

# Managing the New Marketing Complexity

## Integrated Cloud Services Pose an Attractive Alternative for Some

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# Executive Summary

The marketer's job has never been harder. On the one hand, the proliferation of consumer touchpoints and the adoption of disruptive technologies such as smart mobile devices makes it possible for brands to establish richer, deeper, and smarter relationships with prospects and customers. However, these same forces have vastly increased and complicated the marketer's workload. In response, today's marketers can draw upon an ever-growing arsenal of software solutions for content creation, delivery, targeting, monitoring, measurement, and optimization. The very real danger is that marketers and their IT colleagues can be swamped by the resulting technological complexity. Managed, integrated cloud solutions can relieve the technology burden for some organizations and allow marketers to concentrate on the core tasks of producing engaging content, creative differentiation, and strategic insights.

# Digitalization and Fragmentation Offer Opportunities and Challenges

The role of the marketer constantly shifts and evolves in response to consumer habits, market dynamics, and competitive environments. In just the last few years, however – with the embrace of the social web and the explosive adoption of smart phones and tablets – marketers have encountered unprecedented turmoil and transformation. This turbulent context poses tremendous opportunities as well as huge new challenges.

## Marketers can build richer, deeper, smarter relationships

Digitalized communications, social conversations on sites like Twitter and Facebook, and the always-on access of mobile devices mean that marketers are able to understand and serve the needs of consumers with great precision and speed. When asked to name the most significant recent impact on their marketing efforts, 56% of the respondents in a 2011 McKinsey survey chose the “ability to interact with and/or serve customers in a new manner.”<sup>1</sup> The opportunity for marketers falls under two broad categories:

- **Deeper, more accurate insights and understanding.** Long denied an effective channel to express their dissatisfaction or pleasure with a brand’s products or actions, consumers have rapidly embraced the soapbox offered by the social web. Thanks to these open conversations – as well as consumer-generated content in the form of product reviews, ratings, and recommendations – marketers now have the ability to identify and understand consumer desires, irritations, and trends in ways never before possible. In addition, social sharing sites such as Pinterest and Tumblr allow marketers to rec-

ognize and track emerging consumer appetites even before they are fully articulated.<sup>2</sup>

- **Faster, smarter responses to consumer desires.** Marketers can also respond to known or perceived needs and desires with unheard of speed and accuracy. Disgruntled consumers can be engaged immediately and personally on Twitter or other sites; mobile devices can make offers for products and services in the moment – and the precise geography – of a consumer’s task. Mary Meeker has pointed out, for example, that although mobile advertising is still in its infancy, it has already demonstrated significant advantages over other media in terms of reach, targeting, engagement, viral redistribution, and transaction completion.<sup>3</sup>

Deep insights, combined with the ability to respond with the right content within a campaign or conversation, give marketers an unprecedented opportunity to engage consumers and nurture long-term relationships. (See Figure 1.)

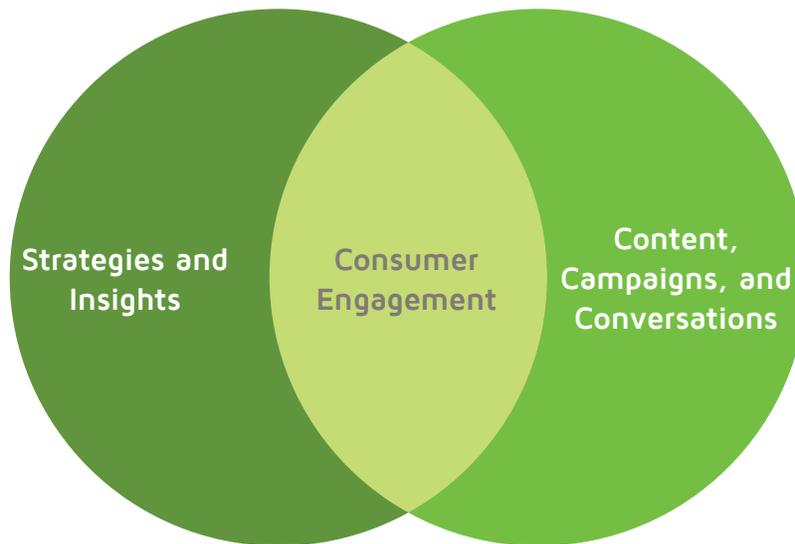
## Marketers face a dramatic increase in volume and complexity

The new-found ability for marketers to identify, listen to, and engage consumers is, however, purchased at the cost of large increases in the volume and complexity of the marketing workload. Marketers operate in an environment in which:

- **Channels have fragmented.** In the last few years, digitalization, social, and mobile have fragmented the traditional channel landscape

Figure 1

## New opportunities for consumer engagement



and vastly multiplied the number of touch-points through which customers may want to communicate. The internet channel alone used to be unified and driven by a single technology standard – HTML. Now, the internet has become what Josh Bernoff calls the “Splinternet” – consisting of the web, with its innumerable mobile format variations; social sites, whose content is hidden from established search engines; and mobile apps, driven by multiple proprietary technologies.<sup>4</sup>

- **Yet consumers expect ever more consistency.** Despite the growing number of touchpoints, consumers increasingly expect to have a consistent and coherent relationship with a brand across whatever channels they prefer – or better, without regard to those channels. The task for marketers is quickly becoming not “multichannel” engagement but rather a “de-

channeled” strategy that relieves the consumer of the need to think about channels at all.

- **More content has to be coordinated across more channels.** We still speak of web content management (WCM), but the days of publishing content to a few corporate web sites is long gone. Today, content may be deployed to corporate sites, affiliates, social sites, sales collateral, catalogs, mobile apps, point of sale materials, and much more. Presenting the content on all of these channels is only the minor challenge; the real difficulty lies in making sure that it is all accurate, up to date, and coordinated. If the product description changes on the web site, how do we make sure the change is reflected in the sales slides, the catalog, and the printed brochure? Indeed, how do we even know where that description is currently used?

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- **Consumers expect ever more personalized and relevant experiences.** Content assets must be deployed widely and consistently. But at the same time, any given channel will have an increasingly large number of “variations” in order to best engage and serve particular customer segments or even specific individuals given what is known or anticipated about their needs, context, task orientation, profile, etc. True “one-to-one” marketing – first promised over 15 years ago – is now becoming a reality, and the challenge, in terms of business processes as well as technology, is immense.
  - **Big Data does not guarantee enlightenment.** Massive amounts of data have been produced for years, so why do we only recently speak of an era of “big data”? The main reason is that new technologies allow enterprises to store, filter, analyze, evaluate, and act on massive quantities of unstructured data in a reasonable amount of time.<sup>5</sup> However, the promise of big data is still in its infancy. According to a recent study by Experian, 72% of the responding businesses said they recognize the value of using data to facilitate a consistent multichannel experience for customers . . . yet 84% said they currently aren’t able to use the data effectively.<sup>6</sup>
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# Technology Can Help – or Hinder – the Marketing Effort

Fundamental and wrenching transformations are required within marketing organizations if they are to take advantage of new opportunities to build and maintain relationships with consumers – and equally to manage and support the new workloads. Many of these changes involve people and processes: teams will be reshuffled and made more flexible; new skillsets will be nurtured or acquired; and the working relationship between the CMO and the CIO will be entirely redesigned.<sup>7</sup> Still, these “process” changes cannot deliver customer engagement in the new environment unless accompanied by a new breed of software solutions.

## A customer engagement software ecosystem with WCM at its core

Forward-thinking vendors have done a good job of understanding and responding to the need for new kinds – and new combinations – of software tools to help marketers manage their increasingly complex reality. Various established software categories – primarily content management, eCommerce, and CRM – have staked a claim to be the “foundation stone” in this customer engagement ecosystem.

Today, and for the foreseeable future, web content management will occupy the core position. There are many reasons for this, but in short it is because “content is (still) king.” (Albeit now better recognized in the robe of content marketing.<sup>8</sup>) Basic WCM services such as the creation, management, storage, and delivery of content assets are evermore indispensable. They are now extended and enhanced with capabilities to support segmentation and targeting, personalization, and social media integration, among others. (Some vendors now prefer to talk about web or customer “experience

management” in order to reflect this move beyond content management and presentation.) Other attractive features for marketers in these emerging solutions include:

- **User interfaces (UIs) that are easy to use but not simple-minded.** Making the software easier for “non-technical” users has been a major area of investment in the last few years. Functionality like drag-and-drop content and page elements can significantly shorten the orientation period of new users. At the same time, however, it is important that the interfaces also provide the features marketers need for sophisticated campaigns, such as the ability to preview the result in browsers and on mobile devices, multilingual support, and campaign management.
- **Built-in rich media support.** Today, it’s hard to imagine an engaging design that does not include some rich media assets. Vendors can support this need by including digital asset management (DAM) functionality in the WCM solution, or in a fully integrated separate system.
- **Support for testing and optimization, analytics, and design.** Customer engagement is never “done.” Every digital experience needs to be constantly tested, compared, and optimized. Including these capabilities with the WCM has the benefit of uniting analytic insights within the content management interfaces. This further integration of tools for designers adds another important link in the constant optimization cycle.

- **Flexibility and integrability.** There are real benefits to sourcing these and other elements of the software ecosystem from a single vendor. But it is equally important that the solution has the ability to easily integrate third-party software that an organization is already using or those that may be acquired in the future.

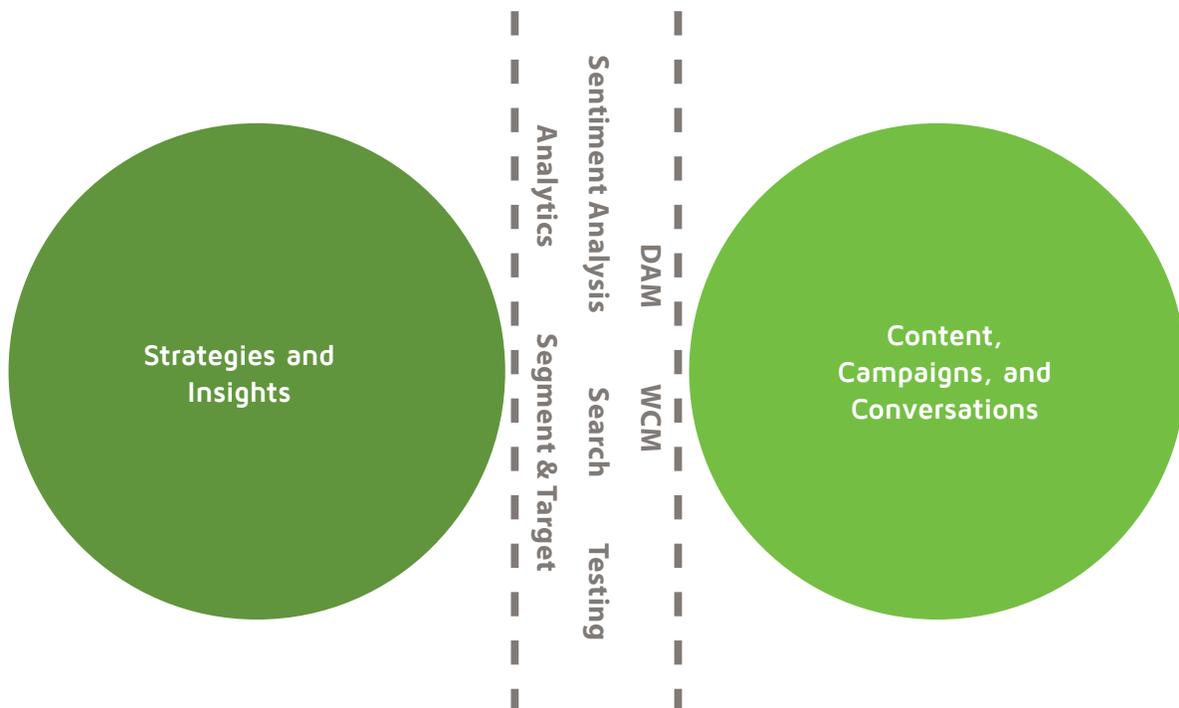
While these software ecosystems continue to evolve, the leading vendors already offer powerful and well-integrated solutions for marketers. In fact, it is safe to say that most marketing organizations have not taken advantage of the solutions available today. This is a reflection of ingrained approaches and ways of thinking, but it also indicates the scope and complexity marketers face in adopting new and more powerful technologies.

## The threat of technology overload

Marketers face a painful double bind: To be effective in the complex new marketing environment, they need additional and more powerful software solutions. But the desired technologies can also overwhelm marketers, divert their focus and effort from their primary tasks, and actually render them less effective. Customer engagement at the intersection of digital, social, and mobile requires marketers to create, deliver, listen, analyze, evaluate, optimize, and coordinate complex campaigns and relationships. The tools are available, but what happens if they create more work than they remove? (See Figure 2.)

Figure 2

## Technology can pose a barrier to marketing success





Let's be clear: This isn't a case of marketing professionals that are too "creative" to master and manage software tools. Technology overload is equally an issue for the colleagues in IT (and in some cases more so). When skilled software engineers have to spend time installing new systems, doing maintenance and backup, or adding servers to handle seasonal traffic peaks, they're diverted from creating rich and differentiated digital experiences, or responding rapidly for time-based campaigns or unexpected market opportunities.

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## Managed Cloud Offerings Can Lift the Technology Burden

As cloud computing has matured, its ability to deliver packaged, integrated software solutions has proven to be a tremendous value to many organizations. Cloud services take over the responsibility of the “care and feeding” of the technology, allowing marketers and their IT colleagues to concentrate on creating the best possible customer experiences. (See Figure 3.) Specifically, a cloud-based solution for customer engagement can provide:

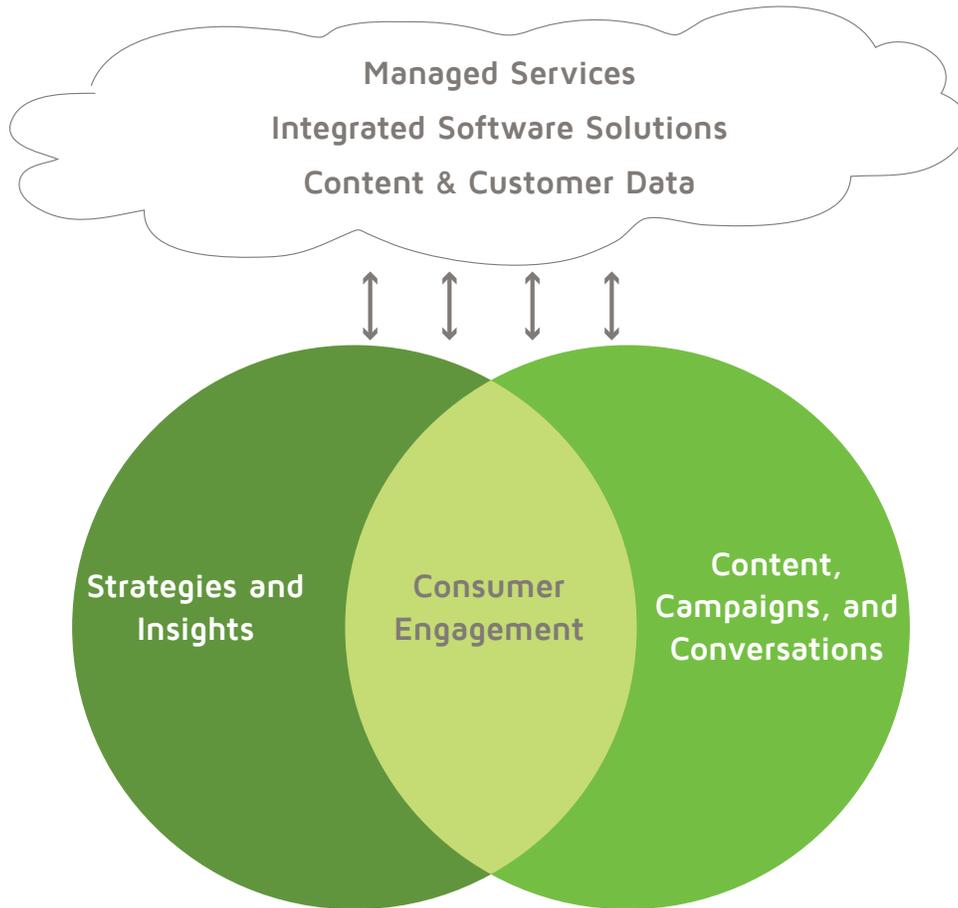
- **Managed services for administration, monitoring, upgrades, backup, and other basic maintenance.** Too many organizations still task highly-skilled and expensive software engineers with “feeding the IT furnaces.” But as an IT director at a US digital agency noted, “switching to a cloud-based environment for WCM and customer engagement allows us to focus our skills on supporting the agency’s creative and strategic work for clients, rather than worrying about background maintenance of the infrastructure.”
- **Rapid scalability for seasonal or unexpected “surges.”** As more customer interactions take place online, it is no longer only eCommerce sites that have to worry about seasonal surges of traffic. Whether “Black Friday,” Super Bowl Sunday, a new product launch, or an unexpected event such as a winter storm, many companies face shifts in the demand for their products, services, or information. Cloud services can rapidly create and launch additional capacity and make it available as a “rental.” The organization does not have to invest in hardware and software that will be unused outside of the peak periods.
- **Reductions in vendor management, internal IT complexity, and capital expenditures.** Cloud services provide many of the benefits of renting a house rather than buying: Initial investments are minimized, quality and availability are contractually guaranteed, and there is a single responsible party to turn to when something goes wrong – even though the solution may contain pieces from many different vendors. In addition, time-to-market can be significantly shortened, since internal IT teams do not have to procure, implement, and test hardware and software components.

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“ Switching to cloud-based environment for WCM and customer engagement allows us to focus our skills on supporting the agency’s creative and strategic work for clients, rather than worrying about background maintenance of the infrastructure. ” - IT Director, US Digital Agency

Figure 3

## Cloud offerings can lift the technology burden



Given the scope and complexity of the customer engagement ecosystem, perhaps the greatest benefit of a cloud-based solution occurs when a provider delivers a managed and integrated platform. Hosting any one of the ecosystem elements in the cloud – WCM, analytics, testing and optimization, etc. – has the benefits noted above. When internal teams are additionally relieved of the need to integrate the various pieces internally, the sum of the cloud benefit is significantly greater.

# Conclusion

## Don't leave your head in the cloud

Meeting the demands of today's complex and rapidly changing marketing environment is extremely challenging. Hosted and integrated cloud-based platforms can relieve marketers of the extra burdens – and limitations – of in-house technologies. Marketers can no longer deliver successful customer engagement without drawing on a growing arsenal of software solutions. They should carefully investigate the benefits of the cloud, while also keeping in mind that:

- **The cloud approach isn't for everyone.** Organizations with complex and unusual requirements (and the IT resources to meet them) may still find more value in software installed internally. However, be aware that 1) companies tend to generously overestimate the uniqueness of their requirements; and 2) the degree of complexity and flexibility that can be handled in the cloud is increasing every day.
- **It's what's in the cloud that really counts.** When considering various cars and leasing companies, some people might choose based on the details of the lease – because, in the final analysis, any of the vehicles will get you from A to B. That approach is highly inadvisable for marketers choosing a customer engagement software ecosystem. You're not paying for "the cloud," but rather for the software that's hosted there. It remains necessary to carefully determine the appropriateness of that software for your particular needs, and to evaluate the vendor behind it – in terms of their development

roadmap, frequency of releases, and customer satisfaction.

- **Agility is a primary requirement.** Market conditions and consumer expectations are changing so quickly, and so unpredictably, that flexibility and adaptability have become core needs of any software. The cloud's usage-based model alleviates some of the anxiety about investing in software under these uncertain conditions. But it is also important that you understand how the software vendors provide agile and timely responses to unexpected changes in today's complex marketing environment.



# Endnotes

- 1 See the McKinsey and Company report, “What Marketers Say About Working Online: McKinsey Global Survey Results,” 2011, p. 2. Available for download at [www.mckinseyquarterly.com](http://www.mckinseyquarterly.com). (May require registration.)
- 2 An August 2012 study by SAP and NetBase determined that Pinterest was at that time “the fastest growing social site ever.” <http://www.zdnet.com/sap-netbase-pinterest-is-fastest-growing-social-site-ever-7000002473/>.
- 3 See Matt Murphy and Mary Meeker, “Top Mobile Internet Trends,” February 2011, slide 24. The presentation is available on Slideshare at <http://www.slideshare.net/kleinerperkins/kpcb-top-10-mobile-trends-feb-2011>.
- 4 Josh Bernoff explains Forrester’s notion of the Splinternet in this blog post: <http://forrester.typepad.com/groundswell/2010/01/the-splinternet-means-the-end-of-the-webs-golden-age.html>.
- 5 Joe Lamantia thoroughly explores the concept of “discovery” and its relevance for big data in a slide deck available on Slideshare: <http://www.slideshare.net/moJoe/the-language-of-discovery-designing-big-data-interactions>.
- 6 For more information see this article on Econsultancy: <http://econsultancy.com/uk/blog/9991-only-16-of-businesses-use-data-to-form-a-single-customer-view>.
- 7 See McKinsey Quarterly, “Five No Regrets Moves For Superior Customer Engagement” [https://www.mckinseyquarterly.com/Five\\_no\\_regrets\\_moves\\_for\\_superior\\_customer\\_engagement\\_2999](https://www.mckinseyquarterly.com/Five_no_regrets_moves_for_superior_customer_engagement_2999). (May require registration.)
- 8 See Robert Rose and Joe Pulizzi, “Managing Content Marketing: The Real-World Guide for Creating Passionate Subscribers to Your Brand.” Published by the Content Marketing Institute, 2011.



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