

# Data Deadlock

How UK and US marketers are using data in 2017, future trends and how that aligns with consumer thinking.



**BlueVenn**

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# Use of marketing data – the state of play

The data tsunami. The data problem. Data overload. The *marketing industry* has many ways of describing the situation currently faced by marketers. However you describe it, one thing is clear; marketers are faced with customer data in quantities never before seen, posing a number of challenges for the industry.

At the same time, *consumers* are becoming increasingly aware of, and concerned by, the wealth of data out there regarding them and their devices, and that this data is being used to target them with products.

This report provides insights into how data is being used in today's marketer-consumer relationship, in both the UK and in the US. Are marketers making full use of the data available to them? Where are they going wrong? What are they struggling with, and how does the data deluge make them feel? Finally, how do consumers feel about the use of their data?





## Summary: The data deadlock

Marketers are feeling quietly confident about their ability to analyze customer data in 2017. However, they also believe this isn't necessarily their role to do, and the amount of time they spend analyzing data manually is leaving them feeling overwhelmed.

Consumers are feeling restless about the personal data collected on them, torn between trading the benefits of giving up data and concerned about what appears as invasive and “creepy” marketing.

There is also the looming deadline of the General Data Protection Regulation (GDPR) to face. These significant changes to data protection laws in 2018 will see all marketers who handle the personal data of European citizens having to take a far closer look at their data collection processes and show appropriate diligence to prove that they are obtaining consent.

Marketers are at a deadlock with their customer data and in order to progress, their role is changing from communicator to data scientist.

# Marketer 2017: Creative or scientist?

Many marketers are claiming to be confident (46%) or very confident (47%) in their abilities to analyze complex data, however the volume of data that they are receiving is overwhelming and therefore data preparation is taking significant time away from their routine tasks as marketers.

Despite this sense of confidence, 64% of marketers believe it is actually their role to simply collect – but not analyze customer data. In fact, just over half (51%) of UK and US marketers feel they spend too much time analyzing data in their day-to-day role, leaving them little time to spend on the more creative aspects of their work.

With this confidence in data analysis established, we would expect that a correlation would appear with consumer satisfaction, and consumers indicating that they are receiving relevant communications. However, nearly 3 in 5 consumers (58%) think they are failing to be targeted effectively, which begs the question: is marketers' confidence translating into efficient marketing campaigns? Clearly not.



As an illustration of this point, in 2017, 57% of UK and US marketers *still* don't use data to form an accurate 360° view of their customers. As the customer journey grows increasingly complex, combining ever more touchpoints and online/offline data sets, this issue is only set to get worse.

Although marketers are developing some analytic skills, the combination of growing data volumes and limited time has left them at a deadlock with their customer data, perfecting neither their data analysis skills nor their marketing feats.



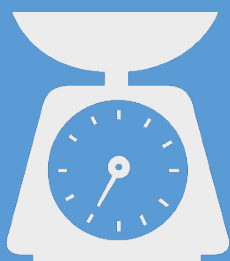
# 90%

of marketers claim to understand the data that their company collects on customers.



# 90%

of marketers agree that without the right skills effective data analysis is impossible.



# 86%

For maximum success, 86% of UK and US marketers believe that they need to collect as much information as they can on their customers.

# Does not compute

While many marketers are feeling confident in their ability to analyze their customers, there are still challenges standing in the way of achieving a full marketing skillset.

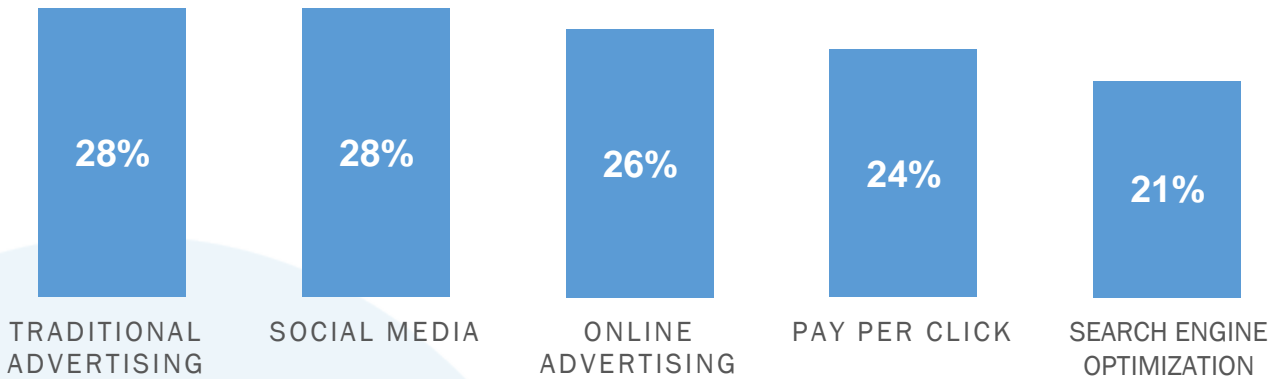
Marketers are expressing difficulty when quantifying certain aspects of marketing to best inform their campaign direction. Practices such as traditional advertising, social media, PR and search engine optimization were listed as the most difficult to quantify. Even with a proliferation of DMP and Adtech tools for “hyper-targeted” ad spend, 26% also claim that Online Advertising is still also difficult to quantify.

As such, despite assertions of their ability to analyze data, it appears that many marketers are still struggling to convert their disciplines into a quantitative form ready for analysis.

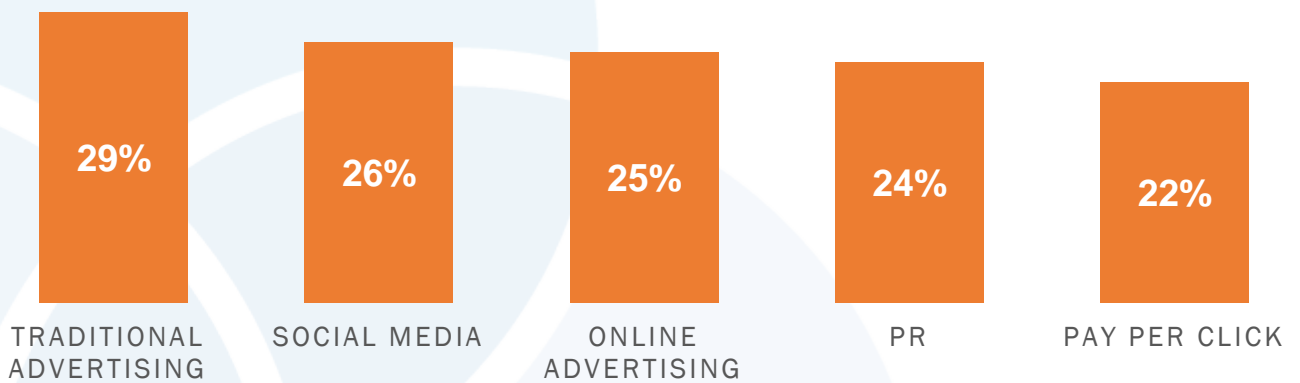


# What marketers find the most difficult aspects to quantify

## US MARKETERS



## UK MARKETERS





# The death of privacy?

Overall, consumers are willing to exchange their data with marketers in return for improved experiences and convenience. Our research shows 61% saying that they would give up some of their privacy if it meant better products and services.

Despite this attitude amongst customers, the upcoming GDPR means that marketers cannot risk taking a lax attitude towards customer data collection and storage. While consumers are clearly happy to trade some degree of personal information, a massive 96% still value their individual privacy online.

In the vast majority of cases marketers respect this fact, with 92% agreeing that, when it comes to data collection, customer privacy is a vital priority for their company. Eighty-one percent also claim that they only collect data which is 'strictly necessary' for their campaigns. Unfortunately, this respect is not translating in the eyes of customers, with 85% saying that they are concerned about the privacy of their data held by marketers. This concern will only be accentuated with the recent law signed into

effect in the US that repeals the FCC's privacy rules enabling ISPs to do anything they like with the data of US citizens – further complicating the job of marketers.

Between the new law in the US and GDPR around the corner – will marketers need to re-evaluate which data they deem as 'necessary' by geography? GDPR will make intrusive or unnecessary data collection increasingly difficult to justify, forcing marketers to re-examine what is really needed and to adapt to the current consumer mind set of prioritized privacy – while in the US, data collection will need to be balanced with consumer distrust and what information is deemed beneficial to a data-driven marketing economy.

With GDPR, marketers will need to receive explicit consent across every single marketing channel from consumers when using their data in campaigns, meaning that more sensitive data will be much harder to access.

**81%**

only collect data which is 'strictly necessary'

**61%**

Consumers would give up some privacy for better products and services

# How can marketers prepare for GDPR?

**May 2018**  
General Data  
Protection  
Regulation

As an initial step, *any marketers* that do business with EU countries need to review their existing consent statements, considering how they are currently being stored and processed within their data repositories. This process should include a full audit of the information provided to ensure that it meets the minimum requirements of the GDPR. Second, marketers need to review their marketing solutions to ensure that they have systems in place to ensure the data they use is compliant with the GDPR. This should also include a full review of contracts with third party data processors, providers and related data sources. Even if customer data is incorrectly collected by a third-party provider, an internal marketing department could still be held responsible for its misuse. Finally, marketers must rethink their approach to data collection, ensuring that they empower customers to opt-in and opt-out at all possible stages. This includes providing full disclosure of how that data is likely to be used in future at the point of capture.

*“Marketers have been attempting to take greater ownership of customer data for years. Unfortunately, the seemingly technical nature of data analysis has often driven it into the hands of the IT department – which cannot always provide the same level of customer insight.*

*Approached with the right mind set, GDPR could allow marketers to take renewed control of their customers’ data, using that information to improve products, services, and ultimately, the customer experience.”*

**Anthony Botibol, Marketing Director, BlueVenn**



# Personalization: customized or creepy?

Marketers aren't embracing personalization as much as they could be, however this may not be a bad thing as our research shows that consumers find it invasive when overused. Currently, 39% of marketers don't use data to achieve full personalization of website and email content; however 72% are using some form of basic personalization.

When it comes to personalized marketing, consumers are faced with a dilemma. On one hand, 4 out of 5 (83%) hate irrelevant advertisements and email marketing. On the other, 70% of consumers say they find personalized advertising 'creepy'. Given this contradiction, marketers need to find the right balance between personalizing the content consumers want, without invading their privacy or sending irrelevant content.

With this in mind, there are certain industries that consumers are open to receiving personalized content from. In our survey, the industry most welcomed by consumers for offering personalized content was grocery retailers, discovering that 57% of consumers welcome personalized deals and advertising from supermarkets. The benefits of such an approach within the grocery sector can already be seen through the rise of customer loyalty cards and shopping 'points' systems.



63%

of consumers find personalized recommendations useful

Who do consumers *not* want to receive personalized content from?



64%

Government and public sector



62%

Telecoms and Internet providers



61%

Media providers

Although these sectors shouldn't shy away from developing their basic personalization, they may need to consider when and where this is appropriate to those that they are targeting.

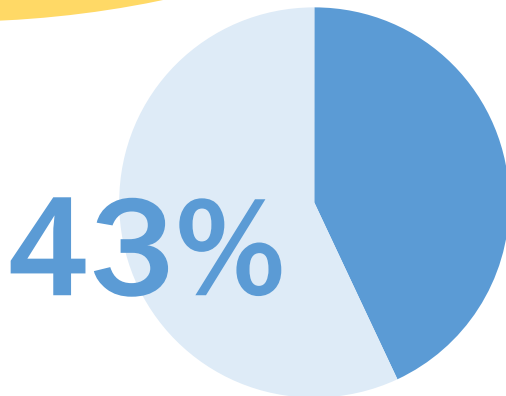
# Totally off-limits

In understanding customer attitudes towards data collection and individual privacy, marketers need to realize that there is some information that is typically seen as off-limits by customers. When dealing with this data, marketers need to proceed with extra caution, ensuring that its collection is never used for frivolous promotional purposes.

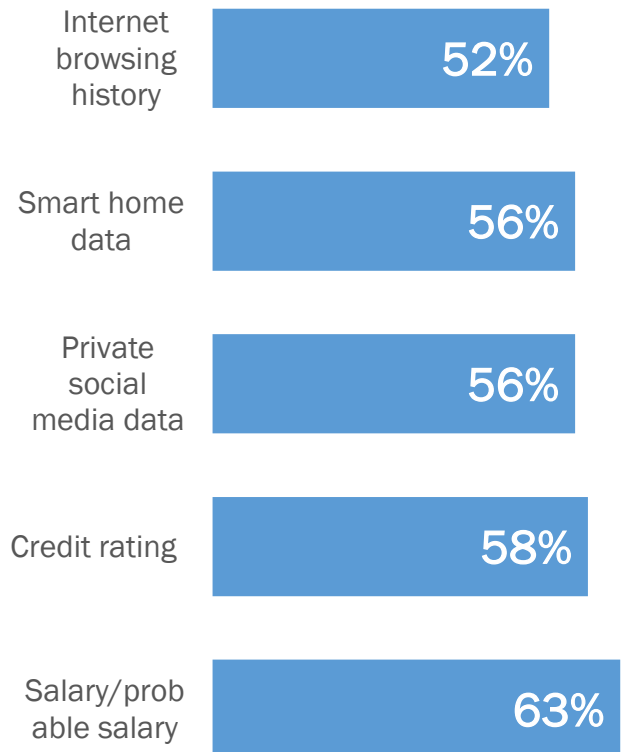


Consumers trust **banks** the most with their private marketing data

UK and US consumers would be most upset to know marketers had the following data:



of UK and US consumers would be happy for marketers to hold a **comprehensive** database, all in one place, if it meant that they were targeted better with offers and deals.



# The right tools for the job

Although marketers are feeling confident about their ability to analyze data, they think that there is room for more technology and bigger investment in data analysis tools to relieve the pressure on them. Marketers have established that they have the abilities to analyze data manually, and confidently – yet many state that, without the right tools, successful customer data analysis is impossible.

However, 62% of UK marketers and 58% of US marketers still think that their company doesn't invest enough in the right platforms and tools to successfully manage and analyze customer data.



## 87%

Agree without the right tools, effective customer data analysis is impossible.



## 70%

of marketers working in companies worth \$625 million or more, believe that there is not enough investment in tools for managing and analyzing data.

In the UK, 58% of marketers use six or more different platforms to analyze and monitor data. In the US, this figure jumps to as many as eight different platforms on average.

While gaining access to the right tools is certainly a good first step to effective customer data analysis, such technologies are still simply a means to an end. Customer data platforms (CDPs) make the cleansing, governance and unification of personal data an intrinsic feature, however marketers still need to ensure that this data is being captured at all relevant touchpoints ready to be fed into the CDP. Without this insight, marketers will end up with data silos, ultimately limiting their ability to build a single customer view.

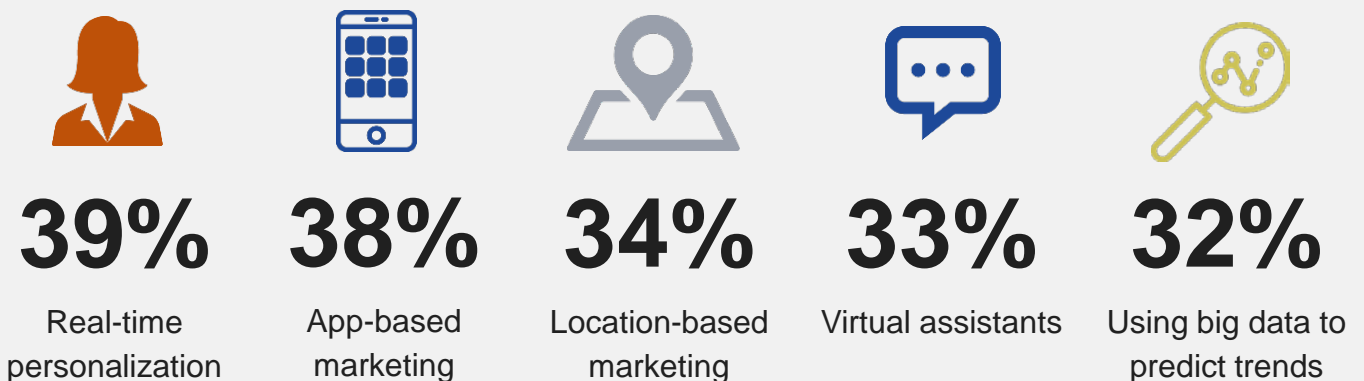
# The next five years

This report highlighted the current landscape of data-driven marketing and the challenges that modern marketers face when attempting to navigate the constant flood of customer data. Looking ahead to the next five years, consumers have a clear vision for what they want to embrace and marketers are looking positively towards new technologies to relieve the pressure of their data deadlock.

**UK marketers** ranked app-based marketing as the number one trend they expect to embrace over the next five years .



**US marketers** are expected to start embracing these trends over the next five years, taking the lead over the UK in implementing artificial intelligence and virtual assistants.





# Data driven experiences

More than ever, consumers are shopping online. Yet, in an unexpected contradiction of the well-documented process of 'showrooming', 64% are using the internet to browse, then going in store to buy.

Does this mean that online experiences are falling short of those in store? Well, consumers are obviously interested in taking their shopping habits online. However, if

they are still making their final decisions in their local store, the current state of the online experience has its flaws, with many marketers still struggling to match online and offline data. UK and US consumers would be most open to the following marketing technologies if they were implemented:



**46%**

Online shops reorganizing products based on your tastes



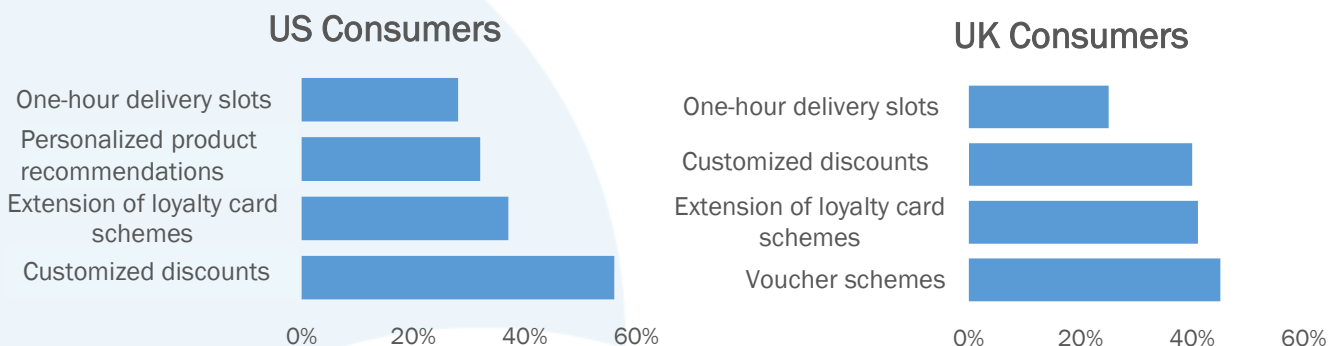
**36%**

Local offers delivered to your phone when passing the store

# Shopping trends consumers would like to see in the next five years

Voucher schemes and rewards for loyalty to a brand came out on top with UK consumers, while US consumers are interested in seeing customized discounts in their online shopping over the next five years. This could imply that consumers will be more open to trading their data *if* it were to benefit them directly with a discounted price.

To get consumers on board, the first step for marketers is to think more about their current personalization approach.



Customers will give up more of their information if they receive some special treatment and a better service. Rather than focusing their efforts on collecting standard customer data such as age and gender, marketers should shift their energy towards collecting data on their values and behaviors in order to facilitate this unique treatment – this is where their marketing vision must lie if they are seeking truly better customer experiences.

# 2017 data collection by marketers

In 2017, and beyond, marketers need to consider why they're collecting data and where they are putting it to use. They must hear the concerns of consumers, while also developing their personalized campaigns in a considerate and targeted way. For those companies dealing with EU countries, GDPR is set to shake up data collection in 2018. Marketers can begin preparing now so that they can drive their campaigns through unscathed by the new regulation. If anything, GDPR may even encourage a renewed focus on effective data collection, helping marketers to take greater ownership and ensure a more accurate, and cleaner, customer data set.



**76%**  
Age



**70%**  
Gender



**75%**  
Location



**53%**  
Transactions



**45%**  
Behaviors



**33%**  
Attitudes

Technology continues to play an important part in data management, and only when organizations embrace and invest in their tools, will marketers feel the weight and pressure of data lift from their shoulders. While they can still own the data space in their company, they can use technology to make the job of analyzing and segmenting data more manageable, freeing up their time to work harder on the creative aspects of their role.

The statistics contained in this report are based on an original survey commissioned of 2,116 UK and US consumers as well as 602 B2C marketers (300 UK and 302 US).

The research was commissioned by marketing technology company BlueVenn, and was carried out by independent research house Censuswide in February 2017.

**BlueVenn** builds customer data platforms for marketers to undertake customer and predictive analytics and execute omnichannel customer journeys. The BlueVenn software blends online and offline customer data into a 360 degree view, serving up usable customer insight to improve results at every step of the customer journey.

With a 25-year history supplying marketing software solutions, our goal is to help everyday marketers develop a deeper understanding of their customers to deliver relevant, targeted experiences.



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