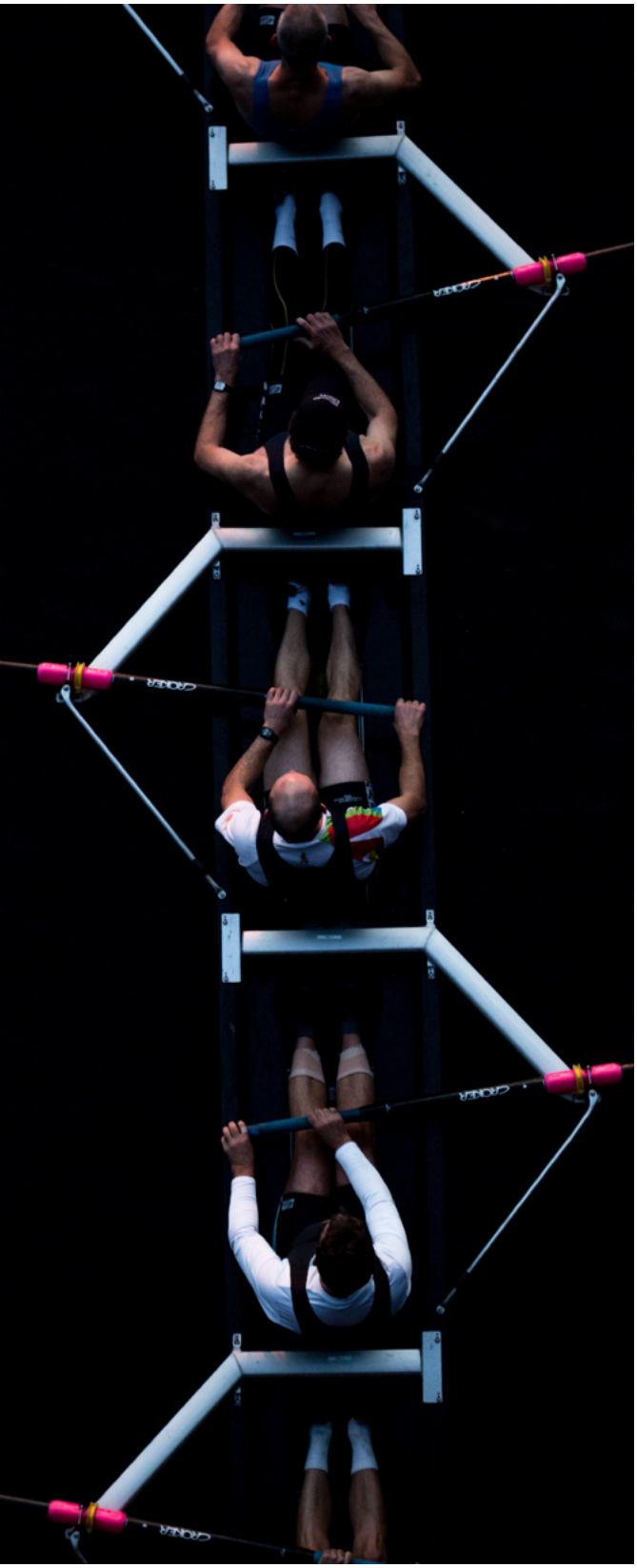
CardinalPath

# 2020 State of Digital Marketing Analytics in the Fortune 1000



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# The Speed Read

Modern martech stacks --those with the ability to measure performance, then target optimized experiences to audiences in real-time-- are far from universal across the Fortune 1000.

88% have a recognized web analytics platform in place but beyond that, martech adoption is spotty. For example, just 15% are using a tag management system, and just 23% are using a recognized testing/optimization platform.

Organizations that are investing with Adobe show greater maturity in building out a modern, integrated tech stack. Among Adobe Analytics adopters, 9% are also using Adobe Target and Adobe Dynamic Tag Management. Among Google Analytics adopters, fewer than 1% are also using Google Optimize and Google Tag Manager.

Adobe's martech suite is generally adopted by the largest enterprises. Google's competing offering is dominant outside the Fortune 50 -- but *within* the Fortune 50, Adobe & Google are neck-and-neck.

The majority of organizations running Adobe Analytics are also running Google Analytics, though we are unable to distinguish between Google Analytics free or the paid Google Analytics 360.

GDPR has been in effect for 18 months, but our data suggest that very few enterprises have adopted recognized consent/privacy management systems. There are caveats around this data, but in general we expect that consent/privacy vendors will see a lot of growth in the enterprise market -- or that enterprises will continue to "risk it" by not using robust, full-fledged solutions.

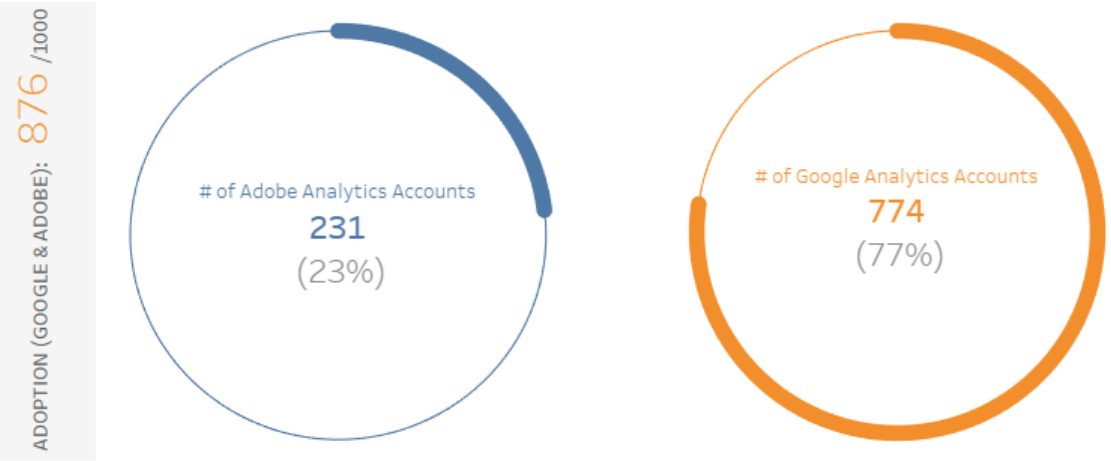
# A uniquely challenging year

2020 has presented significant challenges for businesses spanning every industry and every region of the world. Given the necessity of interacting with customers with reduced in-person contact, the trend of businesses shifting increasingly into digital channels has only accelerated. We see this in industries as diverse as grocery, entertainment, finance, and more. As organizations ramp up their investments in digital channels, the opportunity to generate -- and the importance of using -- actionable analytics is only growing. Against that backdrop, we decided to shift our annual "State of Digital Marketing Analytics" report from a retail-focused study to a broader report on the Fortune 1000 as a whole.

This report will provide data and insights across a variety of categories including web analytics, tag management, optimization and personalization, and DMPs/CDPs. We look at market penetration across major vendors like Google, Adobe, Tealium, and many others. In addition, we consider the degree to which enterprises are assembling cohesive "stacks" built on one vendor's technology, or alternatively using a "best-of-breed" approach to stitch together a stack that isn't dependent on any one vendor.

# Part I: Web Analytics

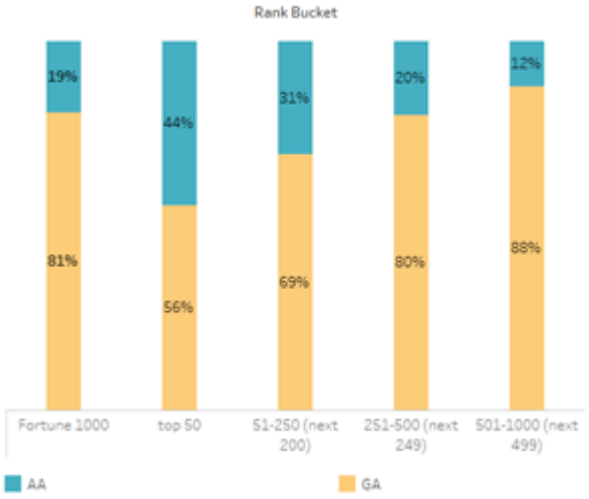
## Web Analytics - Google VS Adobe?




Many readers will know that the market for web analytics platforms is what one might call a "Coke and Pepsi" world. There's a clear duopoly in the industry, with Google and Adobe having left virtually no space for a third player to fill. Indeed, data from the Fortune 1000 confirms this notion. Across the Fortune 1000, 876 organizations have a recognized web analytics platform implemented. While it might be slightly surprising that web analytics isn't truly universal yet, what's not surprising is that Google and Adobe are the only vendors with any appreciable market share.

We find that Adobe Analytics (AA) is being used by 231 organizations, while Google Analytics (GA) is used by 774. Note that some organizations use both platforms -- more on this in a moment. In and of itself, it's not surprising to see that GA has wider adoption than AA. Google offers, of course, a free version of its platform, while Adobe does not. As such, Adobe's market penetration has historically been strongest within the very largest enterprises. Indeed, that's what our data prove.

## Rank Distribution by Platforms




For example, within the Fortune 50, Adobe's "market share" for web analytics is 44%, compared to Google's 56%. In other words, there's near-parity within the Fortune 50. Contrast that, however, with companies listed in the Fortune 51-250: Adobe's share drops to 31%. By the time we get outside the Fortune 250, Adobe's share is well below 20%. Meanwhile, Google's share increases correspondingly, with 88% share with companies in the Fortune 501-1000.

We mentioned above that some companies run both AA and GA. In fact, the *majority* of companies using AA also run GA. Some organizations may be running both AA and GA 360, in order to tap into some of GA 360's unique capabilities. More likely, however, is that many AA-based organizations run the free version of GA as a "backup" or for other reasons like media conversion tracking or retargeting.

## Web Analytics Adoption Overlap

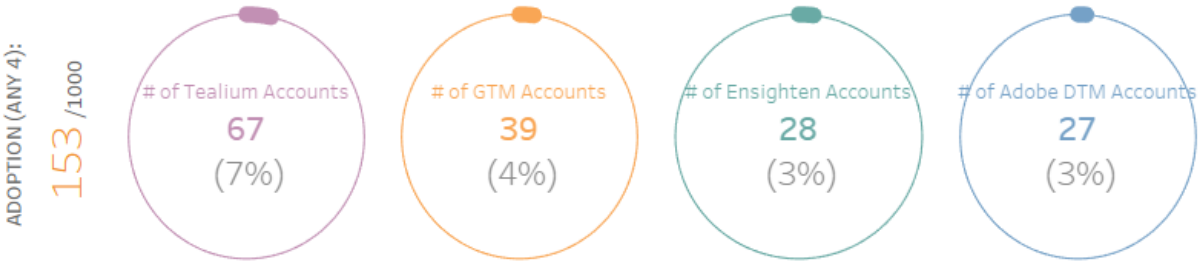

It's likely that the patterns outlined above will continue to hold for at least the next few years. Switching costs for analytics platforms are relatively high, so global enterprises don't make the decision to swap one platform for another lightly. Our reporting on the state of digital analytics across the retail industry from 2017-present bears this out. However, the adjacent technologies that organizations are implementing and integrating to form an analytics stack evolve more quickly. So while we shouldn't expect to see Adobe suddenly become the leading analytics platform across the Fortune 1000, it's worth taking a closer look at the other components of these companies' stacks to see what's changing.

# Part II: Tag Management Systems

If the analytics platform is the "heart" of a digital marketing analytics stack, the tag management system is arguably the brain. A TMS makes implementing, updating, and governing other components of the stack much more efficient. Interestingly, we find that only 153 of the Fortune 1000 organizations have implemented a TMS. This stands in stark contrast to what we've previously found in our retail-focused studies. For example, in previous years, we found that across the Internet Retailer 1000, TMS adoption was at 75% in 2017 and 79% in 2018. This suggests that while the business case for a TMS is fairly straightforward for a retailer, it might not be as strong -- or at least as clear -- to enterprises in other industries.

Unlike the analytics platform space, tag management is a more competitive industry, with independent players like Tealium and Ensighten competing with Google and Adobe. Not only are there more competitors; the competition itself is much more even. Indeed, amongst Fortune 1000 organizations with a TMS implementation, no TMS vendor has more than 39% share. When we break the data down by company size, though, a familiar pattern emerges.

## Tag Management System (TMS)

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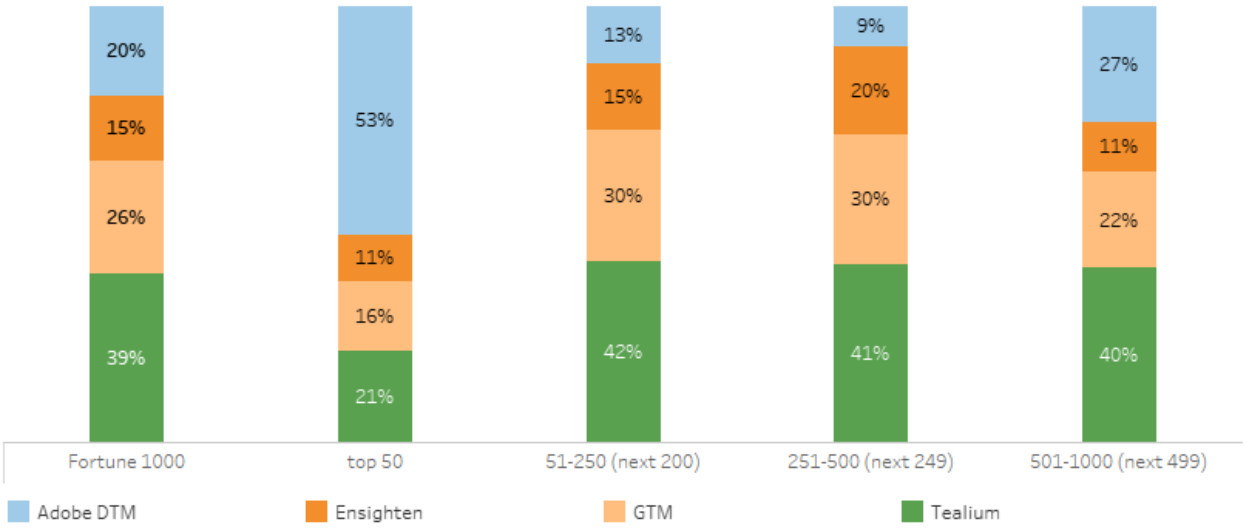
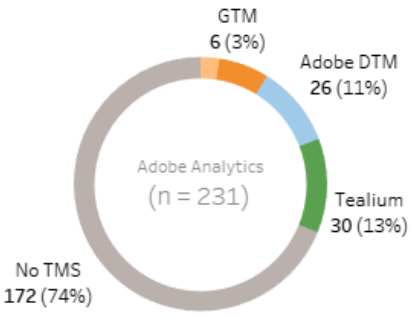
## Rank Distribution Platforms



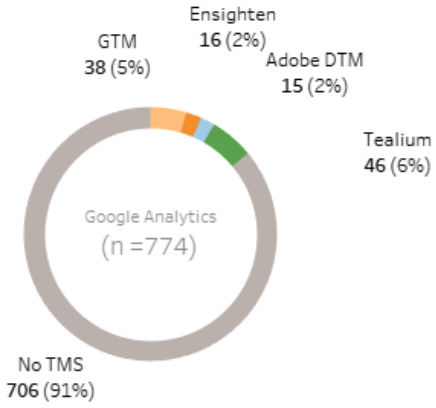

As one might expect given what we found in Part I, Adobe's tag management system is the most widely-adopted amongst the Fortune 50, at 53%. Outside those 50 largest organizations, Adobe's share drops off. Instead of Google Tag Manager (GTM) being the front-runner outside the top 50, though, we find that Tealium has a sizable advantage, as shown below.

Given the ubiquity of GA and the fact that GTM for enterprise is bundled into GA360 with no additional costs, it's interesting to find that GTM isn't nearly as widely adopted as GA. This fact suggests that many organizations running GA as their analytics platform have selected a different vendor for tag management. Below, we take a closer look at the relationship between "the head and the heart" -- the TMS and the analytics platform.

## Adobe Anyltics Adopters (n-231) TMS Split




## Adobe Anyltics Adopters (n-774) TMS Split



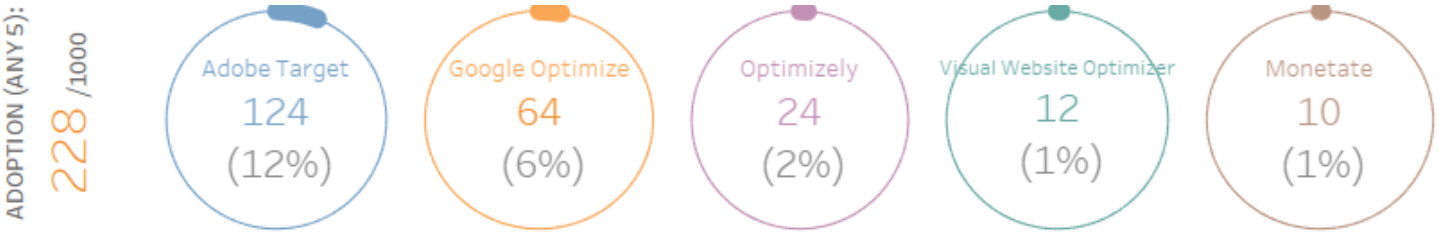

First, TMS adoption isn't consistent across organizations using either GA or AA. We find that for companies using GA, TMS adoption is currently at about 15%. Conversely, for companies using AA, TMS adoption is much higher, at about 34%. This suggests that organizations which have invested in Adobe's analytics platform are more mature from an analytics perspective.

Second, one might expect that companies using AA would gravitate toward Adobe's TMS, and vice versa for GA. However, the evidence suggests that most organizations using a TMS have opted for a TMS vendor different from their analytics vendor. As shown below, only 33% of companies using AA are also using Adobe's TMS. The rate of "consistency" is identical for companies using GA: 33%. In both cases, Tealium is the leading player, and Ensighten, another independent player, accounts for a significant proportion of TMS adoption. This suggests that organizations mature enough to implement a TMS at all are evaluating the pros and cons of various TMS options carefully, and not unduly weighting the benefits of a native integration. We also hear from clients using independent TMS vendors that an independent TMS lowers the switching costs associated with other marketing technology. For example, switching from GA to AA -- or switching from Adobe Target to Google Optimize -- is likely easier to accomplish for companies who are not already "locked in" to the TMS from a vendor from which they are switching away.

Looking forward to 2021 and beyond, we expect that TMS adoption -- only at 15% across the Fortune 1000 right now -- will grow, and grow more quickly than it has to date. The challenges of 2020 have increased the pressure on businesses across all industries to orchestrate seamless customer experiences across digital channels, and a TMS is a major part of the technology solution which makes that possible. Organizations that have perhaps considered and decided against a TMS in the past will likely find that the ROI associated with a TMS is higher than it has ever been. And while Google and Adobe certainly stand to benefit, they face robust competition which should make the tag management industry an interesting one to watch in the months and years to come.

# Part III: Optimization & Personalization

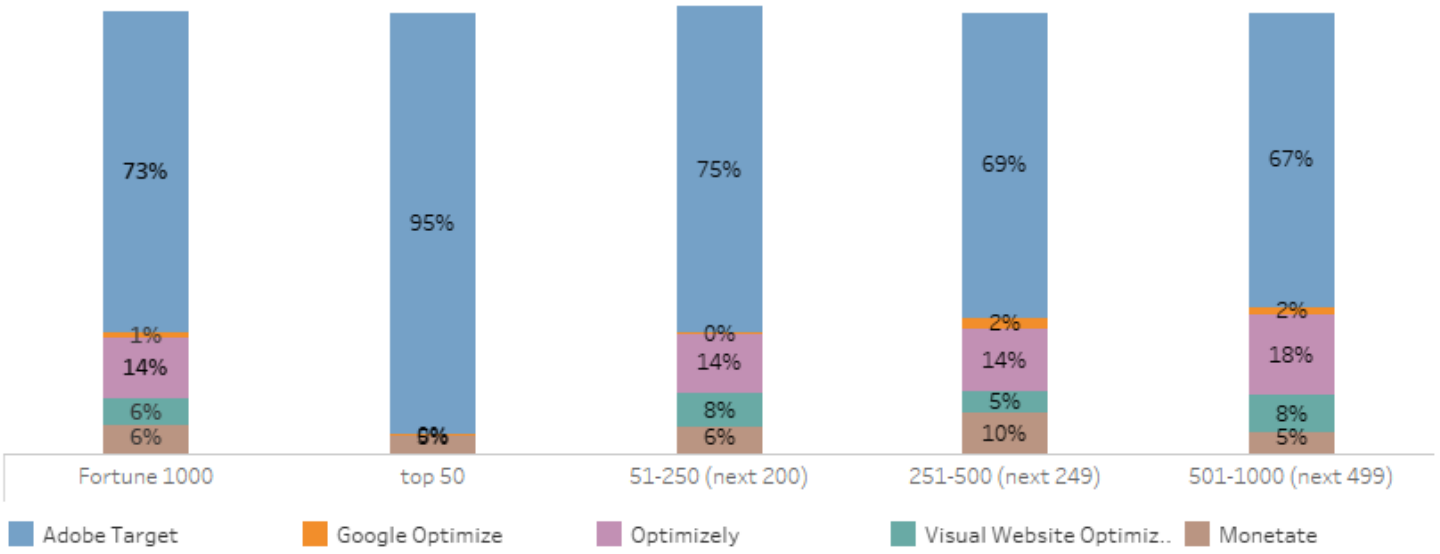
## Testing, Optimization & Personalization




Tag management systems provide a foundation upon which to build a robust digital marketing analytics stack. Analytics platforms like GA and AA do the heavy lifting of measuring how a brand's campaigns and experiences are working. But measuring isn't an end unto itself; it's a means to an end. In order to see strong ROI on analytics, it's critical that organizations use the insights gleaned from data to actively optimize the way they interact with their audiences. Optimization platforms like Adobe Target, Google Optimize, and many others provide the capabilities organizations need to test and learn, then optimize and personalize.

As with tag management, adoption of optimization and personalization tools across the Fortune 1000 is relatively low, with just 228 organizations using a recognized platform. Adobe Target is the clear leader, with 12.4% penetration across the Fortune 1000, and 54% share amongst organizations using any optimization platform. Google Optimize comes in second place with 6.4% share across the Fortune 1000. Because Google Optimize is a relatively new product, it's interesting to look at which kinds of organizations have already adopted it.

## Rank Distribution by Platform




Within the Fortune 50, only one organization uses Google Optimize, compared to 20 using Adobe Target. However, when we look at companies in the 501-1000 range, it's neck-and-neck, with Adobe holding a narrow 39-35 lead. Given this data, it appears that Adobe is starting to face more competition in the optimization market. Looking forward, we anticipate that Google will be able to successfully leverage its widespread install base on Google Analytics to drive further adoption of Google Optimize. If that hypothesis proves true, we should see the gap between Target and Optimize narrow in the future.

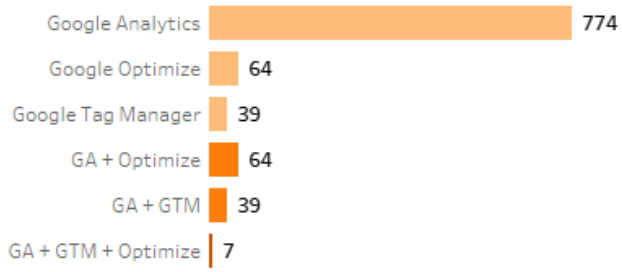
Outside of the "big two" players in the optimization space, there are a few other platforms of note. Optimizely, Visual Website Optimizer, and Monetate collectively account for 20% of the market amongst companies using any optimization platform. As we move into 2021 and beyond, it will be critical for these independent players to innovate and differentiate themselves from Google and Adobe.

Because they lack the native integrations with the rest of the Google and Adobe martech stacks, independent players will face a lot of pressure to prove that they add enough value through unique capabilities to offset the somewhat higher friction associated with using non-Google/Adobe technology.

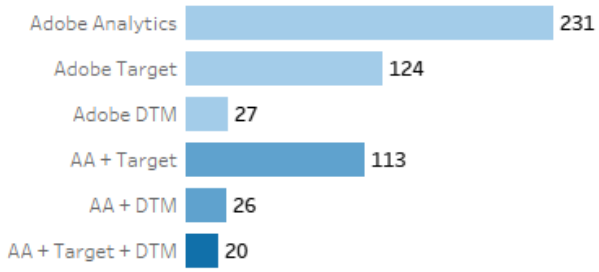
Despite that competitive pressure on the independent players, we don't assume that the optimization market will inevitably turn into a duopoly, the way the analytics market has. First, the majority of the Fortune 1000 aren't using an optimization platform at all, so there's plenty of room for all of the players to win new business. Since the proverbial pie is still getting bigger, vendors don't need to eat into a competitor's slice of the pie in order to gain share. That should reduce competitive pressures and raise the chances that enterprises will have options beyond Adobe and Google, should they want them.


## Tying it all together: tag management, analytics, and optimization

### Google Stack Adoption Overlap




### Adobe Stack Adoption Overlap




Both Adobe and Google sell a vision of a unified marketing technology stack, in which tag management orchestrates data collection, analytics fuels actionable insights, and optimization puts those insights into practice. But how often do organizations actually put together those unified stacks?

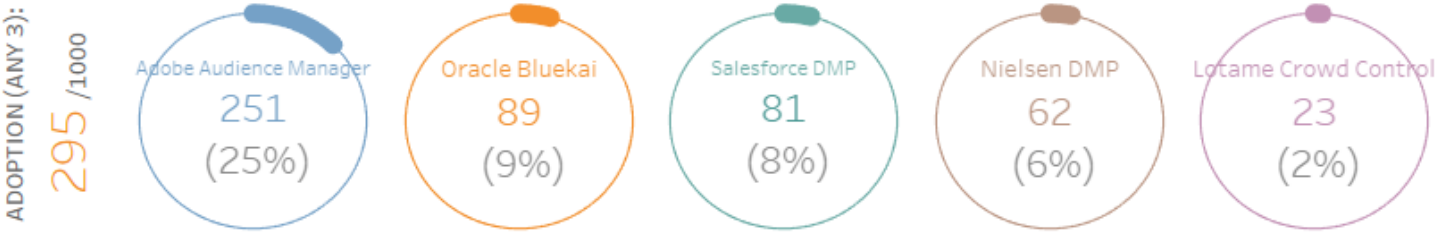
To start, we look at analytics adoption, since it's by far the most-adopted of these technologies. On the Google side, there are 774 GA adoptions. On the AA side, there are 231 AA adoptions. We examined these organizations to determine the extent to which they have paired their analytics platform with the same vendor's tag management and optimization solutions.

Interestingly, on the Google side, just 7 of the 774 organizations using GA are also using Google Optimize and GTM. That's less than 1%. On the Adobe side, we see a different picture. Of the 231 companies using AA, 20 are also using Target and Adobe DTM -- that's about 9%.

This data suggests a couple of interesting insights. First, regardless of the vendors an organization is working with, the notion of a unified martech stack is still an ideal to be striving for, rather than a reality of day-to-day operations. Both Google and Adobe have a lot of room to grow their install base for non-analytics products in their respective suites. Second, we see that organizations invested in Adobe's solutions are vastly more likely to have put together the unified stack than those who are using Google's. This is, at least arguably, counter-intuitive: Google offers free versions of its tag management, analytics, and optimization solutions, and hence the financial barrier to adoption is essentially zero. Given the lack of adoption, then, we're left to conclude that the organizations which haven't paired GTM or Google Optimize with GA are either unaware of these complementary products, or are aware of them but don't value in adopting them in spite of the free price tag.

# Part IV: DMPs & CDPs

## Data Management Platform (DMP)




Next, we consider the state of the Data Management Platform (DMP), which is a technology with an uncertain future, given the impending demise of third-party cookies. DMPs can be used to support a variety of use-cases, including media targeting, frequency capping, creative personalization, and more. One common theme of DMP use cases is that they're often oriented around supporting a brand's efforts to drive more effective touchpoints with customers outside the brand's own footprint (e.g. the brand's website, mobile app, etc.).

Our data show that Adobe's Audience Manager (AAM) product is by far the most-adopted DMP, with an install base of 251 across the Fortune 1000. After AAM, several players are competing for share, including Oracle, Salesforce, Nielsen, and Lotame. One name that's missing from the list, of course, is Google, which doesn't offer a product traditionally seen as a DMP. That doesn't mean that Google isn't a major factor in the DMP space, though.

As many readers will know, Google has announced that as of 2022, Chrome will no longer support third-party cookies. Given that one of the classic use-cases for a DMP has been to manage anonymous, cookie-based audiences and make them addressable, it seems reasonable to conclude that Google have sealed the fate of the DMP. And in a way, they have.

In another sense, though, it's likely that what we've come to refer to as the DMP over the past several years will evolve rather than simply die out. While the value of anonymous, cookie-based audiences is quickly diminishing, the value of first-party data -- acquired in a privacy-compliant manner -- is increasing. As such, it's no surprise that brands across industries are thinking deeply about how to build their first-party dataset. What kind of value exchange has to be created in order for a user to authenticate with your website, for example?

As first-party data becomes the coin of the realm, the need to harness, organize, merge, and augment first-party datasets will only increase. This seems like the obvious next step for DMPs -- which are in the process of being replaced with Customer Data Platforms, or CDPs. As the focus shifts from anonymous, cookie-based, third-party data, one aspect of the DMP won't change: the value of integrating the user segments with other components of the martech stack.

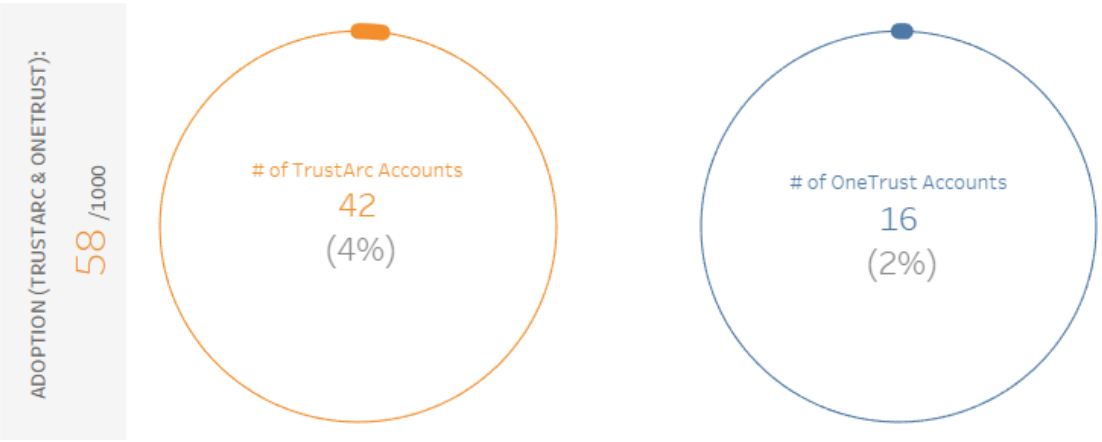
For example, creating and managing audiences in a DMP/CDP is one thing, but in general the point of this is to make those audiences addressable, e.g. via media targeting, on-site personalization, etc. As such, it's helpful to have as seamless of a connection between the DMP/CDP and the rest of the martech stack. Adobe has a good story to tell here: manage your audiences in AAM, for instance, and then target those audiences with personalized experiences via Adobe Target, or personalized media creative via Adobe Ad Cloud. Google, on the other hand, doesn't have quite as clear a proposition. Yes, Google does offer certain "DMP-like" capabilities through both Google Ads and the Display & Video 360 platform (DV360), like uploading first-party data to Google for audience targeting) -- but these audiences can only be targeted within the Google ad ecosystem and not syndicated out agnostically to other buying platforms.. On the flip-side, major DMP and data onboarding players, such as Bluekai, Adobe, and Liveramp feature direct integration to the DV360 buying platform.

Despite not offering a fully-fledged DMP, Google does have interesting integrations between the Google Marketing Platform and Salesforce, which our data show is the third-most commonly-used DMP across the Fortune 1000. Given this, it doesn't take much to connect the dots: organizations leveraging both Google Analytics 360 along with Salesforce Marketing Cloud and/or Sales Cloud can leverage substantial native integrations between the platforms. Sales Cloud can push offline conversion and lead flow data directly into GA360, and GA360 can publish behavior-based audience segments directly to Salesforce Marketing Cloud to drive targeting in Journey Builder.

Assuming ease of integration remains a key value driver for DMPs/CDPs, Adobe and Salesforce seem to be in relatively strong positions. The other players, including Oracle, Nielsen, Lotame, and others, may have to outcompete Adobe & Salesforce on individual capabilities to compensate for potentially higher "friction" in integrating with the rest of the tech stack. This point is similar to what we foresee in the optimization market, where Adobe Target and Google Optimize have clear integration advantages over independent players.

# Part V: Privacy & Consent Management

## Privacy Platforms




This year, for the first time, we're including privacy and consent management platforms in our review of the state of digital analytics. There are many players here in what is currently a fast-changing and highly-fragmented market. This year, we have been able to scan for two platforms that many of our own clients use: TrustArc, and OneTrust. While there are certainly other platforms in use across the Fortune 1000, our findings suggest that as of Q4 2020, adoption of these kinds of platforms is still very rare.

For example, we find that only 58 of the 1000 organizations are using either TrustArc or OneTrust. Even after making allowances for the possible use of other platforms -- say, for example, that just as many companies are using another platform -- barely 10% of the Fortune 1000 have such a platform implemented on their website. This suggests some points about the future in this field.

First, we certainly expect adoption to ramp over the course of 2021 and beyond. GDPR has been in effect since May 2018. CCPA has been enforced since July 2020. Similar regulations in jurisdictions around the world are almost certain to emerge in the future, with India's pending "Personal Data Protect Bill" one prominent example. As such, organizations that, to date, have calculated that they don't need privacy/consent management solutions may revisit that decision over time.

Second, while there seems to be a lot of headroom in this space, there also seems to be a need for vendors to do a lot of education about the necessity of their solutions. Two years post-GDPR, 90% or more of the Fortune 1000 don't have a recognized privacy/consent management tool in place. It seems unlikely that this can be attributed simply to a lack of knowledge about the regulatory environment.

Third, we should mention that the absence of a recognized privacy/consent management platform does not mean that enterprises are doing nothing to adjust to changing laws and norms. For example, many companies display cookie notification banners, even if the same companies don't necessarily have all the capabilities required to be fully GDPR-compliant.

Given that the global data privacy landscape will continue to evolve, the market for compliance solutions should be a growth market -- and a hotbed of innovation -- for years to come. Whether entrenched martech players like Adobe and Google come out with their own, privacy-focused solutions remains to be seen. Either way, we expect existing players to continue to expand their capabilities, and to focus on integrations/bundling with other key solutions in marketing technology.

# Conclusion

Our study of the Fortune 1000 finds that analytics is nearly universally implemented, with about 88% of organizations using either AA or GA. Perhaps more surprising, though, is that most Fortune 1000 organizations haven't paired their analytics platforms with a variety of complementary technologies, such as tag management systems or DMPs. Tag management adoption is at just 15%, with Adobe Analytics-based organizations much more likely to have adopted a TMS than Google Analytics-based organizations.

23% of the Fortune 1000 have implemented a recognized testing/personalization platform, with Adobe Target the most commonly-used system, followed by Google Optimize. A variety of independent players account for a reasonable portion of the market, but will face pressure to continue innovating to overcome the ease of integrating either Adobe or Google's offerings.

DMPs are a technology in flux, but 30% of the Fortune 1000 have invested in one. Given the need to prove ROI in marketing technology, DMPs like Adobe Analytics, Oracle BlueKai, and Salesforce DMP will need to evolve to focus on management of first-party, consent-based data, rather than anonymous, cookie-based audiences. Finally, despite the advent of GDPR and CCPA -- along with a variety of similar regulations on the horizon -- very few enterprises have adopted privacy and consent management platforms so far.

What all of this suggests is that across the Fortune 1000, there continues to be a broad scope of opportunity to:

- Make analytics more efficient to manage and less prone to "breakage," via tag management;
- Make analytics more actionable through the rigorous use of testing and personalization tools; and
- Make analytics less risky through the adoption of privacy and consent management systems that ensure the data being collected complies with all relevant regulations.

2020 has accelerated the shift to digital across many industries. When we revisit this data in 2021, we expect to find that more organizations than ever are moving forward along these lines.

# About the Report

Retailers were identified using the 2020 Fortune 1000. To scan sites and discover which tools were being used, we partnered with ObservePoint, whose team automated the analysis using their market-leading scanning tool. Some retailers may be collecting data server side, or via other methods not detectable by these tools.

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Nick is Group Director of Digital Intelligence at Cardinal Path, where he is responsible for helping clients improve their business performance by building their analytics capabilities. He manages engagements with key global clients, providing thought leadership and driving the end-to-end development of clients' analytics practices, from the development of measurement frameworks to rigorous analysis and attribution work. When not working with clients, Nick authors original research, articles and blog posts, and speaks at conferences around the world.

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An expert Business Intelligence and Marketing Analytics strategist, Adrian has leveraged his knowledge and skills in advertising, tech, & e-commerce for 7+ years in organizations including Google, MRM/McCann, and brand-side for Staples. With specialties in market research, Python, SQL, Google Analytics, Tableau, CRM, and lead generation, Adrian brings a practitioner mindset to his consultative work with some of the world's leading brands.

Strong professional with a Bachelor of Science focused in Marketing, Media Liberal Studies from Bentley University.

## About Cardinal Path

Cardinal Path is an award-winning data and marketing analytics firm that helps marketers to win in the digital economy. The world's leading brands look to Cardinal Path to navigate the complex marketing technology landscape, stand up a Martech stack that will drive their business forward, and create & activate a data strategy to achieve their goals.

www.cardinalpath.com

## About ObservePoint

Analytics and marketing tags are the means where by companies gather data to create meaningful experiences on websites and apps. When those tags fail, so does the experience.

ObservePoint helps companies automatically test and monitor tags across websites and apps, making enterprises more efficient and confident in their data-driven decisions. With powerful tag auditing and tag monitoring technology, ObservePoint quickens implementation testing, ensures data accuracy, and keeps you in the know of any errors with your tags.

www.observepoint.com