

Digital intelligence and digital marketing effectiveness

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Abstract

All businesses are beginning to better understand the significant role of digital intelligence as a continuous initiative transforming businesses and customer experiences. There are lessons to learn from digital predators on the way of solving the so-called “digital dilemma”. And as we are in the “converged lifestyle”, digital marketers must act accordingly in their journey from strategy to execution, including by rethinking buyer persona development and insight gathering in our digital-centric world. There is a real need of using the adequate techniques for improving the organization’s digital marketing effectiveness, better understanding what are today’s in-demand marketing skills, not forgetting that digital marketing is considered to be an essential part of the marketing budget.

Keywords: Digital intelligence; Digital operational excellence; Digital customer experience;

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JEL Classification: L86; M15; M31; O33

Digital intelligence, a continuous initiative transforming businesses and customer experiences

It is well-known that the American Marketing Association (AMA) offers access to a wide variety of resource solutions from its sponsors and partners that can help readers understand complex marketing strategies, solve a problem, or make a decision. On January 29, 2017, we received e-mail from “AMA on behalf of Tealium” (specialoffers@oneama.com) inviting us to download their copy of the November 2016 Forrester report, “Your Digital Intelligence Strategy Must Match the Speed of your Customers”. In this message presenting the report the following was underlined: *how important is to effectively using digital data to optimize interactions for business advantage within the context of the proliferation of the ways customers can digitally interact with brands; that according to Forrester report digital intelligence practices must constantly refresh their view of customers with new data and insights in order to remain competitive, the necessary strategic plan in this respect including: Customer Engagement*

Optimization; Data and Technology; Metrics and KPIs; People and Process; Strategy to Support Digital Transformation.

The above mentioned Forrester report (Little and McCormick, with Leganza, Lee, and Reese) highlighted three key takeaways: *Elevate digital intelligence with a strategic plan* (the last one incorporating data and technology, people and process, metrics and key performance indicators, and customer engagement optimization); *Outdated approaches hobble digital intelligence* (where the need of having both a complete digital analytics , and a modern approach for applying data-rich digital analytics in real time); *Reboot with digital intelligence* (going beyond insights-influenced and becoming insights-driven). The authors attracted the attention, among other issues, on the imperative of solving the so-called “digital dilemma” by an adequate digital intelligence strategy, avoiding this way losing customers whose expectations rise while their digital experience isn’t optimized to meet those expectations, case in which their perception of value falls.

Here is a good opportunity to remember the arguments brought by the Forrester Analyst Nigel Fenwick in August 2016 in relation with the need of taking a more holistic approach as transformers, becoming digital predators who recognize the evolution of their customers’ expectations, and redesign their business to evolve alongside these evolving expectations. (Fenwick, 2016) Which involves confirming the better understanding of the continuous challenge of delivering digital operational excellence (DOX, which focuses on the ability to use emerging technologies to change business operational aspects) by proving the ability to evolve quickly and create business agility in service of the customer (solving this way the digital dilemma: *as expectations rise, without changes in experience perceived value decreases*). Fenwick explained clearly: “*The perceived value for each customer is unique and determined by the actual experience delivered (numerator) compared to the expectations that the customer has prior to the experience (denominator).*”

As Fenwick showed on other occasions: every company that exists today will have become a digital predator or digital prey by 2020, digital predators differentiating from other companies by understanding the connection between digital experiences and the customer’s perception of the value the company creates; (Fenwick, 2016) the digital business success is determined by three factors: delivering exceptional customer experience, creating new sources of value for customers, and executive understanding and leadership. (Fenwick, 2016) And coming back to the first article mentioned above, that of Fenwick, it is important to note that he underlined that a company that wants to solve the digital dilemma must master simultaneously DOX (digital operational excellence) and DCX (digital customer experience), digital predators focusing the same much energy on both.

Another recently published Forrester report (Bieler, Fenwick, Matzke, Gill, Margarit-Stoica, McPherson) highlights that in order to support the continuous exchange of information

and data to create value digital businesses need digital ecosystems, which must be understood and embraced so as to better help both the B2C and the B2B businesses.

The current “convergence era” and the 5 Cs of digital marketing

It is well-known that we are in the “converged lifestyle” (phase of convergence in which technology enables consumers to get what they want, when they want it) (KPMG International, 2011) businesses need to continuously rethink the way they interact with their customers, considering “Mega Trends” such as “Connectivity and Convergence” and “Bricks and Clicks” (Jawad, 2014), “The Digital Era” and “Technological Convergence”, convergence driving the greatest innovations (Bricklemeyer, 2014), and the most disruptive technologies (Mobile technologies; Big data/analytics; Social media; Public cloud) in combination (Gartner, Inc., 2013).

Some time ago, the Chief Digital Evangelist at Salesforce (Afshar and Gupta, 2016) showed how he collaborated with the Senior Vice President, and Head of Digital at Healthgrades, in order to better understand his approach to digital marketing transformation. In the current “convergence era”, in the opinion of Gupta:

- digital marketers across all industries can achieve success if they focus on the following 5 Cs of digital marketing: *consumer/ customer/client* (at the center of the strategy as a human being, and not as a segment), *context* (agnostic pillar of a seamless experience: knowing and understanding behavior at any point in the relationship, across all touch-points, at all times), *content* (another agnostic pillar of a seamless experience: influenced, inspired and driven based on context), *commerce* (organically driven by the other 4 Cs), *convergence* (considered to be needed at all levels to overcome the challenges of fragmentation and silos; using CRM, marketing automation, communities, analytics and social networking).
- *the journey from strategy* (which now is the “Protagonist” demanding real and tangible experiences) *to execution* is the biggest challenge faced by marketers, the DNA of the modern marketer being defined by overlapping attributes and the intersection of marketing, technology, data, content, creative, storytelling and more.

The founder and leading authority in buyer personas for B2B Marketing (Zambito, 2017) underlined recently today’s need of rethinking buyer persona development and insight gathering in a digital-centric world. After a reflective period examining the state of insights and buyer persona development sixteen years later (when buyer personas were first launched), Tony Zambito recommends now new thinking and new approaches, starting from: *the increasing need for human insights* (considering the ability enabled by the digital technologies of producing an overwhelming amount of data analytics); *the valuable ability to utilize the power of crowdsourcing today to test insight understanding* (by using digital platforms); accurately gain insights into the what, how, and why of what people really do (by using field observations and onsite conversations); *creating iterative and collaborative insight communities with engaged*

customers (contextual insight communities); *in-depth executive interviews* (and transforming contextual insights in the cornerstone of what drives marketing); the use of analytics to scale insights (and getting more detailed pictures of growth opportunities). Zambito pledges for a correct view of customers in a digital-centric world, by reengineering insights and persona development, taking into account the strategic necessity of transforming insights' gathering, identifying relevant insights, and developing archetypal market personas.

Improving the organization's digital marketing effectiveness

As we all already know, according to the State of Digital Marketing Skills in 2016 (on the basis of data taken from Smart Insights' study and survey Digital Skills 2016), (Allen, 2016) *the top techniques for improving the organization's digital marketing effectiveness* are: *a planned approach to digital marketing based on planning, analytics, and continuous optimization* (77% of respondents); encouraging a culture of personal upskilling and sharing of best practice throughout the organization (71%); adequate budget for investment in staff learning and development (57%); process support collaboration and integration between different people/teams (47%). While according to 2016 CMO Summit Survey Highlights (conducted by Spencer Stuart, being involved more than 150 marketing leaders across industries), *digital marketing* (including social media) ranked 1st position in the top of the most important skills to marketing team's success today (62%), followed by *data analytics and insights* (49%), and *strategic thinking* (48%).

On the other hand, it is also interesting to note that in February this year a marketing consultant, copywriter, content strategist, and founder of Precision Marketing & Communications invited us to look at the job postings lately to better understand what are today's in-demand marketing skills: Marketing automation, CMS, and CRM; Google AdWords and Analytics; A/B-testing, user funnels, PPC, SEO, SEM, HTML, CSS; social media and email; UX design, mobile marketing, SMS; Adobe Illustrator, Photoshop, and InDesign. (Smoldt, 2017) And as marketing technology (martech) is a driving business force today (understanding martech being ranked, in a recent study of marketers across the US and Europe, only behind creativity as an increasingly important skill for successful senior marketers), let us also look at some basic ways to get martech-savvy and stay relevant in the opinion of the above mentioned marketing consultant: *make a plan... make time... get on-the-job training... check your ego... get useful certifications... network... use it or lose it... follow influencers... subscribe to industry newsletters... have confidence.*

Coming back to the State of Digital Marketing Skills in 2016, let us remember that in the barrier to building strong marketing teams ranking *budget constraints* were ranked as the 1st position (33%), followed by *shortage of talent* (29%), and *a focus on other strategic objectives* (14%). And as *digital marketing is considered to be an essential part of the marketing budget*, we find useful to make a link with the approach of a representative of a digital marketing leader, UNION (a digital marketing agency founded in 2002 and headquartered in Charlotte, NC). In the

opinion of this Union's representative, (Price, 2016) leading with digital offers value, agility and measurable returns, and in this respect, a digital strategy should include the following steps: *start with specific, attainable goals... explore a budget framework... focus on the right channels... content marketing... search engine optimization... paid search and display campaigns... social media... marketing automation... analytics...*

Conclusion

As we can see there are many common points between the different approaches presented above. And as all these confirm the viewpoints expressed by us in our journal, allow us to recall some of them as a short conclusion.

There is no doubt about the real need of talent and leadership to approach digital marketing challenges, by having a more active digital agenda, doing periodic assessments and developing action plans to improve company's execution, raising awareness for digital marketing among the executive staff. Marketers are indeed under the continuous pressure of improving their company's digital marketing efforts by using the adequate digital marketing techniques, following the trends, and doing the right thing about them, integrating digital and traditional marketing, enhancing knowledge of their customers' needs, wants and attitudes, achieving a complete customer view, and delivering real-time experiences accordingly. Digital is a dynamic marketing function, and digital marketing capabilities have become one of the most important marketing capabilities. Marketers are truly convinced about the real need to build digital marketing capabilities, including digital strategy, social media, and mobile marketing activities, considering the impact on performance of digital practices, and understanding convergence of market-oriented behaviors associated with the usages and purchases of goods or services.

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