Consumer Data in Marketing
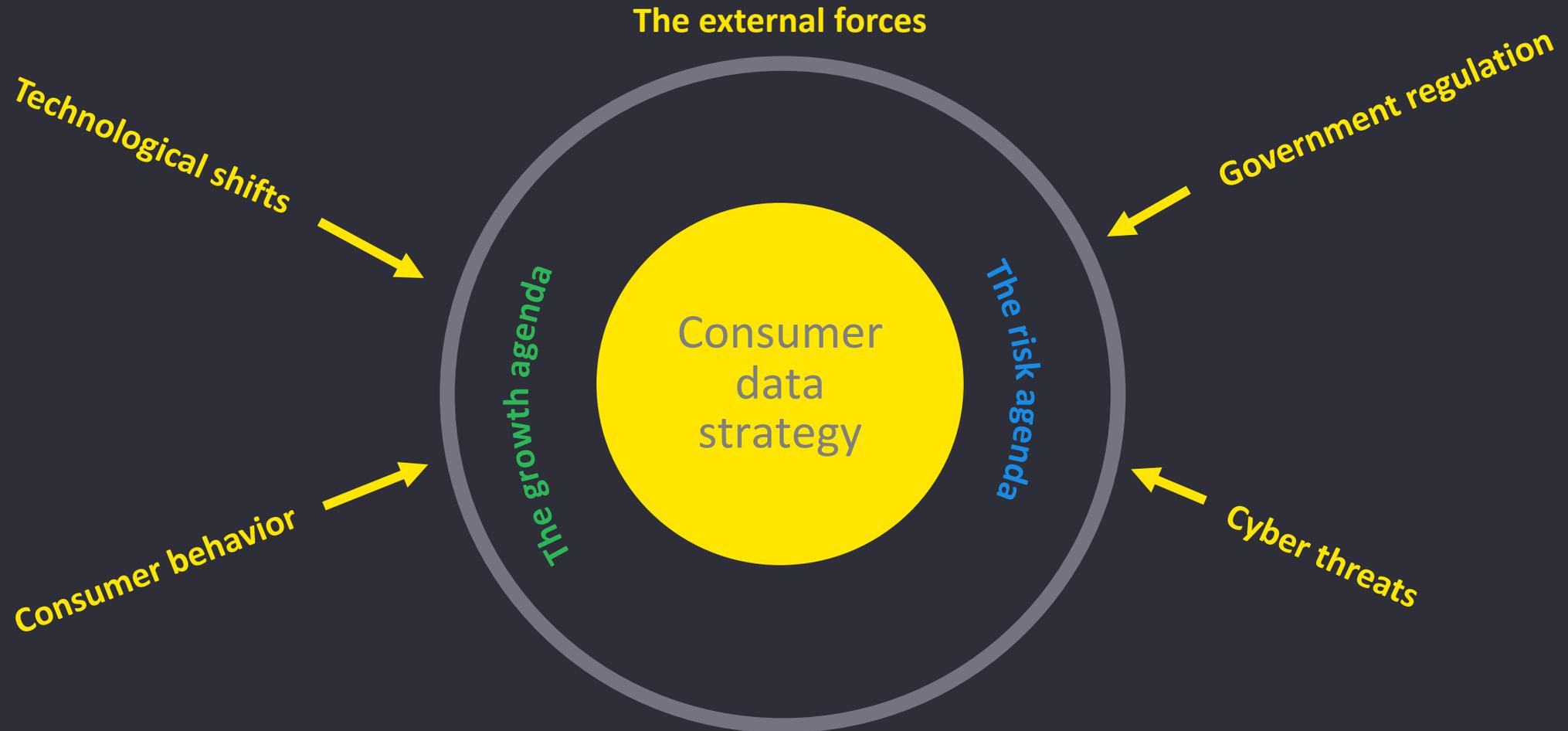
Benchmarking survey and maturity analysis for the MMA

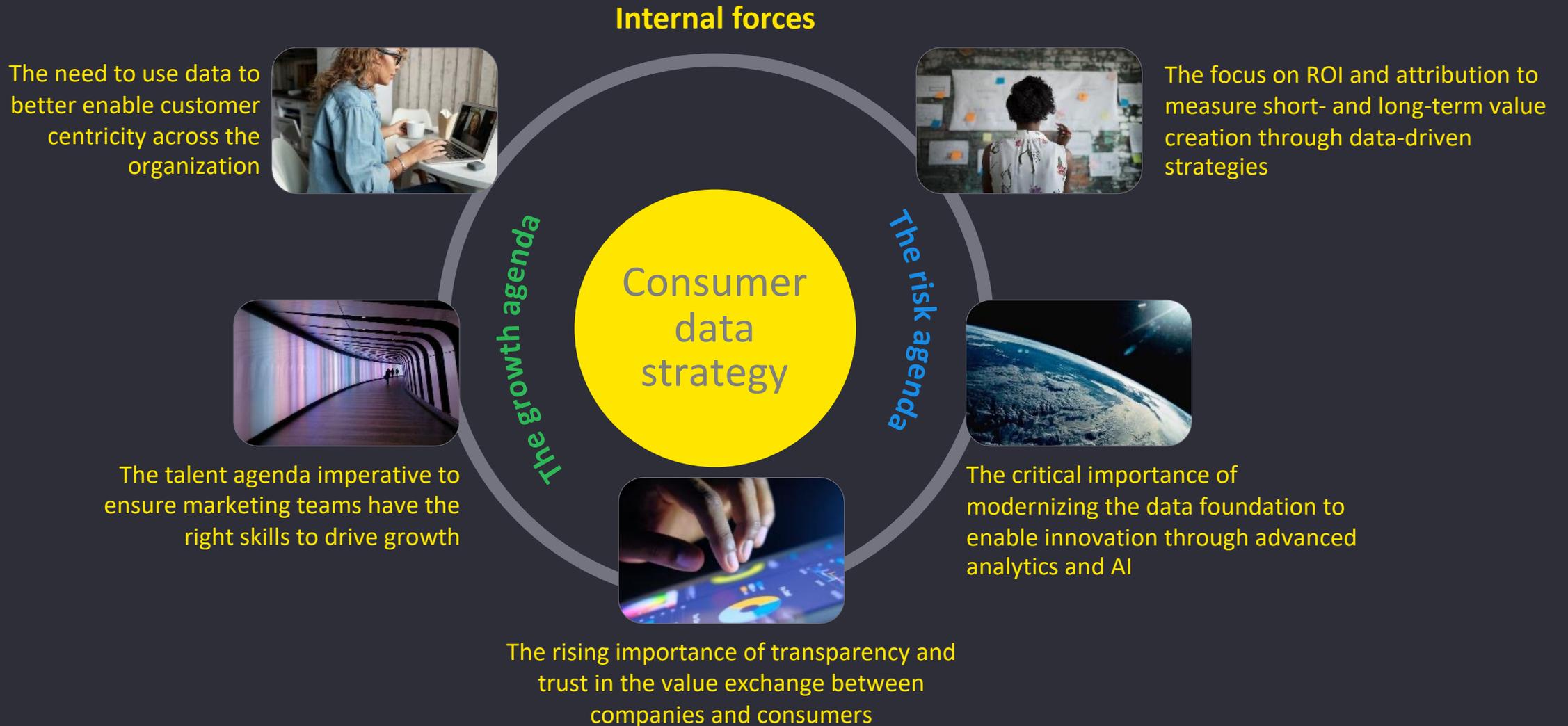**April 2021**

EY
Building a better working world

Consumer data strategy is at the heart of both the risk and growth agendas, facing powerful external forces

The external forces

Technological shifts

Government regulation

Consumer behavior

Cyber threats

The growth agenda

The risk agenda

Consumer data strategy

Consumer Data Maturity Model

EY

At the same time, the dynamics within companies around consumer data are also dramatically changing

Internal forces

The need to use data to better enable customer centricity across the organization

The focus on ROI and attribution to measure short- and long-term value creation through data-driven strategies

The growth agenda

Consumer data strategy

The risk agenda

The talent agenda imperative to ensure marketing teams have the right skills to drive growth

The critical importance of modernizing the data foundation to enable innovation through advanced analytics and AI

The rising importance of transparency and trust in the value exchange between companies and consumers

Consumer Data Maturity Model

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To understand the maturity of consumer data strategy across the marketing landscape, the MMA and EY surveyed over 135 companies across the US

137
companies

7
key sectors

10+
roles

CPG

Financial services

Household durables

Media and entertainment

Retail

Technology

Telecom

CEO/president/principal

CMO

Other C-level executives

EVP/SVP/VP

Senior director/director

Senior manager/manager

Supervisor/coordinator/associate

Consumer Data Maturity Model

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Key
headlines

Marketing Consumer Data

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Many companies have yet to begin.

1 in 5

say they **use consumer data to a small extent.**

And more than half are skeptical…

>50%

believe the lack of availability and clarity around **consumer data hinders marketing-related decision-making.**

Marketing Consumer Data

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Data proficiency and confidence are low.

Even when training is available...

Only 3%

2 in 3

considered themselves "leading" in marketers' capabilities and skills to use data.

believe there is enough training available in their organization for marketers to build data analysis skills.

Marketing Consumer Data

EY

But, companies understand the strategic value of data.

55%

believe there is strategic value (e.g., ROI, lower cost of acquisition) from leveraging consumer data.

And, leadership is committed...

>70%

indicate there is a dedicated effort to stay ahead of changes in consumer data strategy.

EY

Marketer perspectives and benchmarks

Marketing Consumer Data

EY

The MMA-EY survey evaluated five dimensions of consumer data strategy to understand marketer maturity

Consumer data strategy

The growth agenda

The risk agenda

1
Data types and uses
Data sources, quality of data and key use cases (e.g., personalization)

2
ROI measurement and attribution
Approaches to support marketing measurement and decisioning

3
Capabilities and skills
Capabilities and skills enabling marketers to analyze and effectively leverage consumer data

4
Transparency, compliance and security
People and processes in place to drive compliance and data security

5
Data ownership, governance and integration
Clearly defined processes for data usage and governance across the organization

Growth

Risk

Maturity attributes

Consumer Data Maturity Model

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Companies generally lead from a position of data compliance and governance vs. focusing on the growth agenda overall

	Growth			Risk	
	Data types and uses	**ROI measurement and attribution**	**Capabilities and skills**	**Transparency, compliance and security**	**Data ownership, governance and integration**
Leading	10%	7%	3%	33%	14%
Mature	40%	37%	26%	53%	36%
Developing	38%	45%	53%	9%	32%
Lagging	12%	11%	19%	5%	18%

*Note: maturity is based on two categories; the first, data for decision-making, includes: 1. capabilities and skills 2. ROI measurement and attribution and 3. data types and uses. The second, measures for security, privacy and compliance, includes: 1. data ownership, governance and integration and 2. transparency, compliance and security. Total percentages are based on average scores for 22 questions. Scoring thresholds are the following 1-Lagging, 3-Developing, 5-Mature, 7-Leading. Final maturity representation is based on respondent's final average score: Leading >6.5, Mature >5 and <6.5, Developing >3 and <5, Lagging >1 and <3.
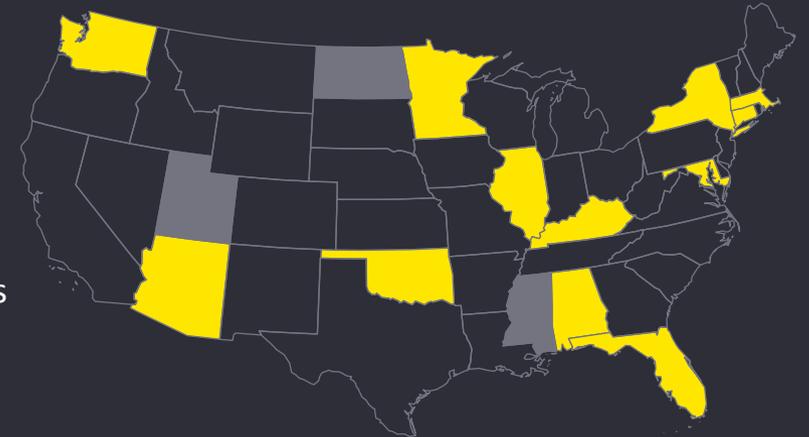
EY

Most marketers' emphasis on compliance and security is likely driven by the regulatory landscape and non-negotiable nature of data security

Maturity in data transparency, compliance and security

- Leading — 33%
- Mature — 53%
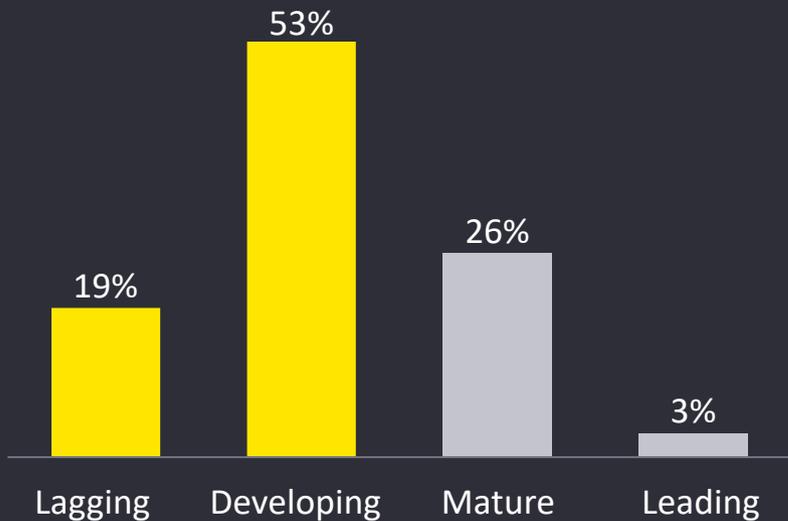- Developing — 9%
- Lagging — 5%

Pending US regulations

- Alabama
- Arizona
- Connecticut
- Florida
- Illinois
- Kentucky
- Maryland
- Massachusetts
- Minnesota
- New York
- Oklahoma
- Washington

Source: IAPP.org

Consumer Data Maturity Model

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The talent agenda around consumer data sits front and center as marketers lack confidence around the key skills despite training availability

Nearly 3 in 4 companies stated they are **behind** in marketer skills related to data

- Lagging — 19%
- Developing — 53%
- Mature — 26%
- Leading — 3%

Which statement describes how your organization is being trained to work with and analyze data?

- No training being developed; little access to training for marketing employees — 10%
- Minimal training exists for marketers to build stronger data analysis skills — 32%
- Training exists, but it is inconsistent and somewhat outdated — 35%
- Training has **been fully developed**, consistent across programs and includes new and relevant topics — 17%
- Don't know/NA — 5%

Consumer Data Maturity Model

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The martech stack is a work in progress for all marketers, but technology alone does not drive data excellence

Which of the below best describes your organization's martech capabilities (marketing technology, tools and platforms that support marketing and leverage consumer data)?

Organization has developed or sourced **industry leading** (ahead of peers) martech capabilities (e.g., journey orchestration across all channels, next best action in real time, predictive analytics)

7%

Organization has developed or sourced **best in class martech capabilities** (e.g., cross-channel personalization, data consolidation, MDM, content management or something similar) (e.g., advanced analytics, predictive technologies)

34%

Organization has either developed or currently sourcing **core martech capabilities** (e.g., DMP, marketing automation, content management or something similar)

44%

Organization has **clear gaps in basic marketing technology** capabilities (e.g., DMP, content management) – either built in-house or sourced

15%

Consumer Data Maturity Model

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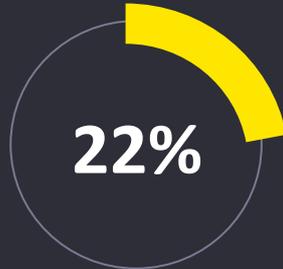# Some companies are investing in more sophisticated technology to enable data more holistically

Companies that rely relatively more on multi-touch attribution are

20% more likely to have invested in ID graph technologies.

EY

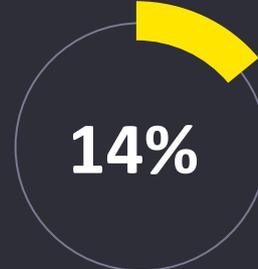# Five archetypes for data maturity emerged from our benchmarking analysis

12% — Left behinds
Companies that are "underwater" when it comes to data with gaps across the board and minimum security and compliance needs met

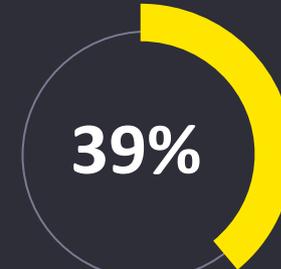**22%** — Compliance oriented
Companies that have a focus on data ownership and governance, but are still immature in leveraging data for growth

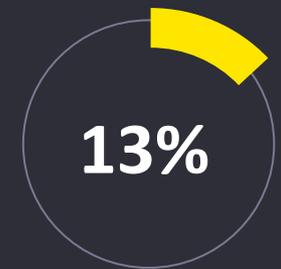**14%** — Martech focused
Companies focused primarily on martech as a way to accelerate transformation with solid data and use cases

39% — Data committed
Companies that are leveraging data consistently, while still closing remaining gaps in capabilities

13% — Data leaders
Companies with high proficiency on all dimensions, still making efforts to maximize the value of their data and address industry challenges

Consumer Data Maturity Model

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Each archetype can be expressed on critical dimensions of data maturity based on our survey

	Left behinds 12%	Compliance oriented 22%	Martech focused 14%	Data committed 39%	Data leaders 13%
Capabilities	🟥	🟥	🟩	🟥	🟩
Skills and people	🟥	🟥	🟥	🟧	🟩
ROI measurement and attribution	🟥	🟥	🟧	🟧	🟩
Data types and Use cases	🟥	🟥	🟧	🟧	🟧
Data ownership, governance and integration	🟥	🟧	🟥	🟩	🟩
Transparency, compliance and security	🟧	🟩	🟩	🟩	🟩

For percentage break down n = 87

EY

When asked about additional issues on consumer data strategy, marketers expressed other key concerns

Building 1P data strategy and scale

"We need to remove silos for better data integration"

"A major focus is building out our 1st party data resource for marketing and CX delivery... getting data can sometimes be a chore"

Overreliance on cookies

"Depreciation of cookies is one of the two most pressing issues for how we use consumer data"

"We're not fully prepared for the cook-lite and cookie-less world"

"We need a solution that doesn't require cookies"

Driving the right investment strategy

"Funding as it relates to our tech stack and optimization is an issue"

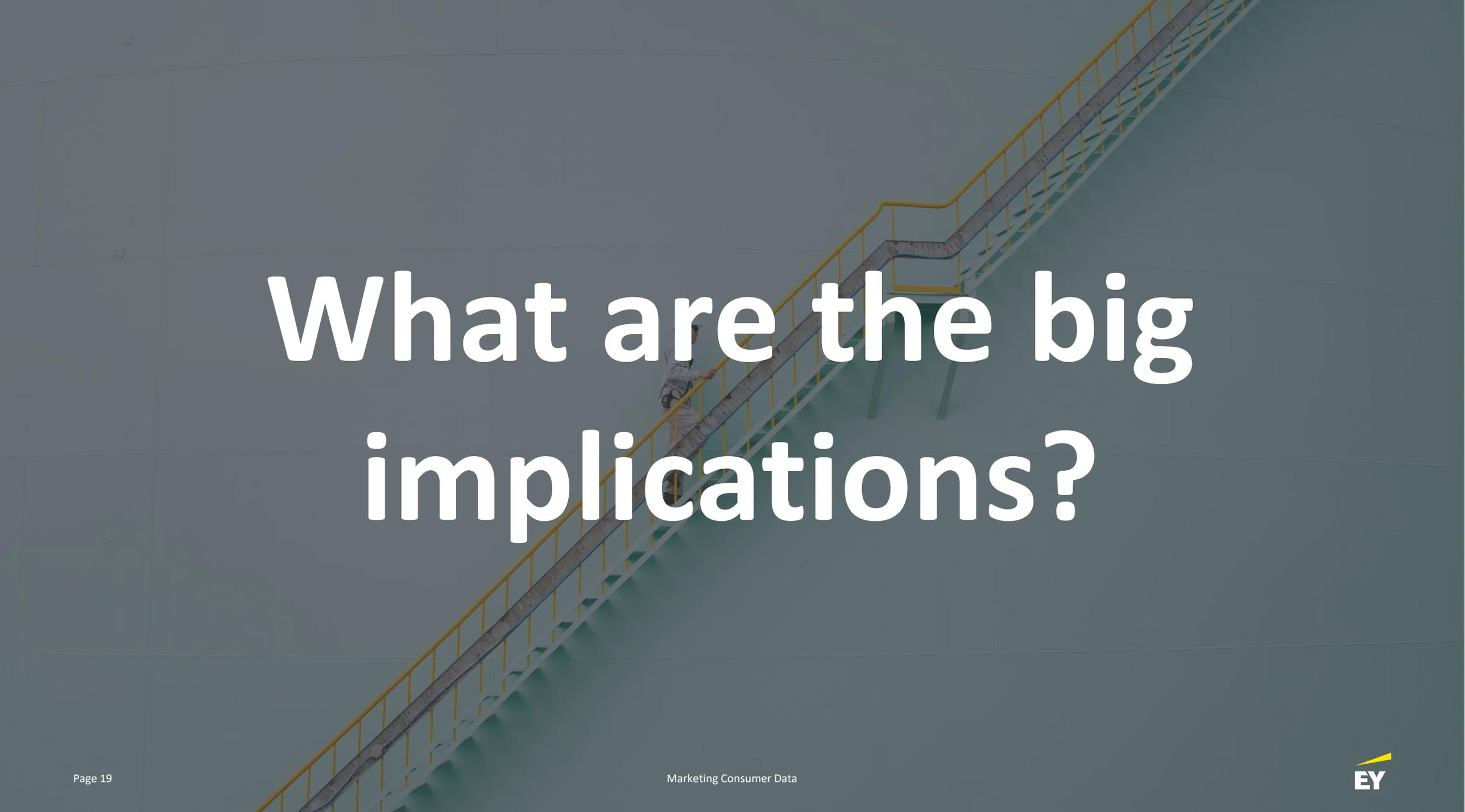"Our two biggest issues around using consumer data are simply budget and growth of measurement tools"

"Money is the main thing it would take for us to accelerate our commitment to consumer data strategy"

Changing regulatory landscape
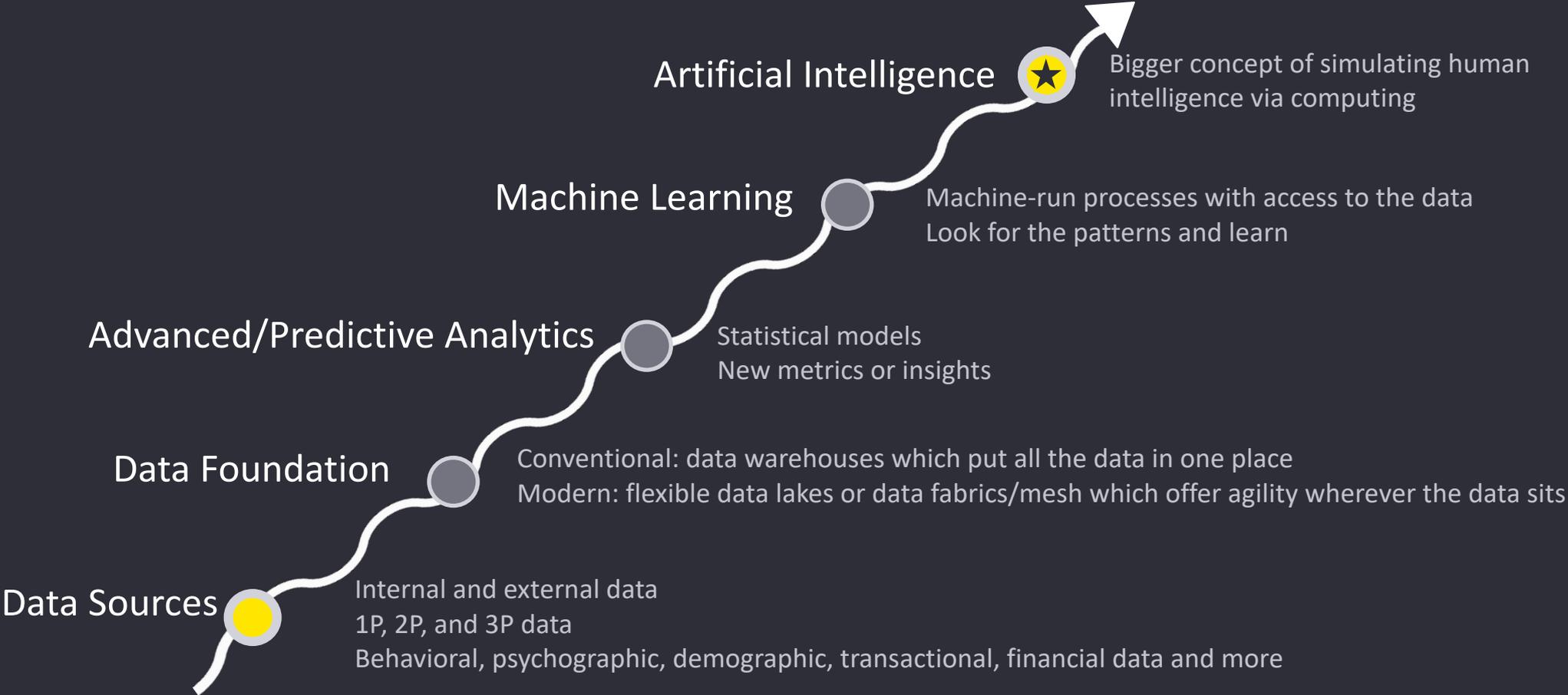
"GDPR and CCPA are a pressing issue around data usage"

"The vague and tightening regulatory environment is a struggle for us"

"GDPR and opt-ins are a hurdle for our consumer data initiatives"

Note: Quotes have been edited for length and context   Consumer Data Maturity Model

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What are the big implications?

Marketing Consumer Data

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Organizations are preparing for a non-linear data journey to an AI-enabled future

Artificial Intelligence ⭐

Bigger concept of simulating human intelligence via computing

Machine Learning

Machine-run processes with access to the data
Look for the patterns and learn

Advanced/Predictive Analytics

Statistical models
New metrics or insights

Data Foundation

Conventional: data warehouses which put all the data in one place
Modern: flexible data lakes or data fabrics/mesh which offer agility wherever the data sits

Data Sources

Internal and external data
1P, 2P, and 3P data
Behavioral, psychographic, demographic, transactional, financial data and more

Consumer Data Maturity Model

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The talent agenda is a high priority for companies to progress on data maturity

Hiring

Reevaluate recruitment sources and tactics to attract candidates from diverse backgrounds and experiences to broaden the definition of marketing

Talent and career management

Create a structured career growth path that gives employees more opportunities to work across functions
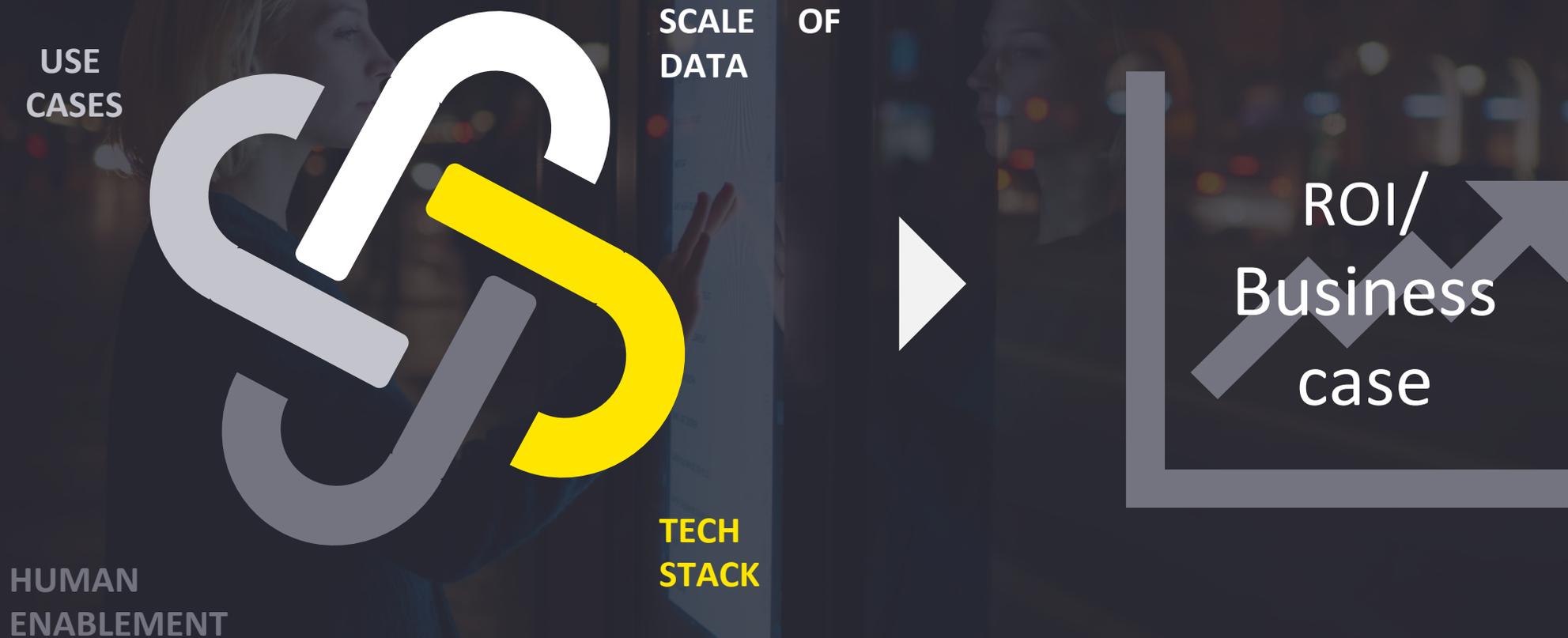
Multi-dimensional training

Evolve traditional training to create engaging experiences with a curriculum that addresses skill gaps and focuses on the new left-brain/right-brain agenda

Consumer Data Maturity Model

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The new balancing act of risk and growth will benefit from collaboration across key functions in the organization

Risk & Growth

Marketing

Tech

Risk

Legal

Finance

Consumer Data Maturity Model

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Key drivers of success in consumer data strategy must be in fine balance to create value

USE CASES

SCALE OF DATA

TECH STACK

HUMAN ENABLEMENT

ROI/ Business case

EY

The data agenda will require agility as the landscape continues to change, but there is a short-term playbook for growth

Follow privacy regulations

Accelerate 1st party data and capture durable IDs

Operate in a single domain

Develop 2nd party partnerships

Use contextual targeting

Consider publisher targeting

Modernize the data foundation

Enable better experiences for consumer control

Consumer Data Maturity Model

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Q&A

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