

## The Industry is Hying Digital Marketing - 451 Research Urges CMOs to be Cautious

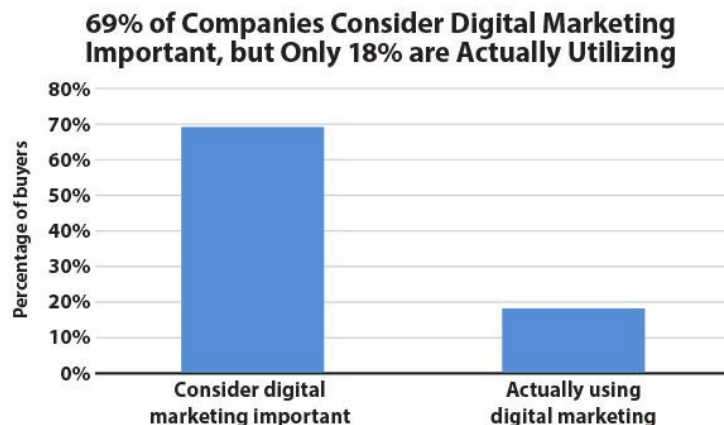
### Highlights

- New research indicates that integration and customer profiling are the biggest roadblocks to digital marketing success.
- Little evidence that an all-powerful CMO with IT budget ownership is becoming a reality.
- Vendors of new digital marketing technologies should lower their sales expectations.

NEW YORK, October 30, 2014 – Against a backdrop of hype about new digital marketing tools, 451 Research today unveiled its report “The Contemporary CMO’s Toolkit 2.0” highlighting the technical and organizational challenges facing CMOs.

While contemporary CMOs are starting to believe that digital marketing will address the shifting expectations of customers, most marketing organizations lack the technical skills to deploy the highly complex data-driven customer profiling and personalization that vendors in this marketplace are offering. Furthermore, very few organizations have the overarching information architecture required to support the customer data requirements to meet this vision. They lack both the expertise and process maturity.

451 Research analysts are urging caution, particularly for those enterprises considering large-scale adoption. With vendors betting large sums through acquisitions and VCs providing considerable startup funding, there’s a race to promote products in this sector. There are indications that the messaging is having some effect, with potential customers generally agreeing that Digital Marketing could have a positive effect on their operations, but that is not reflected in a parallel upswing in spending.



Source: 451 Research ChangeWave Buyer Survey

"An all-powerful CMO, someone who ultimately overpowers the CIO with a greater spending power, seems far from reality. In fact, there seems to be little to no hard evidence to support that somewhat wild prediction," says Senior Analyst Matt Mullen. "A great deal of cash has been bet in the form of vendor acquisition and startup funding; while there are indications that the messaging is having some effect across the market, that is not yet delivering a parallel upswing in spending."

In “The Contemporary CMO’s Toolkit 2.0,” Research Director Alan Pelz-Sharpe and Senior Analyst Matt Mullen take an in-depth look into the current state of the Digital Marketing sector, and offer up some key findings:

- 1) For digital marketing to be successful, it needs to be successfully integrated with sales and customer service operations. It needs to offer customers a consistent and holistic experience.
- 2) Integration with sales and customer service operations is rare in larger organizations (where digital marketing adoption rates are consistently higher), and there is typically a poor overall customer experience and lack of a unified strategy regarding customer service and sales. This remains one of the single biggest challenges facing organizations today.
- 3) Vendors of newer digital marketing technologies based on social media and advanced analytics should lower expectations based on buying patterns in 2014. Most buyers are still focusing most of their digital marketing efforts on email campaign management.

Further reading: [The CMO vs. the CIO – who will win the battle for IT?](#)

#### **About 451 Research**

451 Research is a preeminent information technology research and advisory company. With a core focus on technology innovation and market disruption, we provide essential insight for leaders of the digital economy. More than 100 analysts and consultants deliver that insight via syndicated research, advisory services, and live events to over 1,000 client organizations in North America, Europe and around the world. Founded in 2000 and headquartered in New York, 451 Research is a division of The 451 Group. [Learn more.](#)

For media inquiries please contact:  
Michael Essery  
Digital Marketing Specialist  
michael.essery@451research.com  
T: 617-598-7226