Executive Primer

Customer Engagement Infrastructure

How social media works with business development

Engagement Cycle technologies addressed
- Multichannel analytics
- Messaging and personalization platform
- Voice-of-customer content analytics
- Content planning and optimization
- Multimodal content management
- Process orchestration platforms and partners
- Customer engagement objects
- Information maturity model for customer engagement
- Process maturities for four engagement cycle technologies

Excerpted from the 56-page Executive White Paper:

Orchestrating the Technologies and Processes of the Customer Engagement Cycle
Strategic roadmap for integrating traditional and online marketing and customer service with multichannel analytics, multimodal content, and analysis-driven email messaging
THINK TANK FOR EARLY-STAGE MARKETS

GISTICS constitutes a think tank that speeds the adoption of new technology and disruptive innovations among enterprises and consumers. Founded in 1987, GISTICS Incorporated minimizes the risk of potential buyers through the following:

- Interviews with successful early adopters of new technologies
- Definition of the critical success patterns of successful early adopters
- Activity-based analyses of adoption benefits on supply chains, workflows, and user activities
- Visual explanations of how new technologies produce economic value
- Investment analyses that justify the purchase of new technical systems
- Project roadmaps that break down large-scale organizational changes into smaller two-week to two-month projects
- Practitioner portals that clarify the next steps in rapid deployment and payback
- Certified consultants that provide essential skills and resources

GISTICS helps end-use firms harness new technologies and disruptive innovations

GISTICS drives the emergence of shared vocabularies, the adoption of effective problem-determination methods, and the development of unassailable investment analyses that justify purchases of new technologies or disruptive innovations.

GISTICS attracts early adopters and pace setting solutioneers, demonstrating how they can use new technologies or disruptive innovations to make money by delivering new complex, integrated solutions to enterprise or consumer clients.

GISTICS develops breakthrough market-making strategies for vendors of new technologies or disruptive innovations, using industry thought leadership, executive white papers, Webcasts, specialized Web sites, and a global trust network of advanced project managers within large enterprises, independent consultants, and small master-class solution providers.

GISTICS reduces the organizational and market barriers to the adoption of new technologies or disruptive innovations, publishing a variety of papers, presentations, and Web sites that explain how to realize the economic and social value of new technologies or disruptive innovations in a variety of organizations.
## CONTENTS//SECTIONS

<table>
<thead>
<tr>
<th>PAGE</th>
<th>SECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Who helped produce this white paper?</td>
</tr>
<tr>
<td>5</td>
<td>What must guide all investments in new marketing technologies?</td>
</tr>
<tr>
<td>6</td>
<td>How do we define customer engagement?</td>
</tr>
<tr>
<td>7</td>
<td>How does a marketing operation engage customers?</td>
</tr>
<tr>
<td>8</td>
<td>What technologies support customer engagement?</td>
</tr>
<tr>
<td>9</td>
<td>What do customer relationship management (CRM) systems fail to measure?</td>
</tr>
<tr>
<td>10</td>
<td>Which critical accountabilities of marketing operations do not connect with corporate CRM systems?</td>
</tr>
<tr>
<td>11</td>
<td>What comprise the four value chains needed for full customer engagement?</td>
</tr>
<tr>
<td>12</td>
<td>What types of centers of excellence support integrated marketing and customer engagement?</td>
</tr>
<tr>
<td>13</td>
<td>What constitutes an engagement operation, a new center of excellence in the marketing supply chain that will begin replacing traditional advertising agencies?</td>
</tr>
<tr>
<td>14</td>
<td>What constitutes the customer engagement cycle, emphasizing seven phases by which firms define and create engaging content?</td>
</tr>
<tr>
<td>15</td>
<td>What technologies provide the foundation for mastering the engagement cycle?</td>
</tr>
<tr>
<td>16</td>
<td>What comprises an information maturity model of customer engagement?</td>
</tr>
<tr>
<td>17</td>
<td>How do particular buyer reactions to content produce behavioral data, emphasizing a progression of data collection activities?</td>
</tr>
<tr>
<td>18</td>
<td>What comprise the process-maturity phases of multichannel marketing analytics, an example of one engagement cycle process maturity model for multichannel analytics?</td>
</tr>
<tr>
<td>19</td>
<td>How can an engagement maturity model clarify a firm’s next steps?</td>
</tr>
<tr>
<td>20</td>
<td>How will digital systems and self-directed customers drive organizational transformation of marketing operations?</td>
</tr>
<tr>
<td>21</td>
<td>What lessons can Google teach customer-engagement planners about driving change and market disruption?</td>
</tr>
<tr>
<td>22</td>
<td>What forces facilitate and hinder major changes in marketing operations?</td>
</tr>
<tr>
<td>23</td>
<td>How do innovation leaders use small peer workgroups to specify and sequence 15- and 45-day projects?</td>
</tr>
<tr>
<td>24</td>
<td>How do innovation leaders secure broad support of a comprehensive, if not transformational, change agenda?</td>
</tr>
<tr>
<td>25</td>
<td>How do innovation leaders maintain a broad consensus of their change agenda and transformation roadmap?</td>
</tr>
</tbody>
</table>
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What must guide all investments in new marketing technologies?

**CUSTOMER BENEFIT**

In the now infamous remarks by Peter Drucker, “The firm has no other purpose than to earn and keep the trust of customers; only two things add value: innovation and marketing. All else is cost.”

Of the many things associated with the digital revolution and now the social Web, one significant effect has begun to rock both large and small firms: a new class of customers now insists upon interacting with vendors via PC, mobile devices, kiosks, and other online systems.

In turn, interactive self-service buyers and customers demand that their preferred vendors, marketing operations in particular, provision online services and self-service applications.

This means that marketing and innovation—the two value drivers identified by Drucker—have begun to merge, becoming indistinguishable and essentially fused into an alloy of self-service customer satisfaction.

The figure below depicts several implications of these remarks by Peter Drucker and their logical extensions.

**INNOVATION WITHIN BUSINESS ECOSYSTEMS**

Innovation represents an invention or new way of doing things that adds distinctive value to the customer’s experience.

**Time to market** defines the key metric for innovation, getting more quickly to market with what customers recognize and want creates more value for the vendor: sales. However, something has changed.

Today, time-to-market success reflects how well the firm accesses the global resources of its business ecosystem: individuals, internal groups, and other firms that add value to innovation and to the marketing operations of a firm.

The Web no longer comprises just another sales channel; the application of channel strategy to the Web’s business ecosystem will annoy and disaffiliate the very firms that might otherwise contribute to the success of the firm with an effective business ecosystem strategy.

**SATISFACTION WITHIN SOCIAL NETWORKS**

Customers buy desired satisfactions that they expect from a particular product or service.

**Time to satisfaction** defines the key metric for the quality of innovation and effectiveness of marketing.

Time to satisfaction constitutes the primary measurement of customer engagement. This enables marketing and engagement planners to work backwards, asking the question, “What can we do to reduce or eliminate the forces hindering the satisfaction of ideal customers?”

Clearly, a valued innovation must satisfy customers. However, today the social network of friends and colleagues of the customer plays a large and growing role in the experience or perception of satisfaction among customers.

Marketing and engagement planners must expand their messaging to address the social networks that now filter, process, and reinterpret brand offerings and value propositions.

In practical terms, this means that marketing and engagement planners must connect, inform, entertain, and enable sharing within small peer groups and social cliques, using multiple formats (print, broadcast, online), sensory modalities (audio, visual, kinesthetic), and persuasion strategies (data, story, demonstration, word of mouth, authoritative endorsement).

As customer engagement addresses the social networks affecting customer choice, marketing processes grow more complex and difficult to orchestrate without new operational capabilities that automation can provide.

**CONSUMER BENEFIT SHOULD DRIVE ALL INVESTMENTS IN NEW MARKETING TECHNOLOGY**

All new investments in marketing should benefit the consumer. Time to satisfaction with certainty and trust define the baseline of customer benefit. Little else matters in the eyes of the consumer.
How do we define customer engagement?

**ENGAGEMENT MANTRA**

Customer engagement constitutes a philosophy of brand-marketing communications and customer interaction, emphasizing greater levels of collaboration in pre-sales and post-sales phases among buyers and sellers.

The philosophy of customer engagement entails a primary sequence for marketing communication and service interaction:

- **Connect** with the buyer or customer on an immediate, visceral level, evoking an experience of liking or disliking someone, a group, or a thing, as well as an empathetic correspondence with a customer’s situation.
- **Inform** the buyer or customer. Often this means demonstrating the need for a new product or a more effective or cheaper way of doing things as compared to competitors; with success, this elicits the experience of relief—a successful outcome or result of using a featured product or service.
- **Entertain** the buyer, using humorous, horrific, or seductive social situations; this reinforces deeper cultural narratives [shared expectations or beliefs] while dissipating any lingering fears associated with trying something new. Success in this context creates a secret or ironic insight that one must simply share with the right person.
- **Share** directs a call to action and encourages the buyer or customer to forward a link, instant message, or SMS to a friend or colleague regarding a new find: “You want to check this out!” The item shared represents a currency or token of affection; often, sharing an item enhances one’s social standing or reputation.

The Engagement Sequence may apply to any phase of the Brand-marketing communication process: awareness, involvement, trial, commitment, and referral.

The figure below not only depicts the five phases of a branded offering, the figure indicates that engagement-sequence activities contribute to the overall brand storytelling process, especially in advocate storytelling.

**BRAND STORYTELLING**

Every brand tells a story about the process of discovering, considering, buying, and using a product or service.

More notably, the figure also calls attention to two modes: corporate storytelling and advocate storytelling.

Companies promote their products or services, inducing or persuading consumers to buy. However, in most consumer societies, consumers instinctively discount or ignore promotional pitches that do not connect with them as a human being, as an individual, and as a collaborator.

A strong brand and effective engagement kick-starts the second mode, advocate storytelling.

**Simplification of Brand Stories**

Most research of effective word-of-mouth marketing, viral marketing, and customer advocacy reveals the brand story and related value proposition often undergo a radical transformation: Advocates internalize the brand and, in the process of sharing it, make the brand and value proposition simple—with brutal concision.

Brand simplification optimizes the brand for rapid, broad diffusion in a larger market and culture. While the legal team cringes, brand and marketing managers celebrate with a tag line (“Where’s the beef?” or “Got Milk?”) that hits a deeper cultural narrative, or the corporate brand (“I’ll xerox it” or “Just google the word.”) becomes a transitive verb and hallmark of productivity.

Thus, customer engagement engages customers in a larger conversation and, in the process, rounds off the sharp edges of shallow, inauthentic corporate “marketing speak”.

**Successful Customer Engagements Activate Advocate Storytelling**

Brands tell stories; customer engagement kick-starts word-of-mouth marketing and personal referrals within social networks, communities, and peerages.
How does a marketing operation engage customers?

OPERATIONAL CAPABILITIES
All or most professional marketing executes a strategy for how best to find and serve customers.

The ability to successfully execute strategy entails an operational capability of marketing: systems, processes, and accountabilities.

The figure below depicts a subset of a marketing operation, highlighting the operational capabilities of customer engagement—that we will define elsewhere in this paper.

WEB-CENTRIC VIEW
Customer engagement spans traditional “offline” marketing media and channels as well as online and mobile counterparts.

However, customer engagement puts the Web and online, interactive customer at the center of the entire enterprise.

Identification of Web User denotes the five operational states of a customer database and, therefore, the operational capability to engage a buyer or customers in optimal ways.

We will develop these largely self-evident definitions elsewhere in this paper and companion web site.

The new term Customerized connotes a key operational principle of customer engagement cycle, correlating customer-provided preferences, product-mix optimizations, and dynamic publishing of content or provisioning of services.

The term Certified connotes the formal registration of the customers in an advocacy or beta-test pilots association.

DRIVING BRAND CONVERSION
Brand Conversions of the model depicted below connote traditional phases of the marketing process, reinterpreting two of the phases: facilitated buying and WOM agents.

Facilitated buying connotes the increasing role of social networks, Web services, and self-directed buyers.

WOM agents connotes the potentially explosive potential of formal word-of-mouth (WOM) marketing programs and the use of social agencies to find and deputize WOM agents.

The figure below also depicts a set of actors or resources that can speed the brand-conversion process—systems and technologies of the engagement cycle and the principal focus of this paper.

INTEGRATED MARKETING 2.0
The nearly exhausted but still useful moniker, 2.0, conveys an important facet of integrated marketing: The customer gets a say in what gets marketed to whom and how.

The bottom row in the figure below depicts a logical next-step in customer-integrated marketing, suggesting that traditional print and broadcast advertising and promotion now stand alongside new digital formats and services.

CUSTOMER ENGAGEMENT REQUIRES RESOURCES AND CAPABILITIES FROM MULTIPLE PARTIES

<table>
<thead>
<tr>
<th>STATUS OF BRAND</th>
<th>IDENTIFICATION OF WEB USER</th>
<th>BRAND CONVERSIONS</th>
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<tbody>
<tr>
<td>No awareness</td>
<td>Unknown</td>
<td>Lead generation (BC1)</td>
</tr>
<tr>
<td>Awareness</td>
<td>Known</td>
<td>Facilitated Buying (BC2)</td>
</tr>
<tr>
<td>Consideration</td>
<td>Profiled</td>
<td>Retention (BC3)</td>
</tr>
<tr>
<td>Trial</td>
<td></td>
<td>Loyalty (BC4)</td>
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<tr>
<td>Purchase</td>
<td></td>
<td>WOM agents (BC5)</td>
</tr>
<tr>
<td>Preference</td>
<td>Customerized</td>
<td></td>
</tr>
<tr>
<td>Commitment</td>
<td>Certified</td>
<td></td>
</tr>
<tr>
<td>Repurchase</td>
<td></td>
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</tr>
<tr>
<td>Advocacy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collaboration</td>
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</tbody>
</table>

The figure above depicts six operational capabilities of customer engagement; each capability entails a set of systems, processes, and accountabilities that most marketing operations will secure from engagement partners—agencies, service providers, and specialist firms.
What technologies support customer engagement?

OPERATIONAL MARKETING
The term operational marketing defines the comprehensive integration of systems, databases, and processes of the customer-making process.

In all but small technical firms or clicks-only ecommerce firms, few medium or large enterprises have achieved a level of process integration—at least not yet.

However, with the Web, software innovation, burgeoning digital ecosystems, and larger portions of buyers and customers doing business online, the integration of the customer-making process becomes more feasible for all firms with each passing day.

The figure below depicts several technical systems, calling attention to their role in pre-sales and post-sales activities of the customer-making process.

In particular, many forward-thinking marketing executives now realize that a combination of traditional promotion and search engine marketing (SEM) has become more efficient: they need not spend as much money for awareness, activation, and lead generation.

Rather, the greater front-end efficiencies of what we call the Google effect now compel a greater investment in the back-end efficiencies of sales conversion, customer retention, satisfaction assurance, and advocacy.

Operational marketing provides a framework for integrating the various front-end and back-end activities of the customer-making process, linking several previously isolated systems and processes to a unified or federal governance scheme: crisp, clear roles, responsibilities, and daily progress-status reporting.
What do customer relationship management (CRM) systems fail to measure?

SHOW ME THE DATA
With a nod to the now-infamous one liner, “Show me the money!,” today’s mandate for greater accountability boils down to data—good, clean, accessible data.

The figure below depicts an important but limited role of customer relationship management (CRM) systems in providing process accountability of marketing.

CRM systems do a great job correlating data from point-of-sale systems, call centers, customer emails, Website registrations and, of course, the daily activities of salespeople.

CRM systems fail, however, to provide meaningful insight beyond the basic facts of who’s a customer and what that customer has done with the firm recently.

CRM systems do not collect or have the capabilities to interpret data about a consumer’s interaction with the brand, consumption criteria and motivation, efficiency and effectiveness for facilitating the buying process, or the influence and role of intermediaries and brand advocates in consumer satisfaction and loyalty.

In short, CRM provides a useful but limited view into the customer development process.

BRAND VALUE CREATION PROCESS
The figure below also depicts a holistic view of the customer development process, calling attention to the importance of four critical transition areas—touchpoints and data sources that can add a new dimension to CRM data.

A preemptive positioning suggests that a new offering should strive to change the rules of the market.

An optimized buying process emerges from how customers buy. Often this means an innovation at point of sale and may include a new packaging or pricing model.

Best-practice techniques and solution partners call attention to the application of what successful customers have learned about how best to use a product. In some cases, this represents how satisfied customers share what they have learned from other customers.

Customer communities represent groups of people with the same worldview. Consumer electronics, automobiles, chat, and text messaging mobile phones all have user groups that constitute a community of practice and a source of advocacy. Luxury goods, exotic fashion, and collectors of all kinds form peerages, groups that use aesthetic criteria to determine membership and “coolness.”

BRAND INTERACTION DATA (BID)
Engagement expands the scope of data collection into the most valuable creation process of all, the collection of what we call brand interaction data (BID).

Engagement systems collect and analyze data produced by consumer interactions with the brand and various aspects of the brand story, starting with prelaunch activities and extending through loyalty and advocacy.

Standard statistical and data modeling can easily transform brand interaction data into powerful insights about what element or practice of a brand value creation process worked as intended.

Engagement systems add a new dimension to CRM. They transform consumer activities and interactions into truthful information—analytic insights into product and brand storytelling lifecycles.

Lacking brand interaction data, CRM can only provide a narrow view into market dynamics.
ALL KINDS OF DATA, LITTLE OR NO MANAGEMENT

A systems-based view of data for which marketing has responsibility reveals an almost implausible but hard-fact reality: vast portions of data lie in isolated, one-of-kind systems or, worse still, exist only in physical paper-based forms, records, and the perennial “shoeboxes” of stuff.

The figure below depicts customer relationship management systems (CRM) as the typical centerpiece of marketing information management, expanding up and down the stack of enterprise data sources and databases.

In practice, many medium to larger enterprises have multiple, nonintegrated Sales CRM systems and only loosely coupled integration with the more mission-critical Operational CRM systems—help desks, call centers, and maintenance and repair organizations (MRO).

ENTERPRISE DATA SOURCES

Medium to larger enterprises may have a combination of the following sources of data, content, or information.

Marketing Analytics supports segmentation, using enriched data to identify unserved needs and new markets.

Program Management supports the integrated campaigns and media-mix optimizations.

Content Creation often comprises several subsystems, including a repository of reusable media assets, document management of creative briefs, multimedia editorial workflow (review and approval), and enterprise publishing for printed material and Websites.

Localization speeds adaptation of copy, imagery, and designs that engage local market tastes and sensibilities.

Content Optimization makes Web pages easier to find, grouping content into more user-intuitive categories.

Web Content management (WCM) systems rarely provide user comments and insights to upstream system uses; nor do most WCMs integrate with marketing analytics and media-mix optimization activities. As a result, a lot of Web content remains disconnected from all other marketing activities.

E-Messaging delivers emails and newsletters to customers and prospects, inducing them to participate in Webinars, seminars, or promotions. E-Messaging systems may also integrate with direct mail functions that may or may not reside in CRM systems.

Customer Masters provide “one version of the customer truth”—a data mart with normalized data from financial systems—incorporating transaction data with customer account histories. However, Customer Masters rarely contain sufficient data to support segmentation and predictive modeling of lifetime customer value. Customer masters need enriched data and specialized tools from Marketing Analytics (indicated above).

Customer Insights apply data from various surveys, pop-up polls, and enriched data overlays to customers, enabling powerful insights: ideal customer profiles, product-mix optimizations, etc. When combined with Customer Masters and Marketing Analytics (specialized columnar databases, advanced data visualization tools, and lots of clean enriched data such as household or business credit histories), Customer Insights often frame an intuition and potential breakthroughs for engagement.

Social Monitoring systems “spider” content from millions of public blogs, forums, posted comments, social networks, and wikis, making inferred assessments of flash-point topics, sentiments, and new customer innovations.

Voice of Customer systems summarize the sentiments and reactions to virtually every customer touchpoint—policy, service, and product quality—using verbatim transcripts of customer interviews and specialized content classification and summarization tools.

CAN’T GET THERE FROM THE HERE OF CRM

GISTICS’ research of the journey to analysis-driven marketing and engagement reveals that most firms fail when expanding from CRM and its rat’s nest of dirty data. Rather, best practice dictates starting at the top.

CRM RARELY INTEGRATES WITH OTHER CRITICAL DATABASES OF MARKETING

Few if any databases in marketing operations connect with enterprise CRM, leaving myriad insights, customer innovations, and market opportunities behind.
What comprise the four value chains needed for full customer engagement?

VALUE CHAINS OF CUSTOMER ENGAGEMENT

Customer engagement represents the convergence of four value chains, each chain contributing a distinct and measurable set of services or capabilities to the customer.

The figure below depicts a high-level summary of these four value chains:

- **Marketing operations supply chains** provide leadership, a resonant brand voice, directives for strategic messaging, an optimized media program mix, and overall program and vendor management.

- **Innovation supply chains** provide manufactured finished goods or professionally trained services to customers and, increasingly, IT services that deliver strategic, if not disruptive, value in the form of online applications and customer self-service tools.

- **Content supply chains** transform insights and creativity into images, Flash demonstrations, Web pages, brochures, and point of purchase materials. Increasingly, publishing firms will transform into lifestyle and user engagement platforms, subsuming some of the added-value of traditional marketing and advertising agencies.

- **Social media supply chains** represent the newest value chain, transforming multichannel (database, Web, and social media) marketing analytics into viral videos (“stories that connect”), smart promotions that engage social peer groups, sponsored blogs, and sections within social networks, etc.—principally the work of next-generation social media agencies and marketing service providers.

ENGAGEMENT REQUIRES ORCHESTRATION OF FOUR SUPPLY CHAINS

Execution of effective customer engagement demands a business ecosystem strategy, emphasizing how to source, integrate, provision, and orchestrate the delivery of innovation, messaging, content, and social media (stories that connect with consumers and their peer groups) to analytically defined customer cohorts and self-directed customers who will personalize, remix, and share content and services with friends.
What types of centers of excellence support integrated marketing and customer engagement?

**IT SERVICE DELIVERY FIRMS**

Effective, sustainable engagement of customers demands stable, agile, and rapidly scalable IT service capabilities.

Mastery of the customer engagement cycle entails more than just great creative; mastery includes the dynamic, on-demand provisioning of innovative Web services.

Centers of excellence represent digital business operations that bring distinctive value to a global business ecosystem and, in particular, to clients (business customers) and end-use consumers of a marketing operation.

The figure below depicts eleven featured centers of excellence among a larger, growing set of 29 other centers of excellence of the global marketing supply chain.

**ENGAGEMENT OPERATIONS**

**Engagement operations** represent a hybrid operational capability that combines the analytic and creative capabilities of one or more marketing agencies with the direct mail, interactive, sales, and service operations of enterprise marketing.

**Analytic operations** represent the evolution of database analytics, media planning, Web content analytics, and social media monitoring. GISTICS predicts that creative-driven marketing services and DB marketing firms will lead the transformation in customer engagement firms.

**Creative operations** represent the evolution of traditional and online creative agencies into lifestyle innovators, community captains in social networks, immersive rich-media storytellers, and software developers.

**Community operations** represent autonomous social networks managed as a business that collaborates with sponsors in how to become a Good Netizen of that particular community (online and local).

**Social media operations** represent outsourcing partners who develop conversational engagement programs, using social media monitoring tools, photo and video sharing, promotional games and contests, and search engine optimization. Social media operation work with many community operations.

**Multimedia operations** represent the evolution of multimedia publications and lifestyle destination Web properties, combining multichannel analytics with social marketing and custom/licensed content. Multimedia operations exploit their strengths in editorial development, multimedia publishing, and content optimization.

**MARKETING PROCESS ORCHESTRATION**

With the collapse of the linear marketing campaign and meteoric rise of the nonlinear, immediate, and discursive customer engagement program, the strategy development, planning, and budgeting process will demand radical, more effective ways of getting things planned and done.

**Process orchestration** represents the application of business process management (BPM) technologies to planning, budgeting, program governance, and execution. BPM-enabled platforms for marketing and customer engagement systems make process orchestration the top priority for marketing organizations. Otherwise, these organizations cannot access the resources of the global business ecosystem supporting customer engagement.

**Marcom operations** represent one-stop outsourcing partnerships dedicated to speeding the production and fulfillment of localized marketing collateral and online content—long-shot candidates for becoming customer engagement firms.

**Digital asset operations** represent capabilities of external centers of excellence for managing the ingestion, clearance, and tagging of hundreds of new digital assets per week.

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**DIGITAL INFRASTRUCTURE WILL DRIVE MERGERS AND ACQUISITIONS**

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**The customer engagement revolution will lead to a fairly massive consolidation of the advertising and marketing industry.**
What constitutes an engagement operation, a new center of excellence in the marketing supply chain that will begin replacing traditional advertising agencies?

**HIGH COST OF MASTERY**

Mastery of the customer engagement cycle requires significant, ongoing investment capital for new systems, talent, and digital assets (creative content, reusable media components, and libraries of software objects).

Mastery of the customer engagement cycle involves the process integration of multichannel analytics, creative services, multimodal content management, and dynamic messaging.

Mastery of just multichannel analytics will require full-time staff—decision analysts, data collection specialists, data modelers, statisticians, social media monitoring specialists, etc.—a team that few marketing organizations can afford, much less find, recruit, and keep busy.

A growing number of interactive agencies, database marketing firms, marketing service providers, and lifestyle or vertical market multimedia publishing firms have begun their journey in mastering the customer engagement cycle.

These intrepid innovation leaders recognize that most enterprise marketing operations have neither the capital nor the will to invest in many of the new systems, talent, and digital assets that customer engagement will require.

**CUSTOMER PORTFOLIO MANAGEMENT FIRMS**

GISTICS predicts that engagement operations will spawn a new type of marketing partner: customer portfolio management firms.

Unlike traditional creative services, customer portfolio management firms will derive most of their profit from producing increased revenues, higher shares of wallets, greater levels of customer engagement, and faster transitions of customers by stage of engagement lifecycle—all quantified performance results.

The figure below depicts the service capabilities of a customer engagement portfolio manager.

Each element shown represents a category of service or the program deliverables of an integrated engagement operation.

**SPECIAL ACKNOWLEDGEMENT**

GISTICS acknowledges the inspired contribution of Digital Cement, a true innovation leader that delivers full-service customer engagement to its clients.
What constitutes the customer engagement cycle, emphasizing seven phases by which firms define and create engaging content?

**ENGAGEMENT CYCLES**

Customers navigate the concentric rings of trust in their individual brandspaces [unique to each customer], arriving at the brand engagement theaters of their trusted brands.

What then ensues comprises the seven phases of the engagement cycle.

**Brand engagement theaters** constitute the first phase, presenting content, navigation, presentation, and context.

**User reactions** may entail reading or viewing, clicking through the next page or section, or exiting. Key point: Most visits exit for reasons unknown, a strategic breach that engagement managers must address with session-monitoring systems.

**Behavioral data** from most Web analytic systems provides useful but minimal insights into both anonymous unnamed and named users. The next frontier of behavioral data will include interaction data from inside immersive rich-media streams and video, documenting where users went and what they did.

**Analytic insights** include other sources of data: customer databases, social media monitoring, voice of the customer, and newer Web analytic tools.

**Content-user requirements** specify what types of “information food groups” particular high-value customer segments prefer; providing these will require a formal information consumption model and procedures for directing content creators to produce required information, matching user-consumption profiles to classes and types of information and media formats.

**Content optimization** starts with semantic tagging of Web pages and documents, creating topic maps [similar to tag clouds, only specific to an individual page] and metadata sets that later will power faceted search and dynamic navigation.

**Contextualized content** uses behavioral targeting, semantically tagged content that enables dynamic composition of topic maps or page-specific tag clouds, faceted navigation [dynamically constructed keywords within a multiterraced hierarchy or taxonomy], and user account histories, journals, and personal collections within the site.

**CLOSED-LOOP FEEDBACK SYSTEM**

It then follows that the transit from awareness, consideration, and trial to purchase, adoption, commitment, and advocacy—stages of the brand lifecycle—comprise hundreds of discrete engagement cycles.

The structured model below supports these key insights:

- Faster engagement cycle times induce greater levels of engagement.
- Few defects in delivered content, navigation, and presentation increase the probability of success.
- Most defects occur unnoticed, leading engagement managers to make the same mistakes again and again.
- Automation and policy management of content workflows can reduce the number of defects.
- Voice-of-customer systems provide critical insights as to what’s broken, missing, or needed.
- Analytic insights and voice of customers must inform content creation; this requires formal systems for documenting content-user requirements.
- Effective engagement requires governance: someone within the firm must step forward and take ownership of the engagement cycle.

**SEVEN STAGE CYCLE CREATES CUSTOMIZED CONTENT**

Governance and accountability of the engagement cycle define career opportunities leading to executive management of marketing.
What technologies provide the foundation for mastering the engagement cycle?

**OPERATIONAL SUPPORT PLATFORM**
Integration of the marketing operation starts with the assumption that all firms must find and serve customers, engaging their customers throughout the process of discovering, considering, buying, using, and disposing of branded products or terminating branded services.

In practical terms, managing the customer brand lifecycle through each of these phases will require new or improved systems, new or reengineered processes, and newly defined or clarified accountabilities among management, staff, consultants, and trade partners (ad agencies, suppliers, etc.).

The figure below depicts four multielement systems that provide the foundation for managing the engagement cycle—each system represents a subject that we examine elsewhere in this paper and related sites.

**Content Management** comprises its own value chain, consisting of Web content manager(s), text mining engines, source-content XML repositories, multimedia editorial production systems, multimedia DAM repositories, and collaboration workspaces.

**Multichannel Analytics** combine traditional database analytics with Web analytics, voice-of-customer insights, and social media analytics, correlating hard-data insights with customer lifecycle profiles and profit models.

**Creative and Messaging Collaboration Platform** defines the principal work of engagement planners and managers, including creative services and on-demand software-as-a-service applications from trusted partners: ad agencies, marketing service providers, promotional engagement systems, etc.

**Message Execution Platforms** incorporate all the functions of high-capacity newsletter and messaging platforms, as well as dynamic or on-the-fly personalization of newsletters, rich-media emails, immersive multimedia buying environments, dynamic configuration and pricing, and personal just-in-time, just-for-me landing pages and engagement theaters.

**INTEGRATION OF LOOSELY COUPLED SYSTEMS**
Automation and, thus, faster cycle times and higher quality of the engagement cycle require more than technology.

Automation requires a technical integration architecture, adherence to open technical and process standards, and a governance protocol.

A technical integration architecture represents a comprehensive high-level visual depiction of all the digital process components or Web services that a marketing operation currently uses, plans to use, and might use over the next five years. Action point: Commission an accomplished digital business architect (former CIO) to develop a CIO blueprint of your firm and its external business ecosystems. Hint: Don’t tell your current CIO until you have completed your own blueprint!

Do, however, understand and maintain adherence to the IT service management standards and governance protocols of your organization; deviate only at great peril.

Four multielement systems drive the engagement cycle, demanding that engagement directors and planners use a proven technology integration framework, standards, and governance.
What comprises an information maturity model of customer engagement?

FUTURE ARRIVES UNEVENLY DISTRIBUTED

The operational capabilities of marketing, sales, and services will continue to undergo a rapid transformation.

The figure below depicts six basic operational capabilities of integrated customer engagement. Each operational capability represents a new configuration of systems, processes, and accountabilities of marketing operations. The figure below also depicts five levels of operational and information maturity.

Operational maturities adopt the basic levels of a management process-control framework (Lean Six Sigma, CMMI) to the use of information as a strategic resource.

Information mavericks represent the creative and innovative individuals wielding personal power with a database or application, satisfying his or her needs with little accountability to the broader social network of the enterprise information users.

Information silos represent the needs of a functional group (accounting, customer service) using information as a operational tool, adopting information standards and tools specific to the functional group and thus limiting access to their data by other enterprise users.

Analysis-driven communications starts with an enterprise focus, enabling an informed view of core operations. This entails adoption of enterprise information standards, information architectures, and data integration.

PROCESS INTEGRATION REQUIRED

Adaptive engagement entails the integration of systems, processes, and accountabilities of the engagement cycle, enabling a marketing operation to align most of its activities to engagement lifecycle goals.

This includes the ability to implement continuous, ongoing improvements within the engagement cycle, using hard data to make fact-based decisions. Adaptive engagement represents a vastly improved IT service management infrastructure, emphasizing the need for an IT service integration model and roadmap—a CIO blueprint depicting the logical collection of Web services of a services-oriented architecture (SOA).

CIO Blueprints clarify how to source and provision needed SOA-based Web services from corporate or departmental IT operations and strategy partners (market service providers, agencies, and customer portfolio managers).

Policy-managed engagement represents an aspirational futureproof of self-managing systems that rely on IT service policies to activate and manage the delivery of IT-based engagement services.

FIRM S MANIFEST DIFFERENT INFORMATION MATURITIES BY OPERATIONAL CAPABILITY

<table>
<thead>
<tr>
<th>OPERATIONAL MATURITY</th>
<th>INFORMATION MATURITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATE</td>
<td>Just Data</td>
</tr>
<tr>
<td>CONSOLIDATE</td>
<td>Standard Reports</td>
</tr>
<tr>
<td>INTEGRATE</td>
<td>Descriptive Modeling</td>
</tr>
<tr>
<td>OPTIMIZE</td>
<td>Predictive Modeling</td>
</tr>
<tr>
<td>ORCHESTRATE</td>
<td>Real-Time Adapting</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATIONAL CAPABILITIES OF INTEGRATED MARKETING</th>
<th>FIRM A</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Aggregate marketplace activities</td>
<td></td>
</tr>
<tr>
<td>• Track patterns of engagement</td>
<td></td>
</tr>
<tr>
<td>• Model business performance</td>
<td></td>
</tr>
<tr>
<td>LISTEN (LST)</td>
<td></td>
</tr>
<tr>
<td>• ngulate listening tools</td>
<td></td>
</tr>
<tr>
<td>• Classify themes, sentiment, etc.</td>
<td></td>
</tr>
<tr>
<td>• Build dialog maps and frameworks</td>
<td></td>
</tr>
<tr>
<td>MESSAGE (MSG)</td>
<td></td>
</tr>
<tr>
<td>• Ideate themes, concepts, copy, etc.</td>
<td></td>
</tr>
<tr>
<td>• Create engagement assets</td>
<td></td>
</tr>
<tr>
<td>• Validate in private social networks</td>
<td></td>
</tr>
<tr>
<td>CONTEXTUALIZE (CTX)</td>
<td></td>
</tr>
<tr>
<td>• Retrieve data and components</td>
<td></td>
</tr>
<tr>
<td>• Assemble engagement objects</td>
<td></td>
</tr>
<tr>
<td>• Package for consumption</td>
<td></td>
</tr>
<tr>
<td>EXECUTE (EXE)</td>
<td></td>
</tr>
<tr>
<td>• Stage for quality assurance</td>
<td></td>
</tr>
<tr>
<td>• Provision engagement objects</td>
<td></td>
</tr>
<tr>
<td>• Manage exceptions</td>
<td></td>
</tr>
<tr>
<td>GOVERN (GVN)</td>
<td></td>
</tr>
<tr>
<td>• Measure efficiency and effectiveness</td>
<td></td>
</tr>
<tr>
<td>• Monitor policies and deviations</td>
<td></td>
</tr>
<tr>
<td>• Summarize activities and results</td>
<td></td>
</tr>
</tbody>
</table>

Media services play a large role in effective customer engagement, enabling engagement managers to create unique and compelling experiences for customers and partners.
How do particular buyer reactions to content produce behavioral data, emphasizing a progression of data collection activities?

**DATA INDICATING ENGAGEMENT ACROSS MANY TOUCHPOINTS**

Customers connect (or do not connect) with brands and related value propositions, using many nonverbal, implicit, or environmental cues.

The real work of engagement begins and ends with creating an appropriate and natural social and market context in which to activate and engage customers.

The figure below depicts two phases of the customer engagement cycle: reaction and behavioral data.

**Reactions** to creative content in context start with awareness of a particular setting in the marketspace: a social context, a physical environment (including online), and creative messaging (including image, text, motion graphics).

A myriad of other factors may influence a buyer’s impulse or directed decision to proceed deeper in shopping modalities. Other modalities not shown include procurement, sourcing, and resupply.

**MULTICHANNEL BEHAVIORAL DATA**

*Data collection processes* often comprise number of distinct and often independently managed activities and systems.

**Behavioral data** spans all phases of the customer engagement lifecycle, revealing new information about the buyer-seller relationship and the evolution of the relationship into more stable and profitable states.

**Multichannel customer identities** indicate the need to compile and refine composite profiles of customers, combining behavioral data with other types of data (Web session data, customer data, subscriber data, and certification data). Other data sources include syndicated consumer and lifestyle data, as well as voice-of-customer content analytics.

As we explain elsewhere in this paper, multichannel behavioral data leads to new, emerging disciplines—multichannel analytics and analysis-driven communications and collaborations with customers.

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**REACTIONS TO CONTENT CAN PRODUCE DATA INDICATING THE STATUS OF A BUYER IN THE CUSTOMER ENGAGEMENT LIFECYCLE**

---

**PHASES OF THE CUSTOMER ENGAGEMENT LIFE CYCLE**

<table>
<thead>
<tr>
<th>STATUS OF BRAND</th>
<th>No awareness</th>
<th>Awareness</th>
<th>Consideration</th>
<th>Trial</th>
<th>Purchase</th>
<th>Preference</th>
<th>Commitment</th>
<th>Repurchase</th>
<th>Advocacy</th>
<th>Collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDENTIFICATION OF WEB USER</td>
<td>Unknown</td>
<td>Known</td>
<td>Profiled</td>
<td>Customized</td>
<td>Certified</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BRAND CONVERSIONS</td>
<td>Lead generation (BC1)</td>
<td>Facilitated Buying (BC2)</td>
<td>Retention (BC3)</td>
<td>Loyalty (BC4)</td>
<td>WOM agents (BC5)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DATA COLLECTION PROCESSES (partial list)</td>
<td>WEB SESSION DATA</td>
<td>USER DATA</td>
<td>CUSTOMER DATA</td>
<td>SUBSCRIBER DATA</td>
<td>CERTIFICATION DATA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Web IP address</td>
<td>• Registration info</td>
<td>• Purchases and returns</td>
<td>• Social network connections</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Session pages/time</td>
<td>• Email opens/frequency</td>
<td>• Service episodes/cases</td>
<td>• Reputation rank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Search event/keywrods</td>
<td>• Site loyalty/consumption</td>
<td>• Wish and gift lists</td>
<td>• Spheres of influence</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Each new advance in customer engagement enables marketers to collect more behavioral data from buyers at an expanding number of touchpoints in a marketspace.
What comprise the process-maturity phases of multichannel marketing analytics, an example of one engagement cycle process maturity model for multi channel analytics?

**EVOLUTION OF CUSTOMER ANALYTICS**

The table below depicts six dimensions of a multichannel analytics capability across five process-maturity phases:

- **Data collection** tracks the evolution in what types of information marketing organizations gather about customers.
- **Data management** tracks the evolution of the development of information about customers as they transit a customer engagement lifecycle.
- **Reporting** tracks the drive towards real-time analytics and dashboards—ways of orchestrating complex business processes and engagement systems for higher profits and retention rates.

### PROCESS-MATURITIES OF MULTICHANNEL ANALYTICS SPAN FIVE PHASES

<table>
<thead>
<tr>
<th>PROCESS-MATURITY PHASES</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Static Data in Isolated “Silo-ed” Systems</strong></td>
<td>Ad Hoc</td>
<td>Managed</td>
<td>Predictive</td>
<td>Adaptive</td>
<td>Anticipated</td>
</tr>
<tr>
<td><strong>Data Collection</strong></td>
<td>Basic contact information from mail lists</td>
<td>Enhanced customer data file, using compiled or syndicated data sources</td>
<td>Contact histories for key operational and tactical CRM systems</td>
<td>Email and direct mail responses with transaction histories and subscriber preferences for information classes and fulfillment</td>
<td>Journaling of behavioral and transaction data to customer master; dynamic links to all relevant enterprise data sources and external social media and network profiles</td>
</tr>
<tr>
<td><strong>Data Management</strong></td>
<td>Packaged RDBMS and maintenance tools</td>
<td>Periodic postal hygiene: deliverability with merge and purge of duplicates</td>
<td>Persistent identification and requalification of stakeholder profiles</td>
<td>Real-time updates of customer masters; including changes of address, employment, and credit lines</td>
<td>360-degree view across all product lines, business units, distribution channels, points of purchase or service, and online properties</td>
</tr>
<tr>
<td><strong>Reporting</strong></td>
<td>Standard audit and output reports</td>
<td>Campaign and syndicated data reporting</td>
<td>Time-series program reports</td>
<td>Automated reports</td>
<td>Real time dashboard</td>
</tr>
<tr>
<td><strong>Predictive modeling</strong></td>
<td>None</td>
<td>Recency, frequency, and monetary (RFM) clustering and association</td>
<td>Regression baselines for outbound direct or email campaigns</td>
<td>Granular models and rebuilds by campaign</td>
<td>Transactional processing for inbound communications</td>
</tr>
<tr>
<td><strong>Measurement</strong></td>
<td>Basic counts</td>
<td>Comprehensive campaign statistics</td>
<td>Operational KPIs</td>
<td>Marketing KPIs</td>
<td>Return on investment and business model performance</td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td>Desktop or workgroup server</td>
<td>Managed on-premise server</td>
<td>Distributed databases and analytics servers</td>
<td>Composite service/model (on-premise and offsite partners)</td>
<td>Networked cloud services in IT federalized service management</td>
</tr>
</tbody>
</table>

Predictive modeling tracks the drive towards faster, more accurate estimates of performance results [key performance indicators of progress towards strategic objectives] and realization of future free cash flows and market leadership.

Measurement tracks the core operational capability of multichannel analytics: correlations of estimated or predicted results and actual results, including how to refine data collection, data management, reporting, and predictive modeling.

Infrastructure tracks the evolution of an information factory supporting customer engagement, using dedicated high-performance environments within corporate network operations or with external service providers.

The operational capabilities of multichannel analytics evolve in a slow, uneven manner, often requiring significant new capital outlays for new systems, development of new processes, and the recruitment of specialized and scarce professionals.

GISTICS predicts the emergence of external customer portfolio management firms with digital services and a cadre of engagement specialists, charging their clients small management fees and earning a bulk of their profits from engagement results: incremental sales, greater retention rates, and greater shares of wallets.
How can an engagement maturity model clarify a firm’s next steps?

CONTINUOUS IMPROVEMENT

Successful management of complex processes requires a management process-control framework. Many organizations employ some form of quality controls. Irrespective of a particular firm’s quality control protocol, all major and broadly adopted management process-control frameworks embrace the idea of capability or process maturity, typically defining five or six operating states.

PROCESS MATURITY MODEL FOR ENGAGEMENT

The table below depicts five levels of process maturity for each of the four sets of engagement technologies. Most organizations will drive one of these sets further than the rest.

<table>
<thead>
<tr>
<th>PROCESS MATURITY PHASES</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>MULTICHANNEL ANALYTICS: SEGMENTATION, PROFITABILITY, PRICING, USER-CONTENT REQUIREMENTS, CONTENT OPTIMIZATION, METADATA-TAXONOMIES, ETC.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Input sources</td>
<td>Isolated contact, prospect, and customer databases; operational web analytics</td>
<td>Single customer view using internal data only; using business intelligence tools</td>
<td>Enhanced customer view with third-party data; now using ad hoc analysis and predictive analytics tools</td>
<td>Now includes Operational and CRM system data</td>
<td>Behavioral data, online data</td>
</tr>
<tr>
<td>Process outputs</td>
<td>Marketing lists</td>
<td>Pre-defined reporting</td>
<td>Segmentation and Models</td>
<td>Refined predictive models</td>
<td>Refined predictive models</td>
</tr>
</tbody>
</table>

CREATIVE & MESSAGING COLLABORATION PLATFORM: CONCEPTS, CREATIVE, COPYWRITING, USER EXPERIENCE, INCENTIVES AND ENGAGEMENT PERSONAS

| Input sources | Manual creative services | Reuse and sharing of existing materials | Template-based creative | Object-based creative using policies, business rules, and segmentation strategies | Distributed creative based on taxonomies and visitor identification |
| Process outputs | Copy and concepts informed by creative briefs and blind intuition | Consistency of materials delivered more efficiently | Support for personalization and distribution across channels | Dynamic distribution across online channels and devices as well as print and point-of-purchase outputs | Mass customization |

MESSAGE EXECUTION PLATFORM: LIST MAINTENANCE, OPT-IN SUBSCRIPTION, USER PROFILES, ACTIVATION HISTORIES, PERSONALIZED URL AND LANDING PAGES

| Input sources | Manual composition of emails and newsletters | Template driven and scheduled | CRM and newsletter databases integrated: semi-personalization | Content dynamically sourced from central asset management repository | Messaging available based on customer preferences via every channel |
| Process outputs | Placed content with live URLs to static pages without user identification | Efficient development and delivery of messages across multiple channels | Personalized content to individuals and segments | Integration of outbound messaging with response mechanisms | Consistent delivery of messaging regardless of touchpoint |

MARKETING CONTENT MANAGEMENT: MARCOMM DICTIONARY, PRODUCT INFORMATION MANAGEMENT, PUBLISHING WORKFLOWS, QA STAGING, PROVISIONING

| Input sources | Manual copy production | Technical Web service group edits and posts content | Segmentation and Models | Onsite behavioral data drives dynamic site configuration | Site activity linked to customer database and offline activity for individualized sites |
| Process outputs | Static Web pages and visuals | Frequently updated pages | Strong regulatory compliance, global site support and enterprise knowledge sharing | Recommendations and optimized site views for segments | Optimized site experience for known visitors and relevant delivery for anonymous visitors |

VOICE OF CUSTOMER: INTERVIEW QUESTIONS AND SCRIPTS, TELECONFERENCING, TRANSCRIPTION, TEXT MINING, SEMANTIC TAGGING, DASHBOARD SUMMARIZATION

| Input sources | Emails and voice mail complaints | Teleservice help desk database with cases; pop-up polls and online surveys; focus group transcripts | Uniform issue-problem forms and reporting linked to CRM and newsletter databases; structured customer-journey interview transcripts | Automated classification of interview transcripts with summarization using faceted taxonomies, external text mining, social networks, and correlation to customer journey narratives | State-of-industry-sector inputs from XBRL-based sources, prediction-market item prices, and realtime user-content consumption data feeds |
| Process outputs | Letters and emails of apology | Customer care-center responses and summaries | Individualized newsletters with personalized link-backs to customer scorecard | Customer engagement life cycle benchmarks and dynamic bidding for ad words | |
How will digital systems and self-directed customers drive organizational transformation of marketing operations?

DIGITAL DRIVES ENGAGEMENT

Digital or interactive functions of marketing operations will likely take the lead in most of the major change initiatives for customer engagement.

GISTICS research of early adopters of customer engagement practices reveals a number of factors supporting the conclusion that the digital executive will lead the transformation of marketing operations.

The figure below depicts several key trends in the transformation of marketing operations.

Most digital executives already possess the mindset—beliefs, expectations, behaviors, and self-identities—of technical innovators.

In contradistinction, many of their colleagues merely use technology as an enabler. These traditional marketers often emphasize other dimensions of marketing: grand strategy, positioning, trade relations, hiring, and administration.

Digital executives expect change, often with rapid onset and little or no forewarning.

Digital executives use technology to enhance operational capabilities, building systems and processes and developing new skills and accountabilities within their team.

Digital executives understand the power of integrating core processes by which they execute strategies and make rapid midcourse corrections to their executions.

SYSTEMATIZE, SYSTEMATIZE, SYSTEMATIZE

Digital executives use systems, processes, and accountabilities to have things done that meet well-defined standards of excellence and productivity benchmarks.

Multichannel analytics move beyond the confines of specialized databases and tools used by a few “high priests and priestesses” of market insights or database analytics groups.

Digital executives will drive their analytic teams to develop services and tools for use by marketers and engagement managers in the field: executives with local knowledge and direct relationships with customers and partners.

Marketing headquarters will build and provision tools and services for localized customer engagement, integrating local market knowledge and engagement simulations with email messaging, social media, and Web content production and delivery teams.

Thus, local engagement managers will execute communication and engagement strategies from the bottom up, applying local market knowledge to opportunities spanning the customer engagement lifecycle: awareness, consideration, trial, commitment, etc.

Local market engagements will also create uniform data sets, supplying good data to other regional and headquarters analytic teams.

Good local market data will in turn stimulate new cycles of insights, strategies, creative content, and executions, requiring that digital leaders employ process-orchestration technologies—the glue that binds the other engagement cycle technologies.

Process orchestration entails digital executives using a specialized business process management platform to systematize and integrate the typically isolated practices of planning and budgeting, project definition and management, campaign development and tracking, procurement and vendor collaboration, and dynamic scheduling and workload balancing of internal staff and external suppliers.

In practical terms, process orchestration comprises a suite of marketing resource management tools and technologies of the business process management platform [Web service development, policies, routing, and customized browser-based dashboards].

Self-directed online customers and their growing demands for personalized services, “remixable” content, and ways of sharing customized experiences with their friends will drive the digital transformation of the marketing operation.
What lessons can Google teach customer-engagement planners about driving change and market disruption?

**SMALL-TEAM ADVANTAGE**

The revolution of customer engagement will entail significant changes in marketing operations and the larger enterprise.

Unlike historical changes such as personal computers and corporate networks—faster, cheaper extensions of business as usual—the revolution in customer engagement must accommodate two new factors:

- The growing number of innovations in a global business ecosystem that a firm can quickly source and integrate to its marketing operation
- The collective intelligence and level of product knowledge that customers and other stakeholders now propagate across global social networks, effectively refuting or reinterpreting the commercial speech of marketers and agencies

Firms that can source and integrate the innovation resources of a global business ecosystem will increase their competitive advantage.

Firms that integrate new operational capabilities with customers’ needs and their social markets will achieve unfair competitive advantage.

Firms that can drive newly sourced innovation to customers in days or weeks will disrupt the competitive equilibrium of established and well-defended markets.

It then must follow that the mobilization of social networks now drives market disruption.

**GOOGLE MIND-SET**

Google demonstrates a key facet of innovation leadership: Innovate out loud and in front of customers using small, agile teams.

In practical terms, Google gets to market fast, studies users’ reactions, incorporates users’ feedback, and re-launches a new and improved version.

The figure to the right depicts three important innovation strategies drawn from the Google playbook.

First, not all innovations represent the same amount of value. Some innovations, especially if marketed well, can and will create new competitive advantages.

In rarer cases, well-marketed innovations cause market disruptions, forcing competitors to react with profit-destroying discounts or to exit the market altogether.

Second, time to value enhances the overall value of an innovation. Faster time to value of several tactical innovations can and will create competitive advantage.

Third, rapid consistent deployment of several well-chosen tactical innovations can disrupt a market within a few months or within a year.

Innovation leaders driving innovations of customer engagement use a master roadmap of 15-day and 45-day projects that a single person or small group can complete with available resources.

Let us restate this: firms can produce game-changing innovations of customer engagement using a master roadmap of 15-day and 45-day projects that a single person or small group can complete with available resources.

**MARKET DISRUPTION**

Rapid, successive delivery of small, incremental innovations can add up to real competitive advantages and game-changing market disruptions.

Innovation leaders develop and hone a strategic operational capability: how to deconstruct a market-disrupting initiative into a set of 15-day or 45-day projects and execute those projects against a master project roadmap of 50 to 100 short-term projects.

The revolution in customer engagement entails a growing array of customer self-service applications.

The revolution in customer engagement will require a technical platform for integrating and provisioning these new innovations—contributions of a global business ecosystem.

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The revolution of customer engagement requires leadership and systems for driving several concurrent 15-day or 45-day projects, creating a cascade of many tactical value-added capabilities that coalesce into strategic or transformational value of game-changing market disruption.
What forces facilitate and hinder major changes in marketing operations?

### CHANGE FACTORS OFTEN MISUNDERSTOOD

Change brings disruption; every professional know this. Thus, change naturally evokes fear, uncertainty, and doubt.

Marketing operations must change, improving efficiencies as well as engaging customers more effectively.

The figure below depicts a well-known framework from organizational development and topics specific to a marketing operation considering a major change in how it engages customers.

Factors facilitating more effective customer engagement represent external conditions and internal conditions of a particular firm.

The specter of losing customers and market share focuses the minds of most executive leaders. **Rapidly changing markets and customer requirements** add new energy and a commitment to make significant and, in some cases, overdue changes.

**Innovation leadership** represents the vision of a senior executive and a corporate culture used to change as well as documented and practiced processes for validating user requirements, defining new system requirements, and driving many concurrent projects to completion.

**Loud self-directed customers seeking engagement** make it easy to anchor a primary reason to change: serve and satisfy these customers or loose them.

**Internal funding for strategic initiatives** may entail the use of treasury funds or the captured and redeployed dividends of short-term productivity gains—what we call a productivity dividend.

### HINDERING FACTORS

Factors hindering more effective customer engagement may represent a wide range of issues and conditions.

**Pockets of excellence and skilled workers** emphasize getting things done using established practices and legacy systems—all good if nothing much changes.

**Isolated workgroups using siloed point solutions** represent reliance on office documents, email, and groupware—necessary but insufficient resources.

**Incompatible systems and data-sharing formats** represent two aspects of siloed systems; forced compatibility of two or more systems often creates more work than it saves.

**No community of best practice** represents an area of the need for better social networking and best-practice templates for documenting next practices and continuously improving these practices.

**Inefficient processes for sharing best practices** emphasizes the need for an internal academy and regular meetings devoted to process improvement, celebration of innovators and best practices, and a compensation and rewards system.

### UNCERTAINTY AND CONFLICTING ACCOUNTABILITIES HINDER MANY CHANGES

**MARKETING OPERATIONS**

Factors **FACILITATING** more effective customer engagement

- Competition in rapidly changing markets
- Innovation leadership
- Loud, self-directed customers seeking engagement
- Internal funding for strategic initiatives

**Current Practices**

- Slow, problematic, and labor-intensive semi-automated processes that thwart numerous incremental improvements and rapid integration of new digital capabilities and partners

Factors **HINDERING** more effective customer engagement

- Pockets of excellence and skilled workers
- Isolated workgroups using siloed point solutions
- Incompatible systems and data-sharing formats
- No community of best practice
- Inefficient processes for sharing best practices

**Future Best Practices**

- 100 percent digital workflow and supply chain with federated work management, real-time dashboards, dynamic reallocation of work and priorities, and closed-loop process controls of customer engagement processes

Most firms lack an effective change-management process for marketing, sales, and service practices. Improving customer engagement entails changes in all three practices; informal change-management processes will fail.
How do innovation leaders use small peer workgroups to specify and sequence 15- and 45-day projects?

QUIET REVOLUTIONS FROM THE BOTTOM UP

Innovation leaders understand the 90-90 Rule: after completing 90 percent of the work in making a change, sustainable success requires the completion of a second 90 percent of the work.

In general terms, the first 90 percent of the work entails specifying a future operational capability, securing sponsorship and funding, and managing the transition.

The second 90 percent of the work constitutes the harder part of innovation deployment: getting affected stakeholders to accept new accountabilities in the future operational capability.

Innovation leaders also understand that accountability constitutes an agreement by and between management and the individual about the following:

- Mission and values of the firm
- Strategic objectives and milestones indicating progress towards achieving the objectives
- Performance of specified and regular activities, tasks, and work initiatives
- Compliance with explicit quality standards of work deliverables
- Criteria of satisfaction (usually of co-workers, vendors, and customers)
- Exceptions reporting procedure and mechanism that entail a formal notification of noncompliance and a strong request to improve quality standards of work deliverables or criteria of satisfaction

Organizations vary extensively in how they manage accountability and, in particular, the agreement by and between management and the individual.

Innovation leaders use the opportunity afforded by a major change to institute more formal, explicit, and transparent accountability for all stakeholders contributing to customer engagement systems.

The figure to the right depicts one dimension of innovating new accountabilities: a do-it-yourself process in a controlled, facilitated environment.

ENABLING CAPABILITIES

A strategic innovation must become an operational capability before the deploying firm can realize any real value.

However, a true operational capability of customer engagement might take several months or a few years to design, launch, and make fully operational.

Innovation leaders work backwards from a futureproof, deconstructing a future operational capability into a few enabling capabilities.

For example, the operational capability of multichannel analytics that track patterns of engagement of selected consumer cohorts can take 18 to 36 months to realize. However, the creation of a database schema—in particular, a customer database master—might take 45 days or less.

The figure below depicts a group of eight stakeholders in a project scoping session for one enabling capability.

In one or two hours, this workgroup can easily define the five to eleven 15-day and 45-day projects that one enabling capability would entail.

A trained facilitator and subject matter expert familiar with the featured enabling capability can quickly lead the sequencing of these fast-cycle projects: do it now, do it next, do it later, or do it someday/maybe.

AFFECTIONATE STAKEHOLDERS KNOW BEST WHICH PROJECTS TO EXECUTE IN THE RIGHT SEQUENCE

A focused, well-led team of affected stakeholders can scope a set of 15-day and 45-day projects related to one enabling capability in one or two hours, producing a framework of new accountabilities.
How do innovation leaders secure broad support of a comprehensive, if not transformational, change agenda?

**INNOVATION LEADERSHIP ACADEMIES**

Effective project managers know that breaking down large, complex, messy projects into crisp, well-defined smaller pieces makes projects immensely easier to grasp, manage, and complete.

Innovation leaders build upon the proven and effective best practices of project management, harnessing the social networks and cultural norms of their organizations.

The figure to the right depicts an emerging best practice (or what we call a next practice) for driving innovation deployment: innovation leadership academies. Over the course of two days, an enterprise convenes operational executives and managers in a planning workshop.

Following opening remarks by leadership and a presentation of the visionary futureproof of customer engagement—both essential for activating a shared context and purpose—the planning workshop breaks into roundtables with eight participants, including a facilitator and an independent subject matter expert who is not part of the firm.

Each **table of eight** takes approximately 45 to 90 minutes to scope five to eleven small projects related to one enabling capability.

Scoping one enabling capability produces a long and valuable list of forces that may hinder and facilitate successful and rapid deployment—grist for the mill of change management or risk mitigation.

Scoping one project at this stage entails little more than a name (written on a large sticky note), a one-sentence description, and random notes on a session worksheet.

The figure to the right also depicts the **sequencing of projects**: do it now, next, later, and someday/maybe.

Innovation leadership academies comprise as few as two to as many as nine tables of eight, each producing a set of projects.

Upon completion of the scoping sessions, the group designates a presentation leader who will in turn present the group’s findings to the plenary session of all stakeholders.

Stakeholders from other groups may ask questions, challenge assumptions, or suggest a new bridging project.

The academy leader then takes each large sticky note with the name of the project, asking all stakeholders to play a game: place the sticky note in the right operational track and sequencing state.

**PLAYING THE ACCOUNTABILITY GAME**

The playful, collaborative positioning of small-scope projects on a master project roadmap accomplishes three results:

- Collaborative definition induces **co-ownership** of the entire futureproof.
- Project scoping with force field analysis by affected stakeholders defines **initial accountabilities**—who represents the best owner of the project.
- Master project roadmap provides the framework for who’s accountable for driving innovation deployment across the enterprise.

In the spirit of innovation leadership, innovation leadership academies deliver comparable value of a four-month management consulting project—in just two days and at a fraction of the cost.

**ROADMAP OF 40 TO 75 PROJECTS DEFINED FROM THE BOTTOM UP BY AFFECTED STAKEHOLDERS**
How do innovation leaders maintain a broad consensus of their change agenda and transformation roadmap?

**AFFECTED STAKEHOLDERS**

GISTICS leads targeted two-day planning workshops called Innovation Leadership Academies.

The figure below depicts the primary outputs of these on-site workshops: 30 to 90 projects of a two-year journey in organizational transformation, each comprising 15 days or 45 days that a single individual or small team can accomplish within a particular organization and with existing resources and infrastructure.

The bulk of the first day entails two to nine small workgroups, each focused upon one aspect or subsystem of a future strategic operational capability.

Each workgroup of affected stakeholders and a subject matter expert specify five to eleven projects of an enabling capability.

Affected stakeholders create projects that accommodate the cultural norms (values and procedures) of the firm.

Self-specification of these projects by the stakeholders affected by the project or beneficiaries of the completed projects also creates ownership and funding support—two critical and generally overlooked success factors.

When more fully fleshed out in a one- or two-page project plan, each becomes a statement of work (SOW) that the management can direct to internal staff, new hires, or external consultants and suppliers.

These statements of work include the following:

- Concrete deliverables
- Criteria of satisfaction
- Tools and procedures
- Budgets and discretionary expenses
- Key performance indicators and benchmarks
- Agreement to provide a daily summary of work performed
- Protocols and forms for making a communication request

**ACCEPTANCE OF CHANGE**

Firms manage major change in ways unique to each firm. However, most firms follow well-known patterns of making a major change successful.

Leadership declares the vision and strategic objectives, executive management aligns available resources to achieve those objectives, operational executives prioritize work and assignments, and staff and externals get it done.

If nothing changes in the world and customers want more of the same things, then the declare-align-prioritize-deliver mode works well.

In a world of sudden change, innovating from the bottom up with 15-day and 45-day projects ensures agility and ongoing adaptation.
Yes! I want more about the revolution of Customer Engagement

GISTICS Incorporated cordially invites you to receive the 56-page EXECUTIVE WHITE PAPER

Orchestrating the Technologies and Processes of the Customer Engagement Cycle

STRATEGIC ROADMAP FOR INTEGRATING TRADITIONAL AND ONLINE MARKETING AND CUSTOMER SERVICE WITH MULTICHANNEL ANALYTICS, MULTIMODAL CONTENT MANAGEMENT, AND ANALYSIS-DRIVEN EMAIL MESSAGING

To receive your complimentary white paper, please write “Engage!” on your business card and mail it to GISTICS, or, if you prefer, visit www.gistics.com and download your copy today

Download your copy of this 56-page executive white paper:

Orchestrating the Technologies and Processes of the Customer Engagement Cycle

Strategic roadmap for integrating traditional and online marketing and customer service with multichannel analytics, multimodal content management, and analysis-driven email messaging

CONTENTS // SECTIONS

4 Acknowledgement of 44 contributors
5 Innovation and Investment in Marketing
11 Customer Engagement Defined
21 Operational Capabilities of Customer Engagement
   • Multichannel analytics
   • Voice-of-customer content analytics
   • Content planning and optimization
   • Customer engagement objects
   • Information maturity model for customer engagement
   • Process maturities for four engagement cycle technologies
39 Customer Engagement Partners and Practices
49 Innovation Leadership
54 About GISTICS
What differentiates GISTICS as a think tank for market-making?

FOR  
Growth-oriented providers of **new technologies** or **disruptive innovations**

WHO NEED  
More effective ways to create sales in **early-stage markets** or **disrupted segments** within established markets

WHO ACCEPT  
That new technologies or disruptive innovations confuse or frighten most potential buyers, leading to **long sales cycles** with **low sales conversion rates**

WHO KNOW  
That traditional marketing and business development practices constitute an ineffective way to find **early adopters**

WHO WANT  
To establish a **new market category** for their products, services, or platforms

GISTICS  
Provides the unique capabilities of a **digital think tank for market-making**.

DEVELOPING  
The **strategic business case** and **investment analyses** that justify buying decisions in early-stage market niches

DEFINING  
The **problem-determination methods** for a buying organization

ATTRACTING  
The **prospective early adopters** and **solution providers** of new technologies or disruptive innovations

USING  
**Rich media** (live or prerecorded Webcast presentations or screen cast demonstrations), **social networks** (user-generated content of blogs, discussions, podcasts, Webcasts, uploaded videos, etc.), and a **robust digital platform**.

CLIENTS  
Partnering with GISTICS, benefit from

• Breakthrough strategies for market making
• Thought-leadership white papers and Webcasts
• Executive insight portals and master-practitioner teleconferences
• Trusted introductions to key market makers: advanced project directors, IT project managers, independent consultants, and small solution providers

UNLIKE  
**Research firms** such as Gartner, Forrester, or Frost & Sullivan who define the basic ideas of a new market category, develop shallow business cases for disruptive new technologies, and recommend the use of traditional marketing and business development practices

OR UNLIKE  
**High-tech marketing consultancies** such as the Chasm Group who edit their client’s big-picture strategies, define strategic messaging frameworks, and recommend (but do not implement) go-to-market strategies consisting of one-off tactical programs and an ineffective mix of traditional and guerilla marketing practices

OR UNLIKE  
**Promotion and marketing-service firms** who supplement the client’s business development with strategic messaging, Web site makeovers, direct mail and newsletters, and other marketing communications activities

ONLY GISTICS  
Maximizes sales for new technologies or disruptive innovations in early-stage markets or disrupted segments of established markets, using structured, scalable, and flexible programs to meet or exceed client criteria for value, satisfaction, and quality.