The State of Global Master Data Management 2024

Insights from 300 Informatica MDM Customers

Where data & AI come to LIFE

Contents

Executive Summary

Generative Artificial Intelligence (GenAI) is revolutionizing many aspects of business by promising productivity and insights at a pace and scale previously unimaginable. But to ensure GenAI initiatives are successful and helpful, organizations need to ground large language models (LLM) with trusted data. This is but one example where master data management (MDM) plays a key role. A modern MDM removes data silos and combines customer, product, supplier and other business-critical data so that it is accurate, complete and actionable. This is particularly important when dealing with the large amount of data needed to support a large language model for GenAI.

This survey, conducted among 300 Informatica users worldwide, aims to understand their current usage of MDM systems, their plans for modernizing and migrating these systems to the cloud and the expected benefits of such modernization efforts.

The Informatica MDM offering is a key component of the Informatica Intelligent Data Management Cloud (IDMC), which underscores the importance of this survey in gauging the evolution of MDM practices within organizations. Understanding the responses will give you insights into how organizations manage the vast array of data they collect, process and handle daily.

As we see it, the demand for data and cloud services is being driven by several factors:

• **Data Usage Growth:** The use of data to enhance applications, feed Artificial Intelligence (AI) models and achieve business outcomes is at an all-time high and continuing to grow.

• **MDM Growth:** The global MDM market is growing at a rate of 18.2% CAGR, projected to reach US$23.8 Billion by 2030, according to Custom Market Insights.[1]

• **Cloud Growth:** The cloud market for MDM is expanding rapidly, with industry experts noting a spike in public cloud spending driven by business outcomes, digital transformations and technological advancements like GenAI.

• **On-premises MDM to Cloud-first:** While MDM was initially an on-premises solution, companies are increasingly modernizing to the cloud. As such, a focus on data governance and data literacy is growing as MDM moves away from being an IT-managed project and closer to the business user.

• **Cloud Advantages:** Moving MDM to the cloud opens the door to more innovation, quicker deployment, greater scalability and additional cost savings. Cloud-based MDM becomes a worry-free solution that enhances governance and improves business practices.

[1] https://aws.amazon.com/marketplace/pp/prodview-ywtx4jyj6tdf4#overview

Executive Summary (continued)

Here are the top takeaways on cloud-first adoption:

One of the most important lessons learned from this survey is that **all 300 surveyed Informatica customers are either at or moving towards a cloud-first strategy**, indicating rare unanimity in their confidence in this technology. More than a quarter of all respondents (27%) have already completed their migration to adopting a cloud-first strategy, with over half (53%) well into the process. Another 20% are fully committed but have yet to begin migration.

In terms of timing, 39% of data leaders plan to modernize their on-premises MDM within the next 6 months, bringing the total to 87% of data leaders who will have modernized or will be in the process of modernizing their on-premises MDM within the next 12 months. For the sake of this report, "modernize" means to migrate MDM from on-premises to the cloud as part of a cloud-first strategy.

Why is this so important? Nearly two-thirds of data leaders (62%) cite ensuring regulatory compliance and driving faster product launches and digital commerce as the top two business drivers for modernizing legacy applications to the cloud.

The takeaway here is that while many large organizations are still grappling with operational reorganizations due to the pandemic, they are united in recognizing the significant governance obligations in managing these massive data stores. Whether for regulatory compliance, business efficiencies, supply chain optimization or simply productivity improvements, the imperative for effective data management remains paramount.
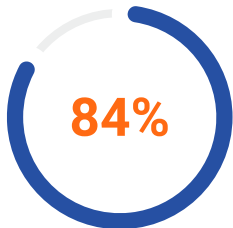
Key Findings

100%

Cloud Strategy Adoption:
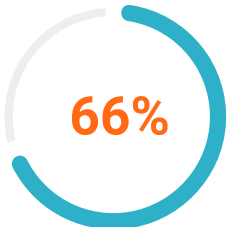100% of data leaders have adopted or will adopt a cloud-first strategy for their organizations.

87%

On-premises MDM Modernization:
87% of data leaders have modernized or will modernize their on-premises MDM to the cloud within the next 12 months.

80%

Cloud-first Strategy:
80% of data leaders have either initiated or completed their cloud-first strategy.

39%

Immediate Modernization:
39% of data leaders plan to modernize their on-premises MDM with immediacy within the next 6 months.
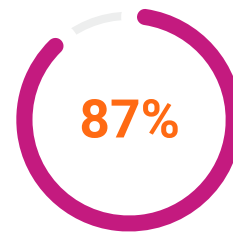
84%

Technology Drivers for Cloud Modernization:
84% of data leaders identify improving efficiency, implementing data fabric and driving innovation as the top technology drivers for modernizing legacy applications to the cloud.

62%

Business Drivers for Cloud Modernization:
62% of data leaders cite ensuring regulatory compliance and driving faster product launches/digital commerce as the top two business drivers for modernizing legacy applications to the cloud.

66%

Reasons for Moving MDM to the Cloud:
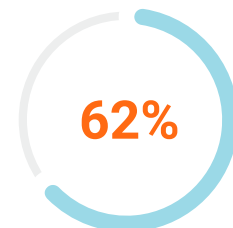66% of data leaders attribute either flexibility or cost efficiency as the top reasons for moving MDM to the cloud.
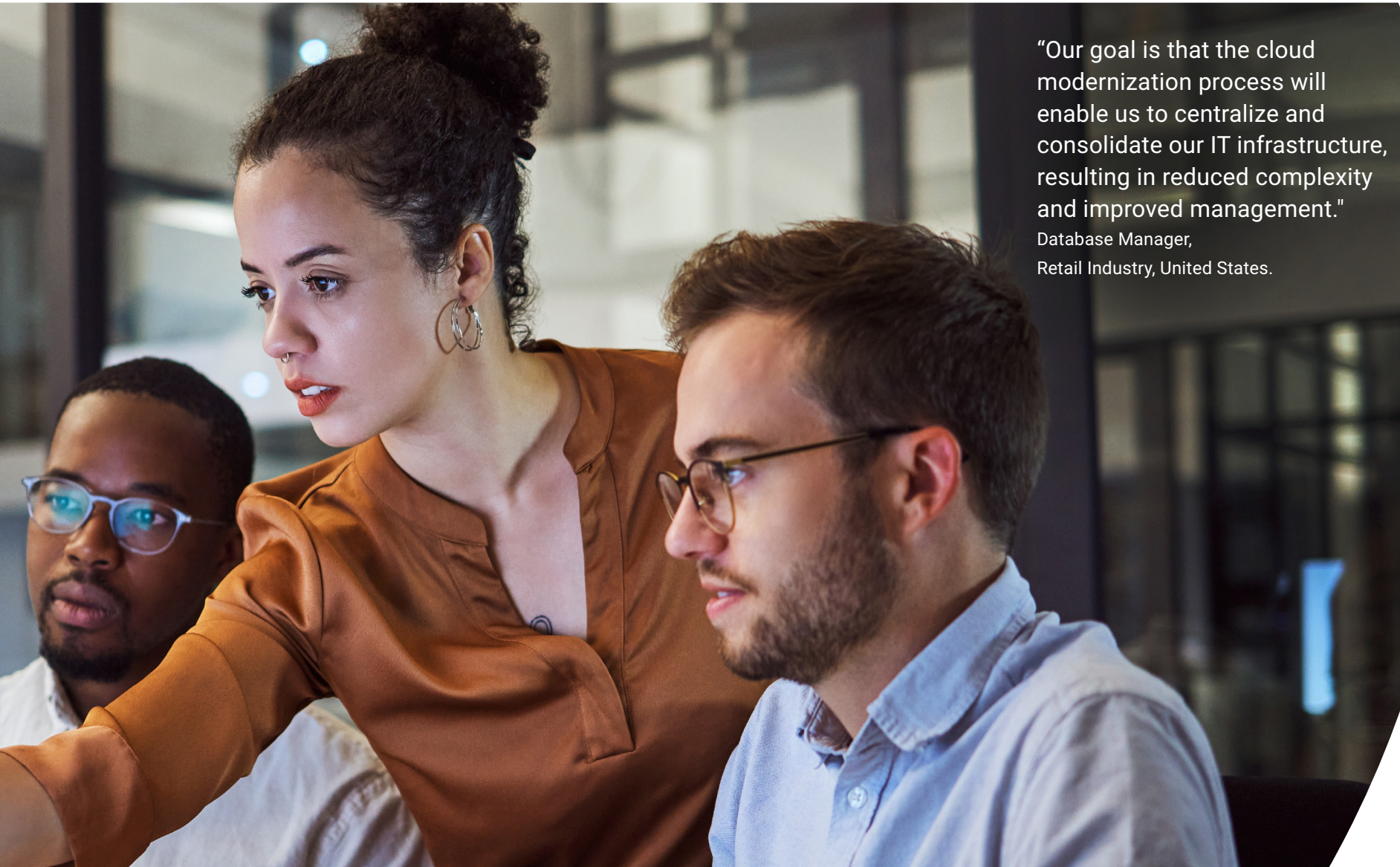
"Our goal is that the cloud modernization process will enable us to centralize and consolidate our IT infrastructure, resulting in reduced complexity and improved management."
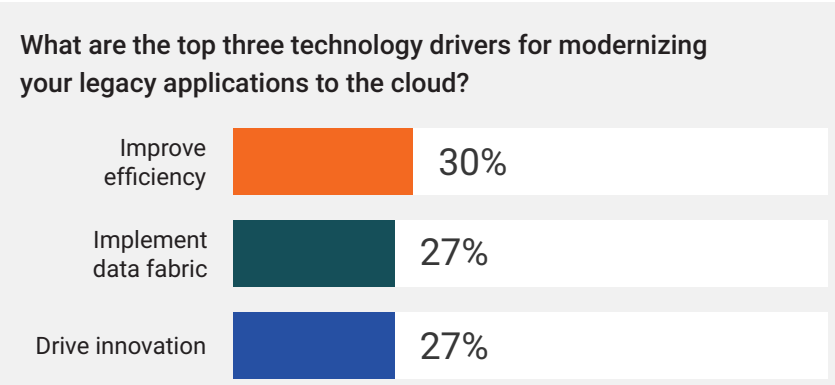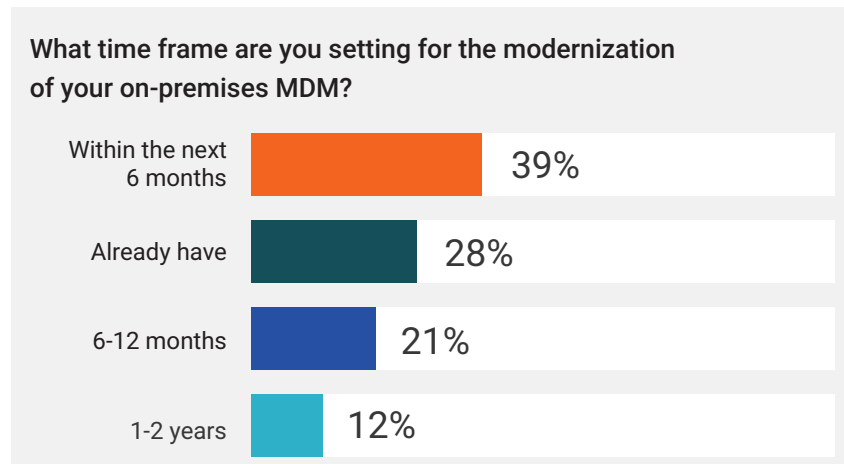Database Manager,
Retail Industry, United States.

Customer Perspective:
The Time for Modernization is Now

Modernizing legacy applications to the cloud and managing vast amounts of data through an MDM solution are crucial for data leaders to establish data governance and achieve a single version of the truth. This includes gaining a contextual, 360-degree view of business-critical data, such as customer, product and supplier or reference data.

Time is indeed critical in implementing the modernization of on-premises MDM. 39% of respondents plan to complete their migration within six months, while just over one quarter of respondents (28%) have already completed their modernization efforts. Another 21% will finish within six to 12 months, and the remaining 12% will within 1-2 years.

What are the top three technology drivers for modernizing your legacy applications to the cloud?

Improve efficiency	30%
Implement data fabric	27%
Drive innovation	27%

With so many enterprises moving swiftly to a cloud-first MDM deployment, those who fail to join the modernization effort could be left behind, viewed by potential customers as less competitive or offering a diminished service.

Organizations are investing in this modernization effort for various reasons, but three technology drivers stand out. Improved efficiency was noted most often at 30%, followed by the need to implement a data fabric and drive innovation, each cited 27% of the time. Close behind were optimizing costs and integrating better with other modern technologies at 24% and 23%, respectively. Respondents were permitted to rate their top three drivers for this question, so the totals exceed 100%.

What time frame are you setting for the modernization of your on-premises MDM?

Within the next 6 months	39%
Already have	28%
6-12 months	21%
1-2 years	12%

Customer Perspective (continued)

Regarding the top two business drivers for modernizing legacy applications to the cloud, the responses were telling. Tied at 31% were ensuring regulatory compliance and driving faster product launches/ digital commerce. Interestingly, the next highest identified business drivers was another matched pair at 24%: enhancing the customer experience and optimizing the supply chain

Regulatory compliance and driving faster product launches/digital commerce appeared together on 21 surveys, most frequently among financial services companies. That occurred just 11 times. This is unsurprising due to the heavy regulatory requirements in that sector. The second highest occurrence, with just three pairings, was in the healthcare sector.
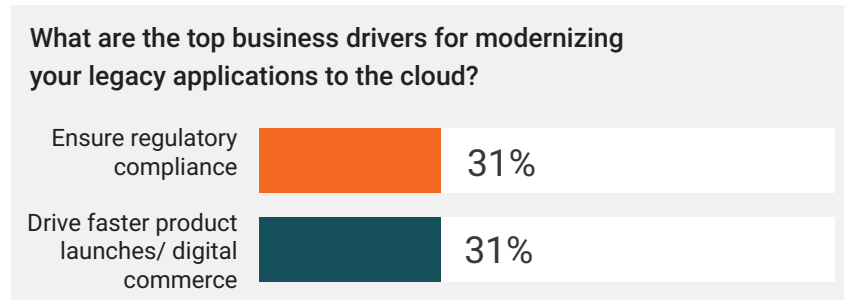
Enhancing the customer experience and optimizing for the supply chain were paired 14 times, with financial services again leading, followed by a tie between healthcare and retail.

While the retail industry often gets a lot of coverage when supply chain breaches occur — major department stores and shipping failures often make the news sites — the top industry that cited supply chain optimization was financial services and healthcare, followed by manufacturing and a tie between retail and software publishing.

Among the top three current master data domains the respondents currently manage with their MDM are customer (68%), product (65%) and supplier (15%). In the future, respondents said they plan to add location (26%) and material and supplier (25%). It's important to note that those planning to add master data domains in the future are not the same as those currently mastering it with MDM.

"Building [cloud-based] scalability into our updates made our system stronger for growing later, helping us adapt."

Chief Information Officer,
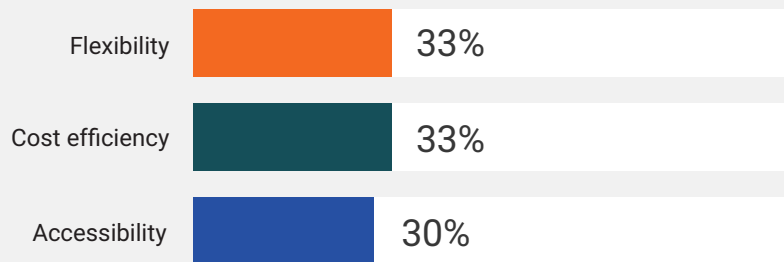Financial Services Firm in Ireland

What are the top business drivers for modernizing your legacy applications to the cloud?

Ensure regulatory compliance	31%
Drive faster product launches/ digital commerce	31%

How MDM Modernization to Cloud Accelerates Business Impact

Our survey results show that companies see a variety of benefits from MDM modernization to the cloud. From an infrastructure perspective, moving operations to the cloud reduces the demand for servers and thus reduces capital expenditure costs. From the software and data side, a cloud-first MDM approach improves operational efficiencies, provides superior data governance and enables broader use of AI-powered MDM to further enhance the capabilities of the application, allowing the organization to innovate faster with greater flexibility. This transformation involves transitioning from traditional, on-premises MDM offerings to more agile, scalable, intelligent and cost-effective cloud-native platforms.

Respondents highlighted several reasons for embracing this modernization transition. Among the most popular reasons are flexibility and cost efficiency, mentioned by 33% of respondents, along with accessibility, mentioned by 30%.

What features are you seeking from MDM in the cloud?

Rich functionality	31%
Elasticity	26%
AI-powered automation	25%
Performance	25%
Scalability	24%

What are the top reasons why you are moving MDM to the cloud?*

Flexibility	33%
Cost efficiency	33%
Accessibility	30%

*Respondents were asked to select their top two reasons.
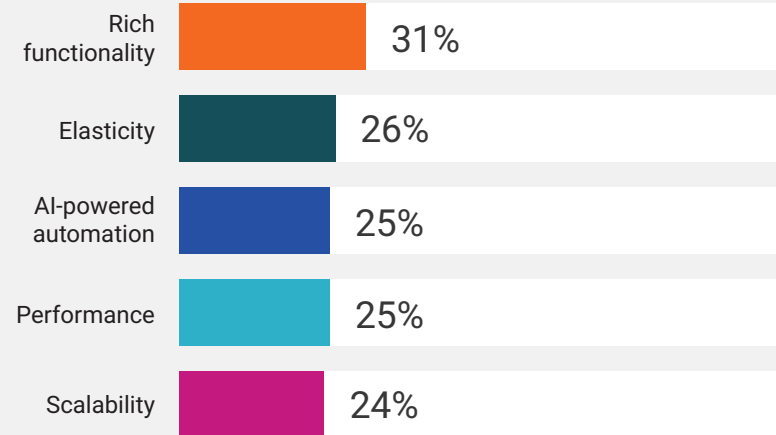
Cloud-based MDM offers various benefits tailored to the needs of enterprises. Some 31% of respondents cited the rich functionality available with cloud-based MDM, while 26% mentioned elasticity. AI-powered automation and performance boosts shared the next spot at 25%, while scalability came in at 24%. This demonstrates the vast depth and breadth of value from cloud-based MDM. Boards of directors and other stakeholders clearly see the value of the investment and are rushing to take advantage of the plethora of capabilities, again underscoring the perceived value to employing a cloud-first MDM approach.

Industry Perspectives

Here's what key decision-makers from top industries are saying about the modernization of MDM.

Financial Services:
Financial industry respondents prioritized ensuring regulatory compliance when implementing a cloud-first MDM architecture.

"Cloud migration has minimized disruptions and has ensured timely upskilling of our staff."
Assistant Vice President for IT Asset Management,
US-based Financial Services Provider

"Embracing a customer-centric approach has improved satisfaction and helped embrace new technology."
Executive Vice President and Head of Technology,
French Financial Services Firm

"We experienced enhanced scalability and performance and we did not face any challenge."
Assistant Vice President of Information Technology,
Indonesian Bank

Industry Perspectives

Insurance:
In the insurance industry, driving product development and enhancing financial reporting were key drivers for modernizing legacy applications.

"MDM modernization has reduced operational overhead and improved scalability."
Vice President and CTO, EMEA,
Insurance Industry, Colombia

"It improves our flexibility and scalability."
CTO, Insurance Carrier in Mexico

"We are now more productive."
Senior Manager and IT Business Analyst,
Indonesian Insurance Firm

"Cloud-based MDM delivered a great monitoring system process that helps assess various process with high effectiveness."
Director of data management,
Insurance in Switzerland

Industry Perspectives

Healthcare:
Healthcare industry respondents noted that optimizing the supply chain, enhancing financial reporting and driving product launches were key business drivers, with regulatory compliance close behind.

"The modernization of the MDM function served as a beacon of clarity and direction."
Senior Director of Information Technology,
US-based Pharmaceuticals Firm

"AI-generated technologies give us really helpful information to make good decisions."
Regional Director of IT Operations,
Healthcare Facility in the US.

"Results and stats can now be viewed with precise accuracy and views."
Senior Data Analytics Project Manager,
Healthcare Services Company in Germany

"Our focus on sustainability has led to cost savings, along with the latest technology."
Senior Director of IT, IT Performance, and Optimization,
Irish ambulatory Healthcare Service Provider

Industry Perspectives

Retail and Manufacturing:
Retail industry respondents showed interest in enhancing the customer experience and optimizing the supply chain, while respondents from the manufacturing industry emphasized improving employee productivity.

"MDM provided opportunities to be more productive and creative."
IT General Manager,
Retailer in Australia

"Maintaining a center of excellence has guided and provided expertise to teams."
CIO, US retailer

"Data security has been working well and there are no unexpected challenges after modernizing our MDM"
Senior Manager of Data and Analytics Platforms, German Retailer

"Increased supply chain visibility and efficiency has been a significant success during our modernization efforts."
VP Information Technology, Manufacturing, Canada

"Migrating our MDM function to the cloud allowed us to improve our focus on cybersecurity measures has enhanced data protection."
Global IT Applications Director,
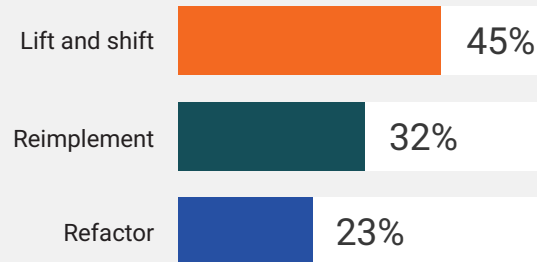**Manufacturer of Cleaning Products in the United Kingdom**

Keeping Your Eye on the Ball

It is understandable that moving existing MDM to the cloud can raise concerns about disruption to the business. Being aware of the risks involved in such a move allows organizations to plan ahead to mitigate these disruptions. While identifying potential vulnerabilities and planning to decrease the impact of these potential risks is a best practice, experience tells us that having a trusted partner in this area can help identify potential challenges that data leaders might overlook.

A plurality of respondents, 45%, said they planned a lift-and-shift approach to modernization, rehosting existing on-premises MDM and data to the cloud as-is. A reimplementation by completely rebuilding MDM from the ground up to take full advantage of the cloud was the choice of 32% of respondents. Refactor — optimizing the existing MDM with incremental changes to improve readiness for the cloud — was the choice of 23%.

Among the challenges respondents considered possible during the migration — and planned for, but not necessarily encountered — were data loss (28%), a long, resource-intensive migration process (27%), concerns about feature gaps (26%) and security and compliance risks (23%).

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What approach do you plan to take to move MDM to the cloud?

Lift and shift	45%
Reimplement	32%
Refactor	23%

What are the top challenges you anticipate while moving MDM to the cloud?

Data loss	28%
Long, resource-intensive migration process	27%
Concern about feature gaps	26%

"AI automation and machine learning really worked well for our organization during the modernization of our MDM."

Senior Vice President of IT, Retailer in Canada

Top Takeaways

As noted earlier, every one of the 300 global Informatica customer respondents to the survey indicate that their organizations have either already modernized their MDM or are in the process of doing so. This speaks volumes to the business value of cloud-first MDM. If your organization is already on the road to a cloud-based MDM, congratulations. You're on the right path. If your organization has yet to start an MDM modernization project, you risk falling behind. Either way, here are some thoughts to consider to help you along the way.

Organizations globally recognize the value of creating greater flexibility and scalability to adapt to the evolving data landscape. Modernizing MDM is not merely a nice-to-have but a must-have for remaining competitive and enhancing corporate governance.

When examining the main drivers for modernization, we discover a broad range of reasons, with the top six choices ranging from 20% and 30% of all survey participants. This variety emphasizes that modernization is influenced by a multitude of factors rather than just one or two dominant ones.

To summarize, Informatica customers are motivated to modernize their MDM capabilities in a cloud-native environment for three key reasons:

1. AI in the cloud augments MDM: Respondents identified AI-powered automation as the most desired feature for utilizing MDM in a cloud-first environment. AI can be used for MDM relationship discovery, data modeling, privacy and protection, simplifying the quality process and

for many other tasks. As the volume of master data and the number of sources accelerate, finding master data identifying the domain type become more challenging. These are just some of many applications for AI-driven MDM that can automate your business operations.

2. Comprehensive regulatory compliance with MDM: With regulators increasing the number of statutes and rules, particularly regarding governance of protected personal data, enterprises are making extra efforts to meet or exceed those requirements. Regulatory compliance works as a business driver. Therefore, modernizing legacy applications to take advantage of cloud-based MDM can enhance the organization's data governance operations and create business opportunities by providing a broad, unified view of an organization's data.

3. Data growth is driving cloud-first MDM: Enterprises create data at a staggering pace, projected to be 147 zettabytes this year and 181 zettabytes next year. Just five years ago, this figure was a mere 41 zettabytes. To take advantage of this explosive growth, advanced, agile tools have become necessary. AI-powered cloud MDM offers automated processes to identify, unify and reconcile data quickly and efficiently. This trusted data enhances personalized customer experiences and informs impactful, data-driven business decisions, allowing innovative organizations to reimagine their business models.

Methodology

In April 2024, Energize Marketing conducted the *State of Global Master Data Management: Informatica 2024 Report*, surveying 300 senior-level executives from various regions including North America, Europe, and Asia-Pacific. The participants were selected from companies utilizing Informatica Master Data Management and included CIOs, Chief Technology Officers, Enterprise and Cloud Architects, as well as Data Management, Application, AI, and Business executives. The survey was administered through email invitations and an online platform. As with any sample study, there is a possibility of sampling variation. However, this variation can be measured and is influenced by the number of interviews conducted and the percentages reflected in the results. Based on this particular study's interviews, there is a 95% chance that the survey results have a margin of error of +/-5.6 percentage points for North America, Europe, and Asia-Pacific if all individuals within the sample universe were interviewed.

About Us

Informatica (NYSE: INFA) brings data and AI to life by empowering businesses to realize the transformative power of their most critical assets. When properly unlocked, data becomes a living and trusted resource that is democratized across your organization, turning chaos into clarity. Through the **Informatica Intelligent Data Management Cloud™**, companies are breathing life into their data to drive bigger ideas, create improved processes, and reduce costs. Powered by **CLAIRE®**, our AI engine, it's the only cloud dedicated to managing data of any type, pattern, complexity, or workload across any location — all on a single platform.

Where data & AI come to

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