February 28, 2011

Marketing Technology Adoption 2011

by Suresh Vittal

for Customer Intelligence Professionals

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Findings From Forrester's Q4 2010 Survey Of Customer Intelligence Professionals

by Suresh Vittal
with Emily Murphy and Allison Smith

EXECUTIVE SUMMARY

Forrester recently surveyed 137 Customer Intelligence professionals to understand their marketing technology priorities, plans, and budgets. Old issues continue to fester — a lack of a centralized view of their customers and insufficient measurement limit their marketing programs. CI professionals hunger for marketing technology as mobile, optimization, and campaign management remain popular choices.

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NOTES & RESOURCES

Forrester surveyed 137 global Customer Intelligence professionals from October 2010 to December 2010.

Related Research Documents

"SMB Marketing Technology Adoption"
May 22, 2009

"Marketing Technology Adoption 2009"
January 28, 2009

"Marketing Technology Adoption 2007"
April 26, 2007

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CUSTOMER EXPERIENCE REMAINS A PRIORITY FOR CI PROFESSIONALS

Forrester surveyed 137 Customer Intelligence professionals from around the world about their technology use, objectives, and budgets. Respondents hail from a range of industries including business services (23%), manufacturing (20%), and utilities and telecommunications (20%). More than 75% of respondents hold a manager title or higher, and 53% come from enterprise-size companies (see Figure 1). We asked them about their technology strategies and challenges and found that:

- **Respondents split between Technology Leaders and Technology Followers.** Based on their technology adoption aggressiveness, we categorized survey respondents into Technology Leaders and Followers (see Figure 2). The numbers look fairly even, with 53% falling into the Technology Leader category. Notably, 59% of SMBs and only 49% of enterprises — companies with 1,000 or more employees — self-identify as Technology Leaders.

- **Customer Intelligence goals focus on improving the customer experience.** Improving the customer experience online and across channels represents the most common and top ranked Customer Intelligence themes across the board (see Figure 3). Following close behind? Measurement, new channel expertise, and global brand management are themes that will remain popular in 2011.

- **Data and measurement problems persist.** Consistent with previous years, CI professionals struggle to organize customer data and measure marketing performance (see Figure 4). Many CI professionals we spoke to suggest that these challenges are linked: Poor data and lack of consistent customer information make measurement a formidable problem for many organizations. But measurement and data aren't the only issues that trouble CI organizations. CI professionals also wrestle with gaining expertise in new channels and broadly applying customer insights to support marketing.

- **In-house deployments outpace outsourced solutions for enterprise marketing.** Unlike other technology categories like sales force automation, on-premises remains a popular option when it comes to enterprise marketing technologies. But online and emerging technologies like paid search and community management platforms are more popular outsource options (see Figure 5). What explains the difference? CI professionals prefer retaining technologies that depend heavily on customer data while outsourcing technologies where they need to move quickly or lack the skills needed to support them.

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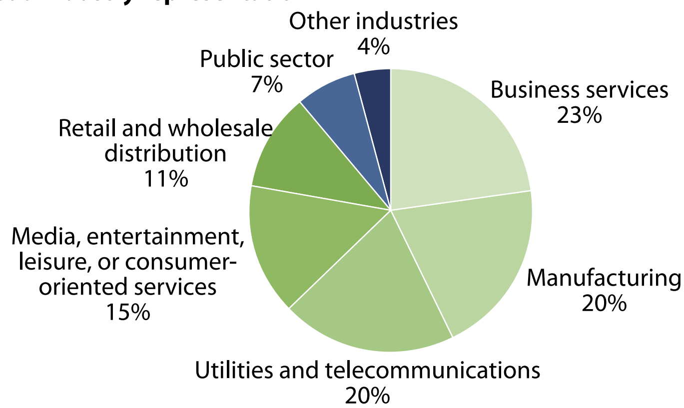
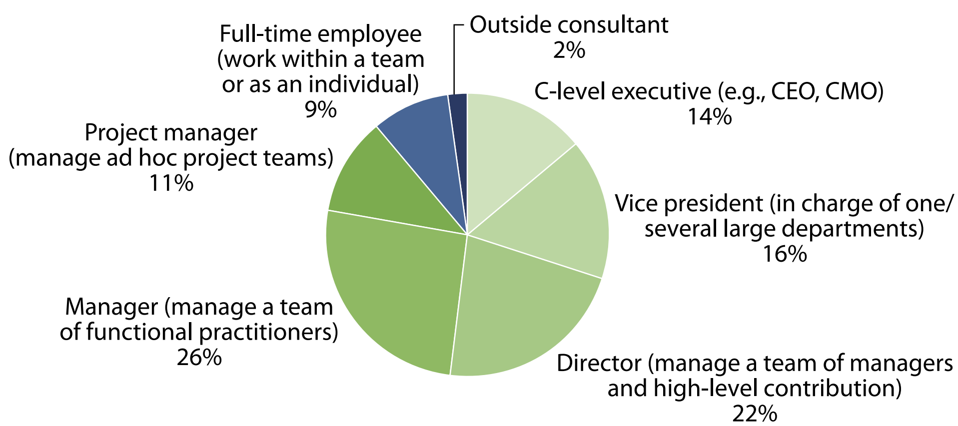
Figure 1 Respondents Represent Large Firms Across Many Industries

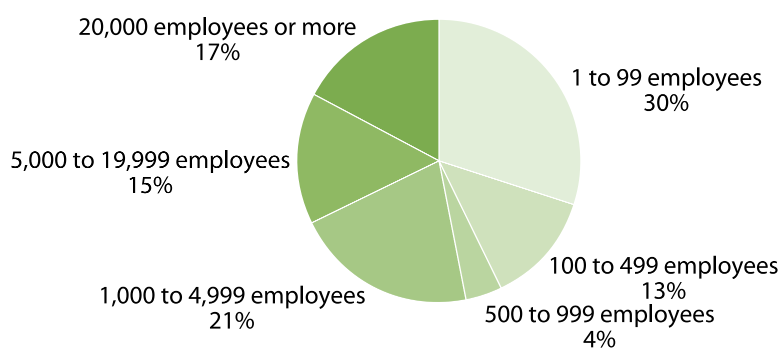
1-1 There is broad industry representation



1-2 Most respondents are in a management-level position



1-3 More than half hail from large companies



Base: 137 global Customer Intelligence professionals

Source: Q4 2010 Global Marketing Technology Benchmark Online Survey

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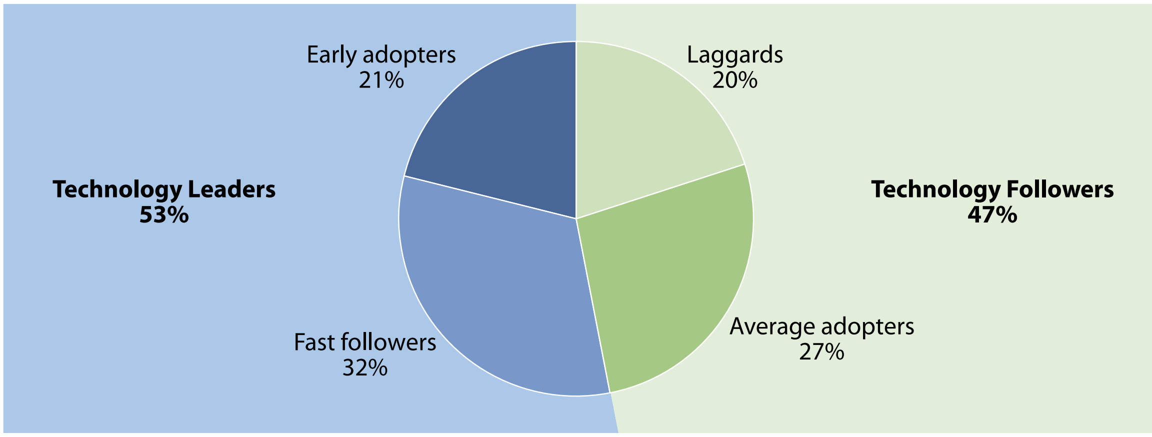
Figure 2 Marketing Technology Leaders And Followers Equally Represented

"How aggressive is your company when it comes to investing in marketing technology?"



Classification defined by response:
Laggards: "Not at all aggressive: We only adopt tried-and-true technologies."
Average adopters: "Not very aggressive: We adopt technologies in line with trends in our industry."
Fast followers: "Somewhat aggressive: We adopt technologies that prove effective in other industries."
Early adopters: "Very aggressive: We frequently adopt emerging technologies."

Base: 137 global Customer Intelligence professionals

Source: Q4 2010 Global Marketing Technology Benchmark Online Survey

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Figure 3 Improving Customer Experience Is Top Of Mind For CI Professionals

"Which of the following are your marketing organization's top three Customer Intelligence themes?"

Base: 137 global Customer Intelligence professionals

Source: Q4 2010 Global Marketing Technology Benchmark Online Survey

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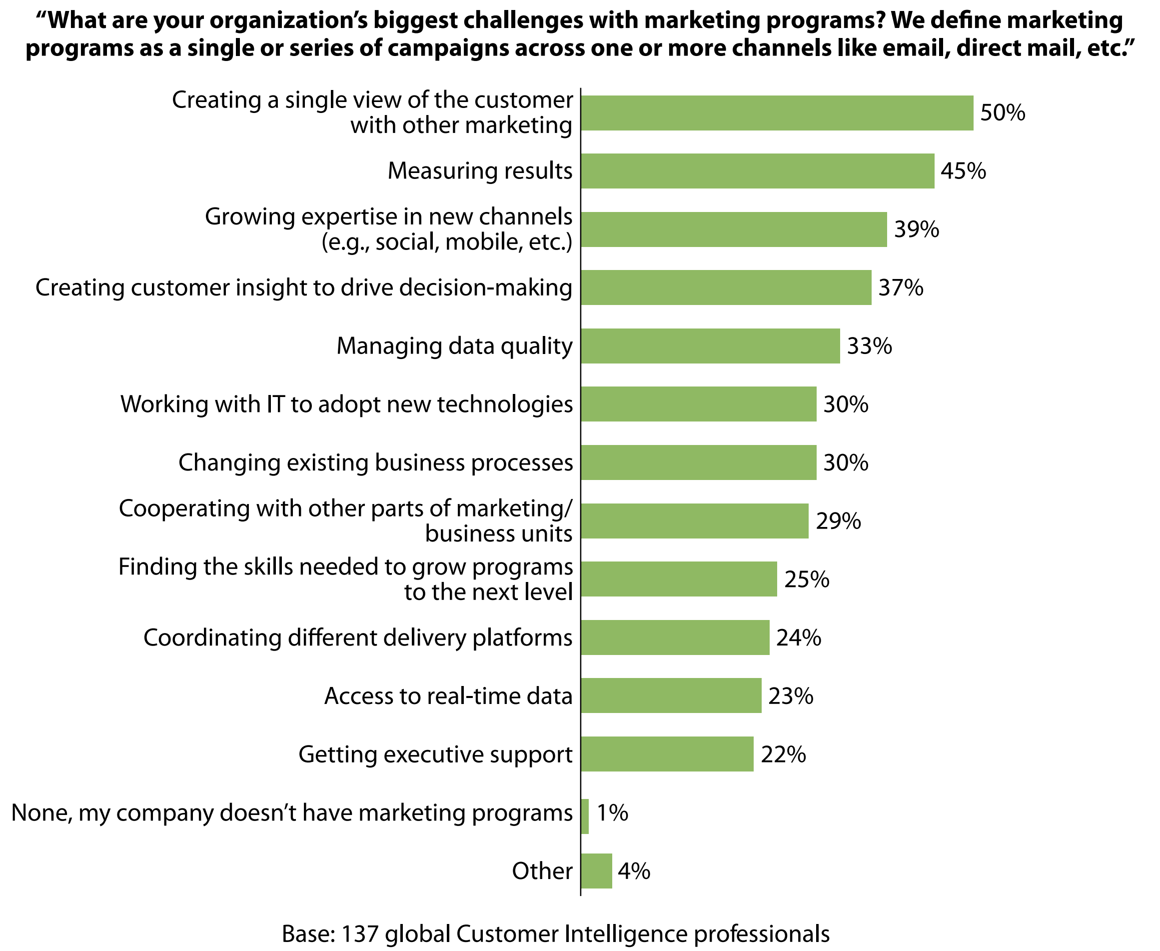
Figure 4 CI Professionals Struggle With Data And Measurement Challenges



Source: Q4 2010 Global Marketing Technology Benchmark Online Survey

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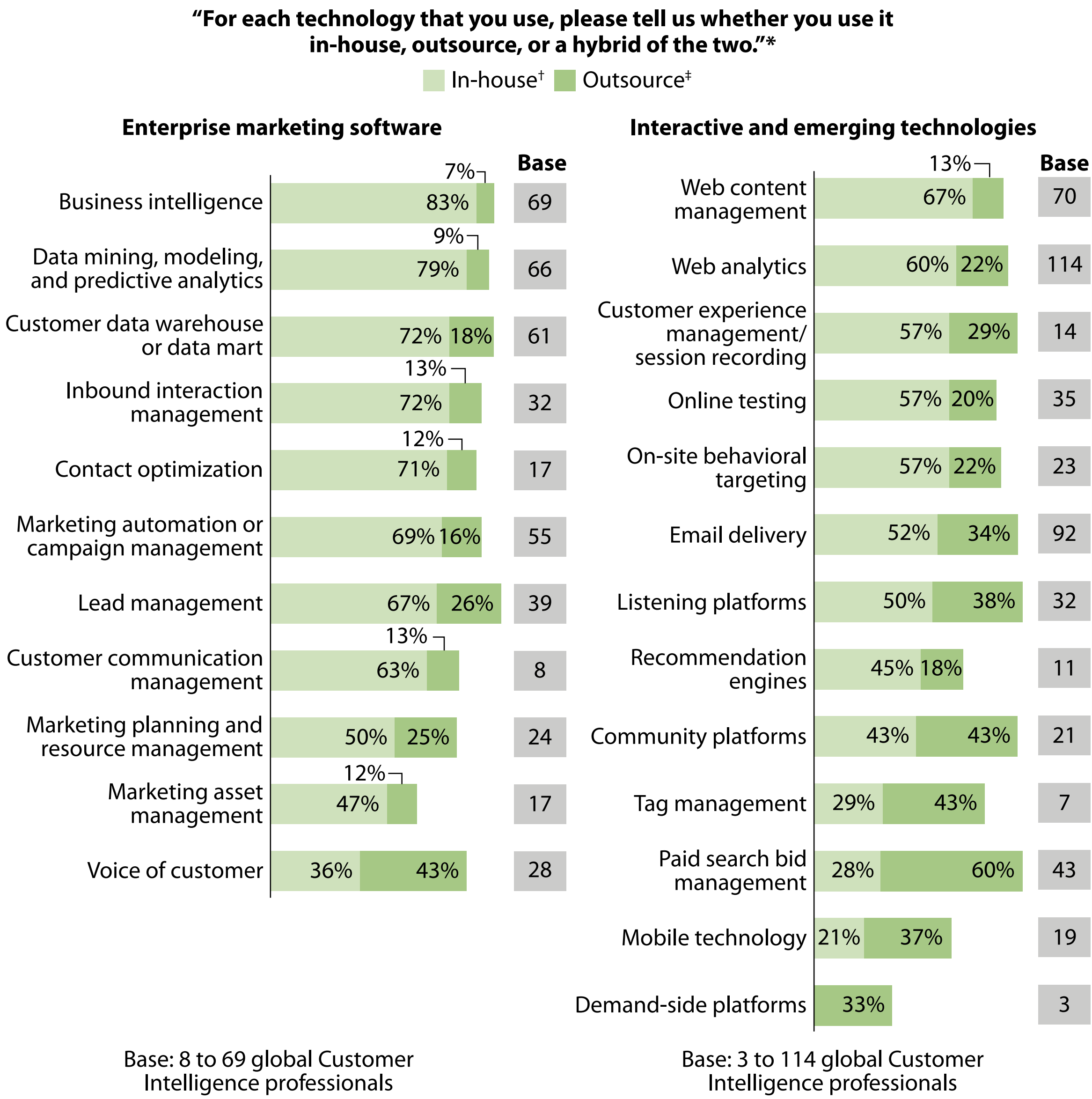
Figure 5 Outsourcing Online Technologies Is The Path Of Least Resistance



Source: Q4 2010 Global Marketing Technology Benchmark Online Survey
*Hybrid and don't know responses not shown
†In-house: using purchased software or custom-developed software
‡Outsource: to an agency, marketing services provider, or ASP

58792 Source: Forrester Research, Inc.

Mobile Technologies Lead Adoption In 2011

In previous years, CI professionals looked to expand their technology suite with tools that optimized customer interactions and marketing processes.[1] This year, optimization takes a back seat to mobile and other technologies that improve the customer experience or glean customer insights (see Figure 6). CI professionals tell us that:

- **Mobile takes top billing.** All signs point to 2011 as a banner year for stabilizing mobile marketing strategies and spend.[2] And we see this reflected in marketers' technology investment plans. CI professionals want to reach consumers in their preferred medium, and 30% of respondents plan to invest in mobile technologies.

- **Commitment to customer interaction management remains strong.** An overwhelming 82% of CI professionals prioritize customer experience improvements and plan to expand the technology suite accordingly. As a result, more than 20% of respondents plan to invest in technologies that will help them improve and optimize customer interaction like customer experience management, contact optimization, and inbound interaction management tools.

- **Customer Intelligence technologies are hot.** The fascination with customer data and insight management remains strong. CI professionals tell us that they will invest in analytical technologies like data mining, contact optimization, and behavioral targeting that help improve customer knowledge and promote action. Case in point: 54% of respondents told us they already use or are piloting data mining technologies, another 23% are still planning to use these technologies in the short or long term.

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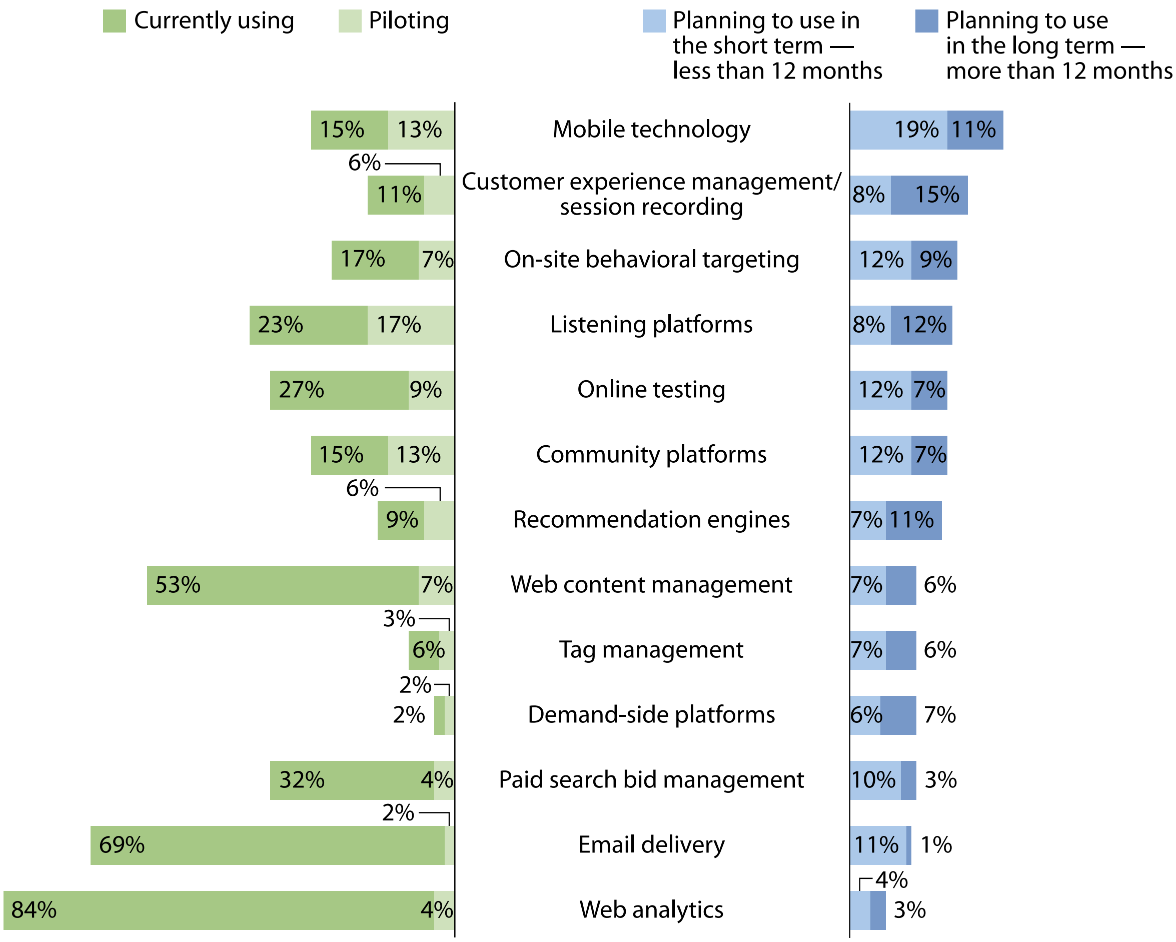
Figure 6 Current Technology Use And Plans For Future Adoption

"The following are types of marketing technologies. Which technologies does your firm currently use or plan to use?"*

Interactive and emerging technologies



Base: 137 global Customer Intelligence professionals

Source: Q4 2010 Global Marketing Technology Benchmark Online Survey
*No plans to use responses not shown

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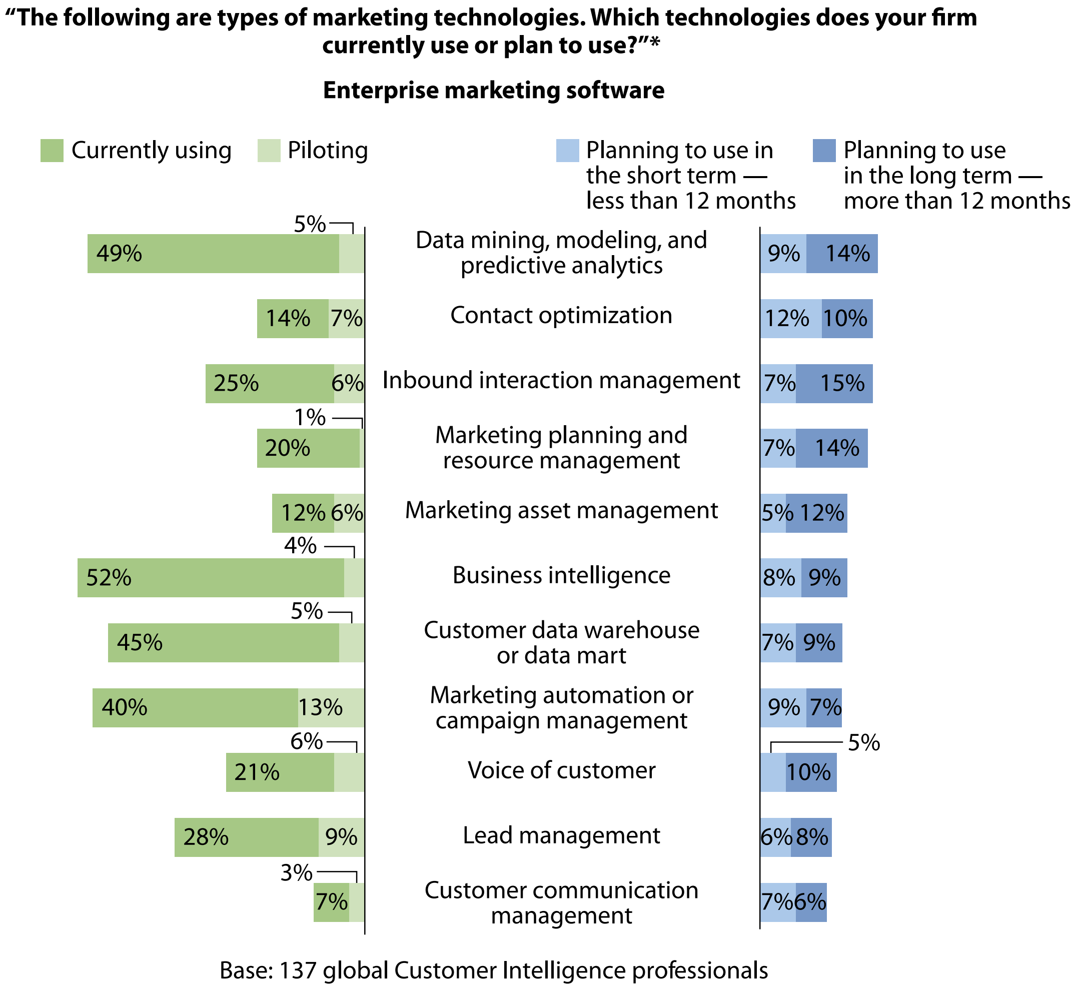
Figure 6 Current Technology Use And Plans For Future Adoption (Cont.)



Source: Q4 2010 Global Marketing Technology Benchmark Online Survey
*No plans to use responses not shown

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SUPPLEMENTAL MATERIAL

Methodology

Forrester's Q4 2010 Global Marketing Technology Benchmark Online Survey was fielded to 137 Customer Intelligence professionals from our ongoing Marketing & Strategy Research Panel as well as to clients from several enterprise marketing platform vendors. The panel consists of volunteers who join on the basis of interest and familiarity with specific Marketing & Strategy topics. For quality assurance, panelists are required to provide contact information and answer basic questions about their firms' revenue and budgets.

Forrester fielded the survey from October 2010 to December 2010. Respondent incentives included a summary of the published survey results.

Exact sample sizes are provided in this report on a question-by-question basis. Panels are not guaranteed to be representative of the population. Unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes.

If you're interested in joining one of Forrester's research panels, you may visit us at http://Forrester.com/Panel.

ENDNOTES

[1] Please see previous technology adoption reports: See the January 28, 2009, "Marketing Technology Adoption 2009" report, and see the April 26, 2007, "Marketing Technology Adoption 2007" report.

[2] Forrester expects marketers around the world to finally allocate dedicated resources to mobile. In the US, for example, Forrester forecasts that marketing spend on mobile display ads and search will pass $1 billion in 2011. See the January 24, 2011, "2011 Mobile Trends" report.

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