



The keys to marketing in the moment

Four data-driven marketing imperatives that today's CMO should master in order to translate new technologies into business and marketing outcomes

Make the Moment

Today, your ability as a marketer to create and deliver the right experience at the right time may define the return that your marketing spend drives. When you deliver the experience the consumer wants in that exact moment, you help build brand loyalty, increase customer lifetime value, and reduce marketing waste.

Customer experience is the new funnel

While debate rages about whether and how the marketing funnel is “collapsing,” we propose that your ability to predict and create the customer experience in the moment replaces the traditional marketing funnel. Whether this is genuine single-ID personalization, or hypersegmentation, the ability to fulfill the customer’s need in real time doesn’t eliminate what the funnel represents; rather, it can render it nonlinear and virtually instantaneous for many customer interactions.

89% Of marketers compete primarily on the basis of customer experience.¹

What does that mean? By relying on correlation and predictive analytics that leverage first-, second-, and third-party data, you can now develop a 360-degree view of the individual customer—enabling a new level of trust, respect, and mutual benefit. In the process, you can accelerate the customer’s momentum toward greater lifetime value.

43% Fewer than 43 percent of organizations say they are capable of customer insights/analytics. Fewer than 39 percent claim capabilities in campaign measurement and attribution.

¹Gartner for Marketers, Customer Experience Primer, 2016.

²“Kick-Start Your AdTech/MarTech Convergence,” Forrester, May 2017

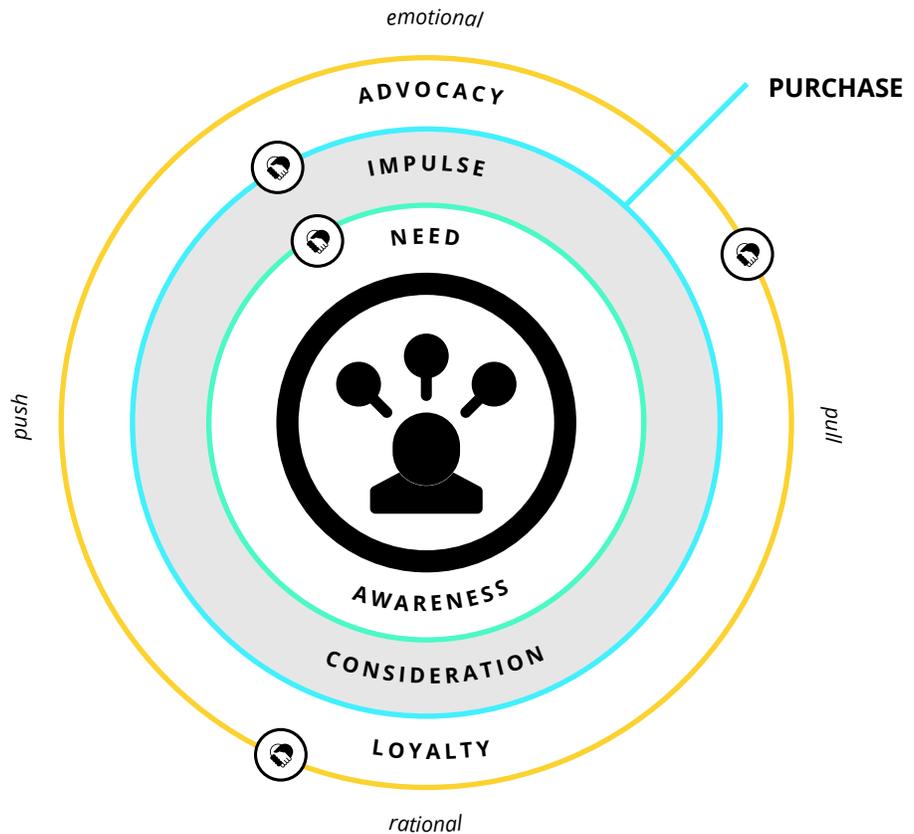


Making the Moment

Data both informs and is informed by the customer experience that defines the moment



message
channel
trigger

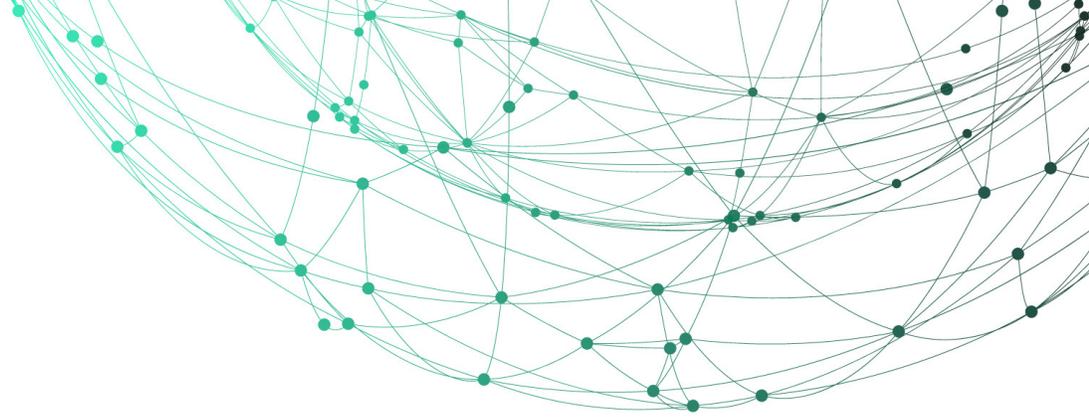


The marketing radar screen

Customer experience has become synonymous with the traditional marketing funnel as the driver of data-driven marketing efficiency and effectiveness. Think of your optimized, data-driven, customer-centered marketing operation like a radar screen: constantly monitoring the customer's needs and preferences, and providing engagements that accurately match those conditions in real time.

But achieving real-time marketing personalization may demand new competencies, smarter metrics, and a new framework for collecting and analyzing data. You've probably read plenty about the technologies involved—big data analytics, Internet of Things (IoT), machine learning, cloud—as well as solutions such as demand-side and data management platforms, multitouch attribution, and many others. But those solutions only get you so far.

In the following pages, we outline four imperatives that can determine the impact that these marketing and advertising technologies can have on your organization's future marketing efforts.



FIRST IMPERATIVE

Master your data

Your data knows more than you do about your customers. Within your data lay insights about individual (and look-a-like) customer media and device habits, product evaluation style, purchase cycles, brand loyalties, travel patterns, and how behaviors shift as customers go about their daily routines of commuting, work, and family time.

“The brands that will win aren’t just retargeting a customer based on where he or she was last week. They are predicting where the customer will be next week and how much they will spend.”

—TODD PARIS, MANAGING DIRECTOR, DELOITTE DIGITAL

In order to make the shift from reaction to prediction, you must understand the signals that indicate the customer’s awareness or need, impulse or consideration, purchase, loyalty

or advocacy, and the triggers that can move that customer to act in the moment.

Those signals are likely in your data, but finding them isn’t easy, especially when your customer data is scattered across disconnected customer relationship management systems, transaction databases, social media platforms, IoT sensors, and third-party databases.

That’s why data mastery is the foundation of your scaled, customer-centric marketing efforts. A 360-degree understanding of the individual customer’s journey and profile can only be built on a foundation of organized, first-party customer information enriched by integrated second- and third-party data.

The technology is no longer a limiting factor. A successful data mastery initiative relies on three key factors:



SOURCING

Data mastery begins with identifying the sources of data available to you—internal and external, structured and unstructured: Each source should be ingested, processed, and stitched together, so that it can be understood in the context of your customer.



ORGANIZATION

Integration and scale are the keys to building meaningful, actionable customer insights. The ingested data should be analyzed to identify the high-value signals, transformed and standardized, matched deterministically and probabilistically, and then integrated across different sources, all to develop a central marketing data asset.



GOVERNANCE

Continued maintenance and governance is the key to a successful data-driven customer strategy. You should understand where your data is coming from, who the data owners are, when the data was created, and how often it changes. Enterprisewide data governance guidelines are a key part of continued data excellence.

(Re)define your metrics

Your marketing department might seek improved open rates and website traffic, increased revenue contributions, and longer retention rates, but that's not what your customers want. They typically want brand experiences that are personal, relevant, trustful, respectful, and timely. You can't achieve your business requirements without also serving your customers' expectations. You may, therefore, need to develop metrics that address both sides of your relationship with customers.

“A customer-centric approach to marketing demands new, customer-centric metrics. And these metrics need to provide apples-to-apples comparisons across every channel and touch point.”

—SHARON HARRIS, ALLIANCE TECHNICAL ARCHITECT, DELOITTE CONSULTING LLP

Campaign success is all too often assessed on reach, frequency, and simple increases in volume: more impressions, more clicks, and more sales. Metrics have been channel specific. They started with the campaign—not the customer. Multi-touch attribution systems have been implemented in ways that simply fulfill the marketer's goal, rather than serve the needs and journey of the customer.



MARKETERS TYPICALLY WANT...

- Brand awareness
- Qualified leads
- Sales conversions
- Less marketing waste
- Omnichannel engagement
- Single user ID
- “Stop blocking me!”



CUSTOMERS TYPICALLY WANT...

- Emotional resonance
- Relevant information
- Beneficial solutions
- Less unwanted intrusion
- A personal experience
- Respect for privacy
- “Stop stalking me!”

It's no wonder audiences are weary and wary of marketing messages. To paraphrase management theorist Peter Drucker, you can't achieve what you don't measure.

From multichannel to omnichannel

A more meaningful set of customer-centric metrics can only be built around an omnichannel approach that interrelates every channel with the goal to engage with individuals uniquely and holistically. This may demand integrating digital advertising with addressable television, programmatic out-of-home, wearables, and radio—and measuring outcomes on a customer-by-customer (rather than channel-by-channel) basis. Full-loop measurement helps you to verify leads and then optimize your bidding strategies in real time to give you the best performance possible.

Sharing is buying

In the social economy, brand advocacy can be more impactful to your bottom line than a single customer's simple revenue contribution. Metrics should account not only for the outcomes you seek—marketing qualified leads, qualified-lead velocity rate, etc.—but also for the experiences that have meaning for your customers: awareness, satisfaction, engagement, loyalty, and advocacy.

KPIs for customer-centric marketing

These metrics, when integrated with traditional campaign key performance indicators, can help organizations focus on improving the customer experience, optimizing campaigns, reducing waste, and driving business results.

1 BRAND AWARENESS

4 E-COMMERCE SALES

2 PURCHASE INTENT

5 BRICK & MORTAR SALES (ex., store lift and credit card data)

3 LEAD GENERATION



THIRD IMPERATIVE

Focus on trust

Trust is the fundamental building block of relationships and permeates every facet of the data-driven marketing journey. The importance of trust between customers and brands has never been greater—witness how the spread of digital ad blockers reflects consumer frustration with irrelevant advertising that interrupts or slows them down in doing what they want to do.

The challenge is further complicated by generational, cultural, and personal differences that affect how and when customers are comfortable engaging with your brand. The issue of trust extends into the advertising and marketing ecosystem as well, where transparency has become a significant concern.

“Each and every moment, your customer stands at a crossroads: One path leads to deeper engagement with your brand. The other leads to disengagement,” says Todd Paris, Managing Director, Deloitte Digital.

“No matter how strong your creative, no matter how personalized your message, you are likely to lose that customer down the wrong path if you are not constantly building a relationship of trust.”

26%

of U.S. consumers use ad-blocking software, up from 22% last year. Estimated loss of publisher revenue: \$15.8 billion, up from nearly \$11 billion in 2016.

Consumers aren't the only ones skeptical about the value of advertising today. Trust issues among advertisers, agencies, and media vendors have fueled a movement among advertisers to bring media buying in-house. So-called “walled garden” ad platforms raise transparency concerns, and frustrate advertiser efforts to own their customer data.

³“Ad blocking on the Internet,” OnAudience, 2017 report. http://www.onaudience.com/files/adblock_report.pdf

Brand safety is becoming more vital

How your brand is perceived in the market depends on the company it keeps. Avoiding not-safe environments demands constant attention and monitoring, and proper optimization can reduce fraud by orders of magnitude. Having visibility and transparency is paramount.



SECURITY

The best way to alienate customers as well as vendors is to lose or abuse their private information. As you master your data, you must also keep it secure and comply with various jurisdictional compliance considerations.



PRIVACY

Beyond concerns about compliance and personally identifiable information is a simple truth: What one customer considers creepy and invasive—a retargeting ad, say, or a mention of a prior purchase—another may welcome. Understanding and respecting individual customer preferences around privacy, data security, and transparency is as urgent today as providing quality products and services.



RESPECT

Retargeting that hits after the consumer has made a purchase decision often does more harm than good, wasting your money and your customer's time, patience, and respect. Respect means clearly communicating what the customer can expect from you, and demonstrating eagerness to listen to customer preferences. Data-driven marketing can help create moments that deliver genuine utility and relevance to the customer—garnering and inspiring respect, not contempt.



TRANSPARENCY

The Association of National Advertisers last year examined bad practices deployed by some agencies and holding companies: hidden margins, hidden agendas, selling inventory funded by other clients, and withholding publisher rebates. Such practices brought both increased scrutiny and reduced trust. Add to this margin loss in the bidding process, misaligned incentives, and unclear data ownership, and it is little surprise that more than 60 percent of advertisers are moving at least some critical functions in-house. Advertisers must continue to be vigilant and demand greater transparency in order to impact the ultimate goal—a clear view of the customer, context, cost, and results achieved across all media.

⁴ An Independent Study of Media Transparency in the U.S. Advertising Industry, K2 for the Association of National Advertisers, June 2016.

⁵ World Federation of Advertisers study of 35 global brands with spend of more than \$30bn. Cited in Hobbs, Thomas: How marketers are stepping up to take control of media, Marketing Week, September 20, 2017.

Turn silos into halos

Data consolidation. Full-loop measurement. Single user identity. Omnichannel integration. Unified metrics. These dreams of the modern marketer are now possible, but none can be achieved without the right team, right vendors, and right technologies working in unison toward common goals. Only by realizing an integrated marketing ecosystem, you can hope to provide customers with a consistent, coherent, and personalized experience of your brand.

While much has been written about the technological challenges inherent in data-driven marketing, talent will likely be the ultimate driver of your success. The more you can integrate and strengthen the capabilities of your internal team and external vendors (including agencies, media providers, and technology suppliers), the more effectively and efficiently you can design and automate the moments of impact that will move your customers.

Barriers and fragmentation exist both internally and externally. Identifying where and how to get the right mix for you and your customers means ensuring you have the right people using the right technologies to do the right things in the right places.

Mind the talent gaps

It is important to assess the capabilities that you need to develop internally as well as across your vendor ecosystem. As you embark on establishing greater control over your data, technology, and operations, the mix of required talent changes. On top of traditional capabilities such as media buying, content creation, and channel management, comes a new set of skills: econometrics, statistics, cloud, and data science. Three new leaders may join your team:

1

An **advertising operations** lead to oversee the ad server and ad operations and monitor anti-fraud technology, and engage effectively with leadership.

2

A **programmatic** lead who knows media-buying in-platform with a keen interest in measurement, to lead and control all media-buying channels.

3

A **data** lead to work with ad-ops and programmatic leads to ensure data insights are driving marketing in the moment—predicting and reacting in real time with customers.

Fragmented data, disconnected ad networks, and siloed operations take an incremental toll on efficiency and effectiveness.

—**FREDDIE LIVERSIDGE,**
MANAGER, DELOITTE DIGITAL

The CMO and CIO will continue to do more than rub elbows. Increasingly they will share organizational and hiring decisions around roles including API/data engineers, data scientists, ad tech, and publisher analysts and managers.

—**CHRISTINE CUTTEN, PRINCIPAL,**
DELOITTE CONSULTING LLP





DIY?

Only by understanding the advertising technology/marketing technology ecosystem and your vendors and their capabilities, can you design and transform your marketing operation into its ever-evolving future state. Different data management platforms, ad servers, demand-side platforms, and multi-touch attribution systems all bring broadly similar—but often specifically distinctive—tools to the table. The key is to fit the technology to your needs, not the other way around.

42% of organizations cite difficulty working across internal silos as a significant barrier to converging marketing and advertising technologies.⁶

This means understanding where you are today and having a clear picture of the target operating ecosystem that allows you to perfectly align to your customer. It's useful to think of the road ahead as a continuum, where each marketing organization must find its point of perfect balance:

TRADITIONAL MODEL

(low operating expense, low capital expense): What most brands have been comfortable with—low risk, known quantities where the agency controls most if not all of the data, reporting, buying, and creative activation.

IN-HOUSE INSIGHTS AND TRENDS MODEL

(own data, greater transparency): Taking control of your data and using it to generate insights and your own reporting. This allows greater transparency into the agency-buying process, enabling you to identify missed opportunities and transparency issues.

IN-HOUSE MEDIA BUYING MODEL

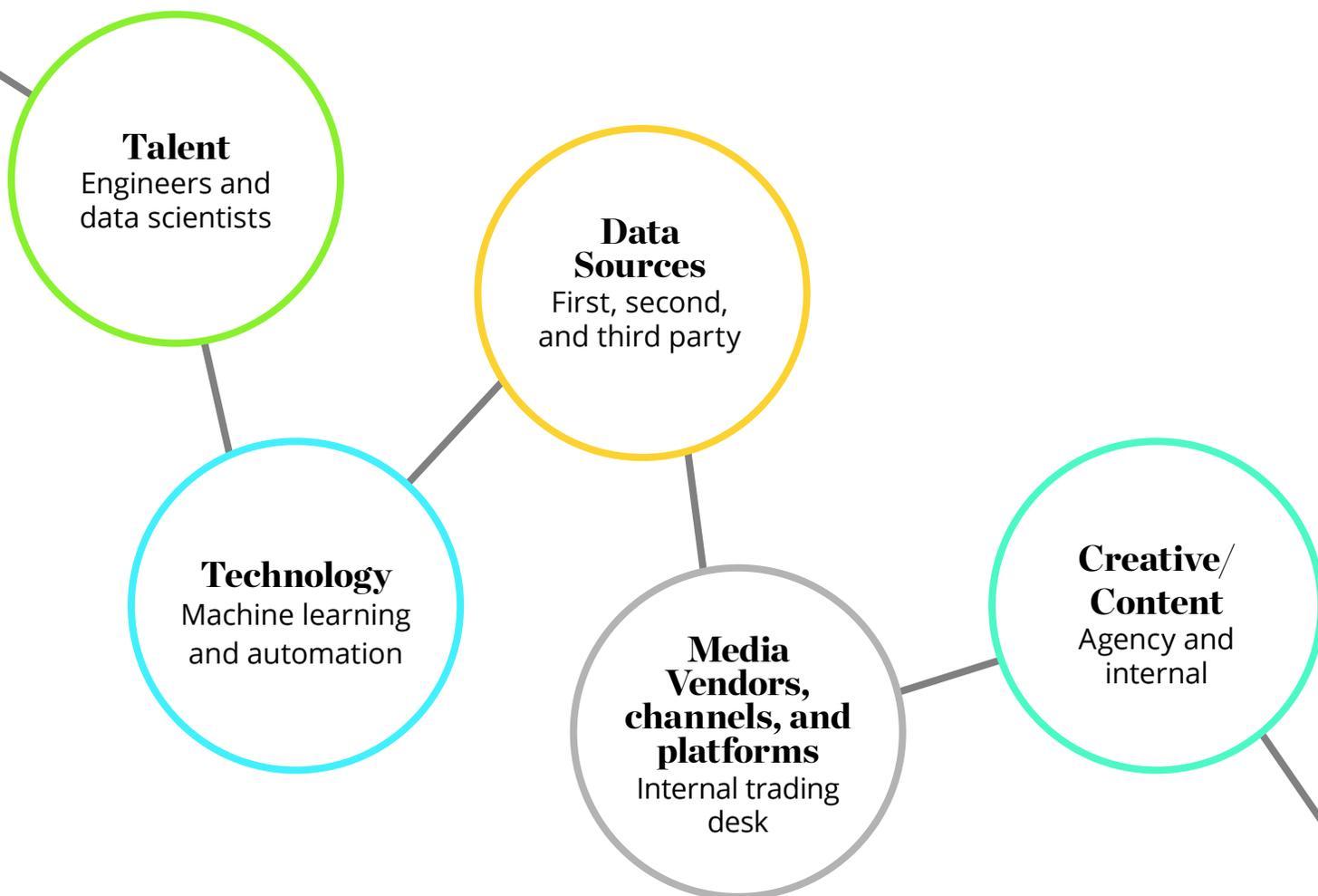
(full transparency, full measurement): By controlling your data and media-buying platforms, you can eliminate (or significantly reduce) transparency and margin concerns. Adding “buy APIs” helps you to complete full-loop measurement.

BRAND TAKEOVER MODEL

(total control of media): Taking virtually all agency functions in-house puts you in complete control of media and all that goes into the process. From data to reporting to buying to AdOps to creative, it means running an in-house agency. The main risks here are being out of touch with industry developments and the diverse perspectives that external agencies live and breathe day in, day out.

⁶ “Kickstart Your Adtech/Martech Convergence,” Forrester, May 2017.

Today's technology is making it possible for advertisers to bring together customer data, creative, and media.



The moment ... is now

Imagine a world in which your customer actually values your marketing efforts because they appear at just the right time to help them do what they want and need to do in the moment—without being intrusive or creepy. A world where your advertising investment is more predictable and manageable in real time as products, services, the marketplace, and conditions change. Where you have transparency and trust baked into all of the critical relationships across your ecosystem.

That's the prize for CMOs.

It is possible now.

By mastering your data, adopting customer-centric metrics, nurturing trust with consumers and vendors, and breaking down silos, you can create an environment in which powerful breakthroughs, new efficiencies, and sustainable competitive advantages are possible.

Getting there may require vision, creativity, tenacity, new skills, and new technologies—all working in concert to navigate and grapple with the complex dynamics of the evolving landscape. For more on how to execute against this vision, please see the companion piece to this article, "The road to digital marketing transformation."



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