7

key insights into the evolution of data-driven marketing

Infogroup Survey Results:
## Marketing Trends Toward the Future

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Introduction

Over the years, our survey of marketers at the annual DMA conference has shown tremendous changes in how they respond to the increased quantity and depth of consumer and business data available. Getting the most out of data is a multistep process. Some marketers are well ahead of the curve and some have been slower to adopt. But over the past four years, there has been a notable shift toward investing in data across the industry.

Marketers are seeing an increasing need for sophisticated data to support campaigns that are multichannel, personalized, and automated. Reflecting this need, data technology solutions are now a nearly universal part of the marketer's arsenal across the industry.

From data warehousing, cleansing, real-time data platforms, and automation, marketers continue to increase their investment in data technology. In fact, our 2015 survey shows that nearly two thirds of marketers surveyed now plan to invest in multiple data technologies.

Table 1: Majority of brands investing in multiple data technologies
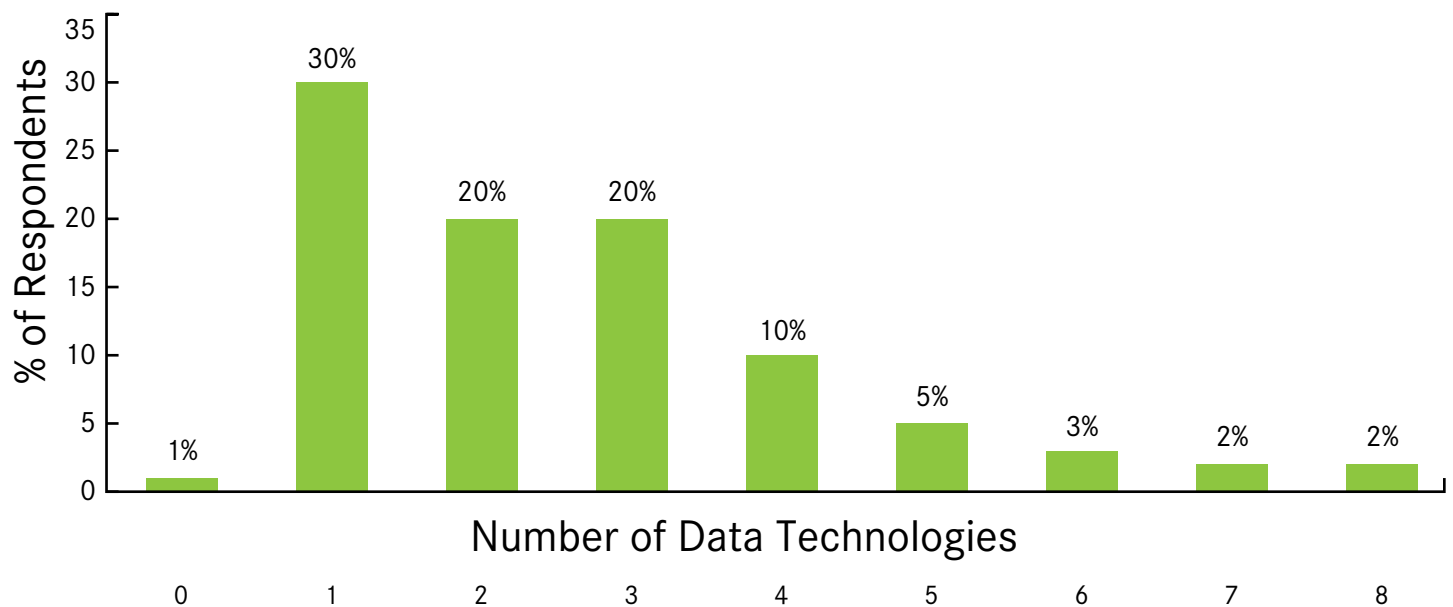
Perhaps more telling is that less than one percent of marketers claim they will not be investing in some form of data technology in the next year. Virtually every company is investing in data – the only question is where they are putting their data dollars and how much they are willing to spend.

What shape is this new data-driven world taking in the last half of the 2010's? Our survey revealed seven key insights on the future of data in marketing.

Insight 1: Companies are doubling down on their investment in data.

A growing number of marketers plan on increasing their data-related budget. Overall, those marketers that are investing in data have increased from 54% in 2013 to 65% in 2015. This represents the highest percentage we've surveyed since 2012, when almost 70 percent claimed they would increase their spending on data.

Overall, more than 21% expect significant year-to-year growth in their data related marketing budget, representing a 4% jump since 2013. Only 3% of respondents say their data budget would decrease slightly over the next year. Despite significant investment over the past few years, data will still represent an area of rapid growth in the industry, with no signs of slowing down.

Table 2: Continued investment in data
Question: How do you expect your data-related marketing budget, or those of your typical client, to change in 2016?

Expected data related marketing budget in 2016	% of respondents
Increase greatly	21%
Increase slightly	44%
Stay the same	26%
Decrease slightly	3%
Decrease greatly	0%
We have not determined next year's budget	6%

Insight 2: Analytics remain the top investment for marketers; real-time data platforms represent the biggest area of growth.

Enhanced analytics and campaign management tools are the top two technology purchases in 2016, with 42% and 39% of marketers investing in those technologies respectively. Continued investment, even by those who have spent on these technologies over the past two years, reflect the centrality of these tools to data-driven marketers.

However, other technologies have seen big jumps in marketing budgets over the past two years. Investment in real-time data platforms saw the biggest jump, up from 18% in 2013 to 30% in 2015. Real time analytics have been increasingly crucial to marketers looking to improve ROI, enabling quick reactions to what is actually working. As the web speeds up the marketing cycle, these insights are becoming increasingly valuable to marketers.

**Table 3: Investment in data technology shows consistent growth**
Question: What types of data technology does your client or your organization expect to invest in or purchase in 2016?

Data Technology	2013 survey	2015 survey
Merge/purge solutions	Not Surveyed	27%
Enhanced analytics	42%	42%
Data warehousing	19%	26%
Data cleansing	24%	31%
Real-time data platforms	18%	30%
Campaign management and integration	42%	39%
Business intelligence	26%	28%
Automation	23%	28%

Insight 3: Marketers are using more data sources.

The math is simple – the more data sources you incorporate, the more targeted and effective your campaigns can be. The average marketer is powering their initiatives with multiple data sources. In fact, 65% of respondents are using two or more sources of data.

Table 4: Most marketers use multiple data sources in their campaigns
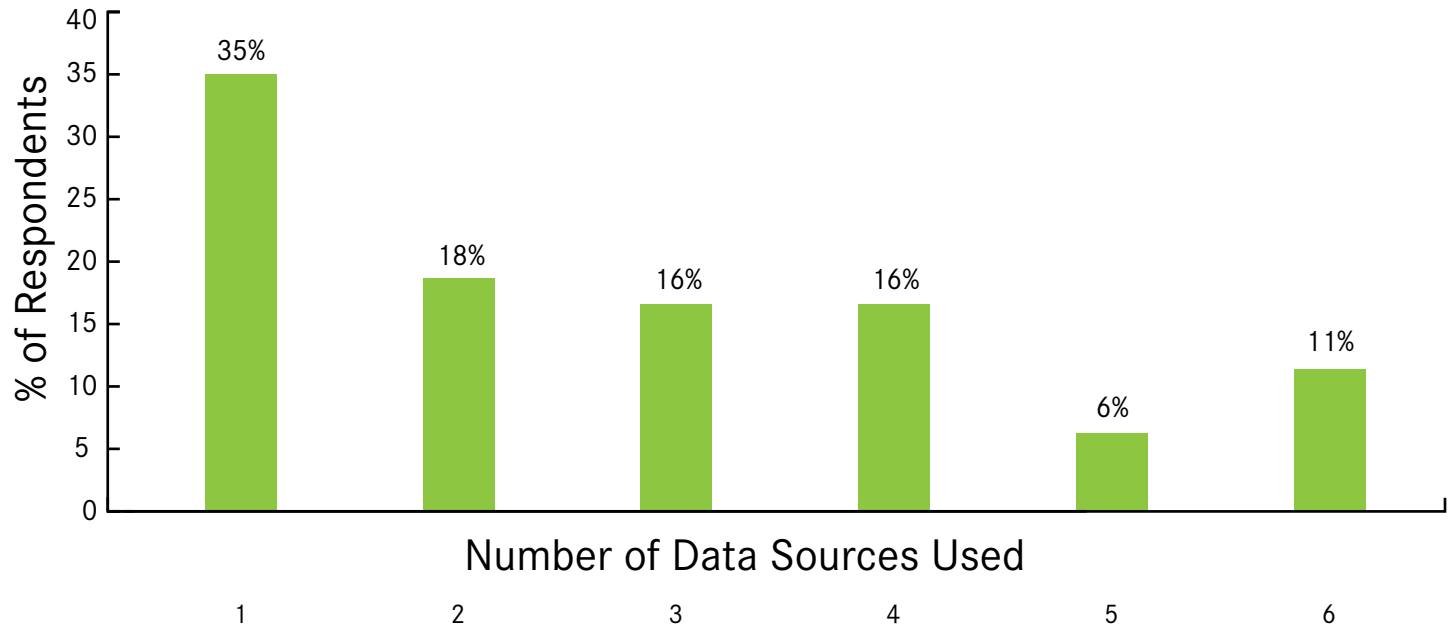
The most popular sources of data listed by respondents are the easiest to collect - compiled lists, transactional data, and response data. However, the survey reflects broad based investment in collecting behavioral data and the use of data modeling, as well.

Notable differences were found between marketers who are net investors in data and those who are not. For nearly every category, those investors are collecting more types of data to feed into their marketing initiatives. By adding response, behavioral, modeled and transactional data sets, these marketers are getting a fuller, more accurate view of their potential customers than their competition.

Table 5: Data types used by marketers differ between data investors and non-investors
Question: What types of data do you currently use in your marketing initiatives?

Data Source	All respondents	Non-investors	Investors
Compiled	54%	54%	53%
Response	56%	47%	60%
Buyer	36%	36%	35%
Transactional	48%	40%	51%
Behavioral	42%	37%	44%
Modeled	37%	35%	37%

Of the respondents who said that they are only collecting from a single data source, compiled and response data were by far the most common sources. Not only are these marketers not getting the benefits of multiple data sources, very few are getting the advanced insights that behavioral or modeled data can provide.

Table 6: Of those who only utilize a single data source, compiled and response data dominate.
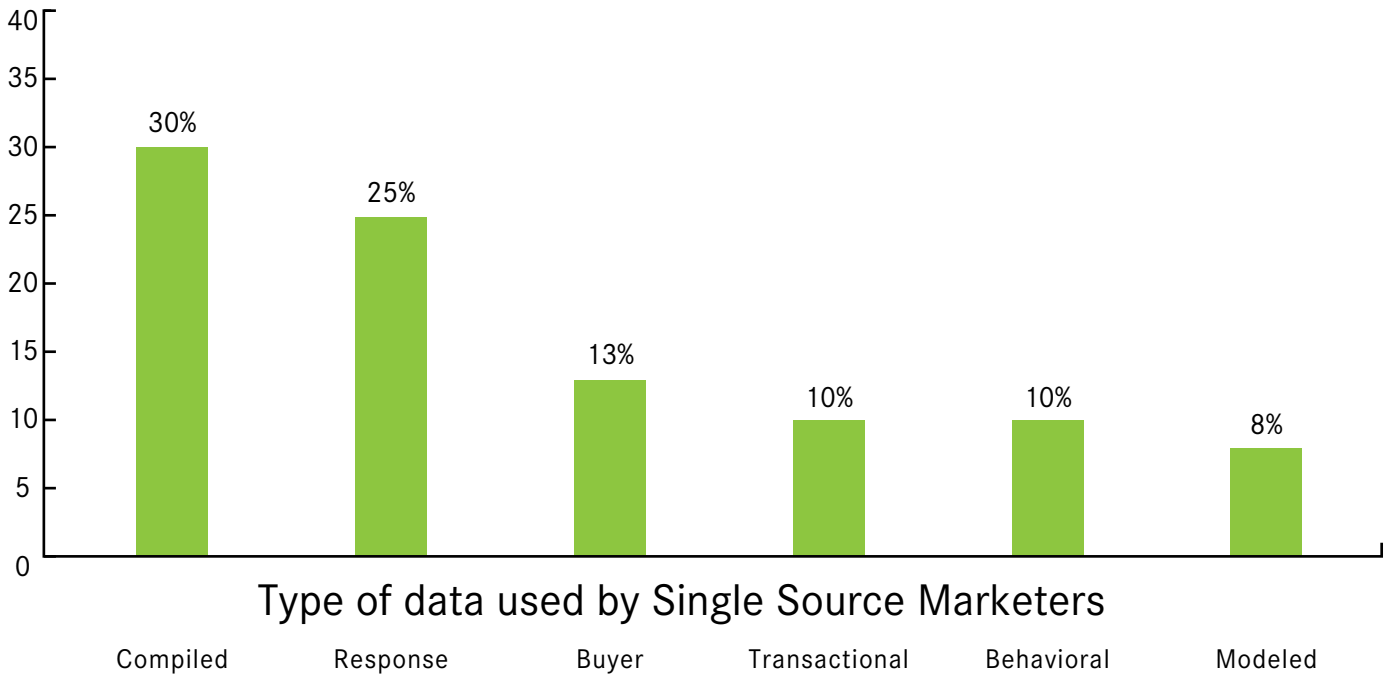
Insight 4: The majority of marketers refresh their data at least monthly.

Regular data maintenance allows marketers to develop more effective campaign strategies based on consumer or business demographics, and increase response rates through more relevant targeting. The more regularly the data is refreshed, the more accurate and effective a marketer's campaign will be.

Most marketers are now refreshing their data regularly. Overall, 63% of marketers said they refresh their data at least monthly. Only 5% wait a year between updates.

Stark differences were found in comparing the group of marketers who are investing in their data and those who are not. 39% of the investor group enhances data at least weekly, compared to just 25% for the non-investors.

Table 7: Frequency of data enhancement
*Question: How often do you enhance your data?*

Frequency of data enhancement	All respondents	Non-investors	Investors
Daily	18%	13%	20%
Weekly	16%	12%	19%
Monthly	29%	29%	29%
Quarterly	18%	16%	18%
Yearly	5%	10%	4%
None of the Above	12%	19%	10%

Insight 5: Most organizations are using a single, in-house digital display service.

Marketers may not yet be taking full advantage of the opportunities available to them through display advertising. 59% of marketers are only using a single service to manage their display marketing. The majorities are also leaning heavily on in-house solutions and their own data in their digital display marketing efforts.

There are marked differences between the group that plans on investing in data overall in the next year and the group that doesn't. In particular, the investor group is more likely to already be working with outside digital agencies and using 3rd party data. This group will be benefiting from more accurate personalization and placement, giving them a better chance of getting their messages seen by the right people in the right places at the right time.

Table 8: Digital marketers using one digital display service exclusively
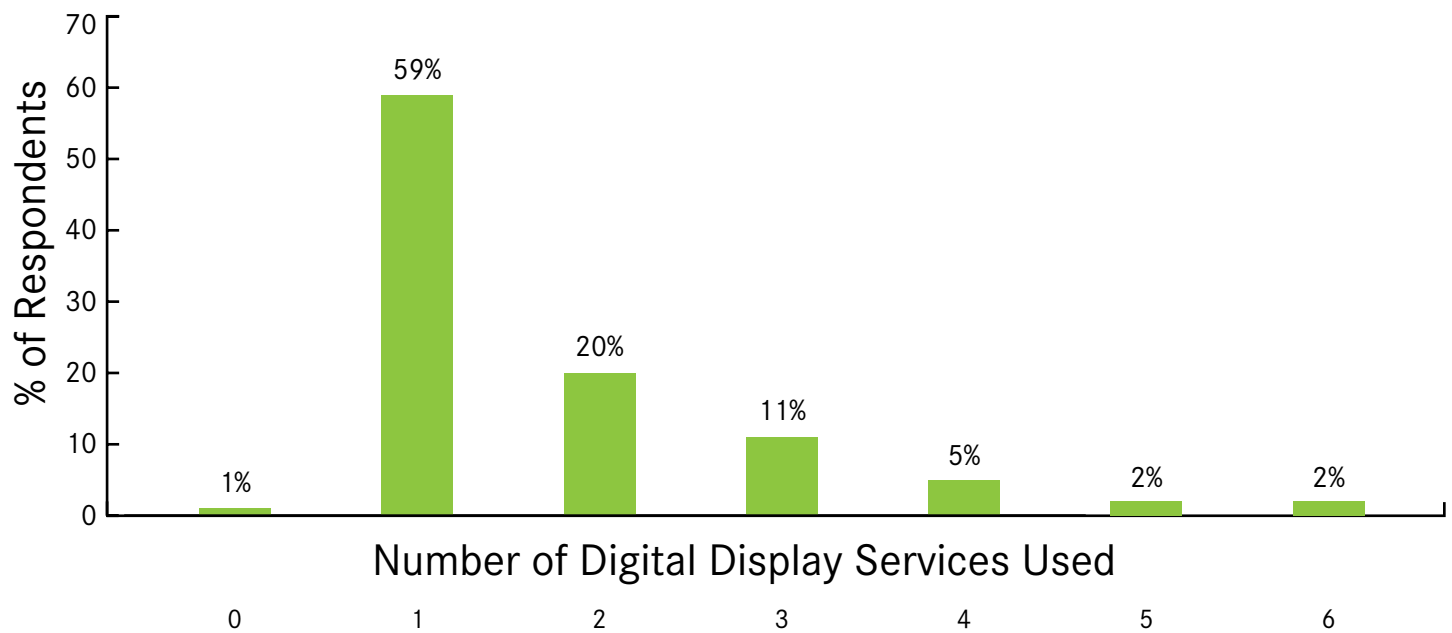
Table 9: Data investors use more digital display services
Question: What digital display services does your client or your organization currently employ?

Digital Display service	All respondents	Non-investors	Investors
In house Data Management Platform (DMP)	44%	43%	44%
In house Demand-Side Platform (DSP)	15%	11%	17%
Owned data for display, social and personalization	27%	25%	27%
3rd party data for display, social and personalization	32%	28%	33%
Outside digital agency	27%	18%	31%
Integrated marketing and display efforts	29%	28%	28%

Insight 6: Multichannel marketing saw a big increase over the past two years.

In 2013, 43% of marketers said they ran campaigns utiizing a single channel. In just two years, that number has dropped to 9%. In fact, more than 63% use more than four channels in their marketing efforts. Armed with better data and better tools, marketers are beginning to take advantage of the power of multichannel campaigns.

Table 10: Multichannel marketing becomes the norm
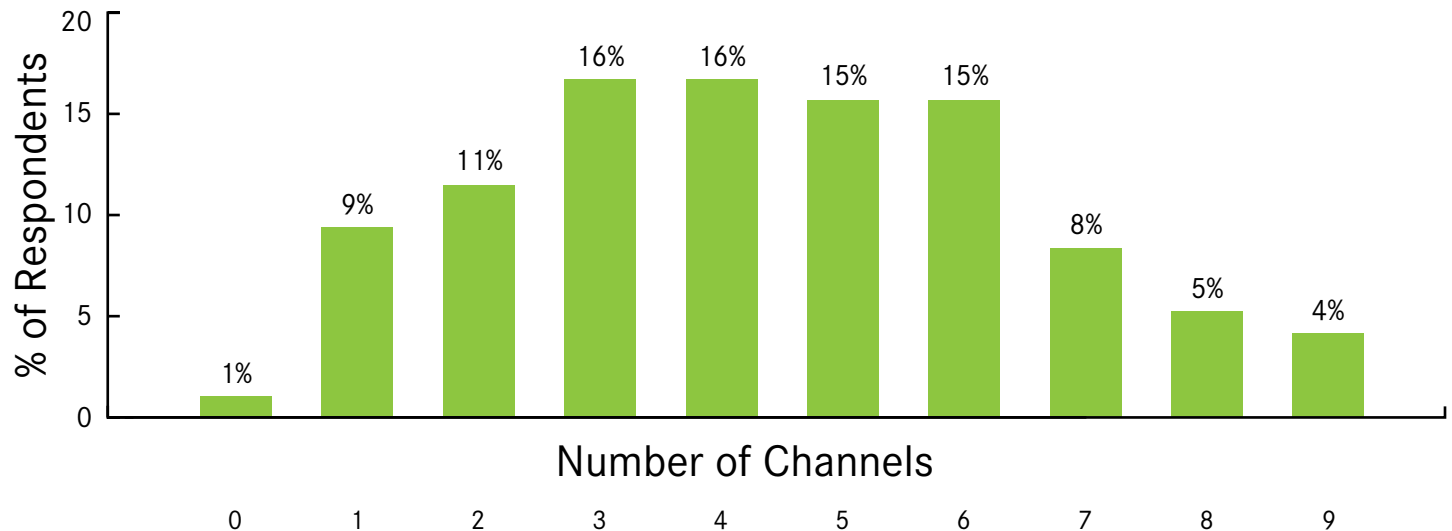
One reason for this trend toward multichannel campaigns is email, web and social media channels are now at the top of the list used by marketers, and are all used by the vast majority of marketers. Given better targeting and the low cost of web and email based campaigns, this trend can be expected to continue. Direct mail also retains a place of high importance for marketers as well, with 71% currently using the channel.

The survey also indicated that while the overall mobile market may be growing rapidly, it remains a small and under-utilized marketing channel, with 29% of respondents using mobile ads and only 16% using SMS messaging to reach customers.

Table 11:
Question: What channels are you utilizing within your marketing initiatives today?
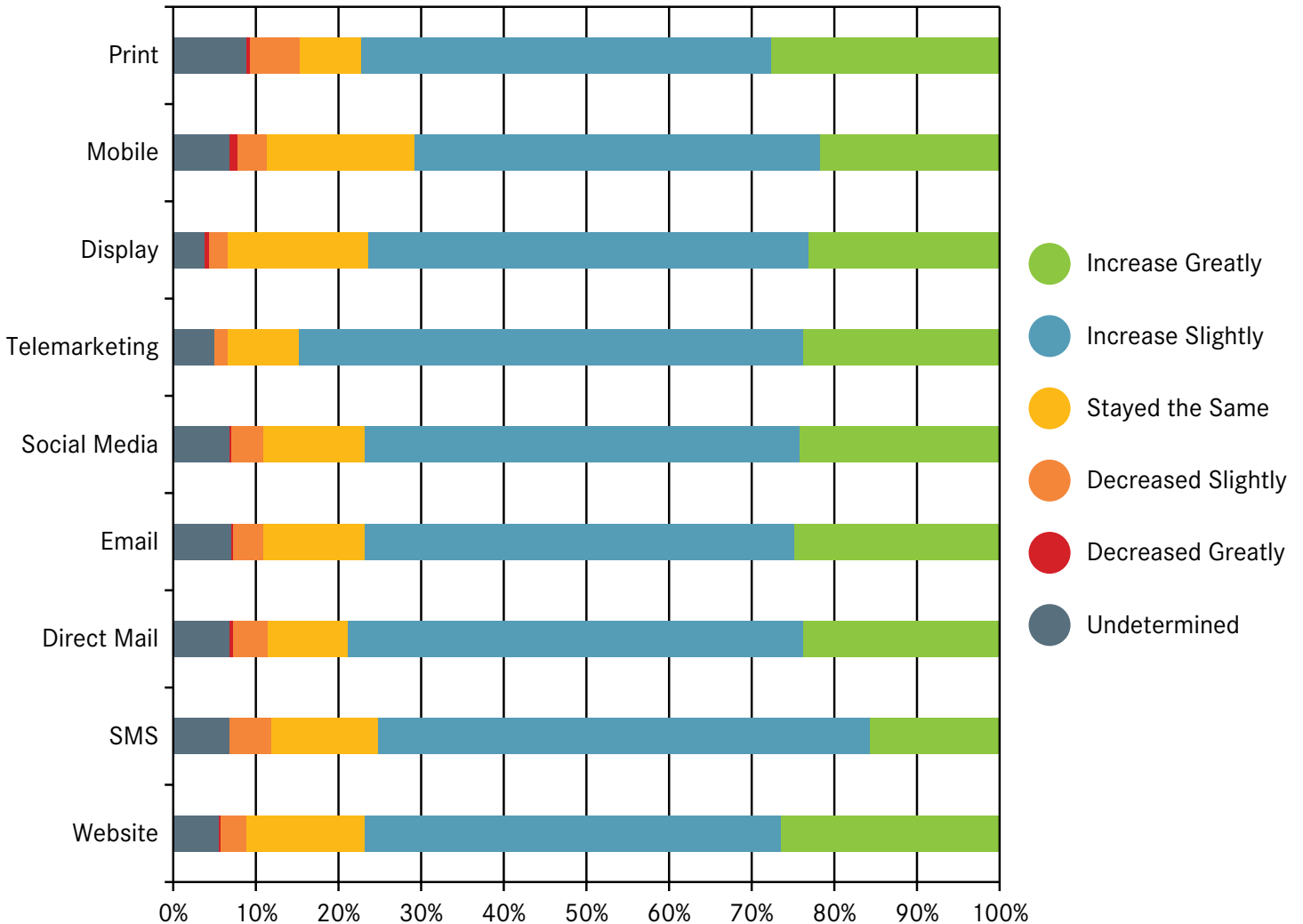
Channel	All respondents
Email	79%
Website	74%
Direct Mail	71%
Social Media	62%
Print	44%
Display Ads	41%
Telemarketing	27%
Mobile ads/apps	29%
SMS	16%

Insight 7: Campaign spends are increasing across all channels.

Respondents plan on increasing their marketing budget across the various channels we surveyed. Increased spending on print, websites, direct mail and telemarketing is leading the way. This likely reflects the relative cost of these channels compared to email, social media, display or mobile ads, rather than a conscious move to invest in these channels.

Table 12: Relative marketing investment by category in 2016
Question: For the channels you selected in the last question, how do you expect your overall marketing budget to change in 2016? (Please select only one answer.)


Legend:
- ● Increase Greatly
- ● Increase Slightly
- ● Stayed the Same
- ● Decreased Slightly
- ● Decreased Greatly
- ● Undetermined

Outlook for 2016

Marketers cited a broader list of concerns than they have in previous years. 13% are focused on cleaning data, while data collection, personalization, protecting privacy and obtaining real-time data to support their campaigns were concerns of 11% of respondents each. This wide range of concerns reflects the very different places where marketers find themselves in the adoption of data-driven marketing methods.

Still, analyzing and applying data remain the top concern for more than a third of those surveyed. As marketers have access to a growing deluge of data, understanding insights ensuring campaigns are deployed effectively is critical.

Table 13: Data challenges in 2016
Question: What do you think is the biggest challenge marketers will face in 2016 as it relates to the use of data?
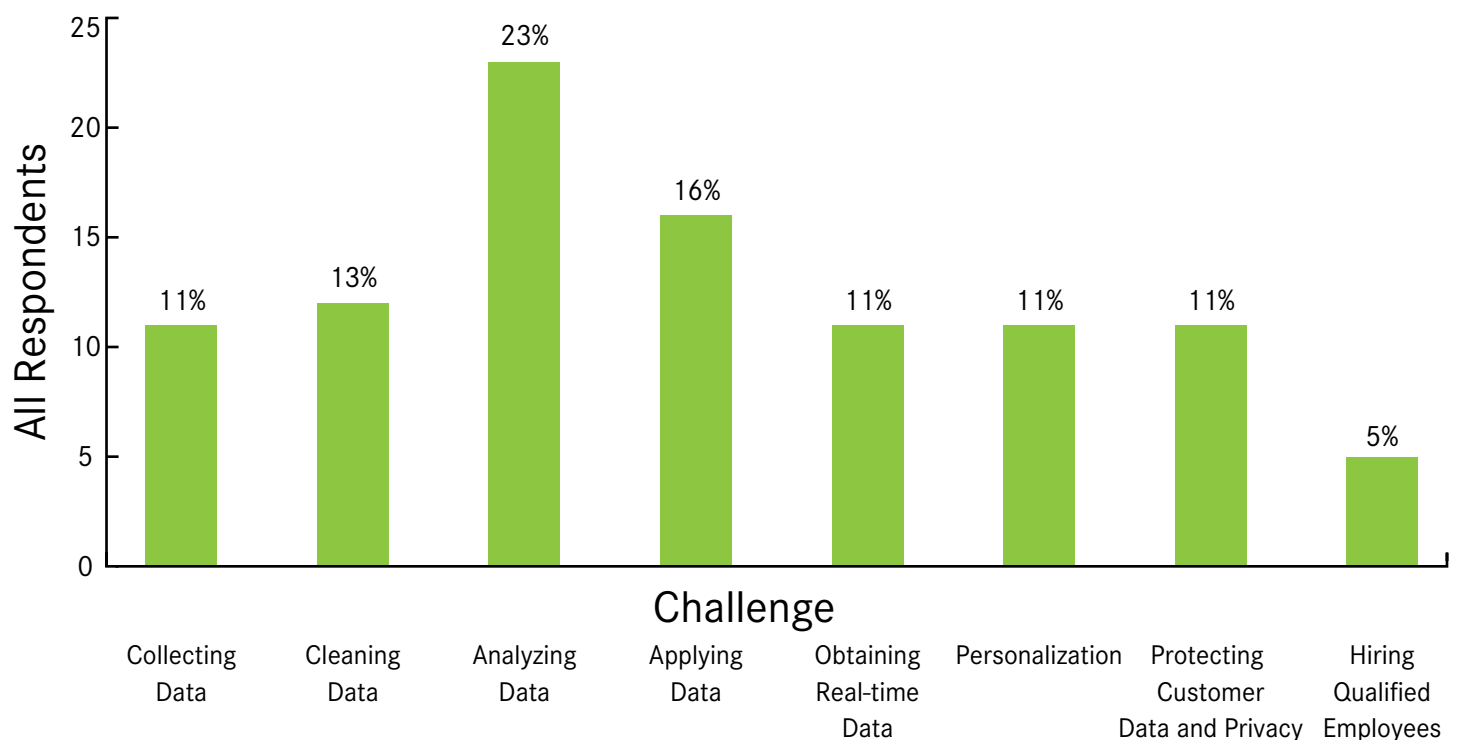
Marketers who invest in data are not only spending their money on getting access to more types of data, but they are also focusing on the end product – turning data into insights that will drive highly personalized, effective campaigns.

Recommendations

As marketers utilize multiple channels, particularly online, they will need to be more discerning about their investments in data tools and technologies. With that in mind, here are our recommendations based on the insights from our 2015 DMA survey:

Review your data strategy regularly to make sure you are getting the most value for your money. Make sure your money is not just going to increased data collection. Investing in refreshing your data on a frequent basis will ensure you have access to quality data. Investing in data analysis and application services and technologies will ensure you get the most out of that data.

Find resources that can help filter through the noise and get the best results from your data. Having knowledgeable data analysts on staff or through a data provider can make the difference in terms of targeting, personalization and campaign ROI.

Leaning heavily on online marketing? Make sure you have the system to back it up. There are a lot of powerful tools available to support you. Make sure you are getting what you need to effectively target your audience.

Methodology

Infogroup surveyed 468 marketers at the 2015 Direct Marketing Association Annual Conference. The survey was administered in-person on tablet devices from October 4th to 6th, 2015 in Boston.

About Infogroup

Infogroup is a marketing services and analytics provider that delivers best in class data-driven customer-centric technology solutions. Our data and software-as-a-service (DaaS & SaaS) offerings help clients of all sizes, from small companies to FORTUNE 100™ enterprises, increase their sales and customer loyalty. Infogroup provides both digital and traditional marketing channel expertise that is enhanced by access to our proprietary data on 235 million individuals and 24 million businesses, which is distributed real-time to our clients.

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