



Experience management capabilities not keeping up? Leap ahead.

Accelerate growth by solving these key experience management gaps.

November 2021

Contents

Page 4

The four zones of experience management.

Page 6

Gap 1: Customer data mastery.

Page 12

Gap 2: Automated decisioning & creative optimization.

Page 18

Gap 3: Omnichannel orchestration.

Page 24

Gap 4: Real-time performance measurement.

Page 31

A new operating model for the age of experience.

C-suite leaders today understand that delivering an engaging experience is the battleground for customer loyalty, brand evangelism, competitive differentiation and growth. Most are already working to improve experiences through better data and automation capabilities, greater personalization and channel integration, evolved approaches to measurement and optimization, and other initiatives. But success at scale isn't about doing one thing right. End-to-end experience management is an inherently connected system of capabilities—because customer experiences themselves are inherently connected and cumulative.

Across industries, brands are struggling to bridge the gaps that fragment experiences due to capability and talent gaps in data, channel insights, audience modeling and more. Fact is, no matter how close to the leading edge your people or your technologies are today, that edge will move tomorrow. Your capabilities need to move with it, just as quickly.

Old operating models can't effectively address the new and growing demands of the experience economy. What's needed are dynamic solutions that leverage the best of humans *with* machines to rapidly stand up capabilities across customer data management, decisioning automation, omnichannel orchestration and performance measurement. For each of these areas you need solutions that are both sustainable and adaptable, both effective and efficient—and, above all, valuable to both customers and your business.

Those solutions are possible when you reframe your thinking and reimagine your partnerships. In the following pages we will explore principles for an evolved operating model that can help you accelerate key experience management capabilities, make the leap toward better, more resonant experiences—and stay ahead of the curve, sustainably and efficiently.



The four zones of experience management.

It is a common metaphor to say that every enterprise has “back-office” and “front office” operations. But that siloed, inward-focused convention feels increasingly dated in the age of customer-centered experiences.

Your brand (even if it is a retail chain) is not a *building* where customers enter and exit through a front door. From the customer perspective, *your brand is a lived experience* of what you promise and what you deliver. It’s who you are internally, manifested in how you relate externally.

Those characteristics of your brand are typically rooted in the shared values, creativity and skills of the people who make up your organization. But increasingly, the experiences that customers have with your brand (beyond the products you sell) are intermediated, at least in part, by machines. These experiences include the interactions with your website or chatbots, the calls or texts to your service center, the ads you send out and the survey results you receive.

In a practical sense, **your brand is a holistic and dynamic interplay of operations and experiences created and carried out by a combined workforce of people and machines.** We refer to this framework as the four zones of experience management. (See diagram on page 5.)

Many organizations tend to focus on one or two of the zones of experience management—for example, by aligning their people under a common shared purpose, or by automating customer experiences, or

by moving operations to cloud. The reality is, all of this *and more* is vital to your success and growth. Having the best people isn’t enough; neither is it sufficient to automate everything. Your employees can’t process orders or serve banner ads as quickly as a computer; conversely, the best technology in the world can’t truly empathize with the motives of the people you serve. For both operational efficiency and experiential value, you need people and machines working effectively in tandem.

Experience management gaps can appear in any of the four zones, at different stages of the customer journey, at the intersections of different organizational silos. Effective experience management and delivery is about identifying those gaps where they appear and finding the fastest and most efficient means to leap them. Sometimes that means building out teams or technologies internally. Oftentimes, for the sake of moving more rapidly, it means leaning into external resources.

For years, marketing leaders have entrusted much of this work to creative or media agencies. But the traditional relationship—built on a foundation of hourly rates, media buy commissions, fully outsourced data and capability management, opaque reporting, and limited (or nonexistent) integration with internal assets and activities—is increasingly ill-suited to the needs of the modern brand and the demands of consumers.

Meantime, advertising and marketing technologies have typically been scoped and

deployed to solve specific needs at various moments in the customer’s experience journey. But when those technologies aren’t connected to one another or to a common and well-managed source of customer data, they’re liable to create dissonance instead of delight across experiences.

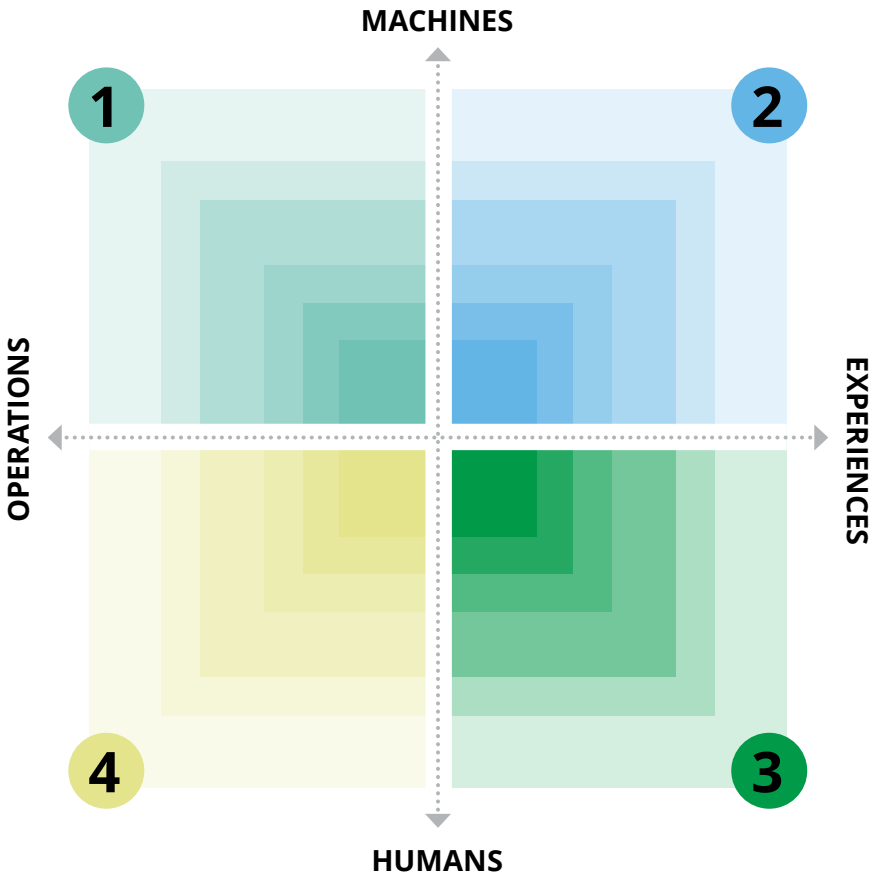
Building an experiential brand ultimately depends on your ability to inspire durable trust and loyalty from your customers; and trust is the product of expectations set and then met (or exceeded), repeatedly. It’s about connecting your promises and intentions with your capabilities and reliability across time.

That means making each moment of engagement relevant *and connecting each touch point* in ways that feel like one seamless arc of an ongoing, unique relationship. Doing that will always depend on connecting capabilities across all four of the zones of experience management.

To see the importance of these connections, we will look at four specific challenges faced by brands today—customer data management, decisioning automation, omnichannel orchestration and performance measurement. Each of these capabilities may appear to primarily relate to one quadrant or side of the experience management framework. But in fact, all must be solved across the four zones in order to create the impact you seek.

A new framework for connecting capabilities and elevating experiences.

The most successful brands are built by connecting capabilities across four zones of experience management: the internal operations side (left) where humans *with* machines generate insights and decisions critical to experience optimization; and the external experiences side (right) where interactions with the customer are delivered by humans and/or machines.



ZONE 1

Your **machine-driven operations** have an increasing role to play in supporting smarter, more personalized customer experiences. They’re the key to scalability and speed, and to letting your people offload repetitive tasks so they can focus on higher-value experience improvements.

93% of surveyed companies are implementing more automation to meet the changing needs of customers.²

ZONE 2

Most customer **experiences** with your brand are likely intermediated by **machines**. But people can easily become frustrated by dumb technology. Becoming an experiential brand demands focused effort on making automated experiences feel like human experiences.

Companies that exhibit humanity by personalizing experiences are more than 50% more likely to report revenue growth.³

ZONE 3

Our research shows that the **experiences** that matter most to customers are those provided by **humans**.¹ Your customer-facing employees need to understand, embrace and be empowered to perform their central roles in helping to build customer trust and loyalty.

Experience satisfaction correlated more strongly to purchase intent than NPS scores or even perceptions of quality or value.⁴

ZONE 4

Human creativity, ethical judgment, insight and synthesis are critical to turning your **operations** into an engine for elevated customer experiences. So finding and hiring the right talent and building the right models for effective, nimble work are critical to the success and growth of your business.

Among brands that have in-housed some or all marketing capabilities, 58% report a measurable increase in marketing’s return on investment.⁵

Leaping the gap to
**CUSTOMER
DATA MASTERY.**



It's your most critical experience asset. Own it.

As first-person customer data becomes an increasingly valuable asset for experience elevation and connection, it is critical that you develop and continually evolve a robust customer data management capability. You can no longer afford to let outside agencies or vendors control your data. **Your data about your customers must be under your control.**

Four out of five surveyed companies say that **improving data measurement and activation capabilities** is a critical or high priority in the coming 12 months.⁶

That sounds straightforward enough; but as many brands have discovered, customer data mastery is hardly straightforward. Years of operating under old models and marketplace conditions with old technologies in an anything-goes regulatory environment have led to a range of data-related challenges:

- **Lack of data ownership and access:** Data is often sequestered externally in the systems of agencies and technology providers, keeping brands beholden to those partners while making it impossible for brands to connect other sources of owned data and to develop their own connected, full-
- **Need for consolidation and cleaning:** Data that does exist within the enterprise is often siloed in different internal organizations. Marketing has some, sales has some, service has some, finance has some. And the technology tools and platforms that house and utilize customer data are likewise often disconnected and siloed. Moreover, data quality is an issue due to inconsistent standards and processes for collecting, connecting and storing it. And when it comes to marketing and data, if you put garbage data into your decisioning engines, you get garbage results out.
- **Lack of specialist skills and workforce capacity:** Most companies today have teams that work with various types of business data; but customer data aggregation and activation is a specialized field unto itself. Hiring and/or training a customer data management team with the right mix of abilities can take significant time—time that experience-focused brands often don't have.
- **Compliance and risk complexity:** The growing tangle of local and national data privacy regulations in different jurisdictions adds layers of risk that many brands hadn't even contemplated just a few years ago—and don't have developed processes or governance to address today.

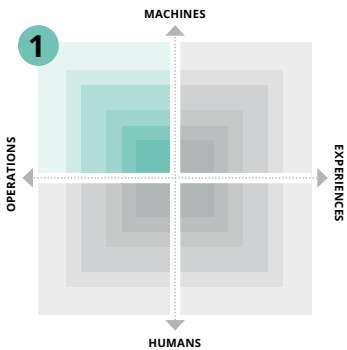
journey customer profiles. Simply bringing customer data in-house is a contractually and logistically challenging problem for these companies.

The optimal path to navigate these roadblocks will differ from company to company depending on factors such as existing internal and external resources, the number and sources of data currently tapped for advertising purposes, revenue goals and budget constraints, risk considerations and more. It can feel at once daunting and urgent. After all, if you can't (or don't) master your own customer data most of your other CX initiatives will fall short of your ambition.

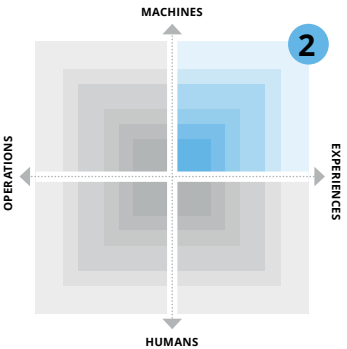
This is where emerging practices in artificial intelligence and DataOps become an essential way of thinking about crossing these gaps. First, are you using all of your data in the most effective way possible? Second, do you have the governance, assets and machine-with-human talent in place to use analytics, AI, machine learning and automation to translate that data into value—at speed and scale? Third, are you able to keep it all running with stability, predictability, agility and confidence to drive the business outcomes you seek?

These are complex and interconnected challenges. So the first and most important step is to put your focus in the right place.

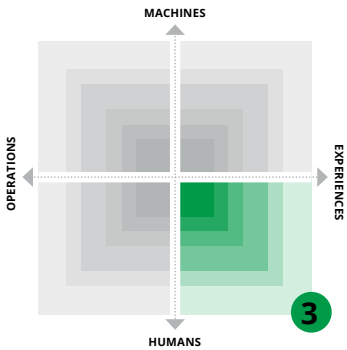
Striving to master customer data reveals gaps in every zone.



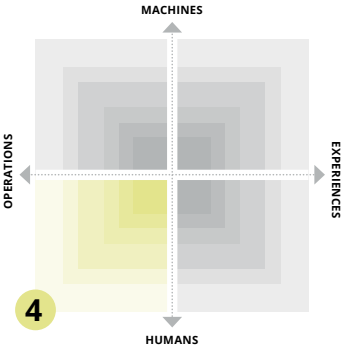
Disconnected data sources make it impossible to effectively connect and elevate experiences.



Different data accessed and leveraged on different channels result in fragmented experiences that undermine customer trust.



An inability to access full customer history during sales / service interactions causes agents to miss opportunities for incremental sales or proactive service.



Shortages of skilled data scientists and machine learning specialists make it difficult to build a sustainable, scalable, fully in-house customer data management capability.



Begin at the destination.

Since it's mostly handled out of sight of customers, customer data management would seem to be primarily an operational capability involving the IT organization and internal-facing technologies and platforms. However, given the massive amount and diversity of data available to the modern enterprise—and the unnecessary risks that come with collecting or keeping data that isn't put to use—**the best place to start crafting your customer data strategy is with the experiences that will resonate with customers.**

Those experiences include both those delivered by your employees as well as by your technologies. For example, customer data has a role to play in delivering more relevant ads through programmatic networks, customized in-store recommendations and offers on your e-commerce site, and more.

Machine-driven automation is the most efficient and effective way to scale digital engagement. But customers want experiences that feel emotionally responsive and personally relevant to them in the moment. So it is important to bend the combined capabilities of your technologies, platforms and people toward supporting use cases that help you understand the person behind your data and then engage, anticipate and serve that customer's emotional and rational needs consistently—

in the moments of interaction with your people as well as with your machines.

Just as you're able to be a better personal friend by knowing and synthesizing ever-greater amounts of information and insights about the people around you, your customer data capabilities should be built in ways that support ongoing evolution and improvement. That way, no matter what changes around or within your customers, you can sense, synthesize and serve those changing needs or conditions in real time through the experiences you orchestrate.

Data is not just the information you know about customers. It is also what enables you to connect customer experiences across time—helping customers feel recognized every time they receive messages from or interact with your brand, no matter the channel. So it's important to put operational processes and connections in place that help you build seamless coherency across experiences at an individual customer level through the use of data.

A key to all of this is permission and trust. Both are essential. In our research we've consistently found that trust is the primary emotional factor that connects people to their favorite brands.⁷ The past few years have seen a number of data privacy regulations and technology changes that significantly impact how advertisers collect

customer data and what they can collect. So your experience use cases should be built in ways that allow you to earn permission by demonstrating value and proving trustworthiness to customers every time you learn something new from them.

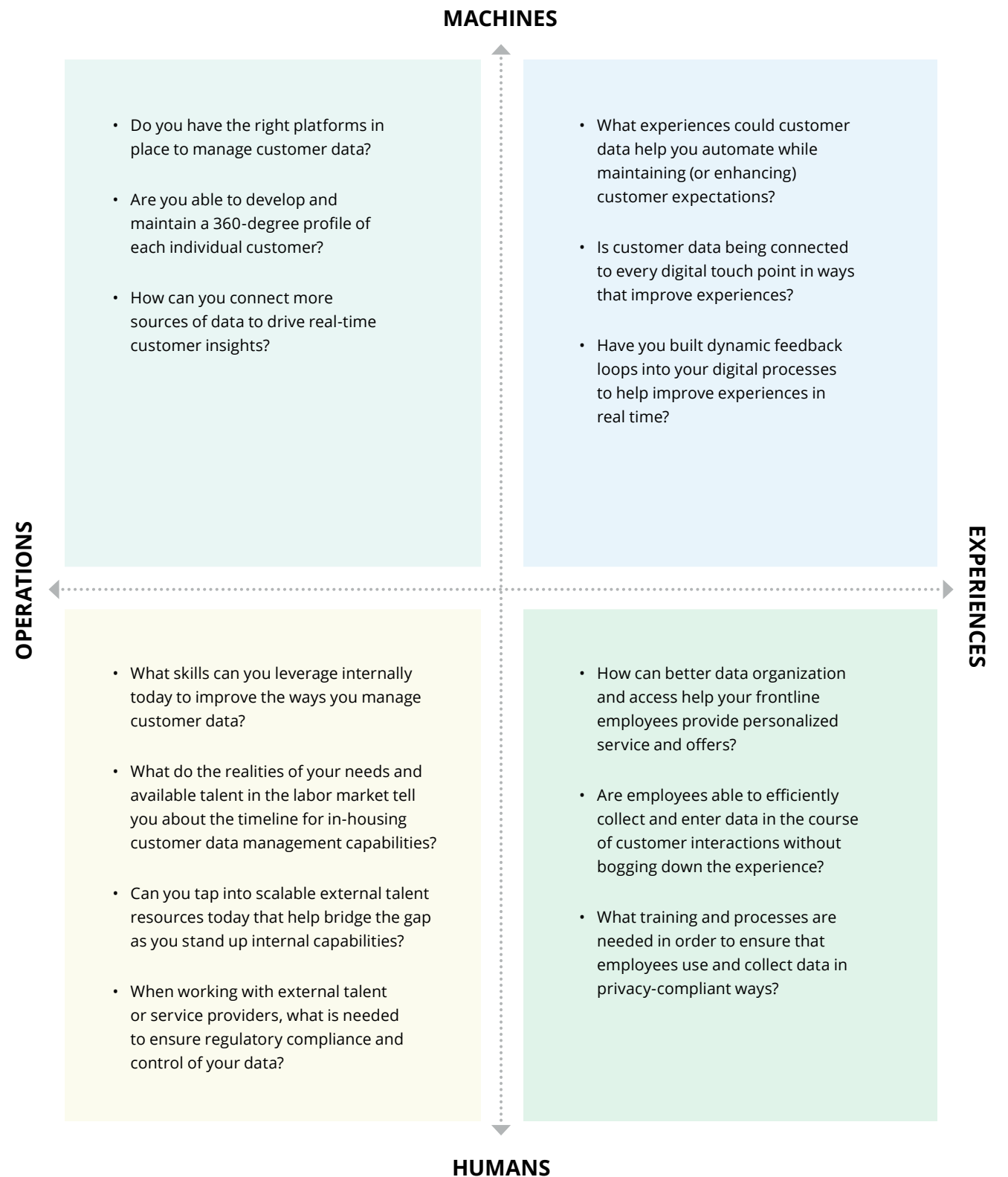
You can amplify trust and expand permission even further by treating data privacy as one of your brand's most important experience touch points—and giving the customer fine-grained control and informed consent regarding data collection, usage, sharing, sale and transfer. By doing so in ways that align with your brand's values and voice, you can collect the data you need while establishing trust with prospects who—more and more—value personalized brand experiences.

Customer data mastery helps elevate customer experiences while mitigating the brand risk that comes from collecting or keeping data that isn't put to use.

CUSTOMER DATA MASTERY:

Questions to ask yourself.

To be a leader in the experience economy your brand must master customer data. Here are some questions to ask yourself.



Leaping the gap to
**AUTOMATED
DECISIONING
& CREATIVE
OPTIMIZATION.**



Scale personalization. Automatically.

Every marketer knows that unforgettable experiences result from a combination of the *right message* at the *right time* and in the *right place*. But what is considered “right” in that formula has become much more nuanced in the digital age. It’s no longer enough to run campaigns with static creative messages in places where broad slices of your audience might see them. Today’s consumers take notice when they are recognized and heard as unique individuals with distinct preferences and needs—and served with content that feels *personally* relevant in the moment.

76% of CX leaders are prioritizing better marketing personalization in the coming 12 months.⁸

Automated decisioning and dynamic creative optimization make that level of attunement and engagement with customers possible, at scale. It’s about going beyond traditional retargeting methods—most of which focus on what customers were looking at and shopping for *yesterday*—to anticipate what they need and want *now or next*; and then creatively orchestrating moments of engagement that are relevant and resonant for the customer.

Getting there remains the most complex goal for marketers today, due to a range of persistent challenges:

- *Underutilized technologies:* Many of today’s marketing platforms and tools have decisioning automation capabilities built into them; but marketing organizations often lack the technical skills to activate and connect those tools in ways that ensure consistency and effectiveness.

- *Inefficient ways of working:* Human marketers can only process and act upon so much data about so many customers at one time. Yet many marketing organizations remain hobbled by manual, time-consuming decisioning processes and never-ending pilot programs that never reach full scale.
- *Outmoded ways of creating:* Dynamic creative optimization makes it possible to turn massive campaigns into highly personalized engagements. Indeed, when engaging with known customers in owned channels, true one-to-one marketing is now possible. But writers, designers and developers steeped in traditional forms of advertising and messaging often find it challenging to develop campaigns and experiences that are built to adapt to the audience or individual in the moment.

- *Poor ecosystem integration:* Effective decisioning and dynamic creative optimization require an unbroken feedback loop, available at all times in real time. That, in turn, demands integration between internal data systems, agency partners, adtech platforms and other resources—including in-store sales and service teams. But existing agreements, limitations and complexities make integrations nearly impossible to achieve within the existing ecosystem. As a result, too often creative testing and tuning is disconnected from known customer data.

- *Lack of real-time insights:* Customers are ever-changing. They expect your behavior to change as well—not only over time, but in the moment as the context of their interaction with you shifts. We’ve all had the experience of being fed an ad for a product we bought moments ago. Does that make you feel known and valued ... or simply tracked? Mastering first-party data alongside

today’s tech makes it possible to avoid such mistakes by enabling decisions that are connected to the customer’s immediate context. Unfortunately, marketing organizations often fail to seize that potential.

- *The human element:* Artificial intelligence and machine learning skills are in high demand today. Finding and retaining individuals who bring a combination of strategic thinking, technology and analytic skills is extremely difficult. But without these people you will be limited in how far you can push your decisioning capabilities.

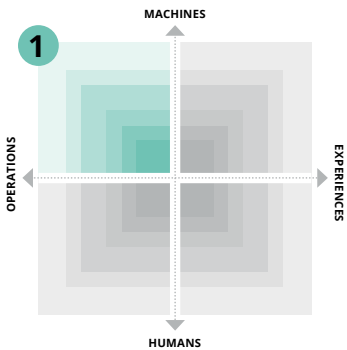
CMOs today largely underestimate the scope of these challenges—and also their urgency.

Whenever a brand treats people as if they are “just another customer,” those people are likely to treat the brand as “just another company”—no matter what past experiences they’ve had with the brand. In fact, two out of three customers are likely to switch brands if they’re treated impersonally.⁹

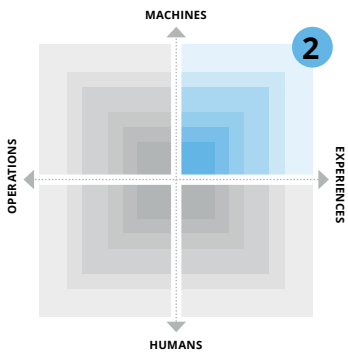
Conversely, we’ve found in our research that consumers gravitate to and stick with brand relationships that mirror the qualities of human friendship—qualities like listening to feedback, responding to requests, adapting communications, and connecting prior experiences with current context in ways that feel intuitive, empathetic, respectful and consistent. When that’s what people get from a brand they’re more likely to show long-term loyalty, spend more, forgive mistakes and promote the brand to others.¹⁰

Developing empathetic algorithms and self-improving ads might sound like science fiction. But smart marketing leaders are figuring it out—and sparking fast growth in the process.

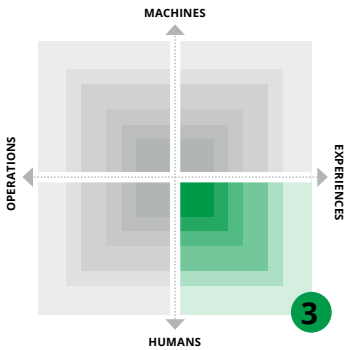
Striving to master automated decisioning reveals gaps in every zone.



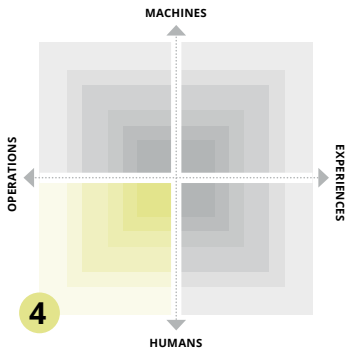
Broken feedback / measurement loops between decisioning engines and outputs / actions make it impossible to test and tune results.



Decisioning “islands,” where channel-specific algorithms are disconnected from one another, lead to inconsistent experiences.



Creative messaging doesn’t adapt to real-time audience / customer insights, missing opportunities for next-level relevance or emotional connection.



Processes that rely on human intervention slow the ability to scale decisions and force staff to perform time-consuming manual work.



Working smarter and working harder. For you.

Decisioning automation is, implicitly, about expanding the role of machines in experience delivery. But organizations that fail to consider the implications and opportunities across all four zones of experience management are destined to fall short of what's possible.

In particular, your people have an indispensable role to play. Artificial intelligence may be great at helping to *detect*, *decode* and *act* upon complex patterns; but for the foreseeable future **only humans have the perspective to see, understand and guide the big picture.** It is important to constantly test and tune your decisioning engines to make sure they are functioning in line with your strategy, serving your business needs, complying with industry regulations and delighting your customers.

And of course, human creativity remains at the heart of all effective messaging—even when that messaging is built to adapt in the moment to the customer's interests and context. Artificial intelligence may help you *automate*, but it's still critical that you *resonate* at an emotional and rational level with your customers. The creativity of your

people remains your most powerful asset for infusing humanity into every customer engagement with your brand. By combining the empathetic and intuitive capabilities of your creative teams with the panoptic knowledge and insights of your decisioning engines, whole new realms of emotional connection open up with your audiences and customers.

To get the most out of people working *with* machines, you'll need to identify the right mix of technologies that can turn customer data into meaningful and actionable insights—and build out integrations that connect and fill gaps between those technologies. That means running hundreds if not thousands of algorithms simultaneously in context of each other to coordinate decisioning in real time, across channels, at scale.

Along the way, you'll need to address the change-management issues that come up in your organization as decisioning engines take on roles that humans previously performed. The good news is, by allowing those tools to make more decisions autonomously, your human marketers will

be empowered to be more human.

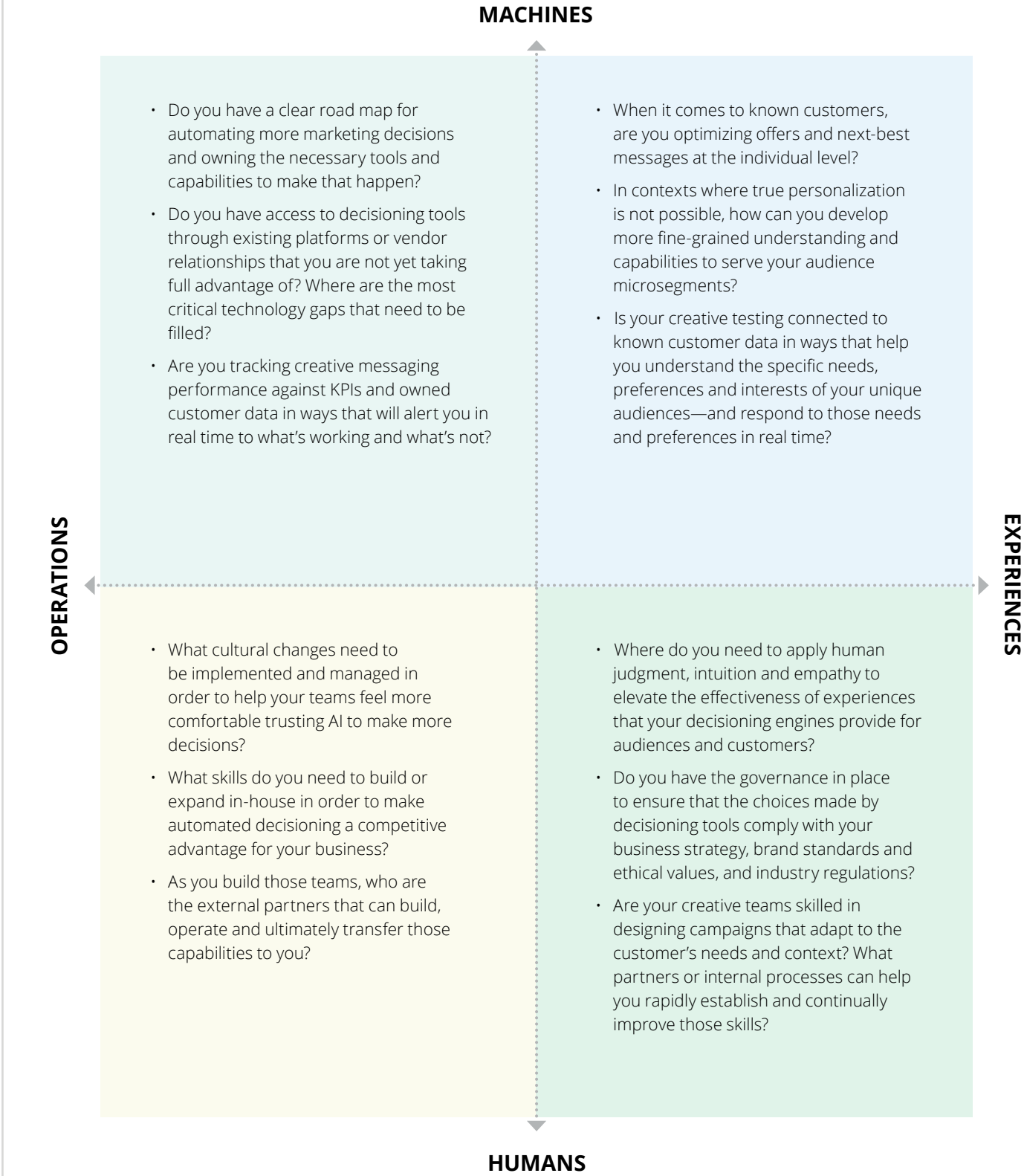
All of this feeds into the experiences you foster for customers. Smart, connected decisioning automation tools can help ensure that the banner ad that you show a customer isn't promoting a product that same customer already purchased on your website—thus reducing ad waste as well as customer annoyance. Instead, the tools help generate new revenue by sensing moments of opportunity and generating offers that produce incremental sales.

89% of companies are implementing more machine learning and AI to better meet the changing needs of customers.¹¹

AUTOMATED DECISIONING & CREATIVE OPTIMIZATION:

Questions to ask yourself.

To be a leader in the experience economy, your brand must expand the role of machine-driven decisioning. Here are some questions to ask yourself.



Leaping the gap to
**OMNICHANNEL
ORCHESTRATION.**



Connect experiences everywhere.

Connected experiences matter now more than ever. Eighty-seven percent of surveyed customers said they find it frustrating to repeat themselves in multiple channels; and 73% said that frustration has led them to question doing business with the brand.¹² Yet according to research we commissioned from Forrester Consulting in late 2020, only one in four companies have omnichannel campaign history and use it very effectively.¹³

Most brands are stuck in a **multichannel** rather than **omnichannel** paradigm.

The reason more brands haven't mastered this fundamental building block of customer experience? In a word, complexity:

- **Data disconnects:** Data scattered across the enterprise and managed by external agencies, partners and/or platforms mean that a single, unified view of each customer's history is difficult to establish and maintain.
- **Technology disconnects:** Experience orchestration technologies and platforms are often optimized for specific uses or stages of the customer journey (for example, advertising or customer service) and not easily adapted

to the growing number of customer engagement channels or integrated to serve the whole journey. The plague of so-called "shadow IT"—where different departments or teams within enterprises purchase and implement technologies outside of the oversight of the IT organization—only amplifies this problem.

- **Organizational disconnects:** Silos within the enterprise mean that customers are often "passed off" from marketing to sales to service—with little attention paid to the subtle (or not-so-subtle) ways that those different organizations view or interact with customers.
- **Ecosystem disconnects:** Outside agencies often operate as islands unto themselves, disconnected from your internal systems and sources of data. Performance reporting comes slowly—and, again, is poorly integrated with measurement and reporting on the rest of your marketing activities. Because of the way that contracts are typically structured, the very agencies that are tasked to produce business results for you may have a vested interest in maintaining control of your customer data and marketing tactics—and little reason to connect what they are doing with your own activities.
- **Difficulty building the team:** Coping with all of this complexity means building collaborative teams of people with specialist skill sets in data science and integration, artificial intelligence and

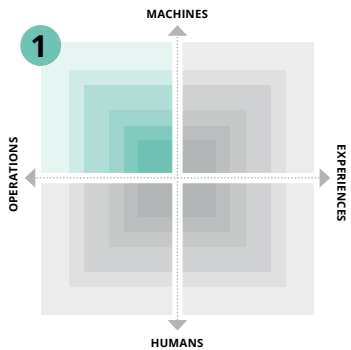
machine learning, and media buying and placement. Many of those skills are in high demand, and finding the right combination of people to bring it all together under one roof can be a daunting and time-consuming challenge.

- **Ever-growing customer expectations:** It seems as if every year new channels for customer engagement take off. Just a few years ago, conversational chatbots, voice assistants and virtual reality were on the cutting edge of CX. Nowadays every brand is expected to be able to engage wherever and however its customers want to engage with it—and to leverage real technologies that connect experiences across those channels seamlessly.

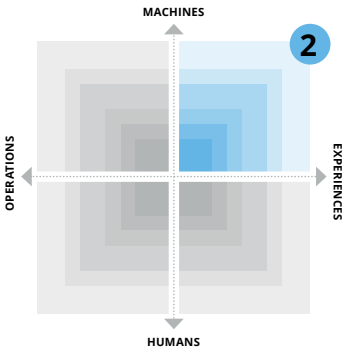
As a result of these challenges, most brands are stuck in a **multichannel** rather than an **omnichannel** paradigm. Channel teams each operate in their own orbit of customer data and creative, and those orbits rarely intersect with one another. Insights gleaned in one moment on one platform aren't immediately applied, tested and refined on another—much less across them all.

From the customer perspective, this leads to disjointed or just plain maddening experiences that erode trust and stunt loyalty. Your customers don't change as people between the moment before and the moment after they purchase from you. So why do you suddenly seem like such a different company in those different moments?

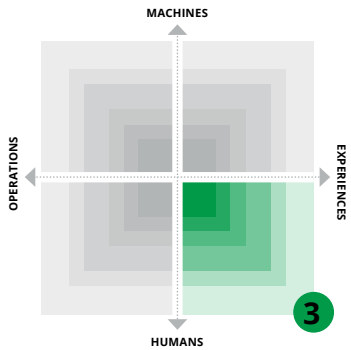
Striving to master omnichannel orchestration reveals gaps in every zone.



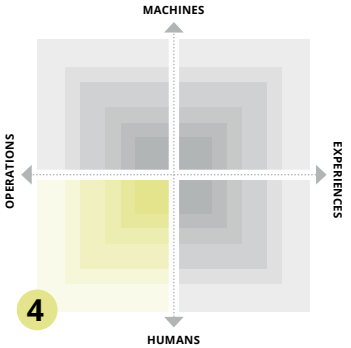
With no centralized, owned source of customer data, marketers can't gain insights into customer behaviors and preferences across channels.



Ads served on one channel contradict or fail to build on what the customer already has experienced on other channels—or what the brand knows from the customer's purchase history.



Poor or nonexistent connections between automated and live customer support systems lead to inefficient repetition and broken trust.



External partners and siloed teams are not empowered or incentivized to connect their own insights, actions and measurements with other engagement initiatives managed by other teams or partners.



Redraw the map in order to drive the journey.

Creating a connected cadence of engagement used to be the province of human marketers mapping messages and tactics to key moments on the customer’s journey through the so-called marketing funnel. But today’s customers have become accustomed to far more dynamic and responsive engagement—and show preference for those brands that get it right.

Effective omnichannel orchestration means controlling timing and content so that every point of contact works in concert with every other—in any context, channel or domain, and for each customer. Your people still have a central role to play in getting this right; but perhaps more than any other capability, omnichannel orchestration demands focus across all four zones of experience management.

A connected foundation of technologies, processes and resources—both internal and external—is necessary in order to operate in a truly omnichannel paradigm. Channel-specific teams and tools need to be integrated with one another in ways that

enable seamless experience delivery from moment to moment. Operationally, your whole organization should work to break down silos, with a focus on developing streamlined communication that keeps business and marketing navigating toward the same goals and connecting all customer touch points across the entire customer experience.

Feedback is critical in order to humanize, personalize and optimize experiences across channels. So your tech stack will need to include tools that can collect, connect and measure feedback and sentiment at key points along the journey. And those tools need to be connected to advanced data integration, audience delivery, decisioning automation and creative optimization tools in ways that close the loop between inputs and actions—across every touch point between brand and audience.

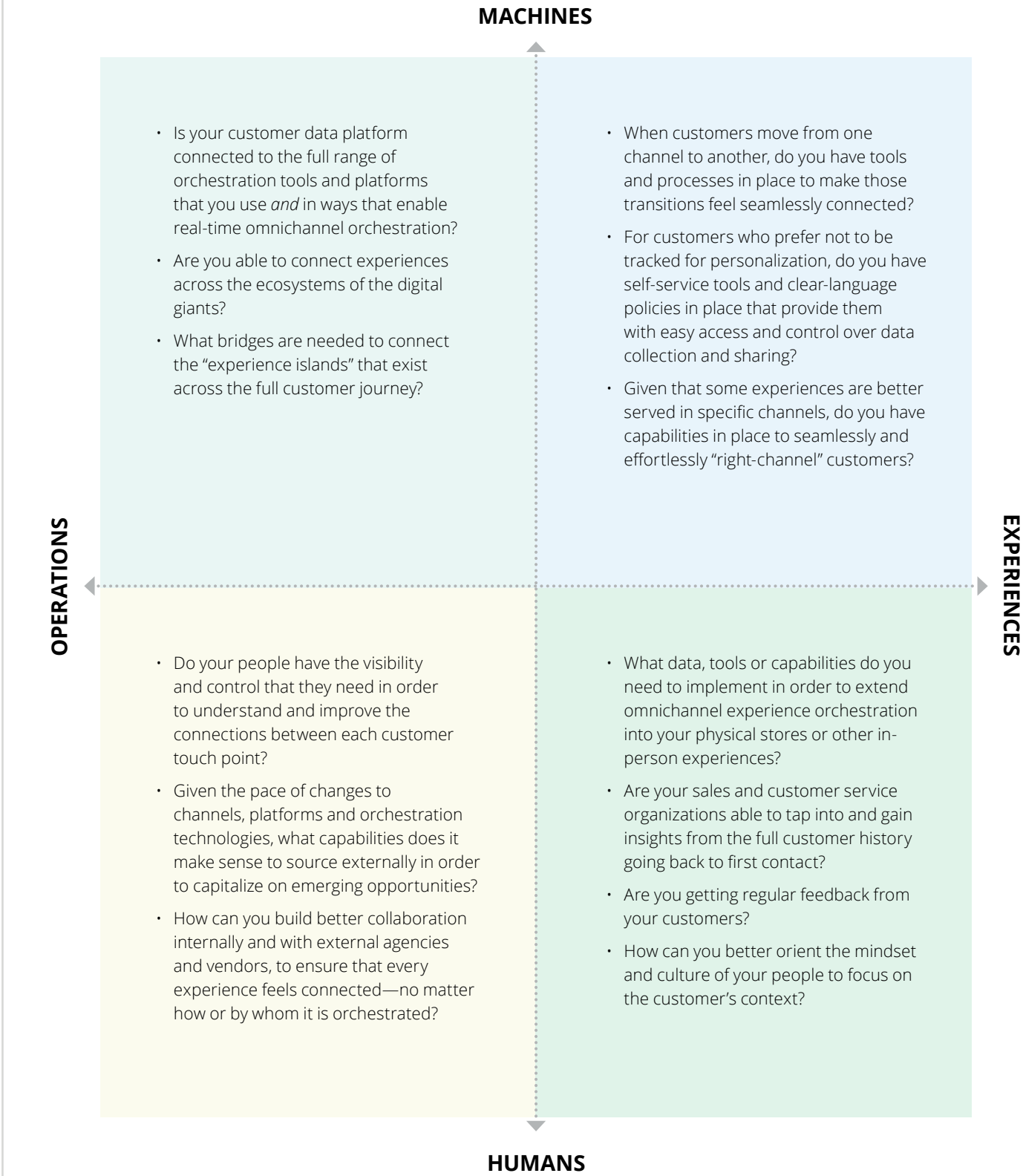
Smart, connected orchestration capabilities can ultimately help ensure that each customer experience—whether online or

off, from the moment of first awareness to the peak of trust and loyalty—feels like a natural next chapter in an unfolding story between you and your customer. As a result, your brand transforms into an emotionally intelligent enterprise—one that shows in every action that it listens attentively, respects boundaries, anticipates needs and provides memorable, valuable experiences based on how the customer views and wishes to engage with you in the moment.

87% of customer data management decision-makers say customers expect omnichannel personalization—but 39% struggle to aggregate siloed data and content from multiple systems.¹⁴

OMNICHANNEL ORCHESTRATION: Questions to ask yourself.

To be a leader in the experience economy, your brand must deepen its ability to orchestrate connected engagement across channels. Here are some questions to ask yourself.



Leaping the gap to
**REAL-TIME
PERFORMANCE
MEASUREMENT.**



Close the loop to raise the bar.

Every business seeks sustained growth. But to riff on a common business maxim: You can't grow what you can't measure. Without a real-time feedback loop connecting customer data, decisioning engines and orchestration platforms across channels, your campaigns and experience initiatives can take weeks to prove—and even longer *to improve*. As a result, you lose precious time to seize market share and grow revenues.

That's why modernized measurement and attribution frameworks, and smart key performance indicators (KPIs) must be integrated into—and across—every experience and marketing initiative you undertake. But many marketing organizations have failed to build a sustainable digital measurement capability due to a range of vexing challenges:

- *An evolving landscape for digital measurement:* Evolving data privacy regulations and the impending demise of third-party browser cookies, combined with other changes to what's possible to track on key devices, platforms and browsers, are causing long-established methods of performance measurement to crumble. For example, digital multitouch attribution—long considered a gold standard of digital measurement—is no longer a viable way of tracking performance for most sectors. Other tactics are now at risk—including retargeting, lead generation and lookalike modeling.
- *The hastening pace of market change:* The speed at which market conditions change is faster than ever—and measurement has struggled to keep pace. The pandemic only increased the pace of change. In just a few short weeks

in early 2020, many advertising KPIs that had been sacrosanct for years—retail foot traffic, for example—became suddenly irrelevant or secondary to other measures of effectiveness; while at the same time, many new customer behaviors and preferences (for example, curbside pickup) weren't tracked through existing KPIs, even after brands pivoted to adopt those practices. As the pandemic recedes it's clear that many changes in consumer behavior and preferences will endure—and new trends will continue to emerge.

- *Lack of agency transparency and responsiveness:* Trust in media agencies continues its long-term slide. As of 2020, 96% of advertisers reported they are at least somewhat concerned with the transparency provided by media agencies.¹⁵ When advertising results and customer data are hidden from view or only delivered on a monthly or quarterly basis, it's all but impossible to understand and quickly adjust what media is being bought at what cost, what's working and what's not.
- *Conflicts of interest in the adtech ecosystem:* Similar issues of transparency and accountability extend into the adtech provider ecosystem. Tangled webs of rebates, hidden or variable media arbitrage, opaque attribution and "black-box" audience data mean that media partners often face competing priorities—between what's best for their clients and what's best for their own bottom lines. Often the optimal solution for one is not best for the other. Unfortunately, it's not always clear to advertisers when those conflicts arise.
- *Difficulty connecting traditional and digital measurement:* Long-established marketing tactics such as out-of-home,

in-store merchandising, print and television are difficult to connect with digital tactics in ways that produce closed-loop measurement and attribution. Marketing leaders can find it difficult to separate promises from reality in this space, and to build omnichannel measurement and attribution frameworks that account for every touch point across the customer's lead-to-loyalty journey.

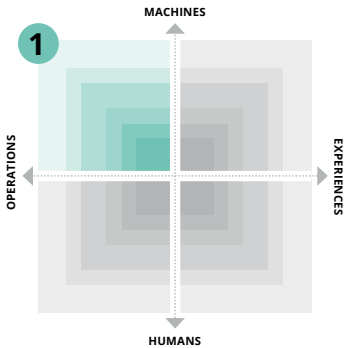
- *An uncertain future:* Every adtech provider, publisher and digital giant ecosystem will tell you that it's solved for what might replace third-party cookies. But in reality, most solutions are still works-in-progress—and will remain so for some time.

Partly because of the complexity of these challenges, brands traditionally left most of their marketing performance measurement and reporting to external agencies. Those agencies have long argued that their talent resources, audience data and media relationships were able to drive the efficiency and efficacy that brands needed. But that argument is beginning to fray.

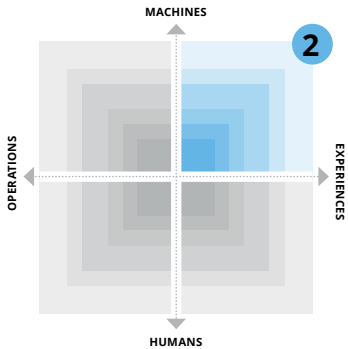
Agency oversight made sense at the time when customer data and marketing campaigns were managed externally, when market change and consumer behavior evolved more slowly—and when third-party browser cookies made it possible to track individual customers (known and unknown) across paid and owned media, connecting every moment of brand exposure to each action the customer took.

Times have changed. It's time for brands to change as well. *Have you?*

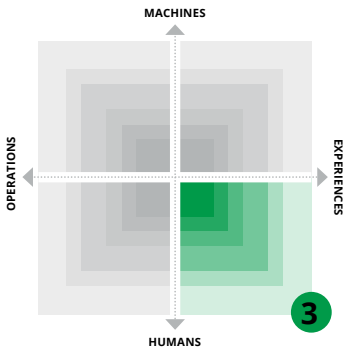
Striving to modernize measurement reveals gaps in every zone.



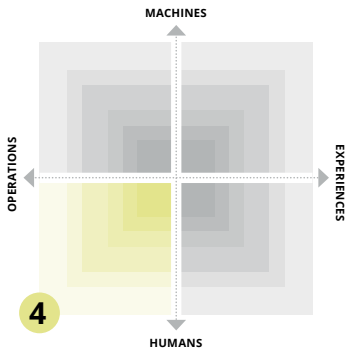
Over-reliance on third-party cookies for measurement puts significant portions of marketing spend at risk of waste and poor performance.



Poorly designed or broken attribution frameworks cause loyal customers to be served experiences designed for unknown leads—with no signals alerting marketers to the problem.



By overlooking or undervaluing certain KPIs, brands fail to identify disconnects between what advertising promises and what sales or service agents deliver.



Business silos and channel-focused team structures make it difficult to connect performance measurement at a customer level across the full journey from lead to loyalty.



Prove, improve, repeat. On demand.

Full visibility into marketing performance and clear accountability are essential in order to move at the speed of business and markets today, and to close and accelerate the feedback loop between customer experiences and business results. Otherwise, every time that customer preferences or market conditions shift, your marketing efforts can flatline without anyone in your organization knowing why—or how to best react. The result? Lost revenues and wasted effort that drags down your bottom line.

In order to achieve both operational and experiential impact, you need to be able to capture and analyze results at a customer, channel and campaign level, in real time—and to connect those insights to other available inputs such as publicly available contextual data and customer feedback. All of that needs to be integrated into your marketing stack in ways that **close the loop between inputs and actions—across every touch point between brand and audience.**

Old measurement outsourcing agreements, with their quarterly or monthly reports

provided at a campaign rather than customer level, are poorly suited to this purpose. That's why marketing leaders should move toward redesigning their technology and agency / consultancy ecosystem with a goal of in-housing the key resources—data, technology and talent—that can provide transparency into media performance and enable accurate, real-time measurement and attribution against advertising KPIs.

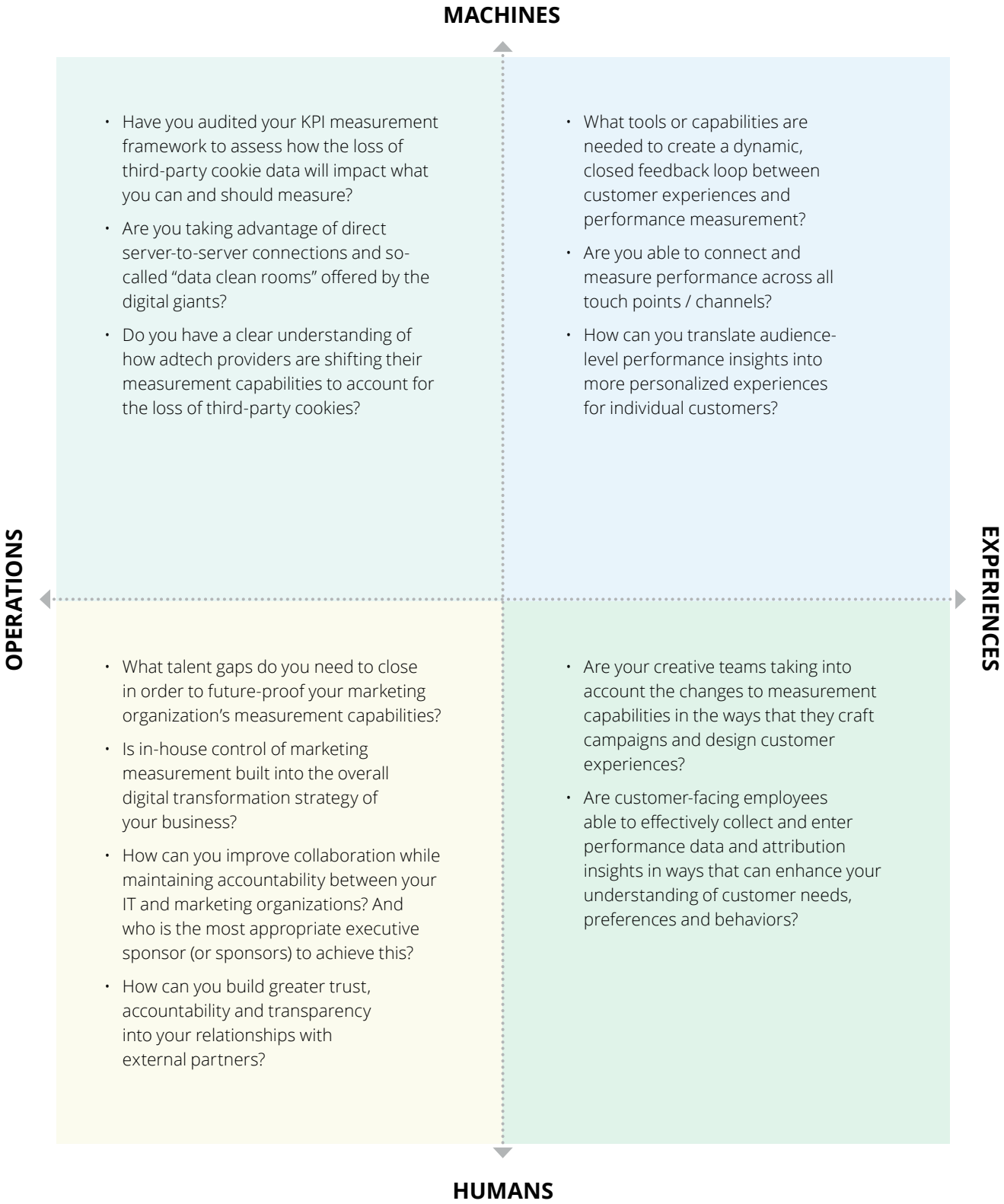
Obviously, technology is key. But your people have an indispensable role to play in strengthening your measurement capabilities. It is important to equip customer-facing employees with tools and processes that enable them to collect information that enhances your understanding of the interplay between digital marketing efforts and real-world / in-store engagement. And human expertise and judgment are essential in order to establish and fine-tune both the goals and the measurement frameworks—in other words, the *meaning and motivation*—that connect marketing measurement with desired business results and key performance indicators.

By bringing together the right mix of people with machines, you can ensure that the experiences you create are generating the results you seek—and that you're able to improve and optimize those experiences over time in ways that further build trust, loyalty and revenues.

83% of companies say **improving measurement and activation capabilities** is a critical or high priority in the next 12 months.¹⁶

REAL-TIME MEASUREMENT: Questions to ask yourself.

To be a leader in the experience economy, your brand must constantly evolve the ways that marketing performance is measured and improved. Here are some questions to ask yourself.





SPRINGBOARD TO BETTER CX:

A new operating model for the age of experience.

Each of the capability gaps discussed in this paper demands strategic focus to connect operational imperatives and experience outcomes through human and machine capabilities. Each involves a balancing act between the need for speed and the requirements of control, connection, compliance, collaboration and risk management. And each involves a carefully considered and tightly connected mix of internal capabilities and external tools and resources.

The answer to solving these needs isn't as simple as "in-house everything." Nor does the traditional model of "let the agency take care of it" make sense either. What's needed are internal people and technologies that are tightly integrated with external resources, where everyone has a shared, vested interest in your success.

That means finding partners that can help you rapidly stand up and run capabilities at scale—and that will take an active role in helping you transfer those capabilities in-house when you're ready. Toward that end, it's important to replace traditional rate-based agreements—which tend to reward hamster-wheel churn and stasis—with contracts built around specifically scoped outcomes provided at a predictable cost over a defined period of time. That way, when your partners find ways to improve your effectiveness—whether by helping you build your internal capabilities or by innovating their own offerings, or both—it benefits both of your organizations. And that mutual benefit, in turn, helps put accountability rather than mere work at the core of your relationships.

Instant momentum and sustainable growth are both possible when *you and your partners* benefit mutually from innovation and efficiency.

Think of this new model as "experience-as-a-service"—an arrangement similar to the familiar software-as-a-service model, whereby you externalize the complexity, scalability challenges, and speed and agility demands inherent in CX innovation, while simultaneously making ongoing innovation an integrated part of your operating model.

At the same time that you're connecting the right external support and relationships, it's important to find new ways of working that drive constant change within your organization and across your experience initiatives. Here it can be instructive to learn from another model familiar to technology leaders: the so-called "DevOps" development model.

The core idea of DevOps is that—by connecting development, testing and operations through integrated, interdependent teams on collaborative platforms—IT organizations can accelerate the path to deployment, adoption and impact from a wide spectrum of digital projects. Your marketing organization's experience capabilities (both human and machine) can be evolved similarly—for example, by running your existing adtech stack while developing new, more automated approaches that close the gap between media buying and performance reporting.

In order to facilitate ongoing transformation and growth, agile principles should extend beyond technology to people and processes across your marketing operations. A DevOps-style approach can, for example, help your teams simultaneously run and transform your customer data operations as you implement a new customer data platform and connect it with additional sources of data within the enterprise. Agile approaches such as this have an important role to play in keeping marketing capabilities, tactics and KPIs abreast of changing conditions, consumer behaviors and ways of doing business.

No doubt, this new model requires a leap in thinking for many leaders and a shift in relationships between internal teams and external partners. Change of this nature needs to be carefully managed and skillfully led in order to unite and direct all stakeholders toward your common purpose.

But it is ultimately necessary.

After all, your customers don't care whether it's your marketing department or your media-buying partner that is sending them a message. Nor do they care why you failed to recognize them on the telephone after you just greeted them by name in an email. Back-office, front office: They just don't care.

What they want is to be met in the moment, recognized in context, heard empathetically and served intuitively. They see the way that smart companies treat them, and expect that from every company ... including yours.

Your focus—*not just in marketing but across the enterprise*—should be on building and connecting the capabilities that support those experiences. Because when your capability gaps are showing, your business isn't growing.

Are you ready to make the leap?

70% of companies say that a lack of staff bandwidth and/or skills is the #1 reason they seek external support for customer experience management.¹⁷

Get in touch

Michelle McGuire Christian

National Market Offering Leader –
Experience Management
Deloitte Consulting LLP
mmcguire@deloitte.com

Sources

1. Deloitte Digital, *Creating human connection at enterprise scale*, June 2020, p. 7, <https://www.deloittedigital.com/content/dam/deloittedigital/us/documents/blog/offering-20200630-research-emotion.pdf>.
2. A commissioned study conducted by Forrester Consulting on behalf of Deloitte, October 2020.
3. Andrew Magarie and Forrester eBusiness & Channel Strategy research group, *Connected Experiences Are Personalized Experiences*, study and paper commissioned by LucidWorks, December 2020, p. 9, https://lucidworks.com/ebooks/connected-experiences-study/?utm_source=globenewswire&utm_medium=press-release&utm_campaign=&utm_term=report&utm_content=post-1.
4. Deloitte Digital, *Make brand a C-suite priority*, June 2021, p. 9, <https://www.deloittedigital.com/content/dam/deloittedigital/us/documents/offering/offering-20210422-brandworth.pdf>.
5. Bannerflow and Digiday, *The State of In-housing 2020*, p. 3, <https://info.bannerflow.com/the-state-of-in-housing-2020-report>.
6. A commissioned study conducted by Forrester Consulting on behalf of Deloitte, October 2020.
7. Deloitte Digital, *Creating human connection at enterprise scale*, June 2020, p. 4, <https://www.deloittedigital.com/content/dam/deloittedigital/us/documents/blog/offering-20200630-research-emotion.pdf>.
8. A commissioned study conducted by Forrester Consulting on behalf of Deloitte, October 2020.
9. Salesforce, *State of the Connected Customer*, 2016, p. 5, <https://a.sfdcstatic.com/content/dam/www/ocms/assets/pdf/service-cloud/state-of-connected-customer.pdf>.
10. Deloitte Digital, *Creating human connection at enterprise scale*, June 2020, p. 5, <https://www.deloittedigital.com/content/dam/deloittedigital/us/documents/blog/offering-20200630-research-emotion.pdf>.
11. A commissioned study conducted by Forrester Consulting on behalf of Deloitte, October 2020.
12. CMO Council/Precisely, *Critical Channels of Choice, "How Covid Has Changed the Channels of Engagement," 2020*, p.6, <https://www.cmocouncil.org/thought-leadership/reports/how-covid-has-changed-the-channels-of-engagement>.
13. A commissioned study conducted by Forrester Consulting on behalf of Deloitte, October 2020.
14. A commissioned study conducted by Forrester Consulting on behalf of Deloitte, October 2020.
15. Bannerflow and Digiday, *The State of In-housing 2020*, p. 12, <https://info.bannerflow.com/the-state-of-in-housing-2020-report>.
16. A commissioned study conducted by Forrester Consulting on behalf of Deloitte, October 2020.
17. A survey of 150 senior marketing leaders at large enterprises conducted by Deloitte Digital, June 2021.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the "Deloitte" name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.