



THE DATA SECRETS OF SUCCESSFUL MARKETERS

THE RACE TO SUCCEED AS A DATA-DRIVEN FUNCTION



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FOREWORD

It's an exciting time to be the kind of marketer that sees the discipline of marketing as a 'science' as much as an 'art'. With consumers interacting with brands across an ever-widening spectrum of touchpoints, marketers have infinite opportunities to harness data to understand their customers better than ever before.

...but are they actually doing it?

The excitement of a few years ago around the 'big data' opportunity in marketing has largely faded away, leaving a suspicion that marketing is far short of being the data-driven discipline that it could be. In fact, Capgemini's recent CMO report indicated that only 11% of marketers could call themselves 'data-driven' - a fairly damning indictment.¹

If this is true, what's been stopping us?

Part of the explanation sits with COVID-19. While it impacted marketing efforts across the board, advances in data discipline were among the hardest hit:

1. **Budget cuts** meant the kind of infrastructural projects needed to advance a data-driven agenda were paused or cut
2. **Unpredictability** meant that marketing strategies that were trending towards the data-driven were often thrown out in favour of mass-marketing tactics, as circumstances changed rapidly and marketers struggled to react ²
3. **Disruption** to working patterns, office hours and team culture meant that the kind of agile work environment needed to work with data was often put on pause

¹ <https://www.capgemini.com/ft-en/2021/10/marketing-has-data-and-authority-but-isnt-data-driven-why/>

² <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-big-reset-data-driven-marketing-in-the-next-normal>

But that's not the whole story: as important has been the rising tide of privacy. With regulations such as GDPR, ePrivacy and CCPA being introduced almost daily, marketers around the world are feeling the pressure and slowing their progress towards becoming a data-driven function.

Amid all of this, some marketers have held their nerve and continued to pursue data-driven practices - confident that, despite the changes around them, strategies grounded in data would see them through. And the funny thing is, they were right (and you'll meet them on page 4).

Now that the world is beginning to recover from the pandemic and return to 'normal', the nature of data-driven marketing is at a crossroads. This report seeks to find out what our new starting line looks like, who's breaking ahead of the peloton, who's lagging behind, and show you how well-positioned you are to take the next stage.

THE 5 MARKETING SUCCESS ARCHETYPES

In September 2021, Zeotap commissioned a survey of 500 senior marketers in the UK through online survey company Censuswide, with the aim of showing how different data practices correlate with overall marketing success.


The report first asked respondents how far above (or below) they achieved on their 2021 targets as a measure of their success: according to their attainment, they were then sorted into five distinct success archetypes. The respondents were then asked questions designed to analyse the degrees to which they leverage customer data, and these responses were indexed against their success.

What emerged was a clear set of five archetypes, from the most to least successful:

THE TOP 1%	MARKETING SUCCESS OVER THE LAST 12 MONTHS	TOP STRENGTHS	TOP CHALLENGES
 <p>Achieved between 70-100% above target</p>		<ul style="list-style-type: none"> → Extremely data-driven → Has a single view of the customer → Confident in data privacy compliance practices → Proactive in safeguarding addressability in a cookieless future 	<ul style="list-style-type: none"> → Believes there are significant gaps in their datasets → Not entirely confident in customer data strategy

THE OVERACHIEVER	MARKETING SUCCESS OVER THE LAST 12 MONTHS	TOP STRENGTHS	TOP CHALLENGES
 <p>Achieved between 30-60% above target</p>		<ul style="list-style-type: none"> → Mostly data-driven → Extremely confident in their customer data strategies → Likely has a single customer view 	<ul style="list-style-type: none"> → Use multiple data sources to compensate for lack of a single customer view

THE MODERATE MARKETER 	MARKETING SUCCESS OVER THE LAST 12 MONTHS	TOP STRENGTHS	TOP CHALLENGES
	Achieved target or exceeded by 20%	<ul style="list-style-type: none"> → Data-driven enough to meet goals → Likely has a single customer view 	Not entirely confident in data privacy compliance

THE STRUGGLING MARKETER 	MARKETING SUCCESS OVER THE LAST 12 MONTHS	TOP STRENGTHS	TOP CHALLENGES
	Achieved between 10-50% below their target	<ul style="list-style-type: none"> → Confident in data privacy compliance practices (but may be misguided) → <i>Might</i> have a single view of the customer 	<ul style="list-style-type: none"> → Not entirely confident in customer data strategy → Leverages minimal data sources

THE BOTTOM TIER MARKETER 	MARKETING SUCCESS OVER THE LAST 12 MONTHS	TOP STRENGTHS	TOP CHALLENGES
	Achieved between 60-100% below their target or lower	<ul style="list-style-type: none"> → Confident in data privacy compliance practices (but may be misguided) → <i>Might</i> have a single view of the customer 	<ul style="list-style-type: none"> → Not very data-driven → Lacks diversity in addressability strategy → Not confident in customer data strategy

KEY FINDINGS

1. **Nearly all marketers will achieve a single view of the customer by the end of 2022**

While the most successful marketers are ahead of the pack in terms of unifying their data into one single customer view, it won't be long before other marketers catch up to them. Of the marketers who've yet to achieve a single customer view, 99% expect to do so before the end of 2022. This timeline sends a clear message that this first, foundational 'stage' of the race for data-driven marketing is very nearly over.

2. **CDPs have become a barometer for success (while DMPs are inching towards extinction)**

The CDP industry reached an estimated \$1.6 billion in revenue this year³ - and the new research showed a clear correlation between CDP use and marketing success, with a 39 percentage point difference in adoption between the least and most successful marketers. While CDP adoption increases, DMPs—which rely primarily on third-party data—have *decreased*. This shows that successful marketers have already started migrating toward solutions that enable them to leverage their first-party datasets ahead of a cookieless future.

3. **Preparedness for the cookieless future is also a success indicator**

While the more successful marketers have reported adoption of a wide range of post-cookie solutions ahead of 2023, the least successful marketers are more likely 'putting all their eggs in one basket', with nearly two-thirds (67%) gravitating to cohort-based advertising.

4. **Marketers are becoming increasingly confident about data privacy**

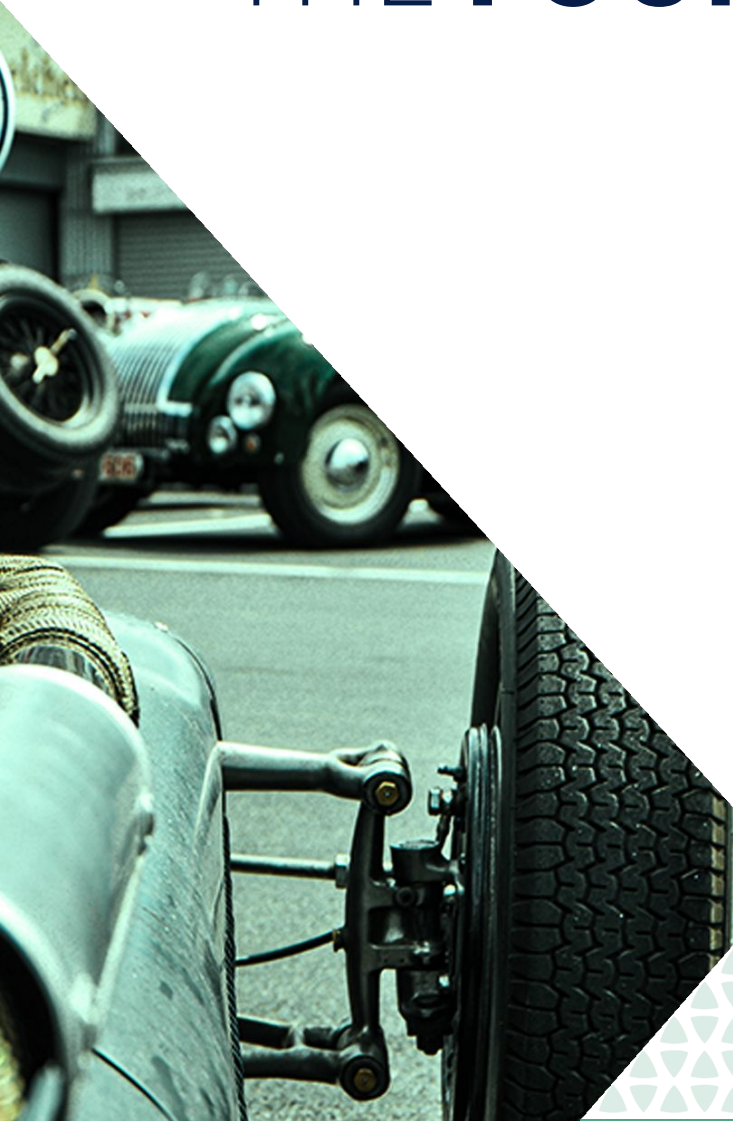
Regardless of their level of success over the last year, most marketers feel their companies have already crossed the data privacy bridge, with a stunning 91% expressing confidence in their data privacy practices. However, this confidence may be misplaced - in some groups, over 30% of those expressing confidence lacked a single customer view (a vital ingredient to effectively orchestrating consent).

5. **Machine learning in marketing is about to hit its stride**

As marketers race towards finishing their data 'foundations', many are already looking to the next stage of maturity: the adoption of machine learning to drive insight and action at scale - surprisingly, even 50% of the marketer segment who struggled the most already claim to be deploying it. Unsurprisingly, the more successful the marketer, the higher this adoption climbs.

³ <https://martech.org/record-growth-for-cdps-in-2021/>

THE **FOUNDATIONS**



Data-driven marketing is only possible when the data itself is under control. To be useful for creating models and activating campaigns, it needs to be:

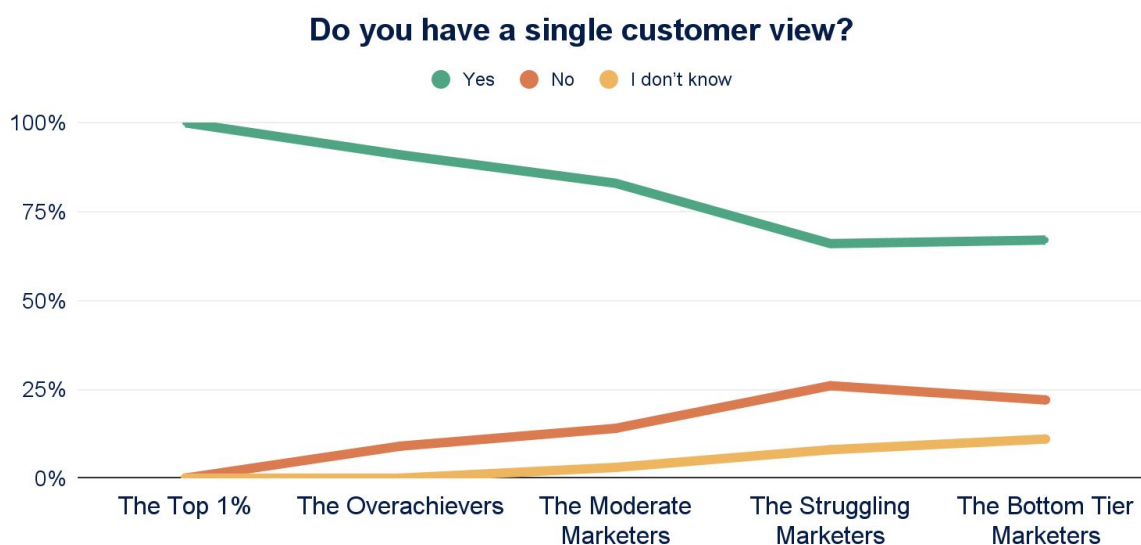
- easily accessible to whoever needs to use it
- structured so as to allow different data sources to work together
- able to be easily updated in real-time

The most common way of achieving the above is to create a 'single customer view' - unifying data into a single, consistently updated asset that serves as the 'golden record'. Here's how close different types of marketers are to achieving it.

The 'golden record' is a primary success indicator

For many, the single customer view is the holy grail of marketing: it takes painstaking unification of dozens (perhaps hundreds) of data sources in order to achieve it, which is an organisation-wide challenge.

So our first success indicator comes arguably as little surprise. The more successful the marketer, the more likely they are to have a golden record - and adoption of a single customer view falls off a cliff when we begin to look at 'less successful' marketers:



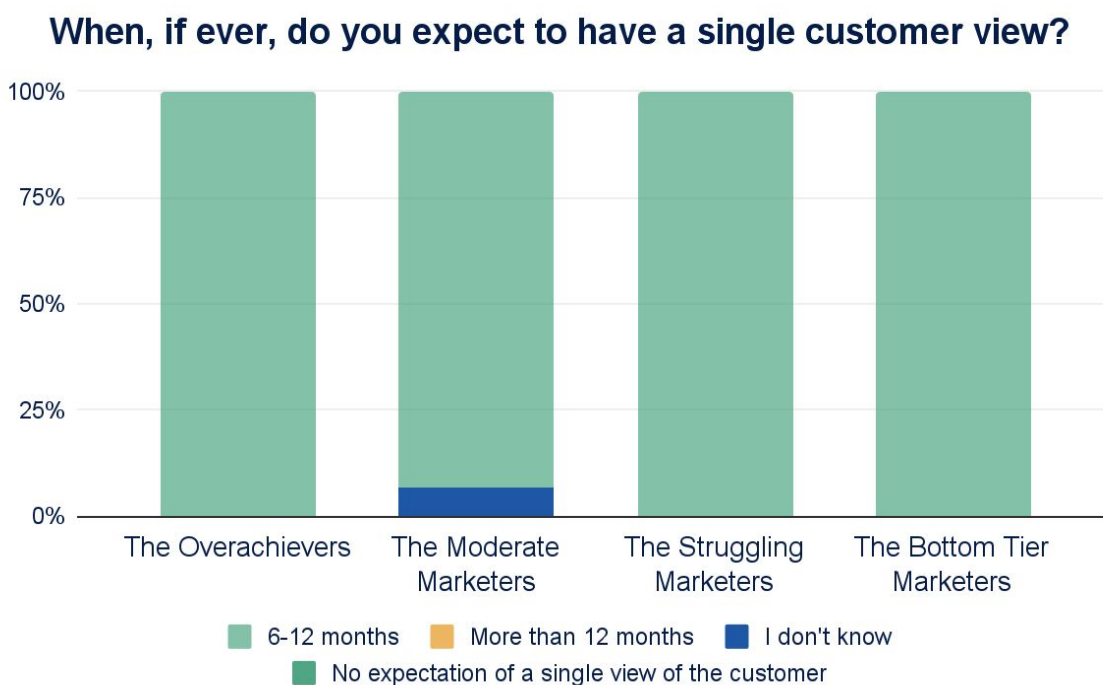
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As marketers get ready for a new age of post-pandemic marketing, the warning is clear - failure to build a single customer view is now the preserve of laggards. While the work of creating a 'golden record' may not be easy, putting these efforts off is likely to start to impact bottom line results soon (if not already).

There's a further challenge: the clock is ticking...

The single customer view will be near-universal by mid-2022

For any marketer seeking to take comfort in knowing that they are far from the only ones without a 'golden record', the research issues a warning: you have less than a year to catch up. Of those marketers who've yet to achieve a single customer view, a staggering 99% of them will have achieved it by the end of 2022:



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⁴ <https://zeotap.com/news/our-statement-on-googles-delay-in-phasing-out-third-party-cookies/>

A possible reason for this rapid acceleration might be familiar. In early 2021, Google dropped a bombshell on the advertising industry when it announced it would “phase out support” for third-party cookies on Google Chrome by the end of 2023⁴, effectively killing them.

To contextualise: third-party cookies help advertisers track user activity across their web travels in order to better target them with relevant ads. With their demise, addressability— the ability to identify and connect with individual users, regardless of the platform they’re on—will become much more difficult.

While marketers will have to find multiple different solutions to fill the void left by third-party cookies (more on this later), one of the most important solutions is in building a consented first-party data asset. This means a race against time to build up that asset over the course of the next two years, spurring nearly every marketer into action in pursuit of the ‘golden record’.

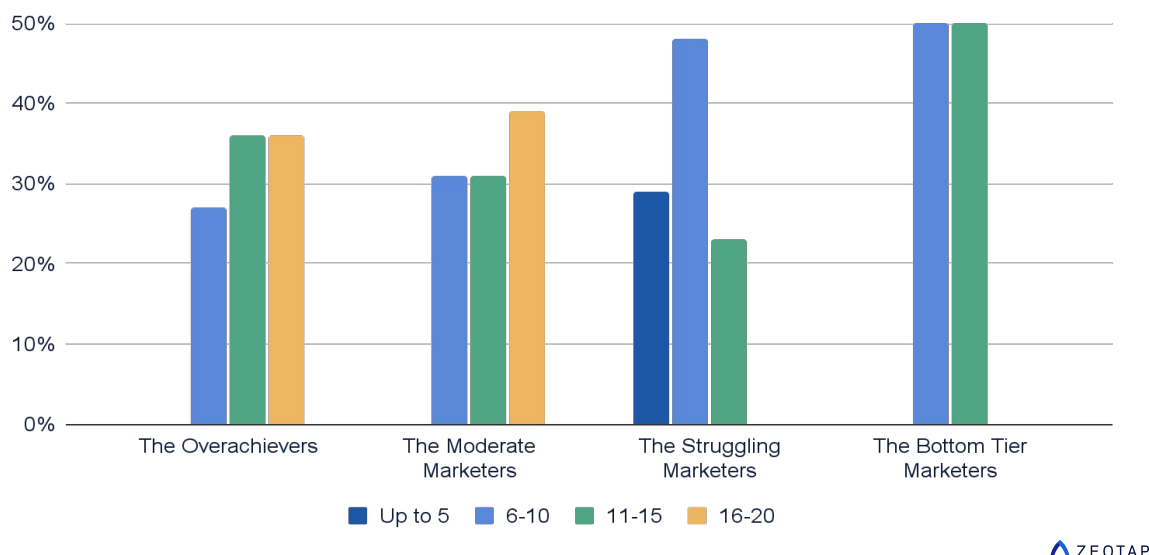
More sources means more success

So if you're among the companies yet to achieve a single customer view, what does your competition look like?

Broadly, the conclusion here was that the more successful marketers are using more data sources day-to-day, indicating that even though they're not yet at the level of organisational maturity to aggregate into a single customer view, they're taking significant steps to leverage what they can.

The Overachievers reported using the highest number of data sources to view and manage customer data —with a combined 73% using between 11 and 20. Only those marketers 'above the success line' ('Moderate Marketers' and above) engaged with more than 16 sources.

Of the marketers who lack a single customer view, how many different customer data sources do their marketing teams work with day-to-day?



Overall, a strong data foundation cannot be achieved by simply *having* data. In order to offer the most relevant customer experiences, marketers need to tap into multiple data sources and unify them into one single customer view. Those who continue putting off the latter will find themselves outrun by the competition in just twelve months from now.

THE **STACK**

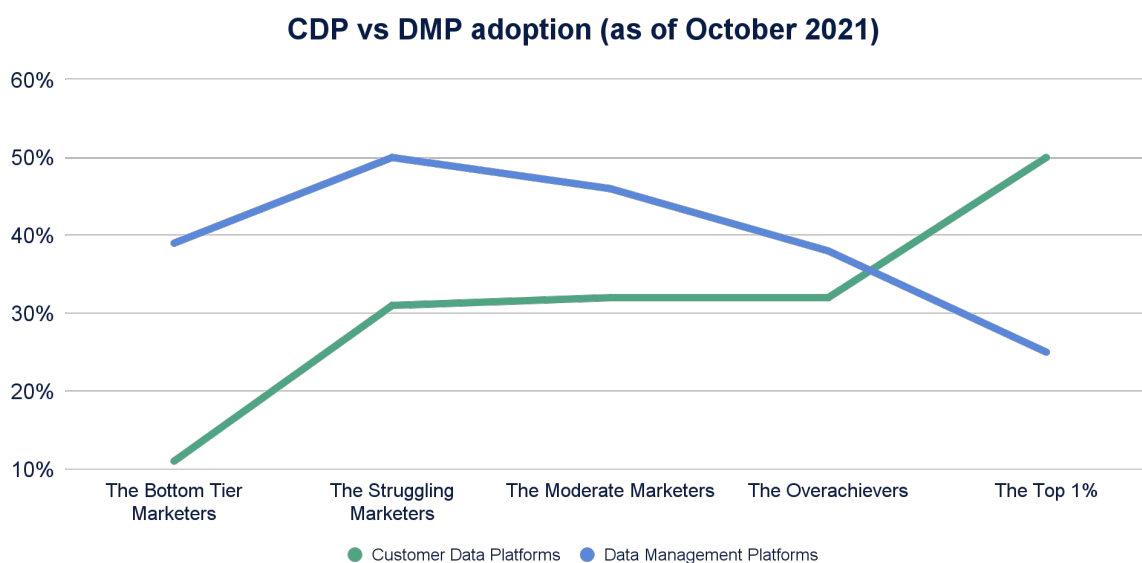


With over 6,000 customer data tools to choose from, the task of choosing the ideal tech stack can make any marketer feel like they need a tool just to choose their tools. When it comes to finding the right stack to leverage data, the problem is even more complex: there are legacy tools to overcome (often held in different teams) and long processes of integration to contend with. All this means that the wrong choice can be an expensive mistake - so let's find out who's getting it right...

The rise of CDP (and the death of the DMP)

Customer Data Platforms have seen an incredible surge in adoption in 2021, with the CDP industry reaching an estimated \$1.6 billion in revenue⁵. In looking at their relationship to marketing success, the research was clear: **the more successful marketers have already begun making the shift to CDPs.**

CDP adoption yielded a 39 percentage point increase between the least and most successful marketers - the biggest jump out of the five platforms surveyed.

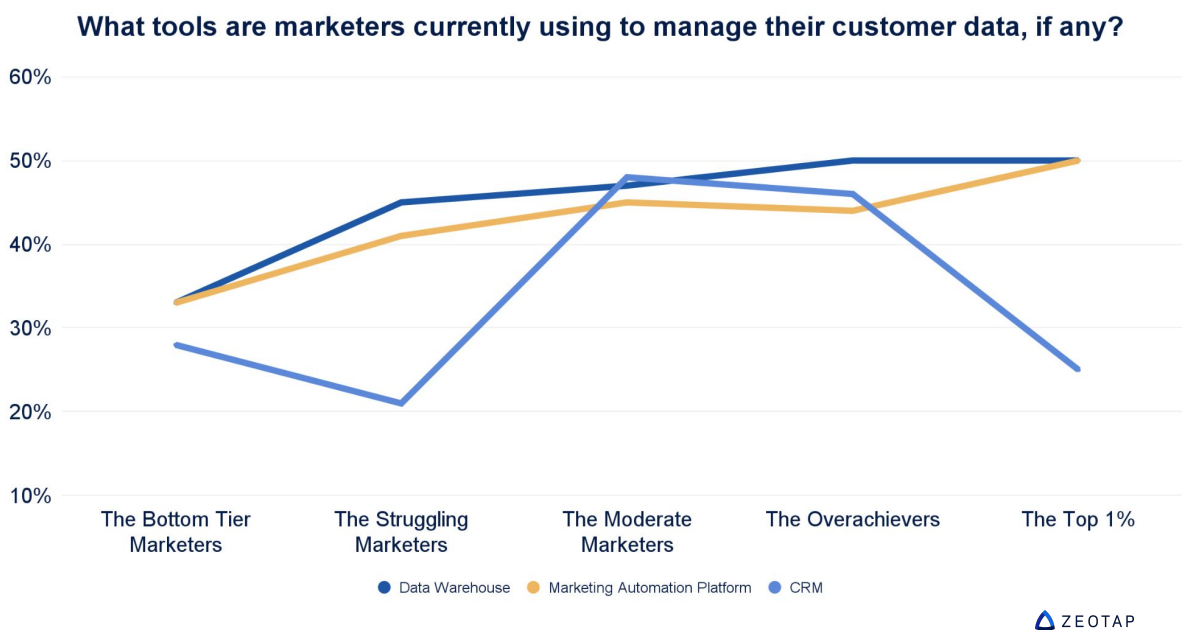


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⁵ <https://martech.org/record-growth-for-cdps-in-2021/>

While the most successful marketers transition to CDPs, the less successful marketers continue to cling to platforms like DMPs. The latter primarily rely on third-party data, retain data for shorter periods of time, and are unable to identify users to create the most accurate audiences possible the way a CDP can.

Other data-related technologies show an interesting variance in adoption. Data warehouses and marketing automation platforms both show higher adoption rates across all segments - the fact that neither of these see a drop as CDPs become more common reflects how CDPs function to integrate with these technologies as sources, rather than replace them.



However, all of this should be seen in the context that overall data technology adoption has a long way to go - the highest adoption rates level out at around 50%, meaning that those marketers who intend to achieve a single customer view in 2022 (see previous section) will need to move quickly to bring the right stack on board. Integrating new data technologies can be a complex process involving multiple departments (for example, the marketing team, customer experience team and finance team), so there's little time to lose.

The warning against flocking to FLoC

In addition to securing their first-party datasets, when asked how their marketing teams plan to ensure addressability once third-party cookies are disabled, ‘fingerprint/probabilistic advertising, ‘cohort-based advertising, e.g. Federated Learning of Cohorts (FLoC)’, ‘Universal ID/authentication’ were among the top three solutions.

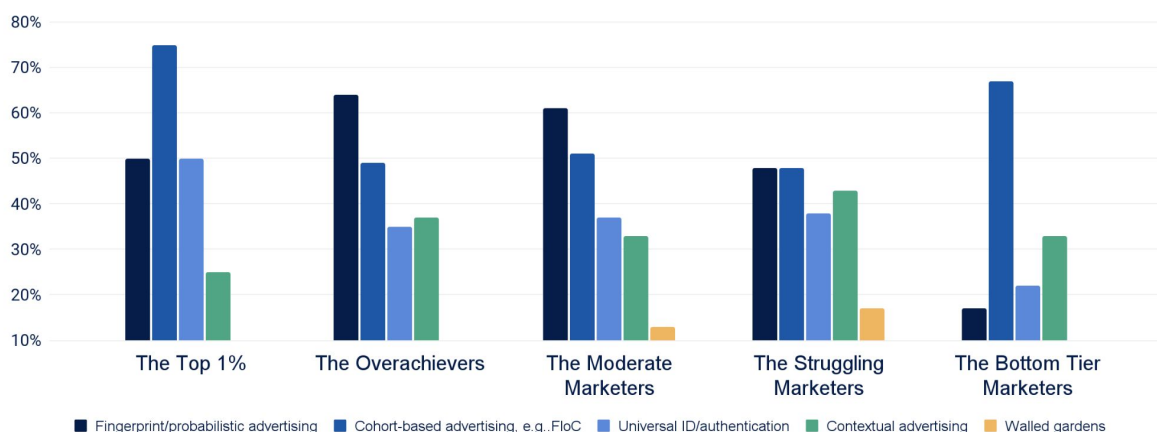
Here’s how these three solutions stack up against each other in terms of usability and potential challenges:

SOLUTION	HOW IT WORKS	WHERE IT FALLS SHORT
Fingerprint/probabilistic advertising	Uses a user’s metadata in order to build a targetable customer profile	Relies on device information, making the cross-device journey difficult to track
Cohort-based advertising, e.g. Federated Learning of Cohorts (FLoC)	Used to target people with similar browsing habits (in theory protecting their anonymity while providing advertisers with accuracy)	Tests for cohorts are ongoing, and many of the black box-like algorithms that drive them may impact what they can deliver in terms of accuracy
Universal ID/authentication	Shared, persistent identifiers that connect users across the digital marketing ecosystem and designed to safeguard the future of identity and addressability	-

From a marketer’s perspective, Universal IDs share some of the best characteristics of existing methods: the democratic nature of third-party cookies (where every cookie is essentially equal) and the simplicity of Mobile Ad IDs. **Half of the Top 1% of marketers have already adopted, or are planning to adopt, Universal IDs.**

While the ‘top end’ of the spectrum sees marketers planning to adopt a wide variety of solutions, there’s a stark anomaly at the ‘bottom end’ of the scale. Over two-thirds (67%) of Bottom Tier Marketers reported that their teams plan to use ‘cohort-based advertising’ as their means of offsetting cookie deprecation. Their adoption rates for other technologies fall far short of their colleagues further ‘up’ the scale.

How do marketing teams plan to ensure addressability once third-party cookies are disabled?



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The warning here is against ‘putting all your eggs in one basket’ for the cookieless future - particularly if that basket is cohort-based, which has been beset with issues around user privacy⁶. There is no ‘one and done’ solution for offsetting third-party cookie deprecation, and the clock is ticking for marketers to strike the right balance between scale, quality and privacy.

THE COOKIELESS FUTURE:

WHAT MARKETERS SHOULD DO FOLLOWING GOOGLE’S DELAY

Check out our four top pieces of advice to prepare for the cookieless world, based on helping marketers all over the world – from the likes of Virgin Media to Heineken. [\[READ MORE\]](#)

⁶ <https://www.wired.co.uk/article/google-cookies-floc>

THE **LAW**

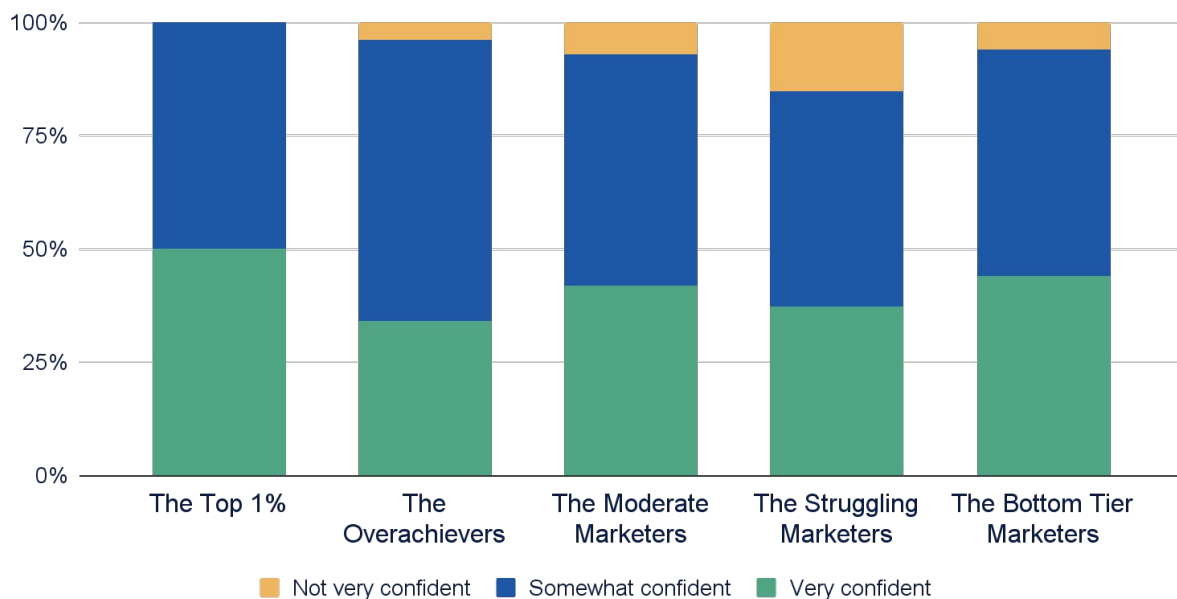


Confidence in data privacy is high...but potentially misplaced

Third party cookie deprecation is just one 'data fire' marketers have to put out. Ever since the introduction of new data regulations like GDPR and CCPA, marketers have faced a huge challenge in how to capture, store and use customer data in a way that doesn't fall foul of the law.

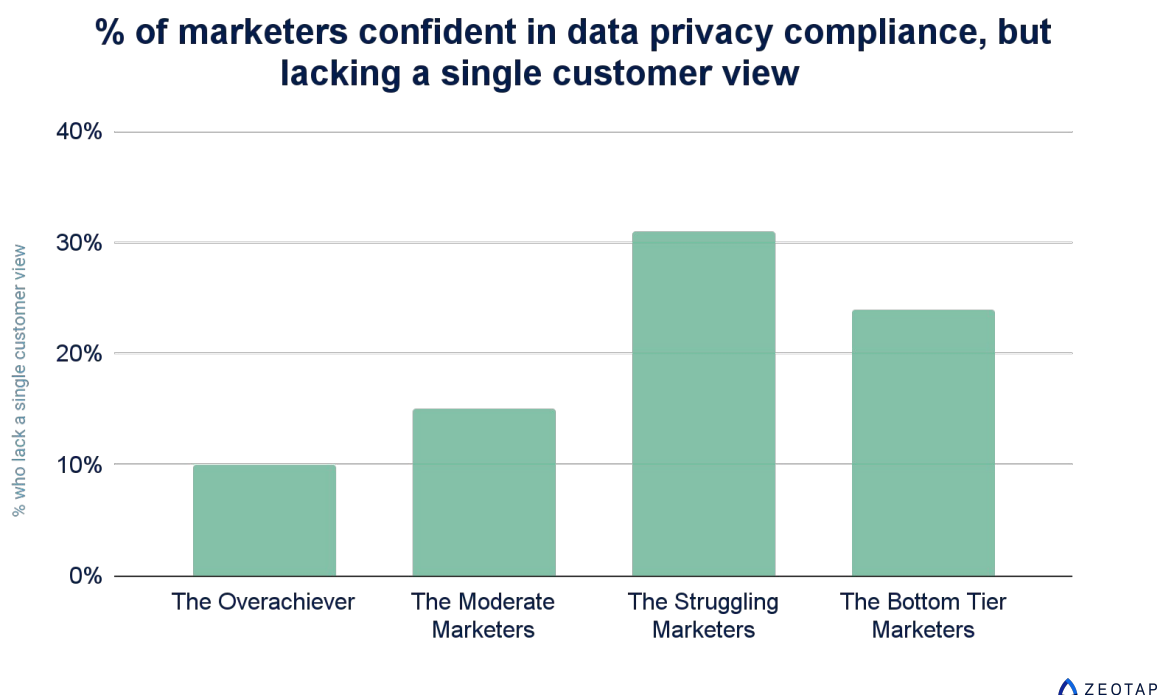
But there's good—and perhaps surprising—news here. Across the board, marketers have exhibited a high level of confidence in the compliance standards of their data practices, with nearly 100% confidence amongst the front-runners:

How confident are marketers that their company is complying with data privacy rules in its data collection and management strategies?



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But there's a problem here. Earlier, we asked marketers whether or not they have a single view of the customer. What we see is that there's a significant proportion of those marketers who **DON'T** have a golden record who **DO** express confidence about their data compliance. As we can see below, nearly one-third of 'Struggling Marketers' who are confident about their data compliance lack a single customer view:



Why is this an issue? It goes back to the challenge of how data consent is captured in today's multi-touch, multi-channel journeys: it's highly likely that consent is captured across multiple tools (for example a consent management platform, a loyalty programme and email marketing), which means an individual can express (and withdraw) consent in many different places. Unless those choices are resolved, it's likely that activating that data can fall foul of regulations.

This is why the single customer view is important: it means having a comprehensive view of a customer's consent preferences across those multiple touchpoints and channels. This is why the marketer without a 'golden record' might have misplaced confidence in their compliance: they need to ensure they prioritise the *consent* journey just as much as the *customer* journey - and that starts with achieving a single view of the customer.

THE **INSIGHT**

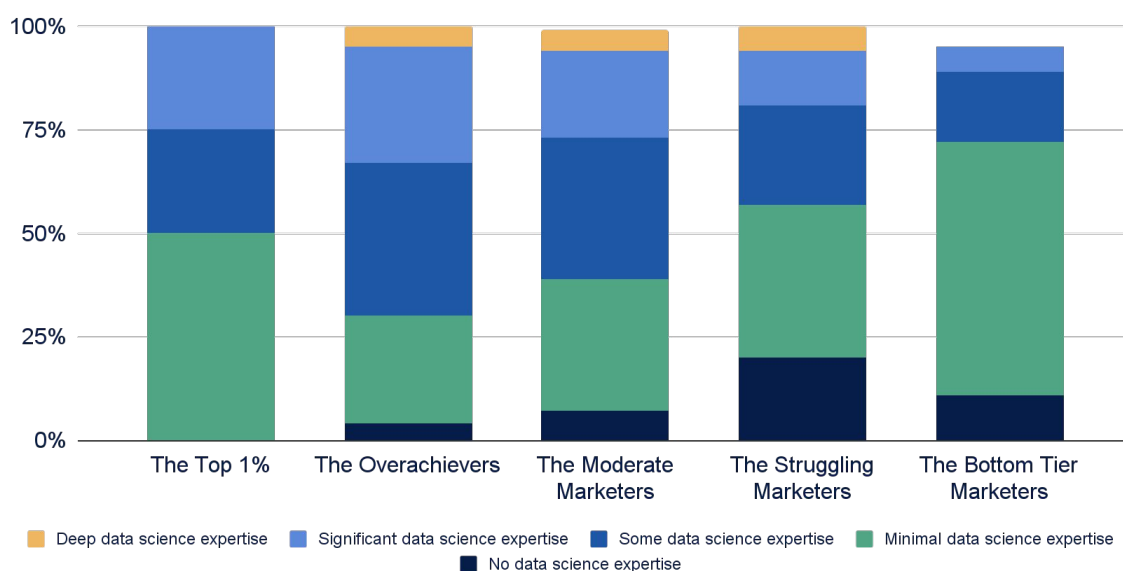


What good is a compliant dataset unless it can be used at scale? The last part of the ‘data secrets’ puzzle we unpacked with our respondents involved finding out whether today’s marketer is able to sort ‘signal’ from ‘noise’.

Building a data-fluent marketing function

A big part of the challenge in becoming a data-driven marketing organisation lies outside of data and technology - instead, it’s about skills. This is where marketing leaders need access to Data Science expertise in order to be able to build and use a single customer view - but it’s much easier said than done:

To what degree do today's marketer's have in-house Data Science expertise?

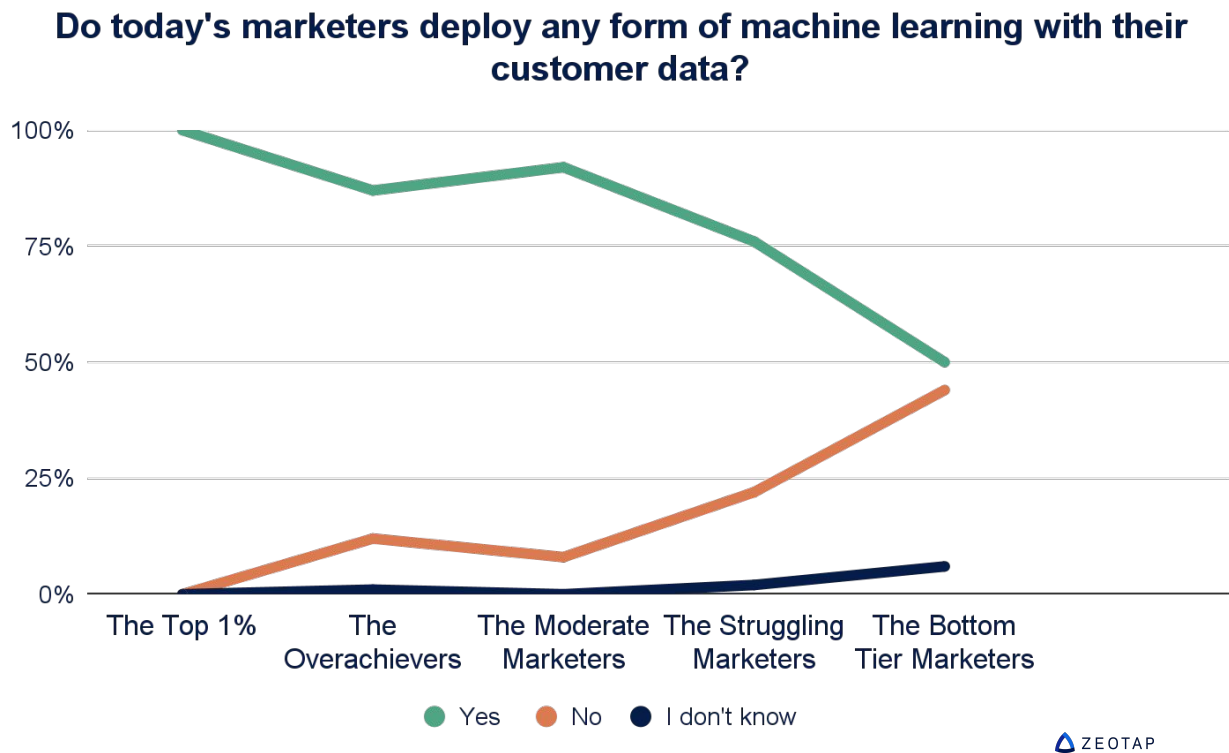


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With the exception of the anomalous top 1%, the trend is generally clear: the less access you have to Data Science expertise, the more likely you are to find your marketing success limited. For any marketers looking to transform their data practices in 2022, this cost centre shouldn’t be overlooked in the pursuit of technical solutions.

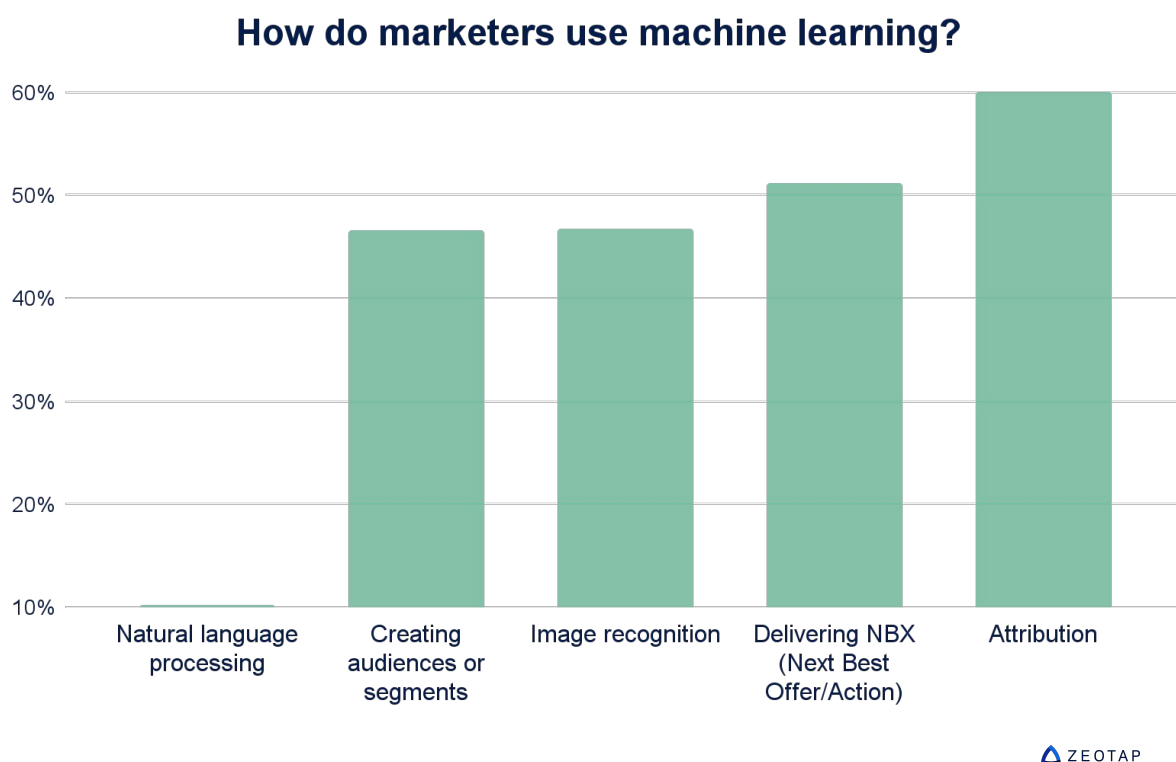
The best marketers lean on machine learning

When asked about their adoption of machine learning, respondents showed that this trend may finally be 'crossing the chasm' of adoption, as even 50% of Bottom Tier marketers claimed to have adopted it:



The trend lines here are shaped very similarly to our stats on the single customer view (see earlier in this report), showing clearly that machine learning adoption correlates strongly with success.

But how is that machine learning being used? There were few significant patterns in HOW marketers of varying success levels use ML, but trends across the board showed that attribution emerged clearly at the head of the pack as the primary use case (as could be expected). What was more surprising was how image recognition ranked almost as highly as delivering NBX:



What emerges is a picture of experimentation in machine learning. There's no established or consistent path forward here, as indicated in the inconsistent trends in use cases. While this might offer little comfort to the marketer aiming to adopt machine learning, the overall correlation to success should do so. The function of machine learning is to be able to use data at scale, so almost any step here is better than nothing.



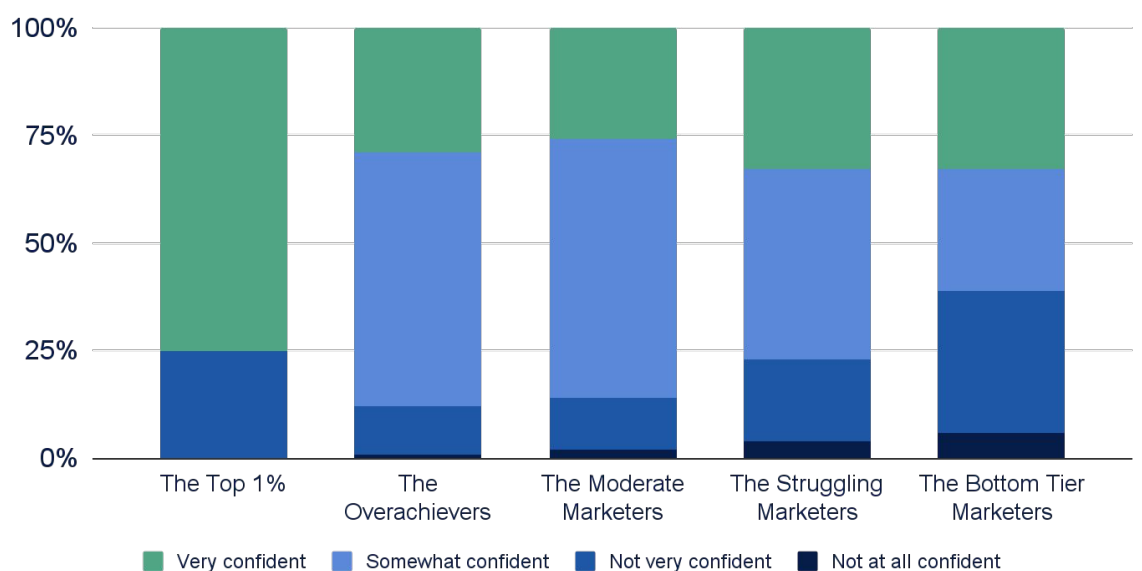
THE **FINAL VERDICT**

Marketers are feeling optimistic

All practices, habits and expectations considered, how confident do marketers feel about the effectiveness of their customer data strategies?

In general, the research shows that confidence increases the more successful the marketer. But worth noting is that levels of confidence were generally high across the board, with an average of 79% expressing some level of confidence about their strategies. This is with good reason, when we consider that the vast majority of this number intend to complete the challenge of having a single customer view within the next 12 months.

How confident are you about the effectiveness of your customer data strategy?



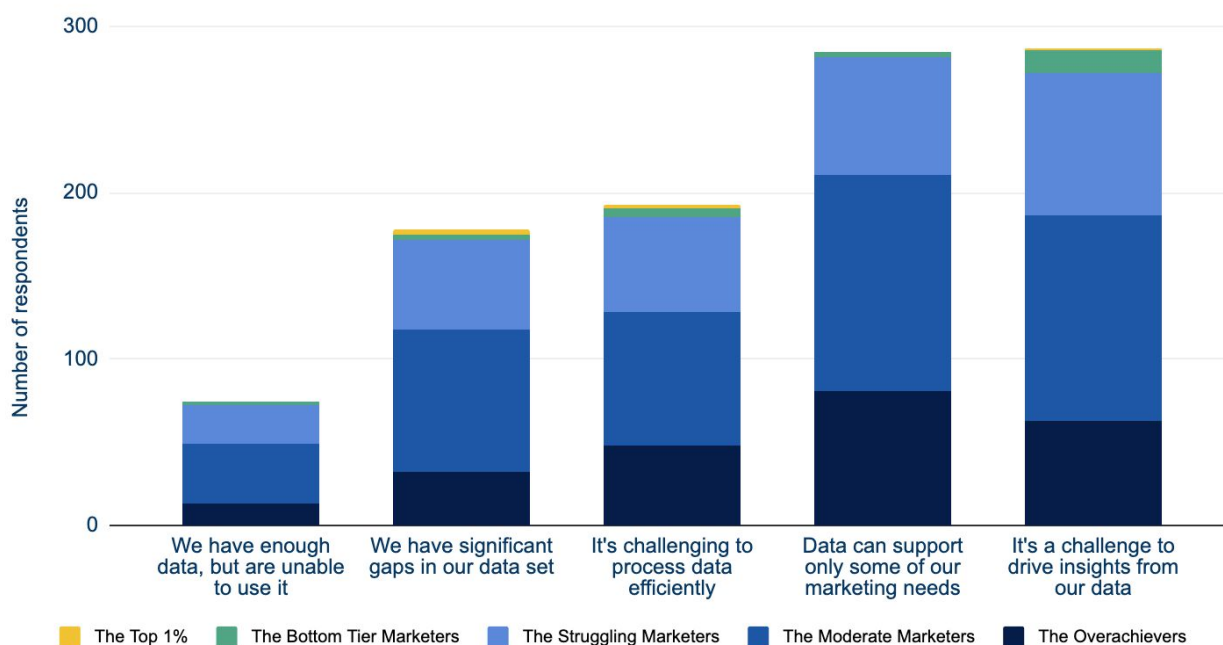
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The roadblocks marketers should expect next

Confidence aside, there are still some challenges ahead for all marketers when it comes to accessing and using their customer data to deliver the highest value to the customer.

The most commonly seen challenge across the board was one of insight, which affected the Bottom Tier of marketers most acutely, but impacted every segment. This recalls our earlier discussion of machine learning and access to Data Scientists, as these are usually two of the necessary solutions to the problem of insight.

Which challenges are marketing teams facing in regards to using their customer data? (choose all that apply)



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When it comes to marketing's use of data, we should expect rapid acceleration as we enter a post-COVID world. For now, most of us are in the starting phase of creating the usable dataset—the proverbial 'golden record' of a single customer view. But as most marketers complete this foundational phase next year, we can expect the second stage to truly begin, in the form of the race for skilled talent and pioneering machine learning.

A REPORT BY ZEOTAP

THE NEXT GENERATION CUSTOMER DATA PLATFORM

Zeotap's CDP empowers brands to unify, enhance and activate customer data in a cookieless future, all while putting consumer privacy and compliance front-and-centre. Recognised by Gartner as a "Cool Vendor", Zeotap works with over 80 of the world's top 100 brands, including P&G, Nestlé and Virgin Media. It is also the founding member of ID+, a universal marketing ID initiative.

PRIVACY AND SECURITY IS IN OUR DNA

Designed in Germany for the stricter compliance standards of operating in Europe



“ Zeotap represents a new breed of customer intelligence tool. ”

GARTNER



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