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

Featured technologies of the Engagement Cycle

- **Customer engagement theaters**: Integration of online marketing with database marketing, email messaging platforms, social media, and field-marketing systems
- **Multichannel analytics**: Convergence of web, database, and social media analytics
- **Analysis-driven messaging**: Applying database analytics, segmentation insights, and individualization profiles to personalize email messaging
- **Creative messaging and collaboration platforms**: Strategic role of engagement agencies, dialog maps, and multichannel / multi-party creative briefs
- **Social Web content management**: Integration of social tagging and user-generated content with marketing content and personalization services
- **Marketing operations management**: Collaborative workflows, project management, and marketing process orchestration
Who helped produce this white paper?

**Who is GISTICS?**

GISTICS serves as a think tank that accelerates 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**

**MAJOR LAUNCH:** Products, Campaigns, Partnerships, Business Models

**Value Creation Process**

- **Offer—market development**
- **Demand creation**
- **Sales conversion**
- **Satisfaction fulfillment**
- **Strategic development**

**Market-making Scenarios**

**T1** Market-making scenario 1

**T2** Market-making scenario 2

**Necessary Conditions**
- Rationalized market and definitive business case
- Differentiated value propositions
- Completed satisfaction-fulfillment methodologies
- Testimonials of early adopters
- Network of certified consulting solutioneers
- Thought-leadership Web destination

**Cycle time gain**

**Strategic Value**
- Leadership positioning in the market
- Advantaged category definitions
- Growing perception as the dominant “gorilla”
- New “green field” markets and revenue streams
- Loyalty lock-ins of category-defining marquee accounts

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.
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

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ABSTRACT

This executive white paper demonstrates how game-changing innovators orchestrate technologies and processes of the customer engagement cycle to increase sales, levels of customer loyalty and account retention, and share of wallet in selected consumption cohorts.

Unlike most white papers, this executive white paper visually depicts the essential concepts and technologies for the non-technical executive and operation manager, presenting a collaborative framework for discussion, argument, and investment decision-making.
Who helped produce this white paper?

GISTICS acknowledges the following individuals and their organizations for help making this paper possible. In most cases, Michael Moon of GISTICS conducted a one-hour interview.

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Orchestrating the Technologies and Processes of the Customer Engagement Cycle

SECTION I

Innovation and Investment in Marketing

ESSENTIAL QUESTIONS ADDRESSED IN THIS SECTION:

PAGE  
6 What must guide all investments in new marketing technologies?  
7 What single event within a marketing operation creates its most transparent demonstration of value?  
8 How can new technologies provide competitive advantage, if not market disruption?  
9 What operational strategies do many CMOs pursue to maximize competitive advantages?  
10 What types of innovation create value?
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.

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**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.
What single event within a marketing operation creates its most transparent demonstration of value?

ECONOMIC EFFECT OF FASTER CYCLE TIME
Most firms drive innovation to market, offering new products, formulations, and packaging, or new services, enhancements, or configurations. In all but a few cases, these firms drive marketing communications to market by:

- **Publishing** printed ads, marketing collateral, and promotional materials
- **Broadcasting** electronic ad spots and infomercials
- **Provisioning** digital content and interactive engagement services to stationary PCs, mobile devices, and digital kiosks or point-of-purchase displays

As once noted by Peter Drucker, the expert on management and business, “Only two things add value: innovation and marketing. All else is cost.”

This rather pithy and sage remark calls attention to what aspects of innovation and marketing create value, as well as how firms can use automation to maximize those aspects that deliver the greatest value.

Simply put, most firms that sell products can maximize their profits by achieving two, often offsetting, goals:

- Sell goods or services with adequate, if not superior, profit margins, and
- Sell higher unit volumes of these goods or services

**Profit margins** reflect selling the right mix of products or services at prices that buyers will pay. Seasonal factors, the comparative value of one firm’s offering to another’s offering, and other factors will affect price sensitivity—what customers will pay.

Another dimension of cycle time economics relates to velocity or how much annual revenue a firm can earn for each dollar or euro it has invested in its assets and operations—factories and people, respectively.

Combined, margin and velocity become the most important measurement to a firm: return on investment—how we measure the effectiveness of automation and best practices.

SHORTER PRODUCT LIFECYCLES LIMIT PROFITS
The pace of innovation continues to accelerate across all technical realms, giving large and small firms worldwide a real opportunity to develop new breakthrough products or services and drive them to market.

This quite simply means that competition will continue to expand and intensify without a foreseeable end in sight.

The figure below depicts how faster time to market of new products or services can produce incremental profit and revenues, as well as reduce total development costs with the desirable result of capturing lost margin or profits.

For more about how firms can use automation to maximize these results, visit [www.gistics.com](http://www.gistics.com).

The figure below also depicts how faster time to market of marketing communications helps maximize the value of bringing new products or services to potential customers.

In the case of consumer electronics, durables, motorcycles, and other products with annual model releases, as well as packaged software with regular version updates, the number of product-selling days averages 240. Any reduction in time to market of marketing collateral to retailers and dealers essentially creates additional selling days.

In one instance uncovered by GISTICS, improved workflows of a marketing operation in a global consumer electronics firm reduced time to market of collateral by two weeks, producing a three percent sales increase—tens of millions of euros!

Key points: Faster cycle times increase revenues and competitiveness, speeding cycle times entails process automation.

![Major Launches Expose Marketing to Companywide Scrutiny](chart.png)

Many things can contribute to a delayed launch. Inefficient process workflows (especially for reviews and approvals), as well as poor internal and external collaboration among creative partners and suppliers, often induce otherwise avoidable delays.
How can new technologies provide competitive advantage, if not market disruption?

COMPETITIVE ADVANTAGE

While the fundamentals of business remain unchanged (finding and serving customers), the mode of doing business must now undergo significant, if not radical, change.

This change accommodates two new factors: the rapidly growing number of innovation resources of a global business ecosystem and the inherent intelligence and level of product knowledge of customers and members of global social networks.

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

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

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

Mobilization of social networks drives market disruption.

The figure to the right depicts three more important dimensions of innovation and marketing.

Not all innovations represent the same amount of value. Some innovations may not create any discernible value in the eyes of customers, yet may support other highly valued innovations.

Still yet other innovations, especially if marketed well, will become “game changers,” creating significant competitive advantages: customer demand.

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

MARKET DISRUPTION

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

The nature of innovation (intangible, tactical, strategic, and transformational) calls attention to the need for a new 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.

Thus, truly integrated marketing means provisioning a growing array of customer self-service applications.

This type of integrated marketing will require a technical platform for adopting new innovations—contributions of a global business ecosystem.

Ecosystem-integrated marketing will require a robust engagement strategy and a C-level execution with skills and temperament for orchestrating time-to-market and time-to-satisfaction cycle times of game-changing innovations.
What operational strategies do many CMOs pursue to maximize competitive advantages?

**MARSHALING AVAILABLE RESOURCES**

Strategy constitutes a mechanism for directing available resources to achieve maximum competitive strategy. Most chief marketing officers (CMOs) know that this mechanism comprises systems, processes, and accountabilities for directing the resources of a complex marketing operation.

The figure below depicts key dimensions of strategy, emphasizing how CMOs formulate strategy for an integrated system where each element interacts and affects all other elements of the system.

**Brand integrity** defines an operational capability of a marketing operation: how marketing staff and partners create and execute marcom with clear brand values, consistent expressions, and credible messages. Brand integrity succeeds when customers and other stakeholders develop deep, resonant emotional connections with the brand and the brand’s community of users and advocates.

**Strategic differentiation** entails the translation of customer insights and buying criteria to marcom, eliciting desire for the offered product or service. Strategic differentiation succeeds by achieving leadership in its market.

**Market coverage** describes the delivery of promotions and marcom to all the key touchpoints with customers and trade partners, integrating digital online channels, traditional print and broadcast channels with points of purchase promotions and packaging. Market coverage succeeds with the convergence of all marcom at points of purchase, creating an “echo effect” in the market.

**Marcom supply-chain orchestration** describes the increasing levels of process integration among industry partners, emphasizing more agile sourcing and procurement of creative service, marketing content, and production. Marcom supply-chain orchestration succeeds by producing productivity dividends: new money for strategic spendings.

**Digital brand interaction** describes the newest operational capability, provisioning contextualized content and interactive services to customers. Successfully executed, this produces self-service satisfaction.

**SUSTAINABLE COMPETITIVE ADVANTAGES**

Innovation and marketing create value. Operational capabilities enable a firm to create innovation, drive new offerings to market, facilitate the buying and using process, and maintain infrastructure and systems enabling core operational capabilities.

Marketing’s operational capabilities enable the firm to create and sustain competitive advantages in its selected markets. This includes the creation of the following:

- New markets and revenue streams
- New customers of existing and new offerings
- Larger and more frequent orders from customers
- Greater loyalty and acceptance of system lock-ins
- Higher barriers to market entry

Each business will emphasize one or more of these competitive advantages over others, reflecting economic conditions, corporate life cycles, etc.

One fact, however, remains constant: the demand to change with little or no forewarning.

This calls attention to two more critical capabilities: business agility and organizational change management.

**Business agility** describes the ability to reconfigure processes and workflows within day or less. This capability requires an on-demand IT service management infrastructure and the technical capability to rapidly integrate new services to the all important brand theaters of the firm. For many marketing operations, this means securing needed application software “as a service.”

**Organizational change management** describes the systems, processes, and accountabilities for facilitating the rapid deployment of new systems, processes, and accountabilities. In many respects, organizational change management will determine medium to long-term success in volatile markets punctuated by all manner of disruptive innovations and economic discontinuities.

**OPERATIONAL EXCELLENCE THAT UNLOCKS THE VALUE OF STRATEGY**

<table>
<thead>
<tr>
<th>BRAND INTEGRITY</th>
<th>STRATEGIC DIFFERENTIATION</th>
<th>MARKET COVERAGE</th>
<th>MARCOM SUPPLY-CHAIN ORCHESTRATION</th>
<th>DIGITAL BRAND INTERACTION</th>
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<tbody>
<tr>
<td>• Brand-value clarity</td>
<td>• Deep customer insights</td>
<td>• End-to-end process and workflow integration</td>
<td>• Digital content and Web services management system</td>
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<td>• Brand-expression consistency</td>
<td>• Buyer’s recognition of a desire or need</td>
<td>• Strategic sourcing of creative and production</td>
<td>• Comprehensive multi-modal search and metadata schema</td>
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<td>• Brand-message credibility</td>
<td>• Leadership in market category</td>
<td>• Consolidated item-detail reporting of:</td>
<td>• On-demand digital services for self-directed customers</td>
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**AND PRODUCE THESE EXTERNAL PERFORMANCE RESULTS**

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<tr>
<th>Emotional Connection</th>
<th>“Wow” and Visceral Delight</th>
<th>Commanding Position in Market</th>
<th>Greater Portion of Strategic Spending</th>
<th>Self-Serve Satisfaction</th>
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<tr>
<td>New markets and revenue streams</td>
<td>New customers for existing and new offerings</td>
<td>Larger and more frequent orders from customers</td>
<td>Greater loyalty lock-ins</td>
<td>Barriers to Market</td>
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</table>

**THUS ACHIEVING THESE SUSTAINABLE COMPETITIVE ADVANTAGES**

Most CMOs emphasize the development and optimization of operational capabilities of their marketing operation one of their foremost priorities. Accountability for driving innovation and change within their groups often represents the weakest link in achieving operational excellence.
What types of innovation create value?

FOUR TYPES OF INNOVATION

Strategic innovation brought to market increases the value of the firm—share price—and its overall share of market capitalization within its sector.

Tactical innovation merely reduces costs or increases sales already in the pipeline.

Thus, innovations vary a great deal, bringing greater or less value to their organizations or customers.

The figure below depicts the four basic categories of strategic innovation:

- **Business model innovations** bring new satisfactions to market or give the innovating firm new ways to capture value. Typically, these innovators disrupt underserved markets by leveraging new technology.
- **Product innovations** tend to grow existing markets, using industrial design and brilliant packaging to create highly differentiated offerings. When coupled with a business model innovation, product innovation creates a wealth-creating synergy such as the iPod and iPhone.
- **Process innovations** optimize known systems and procedural workflows, reducing waste, cost, and time, using management process-control frameworks such as Lean Six Sigma, ITIL, and CoBIT. When coupled with product innovation, process innovations deliver price leadership and substantial barriers to market entry by competitors.
- **Social innovations** change some elements of how we live, work, or play. In today’s world, many of these innovations entail the rapid development of next practices where small, dedicated groups of people produce and consume small chunks of information and content that become social goods later enjoyed by large groups of users as best practices.

Many companies now pursue innovation strategies across two or more of these four innovation categories, placing new demands for more rapid, error-free innovation-deployment processes—how firms drive their innovations to market.

In all cases, innovation entails change and the need to manage the change wrought by innovation.

Besides product or software innovation, most firms do not have a structured, repeatable process—an operational capability—for innovating new services, processes, or business models.

This deficiency calls for the emergence of a next practice that we call innovation leadership.

INNOVATIONS FOR CUSTOMER ENGAGEMENT

Effective partnerships with customers will require numerous innovations. In this paper, we introduce several innovations, including

- **Customer engagement cycle** that defines the basic operational framework for marketing and an integration framework for new technology
- **Voice-of-customer content analytics** that summarize levels of engagement and shifts in sentiment among various customer segments
- **Centers of excellence** in the marketing supply chain: viral video agencies, user-generated video and communication operations, and customer portfolio management firms
- **Content customization** that depicts the fusion of a customer database master, engagement preferenda of an individual customer or consumption cohort, offering-mix optimization of the particular products and services to present next to the engaged customer, and consumption criteria for a return on investment (ROI) or a returned investment of time (RIOT)
- **Customer engagement object** that enables the predictive modeling of long-term customer value as well as the long-term cost to serve, including the cost of creating and provisioning content, services, and brand touchpoints
- **Information maturities** that correlate five levels of marketing information to six operational capabilities of integrated marketing—monitor, listen, message, contextualize, execute, and govern.
- **Process maturity model** for four critical subsystems of the engagement cycle: multichannel analytics, multimodal content management, provisioning and execution, and marketing process orchestration.

**SYNERGY OF INNOVATIONS YIELDS THE GREATEST RETURNS**

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<tr>
<th>Process Innovations</th>
<th>Product Innovations</th>
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<td>• Dell</td>
<td>• Blackberries</td>
</tr>
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<td>• Toyota</td>
<td>• iPods</td>
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<td>• Wal-Mart</td>
<td>• ThinkPads</td>
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<td>• YouTube</td>
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Driving innovations of customer engagement to market will demand a new operational capability: innovation leadership and a masterclass team that we have dubbed an Innovation Services Group.
Orchestrating the Technologies and Processes of the Customer Engagement Cycle

SECTION II

ESSENTIAL QUESTIONS ADDRESSED IN THIS SECTION:

- **PAGE**
- 12 What frames the first principle of customer engagement, emphasizing the slow transformation of customer relationships into co-innovating partnerships?
- 13 What can marketers learn from the dictionary definition of engage?
- 14 How do we define customer engagement?
- 15 What constitutes Wikipedia’s definition of customer engagement?
- 16 How does a marketing operation engage customers?
- 17 What technologies support customer engagement?
- 18 What comprise the operation capabilities of customer engagement, emphasizing an evolving set of systems, processes, and accountabilities?
- 19 What comprise the operational capabilities of customer engagement?
- 20 How do friend networks require marketers to engage with multimodal communications?
What frames the first principle of customer engagement, emphasizing the slow transformation of customer relationships into co-innovating partnerships?

MOVING BEYOND TRADITIONAL MARKETING

To paraphrase David Ogilvy, the legendary ad man, “The customer is not an idiot. She’s your wife! You have to live with her in relative joy and content for a very long time … or it will become very, very expensive.”

Long-term, mutually satisfying relationships constitute the first principle of customer engagement, expanding Peter Drucker’s dictum: “A firm has no other purpose than to find and keep customers.”

The figure below depicts several implications of customer engagement.

Most notably, many senior marketing executives have long forgotten or never understood marketing-making relationships. Other marketing executives understand the primacy of marketing-making relationships; however, they lack the systems, processes, and accountabilities by which to engage innovation collaborators and early adopters.

In both cases, these soon-to-be-retired marketing executives obsess with finding ready buyers and persuading these buyers to become consumers, abdicating or ignoring the subsequent transformation phases of engagement.

Mastering the customer engagement cycle demands full engagement with the transformational process of creating wholly vested stakeholders in effective collaboration.

Full engagement then entails a parallel transformation of the organization into a trusted partner, an institutional citizen, and a true engagement innovator.

The mastery of customer engagement will not only transform buyers into collaborators, but the transformational process will also demand that sellers enter into a long-term relationship with evolving customer needs.

Engagement constitutes a two-way process and varies little from the process of maintaining a successful personal relationship with a thriving spouse.

THE SECRET OF MARKET MAKING

Silicon Valley holds many secrets, none more vital to customer engagement than the secret of creating stupendous new wealth.

What follows constitutes a succinct summary of the secret of Silicon Valley as related by Jeff Martin, visionary and founder of Tribal Brands:

- Huge new markets produce fortunes and shareholder wealth.
- Great companies create huge new markets.
- Breakthrough, game-changing products drive great companies.
- Brilliant engineering produces insanely great, breakthrough, and game-changing products.
- Incisive, cogent product requirements inspire brilliant engineering.
- Inspired insights about customers of a new, not-yet-formed market define incisive, cogent product requirements.
- Unbending intent to improve the quality of life and serve a higher common good induces inspired insights about future customers.

Ultimately, the customer engagement revolution brings the secret of Silicon Valley to every innovator in the world.
What can marketers learn from the dictionary definition of *engage*?

**DEEP CULTURAL NARRATIVES**

Formal dictionary definitions of commonly used words often reveal deeper meanings and nuanced tonalities—facets that may convey additional if not unintended significances.

Merriam Webster’s Tenth Collegiate Dictionary provides the following definitions of engage, engaged, and engagement.

**DEFINITION OF ENGAGE**

Derived from Medieval French, *engagier*, and the Old French elements of *en + gage*, the root element of ENGAGE derives from *token or gage*.

As a transitive verb, the definition of engage includes:

1. To offer (as one’s word) as security for a debt or cause
2. To entangle or entrap in (or as in a snare or bog); b) To attract and hold by influence of power; c) To interlock with: MESH; also to cause (mechanical parts) to mesh
3. To bind (as oneself) to do something, especially to binding by a pledge to marry
4. a) To provide occupation for: INVOLVE (engage him in a new project); b) to arrange to obtain the use or service of: HIRE
5. a) To hold the attention of: ENGROSS (her work engages her completely); b) to induce to participate (engaged the shy boy in conversation)
6. a) To enter into contest with b) to bring together or interlock (weapons)
7. To deal with especially at length

As an intransitive verb, the definition of engage includes:

1. a) To pledge oneself: PROMISE, b) GUARANTEE (he engages for the honesty of his brother)
2. a) To begin and carry on an enterprise or activity (engaged in trade for a number of years) b) to take part: PARTICIPATE (at college she engaged in gymnastics)
3. To enter into conflict
4. To come together and interlock (as machinery parts): be or become in gear.

**DEFINITION OF ENGAGED**

Merriam Webster’s Tenth Collegiate Dictionary provides the following definition of the adjective, ENGAGED:

1: Involved in activity: OCCUPIED
2: Pledged to be married: BETHROTHED
3: Greatly interested: COMMITTED
4: Involved special in a hostile encounter
5: Partly embedded in a wall (an engaged column)
6: Being in gear: MESH

**DEFINITION OF ENGAGEMENT**

Merriam Webster’s Tenth Collegiate Dictionary provides the following definition of the noun, ENGAGEMENT:

1: a) An arrangement to meet or be present at a specific time and place [a dinner engagement]
   b) A job or period of employment, especially as a performer
2: Something that engages: PLEDGE
   a) The act of engaging: the state of being engaged
   b) Emotional involvement or commitment (Seesaws between obsessive engagement and ambiguous detachment)
3: BETHROTHAL
4: The state of being in gear
5: A hostile encounter between military forces

**IMPLICATIONS FOR MARKETING**

The idea of engagement with customers and other stakeholders, including staff and shareholders, already exists in the language of commerce and marketing. However, the emerging use and definition of customer engagement conveys these distinctions:

- Customer engagement presumes a relationship that will persist over time
- Relationship with customers begin first by attracting and holding their attention
- Engagement involves messaging (of tokens), communication (with emotional involvement), and interaction (over an extended period to time)
- Engagement creates expectations for communication, interaction, and collaboration.

**THE WORD ENGAGE ENTAILS SEVERAL MEANINGS**

**ENGAGE means to**

<table>
<thead>
<tr>
<th>Offer</th>
<th>Entangle</th>
<th>Mesh</th>
<th>Bind</th>
<th>Involve</th>
<th>Engross</th>
<th>Contest</th>
</tr>
</thead>
<tbody>
<tr>
<td>I give you my word</td>
<td>I am ensnared in the bush</td>
<td>I put the car into first gear</td>
<td>My fiance and I will soon wed</td>
<td>My client hired me for a project</td>
<td>I find her work most interesting</td>
<td>I challenge you to a duel</td>
</tr>
</tbody>
</table>

The shared cultural norms and meaning of engage often lead to expectations among customers about the nature and manner of their being engaged with vendors; in a word, relationship. Customer engagement incorporates most if not all the cultural norms of a long-term relationship.
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**

**THE BRAND STORYTELLING PROCESS**

**PHASES OF BRAND-MARKETING COMMUNICATIONS**

- **Corporate Storytelling**
- **Advocate Storytelling**

**ENGAGEMENT SEQUENCE**

- **Connect** • Immediate • Visceral • “Like”/“don’t like” • Belonging
- **Inform** • Category of need or desire • Positioning • Differentiated • Relief
- **Entertain** • Social context • Humorous, horrific, or seductive • Cultural narrative • Cool
- **Share** • Portable • Currency of affection • Facet of self • Reputation
What constitutes Wikipedia’s definition of customer engagement?

BACKGROUND
According to the English-language version of Wikipedia on 2 January 2009, edited here for concision, customer engagement refers to the engagement of customers with one another, with a company or a brand—either consumer- or company-led using offline or online media.

Unlike the marketing term, positioning, no single source defined customer engagement (CE). Discussed widely online and representing hundreds of published pages with reader comments, CE has become the topic of numerous conferences, seminars and roundtables.

Customer engagement presumes a longer term, more strategic context with the assumption that simply maximizing for sales conversions can decrease the likelihood of repeat conversions. CE aims at long-term relationship, customer loyalty, and advocacy through word-of-mouth referrals and recommendations.

Customer engagement in online media differs from offline engagement: the nature of the customer’s interactions with a brand, company and other customers; discussion forums, social networking sites, blogs, and rankings enable people to communicate in ways not possible in most offline media. The rise of online user generated content now makes customer advocacy and antagonism a common feature of most markets.

Customer Engagement enables organizations to more effectively respond to the fundamental changes in customer behavior brought about by the Internet. CE addresses the need to offset the increasing ineffectiveness of the traditional ‘interrupt and repeat’, broadcast and print advertising approach.

Customer Engagement enables organizations to overcome the following sources of increasing loss in market power:
- Fragmentation of media and audiences
- Greater specialization of media content
- Consumer expectation for variety and convenience
- Simultaneous multichannel media consumption by consumers
- Instant messaging among peers while consuming media
- Lower physical switching costs for most products and services
- Widening of geographic market access
- Lower reputation among some consumers of many corporations with non-sustainable offerings and offensive policies

Customer Engagement seeks deeper and more frequent customer contributions as an important source of competitive advantage: public endorsement of advertising themes, user-generated product reviews, customer service FAQs, etc.

WORKING DEFINITION
Wikipedia offers the following definitions of online customer engagement:

A social phenomenon enabled by the wide adoption of the Internet, exploiting the technical developments in high-speed broadband, low-cost Internet-connected devices, and digital media.

The behavior of customers that participate in online lifestyle communities, directly or indirectly, associated product categories (cycling, sailing) and other consumption topics; a socialization process that induces participants to create positive association with sponsoring companies or user groups.

Marketing practices that create, stimulate or influence CE behavior.

Metrics that measure the effectiveness of the marketing practices which seek to create, stimulate or influence CE behavior.

INDUSTRY PROOF-POINTS
Amazon recently re-branded itself, using the slogan “Serving the world’s largest engaged online community.”

The World Federation of Advertisers (WFA) offers a “Blueprint for Consumer-Centric Holistic Measurement.”

The Association of National Advertisers (ANA), American Association of Advertising Agencies (AAAA) and the Advertising Research Foundation (ARF), now operate an “Engagement Steering Committee” to define metrics for customer engagement.

Nielsen Media Research, IAG Research and Simmons Research all pursue the development of a CE definition and metric.

In March 2006, the Advertising Research Foundation announced the first definition of customer engagement[4] the first definition of CE at the re:think! 52nd Annual ARF Convention and Expo: “Engagement is turning on a prospect to a brand idea enhanced by the surrounding context.”

Some theorists and practitioner refer to customer engagement as the stages through which consumers travel as they interact with a particular brand and developer deeper bonds of affection and reciprocity.

This Customer Engagement Cycle, or Customer Journey, has been described using a myriad of terms but most often consists of 5 different stages: Awareness, Consideration, Inquiry, Purchase and Retention.

Marketers employ Connection Strategy to speak to would-be customers at each stage, with media that addresses their particular needs and interests.

When conducting Search Engine Marketing & Search Engine Optimization, or placing ads, marketers must devise media and/or keywords and phrases that encourage customer flow Customer Engagement Lifecycle towards Purchase.

Because the various definitions often focus on entirely different aspects of CE, competing definitions often illuminate hidden or obscure aspects of CE.
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 website.

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 connote 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.

**CUSTOM ENGAGEMENT REQUIRES RESOURCES AND CAPABILITIES FROM MULTIPLE PARTIES**

<table>
<thead>
<tr>
<th>STATUS OF BRAND</th>
<th>Lead generation (BC1)</th>
<th>Facilitated Buying (BC2)</th>
<th>Retention (BC3)</th>
<th>Loyalty (BC4)</th>
<th>WOM agents (BC5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unknown</td>
<td>Known</td>
<td>Profiled</td>
<td>Customerized</td>
<td>Certified</td>
<td></td>
</tr>
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</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.

**OPERATIONAL MARKETING EMPHASIZES INTEGRATION OF PRE-SALES AND POST-SALES ACTIVITIES**

The Web and a global digital ecosystem enable large and small organizations to integrate pre- and post-sales activities, using unified governance with clear roles, responsibilities, and daily progress-status reporting of all staff and affiliates involved in the customer-making process.
What comprise the operation capabilities of customer engagement, emphasizing an evolving set of systems, processes, and accountabilities?

**STRATEGY EXECUTION**

Marketing organizations execute market-making and brand-building strategies, using systems, processes, and accountabilities—what we call operational capabilities of marketing.

The table below describes the six general operational capabilities that execution of customer engagement strategies requires.

**Monitoring** entails the collection of usable data about customers, media consumption, and how the company and its competitors move particular customer segments from awareness, consideration, and trial to adoption, loyalty, and advocacy.

**Listening** transforms these data with corresponding assumptions and analytic models into insights, projects, and opportunities.

**Dialog Maps** use keywords, phrases, metaphors—how customers talk about a brand.

**Messaging** often represents the work of creative and engagement partners—specialist firms that know how to associate a brand and the brand’s value proposition with deep cultural narratives of desire, aspiration, and consumption.

**Contextualization** constitutes the hard work of adapting a brand and its value proposition into meaningful, easily conveyed experiences of Engagement: connect, inform, entertain, and share.

**Execution** publishes marketing content and interactive services across multiple channels and media formats, including the PC- and mobile-accessed Web, digital signage, printed materials; execution also includes individualized emails and self-configured Web pages.

**Governance** of customer engagement applies the principles of industrial process management to customer making, using normative models of excellence for successful engagement: brand conversion rates, satisfaction, long-term value of customer relationships, revenue per database record.

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### CUSTOMER ENGAGEMENT RELIES ON SPECIFIC CAPABILITIES OF MARKETING OPERATIONS

<table>
<thead>
<tr>
<th>STATUS OF BRAND</th>
<th>No awareness</th>
<th>Awareness</th>
<th>Consideration</th>
<th>Trial</th>
<th>Purchase</th>
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**OPERATIONAL CAPABILITIES OF CUSTOMER ENGAGEMENT**

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<tbody>
<tr>
<td>MONITOR (MNT)</td>
<td>Aggregate marketspace activities</td>
<td>Track patterns of engagement</td>
<td>Model business performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LISTEN (LST)</td>
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<td>Classify themes, sentiment, etc.</td>
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<td>Ideate themes, concepts, copy, etc.</td>
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</tr>
<tr>
<td>CONTEXTUALIZE (CTX)</td>
<td>Retrieve data and components</td>
<td>Assemble engagement objects</td>
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<td></td>
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</tr>
<tr>
<td>EXECUTE (EXE)</td>
<td>Stage for quality assurance</td>
<td>Provision engagement objects</td>
<td>Manage exceptions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GOVERN (GVN)</td>
<td>Measure efficiency and effectiveness</td>
<td>Monitor policies and deviations</td>
<td>Summarize activities and results</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**KEY ACTORS DRIVING BRAND CONVERSIONS**

| KEY ACTORS DRIVING BRAND CONVERSIONS | Advertising, Direct Mail, Promotions, AdWords, and SEM and SEO | Brand Sites, Topical Microsites, Social Media, Multichannel Marketing Analytics | Personalized Messaging, Remuable/Social Content, and Webcast Theaters | Content/Service Mash-ups, Preference Managers, and Policy-managed Processes | Certified Advocates, Viral Video Stash, Collaboration and Solutioneering Platforms |

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The first column of the table above describes the six operational capabilities that execution of most customer engagement strategies requires, emphasizing the need to acquire and maintain an evolving set of systems, processes, and accountabilities.
What comprise the operational capabilities of customer engagement?

**SUBSET OF TRADITIONAL MARKETING OPERATIONS**

For many firms, the operational capabilities of customer engagement constitute a subset of marketing operations. Marketing operations may include branding, traditional advertising development and placement, trade promotions, packaging, sponsoring, publicity, and press relations.

**CUSTOMER ENGAGEMENT CONSTITUTES A SUBSET OF TRADITIONAL MARKETING OPERATIONS**

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</tbody>
</table>

**CAREER PATHS IN CUSTOMER ENGAGEMENT**

The table below details many facets of customer engagement.

Customer engagement requires a deep knowledge technical systems, development methodologies, and process management—the new career opportunity.

<table>
<thead>
<tr>
<th>Engagement Cycle</th>
<th>Executive WP-neu.1.0 ©2009 GISTICS All rights reserved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement Cycle</td>
<td>Orchestration of the Technologies and Processes of the Customer Engagement Cycle</td>
</tr>
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<td>GoVErn (GVn)</td>
<td>MESSAGE (MSG)</td>
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   - Stage for quality assurance
   - Provision engagement objects
   - Manage exceptions

6. **GOVERN (GVN)**
   - Measure efficiency and effectiveness
   - Monitor policies and deviations
   - Summarize activities and results

Measurement tracks operational efficiency (on time, at budget, spendings to date by market, media, partners, etc.) and operational effectiveness (incremental and recurring revenues, new customer activations, leads to channel or field, downloads, impressions, etc.). Monitoring of policies and exceptions (over budget by procurement line item and project) provides the first indications of problems (especially critical in product launches) with packaging, designs, and localization—critical upstream activities that can cascade downstream in global catastrophes.

Summarization goes beyond dashboards and statistics, emphasizing the dynamic modeling of all key dimension of the customer-making process as well as the fact-based calculation of the economic value of each customer relationship and its corresponding database record.
How do friend networks require marketers to engage with multimodal communications?

COGNITIVE DIVERSITY
Many of today’s markets no longer consist of solitary buyers who make independent purchase decisions. Rather, current consumer research reveals the significant and growing role of social networks and social media in shaping desire and consumption. The figure below depicts several dimensions of how customers now engage markets. Customers engage markets using their social network of friends to scan, track, intercept, interpret, reframe, integrate, and socialize brands, value propositions, and paths to purchase and satisfaction. Social networks not only produce media; these networks enable an individual to activate connections and request assistance of other individuals: experts and taste makers.

NEW CLASS OF KNOWLEDGE WORKERS
In a structural sense, all customers constitute a type of knowledge worker; all or most of the principles of knowledge worker productivity apply to customer engagement. Mastery of customer engagement requires mastery of knowledge worker productivity. Mastery of knowledge worker productivity informs the mastery of customer engagement. Knowledge workers optimize their satisfaction and productivity by exploiting their own particular cognitive styles, preferred ways of learning, and communication skills. In part, personal knowledge worker productivity entails a preferred learning style:
• Reader-thinkers who prefer to take lots of notes as a way to structure, organize, and encode new information and perceptions
• Talker-listeners who prefer to hear someone introduce, explain, and emotionally anchor new information and feelings
• Watcher-doers who prefer to observe someone perform a task or diagram a use case, taking immediate action that re-creates the performance in a physical or imaginary realm
Multimodal communication satisfies these three preferred styles of learning.

SPHERES OF INFLUENCE
Everyone has a number of friends who listen to and consider an offered opinion or recommendation. The figure below depicts four more dimensions of influence:
• In small groups, individuals will tend to emphasize one of four basic relational styles: playfulness and belonging, action and results, helpfulness and inspiration, and information and neutrality.
• Networked individuals relate to others on the basis of their core group of nine or so best friends.
• The number of individuals in a social network varies from one person to the next: 11, 33, and 75 friends, respectively.
• The Internet renders geography of friendship almost meaningless: young adults have “good friends” from far-flung places around the world.
Multimodal communication incorporates these dimensions of influence, framing marketing information as social currency for members of a core group and larger network to barter and exchange among themselves.

A wide diversity of cognitive skills exists in most of these social networks of friends, requiring that marketers use multimodal communication and interaction styles that connect and inform the various individuals of a social network of friends.
Orchestrating the Technologies and Processes of the Customer Engagement Cycle

SECTION III

Operational Capabilities of Customer Engagement

ESSENTIAL QUESTIONS ADDRESSED IN THIS SECTION:

PAGE  
22  What constitutes the customer engagement cycle, emphasizing seven phases by which firms define and create engaging content?  
23  What constitutes creative content in a context, emphasizing the need to engage customers in specific venues and preferred ways to engaging a brand?  
24  How do particular buyer reactions to content produce behavioral data, emphasizing a progression of data collection activities?  
25  How does effective customer engagement maximize long-term customer value?  
26  What contributes to multichannel analytic insights, emphasizing a more comprehensive understanding to individual customers in an engagement life cycle?  
27  What comprises the service capability of a voice-of-the-customer system?  
28  What contributes to content planning, media plans optimization, product-offering mixes, and social networking for customer cohorts by engagement lifecycle phase?  
29  How do engagement planners optimize content, using a content customerization framework with customer preferences and consumption scenarios?  
30  What elements comprise customerized content, defining the properties of customer engagement objects?  
31  What technologies provide the foundation for mastering the engagement cycle?  
32  What defines an operational capability?  
33  What comprises an information maturity model of customer engagement?  
34  How can an engagement maturity model clarify a firm’s next steps?  
35  What comprise the process-maturity phases of multichannel marketing analytics, an example of example of one engagement cycle process maturity model for multi channel analytics?  
36  What comprise the process-maturity phases of multimodal content management, sequencing the evolution of customer engagement objects?  
37  What comprise the process-maturity phases of personalized messaging, sequencing the evolution of provisioning and executing emails and newsletters?  
38  What comprise the process-maturity phases of marketing process orchestration, sequencing the evolution of marketing operations management?
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 multilayered hierarchy or taxonomy], and user account histories, journals, and personal collections within the site.

**Closed-loop feedback system**
It then follows that the transition 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 constitutes creative content in a context, emphasizing the need to engage customers in specific venues and preferred ways to engaging a brand?

**CONTEXT THAT CONNECTS**

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 the first phase of the engagement cycle—creative content in context—calling attention to three dimensions of context, creative content, and brand engagement theater.

Context constitutes the sum total effect that the choice of metamessages, venue, and metadata evoke as a specific and intended experience among different consumers.

Design choices and tonalities that specific visual images, formats, and layouts evoke represent a metamessage. Other metamessages may include the ethnic identities of human models and more subtle “tribal markers,” such as hairstyle, cut of clothing, and modernity or datedness of setting.

Venue clearly evokes different behaviors from consumers, evincing the role that belief, expectation, degrees of freedom, and the presence (or absence) of other people play in venue-specific behaviors.

Metadata and its related application to media and other customer engagement objects (metatagging) emphasize a critical and often broken link in the customer engagement cycle. Metaphorically, metadata represents the card index file of a library of resources [books or tools]. Missing, incomplete, or wrong metadata severs the connection and access to a specific and needed resource: marketers fail to connect with consumers.

Elsewhere in the paper, we develop more fully the idea of a customer engagement object [a new class of digital assets] that plays a central role in the engagement cycle.

**CONGRUENCE**

Successful engagement results when matching the right messages with specific consumers in an appropriate and suitable environment.

Cognitive scientists suggest that “congruence” entails all three brains (survival-based limbic system, the emotional and sensing cortex, and the rational and analytic neocortex) agreeing with a sensory input or inputs.

Neuro-linguistic programming [NLP] practitioners further suggest that a state of relative congruence matches three more important and phase-locked subjective states: affinity, communication, and agreement.

Simply put, a high level of congruence entails an equal and matched level of affinity [smiles, nodding heads, mirrored body postures], a willingness to communicate personal information [opt-in, completing a survey], and a felt responsibility and follow through in keeping a promise or keeping one’s end of the deal.

Thus, the context that connects evokes a high and increasing level of congruence, affinity, communication, and agreement follow through, defining the four central dimensions to benchmark, monitor, and guide systems-based optimization of the customer engagement cycle.

**BRAND ENGAGEMENT THEATER**

The metaphor of a brand engagement theater takes on new meaning with the addition of ideas of a context that connects.

The figure below depicts one more central insight: consumers collapse media channel, service delivery, and points of purchase into a seamless experience of the brand; brand marketers must now “exercise” their digital limbs, adding to or enhancing the customer’s experience of service and overall satisfaction.

---

**MATCHING SPECIFIC MARKETING CONTENT AND AN APPROPRIATE CONTEXT AFFECTS LEVELS OF CUSTOMER ENGAGEMENT**

1. **Creative Content in a Context:**
   - Metamessages of design and tonality
   - Venue: online, electronic, print, physical
   - Congruence: environment, consumer, message
   - Metadata and metatagging

2. **Reaction**

3. **Behavioral Data**

4. **Multichannel Insights**

5. **Content Planning**

6. **Content Optimization or Individualization**

7. **Customized Content**

---

Context frames the level of participation engagement in brand engagement theaters, unifying a brand voice and a value proposition across multiple channels, media, and formats.
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 market space: 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 that further complement behavioral data include database analytics using 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.

Each new advance in customer engagement enables marketers to collect more behavioral data from buyers at an expanding number of touchpoints in a marketplace.
How does effective customer engagement maximize long-term customer value?

STRATEGIC SEGMENTATION AND ENGAGEMENT

Customer engagement starts with segmentation, answering the question “What demographic, economic, psychographic, and behavioral data sets describe our ideal customers?”

The figure below depicts several key facets of the answer to the question, “What types of customers should we engage?”

Most-satisfied customers comprise individuals and segments of businesses or institutions that love a branded offering, self-identifying with its user community or the aspirations that brand use fulfills. Digging deeper into this group, we find customers who know how to buy and use a brand offering, consumption constitutes a social ritual.

Action point: Fix clumsy satisfaction assurance processes; use a voice-of-the-customer system (described elsewhere in this paper) to identify problems and ways to fix them.

Most-profitable customers comprise segments that realize additional value—social esteem or greater productivity—from the branded product or service. In consumer markets, customers often justify paying a price premium [source of profit to vendors] as a deserved or earned luxury or as an investment in productivity or a tangible capacity that will earn back its investment: lower costs, faster time to market, higher quality, greater differentiation of a work product or finished good.

Action point: Develop solid, unassailable return-on-investment calculators for commercial offerings, using activity-based accounting techniques to measure otherwise intangible economic gains.

For consumer offerings, quantify the return on invested time (RIOT) and how consumers might spend their productivity or lifestyle dividend. Remember: the calculation of time, money, attractiveness, food, and safety takes place in the unconscious processes of the limbic system or reptilian brain of human beings.

Most-strategic customers comprise generally small, overlooked portions of the market that nonetheless determine tomorrow’s share of the market. Traditionally, youth markets provided consumer goods vendors the opportunity to engage and brand first-time buyers, creating a lifelong relationship of service and consumption.

Today, online services that support customer self-service have begun to determine tomorrow’s share of markets.

Action point: Identify the source of new entrants to your markets, using voice-of-the-customer systems to quantify their “technographics”—level of adoption and preference for digital third-handed engagement with mobile, online, and interactive kiosks.

LIFETIME VALUE OF CUSTOMERS

Customer engagement should optimize the lifetime value of customer relationships.

Maximizing lifetime profits starts with a comprehensive process model of satisfaction assurance, defining how and where customers communicate, interact, and collaborate with your service infrastructure, as well as the customers’ social networks.

The figure below depicts seven generic strategies for maximizing profitability; each company in its chosen markets will employ its own unique strategies.

Action point: Use activity-based accounting to quantify the basic cost to serve an average customer over a multiyear customer-producer relationship, establishing the baseline of costs and typical service events. Then, calculate the cost to serve various customer segments and customer types, correlating those costs to lifetime revenue.
What contributes to multichannel analytic insights, emphasizing a more comprehensive understanding to individual customers in an engagement life cycle?

BEYOND TRADITIONAL DATABASE MARKETING ANALYTICS

Mastering the customer engagement cycle takes database marketing and related analytics into a new era of insights and fact-based communication.

The figure below depicts two important dimensions of the engagement cycle:

Multichannel analytics add new data sets to the database analysis (with enriched data from syndicated or compiled data sources), integrating data from Web sites, emails, and social media monitoring.

This will require the use of specialized analytic database and train-of-thought data visualization tools as well as sources of usable, well-maintained data sets—not normally found within marketing operations and, thus, secured from external data and marketing service providers.

SEMANTIC TAGGING OF INTERVIEWS AND SOCIAL MEDIA

Qualitative data from surveys, focus groups, and interviews can provide powerful ways of analyzing quantitative data.

The figure below also depicts another advance in qualitative data analysis: Voice-of-the-customer Content Analysis, using specialized text-mining technologies that classify massive amounts of digital text—transcripts from interviews and focus groups and abstracts of millions of blogs, forums, social networks, and user-generated content.

This type of “social” data not only documents the keywords and phrases of real customers, content analysis can infer meaningful shifts in awareness, consideration, and trial, including dissatisfaction and negative or positive word-of-mouse—potential early warning events that trigger remedial action (engagement!)

MULTICHANNEL ANALYTICS: 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>Customerized</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>
</tbody>
</table>

PHASES OF THE CUSTOMER ENGAGEMENT LIFE CYCLE

Multichannel Analytic Insights:
- Syndicated data
- DB analysis
- Email newsletter logs
- Web user journals
- Social monitoring

Content Uses and Applications
- Corporate reputation
- Engagement scorecards
- Case studies
- Search engine marketing
- Social marketing topics

Dashboard
- Insights and innovations
- Issues and flashpoints
- Keywords and phrases
- Cause-effects: policies and brand touchpoints

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 comprises the service capability of a voice-of-the-customer system?

**JOURNEY TO SATISFACTION**

Customers discover, consider, buy, use, and dispose of products (or terminate services) across what many call the customer-brand lifecycle, creating a cumulative set of experiences that becomes a brand.

Aside from the occasional letter or email (generally a complaint), periodic surveys and focus groups, and session abstracts from calls for service with a teleservices operation, few companies know much if anything about how customers transit the customer-brand lifecycle.

With its origin in total quality management and Six Sigma, pioneering firms have undertaken some form of a voice-of-customer (VOC) program, correlating perceptions of quality (largely defects of a product or unsettling experiences among serviced clients).

Advances in technology now enable most firms to create low cost, very effective VOC programs. The figure below depicts the basic elements of a typical VOC system.

Foremost among the system elements lies a voice-of-customers database, containing processed verbatim transcripts of interviews and a summarization of key findings and trends in a dashboard.

**APPLIED INSIGHTS**

Voice-of-customer systems provide hard data and insights, associating sentiments and perceptions that traditional surveys and quantitative methods miss.

VOC systems reveal how particular customers see and feel about discovering, considering, buying, using, and disposing of various products (or terminating various services) in that customer’s or stakeholder’s brandspace—the branded offerings and providers that the customer trusts.

VOC insights supercharge engagement, correlating pain points and branded offerings, as well as revealing what’s broken, suboptimal, or missing in the customer-provider relationship (not just in the offered product or service).

This supports the claim that mastery of the engagement cycle starts with customer voices.
What contributes to content planning, media plans optimization, product-offering mixes, and social networking for customer cohorts by engagement lifecycle phase?

**BEYOND CREATIVE GENIUS**

Content planning develops complex recipes and formulas that guide creative, media, and technical staff and partners in the ideation, creation, and production of customer engagement objects (creative content).

The figure below depicts five important dimensions of the content planning phase of the engagement cycle, emphasizing the now huge demands on staff and infrastructure for near-continuous communication, interaction, and collaboration among hundreds of contributors.

**Customer cohorts** coalesce psychographic, demographic, and economic data into meaningful profiles and attainable market segments. An important, share-determining customer cohort comprises “wired, digitally engaged consumers” who use a burgeoning array of Web-enabled tools and services to enhance their experience of living, working, and playing. As a share-determining sector, this relatively small group of consumers will not only continue to grow, but this sector will also determine shares of market for all manner of brands tomorrow.

**Engagement lifecycle stage optimizations** help the creative team focus on three intersections of consumption: first, the consumer’s stage of life (single, just married without kids, married with toddlers, old married couple, etc.); second, the consumer’s status with a customer engagement lifecycle (awareness, interest, consideration, trial, etc.); third, the consumer’s pattern of engagement (site visits, duration of visits, email opens and click-throughs, opt-ins, subscriptions, etc.).

**Media-mix optimizations** use the outputs of several analytic disciplines to prioritize placement of ads and promotions in print, broadcast, online, and physical point-of-purchase media, specifying for the creative team which engagement touchpoints it must “light up” with suitable content. Beyond the traditional media planning activities of agencies, media-mix optimization incorporates sponsoring (event, promotions), guerrilla marketing (street teams, viral videos), social marketing (blogging, web posts, discussion groups), and social networking (brandstands in Facebook and MySpace).

**Product-mix optimizations** define the best configurations of products to promote into a consumption context (food and condiments of home-prepared lunches), harmonizing the messaging of multiple (corporate and partner) brands and categories. Product-mix optimizations help increase “share of wallet” among customers, barriers to entry for competitors, and levels of acceptance of new sibling brands in a cross-promoted bundle. Driven by hard-data analytics and predictive models of increased sales and profit, product-mix optimizations often provide the critical stepping stone of cross-brand engagement among otherwise competitive, if not warring, siblings of a large portfolio of brands.

**Social-network optimization** entails the newest and more experimental dimension of content planning. As recent research reveals, most digitally engaged consumers frequent only 12 or so destinations on a regular basis. Social-network optimization specifies what types of content, experiences, and services make the best fit for each of those 12 or so largely social Web destinations; this includes how to publish or provision engaging content and services into these sites, creating link-backs to microsites optimized for customer cohorts and the engagement lifecycle needs.

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**PLANNING CONTENT FOR ENGAGEMENT CYCLES ENTAILS UNPARALLELED LEVELS OF COLLABORATION AMONG STAFF AND PARTNERS**

**Content Planning**
- **Customer cohorts**
  - Psycho demographic profiles of lifestyles, mindstyles, and consumption
  - Based on attitudinal, behavioral, and economic data
- **Engagement lifecycle stage optimization**
  - Information and media preference by type of customer relationship
  - Addresses intensity and directionality of engagement
- **Media-mix optimization**
  - Allocations of print ad, collateral, broadcast, interactive, in-store media buys by customer cohort, season, and sales coverage
  - Includes social media and controlled content of Web sites and microsites
- **Product-mix optimization**
  - Targeted cross-selling and special bundles for capturing larger share of wallets among specified customer segments
  - Uses ‘right to win’ matrix of desirable customers
- **Social-network optimization**
  - Emphasize significant new investments in social media, sponsoring, online video sharing, and life-episode microsites
  - Increasing use of certified advocates in word-of-mouth programs
How do engagement planners optimize content, using a content customization framework with customer preferences and consumption scenarios?

**CONTENT CUSTOMIZATION**

Content optimization engineers create work products for automated publishing processes and their targeted delivery to customer cohorts and individual customers.

This entails more than just making it look nice or easy to find. Content optimization requires a new or enhanced set of systems, processes, and accountabilities, as well as the use of an explicit content optimization framework.

The optimization of content for customer engagement extends well beyond current practices of content optimization: search engine optimization, faceted search, and tag clouds.

The figure below depicts a preliminary, evolving framework that will suggest “next practices” of content optimization.

**Engagement preferenda** define the types of information, interactions, and experiences [stories] that self-directed customers specify [using special user-content subscription forms] or engagement planners infer from behavioral data. Engagement preferenda also specify what types of criteria planners must satisfy, assigning probabilities of success in using any of the seven “persuasion” resources (as suggested below—engagement criteria).

**Basis of conversation** defines the themes, rationales, and discussion points to highlight or promote, emphasizing the path of least resistance in how to enter into the broader “conversations of the market.”

**Product-mix optimizations** specify the best configurations of products to promote into a consumption context, addressing a particular consumption cohort, buying patterns, engagement criteria, and phase of a consumer lifecycle.

Customer engagement lifecycle [discussed elsewhere in this paper] defines the stage to which engagement planners optimize their creative content: awareness, consideration, trial, purchase, commitment, etc.

**Consumption** in the context of content optimization encompasses all the major tangibles and intangibles of the buying, using, and disposal experience of consumers. Consumption includes media, information, and on-demand services, as well as a product or service, its packaging, storage and retrieval, and recycling, re-gifting, or resale on an auction site—all branding events that contribute to or diminish the experience of the brand.

**Customer database (DB) masters** comprise the singular, enriched data set of one customer relationship. This master record may syndicate data from a variety of sources, including ERP and other systems of record in the enterprise, CRM and analytic databases, and external compiled data services (credit reporting and market service providers), as well as social networking pages [Facebook, LinkedIn, Plaxo, Blogger, WordPress, etc.].

**Patterns of engagement** specify predicted customer behaviors, the probability of engagement, and event triggers prompting next-step actions.

**Consumption cohorts** then represent profiles using psychographic, demographic, and economic data.

**Stakeholder roles** enable engagement planners to optimize content to the institutional role of a consuming individual; this might include their role as a contractor, supplier, member of an employee’s family, investor, press, influential blogger, or financial analyst.

**Long-term business value** enables engagement planners to optimize content to a predicted long-term revenue stream and the nuanced but powerful aspects of a relationship.

**CONTENT OPTIMIZATION REQUIRES AN EXPLICIT FRAMEWORK WITH POLICIES AND BENCHMARKS**

Customerization links a customer database (DB) master with stated, or implied preferences for engagement as well as systems for benchmarking.
What elements comprise customized content, defining the properties of customer engagement objects?

**NEW ASSET CLASS**

Generally accepted accounting practices (GAAP) recognize digital assets as a distinct asset class of corporate balance sheets, permitting owners of properly managed digital files to capitalize the expenses associated with the creation and maintenance of their digital assets.

GAAP requires the satisfaction of three basic criteria:

- Full and accurate accounting of the costs to create and maintain a digital file over its useful lifespan
- Direct correlation of the asset to identifiable revenue events or cost savings
- Documented reuse of the assets extending beyond 18 months

Satisfaction of these accounting requirements entails the development and execution of a digital asset management system and, in particular, metadata, policies, and asset-user activity analysis.

_Catalog houses_ such as Cabela’s capitalize the cost of customer database records.

_Stock photo and music libraries_ such as Getty Images and Corbis capitalize the cost of acquisition, cataloging, and maintenance of their digital stock, including the expenses associated with digitization, color correction (images), and application of metadata.

_Software developers_ such as IBM and Microsoft capitalize the creation and maintenance of their software code, putting billions of dollars on their corporate books.

The figure below depicts a framework for applying GAAP principles to _customer engagement objects_, enabling firms to capitalize the sizable, ongoing expenses associated with the customer engagement lifecycle (awareness, consideration, trial, etc.).

**CUSTOMER ENGAGEMENT OBJECTS**

_Engagement objectives_ represent explicit goals and measurements, defining what engagement planners intend to elicit from a particular customer or consumption cohort.

_Content metadata_ describes a unique piece of media, information, or composition (comprised of multiple media and information objects)—data that describes the data contained in the media or information component.

_Learning activities_ correspond to a unique stage of the customer engagement lifecycle (trial, purchase, commitment, etc.), defining a unit of cognitive work—successful completion of a task such as downloading a coupon.

_Engagement content_ represents the published or publishable material: Web page, coupon, POP signage—creative content within a particular context such as a store.

_Engagement episodes_ entail the user interactions within an engagement theater that produce behavioral data and subsequent inputs to the multichannel analytics practice.

_Attainment milestones_ define a new skill or understanding that the customer developed while engaged with the brand or partner, defining a skill-attainment roadmap that satisfied and recommending customers possess as a precondition of their satisfaction or advocacy.

_Activity-based feedback_ requires the application of activity-based accounting principles to patterns of engagement, correlating behavioral data to engagement objectives and a learning activity.

_User guidance and multimedia vocabularies and syntax_ entail supplemental engagement content, including screencast video explanations of how to engage and user interface items, respectively.

_Formats, search, and use cases_ entail additional content metadata, data policies, and publishing templates.

Firms may capitalize the costs of creating and maintaining customized content, using generally accepted accounting practices (GAAP) to manage the customer engagement objects as financial assets.
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 defines an operational capability?**

**SYSTEMS, PROCESSES, AND ACCOUNTABILITIES**

Most senior executives achieve consistent results and success by building and enhancing their organization’s ability to execute customer-making and operational strategies.

Operational capabilities of an organization represent how the firm marshals its available resources—capital, labor, raw materials, and information, as well as intangibles of leadership, brand, customer goodwill, and trade relationships.

Few if any firms share identical operational capabilities. Besides key differences in leadership and personnel, operational capabilities still differ widely among firms with more or less similar products, markets, and infrastructures.

The relative process maturities or levels of integration in key business processes differ from one firm to another. The figure below depicts a general process-maturity model for better understanding the operational capabilities of a firm and, in particular, the process maturities of customer engagement—examined in greater detail elsewhere in this paper.

**WAYS OF WORKING VERSUS PREDICTABLE OUTCOMES**


In general, management process-control frameworks provide the essential elements of effective process improvement across a project, a division, or an entire organization.

Leadership and management of an organization’s ways of working support the accomplishment of predictable business outcomes, ranging from activities and tasks to value creation.

Best of industry enterprises such as Toyota, GE, Xerox, and Textron have long employed a formal management process-control framework, notably Lean or Lean Six Sigma.

The cascading effects of accelerating IT innovation, the Web, the expanding global business ecosystem, and digitally engaged customers will drive all marketing operations to adopt some form of management process-control framework for customer engagement.

![WAYS OF WORKING THAT PRODUCE PREDICTABLE RESULTS](chart.png)

*An operational capability describes a way in which organizations produce wanted and predictable outcomes, using systems, processes, and accountabilities. Any one firm may achieve higher value outcomes in one operational capability and lower value outcomes in other areas.*
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 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** start 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 service-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.

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**FIRMS MANIFEST DIFFERENT INFORMATION MATURITIES BY OPERATIONAL CAPABILITY**

<table>
<thead>
<tr>
<th>OPERATIONAL MATURITY</th>
<th>CONSOLIDATE</th>
<th>INTEGRATE</th>
<th>OPTIMIZE</th>
<th>ORCHESTRATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Mavericks</td>
<td>Information Silos</td>
<td>Analysis-driven Communication</td>
<td>Adaptive Engagement</td>
<td>Policy-managed Engagement</td>
</tr>
<tr>
<td>• Focus on the individual</td>
<td>• Functional group focus</td>
<td>• Enterprise focus</td>
<td>• Leverage value chain in new business areas</td>
<td></td>
</tr>
<tr>
<td>• Information as personal power</td>
<td>• Information = political power</td>
<td>• Informed view of operations</td>
<td>• New markets, products and business models</td>
<td></td>
</tr>
<tr>
<td>• No information standards</td>
<td>• Departmental standards</td>
<td>• Enterprise standards and information architecture</td>
<td>• Continuous innovation process</td>
<td></td>
</tr>
<tr>
<td>• Legacy information tools</td>
<td>• Departmental tools</td>
<td>• Enterprise-wide info access</td>
<td>• Prototyping ideas; driving best for market</td>
<td></td>
</tr>
<tr>
<td>• Personal productivity toolkits</td>
<td>• Sites of information</td>
<td>• Clear core business processes and value chain</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Little benefit to enterprise</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>INFORMATION MATURITY</th>
<th>OPERATIONAL CAPABILITIES OF INTEGRATED MARKETING</th>
</tr>
</thead>
<tbody>
<tr>
<td>MONITOR (MNT)</td>
<td>• Aggregate marketplace activities</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>• Develop listening tools</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>• Ideate themes, concepts, copy, etc.</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>• Retrieve data and components</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>• Stage for quality assurance</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>• Measure efficiency and effectiveness</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.
**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><strong>INPUT SOURCES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multichannel Analytics:</td>
<td>Static or Isolated Data</td>
<td>Managed</td>
<td>Predictive</td>
<td>Dynamic and Integrated Data</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**

<table>
<thead>
<tr>
<th>INPUT SOURCES</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Manual creative services</td>
<td>Reuse and sharing of existing materials</td>
<td>Template-based creative</td>
<td>Object-based creative using policies, business rules, and segmentation strategies</td>
<td>Distributed creative based on taxonomies and visitor identification</td>
<td></td>
</tr>
<tr>
<td>Copy and concepts informed by creative briefs and blind intuition</td>
<td>Consistency of materials delivered more efficiently</td>
<td>Support for personalization and distribution across channels</td>
<td>Dynamic distribution across online channels and devices as well as print and point-of-purchase outputs</td>
<td>Mass customization</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>INPUT SOURCES</th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Manual composition of emails and newsletters</td>
<td>Template driven and scheduled</td>
<td>CRM and newsletter databases integrated: semi-personalization</td>
<td>Content dynamically sourced from central asset management repository</td>
<td>Messaging available based on customer preferences via every channel</td>
<td></td>
</tr>
<tr>
<td>Placed content with live URLs to static pages without user identification</td>
<td>Efficient development and delivery of messages across multiple channels</td>
<td>Personalized content to individuals and segments</td>
<td>Integration of outbound messaging with response mechanisms</td>
<td>Consistent delivery of messaging regardless of touchpoint</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>INPUT SOURCES</th>
<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Manual copy production</td>
<td>Technical Web service group edits and posts content</td>
<td>Segmentation and Models</td>
<td>Onsite behavioral data drives dynamic site configuration</td>
<td>Site activity linked to customer database and offline activity for individualized sites</td>
<td></td>
</tr>
<tr>
<td>Static Web pages and visuals</td>
<td>Frequently updated pages</td>
<td>Strong regulatory compliance, global site support and enterprise knowledge sharing</td>
<td>Recommendations and optimized site views for segments</td>
<td>Optimized site experience for known visitors and relevant delivery for anonymous visitors</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>INPUT SOURCES</th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Emails and voice mail complaints</td>
<td>Teleservice help desk database with cases; pop-up polls and online surveys; focus group transcripts</td>
<td>Uniform issue-problem forms and reporting linked to CRM and newsletter databases; structured customer-journey interview transcripts</td>
<td>Automated classification of interview transcripts with summarization using faceted taxonomies, external text mining, social networks, and correlation to customer journey narratives</td>
<td>State-of-industry-sector inputs from XBRL-based sources, prediction-market item prices, and realtime user-content consumption data feeds</td>
<td></td>
</tr>
<tr>
<td>Letters and emails of apology</td>
<td>Customer care-center responses and summaries</td>
<td>Individualized newsletters with personalized link-backs to customer scorecard</td>
<td>Customer engagement life cycle benchmarks and dynamic bidding for ad words</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**NOTE:** Denotes full process integration
What comprise the process-maturity phases of multichannel marketing analytics, an example of 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>
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<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>Marketing KPIs</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>
<td></td>
</tr>
</tbody>
</table>

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.

**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.

GISTICS predicts the emergence of external customer portfolio management firms with digital services and 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.
What comprise the process-maturity phases of multimodal content management, sequencing the evolution of customer engagement objects?

**EVOLUTION OF MARKETING CONTENT MANAGEMENT**

The table below depicts six dimensions of a multimodal content management capability across five process-maturity phases.

**Multimodal content** possesses all the customerization metadata, high-resolution or high-fidelity source media data, access to customer data masters, and publishing templates needed to publish accurate and attractive printed, online, digital, and manufactured media: catalogs, Web pages, video demonstrations, etc.

**Content planning** tracks the evolution of what types of content and, later, services a firm presents to customers.

**Navigation** tracks the evolution towards individualized search, faceted search, and policy-driven “sites of one” using customer engagement objects.

**Voice of customers** tracks the growing levels of integration of customer content gathered from strategic points of contact and interaction throughout the customer engagement lifecycle.

**Optimization** tracks the evolution of metadata and policies associated with content, customer information, digital assets, and customer engagement objects.

**Service integration** tracks the evolution of Web content management (WCM) to composite applications management and, ultimately, to innovation services management.

**Content infrastructure** tracks the march towards SaaS and composite IT services that provision composite applications and services to desktop computers, digital home servers, mobile Internet devices, and other trusted service intermediaries [such as mobile payment and identity management].

### PROCESS-MATURITY PHASES OF MULTI-MODAL CONTENT MANAGEMENT SPAN FIVE PHASES

<table>
<thead>
<tr>
<th>PROCESS-MATURITY PHASES</th>
<th>Static Data in Isolated “Silo-ed” Systems</th>
<th>Dynamic, Integrated Data</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ad Hoc</strong></td>
<td><strong>Managed</strong></td>
<td><strong>Predictive</strong></td>
</tr>
<tr>
<td>Content Planning</td>
<td>Static Websites with “brochure-ware”—a promotional pitch using copy-and-paste marketing text and manually programmed HTML</td>
<td>Database-driven flat-file publishing of “brand monologues,” using new and repurposed Web- or print-only content in templated HTML or XML of WCM systems; no synchronization with printed content</td>
</tr>
<tr>
<td>Navigation</td>
<td>Clicks</td>
<td>Search</td>
</tr>
<tr>
<td>Voice of Customers</td>
<td>Rumors, hearsay, and “made up stuff”</td>
<td>Basic Web and newsletter analytics</td>
</tr>
<tr>
<td>Optimization</td>
<td>None (design lead)</td>
<td>Manual tagging and brute force effort</td>
</tr>
<tr>
<td>Service Integration</td>
<td>Limited or none</td>
<td>Client services</td>
</tr>
<tr>
<td>Content Infrastructure</td>
<td>File system (FTP)</td>
<td>Single server</td>
</tr>
</tbody>
</table>

### OPERATIONAL CAPABILITIES OF MULTIMODAL CONTENT MANAGEMENT

**Evolution** predicts that Web content management (WCM) systems will undergo a significant, if not radical, transformation of their data management and service architectures. To remain competitive, WCM systems will need to accommodate user-generated information and rich media content, as well as stakeholder-syndicated services and applications. Most WCM systems will fail to make the transition into engagement management platforms.

Rather, most WCM systems will become tactical “publishing systems,” or will be replaced. Most WCM architectures lack the ability to support the fusion of customer information, multichannel analytics, voice-of-customer content, multichannel / multimodal content, and individualized messaging. Most WCM systems will not accommodate or use customer engagement objects—the essential resources driving the customer engagement lifecycle.

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What comprise the process-maturity phases of personalized messaging, sequencing the evolution of provisioning and executing emails and newsletters?

INTEGRATING WITH A CUSTOMER ENGAGEMENT LIFE CYCLE

The table below depicts six dimensions of an email messaging capability across five process-maturity phases:

- **Creative** tracks the evolution in how companies focus the delivery of emails and newsletters.
- **Analysis** tracks the evolution in how companies target markets and customers for greater levels of engagement and revenues.
- **List management** tracks the evolution in how companies apply customer information to delivery of emails and newsletters.
- **Deliverability** tracks the evolution in how companies achieve the highest levels in the receipt of emails and newsletters.
- **Process integration** tracks the evolution of how companies use email, CRM, ecommerce, business intelligence, and ERP systems to engage customers throughout the customer engagement lifecycle.

PERSONALIZED EMAILS AND NEWSLETTERS EVOLVE ACROSS SIX OPERATIONAL CAPABILITIES

<table>
<thead>
<tr>
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<td>Anticipated</td>
</tr>
<tr>
<td>Creative</td>
<td>Mass message in text-only emails</td>
<td>Personalized salutation in HTML and text formats</td>
<td>Segmented lists matched to static content</td>
<td>Dynamic content driven by multiple variable attributes</td>
<td>Individualized content consumption personas and event-driven engagement objects</td>
</tr>
<tr>
<td>Analysis</td>
<td>Number of emails sent</td>
<td>Basic statistics: sent, opened, bounced, opt-out, and clicks</td>
<td>Cross-tabulation of basic statistics by market segment and customer, ISP, and company IP address</td>
<td>Automated test panels with creative and messaging by market segments</td>
<td>Analytics driven by interactions, financial performance, and predicted responses</td>
</tr>
<tr>
<td>List Management</td>
<td>List of email addresses</td>
<td>Uploaded campaign list with active submission</td>
<td>List segmentation and some enrichment within email messaging system</td>
<td>Multichannel insights applied to phases of customer engagement lifecycle</td>
<td>Dynamic access to master customer record and updates with interaction history</td>
</tr>
<tr>
<td>Deliverability</td>
<td>No monitoring</td>
<td>Basic campaign-based delivery statistics</td>
<td>Content and list tuning optimized for delivery</td>
<td>Active mediation with ISPs to resolve delivery issues and performance</td>
<td>Proactive, ongoing monitoring of feedback from ISPs, blacklist sites, and company IP addresses</td>
</tr>
<tr>
<td>Process Integration</td>
<td>Isolated messaging tool</td>
<td>Automated responses</td>
<td>Messaging integrated with CRM or customer database</td>
<td>Messaging to phases of customer engagement lifecycle</td>
<td>Integration of messaging, transaction management, and ERP systems</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Corporate email service</td>
<td>Internal home-grown email deployment service</td>
<td>Email service provider</td>
<td>Enterprise email service providing greater service levels</td>
<td>Enterprise on-premise or dedicated environment at an email service provider</td>
</tr>
</tbody>
</table>

**PROCESS INTEGRATION**

Full process integration of provisioning and execution entails a specialized technical platform with templates, policies, and workflows related to marketing operations: budgeting, planning, campaign management, projects, and content.

Full process integration also enables marketing managers to link multichannel analytics, content and workflows, multimodal content management, and to provision the execution of individualized emails and newsletters.
What comprise the process-maturity phases of marketing process orchestration, sequencing the evolution of marketing operations management?

MARKETING OPERATIONS MANAGEMENT

The table below depicts seven dimensions of a process orchestration in a marketing operation capability across five process-maturity phases.

<table>
<thead>
<tr>
<th>Planning</th>
<th>Budgeting</th>
<th>Workflows</th>
<th>Project management</th>
<th>Approvals and proofs</th>
<th>Data integration</th>
<th>Rich media infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing and creative briefs in Office docs</td>
<td>Spreadsheets</td>
<td>Peer-to-peer by email, teleconference, and fax</td>
<td>Physical job jackets and tickets</td>
<td>Physical review and signatures</td>
<td>Manual checks and balances with corporate finance</td>
<td>FTP and shared drives</td>
</tr>
<tr>
<td>Office docs in groupware system</td>
<td>Online spreadsheets</td>
<td>Ad hoc and task folders in shared drive</td>
<td>Online content folders</td>
<td>Acrobat PDF with annotations and email confirmation</td>
<td>Batch synchronization with financial systems</td>
<td>Content portal with folders</td>
</tr>
<tr>
<td>Consolidated digital marketing briefs</td>
<td>Integrated financials</td>
<td>Structured, role-based workflow</td>
<td>Audit-controlled project rooms</td>
<td>Real-time proofs and color matching</td>
<td>Synchronized with ERP and SCM systems</td>
<td>DAM repository with multiple roles and permissions</td>
</tr>
<tr>
<td>Marketing database-wiki, subject matter expert blogs, and Wikipedia catalog of interpretations</td>
<td>Daily spend-to-budget roll-ups</td>
<td>Federated workflow and reporting</td>
<td>Enterprise collaboration and project platform</td>
<td>Cycle time benchmarking and optimization</td>
<td>End-to-end integration of marketing supply chain</td>
<td>Media services platform with dynamic rendering and collateral</td>
</tr>
<tr>
<td>Dashboard summarization of voice-of-customer content analytics, dynamic &quot;market game&quot; simulations, dialogue maps, and best practices</td>
<td>Real-time performance of budgets and returns</td>
<td>Daily closes with spendings to budget</td>
<td>Innovation services for marketing supply chain using Lean Six Sigma management-process controls</td>
<td>Activity-based costing of approvals</td>
<td>CMO dashboard tracking market operations and supply chain</td>
<td>Provisioning of customer engagement objects by phase of the customer engagement lifecycle</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROCESS-MATURITY PHASES</th>
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</tr>
</tbody>
</table>

Approvals and proofs evolve beyond tools, adding process benchmarks and scorecards to each review-approval process. Closing the data feedback loop of approvals and proofs supports the more strategic practice of activity-based cost accounting of marketing operations and its supply chain—thus creating hard data for ongoing process improvement, cost reduction, and cycle time acceleration.

Data integration of marketing operations extends deeper into the marketing supply chain, workflows of each marketing project, the multichannel analytics of customer engagement lifecycles, and the process maturities of the marketing operation of the entire holistic, comprehensive view: the state of the customer, the state of the market, the state of the marketing operation, and the state of the marketing and innovation supply chains.

Rich media infrastructure of marketing operations extends beyond data, applications, and services, integrating media services from a business ecosystem and provisioning customer engagement objects to individual stakeholders.
ESSENTIAL QUESTIONS ADDRESSED IN THIS SECTION:

PAGE  
40  How will digital systems and self-directed customers drive organizational transformation of marketing operations?  
41  How will engagement service providers interface with global marketing operations?  
42  What types of brand-interaction resources do engagement operations harness on behalf of their clients?  
43  What types of firms will drive “next practices” of customer engagement?  
44  What constitutes an engagement operation, a new center of excellence in the marketing supply chain that will begin replacing traditional advertising agencies?  
45  What comprise the four value chains needed for full customer engagement?  
46  What technologies comprise the media-services value chain?  
47  How does a smart content factory for video speed execution of a digital supply-chain strategy?  
48  What constitutes an engagement-content strategy?
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).

SYSTEMATIZATION ELIMINATES LOW ADDED-VALUE WORK

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.
How will engagement service providers interface with global marketing operations?

**FEDERALIZED WORKFLOW PROCESSES**
The execution of pan-regional marketing strategies demands the resources of a digital supply chain for global marketing.

The figure below depicts several key dimensions of such a digital supply chain.

**Centers of excellence** will dominate, driving continuous and ongoing reductions in cost, defects, and cycle time. The marketing operations with strong process orchestration and business process integration will best exploit the process innovations of a digital supply chain.

**Pan-regional operations** will prevail as the primary hubs for coordinating engagement services, collateral and catalogs, and procurement.

**EntErPrise MARKEtInG oPeRAtIONs WIll PArtnEr For MaNY EnGAGEMEnt SErVICES**

**CENTRALIZED OPERATIONS**

In particular, these operations will speed localization of marketing materials and services, as well as micro-localization of engagement services.

**Networked supply chains** will sync their production and logistics systems with upstream process and marketing analytics, producing uniform line-item transaction data and process benchmarks.

In particular, network supply chains will enable the application of a process-quality control framework such as Lean Six Sigma to core customer engagement processes.
What types of brand-interaction resources do engagement operations harness on behalf of their clients?

DIGITAL UPSTARTS UPEND INCUMBENT BRANDS
Self-directed online buyers and customers seek individualistic expressions of engagement, viewing Websites with video-gamer eyes and sensibilities and user-generated content [comments, postings, rankings] as gossip and recommendations shared among friends.

Younger cohorts of self-directed online buyers and customers seek ways of styling, remixing, and mashing up content and services, expressing both their creative flare AND their cognitive preferences.

The figure below depicts a large, rapidly growing portfolio of brand-interaction resources available to marketing firms.

While dozens of books and thousands of articles explain each of the five major categories shown below, engagement planners today understand that a unique combination of a few of these brand-interaction resources may lead to instant success or infamy.

The pace of innovation in each of the five categories continues to accelerate, creating more pressure for firms to identify, track, interpret, prioritize, integrate, and provision powerful new combinations of these engagement resources.

Most enterprise-marketing organizations lack the skill, time, or temperament to track the galloping innovations in brand-interaction resources. In significant part, most enterprise-marketing organizations also lack the systems, processes, and accountabilities to integrate and provision promising brand-interaction resources.

GISTICS predicts that the firms that have developed the operational capabilities of process innovation and, in particular, the systems, processes, and accountabilities for innovating new customer engagement processes will emerge victorious in the industry.

INNOVATING NEW ENGAGEMENTS
Federated search and search optimization make it easier for buyers and customers to discover reasons to engage, emphasizing the mastery of metadata, taxonomies, and semantic tagging of content, as well as correlating user profiles with an inventory of ads, services, and content objects.

Traffic-lead conversion speeds the self-identification of anonymous users, using techniques of subscription management and immersive rich-media applications.

Social media brings the local knowledge of satisfied and dissatisfied stakeholders into the buyer-seller conversation. Widgets, iPhone apps, and RSS feeds give marketing firms powerful tools for meeting buyers and customers at popular destinations, such as MySpace, Facebook, CNN, and WSJ.

Webcast theaters represent the next big development in customer engagement, enabling certified users to create and disseminate on-demand multimedia presentations and screencast video demonstrations that show how to perform both menial and complex online tasks.

Collaborative selling will transform inside sales teams into real-time engagement managers who use a rich toolkit of instant workspaces, peer-to-peer collaboration systems, policy-managed configuration models, and bid-quotation systems.

BREAKTHROUGH ENGAGEMENT STRATEGIES INCLUDE AN EXPANDING PORTFOLIO OF INTERACTION RESOURCES

<table>
<thead>
<tr>
<th>Federated Search and Search Optimization</th>
<th>Traffic-Lead Conversion</th>
<th>Social Media</th>
<th>Webcast Theaters</th>
<th>Collaborative Selling</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Faceted enterprise taxonomy</td>
<td>• Smart promotion platform</td>
<td>• Blogs, forums, and discussions</td>
<td>• Live and on-demand rich media Webcasts</td>
<td>• Live help and instant messaging</td>
</tr>
<tr>
<td>• Metadata database and schema generator</td>
<td>• Animated concepts, tours, and pitches</td>
<td>• Webopedia and wikis</td>
<td>• Screencast video explanations and tutorials</td>
<td>• Web conferencing and white boards</td>
</tr>
<tr>
<td>• Content-user profiles</td>
<td>• Immersive buying-criteria interaction</td>
<td>• User-generated content sharing and RSS</td>
<td>• Animation, graphics, presentations, and video libraries</td>
<td>• Live peer-to-peer media sharing and collaboration</td>
</tr>
<tr>
<td>• Dynamic optimization</td>
<td>• Opt-in information sharing</td>
<td>• Social networking spaces: Facebook, LinkedIn, Meebo</td>
<td>• Training and certification management</td>
<td>• Auto-assisted configuration</td>
</tr>
<tr>
<td>• Search-keyword inventory and bidding management</td>
<td>• Content-subscriber management</td>
<td>• Community bookmarks</td>
<td>• Policy-managed offline content and multimedia PDFs</td>
<td>• Proofed bid quotations</td>
</tr>
<tr>
<td>• Paid search and syndication</td>
<td></td>
<td>• Multiuser gaming and virtual communities</td>
<td></td>
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</tbody>
</table>

Customers no longer engage vendors exclusively through a vendor’s product or service or through a distribution partner or field organization. A significant and growing number of customers “pre-engage” vendors at chosen points of market presence; principally at online destinations. The figure above depicts a partial list of digital engagement resources that with strategic alignment will deliver a competitive advantage. Engagement planners and practitioners should undertake every effort to investigate each of these digital engagement resources, experimenting with each resource in a variety of customer and partnering contexts.
What types of firms will drive “next practices” of customer engagement?

**DIGITAL BUSINESS ECOSYSTEM**

Innovation leaders experiment with new technologies and new ways of adding distinctive value to customers. Innovation leaders borrow ideas from everywhere, most notably from modern Web browser plugins.

Plugins integrate to both end-user browsers and server-side applications: end-user browsers enhance an individual’s experience; server-side plugins enhance the experience of all users of the service.

In a structural sense, business operations and applications share a growing number of similarities: an open plug-and-play framework.

The figure below depicts the business ecosystem of advertising, calling attention to the many tens of different types of advertising, marketing, and media service businesses that serve the needs of marketing organizations.

**BUSINESS MODEL INNOVATION**

The real innovation that fuels the revolution in customer engagement entails newer, more powerful business models of advertising and interactive agencies.

The traditional agency transforms its human resources and service methods into creative products—ads, collateral, content, and Websites—that marketing firms buy.

The new agency transforms its highly specialized knowledge of creative, content, database analytics, messaging, and social media into digital, on-demand services that marketing firms “rent” and, in turn, provision to end-use customers of the marketing firm.

Forward-looking agencies now create their own lifestyle destination microsites, social networks, widgets, and videos, licensing access to agency properties to marketing firms.

In this configuration, agencies become more than agencies: they become permanent fixtures in the conversations between buyers and sellers, customers and vendors, etc.

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**ENGAGEMENT MARKETING NOW DEMANDS A BUSINESS-ECOSYSTEM STRATEGY**

**BRAND OWNER**

- **CEO, Chairman**
  - CMO, EVP Marketing
- **VP, Product Management**
  + **Director, Marketing Group A**
    > **Product Specialist**
  + **Director, Product Group B**
    > **Product Specialist**
- **VP, Product Management**
  + **Director, Marketing Group A**
    > **Manager, Marketing**
  + **Director, Product Group B**
    > **Manager, Marketing**
- **VP, Interactive**
  + **Director, Web Marketing**
    > **Digital Marketing Specialist**
- **VP, Communications**
  + **Director, Industry or Press Relations**
    > **Communications Specialist**

**Agency, Networks**

- **Global Creative Agency**
  - Regional Creative Groups
  - Global Creative Agency
  - Regional Media Groups
- **Pan-Regional Localization**
  - Advertising (print)
  - Catalog commerce
  - Point of purchase/packaging
- **Regional Marcom Groups**
  - Advertising (TV, radio, cable)
  - Database and direct mail
  - Out of home/billboard
  - Press/public relations
  - Publicity/promotions
  - Recruitment
  - Retail merchandising/detailing
  - Sponsoring/events
- **Interactive Media Agencies**
  - Affiliate programs
  - Display advertising
  - Email messaging
  - Interaction programs

**Digital Business Ecosystem**

- **Global Digital Group**
  - Corporate Website design
  - Product portal design
- **Pan-Regional Digital Groups**
  - CRM/help desks
  - Email service/exchanges
  - Hosting/network operations
  - Mobile operations
  - Newsletter delivery operations
  - Search engine marketing
  - Social media planning
  - Webcasting/video serving
- **Regional Marcom Groups**
  - Content optimization
  - Country site design
  - Editorial content creation
  - Guerilla marketing
  - Interactive developers
  - Microsites
  - Mobile messaging
  - Promotional games
  - Search engine optimization
  - Social ad optimization
  - Syndicated content
  - Viral video spots

**Social Media**

- **BLOGS:** corporate, employee, sponsored, or affiliates
- **COMMUNITIES:** corporate, user groups, sponsored
- **RSS Feeds and SMS:** NetVibes, Twitter
- **SHARED BOOKMARKS:** Digg, etc.
- **SOCIAL NETWORKS:** Facebook, LinkedIn, Orkut, Plaxo
- **VIDEO PORTALS:** YouTube, etc.
- **VIRTUAL WORLDS:** Second Life
- **WEB BOARDS:** Corporate, user groups, sponsored
- **WEBOPEDIA:** Wikipedia, corporate wikis
- **WIDGETS:** skinned players, etc.

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Social media represents the latest addition to the Digital Business Ecosystem and the larger marketing supply-chain, providing a burgeoning array of tools, technologies, systems, and capabilities.

Unlike traditional advertising agencies with a human resource and services businessmodel, many of these new digital and social media firms employ a platform capability business-model and metrics-based compensation.
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.

DEVELOPMENT AND PROVISIONING OF CUSTOMER ENGAGEMENT PROCESSES REQUIRE AN INTEGRATED SERVICE PLATFORM
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 technologies comprise the media-services value chain?

MANY COMPLEX, RAPIDLY EVOLVING SYSTEMS

The acquisition, development, distribution, and consumption of engagement content and services may entail using 13 more media technologies or systems of what we call media-services value chain:

**User Generated** refers to systems for managing text, image, audio, or video files created by consumers and uploaded to a media-sharing service.

**Authoring** represents a set of tools for the creation of media assets and finished products such as ads and Web pages.

**Syndication** integrates external information or media feeds to the authoring or editorial operations, using open standards and XML.

**Ingest** describes the tools and activities involved in digitizing images, photos, illustrations, video, and audio material.

**Contract management** represents a system for managing the creation, negotiation, and execution of legal contracts; often document management systems provision these capabilities.

**Asset repositories** provide data management services such as version controls, check in/ check out, and asset activity tracking.

**Assessment and valuation** refers to systems for securing of legal rights and clearances for intellectual property as well as an accounting of the property's value and royalty distributions. Key functions include collaboration tools, document management, project management and calendars, remote proofing, and database services.

**Workflow** enables the routing, viewing, and approval of work in progress as well as scheduling and status tracking—sophisticated use-cases for business process management.

**Encoding** entails specialized processing of digital files. For color printing, this means raster image processing of pages and images for a designated printing process (black-and-white, four-color, or six-color output). For video and audio, encoding renders the files into uniform digital formats needed for editing and post production activities.

**Publishing systems** use specialized templates, data policies, and media assets for print, electronic, and online production—typically this entails a combination of several best-of-breed technologies.

**Optimization** includes semantic tagging and auto-classification of text and media for use on the Web, using faceted taxonomies to support search, individuated tag clouds, and dynamic navigation. For videos, optimization may address the technical requirements of media players, network protocols, and content distribution networks.

**Content managers** organize material for public presentation, supporting specific approval processes as well as integrating live data and Web services from commerce and CRM systems.

**Commerce systems** include traditional enterprise computing systems as well as ERP, SCM, CRM, and catalog commerce systems.

**Subscription management** maps user preferences and policies for delivering specific types of information to individual users.

**Rights management** includes credit authorizations, royalty distributions, and policy enforcement.

**Logistics** entails physical and digital systems for fulfillment; notably this includes content distribution networks (CDNs).

**Ad serving** represents a catch-all term for managing an large inventory of digital ads and targeting metadata for market segments.

**Digital embassies** refer to licensed software on end-user devices, terminating a media-services value chain; this includes Adobe Flash and Acrobat players, Microsoft IE/Office/Silverlight, and Apple Safari/QuickTime. Increasingly, digital embassies support Webcast theaters, immersive environments, and virtual worlds.

The figure below also depicts the role of a media integration platform, enabling the rapid integration of new capabilities. Lacking this platform often entails expensive custom software development, high maintenance costs, and delays in integrating new services.

Media services play a large role in effective customer engagement, enabling engagement managers to create unique and compelling experiences for customers and partners.
How does a smart content factory for video speed execution of a digital supply-chain strategy?

DAM DRIVES NEW REVENUE CREATION IN BROADCAST
Each year, the broadcast industry invests billions in television, music, and radio programming.
Successive waves of innovation in cable and satellite transmission, videocassette and DVD players, and PCs and the Internet, drive the creation of new opportunities for entertainment and broadcast.
The figure below depicts how one cable network has responded to these innovations, executing a content supply-chain strategy for creating new revenue streams and automating various activities of a digital asset lifecycle.

In this strategy, planners built a suite of applications to service one clearly identified strategic opportunity (e.g., new revenue in the streaming video-on-demand market—as indicated on shaded boxes).

To maximize leverage of their investments, Publishers must first develop an overall digital services architecture within which to develop specific applications for a well-defined set of user requirements. In the case below, this focus meant provisioning video on-demand to consumers using streaming technology.

Planners at this cable network also used this architecture to anticipate rapid obsolescence of existing technical systems and fast introduction of new better-cheaper-faster technologies—an open-systems strategy for the acquisition, deployment, maintenance, and replacement of technology.

SOME SCM GOALS FOR PUBLISHERS
Content supply-chain management seeks to achieve the following:
- Rapid response to short-lived market opportunities.
- Self-service capability for internal users and external partners.
- Higher asset utilization rates (less labor, lower external costs).
- Higher return on assets (more revenue from preexisting material).

DAM STRATEGY FOR PROVISIONING NEW REVENUE STREAMS

Major cable television networks use DAM to support the creation of new revenue streams. The figure above indicates a set of capabilities (shaded) needed to support a streaming video-on-demand capability.
What constitutes an engagement-content strategy?

SYSTEMS-BASED STRATEGY
Comprehensive audits of marcom supply-chains conducted by GISTICS reveal the critical importance of a marketing content strategy.

A marketing content strategy starts with the idea that marketing communications constitutes an industrial process to which management can apply automation and improve both efficiency and effectiveness: greater market coverage, lower cost, and faster time-to-market. The figure to the right depicts elements of a marketing content strategy.

GISTICS’ audits of marcom value-chains indicate that many firms do not have an adequate brand architecture — a structured definition of how to express a brand voice across multiple markets, communications channels, and media formats. As a result, someone in the process guesses and introduces often gross distortions of the brand voice.

GISTICS’ audits of marketing operations also reveal that many firms still manage the budgeting and planning process with spreadsheets, email and standard calendaring applications. These manual or non-integrated processes can undermine execution of strategy and rapid mid-course corrections and produce late, off-brand coverage of key markets.

CASCADING EFFECTS
Communications planning entails the allocation of internal and external resources, using specialized portals and collaboration tools to execute strategy.

Multichannel sourcing entails automated processes for bidding, reviewing proposals, issuing purchase orders, and paying invoices. Unlike current sourcing processes that rely on standard ERP modules, multichannel sourcing uses uniform data typing — critical for consolidated reporting at line-item levels of vendor invoices.

Digital asset creation emphasizes the first stage in the development of final-form marketing collateral from prebuilt templates, reusable components, and automated workflows across multiple agencies and groups.

Digital asset management [DAM] consists of specialized multimedia databases that house reusable media components as well as final-form and ready-to-customize collateral.

Localization falls into this area, in particular, translation-memory databases.

Content distribution consists of many production and distribution activities. A well-designed marketing content strategy for content distribution includes online self-service portals for resellers, promotion partners, and consumers.

Content use/consumption entails the secure receipt of material by end-use consumers or trusted interaction with the brand. A well-designed marketing content strategy strives to create brand interaction data from consumers long before and long after purchases.

Brand intelligence combines marcom process data and brand interaction data, creating high-level insights about the efficiency, effectiveness, and anticipated impact on business operations that result from marketing investments.

MARKETING CONTENT REQUIREES EXPLICIT TECHNOICAL SPECIFICATIONS
Innovation Leadership

ESSENTIAL QUESTIONS ADDRESSED IN THIS SECTION:

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50 What lessons can masterclass innovation leaders teach customer-engagement planners?

51 What lessons can Google teach customer-engagement planners about driving change and market disruption?

52 How do innovation leaders use small peer workgroups to specify and sequence 15- and 45-day projects?

53 How do innovation leaders secure broad support of a comprehensive, if not transformational, change agenda?
FORCE-FIELD ANALYSIS

All good marketing uses some form of argumentation to persuade customers to buy, ultimately producing an agreement between buyers and sellers.

Good marketing often starts with a demonstration of need, evoking an immediate, visceral recognition of need among potential buyers as well as the poignant experience of relief—the result of using the featured product or service.

Effective marketing supports the recognition of need and the experience of relief with reasons to believe that the featured product or service will deliver desired benefits.

Brilliant marketing makes a compelling argument to buy, using the techniques of argumentation to “seal the deal”.

Argumentation in the context of marketing organizes the content of buyers’ experience in a coherent order, calling attention to what buyers already know from their personal experience. The failure to accommodate the felt-truths of buyers often induces fear, uncertainty, and doubt—no sale!

Often an effective sales person facilitates the buying process, addressing the felt-truths of buyers and providing plausible solutions and a network of help.

Structured argumentation become essential to marketing complex systems and, especially, to business users—where the decision-making process includes many decision influencers.

Innovation leaders market proposed changes into their organization, using the established norms and practices of the particular firm and how it markets a new product.

The figure below depicts a force field model—a powerful way of clarifying many of the forces that facilitate and hinder purchase decision-making processes, especially complex business systems and strategic innovations within a firm.

As potential buyers or affected stakeholders of the innovating firm consider using future operational capability, an Innovation Services Group will create a future-state scenario that addresses each and every consideration, “Yes, but...”, and likely complaint.

Innovation leaders use a force field to elicit the myriad reasons and barriers that the deployment of a particular innovation would encounter.

In small workgroup settings, an Innovation Services Group leads the discovery and documentation of all major forces that facilitate and hinder change: adoption of a future operational capability.

MARKETING FUTUREPROOFS

At some point in the process of consideration, a buyer rationalizes the pros and cons of purchase, and leans conclusively towards or away from the purchase procedure.

Interviews, ethnographic studies, and surveys of buyers who already bought a product or service reveal a general consensus of what new customers want and will buy.

However, mere incorporation of this general consensus (in marketing communications) rarely proves sufficient to move large number of potential customers to buy.

Marketers must understand all major forces hindering a sale and undertake measures to reduce or eliminate the effects of the sales-hindering forces.

Marketers must create a marketing futureproof: a reasonable recreation of the prevailing forces that facilitate AND hinder purchase decision-making processes, organized as Socratic discourse or civil debate. With all the issues and facts set forth in a logical and coherent order, customer vote with the pocket books.

Innovation leaders lead affected stakeholders in a structured planning process to create an operational futureproof, using small workgroups of stakeholders to identify forces facilitating and hindering a particular innovation and define the small-scale projects by which the affected stakeholders envision themselves completing.
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 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

In well-chosen, rapidly completed projects induce disruption.
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.

![Diagram showing project scoping session and decision-making process](image-url)
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.

Innovation leadership academies produce a collection of large sticky notes with the names of short-term projects, affixed on a suitable wall or whiteboard with rows designated by operational accountability.
Yes! I want the full report on Customer Engagement

GISTICS Incorporated cordially invites you to receive the 92-page

STRATEGIC CASE WHITE PAPER

Mastering the Customer Engagement Cycle

STRATEGIC ROADMAP DEPICTING HOW ENTERPRISE MARKETING OPERATIONS CAN START INTEGRATING TRADITIONAL AND ONLINE MARKETING PROCESSES WITH SOCIAL MEDIA, GUERRILLA VIDEO PROMOTIONS, NETWORKED ENGAGEMENT AGENCIES, AND A GLOBAL BUSINESS ECOSYSTEM

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

For more in-depth information about Customer Engagement Technologies, please visit www.gistics.com to download your copy of the 110-page strategic case white paper:

Mastering the Customer Engagement Cycle

Strategic roadmap depicting how enterprise marketing-operations can start integrating traditional and online marketing processes with social media, guerilla video promotions, networked engagement agencies, and a global business ecosystem

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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**

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 screencast 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.

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**MARKET INFRASTRUCTURE**

- **Academic Papers**
- **Newsletters/Conferences**
- **Consultants/Integrators**
- **Trade Pubs/Business Press**
- **Financial Analysts**

**ECONOMIC ACTORS**

- Researcher
- Early Adopter
- Pragmatist
- Conservative
- Laggard

**Adoption Curve**

- **Demonstrated Feasibility**
- **Proven Business Value**
- **Established Solutions**
- **Commodities**
- **Aftermarket Replacements**

**Cumulative Adoption**

- 0%
- 100%