



“When customer engagement is effectively tracked and managed, firms will increase their profits

– Kumar, 2015

Gaining More Value from Customer Relationships in the Digital Business Environment.

Agenda for the morning

:

- 1) The drivers of change in marketing
- 2) Fundamentals for a digital marketer in 2019
- 3) The concept of customer value / value of customer
- 4) Towards superior customer experience (CEM)
- 5) Customer Engagement value
- 6) How to engage customers through digital marketing activities?
 - a) Mobile
 - b) Content Marketing
 - c) Programmatic

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SVP Comms & Brand of Alma

DBA Aalto /Aalto EE



"Gaining more value from customer relationships in the digital business environment".

Alma Media in short:

9 countries

Digital services for **btoc** and **btob** customers

Digital and print media; news, lifestyle, biz.

2300 employees

total revenue (2017) **EUR 367 million**

Thesis in short:

RQ1: How is the value of customer relationship perceived by the customer in online environment?

RQ2: How does the company gain value of its online customer relationships?

RQ3: How should customer relationships be managed based on their measured relationship value?



The drivers of change in marketing?



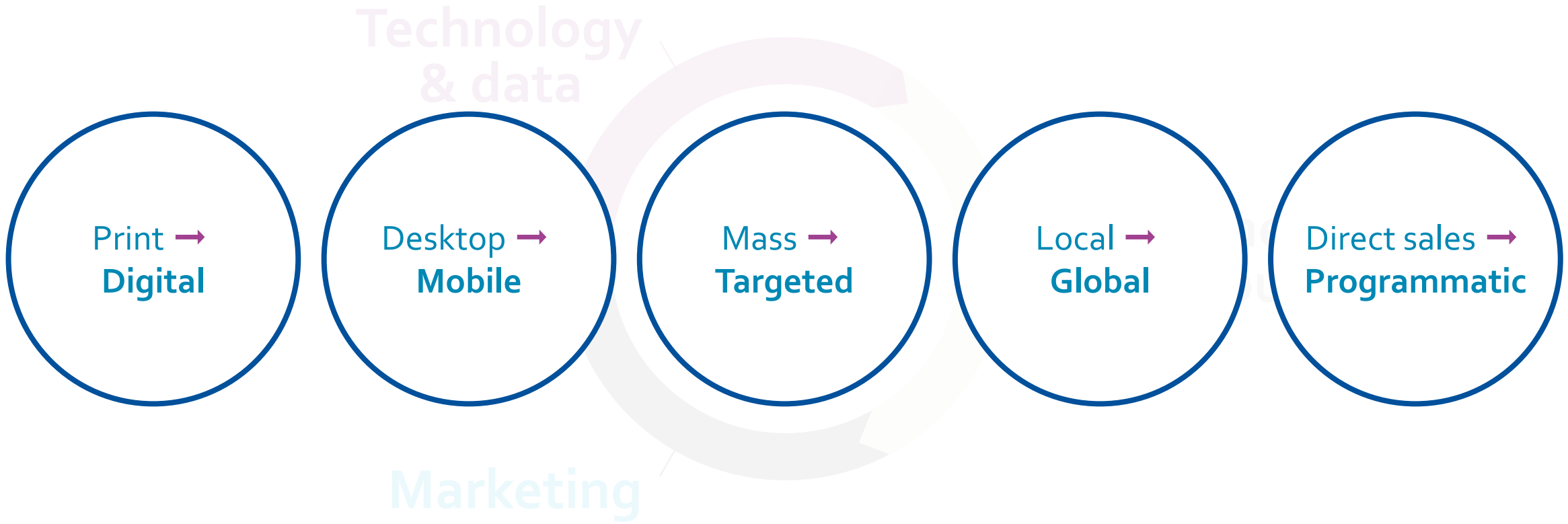
**Technology
& data**

Marketing

**Consumer
behaviour**

Regulation





Mobile news consumption is continuous...

91%
daily

77%
several times
per day

♂ 84%
♀ 71%

26%
over five times
per day

♂ 34%
♀ 18%

... and happens (almost) everywhere



62%
bed



36%
bathroom and
toilet



49%
public transport

...therefore the future of marketing is digital

Mobile

More personalized
creative advertising

Programmatic

Targeted advertising,
video

Content marketing

Articles, blogs,
native, video
production



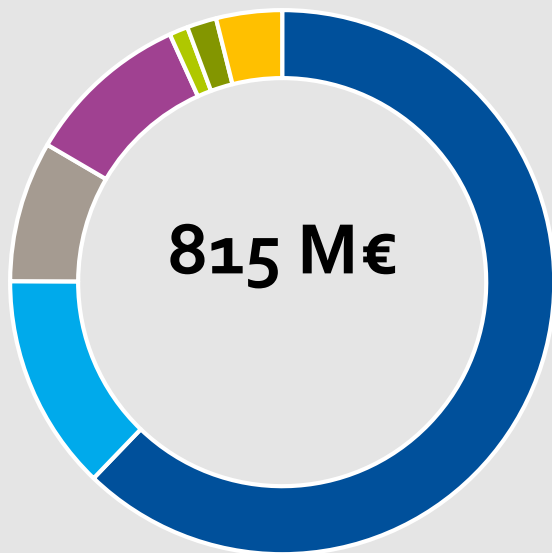
Digital transformation of advertising



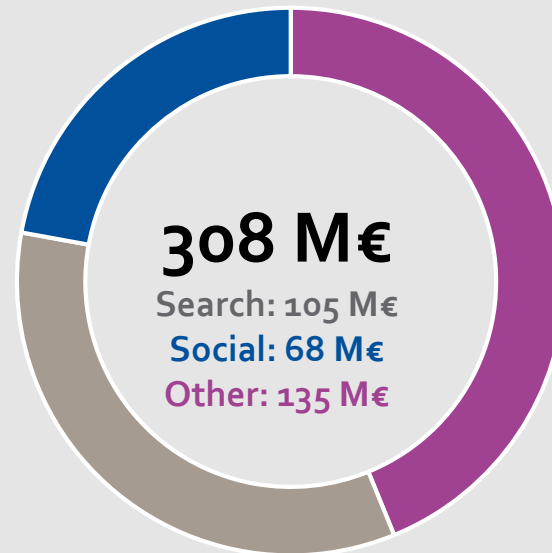
Digital advertising market held by few players in Finland

Google and Facebook have 56% market share

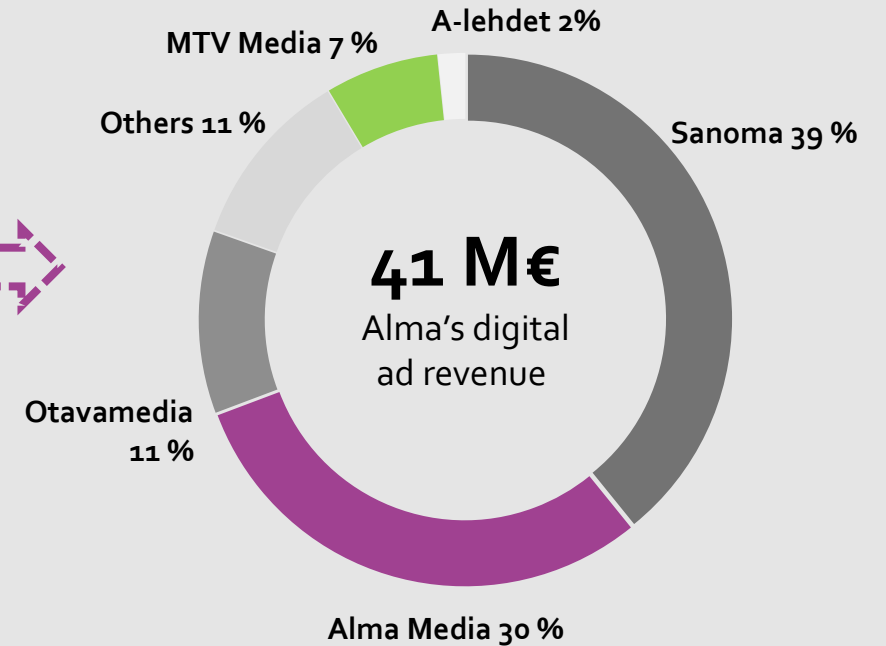
Media advertising in 1–9/2018



Digital advertising in 1–9/2018



Domestic market shares in 1–9/2018



- Other advertising
- Search
- Social media
- Desktop + mobile
- Native
- Instream
- Classified

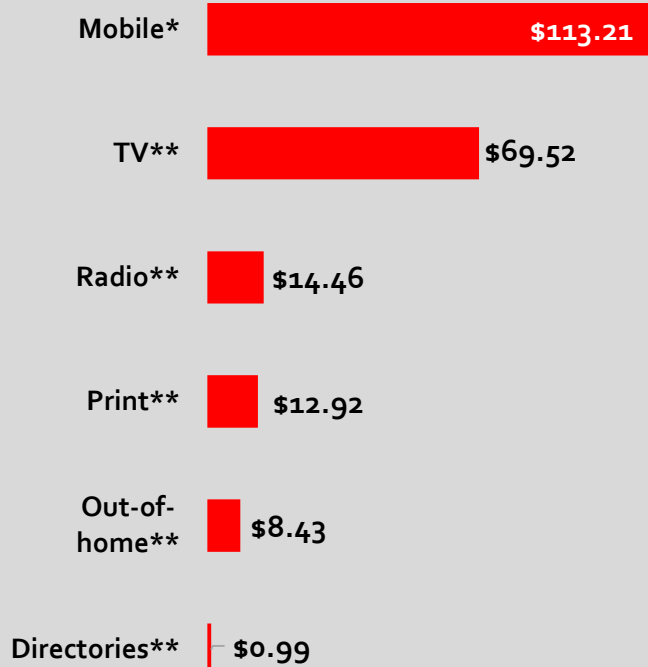
Sources: IAB Finland, Kantar TNS



Ongoing transformation in digital advertising

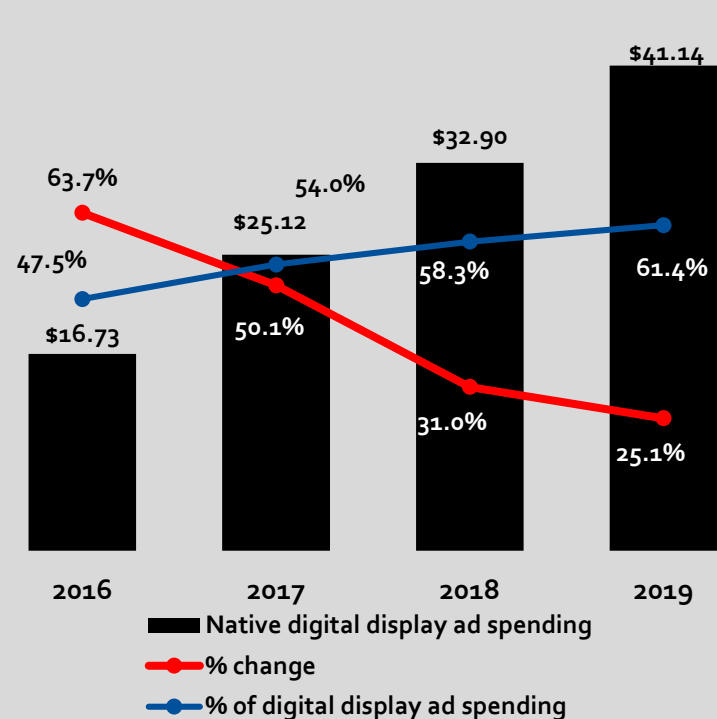
Mobile becoming more central

US Ad Spending on Select Media, 2020
billions



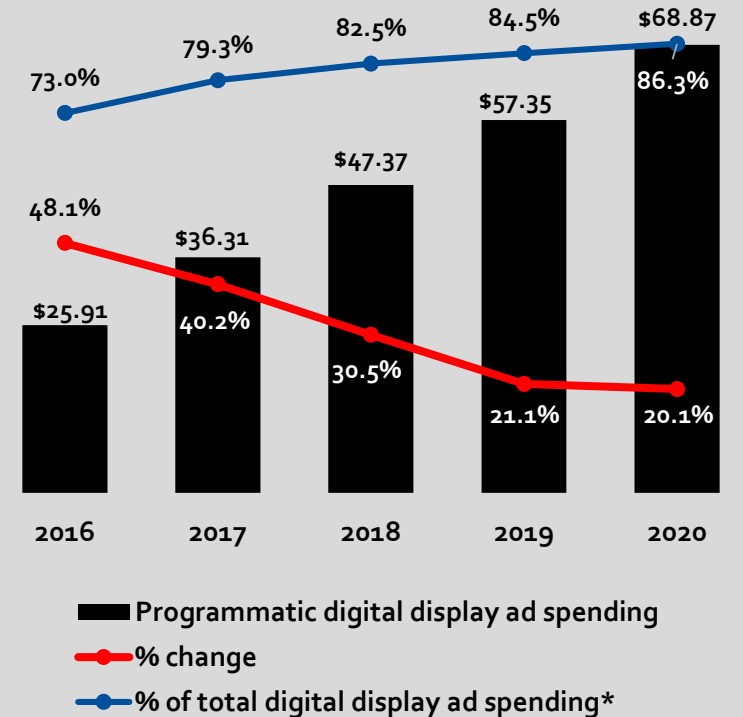
Content marketing booming

US Native Digital Display Ad Spending, 2016–2019
billions, % change and % of digital display ad spending



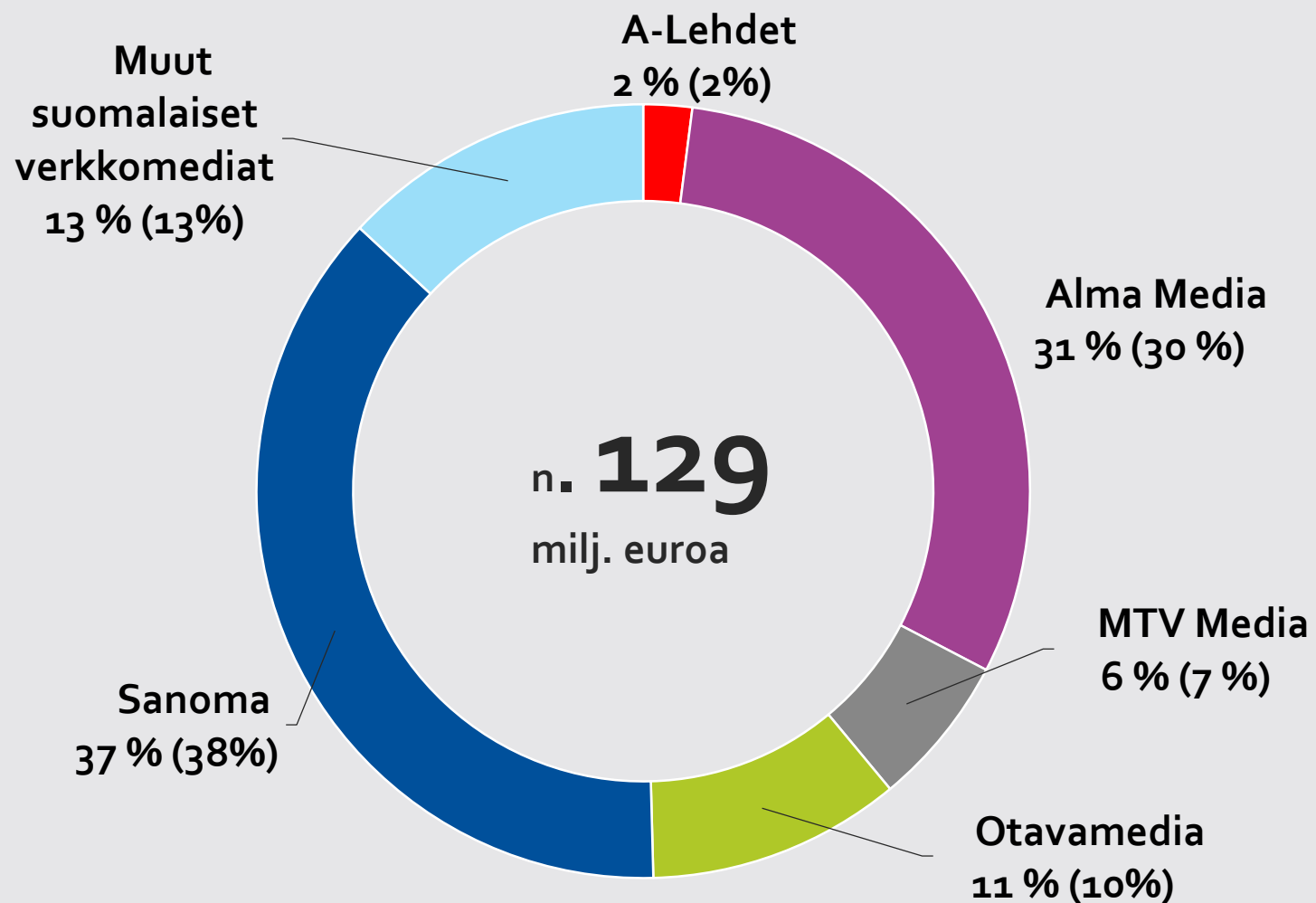
Programmatic stabilizing

US Program. Digital Display Ad Spending 2016–2020
billions, % change and % of digital display ad spending



Source: eMarketer

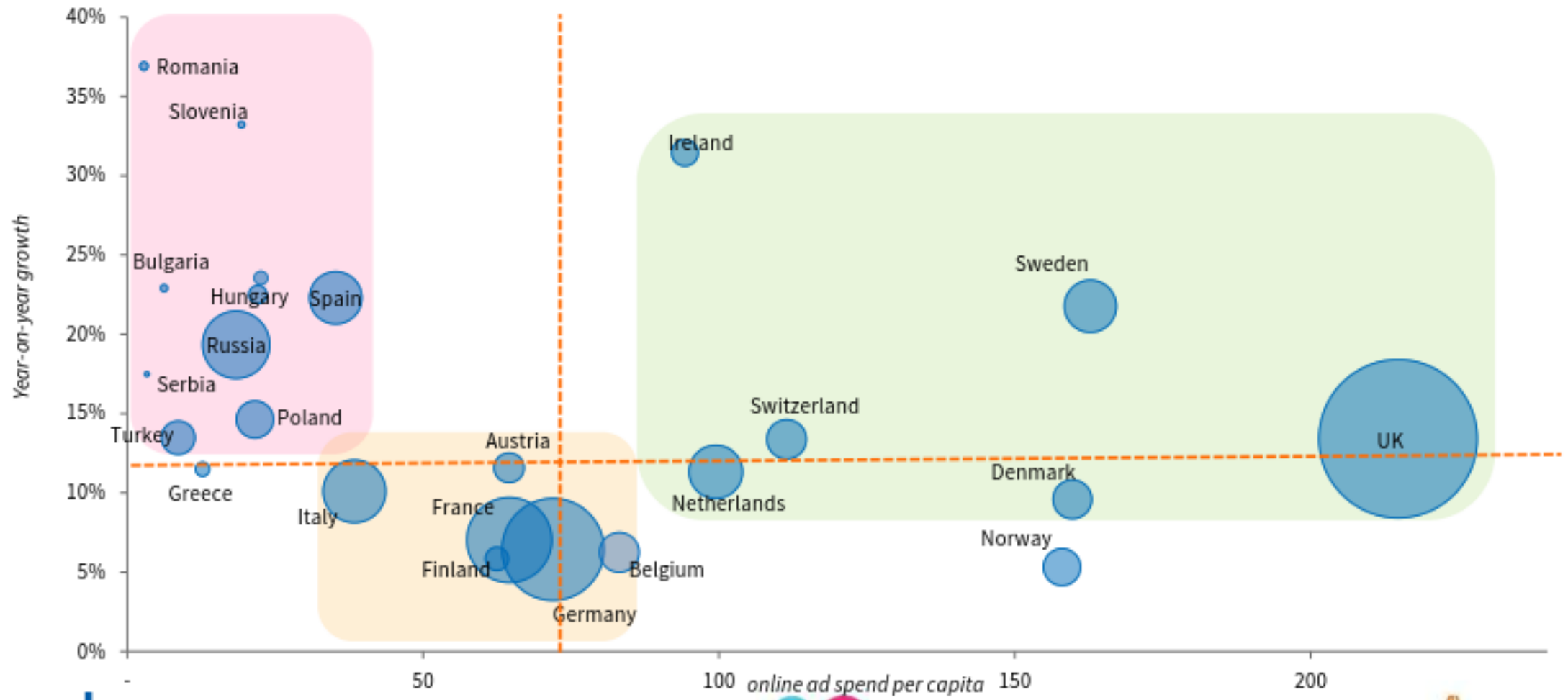
Polarisation of digital advertising in Finland



Verkkomainonta
mediataloittain
Q1/2017–Q3/2017 (H1/2017)

Lähde: Kantar TNS

▶ Three distinct patterns emerge





The fundamentals of digital marketing in 2019

Digital era

Customer data (and responsibility)

Socially networked customers


New rules of engagement set by online customers

Downshift of traditional business/ revenue models

The emerging paradigm for marketing (Kumar, 2015)

A person in a kayak is shown navigating through turbulent, white-water rapids. The kayaker is silhouetted against the bright, hazy sky, which is filled with a soft, golden light, possibly from a low sun. The water is splashing and churning, creating a sense of movement and challenge. The overall scene conveys a message of navigating through a complex and dynamic environment, which is a metaphor for the emerging paradigm in marketing.

- 1) changes in media usage patterns**
- 2) emphasized focus on marketing efficiency**
- 3) generating firm value through customer engagement**



The sales game has changed – it is all about providing value.

“Customer is an equal partner in the exchange of money, goods and services”

Lusch and Vargo, 2014)

Customer Value

Value perceived by the customer
Value gained for the company
-> Customer engagement value

Value for the customer

Value for the company

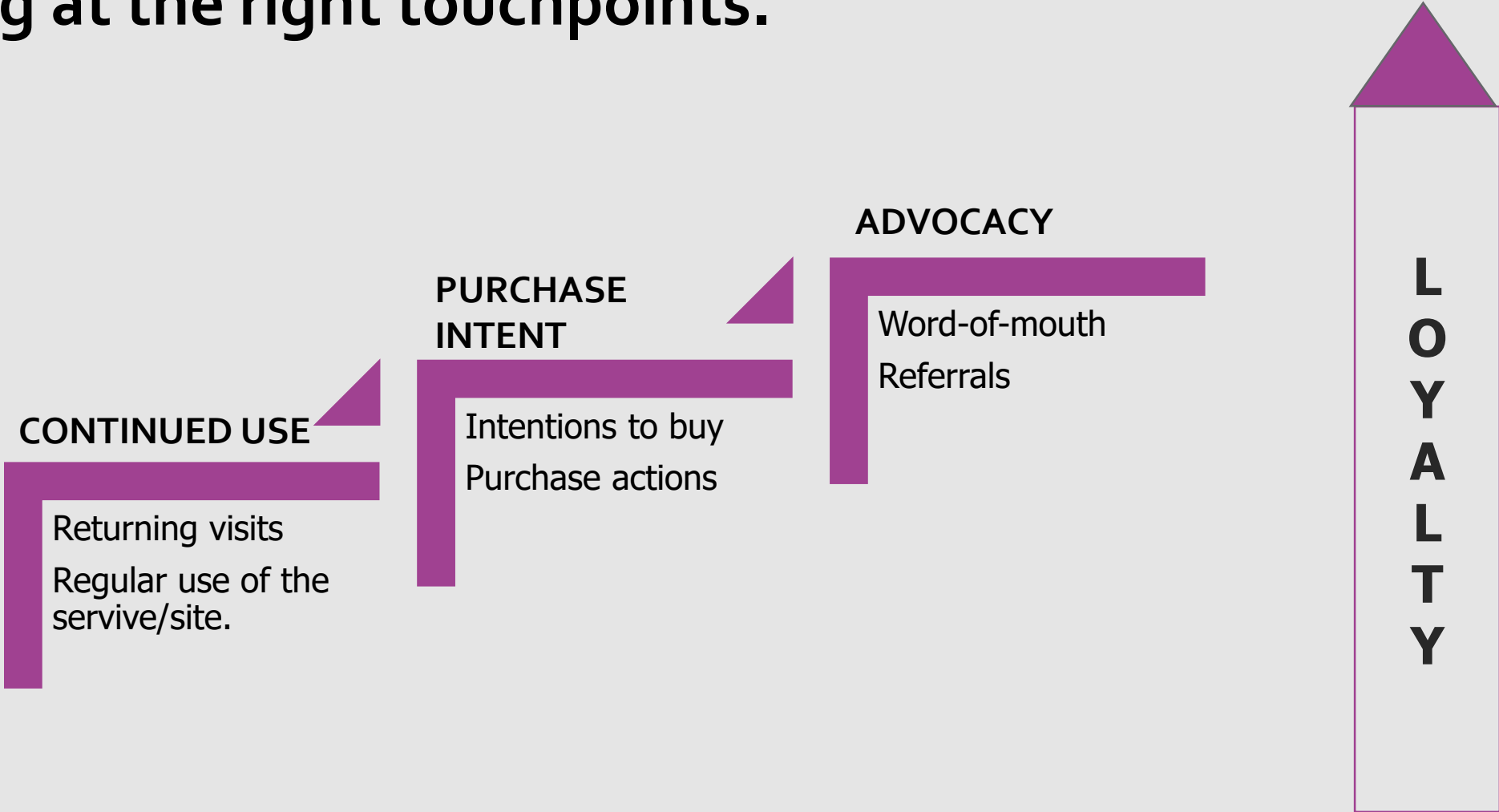




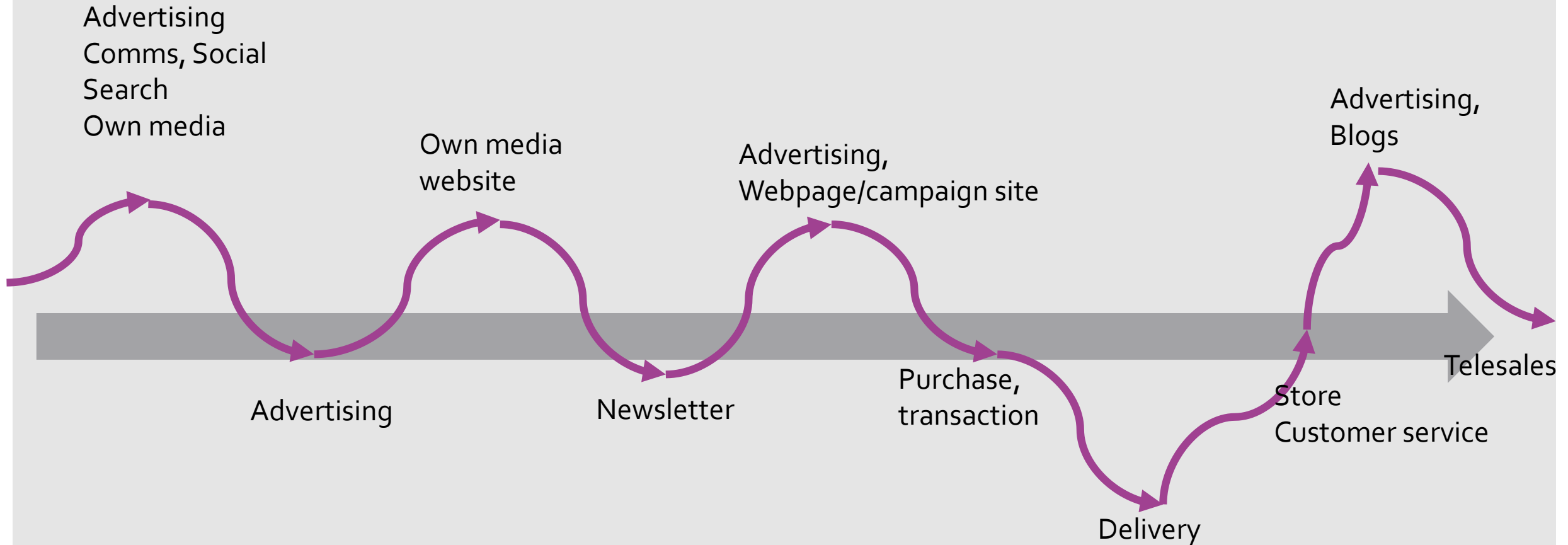
Superior customer experience

Continued use
Purchase Intent
Advocacy
= Loyalty

Towards superior customer experience: measuring and managing at the right touchpoints.



Customer value is generated in every touchpoint on customer journey. However, the customer journeys rarely is linear.



Expectations vs. experience.

Content factors

- Information
 - preferences
- Marketing
 - products
 - price
- Creativity
 - visuals
 - graphics
 - design

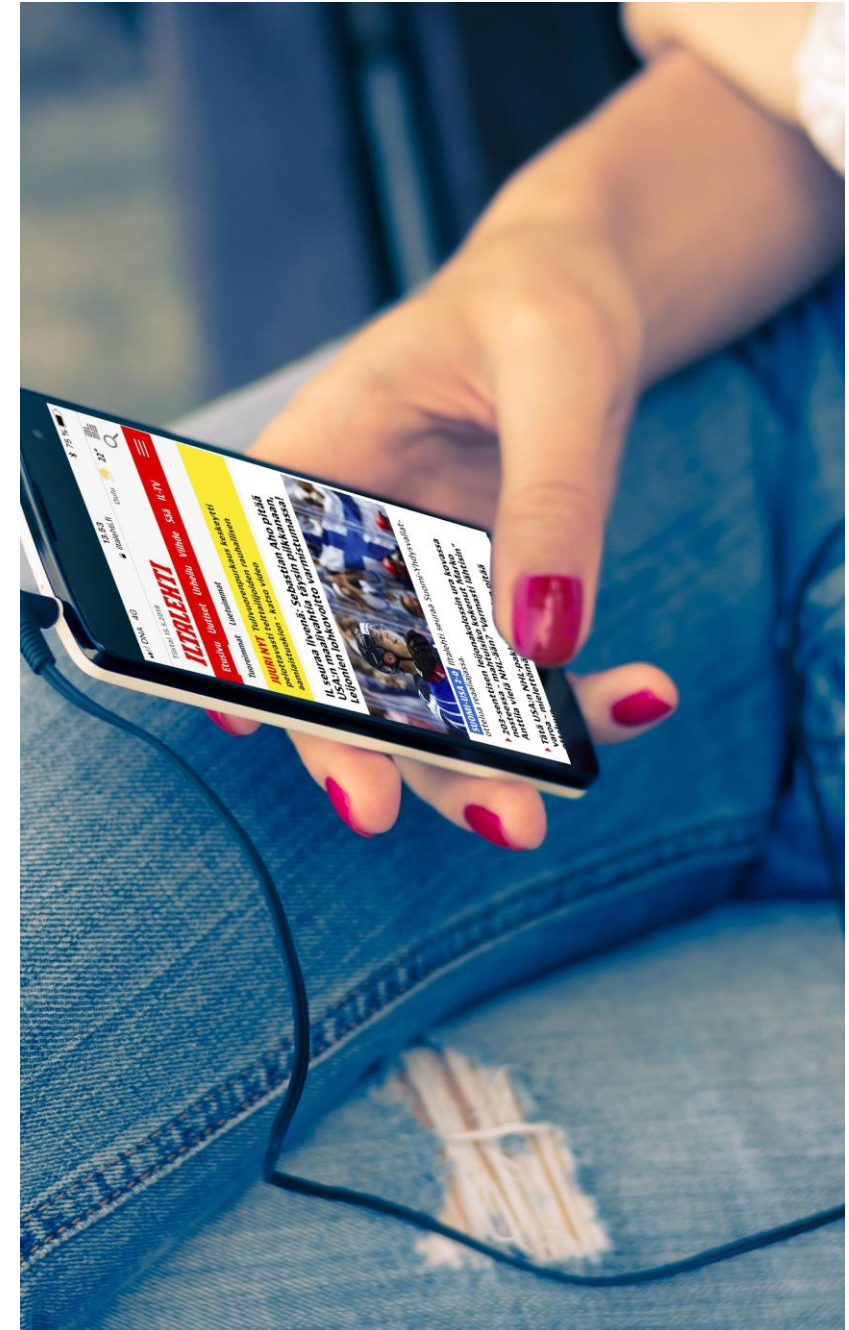
Functional factors (UX)

- Findability
 - structure
 - speed
 - search
- Interactivity
 - customer service
 - networking
 - personalisation

Psychological factors

- Trust
 - online security
 - data safety
- Credibility
 - brand
 - cognition
- Emotions
 - Affect
 - "FoMo"

The three cornerstones of digital CEM.



CEM recap: The nature of online customer experience

- constantly fluctuating experience at different touch –points
- previous experience affects the expectations of next experience
- Expectations change fast due to technological advancements
- direct and in–direct effect on re-purchase via satisfaction.
- searching, browsing, finding
- selecting, comparing, evaluating
- interacting with the firm and other customers
- transacting with the firm
- utilitarian (useful info and ideas) vs. hedonic (relaxation. amusement, escapism)
- Controllable elements (interface, atmosphere, assortment, price, vs. outside of marketers 's control (influence of others, purpose of shopping)

Positive *customer experience* in online environment leads to higher *customer engagement* which leads to higher profits for the company.



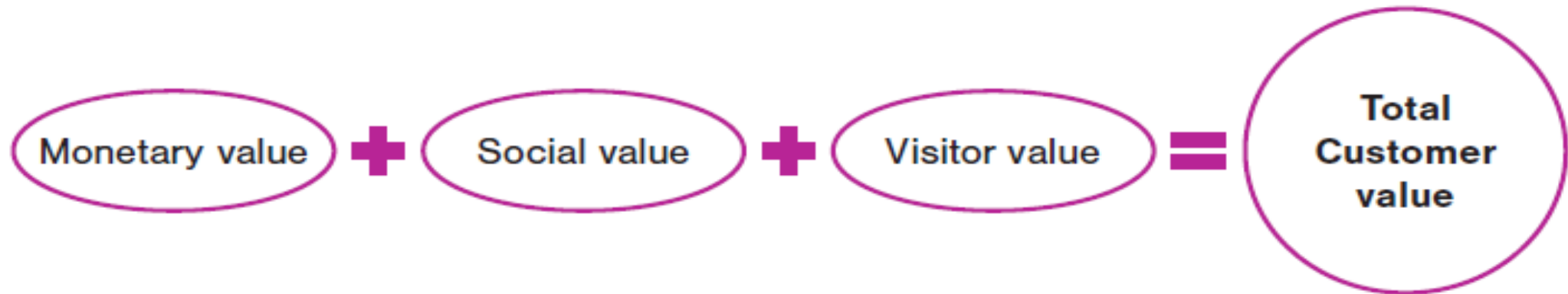
CUSTOMER



VALUE

MANAGEMENT

Customer engagement value forms the relationship value of the customer for the company.



- the value of customer's last purchase
- total value of all purchases made
- customer life-time value

- referrals, sharing
- knowledge
- influencer value, network, size & quality
- co-creation value

- volume of use, browsing, page impressions, time on site
- frequency of visits on site
- recency of (last) visit

Thus, engagement value goes beyond the transactions

Recency of visits

Influencer value

Co-creation value

Frequency of visits

Knowledge value

The value of customer engagement (CEV)

Case

- Concept of customer value
- Components of customer value
- Online user metrics to measure CEV



Concept of customer value	Components of customer value	Online user metrics
Monetary value	Life-time value	Purchases since the time of registration
	Transaction value	Economic value of the last purchase
Social value	Referral value	Number of shared stories
	Knowledge value	Knowledge sharing comments, expert status
	Influencer value	Size and nature of personal network
	Co-creation value	Number of comments, blogs
Visitor value	Volume of use	Time on site, Page impressions
	Frequency of use	Number of visits
	Recency of use	Time of last visit



The art of Customer Value Management (CVM)

CEM: customer perspective to relationship value

- How the product or service succeeds in fulfilling the expectations of a customer?
- from the perspective of content, functional and psychological factors.
- Manage the touchpoints of customer journey.
- Aim at: continued use, paying for the service and advocacy
- Provide opportunities for interactivity, eWOM, trials and upsell/ cros-sell.

CEV: company perspective to relationship value

- How customer behaviour produces value in online environment?
 - Has customer made purchases/transactions?
 - What is the life-time value of a customer?
 - Does he/she *use* the online product or service?
 - How often?
 - volume of use?
 - Does he/she share or recommend the service/content to others?
 - does he/she have a sizeable personal network?
 - is he/she an influencer?

Engaging consumers through creative advertising



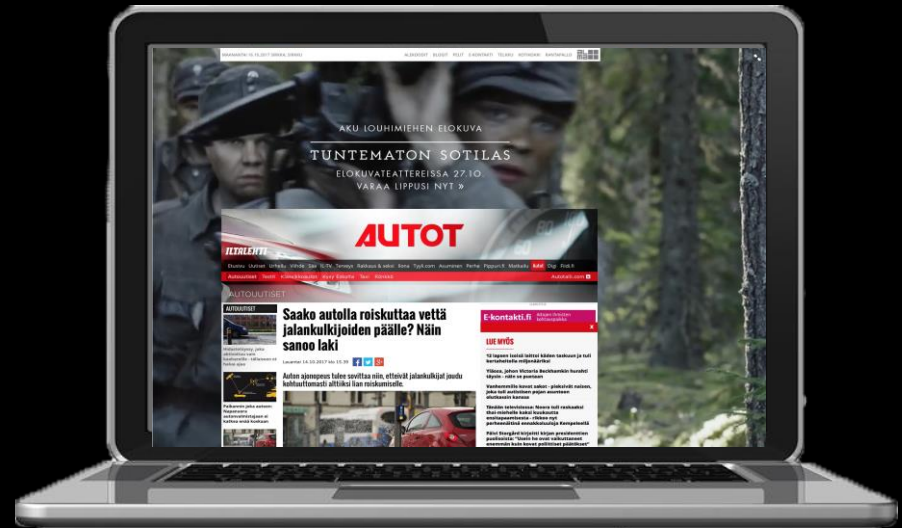
Unknown
Soldier Film



Playstation



H&M



An iceberg floating in the ocean. The tip of the iceberg is visible above the water line, while the much larger, submerged part is hidden below. The sky is blue with scattered white clouds. The water is a deep blue.

The **missed** opportunity

by not investing in creative

Key Findings

1

Brands are 🤖 struggling to achieve their advertising objectives

2

Delivering poor ads comes at a 📄 cost


3

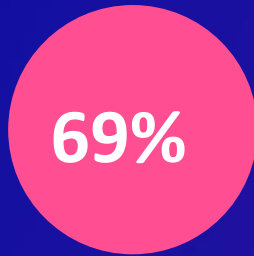
Improving ad creative will 💊 remedy the ecosystem stalemate

Top Ways In Which Mobile Ads Are Disruptive To Consumers

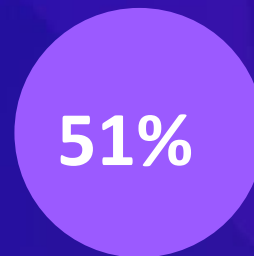


71%

of consumers say that at least half of ads they see in a day  disrupt their mobile experience



Ads obscure screen content



Ads are irrelevant



Ads don't load well



Base: 1,000 smartphone owners in North America who have seen a mobile advertisement in the past 30 days
 Source: A commissioned study conducted by Forrester Consulting on behalf of Celtra, April 2016

To Their Detriment, Advertisers Don't Prioritize Creative

Only **24%** of companies place 🚨 top priority on ad creative and content assembly when planning their advertising strategy.

+

Give Creative It's Due – 3 Tips



Disruption-minimizing
formats 



Relevant messaging 

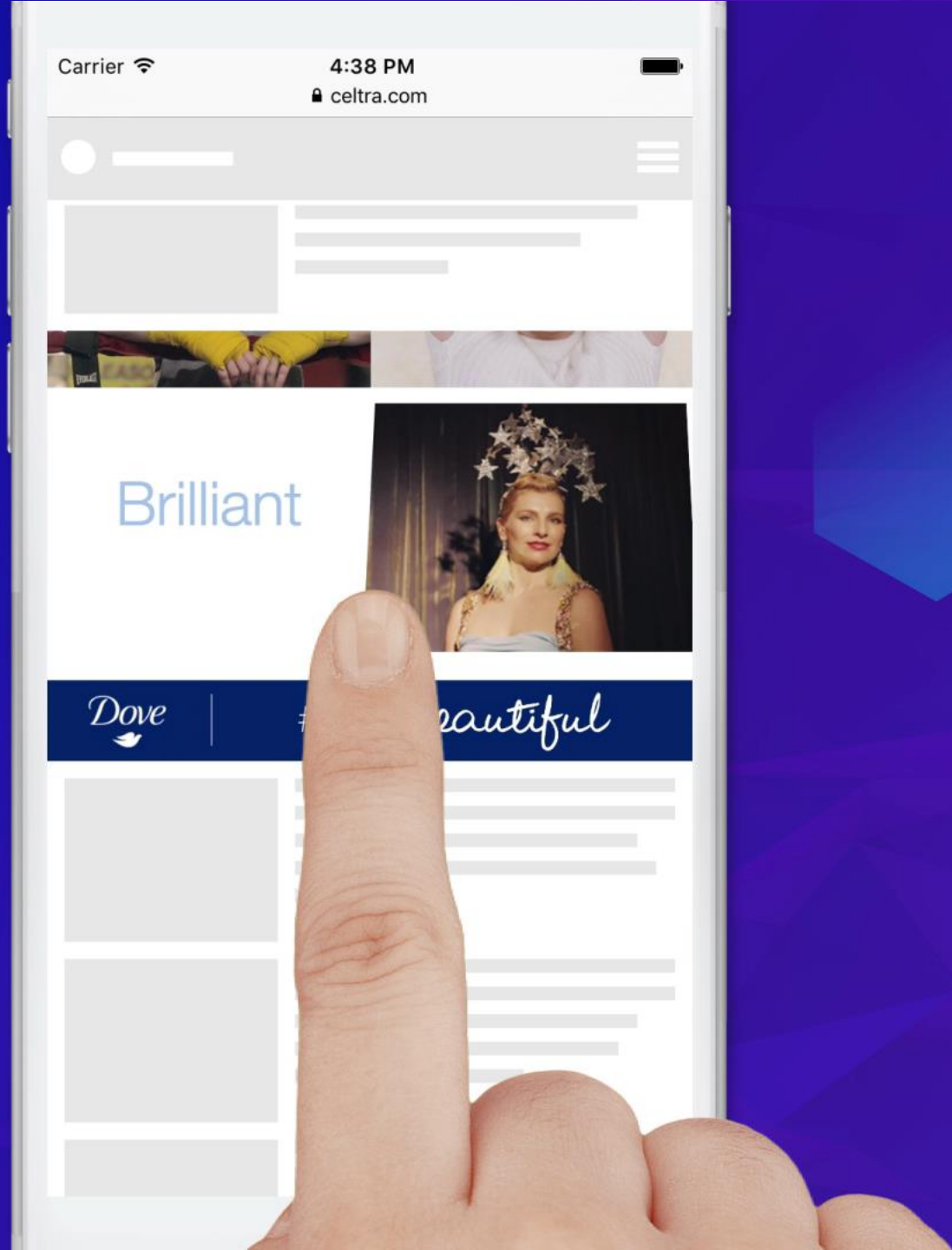


Engaging Content 

/////

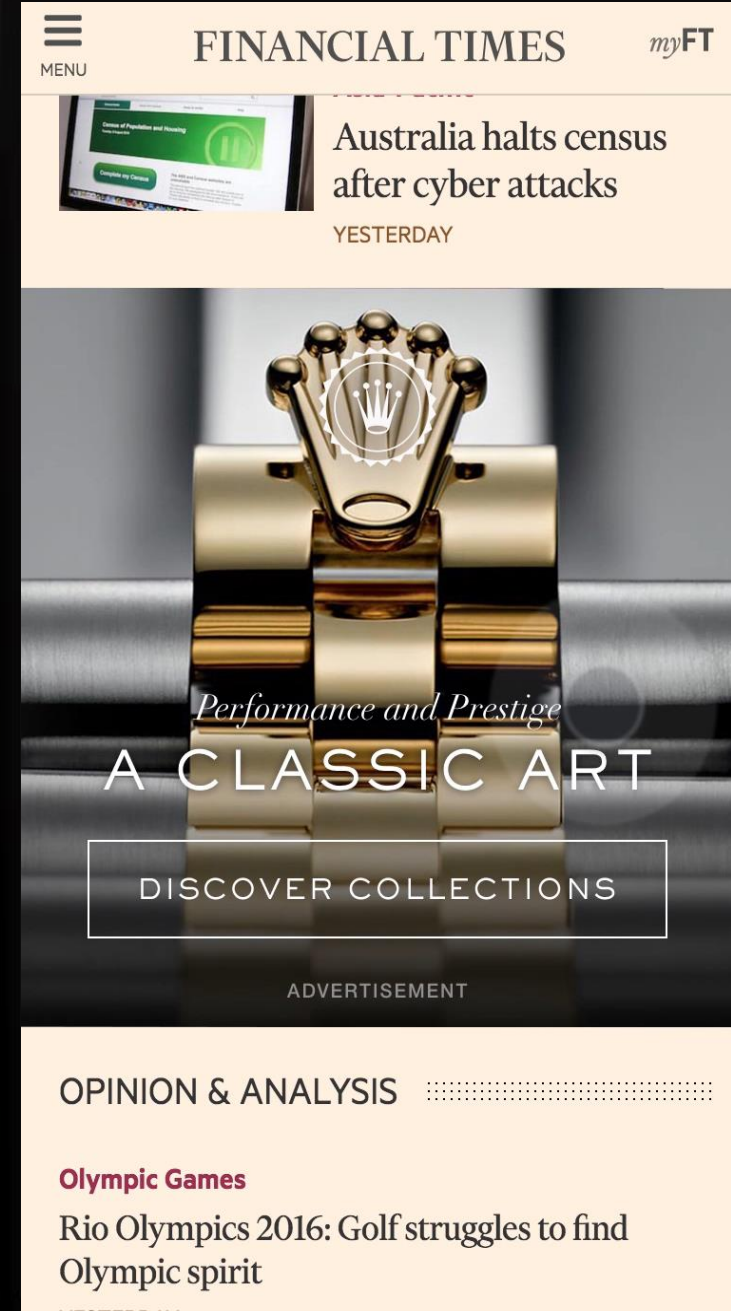
Native Formats

Miniscroller



Native Formats

Reactive Scrolling



Native Formats

Universal, Reactive Scroller

+

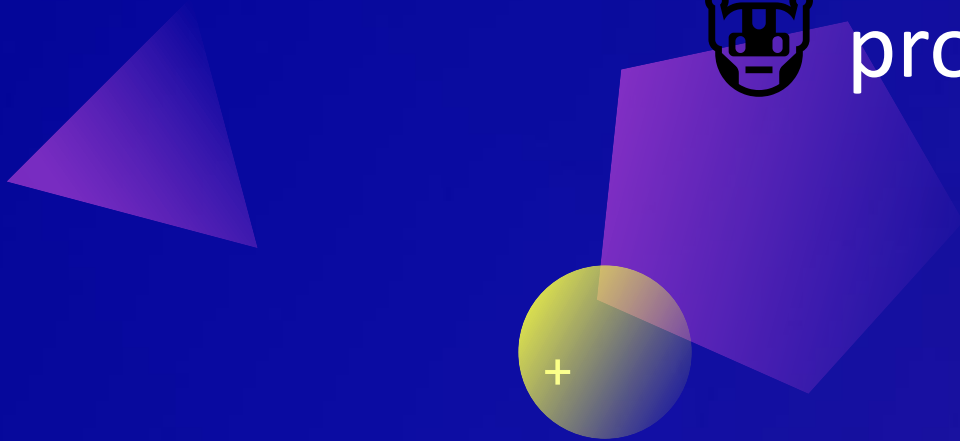


Relevant Messaging

42%

of consumers identified relevant messaging as very important.

Tip for Advertisers – maximize the use of  programmatic creative capabilities

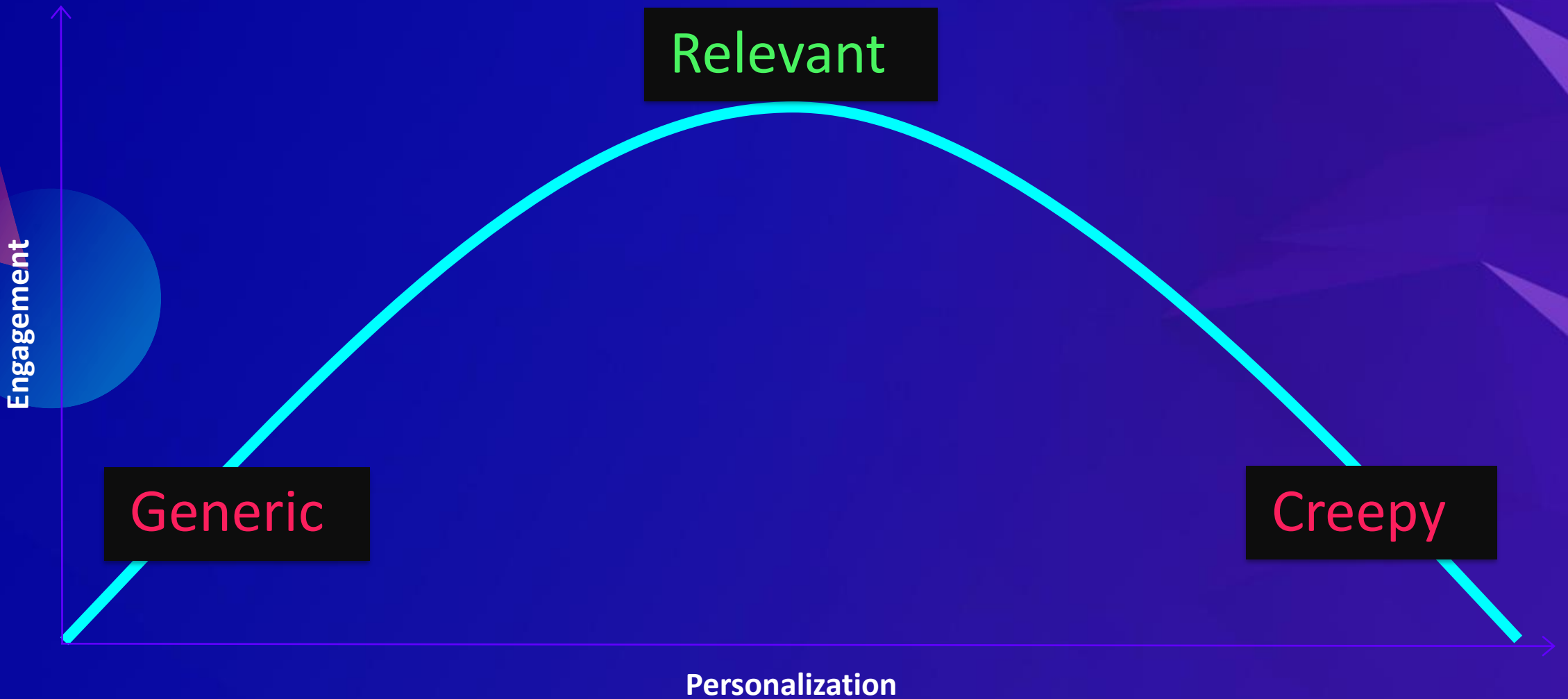


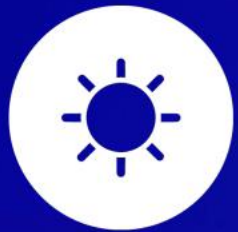
Creative needs to be

contextually engineered for the

personalized generation

The personalization curve





Sunny weather



Engaging Content

41%

of consumers report that  video ads are the No.1 type of mobile ad they would most prefer to see or engage with.

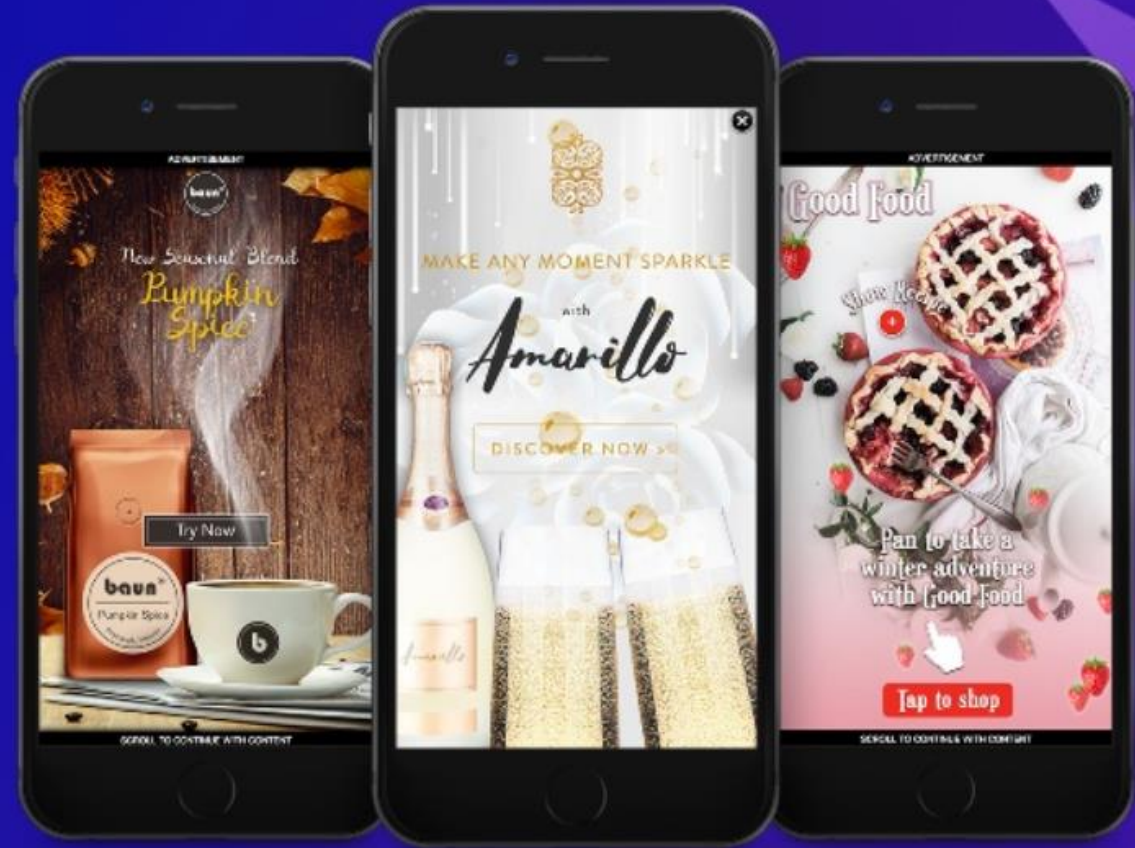
-Survey of 1,000 smartphone owners in North America

+

Creative Recommendations: Food and Beverage

Take advantage of **Visual effects** components family to bring drinks and dishes to life looking delicious.

Create highly engaging experiences such as **games** and interactive recipe books using **Swipey** or **Pannable** to encourage interaction and boost brand recall.



Video Wall Paper

MAANANTAI 16.10.2017 SIRKKA, SIRKKU

ALEKOODIT BLOGIT PELIT E-KONTAKTI TELKKU KOTIKOKKI RANTAPALLO

AKU LOUHIMIEHEN ELOKUVA

TUNTEMATON SOTILAS

ELOKUVATEATTEREISSA 27.10.

VARAA LIPPUSI NYT »

AUTOT

ILTALEHTI

Etusivu Uutiset Urheilu Viihde Sää IL-TV Terveys Rakkaus & seksi Ilona Tyyli.com Asuminen Perhe Pippuri.fi Matkailu Autot Digi Fiidi.fi

Auto uutiset Testit Klassikkoautot Kysy Eskolta Taxi Rönkkö Autotalli.com

AUTOUUTISET

AUTOUUTISET

Saako autolla roiskuttaa vettä jalankulkijoiden päälle? Näin sanoo laki

Lauantai 14.10.2017 klo 15.39

Hidastetöyssy, joka aktivoituu vain kaahareille - tällaiseen et halua ajaa

Auton ajonopeus tulee sovittaa niin, etteivät jalankulkijat joudu kohtuuttomasti alttiiksi liian roiskumiselle.

Paikannin joka autoon: Napanuora autonvalmistajaan ei katkea enää koskaan

E-kontakti.fi Aitojen ihmisten kohtauspaikka

LUE MYÖS

12 lapsen isoisä laittoi käden taskuun ja tuli kertaheitolla miljonääriksi

Yläosa, johon Victoria Beckhamkin hurautti täysin - näin se puetaan

Vanhemmille kovat sakot - pieksivät naisen, joka tuli autistisen pojan asuntoon olutkassin kanssa

Tänään televisiossa: Noora tuli raskaaksi thai-miehelle kaksi kuukautta ensitapaamisesta - rikkoo nyt perheenäitinä ennakkoluuloja Kempeleellä

Päivi Storgård kirjoitti kirjan presidenttien puolisoista: "Usein he ovat vaikuttaneet enemmän kuin kovat poliittiset päätökset"

Interactive wallpaper

TIKKURILA

PUHDISTA SEINÄ LUJA 20 BASILIKA M384 TOMAATTI M316 VALKEA KUULAS V389

Inspiroidu Growth-värikokoelman rohkeista sävyistä. Testaa niitä maalaalla tämä seinä.

ILTALEHTI Sää Tampere ylin -1° alin -6° BLOGIT PELIT

Etusivu Uutiset Urheilu Viihde Sää IL-TV Terveys Rakkaus & seksi Ilona Tyyli.com Asuminen Perhe Pippuri.fi Matkailu Autot Digi Fiidi.fi

Tuoreimmat uutiset Lähetä uutisvihje Uutiskirje Päivän lehti Sää Yhteystiedot Mediatiedot / Media Kit Palaute Seuraa Facebookissa

TUOREIMMAT

KOTIMAA

Lähteet: Lastensuojelussa ei haluta puuttua vaikeisiin tapauksiin - uutta Viija Erika - tragediaa pelätään 03:02

Ohikulkija pelkäsi tulipaloa - turvapaikanhakijat juhlivat uuttavuotta 00:17

Lottomiljonääriä odotetaan tamperealaismarketissa: "Tällä tiskillä on pelattu monta voittoa" 20.03. 22:45

Kiemunki pyysi anteeksi rajua tekstiään muslimitaustaisista lapsista 20.03. 21:29

Kansanedustaja sorttaa

Selvitys: Enemmistöllä turvapaikanhakijoista taustalla perusopintoja, suurimmalla osalla työkokemusta

JUURI NYT! Kartoituksella pyritään ennakoimaan tulevaa koulutuksen tarvetta. Lue lisää...

Axl Smith sivuun - Heikki Paasonen juontaa The Voice

PÄÄAIHEET

Danske Bank: Suomen talous kasvaa 0,7 prosentilla tänä vuonna

Selvitys: Enemmistöllä turvapaikanhakijoista perusopinnot ja työkokemusta

Koulukiusaaminen tuhosi Jonin, 12, elämän - äiri: "minulla ei ole enää sitä vanhaa"

ILMOITUS

KESKUSVARASTOMME MUUTTAA

KAIKKI ÜBERHALVALLA!

VA RAS TON TYHJEN NYSI!

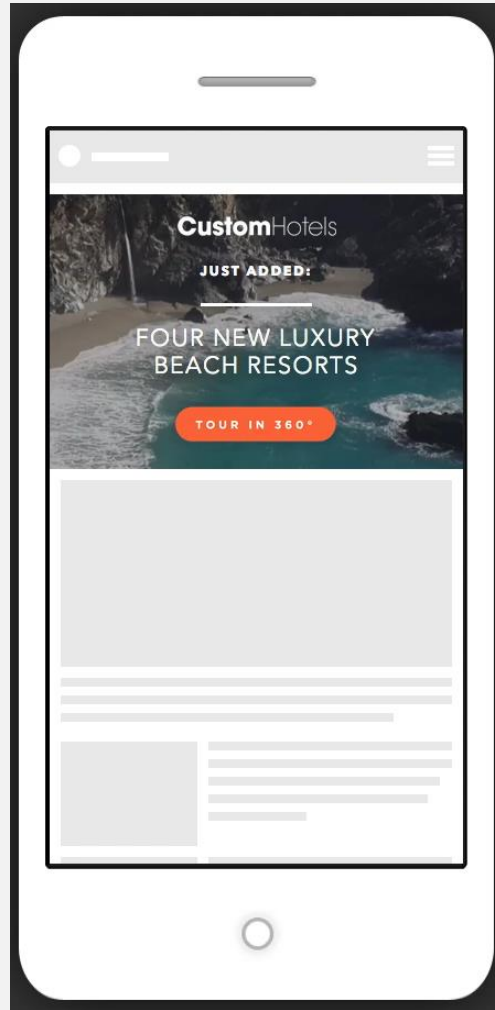
OSTA HETI ▶ **ANTILA.COM**

Interactive video





Vertical video



360



Reactive scroll

Performance Metrics for Digital Display Ads Worldwide*, by Format, H1 2014

	Standard banners	Mobile	Rich media banners	Video banners
Clickthrough rate (CTR)	0.12%	0.14%	0.44%	0.39%
Engagement rate	2.14%	1.62%	16.85%	-
Average engagement time (seconds)	10.4	14.1	10.7	8.3
Average video playtime (seconds)	-	-	40.5	32.1
% In-screen impressions	52.4%	58.0%	66.0%	62.2%

*Note: represents activity on the Adform platform, broader industry metrics may vary; *primarily Europe and US*

Source: Adform, "Rich Media 1 HY 2014 Benchmark," Sep 17, 2014



more: celtra.com
insights: celtra.com/insights

Key Recommendations

There is no doubt: Today's ads don't deliver on consumer or advertiser expectations. But the mandate for marketers is clear: **Place strategic emphasis on creative to improve the customer experience.**

To deliver positive ad experiences, marketers must focus on the following:

- 
1
The right medium
- 
2
The right delivery
- 
3
The right moment

Engaging consumers through content marketing

Content Marketing is about the message, the target group, the delivery and measuring results

MEDIA

paid
earned
own media;
company
or campaign site
social media

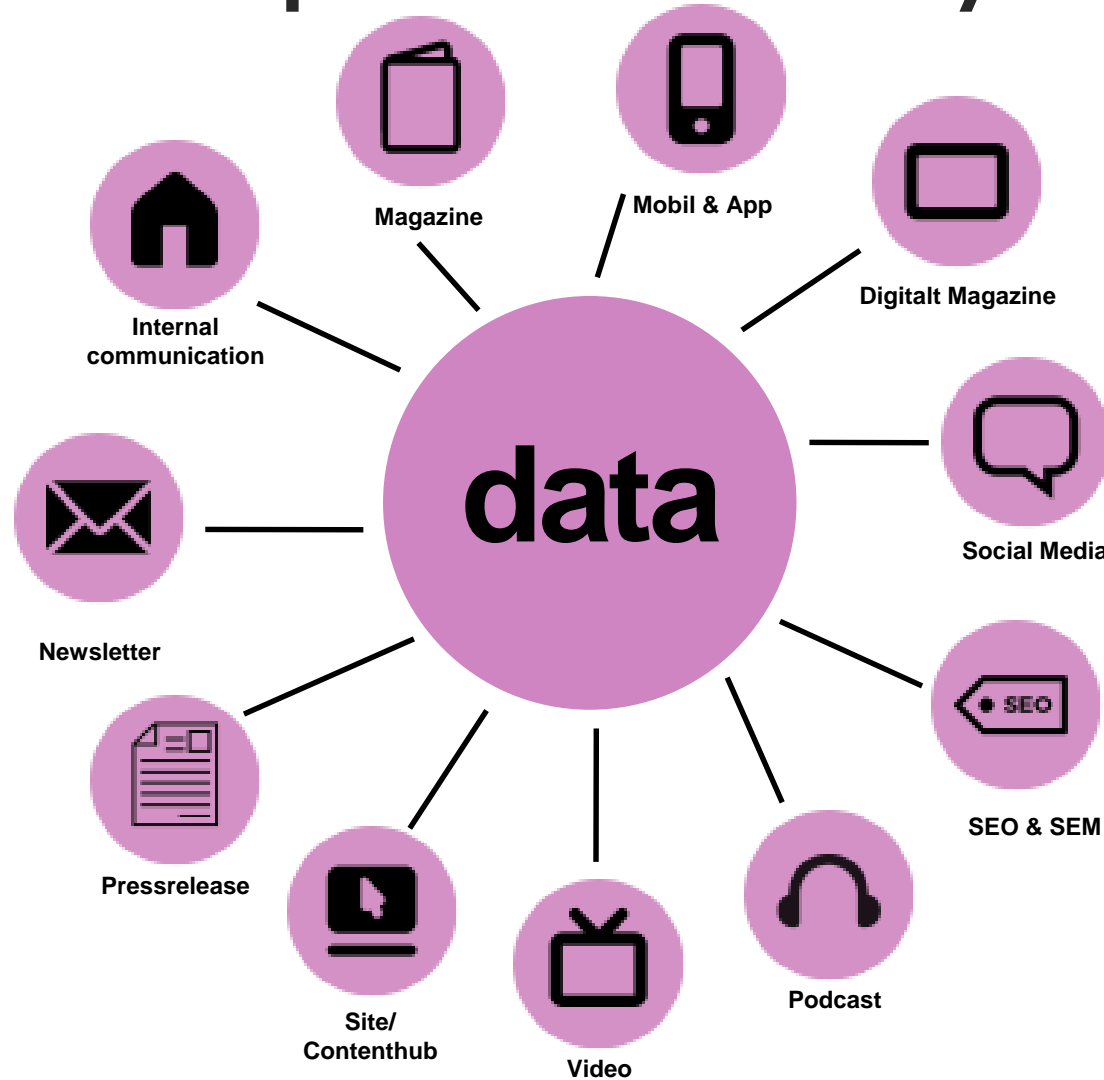
CONTENT

video
text
image
quiz /
competition
etc.

ENGAGEMENT

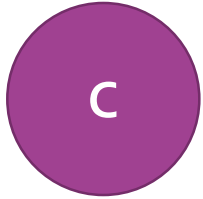
readership
comments
shares
clicks to
campaign site

Most content and channels are measurable in a sophisticated way



Data for measuring

How to measure content marketing?



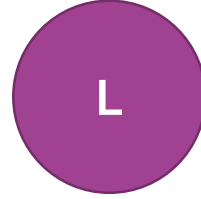
Consumption:

What content are your recipients consuming, and in what way?



Sharing:

What kind of content are recipients sharing? When, where and how much are they sharing?



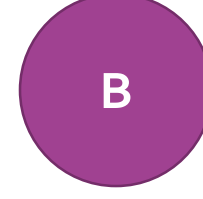
Lead generation:

How, when, and at what cost are recipients converted with the help of your content?



Sales:

How, when, and at what cost will your leads turn into paying customers?



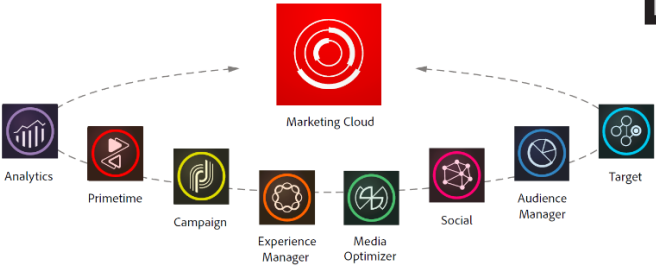
Brand:

How and in what way does awareness and perception of your brand change over time with the help of your content?

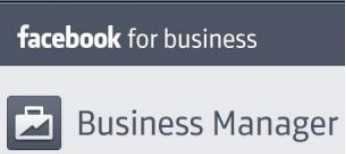
Example of tools and service providers for distribution and measuring content marketing



Adobe Marketing Cloud

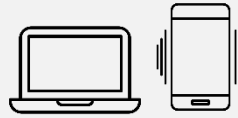


LinkedIn Business Solutions



Engaging consumers through programmatic marketing

What is programmatic buying? How to buy ad impressions?



Marketplace

Buying through RTB-protocol (real time bidding)
price level & auction • targeting • sites • adformats

What is required for programmatic buying?

Demand side platform (DSP):

esim. AppNexus, Googlen DoubleClick Bid Manager , Adform

Three different practices for programmatic buying:

1.
Brand Trading Desk

2.
Agency Trading Desk

3.
Hybrid



Key considerations for a **buy-side** programmatic strategy



Step 1: Is my business suited to a programmatic strategy?

Data rich



Am I a business where a significant part of the consumer purchase journey happens online so that a lot of consumer intent signals can be collected and used for better targeting?

Strong digital measurement established



Am I able to measure the business impact of my digital campaigns? Easy for online business, but also possible for multi-channel or CPG

Data driven and innovation culture



Is my business open to try new things and to change ways of working based on data? Programmatic thrives in a test & learn culture.

Scale



Do I have sufficient budget to test out all relevant channels and tactics? Can I benefit from cross-country learnings?



Tips for winning the game through mutual value creation

- From qualified **marketing leads** to qualified **sales leads** - > "readiness to buy"
- Delivered value vs. Perceived value
- Marketing as a service
- **Customer vs. Customer relationship**
- From transactions to nurturing relationships
- From lead generation to nurturing long-term leads
- **Message vs. engagement**
- **The power of networked customers:** Interaction, Collaboration, Co-creation
- Content & marketing
- Value
- Data

“When customer engagement is effectively tracked and managed, firms will increase their profits” (Kumar, 2015)

Thank you!