

3 digital marketing trends the customer-centric CMO must prepare for now

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Rather than fearing the rapid changes afoot in digital marketing, columnist Mike Sands urges you to embrace them as opportunities. Find out how to position yourself to take advantage of these powerful trends.

Digital marketing is on the precipice of major change, driven by new technologies and the multi-screening, highly connected consumer.

Consider the following recent research that demonstrate the pain points in the industry:

- It's estimated that [60% of global marketing budgets are wasted](#) every year.
- More than half of retailers say that [identifying and engaging with their most valuable customers is a top business challenge](#).

While these statistics are concerning, for pioneering CMOs, they highlight the opportunities for improvement and forward momentum. In fact, I've seen trends taking shape within the industry that I expect will lead to some of the most exciting digital marketing changes of our lifetime.

Start now to take full advantage

If CMOs want to take full advantage of future digital marketing innovations, they must be working now to center their organizations around the customer. Consumers want brands to put their desires and needs first, removing any friction from their experiences.

To fulfill these high expectations, marketers must integrate customer data from all devices and channels — offline and online — to create one view of each customer. These profiles can power personalization and seamlessness at every turn. With customer knowledge that will get richer and deeper over time, CMOs are in the driver's seat to take advantage of innovations that will give them the competitive edge into the future.

Read on for three coming marketing movements that demonstrate why CMOs need to focus on building cross-device customer knowledge now.

Applying lean principles to marketing

For decades, leading manufacturers have relied on “just-in-time” supply chain practices to eliminate wasteful processes, materials and effort on the factory floor. In marketing, where it’s often quipped that half of all ad spend is wasted (but no one knows which half), brands are developing their own set of lean principles – not only to root out excessive spending but also to reach the right customer with the right message at just the right time.

Not surprisingly, [Accenture has dubbed this idea “just-in-time marketing,”](#) and it requires brands to excel in three key areas. First, marketers must perfect their customer knowledge by turning their first-party data into insights and action. Second, they need a nimble cross-channel marketing infrastructure to reach customers and personalize experiences across web and mobile devices. And finally, they need real-time data capabilities to zero in on customers who are in-market and the most likely to buy.

By mastering these skills, Accenture predicts, marketers will be focused on “only the marketing that’s required at the time that it’s needed, with the right message or offer that will convey a sale.”

Achieving hyper-personalization at giant scale

[By 2020, there will be 34 billion connected devices in the world](#), according to a BI Intelligence analysis, meaning that each person on the planet will be accessing the internet via an average of four devices. Now, consider the Amazon effect, as described in a Retail TouchPoints/Magnetic study: [Empowered consumers have increasingly high expectations that their brand experiences will be customized and relevant](#), and those expectations will only keep rising. So how will brands be able to operate in such a complex world?

One vision holds that marketing is entering a new programmable era, in which a one-dimensional, monolithic internet will be replaced by a dynamic ecosystem in which every consumer experiences a personalized internet.

How will all this unfold? According to [Brian O’Kelly, AppNexus CEO](#) and a leading proponent of programmable advertising, this ambitious vision hinges on the use of streaming customer data to power split-second decision-making across channels, devices and tools.

Brands will need to own and control their data without relying on third parties. Artificial intelligence will open the door to personalization at scale, and an open ecosystem of brands, agencies and vendors will work together for the benefit of all.

“Seamless, efficient, quick, hyper-intelligent, and infinite in its possibilities,” programmable marketing, as described by O’Kelly in a Forbes column, will use customer profiles updated in real time to deliver timely, one-to-one interactions on billions of connected devices, paving the way for improved engagement and higher ROI.

First-party data blurs the lines between advertising and marketing

Historically, advertising and marketing have fallen into two different camps. The media team's goal was to achieve scale, placing ads and relying on third-party data to promote the brand's messages to the widest audiences possible.

On the other hand, direct response marketers leveraged CRM data and precise tactics like email and direct mail to convert those prospects or engage with existing customers to deepen relationships.

But as the customer's path to purchase becomes increasingly complex, [CMOs are realizing the importance of connecting with customers at every stage of the journey](#), no matter the channel, according to IBM/CMO Club research. And they're finding the value in using their highest-quality data — first-party customer data — to fuel more intelligent, targeted experiences every step of the way.

[More than half of brands report](#) (registration required) that using first-party data to target advertising efforts has resulted in strong or very strong ROI, [and 74 percent of marketers](#) (registration required) said first-party data gives the greatest insight into customers, two EConsultancy reports funded by Signal (my employer) have found. Meanwhile, 62 percent of respondents said it provides the highest lift among data sources.

In the shift to become more customer-centric, it makes sense for ad tech and marketing tech to converge to help brands build a first-party data layer of cross-channel customer profiles that will power both advertising and marketing efforts.

[Gartner Research VP Martin Kihn says](#) the convergence is already happening and will accelerate as brands overcome organizational and technical hurdles to freely pass this rich customer data between advertising and marketing systems — ultimately helping both teams get closer to the customer than ever before.

Prepare now for success in the future

These three trends illustrate why it's never been a more thrilling time to be a marketer. CMOs should get their houses in order now to be ready for a future in which marketers will focus on creating valuable, individualized experiences, rather than just ads.

The requirements to prepare are clear: Marketers need a deep, data-driven understanding of multi-screening customers, building profiles that will last the lifetime of the customer and fuel experiences that are channel-agnostic. With these capabilities, marketers will be well-equipped to succeed now and well into the future.

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