NEW RESEARCH FOR CMOs

The CMO’s Blueprint For Strategy In The Age Of The Customer

Four Imperatives To Establish New Competitive Advantage

September 2014

By Kyle McNabb, Josh Bernoff
with Cliff Condon, Carlton A. Doty, Sharyn Leaver, Moira Dorsey,
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by Kyle McNabb and Josh Bernoff, September 12, 2014

KEY TAKEAWAYS

The Age Of The Customer Demands A Strategic Shift
Customer obsession is not just a buzzword; it requires strategic and budgetary discipline embraced across the enterprise.

Four Market Imperatives Define The New Strategy Blueprint
Your company must transform your customer experience, accelerate your digital business, embrace the mobile mind shift, and turn big data into business insights. You know these are priorities, but now CIOs, CMOs, and eBusiness professionals must align the company around them.

Business Technology Fuels The New Strategy
Traditional IT thinking no longer makes sense in the age of the customer. Instead, leaders across the organization must invest differently in technology management and prioritize business technology: systems and processes to win, serve, and retain customers.
The CMO's Blueprint For Strategy In The Age Of The Customer
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WHY READ THIS REPORT
Your customers, empowered by technology, can leave at any moment. To retain their loyalty, companies like Hilton Worldwide and The Home Depot plan to spend hundreds of millions of dollars to redefine customer engagement. This redefinition takes many forms in both consumer and business-to-business markets. For example, Rolls-Royce digitized its products to redefine customer value, while Macy's and USAA have transformed their marketing and product strategies to center around customers. These companies are customer-obsessed; in the age of the customer, you must be, too. CMOs, CIOs, and eBusiness professionals must work together to create this companywide-transformation. Here's a four-part blueprint on how to do it: 1) Transform the customer experience with a systematic, measurable approach; 2) accelerate your digital business future for greater agility and customer value; 3) embrace the mobile mind shift to serve customers in their moments of need; 4) turn big data into business insights to continuously improve your efforts; All of this is possible only if you shift your technology management investments toward business technology that wins, serves, and retains customers.
PUT CUSTOMER OBSESSION AT THE CENTER OF YOUR CORPORATE STRATEGY

Face it: Your technology-empowered customers now know more than you do about your products and services, your pricing, and your reputation. Technology has tipped the balance in favor of the customer (see Figure 1). They can buy anything instantly and have it delivered to anywhere. And in a world of global sourcing and efficient supply chains, your competitors can copy or undermine the moves you take to compete. Your only successful response — the only way to retain customers and their loyalty — is to become customer-obsessed. Here’s what we mean:

A customer-obsessed enterprise focuses its strategy, its energy, and its budget on processes that enhance knowledge of and engagement with customers and prioritizes these over maintaining traditional competitive barriers.

Customer-obsessed enterprises invest differently. Some, like Amazon.com, Macy’s, and USAA, have customer obsession in their budgeting DNA. Others, such as Delta Air Lines and Royal Bank of Canada, use the customer life cycle to support a continuous relationship with their customers (see Figure 2). Customer obsession also drives firms, such as Hilton Worldwide and The Home Depot, to spend hundreds of millions on revamping technology to meet customer needs. And it pays off, regardless of whether the customer is a consumer or a business buyer. According to an analysis by Watermark Consulting, 10-year investment returns from publicly traded customer experience leaders (measured by Forrester’s Customer Experience Index) were 43%, while investments from customer experience laggards generated negative returns (see Figure 3).
Figure 1 Once, Technology Favored Companies; Now, It Empowers Customers

BEFORE

NOW

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**Figure 2** The Customer Life Cycle Shapes Customer-Obsession Decisions
Customer obsession is easy to talk about but hard to do. It requires remaking your company, systematically, to re-orient each element toward improved customer experience. It also requires embracing the technologies that make customer obsession real and actionable. We’ll lay out a blueprint for how to do it, based on four key strategic imperatives (see Figure 4):

1. Transform the customer experience with a systematic, measurable approach.
2. Accelerate your digital business future to deliver greater agility and customer value.
3. Embrace the mobile mind shift to serve customers in their moments of need.
4. Turn big data into business insights to continuously improve your efforts.
Transform The Customer Experience With A Systematic, Measurable Approach

While every company says that it's customer-focused, few act systematically on that impulse. In a global survey across all industries, seven out of 10 business leaders said that customer experience is a critical or high priority (see Figure 5). Even so, less than one-third of customer experience professionals indicate that their firms consistently take the impact on customer experience into consideration when making business decisions. Customer experience success requires discipline and relentless focus. Here's how to approach it:

- **Embrace disciplines to design, implement, and manage customer experience.** For example, a systematic approach to improving and measuring customer experience helped Fidelity Investments save more than $24 million per year, even as it grew investments from key customers by several billion dollars. Successful companies improve in four phases: repair, elevate, optimize, and differentiate. At each phase, employees must adopt new, increasingly sophisticated customer experience management practices.
- **Address defects in the customer experience ecosystem.** To find unique strengths, opportunities, and differentiators, you need a full view of your ecosystem, including competitors, partners, and regulatory constraints. Delta Air Lines boosted its Customer Experience Index in a heavily regulated industry by embracing the process and operational changes needed to reduce flight cancellations and to improve on-time performance, service recovery, and baggage handling. To start, you must map painful customer journeys, including the parts of the ecosystem you don't control. Then, create improvements in collaboration with all the stakeholders you identify, including customers.

- **Design experiences that exceed customer expectations.** Change happens so fast now that quick iterations and rapid prototyping and testing are mandatory. One major US home appliance manufacturer that embraced these Agile methods grew 30% annually for the past six years and is now approaching $1 billion in revenue. These approaches demand design expertise that encompasses customer understanding and empathy; effective prototyping, storyboarding, and envisioning; and building creative digital experiences.
**Figure 5** Growth And Customer Experience Improvement Top Business Leaders’ Priorities

**“Which of the following initiatives are likely to be your organization’s top business priorities over the next 12 months?”**

(High or critical priority)

- Grow revenues: 77%
- Improve the experience of our customers: 74%
- Reduce costs: 61%
- Improve differentiation in the market: 50%
- Better comply with regulations and requirements: 39%

*Top five responses shown*

Base: 2,958 global business leaders

(multiple responses accepted)

**“Which is the most important initiative for your organization in the next 12 months?”**

- Grow revenues: 36%
- Improve the experience of our customers: 24%
- Prepare for the impact of digital disruption: 5%
- Better comply with regulations and requirements: 7%
- Improve differentiation in the market: 8%
- Reduce costs: 15%
- Improve corporate environmental sustainability: 5%
- Prepare for the impact of digital disruption: 5%

*Note: Respondents who had indicated at least one initiative as being on their radar. Source: Forrester’s Business Technographics® Global Priorities And Journey Survey, 2014*
Accelerate Your Digital Business Future For Greater Agility And Customer Value

How can you keep up with empowered customers? Be more digital. Your customers, your channels, and your competitors are digital. The future of your business is digital. But you probably lack a clear digital business vision (see Figure 6). Executives in eBusiness and marketing often bolt on digital channels and processes rather than retool their company for digital agility. By contrast, truly digital businesses continuously exploit digital technologies to both create new sources of value for customers and increase operational agility in service of customers. This approach is how Mercedes-Benz can use digital sensors to transform the driving experience; Rolls-Royce can use digital sensors in its jet engines to revamp its business model; and Procter & Gamble can test product packaging and shelf layouts in virtual stores before committing to costly manufacturing. Here's how you can be like them:

- **Master digital customer experience and digital operational excellence.** CMOs and CIOs should work with eBusiness professionals to embrace web and mobile customer touchpoints. Re-envision your business not as a standalone entity but as part of an ecosystem of suppliers that customers assemble according to their needs and an ecosystem of collaborating businesses that share data and services. And infuse all your processes with digital efficiency so you can react more quickly to customer demands.

- **Start your journey toward embracing digital business techniques everywhere.** Digital business should be every person's job, every team's task, and every division's modus operandi. The size of this overhaul of your business varies: Some firms, like Amazon, were born digital — they find embracing these digital principles far easier. If you're not this lucky, start with a focus on just one business unit or product line. Use digital to reposition it within the value ecosystem. Then, build on that success.

- **Become comfortable with disruption.** Digital disruption is here, and your company could be the next to be disrupted by the likes of Google News, Hailo, or Zipcar. Don't just wait for disruption to come to your industry — learn to disrupt your own business. Big companies from Intermountain Healthcare to Target are already doing this. Their strategy: 1) Define a clear vision of what digital disruption promises and 2) seek a frank understanding of the obstacles your specific organization must overcome to embrace disruption.
Figure 6 Executives Don’t Believe They Have A Clear Vision For Digital Transformation

“Assessing your organization's digital readiness, how much do you agree with the following statements?”

(8, 9, or 10 on a scale of 1 [completely disagree] to 10 [completely agree])

- Our CEO sets a clear vision for digital in our business: 21%
- We have the right people to define our digital strategy: 21%
- We have the necessary technology to execute our digital strategy: 19%
- We have the necessary people and skills to execute our digital strategy: 15%
- We have the necessary processes to execute our digital strategy: 14%

Base: 1,254 executives in companies with 250 or more employees

Source: Forrester/Russell Reynolds 2014 Digital Business Online Survey

Embrace The Mobile Mind Shift To Serve Customers In Their Moments Of Need

The most urgent place to apply digital thinking is through mobile devices. One billion smartphones have trained people, your customers, to turn to mobile first. Both consumers and business buyers have experienced a mobile mind shift: They expect that they can get what they want in their immediate context and moments of need (see Figure 7). Companies like Citibank (with mobile check deposit) and Starbucks (with mobile payment) have leveraged these mobile moments to reinforce customer loyalty. The new focus on mobile moments differs from PC-based web interactions, and it requires new thinking on how to interact with customers in their moments of need. To embrace it, develop new interactions with the four-step IDEA process (see Figure 8):

- **Identify your customers’ mobile moments and context.** This starts with mapping the customer’s journey using your systematic approach to customer experience. Use techniques like ethnographic research to determine moments where mobile can solve problems, reduce friction, or answer questions. For example, Johnson & Johnson uses its bedtime app to solve problems at the mobile moment of getting the baby to sleep, with lullabies and a sleep routine. Air conditioner vendor Trane streamlines the mobile selling moment by enabling its independent reps with a tablet app.

- **Design the mobile engagement.** Design is about choosing the moments that matter most — not only the ones that customers value but also those that drive revenue or reduce costs. It’s also about using context to deliver more value. For example, American Airlines knows it's your day of travel, knows what seats are available, and knows your frequent-flyer status — and uses this information to present the opportunity to upgrade your seat right from its app.
Engineer your platforms, processes, and people for mobile. The true costs of mobile spring from the challenges of updating corporate systems to live up to mobile demands. This is what’s behind Hilton Worldwide’s $550 million mobile makeover. You’ll need to retool your platforms with atomized, responsive APIs; remake your processes with mobile in mind; and reform your design, business, and development talent into agile teams.

Analyze to optimize performance and improve interactions. Apps and mobile sites must evolve — and rapidly. That’s why it’s key to build analytics into every mobile project. Mobile apps and sites spin off lots of performance data, but you’ll also want to instrument them to make it easy to measure their impact on business metrics (like room nights for a hotel chain). Because mobile engagement happens so close to the customer, you’ll also want to mine this data for new customer insights.
**Figure 7** The Mobile Mind Shift Is Spreading Rapidly

**The Mobile Mind Shift**
The expectation that you can get what you want in your immediate context and moment of need.

**Mobile device adoption will grow.**

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<th>Year</th>
<th>Smartphone Users</th>
<th>Tablet Users</th>
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<td>154M</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>651M</td>
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</tr>
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</table>

*Source: Forrester Research World Smartphone Adoption Forecast, 2012 To 2017 (Global); Forrester Research World Tablet Adoption Forecast, 2013 To 2018 (Global)*

**Customers looking for a company on their smartphone expect:**

- **Mobile-friendly website**: 62%
- **Mobile app**: 42%
- **Location-specific experience**: 23%

*Base: 4,404 US online adults (18+) who use a smartphone
Source: Forrester's US Mobile Mind Shift Online Survey, Q3 2013*
Figure 8 An Overview Of The Steps In The IDEA Cycle

- **Identify**
  - the mobile moments and context.

- **Analyze**
  - results to monitor performance and optimize outcomes.

- **Engineer**
  - your platforms, processes, and people for mobile.

- **Design**
  - the mobile engagement.

- **Start small**
  - with a platform to extend.

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**Turn Big Data Into Business Insights To Continuously Improve Your Efforts**

Your understanding of your customers’ context will make, or break, your ability to succeed in a customer’s moment of need. Thankfully, your customers now create and leave behind digital breadcrumbs through their activity across all their touchpoints, such as websites, mobile apps, store visits, and phone calls. Firms like Lowe’s, Macy’s, and Walgreens use this data to respond based on context and develop deeper insights. American Express used big data to achieve an eightfold improvement in identifying at-risk customers. Here’s what you can do to infuse insights from data into your business:

- **Reset what big data means to you.** What’s so big about big data? It’s the opportunities you uncover when you put increasingly novel sources and types of data to use. Large, diverse, and messy forms of data can create new sources of customer value and increase operational agility in service of your customers. Big data helped Clorox anticipate demand based on social media and achieve record sales of its cleaning products. To exploit big data, CMOs, eBusiness leaders, and CIOs must collaborate to develop the culture, competencies, and capabilities required to close the gap between the data available and your ability to turn that data into business insight.
Use data to fuel a real-time contextual marketing engine. Your edge will come from self-sustaining cycles of real-time, two-way, insight-driven interactions with individual customers. Brands that have seized on this potential — such as McCormick & Company, Mini USA, and Nike — are assembling proprietary digital platforms that Forrester calls contextual marketing engines. They create sticky, highly engaging environments for customer interaction and generate unique, proprietary data and insights. The results improve customer engagement, boost revenue, and enhance customer experiences.

Accelerate innovation by using big data to anticipate customer needs. It’s time to change how, and especially when, you apply and perform analytics. Go beyond static segmentation; embed analytics in your business. Emerging methods like location analytics and device usage analysis can generate the real-time contextual insight you need to deliver engaging, contextual experiences.

A BUSINESS TECHNOLOGY AGENDA WILL SUSTAIN NEW COMPETITIVE ADVANTAGE

It’s a tall order, remaking your business for the imperatives of customer experience, digital business, mobile engagement, and big data insights. That’s why it will take the combined efforts of your most senior leaders — from the CIO to the CMO. Most likely, your technology is not up to the task of supporting these market imperatives. If you’re like most firms, you’ve concentrated your technology management efforts on traditional IT — supporting and transforming internal operations. Successful companies will refocus their technology efforts on business technology (BT) — technology, systems, and processes to win, serve, and retain customers. Your BT agenda will lead to new competitive advantage if you:

Center on technologies that support the customer life cycle. The customer life cycle, and the systematic approach to transforming the customer experience, will push you to prioritize new and different technologies. You’ll prioritize life-cycle solutions and engagement platform technologies to deliver seamless and compelling customer experiences (see Figure 9).

Place a premium on software skills. Software powers nearly all the touchpoints your customers use to engage with your brand. Software is also essential to empowering your employees (in sales and customer service, for example) to address your customer’s moment of need. Software is now a core asset to deliver elements of your customer-obsessed brand: trusted, remarkable, unmistakable, and essential. CIOs and their teams must rethink software’s role, striving to build a software competency that establishes and maintains a unique advantage.

Embrace modern approaches to application and solution delivery. Your BT agenda must be delivered at a new, faster pace to keep up with rapidly changing business and market dynamics. It must focus on iterative delivery and continuous improvement to deliver impact and business value in weeks, not months. Modern delivery approaches will be the de facto expectation when delivering customer-obsessed solutions.
- **Force difficult prioritization and organization conversations.** Companies like Delta Air Lines and Wal-Mart jumpstarted their competitive advantage by acquiring software companies. Firms like FedEx and The Washington Post got executive support and had the scale to start on their own. Comcast and UBS turned to software engineering firms for help. What you do will be based on an assessment of what your firm can do with the finite capital and scarce qualified resources it has available.

- **Demand changes to your partner ecosystem.** Your BT agenda will redefine what’s strategic to your organization and reshape the partner ecosystem you use. CMOs, eBusiness leaders, and CIOs must prioritize the agencies, management consultancies, and systems integrators that help advance your market imperative efforts. You may not replace existing relationships, but you will have an expanded partner ecosystem to both navigate and manage.

*Figure 9* Top Technologies To Support The Customer Life Cycle
WHAT IT MEANS
CMOS WILL SHIFT FROM CUSTOMER ACQUISITION TO CUSTOMER EXPERIENCE

Traditional marketing is out of step with the age of the customer. Instead, CMOs will learn to focus on the contextual marketing that matters most when empowered customers can switch at a moment’s notice.

- **The Obama political machinery will become the template for effective marketing.** The Obama presidential victory in 2012 came from intelligence about voters, focused in key places on the day that it mattered. In marketing, now every day is decision day. You’ll see the shift first in the entertainment industry, which will take a portion of the millions it spends promoting movies and divert it to personalized, contextualized, mobile persuasion. These techniques will spread to any company that needs to catalyze decisions — from car companies to telecom vendors. More and more of the marketing budget will go to buying the data to fuel these algorithms.

- **Companies will reorganize around customer journeys.** Customer experience standout USAA already organizes its company around the customer journey. This trend will catch on in highly competitive industries like consumer packaged goods and travel. Instead of product lines, companies will have departments that focus on getting real-time information to buyers, easing the closing process, and turning service into loyalty. Heavy-handed efforts like Comcast’s recently revealed crude upselling tactics will be replaced with agile, digitally enhanced, just-in-time offers that buyers will welcome.

- **Get ready for the race to the middle.** Forrester’s Customer Experience Index reveals that while breakthrough customer experience is still rare, truly poor customer experiences are becoming rarer. In industries from travel to telecom, the lowest performers have realized that there’s money to be made going from bad to middling. If you are not above the midpoint in your industry, you’ll be left in the dust by this movement.

- **Google will be your new key partner.** Google’s Nest Labs acquisition is just the beginning. Technology companies that control the intelligent hardware — set-top boxes, home appliances, mobile phones — will know the most about their customers. If your products are intelligent, too, you’ll find this to be an advantage. If not, you’ll need to come begging to partner with companies that have these intimate customer connections.
SUPPLEMENTAL MATERIAL

Methodology

The Forrester/Russell Reynolds 2014 Digital Business Online Survey was fielded to 1,591 Russell Reynolds Associates contacts. However, only a portion of the survey results are illustrated in this document. For quality assurance, we screened respondents to ensure they met certain standards in terms of job responsibilities and the size of their organizations.

Forrester fielded the survey from November 2013 to January 2014. Respondent incentives included a summary of the survey results. Exact sample sizes are provided in this report on a question-by-question basis. This survey used a self-selected group of respondents (executives who have interacted with Russell Reynolds Associates) and is therefore not random. The survey was fielded only in English. Among the respondents, 38% work in North America, 53% work in Europe, and 9% work in the rest of the world. This data is not guaranteed to be representative of the population, and, unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes. While nonrandom, the survey is still a valuable tool for understanding where business executives are today and where the market is headed.

Forrester's Business Technographics® Global Priorities And Journey Survey, 2014, was conducted online and fielded in January through April 2014 to 13,822 business and technology decision-makers located in Australia, Brazil, Canada, China, France, Germany, India, New Zealand, the UK, and the US from companies with two or more employees.

Each calendar year, Forrester's Business Technographics fields business-to-business technology studies in 10 countries spanning North America, Latin America, Europe, and Asia Pacific. For quality control, we carefully screen respondents according to job title and function. Forrester’s Business Technographics ensures that the final survey population contains only those with significant involvement in the planning, funding, and purchasing of business and technology products and services. Additionally, we set quotas for company size (number of employees) and industry as a means of controlling the data distribution and establishing alignment with IT spend calculated by Forrester analysts. Business Technographics uses only superior data sources and advanced data-cleaning techniques to ensure the highest data quality.

Forrester’s US Mobile Mind Shift Online Survey, Q3 2013, was fielded in September 2013 to 8,249 US individuals ages 18 to 88. For results based on a randomly chosen sample of this size (N = 8,249), there is 95% confidence that the results have a statistical precision of plus or minus 1.08% of what they would be if the entire population of US online individuals ages 18 and older had been surveyed. Forrester weighted the data by age, gender, income, broadband adoption, and region to demographically represent the adult US online population (defined as those who go online weekly or more often). The survey sample size, when weighted, was 8,224. (Note: Weighted sample sizes can be different from the actual number of respondents to account for individuals
generally underrepresented in online panels.). The sample was drawn from members of an online panel managed by MarketTools, and respondents were motivated by receiving points that could be redeemed for a reward. The sample provided by MarketTools is not a random sample. While individuals have been randomly sampled from MarketTools’ panel for this particular survey, they have previously chosen to take part in the MarketTools online panel.

Please note that respondents who participate in online surveys generally have more experience with the Internet and feel more comfortable transacting online.

In addition to sampling error, one should bear in mind that the practical difficulties in conducting surveys can introduce error or bias into the finding of opinion polls. Other possible sources of error in polls are probably more serious than theoretical calculations of sampling error. These other potential sources of error include question wording, question ordering, and nonresponse. As with all survey research, it is impossible to quantify the errors that may result from these factors without an experimental control group, so we strongly caution against using the words “margin of error” in reporting any survey data.

These statements conform to the principles of disclosure of the National Council on Public Polls.

ENDNOTES

1 This report is written to guide CMOs, CIOs, and eBusiness professionals who will need to work together to succeed with their BT agenda in the age of the customer. For more information on the CIO’s blueprint, see the September 12, 2014, “The CIO’s Blueprint For Strategy In The Age Of The Customer” report. For more information on the eBusiness professional’s blueprint, see the September 12, 2014, “The eBusiness Professional’s Blueprint For Strategy In The Age Of The Customer” report.

2 Empowered customers are disrupting every industry and changing how we look at competitive advantage. See the October 10, 2013, “Competitive Strategy In The Age Of The Customer” report.

3 In late Q1 2014, The Home Depot chairman and CEO Frank Blake discussed the firm’s age of the customer strategy and revealed it had committed $300 million to update its physical distribution centers, systems, and processes to meet its customers demand for same-day in-store shipment. See the April 17, 2014, “Brief: The Home Depot’s Age Of The Customer Transformation” report.


We have examined the statistical relationship between customer experience and loyalty and found that customer experience is highly correlated to future business and positive word of mouth. We also found that the better the customer experience, the less likely it is that a brand will lose sales to competitors. See the March 27, 2014, “The Business Impact of Customer Experience, 2014” report.

Forrester scanned its 15 years of customer experience research and created a framework that outlines 40 essential practices across six disciplines: strategy, customer understanding, design, measurement, governance, and culture. See the January 21, 2014, “Customer Experience Maturity Defined” report.


Forrester studied companies that tried to adopt customer experience discipline over time. We concluded that firms that actually succeeded at this goal followed the same four-phase path. See the June 27, 2013, “The Path To Customer Experience Maturity” report.

Customer experience (CX) competition is intensifying, and fundamental flaws in ambitious companies’ CX ecosystems are thwarting their efforts to differentiate. To help customer experience professionals better understand the scope of the challenges they face, we redefine the CX ecosystem in this report and identify best practices for the three initiatives that every company should undertake to discover the vision for and master the mechanics of their ecosystems. Finally, we offer practical advice to help CX professionals operate in this new environment. See the June 26, 2014, “The Customer Experience Ecosystem Redefined” report.

Every year, Forrester uses the results of its Customer Experience Index (CXi) benchmark to see which firms made big strides in the race for customer experience excellence. In our 2014 data, we saw Delta Air Lines’ CXi score go up by 13 points, making it one of the big upward movers of the year. In this followup report, we reveal how the legacy airline went from the middle of the pack in its industry to a virtual tie with top-rated Southwest Airlines, and we highlight what other companies can learn from Delta’s success. See the July 21, 2014, “Case Study: How Delta Air Lines Soared In The Customer Experience Index” report.


Once viewed as an afterthought, design is now top of mind for companies ranging from Internet giants Facebook and Google to startups Airbnb and Box. As Agile and Lean methods replace requirements documents and waterfall development processes, companies that wish to thrive must grow or acquire the capabilities of designers and design researchers to bring them in line with other disciplines. See the March 14, 2014, “Brief: Design In The Age Of The Customer” report.
The rapid consumer adoption of mobile devices, new interfaces, and the changing behaviors they encourage have fundamentally changed how customers engage with companies. Gone are the days when companies could assume PC-based interactions and undivided attention. In the post-PC era, customers expect experiences to come to them — regardless of which device (or devices) they are using — and to provide services aligned with their needs and abilities, in the moment. See the October 11, 2013, “Digital Customer Experience Teams In The Post-PC Era” report.

Business leaders don’t think of digital as central to their business because in the past, it hasn’t been. But now your customers, your products, your business operations, and your competitors are fundamentally digital. While 74% of business executives say their company has a digital strategy, only 15% believe that their company has the skills and capabilities to execute on that strategy. A piecemeal strategy of bolting on digital channels or methods is no longer sufficient. As an eBusiness leader, you know change is needed. You must take a lead on driving digital business transformation. You must think of your company as part of a dynamic ecosystem of value that connects digital resources inside and outside the company as needed to compete. You must harness digital technologies, both to deliver a superior customer experience and to drive the agility and operational efficiency you need to stay competitive. See the March 26, 2014, “The Digital Business Imperative” report.

Forrester’s surveys make it clear that executives believe in digital disruption; a majority of them are excited to put into practice the foundational tenets on which digital disruption must be built: a deeper digital customer relationship, an expanded total product experience, and a dynamic process for learning from customers what to offer them next. However, when they try to move forward, structural, cultural, and procedural obstacles stymie them. See the October 31, 2013, “Organizing For Digital Disruption: Where And How To Ignite The Disruption You Need” report.

Firms such as Lowe’s, Macy’s, and Rolls-Royce tap into the data their customers create across the multitude of touchpoints and products they use to understand context and drive greater customer loyalty. See the May 28, 2014, “Big Data’s Big Meaning For Marketing” report.

American Express and other B2B firms utilize big data to understand buyer behavior and to market to their context. See the May 27, 2014, “Rethink Marketing In The Customer’s Context” report.

Businesses can use big data to kick-start their digital business transformation. Those that exploit all available data will drive massive business insights that were never possible before. See the May 28, 2014, “Big Data’s Big Meaning For Marketing” report.

Mastering big data takes business and technology change, but this change will frustrate technology managers who try to anticipate business technology needs far in advance of actual demand. Empowered customers can change the competitive landscape with blinding speed, requiring your business to continually adapt. Instead of being the custodian and supplier of data in the form of data marts, dashboards, and reports, become a strategic advisor and trusted broker of a wide range of technology options. Mastering the true potential of big data requires a balance between technology capability investments and cultural and competency changes. See the May 28, 2014, “Reset On Big Data” report.
19 Campaigns are far less effective at winning and retaining customers than they once were. To achieve sustainable competitive advantage now, firms must deliver self-perpetuating cycles of real-time, two-way, insight-driven interactions with individual customers. See the April 14, 2014, “The Power Of Customer Context” report.

20 Forrester has identified 15 key customer analytics methods that customer insights professionals must master. Customer insights professionals are faced with tough decisions about which combination of methods will have the biggest impact on marketing and customer experience goals. And new techniques continue to emerge as the complexity of customer data increases. See the February 25, 2014, “TechRadar™: Customer Analytics Methods, Q1 2014” report.

21 The BT agenda focuses on providing superior customer experiences. It requires new discipline and doesn't follow an easily automated process or formula. See the October 10, 2013, “Technology Management In The Age Of the Customer” report.

22 The most important technologies of your BT agenda will help firms obsess about and interact with customers throughout the life cycle. They include life-cycle solutions and engagement platform technologies, which will help firms deliver seamless and compelling customer experiences. See the July 29, 2014, “Top Technologies For Your BT Agenda” report.

23 Senior management and their board overseers can no longer avoid taking a more active role in technology decisions and key software investments. The digital strategy and spending will play a key role in bolstering any brand, differentiating the company’s offering and engaging customers. Forrester believes that increasing customer expectations fueled by an accelerating pace of technology change will increase the delta between the haves and have-nots in terms of overall financial performance. See the January 23, 2014, “Software Must Enrich Your Brand” report.

24 Rapid evolution in cloud and mobile applications and the permeation of social media throughout the developer community have led to a new approach in the way that organizations deliver business value through software. Consumer demands for innovative solutions, new digital business models, and a changing developer demographic combine to change the way that firms build, deploy, and maintain applications. Mobile and cloud applications, with their loosely coupled modular architectures, lead the way toward a fluid approach to design and development that can evolve more rapidly to meet changing needs. See the February 12, 2014, “Application Delivery In The Modern Age” report.
About Forrester

Global marketing and strategy leaders turn to Forrester to help them make the tough decisions necessary to capitalize on shifts in marketing, technology, and consumer behavior. We ensure your success by providing:

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As the top marketing executive for your company or division, you’re engaged in orchestrating and building a competitive brand while fueling business growth. You’re also responsible for ensuring consistency in digital and traditional marketing channels and empowering others across the organization to deliver a consistent brand experience.

« CATHERINE MELISSA OLIVER, client persona representing CMOs