

What does digital disruption mean to

CMOs

& Next-Generation Marketing



Einat Shimoni



Galit Fein



Yoav Pridor



STKI for CMOs



CMOs:

What is **your #1 focus** in
the next year?

Customer experience is the #1 focus

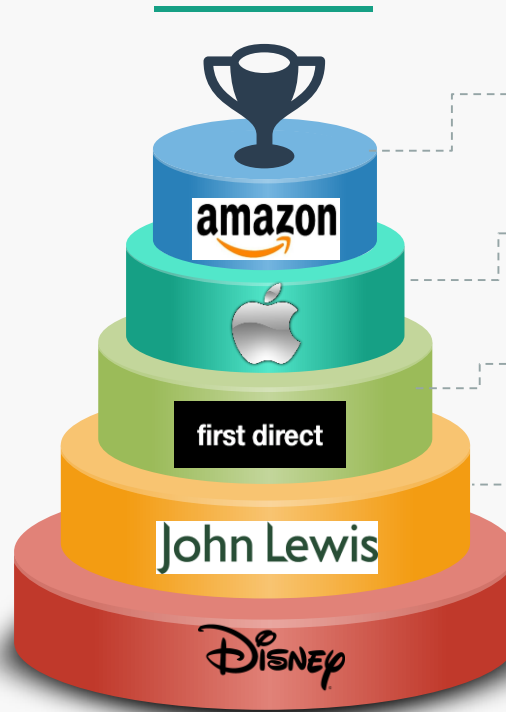
For
any
Marketer.



In today's digital world, marketing is the function responsible for creating & sustaining continuous customer experiences

Some are doing it better than others

And they are commercially rewarded for it



- Amazon Q4 14, net sales increased by 15%
- Apple 39.9% profit per product (3 months to end Dec 14)
- Fast Direct “Most Trusted” & “Best Banking Brand”
- John Lewis Profit up 12% in 2014
- Disney Earnings per share up 27% in Dec 2014

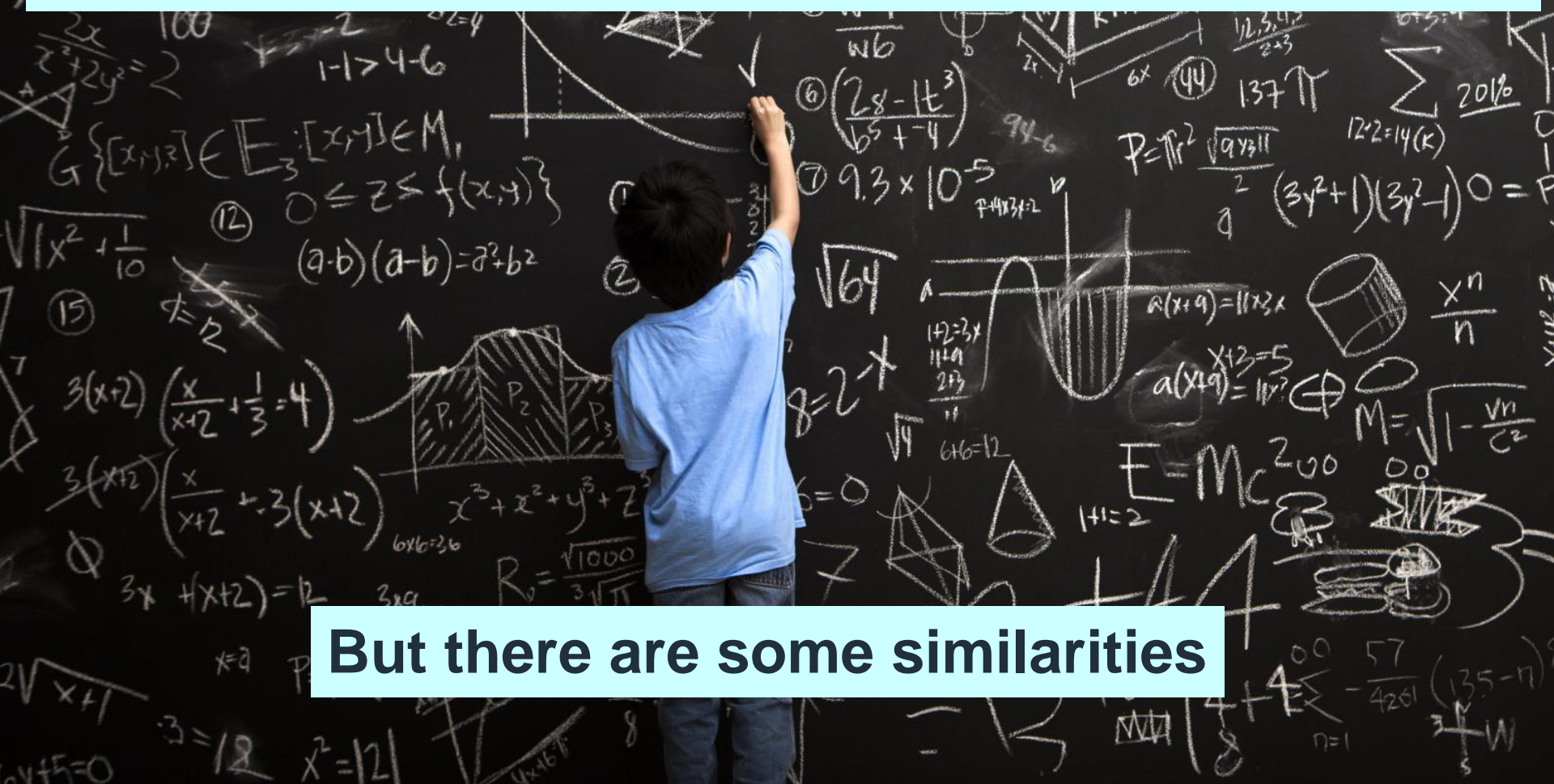
AIR NEW ZEALAND 



Boden



There is no single winning formula



But there are some similarities

What do leading CX brands have in common ?



Source: <http://www.ijgolding.com/2015/03/24/what-makes-the-the-worlds-1-customer-experience-brands/>

How do they engage in the Digital world?

Have a
CDO

Excel at
content
marketing

By Software.

Do cross-
channel
measurement

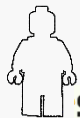
Have a
CTMO

Are data-
driven

Built a
customer
data hub

Using
technology
to tell a
story

Do micro-
segmentation

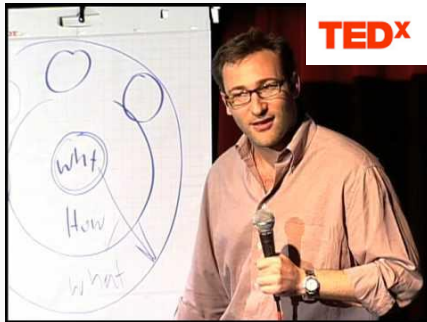


But technology is only as good as the story it tells*

* Ann Handley



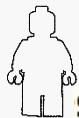
These companies all have **great stories**



**People don't buy what you do,
they buy why you do it.**

- Simon Sinek, Author

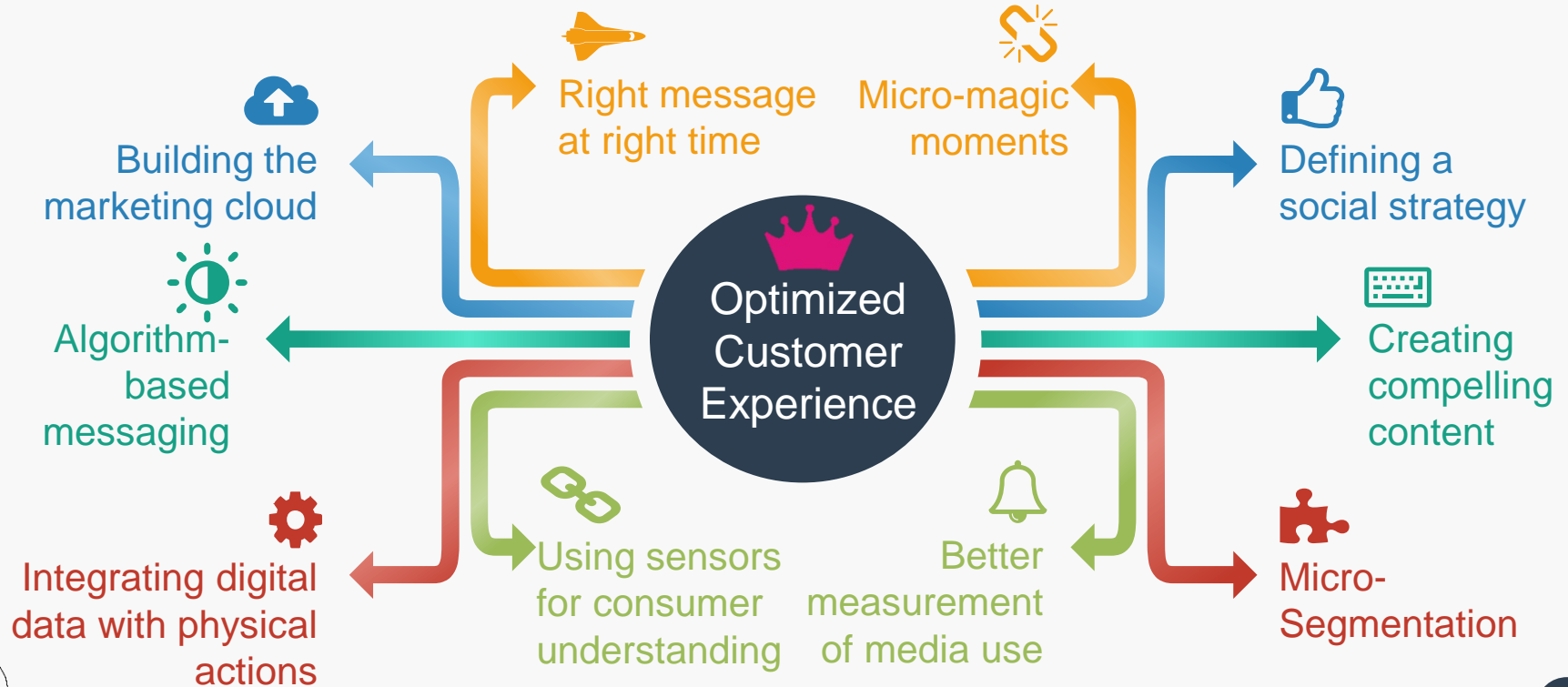
https://www.youtube.com/watch?v=u4ZoJKF_VuA



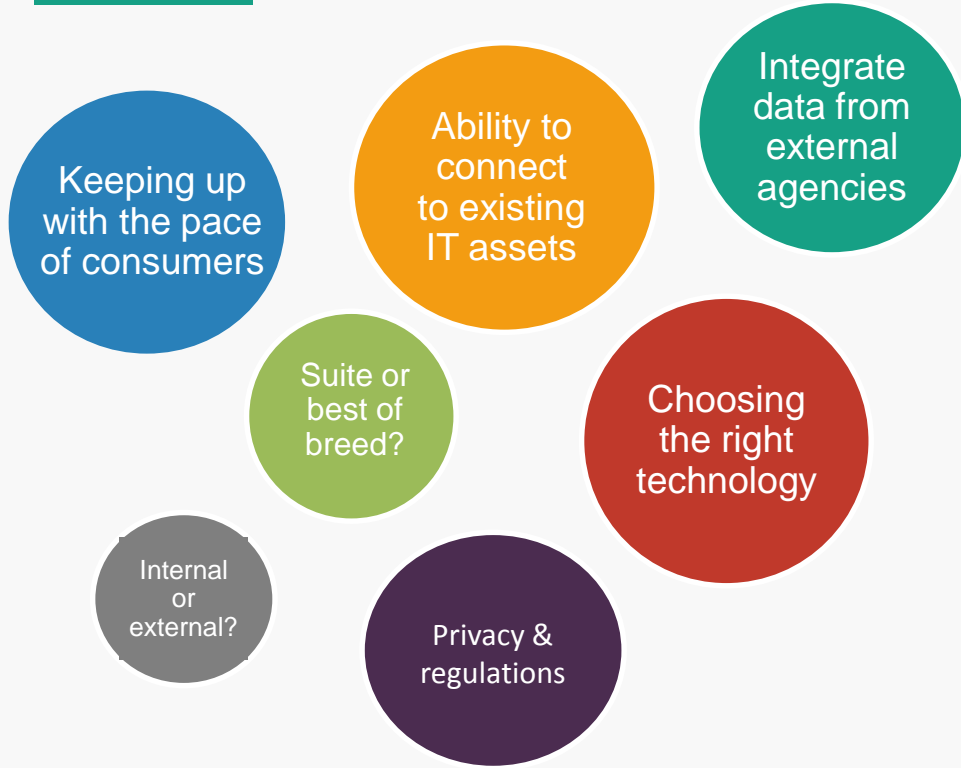
A story coming to life

In the digital world, software is the means to
bring these narratives to life.
Customers experience your story.

Marketing is now a *technology*-empowered business



It is quite challenging for marketing leaders to make the shift



MARTECH

*Some
thoughts
about*



A new
breed of
marketing
pros

MISSING!

10 NEW ROLES OF MARKETING



Chief Content
Officer



Managing
Editor



Chief Listening
Officer



Director of
Audience



HR for
Marketing



Channel
Master



Chief
Technologist



Influencer
Relations



Freelancer
and Agency
Relations



Return-on-
Objective Chief





Who is this MARTECH person?



Passionate
about
re-imagining



All about
change



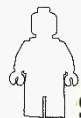
Understand the
changes in the
consumer



Speaks Tech



Facilitates
collaboration



*The
traditional
yearly
marketing
plan*



Agile

Transparency



Quick feedback loops



Curiosity & Ideas to all



The CDO vs. A digitally savvy team

- The CDO is a transitional role
- The CDO is a change agent
- Organic change means:
 - Training team
 - Hiring MarTech savvy people

Experimentation

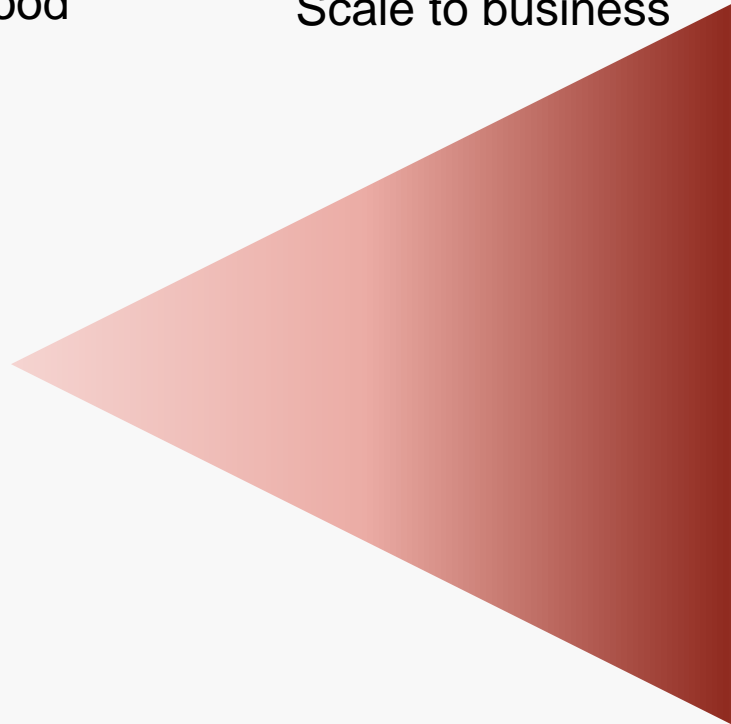
Experiments, Pilots and A/B Tests



Few are good



Scale to business



The questions CMOs & CMTOs will need to address

Question #1:

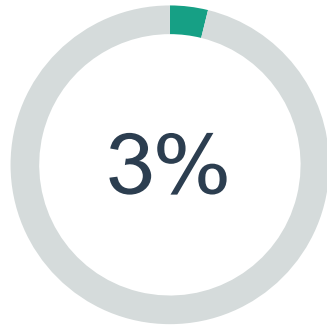


How well can I know my customers?

To be able to provide them with the right *message*
at the right *time* and *place*

Just “relevant” is no longer enough!

Success rate of marketing campaigns:



**Intrusive
Marketing**

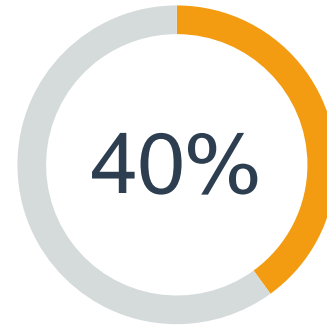
Not relevant
(90% of ads)



**Convenient
Marketing**

Relevant

Source: SAS



**Appropriate
Marketing**

At the right moment



The art and science behind delivering The right **message** to the right **person** at right **time**



The right **message**



The right **person**



The right **time**





Advertising: an industry under automation

Good news or
Bad news?





What's the future of programmatic advertising?

Programmatic had already disrupted the market
So what's next?

Optimization &
smarter algorithms
not just automation!
Use of AI/ML



Cross-device
targeting
Mobile & Desktop
Video & static content

Audience
Management



Central management
of media buying





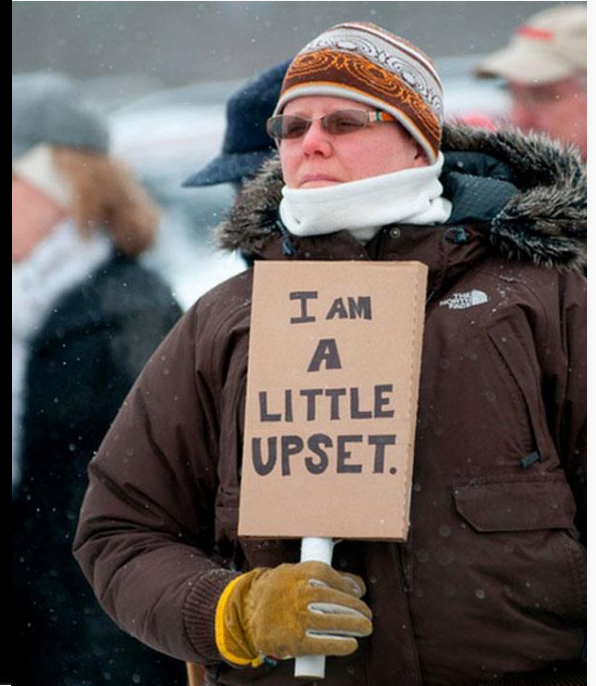
What's the future of programmatic advertising?



Let's face it, (most) people don't like (most) ads
And they are saying it **loud and clear!**

I LOVE BEING MARKETED TO
**SAID NO ONE
EVER**

-JESS3





Imagine

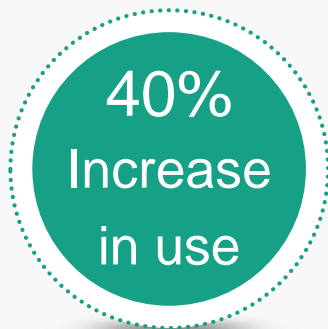
A world with no ads?



Pages load x4 times faster
Bandwidth reduces in half
Better battery life

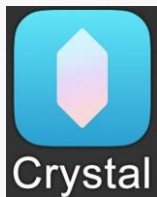


Ad & Content blockers ('The party poopers')



\$22 billion in ad revenues has been blocked in 2015 (14% of ad budgets)

Ad blocking



Focus on mobile
iOS & Android
Blocks "blacklist" ads

User tracking blocking



Blocks 2,000 trackers
Users can control level
of privacy



Digital IDs are on everyone's agenda

Facebook

Google (AdID)

Twitter

Apple (IFA)

We are on the way towards a reality of everyone owning a Digital ID and controlling its privacy rules by themselves



What else will happen as a result?

- 1 Content marketing will be huge!
- 6 More investment in earned media
- 3 More creativity required!
- 4 Native ads (that don't feel like ads)
- 5 New “paid” channels (Search 2.0, virtual assistants...)



Segments are shrinking!



Female
Age 30-35



Female
Age 30
Tel Aviv
Likes movies



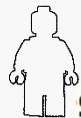
Female
Age 30
Tel Aviv
Likes action movies



Singular ,**right moment**
customer experiences



Likes action movies
Is near a cinema
Has free time now
It's her birthday





Help from an unexpected source





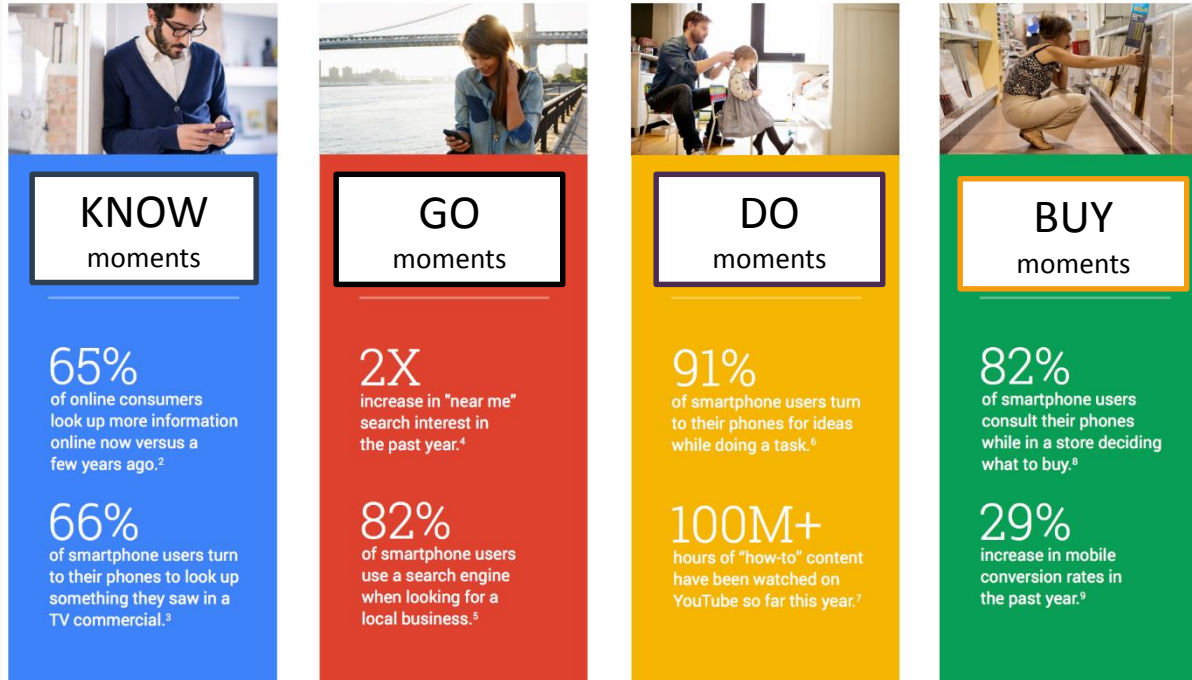
Just think about new marketing possibilities and add some channels



New smartphones have ~25 sensors



Consumers expect brands to address their needs with real-time relevance



Source: Google micro moments

Mobile is not just a channel it's a gate to digital transformation



18% of companies will include mobile in their overall strategy in 2016

Stand alone mobile app is dead Long live contextual data mobile

Mobile experiences are **too static** today & leverage **too little** consumer **context**



Customer expectations of convenience will pressure tap new technologies to serve customers in context where they already are — not where brands find it convenient to serve them

Mobility apps evolution

Apps for different uses designed for different devices

Notifications replace some apps functions

Wearables drive context & interactions

Collaboration across devices

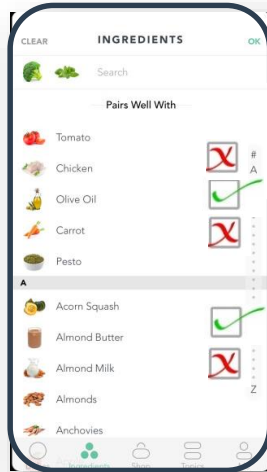
Fluid, contextual actions

Source: Den Reymer@Gartner



I ❤️ my fridge & it ❤️ me back

"You ran out of milk, eggs and chicken, so... Vegan Dinner!"



Don't forget to buy milk!



Customer expectations for better service are increasing dramatically



But what about the physical place?



INDOORS -
Hospital, airport or in-store
customer stays



incognito

Beacons: Next frontier for consumer engagement

Low-cost
Low-powered
transmitters

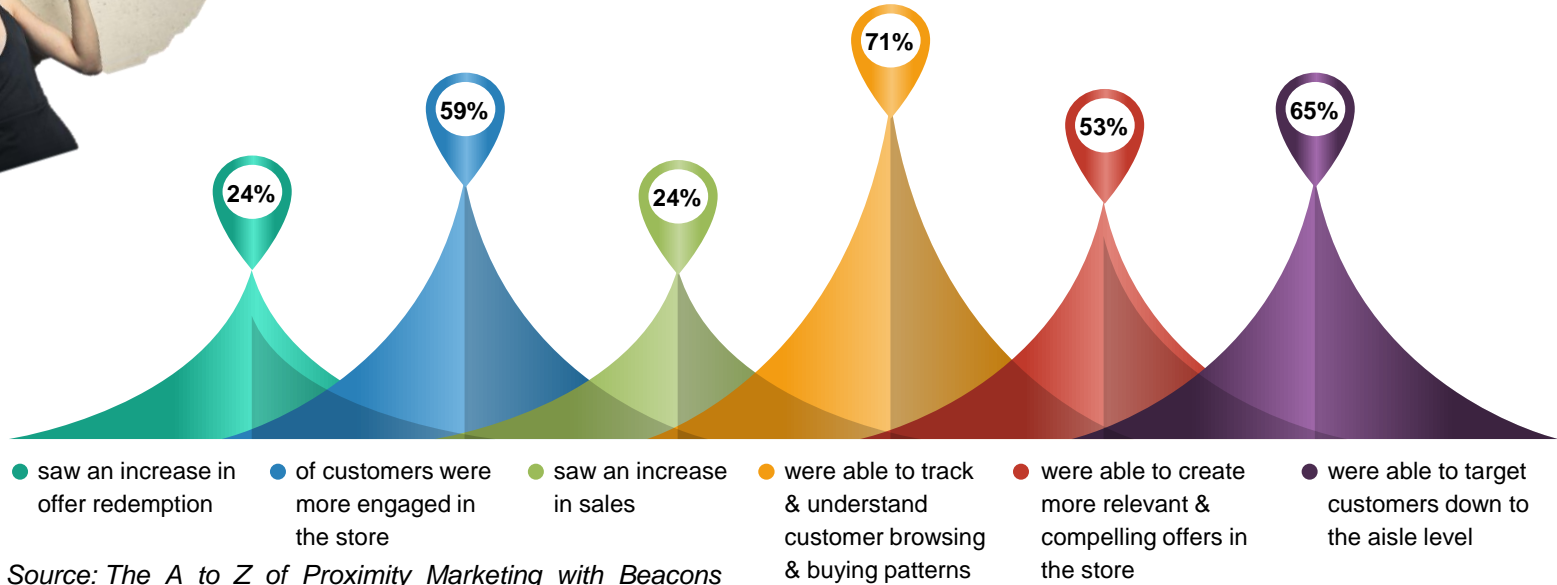
Bluetooth Low
Energy (BLE)



Enriched CX
at location

- Personalized
- Proximity-based
- Context-aware
- 2-way communication

Your competitors are already getting smarter by embracing proximity marketing



Source: The A to Z of Proximity Marketing with Beacons

Enriched CX indoors

BEACON MARKETING

Instore personalization



A new era for marketers



In this new era, data flows in from different sources, **personalized experiences** are **delivered everywhere**, and the ability to envision & deliver on new business opportunities becomes a necessity

Source: Adobe

The questions CMOs & CMTOs will need to address

Question #2:



What is the right technologies-services mix?

What do “Digital” activities look like today and in 2 years?

Today: Reliance on agencies

Human manual work

Agency chooses technologies

Agency manages (some) customer data





































In 2 years: Marketers will own a data “hub”

Automated algorithmic models will make real time decisions

Will re-own customer data

Will replace many of the “outsourced” functions currently performed by external agencies

MarTech race {towards a marketing hub} is on!

Company	Infrastructure				Customer Engagement			Data Management			
	CRM	Automation	WCM	eCommerce	Email	Social	Web	Testing	eCommerce Optimization	Data Management	Tag Management
											
											
											
											
											
											



Meanwhile, in AdTech land...

Company	Advertiser			Exchange	Ad Network	Publisher			
	Ad Server (Advertiser)	DSP	Planning/Analytics / Optimization			Rich Media	SSP	Ad Server (Publisher)	Tools
Google						 			
 Aol.	 		 	 	 			 	
YAHOO!			 	 	 				
facebook									

NOTE: AOL owns a stake in OpenX; Marketplace was launched internally by ADTECH; 1 by AOL was also launched internally
Facebook is rumored to be launching a DSP in 2016

Adtech + Martech

Technology disruptions that are reshaping advertising and marketing

It's a Mad, Mad World!

**Advertising Agencies
& Publishers**



Adtech

Technologies and approaches used for managing, delivering, targeting and measuring digital ads

Madtech

Marketers



Martech

Technologies and approaches used for managing and measuring all digital marketing and e-commerce activities.

Main marketing hubs (aka “marketing clouds”)



Adobe® Marketing Cloud

ANALYTICS CAMPAIGN EXPERIENCE MANAGER MEDIA OPTIMIZER SOCIAL TARGET



salesforce marketing cloud



ORACLE®

MARKETING CLOUD



Marketo®



Microsoft Dynamics CRM

+

marketingpilot™
SOFTWARE



sas

Customer Intelligence



IBM Marketing Cloud



HubSpot

And the winners (for the moment) are...



Adobe, Oracle, Salesforce, IBM, SAS:
Currently leading the race towards a Digital Marketing Hub

In the race towards customer experience, CMOs will need to:



Ready
Set
Go!



Design a platform for
constant change



Keep up-to-date on
Marketing AND technology



Work in full
collaboration with IT



Think long-term while
executing quick wins

That's it.

We'd love to discuss Marketing Technologies with you.

Let's talk.



The means



09-7907000



www.stki.info



STKI: IT Knowledge Integrator

