Gartner's 2015 research will help you seize the growth opportunities that data-driven marketing offers, whether you're B2C or B2B. Pulling insights out of mountains of data is hard — watching your competitor pull ahead is harder.
Digital technologies are producing mountains of data. Digital marketers know there’s gold in those mountains, but most lack the treasure maps, tools and processes to extract it. The old techniques of market research and data analysis no longer work because the variety, velocity and volume of information have reached unprecedented levels. To cope requires new processes and specialties (as shown in Figure 1). Gartner’s 2015 research will give digital marketers the maps and tools they need to mine the rich opportunities provided by data.

Data and analytics set the standard for effective marketing. You won’t remain competitive if rivals identify better market opportunities, launch products faster, generate more awareness and desire, sell more to each customer, and create more brand advocates — at lower cost. But finding the nuggets buried in vast mountains of data requires new skills, processes, ideas and technologies. None of these assets just appears. Analytical skills are falling short of demand. New technologies that generate data often create information silos that digital marketers struggle to break down.
Business-to-consumer (B2C) and B2B companies generally approach these challenges differently. B2C companies collect data about vast numbers of people, many of whom are anonymous; B2B companies mine deeper data about relatively fewer people and firms, most of whom at least are named. B2C and B2B companies also must use different tactics to get value out of data — for example, B2B companies use lead scoring to prioritize opportunities, and they often integrate analytics into the selling cycle. B2C companies use more econometric research to predict the collective behavior of population segments. As a result, different vendors serve B2C and B2B needs.

Our 2015 research will describe the strategies, technologies and creativity you need to use data to drive digital marketing programs, whether you’re a B2C or B2B company (or both).

**Key Issues**

**Data and Marketing Strategy**

- How can I best use data to inform strategic processes like market evaluation and product development?
- What are best practices for acquiring and distributing data across the ecosystem, internally and externally?
- Which approaches work best to model and analyze audiences, actions and dialogues?

**Marketing Analytics**

- What are best practices and benchmarks for tracking and optimizing campaigns and owned channels?
- What are the most useful techniques and tools to improve marketing analytics?

**Data and Creative Marketing**

- How can I tune into the customer’s voice and perceptions?
- How can data collection be incorporated into experience design?

**Data and Marketing Technology**

- How do we support real-time platforms and marketing dashboards?
- What are best practices for managing customer data security and privacy?

**Data and Marketing Strategy**

*How can I best use data to inform strategic processes like market evaluation and product development?*
What are best practices for acquiring and distributing data across the ecosystem, internally and externally?

Which approaches work best to model and analyze audiences, actions and dialogues?

Data comes from a growing number of diverse sources. For example, every new social network or mobile platform represents one more source of data that digital marketers must consider tapping into. Most internal and external data streams come from siloed technologies, and require extra work to combine into a more-complete picture of the customer. At times, it is even possible to discern signals of intent to purchase from social and behavioral data, adding a powerful new dimension to insights and targeting. Likewise, new sources of postpurchase data will be unlocked through emerging digital business technologies, including wearables and other sensors. New data sources inform new insights and even business models. Analysis requires skills that companies may find hard to procure. More importantly, it requires models and processes that differentiate the company from rivals.

Suppose you go through all those steps and come up with brilliant insights about the market, your customers, your products? How do you get decision makers in your company to use them instead of trusting their instincts, conventional wisdom or what worked in the past? The best data does no good if no one uses it. The best way to overcome cultural barriers to data-driven strategy is to make analytics available to decision makers on their own terms:

■ Do you provide interactive dashboards and visualizations, not just static reports?
■ Are you aware of the newest sources and uses of data for marketing?
■ Can marketers use information and tools to test their own hypotheses without a lot of assistance?
■ Do analysts have the necessary training and expertise?
■ Do the analytics uncover a customer’s propensity to buy a certain product, or react to a particular offer?
■ Do your systems and organization enable designers and managers to act on the information they receive without unnecessary hurdles or process steps?
■ Can you quickly incorporate data into operational systems so the systems can react automatically based on real-time results?

Planned Research

Our 2015 research will focus on how to do data-driven marketing, and what to consider when starting an initiative. We’ll use surveys to keep you up to date about the latest trends (for example, see "How Progressive Companies Manage Data-Driven Marketing"). We’ll offer best practices and strategic road maps based on examples of companies pursuing successful data-driven marketing programs (see "Maturity Model for Data-Driven Marketing"). Our Hype Cycles will help you track the maturity of analytic techniques and technologies so you’ll know when a company like yours should
consider them. In particular, we’ll focus on use of predictive and other forms of advanced analytics in marketing.

Marketing Analytics

What are best practices and benchmarks for tracking and optimizing campaigns and owned channels?

What are the most useful techniques and tools to improve marketing analytics?

Analytics is the link between data and marketing success. Analytics doesn’t merely include analysts or data scientists and the analytic models they build; it also includes analytic processes that form an integral part of marketing processes. In other words, analytics must belong to marketing activities, rather than reside outside of them. From branding through customer acquisition, to loyalty and advocacy, analytics must inform every stage of the customer relationship consistently across touchpoints. By linking metrics to key performance indicators established by the business, analytics arbitrates marketing success and establishes cycles of continuous improvement. By detecting variations from predicted results early on, it’s also the early warning system indicating when changing circumstances warrant a rapid course correction.

Like data, analytics functions tend to be siloed: Web analytics, mobile analytics, social analytics, content analytics. Each domain boasts its own galaxy of vendors. Moreover, many of these domains are still maturing, so any one domain may contain different types of providers that offer different capabilities. For example, you may need one provider to analyze the performance of your mobile app, and another to analyze your mobile website. Customer experience, multichannel marketing and other priorities will increasingly force data-driven marketers to work across disciplines. Thus, integration tools that tie together data from various sources will become more important.

Planned Research

Our 2015 research will advise data-driven marketers on the best ways to incorporate analytics into their business processes. Best Practice documents will describe how leading-edge marketers measure and optimize campaigns, media buys and other activities. We’ll address the various analytics domains (see “Market Guide for Mobile Marketing Analytics”). We’ll show what big data, data science and data integration can do to improve marketing’s impact. We’ll talk about organizing for analytics, such as how to build up your in-house analytics team. We’ll also provide toolkits to help data-driven marketers with some of the challenging tasks of their jobs, such as hiring analytical talent.

Data and Creative Marketing

How can I tune into the customer’s voice and perceptions?

How can data collection and analysis be incorporated into experience design?
Developing great user experiences doesn’t just help your customers; it often gives you better data about your audience and your company’s ability to exploit that audience. For example, if a retailer uses augmented reality to help customers try out clothes or furniture before they buy, the retailer gets detailed information about what people like and don’t like, what their homes looks like, and so on. It can then use insights from aggregated data to generate more-compelling experiences, products and offers. And the cycle repeats.

Many organizations use data for insights into business strategy or media planning, but fewer incorporate it proactively into marketing’s creative design process. In part, this situation stems from historical tendencies to outsource creative development to agencies, without much consideration to sharing internal data with their design teams. Recently, however, the demands of content marketing and social media have led more companies to cultivate internal creative teams, which can benefit from deeper and more-timely access to data, and contribute to its collection through the content assets they design and deploy.

**Planned Research**

Our 2015 research will offer best practices for listening to customers and for analyzing and presenting the information you glean from them. We will describe how leading practitioners use data to create better customer experiences. We’ll put together guides to help you create shortlists of providers that can help you (see "Market Guide for Advanced Marketing Analytics Platforms"). Predicts reports will identify new trends in user experience design and other data-driven activities.

**Data and Marketing Technology**

*How do we support real-time platforms and marketing dashboards?*

*What are best practices for managing customer data security and privacy?*

Rapid advances in data storage and retrieval, and complex-event processing have made near-real-time marketing tactics a reality. It is now routine to use retargeting techniques to flag users who abandon their online shopping carts and send them an email asking, "Did you forget something?" However, assessing the effectiveness of real-time marketing techniques remains difficult, especially as factors like loyalty and customer lifetime value add complexity.

Executing real-time tactics requires tools and services that marketers without much technical expertise can learn to use quickly and easily. They need to be able to automate processes and monitor campaigns as they unfold to respond quickly to changing circumstances. User experience for these tools becomes critical.

Marketers are excited by the power of personalization, but recognize the dangers of appearing excessively familiar, especially when executing large-scale campaigns. To gain trust and permission for one-to-one marketing, digital marketers must:

- Be transparent about what information is collected and how it’s used
- Give customers options about what to share and for what purpose
- Provide incentives to customers to gain permission to personalize their marketing experiences

Both of these things — data-driven services and privacy protection — extend outside the limits of your own organization. After all, you have to protect customer information when it resides in your agencies and partners, too. Choosing the right partners will become even more critical.

**Planned Research**

Our 2015 research will analyze data management platforms — how they’re differentiated by capabilities, such as privacy, compliance, tag management and ad verification. We’ll keep you up to date about providers and technologies in related markets through Magic Quadrants, Cool Vendors and provider guides (see "Magic Quadrant for Digital Marketing Hubs" and "Cool Vendors in Data-Driven Marketing, 2014"). We’ll offer you some best practices for handling privacy and other issues around customer data.

**Related Priorities**

Key Initiatives address significant business opportunities and threats, and typically have defined objectives, substantial financial implications, and high organizational visibility. They are normally implemented by a designated team with clear roles and responsibilities, as well as defined performance objectives.
Table 1. Related Priorities

<table>
<thead>
<tr>
<th>Key Initiative</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multichannel Marketing</td>
<td>Multichannel marketing represents a coordinated program across digital and traditional media to acquire and retain customers, extend the brand, condition the market and engage communities.</td>
</tr>
<tr>
<td>Emerging Marketing Technology and Trends</td>
<td>Emerging marketing trends, such as big data, social media, augmented reality and context-aware computing, create new opportunities to acquire and retain customers, fueling growth and taking market share.</td>
</tr>
<tr>
<td>Marketing Management</td>
<td>New capabilities enable marketers to penetrate customer segments and explore opportunities for growth through modern, digitally inspired strategies — if marketers can overcome the operational and organizational challenges.</td>
</tr>
<tr>
<td>Mobile Marketing</td>
<td>Mobile marketing involves using information about people’s context (location, identity, relationships and intentions) to tailor information and products that will increase customer engagement and sales.</td>
</tr>
<tr>
<td>Digital Commerce</td>
<td>Digital commerce uses the Internet, mobile networks and commerce infrastructure to execute transactions with consumers or businesses, and to support marketing and other activities around these transactions.</td>
</tr>
<tr>
<td>Social Marketing</td>
<td>Social marketing is a strategy that uses social media to listen to and engage customers, and cultivate brand advocates. It can shorten product development cycles, boost innovation and increase conversion rates.</td>
</tr>
</tbody>
</table>

Source: Gartner (December 2014)

Suggested Next Steps

- Incorporate metrics and analytics into the design of any digital campaign rather than add them after the fact. Use analytics to optimize campaigns while they’re in progress, and use the results to improve the design of the next campaign.
- Coordinate projects to improve the user experience and to gather data. Create a virtual circle in which new information about customers fuels better experiences for them, and better user experiences yield more information about customers.
- Take steps to achieve compliance with self-regulatory principles and practices. Get involved with industry groups to influence those principles and practices.

Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

- "Maturity Model for Data-Driven Marketing"
- "Cool Vendors in Data-Driven Marketing, 2014"
"Market Guide for Mobile Marketing Analytics"

"Data-Driven Custom Personalization Can Boost Your Digital Commerce Efforts"

"Overcome the Four Inhibitors of Data-Driven Marketing"

**Agenda Manager Profile**

Martin Kihn specializes in data-driven marketing and advertising technology, focusing on the use of data to improve marketing strategy, customer acquisition and retention. He helps digital marketing leaders develop actionable insights based on the analysis of campaign, site and social information.

Mr. Kihn previously held positions as vice president and director of strategy and analytics at full-service global advertising agencies. He specialized in developing, measuring and optimizing digital and social marketing strategies for clients including General Motors, H&R Block, Delta Air Lines and American Express. Focus areas included website and digital marketing analytics, and the optimization of display and social campaigns. His passion for strategic thinking started as a management consultant at Booz & Co. He wrote the book "House of Lies," which was the basis for a Showtime series of the same name.

**More on This Topic**

This is part of an in-depth collection of research. See the collection:

- Agenda Overviews for Gartner for Marketing Leaders, 2015
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