

Digital marketing, addressability and time, the new currency for CMOs

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Abstract

We are looking through the window of the digital age, trying to connect talent with opportunity. We observe the rapidly growing digital marketplaces of the new “gig economy”, questioning if it’s time for a new definition of employee. There are already new digital tools and new ways to drive change. It is important to identify the most useful information when researching digital marketing solutions, and to understand what is happening at the confluence between humans and technology, considering the marketing technologists’ ability to link different technologies. Marketers need to master the connected customer relationship management with the help of a new synergy of capabilities, process and skills, making the digital dialogue more strategic and helping the organization evolve.

Keywords: digital age; digital hives; digital marketing solutions; addressability

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

Looking through the window of the digital age and connecting talent with opportunity.

The rapidly growing digital marketplaces of the new “gig economy”

A new McKinsey Global Institute report – “*A labor market that works: Connecting talent with opportunity in the digital age*” – examined the current state of employment and the impact the digital platforms which include websites (like Monster.com and LinkedIn) and digital marketplaces of the new “gig economy” (like Uber and Upwork) could have. (Manyika, Lund, Robinson, Valentino and Dobbs, 2015) In the opinion of McKinsey representatives’, there is a real promise for injecting more transparency and dynamism into job markets showed by these

online talent platforms connecting people with work opportunities more efficiently, while keeping pace with rapid shifts in the global economy. As finding the right talent matters and drives results (the adequate human capital management can produce significant returns on investment), in today's more digitally connected and knowledge-based economy there is a clear evidence of the adoption of these online talent platforms by today leading companies, considering the opportunity of improving the full spectrum of talent management, from onboarding and compensation to engagement, team formation, and performance feedback, as underlined in the above mentioned report.

It is worth to remember that some years ago an article posted on the blog of the prestigious "Economist" (2011) referred to an interesting series for the "Atlantic" written by Sara Horowitz (founder of the Freelancers Union) on the emergence of the freelance or "gig" economy (people working independently as freelancers, part-timers, consultants, contractors, and the self-employed). This year, on February 17, 2015, a reporter at Fast Company (Kessler, 2015) launched the question if it's time for a new definition of employee, highlighting, for example, that the "gig" economy companies own just a marketplace with two sides: people who need a job done; people who are willing to do that job.

Driving change with the help of the "digital hives".

Researching digital marketing solutions

Robert Litan, the author of the book *"Trillion Dollar Economists: How Economists and Their Ideas Have Transformed Business"*, John Wiley & Sons, 2014, attracted our attention in April 2015 by underlining that: *"Economics is a living field whose generation of ideas with business relevance bears watching all the time."* (Litan, 2015) In his opinion, economists' insights and ideas have sometimes an enormous impact on the evolution of industries, by being put to use in very practical and profitable ways by real companies.

Following this direction, allow us to show that the opportunity of unleashing collective intelligence through a *"digital hive"* (managers thinking ahead and developing an agile response capability) was recently highlighted, which facilitates a collective approach to problem solving, its nature amplifying the peer pressure and the social recognition (people tending to stimulate and encourage others, performing well, and seeking recognition, if they are following clear rules of engagement and having a level playing field). (Gast and Lansink, 2015) According to the McKinsey's representatives, the *"digital hives"* are: *"electronic hubs bristling with collective activity and designed to solve a particular problem or set of problems, to drive new habits, and to encourage organizational change."* These new digital tools unlock previous tacit knowledge and speed up execution, *four ways to drive change* being identified: engaging the workforce in better strategy; connecting silos with a social chain; enlisting key customers to improve the proposition; uniting a dispersed sales force to drive higher sales. And in order to drive broader

and deeper employee engagement, the companies' managers should consider the followings: *leading while letting go* (a delicate balancing act); *looking inward* (and improving role modeling by adequately using social tools to drive employee engagement); *becoming more responsive* (by maintaining pace and encouraging deeper engagement only through transparent feedback and rapid follow-up).

When researching digital marketing solutions, (Nanji, 2015) the most valued information the small and medium businesses (SMBs) find most useful are: pricing information; peer recommendations; customer testimonials or references (according to a report – conducted by “G/O Digital” and “Entrepreneur” - based on data from a survey of 591 US SMBs in various categories, including retail, medical, home services, and legal services). On the other hand, when evaluating the digital marketing services/products of a vendor, the most important factors SMBs consider are the following: price (33% of respondents); an understanding of organizational goals/needs (27%); the ability to deliver on commitments (18%); post-sales support (7%); delivering within agreed-upon timeframes (5%); insight/leadership in digital marketing concepts (6%); other (4%). Additional key findings from the above mention report referred to: research channels (Google or other search engines, 69%; trade associations websites related specifically to your field of business, 12%; specific industry related websites, 11% ; Facebook, 4%; twitter, 0,7%; other 3%).

Time, the new currency for CMOs.

Humans and technology in today's digital world, a time of fast change in digital interfaces

“The Father of Management” (and Kotler's Mentor), Peter Drucker, said that time is the scarcest resource and unless it is managed nothing else can be managed. Marketers know that time is a precious resource and that people are searching for instant digital gratification (the best possible customer experience), that is why marketers need to connect in that moment that matters, (Rigney, 2015) so as to reach consumers with attention-grabbing digital experiences (tiny windows of opportunity for brands). Recently published statistics (that explore marketing through the lens of instant digital gratification) showed why *time is the new currency for CMOs*, for example: some 55% of Internet users only use two or three trusted sites for their content discovery and purchasing (Carat CCS); 55% of Web pages viewed get less than 15 seconds of attention (Chartbeat); 47% of consumers expect a website to load in two seconds or less, and 40% abandon a website if it takes more than three seconds to load (KISSmetrics); 22% of digital marketers see user experience as the most exciting trend of the year (Perficient); 69% of marketers say they feel challenged by a lack of enough time (MarketingProfs and Content Marketing Institute); 30% of B2B marketers say they feel a lack of time to be their greatest challenge (MarketingProfs and Content Marketing Institute).

The beginning of June 2015 brought to us a very interesting opportunity to question the real reason in today's digital world for studying humans and technology: to learn how people

will shop or how they choose to socialize in order to make user friendly apps or as a deeper need to understand what is happening *at the confluence between humans and technology* in the coming age of the Internet of Things. (Glickman, 2015) Within this framework, the need for deploying scientific rigor was underlined, not just on the technology side of the equation but also on the people side, because humans are so much more than just numbers. For example, it is important to take into account the Heisenberg Principle (changing the model attempted to be observed during the process of observation, the observer becoming part of the model through the act of observation itself and impacting it and perhaps corrupting the observation's findings), because the observer finds himself in the situation to draw conclusions about technology's user based on his own perception and proficiency with technology that he already possess. On the other hand, allow us to remember the significant pledge for a better understanding of the role of marketing technologists and for increasing marketing technologists' ability to link different technologies. (Purcarea, 2015)

In the last years we witnessed the exploration (Couldry, Stephansen, Fotopoulou, MacDonald, Clark and Dickens, 2015) of the possibilities for new forms of "digital citizenship" emerging through digitally supported processes of narrative exchange (storytelling, narrative, story archiving and commentary). In the opinion of the above mentioned authors of the exploration, the strongest examples of "digital citizenship" were those in which digital connections were supplemented by "offline" social practices, and there is a real need for closely tracking the early signs of new forms of digital citizenship and their basis in a circuit of civic culture, digital resources being considered crucial to sustaining a circuit of civic culture on larger scales.

Debating the "label" for digital marketing

There is no doubt that marketing must be seen as a center of constant improvement and change, and marketers must identify and face the current challenges, finding out the right balance between inbound and outbound marketing, and creating connected experiences between their companies and the audiences they need to reach. (Purcarea, 2015)

At the end of April this year, Karlin Linhardt, Vice president, strategic partnerships, for Merkle (a performance marketing agency specializing in data-based marketing solutions) highlighted today's marketing reality where digital can empower unprecedented levels of consumer insights, knowledge and performance, by providing an accurate and timely understanding of consumer needs and demand. Within this context Linhardt expressed the opinion that the best term for "labeling" the digital marketing is not personalization or relevancy, but "*addressability*" (connected CRM). He defined this digital marketing's "label" as: "*the process of customizing a brand's message, product, placement and timing to match the personal lifecycle needs of the customer at a specific point in the purchase cycle, thus optimizing relevance.*" (Linhardt, 2015) And in order to deliver this "addressability" (which requires a new synergy of capabilities, process and skills from the three major digital disciplines: infrastructure,

analytics, plan execution) it is necessary to understand and balance the followings: identity vs. anonymity; shopping experience vs. used car salesman tsunami; connected recognition (acting in a way that will endear, not offend, customers).

It is also worth to remember that six months ago McKinsey Quarterly (Bossert, Laartz, and Ramsay, 2014) recommended making the digital dialogue more strategic and to evolve the organization, considering that the digital competition may dictate a new organizational architecture in which emerging digital processes coexist with traditional ones. This new organizational architecture is a two-speed architecture which help 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).

Conclusion

Indeed, there are already new digital tools and new ways to drive change, while considering the top strategic priority of digital customer engagement and making the digital dialogue more strategic and evolving the organization. CMOs, directly involved in digital initiatives, must take into account addressability and time in properly connecting experiences between their companies and the audiences they need to reach.

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