

/// CMO Outlook

Report

Data, Decisions, and Optimism:
How CMOs are driving change in
an evolving world

03



Unlocking real-time insights boosts marketers' value to the organization

Marketers need to learn to analyze and interpret real-time data to detect emerging strategic opportunities (and threats) – and act on them promptly.

“In recent years, market disruptions have shown us just how quickly buyer behavior can pivot, highlighting the need for real-time predictive data. The businesses that thrive in this environment will be those that can anticipate what’s coming next,” predicts Garcia Villanueva. “We have only just begun to unlock the power of data for organizations. It’s not enough to know what consumer behavior looked like last month. The real game-changer lies in knowing where it’s heading next.”

Insights from prescriptive analytics can drive myriad benefits: customer-centricity becomes automated and personalization; campaign and product launch tactics can be tailored to increasingly detailed buyer profiles; scenario planning simulations help optimize pricing; and sophisticated forecasts align marketing with inventory and sales data.

Such activity will progress marketers from sharing descriptive takeaways to providing the prescriptive ‘so what?’ that shapes future planning. Rationalizing data across market share, what products are selling best and why, and the feedback from consumers will help marketers increase their contribution to revenue growth and inform broader, cross-functional strategies.

“Data and analytics are no longer about maintaining professional silos or gatekeeping. All types of marketers are gaining a core foundation in data, while consideration of data is becoming a key element in the creative process,” says Liz Caselli-Michael, global head of content and digital for the Nestlé corporate brand. “We’ve happily moved away from both extremes: data dictating every decision with no context or an egocentrism that we marketers know best, regardless of the data.”

Barriers to success

Unlocking real-time insights from data is a must but many senior marketers seem hesitant to do so. Our research suggests multiple reasons for this. Regulatory risk is one and caution is to

be expected as marketers learn to navigate the fast-evolving tech landscape. Beyond this, 33% of senior marketers report problems connecting data across disparate internal sources, while 29% are facing resistance to a change of approach inside their organizations.

These are significant challenges, but they aren't impossible to solve. The key to surmounting them lies in putting data front and center in the organization – and making it as easy as possible to understand.

"Analytics need to show data and insights in a visually compelling way that makes it easy for decision-makers to slice and dice it however they want to," says Garcia Villaneuva. "It's a by-product of the faster world that we live in and one that requires CMOs to build a healthy understanding with their CTO or CIO if they are looking to build a long-term, data driven competitive edge."

Making insights accessible and consumable can show business leaders the power of prescriptive analytics and persuade them to push through the necessary change programs. Marketing leaders who can secure C-suite support this way, especially from technology leaders, will help their firms to not only embrace data-driven insights but to act on them at pace.

"In a volatile market with increased competition, data is only as valuable as what you do with it – and what you do fast," Garcia Villaneuva stresses. "We can access huge amounts of data in real time. The next challenge is creating real-time insights from it. This is where a CMO's combination of intuition, experience, and creativity is essential."

Organizational data will remain meaningless to marketers unless they can surmount the implementation barriers they face. They may need to be patient, because such projects can be time-consuming, especially where legacy systems are embedded, and talent gaps exist.

Identifying and accessing talent is another key hurdle marketers must overcome. As businesses build their analytics capabilities, they will need to think about what their overarching marketing mix looks like in terms of innovative channels and technology, and the skills that this will require.

This means more than simply hiring new talent, especially in nascent areas like real-time analytics. It is important to identify the comfort of existing talent with the tools and technology required by the business going forward. While younger marketers may find such a transition easier to embrace, those in slightly older age groups may require a portfolio of training to ensure they are not left behind and can continue to add value.

Percentage of marketers gathering actionable insights from real-time analytics

38%

"My firm has grown in the past three years"

34%

"I am optimistic about the next three years"

39%

"Marketers scoring highly in GfK's Outlook Index"

Aiming for positive insights

Our research indicates a general sense of optimism among those marketers who are already applying real-time and prescriptive insights. But the scale of the gap between the haves and have-nots is stark. Only 26% of marketing decision-makers receive actionable insights in real time. In firms with annual revenues of less than \$500m, the figure falls to 20%.

But the situation is changing. The barriers to success are clear and the strategic value of data-driven marketing is apparent. For 44% of marketing leaders, “extracting relevant data signals from across channels” is now deemed a high priority over the next year.

Prescriptive analytics will help marketing leaders to assimilate disparate marketing, performance, and consumer data into actionable information for decision-makers. Doing so will boost their strategic influence and credibility, and empower them to wield more authority in the boardroom

Actions for marketers

1. Hire and train the right people to analyze the data.

Build pools of analytics-related talent (e.g. data scientists and analysts) to augment the marketing function. This may necessitate recruiting at events, working with universities to influence the next generation of talent, or upskilling incumbent employees.

2. Focus on high-quality data collection.

Prescriptive analysis requires comprehensive, accurate data. Marketers must ensure that they use reliable sources and robust collection methods. Data should be cleansed and validated. Supplement this with external data such as information about market trends, competitor performance, and the wider economy.

3. Invest in advanced analytics.

This includes machine learning algorithms, optimization models, and simulation software. These tools can handle complex data sets and deliver sophisticated insights for decision-makers.

4. Implement cross-functional collaboration.

Support cooperation between data analysts, the marketing function, and business leaders. Cross-functional teams can remove data silos, ensuring the integration of diverse sources for more insightful analysis and a broader perspective.

5. Seek feedback to inform ongoing refinements.

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6. Test recommendations and monitor outcomes.

Before implementing prescriptive recommendations on a large scale, conduct tests to validate the likely effectiveness of proposed strategies. This minimizes risk and verifies that recommendations are sound. Then implement a system to monitor the outcomes of all decisions based on prescriptive analysis. This feedback loop will help to refine future analyses and improve decision-making.

Exploring the boardroom metrics that matter

Our research shows that, compared with other marketing stakeholders, CMOs more often feel that they have access to real-time insights.

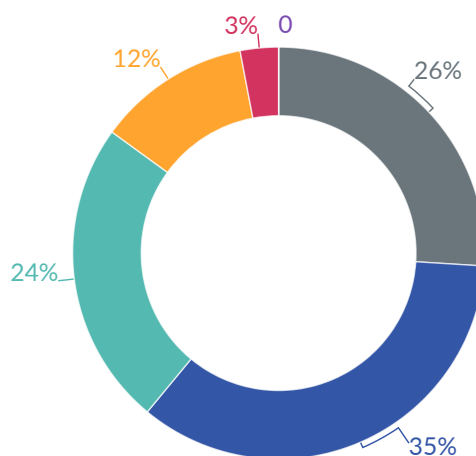
This is a clear advantage, as Gonzalo Garcia Villanueva explains: “Real-time insight, not just data, has never been more important. Knowing immediately what’s working and what’s not allows you to focus your investments and win in a volatile and competitive marketplace. And, when you can prove that what you’re doing is working, you open more valuable conversations in the C-suite.”

When taking such insights into the boardroom, marketers should focus on those that clearly link to commercial objectives. This means ensuring that prescriptive analysis is aligned with their company’s strategic goals and key performance indicators. The C-suite will prize actionable insights that help to achieve specific business objectives. These include reducing customer acquisition costs, boosting sales conversion rates, and improving production efficiency.

A price elasticity analysis, for instance, can help decision-makers to understand the effects of changing a product’s price, especially during a promotional event. Real-time data on sales forecasts, conversion rates, and campaign performance can help the board understand the effectiveness of sales and marketing initiatives. Board members also need to understand market dynamics and how the company compares against the competition. Real-time market insights can help identify emerging trends, such as changes in consumer behavior, as well as potential threats to the company’s position.

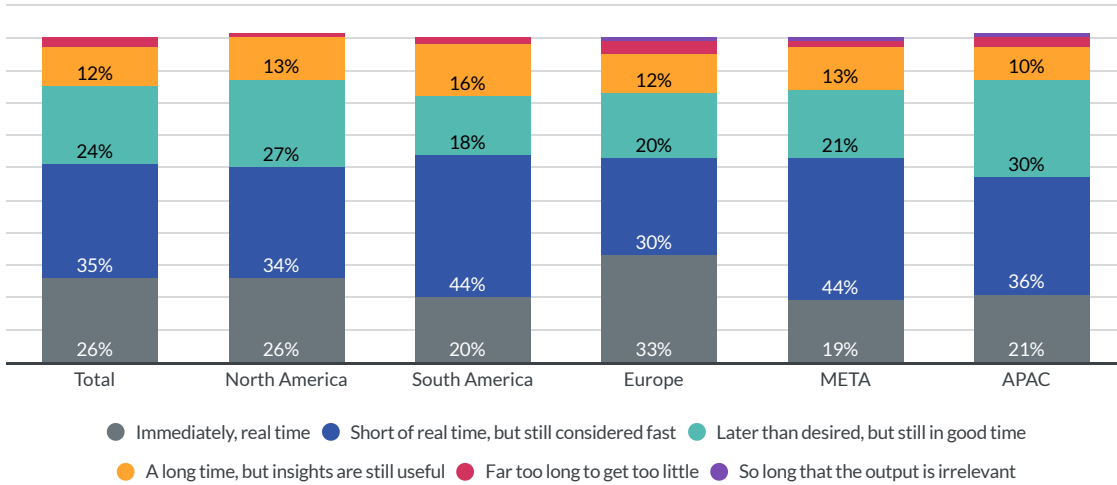
Lastly, real-time data on buyers’ reviews and feedback offers valuable insights into the quality of a company’s offerings. Insights into customer satisfaction levels will help the board to gauge how well the company is meeting its target market’s needs – and take urgent remedial action if the indications are poor.

Time it takes to move from gathering data to delivering actionable insights

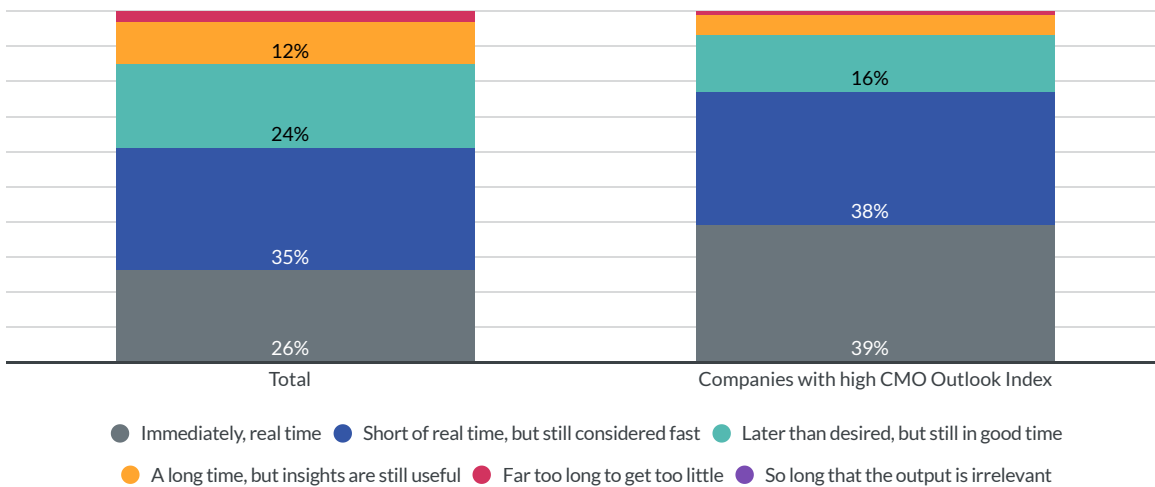


- Immediately, real time
- Short of real time, but still considered fast
- Later than desired, but still in good time
- A long time, but insights are still useful
- Far too long to get too little
- So long that the output is irrelevant

Time it takes to move from gathering data to delivering actionable insights (by region)



Time it takes to move from gathering data to delivering actionable insights (by companies with high CMO Outlook Index)



Barriers to realizing the full potential of data and insights (by annual revenue)

	Less than \$500m	\$500m-\$1bn	Greater than \$1bn
Difficulty connecting data together across different sources	29%	32%	36%
Insufficient tools / technology	27%	33%	29%
Resistance to change in the company	31%	28%	27%
Regulatory / privacy barriers	25%	29%	31%
Lack of resources	36%	24%	28%
Lack of talent to move from data to insights	29%	26%	29%
Lack of investment budget	33%	27%	24%
Missing critical data	24%	24%	28%
Value of data not recognized in the company	25%	22%	22%

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