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Gartner for Marketers

The Marketing Leader's Guide to Improving Data and Analytics

Data-driven decision making is on the rise

Data and analytics have become the foundation of marketing, driving efficiency and effectiveness through better data collection, modeling, optimization and greater relevance to the consumer.

The future is personalized, people-based and predictive.

Eighty-one percent of marketers expect the majority of their decisions to be data-driven by 2020. Seventy-six percent say that's already the case.

Better customer-level data and customer modeling ensure that the right message and content is delivered at key moments of truth in the customer journey. Yet key questions arise along with the surge in marketing analytics interest:
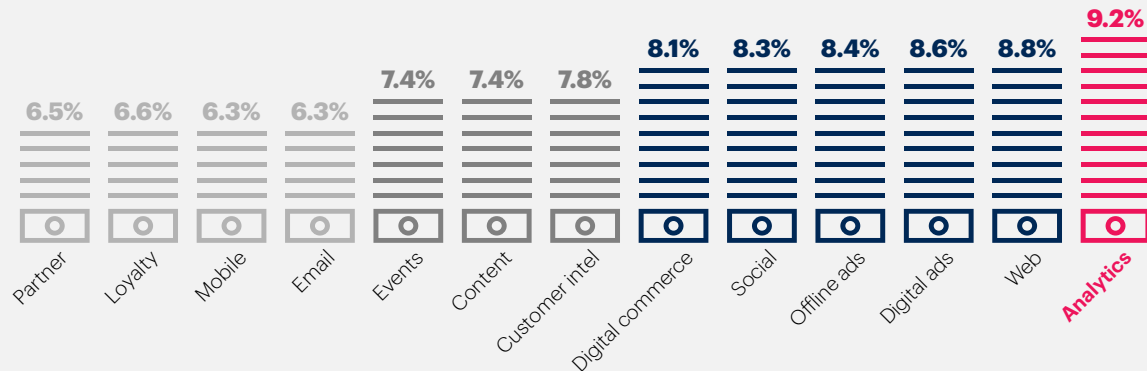
- Which data do we collect?
- What is the optimal marketing technology stack to enable better analysis?
- How do I best utilize in-house talent to deliver needed insights?
- How do I get the most out of my current investments in analytics tools, people and processes?

This playbook outlines three key areas to bolster marketing data and analytics performance:

1. Address marketing measurement and reporting gaps
2. Fortify your data and analytics organization
3. Maximize the value of your investments

CMO's Budget

Percentage of Marketing Budget

Partner	Loyalty	Mobile	Email	Events	Content	Customer intel	Digital commerce	Social	Offline ads	Digital ads	Web	Analytics
6.5%	6.6%	6.3%	6.3%	7.4%	7.4%	7.8%	8.1%	8.3%	8.4%	8.6%	8.8%	9.2%

Source: Gartner
Base: Total Answering, n = 353, excludes don't knows, varies by segment.
Q. First, please tell us how your company's fiscal year 2017 total marketing expense budget is being allocated to or spent on each of the following 13 marketing areas.
ID: 345526

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81%

The future is personalized, people-based and predictive. **Eighty-one percent of marketers expect the majority of their decisions to be data-driven by 2020.** Seventy-six percent say that's already the case.

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Learn from the leaders

Gartner analyzed data from the CMO Spend Survey 2017-2018 and the CMO Strategy Survey 2017 to categorize survey respondents into leaders, learners and laggards based on the scope of their responsibilities. When it comes to approaching funding and executing analytics programs, leaders differ from laggards in specific ways:

Leaders emphasize marketing analytics

More than three-quarters of the CMOs in the leaders category with advanced responsibilities expect their marketing budgets to increase in 2018. For 70% of those leaders, the additional funds are expected to go to marketing analytics, customer intelligence or digital advertising in 2018.

CMOs across all levels of responsibility, from leaders to learners and laggards, agree that when it comes to retaining customers, marketing analytics is one of their top tactics.

And the leaders are starting to pull away from those falling behind: Nearly three-quarters of leading CMOs are set to increase spending on marketing analytics, while only 50% of CMOs in laggard companies plan to increase spending.
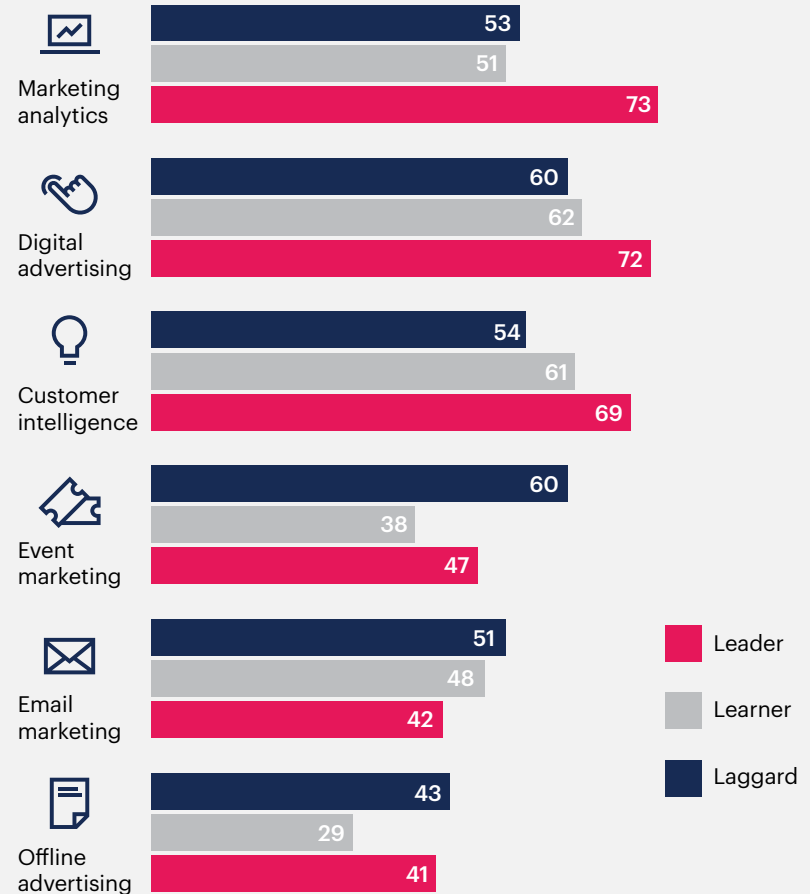
Leaders are more effective at managing martech

While it's more than twice as many twice as many leaders (65%) as laggards (31%) plan to accelerate martech spending in 2018, it's the way they manage marketing technology that truly sets them apart.

Laggards need to effectively deploy martech to catch up with their savvier competitors. Today laggards struggle to manage martech more than leading organizations with more responsibilities: 26% of lagging organizations say they are not effectively acquiring or using martech, compared to only 16% of leaders reporting ineffectiveness.
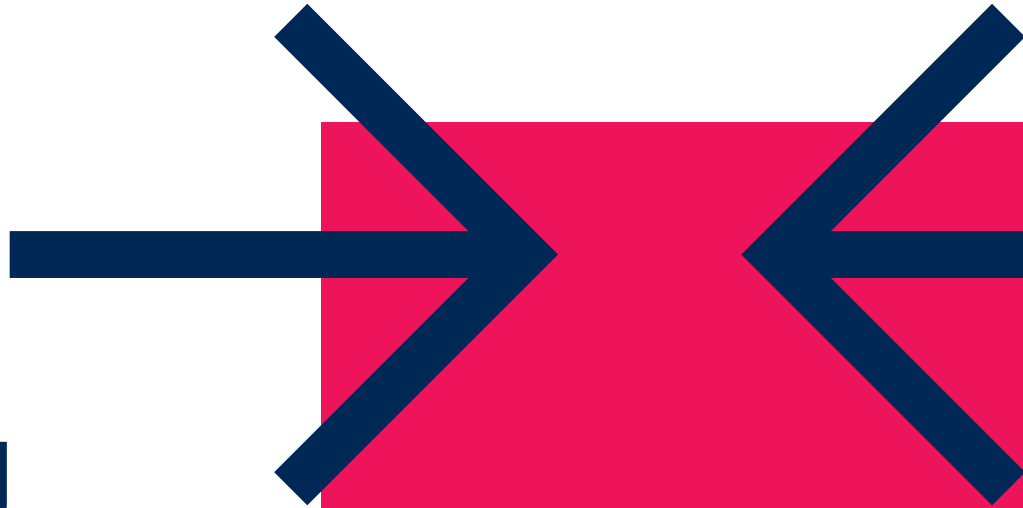
CMOs Expecting to Increase 2018 Spending

Percentage of Respondents

Marketing analytics
- 53
- 51
- 73

Digital advertising
- 60
- 62
- 72

Customer intelligence
- 54
- 61
- 69

Event marketing
- 60
- 38
- 47

Email marketing
- 51
- 48
- 42

Offline advertising
- 43
- 29
- 41

Legend:
- Leader
- Learner
- Laggard

Source: Gartner
Base: Total Answering n = 353, varies by segment.
Q. Compared with fiscal 2017, how do you expect the spending on each of the following marketing areas to change in fiscal 2018?
ID: 333815

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Address marketing measurement and reporting gaps

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Capture the right data

Whether you are a marketing leader in a B2B, B2C or B2B2C business, capturing the right customer and prospect data is a crucial foundation for data and analytics effectiveness.

Don't skip the basics

Brands are bypassing basic data like age and gender in favor of more nuanced information like birthday, phone number and zip code. Gartner believes this is more often than not driven by a desire to leapfrog to more complex, localized targeting and personalization. However, we observed numerous instances of misgendered or age-inappropriate messaging, suggesting that brands must first lay a solid foundation of basic demographic information before communicating with customers in more sophisticated ways.
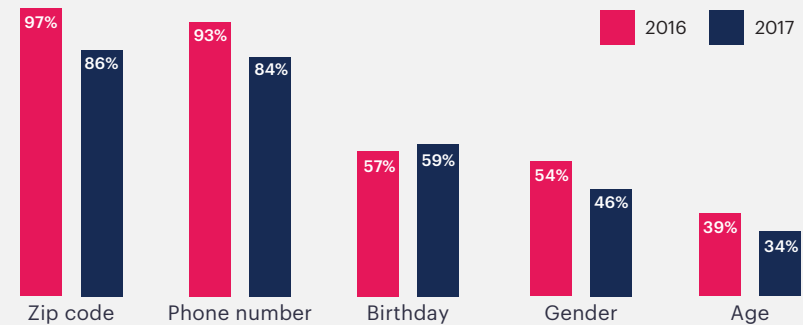
Optional data is an opportunity

Best-in-class brands capture more specific data throughout the account creation process after collecting basic demographic data at signup. This data often relates to content or product preferences and can help marketers develop better targeting strategies. For example, brands can use such data to create curated feeds of recommended products — a feature adopted by 26% of analyzed brands.

On average, brands collect four additional data points beyond basic information throughout the account customization process, for a total of five optional data points out of eight across account stages. This breakdown suggests that brands are prioritizing low barriers to account signup over collecting detailed segmentation data. Brands use account customization to capture more valuable data that can be used to segment their audience and enhance the account holder's experience.

Data and Targeting: Brands Collecting Customer Segmentation Data Points

November 2017, n = 90 brands

Legend: 2016 · 2017

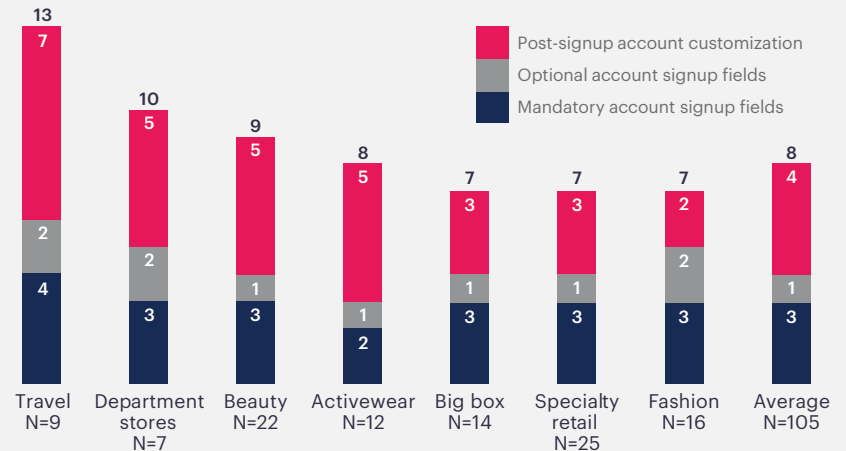|	2016	2017
Zip code	97%	86%
Phone number	93%	84%
Birthday	57%	59%
Gender	54%	46%
Age	39%	34%

Source: Gartner L2 Intelligence Report.

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Data and Targeting: Average Number of Data Points Collected Throughout Account Profile Completion by Vertical

November 2017, n =105 brands with site account

Legend:
- Post-signup account customization
- Optional account signup fields
- Mandatory account signup fields

Vertical	Total	Post-signup	Optional	Mandatory
Travel N=9	13	7	2	4
Department stores N=7	10	5	2	3
Beauty N=22	9	5	1	3
Activewear N=12	8	5	1	2
Big box N=14	7	3	1	3
Specialty retail N=25	7	3	1	3
Fashion N=16	7	2	2	3
Average N=105	8	4	1	3

Source: Gartner L2 Intelligence report.

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Design and deploy an effective marketing dashboard

While toolsets, data hygiene and advanced analytics often rule the day for analysts and their teams, effectively communicating marketing performance and data insights are what move the business forward.

Focus marketing dashboards on burning questions

Most dashboards are too complex and need to focus on specific questions for specific audiences. Building a dashboard for everyone satisfies no one. Treat dashboards as powerful communication tools and follow three principles:

- Cater to specific roles.

- Answer burning questions.

- Provide early alerts.

- Deploy marketing dashboards across the organization

To ensure that your dashboards are used by the people who need them most, plan the deployment process before diving straight into dashboard design.

"At their heart, dashboard tools are really data integration, communication and decision support tools."

Lizzy Foo Kune
Director, Gartner Research & Advisory

"I have five minutes a day to review my dashboard. Show me metrics to support my decision making."

Focus on your deployment process

Create a clear strategy to deploy your dashboards to increase the quality of the dashboard effort.

Find your "analytics translator"

Designate an "analytics translator" — someone who understands business demands and technical specifications and can communicate effectively between technical teams and dashboard users.

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How customer data platforms solve complex marketing challenges

Think of customer data platforms (CDPs) as a repackaging of already existing features that are inconveniently distributed and untapped across other systems and technologies, such as CRM and enterprise data warehouse.

The new and novel aspect of a CDP is the productization of these features and acknowledgment that marketers are still struggling to get value out of their enormous investments in both customer data and technology.

CDPs have four valuable parts for marketers:

1. **Data collection.** Ingest first-party, individual-level customer data from multiple sources in real time, without storage limitations.

2. **Profile unification.** Consolidate profiles at the person level and connect attributes to identities.

3. **Segmentation.** Create and manage rule-based segments.

4. **Activation.** Send segments (and instructions for those segments) to specific tools for execution of email campaigns, mobile messaging, advertising and other campaign or channel activities.

What is a customer data platform (CDP)?

A CDP is a marketing system that unifies a company's customer data from marketing and other channels to enable customer modeling and optimize the timing and targeting of messages and offers.

Customer data from marketing

Customer data from other channels

→ Customer modeling

✓ Optimized timing and targeting
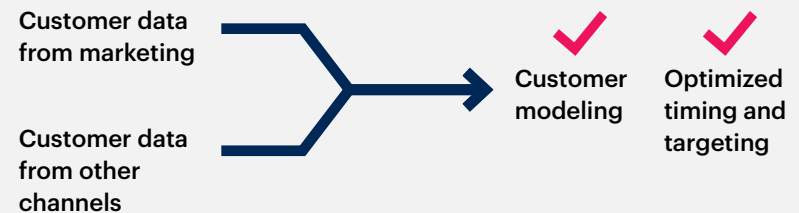
Action plan

Examine the goals of your marketing program to identify the most appealing features of the CDP market, and assess the ability of your existing technology systems to help you achieve those goals.

Audit your customer data management and analytics ecosystem. Analyze the root cause of your marketing inefficiencies against the core CDP features.

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Fortify your data and analytics organization

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Rethink your allocation of resources

Marketing analytics departments have grown over the years only to see their teams spend more time wrangling data than building insights.

In 2018, marketing analytics teams have an average of 45 full-time employees (FTEs), up from 22 in 2015. To compound the issue of resource utilization, in nearly half of marketing organizations, expensive, skilled staff are not doing the critical analytical work that needs to be done.

In more than 45% of marketing organizations, data scientists perform basic activities such as data visualization and preparing data for analysis. Some of the most skilled analytics talent spend their time doing work that is necessary but not necessarily doing the work that will drive competitive differentiation and breakthrough insights.
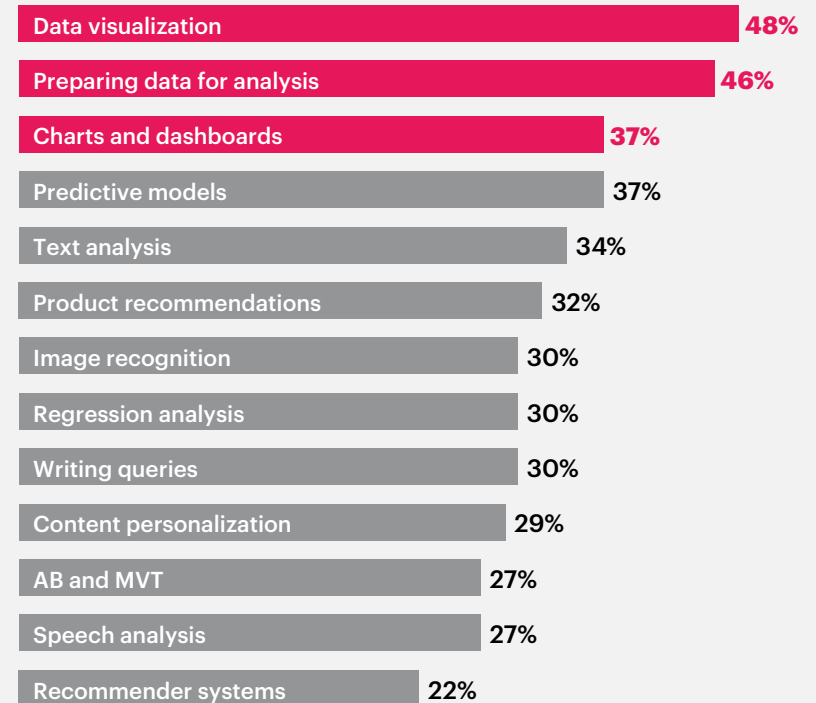
Given the rapid growth of both the average size of analytics teams and percentage of budget allocated to marketing analytics, marketing leaders need to question if they need so many dedicated in-house analytics staff and how staff are deployed.

45%

Percentage of marketing organizations whose data scientists perform basic activities such as data visualization and preparing data for analysis

Expensive, talented resources are misaligned

Which of the following activities does your company's data scientist (or advanced analytics resource) perform for your marketing analytics team?

Activity	Percentage
Data visualization	48%
Preparing data for analysis	46%
Charts and dashboards	37%
Predictive models	37%
Text analysis	34%
Product recommendations	32%
Image recognition	30%
Regression analysis	30%
Writing queries	30%
Content personalization	29%
AB and MVT	27%
Speech analysis	27%
Recommender systems	22%

Source: Gartner
Percentage of respondents. Multiple responses allowed.
Base: All respondents, n = 503

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Build an agile analytics team

Design agile teams to deliver quick insights from your marketing data and analytics dashboards.

The increased investment in analytics across both budgets and head count requires a new approach to how analytics work gets done. That translates into a new model of project-based data teams capable of quickly pivoting in new directions. It also requires organizations to embrace a new approach for managing teams, which runs counter to traditional norms.

Shift from the rigid, slow and siloed processes of centralized teams to an agile approach that embraces collaboration, change and transparency. Marketing and data analytics teams that adopt an agile approach are flexible, adaptable and prioritize delivery speed over process precision.

"Design flexible, adaptable teams of multidisciplinary marketing analysts capable of delivering rapid results."

Christi Eubanks
Managing Vice President, Gartner Research & Advisory

Key ingredients for an agile analytics team:

Multidisciplinary generalists

Staff your marketing data and analytics team mostly with generalists who possess experience across multiple analytics disciplines and can also deepen their expertise in one or two critical areas, such as project management and digital marketing anlaytics.

Self-organization and leadership

Build data and analytics teams that can self-organize. Members will work backward based on management timelines and priorities but will determine among themselves how best to deploy resources and mobilize.

Adaptation and iteration

Gartner clients report lead times of six weeks or more to develop and deliver complex reports. That lead time is untenable in today's marketing environment. Train individuals to independently access the information they need for quick answers and exploratory analysis.

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Cross-train your marketing analysts

Too many marketing analytics teams don't have the capabilities needed to perform at the level required to deliver sustainable business results. Only half of marketers say their data analytics capabilities exceed their expectations. Analysts should be skilled, not just at moving data around, but also at forming and testing hypotheses.

Focus on the "key three"

Analysts need the technical skills, business acumen and analytical abilities to meet the needs and speed of modern marketing. They should have skill sets that encompass at least two of the three key categories:

1. **Technical skills:** Knowledge and experience with the infrastructure and tools required for data collection, management and transformation

2. **Business acumen:** Understanding of the opportunities and risks for the business and the role that marketing plays in driving business outcomes

3. **Analytical ability:** Ability to articulate and solve problems or answer questions with data

> **"Analysts should be able to fulfill both the qualitative and quantitative requirements of their roles, connecting their insights to impact."**
>
> **Lizzy Foo Kune**
> Director, Gartner Research & Advisory

Core marketing analytics competencies
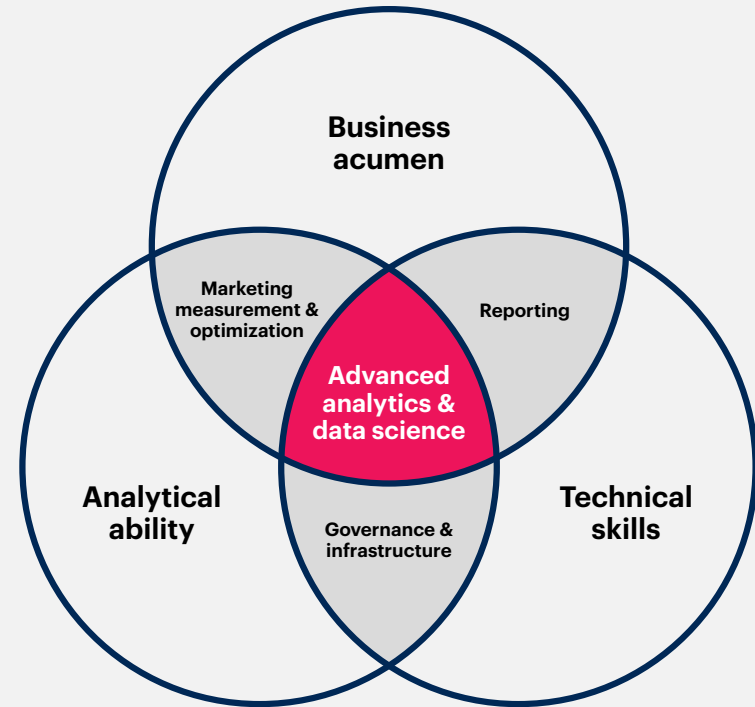
Source: Gartner

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How to hire a marketing analyst

Marketing analysts are an essential component of the marketing organization. Two-thirds of marketing leaders say proficiency in data analytics is critical or very important to supporting their company's goals. Follow a three-step process to hire marketing analytics talent.

1. **Start with functional areas**
   Specify the functional area you're hiring for. Generally, marketing analyst skill sets break out across four categories:

   - Marketing measurement and optimization

   - Reporting

   - Advanced analytics and data science

   - Governance and infrastructure

2. **Conduct an inventory**
   Examine your organization's unmet analytic needs. List each need and classify it under the four overlapping functional classifications. Include specific analytic skills needed within each functional area. This inventory and analysis prevent you from hiring an analyst with the wrong set of skills.

3. **Hire for key competencies**
   Competencies are the set of characteristics of an individual that are observable, measurable and predictive of superior performance in a given role. Analysts on your marketing analytics roster should have skill sets that encompass at least two of the following competency categories:

- **Technical skills:** Knowledge and experience with infrastructure and tools required for data collection, management and transformation

- **Business acumen:** Understanding of the opportunities and risks for the business and the role that marketing plays in driving business outcomes

- **Analytical ability:** Ability to articulate and solve problems or answer questions with data

Analyst Performance Metrics

Output metrics

- Projects completed

- Tool usage

- Timeliness of deliverables

- Increased use of data in meetings

- Internal stakeholder satisfaction

- Organizational increase in marketing maturity

- Process creation, standardization

- Increased cross-functional use of data

Outcome metrics

- Revenue

- Resource savings

- Optimized campaign ROI, and return on ad spend

- Data monetization

- Lead acquisition

- Digital commerce optimization

- Increased positive brand perception

- Customer satisfaction

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Maximize the value of your analytics investments

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Create consistent tools, data and processes

Analytics has the potential to realize greater impact if it is entrenched throughout the organization and connected across certain elements. Centralizing and coordinating certain responsibilities of the marketing analytics organization (governance, tool selection and management, and methodology) promote cost optimization benefits, including:

- **Increased speed.** A focus on accelerating capability maturity and fostering innovation provides agility, giving you quicker time to value.

- **Economies of scale and experience.** Centralizing expertise and technology deployment allows for more efficient resource allocation.

- **Capability consistency.** Approved methodologies, data sources, vendors, and training to go with them, mean you spend less time reconciling analyses.

Action plan

- Standardize a marketing analytics toolset, enable and empower data sharing, and refine processes across your organization.

- Map the trade-offs between centralized, hybrid and decentralized teams, and identify opportunities to centralize marketing analytics operations for cost optimization.

- Evaluate your marketing analytics team's capabilities along the Center of Excellence continuum.

Map your marketing analytics capabilities against the four elements:

1. **Experiment:** Work with marketing technology leaders to define business rules, and create a roadmap for marketing data and analytics technology selection. Identify how marketing analytics integrates with other capabilities in the organization.

2. **Evangelize:** Champion the use of tools across the organization. Identify a process beyond deployment for sustainable use, and training updates to ensure continued success.

3. **Embed:** Play an active role in engaging and encouraging colleagues to use marketing analytics technologies. Identify obstacles preventing adoption.

4. **Empower:** Maintain a knowledgebase and socialize early wins and use cases to inspire stakeholders to use marketing data and tools. Continuously improve and release new features based on benefit to the business and stakeholder prioritization of needs.

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Rationalize your current marketing analytics toolset

The marketing analytics technology category has one of the highest rates of multiple deployments. Marketers report that they use two or more measurement solutions, on average.
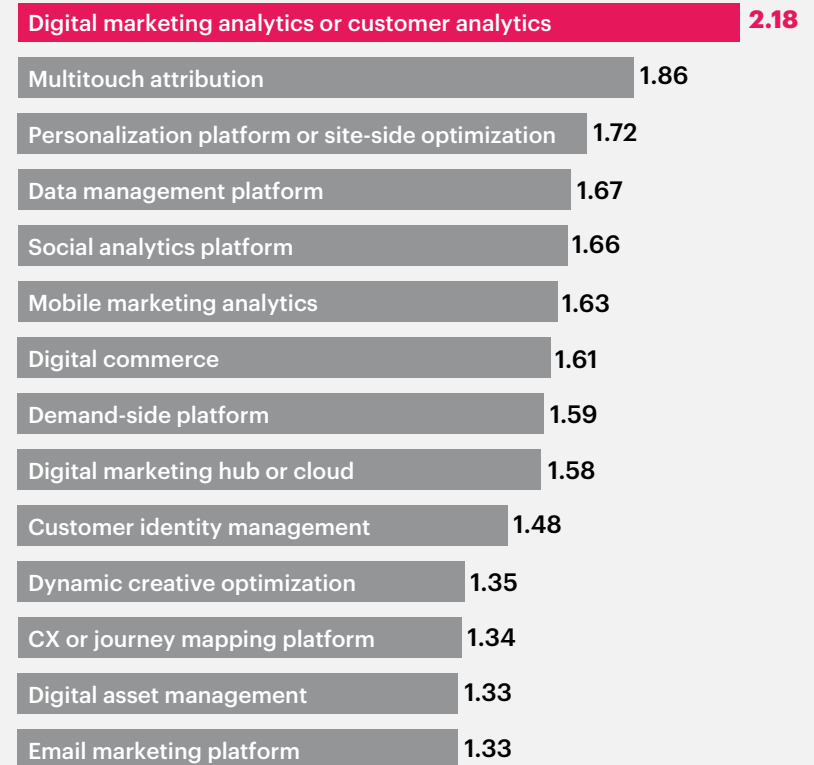
Consider a scenario where you have a best-of-breed social analytics tool and a separate social media publishing tool. After your audit, the social team uses both tools to create, maintain and optimize your commercial presence on social media platforms. There are major data integration pain points in delivering that social media presence.

Meanwhile, the analytics team admits that it doesn't use the social analytics tool at all for the original use case of sentiment analysis because they don't have a dedicated analyst for this task. Take these steps:

- **Identify an opportunity to consolidate** basic monitoring and channel measurement with publishing under a single social marketing management platform with some analytics capabilities.

- **Conduct a gap analysis of the tools you use** to evaluate cost optimization opportunities for marketing analytics technology. Identify areas where technology overlaps and consolidate where possible.

- **Incorporate the total cost of ownership (TCO),** including the costs of deployment and maintenance, and time for training and implementation. Consider options that drive greater integration and optimization by using advanced functionality from existing platforms before investing in new platforms.

Martech categories with the highest reported redundancy

Average number of reported solutions per respondent

Digital marketing analytics or customer analytics	**2.18**
Multitouch attribution	**1.86**
Personalization platform or site-side optimization	**1.72**
Data management platform	**1.67**
Social analytics platform	**1.66**
Mobile marketing analytics	**1.63**
Digital commerce	**1.61**
Demand-side platform	**1.59**
Digital marketing hub or cloud	**1.58**
Customer identity management	**1.48**
Dynamic creative optimization	**1.35**
CX or journey mapping platform	**1.34**
Digital asset management	**1.33**
Email marketing platform	**1.33**

Source: Gartner
n = 206
Q: Please provide the names of your company's […] solution(s) [multiple responses allowed].

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Case study: Activating data and analytics self-service at Southwest Airlines

Southwest

The market insights team at Southwest Airlines developed a self-service tool for its business partners by leveraging the capabilities of its data portal and the reliance of business partners on consumer data. The on-demand self-service solution enables data exploration and manipulation of large datasets by nontechnical stakeholders, while providing up-to-date consumer information. The self-service tool frees up 20% of the time spent fulfilling redundant research requests, allowing the market insights team to focus on higher-value research activities.

Enabling self-service

1. Data clarification
Definitions clarify what data is meant to convey. Having this information at their fingertips facilitates business partners' self-service.

Source: Southwest Airlines Co.; Gartner analysis
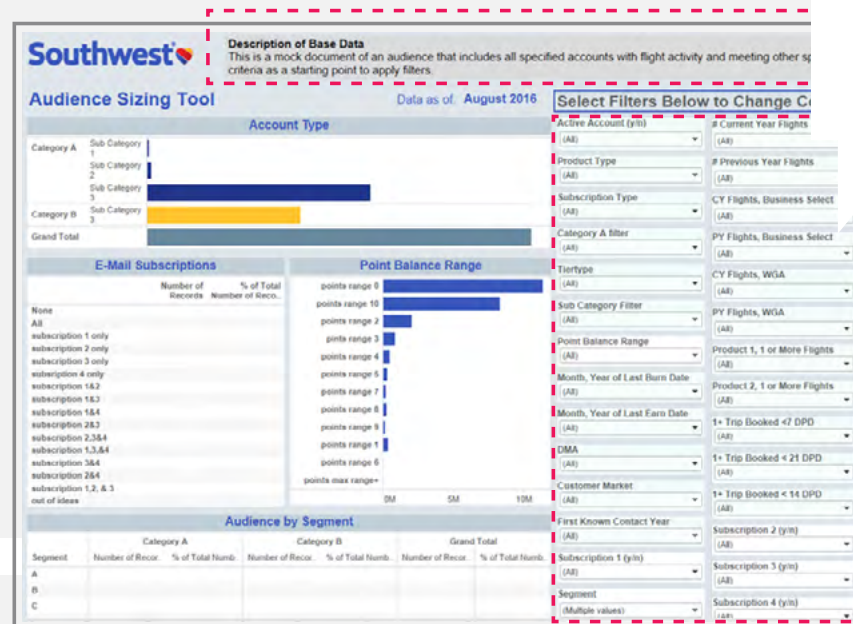
2. Real-time updates
Although data is housed in separate databases, changes made in any database automatically update periodically in all databases, ensuring up-to-date data with little maintenance.

3. Category-based filters
Information categories map onto Tableau and become filters used to find specific customer data.

"We received so many data requests it was impossible to keep up despite consistent efforts to prioritize. With this system in place, not only have we significantly reduced the amount of data requests we receive, now the questions we get asked are more nuanced and strategic to the business." — **Paul Sacco,** Director of Customer Intelligence, Southwest Airlines

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Endnotes

Data from the CMO Spend Survey 2017-2018 and the CMO Strategy Survey 2017 was used to categorize survey respondents into three groups based on the scope of their responsibilities:

- Leaders are solely responsible for all multichannel activity, along with the automation, analysis and multichannel execution against customer behavior.

- Learners are responsible for multichannel strategy execution and detecting/responding to customer behavior and demand.

- Laggards have authority over multichannel promotion and content dissemination via traditional and digital channels or deliver communications and sales support only, with little or no authority.

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