



# MORE DATA, MORE PROBLEMS: TRUST, TRANSPARENCY & TARGETING IN 2017

A new study from Bazaarvoice and Advertising Age

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# INTRODUCTION

**A new study from Bazaarvoice & Advertising Age reveals that, despite the ubiquity and general respect for data in the context of digital marketing, marketers are seeking more transparency and accountability from their data partners.**

The early days of advertising may have revolved around creative storytelling, but the industry's future is unequivocally data-driven. And while the vast sum of marketers understand the importance of data to the future growth of their businesses, there seems to exist a substantial gap between expectation and reality.

Whether you're on the agency side working with brand clients and data partners, on the brand side working with media buyers and data partners, or working across both (like we are), you've likely witnessed this confusion first-hand. To test this hypothesis, Bazaarvoice teamed up with *Advertising Age* to field a first-of-its kind study to explore just how well marketers understand the origins and legitimacy of their data sources.

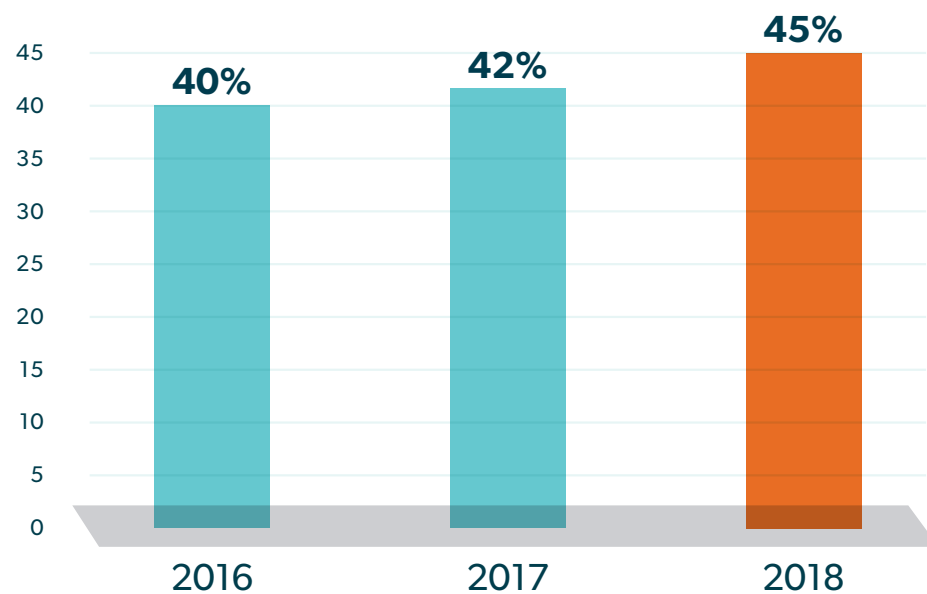
To inform the survey, *Advertising Age* utilized a third-party research firm to interview more than 300 marketers from agency and brand-side backgrounds. The respondents reflected a mix of mid-level to senior professionals from small to large companies across a range of industries and verticals. The results reveal important implications when it comes to the current role of data in digital campaigns and how agencies and brand marketers can better use data to inform their strategies and generate business impact.

Here's a summary of the findings.

# DATA IS UBIQUITOUS, BUT MISUNDERSTOOD

Per the study, the use of first- and third-party data is set to grow in 2018, with the number of data-less campaigns continuing to shrink. From 2016 to 2018, the number of campaigns utilizing neither first- nor third-party data is anticipated to fall by 33%.

## DATA DRIVEN CAMPAIGNS



Currently, 95% of marketers across brands and agencies are employing first- and third-party data in their media plans, yet 64% do not completely understand the origins of their data sources.

Interestingly, this gap in understanding varied by data type, especially when it came to first-party data. On the whole, agency buyers were significantly less familiar with first-party data than brand marketers: 28% of agency respondents were only somewhat or not at all familiar with first-party data, vs. 18% of brand marketers who reported the same.

Agencies and marketers reported roughly the same level of familiarity when it came to third-party data (68% vs. 69% said they were “extremely/very familiar,” respectively).



**28%** of agency buyers are only ‘somewhat’ or ‘not at all’ familiar with first-party data, despite



**54%** of this same group say that, in an ideal world, they would leverage first-party data in more than half of their campaigns.

One of the biggest unknowns when it comes to data is the relative “freshness” of the data, which is important for ensuring that campaigns are targeting relevant, in-market consumers. More than one-fifth of agency respondents and 26% of brand marketers surveyed say they have no idea how often their data sources were refreshed.

**Nearly one-quarter of agency buyers and marketers have no idea how often their data sources are refreshed.**

# MISUNDERSTANDING LEADS TO MISTRUST

The general confusion around data sources—where they are originating from and how often they are refreshed—seems to have generated an aura of skepticism and mistrust among agency planners and brand marketers alike. More than 75% of survey respondents are not fully confident that the data they're utilizing is hitting in-market consumers.

 **75%** of agency buyers and brand-side marketers are not fully confident that the data they're utilizing across digital campaigns is being used to reach in-market consumers.

While most agencies (91%) and brand marketers (82%) report that they're using third-party data in 2017, just 25% of agency respondents and 21% of brand marketers feel "extremely/very confident" that their third-party data partners are delivering against KPIs. Most respondents, 70% of agency respondents and 75% of marketers, reported being "somewhat confident" in the efficacy of their third-party partners, underscoring a broader complacency issue when it comes to the use of third-party data in marketing.

 **91%** of agency buyers and brand-side marketers are using third-party data, but only **23%** are fully confident that these partners are delivering against KPIs.

Not surprisingly, respondents were generally displeased by the lack of transparency granted by their data partners. Only 29% of agency respondents and 26% of brand marketers reported being "extremely/very clear" when it comes to where their data comes from. Further, 12% of agency respondents and 7% of brand marketers said they were "not at all" clear on their data sources.

 **Nearly 10%** of agency buyers and brand marketers are "not at all" clear on the origins of their data sources.



# FAVORING FIRST-PARTY DATA PROVIDERS

These challenges with respect to transparency seem to be pushing buyers and marketers to first-party partners when it comes to powering their digital media campaigns. Sixty-one percent of respondents said using first-party data was “extremely/very important” to their overall digital media strategy—which was 1.7X higher than the number of respondents who said third-party data was “extremely/very important” (35%).



**Agency buyers & marketers are 1.7X more likely to say that first-party data is “extremely important” to attaining success vs. third-party data.**

Looking ahead, 54% of agency respondents said that, in an ideal world, they would want to leverage first-party data in more than half of their campaigns. On the marketer side, this number was 62%, indicating that marketers are more passionate about their desire to implement first-party data in future campaigns. The takeaway for agencies: *know that fresh, first-party data is what your clients want.*



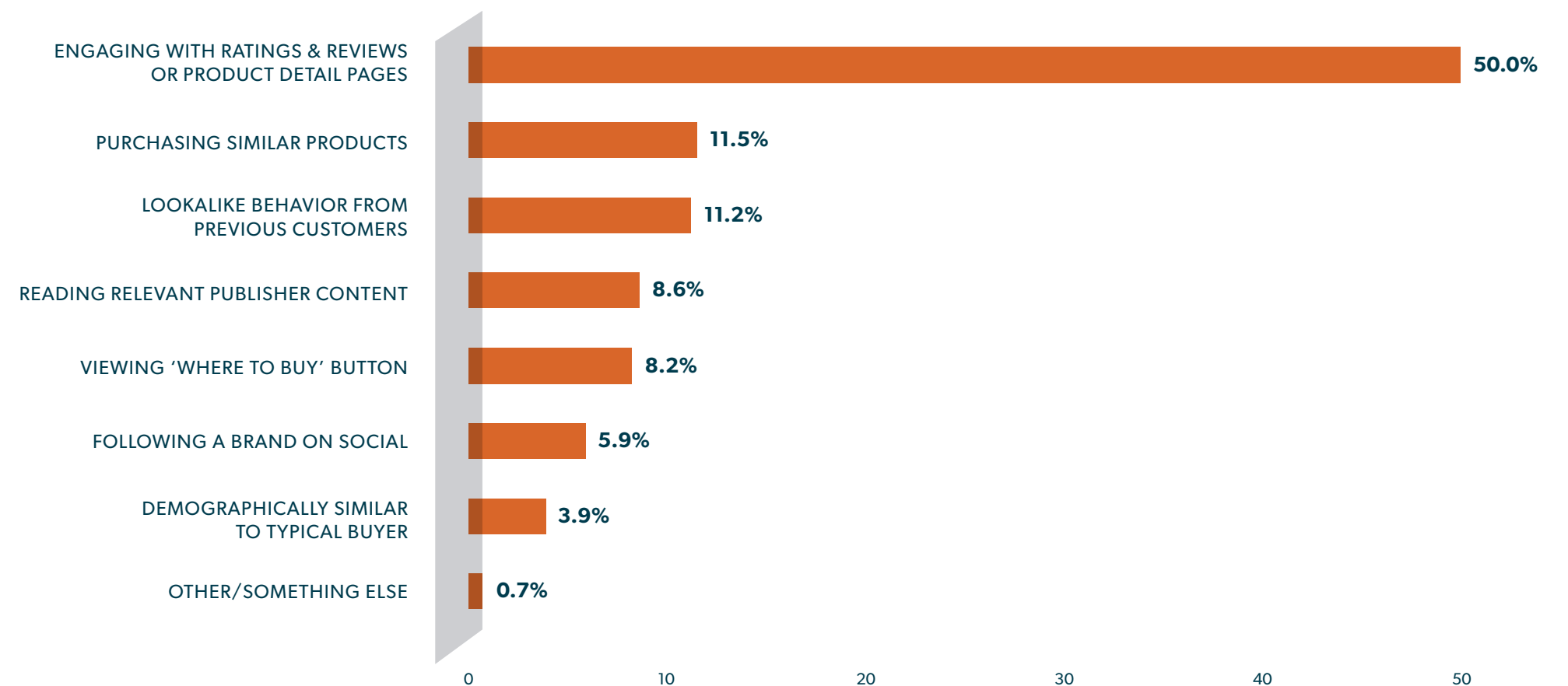
# WHAT MAKES FOR “GOOD” DATA?

Across agency buyers and brand-side marketers, the No. 1 quality of “good” data is ability to surface potential new customers. Moreover, respondents said visiting a product detail page or engaging with ratings and reviews most accurately predicts actions a user might take.

Asked which factors are most trusted when it comes to determining in-market consumers, 50% of respondents said engaging with ratings and reviews OR a product detail page in general was the No. 1 indicator. The next two factors were purchasing similar products (11.5%) or analyzing lookalike behaviors from previous customers (11.2%).

As such, buyers and brands are looking for data partners that can target against these specific data points.

## HOW DO MARKETERS DEFINE ‘GOOD’ DATA?






# BRIDGING THE AGENCY-BRAND DIVIDE FOR BETTER DATA & BETTER RESULTS

When it comes to data innovation, agency and marketer respondents judge themselves quite differently. On the whole, brand-side marketers were more critical of their data efforts, with 37% “strongly agreeing” that their current data partnerships lack innovation. Only 22% of agency respondents strongly agreed to this same question.

**Brand-side marketers are more critical of data innovation than their agency partners:**

 **37% of marketers feel strongly that their current data partnerships lack innovation.**

On the other hand, agency buyers were more likely to believe their partnerships are innovative. One-quarter of agency respondents “strongly disagreed” that their data partnerships lack innovation, while only 13% of brand marketers disagreed to that same degree.

Finally, both agency buyers and brand marketers believe there is room for growth when it comes to implementing smart data within their campaigns to meet their marketing objectives. Yet, again, there was a discrepancy between agency buyers and brand-side marketers. Brand marketers were more likely than agency buyers to say they don’t have the data needed to move the needle for their campaigns (34% brand-side vs. 24% agency-side).





# CONCLUSION

- Buyers and marketers are lacking important information around the freshness of their data sources and reassurance that they are investing in targeting relevant, in-market consumers.
- As such, both groups, agency buyers and brand-side marketers, are looking for first-party data providers to step up and prove their worth through greater clarity and transparency.
- Overall, brand marketers are more critical of their data efforts than their agency counterparts, specifically when it comes to the level of innovation their data partners are providing.
- There's an opportunity to succeed: Buyers and marketers are increasingly investing in data partnerships and understand their value, but are looking for ways to separate the wheat from the chaff—that is surfacing and partnering with only the most transparent and effective data partners.

For more information, visit [bazaarvoice.com/advertising](https://bazaarvoice.com/advertising)

# ABOUT BAZAARVOICE

Bazaarvoice helps brands and retailers find and reach consumers, and win them with the content they trust. Each month in the Bazaarvoice Network, more than one-half billion consumers view and share authentic consumer-generated content (CGC), including ratings and reviews as well as curated visual content across 5,000 brand and retail websites. This visibility into shopper behavior allows Bazaarvoice to capture unique first-party data and insights that enable our targeted advertising and personalization solutions.

Founded in 2005, Bazaarvoice is headquartered in Austin, Texas with offices across North America and Europe. For more information, visit [www.bazaarvoice.com](http://www.bazaarvoice.com)

# METHODOLOGY

*Advertising Age* secured third-party research firm Advantage Business Research to conduct an online research study for Bazaarvoice. Advantage Business Research was responsible for all phases of the online research, including programming, coding, and tabulation.

The final survey findings are based on 304 total respondents who qualified after answering the screening questions and completed the full survey.

The survey fielded on May 24, 2017 and officially closed on June 9, 2017.

The margin of error for the total of 304 total respondents of the survey, at a 95% confidence level, is +/-5.7% percentage points.



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