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INTRODUCTION



It's no secret that data-driven marketing (DDM) is top of mind for brand and agency executives. But what is surprising—shocking, in fact—is how vital first- and third-party information is for creative and execution strategies today. Case in point: 70% of senior marketing executives from brands, agencies and related industry segments say data-driven marketing is a core element of a majority of their campaigns, according to a new Oracle-Forbes Insights survey.

This full immersion in data and analytics—more than what many industry insiders may have realized—shows how quickly brands and agencies have recognized the potential benefits and rushed to replace outdated “gut-feel” decision making with quantifiable research. This was another recurring theme in the Oracle-Forbes Insights study, which found that marketing executives rely on advanced analytics to increase sales, attract new customers and expand brand awareness. In addition, 71% of respondents feel they effectively use it to identify the best channels for cultivating sales or other customer actions. Analytics is also helping marketing dollars go further: 62% of marketing executives say analytics have noticeably decreased their cost-per-acquisition (CPA) rates.

“General marketing campaigns cast a wide net, which brings large numbers of buyers into the franchise. But that comes with a lot of waste,” says Randall Rozin, global director, brand management and digital marketing at Dow Corning Corp. “Data-driven campaigns are by definition more targeted, which results in companies knowing their customers better and improving their ability to prioritize content creation and measurement.”

While most brands and agencies rely on data-driven marketing to some degree, the question every marketing professional must now ask is, “Can we do more?” The answer has broad implications on how well their organizations achieve their business goals, wisely spend their marketing dollars, compete in a cutthroat business environment and position themselves to become or

remain market leaders. Industry insiders see significant room for improvement. “There is tremendous potential,” says Jeffrey Boorjian, vice president of marketing in the group benefits division of MetLife Inc. “The more data and consumer insights we can leverage, the more effectively we engage with consumers about the most appropriate products and services given their family profile, lifestyle, interests and other important factors. In short, it comes down to providing a more relevant customer experience.”

Unfortunately, the survey revealed that many brands and agencies experience problems in the race to merge analytics and marketing strategies. A staggering 75% of marketing executives don't see ROIs within a year. What's more, a solid majority (60%) use data to shape campaigns less than half of the time, while 53% say they aren't successfully distinguishing themselves from competitors with data-driven marketing campaigns. One key area where this can be improved is organizations integrating transactional or purchase data into their initiatives where they previously have not relied on these data sets.

As later sections of this report will show, these shortcomings are indicators of early-stage analytics problems, ones that typically arise when organizations use the resource more tactically than strategically. But savvy marketers can use these challenges to fashion more effective and sophisticated data and analytics strategies. The research—and excerpts from interviews with leading marketing executives—show how analytics leaders have reached a higher level of marketing maturity by applying industry best practices and closing technology gaps to advance data strategies, optimize ROI and achieve true competitive advantage.



KEY TAKEAWAYS

70% of marketing executives say data-driven marketing is a core element of all or nearly all campaigns

71% of marketing executives say they effectively prioritize spending allocations based on attribution

62% of marketing organizations say analytics have noticeably decreased cost-per-acquisition rates

75% of marketing executives aren't able to see ROIs within 12 months

60% use data to shape campaigns less than half of the time

53% aren't using data as a competitive advantage

Data and analytics are helping to increase sales, attract new customers and expand brand awareness

THE NEW ROLE OF ANALYTICS

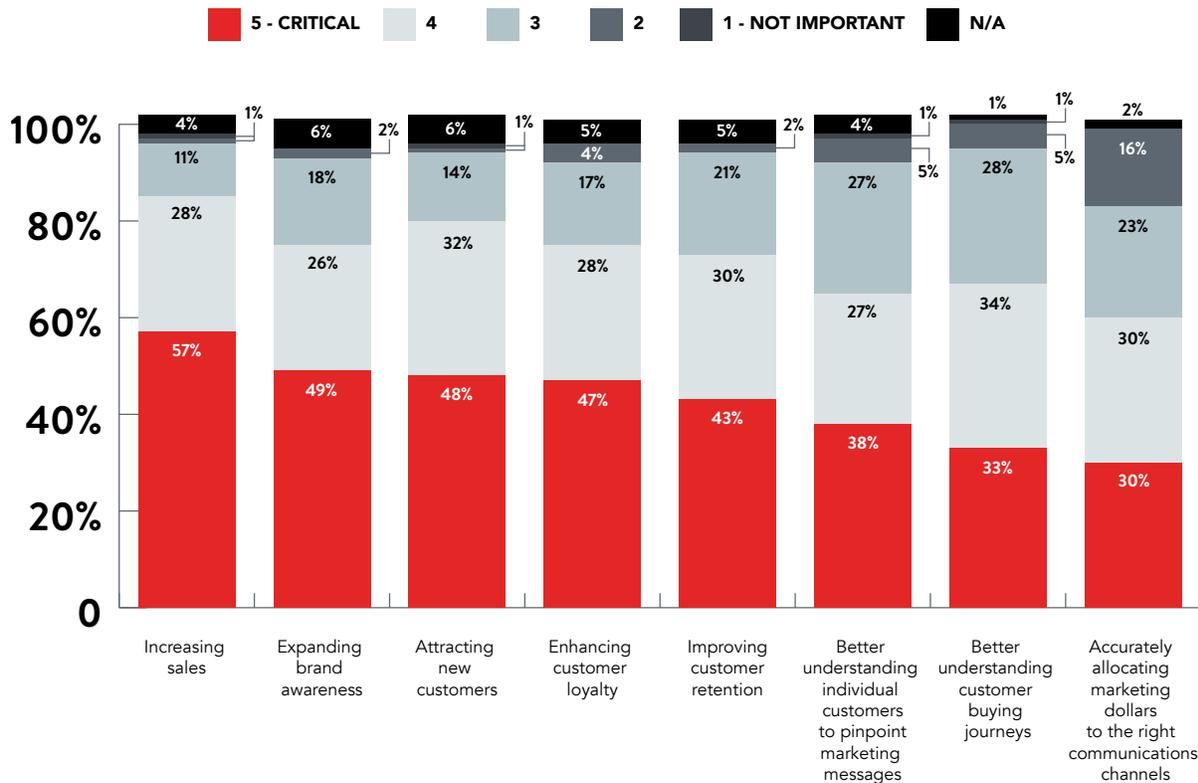
Based on the responses of marketing leaders, the Oracle-Forbes Insights research shows brands and agencies are reaping the rewards of their analytics efforts. For example, when data and analytics are applied effectively, they're having a big impact in key business areas, most notably by attracting new customers and increasing sales.

What's more, analytics help marketing organizations more effectively target their spending. Fifty-five percent of the executives surveyed report significant improvement in this area.



On a scale of 1 to 5, where 1 is “not important” and 5 is “critical,” please rate how important data and analytics are to achieving each of the following strategic goals in your marketing campaigns.

(For all tables, total participants = 200, unless otherwise noted.)

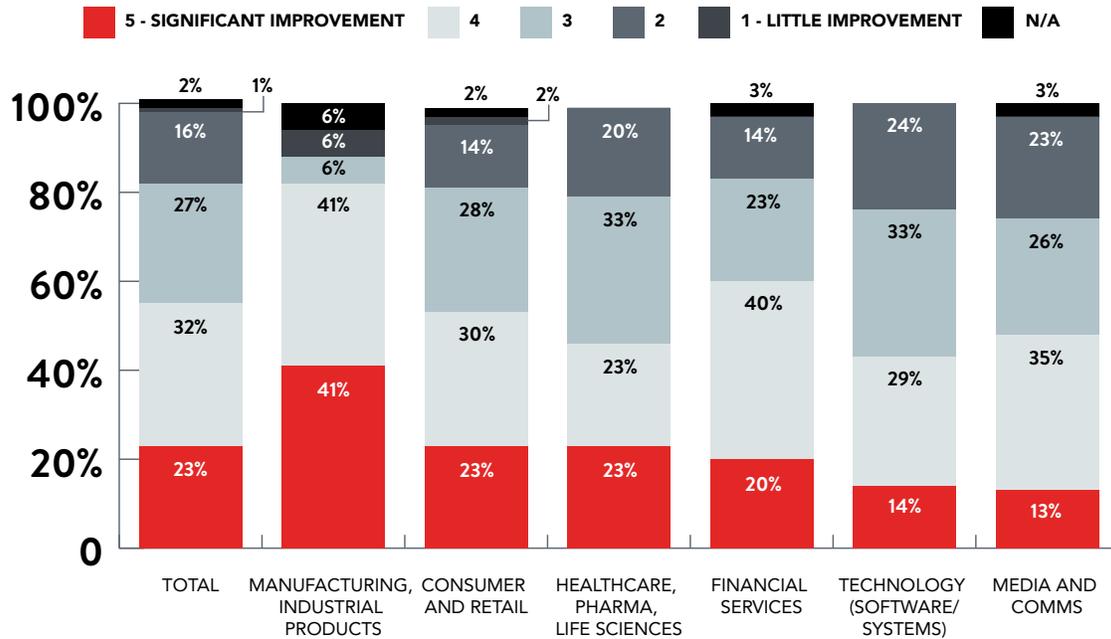


Note: Due to rounding, charts throughout this report may not total 100%.



BIGGEST DATA IMPACT

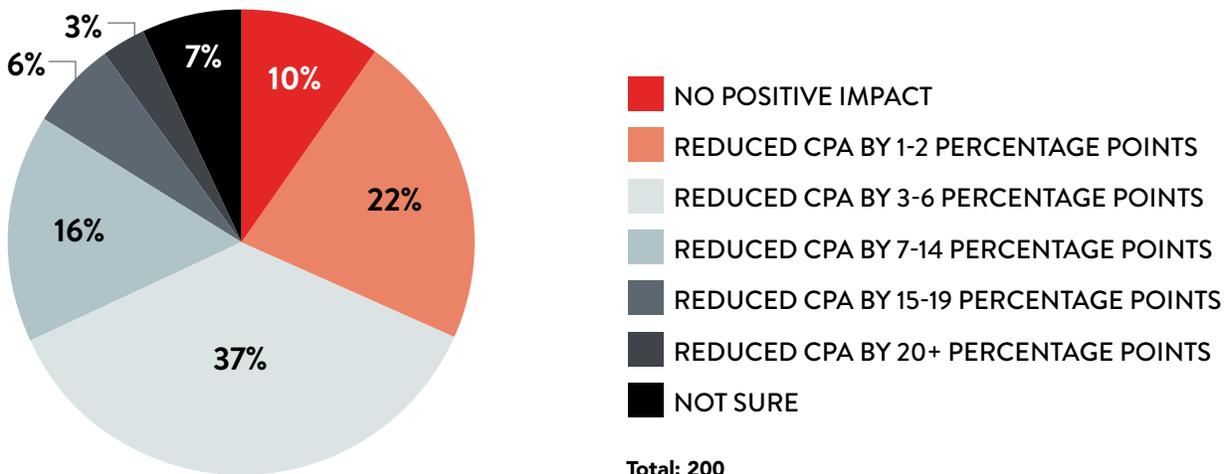
Accurately allocating marketing dollars to the right communications channels



Data and analytics help organizations drive down CPA, one of the most widely employed metrics for assessing the success of marketing campaigns. Thirty-seven percent saw CPA decreases of 3% to 6% last year thanks to analytics, while another 25% saw declines of more than 7%, with some hitting 20% or more.

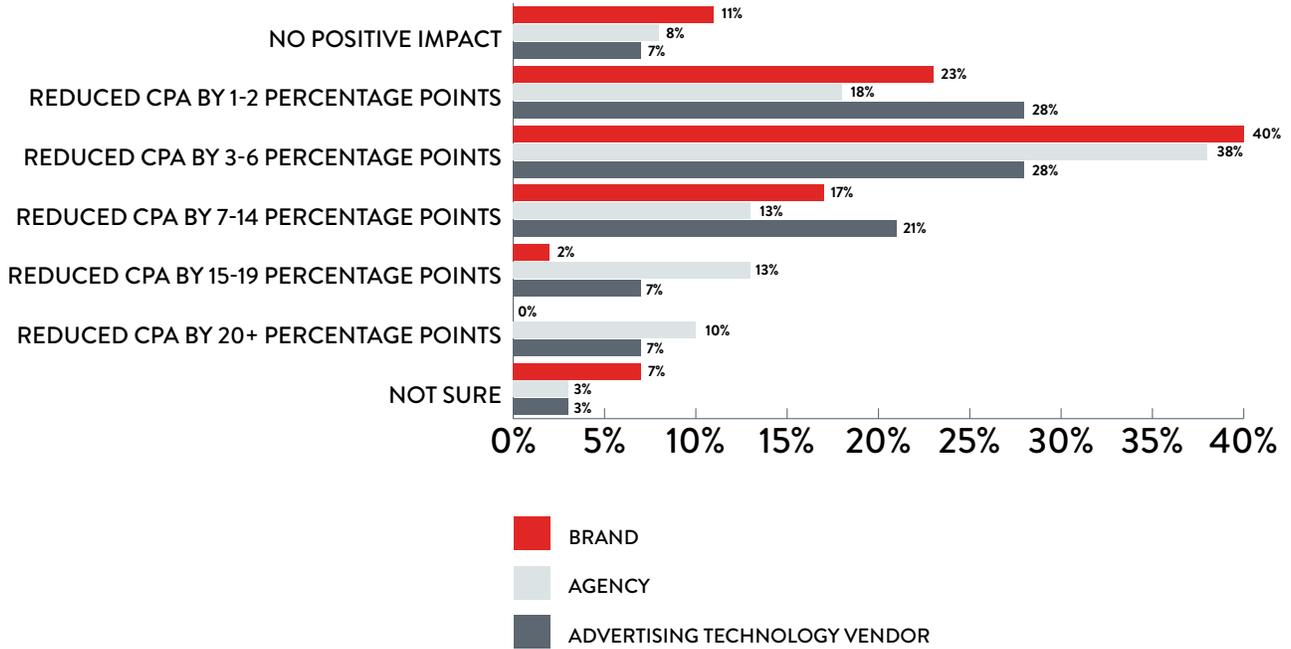


How has CPA (cost per action or acquisition) been impacted by your organization's use of data and analytics in the past year?





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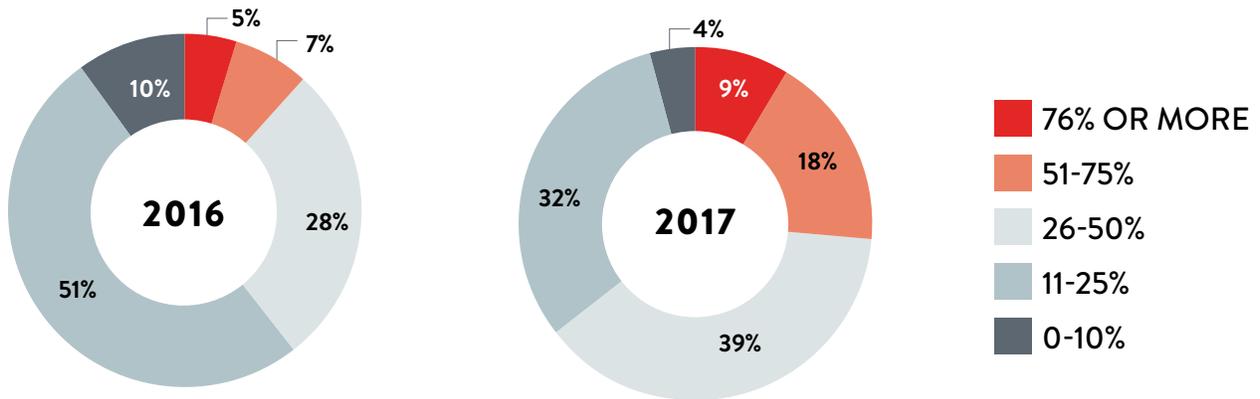
TIME TO DO MORE



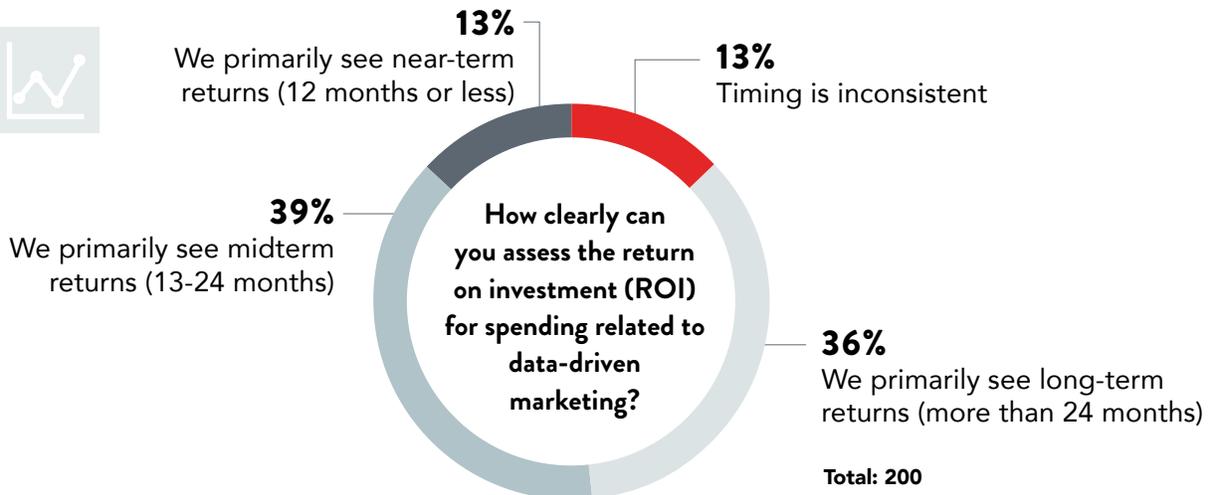
The increasing and effective use of data and analytics is good news, but what do results like these mean for future investments? Virtually all marketing is becoming data-driven: 65% of the survey respondents say data and analytics will account for more than a quarter of their marketing budgets in 2017, up from 40% last year. In addition, the number of companies earmarking more than half their budgets for this area will more than double in the coming year.

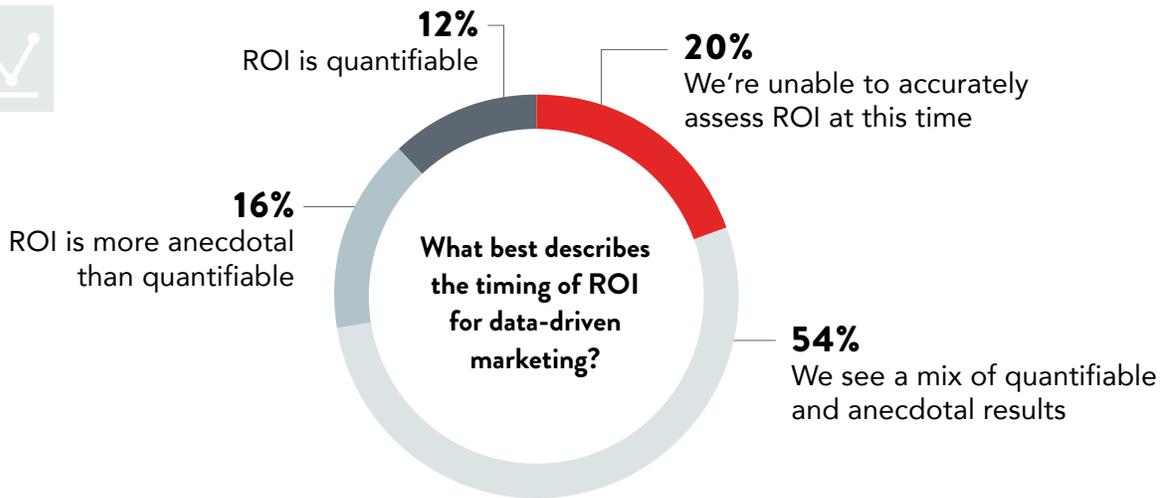


What percentage of your marketing budget (including people, technology, services, etc.) is and will be earmarked for data and analytics?



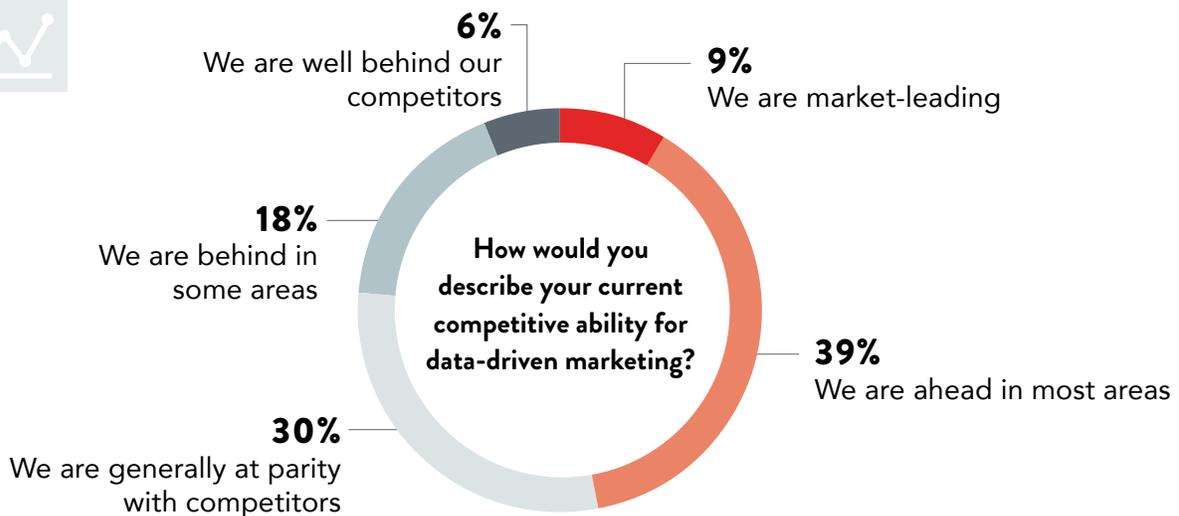
But the spending pipeline won't stay open unless the C-suite and board see satisfactory returns, and the reality is that a large number of marketing organizations still struggle with ROI assessments. In fact, a sobering 89% of the respondents say ROIs aren't fully quantifiable.





In addition, 75% of the respondents say it takes more than 12 months to see ROIs. Within that group, 36% require more than 24 months to reap full returns. As this report will later show in detail, the underutilization of transaction and other offline data is at the heart of ROI problems.

ROI isn't the only trouble spot. Using data-based marketing effectively to gain an advantage over competitors is another murky area. Only 9% of respondents rate themselves as market-leading practitioners of data and analytics strategies, while most admit they are behind or, at best, at parity with competitors.

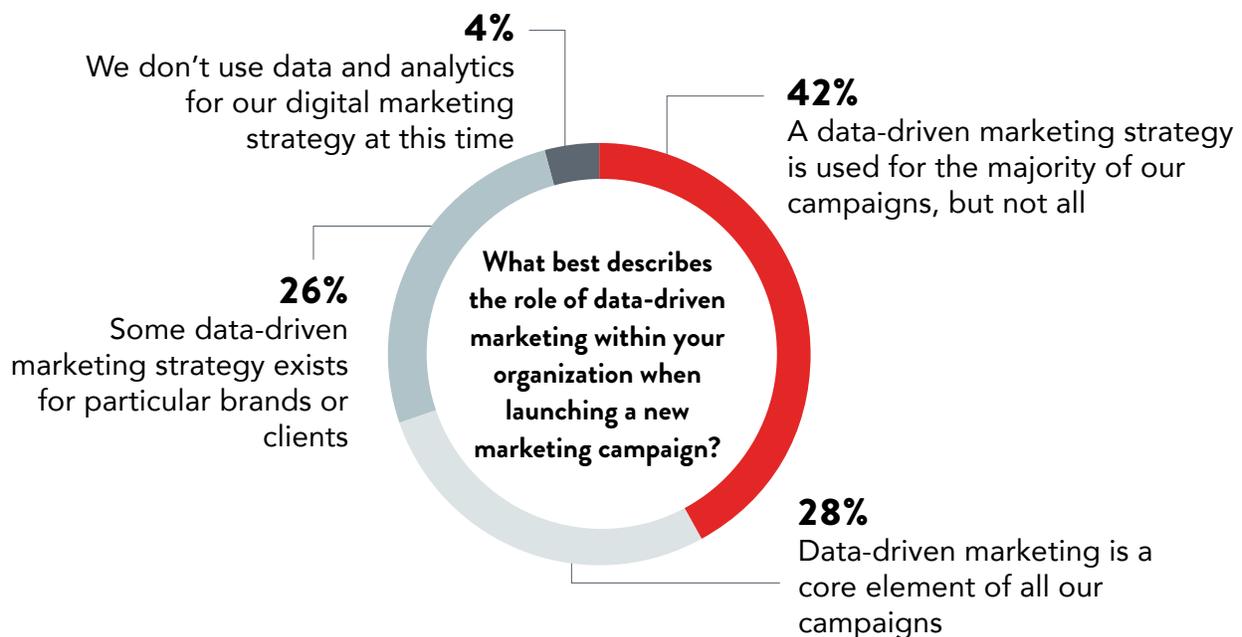


A PROFILE OF MARKETING LEADERS



The Oracle-Forbes Insights research uncovered a subset of high-performing brands and agencies that reap the greatest rewards for data-driven marketing strategies. Leaders are those that:

- Made data-driven marketing a core element of all their campaigns
- Rate themselves as ahead in most areas or are market-leading in their competitive ability to use data-driven marketing
- Are advanced or highly advanced in executing cross-device marketing campaigns
- Consider their organization effective or highly effective when prioritizing spending allocations based on attribution



What sets analytics leaders apart in the race to boost sales, enhance customer loyalty, strengthen brand awareness and meet other business needs? Like runners eyeing the finish line in a 42K marathon, analytics leaders start out with the same goals as their peers. But the leaders are among the 70% who have already made data-driven marketing a core element of all or nearly all marketing campaigns.

The best break from the pack through a more extensive use of analytics.

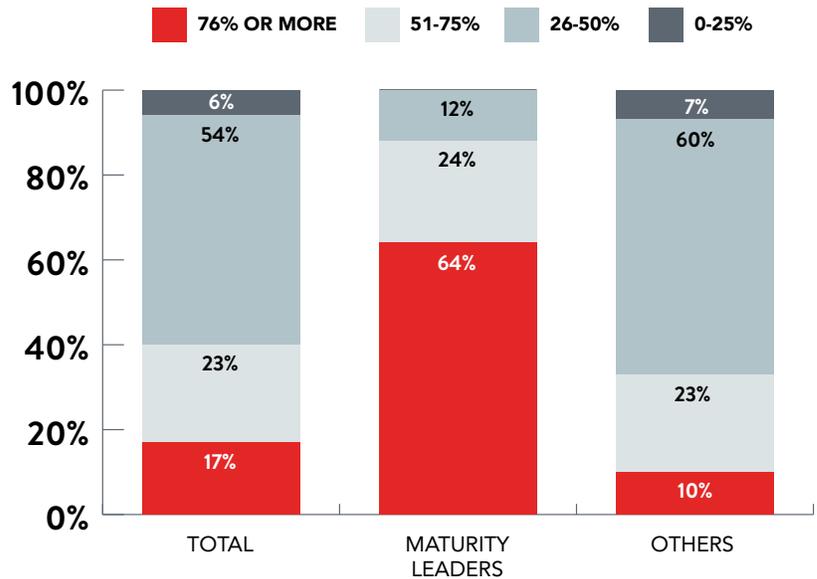
The highest performers use analytics for campaign creation and execution as a standard practice. Sixty-four percent of leaders do so more than three-quarters of the time and 88% more than half the time. Only a fraction of the rest can say the same.

The survey also found that third-party data (sourced from outside their organizations) is essential for achieving the highest levels of campaign success. Most marketers use third-party data roughly as frequently as first-party information (see table below).

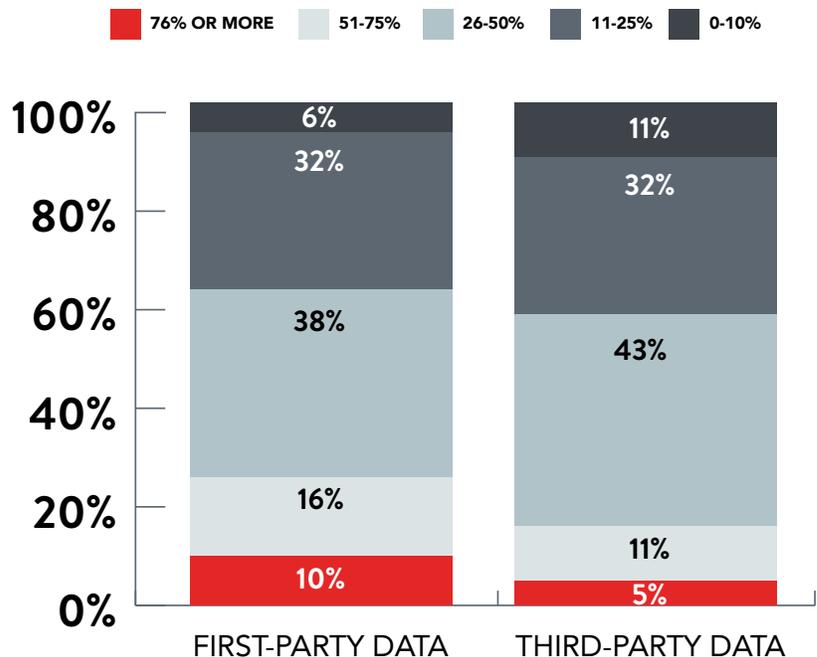
Leaders plan to boost their already heavy reliance on third-party data. Forty-four percent said it would be used more than half the time, while almost a quarter will employ that asset more than 75% of the time. By contrast, executives representing the rest of the companies do so only 21% and 7% of the time, respectively.



What percentage of the time do your marketing campaigns include data and analytics to help shape the creative and execution of the campaign?

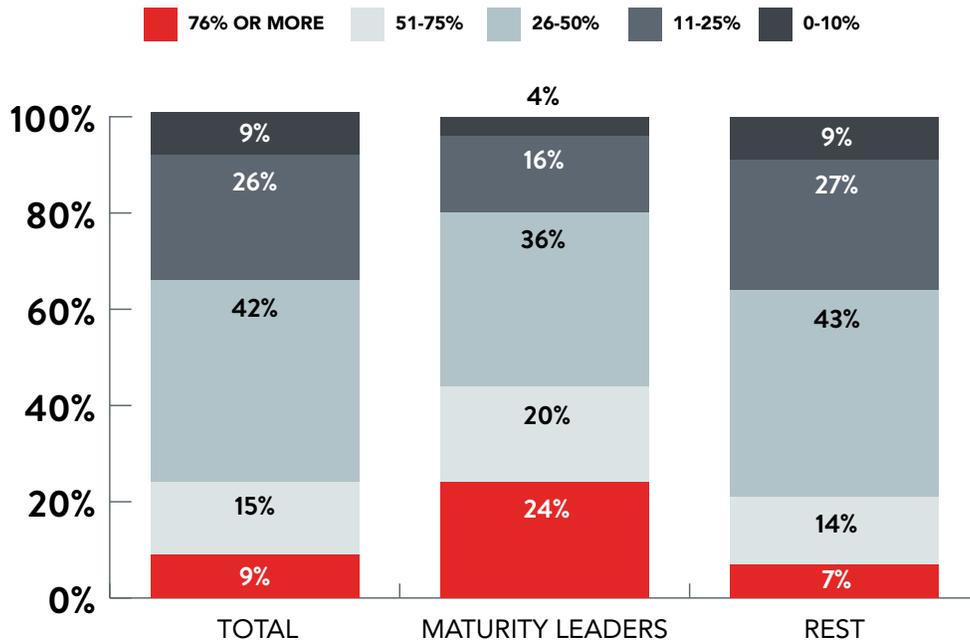


What percentage of your marketing campaigns are typically informed by first-party data (i.e., proprietary, corporate information) and third-party data (sourced from outside your organization)?





Within the next 12 to 24 months, what percentage of new marketing campaigns do you expect will use these data types? THIRD-PARTY DATA



The effective use of third-party data can be a game-changer for some companies. For example, services are now available that provide third-party credit- and debit-card data for casual dining restaurants and manufacturers that sell through retail channels outlets, and others that traditionally lacked data from customer-relationship management (CRM) platforms and loyalty cards. Access to these resources has long been an advantage for consumer-packaged goods and retail companies. Others have had to struggle to overcome this information gap and more effectively target marketing campaigns to existing and potential customers.

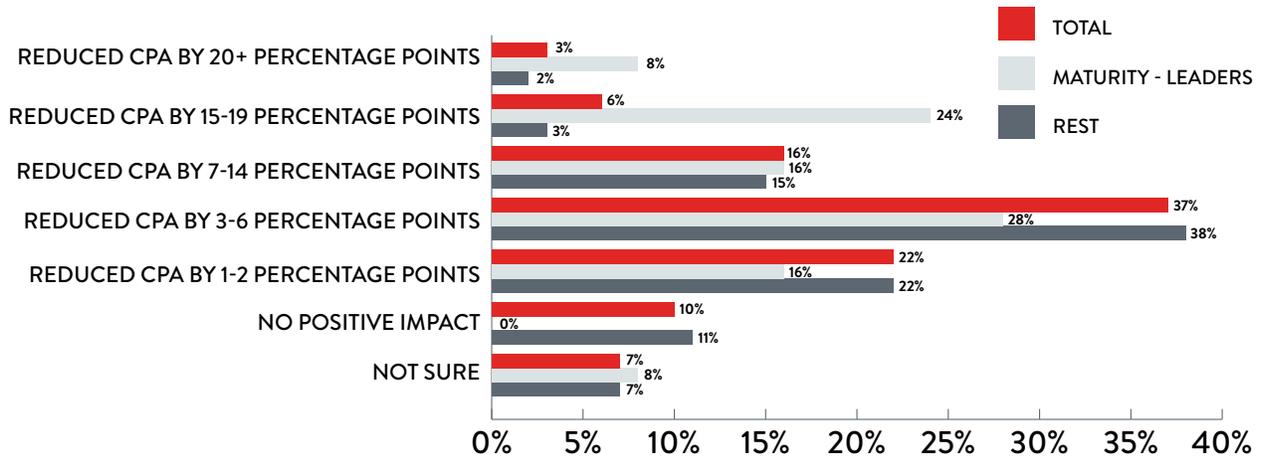
These new data streams are now illuminating the buying preferences of large segments of customers, including those who frequent competing operations. "For CRM marketers, this is old hat," says Joseph Zito, Oracle vice president and general manager for retail and dining. "But for the first time, these other companies can now perform segmented targeting as if they had a CRM file, thanks to third-party data."

Oracle participates in a data cooperative with 1,500 retailers that shares CRM files based on company loyalty cards, he adds.

Whether it's accessing more data or capitalizing more successfully on existing information, the heightened maturity of leading marketing organizations offers more than bragging rights. It translates directly into important business benefits. As noted previously, successful analytics strategies reduce overall CPA costs. But leaders take these gains to a higher level. For example, 24% of them saw impressive reductions of 15% to 19% in CPA costs. In one of the starkest contrasts in the survey, only 3% of the rest claimed similar results. In addition, 8% of the leaders logged declines of 20+% versus only 2% of the others.



How has CPA (cost per action or acquisition) been impacted by your organization's use of data and analytics in the past year?

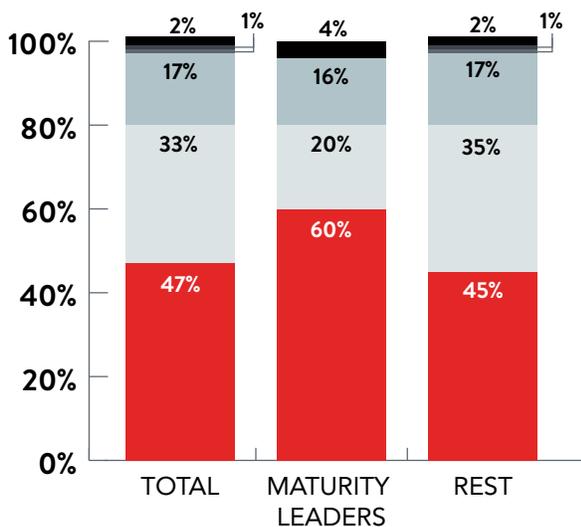


Of course, the ultimate goal of marketing campaigns is to promote business strategies. In these areas, leaders consistently outshine their competitors. Analytics substantially improved the ability of 60% of the highest performers to attract new customers, a double-digit advantage over challengers.

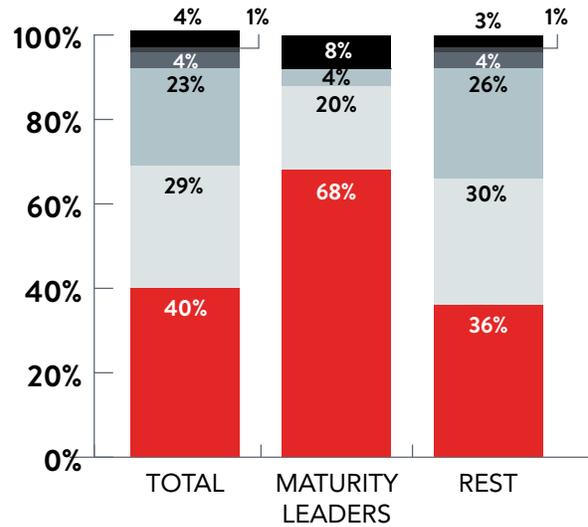
In addition, 68% of the leaders significantly increased customer retention rates compared with 36% of their peers.



BIGGEST DATA IMPACT
Attracting new customers



BIGGEST DATA IMPACT
Improving customer retention



5 - SIGNIFICANT IMPROVEMENT 4 3 2 1 - LITTLE IMPROVEMENT N/A

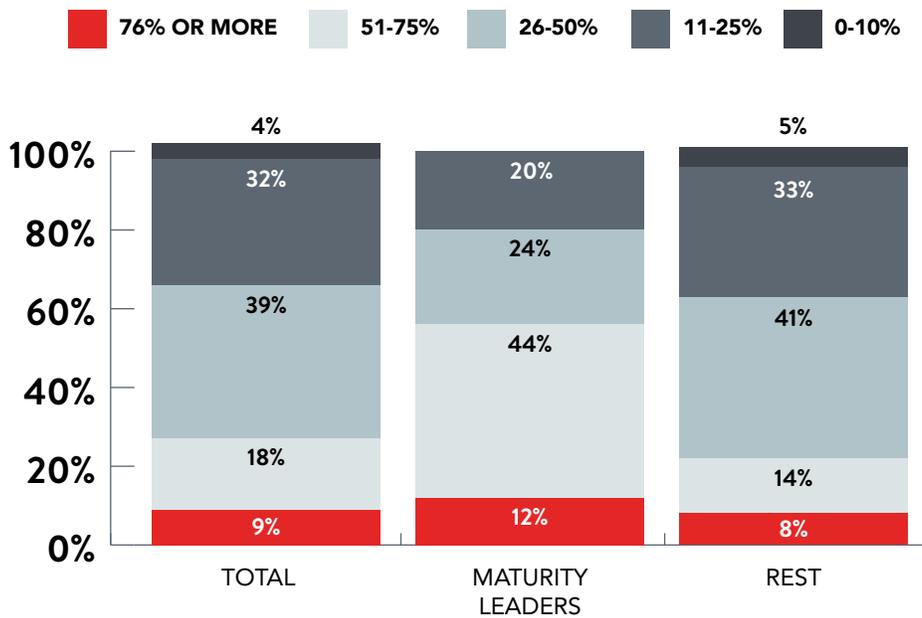
Buoyed by these results, leaders will double down on data-driven marketing in the months ahead, with the understanding that remaining a leader requires as much diligence as achieving that status in the first place. One sign of their commitment to leadership is the degree to which top performers will increase marketing budgets compared with their less successful counterparts: 44% of the leaders will earmark half to three-quarters of their marketing budgets for analytics-related resources. Another 12% will allocate more than 75% of their marketing

funding to this area. At 14% and 8%, respectively, those outside the winner's circle may be setting themselves up to lose more ground to the already more-competitive marketing organizations by allocating less of their budget to these resources.

Clearly, those who aspire to entering the leadership ranks need to boost their game. But first they must understand the roadblocks that stall progress.



What percentage of your marketing budget (including people, technology, services, etc.) will be earmarked for data and analytics?



LEADERS BY INDUSTRY

Digging deeper into the results of the new Oracle-Forbes Insights data reveals important differences in how various industry sectors are driving their marketing programs with a sophisticated use of data and analytics.

Executives in consumer and retail, financial services, healthcare, pharma and life sciences and technology are especially active practitioners of data-driven marketing. Representatives in each sector say it is a core element in three-quarters of their campaigns.

Manufacturing and industrial products companies and media firms lag behind these verticals, sometimes by significant amounts.

However, this isn't the whole story. Maturity also depends on when data and analytics are applied to the marketing development lifecycle. Some industries, such as technology, turn to analytics as early as possible—for example, when they're launching a new campaign.

Others, such as media and communications companies, apply it at the early goal-setting stage of projects.



What best describes the role of data-driven marketing within your organization when launching a new marketing campaign?

	TOTAL	SECTOR				
		Consumer and Retail	Financial Services	Healthcare, Pharma, Life Sciences	Manufacturing, Industrial Products	Media and Comms
A data-driven marketing strategy is used for the majority of our campaigns, but not all	42%	47%	37%	47%	41%	35%
Data-driven marketing is a core element of all our campaigns	28%	28%	37%	27%	24%	23%
Combined	70%	74%	74%	73%	65%	58%



When in the campaign development process do you typically determine how to apply data and analytics?

	TOTAL	SECTOR					
		Consumer and Retail	Media and Comms	Financial Services	Healthcare, Pharma, Life Sciences	Manufacturing, Industrial Products	Technology (Software, Systems)
When we're setting campaign goals before generating ideas for the creative	31%	40%	35%	34%	27%	24%	10%
When we begin discussing the creative	35%	35%	29%	46%	27%	35%	48%
After a short list of possible creative strategies has been developed	16%	12%	13%	9%	27%	12%	19%
When we're discussing media buying strategies	11%	9%	10%	6%	17%	24%	5%
After we have finalized the campaign strategy	7%	5%	6%	6%	3%	6%	19%
We don't use data and analytics	2%	0%	6%	0%	0%	0%	0%



Still others, including consumer and retail companies, immerse themselves in analytics at both these stages.

Any of these three options produces positive results, showing that earlier is better when using analytics. Executives from technology, media and communications, and consumer and retail companies see the biggest competitive advantage from data-driven marketing.



How would you describe your current competitive ability for data-driven marketing?

	TOTAL	SECTOR					
		Consumer and Retail	Media and Comms	Technology (Software, Systems)	Financial Services	Healthcare, Pharma, Life Sciences	Manufacturing, Industrial Products
Combined (ahead and leading)	47%	56%	52%	52%	49%	43%	35%
We are market-leading	9%	9%	10%	0%	9%	7%	12%
We are ahead in most areas	39%	47%	42%	52%	40%	37%	24%
We are generally at parity with competitors	30%	23%	29%	24%	23%	27%	41%
We are behind in some areas	18%	19%	10%	24%	23%	27%	18%
We are well behind our competitors	6%	2%	10%	0%	6%	3%	6%

Organizations that take a more tactical approach to analytics by holding off on data and analytics until later in the marketing lifecycle are at a disadvantage. For example, executives in manufacturing and industrial-products firms wait to use this resource until they’ve actually begun shaping their creative and execution strategies, with troubling results: They rate their competitive stance far lower than their peers’ in all other industries.

THE BIGGEST PAIN POINTS

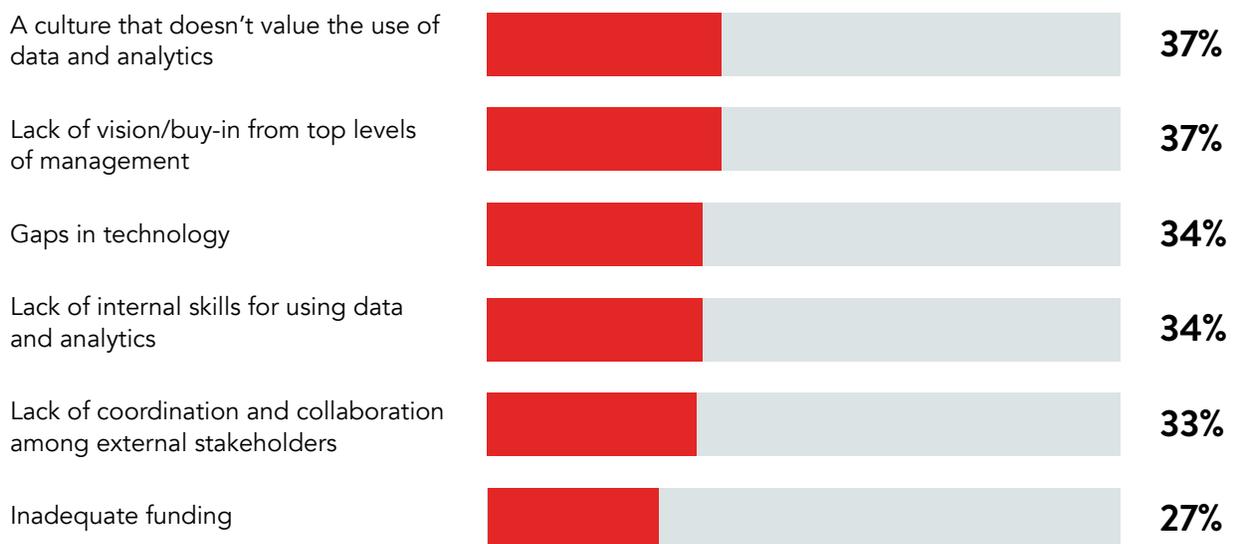
Marketing organizations face a wide range of challenges as they try to mature, and no matter where they are on their development cycle, they must remain diligent to keep these problems from stalling forward progress. Many of their problems are related to cultural and people issues, including the relative importance an organization places on data and analytics for marketing campaigns. Executives in the survey say the top pain points stem from corporate cultures that undervalue analytics, as well as senior managers who haven't fully incorporated analytics into their overall corporate vision. "The higher up in an organization that you go to get initial buy-in, the better the results will be," says Victor Davidson, North American lead for Digital Business Insights, a division of Havas, a global advertising agency.

The job of cultivating greater C-suite and board-level commitment falls on senior marketing officials, who provide a bridge between their organizations and the rest of the company. "Typically, it's the CMOs and senior vice presidents of marketing who not only understand the value of data initiatives but who are also close to the broader business issues," Davidson says.

But problems don't exist only at the top. A lack of skills among people responsible for putting analytics into practice represents another significant barrier, the survey found.



What are your top pain points when it comes to developing or refining your data-driven marketing strategy?



Beyond people-related problems, technology gaps are sources of pain for more than a third of marketing organizations. Technology gaps prevent organizations from easily aggregating and gleaning in-depth analyses from available information or capitalizing on the insights that are available.

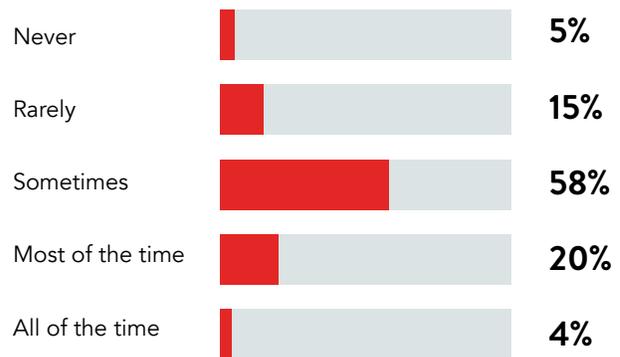
Another problem: Only a quarter of the organizations surveyed use transaction and other offline data most or all the time for their digital marketing strategies. What's more, a surprisingly large number of companies (19%) use these data types "rarely" or "never."

If they and the 58% who use this data "sometimes" increased their reliance on this information, they would further the goal of creating greater competitive advantage from data-driven marketing—and take a great leap forward in improving ROI. Offline data is an essential resource for more granular audience targeting, recognizing sales life and more effectively pinpointing marketing dollars to high-value clients. For example, to better understand its audience, the streaming radio service Pandora matches the IDs listeners use when they sign in to other match keys, such as cookies and email addresses, according to Brian Buizer, senior director of audience operations at Pandora and a member of the advisory committee for this research project. "Whenever we see the same key used in different areas, the chances of verifying a one-to-one match are excellent," he says. "But people use different match keys, such as personal and corporate email accounts. So we rely on various data partners to do the mapping on our behalf to ensure the match keys are accurate."

To conduct these verifications, the partners turn to databases of offline information, including those that store household addresses, financial profiles, car registrations and dozens of other data points. "They then apply legally accepted methods that protect individuals' privacy to track match keys back to cookies and device IDs."



How often do you use transaction and other offline data in your digital marketing strategies?



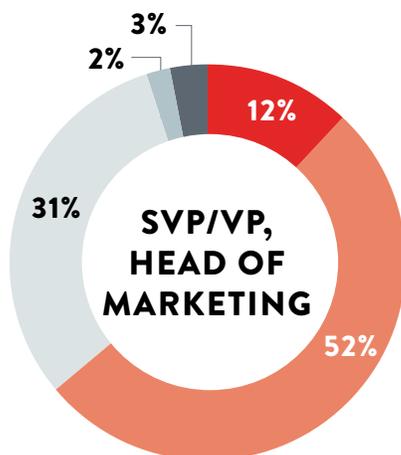
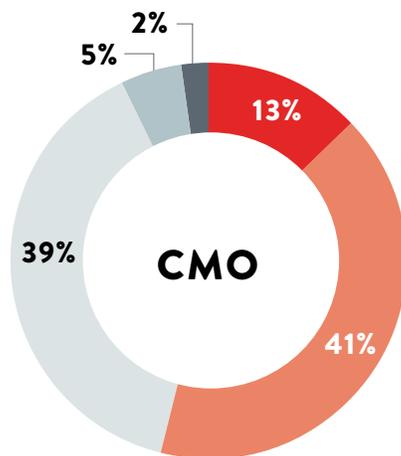
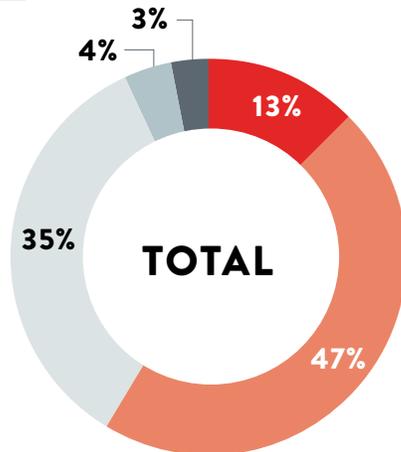
Total: 200

Outside partners aren't the only options. Marketing organizations are also relying increasingly on platforms that connect offline customer activities to digital marketing efforts, to develop more complete insights about their customers and optimize the returns on their media investments. "With these types of platforms, we're able to understand what creative works best on mobile," says Daniel Slotwiner, director of advertising research at Facebook and an advisory committee member for this research. "We're also gaining interesting insights about reach and frequency, such as how many times you need to touch a consumer under different circumstances to get them to buy. And we've learned how to increase household penetration for a particular product, as well as how to get current customers to buy more of a certain product."

Other pain points identified in the survey are the underlying problems organizations encounter when executing cross-device campaigns. At first blush, marketing executives appear confident in this area: 59% describe their cross-platform strategies as advanced or highly advanced.



What best describes your organization's ability to execute cross-device marketing campaigns?



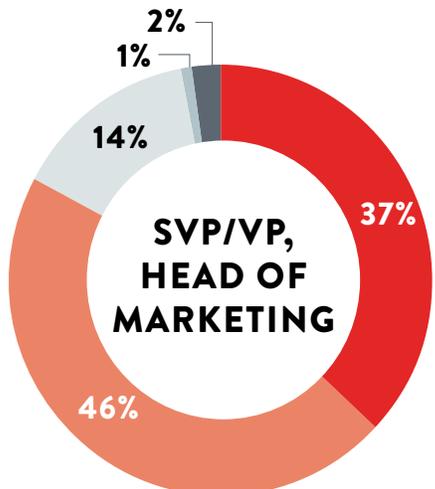
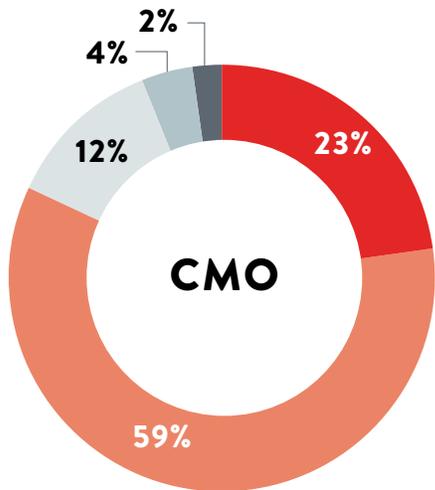
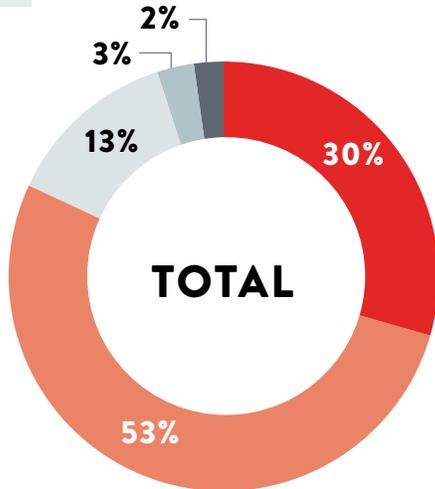
- HIGHLY ADVANCED** – we can execute a connected campaign across all devices and channels, and accurately measure and analyze the results
- ADVANCED** — we can execute a connected campaign across all devices and channels
- INTERMEDIATE** – we can execute connected campaigns across multiple channels but don't have a full solution in place
- BEGINNER** – we're researching or planning to investigate technologies and capabilities for this area
- No interest in cross-device campaign capabilities**

The Oracle-Forbes Insights research and observations by industry insiders show organizations may need to rethink these assumptions. "The ability to reach people across multiple platforms is something that we're obsessed with but has not reached maturity yet," says Dan Davies, senior vice president and director of media sciences/programmatic at Mediahub, a division of the advertising agency MullenLowe U.S. "Whatever your data feed is—CRM data, people who have visited your home page or a targeted demographic group—it's impossible to know with absolute certainty that you've reached all of them across multiple screens. The challenge is to track people deterministically, with verification and certainty, versus doing it probabilistically using an algorithm to guess that it's the same customers. As soon as you start guessing, the drop-off in accuracy can go as low as 20% to 40% in terms of positive matches."

Nevertheless, Davies says cross-platform strategies can still deliver payoffs for marketing teams, as the industry matures in this area. "We've seen definitive data from



What best describes where you expect to be 12 months from now?



our clients showing that at least a subset of people we reached with a mobile ad was the same group that bought something online via a laptop. If we weren't targeting people across multiple devices, we wouldn't have that insight or know which media to buy more of next time to drive sales."

Before marketing teams can boost their cross-platform maturity, they first must align their thinking. For example, senior vice presidents, vice presidents and marketing heads are the most confident about cross-platform prowess: By a margin of 10%, they're more likely to rate their organizations as being advanced or highly advanced compared with CMOs. That's significant, because CMOs are more directly involved in overseeing cross-device strategies and thus more likely to see any problems in efforts to present the right messages on the right devices at the right time.

While both groups expect significant progress in the next year, a gap remains among people holding these key positions. Thirty-seven percent of VPs expect their organization to achieve highly advanced status, something only 23% of CMOs are counting on.



At the least, CMOs will need to communicate better with senior executives about where cross-device capabilities stand and how much progress is realistic in the months ahead. They'll also need to devote resources to boost expertise in the area. "The most sophisticated marketing organizations are focusing their cross-media strategies on areas such as how what they're presenting on mobile devices amplifies what's happening on other media, like TV," Slotwiner says. "The most successful people I see invest in research, processes and talent to help them answer questions like these."



CREDIT WHERE IT'S DUE



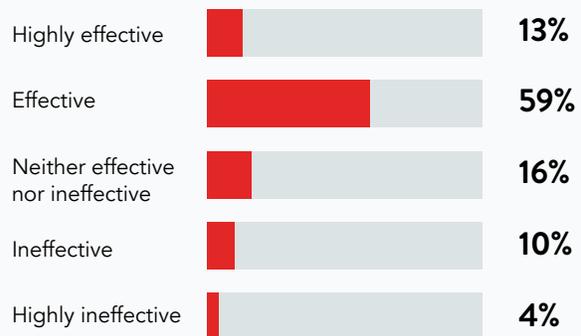
How would you rate your organization's ability to prioritize spending allocations based on attribution (identifying the channels/pathways responsible for a sale or other consumer action)?

Total: 200

But some experts question whether a significant percentage of marketing organizations have the tools to accurately measure activity across all media channels. "If somebody buys a pair of shoes online directly from the brand, can companies fully measure and give the appropriate credit to all the media events that took place prior to that?" asks Brian Stempeck, chief client officer at The Trade Desk, a platform that powers global media campaigns. "Maybe the shopper saw three video ads and 10 banner ads for the shoes in the past 30 days. They also heard an ad on Spotify. Few buyers are tracking all of those touchpoints, and even fewer are analyzing the contribution of each ad."

An important milestone in maturity will be when the industry becomes more adept at looking at people across devices, including their smartphones, desktop computers at work, home laptops and tables, and their connected TVs. At the moment, the industry is still in the early stages of doing that, though it is under constant pressure to hone its expertise. "Mobile continues to be a primary mode of consumption, and as video grows, it will be interesting to see how it will be linked to the native functionality of different mobile devices," says Josh Ehart, executive vice president and chief innovation officer with the global ad agency Energy BBDO. "The goal is for more accurate and more regular location targeting using sensors on phones to understand where consumers are and what they're doing."

Attribution is an important component of cross-platform strategies. Again, survey respondents express confidence, with 71% of the executives saying that their organizations effectively use attribution to prioritize spending.



But some see a danger in becoming too device-centric. "The question everyone should be asking themselves is, 'Are we moving to the platforms that consumers are moving toward?'" says John Eckhardt, director of media strategy and analytics at PepsiCo. "It's much more important to take the device out of the equation and focus on asking, 'Are we reaching the right consumers?' This means we don't focus on mobile specifically, we focus on people-based marketing and being able to activate where they are. If someone happens to be on a mobile device, then that's where we'll engage with them. The same goes for when they're on their tablet, desktop or TV. What matters is people."

This philosophy also applies to developing more sophisticated content strategies. For example, when Energy BBDO develops creative for consumer packaged goods (CPG) clients, the team tailors content for individual outlets, creating versions for YouTube and Pinterest, Ehart says. "We use the contextual data of how the consumer uses content on those platforms to determine the content specifics."

For example, the agency ensures that a strong brand message appears in first three seconds of video presented on Facebook. Early branding impressions are less critical for Twitter content because that platform is less visually driven and consumers are more able to discern that the content is from a brand, Ehart explains.



“It’s much more important to take the device out of the equation and focus on asking, ‘Are we reaching the right consumers?’ This means we don’t focus on mobile specifically, we focus on people-based marketing and being able to activate where they are. If someone happens to be on a mobile device, then that’s where we’ll engage with them. The same goes for when they’re on their tablet, desktop or TV. We are past the device. What matters is the people.”

JOHN ECKHARDT, DIRECTOR OF MEDIA STRATEGY AND ANALYTICS, PEPSICO



MOVING TO MATURITY: THREE STEPS

To overcome current pain points and reach new levels of maturity in data-driven marketing, organizations must focus on three key areas:

- Capitalizing on technology innovation
- Investing in analytics expertise
- Activating third-party data

MOVING TO MATURITY, STEP 1: CAPITALIZING ON TECHNOLOGY INNOVATION

Topping the list of tools that marketing pros look for to expand and enhance their underlying infrastructures are marketing automation applications, digital advertising platforms and web analytics systems.

Interviews with marketing leaders show that data management platforms are a focal point. The best DMPs connect with the broader portfolio of marketing resources, such as marketing-automation platforms, systems that serve up third-party data, and CRM applications. "That degree of integration flexibility is something marketing organizations should insist on," says DBI's Davidson.

He adds that for optimum results, multiple people within the organization need to understand the value of the DMP. "An important DMP use-case is connecting it with CRM data to expand the targeting pool in the digital space," Davidson says. "But organizations can't do that unless there's coordination between the CRM and the digital media teams. They could bring all the CRM information into the DMP, but if they haven't allocated the digital media budget to actually execute against it, they'll fall flat. So those different stakeholders must work together to outline a road map for using the DMP."



Which of the following digital-marketing technologies do you plan to invest in over the next 12 months?



44%

Marketing automation applications



43%

Digital advertising



37%

Web analytics



36%

Social



33%

Digital content management



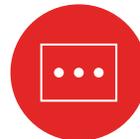
31%

Multichannel campaign management



24%

CRM lead management solutions



0%

Other



1%

None of the above

MOVING TO MATURITY, STEP 2: INVESTING IN ANALYTICS EXPERTISE

The competition for analytics experts is intense, and with the supply of top prospects low relative to industry demand, marketing organizations must offer attractive opportunities to attract the best talent. Consequently, brands are relying more heavily on outside partners for this expertise—and brands and agencies that opt for building up in-house resources will face intense competition in the months ahead. The Oracle-Forbes Insights research found that 39% of the executives plan to increase investments for data specialists by 11% to 25% in 2017, while a quarter will boost spending even more—by 26% to 50%.

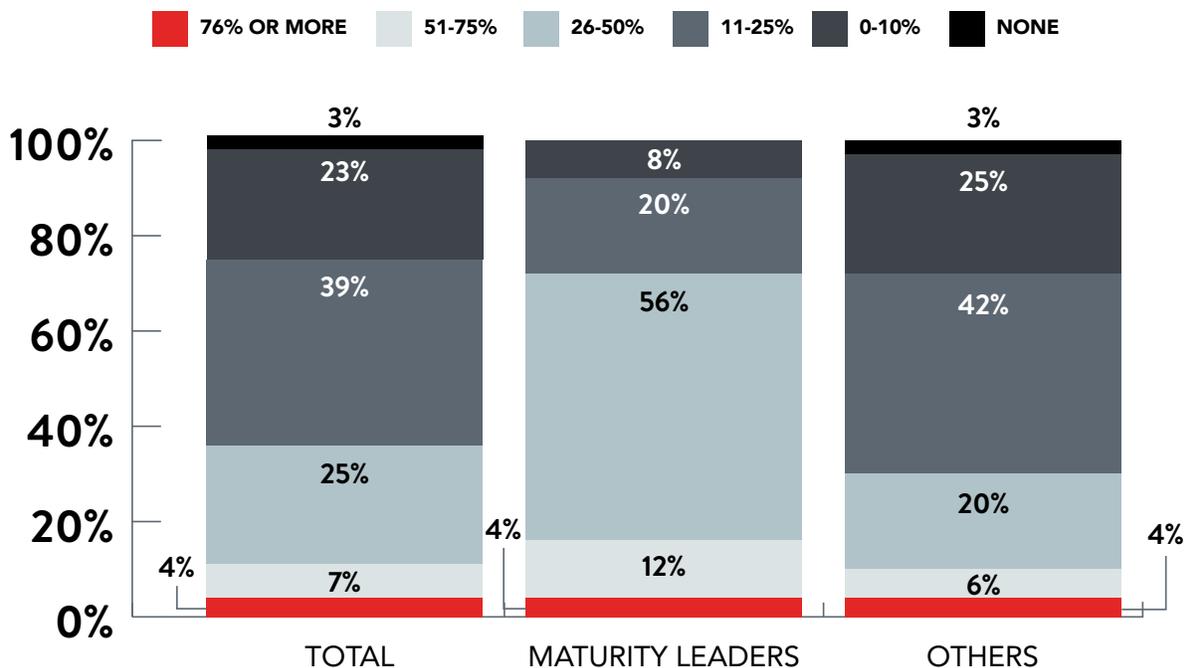
“Success in data-driven marketing requires a commitment throughout the organization—from the tools a company buys to how it hires people and how it builds

teams,” says Joe Kyriakoza, Oracle vice president and general manager for automotive. “We’ve seen companies invest in technology, and after six months wonder why it hasn’t yielded significant benefits. The reality is that companies have to buy into the whole philosophy of data-driven marketing, and that means having skilled people to run the tools and act on the results.”

Analytics teams need a range of specialists, including those with expertise in the technical as well as business implications of data-driven marketing. The best mix includes data wranglers—those who collect, connect and cleanse data sets, as well as statisticians and data modelers.



Over the next year, what increases are you expecting in your investments for data specialists (i.e., for data gathering and cleansing, statistics, analytics, model building)?



MOVING TO MATURITY, STEP 3: ACTIVATING THIRD-PARTY DATA

As mentioned above, the highest-performing marketing organizations in the survey will be increasing their reliance on third-party data to better understand target audiences in order to pinpoint messaging, enhance cross-platform campaigns and aid in a range of other marketing activities. These organizations will strive to use transactional data more effectively, which will also support purchase-based targeting (PBT). "Offline data typically consists of consumer lists generated through promotions and other means, but it becomes significantly more valuable when marketers can tie purchase data to those lists," Kyriakoza says. "Being able to segment people based on what they buy and the frequency of purchases changes the game for data-driven strategies."

Identifying "high-," "medium-" and "low-volume" consumers of a product or service enables teams to tailor campaigns by providing incentives to loyal consumers to keep their buying rates high. At the same time, teams can create ways to encourage "medium" consumers to increase their commitment to the brand and speak effectively to "low" consumers whose offline-data profiles make them good prospects.

Whether it's third-party data, first-party data or a combination of the two, organizations must guard against information overload. "There's so much data, it's easy to get swamped by it," says Caleb Hunt, managing director, Global Branding, at Citigroup. "That's why it's important to step back and think about the wider implications of new data. Often, taking the time to analyze the overall strategic framework we're operating in is more important than the speed with which we act on the data."

“

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JOE KYRIAKOZA,
VP & GM OF AUTOMOTIVE, ORACLE

PLAY THE LONG GAME

The Oracle-Forbes Insights survey shows that brands and agencies have achieved significant gains in data-driven marketing. However, most organizations must continue to push themselves to improve, or they risk seeing competitors forge ahead by increasing sales, attracting new customers, targeting audiences more effectively and leading in a host of other business metrics. Fortunately, best practices used by a select group of industry leaders revealed in the survey, along with insights from successful practitioners, point the way to greater maturity. These include investing in technology innovation, the latest DMPs, analytics experts and third-party data programs.

In a discipline as dynamic as data-driven marketing, modern organizations also face another reality. Success requires the ability to make constant course corrections as new opportunities and challenges arise. “Take a strategic approach to what it will take to be a world-class marketer over the next few years,” says Daniel Slotwiner of Facebook. “Watch how customers are changing and where their preferences are going. Then over-invest in what it takes to succeed, whether that’s people-based marketing, evolving mobile platforms or new processes for developing compelling creative. Aim far ahead of where we are now, because the people who figure it out first will have the biggest competitive advantage.”



DANIEL SLOTWINER
DIRECTOR OF ADVERTISING
RESEARCH, FACEBOOK

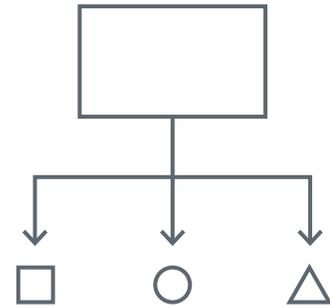
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METHODOLOGY

This report is based on a survey of 200 North American marketing executives conducted in November and December 2016 by Forbes Insights. Of the 200, 50% are chief marketing officers, and the remaining 50% are the heads or VPs of marketing at their organization.

Industries represented include healthcare, technology, retail, manufacturing, financial services, and media and entertainment*. Fifty-eight percent of executives' companies had at least \$500 million in annual revenues.

*Note: Some surveyed sectors have a low base size for statistical analysis.



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ABOUT ORACLE DATA CLOUD



Oracle Data Cloud offers the leading global Data as a Service (DaaS) solution by bringing together the right data, science and technology to help our customers connect more deeply with their customers. We operate the world's largest audience data marketplace with more than \$3T in consumer transaction data, 5B global IDs and 1.5K+ data partners. And we integrate that data with more than 400 media and adtech partners. Oracle Data Cloud is comprised of acquisitions of AddThis, BlueKai, Crosswise and Datalogix.

Company website: <http://www.oracle.com/datacloud>

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Forbes Insights is the strategic research and thought leadership practice of Forbes Media, a global media, branding and technology company whose combined platforms reach nearly 75 million business decision makers worldwide on a monthly basis. By leveraging proprietary databases of senior-level executives in the *Forbes* community, Forbes Insights conducts research on a wide range of topics to position brands as thought leaders and drive stakeholder engagement. Research findings are delivered through a variety of digital, print and live executions, and amplified across *Forbes'* social and media platforms.

FORBES INSIGHTS

Bruce Rogers
CHIEF INSIGHTS OFFICER

Erika Maguire
PROGRAM DIRECTOR

Andrea Nishi
PROJECT MANAGER

EDITORIAL

Kasia Wandycz Moreno DIRECTOR

Hugo S. Moreno DIRECTOR

Alan Joch REPORT AUTHOR

Hesuh Park DESIGNER

RESEARCH

Ross Gagnon DIRECTOR

Kimberly Kurata SENIOR RESEARCH ANALYST

Sara Chin RESEARCH ANALYST

SALES

North America

Brian McLeod EXECUTIVE DIRECTOR
bmcleod@forbes.com

Matthew Muszala MANAGER
mmuszala@forbes.com

William Thompson MANAGER
wthompson@forbes.com

EMEA

Tibor Fuchsel MANAGER
tfuchsel@forbes.com

APAC

Serene Lee EXECUTIVE DIRECTOR