Digital Marketing Maturity:
The Path to Success

Though companies are placing greater emphasis on digital marketing, top executives lack a solid understanding of how marketing works and how it can help them achieve their business objectives. If marketers hope to gain leadership buy-in, they must learn to better organize their teams and use technology such as machine learning (ML) and artificial intelligence (AI) to demonstrate results through increased performance of campaigns throughout the marketing cycle.

Advertisers should “create a competitive advantage by prioritizing digital marketing maturity,” says Lucie Volmer, director of performance solutions at Google. “By defining clear business objectives, empowering cross-functional work, fostering a test and learn mentality, and investing in ML and AI, marketers create lasting value for the business and shareholders.”

These are among the key findings of the 2021 Forrester Digital Marketing Maturity survey, conducted on behalf of Google, which collected responses from more than 500 marketing influencers and decision makers across the United States.

Using Digital Marketing Spend for Impressive Results

Nearly three-quarters of survey participants said the role of marketing gained importance in the past year, and 1 in 4 said their companies increased digital spend by at least 10%.

For many, that proved to be a wise move. Organizations allocating more than half their market budgets to digital initiatives improved performance in three key business outcomes — revenue, sales volume, and market share — by 10% or more.

With results like that, it may seem that companies should be diving headfirst into digital projects. But a combination of internal factors is holding many back. Marketers serious about succeeding with digital marketing clearly must advance their understanding of and communication about digital.

1. The CMO Survey
2. Google/Forrester, Marketing Maturity Analysis, US, March 2021, n=510 Marketing Decision Makers
Overcoming Organizational Challenges.

The survey indicates that respondents face three major digital-marketing challenges: enhancing their communications about their efforts, addressing planning gaps, and choosing the right metrics.

Enhancing communication: Fewer than 50% (just 41%) of senior leaders understand the relationship between digital-marketing performance numbers and business outcomes very well, according to the survey. In other words: Marketers simply aren’t doing an adequate job of communicating their digital-marketing results to the C-suite.

In fact, they aren’t even communicating well among themselves. Just 40% said they are doing “very well” in coordinating with internal stakeholders in planning, creating, and executing their marketing programs.

Part of the problem: There are simply more cooks in the kitchen these days. On average, 18 decision makers now have input into digital-marketing investments, the survey found, and they often disagree about strategy.

Those findings serve as a clear call for marketers who are serious about digital-first strategies to better organize and align their teams, improve efforts to achieve specific business objectives, and communicate the results more effectively to their colleagues, organization leaders, and other stakeholders. Those who do so are far more likely to create campaigns that outshine those of their competitors.

Addressing planning gaps: When researchers examined the five key phases of a marketing campaign — planning, creation, execution, optimization, and measurement — they found numerous opportunities for improvement. Companies can augment their performance in each phase, but planning stood out as the biggest barrier to success.

Only 32% of marketers — and 29% of business-to-business (B2B) marketers — said the process of planning campaigns went very well. Just over half were sure they had selected the right business goal for a given marketing project, and only 42% were confident that they identified the right target audience — which is, of course, a critical determinant for achieving success. In fact, planning is at the heart of marketing. By omitting the planning piece (including core considerations around emotion, motivation, and customer context in life), marketers are going to be optimizing in a fishbowl, where all technology and data becomes commoditized. Real differentiation comes for those who start with robust strategic planning to inform

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deeper creation, execution, optimization, and measurement.

In addition, fewer than half of those surveyed (46%) felt very confident that their concepts would resonate with the target audience — or that they had selected the right channels to convey their messages. Only 40% were successful in predicting the financial outcome of campaigns, a metric that must improve if marketers want to gain credibility in the C-suite.

To plan effectively, marketers must pay close attention to leaders’ specific business objectives and create campaigns using clearly defined metrics to achieve them. They must also work together to reach consensus on strategy and tactics before executing a campaign. Better planning will lead to better outcomes throughout the campaign life cycle.

Choosing metrics: Marketers also need to improve campaign execution and optimization. Just 42% felt very confident in their use of key performance indicators (KPIs) for critical variables, including conversions. Fewer than half (43%) are skilled at using a propensity model, a key measuring tactic that captures customer lifetime value, enabling marketers to intensify their efforts where they will obtain the strongest results.

Many marketers had trouble recognizing whether the sales leads they obtained were for B2B or business-to-consumer (B2C) customers. They also stumbled over deciding which variables to change during a campaign. Fewer than half of B2C businesses — and just 39% of B2B companies — said they were very well equipped to experiment with different advertising strategies.

Machine learning and automation could help marketers deploy more advanced measuring models, clearly delineate prospects, make informed decisions about optimization, and speed campaign execution. But only 44% said they are using ML to optimize campaigns.

Measuring the Results

Surprisingly, given the wide range of channels companies use to reach customers, only 38% of marketers surveyed use omni-channel attribution. Without it, they are unable to demonstrate which of their touch points lead to success.

With separate teams working various marketing channels, attribution and other important measurements can be difficult to determine. The situation is exacerbated by the lack of coordination among stakeholders that the survey revealed.

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5. Google/Forrester, Marketing Maturity Analysis, US, March 2021, n=504 Marketing Decision Makers
“It all comes down to marketing’s ability to prove it can deliver better business outcomes,” says Matt Drzewicki, industry director at Google. “One way we’ve seen CMOs do this successfully is through a joint advertising dashboard developed in collaboration with the CFO. Such a powerful partnership enables a source of truth and focuses on business outcomes like profit. With a strong CMO-CFO alignment, both planning and measurement become very clear for the organization at all levels.”

Achieving Marketing Maturity

The survey results are clear: To obtain commitment to a digital-first strategy, marketers must demonstrate to business leaders with a strong and unified voice how their programs quantifiably help to achieve business objectives. They can only do that if they learn to improve internal coordination, take time to focus on key components of a marketing campaign, and master the right use of the technology tools. Those who succeed will gain more high-level support by demonstrating better business outcomes and attain marketing results above those of competitors throughout the marketing cycle.

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