Rethinking the business by ensuring marketing transformation

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Abstract
In full holiday rush marketers are turning their attention to start looking at how they can optimize their company’s marketing plans for the end of year holidays, considering the signal given by the midyear sales. There is a real need for rethinking the businesses in another way in the era of the “Nonstop Customer” by acting at the same pace as consumers act now and putting a greater emphasis on personalization and relevance. By providing valuable information, marketing can have a direct impact on revenue generation. It is also important to know the secret behind successful B2B marketing, better understanding the real value of “Account-based marketing”, reinventing the marketing department of a B2B organization by achieving a tangible transformation and delivering the types of insights that the market wants, better understanding of the relevance and role of CMOs in the C-Suite under the pressure of data and measurement, preparing for the next era in marketing while understanding that the game changer for marketing transformation is the reciprocity of value equation.

Keywords: Midyear sales; Switching economy; Nonstop customer; Transformational inbound marketing; Account-based marketing; Reciprocity of value equation

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Helping customers navigate in a different way through the holiday rush.

The role of midyear sales

It is said that we must prepare the sled in summer (the season of inferior sledding according to an Eskimo proverb)… probably that is why many marketers in the US are turning their attention to start looking at how you they can optimize their marketing plans for Thanksgiving and Christmas. In this respect, IBM Commerce was sharing in June this year several new assets. Here below are, for example, some holiday marketing tips highlighted on Silverpop blog: fine-tune browse and cart abandonment programs to reflect increased mobile shopping; send pre- and post-Christmas Day gift card promotions via email and mobile push notifications; build out a buyer’s guide package or series. (McDonald, 2015) In order to stand out in the inbox, it is recommended not only to send more emails this (summer) holiday season, but also to provide a better experience for customers and drive more revenue thanks to a message stream (which proves brand personality) offering a shopping guide with valuable information on seasonal store hours, locations, shipping deadlines, services and customer support. And all this also considering the importance of the information when researching digital marketing solutions, and of mastering the connected customer relationship management making the digital dialogue more strategic. (Negricea & Purcărea, 2015)

Well-known American companies (such as Target, Best Buy, Walmart online, Amazon - members of $99 per year two day free delivery service, Prime, a successful initiative of Amazon this July; and also other companies such as ecommerce retailers QVC and Home Shopping
Network) launched a broadly publicized mid-year digital purchase version of Black Friday post-Thanksgiving sales. (Lowenstein, 2015) This kind of midyear sales is seen as a reflection of how consumers’ online purchasing has amped-up over the past year or so, despite the fact that some retail analysts consider this as a sign that online sellers are desensitizing their customers. On the other hand, in terms of both frequency and array of goods purchased the Walker Sands Future of Retail Study (of 1,400 U.S. consumers) found that there is more online shopping than a year ago (68% compared to 62%), one quarter making online purchases at least once a week. Other findings showed that: 4 out of 10 customers are open to purchasing any type of product online; over three-quarters are buying more expensive products (over $100), up from 70% a year ago; free shipping is the key motivator for shopping more online (83%), followed by free returns (65%) and one-day shipping (62%); there is an increase in mobile payments, but security of mobile payments remains a major consumer concern; books, home electronics, clothing and apparel, and household goods continue to be the items most frequently purchased through ecommerce, only grocery products being a bit slower because of still reluctantly buyers to purchase fresh foods online; the Internet and mobile digital for purchases of all sorts are increasingly used by time-pressed online shoppers.

**Rethinking the businesses in a different way in the era of the “Nonstop Customer”**

The Switching Economy is inviting businesses to provide improved customer experiences so as to keep existing customers and win more new ones. (Wollan, 2015) What presupposes that companies will use digital capabilities to create seamless, omnichannel and truly end-to-end customer experiences, and focus the resources on relevant initiatives confirmed by customer analytics as delivering business results, avoiding the growth of customer complaints (such as: contacting customer service multiple times for the same reason; being put on hold for a long time; customer service agents who can’t answer the question etc.).

The Accenture Global Consumer Pulse Research study (Accenture, 2014) showed the increased customer switching within the context of the emergence and evolution of the (so-called by Accenture) “Nonstop Customer” (today’s consumer model: using more digital channels, looking for more options, doing greater “due diligence” before buying, listening more to what others have to say, seeking quicker resolution and fewer hassles), digital disruption causing a steady erosion in customer loyalty. Accenture identified *eight trends highlighting providers’ struggles to keep pace with consumers*: customers are buying less from current providers, always keeping one eye open for something new; companies are still inviting customers to leave by failing to improve first-contact resolution; companies aren’t capitalizing fully on their own website and other channels they control to make it easier for customers to prospect; customers still encounter significant barriers that prevent them from more widely adopting the digital service channels they want; customers’ service expectations are rising faster than companies are willing to adapt; customer loyalty program adoption is rising, but it’s still not preventing customers from switching; lack of compelling offers prevents companies from winning back
customers; “non-traditional” competitors are gaining ground with consumers. And in order to actually do something about these eight trends (by taking action to keep and win customers) Accenture recommended companies to become a “multispeed customer organization” by acting at the same pace as consumers now act: striving for targeted digital experiences not simply scale; focusing on the ecosystem versus the enterprise; investing to address the customer’s needs, not the organization’s problems.

Managing the marketing plan, more intense and complex over time.

Transformational inbound marketing, more necessary than ever

Increasing sophistication of consumer, improvement in analytics that filter out spam links and pages, business growth which leads to more content, growth which leads to both refining and expansion of company’s audience, all these are considerably influencing the content marketing. (Hakobyan, 2015) Driving sales and moving company’s business forward represents the goal of content marketing, which is defined by the Content Marketing Institute as the approach businesses use to create, curate, distribute and promote the types of content their customers will find valuable. (Stelzner, 2015) According to two studies released by the Content Marketing Institute and MarketingProfs (B2B Content Marketing 2015: Benchmarks, Budgets, and Trends - North America; B2C Content Marketing 2015: Benchmarks, Budgets, and Trends - North America), despite the fact that 86% of businesses are involved in some form of content marketing, only 34% feel that they are effective at it, these last ones having a documented content marketing strategy and a codified process for it.

In July this year Marketo attracted the attention that it is critical to think about company’s inbound strategy (which helps ensure the right leads form a positive perception of the brand) to educate buyers and help create brand preference, because the buyer’s cycle has fundamentally changed, the buyers becoming sophisticated and expecting an ongoing dialog with a brand on their terms. (Marketo, 2015) Marketo pledges for going beyond traditional inbound marketing (which focuses on the initial interaction) with a greater emphasis on personalization and relevance (ensuring a two-way communication between marketers and buyers), by leveraging valuable content (entertaining, educational, or inspirational) so as to attract customers (via content, social, SEO, blogging, paid techniques, and combining paid programs with traditional inbound tactics to amplify and increase reach) and retain customers throughout their entire lifecycle, engaging and building a relationship with these customers (beyond the traditional marketing techniques that rely on interruption marketing).

Integrating company’s sales and marketing organizations. Engaging knowledgeable and conscious buyers and delivering the types of insights that the market wants

Marketing can help sales (facing the dramatic shift in business buyer aptitude) to be on equal footing with the business buyers, which are Internet savvy, and are turning to social media and communities to see what people are saying about brands. (Gow, 2015) By providing
valuable information, marketing can have a direct impact on revenue generation, because sales representatives will be better equipped to guide business buyers on their journey. Which presupposes to stop working in silos and breaking down the barriers between marketing and sales concerning the free-flowing exchange of information, convincing sales of the valuable information provided by marketing, proving that marketing has valuable information on the buyer that could benefit sales and can educate sales representatives by: monitoring customers’ activity on a regular basis to collect quality data; mining these data; providing the most relevant (and well understood) information.

In the opinion of the global head of Marketing for “HCL Technologies” (an IT services provider to many blue-chip companies), engaging a few but extremely knowledgeable and conscious buyers (each with different needs), represents the secret behind successful B2B marketing. (Vankar, 2015) He pledges for a better understanding of the real value of “Account-based marketing” (ABM), used by marketers as a strategic approach to support a defined universe of accounts by targeting highly desirable individual accounts (buyers) and engaging them during different stages of the buying process, while reflecting alignment of the sales and marketing. In this respect, he recommends marketers: to organize networking events in a neutral environment to deepen relationships; to create a vendor or supplier-initiated event where both the vendor and customer meet to discuss; to ensure that the top accounts always receive optimal customer experiences at every touchpoint in terms of content, thought leadership etc.; to maintain consistent messaging across various departments and stakeholders; to generate growth within the existing accounts and with new ones. In the above mentioned opinion ABM: can act as an enabler in upselling and cross-selling initiatives; plays a key role during the decision stage; where a sales team can develop successful themes, create customer workshops, and plan other activities to ensure the partner is positioned as a capable and trusted one.

In order to reinvent the marketing department of a B2B organization (Foong, 2015) it is necessary to use a coordinated approach that integrates people, processes and technology. Which presupposes achieving a tangible transformation by: making both sales and marketing accountable for customer experience; optimizing company’s channel management processes and create performance metrics to manage partners by tracking KPIs; integrating new marketing channels into planning; execution, analytics and reporting etc. It is interesting to note within this context that according to a recent survey made by Corporate Visions, 81% of companies believe they use an insights-based approach as part of their selling strategy. But beyond the popularity of “insights”, there is a big difference regarding the way companies define and use insights-based selling, and that is why marketers need to concretely define these insights, knowing that different insight types will exert different degrees of influence (in terms of generating positive selling outcomes). The findings of the above mentioned survey suggest that: most companies aren’t delivering the types of insights that the market wants; the best types of insights expose inconsistencies, uncertainties, or knowledge gaps in company’s customers’ and prospects’ current way of thinking.
Goals and challenges of Chief Marketing Officers (CMOs).

The relevance and role of CMOs in the C-Suite

According to a report (based on data from a survey of 447 marketers at B2B, B2C, B2B and B2C companies from the Americas - 57%, EMEA - 29%, APAC - 14%) from Oracle Marketing Cloud and the Aberdeen Group, CMOs say they are expected to simultaneously retain customers (81%), increase brand awareness (74%), improve customer satisfaction (67%), and increase customer profitability (54%). The analysis found that meeting the needs of modern buyers who have access to a wealth of information about competing products/services is a top challenge (55% of respondents), while the struggle to create enough content for their marketing efforts is another one (40% of respondents). Additional findings showed that: best-in-class marketers are more likely to use customer feedback to develop new products/services (61%), provide internal stakeholders with tailored views of data (61%), standardize customer data across the business (51%), and integrate customer feedback into business decision making (50%); in the top 20% in customer retention, revenue growth, profit margin, and response time to customer needs are included those who self-report (as data strategy).

The relevance and role of CMOs in the C-Suite are current preoccupations today under the pressure of data and measurement. From the beginning of this year we have seen a lot of discussions, for example, if marketing is now in control, proving its value to the C-suite, or if its role will morph into a chief data officer or chief analytics officer. Heather Fletcher, senior content editor with Target Marketing, (Fletcher, 2015) reminded us of the recommendations (exposed in a September 2013 CMO.com article) of David Reibstein (a marketing professor at The Wharton School of the University of Pennsylvania) in relation with how CMOs can ensure they remain or become relevant to their organizations’ leaders: get customer and brand value on the balance sheets (most CMOs being the “keeper of the brand”); be fearless or be gone; don’t wait to be invited (and force the invitation to the decision-making table about brand strategy); stay “Big Picture” in meetings (by talking about driving firm strategy and growth with marketing’s unique insight into customers, the marketplace and competitors).

Preparing for the next era in marketing.

The game changer for marketing transformation, reciprocity of value equation

At the mid of July 2015, (Marketo, 2015) The Economist Intelligence Unit, commissioned by Marketo, conducted a survey that included responses from 478 CMOs and senior marketing executives worldwide (Houghton Mifflin Harcourt, HSBC, Kimberly-Clark, MasterCard, Virgin America, Wells Fargo, Zipcar etc.) to get their perspective on marketing’s rapid transformation and how to ride the tidal wave of change. You can see below who is responsible (Marketing; Sales; Customer support; Product management; Finance) for customer experience now and in 3-5 years.
Figure no. 1: Who is responsible for customer experience now? In 3-5 years?


Ernan Roman (President, ERDM; author of “Voice of the Customer Marketing”; named by the Online Marketing Institute as one of the “2014 Top 40 Digital Luminaries” and by Crain’s B2B Magazine as one of the “100 most influential people in business marketing”; inducted into the DMA Marketing Hall of Fame) and Mike Rude (responsible for the development of freight solutions at FedEx, including FedEx Freight and FedEx Express Freight) underlined (Roman & Rude, 2015) marketers the importance of adopting transformational strategies (that recognize the value of human data), and offering individualized communications (in the form of personalized offers and experiences). In their opinion, the game changer for marketing transformation is the reciprocity of value equation, which is composed of three key elements (making for true personalization and marketing transformation): consumer reciprocity, business reciprocity, and “human data” (the last ones: providing information regarding the B2B or B2C decision-making process, and messaging and media preferences; including self-described personality types, attitudes and life stages). In order to keep updating these “human data”, marketers must keep engaging consumers through improved experiences, trust (which generates the receptivity to the reciprocity of value equation) being the foundation and prerequisite for obtaining a deeper engagement.

In what concerns delivering on customer expectations, Roman and Rude recommend companies to integrate three strategies: capture individual preferences; use preferences to drive true personalization; and establish strict guidelines for safeguarding data privacy. They also recommend the followings: finding the right mix between implicit and explicit data, enabling preference-based personalization across channels, motivating/incentivizing customers to provide ongoing feedback about the relevance of company’s offerings, utilizing every touch point to learn from customers, providing all departments with customer preference information, and empowering customers to create (and share) their own content.

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Challenges in serving a market of ‘one’

For businesses it is getting increasingly difficult to predict what consumers want, especially as digital technology evolves and consumers’ expectations continue to change. Consumers not only expect personalised products and services as standard, they are also embracing different ways of buying or enjoying products and services. In doing so businesses must review their legacy systems, rethink how they collate and use their consumers’ data, and align their resources and staff towards new ways of serving consumers. The business transformation required for implementing the customer experience vision will also have implications for the skill set the company will need. It’s about rethinking the purpose of services, re-engineering how they are delivered and capitalizing on opportunities afforded by data to adapt and learn.

In its ‘Digital health: heaven or hell?’ report, KPMG identified seven key lessons from those that have successfully realized the benefits and overcome the setbacks.

1. Transformation first: Transformation comes from new ways of working, not the technology itself.
2. People problems not technology problems: The majority of the issues faced along the transformation journey are people problems, not technology problems. These require sophisticated leadership and change management capabilities.
3. System design: There has been insufficient attention to the design of systems.