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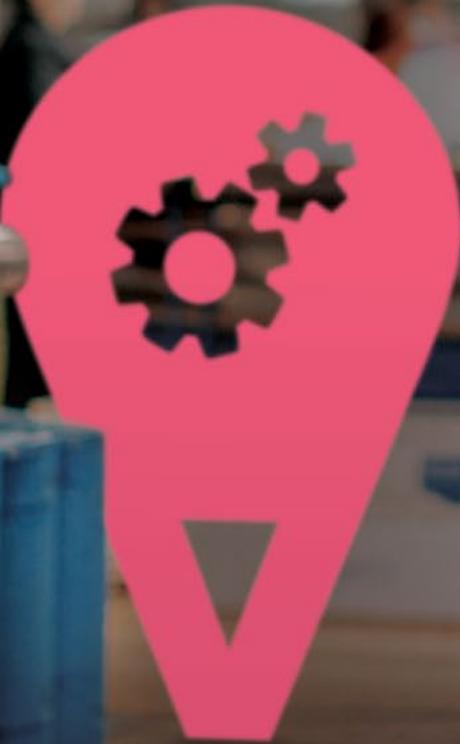
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## Win at Campaign Management 2.0

Connecting with Customers in  
the Digital Marketing Ecosystem

Strategy | Consulting | Digital | Technology | Operations



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The potential benefits  
will be worth the journey.

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# Win at Campaign Management 2.0

## Connecting with Customers in the Digital Marketing Ecosystem

Digital technology is both disrupting and enabling how marketers connect with customers. Now more than ever, marketers must adapt to the realities of the digital marketing ecosystem. It is also a time for a new approach to campaign management.

Digital is transforming businesses, creating winners and losers. Digital trailblazers like Amazon.com, Inc. and Netflix Inc. eclipsed one-time leaders like Borders and Blockbuster and remade entire industries in the process. Today, Uber's app-powered car service is threatening the taxi industry in many cities.<sup>1</sup>

Digital winners with Darwinian instincts know how to adapt to stay relevant so that they can benefit from opportunities, rather than be swallowed up by threats. Marketers must also adapt. While 78 percent of marketing leaders say that marketing will undergo fundamental change over the next five years, mostly due to digital, many have not come to terms with how much campaign management must evolve too.<sup>2</sup>

Digital technologies and new customer expectations have disrupted traditional customer communications and how we think about campaign management. Marketing is no longer just about lists and counts for the monthly catalog or the weekly email promotion. Instead, campaign management must now enable customer relevance at scale—delivering one-to-one dialogs with millions of customers. This requires new capabilities to engage and communicate with customers at every moment that matters, all of the time.

Campaign Management 2.0 must retain the traditional focus on the right message to the right customer through the right channel at the right time—but also go beyond it.

It must also become the nerve center of an always-on customer communication hub that coordinates communications across marketing, sales and service. As stewards of enterprise communications, marketers must move past solely communicating marketing messages, and instead, manage the customer dialog for every message and circumstance.

The potential benefits will be worth the journey. Companies that evolve to Campaign Management 2.0 can improve the performance of their marketing programs in acquiring, growing and retaining customers. This is likely to result in increased topline revenue growth, customer satisfaction and speed to market while reducing costs and risks.

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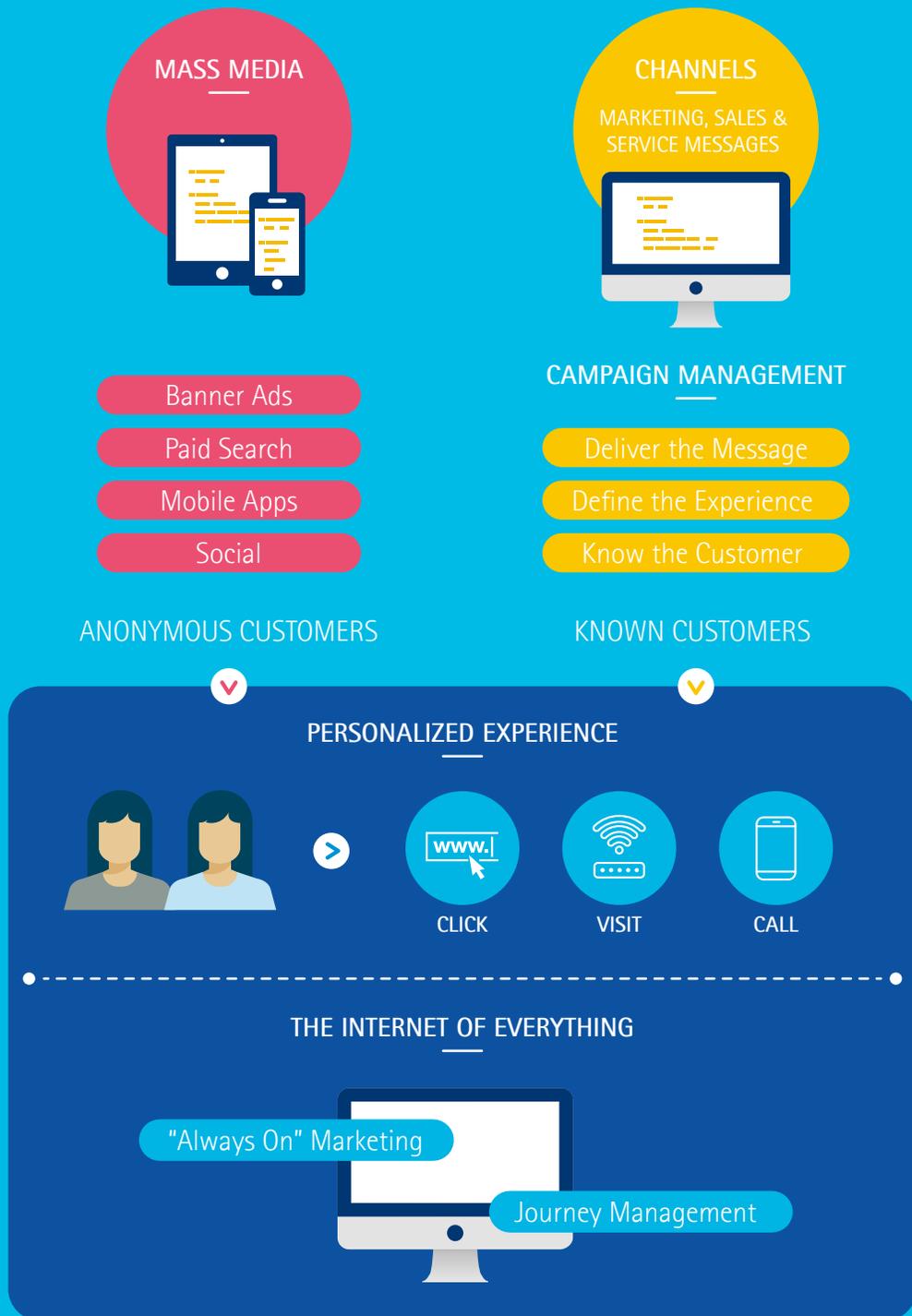


Figure 1: The New Digital Marketing Ecosystem

The digital customer must be engaged with a consistent experience throughout their journeys and across the channels with a coordinated "Always On" conversation.

# Forces of Change:

## New Ways of Connecting with Customers

To realize these potential benefits, marketers must acknowledge that yesterday's standalone campaign management approach will not be effective in today's digital marketing ecosystem (Figure 1). However, current digital technology disrupters and enablers provide an excellent opportunity for organizations to make the shift now to Campaign Management 2.0. Consider three important trends:

### 1 Marketing is Happening all of the Time

Marketers who rely solely on planned monthly, weekly and even daily campaigns are betting on relics from another time. Wait too long to communicate with customers in the digital world and there is likely to be no one there to listen. Marketing today is about the now. Digital has removed many of the barriers around when marketing can happen. Any moment can be a moment that matters for a personalized marketing message.

This is the essence of always-on marketing. Marketers must be there for customers, continually curating seamless, real-time omni-channel journeys. Customers have come to expect this immediacy and responsiveness—and there are significant risks if marketers cannot deliver.

The good news for marketers is that new digital capabilities are making it possible and practical to communicate with customers with personalized messages in real time. For example, marketers can use real-time email or SMS messages to improve completion rates of online sales. Imagine that a customer abandons an online shopping cart. Companies can now send a real-time reminder message and follow up later with a free shipping offer to incent the customer to complete the transaction.

Marketers can also manage real-time customer conversations through micro-channels. Consider how online shoppers value transactional messages such as order confirmation and shipping notice emails. In fact, response rates to these transactional emails are eight times higher than the average unsolicited email promotion.<sup>3</sup> By including messages and offers in the email order and shipping notifications, marketers can turn transactional messages into relationship building opportunities.

What's more, mobile apps with geolocation capabilities, time of day and proximity messaging are enabling companies to connect in real time in very new ways. Marriott International, Inc. uses beacon technology to provide rewards program members with targeted offers that reflect where guests are on a hotel property.<sup>4</sup>

Using a geo-focused mobile app, Meat Pack, a sneaker retailer in Guatemala, sent former customers a 99 percent discount offer when they entered a competitor's store. Since the discount decreased every second until the customers came into a Meat Pack store, more than 600 people left the competition and received an 89 percent discount in store.<sup>5</sup>

Personalization is also a critical component of always-on marketing. In what was not possible just a few years ago, today, whole sports stadiums are online, with digital tools that alert fans to shorter lines and flash sales on nearby food and merchandise.<sup>6</sup> The connectivity of everyday life will only increase—two-thirds of consumers are expected to buy a connected home device in the next five years.<sup>7</sup>

Even with all of these exciting possibilities for always-on marketing, only 32 percent of marketers think that over the next five years, marketing campaigns will need to execute in real time.<sup>8</sup> It is clear that marketers have some work to do to respond to the reality of today's always-on environment.

## 2 Good Marketing Should Feel Like Great Service

Marketing used to be an easily defined function. Marketers communicated promotional messages to customers and prospects then waited for them to show up in the store. It was simple.

But things are no longer so straightforward. To truly deliver a personalized always-on customer experience, marketers must extend the scope of their responsibility beyond marketing. As part of this, campaign management must evolve to become a strategic enterprise capability for coordinating all types of marketing, sales and service messages.

It is not surprising that this extension of campaign management's responsibilities is aligned with how customers expect organizations to interact with them. Customers don't make a distinction between the marketing, sales and service organizations; they just expect seamless, consistent and coordinated communications. Since the value of a brand for customers is based on the summation of all of their experiences with the brand, artificial boundaries between the marketing, sales and service organizations that create an inconsistent customer experience can be very costly. These silos are simply a function of companies' organizational structures, not a reflection of the customer's needs.

However, overcoming these obstacles requires a significant but vital shift in the customer communication strategy for organizations. Companies that continue to isolate marketing, sales and service messages from one another risk getting in their own way. They will continue to deliver inconsistent messages that damage the customer experience and the brand value.

Consider the value that customers can get when companies connect and coordinate marketing, sales and service communications. For example, retail pharmacies are using phone calls and text messages to provide customers with proactive reminders when prescriptions are ready to refill. Later, callbacks and texts are sent when the prescription is ready for pick-up. Not only is this convenient for people, the service helps them avoid lapses in medication, improving adherence. Are these examples of a marketing or service message? Does it matter?

As more "things" connect to the Internet, i.e. "The Internet of Everything," the lines between marketing and service messages will blur even more. Consider the "connected car" sending an alert to the dealership that service is due. This alert triggers a campaign management-directed communication to the customer with multiple options for service times, as well as an offer for a discounted courtesy vehicle. Is this a marketing message or a good service message? It is both. This is the marketing challenge—and the opportunity—that is ahead.

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### 3 Offline and Online Marketing has Converged

Marketing has come a long way from the days of one-to-many mass media broadcasts to communicate to anonymous customers. Today's digital marketing ecosystem capabilities of paid search, banner ads and social networks provide many new ways to connect with customers. However, ensuring coordination of messaging between known and anonymous customers across this more complex marketing ecosystem is now the challenge.

Developing the capabilities to drive customers to the top of the sales funnel—with clicks to websites, visits to stores and phone calls to place an order—with relevant and personalized messages is hard to do. Most respondents (64 percent) to the 2014 Adobe Campaign Management Maturity Study said they found it difficult to develop the single view of the customer<sup>9</sup> to enable personalization of offers and content.

However, the digital ecosystem now provides a new source of data for improving customer information. Combining online and offline data enables marketers to improve their ability to develop insights from online shopping patterns and purchases. This helps them to improve the personalization and relevance of messages to both unknown and known customers.

The introduction of a new digital technology, the data management platform (DMP) provides a new way to capture, segment and then improve messages to customers. A DMP culls customer data from internal and external sources, helping marketers transform the information into actionable segments and personalized offers for people with similar profiles. Retailers are already using DMPs to develop profiles of anonymous online visitors and then tailoring the web pages and online promotions based on these profiles.

In addition to integrating the data about known and anonymous customers, marketers must also improve strategies for allocating marketing budgets across these two customer segments. With the rise in the use of the digital channels, optimizing the marketing spend across mass media, direct marketing and online has become much more complex.

To address this need, leading marketing organizations are using a combination of Marketing Resource Management (MRM) applications and analytics to better plan and optimize the marketing spend. First, the MRM tools provide the capabilities for improved capture of actual marketing spend. Then the Media Mix Optimization analytics combine the MRM marketing spend data with the actual sales performance results to develop optimized marketing spend plans.

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Figure 2: Campaign Management 2.0 Operating Model

# Key Questions: New Complexities to Campaign Management 2.0

As marketing organizations take stock of what these trends mean for them, complex questions must be asked and answered. Several issues are particularly important for organizations to work through in order to evolve to Campaign Management 2.0.

1  
What does tomorrow's marketing operating model look like?

Marketing organizations are struggling to develop the right operating model to deliver personalized marketing at scale—and do it cost effectively. Every model will look different depending on an organization's unique situation. However, each model must promote operational effectiveness to best deliver all of the work required to meet customer expectations.

This typically includes refining the end-to-end marketing and content production processes, realigning organizational skills and responsibilities, deploying new technologies and then developing an overall governance structure for better decision making (Figure 2).

2  
Who owns the customer experience?

When customer communications span the marketing, sales and service organizations, assigning executive ownership for the design and execution of a consistent customer experience is a challenge. Therefore, the key question is, "Which executive is best positioned to design and oversee the ongoing customer conversation?"

Companies have pursued a number of different strategies. Some have given broader responsibilities to chief marketing officers or chief digital officers. Others have created new roles to oversee the customer experience, such as the chief customer officer.

3  
How much personalization is too much?

Communicating with customers on a personal level is critical, but getting too personal can also be too intrusive. There is a fine line between when personalization delights a customer and when it becomes too creepy. Still, 82 percent of customers expect companies to offer discounted purchases with coupons or loyalty points based on information about them.<sup>10</sup>

While there are differences among customer segments based on demographics, personalization preferences are—not surprisingly—personal.

Marketers need to be able to interpret the data they have about customers to draw the appropriate lines. Governance around frequency of marketing messages and the degree of personalization is also essential. Interestingly, while 70 percent of respondents to the 2014 Adobe Campaign Management Maturity Study had rules to serve personalized content, just 23 percent had "fatigue" rules in place to prevent over communication.<sup>11</sup>

# Building Blocks: Delivering an End-to-End Customer Experience

There is another pressing question that campaign managers must ask themselves: "Am I ready to work differently to improve the customer experience?" For those who answer yes, there are exciting opportunities ahead to connect with customers in meaningful ways while growing profitable revenue. In fact, Gartner predicts that "by 2016, 89 percent of companies believe that the customer experience will be their primary basis for competition."<sup>12</sup>

To work effectively in this new world, there are four key areas to successfully execute this strategy.



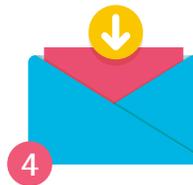
**1 Online.** A strong online digital presence to attract and engage with consistent personalized content to both the known and anonymous customers.



**2 Messages.** An enterprise Campaign Management 2.0 approach for consistently managing customer communications across the marketing, sales and service channels.



**3 Channels.** An optimized use of available communications channels with a focus on making the most of mobile devices.



**4 Context.** The use of real-time contextual information for messages, offers and calls to action.

By bringing all of these elements together—powered by analytics, rich content and the capabilities in Campaign Management 2.0—marketers have the opportunity to deliver a rich personalized customer experience through always-on marketing that serves, connects and delights.

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