



THE
**new
face**
OF MARKETING

Quarterly review
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FOR TOMORROW



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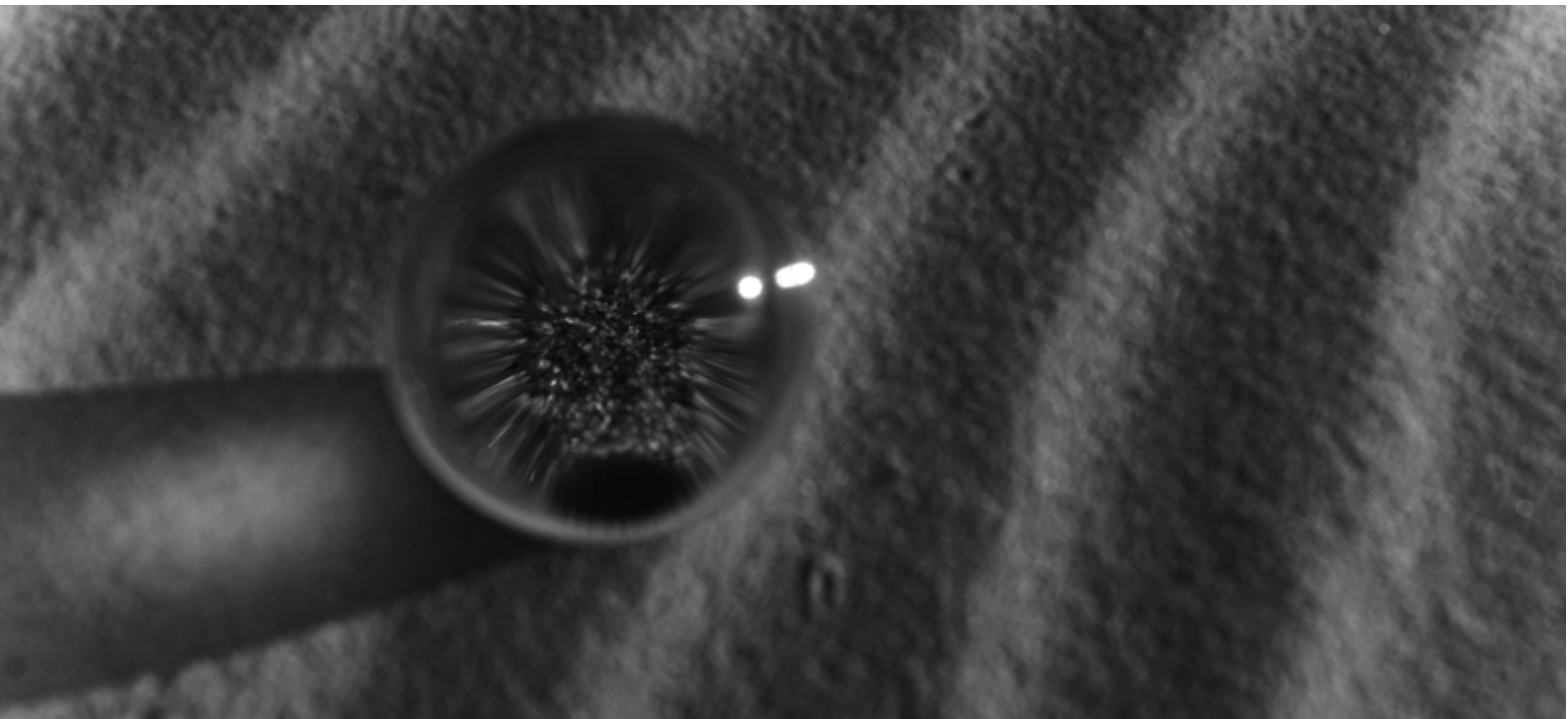
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DATA-DRIVEN
AND REAL-TIME
MARKETING: THE
PERFECT MIX OF
CREATIVITY AND DATA

Perspectives from Capgemini

Creativity and data are often considered opposites, creativity originating in the right brain, more artistic and emotion-led, while data processing is more left brain, requiring a more analytical and objective perspective. Yet the two haven't actually stood on an equal footing in the marketing function. With little data about fast-changing needs of consumers, and their real-time context, intuition has reigned supreme, even considering data as its "enemy." Until now, that is. Today's leading marketers are merging creative inspiration with real-time signals to create brand awareness and engagement at an unprecedented scale.



Consider the example of Spotify's Wrapped campaign that has, since 2016, reviewed the annual activity of each user, analyzing their most frequently played songs, artists, podcasts, and episodes. Spotify elaborated on the campaign in 2021, rolling out several novel features that were data-driven but also drew on reserves of creativity for its over 400 million strong user base. These included the "2021: The Movie" feature, which paired a user's top songs with cultural scenes that resonate with users to form a kind of home movie for personal consumption. Another example was the "Blend" feature, which allowed users to harmonize their 2021 music selections with those of their friends, to create a blended playlist that could be shared on social media.¹ This sort of original thinking meant that users' interest in Wrapped content more than doubled in 2021 from the previous year, reaching over 179,000 engagements in the first 48 hours alone.²

So, can marketers productively unite creativity and data? It turns out that the convergence is not only possible but essential to one of the most sought after and fastest growing areas in brand development: data-driven real-time marketing.

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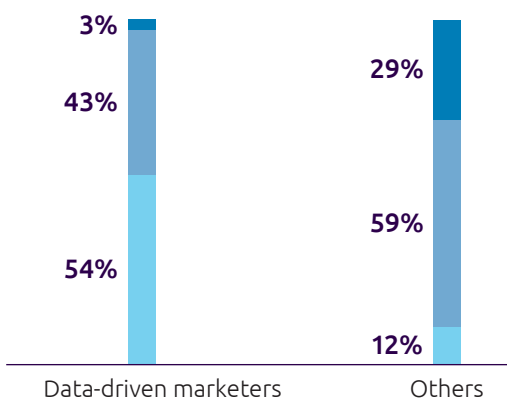
Virginie Regis
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1 Spotify website, "The Wait Is Over. Your Spotify 2021 Wrapped Is Here." December 2021.
2 Newswhip, "Engagement to Spotify Wrapped content doubled in 2021," December 2021.

Figure 1: Data-driven marketers outperform, powered by superior creative talent

Data-driven marketers are more satisfied with their real-time marketing initiatives...

Percentage of marketers and whether their real-time marketing campaigns typically delivered the benefits expected



- Actual benefits are often lower than expected benefits
- Actual benefits are usually about the same as expected benefits
- Actual benefits are often higher than expected benefits

...fostered by superior creative talent as compared to other marketers

Data-driven marketing teams possess well-rounded talent



72% say they have an adequate supply of data analytics and data-science skills they need compared to 40% of others



65% say their marketing teams have an adequate supply of talent skilled in understanding their brand positioning compared to 37% of others



63% say they have the talent they need skilled in emotional intelligence compared to 46% of others

*Data-driven marketers have strong foundations of data (strategy, capture, collaboration) as well as technology (platforms and tools).

Source: Capgemini Research Institute, CMO survey, March–April 2021, N=179 data-driven marketers; N=1,421 other marketers.

The rise of data-driven real-time marketing has its roots in the confluence of creativity and data

The exponential rise of digital interactions and particularly ecommerce has astounded experts around the world. In 2020, annual commerce sales grew by 27.6% year-over-year to \$4.28 trillion, which is 18% of all global retail sales. This has heightened the need for real-time signals and insights to accommodate how quickly customer behaviors change, especially under the radically different social conditions we have experienced in the past 12–24

months. Data-driven real-time marketing enables marketers to connect instantly with their customers through extensive personalization and contextualization, creating a foundation for a longer relationship and brand loyalty. It makes data-driven real-time marketing a key enabler for CMOs to deliver on this broadened mandate, especially in consumer-facing businesses.

Our recent research on real-time marketing for CMOs shows that data-driven real-time marketers nurture creativity; at the same time, creativity can enhance agility and flexibility in data-focused areas of the business. Data-driven marketers seem to recognize this, and place a higher premium on creative talent compared to those working in other branches of marketing: 61% of data-driven marketers say they have an adequate supply of creative skills in their organization, compared to only 45% of other marketers.³ Similarly, 64% of data-driven marketers say they have an adequate supply of storytelling skills versus 46% of others.

Creative experts champion the artistic side of marketing as expressed through visuals, ornate copy, and careful media positioning, while data experts tackle more easily measured aspects, such as impressions (website page views), footfall, and – of course – revenue. However, although these two aspects of marketing work very differently, they complement one another and can create a powerful impact when used in harmony – such as for data-driven real-time marketing – rather than in isolation.

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Head of Europe, frog,
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³ Caggemini Research Institute, “A new playbook for Chief Marketing Officers,” October 2021.

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Creativity breathes life into data-driven campaigns

Data-driven marketing often follows a well-defined, carefully structured plan. However, leading CMOs recognize the importance of harnessing not only sources of accuracy and objectivity but also the creative forces that can make an exciting, personalized experience for the individual consumer.

Creativity relies on differentiation. New data and AI technologies offer several tools to marketers that allow them to bake in differentiation by default at an unimaginable scale. For example, Mondelez India used data and AI to help small business owners create customized ads for their local stores featuring one of India's biggest Bollywood stars, Shahrukh Khan.⁴ The ads used machine learning (ML) to recreate the voice and face of the star, which could be manipulated so that he appeared to mention the store's name in the ad, creating instant differentiation for every business that sought to deploy the ad. Then, Mondelez created a hyperlocal campaign targeting customers in the specific neighborhoods that used each store, supporting over 500 zip codes and reaching over 2,000 local retailers.

⁴ Business Insider, "Ever thought Shahrukh Khan could endorse your neighborhood store? Here's how Cadbury India is making it possible," October 2021.

Creativity relies on emotion and consideration. Oreo presented a good example of engaging customers emotionally at the optimal moment when it capitalized on the power outage inside the stadium during the 2013 Super Bowl.⁵ Xfinity Mobile – Comcast’s wireless phone service in the US – created a campaign called “Data in Dollars” that ran pre-roll ads (ads that you see before your YouTube video loads, for instance) informing viewers how much streaming the video would cost them – in real-time (depending on the length of the video and carrier). The ads targeted competitors’ customers streaming videos using their cellular data and made them seriously consider why they were paying more than Xfinity customers.

Creativity relies on relevance. The ability to respond to customer trends in real time, and in a way that your consumer base can relate to, requires creative intuition, as well as a lot of hard data analysis. Dynamic virtual advertising achieves precisely this. Imagine you’re watching a football match and behind

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⁵ The Drum, “2013: Oreo wins the Super Bowl with “dunk in the dark” tweet,” March 2016.

79%

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live action on the field you see billboards running ads. The ads you see on TV are usually different, depending on where and on which channel you're watching the game. Broadcasters are testing this technology to superimpose virtual ads so discreetly that the viewer has no idea that the billboard ads they see are different from what the spectators see in the stadium. This allows broadcasters to tailor the ads schedule more precisely to the target audience.⁶

Our research shows that 79% of data-driven marketers can be more agile than their counterparts (37%) in responding to customer and market needs.⁷

⁶ Metro, "Life is an illusion: Reddit stunned by football's virtual advertising," July 2021.

⁷ Capgemini Research Institute, "A New Playbook for Chief Marketing Officers," October 2021.

How real-time data is honing marketing's creative processes

The relationship is not all one-way, however; data has a lot to offer the creative marketing process. Applying a data-driven approach can help add structure to campaigns, making them both more engaging and effective by using precisely targeted, context-rich real-time interactions.

Creative activities such as copywriting, visual creation and selection, personalization, design, and communication can be optimized through effective use of data. For example, McDonald's Japan used real-time data analytics to identify changing patterns in sales data and then published over 25,000 different banner ads, each personalized to the context of the individual viewer, considering location, gender, time, and even local weather conditions – a process known as “real-time data-driven creative.” Google estimates that these types of ads have a 300% higher click-through rate than conventional still-image ads. As a result, McDonald's witnessed growth of 150% in the use of digital coupons linked to these ads.⁸

Global TV- and movie-streaming service Netflix employs data-driven real-time strategies at multiple levels within its creative marketing, the most prominent example being personalization and targeting: 80% of Netflix content is suggested by its AI-based personalized recommendations.⁹ Netflix uses data to offer unique recommendations to users that are tailored to their individual preferences and viewing habits. For example, if the user history is weighted towards comedy, then the thumbnail of a recommended show is likely to depict laughing characters.¹⁰

⁸ Think with Google, “Real-time data-driven creative: the next frontier?” September 2016.

⁹ Towards Data Science, “Deep dive into Netflix's recommender system,” April 2020.

¹⁰ Wedia.Group, ‘3 examples of hyper personalized marketing campaigns’, July 2021.

What it means for CMOs

As these examples show, when the free-flowing creative process meets the precision of advanced data use, marketing wins. Seamlessly blending the two can amplify the reach of marketing campaigns and drive customer acquisition. Creative experts no longer have to rely on their instinct alone during content development; they can test ideas quickly, gather a data-driven collective response, and iterate before launching the end product. At the same time, data experts can enrich their insights via a more creatively nuanced presentation, using the analysis to design a message that carries emotional as well as data-informed weight. This symbiotic relationship increases recall value and creates new and exciting experiences for the consumer.

To fully harness the convergence of data and creativity, CMOs must:

- ensure that marketers are equipped with a **balanced baseline of data and creative skills**, while remaining open to specialist input; this requires upskilling data experts with creative skills such as ideation, lateral thinking, storytelling, and creative writing. It would also require building foundational data skills such as analytics, statistics, and visualization in creative experts;
- create a **culture of learning** by motivating marketers to continually develop their capabilities. For example, organizations can establish a center of excellence housing experts skilled in both data science and creativity, so the marketing function can access specialized skills quickly when needed and it can serve as a training ground for rapid skill development;
- accelerate **collaboration across the marketing ecosystem** to uncover new data sources and creative ideas. It is essential for marketers that internal teams collaborate to resolve customer problems holistically and deliver the optimum experience. Collaboration must also extend to external partners beyond the organization, for example agencies, startups, and research organizations. An exchange of data and insights with the broader ecosystem will be beneficial to both customers and wider society.



