CMO to CDO: Digital Transformation of Marketing

MMA Webinar Series

Nov 14, 2017

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MMA Purpose

WHO The People We Serve

Prime Audience: Chief Marketers
By helping Marketers do Mobile better, everyone wins. MMA membership represents Marketers, Agency, Media and Technology Enablers from across the globe.

WHY Our Reason for Being

Mission: To accelerate the transformation and innovation of marketing through mobile, driving business growth with closer and stronger consumer engagement.
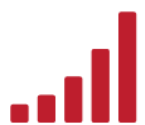
WHAT Our Strategic Priorities

Cultivating Inspiration
Aimed at the Chief Marketer; guiding best practices and driving innovation

Building Capability for Success
Fostering know-how and confidence within the Chief Marketer's organization

Demonstrating Measurement and Impact
Proving the effectiveness and impact of mobile through research providing tangible tangible ROI measurement and other data

Advocacy
Working with partners and our members to protect the mobile marketing industry industry

For more information about membership email: membership@mmaglobal.com
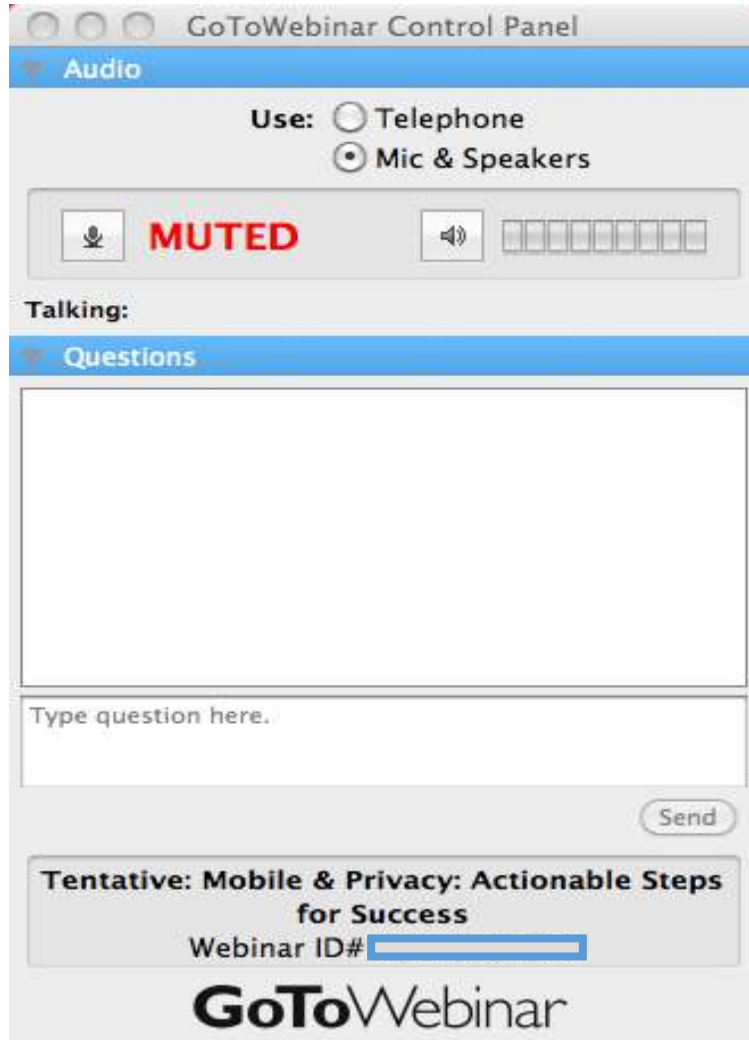
Managing Your Questions

Share the Insights

#MMAWeb

Presenters

Vaibhav Vohra

Head of Product Management
SAP Digital Interconnect

Michael Smith

Product Owner
SAP Digital Interconnect

Moderator

Leo Scullin

VP of Industry Programs
Mobile Marketing Association

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Agenda

Introduction

Digital transformation in the CMO's world driven by an always-on consumer

Digital priorities for the CMO during this transformation

Regulatory considerations on this journey

Digital transformation in the CMO world

CMO's are still struggling with capturing the right insight to engage with consumers at the right time

MARKETERS THINK THEY'RE DOING WELL, BUT...

WHILE

66% OF MARKETERS

rate their personalization efforts as "very good" or "excellent"

JUST

48% OF MARKETERS

are levering behavior-based data

ONLY

16% OF MARKETERS

are able to capture customer intent and deliver real-time, behavior-based marketing across all channels

MANY CONSUMERS ARE OVERWHELMED BY IRRELEVANT MARKETING

40%

of consumers say most promotions don't deliver anything of interest

44%

of consumers say they receive too many offers and promotions

SAP Hybris Study, Venturebeat

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Digital Initiatives are challenging traditional organizations

1. https://www.wimi-teamwork.com/blog/chief-digital-officer/

Every company is a software company

Data generated by connected cars compared to data usage of online activities (per hour)

HD video streaming 869 MB

29 MB
Music streaming

15 MB
Web browsing

25,000 MB

5 MB
Turn-by-turn navigation

Vehicle data generated

@StatistaCharts   Sources: AT&T, McKinsey, Verizon

statista

9
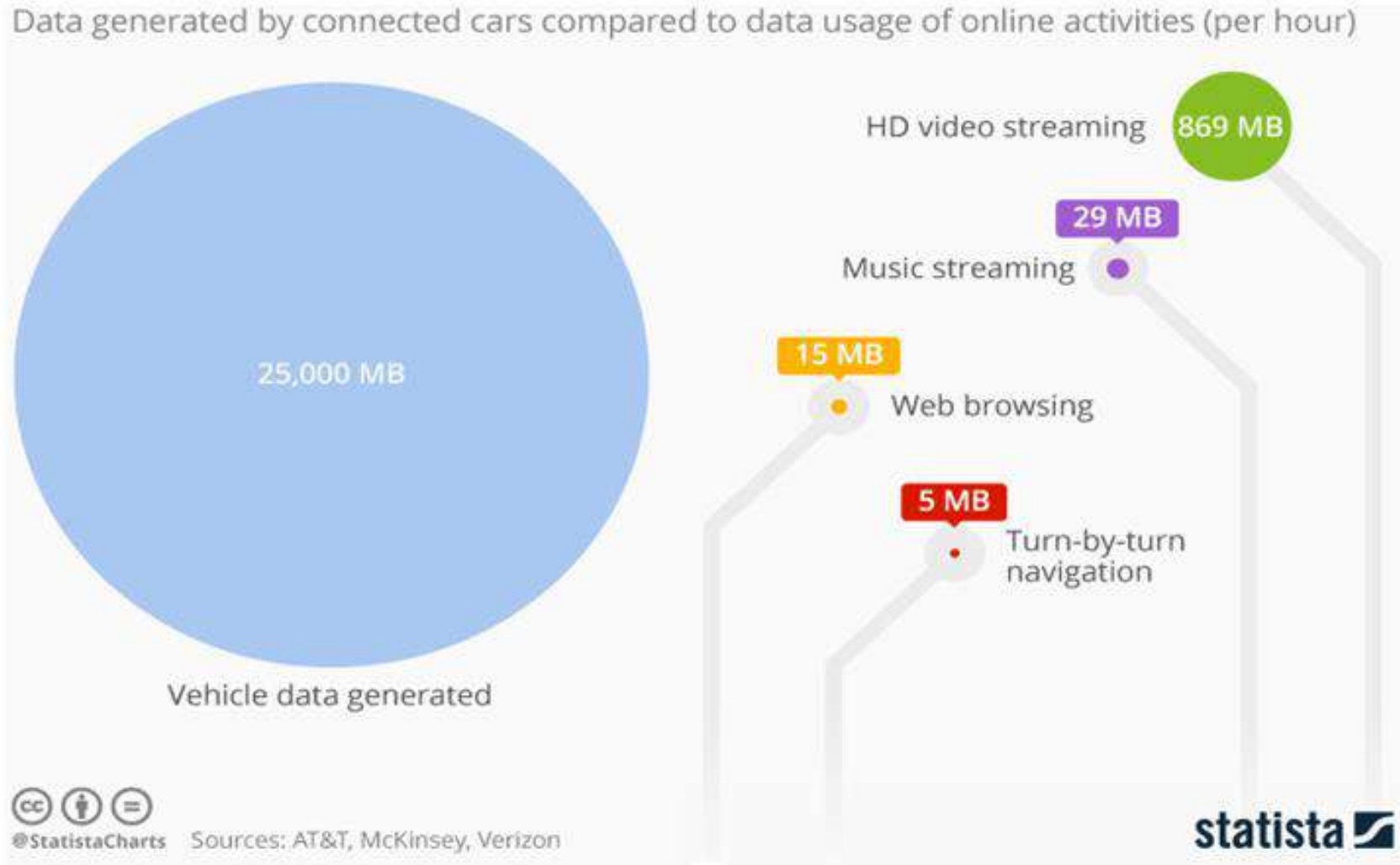
The digital transformation from CMO to CDO

Classical marketing activities

- Moving to an always-on environment

- Digitizing customer touchpoints

- **Generate relevant insights from consumer data**

- **Must pick right channel and right time to engage customers**

Digital initiatives

- Becoming a chief decision maker in organizational strategy

- **In enterprise space must enable key segment – developers**

- **API/programmable interfaces initiatives**

Digital Transformation
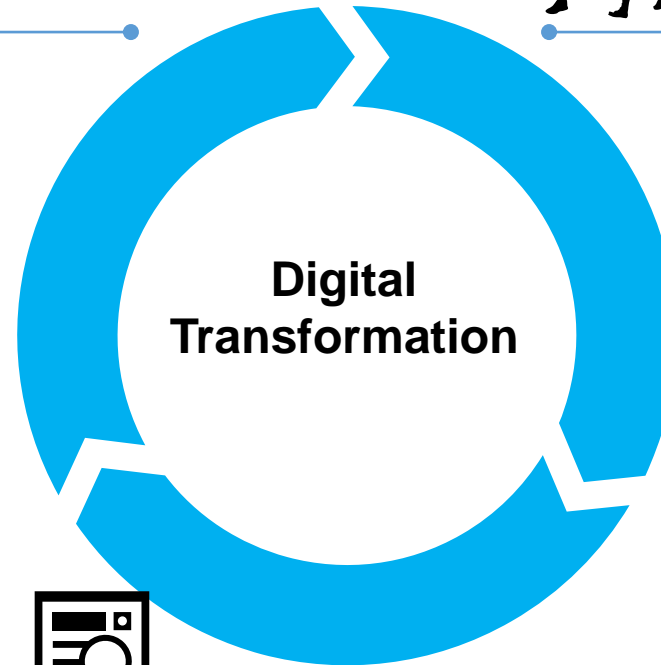
Regulatory changes

- Balance value of personalization to customer vs. customer trust
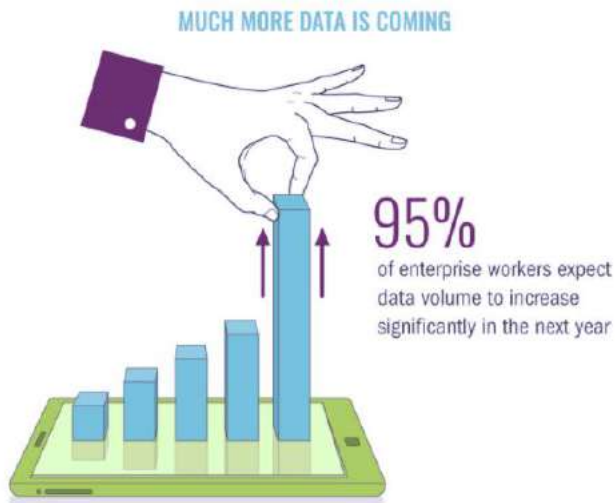
- **Trust is the major currency**

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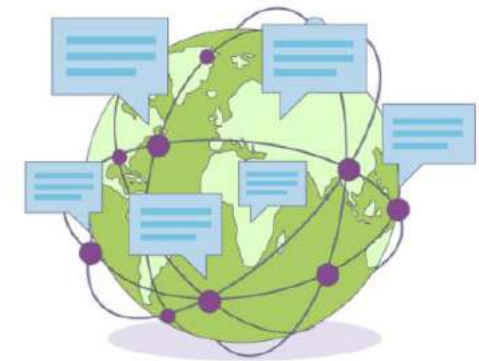
Digital priorities for the CMO

Digital marketing challenges driving transformation

MUCH MORE DATA IS COMING

95%
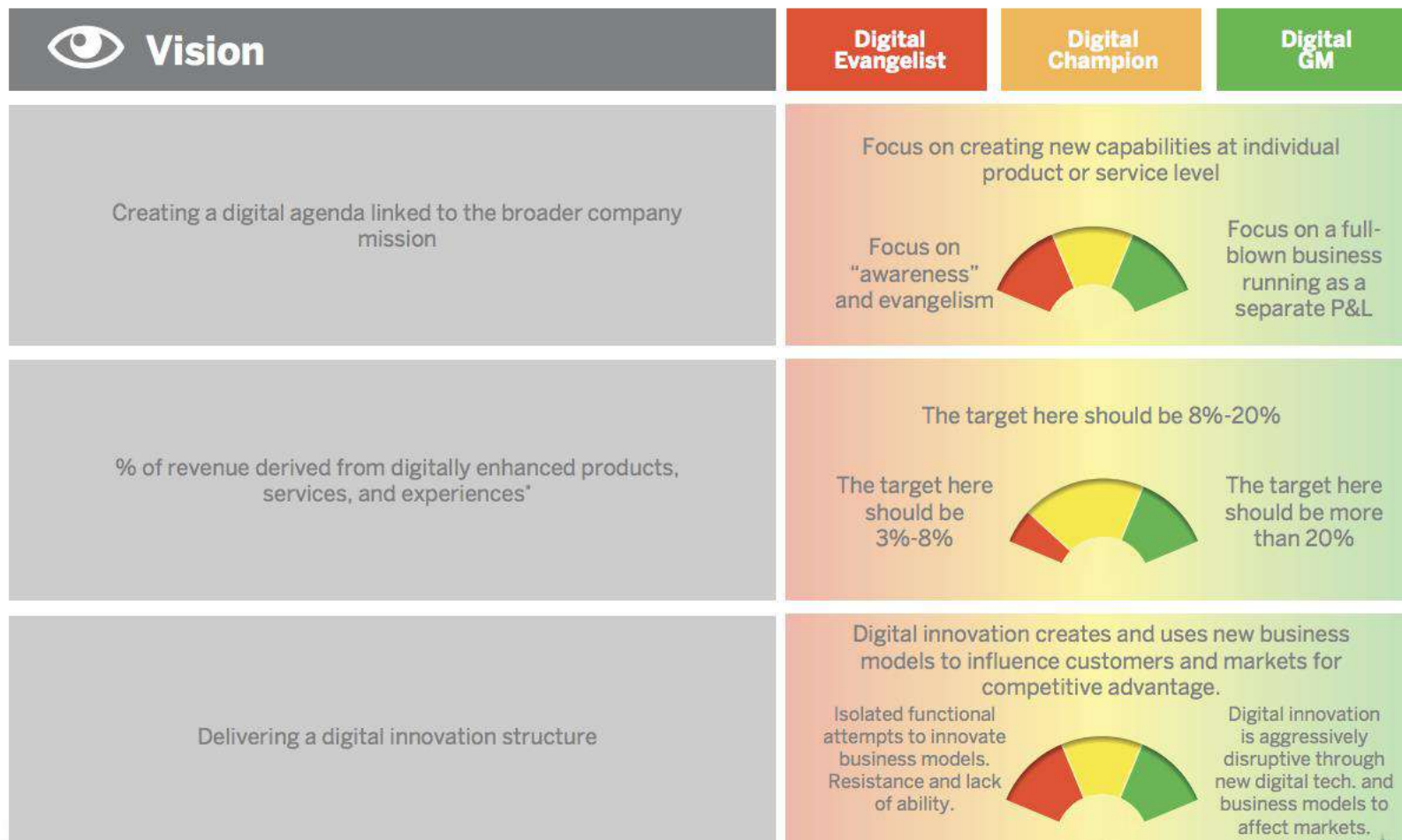of enterprise workers expect data volume to increase significantly in the next year

Only 43% of B2C marketers and 44% of B2B marketers say they have clarity about the success of their content marketing efforts

Messaging apps now have **4 billion** active users worldwide

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Digital business scorecard suggests enhanced focus on enabling digital business models/innovation to tie to CMO goals

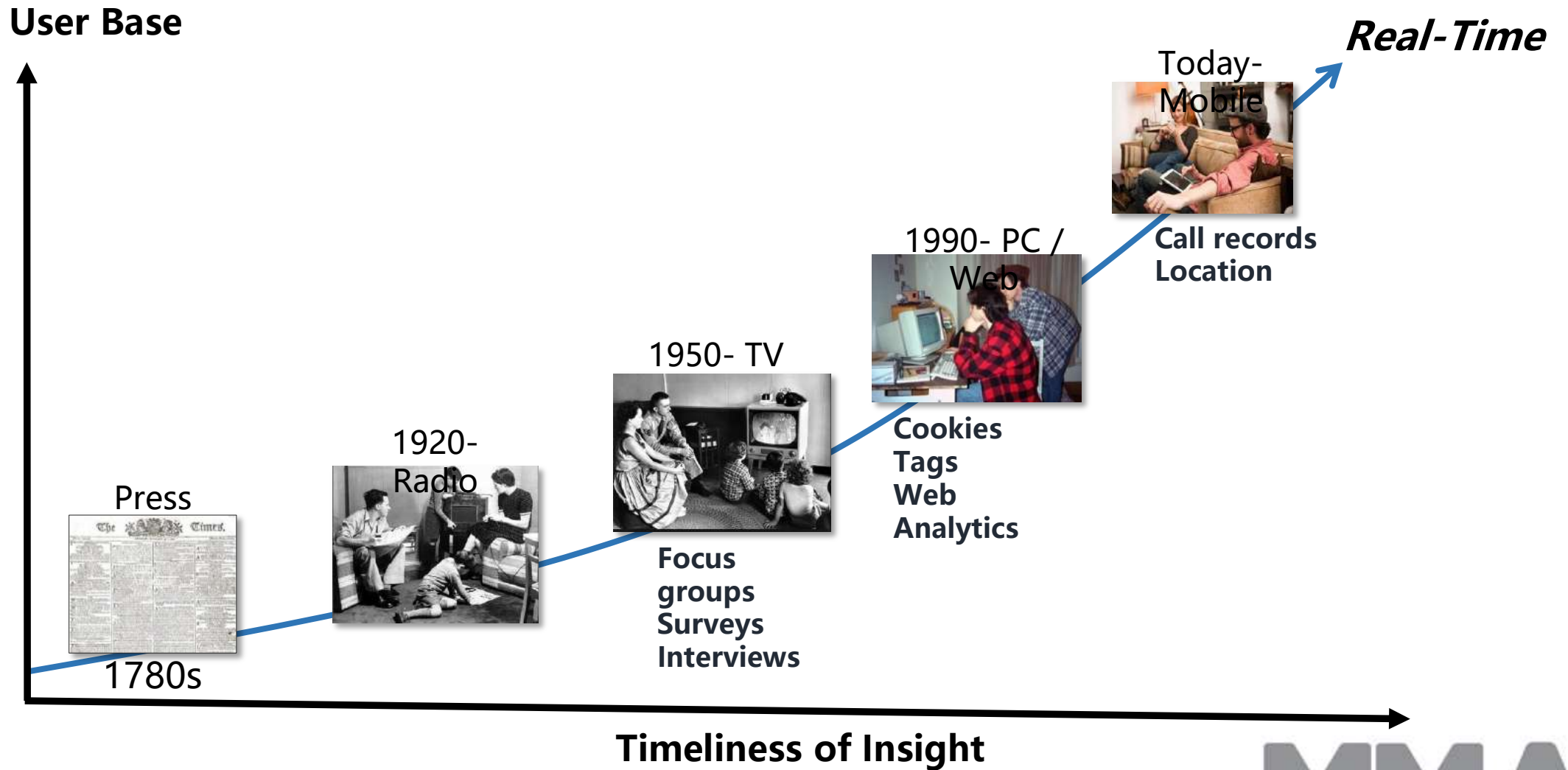| Vision	Digital Evangelist	Digital Champion	Digital GM
Creating a digital agenda linked to the broader company mission	Focus on "awareness" and evangelism	Focus on creating new capabilities at individual product or service level	Focus on a full-blown business running as a separate P&L
% of revenue derived from digitally enhanced products, services, and experiences*	The target here should be 3%-8%	The target here should be 8%-20%	The target here should be more than 20%
Delivering a digital innovation structure	Isolated functional attempts to innovate business models. Resistance and lack of ability.	Digital innovation creates and uses new business models to influence customers and markets for competitive advantage.	Digital innovation is aggressively disruptive through new digital tech. and business models to affect markets.

"CDO scorecard" by SAP/IDC in April 2017

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Evolution of consumer insight over decades

User Base

Real-Time

Today-
Mobile

**Call records
Location**

1990- PC /
Web

**Cookies
Tags
Web
Analytics**

1950- TV

**Focus
groups
Surveys
Interviews**

1920-
Radio

Press

1780s

**Timeliness of Insight**

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How insights can influence marketers for a beverage company for event marketing

A Global Energy Drinks company holds a surfing competition every year. Because of the danger to the spectators, event organizers have been telling spectators to stay at home.

> *"Due to safety concerns resulting from extreme high surf and cliff erosion, there is no access to the beach and bluffs .. to watch the contest from land. Local law enforcement will restrict access to the roads.., and beachgoers there will be turned back. Many restaurants and bars in the area — will host viewing parties with the live webcast so you can catch all the action with other fans".*

This analysis looks at which die hard fans showed up and how this drink company carries on with its extreme sports image

Actionable insight in action – surfing event footfall by gender

Gender by Hour
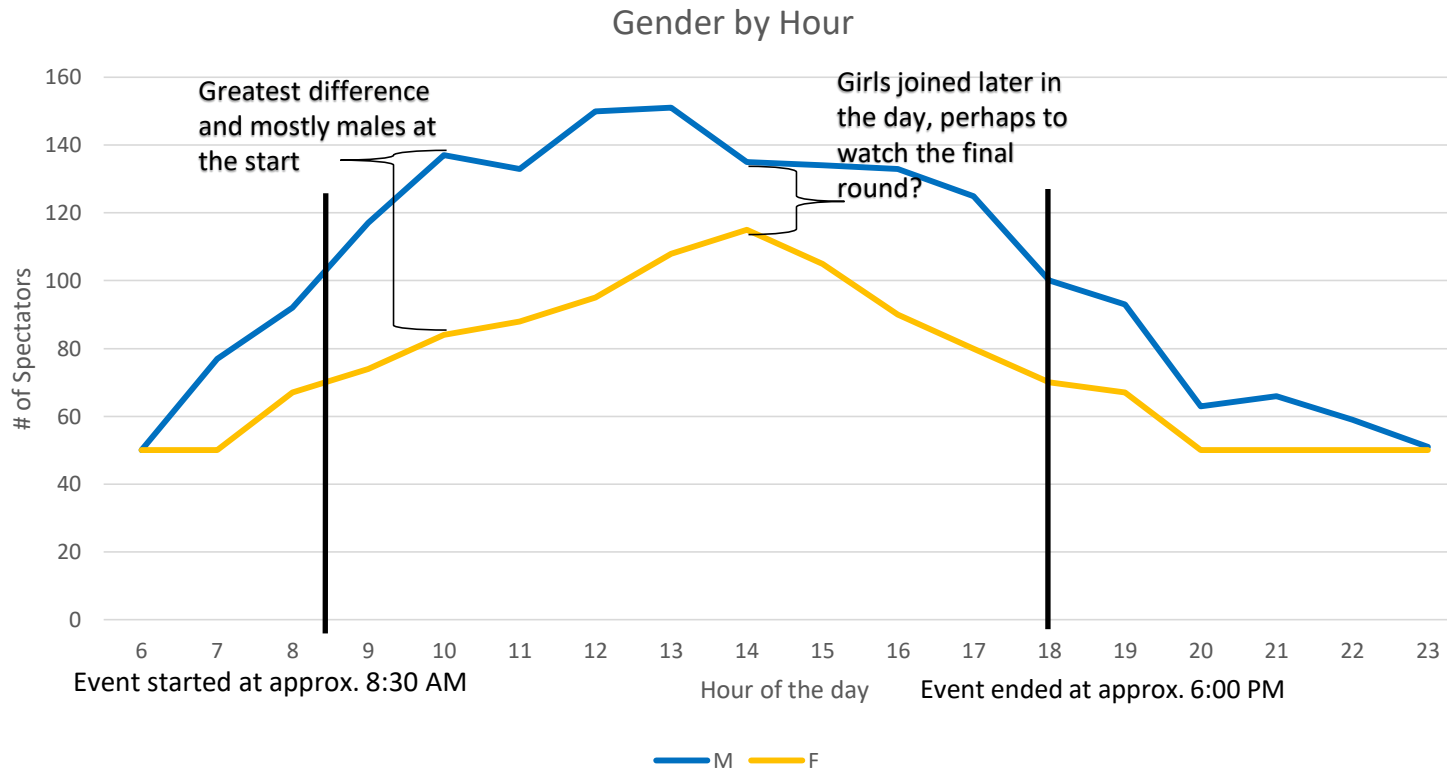
In total the event attracted more males,

although many more females showed up at the tail end of the competition

# Social Media Engagement by Hour (day of event)

Social media Engagement by hour
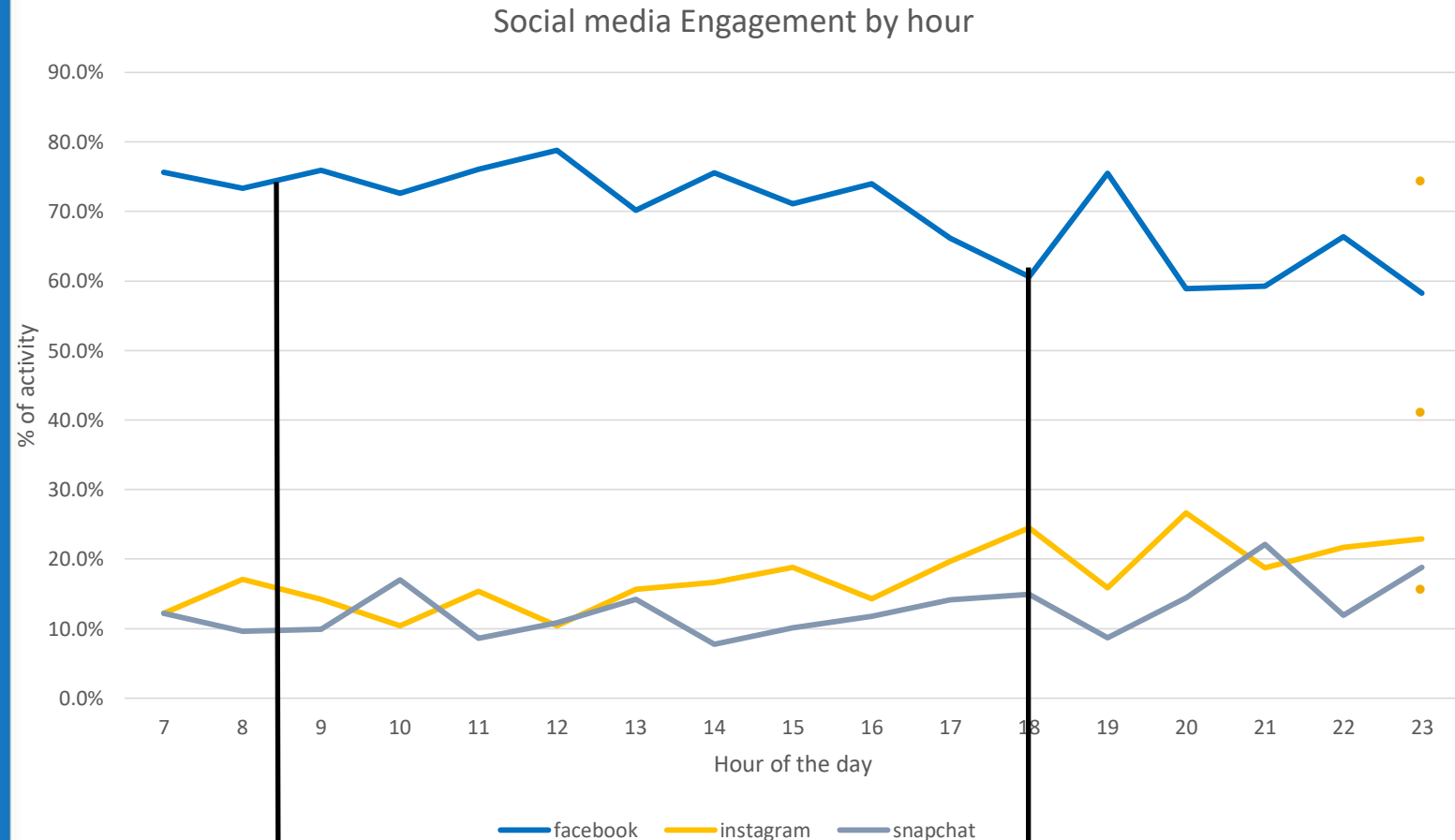
- Snapchat and Instagram show a gradual increase in engagement, whereas Facebook was at a down slope for the duration of the event

- While at each "spike" in Instagram or Snapchat usage, Facebook always decreases in engagement.

These surfing junkies would rather quickly snap a picture or video to share with their friends!

Event started about 8:30 AM

Event ended at approx. 6:00 PM

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The API economy will reach $2.2 trillion in 2018

Number of developers
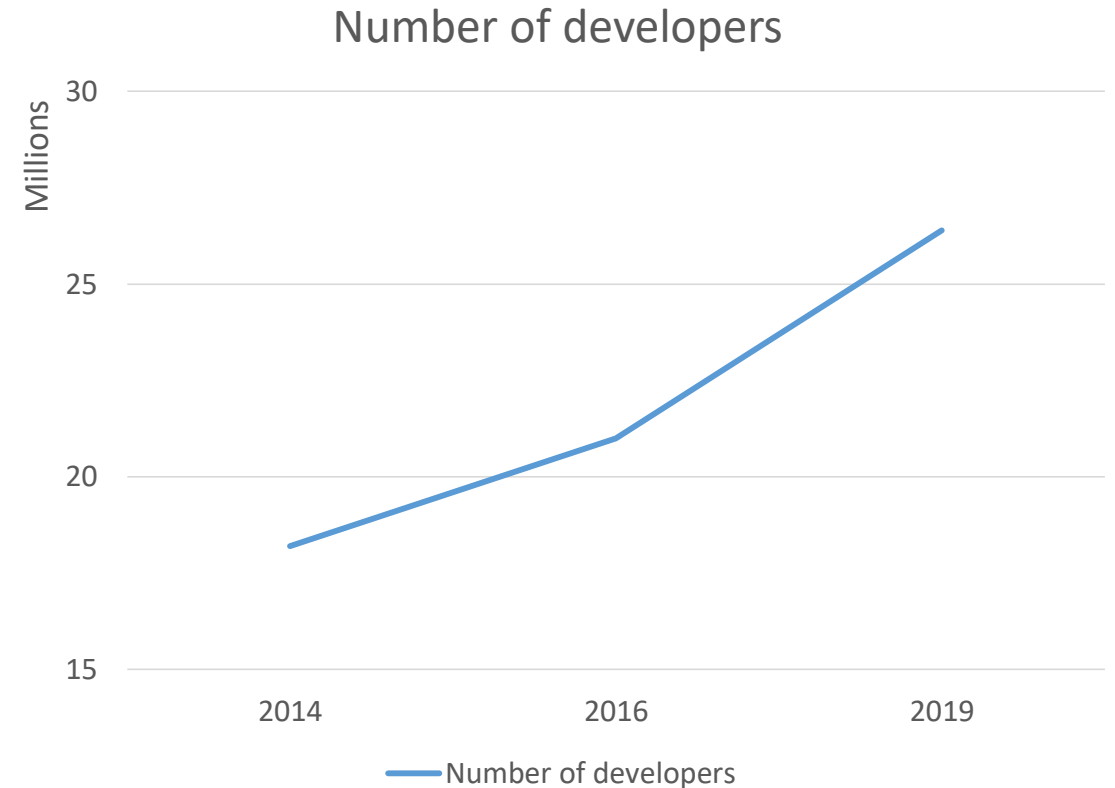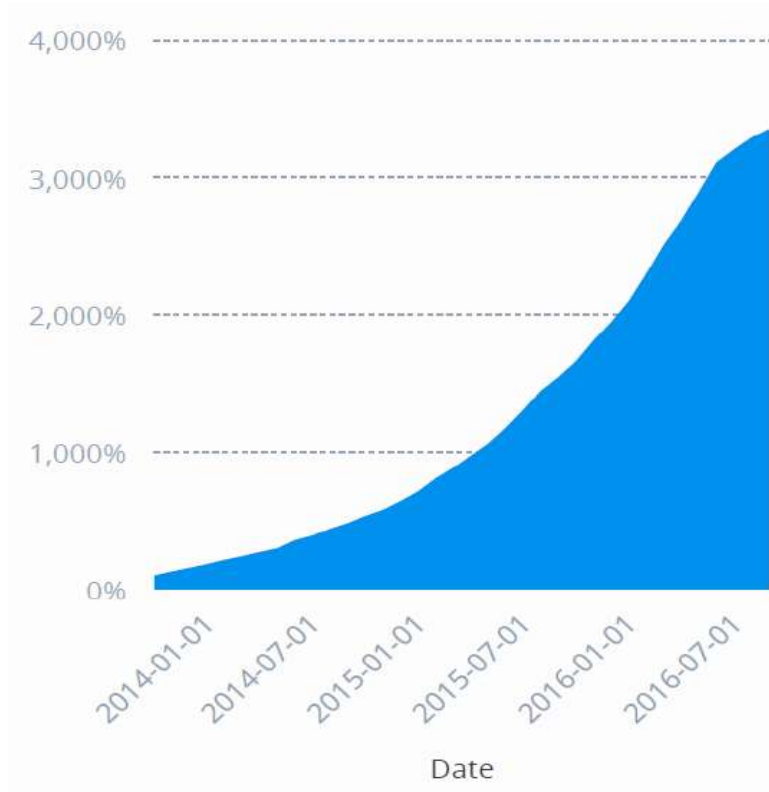
DEVELOPERS NOW DRIVE ADOPTION **FOR NEW PRODUCTS IN IT**

Next Generation Open Source Software companies have the ideal product strategies and go-to-market plans to take advantage.

DEVELOPERS

VP OF OPS

CIO

PROPRIETARY SOFTWARE
1980 – 2000

FREEMIUM
2000 – 2010
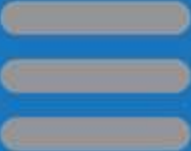
NEXT GEN OPEN SOURCE
2010 +

THEN

NOW

IDEAL BUSINESS MODEL FOR THE ERA

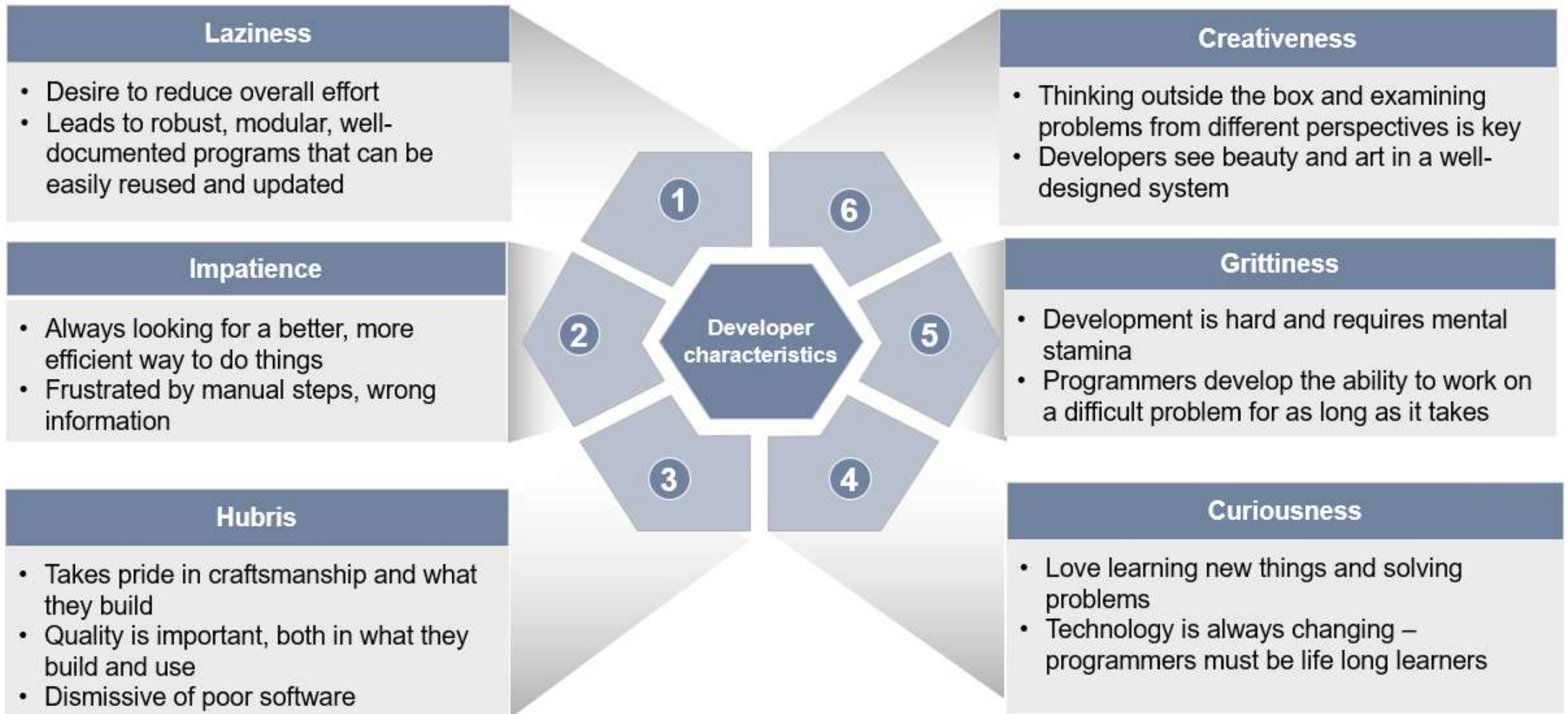1. https://venturebeat.com/2015/12/06/its-actually-open-source-software-thats-eating-the-world/

"We will encourage you to develop the three great virtues of a programmer: laziness, impatience, and hubris."

Larry Wall, inventor of Perl

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Who are developers?

Laziness
- Desire to reduce overall effort
- Leads to robust, modular, well-documented programs that can be easily reused and updated

Impatience
- Always looking for a better, more efficient way to do things
- Frustrated by manual steps, wrong information

Hubris
- Takes pride in craftsmanship and what they build
- Quality is important, both in what they build and use
- Dismissive of poor software

Creativeness
- Thinking outside the box and examining problems from different perspectives is key
- Developers see beauty and art in a well-designed system

Grittiness
- Development is hard and requires mental stamina
- Programmers develop the ability to work on a difficult problem for as long as it takes

Curiousness
- Love learning new things and solving problems
- Technology is always changing – programmers must be life long learners

Developer characteristics

1 2 3 4 5 6

Multidimensional mobile framework enables the digital economy

Interconnectivity + Intelligence + Engagement

Reach customers with integrated solutions over a single connection

SAP Digital Interconnect reliably and securely connects the "last mile" and simplifies complexity in the digital economy no matter the device or network

Get the right message to the right person at the right time

SAP Digital Interconnect uses rules-based intelligence to help enterprises connect with their customers, employees, and partners almost anytime and anywhere

Deliver new offerings, better services, and more personalized experiences

SAP Digital Interconnect unifies businesses, people, and objects and supports high-quality contextual engagements

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Customers expect touch points that enable meaningful conversations
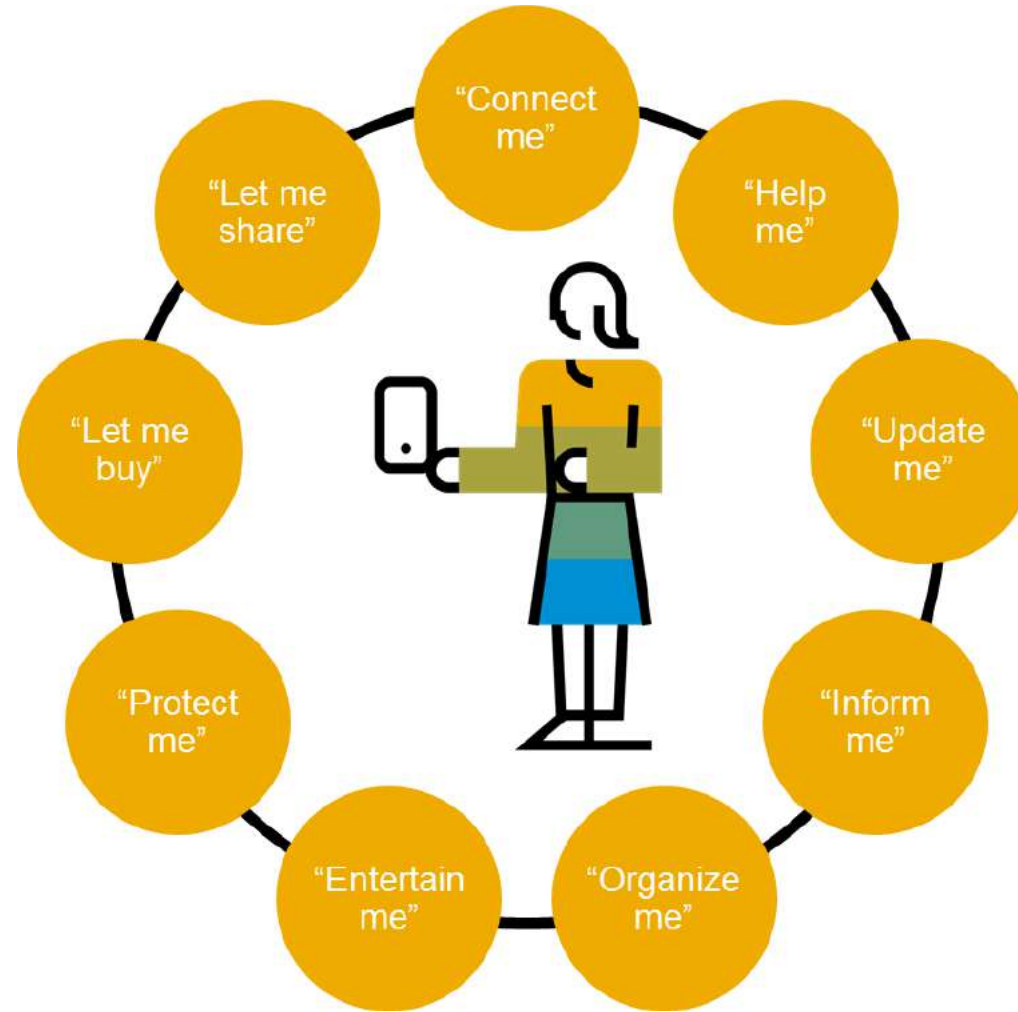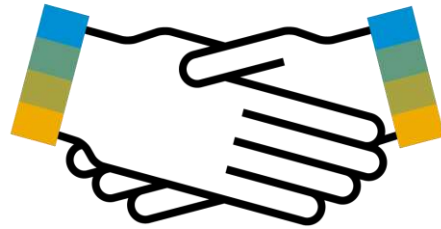
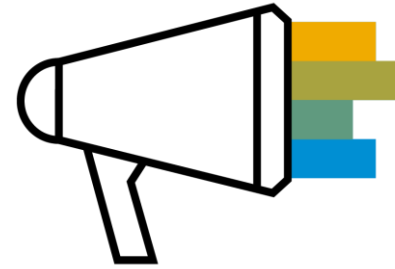# Drive brand, loyalty, and revenue with a programmable engagement interface

Access and apply deep customer insights

Offer personalized retail experiences across touch points

Increase conversion through real-time content delivery

Reach customers with intelligent interconnectivity

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Considerations from a regulatory perspective

Increasingly advanced marketing technologies need to balance between business and consumer point of view

Business Perspective

- Freshness and completeness of consumer data is critical

- Need scale and specificity in executing campaigns, promotions

- Effectiveness of promotions, advertisements still unclear

Consumer Perspective

- Appreciate when advertisements are timely, relevant and non intrusive

- Willing to new approaches, insights based on personal data but TRUST is crucial in that their data will not be used to harm them

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What is the General Data Protection Regulation (GDPR)?

The General Data Protection Regulation (GDPR) (EU Regulation 2016/679), effective 25 May 2018, gives **individuals control** and **protection** of their **personal data**. Data controllers, who determine the purpose and means of processing personal data, and processors, who process for controllers, are affected.

Who must comply?

Organizations that offer goods or services to, or monitor the behavior of, EU data subjects and those that process or hold the personal data of EU residents

Applies to:

Natural persons, whatever their nationality or place of residence in the EU, in relation to the processing of their personal data

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Impact of GDPR

Challenges

Implementation effort is significant, broad, and complex

Initial effort to assess current status versus regulatory requirements and resulting gaps

Change management (organizational, policies, procedures, training, and communication…)

Prescribed data management: internal and external data, privacy by design, consent, storage, access, usage, retention, deletion

Sustainability and ongoing cost of the program—GDPR becomes "business as usual" once it becomes effective

Opportunities

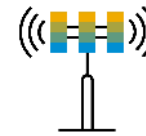**Better governance and data management improves business outcomes**

Create strong framework and processes to mitigate risks and support compliance (for GDPR and others), with controlled costs

Improve depth and breadth of policies and procedures with clear accountability

Embrace innovations like Big Data and the Internet of Things (IoT) with built-in data protection and privacy

Improve confidence of business partners in the protection and security of their data, boosting business relations and your brand image

# SAP Digital Interconnect delivers comprehensive solutions

Global last mile footprint

SAP Enterprise SMS 365 and Live Link 365 provide SMS-based connectivity to consumers around the globe

SAP Intelligent Notifications 365 brings rules-based in-app push, e-mails, T2V, and SMS delivery

Mobile ambient data insights

SAP Consumer Insight 365 aggregated, anonymized, and enhanced consumer mobile data
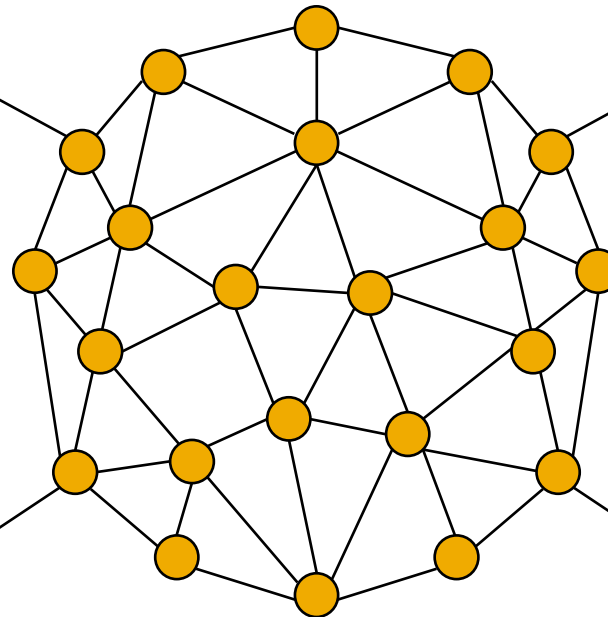
SAP
Digital
Interconnect

Immersive, secure engagement

SAP Engagement 365 easily configures and manages campaigns and promotions

SAP Authentication 365 offers SMS-based 2FA capabilities

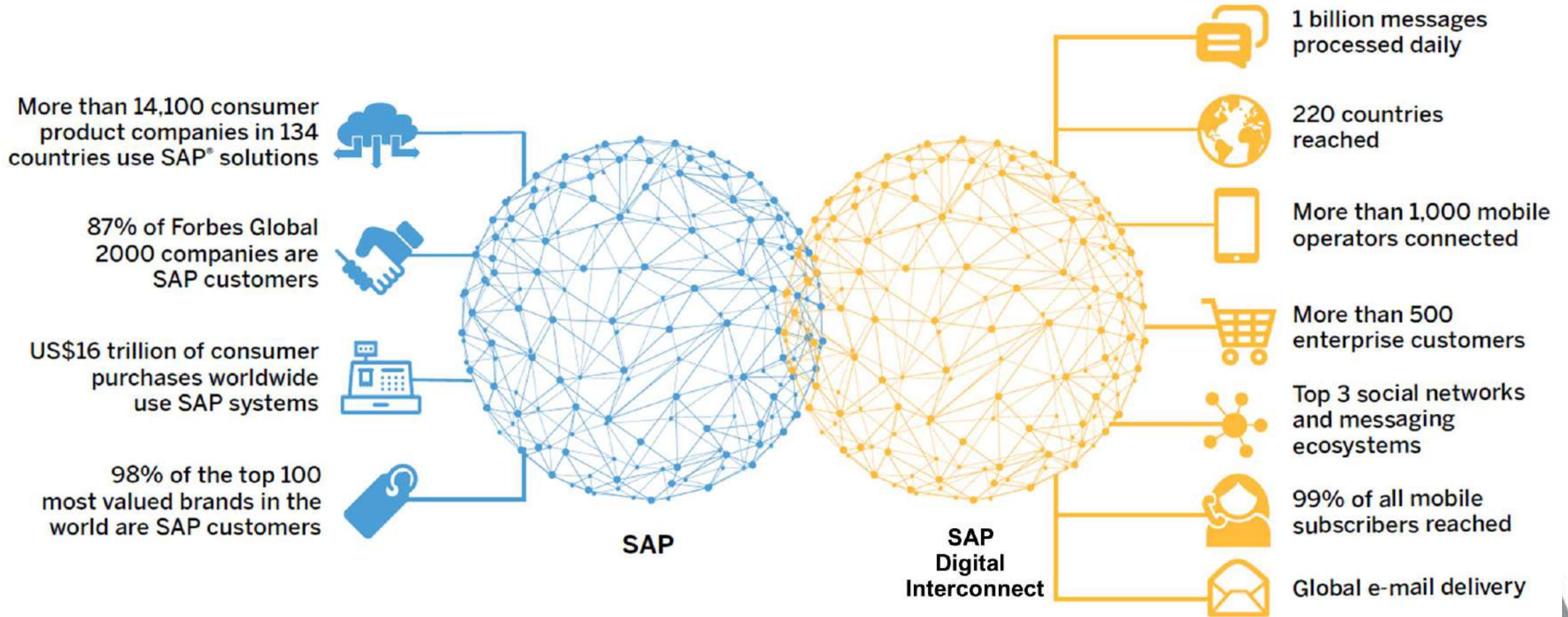SAP People Connect 365 manages employee notification for planned/unplanned disruption

SAP Add-on enables messaging extensions for SAP Hybris, SAP SuccessFactors, and other SAP solutions

Extending reach to things

SAP IoT Connect 365 simplifies global connected-object management through a single contract and connection

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SAP Digital Interconnect simplifies complex digital transformations

More than 14,100 consumer product companies in 134 countries use SAP® solutions

87% of Forbes Global 2000 companies are SAP customers

US$16 trillion of consumer purchases worldwide use SAP systems

98% of the top 100 most valued brands in the world are SAP customers

SAP

SAP Digital Interconnect

1 billion messages processed daily

220 countries reached

More than 1,000 mobile operators connected

More than 500 enterprise customers

Top 3 social networks and messaging ecosystems

99% of all mobile subscribers reached

Global e-mail delivery

Q&A

Be Inspired and Learn

MMA Webinar Series

Great Creative Matters
Tuesday, December 12th

Location Data: Paving the Path to Integrated Marketing
Wednesday, January 24th

mmaglobal.com/webinars

MMA Mobile Mobile Marketing
March 2018

MMA Leadership Forum Brasil
April 2018

MMA Forum London
May 2018

mmaglobal.com/calendar/monthly

Take a Seat at the Table

MMA programs and working groups consist of executives who discuss key issues for a specific industry segment, technology or business issue. The programs and working groups meet on an ongoing basis to develop and execute industry initiatives that reflect the needs of their initiative area and membership.

Attribution Analysis	Currency Measurement	Internet of Things	Location	Mobile Messaging

Mobile Native Advertising	Mobile Programmatic	Mobile Shopper Marketing	Mobile Video	Privacy

To join a program, contact committees@mmaglobal.com.

Participate in the Conversation

MMA Smartbrief

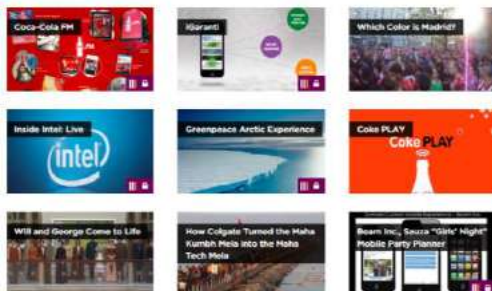**Mobile Marketing Insights**

MMA LinkedIn Group Group

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Thank You!