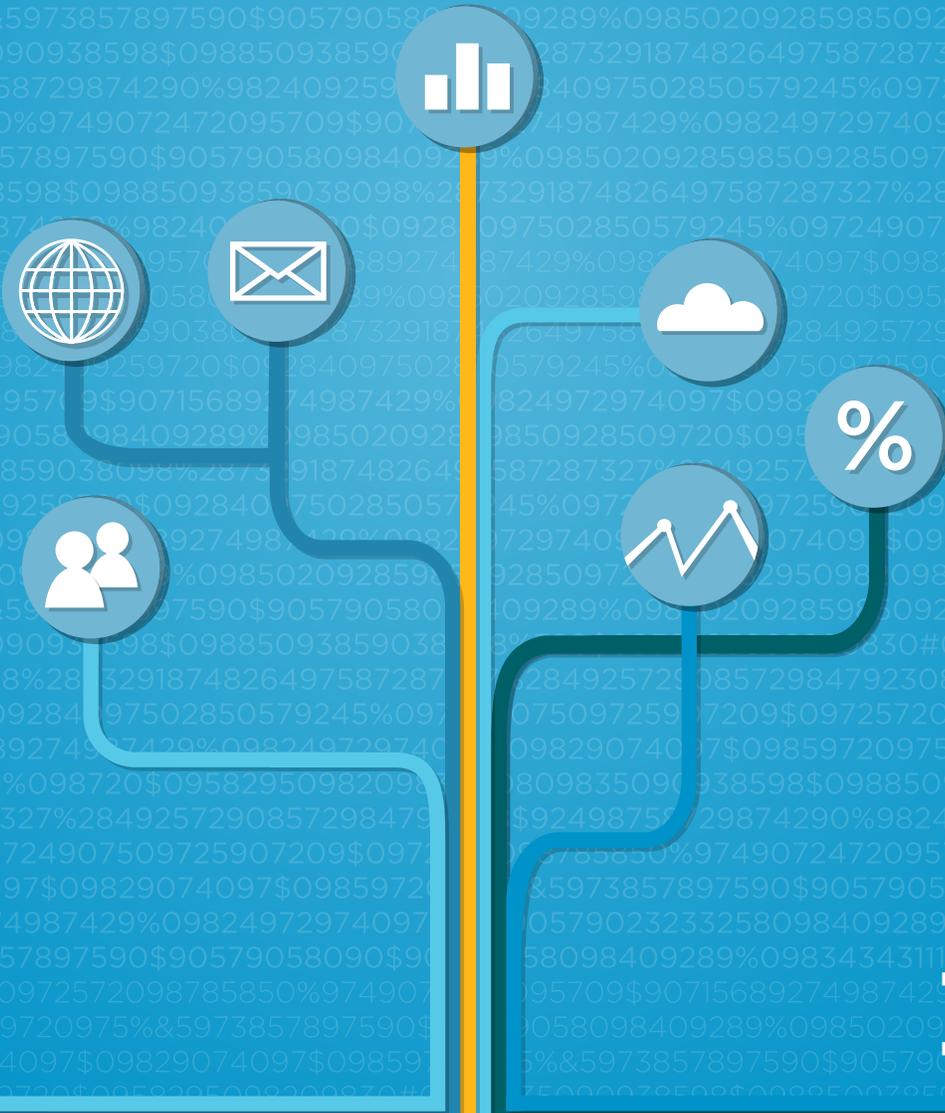# BIZO SPECIAL REPORT

The
DATA-DRIVEN MARKETER

bizo

Bizo Special Report:
The Data-Driven Marketer

Big data. It's an intimidating term.

"Big" implies a large investment. The word "big" also suggests big data is only reserved for deep-pocketed Fortune 500 companies.

"Data" may even be the more frightening half of the term "big data," because "data" is a word that conjures images of unwieldy, hard-to-use technology that requires the hiring of mathematicians.

But big data needn't be intimidating. It's simply a natural outcome of Moore's Law, which has accurately predicted that micro-processing speeds and data storage capabilities would expand and grow less expensive at steady rates for decades. The result is that big data, which we're defining as the capability to analyze large sets of unstructured data and gain critical insights from them, is available for virtually every size of company. One of the key impacts is that most marketers are already using a form of big data in their day-to-day programs.

You're probably already using data in your own marketing. Do you use analytics tools to delve into your website traffic? You're engaging in data-driven marketing that wasn't available before big data technologies existed. Are you buying online display advertising via real-time bidding? Are you using marketing automation to nurture your prospects? Both of those, too, are tactics that incorporate data-driven marketing.

And you're not alone in moving into data-driven marketing. The Bizo "Data-Driven Marketer" survey of 852 marketers found that most respondents have embraced some form of data-driven marketing, although they have encountered hurdles and are working hard to make more effective and efficient use of data. These hurdles included the inability to build reports that yielded insights, lack of team members with data skills, and limited budgets to buy the necessary software.

Despite these hurdles, it appears that significantly more marketers will embrace data-driven marketing in the near future. That's because software companies and large companies (500+ employees) – both of which have

been leaders in adopting digital marketing technologies in the past – are far ahead of other companies in implementing data-driven marketing.

More importantly, these companies appear to also be far ahead in reaping the benefits.

Key Findings:

- » **68.2 percent** of marketers are using data to analyze their customers.

- » **54.8 percent** of marketers say they use data to measure marketing performance.

- » **51.8 percent** of marketers said their biggest hurdle in data-driven marketing was building reports that delivered insights.

- » **67.7 percent** of marketers use CRM systems.

- » **31.3 percent** of marketers use marketing automation software.

- » **52.9 percent** of marketers were satisfied with the performance of their email database, which made it more popular than any other digital tactic, including search engine and social media marketing.

- » **63 percent** of marketers say their department has a better reputation internally than it did a year ago.

More than two-thirds of marketers use data to analyze customers.

In "The Data-Driven Marketer" survey, 68.2 percent of marketers say they are using data to analyze their customers. Another 54.8 percent of respondents said they used data to measure marketing performance, such as tallying email open rates, noting new website visitors driven by display ads, or content shares from blog posts. And 52.9 percent used data to segment customers in order to, for instance, send different messages to prospects based on their industry or job title.

How are you using data in your marketing organization?
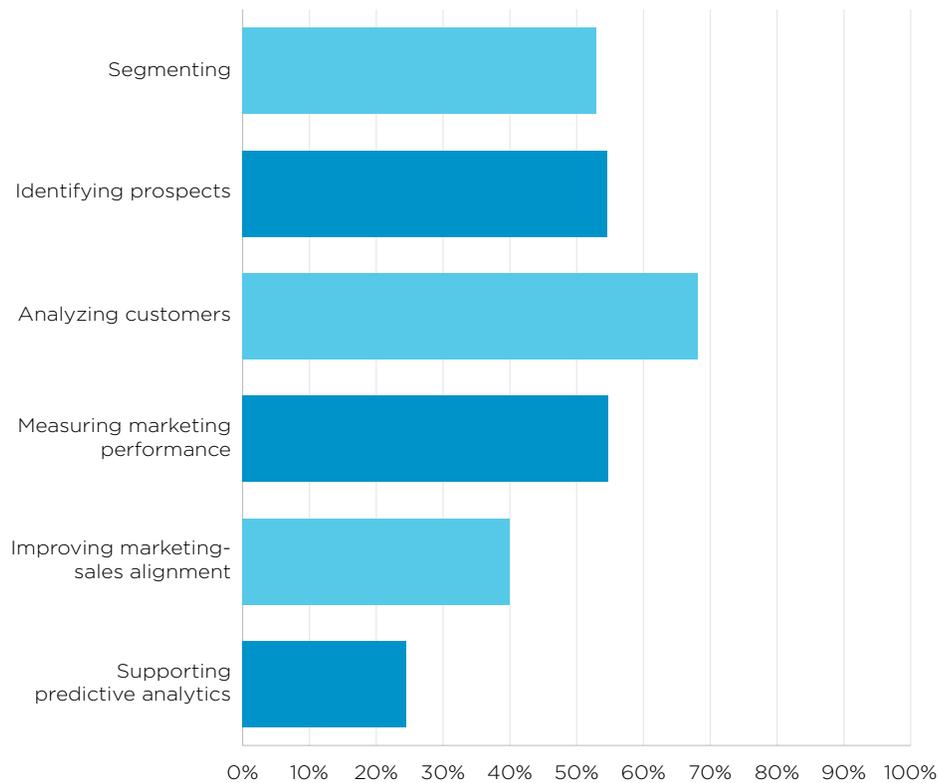
Evidence from "The Data-Driven Marketer" survey indicates that the percentage of marketers using data is poised to increase. Marketers in the technology sector have often been the early adopters of technology-driven marketing techniques. They were among the first to adopt Internet advertising and social media — to name two examples — and mainstream marketers eventually followed their lead. The same appears likely to happen in data-driven marketing.

In our survey, 80.7 percent of software marketers said they used data to measure marketing performance, more than 25 percentage points ahead of all marketers. Additionally, 77.4 percent of software marketers used data to segment customers — almost 25 percentage points ahead of all marketers.

Similarly, the survey showed that large companies (with 500+ employees) are further along in their embrace of data-driven marketing compared with all marketers. 80 percent of larger companies are using data to measure marketing performance. More than two-thirds are using data to identify prospects. And more than three-quarters are using data to segment

customers. In each of these uses of data larger companies are significantly ahead of other marketers.

About 60 percent of marketers give themselves positive marks in adopting data-driven marketing.

According to the Bizo survey, the majority of marketers gave themselves decent marks in adopting data-driven marketing. Almost 40 percent of marketers described their efforts as "on the path." A little more than 17 percent said they were "doing well," and a confident 2.6 percent crowed that they had "nailed it." Overall, almost 60 percent of respondents – 59.6 percent – gave themselves a decent grade in pursuing data-driven marketing.

How effectively is your marketing organization using data?
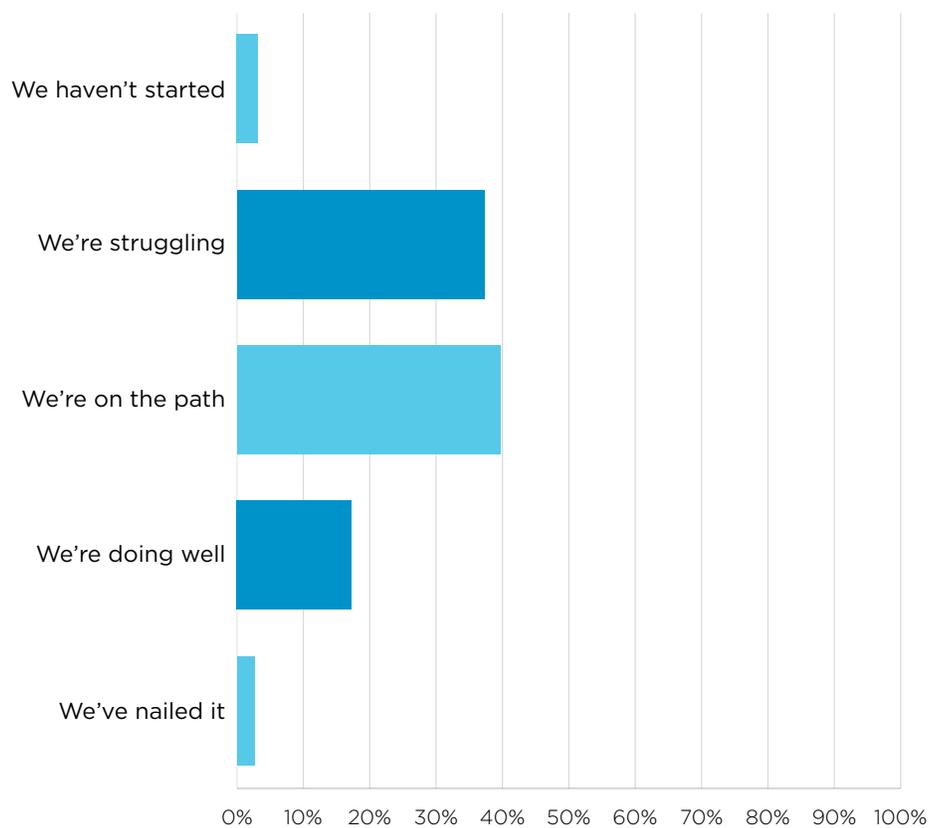
Technology marketers, however, saw their efforts in a more positive light. More than half of software marketers – 53.8 percent – viewed themselves as "on the path." More than a quarter – 26.9 percent – described their efforts as "doing

well." And 4.3 percent said they had "nailed it." Overall, 85 percent of software marketers gave their data-driven marketing efforts positive marks. Marketers from larger companies also saw their data-driven marketing programs positively. More than half of marketers at larger companies – 50.8 percent – described their data-driven programs as "on the path." About one in four – 23.9 percent – said their efforts were "doing well." And 3.1 percent of marketers at larger companies said they had "nailed it." Overall, 77.8 percent of marketers at larger companies gave their data-driven marketing efforts a passing grade.

The differences in all marketers compared with large company and software marketers may been seen more starkly in the percentages that described their data-driven marketing as "struggling." In the aggregate, 37.3 percent of marketers who responded to the survey said they were "struggling" with data-driven marketing. Significantly fewer software marketers (12.9 percent) and large company marketers (20 percent) said they were "struggling" with data-driven marketing.

The biggest hurdles in adopting data-driven marketing are building reports that deliver insight, lack of data skills, and limited budgets.

While most marketers appear to be moving toward building data-driven organizations, only a handful said they had "nailed" data-driven marketing. It's clear that many marketing executives are running into hurdles in implementing data-driven marketing at their companies.

The most common hurdle marketers identified in the survey was "building reports that surface actionable insights." More than half of marketers – 51.8 percent – said building reports was a hurdle they encountered. The other three hurdles in the top four were:

- » Limited team capacity to prioritize (40.5 percent)

- » Limited budget to install necessary technology (35.7 percent)

- » Don't have team members with the right skills to leverage the data (33.6 percent)

What's interesting is that skills, budget, and time don't appear to be the primary constraints for marketers looking to use data more effectively. The

biggest hurdle is finding useful insights from all of the data that marketers are gathering.

More than two-thirds of marketers use CRM systems, and more than 60 percent use analytics tools.

Building a data-driven marketing requires software, and plenty of it. Marketers who responded to this Bizo survey have invested heavily in software, some platforms more than others.

What kinds of marketing platforms and tools are you currently using in your marketing organization?
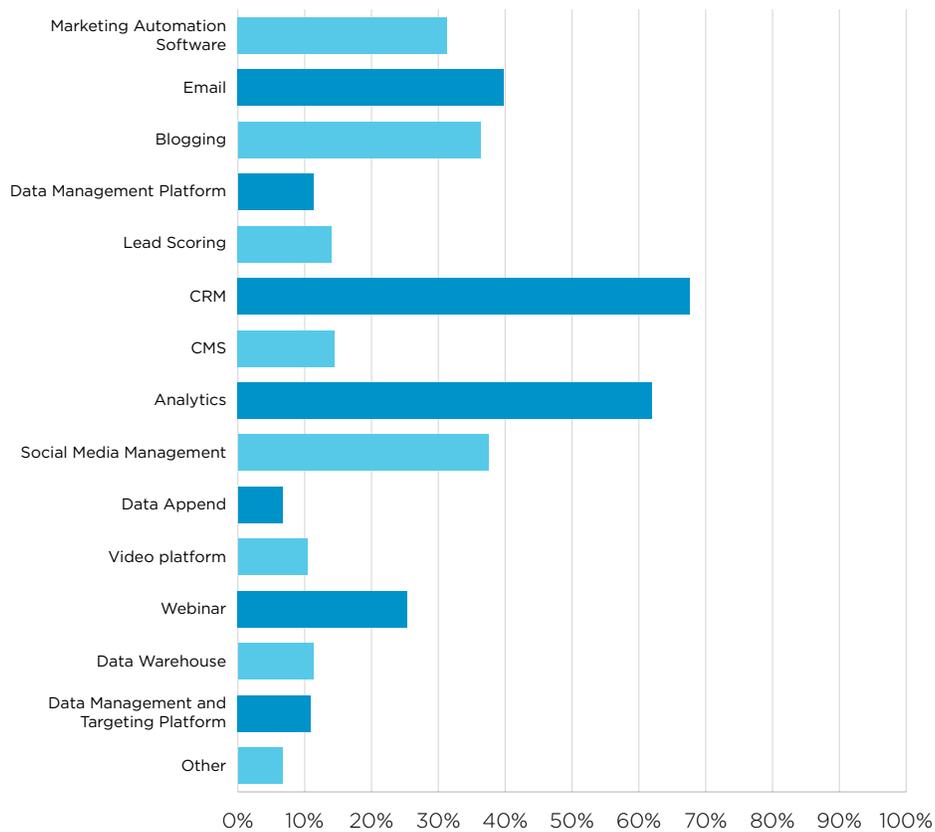
The most common marketing technology deployed by marketers is customer relationship management software. More than two-thirds (67.7 percent) of marketers said that had installed a CRM system. Other software platforms that were used by more than 30 percent of marketers are:

» **Analytics tools (61.0 percent)**

» **Email software (39.8 percent)**

» **Social media management tools (37.5 percent)**

» **Blogging platforms (36.3 percent)**

» **Marketing automation software (31.3 percent)**

The survey results showed that software marketers and marketers at larger companies tended to have significantly higher adoption rates of marketing technology tools:

✓ **CRM**
Ninety percent of software marketers and 73.1 percent of marketers at larger companies had installed CRM systems compared with 67.7 percent of all marketers.

✓ **Analytics**
Software marketers (87.1 percent) and marketers at larger companies (80.8 percent) had significantly higher adoption rates of analytics tools than all marketers (61.0 percent).

✓ **Email**
Software marketers (38.7 percent) and marketers at larger companies (43.1 percent) had similar adoption rates of email newsletter platforms to all marketers (39.8 percent) – most likely because software marketers and marketers at larger companies are using marketing automation software to handle their email marketing.

✓ **Social media management**
Software marketers (62.4 percent) had a significantly higher rate of social media management adoption when compared with all marketers (37.5 percent). The rate of social media management adoption for all marketers and marketers at larger companies (40.8 percent) was similar.

✓ **Blogging platform**
Software marketers (68.8 percent) had a significantly higher usage of blogging platforms than all marketers did (36.3 percent). At 35.4 percent, marketers at larger companies actually had a lower adoption rate of blogging platforms than all marketers did.

✓ **Marketing automation**
The use of marketing automation software was an area where software marketers and marketers at larger companies far outstripped all marketers, where fewer than one-third of respondents (31.3 percent) said they had deployed marketing automation software. In contrast,

80.7 percent of software companies are using marketing automation, and 52.3 percent of marketers at larger companies are doing the same.

Marketers of all kinds are struggling with finding strong attribution models: Fewer than 25 percent say they measure all of their programs across the marketing mix.

It appears that not many marketers are comfortable with their attribution models, which are designed to determine which marketing tactics – in the top, middle and bottom of the funnel – are performing best and deserve the highest budget allocations.

Close to one-third of all marketers – 34.8 percent — said they are in the process of implementing an attribution model or will do so in the next 12 months. At the same time, 30.3 percent of marketers said they either do not have a good handle on attribution or were not sure of what approach to attribution they were using. About one in 10 marketers – 11.4 percent – said they used last-click attribution, which assigns all credit for a sale or conversion to the "last-click," which can result in marketers overvaluing search or email marketing.

Only about one-quarter of marketers – 23.5 percent – agreed with this statement: "We measure all our programs across our marketing mix and know which programs are contributing to leads and revenue." Software marketers, which typically appear more advanced that other marketers, also seem to be struggling with implementing an effective attribution model. Only 26.9 percent of software marketers said they know which

Marketing automation: A key to marketing satisfaction?

Is it a coincidence that software marketers and marketers at larger companies, both of whom use marketing automation at a significantly higher rate than all marketers, also are more satisfied with their data-driven marketing performance? It seems unlikely that it is just a coincidence: Marketing automation tools enable marketers to use data to segment audiences and deliver targeted messages to customers and prospects using email and even display and social media advertising. It is a key to taking advantage of data.

More than simply having marketing automation software, marketers who are most satisfied with their use of data-driven marketing, have integrated their marketing automation with their CRM systems. More than three-quarters (76.3 percent) of software marketers have integrated marketing automation with CRM, while slightly more than half of all marketers (54.5 percent) have done so.

This power of marketing automation software may explain why 19.1 percent of marketers in the survey said they planned to add marketing automation software in the next 12 months.

programs are contributing to leads and revenue.

Marketers are most satisfied with their use of data in email marketing and in marketing to their website visitors.

In the survey, we asked whether marketers were satisfied with how they are leveraging the data they collected from various digital marketing tactics, ranging from their websites to email to display advertising.

Overall, most marketers were unsatisfied with their data-driven marketing's performance. On the other hand, software marketers and marketers at large companies were more likely to be satisfied with the performance of most of their data-driven tactics.

All respondents were most pleased with how they were leveraging the data they collected from email. More than half – 52.9 percent – said they were either "very satisfied" or "somewhat satisfied" with email marketing. Only 43.3 percent were "somewhat dissatisfied" or "not satisfied" with their email data-driven marketing. For every other tactic, the number of marketers who were dissatisfied outnumbered those who were satisfied:

All Marketers

	Generally Satisfied	Generally Dissatisfied
Email database	52.9 percent	43.3 percent
Website visitors	47.2 percent	50.2 percent
Search engine marketing	40.9 percent	53.7 percent
Social media marketing	35.1 percent	59.7 percent
Online display advertising	35.3 percent	49.1 percent
Mobile marketing	22.2 percent	51.9 percent
Predictive analytics tools	25.2 percent	47.8 percent

Software marketers are generally satisfied with most data-driven marketing tactics they are using. They were very satisfied with the data they gleaned from website visitors, with almost 70 percent being generally satisfied but only 28 percent being generally unsatisfied. Software marketers were also generally satisfied with the performance of their email database, SEM, display advertising, and predictive analytics tools. On the other hand, more

software marketers were dissatisfied with social media marketing and mobile marketing.

Software Marketers

	Generally Satisfied	Generally Dissatisfied
Email database	72.8 percent	23.9 percent
Website visitors	69.9 percent	28.0 percent
Search engine marketing	54.8 percent	37.6 percent
Social media marketing	45.2 percent	51.6 percent
Online display advertising	49.5 percent	29.0 percent
Mobile marketing	28.0 percent	33.3 percent
Predictive analytics tools	35.9 percent	23.9 percent

Like software marketers, marketers at larger companies are generally satisfied with most data-driven marketing tactics they are using. They were most satisfied with their email databases, with 61.7 percent generally satisfied and only 34.1 percent generally dissatisfied. Marketers at larger companies were also generally satisfied with the data performance of their website visitors, SEM, social media marketing (just barely), and display advertising. On the other hand, software marketers as a whole were dissatisfied with mobile marketing and predictive analytics tools.

Marketers at Companies with 500+ Employees

	Generally Satisfied	Generally Dissatisfied
Email database	61.7 percent	32.8 percent
Website visitors	61.2 percent	34.1 percent
Search engine marketing	54.3 percent	40.3 percent
Social media marketing	41.7 percent	40.3 percent
Online display advertising	46.1 percent	39.8 percent
Mobile marketing	29.5 percent	38.0 percent
Predictive analytics tools	30.2 percent	40.3 percent

Marketers are hiring more data-oriented and mathematically-oriented staffers.

The survey indicated that marketers are hiring more data experts and mathematically-oriented people as marketing organizations change to meet the demands of data-driven marketing. Almost 30 percent of respondents (29.6 percent) said they plan to hire more data-oriented employees in the marketing department. That's twice as many as those who said they planned to hire fewer (14.5 percent). Similarly, more than a third of respondents (33.7 percent) said they planned to hire more mathematically-inclined employees, while just 17 percent said they planned to hire fewer.

More than 60 percent of marketers say their department has an improved reputation.

In the survey, the majority of marketers (63 percent) say their department has a better reputation internally than it did a year ago. Correlation is not necessarily causation, but the growing adoption of data-driven marketing – and the ability to use hard numbers to prove marketing success — may be a key reason.