

THE
CXM
Playbook

A MARKETER'S GUIDE TO
MANAGING THE CUSTOMER EXPERIENCE



kenna

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Executive Summary

The CXM imperative

Winning brand loyalty today means one thing: putting the needs of customers first. Giving them an experience so distinctive and so memorable that they can't help but talk about it.

Yet most companies aren't organized to put customer needs first – to think about the entire customer experience. They operate in siloes. As a result, the customer gets trapped between touchpoints, their needs an afterthought. Unhappy being treated as strangers, they complain or defect.

Here's the paradox: marketers have never had so many ways to connect directly with customers – yet it's harder than ever for them to make meaningful connections. To win the right to stay connected with customers, brands must first earn their trust.

The CXM maturity model

If the defining story of the early 21st century has been "free and now", the story going forward will be "help me now": help that arrives on time, in the context of the moment, based on the strength of the connection between a brand and its customers.

Shifting from a model focused on "make and sell" to one dedicated to relationship-building begins with a clear vision of what "customer first" means. Brands need to know the type of experience customers

want. And they need to bridge the gap between what customers value – and the value they create.

With that ideal state in mind, a business can map out a transformation plan.

By the end of that transformation journey – having moved beyond transactions to relationships – the business should be able to say, with confidence: "We put the needs of our customers first".

CXM strategy

The main strategic question that marketers need to answer today: How can the brand play a more integral role in the lives of their customers?

The answer to that question demands a radically different approach to marketing strategy: the adoption of a new, more humanistic model where the goal is to make the brand indispensable – so revered, in fact, that if it ever disappeared people would not simply take notice, they would mourn its passing.

Few brands today pass the "I can't live without it" test. The ones that do all have one thing in common: a clear idea of why they exist beyond making a profit.

Which is why brands need to take their cues from the digital brands which are defying marketing orthodoxy and inventing their own rules of engagement. What those brands share in common is a passionate desire to put the customer's interests ahead of their own – to do what's right, always.

CXM insight & analytics

With so much data to work with today, from so many diverse sources, the only limits to customer analysis are the imagination and curiosity of marketers.

But even with a rich cauldron of customer information available for exploration – their purchases, their interactions, their social musings – marketers struggle with what questions to ask, when seemingly they can find any answer they need.

Untrained in looking at data, marketers fall back on what they know: searching for exact segments to target, treating the knowledge base like a list.

Yet proprietary insight into the needs of customers is the most important asset a company can own. It can help turn an ordinary experience into an extraordinary one.

It all begins with asking the right questions.

To do that, marketers must adopt the right analytical framework: How committed are customers to the brand? How do they differ in their current and potential value? How connected and engaged are they?

Those gateway questions lead down a road of inquiry, until finally a clear picture emerges of who customers are, and how best to serve them.

CXM customer management

The old marketing model, built around advertising, is near collapse.

Everything marketers have ever learned about the business of persuasion is about to become obsolete.

Marketers need to turn the page on history. They need to embrace a new set of rules with the goal of making an emotional connection with customers. Before that can happen, however, they need a radical new “post-campaign” planning model which leads with empathy.

Rather than battering customers with a constant stream of promotional messaging and offers, marketers need to engage them in a rewarding two-way exchange of information, while encouraging them to share their experiences with others.

The main way to drive that conversation: quality content structured around what matters to customers, laddering up to a purpose statement: what the brand believes, what it stands for, why it exists. The goal: to be seen as trusted, reliable, authoritative.

By earning that credibility, a brand can win the right to stay connected.

CXM sales enablement

The era of “dialing for dollars” is over.

Sales people can no longer afford to be seen as mouthpieces for the brand. They need to be recognized as consultants, expert in the complex challenges facing their customers. And they need to be skilled storytellers: able to enlighten, teach, inspire.

To lead a complex conversation with buyers, the marketing and sales teams must craft a compelling content plan which connects the broader brand story to the real-life concerns of customers.

As the sales conversation progresses, the content must be sufficiently adaptive to shoulder the burden of proof at each point in the buying cycle, from initial discovery to the late bargaining stages.

Buyers may be more knowledgeable today, but they also suffer from information overload. The proliferation of content has actually made decision making tougher, stretching out the decision cycle.

Which is why a good sales person still has a critical role to play: helping buyers interpret the information correctly to arrive at the best possible decision.

CXM measurement

There is one question which has perplexed marketers forever: What is their exact contribution to the business?

The question looms like a dark cloud over every marketing decision, inviting the inevitable challenge: “What’s the return on that investment?”. A quantifiable answer is elusive because the cause and effect is so difficult to prove.

Whereas in the past, marketing success was based largely on product recognition and preference (known as brand equity), today a brand is judged on the quality of the customer experience.

A new approach to measurement is needed which links how customers feel about the brand with their willingness to recommend and promote it: one that shifts the focus from the effectiveness of media channels to the strength of the relationship with customers.

If brand equity is all about quantifying "goodwill" – meaning the market power which accrues from a strong brand – customer equity (expected future revenue) is a proxy for the health of the business. To help marketers connect the dots between brand and customer equity, a more holistic measurement system is required.

But behind all the numbers is a broader story – a story which marketers clearly need to get better at explaining: their exact contribution to the business.

CXM technology

Despite the widespread adoption of cloud-based marketing automation solutions in recent years, many marketers struggle to get the most out of these systems.

Mostly it's because they lack the technical aptitude. But the other problem is the difficulty of integrating multiple solutions – a challenge compounded by the fragmented ownership of engagement systems.

Given the large number of moving parts that make up a marketing ecosystem, the need for integration is paramount – otherwise there is no hope of providing a more consistent customer experience across channels. The best approach is to create a common view of customers which can be easily shared across all systems: one version of the truth, in the form of a customer data management platform.

In the coming years, the deluge of digital data will intensify due to pervasive device connectivity and

an always-on population wholly reliant on their smartphones. As emerging technologies become mainstream, the shift to real-time contextual marketing will accelerate, making the present era of targeted batch communications seem medieval by comparison.

CXM transformation

When marketers initially start down the path of transformation, it can be hard to know where the finishing line is – worse, it keeps moving as technology evolves. It can also be a treacherous path, under constant threat from internal resistance. Even the most reform-minded CMO thinks twice before crusading for radical change, mindful of the dangers that lie ahead.

To make meaningful change happen, a transformation project must start out at the right altitude, born out of a passionate commitment to putting customers first. In fact, it should not be viewed as a project at all – it is really a journey.

Marketing must be the principal architect of change – and not simply because most transformation efforts revolve around digital migration. Marketing has a responsibility to serve as the customer champion, finding new ways to make the brand a more integral part of their lives.

The ultimate goal should be to give customers an experience so captivating that it makes them feel emotionally attached to the brand, where they think: "I can't possibly imagine doing business with anyone else."



1

The

CXM

imperative

Give your customers a reason to stay connected

In these uncertain times, every business faces the challenge of transforming the way they operate. Whether you make products or sell services, the pace of change has created new expectations amongst customers – and put pressure on businesses to catch up, fast.

Customers realize anything is now possible. Immediacy has become the new normal. Winning brand loyalty in this mobile-first, “post-digital”, “free and now” world means one thing: moving as fast as customers do. Giving them an experience so distinctive that they can’t help but talk about it.

Today loyalty is earned – not bought. **All that truly matters is the quality of the relationship with your customers – and their degree of trust in you.** If you fail to win their hearts and minds, your brand will be stuck on the perimeter, invisible and substitutable. Their loyalty is entirely dependent on how easy it is to buy from you, to interact with you, to be serviced by you. Most importantly: whether they believe you put their needs first.

Great brands today create memorable experiences; attract engaged audiences who are eager to stay connected; and are integral to the lives of their core customers.

That’s why business as usual is not an option. Clinging to the past in the face of widespread digital disruption is a recipe for extinction. Businesses have reached an inflection point where technological change is forcing them to adapt whether they want to or not. Yet most of the time companies can only move at the speed of their IT department – not the speed of the market – held back by aging legacy systems and processes. But while IT is an easy scapegoat, the problem is much bigger than that.

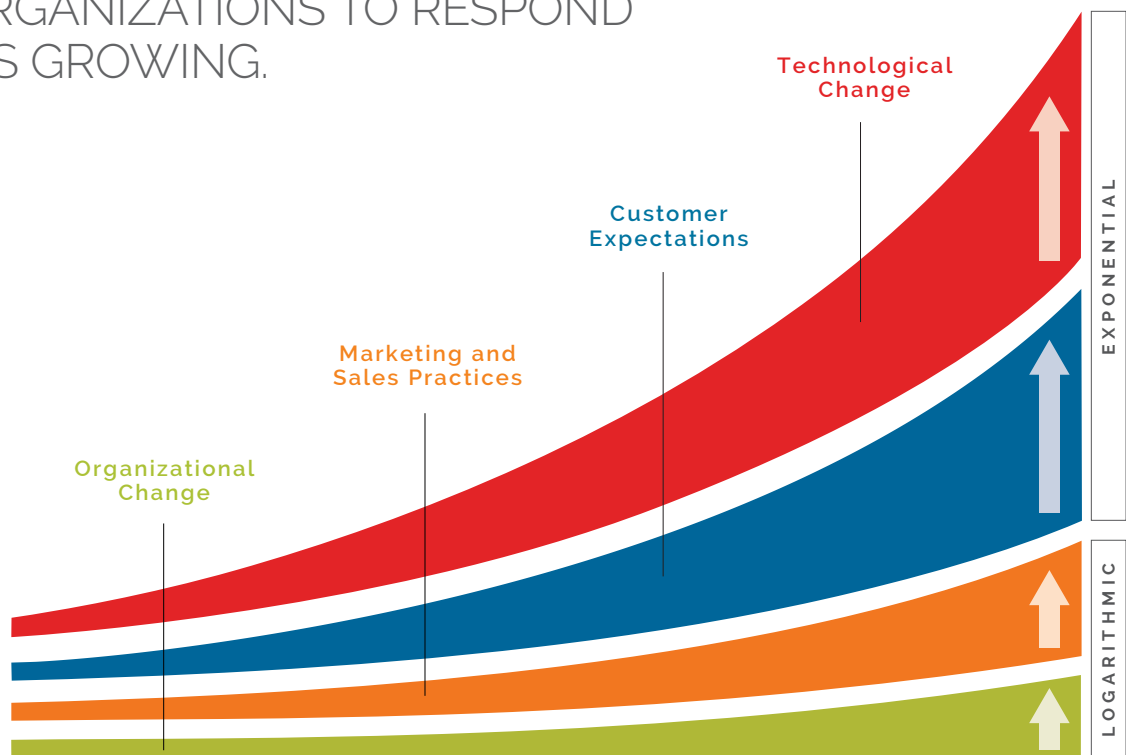
Most companies aren’t organized to put customer needs first. They operate in siloes, each functional area looking at the world through its own keyhole. No one is thinking about the entire customer experience. **Customers get trapped between touchpoints, their needs an afterthought.** Unhappy being treated as strangers, they complain or defect.

MOST COMPANIES AREN'T ORGANIZED TO PUT CUSTOMER NEEDS FIRST.





THE GAP BETWEEN CUSTOMER EXPECTATIONS AND THE ABILITY OF ORGANIZATIONS TO RESPOND KEEPS GROWING.



Source: Scott Brinker



The
CXM
maturity
model (2)

Making the leap from transactions to relationships

A.G. Lafley, the now-retired head of Procter & Gamble, once told the American Association of Advertisers: "We must move beyond transactions to more meaningful relationships." He added, famously: "The more we give up control, the more we become in touch."

Here we have P&G – the company which invented the concept of brand marketing – urging the industry to "give up control", an industry it was instrumental in fostering.

Ever since the rise of broadcast media, marketers operated by one set of rules, designed to persuade people to buy stuff. Marketers thought their job ended when the ad campaign aired. They have stayed loyal to that rulebook ever since, pumping up the ad volume even as mass media began to decline. Marketers have since resorted to even more intrusive digital ads, vainly hoping to catch the fleeting attention of elusive audiences.

Today, with ad avoidance the norm, marketers have lost their compass.

Historically their job was to move consumers from awareness to desire to action through "above the line" media spending – known as the AIDA formula. But the marketing funnel has flipped. What people say about a brand is now more important than what

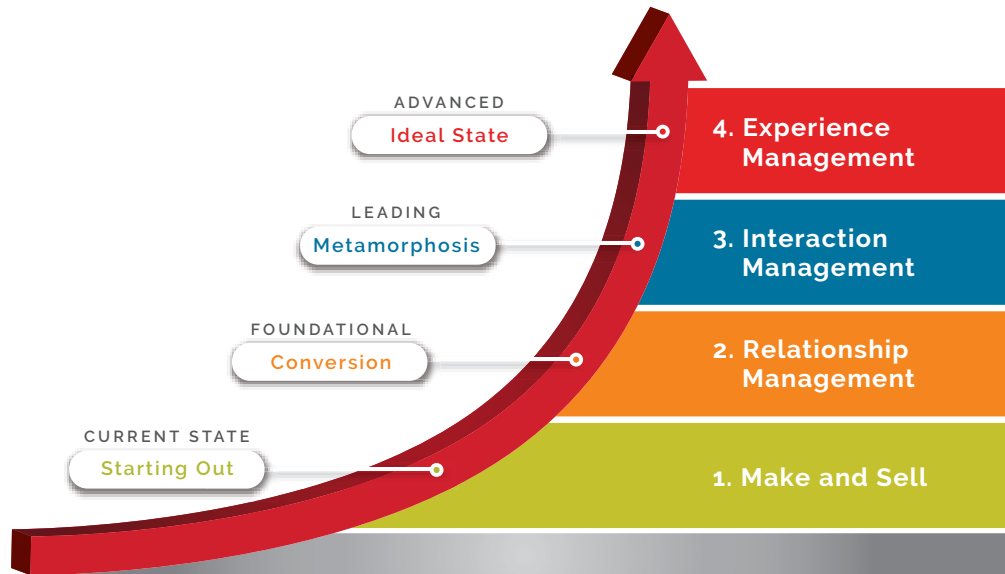
a brand says about itself. Faced with impulsive, channel-grazing, butterfly buyers, who zigzag their way along the path to purchase, a whole new set of rules is needed. Even the word campaign should finally be retired. As Amazon's Jeff Bezos says, "In the old world you devoted 30% of your time to building a great service and 70% of your time shouting about it. In the new world, that inverts".

The onus is on marketing to give up the "make and sell" model and find a new way to connect with people other than through advertising. But if marketers can no longer rent the attention of people, how do they connect with them? How do they go from trying to reach customers – to reaching out to them? To go from doing all the talking – to most of the listening? To go from championing the brand – to serving as the advocate of the customer?

Transformation certainly starts by giving up control. It also means eliminating siloed thinking; fragmented



CXM MATURITY MODEL



communications; a media-first mindset. It means marketers must learn to use the data they're amassing to benefit customers, not simply target and stalk them.

It means they must overcome internal technology obstacles and invest in the future: mainly, building a marketing ecosystem which harmonizes interactions across all touchpoints. So much has to change. And always the question: where to start?

The starting point is simply agreeing on how to create a more connected and inspiring experience. **If the defining story of the early 21st century has been "free and now", the story going forward will be "help me now": help that arrives on time, in the context of the moment, based on who the customer is and their intent.** To adapt you need to connect your touchpoints – and eliminate the pain points. You need to know the type of experience customers want – and deliver it to them every time they interact with you. You need to bridge the gap between what customers value – and the value you create.

Shifting from a model focused on transactions to one dedicated to relationships begins with having a clear vision of what "customer first" means. With that ideal state in mind, a business can map out a phased transformation blueprint, moving progressively toward the ultimate destination of offering a unified experience.

A CXM Maturity Model can help to accelerate the speed of transformation by comparing the current state of the business to best practices in customer experience strategy and design. By using this Model as an evaluation tool, a business can understand the scope of change required and identify the exact steps it needs to reach the next level of maturity. It can identify the critical weaknesses and capability gaps and prioritize corrective action in accordance with the

impact on the quality of the customer experience.

By the end of the transformation journey – having moved beyond transactions to relationships – the business should be able to say, with confidence: "We put the needs of our customers first".



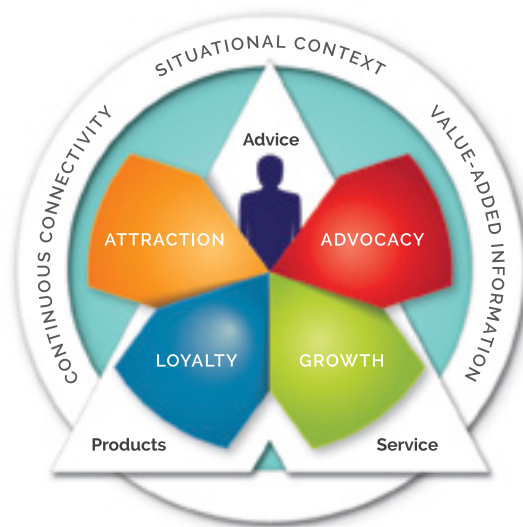


③

CXM

strategy

How brands can become indispensable



Almost 60 years ago, around the time the "Mad Men" era began, a strategic planning model known as the "4 Ps" was first introduced as a framework for marketing decision making. The components of that model included product, price, promotion and place, and that foundational idea gave birth to classical marketing theory. While the 4 Ps model has served marketers well over the years, it was based largely on the assumption at the time that brands fully controlled the levers of demand.

Today the product is no longer the star of the show – the experience is. Price is not as much a determinant due to product parity, online marketplaces and social media transparency. Promotion effectiveness has been undercut by distracted audiences avoiding ads. And place is no longer just a physical distribution point – increasingly, it is a clickable waystation on the path to purchase.

Clearly the 4 Ps model is a relic from a bygone era. But what should take its place? That debate continues to rage, spawning a burgeoning industry of marketing theorists and reformers, led mainly by digital activists. Often what gets lost in the theorizing is what's best for the customer: how their lives can be made better or more fulfilled. And that is exactly the starting point for customer strategy development: How can the brand play a more integral role in the lives of customers? What should form the basis of a lifelong customer relationship? How can the brand serve as the nexus of a customer community?

The answers to those questions demands a radically different approach to marketing strategy: a new "customer first" model where the goal is to make the brand indispensable – so revered, in fact, that if it ever disappeared people would not just take notice, they would mourn its passing.



Few brands today pass the “I can't live without it” test. The ones that do all have one thing in common: a clear idea of why they exist beyond making a profit. That purpose – or “North Star” – creates internal alignment around putting customers first.



A purpose statement plants the brand flag on the highest strategic ground possible. It gives license to imagining a more broadly defined experience which stretches far beyond the buying journey. It serves as a rallying cry for employees and a beacon for invention. And it provides the strategic context for an enshrined set of principles that govern the treatment of customers.

The elements of an experience strategy are the contemporary equivalent of the 4 Ps: product augmentation through digitally-enabled, value-added services; the unification and personalization of customer communications across channels; the

creation of continuous value throughout the entire relationship lifecycle; and the on-demand delivery of contextual advice at any point in the customer journey.

For most marketers, this is a utopian vision, far outside their current mandate, which is to drive growth. Which is why they need to take their cues from the digital brands which are defying orthodoxy by inventing their own rules of engagement. What those brands share is a passionate desire to put the customer's interests ahead of their own – to do what's right, always. That is why they can build a cult following of brand believers. That is why they rarely need to advertise, preferring to rely on word of mouth to grow their following. And that is why they can keep the conversation going with the most engaged members of their community. Customers will care to stay connected – just as long as they feel cared for.





GXM

insight &
analytics

4

Learning to ask the right questions



IF YOU WANT SOMETHING NEW, YOU HAVE TO STOP DOING SOMETHING OLD. PETER DRUCKER

The renowned management consultant Peter Drucker once said: "The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself."

Despite that wise advice, the product graveyard is filled with misconceived ideas that never made it past the store shelves. Marketers tend to lean on their instinct over facts. The reason: market research is designed to serve up clues, not definitive answers. So the findings are always open to interpretation. Marketers end up drifting into decisions they later regret due to the ambiguity of the evidence.

Converting facts into business value has never been easy for

marketers. It gets even harder when they try to incorporate the wealth of information now available through digital channels: social media posts; sensor data from connected devices; web log files; click-through and engagement data; purchase transactions from point-of-sale and e-commerce systems; plus direct customer feedback from call centers and digital listening posts.

Marketers rely on IT to tame this constant stream of data, diverting it into massive storage repositories known as data lakes until it is needed. From there the data can be ported into various systems of insight where it can be aggregated, reformatted and groomed for analysis.

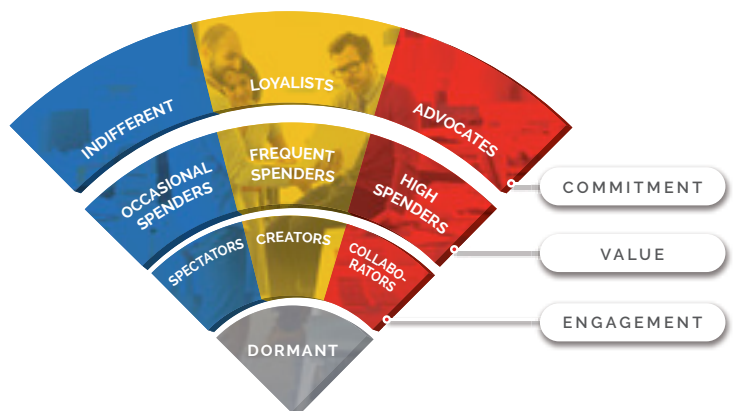


Even with this rich cauldron of information available for exploration, marketers struggle with what questions to ask, when seemingly they can find any answer they need. Untrained in looking at data intelligently, they fall back on what they know: combing the customer data to find more exact segments to target, effectively treating the knowledge base like a list.

If marketers truly want to deliver a better customer experience, they need to switch their mental focus from targeting customers to understanding them, as Peter Drucker advised. In fact, they should aim even higher: to know customers better than they know themselves. **Proprietary insight into the needs of customers is the most important asset a company can own.** It can fuel the innovation pipeline; turn an ordinary experience into an extraordinary one; and transform customer satisfaction into true affection.

It all begins with asking the right questions. To do that, marketers must adopt the right analytical framework, starting with three basic facts they should know about the customer base: How committed are customers to the brand? How do they differ in their current and potential value? How connected and engaged are they? Each of those gateway questions leads down a road of inquiry, branching off into many adjacent paths, until finally a composite profile emerges from the mosaic of data points. Behavioural tendencies become apparent. Distinct, actionable segments become plainly visible. And the sequence of actions by customers over time starts to form a discernible and predictable pattern.

Beyond exploratory analysis, the research work should include vivid, textured, day-in-the-life portrayals of typical customers (known as segment personas) which put a human face to the facts. The personas help marketers relate to customers on a personal level, encouraging empathy and understanding. When combined with journey mapping, which documents the exact path customers take as they interact across channels on a specific mission, marketers have a complete detailed picture of how customers experience the brand. **With so much data to work with, from so many diverse sources, the only limits to customer analysis today are the imagination and curiosity of marketers.** To avoid burying even more "can't miss" ideas in the graveyard, marketers need to rely less on instinct and learn to ask the questions that matter.





CUSTOMER ANALYTICS FRAMEWORK



5

CXM

customer
management



Managing the customer lifecycle

The old marketing model, built around advertising, is near collapse. The infrastructure which has long supported it – print publishing, broadcast media, traditional ad agencies, media buying services – is crumbling rapidly.

Digital media has benefited from this decline, soaking up freed up ad dollars. But the rising tide of digital ads has caused people to rebel: they are installing ad blockers or simply skipping ads. Today almost 90% of people claim they pay no attention to ads. It is just a matter of time before the entire ad industry craters, unable to save itself.

When the "ad-pocalypse" does happen, everything marketers have ever learned about the business of persuasion – about brand identity and positioning, about awareness building and product messaging, about audience reach and targeting – will be obsolete. **Marketers will have no choice but to deprogram themselves. Otherwise people will simply push marginal brands out of sight.** In fact, according to one consumer study, most people today could care less if three-quarters of the brands

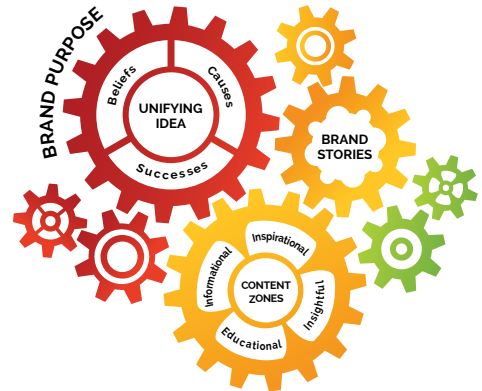
they use disappeared forever, a clear indictment of the old model.

Marketers can turn the page on history by embracing an entirely different way of thinking – a new set of rules based on putting the needs of customers first. The goal: make an emotional connection with customers. Before that can happen, however, they need a radical new "post-campaign" planning model which leads with empathy. The old approach was to start with brand goals and objectives and figure out the mix of media to achieve them. **Whereas the new marketing model has a different starting point: How to help customers throughout the full relationship lifecycle.**

People need brands to make their lives simpler, easier and more convenient across the full span of the buying journey: from the initial discovery phase,



THE WAY TO ENCOURAGE ONGOING CONVERSATION IS THROUGH QUALITY CONTENT DESIGNED TO INSPIRE AND EDUCATE INSTEAD OF PERSUADE AND PROMOTE.



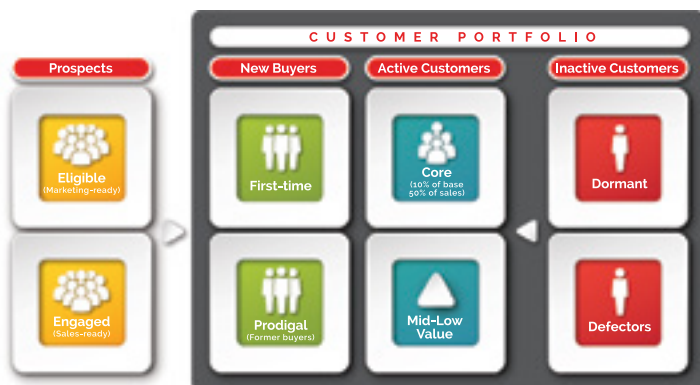
to exploration and evaluation of the options, to purchase negotiation and buying. That path to purchase, never a straight line, needs to be free of obstructions and diversions – frictionless, informative, and easily navigable from start to finish, with instant checkout lanes. Even when the buyer hits the pause button, and momentarily suspends the journey, they should be able to pick up exactly where they left off.

The quality of that end-to-end buying journey should set the tone for the post-sale experience to follow: a pre-defined series of progressively more personalized interactions, delivered across channels, and spelled out in a lifecycle management plan – first, onboarding, then activation, and as the relationship settles into a steady cadence, an expansion of the conversation to keep it alive.

Rather than battering customers with a constant stream of promotional messaging and offers, the goal of a lifecycle management program is to engage them in a rewarding two-way exchange of

information, while encouraging them to share their experiences with others. The means to drive that conversation is quality content – highly personalized, relevant and useful – structured around what matters to customers: a mix of inspiration, advice and opinion, under a thematic umbrella associated with the brand purpose.

The brand should be recognized as the go-to expert in a specific subject area: a trusted, reliable, authoritative source of knowledge. By earning that credibility, the brand can win the consent of customers to stay connected. At that point, the brand evolves from a product suitor to an information concierge, serving its customers much the same way a publisher does, fully in tune with their interests.



BRANDS WITH A TRANSACTIONAL VIEW SHOULD MANAGE THE CUSTOMER BASE LIKE AN INVESTMENT PORTFOLIO, IDENTIFYING SPECIFIC SEGMENTS WORTHY OF MORE ATTENTION AND SPECIAL TREATMENT.

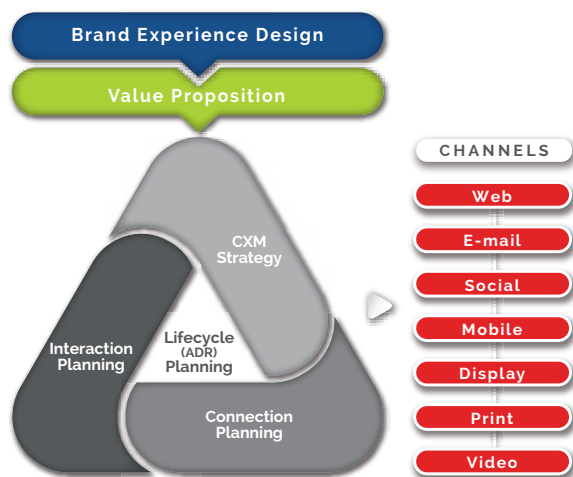


Brands which enjoy a transactional view can develop distinct strategies to manage the customer base, identifying unique sub-segments deserving of special attention and treatment. Behavioural profiling can reveal first-year customers on a sharp upward spending trajectory; loyalists who have flatlined in growth; prodigal buyers who have become active again; long-tenure customers who feel so-so about the relationship; or highly engaged advocates enthralled with the brand.

Once attitudinal and engagement data is matched up with behavioural history, the segments that

emerge will inspire design thinking and the invention of new digitally-enabled services which will extend the brand experience and widen the engagement with customers.

The new marketing model is data-driven; open and transparent; collaborative; and adaptive. It is everything the old model is not – hence the reluctance of marketers to make the leap, afraid of failing. But there is no turning back. The Age of Persuasion is over. Marketers can look forward to a renaissance of new ideas and methods, designed to put customer needs first.



CXM PLANNING PYRAMID

THE CXM STRATEGY CANVAS CONVERTS THE DESIRED BRAND EXPERIENCE INTO A MEDLEY OF RELATIONSHIP-BUILDING PROGRAMS DESIGNED TO FOSTER CONTINUOUS CONNECTIVITY THROUGH THE FULL CUSTOMER LIFECYCLE.

A photograph of two men in business attire sitting at a table. The man on the left is wearing a light blue shirt and a blue patterned tie, resting his chin on his hand. The man on the right is wearing a dark suit jacket. They appear to be in a meeting or discussion. The background is blurred, suggesting an office or conference room setting.

CXM

sales enablement

⑥



Leading the customer conversation

By the time most buyers are willing to meet a sales person today, it is almost too late to have much impact on their thinking. Opinions have already been formed based on easily available research: product ratings, peer reviews, social chatter, expert blogs, research aggregators, comparison sites, and more.

Aware of their options, buyers do not need sellers to tell them what they already know. At that late stage, when most buyers are often two thirds of their way to a decision, they are simply seeking to confirm what they believe to be true.

A seller trying to influence a buyer at that point will have a hard time making an impression by starting from scratch. Their only hope is to disrupt their thinking by presenting a fresh perspective: either an original insight, or a provocative view, that forces the buyer to reconsider their understanding of the truth. But challenging a strongly held opinion demands a complete grasp of the choices facing the buyer, plus the boldness to say:

“Here’s a different way to look at things”. Only then can the seller win permission to lead the conversation.

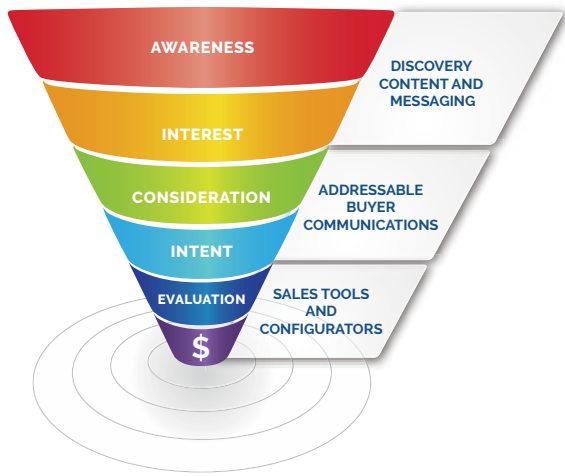
The era of “dialing for dollars” is over. Sales people can no longer afford to be seen as mouthpieces for the brand. They need to be recognized as credible sources of information – as consultants who are conversant with the complex issues and challenges facing their customers. And, most importantly, they need to be expert storytellers: able to convey the brand message in a way that enlightens, teaches and

inspires. **To make the transition from seller to “storyteller”, sales needs the support of marketing.** But first, they need to bury the hatchet. Historically neither side has much respect

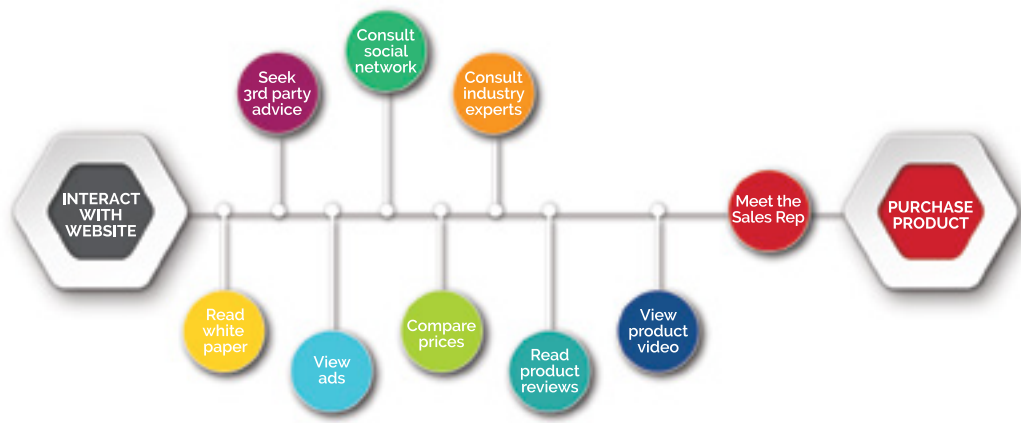


for the other. Sales dismisses marketing as being unaccountable and out of touch with what happens in the field – marketing accuses sales of failing to follow up on perfectly-good sales leads. Marketing sees itself as the brand custodian, while sales is known for tampering with carefully crafted brand messaging to suit their next sales call.

To have any hope of leading an insight-driven conversation with buyers, the marketing and sales teams must stop the finger-pointing and jointly figure out how to tell the brand stories that will win the trust of their audiences. The sales team is closest to the burning issues that keep their customers awake at night – marketing enjoys a “big picture” view of market drivers and trends. **Together they should be able to craft a compelling content plan which connects the broader brand narrative to the real-life concerns of customers.**



A messaging architecture can help to bridge the gulf between the highest order expression of the brand (how it creates value for the world) and its specific attributes (how it creates value for customers). Marketing needs to create content aligned with the early, middle and late stages of the buying cycle, advancing the sales dialogue through lead nurturing programs which address the needs of different buyer segments. The content library needs to extend beyond the collateral found in a typical sales kit to include a diverse bounty of digital assets, from white papers to videos to e-books. Each piece of content should be associated with a specific buyer segment, key decision maker and sales cycle stage, all of it organized and tagged for easy retrieval.





As the sales conversation progresses, the content must be sufficiently adaptive to shoulder the burden of proof at each stage of the buying cycle (How is the brand different? Better? Cheaper?). And it should be fully personalized, incorporating all the information gathered with each online or offline interaction, whether that's a form filled in on a website, a survey response or a revealing fact shared in a sales call.

A sales enablement system simplifies life for the sales person by making it easy to quickly assemble exactly what they need for their next presentation. Instead of spending time searching for the most relevant materials, and then customizing it on their

own, the system can suggest appropriate content based on specific scenarios (say, a first-time meeting). A common interface, connected to a central content hub, eliminates the complexity of search and retrieval, giving sales people more time to spend with buyers.

That extra face time is critical. Buyers may be more knowledgeable today, but they also suffer from information overload. The proliferation of content has actually made decision making tougher, often prolonging the buying cycle. Which is why a good sales person still has a very important role to play: helping buyers interpret the information correctly to arrive at the best possible decision.

SALES STAGES	MESSAGING ARCHITECTURE		
TOP FUNNEL [Create interest]	MASTER BRAND MESSAGING	Brand purpose	How the brand creates value for the world
	VALUE PROPOSITION MESSAGING	Key differentiators	How the brand creates value for customers
MID-FUNNEL [Ignite conversation]	KEY DECISION MAKER MESSAGING	Core competencies	How the brand meets the core needs of KDMs
BOTTOM FUNNEL [Maximize conversion]	SOLUTION MESSAGING	Solution portfolio	How the brand meets the needs of different segments
	CAPABILITY MESSAGING	Product portfolio	How the brand supports specific customer needs



CXMI

measurement

7

Making measurement meaningful

There is one question which has perplexed marketers forever: What is their exact contribution to the business? No matter how hard they try to come up with a credible response, the answer is never adequate. The question looms like an ominous cloud over every marketing decision, eliciting the inevitable challenge: "What's the return on that investment?".

As long as marketers keep prattling about brand awareness, share of voice, ad exposures, and other esoteric metrics peculiar to their trade, their words will fall on deaf ears, most notably the CFO who just wants to know if the company's dollars are being put to good use. No wonder marketing is seen universally as a cost center, its budget constantly at risk of being slashed at the slightest hint of a market downturn.

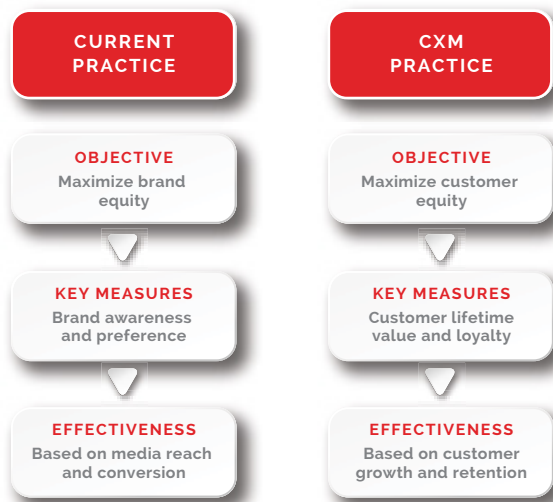
A quantifiable answer is elusive because the cause and effect is so difficult to show. There are simply too many variables to consider, too many media channels in use, too much ambient noise to isolate the most significant performance drivers. And unlike yesteryear, when TV and print advertising dominated media spending, marketing budgets today are much more

fragmented. That makes it tougher than ever to draw any kind of a regression line between total marketing spend and the payoff in top-line revenue. Market mix modelling can help to guide media planning. But in the end a nagging question will always persist: if the business eliminated its media spending altogether, what would happen?

Few companies are gutsy enough to do that: they simply accept the need for advertising on blind faith. But in an era when most people barely pay attention to advertising anymore – digital ads are doing well if they get a 1% click-through – it is time to rethink marketing measurement. After all, the influence of paid media on people is radically different from the past, as they follow a meandering path to purchase,

switching from one digital channel to another, one device to another, making attribution analysis more guesswork than science. Even the definition of brand health has changed. **Whereas in the past, brand equity was based largely on market recognition and preference, today a brand is judged on the quality of the customer experience.** The penalty for a sub-par experience is invisibility.





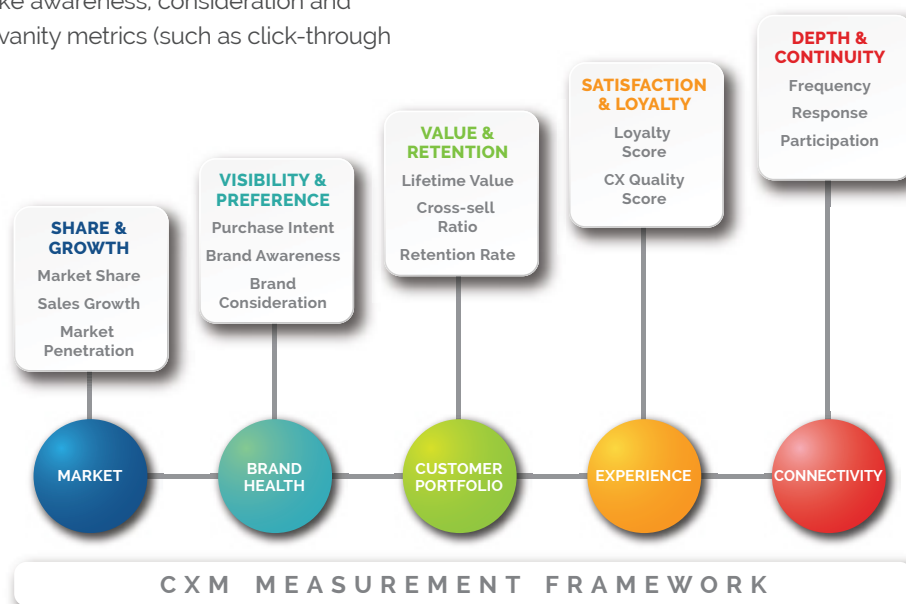
A new measurement model is needed which links how customers feel about the brand with their willingness to recommend and promote it: one that shifts the primary focus from the effectiveness of media channels to the strength of the relationship with customers. **What really matters today is not the performance of ad messaging but how enthused customers are about their brand experience and their willingness to share that story with others.** Customer enthusiasm is vital to the sustainability of the brand. It fuels word of mouth; broadens the customer base; and leads to assured recurring revenue.

Yet today marketers remain fixated on purchase funnel metrics (like awareness, consideration and conversion) and vanity metrics (such as click-through

rates, likes, shares, and social buzz), none of which easily ladder up to the performance indicators that really count: lifetime customer value, growth velocity, share of wallet, repeat purchase rate, cross-sell ratio, retention, and advocacy – collectively known as customer equity. **If brand equity is all about quantifying “goodwill” – meaning the market power which accrues from a strong brand – customer equity is a proxy for the health of the business.**

To help marketers connect the dots between brand and customer equity, a more holistic measurement system is required. The system needs to capture and display the full breadth of measures that span the customer lifecycle: from the time a customer first encounters the brand through all subsequent phases of the relationship. The goal is to measure the movement of customers through the lifecycle while identifying the factors that accelerate, or impede, their progress. The total marketing costs associated with managing that relationship can then be tied directly to a financial return calculation based on incremental revenue gain.

There is one other essential measure to track: the affection of customers for the brand. For many companies today, the default loyalty measure is the “net promoter score”: the number of brand promoters minus the detractors. But NPS is not a diagnostic





measure: it must be paired with other measures to describe the true state of the relationship. Customers are fickle. They can quickly sour on a brand based on a single negative experience. Or conversely, rave about a brand if it becomes indispensable to their lives.

The majority of customers fall somewhere in between, most choosing to suffer in silence (the so-called "passives" on the NPS scale). **The measurement system needs to help marketers identify and weight the various loyalty drivers so that fatal flaws in the experience can be fixed before the customer finally proclaims, "Enough is enough!"**

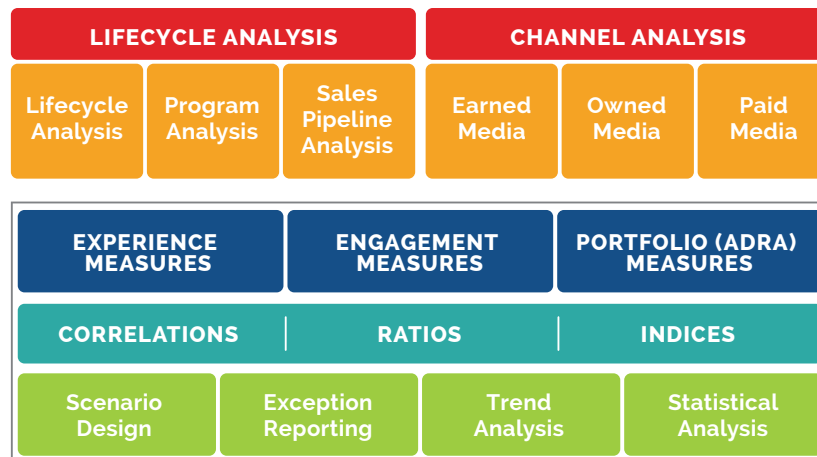
With such a diverse range of hard and soft measures to integrate, the performance reporting system must organize the data into three dimensions: **Experience Measures** which capture how customers feel about the brand; **Portfolio Measures** which indicate whether customer value is increasing over time; and **Engagement Measures** which reflect the depth

and frequency of customer interactions across all channels. Marketers can then establish correlations across these dimensions so that the dependencies become clear to everyone, helping to guide future investment in the customer portfolio.

Today most marketers still live in the ancient kingdom of spreadsheets. To make it easier for people to scan and digest the KPIs in context, marketers need to automate performance tracking, using a marketing dashboard to display the latest results. Instead of dryly reciting the facts, the strategic implications are brought to life by showing the big picture impact on the business.

Behind all the numbers is a broader story – a story which marketers clearly need to get better at telling. The charts, matrices and infographics are merely proof points for what marketers really need to validate: their exact contribution to the business.

CXM MEASUREMENT SYSTEM





CXM

technology

8

One version of the truth

In trying to create a more connected experience for customers, technology can be both a curse and a blessing for marketers. While they can now communicate directly with a growing population of addressable customers, they are obliged to invest heavily in engagement systems to manage those interactions.

But choosing the right "marketing stack" from the overwhelming number of solutions in the market can be mind-bending. There are over 1,500 marketing technology vendors worldwide, each trying to leapfrog the other, resulting in competing claims, overlapping solutions, indistinct categories of software, and a market cluttered with niche products. As the market gets more crowded, the distinctions between products gets fuzzier, making it highly confusing for marketers just starting down the automation path.

Despite the widespread adoption of cloud-based marketing solutions in recent years, many marketers fail to get the most out of these systems, often because they lack the technical prowess. After all, most marketers are trained to create ad campaigns, not serve as technologists. The other big impediment

is connecting multiple systems of engagement. Today's marketing technology landscape has been likened to an archipelago, made of many separate islands of information.

The connectivity challenge is compounded by the fragmented ownership of marketing systems. Usually one group of marketers is responsible for pushing out promotions through an e-mail platform; a separate digital team is likely in charge of all the web properties, using a content management system; the social media group generally depends on a community management tool to engage fans and followers; and over in the research and analytics area a feedback management platform might be used to directly solicit the views and opinions of known customers. In this fairly typical scenario there is no consolidated view of customer interactions.





Even if a marketer is seduced into believing a single unified marketing suite will do the job, saving them the trouble of assembling a technology stack on their own, they must still master its complexity. And despite vendor claims to the contrary, an all-in-one platform needs to be augmented with best-of-breed solutions to handle more specialized tasks.

The true integration of systems is just wishful thinking at this stage. The average marketing technology stack has 15 different components. And despite the ease with which data can flow between systems using APIs (code that allows software programs to communicate with each other), marketers struggle to orchestrate customer interactions. That's because each standalone system has its own unique data model, making it hard to synchronize the transfer of information. The other challenge is fetching customer data from multiple back-end systems of record in real-time (such as a customer data warehouse, data lake, ERP system or CRM solution).

The core module of any marketing stack is a cross-channel communication management platform of some sort which controls outbound messaging to targeted customer segments. Simply by connecting

icons on a workflow map, marketers can design and coordinate complex interaction events – recommendations, offers, surveys, triggered alerts, push notifications – across multiple connection points (e.g., SMS, websites, mobile apps, e-mail, social). But that platform needs to coexist with many auxiliary systems which make up a marketing ecosystem:

- **Marketing operational solutions** which streamline content authoring and workflow; maintain and update web content; support the tagging, storage and retrieval of digital assets; and help to manage project planning, budgeting and production;
- **Systems of insight** which cover a wide range of analytical and reporting solutions: marketing dashboards; web analytics; feedback management; advanced statistical modeling; customer journey analytics; social media listening, cross-channel attribution and more;
- **Operational engagement systems** which include e-commerce and order management solutions; customer service support systems; and unified communication management platforms which look after such crucial administrative functions as customer billing and service notifications.



MARKETING TECHNOLOGY CATEGORIES

ENGAGEMENT SYSTEMS



- POINT OF SALE
- WEB INTERFACES
- MESSAGING INTERFACES
- VOICE COMMUNICATIONS

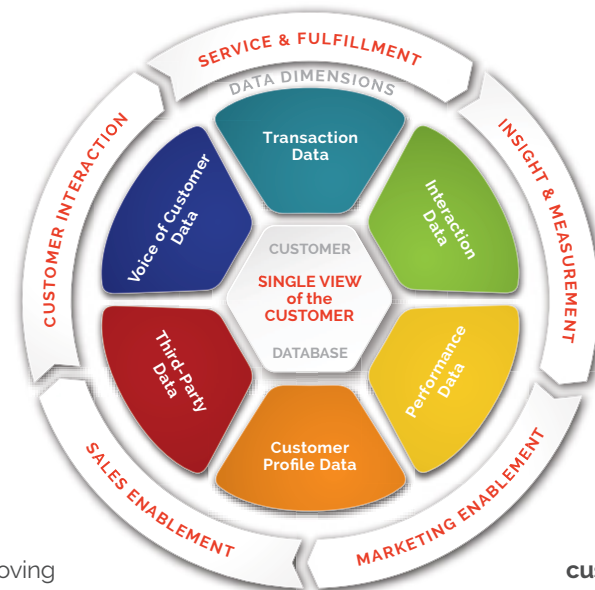
MARKETING STACK

CORE APPLICATION LAYER	Supports management of customer interactions across channels
OPERATIONAL APPLICATION LAYER	Supports the management of marketing assets and production workflow
ANALYTICS APPLICATION LAYER	Supports analysis of customer behavior and performance

SYSTEM INFRASTRUCTURE

PROCESS COMPONENTS	Supports cross-application workflow and rules
SYSTEMS OF RECORD	Authorized data stores and platforms
DATA FOUNDATION	The integration of data to form a master customer record





Given the large number of moving parts that make up a marketing ecosystem, the need for integration is paramount – otherwise there is no hope of providing a more consistent customer experience across channels. The best approach is to create a common view of customers which can be easily shared across all systems: one version of the truth, in the form of a customer data management platform.

A CDP is explicitly designed to serve as a hub for all customer interactions, becoming the information backbone for the business. It creates a "golden record" out of multiple personal identifiers, linking a home address, e-mail, membership ID, social media handle and first-party cookies, recognizing they all belong to the same person. This single universal customer profile is enhanced with external data overlays, model scores and if-then-else treatment rules (e.g., next best action) which guide content delivery and personalization. All this information is instantly available to engagement systems through API calls. **By reconciling the identity of customers, marketers can be more confident of aligning the right messaging and offers with**

customers as they interact across channels and devices. In

turn, the engagement systems send back all matching interaction data – what customers viewed, clicked, liked, and acted upon – helping to guide content development.

In the coming years, the deluge of digital data will intensify due to pervasive device connectivity and an always-connected population wholly dependent on their smartphones. As emerging technologies like artificial intelligence, augmented and virtual reality and intelligent agents become mainstream, the shift to real-time contextual marketing will accelerate, making the present era of targeted batch communications seem medieval by comparison.

For the time being marketers are stuck at an adolescent stage of data maturity, not quite sure what to do with the growing bounty of knowledge they have about customers. But once they get past this awkward growing phase, every facet of marketing will undergo a complete transformation. Technology will be the great accelerator, finally enabling marketers to catch up with the always-on demands of customers.

A blurred city street scene at night, likely New York City, featuring yellow taxis and pedestrians crossing a street. The background shows a multi-story building with classical architectural details and red awnings over storefronts. The overall atmosphere is busy and dynamic, with motion blur on the vehicles and people.

CXM

transformation

9

Moving at the speed of customers

By now most marketers have awoken to the urgency of change. Continuing to spend marketing dollars on acquiring customers, only to lose them to a poor experience, is just too costly, especially when so few people are paying attention to advertising anymore.

The need for change is even more apparent when customers use social media to publicly shame brands they dislike. So the business case for transformation is easy to make; not as obvious is how to go about it.

When marketers initially start down the path of transformation, it can be hard to know where the finishing line is – worse, it keeps moving with each new evolutionary leap in technology. It can also be a treacherous path, under constant threat from internal resistance. Even the most reform-minded CMO thinks twice before crusading for radical change, mindful of the dangers that lie ahead. No wonder 70% of transformation projects eventually run out of steam, drained of support and resources.

To make meaningful change happen, a transformation project must start out at the right altitude, born out of

a passionate commitment to putting customers first. In fact, it should not be viewed as a project at all – it is really a journey, divided into distinct development phases, intended to achieve confidence-building progress over time. Each phase lays the groundwork for the one to follow. Measurable success criteria are set for each phase, helping to prove the investment is paying off while building momentum and support.

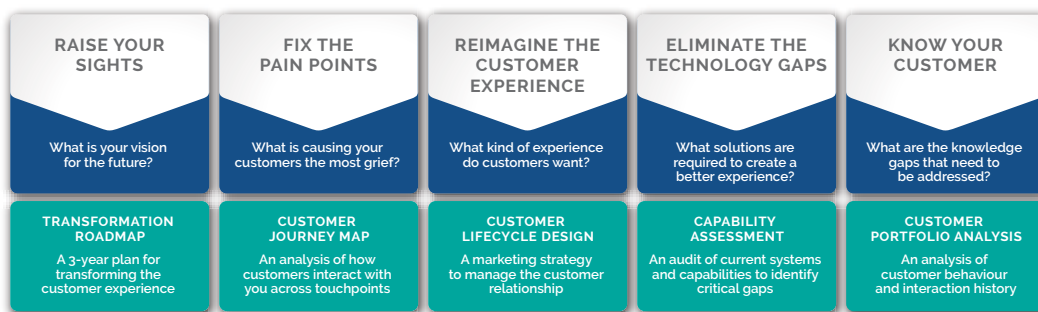
Marketing must be the principal architect of change – and not simply because most transformation efforts revolve around digital migration. Marketing has a responsibility to serve as the customer champion, finding new ways to make the brand a more integral part of their lives. While marketing has always been accountable for winning new customers, its mandate today is to win them over, based on the quality of the brand experience.

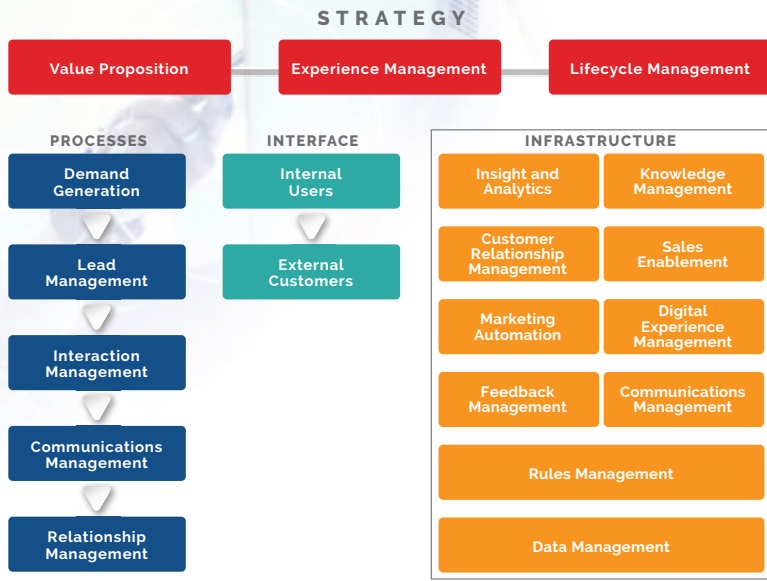


The transformation journey must begin with an uplifting vision statement, mirroring the values and principles that customers hold dear – the belief system that shapes their everyday existence and influences the choices they make. When all else is equal – price, convenience, selection – shared values become a differentiator, especially today, when brand integrity is so important to people. Hence the importance of being clear on what the brand stands for – its larger purpose in the world. That declaration sets the stage for defining what ideal state looks like: gives broader imaginative license to designing a truly signature experience. **The job of marketing shifts from focusing on persuasion through media to creating the conditions for a mutually beneficial relationship: one where the customer always comes first.**

That's why the main purpose of transformation should always be what's in the best interests of customers. Identifying their pain points as they interact across channels is the usual starting point: simply making it easier for them to get what they want, when they want it (which, increasingly, is "Here and now!"). That's why customer journey mapping is essential. Whether a customer is at an early discovery stage in the buying journey, or using a product for the first time, or seeking immediate post-sale support, the goal is to make that experience as consistent, frictionless and rewarding as possible across all touchpoints. But that just removes the grit from the experience. The ultimate goal should be to give customers an experience so captivating that it makes them feel emotionally attached to the brand, where they think: "I can't possibly imagine doing business with anyone else".

Once ideal state has been defined, the work can begin to achieve it. The first step is to define the transformation tracks and identify priority changes within each development phase. This is where it is important to assess the degree of change required across all aspects of customer experience management. An audit of current processes and capabilities will reveal the level of CXM maturity relative to best practices. The most glaring gaps are identified, along with the technologies required to improve interactions with customers. In addition, the organizational structure of the business is evaluated, with the objective of promoting greater cohesion and collaboration, either by knocking down internal siloes, or by forming a Center of Excellence made up of change agents whose role is to spearhead company-wide transformation.

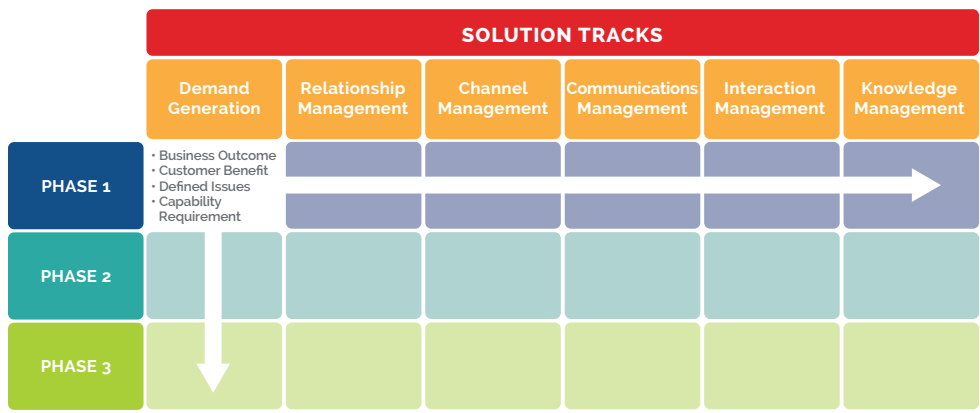




Once the transformation projects have been scoped out and planned, a "war room" can be set up as a command center, providing project oversight and governance, while gaining organizational alignment, managing expectations, setting priorities, suppressing rearguard action, celebrating successes and, most importantly, keeping the enthusiasm level up, even in the face of adversity.

Change of this scope and magnitude is always paralyzing. But marketers can't afford to stand still – time is not on their side. The marketing business is being hit by one shock wave after another due to the digitization of the economy and the market disruption it causes. A go-slow approach only results in businesses falling further behind. Marketing has a lead role to play, helping organizations move at the speed of their customers.

TRANSFORMATION ROADMAP





Kenna is a marketing solutions provider which specializes in helping businesses design and deliver more unified experiences for customers.

We enable marketing and sales to easily engage with customers, providing the information they want, when they want it. Our fully integrated engagement ecosystem, engineered around a single view of the customer, can power more personalized and dynamic conversations at every stage of the relationship lifecycle. The result: more loyal and valuable customers eager to stay connected.

Our approach to experience design starts with a complete understanding of the customer journey. We then apply that insight to the design of fully integrated cross-channel experiences which support all phases of the customer lifecycle, leading to a state of continuous connectivity.

Kenna is owned by MDC Partners, a global advertising holding company headquartered in New York City.





ABOUT THE AUTHOR – Stephen Shaw

As Chief Strategy Officer at Kenna, Stephen's role is to guide clients on the adoption of customer management as a core marketing discipline and to serve as an advocate for marketing transformation.

A recognized authority in Canada on the subject of relationship and database marketing, Stephen's expertise spans information technology, customer analytics and marketing strategy. Over the years, he has worked with major clients in almost every business sector, spearheading a diverse range of marketing initiatives, from development of customer relationship programs to creation of fully integrated lead management systems.

Stephen's prior experience includes strategic leadership positions at various prominent CRM and database marketing services companies in Canada. His early career was spent in the direct response field, specifically in the areas of publishing, mail order and financial services.

Customer
first
thinking.



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