



The Problem with the Digital Marketing Stack:

You can build one...
but do you have the skills and time to use it?

Introduction



As a marketing leader in the modern age, you are faced with a massive array of digital tools and technology decisions. The so-called "marketing stack" promises to deliver new sophistication and performance, but in reality, many organizations struggle to choose the right products and services. Even when this is accomplished, you then face the reality of integrating the components and using the investment to its potential.

For example, here is a recent blog posting touting the ["23 Must-Have Tools for Your Marketing Stack"](#). If twenty-three seems like too many, consider that research findings from several of the leading analyst firms who (depending on who you read), estimate that there are 25-30 distinct technologies in use at any given time within organizations involved in digital marketing.

According to Scott Brinker, author of chiefmartec.com's ["Marketing Landscape Super-graphic"](#) (compiled in 2016), these tools can be selected from a dizzying array of 3,874 solutions... and counting. And that's not even the real problem...

The real challenges start when you realize that you must integrate the tools in order to obtain new, actionable intelligence about your target prospects and existing customers. If this sounds like your world, you are not alone. This is a common challenge for many marketers... in fact for almost ALL marketers. A [Q1 '17 survey by CMO Council](#) revealed this finding:

"...only 3 percent of marketers believe they are totally connected and aligned across all systems, with data, metrics and insights flowing seamlessly across all technology platforms."

Even if the complex and confusing array of technology is successfully implemented, the solutions do not come with the skill sets and analytical knowledge required to make use of them. Marketing teams can be trained to use the software, but this does not mean that they will suddenly understand sophisticated digital marketing concepts.

This paper discusses how marketers have become mired in what is often a chaotic tangle of technology, and offers an alternative path - managed marketing services. Through a case example, we will explore how organizations are benefitting from this approach today, especially those that simply cannot (and should not) attempt to build and manage their own internal marketing stack.

The problem with the digital marketing engine: It is as complex as any engine.

Modern-day digital marketing is often perceived as coming with a mandate to master the complex and confusing marketing stack. This collection of tools, technologies and services powers today's digital marketing engine.



Is an automobile engine an apt analogy? Car engines run well when the collection of parts all work seamlessly together. The pistons fire when the spark plug delivers ignition to an exact mix of fuel and air controlled by the fuel injector system, the fuel pump, and the air intake valves and manifolds. Then there are the myriad of systems that control the continuous flow of fuel, the timing of the engine cylinder movement, the exhaust system, and the transfer of power from the engine to the transmission. The resulting “performance” is monitored via a dashboard where the driver obtains real-time information about the car’s behavior, systems and “health”. Unless you are a master mechanic, you’re not likely to tackle the maintenance of a modern engine, let alone build one.

By comparison, a 2017 Camry V6 engine has 1,128 parts, each with its own function. The modern digital marketing engine may not require as many parts, but counting up each feature and variable of the typical marketing stack, it is far more complicated. Unlike a car’s engine, the marketing engine runs on fuel (behaviors) that change almost every day. And unlike the driver of an automobile, the marketing leader can’t affect any real-time changes despite what the dashboard (if they even have one) is revealing about their engine’s performance.

This is compounded by the fact that the level of expertise required to drive the marketing engine is now beyond that of most marketing leaders. Certainly, the car engine is no longer an apt comparison to what it takes to master the art of driving a marketing operation. Perhaps a space shuttle is more appropriate?



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Time is Running Out

Tackling only a portion of the marketing stack, or “making do” with less or older/traditional approaches is not an option. The competition will be utilizing the latest technology and will gain an advantage unless something is done... and done soon.

As soon as the technology stack is constructed and integrated, it is, by definition, out-of-date. The pace at which new technology and services enter the market easily outstrips most organizations’ ability to cope with and internalize the latest capabilities. Consider the 3,874 tools listed in the aforementioned marketing stack report from chiefmartech.com. These came into being all within the last decade. Ten years ago, there was simply email and text. Social media had just surfaced and was being leveraged by only the most innovative marketers, and was not yet the source of business and consumer shopping/buying that it is today. The pace of change and the steep curve of personalization via marketing “signal” and behavior tracking is surging. Are you keeping pace?

And yet, something must be done. Marketers realize that a “wait-and-do-nothing” strategy is not an option. Any delay will lead to lost market share and in some cases loss of entire markets.

Next: Required Skills for Marketing Stack Management



Required skills to manage the stack - (Does your team “stack up”?)

In order to make sense of the huge number of options, people have turned to several approaches, often used in combination, and each with different limitations and skill/capability requirements. Figure 1 illustrates the major marketing engine tool categories, and the related skills required to ultimately achieve the purpose of those tools:

Figure 1: Traditional Tool Categories Required for Building the Marketing Stack

Tool Category	Purpose	Skills You Must Possess
Team Collaboration/Project Management	Marketing plans & budgets; campaign planning and team/role allocation	Project management; Budgeting, planning & forecasting; Team skills assessment
Content Creation	Define messaging framework: personas, themes, topics; define content types, create marketing calendar	Persona development, writing, campaign management, graphic design
Customer Data/CRM	Customer intelligence, market and customer segmentation, historical performance	Database administration, relational theory, reporting, marketing and sales operations
Analytics/Data Science	Measure behaviors; target audience prioritization; personalize/optimize campaigns	Report; data integration; analytical programming/theory; AI/machine learning
Orchestration/Automation	Programmatic campaign management; reduce human/manual process	Marketing automation tools and functions, campaign programming, regulatory compliance, list management, CRM integration
Dashboarding	Visibility to marketing performance; ability to make KPIs actionable	Data visualization techniques, KPI management, CRM/automation report integration
Execution Layer	Drive engagement and contribute to sales pipeline	Inbound/Outbound: Email, Social, search/ SEO, Display, Web, Affiliate marketing, Offline/print, testing analytics

The table in Figure 1 illustrates 33 distinct skills that digital marketers must master in order to at least make basic use of the digital marketing tools available in each category. While some tools offer more automation than others, the point is clear - today's marketing stack and required skill sets are complex and demanding.



Five steps for building a modern, integrated digital marketing engine

1. Map the customer lifecycle. Defining how customers engage at each stage of their buying journey is essential to understanding how the interplay of marketing tools and technologies should work. There are many variants, but all organizations should be able to define appropriate stages, from “education/learning” about the product or service, to managing ongoing relationships after the purchase is made, to the eventual “off-boarding” of customers when it is deemed to no longer be a mutually beneficial relationship.

Each stage of the customer lifecycle should be managed, monitored and measured. The “marketing stack”, therefore, should include tools that allow visibility into the actions, responses and engagement that occurs within each phase of the customer relationship. Mapping the customer lifecycle is therefore a critical first step (often missing) to defining the tools required for the “marketing stack”.

2. Define the engagement strategy at each step of the lifecycle. Organizations take different approaches in how they engage with customers at each stage of the lifecycle. For example, some may rely on email marketing and tradeshow to educate their target market; for others, content marketing augmented by traditional advertising is a better strategy. For stages deeper in the funnel, such as selection and purchase decision, the engagement approach will be different for an organization that sells through indirect channels versus one that sells directly. At each stage, the following concepts need to be addressed:

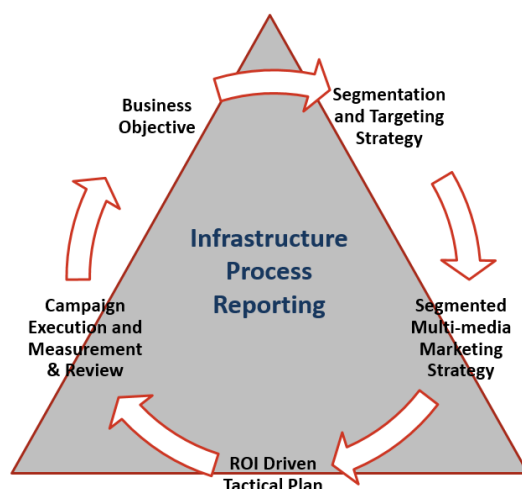
- The primary mechanism for communicating with prospects and/or customers
- Content and information required by internal marketing staff, the selling team/channel partners, and ultimately required for the prospect and customer
- The communication channels that will be used

3. Evaluate existing tools and approaches. What categories of tools are currently in place to support engagement at each stage? (See Figure 1 above). Each stage requires different tools and capabilities. Here is a three-step approach to thinking about this concept:

- During the “Educate/learning” phase, tools associated with content creation, campaign management, execution and analytics will be necessary.
- When a prospect is ready to make the actual purchase, ecommerce technologies may now enter the picture (for example, catalog, shopping cart, and order management tools). Campaign management may still be used, but perhaps less extensively.
- This needs to be assessed for all lifecycle engagement stages – different tools will play differing roles in each stage.



4. Define the “marketing stack” based on the engagement stage. Advanced digital capabilities require appropriate technologies AND the corresponding processes that support those technologies. It is the process that dictates how the technology should be used – not the reverse. Too many times, technology is acquired and an organization changes its processes, or develops new processes to align to the way in which the technology works. A marketing services partner may help with this scenario, by taking the time to understand your process and adapting a technology platform that aligns to your business goals. The engagement strategy and steps should not be dictated by the technology, but rather supported by it. Figure 2 illustrates a structured and orchestrated approach for how this works.



5. Acquire capabilities based on your maturity. As you consider making the arduous transition from traditional to modern digital marketing, the changes required at a cultural level may be more significant than the necessary technological upgrades. What was once the purview of IT/CIOs has now become integrated into the management of customer experience and digital marketing.

CMOs and their direct reports are expected to possess the technical acumen and capabilities to assess new technologies and make decisions about what to purchase and how they will be implemented together. This can be near impossible within environments where this is not tightly managed and aligned to the IT strategy, or in organizations where there is no CIO involvement. Influencing culture change requires a shift from “that is how things are done around here” to “the data will tell us what is working, and what to change”.

If your organization is not ready to make this mind-shift, then it may be too daunting a task to introduce a new technology stack that requires new thinking for it to be operational and to live to its potential.

Each of these steps is required, but this does not mean that an effective marketing engine must be built internally. If the list above has elicited a cold sweat, read on... there is an alternative approach that many organizations are taking to accelerate their path to obtaining an effective marketing engine.



Case Example: Top-10 Broadband Services Provider

The Challenge

Building the marketing stack has been a particularly painful experience for marketing teams within businesses that rely on customer loyalty, membership, subscription and service plan renewals. In this industry, the term that strikes fear into the heart of sales and marketing leaders alike is “customer churn”.

After all of the effort put into building the marketing engine, driving new engagement and onboarding new customers, a Top-10 cable provider realized that continued communication of value and the delivery of a differentiated customer experience was increasingly falling on the shoulders of the marketing team. Competitiveness in this tightly contested marketplace was now hinging on providing a differentiated end-to-end customer experience, and as shown in Figure 2 above, marketing’s role was now extending across all phases of the customer lifecycle.

As a brand that supports 3 million homes across 21 states, the organization became keenly aware of the need for a more cohesive approach to managing the marketing stack to drive a differentiated customer experience. This applied to both new and renewal business. With all of the tools and resulting touch-points across millions of customer interactions, the ability to personalize experiences for customers, and gain visibility to marketing impact had become a marketing tool integration nightmare. This resulted in the sales process becoming less predictable.

The Strategy

In order to create a more predictable sales process, the organization realized that it needed to improve the quality and consistency of their Customer Service Reps (CSRs) performance, and their ability to personalize interactions. The result would be increasing cross-sell and up-sell results to existing customers via inbound service calls. To enable this, the marketing organization needed to provide CSRs with more intelligence to support personalization of each customer contact, including more reliable, easier to use caller information and optimization of the offer and messaging most likely to close a sale. The measurable objectives were:

- Deliver a minimum lift in order rates of 20% without increasing average call handle time
- Leverage existing infrastructure to minimize capital investment, integration and IT requirements
- Complete a successful test program
- Rollout the solution across five call centers and more than 1,000 reps within 30 days



The Solution

The team realized that marketing and sales tool integration alone would not deliver the desired results. A different approach was considered – one that involved obtaining the access to a managed integrated marketing solution (IMS) platform, offered by a firm whose services are specialized for businesses that manage massive subscriber bases.

Pluris built multiple analytical models to predict consumer behavior and propensities on offer mix attributes. The models proved to be critical to the development of several new capabilities:

- To increase personalization, several hundred offers were developed and entered into the IMS provider's offer management solution, including specific messaging for various consumer segments
- Optimization algorithms were developed to normalize the myriad of predictive models and align the various offers and offer mix attributes that were now personalized for each consumer.
- A simple integration method was used to feed data to the CSRs device with minimal impact on IT resources and device applications.

Results

Order rates for CSR's using the Offer Optimization solution increased over 50% and 34% over a control group at a projected value of approximately \$7 million

The marketing organization achieved a 1600% return on investment, a result of increasing sales while avoiding Cap/Ex and Op/Ex costs related to technology investments, and experiencing zero increase in average call handle time

In addition, CSR satisfaction and commissions have both improved – lowering the risk of employee churn.

“In one process alone we reduced our time to market by 80%. This is just one of the many improvements we are realizing with our service provider, and it's a BIG DEAL.”

- Cortney, Marketing Statistician; Top 10 Broadband Provider



Key Take-Away Considerations

The path to digital marketing competitiveness has grown steeper, and more resource-intensive as the marketing stack has increased in complexity. Building the full digital marketing engine is now a task for only the most well-resourced and sophisticated marketing teams. A new path has emerged – the managed marketing services provider. The ability to gain access to an integrated marketing solution (IMS) is now in reach for many firms, but first there are some considerations and steps to take to ensure success:

1. Understand the marketing stack. This should be viewed from three angles – a) The capabilities you have; b) the capabilities you don't have, but need; and c) the capabilities you have but are not utilizing properly.
2. Define your customer lifecycle. Marketing's role in each step of the lifecycle is expanding. Your messaging strategy should be reaching well beyond the new business development process, especially if your business relies on continued customer purchases, renewals and cross/up sell.
3. Map your capabilities to the customer lifecycle. What is missing from the stack? Is this something that you are able to integrate and use effectively within a time-to-market window that makes sense?

