Bringing 20/20 Foresight to Marketing

CMOs Seek a Clearer Picture of the Customer

KEY FINDINGS

- **Marketers' priorities are customer-centric.** More than half (52%) cited customer retention as their top current priority, followed by customer acquisition (38%), and customer profitability (29%). These will remain top priorities a year from now.

- **Marketing budgets mirror these priorities.** About four in ten executives (39%) are dedicating the largest chunk of their funds to customer retention; customer acquisition runs a close second (36%).

- **Online tactics will see significant lifts in budgets.** Over the next year, 56% will increase their online marketing spend, 54% will increase their social media spend, and 50% will increase their mobile marketing spend.

- **Greater emphasis is being placed on data-based decisions.** Nearly half of respondents are increasing their spending on business intelligence, and 78% say there is greater scrutiny placed on what works and what doesn't than there was a year ago.

- **Marketers are challenged to understand the influence of their campaigns beyond the basic metrics of acquisition and conversion.** Top performers are using technology to get at these results and optimize their channels.

- **Marketers are not always clear on what tools they need to meet their top challenges.** Respondents admit being concerned about their ability to get a deeper understanding of customer interactions or obtain an integrated view of customer behavior. But there appears to be a disconnect in how they solve that issue, as the tools that could help—reconciling multiple online marketing applications and lack on an integrated marketing suite—are at the bottom of their list of concerns.

- **Marketing is moving at light speed, but most marketers are not watching or adjusting their campaigns accordingly.** Just 9% review their online marketing performance in real time, and only 9% adjust their campaigns in real time.

- **Top performers are more proactive in tracking and adjusting their campaigns.** Among companies that said their investment in marketing technology was "world class," 27% track their performance in real time, and 39% adjust their campaign performance in real time.

- **While nearly two thirds of respondents said they segment and target customers based on an integrated view of customer behavior, that view is not necessarily complete.** Just 30% have a view of mobile behavior, and just 34% look at social media behavior.

Bringing 20/20 Foresight to Marketing

In a business environment increasingly dominated by metrics, measurements, and data-driven decision-making, marketing executives find themselves under more scrutiny than ever. Less emphasis is being placed on branding—the traditional realm of the CMO—and more on customer acquisition, conversion, and retention. While top-level marketers agree that the proliferation of customer and campaign data is helping, not hindering, their efforts to produce ROI, many are at risk of falling behind as expectations and tactics are evolving at a breakneck pace.

Today's marketers have a wider range of options available than ever before for reaching their targets—broadcast and print, online marketing, social networks, mobile media, flash sales, location-based apps… The list goes on with more options seeming to emerge daily. Therein lies the challenge. In a fragmented marketplace, how can marketers provide a consistent brand experience across multiple touchpoints? And just as importantly, what is the impact of these multiple touchpoints on giving marketers a truly integrated view of their customers' behavior? Finally, given the continued emergence of disruptive marketing technologies, how can companies stay abreast, much less ahead, of where consumers will interact with their brands?

In other words, marketers today need to view the customer with 20/20 foresight, but are caught in hindsight by focusing on what's worked in the past, not what is working in the present or will work in the future.

To gain a clearer picture of the priorities, concerns, and actions of major marketers, Forbes Insights, in association with Coremetrics, an IBM company, surveyed 321 marketing executives at companies with more than $250 million in annual revenue in the U.S. and the U.K. These executives represent companies in industries that traditionally are heavy users of Internet marketing—retail, travel/hospitality, financial services/banking, and technology/media/telecom.

Survey respondents were asked about their efforts to meet their goals using highly granular behavior tracking, instantaneous data collection, social media channels and real-time campaign adjustments. Their answers provide an insightful glimpse into a fast-paced future fueled by robust and far-reaching data.

In addition, the data reveals how top performers—those businesses that rate their marketing technology investment as a "world class" differentiator—differ from average companies. Marketers may be able to learn from these differences and apply these best practices to their own efforts.

CUSTOMER-CENTRIC PRIORITIES

With online marketing being driven by transactions, lead generation, and conversion, it is no coincidence that marketers are less focused on brand building and more focused on customer retention and acquisition.

Asked about both their current priorities, as well as what they believe their priorities will be a year from now, respondents clearly had the customer in mind. More than half (52%) cited customer retention as their top current priority, followed by customer acquisition (38%), and customer profitability (29%). (Fig. 1) These remain the top priorities a year from now.

For marketing leaders, this means keeping an active focus on lead generation and maximizing the value of each and every customer.

"We track traffic and behavior closely," said the vice president of marketing at a global media services company. "We optimize search, email [and] display advertising. We even measure and optimize on lead-generation programs."

Across five of its 10 brands, this vertically integrated company serves up more than 150 million monthly page views to eight million-plus unique visitors around the world. The focus is firmly on sales—some B-to-C, but mostly B-to-B. "We probably still don't do as much as we would like," the VP added, "but we are always optimizing."

DO BUDGETS MATCH PRIORITIES?

For the most part, marketing budgets mirror these priorities. About four-in-ten executives (39%) are dedicating the largest chunk of their funds to customer retention; customer acquisition runs a close second (36%). (Fig. 2) Yet maximizing customer profitability—a crucial priority—does not appear to be a key budget item, as just 19% said it was a top area of spending.

Looking ahead to next year, dedication to retention and acquisition will remain strong, as more than half of respondents said they intend to increase their spending on customer acquisition, customer retention, and customer profitability. (Fig. 3)

Online tactics will also see significant lifts in budgets—56% will increase their online marketing spending, 54% will increase their social media spending, and 50%

FIGURE 1: What are your company's top marketing priorities?
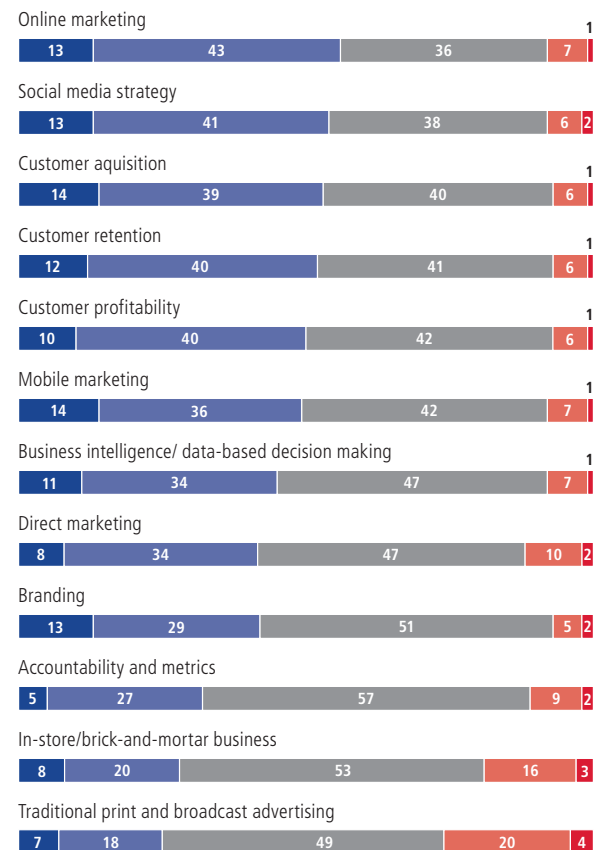

- Today
- One year from now
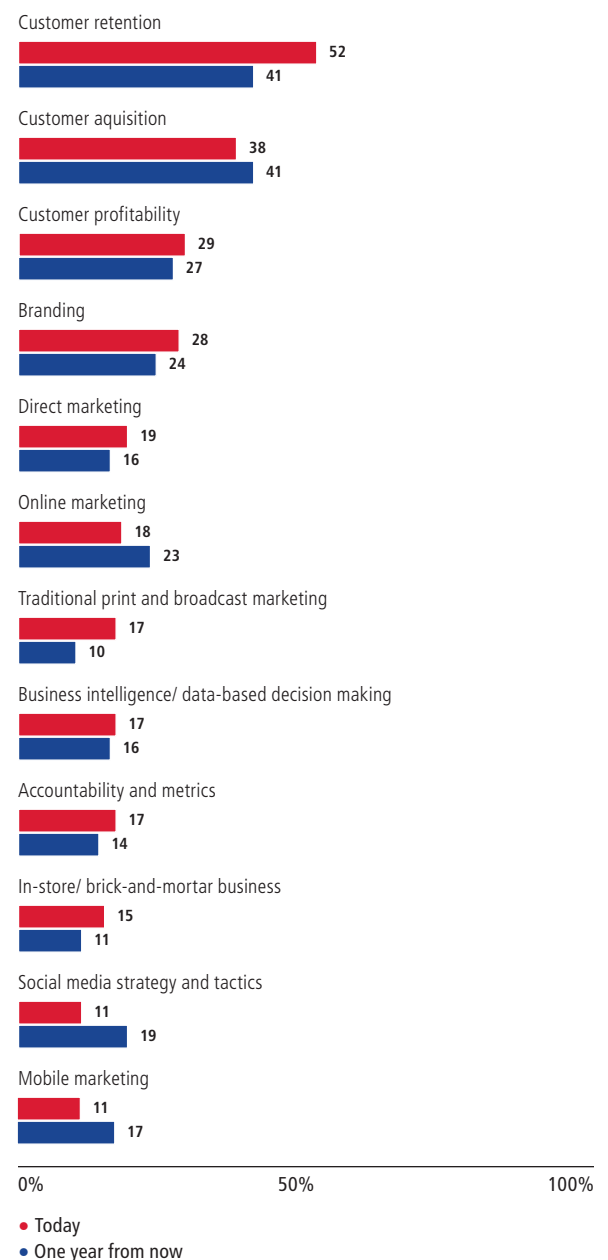
will increase their mobile marketing spending. Which raises an important question: Are these marketers making smart decisions by boosting their online marketing budgets in 2011 or 2012, or should these increased investments have occurred earlier, when pre-emptive strikes in these areas were more practical?

Interestingly, while marketing needs to move at light speed, marketers appear to be increasing their investments only after they've been caught off-guard by changes in the marketplace. In the survey, respondents were asked about what key developments over the past year surprised them most, and many of the most important changes—such as the

FIGURE 2: What are the top areas in terms of spending in your current marketing budget?

Area	Value
Customer retention	39
Customer aquisition	36
Branding	34
Online marketing	30
Direct marketing	30
Traditional print and broadcast advertising	24
Customer profitability	19
In-store/ brick-and-mortar business	16
Business intelligence/ data-based decision making	14
Social media strategy and tactics	12
Accountability and metrics	10
Mobile marketing	10

0%   50%   100%

FIGURE 3: Over the next 12 months, how do you expect your spending in the following areas to change?

Area	Increase significantly	Increase	Stay the same	Decrease	Decrease significantly
Online marketing	13	43	36	7	1
Social media strategy	13	41	38	6	2
Customer aquisition	14	39	40	6	1
Customer retention	12	40	41	6	1
Customer profitability	10	40	42	6	1
Mobile marketing	14	36	42	7	1
Business intelligence/ data-based decision making	11	34	47	7	1
Direct marketing	8	34	47	10	2
Branding	13	29	51	5	2
Accountability and metrics	5	27	57	9	2
In-store/brick-and-mortar business	8	20	53	16	3
Traditional print and broadcast advertising	7	18	49	20	4

● Increase significantly (10% or more)
● Increase
● Stay the same
● Decrease
● Decrease significantly (10% or more)

Twitter's strength as a marketing tool, greater use of smartphones and tablets, and the rise of flash-sale sites such as Groupon—topped the list.

At the same time, they were asked to predict what marketing-related developments would occur in the next 12 months. And while issues such as app overload, growth of the tablet market, and the mainstreaming of social media all were chosen, there was little agreement as to what would be most important.
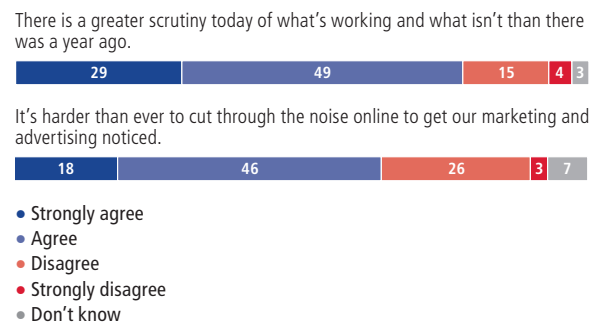
CREATING A UNIFIED BRAND

Marketing's biggest challenge appears to be presenting a consistent, unified brand across multiple customer touchpoints—on the Web, on social media, via mobile devices, and through traditional brick-and-mortar. This challenge extends to consistent messaging, a consistent customer experience, and a consistent, unified view of the customer.

"It's easy to measure disparate behaviors," said the vice president of media, digital marketing and social media at an internationally known telecom and wireless company, "but difficult to aggregate to provide a single view across multiple digital channels. It's easy to measure—difficult to provide actionable insights back to the business."

The pressure to deliver is greater than ever. Four of five executives (78%) said that, compared to one year ago, more scrutiny is placed on their marketing efforts. (Fig. 4) Nearly half (48%) report that short-term results are being prioritized at the expense of long-term goals.

One-size-fits-all volume marketing may no longer be effective. While marketers are getting better at synchronizing their online and offline efforts, it is harder than ever to measure the sales-effectiveness of digital marketing. Increasing the challenge, barriers to entry have fallen for competitors, thanks in part to cheaper, accessible technology. Two-thirds of executives (64%) agreed it's harder than ever to "cut through the noise" and be noticed. This could portend greater "narrowcasting," as marketers target their messages to highly specific segments with highly specific interests.

FIGURE 4: The pressure to deliver

There is a greater scrutiny today of what's working and what isn't than there was a year ago.

| 29 | 49 | 15 | 4 | 3 |

It's harder than ever to cut through the noise online to get our marketing and advertising noticed.

| 18 | 46 | 26 | 3 | 7 |

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

CROSS-CHANNEL? HOW ABOUT ACROSS BORDERS

Cross-channel marketing is difficult enough. What about cross-border? When it comes to multinational efforts, one marketer's metric is another's meaningless node.

"Different countries use technology in different ways and adopt technologies at a different rate," said the vice president of marketing and business development for a U.K.-based IT solutions and managed services provider. The company has operations in the U.K., U.S., Germany, Latin America, and Asia Pacific. "That means we have different data sets and metrics."

Rather than see these differences as a hindrance, savvy international marketers embrace opportunity. Seemingly disparate data points "can all be used in tandem to create a unique picture," she said. "Our main effort as a global marketing team over the past two years has been to present a single brand image to the world."

A THIRST FOR DATA

"Nothing convinces a CEO more than a clear demonstration of returns and positive financial outcomes," said the CMO of a $3 billion agency whose client list includes national and international retailers.

Data has always had its place in the marketing department, but the numbers are no longer being used to just confirm (or refute) decisions. Instead, data is increasingly driving those decisions. The vast majority of those surveyed plan to dedicate resources to collecting business intelligence to aid data-based decision making. Nearly half (45%) will increase their spending in the next 12 months; just about everyone else (47%) will spend at least the same amount.

There is, of course, a risk to having so much information at one's fingertips. Some marketers slam headfirst into so-called "analysis paralysis." As the agency CMO warned, "there are few enemies to knowledge as great as having too much information." The survey results confirm this. Two-thirds of executives are challenged by the prospect of converting data into action.

Top-performing marketing executives need more than numbers. They need connections. "Measuring and monitoring may have become something of a science," he said, "but connecting dots, interpreting results, and synthesizing meaning is still high art."

There's also the risk of creativity being stifled in the interest of "sure thing" data-based decisions. Six in ten of those surveyed (60%) fear that a reliance on metrics precludes "breakthrough ideas." Nearly the same percentage of executives (58%) said they spend more time analyzing than creating.

One marketing vice president summed it up: "All this data can be addictive and can be a crutch." There is a danger in being too data-dependent, she said. "It's about knowing when and where it's worth optimizing—rather than optimizing everything for the sake of it."

Today's best-in-class marketing executives know that properly interpreted data can actually drive inspiration. For one senior vice president at an international travel website, breakthroughs come "when an anomalous data set provides some insight that we weren't looking at before."

INVESTING IN TOMORROW'S TECHNOLOGY TODAY

Retention and acquisition may be top online marketing priorities, but marketers are challenged to understand their campaigns' influence vis-à-vis customer behavior. They also have trouble obtaining an integrated view of customers across multiple touchpoints.

LEVERAGING SHORT-TERM DATA FOR LONG-TERM SUCCESS

When B-to-B and B-to-C travel sites first appeared online in the mid- and late 90s, there were few online channels for serving consumers—and even fewer means of measuring their behavior. "Back then," said the senior vice president of marketing at one of the early adopters, "branding was key." His company built an audience of highly affluent travelers the old-fashioned way: by placing ads, forming partnerships and offering great deals.

Nearly 15 years later, in conjunction with a major consumer print publication, the agency launched a members-only flash-sale website dedicated to upscale properties. The two ventures serve many of the same consumers— but in drastically different manners. With community forums and an ever-expanding inventory of partner properties, the original portal is continually growing. At the flash-sale site, property pages come down when the sales expire.

Neither site could operate successfully without robust data collection and analysis.

"Data is great and we love it," said the SVP. "We're looking at more data every day. We have the ability to test and iterate quickly, with less negative impact. Testing and measuring is the only way to really know what works."

While retention and acquisition are the top online mar–keting priorities of survey respondents, many indicated they were challenged to understand the influence of their cam–paigns beyond the basic key performance indicators (KPIs) of acquisition and conversion. (Fig. 5)

FIGURE 5: What are your organization's top challenges related to online marketing?

Understanding the influence of a marketing campaign beyond acquisition and conversion to include the influence of each interaction

26

Obtaining an integrated view of customers across multiple online marketing touch points

25

Providing a consistent experience across different media and different screen types

24

Interpreting data to make business decisions

21

Reaching customers no matter where they are online

20

Determining which metrics are important

20

Meeting different reporting requirements for different stakeholders

19

Data accuracy

19

Maintaining a flexible approach to marketing planning

19

Too much data

17

Fostering online word of mouth

15

Reconciling multiple online marketing applications

14

Lack of an integrated marketing suite

11

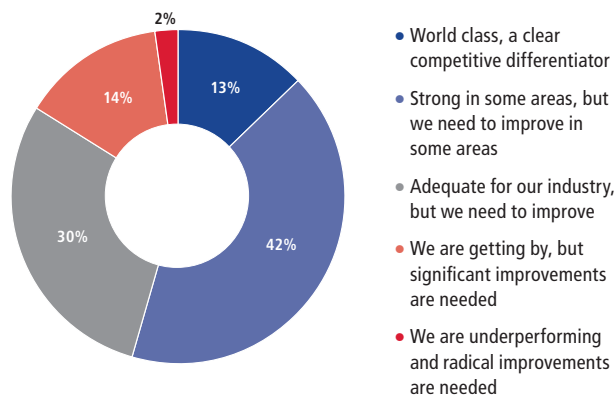0%   50%   100%

Top-performing marketers are taking a different tack. They're addressing the foundation that underpins all of these: technology. Others may be facing more of a technol–ogy disconnect, as they are challenged to gain an integrated customer view, but are less concerned with reconciling mul–tiple applications or a lack of an integrated marketing suite.

"Multi–source attribution just wasn't possible ten, or even five, years ago," said the senior vice president of a U.S.–based consumer website with strategic partnerships on just about every continent. "The technology required to capture buy–ing patterns over multiple channel interactions over a 90–day period was too expensive." Today, even large data sets can be analyzed in a timeframe short enough to yield actionable results. "With today's cloud-scalable systems, distributed processing and columnar databases, making sense of the data around an individual is possible."

This makes sense to the COO and CFO of a national mens–wear retailer. "Today's multi–channel consumer is neither offline nor online," he said, "but all–line." His company is leverag–ing technology to gain a broader view of customers, "optimizing retail and direct channel media to stimulate demand based on customers preference—as shown by measuring results."

And yet, when asked to rate their company's technological support of online marketing, the vast majority (87%) see room for improvement, and about half of those feel they are either just adequate or need some significant improvements. (Fig. 6)

FIGURE 6: How would you rate your company's investment in technology to support online marketing, compared to your competitors?

2%

14%

13%

30%

42%

- World class, a clear competitive differentiator
- Strong in some areas, but we need to improve in some areas
- Adequate for our industry, but we need to improve
- We are getting by, but significant improvements are needed
- We are underperforming and radical improvements are needed

Moreover, many marketers appear to be stymied by measuring the impact of emerging Internet technologies. While one of the benefits of online marketing has been the ability to measure results in real time, many marketers are finding it not to be as easy as they thought. While offline customer behavior was ranked as the most difficult area to measure, marketers have been challenged to have an integrated view of their online performance. (Fig. 7) Moreover, with new online channels emerging, marketers may not clearly understand how customers are supposed to behave on those channels. For instance, more than 40% said it is difficult to measure customer interaction via social media. A similar number said it was difficult to measure interaction via mobile media—which can often be a window into offline behavior. Considering that these technologies have moved into the mainstream in the past year, this frustration could be affecting marketers' abilities to succeed in these areas.
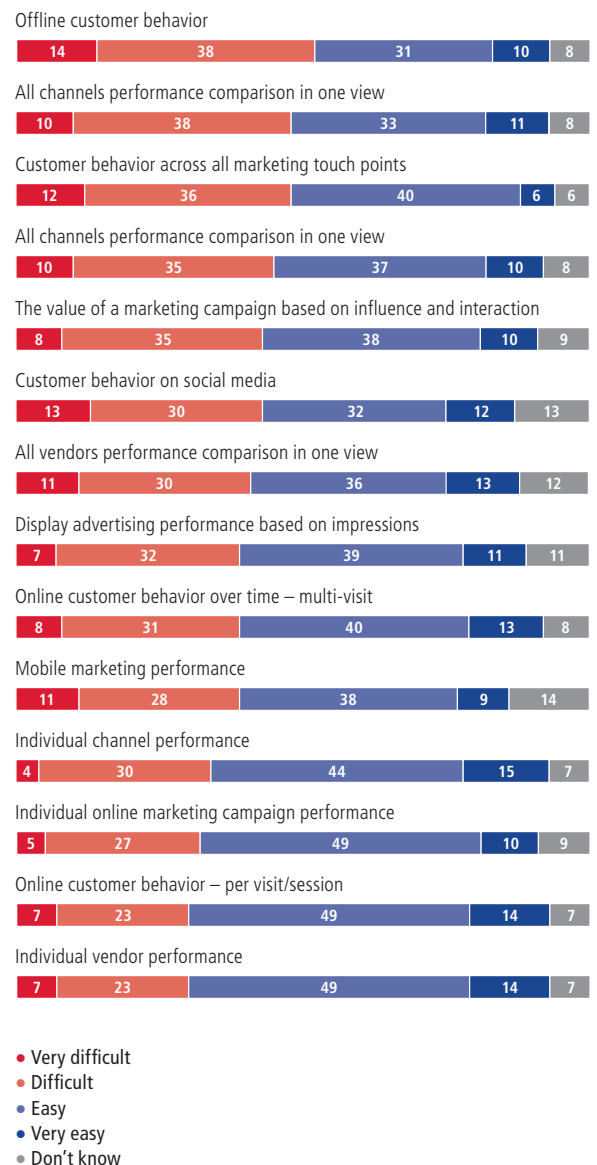
ENGAGEMENT IS A MOVING, MOBILE TARGET

How does a rapidly expanding chain of frozen dessert restaurants grow to more than 100 stores in less than six years?

The company's CMO is not among the 13% of marketing executives who cannot measure his customers' behavior on social media. Nor is he among the 14% bewildered by mobile channels. Crucial to the company's explosive success are its legion of loyal customers who evangelize on the brand's behalf using social media.

"[We are] a very social brand, online and off-," the CMO explained. "Seventy percent of our customer store visits involve a group of two or more people." Leveraging social media to create brand ambassadors was a natural fit. "We increasingly rely on [fans] to help tell our story and introduce new customers to our brand experience."

But maintaining a Twitter account and Facebook page isn't enough. "The mobile device is increasingly blurring the lines between online and offline integration," said the CMO. "We are actively working on innovating mobile technologies that will allow our customer to engage online as part of the in-store experience."

FIGURE 7: How easy is it for you to measure and interpret data for the following tasks?

Offline customer behavior
| 14 | 38 | 31 | 10 | 8 |

All channels performance comparison in one view
| 10 | 38 | 33 | 11 | 8 |

Customer behavior across all marketing touch points
| 12 | 36 | 40 | 6 | 6 |

All channels performance comparison in one view
| 10 | 35 | 37 | 10 | 8 |

The value of a marketing campaign based on influence and interaction
| 8 | 35 | 38 | 10 | 9 |

Customer behavior on social media
| 13 | 30 | 32 | 12 | 13 |

All vendors performance comparison in one view
| 11 | 30 | 36 | 13 | 12 |

Display advertising performance based on impressions
| 7 | 32 | 39 | 11 | 11 |

Online customer behavior over time – multi-visit
| 8 | 31 | 40 | 13 | 8 |

Mobile marketing performance
| 11 | 28 | 38 | 9 | 14 |

Individual channel performance
| 4 | 30 | 44 | 15 | 7 |

Individual online marketing campaign performance
| 5 | 27 | 49 | 10 | 9 |

Online customer behavior – per visit/session
| 7 | 23 | 49 | 14 | 7 |

Individual vendor performance
| 7 | 23 | 49 | 14 | 7 |

● Very difficult
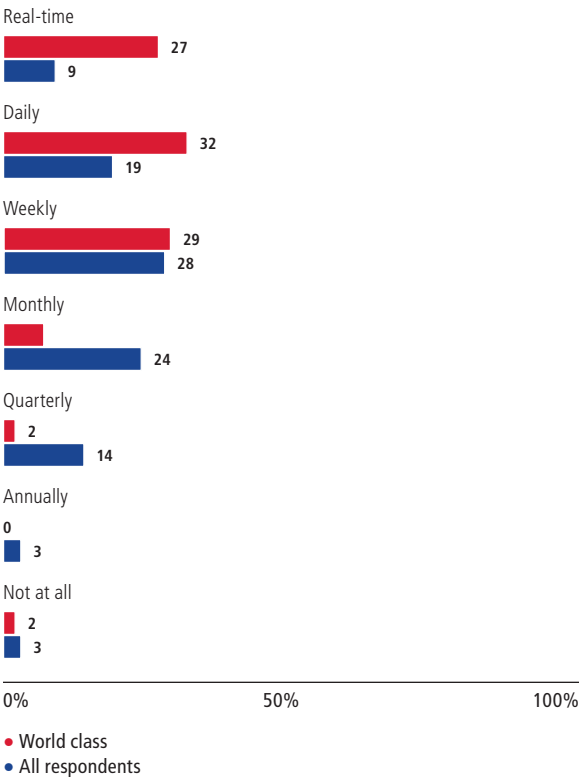● Difficult
● Easy
● Very easy
● Don't know

PERSONALIZATION DEMANDS IMMEDIACY

Marketing is moving at light speed, but few executives are watching or adjusting their campaigns and content accordingly. Of those surveyed, the majority either reviews their metrics weekly (28%) or monthly (24%). Just two in 10 review online marketing performance daily—a good start, but insufficient for today's demanding (and savvy) consumers. Fewer than one in 10 reviews performance in real time.

That's overall. But those who are top performers—those that say their companies' investment in marketing technology is "world class"—are much more proactive in tracking and adjusting their campaigns. More than half of "world class" marketers review their campaign performance in real time (27%) or daily (32%). (Fig. 8)
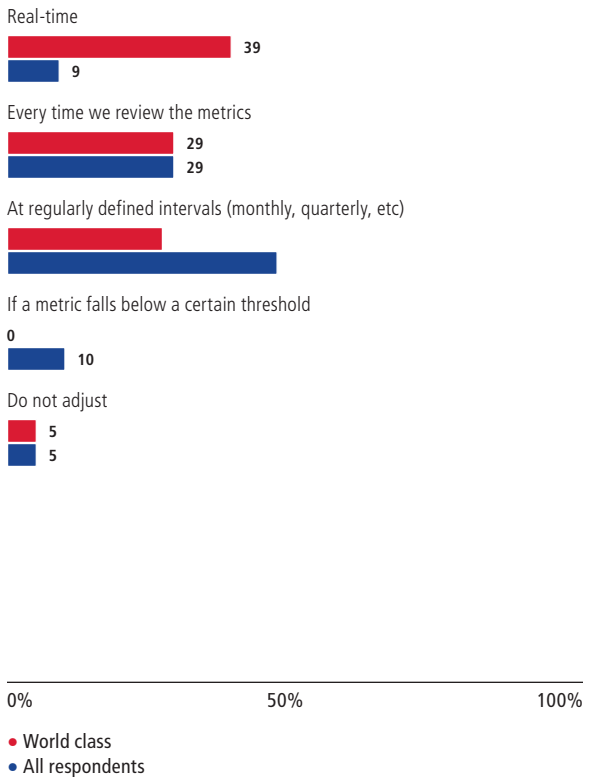
Similarly, these world-class marketers are using this data to adjust their campaigns—39% adjust in real time and 29% indicated they adjust their campaigns whenever they review the metrics. (Fig. 9)

But just as collecting data in a vacuum is pointless, so too is immediacy for its own sake. The true value of instant feedback, analysis and adjustment is presenting a personalized experience to the user.

The CMO for the Americas at a major global hotel chain understands this. "Real-time one-to-one marketing is doable provided you have a dynamic system to customize offers on the fly," he said. "We typically do customer clustering where we provide offers based upon city or brand interest, then tailor creative… Our insight and analytics team are a critical and strategic part of our marketing activity."

FIGURE 8: How often is your online marketing performance reviewed within your organization?

	World class	All respondents
Real-time	27	9
Daily	32	19
Weekly	29	28
Monthly		24
Quarterly	2	14
Annually	0	3
Not at all	2	3

FIGURE 9: How often do you adjust your online marketing campaigns based on these reports?

	World class	All respondents
Real-time	39	9
Every time we review the metrics	29	29
At regularly defined intervals (monthly, quarterly, etc)		
If a metric falls below a certain threshold	0	10
Do not adjust	5	5

● World class
● All respondents

TOP PERFORMERS HAVE A UNIFIED VIEW

According to the survey data, marketing executives value broad, comprehensive views of their customers. Indeed, many respondents say they're focused on customer activity across multiple touchpoints.

Yet, many don't actually have a handle on how their customers are using these different channels. Too many executives are producing data in silos, and then failing to connect that data to related information. This lack of unified view is hindering efforts to deliver brand messaging—and therefore effectively attract, convert, and retain customers.

In the survey, nearly two thirds of respondents (65%) said they segment and target customers based on an integrated view of customer behavior. (Fig. 10)

Asked what this includes, the top responses were customer service behavior, historical behavior, and online behavior. Just 30% have a view of mobile behavior, and just 34% look at social media behavior. (Fig. 11)

Marketers with a unified view of both online and offline activity find it easier to interpret data from individual channel performance. They're also more adept at analyzing vendor performance and per-visit/per-session customer behavior. Perhaps most crucially, a unified view makes it easier to interpret longer-term customer behavior—particularly in social media and mobile channels.

"We are really increasing our investment in this area," said the vice president of marketing for a global IT services company. "We are now designing an extremely comprehensive 360-degree approach/system to understand our target customers."

FIGURE 10: Do you segment and target your customer marketing based on an integrated view of the consumer's behavior?

- Yes
- No

35%

65%
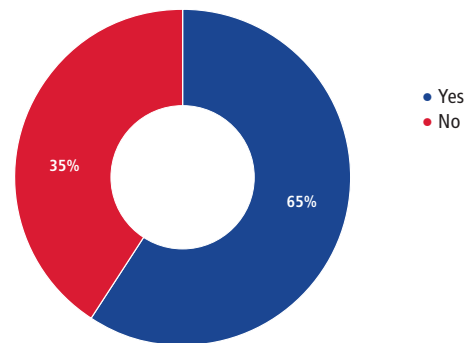
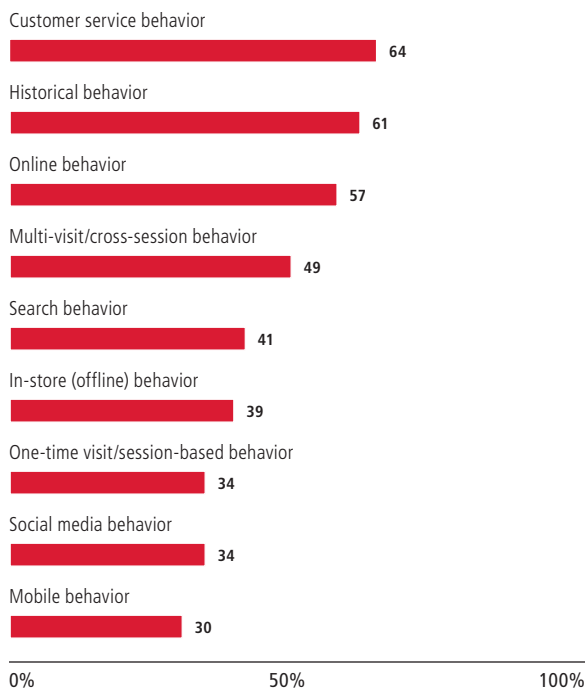## WHEN DOES PERSONAL BECOME PRIVATE?

Data mining, user-tracking, and behavior-modeling are no longer just buzzwords for the boardroom. Recently, some in the media have cast a critical eye on the practice of recording and predicting consumer behavior, and some marketers in the survey indicated they believe that privacy backlash—including regulations that allow consumers to opt out of being tracked—will be a major marketing-related development in the next year. Yet, consumers frequently prefer personalized experiences when connecting with a brand via online and mobile channels. Where's the line between serving an individual's needs and invading privacy?

For the U.S.-based vice president of marketing of a multi-billion-dollar IT services concern, "There is a delicate balance between 'delivering personalized experience' and 'intruding personal space' [and] we, as marketers, always need to keep this in mind." For starters, overreliance on data and reports can lead to seemingly minor missteps that can damage a brand's reputation. News of just one privacy breach or intrusion can live online forever, thanks to the Internet's eternal memory.

Marketers must never forget that they're connecting with humans. He recommended pairing data with personal interactions, offline observations, proper sales management, and leadership forums to yield "insights and better customer mapping."

FIGURE 11: What information does this integrated view include?

- Customer service behavior: 64
- Historical behavior: 61
- Online behavior: 57
- Multi-visit/cross-session behavior: 49
- Search behavior: 41
- In-store (offline) behavior: 39
- One-time visit/session-based behavior: 34
- Social media behavior: 34
- Mobile behavior: 30

(0% – 50% – 100%)

The VP is not alone. Other executives reported similar efforts. And not a moment too soon. Marketers with a unified view are more likely to easily interpret multi-visit data. They're also more able to assess the value of a campaign based on influence and interaction, and nearly twice as likely to find it easy to interpret customer data across multiple touchpoints.

Not surprisingly, companies that rated their marketing technology investment as "world class" were most likely to target their marketing based on an integrated view of customer behavior. Nearly nine in ten (88%) said they do this kind of segmentation and targeting.

At the hotel chain, its CMO is ahead of the curve. "We've consolidated our agencies globally for both creative and media. This has allowed us to leverage our scale more effectively, and provides a rich knowledge base for what works by market and customer segment in different parts of

HOW ONE BROADCASTER SERVES UP MULTIPLE CHANNELS, LITERALLY

As boardrooms mandate integrated marketing efforts to reach cross-channel and cross-brand audiences, how do executives meet their goals without resorting to siloed data, metrics, and campaigns?

For one international broadcaster, the solution was creating a separate, in-house division tasked with leveraging cross-brand marketing data to help advertisers reach demographically different audiences.

"The research we've done tells us that our fans engage our various brands, and the multitude of platforms they live on," said the division's senior vice president. "As such, properly leveraging that pallet of engagement opportunities, playing to the specific strengths of each, can be a wholly additive, more-than-the-sum-of-its-parts way to connect."

Her team does more than just deliver data to outside agencies. "Our clients truly want to understand how and why things are working (or not), and how and why consumers behave as they do."

Despite working in a light speed environment, "the marketing principles we learned years ago still apply," said the SVP. "Define what success looks like upfront, design the research and metrics architecture to allow you to measure and optimize performance in that context. Then take the time to debrief the program at the end."

works by market and customer segment in different parts of the world." As a global company, he said, it must serve customers reacting with the brand in different channels, with different needs—and from different countries.

"Brand consistency and continuity are critical for delivering the best guest experience to drive engagement."

TOO LATE TO PLAY CATCH-UP?

To succeed in the marketing, executives must have foresight. Yet they seem to have vastly better hindsight.

Marketers can be forgiven for not jumping on—if not foreseeing—radically new platforms, channels, and opportunities. How can someone predict the impact of flash sales or social gaming?

The point isn't that marketers can't agree on the future. If there are no longer one-size-fits-all solutions for reaching audiences, why should there be any for the marketers themselves? The point is, progressive marketers are relatively few—but they're the ones pushing the envelope, setting dialogues, and defining the industry. They're willing to commit, experiment, and adjust. Aided, of course, by robust data collected at every step in the process.

Has the ship sailed, then? Is it too late for the latecomers to play catch-up?

No, said one SVP. "It's never too late. Even brands that have a 'head start' will need to constantly innovate in order to keep pace with the ever-changing landscape." The upside of instantaneous data collection is its immediate availability; investments in technology can essentially be made overnight; and the industry is filling up with future executives who have never known a world without data.

What's more, he added, "Brands just getting into this game have the advantage of learning from the success and failures of its pioneers."

METHODOLOGY

The information in this report is based on the results of a survey and one-on-one interviews conducted by Forbes Insights in March and April 2011.

Forbes Insights, in association with the Coremetrics, an IBM company, surveyed 321 executives involved in marketing or corporate management at large businesses in the U.S. and the U.K. All worked for companies in industries that are typically major online marketers, including retail, travel/hospitality, financial services, and technology/media/telecom.

More than three quarters of the companies (77%) had annual revenues of $1 billion or greater, and the remaining 23% had revenues of at least $250 million. More than a quarter of respondents held C-level titles, including CEO (15%) or CMO (11%), and the rest had senior titles including senior vice president, vice president, director of marketing, and marketing manager.