

 MORRIS CONSULTING

# ACTIVATING CUSTOMER DATA FOR AI POWERED MARKETING

FROM ASPIRATIONS TO REALITY



# INTRODUCTION

Artificial Intelligence is fundamentally changing marketing in two key ways. With its potential to improve marketing, **AI is top of mind for marketers. 64 percent want to increase their use of AI in the next 12 months.** And AI's dependence on harnessing the "right data" to drive its algorithms puts a new emphasis on the treasure trove of data available to marketers.

To continue to innovate in their marketing techniques, **brands are arriving at the conclusion that the "right data" to use in marketing campaigns is the data they already gather from their own customers.** This data is usually acquired in the course of doing business with a customer, who has provided consent to its use by the brand, as long as it is not sold or used by others.

So how are brands doing in their efforts to use AI and their own customer data for marketing?

MORRIS CONSULTING worked to **survey 200 marketers from 198 business-to-consumer companies across a wide range of industries** about their use of AI, access and use of their customer data, and the challenges they face implementing modern marketing techniques. The survey also asked about plans and aspirations.

The results are enlightening. They show that **AI is inextricably tied to the activation of data**, which itself is connected to several other aspects of data in an enterprise. They also show that perspectives, aspirations, and experiences vary between senior executives and individual contributors. Specifically, **the successful companies (revenue leaders) have a marketing playbook that differs from the others.**

The study presents **seven key findings** that include the current use of AI and future plans for its use, the types of AI techniques being used, challenges encountered with customer data, and the major obstacles to AI adoption. The report concludes with **four recommendations** that will help marketers address their major challenges so they may fulfill their AI aspirations.

# ABOUT THIS STUDY

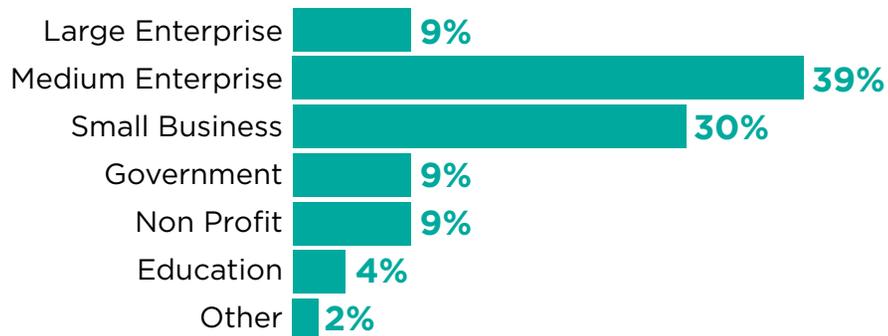
MORRIS CONSULTING conducted a research study in marketing leaders and operators from 198 companies in a wide variety of industries who are involved in business-to-consumer marketing. The primary purpose of the survey was to understand how B2C marketers are using modern marketing techniques, with an emphasis on Artificial Intelligence (AI) technologies, to increase the effectiveness of their campaigns.

This report solicited the opinions of C-Suite executives, vice presidents, directors, managers and individual contributors. The questionnaire sought responses on topics in several areas including adoption of AI technologies in marketing campaigns, access and use of a company's customer data, use of various modern campaign techniques, results obtained and future plans.

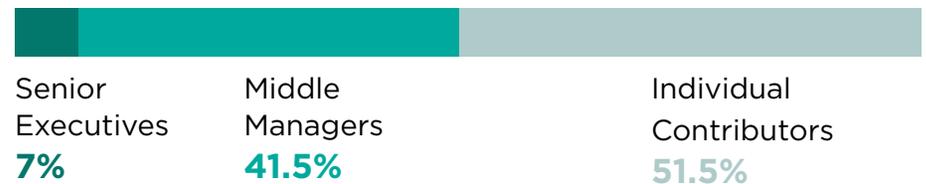
The results include seven key findings, as well as four recommendations for any business that is looking to adopt or expand their use of AI.



## 198 companies participated in this survey.



## Survey Participant Job Titles



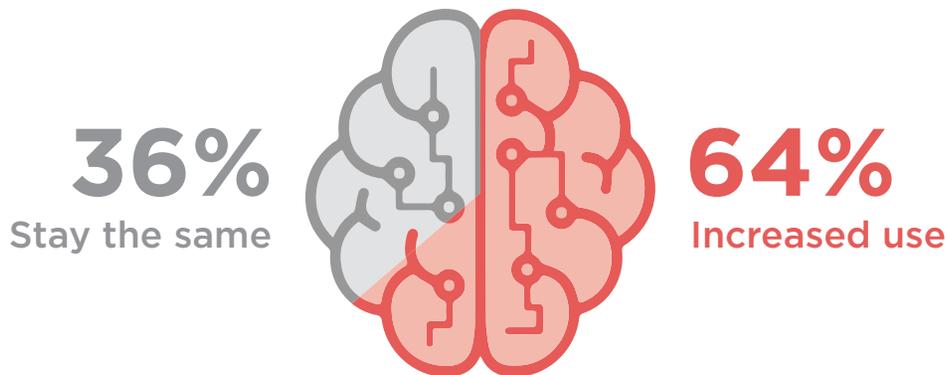
# MARKETERS HAVE STARTED USING AI AND ANTICIPATE INCREASED USAGE

## What Marketing Goals Are You Using AI For?

■ Percentage of Respondents Using AI Today



## What Are Your Plans for Using AI in Your Marketing Campaigns in the Next 12 Months?



AI is the talk of the town these days. From self-driving cars to automated medical diagnosis, there isn't an industry or a job function that feels immune to the effects of AI. Marketing is no different.

Marketers have started using AI, primarily for audience expansion and targeting, and to a lesser extent for product recommendations and campaign optimization. Not surprisingly, most Marketers anticipate increased usage going forward.

# VERY FEW MARKETERS HAVE DEPLOYED ADVANCED AI CAPABILITIES

## Percentage of Respondents Deploying Advanced AI

■ YES    ■ NO

**Do you personalize with Collaborative Filtering, Predictive Models?**



6%

**Do you segment customers by Predictive Affinities?**



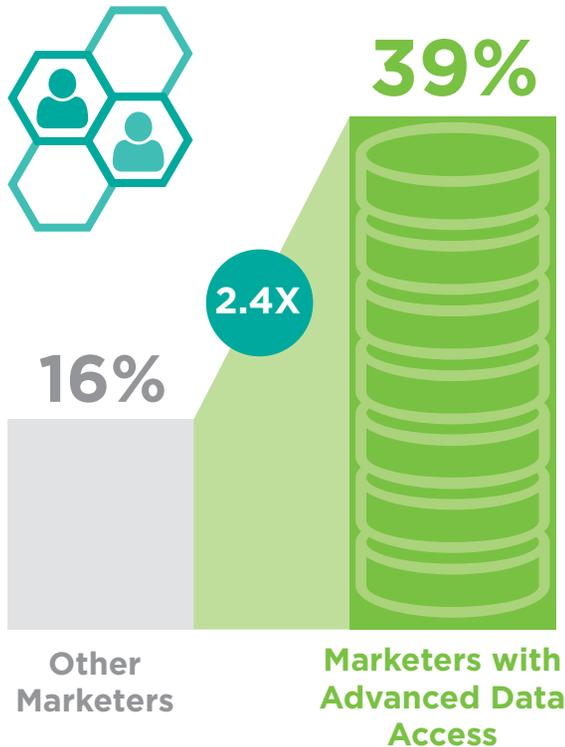
16%

Marketers are still early in their AI maturity curve, with few using advanced AI and Predictive capabilities to the fullest extent.

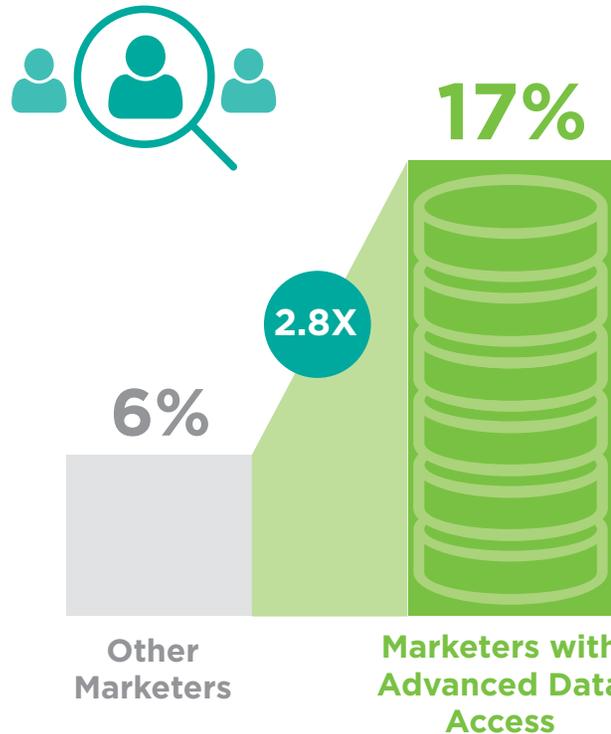
Coupled with our first finding that today's primary use cases involved audience targeting and expansion, this also indicates that marketers are able to leverage AI based on 3rd Party audience data more than they can leverage AI on First Party Customer Data.

# MARKETERS WITH ADVANCED ACCESS TO DATA ARE 2 TO 3 TIMES MORE LIKELY TO DEPLOY LEADING-EDGE AI USE CASES

Percentage of Respondents Using Predictive Affinities for Segmentation



Percentage of Respondents Using Collaborative Filtering or Predictive Models for Personalization



Non-technical marketers with advanced access to customer data were more likely to be able to succeed with leading-edge AI use cases.

It is interesting to note that enabling non-technical or business users to access data unlocks AI deployments.

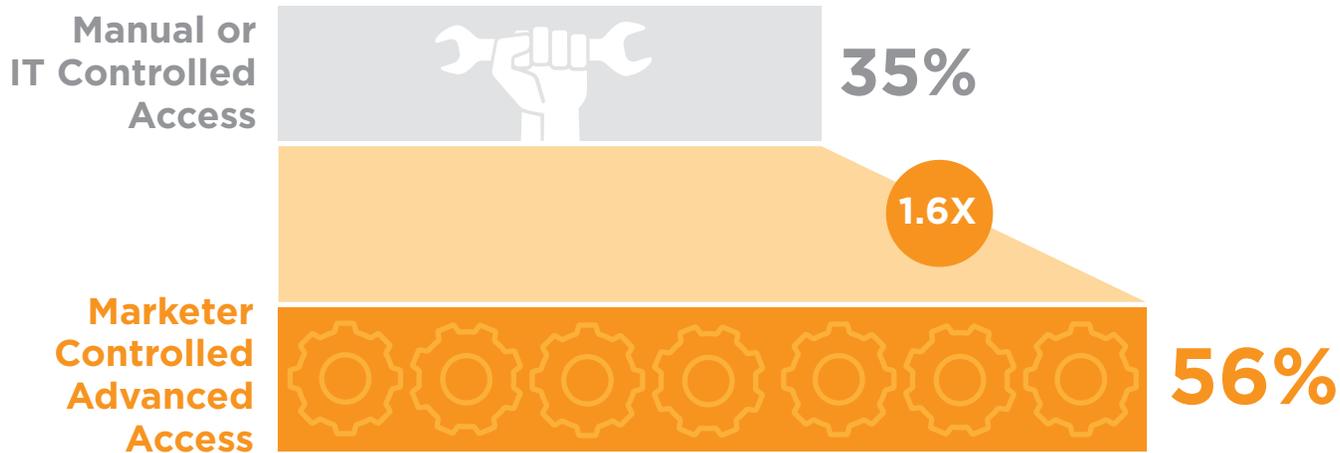


**ADVANCED ACCESS** was defined as "I have full access and I can drive advanced personalization and triggers myself without IT or Data Scientist help".

# MARKETER CONTROLLED DATA ACCESS (WITHOUT IT) ENSURES HIGHER DATA ACTIVATION



**Percentage of Respondents Using More Than 50% of Customer Data**  
By Type of Data Access



Marketers who are empowered to use the data directly, without IT involvement or complex manual SQL queries, activate more customer data for use in their campaigns.



**ADVANCED ACCESS** was defined as “I have full access and I can drive advanced personalization and triggers myself without IT or Data Scientist help”.

# HOWEVER, MOST MARKETERS STILL STRUGGLE WITH CUSTOMER DATA, HINDERING THEIR AI EFFORTS

## Top Challenges Hindering You from Making Better Use of Customer Data

■ Percentage of Respondents

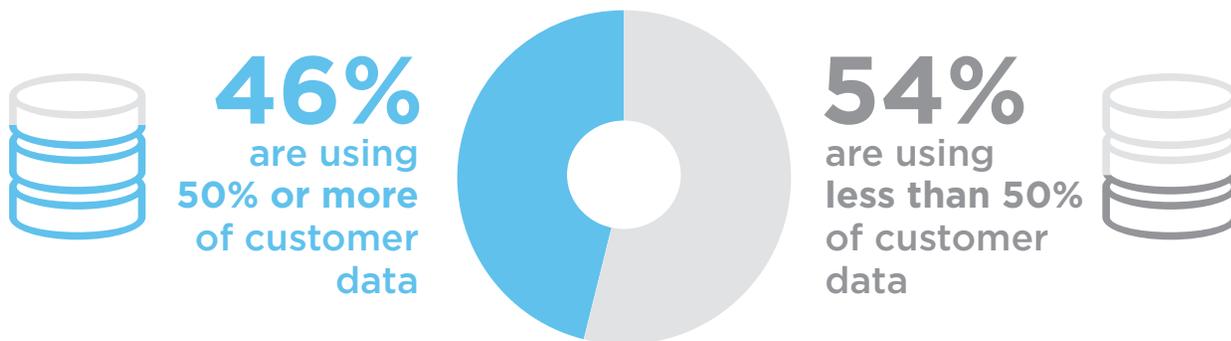


Respondents were asked to state their top three challenges that prevent them from making better use of their customer data. Analysis topped the list with 54% seeing it as a top challenge, followed by access at 46% and unification at 41%.

Almost all respondents (92%), identified one or more of three factors - analysis, access or unification - as a major challenge.

A majority of respondents are using less than half of their customer data due to these challenges.

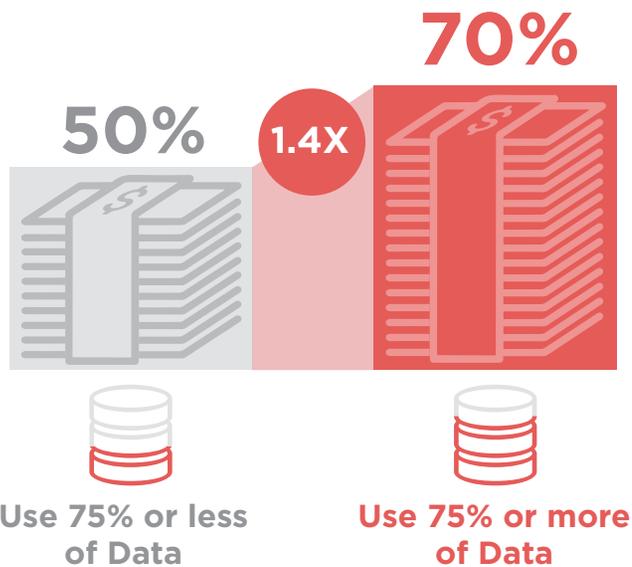
## How much Customer Data are you using to drive Marketing Campaigns?



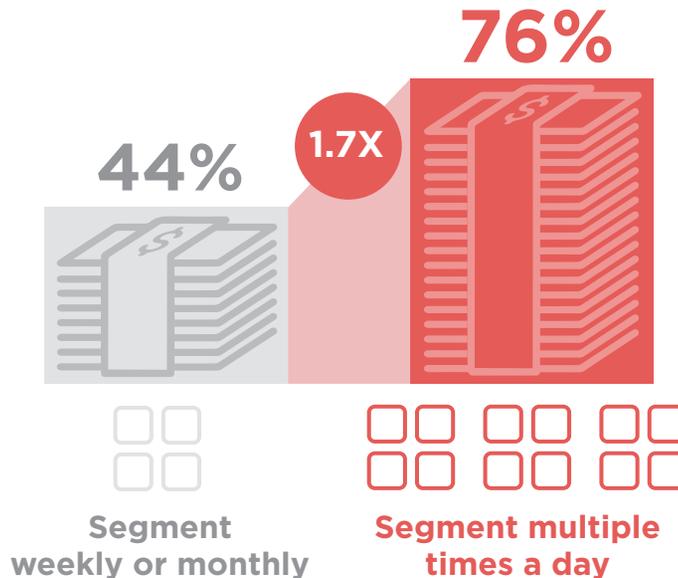
# SUCCESSFUL DATA ACTIVATION CORRELATES TO REVENUE SUCCESS

## Revenue Performance Exceed Internal Goals

**Percentage of Respondents that Exceeded Revenue Goals**  
By Amount of Data Used



**Percentage of Respondents that Exceeded Revenue Goals**  
By Frequency of Segmentation



Activating more customer data, and using the data in real-time to segment customers more often, has a significant impact on revenue performance.

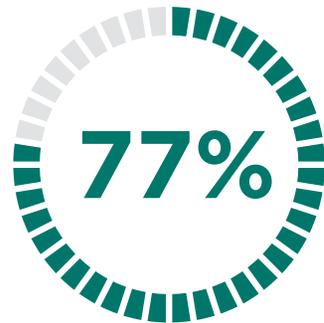
This indicates that Customer Data Activation efforts will increasingly become the CMO's and even the CEO's priority.

# WHEN THINKING ABOUT AI, SENIOR EXECUTIVES ENVISION POSSIBILITIES, BUT INDIVIDUAL CONTRIBUTORS ARE STARING AT DATA REALITIES



**Percentage of Respondents anticipating increased use of AI in the next 12 months**

Senior Executives



Individual Contributors



**Percentage of Respondents who believe they are using more than 50% of Customer Data in Campaigns**



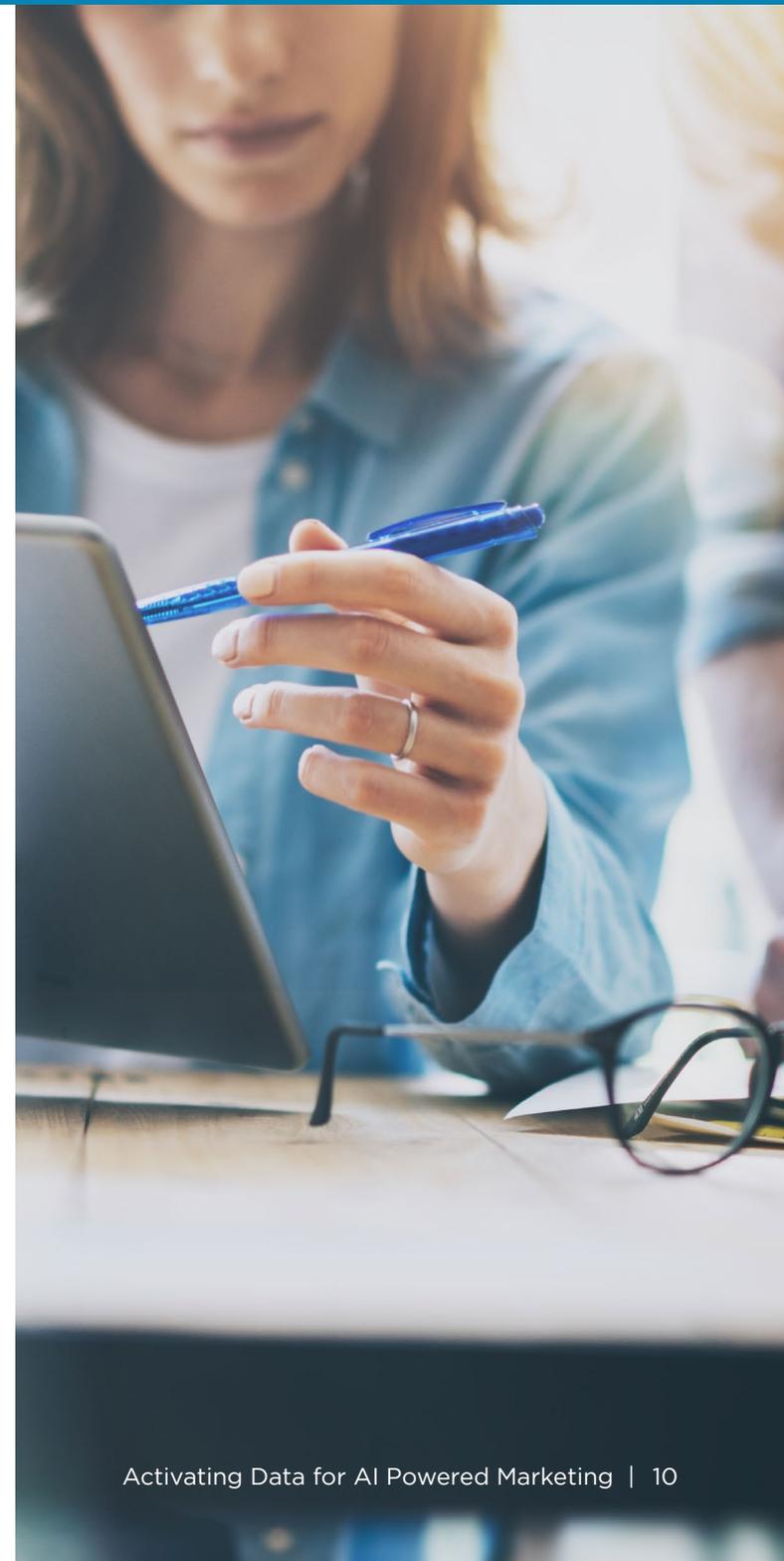
The study indicated different perspectives among senior executives and individual contributors. Among the two groups, the Executives are more bullish about increased use of AI. However, these executives also perceive their usage of customer data to be higher than is claimed by individual contributors.

With marketing being early on the AI maturity curve, it is natural for leaders to project their aspirations for their use of AI, while practitioners are more grounded in the here and now.

# RECOMMENDATIONS

In light of these findings, MORRIS CONSULTING's experts offer four key recommendations:

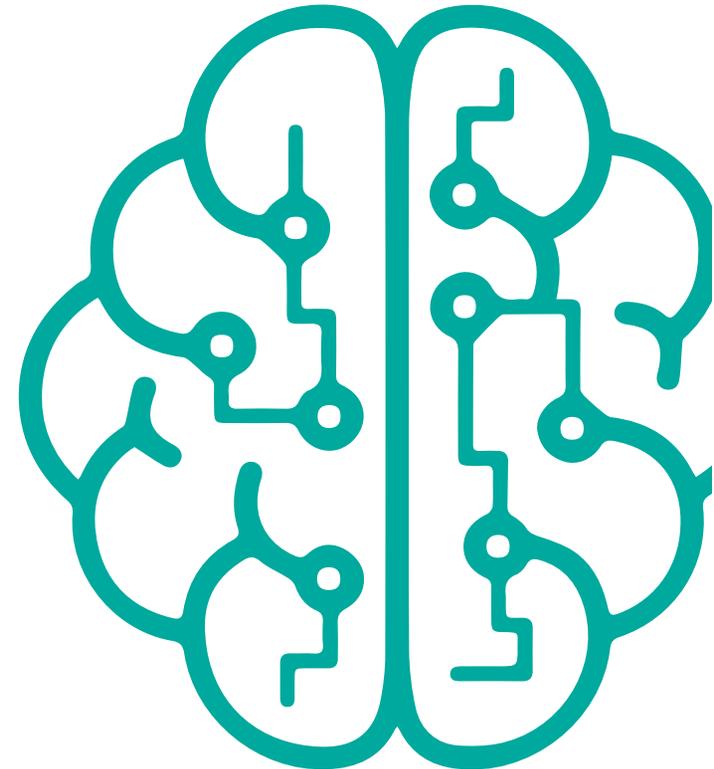
- 1 | Make 2019 the year to put your customer data to work using AI
- 2 | Implement the 4 'P's of effectively deploying AI - People, Process, Platform and Performance
- 3 | Invest in marketer-controlled customer data solutions that provide a unified view of the customer
- 4 | Choose an AI platform that non-technical marketers can understand and operate on every channel



# MAKE 2019 THE YEAR TO PUT YOUR CUSTOMER DATA TO WORK USING AI

It's clear that AI is on the cusp of wide adoption in marketing and the revenue performance leaders are embracing it to their advantage, while others run the risk of falling further behind. However, even before you can start, you will need a data strategy that emphasizes the following:

- 1 | Access to real-time behavioral data being generated by your customers. This includes engagement and transaction data generated across multiple touch points through numerous channels.
- 2 | Focus on the 3 'I's of Identity, Insights and Intelligent orchestration. First organize and unify your data based on cross-platform identity, second, derive insights from this data in the form of recommendations and predictive scoring, and third, intelligently orchestrate your campaigns across channels using these insights.



# IMPLEMENT THE 4 'P'S OF EFFECTIVELY DEPLOYING AI

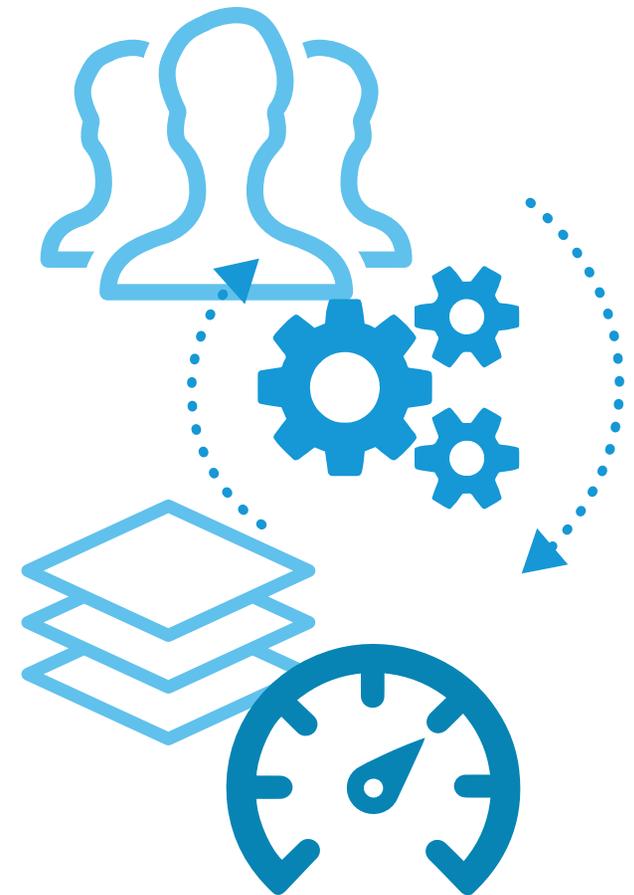
Just as with the four 'P's of operationalizing the marketing mix made famous by Philip Kotler, we recommend the following key elements needed to deploy AI successfully:

**PEOPLE:** Ensure that key members of your marketing team have a good understanding of the capabilities of AI with a willingness to embrace it aggressively.

**PROCESS:** Empower your marketers to access and use data in their marketing campaigns without a lengthy involvement from your IT and data science teams.

**PLATFORM:** Use a platform that offers data flexibility, transparent and explainable AI with the ability to deploy campaigns across channels.

**PERFORMANCE:** Use AI to continuously optimize engagement and revenue performance across channels in real-time.



# INVEST IN MARKETER-CONTROLLED CUSTOMER DATA SOLUTIONS THAT PROVIDE A UNIFIED VIEW OF THE CUSTOMER

- 1 | Plan to provide marketers direct and comprehensive access to real-time customer data, instead of having to seek IT assistance pulling it out of a data warehouse or a data lake. Traditional IT controlled efforts can be time consuming for marketers, resulting in the data going stale even before it can be used.
- 2 | Invest in **marketer-controlled systems with a unified customer view of customers** that captures data from multiple sources. This includes customer submitted data (often through forms and stored in the CRM), transactional data (purchases, subscriptions, customer service interactions, etc.) and behavioral data on the web and on their mobile platforms (page views, clicks, likes, etc).



# CHOOSE AN AI MARKETING PLATFORM THAT NON-TECHNICAL MARKETERS CAN UNDERSTAND AND OPERATE ON EVERY CHANNEL

In a world of rapidly moving data and insights, your marketers can no longer spend the time going back and forth with IT and data scientists before they figure out what to do. They need a platform that puts advanced capabilities directly in their hands. Here are the key criteria you should use when choosing such a platform:

**UNDERSTANDABLE AI:** If the AI looks and behaves like a black box, it will be viewed with caution and deployed gingerly. The platform's functioning should be transparent and results easy to interpret through an informative visual interface.

**TIGHT LOOP BETWEEN DATA, INSIGHTS AND CAMPAIGNS:** Marketers need a platform that activates the full power of AI on every channel with a tight connection between the data, the AI system and the execution of campaigns based on the recommendations made by the AI system.

**INTEROPERABLE WITH OTHER SYSTEMS:** The AI platform should integrate and interoperate with other systems in your enterprise including the CRM, e-commerce platform, customer support system and website.

**BUILT WITH AI AT ITS CORE:** A platform built from the ground up with AI and data at its core is designed for real-time execution using the best and latest information about the customer. Legacy platforms that have tried to bolt on AI around the edges fall short on their real-time execution using the best and latest information about the customer.



# SURVEY METHODOLOGY & DEMOGRAPHICS

In 2018 MORRIS CONSULTING conducted an online study involving 200 marketers from 198 companies in a wide variety of industries who are involved in business-to-consumer marketing.

### RESPONSES BY COMPANY SIZE



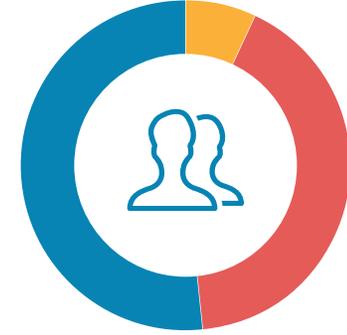
Large Enterprise	9%
Medium Enterprise	39%
Small Business	30%
Government	9%
Non Profit	9%
Education	4%
Other	2%

### RESPONSES BY INDUSTRY



Retail	24%
Financial Services	16%
Media/Entertainment	13%
Government	9%
Consumer Products	7%
Non-profit	7%
Computer Software	5%
Educational Institution	4%
Real Estate	3%
Other	15%

### RESPONSES BY JOB TITLE



Senior Executives	7%
Middle Managers	41.5%
Individual Contributors	51.5%

## About MORRIS CONSULTING

London, Rome and Milan (coming soon) **MC** is the AI-Powered Cross-Channel marketing platform. Its AI knowledge allows marketers to use all their customer data to create segments with 1:1 recommendations and orchestrate campaigns on multiple marketing channels. Important brands use **MC** to increase customer engagement and revenue. The company was founded by serial entrepreneurs with extensive experience in the IT and marketing sectors.

For more information visit: [www.morrisconsulting.eu](http://www.morrisconsulting.eu)