A Review of the Different Marketing Opinions on Marketers’ Maturity and Challenges in the Second Half of 2014

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Abstract
Marketers are increasingly challenged to understand the topics that customers want to hear about and to make sure they have the correct data on customers they are trying to reach, to make every interaction count by matching content and device with the customer and their context, to ensure the orchestration of the six A’s of marketing performance management. They also need to understand the role of marketing technologists and to increase their ability to link different technologies, being aware that marketing moves at the speed of technology. Within this shift in strategy and mentality, marketers must ensure a successfully intersection with their audience across channels and devices, building a lab marketing culture enabling an understanding of the real value and impact of customer information, and the availability of key customer insights in all parts of the enterprise. They also have to ensure that customers are getting the deserved personalized attention, by merging data acquired across multiple channels into a single customer profile and producing better targeted personalizing messages. There is no doubt that marketers need to constantly innovate and improve the customer experience by concentrating on a trusted brand that makes the customer feeling having someone on its side.

Key words: Marketing operations, Social media channels, Marketing technologist, Marketing scientist, CEM, CRM, Data-driven marketing, Cross-channel marketing, Digital marketing technics, Marketing innovator

JEL Classification: M31, M14, M15, D83, D03

Using the right data to manage the message, and the strategic partnership between CMOs and CIOs. The six A’s of marketing performance management

One of the top challenges for marketers, according to a Marketing Leadership roundtable (held in June 2014 in New York) of top marketers and industry experts (hosted by Target Marketing and sponsored by Reach Marketing) is breaking through the wall of noise that clients and prospects are staring at each day. (McGee, 2014) The roundtable identified two problems: the proliferation of media messages (exponentially increasing); the actual marketing content. Within this context marketers are challenged: to invest in the brand equity; to have a good communication with the sales team; to use the right data to manage the message; to understand the topics that customers want to hear about; to understand the dynamics and the ramifications of not marketing smarter to their customer base, and to have the IT infrastructure, marketing systems and data in place to make that leap; to make sure they have the correct data on the people they are trying to reach.
In August 2014, a commissioned study conducted by Forrester Consulting on behalf of Experian Marketing Services (Forrester, 2014) highlighted that in order to make every interaction count by matching content and device with the customer and their context (a “must do right now”) marketers need to achieve three things: extensive integration of channels (cross-channel marketing remaining a work in progress), mastery of complex processes, and sophisticated use of data. A McKinsey Article (Ariker et all., 2014) from the same month of August 2014 showed that as worldwide volume of data is growing at least 40 percent a year, in order to developing and executing marketing strategy is crucial to have a strategic partnership between CMOs (by defining their vision with precision from the beginning of data analysis to the delivery of a solution to the front lines to the tracking of earnings impact, and helping IT analytics teams question assumptions and pressure test outcomes) and CIOs (by shifting IT from being a cost center to being a business-revenue facilitator and enabler, and helping CMOs understand software-development trade-off decisions and opportunity costs), both of them being forced by the digital explosion to work more closely together and to use technology to mitigate the speed and agility issue, to share both, leadership of the overall analytics effort and a mutual definition of its success, and accountability for business-performance improvement based on specific key performance indicators (such as revenue generation, usage, and retention), by being clear on decision governance, building the right teams, and ensuring transparency. On the other hand, it is interesting to note that today, seven years from the first exploration of the role of marketing operations (when companies were beginning to explore adding marketing ops to the marketing function to help ensure that systems, processes, and tools were in place to support marketing performance measurement and management), and five years from the moment when the scope of marketing operations was typically marketing project management and marketing governance (the 2009 Lenskold Group/MarketSphere Marketing ROI and Measurement Study) the role of marketing operations is expanding, and the 2014 VisionEdge Marketing/ITSMA study found that the top roles for marketing operations function among the Best-in-class (BIC) marketers (considered being value creators) are, in priority order, the following: Customer, market, competitive intelligence, research, and insights; Analytics and predictive modeling; Data management; Campaign analysis and reporting; Budgeting and planning; financial governance and reporting; Organization benchmarking and assessments. And as marketing is facing an increasing pressure to measure its value and contribution, marketing operations is considered the
logical entity to champion and orchestrate the six A’s of marketing performance management: alignment, accountability, analytics, automation, alliances and assessment. (Patterson, 2014)

Using social media channels the way consumers want to use them, and the role of marketing technologists in linking different technologies

On August 27, 2014 Social Media Examiner attracted our attention on the fact that one of the lessons to learn from a recent Gallup poll (Redsicker, 2014) published in the State of the American Consumer is that businesses need to use social media channels the way consumers (who use social media to make conversation and connections) want to use them, and not the way the business wants to use them, social media marketing being about making emotional connections through positive customer experiences, exceptional service and engaging conversations. To be engaged, consumers need to be inspired so as to advocate on a company’s behalf, by perceiving company’s messages and intentions as sincere. And, for example, to influence Millennials (the largest, most diverse generation in the U.S. population, valuing community, family, and creativity in their work; hyper-connected and consuming content on multiple platforms and devices; a key social media audience but not easily influenced by; wanting to be in charge of the conversations, and being super-interested in what their friends think) via social media, companies need (according to Razorfish Liminal report) both, to create mobile-friendly content that fits Millennials’ needs and preferences, and to show them that there is no clash between policy and practice. On the other hand (according to the same mentioned-above Gallup poll) consumers must be engaged online and offline by aligning all company’s touch points (while understanding company brand’s emotional connection with consumers and act upon it), and by focusing on open dialogue with them (while not forgetting that social media is 24/7 and how important is to listen for negative feedback and reply accordingly), including enabling them to help each other. But beyond the important place (as target customers) of Millennials (Generation Y, Echo Boomers) marketers need to get to know “Marketing’s Next Big Audience” - Generation Z (under 21 years old) who embraces the DIY culture and is beginning to exhibit influence, consumption, and spending power. (Jarski, 2014) According to an infographic by Marketo: “Generation Z is mature, self-directed, and resourceful” (for example, 52% use YouTube or social media for typical research assignments, while 72% of high school students want to start their own businesses someday).
At the end of August 2014, a new infographic of Formstack (headquartered in Indianapolis, Indiana; a robust platform that helps users of all industries better engage with their customers and manage data), entitled “7 Skills New Marketers Need to Succeed,” (Lucas, 2014) showed that two of four new marketing hires will require technical skills. And in order to sharpen the marketing knowledge Formstack recommends to: watch webinars (by asking questions and engage in social media conversations); volunteer (by offering to a favorite nonprofit organization your marketing services); find a mentor (smart and personable, and wanting you to succeed); get networking (by finding a networking group that fits you or creating, and focusing on how you might be able to help your networking contacts); take an online course (from Marketing 101 to Branding to New Media, being a life-long learner, and adapting to trends-and even create them so as to set the pace for the future).

To connect today with younger customers (born during the digital age), and get their attention (which is more fragmented, customers looking at multiple screens simultaneously), there is no doubt that marketers must do through digital marketing (digital being the fastest growing channel of targeted communications, interaction, engagement, and delivery of products and services), by ensuring the right balance between the user, technology, and business, while strategically and creatively developing each interaction along a well-thought-out customer journey. It is said that the future of marketing will be in the hands of marketing technologists. (McGee, 2014) As consumers are under pressure of quantity limitations or time restrictions, they are more likely to pay attention (and interact accordingly) to the multiplying options offered by new social media such as Snapchat (the mobile app on the smartphone allowing sending images that self-destruct shortly after being viewed), which is already driving engagement by creating: different stories about your company’s offering; a campaign where a random winner is picked among company’s contacts; a video showing a company’s promotional message. (Virgillito, 2014) Just remember that the inability to link different technologies was considered the top challenge cited by 40% from the 24% of US data management professionals (results from June 2014 polling by Experian Data Quality) who said that their companies had a single customer view (on the other positions of the top being: poor data quality - 34% of respondents, and a lack of relevant technology - 32%) (eMarketer, 2014).
One of the numerous messages on the Agenda of Integrated Marketing Virtual Conference 2015, (Target Marketing, 2014) which attracted our attention was that of the speaker Tim McMullen (Executive Creative Director, redpepper): “Think Like a Marketing Scientist”. In his opinion, marketing moves (requiring both a shift in strategy and in mentality) at the speed of technology, and it’s about time marketers restructure the marketing processes to reflect the constantly evolving trends, by releasing their stranglehold on any one tech platform and be willing to experiment (even if that means messing up along the way). He pledges for successfully intersection of marketers with their audience across channels and devices, building a lab marketing culture by giving marketers’ team space and trust, and effectively using technology as a means, not an end.

**Building desired customer behavior**

Marketers can use, for example, Customer Relationship Management (CRM) systems in order to develop a full-lifecycle view of their customers, the profitability of a customer being influenced by key factors (such as the cost of acquisition, rates of new customer acquisition and monitoring the renewal process) analyzed with the help of the CRM Platform that allow the evaluation of the customer experiences (from engagement to acquisition and through to retention), purchases and metrics, and better understanding this way key behaviors of the most profitable customer groups at each stage of the customer journey, and realigning all organization accordingly, while re-evaluating brand messaging, and creating win-back messages to convert the losses into customers down the road. (Barkan, 2014) The well-known Michael Lowenstein argued, for instance, that *today marketers need more than ever an understanding of the real value and impact of customer information, and a disciplined plan for sharing and using the data.* (Lowenstein, 2014) In his opinion, in building desired customer behavior a good analogy for Customer Experience Management (CEM) and loyalty program effectiveness or ineffectiveness may be the so-called “car-fuel relationship”, in customer’s case this car being Customer Relationship Management (CRM) and its key data-related systems components (data gathering, integration, warehousing, mining and application), the destination being optimized customer lifetime value and profitability, while the fuel being the proper octane and amount of customer data. Lowenstein showed that in this respect leading-edge companies are collecting the right data
and using the right skills, processes, tools and customer information management technologies to make sure that key customer insights are available in all parts of the enterprise.

**Data-driven marketing and cross-channel marketing**

As today’s customers expect to be able to talk to brands on any channel, it is important to clarify the challenges (finding and understanding customer feedback, prioritize it and evolve with it) marketers face when trying to understand customer feedback (a mix of structured and unstructured data), and sharing it actively throughout the organization, by considering all corners both of the web and of your organization, being well equipped to handle and integrate unstructured with structured data, offering recommendations based on the data and the corporate goals, constantly monitoring for new feedback on all business initiatives, improve the customer journey as they interact with the organization’s (marketing, operations, sales, services) teams and everyone in the business, so as customers are getting the deserved personalized attention. (Ganeshan, 2014) Allow us to mention within this context that, at the end of October 2014, the actuality of *data-driven marketing* (collecting traditional offline data and connecting it with online data, including browsing behaviors and social networks, analyzing all that data, and producing a highly personalized marketing campaign that is tailor-made for customers, and forming much deeper customer relationships) was underlined (event.on24.com, 2014), within the explosion of sales channels and rising consumer expectations. To make their data work for them, it is also important for marketers to understand: trends in personalization (with online and offline tools), the need to deliver a personalized experience; how service providers and marketers are collaborating to leverage data and drive sales; actionable tips to start with deep-dives on their data today. Just the following month, in November 2014, another invitation to a Webinar (Target Marketing, 2014) argued that *now is the time to develop a data-driven marketing strategy*, because digital marketing strategies, including social, will influence 80% of buying decisions by 2015, and marketers are challenged to break down the data silos, compile insights, and automate their marketing processes with integrated technology to deepen and flourish consumer relationships to drive ongoing loyalty and drive business with personalized, relevant, and timely offers. It was underlined that an integrated marketing solution can help them realize measureable results including savings in acquisition and implementation and reductions in operational and maintenance costs.
It is also interesting to note that a May 2014 study by Econsultancy in association with Oracle Marketing Cloud (eMarketer, 2014) showed that: cross-channel marketing was a top priority for the majority of client-side marketers worldwide; 62% of respondents agreed that their messaging, execution and delivery strategies weren’t aligned across touchpoints; mobile plays a huge role in cross-channel marketing (76% of marketers were focused in 2014 on integrating this channel into their strategy, vs. 60% in 2013, but just 23% had integrated mobile messaging). A month later, in June 2014, Ascend2 polling found that a large proportion of marketing professionals worldwide didn’t view integration as a barrier to mobile success.

**The digital marketing technics are helping retailers**

According to a recent report (based on data from a survey of 302 people responsible for marketing and technology at US retail companies across a range of sizes, geographies, and verticals) from Extole (Nanji, 2014), display advertising (28% spent less), content marketing (28%), and paid search (24%) were marketing channels with a significant decline in investment by retailers this year. Additional key findings showed that: the two most used digital channels by retailers (employed by 85% of respondents) are social media and email, social media ranking as the most effective tactic for acquiring customers (with 50% of respondents listing it in the top three); referral marketing, SEO, and email marketing are also seen as being effective channels for customer acquisition, while email marketing is seen as the most effective channel for converting retail customers. But let’s take a look, for example, at the customer journey in today’s omnichannel retail environment which has been impacted by the intersection of commerce and analytics, marketers needing to connect customer data points across channels, categories, products, time durations and more. The norm today is inbound or “pull” marketing, where consumers seek out brands while expecting a relevant, seamless experience each time they interact with them, while marketers are merging data acquired across multiple channels into a single customer profile, producing better targeted personalizing messages, and this way determining more sales. And all this by having the right technology combined with a commitment to commerce marketing (a retail specific solution of eBay Enterprise which has developed a new Commerce Marketing Platform to tie all the pieces together for retailers), commerce marketers being responsible and accountable for driving transactions, protecting
already-slim margins and retaining customers. (eBay Enterprises with Retail Online Integration, 2014)

According to a L2 (a business benchmarking service) report (ranking retailers – on the proficiency of their website and e-commerce capabilities, digital marketing techniques, social media presence, and mobile functionality – in five categories: genius, gifted, average, challenged, feeble), three retailers have been named “geniuses”: Nordstrom, Macy’s and Sears. (Sullivan, 2014) Another report (Adweek and L2) found that department store chains are expected to grow 22 percent globally over the next five years, with the help of a smart digital strategy. And we also have to take into account that as customers expect seamless integration of digital and analog channels, in today omnichannel world it is necessary to understand that seamless internal integration should be the end goal, digitization as marketing being challenged to offer something for each of the customers. (Negricea & Purcărea, 2014)

And as a conclusion: Now is the time for Marketing Innovation

It is well-known that innovation is the successful exploitation of new ideas (according to Peter Drucker innovation means exploiting change as an opportunity), being particularly important for economies as they approach the frontiers of knowledge, and critical to such a culture of innovation are the SMEs which have proved themselves to be the engines of economic growth, and the main source of new employment (Purcărea, 2009).

At the beginning of November 2014, a new feature, of the widely read blog Ernan’s Insights on Marketing Best Practices was launched, called: “4 Questions for Marketing Innovators.” (Roman, 2014) These 4 Questions for Marketing Innovators were: What is one marketing topic that is most important to you as an innovator? Why is this so important? How will concentrating on this help improve the customer experience? How will concentrating on this help improve the overall effectiveness of marketing? Alexis Maybank (inducted into the US Direct Marketing Association - DMA Hall of Fame, on the occasion of the recent DMA Annual Conference), Founder and Strategic Advisor of Gilt (an innovative online shopping destination), was the first person interviewed. In the opinion of Maybank, adding a “face” in the faceless world of the Internet is one marketing topic that is most important to an innovator considering the importance of building a relatable “face” to the business, one that the customers could relate
to, define and ultimately root for due to their deeper sense of connection to our brand. He argued that: the customer experience can be improved by concentrating on a recognized, trusted brand (relatable “face” to the business thanks to the right policies, advice and friendly person on the other side of an email and phone call), that makes the customer feeling having someone in its corner; the overall effectiveness of marketing can be improved by concentrating on this recognized, trusted brand, considering the contribution of this added “face” as personal handshake or eye contact in establishing a sense of personal connection.

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