

Rethinking DAM: Customer Experience Demands Intelligent, Integrated Content

By: Tim Walters, Ph.D.

Highlights

3

From messaging to experiences

6

The end of the DAM era

9

From DAM to MAD: marketing assets on demand

12

Rethink DAM to jump start customer experience management

Sponsored by

ADAM.

**DIGITAL
CLARITY
GROUP**



Executive Summary

Humans inherently prefer visual stimulation and communication. We have been reading printed text for hundreds of years, speaking and listening to language for thousands – but we have created, viewed, and enjoyed visual media for millions of years.¹ This insight is indispensable for understanding how and why customer experience (CX) has suddenly become the primary battleground for the attention (and income) of consumers. Certainly, mobile, always-on internet access, and social platforms have empowered consumers by making information open, sharable, and ubiquitous. But if the web and other digital channels still consisted exclusively of text and small, grainy photographs – ala 1997 – it’s unimaginable that we would today be talking of the imperative for every company and brand to offer *compelling, engaging experiences*.²

In short, rich media is a prerequisite for rich experiences. Unsurprisingly, digital asset management (DAM) technologies and practices have slowly but surely gained importance among marketers and others concerned with customer experience in the last few years. But the consumer appetite for more consistent, cohesive, and relevant experiences is rapidly evolving, and rich media capabilities need to follow suit. Firms should stop thinking of DAM as a repository for certain types of content. Instead, aim for a system – which you might call *MAD*, for *marketing assets on demand* – that can pull together content and assets from multiple sources in order to orchestrate the integrated, omnichannel experiences buyers now seek.

From Messaging to Experiences

It's no longer news that we've entered "the age of the customer." Organizations of all sizes and types — whether B2C or B2B, whether commercial, governmental, educational, or non-profit — need to adapt to a business environment, and to a relationship to their buyers or constituents, that have been rapidly and radically transformed in the last few years. The primary forces behind this transformation — mobile computing and consumer social platforms — have been identified and analyzed.³ However, a parallel development — namely, the internet's slow evolution from a text-based medium to one dominated by photography and video — is less well known but potentially much more important for the task of understanding and responding to the need for customer experience management (CEM).

The transformation of information

The advent of powerful, connected mobile devices, consumer social platforms, and user generated content have disrupted the control that sellers long held over the content, quality, and timing of information:

- First, *the flow of information is accelerated*. Pervasive connected mobile devices make information available instantly and anywhere.
- Second, *the production of information is democratized* by the fact that virtually anyone can publish on the web.

- Third, *the monopoly on information is shattered*. The combination of real-time access and widespread production of information means that any business model based on an information monopoly, or on artificial scarcity and limited access, is no longer sustainable.

"As the industrial revolution was defined by radical efficiency in production," states strategy consultant Mike Aruz, "the digital revolution is defined by radical efficiency in information transmission."⁴ As a result, companies have struggled to move from monologues to conversations, from broadcasting to personalization, and from "feeding the sales funnel" to nurturing loyal brand advocates. And they are equally aware of the stakes in this transition: Gartner recently found that 89% of companies expect to compete "mostly on the basis of customer experience" by 2016.⁵

And yet, something appears to be missing. To be sure, the information revolution has placed unprecedented insight and power into the hands of consumers, who as a result have become demanding, discriminating, and fickle. But this does little to explain why consumers now find it reasonable to expect rich, compelling, engaging, and "delightful" experiences from every kind of provider — and to punish those who fail.

"It's as if we as a species have been patiently waiting for the internet to emerge from its text-centric childhood and finally become a medium capable of providing rich, immersive experiences."

The (slow) rise of rich media

In order to understand the role of rich media in customer experience, just recall how the web looked in the mid-1990s. Constrained by crude content management systems, expensive storage, and above all, dial up modems, web pages were dominated by text. Photographs were small, low resolution, and rare — in 1996, even the home page of the New York Times offered only a single grainy photo.⁶ Video was unthinkable.

As a medium, then, the early web was a substantial step backwards rather than a startling innovation. By the 1990s, consumers were entirely used to glossy, large-format publications such as Life Magazine, always-on radio programming, a huge variety of television shows, and immersive, blockbuster films. In comparison, “surfing” the web was like paging through a crudely printed document from the 18th-century. (But with hyperlinks!) In retrospect, it’s shocking how slowly the infrastructure — and thus web site design — evolved. Flickr (2004) for photo sharing and YouTube (2005) for video were both founded nearly *a decade* after the Netscape browser launched the commercial web in 1995.⁷ Even today, the majority of websites are text heavy and image poor.

In recent years, the floodgates have finally opened. Triggered in part by the meteoric adoption of smartphones that combine connectivity, photography, video, and powerful processors, rich media (including audio) allows the web to meet and exceed what was offered in popular culture prior to its conception. It’s as if we as a species have been patiently waiting for the internet to emerge from its text-centric childhood and become a medium

capable of providing dynamic experiences. The data bears out this intrinsic human desire for multimedia — especially visual — stimulation:

- Humans absorb images fifty times faster than text, and we retain visual information six times more effectively.⁸
- The mobile photography and sharing platform Instagram had one million users two months after its launch in 2010 and 150 million photo uploads in less than a year.⁹ Today, the engagement level on Instagram (as measured by the percentage of the community that likes, shares, or comments) is 25x that of Twitter and 15x that of Facebook.¹⁰
- According to Internet Retailer, site visitors in one study who viewed product videos were 147% more likely to add products to their carts than other shoppers. Online retailer bizchair.com found in 2012 that 33% of online sales came from the 13% of visitors who viewed videos.¹¹
- Mobile video consumption is exploding. Over one-third of all video views in the last quarter of 2014 were on tablets or smartphones. Video plays on mobile devices doubled in 2014 and have grown 16x since 2011.¹²

The counterexample to this visual orgy ought to be Twitter, which has been a success despite the limitation to 140 characters of plain black text. Yet, as Twitter struggles to increase engagement and thus grow and monetize its user base, it has — predictably — introduced photos, video, and most recently, live streaming.¹³



The key characteristics of customer experience

Together, ubiquitous information access and the maturing of rich media constitute the fundamental conditions of the “age of the customer” – namely, the *end* of the seller’s monopoly on information and one-way messaging, plus the *beginning* of the consumers’ expectation that they can and should receive engaging experiences, not merely enticements to move a step further down the sales funnel.

Far more importantly, these conditions inform the three key *characteristics* of superior customer experiences, which we call the “three Cs” – that is, the desire for (and tendency to favor) consistent, coherent, and contextual experiences. Each illustrates the profound challenges posed by digital disruption and empowered consumers:

- **Consistent.** Consistency is about ensuring that, say, the policy description online is compatible with the one in the brochure, or that the brand identity is clearly expressed across various touchpoints.
- **Coherent.** Consumers increasingly expect to be able to start, interrupt, restart, and complete a customer journey in any channel without having to repeat steps or provided information. Coherency is a measure of how well an organization provides this seamlessness and transparency in omnichannel experiences.

- **Contextual.** When pursuing a given goal, what counts for consumers is not unlimited access to all information but precisely the opposite: quickly getting only what is relevant and pertinent. Contextuality is the intelligence that informs and enables the aspects of consistency and coherency.

From the customer’s perspective, the three Cs are experienced as simplicity, clarity, and reduced effort. For organizations, however, delivering them is anything but easy and may involve fundamentally rethinking operating models, skill sets, departmental responsibilities, organizational structures, and technology silos. Given the indispensable role of rich media in customer experience, let’s investigate what this means for DAM technologies, practices, and professionals.

The End of the DAM Era

Like many enterprise software categories, digital asset management names a range of technologies for a wide variety of use cases. The three broad categories are:

1. High-end systems for media and publishing businesses where the assets are the product, e.g., video production studios, advertising agencies, and broadcasters.
2. Built-in tools that enhance or extend other products such as web content management (WCM) with lightweight capabilities for digital assets.
3. Dedicated solutions for brand assets and other marketing rich media that may be used throughout the organization (including globally) and across many different channels. This third type of DAM solution is the most often used for CEM (and has, therefore, seen the greatest recent growth).

For years, DAM served as a repository for rich media files that existed alongside solutions for other channels or content types, such as WCM, product information management (PIM), product content management (PCM), and email campaign management. This approach made sense — or least, did not present too many issues — as long as each of

these aspects was owned and managed by a separate, siloed team, often with their own distinct performance metrics and goals. For example, it was for many years common to visit a hotel chain website (owned by marketing, and managed in a WCM system), which contained brand messaging and high-level property descriptions, and then link to a completely different site (operated by the yield management team and running on a booking engine) that displayed product information, inventory, and supported the transaction.

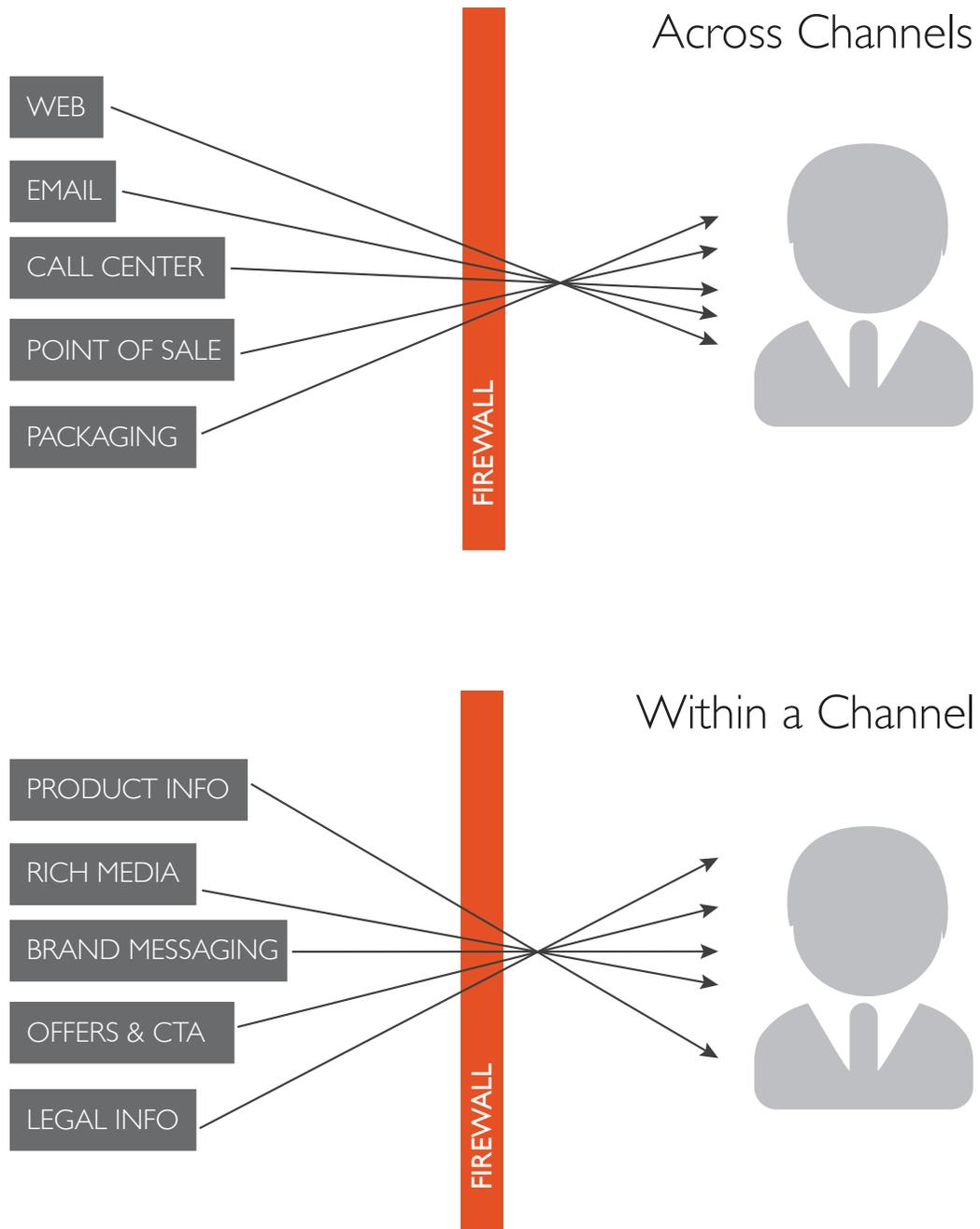
This fragmented approach to customer engagement was embraced by numerous organizations for a reason: silos promote specialization, efficiency, and clear line-of-business responsibilities. However, the guiding principle for the age of the customer (as articulated by Nike’s vice president of digital sport, Stefan Olander) is to abandon this internal perspective, and to “rethink the business with the consumer at the center.”¹⁴ From the customer’s point of view, disjointed teams, tools, and repositories lead to fragmented and inconsistent experiences. (See Figure 1.)

The undesirable outcomes produced by such incoherent interactions can be significant, and include:

“ The guiding principle for the age of the customer is to abandon the internal perspective and to ‘rethink the business with the consumer at the center.’ It is then evident that disjointed teams, tools, and repositories lead to fragmented and inconsistent experiences. ”

Figure 1.

Content Silos and Fragmentation Lead to Inconsistent Experiences



- 
- **Inefficiency and errors:** One global electronics manufacturer we worked with operates dozens of commerce sites for both consumers and B2B. The online platforms were crucial to the company's efforts to increase revenue and expand into new markets. Yet internal teams and agency partners were still using Excel spreadsheets and whiteboards to track and coordinate the publication of content, rich media assets, product information, and inventory data from separate tools and repositories. Predictably, this resulted in publication delays, numerous errors, and low customer satisfaction.
 - **Wasted content marketing investments:** Another client's brand team succeeded in creating entertaining videos that caught the attention of the desirable millennial consumers. Yet the videos offered no link to the corporate or commerce sites and thus delivered almost no benefit. "Content plus commerce" has become a hot topic in recent months. It's most often treated as a technology challenge — namely, combining the output from a WCM and an eCommerce platform. However, as this example shows, it's actually about content strategy. What's important is to be able to easily and intelligently combine the right assets for a given context — whether or not it involves a commerce transaction.
 - **Cross-channel embarrassment:** In one infamous case, the print edition of a local newspaper contained an advertisement for an

upcoming charity run, including a call-to-action: "Click here to register." This seems like a trivial mistake. But broadcasting your internal deficiencies for all to see can be even more detrimental than a serious offense like, say, emailing the wrong account data to a single user.

In short, despite the internal incentives of specialization and control, the fragmented approach frequently works to prevent organizations from meeting consumers' expectations for consistency, coherency, and contextuality. Treating DAM (and other systems) as a siloed repository — this is what we call the DAM era — has to end, not because it is inherently flawed, but because it has to be sacrificed on the altar of customer experience.

From DAM to “MAD”

Obviously, the end of the siloed DAM era doesn't mean that rich media goes away. Rethinking DAM means looking for a way to align the internal processes with customers' expectations. Indeed, when Stefan Olander said the task is “rethinking the business with the customer at the center,” he added, “and aligning technology, analytics, and organizational investments to support it.”

To achieve this kind of alignment, it helps to abstract from the business context and look at interactions from the customer's point of view. As consumers, we're not aware of content types, workflows, team arrangements, reporting structures, performance metrics, or technical infrastructures — and we wouldn't care about them even if we were aware. Of course, these things remain important, even critical, to a favorable outcome; the point is not to negate them but to work towards them *beginning with* the customer experience rather than assuming them as initial constraints.

If the goal is a consistent, coherent, contextualized customer experience, it is necessary to ensure that the various content assets that make up that experience are an integrated and harmonious unit before they are presented to, and experienced by, the consumer. The musical metaphors are apt: *harmonious* and engaging customer experiences are the result of *orchestrating* and *composing* by drawing

upon various notes (content assets) and instruments (content types) to produce a pleasurable outcome for the listener (consumer). (See Figure 2.)

Rather than focusing on the internal task of managing digital assets (and other types of content) in various silos, marketers should think in terms of a system that orchestrates and delivers marketing assets on demand (MAD). (See Figure 3.) Emphasizing the *system* can help customer experience teams avoid the trap of thinking that a single software module, such as WCM or eCommerce, can serve as a CEM “solution.” True customer-centricity involves a long and laborious cultural change for most organizations. Orchestrating internal content flows and aggregation from the customer's perspective can jump-start this process and begin to deliver results immediately.

Such a MAD system — designed to intelligently integrate content for customer experience — would encompass and rationalize the various modular components and repositories that harbor content, and would provide:

- **Content import and aggregation:** To avoid redundancy and duplication, the system would draw content as needed while allowing it to live and be managed in its native solution.

“ The practice of treating DAM as a siloed repository — this is what we call the DAM era — has to end, not because it is inherently flawed, but because it must be sacrificed on the altar of customer experience. ”

Figure 2.

Orchestrating Experiences Internally Ensures Consistency

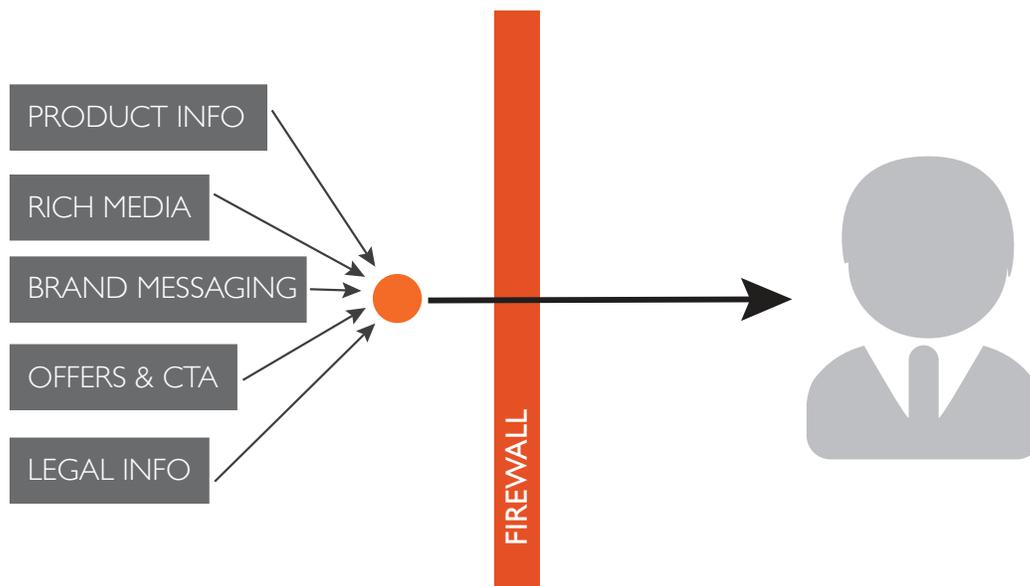


Figure 3.

From DAM to "MAD"

	DAM (as rich media repository)	Marketing Assets on Demand
Perspective	Internal	Customer
Offers	Storage	Orchestration (intelligence, workflow, measurement)
Contains	Rich Media	Experience Assets
Serves	Channel Silos	Transparent Omnichannel Experiences

- 
- **Experience orchestration:** This requires the ability to import and handle the full range of content types needed for a given experience, including rich media, product catalog content, product information (such as SKUs and technical data), inventory status, customer data (from CRM), etc.¹⁵
 - **Intelligence:** Metadata is the grey matter of any content-driven process. The system should offer rich metadata capabilities as well as supporting metadata for assets imported from other solutions. Workflow is an additional aspect of intelligence; the system should automate common workflow tasks and also integrate with BPM tools for complex business process management.
 - **User support:** The user interface would allow business users to understand and control the orchestration process and well as receive necessary analytical insights. In addition, it should support collaborative work among teams, including remote partners such as digital agencies.

Conclusion: Rethink DAM to Jump Start Customer Experience Management

The CEM imperative names the unavoidable necessity for organizations of all types to compete based on the quality of the experiences they offer. The transition required to meet this challenge should not be insurmountable; established firms have been built to sense and react to changes in market conditions, the competitive landscape, and consumer desires. But this time, it's different. The very organizational characteristics that supported previous transitions — efficient teams based on specialized skills, narrow areas of focus, dedicated software solutions, and unique content and data sets — turn from a benefit into a burden in the age of digitally empowered customers.

Consumers now expect to be offered experiences that provide a relationship with the company as a whole, not with this or that team responsible for email campaigns, branded messaging, or customer service. The customer's desire (if not demand) for consistency, coherency, and contextuality — in short, for experiences that demonstrate she is respected as an individual and will be treated as such over time and across channels — can easily run head on into the organization's established practices, structures, and cultural mindsets, none of which are susceptible to rapid change.

In this context, rethinking the technologies and practices around DAM offers at least two distinct advantages. First, given the role of rich media in creating engaging, enthralling, and distinctive digital

experiences, DAM should be at or near the top of any priority list for CEM. Second, by turning DAM into MAD — a system for aggregating diverse content assets from numerous other software solutions and orchestrating them as the integrated, intelligent experiences that customers seek — organizations can *inject customer-centricity into the experience production workflow*. Crucially, this means that a company can begin to offer the rich, holistic experiences that appeal to consumers even before it has completed the slow and often painful transformation to an organization-wide customer-centric culture. Given the volatility and velocity of today's constantly disrupted business environment, using DAM to jump start a company's evolutionary process might make the difference between survival and extinction.

Companies interviewed in preparation for this report

ADAM Software
Prophet
Rosetta
Tahzoo



Endnotes

1. Scott Galloway, CEO of L2, made this observation in his presentation at the 2014 DLD conference in New York. The presentation is available on YouTube at <https://www.youtube.com/watch?v=EMU8YvOjRXc>.
2. For more detail see the Digital Clarity Group Insight Paper, “The CEM Imperative: Customer Experience in the Age of the Empowered Consumer.” Download it at <http://www.digitalclaritygroup.com/the-cem-imperative-customer-experience-in-the-age-of-the-empowered-consumer/>.
3. Ibid.
4. See Mike Aruz, “On the Nature of Digital Transformations,” available at <http://www.mikearuz.com/>.
5. This metric is from Gartner’s 2015 Marketing Spending Survey. See <http://blogs.gartner.com/jake-sorofman/gartner-surveys-confirm-customer-experience-new-battlefield/>
6. For this and other examples of 1990s web design, see <http://mashable.com/2011/12/11/old-web-design/> .
7. Sir Tim Berners-Lee “invented” the web in 1989, and created the first web browser shortly thereafter. The advent of the commercial web is usually dated from Marc Andreessen’s development of the Mosaic browser in 1993. See http://en.wikipedia.org/wiki/History_of_the_web_browser.
8. This and other statistics on the impact of visual media are available at <http://www.invodo.com/resources/statistics/> .
9. For a concise history of Instagram, see <http://wersm.com/the-complete-history-of-instagram/>.
10. See note 1.
11. See note 7.
12. See the Ooyala Global Video Index, Q4 2014. Download it at <http://www.ooyala.com/online-video-index>.
13. The live-streaming app Meerkat exploded in popularity on Twitter in early 2015. Shortly thereafter, Twitter introduced its own streaming service, Periscope, based on an acquisition it made in January 2015. For more details, see <http://www.theverge.com/2015/3/26/8293353/periscope-live-streaming-twitter-meerkat>.

- 
14. Together with Ajaz Ahmed, Stefan Olander published “Velocity: The Seven New Laws For a World Gone Digital.” See <http://www.amazon.com/Velocity-Seven-Laws-World-Digital-ebook/dp/B007QSNMS6>.
 15. I have previously spoken of such an integration system for experience assets as the “experience tier.” For more details, see the Digital Clarity Group Insight Paper, “Web Ubiquity Calls For an ‘Experience Tier.’” Download it at <http://www.digitalclaritygroup.com/web-ubiquity-calls-for-an-experience-tier/>.



About DCG

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.

Contact Us

Email: info@digitalclaritygroup.com

Twitter: [@just_clarity](https://twitter.com/just_clarity)

www.digitalclaritygroup.com

© April 2105