



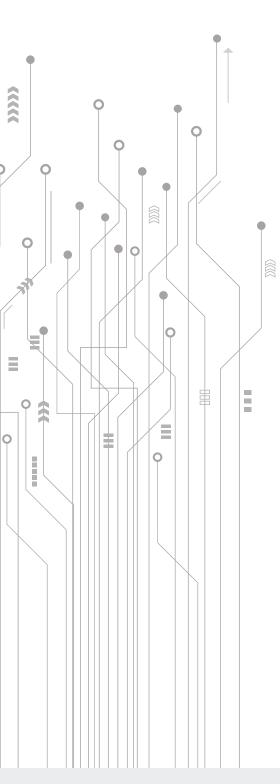
B2B Data Insight Report

Unlocking data-driven opportunity in a shifting <u>marketing lan</u>dscape

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Foreword:



Today's data marketing industry is undoubtedly in a period of significant transformation, thanks to the rapid evolution of datatech and martech which is happening against a backdrop of new privacy regulations. The rules of engagement are being re-set which is giving us all pause for thought. So, what's next? What's new? And how do we navigate our way through this changing landscape?

MeritDirect <u>www.meritdirect.com</u> is proud to publish this report, in collaboration with the Global Marketing Alliance <u>www.the-gma.com</u>, which examines how the B2B marketing industry has adapted during this new era.

The future of data marketing has been subject to much discussion and speculation. But beneath the dramatic headlines, what is really going on? What do marketers really think of the changing data landscape? And how are they adapting?

Our report provides a barometer of the industry, and it's pleasing to note that confidence is high and the potential of data continues to be explored in new and exciting ways and still remains a key driver for successful outcomes.

Previous apocalyptic fears about the future of data-use in the face of new regulations have failed to come to fruition, though it has, of course, presented a challenge.

The good news is we're seeing data being leveraged in smarter, more innovative and responsible ways. The complex mix of technologies and techniques which are currently being utilized underlines the importance of integrated and holistic approaches to data, strategy and insight which are followed through with action-based, results-focused execution.

As a provider of global omni-channel solutions we are aware of the challenges and opportunities that today's rapidly developing landscape provides to marketers. Every day we walk with our clients on the road to greater ROI, stronger competitive positioning and deeper, more meaningful and actionable insights. It's a journey which all data-driven marketers are undertaking.

You can find out more about our multi-channel marketing solutions here: <u>www.meritdirect.com</u>

Finally, we'd like to thank all those marketing professionals who contributed to the report, from survey respondents to interviewees, anonymous and named!

Drawing on insightful perspectives across a wide range of B2B sectors has enabled us to provide an authoritative overview of how data marketers are continuing to drive value in today's fast changing data landscape.

We hope it helps you on your data-driven journey and provides insight as you navigate the new marketing horizon!

Karie Burt Senior Vice President - International/Privacy MeritDirect



"...We're seeing data being leveraged in smarter, more innovative and responsible ways. The complex mix of technologies and techniques which are currently being utilised underlines the importance of integrated and holistic approaches to data..."



Introduction

Today's fast-moving digital landscape is providing challenges and opportunities for B2B marketers around the globe. Data marketing technology continues its rapid evolution as demonstrated by the rise of AI and machine learning capabilities which are giving marketers the opportunity to learn more from - and do more with -Big Data. Meanwhile, data protection regulations are changing the rules of engagement, forcing organisations to show greater care and consideration in the way they collect and use personal data.

On the surface, it may appear that marketers are being given opportunity with one hand, then having it snatched away with the other. A reason for pessimism perhaps?

Instead, in our survey of B2B marketing professionals and in-depth conversations with data leaders, we discover the mood is optimistic. Organisations are continuing to increase their investment in data and continue to realise its potential as a key business driver, even if techniques and tactics surrounding its use have evolved. Earlier concerns surrounding the GDPR - and the general tightening of global data protection regulations it's precipitated, as seen through the CCPA and Brazil's LGPD among other regulations - seem to be on the wane. The new regulatory environment does not represent a dead end to our journey in unlocking data's value. Perhaps counterintuitively, the new regulations are opening up new opportunities in the marketplace. It has helped focus minds and drive more ethical data innovation efforts which place respect for the consumer centre stage which, in turn, is helping to win back consumer trust.

Today's data leaders and marketers are raising the bar of what constitutes great customer engagement and user experience by using data in a more creative, responsible and intelligent manner, in order to drive more favourable outcomes.

"...In our survey of B2B marketing professionals and in-depth conversations with data leaders, we discover the mood is optimistic. Organisations are continuing to increase their investment in data..."



PART 1: How marketers are exploring data-driven opportunity today

Marketers continue to gather more data

Our survey of B2B marketers shows that over half (57%) are considering using more external or prospect data next year. Meanwhile, a third (33%) expect to use about the same amount.

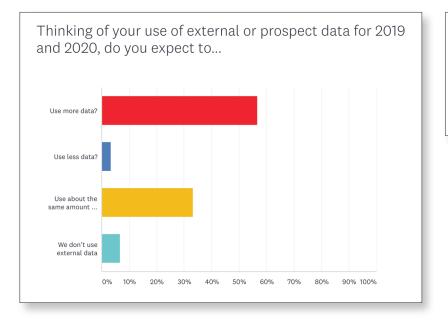
This suggests that the stigma surrounding third-party data is waning as organisations understand how these data streams continue to play a vital role in better understanding customers and how best to serve them. No doubt this is further helped by third-party data providers better demonstrating their compliance standards.

"It is undoubtably true that the sheer volume of third-party data available to marketers has massively reduced under the new laws such as the GDPR and DPA 18. However, we believe that smaller, higher quality, appropriately permissioned and more responsive sets of third-party data will rise from the ashes of this current market landscape. Marketers will be able to use these sources with that degree of confidence which is currently limited today." *Peter Galdies, Managing Director of DQM GRC.* www.dgmgrc.com Our findings suggests that this confidence is already returning. Perhaps an indication that although legislation is still evolving – ePrivacy Regulation is still on the horizon in Europe, while CCPA is imminent and talk of federal US regulation remains ongoing – there seems to be a clear direction of travel, and data providers are adapting.

When looking at what third-party data providers could be doing better, only ten percent suggested regulatory compliance while a third singled out providing clean, accurate and up-to-date data. While there is crossover between the need to provide clean data and to comply with regulations, it emphasises data quality is still the issue that's front-of-mind for today's marketers.

Popular marketing approaches and where investment has shifted

Unsurprisingly, digital remains the focus of funding with almost 80% earmarking it as the area where it has shifted over the last two years. But digging beneath the surface, it's interesting to see the specific marketing tactics and techniques which are getting the most attention.



ANSWER CHOICES	
Use more data?	
Use less data?	
Use about the same amount of da	ata?
We don't use external data	

How marketers are exploring data-driven opportunity today

Email is thriving

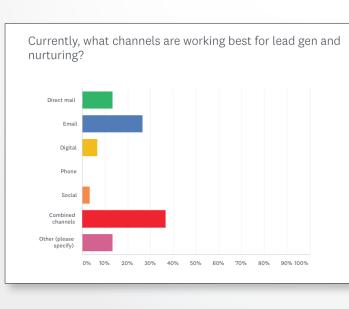
Of all the channels being used to successfully drive new business, email is the most popular with 30% singling it out. But the way it's used has moved on since the sprayand-pray approach of a few years ago. Consequently, it's had a positive impact on response rates as revealed by a 2019 email <u>benchmarking report</u> by trade body the DMA UK:

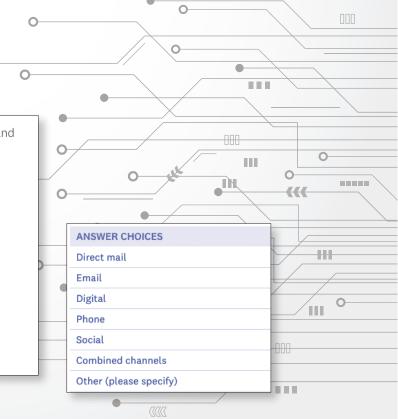
- Email click-to-open rates have risen from 1.9% in 2015 to a four-year high of 2.4%.
- Email delivery rates increased to a new high of 98.2%.

"Email continues to be the pre-eminent, cost-effective marketing channel and shows no sign of diminishing. GDPR may even have embellished it and few would have bet on that outcome before May 2018," said Marcus Gearey, Chair of the DMA Email Council's Research Hub.

"...It inspired marketers to not only improve their data management techniques, but also to become more innovative and engaging with their email audience." The view that email marketing techniques have matured – and improved - is supported by Akerho Oghoghomeh, Vice President of Marketing at Campaign Monitor. www.campaignmonitor.com who says:

"Email specifically has seen an increase in spend as more and more customers across a variety of different industries have unlocked engagement. The GDPR really forced us to focus more on the type of content that we were building, and less on value metrics like the number of subscribers that you have and the number of people that you have following you. The focus is switching more towards the people that are really engaging with you and in building content for those people..."





How marketers are exploring data-driven opportunity today

ABM to the fore

Almost a quarter (23%) of respondents earmarked account-based marketing (ABM) as the key marketing strategy for achieving business growth. Once again it reveals that a focused, qualitative approach is seen as the way forward for B2B marketing.

A 2018 study from ITSA revealed that ABM was delivering at least double the ROI than traditional marketing, according to 45% of those surveyed. <u>www.itsma.com</u> The process of identifying key target accounts and tailoring communications for those targets or personas is seemingly paying off.





Multi-channel approaches

While the popularity of specific approaches such as ABM and email were highlighted by our survey, unsurprisingly, a multi-channel approach was identified as the most effective as opposed to one single methodology or platform. Nonetheless, it highlights the need for sophisticated multi-channel marketing methodologies which leverage maximum value through strong integrative capabilities and the breaking down of siloed ways of working. To be successful requires the perfect mix of people, processes and technology.

The people element is stressed by Aimée Treasure, Head of Marketing at VHR Global Technical Recruitment. www.v-hr.com

"Stronger relationships will help marketing work with sales to better understand customer needs and pain points, and incorporate customer feedback into targeted, effective marketing campaigns. Greater collaboration with finance, compliance and management teams will increase efficiencies, and leave marketers with more valuable time to be creative and proactive."

Marketers are seemingly coming to grips with the challenge of improving the marketing-to-sales dialogue. 60% said communication was either fairly good or aligned and communicating well.



Room for improvement

Not applicable

PART 2: Data protection: how to comply and thrive

The impact of compliance

The journey towards regulatory compliance has been a rocky one for many organisations – and some continue to find it a challenge. This is reflected by our survey results. While half of survey respondents (50%) say that heightened awareness of privacy and legislation has had no impact on their marketing, just over a third (35%) say it's been negative.

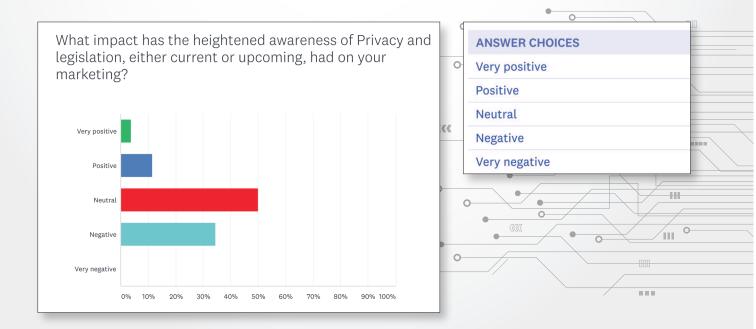
It's inevitable that the resources ploughed into establishing robust compliance processes have detracted from marketing efforts in the short-term for many organisations.

According to Emily Kotecki, Marketing Director at Bradford & Bigelow. www.bradford-bigelow.com: "Developing the framework is the most challenging aspect of the new regulations, once that is in place and an organization has a flow of collecting and maintaining data, it becomes easier to manage."

"While it is seemingly complicated, generating consumer trust will outweigh the challenges as it will help organizations build their brand, boost their reputation, and develop lasting relationships." Peter Galdies, Managing Director of DQM GRC also outlined some of the challenges facing organisations:

"These regulations are calling for a huge change in organisational mindsets towards personal data, so currently - and naturally there are significant challenges to their adoption," he said. "These include a current lack of knowledgeable resources, immature or unsuitable technologies, laws that are still evolving which means they are unclear at present, and implementing considerable changes to the way in which many organisations are used to marketing."

While compliance can be challenging, the possibilities afforded by data are not being stifled, according to Yuval Ben-Itzhak, CEO at Socialbakers www.socialbakers.com: "There are concerns that GDPR is going to have a negative impact on the economy or negative impact on marketers but we don't see proof of that. What we actually see is that marketers are leveraging digital channels and are continuing with digital transformation. GDPR just set the rules of engagement - it doesn't prevent marketers from exploring the capabilities of digital."



Data protection: how to comply and thrive

The right way of approaching the compliance challenge A 2018 study by Marketo <u>www.uk.marketo.com</u> identified two key differing approaches to regulatory compliance: marketer-first and legal-first. Marketer-first entails putting customers at the heart of the strategy, while legal-first involves compliance via the letter of the law.

Almost three quarters (72%) of those who put the customer front and centre said they expected to exceed target this year, opposed to just 28% who approached it as an exercise in legal compliance. The message is clear: winning hearts and minds matters. It's not just the right thing to do, it's the most effective too.

"People are becoming more aware of the value of their data." said Jenny Moseley, cofounder of DPN www.dpnetwork.org.uk and Opt-4 www.opt-4.co.uk. "They know their rights and they want to work with companies who are ethical in making sure that their data's safe and that it's used in the right way, not for the wrong purposes."

The point is further supported by *Maurice Coyle, Chief Data Scientist at Truata* www.truata.com/

"Companies that proactively embrace the spirit of the law rather than the letter of the law will be setting themselves apart and I think you'll see marketers starting to issue and tune their messaging around that. It will differentiate them from the inevitable players in the market that aren't doing it."

A starting gun for better data management

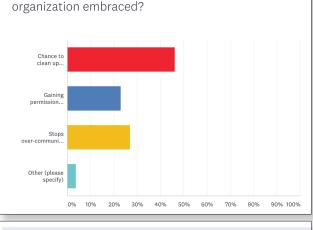
Almost half of respondents (46%) identified the chance to clean up databases and purge old data as a positive aspect of privacy their organisation had embraced. This was followed by 'stopping over communication with customers and prospects' (27%) and 'gaining permission' to ensure more relevant communications (23%).

All of this requires improved data management and governance foundations. Any business that goes through the short-term pain of putting the processes in place to ensure better data governance will be empowered with an improved ability to leverage data on an ongoing basis.

Leor Franks, CMO at Augusta Ventures has observed how organisations have cleaned up their data and used it as an opportunity to increase segmentation: "Whilst preparing for the GDPR, many of our clients have put business procedures in place to "map" their data assets, how they are processed internally and through their thirdparty suppliers.

"This provides substantial visibility on the data operations of an organisation, and this accurate picture of how data flows both within and outside of a company allows rationalisation and standardisation to take place. This ultimately reduces operating costs, and more importantly, the risks brought about by an uncontrolled system and supplier proliferation."

What positive aspects of privacy have you and your



ANSWER CHOICES

Chance to clean up existing databases and purge old data

Gaining permission ensures that we are only communicating with interested parties $% \left({{{\left[{{{\rm{c}}} \right]}}_{{\rm{c}}}}_{{\rm{c}}}} \right)$

Stops over-communication with customers and prospects

Other (please specify)

"A lot of organisations went through the process with GDPR of analysing their data, scrubbing it, making sure they had legitimate grounds on which to contact people and in the process of doing so added tagging and thought about which segment they sit in." Peter Galdies, MD at DQM GRC

Data protection: how to comply and thrive



Breaking down silos

The introduction of Privacy legislation has stimulated great interest in examining how organisations collect and manage data. Many organisations have made discoveries, sometimes unpleasant ones. The one overriding conclusion is that it never hurts to create a corporate focus on customers and their behaviours. If you can break down the silos and create a single customer view with your own data, you'll be able learn how to communicate more effectively.

In particular, look out for the "what" and "why" data. Behavioural, transactional, demographic and attitudinal data will all play their part in helping you build a fully formed picture of your customers.

Improving consumer trust

The curtailing of batch emailing and the switch to more targeted messaging to individuals who have given clear consent, is helping to recover consumer trust lost during the pre-GDPR era. Another key aspect is transparency and how organisations communicate with customers about how their data is being used.

"The key benefit to data protection regulations is the increased transparency between an organization and its customer or end-users," said Emily Kotecki, Marketing Director, Bradford & Bigelow. "That transparency, in turn, has built a higher level of trust which can result in increased customer retention. In the B2B space, you often develop lasting relationships that are designed to meet long-term goals vital to the success of both organizations, therefore, it is essential to maintain openness and customer confidence."

Adam Sharp, Co-Founder and CEO of CleverTouch www.clever-touch.com:

"Marketers are focusing on frequency of communication and tone. Building preference centres where the customer is in control is a huge thing: absolutely no one talks about 'email blasts' anymore and that is a good thing."

76% of consumers expect companies to understand their needs and expectations

Source: Saleforce https://www.salesforce.com/research/customer-expectations/#

Data protection: how to comply and thrive

Higher quality messaging and greater engagement rates

One of the key benefits for organisations implementing privacy best practice is improved engagement rates through higher quality, more targeted messaging.

But technology is also driving this change providing the means to better segment audiences and track behaviour. As marketers find better ways of communicating with their target audience, bulk email campaigns are becoming a thing of the past.

Our respondents reflect this evolution...

Giulia lannucci, brand strategist, Founder of KnowThyBrand www.knowthybrand.com:

"Having to explain to our audience how we collect their data, why and reminding them why they hear from us was a good exercise. We lost a handful of subscribers but that is not a problem. If they weren't receiving the information they wanted, they were having a bad association with our brand, which is not good for us."

Aimée Treasure, Head of Marketing at VHR Global Technical Recruitment:

"It's not simply enough to claim 'legitimate interest' as an excuse to spam your audience – candidates will not engage with massmarketing that doesn't speak to them, and this approach will increase opt-outs and negative brand experiences."

"At VHR we have seen higher engagement, higher website traffic and higher satisfaction as a direct result of recent creative, outside-the-box thinking that followed GDPR." Akerho Oghoghomeh, VP of Marketing at Campaign Monitor:

"Our SMB audience have really found freedom through the constraints that the GDPR has provided. They know a lot more about the information that is really relevant to the consumers, and they understand how important an organically grown and highly engaged list can be for their business because they're seeing that demonstrated through higher ROI for their email campaigns."

Giulia lannucci from KnowThyBrand further picks up on this theme of improved creativity:

"The major benefit will be an increase in the level of creativity across the whole marketing field. For my company, the benefit will be that I don't have to educate my clients as much as I used to about the importance of permission-based marketing vs 'cold-calling' marketing; instead I can encourage them to get more creative and try different and new ways to reach and engage their audience."



PART 3: Becoming tomorrow's data-driven marketer

The results of our survey demonstrate that data remains at the heart of marketing strategies. It also suggests that data will continue to be used in more innovative and strategically useful ways. But what does that entail?

The twin forces of technological and regulatory change have presented a new dawn for marketers, where forward-thinking innovators hold an advantage over those businesses who try to subvert regulations or fail to keep up with the evolving nature of the opportunity that data provides.

Indeed, opportunity is abound as marketers up their game and start using data in smarter and more creative ways in-line with the expectations of increasingly empowered consumers.

Here we look at some of the ways that the 'data opportunity' will be grasped in the future by mature data-driven organisations.

First and third-party data mixologists

A varied data mix will continue to be the way forward. While 'homebaked' or first-party data will become increasingly important - and is a key area of investment the scale and variability of third-party data will remain vital too. The combination of both data sets will give marketers a fuller picture of their users, customers and potential customers; and increase their understanding of how to tailor their content and marketing approaches.

Understanding how best to combine first, second and third-party data will be a key challenge going forward.

Nicola Howell, Senior Compliance & Privacy Attorney at Dun & Bradstreet: <u>www.dnb.co.uk</u>

"The need for third-party data to stay on top of your game in your marketing campaigns is only going to increase. Understanding how to use your third-party data and using reputable companies is going to become ever more pressing."

"Whether it's for compliance obligations or marketing, you will lose a very important source of information if you were to rely on first-party data alone." "For marketers, understanding what their audiences do in the real-world, and the intersection of that with online behaviours to get a single view of the customer journey, will impact how brands deliver the most effective, ROI-driven communications."

Rising to the multi-channel marketing challenge

All marketers will continue to be challenged with optimising a multi-channel marketing capability to the particular needs of their industry and audience. There is no one-size-fits-all solution, but whatever the platforms or the tactics used, it needs to be underpinned by strong integrative capabilities.

Traditional siloed approaches are no longer fit for the purpose of extracting maximum value out of data. Organisations able to plan and execute a data strategy which integrates data across the business will hold the strategic advantage going forward.

According to the Insights2020 study www.uk.kantar.com

- 67% of execs at over-performing firms were skilled at linking disparate data sources;
- 61% of over-performers have insights involved in all key areas of planning; and
- 71% of over-performing firms combine analytical and creative thinking.

Rob Sanchez, CEO, MeritDirect: <u>www.meritdirect.com</u>: "The importance of data, especially in the B2B world, has never been more apparent. Data-driven marketing drives business decisions for all levels of companies in a breadth of industries. Data decisions are also taking priority over channel decisions. Data-driven marketing becomes more and more critical with channel as the outcome."

Becoming tomorrow's data-driven marketer

Adam Sharp, Co-Founder and CEO of CleverTouch Marketing believes that sales and marketing need to work in closer harmony going forward: "Beyond marketing technology, we see marketing organisations setting up stronger and more centralised marketing operations functions and even including sales enablement sitting inside these marketing organisations too."

Driving data and technology literacy

While the promise of technology can offer the power to pull instant insight from a dataset it would otherwise take endless hours to sift through; human oversight remains a vital differentiator. So increasing the skills of marketers (as well as the data literacy of the whole workforce) is a key strategic approach.

Aimée Treasure, Head of Marketing at VHR Global Technical Recruitment: "Marketing automation is a hot topic, but martech can only be highly effective with the right skills strategy and creative thinking. In addition to new technology, I predict that investment will shift further towards the skills of marketeers. Whilst other industries will see automation reduce the numbers of workers in the office or on the production line, the complex growth and capabilities of marketing technology will require skilled individuals to harness it."

Yuval Ben-Itzhak, CEO at Socialbakers:

"For traditional organisations which have been around for years, it's a big change. It's not just about the tech. Digital transformation is also about the people and the process and how to convince people to do things differently while still seeing an increase in their performance."

"The human part of the transition is very important it's not just about buying new tech." \cap

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# Becoming tomorrow's data-driven marketer



### Leveraging a variety of lead generation tactics

Data will be used by marketers to help inform a variety of lead generation tactics, including: content marketing, online and offline advertising, direct mail, traditional PR and more.

As ever, using the right channels which suit the strategic needs of your company and target audience will be key. *Leor Franks, Chief Marketing Officer - <u>Augusta</u> <u>Litigation Funding</u> makes the point that 'old hat' marketing approaches are far from dead and can help cut through the noise. In a world where SEO has become increasingly competitive and vast resources are being put into online content, traditional approaches provide a useful alternative for reaching your target audience.* 

"There's been a resurgence of interest in earned media coverage in quality media titles which stand above the kind of content you can create on your own website or own social media platforms," said Leor. "People were making predictions that traditional media was dead but I think there's been an uptick in the use of the kind of channels that were primary 20 years ago."

### Addressing the Gen-Z B2B consumer

The Gen-Z B2B consumer will be a major player within the next five years, and so utilising the platforms that they interact with will hold real strategic value for B2B marketers. They will account for over 30 percent of UK and European consumers by 2020 and already represent £25bn in spending power in the US. [http://www.campaignlive.co.uk/article/1348169/forget -millennials-brands-need-win-generation-z]

As well as requiring a different approach in terms of content and tone <u>www.printkick.com</u>, they will need to be reached on their favoured platforms.

Akerho Oghoghomeh, VP of Marketing at Campaign Monitor:

"I think YouTube will continue to be a big player and will grow in prominence particularly among that generation. But then it's also platforms like Snapchat and Reddit which B2B marketers are not really utilising right now because they seem very niche. In some way, shape or form B2B marketers are going to have to start utilising those platforms to engage this audience just like B2C marketers are."

# Becoming tomorrow's data-driven marketer

## Marketing automation, AI and beyond

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The big promise of Big Data will be increasingly realised by marketing automation technologies built upon the foundation of high quality data sets. Half of respondents (48%) to a CleverTouch survey [http://customerthink.com/research-the-state-of-marketing-automation-adoption-usage-benefits-challenges/] said their investment in marketing technology services would likely increase somewhat over the next 12 months, and another 11% said their investment would likely increase significantly.

Trends certain to feature more prominently in the near future include: machine learning capabilities, AI, voice-enabled tech, and AR/VR among others.

Greg Isbister, CEO and Founder of insight platform <u>www.blis.com</u>: "We also see a continuing trend toward focusing investment on experiences to build customer loyalty, whether that's through an improved online journey, using AI to develop more personalised messages or redefining the physical experiences using voiceactivated technology."

However, the adoption of new technologies is not a solution in itself. At a recent GMA Data Briefing www.the-gma.com, Samir Sharma, data strategy consultant and CEO of Datazuum www.datazuum.com stressed the importance of putting a data strategy at the heart of your organisation. According to Samir, technology investment should ideally occur once the people, processes and culture are established. Business leaders first need to develop a better understanding of what tech will provide maximum value and how it will be incorporated across the business.

# Summary: Future success will be data-driven

The future of data-driven marketing is a changing one. New technologies in the form of AI, VR, and voice-activated technology (among many others) will provide opportunities to reach and communicate with customers in new and exciting ways. The creative potential is unlimited.

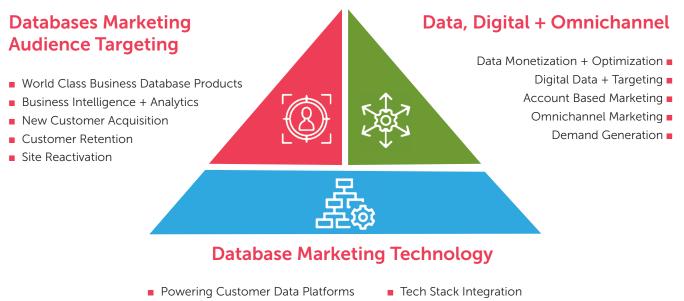
But key to unlocking this potential is data. High quality data which is translated into information and then from information into insight will direct marketing teams to the tactics and techniques which work best for an organisation's strategic needs. With an endless number of innovation possibilities lying ahead, data is more important than ever for shrewd decison-making.

With digital technology evolving at such a fast rate, and with customer behaviours, needs and expectations shifting in parallel; the ability to successfully wrangle data is sure to be a key competitive differentiator now and in the future.



# **MeritDirect** | Solutions





- Technology Infrastructure
- Web Access

### **OUR CLIENTS**

As a client-centric organization, MeritDirect is acutely focused on developing long-standing relationships.



For more information or to discuss how MeritDirect can accelerate your ABM contact Karie Burt, Senior Vice President - International/Privacy on kburt@meritdirect.com.

### www.meritdirect.com



