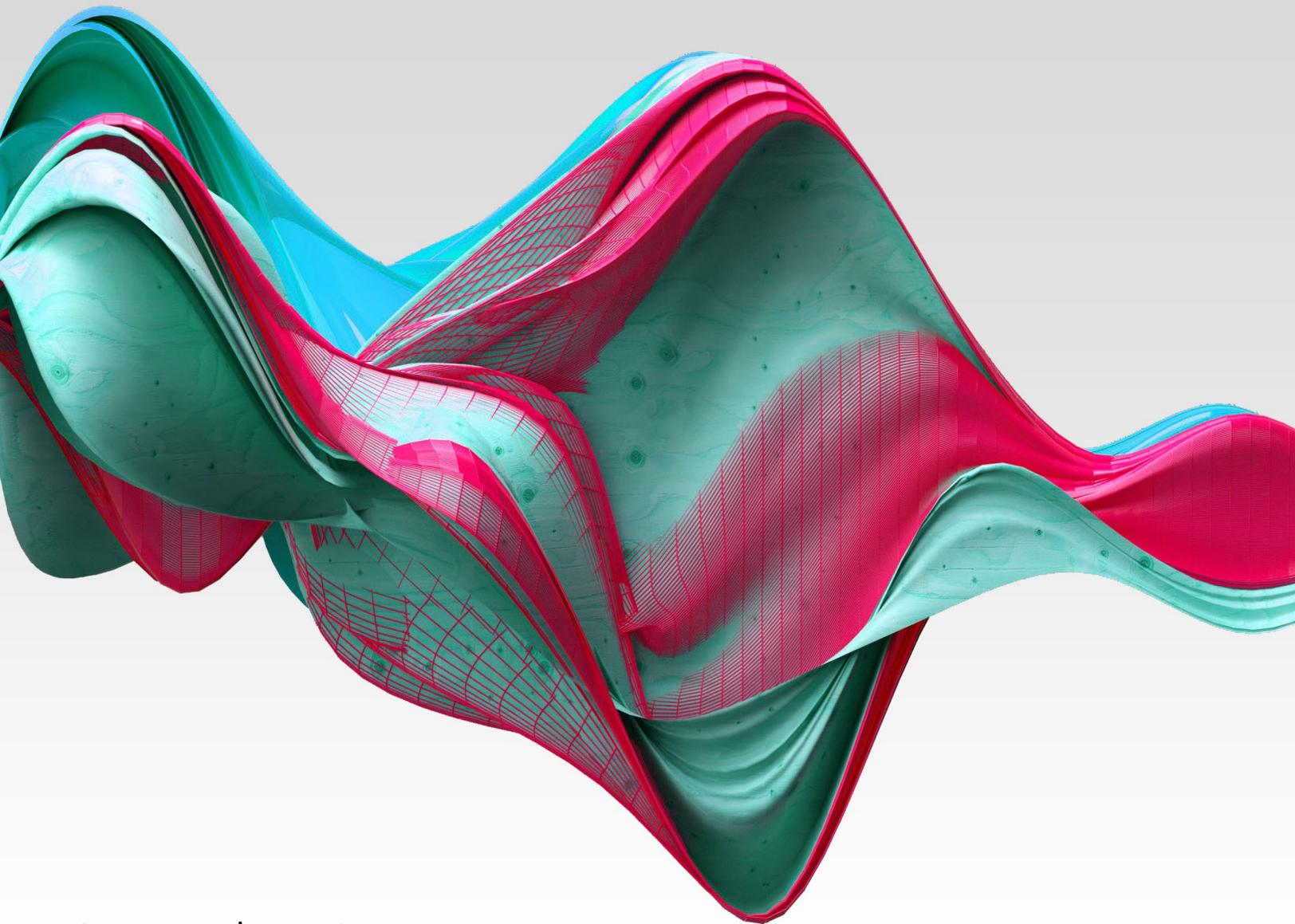




Signals lost, connections found.

Operating principles to address the new realities of marketing.

October 2022



Introduction

Over the past several years, most enterprise marketing organizations have made significant investments in new technologies and capabilities—particularly those focused on analyzing, storing, managing and automating data. The 2022 CMO Survey from Deloitte found that three in four companies invested in data analytics capabilities during the past year—a 37% increase from the prior year. Seventy percent invested in martech systems or platforms—a 30% increase from the prior year.

Yet CMOs said that the contribution of digital marketing to company performance actually *dropped* in 2022.¹

While that reduction in perceived effectiveness likely has several causes, the ongoing loss of

marketing signals due to browser, device and regulatory changes means that many of the investments made over the past decade are no longer producing the results that marketers had come to expect. For example, the ongoing deprecation of third-party browser cookies means that advertising tactics such as retargeting and measurement methodologies such as multi-touch attribution are significantly less effective or reliable.

In prior installments in this series we've talked about how the loss of marketing signals means that marketing organizations should take control and establish mastery of first-party customer data, embrace a new paradigm of customer data sharing through data clean rooms and build their data science talent and capabilities.

But perhaps the most important transformation that's needed isn't about *replacing* lost marketing signals. **It's about *doing more with the signals you have.*** That is the essence of what we mean by becoming an insights-driven marketing organization.

Getting there requires strategic vision and proactive operational transformation. For many CMOs it also means having hard but necessary internal conversations about past investments that can no longer produce results; and rebuilding the talent, partner, tech and data ecosystem and operating model to meet the needs of today and the possibilities of tomorrow.

“69% of leaders said **ineffective collaboration is hindering execution** against personalization strategies.”



Connecting operations to connect insights.

Plenty of marketing leaders will say they aim to foster an organizational culture of shared purpose, collaboration, innovation and agility. But in survey after survey, those same leaders recognize that their current siloed operations, data and technologies are a hindrance to achieving those goals. For example, 69% of leaders told us that ineffective collaboration across teams is hindering execution against their personalization strategies.² In a separate survey we found that today's siloed media data is the top barrier to improving and optimizing marketing performance and measurement.³

Look around your own operations, and you are likely to see those or similar issues. Marketing teams work on their campaigns—with one group responsible for social content and engagement, another responsible for advertising, another focused on email. Customer service teams may also be using social media channels—but only for problem-solving. Elsewhere, data scientists work to turn customer and business data into insights; commerce teams analyze purchase behavior; sales teams set customer strategies ... the list goes on.

The bigger the enterprise, the more discrete and specialized the teams.

When it comes to human resources and technology management, this organizational structure makes sense. Teams of creative talent are generally best led by an experienced creative director. You wouldn't necessarily want that same creative director overseeing your artificial intelligence or product development teams.

The problem with organizing departments and teams by skill sets is that too often, insights that individual teams and businesses develop about customers, media and markets are not shared across the walls of their own organizations. As a result, each team sees just a fragment of the customer and the experience that the customer has with the brand.

It's impossible to connect insights into a fully fleshed out, contextualized understanding of the individual customer without first functioning as a fully integrated, insights-driven organization across all departments and functions. Toward that end, marketing leaders need to strike a new balance between skill-based workforce management and operating structures and use case-based, cross-team and cross-discipline collaboration.

This type of realignment has implications for strategy, risk management and governance both within your marketing organization and across every part of your business that has contact with customers and their data. Your data strategy will need to be adjusted to account for new approaches to sharing and collaborating within the organization, with

external partners, and with other parties via ad and enterprise clean rooms. Marketing, IT, governance, adtech and martech teams all need to be aligned on how you will gather and connect data to construct 360-degree customer profiles based on first-party data, and how you will activate those profiles to provide relevant experiences in real time. (See sidebar.)

By sharing more across your organization and across your technology and partner ecosystem, it makes your people smarter. It makes your automated decisions more accurate. It makes your customer engagement more relevant and authentic. It makes collaboration easier and more effective. In essence, it makes your data do more to feed the success of your business.

Bridge the customer data divide.

Discord has frequently arisen within companies about the right customer data platform to select and implement. While marketing and IT leaders agree that owned and well-managed customer data is critical to experience personalization and revenue growth in a "cookieless" world, differing priorities and inconsistent understanding of the capabilities and functions of a CDP have often stood in the way. In those instances, a "dual zone" CDP approach has proven helpful. To learn more, [download and read "Bridge the customer data divide with a dual-zone CDP."](#)



Don't let sunk costs sink you.

The loss of third-party customer data signals also means that elements of your “martech” (martech and adtech) stack will likely need to be retired, adapted or replaced. This can be a frustrating realization for CMOs who, in some cases, fought difficult political and budgetary battles to convince the rest of their executive teams that an investment in, say, the latest-greatest data management platform was a priority—just a few years ago.

Everyone in the marketing organization needs to be honest and humble as they reevaluate what is best and needed for the future, regardless of what they may have fought for in the past. *This is an opportunity for leaders to lead, by educating the executive team about the new challenges and mandates created by external regulatory and industry forces.*

After all, you shouldn't let sunk costs sink your marketing effectiveness.

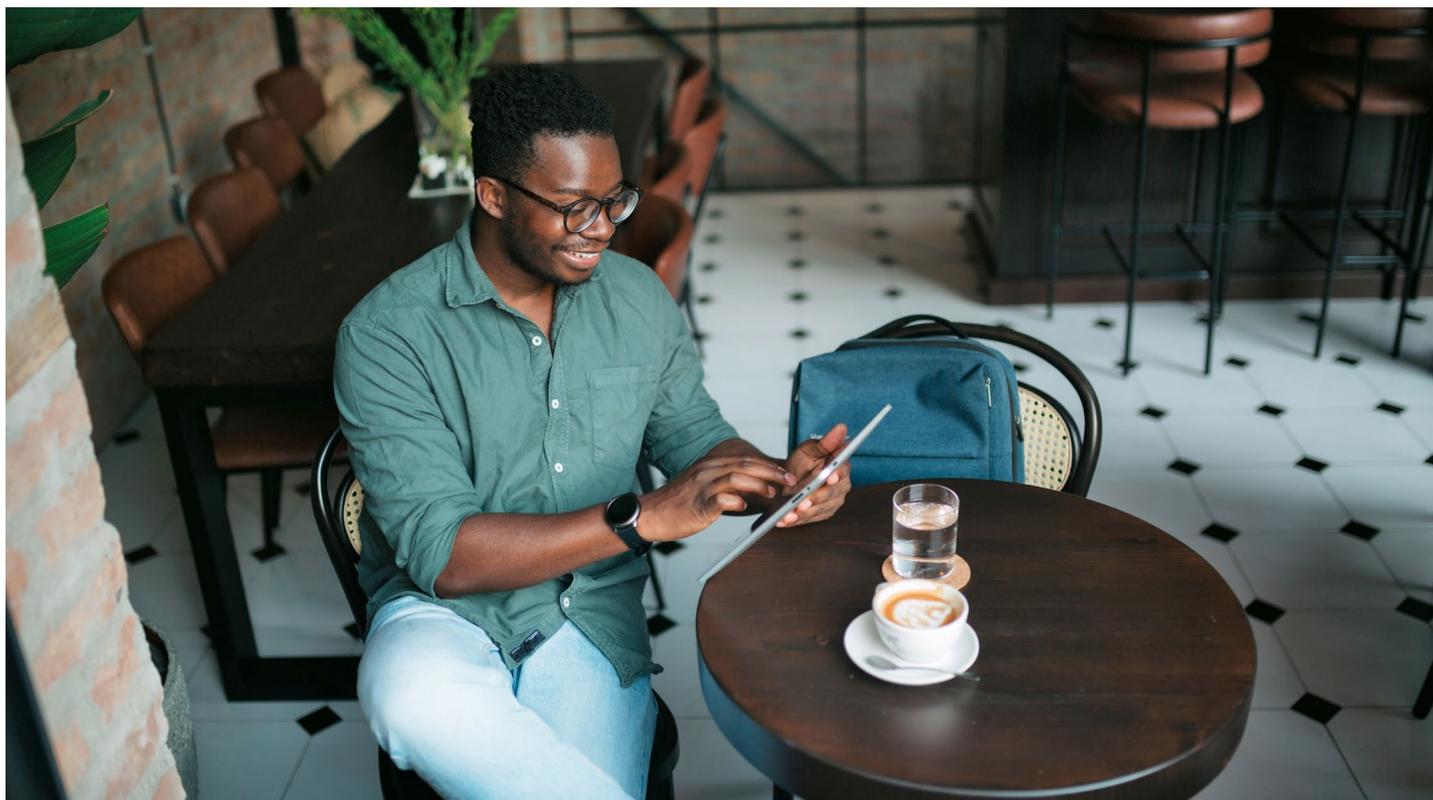
For most organizations key moves include retiring data management platforms (DMPs)—which are highly dependent on third-party

cookies—and implementing a unified customer data platform (CDP) to connect, analyze and activate first-party customer data; and/or shifting focus away from working with demand-side platforms (DSPs) toward testing and learning through the analytics clean rooms of digital giants.

You should also take the opportunity to reimagine key performance indicators—both to address issues such as misattribution due to signal loss; and also to measure, encourage and reward activities that help you achieve your strategy and drive positive results. In most cases, new methodologies for measurement against those KPIs will be needed. 2022 research by Deloitte Digital and Lawless Research showed that many companies still rely on multi-touch, last-touch, last-click and last-view attribution methodologies.⁴ Those approaches have inherent limitations that are exacerbated by marketing signal loss; they also invite misattribution, ad fraud and gaming of the system.

Forward-thinking brands are moving toward a more holistic, omnichannel measurement methodology referred to as granular media mix modeling (or granular MMM). Unlike multi-touch attribution, granular MMM does not require personally identifiable information or the kind of individual-level ad data (including third-party cookie data) that has been restricted by many browsers and the digital giants. And unlike traditional media mix modeling, it can be used for real-time insights based on more and fresher data including aggregated (online and offline) media spend and impressions data; nonmarketing information such as seasonality, competition, economic conditions and promotions; and your own customer transactional and experience data.

Having the right technologies, KPIs and measurement methodologies in place will be important in order to spark collaboration and align the whole organization around a single “source of truth” to guide and facilitate your marketing efforts.



Built for growth and change.

Most organizations will need outside support through this time of transition. On the surface, this is nothing new: Most brands already rely heavily on agencies, data vendors, consultancies and other vendors and partners for marketing support.

However, it is important to understand that traditional agencies and media partners can't simply "fill in the blanks" of signal loss. Because those companies almost never have access to a brand's customer data and often lack key data science capabilities, it is very difficult for them to execute, measure and optimize campaigns in ways that ladder up to business results—much less integrate those campaigns and tactics with other brand activities in ways that produce consistent, personal experiences for customers.

At a more basic level, our research showed that advertising agencies were less likely

than brands in any of the B2C industries we surveyed to claim they are "completely aware" of the impacts of privacy changes on signal loss and attribution accuracy across media platforms. Brands recognize this gap, telling us that a lack of qualified vendors is the No. 1 greatest challenge to improving media measurement.⁵

It is important to find the right partners that can integrate seamlessly into your operating model, sharing responsibility for innovation and results while also helping you build your processes and internal capabilities. Just as you can't expect to "let the agency handle it," neither should you aim to in-house everything. Instead, it's about fostering a dynamic ecosystem where your own people and technologies are tightly integrated with external resources, and where everyone has a shared, vested interest in your success.

Lastly, it's important that your entire operating model and ecosystem be built for ongoing change. There is no straightforward, one-size-fits-all solution to address the signal loss that companies face today. Even if there were, it would likely change with the next shift in regulations, technology capabilities or other external conditions. For that reason, you should work to encourage and reward a culture of experimentation—both internally and with your partners. You should be ready to fail fast—and to scale fast whenever you unearth effective new approaches that help improve customer experiences and accelerate revenue growth.

These coordinated efforts are critical in order to turn today's marketing organization into tomorrow's insights-driven organization. And to make marketing signal loss your gain.

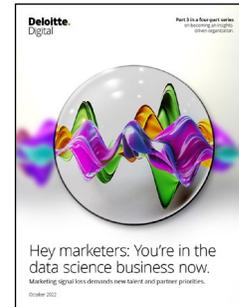
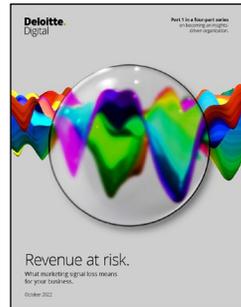


Here are some questions to ask yourself on the path toward a more sustainable strategy and operating model.

1. What work is needed in order to strengthen executive support for an evolution to data-based decisioning?
2. What data management capabilities and processes are needed in order to drive an understanding of marketing return on investment?
3. How does the loss of easily available unique digital identifiers impact my analytics strategies and tactics—and what needs to change in order for my strategies and tactics to produce value?
4. How can we leverage marketing signals for the betterment of the broader organization? For example, are we using digital signals to inform product development? Do we leverage our CDP to capture data across the digital universe and apply what we learn to business processes and strategic planning?
5. What are the budgetary implications of changing and/or consolidating my madtech ecosystem?
6. What steps can I take to improve alignment and share insights across marketing and with other business teams?
7. What connections and capabilities are needed in order to shift to a more sustainable measurement methodology such as granular MMM?
8. How can advertising clean rooms help counteract marketing signal loss for my organization, and what steps should we take to seize that potential?

A path to growth for digital marketing.

Signal loss has implications for your entire marketing organization, from the technologies and platforms you adopt to the people you hire to the ways you work. Download additional articles now.



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Get in touch

Kelly Leger

Managing Director
Deloitte Consulting LLP
kleger@deloitte.com

Vincent Chisari

Senior Manager
Deloitte Consulting LLP
vchisari@deloitte.com

Briggs Davidson

Senior Manager
Deloitte Consulting LLP
brdavidson@deloitte.com

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