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Business Intelligence

Global Review of Data-Driven Marketing and Advertising

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Abstract

This article provides the executive summary and high-level findings from 'The Global Review of Data-Driven Marketing and Advertising', published by GlobalDMA and Winterberry Group in November 2014. The research examines and benchmarks data-driven marketing and advertising priorities and investments across 17 global markets: Argentina, Australia, Belgium, Brazil, France, Germany, Hungary, India, Ireland, Italy, the Netherlands, New Zealand, Singapore, South Africa, Sweden, the United Kingdom and the United States.

Journal of Direct, Data and Digital Marketing Practice (2015) **16**,
181–183. doi:10.1057/dddmp.2015.7

Keywords: data-driven marketing,
marketing budget, digital marketing

Data matters — everywhere

Overview

Around the globe, across virtually all vertical markets and business functions, one marketing truth has emerged as universally clear: data matters. At its most basic, it is an enabler of insight into customers and prospects, and a tool for targeting messages, offers and content that drive response. But it is much more than that — data represents a means of learning about changing markets, of bridging that perilous gap between 'traditional' and 'digital' in the media mix, of evolving towards a 'customer-centric' approach to doing business that backs up promise with action.

Nurturing the data asset

Indeed, customer data is a precious asset, representing a relationship (or potential relationship) that must be both nurtured and safeguarded if it is to flourish over time. The practice of data-driven marketing and advertising (DDMA), then, is a means of putting that asset to work: leveraging a wide range of delivery channels, as well as creative content that is appropriate to each, in order to establish and grow relationships that benefit marketer and consumer alike.

Global consensus on key issues

Across each of 17 different global markets, our panel of data-driven marketers, technologists and service providers echoed these themes with overwhelming resonance. Though they come from different countries (working across various vertical markets, and representing disparate constituencies of the marketing economy), they were loud and clear in their consensus on a number of key issues:

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- Data matters: More than 80 per cent of worldwide panelists said that data is affirmatively important to the deployment of their advertising and

Growing importance of data to marketing
High rating in all markets

marketing efforts, with a whopping 92.2 per cent of panelists adding that data is growing more important in this respect.

- Borders matter less: Across 17 markets, panelists were resoundingly consistent in their embrace of data as a core pillar of advertising and marketing. When asked to assess the current role of data in their promotional efforts on a 1–5 scale (with 5 indicating that data plays a ‘critical’ role), for example, no individual market indexed at more than 4.73 (Sweden) or less than 4.08 (Italy). The spread between markets was smaller — but no less enthusiastic — when panelists were asked to weigh in on whether data is growing more important to their efforts; response in that respect indexed from a whopping 4.85 (Hungary) to an almost as whopping 4.43 (Argentina).

High confidence in DDMA

- It is a bull market: More than three quarters (77.4 per cent) of global respondents said they are confident in the practice of DDMA and its prospects for future growth. Across individual markets, confidence is relatively consistent, though emerging-economy panelists reported a higher degree of optimism than their peers in larger and more mature markets. On an index basis, India (4.48), Brazil (4.39) and South Africa (4.36) led the pack in terms of confidence (with panelists asked to rate their sentiment on a 1–5 scale, with 5 indicating ‘extreme confidence’ in DDMA).

Budgets are rising

- Marketing budgets are on the rise: Globally, 63.2 per cent of panelists reported that their spending on DDMA grew over the last year, with another 10 per cent (73.5 per cent in total) expecting that budgets will rise yet again over the next year.

Data is native to digital

- Data is digital. And digital is data: The five promotional channels that captured the newest new or most expanded budget over the last year — including website/e-commerce content, social media, mobile, paid search and online display advertising — are all native to the digital world. (This should perhaps not be surprising, given that digital channels also posted the most substantial performance improvements over the past year when benchmarked against previous returns, with mobile, paid search and website/e-commerce content delivering the greatest performance improvements on a global basis.) Looking towards the coming year, digital channels are expected to lead the pack once again, with the mobile and social channels expected to outpace all other vehicles in their command of new expenditures.

Challenges remain

- Managing information requires a focus on ... everything: The parallel challenges of navigating more (and more complex) data, media channels, customer requirements and performance expectations mean that marketers, technologists and services providers are working to intensify their efforts across virtually all functional components of the DDMA practice. Digital execution, data management, audience analytics, automation technology and creative development all emerged as top priorities for DDMAers.

Driven by customer-centricity

- It is all about customers: A majority of global panelists (52.7 per cent) said that ‘a demand to deliver more relevant communications/be more “customer-centric”’ is among the most important factors driving their

Regulation not seen as a burden

investment in DDMA, outpacing all other relevant factors. Panelists were less united in their sentiment about the impact of potential investment obstacles, although one ('limited availability of necessary budget') was cited as a meaningful factor by 47.1 per cent of panelists.

- What regulation? On a global basis, panelists said that government regulation is not playing a substantially burdensome role in their everyday DDMA initiatives, perhaps underscoring the likelihood that, where it exists, marketers have learned to adapt to guidelines on the use of data and adherence to consumer preferences. On a global basis, less than a quarter of panelists (24.8 per cent) said that regulation is affirmatively limiting their DDMA efforts, indexing that concern at 2.94 on a 1–5 scale (with 5 indicating regulation 'substantially limits' their efforts). The most heavily impacted markets include those such as Germany (indexed at a 3.50) and France (3.29) that are subject to the European Union's Data Protection Directive, while practitioners in the United States (2.61) and New Zealand (2.69) have been less affected by regulatory oversight.
- More money, more people, more know-how: Though panelists had varying opinions when asked what resources would serve to improve their performance, a significant number said that expanded budgets (43.4 per cent), deeper pools of experienced talent (42.1 per cent) and improved organizational structures (33.0 per cent) would most substantially advance their efforts to leverage data in support of marketing and advertising.

More resources required

(To read the entire report, including an appendix featuring survey data and analysis for each of the 17 included markets, please visit www.globaldma.com)