The New Campaign Management Mandate

How Interactive Marketers Should Rethink Traditional Approaches To Campaign Management

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Executive Summary

Consumers have access to a dizzying array of channels and tools as well as a social megaphone to reach brands. This shift firmly places the consumer in the driver's seat. Although this makes customer interaction easier, it makes for a complicated life for interactive marketers, who are already grappling with a host of challenges with managing digital campaigns and delivering a seamless experience across multiple touch points.

> Interactive marketers face numerous challenges with customer data integration and insight generation, despite aggressively testing emerging channels.

In March 2011, ExactTarget commissioned Forrester Consulting to understand how interactive marketers use customer data to drive communications, develop promotions, and deliver consistent customer experiences. Forrester also analyzed how interactive marketers' current capabilities affect their emphasis on customers and examined how marketing technology is expected to alleviate the challenges they experience.

Through in-depth surveys with 158 US-based senior interactive marketing professionals, Forrester found that interactive marketers continue to struggle with customer data management issues, a challenge that is amplified by new data streams from emerging channels. Although established channels such as email, website, display, and search are actively measured by interactive marketers, leveraging collective customer insight across channels remains a distant reality for many.

Key Findings

Forrester's study yielded the following key findings:

- **The need for speed resonates loudly with interactive marketers**. Real-time customer insights and engagement across all channels are the name of the game. Given the velocity and frequency of customer interactions, interactive marketers are denied the luxury of time-delayed analysis and response. Marketing technology, listening across all channels — digital and social — and advanced data management capabilities are foundational capabilities to address this need.

- **Integrated campaign management is a strategic imperative.** Firms can ill afford to deliver an integrated customer view because of the disconnected, suboptimal customer experiences it causes. Interactive marketers look to technology to minimize their data-related challenges. But the integration challenge goes beyond technology and extends into the need for greater collaboration across interactive marketing teams.

  "Marketing lacks direction and integration across [the] departmental, enterprise, and supplier ecosystem. As a result, we recreate work, are slow to respond, and make our job harder than it needs to be." (Director of marketing communications, large consumer brand)

- **ROI continues to haunt interactive marketers.** Historically, interactive marketers struggled to quantify returns from interactive channels. This challenge persists today, especially in proving return from the newer channels. More channels translate into more challenges for interactive marketers, who already struggle with organizational and budgetary barriers that hinder progress toward a more customer-centric and dialogue-focused approach to campaign management.

"We do a great job measuring operational stuff. But Web analytics isn't the answer. We need to deliver a clear picture of our program contribution to revenue and margin. Attribution is a major gap in our arsenal." (Senior director, interactive analytics, direct-to-consumer unit, large pharmaceutical)

- **Unidirectional, channel-focused messaging is passé.** Despite frequent claims of customer-centricity by interactive marketers, their campaign management and measurement approaches say otherwise. Marketers continue to execute and measure campaigns in isolation from each other without a full view into customer activities across multiple channels. As a result, marketers still rely on using interactive channels to push messages versus to encourage customer dialogue. Through our study, we identified four personas of interactive marketers based on their emphasis on the customer and their interactive marketing capabilities.

  "The current haphazard method of tracking customer satisfaction is based specifically on the customer's individual channel engagement. In most cases, the interaction is via a third-party intermediary after contact with one of our marketing channels. Hence, we have no understanding of how our marketing successfully or unsuccessfully attracted the customer." (Director of business analytics)

- **Cracking the fragmented data puzzle is half the battle.** In the absence of a centralized view into customer data, interactive marketers struggle to execute effective cross-channel programs, fueled by real-time, actionable customer insight. Measurement and analytics capability is influenced by poor data collection, lack of data integration, and disparate data sources.

  "Analytics are a key driver to decision-making, but we need automation to save manpower cost." (Campaign management leader, large financial services firm)

The Current State Of Interactive Marketing Management

Interactive marketing has evolved significantly over the past several years, and the pace of change continues to accelerate as emerging challenges such as social and mobile gain traction. Simultaneously, campaign management solutions evolved to provide improved ability to capture, store, and analyze digital data.

Forrester defines the term interactive marketing as:

The use of addressable channels like email, search, display advertising, social media, mobile, or online video to sense and respond to customer need.

Originally, interactive marketing was a practice limited to paid media channels such as display advertising and search engine marketing campaigns, but the discipline evolved over time to encompass all things digital — including owned and earned media channels such as blogs, microsites, websites, and social media touchpoints.[1] As a result of interactive marketing's modern broad scope, organizations currently face multiple challenges.

- **Lack of accountability is a barrier to future investment.** Quantifying the results of interactive marketing programs is still a challenge for marketers and not limited just to proving the value of emerging channels. Twenty percent of respondents in our study rank this as the biggest challenge they face in their

organizations. As a result, return on investment (ROI) and budgetary concerns throttle the decision to invest in new technologies and channels (see Figure 1).

- **Cross-channel customer insight is absent.** Interactive marketers are adept at planning and executing campaigns across each individual interactive channel but continue to grapple with creating a unified view of customer interactions across channels to extract insight. This is among the top three challenges that interactive marketers face. As a result, marketers are unable to deliver optimized, relevant, and customized digital experiences for customers.

    "We work on different projects in silos. SEO works on SEO, PPC on PPC, banner on banner, print on print. We rarely exchange knowledge. IT slows things down because [it has] different company priorities like phone systems, corporate e-mail, CRM management." (Interactive marketing manager, education vertical)

- **Emerging channels are underutilized for customer dialogue.** While interactive marketers experiment fairly aggressively in emerging channels, the potential of channels such as social and mobile to foster customer dialogue is unrealized. Social, mobile, video, and other emerging media are viewed as channels for communication and brand presence versus a medium of dialogue, co-creation, and testing of new product ideas. These capabilities rank lower in the overall interactive marketing capabilities, compared with using interactive channels for pushing communications and managing campaigns (see Figure 2).

Figure 1

Accountability, Cross-Channel Customer Insight, And Staffing Are Key Challenges

"What would you say are the greatest internal challenges facing your interactive marketing organization today?"

■ 1   ■ 2   ■ 3

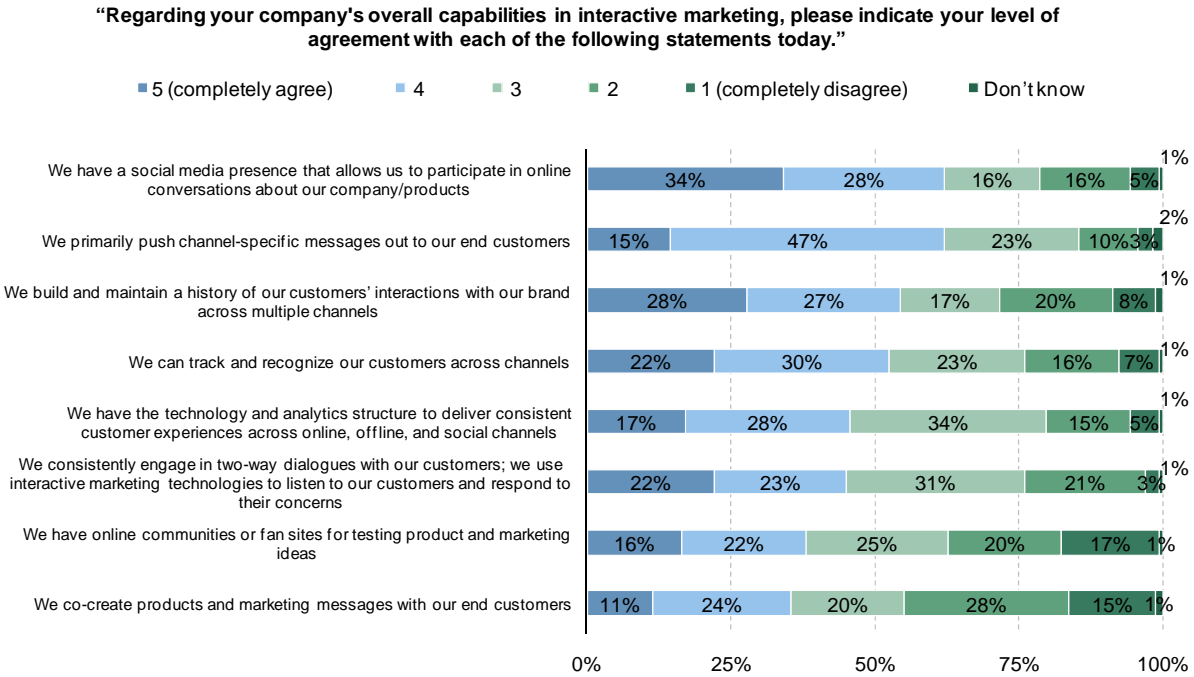|		
Proving results to the executive team to garner support and budget	20%	11%	9%
Staffing marketing programs sufficiently	19%	15%	6%
Understanding customer interactions across channels (online, mobile, social, offline)	14%	17%	17%
Managing campaigns across multiple marketing technologies (email, ad serving, mobile marketing, social, etc.)	11%	14%	16%
Responding to customers in real time	10%	8%	11%
Controlling marketing project budgets that are dependent on IT collaboration	8%	11%	9%
Maintaining customer data quality across campaigns	8%	11%	10%
Coordination with internal groups or external agencies	6%	8%	13%
Automating repetitive marketing processes	1%	5%	8%
Other	4%	1%	1%

Base: 157 US business-to-consumer marketers

(three responses allowed on a scale of 1 [first-greatest challenge] to 3 [third-greatest challenge])

Source: A commissioned study conducted by Forrester Consulting on behalf of ExactTarget, May 2011
Note: Does not include those who answered "None; our marketing department is not facing any internal challenges"

Figure 2

Current Interactive Marketing Capabilites Focus On Push Messaging

"Regarding your company's overall capabilities in interactive marketing, please indicate your level of agreement with each of the following statements today."

■ 5 (completely agree)　■ 4　■ 3　■ 2　■ 1 (completely disagree)　■ Don't know

Statement	5	4	3	2	1	Don't know
We have a social media presence that allows us to participate in online conversations about our company/products	34%	28%	16%	16%	5%	1%
We primarily push channel-specific messages out to our end customers	15%	47%	23%	10%	3%	2%
We build and maintain a history of our customers' interactions with our brand across multiple channels	28%	27%	17%	20%	8%	1%
We can track and recognize our customers across channels	22%	30%	23%	16%	7%	1%
We have the technology and analytics structure to deliver consistent customer experiences across online, offline, and social channels	17%	28%	34%	15%	5%	1%
We consistently engage in two-way dialogues with our customers; we use interactive marketing technologies to listen to our customers and respond to their concerns	22%	23%	31%	21%	3%	1%
We have online communities or fan sites for testing product and marketing ideas	16%	22%	25%	20%	17%	1%
We co-create products and marketing messages with our end customers	11%	24%	20%	28%	15%	1%

Base: 158 US business-to-consumer marketers

Source: A commissioned study conducted by Forrester Consulting on behalf of ExactTarget, May 2011

Customer Emphasis Is Foundational For Next-Generation Experiences

Today's interactive marketing challenges and opportunities drive the evolution of interactive marketers, and a new breed is emerging to take advantage of these opportunities. The following criteria define the characteristics of these interactive marketers:

- **Focus on a dialogue rather than broadcasting messages.** Interactive marketers who focus on pushing messages to customers through various channels emphasize tracking and monitoring rather than truly building customer knowledge. On the other hand, interactive marketers focused on customer dialogue engage in conversations with customers and listen and respond in real time to their concerns. They have a social media presence that allows for this participation and use online communities to share product and marketing ideas.

- **Emphasize the customer rather than the channel.** Customer-centric interactive marketers typically collaborate on interactive projects spanning email, search, social, etc. Customer focus is an executive mandate that transforms how interactive marketing teams function across marketing, sales, or customer

service. On the other hand, channel-focused interactive marketers persist on achieving channel efficiency and effectiveness and allocate budgets based on channel performance.

Based on the criteria listed above, interactive marketers we surveyed can be categorized into four segments (see Figure 3):

- **Marketing enforcer.** This type of interactive marketer focuses on campaign process efficiency and effectiveness. The directive for this marketer is to ensure that campaigns are well executed and pushed through multiple channels. Forty-five percent of the respondents in our study fall into this segment.

- **Program innovator.** This marketer reaps the benefits of channel-focused messaging but is now focused on ensuring that campaign performance is measured in terms of customer-oriented behaviors such as revenue. One-fourth of the respondents in our study exhibit these collective behaviors.

   Channel enabler. An enabler uses channels to foster dialogue but views emerging media such as social, mobile, and video as channels instead of opportunities to influence customer experience. A little more than one-third of the respondents indicate these characteristics in our study.

   "We're currently building a marketing department from the ground up in an organization that has never marketed on a strategic level before. We need all the help we can get." (Chief marketing officer)

- **Customer pioneer.** A pioneer is the rare interactive marketer who obsesses about the customer and uses interactive channels as a means to foster an improved relationship with the customer. One-third of the respondents in our study are pioneers.

   "Customers are our reason for being. This comes from the top and isn't optional." (VP of interactive marketing, gaming)
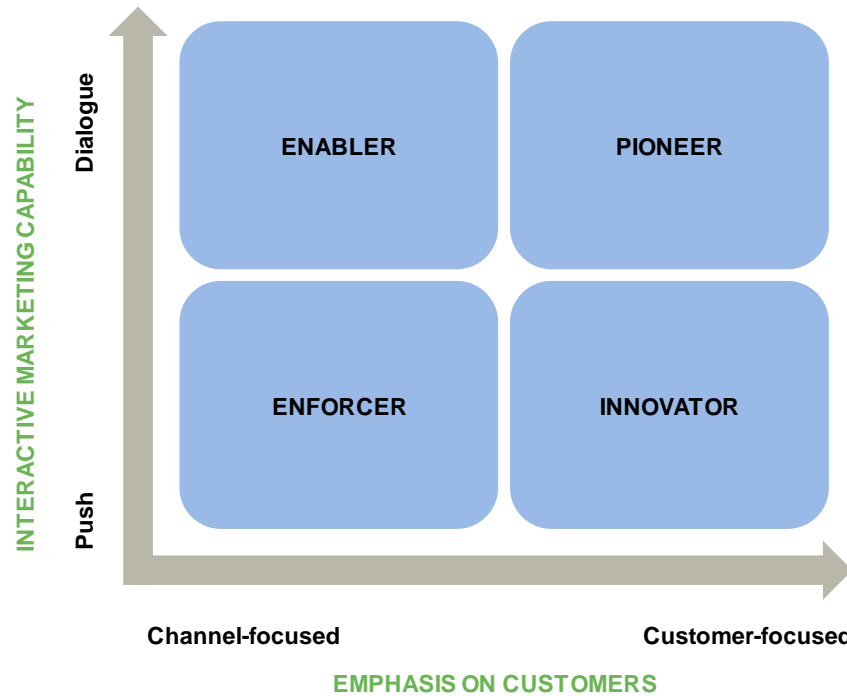
There is a constant transition of interactive marketers between the various interactive marketing segments. To help map out this journey, new tools, technologies, and processes in campaign management need to evolve.

   "Everyone wants fully integrated programs that manage everyday activities easier. It is also much more convenient when you can access information yourself instead of going through a busy IT professional." (Associate marketing manager)

   "Without a more comprehensive and integrated application suite, we know little about what is working and how to best adjust our approach." (Senior acquisition manager)

Figure 3

Four Interactive Marketing Personas Determine Customer-Centricity And Interactive Marketing Capability

	ENFORCER	INNOVATOR	ENABLER	PIONEER
Challenges	• Data quality issues • Effective campaign execution	• Responding to customers in real time • Encouraging customer dialogue	• Lack of accountability • Proving return from emerging channels	• Delivering seamless customer experiences • Driving brand affinity
Competencies	• High level of channel efficiency • Timely delivery of messages	• Consistency in messaging • Customer-focused campaigns	• Experiments with emerging channels • Aggressive with new technologies	• Espouses customer-centricity • Uses channels as relationship-building tools
Metrics	• Campaign lift • Conversion rate • Cost per lead	• ROI • Share of wallet • Channel synergies	• Sales/revenue • Social mentions • Conversation sentiment	• Customer retention • Lifetime value • Customer satisfaction
Desired focus	• On-time launch and delivery of quality campaigns	• Real-time generation and enabling enforcers	• Early adopter of emerging technology solutions	• Delivery of impactful customer experience enabled by integrated approach

Source: A commissioned study conducted by Forrester Consulting on behalf of ExactTarget, May 2011

The New Campaign Management Mandate

Interactive marketers look to marketing technology to solve key challenges such as the ability to prove results of campaigns, enable real-time customer responses, improve data quality, improve cross-channel customer insight, and right-time delivery of marketing messages (see Figure 4). Budgetary concerns affect the marketing technology adoption decision, but the lack of collaboration in testing new channels is even more challenging. Thirty-four percent of the respondents in the study indicated that collaborating to test emerging channels is extremely or somewhat difficult. All of these challenges set the stage for new campaign management directives in technology, people, and processes.

So what defines the new campaign management mandate?

- **Ensure greater accountability.** In addition to established channels such as email, website, and display advertising that are measured consistently today, interactive marketers expect the measurability of other emerging channels to significantly improve in the next five years. Increased measurability drives an increased need for accountability and performance-based campaign management — a need that an integrated application suite can fill.

  "I think marketing needs a more comprehensive app suite so that our customer contact strategy is efficient. We shouldn't contact the customer too much with the same or different message. It's overload. By having a comprehensive look at what we market and say and who responds in which channels, we can improve our contact strategy, conversion rates, budget allocation, and ROI." (Senior product manager, online travel)

- **Enable real-time management.** Real-time multichannel messaging, data analysis and retrieval, and monitoring are all requirements in the new campaign management paradigm. The technology and deployment choice plays a vital role to support a real-time methodology in campaign management.

  "Through technology, marketers will earn consumer trust by being relevant, timely, and respectful. Marketing must be faster to market as emerging technologies are leveling out the playing field among big and small companies alike. IT resources are increasingly at a premium, especially as we deploy more and more new technologies, [such as] SaaS, which requires more research around IT security/training and increases reliance on the vendor." (Director of email marketing, higher education)

- **Enhance relevance and personalization.** The new campaign management mandate paves the way for greater content and message relevance for customers that takes precedence over optimizing channel performance or time of delivery. Capturing data is not as much of an issue as customizing advertising messages or delivering unique experiences to customers on the website or in a display ad. Interactive marketers strive toward this goal with the help of marketing technology solutions such as web analytics platforms, customer data hubs, and campaign management suites.

  "Our marketing is spread out across smaller offices across the country. In order to effectively communicate a seamless message, we need to have the same practices being implemented across all markets." (Campus manager)

- **Improve data and process integration.** Managing and understanding data in real time from new channels for collective customer insight is crucial to realize the true benefits of cross-channel campaign management. This integration manifests itself as data-sharing practices, commonality in metrics and measurement, common processes, and key technologies. Survey respondents rank web analytics, social management tools, and customer data hubs as key technology enablers to overcome marketing challenges (see Figure 5).

  "Yes, marketing would definitely benefit from a more comprehensive and integrated application suite, but we have disparate needs and approaches that one suite could likely not address equally well. Then again, we've stopped looking at full suites because the ones we've explored in the past have always had a few modules that didn't live up to our needs. It would make sense to explore the applications and suites currently available, but we just don't have the staffing or time resources to explore willy-nilly." (Brand manager)

- **Foster collaboration.** Although coordination with internal teams and agencies is not as much of a concern as proving accountability, interactive marketers seek marketing technology solutions that enable workflow management so that they can focus on more pressing objectives. Thirty-two percent of respondents in our study indicate that marketing planning, collaboration, and workflow tools will help overcome their current marketing challenges.

  "Marketing in my company is still functioning very manually across all channels. Hence we need technology for improved workflow. Out IT department is notorious for overpromising and underdelivering. Currently [it is] held to no work standards by upper management." (Director, sales support)

Figure 4

Technology Helps Overcome Accountabilty, Data Quality, And Customer Reponse-Time Issues
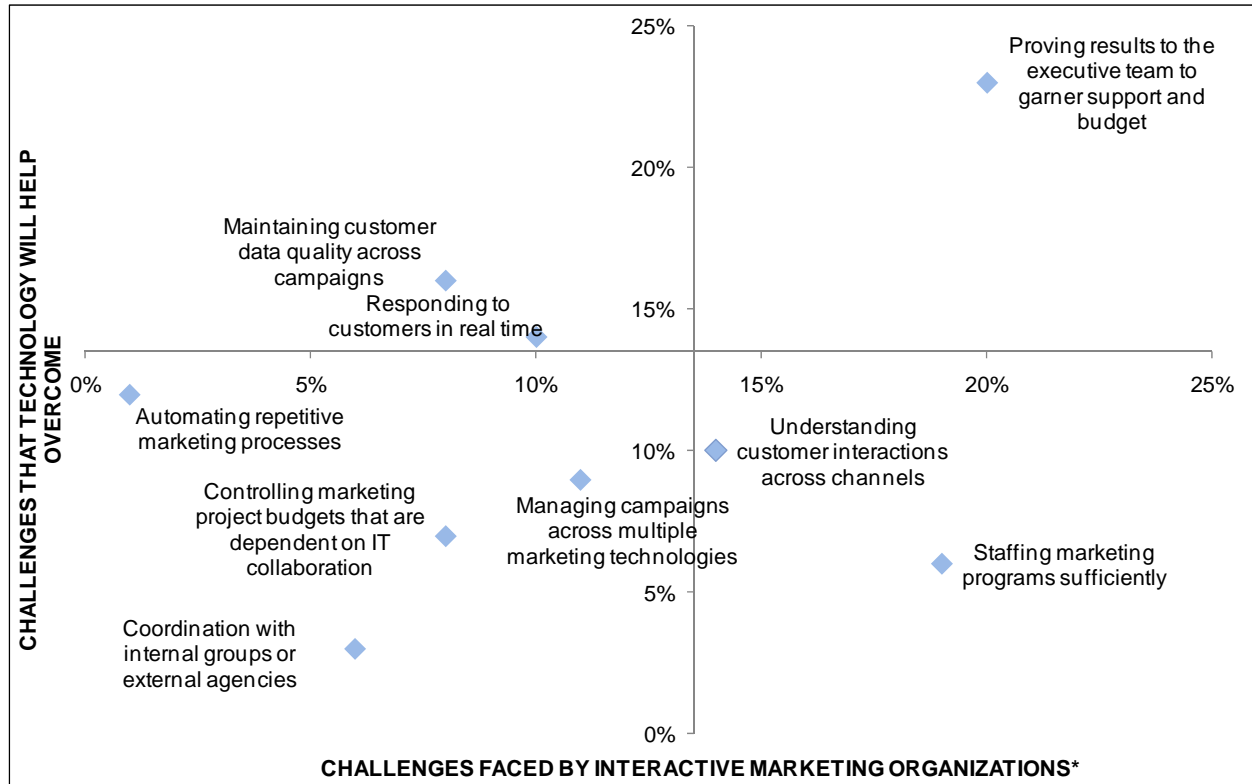
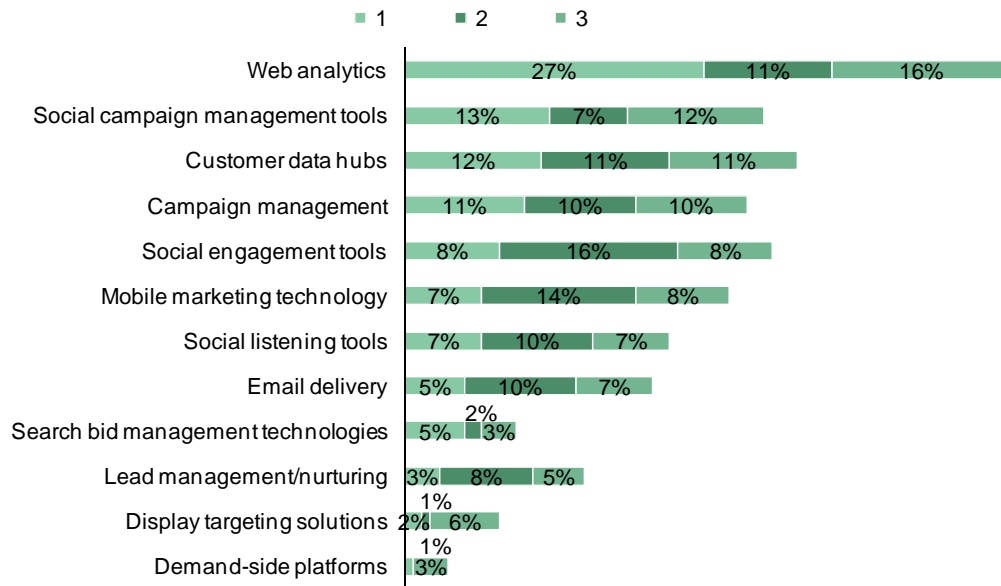Base: 154 US business-to-consumer marketers

*Base: 157 US business-to-consumer marketers

Source: A commissioned study conducted by Forrester Consulting on behalf of ExactTarget, May 2011

Figure 5

Web Analytics, Social Campaign Management, And Customer Data Hubs Are Key Marketing Technologies

"Regardless of current use, which of the following marketing technologies do you think can most help you overcome your current marketing challenges?"

■ 1   ■ 2   ■ 3

Technology	1	2	3
Web analytics	27%	11%	16%
Social campaign management tools	13%	7%	12%
Customer data hubs	12%	11%	11%
Campaign management	11%	10%	10%
Social engagement tools	8%	16%	8%
Mobile marketing technology	7%	14%	8%
Social listening tools	7%	10%	7%
Email delivery	5%	10%	7%
Search bid management technologies	5%	2%	3%
Lead management/nurturing	3%	8%	5%
Display targeting solutions	2%	1%	6%
Demand-side platforms	1%	3%	

Base: 132 US business-to-consumer marketers

(three responses allowed on a scale of 1 [first-most helpful] to 3 [third-most helpful])

Source: A commissioned study conducted by Forrester Consulting on behalf of ExactTarget, May 2011
Note: Does not include those who answered "none of the above" or "don't know"

KEY RECOMMENDATIONS

The onus is on interactive marketers to determine the appropriate mix of smart technology choices, robust skill sets, and intertwined processes that will improve overall campaign management capabilities. Organizations that want to embrace the new campaign management mandate must prepare themselves in the following ways:

- **Develop multiskilled interactive marketers.** The new breed of interactive marketers must be conversant in their understanding of multiple channels to truly embrace real-time cross-channel marketing. They have to be willing to break down silos and collaborate with each other if they are committed to the customer-centricity vision.

- **Profile the interactive marketing persona.** Regardless of whether the interactive marketer is an enforcer, an innovator, an enabler, or a pioneer, map out the path toward building a customer-centric, channel-agnostic practice. As innovators and pioneers focused on customer-centric interactive marketing, devise clear campaign road maps and supporting marketing technology infrastructure to directly affect customer behavior and customer experience.

- **Accentuate the marketing and IT relationship.** Marketing technology buying decisions are no longer the domain of only the IT organizations. But the reality in many organizations where IT manages vendor evaluation, selection, and implementation is that marketing teams seek solutions that not only empower them but also help in getting buy-in from the IT organization.

- **Plan for change management processes.** The complexity in building a real-time and integrated interactive marketing engine requires significant change management. The nuts and bolts of choosing an appropriate integrated suite and driving the changes associated with implementation and adoption is something that interactive marketers need to plan for versus making a technology choice.

- **Focus on process automation.** With the pace at which consumers interact and expect marketers to respond to them, manual time-intensive processes don't cut it anymore. The only way to scale marketing processes efficiently is to invest in marketing automation tools and technologies.

- **Build a culture with customer knowledge at the core.** The vision of integrated campaign management is realized only through the consistent use of analytics and measurement practices that support interactive marketing at each step. Tackling different types of data and aggregating for collective insight is an essential characteristic of any campaign management system and pioneering interactive marketer.

Appendix A: Methodology

For this study, Forrester conducted an online survey of 158 mid- to senior-level interactive marketers in the US to evaluate how interactive marketers use customer data to drive communications and offers and deliver consistent customer experiences. Survey participants included decision-makers in brand marketing, interactive marketing, campaign management, customer relationship marketing, and social/emerging campaign management. Questions provided to the participants asked about their challenges and current capabilities, the impact of marketing technology, and their overall opinions about metrics and measurement. The study began in March 2011 and was completed in May 2011.

Appendix B: Supplemental Material

Related Forrester Research

"How The Online Marketing Suite Affects The Marketing Technology Playbook," Forrester Research, Inc., March 23, 2011

"The Road To The Online Marketing Suite," Forrester Research, Inc., March 4, 2011

"Revisiting The Online Marketing Suite," Forrester Research, Inc., February 7, 2011

"Marketing Technology Adoption," Forrester Research, Inc., February 28, 2011

"Trends in Cross-Channel Campaign Management," Forrester Research, Inc., April 14, 2010

Appendix C: Demographics

Figure 6

Respondent Demographics
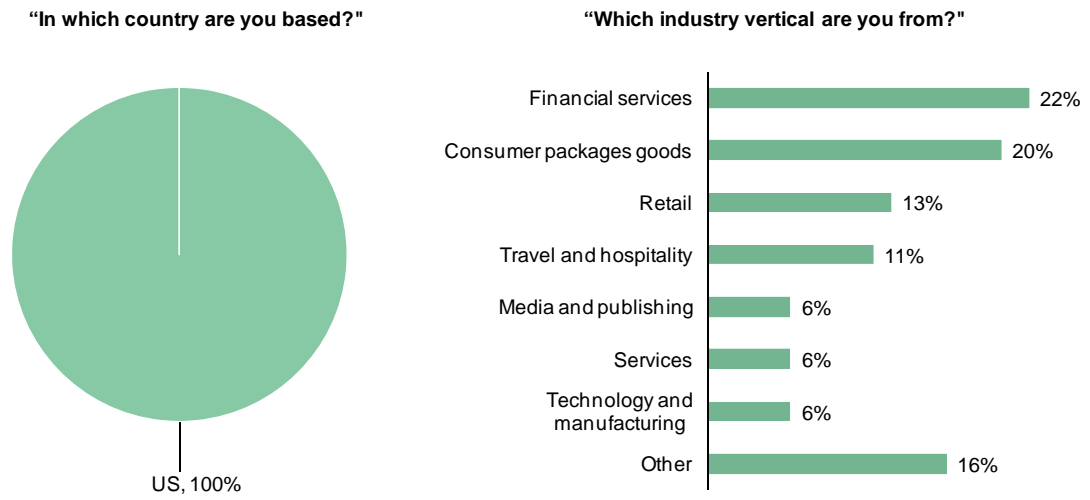
"In which country are you based?"

US, 100%

"Which industry vertical are you from?"

Financial services	22%
Consumer packages goods	20%
Retail	13%
Travel and hospitality	11%
Media and publishing	6%
Services	6%
Technology and manufacturing	6%
Other	16%

Base: 158 US business-to-consumer marketers

Source: A commissioned study conducted by Forrester Consulting on behalf of ExactTarget, May 2011
Note: Other industries include telecommunications, education, entertainment, nonprofit, and real estate.

Figure 7

Respondent Demographics

"To whom does your company sell primarily?"

Consumers and businesses roughly equal, 22%

Exclusively consumers, 29%

Mostly consumers, but some business, 49%

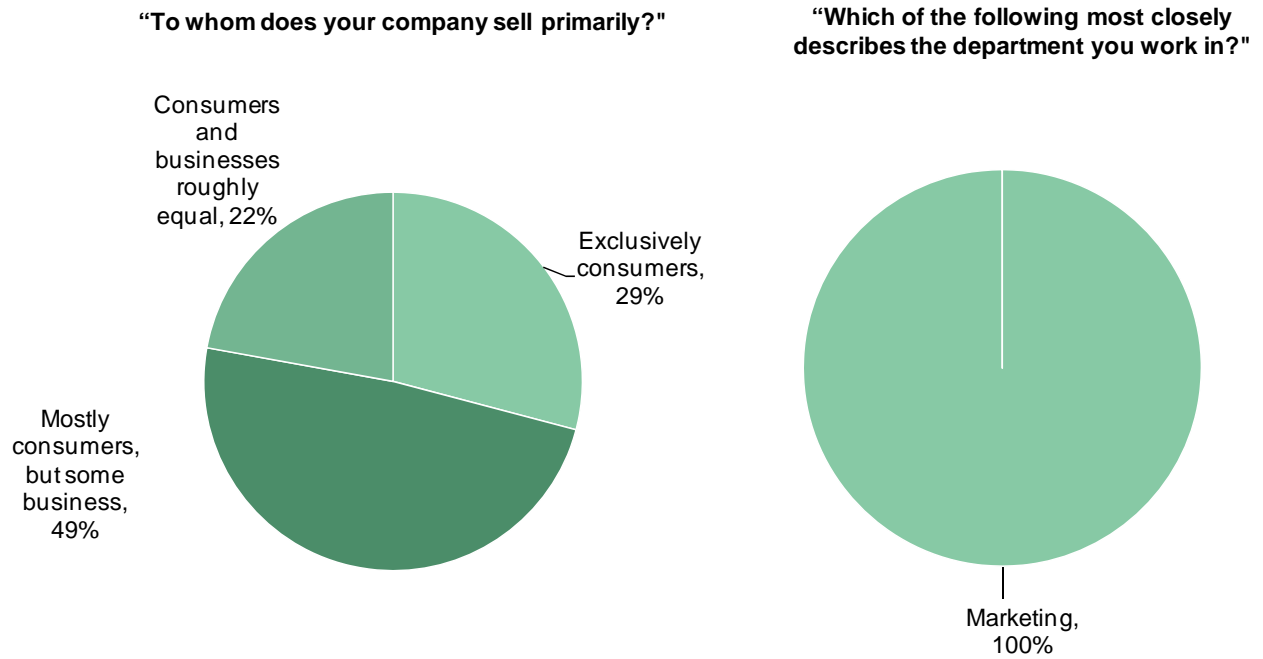**"Which of the following most closely describes the department you work in?"**

Marketing, 100%

Base: 158 US business-to-consumer marketers

Source: A commissioned study conducted by Forrester Consulting on behalf of ExactTarget, May 2011

Figure 8

Respondent Demographics

"Which of the following best describes your position at your company?"

- Manager (manage a team of functional practitioners), 55%
- Vice president/ director (in charge of one/several large departments), 45%

"In which of the following areas of marketing are you most closely involved during the decision-making process?"

- Brand marketing (e.g., customer segmentation strategy, brand activation, brand portfolio management, brand architecture) — 41%
- Interactive marketing (e.g., digital media planning/display, SEM/SEO, email, web analytics) — 22%
- Campaign management (e.g., inbound and outbound channel planning, contact optimization, offer management) — 18%
- Customer relationship management/data (e.g., data mining, data analysis, digital media measurement) — 11%
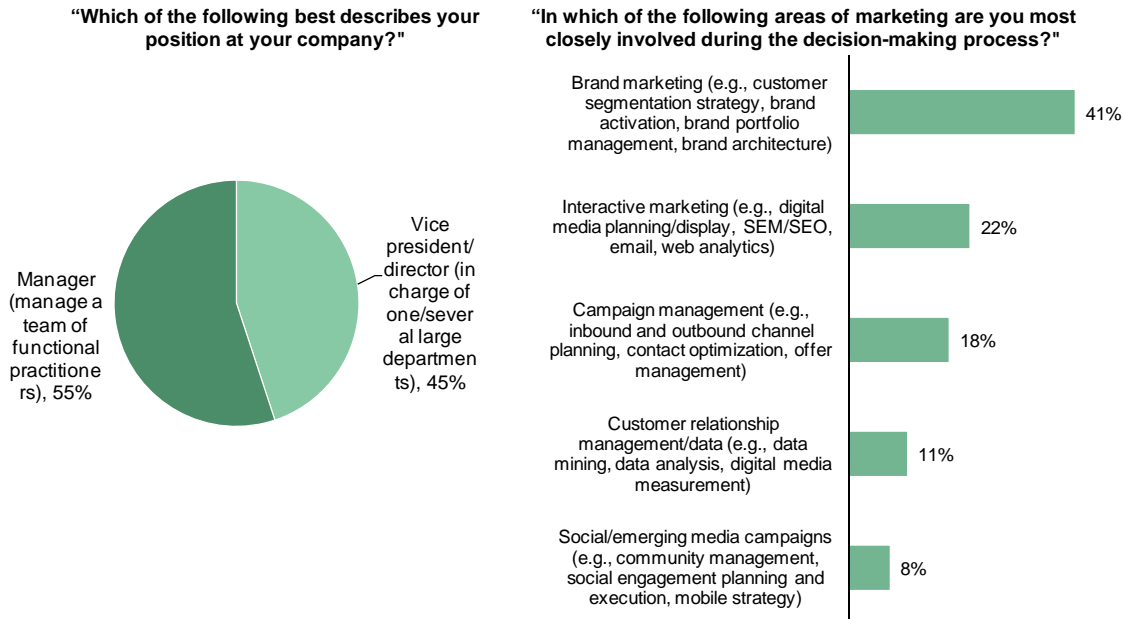- Social/emerging media campaigns (e.g., community management, social engagement planning and execution, mobile strategy) — 8%

Base: 158 US business-to-consumer marketers

Source: A commissioned study conducted by Forrester Consulting on behalf of ExactTarget, May 2011

Appendix D: Endnotes

[1] Many interactive marketers are discovering that they need to reorganize their teams because the old marketing model built around traditional channels is insufficient for the digital world. Today, interactive marketers handle not only marketing tasks but also, in many cases, PR, media planning, eCommerce, CRM, and analytics. Source: "No Media Should Stand Alone," Forrester Research, Inc., December 16, 2009.