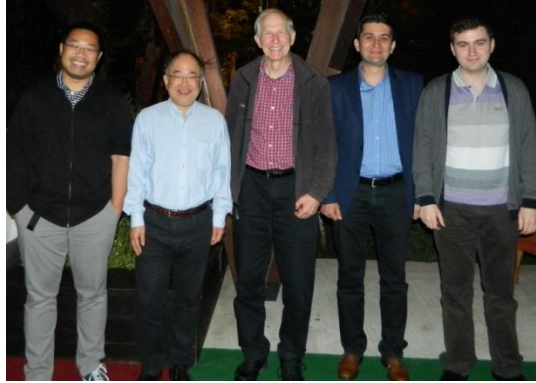


# Digital Marketing and a Better Understanding of the Consumer Mobile Journey

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## **Abstract**

In the era of the Chief Executive Customer, marketers are faced with various challenges which lead them to position digital customer engagement as a top strategic priority, by taking advantage globally of digital technology. Companies are now trying to better use the digital self by servicing basic needs around it. In this respect, marketers are missing the inbound call channel even though they are tracking the digital user experience across the various touch points and marketing channels. In the today's fast-moving world of online retail, marketing strategies have to keep pace with the consumer –related changes. The mobile screen targets to be the primary screen, while mobile strategy targets to be fully integrated into the overall marketing plan as mobile is a critical channel for engaging customers. It is also argued that as people become ever more wedded to digital devices, it is increasingly critical to understand what really matters in mobile, and that digital competition may dictate a new organizational architecture.

**Key words:** Chief Executive Customer, Digital Technology, Digital Marketing, Digital Self, Mobile Marketing, Digital Dialogue

**JEL Classification:** L81, L86, M15, M31, O33

## **Introduction Digital Marketing in the Era of the Chief Executive Customer**

Two years ago, IBM Vice President, Business Analytics, Deepak Advani, announced the *Era of the Chief Executive Customer*, (Advani, 2012) by attracting our attention that: “*From digital marketing and mobile commerce, to websites and social media, marketers are inundated - some say paralyzed - by data amassed from consumers via searches, purchase histories, price-scanning apps on mobile phones, Facebook “likes” and comments on Twitter. Combine that with data about in-store traffic, conversations with call centers and updates from suppliers, and*

*today's marketers confront a daily cacophony of data waiting to be sifted for nuggets of intelligence they can act upon to boost their business. Big Data is creating a world of changing conventions in the C-suite" ...*

Three month ago, in 2014, we explained (Negricea & Purcărea, 2014) why digital is the new normal today, the digitally transformation allowing, step by step, a closer connection with customers, and answering accordingly to the new requirements of the supply chain management (well understanding, of course, in today omnichannel world, that seamless internal integration should be the end goal), while the rules of engagement are changed by the digital lives of customers, and the digital leaders are creating value across physical/digital products, services, and experience. We also showed how digital customer engagement became a top strategic priority, followed closely by the digital innovation of products, operating models, or business models. There is no doubt that marketing is profoundly disrupted by digitization. And we agree that marketing (considered to be the corporate equivalent of a central nervous system, an art and also a management science calling for the implementation of rigorous processes and metrics) is challenged to be more and more creative and accountable, more real-time offering personalized, content delivered across channels, and more focused on what is important to customers, consumers and users, within the rise of social media, big-data analytics, and smart mobile devices, differentiating social media marketing from social business. (Purcărea, 2014)

### **Taking advantage globally of digital technology and top digital marketing priorities for 2015**

Johnson & Johnson's vice president of digital strategy explained in October 2014 how a global company does take advantage of digital technology, (Horwood, 2014) by sharing a platform so as any brand small or large can benefit from improvements, and valorizing the opportunities (brought by digital) to streamline and leverage certain capabilities that are really common across the businesses. And as social makes any communication global (on the basis of content management, digital asset management, and a new production model - setting up the appropriate processes, governance, channels and so on), to consider social media (managed internally in the organization) thanks to a new way of thinking, including about tolerance and

risk, and a better understanding of the consumer journey, this consumer who is continuously expecting updates, improvements, messaging.

According to a report (based on a survey conducted in July 2014 of 402 senior marketers from global organizations, with more than \$500 million in revenue, 56% having revenues over \$3 billion) from Teradata and Econsultancy (Nanji, 2014): some 69% of senior marketers at enterprise companies anticipate an increase in digital spend beyond inflation in 2015, and only 6% foresee a decrease; marketers expect digital budgets to increase roughly 10% annually for the next five years, with average digital spend reaching 40% of total budgets by 2019. There were also other interesting additional key findings such as: in 2014 content creation was the third biggest spend, after display and search accounted for the largest share of enterprise marketers' budgets on average, while in 2015 it is expecting significant increases both, in mobile spend and in content marketing spend next year, while SEO is appearing as the only digital channel with more than 10% of enterprise marketers expecting reductions.

### **“Services for the Digital Self” and a “scary truth”**

A year ago (Bernoff, 2013), Josh Bernoff (senior vice president of idea development at Forrester Research in Cambridge, Mass., and co-author of two well-known books published by the Harvard Business Review Press, one of them being named book of the year by the AMA in 2009), showed that the job of analysts is to identify the non-obvious consequences of technology change, the so-called process WIM (“what it means”), and explained how this process work on the basis of the report called “Services for the Digital Self” by Forrester analyst Frank Gillett, because today more people are putting their digital “stuff” into the cloud, storing it this way in places (accessible from all new modern devices) like Google Drive or Dropbox. More and more companies are trying to better use this “digital self”, by servicing basic needs around the digital self (beginning with scanning all of company's financial statements and making recommendations on where they should invest, or offering to review people medical records and tell them what to ask your doctor for next). In Bernoff's opinion, by 2018, it is expected that the Internet giants (Google, Microsoft, Apple, Amazon and maybe Facebook or... Wal-Mart, Citibank and AARP) will compete on managing all of the services for this “digital self.”

But in the same period of time we find out - thanks to AMA's Resource Library (Holmen, 2013) - of the existence of a "scary truth": many marketers are actually overlooking one of the biggest marketing channels, and in doing so, are abandoning their customers. Despite the fact that marketers are tracking the digital user experience across the various touch points and marketing channels (by using marketing automation software and analytics platforms as a solution in place to manage the digital map of their customers, so as to track every step that goes into their ultimate goal, the conversion), they are missing the inbound call channel (which is growing at a meteoric rate thanks to the proliferation of mobile, 70% of local mobile searches resulting in a phone call). As emphasized by a 2013 report by Gartner Research ("Cool Vendors in Mobile Marketing 2013"): "The foundation for any good mobile marketing strategy includes platforms, analytics and the ability of a brand or service provider to tie online and offline worlds via mobile devices." Eric Holmen (RingRevenue CMO, after being SVP of marketing and sales at Silverpop and SmartReply President) is categorical about the fact that *you are abandoning your customers when they are most ready to buy without a smart inbound call strategy*. And that is why now is the time for marketers to refresh their mindset, needing the right tools and data to manage both the digital and offline footprint of their consumers.

### **Online consumer behavior trends in 2014 and major themes of mobile marketing expected to be seen in 2015**

On November 10, 2014 (Arno, 2014), Christian Arno (managing director of Lingo24, a translation service provider) highlighted that in the today's fast-moving world of online retail consumer constantly changes and marketing strategies also have to change to keep pace. He argued that in this ready to close year there were *tree clear major trends* (all of them revolving around consumer empowerment) *of buyer behavior across search, social, email and the wider web: typically becoming better informed* (they can do it from anywhere thanks to the rise of the smartphone; more useful than engaging in conversation with in-store staff was to access data via their mobile devices, according to a Motorola survey); *increasingly knowing how to opt out of marketing communications* (messages should be permission-based, personalized and relevant); *having higher expectations* (marketers should consider "the expectation economy", while facing the today critical and demanding shopper, and in order to provide a better service the must cover a true chain: collecting, interpreting and using personal data, habits and histories; also not

forgetting that only in return for financial rewards or better service consumers are willing to share additional personal information).

At the beginning of November 2014 we find out from MarketingProfs (Kumar, 2014) that the mobile screen has become the primary screen in US, this meaning a real impact on both, the mobile landscape and all digital media strategy in 2015, when the expectations seem to be as follows: the wearable trend has the potential to redefine and reignite the entire mobile ecosystem (taking into account that wearables became in 2014 a consumer reality with the much-anticipated Apple Watch announcement); it will occur more consolidation of advertising technology companies (in digital advertising, real-time bidding – RTB and programmatic buying are top of mind); location-based ad buying will become possible at scale (thanks to growth in smartwatches combined with wide distribution for Apple Pay); mobile video advertising will grow at the expense of rich media (it is considered that we will witness in 2015 the death of mobile rich media and most HTML5 rich media creation platforms); app usage will accelerate to account for 65% of total digital media consumption (it is argued that the superior user experience of apps will find the mobile Web relegated to fewer uses, although the mobile Web and in particular mobile search will remain popular); one of the fastest-growing sectors in digital advertising, programmatic buying, will exceed 50% of mobile ad buys (as more consumers and ad spends shift toward mobile). Ash Kumar is also categorical about the personal touchpoints to reach a consumer: *“Never before have there been so many personal touchpoints to reach a consumer - via smartphones, tablets, and, in 2015, wearables.”*

At the middle of November 2014 (Nanji, 2014), MarketingProfs made reference to a recent report (based on data from survey of 250 marketing leaders conducted by the CMO Council) from the CMO Council and SAS founding that only 17% from the surveyed marketing leaders believe their mobile strategy is already fully integrated into their overall marketing plan (with an additional 44% indicating that integration is in progress), while 39% of respondents say they have either not tried to integrate their mobile strategy or do not have a mobile strategy to begin with. Additional key findings indicate that: (as for mobile strategy”) 64% of respondents believe mobile is a critical channel for engaging customers; (as for mobile tactics) 75% of respondents who are currently using mobile tactics have mobile-optimized sites, and so on; (as

for mobile metrics) 49% of respondents measure mobile performance via click and response rates, and so on.

**Instead of conclusions: *Understanding what really matters in mobile, and the new organizational architecture dictated by digital competition***

In December 2014, three McKinsey representatives (Ericson, Herring & Ungerman, 2014) argued that today, as people become ever more wedded to digital devices, is increasingly critical to understand what really matters in mobile (understanding what customers want and need being the foundation of retailing), and that additional digital functionality can help differentiate brands and engage customers over time. Key findings of a McKinsey research revealed that: *survey respondents were twice as likely to use mobile sites rather than apps, apps do appearing better at engaging the best customers than attracting new ones, and having an app doesn't always translate into traffic; building an app may make sense if it provides additional features that customers really value; basic functionality is far more important than novelty or dazzle; the three most important functionalities: smooth checkout, the ease of adding and dropping items from a basket, and site navigation (by reducing the biggest frustrations associated with mobile shopping); more than half of smartphone owners use their phones in stores, and two-thirds of those compare prices; most people showrooming end up buying from the retailer eventually, and 58 percent of them do so at brick-and-mortar stores (most of them at the very store where they started); the share of sales influenced by mobile is much greater than sales actually made by mobile; while price is important, other factors such as the in-store experience and convenience continue to play major roles in purchasing decisions; the right digital tools may make other employees more valuable than ever (shoppers view mobile-enabled sales assistants - particularly in showrooms and large-format stores - as enhancing the shopping experience, underlining the need for retailers to find and train motivated, well-prepared, and well-equipped employees).*

It is also worth pointing out that in the same month of December 2014, other three McKinsey representatives (Bossert, Laartz & Ramsay) showed that digital competition may dictate a new organizational architecture in which emerging digital processes coexist with traditional ones, a two-speed architecture helping companies navigate what's likely to be a tricky

period of transition: a *fast speed* (for functions that address evolving customer experiences and must change rapidly) and a *transaction speed* (for the remaining functions, where the pace of adjustment can remain more measured). McKinsey representatives recommend making the digital dialogue more strategic and to evolve the organization.

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