

THE EMERGING CHIEF DIGITAL OFFICER

Who is Responsible for the Digital Consumer Experience?

By Olivier Naimi

Digital marketing has become the primary marketing vehicle for many companies, large and small. As consumers continue to adopt an "always-on" lifestyle with little downtime from their digital devices, organizations face mounting challenges to reach their audiences across multiple digital mediums.



Taking the crown from traditional marketing, digital media has outpaced print media in reach, impact, speed, and spending. All this has happened in less than two decades. The year 2012 will be a watershed, as for the first time in history, spending on digital marketing will exceed that of print marketing. Here are a few more interesting facts that underscore the significance of digital media growth:

- *According to recent eMarketer estimates, US online ad spending will reach \$39.5 billion in 2012, exceeding the total spent on print magazines and newspapers (\$33.8 billion) for the first time.*
- *According to Forrester Research, Inc., worldwide spending on online advertising will increase to \$125.2 billion by 2014, and US interactive marketing spending will reach \$76 billion in 2016.*

These figures clearly reflect companies shifting budgets away from traditional marketing to digital channels. However, this fundamental shift has yet to be reflected within the corporate structure of most large enterprises. It's time for a Chief Digital Officer position to be added to the C-suite.

Evolution of Various CxO Roles

With the emergence of new technologies and the enormous amount of data being generated within companies, the role of a CTO emerged to address the data management needs, while the CIO position evolved out of the necessity to manage larger data sets,

spread across extensive networks. More recently, the predominance of digital commerce and online operations has led to the addition of the CSO (Chief Security Officer) position in order to mitigate threats to customer data that have intensified as a side effect of the digital lifestyle.

Now, the digital revolution has made it necessary for a domain expert to lead an organization's digital presence. In order to drive digital transformation to support business objectives through technology, leading organizations should be actively incorporating the Chief Digital Officer (CDO) as a complementary role in the C-suite.

The CDO is the Key

The CDO is responsible for digital consumer experiences across all business touch points. The success of your digital marketing initiatives (and in many cases your entire business model) will depend on the willingness of your organization to embrace digital capabilities, adapting them into your core structure and culture. To cross the proverbial digital bridge, organizations must have a clear strategy for digital to promote symbiotic interactions with customers and meet the following expectations:

The Unification of Digital Initiatives

The CDO supervises all aspects of digital media, including strategic alignment with marketing plans and the core brand. Digital strategy, however, goes beyond the groups and departments in your company. It should ideally encompass retail/distribution, 3rd-party

web media, online marketing, CRM and all other prospect/partner touch points that can be tied back to a digital channel. Given this, it's absolutely critical to drive digital strategy from a single source, as opposed to distributing various accountabilities and resources across different departments.

The Digital Consumer Experience

It's a fact that digital technologies have empowered consumers to make more informed buying decisions. An educated, value-driven consumer knows where to buy, when to buy, and how to buy the best products and services at the lowest cost. As a result, the consumer's experience with the brand has become an even larger factor in determining success in the marketplace. The CDO plays a key role in growing brand equity through personalized, interactive, multi-channel and touch-point aware digital experiences for end users.

The Power of Social Media

Digital technologies have connected consumers with brands and with each other, leading to a plethora of challenges and opportunities for organizations. Users share their experiences and opinions through social networks at a lightning pace, resulting in brand volatility. Every organization needs a leader to strategically curate content channeled to social media outlets in order to capitalize on their tremendous reach, while marginalizing the risk of negative sentiment.

The CDO's responsibilities are to devise and execute social strategies that grow brand loyalty and advocacy on social networks by:

- *Determining who and where the influencers are*
- *Empowering the influencers with tools to drive the message and brand across the community*
- *Listening to the community, engaging in bi-directional dialogue with customers*

Digital Analytics

Creating smart relationships with consumers across many channels and touch points leads to a lot of data. Big Data! The CDO understands and leverages business intelligence data, empowering organizations' user psychologies and consumer profiles in response to brand messaging. Analytics data from digital channels is still an emerging paradigm, so it can be challenging to identify the right metrics. A CDO can empower organizations by providing actionable insights by measuring, analyzing, and optimizing business intelligence data from all digital initiatives across multiple channels.

Organizational Cohesiveness

Digital user interactions are not limited to digital marketing. The CDO can help integrate behind-the-scenes operations of all customer touch points, including marketing, sales, and support. Data from sales teams can provide clear insights into key drivers for

customer motivation, while support teams can help identify factors leading to customer dissatisfaction.

Curriculum for the Digital Domain

Over the last two decades, digital marketing has become an important enabler of business for almost all industries and verticals, creating thousands of new roles and many more jobs. The academic world has also evolved to support the demand for this specialized type of workforce by creating new curriculums and programs centered around digital media.

As a result, the practical relevance of the digital domain has created a huge demand for professionals and thought leaders trained in different disciplines of digital business operations. Some notable courses offered by esteemed institutions such as the Harvard Business School focus on digital communications, online marketing, digital journalism, and the economics of online businesses.

The Time is Now

Online trends indicate that multi-channel digital touch points (web, social, mobile) continue to expand at a fast pace, creating new revenue generating opportunities for organizations and necessitating a CDO role to orchestrate a company's digital strategy.

In an era of multi-channel attribution models and multi-screen strategies, companies would benefit

tremendously by consolidating their digital vision under the office of the CDO, especially since the alternative results in continued suffering from the fragmented approach that is much too common in current corporate structure. To harness the true power of the digital world that we live in, organizations need to unify digital expertise. The CDO is the missing link in the C-suite responsible for the digital consumer experience. ■

Olivier Naimi is a professional Web consultant and evangelist, former senior director of the global Web platform & analytics for Sony Corporation of America. He has held several key leadership positions for brands such as PlayStation, Hitachi and BEA, with responsibilities for bringing each company's assets and unique business models to life in the digital space.

