

Editorial: *Marketing Organization in the Digital Age, the Engagement Gap, Digital*

Investments, AI, and CLV's Role

Some time ago we showed that marketers need to integrate technology, people, and practices to help take advantage of the wealth of data available today, but it is marketers' duty in relation with their organizational culture to pay attention to not losing the wisdom in knowledge, and to not losing the knowledge in information.

A current strategic and organizational challenge is providing a great Omni channel user experience which is based on developing a two-way conversation with customers, which makes necessary for the marketing department to actively harmonize the working relationships across the business. And in order to build the right pathway to it, it is necessary to clarify some significant aspects such as those revealed by McKinsey's research:ⁱ ensuring thinking about customer journeys rather than just touchpoints; ensuring useful data; understanding why company's customers are doing what they're doing; ensuring relevant communications and interactions. In many cases, within the context of the need for a digital transformation,ⁱⁱ companies move first from digital experimentation to a clear digital strategy, by aligning their teams around the highest-impact applications of digital across the business, identifying a portfolio of digital initiatives (across marketing, commerce, operations and products, so as to ensure the proper mix of such initiatives) to support their strategic priorities, and adequately resourcing these priorities (time, talent, money). Then they need both to understand the value of simplicity (realizing the full potential of digital), and to reboot information technology.

According to a recent research from Marketo, the digital channels most used by consumers and customers to initiate engagement with brands are email (79% use), websites (60%), and social media (35%), chat (28%), mobile devices or apps (25%), followed by online communities/forums (19%), video (11%), blogs (10%), podcasts/webinars (9%), games (7%), virtual reality (5%), other (5%), and augmented reality (4%).ⁱⁱⁱ There are some differences between the opinions expressed by the surveyed marketers (1,192 marketers who are manager-level and above, in France, Germany, UK, and USA) and their customers (489 B2B customers and 511 B2C consumers) with regard to: how innovative brands' engagement activities are: while 83% of marketers say their engagements are extremely or very innovative, only 33% of B2B customers and 23% of B2C consumers agree; the understanding of how customers want to engage: while 82% of marketers say they have a deep understanding, only 65% of B2B customers and 47% of B2C consumers say brands/vendors could do a better job of aligning engagement activities with their needs.

McKinsey B2B customer decision journey survey, 2016 (to identify customers' preferences when dealing with suppliers were surveyed more than 1,000 buyers in four countries in a range of industries), showed that in order to drive growth B2B suppliers need a great sales force and great digital assets and capabilities, the channel of choice being determined by whether

or not the buyer is making a first-time purchase.^{iv} In what concerns the digital investments which must reflect customers' preferences and expectations, the survey findings suggested the need for two different sets: customer-facing investments, and sales-force investments.

The 2017 Salesforce State of Marketing report, based on a survey of 3,500 marketers worldwide, revealed that for 57% of the marketing leaders surveyed artificial intelligence (AI) is considered as absolutely or very essential in helping them achieve a new gold standard for customer journeys, while as a result of changing customer expectations 64% of them said their company has become more focused on providing a consistent experience across every channel. On the other hand, in what concerns the likelihood of switching brands if a company doesn't make an effort to personalize its communications to them, over 50% B2C consumers and 65% of B2B customers confirmed it.

As argued by Emarsys, AI is expected to become one of the most valuable tools in a marketer's arsenal by actually delivering on the promise of 1:1 marketing, with AI technology marketers having an unprecedented opportunity to close the gap between data science and personalized customer experiences.^v But Emarsys attracted the attention on the fact that it is necessary to go beyond just incorporating AI into company's marketing software, by conferring AI the ability to perform clearly specified functions. And as stated by Emarsys, the role of marketers is revolutionized by AI with the Emarsys B2C Marketing Cloud.

Known as the first CRM built specifically for B2C marketers, Zaius underlined in July this year two closely related stats: while just 42% of online retailers and other e-commerce businesses are currently able to accurately measure customer lifetime value (CLV or CLTV, as a more profitable path to revenue), they are continuing to invest nearly 80% of their digital marketing budgets on customer acquisition, despite both the differences between the probabilities of selling to a current customer (60-70%, on average) and to a new shopper (5-20%), and the fact that the returning customers spend more than the first-time customers (67%, on average).^{vi} Zaius recommends four key steps to maximizing CLV: *unifying all company's customer interactions in one system of record (a prerequisite to doing the other following steps well); modelling company's customer lifecycle; leveraging company's customer understanding to engage customers when and where it will be most effective; and identifying the key drivers CLV.*

CLV has to be seen as a better compass to guide company's marketing automation, it was argued at the beginning of August this year in a Bain Brief, which revealed that beyond acknowledging that CLV matters, marketing leaders actually focus their spending and staff resources accordingly.^{vii} These leaders are more likely: (3.5 times) to *embed employees in marketing who specifically focus on understanding the customer's end-to-end experience*; 91.9 times) to *align their strategy with customer needs rather than channel needs*; (1.9 times) to *scrutinize CLV in addition to more traditional last-touch metrics (such as ROI, customer acquisition cost and click-through rate)*. And they are *sharpening their skills step by step*, by

building targeted segmentation based on a customer's overall value, using technology to develop a deeper understanding of company's customers' priorities and experience at each step of their relationship with the company, making data-informed hypotheses about which technologies to use in order to acquire and retain the customer. According to Bain's representatives approach, the machines, metrics and minds can be brought together only by the most powerful marketing.

There is no doubt, as highlighted by the Founder and CEO of Smith & Beta (opinion expressed as a Forbes Contributor), that the continual marketing change is fueled by digital, digital culture becoming more integrated with marketing, and learning becoming part of everyday work for marketers.^{viii} And as the reputed BCG suggested while approaching the topic of "Transforming Marketing Talent",^{ix} marketing organizations are required – within the framework of the fast-evolving world of digital marketing – to expand the focus of their agile learning and development programs (which empower people to gain the new digital marketing skills and grow this way professionally) and generally their marketing efforts.

We must always keep in mind the wisdom words of the Father of Modern Marketing, Philip Kotler – *"The future isn't ahead of us, it has already happened"* – and those of his Mentor, Peter Drucker, the Father of Management – *"The best way to predict the future is to create it"*. And the last but not the least, those of our greatest Romanian sculptor Constantin Brancusi: *"To see far is one thing, going there is another"*.

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