

Digital Marketers at the Intersection of Digital Transformation with CX

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Abstract

Consumers' technology adoption is powered by emotion and hyperadoption is a defining characteristic today. Digital customer experience (DCX) is evolving step by step and digital marketers are aware of the role of CX as the top digital transformation priority, not forgetting that the customer is one (offline and online) and struggling to offer relevant content and messaging within the today's customer journey so as to create more cohesive cross-channel customer engagement, considering both the new standards set in the rapidly evolving and the need for increasingly personalized interactions (and how much personalization) at all points of the customer journey. Recent research findings pointed to significant recommendations, knowing both where to focus resources to implement digital transformation, and that improving CX is a very important benefit of digital transformation, CX and brand working together.

Keywords: Digital Marketers; Digital transformation; Digital Expectations; CX

JEL Classification: L86; M15; M31; O33

Digital Marketers Facing Digital Transformation 2018

There is no doubt that consumers are more and more emotionally attached to their devices and that technology adoption is powered by emotion. Forrester's analysts created a model which measures emotions (anticipation, joy, surprise, trust, anger, disgust, fear, and sadness) captured through passive tracking mechanisms (like facial analysis) and processed the raw data by using an algorithm that can reveal insights about how consumers' emotions evolve as they become aware about the technology and purchase it. (Aquino, 2017) And customer experience (CX) is evolving step by step, confirming that it is all about emotions in the interaction of biological, psychological and social factors, in our world of big data and... semantic understanding, sentiment analysis, neurobiology, genome research, artificial intelligence (AI), neuromarketing, (i-SCOOP) where there is also no doubt that intelligent assistants will bridge the experience of offline and online worlds. (Hill-Wilson, 2017)

The perception of experiences is as complex and diverse as human emotions are, and as the lines between offline and online are blurring customers care about experiences and digital, becoming important to distinguish between different interactions and experiences, considering parameters such as: (i-SCOOP) the customer's intent at any specific moment of interaction and

the device used by him, the channels used by customer and the broader and specific context within which the interaction occurs and the digital brand experiences take place. In order to close the gaps between the perceptions of the company's customers regarding their experiences with the company and the company's perceptions about the offered experiences, marketers are struggling to better understand journeys, intent, channels and behavior, seeing the digital customer experience (DCX) as the sum of all customer experiences a customer has with their company across all possible digital touchpoints and contact moments, as clearly explained by i-SCOOP, which also underlined:

- The crucial role of CX in digital transformation, not forgetting both that the customer is one, even if it makes sense to look at the DCX, and that enterprise-wide transformations need enterprise-wide metrics and KPIs; (i-SCOOP)
- Digital transformation (DX or DT) is at the top of the agenda for 2018 and beyond of a large number of organizations, being necessary to be cautious as DX still seems to mean many different things to many different people, as shown below: (i-SCOOP)



Figure 1: Digital Transformation 2018: Towards Ubiquitous Convergence and More Interconnectedness

Source: Digital transformation 2018: convergence and a more interconnected DX approach, i-SCOOP

- One of the fastest growing digital technologies and digital evolutions for 2018 and beyond is Blockchain (which has a key role in the digital transformation of several processes and industries); the convergence of Blockchain and IoT touches (beyond increasing trust, saving costs and speeding up transactions), for example, upon the various other technologies (such as AI), industries (such as insurance and telematics) and activities (such as SCM and security). (i-SCOOP)

It is well-known that DCX can be quantified much easier than experiences in non-digital ecosystems, and this due to the amount of data that gets created in the digital ecosystem (including cookies, online forms, existing profiles, and other data sources). Digital marketers can personalize the DCX on the basis of the above mentioned data, offering content and messaging which speak uniquely to their customers. (Glenn, 2017) On the other hand, it is also very important for digital marketers to look deeper into the atomic particles of the multitude of each digital customer experience while going beyond the limits of channels, devices and tactics, not overlooking the essence and better understanding the contextual dimension of digital experiences and the crucial role of digital in today's customer journey. (i-SCOOP)

On September 30, 2017, we received an e-mail from “AMA on behalf of Tealium” having as subject “Forrester Report - The Critical Connection between Offline and Online Marketing”, and inviting us to view the July 2017 Forrester report “Making the Most of Customer Data Onboarding”. Within this framework it was highlighted that less than 1 in 5 marketers are able to build a single view of the customer across digital and offline channels (because their data is siloed across the tools and applications they use), despite the fact that 90% of marketers recognize that building this single view is critical (in order to make informed business decisions or to power the personalized marketing campaigns companies need a cohesive connection between all these sources of data): *“Customer data onboarding is the critical connection between offline and online marketing that marketers can leverage in creating more cohesive cross-channel customer engagement.”*

Digital Marketers Facing Digital Expectations

In September this year, Peter Lavers (Customer Experience and CRM Manager, WCL Customer Management) and Rob Poratti (Product Marketing Manager for IBM Watson Commerce) express the belief that fundamental for companies to win competitive advantage is to deeply understand their customers' expectations and to innovate to find new ways to meet those expectations economically and reliably, delivering distinctive and profitable customer experiences across all their channels of engagement. They underline that within the dramatically changed landscape and so-called “Amazon and Uber Effect” (term coined by them to describe relevant market's disruption by being obsessed about customers and keeping its brand promise to its customers) nobody can ignore current developments (such as Omni channel, artificial intelligence and real-time personalization) which reflect expectations increasingly defined by digital (once met in one sector become standard for other sectors). (Lavers and Poratti, 2017)

Lavers and Rob Poratti reviewed the new standards set in expectations for availability, speed, transparency, advice and immediacy, highlighting the need for a new model of personalization (doing a better job of engaging customers as individuals) and for making connections across seemingly unconnected data types and sources, drawing insights accordingly and communicating these insights properly. They also raise the question of ethics around customer data management and presented the capabilities of IBM Watson as an useful digital

marketer's and online merchandiser's cognitive assistant in approaching customer engagement with AI, building the brand experiences your customers want, and bridging the Omni-channel divide.

Within this context it is useful to remember that as the latest issue (January 2017) of the Digital Transformation Initiative (launched by the World Economic Forum in 2015, in collaboration with Accenture) highlights: in order to innovate and improve customer experiences companies use consumer data with the help of digitalization; omnichannel experiences and mass customization of products will be enabled by smart supply chains and factories; central to gaining a competitive advantage will be a firm's ability to manage consumer experiences; with data as the backbone of their delivery, products will evolve into services, and services into experiences. It was also shown that to keep up with the rapidly evolving expectations of digital customers companies need to constantly reinvent their offerings, focusing on delivering the most compelling experiences (considering CX as the top digital transformation priority), and taking into account customers' expectations of increasingly personalized interactions (and how much personalization) at all points of their journey. (World Economic Forum, 2017)

Driving the Digital Transformation across the Organization Knowing

How to Start and that Improving CX is Key

McKinsey's representatives call "digital reinventors" the companies (digital natives, incumbents competing in new ways through digitization, incumbents competing in new industries through digital moves and initiatives) that are making digital moves and are outperforming their traditional-incumbent counterparts, by investing more in digital (in innovative technologies, analytics, and digital talent, in business-model innovations or entirely new business models) and executing differently. The digital reinventors are using practices (such as the approach to investments, the degree of innovation, and the application of digital technologies) both to digitize their core businesses and to innovate through new business models, differing in how they deploy the basic digital technologies (such as big data, cloud computing, and the mobile Internet). McKinsey's survey results recommend companies that are not yet digital reinventors to start by taking a dual approach to business-model innovation, to be bold in experimenting with new technologies, and to make decisive investments (recrafting their investment decision-making processes and their overall cultures). (Bughin, J., LaBerge, 2017)

But other McKinsey's representatives (Meffert and Swaminathan, 2017) have shown that to stimulate companies to embrace innovation and change at scale, CEOs need to create a sense of urgency and think big (having a bold plan, putting the customer first and breaking down the functional silos), to build an operating system for speed and reaction time (recruiting the team, being fast and building to adjust) and to create momentum through forceful scale (spreading the change, turning IT into a weapon and find partners and building networks). The target is to

capture full value by driving the digital transformation across the organization, taking into account of course that is not easy to start a change program.

What concerns marketers, is to know where to focus resources to implement digital transformation at their company. Findings from research firm Altimeter (which surveyed in August 2017 digital transformation professionals in US, Canada, the UK, France and Germany – Altimeter, “The 2017 State of Digital Transformation,” Oct 4, 2017) revealed – as shown by eMarketer in the figure below – that: 46.6% of respondents were investing in creating a seamless CX across all social, mobile, web and ecommerce efforts, while 46.4% were investing in better ecommerce and mcommerce platforms and modern processes; 43.0% of respondents were investing in modernized IT infrastructure and technologies with increased agility, flexibility, manageability and security; 42.0% wanted to expand research efforts into better understanding the customers’ digital touchpoints and customer journey and so on. On the other hand, eMarketer also highlighted that improving CX is believed to be a “very important” benefit of digital transformation by almost 70% of US digital transformation leaders polled in June 2017 - according to a research from Couchbase.

Leading Digital Transformation Initiatives at Their Company According to Digital Transformation Professionals Worldwide*, Aug 2017	
<i>% of respondents</i>	
Integrating all social, mobile, web, commerce, service efforts and investments to deliver an integrated, frictionless and omnichannel customer experience	46.6%
Investing in more efficient ecommerce and mcommerce platforms and modern processes	46.4%
Modernized IT infrastructure and technologies with increased agility, flexibility, manageability and security	43.0%
Further research into our customers' digital touchpoints and customer journey	42.0%
Accelerating innovation through formal programs, internal and external	39.2%
Updating customer service/support to meet the expectations of connected consumers	35.4%
Creating a formal infrastructure and process around data/insights/ analytics	29.4%
Utilizing a more holistic and connected CRM system to empower sales teams at every customer touchpoint	29.0%
Improving operational agility and modernizing policies and processes to more rapidly adapt to change	24.4%
Corporate reorganization of people and departments to optimize cross-functional collaboration and efficiencies in digital	23.5%
Researching and adapting the employee journey to modernize employee experience (EX)	10.6%
Creating a culture that's more digital literate and capable	10.6%
Other	0.2%
<i>Note: n=528; respondents selected up to 5; *Canada, France, Germany, US and UK</i>	
<i>Source: Altimeter, "The 2017 State of Digital Transformation," Oct 4, 2017</i>	
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Figure 1: Leading Digital Transformation Initiatives at Their Company According to Digital Transformation Professionals Worldwide, Aug 2017, Altimeter

Source: Minsker, M., Improving the Customer Experience is Key to Digital Transformation, eMarketer October 17

Conclusions: Challenges for CMO, “the holder of the keys to the customer”

In our previous article, we showed that in order to deliver successful customer experiences companies need to achieve digital marketing success on the way of the never-ending digital journey, reinventing marketing with this kind of journey, by better understanding the impact of digital transformation on professional skillsets and improving digital marketing skills.

We started our today’s article by emphasizing the link between emotions (remembering that Forrester’s analysts created a model which measures emotions) and CX (which is confirming that it is all about emotions in the interaction of biological, psychological and social factors). We consider that it is useful to challenge our thoughts and keep moving forward on this way, by taking into account recent valuable recommendations such as those suggested by the reputed Forrester’s representative James L. McQuivey, PhD, Vice President, Principal Analyst (and author of the book “Digital Disruption: Unleashing the next wave of innovation”, 2013; on April 14, 2015, he highlighted (McQuivey with Doty, 2015) the fact that CMO – the holder of the keys to the customer – is challenged to build the right connection with the right customers at crucial moments in the hyperadoption cycle: attention, intention, and action):

- CMOs has to consider the new findings in the science of emotion and to embed specific target emotions in the CX of the entire brand; (McQuivey, 2017)
- CMOs has to consider the new reality that CX and brand must work together to build future-ready companies (in order to measure the power of brands Forrester has created the brand energy framework, by applying consumer hyperadoption and the most recent developments in the science of emotion); (Chatterjee, McQuivey, Fleming, Salazar, 2017)
- CMOs has to know how to build a digital relationship that is frequent, emotion-rich, and convenient. (McQuivey, 2017)

It is also our duty to add that CMOs must not forget what James L. McQuivey said in his keynote at Forrester’s 2015 Forum For Marketing Leaders in New York about hyperadoption as a *“characteristic that will define the next 10 years of your personal and business experience... hyperadoption will cause the next 10 years to generate an order of magnitude more change in your life than the past 10 years did... Because the past 10 years gave you the smartphone and the tablet...”* (McQuivey, 2015)

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