# Pecan

The B2C Perspective on

# Using Data to Predict Future Performance

Research Conducted in Partnership with Ascend2

Ascend2
RESEARCH-BASED MARKETING

# Table of Contents

# Methodology

Ascend2 benchmarks the performance of marketing strategies, tactics and the technology that drives them with a standardized online questionnaire and a proprietary 3-Minute Survey format.

This survey was fielded to a panel of marketing influencers and marketing research subscribers.

**Pecan**

# Survey Respondents

**N = 219 Marketing Professionals**

**Role in the Company**

| | |
|---|---|
| Owner / Partner / C-Level | 62% |
| VP / Director / Manager | 24% |
| Non-Management Professional | 14% |

**Company Size**

| | |
|---|---|
| More than 500 | 12% |
| 50 to 500 | 14% |
| Fewer than 50 | 74% |

The B2C Perspective on
# Using Data to Predict Future Performance

The analysis and utilization of data is foundational for promoting business growth for the vast majority of consumer-driven businesses today.

**But how can B2C organizations gain a competitive advantage by predicting future customer behavior and business trends?**

To help you answer this question, Pecan AI, in partnership with Ascend2, fielded the Using Data to Predict Future Performance survey.

This report, titled *The B2C Perspective on Using Data to Predict Future Performance*, exclusively represents the opinions of the 219 marketers responding to the survey who work for organizations operating in the business-to-consumer (B2C) channel.

> This research has been produced for your use. Put it to work in your own marketing strategy. Clip the charts and write about them in your blog or post them on social media. Please share this research credited as published.

# Data-Driven Marketing Success

Only 17% of Business-to-Consumer (B2C) marketing professionals describe their data-driven marketing strategy as very successful, or best-in-class, at helping them to achieve their objectives. Nearly three-quarters of B2Cs report experiencing some success from their data-driven strategies indicating that there is room for improvement when it comes to utilizing data to make strategic marketing decisions.
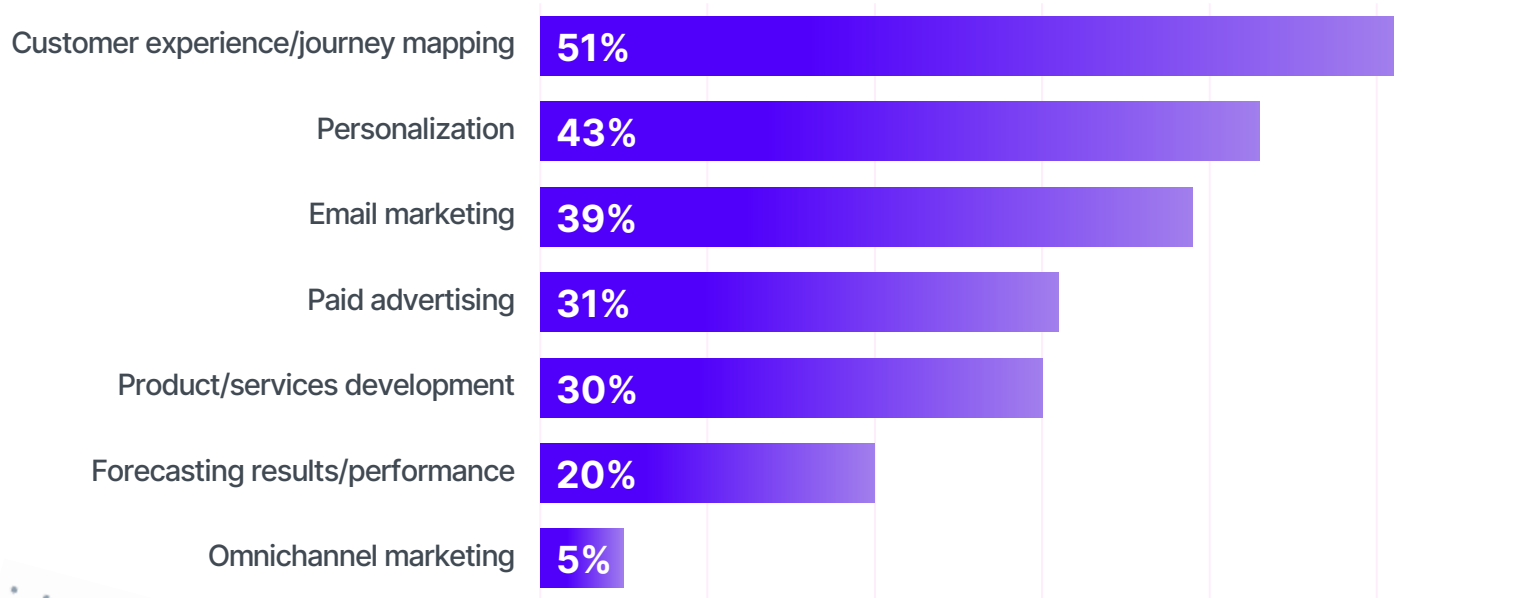
**How would you rate the overall success of your data-driven marketing strategy in achieving objectives?**

Unsuccessful
11%

Very sucessful
(best-in-class)
17%

Somewhat
successful
72%

5
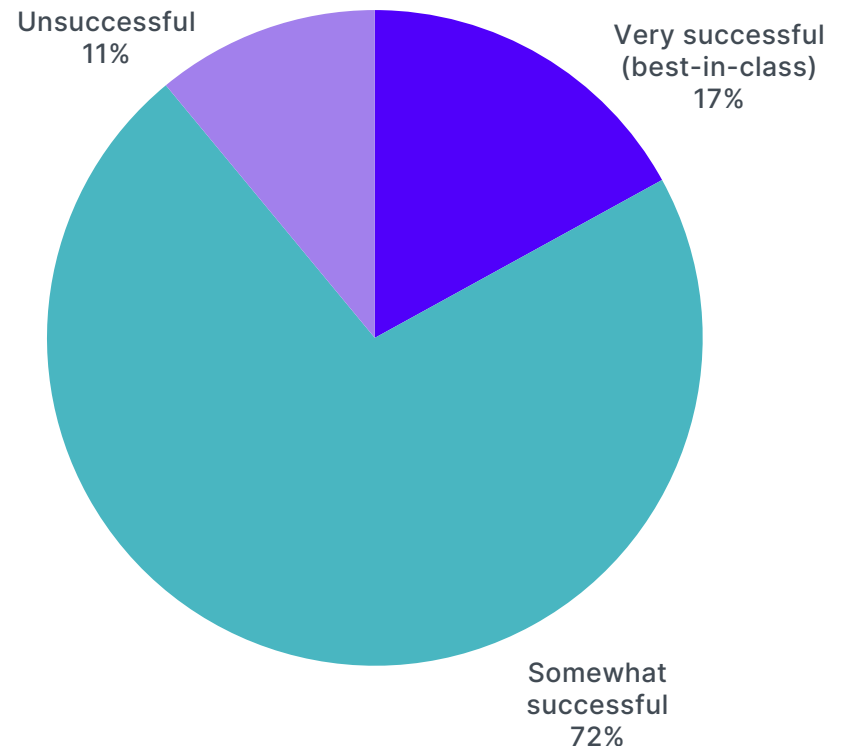
# Most Useful Applications

Customer experience or customer journey mapping is reported as one of the most useful areas to use data-driven marketing according to over half (51%) of B2C marketers surveyed. Utilizing data for personalization and email marketing efforts are also effective use cases according to 43% and 39% of B2C marketing professionals surveyed, respectively.

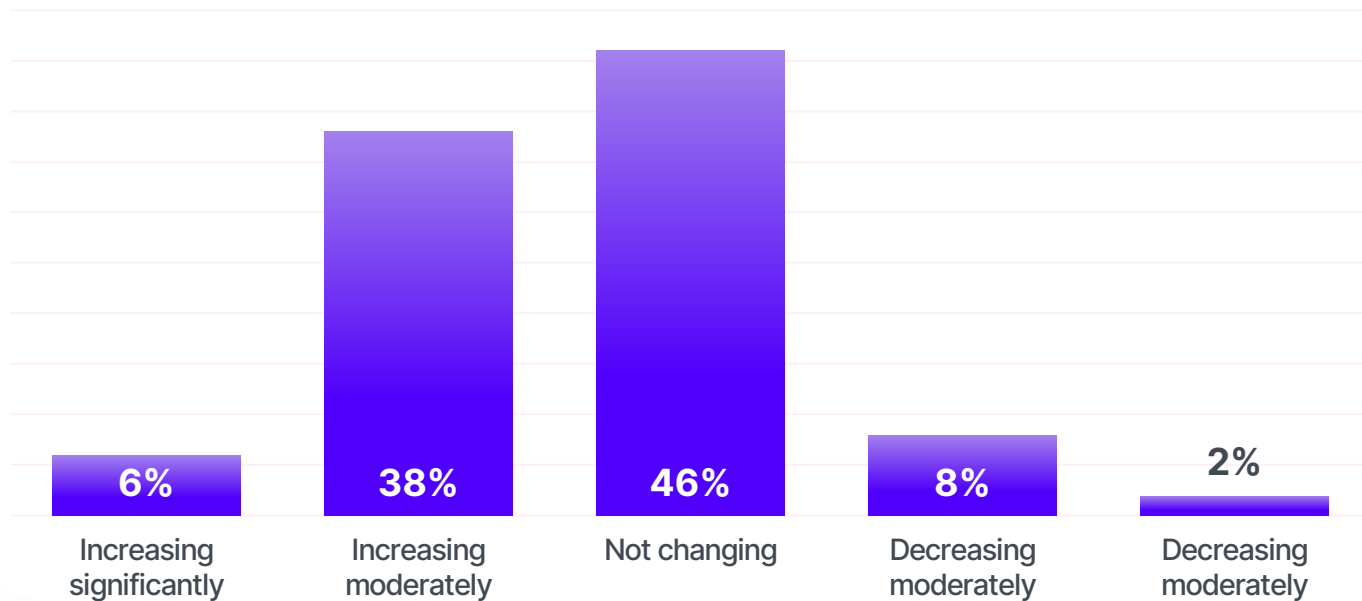**In which areas is data-driven marketing currently most useful?**
*(Survey respondents could select up to 3 options)*

| Area | Percentage |
|---|---|
| Customer experience/journey mapping | 51% |
| Personalization | 43% |
| Email marketing | 39% |
| Paid advertising | 31% |
| Product/services development | 30% |
| Forecasting results/performance | 20% |
| Omnichannel marketing | 5% |

**Pecan**

# Budget Trends

Nearly half (44%) of B2C marketers expect an increase in budget allocated to data-driven marketing efforts in the coming year, with only 6% describing this increase as significant. Another 46% report that their budget will remain unchanged, leaving 10% of B2C marketers who report expecting a decrease in budget dedicated to data-driven marketing in the year ahead.

**How is the budget for data-driven marketing initiatives changing in the coming year?**

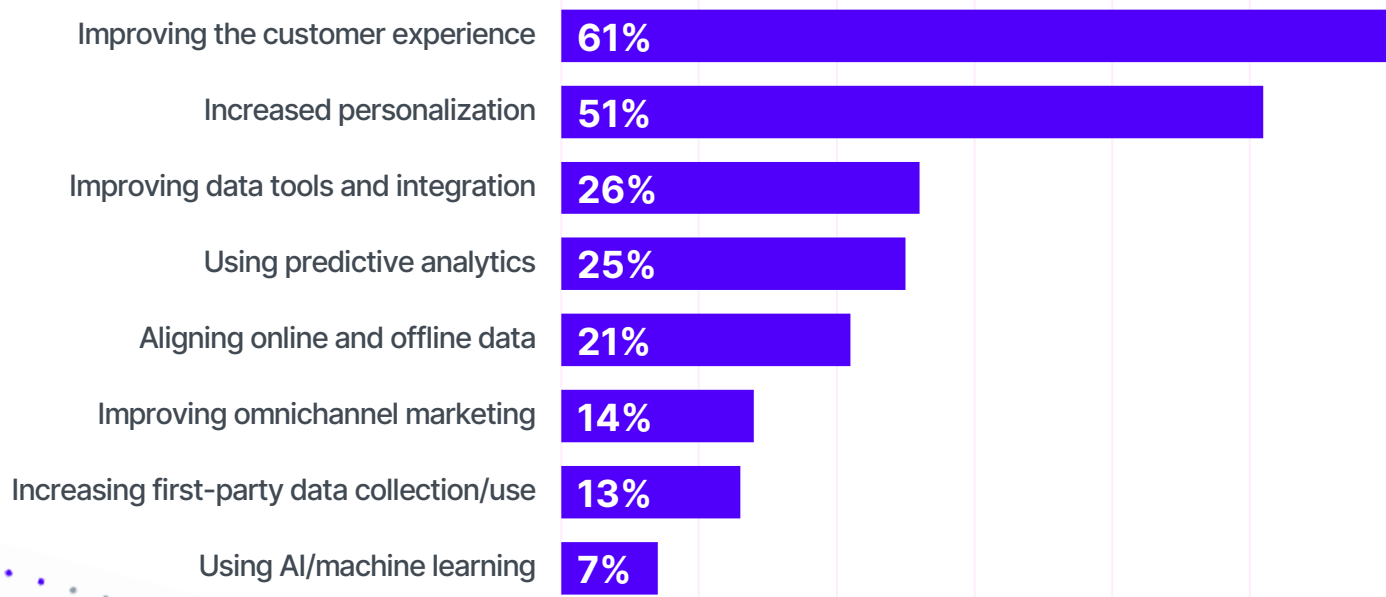| 6% | 38% | 46% | 8% | 2% |
|---|---|---|---|---|
| Increasing significantly | Increasing moderately | Not changing | Decreasing moderately | Decreasing moderately |

# Most Critical Elements

In the year ahead, improving the customer experience and increasing personalization will be significant influences on the B2C decision-making process according to 61% and 51% of those surveyed, respectively. Interestingly, only 13% of B2C marketers surveyed feel that increasing first-party data collection and use will be critical to their decisions made in the coming year.

**Which data-driven marketing trends will be most critical to the decision-making process in the year ahead?**
*(Survey respondents could select up to 3 options)*

| | |
|---|---|
| Improving the customer experience | **61%** |
| Increased personalization | **51%** |
| Improving data tools and integration | **26%** |
| Using predictive analytics | **25%** |
| Aligning online and offline data | **21%** |
| Improving omnichannel marketing | **14%** |
| Increasing first-party data collection/use | **13%** |
| Using AI/machine learning | **7%** |

**Pecan**

# Extent of Preparation for Data Privacy Changes

Less than one out of every ten B2C marketers strongly agree that their organization's data-driven strategy is prepared for the potential impact of the loss of third-party cookies. Nearly half (46%) of those surveyed disagree to some extent that their organization has prepared their data-driven strategy for these upcoming data privacy changes.
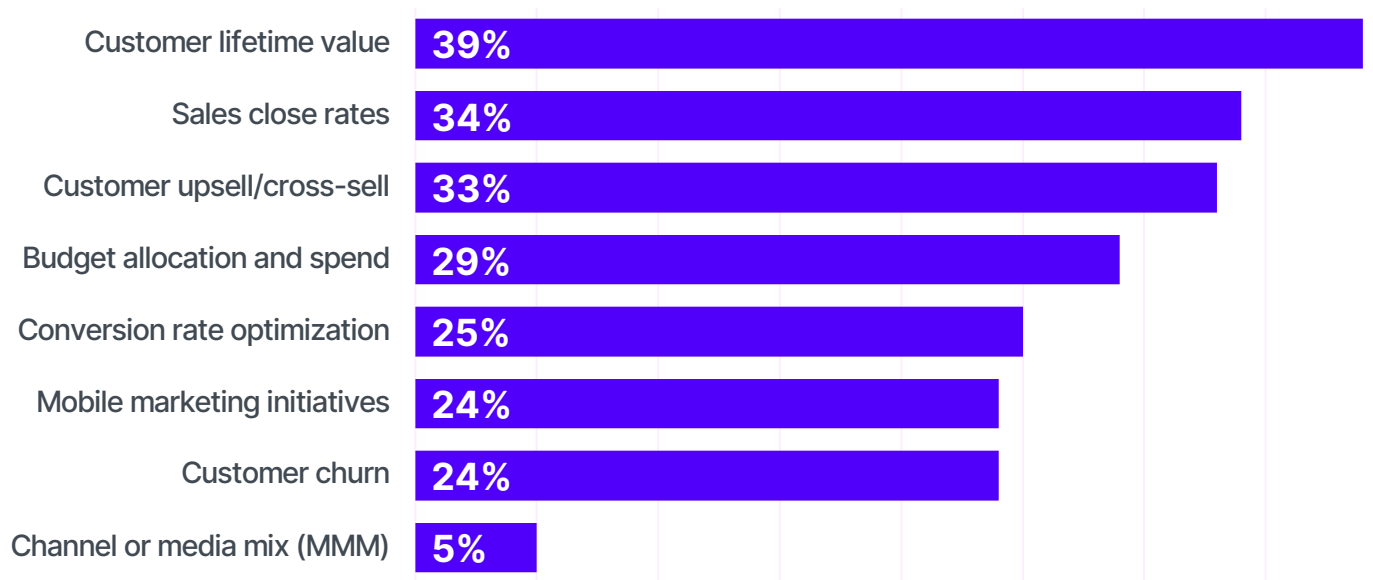
**We have prepared our data-driven strategy for the potential impact of the loss of third-party cookies.**

| Strongly agree | Somewhat agree | Somewhat disagree | Strongly disagree |
|:---:|:---:|:---:|:---:|
| 9% | 44% | 31% | 16% |
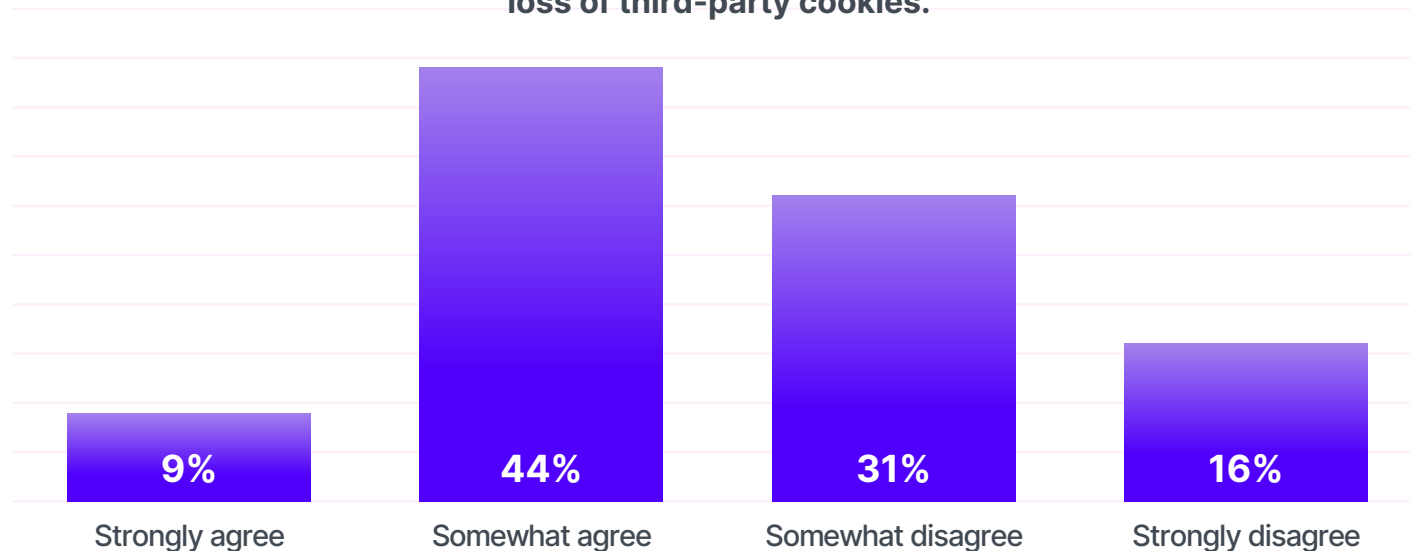
# Most Wanted Predictions

B2C marketers would like to have the ability to predict customer lifetime value and sales close rates according to 39% and 34% of those surveyed, respectively. Predicting customer upsell/cross-sell opportunities (33%) as well as budget allocation and spend (29%) are also important measurements that B2Cs would like to be able to predict.
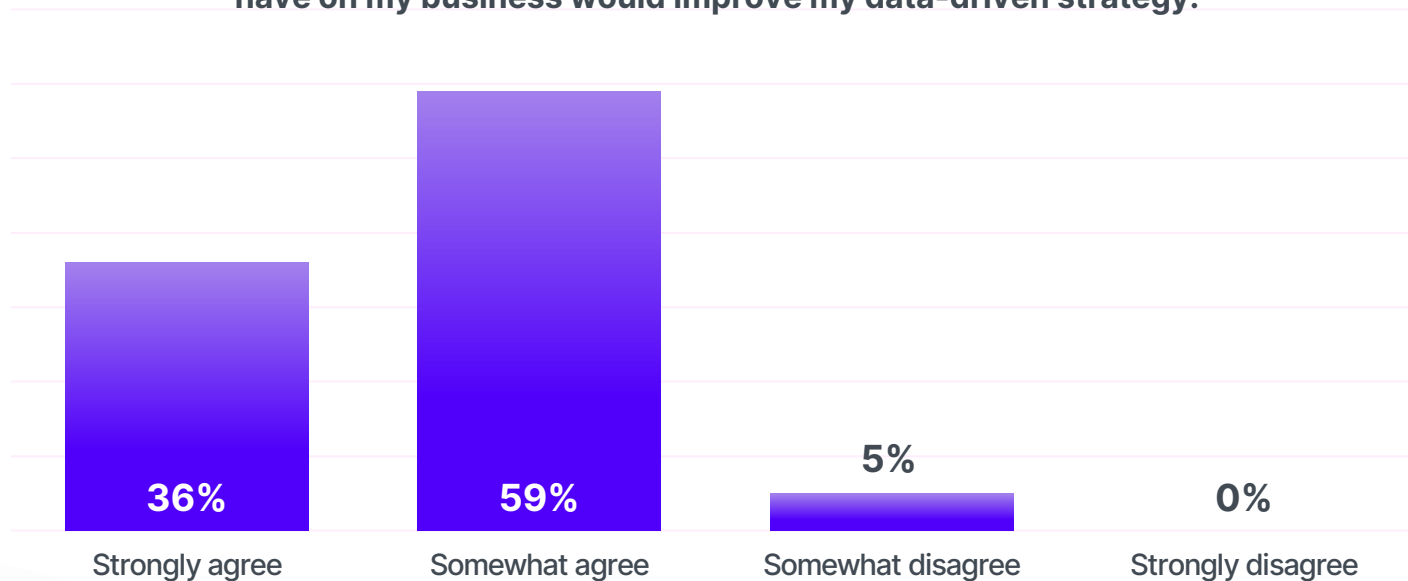
## Which part of your data-driven measurement approach would you like to predict?
*(Survey respondents could select up to 3 options)*

| | |
|---|---|
| Customer lifetime value | **39%** |
| Sales close rates | **34%** |
| Customer upsell/cross-sell | **33%** |
| Budget allocation and spend | **29%** |
| Conversion rate optimization | **25%** |
| Mobile marketing initiatives | **24%** |
| Customer churn | **24%** |
| Channel or media mix (MMM) | **5%** |

# Predicting Impact of Changing Circumstances

Nearly all (95%) of B2C marketers agree that having the ability to predict the impact that changing circumstances would have on their business would improve their overall data-driven strategy. Gaining foresight into how changing circumstances could impact an organization's bottom line allows for greater agility and preparedness of a B2C marketing strategy.
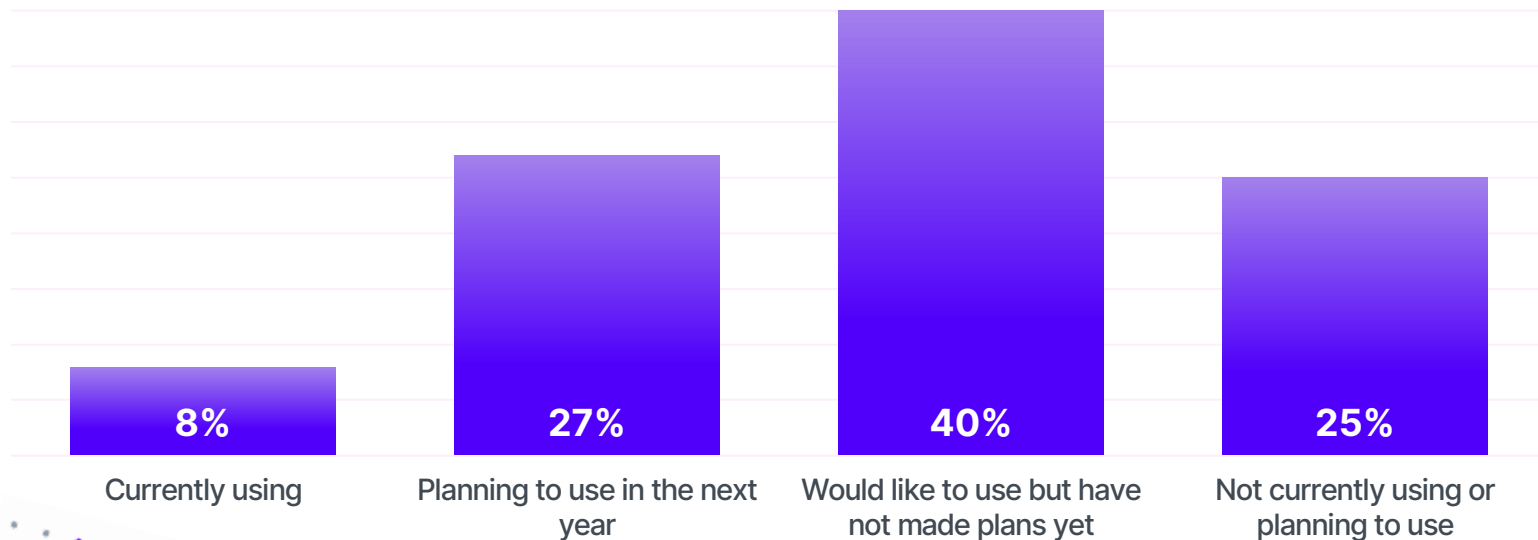
**Having the ability to predict the impact that changing circumstances would have on my business would improve my data-driven strategy.**

| Strongly agree | Somewhat agree | Somewhat disagree | Strongly disagree |
|---|---|---|---|
| 36% | 59% | 5% | 0% |

Pecan

# Predictive Analytics & Machine Learning

Only 8% of B2Cs report utilizing the insights from predictive analytics coupled with machine learning capabilities in their data-driven measurement approach. This is a major missed opportunity to optimize predictive insights with the power of artificial intelligence. Just over one-quarter (27%) are planning to use intelligence tools along with predictive analytics in the coming year.
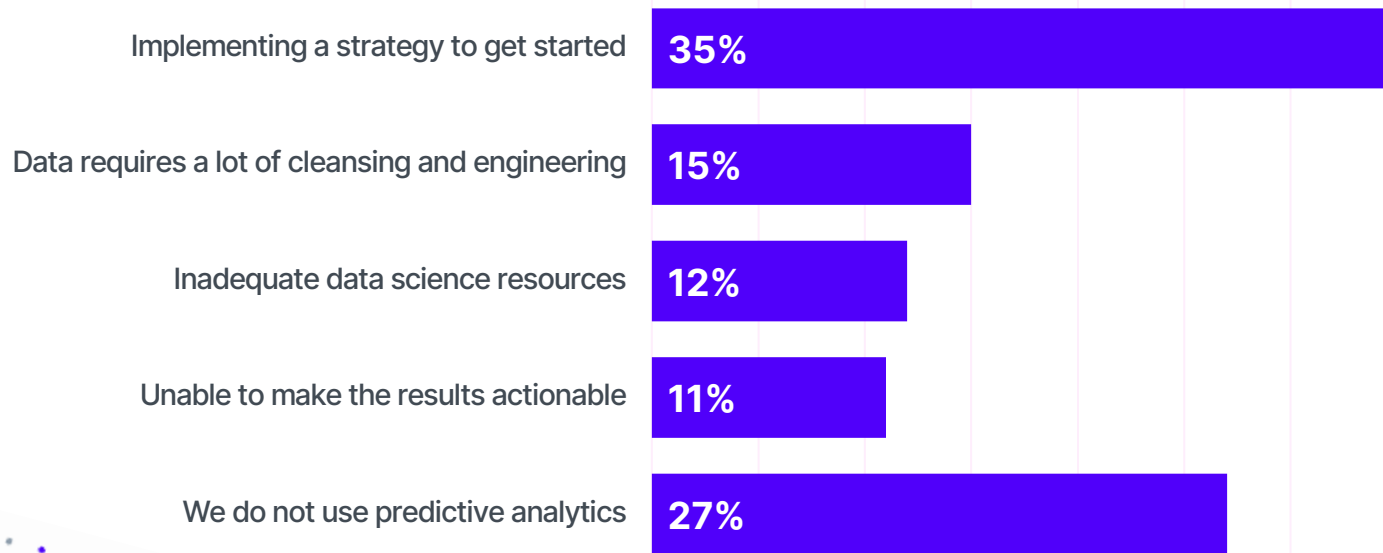
**What are your plans for using predictive analytics with machine learning capabilities in your data-driven measurement approach?**

| Currently using | Planning to use in the next year | Would like to use but have not made plans yet | Not currently using or planning to use |
|---|---|---|---|
| 8% | 27% | 40% | 25% |

# Challenges to Extracting Predictive Insights

According to over one-third (35%) of B2C marketing professionals, the greatest challenge to extracting accurate predictive insights from their data is implementing a strategy to get started. For another 15%, data cleansing and engineering requirements are the greatest obstacle. Over one-quarter (27%) of those surveyed are not yet using predictive analytics to improve performance.

**What is the biggest obstacle in extracting accurate predictive insights from your data?**

| | |
|---|---|
| Implementing a strategy to get started | **35%** |
| Data requires a lot of cleansing and engineering | **15%** |
| Inadequate data science resources | **12%** |
| Unable to make the results actionable | **11%** |
| We do not use predictive analytics | **27%** |

# Key Findings & Next Steps

Here are 3 key findings from this research study and specific next steps that you take to use data to predict future performance.

1. Either driven by the economy or the desire to create lifelong customers there is a stronger want to get closer to the customer. Survey respondents indicated that mapping the customer journey and predicting LTV, upsell, and cross-sell as key applications when thinking about data-driven marketing opportunities. **Action Step:** With the help of AI, it's now possible to predict customer lifetime value right at the start of any new relationship. Identify your most profitable customers earlier in the customer journey. Learn more.

2. Few respondents felt prepared for privacy changes and developing 1st party solutions which are reinforced by the idea that many felt the hardest part of implementing a data-driven marketing framework driven by AI and machine learning is not having a strategy. It is important to note that there are many 3rd party tools out there to help brands get started with their data-driven agenda and roadmap. **Action Step:** Predictive analytics makes it possible to see what's next for your business, but there are many potential strategies to consider and implement. A hands-on guide, How to Choose the Right Predictive Analytics Strategy for Your Team, is designed to help you determine the best course of action for adopting predictive analytics in your business. Download the Guide.

3. 95% of respondents agree that predicting shifts in the customer landscape would have a positive benefit to their business but only 8% of respondents are using predictive analytics today. Given the uncertainties of today, brands need to take the first step in creating proactive strategies by incorporating AI and machine learning into their analytic frameworks. **Action Step:** Pecan AI was designed to drive business value from AI. In one intuitive platform, analysts, marketers, and business people can add data, deploy off-the-shelf predictive models, and see outputs – finally bringing automated machine learning within reach. Learn more.

The Pecan AI team is here is answer your questions and assist you as needed in your journey to utilize your data to predict future performance. Contact the Pecan AI team with your request.

# About the Research Partners

Pecan AI was designed to drive business value from AI. In one intuitive platform, analysts and business people can add data, deploy off-the-shelf predictive models, and see outputs—finally bringing AutoML within reach.

Our AI platform helps business intelligence, operations, and revenue teams predict mission-critical outcomes. Learn more about Pecan AI.

Marketing technology companies and digital marketing agencies trust Ascend2 to create credible, engaging research.  Ascend2 provides media-trusted original research backed by a custom strategy to build brand awareness, generate media coverage, and drive demand through the middle of the funnel.

Receive research in as little as two weeks! Learn more about Ascend2.