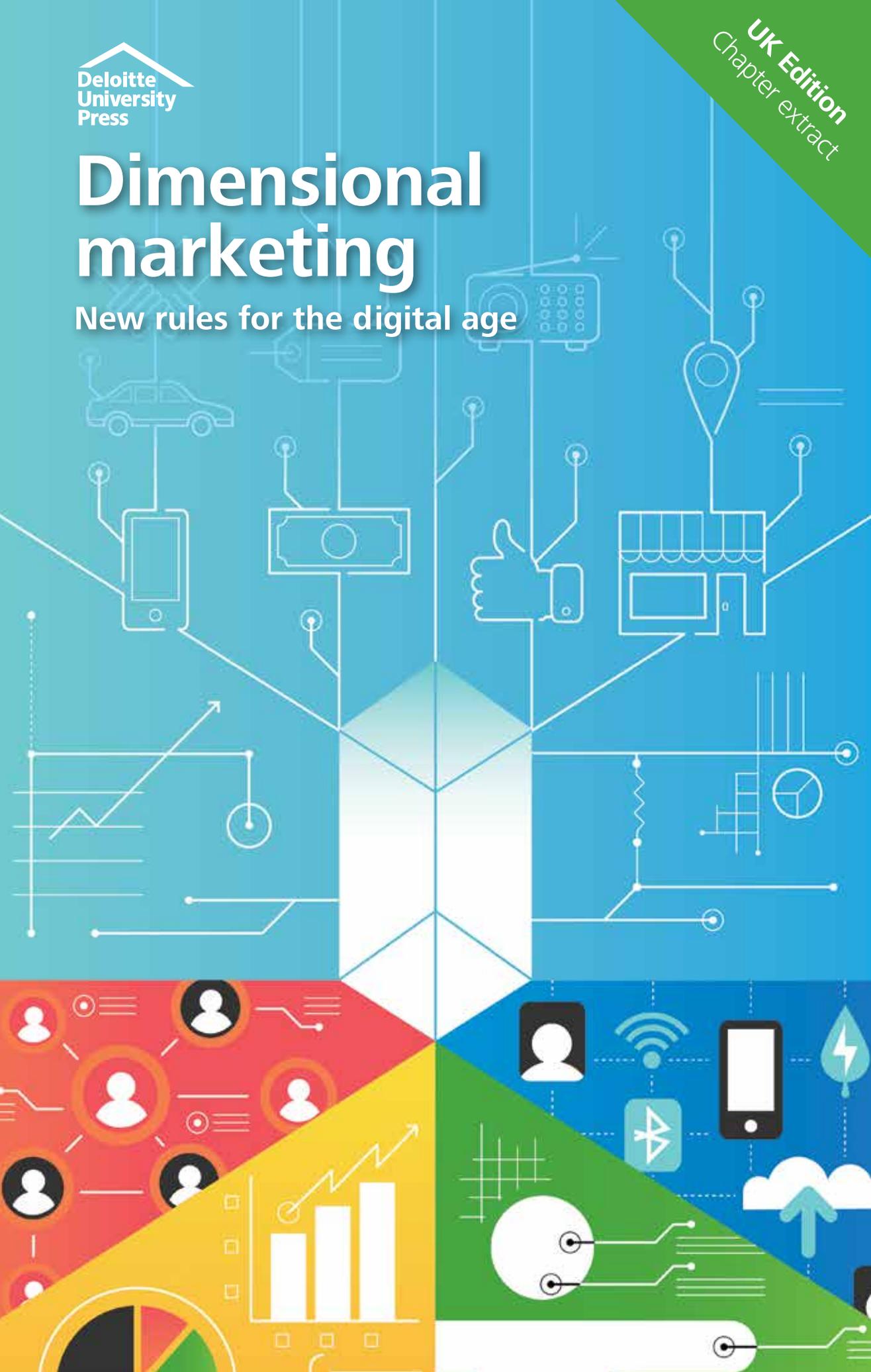


Dimensional marketing

New rules for the digital age



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Marketing has evolved significantly in the last half-decade. The evolution of digitally connected customers lies at the core, reflecting the dramatic change in the dynamic between relationships and transactions. A new vision for marketing is being formed as CMOs and CIOs invest in technology for marketing automation, next-generation omnichannel approaches, content development, customer analytics and commerce initiatives. This modern era for marketing is likely to bring new challenges in the dimensions of customer engagement, connectivity, data and insight.

ACCORDING to MBA textbooks, marketing is the “art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating superior customer value.”¹ This core mission hasn’t changed. However, marketing has evolved significantly in the last five years, driven by the rapid convergence of customer, digital and marketing technologies. Marketers have access to an unprecedented amount of data to inform targeted marketing campaigns. Channel access is ubiquitous, as are touchpoints of all kinds – offline and on. Consumer messaging has morphed into social engagement, allowing companies to view their brands from the outside in.

The result is a magnification of customer expectations in terms of relevancy, intimacy, delight, privacy and personal connections. Increasingly, organisations no longer market to masses. They are marketing to individuals and their social networks. Indeed, marketing itself has shifted from the broadcast of messages to engagement in conversations,

and now to the ability to predict and rapidly respond to individual requests. Organisations are increasingly able to engage audiences on their terms and through their interests, wherever and whatever they are. And customers are learning to expect nothing less, from both B2C and B2B enterprises.

What does all of this mean for the CMO? And the CIO? To begin with, CIOs and CMOs should embrace the reality that the marketing levers of the past no longer work the same way, if at all. The front office of marketing has been recast around connectivity and engagement – seamless contextual outreach tailored to specific individuals based on their preferences, behaviours and purchase histories. At the same time, marketing’s back office has been transformed by new technologies for accelerating and automating campaigns, content and positioning – fueled by data and analytics. Together, these new dimensions are ushering in a new breed of marketing: *dimensional marketing*.

The four dimensions

In simpler times, linear constructs such as the four Ps (product, price, promotion and place) served us well as the foundational ingredients of marketing strategies. In the era of dimensional marketing, however, many companies are adding four new dimensions to the original marketing mix: engagement, connectivity, data and technology. The concept of dimension is important. It reflects how the levers are now integrated and interrelated.

Experience is all: The engagement revolution

Over 86 per cent of Americans have Internet access.² Fifty-eight per cent have smartphones and 42 per cent have tablets.³ Consumers are now using new technologies to research products and shop through a variety of channels. These connected consumers can buy from retailers regardless of geography or store opening hours. The consumer experience now demands a balance of form and function. Experiences should be personalised, contextual and real-time to “me” in the environment and with the method that makes the most sense in the moment. This is a dramatic shift from the days of catering to broad demographics and customer segments. Organisations are armed with deep, granular knowledge of individuals; just as importantly, they have access to multiple channels through which to conduct personalised outreach. Gartner’s 2014 Hype Cycle for Web Computing found that “Many big data use cases are focused on customer experience, and organisations are leveraging a broad range of information about an individual to hyperpersonalise the user experience, creating greater customer intimacy and generating significant revenue lift.”⁴ Every experience reflects the brand, transcending campaigns, products, sales, service and support across channels. User experience and great design should be cornerstones of every solution, which requires new skill sets, delivery models,

and interactions between the business and IT. Behind the scenes, content and digital access management are critical to a seamless integration of campaigns, sales, services, supply chains and CRM systems.

Relationships are interactions: The connectivity revolution

One-way communication with consumers is a thing of the past. Marketers should build sustained relationships through a deep and meaningful understanding of individual customers. After all, effective relationships drive loyalty, build communities and cultivate influencers. Meaningful relationships also require dialogue. The shift from omni-channel to omni-directional communication across channels is giving communities and individuals the opportunity to create new levels of engagement. A recent Deloitte study commissioned by eBay found that being broadly present across channels, and enabling each channel to serve the customer at any point through the purchase journey, raised brand awareness and drove loyalty.⁵ The study also found that leading retailers with a presence across store and non-store channels succeeded in capturing additional sales from non-store channels due to increased awareness of their products, expanded market share and/or a greater share of sales captured from competitors, and access to fast-growth channels. Social (both social technology and real-world social behaviour) plays an important role by activating audiences and sustaining (or heightening) their interest through tailored, relevant content delivered on their own terms and in their own words.⁶

Intelligence is targeted: The information revolution

Deriving meaningful customer, sales and product insights requires an appetite for enormous amounts of data and analytics. Gartner’s Hype Cycle for Digital Marketing found that “The hype around data-driven

marketing is largely justified, and data-driven marketing will help make marketing better, faster, and more cost-effective while better aligning marketers with the marketplace, not to mention enterprise objectives, through richer, more reliable metrics.”⁷ And a recent Teradata survey found that 78 per cent of marketers feel pressure to become more data-driven, with 45 per cent agreeing that data is the most underutilised asset in the marketing organisation.⁸ Real-time analysis can drive adjustments and improvements to marketing campaigns and promotions. Intelligence gives us the technical capability to close the loop and measure real business results by providing multiple ways to interpret and make use of data. Better targeting and visibility across the

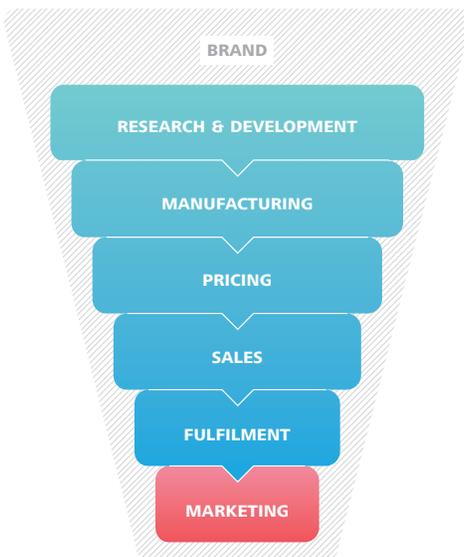
full customer life cycle enhances the use of standalone tools in areas such as campaign automation and bid management systems – indicative of the trend to understand individuals versus broad segments.

Channel orchestration is multidimensional: The technology revolution

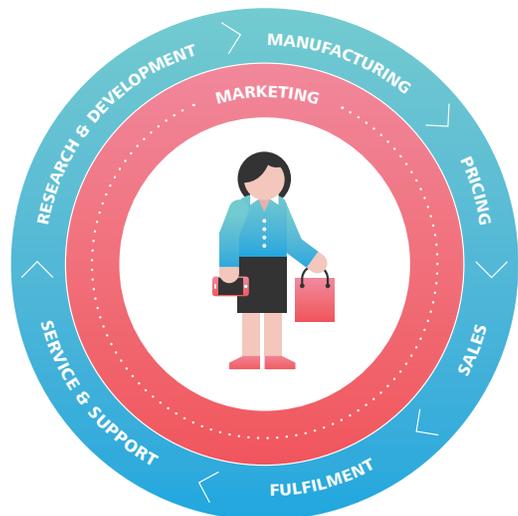
Channels and customer touchpoints are constantly multiplying. Marketers now own or manage the marketing platforms, architecture and integration required to provide a consistent experience across channels. Although marketing has evolved from broadcast to interactivity and now finally to digital, many organisational capabilities still remain in silos. With

The evolution of marketing

THE TRADITIONAL MODEL Marketing began as an isolated step occurring at the end of a linear business process focused on brand and awareness. Core technology functions such as ERP, data and analytics were bolted on to marketing as needed.



THE NEW MODEL Today's marketing is a multifaceted entity with hooks into all steps of the business and product cycle. With the customer as the main actor, the business aims to integrate engagement, connectivity, information and technology in order to create a personalised, contextualised experience.



dimensional marketing, traditional, digital, customer and enabling business systems are converging into one integrated offering that operates simultaneously in harmony. This harmony demands platforms that are deliberately designed to accommodate multiple devices and touchpoints. Contextual architecture should provide data, images, video and transactions dynamically – and be based not just on who the customers are, but where they are, what they've done and what they're likely to want next.

A digital platform divided

The stage is set for technology and analytics to play a more impactful role in this new world – delivering seamless, contextual and hyper-targeted customer and prospect experiences, and helping marketing departments repatriate duties from agencies through their own capabilities for automation, precision and efficiency. CMOs, working in partnership with CIOs, should command a richer, data-driven, targeted repertoire of campaigns, promotions and properties across multiple channels for varied customer types and objectives. Customer awareness, acquisition, conversion and retention are top priorities and require attention and investment.⁹

Organisation-wide platforms to target, provision, deploy and measure digital assets are needed and should be integrated across:

- Channels: offline and online and across paid, earned, and owned media
- Context: based on the individual's behaviour, preferences, location and other cues
- Campaigns: pricing, promotions and offers tailored to an individual in a specific point in time
- Content: internally and externally sourced, with increasing focus on social media and video and optimised for mobile

CIOs should be prepared for a sizeable increase in marketing technology initiatives – akin to the wave of automation in the worlds of finance and supply chain. Marketing's expanded scope will likely require changes far beyond traditional marketing systems, with integration into CRM and ERP systems in areas such as pricing, inventory, order management and product R&D. And, as analytics, mobile, social, and the Web become marketing's digital battleground, CIOs should expect aggressive pushes in these areas. These forays could affect the organisation's enterprise strategy in each domain. CIOs should not settle for being responsive, informed parties as the revolution unfolds; they should be seen as a strategist and act as a catalyst.

My take

Ann Lewnes, chief marketing officer,
Adobe

Over the past few years, data and visibility into data have, in large part, transformed virtually *everything* about marketing. In this new customer-focused, data-driven environment, marketing is mission-critical: Adobe's overall success is partly contingent on marketing's ability to deliver personalised, engaging experiences across all channels.

The need to create such experiences has led us to develop an even deeper understanding of our customers, and to construct advanced platforms for creating, deploying and measuring dynamic content. Along the way, we've also pursued opportunities to leverage technology to improve marketing's back office, as well as to evolve our relationships with traditional agencies.

Roughly 95 per cent of Adobe's customers visit our website, which translates to more than 650 million unique visits each month. A variety of applications make it possible for us to know who these customers are, what they do during each visit and – through integration with social channels – whom they are connected with. We have applied personalisation and behavioural targeting capabilities, which help us provide more engaging experiences based on individual preferences. We have also layered in predictive and econometric modelling capabilities, opening the door for assessing the ROI of our marketing campaigns. Whereas 10 years ago, marketing may have been perceived as something intangible or unquantifiable, we now have hard evidence of our contribution to the company's success.

Increasingly, companies are using marketing to drive digital strategies. Moreover, the expanding scope of dimensional marketing is driving increased connectivity among various enterprise groups. For example, at Adobe, marketing and IT are collaborating in ways that move the entire company forward.

Historically, these two groups were isolated from each other; marketing bought its own technology and software and kept them relatively siloed, apart from the core. Today, marketing's systems integrate into corporate systems. If you want to develop a comprehensive, data-driven view of customers, you need access to customer data in CRM, financial databases and other systems. And, while marketing has its own group that conducts Web analytics and insights, we rely on IT to provide integration, data platforms, visualisation and security.

It is critical to team with the CIO and the broader IT organisation. Luckily, Adobe's IT organisation very much wants to support marketing's strategies and efforts, which has helped the relationship between our two groups evolve into one of shared responsibility.

Digital marketing has fundamentally transformed the way we think about marketing's mission and the way we work to fulfill it. It took us a long time to get to where we are today, and the journey was not without challenges. Along the way, we had to retool the organisation and reskill our people. But now we've arrived at a good place, and we have instilled a strong sense of confidence and motivation throughout the marketing organisation. Though in the past we may have been somewhat of an organisational outlier, today we are proud to have our identity woven throughout the fabric of the Adobe organisation.



Cyber implications

DIGITAL has changed the scope, rules and tools of marketing. At the centre are customers and the digital exhaust they leave as they work, shop and play. This can be valuable information to drive the new dimensions of marketing: connectivity, engagement and insight. But it also creates security and privacy risks.

“Fair and limited use” is the starting point – for data you’ve collected, for data individuals have chosen to share, for derived data and for data acquired from third-party partners or services. There are questions of what a company has permission to do with data. Laws differ across geographies and industries, informed by both consumer protection statutes and broader regulatory and compliance laws. Liability is not dependent on being the source of or retaining data; controls need to extend to feeds being scanned for analytics purposes and data/services being invoked to augment transactions. This is especially critical, as creating composites of information may turn what were individually innocuous bits of data into legally binding personally identifiable information (PII).

Privacy concerns may limit the degree of personalisation used for offerings and outreach even when within the bounds of the law. Even if the information is publicly available, customers may cry “Big Brother” if it seems that an inappropriate amount of personal information has been gleaned or a threshold level of intimacy has been breached. Derived data can provide insights into individual behaviour, preferences and tendencies, which in the hands of marketers and product managers is invaluable. In the context of cyber security, these insights can also help organisations identify potential risks. Organisations should clearly communicate to customers the policies and boundaries that govern what data is being collected and how it will be used.

Public policies, privacy awareness programmes and end-user licence agreements are a good start. But they need to be joined with explicit governance and controls to guide, monitor and police usage. User, system and data-level credentials and entitlements can be used to manage trust and appropriate access to raw transactions and data. Security and privacy controls can be embedded within content, integration and data layers – moving the mechanics into the background so that CMOs and marketing departments inherit leading practices. The CISO and CIO can bake cyber security into the fabric of how new services are delivered, and put some level of policy and controls in place.

Finally, understanding your organisation’s threat beacon can help direct limited cyber security resources toward the more likely vectors of attack. Dimensional marketing expands the pool of potentially valuable customer information. Organisations that are pivoting their core business into digital assets and offerings only complicate the matter. Core product IP and the digital supply chain come into play as digital marketing becomes inseparable from ordering, provisioning, fulfilment, billing and servicing digital goods and services.

Asset and rights management may be new problems marketing has not traditionally had to deal with, but the root issues are related to the implications described above. Organisations should get ready for the radical shift in the digital marketing landscape, or security and privacy concerns may slow or undermine their efforts.

Where do you start?

DIMENSIONAL marketing has the potential to succumb to its own transformational promise. As with any massive undertaking, objectives, priorities and expected outcomes should be clearly defined. Below are steps that many leading organisations are taking to prepare themselves to operate in this new environment:

- **Customer-led.** Digital agencies can spend too much time focussing on a single approach, or even self-serving tactics such as “storytelling.” If marketing focuses on what your company is saying rather than what customers are asking for, your organisation may not be focussed on the pillars of dimensional marketing: listening, being personal and focussing on authentic engagement. Instead, you should anchor your efforts on the end-to-end customer journey by understanding customer needs, actions and motivations, from awareness through retention, across channels. These insights should carry more weight than the pursuit of particular tactics. It would be better to disregard the notion of customer loyalty to a brand, and embrace the concept of a brand becoming loyal to the customer.
 - **Data, data, data.** Capturing, correlating and capitalising on customer information is at the heart of dimensional marketing. Depending on their roots, marketing technology vendors tend to emphasise either current customers or the wider pool of prospects. But both are relevant. Early efforts should focus clearly on targets; next should come an analysis of the history, preferences and context of those audiences. Don't limit yourself to
- today's marketing signals; determine how ambient computing,¹⁰ wearables,¹¹ and other trends may play into your ability to collect and interpret signals. Big data and predictive analytics should play a role in how you invest in specific audiences and targeted priorities.
- **All together now.** Marketing automation should mean much more than email campaign management. It is almost a given that a holistic approach requires Web, mobile, social, broadcast and direct mail. Social graphs should source not just Facebook, Twitter, LinkedIn, and Instagram, but also specialised blogs and industry- or domain-focused communities. Analytics, digital offerings and back-office marketing tools (from lead management to search engine optimisation to pricing engines) should be geared toward omnichannel and cross-dimensional capabilities.
 - **(Contextual) content is king.** As video, mobile and other digital assets emerge as the building blocks of campaigns and servicing, content management becomes central to dimensional marketing. Many content management systems have a narrow focus on document management or just Web content management. This narrow focus leaves these systems ill-equipped to deal with the impending explosion of content types and deployment needs. Authoring, provisioning and measuring usage and effectiveness need to be seamless processes. These should be combined with the ability to collaborate with in-house and contracted professionals, as well as with a mix of third-party agencies.

- **Social activation.** Social media topped the list in a recent survey of digital advertisers' spend and priorities.¹² Organisations need to move from passive listening and impersonal social broadcasting to social activation:¹³ Social activation entails precise targeting of influencers, development of contextual outreach based on tangible, measurable outcomes and cultivation of a global social content

supply chain that can create meaningful, authentic social campaigns. In short, social activation should inspire individuals to carry out the organisation's missions in their own words, on their own turf and on their own terms. Companies should build and nurture perceptions, instead of focussing on empty metrics such as volume or unfocused sentiment.



Bottom line

GARTNER'S 2014 CEO survey found that "CEOs rank digital marketing as the No. 1 most important tech-enabled capability for investment over the next five years."¹⁴ And with marketing's expanded scope likely including the integration of marketing systems with CRM and ERP systems in areas such as pricing, inventory, order management and product R&D, IT's mission, if they choose to accept it, is to help drive the vision, prioritisation and realisation of dimensional marketing. IT can potentially use its mission as a Trojan horse to reinvent delivery models, technology platforms and IT's reputation across the business. Who better than the CMO to help change the brand perception of the CIO? And who else but the CIO can help deliver analytics, mobile, social and Web while maintaining the enterprise "ilities" – security, reliability, scalability, maintainability and interoperability? The stage is set. It is time for the next wave of leaders to deliver.

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Notes

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