

A Forrester Consulting Thought Leadership Paper Commissioned By Responsys

# The Rise Of Marketing Orchestration

A New Post-Campaign Model To Deliver Personalized And Orchestrated Customer Experiences

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FORRESTER

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## Executive Summary

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One of the biggest challenges cited by today's marketers is how to coordinate and integrate their marketing across touchpoints and time, or what we refer to as "marketing orchestration." This task is becoming increasingly difficult with the proliferation of new media and the overall impression a marketer wants to create in the minds of consumers across the growing number of new, traditional, owned, and earned media channels.

To compound the problem, despite a rapid growth in addressable media, pervasively connected devices, and real-time marketing technologies that enable marketers to reach and respond to individual customers, most companies are stuck in an old campaign mindset and a corporate reality where each of their touchpoints is typically the domain of separate channel siloes, such as email, mobile, display, social, and web. The overall result is often messaging, execution, and delivery strategies that are fragmented across touchpoints and out of context to the consumer.

Responsys commissioned Forrester Consulting to investigate the changing face of marketing campaigns as a result of the change in customer expectations. The study explored the marketing goals, capabilities, budgeting priorities, and channel mix of orchestrated marketers. Forrester conducted extensive interviews to probe deeper into emerging models of marketing campaign management and automation as it pertains to the evolution of "business-as-usual" practices. Practitioners of marketing orchestration thrive by combining customer insight from individual customer interactions and real-time marketing automation to continually improve personalization, profitability, and customer engagement.

Through surveys with 200 US- and UK-based senior marketing and advertising professionals, as well as in-depth interviews, Forrester found that marketers continue to struggle with creating coordinated and orchestrated experiences and with understanding marketing performance, attribution, and customer insights. Yet we also found that those who have embraced marketing orchestration look beyond the tactics to the strategic implications of the organizational impact of orchestration.

## Key Findings

Forrester's study yielded the following key findings:

- **Engaging customers through campaigns no longer passes the sniff test.** In study after study, Forrester found that consumers are rapidly shifting to mobile devices and addressable media, leading to a profound shift in the ways that business must relate to customers.<sup>1</sup> To win at long-term loyalty, all marketers must pay heed to the disruptive forces of technology-led customer engagement. This means that marketers who engage with customers using a campaign-centric (instead of a customer-centric) methodology no longer can survive these disruptive forces and need an orchestrated approach to deliver consistent customer experiences.
- **Ultra-connected customers demand superior and orchestrated customer experiences.** Marketers are keen to improve customer experience and respond to customer needs in a more consistent manner. This requires consistent, coordinated, and orchestrated marketing across all touchpoints, not batch-based and calendar-based marketing campaigns.
- **Delivering consistent customer experience and building long-term relationships requires marketing orchestration.** Customers don't interact with brands and marketers in a sequential and linear way, especially the ultra-connected customers. The ability of the marketer to understand discrete interactions in the customer's

entire journey is at the crux of succeeding in the customer experience game. This requires a concerted effort of the right organizational structures and orchestration-enabling technologies to make marketing orchestration a reality.

## Customers Force Marketers To Move Beyond The Campaign, But Marketers Struggle To Cope

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In the survey conducted for Responsys, Forrester found that marketers strongly prioritize growing long-term relationships with customers and enhancing customer experience across touchpoints (see Figure 1). But interestingly, respondents told us that to accomplish these goals, they plan to increase investments in media and messaging, primarily in mass channels, such as untargeted display, search advertising, and mass email (see Figure 2). We find that marketers struggle to cope with the growing demands of the ultra-connected customers, resulting in the following challenges:

- **Marketers fall back on traditional campaign approaches that amp up the volume.** By prioritizing investments in mass and untargeted channels, marketers are setting a trap for themselves. These traditional approaches only increase the volume of noise, when clearly what's needed is more coordination between channels and across programs. By focusing exclusively on aggregate campaign planning and performance data — total impressions, click-through rates, and revenue per campaign — marketers lose sight of delivering the total experience for the individual consumer. As a result, the sum of the campaign messages received by each customer over time comes across not as a uniquely tailored journey, but as an unorchestrated jumble of interactions that get lost among the ever-increasing volume of marketing touches.
- **Skyrocketing number of ultra-connected customers don't think in campaign terms.** The rapid penetration of modern smartphones, tablets, social networks, and other nontraditional digital channels presents precisely the risk that marketers fear. In 2011, Forrester Research measured 37% of US online adults as always addressable, or using at least three connected devices, at least one of which is a mobile device.<sup>2</sup> These ultra-connected customers grew to 42% of US and 37% of European online adults in a single year, and Forrester predicts that the number of always-addressable customers will be 50% of online adults globally by the end of 2013.<sup>3</sup> This transformation of the methods by which individual consumers interact with brands doesn't match the current system of engagement through marketing campaigns.

*“Consumers expect a personal and relevant experience, and in the past when you did it right, they were surprised and delighted. Now it is just an expectation. If you do it poorly now, you get punished, so marketers are gun-shy and consumers will not have the patience for it.”* (Senior marketing leader at multibrand retailer.)

- **Complex customer journeys replace linear campaigns as the new normal.** The rapid growth in connected customers leads directly to significant changes in the way those customers interact with brands. Armed with bar code scanners and search engines, a large majority of consumers, 82%, routinely research both high- and low-consideration products and services before purchasing, and most, 54%, use digital channels to conduct that research.<sup>4</sup> This engagement isn't limited to a linear purchase funnel. Consumers are hungry to stay in touch with brands after a purchase to find deals (54%), get free samples (41%), or simply learn about the latest product or

service offerings (33%).<sup>5</sup> The only way for brands to respond to these pre- or post-purchase consumer interactions is to recognize and engage these consumers on an individual basis.

*“With a technology-minded look forward, we believe that there is very much a way to communicate in a matrix kind of way, but our minds and our tools are still very linear, so a lot of times people are still using Excel. That spreadsheet can tell you only when and where and how many times you should contact a consumer. I find that frustrating, because we all know that a way a consumer thinks and their paths to purchase or shopping or engagement are not linear at all. But the way we organize [as marketers] is still very linear. We have to break the business model, the business process, the business structure. We need to have some tools to help us think more organically of how the consumer shops and thinks.”* (President, consumer direct, at a consumer manufacturing company)

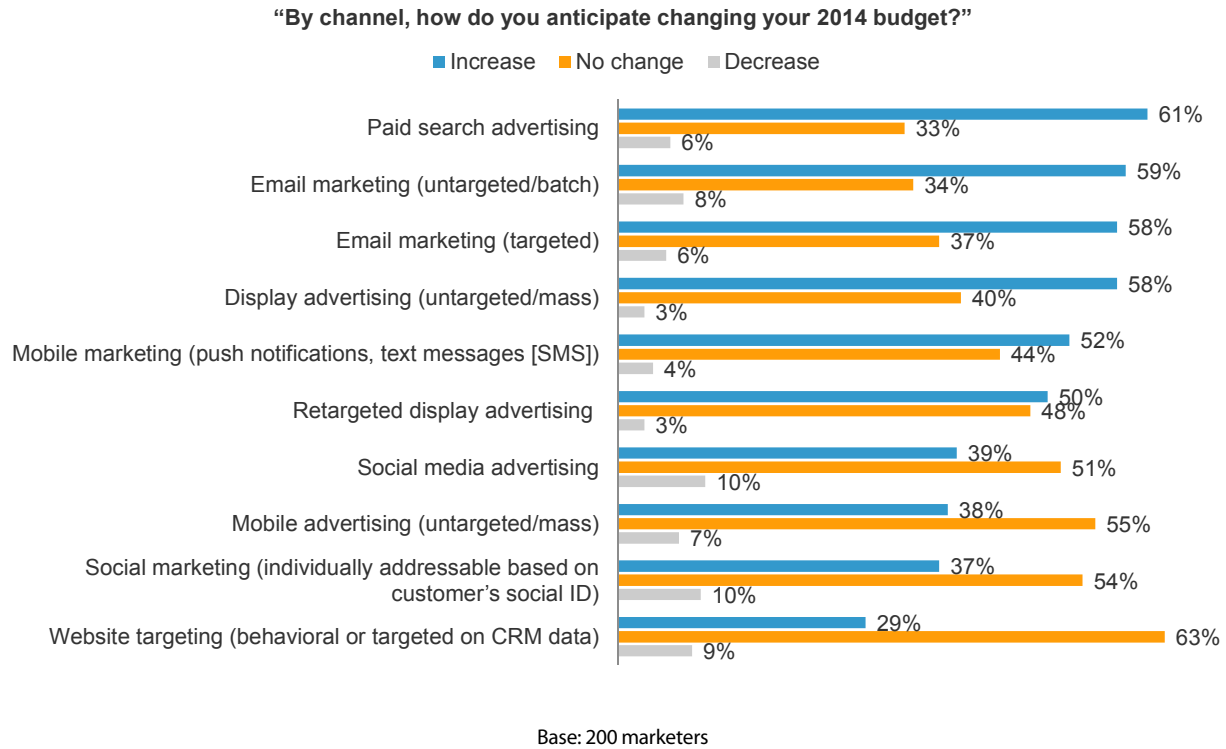
**Figure 1**  
Marketers Seek To Improve Customer Experience And Long-Term Relationships



Base: 200 marketers

Source: A commissioned study conducted by Forrester Consulting on behalf of Responsys, January 2013

**Figure 2**  
Marketers Continue To Invest In Mass Channels



Source: A commissioned study conducted by Forrester Consulting on behalf of Responsys, January 2013

## Introducing Marketing Orchestration

Given that marketers struggle with creating consistent customer experiences, coupled with the increasing number of devices and channels for reaching customers, marketing orchestration becomes crucial.

What is marketing orchestration?

*An approach to marketing that focuses not on delivering standalone campaigns, but instead on optimizing a set of related cross-channel interactions that, when added together, make up an individualized customer experience.*

Marketing orchestration enables marketers to interact in real time with individuals in an intelligent, consistent way over time and across channels. For the consumer, marketing orchestration results in a highly personalized experience that maps to each individual's unique journey from discovery to purchase to repurchase. For the marketer, marketing orchestration can deliver higher revenue, increased loyalty, and greater internal efficiency.

The critical components of marketing orchestration include (see Figure 3):

- **Recognition of individuals and identities across channels.** Marketing orchestration starts with establishing a single identity for customers that is valid across interactions and touchpoints. The next step is to associate subsequent interactions with these identities, which involves: 1) connecting the identifiers associated with an individual across multiple sessions and channels (stitching together cookies, email addresses, mobile IDs, etc.), and 2) merging an individual's multiple interactions into a single cross-channel history.<sup>6</sup> This ability to stitch identities and timelines is foundational to orchestrating individual experiences as well as uniquely recognizing individuals wherever they interact.
- **Real-time capture and management of interaction data.** Marketing orchestration involves building a critical mass of interaction data from channel interactions, whether it's an offer redemption, a click-through, or a registration. This doesn't stop with first-party data, but extends into capturing and managing interaction data from first-, second-, and third-party data sources.

*"It's not just right messages, but also what they need at the time of interaction. This approach is about more than simply making marketing more effective; it's about doing the right thing to deepen the relationship. This drives customer engagement with the brand, allowing you to place the right marketing programs at successive stages of the relationship."* (Senior manager, digital insight, at a major UK retail bank)

- **Responsive customer journey design, testing, and optimization.** With the individual profiles and interaction data, now marketers have the building blocks to start mapping the flow of customers' journeys. Instead of building calendar-based campaigns for single channels, marketers must design a sequence of interactions that could take place across nearly any addressable channel. To do so, marketers must embrace responsive design techniques as well as tailor content for dynamic insertion into a cross-channel flow.
- **Right-time, cross-channel campaign automation and execution.** There needs to be a mechanism to deliver the consistent experiences across channels, and this is fulfilled through executing in both digital channels such as email, web, display, and mobile as well as through other channels such as social, in-store kiosks, and call centers.

*"We have great and competitive offerings, but we can't simply send campaigns to clients every day to make them aware of what we have. Instead we use the behaviors of the client, the signals they send us, to build trigger-based programs that execute when they are ready to hear a message. We see that they are more satisfied as a result and bring more money to their accounts."* (Strategic marketing program manager at a US retail brokerage)

- **Rules-based and predictive selection of next-best journey.** The intelligence that powers the execution is derived from the availability of granular, customer-level interaction and behavioral data. Using this type of data, marketers can design automatic triggers to immediately respond to individual signals as well as preempt actions with a predictive next-best interaction based on historical behavior.

*"We have come to terms with the fact that we need strong technology to create orchestration. The concept of campaigns doesn't go away, but it has to tie into our CRM intelligence and across our channels, in order to resonate with our customers and drive behaviors we want."* (Director of CRM for an online travel company)

- **Responsible preference and permissions management.** Orchestration surpasses automation by tying messages to the explicit and implicit movements of the customer, rather than blindly triggering at set times. While marketers have the ability to identify implicit behaviors and interaction triggers using predictive analytics, they

must also manage data about customers' channel preferences and content affinities, the frequency and cadence of messaging customers have opted into, and the permissions regarding what data can be used for marketing.

## Making The Journey Toward Marketing Orchestration

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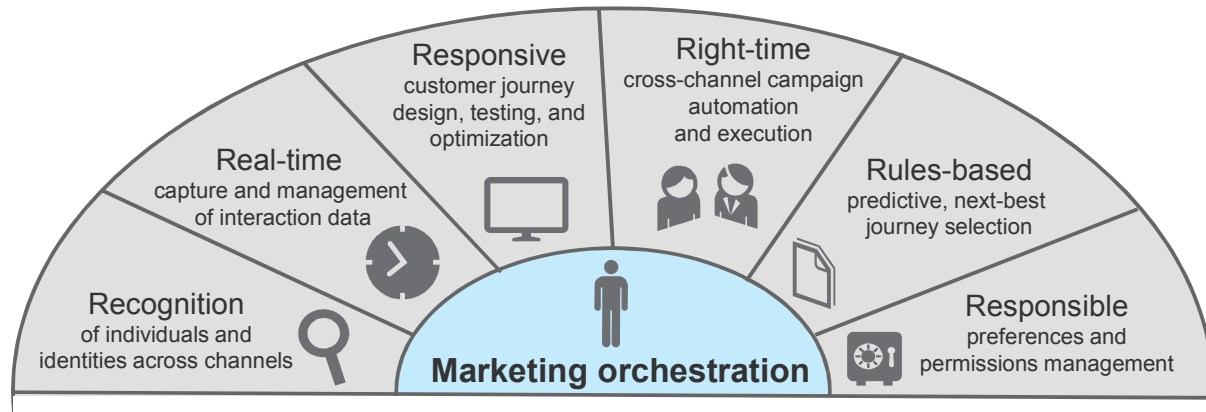
The orchestrated marketing organization requires a holistic effort with key organizational dependencies determining success. We heard from many marketers that marketing orchestration only starts with the correct enabling technology and that strategy, organizational structure, analytics, content creation, and design capabilities are equally important. To begin the journey, Forrester recommends that marketing leaders create an agile organization in which teams are organized by customer life-cycle stages as opposed to channels.<sup>7</sup> Once this structure is in place, marketers can expect to evolve through three stages (see Figure 4):

- **Single-channel marketing campaigns.** In this stage of early maturity, marketers plan campaigns in channel silos and use independent planning and execution technologies to deliver outbound campaigns to customers. Customers are treated as groups of individuals, and segmentation drives campaign selection. The measurement of success is limited to campaign performance by channel.
- **Single-channel campaign automation.** In this next stage, marketers automate campaigns that are triggered based on key customer events and actions and executed in a single channel. The measurement of success at this stage is the customer's progress through the purchase funnel, and the campaign's success at distinct funnel stages, still restricted to a single channel.
- **Marketing orchestration across channels.** In the final stage of marketing orchestration, individual interactions are used as the currency of designing journey flows as opposed to campaigns. More enriched interaction data from multiple channels is used to execute experiences in digital and nondigital channels. Customer journeys are designed with the intelligence of the next-best journey in an individual customer's experience. The measurement of success is determined by customer experience metrics — engagement, satisfaction, lifetime value — across points in the customer's journey.

*“For us, we have created true orchestration by establishing connectivity between our website, email service provider, retargeting technologies, and even our pricing database. That way we can ensure real-time and relevant offers presented to customers on our site.”* (CRM head for eCommerce company)

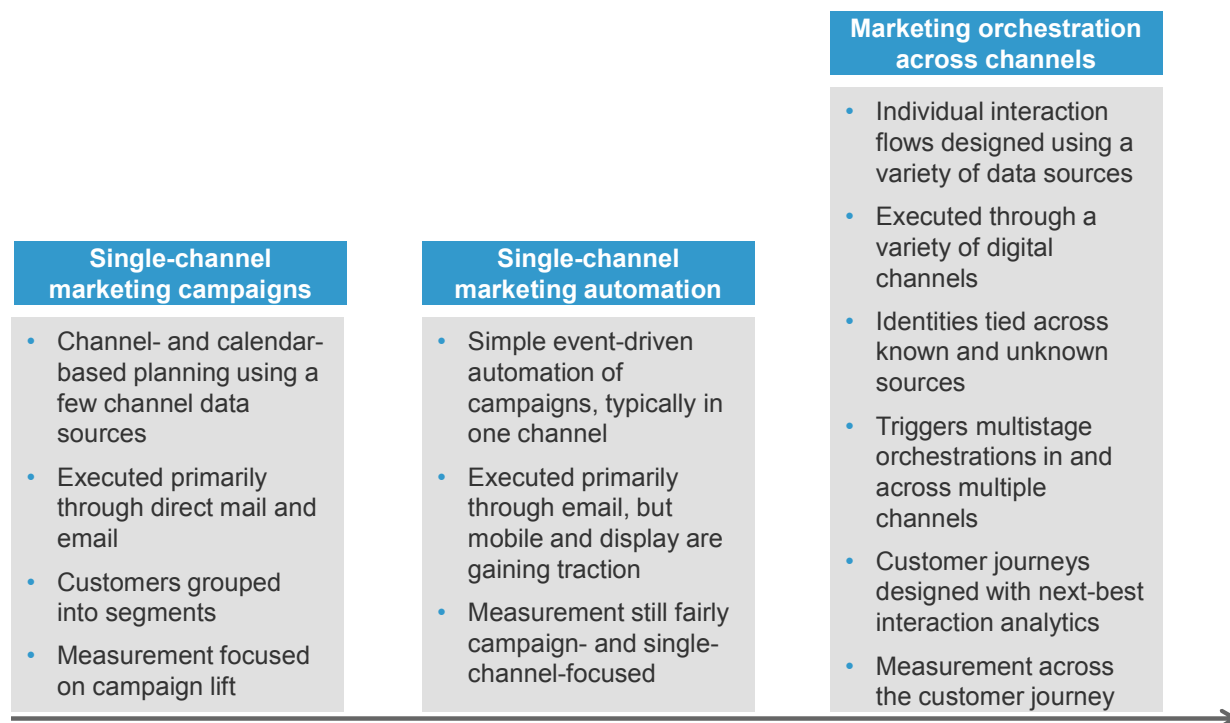


**Figure 3**  
Six Components Define Marketing Orchestration



Source: A commissioned study conducted by Forrester Consulting on behalf of Responsys, January 2013

**Figure 4**  
The Journey To Marketing Orchestration



Source: A commissioned study conducted by Forrester Consulting on behalf of Responsys, January 2013

## KEY RECOMMENDATIONS

Marketing orchestration is marketing transformation. It flips the traditional marketing model on its head by starting with “What is the right journey for each customer?” versus “What is the product I want to sell to people through a discrete campaign?” Marketers who implement this strategy not only gain the benefits of greater profitability, marketing efficiency, and higher customer satisfaction, they also deliver sustainable, competitive advantages to product development, merchandising, sales, and even customer support through insights derived from orchestration. While marketing orchestration is a holistic counter to the weaknesses of campaigns, marketers shouldn’t feel overwhelmed by the extent of the change. Forrester’s interviews with marketing executives revealed that any marketer can begin the marketing orchestration journey by:

- **Creating a customer-focused culture first.** Marketers who take a customer-focused approach understand that they must combine strategy, real-time tools, and targeted media. In our investigation of the marketing orchestration approach, it became clear that marketers also need to create processes to educate and reinforce an integrated and orchestrated approach to marketing at every level of their organizations. Even as digital media appears more empirical, the avalanche of metrics and reports can actually distract marketers. Orchestrated marketers recognize this danger and evaluate each action against the customer, not just the channel.
- **Organizing around the customer life cycle.** True orchestration needs the power of organization models and cross-functional processes to facilitate the execution of consistent customer experiences. Without a renewed organizational structure to rally behind, marketing orchestration will remain a technical capability but not an organizational strength.
- **Investing in technologies that can manage the customer journey from end-to-end.** Marketing orchestration emphasizes the full customer journey, and your digital marketing platform should as well. Too frequently, marketers speak to customers en masse in advertising, or they ignore a customer’s anonymous interactions on the Web. To understand and engage customers as individuals in every interaction, invest in a marketing platform that: 1) manages all addressable media used in the cross-channel journey; 2) tracks a customer’s state across all interactions; and 3) provides for real-time automation and orchestration to guide the customer toward successive life-cycle stages.
- **Moving from canned responses to next-best journeys.** The orchestrated marketer tunes interactions with real-time measurement of customers’ affinities and needs. Traditional business intelligence approaches aren’t sufficient: While they help marketers understand which campaigns were effective for a segment in the past, they fail to forecast what will motivate an individual in the future. To move from spreadsheets to journeys, invest in both customer strategists and data scientists. These roles will help you ferret out the signals — like browsing behavior or social sentiment — that act as triggers for your orchestrated marketing programs. These roles will use techniques such as predictive analytics that can help you select from all possible next-best journeys with far more sensitivity than static business rules.

## Appendix A: Methodology

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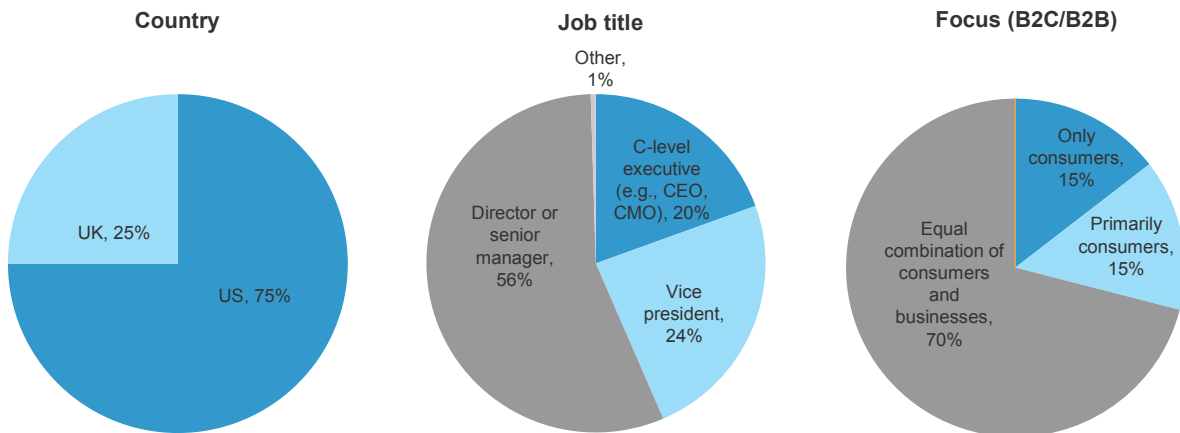
In this study, Forrester conducted an online survey of 200 mid- to senior-level marketers and advertisers in the United States and the United Kingdom, as well as interviewed 10 marketing executives, to evaluate marketing strategies and investments and their impact on business metrics. Survey participants included decision-makers in brand marketing, interactive marketing, digital advertising, campaign management, and customer relationship marketing. Questions provided to the participants asked their challenges and current capabilities, investments in digital media, the impact of marketing technology, and their overall opinions about performance and measurement. The quantitative study began in January 2013 and was completed in February 2013. Interviews were conducted in the same time period, as well as in October 2013.

## Appendix B: Demographics

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**Figure 5**  
Demographics By Country, Job Title, And Focus (B2B/B2C)

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Base: 200 US and UK marketers

Source: A commissioned study conducted by Forrester Consulting on behalf of Responsys, January 2013

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## Endnotes

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<sup>1</sup> For example, Forrester recently uncovered an important change in customers' experience of and responsiveness to brands, dubbed the Mobile Mind Shift. These "shifted" customers hold the expectation that any information or service must be available at their moment of need and tailored to their context and prior interaction history. Source: "The Mobile Mind Shift Index," Forrester Research, Inc., April 19, 2013.

<sup>2</sup> Always addressable customers own and use at least three connected devices, access the Internet multiple times per day, and go online from multiple physical locations, at least one of which is "on the go." Source: "The Always Addressable Customer," Forrester Research, Inc., September 26, 2012.

<sup>3</sup> The biggest consumer change Forrester Research measured in 2012 is the rapid increase in the number of always-addressable customers. Source: David Truog, "Get Ready For The Ultra-Connected Customer To Upturn Marketing In 2013," David Truog's Blog, February 14, 2013 ([http://blogs.forrester.com/david\\_truog/13-02-14-get\\_ready\\_for\\_the\\_ultra\\_connected\\_customer\\_to\\_upturn\\_marketing\\_in\\_2013](http://blogs.forrester.com/david_truog/13-02-14-get_ready_for_the_ultra_connected_customer_to_upturn_marketing_in_2013)).

<sup>4</sup> Forrester surveyed 4,501 US online consumers in Q1 2012 to learn more about the way they approach shopping in 2012. Consumers like to research products, value a good deal, and embrace a multiplicity of channels. Source: "The Role Of Digital In The Path To Purchase," Forrester Research, Inc., August 27, 2012.

<sup>5</sup> Forrester surveyed 2,834 US online adults who interact or keep in touch with the brands they like or purchase regularly. Source: "Brand Engagement The Consumer Way," Forrester Research, Inc., September 18, 2012.

<sup>6</sup> Forrester provides a framework for customer recognition across channels. Source: "Customer Recognition: The CI Keystone," Forrester Research, Inc., August 29, 2013.

<sup>7</sup> Three operational principles will underpin these digitally savvy organizations of the future: 1) Organize around the customer, eliminating channel boundaries; 2) organize for agility, reducing the time-to-market for new ideas and promoting a culture of measured risk-taking; and 3) break down the barriers between the digital and "traditional" arms of the business so that digital becomes part of everyone's role. Source: "Building The Agile Organization," Forrester Research, Inc., October 25, 2012.