

Charting the Changing Customer Journey

The tactics and tools marketers must embrace in the new digital economy

How customers want to interact with brands has changed drastically in recent years, and marketers must keep up.

"We have an ability like never before to understand our customers and how they interact with constituents in the ecosystem," said David Bell, a marketing professor at the Wharton School, and academic director of **Wharton Executive Education's Digital Marketing Strategies for the Digital Economy**, offered Dec. 5-8 in Philadelphia.

"We're really excited to be launching Digital Marketing Strategies for the Digital Economy at the Wharton School," said Bell. "We'll be looking at how marketers operate and how customers make deci-

sions. Then, we'll overlay that with what we know about how the digital economy eliminates friction in markets and facilitates the speed of communications, creating a two-way dialogue between customers and businesses."

The program will offer practical examples—both B2B and B2C—of how the digital economy is changing the way business is done. "I hope students will gain a more expansive view of what might be interrupting their business in the future, and an understanding of the tools that are needed."

Chief Marketer recently sat down with Bell to talk about the challenges marketers face in today's digital economy, the importance of creating a seamless customer experience, and how not to get overwhelmed by the plethora of channels and tools at your fingertips.

CHIEF MARKETER: What are the major pain points marketers face when creating a digital strategy?

BELL: There are a number of pain points. Many marketers wonder how their business will be upended by the digital economy—new players can come and take advantage of frictions that may exist in my market. For example, if I'm Hilton, I better be watching out for Airbnb.

Marketers have to understand how the customer decision journey has changed. Information has changed the way customers make decisions and the way customers are interacting not only with companies but each other. There's also the challenge of identifying the right mix of tools to reach customers and convince them to buy our products and services.



"You have to come back to the fundamentals about what the customer goes through," said Bell. "In what moments does the customer want us to interact and give them information that will help them make better decisions?"



"Some marketers get overwhelmed by the array of tools but don't really think about what these tools should be used for—and that takes us away from thinking about fundamental customer behaviors," said Bell.

CHIEF MARKETER: There's a crazy amount of tools and channels available to today's marketers. What are the challenges of integrating all the different parts of a digital strategy?

BELL: There are a plethora of channels and tools available. Which do you deploy? Which give the greatest bang for the buck? And how do we even make inferences about attribution? Maybe you did something on the phone, but that action was *really* triggered by a billboard you saw coming in on the train. You have to come back to the fundamentals about what the customer goes through. In what moments [that lead up to a decision] does the customer want us to interact and give them information that will help them make better decisions?

I often go back to a quote from Jeff Bezos, one of the kings of the digital economy. He took a lot of flak in the early days of Amazon for letting customers write book reviews. Publishers [were worried] bad reviews would damage the sales of the books. Which turns out to be true; academic research confirms that. But what Jeff said in response was "I don't make money when I sell books. I make money when I help customers make better decisions." That was true in 1994 and it's still true today.

This is an economy that is very much driven and informed by data. We have an ability like never before to understand our customers and how they interact with constituents in the ecosystem. We need to think about what behaviors we should be tracking, when we're going to intervene if there is a behavior outside the norm, and how we can gauge if that intervention led to a profitable outcome.

Continuous A/B testing is important. One of the most famous campaigns ever conducted was by

President Obama in his first presidential campaign, when A/B testing was done for his home page. It turned out that a photo of him in a blue suit surrounded by adoring fans [didn't perform as well] as a black and white photo of candidate Obama with Michelle and the girls. In addition, having a button that said "Learn More" was more effective than "Sign Up." These are things that you couldn't necessarily intuit even from theory.

CREATING CONNECTIONS

CHIEF MARKETER: Customers today don't care about marketers' internal silos. Any thoughts on ways marketers can connect their online and offline distribution strategies?

BELL: Creating that seamless experience is a great challenge. Here at Wharton Executive Education, we like to think of it from a holistic perspective. There isn't ecommerce, there's just commerce. There's a seamless experience. Individuals live their lives online and offline and customers do the same. I think there's an asymmetry in the challenge that is quite interesting.

Legacy brands have a greater challenge integrating digital. It's more difficult for Walmart—a \$482 billion retailer employing about three percent of the U.S. economy—to integrate the digital component of their business and become a seamless enterprise than it might be for a Warby Parker, which was started by two of our alumni, Dave Gilboa and Neil Blumenthal. It began life as a digital brand selling eyewear in 2010 and part of their success is driven by the fact that they opened stores and showrooms. I think it has been easier for digital-first brands rather than digital converts.



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CHIEF MARKETER: What are the three biggest mistakes marketers are making in digital, and how can these be avoided?

BELL: People are overwhelmed by the idea that there is a different set of rules in digital. But fundamentally, we're still dealing with customer behavior. Yes, there are things like Uber and Airbnb that are totally transforming markets like transportation and accommodations. But at the end of the day they're taking excess capacity, matching it up with demand, building a brand and satisfying customers. The first mistake we make is thinking that everything is different and that everything we knew needs to be thrown out.



Bell is academic director of Wharton Executive Education's *Digital Marketing Strategies for the Digital Economy*, Dec. 5-8 in Philadelphia.

Mistake number two is thinking that you have to learn about every single new tool and skill. Some marketers get overwhelmed by the array of tools but don't really think about what these tools should be used for—and that takes us away from the fundamentals of thinking about the fundamental customer behaviors and psychologies and sociologies that are affecting decisions. Those things don't change all that much, but the way we activate them might.

The third mistake is only thinking short term about the bottom line. Of course, we like to get there in the end, but there may be other kinds of metrics related to the brand and long-term attribution, like emotion and the symbolic nature of the brand.

FINDING YOUR VOICE

CHIEF MARKETER: There's a big difference between marketing to someone and really communicating with them. How do marketers find the right tone of voice to speak to today's consumer?

BELL: The traditional challenge of having a voice in branding was to communicate functional value, emotional value and symbolic value. In the digital age, you have to communicate transparency and authenticity and be personable [in multiple channels]. Your voice might come from yourself, you might meme it, you might blog it, you might share it with your followers on Instagram.

Tone of voice is critical, and it can be challenging. Think back to that classic *New Yorker* cartoon "On the Internet, nobody knows you're a dog." In 1993, the digital economy had a cloak of anonymity. But if you fast forward to 2016, individuals are now brands. Michelle Pham created an incredible voice around beauty and enjoying life with your friends. She went from posting videos on YouTube about makeup to being the CEO of \$500 million beauty brand Ipsy.

There's a big difference between marketing to somebody and creating an authentic dialogue. Creating the right kind of voice is critical. In 2016, if you're doing something bad, it will be immediately known. What is being said about your brand becomes part of your conversation. That's why we're seeing players like Bazaarvoice creating tools to monitor digital conversations. You need these tools as part of your toolkit.

CHIEF MARKETER: Content marketing is a huge part of all marketing strategies today. How can marketers create effective content to fuel those conversations?

BELL: The two ends of the spectrum—content that is produced by the brand and content that is solicited and guided by the brand—is critical. If you look at brands like Sephora, what they've done with Beauty Insider is really fantastic. They've developed the steel rails to allow customers who are passionate about the brand express that in a way that is not only consistent with what Sephora speaks to, but also enhances Sephora.

Wharton Executive Education's *Digital Marketing Strategies for the Digital Economy* will be held Dec. 5-8 in Philadelphia.

For more information, visit WhartonDigitalMarketing.com.

ABOUT CHIEF MARKETER

Chief Marketer charts the customer journey from acquisition and engagement through conversion and retention. We offer data-driven intelligence, actionable insights, inspiring case studies and the latest on technology trends so marketers can improve their campaigns and increase ROI.