The Three Graces of the Digital Experience:

Redefining the Three Strategic Attributes of Designing, Managing, and Delivering Digital Experiences

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Executive Summary

Fifteen years ago, just as the Web began to emerge as a business platform, world-renowned marketing professor Philip Kotler published Kotler on Marketing. In it, he described the late 1990s — the period that fueled most of the observations and analysis in his book - as a time of tumultuous change.

Kotler concluded the book with a section called "Transformational Marketing," in which he discussed how the "new age of electronic marketing" would change the field. "In the coming decade," Kotler wrote "Marketing will be re-engineered from A to Z. Marketing will need to rethink, fundamentally, the processes by which they identify, communicate, and deliver customer value."

There's only one problem with Kotler's vision: Fifteen years have passed since he made that statement, and this vital transformation has yet to happen.

The practice of marketing must evolve beyond the goal of simply creating a customer. In fact, the creation of a customer will simply be table stakes for most marketing organizations. The new objective for marketing will be to evolve customers from unaware consumers to brand-subscribing advocates. The digital experience will be infused into every customer interaction and will form the natural selection process that drives this evolution.

To put it bluntly: Marketers must get out of the cycle of chasing campaign-oriented capabilities in every emerging digital channel. In order to succeed, marketing departments themselves must evolve. They must not only describe the value of the product or service for sale through various campaign-focused digital content islands — such as social, mobile, or other channels — but also create differentiated experiential value that is separate and distinct from that product or service, and seamlessly integrate the physical world with the digital one.

We've identified three skill sets — or "graces," as we call them — common to brands that outperform others in this evolution: charm, beauty, and joy. These brands are charming customers with highly orchestrated experiences, deriving beauty from the meaning of data instead of measuring its quantity — and rediscovering the joy of marketing strategy by organizing around agility rather than speed.

The Myth of the Digital Experience

What is the digital experience, and why does it need to be managed or delivered?

These might seem like obvious questions, but they deserve to be asked, as the phrase digital experience still seems ill-suited for a commonly held definition.

Within the marketing community, we find ourselves running down a road that feels familiar. The digital medium is disruptive; therefore, we reason, it must be separate and distinct from other experiences. Businesses of all sizes have spent the last 15 years separating digital and physical. Brands now have vice presidents of digital marketing that sit in an office adjacent to the vice president of - what, regular marketing? They have CRM teams, as well as social CRM teams, who sit beside the web teams. These people work with the e-commerce teams, but somehow don't get along with the blog teams and the e-business teams that have a love/hate relationship with the public relations teams. Brands have engaged

a traditional agency alongside their super hip and forward-thinking digital agency.

But here's the thing: Customers are ahead of the brands on the digital experience curve. Consider that eight out of 10 consumers use their phones to compare prices while shopping in a physical store.³ Or that digital interactions now influence 36 cents of every dollar spent in the physical retail store.4 Or, finally, that consumers regard media, digital or otherwise, almost equally. Recent studies have shown that there is, in fact, very little correlation between media consumption and media influence.⁵

For consumers, the so-called transition to omnichannel buying has already happened. They now expect a seamless integration between the physical and digital. But brands still separate them as if they are somehow disconnected experiences. They're not. Siloed approaches mean that brands are still playing catch-up with their customers.

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Marketing's Non-Response to Consumer Evolution

Consumer behavior has undergone fundamental transformation over the last 15 years. The way that customers become aware of, browse, investigate, purchase, use, complain about, and/or become loyal to products or brands have changed. However, the business processes that facilitate awareness, shopping, differentiation, use, and service have not. To date, the legacy approach has been to throw teams and technology at all the individual stratifications of the marketing and sales funnel, and to create more and more campaign-based efforts to optimize each stratum.

This stratification of the customer journey has been strong enough to encourage service providers and agencies to follow the same approach. Many brands use different agencies for different slices of their business. Even big agencies now have a direct group, a digital group, an experiential group, and a loyalty group. This has led to a widening gap in the value that agencies are providing to their clients. Tom Goodwin, the CEO and founder of The Tomorrow Group, brilliantly summed up this trend in a recent article in *The Guardian*:

We've created the long tail of marketing, where each campaign has ever-smaller budgets, evershorter lifespans, diminishing aims, all so wonderfully cheap in execution, so wonderfully proficient in terms of outputs, but so entirely pointless. It's this maintaining excitement for a Twitter feed of 4,000 people, or keeping 500 subscribers on YouTube happy, that is the marketing of our time. It may be cheap, but it's a pointless distraction, and it's not solving any of the problems that are keeping our clients up at night.6

And this is the key challenge. Marketing departments are currently working separately to create more "digital experiences" than ever before, but what must change is the structure of the strategy that delivers a cohesive, connected, and consistent digital experience that integrates everything a brand does (physical or otherwise) to create a total customer experience.

How does a brand start to fundamentally change its approach so that digital becomes something infused into every customer experience? The answer to that question will truly help a business navigate disruption.

"Consumers have adapted to the digital disruptions. Business processes have not."

Enter the Three Graces Of the Digital Experience: Charm, Beauty, and Joy

At Digital Clarity Group, we've seen a number of high-performing brands start to think about content, marketing, and digital experiences in a new way. Three skill sets, or competencies, are common among these companies.

In Greek mythology, the Graces (or Charites, as they are sometimes called) were often seen as the guardians of everything graceful and beautiful. Their mission, if you will, was to ensure harmony and goodwill. The most popular – and the ones most celebrated in art and literature — are the socalled Three Graces of of Charm, Beauty, and Joy. As the legend goes, they are always together, and understanding each and all of them was the way to ensure a successful life. So, what better metaphor to help the marketer contextualize these competencies and to explain the disruptive nature of embracing the totality of creating and managing the customer's digital experience?

1. Charm: Orchestrating events, not guided

Put simply, digital experiences are not paths or journeys. They are events consumed in a nonlinear fashion. Regardless of whether that event is a long, high-touch B2B journey, or a completely transactional B2C journey, customers don't want to be guided; they simply expect to be charmed at every step and on their own terms.

2. Beauty: Meaning-driven, not data-driven.

Data, by its very definition, has no meaning. It is simply a collection of facts and statistics aggregated for reference or analysis. To make data beautiful, businesses must develop new strategies to find meaning. Instead of looking for proof-of-life within the data, they must instead ask the right questions and then look for the data to substantiate or disprove the hypothesis.

3. Joy: Organizing for agility, not speed.

Much noise has been made about the need for marketing departments to be more agile, but the goal is not necessarily to move faster. The inability to find order in chaos, and the constant pressure of "do more with less," is due to a fear of moving too slowly. Marketers can find joy in the balance of creating customercentric experiences and re-orienting to more agile strategies.

Charm: Orchestrating events — not guiding journeys

The buyer's journey will no longer be a guided tour.

A lot of digital ink is spilled over how businesses should map their digital content platforms to the buyer's journey. To be clear, this is still a worthwhile function. What brands need to realize, however, is that the map shouldn't be drawn to increase the number of mile markers that guide customers through the brand's ecosystem of marketing content experiences. The goal is rather to establish the right balance of experiences. The marketer's objective should be to provide the *least* amount of friction between the customer, the desired action, and the value to the customer's purpose.

Yet because of the ease with which businesses can create and publish new content platforms, marketers have taken the classic lesson of "reach and frequency" to absurd levels in some cases. Every siloed group now maintains its own digital content platforms for its small slice of the buyer's journey. Teams are rewarded for the number of interactions they can create with a customer — operating under a flawed notion that this drives a deeper relationship between the consumer and the business more broadly. In fact, it's quite the opposite.

In one study, the Corporate Executive Board

Company found that there was "no correlation between the number of interactions with a customer and the likelihood that he or she will be 'sticky' (go through with an intended purchase)." Their research examined the impact of stickiness across more than 40 variables, including price, brand, and how often the consumers interacted with the brand. They found that the single biggest driver of stickiness in the funnel was, by far, "decision simplicity." 7

The charm of 'less is more'

The Singapore Tourism Board aimed to deliver a customized and optimized user experience on its signature site, www.yoursingapore.com. The normal approach would consist of multiple micro-sites, video-sharing channels, and informational sites all managed and measured separately, thus leaving the seams of internal silos and processes showing. The Singapore team knew that it needed to integrate multiple audiences, multiple regions, and multiple platforms together in a contextual, targeted, and emotionally connected portal. Seamless, frictionless content and optimal experiences became the function and the strategy.

When marketers create as few interactions as possible, and ensure that the impact of each is clear and intentional, customers desire to experience more. In short, it's not about more marketing, more content, or more experiences. It's about how the business creates the most valuable experience, infused by a digital strategy at only the right opportunities. Brands should resist the urge to shove more and more "valuable content" down the throats of beleaguered customers, lest they find they are making the buying experience more complicated, and harder to manage, than it needs to be.

Key learning:

High-performing brands are developing portfolios of digital experiences that map across the buyer's journey, are integrated across both physical and digital channels, and feature many different content types. These companies structure their experience portfolios to focus on the benefit to the customer first — and the delivery mechanism of the content second. Many have created specific cross-functional teams that are organizing both physical and digital content platforms, as well as teams that are architecting ways to integrate these experiences together.

Beauty: Meaning-driven — not data-driven

Facts don't change beliefs.

The roles of the CMO and CIO continue to evolve, and the use of content and data to enhance consumer experiences is one of the primary drivers of this evolution. But data alone is just a series of raw numbers that have no meaning and often only distract from the real issues that may be at play. Consider how many times data is used to measure proof of life for a new marketing team or technology that has been put into service. That team has every incentive to manage its performance without regard for, and sometimes even in competition with, the other marketing teams and technologies.

The classic example here is the separation between sales and marketing teams in B2B organizations, where the digital experience can be entirely different once the hand-off is made. But across all types of organizations, it's not uncommon for marketing teams to build walled gardens where data and measurement are held prisoner to the goal of the team.

"The buyer's journey will no longer be a guided tour."

Data and the digital experience become beautiful when there is true meaning generated out of it. By itself, data represents theoretical answers to problems the business probably doesn't understand. And experiences alone are simply creative projects or performance art. Beauty emerges when experiences are infused with the insight and contextual optimization afforded by data and when data can be queried with creative, meaningful questions.

The beauty of the rational and the emotional

Wilson Raj, the global customer intelligence director at SAS, frames this very elegantly when he says, "Data, while powerful, is only half the story. The other half is an understanding of the emotive needs of our customer. What are their aspirations, fears, dreams, desires, etc.?"8

High-performing businesses balance both the rational and the emotional to optimize the digital experiences they create for customers.

Consider Kraft Foods Group and what Julie Fleischer, director of data, content, and media (an telling title, by the way), is accomplishing with the merging of these concepts. KraftRecipies.com is one component of the company's completely integrated experience (including a print magazine, packaging, social, email, and video). Julie and her team track more than 20,000 attributes of more than 100 million annual visitors across the online experience. That is two trillion pieces of data being assimilated over the course of a year. The company has merged both its data management and content platform, using the

data to provide insight into how to individually address the purchased advertising that Kraft uses through its programmatic media buying. This has enabled the company to quadruple the return on investment (ROI) from its creation of an integrated digital experience, as compared to ad buying alone.9

It's important to distinguish between an analytics problem and a data problem. To quote Raj Wilson again:

"CMOs must ask, 'Do I have the data?' If the answer is 'Yes, but I can't get at it,' then I don't have a big data problem; I have an analytics problem. But if the answer is 'no,' then the CMO must start to examine where they can get it and add in the missing linkages."

This is a critical factor for both the CMO and the CIO. In order to properly ask, "Do I have the data?" the business must first know the answer to the question, "What data is needed?"

In order for data to have value beyond the information the business already has, marketers will need to get beyond using analytics as a method to "prove" success or ROI. Instead, they should use data and measurement as a method to improve the ongoing process of deriving more meaningful insight and developing fewer, but more powerful (and beautiful), experiences for customers.

Key learning:

To accomplish this, the business will need new roles on the team (Julie's title is one that may begin to become much more common) — specifically, managers who are charged with creating strategies

"By itself, data represents theoretical answers to problems the business probably doesn't understand "

to peel back the layers of big data to make it small, manageable, and most of all, meaningful. These aren't necessarily scientists or mathematicians. These people will have the talent to ask leading questions of data, customers, and influencers, and apply the art of listening, conversation, and synthesis to transform facts and results into meaningful insight that moves the business forward.

Joy: Organizing for agility - not speed

Quick is a measure of time; fast is a measure of speed.

Agile is a term that all the kids are dancing to these days. But what gets lost in translation is the difference between being agile and being fast.

There is no doubt that the digital disruption has left marketers trying to find the joy in the practice of marketing. Recent studies have found that more than 66% of CMOs feel pressure from their CEO or board or directors to prove that marketing has value. Another 60% said those leaders are "turning up the heat." 10

And there's no doubt that marketers are feeling the pressure of having to transform into developers of digital experiences. In one study of how the Global 1000 are re-orienting their operations to manage the "modern, always-on, and mobile shopper," 96 percent of the respondents said that integrating digital has fundamentally affected their business. A third of the marketers in this survey said these shifts have left them feeling "under pressure and vulnerable." ¹¹

These are critical observations. High-performing organizations have re-oriented their business and stepped away from the "more and faster" mentality. The fear of moving too slowly is causing marketers to do foolish things and develop more experiences and

digital content rather than optimize a set of welldefined digital experiences.

This is the difference between quick and fast - and it's how high-performing companies are evolving into a joyful process with marketing and technology. They are using new methodologies to create and manage customer-centric experiences. And these companies, evolving out of the old, stale hierarchies and processes of the last 100 years, are changing the way they infuse these experiences intelligently into every part of the customer journey. Put simply: They are re-orienting to agile strategies, not fast strategies.

Learning to enjoy the journey

Eduardo Conrado is vice president of marketing and IT (another interesting title) at Motorola Solutions. In a five-year study, he and his partner researchers found that the classic 4 P's model (product, place, price, and promotion) was putting new marketing strategies at high risk. For B2B marketers, especially, it reinforced the faulty notion that marketing and sales teams should always lead with the features of products and the underlying technology rather than with the actual differentiation, which was the brand as "trusted source, advisor, and problem-solver." 12

Conrado implemented a new methodology called SAVE (solution, access, value, and education), and restructured his entire marketing and technology group and the way the company went to market. They looked at Motorola's solutions and how they could provide simple and clear access across channels to educate the audiences, focusing on relevant points at each stage, and a true focus on value rather than features and benefits.

As the number of potential digital experience opportunities explode, businesses must resist the urge to be everywhere all the time - and instead focus on being anywhere at the right time.

Key learning:

Today's social conversation and real-time experiences should not be an incessant cry of, "Have you heard us yet?" followed three seconds later by, "We said, 'Have you heard us yet?" For high-performing organizations, the goal now should be a permanent state of agility and

responsiveness - "We'll be there when you need us." In other words, what's important is not how fast the push notification arrives every time the customer is out for a jog. It's the ability to quickly send the notification of the nearest pharmacy when asked, either through an automated preference or when requested explicitly.

Understanding the difference between being agile and moving fast is what brings the joy back to the process of marketing.

"High-performing organizations have re-oriented their business and stepped away from the 'more and faster' mentality."

Conclusion — Designing Marketing for the Digital Experience

In a July 2014 Harvard Business Review article (part of an ongoing series on Marketing 2020), the authors conclude that in order to meet the challenges of the future, marketing organizations must evolve to deliver what they call the total experience:

"Companies are increasingly enhancing the value of their products by creating customer experiences. Some deepen the customer relationship by leveraging what they know about [customers] to personalize offerings. Others focus on the breadth of the relationship by adding touchpoints. Our research shows that high-performing brands do both — providing what we call 'total experience.' In fact, we believe that the most important marketing metric will soon change from 'share of wallet' or 'share of voice' to 'share of experience.'"13

The Three Graces of Greek mythology have inspired artists for centuries. They've been painted by Botticelli, Raphael, and Ruben; sculpted by Canova and d'Antoine; and featured as metaphors throughout the history of literature. Whatever the medium, they

are most often portrayed as connected — with their hands entwined. This is certainly applicable to the world of developing digital experiences.

Successful implementation of the elements represented by the Three Graces suggests a transformation in the ways that businesses view the process of marketing and the way that the marketing departments view themselves. Sixty years ago, Peter Drucker said that marketing was the "unique, distinguishing function of the business." In fact, he said there were only two basic functions of a business: "marketing and innovation." Somewhere along the way, the marketing team abdicated this position. Businesses became sales-driven, data-driven, value-driven, customer-driven, or even (my favorite) business-driven.

Perhaps it's time for marketing to reclaim its value as an innovator — and recreate the unique, distinguishing function of the business by becoming experience-driven. Adopting a new strategic approach based on the Three Graces may help that along.

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Digital Clarity Group

Digital Clarity Group is a research-based advisory firm focused on the content, technologies, and practices that drive world-class customer experience. Global organizations depend on our insight, reports, and consulting services to help them turn digital disruption into digital advantage. As analysts, we cover the customer experience management (CEM) footprint - those organizational capabilities and competencies that impact the experience delivered to customers and prospects. In our view, the CEM footprint overlays content management, marketing automation, e-commerce, social media management, collaboration, customer relationship management, localization, and search. As consultants, we believe that education and advice leading to successful CEM is only possible by actively engaging with all participants in the CEM solutions ecosystem. In keeping with this philosophy, we work with enterprise adopters of CEM solutions, technology vendors that develop and market CEM systems and tools, and service providers who implement solutions, including systems integrators and digital agencies. For more information about DCG, visit www.digitalclaritygroup.com or email info@digitalclaritygroup.com.

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