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May 13, 2015

Big Data in Marketing Survey

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Charts, Analysis by James Tenser, VSN Strategies

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Big Data In Marketing:
Where We Are;
Where We're Heading

Study Collaboration by STI and VSN

Cooperation from Gartner Group

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Marketers Leverage Big Data

- Nearly half (47%) are integrating new data sources to gain a better view of consumers.
- More than half (54%) are linking syndicated data with new data sources to improve promotions.
- Seven in ten (70%) have applied Big Data insights to sharpen promotion strategies.
- One in three (33%) have invested in Big Data technology, and another 17% plan to this year.
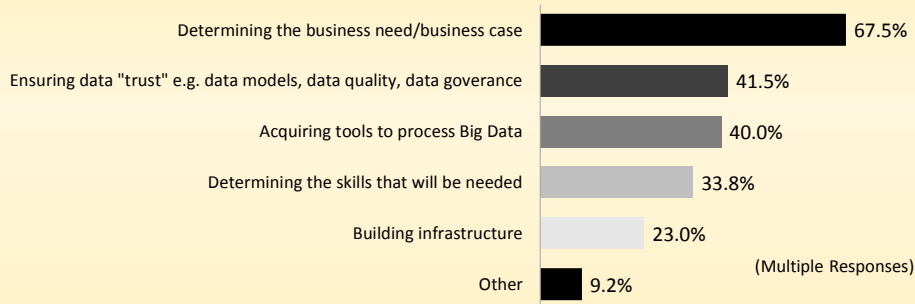
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Still Seek Understanding

- Two thirds (68%) are still determining the business case for Big Data
- Just 6% have deployed Big Data solutions in consumer marketing.
- Fewer than 10% have talent acquisition strategies that address Big Data opportunities.
- Only a third (35%) measure their Big Data program ROI

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Sec. 1 – Big Data Status

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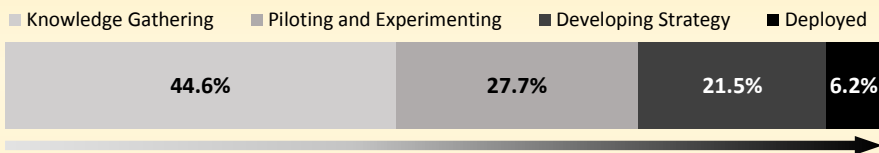## Fig. 1. Readiness for Big Data
What is your organization doing to get ready for Big Data for Consumer Marketing?

- Determining the business need/business case — 67.5%
- Ensuring data "trust" e.g. data models, data quality, data goverance — 41.5%
- Acquiring tools to process Big Data — 40.0%
- Determining the skills that will be needed — 33.8%
- Building infrastructure — 23.0%
- Other — 9.2%

(Multiple Responses)

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Fig. 2. Level of Adoption
*Which of the following best describes your organization's stage
of Big Data adoption in consumer marketing?*

■ Knowledge Gathering ■ Piloting and Experimenting ■ Developing Strategy ■ Deployed

44.6%	27.7%	21.5%	6.2%

Source: Big Data in Marketing Survey © 2014-15 Shopper Technology Institute

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Fig. 3. Big Data Investment
*Has your organization already invested in technology specifically designed to
address the Big Data challenge?*
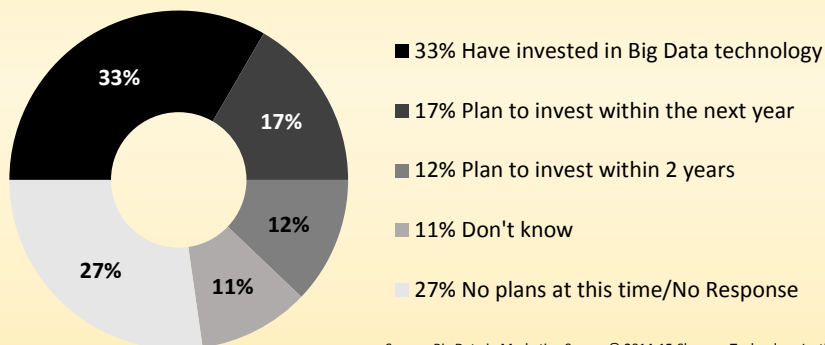
33%

17%

12%

11%

27%

■ 33% Have invested in Big Data technology

■ 17% Plan to invest within the next year

■ 12% Plan to invest within 2 years

■ 11% Don't know

□ 27% No plans at this time/No Response

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Fig. 4. Big Data Maturity

*Which statement best describes the maturity level of your organization
when it comes to leveraging Big Data to achieve business benefits?*

IMMATURE | BASELINE | DEVELOPING | MATURE | VERY MATURE

| 22.6% | 32.1% | 24.5% | 13.2% | 7.5% |
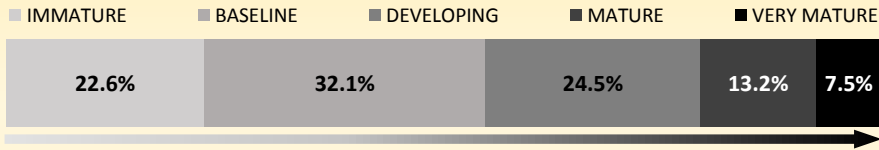
IMMATURE - The organization is just beginning to assess how to best leverage Big Data going forward

BASELINE - The organization is establishing enterprise information management processes for Big Data, but has not yet implemented a formal strategy

DEVELOPING - Enterprise Big Data is readily available to select business functions, but not yet leveraged across functions

MATURE - Enterprise Big Data is readily available across business functions but currently embedded only in select business processes and analytics

VERY MATURE - Enterprise Big Data is pervasive and embedded in business processes and analytics across all major business processes

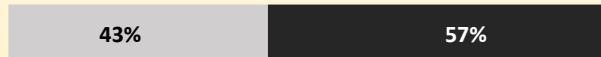Source: Big Data in Marketing Survey © 2014-15 Shopper Technology Institute

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Fig. 5. Big Data Marketing Activities

Do you agree or disagree with the following statements?

We have defined a Big Data marketing strategy

| 28% | 72% |
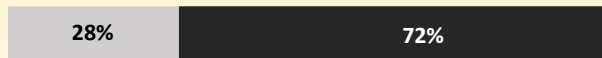
Using data in our marketing strategies is a new approach for our organization

| 43% | 57% |

We use data to measure program ROI

| 65% | 35% |

Disagree | Agree

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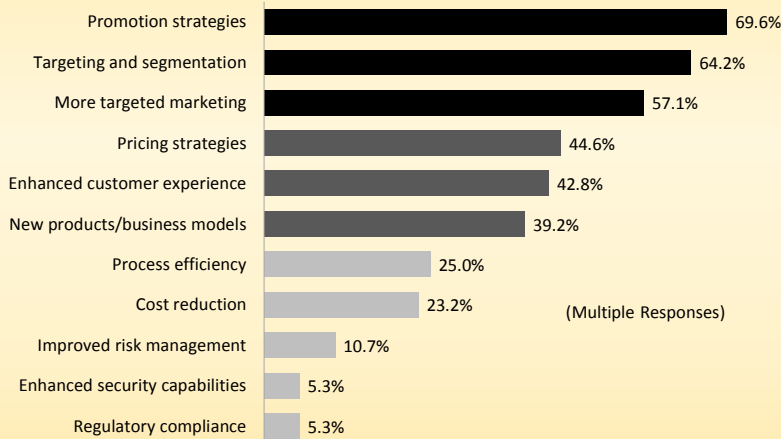## *INTERSTITIAL:* What's So D***Big About It?

- Not just more fields, more rows, and bigger hard drives
- The 3 Vs (or maybe 4):
  - Volume
  - Variety
  - Velocity
  - Veracity (if you're lucky)
- The Faster it Grows, the Faster it Grows

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Sec. 2 – Present Activities

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Fig. 6. Big Data Insights

For what types of activities have you applied insights generated by Big Data?

Activity	Percentage
Promotion strategies	69.6%
Targeting and segmentation	64.2%
More targeted marketing	57.1%
Pricing strategies	44.6%
Enhanced customer experience	42.8%
New products/business models	39.2%
Process efficiency	25.0%
Cost reduction	23.2%
Improved risk management	10.7%
Enhanced security capabilities	5.3%
Regulatory compliance	5.3%

(Multiple Responses)

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Fig. 7. Big Data Analytics Activities

Do you agree or disagree with the following statements?

We are combining syndicated data with other data sources
such as sentiment analysis to improve in-store promotion planning and execution

Disagree	Agree
46%	54%

We are combining data sets in innovative ways to enhance our segmentation efforts

Disagree	Agree
52%	48%

We are using new data sources (such as weather or social sentiment) to enhance our demand forecasting

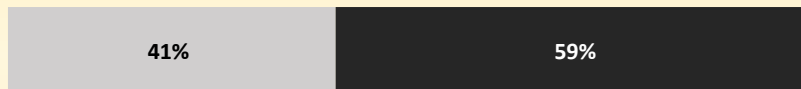| Disagree	Agree
62%	38%

▪ Disagree ▪ Agree

Source: Big Data in Marketing Survey © 2014-15 Shopper Technology Institute
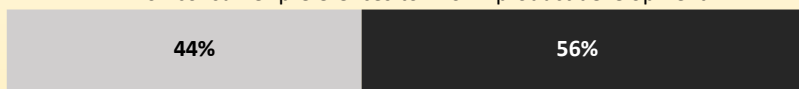
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Fig. 8. Social Media Activities
Do you agree or disagree with the following statements?

We collect a lot of **digital data** - Facebook, mobile, tweets

41%	59%

We are using **social media data** to develop new insights
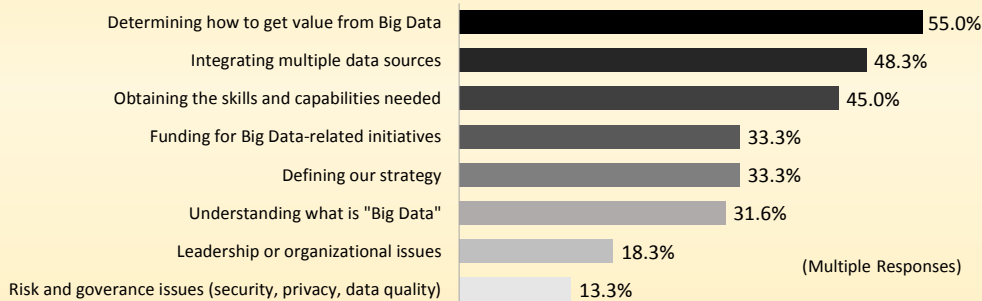on consumer preferences to inform product development

44%	56%

■ Disagree   ■ Agree

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Fig. 9. Big Data Challenges
What are your organization's top three hurdles or challenges with Big Data?

Challenge	Percentage
Determining how to get value from Big Data	55.0%
Integrating multiple data sources	48.3%
Obtaining the skills and capabilities needed	45.0%
Funding for Big Data-related initiatives	33.3%
Defining our strategy	33.3%
Understanding what is "Big Data"	31.6%
Leadership or organizational issues	18.3%
Risk and goverance issues (security, privacy, data quality)	13.3%

(Multiple Responses)

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Fig. 10. Big Data Benefits
What are the three most significant business benefits your organization has derived from Big Data?

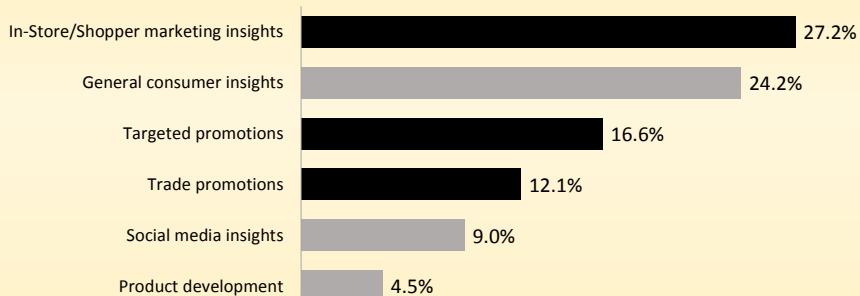| Benefit	Percent
Consumer insights	51.9%
Segmentation and integrated planning	34.6%
New product innovation	30.7%
Improvement to market share	28.8%
Competitive differentation	26.9%
Direct to consumer relationships	25.0%
Profitability / margin revenue	23.0%
Trade promotion optimization	21.1%
Customer service / satisfaction	21.1%
Improvement to revenue	21.1%
Retail execution	19.2%
Supply / commodity forecast accuracy / optimization	13.4%
Inventory optimization	11.5%
Demand forecast accuracy / optimization	9.6%
Other	5.7%

(Multiple Responses)

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Sec. 3 – Strategic Priorities

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Fig. 11. Marketing Activities
Of the following, which is MOST likely to benefit from the use of Big Data?

Activity	%
In-Store/Shopper marketing insights	27.2%
General consumer insights	24.2%
Targeted promotions	16.6%
Trade promotions	12.1%
Social media insights	9.0%
Product development	4.5%

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Fig. 12. In-Store Data
Do you agree or disagree with the following statement?

Big Data from **in-store behavior** are important to our organization's marketing strategy

32%	68%

■ Disagree   ■ Agree

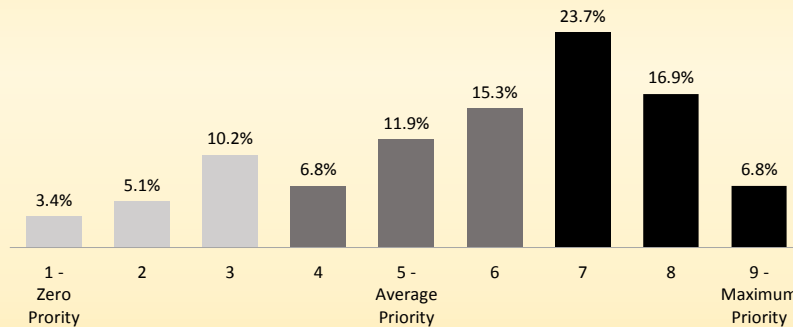Source: Big Data in Marketing Survey © 2014-15 Shopper Technology Institute

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Fig. 13. Near Term Plans Summary
Rate your organization's strategic priority for
Big Data marketing activities over the next 12 months?

	Low	Medium	High
A. New Data Sources	18.7%	34.0%	47.4%
B. Segment Shoppers	25.5%	37.4%	37.3%
C. Integrate e-commerce	31.0%	41.1%	27.6%
D. Social Media Sentiment	36.2%	36.2%	27.6%
E. Shopper Loyalty/Rewards	32.3%	47.4%	20.4%
F. Ethnic Marketing Strategy	49.2%	32.2%	18.7%

Source: Big Data in Marketing Survey © 2014-15 Shopper Technology Institute

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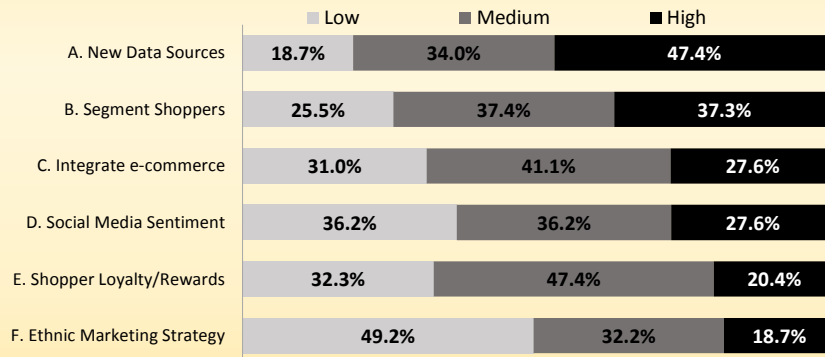
Fig. 13A. Near-Term Plans
Rate your organization's strategic priority for
Big Data marketing activities over the next 12 months?

A. Continuously integrate **new data sources** to get a better snapshot of the consumer

1 - Zero Prority	2	3	4	5 - Average Priority	6	7	8	9 - Maximum Priority
3.4%	5.1%	10.2%	6.8%	11.9%	15.3%	23.7%	16.9%	6.8%

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Fig. 13B. Near-Term Plans
Rate your organization's strategic priority for
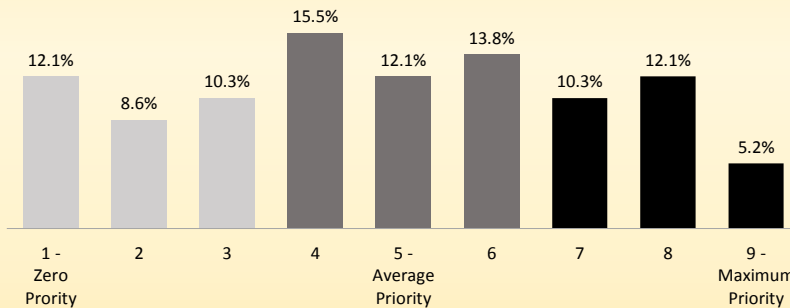*Big Data marketing activities over the next 12 months?*

B. Purchase improved analytics capabilities to better **segment shoppers**
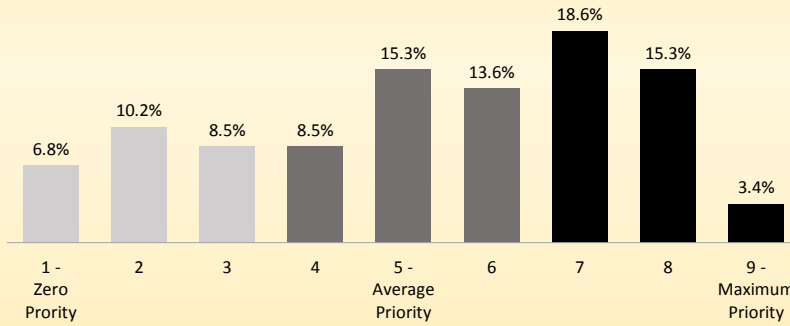
Source: Big Data in Marketing Survey © 2014-15 Shopper Technology Institute

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Fig. 13C. Near-Term Plans
Rate your organization's strategic priority for
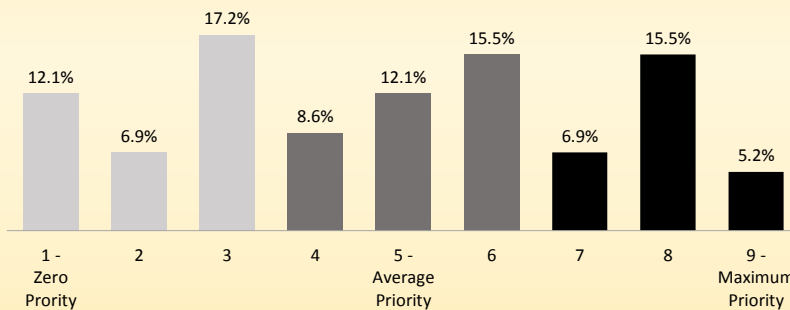*Big Data marketing activities over the next 12 months?*

C. **Integrate e-commerce** sales into our corporate data warehouse for better sales insights

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Fig. 13D. Near-Term Plans
Rate your organization's strategic priority for
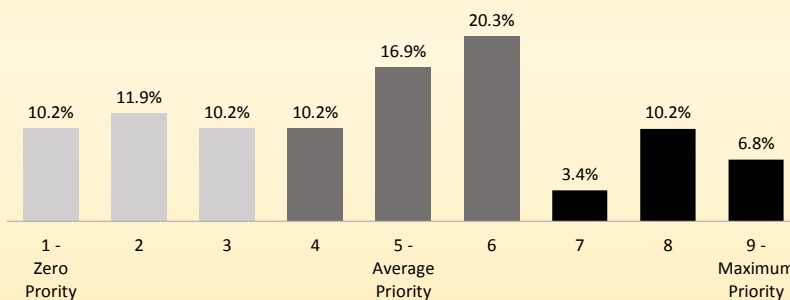### *Big Data marketing activities over the next 12 months?*

D. Integrate **social media sentiment** into our internal data warehouse

1 - Zero Prority	2	3	4	5 - Average Priority	6	7	8	9 - Maximum Priority
12.1%	6.9%	17.2%	8.6%	12.1%	15.5%	6.9%	15.5%	5.2%

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Fig. 13E. Near-Term Plans
Rate your organization's strategic priority for
Big Data marketing activities over the next 12 months?

E. Deploy a Big Data strategy to address **shopper loyalty/rewards**

1 - Zero Prority	2	3	4	5 - Average Priority	6	7	8	9 - Maximum Priority
10.2%	11.9%	10.2%	10.2%	16.9%	20.3%	3.4%	10.2%	6.8%

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Fig. 13F. Near-Term Plans
Rate your organization's strategic priority for
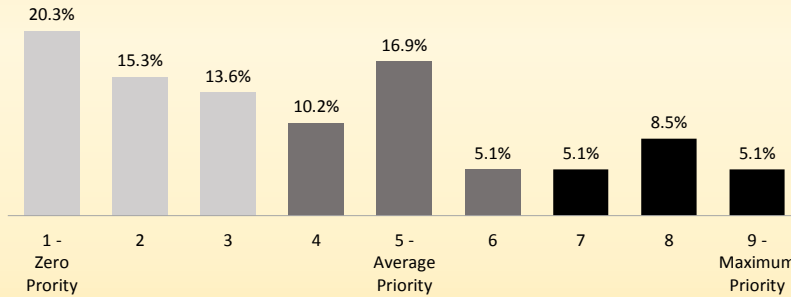### *Big Data marketing activities over the next 12 months?*

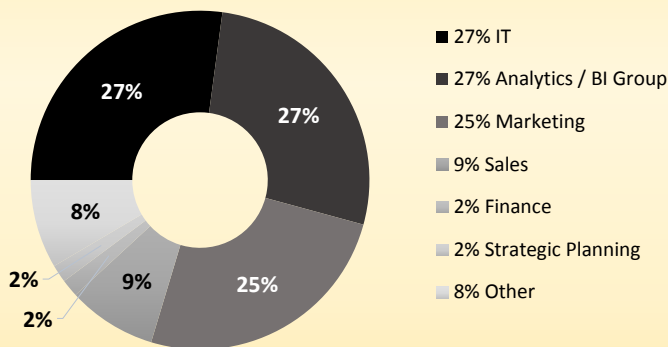F. Deploy a Big Data strategy to inform an **ethnic marketing strategy**

20.3%	15.3%	13.6%	10.2%	16.9%	5.1%	5.1%	8.5%	5.1%
1 - Zero Prority	2	3	4	5 - Average Priority	6	7	8	9 - Maximum Priority

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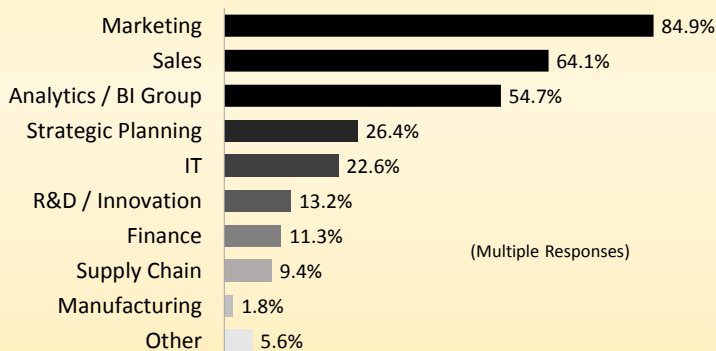# Sec. 4 – Roles In the Organization

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Fig. 14. Big Data Ownership
Which department within your organization is the PRIMARY OWNER of your company's enterprise Big Data?

- ■ 27% IT
- ■ 27% Analytics / BI Group
- ■ 25% Marketing
- ■ 9% Sales
- ■ 2% Finance
- ■ 2% Strategic Planning
- ■ 8% Other

27%   27%   8%   2%   2%   9%   25%

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Fig. 15. Top Users
Which departments represent the TOP 3 USERS of Big Data in your organization?

Department	Percentage
Marketing	84.9%
Sales	64.1%
Analytics / BI Group	54.7%
Strategic Planning	26.4%
IT	22.6%
R&D / Innovation	13.2%
Finance	11.3%
Supply Chain	9.4%
Manufacturing	1.8%
Other	5.6%

(Multiple Responses)

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Fig. 16. Applications Control
Who SHOULD control the selection, purchase, and management of Big Data marketing applications? In your organization, who ACTUALLY controls these?

A cross-functional team, consisting of Marketing, senior management and IT
- Should Control: 48.4%
- Actually Controls: 31.8%

The Marketing Department on its own initiative
- Should Control: 12.1%
- Actually Controls: 10.6%

Marketing requests; IT approves, subject to guidelines
- Should Control: 7.5%
- Actually Controls: 10.6%

The IT Department has the final say
- Should Control: 3.0%
- Actually Controls: 9.0%

We have no Big Data marketing applications at this time
- Actually Controls: 10.6%

Other
- Should Control: 7.5%
- Actually Controls: 6.0%

■ Should Control
■ Actually Controls

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Fig. 17. Analytics Team
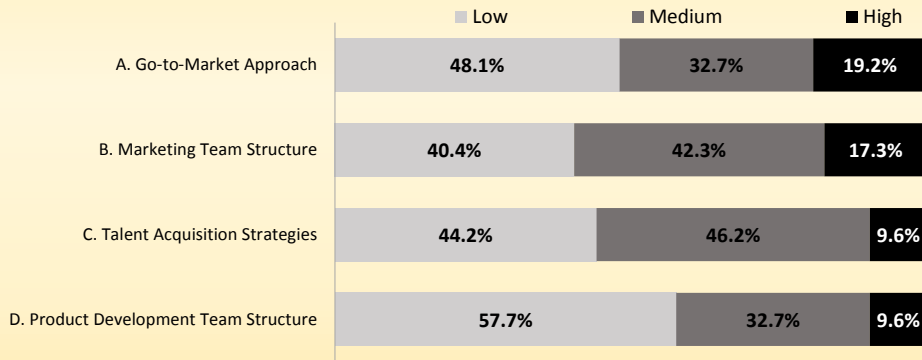### *Do you agree or disagree with the following statement?*

We have a **dedicated analytics department** to manage big data
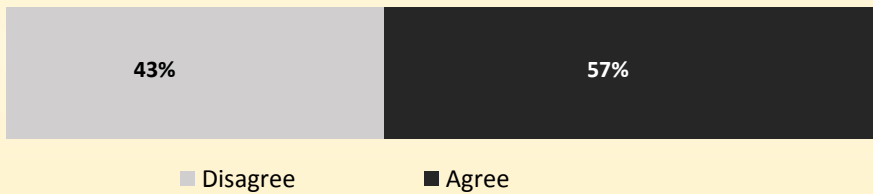
Disagree	Agree
43%	57%

■ Disagree   ■ Agree

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Fig. 18. Big Data Adoption
Please indicate the degree of adjustment your organization has made to the following with respect to Big Data:

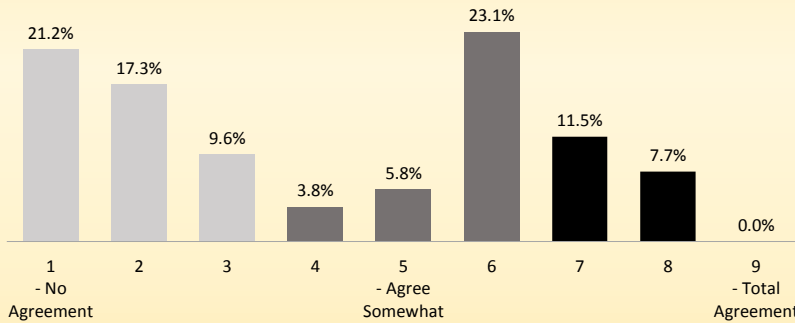|	Low	Medium	High
A. Go-to-Market Approach	48.1%	32.7%	19.2%
B. Marketing Team Structure	40.4%	42.3%	17.3%
C. Talent Acquisition Strategies	44.2%	46.2%	9.6%
D. Product Development Team Structure	57.7%	32.7%	9.6%

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Fig. 18A. Big Data Adoption
Please indicate how much you agree or disagree with the following statement:

A. We have adjusted our **go-to-market** approach with retailers to take advantage of Big Data opportunities
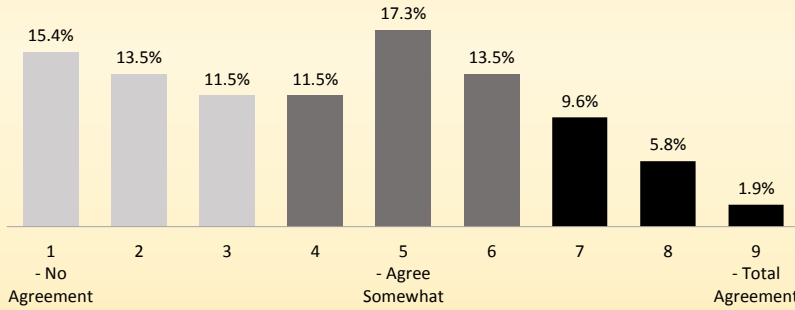
Scale	Value
1 - No Agreement	21.2%
2	17.3%
3	9.6%
4	3.8%
5 - Agree Somewhat	5.8%
6	23.1%
7	11.5%
8	7.7%
9 - Total Agreement	0.0%

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Fig. 18B. Big Data Adoption
Please indicate how much you agree or disagree with the following statement:

B. We have adjusted our **marketing team structure** to take advantage of market opportunities created by Big Data-related insights
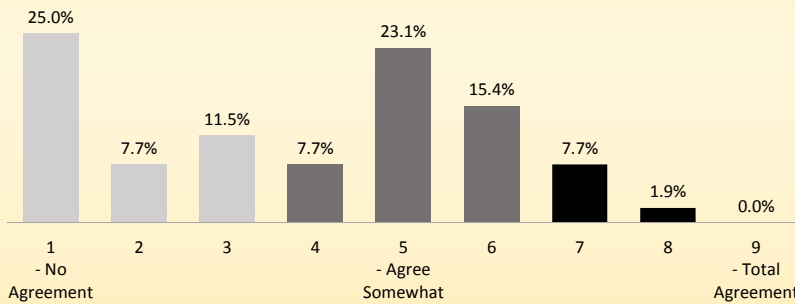

1 - No Agreement	15.4%
2	13.5%
3	11.5%
4	11.5%
5 - Agree Somewhat	17.3%
6	13.5%
7	9.6%
8	5.8%
9 - Total Agreement	1.9%

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Fig. 18C. Big Data Adoption
Please indicate how much you agree or disagree with the following statement:

C. We have adjusted our **talent acquisition** strategies to address market opportunities created by Big Data-related analytics and insights


1 - No Agreement	25.0%
2	7.7%
3	11.5%
4	7.7%
5 - Agree Somewhat	23.1%
6	15.4%
7	7.7%
8	1.9%
9 - Total Agreement	0.0%

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Fig. 18D. Big Data Adoption

Please indicate how much you agree or disagree with the following statement:

D. We have adjusted our **product development team structure** to take advantage of market opportunities created by Big Data-related insights

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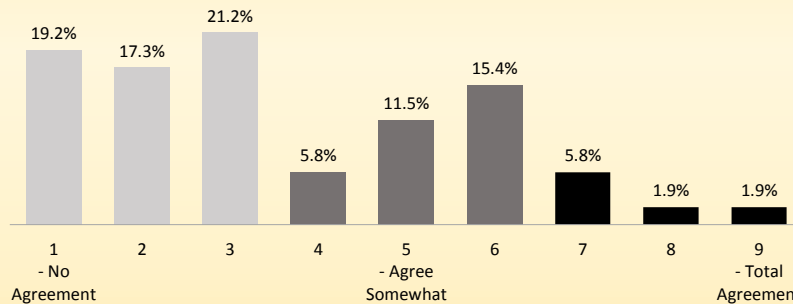
Priorities and Practices – Consensus Needed

Positive Signs Abound for Big Data In Marketing

- Activity is vigorous
- Spending is ramping up
- New data is rolling in
- Insights are beginning to flow

But Organizations are Still Learning How To

- Accommodate and prioritize Big Data skill sets
- Find the talent who can turn insights into beneficial actions
- Find Provable ROI

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Some Closing Thoughts

- CPG companies are well aware that Big Data is important, now and as a future priority – and they are taking action.
- Major Big Data goals include: Improve performance at retail; Connect with consumers more directly and effectively; Differentiate from competition.
- Organizations are still researching options and possibilities. Only a minority have an enterprise Big Data strategy. Very few are ready with the needed talent or technology.
- Big Data influence on product development is still in its nascent stages, from the perspectives of both the application of insights and adjustments to the organization.

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Contact

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