

CMO's Guide for People-centric Marketing

Marketers need to shift strategies to keep up with consumers and stay ahead of the curve. It's time to re-focus your efforts and put people first.

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01 Introduction

Digital World Today: Distracted Consumers, Frustrated Marketers

The digital landscape is changing, and new consumer behavior calls for new rules to engage them.

Digital use has become so pervasive that it's no longer considered a unique media—it's a way of life. Today's households and individuals use multiple devices to surf, shop, interact, and purchase. In the second quarter of 2020, worldwide mobile devices (excluding tablets) generated 51.53% of global website traffic.¹ More than nine in 10 U.S. smartphone users will do a web search on their mobile this year.² Mobile advertising spending is expected to surpass \$280 billion by 2022.³ Mobile's near universal adoption has transformed media consumption as well as how media influences buying.

Mobile device use is so high that it actually makes it harder to connect with audiences, because multiscreen multitasking creates more distractions. A person watching TV on the big screen while searching IMDb cast info on another device, and maybe even checking Instagram on a third will be exposed to multiple ads—both intentional and inadvertent—but with little to no value as they're not paying attention. Add to that the blending of online and offline experiences and navigating the new marketing landscape is even more confusing.

People today are so inundated with ads and messages that attention spans have reached an all-time low of just eight seconds—that's less than a goldfish.⁴ According to various estimates, the average person sees up to 10,000 ads in a day—in 2007, that number stood at 5,000 according to a market research firm, Yankelovich,⁵ and it was then believed to be the breaking point of ad tolerance. No wonder consumers today are not only failing to notice digital ads, they're actively avoiding them. Cord-cutting, which began with people canceling their cable subscriptions to stream shows via ad-free websites and apps like Netflix has spread to social media, with more and more people simply tuning out. In 2019, a quarter of U.S. internet users were blocking advertising on their connected devices, which means that a quarter of paid advertising messages will never reach their audiences.⁶

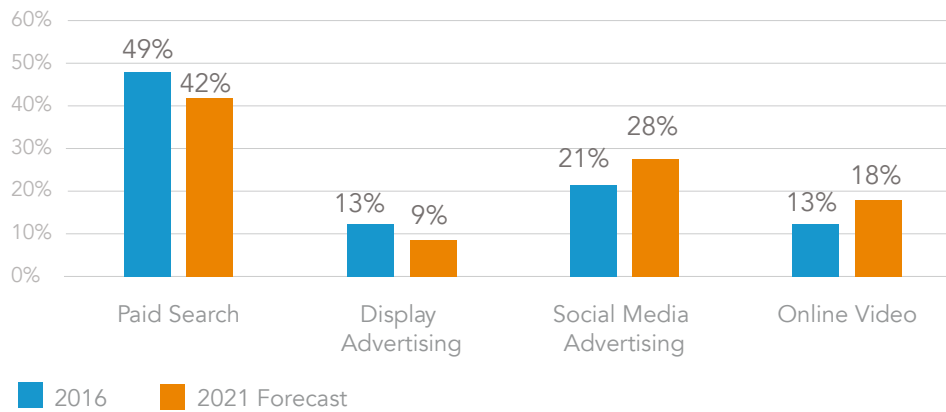
As people find new ways of getting what they want, ads continue to lose value. For marketers, this means making your message heard isn't just difficult; it's near impossible.

To meet today's consumer expectations, marketers need to answer two questions:

1. How do you break through the digital noise and be heard?
2. How do you make your message valuable for your audience?

02 State of the Industry and Paid Digital Media Trends

Let's start by taking a look at the current landscape. From \$333B in 2020, the global digital ad market is expected to reach \$526B in 2024, which will then represent 62.6% of all media ad investments—and this is after factoring in the 2020 drop in digital media investments resulting from the COVID-19 pandemic.

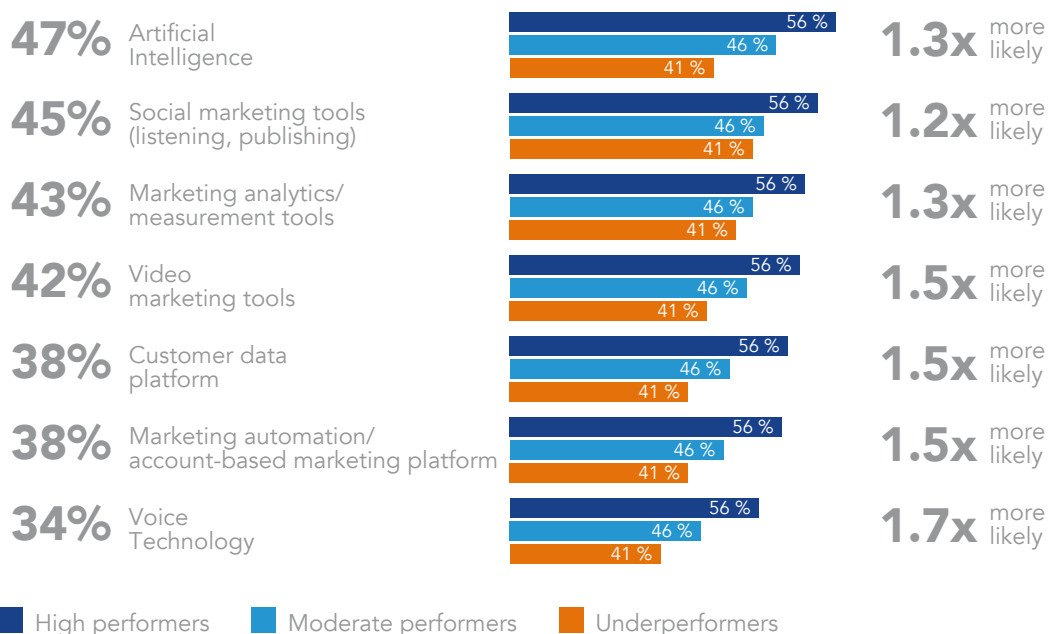


Statista, Growth of online advertising spending by type, 2020

Although the 2019-2020 pandemic is wreaking havoc with ad spending forecasts, marketing budgets overall will remain strong in the coming years, with intensified reliance on technology to not only gain new clients, but retain existing ones, in the context of slowing economies. Surveyed by Gartner, marketing leaders say they're least likely to cut customer data platforms, mobile marketing platforms, and digital commerce tech.⁷

AI, social tools, and analytics are most primed for expanded role

Marketers planning to increase use of the following over the next year.



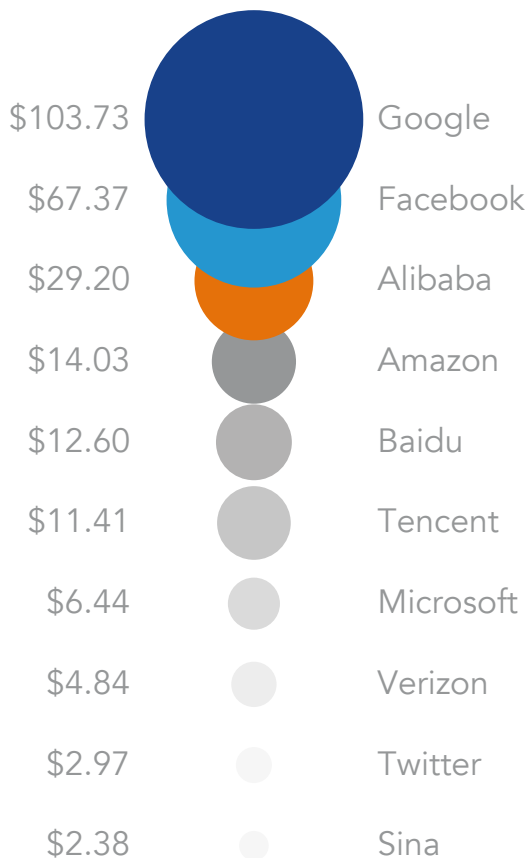
Salesforce, State of Marketing, 6th edition, 2020

Search still shines

Ad placement and audience targeting are still top ways to drive more demand according to HubSpot,⁸ but consumers are moving away from Google and finding new ways to search for products and information online. More than ever are going directly to Amazon or find websites and information via social media and online videos. Social sites like Facebook and Pinterest offer answers before users ask for them, which can feel more organic. And AI-powered intelligent assistants (IAs) like Siri, Alexa, and Cortana are giving consumers a direct line to what they're looking for.

Major global digital ad sellers

2019 net digital ad revenues (billions)



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; net and revenues after companies pay traffic acquisition costs (TAC) to partner sites; Google includes Youtube advertising revenues; Facebook includes Instagram advertising revenues; Microsoft includes LinkedIn advertising revenues.

eMarketer, Global Digital Ad Spending, 2019

Where online shoppers start online search

63%

on Amazon

48%

in search engines

33%

in retailer sites

21%

at the brand's website

8%

social media sites

- Wunderman Thompson Commerce, *The Future Shopper Report 2020*

Automation vs. accuracy

Buying in the traditional display ad market is becoming more and more automated, but less and less efficient. Marketers are using programmatic media buying which automates digital advertising bids using intelligent software. According to Statista, spending for programmatic advertising will reach \$147B by the end of next year.⁹ But this kind of exchange, which allows marketers to serve up ads in real time using first and second-party customer data, also enables ad fraud and may rely on outdated assumptions and metrics. Marketing budgets are better spent focusing on who you're targeting and how to connect with those segments.

Quality over quantity

Content is still king, but the priority has shifted from quantity to quality, with marketers using creative content to deliver consistent messages across screens, devices, and channels. According to Hubspot, marketers create content for multiple audience segments, and the most common measurement of success for content marketing programs is Total Sales. One marketer in three was planning to increase their investment in content marketing for this year.⁸

Right tools, wrong data

Marketers today need to target the right audience, with the right message, at exactly the right time. But the technology that powers marketing can inhibit as well as enable. While marketing tools have come a long way, too many of them are still channel-centric, which limits their value. Disconnected data and tools that focus on individual channels leave marketers feeling frustrated because they lack the insights they need to deliver consistent messages and experiences to the same people across different channels.

03 What's Next? New Era, New Strategy

So how can marketers succeed with today's consumers? By putting people first. This will allow marketers to get the most out of existing budgets and stop wasting money. To reduce customer acquisition costs while increasing both conversions and lifetime customer value, you need to transform your strategy for the digital-everywhere era and distracted audiences.

How to be heard: focus on people

With users interacting on so many devices, displays, and channels, the key to getting your message heard is focusing on the individual. According to Gartner, 75% of organizations are now concentrating on customer satisfaction as a driver of revenue growth through increased customer retention or lifetime value.¹⁰

People-based marketing means moving away from targeting audiences on specific channels and towards engaging individuals. It's about identifying the same users across devices and channels and guiding them down the path to purchase by delivering high quality content instead of high-volume communication.

Start by knowing your customers. Most companies today have access to a wide range of information about customers and potential customers, thanks to data analytics, tag management, customer relationship management (CRM) software, and third-party data. Leverage cookies and logins to authenticate users to enable 1:1 personalization or crunch key attributes to build buying personas—things like age, gender, income, interests, and previous purchasing behavior. This helps you understand who they are. Next, you need tools to anticipate what they're trying to do, so you can automate the best responses.

Marketers need to shift their focus to:

1. People-based marketing in the moment.
2. Connecting the dots across channels and screens.
3. AI-powered, data driven marketing.

How to make it meaningful: focus on intent

How do you know what people really want? By analyzing first-, second- and third-party data to identify behavior patterns that indicate intent.

When you can anticipate what people want to do at any given moment, you can help them do it.

Intent-driven personalization

With the right tech solution, whether it's a single platform or a combination of solutions that work together, marketers can create rich customer profiles from multiple data sources, determine individual intent, and have the ability to act on it. Machine learning and data science can help marketers understand what's the most appropriate product for a person right now, and in the future.

For example, a buyer who has purchased shoes from a brand in the past might today be scored with a low propensity to buy shoes, but a high likelihood for purchasing sweatpants. Using deep data analytics to crunch a complex combination of content and context enables marketers to understand people on multiple levels, and accurately predict and deliver the right combination of product and channel based on the buying persona. Businesses that employ data-driven analytics for personalization delivered five to eight times the ROI on marketing spend, and 53% of marketing leaders are turning to Machine Learning (ML) to capture consumer intent.¹¹ Personalization—creating and delivering individualized content based on previous behavior—is powerful, and it's a crucial capability to drive results.

Intent-driven engagement: Harnessing the power of AI and machine learning to predict what consumers want to do, and then using every tool available to make it easier for them—from resolving issues to completing purchases.

AI: The secret sauce

AI is the missing link between understanding consumer intent and acting on it. Machine learning has reached the tipping point, with new technologies and platforms that are intelligent, automated, and scalable changing the marketing game. According to the 2020 Digital Trends report from Econsultancy, 36% of CX leaders and 33% of large organisations report they're already using artificial intelligence, with data analysis being the most often cited application at 64%, compared to 55% in 2019.¹²

Meet madtech

As AI delivers more knowledge about customers, technology is converging to enable marketers to make the most of that knowledge. Adtech tools and platforms use automation and machine learning to buy, sell, and deliver display ads and target audiences. Martech enables cross-channel campaign management using attribution models and other analytics to nurture leads and opportunities. Adtech and martech are converging, giving rise to "madtech."

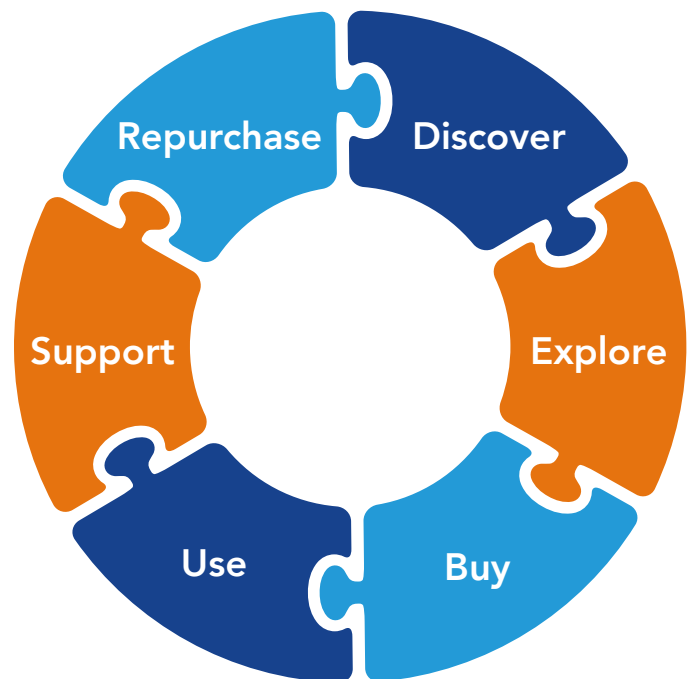
Madtech is driven by cross-channel/cross-device behavior. It leverages machine learning and predictive analytics, and prescriptive analytics, which involve customer intent and enable in-the-moment, one-to-one marketing. The more data you have, the smarter madtech becomes, enabling automated, intelligent engagement at every touchpoint.

Customer experience is king: CMOs must focus on CX

The balance of power has shifted and customers are now in control. While customer service agents used to be the only ones focused on individual customer experiences (CX), now Chief Marketing Officers (CMOs) care too

because giving people what they want is the most efficient way to acquire new customers. Brands need to engage people with dynamic content, delivered in context. While high levels of automation and personalization drive engagement embedding brand personality into every conversation is more important than popping up everywhere your audience turns.

As customer experience becomes crucial to business growth, 83% of global CEOs said they look to marketing to be a major driver for most or all of a company's growth agenda.¹³ CMOs are thus stepping up with a new role: They are the customer's advocate within the business, calling on the full scope of business capabilities. CMOs can only achieve this through a unified platform integrating chat, messaging, and voice channels with virtual and live agents, and robust customer journey analytics to solve customer pain points and bridge unmet needs.



04 A Practical Approach to People-centric Marketing

Five critical steps to people-based

Shifting the way you target and engage consumers based on their behavior and intent may seem like an audacious goal but remember, customer centricity is a journey not a destination. Getting started is a lot easier than you think. Here are 5 key steps to guide you:

1. Understand customer journeys and personas.

Leverage customer journey analytics to identify who your customers are and their path to purchase across channels and devices. Collect and collate data within the journeys to identify where consumers engage and abandon. Combine behavioral, transactional, and CRM data with second- and third-party data for richer understanding of personas. Sometimes it's easier to start with your desired business objective or end goal, and work backwards from there.

2. Prioritize journeys. Pick one or two.

Look at the frequency and complexity of each journey and identify high-frequency/low-complexity/high-value journeys that are candidates for optimization. Assess requirements and realign priorities until you've identified one or two journeys that you can realistically optimize based on internal resources and constraints.

3. Assess requirements.

Better understand how customer profiles are built, how experiences are orchestrated, and the supporting technology/systems currently in place. Identify which capabilities are needed to optimize and automate the journey and achieve the desired experience. Understand internal resources and dependencies and re-prioritize as needed.

4. Start small.

Starting with journeys that are simple, focused, and high value gives you the opportunity to build organizational "muscle" and drive buy-in from key stakeholders before you tackle bigger, more complex journeys. Clearly define metrics and KPIs up front.

5. Operationalize. Optimize. Rinse and repeat.

Operationalize and automate the journeys with the biggest impact. Focus on integrating key data, and the systems needed to monitor, support, and improve defined journeys. Prove ongoing performance lift by maintaining a control group.

Core technologies

Marketers need a platform that combines artificial intelligence with cross-channel orchestration to make digital transformation a reality. Using a single solution is the only way to create a seamless brand experience for your audience. Without a unified platform to meet consumers wherever they are, all you're doing is creating a series of disjointed interactions that may or may not have any real value.

Artificial intelligence and machine learning help you understand who your audience is and what they want. The most critical insight is what their intent is at any given moment, which is essential to personalizing and improving the customer experience across touchpoints. A powerful digital marketing platform enables you to build in business rules and application logic once and deploy everywhere.

Choose your partner wisely

With so many technologies available, it's hard to know where to start. Be sure the company is media and channel agnostic—avoid “walled gardens” like Google and Facebook, which allow you to reach consumers but never to really own them.

Look for leading edge, proven technology for automating customer journeys.

Platforms should be able to provide customer success case studies that demonstrate their capabilities. For analytics to be meaningful and valuable, it's important to have access to a deep pool of data. Platforms gain deep operational insight from using the same technology on behalf of clients—the bigger the client list and the longer it's been in use, the deeper the insight.

Lastly, make sure they have demonstrable expertise and success in your industry. Customer intent models are different for every industry, so choosing a partner that understands both your needs and your audience is essential to help you reach your goals.

The power to transform

People today want quality, not quantity. As audiences turn away from traditional channels and find new

ways to get what they want, marketers need to focus on people-based marketing in the moment. They need to orchestrate cross-channel campaigns to make meaningful connections in real time. And they need to invest in AI powered, data-driven tools that let them know their audience and gently guide them down the path to purchasing and repurchasing.

[24]7.ai is uniquely positioned to help companies successfully transform the customer experience. The [24]7.ai Engagement Cloud enables intent-driven personalization so you can put people first. Deliver a consistent, branded customer experience while making every interaction more cost efficient for you and more satisfying for your customers and agents.

Make your message stand out and create personal connections with precision ad targeting across devices and channels. Tailor creative and messaging on websites, banner ads, social media, and video platforms to drive significant sales lift and a higher return on digital ad spend. [24]7 Target harnesses the power of big data, AI, and machine learning to more accurately predict customer intent and deliver 4x higher ad engagement in real-time with people-based marketing. Combined with a strong customer service vision and rich vertical insights, [24]7 Target can deliver up to 20% lift in online conversions.

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5. The New York Times, Anywhere the Eye Can See, It's Likely to See an Ad, 2007
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10. Gartner, 3 Key Findings From the 2019 Gartner Customer Experience Management Survey, 2020
11. Medium, Top 50 Advanced Personalization Statistics & Predictions (2020-2025)
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About [24]7.ai

[24]7.ai is redefining how artificial intelligence, human insight, and deep vertical expertise can produce personalized, satisfying customer experiences across all channels. Our advanced conversational AI platform predicts consumer intent and creates frictionless interactions that help the world's largest and most recognizable brands to strengthen customer relationships and increase brand loyalty. With more than two decades of contact center operations expertise, [24]7.ai empowers companies to deliver natural, consistent conversations that increase customer satisfaction while lowering costs.

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