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Digital engagement and the market of one

By Eric Openshaw and Christine Cutten (pictured)

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<http://www.ft.com/intl/cms/s/0/42d60024-118f-11e4-a17a-00144feabdc0.html#axzz38HpZSe2L>

Personalisation is putting marketing bosses in the IT driver's seat, write Deloitte's Eric Openshaw and Christine Cutten.



In 2011, global software company Adobe had one of the most visited sites on the internet with more than 35m unique visitors per week. However, the company was not benefiting. Customers were directed elsewhere to purchase products, and visitors' experiences depended entirely on their ability to navigate the screens.

Then Adobe built an integrated marketing and ecommerce site that could personalise product recommendations, promotions and content for each customer based on past actions and purchases, navigation profile and context, for example the customer's physical location and device, such as smartphone or in-store kiosk, they are using.

The results? By 2013, Adobe's online revenue had increased 39 per cent. Checkout conversions increased 16 per cent, with a 48 per cent increase in lead conversion and increased revenue per visit, according to Deloitte Tech Trends 2014.

Whether a company's products and services are digitally based or not, direct interaction with customers is increasing, across platforms both digital and physical. And customers are increasingly willing to surrender more information to companies they choose, but they expect relevant and useful content, products and services in return.

After years of talking about monetising data, the relatively low cost of data capture, storage and analytics combined with the multi-platform, mobile experience of consumers and enterprise customers has finally provided both more data and the ability to do something valuable with it.

The Deloitte Digital Democracy Survey found that 37 per cent of US consumers own a smartphone, tablet and laptop and increasingly rely on mobile devices and social networks for engaging with brands. If you factor in wearables and other connected objects emerging from the "internet of things" ecosystem (for example, retail beacons), the picture for digital engagement becomes even more complex.

On one hand, this challenges marketing to deliver the seamless, yet platform-appropriate experience that customers expect. On the other hand, this constant interaction across multiple devices also provides rich contextual data – the how, where and when of interactions – which opens the door for revenue opportunities. These range from personalised products, sales and support to new revenue from customer insights that identify needs or from aggregating data and insights for other business partners.

Could data from a fitness band, for example, be used to generate more relevant recommendations and offers to specific individuals – i.e., a personal marketing channel – or would aggregate data from a population of fitness bands be useful to a healthcare organisation or could retail or product companies glean useful insight from activity data combined with financial services data?

Certainly sales and marketing have been at the forefront of digital engagement, but the opportunities, and pitfalls, for digital engagement extend across the enterprise. Consumers expect more than a brand presence on social media, and evolving tools create more opportunities to derive value. Companies can improve customer satisfaction, recommendations and sales by making the experience more useful, relevant and appropriate to the individual.

For example, media consumers expect a seamless transition from where they left off a television programme or novel on a tablet to when they access the content on a smartphone. Delivering a seamless experience and contextual awareness for other parts of the customer lifecycle – for example, personalising customer support – can improve loyalty and create additional cross-sell opportunities.

Doing so may create a competitive advantage, especially for customer experiences viewed as painful – consider how a large telecom company used a “tweet to care” framework to create a customer-centric model to be more proactive and responsive. An advantage now, customers may soon demand this type of engagement.

The marketing organisation alone cannot shift an entire company from focusing on markets to understanding and meeting the unique needs and expectations of individuals. “Managing a user’s attention and transferring context across devices require a multidisciplinary approach to exploration and prototyping,” says Soleio Cuervo, head of design for cloud-storage company Dropbox.

Uncovering and capitalising on the potential revenue streams from the interaction data will require even more collaboration. The challenge is that many, but not all, interactions fall under the purview of the chief marketing officer (CMO), and many CMOs lack the depth or scope of expertise to manage the technology and navigate the risks and privacy issues.

The enterprise, then, must strike a balance between the evolving roles of the CMO and chief information officer (CIO) in an environment where direct-to-customer interactions are continuous. Marketing’s IT footprint has grown bigger as data collection and customer analytics become core to many businesses.

Two years ago, Gartner predicted that the CMO would spend more on IT than the CIO by 2017. Already much of the marketing technology spend occurs outside IT as marketing organisations piece together external vendors and cloud-based services to create, localise, manage and analyse

customer experiences. Needs change so quickly that efforts are duplicated, and IT is often not consulted for fear of slowing new initiatives down.

The answer will not be stricter controls or policing between the CIO and CMO, but a new level of collaboration, putting business needs first. To deliver on customer expectations, marketing organisations, in collaboration with IT and others, are going to have to ramp up to a higher level than ever.

What do you think? Who will own the personalised, integrated customer experience across platforms and lifecycle? Can the CIO and CMO roles remain separate?

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