

Thriving In A Post-Digital World

Adopt New Marketing Rules To Connect With Entitled Customers

by Shar VanBoskirk, James Nail, and Melissa Parrish

April 26, 2016

Why Read This Report

We've entered a new world order where entitled customers integrate digital fluidly into physical experiences and marketing practices haven't kept up. The fix is a new marketing worldview — not more technology, nor a host of new processes. In this report, we assign marketers a post-digital charter with three new rules to live by. Every marketer will gradually go post-digital with capable companies facing urgent circumstances shifting first. As they do, marketers will relinquish old assumptions that will create algorithmic angels, new agency relationships, and more quality content.

Key Takeaways

“Digital” Marketers Are Behind The Times

The world is now *post-digital*. Customers are entitled. Digital is part of everything. And companies are integrating business and technology functions in response to the age of the customer.

Adopt A New Marketing Mindset: Do What You Say

The shift to post-digital marketing isn't about adopting new technology or processes. It is about embracing three new rules: Be human, be helpful, and be handy.

Proceed At The Pace Right For You

How quickly you must master the new rules of marketing depends on your customers, competitors, and capabilities.

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Forrester interviewed 25 vendor and user companies, including 360i, Constellation Brands, General Motors, T-Mobile, Wpromote, and Zoetis.

Related Research Documents

[Create Marketing Your Customers Can Use](#)

[How People Choose](#)

[The Operating Model For Customer Obsession](#)

[The Power Of Customer Context](#)

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Welcome To The Post-Digital World

Consider this: a family vacationing at Disney World today can happily enjoy its lunch without waiting in line or negotiating a restaurant hostess, menus, or waiter. While you might witness this in Tomorrowland, it is neither futurism nor personalization based on past behaviors. Disney is using technology (no, not pixie dust) to replace the headaches common to a family vacation with serendipitous delights.¹ This magical relief for weary parents capitalizes on a new world order that we call post-digital where:

- › **Customers are entitled.** You know that customers have increasing power over your competitive strategy.² But now empowered customers also believe they deserve something. Paying through my smartphone? Too hard; I want to pay with my iWatch. Next-day shipping? Not soon enough; I want a drone to deliver my order immediately. And B2B customers have attitude too; 43% would switch providers for a lower price.³ Richard White, founder and CEO of UserVoice says most of us approach a brand experience asking, “What’s in it for me?”⁴
- › **The digital distinction has dissolved.** Calling out what is “digital” isn’t relevant, or even possible, when digital is part of everything. Fifty-nine percent of us use our mobile phones while shopping in a physical store.⁵ Twenty-two percent stream television programming to watch anywhere on any device.⁶ And more extreme examples abound. Korean consumers buy groceries via smartphone from interactive displays on subway station walls.⁷ Basketball fans have courtside seats to NBA games broadcast in virtual reality.⁸ Japanese retailer Uniqlo embeds images of individuals into digital signage as they pass by.⁹ “Smart” house paint can detect structural deficiencies with nanoscopic sensors.¹⁰
- › **Digital insights fuel business strategy.** With digital ubiquity, businesses gain more intimate access to customers and to digitally derived insights that aid business planning. Royal Caribbean uses wristbands to collect customer data to streamline embarkation, improve luggage handling, and offer above-and-beyond experiences. For example, a robotic bartender on board will mix your favorite cocktail based on previous drink orders.¹¹ Similar applications help across industries. Australian company Thies uses wearables to track the location, health, emotional state, and productivity of field workers. Based on data gathered through private label Fitbits, John Hancock optimizes insurance policy pricing.¹²
- › **Companies become customer-obsessed.** Another cue of the post-digital age: Technology budgets, business processes, product development and staff all reorganize in response to the age of the customer.¹³ Digital marketing mavericks give way to productive marketing/IT partnerships like at Pizza Hut, where the CIO and CMO collaborated on a mobile app with one-button ordering.¹⁴ Improved factory automation enables Nissan and Renault to customize all vehicles to buyer specifications.¹⁵ And Whirlpool’s appliances now replenish detergent directly from Amazon.¹⁶

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Marketing Is Stuck In The Last Century

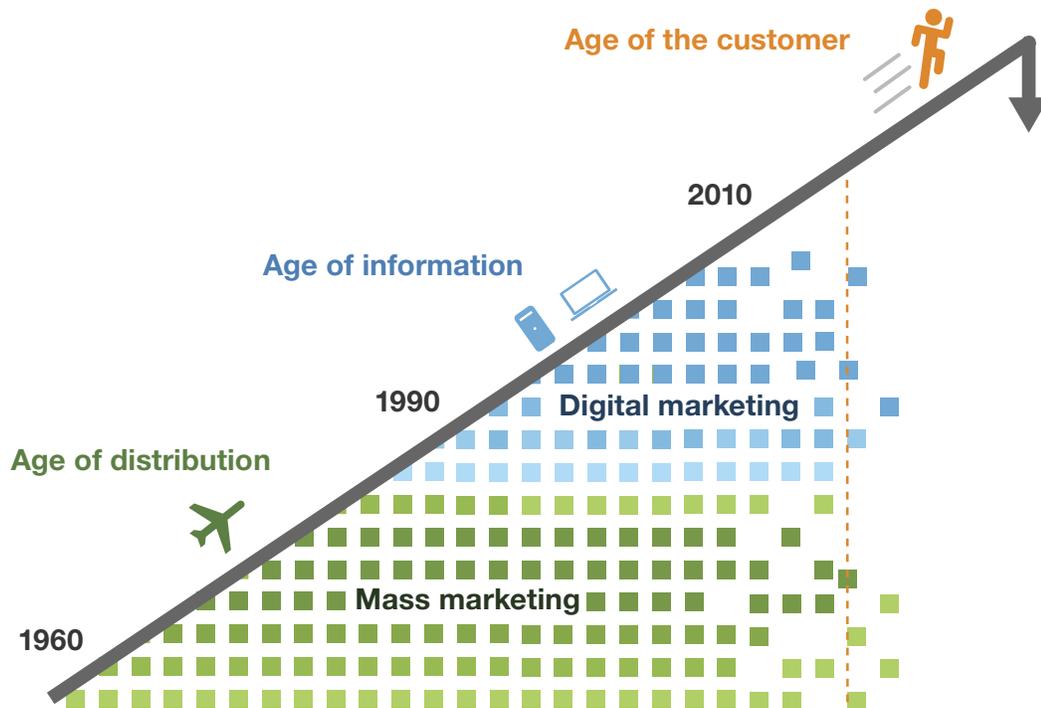
The post-digital future has arrived with its different customer behaviors, attitudes, and business practices. However, decades-old habits forged in the mass marketing era still undergird most marketing plans. Approaches that drove marketing success in years past just can't keep pace because they (see Figure 1):

- › **Chase bygone behaviors.** Methods developed for a pre-digital era actually undermine marketer goals today. For instance, a frequency-based media plan — which made sense when media only reached consumers during their morning commute or evening TV hour — now barrages people with ads and erodes brand trust.¹⁷ Messages designed to appeal to a “typical” customer — still the mainstay of campaigns despite the availability of smart targeting technologies — don't distinguish between loyalists and in-market prospects. And marketing budgets set around a traditional 90%/10% “working versus non-working” standard can't adequately fund needed investments in data and technology.¹⁸
- › **Amplify channel centrality.** Trae Clevenger, chief strategy officer of relationship marketing agency Ansira, explains that, “The digital age introduced us to the click-through which made the world very channel-focused in an attempt to measure everything.” But this priority can't meet customers' omnichannel demands, generates operational inefficiency, and engenders bad behavior — like optimizing the performance of one channel at the expense of long-term customer value. It also means hiring for specialized skills, which further promotes organizational silos and adds friction to customers' journeys. Clevenger expects that future marketers will be “less about ‘How do I use the Adobe Marketing Cloud?’ and more about ‘What do my customers need and how do I get it to them?’”
- › **Over-index on advertising.** Advertising is still the core concern for most marketers. Eighty-three percent of all marketing investment goes toward buying online and offline ads, even though the better approach is to create contextually relevant interactions across the customer life cycle.¹⁹ One brand strategist we interviewed describes a very common philosophy: “There is still this notion here that to go big you go to TV.”
- › **Promote a false sense of precision.** Data-driven digital marketing methods do make marketers more scientific than they could be in a pre-digital world. But tracking the consumer purchase path, attributing revenue to marketing interactions, and creating lookalike models doesn't make you perfect. The philosopher Heraclitus observed, “No man ever steps in the same river twice, for it's not the same river and he's not the same man.” Even your most predictive analytics are limited to the data you have about your customers and cannot account for all possible outcomes.²⁰
- › **Don't account for complex human nature.** Humans are irrational creatures, not predictable ones who will always respond how a model expects. As the vice president of acquisitions for a global insurance company explains, “Doing something based on an algorithm accounts for efficiency but not customer empathy.” Pre-digital methods rely on creative to evoke an emotional response from

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customers. Digital approaches try to predict those responses along a purchase path. However, neither of those approaches reduce decision stress, which is the key influence over what brands and products people choose.²¹

FIGURE 1 Marketing Today Is Out Of Sync With The Age Of The Customer

Change Your Marketing Mindset

Legacy marketing manners don't work anymore (see Figure 2). Eighty-eight percent of consumers say advertising has little to no influence on them when making purchase decisions.²² And 43% of marketers *still* don't know which digital marketing methods work for them.²³ Marketers need a new worldview, not more technology, nor a host of new processes. Stated simply: *Post-digital marketers do what they say.*

Three rules define the post-digital marketer's mindset (see Figure 3).

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FIGURE 2 A Post-Digital World Requires A Different Marketing Mindset

	Pre-digital	Digital	Post-digital
Purpose	To create one-way communications	To inspire interactive dialogs	To solve a customer need through an immersive brand experience
Scope of responsibility	Media management	Digital and mobile engagement	Every way a customer can experience a brand, including product, service and sales channels
Dimension of insights	Segment definition	Customer identity	Customer motivation
Insight sources	Third-party panels	Click and session activity	Contextual data
Technology outlooks	"I don't need technology."	"Technology supports marketing operations."	"Technology is integral to experience development."
Measurement goal	Brand awareness	Campaign results	Business impact

FIGURE 3 The New Rules Of Post-Digital Marketing



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1. Be Human

People today trust each other more than they trust institutions (see Figure 4). So when a brand demonstrates values similar to theirs, they notice. Andrea Reilly, CMO of Ally Financial, calls this having “the human element.” And it doesn’t come from creating a tear-jerker TV spot or personalizing some display ads. As Mike Mothner, the founder and CEO of Wpromote reminds us, “Customers today expect an incredible amount of transparency.” Post-digital marketers are:

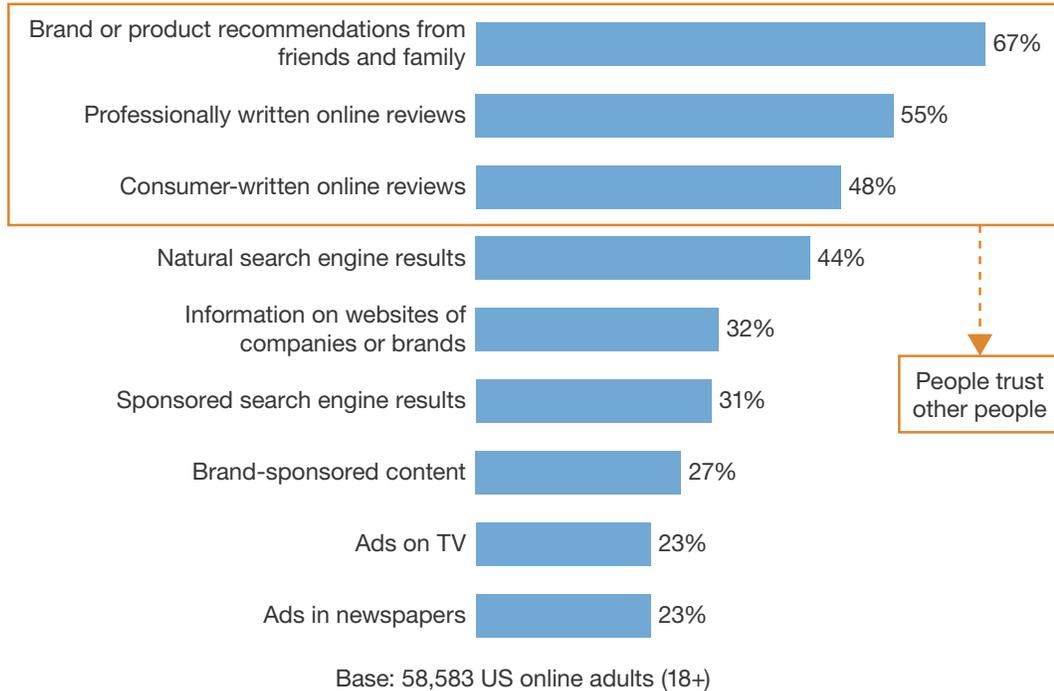
- › **Authentic.** We know, we know. The very definition of marketing means to position a brand in the best possible light, omitting details that might create a bad image. But today, customers care most about what is real — even if that asks brands to disclose their weaknesses. “Distrust is automatic if you are not authentic,” Wpromote’s Mothner summarizes. Audi exposes itself by answering customer questions and giving behind-the-scenes snapshots through social media. And KFC uses images of real customers instead of staged shots in ads.²⁴ This works, as Ansira’s Trae Clevenger explains, because when marketing is “authentic, it doesn’t feel like manipulation.” Chris Brandt, CMO of Taco Bell goes on: “[When brands] live and demonstrate [their] values, they win the hearts and minds of consumers, which builds sales overnight.”²⁵
- › **Empathetic.** Post-digital marketers remember that their customers are people, not targets or behavioral profiles. This means using data-driven methods to discern emotional state, not just a target audience. Smartphone biometrics can discern a stress level through heartrate. And sentiment analysis from listening platforms like NetBase can identify mood based on text analytics. But it also means caring about the irrational things that make people tick. Allegheny College customizes email messages to a prospective student’s specific application using the warmth and humor of a student tour guide.²⁶ And one Fortune 500 retailer sent hand-written thank-you notes to its best customers and earned \$16 more per month from them.²⁷
- › **Inclusive.** There is a reason you can’t toss that salad bowl you made in 8th grade pottery class; we all feel more connected to things we’ve built ourselves. Life coach and pundit Jonathan Mead applies this tendency to marketing: “The more people feel like they’ve been included in every step of the process, the more likely they are to feel a sense of attachment to what you’re creating.”²⁸ Taco Bell applies a “create, co-create, curate” strategy to its content marketing. *Co-create* includes content created with consumers and *curate* shows off user-generated content.

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FIGURE 4 Consumers Trust Each Other The Most

“To what extent do you trust each of the following types of advertising/promotion?”
 (4 or 5 on a scale on a scale of 1 [do not trust at all] to 5 [completely trust])



Note: Not all results are shown.

Source: Forrester’s North American Consumer Technographics Online Benchmark Survey (Part 1), 2014

2. Be Helpful

Wade Sugiyama, manager of brand strategy and development for T-Mobile finds that, “Marketing becomes invisible when it solves a pain that a customer wants solved.” We agree. But “this isn’t a magic trick: just hide the marketing,” as Wpromote’s Mike Mothner reminds. Post-digital marketers focus on solving customer problems rather than on hawking product. In the words of Michael McLaren, CEO of digital agency MRM//McCann: “Brands should stop making people want things, and start making more of those things people want and care about.” To do this:

- › **Adopt a “doer” demeanor.** Don’t think of marketing as just a communications bureau. In the post-digital world, marketers become internal disruptors, consistently rethinking business efforts to better meet user needs. Case in point: marketers for paint manufacturer Dulux worked with MRM Meteorite to successfully blend interactive tools, video, and in-person consultations into an interior design service called Amazing Spaces that inspires and supports DIYers while also boosting paint sales.²⁹

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- › **Build useful experiences.** Part of the doer demeanor means that post-digital marketers actually co-create utilities with product and customer experience teams.³⁰ Because as Mike Mothner explains, “In the past you could overcome a [poor] product with fabulous marketing. Today that’s harder and harder to do.” T3 encourages marketing leaders to ask, “How can we best solve for a customer need?” even if the solution is outside of current capabilities. And always presume the possible. To really make good on its promise to “make athletes better,” Under Armour had to offer more than just workout clothes. Now the second-largest sports apparel brand is also the world’s biggest fitness platform. It acquired app environments MyFitnessPal and Endomondo among others and now has 160 million people accessing its customized nutrition and training plans.³¹
- › **Account for your brand promise.** As Aaron Stenhoff, the vice president of marketing and digital for Red Roof Inn, explains, “It is up to marketing to deliver against the brand promise,” no matter where that brand promise is showcased. Your post-digital CMO is onboard with this.³² But it might mean adjusting your day-to-day tasks. For example, Stenhoff works with the design and construction team to align hotel room design with customer insights. In his words, “If I’m going to say this is who we are, then I better make darn sure that this is actually who we are.”

3. Be Handy

Post-digital marketers are deft, agile, and dexterous and they represent the characteristics central to Forrester’s customer-obsessed operating model.³³ They work as Imran Haque of animal pharmaceutical company Zoetis does, believing that good marketing “is not about digital or not digital. It is about taking a lean approach to get things done better.” They are flexible enough to:

- › **Cooperate productively.** Digital marketers promote fiefdoms. One interviewee recounted conflict between store operations and eCommerce for “stealing each other’s business.” In contrast, post-digital marketers work across departments in the best interest of customers. For example, General Motors collaboratively created a customer journey map to guide strategies for its various customer-facing teams. For global wine and spirits company Constellation Brands, the IT, sales, and marketing functions are co-sponsoring a new technology innovation center. And La Caixa funds innovation through departmental budgets and prioritizes ideas from any group based on perceived value to the customer, not traditional ROI metrics.
- › **Thrive in dynamic market conditions.** Prepare yourself for what’s next by: 1) hiring people with the drive to tackle new challenges as they emerge; 2) tearing down channel boundaries; and 3) continuing education. For the global insurance company we interviewed, this means interviewing for attitude over digital aptitude. It also means adopting connected — not siloed — planning approaches, often an easier feat for smaller companies. For instance, The Singapore Red Cross readily launched a peer-to-peer blood donor effort in part because it didn’t have legacy functions resisting the new try. And post-digital marketers invest in education and inspiration.³⁴ Jeff Charney, the CMO of Progressive, even recommends firing yourself (metaphorically) every 18 months to stave off complacency.³⁵

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- › **Accommodate dynamic user needs.** Post-digital marketers combine profile data with customer and business context in order to account for irrational influences over how we choose — like social situation or stress level. Gradually, one-to-one marketing will give way to one-to-moment, where marketers prime influencers or forge favorable conditions in a moment of need, rather than just to push a relevant promotion. This creates a value exchange between you and your customers — a key concept behind contextual marketing.³⁶ Gatorade has taken steps toward this already. Its new “smart cap” bottles pace an athlete’s rehydration based on detected sweat levels.³⁷

Determine Your Path To Post-Digital

We know what you’re thinking: “I’ve not mastered digital yet. How can I possibly become post-digital?” The key to post-digital transformation is to embrace all three of the new rules — be human, be helpful, and be handy — together, no matter how good (or bad) you are at digital execution today and no matter how much you want to prioritize one rule over another (see Figure 5). Of course the nature of your customers or competitive set may mean you have to ace some digital marketing tactics, too. For example, McDonald’s uses Instagram to connect across languages and geographies.³⁸ But a post-digital marketer prioritizes the three H’s in order to increase her digital sophistication. Consider that Amazon’s order of operations is to understand the human condition first and then work to insert its products and services into user processes, problems, or needs.³⁹

FIGURE 5 Don’t Apply One Rule Without The Others

If you emphasize	Without	You risk
Being human	Being helpful or handy	Your brand identity or long-term business goals to chase customer whims
Being helpful	Being human or handy	Creating customer experiences that are not tethered to brand or operational goals
Being handy	Being human or helpful	Operational efficiency that is not customer-obsessed

Two Dimensions Determine Your Pace Toward Post-Digital

The post-digital mindset should become your new normal no matter your industry, business model, or target customer. Your path forward must closely align with your company’s journey toward a customer-obsessed operating model.⁴⁰ As a leader in the marketing organization, the pace and specifics of your post-digital marketing pursuit depends on two factors (see Figure 6).

1. **Urgency.** How immediately you should prioritize a post-digital mindset at your firm depends on: 1) customer behavior — how aggressively your customers integrate digital into their life tasks and physical behaviors; 2) freedom of customer choice in your industry — the more freely

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customers can choose among competing providers, the more differentiating customer-obsessed experiences will be; and 3) market dynamics — how disrupted your industry is and how customer-obsessed your competitors already are.⁴¹ For example, MassMutual determined that connecting with hyperadoptive Millennials was an urgent priority and invested \$100 million in its Society of Grownups — a post-digital initiative that integrates physical spaces, digital tools, events, advisors, and community to make retirement planning relevant to young adults.⁴²

2. **Capability.** Some business cultures, structures, regulatory environments, and processes make marketers less able to change than others, even when facing an urgent need. You likely already know if your firm tolerates measured risk or not. But this is more about the marketing capabilities you can control than about overall corporate limitations that may be outside of your influence. Specifically evaluate your: 1) customer insight chops — without customer insights, efforts to be human will misfire; 2) customer experience aptitude — marketers with no customer experience emphasis will struggle to be helpful; and 3) collaboration with IT — it will be impossible to be handy without a bridge between marketing and technology.

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FIGURE 6 Urgency And Capability Determine How Immediate A Priority Post-Digital Marketing Should Be

		Examples		Available Forrester tools
		Low urgency	High urgency	
Urgency	Determining factors Customer behavior How do your customers use digital to manage life tasks or physical behaviors?	Novartis Siemens Dow	General Motors Bank of America Under Armour Starwood Hotels	Forrester's Consumer Technographics® Data
	Freedom of customer choice Is it possible and practical for your customers to easily switch providers?			Forrester's Customer Experience Ecosystem Playbook
	Competitor strategy How customer-obsessed are your peers?			Forrester's Customer Experience Index (CX Index™)
	Industry disruption How aggressively has digital transformed the economics in your market?			Forrester's Business Technographics Data
		Low ability	High ability	
Capability	Digital maturity How advanced is your approach to digital culture, organization, insights, and technology?	United Airlines Morgan Stanley Freddie Mac	Nordstrom Staples Allstate Whirlpool Ally Financial	Forrester's Digital Maturity Model
	Risk tolerance How willing are you to take measured risks in order to improve?			

Plot Yourself To Determine Your Road Map

Marketers should pursue different action plans depending on how immediately they can and should move toward post-digital marketing (see Figure 7). And no matter which of the following action plans you take, be sure to incorporate the four operating principals of Forrester's model for customer-obsessed organizations.⁴³

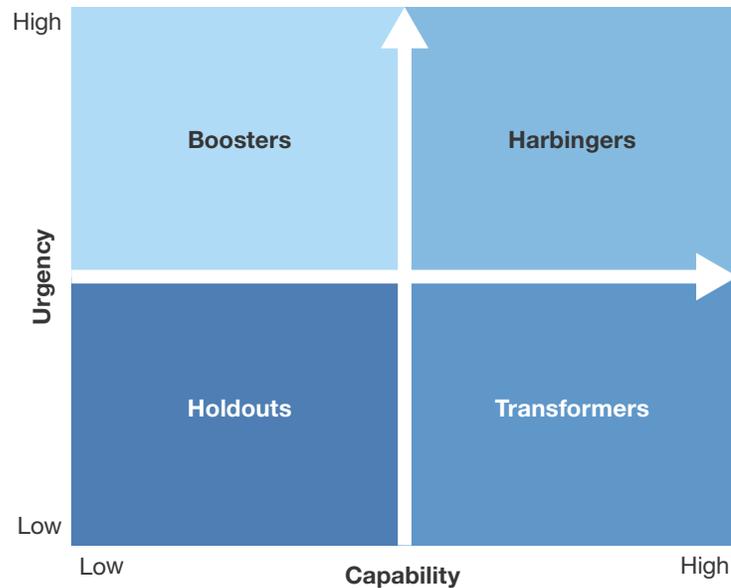
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- › **Holdouts: Mature with digital.** Marketers with less entitled customers that also can't enact immediate change should sharpen their digital IQ by improving systems and insights. But don't get bogged down by digital program-level details. Imran Haque of Zoetis warns, "If you get in the mindset of 'We haven't mastered digital so we have to work through these 18 steps,' that isn't productive." Advanced digital marketers actually develop post-digital tendencies like collaborating with IT and integrating digital and physical touchpoints.⁴⁴
- › **Boosters: Identify your sticking point.** Being incapable of transforming immediately is perhaps the most challenging position from which to approach post-digital marketing. Marketers in this situation should look for quick wins while also evaluating their approaches to culture, organization, insights, and technology to unlock sources of paralysis.⁴⁵ For example, facing competition from small, nimble disruptors, General Motors turned its size into an advantage. It supports 122 countries through a single web platform, and sponsors university innovation labs for brand equity, talent sourcing, and engineering advances.⁴⁶
- › **Transformers: Go post-digital now.** Marketers with the ability to adopt the post-digital rules should do so even if they don't need to posthaste. This is in order to 1) continually re-appeal to entitled customers' hyperadoptive urges and 2) out-develop competitors who are trying to do the same thing. Apply branding best practices and innovate the adjacent possible in order to be a "big bang disruptor."⁴⁷ T3 finds that the most useful brands are ones that commit R&D budget to making marketing experiences functional and friendly.⁴⁸
- › **Harbingers: Develop on-brand experiences.** Develop innovative post-digital concepts that are on-brand even when your urgency and ability makes you feel inclined to adventure. For example, Pepsi's Lenny Kravitz-inspired New York City bar might not wholly mesh with the Pepsi brand, while Netflix filters all innovations against how well they deliver against company values of selflessness and reliability.⁴⁹ The latter's newest venture — developed in partnership with Volvo — curates video content based on car analytics, like distance from home and who is along for the ride.⁵⁰

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FIGURE 7 Your Position Determines Your Action Plan**Recommendations****Shift To Post-Digital No Matter What**

Every marketer — no matter what quadrant you align with or how fleetly you assume a post-digital mindset — should adopt these recommendations immediately.

- › **Break quantitative and qualitative boundaries.** Traditional marketers fear that data destroys the creativity of marketing, while data scientists are blind to the fact that data doesn't tell a complete story. And most marketers start their planning by asking "How can I build a [fill in the blank] campaign to target a specific audience?" rather than "How can I get a particular customer what she needs?" The better approach combines an insights-driven understanding with a human element. Do this by putting your customer journey map at the center of your marketing planning. For example, golf venue Topgolf identified ways to reduce wait time by merging complaint and customer satisfaction insights from voice-of-the-customer surveys and ethnographic research.⁵¹
- › **Hire anthropologists to complement your data scientists.** You have our permission to deprioritize hiring for deep analytical chops (phew!). Your most valuable next crop of marketers should actually have human factor backgrounds, like psychology or behavioral economics, which are critical for helping you relate to *people*, not *targets*. Adidas, Google, and Microsoft already know that social scientists can arrive at customer insights that big data tends to gloss over.⁵²

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- › **Prioritize collaboration over org structure.** No single marketing organizational structure solves for all company cultures or strategic limitations. So break down your channel-centric organizational boundaries but don't spin your wheels trying to find a "perfect" org model to adopt instead. Companies who are nimble enough to accommodate dynamic market changes do so by streamlining processes, improving communication, and enabling frictionless cooperation, regardless of their organizational structure. For example, Capital One 360 found that aligning goals created better performance than structuring all digital staff into a center of excellence.⁵³

What It Means

A New Mindset Modulates Market Dynamics

As marketers apply the new rules of the post-digital world, the downstream impact will change customer experiences, agency relationships, and the media industry.

- › **Algorithms become customer-obsessed.** A key element of any human relationship is free will. Even in an era where machine learning accurately prescribes offers, content, and products that suit our habits, we still crave the liberty to choose what we like.⁵⁴ Marketers who understand this will forgo self-interests and forge partnerships with internal and external technology partners to use machine learning that works in the best interest of customers. The result? Jarno M. Koponen, the cofounder of media start up Random, calls for the introduction of algorithmic angels that expose diverse options to customers, shield them from surveillance, and prevent manipulative behavioral loops.⁵⁵ Customer-obsessed companies like money manager Mint will be the first to see from this effort that counter-intuitive marketing practices done in the best interest of the customer — like suppressing offers to someone trying to spend less — actually cement long-term loyalty.
- › **The customer engagement agency emerges (at last).** No doubt about it: Media agencies built on negotiating scale-based buys over martinis don't work today.⁵⁶ Post-digital marketers have another need: learning how to integrate an ad intentionally into a contextually relevant interaction. This application of media requires a data-savvy partner who is equally good at customer analytics as at customer journey mapping and product strategy. We call for a reprise of the customer engagement agency (CEA) — an opportunistic evolution of customer insights services firms and digital agencies that since 2012 failed to emerge because of marketer and vendor immaturity.⁵⁷ Agencies who ran toward the CEA construct — like Ogilvy, Rapp, and Wunderman — will find post-digital marketers finally operationally able to integrate insights, creative, media, and even product development.
- › **Competition for the Pulitzer increases.** Traditional mass media budgets will decline as post-digital marketers reallocate advertising investments into integrated brand experiences. Brands like Nike and Starbucks already paved this path.⁵⁸ Widespread adoption of these tactics by post-digital marketers, coupled with rampant ad blocking, will force further media industry consolidation. So, all of you Citizen Kanes out there, get ready for a return to just a handful of media giants that will

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differentiate based on journalistic integrity and data acumen. Already Jeff Bezos has doubled down on reporting and tech talent at the Washington Post.⁵⁹ Required investment to support better, original reporting will squeeze out smaller pubs like Mashable and Nylon. But increased opportunity will woo top writers back to a journalism track, leading to harder-hitting content.

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Supplemental Material

Companies Interviewed For This Report

360i

Ally Financial

Ameriprise Financial

Ansira

Betfair

Chipotle

Constellation Brands

General Motors

Home Shopping Network

InterContinental Hotels Group

MRM//McCann

Oscar Mayer

R/GA

Rapp

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Red Roof Inn	T3
Roche Diagnostics	Under Armour
Samsung	Wpromote
Sirva	Xerox
T-Mobile	Zoetis

Endnotes

- ¹ Wired profiles the mechanics (and experiences) of Disney's MagicBand investment. Source: Cliff Kuang, "Disney's \$1 Billion Bet on a Magical Wristband," Wired, March 10, 2015 (<http://www.wired.com/2015/03/disney-magicband/>).
- ² We have entered a 20-year business cycle in which the most successful enterprises will reinvent themselves to systematically understand and serve increasingly powerful customers. See the "[Winning In The Age Of The Customer](#)" Forrester report.
- ³ When asked "If another site sold the same products at a lower price, would you purchase those products from the less expensive site, despite loyalty to your current supplier?" 43% of business marketers said yes. Source: Forrester/Internet Retailer Q2 2014 Global B2B Buy-Side Online Survey.
- ⁴ White shares more of his thoughts on the era of the entitled customer here. Source: Richard White, "The Era of the Entitled Customer and the Future of Customer Engagement," UserVoice Blog (<https://community.uservoice.com/blog/the-era-of-the-entitled-customer-and-the-future-of-customer-engagement/>).
- ⁵ Fifty-nine percent of US online adults who use a mobile phone report recently using their phone while shopping in a physical store. "Recently" here means within the past three months of when the respondent was surveyed. Source: Forrester's North American Consumer Technographics® Retail Survey, 2015.
- ⁶ One in five — 22% — of people who are subscribed to TV services (cable, satellite, fiber, etc.) watch live TV streams on a device other than their TV (desktop, laptop, tablet, or mobile). Source: Forrester's North American Consumer Technographics Media And Advertising Online Benchmark Recontact Survey, 2015.
- ⁷ Tesco's "virtual stores" in South Korea are an attempt to help the tech-savvy and ultra-busy shop while they are on the go. Source: Martin Petit de Meurville, Kimberley Pham, and Courtney Trine, "Shop on the Go," Business Today, February 15, 2015 (<http://www.businesstoday.in/magazine/lbs-case-study/case-study-tesco-virtually-created-new-market-based-on-country-lifestyle/story/214998.html>).
- ⁸ Courtside seats for everyone? Read more to see how the NBA is using virtual reality to makes this happen. Source: Jessica Golden, "NBA to broadcast first live pro sports event in virtual reality," CNBC, October 27, 2015 (<http://www.cnbc.com/2015/10/26/nba-to-broadcast-first-live-pro-sports-event-in-virtual-reality.html>).
- ⁹ Digital signage and displays have grown from unidirectional digital displays to newer forms like kiosks, collaboration display walls, and magic mirrors that are closely tied to customer-centric strategies. In one illustration of this, Japanese retailer Uniqlo created a campaign in its Chinese stores using the mobile social media service, WeChat, and a magic mirror display that captures the image of the viewer and adds digital content. See the "[The Digital Signage And Display Opportunity In 2016](#)" Forrester report.
- ¹⁰ Even the walls have eyes! Ok, not really eyes. But nanotechnology does make it possible for paint to sense changes in the structures it's on. Source: Donald Melanson, "Nanotech-enhanced 'smart paint' promises to detect structural damage," Engadget, January 30, 2012 (<http://www.engadget.com/2012/01/30/nanotech-enhanced-smart-paint-promises-to-detect-structural-da/>).

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- ¹¹ Royal Caribbean International's "smart ship," Quantum of the Seas, made its maiden voyage on November 2, 2014. It was built from the ground up, including the latest and greatest technologies from the worlds of internet of things (IoT) and wearables. See the "[Bridge The Broken Internet-Of-Things Promise](#)" Forrester report.
- ¹² Customers can earn up to a 15% discount each month that they use a John Hancock-provided Fitbit device — as long as the customer shares the data with the firm. This mechanism not only allows John Hancock to verify the customer's healthy behaviors but also gives the company incredibly valuable data that it can use to further improve its understanding of customers' lifespans — the bread and butter of a life insurance company. See the "[Five Key Truths About Wearables That Every Leader Should Know](#)" Forrester report.
- ¹³ A customer-obsessed enterprise focuses its strategy, operations, and budget to enhance its knowledge of and engagement with customers. See the "[The Operating Model For Customer Obsession](#)" Forrester report.
- ¹⁴ CIOs thus play two crucial roles on insights teams: operate the digital insights architecture technologies and contribute developers and technical talent. At Pizza Hut, for example, the CIO and CMO worked together with mobile, loyalty, and point-of-sale data to implement a mobile app with one-button ordering. See the "[Digital Insights Are The New Currency Of Business](#)" Forrester report.
- ¹⁵ The Alliance Integrated Manufacturing System (AIMS) partnership leverages factory automation to allow Nissan and Renault to build 100% of their vehicles customized to buyer specifications. See the "[Unleash Your Digital Business](#)" Forrester report.
- ¹⁶ Whirlpool featured its smart appliances at CES this year. Source: Whirlpool (<http://ces.whirlpool.com/>).
- ¹⁷ Source: Greg Nelson, "Marketers: Don't Let Your Digital Ads be Like 'Groundhog Day,'" AdvertisingAge, February 2, 2015 (<http://adage.com/article/digitalnext/digital-ads-groundhog-day/296913/>).
- ¹⁸ In the language of marketing budgets, "working dollars" are spend that generates paid ad impressions. "Non-working dollars" are funds that are used to create the marketing and advertising itself. This includes agency fees, production costs, and software. Source: Bob Gilbreath, "Working Vs Non-Working In A New Media World," Ahalogy blog, December 21, 2015 (<https://www.ahalogy.com/blog/working-vs-non-working-in-a-new-media-world>).
- ¹⁹ Context is the new remit for marketers. See the "[The Power Of Customer Context](#)" Forrester report.
- Forrester Research Online Display Advertising Forecast, 2016 To 2021 (US) forecasts spend in offline media including broadcast TV, cable TV, radio, newspapers, magazines, yellow pages, and direct mail. Forrester Data Mobile Advertising Forecast, 2016 To 2021 (US) forecasts spend in display media, search marketing, and social media. Forrester Research Email Marketing Forecast, 2015 To 2020 (US) forecasts email marketing spend. From this data we calculate that 83% of all marketing investment goes toward media.
- ²⁰ The availability of data and relative ease of marketing measurement today create a false sense of precision. Let's face it: Even your most predictive analytics are limited to the data you have about your customers, and they cannot account for all possible outcomes. Alex Batchelor, chief operating officer of behavioral science research firm BrainJuicer, reminds us, "We are heavily influenced in ways we don't understand and can't predict." See the "[How People Choose](#)" Forrester report.
- ²¹ Marketers should work to reduce decision stress, not to coerce a transaction. See the "[How People Choose](#)" Forrester report.
- ²² Source: "Who's Most Useful Of Them All?" T3 (<http://www.t-3.com/useful-brands/>).
- ²³ In a survey conducted in partnership with DMNews, 43% of B2C marketers indicated they were "still experimenting" with digital. See the "[2015: The Year Of The Big Digital Shift](#)" Forrester report.
- ²⁴ Digiday interviews marketing executives to see how brands are embracing "authenticity" in their marketing. Source: Giselle Abramovich, "What is 'Authenticity' in Marketing?" Digiday, February 20, 2013 (<http://digiday.com/brands/what-is-authenticity-in-marketing/>).

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- ²⁵ Learn more about Taco Bell and other brands' perspective on how marketing will evolve in the next five years. Source: Jeff Beer, "25 Predictions For What Marketing Will Look Like in 2020," Co. Create, March 4, 2015 (<http://www.fastcocreate.com/3043109/sector-forecasting/25-predictions-for-what-marketing-will-look-like-in-2020>).
- ²⁶ This example is one of many in this IBM article. Source: "10 Key Marketing Trends for 2016," IBM (<http://www.silverpop.com/marketing-resources/white-papers/all/2015/2016-marketing-trends/>).
- ²⁷ The company, Bond, automates the production of handwritten notes. The New York Times features this firm. Source: Eilene Zimmerman, "A Handwritten Card, Signed and Sealed by the Latest Technology," The New York Times, December 16, 2015 (http://www.nytimes.com/2015/12/17/business/smallbusiness/a-handwritten-card-signed-and-sealed-by-the-latest-technology.html?_r=0).
- ²⁸ Jonathan Mead expands on the notion of invisible marketing. Source: Jonathan Mead, "The Art of Invisible Marketing," LKR Social Media, October 20, 2011 (<http://lkrsocialmedia.com/2011/10/the-art-of-invisible-marketing/>).
- ²⁹ Dulux worked with MRM Meteorite to design Amazing Spaces, a new customer-focused brand strategy that will now dictate the company's business model. Source: Natalie Mortimer, "Dulux to create new business model with Amazing Space interior design service," The Drum, November 27, 2015 (<http://www.thedrum.com/news/2015/11/27/dulux-create-new-business-model-amazing-space-interior-design-service>).
- ³⁰ Utility — becoming visibly and functionally useful to your customers — is at the heart of contextual marketing. See the "[Create Marketing Your Customers Can Use](#)" Forrester report.
- ³¹ Under Armour has made significant investment into demonstrating its brand promise. These articles dive deeper into the details about its mobile applications and development of smart apparel. Source: Parmy Olson, "Silicon Valley's Latest Threat: Under Armour," Forbes, September 30, 2015 (<http://www.forbes.com/sites/parmyolson/2015/09/30/kevin-plank-under-armour-apps-technology/#6fee2c894b25>) and Kurt Badenhausen, "Under Armour Launches Portfolio Of Connected Fitness Products At CES," Forbes, January 5, 2016 (<http://www.forbes.com/sites/kurtbadenhausen/2016/01/05/under-armour-launches-portfolio-of-digital-fitness-products-at-ces/#6ee3ccb23e57>).
- ³² The CMO should be responsible for the entire customer life cycle. See the "[The Customer Life Cycle: A Blueprint For Customer-Obsessed Enterprises](#)" Forrester report.
- ³³ Companies that embrace the customer obsessed operating model are customer-led, insights-driven, fast, and connected. See the "[The Operating Model For Customer Obsession](#)" Forrester report.
- ³⁴ Leverage a three-stage cycle — attract, nurture, activate — to find and retain great talent while also building relationships that will yield fruit for you even after an employee moves on. See the "[How To Hire And Retain The Best Interactive Marketers](#)" Forrester report.
- ³⁵ Charney presented at the 2015 ANA Masters conference. Source: "#ANAMasters," Twitter (<https://twitter.com/hashtag/ANAMasters?src=hash>).
- ³⁶ Context is the new remit for marketers. See the "[The Power Of Customer Context](#)" Forrester report.
- ³⁷ Gatorade is looking to push out "smart cap" bottles that can understand how each individual consumer is hydrating. The company is looking to push beyond being just a sports drink brand to be better partners for its athletes and consumers. Source: Jeff Beer, "How Gatorade Plans To Reinvent Sports Drinks—Again," Fast Company, January 11, 2016 (<http://www.fastcompany.com/3054919/tech-forecast/gatorade-gets-in-the-game>).
- ³⁸ For its global World Cup campaign, McDonald's found that visuals spoke to everyone, regardless of their nationality. Source: "The New Universal Language," Facebook IQ, January 7, 2015 (<http://insights.fb.com/2015/01/07/new-universal-language/>).

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- ³⁹ Bezos has grown his enterprise by being notoriously customer-obsessed and turning convention on its head. For example, at its Amazon Books prototype store, books are shelved facing out to be easier for shoppers to browse, rather than sideways which would store more books. See more about how Bezos infuses a customer-first orientation into all of his businesses in this article. Source: Adam Lashinsky, “Bezos Prime,” *Fortune*, April 1, 2016 (<http://fortune.com/amazon-jeff-bezos-prime/>).
- ⁴⁰ Your firm’s journey to customer obsession cannot be the responsibility of just one function. It requires commitment from every part of the organization. See the “[The Operating Model For Customer Obsession](#)” Forrester report.
- ⁴¹ It’s not always possible or practical for customers to switch providers. Factors ranging from geography (like a town with one cable provider) to contractual obligation (employer-sponsored health plans) can leave consumers with just one choice: Take it or leave it. In these cases, it doesn’t matter whether unsatisfied customers want to abandon their current relationship — they’re trapped. At the other end of the spectrum, online customers who shop or make personal investments have near-infinite freedom to switch retailers or investment firms quickly and easily. See the “[Does Customer Experience Really Drive Business Success?](#)” Forrester report.
- ⁴² The authors of this report feel like a “master’s program in how to be an adult” would have come in very helpful during our own transitions into real life. Mass Mutual is on to something. Source: Samantha Sharf, “Society Of Grownups’ Secures \$100 Million Infusion To Get Millennials Around The U.S. Talking Money,” *Forbes*, October 15, 2015 (<http://www.forbes.com/sites/samanthasharf/2015/10/15/society-of-grownups-secures-100-million-infusion-to-get-millennials-around-the-u-s-talking-money/#f016b265682a>).
- ⁴³ The four operational principles of the customer-obsessed operating model emphasize the need for companies to be: customer-led, insights-driven, fast, and connected. See the “[The Operating Model For Customer Obsession](#)” Forrester report and see the “[Leadership In The Age Of The Customer](#)” Forrester report.
- ⁴⁴ Differentiators — the most advanced digital businesses — actually blend digital and physical experiences. See the “[The Digital Maturity Model 4.0](#)” Forrester report.
- ⁴⁵ Digital maturity comes from advancing along four dimensions culture, organization, technology, and insights. See the “[The Digital Maturity Model 4.0](#)” Forrester report.
- ⁴⁶ The General Motors Foundation gave more than \$2.8 million in 2015 to support 31 universities and organizations across the country through its University/Organization Partner Program. Source: “GM University Partner Program,” *The Luxonomist*, December 31, 2015 (<http://www.theluxonomist.es/2015/12/31/gm-university-partner-program/the-luxonomist?lang=en>).
- ⁴⁷ The term “adjacent possible” comes from evolutionary biology. Biology theorist Stuart Kauffman points out the seemingly obvious fact that evolution can only produce its most complex innovations, such as eyeballs and wings, by first experimenting with more adjacent possibilities. By Kauffman’s definition, an adjacent possibility is a stable next stage in evolution or innovation that can act as a segue to the next adjacent possibility. These adjacencies are usually not linear or even obvious. Yet, accumulated over time, they lead to things like sight and flight — some of the biggest innovations ever attempted. See the “[Innovating The Adjacent Possible](#)” Forrester report.
- For more on Inc.com’s take on becoming a disruptor, read this article. Source: Issie Lapowsky, “7 Steps to Becoming a Big Bang Disruptor,” Inc., January 7, 2014 (<http://www.inc.com/issie-lapowsky/7-steps-becoming-big-bang-disruptor.html>).
- ⁴⁸ Source: “Who’s Most Useful Of Them All?” T3 (<http://www.t-3.com/useful-brands/>).
- ⁴⁹ The danger for a big, mainstream brand like Pepsi creating a night club is that it might look more like a dad at a high school party than a member of the cool kids club. Source: Sydney Ember, “Pepsi Turns Restaurateur, to Serve Up Some Buzz,” *The New York Times*, January 28, 2016 (<http://www.nytimes.com/2016/01/29/business/media/pepsi-turns-restaurateur-to-serve-up-some-buzz.html>).

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- ⁵⁰ Netflix and Volvo have a vision for pushing the boundaries on streaming everywhere, at any time. Source: Jordan Golson, “Volvo wants you to Netflix and drive,” The Verge, January 4, 2016 (<http://www.theverge.com/2016/1/4/10708854/volvo-ericsson-concept-26-autonomous-video-streaming-ces-2016>).
- ⁵¹ Journey analytics helps companies combine quantitative and qualitative data to optimize customer interactions and predict future behaviors. See the “[Drive Customer Obsession With Journey Analytics](#)” Forrester report.
- ⁵² Companies should be desperate to hire anthropologists. Source: Drake Baer, “Here’s Why Companies Are Desperate To Hire Anthropologists,” Business Insider, March 27, 2014 (<http://www.businessinsider.com/heres-why-companies-aredesperateto-hireanthropologists-2014-3>).
- ⁵³ Darren Mahoney, a marketing manager for ING Bank — now Capital One 360 — agrees that collaboration is key to customer obsession. He finds that “it doesn’t matter where people live as long as those who care about digital are aligned around common goals.” See the “[How To Organize For The Digital Future](#)” Forrester report.
- ⁵⁴ Marketers love personalization because it applies big data technologies to scale one-to-one communications. But two things upset the one-to-one future: 1) External factors, particularly friends and family, weigh heavily in decisions and 2) hyperadaptive consumers become numb to routine offerings, even relevant ones. We think personalization tools can help marketers pull this off by scaling from one-to-one marketing to one-to-moment marketing. Expect MyBuys or RichRelevance to develop advanced solutions that can prime influencers and determine the right context for the exponential number of moments that are critical to an individual’s decisions. See the “[How People Choose](#)” Forrester report.
- ⁵⁵ This article further outlines Koponen’s theory of Algorithmic angels and how personal algorithms should be on our side, helping us navigate digital and physical environments. Source: Jarno M. Koponen, “We Need Algorithmic Angels,” TechCrunch, April 18, 2015 (<http://techcrunch.com/2015/04/18/we-need-algorithmic-angels/>).
- ⁵⁶ Media agencies have faced a number of recent strikes. See the “[The Power Of Customer Context](#)” Forrester report.
- ⁵⁷ In 2012, we defined the customer engagement agency (CEA) as firms that help their clients marry data, analytics, marketing strategy, and customer experience to improve the organization’s profitability. But this definition proved too broad and also not something that marketers had the data or organizational structure to use effectively. See the “[The Forrester Wave™: Customer Insights Services Providers, Q4 2015](#)” Forrester report.
- ⁵⁸ Nike dropped mass media spend in the US by 40% in the three years ending in 2012 and now splits it’s more than \$3 billion demand creation budget across several investments. Starbucks rose to become the No. 3 fast-serve food company in by 2011 despite being dwarfed in ad-spend by competitors as documented by Ad Age. See the “[The Power Of Customer Context](#)” Forrester report.
- ⁵⁹ Bezos infuses a customer-first orientation into all of his businesses. Source: Joe Nocera, “Jeff Bezos and the Amazon Way,” The New York Times, August 21, 2015 (<http://www.nytimes.com/2015/08/22/opinion/joe-nocera-jeff-bezos-and-the-amazon-way.html>).

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