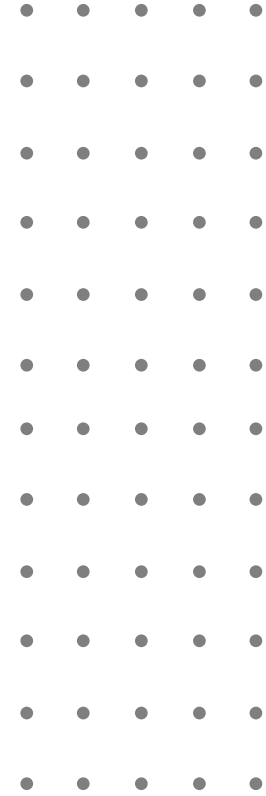


2024 State of Manufacturing Data

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Introduction and Key Findings



Introduction & Methodology

Manufacturers saw massive global changes over the last few years – such as the COVID-19 pandemic, supply chain disruptions, raw material shortages, economic uncertainty, and increasing inflation – that have forced them to adapt quickly or fall behind. For many manufacturers, the ability to adapt quickly has meant a growing reliance on data to make better-informed, data-driven decisions. Often, however, their own internal data is nowhere near sufficient to drive growth strategies efficiently, and with greater speed and accuracy. Today, high-quality external data is a crucial tool for enterprise companies to help them achieve their GTM (go-to-market) goals by identifying, finding and prioritizing their ideal customers and business targets.

In our previous State of External Data surveys, we looked at how external data is being used across a variety of industries. In this year's survey, we have focused specifically on the Manufacturing industry, in an effort to understand how Sales and Marketing teams within manufacturing firms use external data to guide their GTM strategies, what type of use cases are unique to them, and what are their main challenges.

Our findings show that despite understanding the value of external data in gaining a competitive edge, many manufacturers still struggle both in the procurement and leveraging of data effectively.

According to Gartner, Generative AI (GenAI) will enable an unprecedented level of change to business processes in manufacturing by providing new insights and recommendations based on data and actionable information. The speed and level of specific insights that GenAI promises to offer are as significant as the introduction of the web to research and inquiry.¹ With this level of progress to look forward to, manufacturing enterprises that are not using external data to the same extent as their competitors may want to consider accelerating their use of this type of data to join those at the forefront of industry rather than lag behind.

Methodology

To get more insight into the current state of external data in Manufacturing, we commissioned a survey of 100 Sales and Marketing leaders in the industry to shed light on how their usage of external data compares to other industries, and what impact this usage (or lack of it) is having on their GTM strategies.

This report was administered online by Global Surveyz Research, an independent global research firm. The survey is based on responses from C-level executives including Presidents, Chief Commercial and Revenue Officers, General Manager, Directors and VPs of Sales, Marketing and Revenue Operations. They represented manufacturing enterprises with an annual revenue of \$1B+, with 80% of respondents coming from the US and 20% from the UK.

These respondents were recruited through a global B2B research panel and invited via email to complete the survey, with all responses collected during August 2023. The average amount of time spent on the survey was 5 minutes and 30 seconds. The answers to most of the non-numerical questions were randomized to prevent order bias in the answers.

¹ Source: [Use-Case Prism: Generative AI for Manufacturing, Gartner](#), July 13, 2023

Key Findings

1 Manufacturing firms are lagging behind in their usage of external data

More than half (59%) of the respondents from manufacturing admit that they need to use more external data in decision making. Manufacturing firms are spending significantly less than other industries on acquiring external data (Figure 4), with an average budget of \$158K, compared to \$482K in other industries.

2 Manufacturing firms lack awareness around the benefits of external data, with GTM teams still relying mostly on traditional, subjective sources than on sources grounded in hard data.

73% of manufacturing companies rated "customer surveys and interviews" as their top resource for creating quality lists of Ideal Customer Profiles (ICPs) or business targets (Figure 14). This time-consuming method can lead to inaccurate insights and poor strategic decisions not based on data.

3 Data silos lead to departmental misalignment on target markets

About a third (33%) of manufacturing firms rate "knowing who their target customer is" as a strength (Figure 7), but when analyzing survey responses it appears that there is a misalignment in how sales and marketing executives perceive it with 42% of Marketing seeing it as a strength, versus only 15% of Sales executives feeling the same way (Figure 8). There is also a disconnect between their views on how well the sales team knows the market – with 35% of Sales executives claiming they know their market "inside and out", while only 26% of Marketing and Management executives agree (Figure 9).

4 A disconnect between C-level and execution teams on where they should be looking for their "best prospective customers" is hindering efficient growth.

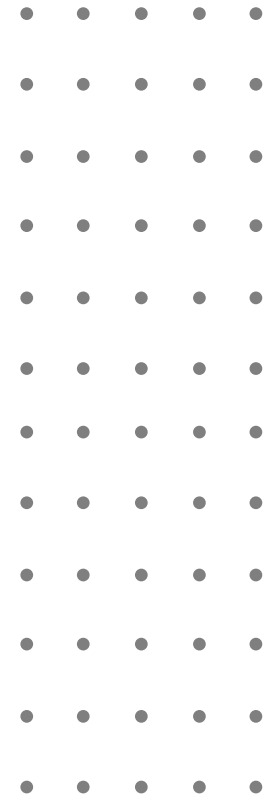
When asked to identify their top weaknesses in GTM strategy, 19% of respondents included "finding the best prospective customers" (Figure 10), even though 33% also think of it as a strength (Figure 7). But when analyzing these results based on the respondents' job seniority (Figure 11), we saw a glaring difference of opinion once again, with twice as many VP and Director-level executives identifying it as a weakness (26%), compared with only 12% of C-suites. In other words, there is a disconnect between the management team and the execution team.

5

Manufacturing enterprises are facing similar challenges to those experienced by other industries in their effort to become more data-driven, indicating they have much to gain by leveraging more external data.

The top challenges for manufacturing companies in using external data (Figure 15) include regularity constraints (38%), difficulty understanding the ROI of datasets (35%), long and daunting processes (31%) and difficulty prepping and integrating external data with their internal systems (30%). But as we learned from previous surveys, these challenges are similar to those experienced by other industries that are now more advanced in the way they use external data, suggesting that it is certainly possible for manufacturing firms to overcome them too.

How Manufacturers Use External Data



Usage of External Data

When asked “Is your company using enough external data?”, most of the survey’s respondents (80%) said that they are currently using external data, with almost two-thirds (59%) acknowledging they need additional external data sources.

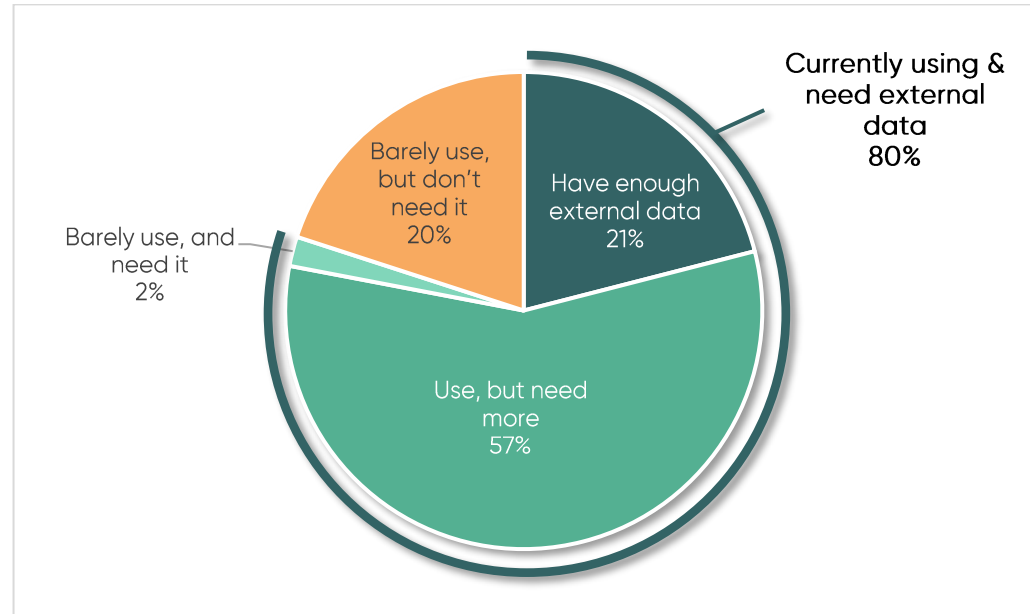


Figure 1: Usage of External Data

External Data Currently in Use

The top type of external data currently being used is demographics (90%), i.e., data pertaining to people’s personal characteristics – which is interesting given that its availability is decreasing due to increasingly strict privacy regulations.

The second most widely used data-type, however, firmographics (69%), i.e., data pertaining to firms, like revenue, number of employees, industry statistics, etc. – is permissible for use under privacy regulations, which is why we expect to see the order of the top two external data types reversed in coming years.

Proprietary signals are also on the rise, with 65% of respondents planning to start using them. Proprietary datasets can be built by combining enterprise-grade external data with Generative AI to deliver business data attributes and proprietary signals that were not possible before.

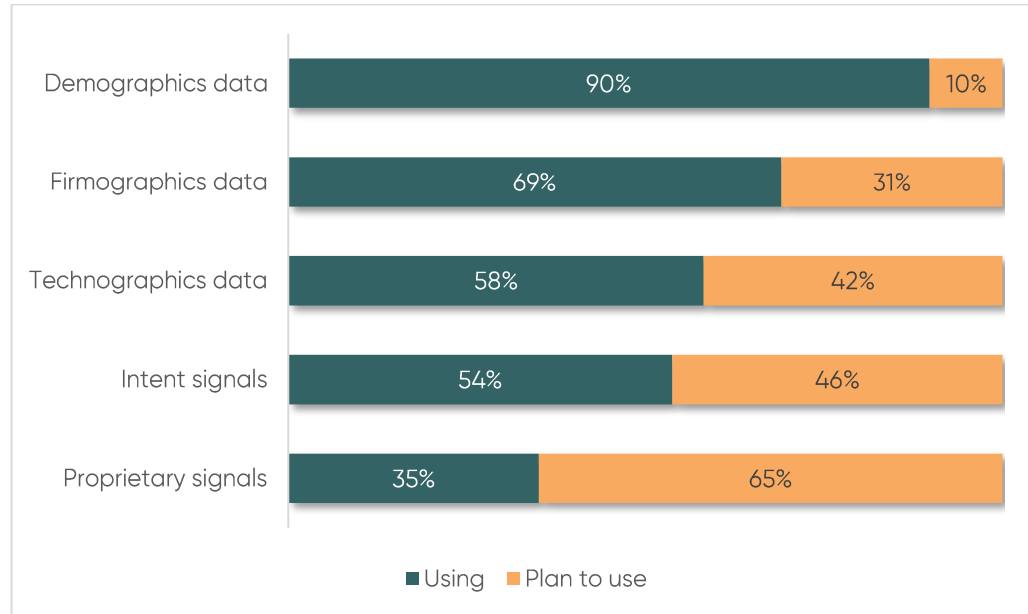


Figure 2: External Data Currently in Use

*Question allowed more than one answer and as a result, percentages will add up to more than 100%

Manufacturing Companies Are Using Less External Data Sources Compared with Other Industries

The majority (81%) of manufacturing companies only use 2-3 data sources, while other industries average 5 or more external data sources.

Part of what makes external data 'advanced' is the use of multiple sources, because using just one data source provides a limited scope. The more external data sources are used, the more sophisticated and reliable the data captured.

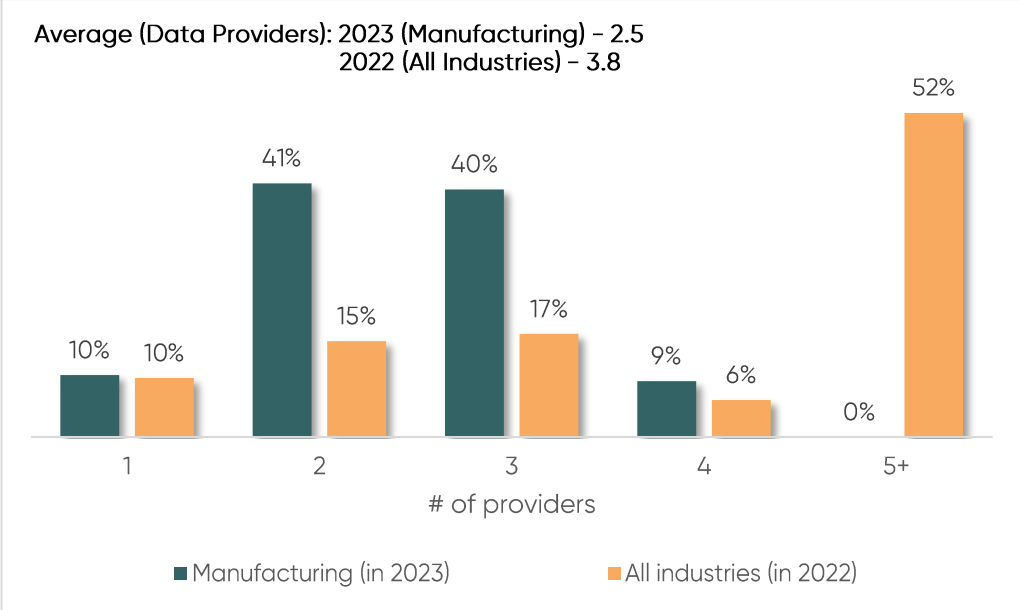


Figure 3: Number of External Data Providers in Use, Manufacturing vs. Other Industries

*In 2022 different industries were sampled. The data is shown for indication only.

Manufacturing Firms Are Spending Far Less on External Data Than Other Industries

On average, manufacturing companies spent \$158K on external data in 2023, which is significantly lower than other industries.

Manufacturing firms are spending significantly less on external data, with 77% spending less than \$100K and almost half (48%) spending less than \$50K. By comparison, according to our 2022 survey, 74% of companies in other industries spent more than \$100K – with almost a quarter (24%) spending more than \$1 million on acquiring external data.

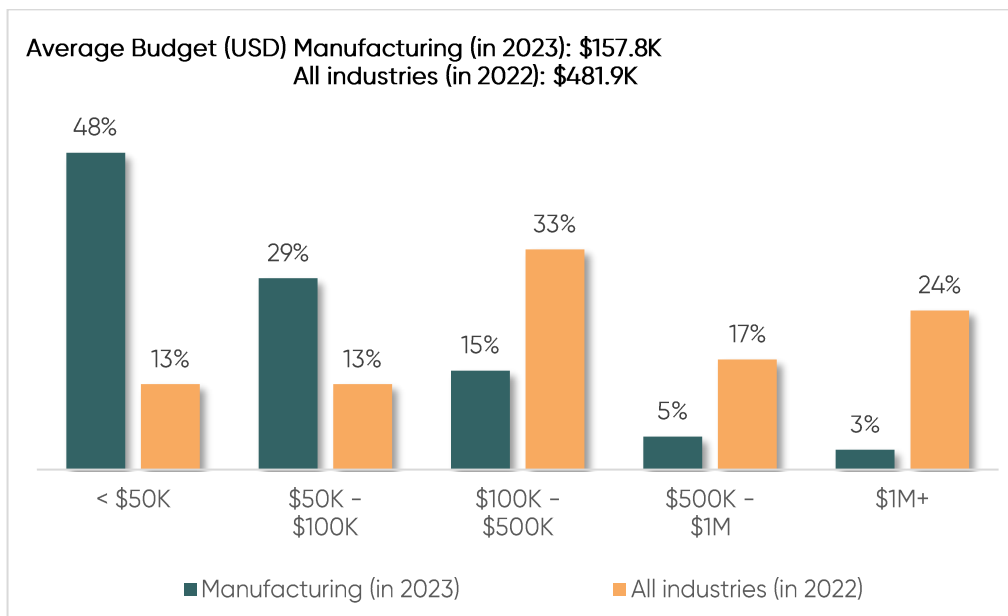
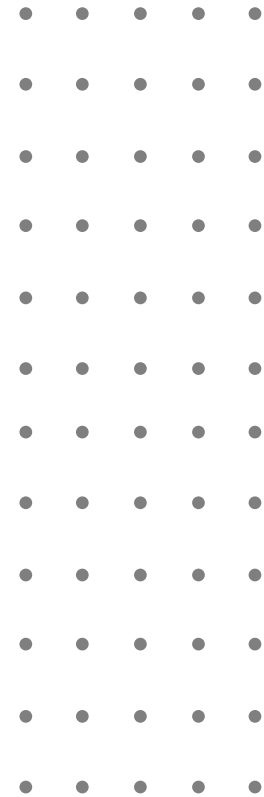


Figure 4: Budget for Acquiring External Data, Manufacturing vs. Other Industries

*In 2022 different industries were sampled. The data is shown for indication only.

How GTM Teams At Manufacturers Use External Data



Which Teams Play a Leading Role in Defining Go-To-Market Strategies?

To better understand how GTM teams at manufacturing firms use external data to make and execute strategic decisions, we asked survey respondents, “Which top three teams play a leading role in defining go-to-market strategies at your company?”. The top responses were the Strategy and Transformation team (63%), Management team (50%) and the Chief Marketing Officer (42%).

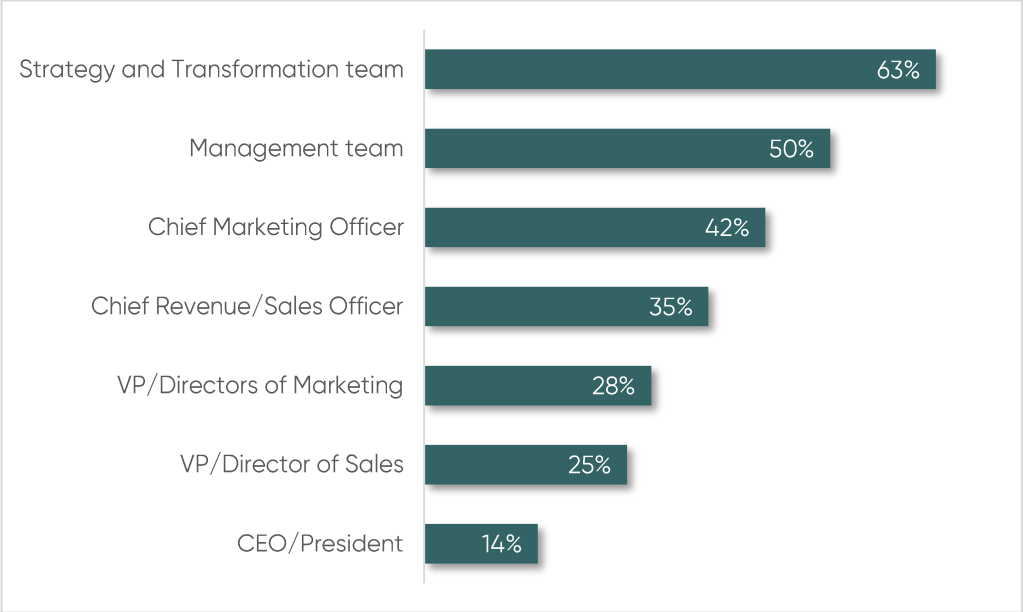


Figure 5: Top Teams That Play a Leading Role in Defining Go-To-Market Strategies

*Question allowed more than one answer and as a result, percentages will add up to more than 100%

Which Teams Play a Leading Role in Determining External Data Requirements?

We asked survey respondents "Which team leads the decisions on external data requirements for GTM strategy?" When it comes to taking charge of external data requirements to execute GTM strategies in manufacturing firms, including purchasing decisions, it is the marketing team that takes the lead.

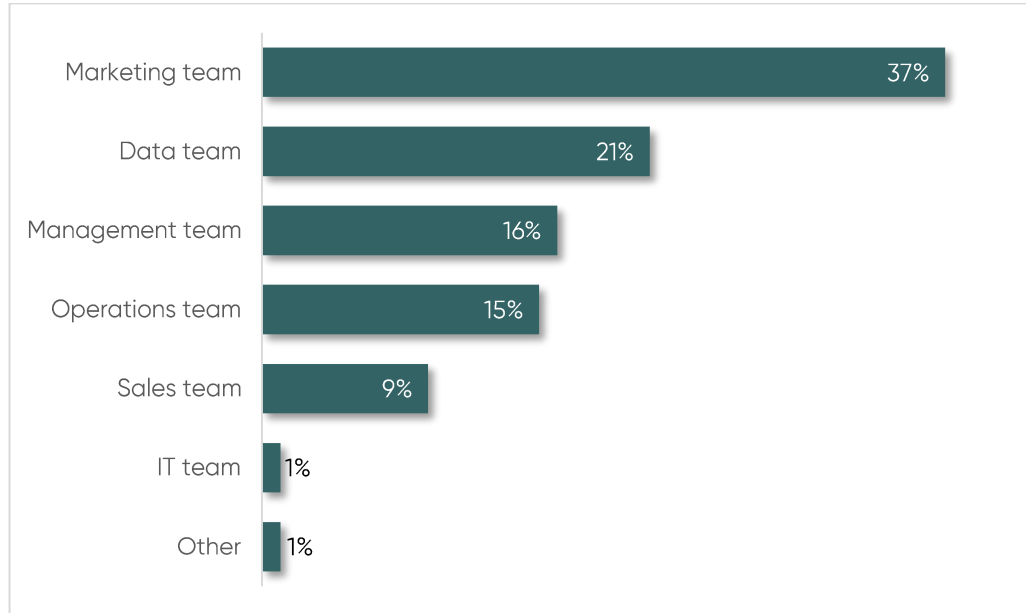


Figure 6: Leading Team for External Data for GTM Strategy Requirements

Top Go-To-Market Strengths in Manufacturing Companies

When we asked respondents, “What do you believe are your company’s top 3 strengths when it comes to its go-to-market strategy?” – the responses were diverse, with the top strengths including high-quality products and loyal customers (47%), strong distribution network (43%) and price competitiveness (40%).

Of all the strengths mentioned, the biggest misalignment we saw was in the results for “we know who our target customer is” (33%) and “our sales team knows the market inside out” (29%).

When we analyzed these responses by department, there was a distinct difference in opinion between Marketing and Management, versus Sales:

- 42% of Marketing and Management executives reported “knowing their target customer” as a strength, versus only 15% of Sales executives (Figure 8).
- There is also a disconnect between their views on how well the sales team knows the market – with 35% of Sales executives claiming they know their market “inside and out”, while only 26% of Marketing and Management executives agree (Figure 9).

*Question allowed more than one answer and as a result, percentages will add up to more than 100%

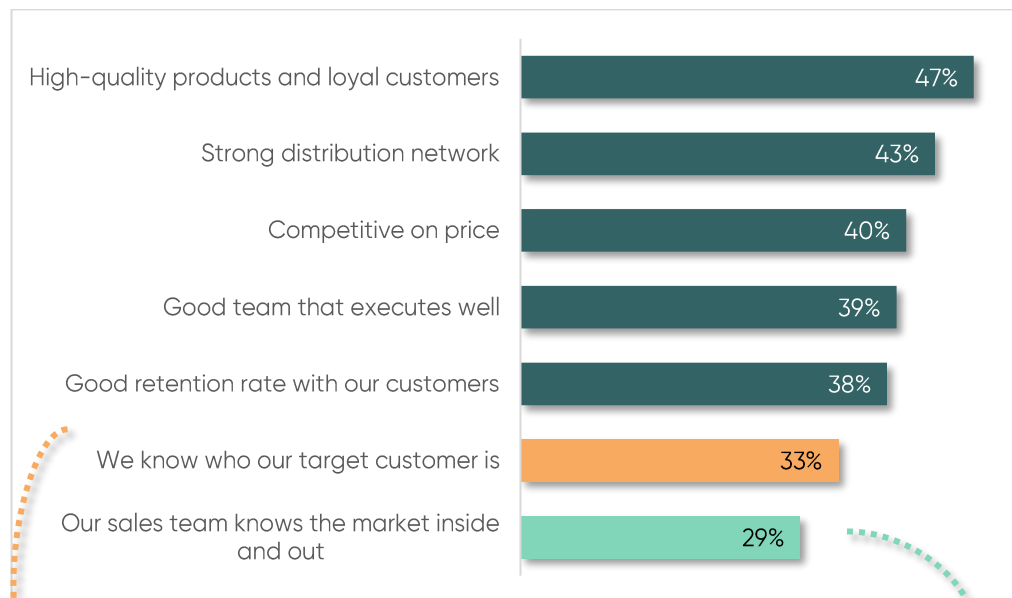


Figure 7: Top Strengths in Company's Go-To-Market Strategy

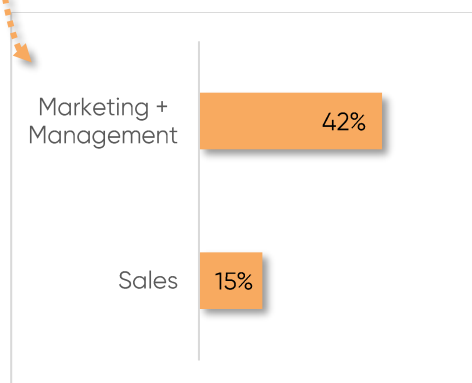


Figure 8: “We know who our target customer is”, by Department

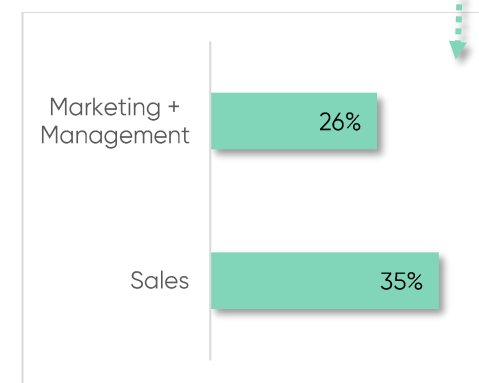


Figure 9: “Our sales team knows the market inside and out”, by Department

Top Go-To-Market Weaknesses in Manufacturing Companies

When asked, "What do you believe are your company's top 3 weaknesses when it comes to your go-to-market strategy?", respondents reported a diverse range of weaknesses; the most common are a lack of cost-effective pricing strategies (46%), the need to update their product offering (45%) and to reduce costs (43%).

Interestingly, knowledge of their ideal target customers and where to find them was identified by manufacturing companies both as a strength (Figure 7) and a weakness (Figure 8), and once again, the results revealed an interesting disconnect:

When we looked at those who identified "not knowing where to find their best prospective customers" as a weakness (19%) according to their job seniority, we saw that twice as many VP and Director-level executives identified it as a weakness (26%), compared with only 12% of C-suites.

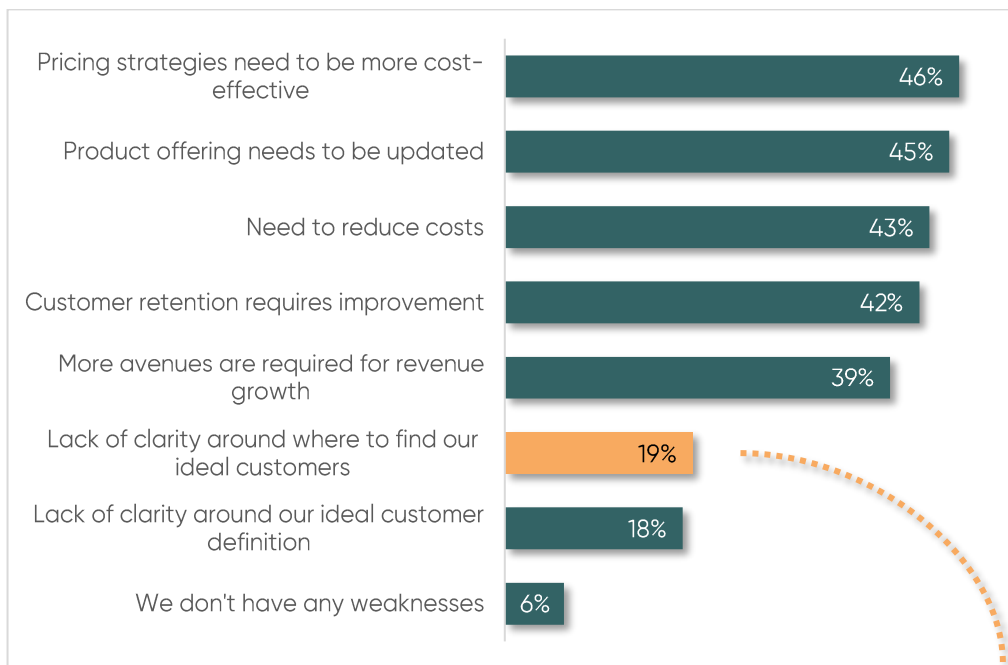


Figure 10: Top Weaknesses in Company's Go-To-Market Strategy

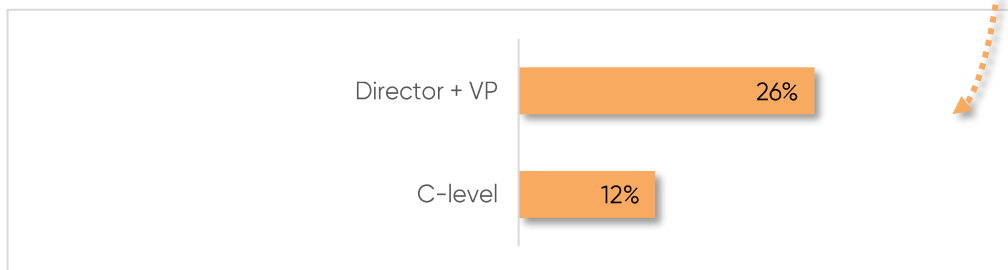


Figure 11: "Lack of clarity around where to find our ideal customers", by Job Seniority

*Question allowed more than one answer and as a result, percentages will add up to more than 100%

Field Sales Is the Sales Method of Choice for Manufacturing Firms

When asked how they are currently selling their products, most of the respondents reported that they use their Field Sales team – whether it is organized by product (63%), region (57%) or vertical (35%).

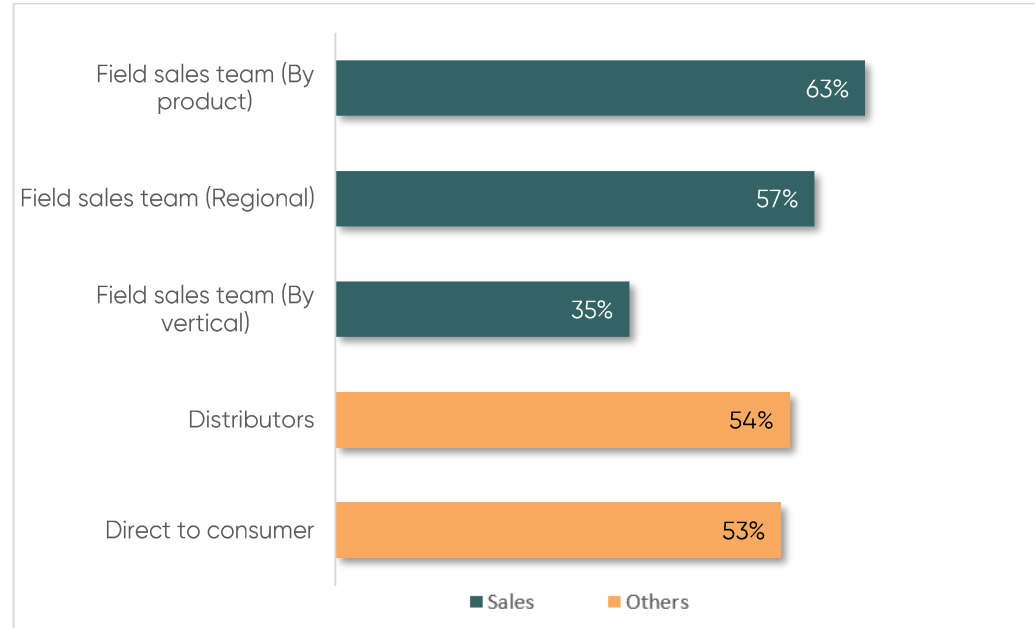


Figure 12: How Companies are Selling Their Products

*Question allowed more than one answer and as a result, percentages will add up to more than 100%

How Manufacturing Teams Evaluate Their Total Addressable Market (TAM)

When asked, "How do you and your team evaluate your total addressable market (TAM)?", the results showed that manufacturing companies are mostly using traditional methods like customer surveys and interviews (64%), followed by geographic segmentation (59%) and competitive analysis (54%).

Manufacturers are currently using limited external data such as firmographics (49%) to evaluate their TAM, suggesting they lack awareness around the capacity of external data to offer more detailed insights and enable better strategic decisions.

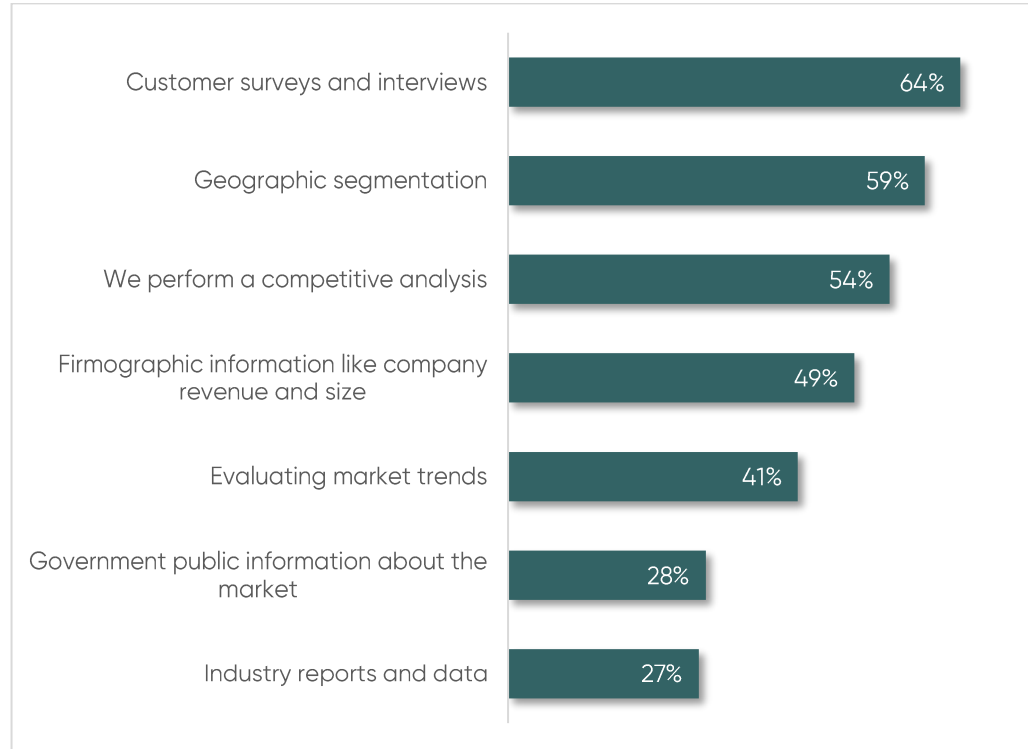


Figure 13: Evaluating the Total Addressable Market (TAM)

*Question allowed more than one answer and as a result, percentages will add up to more than 100%

Top Resources Used to Identify Ideal Business Targets

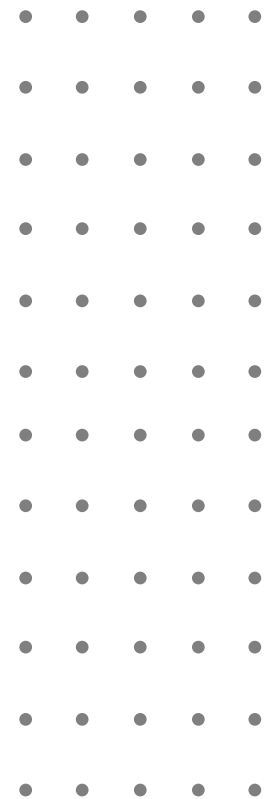
When asked, "What are the top 3 resources you use to create a quality list of individuals or businesses that are your ideal customer profiles (ICPs) or ideal business targets?" – respondents indicated they still prefer using more traditional methods like customer surveys and interviews (73%), geographic segmentation (55%) and lists purchased from external vendors (50%), which generally fail to provide clear visibility into growth opportunities.



Figure 14: Top Resources Used to Create a Quality List of Ideal Customer Profiles or Business Targets

*Question allowed more than one answer and as a result, percentages will add up to more than 100%

Challenges in Using External Data



Top Barriers in Using External Data

We asked respondents about the main challenges preventing GTM teams in manufacturing firms from using external data more often, and the results were similar to those we saw in other industries in last year's survey (2022).

The top challenges in using external data continue to be privacy and regulatory constraints (38%) – causing the declining availability of demographics and increasing trend in firmographics, difficulty understanding the ROI of some datasets (35%), the lack of a data acquisition strategy (32%), taking too much time and effort to onboard new data providers and evaluate the ROI (31%), difficult data prep and integration (30%) and a lack of skills and resources (26%).

These challenges are similar to those experienced by other industries that are now more advanced in the way they use external data, suggesting that it is certainly possible for manufacturing firms to overcome them too.

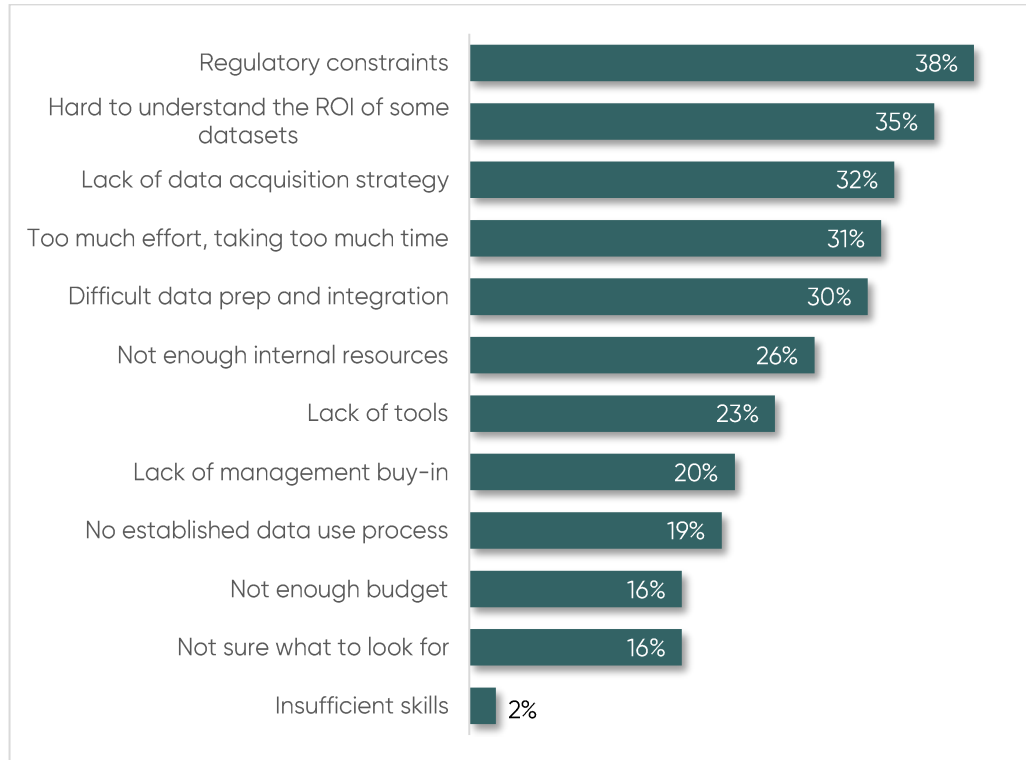


Figure 15: Top Challenges in Using External Data

*Question allowed more than one answer and as a result, percentages will add up to more than 100%

Top Ways to Leverage External Data More Effectively

We asked respondents what some of the best ways are to help them get more value out of external data, and again, the results were similar to those we saw across all industries in last year's survey (2022).

The top methods for manufacturing firms include finding the right data (specific data rather than generic) and integrating more of it with the same budget (50%), ensuring the quality and accuracy of the data (46%) – which is often problematic when purchasing lists that contain outdated data, and easier integration with internal data using predictive and prescriptive analytics, AI and other ML systems (41%).

These findings suggest that despite the explosion of external data, basic challenges such as finding the right data for specific requirements, ensuring it is up-to-date and of high quality, and integrating it with other data and existing systems within the organization – are still a problem.

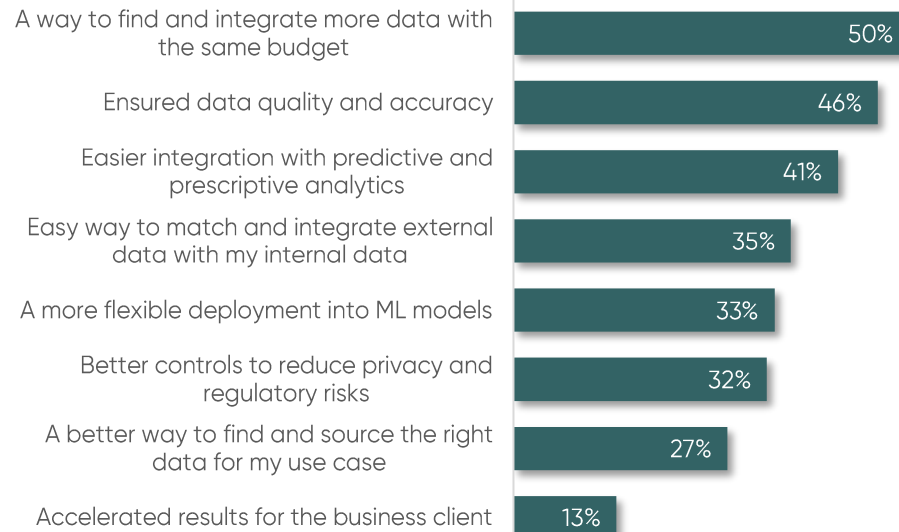


Figure 16: Top Ways to Get More Value Out of External Data

*Question allowed more than one answer and as a result, percentages will add up to more than 100%

Final Thoughts

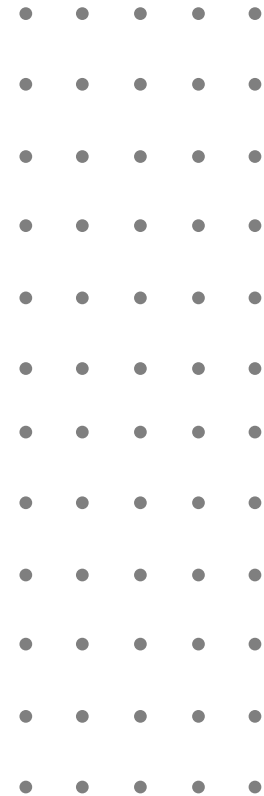
Our survey findings show that although manufacturing firms are using external data today – mostly demographics and firmographics – many are still lagging behind other industries in their usage of external data. This lag is manifested through:

- **Lack of customer visibility:** Manufacturing companies lack clear visibility into their customer-base due to dispersed regional sales with subjective insights.
- **Underestimation of external data:** There's a lack of awareness around the level of detailed insights that external data can offer to help guide strategic decisions. External data is used mainly to confirm or validate existing intuitions.
- **Data silos and limited cross-correlation:** Data silos within some organizations hinder the seamless sharing of information, impacting interdepartmental strategic alignment. Also, their data doesn't effectively correlate to provide comprehensive or in-depth insights.
- **Dependency on internal data and demographics:** Manufacturing firms still rely primarily on internal data and demographics (as opposed to firmographics and other more sophisticated external data sources), which limits growth strategies.

And given that manufacturers' GTM strategies rely on unique, hard-to-find customer attributes, there is a great deal of opportunity for them to operate more efficiently and gain a competitive edge by leveraging more external data.

The rise of Generative AI technologies is also making it possible for proprietary datasets to be built on top of enterprise-grade external data, providing business data attributes and proprietary signals that were not possible before, and delivering on the promise of Generative AI to benefit the manufacturing industry.

Demographics



Country, Department, Seniority and Role

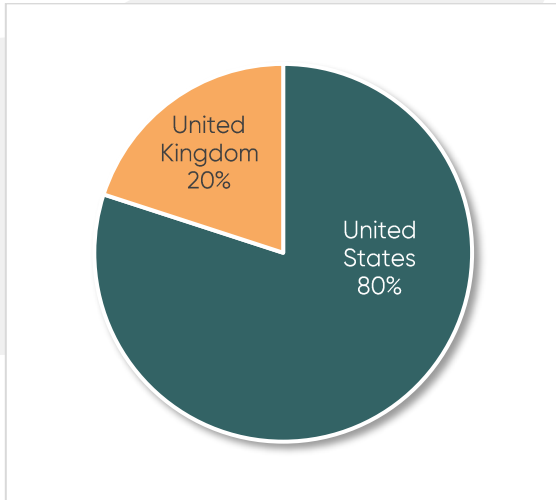


Figure 17: Country

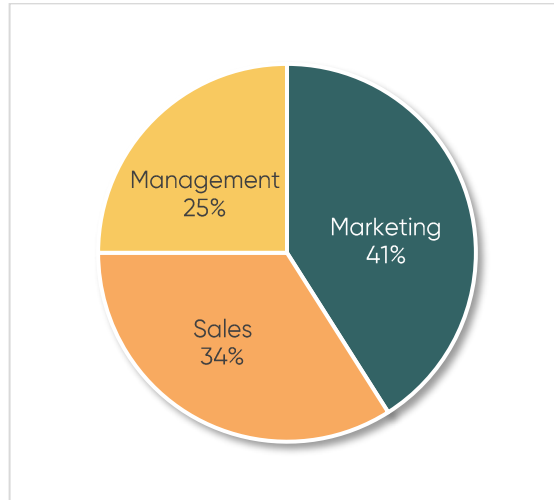


Figure 18: Department

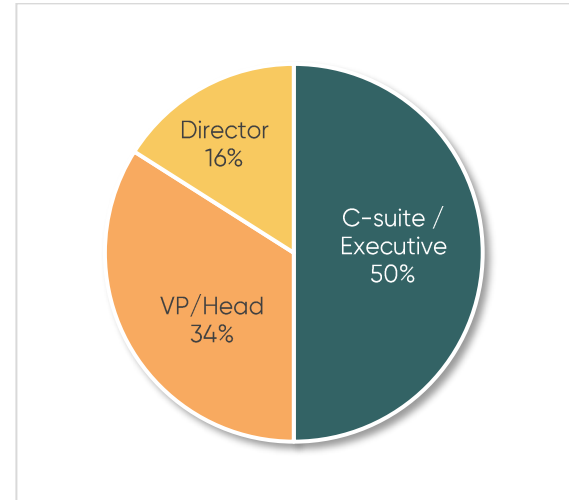


Figure 19: Job Seniority

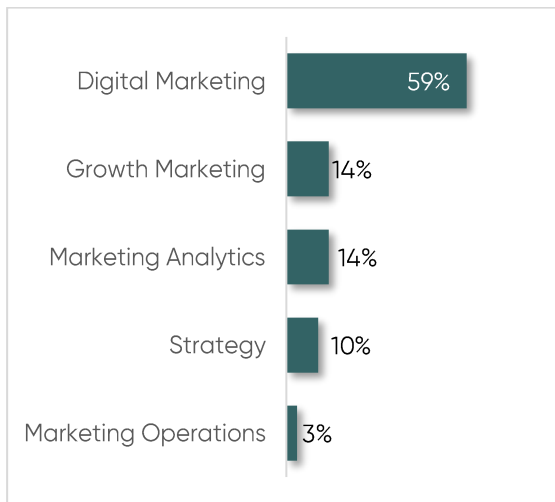


Figure 20: Role (Marketing)

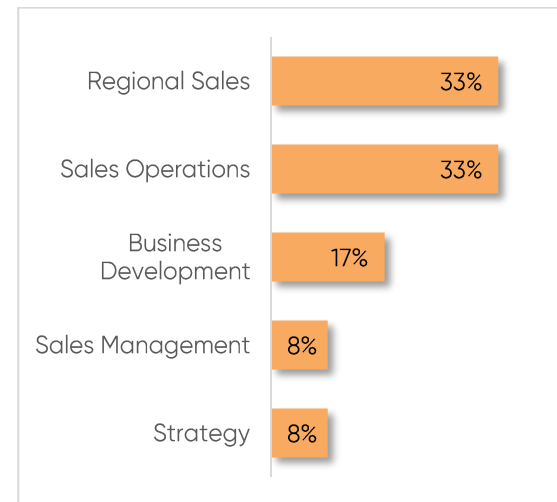


Figure 21: Role (Sales)

About Explorium

Explorium is the trusted data partner of leading enterprises worldwide. Our solution combines enterprise-grade external data with advanced AI technologies like Generative AI, uncovering a whole new world of business data attributes that were not possible before.

Explorium's data enables businesses to make accurate go-to-market decisions, giving them an edge over their competitors, in three main areas:

- Identifying and building the right audiences for their GTM initiatives
- Optimizing and prioritizing the best candidates
- Empowering Sales and GTM teams by equipping them with everything they need to know about each prospect, complete with a data-driven score

Let's talk

For more information, please visit us:

