

Digital Maturity improved by Digital Marketing in Harmony with e-commerce

Drd. Ioan Matei PURCĂREA



Abstract

There are already many common words and terms in today's digital era or technology vocabulary. Digital commerce maturity, digital engagement, digital capabilities and digital marketing, for instance, are challenging organizations to agilely reflect and adapt to shifting trends, considering the moving forward of the new customer experiences and expectations. The always new e-commerce is considered one of the oldest categories of the marketing technology landscape, and we are witnessing a true organizational challenge of building and orchestrating the next generation of commerce capabilities.

Keywords: Digital Commerce Maturity; Digital Engagement; Digital Capabilities; AI Development; Digital Marketing; eCommerce

JEL Classification: D83; L81; L86; M15; M31; O32; O33

Digital Commerce Maturity, Digital Engagement, Digital Capabilities and Digital Marketing improving Digital Maturity

In our last HMM issue we underlined the challenge of agilely fulfilling the increasing ecommerce demand (ecommerce sector growth being a driving force behind the obvious trend of embracing Robotics and Automation), better engaging buyers in personalized digital experiences (including from the point of view of improving the last-mile delivery), and ensuring a frictionless CX on the basis of solutions playing well in the current API-first world (Purcarea, 2021). A webinar invitation from eMarketer (which organized the special event on October 27, 2021 having as keynote speakers two e-commerce leaders from PayPal and Insider Intelligence) showed that within the rising digital shopping environment (creating opportunities to rethink the

E2E CX) the significant ecommerce experiences can be a differentiator. And this within the context in which the connected consumers showing good judgement can be engaged based on the right omnichannel strategy that enables blending in-store with digital, including emerging technology like AR, drone deliveries, cashless transactions, QR codes etc. (eMarketer, 2021). McKinsey's research findings presented in October 2021 revealed (while tracking changes in US consumer sentiment and behavior), for instance, the ascendance of omnichannel and consumers' continuous shopping behavior change (including switching brands), with some generational differences (Charm et al., 2021).

An October 2021 Special Report by CCW Digital, entitled "Technology Strategies to drive Exceptional CX", highlighted how critical is today the technology strategy behind successful innovation enabling improved tech-driven CX increasingly demanded by customers (Lynch, 2021). As shown by CCW Digital, while experiencing still disconnected experiences customers are waiting for one source of truth to be offered by companies beyond the access to new channels or features, what presupposes companies' organizational alignment allowing a successful technology strategy ensuring the creation of a clear path for improvement. It is important to remember within this framework that:

- In order to both assess their current maturity, and determine a path to their organization's ideal state Gartner clients, for instance, can use Gartner's Digital Commerce Maturity Framework (Nascent, Developing, Intermediate, Advanced, Mastery) taking into account the organization's strategy, culture, organization, execution, and operations (Gartner a, 2021), as shown in below figure:



Figure no. 1: Gartner's Digital Commerce Maturity Framework

Source: Gartner, 2021. Gartner One-Page Digital Commerce Maturity Framework, Gartner for Marketers (work cited)

• Boston Consulting Group (Rogers et al., 2021) identified three principal trends driving Digital Engagement: Demand volatility, Personalization, Privacy regulations driven by consumer expectations (as shown in figure below). The role of e-commerce within this framework is obvious, as well as the importance of cultivating and preserving customer value and trust at the core at all levels of the digital maturity curve, considering Boston Consulting Group (BCG) Roadmap to Digital Maturity (see the next figure below) in implementing both the technical (First-party data; E2E measurement) and the organizational (Agile performance loops; New skills and resources) accelerators



Figure no. 2: Three Trends Are Influencing Digital Engagement

Source: Rogers, K., Pérez-Moiño, J., Leon, H. and Poncela, A., 2021. *The Fast Track to Digital Marketing Maturity*, Boston Consulting Group, September 07, p. 9 (work cited)

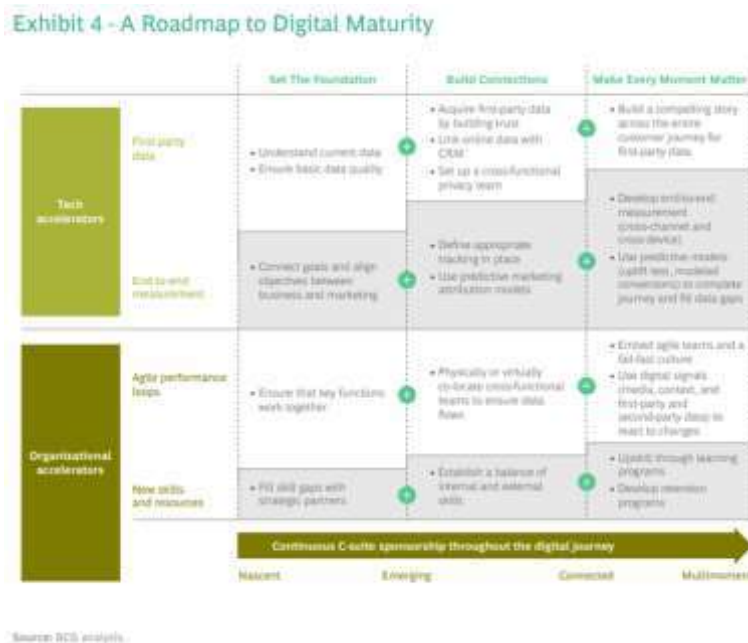


Figure no. 3: Three Trends Are Influencing Digital Engagement

Source: Rogers, K., Pérez-Moiño, J., Leon, H. and Poncela, A., 2021. *The Fast Track to Digital Marketing Maturity*, Boston Consulting Group, September 07, p. 12 (work cited)

- Developed by Deloitte in partnership with the TM Forum, the first industry-standard digital maturity assessment tool (digital capability being assessed across five business dimensions – customer, strategy, technology, operations, organisation & culture – divided into 28 sub-dimensions, as shown in figure below) provided: guidelines for a clear path throughout the digital transformation journey; a view across all organisation’s capabilities, helping it to prioritize focus areas and improve in line with its desired outcome (Deloitte, 2018). This Deloitte approach made difference between the content (seen as being constant) of its Digital Maturity Model (DMM) and the organisation’s maturity level in each area (seen as being dependent on the organisation’s own business strategy, business model, and operating model, as shown in the next below figure).

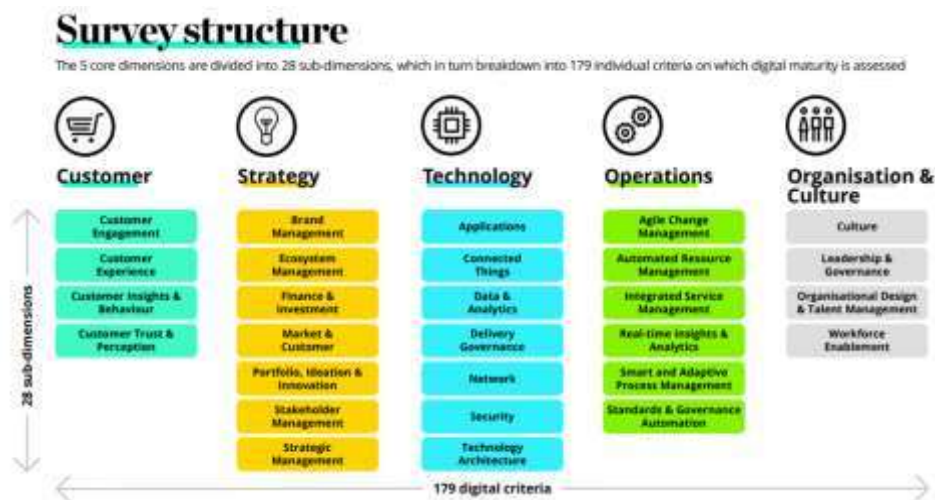


Figure no. 4: Five core business dimensions divided into 28 sub-dimensions, which in turn breakdown into 179 individual criteria on which digital maturity is assessed

Source: Deloitte, 2018. Digital Maturity Model. Achieving digital maturity to drive growth, February 2018, p. 11 (work cited)



Figure no. 5: The content of the Digital Maturity Model is constant, but the level to which an organisation needs to be mature in each area is dependent on its own business strategy, business model, and operating model

Source: Deloitte, 2018. Digital Maturity Model. Achieving digital maturity to drive growth, February 2018, p. 15 (work cited)

• Digital strategist Dr. Dave Chaffey from Smart Insights analyzed at the beginning of December 2021 the process to review and improve digital maturity, underlining the dependence on the context of businesses' appropriate level of maturity (Chaffey, 2021). And as the main practical focus at Smart Insights is the narrower scope of digital maturity (the center of interest being here to improve marketing communications strategy and implementation by way of better-integrating marketing campaigns and always-on digital marketing), Chaffey made reference among other aspects to the more recently created framework of the six pillars of effective digital marketing (as shown in figure below), which allow the described initiatives' prioritization and working on to improve digital maturity. He also brought the attention on the fact that the Gartner framework is including the decisive aspect Strategy and Governance (which is missing from the Google framework).



Figure no. 6: The six pillars of effective digital marketing

Source: Chaffey, D., 2021. What is your digital maturity? Smart Insights, 01 Dec, 2021 (work cited)

Digital, Mobile, and Social Media. Agilely Adapting to Shifting Trends, Considering the Moving Forward of the New CX and Expectations

On the other hand, starting from today's reality that an essential part of people's daily lives is represented by digital, mobile, and social media, recent valuable research approached the mediating effect of brand experience (known as both including sensory, cognitive, emotional, and behavioral experiences, one hand and impacting positively brand trust, loyalty, and commitment, the other hand) on the relationship between customer motivation and engagement behavior (Chen et al., 2021). This valuable research has not only clarified customers' motivations to use social media (being carried out from the point of view of information seeking, entertainment, and social interaction motivation) and linked customers' motivations with their experience using social media, but also offered practitioners (considering including customers' psychological perceptions and social interactions on social media) a way of motivating customers to use social media on the basis of their social media experience.

In agilely adapting to shifting trends, marketing leaders need also to confirm their ability to better understand their own emotions and those of the people around them, in other words to demonstrate the existence of their emotional intelligence by evidence of self-awareness, self-management, social awareness, and relational management, as highlighted by Brenda Ellington Booth, a clinical professor of leadership at Kellogg School of Management at Northwestern University (Kellogg Insight, 2021). The Feedvisor's 2021 Amazon Consumer Behavior Report surveyed 2,000+ US Shoppers and revealed different significant aspects such as: their shopping motivations (consumers want a simple and seamless shopping journey, and an assortment of quality products, Amazon responding accordingly thanks to its powerful search algorithm and collection of quality product offerings) and tendencies; the moving forward of the new CX and expectations (90% of consumers being satisfied with Amazon's customer service, and being known from Zendesk research that after one bad experience 50% of consumers switching to a new brand); the growing role played by Amazon and e-marketplaces in shoppers' lives, consumers shopping now more online (57%) than before the pandemic, the top 3 destinations to start the search for new products being Amazon (62%), Google (18%) and Walmart (10%), while the top 3 destinations to go when consumers are ready to buy a product being Amazon (71%), Walmart (10%) and Google with 7% (Feedvisor, 2021). Research on price and reviews is something usual for US consumers (as shown in figure below), as well as their preference for e-marketplaces (as a complete unit, Amazon, Walmart, and e-marketplaces continuing their increase in popularity) over brand and retailer websites, and when online shopping consumers' top priorities are price and convenience.

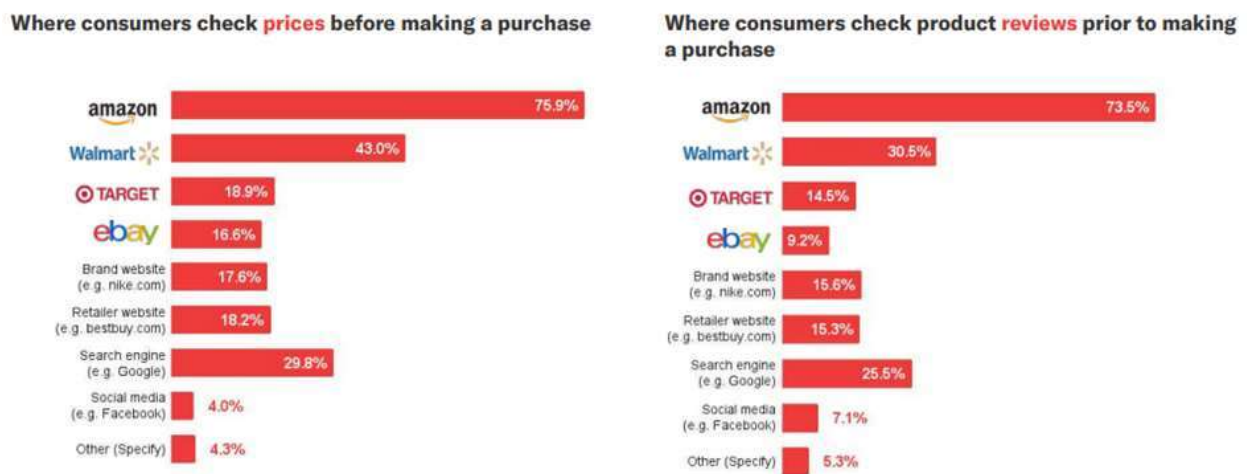


Figure no. 7: Consumers Are Doing Their Research on Price and Reviews
Source: Feedvisor, 2021. The 2021 Amazon Consumer Behavior Report: Based on a Survey of 2,000+ U.S. Shoppers, November 3, 2021, p. 8 (work cited)

In our last HMM issue we also made reference to: the acceleration of the rise in online shopping and ecommerce deliveries (the last-mile ecosystem revolution being fueled by proven

technologies, as highlighted by WEF; seven different delivery networks for last-mile delivery were described by the WEF report); the growth in consumers' comfort with six stated delivery methods within the context of the supply chain disruption (as shown by Astound Commerce); the fact that the no. 1 delivery pain point for over half of retailers is last-mile delivery (as confirmed by OneRail); the in August 2021 launched Walmart's GoLocal last-mile delivery service, The Home Depot becoming the first retailer utilizing Walmart's network to make same- or next-day deliveries (as shown by Retail By the Numbers) etc.

In September 2021, McKinsey's research revealed the rapid evolution of food delivery, underlining that one of the most significant battlegrounds over the coming years will be represented by the geographic competition among delivery platforms, which will be under pressure to both leverage customer data to improve their users' experience, and find innovative ways to reduce delivery costs (Ahuja et al., 2021). Within this framework there were made references to the four active players (DoorDash, Grubhub, Postmates, and Uber Eats, the playing field being slightly leveled by Uber's 2020 acquisition of Postmates) on one of the more complex food-delivery markets, US.

In October 2021, eMarketer informed of Gorillas performance, a Berlin-based grocery delivery company shipping groceries through a network of dark stores (retail distribution centers or warehouses catering exclusively to online shoppers) delivering (via last-mile couriers on fixed-term contracts) in just 10 minutes in over 50 cities, including Capital cities like London, Madrid, Paris or other great cities like New York (Goldman, 2021). And that within the context of the increasing: European competition including other European startups (such as Germany's Flink, Turkey's Getir, and London-based Zapp) or other international competitors like Philadelphia-based Gopuff which acquired UK delivery services Dija and Fancy; US last-mile competition (challenging traditional grocery chains to also offer faster service; The Kroger Co and DoorDash, for instance, taking measures accordingly) including Buyk, Fridge No More, Jokr, and 1520 (all of them expanding rapidly in major US markets). Consumers are getting used to 15-minute delivery once that the dark store model begin to have success, which means setting a higher standard on delivery times also for Amazon and Instacart to follow.

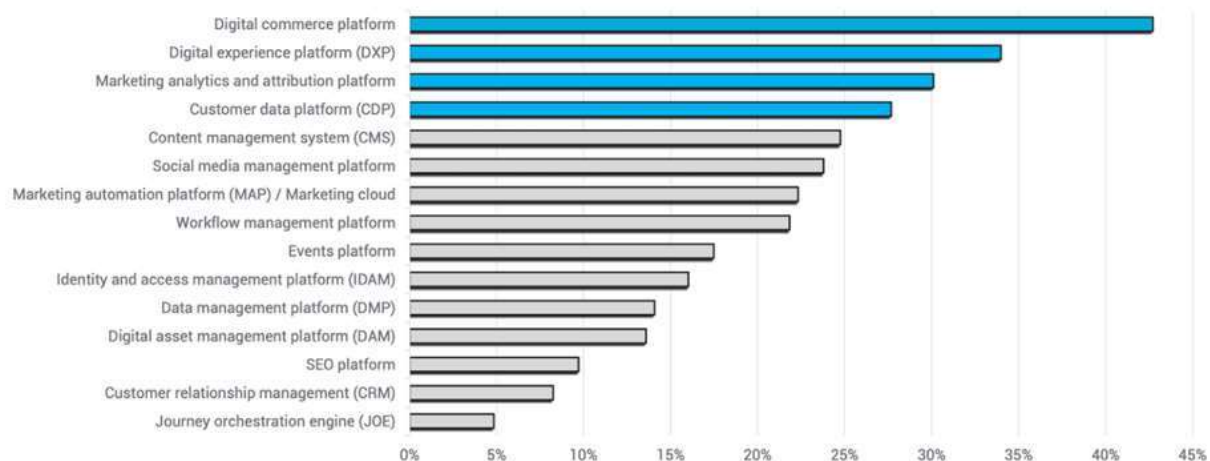
The new again eCommerce, one of the oldest categories of the marketing technology landscape. The challenge of building and orchestrating the next generation of commerce capabilities

According to Gartner (b, 2021): *"Marketing technology (also known as martech) is a set of software solutions used by marketing leaders to support mission-critical business objectives and drive innovation within their organizations. Martech solutions focus on content and customer experience, advertising, direct marketing, marketing management and marketing data and analytics"*.

Approaching the explosion of digital commerce (within the context of COVID-19 impact on digital transformation), the reputed Scott Brinker (Conference chair of the MarTech®

Conference, who also serves as the VP platform ecosystem at HubSpot) brought our attention to the fact that today's hottest category in the marketing technology landscape is probably the commerce-related marketing technology, online purchasing and payment being embraced by buyers as the new normal (Brinker, 2021). He underlined that digital commerce platforms were the highest ranked major martech tool planned to be added to organizations' marketing stack in the next 12 months according to the just published The Martech Report 2021/22 by the team at MarTech Alliance, as shown in the below chart. The next two podium places were occupied by the digital experience platforms (DXP, seen often as the engines through which commerce-related content and experiences are deployed), and the marketing analytics and attribution platforms. Brinker stated: *"For marketing technologists and marketing operations professionals, building and orchestrating this next generation of commerce capabilities — embedded into digital experiences and backstage workflows — is going to be a massive opportunity to deliver measurable value. Directly put the revenue in revenue operations (RevOps) "*.

Which major martech tools does your organisation / your typical client plan to add to the marketing stack in the next 12 months?



The Martech Report 2021/22

MOORE Kingston Smith MARTECH ALLIANCE

Figure no. 8: Which major martech tools does your organization / your typical client plan to add to the marketing stack in the next 12 months

Source: Brinker, S., 2021. *Commerce is the latest (renewed) frontier in martech, putting the revenue in RevOps*, Chief Marketing Technologist, October 2021 (work cited)

On the other hand, Dan McGaw (Founder of McGaw.io, MarTech speaker, and co-founder of analytics tools such as UTM.io, also known for his extensive work with Segment implementations) stated: *"The nature of ecommerce necessitates a speedy tech stack to seamlessly collect user data, transmit it to the relevant destination, and respond to customer activity in real-time. The complete customer journey and closed reporting loop that will provide a stable framework from which you can scale your business"*. This statement was made recently,

on the occasion of presenting “*The Ecommerce Startup Guide to MarTech*”, following an invitation from the Customer Data Platform (CDP) Segment (McGaw, 2021).

It is also interesting to note that Martechvibe (2021), the media platform owned by Vibe Projects LLC, made reference to the following statement of the COO of US-based fashion wholesale platform OrangeShine, Abir Alameddine, who commented a McKinsey survey: “*In an enterprise environment dominated by the pursuit of digital transformation, marketing technology (martech) has become an indispensable tool for gaining a competitive advantage and promoting business growth in the e-commerce sector*”. It is also no less interesting the observation made by McKinsey Digital that the next wave of value for the enterprise (both for small, and large companies) is the so-called open-source e-commerce (user’s complete access to the source code to adapt and customize the platform), the evolution of open-source software (OSS) providing a good alternative for certain e-commerce features (as shown in figure below), open-source e-commerce opening the way to a more productive and innovative digital future for those companies making the necessary investments in people and processes (Arora et al., 2021).

For certain e-commerce features where speed and flexibility are important, OSS is a good alternative.

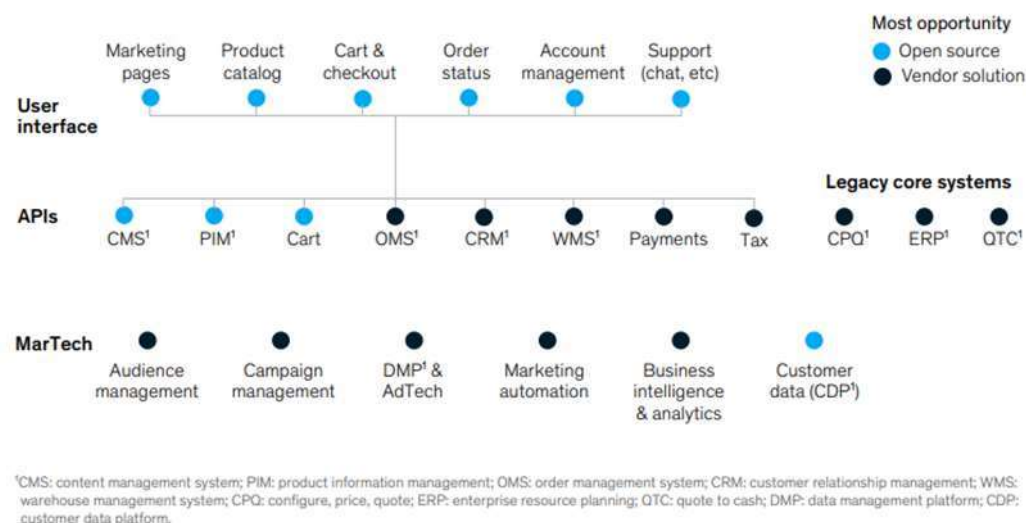


Figure no. 9: For certain e-commerce features where speed and flexibility are important, OSS is a good alternative

Source: Arora, A., Hjartar, K., McGuire, J., Villareal, O. and Zimmel, R., 2021. Open-source e-commerce: The next wave of value for the enterprise. [pdf] McKinsey & Company, McKinsey Digital, October 2021, p. 3 (work cited)

Instead of conclusions

Technologies and human capital availability are seen as fundamental for the AI development, AI usage and adoption involving technology expertise which is far from enough, hence the considerable need for data scientists and technologists to build and support companies’ mission-critical applications based on increasingly used AI technologies (Fatima et a., 2021).

According to Steve Nowlan, Senior Vice President of Decision Sciences, Epsilon, AI is used in marketing to manage and optimize impressions' delivery, being an enabling technology necessary to improve organizations' real KPIs (Blose, C., 2021). In eCommerce, technologies using AI (Natural Language Processing, Computer Vision, Machine Learning/Deep Learning, Expert Systems, Text/Speech/Image recognition) are powering online shopping, and shopping experience is revolutionized by personalization and automation based on AI used in eCommerce, including in eCommerce apps (Honcharova, 2021). AI is redefining customer engagement in eCommerce (Kaushik, 2021), by enabling to do personalization at scale, repeating order personalization, optimizing cross-channel spend (determining which consumer prefers which channel), enabling content optimization, eliminating guesswork and marketing efficiently.

The name of the game with online retailers and eCommerce marketing was changed by AI, underlined the CEO and Founder of Bookmark (an AI-powered website builder disrupting the web design industry), David Kosmayer (2021). The new marketing era is inviting to the use of AI (Smart Technology, Chatbots, CRM, Inventory Management, Image Classification).

Digital Marketing (is getting people to notice your brand, by fine-tuning your campaigns and targeting the right people) and eCommerce (is allowing you to sell it and deliver it, offering or expanding a product line that will develop a lifestyle choice for customers etc.) are closely connected, being complementary (Pretty Impressive, 2021). It is a true continuous challenge to find the right balance between them.

References

- Ahuja, K., Chandra, V., Lord, V. and Peens, C., 2021. Ordering in: The rapid evolution of food delivery, McKinsey & Company, Technology, Media & Telecommunications Practice, September 22, 2021. [online] Available at: <<https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/ordering-in-the-rapid-evolution-of-food-delivery?>> [Accessed 22 October 2021].
- Arora, A., Hjartar, K., McGuire, J., Villareal, O. and Zimmel, R., 2021. Open-source e-commerce: The next wave of value for the enterprise. [pdf] McKinsey & Company, McKinsey Digital, October 2021, pp. 1-6. Available at: <[open-source-e-commerce-the-next-wave-of-value-for-the-enterprise.pdf](#)> [Accessed 2 November 2021].
- Blose, C., 2021. Teach the machines marketing, Epsilon, May 11, 2021. [online] Available at: <<https://www.epsilon.com/us/insights/core-content/teach-the-machines-marketing>> [Accessed 12 November 2021].
- Brinker, S., 2021. Commerce is the latest (renewed) frontier in martech, putting the revenue in RevOps, Chief Marketing Technologist, October 2021. [online] Available at: <<https://chiefmartec.com/2021/10/commerce-is-the-latest-renewed-frontier-in-martech/>> [Accessed 11 November 2021].

Chaffey, D., 2021. What is your digital maturity? Smart Insights, 01 Dec, 2021. [online] Available at: <<https://www.smartinsights.com/manage-digital-transformation/digital-transformation-strategy/digital-maturity/>> [Accessed 3 December 2021].

Charm, T., Hwang, J., Laird, J., Lu, N., Saavedra, J. R., Leon, A., and Sancho Mazzara, D., Maiti, A., Robinson, K., and Skiles, T., 2021. US consumer sentiment and behaviors during the coronavirus crisis, McKinsey & Company, Business Functions, Marketing and Sales, October 18, 2021. [online] Available at: <<https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/survey-us-consumer-sentiment-during-the-coronavirus-crisis?>> [Accessed 23 October 2021].

Chen, X., Jiao, C., Ji, R. and Li, Y., 2021. Examining Customer Motivation and Its Impact on Customer Engagement Behavior in Social Media: The Mediating Effect of Brand Experience, SAGE Open October-December 2021: 1–16. DOI: 10.1177/21582440211052256.

Deloitte, 2018. Digital Maturity Model. Achieving digital maturity to drive growth, February 2018, pp. 8-11, 15, 18. [online] Available at: <<https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Technology-Media-Telecommunications/deloitte-digital-maturity-model.pdf>> [Accessed 9 November 2021].

eMarketer, 2021. [A Conversation with PayPal] Blending In-Store and Digital Commerce, Fri 9:48 PM, eMarketer Webinars <webinars@emarketer.com> Special Notification on October 23, 2021.

Fatima, S., Dawson, G. S., Desouza, K. C. and Denford, J. S., 2021. The people dilemma: How human capital is driving or constraining the achievement of national AI strategies, The Brookings Institution, November 10. [online] Available at: <<https://www.brookings.edu/blog/techtank/2021/11/10/the-people-dilemma-how-human-capital-is-driving-or-constraining-the-achievement-of-national-ai-strategies/?>> [Accessed 12 November 2021].

Feedvisor, 2021. The 2021 Amazon Consumer Behavior Report: Based on a Survey of 2,000+ U.S. Shoppers, November 3, 2021, pp. 2, 5, 7-9, 11, 13, 16. Available at: <<https://feedvisor.com/resources/amazon-marketing-advertising-strategies/2021-amazon-consumer-behavior-report/>> [Accessed 3 November 2021].

Gartner a, 2021. Gartner One-Page Digital Commerce Maturity Framework, Gartner for Marketers, November 2021. [online] Available at: <<https://www.gartner.com/en/marketing/research/digital-commerce-marketing-maturity-framework>> [Accessed 9 November 2021].

Gartner b, 2021. Marketing Technology, Gartner Glossary. [online] Available at: <<https://www.gartner.com/en/marketing/glossary/marketing-technology>> [Accessed 11 November 2021].

Goldman, J., 2021. Gorillas' \$1 billion raise underscores the market opportunity for last-mile and fast grocery services, eMarketer, Oct 20, 2021. [online] Available at: <<https://www.emarketer.com/content/gorillas-1b-raise-represents-market-opportunity-last-mile-fast-grocery-services?>> [Accessed 22 October 2021].

Honcharova, Y., 2021. Artificial Intelligence In eCommerce: Redefining The Future, Gepard, December 15, 2021. [online] Available at: <<https://gepard.io/insights-trends/artificial-intelligence-in-ecommerce>> [Accessed 18 December 2021].

Kaushik, A., 2021. 5 Ways AI is Redefining Customer Engagement in E-commerce, MoEngage, 21 June 2021. [online] Available at: <<https://www.moengage.com/blog/5-ways-ai-is-re-defining-e-commerce-customer-engagement/>> [Accessed 12 November 2021].

Kellogg Insight, 2021. 4 Components of Emotional Intelligence, Research & Ideas Magazine of Kellogg School of Management at Northwestern University, insight@kellogg.northwestern.edu, November 03, 2021.

Kosmayer, D., 2021. How to Use Online AI – Artificial Intelligence for eCommerce, OptiMonk, September 1, 2021. [online] Available at: <<https://www.optimonk.com/5-ways-artificial-intelligence-is-taking-e-commerce-to-the-next-level/>> [Accessed 12 November 2021].

Lynch, B., 2021. Special Report: Technology Strategies to drive Exceptional CX, Customer Contact Week Digital (CCW Digital), 2021 Special Report Series, report provided by Talkdesk, October 15, 2021, pp. 3, 7. Available at: <<https://www.customercontactweekdigital.com/customer-experience/whitepapers/special-report-technology-strategies-to-drive-exceptional-cx>> [Accessed 28 October 2021].

Martechvibe, 2021. The Role of MarTech in Driving eCommerce Business Performance, Martechvibe News, Staff Writer, July 15, 2021. [online] Available at: <<https://martechvibe.com/news/the-role-of-martech-in-driving-ecommerce-business-performance/>> [Accessed 11 November 2021].

McGaw, D., 2021. The Ecommerce Startup Guide to MarTech: What to Track and Put in Your Stack, Segment, November 1st 2021. [online] Available at: <<https://segment.com/blog/ecommerce-startup-guide/>> [Accessed 11 November 2021].

Purcarea, I. M., 2021. The Impact of Robotics on E-commerce, and the Challenge of Delivering Great CX, Holistic Marketing Management, vol. 11(3), pp. 14-39, October.

Pretty Impressive, 2021. E-Commerce and Digital Marketing: Your Guide to Understanding the Difference and Finding Success in the World of Online Commerce, Marketing Strategy, September 9, 2021. [online] Available at: <<https://pretty-impressive.com/blog/what-is-the-difference-between-ecommerce-and-digital-marketing/>> [Accessed 12 November 2021].

Rogers, K., Pérez-Moiño, J., Leon, H. and Poncela, A., 2021. The Fast Track to Digital Marketing Maturity, Boston Consulting Group, September 07, 2021. [online] Available at: <<https://www.bcg.com/publications/2021/the-fast-track-to-digital-marketing-maturity>> [Accessed 9 November 2021].