



ORACLE
MARKETING
CLOUD

WHAT'S YOUR EARLIEST MEMORY OF DIGITAL MARKETING?

Silicon Freud 2015

The Digital Marketing Maturity Index 2015

The Great Digital Divide

OVERVIEW

Only six percent of the world's B2B marketers can claim Digital Mastery

The Digital Marketing Maturity Index (DMMI) is the first global study of its kind. Conducted by Stein IAS and Oracle Marketing Cloud, DMMI gives B2B marketing leaders an empirical benchmark to compare their digital marketing capabilities with peer enterprises.

Based on near 300 responses from mid-size to large B2B brands, this inaugural DMMI indicates that the digital marketing bar has not yet been set overly high. In fact, just six per cent of the sample can be considered highly mature modern marketers. In turn, the vast majority are only at a very embryonic stage of their journeys to digital marketing maturity, let alone Digital Mastery.

What follows is a comprehensive look at where the greatest digital divides exist and how marketers can close the gaps in order to deliver a more sophisticated, connected, personalized and effective buyer experience from top to middle to bottom of sales funnel.

DMMI was designed to determine the relative stages of digital marketing maturity, which the findings indicate can be clustered into three categories:

Digital Master Customer-centric, early adopter of best of breed technologies and marketing practices

Digital Pragmatist Customer-orientated, mass adopter of mature technology channels and tactics

Digital Explorer Brand-centric, relatively slow adopter of digital tools and techniques

DMMI DATA AND DEFINITIONS

DMMI reflects industry best practices with regard to control and influence of the buyer journey.

The four tenets of modern marketing, referred to throughout, encapsulate an effective strategy for each stage of the timeline. Together these form the strategic platform underpinning campaign success.

The marketing technology stack (typically comprising the web site, CRM software, marketing automation, data platforms and analytics and content apps) is the toolkit to power the ultimate “connected experience”.

As the model below shows, integrating all of these elements is the definition of Digital Mastery and the key to gaining greater value from technology enabled B2B marketing.

MARKETING MATURITY

CLIENT JOURNEY



	Reach and Attract	Engage and Inspire	Nurture and Convert	Analyze and Optimize	
Level 3 Digital Master	1:1 Targeting	Right time, message and channel	Funnel mastery	Integrated Marketing Cloud	Technology enabled
	Channels mapped against buyer journey	Dynamic buyer journey content	Retargeting across all channels	Closed loop reporting and RPM	Digital strategy
Level 2 Digital Pragmatist	Behavioral profiling	Continuous conversation	Funnel alignment	Marketing automation	Technology enabled
	Use of paid, owned and earned media	Channels fully integrated with Web properties	Content mapped against buyer journey	Marketing dashboards	Digital strategy
Level 1 Digital Explorer	1:1 Demographic profiling	Dynamic personalized content	Lead qualification	Marketing technology	Technology enabled
	Online and offline channels integrated	User journey integration	Conversion optimized web site	Basic metrics and reporting	Digital strategy
Marketing Cloud Technology					



**IN ORDER TO GROW
AS A DIGITAL
MARKETER, LOOK
OUTWARDS AS WELL
AS INWARDS**

Silicon Freud 2015

TOP LEVEL FINDINGS:



Only 6% of B2B marketers can claim Digital Master status while over a third are still at the Explorer stage – taking a relatively basic digital marketing approach. The majority of DMMI respondents are achieving Digital Pragmatist standards overall – but in many areas are still operating at the Digital Explorer level



Looking at the global picture, the US is slightly ahead of the curve but not significantly so. EMEA is weakest in three out of the four areas (all except Engage & Inspire) held back by its comparably slow adoption of technology. APAC's thirst for technology is seeing it gather speed



All regions rated their resources (supporting tools, technologies and people) most highly but this isn't reflected in the wider responses. Particular weaknesses are exposed in web optimization and lead scoring / routing, pointing to personalization as an area for improvement



Marketers' mastery is greatest at the Reach & Attract stage with a benchmark of 40% globally and 80% for the US based on average scores. Engage & Inspire and Nurture & Convert are the worst performing categories, held back by content challenges and a disconnected customer journey



Just over a **1/3** are using analytics from both inbound and outbound channels

Reach & Attract

How firms segment and target campaigns

- Almost a third of brands are still very much tied to physical or desktop-based assets such as brochures, newsletters and events
- 54% of marketers are using a mix of web, mobile and social channels alongside traditional media

An over-reliance on traditional mediums is at odds with the fact that over half of the sample said they are using a mix of web, mobile and social channels alongside traditional media as part of an integrated contact strategy. But because a third (as highlighted above) only uses non-digital platforms, this limits these organizations' reach and ability to perform robust campaign tracking.

Encouragingly, however, half of the participants are shown to be Digital Masters at database management and acquisition strategies. The majority (just over a third) are using analytics from both inbound and outbound

channels to improve database profiling, which is a sure sign of digital maturity. Here APAC is taking the lead with 35% professing to using data insights in this more intelligent way. Even more encouraging is that globally 16% have already reached the holy grail of updating records in real-time by tracking prospects online and offline behavior. And only a third score as Digital Explorers relying on basic data segmentation techniques to enhance targeting.

Overall, with a benchmark of 40% (and the US an impressive 80%), the Digital Marketing Maturity survey shows that the industry is more successful at Reach & Attract strategies than any other

area, utilizing a range of channels well and leveraging advanced data profiling techniques. Content personalization has a way to go, but as more organizations scale up (technology and expertise), organizations will be able to better manage the volume, velocity and customization needs that a global content machine demands.

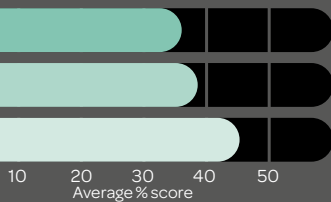
Digital Masterclass:

Think in real-time. Implement technologies to give the customer what they want and when they want it. That means tracking online and offline behaviors to tailor content formats and multi-channel spend and activity.

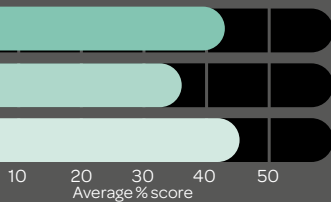
The graphs show the average score as a % of the total for each discipline, within each of the four marketing tenets.

- Data & profiling
- Channel marketing
- Content assets

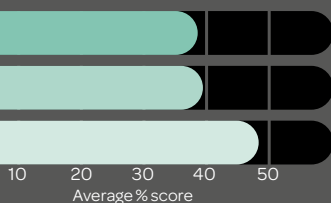
Global



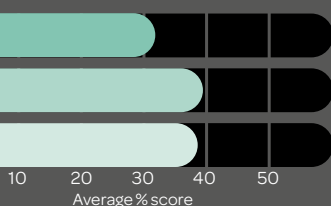
APAC



Americas



EMEA



37% admit to simply pushing out generic, market-wide content at semi-regular intervals

Engage & Inspire

How businesses collect data and interact with leads

- More than half of firms build their web sites around a sector, user goal or job function based architecture
- But only one in 10 maps their content to the buyer timeline

From a web perspective, the trends are a huge eye opener. Only a third structure web platforms according to an old-world, basic product or solution-focused architecture. And more than half are now building their sites around a sector, user goal or job function flow. This shows that the industry is beginning to think about the user journey more carefully and is a strong indicator that brands are becoming more customer-centric through the avenue of web optimization.

But while this approach is helpful from a navigational point of view, it delivers a somewhat limited digital experience for users that have been nurtured to the site via more personalized communications.

In fact, only one in 10 maps their content to the buyer timeline, using integrated dynamic features to further cement any previous exposure to campaign content.

This weakness in web optimization may underline why organizations are having limited success with their engagement strategies and campaigns. As per the previous section, content is also a major area of underperformance or immaturity. More than a third (37%) admit to simply pushing out generic, market-wide content at semi-regular intervals.

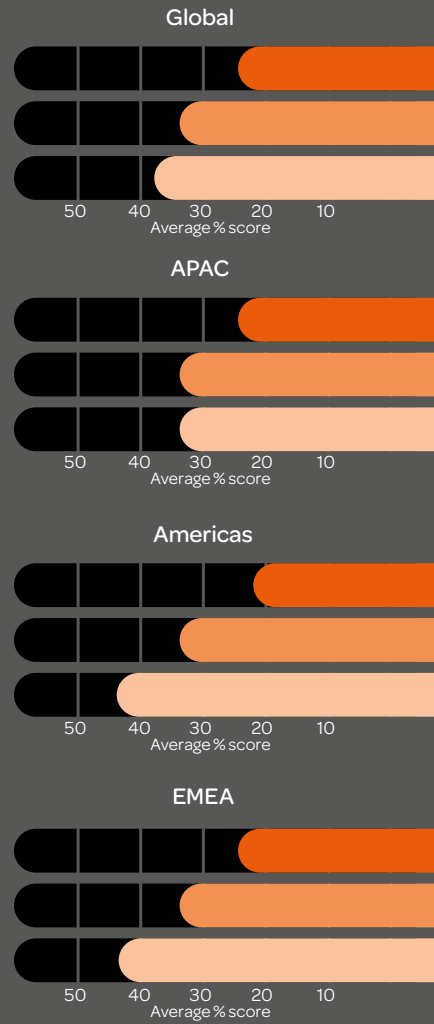
In B2B marketing, customer and prospect engagement demands that you have the web platforms and content set up in such a

way that your brand remains relevant as they progress along the purchasing journey. It's no use having great awareness and conversion content if you don't join the two together. Inevitably, prospects will drop out of the funnel and valuable time and money is wasted before you even know who they really are and certainly before they've got any closer to knowing the brand.

Digital Masterclass: It's all about the customer journey. Get up close and personal by integrating web platforms and delivering dynamic content that is buyer persona and timeline segmented.

The graphs show the average score as a % of the total for each discipline, within each of the four marketing tenets.

- Web optimization
- Content generation
- Hosting & tracking



69% of organizations are making no attempt to lead score



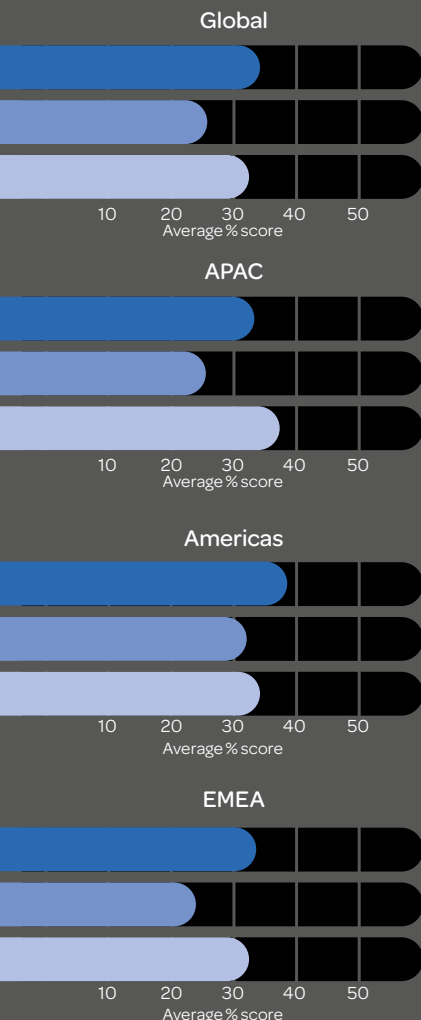
Nurture & Convert

How companies qualify prospects and integrate with sales

- Over a third operate with a system of open / no click emails; while more than a quarter only communicate when they have a campaign running
- The digital divide is widening between the 69% of organizations that make no attempt to score leads and the Digital Masters analyzing the web behavior of prospects (24%) and already tapping into predictive analytics territory (7%)

The graphs show the average score as a % of the total for each discipline, within each of the four marketing tenets.

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- Content assets



Technology has now advanced to a level where marketing / sales integration is much easier, faster and intuitive. Or, to put it another way, automated.

Our study shows that while the tools have reached a high level of maturity in terms of capability – the market itself is still some way behind the curve. Looking at the results, 36% merely operate with a system of open / no click emails, while more than a quarter (28%) only communicate when they have a campaign running. This intermittent or non-existent lead nurturing activity means that brands have a limited ability to influence or accelerate the purchasing process.

In terms of qualifying leads, the majority - well over a third (37%)

- still let sales 'own' the funnel relying on phone or face-to-face communication to validate prospects. Nearly the same again (32%) use lead capture forms and basic metrics to qualify marketing leads without the assistance of sales. This means, that 69% of organizations are making no attempt to lead score and two thirds are relying on outdated, subjective and superficial processes as a means to measure success.

While these old school tactics may be stalling some organizations there is still a healthy proportion of Digital Masters (24%) using lead scoring models based on the web behavior of prospects, with seven per cent at the pinnacle of digital excellence already exploiting predictive analytics.

Likewise, a significant proportion of the organizations surveyed – one in five – do deploy personalized display advertising to re-target prospects. And 16% use automated email triggers mapped against the buyer timeline to leverage real-time marketing in action and enrich the customer experience.

Digital Masterclass:

Leverage technology to get to know the customer via all their interactions and from a single view. Automate multi-channel nurture campaigns mapped against the buyer journey but unleash the power of predictive analytics to really get ahead of the curve and understand your prospects' intent to purchase.



Analyze & Optimize

How brands deploy campaigns and quantify success

- Only a small percentage (14%) are embracing the full suite of marketing cloud technologies
- Just over a quarter still rely on manual processes to distribute outbound campaigns

Brands understandably favor their internal resource over outsourced support (37%). Most firms have specialists in place for some but not all marketing disciplines. The reasons for this are apparent when we look at the sophistication of technologies currently being deployed and the associated skills that are required. Nearly half (43%) have only adopted basic campaign automation platforms, while just over a quarter rely on manual processes to distribute campaigns. Only 14% have their own marketing cloud or use cloud based apps to connect data and systems together. That's despite the fact that these tools have

rapidly matured over a number of years and are now more commercially accessible to most.

On one level, it's pleasing that the majority are adopting marketing automation technologies (albeit with limited functionality) and developing specialisms within the marketing function. On the other hand, there's still a long way to go to reach true customer intimacy. It suggests that things are moving in the right direction, but at a conservative pace that is well behind the actual maturity of these digital platforms and techniques.

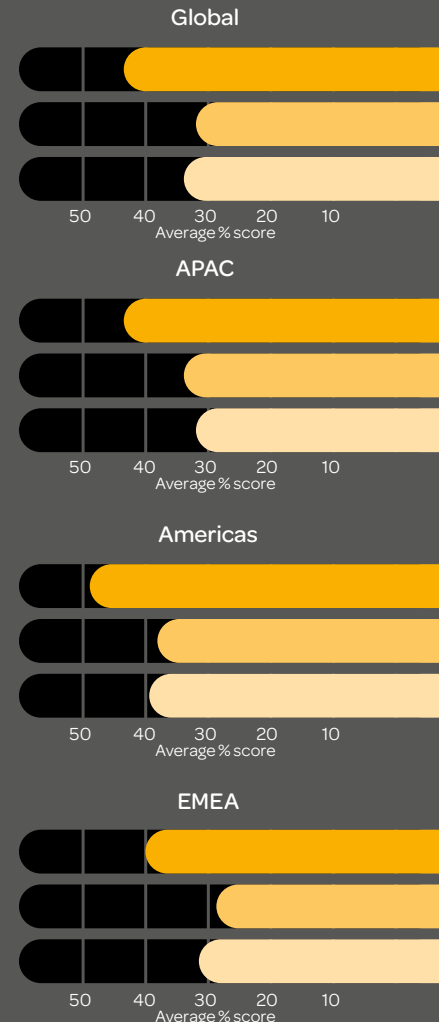
Digital Masterclass:

Facilitate a slicker interplay of channels, content, data, technology and apps with The Marketing Cloud. Avoid over-engineered, under-used solutions by entrusting an expert with the time, resource and skill to maximize the potential of your technology stack. Marketing technology is a project, not a product.

14% have their own marketing cloud or use cloud based apps

The graphs show the average score as a % of the total for each discipline, within each of the four marketing tenets.

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CONCLUSION

We've still a way to go to reach digital marketing maturity

Perhaps the biggest reveal of DMMI 2015 is the lack of coherence between web optimization and campaign automation strategies.

With a global benchmark of 40% achieved for Reach & Attract strategies (The Americas scoring 80%) and nearly a fifth of respondents sitting pretty in the Digital Masters camp, customer acquisition is clearly the overriding focus – and not surprisingly for firms looking to grow demand generation.

What is surprising, however, is that many organizations (89%) simply do not have an effective web strategy to support best practice. With the majority continuing to build navigation around an outdated product / solution architecture, or similar approach, few are attempting to reflect critical stages of the buyer journey or integrate and personalize content well. On the other hand, most are benefitting from marketing automation tools to trigger highly relevant communication to their prospects, depending on where they are in the buying cycle. And the

few (14%) that are already realizing the potential of The Marketing Cloud are benefitting from greater alignment between sales and marketing and moreover the on-demand insights to help improve sales prioritization and conversion.

But the reality is that many are not set up to really harness the benefits of The Marketing Cloud because of a lack of commitment to delivering a connected customer journey. We're channeling huge (and expensive) efforts into producing engaging content and timely distribution but overlooking the one landing zone that all roads lead to – the epicenter of the customer's digital experience. This is because the web site is often the poison chalice in organizations. Usually 'owned' by Brand and IT departments in larger set-ups, it tends to be managed separately from those leading marketing automation campaigns.

The result is a disjointed digital experience that doesn't reflect the segmentation employed in the

marketing strategy. So, as prospects progress from awareness to mid-funnel and we, in turn, learn more about them, the irony is that we're serving up highly personalized content – only to drive them to a generic online space that could push them out of the sales funnel.

B2B marketers need to take heed. Automation is the engine room of The Marketing Cloud; the web site remains the engine room of your brand and demand experience. The research tells us that there's currently a massive disconnect between the two and it's time we took charge of the great digital divide that could otherwise be the downfall of the modern marketing machine.

Digital Masterclass:

Understanding and delivering against the four marketing tenets with integration of The Marketing Cloud to deploy the connected customer journey that buyers crave is the key to bridging the gap between marketing, sales and, ultimately, the customer experience.

89% simply do not have an effective web strategy to support best practice

Striving for Digital Master status?

Visit the DMMI web site at: DMMI.steinias.com to evaluate your own digital marketing maturity against your global peers and get one step closer to achieving the holy grail of marketing communications: Digital Mastery.

Methodology

How the DMMI benchmark has been set:

By persuading 287 CMOs (or senior executives in similar roles) to participate in a quantitative study

Spanning 40 countries (and all continents: categorized as EMEA; The Americas and APAC) the research gives a truly global picture of digital performance

Conducted by B2B marketing agency Stein IAS, in partnership with technology giant Oracle Marketing Cloud in 2014 / 15, the results are an "of the moment" reveal of the digital reality in a techno-hyped world

Covering topics concerning data and profiling; channels, devices and media; consumption mediums and asset types; web optimization and social strategies; content generation; hosting and tracking; lead scoring; routing and nurturing; sales enablement; and tools and resources to help analyze and optimize, the questionnaire explores proficiency across the complete marketing technology stack

Average scores were used to calculate the benchmark (by region and globally) to ascertain to what extent marketers are exploiting the tools available to them, to deliver digital excellence



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