2015

State of Analytics

Insights on analytics trends from more than 2,000 business leaders worldwide

salesforce research

About This Report

Salesforce Research surveyed more than 2,000 business leaders, directors, and executives worldwide to discover:

- The changing role of analytics in business today
- Areas where analytics usage is on the rise
- How high-performing organizations approach analytics

Throughout the report, data is examined relative to business performance to identify patterns for overall success. High-performing teams are defined as those who rated their business performance as much stronger than the competition. For more on the makings of a high performer, see page 22 (“Last Look”).

Conducted mid-2015, this survey generated responses from 2,091 full-time business leaders (not limited to Salesforce customers) in the U.S., Canada, Brazil, U.K., France, Germany, Japan, and Australia. Respondents included third-party panelists. Due to rounding, not all percentage totals in this report equal 100%. All comparison calculations are made from total numbers (not rounded numbers).

Salesforce Research provides data-driven insights to help businesses transform how they drive customer success. Browse all reports at salesforce.com/research.

Table of Contents

Executive Summary 4

Introduction: Analytics Growth and Challenges 6

Analytics Jumps to the Forefront of Business Strategy 8

Analytics Use Cases Expand Dramatically. 11

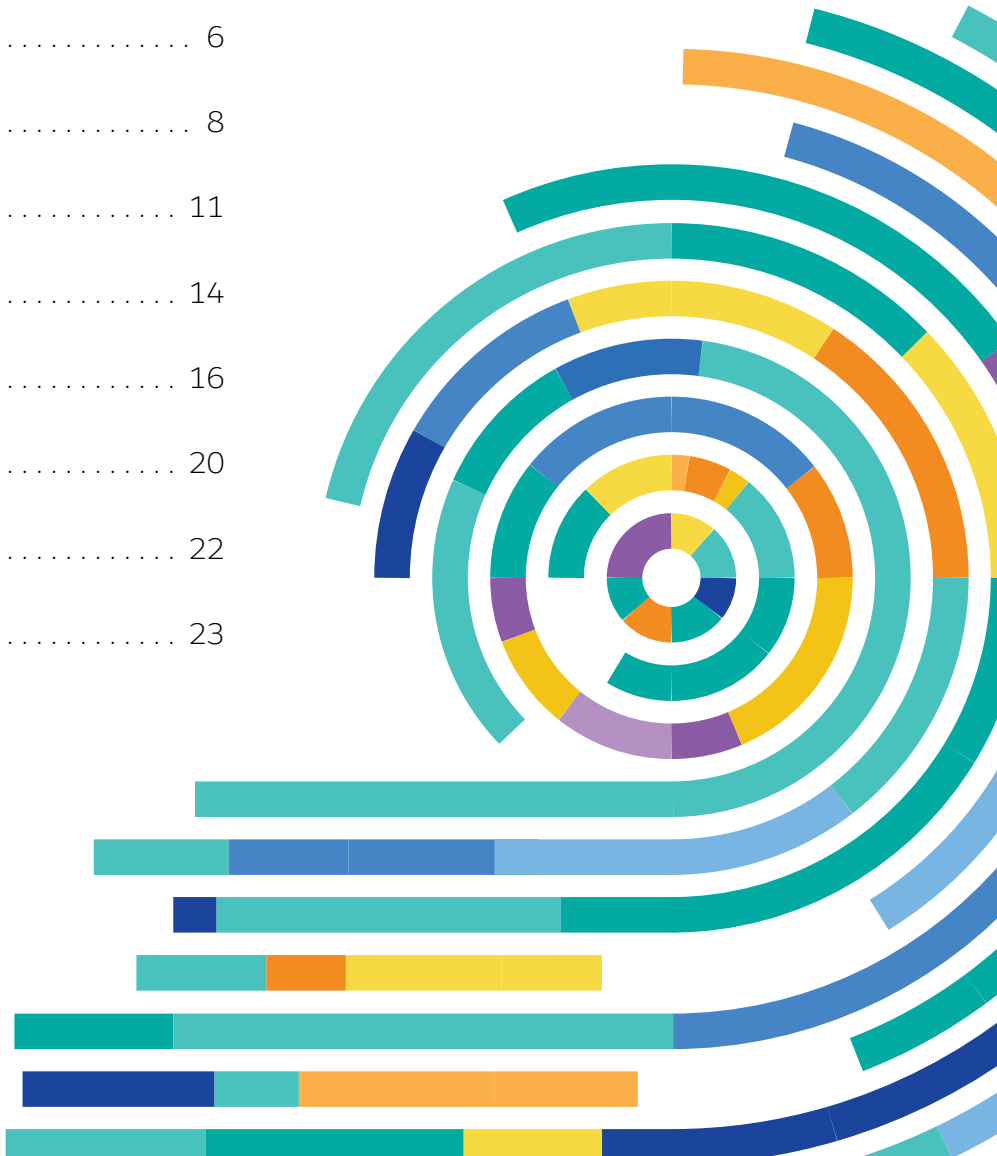
The Era of Real-Time Analytics Begins 14

High Performers Embrace a Culture of Analytics. 16

What's Next: Unlocking Analytics' Potential 20

Last Look: The Path to Becoming an Analytics High Performer 22

Appendices 23



Executive Summary

Four key takeaways

Keeping pace with today's customer expectations requires businesses to be armed with the right insights at the right time. In this study, we examine the rising prominence of analytics as a pillar of business operations. Here are four key findings from our research:

01 | Analytics jumps to the forefront of business strategy.

(see page 8)

As analytics evolves, companies are beginning to see it as central to their business strategy. High performers already place analytics at the core. Ninety percent of high performers say analytics is absolutely critical or very important to driving the company's overall business strategy and improving operational outcomes. High performers are also 6.4x more likely than underperformers to increase analytics spend by 50% or more over next two years.

02 | Analytics use cases expand dramatically.

(see page 11)

Successful companies are using analytics in more ways than ever, deriving value across a broad spectrum of areas. High performers are 3x more likely than underperformers to be heavy analytics users, gleaning value from analytics in 10 or more disciplines. On average, high performers analyze more than 17 different kinds of data – almost twice the number analyzed by underperformers.

Executive Summary

Four key takeaways

03 The era of real-time analytics begins.

(see page 14)

As the pace of business continues to escalate, business leaders increasingly feel the need for agility and real-time decision-making. High performers are 5.1x more able than underperformers to gain timely business insights from their current analytics tools. Top teams are also 3.5x more likely than underperformers to extensively use mobile reporting tools to analyze data wherever they are.

04 High performers embrace a culture of analytics.

(see page 16)

Highly successful companies are building a culture of analytics where information is instantly accessible from the boardroom to the front lines. Ninety percent of high performers say their executive team is committed to the success of analytics tools and technologies to help drive overall business strategy and improve operational outcomes. Adopting analytics for the everyday user, top teams are 2x more likely than underperformers to say half of their employee base uses analytics tools.

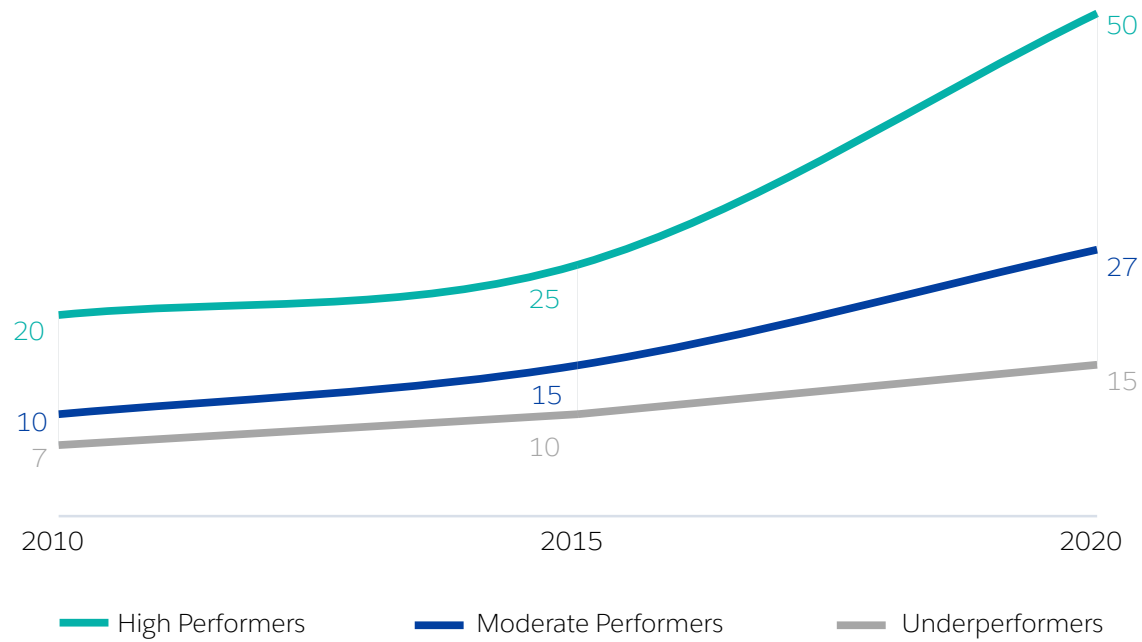
Introduction: Analytics Growth and Challenges

The amount of data available to businesses has grown exponentially in recent years. Amid the data explosion, however, companies have struggled to make sense of it all.

In this study, we found that the number of data sources actively analyzed by businesses has grown only 20% in the past five years. This rise has been slow and steady, but that is about to change. Between 2015 and 2020, the number of data sources analyzed will jump 83%, bringing the 10-year growth total to 120% overall.

Companies Race to Keep Up with Data Explosion

Growth in data sources analyzed has been slow in the past five years but will jump by leaps and bounds in the next five years.

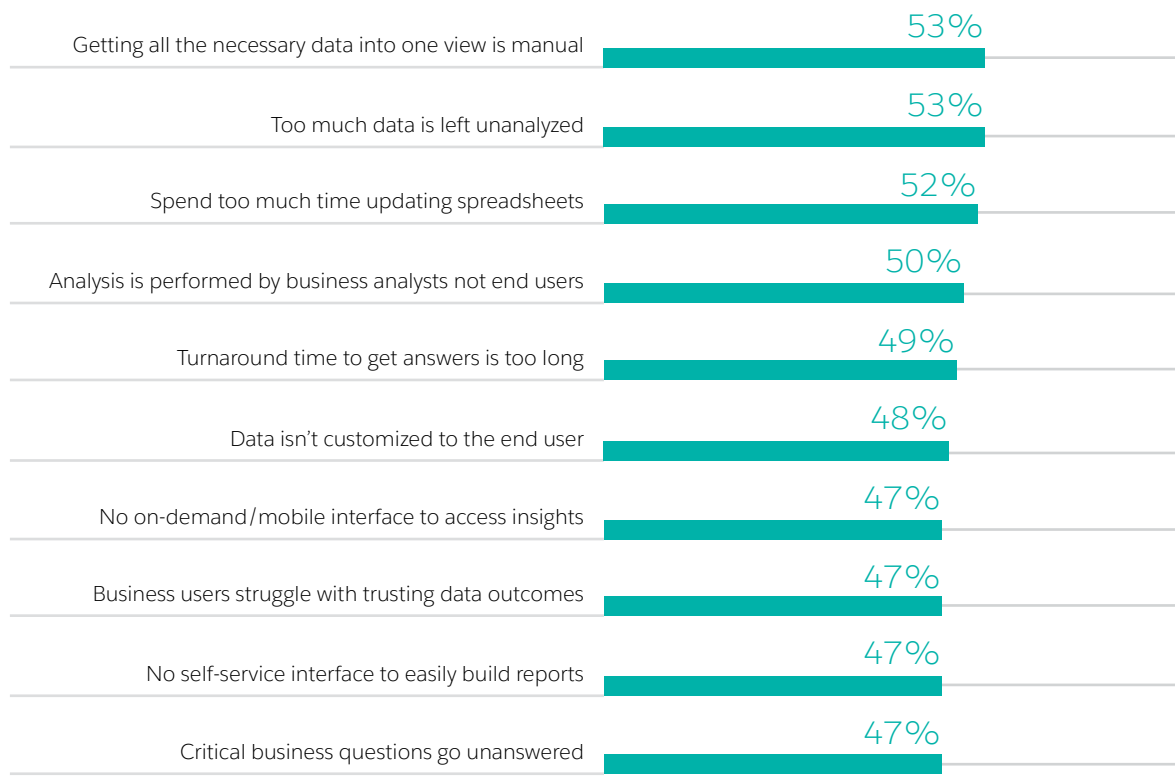


This shift in data analysis levels going forward begs the simple question: why? To answer that, we look first at the biggest analytics pain points facing businesses today, on the next page.

The significant rise (83% increase) in analyzed data sources over the next five years shows that business leaders face a continued influx of data and still struggle to make sense of it all. The four primary sections that follow in this report highlight key trends building the momentum around analytics today.

Lack of Automation Leads Analytics Pain Points

Many business leaders struggle to find the right data, spend hours updating spreadsheets or waiting for answers, and still think that too much data is left unanalyzed. Here we see the percentage of business leaders who agree or strongly agree with these analytics pain points.[1]



[1]This chart shows the top 10. For a complete list, please see the Appendix.

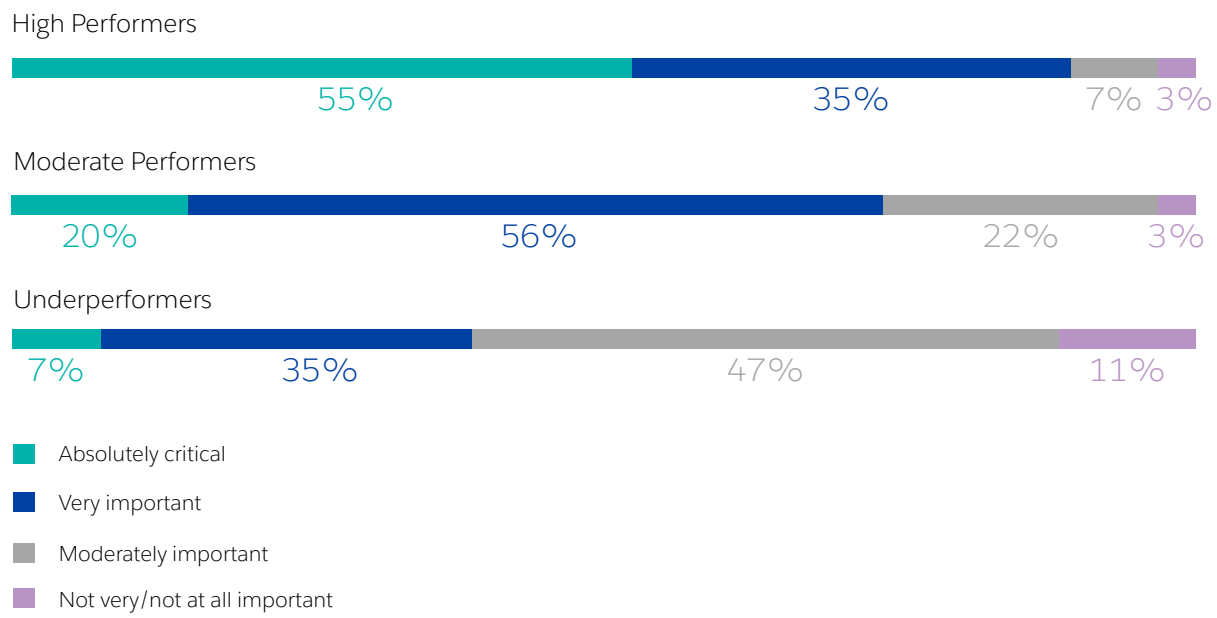
01 | Analytics Jumps to the Forefront of Business Strategy

As analytics evolves, companies are beginning to see it as central to their business strategy. High performers already place analytics at the core. Ninety percent of high performers say analytics is **absolutely critical or very important to driving the company's overall business strategy and improving operational outcomes**. High performers are 8.2x more likely than underperformers to agree.

Additionally, 84% of high performers say the importance of analytics will increase substantially or somewhat in the next two years. Across all business leaders surveyed, 65% say the importance of analytics will increase substantially or somewhat in the next two years.

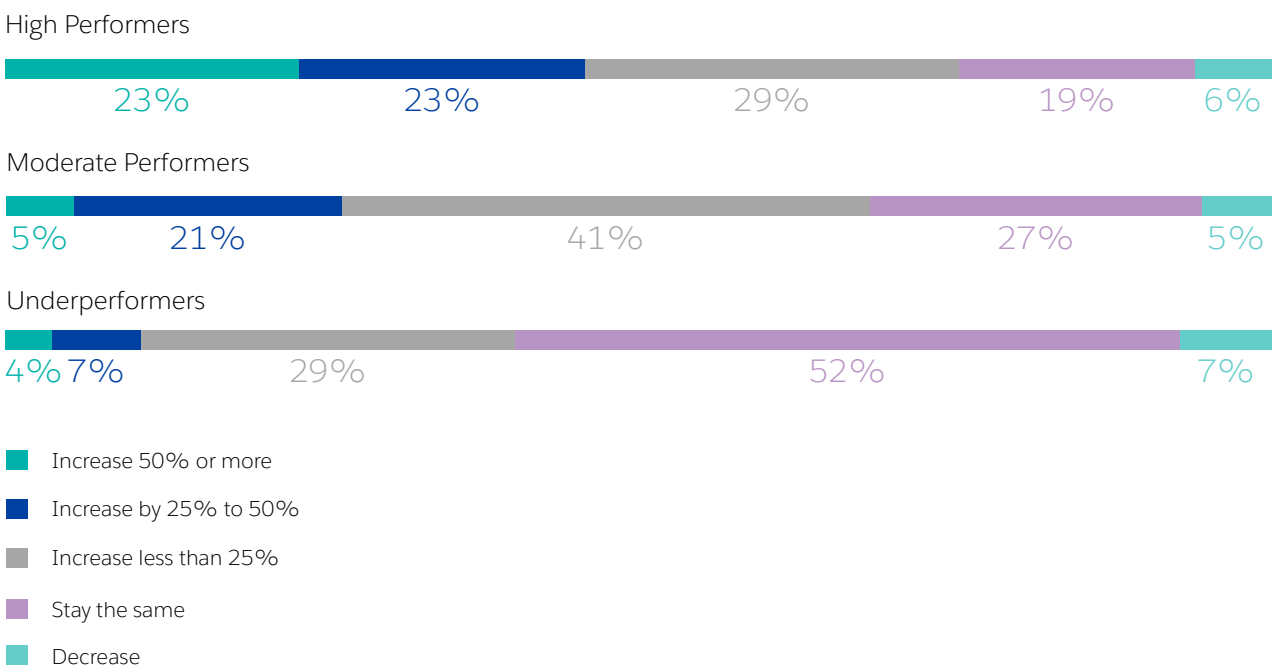
Analytics Is Critical to Driving Business Strategy

High performers are 8.2x more likely than underperformers to say analytics is absolutely critical to driving the company's overall business strategy and improving operational outcomes.



Increased Investment in Analytics on the Horizon

High performers are 6.4x more likely than underperformers to increase analytics spend by 50% or more over the next two years. Business leaders are walking their analytics talk, further showing their commitment to strategic analytics with increasing investments.



In the next two years, business leaders will invest more resources in data and analytics specifically in these areas:

51%

Tools and technology

35%

People

35%

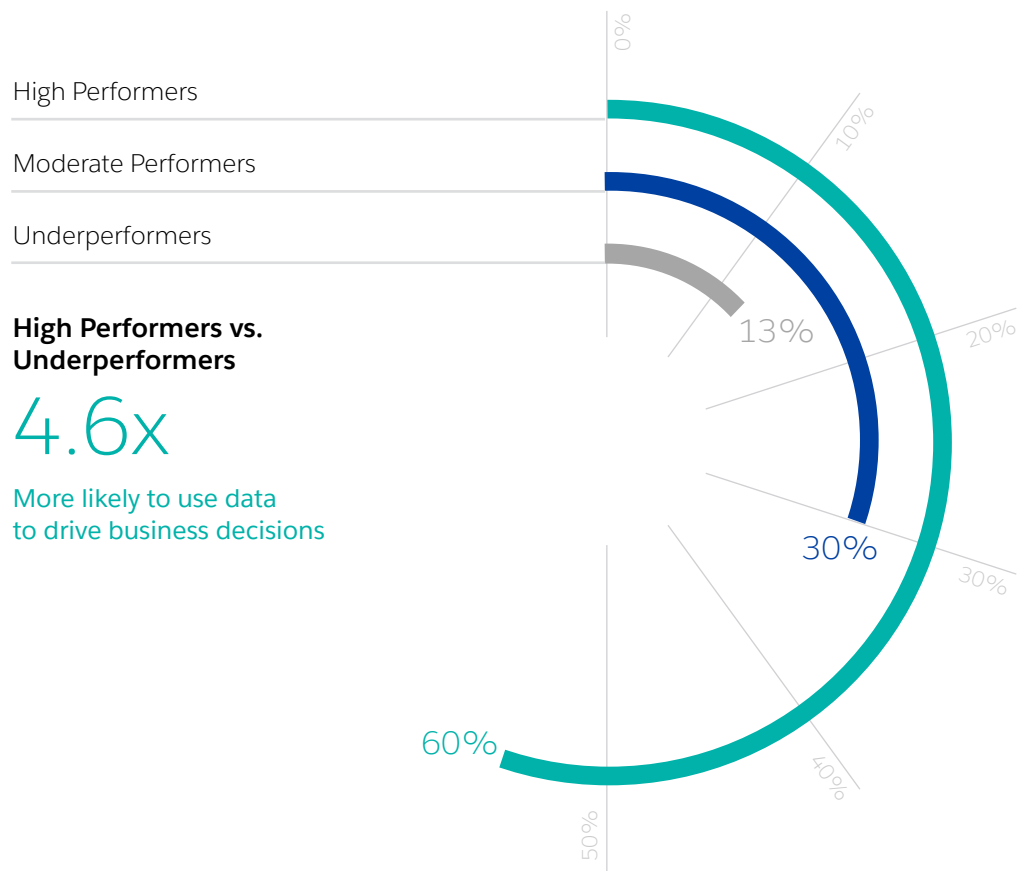
Training

One dividing factor between high-performing and underperforming teams is the role of analytics in the decision-making process. Underperformers are almost 5.7x more likely than high performers to rely on their gut instinct instead of data when making strategic business decisions.

By stark contrast, 43% of high performers **rely on empirical data, developing hypotheses and then experimenting and observing the outcomes before making a decision**. Another 46% of high performers say they are data-driven, analyzing all of the data available before making a decision.

Beyond Keeping Score: Data Drives Business Decisions

High performers are 4.6x more likely to say they've moved beyond using data to keep score and onto using data to drive business decisions. In fact, 60% of high performers agree with this statement, solidifying the trend toward data-based decisions.



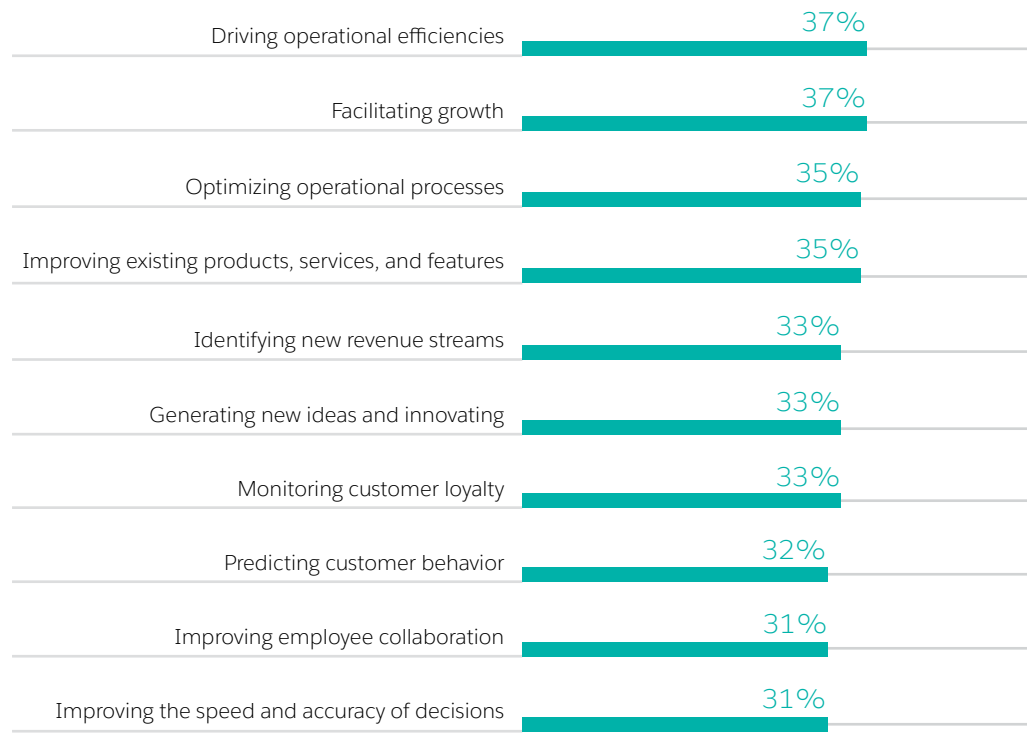
02 | Analytics Use Cases Expand Dramatically

As companies become increasingly data-centric in their decision-making, the number of use cases for analytics are growing dramatically. Digging deeper, we find that successful companies are using analytics in more ways than ever, deriving value across a broad spectrum of areas.

High performers are finding value through analytics in many more areas of business than their underperforming peers. High performers are 3x more likely than underperformers to be heavy analytics users, gleaning value via analytics in 10 or more disciplines (see chart to right).

Analytics Finds Its Way Into Every Corner of the Business

Driving operational efficiencies and facilitating growth are baseline analytics-driven priorities for businesses today. As companies improve performance, they begin to focus on more advanced use cases such as automating business operations, enabling new business models, and predicting customer behavior.[1]

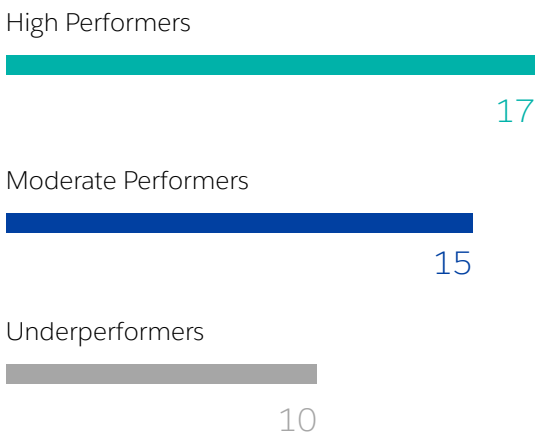


[1]This chart shows the top 10. For a complete list, please see the Appendix.

02 Analytics Use Cases Expand Dramatically

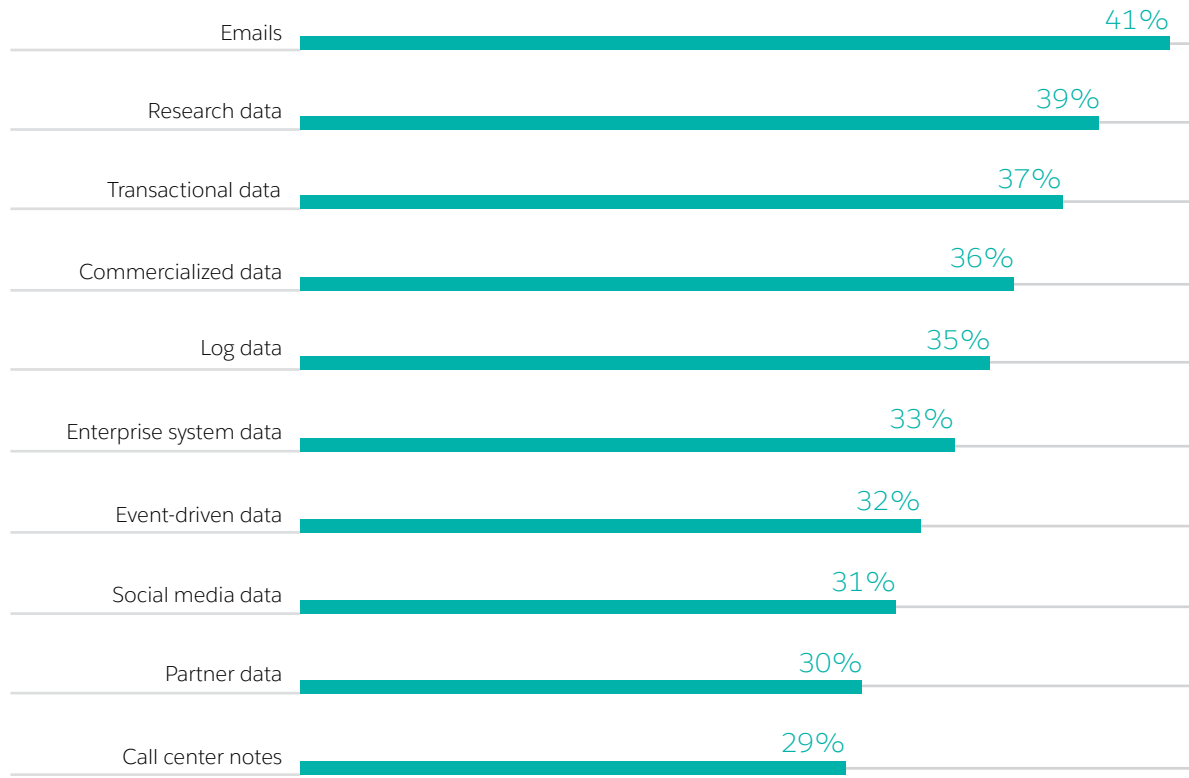
On average, high performers analyze more than 17 different kinds of data – almost double the number analyzed by underperformers. As teams sharpen their skills, they're able to widen the breadth and scope of data regularly processed.

Number of Data Types Analyzed



Companies Track a Wide Variety of Data

Here's a more in-depth look at the overall types of data analyzed, listed by popularity. For a complete list please see Appendix C.



SPOTLIGHT

Analytics Makes Its Mark on Customer-Facing Functions

74%
of sales leaders will be using sales analytics in the next 18 months.

19x
is the difference between high-performing and underperforming service teams for outstanding analytics use.

54%
of marketers say analytics is absolutely critical or very important to the customer journey.

Sales

As reported in the *2015 State of Sales* research, 74% of sales leaders are using or will be using sales analytics in the next 18 months. High-performing sales teams are 3.5x more likely than underperformers to be currently using sales analytics. The full report is available at salesforce.com/stateofsales.

Service

High-performing service teams are 19x more likely than underperformers to be outstanding at using analytics and insights. Further insights on the customer service industry can be found in the *2015 State of Service* report, available at salesforce.com/stateofservice.

Marketing

As revealed in the *2015 State of Marketing* report, available at salesforce.com/stateofmarketing, 54% of marketers say marketing analytics is absolutely critical or very important to creating a cohesive customer journey. Email is the number one most analyzed data type among business leaders, with 41% saying their company is currently analyzing email data. For more on types of data analyzed, see page 12.

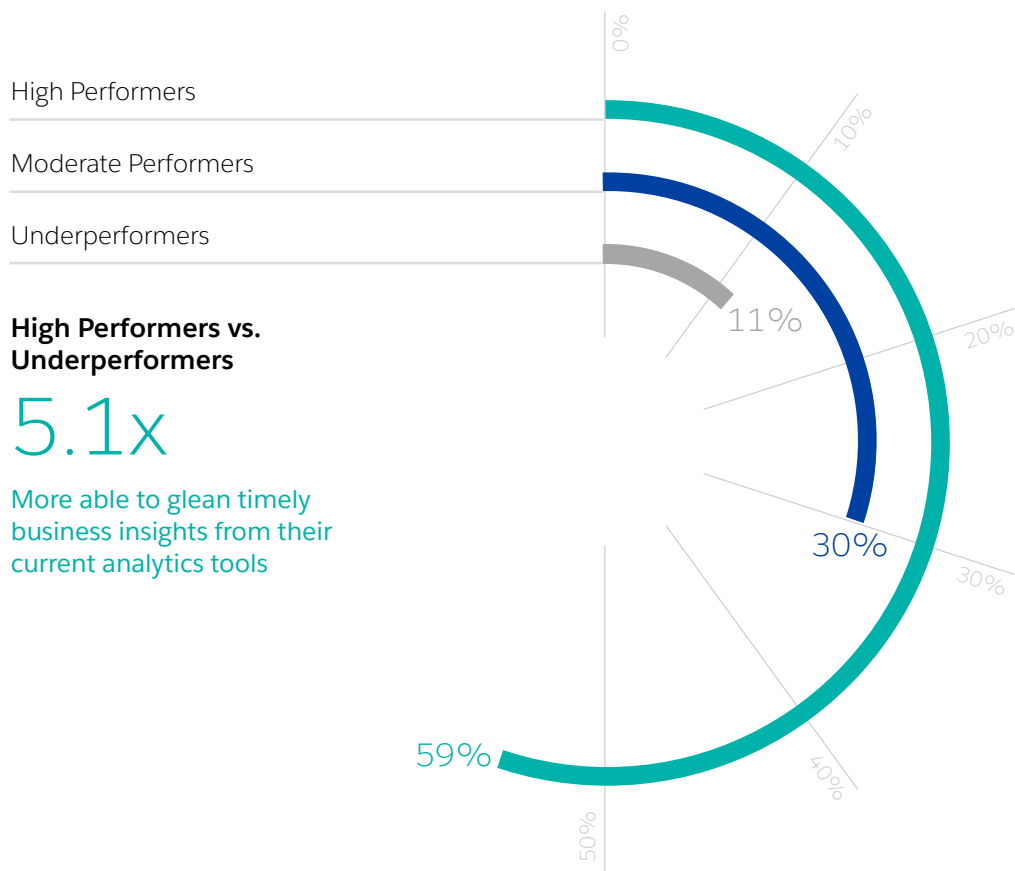
03 The Era of Real-Time Analytics Begins

As the pace of business continues to escalate, business leaders increasingly feel the need for agility and real-time decision-making. The challenge lies in ensuring decisions are timely, while also based on data and not just gut instinct.

This new era of analytics demands that data is instantly available. High-performing business leaders value timeliness of their analytics tools, with 59% strongly agreeing that they're able to derive timely insights.

Top Teams Get Timely Insights from Analytics

High performers are 5.1x more able than underperformers to glean timely business insights from their current analytics tools. Here we see the percentage of business leaders who strongly agree with this statement, divided by performance level.



High Performers vs. Underperformers

5.1x

More able to glean timely business insights from their current analytics tools

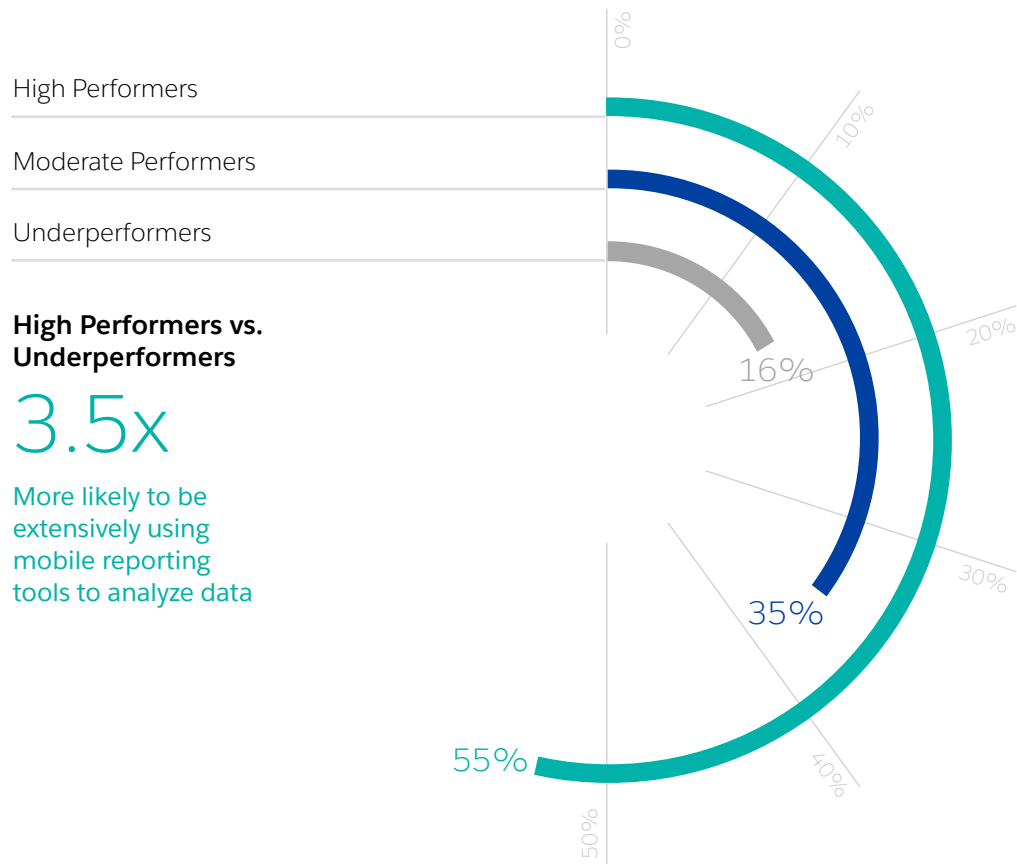
03 The Era of Real-Time Analytics Begins

To meet the demands of today's high-performing teams, analytics must be accessible in order to give teams the tools they need to actually see and use the data.

As we've seen in our other 2015 research, the shift to mobile has impacted broad areas of business already, from marketing to sales to customer service. Across the board, it's clear that the trend toward mobile, real-time access to data is more important than ever.

Top Teams Tap into Mobile Analytics

High performers are 3.5x more likely than underperformers to extensively use mobile reporting tools to analyze data wherever they are.



High Performers vs. Underperformers

3.5x

More likely to be extensively using mobile reporting tools to analyze data

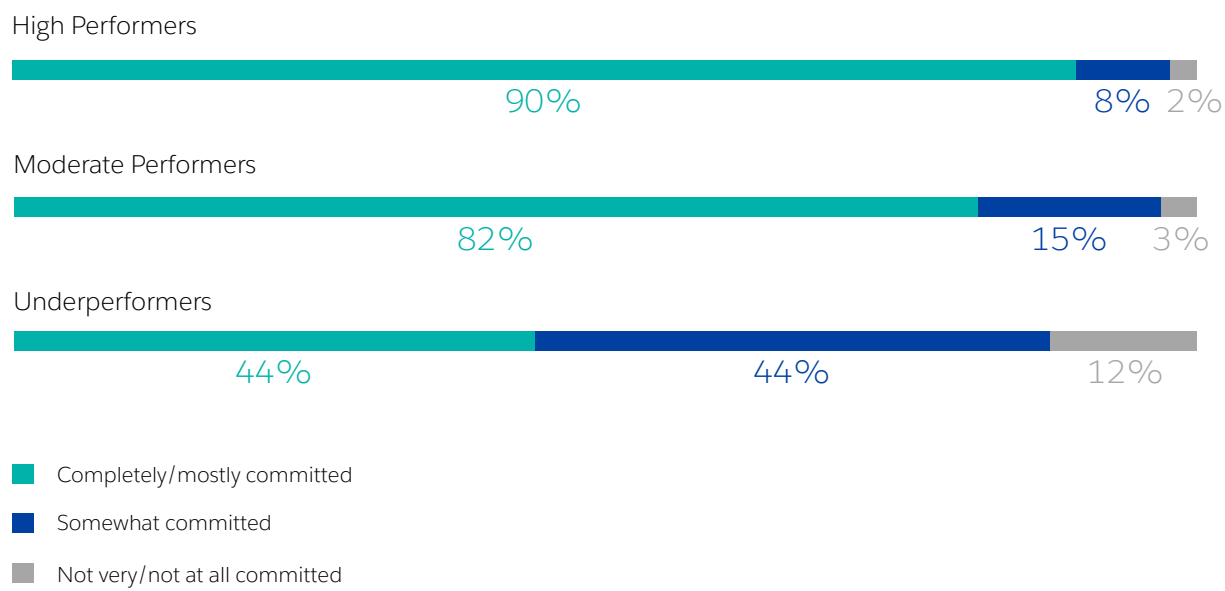
04 | High Performers Embrace a Culture of Analytics

Highly successful companies are building a culture of analytics where information is instantly accessible from the boardroom to the front lines.

At top organizations, this mindset is embraced at all levels. **Ninety percent of high performers say their executive team is committed to the success of analytics tools** and technologies to help drive overall business strategy and improve operational outcomes.

Top Teams Have Complete Executive Buy-In on Analytics

Among high performers, 90% say their executive team is committed to the success of analytics tools and technologies to help drive overall business strategy and improve operational outcomes.



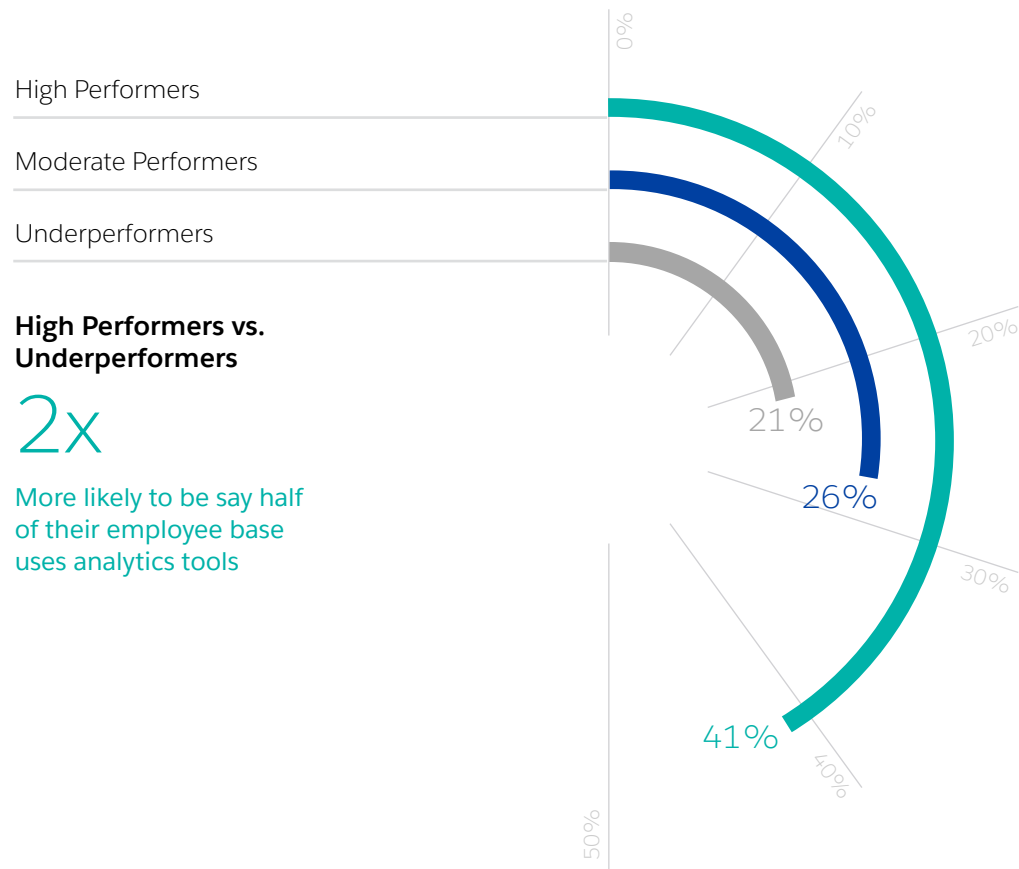
04 | High Performers Embrace a Culture of Analytics

As access to analytics tools expands throughout organizations, the average business user gets better visibility into data and key insights.

High performers ensure that analytics tools are put in the hands of more employees across many departments. Democratizing analytics across an organization reflects a commitment to data-driven decision making in a company.

Top Teams Are Broadly Adopting Analytics for the Everyday Business User

High-performing companies are 2x more likely than underperformers to say at least half of their employee base uses analytics tools. Putting analytics tools into the hands of many reflects a deep commitment to analytics across the organization.



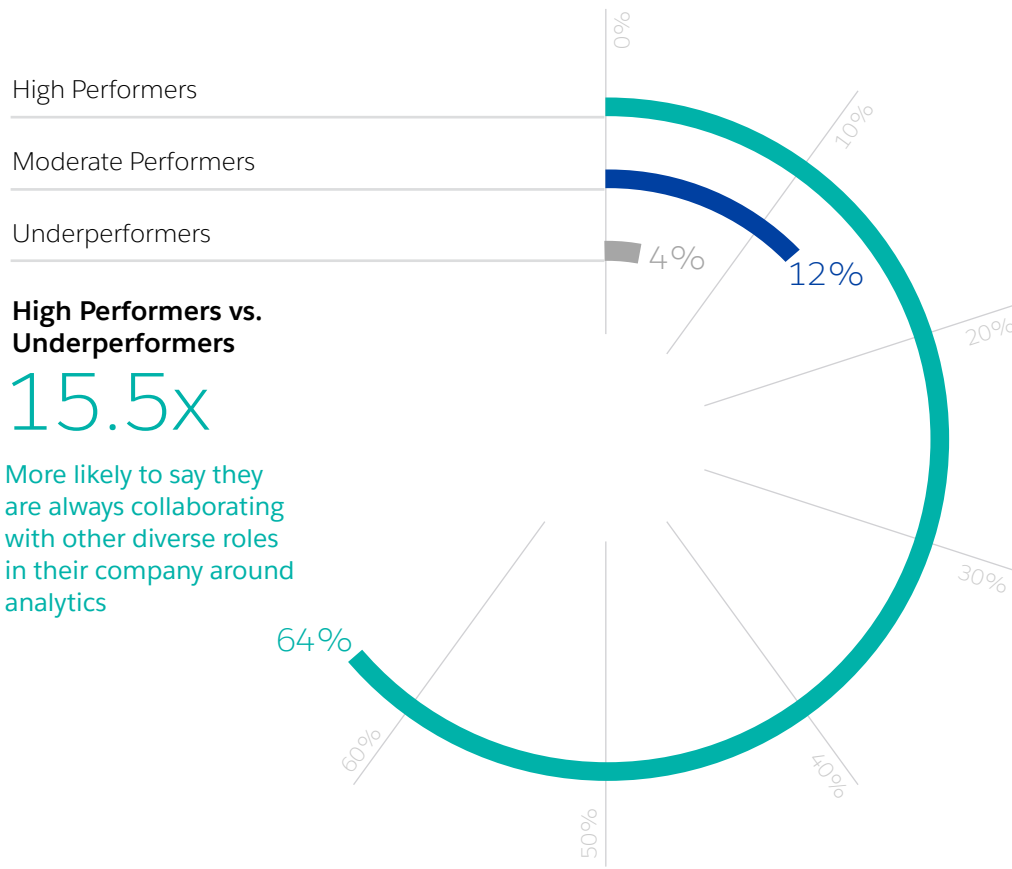
High Performers vs. Underperformers

2x

More likely to be say half of their employee base uses analytics tools

High Performers Collaborate Around Analytics

High performers are 15.5x more likely than underperformers to say they are always collaborating with other diverse roles in their company to gather, organize, and make use of insights gleaned from analytics tools. Ninety-four percent of high performers say they're always or very often collaborating around analytics.



High Performers vs. Underperformers

15.5x

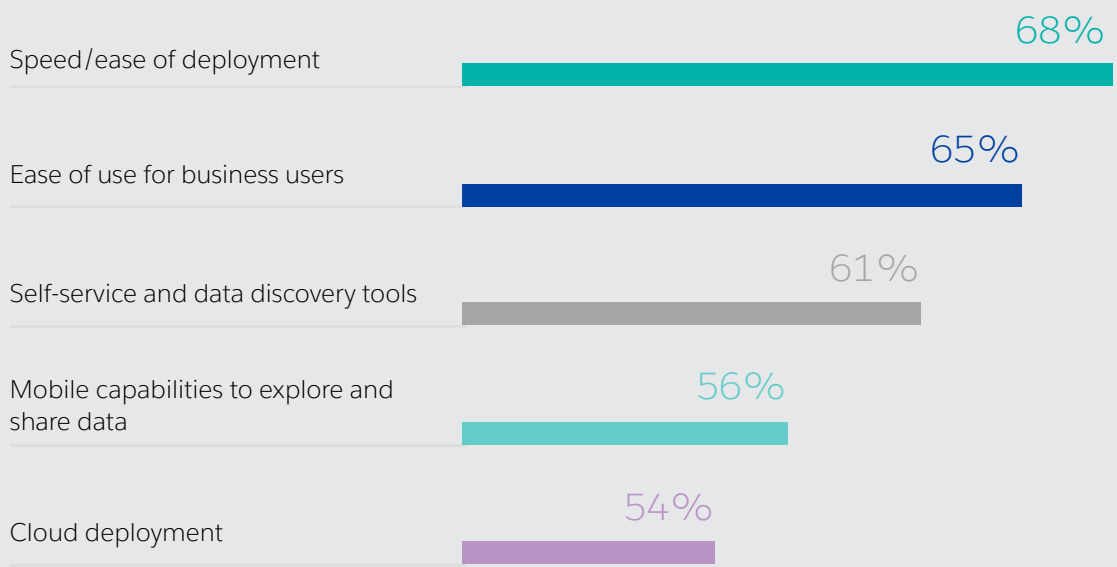
More likely to say they are always collaborating with other diverse roles in their company around analytics

SPOTLIGHT

Speed and Ease of Use are Top Factors in Choosing Analytics Tools

Many factors go into the decision about which analytics tool to use, but the value of timely tools packs the biggest punch. Speed of deployment, ease of use, self-service, and mobile capabilities all add up to faster answers from analytics tools.

High performers are 4.8x more likely than underperformers to say that mobile capabilities to explore and share data are absolutely critical when selecting an analytics tool. Here we see business leaders who agree that these factors are absolutely critical or very important when selecting analytics tools.



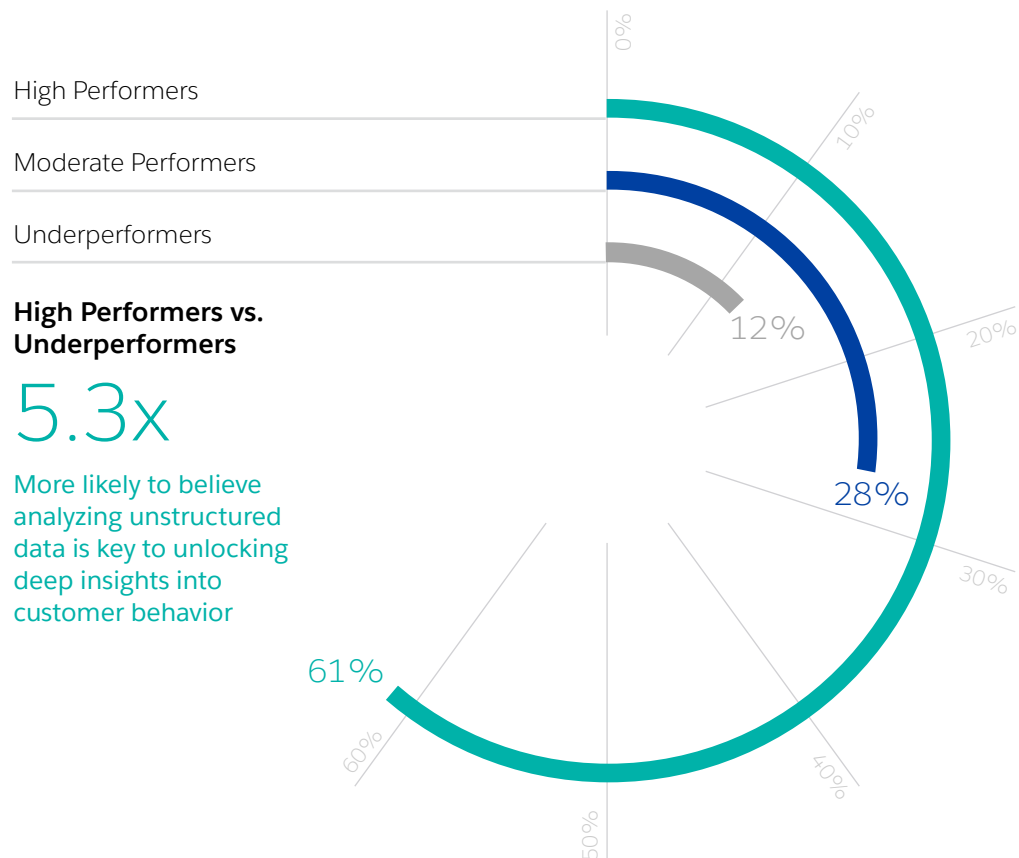
What's Next: Unlocking Analytics' Potential

As seen throughout this research, high performers are already the biggest adopters of analytics, yet they still see how increased usage will add huge benefits. As the number of actively analyzed data sources continues to grow – rising 83% by 2020 – top teams see associated benefits increasing along a similar trajectory. Ninety-two percent of high performers strongly agree that harnessing the power of analytics is strategic to future success.

Also among high performers, 76% strongly agree that their company primarily uses analytics tools to gain strategic insights from big data.

Analyzing Unstructured Data Will Unlock Customer Insights

High performers are 5.3x more likely than underperformers to believe analyzing unstructured data will be key to unlocking deep insights into customer behavior. Here we see the percentage of business leaders who strongly agree that analyzing unstructured data will be key to unlocking deep customer behavior insights.



High Performers vs. Underperformers

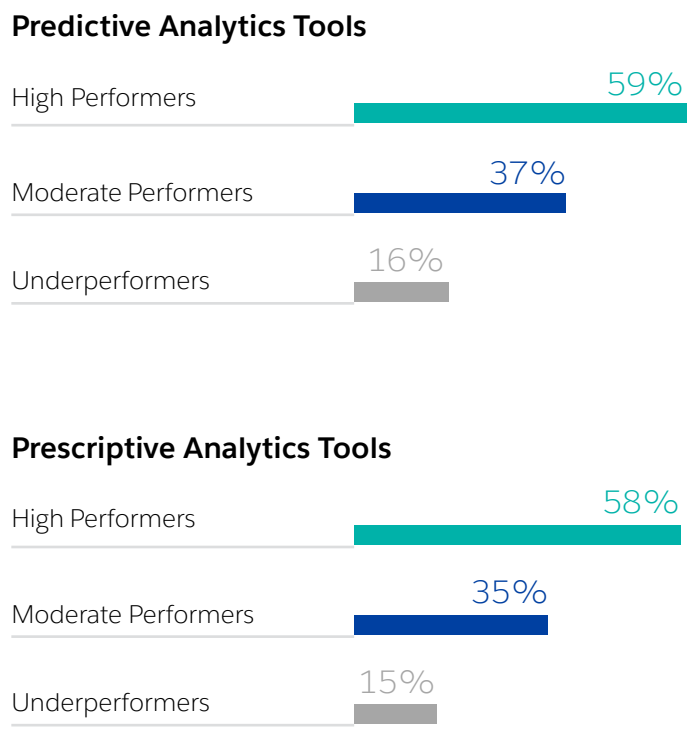
5.3x

More likely to believe analyzing unstructured data is key to unlocking deep insights into customer behavior

The state of analytics is ever changing. New technologies are emerging to help companies understand and act on the constant flood of new data. High performers are ahead of the curve when it comes to testing the waters with emerging tech in order to get the most out of their data. Over half of high performers have started using up and coming technologies like predictive and prescriptive analytics.

High Performers Are Early Adopters of Emerging Analytics Tools

High performers are starting to use prescriptive and predictive analytics tools significantly more than underperformers.



Last Look: The Path to Becoming an Analytics High Performer

Drive Smarter Strategy

High performers are 8.2x more likely than underperformers to say analytics is absolutely critical to driving the company's overall business strategy and improving operational outcomes.

Broaden Your View of Analytics Use Cases

High performers are 3x more likely than underperformers to glean value via analytics in 10 or more disciplines or use cases.

Create an Analytics Culture

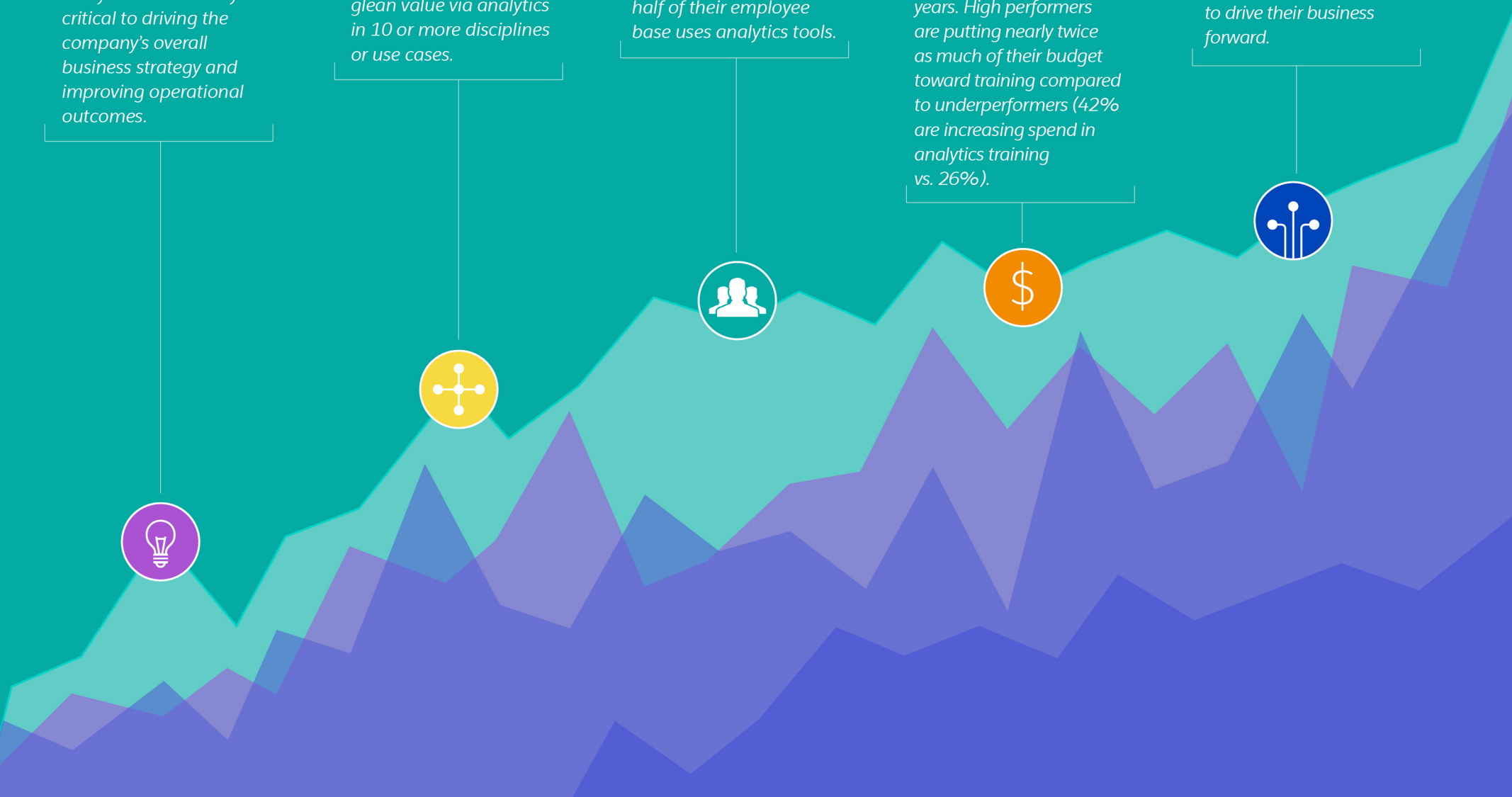
High-performing companies are 2x more likely than underperformers to say half of their employee base uses analytics tools.

Invest in Analytics

Seventy-five percent of high performers will increase their total analytics spend over the next two years. High performers are putting nearly twice as much of their budget toward training compared to underperformers (42% are increasing spend in analytics training vs. 26%).

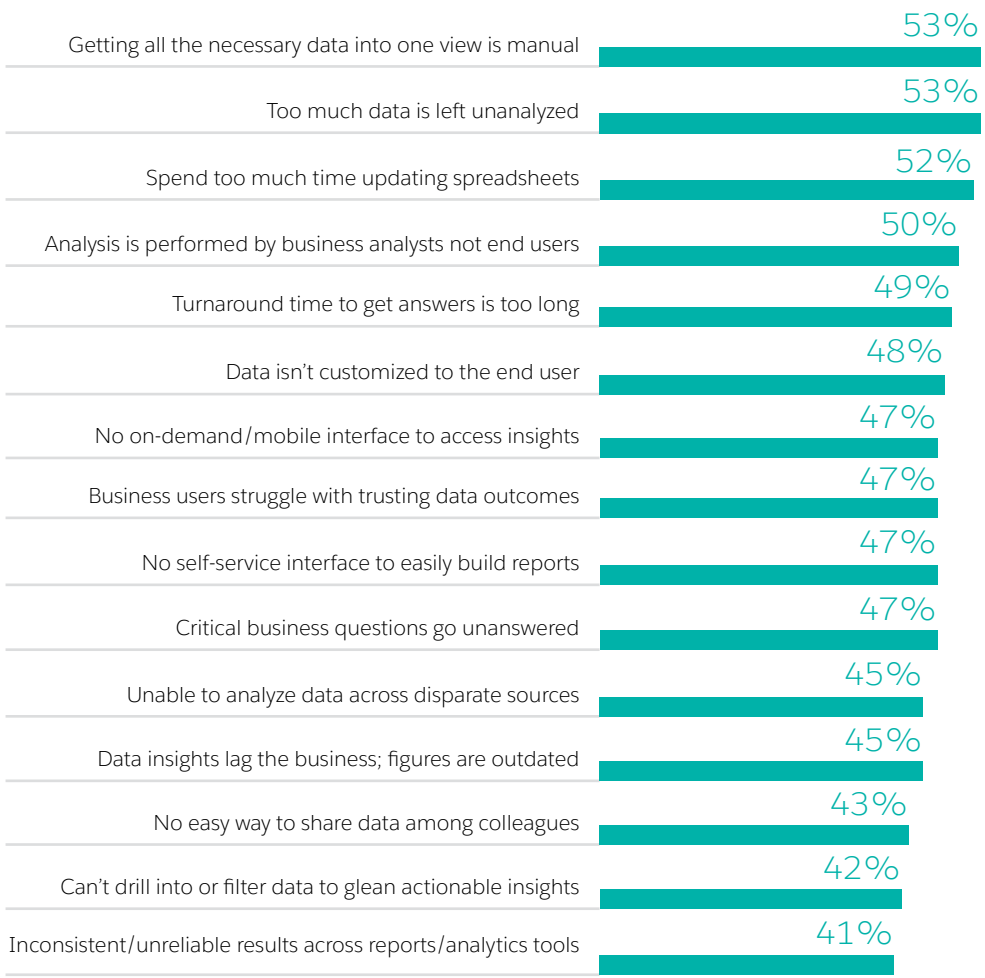
Embrace Emerging Tech

High performers more actively leverage emerging analytics tech than underperformers to drive their business forward.



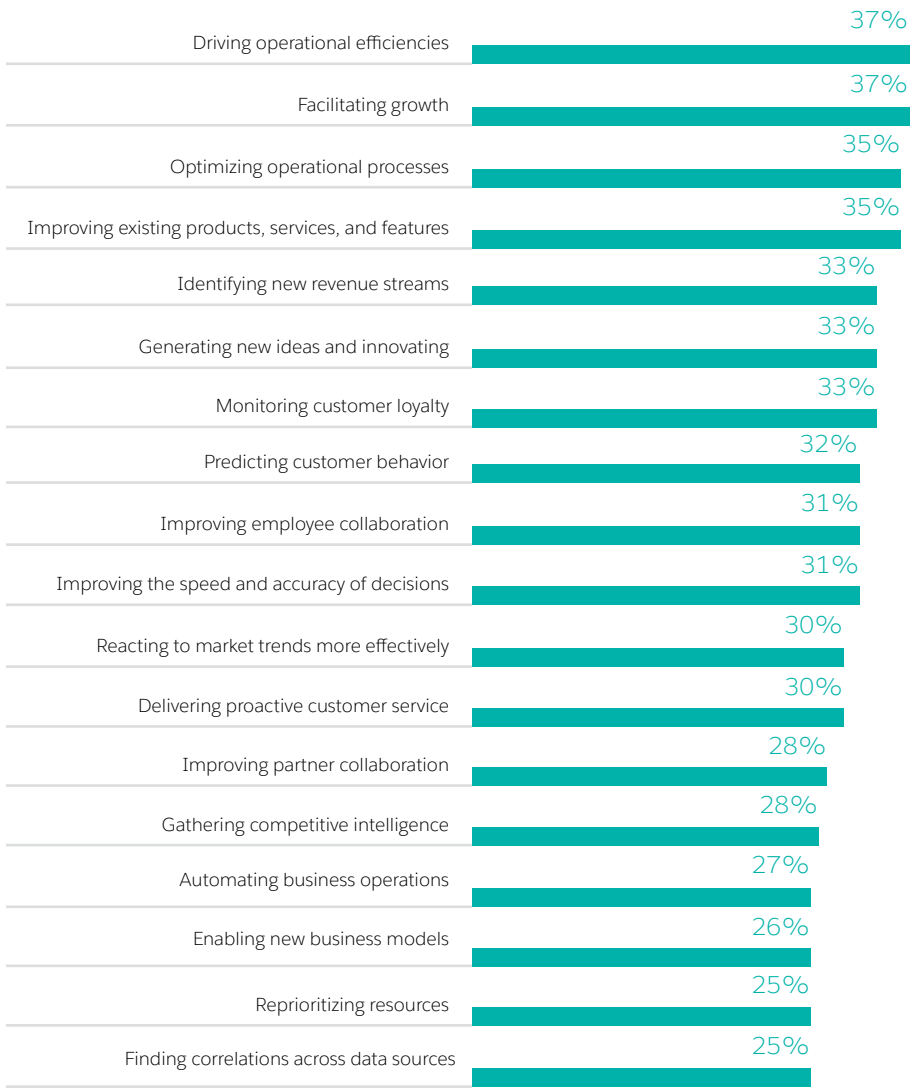
Appendix A: Growth and Challenges

Manual processes top the charts for the analytics pain points. *Challenges around analytics for today's business users often involve time constraints and a lack of automation.*



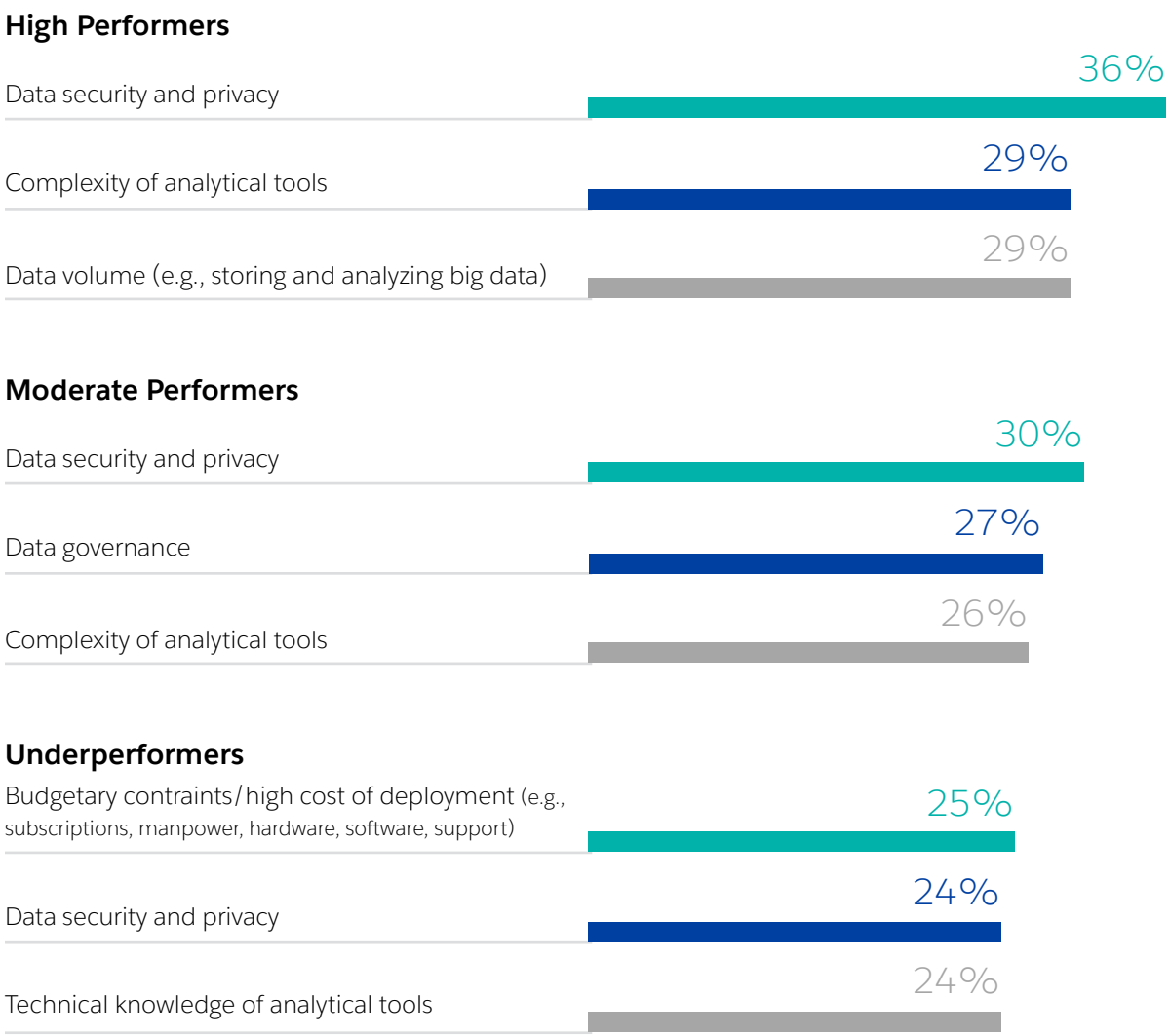
Appendix A: Growth and Challenges

Analytics adds value to a wide range of business disciplines. *Here we see the full list of use cases for analytics today.*



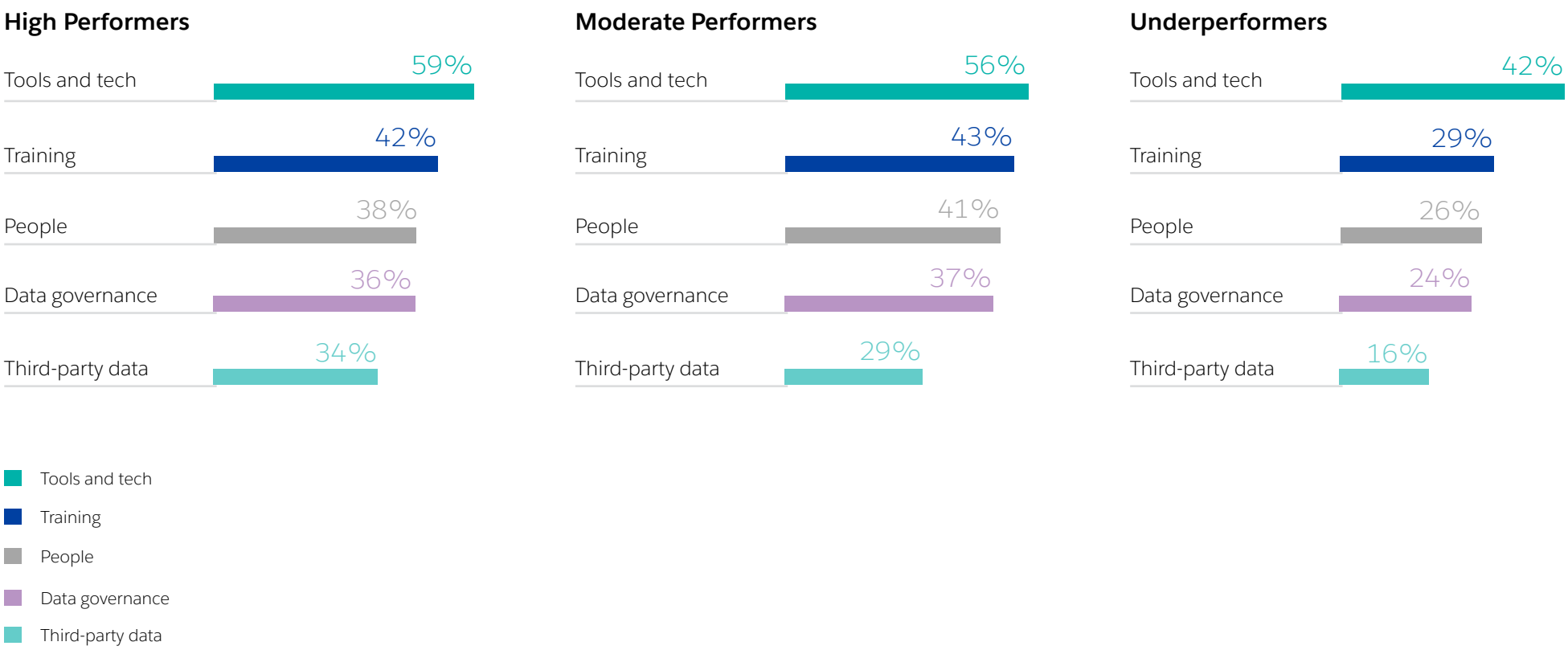
Appendix A: Growth and Challenges

Data security and privacy remain a top priority. *Here we see the top priorities for analytics across an organization, divided by performance level.*



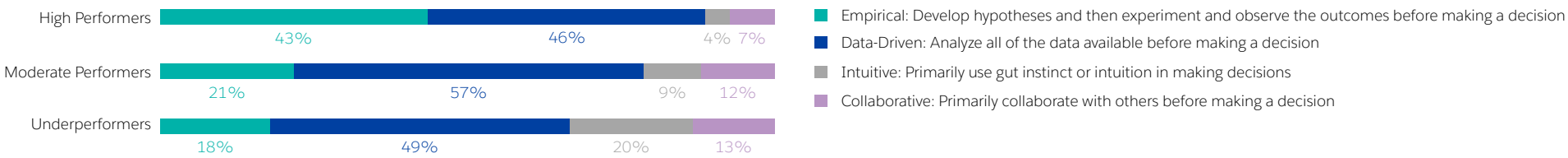
Appendix B: Business Strategy

Tools and tech take the lion's share of analytics budget. *Here we see the breakdown of analytics spending, split by performance level.*

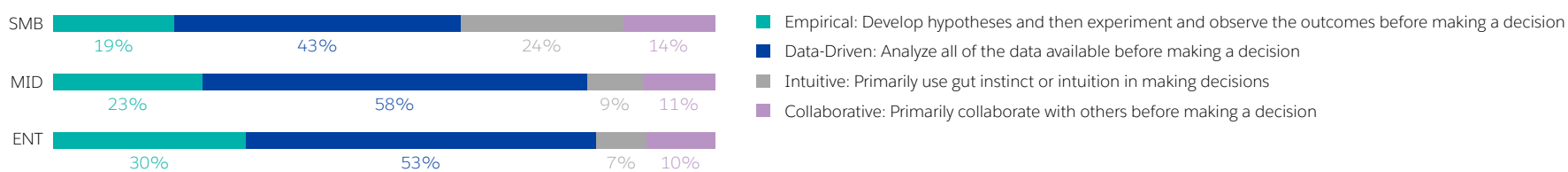


Appendix B: Business Strategy

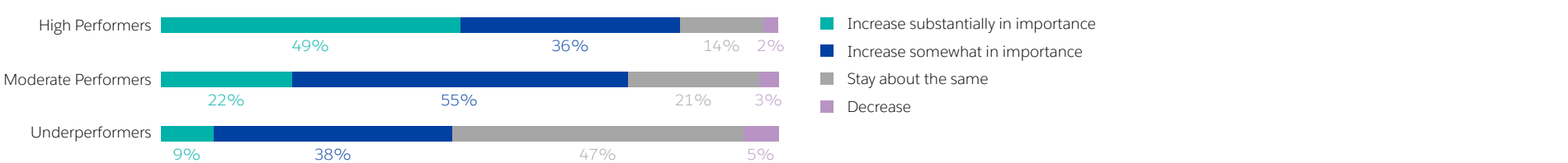
High performers are more likely to make decisions empirically. *Here we see how business leaders describe their organization's decision-making process, divided by performance level.*



SMB companies are more likely to make decisions based on intuition. *Here we see how business leaders describe their organization's decision-making process, divided by company size.*

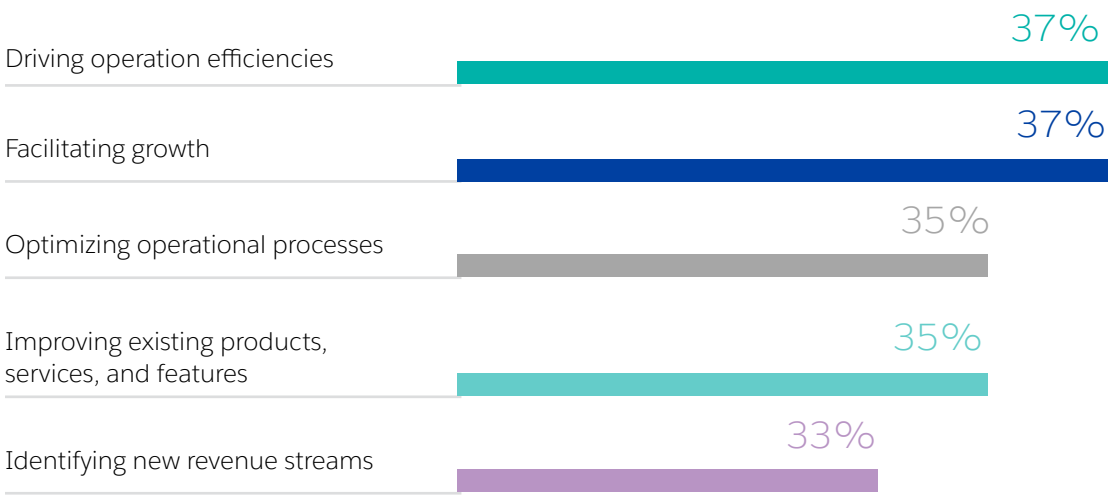


High performers are 5.5x more likely than underperformers to say the importance of analytics will increase substantially in the next two years. *Here's how the role of analytics will change for organizations at each performance level in the next two years.*



Appendix C: Use Cases Expand

Analytics tools are heavily used to drive operational efficiencies. *Here's how business leaders are deriving value from analytics tools.*



Top teams use analytics to facilitate growth. *Here are the top ways that business leaders at all performance levels are using analytics tools to derive value.*

High Performers

1. Facilitating growth
2. Improving existing products, services, and features
3. Identifying new revenue streams

Moderate Performers

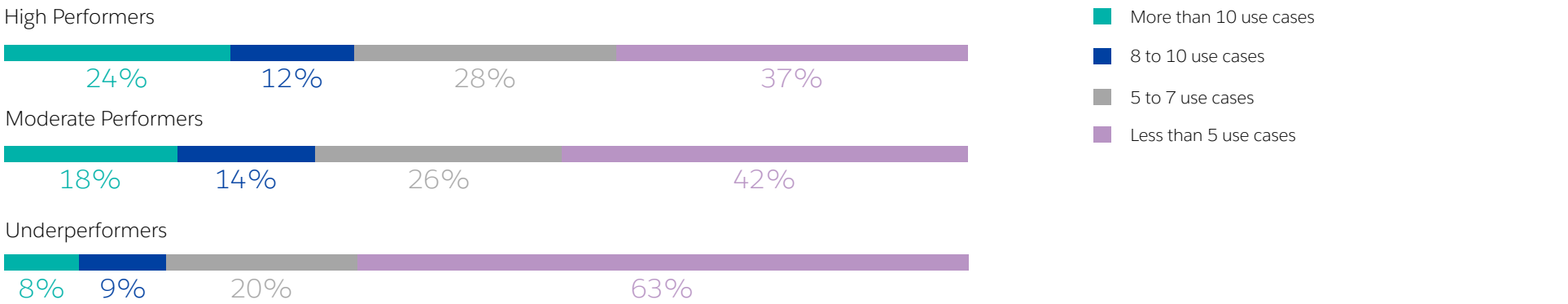
1. Facilitating growth
2. Monitoring customer loyalty
3. Driving operational efficiencies

Underperformers

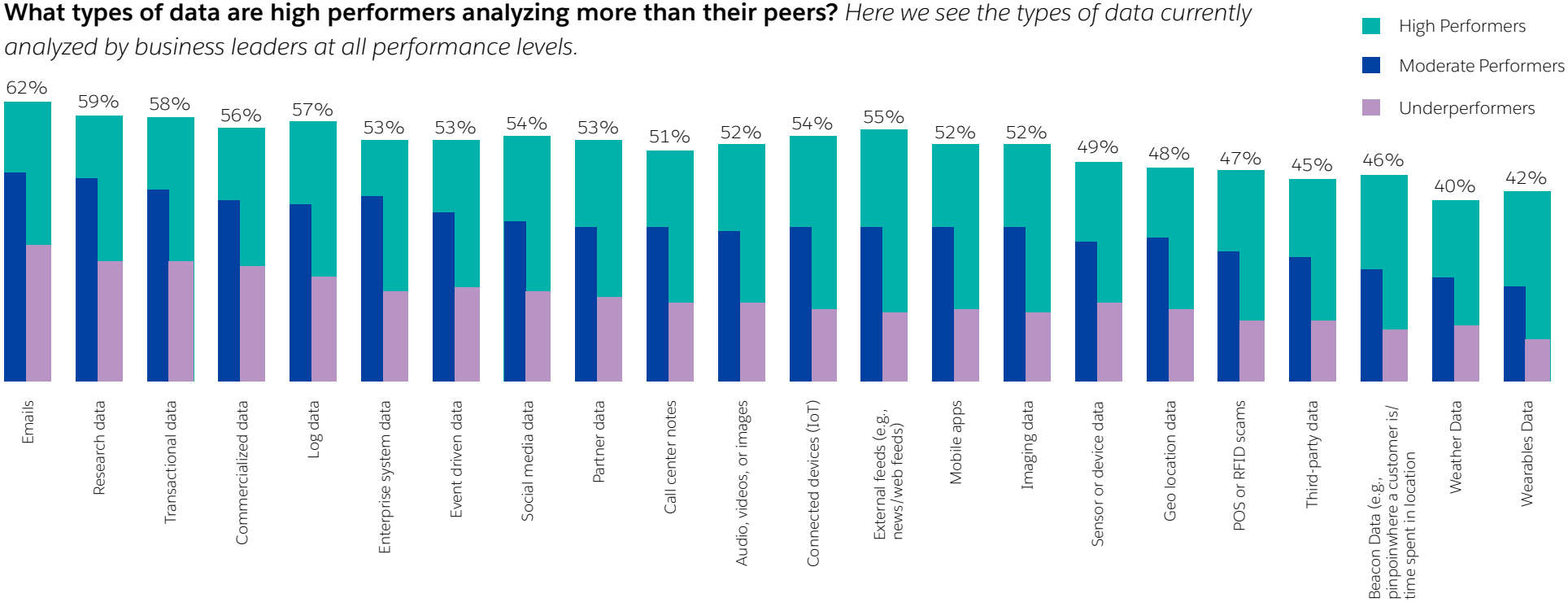
1. Driving operational efficiencies
2. Optimizing operational processes
3. Improving existing products, services, and features

Appendix C: Use Cases Expand

High performers are 3x more likely to be deriving value from analytics in more than 10 different use cases. *Here we see the number of use cases through which business leaders are adding value to the business.*

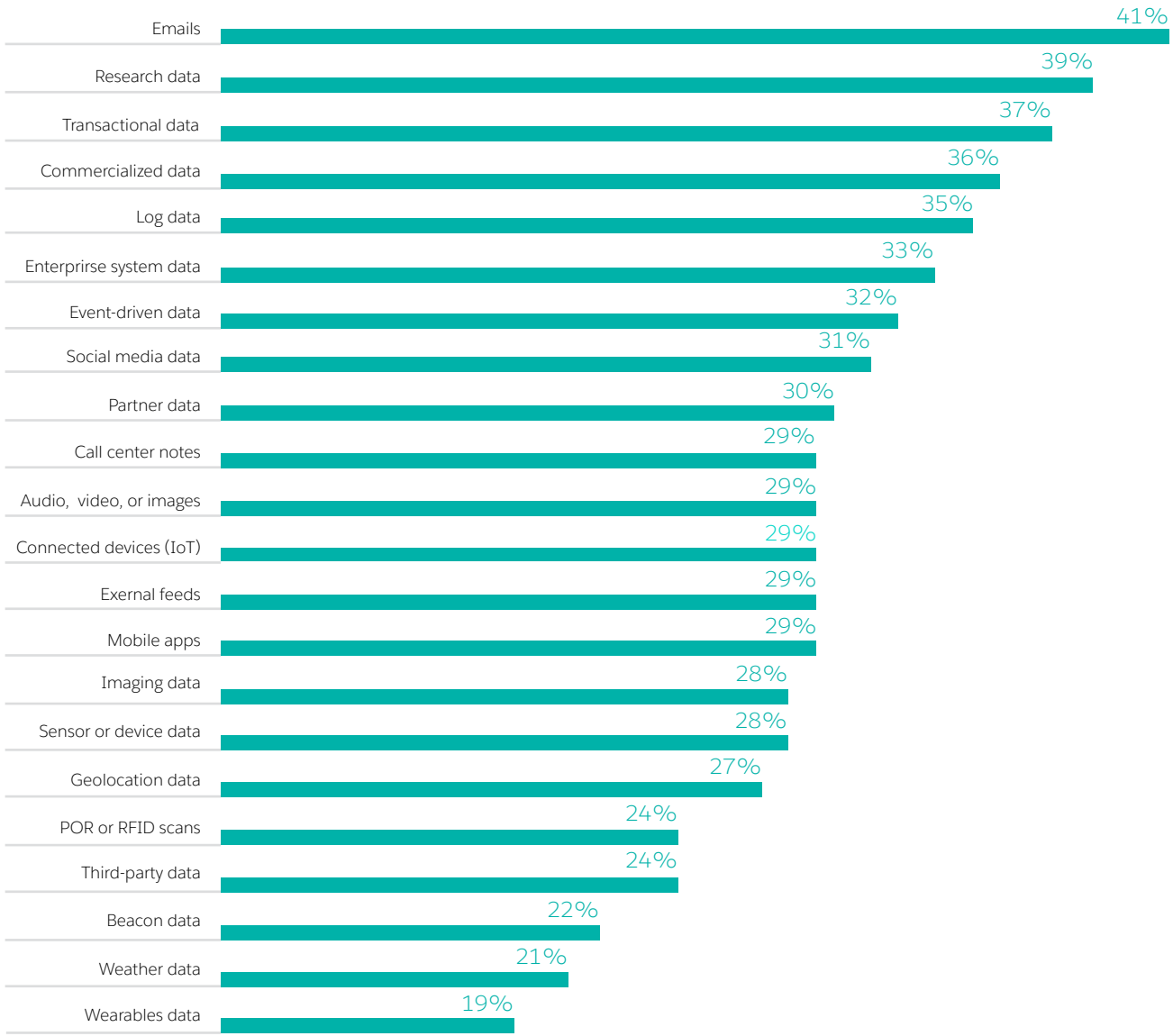


What types of data are high performers analyzing more than their peers? *Here we see the types of data currently analyzed by business leaders at all performance levels.*



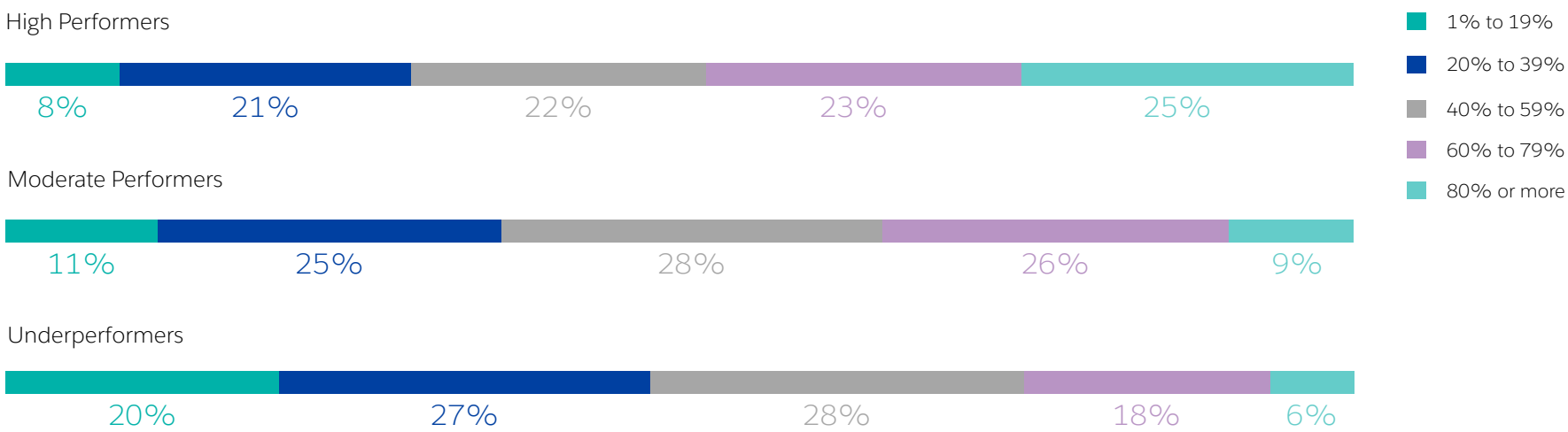
Appendix C: Use Cases Expand

Data types most commonly analyzed. *Business users are analyzing more and more different types of data from a wide variety of sources.*



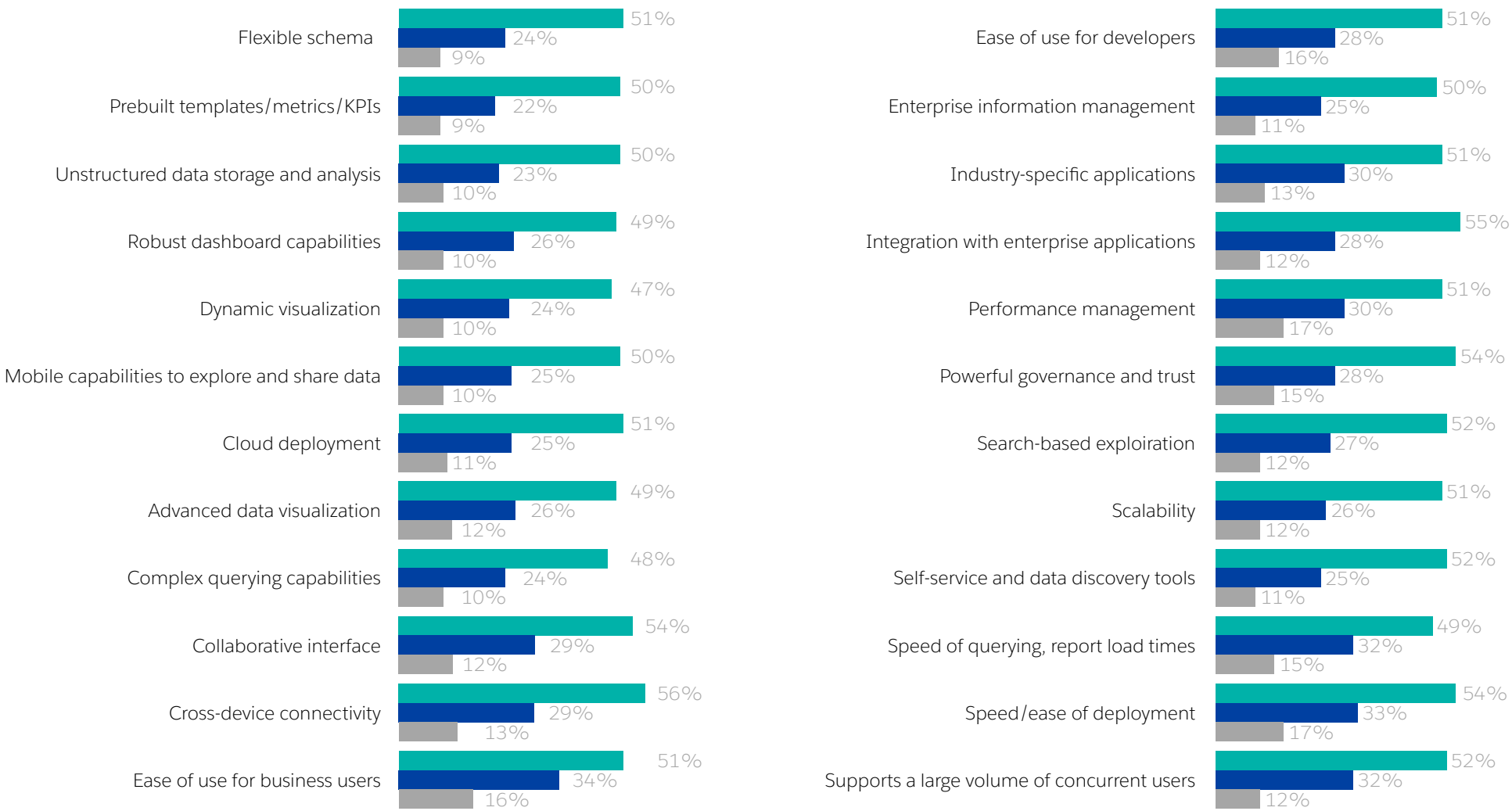
Appendix D: Real-Time Analysis

High performers are 3.9x more likely to have over 80% of their company's data available for users to make decisions in real time or near real time. *Here we see the percentage of the company's data that business leaders say is available.*



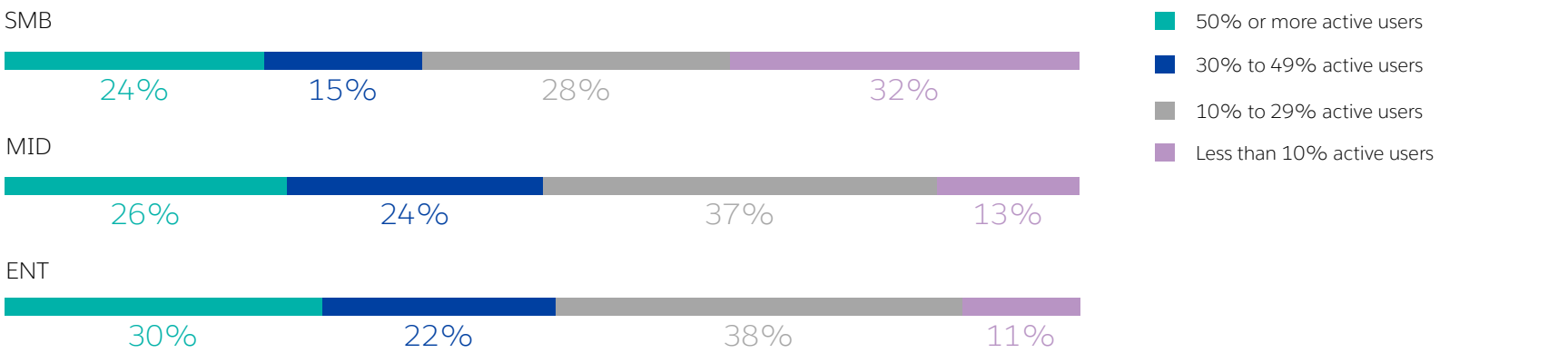
Appendix D: Real-Time Analysis

Cross-device connectivity in analytics tools matters most to high performers. *Here we see the percentage of business leaders who rate capabilities as absolutely critical when selecting an analytics tools, split by performance level.*

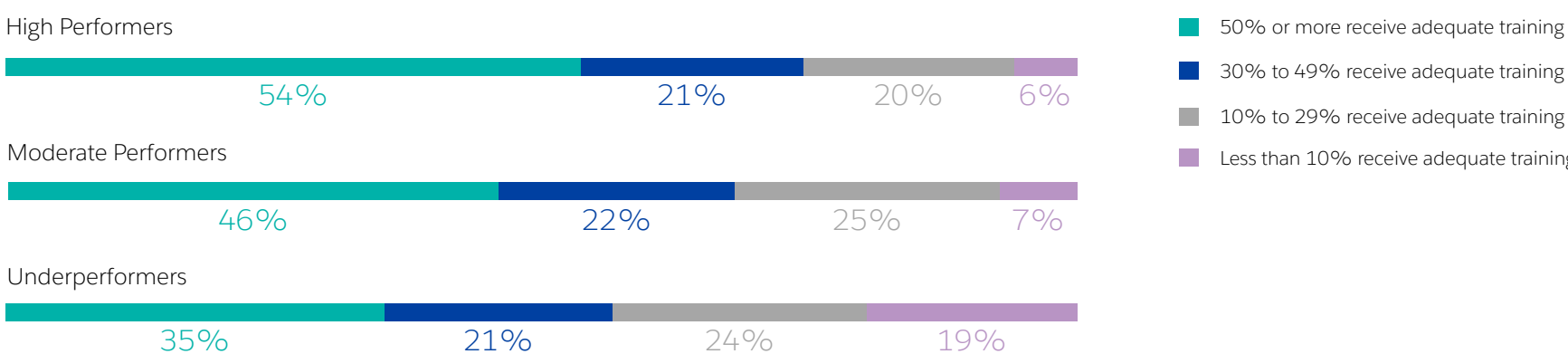


Appendix E: Culture of Analytics

Enterprise companies have more employees actively using analytics tools. *Here we see the percentage of employees who are active users of analytics tools, split by company size.*

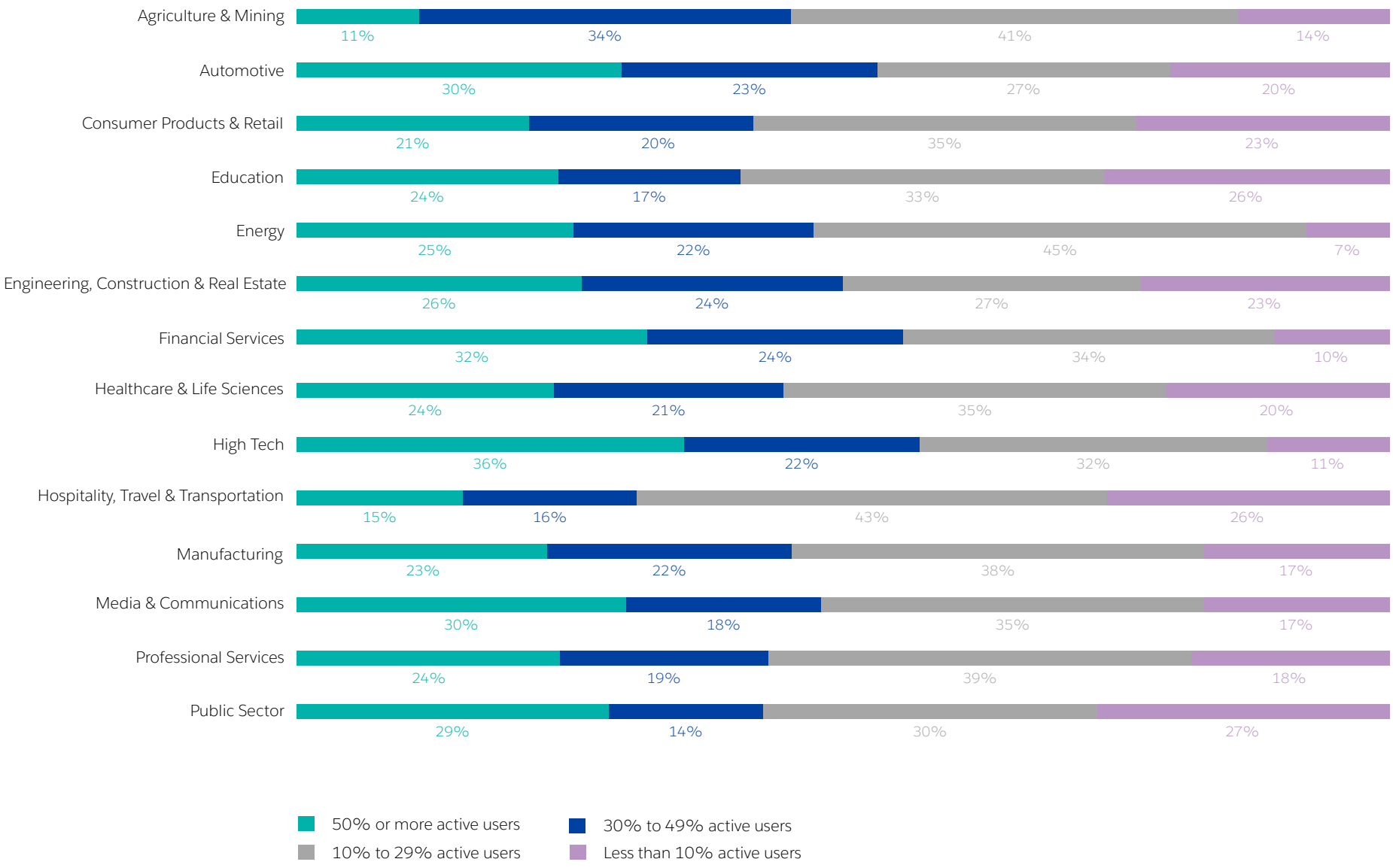


Underperformers struggle to provide adequate training and resources to analytics users. *Sixty-five percent of underperformers say that half their analytics users have inadequate training and resources. Here we see the percentage of analytics users who have adequate training and resources to be successful, split by performance level.*

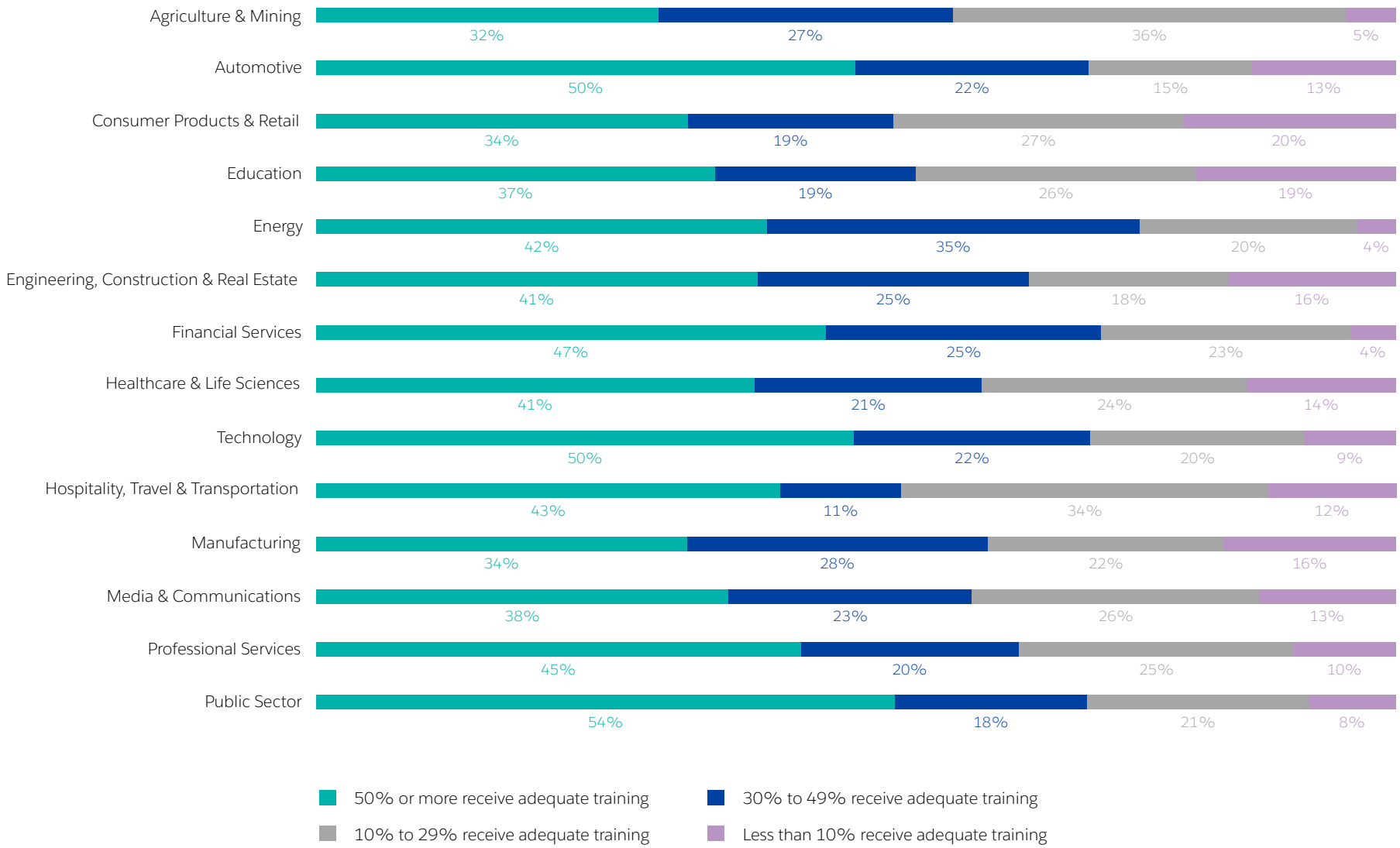


Appendix E: Culture of Analytics

Technology and financial services companies lead the pack in analytics adoption across the broader organization. *Thirty-six percent of high-tech companies and 32% of financial services companies say at least half of their employee base uses analytics tools.*

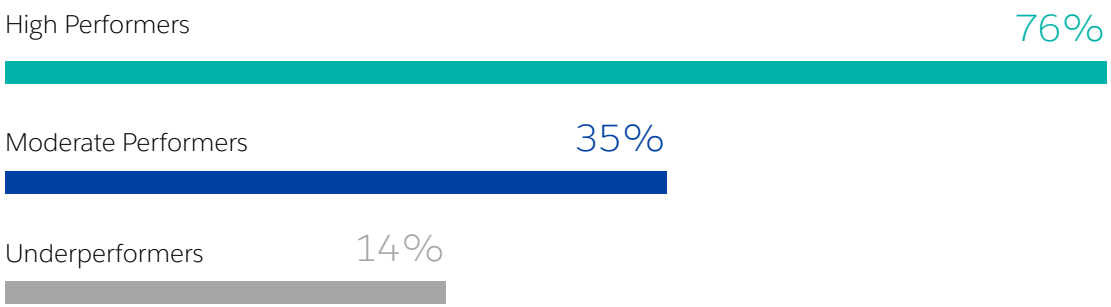


Public sector organizations (54%) and technology companies (50%) lead the way in providing adequate training and resources to their analytics users. *Here we see the percentage of analytics users, by industry, who have adequate training and resources to be successful.*

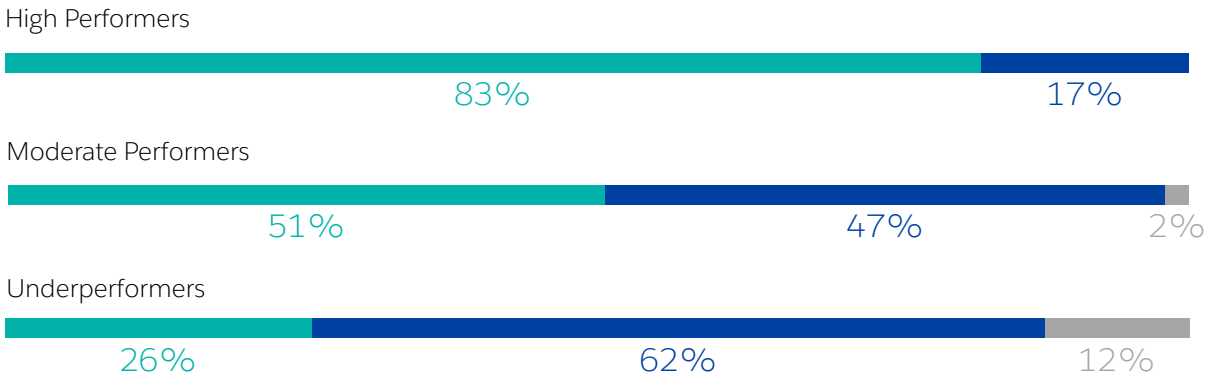


Appendix F: Unlocking Analytics' Potential

High performers are 5.4x more likely than underperformers to primarily use analytics tools to gain strategic insights from big data. *Here we see the percentage of business leaders, split by performance level, strongly agreeing that their company primarily uses analytics tools to gain strategic insights from big data.*



Top teams excel at managing big data. *High performers are 3.1x more likely than underperformers to be confident in their ability to manage data from internal systems, customers, and third parties.*



- Confident: My company excels at managing big data using a rigorous system of standards and data management practices to integrate data across the organization
- Room for Improvement: My company does an average job of managing big data, but could employ more stringent standards and data management practices to integrate data across the organization
- Overwhelmed: My company struggles to manage big data with few standards and data management practices that integrate data across the organization

salesforce.com/research