Bridging the Content and Commerce Divide

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Highlights

DIGITAL CLARITY GROUP

Executive Summary

The disciplines of content and commerce have developed independently much like separate countries do, with knowledge of each other's existence but little direct interaction. Until recently, technologies, employee expertise, and business goals have been distinct within the content and commerce parts of a company. Commerce servers and web content management systems are typically separate technologies sold by different vendors and implemented by service provider partners with either content or commerce expertise. Within companies, it is common that marketing departments create and manage content, while IT departments and merchandising and sourcing specialists manage commerce.

Ultimately, however, these separate entities share the common goal of providing great customer experiences that result in sales. In addition to being a purchaser, a customer is a collection of emotions, activities, and attitudes that come into play around purchasing decisions. The shopping cart, be it physical or an icon on an online site, is merely the vehicle for the purchase transaction. The challenge for companies now is to understand the optimal content that prompts a transaction, and not just once, but over time.

Content and commerce integration has thus become an essential component of a company's customer experience management strategy. In order to succeed at this integration, companies need to understand the languages and heritages of the content and commerce worlds. Being armed with this knowledge will help companies make well-informed decisions around content- and commerce-related technology strategy and purchasing.

The Countries of Content and Commerce

Content and commerce have evolved in parallel as two separate worlds, each with its own distinct technologies, processes, and specialist skill sets. It's as if they have been two separate countries sharing a border, speaking different languages and engaging in a bit of trade and political cooperation as needed, but having little reason to engage more regularly (See Figures 1 and 2).

On one side of the border is Contentland. Contentland's inhabitants once spoke the language of print and broadcast media such as brochures, product catalogs, radio and TV ads. As content migrated online and became digital, it became richer and more targeted, mixing media (think of mobile video ads embedded in online games), and with the help of user experience designers and researchers, evolving to better suit the way people experience and interact in digital environments. Today's language of online content has moved well beyond the brochures, commercials, and product catalogs of yesterday, to being a vibrant, dynamic mix of text and visual components. The success of social networks such as Pinterest and Instagram, which rely on visual content, are just two examples of how complex the language of online content has become.

Marketing professionals, the rulers and citizens of Contentland, are judged on the design and effectiveness in driving sales of the content they create, and are generally valued for their creative rather than technical expertise. As a result, the technology solutions that software vendors and open-source communities have developed to serve marketers — such as web content management, digital asset management, and marketing automation software — were designed for the persona of the marketing professional as the front-end user.

Even the smallest companies now have their pick of marketing software that does not require extensive technical expertise to operate and integrate together, though companies growing rapidly and needing to operate at scale need more technical employees. Web content management professionals with deep experience in specific CMS and related technologies fill that gap. And though much has been written and said about the rise of the marketing technologist, the rank and file of the average marketing department is likely to have more creative and content management expertise than technical expertise. They will have to at least have learned to speak the language of online content through usage of software systems such as CMS, CRM, and marketing automation, but their knowledge is usually that of the power user rather than the technical expert.

On the other side of the border is Commerceland, which has roots in two sub-regions. The first is in traditional brick-and-mortar merchandising, which involves sourcing, buying, and pricing the products to sell. These roles, many of which have also migrated to online commerce, include merchandise buyers, who purchase finished goods and products, and category managers, who optimize how those products are displayed and sold. Both of these roles require knowledge of consumer preferences and trends, as well as pricing. Category managers, in addition, require expertise in promotion planning, shelf and space planning, and assortment planning.

The second sub-region in Commerceland is IT and operations, which organize, build, and manage the supply chain and backend systems that process orders, payments, and fulfillment. Operational expertise is essential for supply-chain managers, who oversee the entire process from sourcing materials to delivering it to different parts of the business, and ensuring the finished products get to the right destinations at the right time. This requires skill in managing supplier relationships and vendor negotiations as well as in process improvement.

Experts for technical roles need to have agility in areas such as order management and product information management; knowledge of popular vendor and open-source, ecommerce platforms; and payment processing systems. In addition, these roles may also require skills in integrating ecommerce technologies with other enterprise platforms, such as CMS, CRM and ERP systems.

Take for example a clothing retailer specializing in high-end jeans that sells both online and in-store. This retailer requires that buyers and category managers decide on the jeans brands to carry, negotiate the price and quantities with wholesalers, and decide where in the store the different brands will be displayed, and in what order or arrangement on the shelf. Supply chain managers may also be involved in the purchase negotiations, as well as overseeing the process of transporting the purchased goods from wholesalers to warehouses and stores. Ecommerce managers and consultants manage the online product catalog of jeans that customers can view on an online storefront, the software platform supporting that storefront, and the integration of payment processing for options such as credit cards and PayPal.

Figure 1.

Contentland and Commerceland Technology Languages

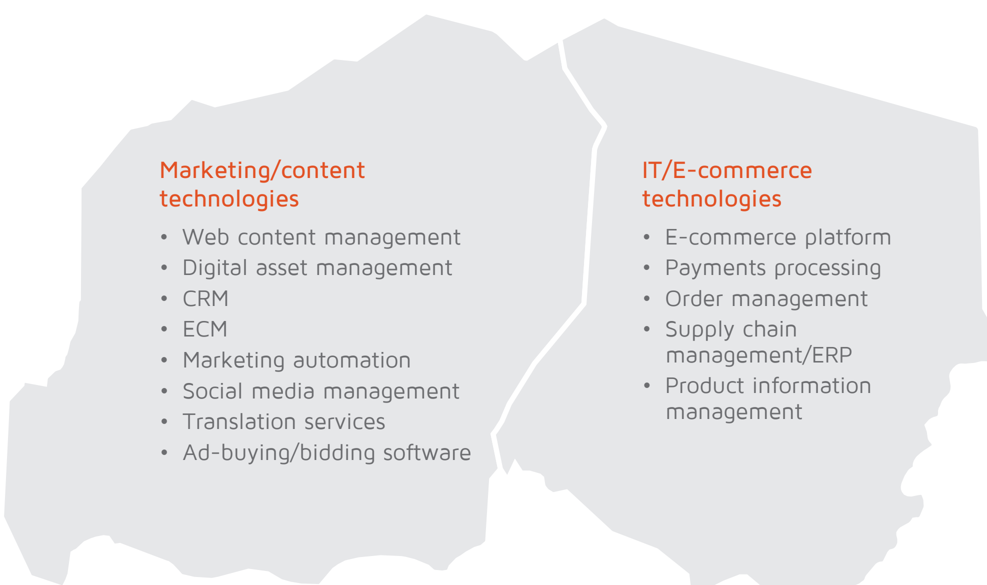

Figure 2.

Contentland and Commerceland Citizen Types

The Evolution From Neighbors to Allies

The divide between technology languages and citizen types for content and commerce has created gaps within the ecosystems of both buyers and sellers. The sellers — the software vendors and service providers — tend to focus on either one country or another, depending on their heritage. In turn, they are encountering in their customers what one digital agency executive refers to as the "executive sponsor gap." This gap describes the difference between how decision-makers involved in content and commerce implementations are measured. Marketing metrics common in Contentland measure how content is performing, such as open rates, conversion rates, inbound links, and organic search traffic. In contrast, metrics common in the IT and operations worlds are focused on delivering projects on time and within budget. As a result, decisions around technology purchases can get mired in the gap between the IT director and the marketing director, who is compensated on content metrics and is less concerned about timescales and budget than the IT director, who is ultimately responsible for implementing and managing the technology in question.

Unfortunately, in the era of customer experience, this divide is a disadvantage for all concerned. Buyers and sellers are all playing catch-up to customer demands, as the customer does not care about the inner workings of the company from which she buys. She wants to buy via the channel of her choice (e.g., mobile or desktop), when she wants, using her preferred payment method. Engaging, well-designed content can be a vital spur to her clicking on the "buy" button at the end of her online journey — and to coming back again for repeat purchases.

Fortunately, there are signs that the importance of customer experience has led to the borders becoming more porous between Contentland and Commerceland. Content technology vendors have bought commerce technology vendors (e.g., Sitecore and commerceserver), and service providers such as digital agencies and systems integrators with content management expertise have bought commerce consultants (e.g.MRM||McCann and Optaros, and more recently Dentsu Aegis Network's purchase of eCommera to add to its Isobar division). Partnerships among commerce, content, and service providers have evolved as well: Witness Rosetta's with Adobe and IBM to connect Websphere Commerce to Experience Manager.

This content and commerce alliance, however, is still in its early days, and it remains to be seen whether the mergers, acquisitions, and partnerships around content and commerce will actually deliver on their promise to customers once they are put through their paces. Companies looking at content and commerce implementations therefore need to spend the right amount of time defining as well as prioritizing their requirements *before* engaging with potential vendors and service providers.[1]

Most importantly, companies should take heed that content and commerce *can no longer be viewed as discrete technology projects, unconnected from each other*, because customers expect them to be seamless. In this era of customer experience, regardless of whether your company is B2B, B2C, a hybrid of the two, or a non-commercial entity entirely, customers see content and commerce as not two countries but just the one, sharing a common language, and are more likely to switch loyalties if their expectations are not met.[2]

Technology Selection Considerations

Because of the fragmented nature of the content and commerce worlds, software vendors keen for new business may claim to have equal depth of expertise in both. Companies should have a healthy degree of skepticism about this claim, particularly if those potential suppliers are basing their expertise on a new acquisition or on a solution they have launched within the last few months.

One tactic that some companies have taken is to look at content and commerce integration as a two-stage process. With this method, the company decides to “lead” with content or “lead” with commerce, and integrate either the other a later stage. This makes the best use of limited in-house expertise, spreads the risk over time, and prioritizes the implementation that will make the biggest positive business impact first.

For example, a mid-market supplier of premium beef that sold via a direct sales force and had a loyal base of existing B2B customers force was interested in establishing an online channel. Since it was already an established brand, this company decided to lead with commerce first in order to get the operational and technical pieces in place, and engaged with a service provider specializing in ecommerce implementations. Since launch, and with several successful quarters of online sales behind it, the company is now looking to add content in order to expand into direct to consumer sales, so that it can add articles, recipes, and how-to tips to entice new customers toward purchase.

Here are two additional examples, one B2B and one B2C, of how that two-stage process might work in practice:

- A 40-year old manufacturer of building tools has a loyal base of customers who place orders and pay primarily using fax and paper bills. The company would like to reduce its administrative overhead by moving the more regular and predictable transactions online and expand its limited product catalog, which today is just a PDF on their website. For this company, where the business was built by direct sales and the buyers are B2B, selecting the right ecommerce solution would be the first step, and integrating content — which in this case might be price calculators or improved product visuals, how-to videos, or client testimonials — would be the second.
- A rapidly growing online clothing retailer has just upgraded from having a store on eBay to an owned website, and has found that some of its largest orders are coming from a few US states and foreign countries. In this case, where the company is heavily reliant on search engine optimization, geotargeting, and social media buzz to build its customer base, creating unique, compelling localized content that will improve standing in search results is very important. Selecting the right content solution would be the first step here, and integrating commerce — which in this case would include multiple payment options and low delivery rates to certain locations — would be the second.

These examples show that there is no single correct or even best way of implementing content and commerce: The most important thing is that the buyers took a realistic look at their strengths and weaknesses, and made technology purchase decisions to fill in gaps and expertise they lacked internally.

Regardless of whether a company decides to lead with content, lead with commerce, or pursue a strategy of implementing both simultaneously, it needs to make sure that the solutions it chooses allow for the following capabilities:

- **Personalization:** The ability to provide customers with targeted products and services is a key differentiator that is becoming an expected part of a great customer experience. This is the case for both B2C and B2B: A customer who has just bought a set of skis does not want to receive a special offer for the same skis several hours later, just as a buyer of footwear for a department store does not want to start receiving special offers on wholesale furniture not applicable in her country.
- **Affordable scalability:** Cloud-based platforms are now available from a wide variety of content and commerce vendors, in both B2B and B2C, and are great for getting to market quickly. However, buyers need to ensure that they factor in the cost of the business model behind these platforms: If it is based on a percentage of revenue from online sales, rapid growth will mean losing margin to the platform vendor.
- **Integration with business intelligence and analytics platforms:** Content and commerce investments will have much greater value if their business impact is measurable. Companies in the earlier stages of content and commerce, particularly midmarket companies or business divisions of larger enterprises, may have volumes that are initially so small that a spreadsheet is sufficient to track them. However, as online sales grow and become more important to the business overall, business intelligence and analytics software is a more suitable tool for business users to understand the impact content and commerce is having across the company.
- **Mobility:** Companies in mature industries that have invested sparingly in their digital presence, believing their business is fueled by their personal relationships with customers, can no longer afford to stay offline: According to comScore, 75% of adults in the US now own smartphones.[3] Having a mobile responsive site is not an option but a necessity.

Endnotes

1. See “Requirements gathering: A critical part of the technology selection journey” http://www.digitalclaritygroup.com/requirements-gathering-technology-selection-journey/
2. See survey conducted by Harris Interactive in 2011 and commissioned by RightNow, which was later acquired by Oracle. Selected findings are available at http://www.slideshare.net/RightNow/2011-customer-experience-impact-report.
3. See “Report: U.S. Smartphone Penetration Now at 75 Percent” http://marketingland.com/report-us-smartphone-penetration-now-75-percent-117746

About Digital Clarity Group

Digital Clarity Group is a research-based advisory firm focused on the content, technologies, and practices that drive world-class customer experience. Global organizations depend on our insight, reports, and consulting services to help them turn digital disruption into digital advantage. As analysts, we cover the customer experience management (CEM) footprint — those organizational capabilities and competencies that impact the experience delivered to customers and prospects. In our view, the CEM footprint overlays content management, marketing automation, e-commerce, social media management, collaboration, customer relationship management, localization, business process management, analytics, and search. As consultants, we believe that education and advice leading to successful CEM is only possible by actively engaging with all participants in the CEM solutions ecosystem. In keeping with this philosophy, we work with enterprise adopters of CEM solutions, technology vendors that develop and market CEM systems and tools, and service providers who implement solutions, including systems integrators and digital agencies. For more information about DCG, visit www.digitalclaritygroup.com or email info@digitalclaritygroup.com.

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