

Moments of Truth across Digital Value Chains: Focus on Marketing

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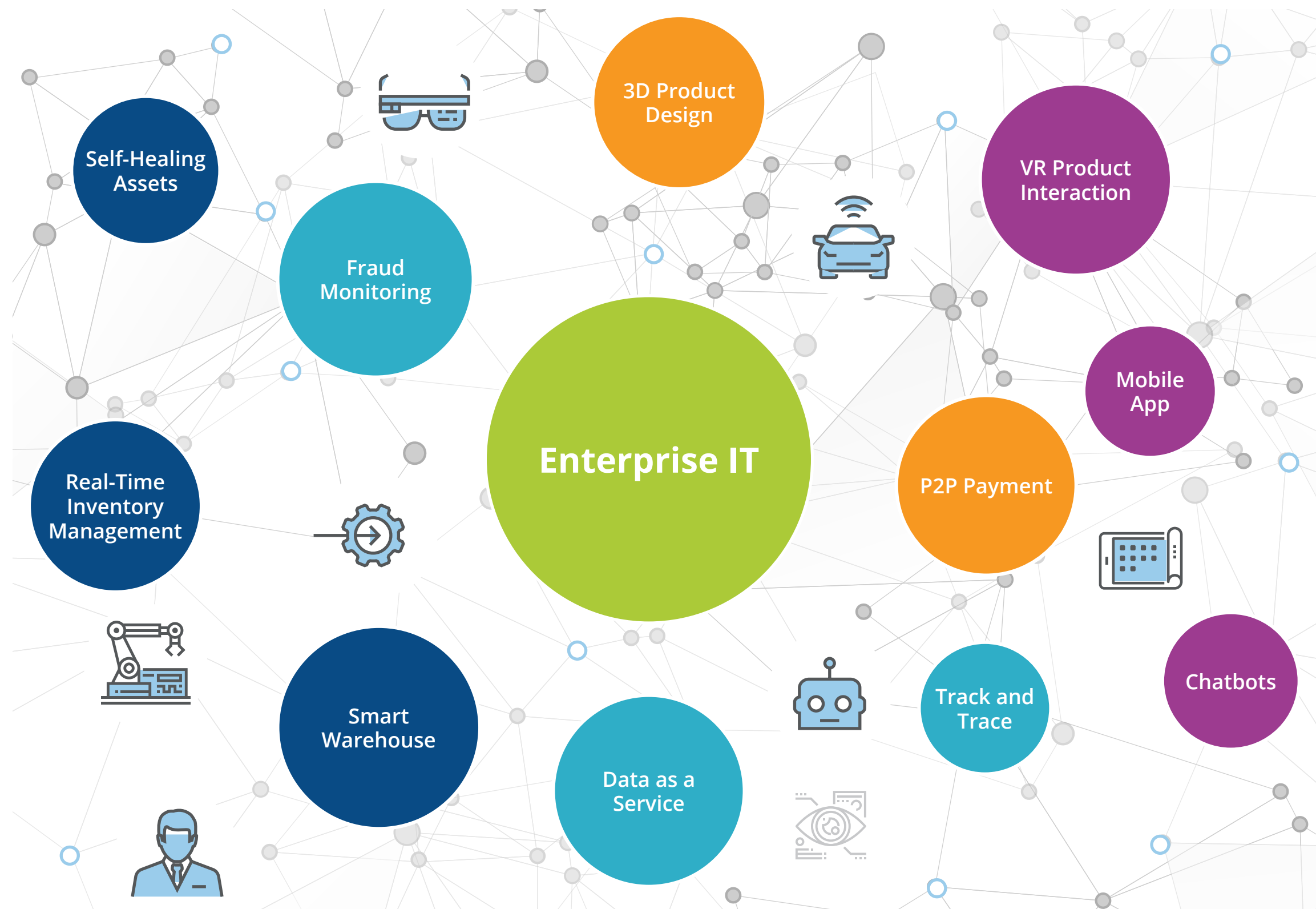
Authors:
Danielle Hernandez
Neil Ward-Dutton

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Moments of Truth



The difference between winning and losing the digital race is intelligence

Effective value delivery in key moments of truth — times when decisions must be made quickly, and when decisions have important consequences — depends on more than the quality of a website or mobile app.

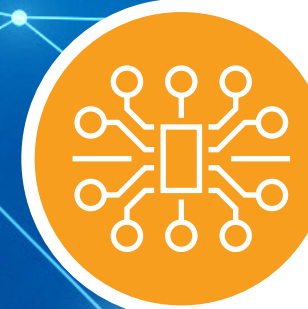
Grasping the biggest share of the digital opportunity depends on your organization being able to continuously adapt to the real-time needs of its ecosystem to deliver personalized products, services, and experiences.

Continuous adaptation of operations, plans, and predictions can't happen without effective business decision making. Modern decision-making tools and approaches enable organizations to harness the power of their data to accelerate time to value by detecting patterns and outliers across business processes, enabling rapid predictions, and powering collaborative, action-oriented discussions.

Our study shows that Digital Leaders use data, and data-powered decision making to drive competitive advantage.

Leaders also express fewer challenges in driving effective decision making than their peers and, in comparison with their peers, focus particularly on improving their prediction capabilities.

The Journey to the European Digital-Native Enterprise



Status

of digitization in European organizations



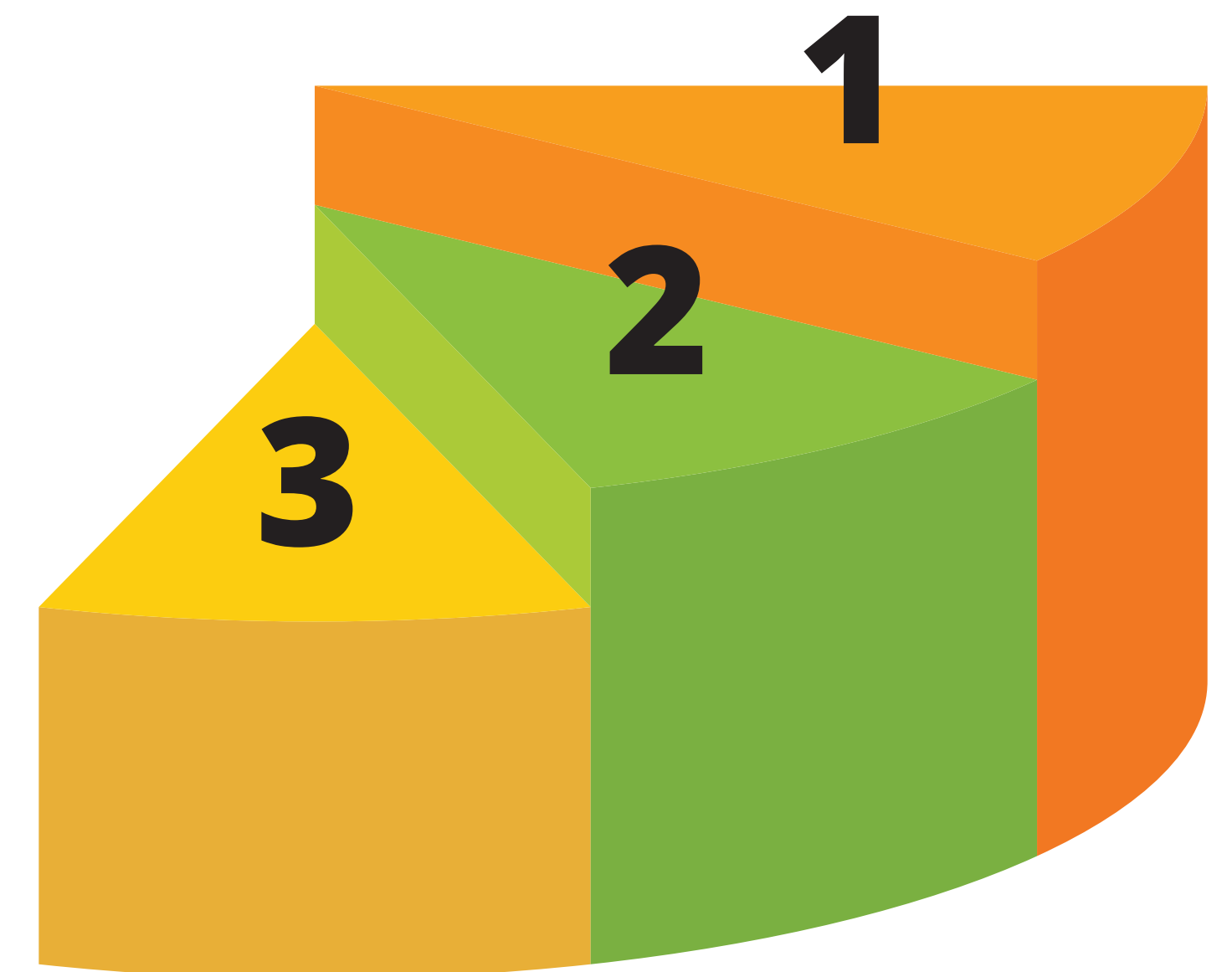
Main challenges

to digital transformation in the region



Solution

Integrated and intelligent digital value chains



1. Status of European Digitization:

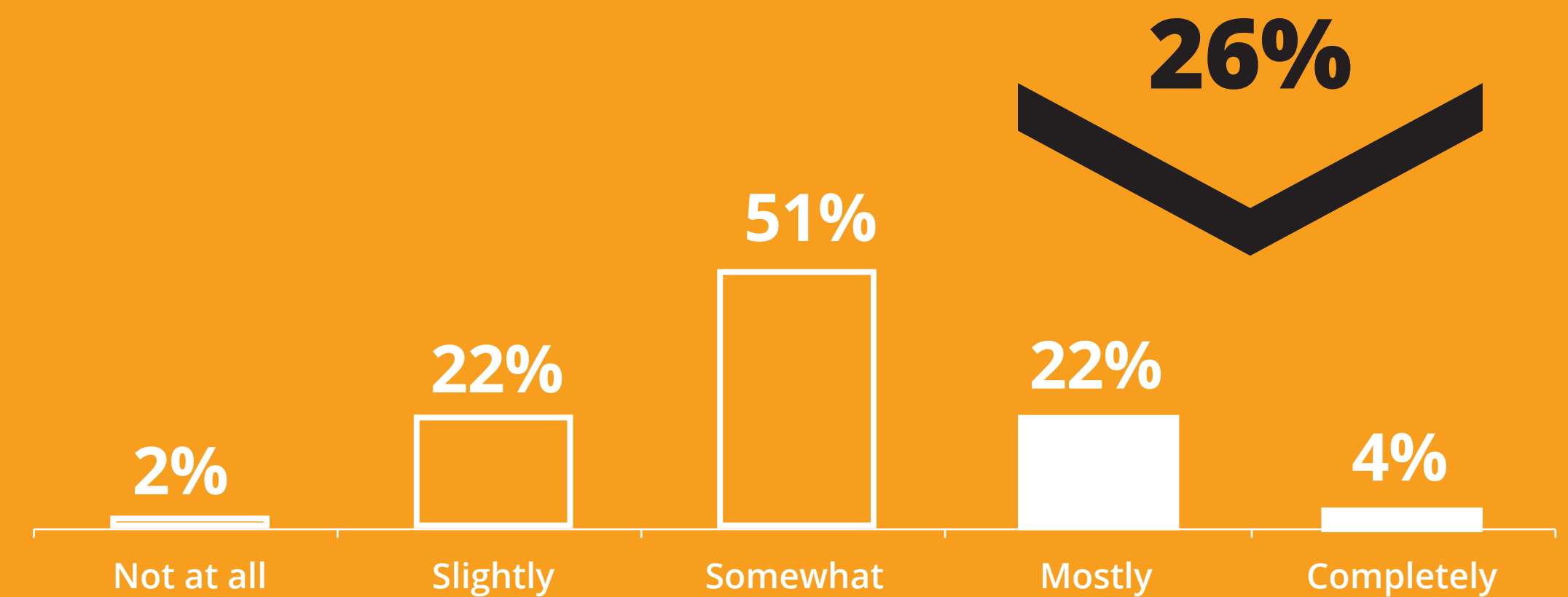
74% of European organizations are stuck on the digital journey



While the momentum in the European economy has remained relatively strong in 2019, business leaders continue to focus on new ways of leveraging technology to redefine their business models to take advantage of the last part of this cyclical upswing as we head toward 2020.

IDC's research shows that 65% of European CEOs are under considerable pressure to deliver a successful digital transformation strategy, yet only a quarter of those organizations are completely digitally transformed — or what IDC defines as digital-native enterprises.

To what extent has your organization embraced digitization of business processes, products, and services?



The situation in Europe will radically change in the next 10 years.

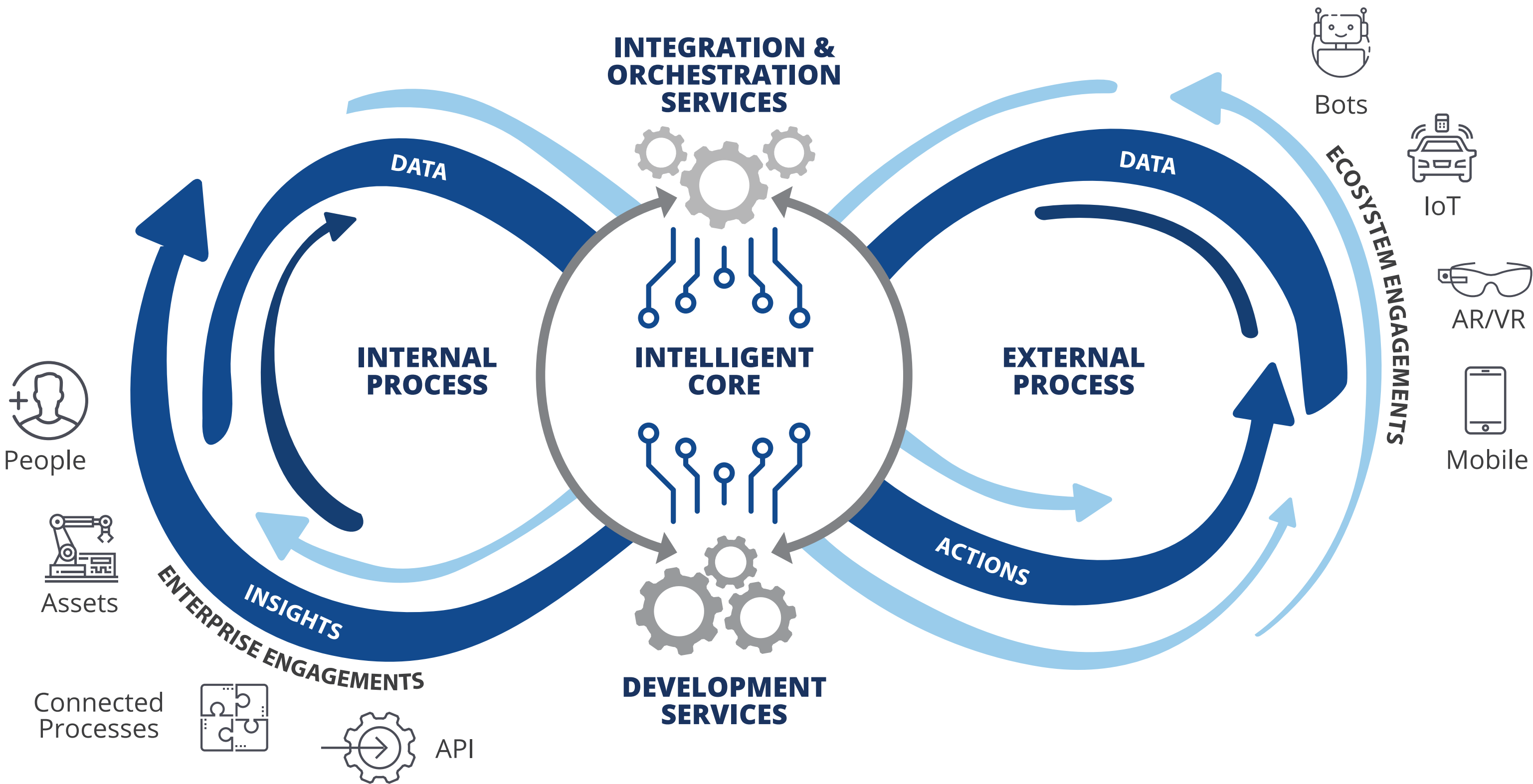
IDC predicts that by 2029 75% of European organizations will be digitally transformed to become digital-native enterprises. The rest will risk disappearing, as they won't be able to compete in the digital economy.

The next three years will be critical in this race, as business leaders are expected to deliver tangible business benefits from emerging innovative use cases — most of which are currently in incubation or the proof-of-value phase of their life cycle. In line with this, IDC predicts that 80% of total revenue growth for European organizations will come from their digital offerings and operations by 2022.

The Digital Transformation Destination:

Closed Loops of Real-Time Insight and Automation That Span Products, Services, and Business Processes

True digital transformation isn't just about creating a "digital outside" to your organization: it must consider every business process, as well as every product and service.



Effective value delivery in key moments of truth — times when decisions must be made quickly, and when decisions have important consequences — depends on more than the quality of a website or mobile app.

Decision Making: The Weakest Link?

Continuous adaptation of operations, plans, and predictions can't happen without effective business decision making. It's easy to fixate on requirements for technology platforms or for new operating models when building digital transformation, but the human dimension, which revolves around giving people the tools they need to make fast, effective decisions in dynamic environments, is often forgotten.



Effective decision making in moments of truth must be:

INFORMED

RESPONSIVE

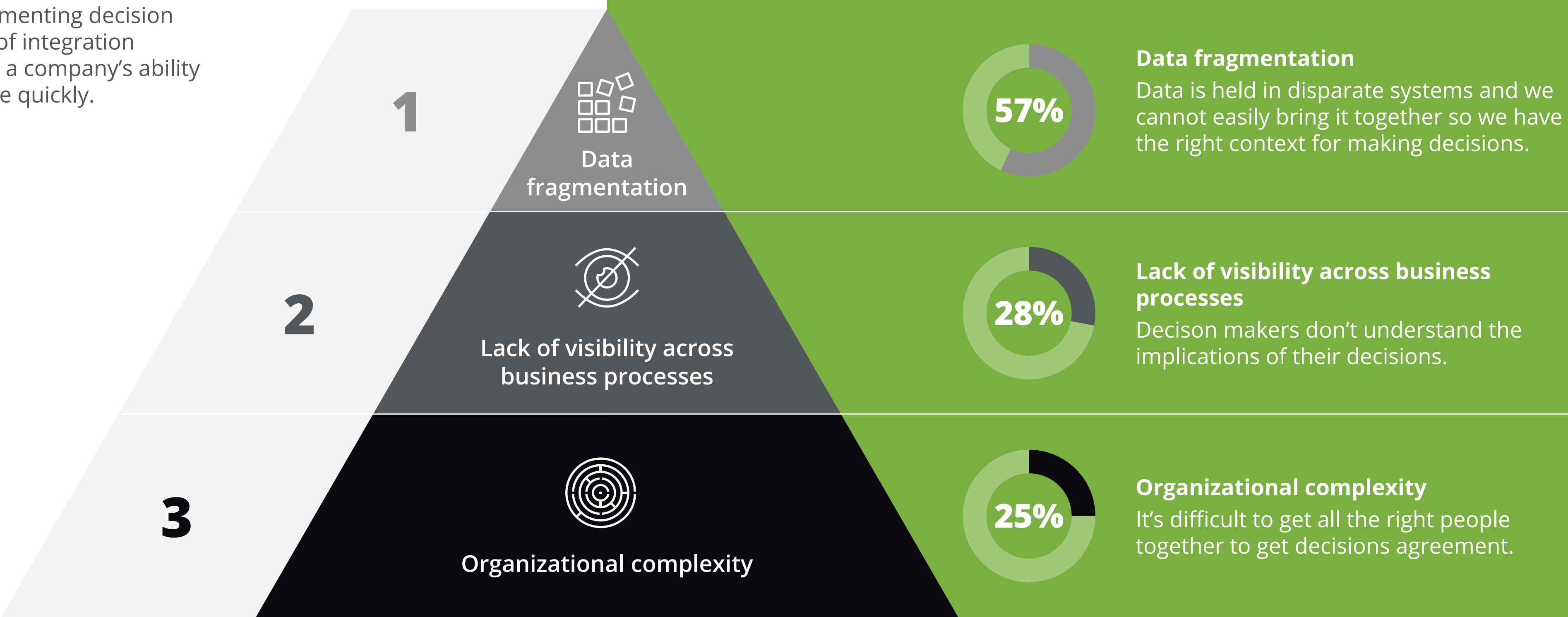
COLLABORATIVE

TRANSPARENT

2. The Challenge:

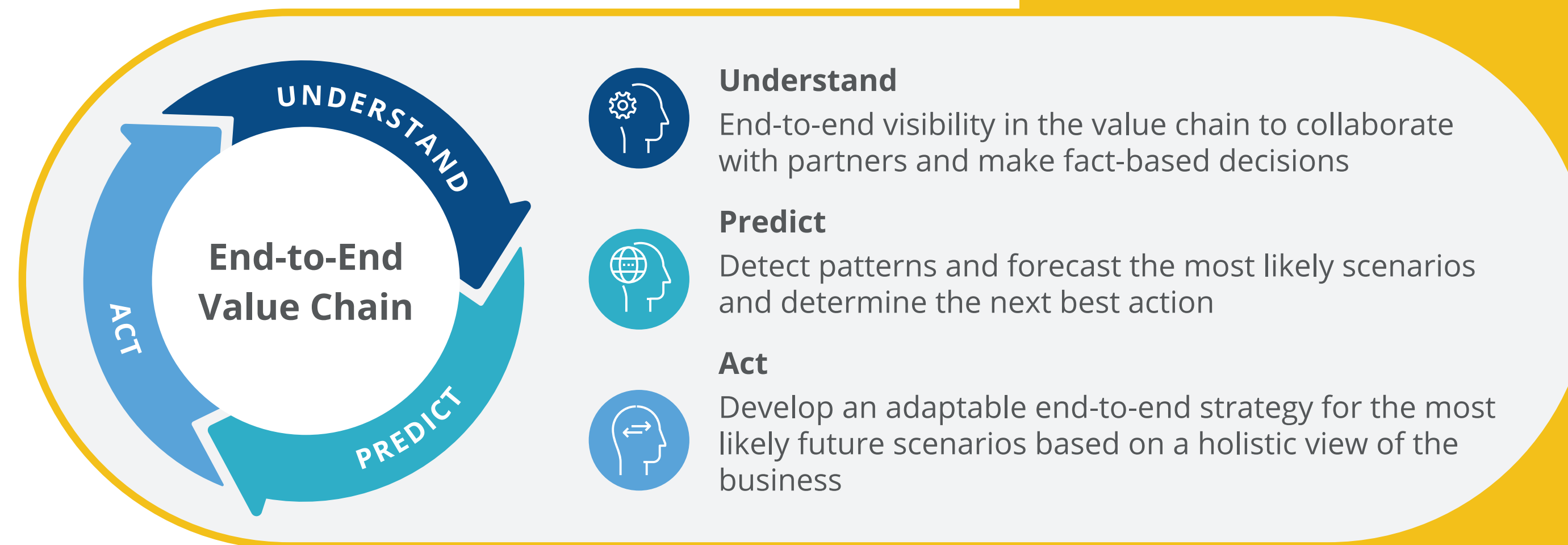
Why Are Organizations Stuck on Their Journey to Digitization?

Digital transformation entails augmenting decision making with technology, but lack of integration across business functions impairs a company's ability to maximize potential and to move quickly.



3. The Solution:

Integrated, Intelligent Digital Value Chains — Powered by High-Quality Decisions



Modern decision-making tools and approaches enable organizations to harness the power of their data to accelerate time to value by detecting patterns and outliers across business processes, enabling rapid predictions and powering collaborative, action-oriented discussions.

Grasping the biggest share of the digital opportunity depends on your organization being able to continuously adapt to the real-time needs of its ecosystem to deliver personalized products, services, and experiences. Becoming a digital-native enterprise requires a seamless data flow across every single digital app, business application, and system that is part of the organization's technology landscape. End-to-end visibility across value chains is vital — both to integrated business reporting and prediction, and to power meaningful, scenario-specific action plans.

Our study shows a strong correlation between digital maturity and the implementation of modern digital tools to support fast, fact-based business decision making.

Three Key Findings

1

Leaders embrace digital tools for business decision making

2

Leaders experience fewer challenges in decision making

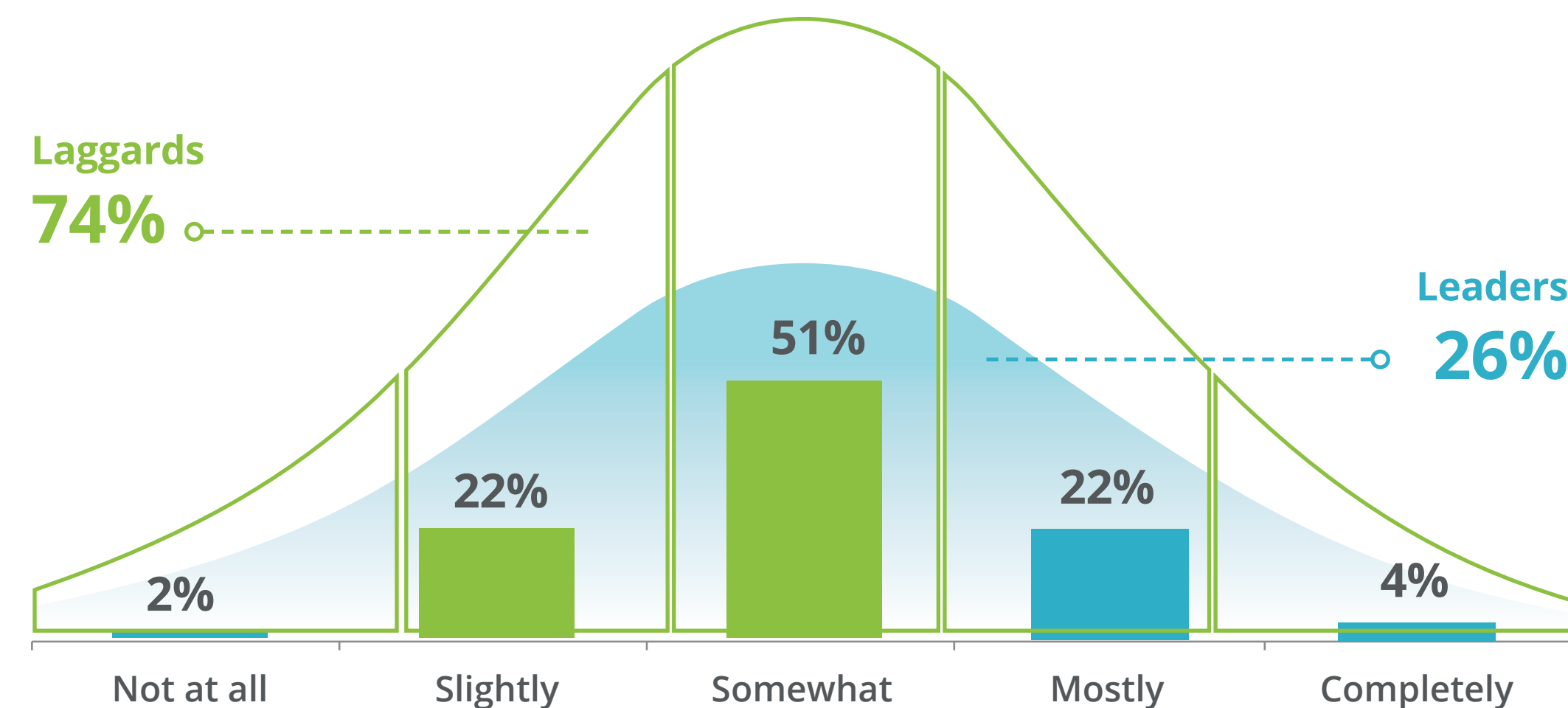
3

Leaders focus particularly on improving predictions

Leaders vs Laggards

In our study, we explored the key differences between Leaders (the 26% of respondents who reported they have mostly or completely embraced digitization of business processes, products, and services) and Laggards (the other 74% of study respondents).

To what extent has your organization embraced digitization of business processes, products, and services?

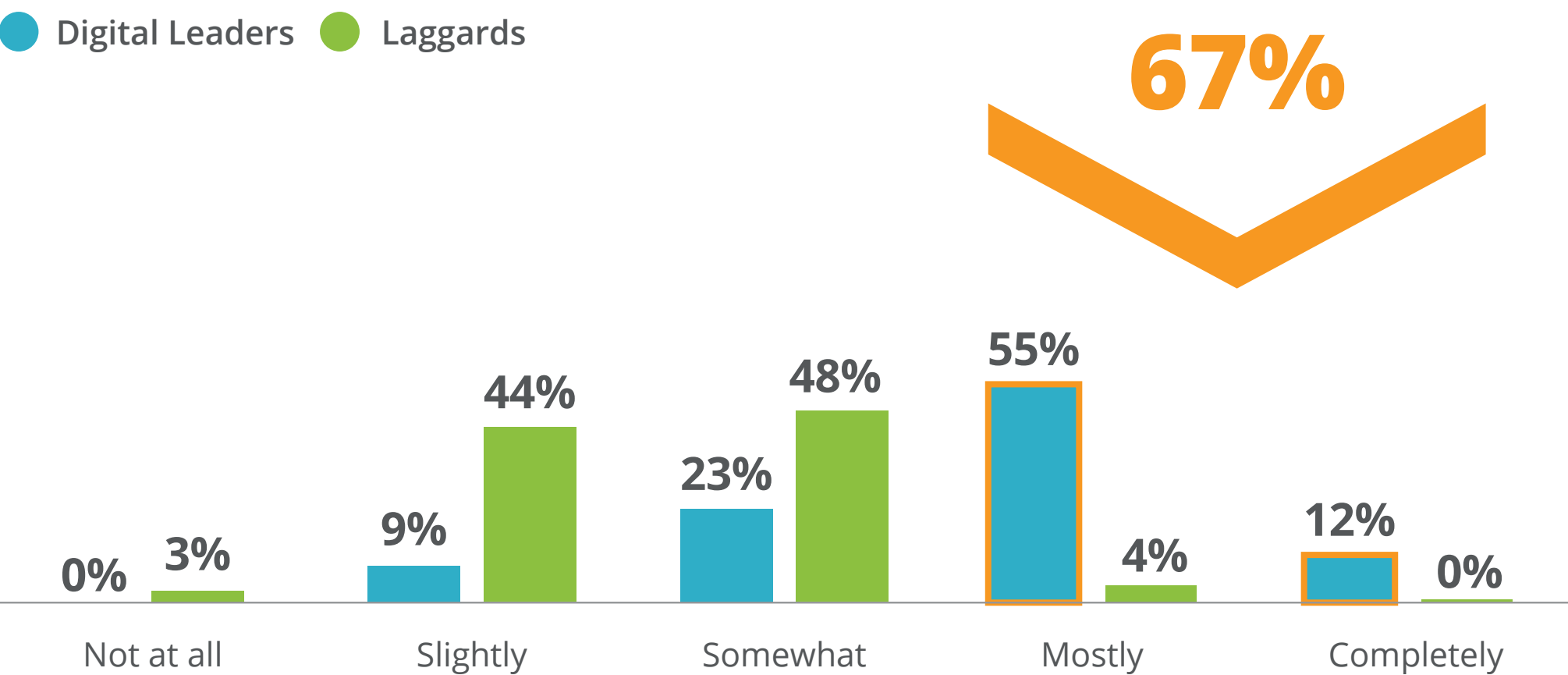


Source: Domo "Moments of Truth" survey; Moments of Truth for Digital Value Chains, July 2019 (n = 375)

Differentiator #1:

Leaders Embrace Digital Tools for Decision Making

To what extent has your organization embraced digitization of business processes, products, and services?



Without modern decision-making tools and practices in place, organizations struggle to act and react fast enough or accurately enough to dynamic market conditions and innovation opportunities — and open themselves up to critical risks.

Organizations need tools and practices that drive decision making that is **informed, responsive, collaborative, and transparent.**

67%

of Digital Leaders implement digital tools for business decision making.

Only 4% of digital Laggards do the same.

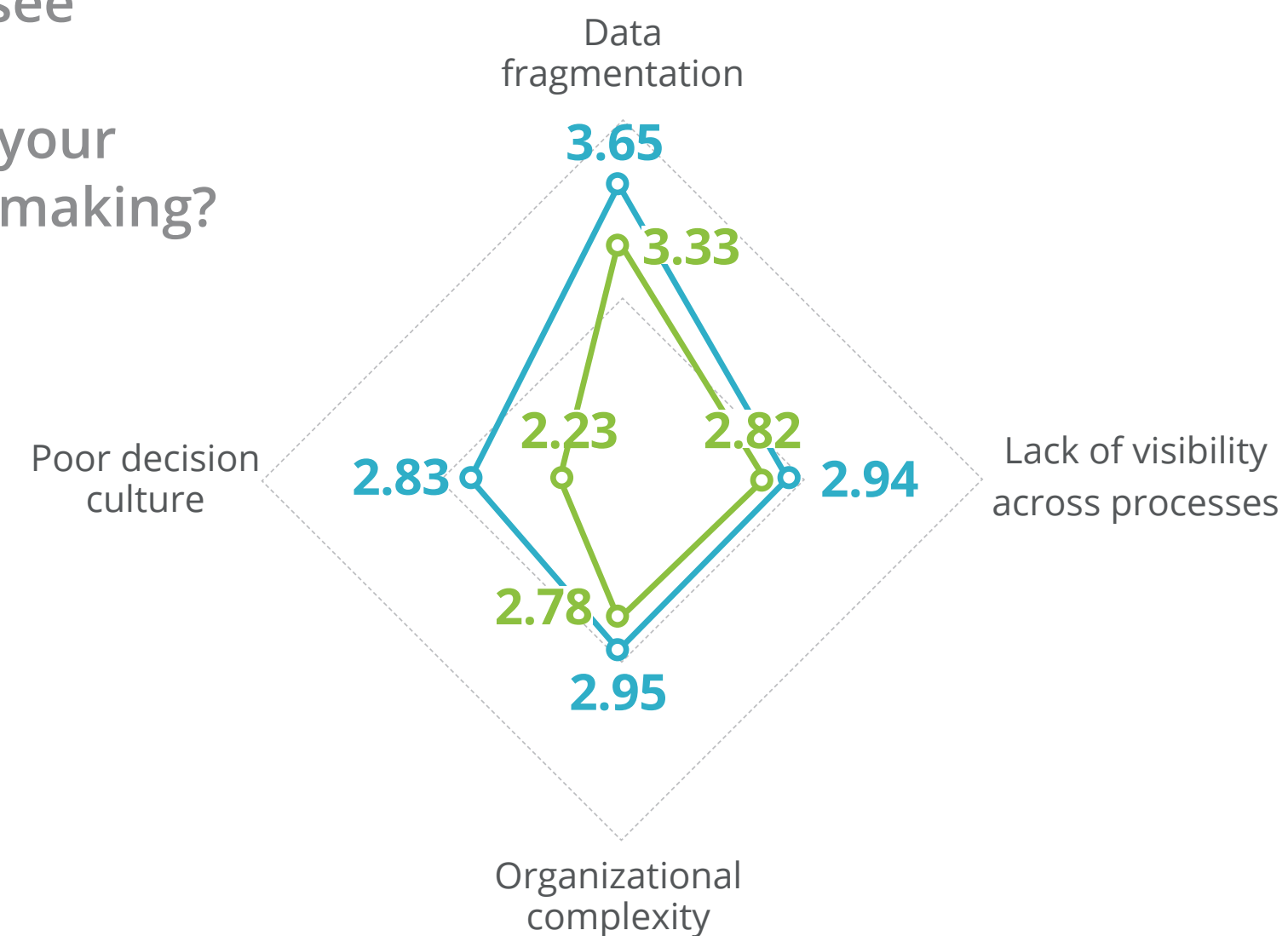


Differentiator #2:

Leaders Experience Fewer Challenges in Decision Making

To what extent do you see the following issues as creating challenges for your organization's decision making?

—○— Digital Leaders
—○— Laggards



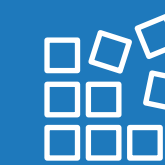
With **fragmented data**, data cannot easily be brought together to create the right context to make decisions.

Business process complexity brings a lack of visibility across business processes, which means organizations can't quickly understand the implications of decisions.

Organizational complexity means it's difficult to get all the right people together to get decisions agreed.

And lastly, a **poor decision culture** means that decisions are typically made by senior people who can make decisions based on opinion rather than data without challenge.

Digital Leaders report, on average, significantly lower levels of challenge across four key factors that impact effective decision making:



Data fragmentation



Organizational complexity



Lack of visibility across business processes



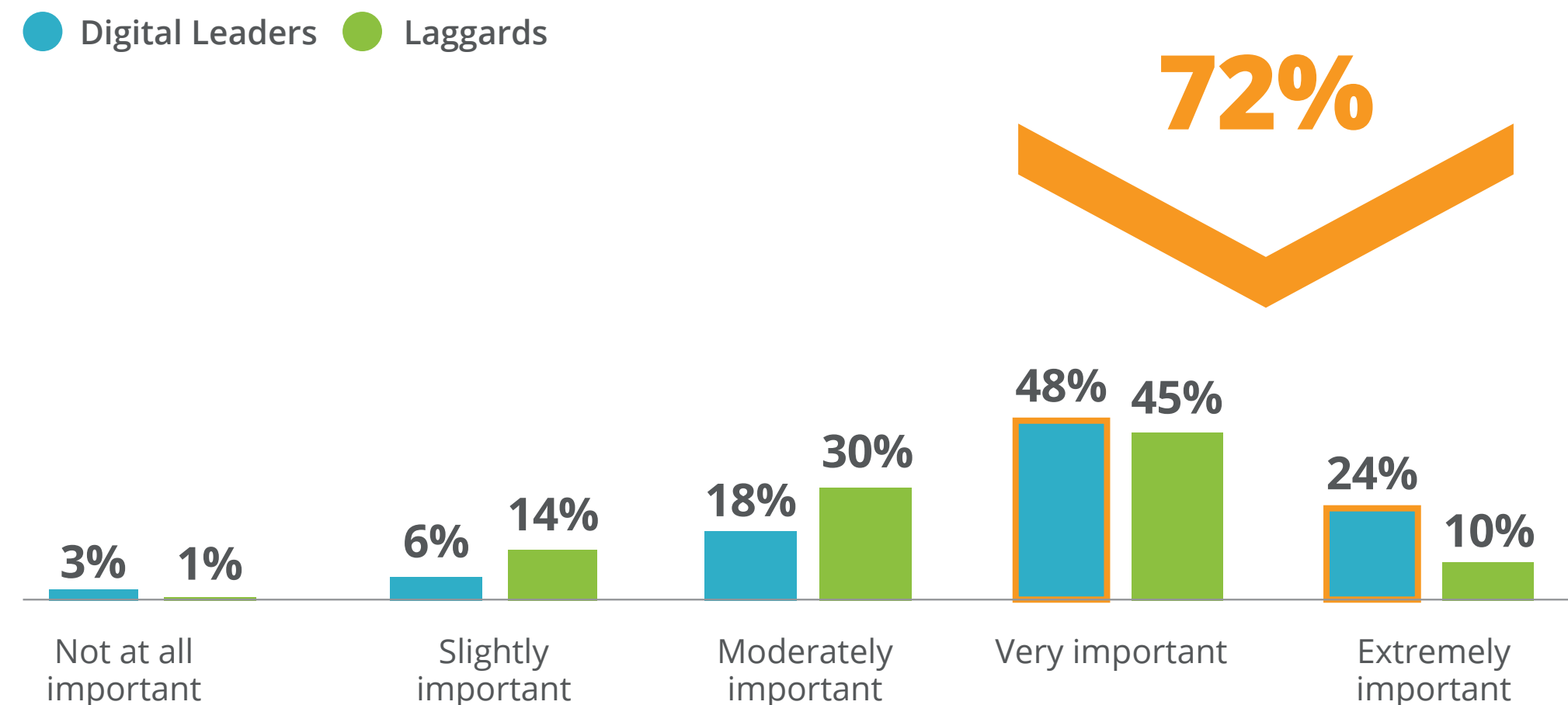
Poor decision culture



Differentiator #3:

Leaders Focus Particularly on Improving Predictions

How important is it for your organization to improve the prediction of future business trends?

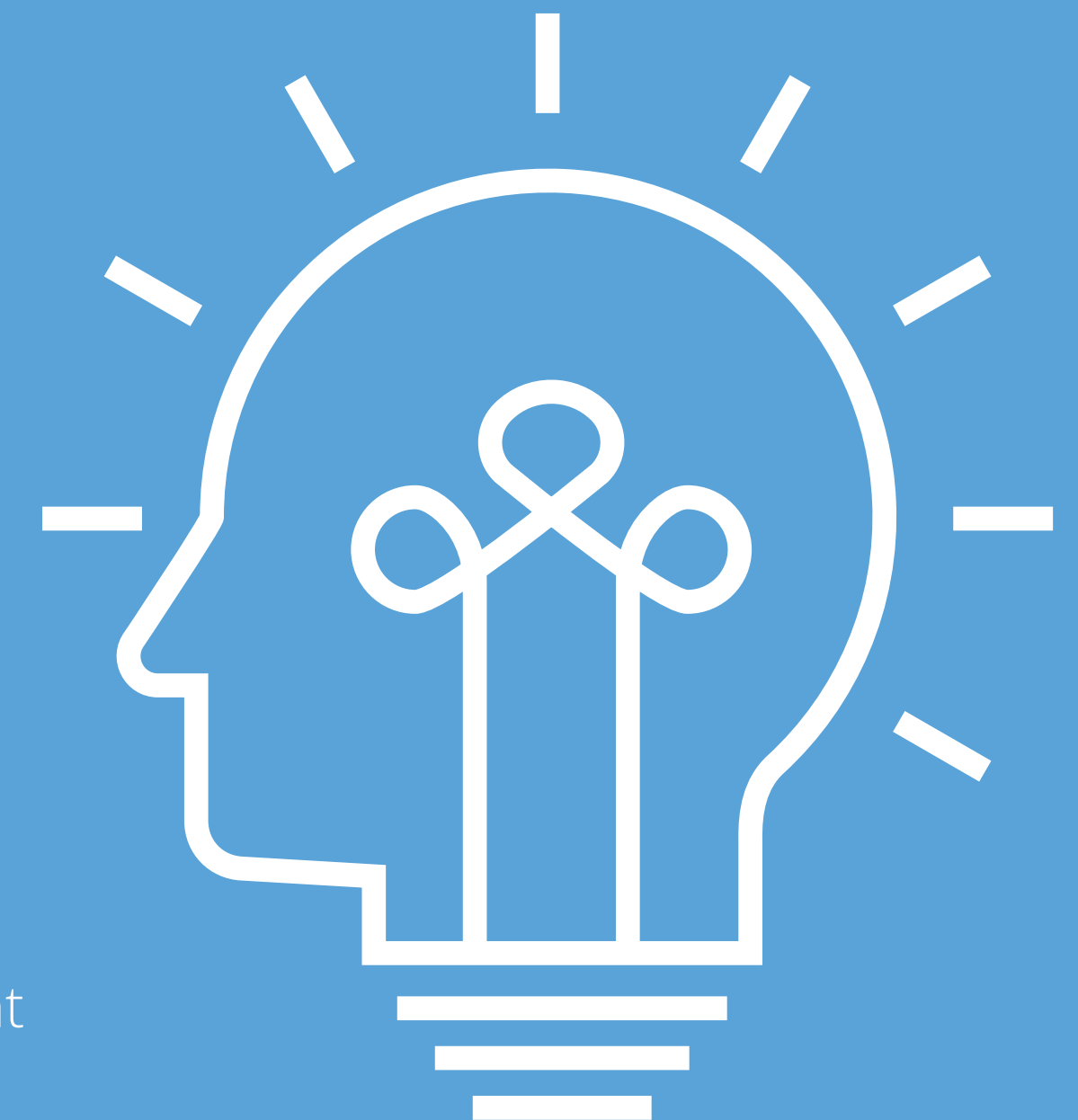


The ability to predict business conditions effectively creates a huge advantage, but it cannot happen without the right foundation in place.

Without a solid foundation of integrated data, for example, business predictions may not be based on the most relevant or accurate predictors. Digital Leaders' comparatively high data integration maturity gives them a solid base on which to build.

Digital Leaders report, on average, higher interest than Laggards in improving:

- #1** Ability to predict business trends from historical data
- #2** Integration of data to create "one source of truth" for decisions
- #3** Quick understanding of all data that's relevant for a decision



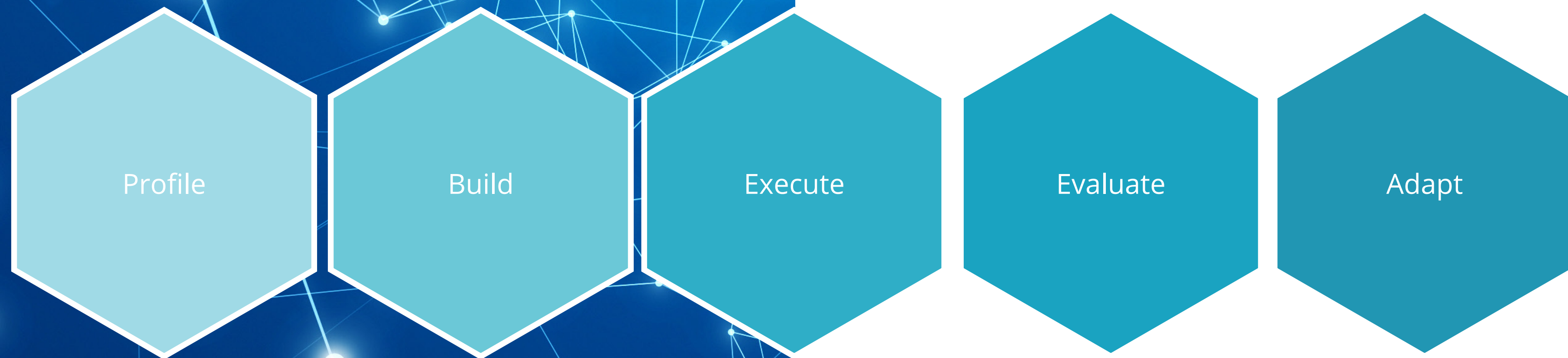
Digital Value Delivery Can't Happen in Silos — Everything Is Connected



As well as exploring the overall capabilities and goals of organizations with respect to digital decision making, our study also explored the capabilities of organizations across three specific business process areas: operations, marketing, and sales. It's tempting to consider these business process areas as separate things, but they're deeply interconnected: decisions made in one area are likely to affect the others too.

The following section explores organizations' capabilities in the marketing area.

Moments of Truth Across Marketing Processes



Marketing Processes



Current Status



Situation: The Need for Empathy at Scale

Marketeers have access to a higher quantity and quality of customer data than ever before. They can construct customer models to analyze customer lifestyles and habits, and use real-time insights to create and monetize powerful, personalized, and contextualized experiences. Marketing processes are a fundamental enabler of a digital business model: if effective, they can impact the entire life cycle of a customer relationship, and not just customer acquisition — maximizing returns from demand-generation investments.



The Challenge: Lack of Visibility Along the Customer Journey

Customer loyalty only comes when customers are consistently served with excellence, time and time again. But modern digital customer journeys span multiple digital and traditional channels and venues. Getting a consistent, clear picture of customer behaviors throughout their journeys is very challenging; optimizing the use of marketing insights, assets, and campaigns so they align with customers' expectations in cost-effective ways is doubly so.



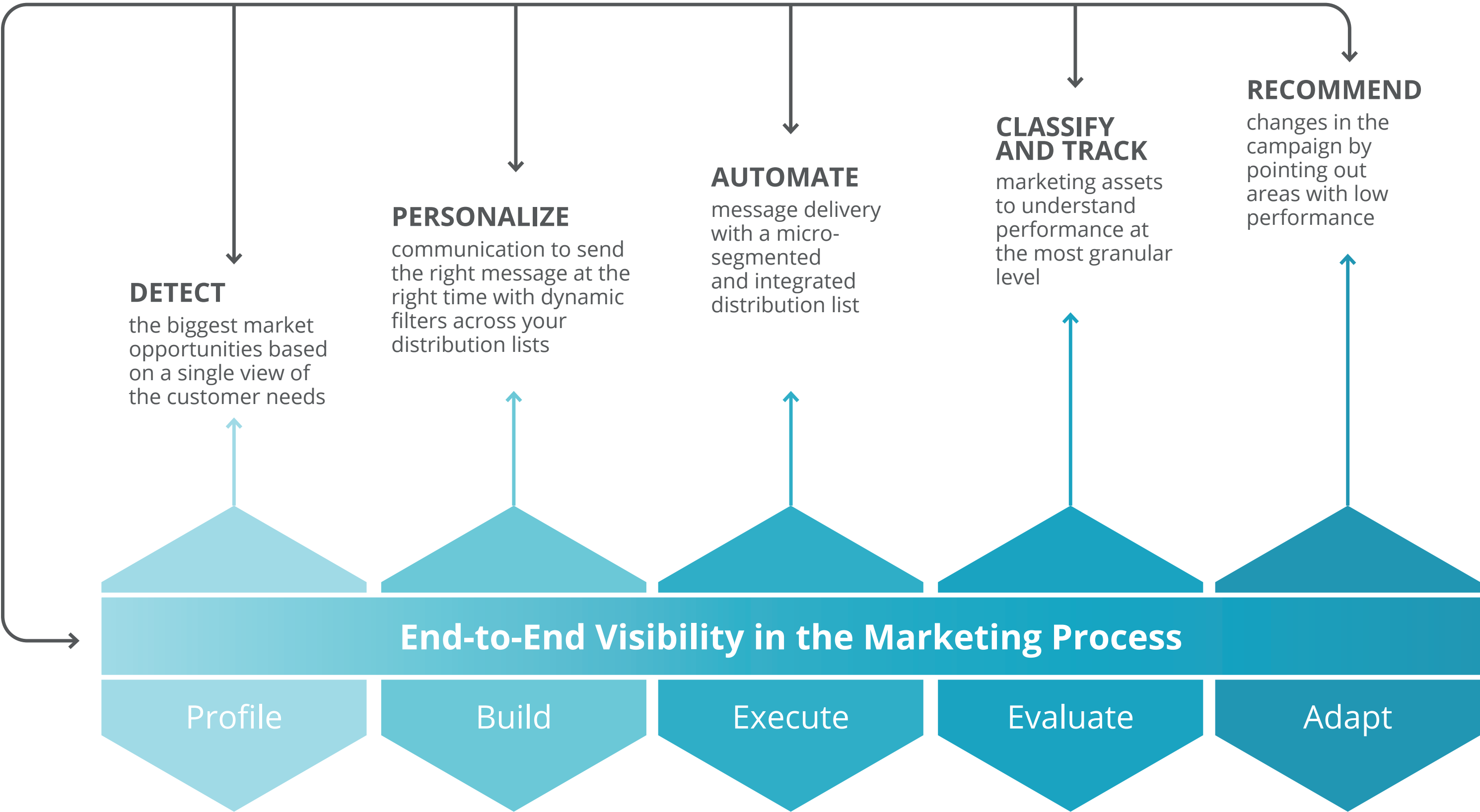
The Solution: Integrated Data Platform

An integrated platform that surfaces insights relating to customer interactions across channels and venues to drive cost-effective investments and optimize campaign performance — not only to drive initial customer acquisition but to nurture customers over time, in ways that make most sense to them.

Moments of Truth Across Marketing Processes

End-to-End Visibility Drives Adaptability

Customer loyalty — and hence, truly sustainable ROI from marketing investments — only comes when customers are consistently served with excellence, time and time again. End-to-end visibility of key outcomes across the marketing process is a crucial enabler here.



To support the business models of the future, organizations must have an end-to-end view of marketing activities and their effectiveness. The goal is to create a closed loop of optimization that enables continuous and linked improvements of customer insights and campaign performance — one that can gather data from any digital or traditional interaction channel or venue that customers might use through their journeys.

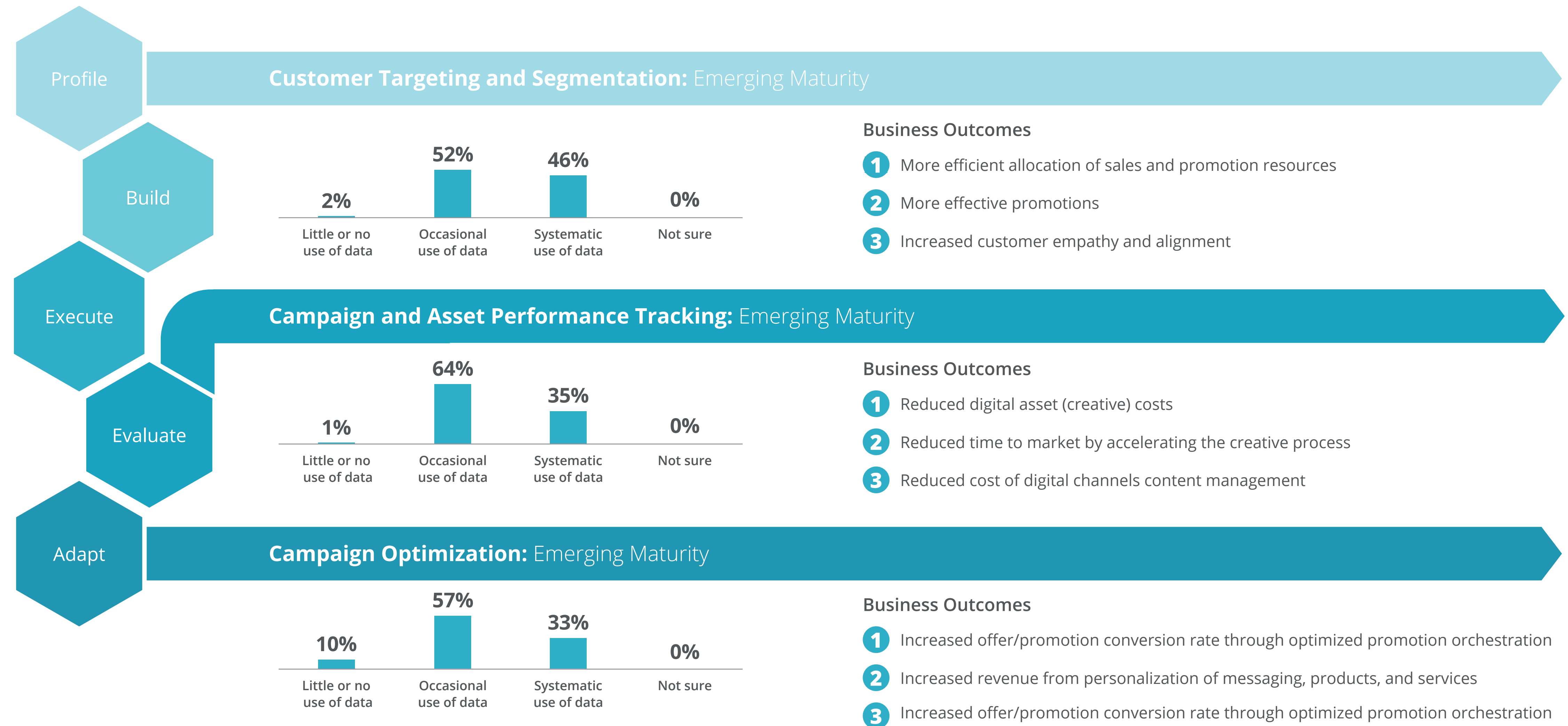
Key Moments of Truth Across Marketing Processes

According to European Digital Leaders



Key Moments of Truth Across Marketing Processes

Status of European Organizations



Marketing Processes: Key Findings



Marketeers have access to a higher quantity and quality of customer data than ever before. Getting a consistent, clear picture of customer behaviors throughout their journeys is very challenging, however.



Our study respondents show quite weak maturity in key areas (customer targeting and segmentation, campaign and asset performance tracking, campaign optimization) but the majority are strongly motivated to improve further.

An **integrated data platform** that surfaces insights relating to customer interactions across channels and venues, to drive cost-effective investments and optimize campaigns, is critical to improvement.

Decision making is quite poorly supported by data: there is a long way to go to support marketing moments of truth.



67%

say improving **customer targeting** outcomes is very/extremely important.



58%

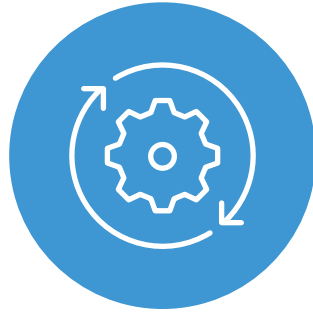
say improving **performance tracking** outcomes is very/extremely important.



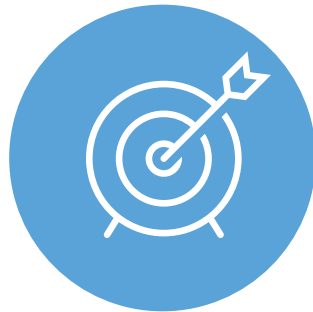
56%

say improving **campaign optimization** outcomes is very/extremely important.

Conclusions



Successful digital transformation requires focus on transforming end-to-end **business processes** and key **decisions** within those processes — not just on the “front end” of CX.



Fit-for-purpose decision making is **powered by data, built on end-to-end visibility**, and **driven collaboratively**.



55% of Digital Leaders say they are “mostly” using modern tools for decision making; **only 4% of Laggards say the same. Leaders experience fewer challenges** in decision making and are **more likely to focus on prediction** as the place for further improvement.

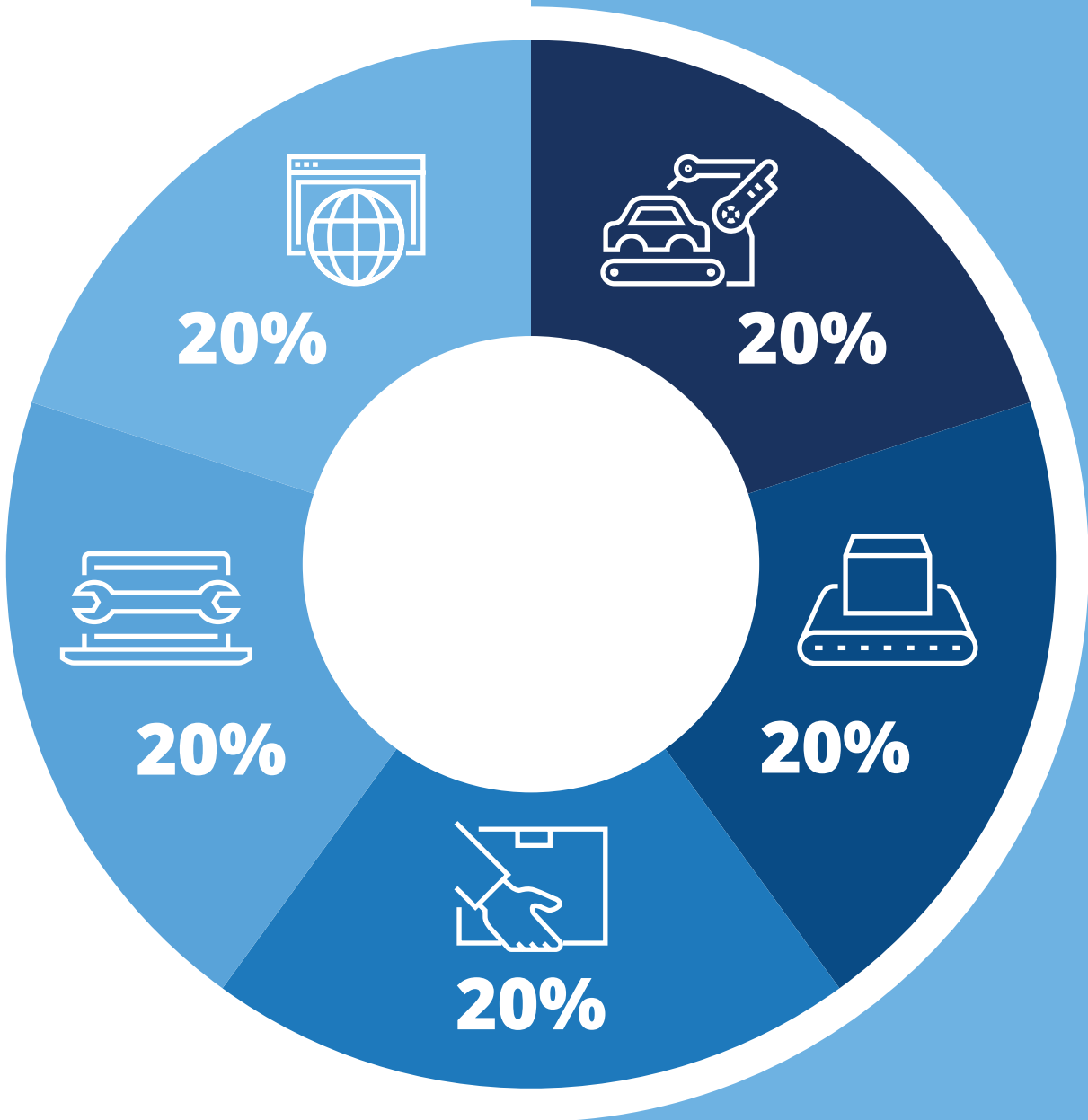


Data fragmentation is the #1 reported obstacle to improved decision-making (**57%**); with lack of process visibility (**28%**) and organizational complexity (**25%**) also creating challenges.



Objectives

- IDC’s research shows that to support the business models of the future, traditional business processes will transform and combine to create digital value chains underpinned by seamless flows of data.
- This document showcases the results of an IDC survey sponsored by Domo that involved 375 European organizations. The main objective of the study was to understand how organizations are using modern digital technologies to improve decision making and deliver value at the key moments of truth across three business process areas as they transform: operations, marketing, and sales.

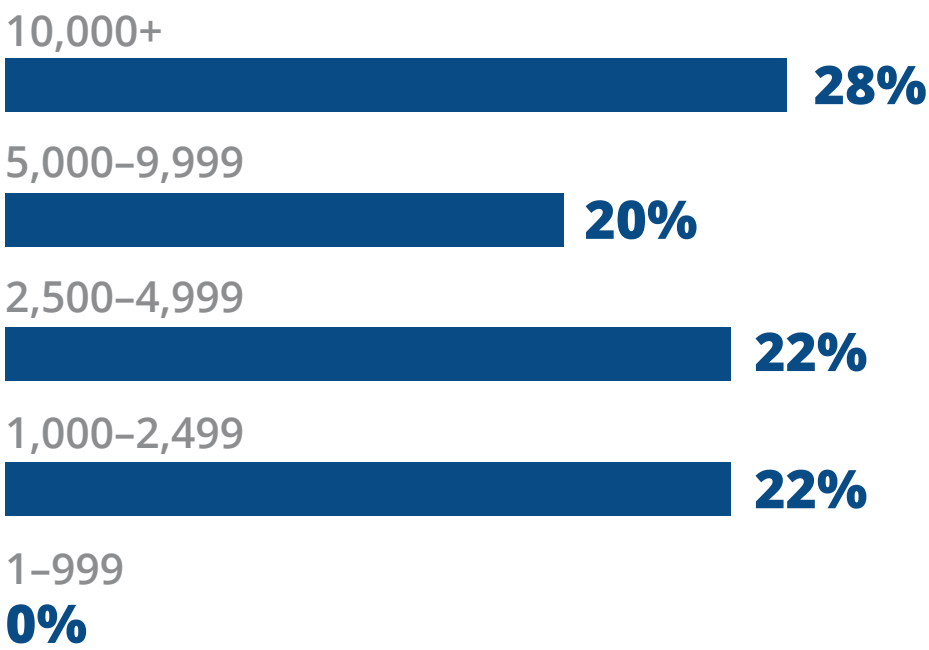


Sample by industry

- Manufacturing — automotive
- Manufacturing — consumer packaged goods (CPG)
- Retail (including automotive, CPG)
- Professional services, excluding IT services
- IT hardware, software products, IT services or internet-related services

Respondent Demographics

Sample by company size (number of employees)



Sample by functional area

