outside data management experts, who understand both marketing and IT, can kick-start turning data into value while also up-skilling internal resources.”
Eight key steps to data-driven marketing success

Here are our eight key steps to success:

1. Start with a best practice approach to data management
   You will only gain the best insights from data if you have the right data infrastructures and processes in place to capture individual interactions as they happen. By adopting best practice data management, you will have the ability to merge data together on a platform that is easily accessible and enables you to gain valuable customer insight.

2. Ensure your strategy is informed by data and insight
   We have an abundance of data at our fingertips, but many marketers are still not making the most of the opportunity it provides. Data can inform the whole marketing mix. By ensuring your strategy is based on data and insight, you are already steps ahead of the competition.

3. Get the right technology in place
   Improving data-driven marketing can become complicated without access to the right tools and analysis. Emerging marketing intelligence platforms are now bringing these two sides together, integrating rich and disparate customer and market data into a single data-driven model.

4. Connect online and offline channels
   Not surprisingly, given the rise in customers hopping between channels and devices, cross-channel marketing and measuring its effectiveness is becoming harder to achieve. By joining the dots between online and offline customer journeys, you can create a single customer view, improve the customer experience and improve ROI at the same time.

5. Personalisation that goes beyond “Hello [first name]”
   Personalising customer communications shouldn’t just stop at emails. By providing customers with an individually personalised experience across all channels you will be well on your way to delivering great marketing communications that deliver results.

6. Achieve the right blend of data and creativity
   We live in an era of data-driven creativity, where data is being harnessed to realise the value of a brand, to shape personal relationships and drive more effective communications. Brands that are turning the tide on this approach are unlocking innovative ideas that deliver game-changing campaigns.

7. Model advanced attribution across channels at an individual-level
   Marketers are still struggling to know the return from their investments, and are unable to attribute revenue across all channels. Marketers can start by joining together online and offline data at an individual level, to see the full path to purchase across all channels.

8. Partner with the data experts
   From new technologies and capabilities, to making sense of data in a new data-driven world, skills and capabilities continue to be a vital piece of the puzzle that many are missing. A skills shortage is often the biggest barrier to marketing programmes.
Empowered consumers and the digital era demands significant change, and with further developments in AI and machine learning, the pace of change shows no signs of slowing.

Brands are placing a lot of focus on the need to improve CRM and customer contact strategies, and will ultimately need the right blend of creativity, data insight and intelligence to meet customer needs.

The impact of data science on marketing cannot be underestimated. Marketing is undergoing radical changes in the digital era, and data science is essential to stay successful. Data can be gold when analysed and used in the right way. From increases in revenues to decreases in churn, to enhancing the customer experience, data science is at the core of it all.

Our research revealed that while different sectors may be at different stages on their data-driven marketing journey, overall, brands believe their use of data in marketing is in-line with their competitors and peers.

This report concludes that while the desire to improve the use of data in marketing prevails, brands need to turn this into a reality and fully exploit all the data they now have at their fingertips.

Investing in the right customer intelligence tools and expert advice will not only help improve customer relationships, it will provide greater measurement of marketing effectiveness and ultimately help increase your bottom line.

For your own copies of these guides, please email hello@jaywing.com
“As AI and emerging technologies become more prevalent, marketers will need to plug them into legacy systems and use analytically derived insight to stay ahead of the game. By adopting best practice data-driven marketing and expert help, brands can effectively plug the data skills gap.”

Nick Evans, Marketing Practice Director