



FOUR KEYS TO MARKETING IN THE DIGITAL ERA

MARKETING IS UNDERGOING A DIGITAL TRANSFORMATION NOW THAT CONSUMERS RELY ON PEER REVIEWS. HERE'S WHAT MARKETERS SHOULD FOCUS ON TODAY

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In today's digital era, consumers have a completely different journey than they used to.

What we marketers call the 'marketing funnel', where at the top consumers become aware of the product through marketing, then express interest in the middle before purchasing at the bottom, is obsolete.

The new model is called the customer decision journey, a term coined by McKinsey & Co. Now a customer can spot a friend with a new product on Facebook or come across it on Pinterest, then decide to buy it based on hundreds of customer reviews on Yelp, Amazon, or TripAdvisor. Some people might even watch a video blogger testing a product on YouTube.

Once a potential buyer has sifted through the reviews, they can buy the product on WeChat or even Twitter now. Then they review the product online, tweet pictures of themselves with it, tell their friends about it on Facebook and on and on.

So if customers are finding out about their products from each other, and perpetuating this decision loop, what can we marketers do?

1] Privatize customer-centricity!

This was number one in traditional marketing and it's still number one in the digital era. Focus on your customer's major "headaches" rather than their needs. Spend a day in lives of your customers to find out how to make their life easier, better, cheaper.

To invent their wildly successful products, Apple didn't ask what their customers wanted, it focused on what their problems were.

Give your customers more instead of cheapening the offer. And don't just focus on customer satisfaction—build retention and loyalty.

2] Meet customers wherever they go

Let's look at how much time consumers spend online and where, based on research by IMD Professor Misiek Piskorski, author of the book "A Social Strategy", a study of how companies profit from social media. According to Misiek, Pinterest users are 70% female and nearly a third of them have a household income over \$USD 100,000 per year. Almost half are over 35 years old, and on average they spend 16 minutes on Pinterest per day versus 12 minutes daily on Facebook. This is important because nowadays 5% of referral traffic to apparel websites comes from Pinterest. Therefore, if you are an apparel company, you have to be on Pinterest!

Digital marketers need to know where their customers are spending time online and meet them there.

However, being on the most popular social media site in your sector is not enough; companies need to be on as many of the sites, apps and channels as they can where their customers are spending the most time. They also still need to be number one on search engines, regularly e-mail customers and potential buyers, and provide them with high quality content.

Moreover, companies can't be everywhere and they have to focus their attention where it is the most valuable. While the average purchase value on Pinterest is \$USD 175, it drops to \$80 on Twitter. Is that worth the extra effort for your business? It's up to you to decide.

3] Let somebody else do the talking

When you can't be everywhere, let your customers be your ambassadors. In some sectors, like mobile phone service, for example, word of mouth still reigns supreme. In a survey cited by Misiek, 40% of the people polled said that they chose their service provider based on recommendations by family and friends. Only 1% chose their provider based on a recommendation from social media. This means that if your customers are satisfied or delighted, they are likely to recommend your product to those around them. But how to delight your customers or clients?

4] Master the experience stage

The best way to turn happy customers into ambassadors online is to make them feel great and special about using your products. Companies like Nike have used digital technology to really enhance the post purchase experience for their customers, increasing their loyalty and making them more likely to be brand advocates.

Nike is a great example of how to holistically harness digital transformation. For a while now, the company has been putting fitness tracking chips in its shoes which allows their wearers to monitor their progress and share it with friends on popular social sites like Facebook, but also Nike's own social network. Not only can people analyze their progress and show off, they can also find running routes and interact with others.

For Nike, the massive amount of data collected thanks to these tracking chips allows them to monitor how long customers wear their products and let them know when they need new ones. They also can use the information to improve their shoes to stay ahead of the competition.

The new digital era is transforming marketing as we know it. But it doesn't mean just setting up a Facebook page and hoping for likes. Digital transformation affects every part of an organization and its marketing.

Is your company on the right path or do you need digital transformation?

More than ever to become an effective marketer in the digital era, you need to think like your customers, go where they go, let them do the talking and improve their experience.

[Dominique Turpin](#) is the Nestlé Professor and President of IMD. He co-directs [IMD's Orchestrating Winning Performance](#) program, the next edition of which takes place Lausanne on June 27th to July 1st.

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