



Only 44% of Organizations Feel Their C-Suite "Gets" Digital

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The report, *Leading a Digital Marketing Evolution: Lessons in Transformation, Culture and Technology from the Global 1,000*, explores the challenges that large companies face in being responsive, efficient and innovative. It looks at how and why some businesses excel while others lag behind. With insights based on a comparison of industry leaders' and followers' responses, this report offers dozens of measures that marketers can use for education, benchmarking and inspiration.

The study found that of the over 400 consumer marketing executives surveyed at companies with over \$1.5 billion in annual revenues, less than half (44%) feel their C-suite "gets" digital and is developing effective strategies to address it. The feedback from members of the Board of Directors and middle managers were similar.

When the Global 1,000 were asked how they were responding to pressures directly related to digital, an astonishing 96% of these companies describe a time of chaos. Some are benefiting and some are foundering, but few (4%) are able to say "little has changed." The study divides the 96% of respondents referenced above into three main groups: Leaders, Mainstream and Followers.

Leaders are those who are part of the change or disruption in their sectors. They make up nearly 20% of the Global 1,000 and serve as a benchmark to companies evaluating their own progress throughout the report.

The Mainstream form the largest block of companies at over 40%; they may not be winning the game, but they're playing it and getting better. They are adapting to new challenges by adding capabilities, exploring technologies and reconsidering everything from how they approach innovation to the basic structure of the marketing organization.

By contrast, the third group, 36%, identified as Followers, comprises those organizations that are not simply lagging in key areas of investment or evolution, but are lacking agreement and alignment about how to proceed. These companies feel under pressure from the changes wrought by digital and vulnerable to disruption.

"Technology enables marketers to expand their capabilities, especially when it comes to making their efforts more customer centric. However, our study found that for Mainstream and Follower organizations, technology isn't an enabler—it's a barrier," said Kim Finnerty, Epsilon's SVP of Research and Insights. "Seeing this within the Global 1,000 reveals that many companies—Global 1,000 and beyond—don't fully understand how fundamental technology is to the customer experience."

Other key findings include:

- Nearly 75% are examining the differences between desktop and mobile customers.
- Those labelled "Leaders" in the study are 43% more likely than "Mainstream" companies to be growing faster than their sector average, and 77% more likely than "Follower" companies.
- Nearly 40% of "Leaders" said their technology "empowers everything we do". That number drops to 6% for "Mainstream" and a scant 1% for "Follower" organizations.
- Only 56% of "Mainstream" companies said that all marketing team members understand their strategy well enough to describe it.
- Nearly two-thirds of "Mainstream" companies and over 70% of "Leader" companies have some framework in place for assigning value to social media.

"There are several areas of this study that expose the tension between reality and aspiration," said Stefan Tornquist, Econsultancy's Vice President for Research in the US. "The Global 1,000 want to be customer centric and digitally capable, but there's a long way to go in putting these goals into practice."

The full report is available for download at <http://engage.epsilon.com/Q314econsultancyreport>.

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Call us to find out more:

New York: +1 212 971 0630

London: +44 207 269 1450

Singapore: +65 6809 2088

Media Contact:

Jade Mangahis

Epsilon

212-457-7319

jmangahis@epsilon.com

Stefan Tornquist

Econsultancy

781-596-6367

Stefan.tornquist@econsultancy.com

Logo - <http://photos.prnewswire.com/prnh/20131104/NY09572LOGO>

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