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FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY AMPERITY | JUNE 2022

Overview

Organizations in the digital economy know that customer data is a critical asset, but many struggle to put it to good use. Many businesses are drowning in data, collecting it from commerce websites, mobile apps, social media, and other digital touchpoints, as well as on location. They face challenges with sharing data insights across teams, forming strategic alignment among leadership, and even knowing what technology to deploy. Making the most of customer data to offer better customer experiences and unlock business value requires effective data practices and accurate customer profiles that can be shared and used across the organization, from marketing to customer service to finance.

Key Findings



Unused data: Decision-makers have a robust amount of data but fail to create a 360-degree view of the customer and use their data effectively.



Business risk: Failing to address customer data challenges will impact customer acquisition and retention, which could result in financial losses.



Holistic needs: Firms need to holistically address data technology, people, and process challenges to enable better data access, quality, segmentation, and usage before achieving top marketing objectives.

Decision-Makers Struggle To Use Existing Customer Data

Companies have copious amounts of customer data at their disposal, and it's reasonable to anticipate that data types and sources will continue to expand. Over 80% of respondents' companies collect demographic, sentiment, and identity data, and 63% want to continue to add a richer mix of data sources. However, before adding more data, firms need to start using what they already have *better*. Seventy-seven percent of decision-makers think their firms underutilize customer data and 81% agree they want to use existing data better. Data utilization is low because many decision-makers struggle to manage, collaborate, share, streamline, analyze, and act on the data they have, resulting in two-thirds of respondents' firms struggling to translate customer insights into actionable outcomes.



As data volume grows, it's imperative for firms to develop and evolve better data practices.



Firms Struggle With Data Today

(Showing "Agree" and "Strongly agree")

81%

We want to make better use of the data that exists.



79%

We struggle to take insight-driven action in real time.



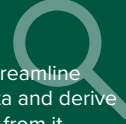
77%

I think we underutilize our customer data.



76%

We struggle to streamline our customer data and derive valuable insights from it.



66%

We struggle to manage the various customer data sources across the organization.



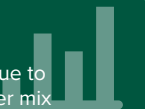
64%

We struggle to collaborate and share customer data across departments.



63%

We want to continue to incorporate a richer mix of data sources.



Marketing Success Hinges On A 360-Degree View Of The Customer

Access to large quantities of customer data suggests that companies comprehensively understand their customers, yet over 50% of respondents think their companies aren't effective at creating a 360-degree view of the customer (i.e., aggregating data spanning channels, touchpoints, and interactions into a unified customer profile). Building this data foundation is critical to achieving more ambitious marketing objectives, such as improving customer segmentation, customer acquisition and retention, experience personalization, and marketing ROI. Firms that want their marketing to be more effective need to start creating a more comprehensive view and understanding of their customers.



Firms must look at how they manage, share, and use data before using data-driven insights to improve customer experiences.



“How effective is your organization at using the data for the following?”
(Showing “Average,” “Fair,” and “Poor”)



56% Create a 360-degree view of the customer



53% Improve segmentation/targeting for customer acquisition



51% Improve the ROI/effectiveness of marketing



50% Elevate the role of marketing within the company



50% Improve our use of analytics (including marketing measurement and customer insight)

CHALLENGE 1

Technical Challenges Plague Data Usage

Respondents share that 57% of their companies' customer data goes unused for the following reasons:

- **Outdated legacy systems.** Existing data management systems are ill-equipped to manage new data formats and data at the scale that firms need.
- **Poor integration between fragmented data sources.** Half of decision-makers lack a centralized customer database to store and access data, and 52% lack integration between marketing systems.
- **Underutilized technology.** Nearly half don't use their organizations' tools to their fullest extent or understand what their technology can do.
- **Lack of a 360-degree customer view.** Seventy-three percent don't feel their tools provide a comprehensive, single view of the customer, which is understandable if they lack a platform to provide that view and if tools are inadequately connected, implemented, and managed.

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Firms need to update and understand their tech stacks to properly leverage data.

Top Technical Challenges Preventing Better Utilization Of Customer Data

Very challenging/Challenging



Base: 206 global marketing data strategy, operations, and technology decision-makers at enterprise companies
 Note: Showing top 7
 Source: A commissioned study conducted by Forrester Consulting on behalf of Amperity, December 2021

CHALLENGE 2 Teams Struggle To Access And Share Data

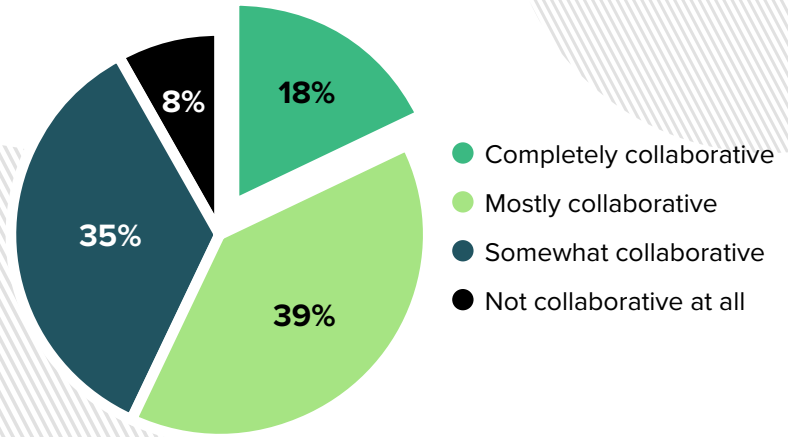
Data needs to be more locatable and searchable, and teams need to collaborate to achieve the desired customer outcomes.

Yet nearly two-thirds of respondents struggle to collaborate and share customer data across departments due to inadequate data management and only 18% think the teams using customer data are completely collaborative.

The teams that depend on customer data the most, struggle to locate and access it. Eighty-four percent of respondents agree marketing teams need access to customer data, yet 43% think it's challenging for them to access it. Additionally, while respondents thought that developing new products or services was the third most effective use of customer data, only 45% thought individual line-of-business teams needed access and 49% acknowledged it's challenging for these teams to find and access it.



“How collaborative is the relationship between the various teams that use customer data?”



CHALLENGE 3 Customer Data Investments Are Lacking

Firms need to address marketing staff and budget challenges to optimize for better customer data use.

- The top business challenge hampering better customer data utilization is difficulty hiring, retaining, and organizing marketing staff. Firms with poor data tools, access, and sharing practices will likely have more frustrated employees and struggle with retention. Firms need to identify improvements to allow employees to easily do their job better and faster.
- Additionally, 54% of respondents don't think their companies invest enough in customer data management. While 46% plan to increase investment in the next 12 months, there's still 48% who don't think their organizations are allocating enough budget for customer data management in the next two years.



While some firms make strides in closing the investment gap, others must look at their investment planning again.



Top Two Business Challenges Preventing Better Utilization Of Customer Data

(Showing "Very challenging" and "Challenging")



60%

Difficulty hiring, retaining, and organizing marketing staff

57%

Lack of budget



CHALLENGE 4

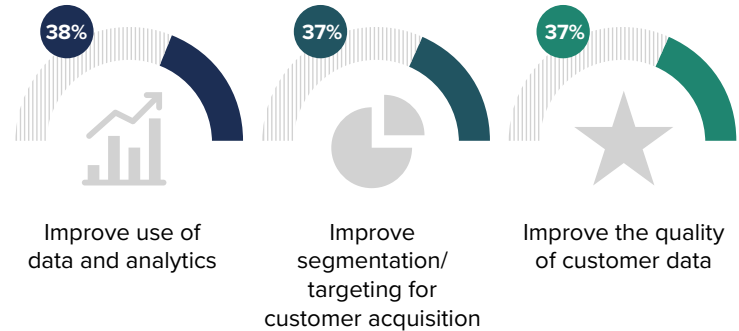
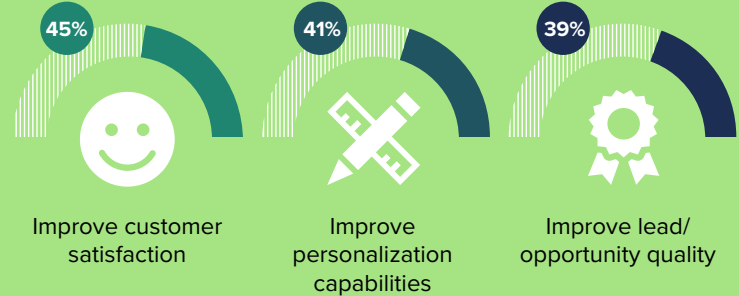
Data Is Not Strategically Aligned With Marketing

Marketers value and want high-quality customer data, but organizations aren't meeting this need. Firms must reevaluate their data strategy and marketing priorities. Only 13% of respondents believe their firms' data strategy is completely aligned with marketing priorities. Over half find that the lack of clear strategy, vision, and priorities prevents them from using customer data. A lack of strategic alignment is even more evident by how firms have prioritized their marketing objectives.

While the top three marketing objectives for the next year include improving customer satisfaction, personalization capabilities, and lead quality, it's the tactical objectives of actually improving how data is collected and used that will ultimately drive marketing goal success.

Firms must incorporate data more prominently in marketing strategies before achieving more complex strategic initiatives.

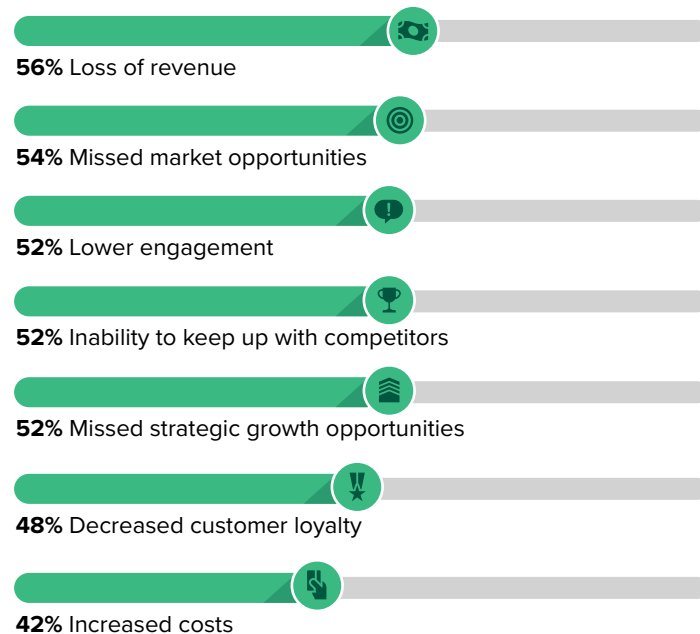
“What are your organization’s marketing objectives in the next 12 months?”



Failure To Address Data Challenges Can Stall Business Growth

Company growth depends on optimizing existing customer data usage to boost customer acquisition and retention. If firms delay in addressing their data utilization challenges, they face business repercussions. **Firms will not only miss opportunities to grow the business and get ahead of the competition, but also lose prospective and existing customers by failing to provide a relevant and engaging customer experience.** Additionally, if brands continuously lose opportunities and fail to capture their market, it could have a negative impact on employee morale at times of increased career mobility.

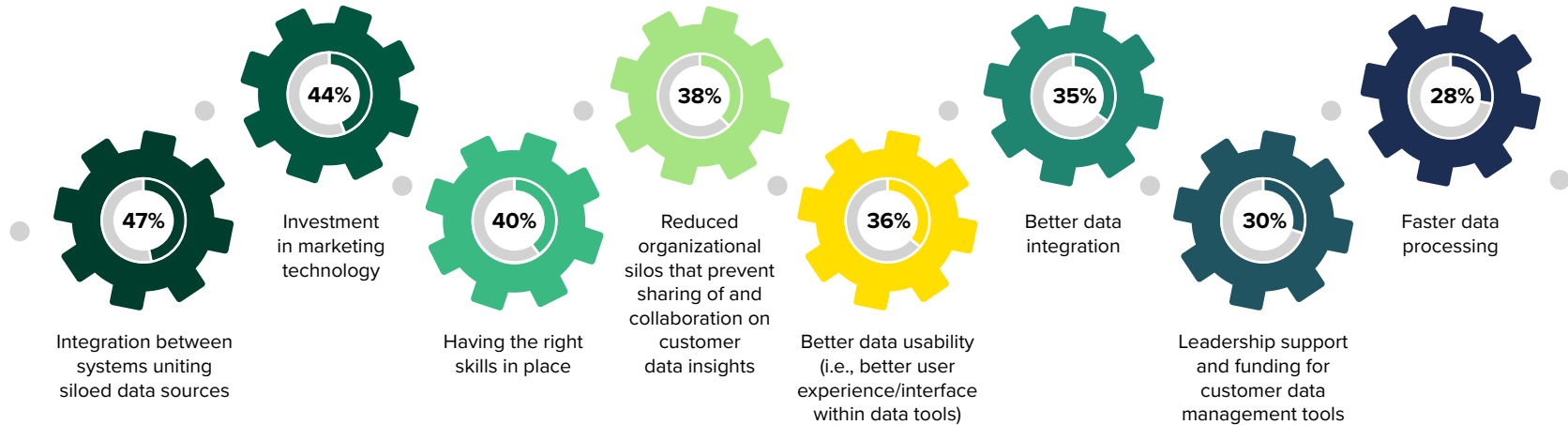
“What are, or do you expect will be, the ramifications of your marketing organization’s current customer data challenges if left unaddressed?”



It Takes A Multidisciplinary Strategy To Optimize Customer Data And Insights

Decision-makers think that integrating systems and uniting data sources, along with investing in marketing technology will result in better data access — yet this is not enough. Firms need a holistic, multidisciplinary plan of attack to update technology, break people and process silos, and get the right people and data to properly tap into existing resources and establish the groundwork to produce those desired insights.

“What could help your organization enable better access to customer data for the right users?”



A 360-Degree View Of The Customer Is Crucial

When choosing a technology to organize customer data, respondents want personalization, targeting, and customer identification capabilities first. Capabilities supporting data access and the ability to assemble robust customer profiles come second in importance. This echoes the mismatch in strategic priorities.

Firms need technology that can access and organize existing data before they adopt a technology that generates insights and outcomes; and respondents recognize this to some extent. While 67% want a platform that can provide analytics and suggest customer insights, an even greater portion of respondents (74%) wants a platform that can organize disparate data sources for a 360-degree view of the customer that they can easily access and work with.



Establishing a foundational, comprehensive view of the customer is critical to business success.

“When choosing a technology to help organize your company’s customer data, how important are the following features or characteristics?”

● Very Important/Important

81% Ability to personalize customer interactions

80% Ability to build target segments of customers for campaigns

77% Ability to identify customers

71% Ability to access data from various internal and external source systems

71% Ability to more quickly access and leverage data

65% Ability to assemble robust customer profiles



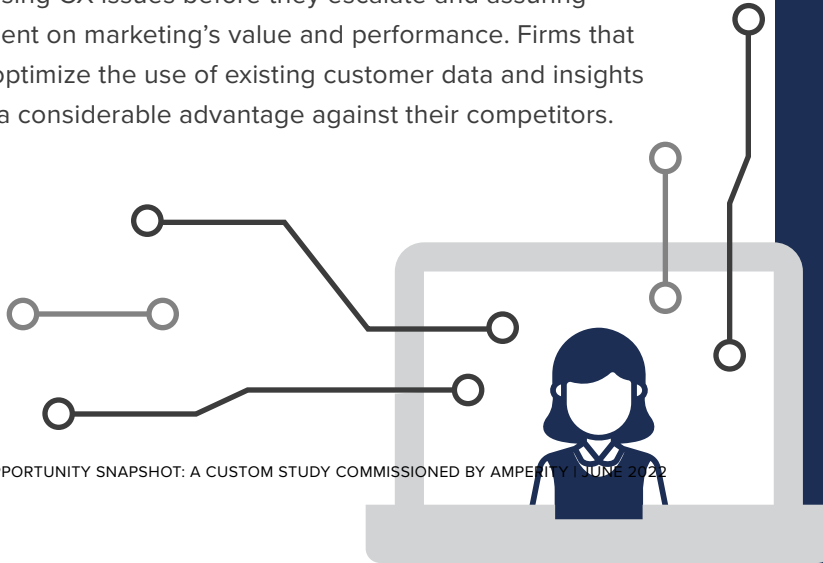
We want a platform that can provide analytics and suggest insights about the customer.



We want a platform that can organize disparate data sources to create a 360-degree view of the customer.

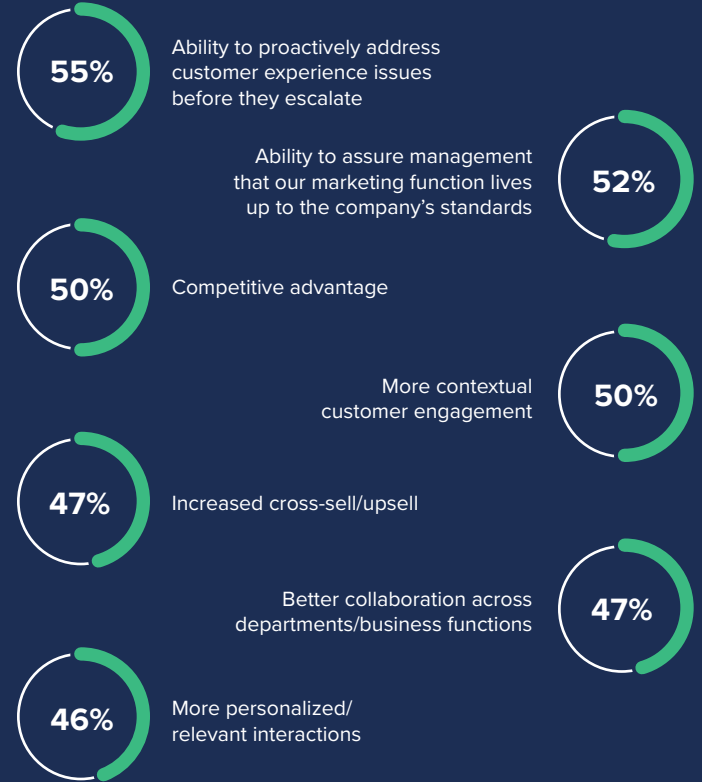
Improved Customer Data Practices Will Drive Competitive Advantage

Improving data access and management allows organizations to create a more comprehensive understanding of the customer and collaborate to build a more insightful and compelling customer experience (CX). Customers are more satisfied and employees are more productive, which in turn drives business objectives. Moving forward, decision-makers anticipate increased proactivity by addressing CX issues before they escalate and assuring management on marketing's value and performance. Firms that properly optimize the use of existing customer data and insights will be at a considerable advantage against their competitors.



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“What benefits does your organization expect to realize by getting better data access?”



Base: 206 global marketing data strategy, operations, and technology decision-makers at enterprise companies
 Source: A commissioned study conducted by Forrester Consulting on behalf of Amperity, December 2021

Conclusion

Effective management and use of customer data is critical for business growth and customer experiences. Unfortunately, companies today face integration and legacy technology challenges; lack strategic alignment between data and marketing priorities; and struggle with data management, sharing, and access. Once decision-makers adopt a holistic approach to evolve their data technology, people, and processes, they will fully harness the power of existing data to understand their customers and create more engaging and relevant experiences that resonate with their customers.

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Forrester's Marketing
Research group

Methodology

This Opportunity Snapshot was commissioned by Amperity. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of 206 global marketing data strategy, operations, and technology decision-makers at enterprise companies. The custom survey began and was completed in December 2021.

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Demographics

COUNTRY

United States	30%
United Kingdom	25%
Canada	20%
Australia	17%
New Zealand	8%

NUMBER OF EMPLOYEES

1,000 to 4,999	56%
5,000 to 19,999	33%
20,000+	11%

TOP 5 INDUSTRIES

Financial services and/or insurance	10%
Technology and/or technology services	10%
Retail	10%
Telecommunications services	9%
Healthcare	8%

TITLE

C-level	5%
Vice president	33%
Director	62%



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