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DATA ENLIGHTENMENT

Refocus:
An Independent Assessment of Data Capability

A study on the ability of companies to deliver superior customer outcomes through data

January 2024

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Last year, we started to conduct an independent survey into the data capabilities of well-known companies across all sectors.

So far, we've spoken with dozens of companies to assess their performance across 6 key data essentials, to find out who was most in control of their data and who had work to do.

The results revealed the one common factor shared by all companies that were leading the way in data capability.

Read on to find out what it was...
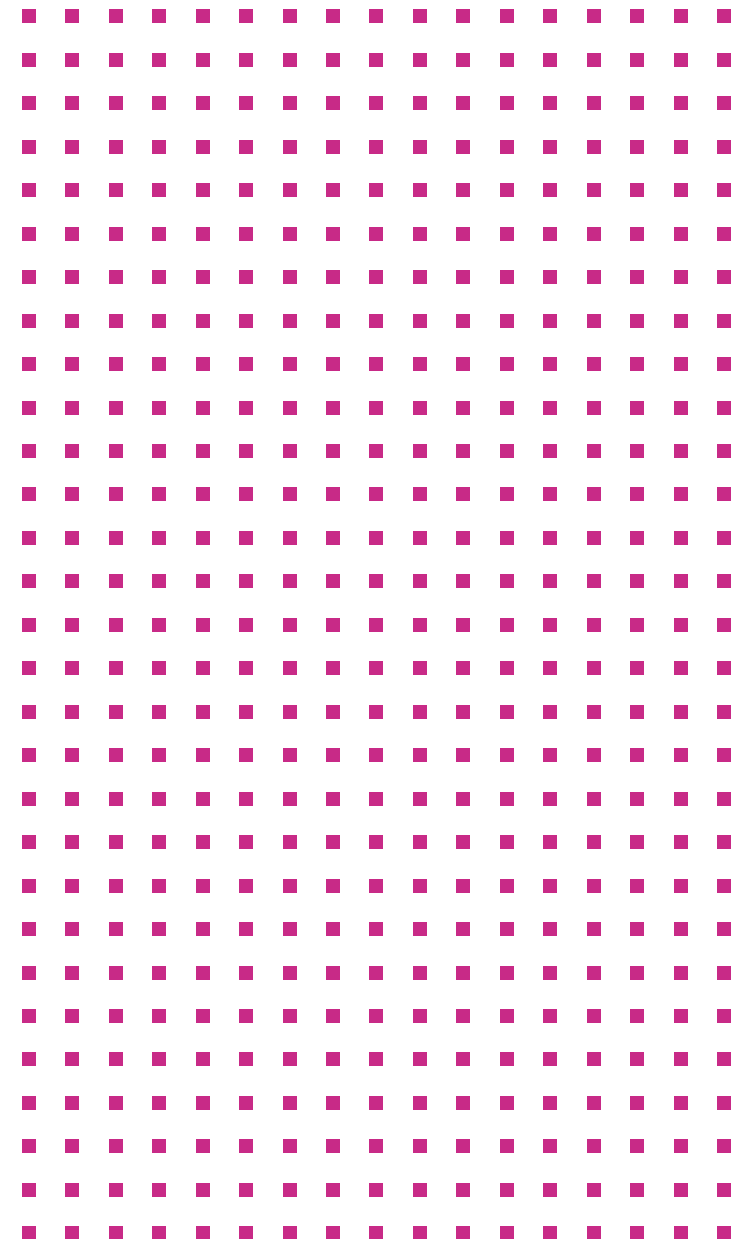
The 6 key data essentials

Joined up data
Can you see everything in one place - or is data held across the business?

Actionable insights
Does your data reveal insights that you can actually use to drive sales?

Customer value
Who's joining, who's leaving and how is their value changing over time?

Marketing comms effectiveness
Do you have a clear and measurable comms strategy aligned to customer value?

Real time engagement
Are you delivering personalised messages to every customer, at just the right time?

Marketing performance
Do you know what drives every individual sale?

These are the key areas of success that will determine a business' overall performance and ability to maximise their data.

The higher the score, the better you'll perform against your competitors. And where a score is low, it gives you a clear indication of where you need to focus your efforts.

That's why we called this project **Refocus**.

Every respondent received their own personalised Refocus report, showing how they compared to their peers.

Our research continues as more and more companies join the study, but we're now in a position to share our initial findings. And we'll also share the secret of the single most important thing you can do to maximise the effectiveness of YOUR data.
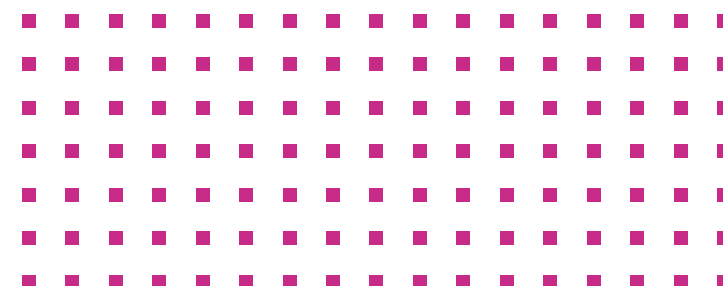
Key Essential #1:

Joined-up Data	Average score	53%

Joining up your data is key to having a strong data capability. We found many companies had data held in disparate locations across the business, meaning that they had an incomplete picture of their customers.

This was particularly true of online and offline behaviour, where there is a still a fundamental divide in many businesses.

Without a joined up view, you can't get an accurate view of customer value and any subsequent activity will be based on an incorrect assessment.

We found that companies in the Travel sector out-performed their peers by some margin. Their data was typically up to date, did a good job of linking online and offline and was readily available to those who needed it.

Financial Services didn't fare as well, which may be explained by legacy systems which are common in this area and a history of mergers and brand changes. Data may be held not just in different systems, but different physical locations and even, in isolated cases, on paper or microfiche.

Joined up data is the cornerstone for companies who are most successful in customer-driven marketing

Bar chart:
- Financial Services: 49%
- Retail: 53%
- Travel: 65%
- Other: 42%
- Grand Total: 53%

Key Essential #2:

Actionable Insights	Average score	62%

This measure revolves around whether you have enough insight to actually be able to ACT on the insights you find. How is your customer base changing? How engaged are individual customers across your channels? And what can you do about it?

Most companies scored well on this measure and results were similar across sectors. successfully using their insights to drive activity. Of course, the businesses we spoke to are more interested in maximising their data than perhaps others, so are already using it to drive activity.

But that means there's still an almost 40% gap in companies being able to act on their findings, whether through lack of resource, expertise or technology. And that's a lot of missed opportunity.

Even if you can't find the perfect solution, taking SOME action based on your insight will deliver superior results. So stop procrastinating and do something!

Companies will use data work-arounds and tenacity to find insight – but then struggle to act on it

Bar chart:
- Financial Services: 61%
- Retail: 62%
- Travel: 69%
- Other: 56%
- Grand Total: 62%

Key Essential #3:

**Customer Value**   **Average score**   **54%**

Retail came out on top on this measure.

In-store loyalty cards and online accounts help to create a complete picture of customer spend but, more importantly, high scoring businesses have a good understanding of how the value of individual customers changes over time.

This is key because it enables you to target your marketing budget much more effectively, focusing on those customers who are in danger of attriting, or those who have the potential to spend much more with you.

But even if you think you have a good grasp of customer value, beware - the last year has transformed customer behaviour and spend and your value modelling needs to adapt.

Proactive communications driven by customer value predictions generate more incremental sales

Bar chart:
- Financial Services: 56%
- Retail: 62%
- Travel: 57%
- Other: 40%
- Grand Total: 54%
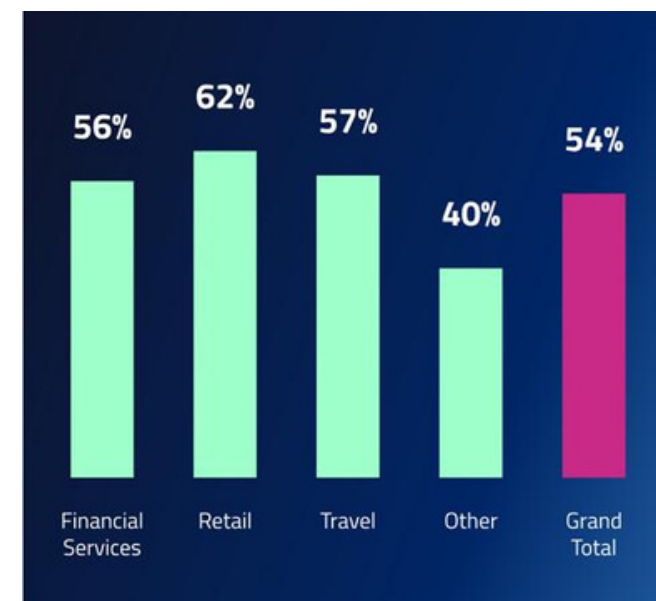
Key Essential #4:

| Marketing Comms Effectiveness | Average score | 49% |

This is where companies should be acting on opportunities identified in the insight, but scores are starting to dip here.

Marketing comms effectiveness isn't just about running successful campaigns. It's about ensuring you're steering your marketing efforts in the right direction.

Unless you've identified customer value and understand where you'll get the best return on investment, your marketing comms will inevitably have a degree of wastage as you miss the big opportunities.

Use your attribution reporting to finesse your activity and move your marketing budget into those areas with the greatest ROI.

Travel and Retail lead the pack, with other sectors scoring below the 50% mark.

Companies are still struggling to deliver automated, customer-focused communications despite IT investments – there is a lack of contact planning expertise

Bar chart — Financial Services: 47%, Retail: 53%, Travel: 56%, Other: 40%, Grand Total: 49%
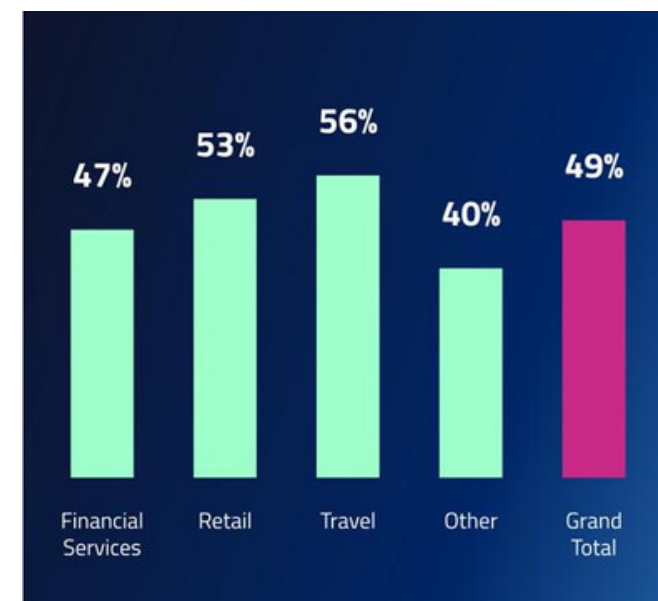
Key Essential #5:

| Real-time Engagement	Average score	29%

Overall, companies scored poorly on real time, though that's not uncommon.

It requires not just the data and the insight to determine a successful strategy, but also the technology to deliver the right message, right person, right time.

An Engagement Hub can pull together all your data, predict the next best action for each individual customers and deliver a smooth, personalised experience across all touchpoints. Our video **here** gives you a taste of what's possible.

Real time is a game-changer in terms of marketing effectiveness. It not only delivers highly targeted messages, but automates your activity, saving time resources and budget.

This is an area for gaining a competitive advantage and it needn't cost an arm and a leg
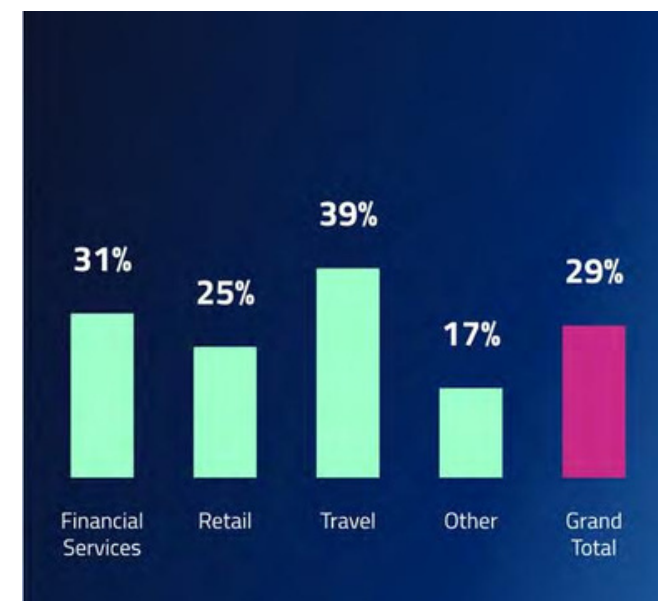
Key Essential #6:

| Marketing Performace	Average score	37%

The final key area is whether you can accurately measure your marketing performance. Knowing what's working to create a virtuous circle that continually improves your marketing.

But most attribution models are flawed, because they either over or under-estimate or just plain ignore the contribution of a channel. Double counting is common and all channel owners want to take credit for all sales.

As a result, true understanding of marketing performance is low, though again the Travel sector appears to be doing it better than others.

For accurate attribution, you need an approach that recognises the subtleties and interdependencies of all channels – both online and offline. If you don't have that, you might want to ask some questions of your media report provider.

Budgets are tight – this is an area where company data experts need to get more involved using their first party data
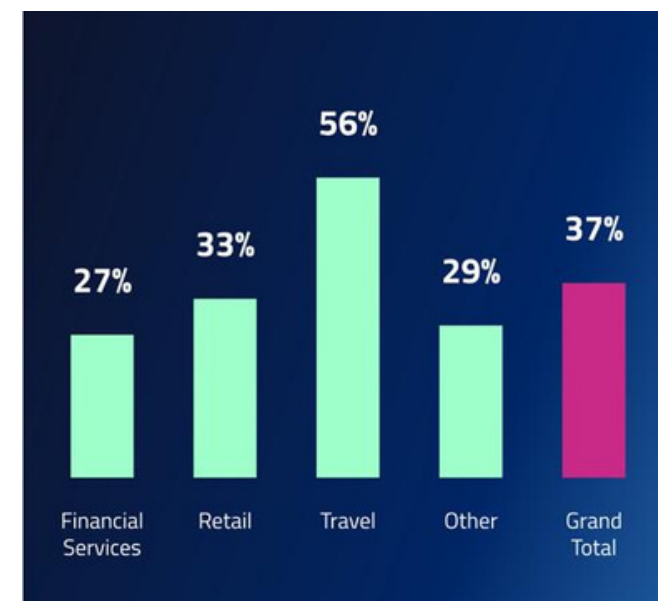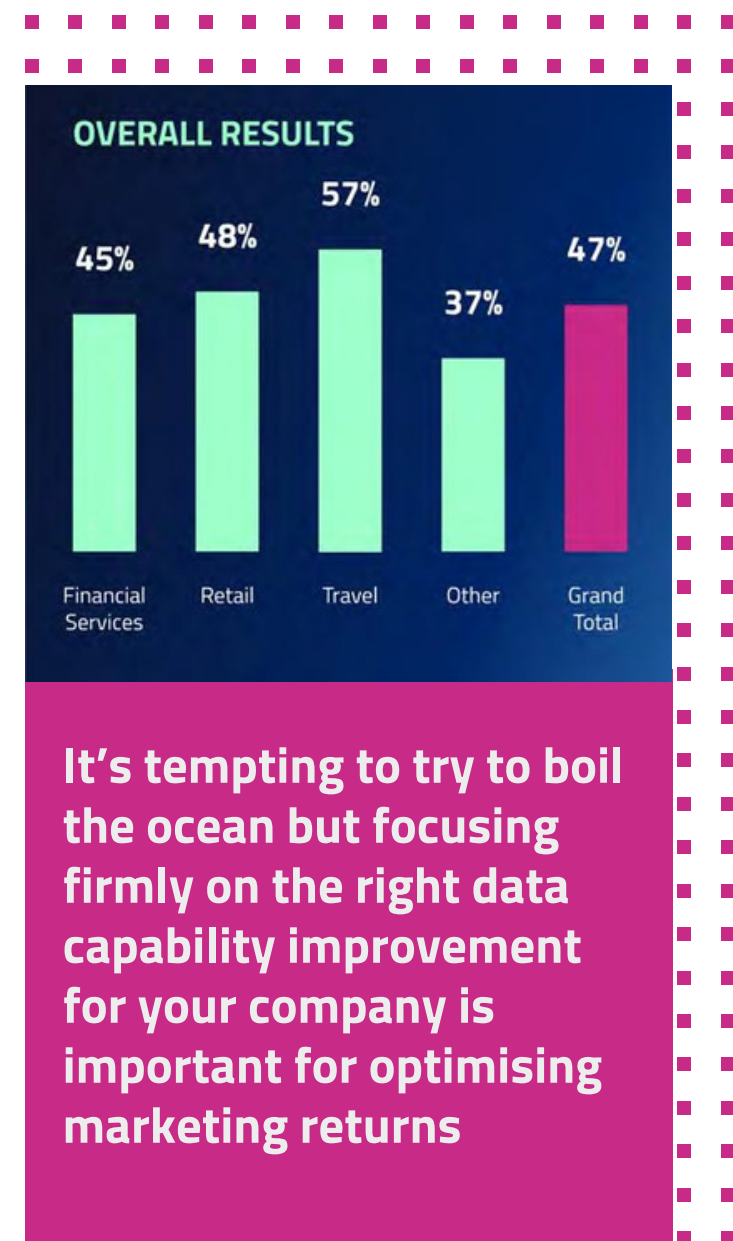
Summary

As one would expect in such research, there are significant differences between the highest and lowest scorers. Whilst everyone is trying to get the most out of their data, there are challenges across resource, expertise and technology that can make it difficult to deliver against that ambition, especially in companies who have legacy systems or have not been naturally data-oriented.

The average Data Capability score across all companies is 47%, but the headline figure hides the detail.

Travel companies appear to be using their data most effectively overall. Financial Services companies are strong on understanding customer value, but weaker on measuring their own marketing performance, whereas Retail businesses appear to be particularly weak on real-time. And of course, there are differences within each sector.

But there's one key factor that came out strongly from our research.

Having joined up data is at the heart of your data strategy. Without it, it's impossible to accurately derive customer value, new insights, deliver effective marketing or to evaluate its success. Once you have your data sorted, the rest will follow.

OVERALL RESULTS

Financial Services	Retail	Travel	Other	Grand Total
45%	48%	57%	37%	47%

It's tempting to try to boil the ocean but focusing firmly on the right data capability improvement for your company is important for optimising marketing returns

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Let's talk...

We know that when you contact an agency, you're worried that they'll never let you go. You're going to get flooded with sales calls and emails until you just want to scream.

We promise we're not like that. We believe we have great expertise and products that can help you really drive your business forward, but we know that business decisions start with good thorough research and analysis.

So we'd love to talk to you, but we'll never pressure you. After all, like we say around here – 'Right Message, Right Person, Right Time.'

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Free assessment

If you'd like a **free assessment of your own Data Capabilities** and find out how you compare to your peers, we'd love to hear from you.

It takes just 20 minutes, we won't ask you to send us any data and all your information is kept confidential. And we guarantee you'll find the results well worth the time.

Contact us >