PERSPECTIVES OF INTERACTIVE AND DIGITAL MARKETING IN 21ST CENTURY

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Introduction

Most corporations must now "market in a digital world". The "always on" consumer (and business consumer too) is able, and increasingly likely, to search, enquire, interact, complain, buy and pay through mobile devices. Marketing for most corporations is becoming increasingly interactive and "always on". Delivering an efficient (for the customer and the company), relevant (personalised) and engaging experience increasingly relies on a deep knowledge of the consumer; who they are, the devices they use to connect to the company and the content they want to see. Modern interactive marketing demands deeper understanding of customers and their behaviour and how they like to interact with the company and the ability to deliver personalised experiences which they find useful and engaging. There are few marketing, sales and service situations where the corporation is not able – at least in principle – to gather the logistic, operational, marketing, sales and service data which tells the corporation whether the customer has been served well or not, and the number of situations where it cannot are diminishing. So long as customers have smartphones, data can be gathered from customer to support all these activities.

Interactive marketing and its associated analytics, particularly real-time high-performance analytics, are opening up new marketing opportunities, leading to improved marketing return on investment, and then identify why so many companies fail to obtain the expected benefits. The value of the social approach has been demonstrated in many markets, e.g. in mobile telephony, although one must not overestimate the power of social media to engage – hence Don Schultz's warning (Schultz and Peltier, 2013) that much social media advertising engages the already engaged.

This interactivity is not only in marketing, sales and service. The "social business", deeply connected with its staff and suppliers, knows how to harness its collective knowledge, using social systems such as Salesforce.com's Chatter and Microsoft's SharePoint, enabling information once locked into one channel or department to be shared across a company. Logistics and operations flow through a

company have become trackable, constantly, in every process. Non-interactivity and non-trackability will become the exception rather than the rule.

The terms "Bring Your Own Device" and "Use Your Own Application" challenge a corporation's media management teams. Once an organisation is committed to using all the channels consumers want to use, the main change in the nature of the marketing game is speed. We have always had to know whether a customer prefers mail, telephone or face to face, but now we need to know more about their preferences and their connecting devices to deliver the right content to them at the right time. "Always on" marketing is differing from "campaign" marketing. The corporation must develop its people, processes and system capabilities to interact more dynamically with the consumer, in all channels – hence the use of the term "omnichannel", referring to channels customers want to use, rather than "multichannel", referring to channels suppliers want to use.

The problems posed by recent developments

There are many studies which demonstrate either the awareness by companies of the problems facing them in dealing with the high volumes of data and/or their admission that they have a long way to cope with these volumes and use them to achieve their objectives, for example, The Digital Disconnect: Joining the Dots in the Modern Media Mix, SAS Institute (2012a, b, c). Failure to exploit the insight that digital media gives into customers' needs and sentiments was common. In other words, there was a sizeable gap between the importance placed on digital channels and the ability to execute through them.

Marketing in the value chain

Some companies find that their ability to make the best use of digital and interactive marketing is hampered by the relationship between marketing and the rest of the corporation. We believe that this problem is related to the way the role of marketing has been portrayed in the strategic literature, particularly the value chain literature. Porter's (1985) value chain idea was first published in 1985 was developed with reference to competitiveness. Marketing and sales were the fourth and service the fifth and final of the primary activities (after inbound logistics, operations and outbound logistics). These were supported by firm infrastructure, human resource management, technology development and procurement.

Business intelligence (BI) – The engine room of interactive marketing

Marketing is recovering from relegation to downstream status to being a key integrator of information to ensure that a company stays competitive. Behind this lies the corporation's BI, which is defined as

a combination of technologies, architectures, people, processes and methodologies that transform raw data into useful business information. In marketing, the main BI technologies used are reporting, online analytical processing, analytics (past and predictive), data and text mining.

The maturing of marketing BI

A corporation's ability to determine its BI needs and then implement the required BI is an essential part of the maturing of BI management and of marketing. Just as corporations take time to absorb and deploy the best marketing techniques, so they take time to learn how to develop and use BI. Work has been carried out on BI maturity by many writers, including Williams and Thomann (2013) who propose a four stage maturity model that stresses changes in how information is used, with each stage bringing increasing value, and The Data Warehousing Institute's model (Eckerson, 2007), in which maturity is evaluated using eight areas: scope, sponsorship, funding, value, architecture, data, development and delivery. Each of the eight aspects is graded with the following five grade scale: infant, child, teenager, adult, and sage. Gartner's maturity model for business intelligence and performance management (Burton, 2007a, b; Hostmann et al., 2006; Rayner and Schlegel, 2008) has five levels of maturity: unaware, tactical, focused, strategic, and pervasive.

The rise of insight and the self-service problem

 In many corporations, users of BI are organised into departments like "consumer insight" or "customer intelligence", replacing the older "market intelligence" or "marketing information", reflecting the move from less targeted forms of marketing towards precision marketing and creating personalised customer experiences. However, the BI community is not always good at managing CI users. CI has emerged as a powerful BI user, but is still learning what to do with so much data, whether owned or non-owned (such as data arising from social media), structured or unstructured (e.g. voice, text, video). For some corporations, markets – customer needs, channels used competition, devices – are changing fast. Capabilities are changing too – witness the move towards real-time or near real-time marketing. The CI community is right to demand better self-service, but an unrestrained and unplanned drive to self-service may lead to wrong conclusions due to poor understanding of how data arises or to use of the wrong analyses or tools. Improved planning and governance is needed to cope with a powerful, self-servicing CI community. Self-service should be rolled out in a careful, prioritised and targeted way, using criteria of need and competence. BI's experts, who know the software and are in command of metadata development and data definitions, should work across both communities. Their knowledge of what works well and what does not is crucial to the interface. Governance is needed at all levels of the organisation. Where BI and CI communities move in different directions or have different priorities, CI users do not get the support

they need, while the BI community may take the route of technological optimisation rather than meeting users' needs. If this is so, the company should either slow down deployment of new BI technologies, and/or ensure better alignment in plans and operational delivery for the two communities. Applying maturity modelling to the relationship between them helps, whether to look backwards to see how the relationship developed or forwards to see how to improve it, towards the nirvana of CI and BI marching in step, along a road where each step's value is understood by the business and supported throughout it. As excellent BI self-service tools become common and as users such as CI become more competent at using them, the question, "Who guards the guardians?" must be asked. In many corporations, the BI community's role is to support users with data and tools for "self-serve" data access and analysis. But what if users get it wrong? What happens if they are looking in the wrong direction when a tsunami comes, as many financial services companies were? Or should the BI community abdicate its role as custodian of ensuring that users use data correctly, in the face of a well organised CI community which professes expertise in using BI in marketing, sales and service, keeping the BI community busy with demands for new self-service tools to model, analyse, explore, view, measure, collaborate, virtualise, and then write back results, citing the advantages of more agile decision-making, reduced delays and frustration for users, and so on, and reports that show a strong correlation between self-service and good business results? These questions can only be resolved by partnership between IT and user communities. However, partnering processes often evolve over years, without careful consideration and analysis of how well they work and meet the demands of the user community or of the governance needed to supervise the partnerships. This must change. Meanwhile, wherever the question "how far should self-service users be allowed to go" is asked, in circumstances where users are highly motivated to use self-service tools and where central BI teams are limited in resource (which seems to be the norm!), then a good strategy is for the central teams to use modern toolsets to provide users with many different ways of selecting, analysing and forecasting using given data sets, but for the central BI team to maintain some control over the content of the dataset, so that the corporation as a whole can be sure of the validity of the results.

Recommendations for management

Interactive marketing is strongly linked to, and one output of, an effective BI operation. Self-service BI in marketing typically receives strong support from users in corporations which are data-rich (e.g. they have very large volumes of data about individual customers and their transactions) but where the central team develops a very comprehensive but unrealistic view about what BI is needed to support marketers, leading to long planning and delivery projects that absorb management attention and risk being outdated by the time the planned enhancements to BI are delivered. This problem can be avoided by maintaining a very strong focus on the strategies that need to be supported by BI, having a clear view of the priority of these and by ensuring that senior management has a very clear view of

what BI is being created and how it benefits their corporation. This requires a clear articulation of the marketing or consumer strategies that must be supported by BI, for example: to win higher quality customers through precision marketing acquisition strategies; to engage high value consumers with deeper personalised experiences to improve retention; and. to increase shopping basket size through the use of "omnichannel" real-time prompts.

Conclusion

 Finally, the rise of interactive marketing as a key capability, requiring support by advanced BI. As corporations' interactive marketing becomes more sophisticated, the BI required to support it must become more advanced, while marketing users must become more adept at using self-service technology. However, this carries with it the dangers of all self-service, that users may get things wrong – hence the need for a mature, well-governed relationship between BI experts and marketing users on the horizon lie developments which may automate the exploitation of BI, so a new challenge for BI experts and marketing users may be to move to a higher level, so to speak, by focusing on building automated capabilities for the use of BI.

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