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Customer Data in Action

Removing Hurdles to Create Transformational Impact

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Executive Summary

This report, based on a survey of marketing leaders at top business-to-consumer (B2C) brands, explores the barriers marketers' encounter in effectively utilizing their customer data. The findings reveal a telling challenge: 81% of marketers rate their technology infrastructure as only adequate for now, partially adequate, or inadequate in supporting data-driven marketing initiatives.

Shaping a data-centric vision, refining data practices, embracing technology, and fostering a culture that thrives on change can help companies better put their customer data into action. However, it's not always easy to know where to start.

For marketing leaders, this report serves as a guide to understanding the people, process, and technology issues that make it difficult to get better returns from customer data. It addresses organizational challenges, process inefficiencies, and technological impediments to data utilization, and suggests improvements that can enhance the overall effectiveness and efficiency of data-driven marketing strategies.

About the Research

From March 19 to April 10, 2024, the WBR Insights research team surveyed 100 leaders from consumer brand manufacturers and multi-brand retailers to generate the results featured in this report. Participation was voluntary, with respondents chosen based on availability and the demographic criteria outlined below. Respondent identities were confirmed by phone before completing the survey but remain anonymous throughout.

What is your seniority?

- **10%** C-Suite
- **30%** Vice President
- **10%** Department Head
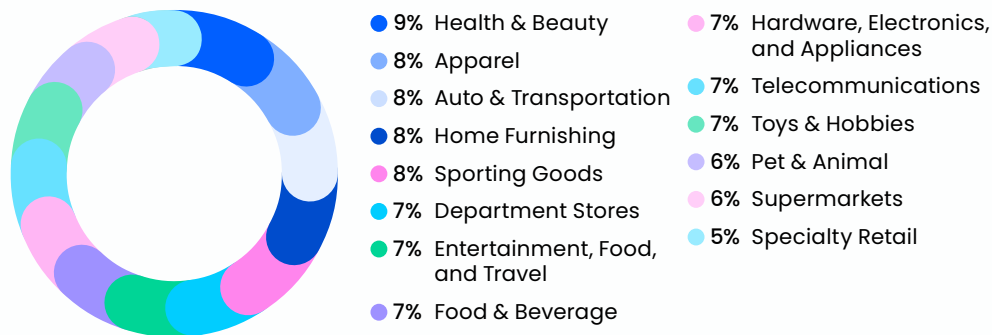- **50%** Director
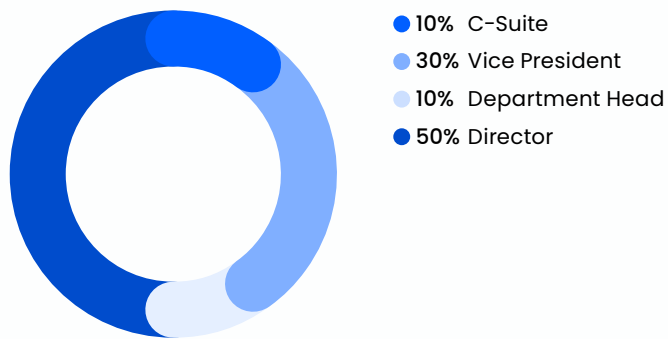
Half of the respondents are directors. The remaining respondents are vice presidents (30%), department heads (10%), and C-suite executives (10%).
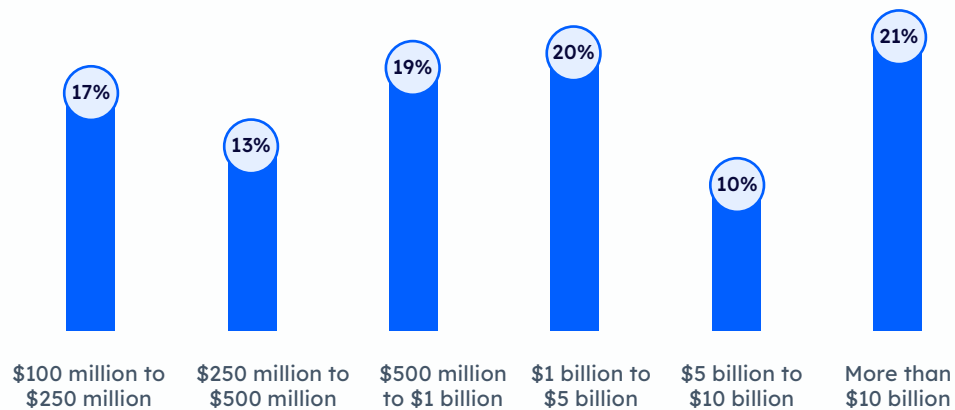
What is your role?

- **44%** Marketing
- **30%** Customer Analytics
- **26%** Customer Experience
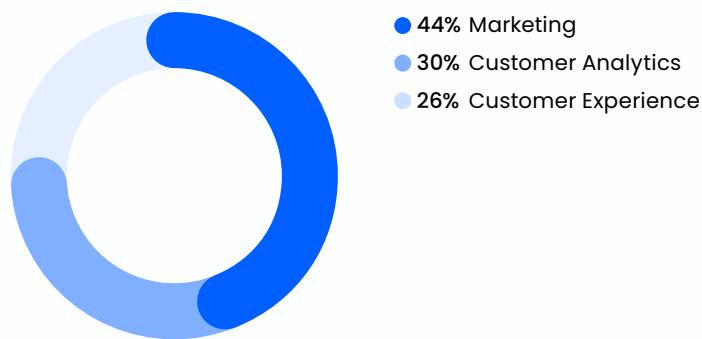
The respondents occupy roles in marketing (44%), customer analytics (30%), and customer experience (26%).

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Which type of company do you represent?

- **9%** Health & Beauty
- **8%** Apparel
- **8%** Auto & Transportation
- **8%** Home Furnishing
- **8%** Sporting Goods
- **7%** Department Stores
- **7%** Entertainment, Food, and Travel
- **7%** Food & Beverage
- **7%** Hardware, Electronics, and Appliances
- **7%** Telecommunications
- **7%** Toys & Hobbies
- **6%** Pet & Animal
- **6%** Supermarkets
- **5%** Specialty Retail

The respondents represent companies that manufacture and sell a variety of consumer products, including health and beauty (9%), apparel (8%), auto and transportation (8%), and home furnishing goods (8%), among others.

What is your annual revenue?

Revenue Range	Percentage
$100 million to $250 million	17%
$250 million to $500 million	13%
$500 million to $1 billion	19%
$1 billion to $5 billion	20%
$5 billion to $10 billion	10%
More than $10 billion	21%

The organizations represented in the report vary in size, as measured by annual revenue. More than half of the respondents (51%) come from companies that make more than $1 billion in annual revenue.

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Key Insights

Current State of Data-Driven Marketing

Effective first-party data utilization is the foundation for growth:

32%

view the development and improvement of products or services as a key outcome of effectively utilizing customer data.

31%

cite gaining a competitive edge in the market.

Turning customer insights into action can be challenging:

56%

rate their ability to put customer data into action today as only moderately effective (25%), somewhat ineffective (30%), or not at all effective (1%).

Privacy is a major concern:

43%

cite managing data privacy and consent issues as a primary concern, with 28% considering it their top challenge and 15% placing it as their second.

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Key Insights Continued

The Keys to Unlocking Better Returns on Customer Data

People

Leadership is setting the tone for success:

89%

of respondents agree or strongly agree that their leadership backs efforts to enhance the use of customer data.

Unrealistic technical demands are getting in the way:

50%

of marketing leaders are either uncertain about their teams' skill sets, or do not believe that their teams possess the necessary technical skills for effectively utilizing customer data in their marketing strategies.

Cultural challenges underscore the need for robust change management:

71%

identify integrating new technologies with existing processes as the biggest obstacle to becoming data-driven.

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Key Insights Continued

Process

Efforts to break down organizational silos are underway, but there's more work to be done:

38%

say their marketing teams work together with others such as IT, sales, and customer service several times a week.

47%

say their teams collaborate only occasionally or rarely.

Cross-team collaboration is primarily focused on data integration:

70%

of cross-team collaboration is spent on integrating customer data across various platforms.

63%

is spent on sharing customer insights and analyses.

A unified vision is key to successful customer data collaboration:

67%

say communicating a unified vision and understanding of data's value across departments is the best way to support effective collaboration on customer data initiatives.

Outsourcing data collection and utilization to external agencies has its pros and cons:

74%

agree or strongly agree that working with an agency to put their customer data into action is cost-effective.

93%

don't believe it helps shorten time-to-market.

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Key Insights Continued

Technology

Technology deficiencies hinder data-driven marketing strategies:

81%

rate their current technology infrastructure as only adequate for now (33%), partially adequate (46%), or inadequate (2%) in supporting data-driven marketing initiatives.

Data integration and quality concerns top list of technological challenges:

72%

of the respondents struggle to integrate data from multiple sources and platforms.

56%

struggle to ensure data quality and cleanliness.

Amid these challenges, marketing leaders are prioritizing privacy compliance:

67%

are planning to invest in their ability to adhere to privacy and security regulations in the next 12 months to mitigate risk.

Real-time data access is viewed as the lynchpin for success:

28%

believe real-time data access is the best way to get better better returns on customer data.

Current State of Data-Driven Marketing

First-party data is the foundation for growth

In today's dynamic environment, first-party customer data has become an invaluable strategic asset. This data, which is collected directly from customers and typically involves obtaining explicit user consent, offers unique insights into consumer preferences, behaviors, and needs, so companies can foster stronger customer relationships and drive sustainable growth in an increasingly competitive marketplace.

When companies can effectively collect, analyze, and activate their first-party data, they can generate more valuable outcomes for their business. For example, 32% of the respondents view the development and improvement of products or services as a key outcome of effectively utilizing customer data, followed closely by 31% who say gaining a competitive edge in the market represents a key outcome.

In your experience, which of the following outcomes best represents "achieving better returns on your customer data"?

Improving and creating new products/services

32%

Becoming competitive in the market

31%

Growing customer satisfaction and loyalty

12%

Improving personalization and targeting

12%

Enhancing spend efficiency

11%

Driving operational efficiencies across the business

2%

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Turning customer insights into action can be challenging

The good news is that most businesses are sitting on a goldmine of customer data. However, many struggle to turn it into value for their business. In fact, over half of the respondents rate their ability to put customer data into action today as only moderately effective (25%), somewhat ineffective (30%), or not at all effective (1%).

How would you rate your organization's ability to put customer data into action today?

| Not at all effective	Somewhat ineffective	Moderately effective	Very effective	Highly effective
1%	30%	25%	30%	14%
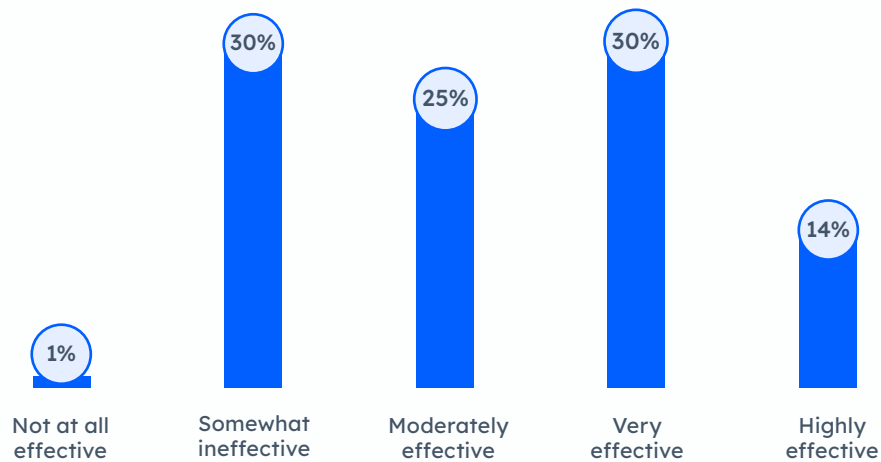
This challenge is expected to intensify as the volume, variety, and velocity of first-party customer data continues to increase. According to the study, a significant majority of respondents identify analyzing large volumes of data as their top challenge in effectively utilizing data for marketing purposes, with 29% ranking it as their most difficult challenge and another 22% ranking it as their second most difficult challenge.

Additionally, nearly half of the respondents cite managing data privacy and consent issues as their main concern, with 28% considering it their top challenge and 15% placing it as their second.
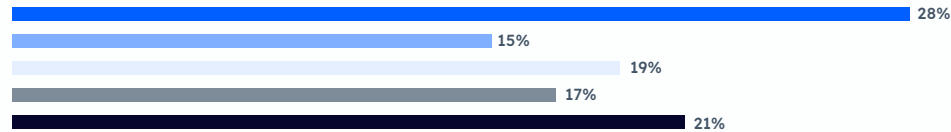
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Rank the following data challenges based on the difficulty they present to your marketing efforts. In this case, "1" means "greatest challenge."
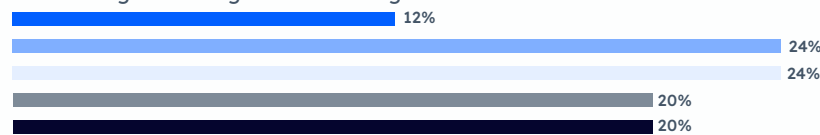
● 1　● 2　● 3　● 4　● 5

Analyzing large volumes of data
- 29%
- 22%
- 13%
- 18%
- 18%
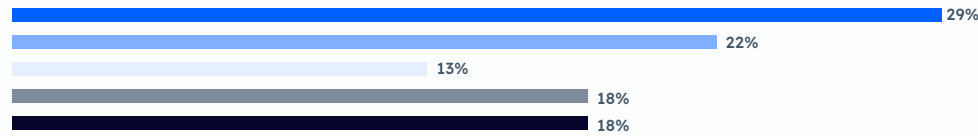
Managing data privacy and consent issues
- 28%
- 15%
- 19%
- 17%
- 21%

Translating data insights into strategic actions
- 12%
- 24%
- 24%
- 20%
- 20%

Ensuring data accuracy and quality
- 17%
- 17%
- 27%
- 20%
- 19%

Unifying data from multiple sources
- 14%
- 22%
- 17%
- 25%
- 22%
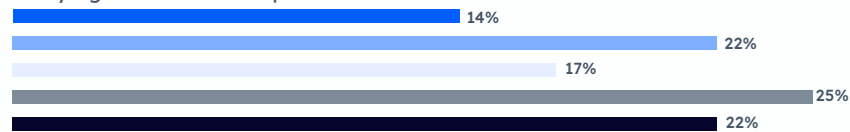
These findings underscore a critical point in data management for brands: without robust data collection, analysis, and activation capabilities to unlock the full potential of their customer data, companies risk falling behind competitors who can capitalize on emerging opportunities, tailor offers to individual preferences, and deliver personalized experiences that resonate with customers on a deeper level.

Moreover, the emphasis on data privacy and consent highlights the growing scrutiny surrounding how customer data is handled and the significant impact that customers' perceptions of data security can have on businesses. It signals an urgent need for companies to invest in robust data governance frameworks that ensure compliance with regulations and bolster consumer trust.

Unlocking Better Returns on Customer Data

Modern technology, like a customer data platform (CDP), can help businesses better collect, analyze, and activate privacy compliant first-party data to generate more valuable outcomes for their business. Yet, success often hinges on the organization's ability to effectively manage change. In fact, the findings from this survey underscore the enduring significance of the people, process, and technology (PPT) framework in driving better returns on customer data.

People

Setting the tone for organizational success

The people component of the PPT framework encompasses everyone involved with or impacted by an organization's adoption of data-driven processes and their supporting technologies. It emphasizes the importance of clear communication and active support from all levels – from top executives to the employees who use the data to support their day-to-day efforts.

The research shows that most brands currently have robust leadership support for data utilization initiatives. Specifically, 89% of respondents agree or strongly agree that their leadership backs efforts to enhance the use of customer data. When leaders champion data-centric initiatives, they set a precedent that encourages the entire organization to value and leverage data for strategic advantage.

To what extent do you agree with the following statement:
"I believe there is strong leadership support within our organization for initiatives aimed at improving customer data utilization."

| Strongly agree	Agree	Neutral	Disagree
35%	54%	10%	1%
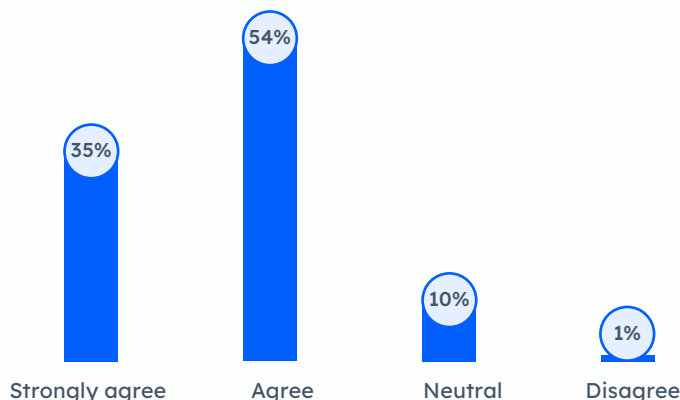
Prioritizing no-code tools for hands-on doers

However, tools that require marketers to code like engineers create challenges for effectively accessing and using relevant data to gain deeper insights and take decisive action. In fact, half of the respondents are either uncertain about their teams' skill sets or do not believe that their teams possess the necessary technical skills for effectively utilizing customer data in their marketing strategies. Specifically, 45% of respondents are neutral, while 5% disagree with the statement that their team has the requisite technical skills.

To what extent do you agree with the following statement:
"I believe our team has the technical skills necessary to effectively analyze and leverage customer data for marketing decisions."

Strongly agree	Agree	Neutral	Disagree
2%	48%	45%	5%
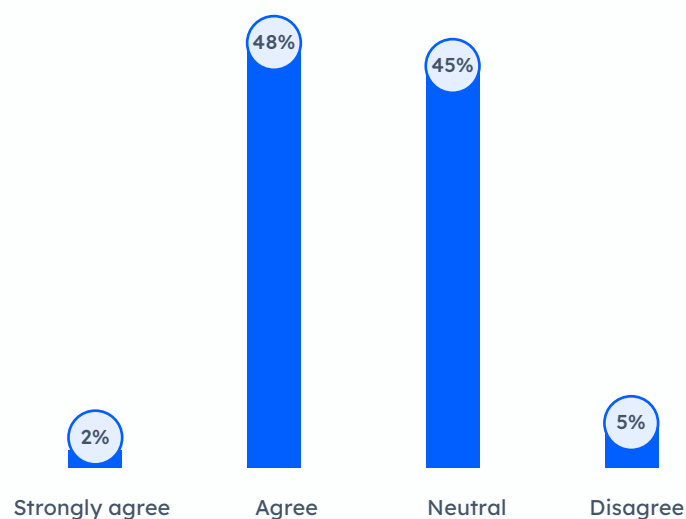
These findings emphasize the need for no-code tools that provide marketing and other hands-on doers with access to data and the means to apply the insights to high-performing actions in market – without coding or submitting tickets to other departments.

Navigating cultural challenges

While technical skills are paramount, companies must also overcome significant cultural barriers if they hope to successfully implement a first-party data-driven marketing strategy. The study reveals that the most significant cultural obstacles to becoming data driven include integrating new technologies with existing processes (71%), resistance to change from traditional practices (51%), and being overwhelmed by the volume and complexity of data (37%).

What are the top three biggest cultural barriers your organization faces in becoming data-driven?

Difficulty integrating new technologies with existing processes

71%

Resistance to change from traditional marketing practices

51%

Overwhelmed due to data volume and complexity

37%

Limited cross-departmental collaboration

27%

Lack of leadership support for data initiatives

25%

Insufficient data literacy

23%

Lack of understanding or appreciation of data's value

18%

Lack of incentives to adopt data-driven practices

18%

Fear of failure or misinterpreting data

16%

Perceived threat to job security or roles

14%

These findings reinforce the critical need for robust organizational change management. By tackling these top cultural challenges head-on, companies can create an environment conducive to leveraging data insights for informed decision-making and strategic growth.

Marketing leaders can start by communicating the benefits of a data-driven approach, such as increased efficiency and ROI. They could also provide training and resources on how to collect, analyze, and interpret data effectively with the organization's current and new technologies.

Additionally, breaking down departmental silos to foster cross-functional collaboration will enable a more holistic understanding of customer behavior and preferences and ensure that data is utilized more effectively and consistently across the organization.
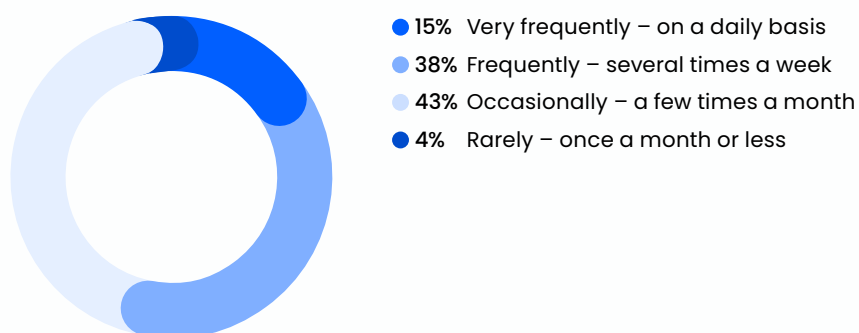
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Process

Enhancing cross-team collaboration

Process in the PPT framework refers to the workflows and responsibilities related to tasks such as data collection, analysis, segmentation, personalization, and more. It emphasizes the importance of cooperation and collaboration among different teams and departments to maximize the value derived from first-party data.

A significant 38% of survey respondents say their marketing teams work together with others such as IT, sales, and customer service several times a week, while 15% do so daily. This collaboration frequency demonstrates how far brands have already come in their mission to break down silos between departments.

How frequently does your marketing team collaborate with other departments (e.g., IT, sales, customer service) on initiatives that involve customer data?

- **15%** Very frequently – on a daily basis
- **38%** Frequently – several times a week
- **43%** Occasionally – a few times a month
- **4%** Rarely – once a month or less

The most common ways marketing teams collaborate with other departments on initiatives that involve customer data include integrating customer data across various platforms (70%) and sharing customer insights and analyses (63%). Additionally, half of the respondents (50%) mentioned that their teams engage in regular inter-departmental meetings to ensure alignment on strategies and goals.

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In what ways does your marketing team collaborate with other departments (e.g., IT, sales, customer service) on initiatives that involve customer data?

Integrating customer data across systems (e.g., CRM, sales platforms)
70%

Sharing customer insights and data analyses
63%

Regular inter-departmental meetings to align on strategies and goals
50%

Training sessions or workshops to enhance data skills across departments
49%

Collaborative problem-solving sessions on data-related challenges
47%

Co-developing customer experience strategies
46%

Cross-functional teams or task forces on specific projects
43%

Joint planning of marketing campaigns
31%

These findings suggest that organizations are placing a significant emphasis on using integrated data to drive marketing strategies and decisions. By integrating customer data from various sources, organizations can create a comprehensive view of their customers, enabling more personalized and targeted marketing efforts.

Similarly, sharing customer insights and analyses across departments allows for a deeper understanding of customer behavior and preferences. This shared knowledge can inform not only marketing strategies but also product development, sales tactics, customer service approaches, and more, leading to a more cohesive and customer-centric strategy across the entire organization.

However, a significant number of respondents (47%) say their teams collaborate only occasionally or rarely. This could be due to various reasons, such as lack of communication or coordination, or simply because the different departments have separate agendas and goals.

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According to marketing leaders, the most effective ways to overcome these challenges and support effective collaboration include communicating a unified vision and understanding of data's value across departments (67%), implementing integrated technology platforms that facilitate data sharing (42%), and adopting effective conflict resolution processes for data-related challenges (31%). More than one-quarter of the respondents also identified strong leadership support (27%) as an important factor.

What are the top three most significant factors supporting effective collaboration on customer initiatives at your company?

Unified vision and understanding of data's value across departments
67%

Integrated technology platforms that facilitate data sharing
42%

Effective conflict resolution processes for data-related challenges
31%

Strong leadership support for collaborative data initiatives
27%

Regular cross-departmental meetings and strategy sessions
23%

Cross-functional teams dedicated to specific data projects
19%

Comprehensive training programs on data literacy and tools
18%

Incentive structures that reward collaborative successes
18%

Shared goals and metrics for data-driven outcomes
15%

Openness to change and innovation within the organization
14%

Clear communication channels and data-sharing mechanisms
**11%**

Robust data governance and privacy practices
10%

Agile methodologies adopted for data project management
5%

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The pros and cons of agency collaboration

Collaboration with external agencies can also be helpful in more effectively leveraging customer data. This is an especially important option for companies that don't have the data and technology skills they need in-house. The survey highlights that a significant 76% of companies utilize external agencies for managing customer data.

Does your organization use external agencies for managing or leveraging customer data in your marketing efforts?

- **76%** Yes, we use agencies.
- **24%** No, we manage all customer data activities in-house.
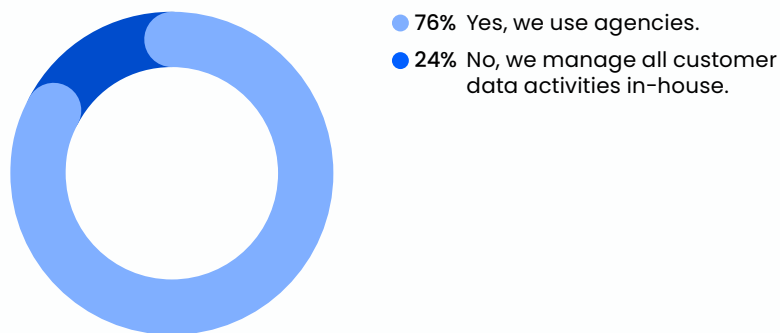
While almost three-fourths (74%) of these respondents agree or strongly agree that working with an agency to put their customer data into action is cost-effective, there is skepticism about whether outsourcing speeds up the marketing process, as a majority of these respondents are neutral (85%) or disagree (7%) that it shortens the time-to-market.

This dichotomy suggests that while external agencies are valued for their potential to cut costs, their impact on accelerating marketing initiatives is not as pronounced. Companies may find cost savings in avoiding the need to develop in-house capabilities, but the anticipation of quicker market readiness might not be met.

The survey highlights that a significant 76% of companies utilize external agencies for managing customer data.

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Technology

Addressing gaps in data-driven marketing infrastructure

As the final piece of the PPT framework, technology plays a pivotal role in embracing data-driven marketing strategies. However, it's evident that many companies lack the appropriate technology stack to achieve their marketing objectives. In fact, most respondents rate their current technology infrastructure as only "adequate for now" (33%), "partially adequate" (46%), or "inadequate" (2%) in supporting data-driven marketing initiatives.

How would you rate the adequacy of your current technology infrastructure in supporting data-driven marketing initiatives?

Fully adequate – It meets all our needs.

19%

Adequate for now – It meets our current needs but may require upgrades soon.

33%

Partially adequate – It meets some needs but we face significant limitations.

46%

Inadequate – It does not meet our needs and hampers our data-driven efforts.

2%

Technological challenges associated with effectively utilizing customer data may be driving this sentiment. For example, 72% of the respondents struggle to integrate data from multiple sources and platforms, while 56% struggle to ensure data quality and cleanliness. Other notable challenges include adhering to data privacy and security regulations (52%) and accessing real-time data for timely decision-making (51%).

These challenges prevent companies from harnessing the full potential of their first-party data to streamline marketing operations and personalize customer experiences at scale.

Which technological challenges/opportunities does your organization face in utilizing customer data effectively?

Integrating data from multiple sources and platforms

72%

Ensuring data quality and cleanliness

56%

Adhering to data privacy and security regulations

52%

Accessing real-time data for timely decision-making

51%

Analyzing large volumes of data efficiently

48%

Implementing advanced analytics or AI capabilities
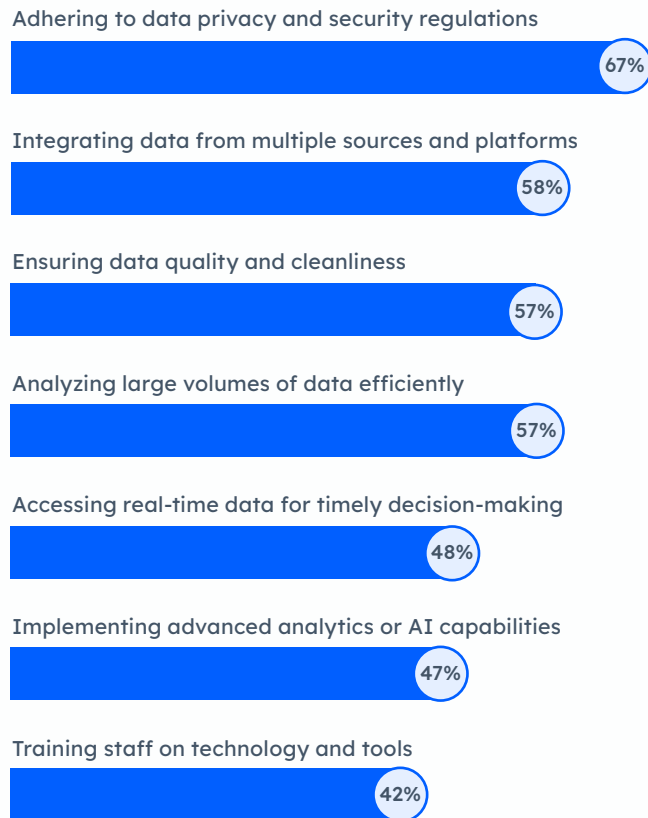
48%

Training staff on technology and tools

46%

Strategic investments in data capabilities

Despite the top technological challenges, there is a notable shift in priorities, with 67% of respondents planning to invest in enhancing their organization's ability to adhere to privacy and security regulations in the next 12 months. This indicates a recognition of the importance of prioritizing data privacy and security measures alongside other efforts to optimize data utilization, including the ability to integrate data from multiple sources (58%), analyze large volumes of data efficiently (57%), and ensure the quality and cleanliness of their data (57%).

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In the next 12 months, in which of the following initiatives does your organization plan to invest?

Adhering to data privacy and security regulations

67%

Integrating data from multiple sources and platforms

58%

Ensuring data quality and cleanliness

57%

Analyzing large volumes of data efficiently

57%

Accessing real-time data for timely decision-making

48%

Implementing advanced analytics or AI capabilities

47%

Training staff on technology and tools

42%

CDPs are changing the game

These investment priorities underscore the importance of CDPs in addressing key technological challenges and improving companies' data collection and utilization capabilities. In fact, an overwhelming majority of respondents (83%) say they are currently using a CDP.

Does your company currently use a customer data platform (CDP)?
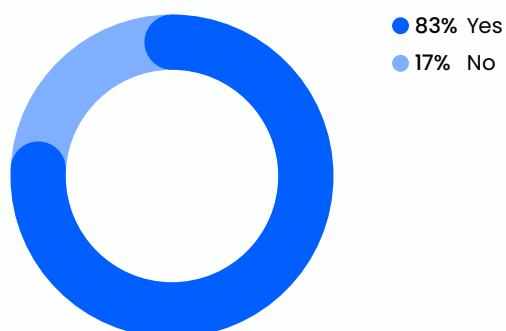
● 83% Yes
● 17% No

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A CDP acts as a unifying force, aggregating disparate data sources into a single, comprehensive view of the customer that updates in real time. The high quality of the data in these unified profiles accounts for everything from individual consent status and identity resolution to sub-second updates, enabling companies to derive actionable insights from their data and foster dynamic, personalized customer experiences. Moreover, robust consent management capabilities ensure that companies are compliant with data privacy regulations, mitigating risk while building trust with customers at the same time.

Real-time data access drives real returns

However, unified profiles that update in real time aren't enough if they don't offer utility to marketers and other users within the business. They also need to be able to do something with that data in real time.

When asked what single enhancement they could add to their technology infrastructure to get better returns on their customer data, one-quarter of the respondents (28%) prioritized real-time data access. Real-time data access is valued for its ability to facilitate swift decision-making and responsiveness to customer needs and market changes. It underscores the growing demand for agility in business operations, especially when it comes to marketing and advertising.

A CDP acts as a unifying force, aggregating disparate data sources into a single, comprehensive view of the customer that updates in real time.

If you could implement a single enhancement to your technology infrastructure to get better returns on your customer data, what would it be?

Real-time data access

28%

Advanced analytical capabilities

24%

Enhanced data quality management

15%

Better privacy and security

15%

Scalability

11%

Improved data integration

4%

User-friendly interfaces

3%

This demand for real-time data access suggests those companies that are currently using a CDP may actually be using platforms that don't sit within the category, or their CDP lacks essential functionalities. In a crowded market where every platform touts the ability to transform data with "real-time" campaigns, companies must exercise caution when evaluating solutions and look for a single, cohesive platform that helps them transform their customer data from a thing they collect and store to a thing they learn from and profit by.

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Core Takeaways

The findings from this comprehensive study underscore the pivotal role that first-party data plays in driving business growth. By providing valuable insights into consumer preferences and behaviors, companies can cultivate stronger customer relationships and gain a competitive advantage.

However, many businesses struggle to translate customer data into tangible value. These challenges will only intensify as the volume, variety, and velocity of first-party data continues to increase.

Customer data platforms have become essential tools for collecting, analyzing, and activating customer data in real time, so companies can generate more valuable outcomes for the business. But true success requires more than just technology; investments in people and process are equally important. By addressing cultural barriers, enhancing collaboration, and investing in advanced data capabilities, businesses can unlock the full potential of their customer data and drive sustainable growth in an increasingly competitive landscape.

Key Suggestions

1

Prioritize a data-centric vision: Ensure the the goals, use cases (immediate priorities and long term road map), timing, and expected outcomes of first-party data collection and utilization are not only understood across the organization, but actively prioritized and supported — from the senior-most leaders in the company, to the users who are actually using the data to support their day-to-day efforts.

2

Strengthen data governance and compliance: Develop robust data governance frameworks to address privacy and consent issues, ensuring compliance with regulations and building consumer trust. Prioritize investments in technologies that support data privacy and security, mitigating risks associated with data handling.

3

Embrace technology: Evaluate and invest in modern technology, such as a CDP, to streamline data collection, analysis, and activation processes. Choose platforms with advanced functionalities such as real-time data access and consent management to maximize the value derived from customer data.

4

Foster a culture of change: Recognize that success in data-driven marketing hinges on more than just technology. Invest in people and processes by addressing cultural barriers, enhancing collaboration across teams and departments, and providing necessary training and resources to bridge the skills gap.

About the Authors

blueconic

BlueConic is the operating system that puts data into action for marketing and growth doers. The industry-first solution empowers doers with an unmatched range of capabilities to access relevant customer data, create resonant customer experiences, and drive maximum returns for their business. More than 500 businesses worldwide rely on BlueConic to unlock their full customer data potential, including Forbes, Heineken, Mattel, Michelin, Telia Company, and VF Corp. Learn more at **www.blueconic.com** and follow us on **LinkedIn** @BlueConic.

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