

July 27, 2010

# CMOs Must Connect The Dots Of The Online Brand

by Mary Beth Kemp  
for CMO & Marketing Leadership Professionals



July 27, 2010

## CMOs Must Connect The Dots Of The Online Brand

Orchestrate Digital For The Best Brand Experience

by **Mary Beth Kemp**

with David M. Cooperstein, Shar VanBoskirk, and Corinne Madigan

### EXECUTIVE SUMMARY

Digital has been widely embraced by consumers and by many parts of the enterprise. But the adoption of digital channels — Web sites, mobile apps, online sales and customer service, and other smart touches — has often occurred in a piecemeal way. That has resulted in three potential mishaps: 1) inconsistent brand experiences; 2) poorly invested resources; and 3) the limited strategic impact of digital on the overall business. To push these common traps aside, chief marketing officers (CMOs) must orchestrate their digital strategy using our connect-the-dots framework. Their objective: Elevate digital to the highest level of business strategy.

### TABLE OF CONTENTS

#### 2 **Digital Is Ubiquitous But Often Disparate**

The CMO Must Orchestrate The Digital Brand Strategy

#### 4 **Make The Most Of Digital To Upgrade The Brand Experience**

Put Your Digital Ambition To Work By Building A Connected Brand Experience

#### RECOMMENDATIONS

#### 7 **Orchestrate Your Firm's Digital Ambitions**

### NOTES & RESOURCES

We interviewed Forrester role managers across the various marketing and strategy roles that Forrester serves as well as Forrester subject-matter experts for this research project. We also reviewed the framework with senior marketers at major consumer brands.

#### **Related Research Documents**

["CMOs Must Orchestrate Social Initiatives"](#)

April 29, 2010

["Marketing Mandate: Connect The Dots"](#)

December 14, 2009

["Ubiquitous Marketing"](#)

July 17, 2008

## DIGITAL IS UBIQUITOUS BUT OFTEN DISPARATE

Today, nearly all brands and companies have a Web site. Many have a Facebook page, and email-based customer service is commonplace.<sup>1</sup> Marketers continue to shift a larger share of their advertising investments to digital venues, and both retailers and manufacturers sell goods through a variety of digital channels.<sup>2</sup>

At any given company, many internal players across different departments have enlisted the help of digital techniques. But the interesting efforts they've each brought online don't always add up to a compelling experience that adds value for their consumers. This piecemeal approach means that the brand experience is not coherent, and the company doesn't benefit from the true potential of digital to transform its business.

### The CMO Must Orchestrate The Digital Brand Strategy

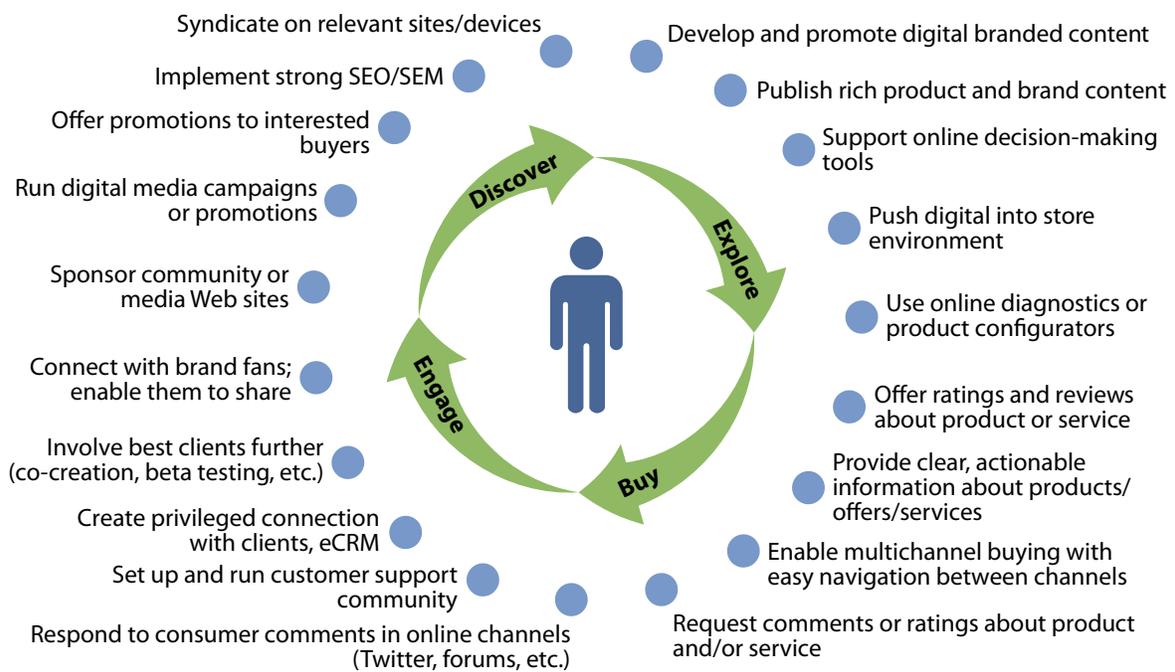
At some level, all customer relationships now have a digital dimension. That is, they rely on digital technologies — connected devices like computers, mobile phones, eReaders, kiosks, point-of-sale displays, connected TVs, and other smart devices that will emerge in the near future.<sup>3</sup> For the CMO, the digital strategy is defined by connectivity with customers across all of these channels. The CMO must take advantage of digital to redefine how her company or brand portfolio will present itself and engage with buyers in the future. While digital should not be considered in isolation to the rest of the brand experience, online initiatives can often help marketing leaders evolve their company toward a more orchestrated organization.

To be smart about digital, CMOs must embrace the key tenets of the connect-the-dots framework:

- **Align around consumer groups.** The critical principle of connect the dots is to organize around the consumer. Digital allows marketers to shift focus to specific consumer groups because it requires marketers to connect with people based on their lifestyle and interests rather than just audience demographics. For example, Procter & Gamble's (P&G's) organization is rooted in individual brands. But in the UK, brand teams have converged to launch a cross-brand Web site ([www.supersavvyme.com](http://www.supersavvyme.com)) that combines content from many writers to appeal to the hugely important and specific segment of savvy moms.
- **Synchronize around the consumer life cycle.** Initiatives like P&G's project work best when the effort reaches across departmental lines and beyond a single device. In the case of Super Savvy Me, it should become a common, companywide approach to managing savvy moms around each of the four stages of the consumer relationship life cycle (see Figure 1). For example, in the "buy" phase, the digital platform should expand to provide in-store access to additional information like product ingredients or instructions for use. To support the "engage" part of the cycle, recommendations and feedback about product and services need to be placed in the digital branding mix.

- **Make customer intelligence the backbone of the business.** Orchestration of the brand requires deep knowledge of the consumer, which starts with all of the data available via digital touchpoints. Why? Marketing leaders embrace digital because it is measurable and it can help provide intelligence. Already, digital offers granular data about interactions and often a direct consumer response. CMOs must push for better integration and interpretation of all of the data they have already.<sup>4</sup> Their key allies in this effort are their local chief information officer (CIO) and customer intelligence team. Through digital, CMOs will teach their organization three new tricks: deep segmentation and targeting, real-time reactivity, and interactivity.<sup>5</sup>

**Figure 1** The CMO Must Orchestrate Digital Around The Consumer



57242

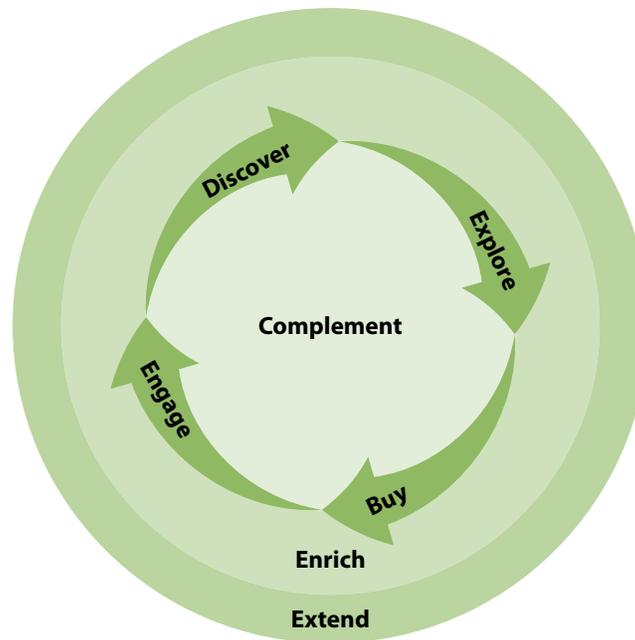
Source: Forrester Research, Inc.

## MAKE THE MOST OF DIGITAL TO UPGRADE THE BRAND EXPERIENCE

CMOs must make digital a cornerstone of their strategy to deliver a great brand experience to their customers. Connecting the dots is more than coordination or synchronization of efforts. It's an opportunity to carefully consider how digital will bring value to both the business and consumers. CMOs should set their digital ambitions to:

- **Complement the brand, using digital to anticipate the consumer.** A first role for digital is filling in the gaps within the current brand experience (see Figure 2). Digital helps accompany customers throughout their life cycle, from catching them when they look for more information after seeing advertising to helping clients respond to service questions or manage repair appointments. For example, since its stores aren't everywhere, Apple complements the exploring and buying phases particularly well with its Web site, providing rich product information, full specifications, and video and then walking the consumer through an easy-to-understand configuration and purchase. Marketers at companies that are unfamiliar with digital will find that complementing is a good place to start.
- **Enrich the brand, where digital reinvents the consumer relationship.** Digital connects consumers directly with brands. The next role for digital will be to reinterpret and add value to the brand-to-consumer relationship. McDonald's Japan engages its loyal consumers with a personalized platform on their mobile phones. These loyal eaters get faster service and targeted menus and offers. Similarly, M&M's has used digital to invent a newly interactive relationship with consumers through direct sales. Customers of My M&M's can transform the iconic candy with their own message or image. Twenty-six percent of My M&M's sales are to repeat customers.<sup>6</sup>
- **Extend the brand, where digital instigates redefinition of the brand.** The most ambitious and advanced CMOs will employ digital to extend the brand, creating new products and services for their consumers. Some examples of brands moving in that direction: Best Buy's Twitter-based Twelpforce has redefined customer service and tech help. The initiative shared Best Buy's expertise with people that don't even go into the retail locations, truly extending the brand. France's SNCF developed an entire service tailored to younger travelers in France called iDTGV. Costs — and ticket prices — are kept super low because digital is at the heart of all sales and service interactions, including ticket booking and printing.

**Figure 2** The CMO Must Set Strong Digital Ambitions



57242

Source: Forrester Research, Inc.

### Put Your Digital Ambition To Work By Building A Connected Brand Experience

Marketing leaders must fully consider how digital fits into each of the four stages of the consumer life cycle, which represents the relationship a consumer has with a given brand, and transform that relationship into a coherent story (see Figure 3). Depending on your digital ambitions, you must:

- **Reach out to other departments in the name of consistency.** Use the connect-the-dots graphic to map how your company uses digital to connect with its most important consumer targets today (see Figure 4). In particular, pay close attention to how you move consumers from one stage of the cycle to the next. Challenge your team to enable digital initiatives in partnership with other departments and help smooth out any gaps. For example, make sales more fluid with live online help and a universal shopping basket, or drive engagement with excellent online customer service supported by tools like forums and repair-appointment planners.
- **Make the value of interactive relationships clear.** Incite the organization to take advantage of digital to remodel your relationships with customers. Bring value through multidepartmental shifts like facilitating the sales teams to connect directly with customers through digital tools, enabling customization and personalization — of experience and of product/service — and engaging brand fans in efforts to shape and tell the brand story.

- **Use digital as the change agent across the board.** Digital plus gumption can equal new business opportunities or, at the very least, new products and services for your consumers. Some avenues to consider with your executive peers include: creation and sale of specific digital content, reflecting brand positioning and speaking to one of your important consumer groups; development or support of a social platform around a principal brand attribute or consumer community; and the extension of your brand into services, supported through digital.

**Figure 3** Align Digital Initiatives To Digital Ambitions

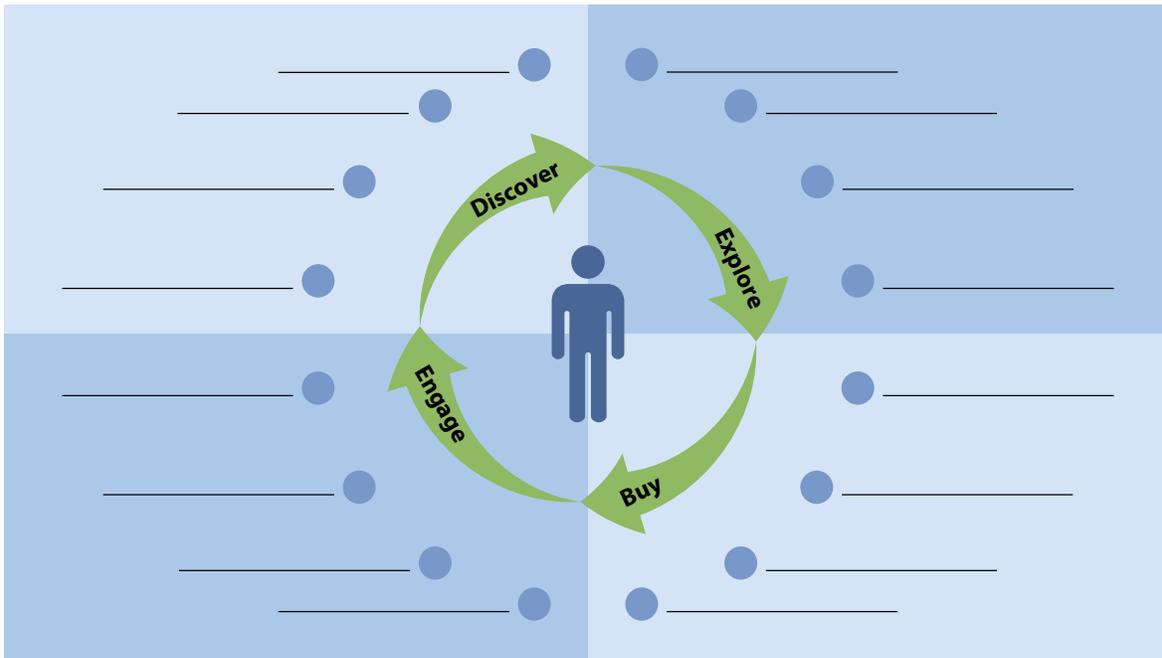
	<b>Discover</b>	<b>Explore</b>	<b>Buy</b>	<b>Engage</b>
Complement	Be relevantly present where target consumers are talking about key brand themes: social, content sponsorship, partnerships, Web communities, search, etc.	Help consumers experience the brand through video and rich brand/product content including consumer-generated content like reviews and ratings.	Make the buying process fluid by providing the right digital information at the right time: live help/personalized merchandising. Support cross-channel shopping.	Provide excellent customer service like online forums, management of repairs, or after-sales service. Create a privileged connection with clients.
Enrich	Encourage social consumers to show, tell, and spread the brand's story to their communities.	Deliver a relevant and unique brand experience, both on and off the site: personalization, branded content, new content formats, applications, digital in-store, etc.	Support advanced cross-channel practices like immediate inventory and connection to store associates. Offer customized products online.	Reward client loyalty, and provide exclusive content and services. Connect with brand fans, providing them with brand assets.
Extend	Promote newly created brand service, platform, or content to specific target.	Disrupt known brand, and introduce new content, products/service, or platform.	Create and sell specific digital content. Disrupt known retail model.	Spoil best clients. Build vibrant social platforms around the brand.

57242

Source: Forrester Research, Inc.

**Figure 4** Map Your Digital Journey Along The Four Stages Of The Customer Life Cycle

**Marketing leaders should fill in the bullets below with their own digital ambitions and map them along the four stages of the customer life cycle**



57242

Source: Forrester Research, Inc.

## RECOMMENDATIONS

### ORCHESTRATE YOUR FIRM'S DIGITAL AMBITIONS

Orchestration is far more than coordination or synchronization. The CMO must actively participate in how the company's resources connect brands with consumers.<sup>7</sup> How do you begin to connect the dots of digital?

- **Take stock of how digital supports the brand today.** Schedule a day to evaluate and plan with the company's digital mavens, taking into account that not all digital leaders may sit in the marketing organization. Invite interactive marketers, eBusiness managers, online customer care managers, adventurous product and innovation team members, and a senior IT manager to an internal meeting. Task each person with preparing three things for the meeting: 1) how they see the company using digital to interact with important consumer groups today; 2) a short presentation highlighting their digital best practices and key learnings; and 3) what they think is missing for each of the key customer groups. The objective is to highlight gaps and disconnects around the consumer life cycle.

- **Agree on digital ambitions.** Forrester has identified three possible strategies for using digital: complement, enrich, and extend. Which resonates with the “digerati” across departments? You may find that different consumer groups call for different levels of digital ambition. Remember, you’re outlining a vision here, and it may well take a few years to grow into it. Setting these ambitions will provide the basis from which you prioritize ideas and projects during that time.<sup>8</sup> Select the three to five critical initiatives that will put you on the road to your ambitions, and then fix and fund those even if they aren’t what may be typically considered marketing.<sup>9</sup> Tie those initiatives to learning objectives and long-term metrics in your business plan.
- **Assess and inspire your digital culture.** If the digital team you assemble represents a very small part of the organization, is that by design or by lack of digital expertise? Our interactive marketing maturity model can help provide insight as to how your readiness to advertise online compares with that of other marketing organizations, and our eBusiness maturity model provides a similar comparison for sales.<sup>10</sup> No matter where you sit on these scales, as the CMO, you must take an active role in educating the company about digital and how it changes the way your company engages with customers. What’s worked for others? Workshops, inspiring examples and case studies, and simple decision-making tools establish a common level of understanding.

## ENDNOTES

- <sup>1</sup> A survey of eBusiness leaders found that an average of 29% of customer service interactions happen online. See the February 12, 2010, “[Developing An Online Customer Service Strategy](#)” report.
- <sup>2</sup> Interactive marketing will near \$55 billion and represent 21% of all marketing spend in 2014 as marketers shift dollars away from traditional media and toward search marketing, display advertising, email marketing, social media, and mobile marketing. See the July 6, 2009, “[US Interactive Marketing Forecast, 2009 To 2014](#)” report.  
  
Online retail grew by 11% year over year in 2009 and is forecast to capture 8% of total US retail sales by 2014. See the March 5, 2010, “[US Online Retail Forecast, 2009 To 2014](#)” report.
- <sup>3</sup> Today’s default platform — a browser running on a PC — will rapidly give way to a host of highly diverse environments. Many will exchange a single, highly specific type of information. These smart devices will become the norm, not the exception. The tradeoffs between capability and mobility shrink, as tiny devices now offer a fully interactive Web browsing experience. And devices have broken the bounds of the keyboard and mouse, making the interface designer’s dream of direct manipulation a reality. See the January 28, 2010, “[The Future Of Online Customer Experience](#)” report.
- <sup>4</sup> Marketers who measure the impact of their Customer Intelligence (CI) say that it not only boosts campaign-specific metrics but also improves customer acquisition, retention, and satisfaction as well as revenue, profitability, and customer value. But the majority of firms still struggle to fully understand their customers and leverage their customer data as a strategic asset. See the October 16, 2009, “[The Intelligent Approach To Customer Intelligence](#)” report.

- <sup>5</sup> Marketing is pushed into new dimensions because we can interact with consumers anytime and anywhere. Ubiquitous Marketing requires a change. The bottom line is that marketing must connect to consumers on their terms. Three key words describe the transformation required of marketing to keep consumers from tuning out: reciprocal, contextual, and successive. See the July 17, 2008, "[Ubiquitous Marketing](#)" report.
- <sup>6</sup> According to Dan Michael, the research and development director of Mars Direct, within 12 months, 26% of My M&M's was repeat business.
- <sup>7</sup> Forrester calls this focus on the full brand experience "connecting the dots," which we've defined as orchestrating diverse opportunities and all resources — within marketing, elsewhere in the company, and externally — to create a compelling brand experience that delivers value to the consumer, resulting in more successful products and services, more loyal customers, and stronger brands. See the December 14, 2009, "[Marketing Mandate: Connect The Dots](#)" report.
- <sup>8</sup> Forrester recommends that marketing leaders fix their marketing innovation strategy by: 1) describing their company's vision for future customer engagement; 2) building their marketing innovation road map to chart how they will adapt their methods; and 3) formalizing near-term opportunities for testing and learning, making sure that testing is done as part of a plan. See the June 11, 2010, "[Define Your Marketing Innovation Strategy](#)" report.
- <sup>9</sup> The CMO should be willing to delegate budget to another department to finance a critical social initiative, such as Best Buy's CMO did by working with retail operations to empower store employees to become part of the Twelpforce to handle customer service questions that come in on Twitter. Budget shift will be a powerful signal about the importance of the total brand experience. See the April 29, 2010, "[CMOs Must Orchestrate Social Initiatives](#)" report.
- <sup>10</sup> Marketers are far from mastering the performance and integration of interactive channels. To mature, they should use Forrester's interactive marketing maturity model to classify their firms into one of four levels: Skeptics, Experimenters, Practitioners, or Conductors. Best practices for maturing will vary by phase. Still, in order to move gradually from one level of maturity to the next, all marketers should benchmark their maturity against industry peers, promote internal interactive successes, and adopt new technologies when they resonate with business objectives and customer behavior. See the November 19, 2008, "[The Interactive Marketing Maturity Model](#)" report.

How does your eBusiness team stack up against others? How mature is the average eBusiness team? What characteristics should an eBusiness team exhibit — and excel at? To answer these and other common questions we're hearing from our eBusiness and channel strategy clients, Forrester developed a 35-question diagnostic tool, broken into four common eBusiness disciplines, called the eBusiness Maturity Model. In June 2008, we fielded the 35 questions as an online survey to the eBusiness Council and current members of our eBusiness And Channel Strategy Professional Research Panel. It turns out that while our 56 responding panelists have a positive outlook on some team aspects like organization and process maturity, there's work to be done on others like channel integration and tracking key performance metrics. See the August 21, 2008, "[Is Your eBusiness Team Ready For Prime Time?](#)" report.

# FORRESTER®

Making Leaders Successful Every Day

## Headquarters

Forrester Research, Inc.  
400 Technology Square  
Cambridge, MA 02139 USA  
Tel: +1 617.613.6000  
Fax: +1 617.613.5000  
Email: [forrester@forrester.com](mailto:forrester@forrester.com)  
Nasdaq symbol: FORR  
[www.forrester.com](http://www.forrester.com)

## Research and Sales Offices

Forrester has research centers and sales offices in more than 27 cities internationally, including Amsterdam; Cambridge, Mass.; Dallas; Dubai; Foster City, Calif.; Frankfurt; London; Madrid; Sydney; Tel Aviv; and Toronto.

*For a complete list of worldwide locations visit [www.forrester.com/about](http://www.forrester.com/about).*

For information on hard-copy or electronic reprints, please contact Client Support at +1 866.367.7378, +1 617.613.5730, or [clientsupport@forrester.com](mailto:clientsupport@forrester.com).

We offer quantity discounts and special pricing for academic and nonprofit institutions.

Forrester Research, Inc. (Nasdaq: FORR) is an independent research company that provides pragmatic and forward-thinking advice to global leaders in business and technology. Forrester works with professionals in 19 key roles at major companies providing proprietary research, customer insight, consulting, events, and peer-to-peer executive programs. For more than 27 years, Forrester has been making IT, marketing, and technology industry leaders successful every day. For more information, visit [www.forrester.com](http://www.forrester.com).