WAKEFIELD

Looking to Improve ROAS, Organizations Shift Focus from Data Collection to Measurement Optimization in 2024

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Contents

Executive Summary

Though essential to demonstrating the impact and effectiveness of marketing campaigns, many organizations struggle to accurately measure their return on ad spend (ROAS). **For 90% of marketing, advertising and brand management executives, their organizations have invested a lot in data collection, but not enough in the measurement and analytics capabilities they need to use the data to its full potential.** Despite their wealth of data, many find themselves unable to achieve accurate, holistic measurement in a world of data fragmentation.
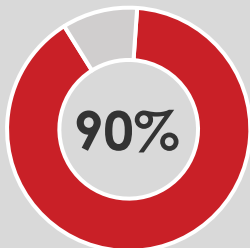
Nearly all (97%) face challenges in using their available data to measure marketing impact, with executives concerned their organizations cannot accurately measure marketing attribution (52%), media reach, frequency and impressions (49%), audience engagement (41%), or customer demographic metrics (35%). At present, 86% can't measure the influence of their advertising campaigns on online and in-store conversions with complete accuracy. Nearly three-quarters (72%) make most or all of their ad spend decisions without full awareness of potential overlap with other marketing and media-buying efforts.

Organizations need a way to more easily combine and analyze data sets to enable accurate measurement and access greater data insights. Data collaboration, using technology to connect and analyze data from various internal and external sources to unlock combined data insights, offers a potential solution. **Indeed, as 76% of executives prioritize improving advertising campaign performance measurement and analytics capabilities in 2024, nearly all (99%) feel their organizations could accomplish more with better data collaboration.**

To explore the measurement challenges organizations face, as well as how executives will work to overcome them in 2024, LiveRamp partnered with Wakefield Research to survey 500 executives in marketing, marketing operations, media/advertising and brand management at B2C organizations with an annual sales revenue of $500 million or more.
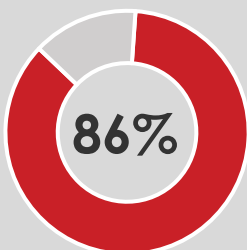
Key Findings

90%

agree their organization has invested a lot in data collection, but **not enough in the measurement and analytics capabilities** they need to use the data to its full potential

97%

face challenges in using their available data to measure marketing impact
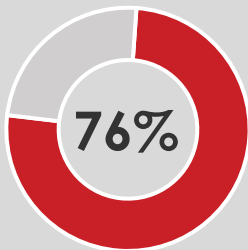
86%
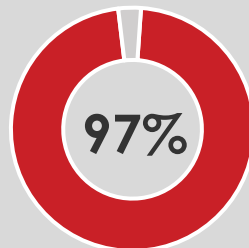
can't measure their advertising campaign influence on online and in-store conversions with complete accuracy using their current tools and processes
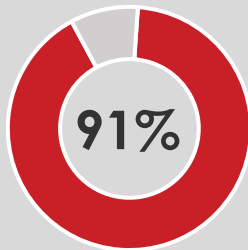
72%
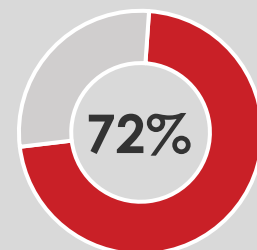
usually or always **make ad spend decisions without awareness of how the ads might overlap** with other marketing and media buying efforts

The Path Toward Improvement

76%

will make **improving advertising campaign performance measurement and analytics capabilities** one of their organization's top priorities in 2024

91%

cite barriers their organization would face in developing a strong data collaboration solution in-house

99%
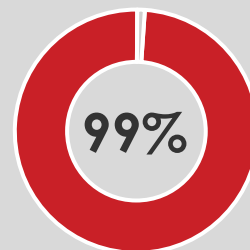
could accomplish more with better data collaboration, including reduced overlap, more precise, targeted campaigns and better ROAS

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Introduction

Optimal campaign results require using the organization's data to understand the impact and efficiency of its marketing investments. However, challenges with data fragmentation including sources, identities and report types make this increasingly difficult.

Accurate measurement is key to understanding who is being reached with different campaigns, reducing overlap across marketing efforts, and improving ROAS, yet few marketing teams can achieve this using their current tools and processes. **The majority (86%) can't measure the influence of their advertising campaigns on online and in-store conversions with complete accuracy using their current tools and processes.** Without the ability to obtain accurate measurements, 72% are forced to make ad spend decisions without full awareness of how the ads might overlap with other marketing and media-buying efforts either most of the time or even always, leaving the efficiency of their efforts in question.

For many, the inability to accurately measure campaign effectiveness and gauge overlap in efforts threatens more than just efficiency. **More than 9 in 10 executives (97%) agree it's difficult to demonstrate the impact of their marketing teams without being able to accurately show ROAS across all their advertising efforts.**

More than 9 in 10 executives agree it's **difficult to demonstrate impact of marketing teams without being able to accurately show ROAS** across all advertising efforts

So Much Data, Not Enough Insights

Many executives find their teams blessed with a wealth of data, thanks to hefty investments in data collection, but are lacking the tools and capabilities they need to fully and effectively utilize their data to maximize their results.

While data collection has taken priority in years past, executives recognize the need to up their focus on measurement and analytics in the years ahead. **For 90% of executives, their organization has invested a lot in data collection, but not enough in the measurement and analytics capabilities they need to use the data to its full potential.** Organizations are using 28 data sources, on average, to measure the impact of their marketing investments. Nearly half of this data comes from external sources (47%, on average), while the other 53% is pulled from internal sources.

However, having this data doesn't mean these teams can use it effectively. **Nearly all executives (97%) face challenges in utilizing their available data to measure marketing impact, with most stemming from the increasingly fragmented media landscape in which these organizations are operating.** While 43% of executives cite too many data sources as a barrier to their organization's ability to utilize their data, even more face the challenges of difficulty accessing their data (49%) or having data in different formats (47%).

The challenges these organizations are up against in trying to access and utilize their data has **94% of executives concerned their current tech stack is preventing them from accurately measuring key facets of their marketing and advertising efforts.** More than half (52%) are concerned they can't accurately measure marketing attribution, including conversions and ROAS. Nearly as many (49%) say the same of their ability to calculate media delivery (reach, frequency, impressions). Other measurement concerns include audience engagement (41%) and customer demographic metrics (35%).

Areas Executives Are Concerned Their Organization Cannot Accurately Measure Using Their Current Tech Stack

Category	Percentage
Marketing attribution	52%
Media delivery	49%
Audience engagement	41%
Customer demographic metrics	35%
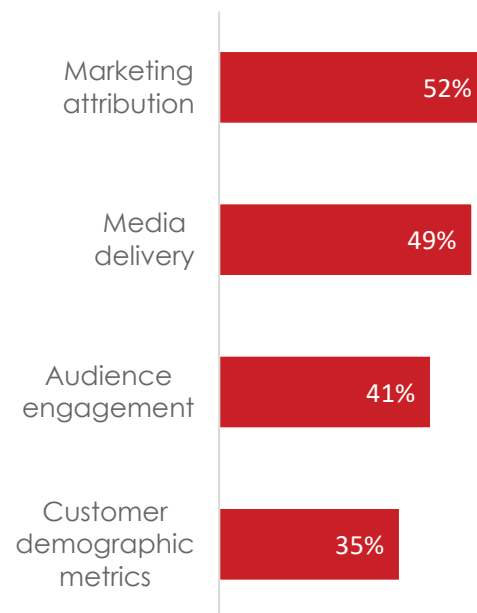
Bridging Data Gaps Requires Strategic Collaboration

These challenges reflect a need to prioritize improved data collaboration—gathering and integrating data from various internal and external sources to unlock combined data insights. While organizations are managing the majority of their data collaboration in-house – 61% of it, on average, rather than outsourcing to a third-party data and analytics provider, this may not be the case soon.

As they look to improve their data collaboration capabilities this year, 91% of executives recognize barriers their organization would face in keeping their data collaboration efforts in-house. Nearly half (49%) don't have enough internal staff to develop a strong solution, while 37% don't have the expertise to do this.

Plans for Enlisting Outside Help to Establish a Strong Data Collaboration Solution in 2024

1 in 3 **have already contracted with a third party** to help establish a strong data collaboration solution

Another 3 in 5 will likely take this step in 2024

It's not just a staffing problem, though. **As executives recognize the need to solve their data collaboration challenges quickly, 41% indicate it would simply take too long to develop a strong solution on their own.**

With most organizations not optimized to develop strong solutions in-house, many will look to outside sources for support. **A third of executives (33%) have already contracted with a third party to help their company establish a strong data collaboration solution.** Another 60% will likely contract with a third party in 2024.

Among executives whose organizations are most invested in improving their measurement and analytics capabilities – those who have made it their organization's top priority in 2024, more than half (51%) have already contracted with a third party to establish a strong data collaboration solution.

With 99% of executives anticipating benefits from improved data collaboration, it's no wonder so many are eager to get moving. **More than half (52%) anticipate the ability to better reduce overlap in reaching the same audience in multiple places.** Nearly as many expect to be able to create more precise, targeted campaigns (47%), get better return on their advertising investments (47%), or improve the customer experience (46%).

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Spotlight: Using Data Clean Rooms to Unlock Deeper Insights

Data clean rooms are a well-recognized tool for enabling data collaboration, particularly for analysis of premium publisher data. **Nearly all executives (99%) are familiar with data clean rooms, and 96% recognize their benefits.** The most commonly cited advantages include having a secure, controlled environment for viewing and analyzing data (56%) and a private and secure method to collaborate and share data (54%).

Other recognized benefits are more closely tied to the specific measurement challenges organizations are facing. These include providing a comprehensive view of campaign performance by looking across distribution channels (44%) and allowing a full view of the customer journey by combining first-party and third-party data (41%). **More than a third of executives (35%) are using data clean rooms at their organization, while 40% plan to begin doing so in the next 12 months.**

Experience with Data Clean Rooms

More than 1 in 3 **use data clean rooms**

40%	17%	8%
Planning to in the next 12 months	Considering using them	Not considering using them
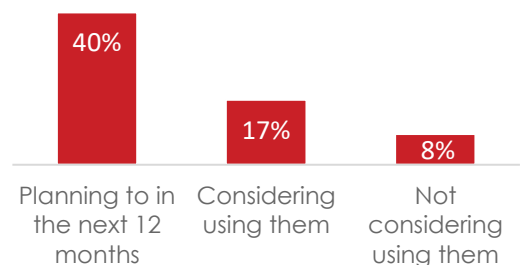
Conclusion

Hindered by data fragmentation, more than 3 in 4 executives (76%) cite improving campaign performance measurement and analytics capabilities as a top priority in 2024. To accomplish this, they'll look to capitalize on their data collection investments by providing their teams with the tools needed to optimize their ability to use it.

On this, the data is clear: strong investment in data collaboration is the path forward. Nearly all executives (99%) anticipate that improvements to their organization's data collaboration capabilities will allow the organization to accomplish more. And with better data collaboration expected to provide the accurate, holistic measurements their organizations need, executives recognize there's no time to waste.

Yet as time and resource barriers make an in-house solution improbable for most, enlisting the help of an outside partner will undoubtedly be critical to success. A third of executives (33%) have already recognized this and contracted with a third party for support in establishing a strong data collaboration solution, while another 60% are likely to do so this year.

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