

 **Xperience.**



**Shaping the future of  
digital marketing.**

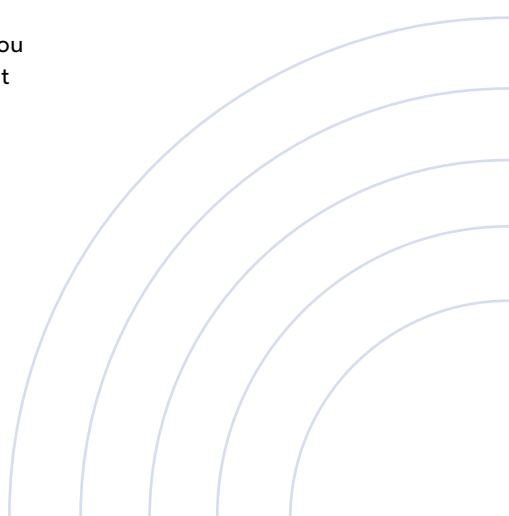
# Digital marketing – changes, challenges, and opportunities

Change is a constant in business – marketers should always be ready for it. Digital marketing is at an inflection point where it must evolve to meet current and upcoming changes, challenges, and opportunities.

Technology has been a driving enabler of digital marketing, but technology for technology's sake is not a winning path. Marketing technology (MarTech) stacks have grown to overwhelming proportion, to the point where marketers must be strategic thinkers when selecting the most effective technologies, particularly the ones that will propel successful marketing into the future.

Continuous change in technology isn't the only factor transforming the future direction of digital marketing. Organizations are increasingly expecting marketing groups to take responsibility for improved revenue and growth. A crucial factor of that growth centers on happy and successful customers. Marketing growth initiatives (current or future) without a customer focus will not succeed. Digital marketers must transform approaches to customer experiences and communications to better reflect how customers are shifting their buying behaviors and how brands clearly deliver value to customers.

## To help you prepare for the future, this paper will cover:

- 1 Factors driving the transformation of digital marketing** and how to remain relevant
  - 2 Benefits of digital marketing evolution** including conversational interfaces, advanced marketing analytics, data privacy regulations, and machine intelligence
  - 3 New approaches to content and communications** and the reasons why you should embrace digital experience platforms, headless content management systems, and evolving content forms
  - 4 How to leverage new technologies in marketing**
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# Factors driving the transformation of digital marketing

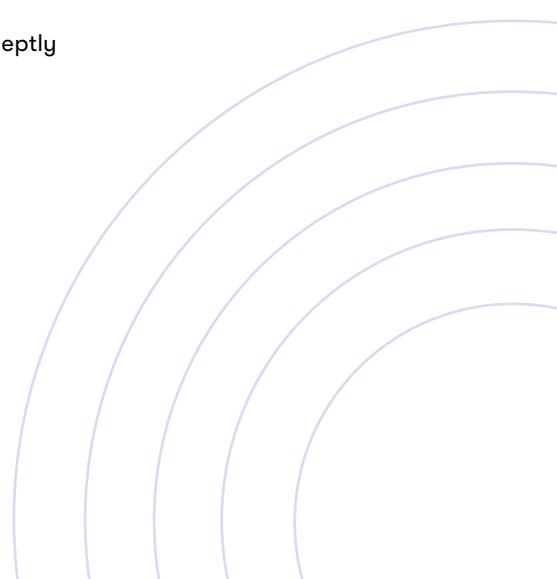
Digital marketing and multichannel engagement first affected customer behavior by opening a large door: using digital channels to reach and engage with potential buyers anywhere, anytime. As a natural evolution from that point, customers have now taken the lead, and marketing must learn to be responsive in new ways.

Customers are challenging current marketing assumptions and approaches. Many people have their own 'technology stacks' based on their preferred devices, apps, and conversational interfaces, that mirror how they want to research and buy products. Conventional marketing technology stacks may no longer align well with this new direction for buying and can fail to provide significant engagement opportunities for marketers. Engendering meaningful and timely customer experiences and communications still matter. People now have expectations of experiences that are imaginative, fun, and surprising – because they are taking place in the digital realm. Shifting customer behaviors can translate into new challenges and new opportunities for digital marketing.

The rapid evolution of technology itself provides promising new marketing opportunities through conversational interfaces (voice, chatbot); artificial intelligence embedded in many applications; and advanced analytics. Many of these technologies integrate or interoperate for weightier outcomes.

Mobile is increasingly where digital buyers "live". Effective digital communications can have a significant impact on mobile channels, even if purchases aren't made through a specific e-commerce site. Marketing activities should now spread to other buying sites like online markets and digital payment apps.

Most of the factors propelling digital marketing evolution have been developing for a while. For marketers who want to be relevant into the future, "business as usual" now means constantly re-evaluating strategies, campaigns, communication channels, and tools. It means taking proactive paths adeptly and quickly.



# How to remain relevant

Digital marketing is already transforming. Marketers need to embrace this evolution to remain responsive to constant change, and to deliver positive outcomes for customers and organizations.

What should digital marketers be doing now to transform their marketing activities to be ready for the future?

## **Choose your strongest marketing path:**

### **Digital versus traditional marketing**

Until recently, digital marketing has been a partner of traditional marketing. As more marketing endeavors have a digital focus, teams need to critically assess the value of traditional marketing activities. It may well be time to shake loose of traditional approaches that increasingly show poor results for the money spent. Digital marketing is usually more cost-effective, more transparent on its return on investment (ROI), and easier to assess performance. Digital channels are preferred by more buyers, which open more opportunities to interact with customers in innovative ways.

### **Sort out those MarTech stacks**

Marketing technology (MarTech) has grown into an overwhelming array of applications that have become difficult to manage and use to advantage. As with most software, marketing groups probably don't even use 50% of overall features. For digital marketers to move energetically into the future, it's time to trim down available technologies to those that are easiest to use and produce the best results. Assessments of which technologies to retain should include newer technologies that may offer leading-edge marketing and communications opportunities – but make sure they complement and integrate well with core technologies.

### **Take customer interactions to the next level**

Intelligent personalization and marketing automation has improved digital marketing outcomes. People welcome technology when it adds value to the customer experience, but they are tired of the poor use of technology in many interactions. Savvy marketers now must better identify which interactions customers want to be digital and which they want as human communication. Buyer journey maps now include 'micro-moments' tied to the preferred form of communication or interaction. Customer analytics that are continuously updated are a key component for achieving cutting edge customer interactions.

## **Deliver advanced omnichannel marketing**

Advanced digital marketing means achieving omnichannel/multi-device marketing, which many organizations have yet to do well. Omnichannel marketing should provide an integrated customer experience, no matter how many different channels are used by the customer. Marketing processes keep track of interactions on each channel for each customer, generally utilizing customer relationship management solutions (CRM) and digital experience platforms (DXP) to capture the details. Then every customer touchpoint in the organization will have comprehensive information on what the customer has been doing and where, streamlining the buying process. Sophisticated marketing automation solutions can be invaluable to unify management, messaging, and personalization for omnichannel interactions.

*Global organizations are looking to buy DXPs because they need to become digital businesses and provide better customer experiences, whoever their customers may be.*

Gartner, Magic Quadrant for Digital Experience Platforms  
Published 29 January 2020

## **Get serious about doing marketing analytics the right way**

There has been discussion of how marketing analytics have failed to live up to expectations of marketers. The reality is that marketing analytics fail because organizations aren't implementing their solutions productively or even correctly. Analytics will deliver valuable insights only if organizations staff properly, improve data quality, build processes to assess and take action on analytics results, and use the right metrics to measure effectiveness. Continuous change and improvement must be diligently performed to account for constant change in markets, business, customers, and opportunities.

## **Become faster, flexible, and always relevant**

Marketing strategies, plans, campaigns, methods, and activities must be designed with 'faster, flexible, and always relevant' always at top of mind. Relevancy is always directly tied to who customers are and what they want, which means relevancy is in constant flux. New technologies can be useful tools for achieving 'faster and flexible', but these are also constructs that must become integral to marketing mindsets and practices.

# Benefits of the digital marketing evolution

A central function of effective digital marketing is to interact with potential buyers increasingly on demand, to help them research products and make buying decisions that are hopefully beneficial to the brand. Engagement of buyers on a more personal level (without being creepy) has become a significant opportunity for marketers that can be done well with a combination of compelling creative endeavor and the right technologies.

Value and benefits gained from evolving digital marketing practices include:

- Marketing with authenticity to truly connect to and support buyers by mastering customer intelligence, to understand what's important to them and to create relevant touch points of engagement
- Responsive in ever faster and engaging ways on every channel – in part due to innovative technologies that are transforming digital marketing
- Through advanced marketing analytics, continuous awareness of changes in buyer behavior to fine-tune all marketing activities, communications, and customer experiences. Improved tracking of customer interactions provides more powerful opportunities to engage prospective customers much earlier in the buying process
- More-detailed understanding of customer segments, leading to better modes of advanced personalization, targeted email marketing, customer satisfaction
- Faster and more informed synching with sales and other functions across the organization to make sure that business objectives are being met and that all customer-related processes mesh well for seamless customer interactions
- Innovation-ready marketing groups with processes already in place for future-forward actions and outcomes. Now that digital marketing is more “mainstream”, marketing teams must work on future-proofing their programs by including potential new directions for marketing practices and technologies

## Evolving technologies that impact digital marketing

- Conversational Interfaces – new ways to talk to customers
- Advanced Marketing Analytics – deeper customer insights faster
- Data Privacy Regulations – reliable customer data
- Machine Intelligence – smart and innovative marketing

# Conversational interfaces — new ways to talk to customers

Conversational interfaces fit well with an omnichannel marketing strategy if the overall approach is well integrated and consistent from channel to channel. Communications can now happen in the places people are already spending their time, with mobile leading as a powerful channel for conversational interfaces. These interfaces include chatbots (online and voice), messaging, and voice-enabled assistants (Siri, Alexa). Using voice-enabled assistants makes it possible for marketing efforts to reach anyone, especially with the broad accessibility of voice-only interaction. Digital marketing activities that tap into conversational interfaces must make continuous use of CRM solutions and customer analytics to offer personalized and accurate communications.

## Voice interfaces

Voice-enabled technology has good potential to take personalization to a new level as a customer-facing communication channel and to add a new dimension to content marketing. Voice interfaces for digital marketing activities require unique development. They're not quite like any other communication mode in that a high quality real-time customer experience must occur with every communication or it becomes just another mode of spam or even an invasion of privacy. This means new challenges for content development and management.

In the spirit of Siri, Alexa, and other voice assistants, a main approach to marketing through voice interfaces is to provide useful information or useful skills that make life better for people, such as preparing meals, puzzles and games, or productivity tools. As a source of valuable content, audience engagement frequently is high. The voice interface also gives people greater flexibility and control over their interactions with brands and products.



## Chatbots

Chatbots or agents are already used extensively by marketing, e-commerce sites, messaging apps, and other digital platforms. They provide a useful interface for many activities with continuous availability. Often customers prefer interacting with chatbots as they give answers promptly and accurately, and recall entire buying histories or other pertinent details. Artificial intelligence (AI) provides the driving force, with endless possibilities for different kinds of conversations for prospects and customers.



Due to technology advances, many people are more attuned to wanting conversations based on when, where, and how they want them to happen: basically instant communication 24/7. But people also want communications that are helpful, personal, and empathetic. Conversational marketing has a powerful opportunity if it meets all of these expectations. It can drive lead generation by reaching new audiences on different channels or by giving people a more convenient way to communicate.

The use of conversational interfaces for marketing is in its infancy, so it's best for marketers to proceed with caution, taking time to learn how to use this channel while making sure customers aren't alienated. Test out experimental conversations with real people who have consented. This is a communication channel where "less is more" and where the clear value to the customer must be quickly revealed. Conversations can provide a continuous thread of communication that, if done well, can build an authentic relationship with customers to find out more about what they need and want, and flow more naturally from marketing to selling and support.

## Advanced marketing analytics – deeper customer insights faster

Marketing analytics is a powerful tool to carry digital marketing into the future through the compelling potential to augment and improve marketing efforts. Analytics can track and analyze the outcomes of marketing initiatives and then point the way for changes and improvements. Analytics provide an in-depth and comprehensive understanding of the performance of different digital marketing efforts. With more aspects of digital marketing becoming real-time, it's essential to use continuous analytics to fine-tune or change activities and communications quickly and accurately.



But many organizations have failed to properly implement and use analytics, and have failed to allocate sufficient resources for data preparation and data quality. They often fail to analyze the right data or to include enough different kinds of data. Analytics processes require hard work and commitment to do them correctly to produce usable results. Continuous improvement is another must-do for analytics that work well.

Marketing analytics can get a boost from artificial intelligence applications to dig further into customer intelligence:

- **Insights:** using historical data, algorithms can reveal important patterns for buyer preferences
- **Anomaly detection:** identify unexpected behavioral changes, to quickly update personalization and marketing approaches
- **Predictive analytics:** predict customer behaviors based on previously observed patterns to more accurately work with buyer journeys

## Data privacy regulations — reliable customer data

As organizations continue to pursue compliance with data privacy regulations like the GDPR, marketing groups need to change how they acquire, utilize, and protect customer information. Teams now must thoroughly review practices for every marketing activity that involves personal information, particularly around consent from people regarding usage. They have to ensure that the systems that process personal information will be able to handle requests from customers regarding their rights under data privacy regulations like access, deletion, portability, and processing.

Marketing roles affected the most are: email marketing managers, marketing automation specialists, and public relations staff. Data privacy regulations are changing how marketers handle data, especially if the marketing group hasn't been practicing good data management and privacy methods.

Marketing efforts benefit from the rigorous data management requirements that come from data privacy compliance. Proper data management brings about the greatly improved the reliability and timeliness of customer data. Such data enables more accurate personalized experiences, whether through email marketing, e-commerce, or other digital interactions. New concepts of "permission marketing" and "user-controlled data" are positive outcomes of data privacy regulations where marketers know they are connecting to people who want to hear from them and on what channels these potential customers want to communicate.

In all these ways and more, data protection regulations have certainly impacted marketing activities. But while lead numbers may be lower, lead quality tends to be higher. And it's not difficult to understand how improved data and opt-in consent have a significant impact on leads:

- **Contacting the right people for email marketing** – sending emails only to those prospects or customers who are already interested in products and services (through opt-in consent) ensure that better leads result. Customer data analysis using reliable data better identifies what potential customers are interested in and how to bring more authenticity to personalized emails that will catch the attention of the recipient.
- **Quality leads through marketing activities** – prospective customers who have opted in to receive content and communications usually produce higher click-through rates and sustain quality engagement throughout the sales cycle, which will likely result in more purchases.

## Machine intelligence — smart innovative marketing

Machine intelligence capabilities have rapidly become important tools for digital marketing. Artificial intelligence (AI) and machine learning (ML) are having a profound impact on current marketing activities and are likely to engender fruitful opportunities in the future. Augmented reality (AR) is rapidly gaining ground as a compelling addition to marketing and product promotion. Through advanced data analytics (like predictive analytics) and AI capabilities to adapt to input, marketers can more accurately identify customer and market trends, and measure outcomes in new ways. AI and ML can make marketing more efficient and effective while cutting costs.

These technologies have good potential for boosting multiple forms of personalized content creation, due to better understanding target audiences. AI applications that work faster and more efficiently can now handle marketing tasks like purchasing ads, optimizing campaigns, managing interactions during buyer journeys or redesigning a landing page as part of conversion ratio optimization (CRO) efforts. Generative algorithms can produce thousands of variants, test and evaluate them against specific target groups or individuals, and optimize campaign content in hours or days.

Many people have become comfortable with AR technologies as a recurrent aspect of daily life. It's a natural and creative component to enhance digital interactions for marketing and customer support purposes. Marketers can use AR to create innovative campaigns that stand out, often by adding visual entertainment aspects.

Successful digital marketing efforts still need humans. Machine intelligence technologies free up humans to use their creative abilities to take digital marketing to the next level.

Humans also have the responsibility to continuously monitor how these systems are performing and the value they may or may not deliver to business objectives and customer experiences. Most importantly, marketing teams must be vigilant about using customer data for machine intelligence activities to ensure that what they are doing is ethical and doesn't violate regulations like the GDPR.

## Artificial intelligence

Artificial intelligence (AI) has been developed to re-create certain aspects of the “thinking” human mind for use on a wide array of problems and tasks. For example, AI is transforming marketing automation (MA). MA tools have enabled marketers to identify users' specific behaviors to send triggered messaging, like push notifications or emails, with the right content at the right time. Combining MA with AI brings new possibilities that can lead to engendering not only improved customer communications but the injection of advanced personalization as well as ingenuity and entertainment value.



AI enables innovative experiences for customers through more accurate targeting that should improve the outcomes of marketing efforts. AI can analyze customer behavior and search patterns utilizing data from social media platforms and blog posts, to help teams understand more about how buyers find products and services that interest them. AI is important for more granular customer segmentation, retargeting, click tracking, and similar activities.

Prospects can test products before making any commitment through AI-informed experiences, frequently combined with AR capabilities. Brands can use this approach to reduce the risk to prospects when they are deciding to buy a product for the first time.

## Machine learning

Machine learning (ML) is an offshoot of AI that provides a means for systems to automatically learn and improve from experience without specific programming directing it. ML systems work to find new ways to solve problems more efficiently. AI and ML systems often work together.



ML tools have the ability to analyze extremely large sets of data and present understandable analytics that teams can put to good use. ML can find “hidden” information in customer data from many sources to help enhance and streamline marketing processes and greatly improve the understanding of target audiences. For content marketing activities, this means more effective content reaching the right audience to help generate higher quality leads.

Examples of ML at work for marketing:

- Identifying what kind of content produces the highest engagement and SEO performance (relative to products offered, customer intelligence, communication channels)
- Determining optimal email send times and pacing, plus subject lines for the highest open-rates
- Informing effective brand interaction management for the buyer journey
- Generating predictions about which leads are more likely to convert into customers
- Discerning the most relevant product search results and product recommendations
- Optimizing ad purchases and campaigns

## Augmented reality

Augmented reality (AR) facilitates the insertion of objects into a real-life environment. Often AR enhances the potential for purchases by helping people visualize the use of a product in a certain setting. AR can be very useful to new product releases, where prospects can “test drive” virtually before buying. AR becomes more effective when AI capabilities are integrated into the application. For example, AI can enable AR to interact with physical environments on a multidimensional level by bringing in useful data like real-world object tagging, to add credibility to AR experiences.



While people increasingly make purchases on e-commerce sites, they still like to go to brick-and-mortar stores for hands-on interactions with products. AR is the game changer for online product experiences. It can create experiences in a virtual reality that is highly personalized to each customer. AR adds an energetic factor of entertainment and fun.

Websites for furniture vendors have apps that offer a customer the opportunity to “try out” furniture in a specific room, after providing certain details about the room like dimensions and potential obstacles (doors, windows). With the help of AI, customers can simply scan in the desired room using a smartphone. A realistic depiction of the room is now available for a customer to play with while deciding to make a purchase. Similar applications are available from vendors for clothing, eyeglasses, cosmetics, hair color products, and flooring.

# New approaches to content and communications

'Futuristic' technologies are helping to create new customer touchpoints and content types. Beyond devices like tablets and mobile, content is increasingly delivered to automobile dashboards, retail kiosks, fitness trackers, and kitchen appliances. Conversational interfaces like Alexa are live content delivery mechanisms that require specialized and highly personalized content 'snippets' driven by AI algorithms in response to real-time questions and requests. Management of content and digital interactions must be dynamic – and highly accurate – anytime, anywhere. Agility and adaptability are key themes for future-ready content management systems (CMSs) and digital experience (DXP) technologies.

## Digital experience platforms

Digital experience platforms have continued to grow in value by providing many of the technologies needed in support of the evolution of digital marketing: analytics, marketing automation, personalization, monitoring of customer journeys and interactions, and web content management (WCM). A DXP can have a significant role in achieving and maintaining omnichannel marketing activities while managing ever-increasing modes for customer interactions and experiences. While organizations and digital marketers are lagging in adoption of DXP, interest has increased as the demands of digital experience excellence have grown.

*By 2021, 95% of technology buyers will select WCM as part of a well-defined digital experience strategy, prioritizing agility and interoperability.*

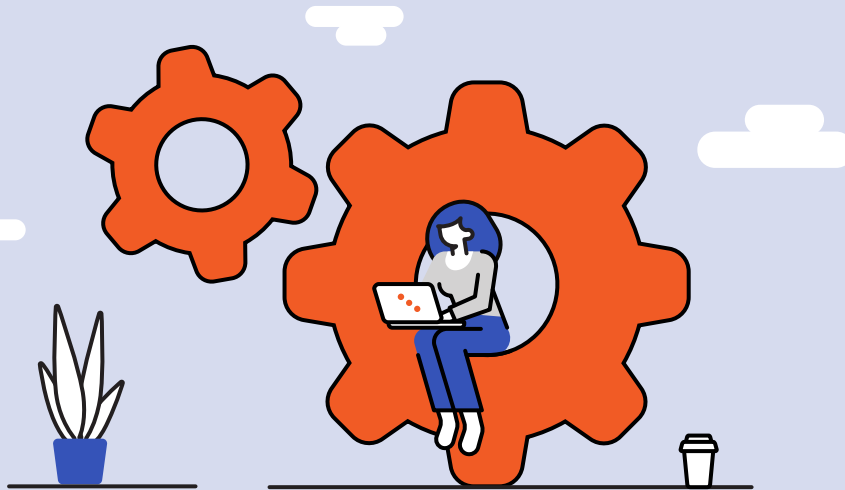
Gartner, Predicts 2019: Technological Convergence of Content Services,  
Michael Woodbridge et al., 3 January 2019

Digital experience platforms can play an integral part in breaking down organizational silos by helping to integrate customer-related data, digital channels and business systems, so that pertinent and timely customer information can be shared across the organization. These platforms are essential for the orchestration required to support positive and consistent customer interactions across many digital touchpoints.

## Headless content management systems

Recent developments in the headless content management system (CMS) seem to be moving in the right direction to provide agility and adaptability. Headless CMSs utilize content APIs (application programming interfaces) that allow publication anywhere, well beyond the traditional website paradigm. APIs support integration with different applications, data sources, and platforms. Headless CMSs are built as API-first to fully exploit a decoupled content management architecture. Cloud-first headless CMSs operate as content services on demand.

The headless construct enables personalization options across the many destinations and interaction channels of buyer journeys. Capabilities such as a responsive content repository and digital asset management add value to headless CMS implementations.



### Other elements of importance for future-ready CMS and DXP:

- Enhanced ease of use for many different user roles
- Improved capabilities to support digital site and content accessibility standards
- Micro-services for new communication and interaction channels
- Advanced use of personalization, marketing analytics and marketing automation based on evolving technologies like AI, ML, and AR

## Evolving content forms

Different kinds of content are emerging as the basis for flexible, responsive communications that better fit customer preferences on digital channels:



**Atomic content** comprises data-driven content building blocks (text, images) to achieve advanced personalization. Various building blocks can be combined and customized dynamically as an on-target response to in-the-moment needs of buyers. For example, email marketing can greatly improve targeting based on comprehensive customer intelligence that indicates the right atomic content components.



**Micro-moments** reflect how many people use their digital devices with expectations of brief communications and interactions. Digital channels and devices are making it easier for buyers to research products and make purchases. But to do this with ease, buyers need “instant answers”: product information, location-based information for nearby products or stores, task-oriented information, help support, and the different means for making purchases. Digital marketers have the challenge to create compact messages that pack a big punch as well-timed and immediately actionable.



**Video snippets** are frequently delivered as brief live videos of product demos, entertaining interviews, or glimpses into the ‘personality’ of a company. High quality shorter video formats published on brand websites and other sites (YouTube, Facebook) should be included in the overall strategy for SEO and SERPs. Delivering marketing communications to customers as personalized, high quality video messages (rather than email or phone calls) is now possible at a lower cost and faster rate of creation.



# The future of digital is human

The healthiest way to approach new technologies in marketing, like AI, is to realize that they are there to **augment**, not replace, the creative aspects of digital marketing. When new technologies take over certain tasks that don't have to be done by humans, marketing teams can devote valuable time to more fruitful endeavors. Marketers can concentrate on figuring out new ways to better connect to and engage categories of customers utilizing greatly improved customer intelligence. Introducing new technologies isn't just about saving time and money. It's about expanding the quality time human marketers can now spend on superior customer interactions and creative work.



Human participation, oversight, and judgment are required for the foreseeable future of digital marketing. Many marketing roles will shift and new skills will be required. To continue to be relevant into the future, digital marketers should take a long look at what has and hasn't worked over the past several years, and then assess the role of technology for future forms of marketing. Marketers can then figure out how to integrate technology with all other aspects of marketing while fighting the impulse to simply let technology "do everything". Customers are humans; technology is always subservient to human benefits and needs.



# Try the Xperience

Kentico Xperience is the award-winning digital experience platform that combines content management, digital marketing, and commerce. Available on-premises or in the cloud, Kentico Xperience is an easy-to-use solution for modern websites. It provides personalized experiences and integrates seamlessly into any technology stack. Kentico Xperience provides advanced capabilities, short time to value, and ease of use, backed by market-leading support and a global network of implementation partners.

*Since using Kentico Xperience, British retailer hmv has seen a 78% increase in revenue.*

[Read the full hmv case study >](#)

With Xperience, you're supported 24/7 by engineers across three continents, consultation packages, training, documentation, a 7-day bug-fix policy, and a global community that will help you deliver stunning digital experiences faster.

Discover how you can deliver faster results with Kentico Xperience. Schedule a demo today.

[SCHEDULE A 1-ON-1 DEMO](#)

## About Kentico Software

Kentico Xperience was first introduced in 2004 by Kentico Software, a technology company headquartered in the Czech Republic with offices in the US, UK, Netherlands, Singapore, and Australia. Kentico has more than 1,000 digital solution partners and powers over 30,000 websites across 120 countries. Customers using Kentico Xperience include Allergan, BDO, Konica Minolta, Land O' Lakes, PPG, and Red Cross.

**Shaping the future of digital marketing.**

