



Removing the barriers to the Experience Economy

Inside the minds of marketing leaders

ORACLE

Data everywhere

And the importance of data is perhaps the world's worst kept secret – consumers and customers are providing data all of the time, and organisations need to manage and use that data in a way that secures it, utilises it in an ethical manner, and adds value to the customer relationship, leaving an ever-expanding digital footprint with every mouse click.

It is the role of the marketing department at organisations around the globe to collect this data, process this data in an intelligent manner, and then deliver a hyper-personalised experience back to their customers.

In principle, this sounds like something that marketing teams should have a handle on, but in reality, this simply isn't the case.

A minority of marketing heads can consider themselves to be leaders when it comes to data. Many are struggling with accountability, internal protocols, and the sheer volume of data that they must handle.

This is a crucial stumbling block. If marketing teams cannot resolve their data challenges and become data leaders, then they will never be able to drive the business – or contribute to the top and bottom lines – in the way that they are expected to.

The successful processing of data in an intelligent manner, and the ability to deliver a connected experience, depend upon this hurdle being overcome. And more broadly speaking, the entire customer experience and their levels of satisfaction with that experience depend on it.

On the bright side, while the journey to becoming a data leader could be a long one for some marketing teams, it is an achievable goal.

Some are already there and are reaping the rewards that they have been able to derive from their disruptions and innovations, all of which can be linked to getting their house in order when it comes to data.

Where are you on this journey?

Key findings

- 1 **Two thirds of marketing data leaders** report that their organisation has **data management strategies in place to extract insights** that are relevant to their job
- 2 **Marketing data leaders** are substantially more likely to find the **amount of data generated** from areas such as employee records, service usage data and customer data **completely manageable** compared to data laggards
- 3 **Over eight in ten marketing data leaders** report that they are **completely benefiting** in the areas of **customer loyalty and/or brand value**, as a result of properly securing their data
- 4 **Only 37% of marketing leaders say that customer data is completely manageable** – and **only two thirds** of those think this will still be the case in three years
- 5 **Fewer than four in ten marketers have actually completed their objectives around their innovation priorities**
- 6 Marketing respondents from organisations that have seen **significant growth** over the last three years **are considerably more likely to have completed their innovation objectives** than those with marginal growth
- 7 Appreciation levels across various technologies are lower among marketing respondents than the overall respondents – for example, **a third of marketers** believe that **AI will revolutionise tech** within their business, **compared to almost four in ten overall**
- 8 **Only two in ten** marketing respondents believe that **chatbots will provide improved/personalised experiences for their customers** over the next three years
- 9 **Around four in ten** marketing heads, from organisations that have **experienced significant business growth** in the last three years, report that **disruptive innovation plays a significant role** in their organisation
- 10 **Most marketing leaders are only just getting started utilising data.** Only a third of marketers believe they are where they need to be with the use of data and only 31% have their omnichannel strategy in place

6^x

Marketing data leaders are six times more likely to be confident in **managing customer data** than laggards

40%

Marketers that report significant growth, report **disruptive innovation** has played a significant role

31%

Omnichannel strategy is a priority – but **less than a third have completed** innovations in this area

Methodology

The results presented in this report are based on three separate mobile-only, 23-question global surveys conducted between September 2018 and January 2019. These surveys targeted manager, director, vice-president or C-Level executives with influence in the decision-making process of cloud solutions, platforms, and infrastructure or department-specific software. Respondents worked within organisations generating revenues between less than £1 million to more than £500 million, with 100 to 50,000 employees.

Maturity model methodology

Each respondent was scored based on the maturity of their answers to three questions on the topics of internal protocols around data use, teaching people to use data responsibly, and the methods they use to share critical data. Higher scores were given to the answers that are closest to best practice. This resulted in a spread of responses across the scale. The top 10% of the total respondents are classified as 'data leaders' and the bottom 10% are 'data laggards'. The IT department is over-represented in the leaders group, whereas other departments are under-represented.

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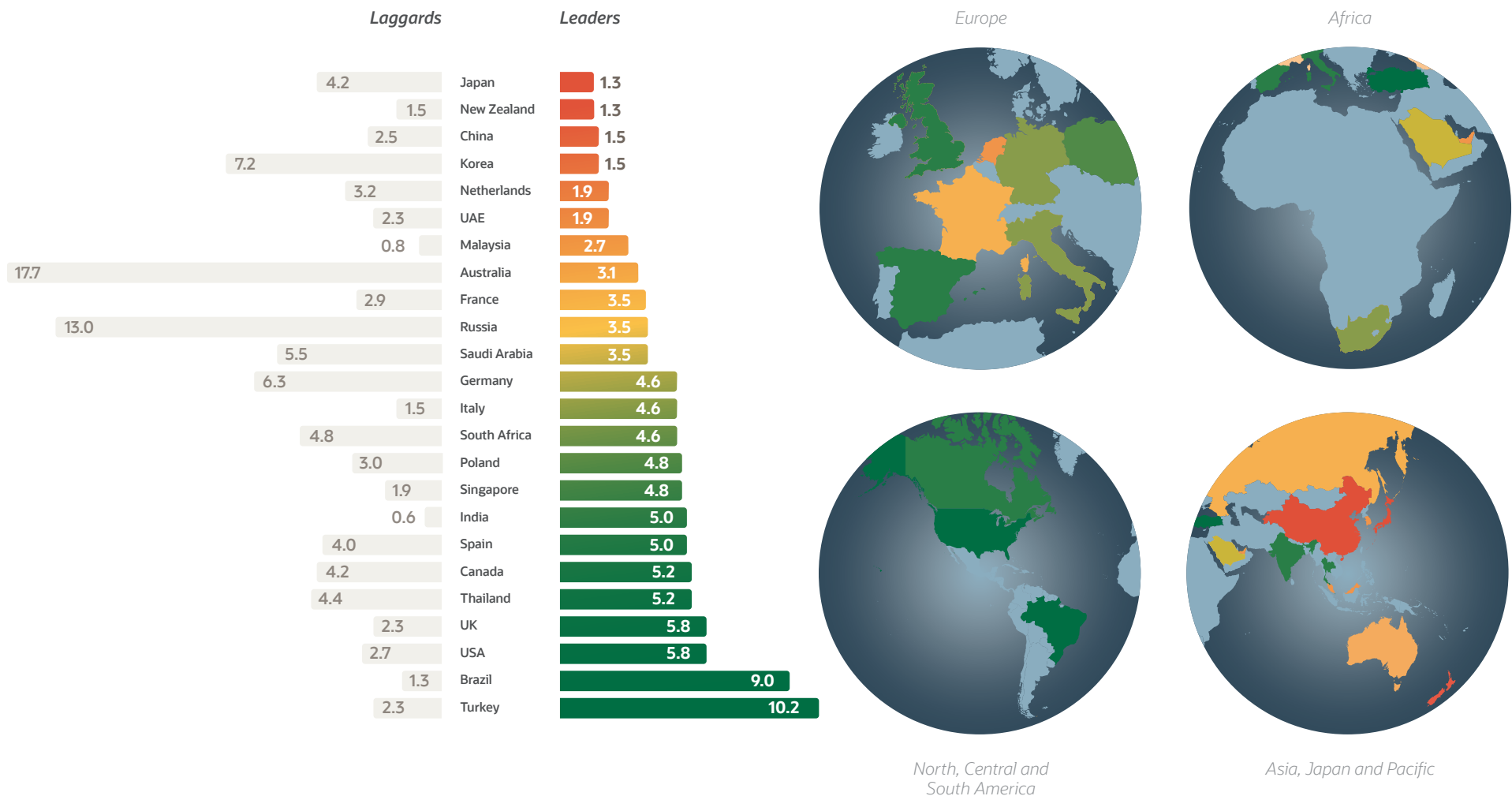
Connected experience

Conclusions

The Americas lead the way as data leaders, followed by much of Europe. APAC and Africa are still catching up, and can learn from what leaders do differently.

Analysis showing the percentage of leaders that fell within each country

All respondents. Base: 5539



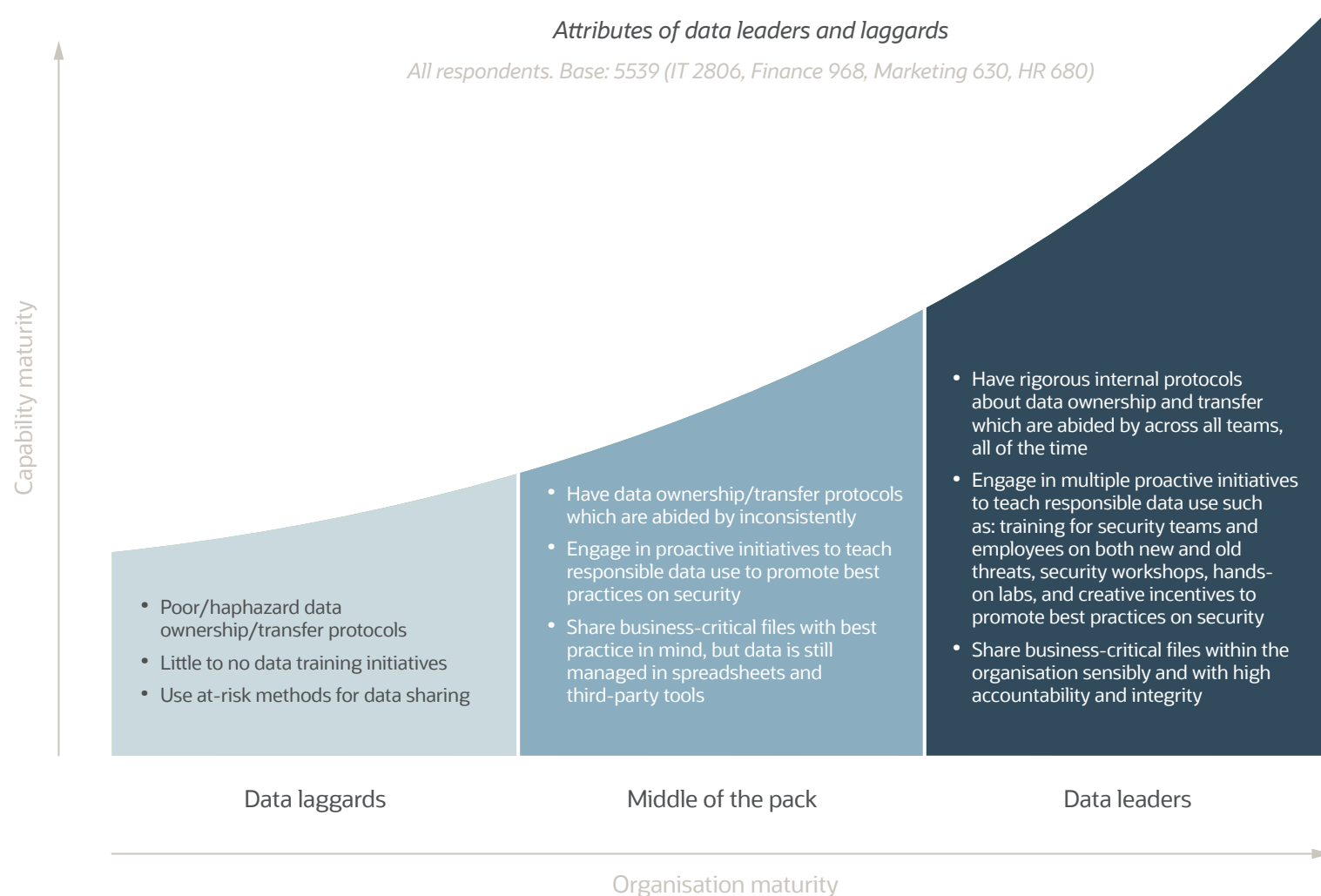


Leaders and laggards – what good looks like

And why it's important to get there

Leaders and laggards – what good looks like – What makes a data leader?

There are organisations far ahead of the rest when it comes to data management. Being a leader requires effort, but it's worth it in many ways. Better data means better decision-making, and better decision-making means top and bottom line benefits to a business. **It pays to be a data leader.**





Leaders and laggards – what good looks like – How did we define data leaders and data laggards?

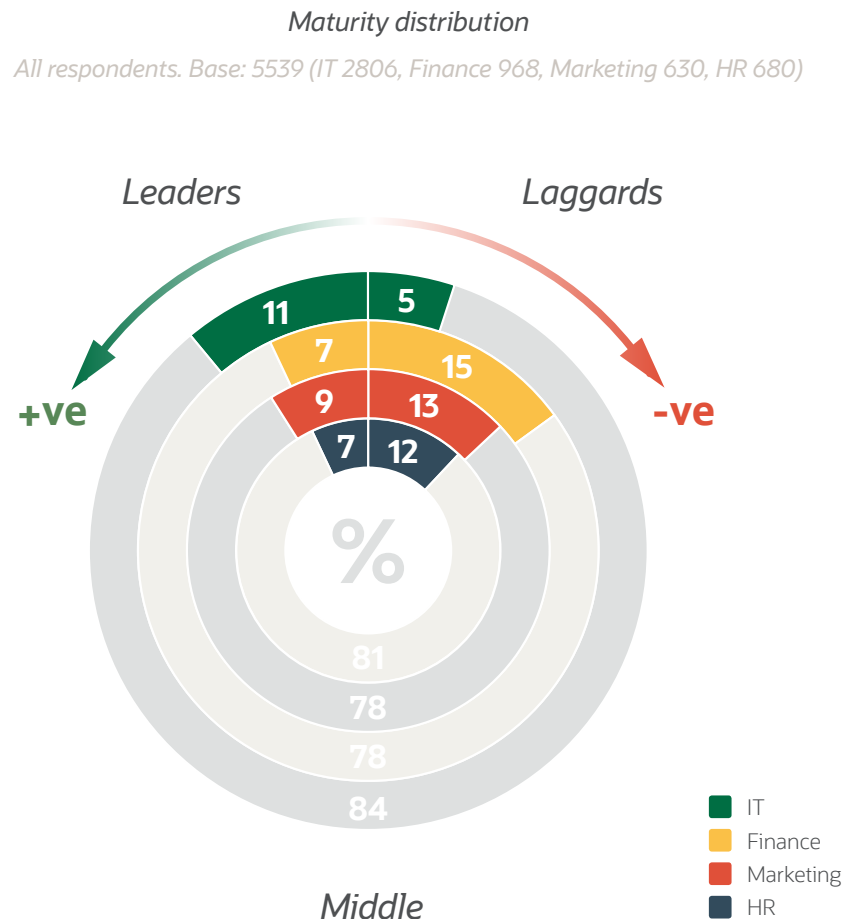
IT departments lead the way in terms of operating as data leaders, and are notable by their absence in the laggards group. By contrast marketing departments are behind as leaders, and significantly over-represented in the laggards.

So what makes a data leader?

Data leaders are respondents who are putting the effort into building best processes around data. They:

- work at organisations that have rigorous internal protocols about data ownership and transfer which are abided by across all teams.
- engage in multiple proactive initiatives to teach responsible data use such as: security workshops mixing together people from different lines of business, hands-on labs on secure usage of devices and connections, and creative incentives to promote best practices on security
- share business critical files within the organisation sensibly and with high accountability and integrity – more often using methods like secure on-premises database access, and less likely to use email or flash drives.

Data laggards, on the other hand, are far less likely to engage in the above, and are almost certainly not doing all three.



Leaders and laggards – what good looks like – There are incentives to becoming a data leader

If organisations can't get a grip of their data, then remaining competitive in their industry or even surpassing their rivals will be a pipe dream.

Data fuels everything that we see and do in the modern world, from the ads that we see on websites, to ensuring that a transatlantic aircraft can remain in the sky. This makes it imperative for organisations to get a grip on the data they collect and manage it properly.

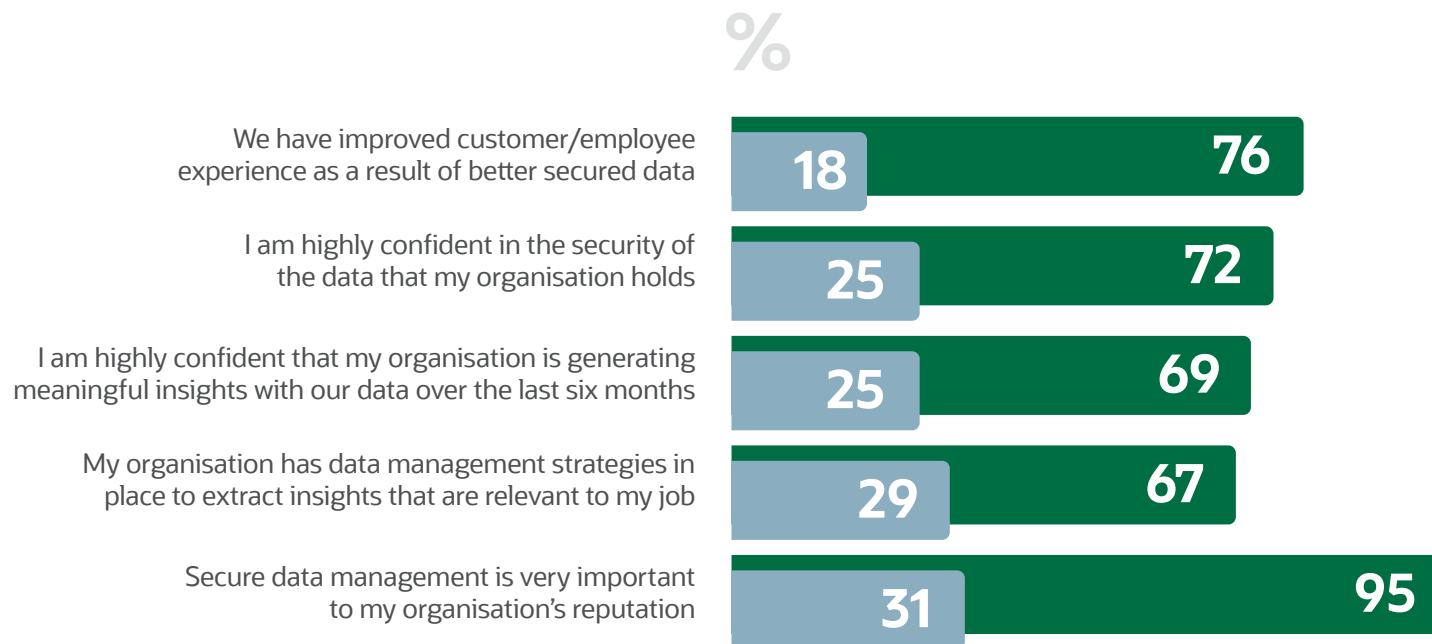
A large part of this responsibility falls on the shoulders of the marketing department. 'Insights' is an often used buzz word, but this is exactly what marketing heads should be aiming to garner – without clear insights, the rest of the operation fails.

67% of data leaders have data management strategies in place to extract insights relevant to their job, compared to just 29% of data laggards. And effective data management builds trust, connectivity and reliability for data.

Showing responses to five critical factors of data management, split by data leaders and data laggards

Marketing respondents. Base: 630

■ Data leaders
■ Data laggards





Leaders and laggards – what good looks like – Leaders are better set up to handle the amount of data they hold

The stats around the speed with which **mountains of data is being generated** and the number of sources it comes from are terrifying. However, the truly scary thought is that **this speed is only going to increase in years to come.**

Therefore marketing heads must take action now to manage the data that they currently hold, to avoid drowning in the data that they will collect in the future.

Data leaders are showing the others how it should be done. They are more

likely to find the data generated from employee records, financial reports, systems logs/monitoring alerts, and/or customer data completely manageable. The same cannot be said about laggards with the same data.

Within your organisation, how manageable is the amount of data generated by the following? – Completely manageable

Marketing respondents. Base: 630

■ Data leaders
■ Data laggards





Leaders and laggards – what good looks like – Handling data like a leader results in increased trust

One crucial element of successful data management is the security of that data. **If organisations cannot properly secure data, then they stand to lose the trust of both their employees and their customers.** Once that trust has dissipated then other metrics related to business performance begin to suffer as well.

Yet again, data leaders are witnessing significant benefits compared to their laggard counterparts. More than eight in ten marketing data leaders believe that they are completely benefiting when it comes to customer loyalty and/or brand value, as a result of properly securing their data. And similarly, around three quarters see complete benefits in

areas such as employer brand and customer advocacy.

These benefits cannot be underestimated and clearly underline the importance of implementing rigorous internal protocols for data ownership, and proactive initiatives regarding the responsible use of data.

In what ways does your organisation achieve trust with its internal and external audiences (customers, suppliers, employees, etc.) from properly securing its data? – Completely benefits

All respondents. Base: 5539





Connected data

Getting to the root of the issue



Connected data – The amount of data is unmanageable for many

Given the complexity of the world, and the disparate sources that marketers collect data from, if they can't effectively collect, process and interrogate it now, then their chances of being able to do so in the coming years will be significantly impacted.

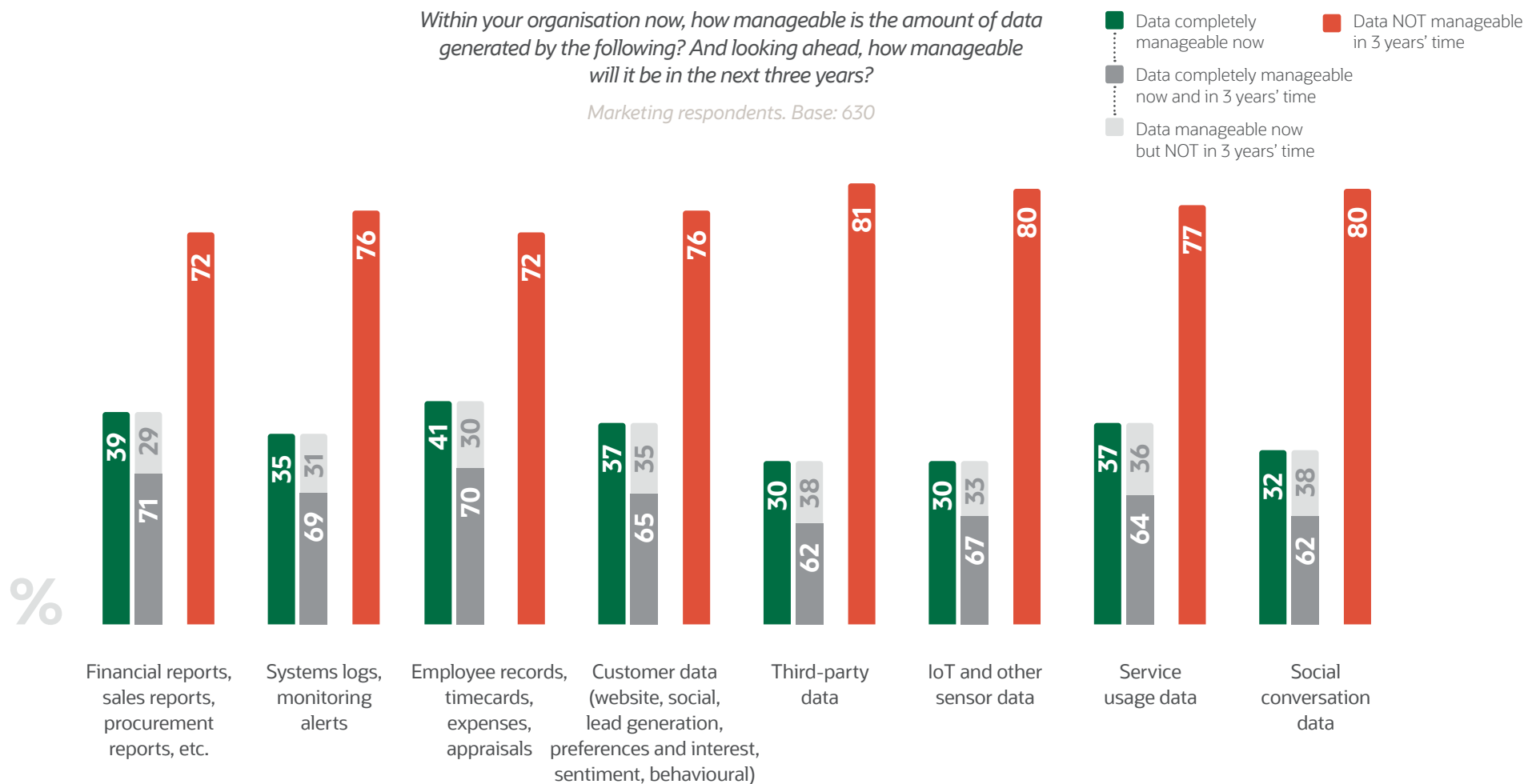
Customer data lays the foundations for a significant number of crucial marketing objectives, including delivering connected and personalised experiences. This makes it even more alarming that only the minority believe that the amount of customer data

being generated in their organisation is completely manageable now. Moreover, over a third of those who say that it is manageable now believe that they will not be able to cope in three years' time.

This does not bode well – time for action.

Within your organisation now, how manageable is the amount of data generated by the following? And looking ahead, how manageable will it be in the next three years?

Marketing respondents. Base: 630



Connected data – Being confident in data is an output of being a data leader

Confidence in the way that data is secured, used to create insight and used ethically is something that is also important to look to obtain, and we've seen that **leaders are more likely** to be succeeding at this than laggards.

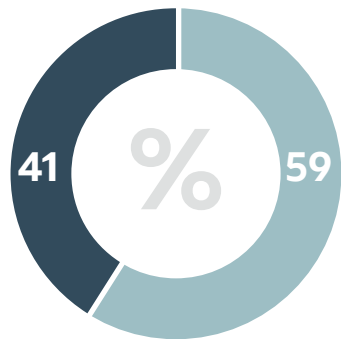
This could be because the building blocks to cope with such a vast amount of data just aren't there. Looking at the group of marketing respondents who are **highly confident** in the three following areas, it's only a quarter:

- the security of the data your organisation holds
- that your organisation is managing the deluge of data to generate meaningful insights, based on the last six months
- that your organisation's use of data is ethical, based on the last six months

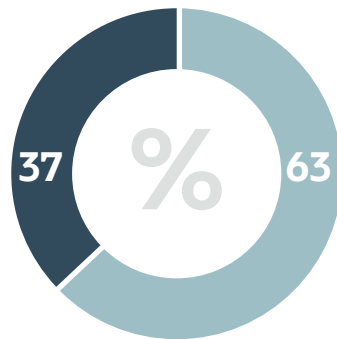
The confidence index

Showing marketing respondents. Base: 630

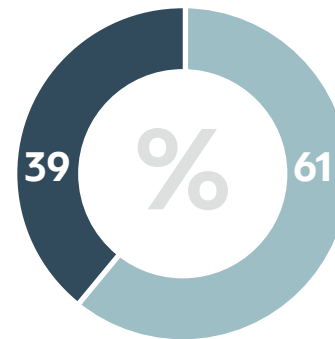
■ Highly confident
■ NOT highly confident



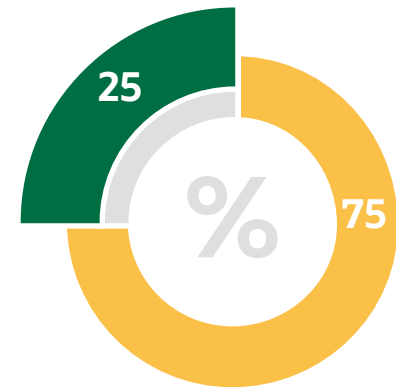
How confident are you in the security of the data your organisation holds?



How confident are you that your organisation is managing the deluge of data to generate meaningful insights, based on the last six months?



How confident are you that your organisation's use of data is ethical, based on the last six months?



Highly confident/Not highly confident in all three



Connected data – Being merely responsible isn't enough

Taking full ownership of data pays dividends. This leads to confidence in the data that already exists, the data being collected, and the data that will be collected in the future. Ultimately, the first step on the road to high levels of confidence is to **become accountable**.

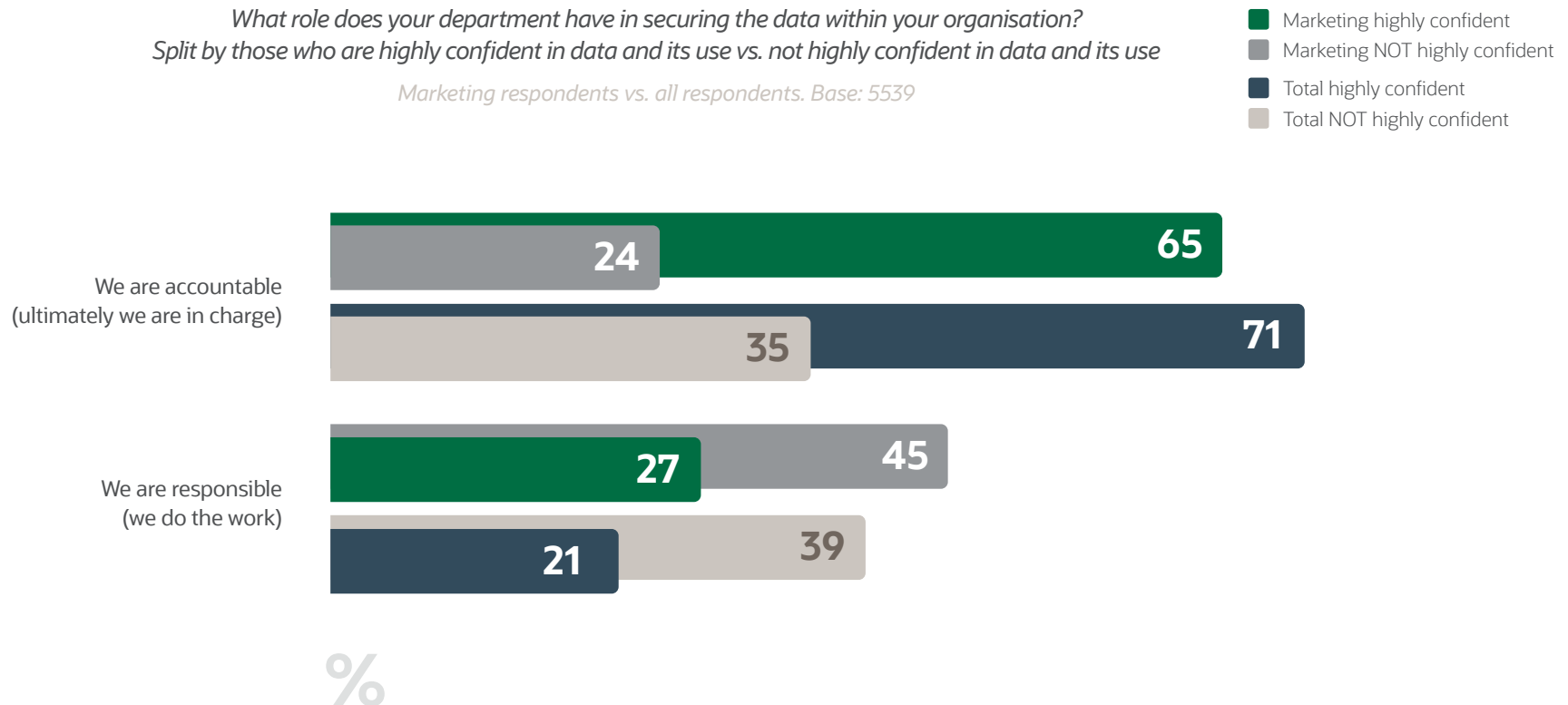
Approaching two thirds of marketing respondents who are highly confident in their data, report that they are accountable and ultimately in charge of this data. This is compared to just a quarter of those who are not highly confident in their data.

Becoming confident in all three areas of security, insights, and ethical use means the confidence to rely on what it is saying,

to automate processes and actions to speed, scale customer interactions and build combined human and digital omnichannel experiences. Getting to the point of having faith in all of these will take time. However, without taking control and becoming accountable for their data, the process will be infinitely more painstaking, and some might never make it to the utopia of total data confidence.

*What role does your department have in securing the data within your organisation?
Split by those who are highly confident in data and its use vs. not highly confident in data and its use*

Marketing respondents vs. all respondents. Base: 5539





Connected intelligence

Turning data into insights



Connected intelligence – Driving growth in the experience economy – many have not yet achieved their priorities

Aspiring to innovate shows ambition, but too many marketing departments are letting momentum die out. There is clearly something holding these teams back. **Data difficulties and connecting intelligence** are almost certainly among the stumbling blocks, but there are likely also to be **strategy issues** with many trying to run before they can walk.

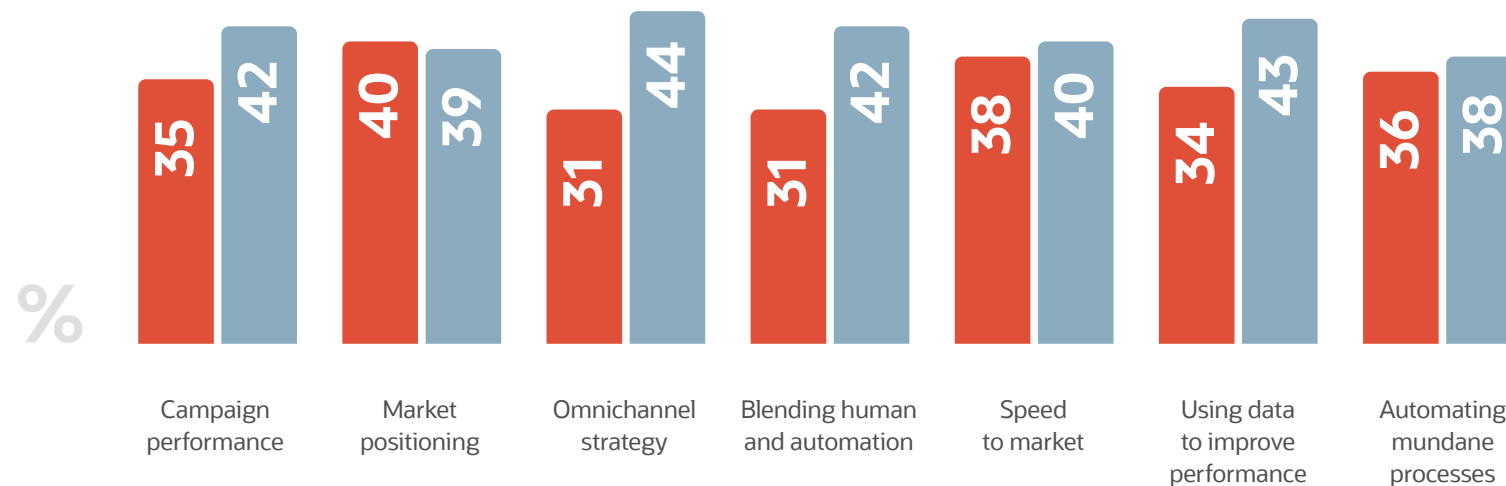
Delivering an amazing customer experience is the ultimate aim for organisations – the idea of each and every consumer receiving their own individual, unique experience every time, and through every channel they interact with an organisation is not out of reach. Some organisations would probably claim that they can already provide this – if they are right then you can bet that they are data leaders.

Another area where those making these bold claims will be ahead is innovating the way that they transform the data being collected into intelligence. In marketing this process of connecting the dots comes from a variety of crucial metrics, but only a minority of surveyed marketing heads have completed innovation priorities that will enable them to deliver a hyper-personalised experience to customers.

Marketing respondents who named each item as a priority area that they aspire to innovate in – Completed or underway

Marketing respondents. Base: 790

■ Priority and completed
■ Priority and underway





Connected intelligence – Completing marketing priorities leads to growth

It often feels as though some organisations take the term innovation for granted, but there are **tangible business benefits** available from completing innovation priorities.

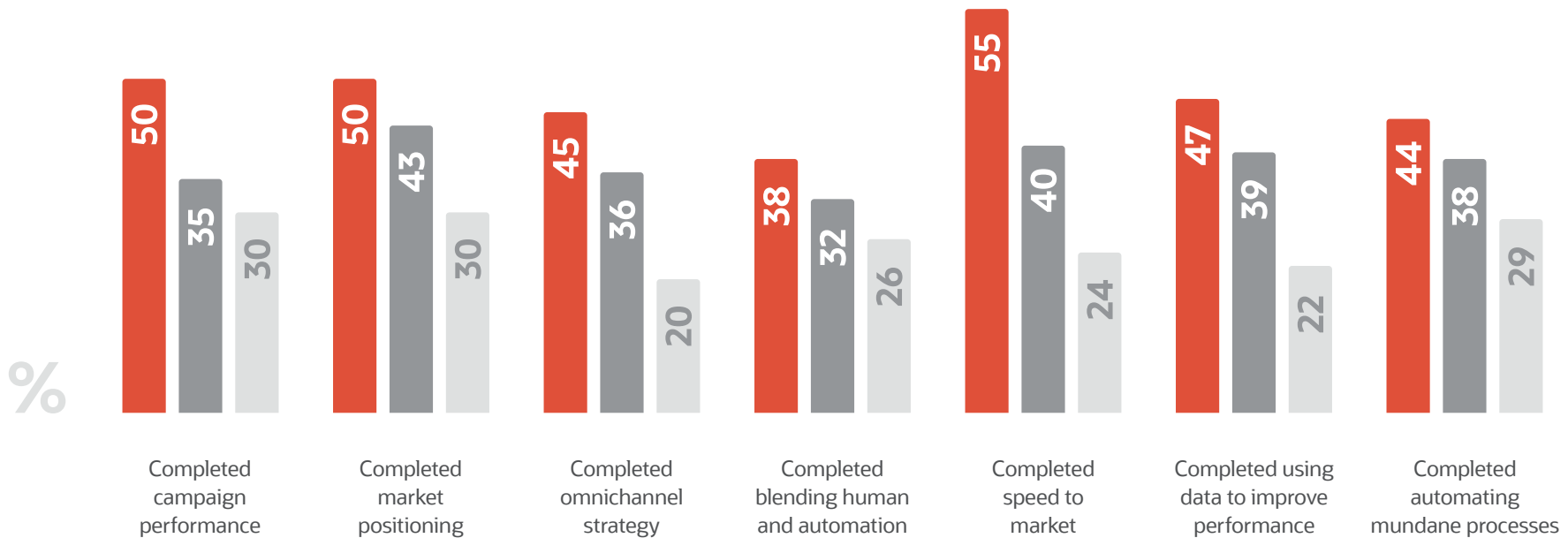
Looking specifically at the responsibilities within the **marketing department**, those who have seen higher growth in the last three years are more likely to have completed their priorities around turning data into

insights, intelligent automation and connecting systems. Surely this is a compelling reason to persevere with your strategic priorities for data and connective experiences.

Marketing respondents who named each aspect as a priority area in which they aspire to enable innovation. Showing those who have completed the action to innovate, cross tabbed by the pace that their organisation is currently growing (in terms of average turnover/revenue over the past three years)

■ Significant growth (20%+)
■ Strong growth (10 to 19%)
■ Marginal growth (0 to 9%)

Marketing respondents. Base: 790





Connected experience

Putting disruption at the heart
of your customer strategy

Connected experience – Underestimate the benefits of technology at your peril

Customers demand an end-to-end connected experience and if they don't receive one then they will not hesitate to go to another organisation that can provide it.

This might sound ruthless, but there should be no excuses for organisations not to be delivering this personalised experience – the technology to do so is available. However, herein lies the issue.

A connected, omnichannel experience for the customer depends heavily on technology innovations – without this innovation, the organisation stands still, and standing still means going backwards – or worse – being left behind by the competition.

We have already seen that many marketing teams have not yet completed their innovation priorities, and they are missing out on potential business growth as a result. It stands to reason that incomplete innovation, when it comes to not investing in specific technologies such as AI and IoT, is intrinsically linked to these missed objectives.

If marketing heads have not yet realised that technology innovations are essential then they are doomed to fail, but it is probably safe to assume that most have realised this, so there must be something else standing in their way. But what are the potential issues?

- 1 They do not have clear priorities and therefore have not managed to refine what it is that they want to achieve by utilising these technologies.
- 2 They are struggling to align their approach with the business requirements of their old-fashioned stakeholders. Either way the result is the same; they have not discovered the value that these technologies hold.
- 3 This issue runs all the way back to poor data practices, which is something we have seen marketing teams are struggling with. Without getting a grip on the way that data is collected, managed and processed, providing customers with a connected experience is simply not possible.

You can't build a house without laying the foundations, and you can't deliver a connected experience without properly managing your data. It might look overwhelming, but the key is taking it one step at a time. Take a look at what the leaders are doing and implement changes to improve and move to the next stage.



Connected experience – Marketers aren't appreciating the benefits incremental technologies offer

Appreciating the value of these technologies is a clear issue for those in marketing. In fact the appreciation levels of these technologies among marketing heads are **lower than their counterparts** across the rest of the business.

For example, 6% of marketing respondents go as far as to say that AI annoys them and doesn't deliver as promised, which is slightly higher than the overall total (4%). A third (33%) believe that AI will revolutionise tech within their business, but this is a lower proportion than the overall respondent opinion (38%).

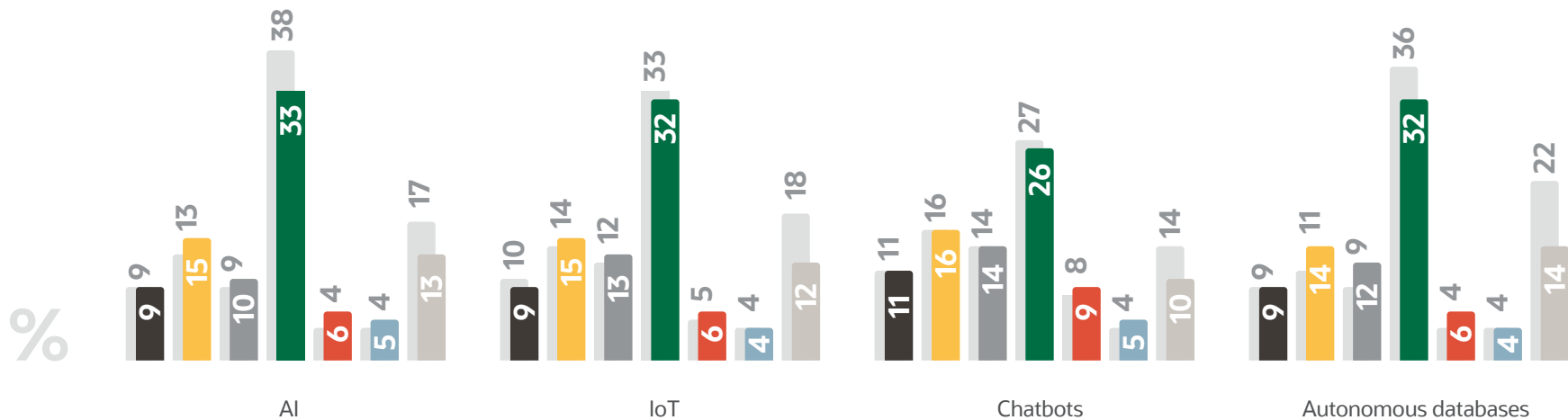
A similar picture is painted when it comes to IoT, with 12% reporting that it delivers, and they want it built-in as standard in their IT solution – a smaller proportion than the overall total (18%).

How would you describe the potential of these technologies to deliver meaningful change within your business?

Marketing respondents vs. all respondents. Base: 4134

Marketing respondents

Total respondents



- It's overhyped – I don't anticipate much change with this tech
- It's inspiring – but not relevant to my business
- It's uninspired – will offer some (but not significant) benefit
- I love it – it will revolutionise tech within my business

- It annoys me – it doesn't deliver as promised
- It frustrates me – takes too long to realise its potential
- It delivers – I want it built-in as standard in my IT solution

Connected experience – Can marketers extract the true potential of technology?

It appears that the lower than anticipated appreciation levels of various technologies are, at least in part, down to not being able to extract the maximum potential from these technologies. Personalisation is key, and marketing heads are striving to segment the customer experience down to a level whereby it is unique for every single consumer or business. However, **marketing teams are struggling** to realise this benefit.

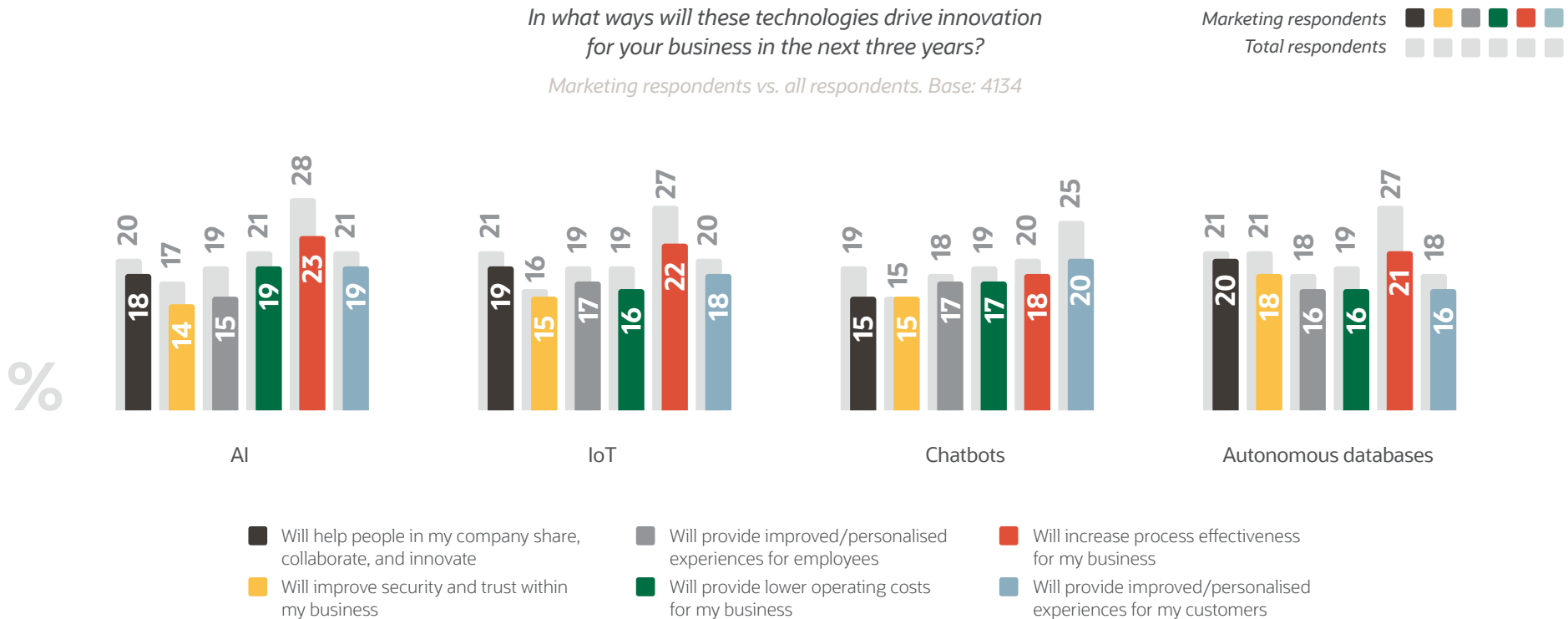
Chatbots, for example, are designed with personalisation top of mind, yet only 20% of marketing respondents think that they will provide improved/personalised experiences for their customers over the next three years – the overall figure is 25%.

On a similar note, IoT, a technology for collecting customer usage data so that organisations can personalise future experiences and interactions, among other things, is only expected to provide improved/personalised customer experiences by 18% of respondents (overall total: 20%).

Opportunities are being missed.

In what ways will these technologies drive innovation for your business in the next three years?

Marketing respondents vs. all respondents. Base: 4134





Connected experience – However, actually disrupting the client with tech like this, has benefits for success

Understanding the **potential of 'disruption'** is critical to enabling businesses to innovate. There are two separate, but interlinked concepts. Internal disruption is the concept of enabling internal change, stepping out of old practices, enabling freedom and creativity that **keeps the organisation relevant** to clients.

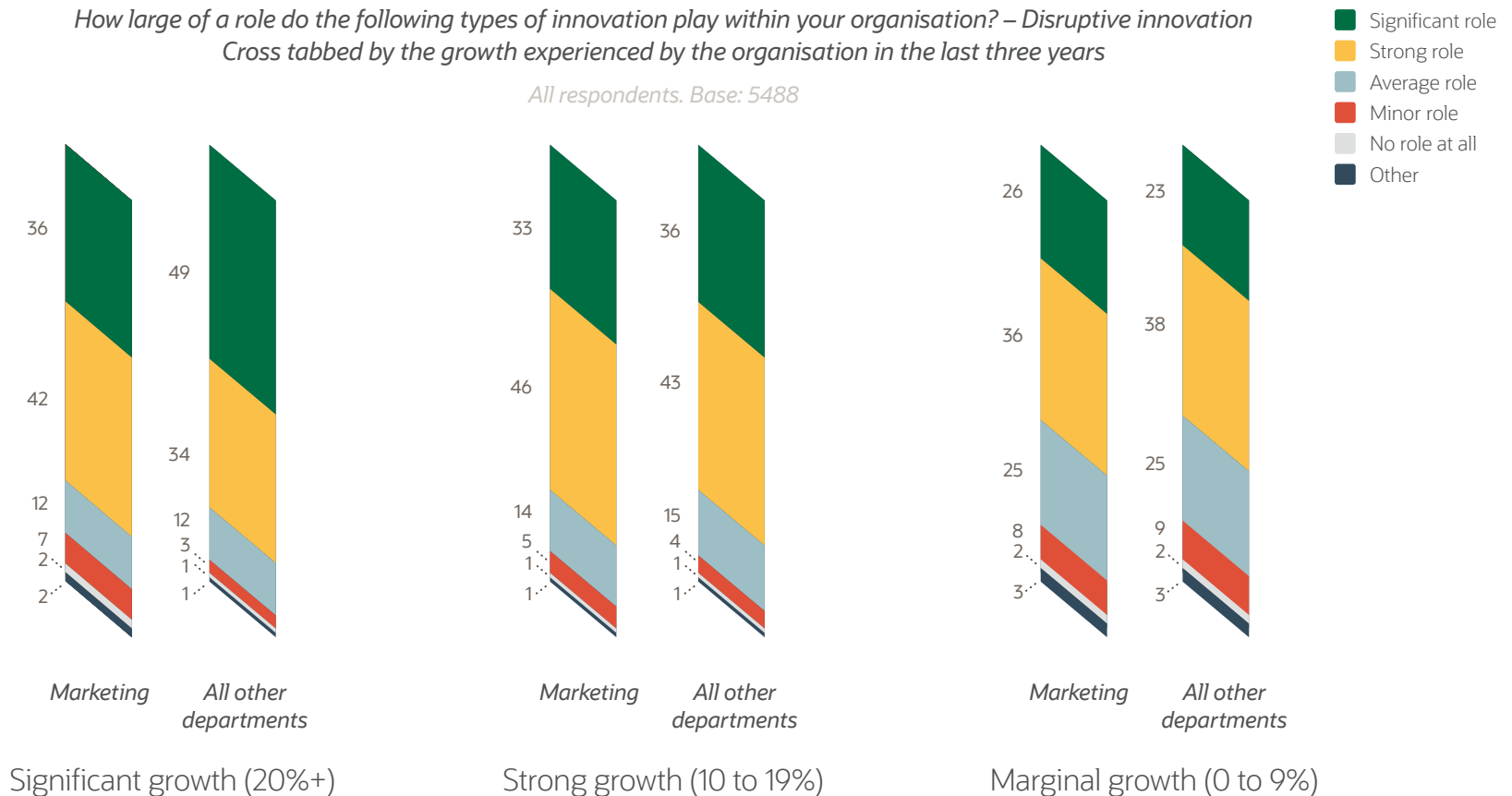
This in turn leads to the delivery of disruptive innovation to the client, which if done correctly, leads to growth.

Approaching four in ten marketing heads, from organisations that have experienced significant business growth in the last three years, report

that disruptive innovation (including disruptive products, services, and critically customer experiences) plays a significant role in their organisation. Of those who have only experienced marginal growth, just a quarter report that disruptive innovation plays a significant role.

*How large of a role do the following types of innovation play within your organisation? – Disruptive innovation
Cross tabbed by the growth experienced by the organisation in the last three years*

All respondents. Base: 5488





Connected experience – The journey is worth the effort – those that undergo transformation set their organisations up for success

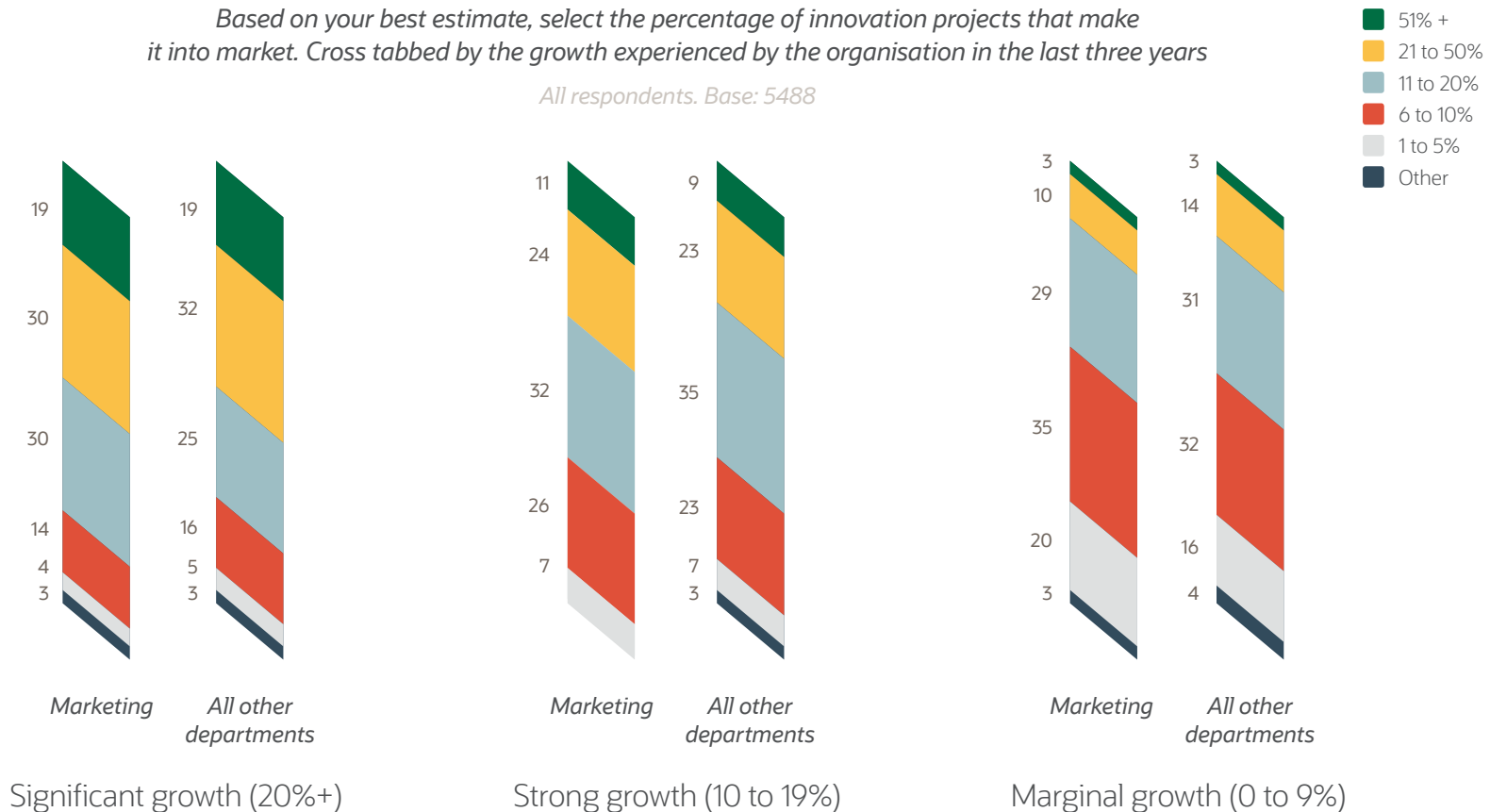
Growth is also impacted by **getting innovation projects to market** – the ultimate goal of internal and external disruption. This correlation underlines the importance of not only having aspirations to innovate, but actually following through and completing innovation priorities.

Almost half of marketing decision makers, from organisations who have experienced significant growth in the last three years, report that more than 20% of their innovation projects make it to market. This is compared to only 14% of those from organisations that have seen marginal business growth in the same time period.

The case for prioritising marketing innovations could not be clearer – organisations will not survive if they do not continue to grow, and marketing teams are a cornerstone for this growth, but only if they drive their innovations all the way to market.

Based on your best estimate, select the percentage of innovation projects that make it into market. Cross tabbed by the growth experienced by the organisation in the last three years

All respondents. Base: 5488



Conclusions – Reaping the benefits of hyperconnectivity

Marketing is at the forefront of the business, and of managing and using data, and must remain there. Successful business growth and the personalisation of the customer experience rely heavily on the marketing team, and this makes it fundamental for them to combat the issues holding them back and find workable solutions.

And this process must begin immediately. Data management is the key that will unlock an intelligent, connected experience for customers, which in turn will drive business growth.

Innovation and disruption are also crucial areas for marketing heads to get a grip on because pushing these improvements in front of the customer will directly influence the way in which a business can grow.

Data, innovation, disruption – three areas currently tripping up far too many marketing departments, and something of a holy trinity when it comes to business success.

Marketing heads cannot afford to ignore these challenges – the success of the entire organisation depends on them finding the right answers.

Find the answers by reading the following steps...

Conclusions – Three steps – call to action

1

Get the data right – everything hinges on this

- *Accountability – become accountable for the way your department collects, manages, processes and utilises data. This will lead to increased confidence in what you are doing.*
- *Get it under control – manage it. Volumes of data are going to increase, that is for certain. Put protocols in place now to cope with the data you currently hold, or you will not be able to cope with data that you collect in the future.*
- *Become a data leader – this will, in part, be achieved by getting your data under control and being able to manage the volume of data being generated. However, you must also be able to secure your data properly and derive usable insights from it before you can consider yourself a true data leader.*
- *Manage it in a way to enable intelligence to be drawn from it (single source of truth) – confidence index – without doing all of the above, can you ever really be confident in the data you hold, and the insights drawn from it?*

2

Integrated systems = hyperconnectivity

- *Enable hyper-personalisation at scale and in the micro-moment – customers expect a tailored and bespoke experience. Customers and prospects are complex and have complex journeys and footpaths towards your products and service – hyper-personalisation at scale is possible if one acts on the data left by the customer behaviour.*
- *Get hyperconnected. You can only deliver integrated and relevant experiences if you learn from all customer journeys and pool the intelligence – this requires hyperconnectivity from systems that enable the data to flow.*
- *Connecting everything together will give you a single 360° view of the customer across all engagement points in the company and allow you to deliver a truly connected omnichannel experience.*

3

Sets you up to conquer the market

- *Best practice – break down roadblocks. Growth depends on being able to break down barriers to innovation and disruption – this could come in the form of better strategy planning, following through with priorities, or working better with other departments. All of these in tandem will work wonders for your team, the organisation and most importantly, customer relationships.*
- *Prioritise the customer internally.*
- *Work together internally to get the innovation in front of the customer – do not lose sight of who is really important. Customers ultimately hold all of the power – they can make or break an organisation. Internal innovation can enhance the customer experience which opens the door to improving many other business critical performance metrics.*



To learn how these transformational technologies can help innovate your marketing department, **why not try Oracle Cloud today?**



Find out how Oracle Cloud can help