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The New Marketing Normal:
A Marketing Framework for the Digital Age

A Rackspace University Author Spotlight
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The Digital Tsunami

Better get ready, you're about to be hit by a tsunami. Not the watery kind, but rather a Digital Tsunami of 1's and 0's. Given the broad impact of digital on virtually every aspect of society, its impact on business is beyond dispute. Catalyzed by four core drivers of change—

THE INTERNET
SOCIAL
MOBILE
DATA

—digital is rapidly transforming how we do business.

No company is immune. Digital transformation is fast becoming a strategic imperative for all organizations regardless of size, industry focus, or customer orientation. This includes yours.

Are you prepared?
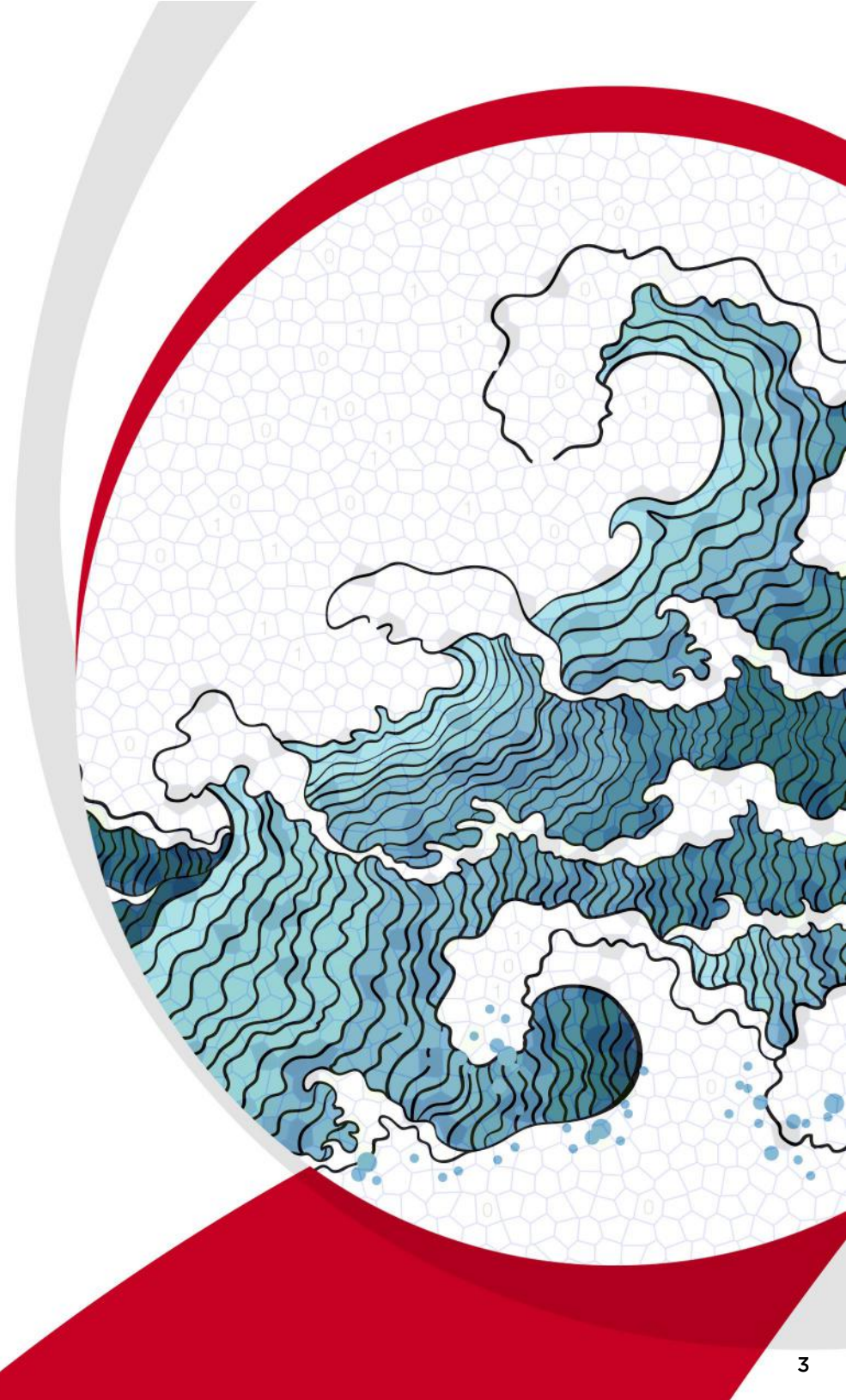
Evolution to the *New Marketing Normal*

For most businesses, the process of digital transformation begins with a number of fundamental changes to the existing marketing function, as members of the marketing team strive to adopt various digital technologies, strategies, tactics, and tools needed to navigate today's dynamically changing marketing landscape.

- Two-thirds of marketers think their companies won't succeed unless they have a successful digital marketing approach.

- Just one-in-three marketers think their companies are highly proficient in digital marketing.

" The old marketing involved marketing brands to consumers. Yesterday's companies focused mostly on mass marketing to broad segments of customers at arm's length. By contrast, the new marketing is customer-engagement marketing. Today's companies are using a rich new set of digital and social tools to refine their targeting and engage consumers directly and continuously in shaping brand conversations, brand experiences, and brand community. "

–*Gary Armstrong, Blackwell Distinguished Professor Emeritus, Kenan-Flagler Business School, University of North Carolina at Chapel Hill.*

The Four P's to *The New Marketing Normal*

Today's consumers, always online, expect to find personalized solutions to their wants and needs on-demand. The Internet is their playground; their tolerance for brands that do not provide desired user/customer experiences wanes with each passing day.

It is into this Digital Tsunami that marketers must wade, learning how to compete on a global scale by tapping into a seemingly limitless pool of data to navigate the unceasing tumult of consumer expectation.

WELCOME TO
THE NEW MARKETING NORMAL

Foundations of the *New Marketing Normal*

The rise of digital technologies such as the Internet, social, and mobile has tipped the balance of power in favor of the consumer, who has grown in sophistication with exposure to the digital interface. In response, the New Marketing Normal was created as a values-driven marketing model for the digital age.

In the New Marketing Normal, the five core components of marketing—

MARKET SEGMENTATION
BRANDING
PRODUCT FEATURES
SALES PROCESS
CUSTOMER DECISION PROCESS

—have been redefined in the context of the digital marketplace.

Let's review each of these in turn.

Market Segmentation

From Target Consumers to Consumer Networks

The *New Marketing Normal* builds on the practice of traditional market segmentation, challenging marketers to expand their understanding of market segments and encouraging them to stop targeting consumers and start building networks of advocates.

Greater access to data is hastening this change, as sophisticated behavioral information collected from websites, search engines, mobile devices, and social media networks is enabling marketers to form a more three-dimensional, context-rich understanding of their audience.

These affinity-based market segments communicate, share, and identify with each other through an ever-expanding host of interlocking and intersecting consumer networks made possible by continually advancing digital technologies.

Branding

From Strategic Branding to the Social Brand

A generation ago, brands were tightly controlled assets that were nurtured and protected. Through strategic branding, marketers controlled the brand by defining, designing, and communicating brand value in a one-way conversation to consumers.

The digital evolution has changed all that,

TURNING BRANDS INTO PLATFORMS FOR COLLABORATION

rather than assets to be leveraged. Through the real-time feedback mechanism of social collaboration with its target audience, the social brand is able to market more organically and effectively.

For marketers and business owners, the emergence of the social brand underscores the notion that brand loyalty requires affinity, and affinity requires relevance.

If the social brand does not provide relevance to the end consumer, he or she is unlikely to develop affinity for the brand.

Product Features

From Product Experience to Customer Experience

Traditional marketing focused on the product experience through the lens of product features—characteristics such as quality, usability, convenience, and price.

In today's consumer-centric digital age, the focus has shifted to the customer experience (CX), which builds on product experience to include the sum of all touch points a customer has with a supplier of a product or service during their entire relationship, from the initial purchase through ownership and servicing.

- 93% of senior executives said improving CX is among their top three priorities during the next two years; 81% believe delivering a great customer experience today requires leveraging social media effectively.

- 89% of customers surveyed switched brands after poor customer service; 25% posted complaints on Facebook and Twitter; 79% of these complaints were not addressed.

For organizations, the principle focus of CX strategy is to deliver consistent value to the customer.

Sales Process

From Sales Funnel to Digital Involvement Cycle

The sales funnel was created back in 1898 to reflect the AIDA model (**Awareness, Interest, Desire, Action**). It assumes that the consumer will consider many brands upon entering the Awareness stage, and through a series of inputs and interactions, the dominant brand will prevail at the Action stage where the sale is made. All inputs are one-way and occur in a downward direction.

In essence, the sales funnel is a numbers game. The brand leverages various channels and tools to shepherd prospects down the funnel to the Action stage. This model is heavily focused on short-term, if-then engagement metrics:

> " if I engage X number of contacts, then I should be able to generate Y leads and Z sales. "

Sales Process

From Sales Funnel to Digital Involvement Cycle (cont')

The Digital Involvement Cycle more accurately reflects the existing customer decision process; the customer moves through the pre-decision process to Commitment and from Commitment through the post-decision process to Champion.

In the digital marketplace, the customer is interacting with numerous networks of touch points as they move through each stage of the Cycle, searching, differentiating alternatives, selecting, and then evaluating their choice.

In this way, the customer decision process is not linear but iterative, building incrementally upon all inputs and moving through repeated cycles until he or she takes a defined action (e.g. purchase a product or service, subscribe to an offer, attend an event, etc.).

At this point, a second Cycle begins as the new customer grows into a loyal customer, sharing their CX on social media, advocating for and ultimately championing the brand.

Sales Process

From Sales Funnel to Digital Involvement Cycle (cont')

What distinguishes the *Digital Involvement Cycle* from the *Sales Funnel*?

- Movement was one directional (down), linear, and contracting; now, it's an interactive, swirling Cycle with expanding touch points at each stage before and after the Commitment (Action) stage.

- Movement ended at Commitment; now, it expands to Loyalty, Advocacy, and Champion.

- Potential customers used to enter at Awareness; now, they can enter at any stage.

- Customers were targeted at Awareness; now, they are targeted at each stage along the Cycle.

- Media tactics were focused on selling; now, various content strategies and tactics are employed to inform and entertain prospects, providing value and building loyalty.

- Goals were short-term and engagement-driven; now, they are long-term and value-driven.

Customer Decision Process

From Consumer Behavior to Influence Marketing

In the past, consumer behavior analysis was used to better understand the customer decision process by researching the internal characteristics and external influences of consumers.

In recent years, relationship marketing has attempted to reaffirm the importance of the consumer in the marketing process, recognizing the long-term value of customer relationships over the short-term payout of advertising and promotion.

Fueled by the power of the social consumer, influence marketing—or the practice of building relationships with individuals who have influence over a target audience of buyers—is a logical extension of

RELATIONSHIP MARKETING FOR THE DIGITAL AGE

Online influence graders such as Klout and PeerIndex leverage complex algorithms to score millions of people based on their level of social influence. This gives brands an opportunity to use social scoring to identify, quantify, and nurture valuable word-of-mouth influencers who can uniquely drive demand for their products.

In this way, influence marketing has become an integral element of the New Marketing Normal.

Managing the New Marketing Normal

It's clear the foundational components of the New Marketing Normal—

- Consumer Networks

- Social Brand

- Customer Experience

- The Digital Involvement Cycle

- Influence Marketing

—have drastically altered the traditional marketing mix. However to realize their fullest impact, they must be translated into actionable and manageable digital marketing strategies.

For example, the social brand requires a unique platform to facilitate collaboration and win-win relationships. The traditional customer relationship management (CRM) system is focused on collecting, storing, and managing customer data.

To leverage the interactive environment characteristic of the social brand, the social CRM (SCRM) system is focused on actuating and managing customer engagement.

Managing Media

From Paid, Earned & Owned to Converged Media

In response to the changing marketplace, marketing practitioners recently have begun categorizing media into three silos: **paid**, **earned**, and **owned**.

Paid media is any form of media in which the brand pays the media owner to insert the brand's message. Examples of paid media include broadcast advertising, billboards, and paid search and display ads. It is scalable and immediate but has low credibility.

Earned media represents any form of positive brand messaging that is produced and diffused by unpaid influencers. It is often user-generated content that is shared by others. Examples of earned media include social media posts, reviews, and social mentions. It is organic, trusted, long term, and sustainable.

Owned media is any kind of content or media outlet created and owned by the brand. Examples of owned media include a brand website, ebooks, blogs, or a company's Facebook page. Owned media is targeted and cost effective, extending the brand's reach in an organic manner.

Beyond paid, earned, and owned, **converged media** breaks down marketing silos, giving brands an opportunity to create a content strategy that combines and optimizes the power of all media channels.

Managing Relationships

From Customer Relationship Management (CRM) to Social CRM

First developed in the late 1980s, a CRM system uses digital technology to organize, automate, and synchronize sales, marketing, customer service, and technical support. It is the nerve center that allows a company to manage interactions with current and future customers.

Social CRM (SCRM) integrates social data into CRM systems to help organizations better serve their customers, employing digital media to increase engagement and enhance the customer experience.

While a traditional CRM takes an internal operational approach to managing customer relationships, Social CRM takes an external approach, focusing on customer engagement instead of customer management.

Managing Data

From Market Research to Broad Data Analysis

Until recently, marketing departments relied on traditional market research techniques such as focus groups, questionnaires, surveys, interviews, and website analytics to gauge brand awareness and understand consumer intent.

As consumers became more accustomed to digital media use and buying habits, many of these relatively slow-moving market research techniques began to lag behind the actual customer experience. In the age of the always-on digital consumer, every online exchange is a data touch point; every post contains keyword data; nearly every action is somehow connected to a social network.

All of this feedback, action, and rreaction—all of this data—can be collected and processed instantly to make timely adjustments; for example, it can be monitored and sent as real-time information alerts to customer service departments.

This kind of data is generally known as "big data." However, a more precise term may be "broad data," which reflects the shift from a small number of organizationally controlled data sources to myriad data sources of varying nature and size.

Traditional market research can still play a key role within a big/broad data environment by providing qualitative context to quantitative measurement, by infusing the "Why?" into the picture, thereby making the "What?" that big/broad data can offer more valuable.

Managing Lead Generation

From Outbound to Inbound Marketing

Traditional marketing orthodoxy has had an outbound focus, with marketers trying to reach their target audience through a variety of means, including print & television advertising, junk mail, spam, trade shows, seminar series, email blasts to purchased lists, internal cold calling, and outsourced telemarketing, to name a few.

Widespread consumer adoption of the Internet, social and mobile has

EMPOWERED CONSUMERS

with an alternative method of discovering and researching brands, of learning about and buying products and services. This new method, inbound marketing, has become a two-way dialogue, often facilitated by social media.

Inbound marketing is a holistic, data-driven strategy that helps organizations attract and convert visitors into customers by providing personalized, relevant information and content instead of interruptive messages. By following them through the sales experience with ongoing engagement, inbound pulls consumers toward an organization's products and services by aligning published content (i.e. blogs, ebooks, whitepapers, videos, webinars, podcasts, infographics, and more) with consumer interests.

By providing brands an efficient way to scale their marketing message, inbound marketing enables smaller organizations to compete with their larger industry rivals on a more even playing field.

Takeaway Questions

Part One

The manifold challenges of marketing in the digital age require a fundamental reinterpretation—an evolution if you will—of the traditional marketing function. We collectively refer to this evolution as the *New Marketing Normal.*

To serve as both a review of the foundational components and actionable strategies of the *New Marketing Normal* as well as an organizational self-diagnostic, here are a number of takeaway questions for CMOs and marketing executives to consider.

1 Are you utilizing affinity-based market segmentation to target social influencers and build networks of loyal customers and brand advocates?

2 Are you targeting consumers or their social communities?

3 Are you interacting with fans and followers to co-produce the compelling experiences that keep consumers engaged? Is your brand a social brand?

4 Are you employing a focused customer experience (CX) strategy to deliver consistent and meaningful value to your customers?

5 Are you making use of social scoring to identify, quantify, and nurture valuable word-of-mouth influencers who can uniquely drive demand for your products?

Takeaway Questions

Part Two

6 Are you harnessing the power of converged media to break down marketing silos and create an integrated content strategy that combines and optimizes the power of all media channels?

7 Are you employing an SCRM system to anticipate, listen, and quickly respond to customer needs?

8 Are you combining market research with broad data analytics to complement and augment each other for competitive advantage?

9 Are you shifting money and resources out of previous forms of outbound marketing into content creation, search engine optimization, and social media – all elements of the inbound marketing mix?

About The Authors

Ira Kaufman Bio

Ira challenges owners and senior executives to clarify their goals and translate them into a consistent Brand and Integrated Media Marketing Strategy. He combines 30 years of rich experiences with businesses and nonprofits and guides them to leverage the power of social media for marketing, recruitment, and organizational development.

Ira collaborates with a team of experts to design interactive environments that create long-term business value by integrating

TRADITIONAL ADVERTISING
ONLINE MARKETING
PUBLIC RELATIONS
& SOCIAL MEDIA

His strong values and sensitivity to organizational innovation and change are the foundation of his work. As a PhD from Northwestern's Kellogg School of Management,

Ira was a founding member of the team that developed "Social Marketing"

– applying marketing to organizations and associations where success was defined in other than monetary terms. In addition, he he developed a strong skill set in cross cultural relations, building strategic partnerships between government agencies, non-profits, and foundations in the USA and globally.

Ira serves as a consultant, trainer, public speaker, and lecturer for companies and Senior Executive programs. In October of 2014, Ira co-authored Digital Marketing: Integrating Strategy and Tactics with Values, published by Routledge.

About The Authors

Chris Horton Bio

Chris Horton is a content creator and digital strategist for Minneapolis-based integrated digital marketing agency, Synecore. An avid tech enthusiast, Chris has written hundreds of blogs and numerous ebooks on various topics related to digital marketing, including SEO, inbound, content, social, mobile, apps, digital branding and PR, Internet trends, and digital integration & transformation.

His work has been widely syndicated on leading marketing & technology and business management blog directories

Including Social Media Today, Business2Community, Yahoo! Small Business, and The European Financial Review; in 2013, Chris' work on SoLoMo was featured in Forbes. Chris is an ongoing speaker and instructor at the Online Marketing Institute (OMI).

In October of 2014, Chris co-authored Digital Marketing: Integrating Strategy and Tactics with Values, published by Routledge.
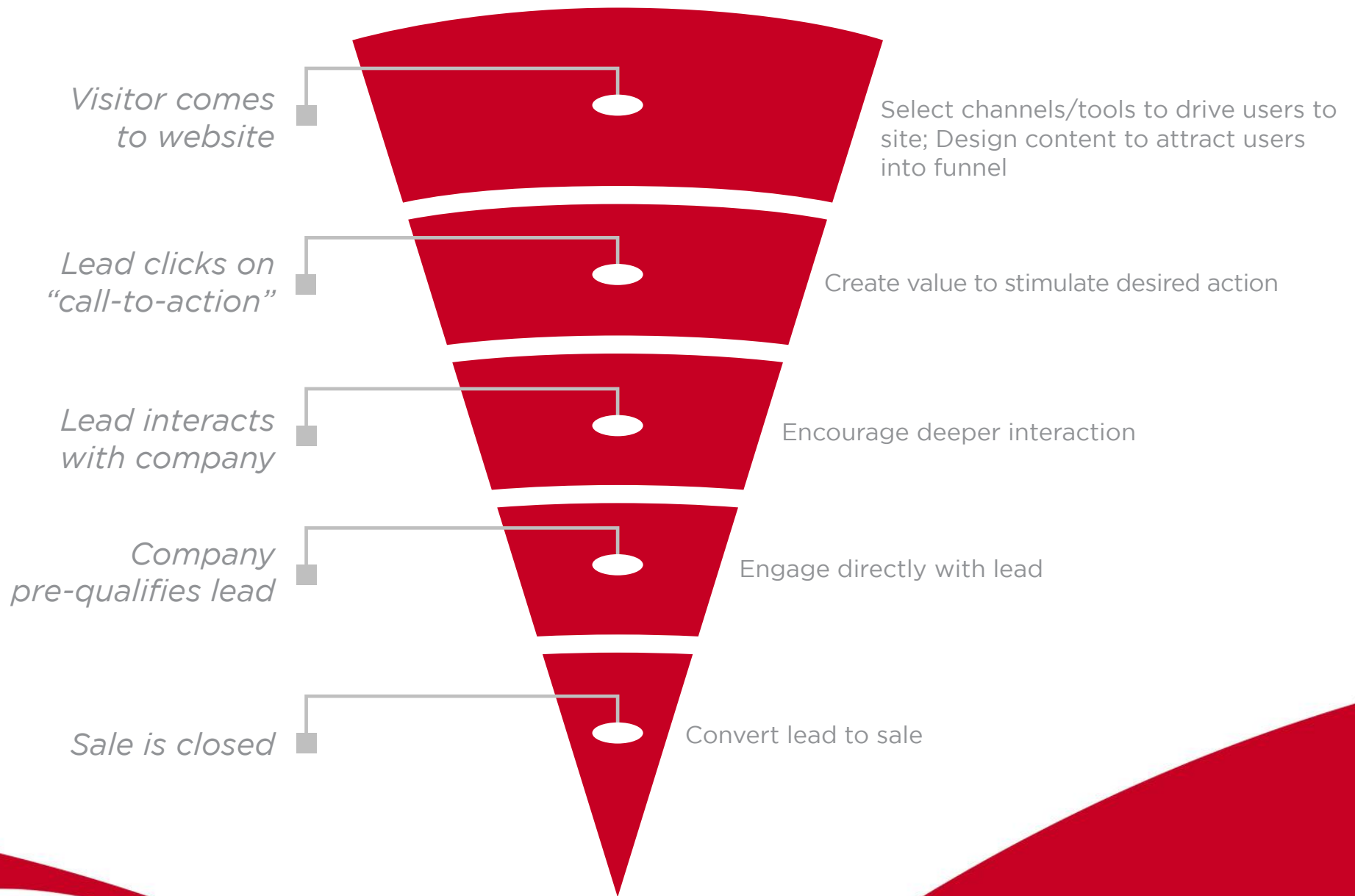
Book Information

[Digital Marketing: Integrating Strategy and Tactics with Values](#)
is an easy-to-understand guidebook that draws on the latest
digital tactics and strategic insights to help organizations generate
sustainable growth through digital integration.

It provides a roadmap to adopt a digital mindset, incorporate
digital trends strategically, and integrate the most effective digital
tactics and tools with core values to achieve
competitive advantage.

Visitor comes to website — Select channels/tools to drive users to site; Design content to attract users into funnel

Lead clicks on "call-to-action" — Create value to stimulate desired action

Lead interacts with company — Encourage deeper interaction

Company pre-qualifies lead — Engage directly with lead

Sale is closed — Convert lead to sale

Awareness

Interest

Involvement

Commitment

Loyalty

Advocacy

Champion

CRM

SCRM

Assigned Departments		WHO			Everyone
Company-Defined Process	1,2,3	WHAT			Customer-Defined Process
Business Hours	9-5	WHEN			Customer Sets The Hours
Company-Defined Channels		WHERE			Customer Driven Dynamic Channels
Transaction	$	WHY			Interaction
Inside Out		HOW			Outside In