

# SEEING THE FOREST FOR THE TREES:

**Unified Analytics for Modern Marketing**



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# Executive Summary

Increasing complexity is making it more difficult for marketers to get unified performance data and timely actionable insights to optimize campaigns, according to an IDG Connect survey (sponsored by Conversion Logic) of marketing executives at 250 enterprise and mid-market companies.

Due to the growing number of channels marketers use to reach their target audiences, measurement systems and processes are often spread across many disconnected tools, making it difficult to understand performance across and between channels. As a result, **most survey respondents plan to adopt or increase their use of cross-channel attribution measurement systems to obtain consistent metrics and insight to increase media efficiency, identify areas of scale and enhance customer targeting.**

Fifty-four percent of respondents are working with some type of attribution provider today, and 78 percent expect to be working with one within

two years. While these numbers seem to indicate that adoption is significant and growing, when we asked about what methods they use for attribution, the picture became clearer. Only 26 percent use highly accurate statistical modeling/ algorithms while 23 percent rely on last-touch, an outdated and misleading system for calculating performance, in an age where media is spread across a widening number of experiences, platforms and devices.

The survey resulted in a uniquely detailed description of how marketers view attribution technology, the maturity of their measurement processes, and the challenges they face reporting results and identifying areas of improvement. Key learnings from the research include:

- Marketers are using multiple channels to reach customers. Many have tools to understand how each channel performs

## Marketers biggest concerns about attribution

Collecting and analyzing large amounts of data

Whether data collected is accurate

on its own, but when it comes to cross-channel measurement, the majority of respondents cite data collection and centralization as their biggest challenge.

- Collecting and analyzing large amounts of data and whether that information is accurate are marketers' biggest concerns about attribution.
- Main obstacles to mass adoption of attribution are cost justification and lack of appropriate skills on the marketing team.
- Marketers are looking for attribution systems that are easy to implement and use and provide actionable intelligence.

## Main obstacles to mass adoption of attribution

Cost justification

Lack of appropriate skills on the marketing team

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### Executives Expect Quantifiable Results

### Marketing Performance Measurement Challenges

### Desired Characteristics of a Marketing Attribution Platform

### Cross-Channel Marketing Attribution Is Becoming Increasingly Important



*39% of respondents expect to be using an average of six or more channels within two years*

## More Channels, More Challenges



Twenty years ago, the primary options for reaching customers were TV, radio, print, phone and direct mail. The digital world has completely changed the landscape for marketers. **Now companies use email, websites, social media, affiliates, search, display, mobile and an ever increasing number of other channels to communicate. Information is distributed in packages as small as 140 characters or 6-second videos.** It is estimated that 33 billion internet-connected devices will be used worldwide **by 2020, an average of 4.3 devices per person** on the planet, creating limitless opportunities to connect with audiences.

Companies are likely to interact with customers across many of these digital channels, as well as offline channels, before they make a purchase decision, making assigning accurate attribution and reporting it in a useful way far more complicated – and important.

The future will only bring increased marketing complexity. Thirty-nine percent expect to use an average of six or more. The addition of new channels and the varying ways they impact outcomes will make it even more difficult to calculate the contribution of each channel and rationalize or optimize the marketing spend.

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# Executives Expect Quantifiable Results

In the past, marketers often were unable to quantify the exact impact of their programs on the company's success, except perhaps when

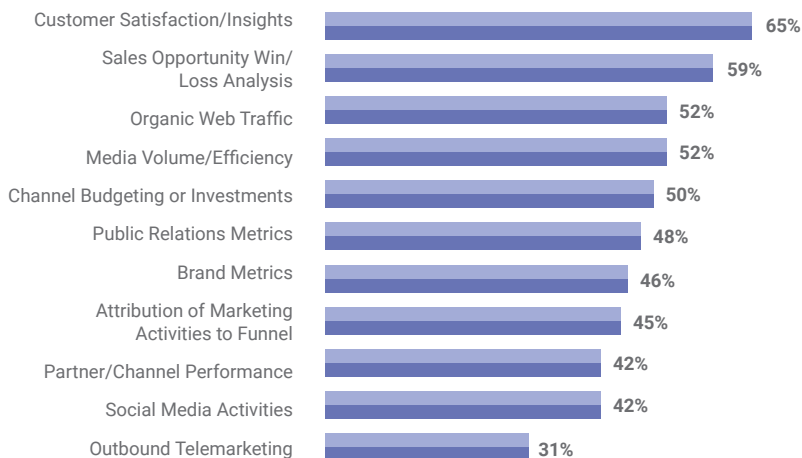
running direct marketing on a single channel and lead generation campaigns. Now marketers are expected to continuously improve and optimize their programs across all channels, know the effects of any one channel on the rest and report results that indicate how each activity is supporting business objectives.

- The way consumers research and buy products has changed. Reporting results on customer experience and electronic word of mouth is a top priority in today's social media world. The survey

found 65 percent of respondents are required to report on customer satisfaction and customer insights.

- Impact on sales is always a top priority for senior management, reflected by 59 percent of respondents indicating that reporting on sales opportunity win/loss analysis is a priority.
- Over half of marketers are being asked to justify their budgets by reporting on such areas as organic web traffic, media volume and efficiency and channel budgeting.

What do you report to the business?



*Most marketers are using six or more categories of tools to collect performance data*

Beyond what marketers may be asked to report to senior management, internally many marketing departments struggle to understand the collective impact of their programs in order to optimize performance and continuously improve results.

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# Marketing Performance Measurement Challenges

Companies report challenges at every stage of the cross-channel attribution process.

The amount of data available today is overwhelming:

- Social media data related to views, likes, shares, comments, post reach, clicks, reach and engagement.
- Mobile data that includes all of the above, plus exact location, platform and much more.
- Website logs and analytics tracking every click and countless factors such as the origin of the visit, country, operating system, browser, most visited pages, time on page, most popular paths, and terms searched.
- Email data such as delivered, opened, clicked, bounced and unsubscribed.
- And offline data collected from TV, radio, print and other marketing activities.

Measuring marketing performance requires integrating data from all of these – and many more – channels.

The myriad ways an audience consumes various channels also means that the data reside in many different collection tools, including advertising management systems, marketing automation tools, free analytics tools like Google Analytics and business intelligence systems. A majority of marketers report using six or more different categories of tools. The data exist in different formats and importing them into a unified marketing analytics tool can be a daunting task requiring integration with many APIs.

## What current tools do you use to measure marketing performance?



*59% of respondents report data collection and centralization is their biggest challenge*



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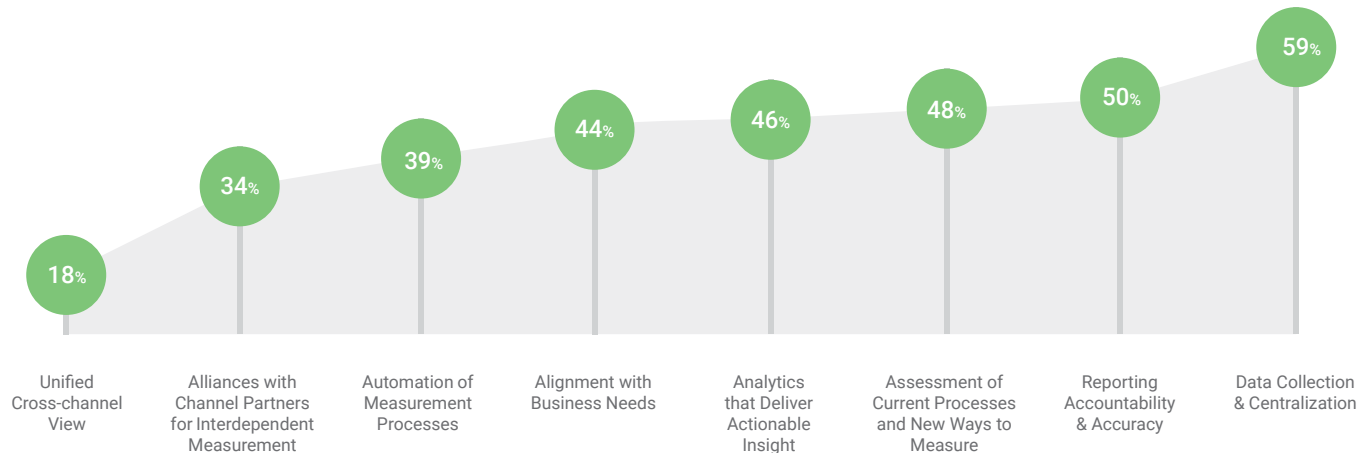
## Seeing the Forest for the Trees: Unified Analytics for Modern Marketing

As a result, the most prevalent issue, cited by 59 percent of respondents, is the data collection and centralization from this large mix of channels and tools.

Given the challenges in just aggregating and centralizing the data, it's not surprising that half of respondents also report issues with the accountability and accuracy of

the reports that are produced. Clearly marketers are not entirely trustful of what's being generated by their current tools. And marketers don't just want data for data's sake; they want insights that can be quickly put to use. But close to half struggle with assessing their current processes and getting those actionable insights.

**These challenges are pervasive. Ninety percent of respondents report struggling with two or more of these areas:**



*43% of respondents state that an ideal measurement solution would include a cross-channel view*

Consequently, although many would like to, most marketers are challenged to effectively measure, report and optimize cross-channel results. A unified cross-channel view can't become a priority (or a challenge) until the bigger issues around data collection and accuracy are addressed.

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# Desired Characteristics of a Marketing Attribution Platform

Faced with this rapidly expanding universe of channels, marketing technologies and data sources, marketers feel overwhelmed. Forty-three percent of respondents say their ideal measurement solution would include a cross-channel view.

The two most important qualities that respondents look for in a marketing attribution solution are ease of use and ease of implementation, both of which are cited by a majority of respondents. Usability is especially important: respondents want a system that is simple and easy to implement and use.

Marketers are starting to recognize the value of attribution technology. Seventy-eight percent expect to be working with a vendor within the next year. The most common factors slowing adoption and expansion are cost justification, cited by 70 percent of respondents, and staff skills, cited by 56 percent. Integration with existing methods is also a significant challenge.

**If an organization is able to overcome challenges like data collection, then the promise of attribution is that it provides 15–30 percent efficiency gains.**

## What are the challenges to expand the use of attribution performance measurement?



*Respondents use terms like “simple”, “easy to use”, and “single view” to describe their ideal system*

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# Cross-Channel Marketing Attribution Is Becoming Increasingly Important

Companies are asking marketers to achieve measurable results with their budgets and to provide deeper insights into the impact of their programs. But the increasingly fractured nature of how companies communicate with customers across more and more channels makes collecting and analyzing data ever more difficult and complex. As customers view multiple

screens and demand a consistent experience, silo-ed approaches will continue to present challenges in accuracy and understanding.

Historically, marketing was viewed as a creative-centric profession, but in the era of data, big and small, marketing teams will need to develop new skills and use tools that enable them to understand and act

on the insights that only properly integrated data can provide. A comprehensive cross-channel view of marketing performance, analyzing how individual channels perform as well as how they affect each other, has the potential to significantly improve efficiency and impact of activity across the organization.



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