



# THE EVOLUTION OF MARKETING IN THE DIGITAL AGE

## FROM CMO TO CTO by Salina Christmas

The convergence of marketing and technology functions inevitably leads to two things: new business practices, and the privileging of certain skills within marketing. The marketers with the right skill set – creative, digitally literate, analytical and insightful – will dominate.

The four Ps that form the tenets of the marketing mix – Product, Place, Price and Promotion – are now irreversibly digitally interconnected. With every process, from ideation to customer feedback, the marketer must consider not only strategies for an effortless customer experience, but also the digital applications that support each process, from CMS and CRM to CSR.

has asked a selection of marketers and digital specialists from a variety of industries how they go about navigating this increasingly complex landscape.

### THE CMO BECOMES THE CTO

*"The savviest CMO's know we are in a digital age and that there are some really powerful digital marketing tools at their disposal,"* said Ian Malone, Founder, We Are Apps. He does not think, however, that digital literacy is as key as the value a company places on its brand. *"Luckily for us, most forward-thinking companies recognise that brand is an important part of their offering and that strategic decisions that shape the business will influence, and be influenced by, the marketing function."*

John Dodds, an MBA-accredited marketer who has worked on a number of high profile FMCG brands, thinks that proficient numeracy and digital literacy is the rule, not the exception. *"I would hope every employee is digitally literate and highly numerate,"* he

said. *"As for executive washroom rights, you earn those by results not by any skills you may or may not have. Baked-in marketing is a bonus, but it shouldn't occur to the sacrifice of customer benefit. Never forget that product is the first P of marketing."*

### BUT CAN THE CMO BE THE CEO?

With the distance between customer touch-points and back-end infrastructure narrowing, there is no doubt that the CMO will proactively assume the CTO role to get things done.

Does this mean that the CMO is finally on equal footing with the CEO and the CTO?

*"There is some crossover, and indeed many corporations are recognising that by creating a new role, the Chief Digital Officer,"* Malone observed. *"The reality is that there*

*aren't many CTOs who know how to utilise the power of direct mail and that there can't be that many CMOs who fully understand load balancing on cloud servers!"*

Slate Olson, CMO, Rapha Racing, said: *"It may come as a surprise, but Rapha doesn't have a CTO. In fact, just last year we hired our first IT role of any view beyond server and desktop support. Technology and the user experience is a focus for everyone in the marketing side of our business. Our Head of E-Commerce has been at the front of this as de facto CTO, I suppose, but really it has been a shared and constant focus to bring analysis and insight along with the intuition and vision we've had for Rapha. The four P's are certainly at the foundation as true for any great marketing-led company, but we talk as much about the three C's: Content, Commerce, Community."*

*"UBM Live is a marketing-led events company,"* said Lisa Taylor, Marketing Director, UBM Live. *"In fact, our CEO, Simon Foster, has a marketing background so marketing excellence is ingrained into our business practices. Factoring traditional IT and emerging technologies into marketing strategies takes a lot of energy, commitment and collaboration with our in-house digital and IT teams. However, the marketers have to be the pioneers who engage with the technical teams over activities such as events."* For such organisations, where the customer touch point is physical as well as digital, the customer has to be at the centre of everything.

### CONSIDER 'CULTURE'

A fantastic digital skill set, however, isn't enough to ensure a CMO's prominence within a business structure. In a risk-averse culture where senior management teams rely on a huge amount of data and consensus to agree on one project, a potent combination of marketing and technology skills will not necessarily guarantee the marketer a huge amount of influence at board level.

This is well understood by British Airways,

a company known for its forward-looking social CRM strategies and incentives. During a conversation about the airline's customer proposition projects, Emma White, Programme Manager, British Airways, observed that in a corporate structure where decisions are made by consensus, there could be initial hesitation in making the first step towards implementing new concepts based on technology. It isn't just technological determination that informs the influence of the CMO within the business. The sociocultural determination within a corporation plays an important part, too.

### OFFLINE INFORMING ONLINE

So how early in the ideation process should digital platforms be considered by the marketer?

Very early, said Malone. *"Like many other studios, we have started to productise our offering and going forward the bulk of our business may come from a single product, Geemo, our BLE Beacon management platform. What we've found as we begin to take the product out there is that social media is a component of our marketing, but perhaps not the most vital one for a B2B proposition. LinkedIn is great for getting through to the digital decision makers we think will be in charge of rolling out iBeacons. But frankly, that can't compete with the 700% surge in web traffic we saw after appearing on the BBC to explain beacon technology to a mass audience. I have to recognise that traditional media opportunities are still a very powerful way to reach your audience. PR is probably the most effective tool for us at the moment so an article in The Grocer is going to be valuable to us in reaching FMCG brands who may be considering using iBeacons in their point-of-sale materials."*

For Rapha, the offline and online planning go hand-in-hand. Olson said: *"We have had to take a pretty manual approach to merging the online and off-line worlds to date. Building off strengths, we have first focused on bringing the stories and experience of*

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Lisa Taylor, UBM Live

*Rapha.cc into our Cycle Clubs to enrich the shopping and cafe experience. In February 2014, we redeveloped our commerce engine to a more robust Hybris platform which will allow us to integrate with our EPOS system at the Cycle Clubs. Our goal, of course, is to have a single view of our customers so we can deliver a fantastic experience no matter where they interact with us."*

For UBM Live's events marketing, Taylor outlines how digital consideration is taken with the aim of providing continuous customer engagement. *"We use continuous analytics and qualitative research to provide insight throughout the year, not just to engage with customers for the three months preceding an annual event, or immediately afterwards. The management of our online communities has fundamentally changed the way we engage with our customer. We work hard to really understand the customer journey from start to finish".* Dodds, however, had this to say: *"FMCG brands are consumed offline, not online, and that should be at the forefront of any ideation or product development. You should be creating products for real people not for their social networks."*

### SUCCESS CRITERIA

Dodds' words of caution have their roots in the deluge of information provided by big data. We have reached a point in time where online user uptake is no longer measured only through traditional KPIs such as net sales, transactions, units and web traffic. With social media, the marketer now has to measure qualitative data such as behavioural patterns at quantitative level. The danger lies in 'paralysis by analysis', in which digital technology and its data sets, as Dodds put it, provides the marketer with *"the opportunity to take your eye of the ball"*.

*"The only KPIs I'm interested in are sales and profit,"* he said. *"Beware the echo-chamber. And surveys that classify undefined once in a month activity as an indication of regular behaviour."*

*"You have to be aware of what's going on at the edge, but also be aware that the edge is a long, long way from the mainstream. I've been going to quantified self and internet of things meet-ups for over two years, and behavioural economics gatherings for five, but I'm very clear that*



#### Ian Malone

Founder, We Are Apps  
Malone was a Creative Director and has been in advertising and marketing for two decades. Malone spotted an opportunity in what he calls a "Second Wave experience", where the smartphone, like the internet, changes the way users shop, socialise, research and entertain themselves with one critical difference: instant gratification. His concept can be explored at [weareapps.com/second-wave](http://weareapps.com/second-wave)



#### Slate Olson

CMO, Rapha Racing Limited  
Olson was a Nike marketing executive based in the US. After five years as the General Manager of Rapha North America, he moved to London in 2013 to assume the role of Chief Global Marketing Officer at Rapha's London headquarters. The Rapha customer propositions can be experienced digitally at [www.rapha.cc](http://www.rapha.cc)



#### Lisa Taylor

Marketing Director, UBM Live  
Taylor is at the helm of the division responsible for streamlining the online and offline user experience for UBM events. Prior to UBM, she was a Marketing Manager at Business Link Surrey and Doctors.net.uk. Taylor also has a vast experience in healthcare events management and communications. Details on UBM Live events can be found at [www.ubmlive.com](http://www.ubmlive.com)

#### John Dodds

A self-described "marketing deviant", Dodds is a Marketing and Business Consultant with background in public and private sector businesses in UK and US, including most consumer media industries. He is responsible for some of the most memorable personas for FMCG brands, especially within fine foods and drinks. His critique on marketing can be read at [www.makemarketinghistory.blogspot.co.uk](http://www.makemarketinghistory.blogspot.co.uk)

#### Emma White

Business Programme Manager, British Airways  
The effervescent Emma White is responsible for spearheading and updating the airline's customer proposition programmes, which include utilising mobile commerce and CRM for customer personalisation and loyalty schemes. Details of one of these programmes can be found at [www.britishairways.com/en-gb/information/ba-on-your-mobile](http://www.britishairways.com/en-gb/information/ba-on-your-mobile)

## BIOGRAPHIES

*(the marketer's role is informed by what) 'the customer doesn't and won't' (buy)."*

However, through careful selection, the right data sets could be used to accurately measure the success criteria of the product. In UBM Live's case, segmentation is used to generate personas, which then inform its strategies for customer personalisation.

## OLD IDEAS, NEW CHANNELS

And then there are the old business models that don't fit the new digital channels.

*"It depends entirely on the type of app or product you are putting out there,"* said Malone when asked about the concept of white label marketing for native apps. *"White labelling has been a feature of dating propositions for years, where it's been very effective at creating pools of users that are shared between front-end brands. They get away with it because dating app users are pretty much always looking for the same thing. I'd argue it would be less effective if you were creating a social sharing application where you need a unique feature to make you stand out from the myriad of other propositions out there."*

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**Slate Olson, CMO, Rapha Racing Ltd**

Nonetheless, the email, an old platform, has become a key player in social CRM and mobile responsiveness. The email provides the marketer with the means of penetrating mobile marketing, containing the costs of direct marketing, segmenting market demographics accurately, capitalising on content and reviving the craft of copywriting – albeit in short form.

## OLD CHANNELS, NEW IDEAS

For British Airways, CRM is one of the strategies utilised for customer personalisation. CRM and CSR are being used to inform ground staff as well as cabin crew of the history of a customer. For example, by consulting an iPad during a flight, the cabin crew has access to information telling them if a passenger has, in the past, had problems with the airline due to delays and such. They are then able to proactively compensate for it by offering the individual new incentives.

Malone believes that channel choices should *"depend on the type of app, product or service you are offering"*. He explained: *"If you are taking a new shopping app to customers of a supermarket you'd start with your subscribed email database or messaging through a reward programme. You'd also use*

*your customer magazine and in some cases you may even support the launch using TV advertising. We saw a slew of this eight to nine months ago. But as a start-up with a social sharing app, you'd be more likely to launch with an App Installs campaign on Facebook to boost your initial ranking in the app stores."*

Olson said: *"We are looking at how we can interact by pushing content or message to our customers as they come into the Cycle Club. We never want to be invasive. We'll continue to look for ways to enhance the experience for cyclists. For example, some years back now we pushed out an app called Rendezvous that tried to simplify how people set-up and find group rides. It was probably ahead of its time for us, but with our growth and Cycle Club expansion, there are more ideas about connecting our communities in meaningful ways that make for better cycling."*

For UBM Live, the trick is to strike the right balance between offline and online marketing. Although Dodds warned that the product must be king, not its social media network, Taylor observed that polymediation – the use of several digital and offline narratives to communicate one message – is increasingly the preferred choice of communications among its customers.

Taylor said: *"Digital data helps us to translate knowledge of our customers into offline service at a live event. To achieve that, you have to maintain ongoing communications and build the community to get a consistent approach. We certainly don't want to give different experiences online and offline"*.

Consistency is also the aim for Rapha Racing, as it seeks to maintain a brand that could withstand different cultural interpretations and technological appropriations. Olson said: *"A challenge we're facing as a global business is seeing that the expression of our brand throughout the world is consistent. It probably doesn't sound like an innovation, but we spend more time and effort than you might expect in local language, and adaptation conversations. Because the look-and-feel, language and even font and sentence structure is so important to us, we are challenged to find innovative approaches and safeguards as we expand into local languages and currencies."*

## FUTURE TRENDS

Tech startups provide large organisations with the opportunity to invigorate the company's business outlook through third-party partnerships, Taylor observed.

She said: *"We work with a lot of IT startups which, through the technology that they*

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**Ian Malone, We Are Apps**

*develop, are now getting the buy-in from bigger more established companies. We do trials with them and create really strong relationships. We've worked with an increasing number of startups providing us with the technology to improve the way we work. This approach allows us to be agile and nimble in innovations, whilst providing an exciting opportunity to work a lot more closely with our own in-house IT, digital and development teams."*

Retail is, of course, space to watch out for in terms of the next disruptive marketing practices, especially with the rise of wearable devices and 3D printing. Rapha Racing, being both the e-commerce and brick-and-mortar outlet, is realistic in its outlook on haptic marketing and 'the internet of things'.

*"The other challenge we keep constantly in front of us is how we allow our .cc customers to experience the product,"* said Olson. *"The better we can present the product with content and photography, the easier for them to get a true sense so they can buy with confidence. So far we haven't cracked how to let them 'touch, feel and try' the product online, but we're still working towards it."*

Whilst the convergence of the CMO, CIO and CTO roles may upset the corporate apple cart, it also paves way for a new type of collaboration between large organisations and tech start ups.

Although technological innovations can disrupt, they also provide emerging "creative marketers" the means of cohering over a craft very much like the way craftsmen unite under a guild. For hybrid marketer-technologist such as Malone and his associates, software applications are not just tools. They are the objects that the marketer, the designer and the developer socialise around, and over which they form their professional identity. ■

**Internet World** (June 17-19 2014) will provide insight on how to define and deliver your digital strategy in collaboration with your wider teams.