

Editorial: *Holistic Marketing Managers convicted to bringing data quality expertise, while spending and measuring the return of marketing investment in both, the physical and the second economy*

We discussed in our editorials that in order to making change (organizational, operational, commercial) happen presupposes to deal with the environmental changes and to achieve the proper transformation, considering the real pressure of quickly responding to the signs of customers' changing needs, well understanding the difference between being responsible and being held accountable, and taking a disciplined approach of the specific requirements, with the whole organization in mind, including both, organizational health-related considerations and performance-related ones. Thinking at the pressure of making holistic marketing organization more adaptable to the rapidly evolving business environment and valorizing opportunities for improvement and survival, let us go back (and to adapt to our topic) to:

a) just two questions raised by William Edwards Deming: *transformation is necessary for survival* (the critical mass of people helping the change, all management levels taking part in this philosophy, and their contributions with adequate proposals); *constancy of purpose* (what is the purpose, what we all know about the formulated purpose, what we believe about the extent that it affects our work, whom do we answer to). Deming said clearly: *"In God we trust. All others must bring data!"*

b) Peter Rosenwald,¹ an industry leader with broad experience² in every aspect of the application of direct and data-driven marketing to a wide range of businesses, well known for his constant pledge for the necessity of accountability in marketing and CRM, who highlighted the struggling of marketing managers for new rules and measurements to use in the new world of measurable performance: understanding the economics of the marketing continuum and where begins the accountability, determining the allowable cost per name for a customer database, localizing the most effective and efficient integrated marketing database, knowing where marketing managers want to go and what is the best and most economical way of getting there, thinking of "contribution and/or profit" as a "cost", understanding that good content is the most important churn reducer, that incentives come in all forms and sizes, and that testing and archiving are the foundation stone for marketing improvement, considering the most likely prospects are almost always better and less expensive and that the "household" is a better marketing unit than the "individual", establishing the right balance between catalog customers and prospects, moving the customer up the value ladder and selling a variety of goods, understanding that the prospect is almost always multidimensional.

For the sake of this accountable marketing we noticed (Theodor Purcarea, REBE-FA06-A7.pdf) in 2006 that the "machinery" made up of the engagement of the enterprise worker and the engagement of his clients can significantly influence the performance of the company, the "engagement"³ having already entered the list of traditional marketing activities and being already proved an increase in demand for evaluations connected to Return on Investment (ROI). The latter in the context in which engagement – defined as the result of marketing activities and advertising which substantially increase the power of the brand in the eyes of the client (if it has been measured adequately in can really forecast sales and profitability) – is used more and more to allocate marketing budgets. Three years after, in 2009, we underlined (Theodor Purcarea, REBE-SU09-A4.pdf) the importance of a long term relationship between marketers and customers on the road to "the next society" (a road dotted with many signs / phrases: "new society", "new reality", "new economy", "the new organization"...

¹ Peter Rosenwald - Accountable Marketing: The Economics of Data-Driven Marketing, South-Western Educational Pub; 1 edition, August 13, 2004
² www.accountablemarketing.info/author.htm
³ Robert Passikoff - "Rules of Engagement", www.chiefmarketer.com/rules_engagement_02132006

At the end of 2011, we reiterated the key role played by marketers in better business performance, well understanding the difference between being responsible (in a general sense; you can delegate it) for something and being held *accountable* (more measurable; you can't delegate it to anyone), while putting in function the customer-engagement engine by elevating the role of customer insights and using more data rich and analytically intense and quickly responding to the signs of customers' changing needs, focusing on problem-solving and strategic-marketing skills. As we all know, within the context of organizations developing purchase funnel models (that show how marketing and advertising efforts affect consumer attitudes and behavior) in order to make effective marketing decisions, there is a real need to quantify results, and "one of the major ways results can be measured are by looking at *Return on Investment* (ROI),⁴ which measures the relative efficiency of various marketing tactics (such as advertising/promotion mix, media mix, scheduling options, etc.) against marketplace performance (typically reported as sales results)". CMO can respond to the complex challenges they actually face only by thoughtfully and systematically applying investment fundamentals to marketing, being necessary to boost marketing's ROI.⁵ There is no doubt about the importance of reinforcing and embedding ROI thinking in the daily marketing approach.

In the first quarter of this year Ben Straley,⁶ VP of social technologies at Rio SEO and lead instructor of interactive marketing at University of Washington's Continuing Education Program, attracted our attention, in well-known "Forbes" (<http://www.forbes.com/>), on the paradox revealed by the difficulty of reaching real-time information about the target audiences and customers of marketing organizations and engaging them in despite of the rise of social media, big-data analytics, and smart mobile devices. Within this context he recommended six "*must-dos*": strive to master all digital media; lead the charge on attribution; re-think and then re-invent lifetime value; think and act like a publisher; get your arms around your audience data; think "serendipity," not "stalking."

On the other hand, we saw that in the opinion of Cory Treffiletti,⁷ SVP of Marketing, BlueKay, this year, 2013, *will be the critical junction for ROI*, this year *channels talking to each other: search, video, social, display, and mobile*. Within the same framework, other opinions showed that: *customer profiles become the DNA for real-time customer engagement* (Joe Cordo, CMO Extraprise), *driven by the rapid shift to cloud-based services and solutions buyer behavior has shifted* (Michael Ni, CMO/SVP of Marketing and Products, Avangate), *marketers begin to make serious strides in using listening data, check-ins, photos, and other online behaviors to figure out social signals, including purchasing intent* (Michael Della Penna, Senior Vice President of Emerging Channels, Responsys), *the older half of Gen C will understand the repercussions of the over-sharing they engaged in as teens* (Richard Pasewark, CEO, Visible Technologies), *marketers understanding customer needs and preferences on mobile will be successful in tapping the potential of this channel* (Michael Della Penna, Senior Vice President of Emerging Channels, Responsys).

In february this year, a consultant of the digital measurement and data analytics consulting firm Semphonic,⁸ Emanuel Rasolofomasoandro, argued that making data (a very dynamic and continually changing asset) fit for use takes a lot of work, management and policing, quality data requiring someone with data quality expertise as well the responsibility and authority to make it happen. In his opinion, taking into account the multiple sources existing today, the process of big data reconciliation should begin at the very source of the data, checking then variances, while segmenting and examining data in chunks, the large volumes of data begging for appropriate large-scale database tools.

"A message for today's leaders", coming more recently⁹ from an alumnus of McKinsey's Houston office, and a Harvard-Newcomen postdoctoral fellow at the Harvard Business School, Caitlin Rosenthal, concluded that *modern managers* – compared to Daniel McCallum, the master of organizational design, for the New York and Erie Railroad in 1854, which empowered frontline managers by clarifying data flows - *can now access detailed*

4 Accountability: A Guide to Measuring ROI and ROO Across Media, Magazine Publishers of America, New York, www.magazine.org/accountability, www.customers.com/ad_blues/Accountability_Study.pdf
5 David C. Court, Jonathan W. Gordon, and Jesko Perrey - Boosting returns on marketing investment, McKinsey Quarterly, 2005
6 Ben Straley - Six Things Every CMO Needs To Know In 2013, www.forbes.com/sites/onmarketing/2013/01/03/six-things-every-cmo-needs-to-know-in-2013/
7 www.mpdailyfix.com/whats-next-in-marketing-bold-predictions-for-2013/?adref=nl1011613
8 Emanuel Rasolofomasoandro - Data Quality: The Achilles' Heel of Big Data, February 21, 2013, www.emarketingandcommerce.com/article/data-quality-the-achilles-heel-big-data/
9 Caitlin Rosenthal - Big data in the age of the telegraph, McKinsey Quarterly, March 2013

data, often in real time within the context of being overwhelmed by copious data flows thanks to emerging social networks, but McCallum's insights are considered still relevant in the age of the Internet.

We are witnesses and actors of a digitization process which is creating an invisible *second economy*¹⁰ that is vast, automatic, interconnected, and extraordinarily productive. A new economic world is created by this second economy and silently forming alongside the physical economy. The new “action-agile” organization¹¹, thinking holistically and turning data into action on a regular and timely basis is already ready to face the environment specific to this second economy too.

Let us finally remember some wise words:

- a) Yuri Milner: *“It's not about revenues: The fundamental economics in digital business is scale and margins. The top line has become the bottom line”*;
- b) Philip Kotler: *„Marketing takes day to learn. Unfortunately it takes a lifetime to master”*;
- c) Bob Thompson: *“But as the world shifts to more and more digital interactions — from commonplace e-commerce and web self-service to newer social and mobile interactions — business leaders must solve one key problem. Namely, how to deliver delight when most digital interactions are designed to meet, but not exceed, customer expectations.”*¹²

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¹⁰ W. Brian Arthur - The second economy, 2011 McKinsey & Company, The second economy.pdf

¹¹ Brent Dykes - How to create a data-driven dynasty, 24068_data-driven_dynasty_whitepaper_ue_v10.pdf, Adobe, Mon, March 4, 2013

¹² Customer Delight in a Digital World: 10 BIG Ideas, CustomerThink Corp., 2012, customerthink_customer_delight_digital_world_10_big_ideas.pdf