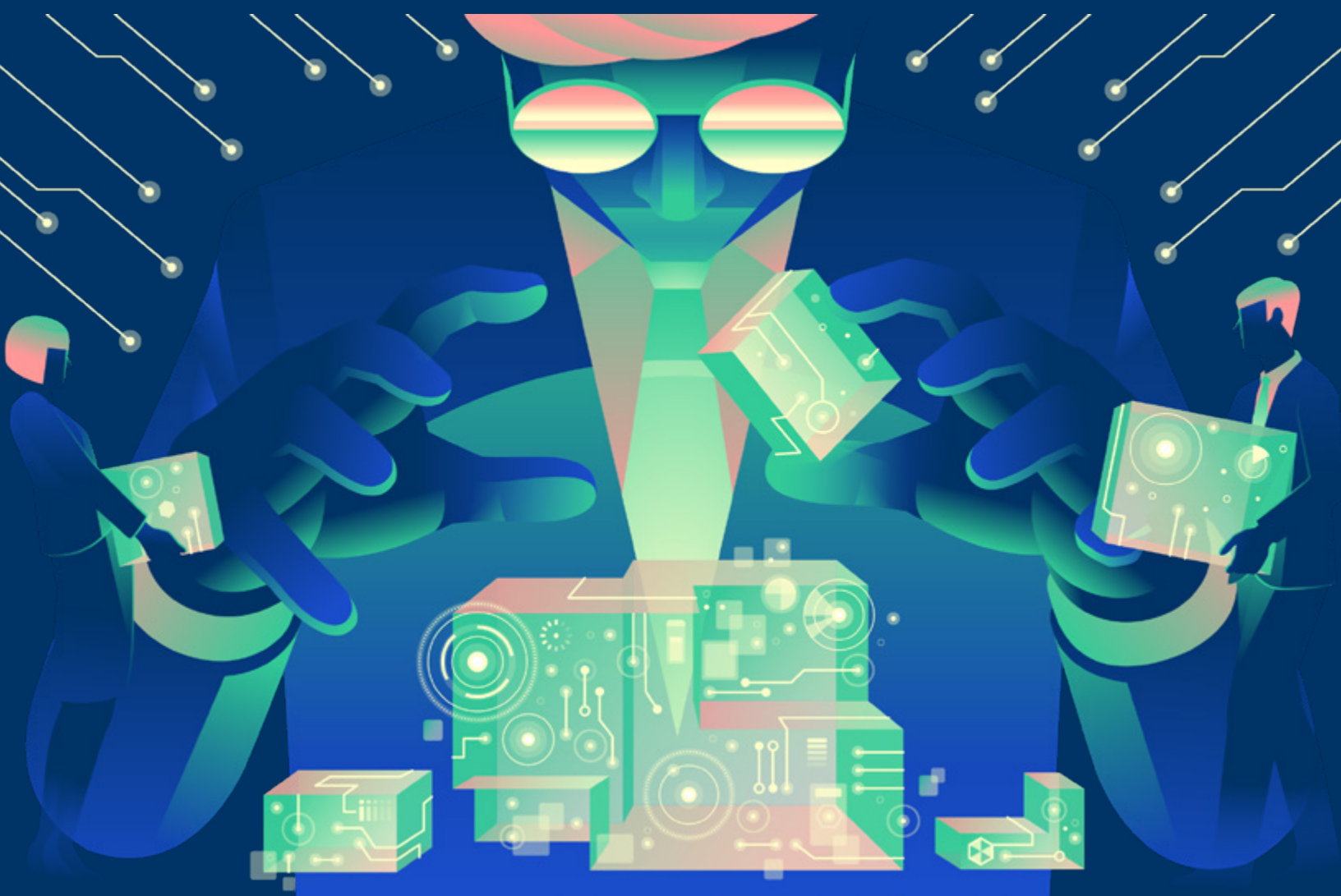


MIND THE DATA GAP

2019 DATA-DRIVEN MARKETING & ADVERTISING OUTLOOK



ADWEEK BRANDED

dun & bradstreet

Summary of Findings

Data is becoming the competitive advantage for B2B marketing, but its power is still largely untapped.

B2B organizations use tools like CRM to manage their customer data but are less sophisticated in their use of the technologies and platforms that unlock that data's value—such as a data management platform (DMP) or customer data platform (CDP).

The big challenge with data is actually getting to it and using it.

Asked about their top obstacles to data-driven marketing success, a third of marketers pointed to siloed or inaccessible customer data, and a similar number cited the integration of marketing and sales platforms. Separately, half of respondents agreed that data silos in their organizations are having a negative impact on their data-driven marketing efforts.

Account-based marketing starts to take hold.

ABM is a critical way for B2B marketers to use data to gain an edge in understanding the complex customer journey. 37 percent are currently doing ABM and another 22 percent say it is in their 2019 plans.

A knowledge gap may be slowing ABM's adoption.

When it comes to the hurdles keeping them from embracing ABM, B2B marketers pointed to an unclear ABM strategy (35 percent), lack of time and resources (31 percent) and lack of understanding about ABM (29 percent).

Programmatic use is holding steady.

In the 2019 outlook survey, 63 percent of B2B marketers said they are buying or selling advertising programmatically. That figure is the same as last year and essentially flat from 2017.

B2B programmatic ad spend will rise.

Looking ahead to 2019, 61 percent of B2B marketers said they plan to increase their programmatic spending, with 20 percent saying they will be increasing it by more than 25 percent.

METHODOLOGY

The information in this report is based on the results of a global survey of B2B marketers and their agencies conducted by Adweek Branded on behalf of Dun & Bradstreet in September 2018. All 237 respondents were involved in B2B marketing and had a job title of manager or above.

DATA TODAY'S MAJOR MARKETING CHALLENGE



It's hardly a secret that marketing executives of all types are using more data than ever to empower their decision-making and build their campaigns. This kind of digital transformation has upended traditional marketing approaches and added greater layers of accuracy, targeting, analytics and measurability to create customer experiences that are personalized and effective.

But transformation comes with growing pains, and many marketers are still getting their sea legs on the data-driven voyage. They're facing a data deluge and they are being challenged to turn everything they now know about their customers and prospects into actionable insights. But their jobs are complicated by data that is in silos and of questionable accuracy. If that isn't enough, they also need to comply with new privacy regulations, tightening data protection rules and the resulting consumer pushback around collection and use of data.

And then there are marketing technology solutions that they must

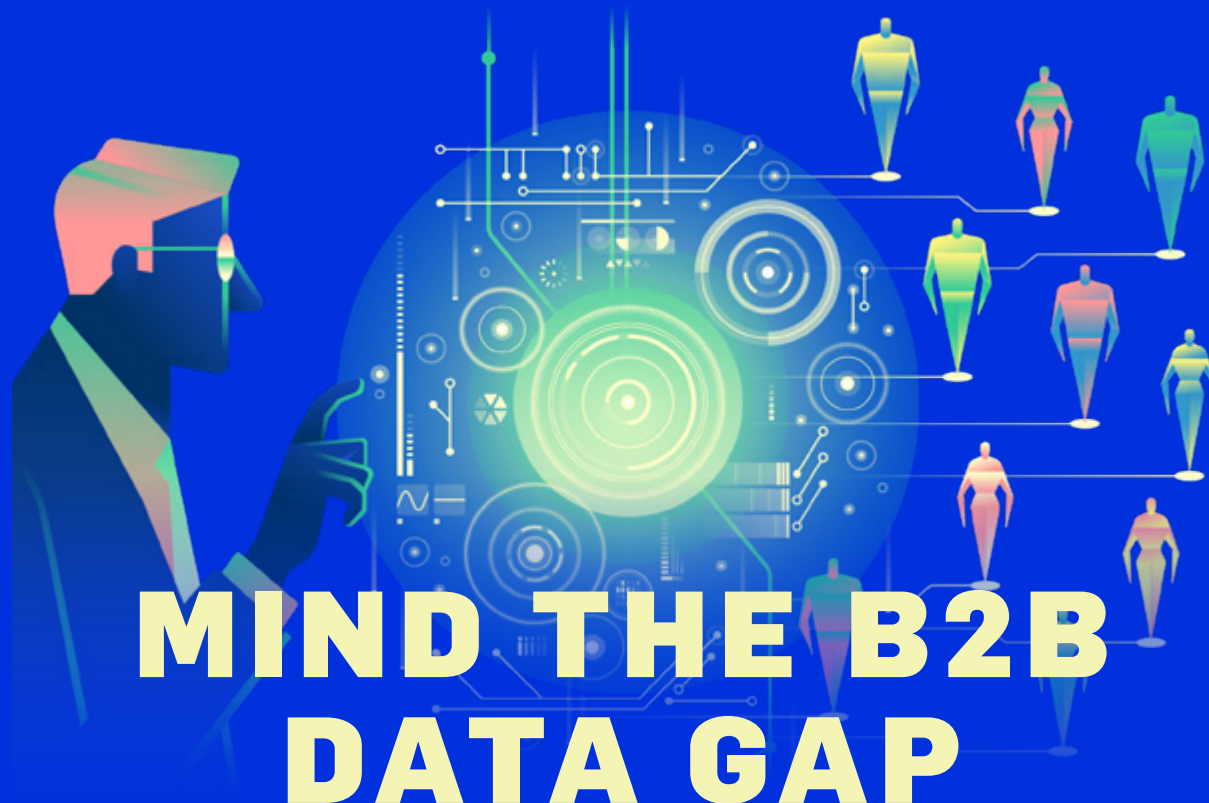
contend with. Every marketer has seen the bloated Lumascapes of vendor logos. Back in 2012 there were maybe 250 or so martech vendors; today that figure is approaching 7,000. So, choosing the right solution and the right partner can be pressure-packed because it is critical to long-term success.

Spending on marketing technology continues to soar. According to Forrester Research's April 2018 outlook, U.S. spending on marketing technology and services is forecast to top \$96 billion in 2018 and grow to over \$122 billion by 2022. The areas that are expected to see the greatest growth? Data, ad tech and marketing automation, the segments that are linked most closely to programmatic advertising. Overall, marketers are devoting 30-plus percent of their budgets to marketing tech.

These challenges—and their significant payback—are as real to B2B marketers as they are to their consumer counterparts. Data has the potential to speed up B2B's longer buying cycle and provide insights into its more complicated customer

journey. Today, many B2B marketers have embraced data-driven tactics like programmatic ad buying, frequently relying on the expertise of their ad agencies to manage these efforts. They are also starting to explore tactics like account-based marketing that need the power of data-driven tools to identify insights for account selection, lead generation and customer-journey mapping throughout the long B2B buying process.

To gain a deeper understanding of how B2B brands are approaching data-driven marketing, Adweek Branded, on behalf of Dun & Bradstreet, conducted a comprehensive survey of B2B brand marketers and their agencies in September 2018. This is the fourth annual report conducted on this topic, and while prior versions focused primarily on programmatic buying, this year's edition takes a deeper dive on data-driven marketing tactics. It also shines a light on some of the differences between how B2B brands and agencies approach their data strategies.



MIND THE B2B DATA GAP

For B2B marketers (as is true for their B2C counterparts), data has become a critical component of building a competitive advantage in the marketplace. That has always been the case, but the customer information that resides in CRM systems and is managed and analyzed by martech platforms can shed new light on the needs and desires of customers and prospects. This can help drive the kinds of personalized experiences that are essential in today's customer engagement framework.

Unfortunately, data's power is still largely untapped by B2B marketers. The challenge, it appears, is not a matter of having customer data. Rather, B2B marketers need to be focused on the process of managing that data and

unlocking its value.

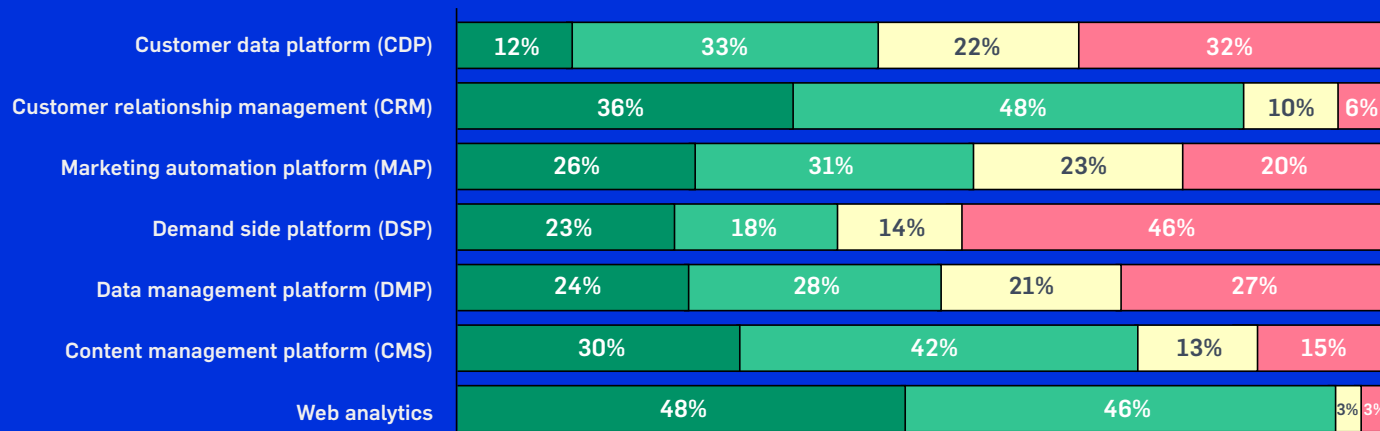
This year's survey asked marketers about their use of different technologies in their marketing stacks. (Fig. 1) Today, over 80 percent of B2B marketers use customer relationship management (CRM), many with advanced functions. So, having data available is not a challenge. But the technologies and platforms that unlock that data's value—such as a data management platform (DMP) or customer data platform (CDP)—are far less prevalent.

It's interesting to note the difference between how brands and agencies use these data tools. Agencies appear to be more sophisticated in their ability to manage and analyze data, with 31 percent of B2B

Fig. 1

How are you currently using the following technologies in your organization's marketing stack?

- Use with advanced functions
- Use with basic functions
- Not using, but plan to be in next 12 months
- No plans to use



agency respondents saying their organizations are using a DMP with advanced functions, compared to just 17 percent of brand respondents.

B2B marketers understand that data's strength comes from its ability to drive targeting, insights and personalization, and the tactics they identified that they're using today or plan to use in the next 12-24 months support this. (Fig. 2) Over 90 percent of respondents indicated they are using (56 percent) or intend to use (35 percent) data to create actionable insights. Similar numbers said they are planning on creating personalized experiences across digital channels, doing real-time optimization of campaigns or targeting customers across devices.

Again, B2B agencies appear to be ahead of their brand counterparts in

most data-driven tactics, indicating that brands may be relying on their agencies to execute much of their data-driven marketing. For instance, 58 percent of agencies say they're currently doing real-time campaign optimization, compared to 39 percent of brands. For cross-device targeting, the spread is higher: 63 percent for agencies, 36 percent for brands. And when it comes to using predictive analytics, 42 percent of agencies currently use the tactic while just 28 percent of brand marketers do.

It's not surprising, then, that agencies have a more positive view of their ability to manage and derive insights from first- and third-party data than do brand marketers, with well over 40 percent believing they are ahead of their competition. (Fig. 3)

While there is consensus that being

anchored on data is the path to B2B success, the survey also shows that there are significant obstacles in the way. (Fig. 4) Asked about their top challenges, marketers pointed to siloed or inaccessible customer data (32 percent) and the integration of marketing and sales platforms (32 percent) as their biggest difficulties. In fact, in a separate question, over half of respondents agreed that data silos in their organizations are having a negative impact on their data-driven marketing efforts.

Both brands and agencies also identified a lack of data expertise as a critical hurdle to overcome. While they know that data is important, they also note that they face a skill gap when it comes to implementing the strategy they will need in the years to come.

Fig. 2

Which of these data-driven advertising and marketing tactics do you currently use or plan to use in 2019?

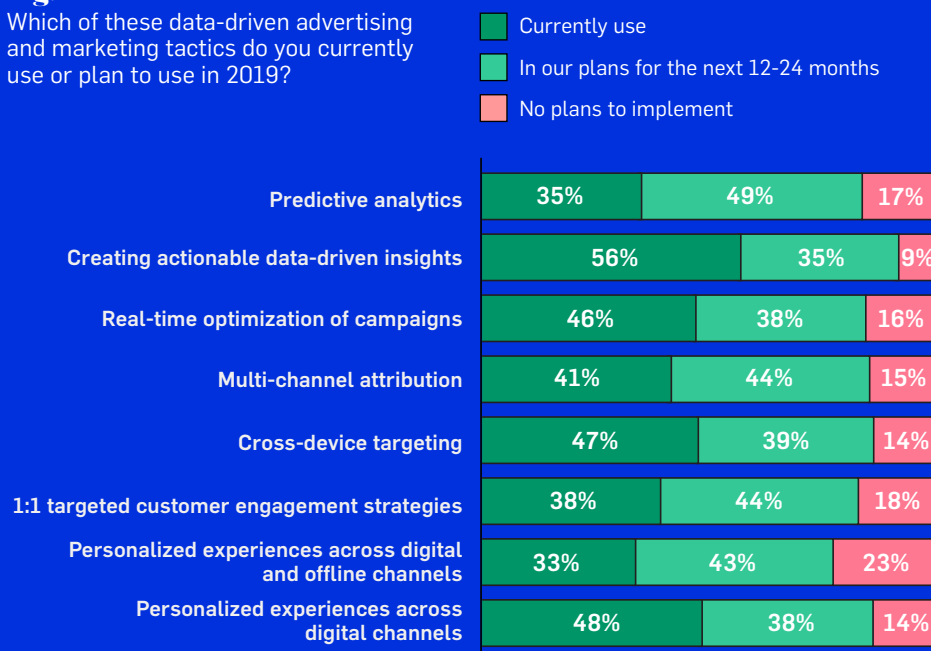


Fig. 3

How would you rate your organization's ability to manage and derive insights from first-party? Third-party data?

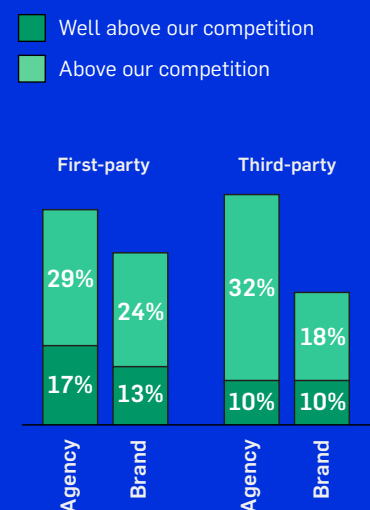
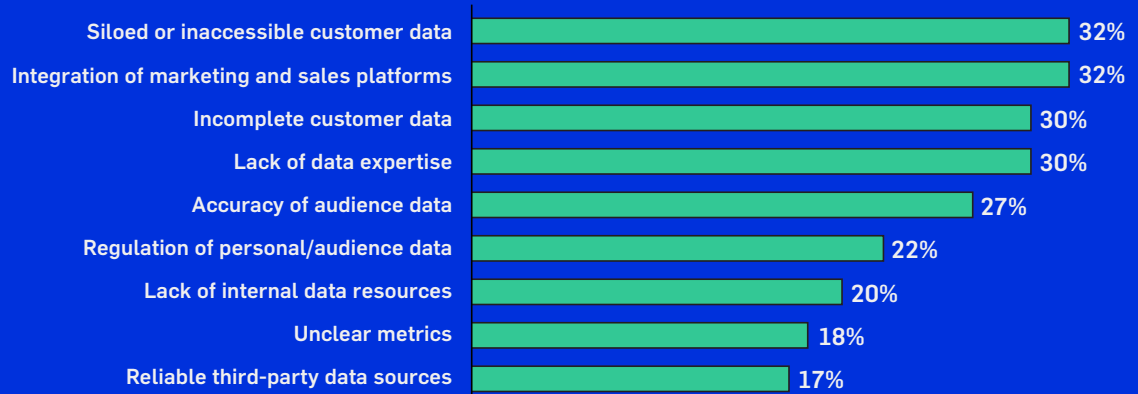


Fig. 4

What do you see as your company's biggest obstacles to succeeding with data-driven marketing?



ABM STARTS TO TAKE HOLD



As B2B marketers turn to data to gain an edge in understanding the complex customer journey, more emphasis is being placed on account-based marketing (ABM). Many believe ABM represents data-driven marketing at its best, taking advantage of analytics and insights for planning, execution and campaign measurement.

Traditionally, B2B marketers have cast a wide net in their lead-generation marketing campaigns, hoping to appeal to as many companies as possible in their target markets. ABM takes a different approach, turning attention to high-value accounts and reaching stakeholders at those accounts in a personalized manner. By blending marketing and sales, ABM tracks the quality of engagements at specific accounts, keeps an eye on how those accounts move through the pipeline, and creates tactics to convert those opportunities. The message is often personalized, highlighting specific product or service attributes that pertain to that specific account.

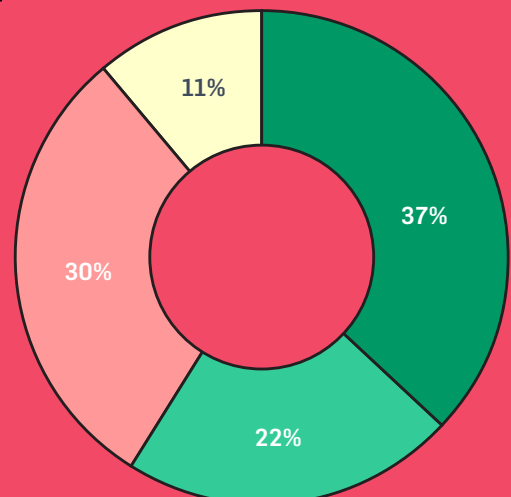
The goal, of course, is to generate more revenue by reducing reliance on individual leads and increasing the focus on specific accounts.

This year's survey found that the majority of B2B marketers are either currently doing ABM (37 percent) or have it in their plans for 2019 (22 percent). (Fig. 5)

Fig. 5

Does your company do account-based marketing (ABM)?

- Yes
- No, but plan to in 2019
- No
- Don't know



ABM strategies differ depending on the type of business and the kind of engagement. When selling to large enterprises where the decision chain is large and the people involved many, the ABM strategy that comes into play is a one-to-one engagement called strategic ABM. Smaller accounts call for one-to-few (ABM lite) or one-to-many (programmatic ABM) engagements. While the execution may vary, one thing remains: ABM is becoming increasingly important to the B2B marketer.

This is borne out in the survey. When B2B marketers were asked to rate how critical ABM is to their organization's overall marketing efforts, 71 percent said it is somewhat (31 percent), very (24 percent) or extremely (16 percent) important. (Fig. 6)

It is critical to remember that ABM is new to many organizations and there is a lot that needs to take place for it to succeed. Many B2Bs struggle to get started because they are unclear on the best methods of executing ABM strategies: What are the things to keep in mind when executing strategic ABM and how do they differ in the case of ABM lite or programmatic ABM? Further, the marketing and sales departments need to be fully aligned—operationally and technologically—to execute ABM effectively.

And, of course, data strategies need to be in place. Marketers need to be able to leverage analytics to identify their best accounts, find other accounts whose profile mirrors those top performers, and develop ways to share customized content and messaging to the decision makers at these key accounts.

In the survey, marketers said that their biggest hurdles to being effective with ABM are an unclear ABM strategy (35 percent), a lack of time and resources (31 percent) and a lack of understanding about ABM (29 percent). (Fig. 7)

Clearly, there's a need for education and best practices to help B2B marketers understand the ABM opportunity. It is fast becoming a critical approach for brand marketers. Can they turn to their agencies for assistance? The opportunity for agencies to help is there. But the survey found that agencies themselves also lack a clear understanding of ABM. More education and knowledge-sharing needs to occur across the B2B marketing spectrum.

Fig. 6

How important is ABM to your organization's marketing efforts?

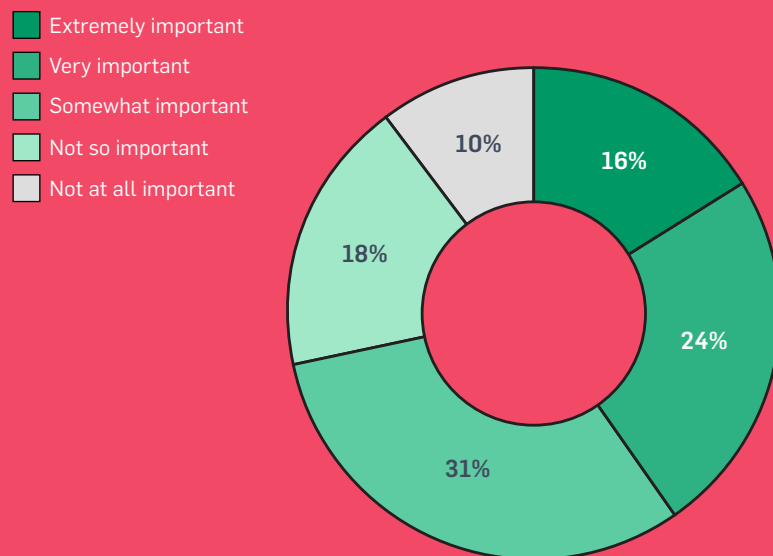
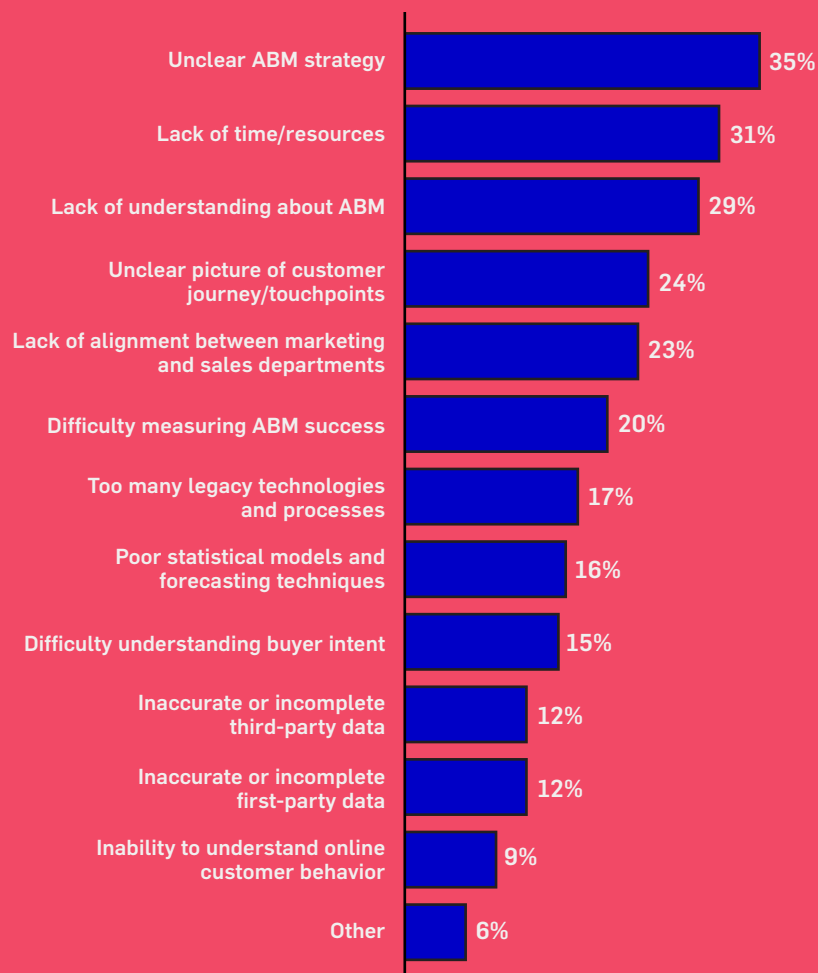


Fig. 7

What do you see as the biggest hurdles to succeeding with account-based marketing?





PROGRAMMATIC HOLDS STEADY

This survey started four years ago to gauge B2B marketers' attitudes towards, and use of, programmatic. As we tracked it over the years, programmatic has moved from a novelty and emerging technology to a mature industry standard. If automated ad-buying and data-driven targeting are appropriate to their strategies and outreach, B2B brand marketers and their agencies are using the technology.

As data's importance continues to rise, programmatic ad buying will remain a critical component of B2B campaigns. Just about all categories of data-driven marketing—data, ad tech, marketing automation, analytics, account-based marketing—are somehow tethered to programmatic.

In the 2019 outlook survey, 63 percent of B2B marketers said they are buying or selling advertising programmatically. (Fig. 8) That figure is the same as last year and essentially flat from 2017. This shows that programmatic has achieved a stable state.

While the number of marketers engaging in programmatic buying has reached the plateau, the amount of money being spent on the programmatic channel continues to rise. Looking toward 2019, 61 percent of respondents said they plan to increase their programmatic spending, with 20 percent saying they will be increasing it by more than 25 percent. Just 5 percent of respondents said they would be spending less. (Fig. 9)

Across all markets, most media is now available programmatically. Media categories that had been considered outside the digital realm—such as television

Fig. 8

Is your organization currently buying/selling advertising programmatically?

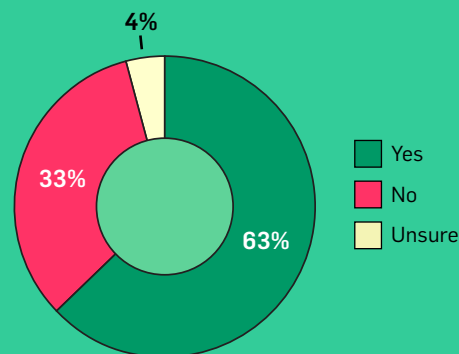
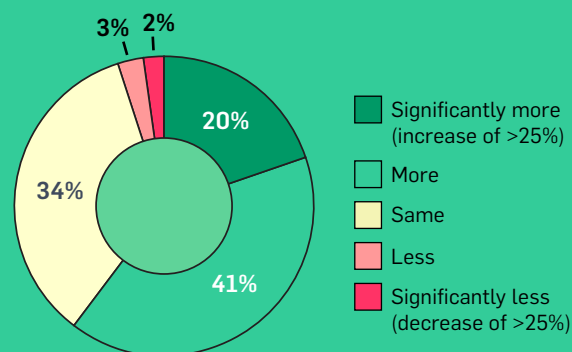


Fig. 9

How will your spending on programmatic advertising in 2019 compare to what you spend in 2018?



and out-of-home—now have some kind of data-driven or programmatic component. And while those are not yet mainstream, the day may soon come when they are frequently used for B2B marketing. Imagine the value, for instance, of being able to target a TV ad specifically to a financial decision maker at a major account. That might be costly, but it could be a difference-maker in an ABM execution.

Still, most B2B programmatic spend is targeted at standard digital ad formats. In this year's survey, the top kinds of advertising bought were, unsurprisingly, display (79 percent), social (67 percent) and mobile (65 percent). (Fig. 10)

Each year, we also ask B2Bs about the programmatic challenges they face. This year, as in past years, the top concerns related to targeting, measurement and metrics, and a lack of knowledge about programmatic. (Fig. 11)

An analysis of the concerns of brand marketers and agencies tells a slightly different story. While their concerns are similar, brand marketers are much more challenged by targeting (cited by 49 percent of brands compared to 32 percent of agencies) or a lack of knowledge (37 percent of brands and 27 percent of agencies). Agencies, meanwhile, were about twice as likely to be concerned with issues such as viewability and bot traffic.

While there has been much discussion about B2B brands bringing their programmatic buying in-house, numbers such as these show how much brand marketers still need to rely on their agencies for their programmatic expertise. Brand marketers are still stymied by a lack of knowledge and targeting expertise. These are still the sweet spot for agency media buyers, so the value of using a buying agency still exists.

Fig. 10

What kinds of B2B advertising are you currently buying programmatically?

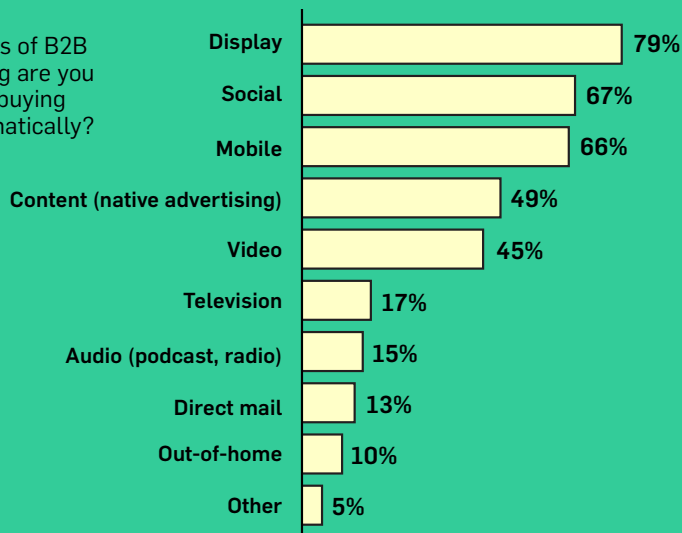
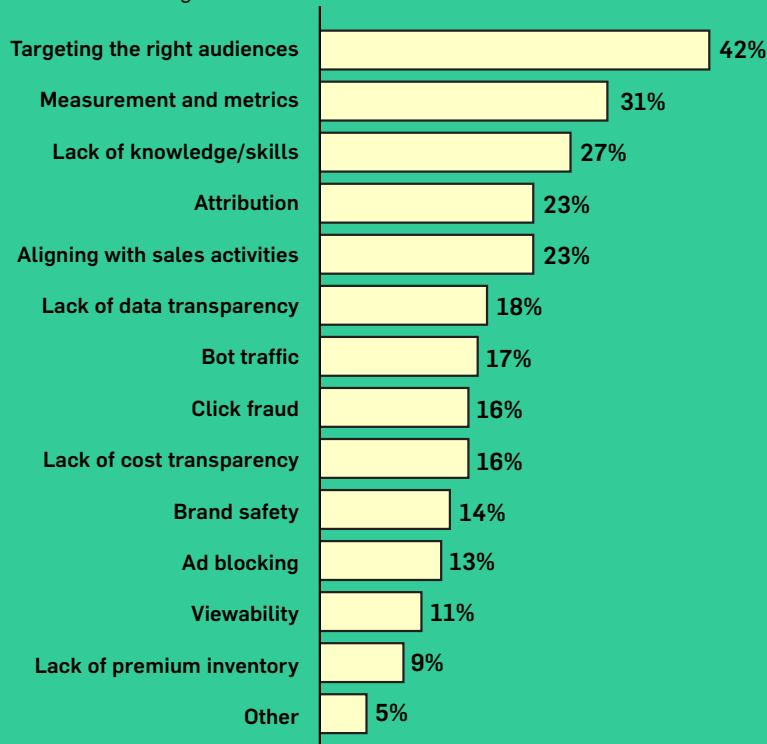


Fig. 11

What do you believe are the biggest challenges your company faces regarding programmatic advertising?



BRAND SAFETY'S A CONCERN, BUT IS BLOCKCHAIN THE ANSWER?

Brand safety has continued to be a news headline in programmatic buying, even as platforms now frequently provide greater control and transparency over where ads appear. But issues of viewability, fraud and contextual relevance are still concerns. About half of respondents to this year's outlook survey said they've been more focused on brand safety over the past 12 months.

One proposed fraud/safety solution that's received a lot of media has been blockchain, essentially a ledger of records linked cryptographically. But is it ready for prime time? Not so, say B2B respondents. Only 5 percent said current blockchain solutions show promise. (Fig. 12) But over 40 percent said they just don't know. It looks like the situation where a buzzword has taken hold, but the market, at least the B2B market—still doesn't know if there's going to be an ad-buying solution.

Fig. 12 Will blockchain play a role in your digital advertising programs?



Key Takeaways

B2B marketers see the role that data plays in their marketing strategies, but they still need to overcome many of the common obstacles to activate data and turn it into actionable insights that can transform their marketing.

In fact, over 90 percent strongly agreed (62 percent) or agreed (32 percent) that greater use of data and analytics is changing how they approach advertising and marketing.

Here are some of the next steps they can consider taking:

Craft your data strategy.

You can't leverage data effectively if you don't have a solid strategy to serve as a foundation. Every company wants to use data so they can focus more accurately on the customer. But what are you doing, for instance, to ensure that your first-party CRM data doesn't become out of date? Or what are you doing to ensure that your third-party data sources are accurate and reliable?

Break down data siloes.

Lack of access to accurate data is a problem for businesses of all types. Marketing data can live in a wide range of places in your organization, and it needs to be consistent, accurate and available. Developing a plan about how to connect pieces of data across systems to a common identifier is one of the major keys to breaking down the silos. It is the only way for B2B marketers to have a complete view of the customer.

Gain a clearer picture of the account journey.

Data isn't useful unless it can tell you a clear story. And that comes from activating your data to tell you more about what your customers need, where they've been and what they want. In B2B, that means gaining insights into the account journey. These insights will allow you to differentiate your customer experience.

Enhance your ABM knowledge.

ABM can be a powerful tool. But, as this year's survey shows, B2B marketers still are unclear how to put ABM into action to really drive revenue from their most profitable accounts. Work with organizations that specialize in ABM to enhance your knowledge and learn best practices.

Boost your programmatic skills.

B2B brands are still behind their agency counterparts when it comes to executing programmatic media buys. If you want to bring your programmatic buying in house, or at least have more control over how your media agency is spending your ad budget, you will need to enhance your knowledge of programmatic tools such as demand side platforms, data management platforms and customer data platforms.

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