

# 2022 DIGITAL GOVERNANCE REPORT

*ObservePOINT*



# INTRODUCTION

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After a tumultuous couple of years with virtual and digital adaptations, as well as rapid changes in tracking technology and privacy regulation enforcement, we wanted to understand how organizations are adjusting to a dynamic digital landscape and what priorities they're enacting around how they gather and monitor data.

- Are companies worried about the deprecation of third-party cookies?
- Have they been making headway in terms of privacy regulations?
- What's changed over the last few years in terms of the way companies handle digital governance?

ObservePoint set out to answer these questions and more in a recent survey targeted to professionals in the digital marketing, analytics, and privacy industries.

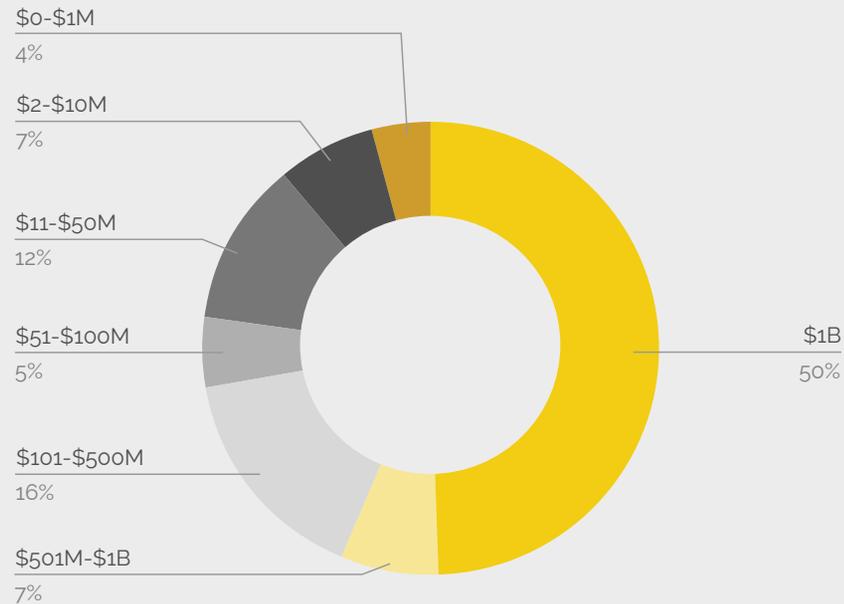
This report highlights what we found.



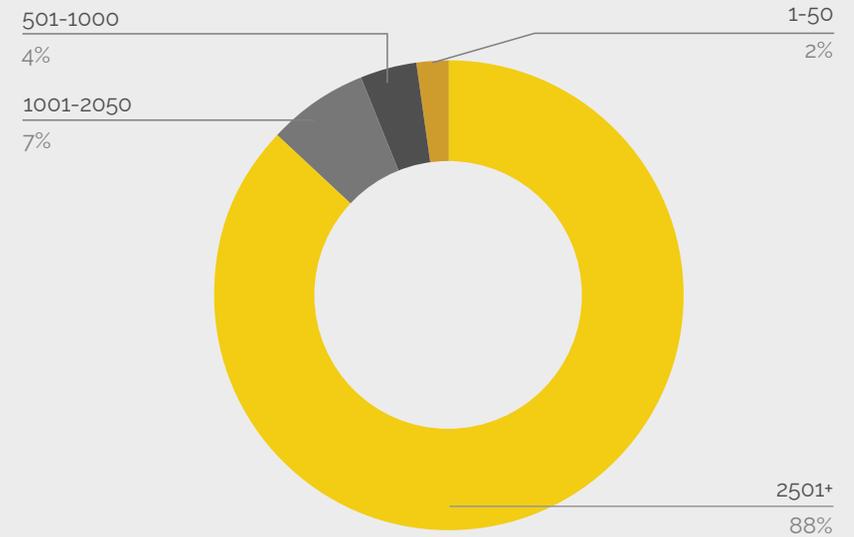
# Company Profiles

Of the participants surveyed, the majority worked for enterprise-level companies. 50% worked at organizations with over \$1 billion in revenue, and 88% had more than 2,500 employees.

### Annual Revenue



### Number of Employees



The industries of our respondents varied greatly, but the top five industries (making up 42.3%\* of the total) were:

1. Software
2. Business Services
3. Retail
4. Insurance
5. Manufacturing

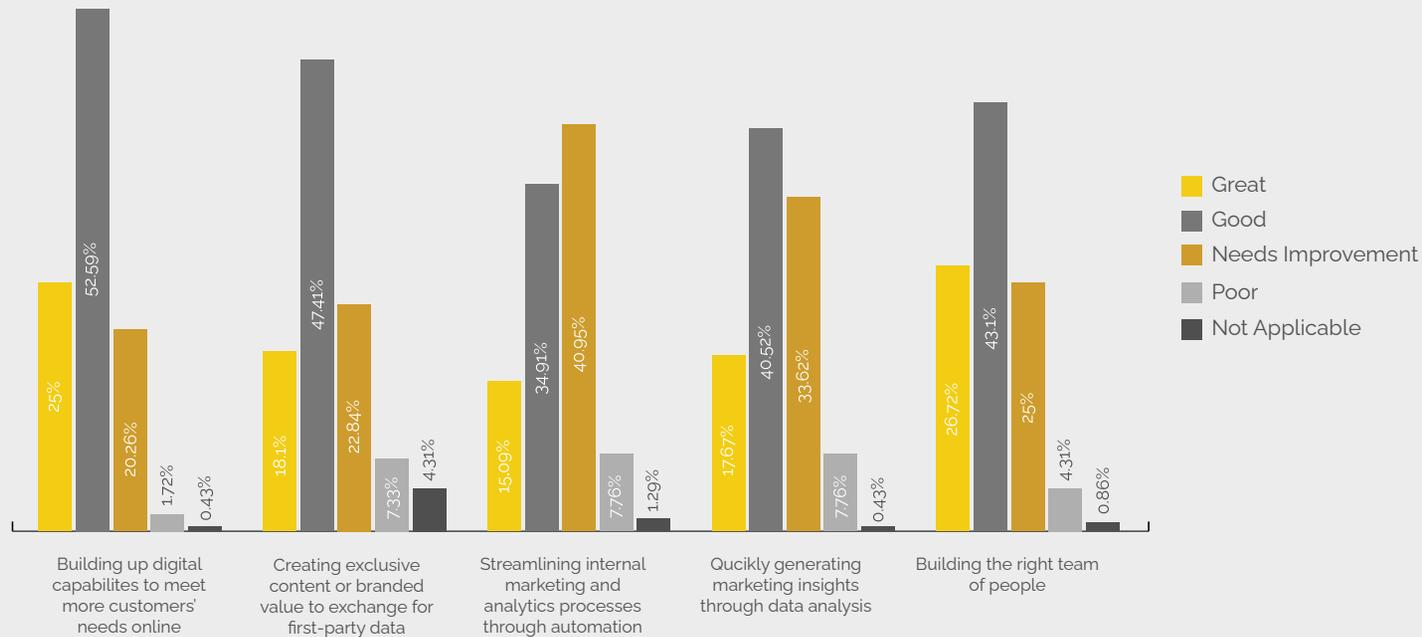


83% of the respondents who provided country data resided in the United States.

\*13% of respondents did not provide industry information

# Company Performance in Key Areas

We asked respondents to think about the last year and rate how their company was performing in the following areas:



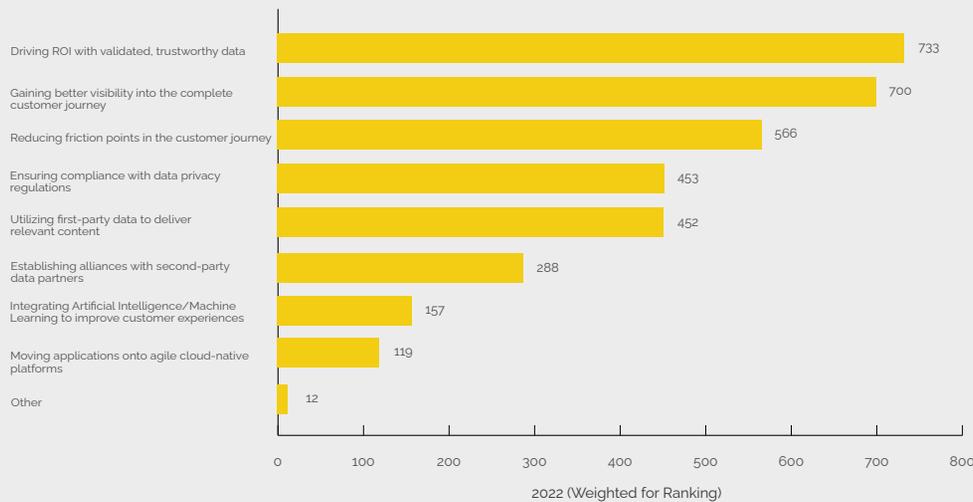
Most respondents thought their company was doing a good job at building up their digital capabilities to meet more customers' needs, creating exclusive content to exchange for first-party data, and having the right staff. Their organizations most needed improvement in streamlining their marketing and analytics processes and quickly generating insights through data analysis. So, more automation is needed to get faster results through analysis.

The good news is that automating testing processes to validate data for quality insights is the bread and butter of the ObservePoint Platform.

# Priorities to Stay Competitive

We asked respondents to rank the most important digital governance priorities to stay competitive in 2022 from 1 to 7. The most important thing for the majority of respondents is driving and delivering better ROI. The reason you want better data and digital governance is so that you can deliver better customer experiences. And ultimately, you want to deliver better customer experiences in order to drive more ROI.

Which of the following digital data and governance priorities are most important to stay competitive in 2022?



Whether through more trustworthy data, better insights, less friction through the customer journey, or better content, it seems that all efforts need to positively affect the bottom line.

Over 50% of the responses cited privacy compliance as a priority, making it the fourth most important area. It's encouraging news that the industry is paying attention to privacy compliance and understanding that large fines need to be avoided to keep your reputation intact and your revenue flowing.

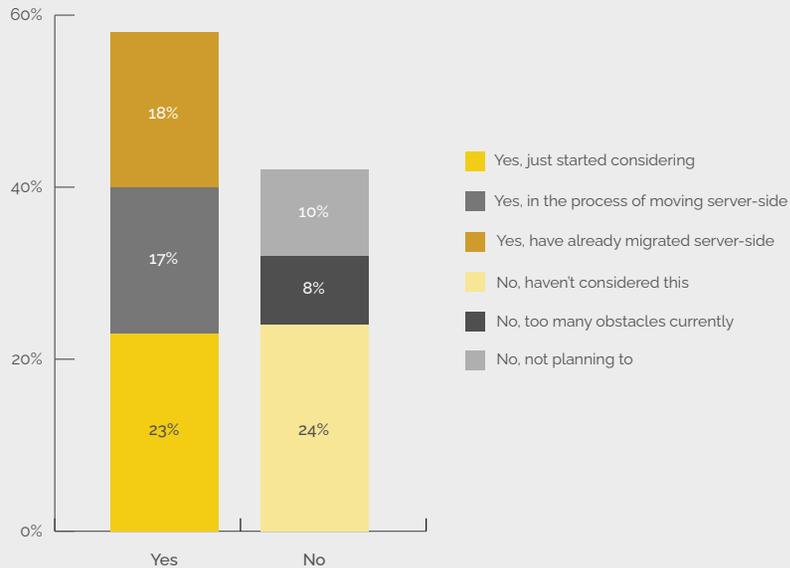
ObservePoint's Technology Governance and Campaign Performance solutions give you the insights you need to understand the customer journey, while Privacy Compliance helps you watch out for privacy concerns like unmonitored or unauthorized data collection.

# Moving Server-Side or Not

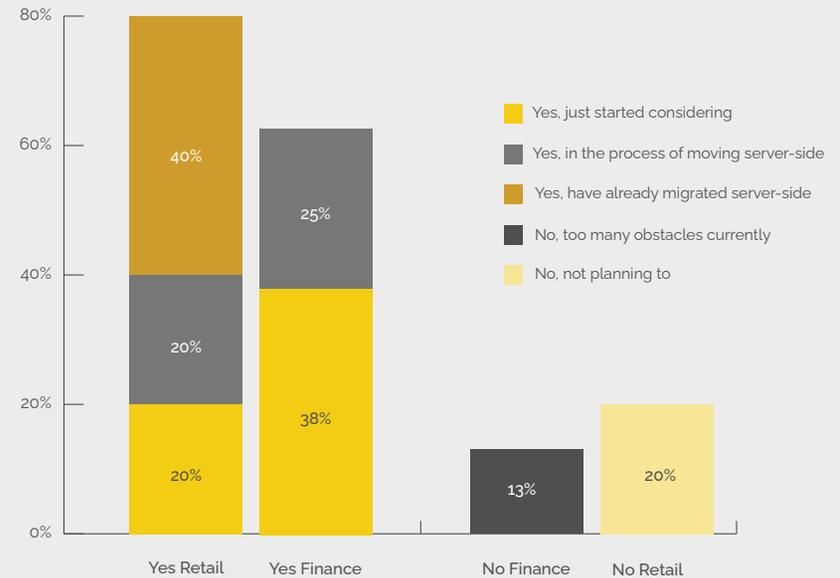
When asked whether respondents were moving their marketing and/or analytics technologies server-side, and at what stage of the process they're in, 58% said they were in some stage of the process and the other 42% said they were not.

When we isolated by industry, it was interesting to note that retailers have moved more quickly to server-side than financial services; however, more retailers are planning not to move at all. Financial institutions might be planning to move but can't move as quickly.

Has your organization considered moving any of your digital marketing and/or analytics technologies server-side?



Retail/Consumer Goods v. Finance/Banking



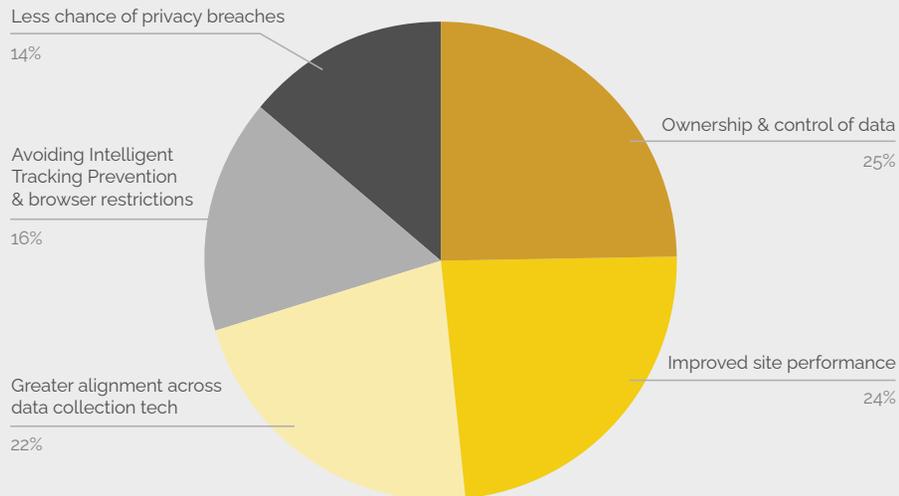
# If “Yes” Moving Server-Side, Why?

To the people who answered that they were in some stage of moving server-side, we asked them to choose all of the reasons why.

“Ownership and control of data” was selected the most often at 25%, followed closely by “Improved site performance” at 24%. “Greater alignment across data collection technologies” came in third with 22% of the answers. U.S. companies are more concerned with site performance while those in Europe are more concerned with ownership and control of data.

The reasons for moving server-side that were least chosen had to do with privacy. Avoiding browser restrictions was selected 16% of the time, while helping to prevent privacy breaches was chosen 14% of the time. This is good news because going server-side doesn't let you off the hook from privacy regulations, which are likely to eventually catch up to tech trends in the marketing and analytics space.

## If YES, why are you deciding to move server-side?

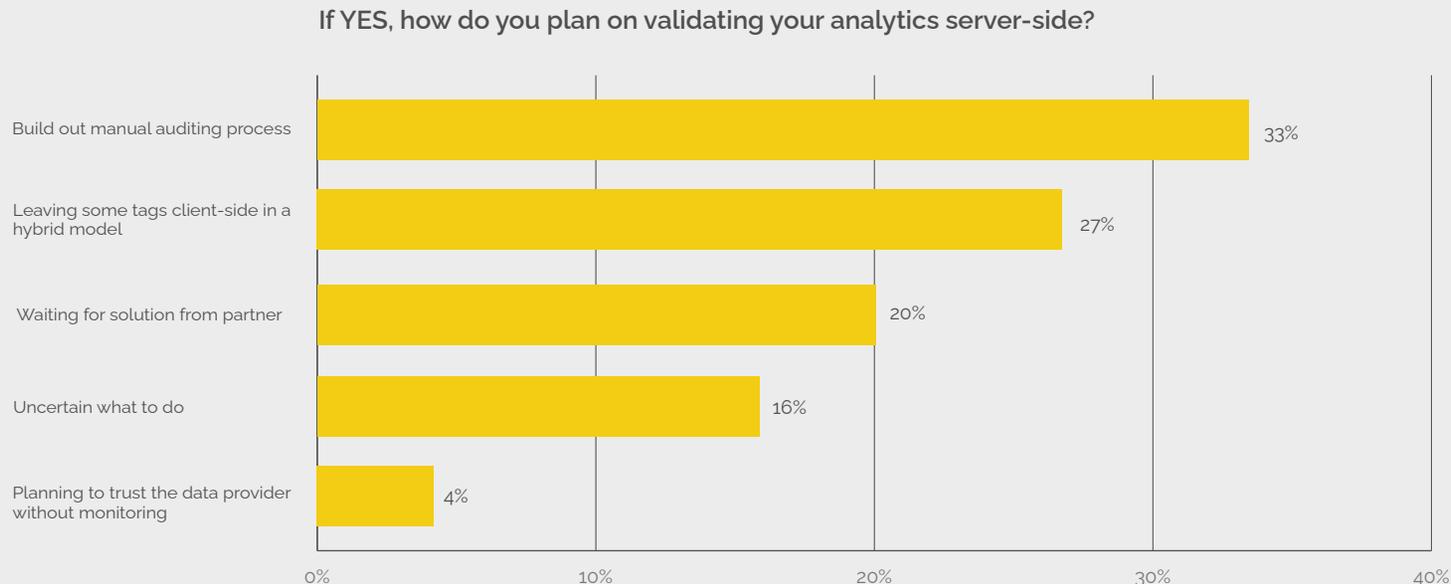


# If “Yes,” How Will You Validate Analytics?

Moving analytics server-side doesn't mean you can forget about auditing your data and functionality. So, we asked how our prospects and customers were planning to do that once they moved server-side.

33% said they were building out a manual auditing process, while 27% said they were going to a hybrid model to leave some tags on the client-side. 20% said they were taking a wait-and-see approach, while 16% were not sure what they were going to do. 4% were just throwing up their hands and hoping for the best from their data providers.

In any case, loss of automation in analytics validation is an issue for server-side migrations and will require either an adjustment to more manual auditing or switching to a hybrid model to leave some tags on the client-side so that you can still track.



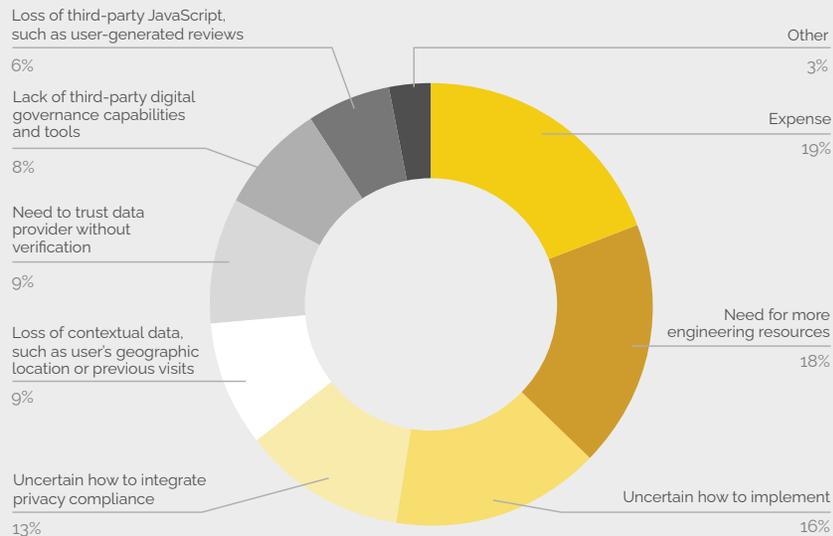
# If “No,” What Are the Obstacles?

Respondents who are not moving server-side most frequently cited expense and the need for more engineering resources as the top reasons why, garnering 19% and 18% of answers respectively. We can conclude that resources are the most common problem.

The next most common responses were two that cited uncertainty, whether with how to implement server-side (15%) or how to integrate with privacy compliance (12%). Meaning, even if companies had the human or financial resources, they didn't know how to make server-side work with their current stack or privacy technologies.

The last buckets of responses centered around the things you would lose by going server side, such as knowing when a customer has visited previously, geographic data, user-generated content, and third-party data validation.

## If NO, you are not planning on migrating, what obstacles affected your decision?



# Deprecation of Third-Party Cookies & Server-Side

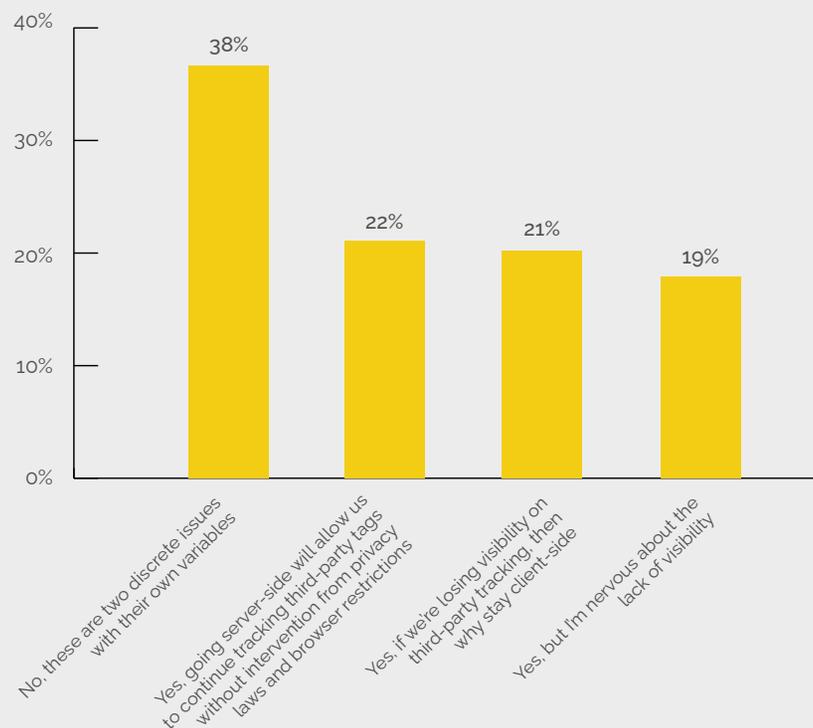
We wanted to know if respondents related the deprecation of third-party cookies to their decision to move server-side or not. While the chart shows that the highest responses (38%) cited "No these are two discrete issues," there are actually more "Yes" responses since we offered three different versions.

22% took the questionable reasoning that going server-side would help them continue to use third-party tracking without concern for privacy laws or browser restrictions. **This does raise the question of how privacy regulations might eventually react to server-side implementations. Is it really compliant if nobody can test it?**

21% reasoned that if they're losing third-party tracking anyway, what reason was there to stay client-side.

And similarly, 19% thought the two issues were related, but they were worried about the ensuing lack of visibility into their tracking.

Does the deprecation of third-party cookies affect your decision to go server-side?



# Preparing for the Deprecation of Third-Party Cookies

27% answered that they haven't done anything and weren't sure what to do and 22% of the answers were for "Waiting to see what Google develops." Google pushed out the timeline for deprecating third-party cookies on Chrome, but rather than using that time to get up to speed, it seems people might get further behind.

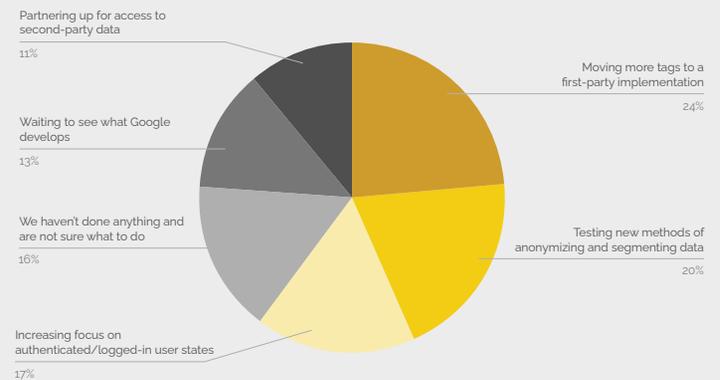
Of those who are addressing the issue, they are starting by moving tags to first-party, finding new ways to deal with first-party data as far as anonymization and segmentation, and increasing focus on authenticated/logged in data.

Only 19% of responses were for "Partnering up for access to second-party data." Deciding who to partner with and getting these data partnerships established might seem daunting, but most that make this investment find it gives them an undeniable competitive edge. Think of companies that would have complementary audiences (for example, an airline could partner up with a hotel) to share first-party data.

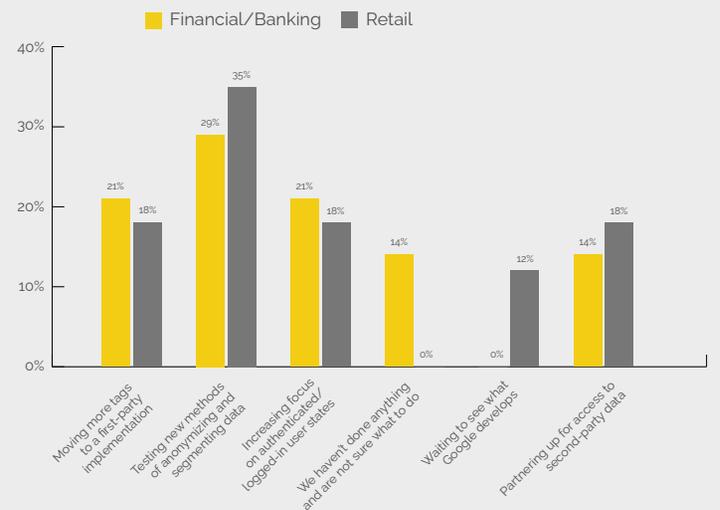
When broken down by industry, companies in financial services, banking, and lending and brokerage were significantly more focused on 'Testing new methods of anonymizing and segmenting data.' 0% said they were waiting to see what Google was going to do.

In retail, household goods, apparel, and sporting goods, we see more people trying to partner up for second-party data. None are in the stage of not having done anything.

What is your organization doing to prepare for the phasing out of third-party cookies?



Financial/Banking v. Retail

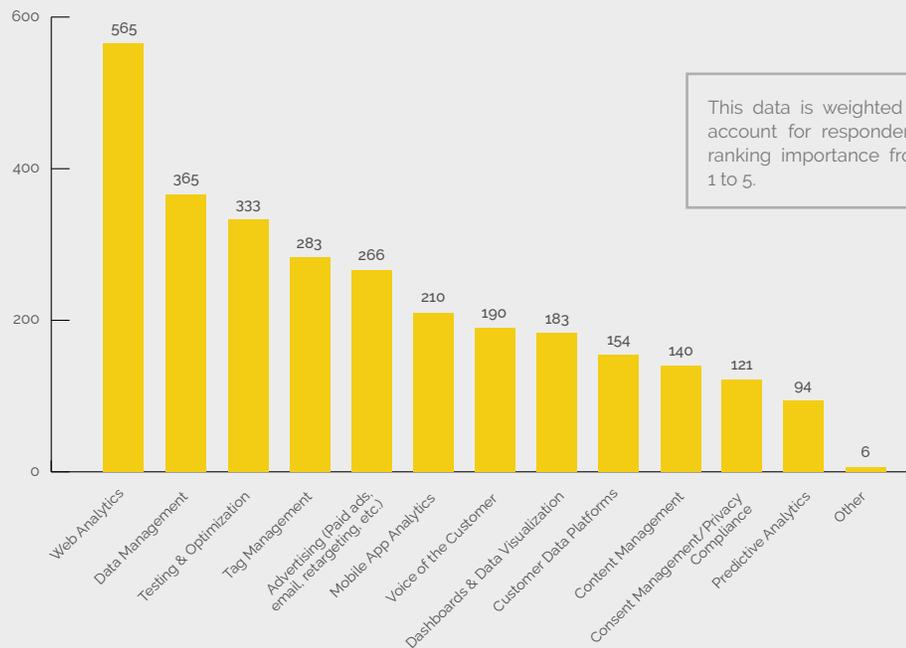


# What Tech Is the Most Important to Test & Validate?

When asked what was most important to validate, Web Analytics was the winner by far, followed by Data Management, Testing & Optimization, Tag Management, and Advertising. This corresponds to the answers from a similar question we asked last year in which the majority of respondents said Data, Tag Management, and Web Analytics were the most commonly utilized MarTech solutions.

Voice of the Customer surprised us by its popularity, but Consent Management was of disappointingly low importance for testing and validation. This might be due to the fact that most respondents were in the U.S. and behind Europe in the uptake of Consent Management Platforms.

What technology categories are most important for you to test and validate on an ongoing basis?



This data is weighted to account for respondents ranking importance from 1 to 5.

Remember, ObservePoint can help ensure that consent preferences are being honored with our Privacy Compliance solution.

# Perceived Benefits of Digital Governance

Not much has changed from last year in terms of what respondents named the most important benefits of data collection and governance.

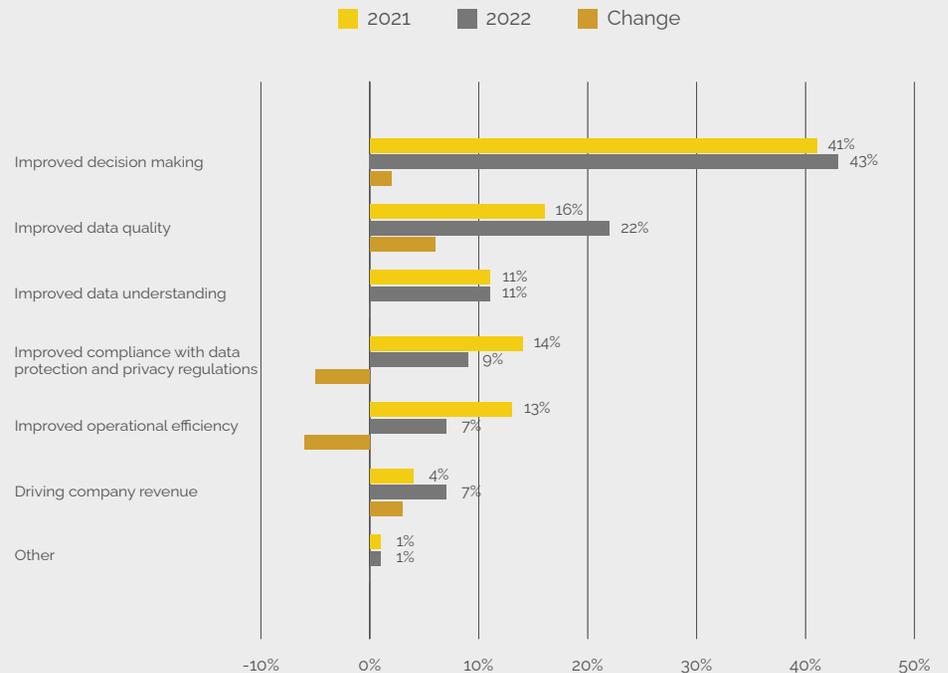
- "Improved decision making" was still the clear winner with 43%.
- "Improved data quality" remained second, though increased about 5% to 22% this year
- "Improved data understanding" stayed the same with 11% both years

What is concerning is that "Improved compliance with data protection and privacy regulations" slid from 14% in 2021 to just under 9%.

It's also interesting to note that "Improved operational efficiency" went down while "Driving company revenue" increased this year. When budgets get tight, companies invest in tangible cost savings and efficiency gains to increase revenue, so these two should seem like they would increase together, especially if organizations are trying to recover from pandemic-related downsizing. Data quality and automation are generally positively affected by efficiency adjustments, which in turn help you to make better decisions and get more return on investment.

ObservePoint can help ensure your data is trustworthy and you're getting the most out of your web technologies by running regular automated Audits.

What do you see as the most important benefit of data management and digital governance?



# Challenges of Digital Governance

Almost half of respondents replied that their greatest challenge with digital governance was either spending too much time cleaning their data (24%) or a lack of human resources (23%). This is extremely similar to last year when 45% cited these two reasons as the most challenging part of governance.

An encouraging development is that less respondents cited "Inaccurate data" as the greatest challenge: 11% in 2021 compared to 6% in 2022. "Lack of technology resources" also decreased from 14% in 2021 to 8% in 2022. This indicates that while these challenges still exist, more companies have been adopting technology solutions to help and are getting to the important task of validating and using their data.

Cleansing and vetting data is a full-time job that is prone to human error. A digital governance solution reduces man hours and manpower required by automating QA efforts and ensuring data is being collected correctly.

Discover how [Ford](#) increases data accuracy with ObservePoint.



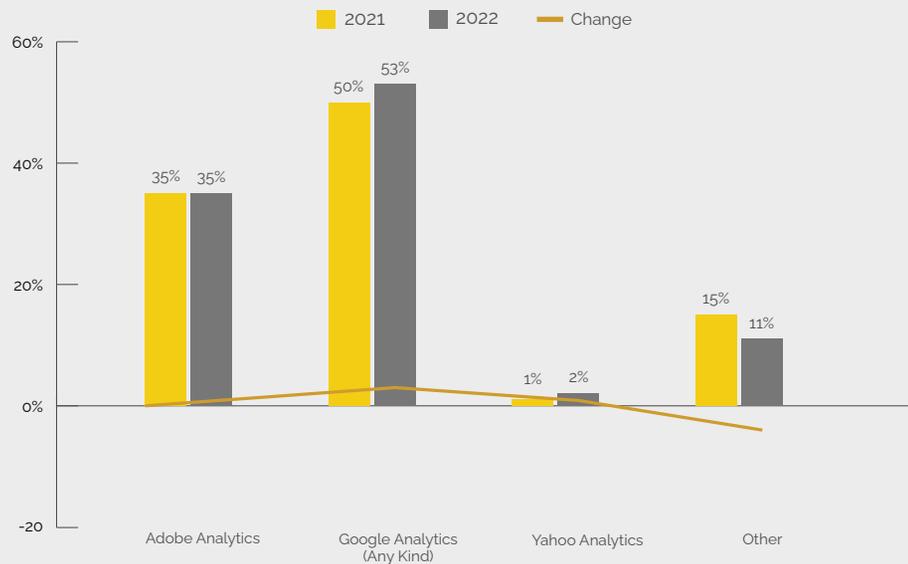
# Primary Analytics Solution

Adobe Analytics users stayed steady from last year at 35%.

Total Google Analytics users went up a few percentage points to 53% in 2022, compared to 50% last year, likely due to more people trying the new GA4 and paid versions.

Use of smaller players decreased this year. We folded these technologies like Mixpanel and Webtrends into the Other category.

What is your primary analytics solution?



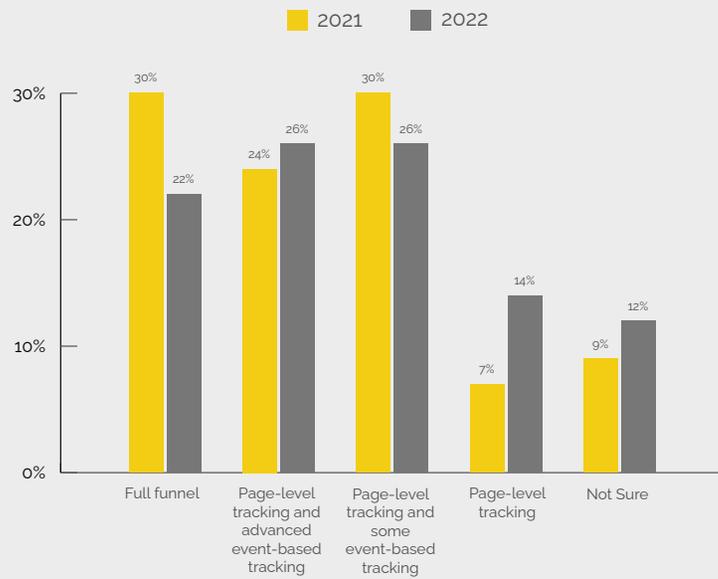
# Robustness of Tracking

Analytics tracking for respondents' most critical pages and experiences seems to have gone down in robustness, except for a slight uptick in "Page-level and ADVANCED event-based tracking" from 24% in 2021 to 26% this year.

We were hoping to see the analytics community continuing to get more nuanced and advanced year-over-year. However, full funnel tracking decreased while page-level tracking and people who weren't sure increased.

This could mean we have more survey respondents who are new to the space (which is great, welcome!), but we still have more work to do to proliferate automated tools which allow for deeper tracking.

How robust is the analytics tracking for your most critical pages and user experiences?



# More Robust Verification Tools, More Frequent Testing

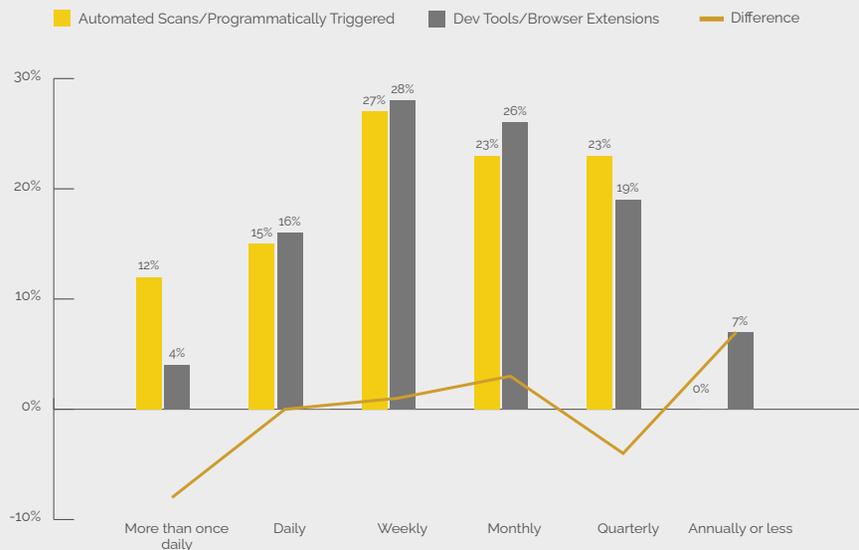
When asked what tools respondents used to verify that marketing and analytics technology was functioning as expected, as well as how often they tested their tracking, we found that organizations with a higher degree of automation were able to test much more frequently, leading to improved data and revenue.

Companies want more automation, they want to save time on repetitive tasks so they can accomplish higher-value analysis and strategizing. In fact, those who run scheduled, automated scans increased from 16% last year to 20% this year.

With automated scans or scans that are programmatically triggered after releases, 27% of respondents are able to test daily or more frequently. Compare that to 20% for people who are using developer tools or browser extensions like tag debuggers.

Companies without an automation tool are liable to check annually or might not check at all. But automation drives the number of respondents who select "Annually" down to zero.

Verification Tools v. Frequency of Testing



# Priority and Ownership of Data Privacy

Over 32% of respondents said data privacy is becoming a typical part of business (an increase of almost 4% since 2021). Companies have also assigned more direct accountability in terms of who is responsible for compliance.

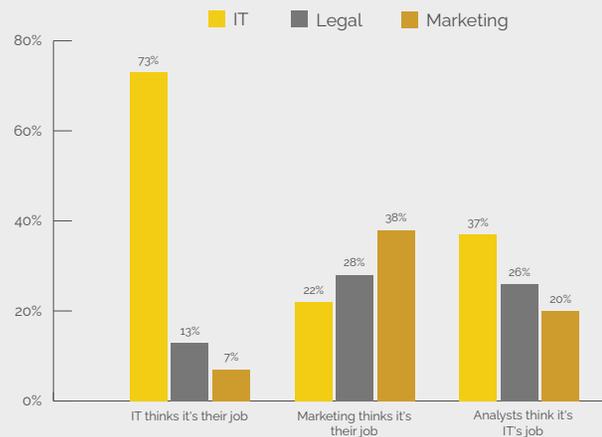
The marketing department was cited as the owner 5% more (25%) than last year (20%), while IT has held steady at (33%). When divided by departments, most took ownership of the issue as their own responsibility.

When asked the title of the person responsible for data privacy efforts, the "I don't know" response was still common. However, we saw an improvement from last year when there were extremely wide-ranging titles from BI to consultants to even finance. This year, 41% answered with titles that were directly related to governance.

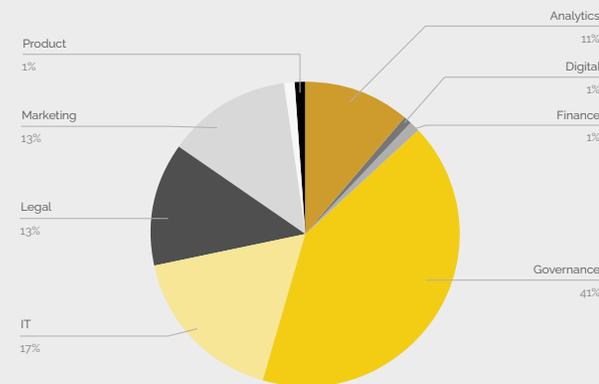
Top Titles:

1. Data Officer
2. Information Security Officer
3. Privacy Officer
4. Compliance Officer
5. Data Protection Officer

What team/department is responsible for your company's digital data privacy efforts?



Types of Titles Responsible for Data Privacy Efforts



# Processes & Tools for Data Privacy

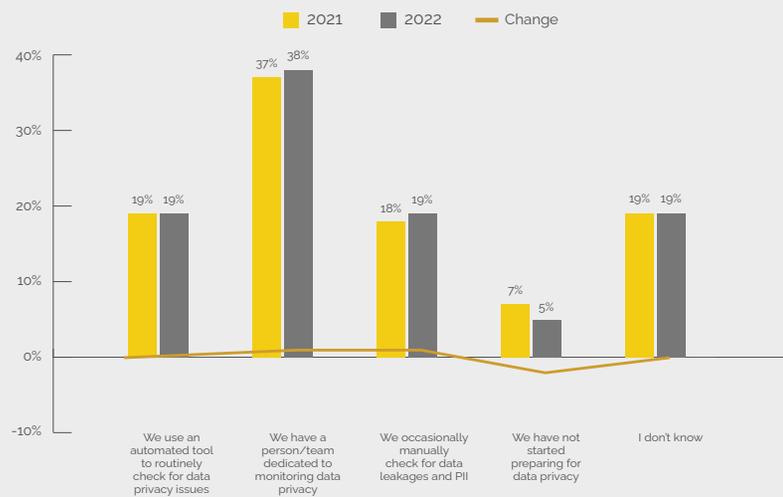
The responses for this question have remained relatively the same from 2021 to 2022. As previously posited, people want more automation for repetitive validation tasks, but still only 19% utilize an automated solution to routinely check for privacy issues.

There's a dip in those who have not started preparing for privacy from 7% to 5%, but no one should still be in that position. We are coming up on four years since GDPR was passed and our community's progress still seems sluggish.

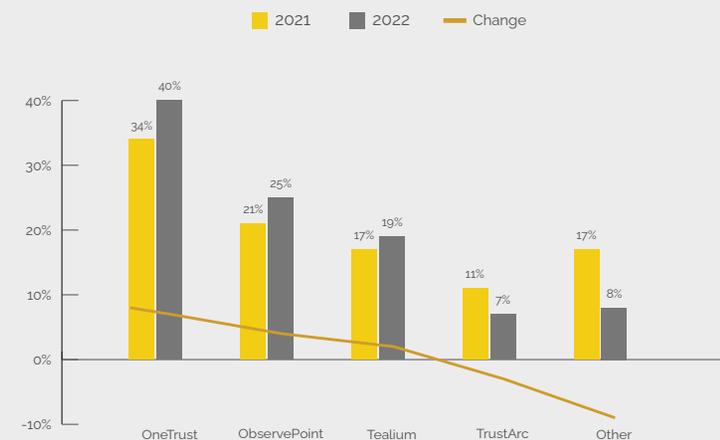
There hasn't been much advancement in how people are validating their data privacy as all of the methods saw changes within 2% or none at all. With large fines making headlines, investing in automation will help you stay compliant as well as positively impact your bottom line, especially if resources are scarce.

There are newer, smaller players in the space this year that garnered some responses when we asked about the tools you use for data privacy. However, when we compare the bigger players, TrustArc seems to be losing some market share, dropping from 11% in 2021 to 7% in 2022. OneTrust and Tealium are gaining. OneTrust gained 6% while Tealium went up by 2%.

What processes have you put in place to ensure your customer data is protected?



What tools, if any, do you use to ensure data privacy?



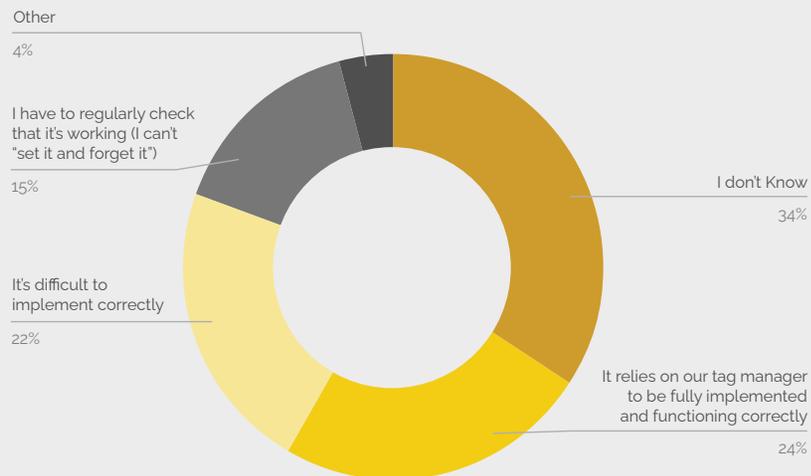
# Greatest Challenge of Data Privacy Technology

34% of respondents didn't know what the greatest challenge of data privacy technology was. Perhaps this is because they haven't made too much headway with their tools or processes, or they are not in the department that handles this.

Of the respondents who had an answer, the most commonly cited challenge (24%) was that "It relies on their tag manager to be functioning correctly."

This is an issue we love to help our customers with when monitoring and validating their Consent Management Platforms, as there can be hard-coded or piggybacking tags that are not visible to the TMS, and therefore the CMP.

## What is the greatest challenge of your data privacy technology?



Privacy Compliance by ObservePoint performs automated audits to identify all approved and unapproved data collection happening on your site. Click [here](#) to discover what Privacy Compliance can do for you.

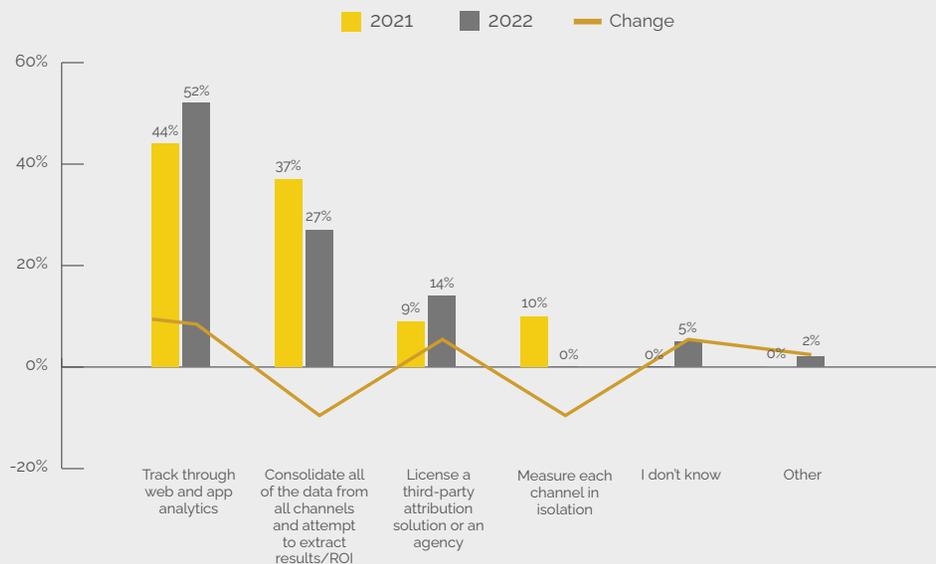
# Ways to Measure Results/ROI for Digital & Traditional Marketing

We're happy to see more companies are investing in third-party solutions to track their results, jumping from 9% in 2021 to 14% in 2022, even after including an "I don't know" and "Other" as new choices in the answers and removing "Measure each channel in isolation."

Tracking across channels is generally a very difficult task. Marketing teams try to figure it out themselves by consolidating their data after the fact, but they often find that it's too big of a problem.

Most web analytics solutions are not built for attribution or measuring. A third-party touchpoint management solution could help solve some of the frustration caused by siloed data and manual attribution methods by standardizing tracking upfront for a more holistic picture.

How do you currently measure results/ROI for digital and traditional marketing?

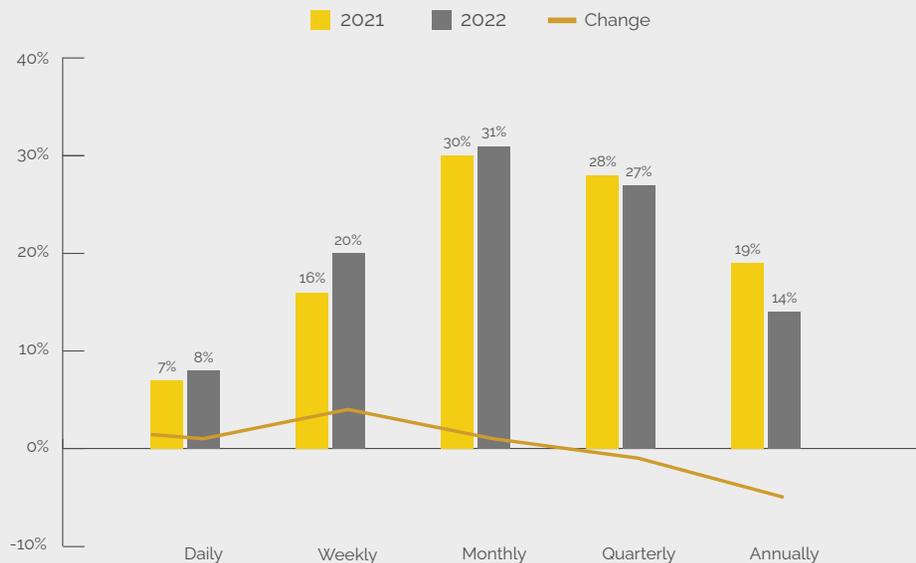


# Frequency of Channel Investment Evaluations

The majority still reevaluate channel investments monthly, but compared to last year, weekly re-evaluations have gone up 4%, and daily went up 1%. The higher frequency re-evaluations have increased while the less frequent re-evaluations have decreased.

This may indicate that in a tough economy and fast-moving market, marketing teams are being pushed to be more cost effective and efficient than before.

How often do you re-evaluate channel investments across the entire customer journey?



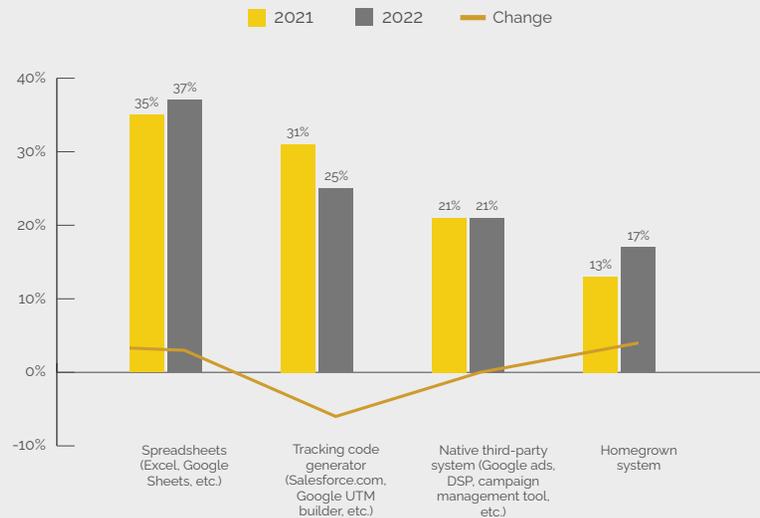
# Tools Used to Manage Tracking Codes

Spreadsheets still reign supreme as the method in which most respondents manage tracking codes with a 2% increase from last year to 37%. Although it's simple to open an Excel or Google spreadsheet, there are better ways than trying to keep track of these ever-evolving and proliferating spreadsheets.

The good news is that people are relying less on limited tracking code generators which are often free tools with spreadsheet templates. This method showed a big 6% dip from 31% last year to 25% in 2022.

While third-party systems have stayed steady at 21%, homegrown systems have increased from 13% in 2021 to 17% this year. Usually, enterprise-level organizations have the luxury to build something in-house that might be a more sophisticated solution than spreadsheets.

What tool(s) do you use to manage your tracking codes?



\*We adjusted last year's responses as a percentage of the total answers, since that question allowed for multiple selections, while this year's numbers are based on unique responses.

Ready to dump the spreadsheets? [Learn](#) how Campaign Performance can help you standardize, generate, and manage your tracking codes in one simple interface.

# Looking Forward To 2023

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Overall, the industry is adjusting to a more web-centric universe after the effects of a global pandemic.

Most seem to have a relatively clear view of what's happening with third-party cookies and server-side migrations. Those not moving server-side cited resource and cost issues, but a well-informed minority are also aware of what capabilities and functionality they might lose. There are also gray areas in terms of privacy compliance with a server-side move, since regulations become more opaque and data gets consolidated toward a smaller number of Internet giants. Those moving server-side anyway realize that some tracking and site functionality will stay client-side for them, or they will have to implement manual solutions to maintain visibility into performance. While respondents understand that getting first-party data was an important adjustment for third-party cookie deprecation, a worrying number are just waiting to see what Google does instead of taking the time to be more creative with strategies like partnering up with relevant companies to share second-party data.

The trends suggest that organizations are still in dire need of automation and validation in terms of tracking and testing their analytics and marketing solutions, but we were pleased that more respondents were attempting to get a handle on these thorny governance issues. Respondents also understand the value of better data and customer experiences, both contributing to increasing their return on investment. While the data community seems to be making incremental advancements in their testing depth, tools, and frequency, we expect the digital governance industry to continue to grow as more companies realize that automating and outsourcing these tedious tasks is the most beneficial solution.

When it comes to privacy, Gartner predicts that 75% of the world will be covered by data privacy laws by 2023. While it's nice to see incremental improvements in staffing, accountability, and focus in the privacy arena, it does seem like our survey respondents realize there's a long road ahead for understanding how to implement privacy solutions, overcoming challenges with software, and auditing privacy technologies to make sure they're functioning properly and to mitigate the risk of accidental non-compliance and hefty fines.

Overall, the future looks promising for the digital governance industry, as long as we remain agile and forward-thinking in our responses to new challenges. As the space becomes more sophisticated, so too do our customers. If we can meet their expectations for more transparency, more personalization, and more value, then we will be rewarded with growth and loyalty.

# About ObservePoint

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ObservePoint brings insights, automation, and compliance to the chaos of digital customer experiences with their [Digital Governance solutions: Technology Governance, Privacy Compliance, and Campaign Performance](#).

These solutions empower insights-driven companies to trust their data with automated analytics testing, protect customers with compliance monitoring, and improve experiences with validated, data-driven insights.

