

PREPARING FOR CROSS-CHANNEL SUCCESS: **SOLVING THE IDENTITY PUZZLE**



Signal Special Report - Australia | March 2015

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Executive Summary

The customer journey is no longer just about a trip to the mall or a click of a mouse. Today's consumers use a variety of online and offline channels along their path to purchase and have come to expect a seamless experience from start to finish. Gaining a panoramic view of the customer across touchpoints has long been the marketer's holy grail, but now it's an imperative for success.

Yet capturing that complete picture has been elusive and laden with obstacles: leveraging first-party data, merging activity across multiple channels and devices, and resolving customer identity. These are the stepping stones to knowing your fast-moving, multi-screening customers on a one-to-one basis.

Signal wanted to find out where marketers stood in their quest to unlock the coveted single view of the customer and gain insight into the entire customer journey. In March 2015, Signal conducted a global online survey of 186 brand and agency marketers in Australia, spanning more than 17 industry categories.

Signal's Single View of the Customer survey yielded three important findings:

- For most brands, collecting and matching siloed and fragmented engagement data remains a nearly-impossible task. An overwhelming majority of marketers know that building a unified view of the customer is essential to their ability to deliver true one-to-one marketing. But only a tiny sliver of marketers have reached that sought-after goal.
- Data fragmentation is a central obstacle towards achieving a full, unobstructed view of customer engagement, with over half of marketers saying incomplete or disconnected data

Resolving cross-channel identity is the key to seamless customer experiences.



hinders critical goals such as marketing measurement and personalisation.

- Despite the challenges, marketers rank identity and a unified customer view as a critically important prize that will allow them to offer superb user experiences, strengthen their customer relationships and increase the return on their marketing investments.

These survey results make it clear that for marketers seeking a full, unified view of their customers across channels and devices, building a strong data foundation is a must. That means collecting and matching first-party data in a centralised hub should be a top priority. In addition, taking a strategic approach to resolving customer identity, and building up lasting profiles and matching capabilities as an ongoing process should be emphasised.

A strong data foundation and a strategic approach to identity are a must.



Introduction

Modern marketers find themselves caught between a rock and a hard place: on one hand, they realise that customers expect to be instantly recognised and understood, no matter the touchpoint. Marketers want to optimise their marketing mix and experiment with new methods for delighting customers with personalised and seamless experiences.

On the other hand, marketers' ability to see the entire customer journey has been severely constrained by technology that wasn't built for the realities of a cross-channel world. The typical brand has a siloed technology stack that is not designed to fully gather and centralise data in order to drive broad insights and power key cross-channel capabilities, such as measurement, attribution, media targeting, content personalisation and ad message customisation.

The result is fragmented data and multiple, incomplete customer profiles. Marketers can't accurately measure cross-channel campaigns, because they can't attribute a customer's behaviour to certain channels and, therefore, cannot fully understand the shopper's path to purchase. For example, many marketers aren't collecting sufficient mobile data, or aren't merging mobile data with web data. As a result, they can't know with certainty whether a customer engaged with mobile, or with both mobile and web, or which of the two channels triggered conversion.

Times have changed: in the old days of digital marketing, when over 90% of customer interactions with brands happened in the desktop computer browser, tracking ad-exposure frequency with third-party cookies was enough. That is incredibly difficult today, with digital advertising spread among a large number of channels and devices. Without first gathering and then matching the right data, marketers cannot create accurate customer profiles from which to measure their efforts or construct marketing campaigns. They lack the feedback loop that would help them optimise their investments.

Customers expect to be recognised and understood, no matter the touchpoint.



In order to achieve that elusive but empowering single view of the customer, marketers must first overcome some significant challenges, including:

- **Collecting first-party data.** The majority of marketers are still making do with partial data sets, as they suffer from gaps in their data collection capabilities. The holes are particularly evident in mobile app and offline channels such as CRM, point-of-sale, call centre and kiosk. The result is unreliable, incomplete data that does nothing to optimise ROI.
- **Building customer profiles.** If a brand's marketing technology doesn't allow for a frictionless merging of cross-channel data, the power of a single customer view can never be unlocked. A typical company's technology stack may include dozens of toolsets, each with its own database, that don't talk to each other. The process of integrating large volumes of data and resolving identity on a customer level is a common stumbling block.
- **Activating profiles in real time.** After investing time and money in creating profiles, marketers often discover they lack the technical capabilities and processing capacity and speed to activate them in a timely way, where and how they want to. Another common oversight is the ability to create durable profiles that are continuously updated, as customer interactions occur in real time.

Marketers know that creating a single view of the customer won't happen overnight. Instead, incremental changes must happen over time to gather and combine data across touchpoints and devices. By collecting and connecting cross-channel data, brands can finally gain richer marketing insights, understand the entire customer journey, personalise experiences, and finely target media and messaging campaigns — all of which will help optimise media spend and boost ROI.

A unified customer view empowers marketers to truly know their customers.

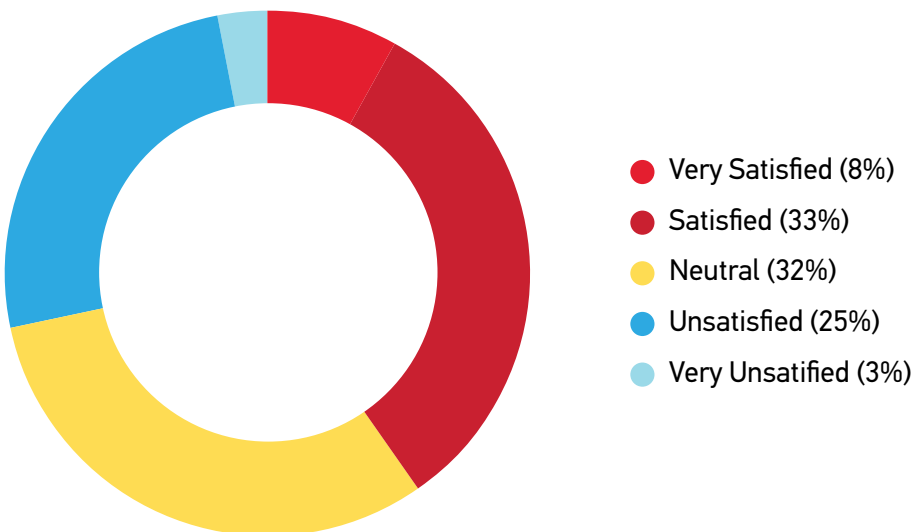


Key Insights

Insight #1 A unified customer view remains out of reach, keeping marketers stuck at the cross-channel starting line.

When asked to evaluate their achievements in integrating marketing campaigns across multiple channels, a majority of marketers are not happy with their own cross-channel progress to date. More than half of marketers (59%) say they're dissatisfied or neutral with how far they've come. [Fig. 1]

Figure 1: How satisfied are you with the progress your brand has made in integrating marketing campaigns across multiple channels, including online and offline touchpoints?

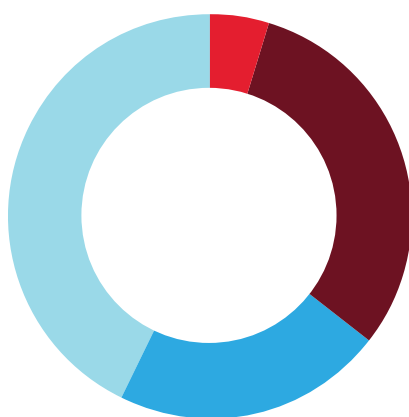


A majority of marketers are unhappy with their cross-channel progress.



And no wonder marketers remain stalled at the cross-channel gate. They're sorely lacking the holistic view of the customer that empowers the use cases that make seamless experiences possible. A paltry 5% of marketers, in fact, say they have attained a single view of the customer that is adequate to support their cross-channel marketing goals. [Fig. 2]

Figure 2: Do you have a single view of your customers and prospects across devices and touch-points?



A mere 5% of marketers have a single view of the customer. 43% have no solution in place.

- Yes, our current solution provides an adequate single view of our customers. (5%)
- Yes, we have a solution in place but it still has some gaps in coverage of devices, touchpoints, and data. (31%)
- No, we have implemented a solution but its shortcomings severely limit its practical effectiveness. (22%)
- No, we have not yet implemented a solution to achieve a single view of our customers. (43%)

The rest are still struggling with the thorny web of challenges surrounding the collection and merging of their data across devices and channels.

A majority say that gaps in cross-channel data collection or severe shortcomings in their solutions have hindered their ability to achieve the complete customer view that they're seeking. And 43% have yet to even put a single view solution in place.



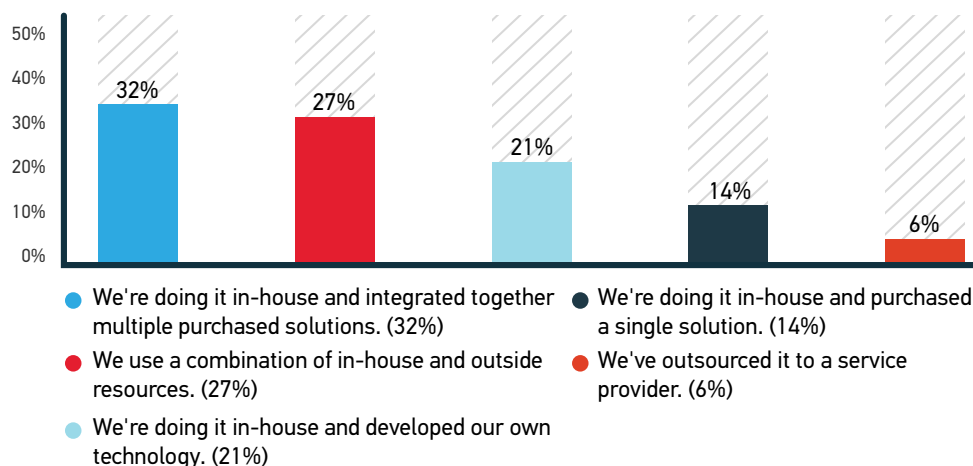
Insight #2 Current approaches to a unified customer view are complex to implement and fail to plug the gaps.

While marketers have yet to reach the nirvana of a unified customer view, for many, it's not for lack of trying. Without a flexible, comprehensive solution that can be customised for their own data needs, customers and applications, marketers are cobbling together in-house and third-party tools that are filled with daunting complexity and are frustratingly incomplete.

Marketers show a preference to manage unified customer-view efforts in-house, with only 6% of organisations fully outsourcing these projects. The others are generally working with a patchwork of technologies and providers to accumulate the capabilities they need. Nearly three-quarters of respondents, for example, combine a variety of in-house and outside resources. [Fig 3]

Marketers need more comprehensive solutions.

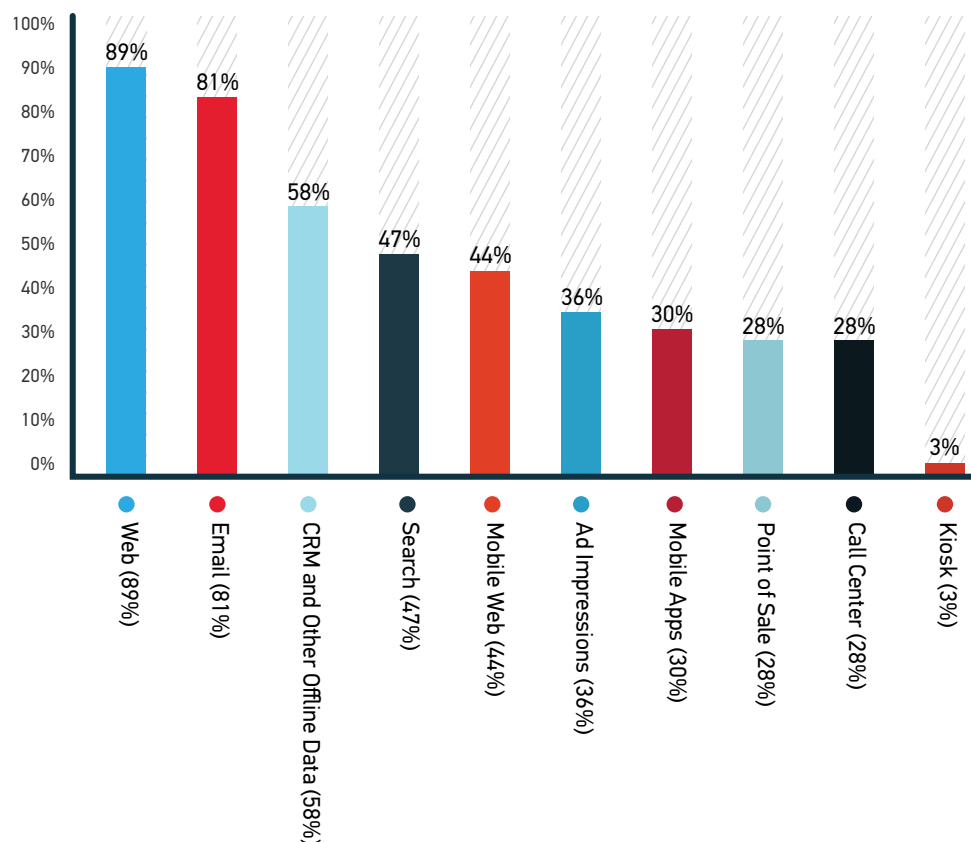
Figure 3: What is the current or preferred approach to building a single view of your customers?



These piecemeal combinations typically have glaring gaps in data, weighing heavily towards traditional, browser-based and messaging sources and leaving marketers flying blind in other key channels that are growing in importance as consumers move away from desktops. For example, less than one-third of marketers (30%) are able to collect and integrate mobile app data, and 42% are unable to connect their CRM data. Other offline channels, such as point-of-sale, call centre and kiosk, have gotten the least attention: Only 28% or fewer respondents can currently integrate such data, despite the potential to wow consumers as they move between digital and physical environments. [Fig. 4] Notably, while brands are investing heavily in media buys, nearly two-thirds still cannot measure the impact of ad impressions in the customer's journey — so their true return on that investment is unclear.

Marketers lack data capabilities that go beyond the browser.

Figure 4: From which channels are you currently able to collect and integrate data?



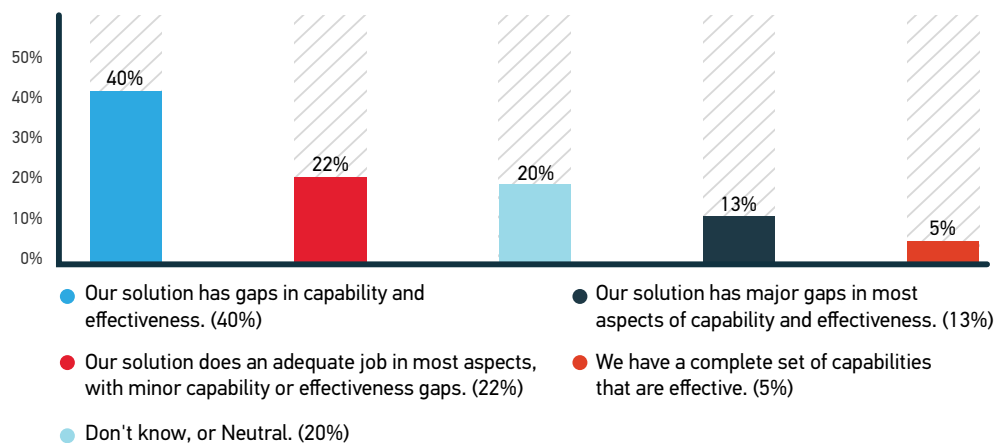
Insight #3 Gathering and merging data as customers interact across touchpoints remains a significant hurdle.

Marketers would love to just press an “easy button” and have a single customer view solution magically appear. Instead, they report that nearly every aspect of current solutions has proven to be unimpressive or mediocre; and issues remain even with foundational data collection and merging capabilities.

Of those with solutions in place, a mere 5% of respondents say their tools are doing a good job in helping them develop a unified view. [Fig. 5] Instead, most marketers simply hobble along with solutions they have significant issues with, because they haven’t found a better alternative. For instance,

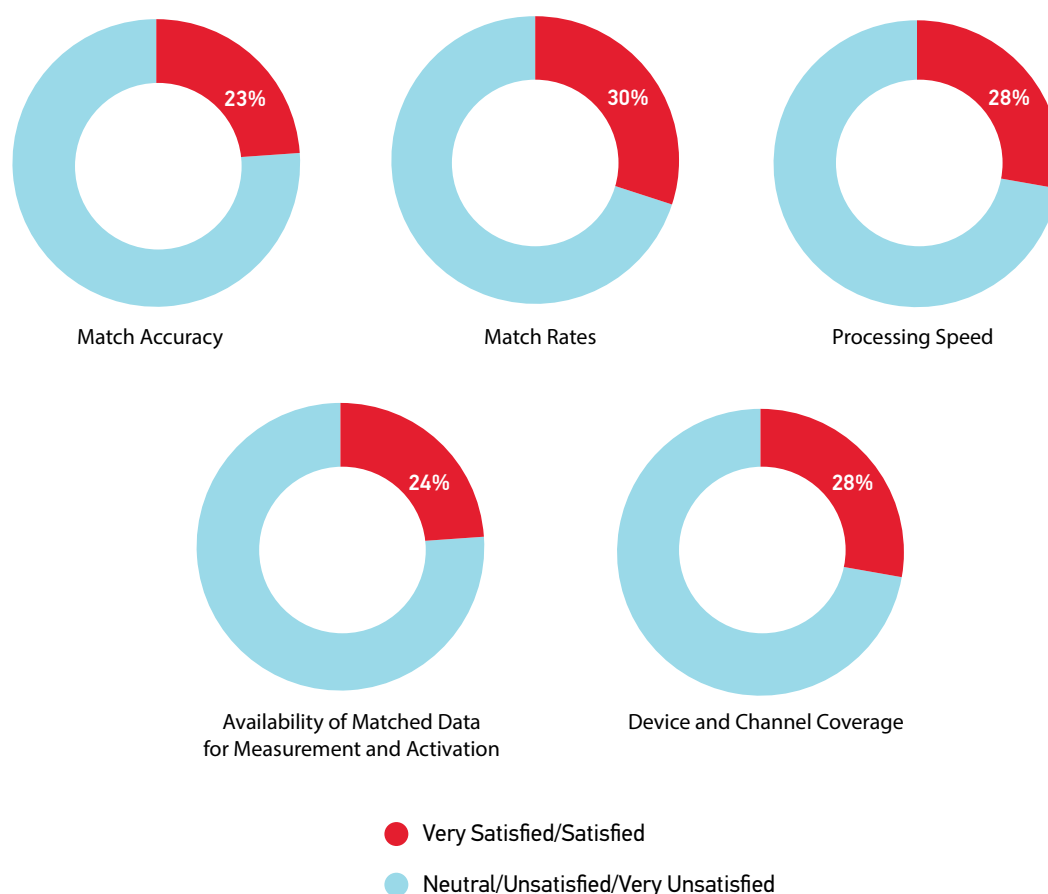
Current solutions fall short of marketer expectations.

Figure 5: How well are your current tools and technologies helping you build a single view of the customer?



only 30% of respondents were satisfied with match rates; 28% with device and channel coverage; 24% with the availability of matched data for measurement and activation; and just 23% with match accuracy. [Fig. 6]

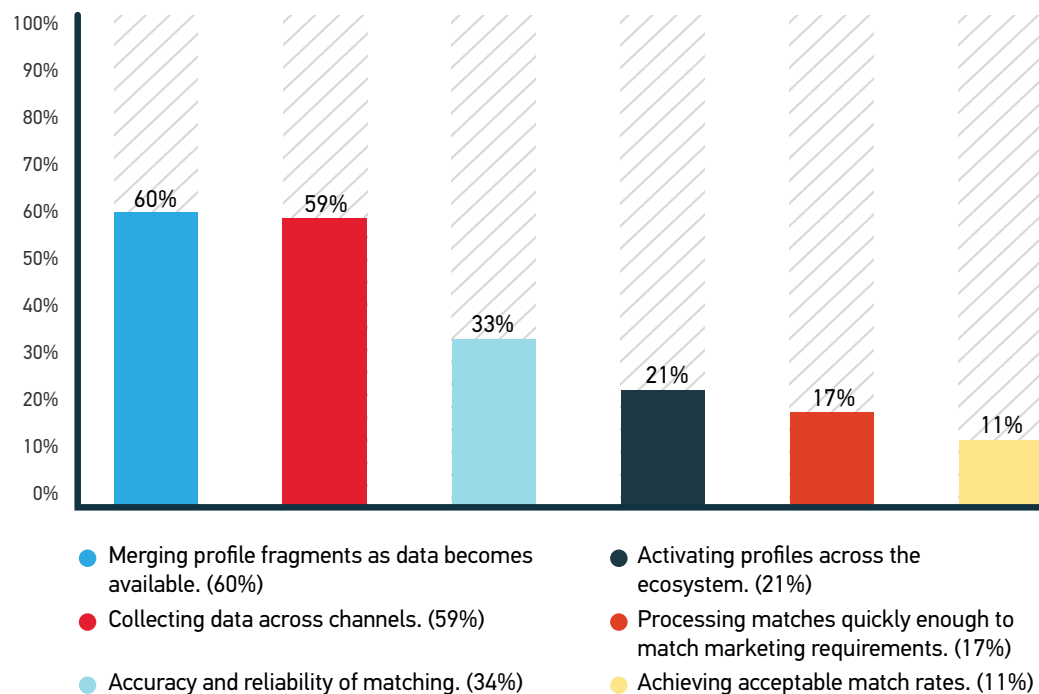
Figure 6: How satisfied are you with the following aspects of your current single customer view solution?



That means the majority of marketers are clearly being held back: Merging profile fragments as data becomes available is essential for providing context to real-time interactions with always-on customers, but a majority of marketers (60%) say it is their top challenge. [Fig. 7] Cross-channel data collection is essential to creating full, deep profiles, but it also remains a big challenge for most respondents (59%), so they lack the rich data sets needed to take the next step towards a unified customer view.

Merging profile fragments is marketers' top challenge.

Figure 7: What have been the biggest challenges to building a single view of the customer?



Insight #4 Marketers are focused on mastering data collection and cross-channel measurement before graduating to more advanced use cases.

Marketers want to understand the customer journey across channels in order to know what offers are working; what messaging works best; and to buy media more efficiently, among other goals. The problem is, marketers are still struggling with the data basics, and so they are unable to progress to more advanced use cases. For example, if they aren't gathering the necessary data from the right channels, marketers are left with fragmented data and profiles that hinder downstream activities such as measurement, personalisation and targeting.

The biggest downside of fragmented data, marketers say, is that marketing measurement is incomplete (66%), leaving them with no way to fully measure and learn from campaigns. Also, incomplete profiles mean they can't personalise customer experiences the way they want to (60%) or fully understand the customer journey (44%). [Fig. 8]

A whopping 4 in 5 marketers are still struggling with the fundamentals of data collection: getting the right data from the right channels. To move towards a single customer view, marketers need coverage of all the channels that are relevant to their marketing efforts, and they need collection of sufficient data points from each of those channels. Unfortunately, only a few marketers (14%) say their solution provides both. The majority get one, but not the other, while a sizable minority (28%), unfortunately, get neither. [Fig. 9]

Measurement and personalization efforts are hindered by the lack of a unified customer view.



Figure 8: To what extent does fragmented data or fragmented profiles hinder your marketing efforts?

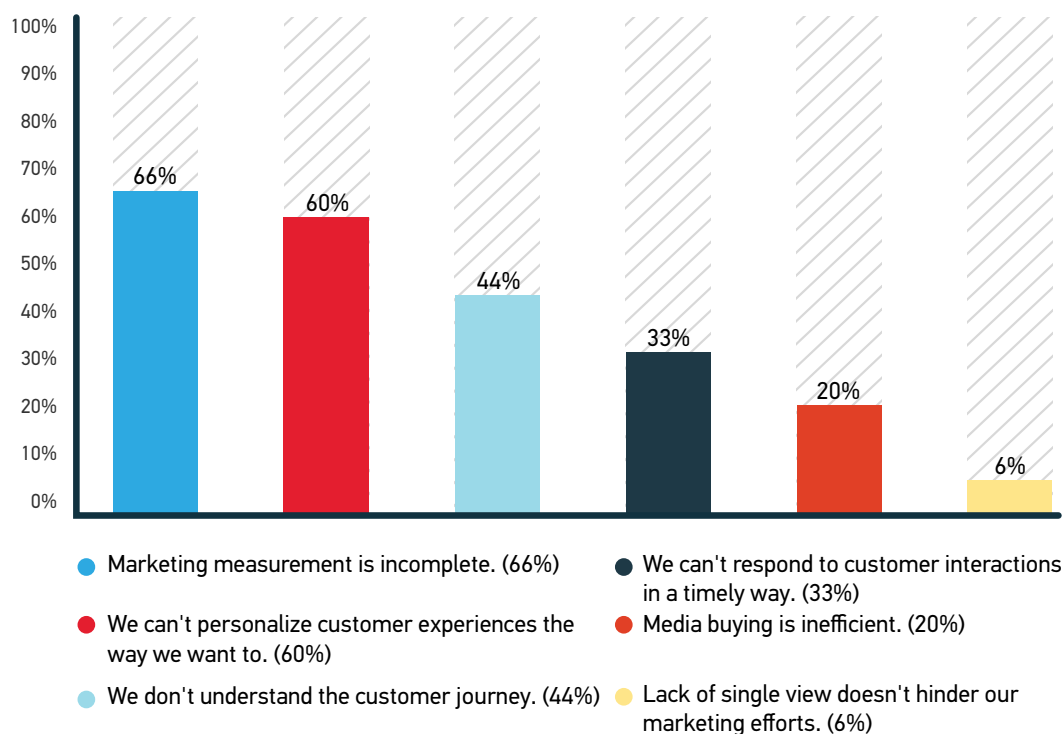
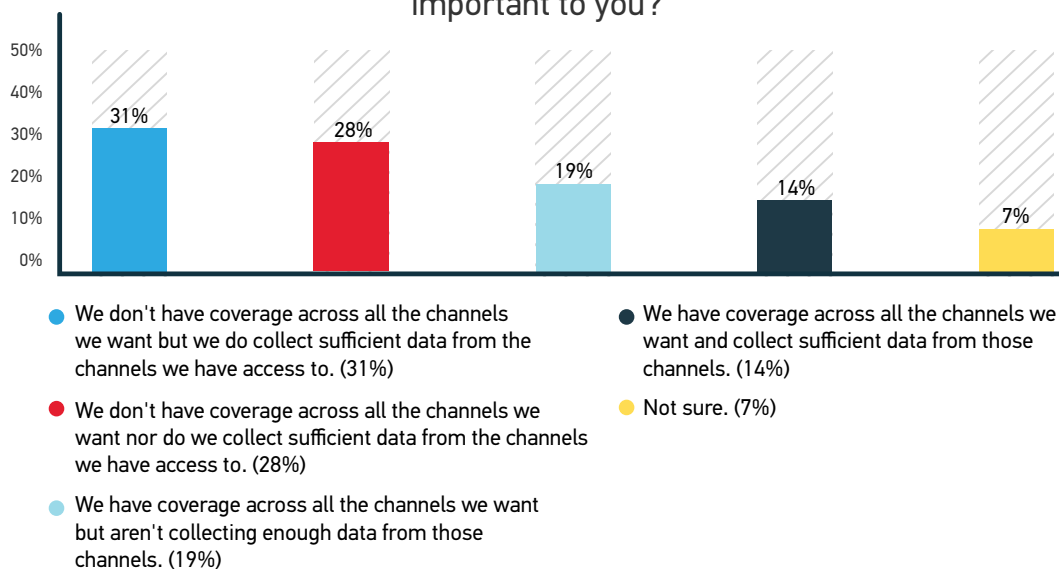


Figure 9: Are you able to capture data from every customer channel that's important to you?



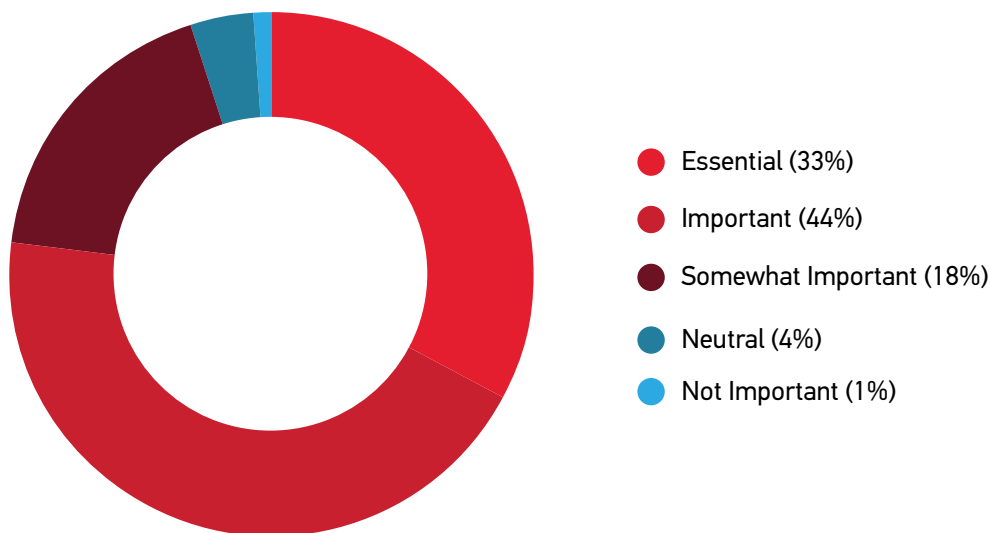
Insight #5 Marketers' eyes are on the cross-channel identity prize.

Marketers have observed the transformational changes in customer behaviour since the debut of the web, Google, smartphones, tablets, and social media. But how can they provide the right message in the right place, right now, if they don't fully understand whom they're speaking to?

No matter where they are on the cross-channel maturity curve, marketers are aware that achieving a panoramic view of the customer is necessary to reach their goals. An overwhelming majority of marketers - 9 in 10 - say they know a single view of the customer is important or essential to meeting objectives such as improving efficiency and providing great customer experiences. [Fig. 10]

More than 3 in 4 marketers say a single customer view is important or essential.

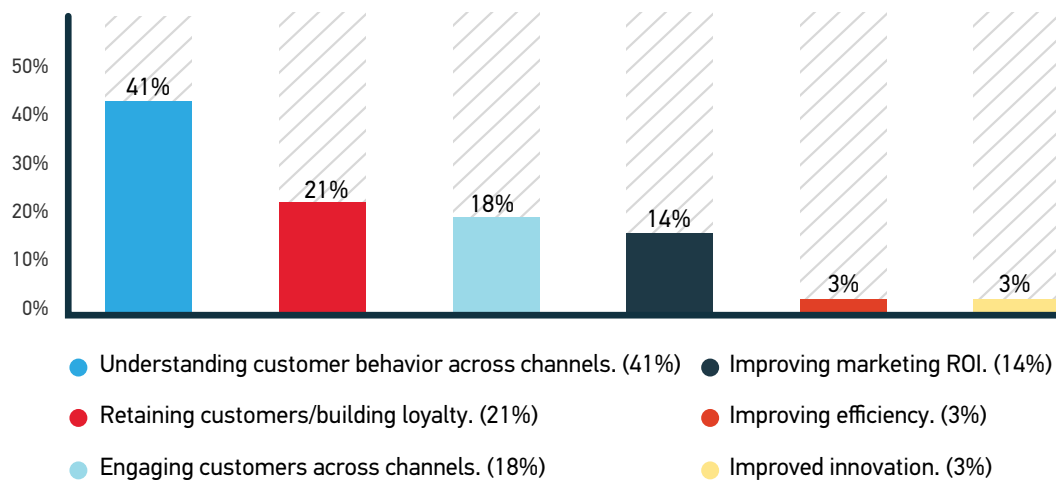
Figure 10: How important is a single view of the customer across touchpoints and devices to achieving your marketing goals?



Knowing a single view is important goes hand-in-hand with the recognition of the business benefits that come with having broad and deep insights into the customer journey. Marketers are clear about the value that a unified customer view will deliver. When asked about the benefits, respondents choose the following as their top answers: understanding customer behaviour across channels; improving ROI; engaging customers across channels; and retaining customers/building loyalty. [Fig. 11] In short, despite all the challenges, they believe that a unified view is a dream worth chasing because it will positively impact their company's bottom line and empower them to wow their customers.

Understanding cross-channel behavior is the top business benefit.

Figure 11: What are the business benefits to having a single view of the customer?



Recommendations: Steps to Take Towards a Single View

1. Create a roadmap for cross-channel marketing.

A single customer view is not created in a vacuum. It is the foundation for a larger cross-channel marketing strategy, and the ultimate value of a unified lens is how the view is applied to your business. Prepare for a single customer view by defining your marketing and customer experience goals and objectives, the tactics and analytics required to execute on the strategy, and the roadmap for how your cross-channel marketing capabilities will develop over time.

Take a pragmatic approach to planning and implementing a cross-channel identity solution by breaking down the long-term effort into smaller projects that show incremental ROI at each stage. For example, in the case of powering insights with enhanced identity capabilities, start with initiatives that will yield immediate value such as visibility to new channels or tactics, then map the customer journey, and from there ladder up to advanced solutions that support cross-channel marketing such as attribution and real-time analytics.

A single customer view is the prerequisite to cross-channel marketing.

2. Determine the right data sources and data points.

Once you have identified the strategic applications of a single customer view, cross reference the data sources and data points that are available for



collection by your organisation with the data requirements of the marketing and analytics use cases you plan to execute against.

It's important to understand the difference between the sources of the data you collect and the data points that you will be gathering. Keep in mind, being able to collect the wrong data from the right source doesn't help you — and the reverse is also true. For instance, you may wire up your mobile apps to gather data on downloads, but does mobile app data serve the use cases you seek to drive? And are downloads the data points that will move the needle, or do you need information on how customers are using the app? You need both the right data sources as well as the right data points to provide you with the full, holistic data profiles that you need.

Marketers need the right data from the right sources.

3. Be ready to integrate on the tech side.

The bottom line is that no off-the-shelf single-view solution does it all. The technology options are still siloed and brands' requirements are extremely diverse. A single solution doesn't exist, so you have to be ready to develop a solution based on multiple components.

It's important to design and build a solution that meets your specific needs, not someone else's version of a single customer view. Start with a laser focus on the strategy, use cases, and requirements. But it's also extremely important to understand your own company's preferences for solution development: Do you like point solutions or larger technology stacks? Do you prefer to build solutions in-house? Do you want to leverage third-party services or your own staff?



4. Benchmark and monitor over time.

Moving towards a single view of the customer is a long-term, ongoing process, in which you build up profiles and capabilities over time — rather than a one-off project that you set up and leave behind. That means you need to benchmark your customer-view capabilities, monitor progress and address learnings at every step along the way.

Identify the key success metrics for your customer view solution, both in terms of operational capability and support for cross-channel marketing initiatives. Track data volumes, sources, match rates, processing speed, profile depth, and which data is activated for analytics and measurement.

Attaining a panoramic customer view is a long-term, ongoing process.



Conclusion

Cross-channel identity is the new currency for digital marketers in the race for always-on customers. Data provides information about your customers, but a unified view of the customer provides the context necessary for unlocking marketing ROI and delivering a next-generation consumer experience.

Truly knowing your customers, recognising them and anticipating their needs as they move from mobile device to desktop to brick-and-mortar store and beyond – that's the marketing challenge of our time. Few brands have come close to reaching this goal and most are stuck at the starting line. The larger mission of cross-channel marketing remains a work in progress, while marketers seek better solutions for turning billions of disparate customer interactions into lasting profiles that are continuously updated as customers engage with a brand in real time. The critical capability for achieving competitive advantage is building clean, matched profiles that marketers control and can use however they want, wherever they choose.

Fortunately, advanced technologies have emerged, offering more comprehensive options for leveraging big data and resolving customer identity in privacy-safe ways. New platforms are providing brands with flexible, centralised data hubs capable of ingesting, merging and matching cross-channel data from online and offline environments in real time. Ecosystem-neutral choices provide an alternative to walled-garden identity solutions by allowing brands to maintain control over their first-party data and enabling them to activate matched profiles with vendors across the marketing ecosystem.

The stakes are high. And despite the challenges, marketers know that solving the identity puzzle is well worth the effort. The brands that see it through and overcome the obstacles to a unified customer view will be ready and empowered to wow their customers with great experiences now and in the future.

Brands that solve the identity puzzle will be able to wow customers now and in the future.



Methodology

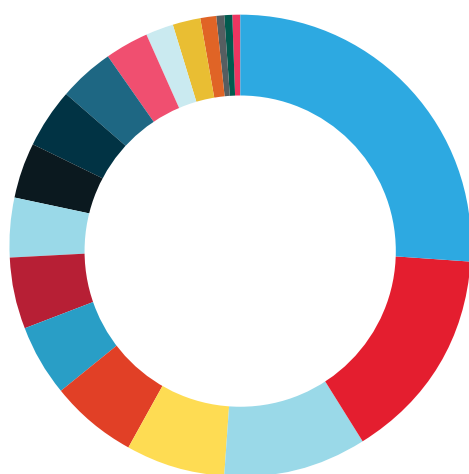
The primary research within this special report was sourced from an online survey to marketing professionals in Australia. The survey was conducted by Signal in January through March 2015 and completed by 186 marketers. All responses were anonymous. Figures may not add up to 100% due to rounding. The research was also conducted in the US, Canada, Europe, Latin America and Asia (available in a separate report which can be downloaded [here](#).)



Appendix

Select Demographics of Survey Respondents

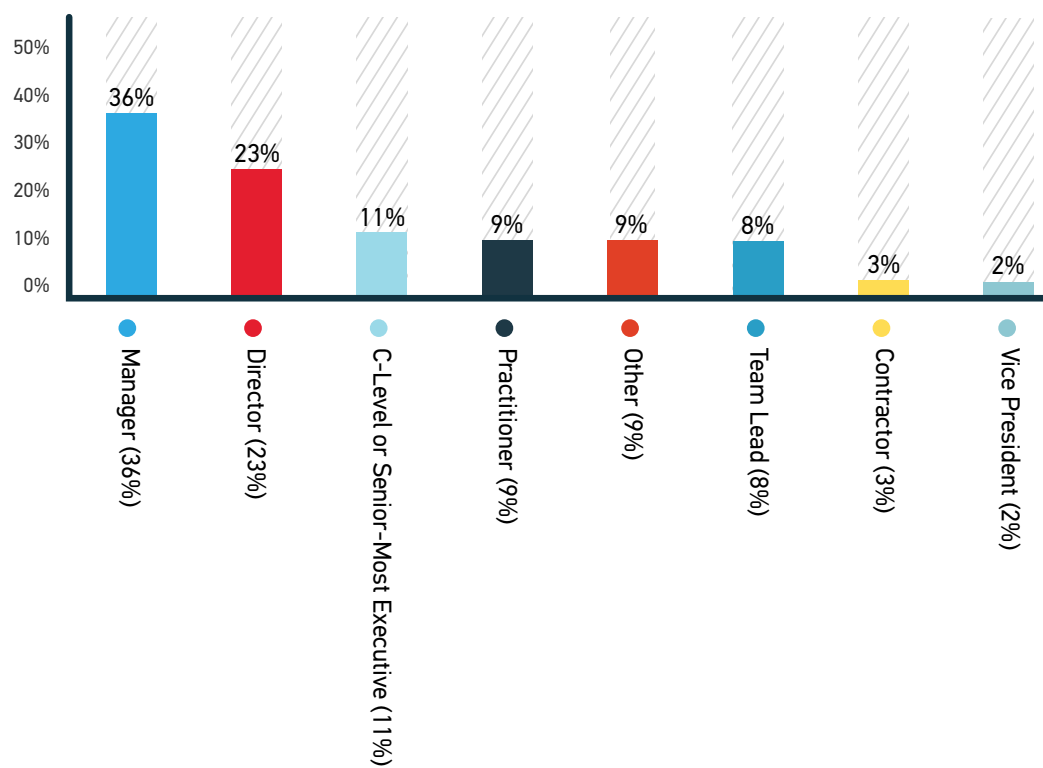
Industry of Marketer Respondents



● Advertising and Marketing (26%)	● Health Care & Pharmaceuticals (4%)
● Other (15%)	● Manufacturing (4%)
● Telecommunications, Technology, Internet, & Electronics (10%)	● Government (3%)
● Entertainment & Leisure (7%)	● Nonprofit (2%)
● Food & Beverage (6%)	● Real Estate (2%)
● Finance & Financial Services (5%)	● Insurance (1%)
● Retail & Consumer Durables (5%)	● Utilities, Energy, & Extraction (.5%)
● Automotive (4%)	● Agriculture (.5%)
● Education (4%)	● Airlines & Aerospace (including defense .5%)



Marketer Respondents' Job Levels



About Signal

Signal is the global leader in real-time, cross-channel marketing technology. Signal's Fuse Open Data Platform helps marketers collect data from any offline or online source, resolve identity across all consumer touchpoints, and deliver unified profiles to any marketing or analytics endpoint – all in real time. The platform is ecosystem-neutral and helps data and marketing technologies work better together, driving increased engagement, loyalty, and conversions.

Signal's technology runs on more than 45,000 digital properties in 158 countries. Our platform facilitates billions of data requests monthly, supporting top brands around the world that generate more than \$1.5 trillion in commerce, including Allstate, Audi, Crate & Barrel, DeVry University, GAP, JetBlue Airways, Macy's, 1-800-Flowers. com, Starcom MediaVest Group, Starwood Hotels and Resorts, and many more. Visit www.signal.co to learn more and follow Signal on LinkedIn and Twitter.

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