


Content Management: The Hub for Systems of Engagement

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Firms Aim to Offer Outstanding Customer Experiences

In response to the empowerment of consumers by mobile computing and social networks, firms of all sizes and descriptions have endeavored to improve the experiences they offer and to come to terms with the complexity of customer experience management (CEM, also known as CXM or DX, for digital experience). In a late 2014 Econsultancy global survey, nearly eight out of ten respondents (78%) agreed that their firms “attempt to differentiate through customer experience.”¹

Indeed, for the past several years, senior executives have consistently named improved customer experience (CX) as a top strategic priority. Spending on experience-related technologies continues to grow.² Most tellingly, Gartner’s 2015 CMO spending survey found that a remarkable 89% of surveyed marketing leaders in the U.S. and the U.K. said they expect their companies to compete “mostly on the basis of customer experience” by 2016.³



Customer Experience Management is Stuck in Neutral

Digital Clarity Group defines customer experience management as

A business discipline encompassing the strategies, processes, skills, technologies, and commitments that aim to ensure positive and competitively outstanding customer experiences.

Despite the investments in and commitments to CEM in recent years, it is proving stubbornly difficult to make meaningful customer experience improvements. For example, 81% of the firms in a global survey admitted they have seen customer experience initiatives fail in the last three years.⁴ Granted, that in itself might be a sign that more organizations have smartly decided to experiment with new approaches and to accept that some failure is the price of progress.

One problem, though: *There's no progress.* Instead, recent consumer surveys show that customer experience is stuck in neutral, if not actually going backwards. For example, Capgemini surveyed 16,000 customers in thirty-two countries for the 2105 World Retail Banking Report.⁵ Their stark conclusion? “Stagnating customer experience and deteriorating profitable customer behaviors.” Similarly, Accenture’s 2015 Global Consumer Pulse survey found that only 29% of P&C (property and casualty) and life insurance customers are “highly satisfied.”⁶ Worse, only about half of those (16%) are sure to purchase from their incumbent provider in the future.

The most devastating news comes from Forrester’s latest CX Index reports, covering 299 brands in the U.S. and a further 203 brands in Europe.⁷ Despite at least five years of attention to improving customer experiences, Forrester found that only 1% of firms in the U.S.—and zero firms in Germany, France, or the U.K.—achieved an “excellent” score. In fact, 84% of the brands in the U.S. and Germany, 87% in the U.K., and an astonishing 100% in France were rated *mediocre or worse* (i.e., OK, poor, or very poor). And, in the six months between the Q1 and Q3 2015 surveys in the U.S., only 2.3% of the brands improved their ratings while nearly a third (28.5%) *got worse*.

Running Aground on the Shoals of Integration

What accounts for this pervasive failure to improve customer experiences? We believe there are several interrelated factors at work, including senior management that proclaim the strategic importance of CX but do not back it up with adequate budgets or resources, as well as their tendency to treat customer experience management as a problem for the marketing department to tackle alone.

But on the front lines of the battle for customers’ attention and loyalty, practitioners have identified the primary culprit: *non-integrated technologies*. In Econsultancy’s global survey, 56% of marketers named non-integrated technology platforms the “leading obstacle to consistently integrating marketing activities.” The closely related problem of non-integrated data sources was second, with 47%, while perennial complaints such as lack of budget, recalcitrant company culture, and the difficulty of mapping the customer journey achieved less than 40%.

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In a separate survey by Dun & Bradstreet and Ascend2, respondents named “complexity of integrating technologies” (56%) ahead of “lack of effective strategy” (39%) and “inadequate budget/resources” (38%).⁸

In short, the extensive ecosystem of technologies for supporting competitive customer experiences is like water—some of it is needed to survive and thrive, but too much of it becomes a flood that hampers effective operations. As we have argued elsewhere, in today’s digital business environment, the more software you have, the less important it is to your overall success—because the multiplicity of solutions directly increases the need for and the critical role of integration.⁹

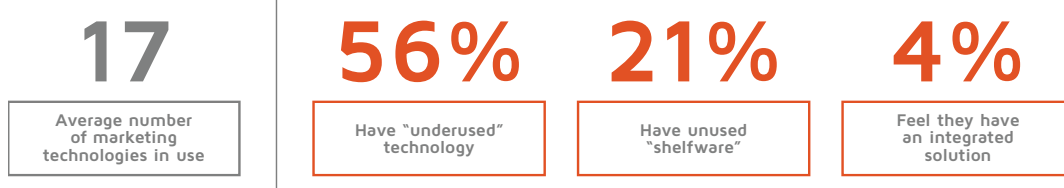
The dark side of “ease of use”

The origins of this “integration crisis” can be traced to the explosion in marketing and customer experience technologies since 2010, many of which were pitched and sold directly to CMOs and marketing departments. For these non-technical prospects, vendors simplified interfaces and emphasized ease of use. And it worked—frantic to keep up with customer expectations and proliferating digital channels, marketers began buying so much technology that Gartner infamously predicted that by 2017, CMOs would spend more on IT than CIOs.¹⁰ On average, organizations today use *seventeen* distinct marketing technologies, which may be cloud based, installed on a client site, or a hybrid mix of the two. (See Figure 1.¹¹)

In effect, marketers and marketing technology vendors have become victims of their own success. Ease of use has turned into a siren song for many organizations for several reasons:

- **It often isn’t true.** At DCG, we regularly advise clients that have software solutions that they don’t use, simply because no one knows how to operate them or has the time to learn. According to Forrester, 56% of companies have underused CX technologies and 21% have unused “shelfware.”¹²
- **Multiple point solutions create operational silos.** As more point solutions are purchased and deployed, customer experience workloads should be made faster, smarter, and more flexible. But at the same time, processes are siloed, and the ability to meet consumers’ expectation for an integrated and cohesive experience retreats further into the distance.
- **It perpetuates the myth of CEM as a marketing problem.** Customer experience management extends far beyond digitally supercharged marketing campaigns to encompass nearly every aspect of customer relations, support, product design, employee collaboration, etc. Indeed, the category of so-called “MarTech” is a misnomer, since it typically includes solutions for sales and call center enablement, application development, project management, and more.¹³

Among Customer Experience Teams



Sources: See Note 11.

Are suite solutions the answer?

Since lack of integration is hampering effective customer experience management, is a suite of products from a single vendor the best approach? We believe that the answer to this question is a highly qualified “maybe.”

First, while a handful of vendors now offer fairly comprehensive suites, no provider has yet deeply integrated its complete stack. In other words, purchasing several software applications from a single vendor does not in itself guarantee that you will need to do less integration work.

Second, the available solutions are in principle (and often in name) marketing suites. So while they support, for example, email and social media marketing, display advertising, customer profiles, segmentation, etc., they typically lack the broader support for non-marketing activities necessary for customer experience management.

Finally, budgets and resources remain highly constrained. Very few firms will be able or willing to roll out a comprehensive suite across the entire organization. In addition, most firms have already made considerable investments in point solutions—with which they have now built up some competence and which they may prefer to retain and put to work in a systematic manner.

Putting the “System” Into Engagement

First introduced in 2011, Geoffrey Moore’s notion of “systems of engagement” has been overshadowed in recent years by discussions of customer experience and CEM.¹⁴ That’s unfortunate for


several reasons. We believe that the two are compatible and complementary. In addition, systems of engagement can correct some of the blind spots in the current understanding of CEM.

Too often, today’s customer experience management focuses on designing isolated environments (mobile apps, personalized emails, automated recommendations, etc.) that aim to lead the consumer to a transaction. But the judgments that consumers make about the quality of their experience with a company or brand are based on their *holistic* perception, encompassing all touchpoints and interactions. Aiming to provide interactions that consumers (or constituents, etc.) find *engaging* highlights the central role that emotion and memories play when forming these judgments.

Moreover, only an integrated, *systematic* approach to supporting, offering, and measuring experiences can hope to match the consumers’ holistic perspective. This system should extend, so to speak, “horizontally,” across channels and touchpoints, in order to comprehend critical “moments of truth” within a customer journey, and “vertically” in order to connect to all of the internal systems, data sources, resources, and employees that are needed to ensure a favorable outcome for the consumer.

It is widely recognized that a content management solution (CMS) belongs at the heart or core of the CEM software ecosystem. Moore also highlights the role of content (communications, collaboration, offers—in short, information flows) in engagement—for employees and partners as well as consumers. However, the systematic approach reveals that this central role for a CMS is not only due to the pervasive use of content in customer experience but also because *the CMS can and should serve as the integration layer or hub* that combines the

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isolated point solutions, data sources, and legacy applications and transforms them into a *system* of engagement.

Not every CMS has the features and capabilities to serve as this kind of integration hub. Organizations exploring this approach should look for content management solutions that can demonstrate:

- **Flexibility and openness.** Every vendor now proclaims they have “open APIs,” but these must be tested and proven via both reference interviews with existing customers and proof of concept integrations with your existing applications. More broadly, as the need for rapid innovation and frequent capability updates becomes more acute, we believe that proprietary systems will struggle to keep up with open source approaches.
- **Extensible platform capabilities.** This includes the ability to support large scale content repositories and “site factories” for rapidly producing and deploying 100s or 1000s of digital properties. The CMS should enable the creation of core, shared services and new applications and functionality to “fill in” the gaps between the solutions integrated in the hub.
- **Accelerated development environment.** Taking full advantage of flexibility and extensibility means empowering development by scripters and “marketing technologists” rather than hard core, expensive developers.¹⁵

In principle, the CMS integration hub could be a cloud-based or on-premise solution. However, given the trend towards cloud adoption and the unique advantages it offers, such as subscription pricing and seamless, automated updates, we expect that within a few years, most users will select a cloud-based CMS.


Conclusion: It’s Time for the Pendulum to Stop in the Middle

When marketers began flying solo several years ago—reviewing, selecting, and buying enterprise software without involving IT—it was a legitimate and necessary response to the unexpected need to catch up with digitally empowered consumers. But we can now see the downside of that pendulum swing: non-integrated technology and data silos that effectively make it *harder* to provide the consistent and holistic experiences consumers desire and reward. Vendors have rushed to provide the aspirin for marketing’s digital headaches—but the medicine is killing the patient.

The correct response is *not* to put IT back in charge of every selection process, nor make them responsible for operating technologies throughout the business. Marketing and other departments on the front lines of customer experience are uniquely qualified to determine what solutions are needed to (finally) move the needle and to help meet consumer expectations.

However, *integration is paramount*. Companies won’t get the results and efficiencies they are looking for as long as they fail to adopt a systematic, coherent approach that pulls together diverse applications and resources for multichannel customer experiences. In order to survive and thrive in today’s environment, firms should put the pendulum that has been swinging between IT and marketing right where it belongs—firmly in the middle, with a digitally savvy, customer engagement strategy enabled by a flexible and integrated technology platform.


Given the role of content assets in most customer experiences—increasingly even offline; for example, with sales clerks armed with tablets—content management systems necessarily occupy the



central position in the CEM software stack. By taking advantage of that position to make the CMS the central hub in an integrated technology platform, firms could break out of the current customer experience doldrums and (finally) establish a competitive advantage via superior experiences.

Notes

- 1 On behalf of Adobe, Econsultancy conducted a global survey of over 6000 marketing, digital, and ecommerce professionals between November 2014 and January 2015. The report is available at http://www.gfm.ch/downloads/2015/DIB_Digital_Trends_Report_2015_EMEA.pdf.
- 2 For example, Dun & Bradstreet found in 2015 that 65% of surveyed companies were increasing their marketing technology budgets. See <http://partner.ascend2.com/informatica-dnb-b2b-martech/>.
- 3 In July and August 2014, Gartner surveyed 315 companies with headquarters in North America and the U.K. The full report, “Presentation for CMO Spend Survey 2015: Eye on the Buyer” is not freely available. An abridged version can be downloaded (after registration) at <https://www.gartner.com/marketing/digital/research/digital-marketing-spend/cmo-spend-2015/>.
- 4 This finding is from Avaya’s 2014 survey of over 1200 business and 8500 consumers in 13 countries. See <http://www.avaya.com/investors/usa/newsroom/news-releases/2014/pr-140429/>.
- 5 See Capgemini’s 2015 World Retail Banking report at <https://www.worldretailbankingreport.com/download>.
- 6 Accenture’s Global Customer Pulse study annually surveys over 10,000 consumers in 33 countries. The 2015 report on the retail insurance industry is available at <https://www.accenture.com/us-en/insight-insurance-customer-of-tomorrow.aspx>.
- 7 Forrester surveyed 46,000 consumers in order to evaluate the CX performance of 299 U.S. brands across 17 industries. In a change from previous versions of the CX Index, “excellence” was reserved for those brands which “design and deliver a CX that actually helps the business by *creating and sustaining customer loyalty*.” The Q1 2015 CXI was published on April 20, 2015; the Q3 report was published on September 28, 2015. See Michael Gazala’s blog analysis of the declining scores at http://blogs.forrester.com/michael_gazala/15-10-06-forrester_customer_experience_index_q3_2015_its_hard_being_an_optimist. Joana van den Brink-Quintanilha’s October 5, 2015 blog post makes it clear that Forrester interprets an “OK” rating as “mediocre” rather than as “not bad.” See http://blogs.forrester.com/joana_van_den_brink_quintanilha/15-09-28-which_french_german_and_uk_brands_create_the_most_loyalty_with_their_customer_expe.
- 8 The results of this survey of 135 B2B marketing and sales professionals were published in September, 2015. See <http://partner.ascend2.com/informatica-dnb-b2b-martech/>.
- 9 For more detail see the Digital Clarity Group Insight Paper, “The CEM Imperative: Customer Experience in the Age of the Empowered Consumer.” Download it at <http://www.digitalclaritygroup.com/the-cem-imperative-customer-experience-in-the-age-of-the-empowered-consumer/>.
- 10 Gartner’s prediction was issued in 2012. We frankly don’t believe it—and the “integration crisis” is the primary reason. Forecasting the growth in spending for marketing technologies without figuring out how it is going to all work together is a fool’s game. See <http://www.forbes.com/sites/lisaarthur/2012/02/08/five-years-from-now-cmos-will-spend-more-on-it-than-cios-do/>.
- 11 Sources for Figure 1: Signal <http://www.signal.co/wp-content/uploads/2014/09/Signal-Cross-Channel-Marketing-and-Technology-Survey-Sept-2014.pdf>; Forrester, as reported at <http://marketingland.com/marketing-technology-emperors-new-clothes-117311>.

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- 12 See Forrester source in note 11.
 - 13 See for example Scott Brinker’s famous marketing technology “supergraphic,” which in 2015 included 1,876 vendors in 43 software categories. See <http://chiefmartec.com/2015/01/marketing-technology-landscape-supergraphic-2015/>.
 - 14 Geoffrey Moore first proposed and explored the importance of systems of engagement (and their relationship to systems of record) in <http://www.aiim.org/futurehistory>.
 - 15 See Scott Brinker’s discussion of the need for marketing technologists at <http://contentmarketinginstitute.com/2014/07/content-marketing-team-needs-marketing-technologist/>.



About Digital Clarity Group

Digital Clarity Group is a research-based advisory firm focused on the content, technologies, and practices that drive world-class customer experience. Global organizations depend on our insight, reports, and consulting services to help them turn digital disruption into digital advantage. As analysts, we cover the customer experience management (CEM) footprint—those organizational capabilities and competencies that impact the experience delivered to customers and prospects. In our view, the CEM footprint overlays content management, marketing automation, e-commerce, social media management, collaboration, customer relationship management, business process management, analytics, localization, and search. As consultants, we believe that education and advice leading to successful CEM is only possible by actively engaging with all participants in the CEM solutions ecosystem.

In keeping with this philosophy, we work with enterprise adopters of CEM solutions, technology vendors that develop and market CEM systems and tools, and service providers who implement solutions, including systems integrators and digital agencies. For more information about DCG, visit www.digitalclaritygroup.com or email info@digitalclaritygroup.com.

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