



**LONDON
RESEARCH**



Data trends redefine leading brands

Artificial intelligence, customer journeys, and paid analytics

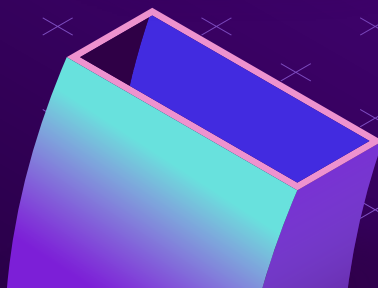
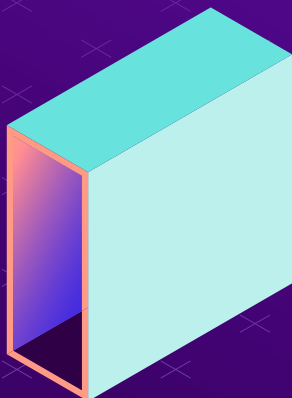


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Executive summary

Companies that put data at the centre of their business gain better insights and deliver more effective marketing. Data centricity at an organisational level is the priority for larger companies, mindful of the opportunities afforded by more scientific commercial decision-making and data-driven marketing. A focus on data alone in the context of customer analytics is not enough, however. Companies require insights from their data to deliver first-class customer experiences that give them a competitive advantage.

Our global survey of more than 1,000 business respondents shows that companies are rightly focused on activities powered by actionable insights as opposed to focusing on data for its own sake. More effective segmentation and targeting (65%), and better marketing attribution (52%), are the top data-related priorities for marketers, while 'technologists' (including analysts, ecommerce, and IT professionals) are primarily focused on making their organisations more data-centric (50%).

CMOs drive omnichannel customer intelligence. With customer analytics so vital for delivering relevant and engaging experiences in both digital and offline environments, marketers are important stakeholders in the data and analytics capabilities that increasingly define brands' ability to meet consumer expectations. The research shows that CMOs have ultimate responsibility for customer analytics strategy at 51% of organisations surveyed, down from 57% in 2018. The chief data officer is gaining ground, with 13% of respondents saying that the responsibility ultimately resides with this role, up from only 8% in 2018.



The CMO needs to work closely with chief digital officers, CIOs, and other business leaders to make sure that marketers and customer-facing staff have the insights they need to impact experiences positively. There is work to be done. Only around a third (36%) of respondents believe that data and analytics have been democratised within their organisations.

Companies are less reliant on free analytics as they reap benefits of paid solutions. Companies using paid analytics exclusively outnumber those using only free solutions. More than a third of larger companies (37%) use a paid solution exclusively, more than twice as many as a year ago when the figure was 18%.

Paid analytics technology continues to be a key enabler for businesses. With customers in both a B2B and B2C context increasingly demanding personalised digital experiences, businesses require best-of-breed software to power them. Better at extracting more actionable customer insights, paid analytics solutions excel at helping automate analytics-related tasks, joining up data from internal and external sources, as well as surfacing return on marketing investment drivers.

Companies using paid analytics exclusively are significantly more likely than those using only free software to have democratised data within their organisations, to have centralised customer data, and to have a complete view of all customer interactions with their brand. The largest gap between paid and free analytics users is the ability to map business challenges end-to-end to their analytics technology (40% vs. 23%).

Customer journey analytics rely on real-time integrated data. Great customer experiences depend on understanding and catering for customer needs in the here and now. Marketers need to understand how they can impact different moments on the customer journey, and prioritise actions and opportunities to deliver value.

The continued focus on customer journey optimisation to enhance experiences and harness data for commercial gain is evident in our research. Customer journey analytics emerges as the most important digital analytics capability, outranking the next most cited feature, data visualisation, by a significant margin (25% vs. 15%).

The ability to impact customer journeys that straddle both digital and offline channels can be limited. Only a third of organisations (35%) agree that their digital analytics platforms allow them to aggregate and ingest online and offline data. A lack of omnichannel customer journey data is seen as the most significant analytics limitation for larger companies reliant on free tools.

Paid solutions help companies harness AI for more insights-driven marketing. For larger organisations, the most exciting analytics-related opportunity is better personalisation at scale, cited by 20% of respondents. Such is the potential of AI for improved analytics, that technologists see limited capabilities in this area as the biggest downside of free analytics. Despite recognition of AI's potential, its use for generating insights and delivering more personalised experiences is still in its infancy. Those with paid analytics tools are twice as likely as their peers using only free tools to be deploying AI to generate insights, and four times as likely to be identifying and dynamically creating segments for more targeted marketing.



Methodology

This report is based on a global survey of 1,037 business professionals, mainly marketers, analysts, and IT professionals. Research participants completed an online questionnaire in May and June 2019. The survey was publicised through relevant LinkedIn groups and emails sent out by London Research, its sister company Digital Doughnut, and Adobe.

More than half of survey respondents (54%) work 'client-side', i.e. in-house for companies, while 46% classify themselves as 'supply-side', working for an agency, consultancy, or technology company. More than half of respondents were senior management level or above.

More than half of respondents work in the marketing function (57%). The next best represented function is IT/tech (11%), while 9% work in analytics or data science departments. Some sections of this report include a breakdown of survey results for marketers and 'technologists'. For the purposes of this study, technologists include those working in either the analytics, data science, IT, or ecommerce functions. Marketers include those working in advertising and marketing roles.

Around half of those taking part in the survey are based in Europe (49%), 22% are in the Asia Pacific (APAC) region and 20% are in North America. More detailed information about the profile of survey respondents is included in the first appendix of this report.

Where year-on-year comparisons are included in the charts, we have used 2018 data from the Customer Analytics: The 20 Attributes that Lead to Business Success¹ report, also produced by London Research in partnership with Adobe. For charts comparing results by size of company ('larger' and 'smaller' organisations), we have used a threshold of \$50 million in US dollars in annual revenues to classify larger companies.

¹ <https://www.adobe.com/offer/20-attributes-that-lead-to-business-success.html>



About London Research

London Research, set up by former Econsultancy research director Linus Gregoriadis, is focused on producing research-based content for B2B audiences. The company is based in London, but its approach and outlook are very much international.

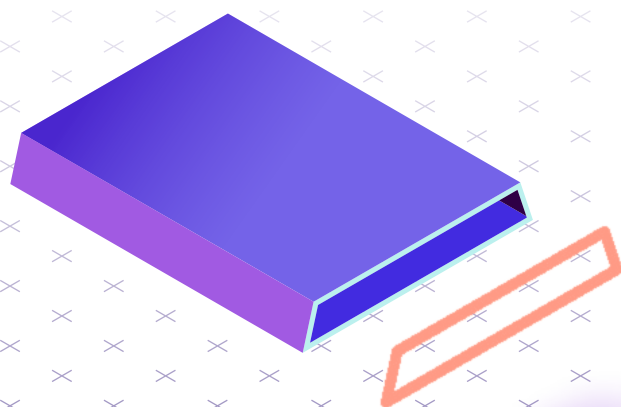
London Research works predominantly with marketing technology vendors and agencies seeking to tell a compelling story based on robust research and insightful data points. As part of Communitize Ltd, the company works closely with its sister companies Digital Doughnut (a global community of more than 1.5 million marketers) and Demand Exchange (a lead generation platform), both to syndicate research and generate high-quality leads.

For more information, visit <https://londonresearch.com>.

About Adobe Analytics

Customer experience is driving the next wave of competitive advantage. To deliver standout experiences, you need clear, fast, and actionable insights. This means moving beyond simple data collection and web analytics to true customer intelligence. With Adobe Analytics, driven by AI and machine learning, anyone in the enterprise can understand and improve how customers interact with their brand across all channels simply, instantaneously, and at massive scale. Customers using Adobe's industry-leading analytics solution yield an average 224% ROI and 14% increase in conversion rates.

For more information, please visit <https://www.adobe.com/uk/analytics/adobe-analytics.html>.





Quest to be more data-centric and insights-driven

Making their organisations more data-centric is the top-ranking data-related priority for respondents at larger companies.

Commercial success depends on good decision-making, whether you're a techstart-up bootstrapping your way to success or a global business with thousands of employees and millions of customers.

Companies such as Amazon, Apple, Facebook, and Google have built their brands on effective use of data to generate insights, drive decision-making, and provide stellar customer experiences at scale.

When respondents to our global business survey were asked to name their data-related priorities for the year ahead, data centrality (59%) emerged as the main area of focus for larger organisations, defined as those with annual revenues of at least \$50m (Figure 1).

The need to be data-centric is particularly recognised among the 'technologist' business respondents (Figure 2), defined as those working in analytics, data science, ecommerce or IT functions, rather than in marketing or advertising. These research participants rank data centrality as their top priority (50%), and they are also more likely than their marketing colleagues to include data hygiene (29% vs. 16%), data privacy (16% vs. 11%), and cybersecurity (19% vs. 6%) among their top priorities for the year ahead.

While the quest to be data-centric at an organisational level is still a top-three priority for almost half of marketers (47%), this group of respondents collectively regard more effective segmentation and targeting (65% vs. 42%), and better attribution (52% vs. 36%) as higher priorities. Marketers recognise the importance of data centrality, but they are more switched on to the tangible benefits of data-driven insights in the form of more relevant and personalised customer experiences (through better targeting), and a greater understanding of which channels are truly delivering.

Marketers are also more focused on the ability to access real-time customer intelligence (41% vs. 32% for technologists). This is increasingly the lifeblood of organisations wishing to succeed in a customer-centric world, and a priceless asset for marketers seeking to champion the customer.

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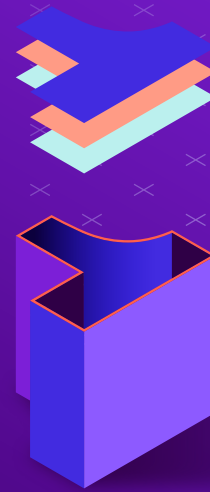


Figure 1: Top data-related priorities for the next year (larger vs. smaller organisations)

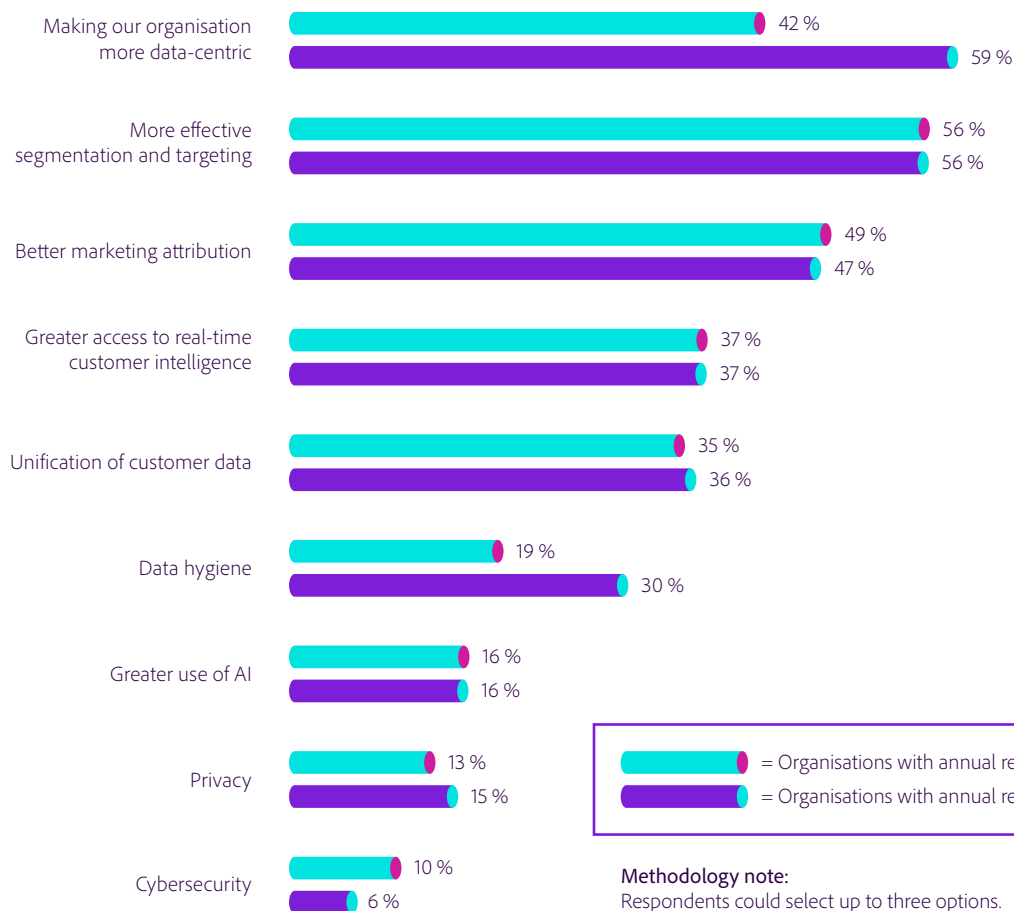
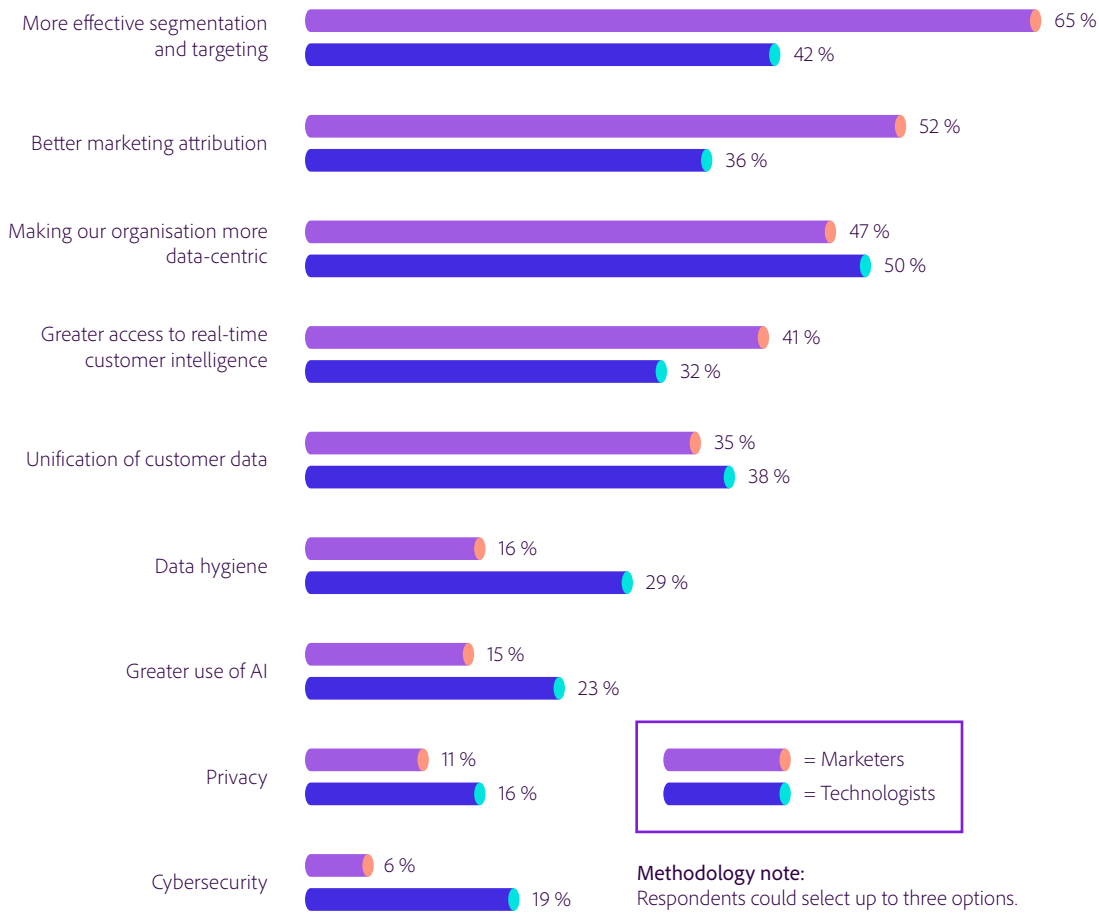


Figure 2: Top data-related priorities for the next year (marketers vs. technologists)



So how is this evidently widespread desire to be more rooted in data going for businesses? The research shows some notable regional differences. APAC respondents are most likely to regard themselves as data-centric, with two-thirds (66%) of respondents in this region agreeing that this is the case, compared to 47% in Europe and 49% in North America (see appendix, Figure 25). At an overall level, more than half of larger companies (55%) agree that their organisation is data-centric, defined as those who are 'organised around data with data science at the core' (see appendix, Figure 26). For smaller organisations, the equivalent figure is 48%, suggesting that organisations typically seek to become more data-conscious the larger they grow.

Half of companies describe their customer analytics capabilities as 'developing', which at least shows that progress is being made. The onus is on marketers to help take their organisations to the next level with a more integrated approach to customer intelligence.

Learning from direct-to-consumer

US-based retailer Rent the Runway, valued at \$1bn in April 2019, is a great example of a brand that has built its business around data, turning its strength at using insights for a competitive advantage. The direct-to-consumer (D2C) business, which made its name allowing consumers to rent designer dresses and accessories, uses data to drive all its operations, from personalisation of recommendations to highly efficient dry cleaning and shipping of products.

The success of D2C brands such as Rent the Runway, Dollar Shave Club, and Allbirds is a reminder to companies large and small alike that an obsessive focus on data-driven marketing and customer analytics is often instrumental to success.

Figure 3 shows the level of customer analytics maturity, compared with 2018. Disappointingly, there has been a lack of progress in terms of the proportion of companies describing themselves as 'established' or 'advanced' (19%, compared to 22% last year), defined as having digital analytics that are integral to delivering personalised customer experiences, and – for the most sophisticated end of the spectrum – customer insights that systematically lead to automated marketing actions.

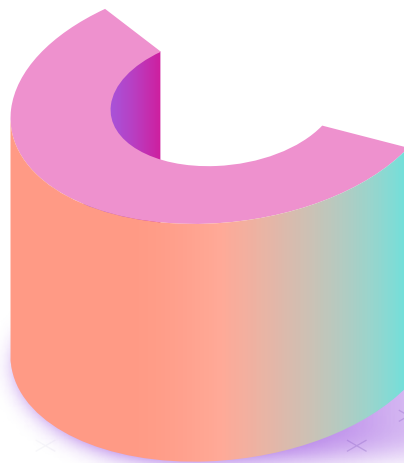
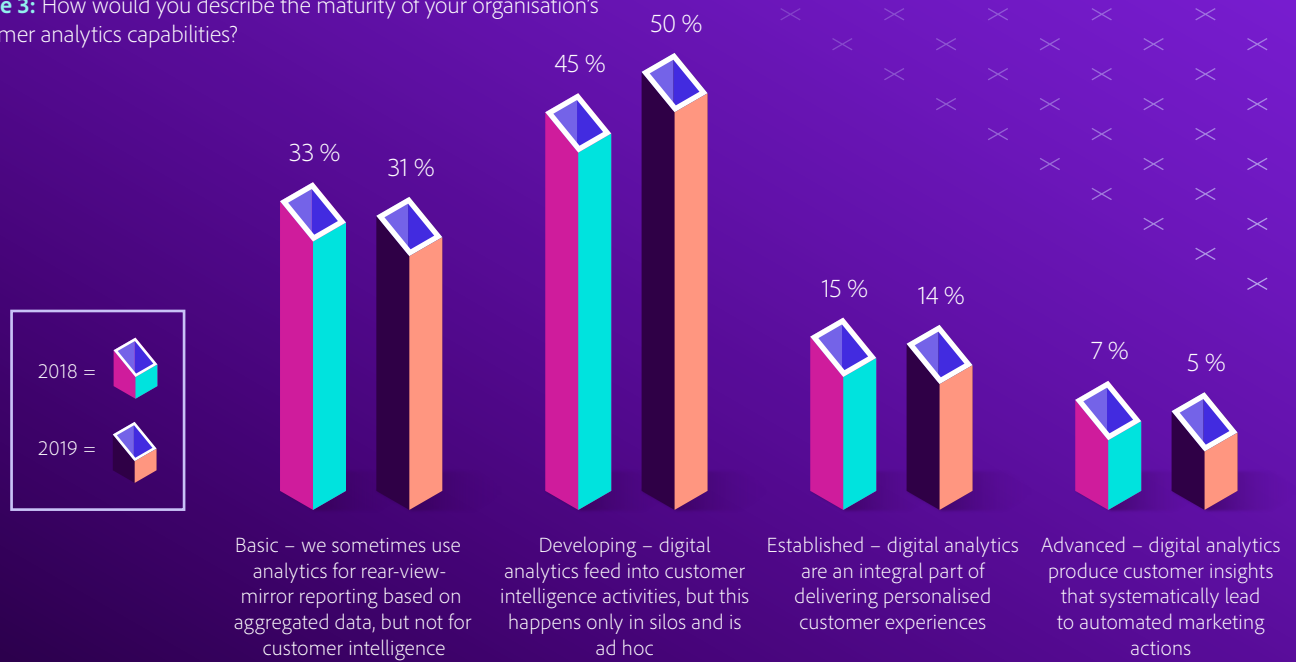
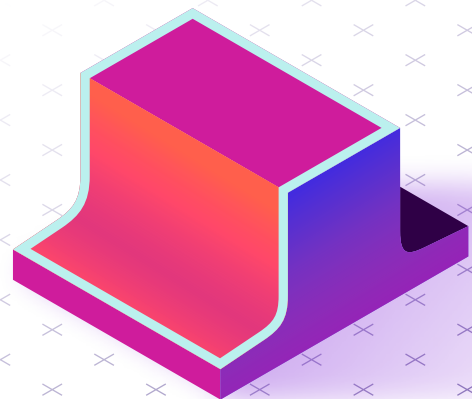


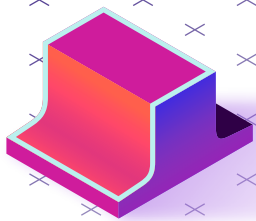
Figure 3: How would you describe the maturity of your organisation's customer analytics capabilities?



More encouragingly, fewer organisations than last year describe their organisations as 'basic', defined as only 'sometimes using analytics for rear-view-mirror reporting based on aggregated data, but not for customer intelligence' (31%, compared to 33% in 2018). Half of companies describe their customer analytics capabilities as 'developing', which at least shows that progress is being made. As we shall explore in this report, the onus is on marketers to help take their organisations to the next level with a more integrated approach to customer intelligence.

More effective segmentation and targeting, and better marketing attribution are the top priorities for marketers. Technologists are more likely to prioritise data centricity at an organisational level.





Data-driven CMOs drive omnichannel customer intelligence

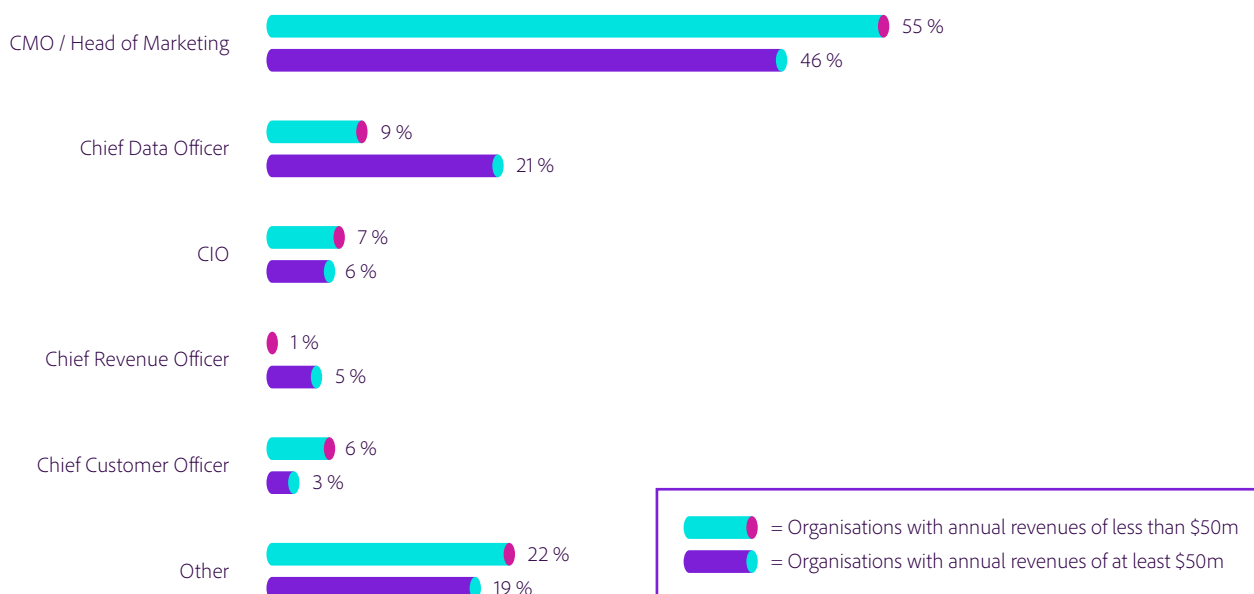
CMOs have ultimate responsibility for customer analytics strategy at 51% of organisations surveyed.

Experiences are built on interactions, and interactions are built on data. With customer analytics so fundamental to the overall experience, marketers seeking to steer the brand's relationship with the customer need to take more ownership of the data that underpins this. In the experience era, companies require experience-related data to power real-time personalised experiences. We are rapidly moving past the era of digital analytics in a silo, towards a world of unified customer intelligence.

Nike is a great example of a brand that has successfully used its customer data to change its marketing strategy. More than a decade ago the company decided to segment its audience by sports played, rather than by location, as part of its 'category offense' strategy². The move was driven by insights that suggested that people who were keen runners, for example, had more in common with other runners than those in their own country with different interests.

² <https://news.nike.com/news/nike-consumer-direct-offense>

Figure 4: Ultimate responsibility for customer analytics strategy (larger vs. smaller organisations)



As a result of changing its marketing strategy and becoming an organisation where data is more effectively utilised in key decision-making, Nike's sales and share price have rocketed, helped more recently by a data-fuelled campaign to focus on 12 key cities across ten countries. At the start of 2018 Nike promoted Dirk-Jan van Hameren to CMO, tasked with driving deeper consumer relationships. According to our research, the CMO or head of marketing is most likely to have ultimate C-suite responsibility for an organisation's customer analytics strategy (Figure 4).

Chief data officers hold sway at around a fifth (21%) of larger organisations, but even at \$50m+ companies the CMO is more than twice as likely to have final responsibility (46% vs. 21%). Even when looking from the

Only around a third (35%) of marketers surveyed believe that data and analytics have been democratised within their organisations, compared to almost half (47%) of technologists who say this is the case.

perspective of technologists (see appendix, Figure 27), the CMO is regarded as most likely to have ownership of customer analytics, ahead of chief data officers and CIOs. However, it is likely that the chief data officer will continue to become a more visible presence within many organisations – the proportion of respondents saying that this is the C-suite executive with ultimate responsibility has jumped from 8% last year to 13% in 2019 (see appendix, Figure 28). Irrespective of who is

ultimately responsible for customer analytics, CMOs must work with other stakeholders such as chief data officers and CIOs to ensure that marketers and customer-facing employees are getting the insights from data that they need.



In recent years, the democratisation of data and analytics has been an important trend, empowering marketing and other functions outside analytics and data science departments to harness insights for better customer experiences and improved commercial performance.

Democratisation of data and analytics

The importance of data-driven insights for improving customer experience in both a digital and physical environment should not be underestimated. According to research by McKinsey & Company³, 44% of CMOs say that frontline employees will rely on insights from advanced analytics to provide a personalised experience. In retail, for example, this might mean customer-facing employees accessing AI-powered customer insights via their own personal devices when they are in conversation with shoppers.

³ <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-future-of-personalization-and-how-to-get-ready-for-it>

Figure 5: Proportion of respondents agreeing with statements related to customer analytics capabilities (marketers vs. technologists)

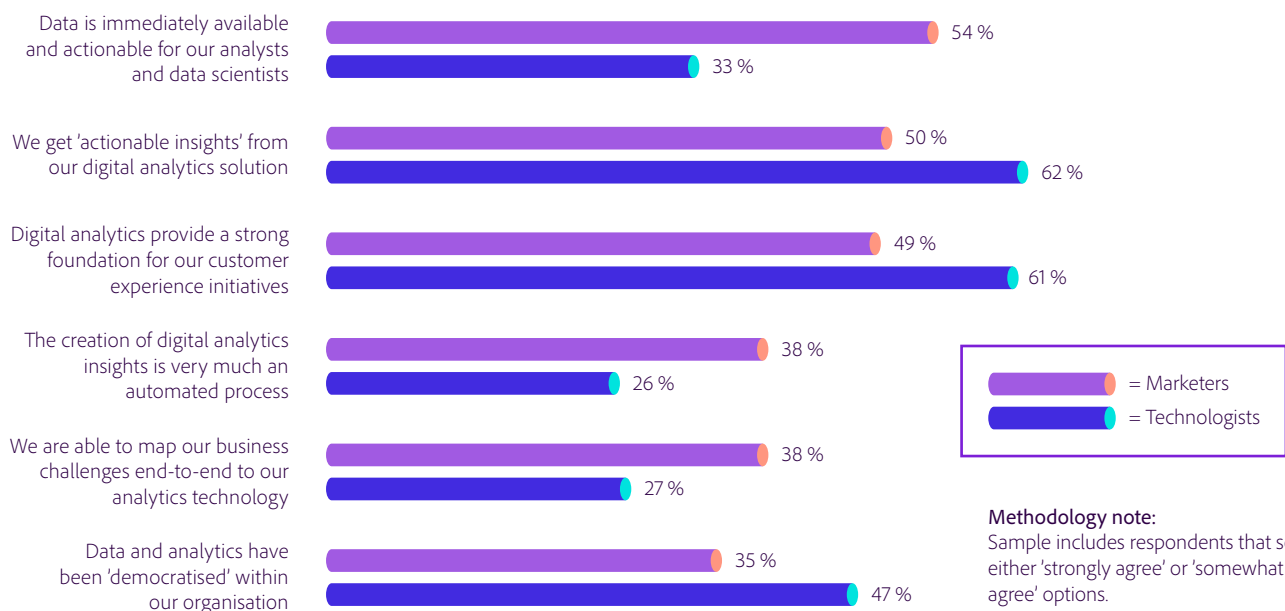
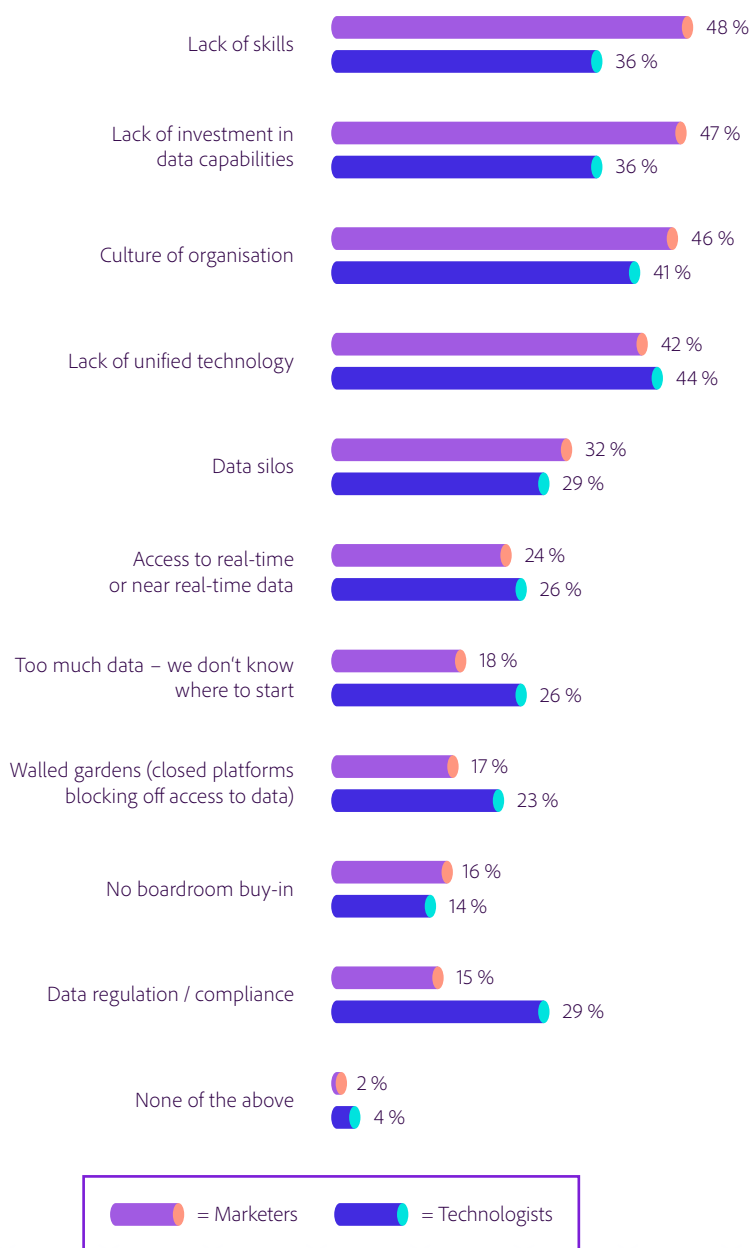


Figure 6: Most significant challenges preventing organisations from harnessing customer data for better engagement and experiences (marketers vs. technologists)



Technologists regard lack of unified technology (44%) as the most significant challenge preventing organisations from harnessing customer data for better engagement and experiences.

According to our own research, only around a third (35%) of marketers surveyed believe that data and analytics have been democratised within their organisations, compared to almost half (47%) of technologists who say this is the case (Figure 5). It appears that those in more technical roles may in some cases be unaware of the frustrations that marketers are experiencing when trying to access analytics. Marketers are also significantly less likely than technologists to agree that they get actionable insights from their digital analytics solution (50% vs. 62%), or that digital analytics provide a strong foundation for their customer experience initiatives (49% vs. 61%).

Figure 6 shows the challenges facing companies as they seek to harness customer data for better engagement and experiences, again from the perspective of both marketers and technologists. While marketers are most likely to highlight lack of skills, lack of investment, and the culture of the organisation as significant challenges, technologists are most likely to flag up the disjointed nature of technology (44%).

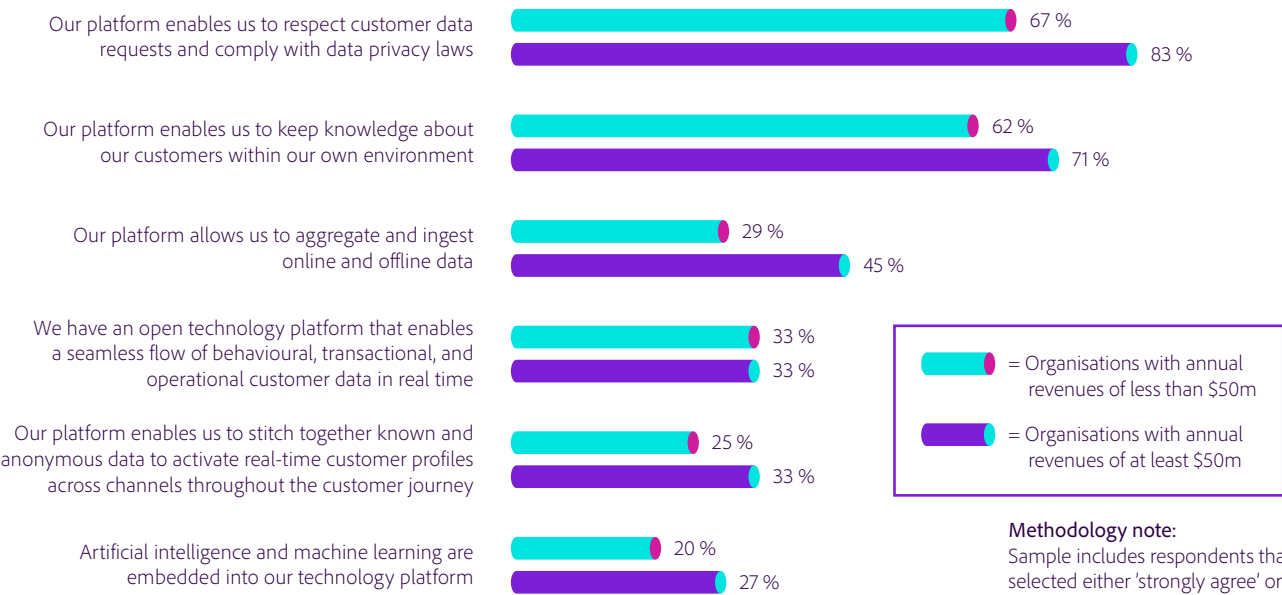




A unified technology platform for marketing and customer experience activities is essential for success. Figure 7 shows the extent to which survey respondents agree with statements specifically relating to their technology stack. Companies (both large and small) are generally in agreement that their platform enables them to respect customer data requests and comply with data privacy laws, and that their platform enables them to keep knowledge about customers within their own environment.

But they are more likely to disagree than agree that they have an open technology platform that enables seamless flow of behavioural, transactional, and operational customer data, a capability which is essential for powering effective real-time marketing. Companies are also more likely to disagree that they have the ability to stitch together known and anonymous data to activate real-time customer profiles across channels throughout the customer journey, another important capability for building a 360-degree view of a prospect or customer, and for bridging the gap between adtech and martech. Companies that can aggregate and ingest online and offline data are also in the minority, as are those who say that artificial intelligence (AI) and machine learning (ML) are embedded in their tech platform. These themes are explored in more detail later in the report.

Figure 7: Proportion of company respondents agreeing with statements relating to overall data capabilities (larger vs. smaller organisations)





Companies turn to paid analytics for enhanced capabilities

Analytics tools have played an important role in the digital revolution, helping tens of millions of businesses, both large and small. Much has changed since the most high-profile of these services – Google Analytics – went live back in 2005, however.

While free analytics applications have allowed companies to grasp low-hanging fruit when seeking to understand what is happening on their digital properties, the game has changed markedly over the last decade and a half. Marketers increasingly need insights on the 'why' and not just data that reports on the 'what'. With customers in both a B2B and B2C context increasingly demanding personalised digital experiences, businesses require best-of-breed technology to provide the insights that power them.

The introduction of the EU General Data Protection Regulation in 2018, and spread of privacy consciousness more generally, has thrust the issue of data control into the spotlight. The onus is on businesses to tighten up how information flows within their own organisations, and out to cloud-based services where control of data may be lost.

The business case for paid analytics

The business case for investment in paid analytics solutions to fuel customer understanding and engagement has become more compelling. Over the last few years many organisations have used free tools and paid software in combination, to provide backup and validation of data, or simply out of habit. This approach appears to be changing, a trend accelerated by concerns within organisations about how their data is being used by third-party companies including large digital platforms such as Facebook, LinkedIn, and Google. As shown in Figure 8, the proportion of companies that depend solely on paid analytics software to meet their digital analytics needs has risen by seven percentage points, from 15% to 22%, over the past year. Companies using paid analytics exclusively now outnumber those using only free solutions (21%).

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The dual approach remains the most common way of doing things, though the popularity of this model has fallen significantly since 2018 (from 54% to 43%). Businesses increasingly see the running of a secondary, free application as unnecessary or even detrimental.

The tendency towards paid solutions is particularly prevalent among larger organisations. The proportion of larger companies (37%) using a paid digital analytics solution exclusively is now more than double the 18% figure reported in 2018 (see appendix, Figure 30).

Proponents of paid analytics cite numerous advantages, including various areas of functionality that free alternatives are lacking. Paid analytics tools typically do a better job of extracting more actionable insight for customer experience and marketing programmes, helping to automate analytics-related tasks, join up data from internal and external sources, and to understand more fully the drivers of marketing return on investment.

After migrating to paid analytics, Hostelworld reported a 500% increase in engagement across digital channels over two years, while also generating automation-driven efficiency benefits, such as reduced cost-per-booking.

Hostelworld Group is just one organisation that has reported significant gain from migrating to paid analytics. The booking platform adopted Adobe Analytics⁴ to help gain deeper insight into the behaviour of its digital-savvy target segment of younger travellers, so it could optimise customer journeys on its websites and apps. In 2017, the company reported a 500% increase in engagement across digital channels over two years, while also generating automation-driven efficiency benefits, such as reduced cost-per-booking.

⁴ <https://www.adobe.com/customershowcase/story/hostelworld.html>

Figure 8: What type of technology are you using for digital analytics?

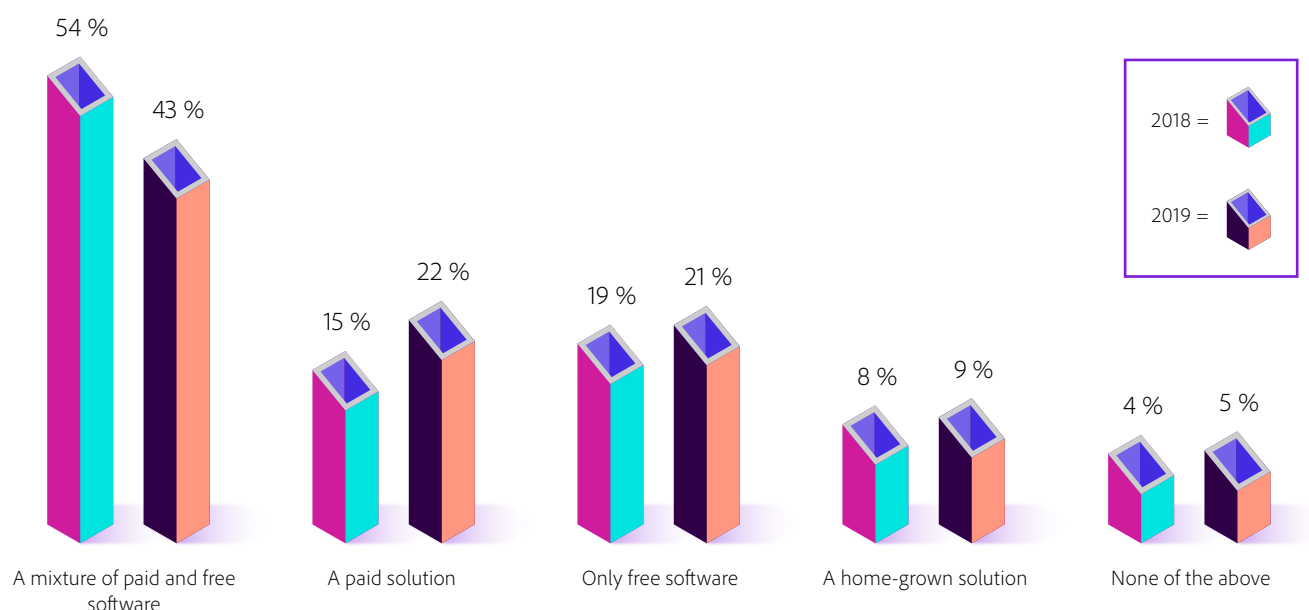
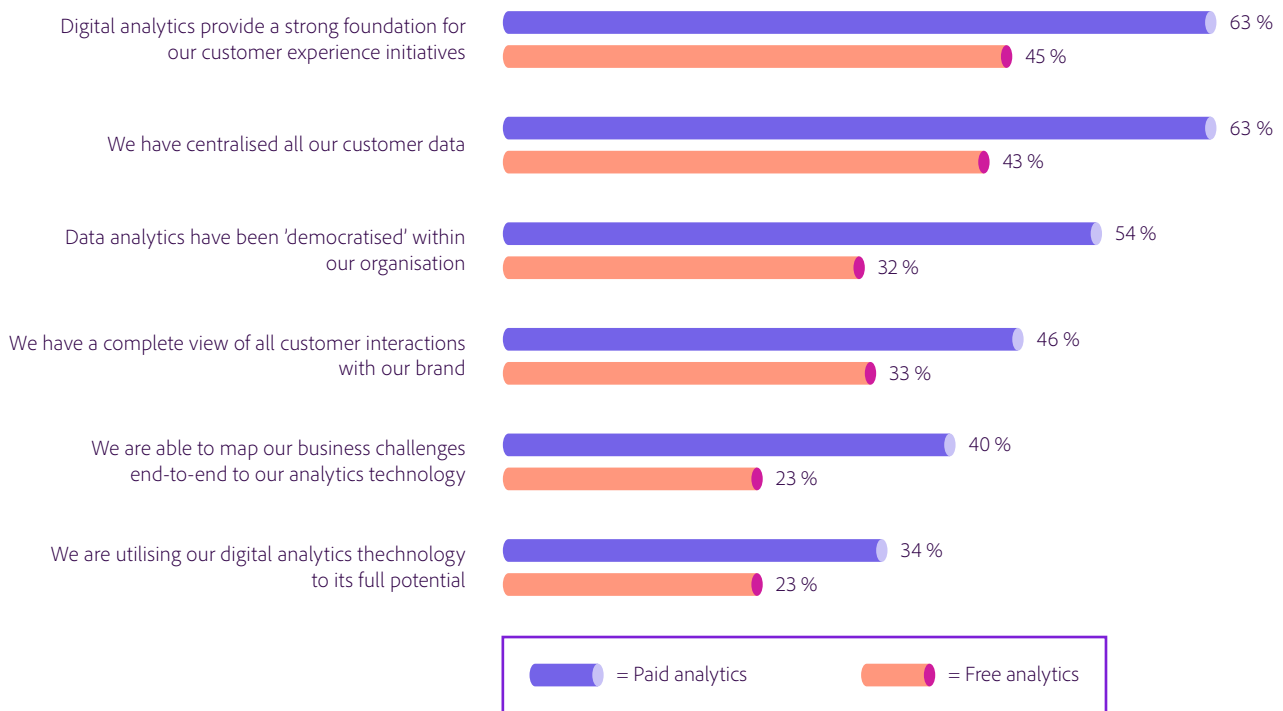


Figure 9: Proportion of company respondents agreeing with statements relating to customer analytics capabilities (paid vs. free software)



Methodology note: Sample includes respondents that selected either 'strongly agree' or 'somewhat agree' options.

More than a third of larger companies (37%) are now using a paid digital analytics solution exclusively, more than double the percentage reported in 2018 (18%).

Moving beyond the Hostelworld case study, Figure 9 shows how paid analytics are a key enabler for businesses. For example, companies that use paid analytics exclusively are significantly more likely than those using only free software to have democratised data within their organisations (54% vs. 32%), and to have centralised customer data (63% vs. 43%). These companies are also more likely to have a 'complete view of all customer interactions' with their brand (46% vs. 33%), an attribute which was shown in last year's equivalent research to be the attribute most strongly correlated with customer analytics maturity.

Paid analytics are a key enabler for businesses. Companies that use paid analytics exclusively are significantly more likely than those using only free software to have democratised data within their organisations (54% vs. 32%), and to have centralised customer data (63% vs. 43%).

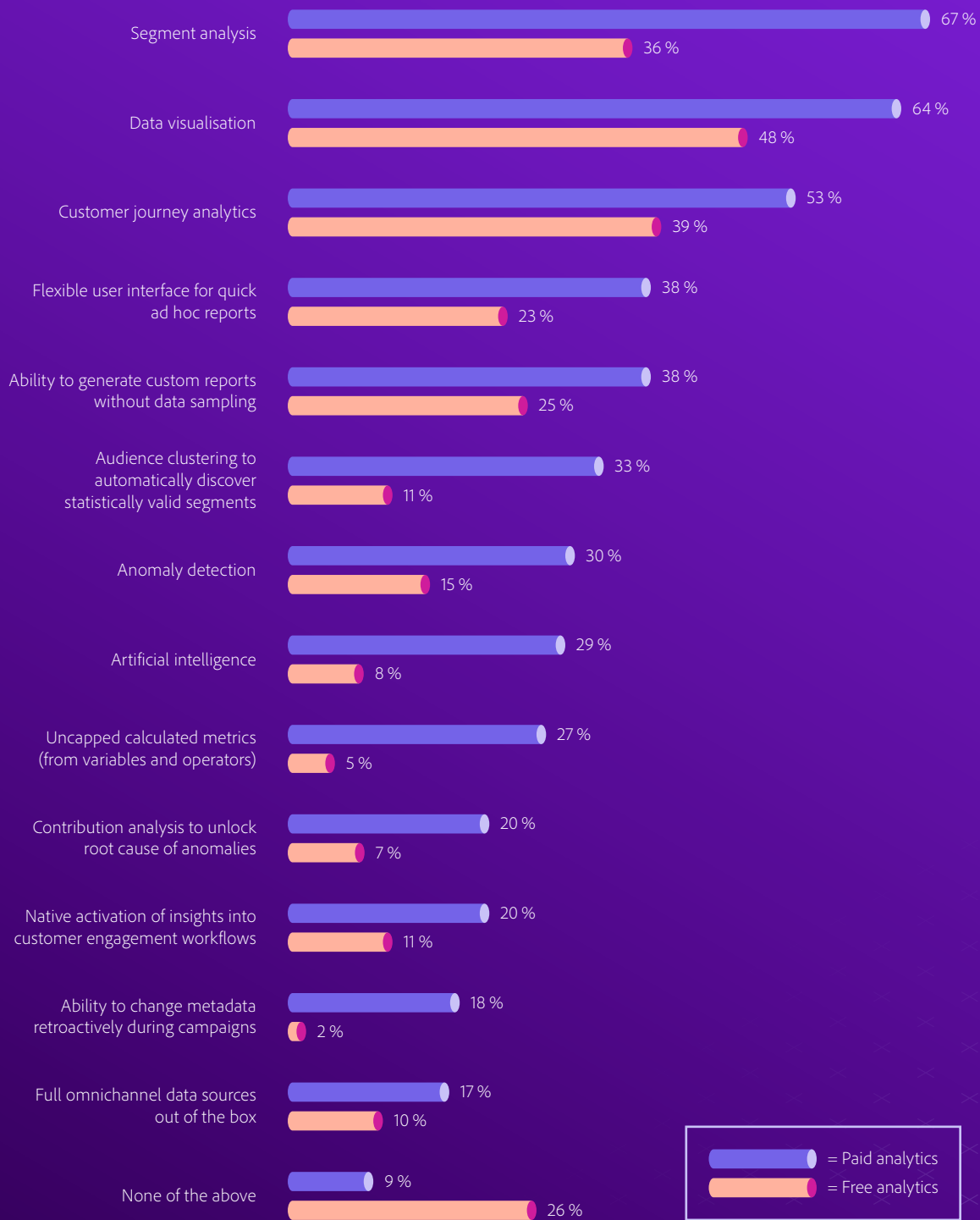
Mapping business challenges

The largest gap between paid and free analytics users is the ability to map business challenges end-to-end to their analytics technology (40% vs. 23%). Companies need visibility on KPIs that relate to meaningful commercial objectives, such as revenue, costs, customer loyalty, and customer lifetime value. Integration of digital analytics with business intelligence tools can provide a real-time view of how their organisations are performing so they can be agile in capitalising on opportunities and responding to negative signals.

Paid solutions provide a stronger feature set for businesses to work with. Some important features and capabilities, such as segment analysis, data visualisation, and customer journey analytics, are available to more than half of paid software users, but only a minority of those using free tools (Figure 10). For various other features, a significant percentage of paid analytics users have access, but they remain out of reach of all but a few of those that have deployed free software only. These include audience clustering to automatically discover statistically valid segments, anomaly detection, AI capabilities, uncapped calculated metrics, and contribution analysis to unlock root cause of anomalies.



Figure 10: Does your digital analytics solution offer the following capabilities? (paid vs. free software)





The power of now: customer journey analytics rely on integrated data

Customer journey analytics emerges as the most important digital analytics capability, outranking the next most cited feature, data visualisation, by a significant margin (25% vs. 15%).

Great customer experiences depend on understanding and catering for customer needs in the here and now. A lack of data cohesion has historically stifled marketing efforts to map intricate cross-channel journeys accurately, let alone pinpoint the key moments that lead to conversion. Fortunately, the best analytics packages now enable organisations to identify and prioritise opportunities to deliver value across the customer journey that they'd otherwise overlook.

Research by Tata Consultancy Services⁵, published in April 2019, found that the best-performing marketers are introducing personalisation earlier in the customer journey than their under-performing peers. Eric Matisoff, analytics and data science evangelist at Adobe, has summarised the importance of employing analytics to uncover customer journey insights⁶ as follows: "Analysis of all of the data that supports the customer journey is the direction every brand should head in."

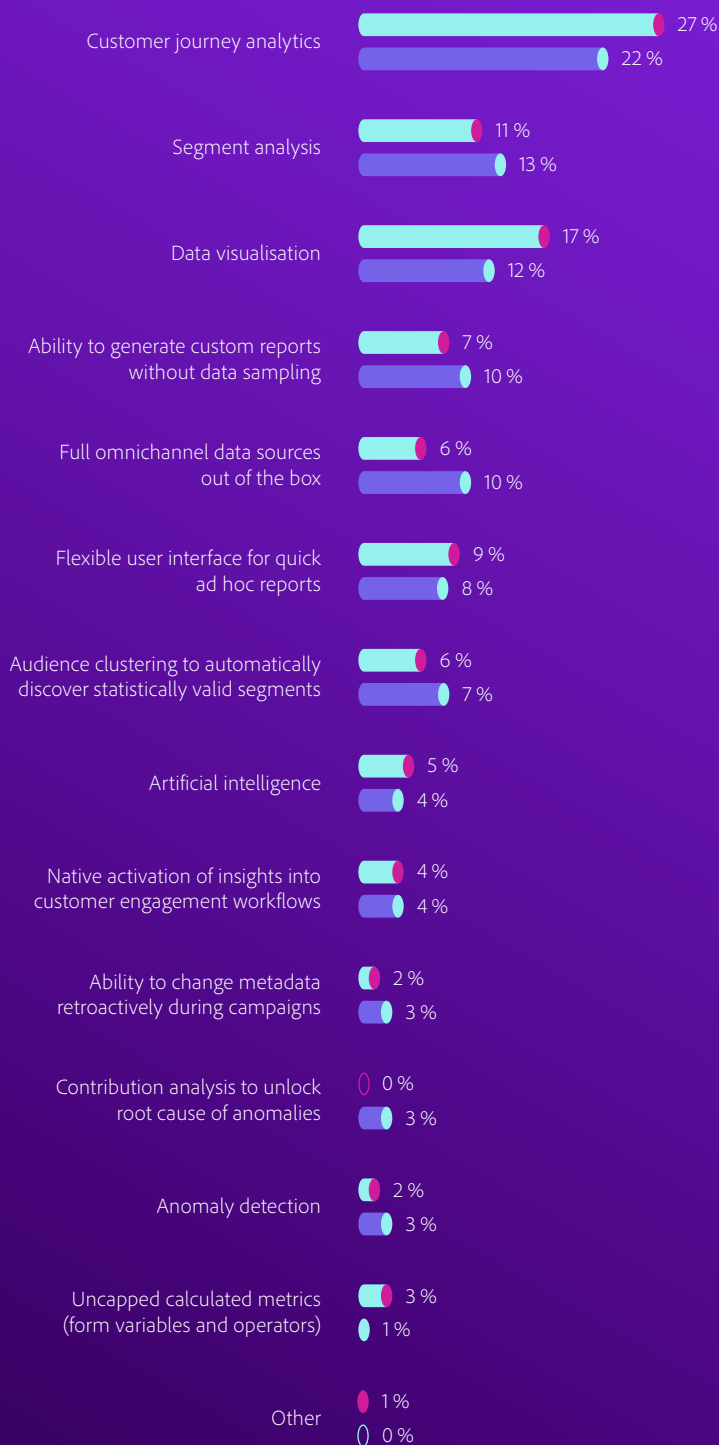
Encouragingly, the continued focus on customer journey optimisation to elevate experiences and harness data for commercial gain is evident in our research. Customer journey analytics emerges as the most important digital analytics capability, outranking the next most cited feature, data visualisation, by a significant margin (25% vs. 15%). As Figure 11 shows, it is a highly valued capability among small and large organisations alike (27% and 22%, respectively).

The feature rankings by business size reflect the challenges faced. While smaller organisations typically struggle to disseminate data efficiently and make it actionable, their enterprise counterparts are more concerned with higher-order goals, such as joining up the dots across channels.

⁵ <https://sites.tcs.com/bts/cmo-innovating-the-brand-experience-through-digital-transformation/>

⁶ <https://theblog.adobe.com/paving-a-consumers-journey-from-research-to-retrieval-and-datas-role/>

Figure 11: Which feature/capability do you value the most from digital analytics? (larger vs. smaller organisations)



= Organisations with annual revenues of less than \$50m
 = Organisations with annual revenues of at least \$50m

There has been a sharp drop in companies using identity-related data (from 33% to 12% this year), which can be attributed to increased awareness of data privacy legislation, and an appropriate degree of nervousness around using personal data.

Smaller organisations place more weight on data visualisation (17% vs. 12% for their larger peers), which can support data democratisation initiatives and increase the likelihood of the entire business putting it to good use. Larger organisations are more likely than smaller ones to value access to 'full omnichannel data sources out of the box' (10% vs. 6%). Retail is one of the sectors where joining up digital and offline channels is particularly advantageous as companies need to reconcile data for those buying online and returning in-store, and for those starting their journey online and continuing it in-store (or vice versa).

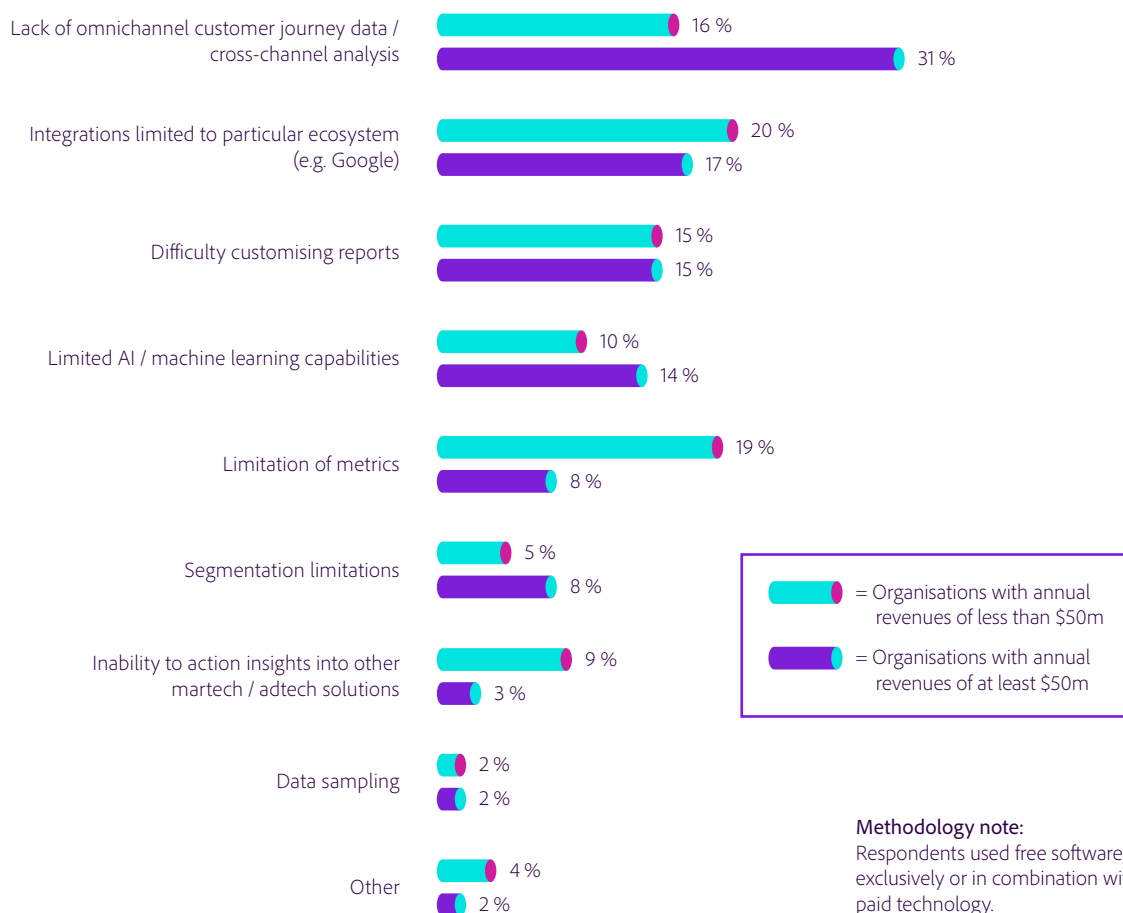
Technologists are almost twice as likely as their marketing peers (23% vs. 13%) to rate data visualisation as the most valuable feature, giving it equal importance as customer journey analytics (see appendix, Figure 31). Segment analysis, which is particularly valued by marketers (16% vs. 6% of technologists) is especially appreciated in the US, where it is seen as even more important than customer journey analytics (25% vs. 17%, appendix, Figure 32).

Limitations of free analytics

Only a third of organisations (35%) agree that their digital analytics platforms allow them to aggregate and ingest online and offline data (see appendix, Figure 29). This is the most pressing issue for larger companies using free software, with the 'lack of omnichannel customer journey data / cross-channel analysis' the most significant analytics limitation (Figure 12).

Integrations limited to a particular ecosystem are another prominent restriction, irrespective of business size, as is difficulty customising reports. For smaller organisations, which are more likely to use a free solution exclusively, limitation of metrics (19%) is the second most significant obstacle to success.

Figure 12: What is the main limitation of your free digital analytics solution? (larger vs. smaller organisations)



Integrating digital analytics solutions with other layers of the marketing stack can unlock additional value and overcome some of data availability limitations.

The breadth of data types and sources employed is a good indicator of the level of sophistication of a company's customer intelligence strategy. Compared to last year, fewer organisations are using a range of data types as part of their customer intelligence activities, with behavioural, social, and transactional data still the most widely used (Figure 13). There has been a sharp drop in companies using identity-related data (from 33% to 12% this year), which can be attributed to increased awareness of data privacy legislation, and an appropriate degree of nervousness around using personal data.

Integrating digital analytics solutions with other layers of the marketing stack can unlock additional value and overcome some of data availability limitations. However, the level of integration varies greatly by business size (Figure 14). Smaller companies are more likely than larger ones to focus on integrating their digital analytics solutions with email (or marketing automation) and social platforms, while larger organisations prioritise integration with a vast array of technologies, such as CRM, paid search, tag management, personalisation, data management platforms, business intelligence solutions, and customer data platforms.

Ultimately, organisations need to tap into data from an array of marketing and business tools in real time, if they are to succeed in serving prospects and customers as effectively as possible.

Figure 13: In addition to first-party data, what types of data do you use as part of your customer intelligence activities?

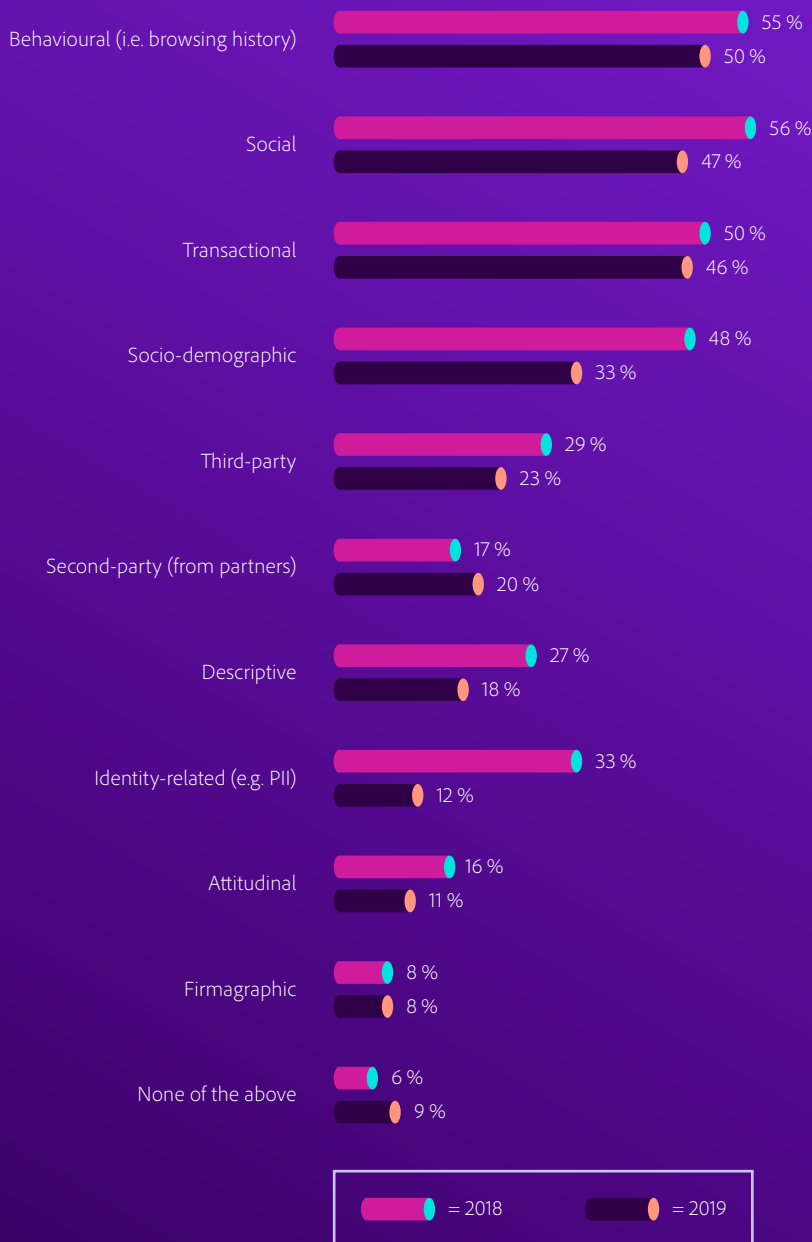
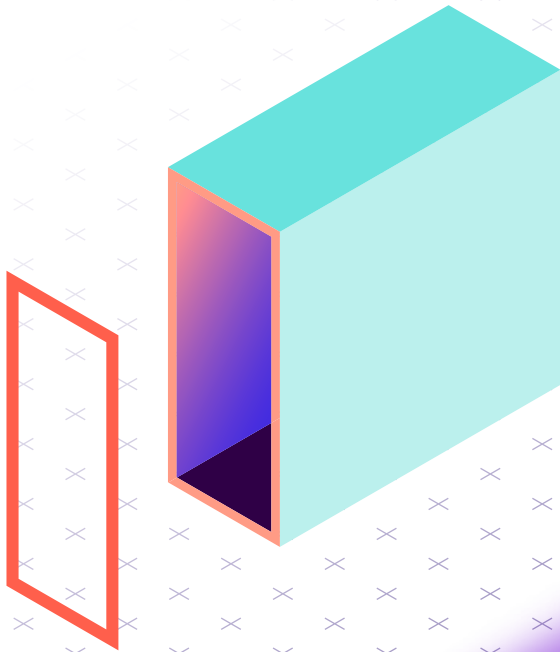
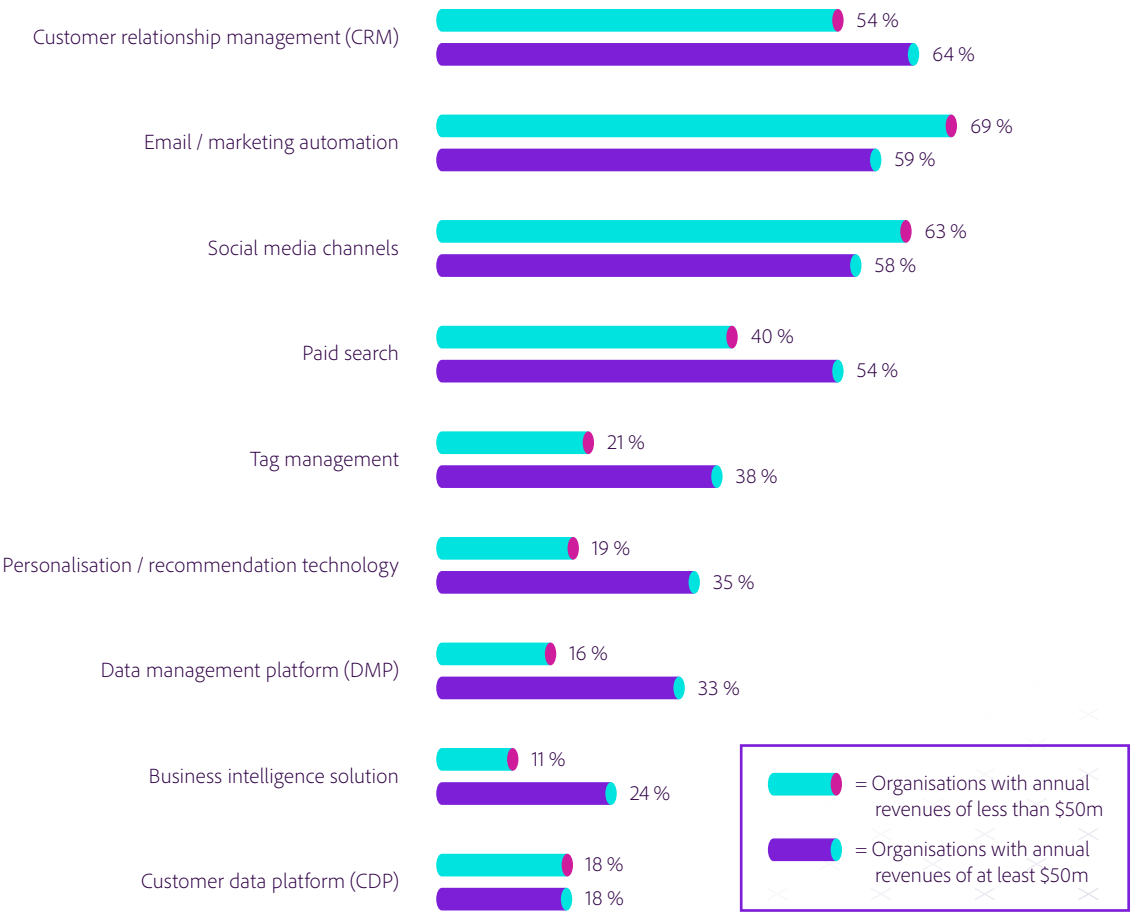
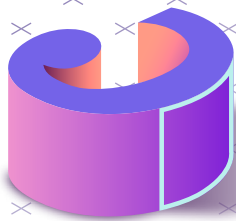


Figure 14: What other sources of data are integrated with your digital analytics solution? (larger vs. smaller organisations)





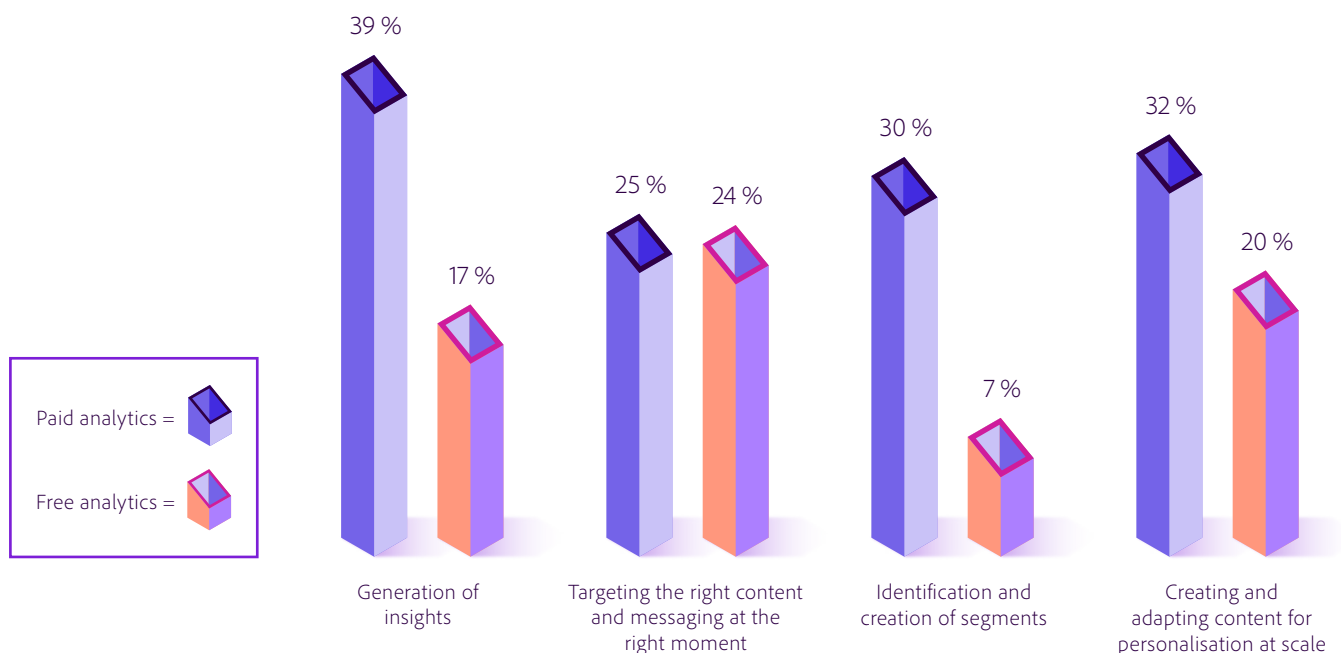
Harnessing AI for more insight- driven marketing and better customer experiences

According to the 2019 Gartner CIO Agenda Survey, AI was ranked as the most disruptive technology, ahead of data and analytics in second place. When these two categories of technology are harnessed in unison, the results can be immensely powerful, allowing marketers to access insights and then execute more effective marketing campaigns without the need for data scientists.

Those with paid analytics tools are twice as likely as their peers using only free tools to be deploying AI to generate insights, and four times as likely to be identifying and dynamically creating segments for more targeted marketing.

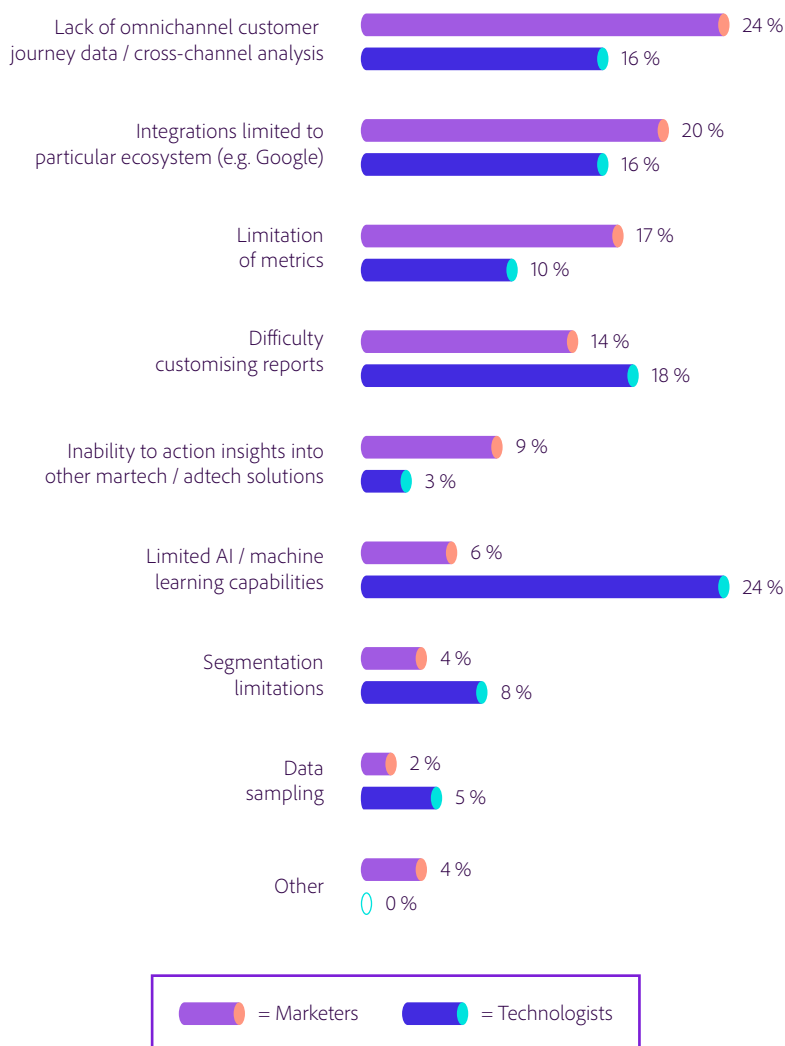
Figure 15 shows that those with paid tools are twice as likely as their peers using only free tools to be deploying AI to generate insights, and four times as likely to be identifying and dynamically creating segments for more targeted marketing. They are also more than one-and-a-half times more likely to be using AI to create and adapt content for personalisation at scale, an area of huge potential seen by larger organisations surveyed as the most exciting opportunity in the context of customer analytics.

Figure 15: Proportion of company respondents saying they are deploying AI to improve the customer experience and effectiveness of marketing activities (paid vs. free software)

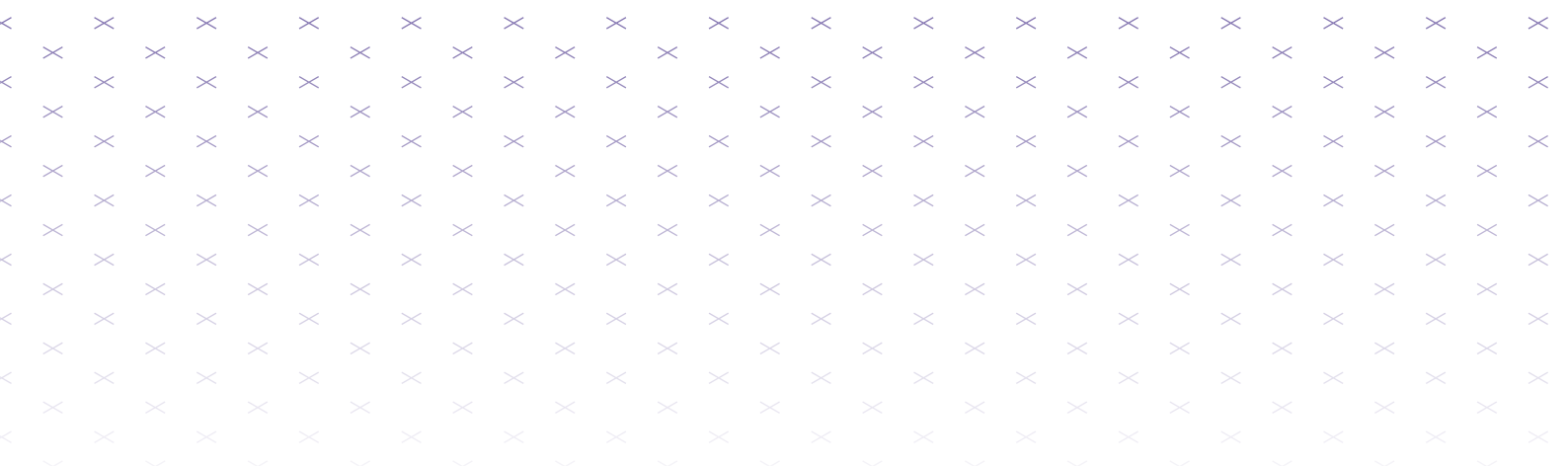


The growing importance of AI capabilities for turbo-charging customer analytics is also underscored by Figure 16 which shows both the marketer and technologist view on the main limitation of free analytics tools. It is the data and IT professionals who see most clearly how free tools can restrict their endeavours in this area. Just under a quarter of technologists (24%) report that this is the main limitation of free software, compared to only 6% of marketers surveyed.

Figure 16: What is the main limitation of your free digital analytics solution? (marketers vs. technologists)



For larger organisations the most exciting opportunity to improve analytics is 'better personalisation at scale', cited by 20% of respondents (Figure 17), an increasingly important trend where AI offers huge potential for improvement.



AI in action

Adobe Sensei AI and machine learning allows companies to analyse data and identify patterns and anomalies, producing insights that can then be used to make decisions about the type of content to deliver, and the right time to deliver it. This ensures that digital experiences are personalised and optimised to make a tangible difference to revenue streams and maximise ROI.

For larger organisations the most exciting opportunity to improve analytics is better personalisation at scale, cited by 20% of respondents, an increasingly important area where AI offers huge potential for improvement.

Larger organisations are also enthusiastic about the ability to further understand and predict customer needs, with 18% reporting this to be the single most exciting opportunity. AI also has a role to play here. Sensei technology, for example, uses AI to personalise content according to customer profiles, and tailors the content taking into account factors such as geographical location, the season, and the time of day.

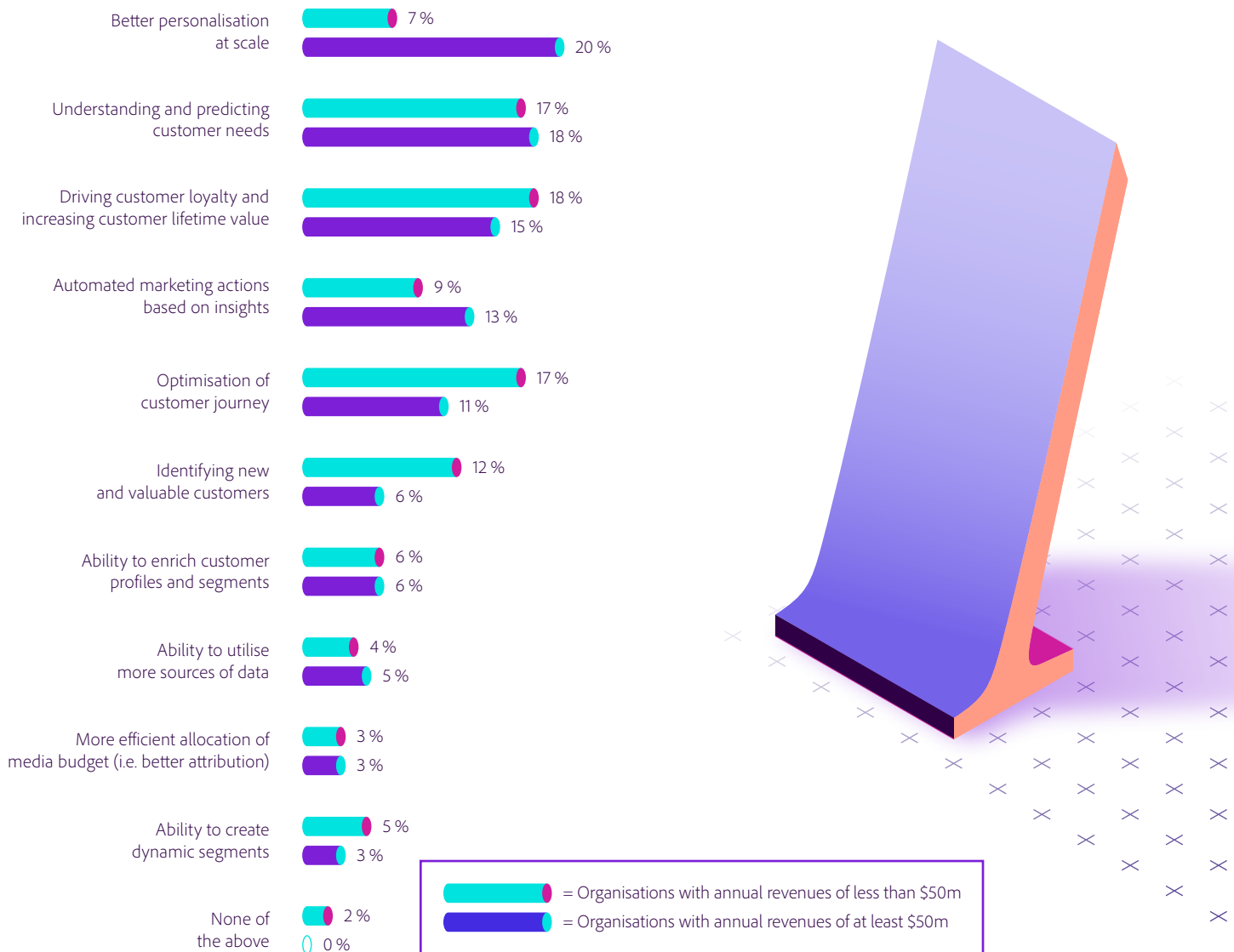
With 72% of its UK customers interacting across three or more channels, Sky is just one of the many brands taking advantage of Sensei's features, such as automated personalisation⁷, to deliver more impactful experiences and scale personalised recommendations. AI enables Sky to analyse the vast volume of customer information in real time to uncover the recommendations, services, and experiences that can best resonate with each customer, at scale. The company also uses AI to provide better customer care through its call centre by analysing a variety of customer attributes and connecting customers with the customer service representative best suited to handle their issue.

Further down the scale, the ability to drive customer loyalty and increase customer lifetime value is deemed to be the single most exciting opportunity by 15% of larger organisations surveyed.

For smaller organisations, the most exciting opportunity is deemed to be the ability to drive customer lifetime value, cited by 18% of respondents, just ahead of the ability to understand and predict customer needs and optimisation of the customer journey (both 17%).

⁷ <https://www.adobe.com/content/dam/acom/uk/customer-success/pdfs/sky-uk-ai-case-study-uk.pdf>

Figure 17: What do you see as the single most exciting opportunity for your business in the context of improved customer analytics capabilities? (larger vs. smaller organisations)



Adobe Sensei can help to optimise the customer journey and understand what works. Part of the technology includes a virtual analyst who sifts through large quantities of data and alerts marketers of statistically significant events.

AI technology can be used effectively for deeper personalisation, but most marketers are not yet actively using this to personalise and adapt their content. As can be seen in Figure 33 (see appendix), there is little year-on-year difference in the proportion of companies harnessing AI for better marketing and customer experience activities. Many companies are missing a huge opportunity, particularly when considering the benefits AI can bring.

Appendix 1 (respondent profiles)



Figure 18: What best describes your role?

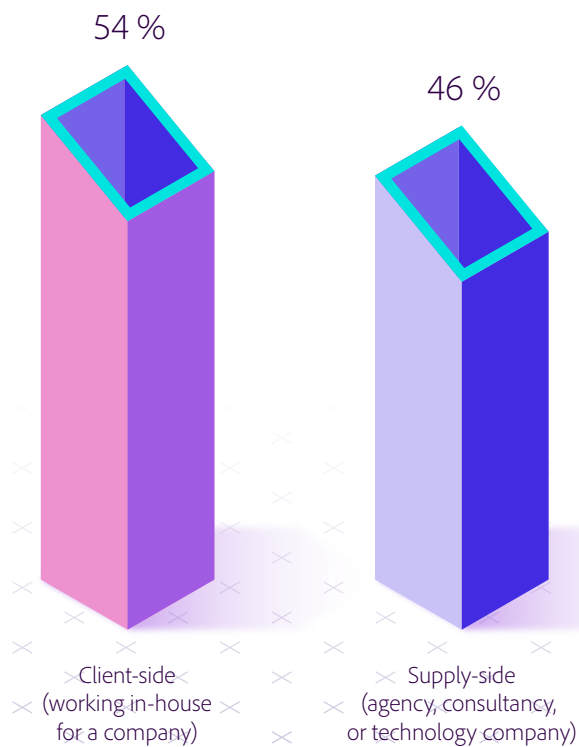


Figure 19: In which region are you based?

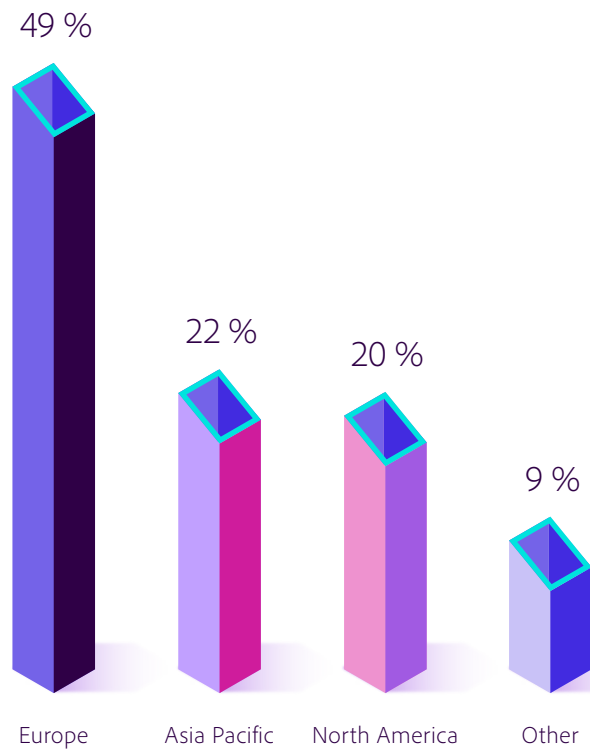


Figure 20: In which business function do you work?

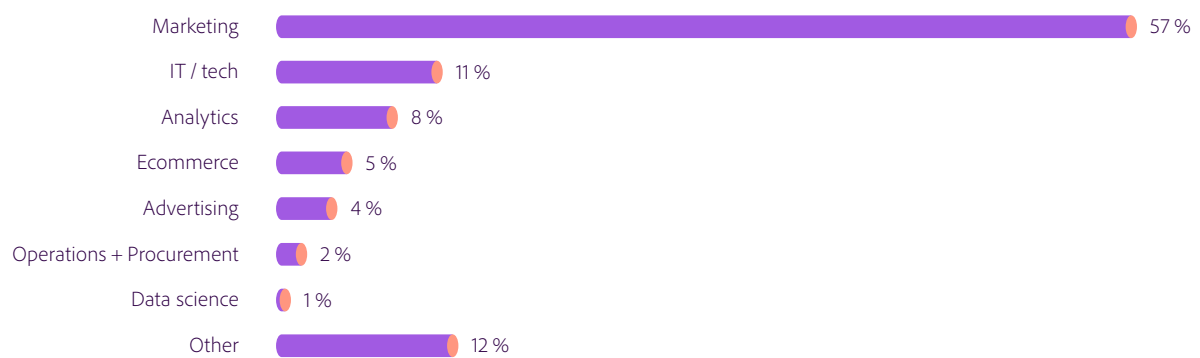


Figure 21: What is your level of seniority within the business?

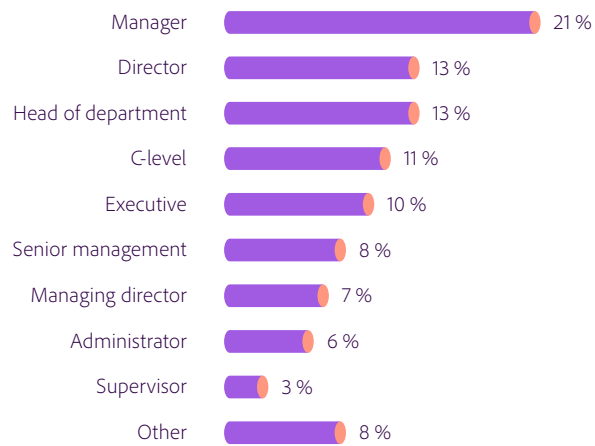


Figure 22: In which business sector does your company primarily operate?

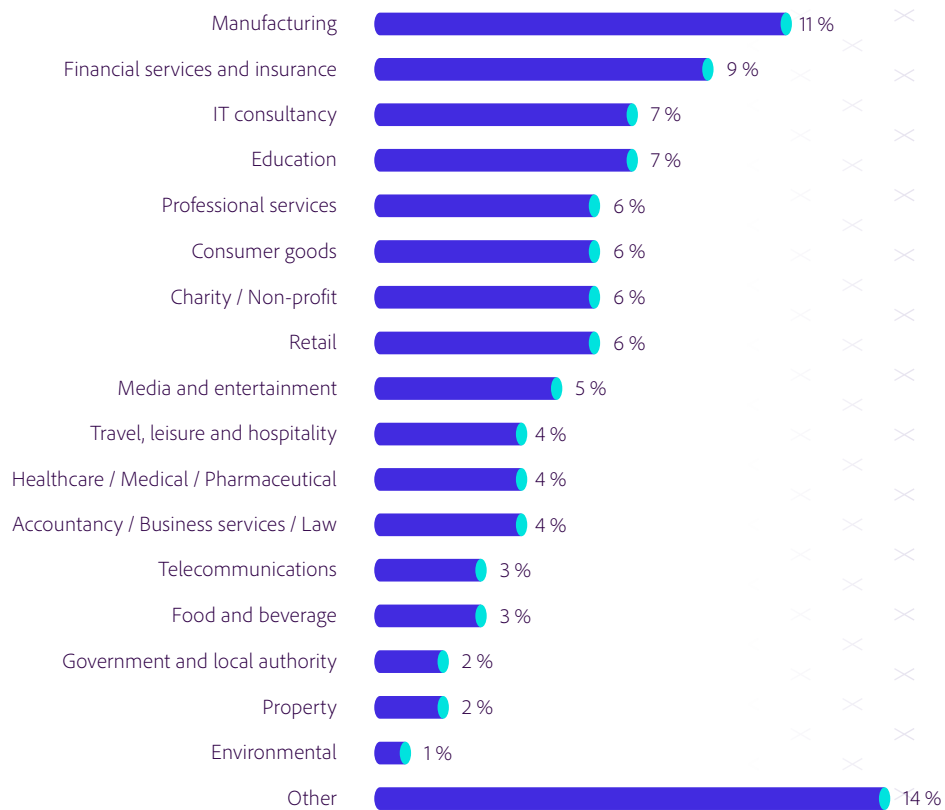


Figure 23: Is your organisation focused mainly on B2B or B2C?

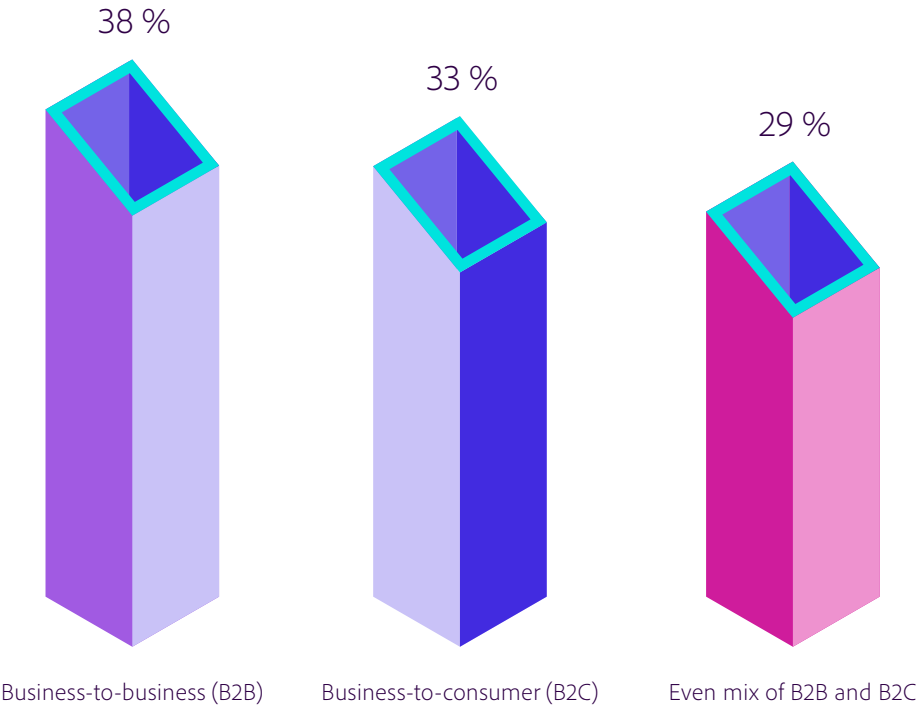
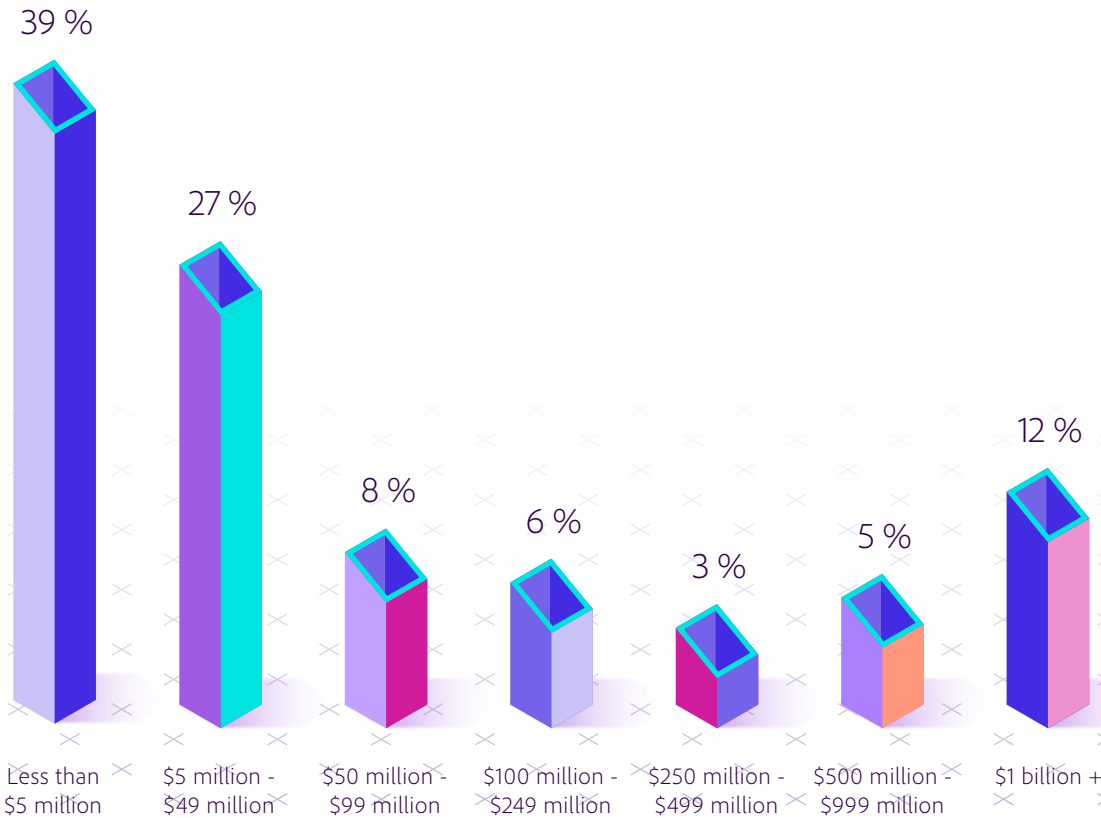


Figure 24: What were your company's annual revenues in the last financial year?



Appendix 2 (additional charts)



Figure 25: 'Our organisation is data-centric... we are organised around our data with data science at the core' – agree or disagree (regional breakdown)

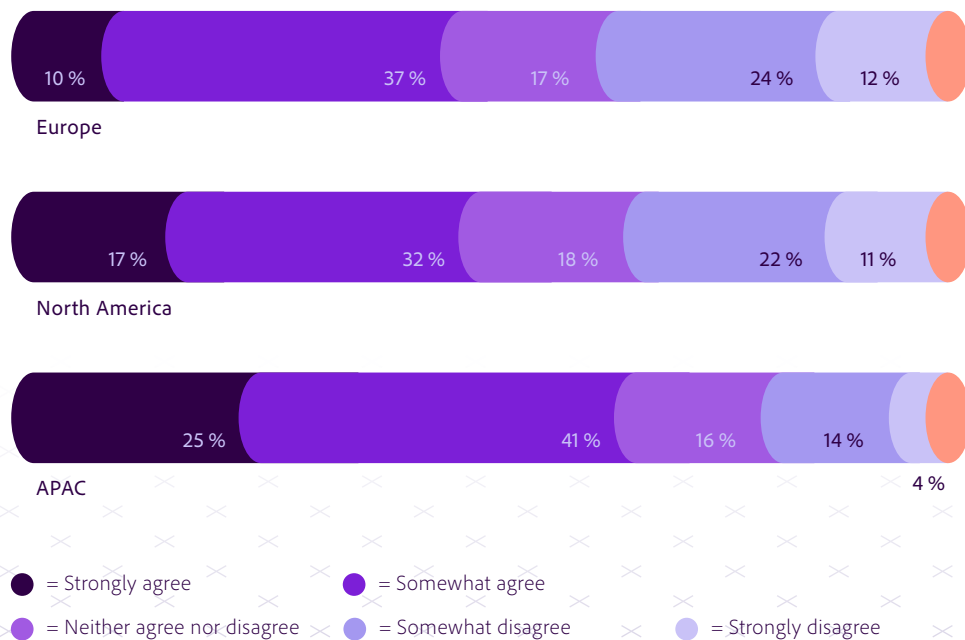
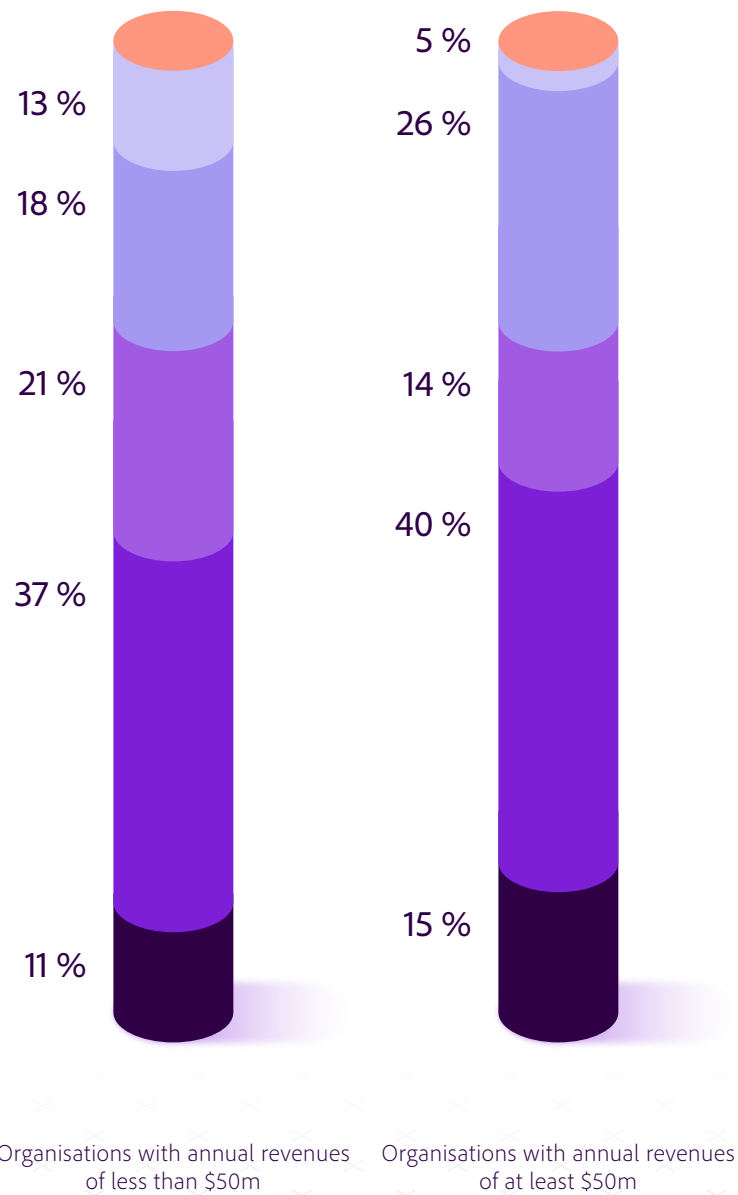


Figure 26. 'Our organisation is data-centric... we are organised around our data with data science at the core' – agree or disagree (larger vs. smaller organisations)



● = Strongly agree ● = Somewhat agree
 ● = Neither agree nor disagree ● = Somewhat disagree ● = Strongly disagree

Figure 27: Who within your organisation is ultimately responsible for your customer analytics strategy? (marketers vs. technologists)

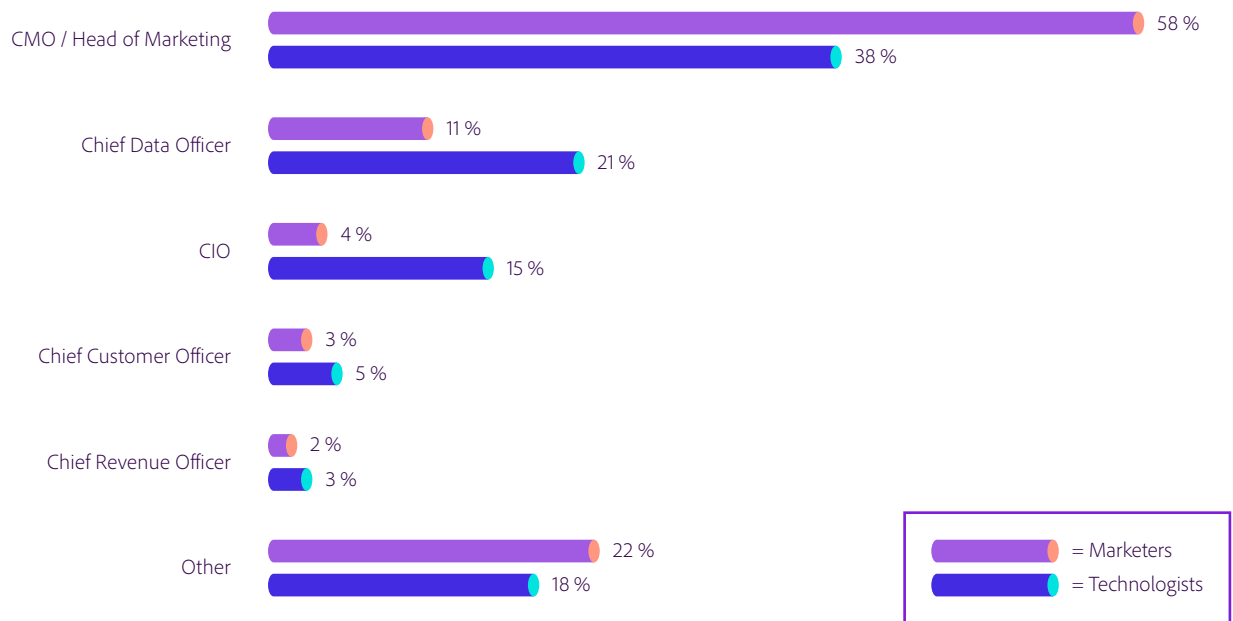


Figure 28: Who within your organisation is ultimately responsible for your customer analytics strategy?

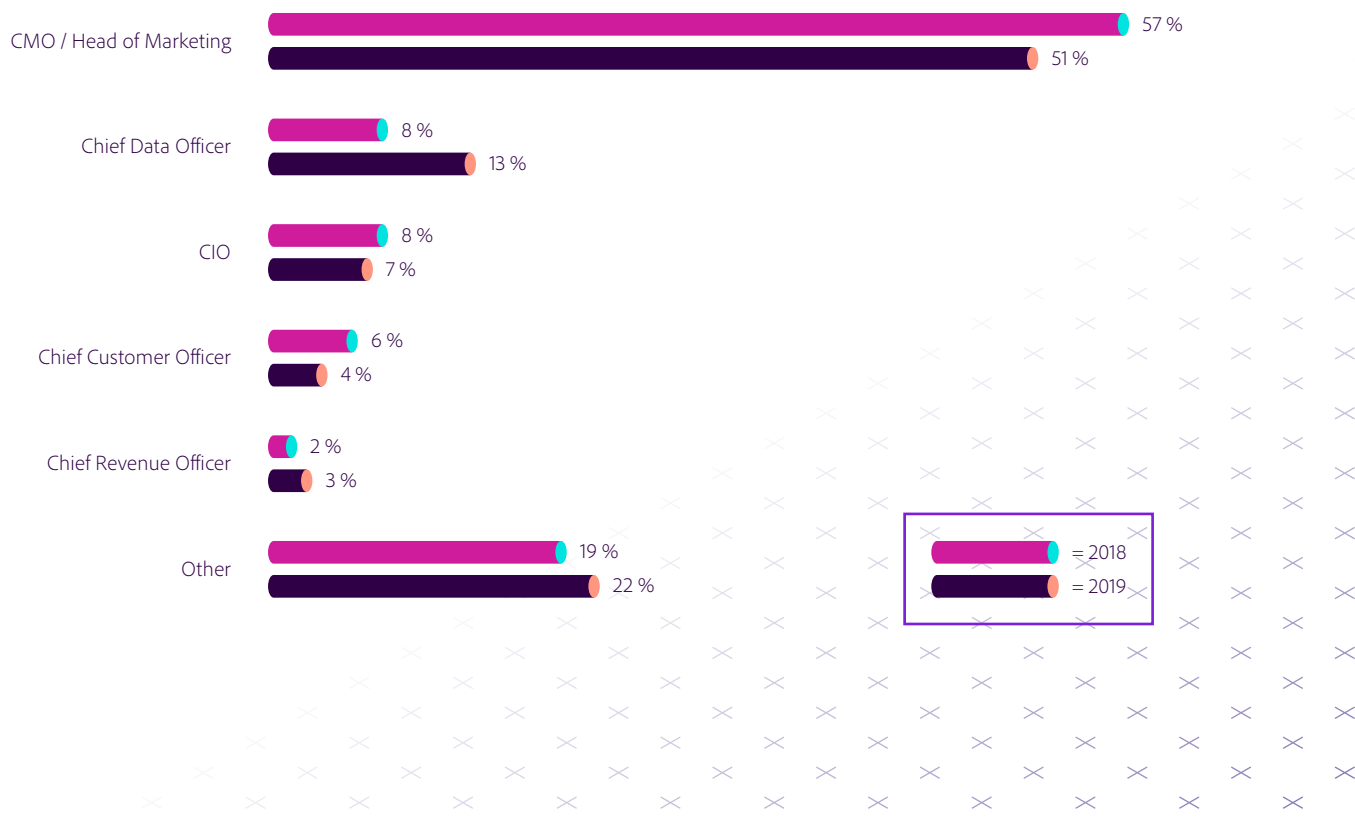


Figure 29: Thinking about your organisation's overall data capabilities, please indicate whether you agree or disagree with the following statements.

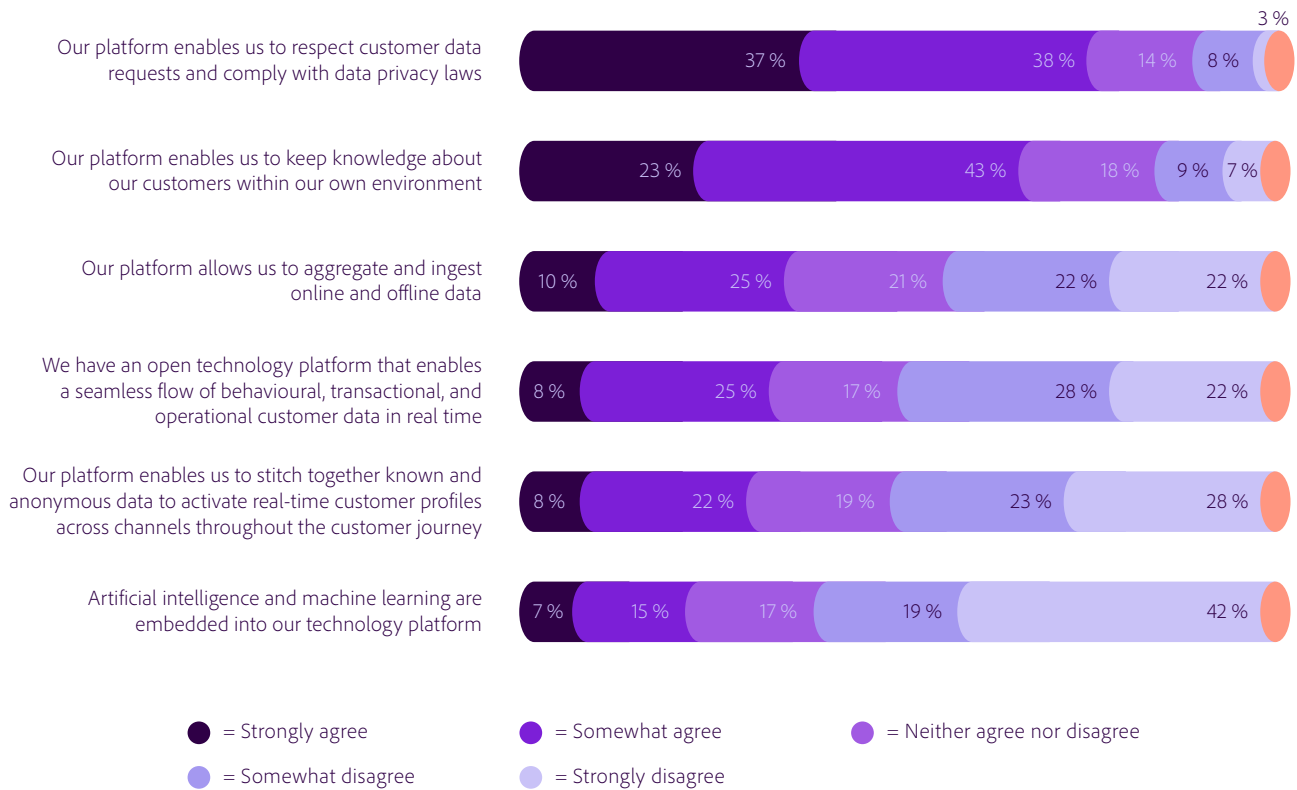


Figure 30: What type of technology are you using for digital analytics? (larger organisations)

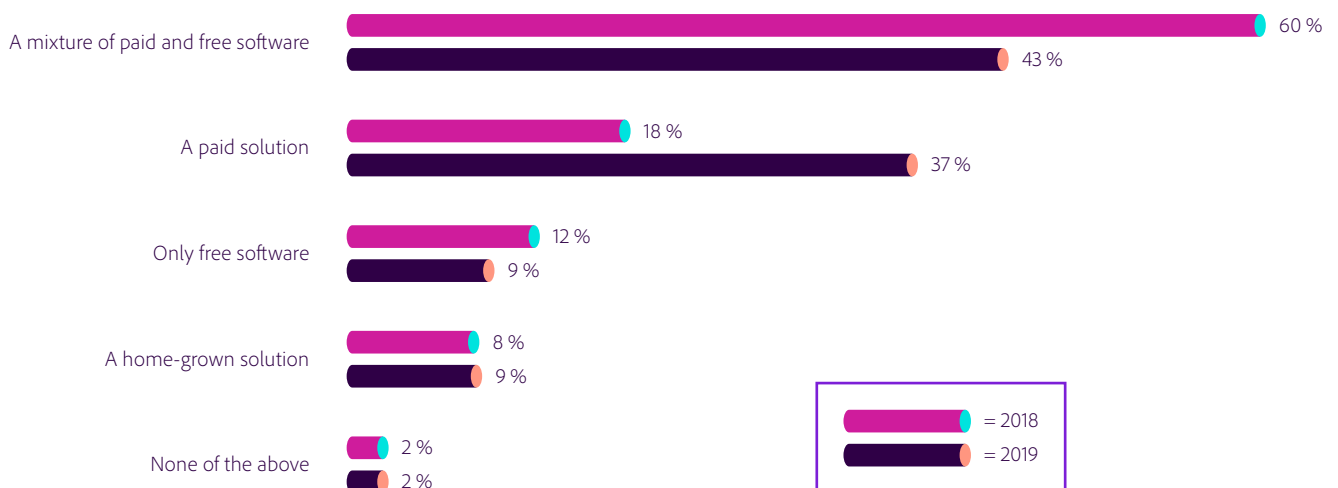


Figure 31: Which feature/capability do you value the most from digital analytics? (marketers vs. technologists)

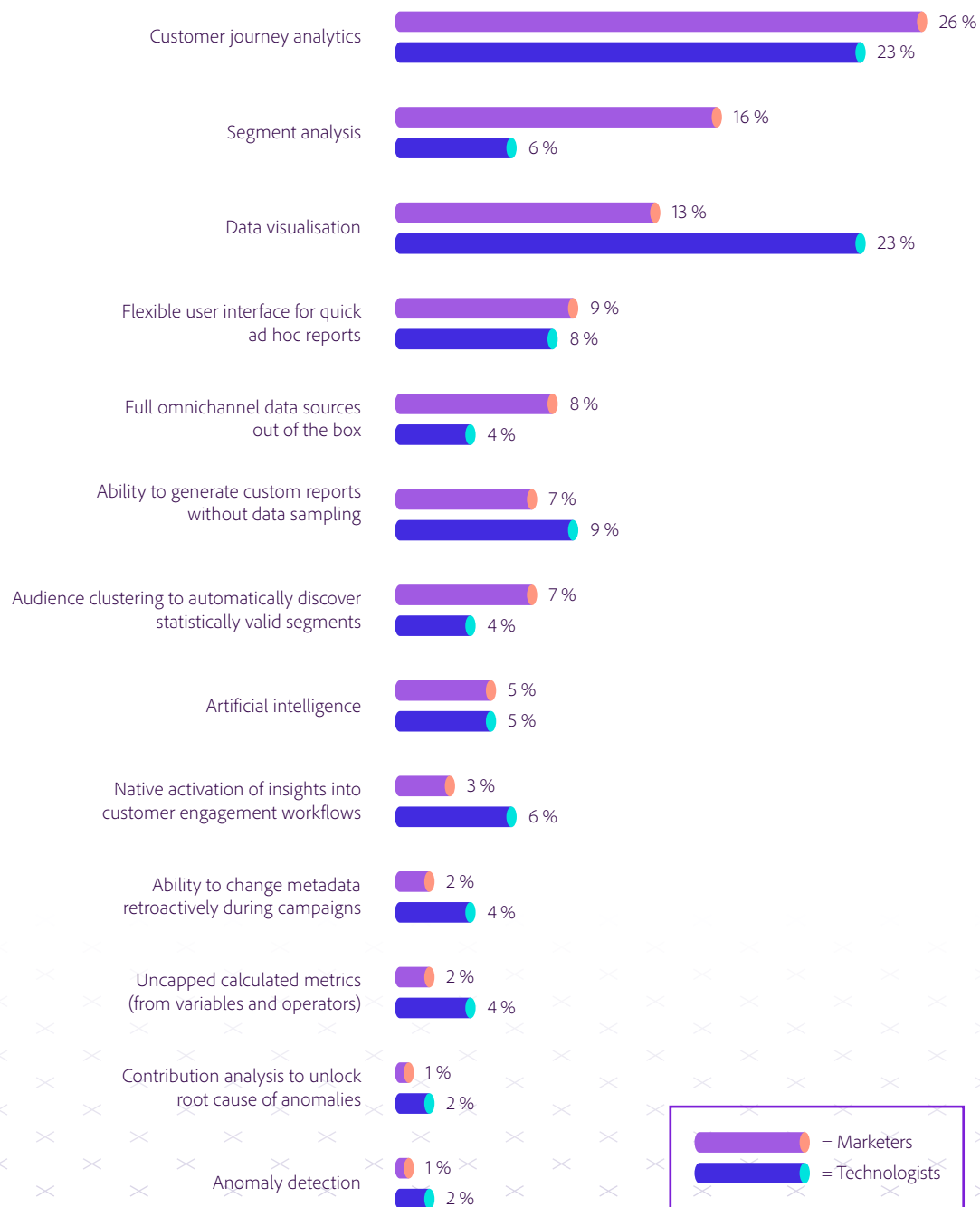


Figure 32: Which feature/capability do you value the most from digital analytics?
(regional breakdown)

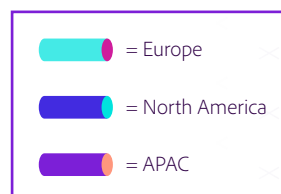
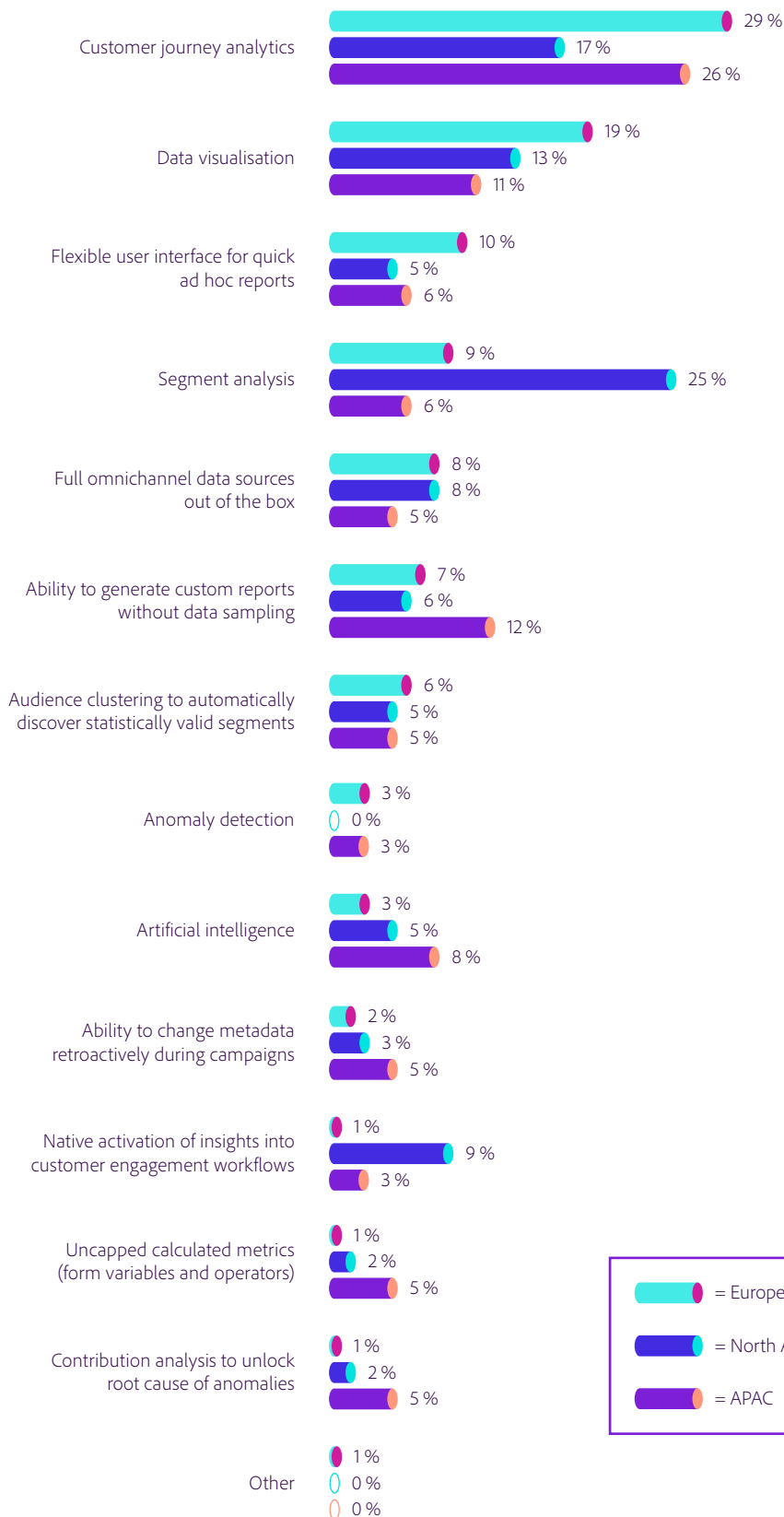


Figure 33: Proportion of company respondents saying they are deploying AI in these ways to improve the customer experience and effectiveness of marketing activities

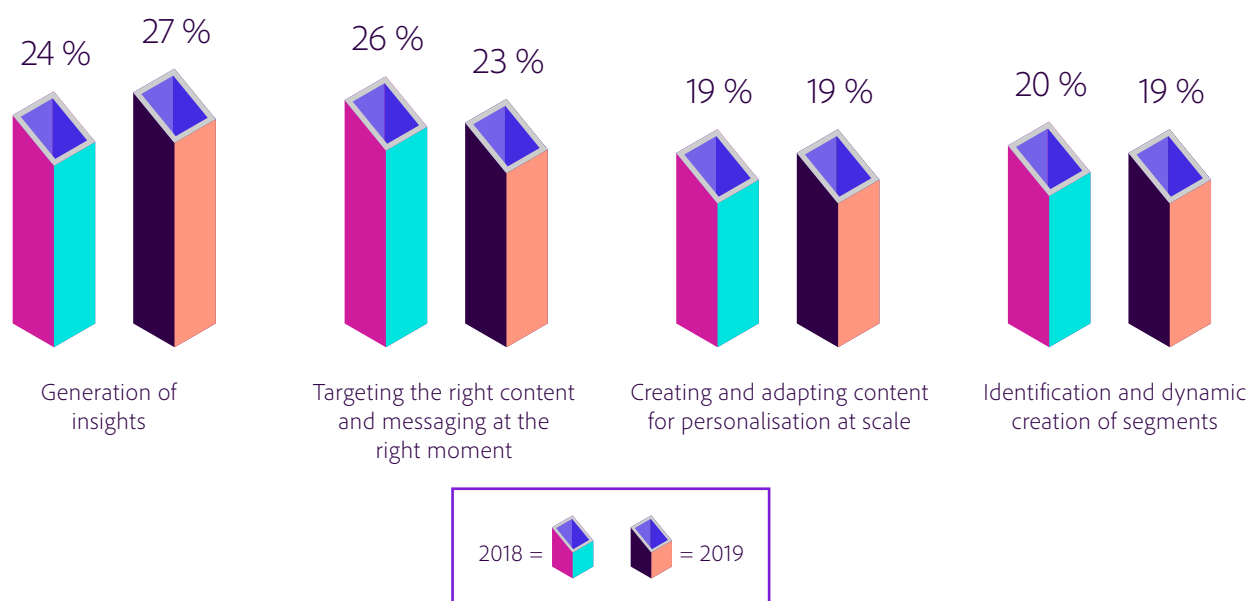
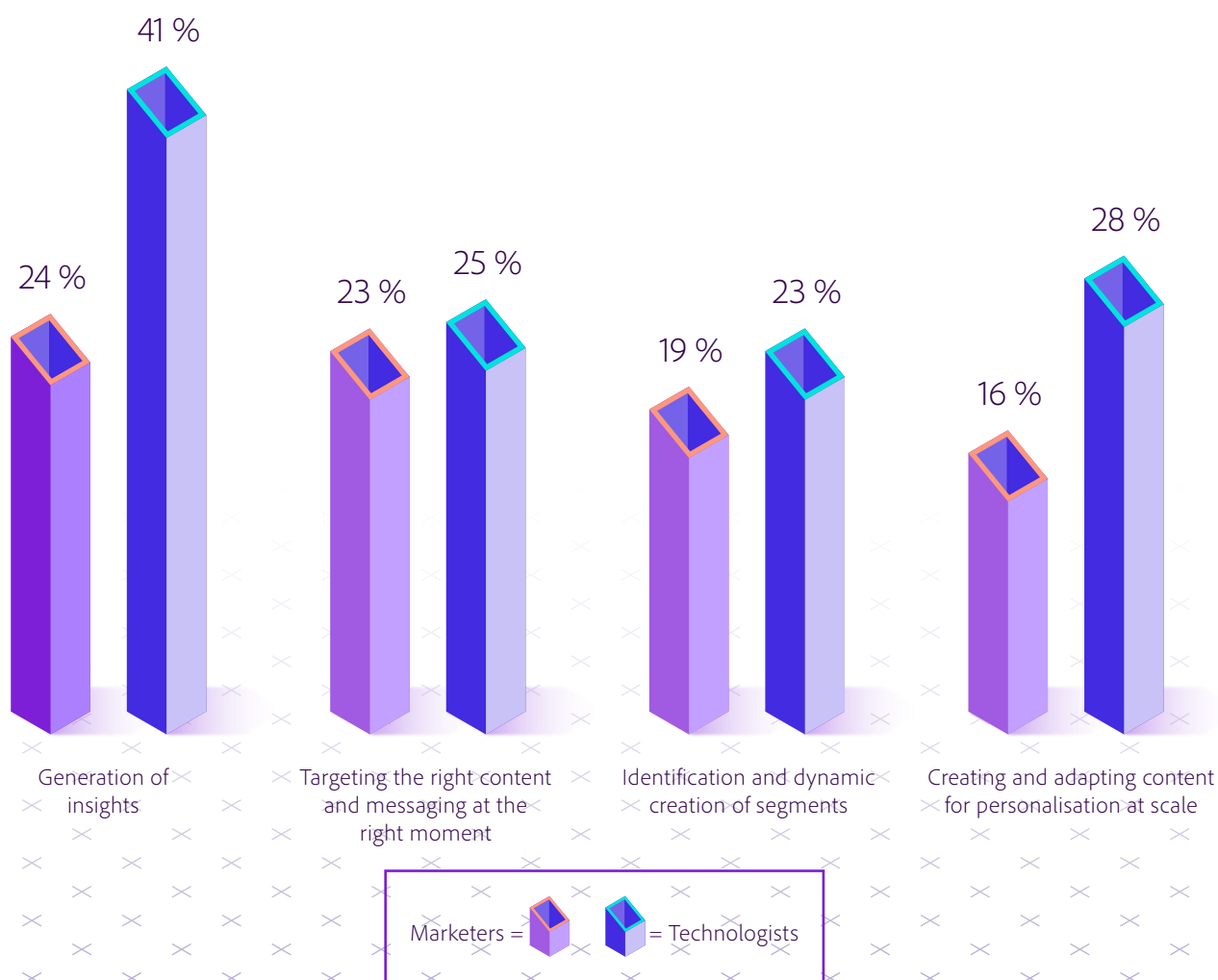
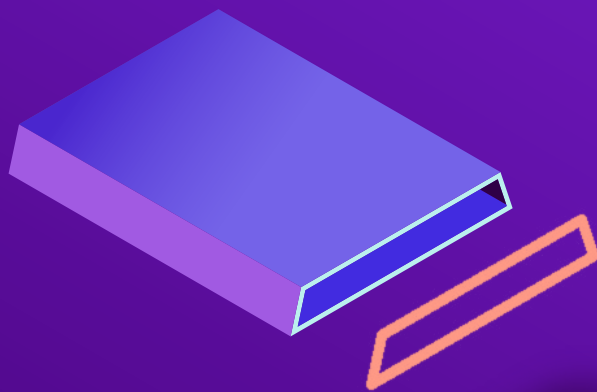


Figure 34: Proportion of company respondents saying they are deploying AI in these ways to improve the customer experience and effectiveness of marketing activities (marketers vs. technologists)





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