

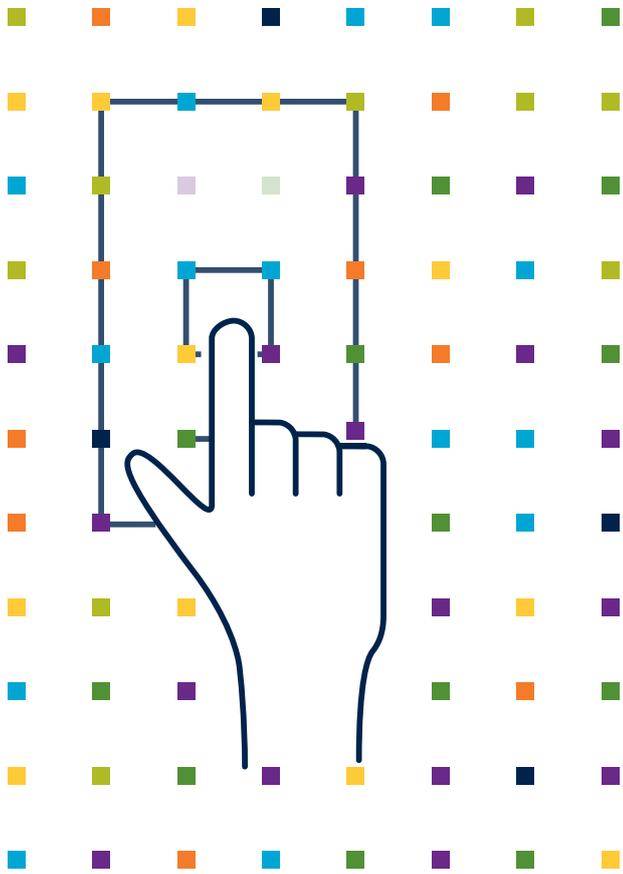
Shifting your marketing message from a brand focus to customer value





Digital marketing screams 'new technology'. But is effective digital marketing more about your business capability – your ability to change an operating model quickly – than about the technology itself? When a sudden situational change occurs, adapting your digital marketing on the spot, such as sending a relevant and timely tweet, has the potential to drive home your brand message far more effectively than a static banner advert, poster, or TV campaign.

Yet there is also still a place for traditional marketing techniques in today's digital world. It's about getting the balance right between all customer touchpoints. And it is about understanding how to unlock the value of data by putting it into context in real-time.



Joining the data dots

Digital marketing is a little like a popular children's game: the one where you join the dots to gradually reveal a complete picture. Marketing begins with an unknown entity – the customer. The more you engage with your customers and join up the information dots across multiple touchpoints, the clearer the picture becomes about their buying habits, likes and dislikes.

Previous digital engagement techniques aimed to leverage this data to build a single view of the customer using customer relationship management (CRM) solutions. This provided a picture of what was bought, how often and from where, but it didn't tell you 'who' your customer really was. CRM was (and remains, to a large extent) 95% outbound promotional marketing with rudimentary targeting. Its real value was for the company and not the customer.

New digital is changing the game. It enables real-time engagement based on the here and now – the tweet to known sports fans when a team your brand is sponsoring scores.

Food for thought

A leading consumer product brand sought to understand when best to target its customers with two very different food products.

Capgemini worked with the company to analyze conversation volumes and topics across platforms. The company discovered a distinct pattern of Monday versus Sunday food conversations and has since aligned its targeting to this, with metrics showing a correlation between sales and this highly targeted activity.



In one compelling example of this, a social media team in the US seized the initiative when an unexpected power outage occurred in the sports stadium during live, nationwide screening of the Superbowl final. He tweeted that it gave viewers 'time to dunk' their branded biscuit. An inspired and immediate digital response.

Digital allows you to break down the silos of different customer engagement channels to focus on the value you bring to the customer, not what revenue they bring to you. It has created a shift from brand focus to customer centricity. Importantly, where previously there was little understanding of the impact your marketing had on actual outcomes, digital can equip you with the tools to assess the return on your marketing investment and improve your targeting [see 'Food for thought', right/left/above].

This increasing ability to engage with a consumer's real-time context is just one of the trends we have identified in next generation consumer engagement, notably in Retail, Media, Travel and Transport, Financial Services and Consumer Goods companies. It is already having an impact on marketing programs, as are a number of other trends driven by digital. Each of the trends outlined here generates particular platform and data opportunities, as well as challenges.



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Trend

1

Real-time contextual messaging

Real-time engagement drives advertising opportunity across owned, earned and paid media. And it rests on the increasing ability to link different data sources to inform profiling and segmentation. Consumers can be targeted contextually based on what they are doing at that moment in time. As an example, when a sponsor of a major fashion event used real-time social listening and engagement during the event, and in combination with social media analytics, the company adjusted and targeted its content and media spend in real-time and achieved a 225% uplift in paid reach.

Inbound marketing needs to be underpinned by effective Search Engine Optimization to capture the right enquiries. Then once the consumer lands, presenting the optimal content and messaging becomes a new opportunity for engagement. New tools and data sources enable highly targeted content to be created and presented, building a clear link between an advert that has driven the enquiry and the information given to the customer in response. This, in turn, drives the next step in the consumer engagement

The digital platform architecture underpinning real-time engagement must be flexible to future change. It will accommodate external paid advertising driven by demand-side platforms and powered by a data management platform (DMP). Digital marketing and experience platforms will drive owned media engagement, while effective outbound marketing will need clear and common permissions across channels.

Trend

2

The brand as a media owner

Brands are increasingly looking to create and drive their own digital content – to tell a brand story. This is driving the need for addressable and personalized content. In turn, this requires effective content creation, conversion and management. Rules-driven content will be mapped to segmentation or situation and linked to the CRM platform. To feed the advertising process, there has to be tight coupling between the content management and data management platforms, with the content management platform also linking to outbound marketing and tools, such as A/B testing.

The decreasing impact of direct digital marketing and the options to skip it on mobile devices is also driving the need for 'native' advertising. Here the advertising content needs to be designed to fit into the context of where it lands. This demand for greater creativity and alignment of the advertising to the media space creates an increase in volume and a need for systems and processes to manage the volume efficiently.

From a technical perspective, the architecture will need to consider how content management platforms integrate with the marketing and data management engines.

Trend
3

Social media engagement demands new skills

Responsive and opportunistic social media engagement (think a real-time tweet on an actual event, as previously mentioned) needs an empowered operating model capability. In addition, community-driven social media engagement demands a model that drives conversations, rather than call center type responses to issues.

At the same time the escalating volume of social media traffic means that the available tools should be used to ensure the engagement is cost effective.

This creates the need for a command center model for social media, where you should have:

- Data scientists, enabled with suitable tools and platforms, to listen and analyze different sources of data and draw inferences and conclusions in near real time;
- Empowered staff who understand their rules of engagement and can represent the brand in real time, based on these inferences and conclusions;
- A business operating model that enables potential customer promises made by the command center staff to be met.

This is a very different dynamic to a classical marketing approach, for which there is a defined campaign rhythm with pre-planning and approvals. As such, this cultural change needs time to evolve within organizations as new skills are developed and new operating models evolve from experience.

Trend
4

Closed loop measurement drives real-time buying

Marketing has always struggled with demonstrating a clear relationship between media spend on advertising and marketing and its measurable impact. It's true that offline processes and post event analyses (such as Nielsen ratings) have provided some insight, but now the digital world changes the game. Every click, view or referral can be measured and analyzed, enabling the effectiveness of the campaign approach and content to be adjusted in near real time during the campaign.

This opportunity for analyzing the potential impact and then adjusting the media buying is being driven by the availability of Data Management Platforms (DMPs). These collate data from a wide variety of digital sources and allow marketers to target and segment to just 'one'. However, adjusting media spend to this granularity is not practical without the use of specific tools, and this has led to the emergence of Programmatic Buying platforms. In such an environment we are seeing organizations asking whether they should be managing their media spend directly using one of these tools, rather than through an agency. The consequence of this is that more and more organizations are bringing programmatic buying in house.

So again we are seeing a direct correlation between new technologies and tools and an impact on the skills and operating model needed to be successful.

Trend
5

Linking marketing impact to sales

Direct to consumer engagement through digital channels enables marketing to be aligned with sales. How? By linking internal and external data, in terms not just of time, but also of locations. Historically, consumer products companies gathered data from their retailers and other external sources into their enterprise data warehouse (EDW). But it was difficult to connect this to marketing. Now, however, campaign data can be linked with campaign outcomes from social media and owned data sources. This is made possible because sentiment can be geo-located so the potential impact on areas and even stores can be tracked. There is then the opportunity to align marketing effectiveness with purchase behavior post campaign.

The opportunity will increase as mobile and in-store convergence increases and we see the growing use of assisted (e.g. tablet-based) selling. In this model, we can start to see real-time store sales statistics providing the opportunity to tune campaign messages across all media in response to sales. Platforms now available allow you to tag offers in physical media (e.g. billboards) and join them up via measured response with in-store behavior.

This convergence of physical and digital media, as well as of marketing and sales, creates a far more complex landscape than ever before. Data must be managed, but how does it all fit together? Do you develop the internal capability and platform to manage this, or does it require an external partner with expertise in data analytics and optimization?

Trend
6

Convergence of Trade Promotion Management with direct to consumer marketing

Trade Promotion Management has historically operated as a separate activity to direct to consumer marketing, although it might form part of an integrated marketing campaign. Digital marketing now allows a direct link to be made. For example, a game played on a mobile device might earn some coupons that could be redeemed in a certain retailer via a barcode displayed in-store. These coupons can be linked to an individual offer. As displays within retailers become increasingly digital themselves, there are further opportunities for tight coupling between channels and both BtC and BtB messaging.

The ability to geo-locate marketing campaigns in the digital world allows further sophistication of the process. The real challenge is whether to rely on point opportunities or to create a systematic integration of the people, process and systems

between the two areas. To date, this is a relatively immature area but one that is gaining in significance as the opportunities for convergence become apparent.

Trend 7 Heightened need for security governance to protect the brand

The new opportunities for driving integrated marketing demand vast quantities of data and inferring behavior against which messages are driven. However, this create risks that pose a number of questions for the marketer:

- What if I step over the line from providing relevant content based on insight to worrying my customers about the data I've gathered on them?
- What if I lose customer data as a consequence of a security breach?
- Am I sure I am complying with all the relevant legal constraints and best practices, especially when everything is changing continuously?
- Am I confident enough in the quality of the data I have and from where it was collected to apply the level of analysis I need?

It is clear that in this environment of increasing opportunity and complexity, balancing demands for actions with appropriate controls and frameworks to manage the data security risk is a wise step. This requires a continuous assessment of the environment in which you operate, rather than a one off event, due to the continuously changing data security situation.

Mixing the old with the new

We have seen how emerging trends are putting the customer at the heart of marketing activities. With digital making it possible to understand a customer's context – where they are and what they are doing at a given time – the marketing focus is becoming in-bound, driven by the customer, rather than outbound, pushed by the brand.

This doesn't have to be over complicated. It might be something as simple as spot advertising via SMS text messaging when a customer is in a specific store or on a certain street. Here we see digital and in-store working together, which is part of the new marketing mix.

There is an opportunity to bring together other more traditional marketing approaches with digital, such as incorporating hashtags in a television program to run a campaign. Or a health and beauty brand might use its traditional packaging to push a promotion, for which consumers have to visit a dedicated website. The reverse of this is a customer signing up to a retail offer online, later to receive a direct mail short with vouchers for the brand or store concerned. There is room for all channels, but what's changed is that instead of operating in silos these can now be linked to tell a real-time story.

People matter too

This may feel highly technical, but it would be wrong to focus purely on the enabling technology. While game-changing in terms of what digital technology can do, in reality bringing it all together begins with your people and ensuring they have the right digital skills. Add to this a strategy for managing data, risk and governance, as well as the technology, and you begin to shape a new marketing model.

You also need tools both to measure digital performance and ROI and to deliver content that engages, entertains and interacts with customers. You should be able to personalize offers and rewards, and drive revenue from social media initiatives. Marketing is clearly transforming. What we've discovered, however, is that there is no one-size-fits-all transformation model. You need to build a business case for investment and a proof of concept gets this underway.

Ice cream wars

When do you dip into a tub of luxury ice cream? That's the question Unilever's marketing people asked for the Ben & Jerry's brand – and the answer came as a surprise.

The perception at the outset was that impulse purchases were price driven in this category. However, theme analysis of brand conversations, correlation of social to EPOS sales by day, and regression analysis of social, sales, and weather, showed that 'treat' buying went hand in hand with rainy weather, just as much as sunny weather – and cost was not a determining factor. The brand subsequently adapted its content creation and timing triggers for delivery.

No such thing as a 'big bang;' transformation

We advocate taking small steps for your proof of concept [see 'From pilot to global rollout', right/left/above], testing and revising as you go along, whilst leveraging new opportunities and retaining focus through effective measurement of results. This demands a fundamental rethink on how you bring about change. It shouldn't be a long, drawn out project stretching over 4-6 months, but more short, focused, iterations of just 4-6 weeks.

Involving an eco-system of agencies in this journey can add new creative ideas and approaches, but it is important to gather the data from across them all and take control of joining up the data dots.

Our defined way forward links people and business, data, and technology, as follows:

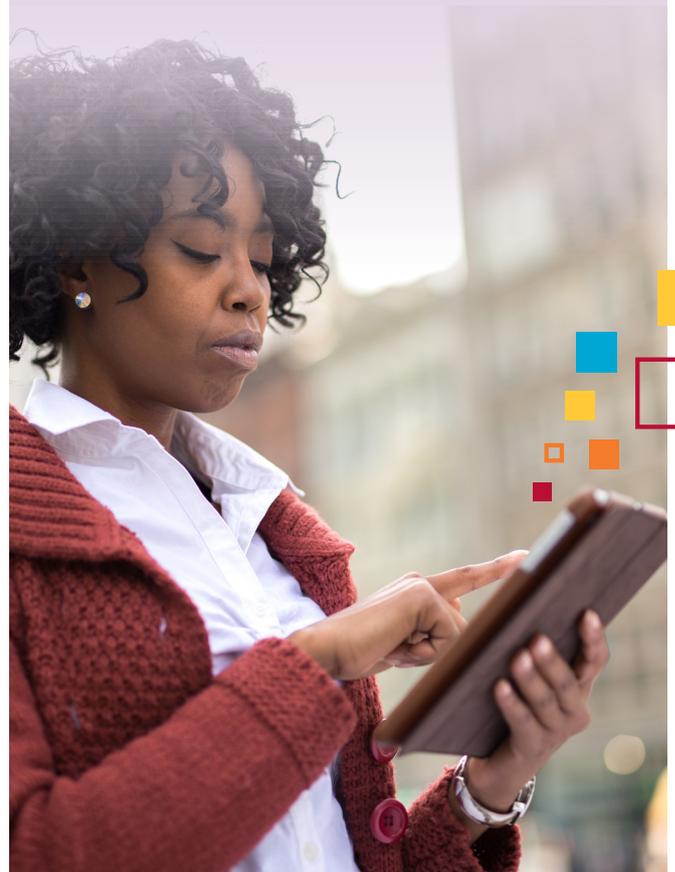
- Test and learn: as new opportunities arise, business capability, such as real time community engagement, is built through test and learn. This validates the skills and services needed to make use of the new technologies and data sets;
- Architect to sustain: the transformation is underpinned by the evolution of a business, technology and data architecture, which provides flexibility and scalability. By utilizing best practice patterns it is possible to rapidly focus on the target model and then evolve it for the particular circumstances;
- Measure and relate: key to success in moving from test and learn to a sustainable transformation is the ability to measure outputs and outcomes in business terms. The measurements and KPIs can then be used to educate the business in the opportunity that can be realized through an effective marketing transformation.

Transforming outcomes with digital

In summary, digital marketing transformation is undoubtedly complex due to the different media available (traditional and new), the requirement for new skillsets, and the rapidly changing technology landscape. But done in the right way, in support of your brand aspirations and strategy, there are huge opportunities to transform outcomes.

By being able to link every marketing interaction, from your social media tweet and online portal to your direct mail shot, TV campaign and after-sales promotions, digital engagement offers huge potential to better understand your consumers. This will drive effective activation plans, provide insight for your strategy, and equip you to manage the unexpected.

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