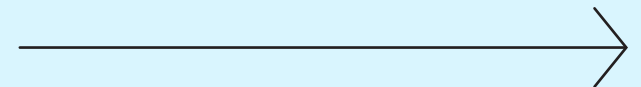# Report:
The State of Data-Driven Marketing

CallTrackingMetrics

Accurate, well-timed marketing reporting is mission-critical, especially during economic uncertainty.

The absence of appropriate metrics can mean the difference between a thriving marketing department and an understaffed team facing budgetary challenges.

Knowing data is vital to every marketer's strategy, CallTrackingMetrics surveyed marketers from across the country to benchmark how the industry uses (or doesn't use) data. The State of Data-Driven Marketing survey asked marketing professionals from all stages in their careers — including marketing executives, content marketers, creatives and data analysts — about the importance of campaign performance KPIs, data quality, roadblocks, collection strategies and reporting.

Although our research found that most marketing decisions are data-driven (64%), a significant proportion of respondents still reported achieving marketing attribution and ROI as their top challenge in 2022. Without accurate attribution connecting marketing to revenue, what data is being used to back those data-driven decisions? Clearly, a disconnect exists between data, ROI and the decision-making process.

And yet, most marketers continue to prioritize increasing spend for their tactical execution over improved data insights. Our data shows that fewer than half (37%) expect to focus any budget on advanced measurement activities like conversation analytics or call tracking by 2023.

Our survey set out to identify the source of this closed-loop attribution gap. Closing the loop can be marketers' first step toward effectively communicating ROI to executives and diverting spend to crucial, revenue-generating objectives. To that effect, our research highlights several key findings.

MARKETERS' TOP DATA CHALLENGES

1. LACK CONFIDENCE

Most marketers continue relying on outdated KPIs to gauge business success, leading to a gap in confidence when communicating ROI to senior leadership.

2. CAN'T LINK TO REVENUE

Most marketers feel they have enough data to sufficiently perform their jobs, yet they remain primarily concerned about connecting their performance to revenue and company-level results.

3. NEED TO OPTIMIZE

Although most marketers expect their budgets to increase in 2023, fewer than half anticipate directing spend to campaign optimization and marketing attribution tools like conversation analytics and call tracking.

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The State of Data-Driven Marketing? It's Good News/ Bad News

Fortunately, our research also indicates that many marketers have identified a data gap in their organization. More than one-fourth of respondents (32%) reported operating with insufficient data.

Why is that realization fortunate? Identifying a data gap is the first step to efficiently remediating insufficient ROI — and marketing departments need thorough, hasty remediation.

More than half of all marketing departments (51%) anticipate increasing their digital marketing budget in 2023. With this level of spend on the line, organizations must identify and address data gaps now before squandering funding.

How often are your marketing, sales, and operations teams reporting data from the same source of truth?

Always	29.67%
Usually	40.19%
Sometimes	22.97%
Rarely	6.22%
Never	0.96%
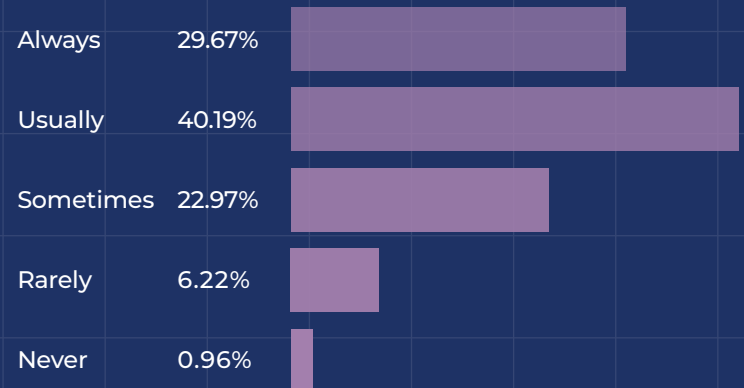
How often do you feel like you have the right data to answer questions you receive from executive leadership?

Always	30.14%
Usually	36.36%
Sometimes	29.67%
Rarely	1.91%
Never	1.91%

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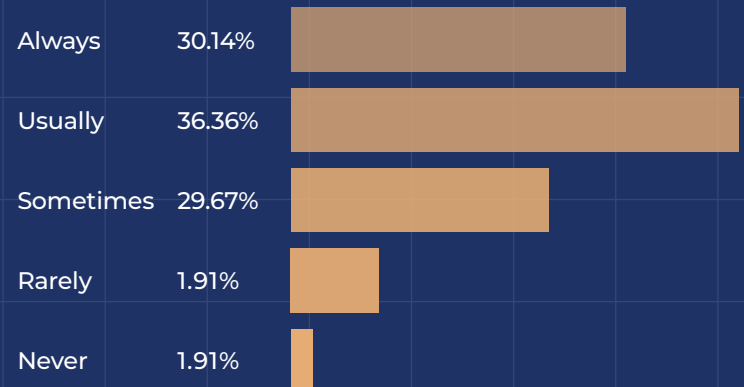
1. A majority of marketers continue relying on outdated KPIs to gauge business success, leading to a gap in confidence when communicating ROI to senior leadership.

Marketers report on KPIs frequently — but is it valuable?

Our data shows that most marketers report on KPIs weekly (39.5%), monthly (27.6%), or daily (21.9%). Data is a clear priority for marketers and executives. However, reporting for reporting's sake helps neither the marketing departments nor the C-suite. To create powerful, actionable insights, digital marketers should seek valuable data that helps them achieve better ROI and tracks with organization-wide goals.

The frequency of KPI reporting suggests that success metrics are crucial to departmental oversight, and yet almost 50% of marketing professionals cannot report on conversion quality. Without this valuable data, marketers are unable to thoroughly measure campaign performance or manage customer acquisition costs. With accurate reporting tools that provide lead scoring and conversion data, marketers have an opportunity to enhance the quality of their reporting without necessarily increasing quantity.

Sales and marketing teams still rely on metrics without solid proof points.

Most success metrics generated equal interest among marketers, with one exception: website activity, including time spent on page and bounce rates. Fifty percent of all respondents reported tracking website activity to validate their marketing efforts. Similarly, Google Analytics ranked first among respondents as the preferred metric-tracking tool (compared to customer relationship managers (CRMs), data visualization tools, spreadsheets and custom reporting methods).

These results suggest that marketing departments still rely on outdated or vanity metrics to track departmental success. Although web analytics are illuminating for general site traffic, online activity is not a reliable benchmark for campaign performance, nor can it accurately gauge customer sentiment. After all, marketing outreach comes in various forms, and website traffic paints just a small part of the picture. Meanwhile, just 32.4% and 35.2% of marketers typically report on more robust success metrics such as customer lifetime value (CLV) and cost per lead (CPL), respectively.

Key Insights:

Only 30% of marketers are "always" confident answering executive questions.

→ Only 30% of marketing professionals feel they **always have enough data to answer executive leadership's questions.**

→ This statistic points to a data gap between the **types of questions leadership cares about** (i.e., business outcomes) and the data most marketing professionals can provide.

→ This data disconnect is a problem because the **C-suite expects definitive answers beyond flimsy data** or "I don't knows." Many marketers need more sophisticated tools that can identify ROI attributed to their efforts.

2. Most marketers feel they have enough data to sufficiently perform their jobs, yet their primary concerns remain ROI and marketing attribution.

Marketing decisions are usually data–driven, but not overwhelmingly so.

For businesses operating in a digital economy, there should be little to no guesswork behind what makes campaigns perform well or perform poorly. Still, marketing professionals report that only 64% of their team's decisions are "data-backed." That means 36% of marketing decisions—even among teams with plenty of data—are made based on instincts and assumptions. These uninformed decisions don't move the needle or maximize marketing efforts.

The surprising lack of data-backed marketing decisions tracks with the significant proportion of marketers who feel they operate with insufficient data. While 38% of marketing professionals don't have enough data that ties back to revenue, 32% simply don't have enough data to properly execute their roles.

64%
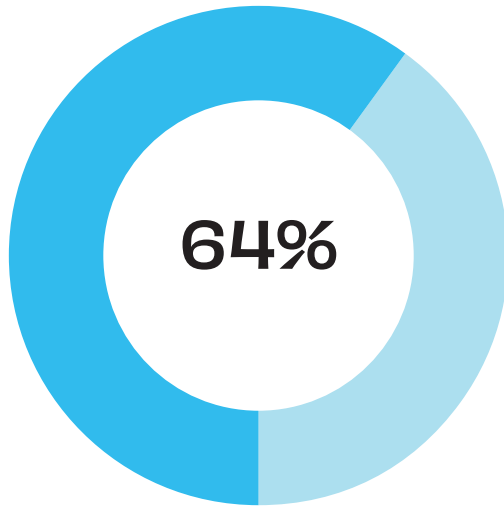
Marketing professionals report that only 64% of their team's decisions are "data-backed."

36%
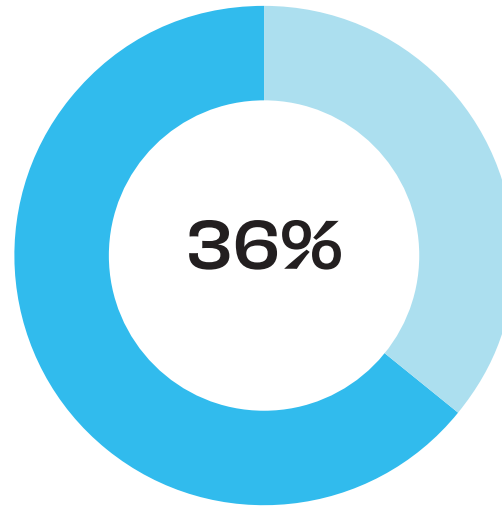
36% of marketing decisions — even among teams with plenty of data — are made based on instincts and assumptions

40%
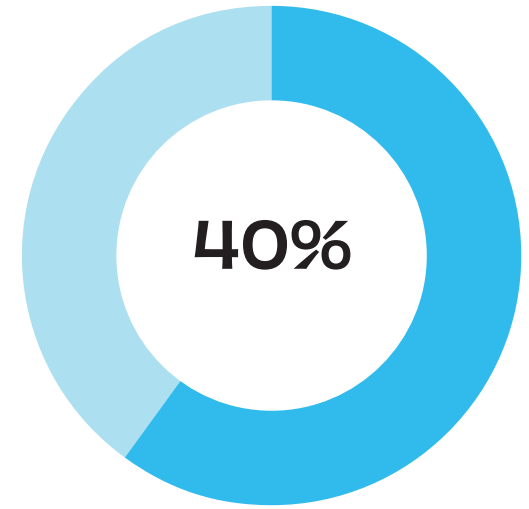
40% of respondents ranked marketing attribution and ROI as their top marketing challenge

Key Insights:

ROI and marketing attribution are primary concerns among sales and marketing teams.

→ Roughly 40% of survey respondents ranked marketing attribution and ROI as their top marketing challenge.

→ Without data generated from marketing attribution and ROI, marketers struggle to tie marketing efforts to business outcomes and prove their efforts to company leadership.
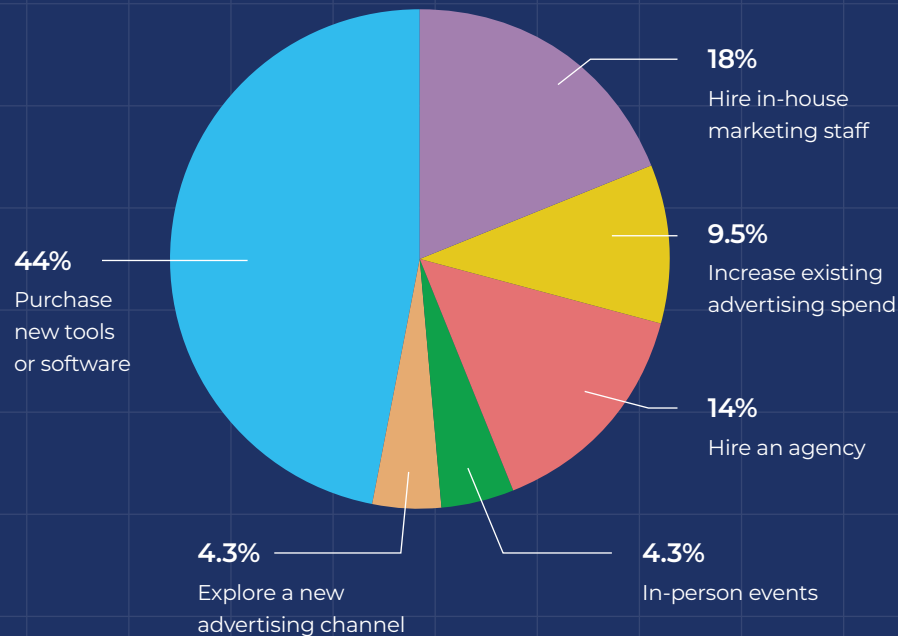
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3. Although marketers expect budgets to increase in 2023, fewer than half plan to devote spend toward marketing attribution tools like conversation analytics and call tracking.

There's a more efficient way to market effectively.

Our data indicates that 51% of all marketers plan to increase their overall digital marketing budgets in 2023, with 22% significantly increasing these budgets. The focus of those investments tends to include social media, content marketing, SEO and pay-per-click advertising. But we offer a caveat: before blindly making these campaign execution investments, marketers need to challenge their purchasing decisions. Are these investments attached to revenue? Do purchasing decisions align with a holistic campaign measurement strategy?

Many marketers' budget allocation decisions aren't necessarily tied to solid data and sometimes rely on irrelevant or insignificant metrics. Others rely purely on instinct alone. Marketers acting on intuition will inevitably scale revenue-losing initiatives. On the other hand, marketers acting on data are empowered to scale back unsuccessful campaigns and focus solely on those initiatives that improve customer loyalty and ROI. Clearly, there's room for more efficient budget allocation.

If you discovered an extra $100,000 in your annual budget, how would you invest it?

18%
Hire in-house marketing staff

9.5%
Increase existing advertising spend

44%
Purchase new tools or software

14%
Hire an agency

4.3%
Explore a new advertising channel

4.3%
In-person events

Key Insights:

Marketers' budgetary preferences suggest that operational efficiency remains a priority.

→ If marketers found an extra $100,000 in their annual budgets, 44% would spend it on new tools or software. Nearly 20% would invest the funds in more in-house marketing staff, the second most popular answer.

→ Few respondents wanted to increase ad spend, host events, fund PR efforts or invest in the customer experience.

→ This data indicates that today's marketers need more resources — people and tools — to effectively do their jobs. But an extra $100,000 isn't necessary to accomplish this task. Marketers can reassess their current toolkit today and prioritize resources that optimize operations based on data connected to business outcomes, like lead scoring and conversion metrics.

How many marketing performance tools do you check in a typical week?

Category	Percentage
Zero	2.39%
1-4 tools	38.76%
5-9 tools	39.71%
10-14 tools	11.48%
15+ tools	7.66%
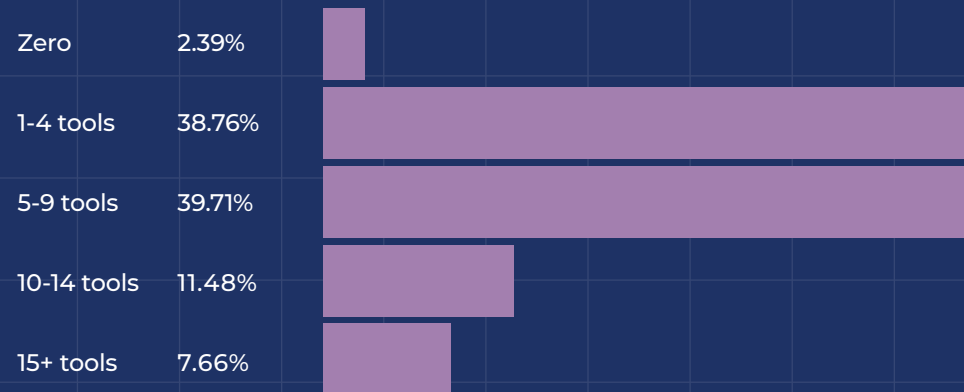
Key Insights:

Most marketers navigate between five to nine KPI-tracking tools each week.

→ 58% of marketing professionals monitor five or more KPI-tracking tools per week.

→ While removing entrenched KPI tools can prove challenging, overseeing numerous tools can also be onerous — and worse. Tool sprawl can generate reporting inconsistencies.

→ The data validates the need to provide marketing teams with more effective resources. Consolidating tools and ensuring new tools sync with others in the marketing toolbox are ways to streamline processes and facilitate better time management.

Marketing spend on campaign execution is ramping up, while metrics fall behind.

→ Marketing teams plan to focus budgets on content marketing (40%), pay-per-click advertising (32%) and SEO (35%) in 2023.

→ Interestingly, teams do not plan to invest in measuring their performance. Only 19% of respondents will invest in call tracking tools and only 17% in conversion analytics next year.

→ Marketing budgets focus on campaign execution, but marketers need measurement tools to optimize campaigns and measure their performance.

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"Get more data" has been a rallying cry for the marketing industry for the past few decades. But as the State of Data-Driven Marketing survey confirms, **data volume doesn't equate to data quality.** While most marketers collect plenty of customer data, many struggle to identify the valuable insights that fuel business results. Insightful data is the difference between good marketers and great marketers.

Good marketers focus on data collection and volume, frequently reporting on metrics that only loosely correlate to performance. And, let's face it, sometimes they rely on their instincts to understand which advertising campaigns are performing well and which are missing the mark.

Great marketers know exactly what's driving sales. Instead of depending on baseline performance metrics generated by website activity, these marketers invest in robust marketing attribution and automation tools designed to produce actionable, accurate data. These tools enable good marketers to become great.

Sophisticated marketing attribution tools deliver comprehensive data, surface often overlooked customer insights and identify channels driving high-value leads. Great marketers respond. They reevaluate campaigns failing to resonate and invest in — and optimize — the ones that do hit the mark.

Great marketers track meaningful KPIs because their tools can measure every conversion and pinpoint revenue directly attributed to their efforts. Great marketers use their tools to facilitate insight-driven reporting that proves their ROI.

Here are five steps marketers can take to level up their efforts:
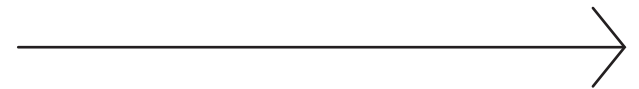
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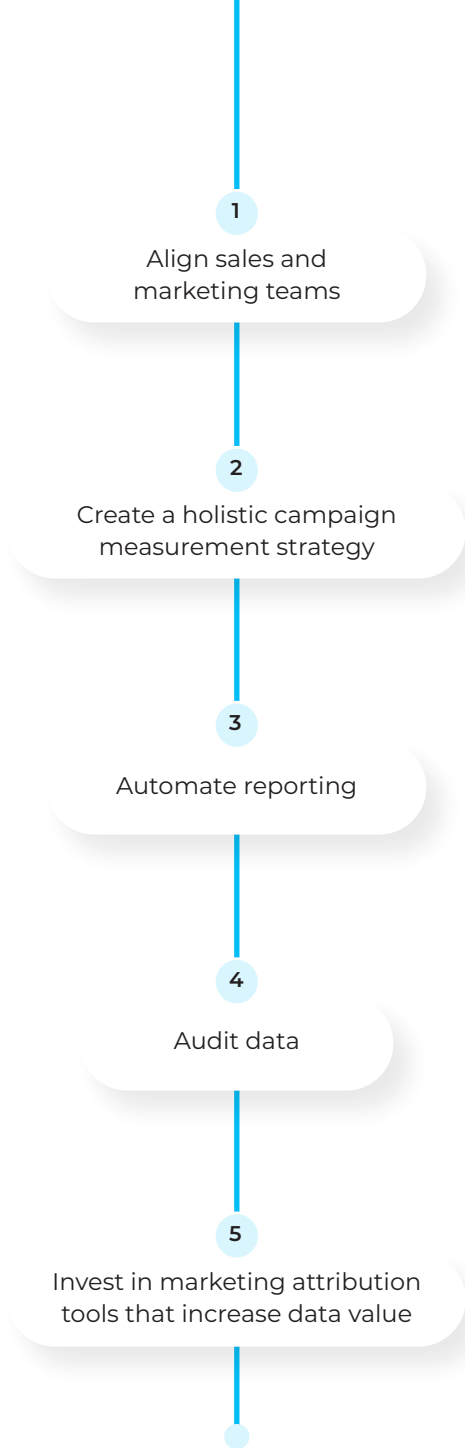
5 Steps to Data-Driven Marketing Success

Align sales and marketing teams

→ Create a single customer journey by building collaborative, communicative sales and marketing teams.

→ Ensure marketing and sales document and agree on business goals.

→ Give marketing and sales teams complete visibility into the same data to foster transparency and alignment.

Create a holistic campaign measurement strategy

→ Determine reporting strategy before the campaign launch.

→ Set up Urchin Tracking Module (UTM) parameters and reporting frameworks to track the effectiveness of campaigns prior to their start.

→ Identify and evaluate current KPIs on how effectively they measure advertising campaign performance. Depending on available tools, choose more relevant KPIs that gauge marketing attribution and ROI.

→ Review inbound lead sources and alter KPIs to reflect an organization's marketing mix. Does the organization conduct outreach primarily through social media? Phone calls? Other sources? Ensure these conversions are monitored and tracked accurately.

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1

Align sales and marketing teams

2

Create a holistic campaign measurement strategy

3

Automate reporting

4

Audit data

5

Invest in marketing attribution tools that increase data value

Automate reporting

→ Create automated reporting workflows that pull data from relevant platforms into one central location, saving employee time and reducing errors.

→ Use human marketing expertise to analyze the impact of channels and content and identify patterns that lead to business-critical insights.

Audit data

→ Scour reports for critical data gaps and unanswered questions.

→ Identify the tools teams currently use — or might need — to investigate, report on and communicate marketing attribution and ROI.

Invest in marketing attribution tools that increase data value

→ Fill data gaps with marketing attribution tools like conversion analytics and call tracking designed to provide visibility into revenue, conversions and overall ROI.

→ Adopt tools that capture actionable data, trends and indicators.

→ Avoid implementing multiple tools that can produce inconsistencies, incompatible definitions and differing interpretations.

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CallTrackingMetrics is a conversation analytics platform that enables marketers to drive data-backed advertising strategies, track every conversion, and optimize ad spend.

Book a Demo