



WINTERBERRY



GROUP

The Global Review of Data-Driven Marketing and Advertising January 2017

WITH THE SUPPORT OF



Foreword

Three years ago, when we first envisioned the questions that would form the backbone of this study—the first to benchmark the practice of data-driven marketing and advertising on a global basis—we began our work with a simple understanding: that while “data” was coming to play a more impactful role across virtually all business functions, the practice of “DDMA” remained largely distinct from other, more generic advertising and marketing disciplines.

Now, as we publish our third annual edition of this report, it’s clear that much has changed. The marketing use cases to which consumer and B2B data are being deployed have grown more numerous—and more sophisticated—than we could have ever imagined. Digital channels now represent the centerpiece of the data-driven effort, rather than a set of complementary tools. And “data” itself is a concept that’s leapt off of spreadsheets to command the attention of CMOs, CEOs and business leaders the world over.

That attention has brought with it a new role for DDMA. In fact, what was once a niche discipline—a distinct practice, borne from legacy direct marketing methods—now plays a starring role in the development of offers, messages and experiences that span virtually every conceivable customer touchpoint.

“Data-driven,” in short, is now the standard for how successful businesses manage their advertising and marketing efforts all around the world. And in the process, its practitioners are serving to elevate the role and contribution of the marketing function itself, which now serves as the central hub for orchestrating customer experiences that are richer, more compelling and more profitable for all parties to the engagement.

We hope the learnings in this third *Global Review* will be helpful to you as you benchmark your efforts against your peers, both locally and globally. We hope that the report serves as a powerful reminder that data’s valuable contribution to marketing and business improvement requires constant safeguarding—and a concerted focus on the customer as the center of both innovation and strategy.

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Acknowledgements

This research undertaking would not have been possible without the contributions of over 3,000 thought leaders—including survey panelists, sponsors, presenting trade associations and reviewers representing all segments of the advertising, marketing, media and technology industries across 18 global markets—Argentina, Australia, Belgium, Brazil, France, Germany, Hong Kong, Hungary, India, Ireland, Italy, the Netherlands, Singapore, South Africa, Spain, Sweden, the United Kingdom and the United States. In particular, GDMA and Winterberry Group are grateful to our global sponsor for its generous support of this initiative:



Additionally, we extend our deepest appreciation to the advertisers, marketers, service providers and technology developers who contributed their time, insights and enthusiasm in support of our research, as well as the GDMA member associations that brought our research initiative to their respective markets. They include:



Executive Summary

Our first two editions of *The Global Review*, published in 2014 and 2015, identified and then confirmed a development that's rapidly reshaping the approach by which organizations interact with their customers. All around the world, we found, the use of *data* was emerging from narrow origins—linked to specialty practices such as “direct marketing” and “customer analytics”—to play a more prominent role in how virtually *all* businesses engage in the work of marketing and advertising.

Now, closing out a year that has brought tremendous economic and geopolitical upheaval from one end of the globe to the other, our third *Global Review* installment reveals that the practice of data-driven marketing and advertising (DDMA) has taken an even more significant step forward. Bolstered by larger budgets and improved campaign performance—both owing much to the growing sophistication of supporting marketing technologies and the proliferation of addressable information—DDMAers remain overwhelmingly confident in their practice and its prospects for continued growth, suggesting that **data has evolved to become a central pillar of how businesses practice marketing, purchase advertising, evaluate consumer media and deliver compelling customer experiences.**

Specifically, our third annual survey of data-driven marketers, advertisers, publishers, service providers and technologists across 18 global markets revealed:

- ▶ **Data has become an indispensable marketing asset...** 79.6 percent of global survey respondents said customer data is critical to their marketing and advertising efforts, similar to the 81.3 percent and 80.4 percent of panelists, respectively, who voiced similar sentiment over the past two years
- ▶ **More than anything else, growing investment in data reflects the importance that marketers vest in the customer and their experience...** 89.6 percent of survey panelists said that their practice of DDMA was focused, at least in part, on the maintenance of customer and prospect databases—with those resources typically aimed at supporting better and more relevant offers and general customer communications
- ▶ **2016: “The Year of Measurement”...** Larger numbers of panelists declared their organizations “sophisticated” when it comes to cross-channel campaign measurement (39.4 percent said so in 2016 versus 36.2 percent last year) as well as campaign measurement across single marketing channels (49.8 percent in 2016 versus 47.4 percent a year ago)
- ▶ **Investment (still) on the uptick...** Over half of global panelists (53.4 percent) said they increased their spending on DDMA in 2016 compared to the previous year, while 35.8 percent said their investments remained flat. Spending increased the most substantially across *digital* channels and related execution functions, as it has for the past two years
- ▶ **DDMA works...** In evaluating the relative impact of their key DDMA communication channels, panelists said that over the last year, performance improved across nine of ten tracked channels, suggesting a likely combination of both improved planning and execution, as well as more insightful measurement and attribution techniques; and

- ▶ **Improvements from the inside out...** For the second consecutive year, panelists said better integration of their existing advertising and marketing technologies would be most helpful in advancing their ability to derive value from DDMA efforts. Second on the list of priorities: improving the functionality and efficiency of their internal organizational processes so as to support the optimal use of data (suggesting that for many organizations, outmoded business practices represent a more significant threat to growth than a lack of resources or expertise).
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Note: This report explores data-driven marketing and advertising practices across 18 global markets. Produced and published by GDMA and Winterberry Group—and with the sponsorship of MediaMath—the effort was made possible by support from GDMA member organizations around the world, including:

amdia (Argentina), ADMA (Australia), bdma (Belgium), ABEMD (Brazil), Adetem (France), DDV (Germany), D+D (Hong Kong), DIMSZ (Hungary), DMAi (India), IDMA (Ireland), DMA Italia (Italy), DDMA (Netherlands), DMAS (Singapore), DMASA (South Africa), ICEMD (Spain), SWEDMA (Sweden), DMA (United Kingdom) and DMA (United States).



Key Global Findings

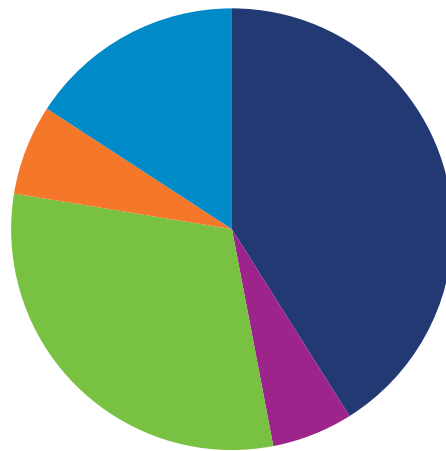
PANEL:
3,283 TOTAL RESPONDENTS*

SURVEY TIMEFRAME:
JULY – OCTOBER 2016

* Not all respondents answered every question

PANEL COMPOSITION

How would you describe your principal role/business focus?

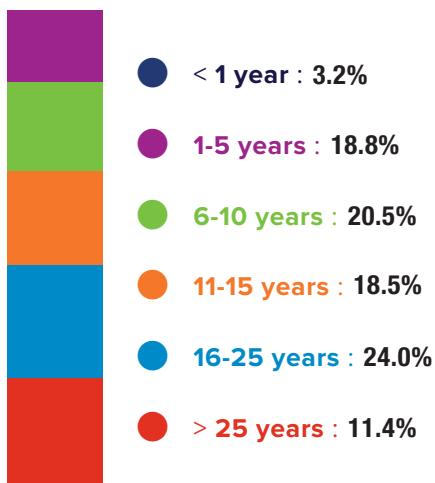


- **MARKETER/ADVERTISER : 41.1%**
- **PUBLISHER/MEDIA : 5.9%**
(focused on selling advertising)
- **PROVIDER OF MARKETING SERVICES : 30.6%**
(including data and agency services)
- **DEVELOPER OF ADVERTISING & MARKETING TECHNOLOGY : 6.6%**
- **OTHER : 15.8%**

EXPERIENCE

How many years of experience do you have with marketing and/or advertising?

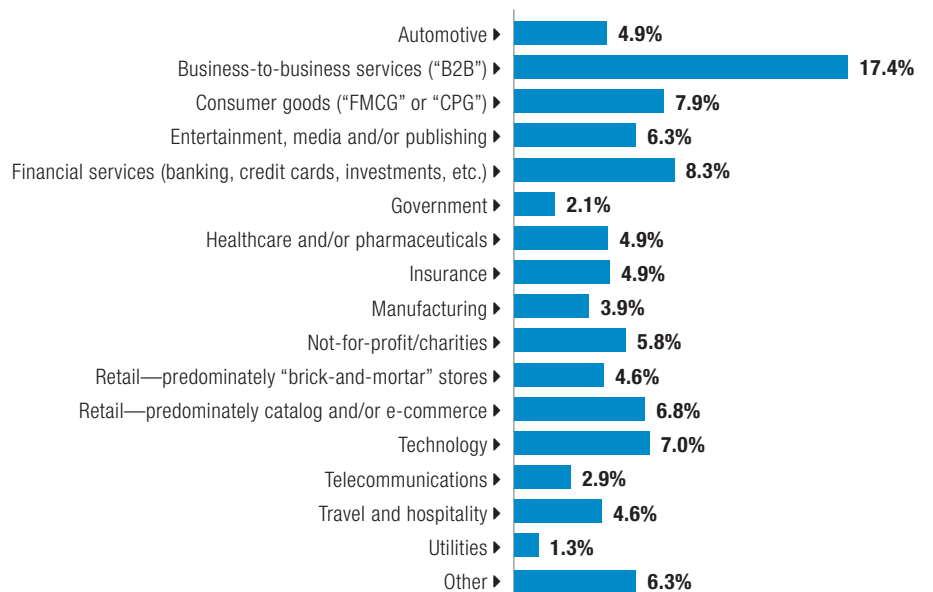
Please consider your current job and past professional roles that may apply.



INDUSTRY REPRESENTATION

Within which of the following vertical markets are your professional efforts most intensively concentrated?

Displaying panelists' "top three" responses



What is data-driven marketing and advertising (DDMA)?

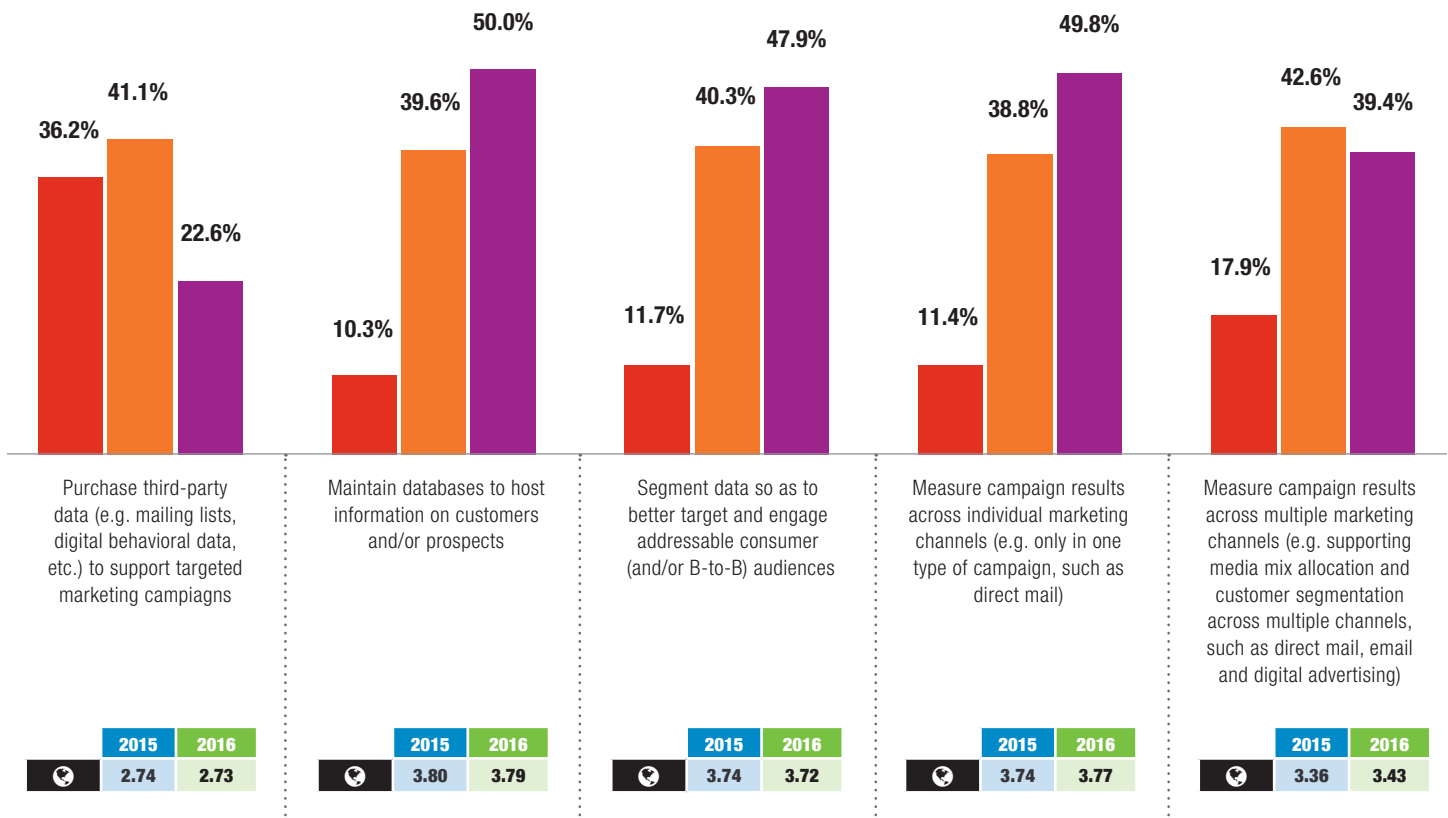
How is the practice evolving?

- ▶ **“Data-driven” means “customer-centric” marketing and advertising.** Across 18 countries, 89.6 percent of survey panelists—including marketers, service providers, technology developers and publishers—said that they maintain databases to host information on customers and prospects to improve the management and use of that data. Additionally, 88.2 percent said that they actively segment this information to better target and engage customers for particular marketing efforts and offers
- ▶ **2016: the year of marketing measurement.** Globally, brands are investing more time and resources focusing on the measurement and attribution of their marketing investments as a centerpiece of their DDMA efforts. On a 1-to-5 scale (with 5 indicating that panelists consider themselves to be a “sophisticated practitioner” of a given DDMA application), survey respondents pegged their cross-channel measurement capabilities at 3.43—up from the 3.36 score reported last year. Along the same lines, panelists’ single-channel measurement efforts improved to 3.77 on the same scale, up from 3.74 last year
- ▶ **Confidence in DDMA remains high.** Though slightly fewer panelists, on average, said that they’re affirmatively confident in DDMA and its prospects for growth in 2016 than said so last year, the level of practitioner confidence remains consistent with last year. On a 1-to-5 scale (with 5 indicating “substantial” confidence in DDMA’s impact and potential for future growth), panelists pegged their sentiment at 4.14 in *both* 2015 and 2016. And across the 15 countries where panelists participated in the consecutive research studies, confidence grew in nine markets year over year (including Argentina, Australia, Belgium, Brazil, France, Hungary, Singapore, United Kingdom and United States)
- ▶ **Data remains integral to advertising and marketing efforts at companies around the world;** 79.6 percent of the global panel said so—similar to the 81.3 percent and 80.4 percent that said the same over the past two years.

DDMA PRACTICES

To what extent does your organization practice each of the following today?

● Not at all (1) ● To some extent (3) ● Sophisticated Practitioner (5) ● Global Index*



*Index scores were created using a scale of 1-to-5, where 1 indicates the organization does not practice at all, and 5 indicates the organization is a sophisticated practitioner

2014 2015 2016

Note: Throughout this report, various references to “2014,” “2015” and “2016” data are included to display and contrast responses provided to the same question asked in the 2014 and 2015 versions of The Global Review, respectively.

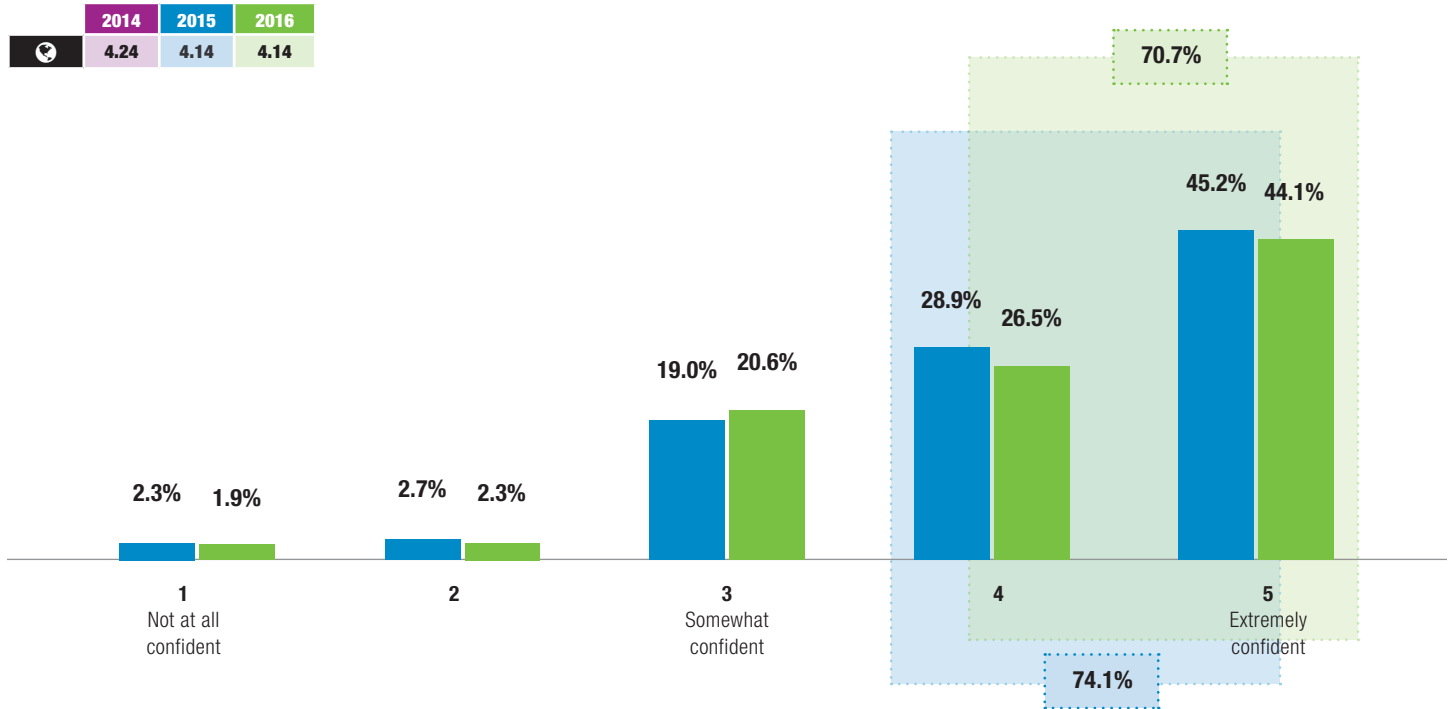
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A Note About Index Scores: Various “index scores” will appear throughout this report, representing a weighted average of panelist response to questions geared at understanding the extent to which DDMA practitioners are emphasizing various initiatives, opportunities and tactical priorities. Where possible, country-specific index scores—as reported on a scale of 1-to-5—are provided along with their comparable “Global Index” benchmarks, as reported by the entirety of The Global Review’s 18-nation worldwide panel.

CONFIDENCE IN DDMA

Thinking in general about your current business activities and conditions within your respective marketplace, how confident are you in the value of “data-driven marketing and advertising” and its prospects for future growth?

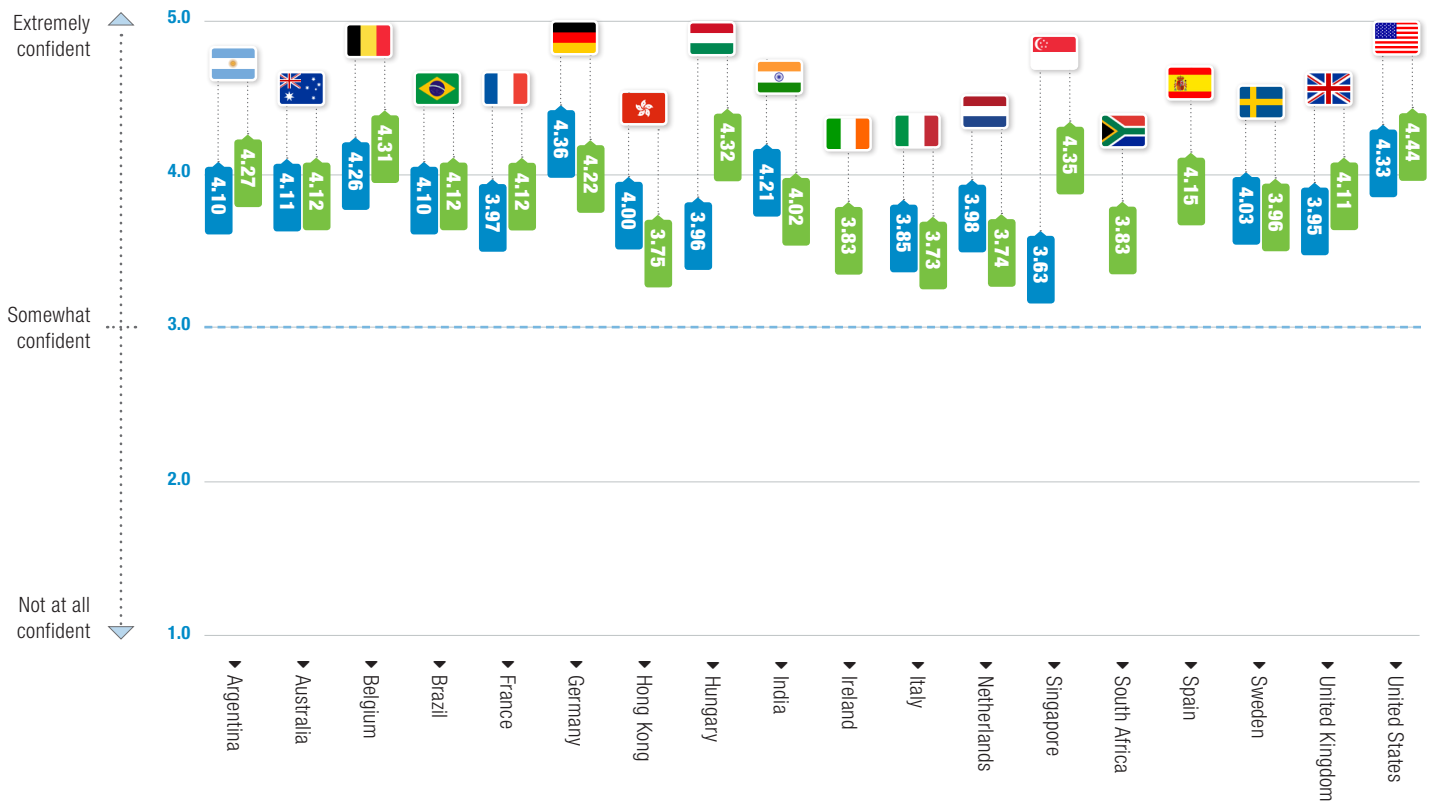
● 2015 ● 2016 ● Global Index



CONFIDENCE BY COUNTRY

Thinking in general about your current business activities and conditions within your respective marketplace, how confident are you in the value of “data-driven marketing and advertising” and its prospects for future growth?


● 2015 ● 2016

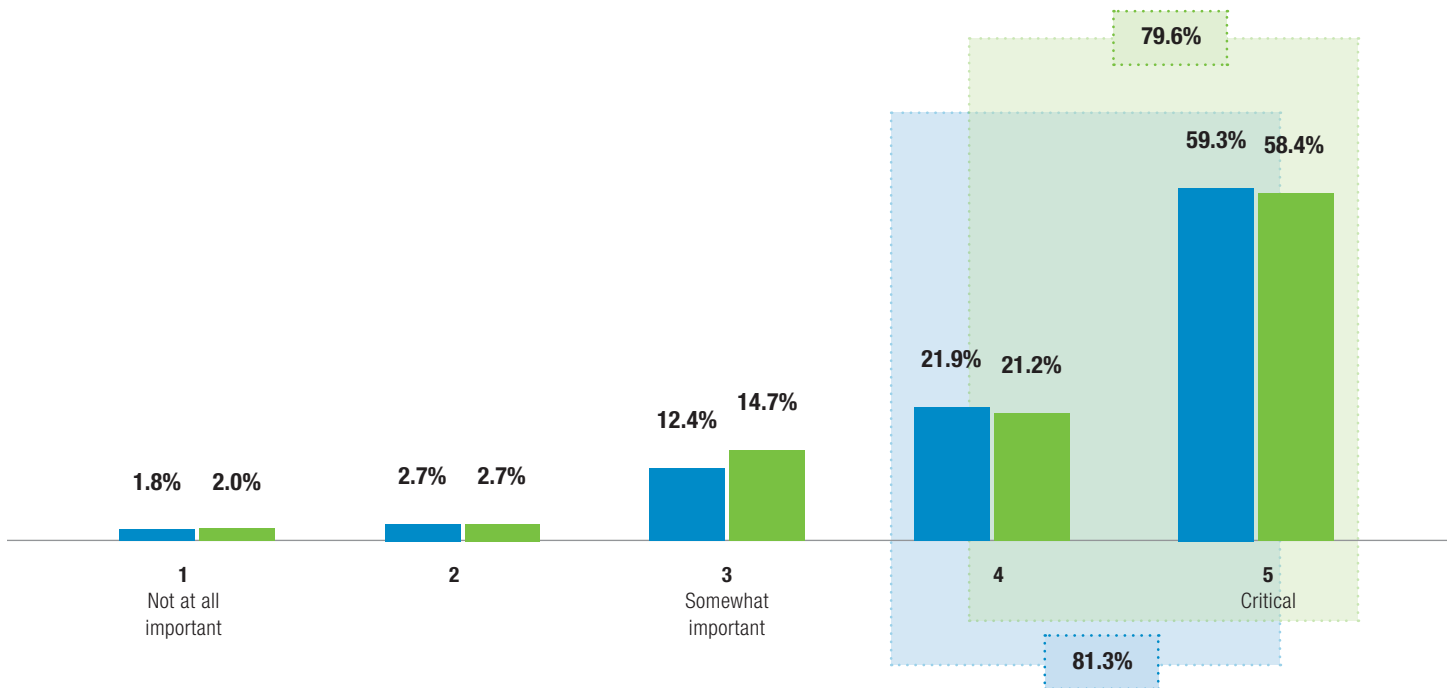


IMPORTANCE OF DATA

How important is data to your (or your clients') current marketing and advertising efforts?

● 2015 ● 2016 ● Global Index

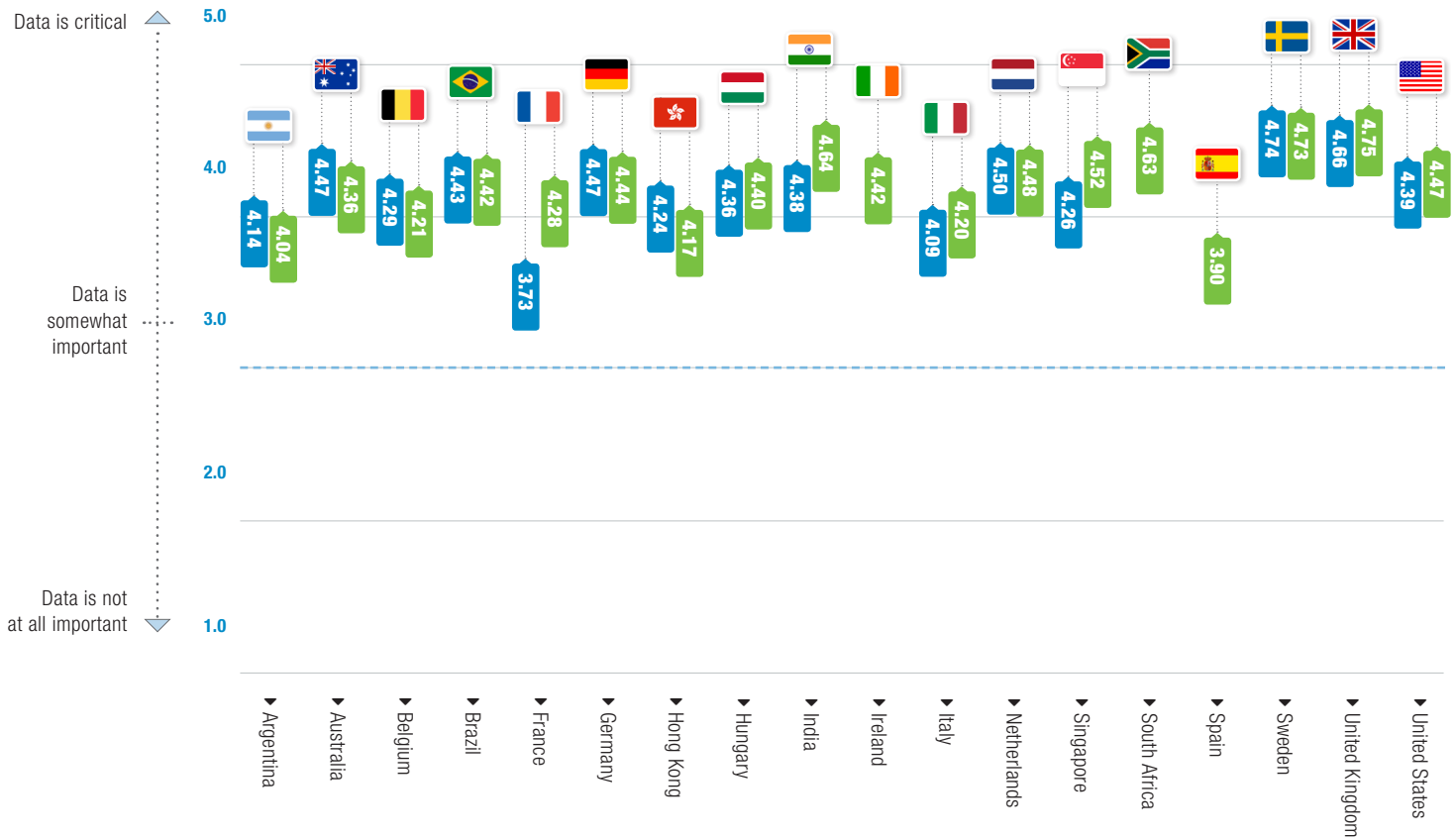
	2014	2015	2016
	4.34	4.37	4.33



IMPORTANCE OF DATA BY COUNTRY

In general, **how important is data** to your (or your clients') marketing and advertising efforts?

● 2015 ● 2016



How are practitioners investing in DDMA?

What returns are they generating?

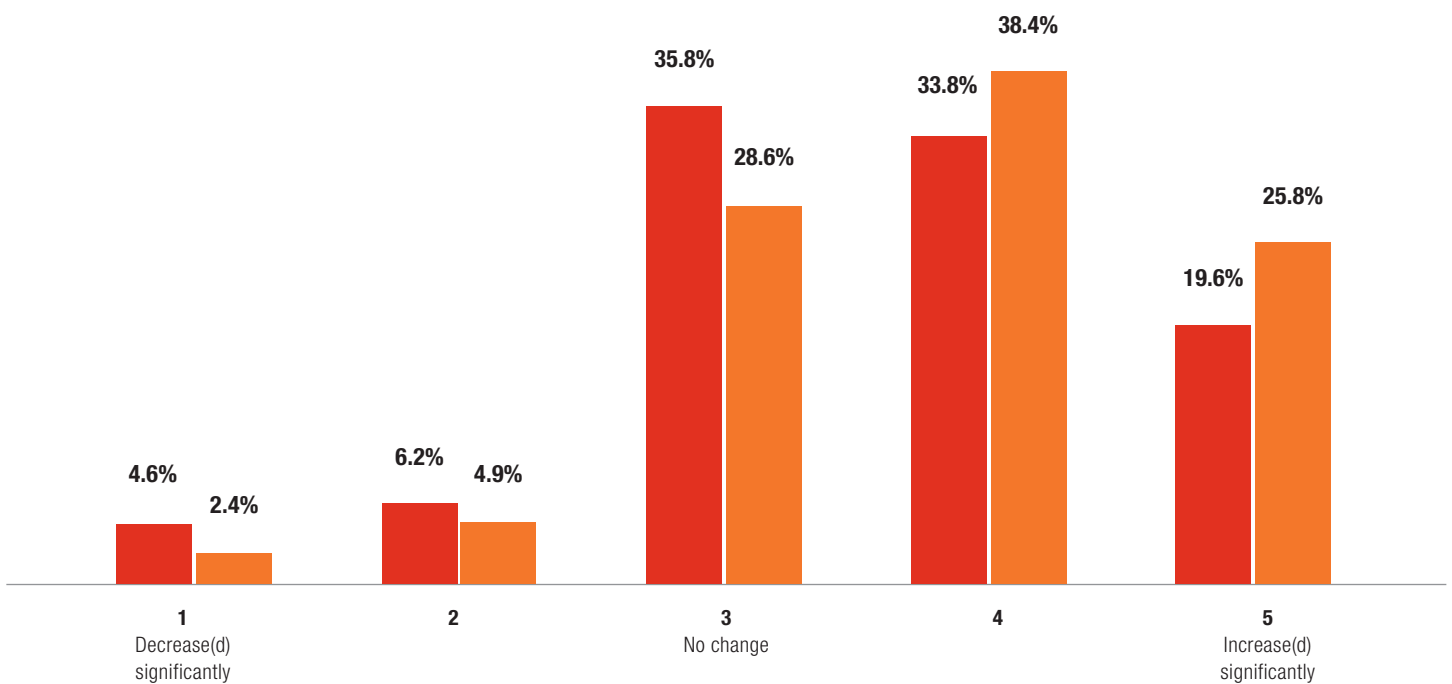
- ▶ **DDMA spending continued to grow in 2016.** Over half of global panelists (53.4 percent) said they increased spending on DDMA in 2016 compared to the previous year, while 35.8 percent said their investments remained flat. Though spending is continuing to rise, slightly fewer marketers increased spending in 2016 than did so in either of the previous two years (56.3 percent grew spending in 2015 and 63.2 percent did so in 2014). However, the pace of spending growth has remained constant (using a 1-to-5 scale, with 5 indicating spending increased “significantly” since the prior year, panelists benchmarked their investment growth at 3.62 in 2016, just up from the 3.61 reported last year). This dichotomy—the combination of a smaller majority growing spending yet the pace of spending growth inching upward—may reflect the beginning of a marketplace distinction: some marketers appear to be growing their DDMA spending *substantially*, while many others are actually scaling back
- ▶ **Spending grew across virtually all channels.** DDMAers continue to invest (and grow their spending) across a wide range of channels, recognizing the value that each plays in a combined approach. Survey respondents increased spending most substantially in social media management (using the same 1-to-5 scale, spending on the channel rose to 4.02 from 3.97 last year), Web content/site content optimization, (3.99 up from 3.96 last year), mobile apps and SMS efforts (3.91, up from 3.79) and digital display advertising (3.87, up from 3.83). The only channels where spending decreased were direct mail (2.78, down from 2.83 last year) and addressable TV (2.89) which many marketers may be considering and/or beginning to test prior to integrating into their core media mix
- ▶ **Across the board, performance is improving.** Panelists said the performance of nine of ten tracked marketing channels increased in 2016. Returns increased most for social media management, supporting the increased spending reported for the channel. Using a 1-to-5 scale where 5 indicates channel performance improved substantially, panelists benchmarked social media management at 4.02, the highest of any tracked channel. Though global panelists did not report performance increases for direct mail, the efficacy of the traditional channel remained essentially unchanged since prior years (2.89 on the same 1-to-5 scale).

SPENDING ON DDMA

How has your (or your clients') **spending on data-driven marketing and advertising** changed over the **past** year? How do you expect your (or your clients') spending on data-driven marketing will change **next** year?

◀◀ The past year ▶▶ The coming year 🌐 Global Index

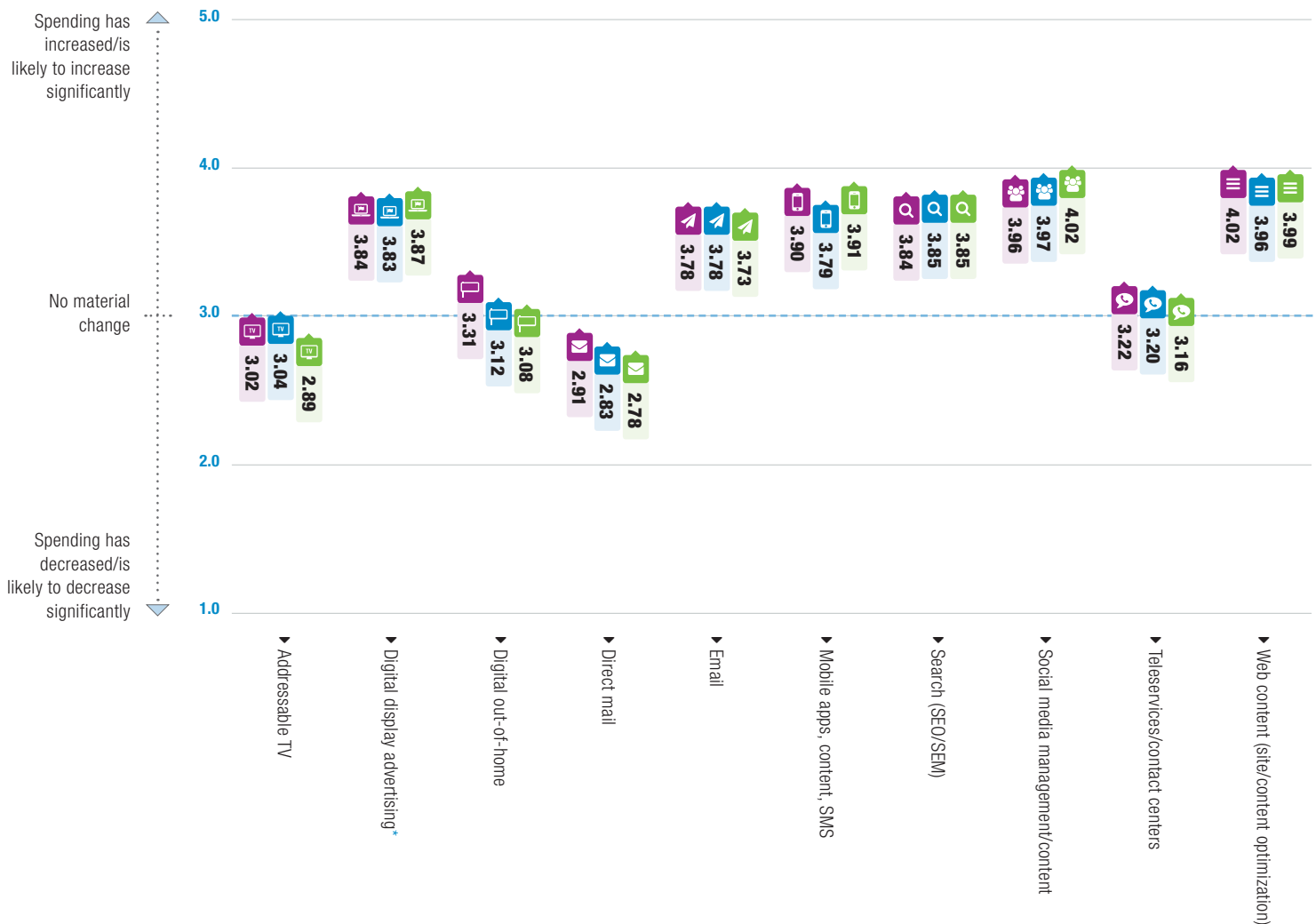
	2014	2015	2016
◀◀ 🌐	3.82	3.61	3.62
🌐 ▶▶	4.04	3.89	3.91



SPENDING ON DDMA CHANNELS

How has your (or your clients') spending on each of the following data-driven marketing and advertising channels changed over the **past** year?

● 2014 Global Index ● 2015 Global Index ● 2016 Global Index



*Including banner, video, rich media and associated formats—as intended for desktop, mobile and tablet devices

SPENDING ON DDMA FUNCTIONS

How has your (or your clients') spending on each of the following data-driven marketing and advertising campaign execution functions changed over the **past** year?

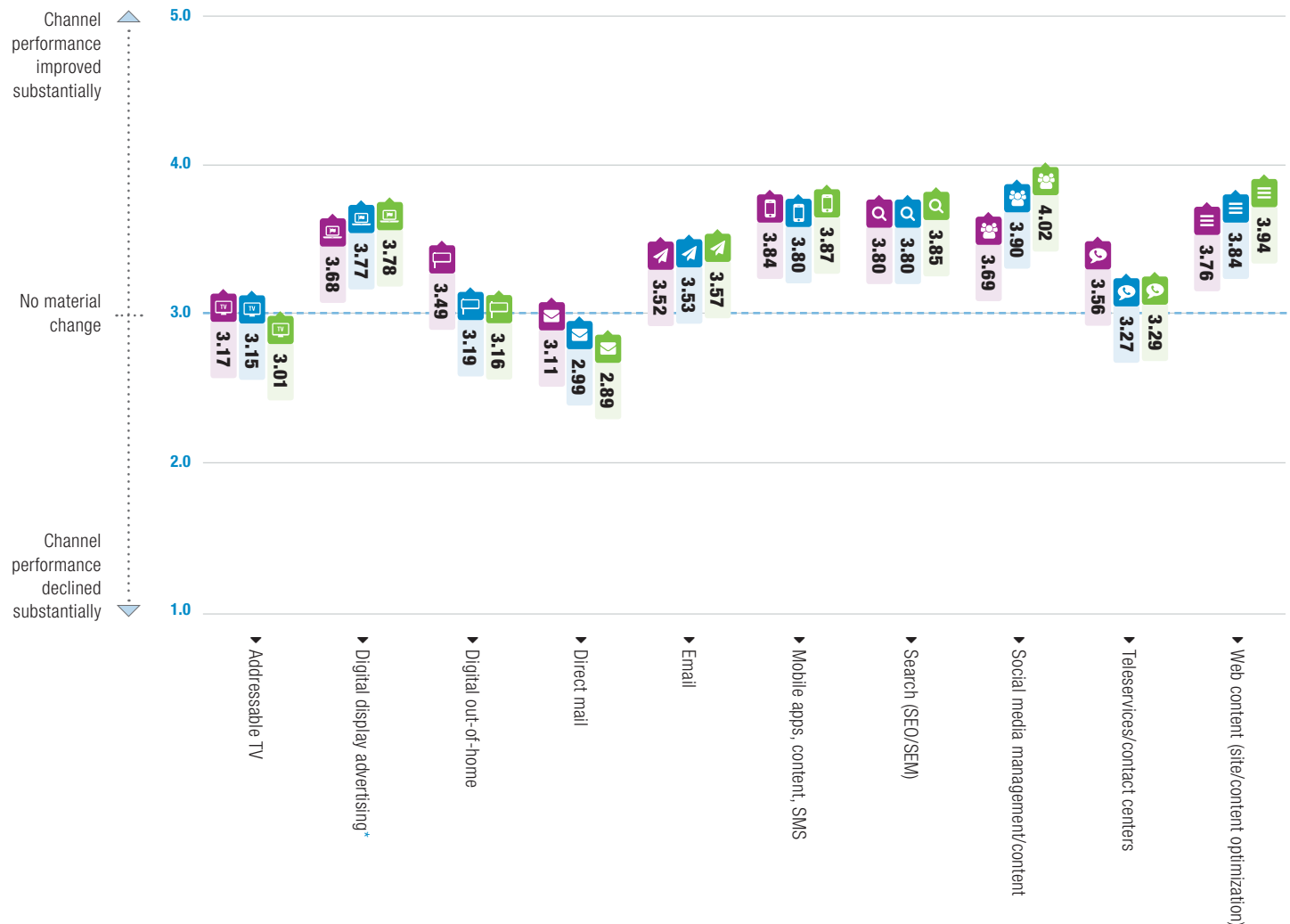
● 2014 Global Index ● 2015 Global Index ● 2016 Global Index



CHANNEL PERFORMANCE

Thinking about the results generated by each of your (or your clients') data-driven marketing and advertising channels, how has the performance of each of the following changed over the **past year**?

● 2014 Global Index ● 2015 Global Index ● 2016 Global Index



*Including banner, video, rich media and associated formats—as intended for desktop, mobile and tablet devices

What do practitioners need to derive greater value from DDMA?

- ▶ **Advancing the cause of DDMA begins with improving how marketers do business.** More than anything else, DDMA practitioners said that improving their organizations' internal processes would do most to advance their DDMA efforts. Foremost among these, and for the second consecutive year, panelists said that better integration of their advertising and marketing technologies would be most helpful in advancing their ability to derive value from DDMA efforts. Using a 1-to-5 scale (with 5 indicating that an initiative is considered "critically" important to deriving more value from DDMA), panelists pegged technology integration at 4.33, higher than any other option, and up from the 4.24 reported last year. The next highest priority reported was in improving how information is shared and moved through organizations; global panelists benchmarked "improved organizational processes," including data-sharing policies, at 4.30 on the same 1-to-5 scale, up from 4.22 in 2015
- ▶ **Analytics is both a challenge and an opportunity.** Nearly half of global panelists reported that advances in predictive analytics and related segmentation (46.7 percent) offers the most potential to expand the contributions of DDMA in the coming years. To capitalize on that potential, more than half of panelists have explored opportunities to leverage analytics to improve their efforts, both for segmentation (51.1 percent) as well as in support of marketing measurement and attribution (52.5 percent)
- ▶ **"Onboarding" offers hope but activation remains elusive.** Panelists see great potential in the ability to link offline and online information to better engage with customers across environments—but relatively few have begun experimenting with available opportunities. 42.2 percent of global respondents reported interest in the potential of "audience onboarding," yet fewer (37.1 percent) have explored or initiated opportunities to test or roll out related services and solutions
- ▶ **No single issue appears to threaten the short-term viability of DDMA.** Nevertheless, a meaningful plurality of survey respondents, 44.3 percent, said that heightened regulation of data would represent the most threatening potential hindrance to their DDMA efforts if it were to materialize.

DERIVING VALUE FROM PROGRAMS

How important would each of the following be in advancing your (or your clients') ability to derive value from your DDMA programs?

● 2015 Global Index

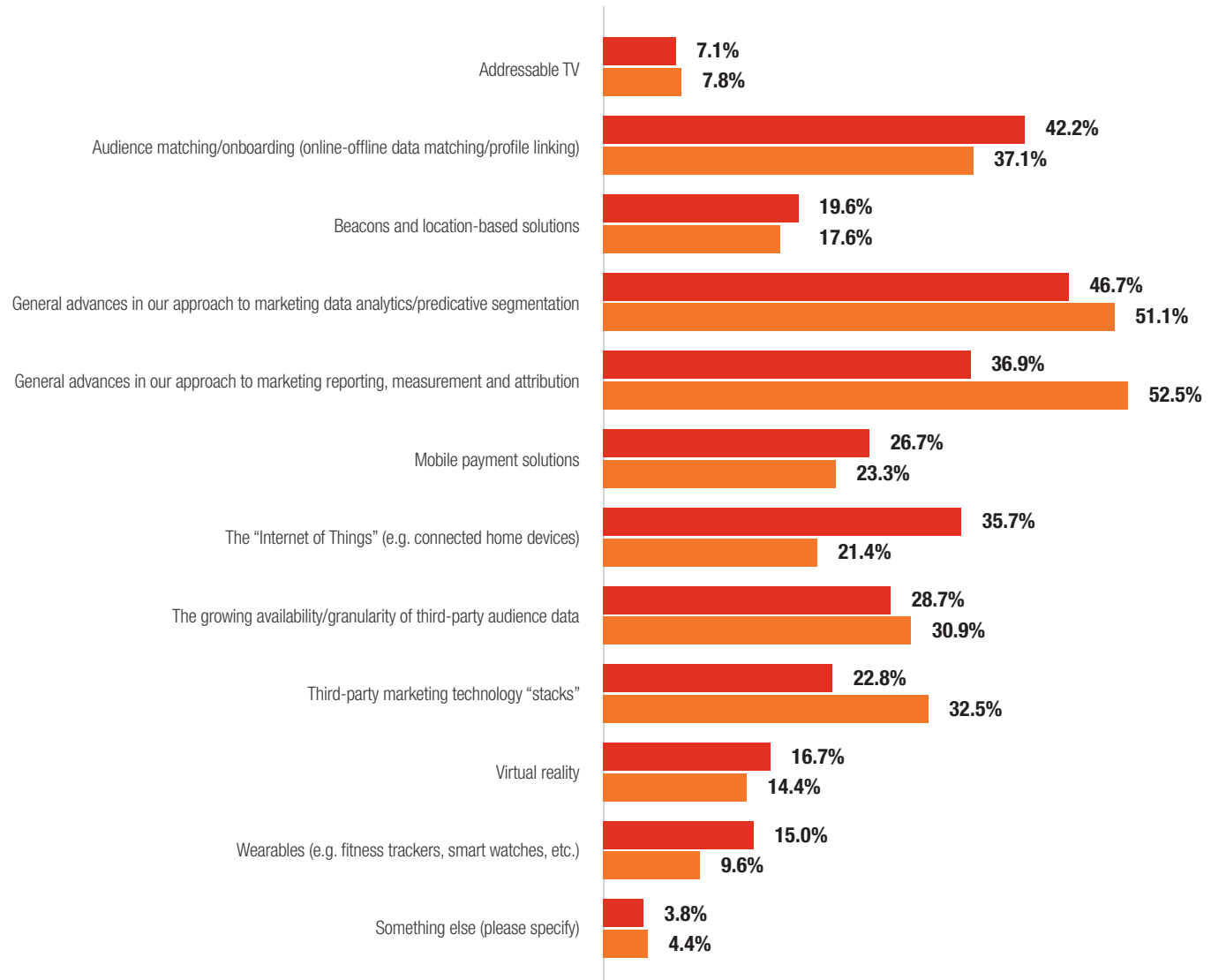
● 2016 Global Index



GREATEST POTENTIAL

Which of the following marketing channels, industry trends and/or other developments do you believe offers the most potential to advance the practice and contributions of DDMA in the years ahead?
Which has your organization (or your clients) evaluated or initiated in support of improved DDMA efforts?*

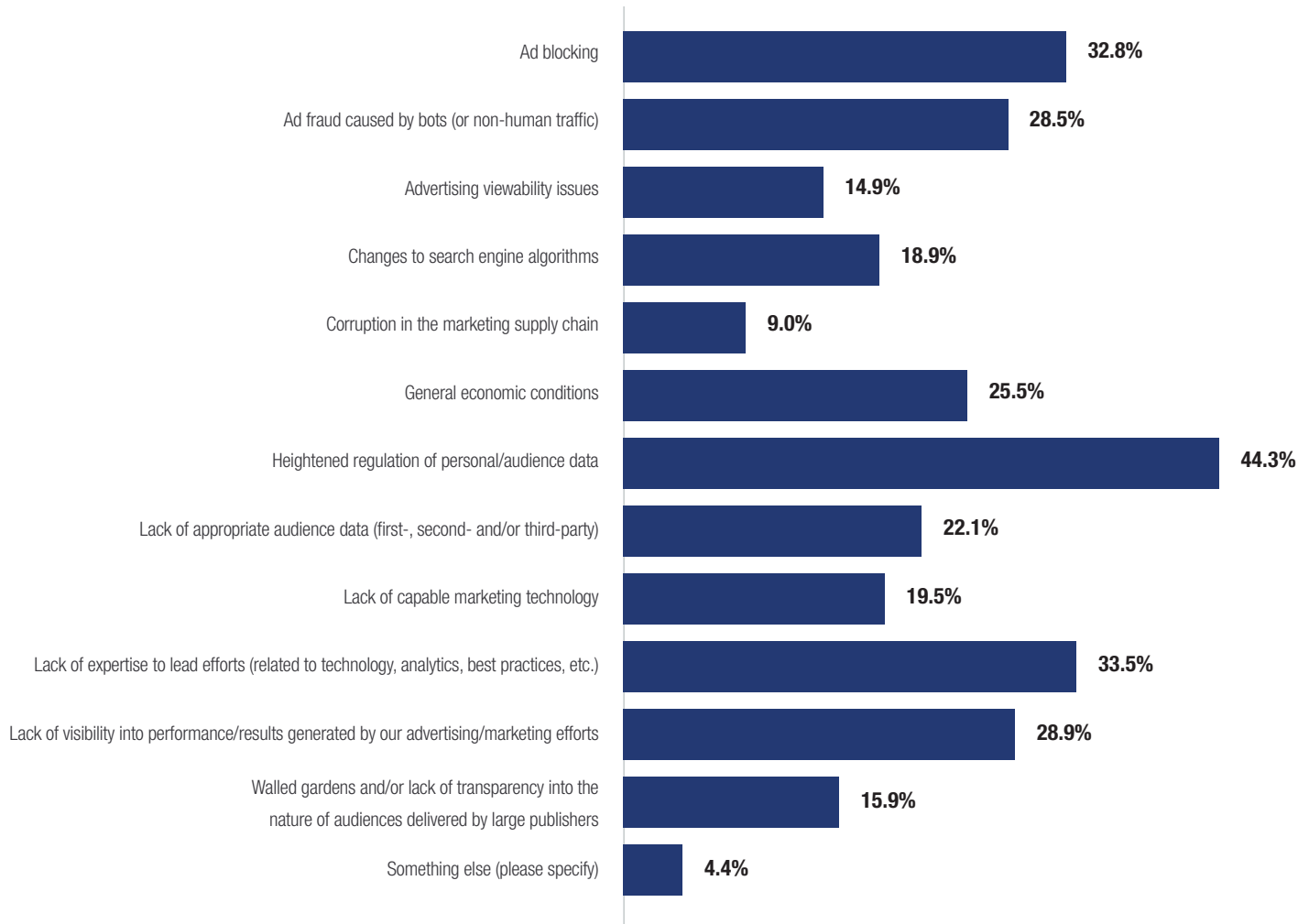
● Potential ● Initiated



*Respondents were asked to select up to three options.

GREATEST HINDRANCES

Which of the following do you believe represent the greatest hindrance or threat to the practice of DDMA in your market?*



*Respondents were asked to select up to three options.

Presented by



GDMA is an organisation that represents, supports and unites marketing associations from around the globe that focus on data-driven marketing. It promotes worldwide initiatives aimed at providing marketers with global trend information, thought leadership and know-how on data-driven marketing across all sectors, disciplines and channels.

Twenty-seven marketing associations are currently part of GDMA and more countries will join as their marketing associations begin to undertake the data-driven marketing remit. Collectively, they represent a significant proportion of the world's major brands, corporations, suppliers and agencies. Through its members' associations, GDMA provides access to the world's largest network of data-driven marketing organisations and influencers.

FOR MORE INFORMATION, PLEASE VISIT WWW.GLOBALDMA.COM



Winterberry Group is a unique management consultancy that supports the growth of advertising, marketing, media, information and technology organizations—helping clients create custom strategies, capitalize on emerging opportunities and grow their value.

Our services include:

CORPORATE STRATEGY: The Opportunity Mapping strategic development process is geared to support agencies, marketing service providers, technology developers and other firms in their efforts to prioritize addressable pathways to growth and sort through complicated “buy-versus-build” decisions—as informed by a synthesis of market insights and intensive internal analysis.

MARKET INTELLIGENCE: Our comprehensive research on industry trends, vertical markets and evolving value chains provides in-depth analysis of key demand drivers, market developments and potential opportunities.

MARKETING AND DATA TRANSFORMATION: Our process mapping, marketplace benchmarking, holistic system engineering, use case analysis and vendor selection/ RFP management offerings are grounded in deep industry insights and “real-world” understandings—with a focus on helping marketers and media companies better leverage their core assets and respond to growing demands for transformation driven by the emergence of data, digital media and marketing technology.

TRANSACTIONAL DILIGENCE: Both financial and strategic investors turn to us to provide strategic and operational diligence in support of their potential acquisitions in

the advertising, marketing and media industries; our target assessment and industry landscape research provide insight into trends, forecasts and comparative transaction data needed for reliable financial model inputs, laying the right foundation for value-focused ownership.

Additionally, Winterberry Group is differentiated through its affiliation with Petsky Prunier LLC, the leading investment bank serving the technology, media, marketing, e-commerce and healthcare industries. Together, the two firms provide one of the largest and most experienced sources of strategic and transactional services in their addressable markets.

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MediaMath is a global technology company that's leading the movement to revolutionize traditional marketing and drive transformative results for marketers through its TerminalOne Marketing Operating System™. A pioneer in the industry for introducing the first Demand-Side Platform (DSP) with the company's founding in 2007, MediaMath is the only company of its kind to empower marketers with an extensible, open platform to unleash the power of goal-based marketing at scale, transparently across the enterprise. TerminalOne activates data, automates execution, and optimizes interactions across all addressable media, delivering superior performance, transparency, and control to all marketers and better, more individualized experiences for consumers. MediaMath has delivered triple-digit year-over-year growth since inception. It has a seasoned management team leading 17 global locations across five continents. Key clients include every major agency holding company, operating agency, and top brands across verticals.

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