MARKETER vs MARTECH IN 2020

An annual look at tech stack weak spots and wins

Kelton | blueshift

Foreword by Blueshift

Considering the number of solutions available in today's market, you'd think building out the perfect martech stack would be as easy as filling up a shopping cart at the grocery store. But while a collection of tools that have different approaches, processes, and varying levels of scalability can certainly operate next to each other, working together is a different story.

The truth is — and I say this as someone who's been in the same situation more than once — most marketers don't have a tech stack. Most of us have a hodgepodge of solutions that don't align and don't communicate. And while integrating new innovations has always been a tricky process of trial and error, today's fickle and fast-moving consumer makes being at the mercy of technology a much more dire situation.

Expectations around the customer experience have reached all new heights: people want every digital interaction they have with a brand to feel as exclusive and as tailored to them as a face-to-face conversation. This means marketers like you and I need solutions that don't just meet, but also exceed those demands. The good news is that we most certainly have the customer data to execute against this goal. The bad news is that the majority of our tools lack the required sophistication and collaboration to execute against the data.

To add insult to injury, an underperforming stack can do more than just prevent marketing outputs from realizing their full potential. A stack with components that can't talk to each other means the people running those components don't talk to each other. It's silo within silo.

Fixing a problem always begins with recognizing it, of course, but recognition can often be an undertaking of its own — particularly if you've inherited your stack (as most of us have). The Blueshift team recognized this hurdle and sought to offer an assist with the help of Kelton Global, an insights and strategy firm. For this report, we surveyed over 500 B2C marketers just like you for a deeper look into the roots of martech friction. The results outlined in the following pages are designed to help you identify your most pressing issues, find ways for solving them, and surface the difference doing so could mean to your business.

Josh Francia
Chief Growth Officer
Blueshift

Kelton | ilblueshift

Index

Foreword by Blueshift 3

Executive summary 4

Your stack is broken if: it's full of unused data 6

Your stack is broken if: you aren't marketing like a mind reader 10

Your stack is broken if: you aren't able to bring strategies to life 14

Key takeaways 18

Methodology 20

Executive summary

Recent years have seen a very drastic, fundamental shift in customer behavior that most martech has yet to catch up to. The result: marketers today find themselves up against too much data, too many channels, and systems, and too much noise to cut through— among other challenges.

While marketers have great ideas about how to better engage customers and improve marketing results, they find too many substantial tech and organizational roadblocks in the way. In a past life, taking the long way around these obstacles was viable. After all, change is hard and introducing new innovations has always been a process of trial and error, but today's consumer waits for no one. Nowadays, marketers are only as effective as their data and their technology, and behaviors are changing too rapidly for the scenic route. Understanding where martech fails us and how to fill those gaps should be every marketer's top priority.

We commissioned Kelton to help marketers better understand the root causes of their challenges, and what those succeeding today are doing differently. This report contains a deep analysis of the three main martech challenges that plague most marketers: unused data, non-relevant messaging, and struggling to bring ideas to fruition. It also provides resounding evidence and support for how the best marketers are overcoming these issues with solutions like data unification, AI-powered insights, and multi-channel experience orchestration.

KEY FINDINGS
from surveying 514 B2C marketers include:

Delivering real, cross-channel personalization is still a far off dream.
95% of marketers don't personalize at the 1:1 level. That's because over four in five (86%) say their organization currently faces challenges creating personalized experiences across channels.

Unused and siloed data in tech stacks is the biggest reason for the lack of 1:1 personalization.
Marketers are spending more time collecting data than using it. Over one-third of marketers currently collecting marketing campaign (35%), real-time (37%) past-behavioral (40%), transactional (40%), or product interaction data (36%) data are not using the respective information to enhance their cross-channel experience. Meanwhile, 51% of Marketers say that critical customer experience data is not stored on one integrated platform. Using customer data to improve customer experiences is a top priority for 68% of marketers.

Marketers recognize they aren't realizing the full power of data, and are doing something about it.
Marketers using numerous systems are adding up to a month (23 business days) to campaign execution timelines. 61% of marketers storing data across systems believe their organization doesn't have the technology needed to best execute campaigns using customer data. Using customer data to improve customer experiences is a top priority for 68% of marketers.

AI can help increase data usage and break data silos, driving a winning marketing strategy.
98% of marketers that use AI / predictive modeling tools report marketing improvements. 81% of marketers using AI for personalization are exceeding their revenue goals by at least 30%.

1. Your stack is broken if

It's full of unused data

If there's one thing marketers can be sure of, both now and for the foreseeable future, it's that data rules everything. Or, at least it *should*.

The sheer amount of data available today is immeasurable and the collection of it is similarly open-ended. But that seems to be where the dream stops for many. In fact, rather than using data to improve the customer experience, **over one in three marketers (36%) admit that their teams spend more time collecting or distilling information than executing against it.**

2 of 5

marketers are not using the respective information to enhance their cross-channel experience

35% | Marketing campaign

37% | Real-time

40% | Past-behavior

40% | Transactional

36% | Product interaction data

This reality isn't a surprising one. Data certainly has the power to deepen customer insight and enable more precise marketing, but only when it's harnessed effectively. Today's speed, volume, and variety in which it's generated create a real challenge: data perpetually changes, which means insights have a brief shelf life.

While data warehouses, DMPs, CRMs, and even CDPs have been great tools for a variety of use cases, they ultimately don't provide the right level of access, connectivity, or speed to make marketing more effective.

Marketers collect a myriad of customer data. Everything from past behavior to transactional data gets picked up and tossed into a growing collection pot. And yet, much of this data isn't actually used to improve the customer experience. When we break it down, over one-third of marketers currently collecting various types of data are not using this information to enhance their cross-channel experience:

> Over one-third of marketers currently collecting marketing campaign (35%), real-time (37%) past-behavioral (40%), transactional (40%), or product interaction data (36%) data are not using the respective information to enhance their cross-channel experience.

In other words, there are too many marketers out there who spend a ton of time gathering information that they don't ultimately use for growth — or anything at all. The culprit? Many fingers (43%) point to technology and knowledge shortcomings. 24% of these marketers blame a lack of understanding of what data is available to execute against, while 27% say they don't have the technological functionality needed to use collected data to inform execution when it comes to developing their cross-channel customer experiences.

The Solution | data unification

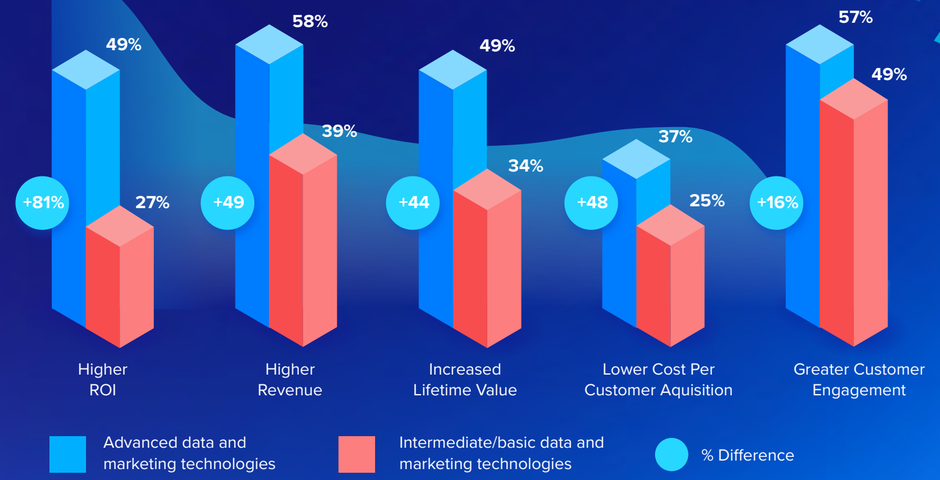
Data is at the heart of all marketing systems, but can't do much for anyone if it's idle and living in different pockets of the tech stack. Data needs to be *activated*. In simple terms, this means the customer experiences should be informed by the fullness of the customer data ingested — not just some of it. This process begins with the unification of data through the implementation of a scalable and solid foundation. Once all customer data is truly unified, marketers can act on a comprehensive profile of each known and anonymous customer, including all historic and real-time, behavioral, transactional, and brand interaction data.

Thankfully, the existing imbalance between gathering and leveraging data isn't totally lost on marketers. Whether the roadblock is a technology problem or a lack of know-how, today's marketers are placing a strong emphasis on improving data processes and utilization going forward.

Over half (58%) say their organization believes it's extremely important to enhance their systems for collecting and managing data (true), and those who are already in pretty good shape — a.k.a. exceeding revenue goals by 30% or greater — are of the same mindset. 66% of these winners say improving their systems for collecting and managing data is still extremely important to their organization (true again).

When we get down to the benefits of a shift in focus, of prioritizing more advanced data and marketing technologies, it's not hard to see why everyone is so eager to join the club.

The benefits realized from using more advanced data and marketing technologies to improve the customer experience* include an 81% increase in ROI.



comparison of those with advanced vs basic/intermediate data and marketing technologies

2. Your stack is broken if

you aren't marketing like a mind reader

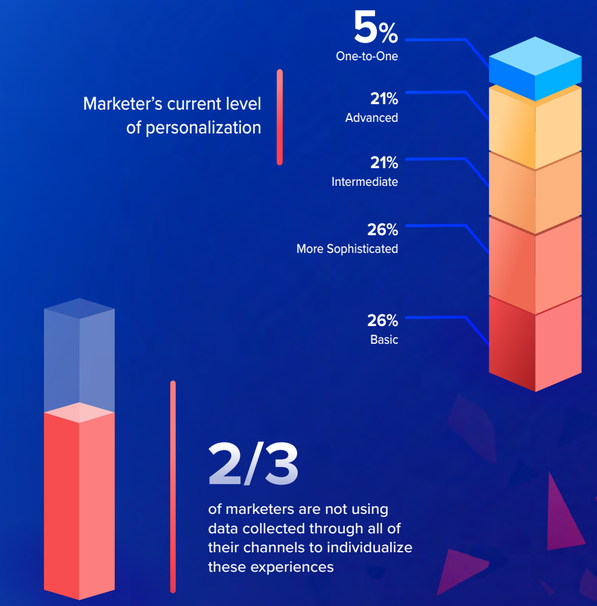
Every time a customer interacts with a brand, be it on a website, a social media profile, over email, text message, or even via offline channels, they leave behind crumbs of information. Collectively, these crumbs add up to individual profiles so incredibly rich in detail that marketers can create customer experiences that feel uncannily perceptive.

And yet, in the midst of all this data swirling around, ready to be plucked from the digital air and turned into revenue, the vast majority of marketers are lacking in the personalization department. In fact, a whopping 95% of marketers aren't delivering the one-to-one experiences their customers demand.

In a world where customers are more difficult to acquire and retain than ever before, true personalization — 1:1 on every channel — becomes more than just important. It's a necessity.

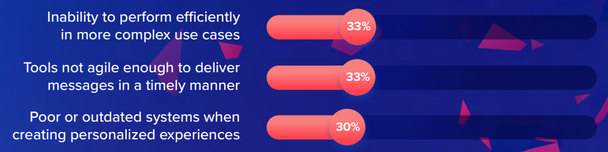
On the up side, marketers are essentially aiming in the right direction: 68% say their organization aspires to deliver individualized experiences. And a great many of them also recognize there's a need to take their customer experience to the next level. That is, 81% say their organization needs to be more innovative in how they engage customers to meet goals. The down side? Only 5% of marketers are actually achieving true 1:1 personalization.

If marketers are only working with a partial customer view, or only personalizing on just a few of their channels, as it seems most of them are, they're not the mind reader they need to be to meet their customers' expectations.



2/3

of marketers are not using data collected through all of their channels to individualize these experiences



For example, while it's common to personalize website (79%), email (76%) and customer support channels (76%), most marketers miss the boat when it comes to others: only 58% report personalizing proximity marketing, 74% personalize mobile apps, 56% personalize digital advertising, 67% personalize direct mail, 65% personalize paid social, 58% personalize SMS, 56% personalize messaging apps, and 53% personalize push notifications.

These marketers also don't leverage collected customer information from *all* existing touchpoints. In fact, around two-thirds of marketers are not using data collected through all of their channels to individualize these experiences.

This lack of personalization across touchpoints isn't a result of laziness; rather, it's more likely due to specific obstacles. 86% of marketers say their organization has been met with challenges in increasing the one-to-one individualization of their cross-channel experience. Many of these challenges are believed to be rooted in the tech stack.

These technological shortcomings can often lead to a host of worries and insecurities, such as 66% of marketers not meeting revenue targets who report that they are falling behind our competitors in delivering one-to-one personalized customer experiences. And marketers who are currently personalizing at the segment level are 42% more likely than those personalizing at the individual level to say their organization is falling behind their competitors in delivering individualized experiences.

The Solution

data enrichment with AI

Becoming a mind-reading marketer requires the next step in data activation, after unification: data enrichment. Data collected from every available channel and touchpoint, routing back to one centralized place builds out a holistic, up-to-date view of the customer, and AI can then act on that view with important predictions.

AI can be used to not only help marketers in their everyday role, but also to supplement the work they're already doing and increase growth and revenue. Marketers report leveraging AI for everything from the real-time personalization of customer interactions (58%), to streamlining data collection (52%), and the real-time creation of customer insights (54%), for example.

Just how effective is it? **An impressive 98% of marketers who use AI/predictive modeling tools report marketing improvements.** This phenomenal success rate is driving AI to becoming the standard among brands. 60% of marketers plan to increase their use of AI in the next 12 months, including 41% of those already using AI.

Those who've seen benefits using AI highlight: delivering a better customer experience (44%), creating sophisticated campaigns and customer experiences (41%), minimizing the time between idea and campaign execution (41%), improved targeting and messaging effectiveness (39%), incremental revenue growth (39%), improvement in customer experience decision-making across channels (38%), automating processes in order to make teams more productive (38%), the ability to run more campaigns and do more testing with the same resources (38%), the reduction of human error in data, analytics, and campaign processes (37%), and identifying opportunities to improve the customer experience that would not have been noticed otherwise (35%).

To top it off, AI/predictive modeling tools are more common among marketers whose companies significantly exceeded their 2018 revenue goals. Our study found that marketers whose organizations exceeded their 2018 revenue goals by at least 30% are 22% more likely than those who did not to currently be implementing AI/predictive modeling to improve their customer experience.

Marketers using AI for personalization reported exceeding their revenue goals by at least:

30%

Marketers who use AI/predictive modeling tools report marketing improvements

3. Your stack is broken if

you aren't able to bring strategies to life

Building out comprehensive strategies, being creative, ideating and seeing those ideas come to life — these are things marketers look forward to doing in their profession. But when a stack is made up of multiple platforms that collect and store different types of data in different places, both timely and holistic execution against those ideas becomes impossible. What good is a strategy if it only addresses part of the picture? What's the point in planning a campaign that will be irrelevant by the time it's executed?

Creating piecemeal plans in response to fragmented technology is a slow, ineffective way to approach marketing growth, and yet, it's commonplace. This epidemic causes lag time in data processes and, coupled with inefficiencies across platforms, leads marketers who lack one integrated solution to feel ill-equipped to execute their strategies. For example, **marketers using numerous systems to store data are adding up to a month to campaign execution timelines.**

Marketers who fail to meet revenue targets are

+46%

more likely to report that their marketing department spends more time collecting/distilling information than executing against it

marketers who say critical customer experience data is not currently being stored on one integrated platform

of marketers storing data across multiple systems believe their organization does not have the tools/technology needed to best execute campaigns using their collected customer data

When we say disparate data is common, we mean that over half (51%) of marketers say critical customer experience data is not currently being stored on one integrated platform, and it's causing more grief than you might realize.

The problem with these separate systems is that they create data silos which inhibit marketers from activating against their data because it can't work together as a whole. Most (55%) say the inability to merge or unify data stored across multiple platforms is a challenge in leveraging collected data, and 69% of those who store data on multiple platforms feel that friction in their martech stack hinders their organization from moving from idea to execution with new marketing strategies.

Disconnected data is also a primary driver for a lack of confidence in tech stack efficiency in general: 61% of marketers storing data across multiple systems believe their organization does not have the tools/technology needed to best execute campaigns using their collected customer data.

And it gets worse. Marketers who fail to meet revenue targets are 46% more likely to report that their marketing department spends more time collecting and distilling information than executing against it (41% who fail to meet revenue targets vs 28% of those exceeding revenue targets).

One example most marketers will be able to relate to is that of time wasted is on campaign execution. Marketers report processes that should be automated can add up to an extra month (23 business days) to the timeline of a typical marketing campaign, including: 4 days of team alignment, 5 days to collect all necessary data, 5 days to process said data, 5 days to analyze it, and 4 days of segmentation.

The Solution

multi-channel experience orchestration

Data has always been a driver of the bottom line, but marketers the world over are beginning to understand how more recent shifts in consumer behavior have truly made it the department powerhouse. They're also realizing how shortcomings in technology are preventing the efficient usage of information, and are ready to do what must be done to fill in the gaps — including taking things into their own hands. 87% (that's nearly 9 in 10) say their department wants to receive more training or resources to better manage and execute against customer data.

While data collection, storage, and management platforms have all had their place in the limelight, marketers are eager to take it to the next level. After data unification and enrichment via AI, the third and final piece of data activation is execution. In order to achieve ideal campaign orchestration, winning marketing leaders should capitalize on this quickly-growing appetite for doing more with data by investing in more sophisticated technologies — open system with native data connectors, the ability to build customer journeys across all touch points, to segment without IT resources, etc.

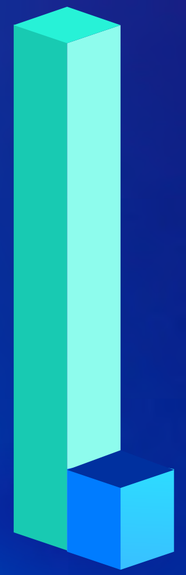
Marketers who exceeded revenue goals by at least 30% are

+86%

more likely to rate the sophistication of their data and marketing technologies as advanced

Exeeded Revenue Goals by at least 30%

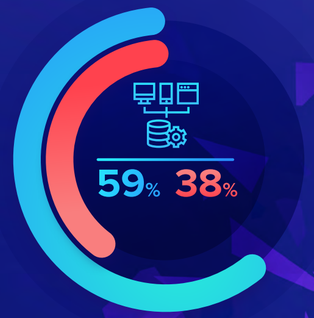
Did Not Meet Revenue Goals



Marketers who are storing data on an integrated platform

Exeeded Revenue Goals by at least 30%

Did Not Meet Revenue Goals



87%

of marketers are actively looking for training or resources to improve their management and execution against data

Key takeaways

In the coming year, more marketers will find themselves at an intersection between the tools of the past — data management, storage, etc. — and the tools of the future. It's definitely not an unfamiliar space in terms of sentiment, but the urgency with which marketers are required to make decisions is a reflection of the speed at which consumer behaviors change — and that's *fast*. Faster than we've ever known it to be.

And an underperforming tech stack is far from the only challenge marketers are facing these days. Disconnected team structures and processes throughout organizations also prevent marketing outputs from improving, but bad technology can be a main driver of that disconnection as well.

The root of the problem is that not all tech is created equal. Each solution collects and processes data in its own way, has its own level of sophistication, its own specific functionalities, and may or may not have a foundation that was built for scale. And if each solution is managed by a different team or individual, as is usually the case, the processes they learn and operate by will be just as incompatible as the tools themselves. Around one in three marketers claim teams being too incentivized to improve their own channels rather than cross-channel capabilities, for example.

It's a frightening domino effect. Broken tech leads to a broken team, and a broken team leads to a broken customer experience. 85% (that's over 4 in 5) report that technology challenges between departments have caused problems in developing personalized customer experiences, including separate departments using varying platforms to collect and store (42%) or analyze data (41%) or poor collaboration between teams (40%).

Meanwhile, most marketers believe organizational challenges are creating roadblocks in activating against data. 67% marketers say inefficient cross-functional/cross-department processes slow their organization down in executing marketing strategies and enhancing the customer experience.

Sophisticated technologies are needed to support this collection of sophisticated needs. Marketers who adopt them are finding that rather than acting as expensive replacement solutions or temporary bandaids, these platforms become bridges between their existing data, tools, and processes.

UNIFY YOUR DATA WITH CUSTOMER PROFILES

If martech is your department engine, then data is the fuel that powers it. And that fuel isn't going to do much if it's spread over various parts of the stack. Centralizing all of the data you collect is absolutely essential to optimizing your marketing performance.

> 59% of marketers exceeded revenue goals by 30%+ vs 38% of those who failed to meet revenue goals are storing data on an integrated platform

ENRICH YOUR DATA WITH AI & MACHINE LEARNING

Integrating AI/predictive modeling into your marketing efforts can supercharge marketing automation with the scale, relevancy, and timeliness needed to effectively respond to shifting consumer behaviors.

> 81% of marketers using AI/machine-based learning for personalization report to exceeded revenue goals by 30%+

ORCHESTRATE YOUR DATA WITH MULTI-CHANNEL CAMPAIGNS

Customers demand true personalization, and that means getting down to the 1:1 level across every single channel you offer — not just the more active ones.

> Marketers exceeded revenue goals by 30%+ are collecting more types of data and using more channels to create personalized experiences for customers

INVEST IN BEST-OF-BREED TECHNOLOGY

Marketers are only as powerful as their tools these days, but modern tools are catching up to consumer demands. Don't be afraid to invest in comprehensive technology that's foundationally built for scale.

> Marketers exceeding revenue by 30%+ are 86% more likely to rate the sophistication of their data and marketing technologies a 5/5 (48% vs 26%)

PUT IN THE TIME TO FIX YOUR STACK

(because it pays off)

The thought of fixing a tech stack can be daunting, but those who take the time to fix their foundation are seeing payoff that's more than worth it.

> Nearly 2x marketers who exceed goals by at least 30% (57% vs 32%) say their marketing tools are extremely effective in enabling their organization to each their personalization aspirations

Methodology

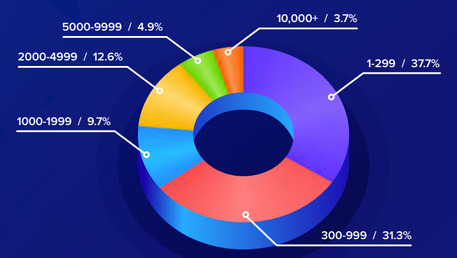
The Marketer vs. Martech survey was conducted between June 24th and June 30th, 2019 among 514 marketers ages 22 and over who are full-time employed at a B2C brand, using an email invitation and an online survey.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results.

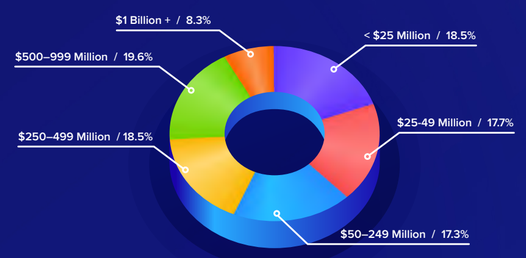
In this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 4.3 percent, from the result that would be obtained if interviews had been conducted with all personas in the universe represented by the sample. The margin of error for any subgroups will be slightly higher.

Kelton Global is a leading global insights firm serving as a partner to more than 100 of the Fortune 500 and thousands of smaller companies and organizations. For more information about Kelton Global visit www.keltonglobal.com.

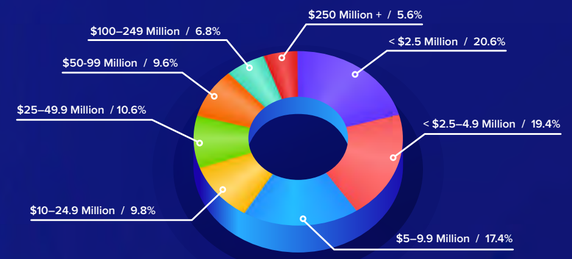
COMPANY SIZE



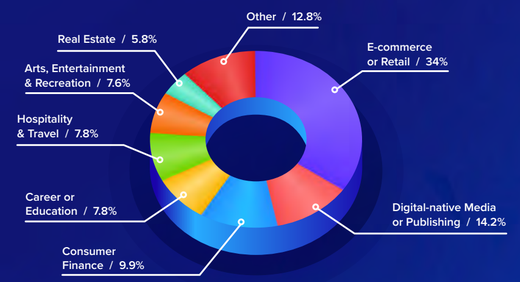
ANNUAL REVENUE



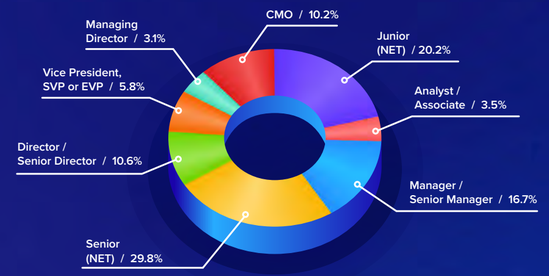
MARKETING BUDGET



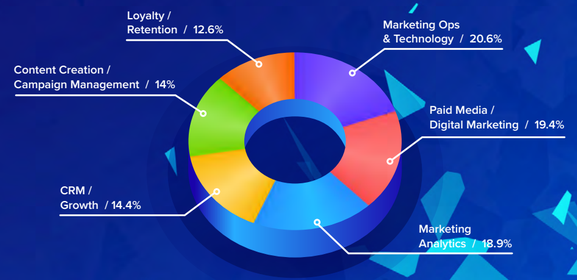
INDUSTRY



SENIORITY



ROLE



About Blueshift

Blueshift's platform combines the best of CDPs with the best of marketing automation to achieve data activation. This means every customer interaction across every channel is guided by a holistic, up-to-the-moment understanding of customers—including all prior transactions, on-site and offline behaviors, campaign engagement, product interactions, real-time actions, and other customer attributes gathered across channels and devices.

Blueshift uses AI to enrich customer data and making meaningful predictions, continuously shaping customer interactions, across all channels, as soon as data is collected instead of idly sitting around in marketers' systems losing value. This happens through an automated process that doesn't require marketers to manage every step.

Most importantly, data activation orchestrates cross-channel experiences around the customer, not the other way around. This means no matter how many customers or touch points you have, you can be sure that each interaction is based on real-time customer insights, consists of the right content, and is happening at the exact right moment in the channel it's most likely to drive action. It's a complete switch from channel-centric to customer-centric.

Leading consumer brands such as Groupon, LendingTree, Discovery and BBC use Blueshift to transform their customer engagement. The company is backed by prominent venture capital firms including Storm Ventures and SoftBank Ventures Asia.

blueshift

Activating data activates growth plain and simple.
Find out more by visiting us today at blueshift.com.

Kelton | blueshift