



March 2017

DATA-DRIVEN MARKETING ROUNDUP

As marketing technology continues to mature, it's no surprise that more businesses want to take a data-driven approach to their marketing. The practice has become the backbone to just about any campaign or messaging—whether its targeting the right audience, or even to predict potential success. eMarketer has curated this Roundup of articles, insights and interviews to help you understand why data-driven marketing has become nearly ubiquitous, as well as the tools used to make it work.

presented by



Overview

The use of data to improve the effectiveness of marketing—and to measure it—is virtually universal these days. In fact, a recent study found that the number of marketers who still don't use data are now just one in 10. And even more complex data techniques, such as integration of third-party data and cross-channel measurement, were found to be widely used.

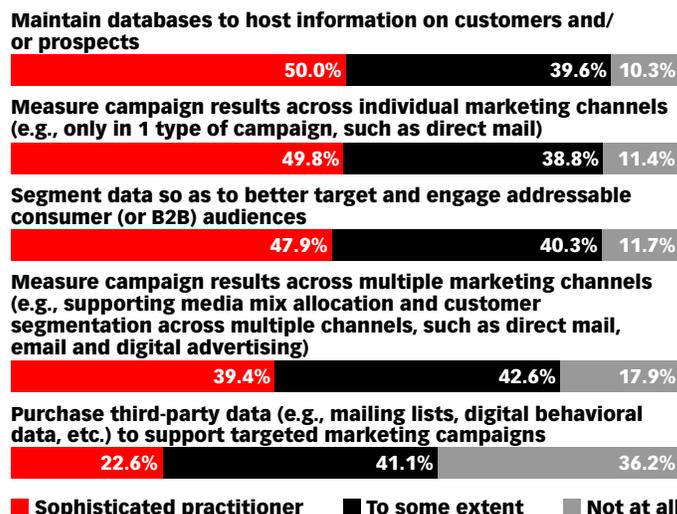
According to an October 2016 survey by the Global Alliance of Data-Driven Marketing Associations (GDMA), Winterberry Group and MediaMath, more than eight in 10 advertising and marketing professionals worldwide use data-driven techniques to maintain customer databases, measure campaign results across both individual and multiple marketing channels, and segment data for proper targeting.

The study, which included advertisers and marketers from various industries, points to a clear shift in spending patterns, too, with many respondents expecting spending on data-driven efforts to rise. Just 7.3% said they expected a decline in spending the coming year, compared with 64.2% who said it would increase.

The survey results parallel other recent studies suggesting an upward trend in spending on data-driven marketing efforts. For example, a survey by the Data & Marketing Association (DMA) and Winterberry Group—also conducted in October 2016—found that over 40% of US marketers expected a quarter-over-quarter increase in their data-driven marketing outlays in Q4 2016. By contrast, 13.1% expected spending to decrease.

Extent to Which Their Company Practices Select Areas of Data-Driven Advertising/Marketing According to Ad/Marketing Professionals Worldwide, Oct 2016

% of respondents



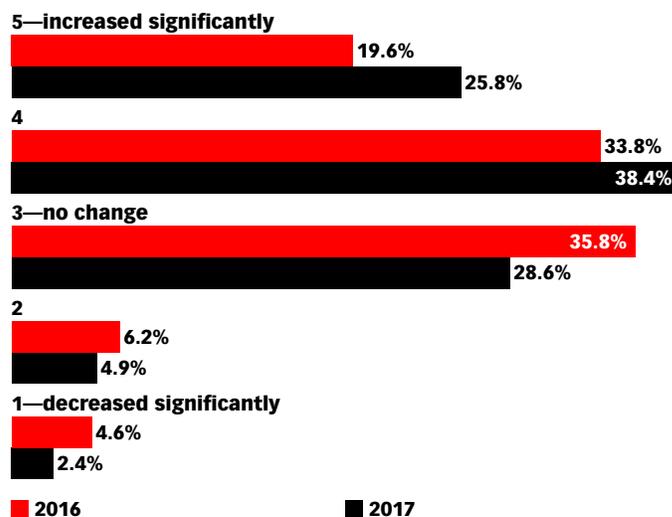
Note: numbers may not add up to 100% due to rounding
 Source: Global Alliance of Data-Driven Marketing Associations (GDMA) and Winterberry Group, "The Global Review of Data-Driven Marketing and Advertising" with the support of MediaMath, Jan 9, 2017

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Extent to Which Data-Driven Ad/Marketing Spending Changed* vs. Will Change** According to Ad/Marketing Professionals Worldwide, 2016 & 2017

% of respondents



Note: numbers may not add up to 100% due to rounding; *in 2016; **in 2017

Source: Global Alliance of Data-Driven Marketing Associations (GDMA) and Winterberry Group, "The Global Review of Data-Driven Marketing and Advertising" with the support of MediaMath, Jan 9, 2017

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Most Execs Worldwide Make Data-Driven Decisions

Executives also say their companies make strategic judgments

In a digital world, executives worldwide have the opportunity to leverage more relevant insights to make the right call. According to Q2 2016 research, most are using data to drive decision-making. But there are still improvements to be made.

Oxford Economics and SAP surveyed more than 2,050 executives, including C-level and their direct reports, in 21 countries across various industries about their digital transformation.

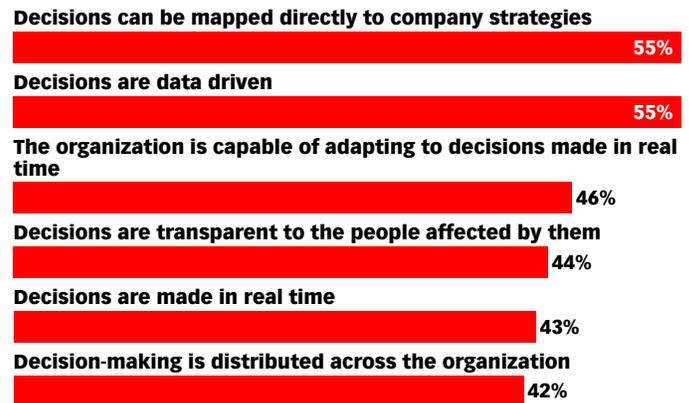
Most respondents said their business decisions could usually be mapped to company strategies (55%); the same share said decisions were normally driven by data. Not far behind, 46% of executives surveyed said their organization can adapt to judgments in real time.

It may seem promising that majorities of respondents said their decision-making was strategic rather than scattershot, as well as being data-driven rather than subjective, but substantial shares of companies still aren't using data and strategy to guide them. And more than half of respondents did not believe decisions at their organizations were transparent to the people affected by them.

According to August research from the Direct Marketing Association (DMA), Interactive Advertising Bureau (IAB) and Winterberry Group, half of marketing and media executives in North America believe predictive analytics is among the technologies that will help them most to achieve value from data. Not far behind were cross-channel measurement and attribution, cited by 40.6%, and campaign measurement tools that allowed for segmentation and audience selection (34.8%).

Ways that Company Decisions Are Made According to Executives Worldwide, Q2 2016

% of respondents



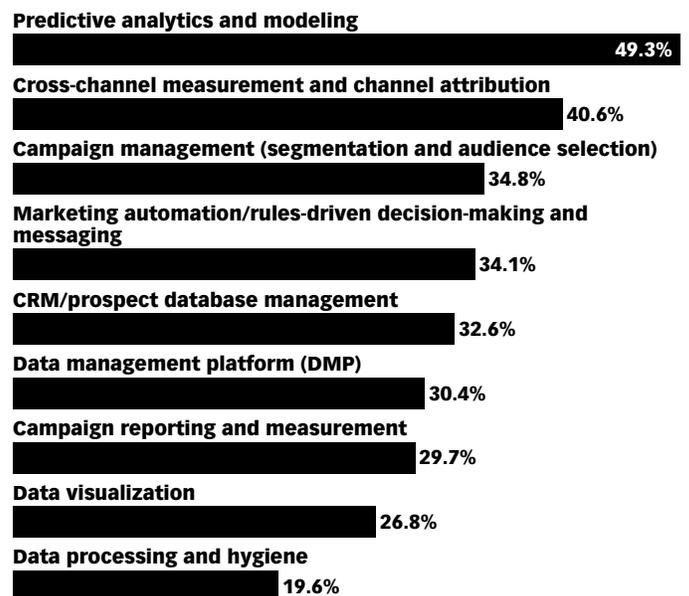
Note: responses of "most of the time" and "all of the time"
Source: Oxford Economics, "Leaders 2020: The next-generation executive: How strong leadership pays off in the digital economy" sponsored by SAP, Aug 31, 2016

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Most Important Technologies for Achieving Value from Future Data Use According to Marketing/Media Executives in North America, Aug 2016

% of respondents



Note: respondents chose their top 3
Source: Winterberry Group, "The Data-Centric Organization: Transforming for the Next Generation of Audience Marketing" in partnership with Direct Marketing Association (DMA) and Interactive Advertising Bureau (IAB), Sep 21, 2016

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When Do Data Efforts Become A Waste of Time?

Marketers are asking for better training, tools

Even though data-driven marketing has won fans among decision-makers, the discipline is not without its flaws. According to one recent eMarketer article on data-driven marketing, gathering high-quality data to use in such efforts continues to be a problem for many organizations worldwide.

Marketers are focusing more closely on data to meet their customers' expectations and provide personalized experiences, but are these efforts worth the time they take?

According to recent research from Square Root, US data professionals want to find more effective ways to collect, manage and understand data, and—in particular—to avoid wasting time.

Slightly less than half of data professionals surveyed believed their time was not used efficiently because they either use outdated tools (44%) or could simply make some decisions without data (43%).

Over a quarter of respondents cited other time wasters from data source overkill to bad numbers. Responses from more than 500 US data professionals were collected by the Austin, Texas-based SaaS company in mid-January.

Because much priority has been put on data-driven marketing recently, it's no surprise that practitioners are evaluating ways to make their data efforts more effective. Square Root's study, in particular, found more than half of data professionals felt they could use better training, closely followed by another 49% who desired more user-friendly or updated data tools.

While the scope and complexity of data can appear daunting, in general US companies are investing because they're seeing the benefits to the bottom line.

In December 2016, four-fifths of US executives surveyed by NewVantage Partners said their backing of big data has been "good and moderately successful" or better. In fact, many of those surveyed said data efforts have enabled them to reduce expenses, create new avenues for innovation and more.

Factors that Cause Wasted Time on Data Efforts According to US Data Professionals, Jan 2017

% of respondents

Outdated data tools

44%

My company requires data to make decisions that could likely be made without it

43%

Too many data sources

30%

Too many data requests from my manager

29%

Poor data collection requires cleanup

28%

Source: Square Root, "2017 State of Data," Feb 8, 2017

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Factors that Would Make Their Company's Data Efforts More Effective According to US Data Professionals, Jan 2017

% of respondents

Better data training

52%

More user-friendly data tools

49%

Updated data tools

49%

Fewer data tools

39%

One consistent view of data across the entire organization

37%

Better tools to connect data to action plans

34%

Source: Square Root, "2017 State of Data," Feb 8, 2017

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Investment in Marketing Technology Can Help

55% of senior marketers say they use it for data-driven efforts

Marketing technology has become a fact of life, as new data from digital agency Squiz attests. Roughly two-thirds of senior marketers surveyed in Australia, the UK and the US have invested heavily in marketing technology—whether in-house or through third parties—over the past year, the study shows.

Another third of respondents said they have either invested a little to add to their existing marketing technology stack, or have taken their first steps in marketing technology.

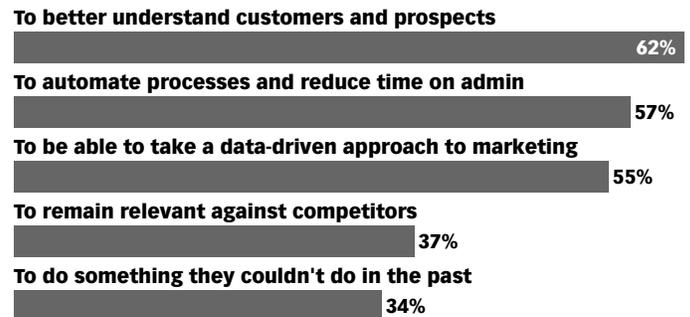
Most senior marketers surveyed (62%) said they're leveraging marketing technology to better understand customers and prospects. Over half of respondents said they're doing so to automate processes and reduce time on administration, and almost as many said they're using marketing technology because they want to take a data-driven approach to marketing.

Interestingly, nearly 40% said they're using marketing technology to remain relevant against competitors.

Marketing technology has become a standard part of managing a business. Many companies have become comfortable enough with the concept to shift away from their initial focus on platforms, and to focus instead on data.

The number of marketing technologies used varies by company, but a November 2016 survey from Conductor, a web presence management and search engine optimization company, revealed that many US marketing executives—more than six in 10—use between six and 20 marketing technologies.

Reasons that Senior Marketers in Australia, the UK and the US Use Marketing Technology, Jan 2017 % of respondents



Source: Squiz, "State of Marketing Technology 2017" conducted by Morar Consulting, Feb 28, 2017
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CRM Strengthens Data-Driven Marketing

38% of respondents said they use real-time data from analytics

Digital marketers in North America and Western Europe are using different tactics to augment their data-driven marketing efforts. According to research, most use customer relationship management (CRM) data to help them better understand a customer's profile.

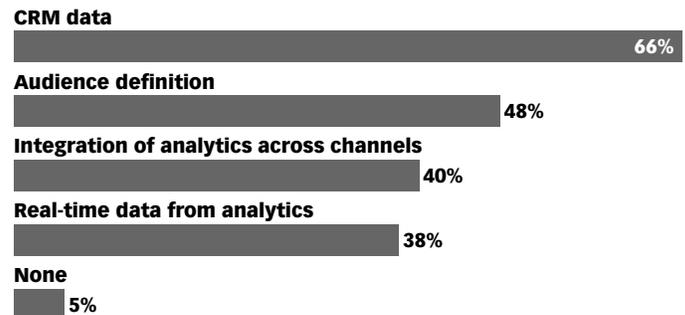
Adobe surveyed 735 digital marketers from a variety of industries in Canada, France, Germany, the UK and the US. All respondents were from companies with more than 500 employees.

In addition to using CRM data, which two-thirds respondents said they used to augment data-driven marketing, nearly half of digital marketers in North America and Western Europe said they use audience definition, which is advanced segmentation.

Some 40% of respondents said they integrate analytics across channels, and almost as many respondents said they use real-time data from analytics.

Methods Used by Digital Marketers in North America and Western Europe* to Augment Data-Driven Marketing, June 2016

% of respondents



Note: *France, Germany and the UK
Source: Adobe, "Four Essential Elements for Digital Maturity: 2016 Adobe Digital Marketing Survey," Sep 23, 2016

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Predictive Analytics Can Help Gain Value From Data

Survey finds predictive rates highly in the US, while four other countries experiment with variety of tech

As technology plays a bigger role in marketing departments, certain tools are used more widely in the US than in other countries—and other tools are used sparingly. A November 2016 study by Marketo, which surveyed 620 marketers in the US, Australia, France, Germany and the UK, shows how US marketers compare with their peers elsewhere.

Predictive was the primary technology US marketers said they planned to use for their strategic marketing in 2017, with nearly 70% of respondents pointing to it—the highest proportion of any country surveyed. Predictive marketing is the use of data science to determine which marketing actions are likely to succeed and which are likely to fail.

Predictive tools were less important in other countries. In the UK and Germany, for example, predictive was cited by 24.0% and 18.0% of respondents, respectively. But the US preference was significant enough to push the global total in favor of predictive technology, at 41.6%.

While US marketers showed a strong commitment to predictive tools, marketers in other countries didn't have an overwhelming preference for any one of the categories, pointing to continued experimentation with the gamut of emerging technologies. In Australia, 44.0% of marketers planned to use internet of things (IoT) technologies strategically in 2017, while 42.0% cited virtual reality tools and 40.0% noted machine learning. The data revealed a similar trend in France, Germany and the UK: IoT technology had an edge in adoption, but other tools were not far behind.

A growing focus on the IoT is to be expected, as nearly 56% of global marketers surveyed by Marketo said they anticipated that their customers would use IoT devices this year. In the US, the onus on marketers to think about the IoT is even greater: roughly 63% of US marketers said they

expected their customers to use IoT devices in 2017. But in the US, only 29.1% of marketers said they would include IoT technologies in their 2017 strategies.

According to Marketo's survey, marketers worldwide were least enthusiastic about augmented reality (AR) tools, but that's not to say that some didn't see major potential in it. On a global scale, only 16.1% of marketers said they planned to add AR tools to their marketing strategy this year, but more than 30% of marketers in Australia and France said they would use it. Only 5.5% of US marketers named AR.

Technologies that Marketers in Select Countries Plan to Include in Their Marketing Strategies in 2017 % of respondents

	Australia	France	Germany	UK	US	Worldwide
Predictive	34.0%	29.0%	18.0%	24.0%	69.6%	41.6%
Internet of things	44.0%	47.0%	42.0%	42.0%	29.1%	38.6%
Virtual reality	42.0%	29.0%	40.0%	39.0%	4.6%	25.8%
Machine learning	40.0%	23.0%	20.0%	20.0%	25.0%	25.5%
Artificial intelligence	32.0%	30.0%	22.0%	24.0%	15.5%	22.9%
Augmented reality	30.0%	33.0%	13.0%	12.0%	5.5%	16.1%
Other	2.0%	0.0%	0.0%	3.0%	3.2%	1.9%
None	15.0%	10.0%	17.0%	17.0%	16.8%	15.5%

Source: Marketo, "Future Technology Survey" conducted by Qualtrics, Jan 12, 2017

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Programmatic Creative Gives popchips More Bang for Their Buck



Marc Seguin

CMO

popchips

As brands experiment with a more dynamic programmatic creative route, it's becoming evident that context can still play a key role in programmatic advertising. Marc Seguin, CMO at popchips, spoke with eMarketer's Maria Minsker about how the salty snack brand is combining context and automation in its programmatic buys.

eMarketer: What are publishers doing to help brands get the most from their advertising spend?

Marc Seguin: We're very data-driven, so we want a clear line of sight into who is responding to our content, where they come from, where they land, what reaction they had to our ad and what action they eventually took. We want to be able to track and trace the entire consumer journey as it relates to a specific publisher.

eMarketer: Are you getting the insight you need from publishers, or are there still missing pieces?

Seguin: There are still missing pieces on a lot of the publishers' platforms, especially when it comes to some of the social media players who aren't keen on sharing everything. It would be great to have more consistent insight across different platforms.

"Overall, we've seen significantly better engagement when we combined context and programmatic ad buying."

eMarketer: Are you approaching programmatic advertising differently this year than you did in 2016?

Seguin: This year, we're combining programmatic and contextual. In other words, we take geographic content, for example, and write different creative options to fit that context. Once that's done, we buy ads programmatically.

Overall, we've seen significantly better engagement when we combined context and programmatic ad buying. We ran tests last year, and while both tactics performed well individually, combining them created a synergistic effect that drove engagement beyond what anyone was expecting.

eMarketer: What you're describing is programmatic creative, correct?

Seguin: Essentially. For example, let's say we want to drive popchips awareness in a specific market, say New Orleans. We'll create an ad for New Orleans and include concepts that are interesting to people there. We'll write up several different options, and serve all those up programmatically in New Orleans. We're optimizing with different pieces of creative rather than going in with one option.

We've created hundreds of ads for just a few markets, but the great thing about digital advertising is that the cost to create ads is not particularly high. We're able to maximize our targeted dollars and bring cost down while driving engagement up.

eMarketer: What influences your decision to either pull back or spend more on programmatic advertising?

Seguin: It's entirely based on return on investment [ROI]. We are a small company in a very competitive category. We have an interesting message for people, but what's important is that we get that message across in a cost-effective way. Through programmatic advertising, we've seen high engagement and low cost, which has emboldened us to spend more on programmatic.

eMarketer: How do you value content from different publishers?

Seguin: It all comes back to being in the right place with the right ad. When brands try to be agnostic with their ads, consumers tune them out. Nobody looks at the banner ad or the sidebars anymore, especially if those ads are not related to the content on the publisher's site. If I'm on a travel site and I see a banner ad for something related to travel, I'm much more likely to engage than if I see an ad for tuna fish. Those two things just don't jibe.

Pernod Ricard Seeks Customers' Quality Engagement



Luis Spencer Freitas

Digital Marketing Director

Pernod Ricard USA

A nonlinear customer journey poses a number of challenges for brands from an acquisition standpoint, but a highly targeted, data-driven approach enables brands to engage with consumers at key moments that ultimately lead to purchase. Luis Spencer Freitas, digital marketing director at Pernod Ricard USA, spoke with eMarketer's Maria Minsker about how the brand's customer acquisition strategy comes together.

eMarketer: What does customer acquisition mean for your brand?

Luis Spencer Freitas: All our US sales are made through distributors. They sell to retailers, and retailers sell to consumers, so several layers represent our customers. For consumers, our goal is that they know our products before coming to the store. That involves smart communication between marketing and sales to ensure that we're part of the initial consideration, and we win before the consumer even reaches the retailer.

eMarketer: Is customer journey mapping part of your customer acquisition process?

Freitas: Increasingly, we are designing our campaigns and overall consumer experiences with the customer journey in mind. We understand that the journey is nonlinear, and that's a big challenge for brands. Consumers may come into contact with brands at one touchpoint and convert at a completely different touchpoint, so customer journeys are at the heart of everything that we are doing.

"Brand engagement is central for Pernod Ricard. We look at the quality of an engagement more than we look at reach."

eMarketer: What are some top strategies for customer acquisition?

Freitas: The key word is relevance. Long gone are the days where mass messaging consumers repeatedly actually moved the needle for us. With the amount of fragmentation in our space, the brands that go massive are not the brands that win. That's why we have smart targeting strategies—we don't want to reach everybody. We only want to talk to people of legal drinking age that are category-interested.

eMarketer: What are the most important KPIs [key performance indicators] to look at for acquisition?

Freitas: Brand engagement is central for Pernod Ricard. We look at the quality of an engagement more than we look at reach, but of course if we only have a quality engagement with three people, we're not really making much of a business.

eMarketer: What are your primary acquisition channels?

Freitas: Social media is fundamental for our business. Most people get to know an alcohol brand at social events. Plus, people might also post photos of their drinks. Studies have shown that for several of our categories, the two main drivers of awareness for a given product are consumption in bars and social media, almost at the same level. Our other key channel is search. Search is fundamental for us because while social media goes after mass broadcast logic, search is different. There's a consumer pull because the consumer is looking for something.



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