The Future Of Analytics

Firms Seek Advanced Tools To Improve
Customer Experiences And Marketing Outcomes

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Executive Summary

Many brands have a web and app experience, but they have yet to unify data across the customer journey to generate deeper insights, make smarter marketing decisions, improve customer experiences, and ultimately see better business outcomes. As users increase their adoption of multiple platforms, marketers struggle to use existing analytics tools to measure engagement effectively, because tool capabilities are inconsistent and provide an incomplete view of customer behavior and their cross-platform journeys. Brands are looking for a better understanding of the customer journey with modern marketing analytics tools that are cross-platform, user-first, less manual, and highly flexible. Organizations with future-looking tools will form a clearer picture of buyer needs and behavior across their journey to drive better customer experiences and retention.

In March 2020, Google commissioned Forrester Consulting to evaluate the current state of digital analytics, the challenges firms face, and the opportunities to improve use of analytics across industries. Forrester conducted an online survey with 750 marketing decision makers at firms across regions with more than 500 employees to explore this topic (see Appendix A). We found that while firms are making good strides with their analytics tools and capabilities, there is still room for improvement.

KEY FINDINGS

› **Cross-platform analytics is still not the norm, despite its value.** Less than half of firms (43%) have unified cross-platform analytics capabilities, where they are measuring customer interactions with their website and app in a single solution. One third of firms have web and mobile app analytics, but customer data is disconnected. This gap is problematic. Unified cross-platform analytics users reveal that they are more likely to have complete and accurate insights that they can use to deliver better experiences.

› **Decision makers value privacy features above other analytics platform capabilities.** The top digital analytics technology attribute that would increase respondents' willingness to consider an analytics platform upgrade is if it "can unify user behavior across platforms in a privacy-safe way." This finding suggests that decision makers take a privacy-first view as they seek to protect consumer data and preserve trust.

› **Firms use digital analytics to understand and optimize customer experiences.** Improved customer experience is the top benefit firms have realized from their digital analytics technologies. This finding holds true for cross-platform users as well; across the board, organizations are looking to leverage data to build better experiences that improve customer satisfaction and retention.

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Firms Sharpen Analytics Focus To Improve Customer Experiences

Customer expectations of brands are increasing — they want access to what they need, when and where they need it, regardless of channel or touchpoint.[1] Without robust digital data and analytics, organizations can only cater to a fuzzy picture of buyers' needs and behaviors. In surveying 750 analytics decision makers across various regions and countries, we found that in the current state:

› **Analytics is a top marketing priority.** Of the ten marketing priorities we surveyed, marketers ranked improving their use of data and analytics as a top priority over the next twelve months (see Figure 1). More than six in 10 marketers (63%) indicated that analytics was in their top five priorities. In separate research, Forrester found that improved analytics drives business results. In that, connecting customer data across formerly siloed product lines and connecting customer and behavioral data across channels can inform digital improvements that increase sales.[2]

› **Firms use digital analytics to improve customer experience and marketing efficacy.** As firms use analytics to optimize who they reach with their campaigns, the top two benefits that organizations realize from their digital analytics technologies are improved customer experience and improved marketing campaign outcomes (see Figure 2). Lower on the list are benefits which are typically associated with customer acquisition, i.e., just over one-third of organizations have increased their customer acquisition rate. This finding suggests firms leverage analytics less for earlier customer funnel activities, and more for building better experiences that improve customer satisfaction and retention.

› **Firms require advanced capabilities for evolving business needs.** Complex problems require sophisticated tools, and as brands become more data savvy, their requirements for analytics tools become more advanced. Decision makers tell us their top reasons for putting budget toward analytics tools include offerings like sophisticated user management capabilities, advanced features, and customer support (see Figure 3).

Figure 1

Top marketing priority in the next 12 months

1. Improve our use of data and analytics **(17%)**

2. Acquire more customers **(14%)**

3. Increase customer lifetime value **(11%)**

4. Improve marketing alignment and collaboration with other departments **(11%)**

5. Improve the ROI/effectiveness of media and advertising **(11%)**

Base: 750 decision makers responsible for analytics, media, or marketing business insights
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, March 2020

Figure 2

"To what extent has your current digital analytics technology delivered the following benefits?"

43% Improved customer experience

42% Improved marketing campaign outcomes

39% Improved ability to understand full customer journey

38% Increased how teams work together cross-functionally

38% Improved ability to deliver customer insights to product teams to inform innovation

37% Improved ability to determine a next-best action for a set of customers

35% Increased number of customers acquired

35% Increased customer lifetime value

Base: 750 decision makers responsible for analytics, media, or marketing business insight
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, March 2020
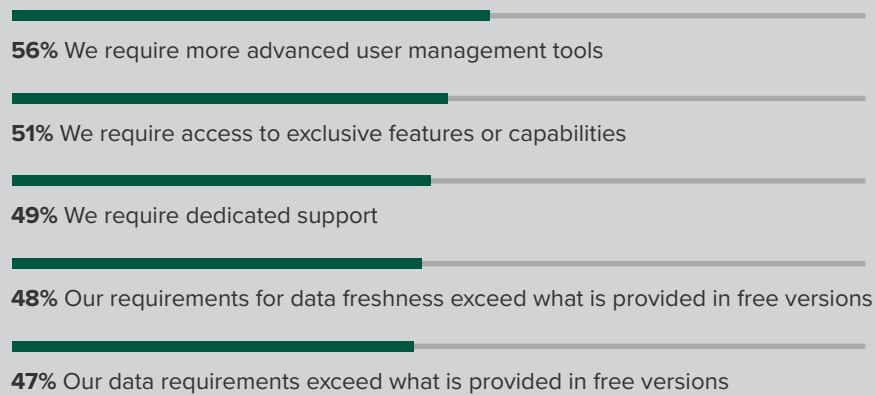
Figure 3

"Which of the following reflects why your organization pays for an analytics platform?" (Showing top five)

56% We require more advanced user management tools

51% We require access to exclusive features or capabilities

49% We require dedicated support

48% Our requirements for data freshness exceed what is provided in free versions

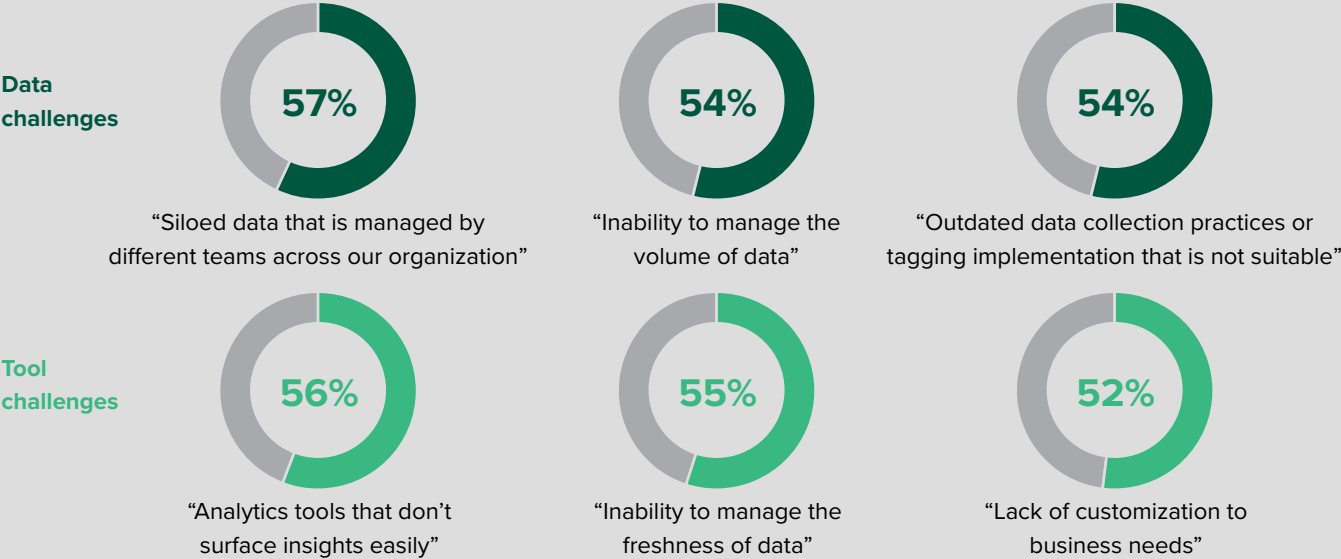**47%** Our data requirements exceed what is provided in free versions

Base: 639 decision makers at organizations that pay for their analytics platform solution
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, March 2020

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Limitations From Data Management And Analytics Platforms Frustrate Firms

As organizations obtain access to new forms of data, they struggle to manage the sheer volume of data. Additionally, they find it difficult to gain consistent insights across multiple platforms, such as web and mobile apps. Limitations in current analytics platforms are a challenge for organizations because:

› **Firms struggle with the foundation of insightful analytics practices: data management.** Over half of respondents (54%) find their inability to manage data volume to be very or extremely challenging (see Figure 4). Most respondents (54%) also find outdated data collection or tagging processes to be a top challenge for their teams. Fifty-five percent of respondents believe that their current digital analytics tools are unable to manage the freshness of data. These results indicate that marketers seek advanced tools to stay up to date; they are frustrated with their organization's data management, which impedes their ability to get the job done.

› **Lack of visibility across platforms and siloed data hinders insight generation.** Fifty-seven percent of respondents are challenged by the siloed data that is managed by different teams across their organization (see Figure 4). Our survey found that a majority of respondents consider the limited options that are available for importing data from different sources, and the inability to measure across platforms and devices, to be very or extremely challenging for their organization. Fifty-six percent of respondents feel their current analytics tools do not easily surface insights. More data means better insights, but siloed systems and different data formats multiply the time and effort needed to make sense of this data.[3]

Figure 4

"To what extent does your organization find the following challenging when it comes to your digital analytics?"
(Showing very and extremely challenging)

Data challenges

57%	**54%**	**54%**
"Siloed data that is managed by different teams across our organization"	"Inability to manage the volume of data"	"Outdated data collection practices or tagging implementation that is not suitable"

Tool challenges

|		
56%	**55%**	**52%**
"Analytics tools that don't surface insights easily"	"Inability to manage the freshness of data"	"Lack of customization to business needs"

Base: 750 decision makers responsible for analytics, media, or marketing business insight
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, March 2020

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> › **Organizations do not want a one-size-fits-all analytics solution.**
> Organizations want analytics tools that not only help break down silos
> but also are tailored to their needs. Fifty-two percent of respondents
> feel that their current analytics tools lack customization to meet their
> business needs (see Figure 4).

> › **Organizations lack a cross-platform view of their data.** With the
> growing frustration towards analytics tools, there is an identifiable gap:
> cross-platform analytics. Less than half of firms (43%) have a cross-
> platform view of their data (see Figure 5). This lack of insight across
> platforms limits organizations on many fronts. There is a major gap
> between how critical respondents consider cross-platform analytics
> to be for achieving their organization's marketing objectives (84%)
> and how many respondents consider their organization to be very
> effective at cross-platform analytics (44%) (see Figure 6). By closing this
> gap, organizations can focus on dismantling silos and managing large
> amounts of data with the use of cross-platform analytics.

> › **Organizations lack the critical machine learning (ML) capabilities
> that can surface more advanced insights.** Eight out of 10 respondents
> say that machine learning and automated insights are critical or very
> important to achieving their organization's marketing objectives. In
> contrast, less than half (44%) of digital analytics tools are very effective
> at ML capabilities (see Figure 6). Organizations that utilize advanced
> capabilities like AI/ML have the potential to make marketing faster,
> more targeted, and less manual.[4]

Figure 5

Analytics Platform Instrumentation

- ■ Cross-platform view of website and app analytics
- ■ Both website and app analytics, but siloed data
- ■ Website analytics only
- ■ Mobile app analytics only
- ■ No analytics platform
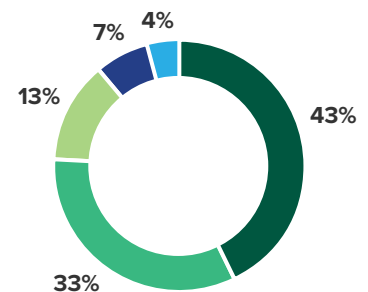
43%
33%
13%
7%
4%

Base: 750 decision makers responsible for analytics, media, or marketing business insights
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, March 2020

Figure 6

"How critical are the following tools to achieving your firm's marketing objectives? And to what extent is your organization's digital analytics effective at the following?

■ Critical or very important   ■ Very effective

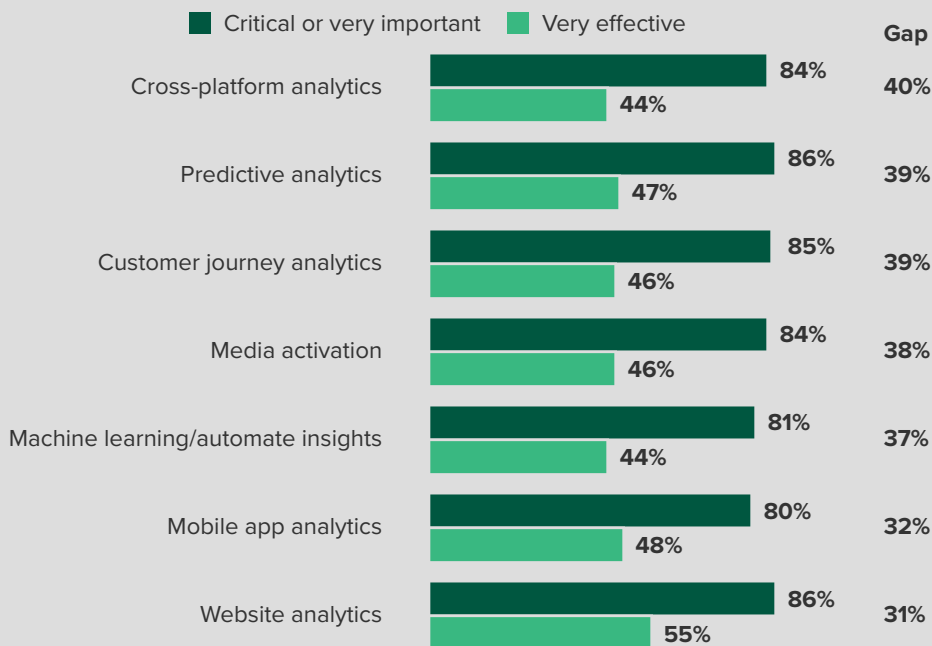|	Critical or very important	Very effective	Gap
Cross-platform analytics	84%	44%	40%
Predictive analytics	86%	47%	39%
Customer journey analytics	85%	46%	39%
Media activation	84%	46%	38%
Machine learning/automate insights	81%	44%	37%
Mobile app analytics	80%	48%	32%
Website analytics	86%	55%	31%

Base: 750 decision makers responsible for analytics, media, or marketing business insights
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, March 2020

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Analytics Experts Seek Powerful And Secure Next-Generation Tools

Instrumenting an effective analytics program is difficult, but this challenge is compounded by customer behaviors seeming to change faster than an organization's ability to measure them. To truly deliver a great experience, wherever your buyer might be, requires serious analytical horsepower and underlying data management structures, all while adhering to regulations and consumer expectations of privacy. Marketing decision makers are looking for just that. We found that when it comes to opportunities for the next generation of analytics platforms:

› **Buyers look for flexible predictive analytics tools that integrate with their existing technology stack.** As the volume and complexity of data continues to grow, businesses look to maintain and expand their toolkit in a way that will prove to be consistently effective as industry standards evolve. A top capability that firms look for is predictive analytics (see Figure 8). Firms also look for tools that are highly customizable to their specific use cases (43%) and can integrate with existing technology investments (43%). Marketers need a marketing technology stack that not only connects numerous marketing and enterprise technologies but also operates across channels, which is no small feat. In separate research, Forrester uncovered that the top way that martech vendors could improve was with out-of-the-box integration capabilities.[5]
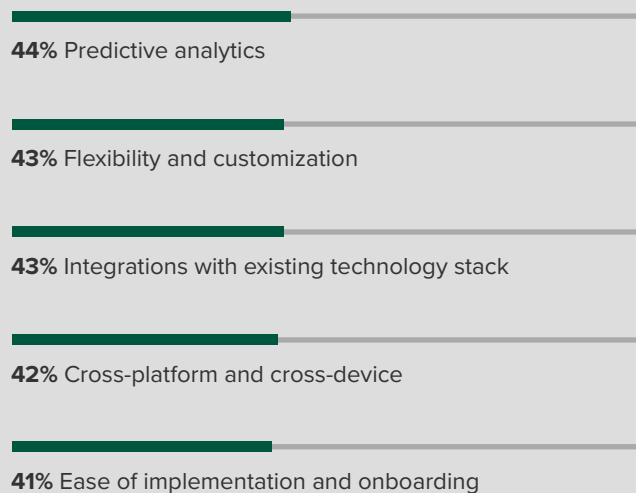
Figure 8

Top five features or capabilities when considering digital analytics technology

44% Predictive analytics

43% Flexibility and customization

43% Integrations with existing technology stack

42% Cross-platform and cross-device

41% Ease of implementation and onboarding

Top five digital analytics technology attributes that increase your willingness to consider a new or upgraded version

50% Can unify user behavior across platforms and devices in a privacy-safe way

47% Durable and reliable measurement that will remain effective as industry standards evolve

45% More automated/machine learning-powered insights

45% Easy-to-use or intuitive user interface

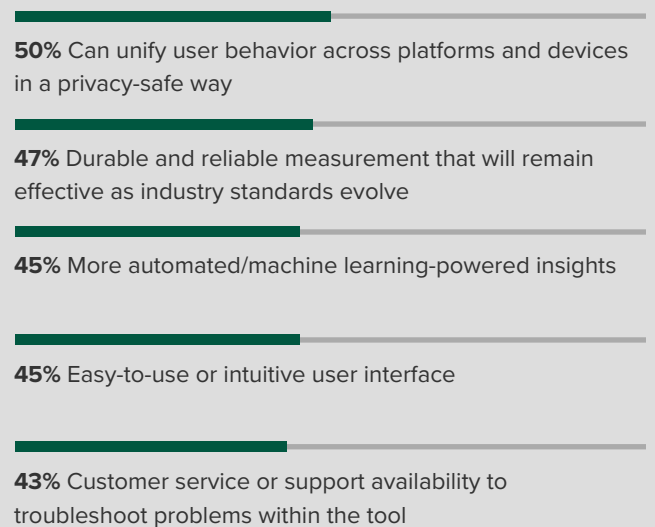**43%** Customer service or support availability to troubleshoot problems within the tool

Base: 750 decision makers responsible for analytics, media, or marketing business insights
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, March 2020

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› **Privacy capabilities are top of mind.** Six out of 10 decision makers are either considering or are likely to consider upgrading their analytics platform in the next 18 months (see Figure 7). And where marketers might have historically been focused on features or services, our survey revealed that they are much more concerned about protecting consumer data and trust, which is a new development: Half are interested in unifying user behavior in a privacy-safe way (see Figure 8). Other top attributes that would increase willingness to consider an analytics platform upgrade are durable and reliable measurement that will remain effective as industry standards evolve, and more automated/machine learning-powered insights. Marketers feel the onus for protecting data as modern marketing creates new privacy vulnerabilities — i.e., they must stop relying on their security and risk and legal peers to mitigate these risks.[6]

› **Better data management and cross-platform capabilities are top areas of growth.** Firms seek to house and manage a growing volume of first-party data: 70% should have cloud or data warehouse solutions in the next 12 months (see Figure 9). At the same time, privacy regulations on cross-platform data have marketers looking for technical solutions to help them make the most of their cross-platform experience. Sixty-six percent of firms are growing their cross-platform capabilities in the next 12 months, and 64% are growing their user privacy and data management controls.

› **Marketers need cross-platform to facilitate better experiences.** Cross-platform analytics users are 1.3 times more likely to strongly agree that the data their organization uses for digital analytics and insights is complete and accurate.[7] They can use these insights to deliver better cross-platform experiences and campaign results (see Figure 10).
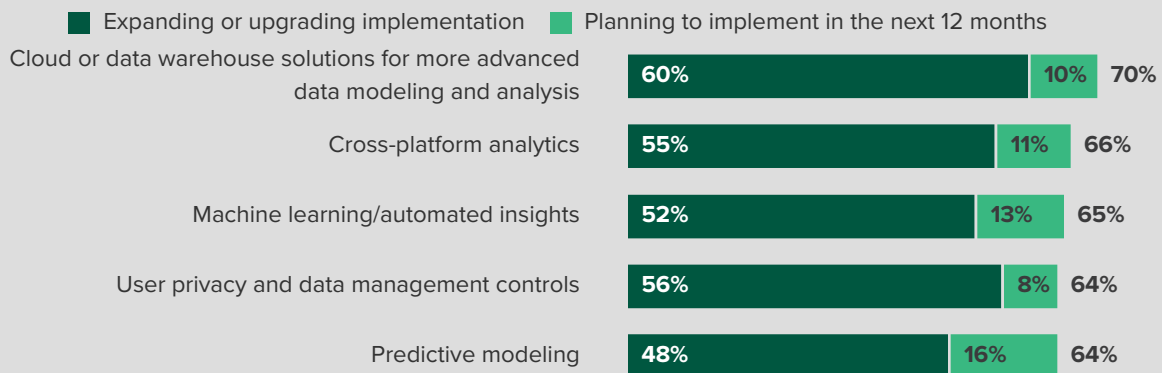
Figure 10

"What benefits has your organization realized from a cross-platform analytics tool?"

80%

Better cross-platform customer experience

76%

Better marketing campaign outcomes

75%

Ability to identify and remediate customer experience gaps across touchpoints

Base: 319 decision makers at an organization with cross-platform analytics
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, March 2020

Figure 9

"What are your organization's plans to invest in the following capabilities in the next 12 months?"

■ Expanding or upgrading implementation   ■ Planning to implement in the next 12 months

Capability	Expanding or upgrading implementation	Planning to implement in the next 12 months	Total
Cloud or data warehouse solutions for more advanced data modeling and analysis	60%	10%	70%
Cross-platform analytics	55%	11%	66%
Machine learning/automated insights	52%	13%	65%
User privacy and data management controls	56%	8%	64%
Predictive modeling	48%	16%	64%

Base: 750 decision makers responsible for analytics, media, or marketing business insights
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, March 2020

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Key Recommendations

As analytics professionals have tried to make sense of their organization's data, solutions have been piecemeal, with data spread across the organization, unable to connect web and mobile app experiences, and outdated or ineffective processes, such as tagging. All of these challenges mean that most organizations are not making the most of their data, to the detriment of customer experience.

However, there is hope. Forrester's in-depth survey of 750 marketing decision makers about digital analytics yielded several important recommendations for organizations that want to use data insights to better serve their customers:

Invest in cross-platform analytics tools. Until you can connect consumer online behaviors across platforms — like websites and mobile apps — your understanding of your customers' journeys will be limited. Seek cross-platform analytics tools that resolve digital engagement behaviors, context, and sentiment across platforms. Use cross-platform analytics to not only deliver a better, more consistent experience but to also deepen your customer understanding and remediate experience gaps across touchpoints.

Explore advanced AI/ML capabilities to make the most of your data. Our survey revealed a gap between the critical value that ML brings to marketing programs and the effectiveness of firms that are using ML to achieve their marketing objectives. Marketers must be able to quickly create brand interactions at scale across channels for a high-value customer experience — and AI/ML plays a crucial role.[8] AI/ML measurement models provide faster and deeper insight into complex customer behaviors, enabling marketers to act on performance insights -- but only if marketing organizations can adopt a new mindset, skill set, and process to realize the value of AI for digital analytics.

Support your organization to take a privacy-first mindset. Our survey revealed that marketers are highly tuned to consumer privacy concerns; with increasing customer sensitivity about sharing personal, identifiable data, marketers may be more concerned with privacy controls than cost management, as they consider future tool upgrades. Take privacy a step further than compliance. Seek visibility into the privacy practices of cross-platforms to ensure that partners are not only processing data lawfully but that the tools they are using also, and more importantly, meet the higher privacy standards that customers expect. Include your security, risk, and privacy teams to audit data collection and privacy mechanisms that will track and assess your cross-platform analytics partners' privacy standards.[9]
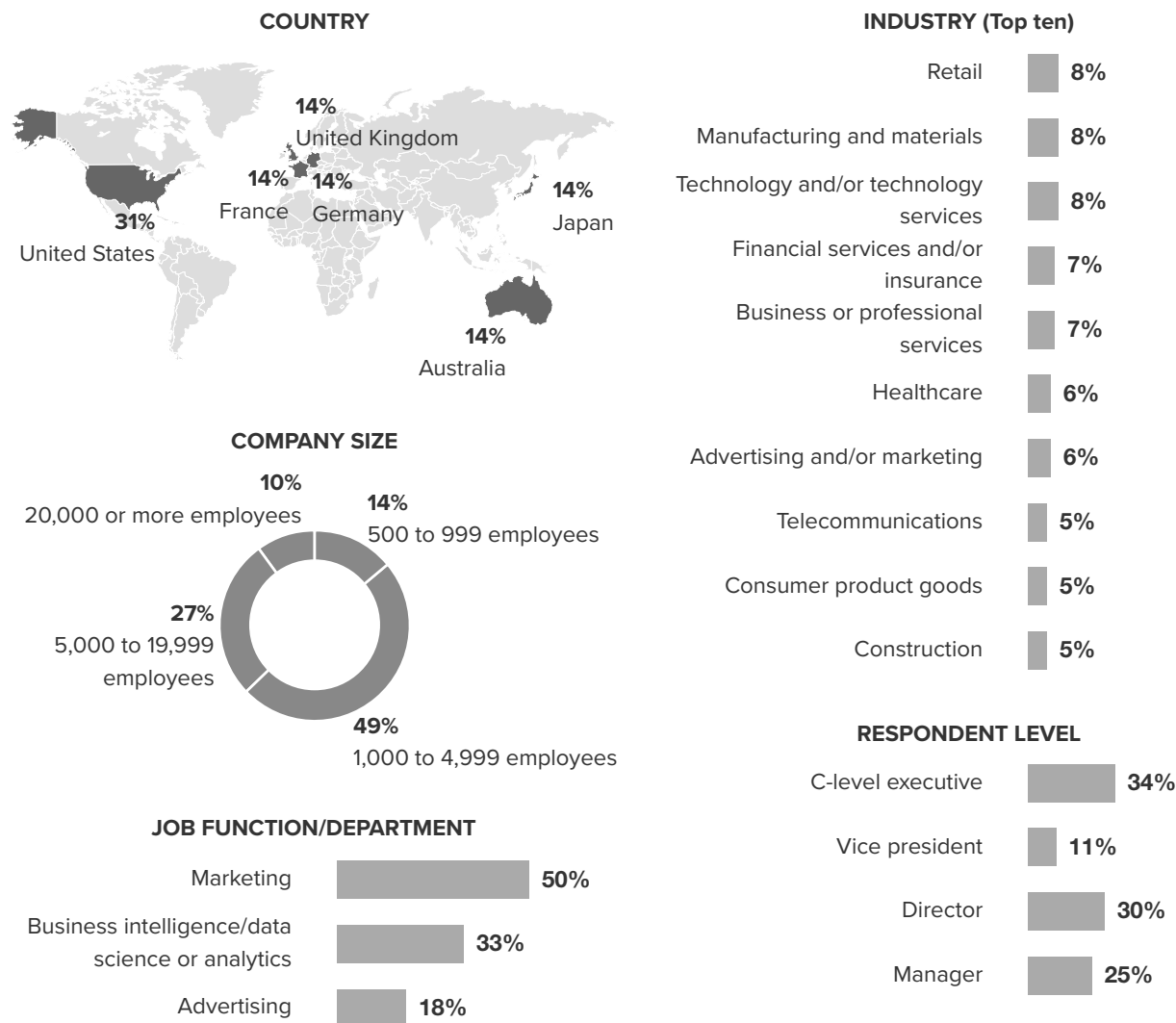
Once you have cross-platform analytics in place, look to improve the customer's most important digital journey. Marketers often assume they know everything about their customers' most important journeys, but cross-platform insights can reveal and help address unanticipated frustrations. For example, a spike in website activity to address a need could indicate that a customer cannot resolve their specific need through the existing content on the website. A marketer could then test different content on specific pages to address the customer need and enhance a better experience.

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Appendix A: Methodology

In this study, Forrester conducted an online survey of 750 decision makers that are responsible for analytics, media, or marketing business insights to evaluate current use of analytics platforms and potential benefits for cross-platform analytics. Questions provided to the participants asked about their plans for implementing analytics platforms, the benefits and challenges of cross-platform analytics, and their organization's marketing priorities for the future. Respondents were offered a small incentive as a thank you for time spent on the survey. The study began in February 2020 and was completed in March 2020.

Appendix B: Demographics/Data

COUNTRY

14%
United Kingdom

14%
France

14%
Germany

14%
Japan

31%
United States

14%
Australia

INDUSTRY (Top ten)

Retail	**8%**
Manufacturing and materials	**8%**
Technology and/or technology services	**8%**
Financial services and/or insurance	**7%**
Business or professional services	**7%**
Healthcare	**6%**
Advertising and/or marketing	**6%**
Telecommunications	**5%**
Consumer product goods	**5%**
Construction	**5%**

COMPANY SIZE

10%
20,000 or more employees

14%
500 to 999 employees

27%
5,000 to 19,999 employees

49%
1,000 to 4,999 employees

RESPONDENT LEVEL

C-level executive	**34%**
Vice president	**11%**
Director	**30%**
Manager	**25%**

JOB FUNCTION/DEPARTMENT

Marketing	**50%**
Business intelligence/data science or analytics	**33%**
Advertising	**18%**

Base: 750 decision makers responsible for analytics, media, or marketing business insights
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, March 2020

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Appendix C: Related Forrester Research

"Customer-Obsessed Marketing Demands Unified Measurement," Forrester Research, Inc., January 16, 2020

"Make Privacy A Competitive Differentiator," Forrester Research, Inc., June 6, 2019

"Optimize Customer Experience With A Digital Intelligence Business Case," Forrester Research, Inc., January 3, 2020

Appendix D: Endnotes

[1] Source: "Optimize Customer Experience With A Digital Intelligence Business Case," Forrester Research, Inc., January 3, 2020.

[2] Ibid.

[3] Source: "Customer-Obsessed Marketing Demands Unified Measurement," Forrester Research, Inc., January 16, 2020.

[4] Source: "Artificial Intelligence Transforms Marketing Performance Measurement," Forrester Research, Inc., November 2, 2018.

[5] Source: "The State Of Enterprise Marketing Technology, 2018," Forrester Research, Inc., July 11, 2018.

[6] Source: "The Capabilities Marketers Need To Build A Strategic Privacy Function," Forrester Research, Inc., February 7, 2020.

[7] Base: 750 decision makers responsible for analytics, media, or marketing business insights (of which 319 are cross-platform analytics users)

[8] Source: "Artificial Intelligence Transforms Marketing Performance Measurement," Forrester Research, Inc., November 2, 2018.

[9] Source: "Modern Privacy Laws Change The Paradigm For Marketing And Advertising Roadmap," Forrester Research, Inc., February 19, 2020.

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