

# The New Fundamentals: Technology's Impact on the Future of Marketing

**Today, marketing is not for the faint of heart: marketers continually face social and technological trends to which they must react and adapt.**

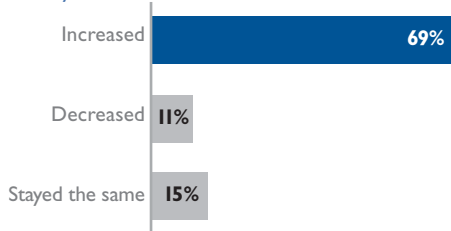
The technology revolution of the past 15 years has had a tremendous impact on the practice of marketing, as more and more dollars migrate from traditional—sometimes called “offline”—marketing (such as print, radio, TV) to the Internet.

While the fundamentals of marketing have not changed (they still relate to putting the right value proposition in front of the right customer at the right time), the technology powering it has. The ability to market online holds the promise of a more personal user experience for customers, while delivering deeper insight into customers' preferences to the marketer, who must interpret customers' behavior.

## Online Rising

Bloomberg BusinessWeek Research Services and Coremetrics recently conducted a research program exploring issues around online marketing, and found most companies have increased their spending in this area. While online marketing has put more data

**Q:** Compared to last year has your spending in (Online Marketing) increased, decreased or stayed the same?



and flexibility into the hands of marketing executives it has also put more power into the hands of their customers. The key is in understanding just how powerful its value has, and can, become.

Immediacy and precision rule. No longer do executives throw hard-won budget dollars into the media stream hoping that someone down river will see their advertisement. In fact, today's online marketing environment offers a rich menu of options for reaching the customer with targeted methods. The result, however, is more data than ever before. Marketers must then interpret the meaning, implication, and importance of this data in order to make



the most of this information and, of course, optimize their allocated budget.

Though the online world used to represent a fraction of marketing spend for businesses, it's increasingly becoming a larger part of overall marketing budgets and strategies. And while executives in charge of marketing spend know that online marketing is very different from offline, many are finding it difficult to measure the metrics and key performance indicators that determine their strategies and set their budgets.

But without the right tools, mined data is useless, preventing marketers from delivering on their commitments. According to this study two of the top challenges facing marketers are obtaining an integrated view of customers across online marketing touch points (45% of marketers surveyed), and interpreting the resulting data (41%).

## The Challenge

The key test for marketing executives is how to transform “data” into “action.” Innovations in online marketing tools can turn data into additional revenue by enabling personalized, real-time interaction with each individual customer, providing advertisements based on customer behavior and evident preferences, and delivering relevant marketing information that marketers can use to continue to offer an appealing and personalized shopping experience.

But while most marketers report a desire to tailor their marketing efforts to customer preferences, their current technology use does not support their goal: 8 in 10 marketers (81%) claim that it's very important for them to increase visitor value through compelling product and content offerings, but only 5 in 10 report really using personalized online tools (51%).

## ABOUT THIS STUDY

This research program, *The Face of the New Marketer*, was conducted by Bloomberg BusinessWeek Research Services in conjunction with Coremetrics. The research was carried out in September and October 2009 to determine the attitudes and opinions of marketing executives with regard to the current online marketing landscape, the future of online marketing, and the use and value of online marketing tools. The study consisted of 361 interviews with senior marketing executives. More information about this study can be found at [www.coremetricsBW.com](http://www.coremetricsBW.com).

The opportunity for today's marketers is to better optimize how they enhance their customers' experience; not only because it serves their company's best interests, but because it serves the needs of their customers.

#### Key Take Away: A Single View

To address the disconnect occurring in the online business world, marketers need to change the way data is processed by way of three fundamental methods: technology-enabled collaboration, multichannel marketing, and personalization. The goal, say industry experts, is to focus on these fundamental methods and integrate offline and online operations into a "single view," to deliver great customer experiences and drive revenue.

The method is clear, yet many companies don't have the tools to put it into practice. Only 58% of marketers report that they use technology to measure and compare all channels' performance in one view. Most observers agree that adopting true multichannel capability will be key to their future success, enabling them to gain customer insight while opening up new opportunities for their business.

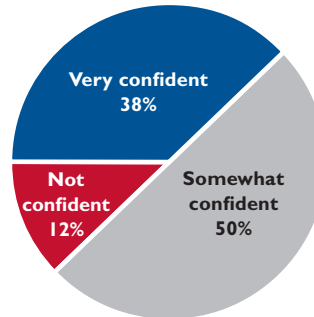
#### Transition to Better Online Measurement

The speed and accuracy of 24/7, global online marketing represents a power that marketers have not had in all of modern business history. But in many cases that power is still more potential than real, because they have not had the tools to fulfill the promise of a real-time, holistic view into their customers' wants and needs.

Most tools for managing and measuring online activities are still very nascent, adding a layer of uncertainty for marketers, over half of whom aren't confident in their metrics (62%). This is

probably the biggest opportunity for marketing technology today.

**Q:** How confident are you that you are tracking the right metrics for online marketing performance?



#### Fundamental for the Future

While the core concepts of marketing have not changed, the Internet provides opportunities to engage with customers in a way that marketers a generation ago could not have imagined. According to the Director of Web and Digital Communications at Seton Hall University, "Coremetrics gives us one place to go to get all the data we need and to look at our marketing efforts from a holistic perspective. It helps us understand the complete process for acquiring new students, so we can determine the best way to allocate our marketing spend."

Marketing executives and managers who embrace optimization technology will be well-positioned for the future of marketing. Investing in collaboration, driving toward multichannel marketing, and focusing on delivering a personalized customer experience will create a lasting competitive advantage. The transition to optimizing online may indeed pose challenges for the modern marketer, but the companies who do make this transition become the true innovators.

—Written by Henry Gentenaar

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#### A Word from our Sponsor

Online marketing goals and objectives are only as good as the business objectives—bottom-line growth, new customer acquisition, international expansion, and more—they reflect. At Coremetrics, we understand that marketing is about driving business, and we partner with our clients to help them define the big-picture thinking and detailed tactics that get noticeable results. Our suite of marketing applications—real-time, personalized recommendations, email targeting, display ad targeting across leading ad networks, and search engine bid management—remove much of the heavy lifting and manual effort that has traditionally hindered marketing departments.

Our award-winning and industry-leading client services offerings simplify the implementation process and supplement your in-house analytics team to ensure you derive the most value from your online marketing investments:

- **Coremetrics Customer Support** accessible via the web, email, phone, and chat serves as a one stop shop for all technical and business needs.
- **Enablement teams** to assist in implementing the Coremetrics data collection and reporting solutions to meet specific business requirements.
- **Education specialists** to provide tailored training on using our marketing solutions for maximum value.
- **A full cadre of online marketing consulting services** to help with advanced analysis, organizational preparation, and customized marketing optimization.