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RESEARCH**



# **Customer Analytics**

The 20 attributes that  
lead to business success.

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## About Adobe Analytics

Customer experience is driving the next wave of competitive advantage. To deliver standout experiences, you need clear, fast, and actionable insights. This means moving beyond simple data collection and web analytics to true customer intelligence. With Adobe Analytics, driven by artificial intelligence and machine learning, anyone in the enterprise has the ability to understand and optimise how customers interact with their brand across all channels simply, instantaneously, and at massive scale. Adobe is the only company that unites content creation with data insights, blending art and science, to help brands activate compelling and consistent experiences across every device and customer touchpoint to help organisations become experience businesses.

For more information, please visit <https://www.adobe.com/uk/analytics/adobe-analytics.html>.



## About London Research

London Research is focused on producing research-based content for B2B audiences. We are based in London, but our approach and outlook are very much international. We work predominantly, but not exclusively, with marketing technology (martech) vendors and agencies seeking to tell a compelling story based on robust research and insightful data points. As part of Communitize Ltd, London Research works closely with its sister companies Digital Doughnut (a global community of more than 1.5 million marketers) and Demand Exchange (a lead-generation platform), both to syndicate its research and generate high-quality B2B leads.

For more information, please visit <https://londonresearch.com>.

# 1. Executive Summary

The **Customer Analytics** report, published by Adobe in partnership with London Research, explores the capabilities required for success in a world where customer centricity is increasingly paramount. This report aims to help enterprise companies evaluate their customer analytics maturity so that they can strive for a more advanced approach or improve their capabilities even further.

Based on a global survey of more than 1,800 business professionals, of whom more than 1,000 are based in Europe, the report focuses on 20 attributes that are important for customer analytics maturity, with statistical analysis to determine which are most closely correlated with success.

The report identifies a group of customer intelligence 'leaders,' including 15 percent of responding companies whose capabilities are 'established' and 7 percent who are 'advanced'. The remaining 78 percent of companies—classified as 'laggards'—are either at the 'basic' or 'developing' stage of their customer analytics evolution, with significant room for improvement.

The research finds that progression along the analytics maturity scale requires executive sponsorship and focused investment to enable a more strategic and integrated approach. Customer analytics leaders are almost two-and-a-half times more likely than their peers to have a complete view of all customer interactions with their brands (71 percent vs. 29 percent). The other attributes most closely associated with customer analytics leadership are the following:

- Utilisation of analytics technology to its full potential
- Ability to carry out predictive and prescriptive analytics
- Having analysts and data scientists to make the most out of data
- Investment in skills to get the most from digital technology investment
- Ability to get actionable insights from analytics
- Technology that enables effective multichannel attribution
- A data-driven culture that helps to drive customer intelligence activities

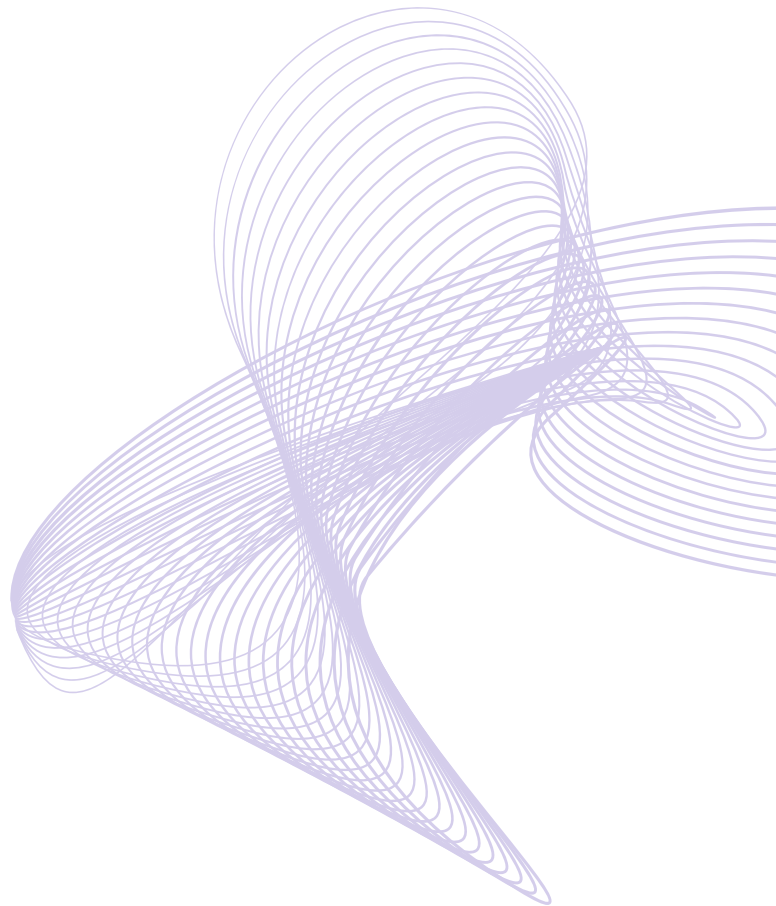
The report looks in depth at how analytics technology enables customer intelligence capabilities, demonstrating a tangible benefit for organisations that pay for their analytics solutions. Customer analytics leaders are more than three times less likely than their peers to report use of only free software (6 percent vs. 22 percent).

Technology integration is also a critical factor for customer intelligence success, enabling more personalisation based on the seamless connection of multiple customer touchpoints through a unified platform. Brands with paid analytics solutions are much more likely than brands using free software to have integrations between customer analytics tools and other sources of data, including email, social, and CRM platforms. The gap between leaders and laggards is particularly pronounced when it comes to integrations with data management platforms (DMPs), customer data platforms (CDPs), and personalisation technology.

Market trends for investment in analytics technology show that 69 percent of leaders—compared to 54 percent of laggards—are increasing their investment in customer intelligence capabilities. However, companies are much less likely to be increasing their investment in internal staff than in technology.

While technology is critical for success, companies must make sure they also focus on establishing the right culture, leadership, and skills internally. With only a minority of respondents (39 percent) rating their level of customer data and analytics knowledge and skills as either 'excellent' or 'good', there's a lot of scope for improvement in this area. For sustainable success, using analytics within an organisation needs to transcend the analytics department.

Market trends for investment in analytics technology show that **69 percent** of leaders, compared to **54 percent** of laggards, are increasing their investment in customer intelligence capabilities.



## 2. Methodology

This Customer Analytics report is based on a survey of 1,831 global business professionals (mainly marketers and analysts) who completed an online questionnaire in July 2018. The survey was publicised through LinkedIn and dedicated emails sent out by London Research sister company Digital Doughnut and also by Adobe.

Sixty percent of the respondents classified themselves as working client-side, while 40 percent said they were supply-side, i.e. working for an agency, consultancy, or technology company. The majority of respondents were director level or above.

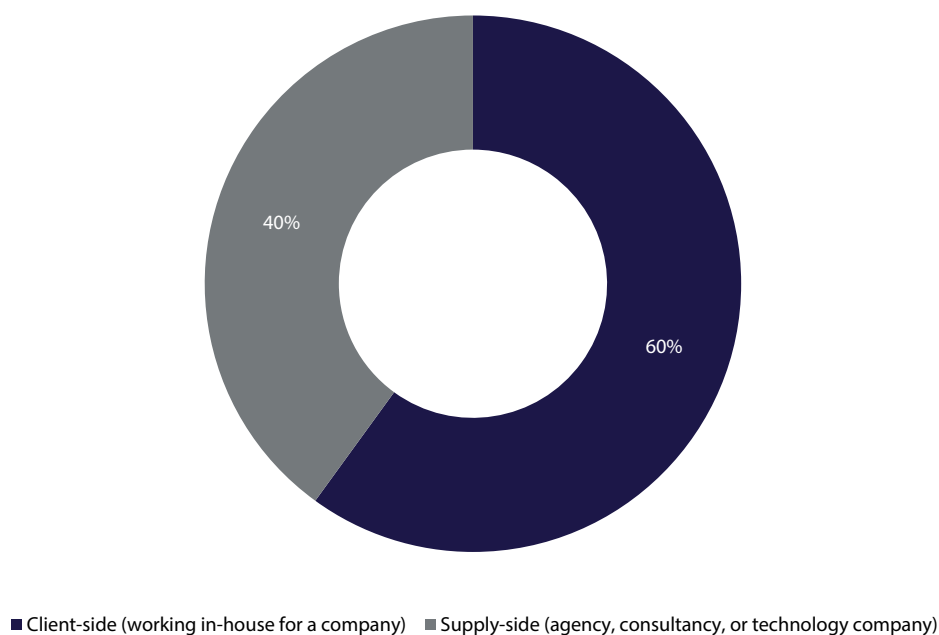
More than half of the client-side respondents (54 percent) described themselves as working in the marketing function, with the remainder spread across other departments including IT/tech (12 percent), operations (6 percent), and ecommerce (5 percent). The majority of respondents are based in Europe, with 19 percent and 12 percent from Asia and North

America respectively. More information about the profile of respondents—including breakdowns by business sector and size of company based on revenue—is included in the appendix.

Twenty attributes were identified by London Research following interviews with client-side executives and consultants working for a range of brands across different business sectors. To understand the relative importance of these attributes at different stages of analytics maturity, we've used a statistical technique, Spearman's rank correlation coefficient ( $\rho$ ), to understand the association between the attributes and stages of the maturity journey.

Like all correlation coefficients, Spearman's  $\rho$  measures the strength of association of two variables, where the value  $r = 1$  means a perfect positive correlation and the value  $r = -1$  means a perfect negative correlation.

**Figure 1:** What best describes your role?





### 3.

## The 20 attributes that lead to business success:

1. Complete view of all customer interactions with brand
2. Digital analytics technology used to its full potential
3. Predictive and prescriptive analytics (i.e. with actions and execution)
4. Analysts and data scientists to make the most out of the data available
5. Investment in skills to get the most from digital technology investment
6. Actionable insights from digital analytics solution
7. Technology that enables effective multichannel attribution
8. A data-driven culture that helps drive customer intelligence activities
9. Digital analytics as strong foundation for customer experience initiatives
10. A customer intelligence strategy and roadmap for capabilities development
11. Managers who can bridge the gap between strategic commercial goals and analytics
12. Automated process for creation of digital analytics insights
13. Centralisation of customer data
14. Dynamic creation of customer segments and automatic synchronisation with marketing platforms
15. Fully leveraged customer intelligence to optimise paid media investment
16. Automation of actions from insights, e.g. identifying anomalies and triggering personalised experiences
17. Analytics insights easily shared across the organisation
18. Analytics 'democratised' within the organisation
19. Enrichment of customer data using second- and third-party data
20. Buy-in from the top of the organisation for digitally-driven customer intelligence

## 4.

# Introduction: Analytics maturity

Customer analytics capabilities are inextricably linked with a company's ability to understand customers and provide them with better experiences. This report is aimed at helping companies benchmark their customer analytics maturity, with an analysis of what 'leaders' are doing differently to achieve success.



15 percent of companies describe their analytics capabilities in the context of customer intelligence as 'established', while only 7 percent say they are 'advanced'. The remainder are either at the 'basic' or 'developing' stages.

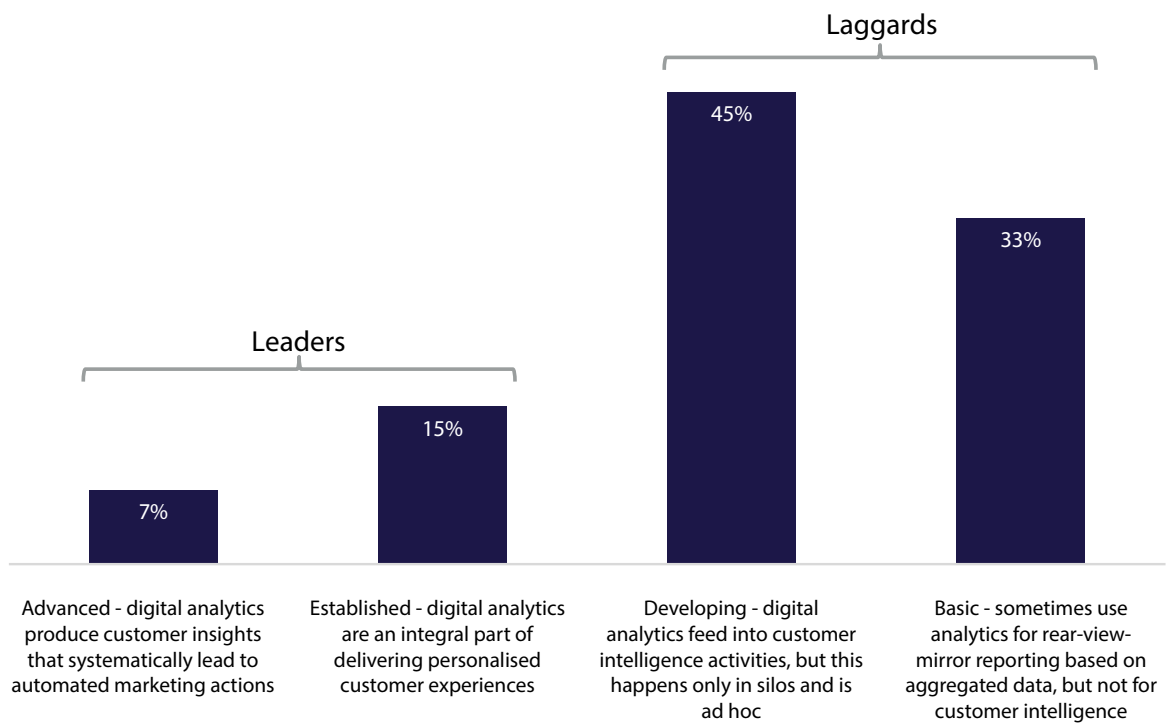


Customer intelligence, the process of gathering and analysing information about customers, has become a fundamental requirement for companies seeking to compete in the digital era. As the consumer's data footprint continually expands, so does the opportunity for businesses to understand customer requirements at a collective and individual level, helping organisations to provide better customer experiences and to reap the benefits, such as improving marketing return on investment.

To this end, much of this report is dedicated to understanding what analytics 'leaders' are doing differently compared to 'laggards' in the context of customer intelligence. Leaders are those companies self-identifying as either 'established' or 'advanced' (Figure 2). Those classified as 'established' are those companies where 'digital analytics are an integral part of delivering personalised customer experiences', while 'advanced' refers to those where analytics 'produce customer insights that systematically lead to automated marketing actions'.

COMPANY RESPONDENTS

Figure 2: In the context of customer intelligence, how would you describe the maturity of your organisation's digital analytics capabilities?

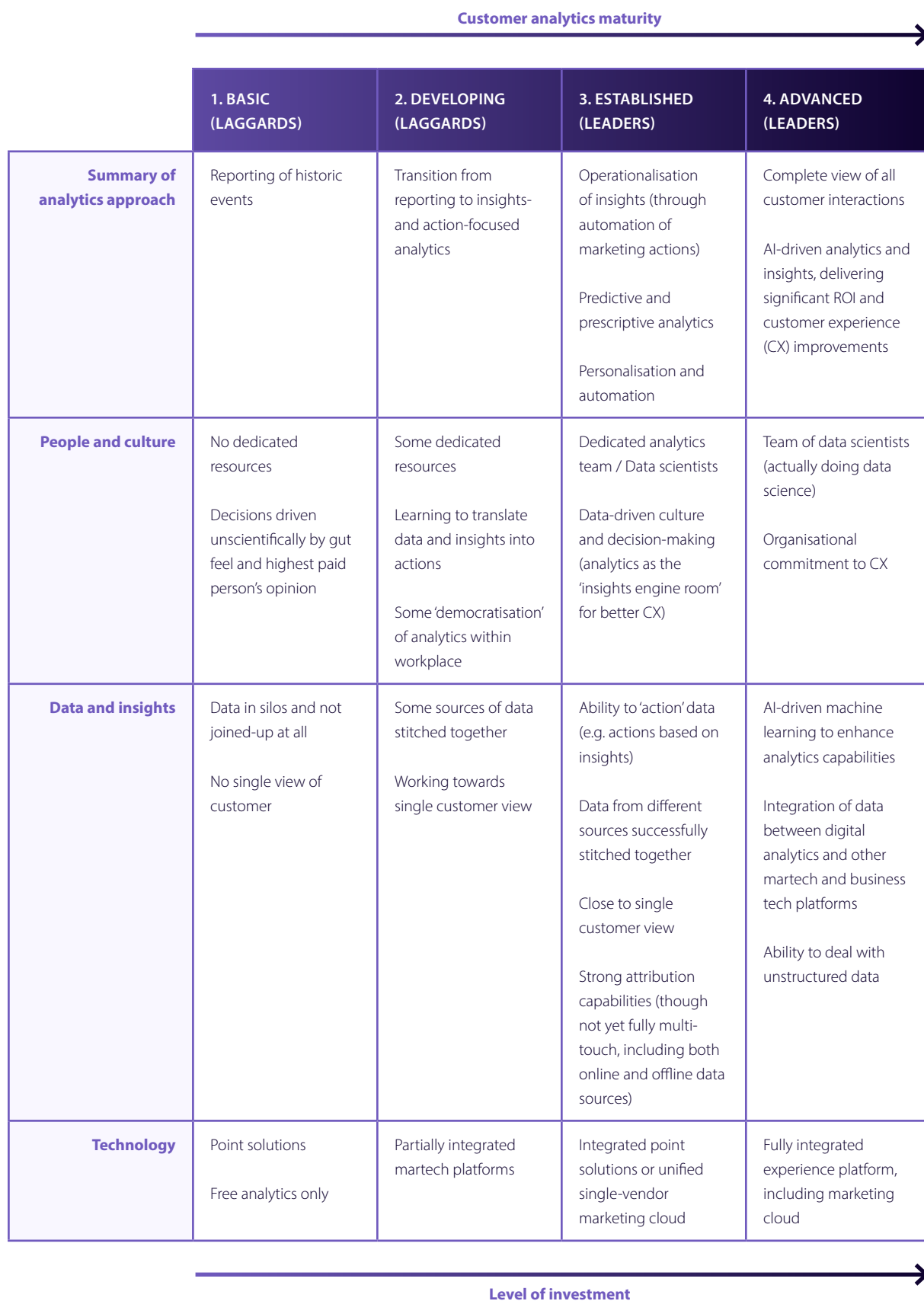


Methodology note: Comparisons between 'leaders' and 'laggards' are based on client-side data only, i.e. 'company respondents'.

The 'leaders' represent 22 percent of the total client-side sample, while the remaining 78 percent classify themselves as either 'basic' or 'developing' in their approach (i.e. the laggards). 'Basic' describes those that 'sometimes use analytics for rear-view-mirror reporting based on aggregated data but not for customer intelligence' (33 percent of the client-side sample), while those in the developing phase—the largest group—have digital analytics feeding into customer intelligence but 'only in silos' and on an 'ad hoc' basis (45 percent).

The maturity model overleaf summarises different stages of customer analytics maturity, covering the overall 'analytics approach', 'people and culture', 'data and insights', and 'technology'. The model is largely based on a qualitative assessment of what is required at different stages of maturity, but also informed by our statistical analysis of the relative importance of different types of analytics-related organisational attributes, covered in the next section.

**Figure 3:** Customer Analytics Maturity Model



5.

## Analytics maturity success factors

This section looks at the key drivers of customer analytics success, based on statistical analysis of our business survey data. The attributes most closely associated with success are a complete view of all customer interactions, utilisation of analytics technology to its full potential, and the ability to carry out predictive and prescriptive analytics.



Customer analytics leaders are almost two-and-a-half times more likely than their peers to have a complete view of all customer interactions with their brands.



Digital analytics technology and capabilities have come a long way since analytics software started to hit the mainstream in the 2000s. Although many companies still use digital analytics solely for simple reporting, analytics is foundational to business operations and customer experience activities for many brands, including their ability to execute integrated and personalised marketing programmes.

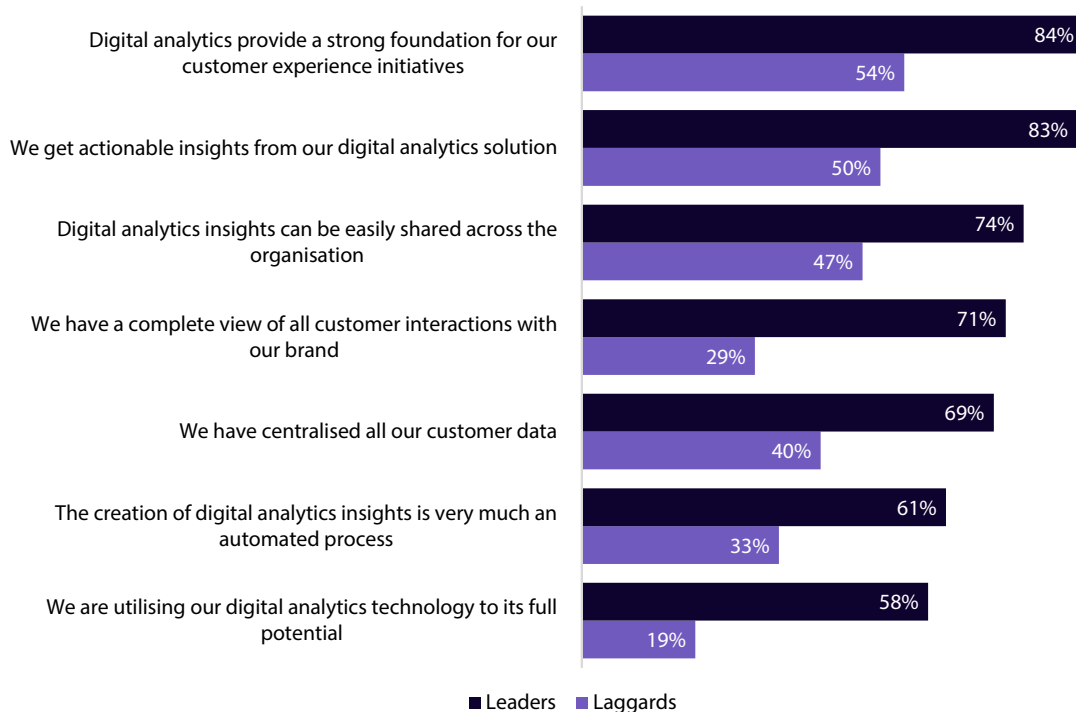
In *Figure 4*, the vast majority (84 percent) of companies classified as leaders agree that ‘digital analytics provide a strong foundation for customer experience initiatives’, compared to just over half (54 percent) of laggards. An important building block for effective customer intelligence activities is the centralisation of customer data within the business, with more than two-thirds (69 percent) of leaders saying they have achieved this, compared to 40 percent of laggards.

Even more strikingly, leaders are almost two-and-a-half times more likely than their peers to ‘have a complete view of all customer interactions with their brands’ (71 percent vs. 29 percent). This capability is a cornerstone of customer intelligence, and something that can be achieved through the right martech setup and integration with digital analytics (discussed further in *Section 8*).

While marketers and analysts have welcomed the increase in the information available from their analytics tool, many have felt disempowered by a lack of commercially useful information. Data has accumulated in unread reports, and analytics tools are not being utilised.

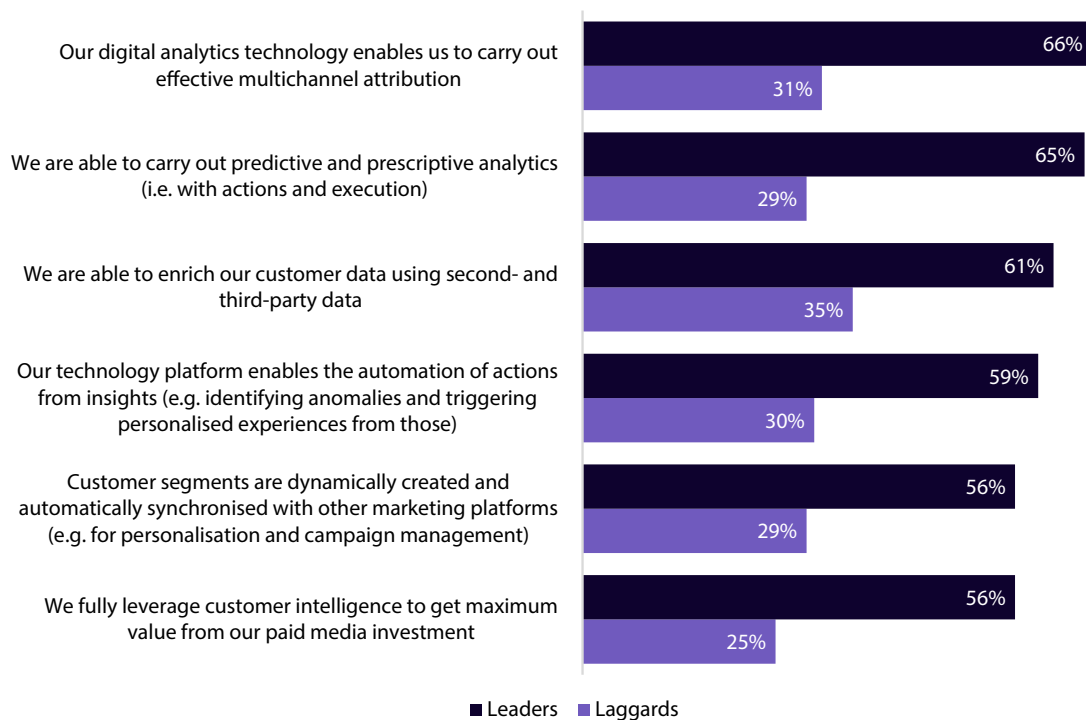
## LEADERS VERSUS LAGGARDS

**Figure 4:** Proportion of respondents agreeing with statements relating to data and analytics (part 1)



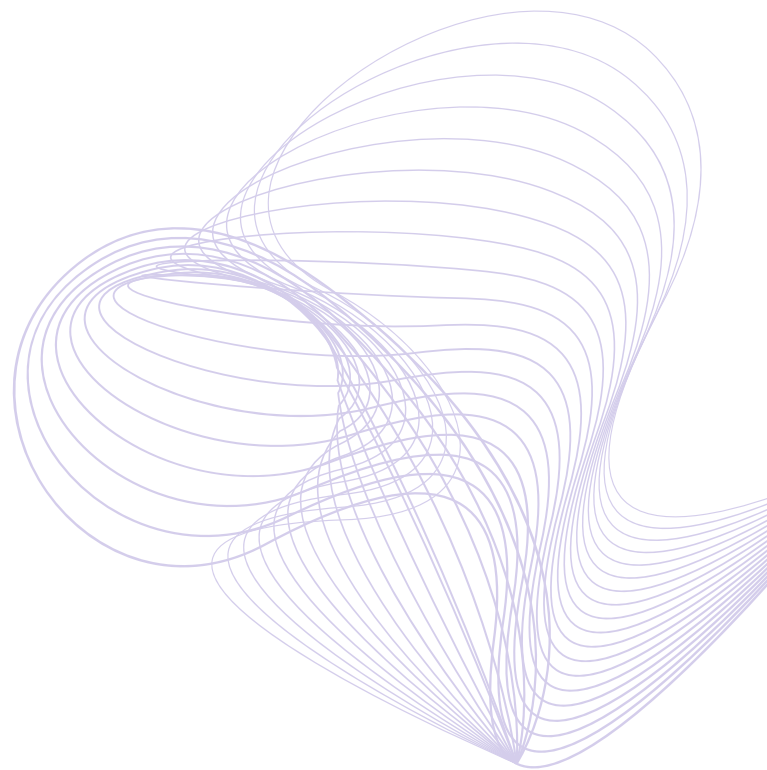
## LEADERS VERSUS LAGGARDS

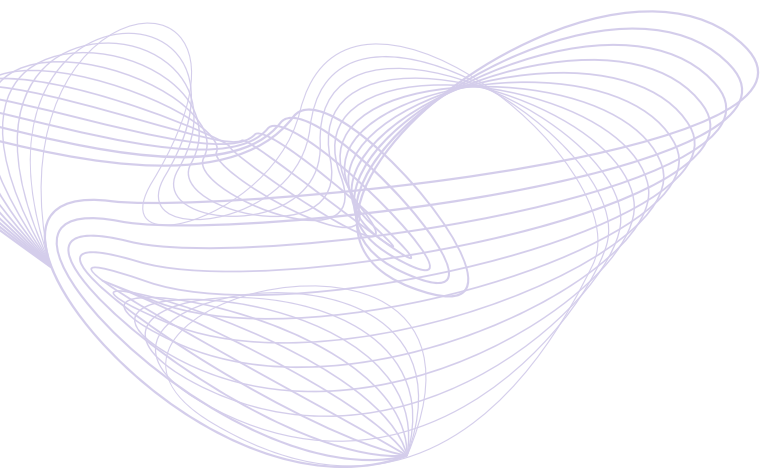
**Figure 5:** Proportion of respondents agreeing with statements relating to data and insights (part 2)



The mantra for more data-driven businesses in recent years has been the importance of actionable insights, with 83 percent of leaders saying these are forthcoming from their analytics solutions, compared to only half (50 percent) of laggards (and 57 percent of all companies surveyed).

Another important development has been the wider availability of analytics to those who aren't dedicated web analysts. Around three-quarters (74 percent) of leaders agree that 'digital analytics insights can be easily shared across the organisation' compared to 47 percent of laggards. As seen in *Figure 6*, leaders are twice as likely as laggards to agree that 'analytics have been democratised within the organisation' (59 percent vs. 29 percent). Enabling more stakeholders within the organisation, including those in non-analyst roles, to extract more insights through simplified experiences is therefore a key driver for further adoption and success.





**Customer analytics leaders are three times more likely than laggards to agree they are ‘utilising their digital analytics technology to its full potential’ (58 percent vs. 19 percent).**

### **Automation of insights and actions.**

The best analytics technology takes away much of the burden of translating raw data into insights. Sixty-one percent of leaders agree that the ‘creation of digital analytics insights is very much an automated process’ compared to only a third (33 percent) of laggards (*Figure 4*). The evolution from web analytics based on aggregated data—embodied by static ‘shelfware’ reports focused on historic reporting—to customer analytics as the linchpin of CX activities has been driven by the automation and ‘operationalisation’ of insights so that data points are translated into marketing actions.

Leaders are twice as likely as their peers to agree that their ‘technology platform enables the automation of actions from insights (e.g. identifying anomalies and initiating personalised experiences from those)’ (59 percent vs. 30 percent, *Figure 5*). This evolution of analytics is also evident in the proportion of leaders now able ‘to carry out predictive and prescriptive analytics, i.e. with actions and execution’ (65 percent vs. 29 percent). Driving real-time decisioning and triggering communication events to drive personal interaction with customers is not only possible but increasingly expected as a foundational component of a great customer experience.

### **Integration with other martech platforms.**

The ability to trigger actions based on analytics-generated customer intelligence insights depends very much on the types of integration in place, a topic which will be covered in more detail in *Section 8*. A good example of this is the dynamic creation of customer segments which are ‘automatically synchronised with other marketing platforms (e.g. for personalisation and campaign management)’. Once again, leaders are significantly more likely than laggards to report that they have this capability (56 percent vs. 29 percent).

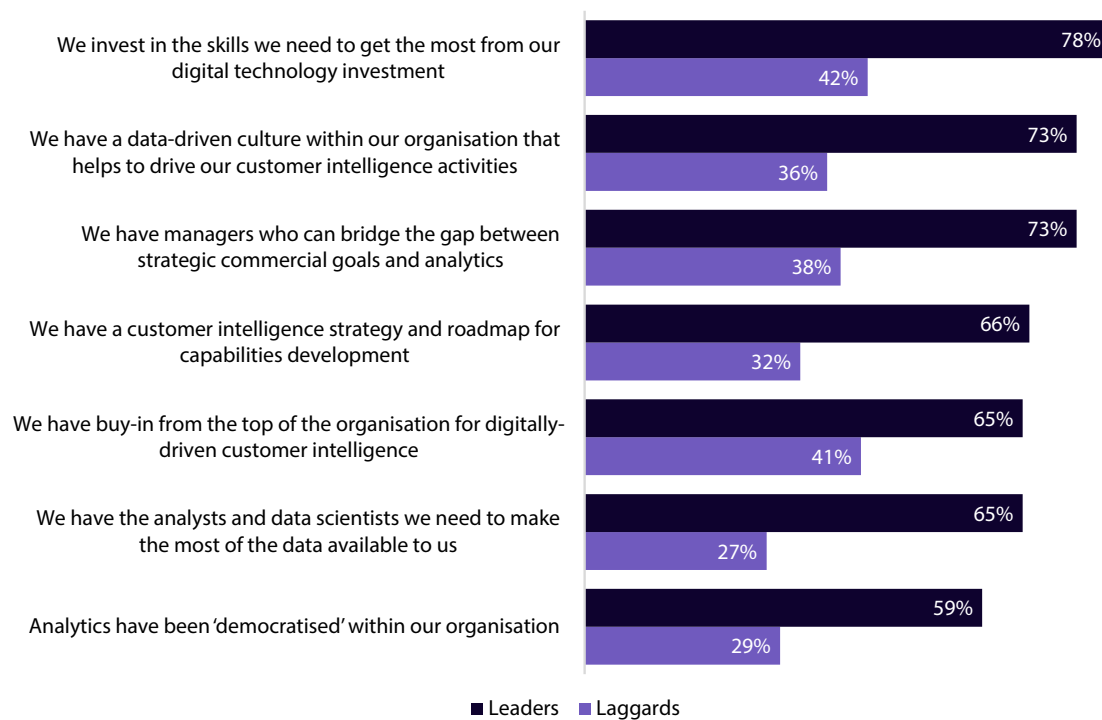
Other capabilities that are much more prevalent among leaders than laggards are the ability to ‘enrich customer data using second- and third-party data’ (61 percent vs. 35 percent), and the ability to ‘leverage customer intelligence to get maximum value from their paid media investment’ (56 percent vs. 25 percent). In both cases, integrations are required to make this happen, whether with a data management platform, in the case of data enrichment, or with ad management platforms in the case of paid media.

The companies leading the way in terms of automation and integration are starting to get full value from digital analytics technology, though they are very much in the minority. It can also be seen in *Figure 4* that leaders are three times more likely than laggards to agree they are ‘utilising their digital analytics technology to its full potential’ (58 percent vs. 19 percent).



## LEADERS VERSUS LAGGARDS

Figure 6: Proportion of respondents agreeing with culture-related statements



### The right people.

Figure 6 covers statements that are specifically related to culture and people. The largest gap between leaders and laggards relates to the extent to which they have the analysts and data scientists they need to make the most of the data available to them (65 percent vs. 27 percent).

While the fruits of analytics are now more widely available within the business, and while processes and actions have been automated, core data skills are nonetheless required to get the most value out of data and analytics software, and to make sure the right type of processes and integrations are in place to translate customer intelligence into commercial benefits.


Customer analytics  
leaders are **two-and-a-half times more likely**  
than laggards to make  
the most out of data.

**Figure 7:** Attributes most closely correlated with ‘established’ and ‘advanced’ levels of analytics maturity



Methodology note: Derived from Spearman's rank correlation coefficient, where 1 means a perfect correlation.

Figure 7 shows the attributes most closely correlated with companies at the ‘established’ or ‘advanced’ level of maturity, i.e. those companies identified as customer analytics leaders. What most strongly characterises companies at this stage is their complete view of all customer interactions with their brands (a correlation of 0.43). Companies categorised as leaders are also likely to be utilising technology to its full potential (0.42). A related characteristic is the ability to translate insights into actions through prescriptive analytics (0.41), a capability that is underpinned by a complete view of all customer interactions, and effective use of technology.



Prescriptive analytics harnesses AI and machine learning to enable companies to take insights from data to prescribe precise actions automatically throughout the customer journey, for example through personalisation, content management, audience segmentation, and allocation of ad spend.

The theme of automation is very much implicit here, and this goes well beyond the generation of automated reports into the realms of translating insights into marketing actions. It doesn't quite make it into this top-eight attributes chart, but the automation of the analytics insights process is another characteristic that strongly defines leaders (with a correlation of 0.36).

While automation of the analytics process is prevalent within the group of leading companies, a key requirement is having the right people in place, i.e. analysts and data scientists who can customise and refine the organisation's approach and get the most value from the data available. This availability of people, along with investment in the required skills to get the most from digital technology investment, and the ability to get actionable insights are fourth, fifth, and sixth on the list of attributes most strongly linked to established and advanced companies.

A related attribute, and one that underpins many of the other people- and skills-related attributes, is the presence of a data-driven culture within the organisation that helps to drive customer intelligence activities. This is at the bottom of the *Figure 7* pecking order, but nonetheless still highly placed among the full list of 20 attributes associated with leaders, shown on page 7 and in *Figure 4*, *Figure 5*, and *Figure 6*.



6.

## Type of analytics technology: free versus paid solutions

Companies need to aspire to integrated digital analytics solutions that help them to deliver timely and personalised experiences. Organisations identified as customer analytics leaders are significantly more likely to be paying for analytics technology, either exclusively or in conjunction with free software such as Google Analytics.



Companies are much more likely to report that they reap actionable insights from their analytics solution if they employ paid software, than just free tools (62 percent vs. 42 percent).

Despite the importance of analytics as a driver of digital marketing excellence, it remains clear that most businesses aren't using the technology anywhere near its full potential. Extracting strong performance from digital analytics is a process, often requiring a company to address bottlenecks in organisation, culture, and strategy, and to invest in tools that enable rather than hinder these changes.

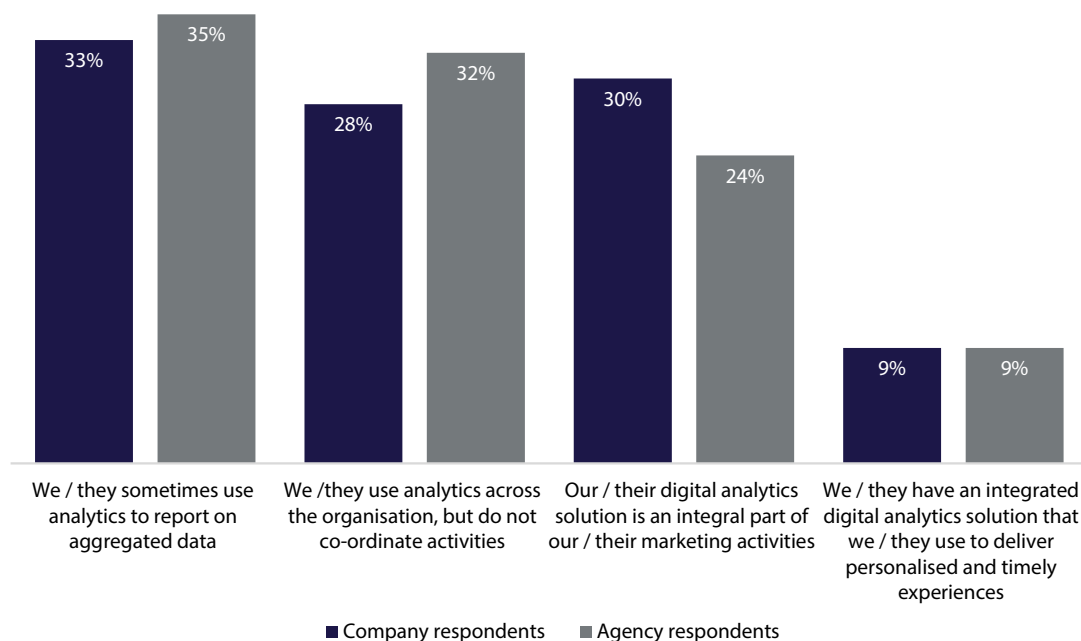
**Three in ten companies have embraced their analytics solution as an 'integral part of marketing activities'.**

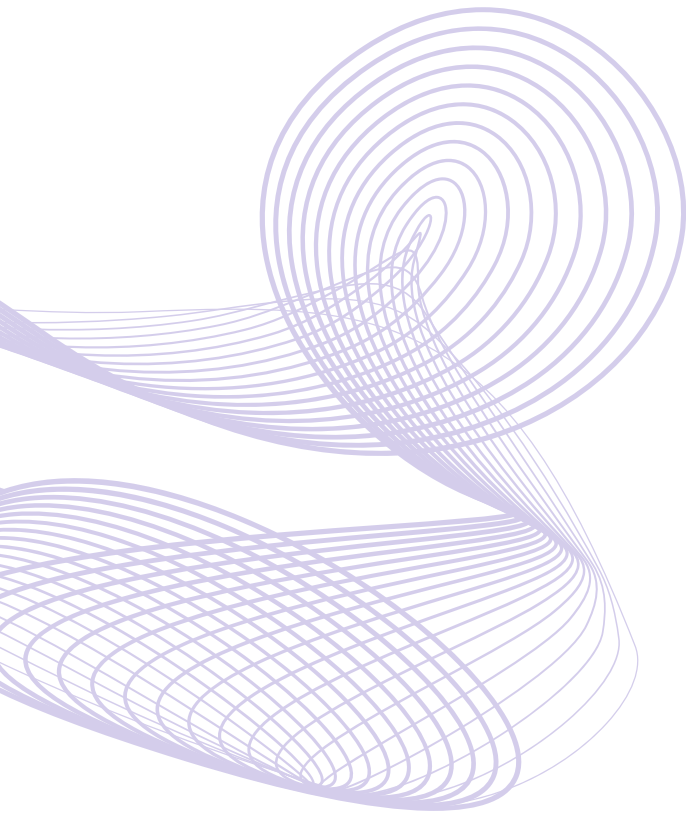
While *Figure 2* looks at analytics maturity explicitly through the lens of customer intelligence, *Figure 8* gives a more general view of digital analytics sophistication. Many organisations are still at a relatively early point on this curve, with a third (33 percent) of company respondents saying they 'sometimes use analytics to report on aggregated data'. It can be inferred that these companies are garnering a degree of insight into their customer base, but only on a descriptive basis, and with broad brush strokes.

Around three in ten companies (28 percent) have moved a stage further, in that they 'use analytics across the organisation, but do not co-ordinate activities'. A similar proportion (30 percent) have a more established approach to analytics and have embraced their analytics solution as an 'integral part of marketing activities'.

## COMPANIES VERSUS AGENCIES

**Figure 8:** How would you best describe your organisation's (or your clients') use of digital analytics?



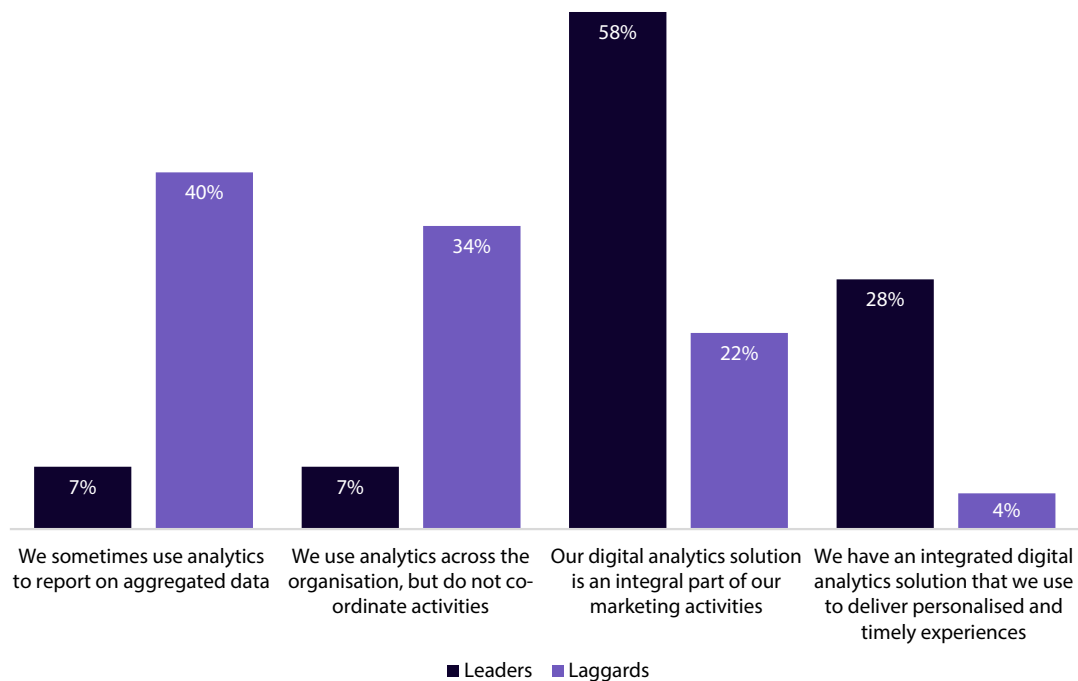


Tellingly, however, only 9 percent of respondents report that their businesses have put in place an ‘integrated digital analytics solution that they use to deliver personalised and timely experiences’—corresponding with the world of ‘advanced’, proactive analytics highlighted in *Section 5*. This is a clear area of differentiation for those that are pushing the frontiers of analytics capabilities.

As can be seen in *Figure 9*, leaders are seven times more likely than laggards to say they have an integrated analytics proposition, enabling personalised marketing. However, even among leaders, it is notable that only a minority (28 percent) report that they have reached this high a level of analytics competency.

## LEADERS VERSUS LAGGARDS

**Figure 9:** How would you best describe your organisation’s use of digital analytics?





As noted previously in this report, technology is vital as an enabler for organisations pushing into advanced analytics, and key to allowing companies to drive value through automation of tasks and integration with other marketing platforms.

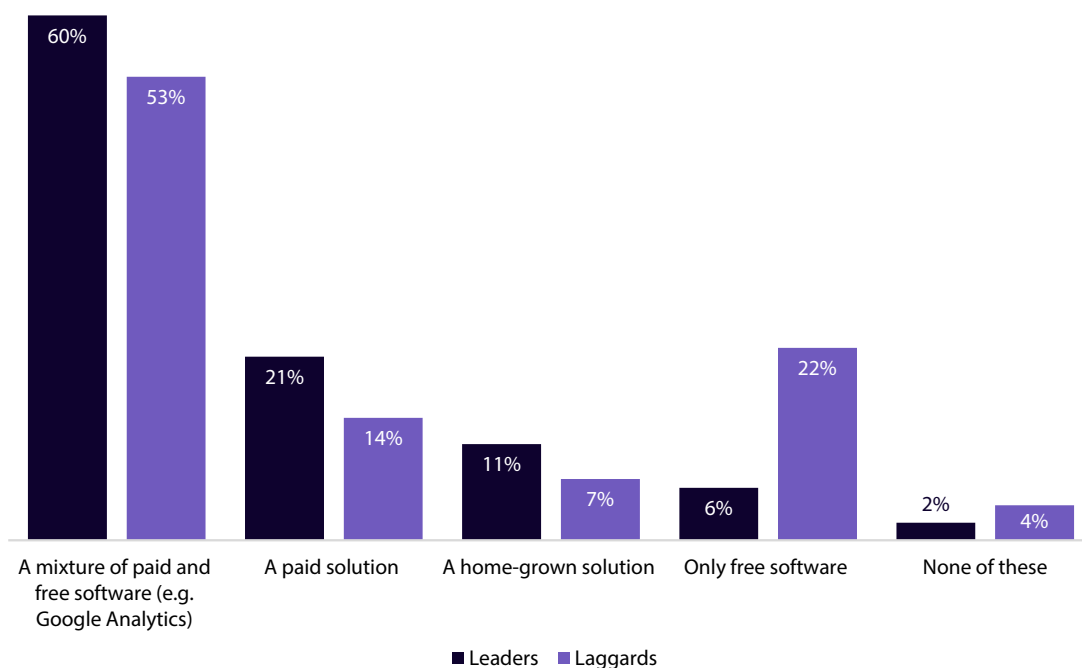
Figure 10 shows that most businesses surveyed use a mixture of paid and free technology, such as Google Analytics. Naturally, though, leaders are less reliant on free software, and look beyond its valuable—but still limited—functionality. Leaders are almost four times less likely than laggards to be using only free solutions (6 percent vs. 22 percent). Leaders, on the other hand, report higher penetration of paid tools only (21 percent vs. 14 percent) and home-grown solutions (11 percent vs. 7 percent) than laggards.

The appetite for paid analytics is partly fuelled by the desire to break free of the ‘walled-garden’ approach favoured by the likes of Google and Facebook who want to ensure that they are in control of data that relates to your customers on their platforms.

**Customer analytics leaders are almost four times less likely than laggards to be using only free solutions (6 percent vs. 22 percent).**

## LEADERS VERSUS LAGGARDS

**Figure 10:** What type of technology are you using for digital analytics?



The choice of analytics tools conforms closely with the maturity of their overall analytics capabilities. Those testing the capabilities of automation and integration naturally require a fuller feature-set to enable those advances.

Figure 11 provides a granular look at where those using paid and free software are positioned in terms of customer intelligence maturity.

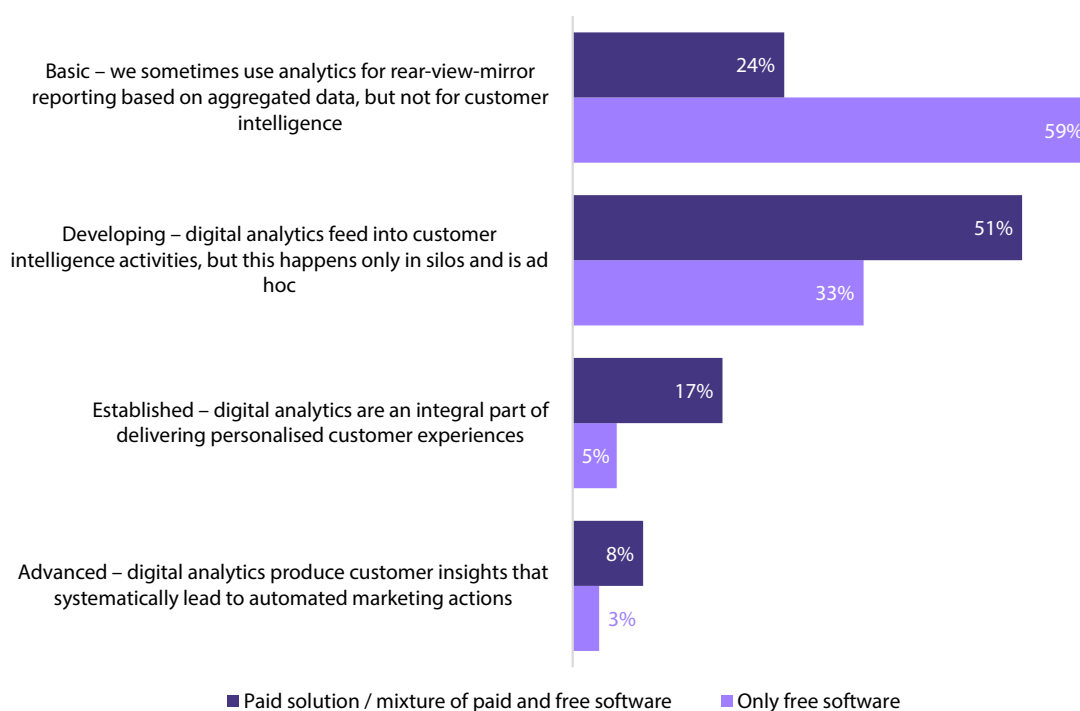
Those organisations that are only employing analytics at a basic level—for occasional historic reporting—are much more likely to employ free analytics software than a mix of paid and free tools (59 percent vs. 24 percent). Very few respondents who claim to rely solely on free software say they have reached an ‘advanced’ stage of analytics practice, i.e. producing ‘customer insights that systematically lead to automated marketing actions’.


The majority of companies using only free software (59 percent) are still at a basic level of digital analytics maturity.

Notably, many organisations decide that it is necessary to shift away from exclusively free analytics technology early on in the journey to customer analytics maturity. Even among ‘developing’ organisations, whose customer intelligence is gathered ad hoc and confined in silos, a majority have adopted a mix of free and paid tools (51 percent).

## PAID VERSUS FREE SOFTWARE

**Figure 11:** In the context of customer intelligence, how would you describe the maturity of your organisation’s digital analytics capabilities?





While free analytics software can serve many purposes for digital marketers, it is apparent that it doesn't deliver in respect of many important capabilities. The survey responses demonstrate tangible benefits from adoption of paid tools across data integration, management, and automation. For example, executives are much more likely to report that they reap actionable insights from their analytics solution if they employ paid software, than just free tools (62 percent vs. 42 percent).

More advanced and flexible solutions can not only provide the answers to the questions you ask (i.e. through reporting), but also may detect anomalies by surfacing insights that weren't apparent prior to the mapping of business problems against a row of analysis steps in the system.

Smoother integrations with other marketing platforms represent another plus. Companies paying for analytics technology have a higher tendency to claim easier insight-sharing (53 percent vs. 50 percent) and centralisation of customer data (48 percent vs. 39 percent). They're also more likely to report a 'complete view of all customer interactions with their brand' (38 percent vs. 27 percent), the capability shown in the previous section to be most strongly correlated with customer analytics maturity.

## 7.

# Understanding the benefits and opportunities

The most significant benefit of customer intelligence investment is improved marketing ROI, while driving customer loyalty and increasing customer lifetime value is the single most exciting opportunity in this context. This section also looks at the use of artificial intelligence to improve the customer experience and effectiveness of marketing activities.



Leaders are more likely than laggards to indicate that 'improved marketing ROI' is among the most significant benefits of analytics investment (71 percent vs. 64 percent).



In today's increasingly competitive business environment, the ability of analytics to broaden and deepen customer insight makes it an increasingly fundamental part of the go-to-market toolset. No business can avoid investment in understanding their customers if they are to succeed.

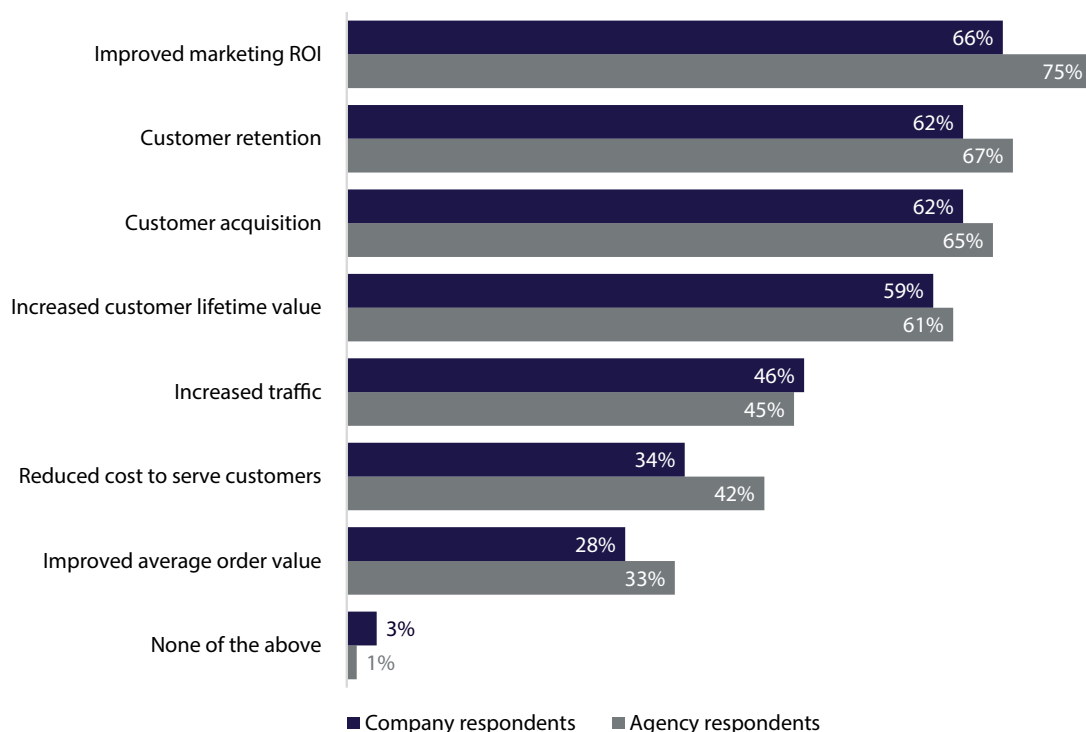
Respondents to our survey cite a wide range of benefits from a clear focus on customer intelligence (*Figure 18*). At a base level, two-thirds of company respondents (66 percent) cite 'improved marketing ROI' as one of the most significant benefits, and this rises to 75 percent of agency respondents. Sizeable majorities note customer retention and customer acquisition as key benefits (62 percent of company

respondents, in both cases), showing the importance of customer insight for gaining commercial traction, whether in terms of gaining new clients or minimising churn.

Encouragingly, for many, use of analytics to drive business benefit goes well beyond mere generation of 'increased traffic' which for most companies—excluding publishers—is more a means to an end than a commercial goal in itself. Fewer respondents (46 percent of companies) cite this as one of the most significant benefits than for achievement of deeper drivers of ROI, such as increasing retention and customer lifetime value.

## COMPANIES VERSUS AGENCIES

**Figure 12:** What do you see as the most significant benefits of investment in customer intelligence capabilities?



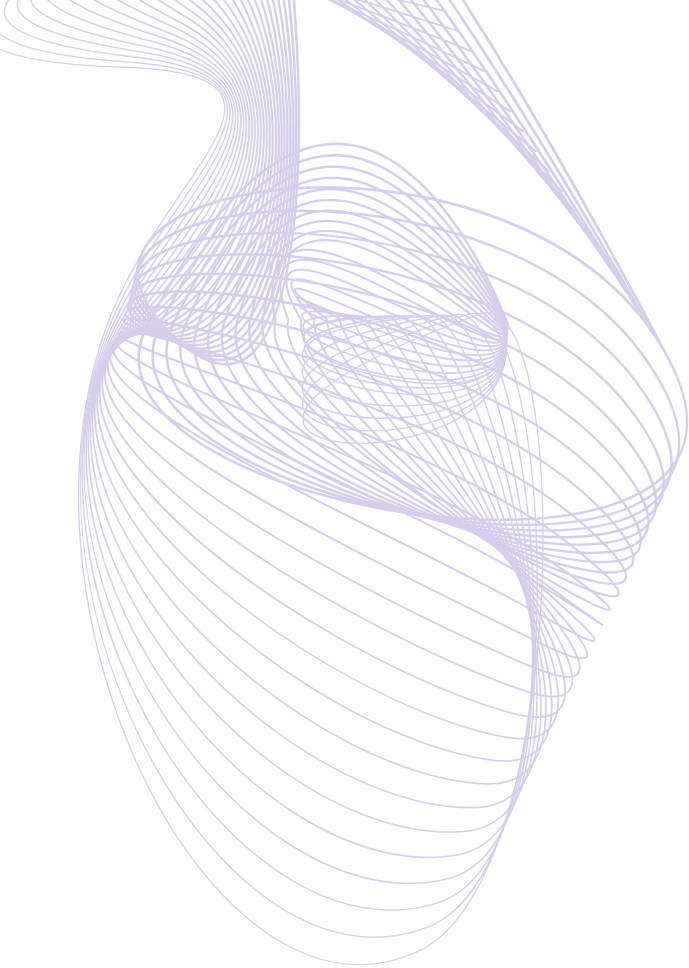


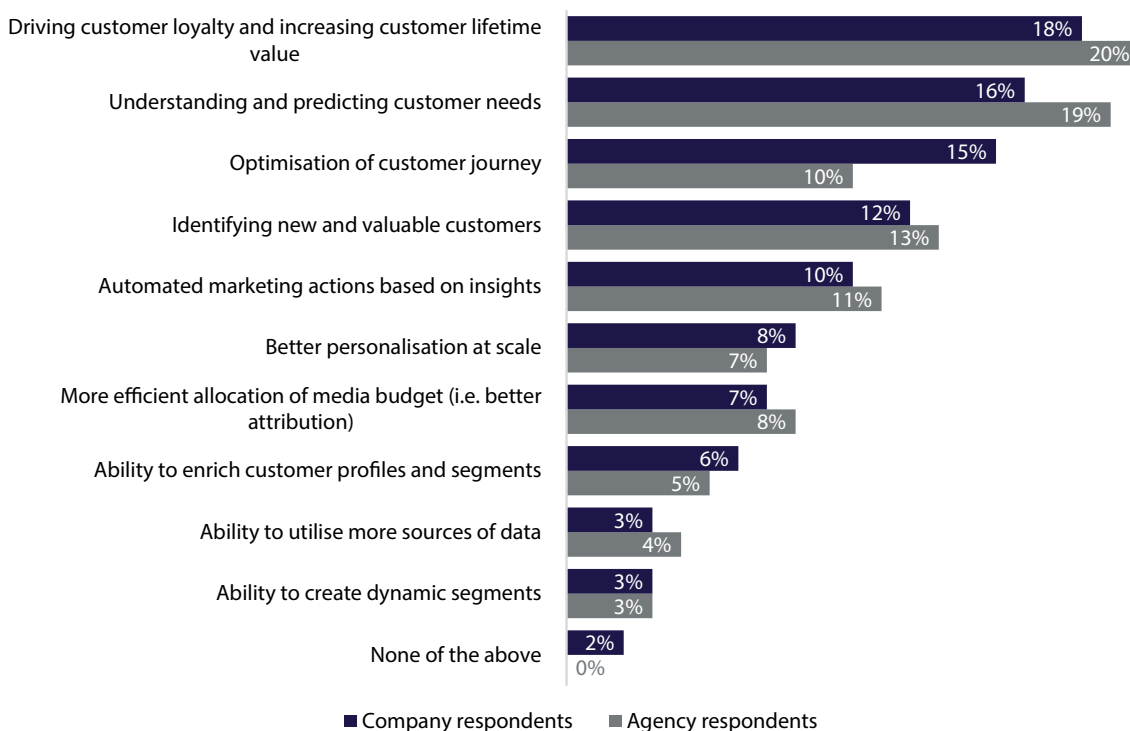
Figure 13 reinforces this sense that companies are increasingly bringing analytics practices to bear on customer profitability and value, as opposed to just mere top-line growth.

‘Driving customer loyalty and increasing customer lifetime value’ is most widely seen as the single most exciting opportunity in the context of customer intelligence (referenced by 18 percent of company respondents). ‘Understanding and predicting customer needs’ and ‘optimisation of the customer journey’—both key to driving up sales efficiency—aren’t far behind (16 percent and 15 percent, respectively).

Automation, and the efficiency and scale benefits it brings, is on the radar of some companies, but isn’t yet a mainstream area of focus. Only 10 percent of company respondents cite ‘automated marketing actions based on insights’ as the single most exciting opportunity, though this could also be viewed as an enabler of commercial benefits such as improved customer loyalty and customer acquisition.

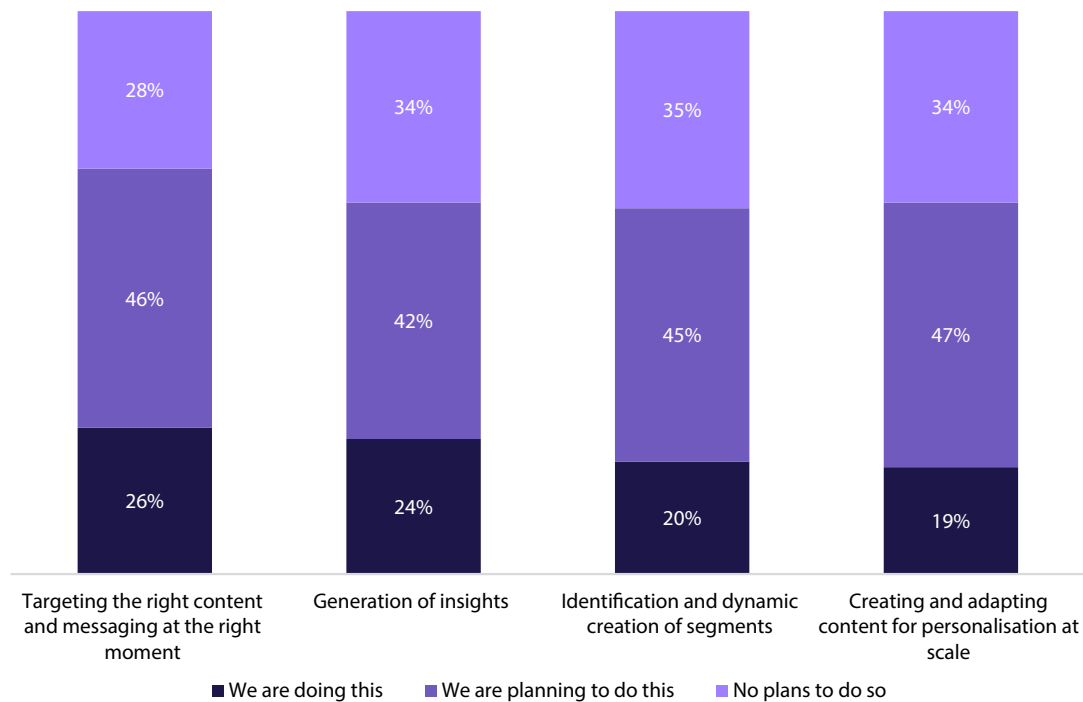
## COMPANIES VERSUS AGENCIES

**Figure 13:** What do you see as the single most exciting opportunity for your business (or your clients) in the context of improved customer intelligence capabilities?



## COMPANY RESPONDENTS

**Figure 14:** Are you deploying artificial intelligence in any of the following ways to improve the customer experience and effectiveness of marketing activities?



The last few years have seen rapidly growing interest in the potential of artificial intelligence (AI) and machine learning to break through barriers around analytics, and to derive deeper insight from data. This could include better optimisation of the timing, method of delivery, and make-up of customer messaging, based on how likely the data suggests an individual is to engage.

Artificial intelligence and machine learning will become increasingly prevalent in the context of customer analytics because this technology can essentially act like a virtual analyst within an organisation, systematically crawling through vast amounts of data, and allowing real analysts and data scientists to focus on the insights being surfaced by the machine.

Many marketers are already making steps towards use of AI, as shown in *Figure 14*. Most respondents say they've either begun, or are planning, to use AI for targeting the right content messaging at the right moment, generation of insights, dynamic segment creation, and scaled-up personalisation of content. For the timely targeting of content messaging, almost three-quarters of companies (72 percent) are either doing this (26 percent) or planning to do this (46 percent). For the other areas, around two-thirds of companies are either doing this or planning to do so.

8.

## Use of different data sources and integration

The ability to use a wide range of data sources as part of customer intelligence activities hinges on effective integration of digital analytics with other types of marketing technology such as email, social, and CRM platforms.



Those with paid data and analytics solutions are significantly more likely to use transactional and behavioural data as part of their customer intelligence activities.



Customer intelligence is the sum of the data points a company holds on its customers, but this equation only works if those data points can be linked and are integrated. A 360-degree view of the customer is the ultimate aim of customer intelligence activities—an objective that has moved from a distant pipe dream to a necessity in recent years as consumer expectations have been raised and brand competition snowballed.

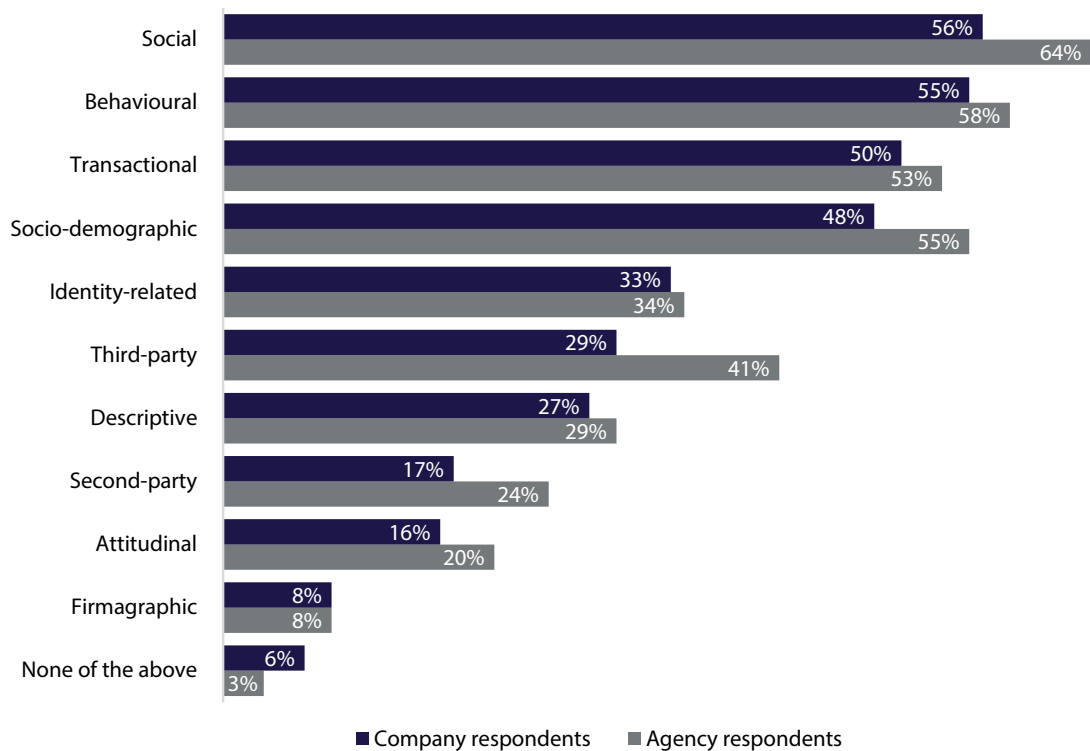
Figure 6 in Section 5 showed that 66 percent of leaders agreed that they ‘have a customer intelligence strategy and roadmap for capabilities development’, compared to only 32 percent of laggards. This is telling, as this attribute demonstrates a serious commitment to customer intelligence and creating experiences that are truly built around the customer, rather than reflecting the silos within the organisation.

With such a strategy in place, leaders can pull ahead of their competition with a deeper understanding of buying habits and lifestyle, and content and engagement preferences.

Figure 15 shows the types of data being collected as part of customer intelligence activities. According to company respondents, social (56 percent) and behavioural (55 percent) data are most likely to be collected by companies, with transactional (50 percent) and socio-demographic (48 percent) data also gathered by around half of companies.

COMPANIES VERSUS AGENCIES

Figure 15: What types of data do you (or your clients) use as part of your (or their) customer intelligence activities?

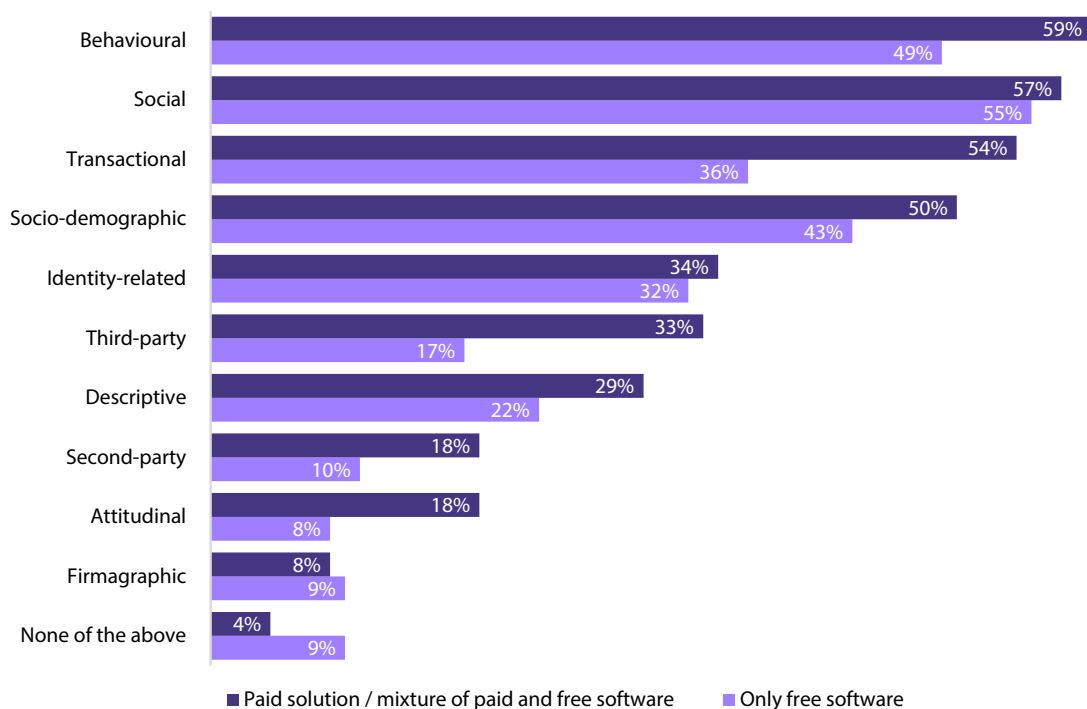


Customer lifetime value and average order value are key commercial metrics, and both require transactional data.

Those with paid analytics solutions are significantly more likely to use transactional and behavioural data as part of their customer intelligence activities (*Figure 16*), highlighting the advantage that those investing in paid solutions have. Customer lifetime value (CLV) and average order value (AOV) are key commercial metrics, and both require transactional data.

## PAID VERSUS FREE SOFTWARE

**Figure 16:** What types of data do you use as part of your customer intelligence activities?



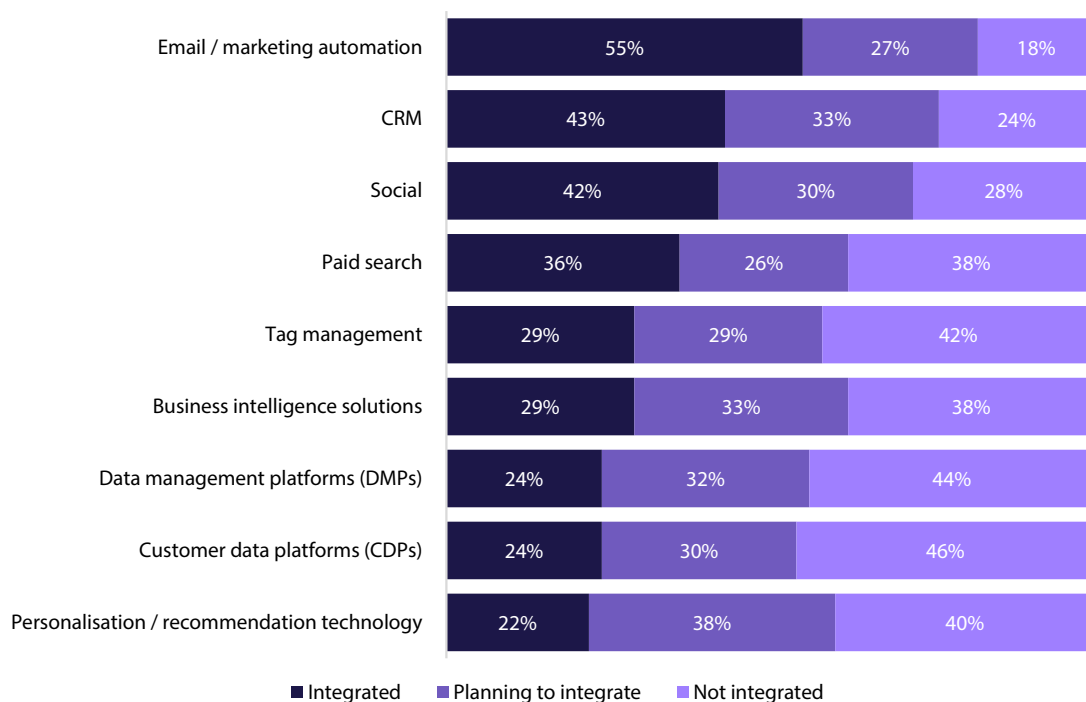
Customer intelligence capabilities may be hindered in the mainstream by data integration issues. According to the [Adobe 2018 Digital Trends](#) report, produced in partnership with Econsultancy, 43 percent of organisations report a fragmented approach with inconsistent integration between technologies. That research found that top-performing companies are almost three times as likely as their peers to have invested in a highly-integrated, cloud-based technology stack (25 percent vs. 9 percent).

In this study, digital analytics solutions are integrated for the majority of companies only in the case of *email/marketing automation* data (55 percent). All other data types are only integrated in a minority of companies (*Figure 17*). The most commonly planned-for integration is *personalisation / recommendation technology*—38 percent intend to integrate this tech with their analytics solution, but it is at the bottom of the chart in terms of current integration, along with data management and customer data platforms.

The gap between leaders and laggards in their integration of these technologies is very apparent. CDPs, tag management, DMPs, and personalisation platforms have all been integrated by almost half of leaders, compared to less than a quarter in each case for laggards (*Figure 18*). Compared to email, CRM, and search, DMPs and CDPs are relatively nascent technologies, but are at the heart of customer intelligence, playing a vital role in data integration. [The Evolution of the DMP](#) report, also produced by Adobe in partnership with London Research, explained: “*The DMP pulls together data from an array of touchpoints to create a unified view of each profile the business holds data on, sending relevant aspects of that profile to other systems as insights that can be actioned.*”

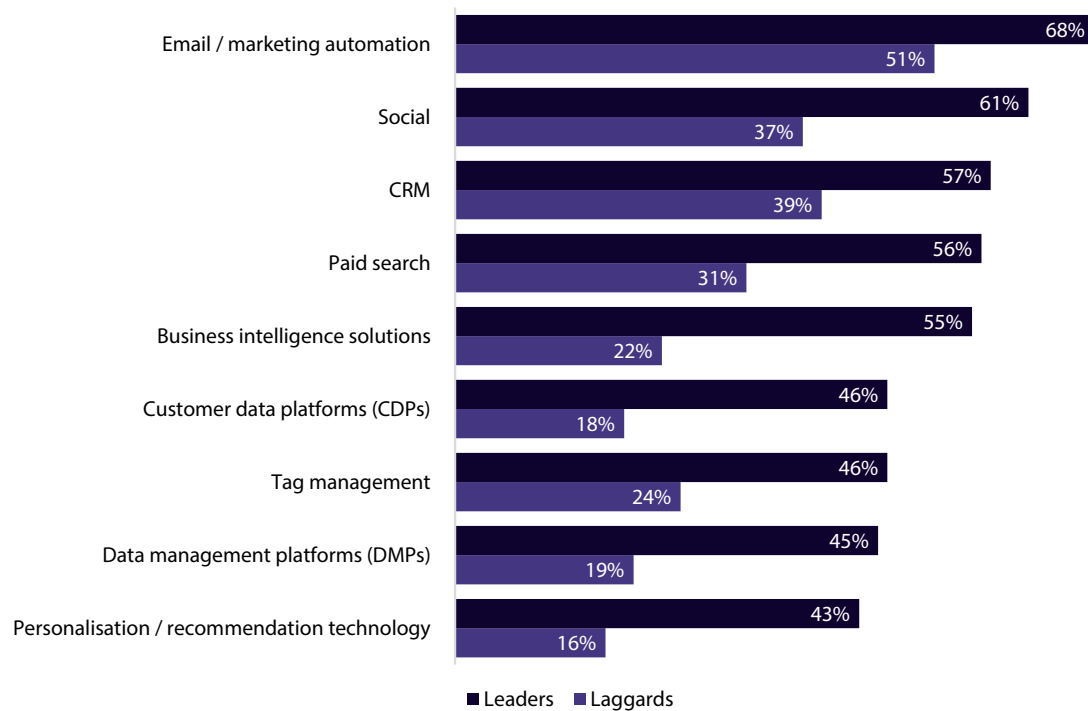
## COMPANIES VERSUS AGENCIES

**Figure 17:** To what extent is your digital analytics solution integrated with other sources of customer data?



## LEADERS VERSUS LAGGARDS

**Figure 18:** Proportion of respondents saying that their digital analytics solution is integrated with other sources of customer data



Further analysis of the data shows that brands with paid analytics solutions are much more likely than companies using free software to have integrations between customer analytics tools and other sources of data, including email, social, and CRM platforms.

However, in *Section 6*, we saw that even with a paid analytics solution, most companies are still in the developmental stage in terms of their analytics-enabled customer intelligence activities (51 percent, *Figure 11*). These findings demonstrate that further integration of established data sources is needed before more advanced technologies like DMPs and CDPs can be utilised to maximum effect.

Brands with paid analytics solutions are much more likely than brands using free software to have integrations between customer analytics tools and other sources of data, including email, social, and CRM platforms.



9.

## The importance of culture and investment in skills

The culture of an organisation can have a significant impact on customer analytics capabilities. The right level of skills within the business is another important requirement, but also widely seen as an impediment to success.



The culture of the organisation is seen by company respondents as the greatest barrier to a deeper commitment to digital analytics and customer intelligence.

Before a business can build a strategy for understanding the needs and behaviours of its customers, it must make sure all hands are on deck. With customers being able to interact with a business in multiple ways, different data on that customer may be held by different teams around the organisation. Companies that can synthesise this data, draw actionable insights from it, and share these throughout the business, will be the most successful.

The ability to take this joined-up approach to data is at least partly dependent on the culture of the organisation, and whether there is a healthy environment for collaboration, sharing, and for new ideas to take hold. Our survey found that 37 percent of companies and 41 percent of agencies believe that the culture of their (or their clients') organisations is one of the three greatest challenges holding them back from a deeper commitment to digital analytics and customer intelligence (*Figure 19*).

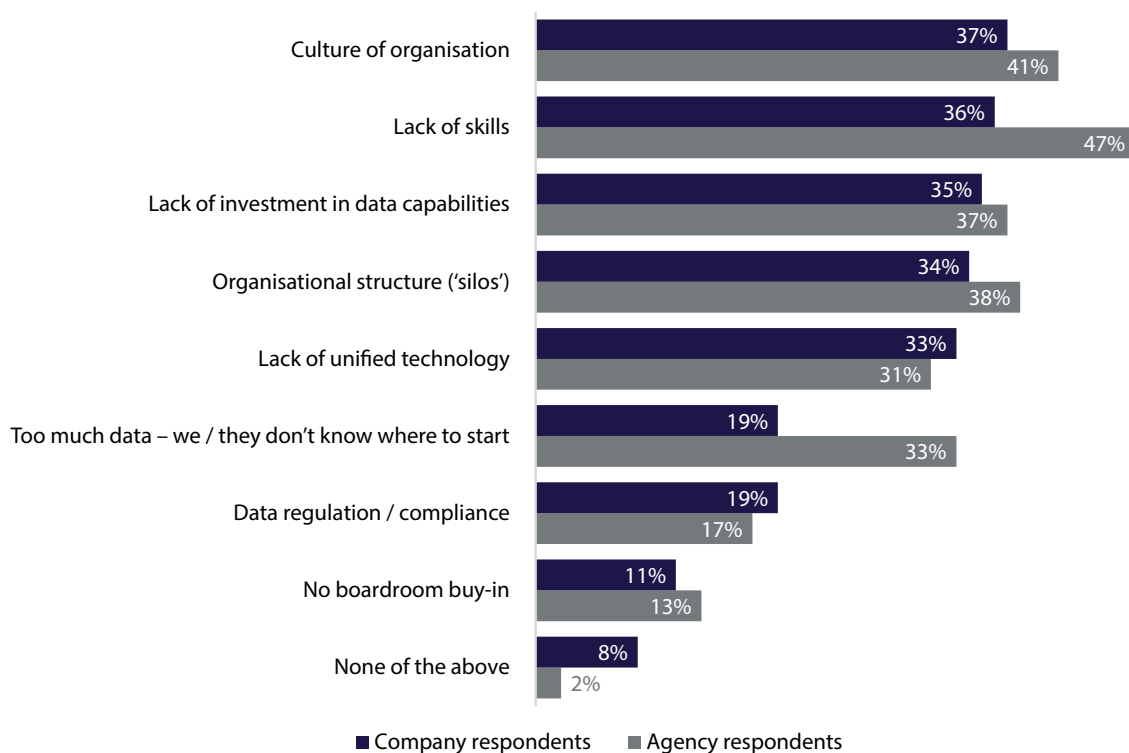
## 'Lack of skills' is cited by 47 percent of agencies and 36 percent of companies as a restraint on customer intelligence progress.

Talent shortages are also commonly seen as a barrier, especially in the data-centred analytics space. 'Lack of skills' is cited by nearly half (47 percent) of agencies and 36 percent of companies as a restraint on customer intelligence progress.

As the complexity of digital marketing increases, businesses are under rising pressure to find people with strong data analysis skills, to recognise patterns and trends, and to advise how to action the insights they derive from data.

### COMPANIES VERSUS AGENCIES

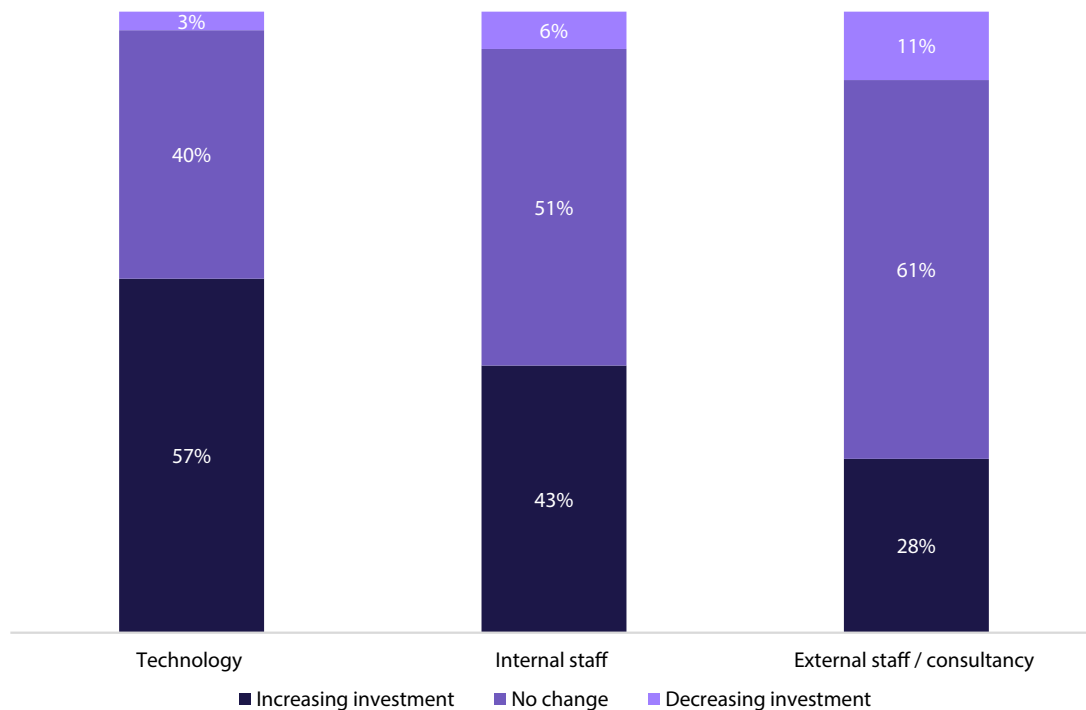
**Figure 19:** What is holding back your company (or your clients) from a deeper commitment to digital analytics and customer intelligence?



Methodology note: Respondents could check up to three options.

## COMPANY RESPONDENTS

**Figure 20:** To what extent are you investing in your customer intelligence capabilities in the following areas?



Many businesses are therefore hiring in a bid to beef up their customer intelligence capability. Among respondents, 43 percent are increasing outlay on internal staff, and 28 percent say they are investing more in external staff or consultancy (*Figure 20*). Despite their more advanced level, it is noteworthy that leaders have a higher tendency than their peers to be investing in staff—particularly for roles within their organisation (*Figure 21*).

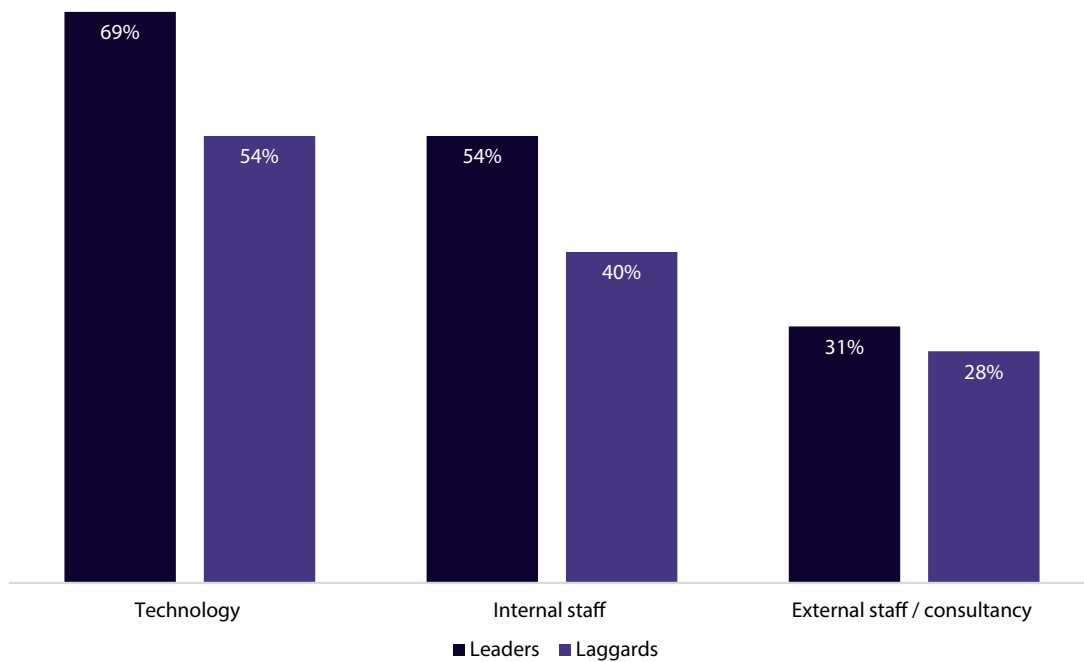
However, businesses are more likely to be increasing their investment in technology than people. More than half (57 percent) of respondents say that they are increasing their investment in this area, and this figure increases to 69 percent for leaders. Just 3 percent of all companies surveyed say they are decreasing investment in technology.

Despite the advantages conferred by greater levels of automation, however, it remains clear that customer intelligence very much remains a people-centred area of business. Although technology has a vital part to play in the implementation of a data-led customer experience strategy, it doesn't matter how good the technology is if businesses do not have the skills required to exploit it or cannot agree on common KPIs to measure the end-to-end customer experience.

Reinforcing the premium placed on skills and experience in the customer intelligence realm, executives are most likely to rate the level of knowledge and skills within their organisation or their clients' organisations as merely 'okay' (38 percent of companies and 41 percent of agency respondents, *Figure 22*). This implies that there is still a long way to go when it comes to achieving satisfaction with customer-related data and analytics.

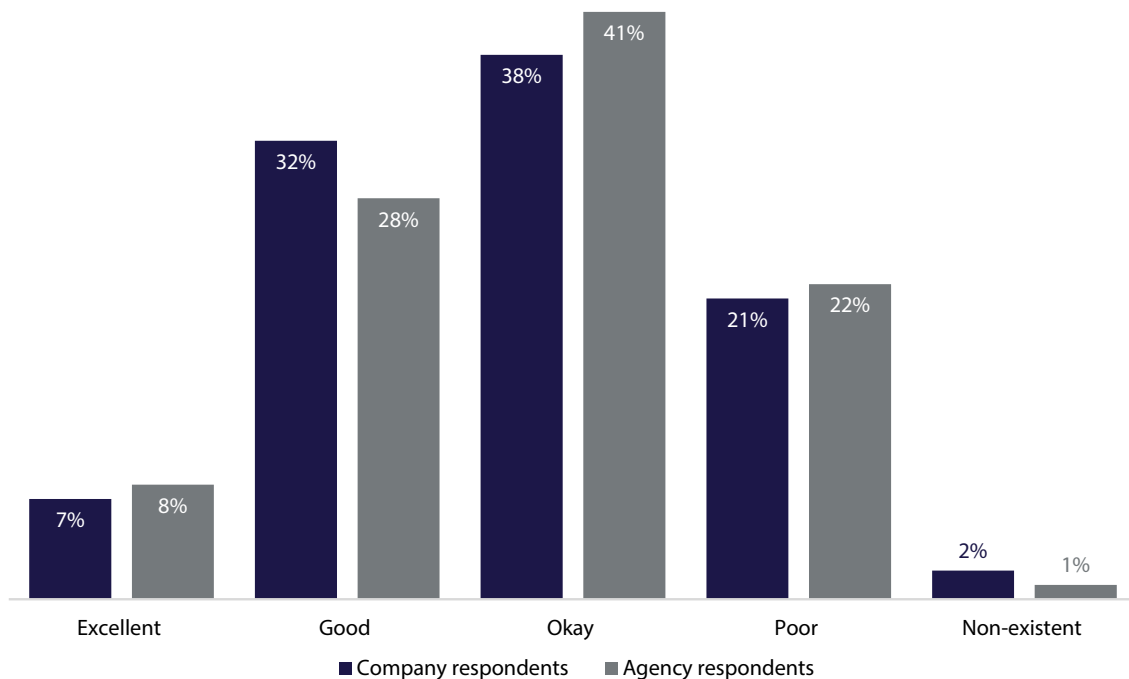
## LEADERS VERSUS LAGGARDS

**Figure 21:** Proportion of companies increasing their investment in customer intelligence capabilities



## COMPANIES VERSUS AGENCIES

**Figure 22:** How would you rate the level of knowledge and skills within your organisation (or your clients' organisations) relating to customer data and analytics?

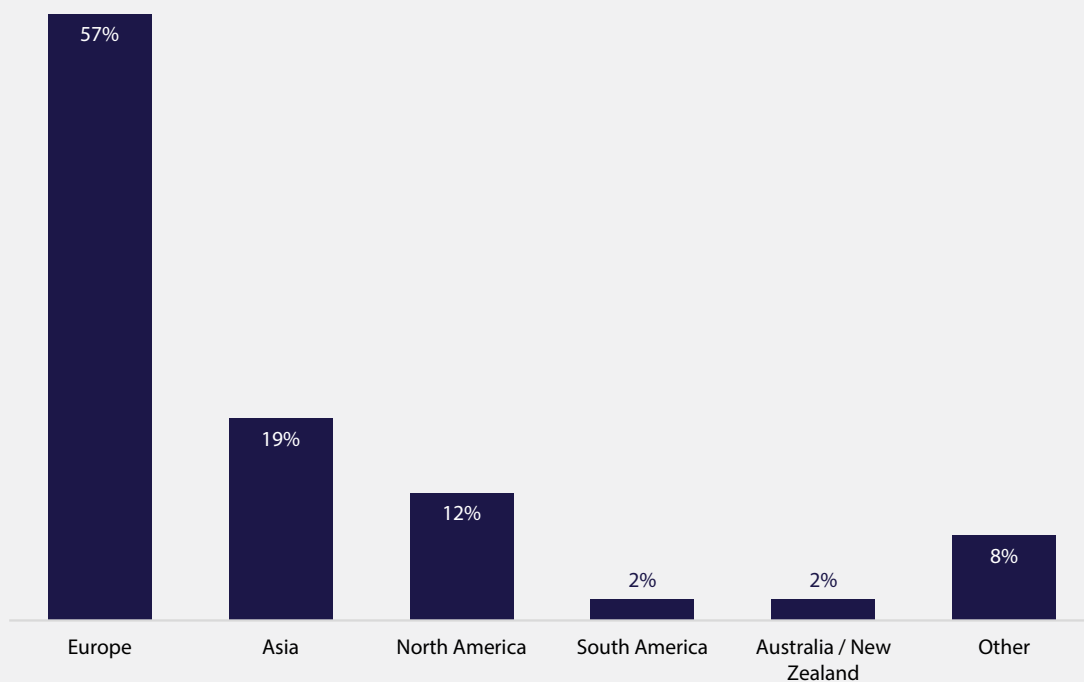




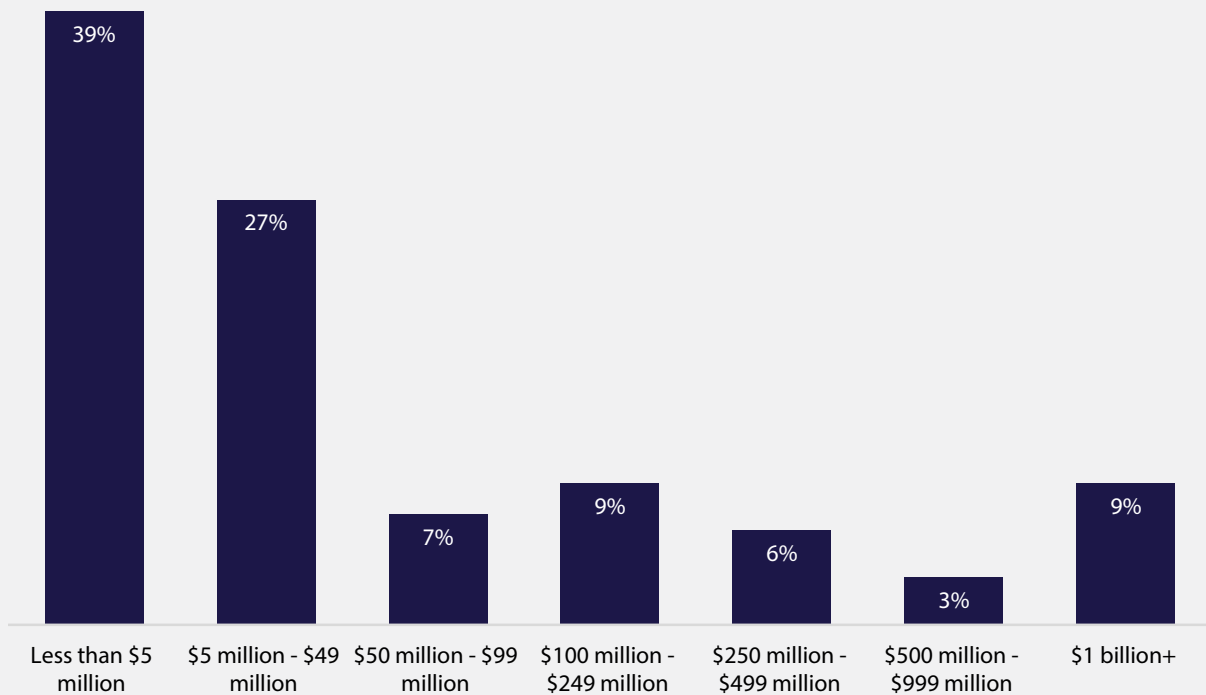
## 10.

# Appendix (Respondent Profiles)

**Figure 23:** In which region are you based?



**Figure 24:** What were your company's annual revenues in the last financial year?



## COMPANY RESPONDENTS

**Figure 25:** In which business sector does your company primarily operate?



# 11.

## Sources

- **2018 Digital Trends**  
[https://www.adobe.com/uk/modal-offers/econsultancy\\_digital\\_trends\\_2018\\_report.html](https://www.adobe.com/uk/modal-offers/econsultancy_digital_trends_2018_report.html)
- **Evolution of the DMP**  
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<https://www.londonresearch.com/customer-analytics>

