



recruiting excellence for this digital technology age

Tips and Trends for 2018



So much continued technology-driven change and innovation, whether internet of things, or augmented reality or 5G Mobile Web or blockchain or AI and Machine Learning or biometric payment systems or robotics or process /job automation or the continued rise of social media...it's a real challenge of course to stay up-to-speed and to distil what is important and what is a fad and what will impact this year versus what might impact in 5 years' time. So, in an attempt to cut through and define what's critical for 2018, here are my Digital 360 key tips and trends for this year.

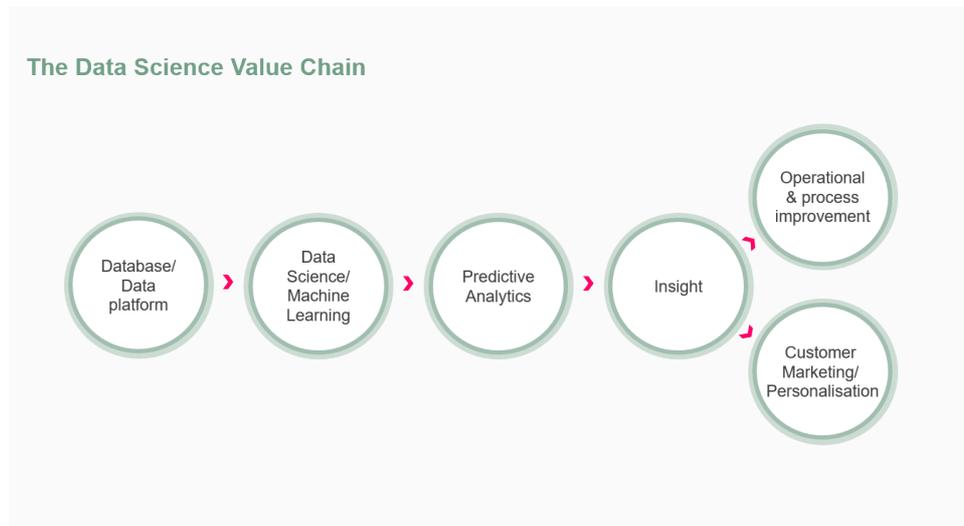
Top trends and tips for 2018

1. Data Science, Machine Learning and Analytics go mainstream
2. Personalisation in Marketing becomes essential
3. Social Media for B2B companies can be just as powerful as for B2C
4. Mobile is key, but only as part of a broader multi-channel strategy
5. Digital and Data Talent strategies becomes must-haves

1. Data Science, Machine Learning and Analytics go mainstream

[The Harvard Business Review](#) described jobs in data as “the sexiest jobs on the planet”!, in a recent KPMG survey, 71% of execs said that “investing in data science” was a top 3 agenda item, [McKinsey](#) describe data science as “the next frontier for innovation, competition and productivity”.

Gartner provide a broad definition for Data Science and Machine Learning: “at its simplest it’s the ability to crunch and analyse vast amounts of data and find insights that can predict new revenue and performance opportunities. And able to do that in real time and at a speed that a team of people cannot match”.



There is a growing list of examples and case studies, some very familiar to us now but defining the winning game players:

Uber: Able to adjust pricing in real time to reflect existing and anticipated demand trends

McKinsey: Has analysed all its recruits for the past 30 yrs and claims it can now predict from a resume who will succeed in their firm

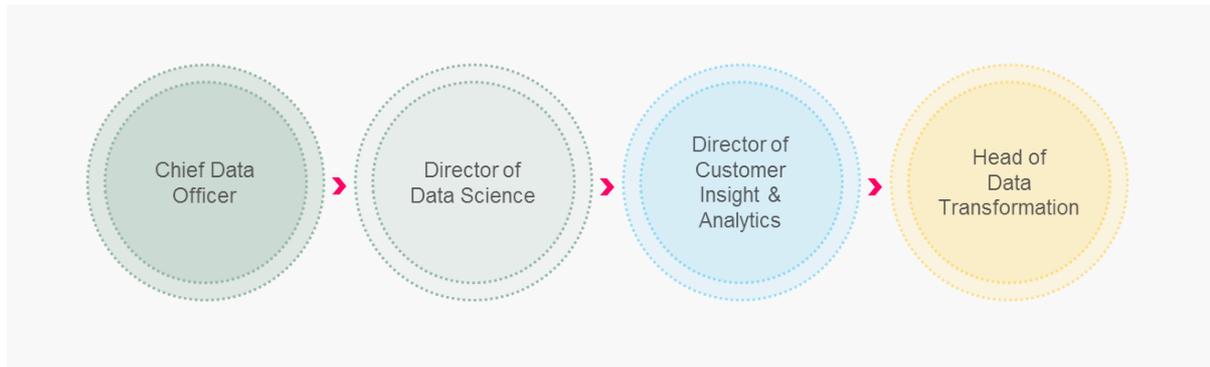
Quantgene: is using AI and deep learning diagnosis to spot examples of cancer a year ahead of typical human diagnosis

PayPal: uses ML to combat fraud and can now compare millions of transactions in real time and precisely distinguish between legitimate and fraudulent transactions

Mercedes: investigating smart cars using ML to develop an “internet of things” solution, linking the driver to their internal and external environment to “automatically and continuously adjust the driving experience”

Most companies today are in various ways exploring the potential of this data science opportunity but still only a minority of major corporations have made any meaningful levels of investment and progress. [BARC Research](#) suggests that only 26% of execs in their survey felt that their company was making effective use of the data they had. Many for example in the Insurance and Banking world have yet to truly capture the core benefits.

A critical catalyst is putting in place the key Data Science leadership team. That does mean the organisation making a serious commitment in this area if they are to attract the right level of talent with the data know-how but also the key stakeholder management skills that can engage key colleagues and establish the data science roadmap and strategy. A core data science team will typically have these 4 key leadership roles at their heart:



Gartner has predicted that by the end of 2018 close to half of the Global 1000 will have a single and senior Chief Data Officer to bring a unified and integrated approach to Data Science. Companies who want to win will all be racing to build out their Data teams and capabilities, so commentators expect intense competition in the market place for the best people. That ability to establish the core data capability and insight team may well decide which companies succeed over the next few years.

2. Personalisation in Marketing

The Advent of “personalisation” is opening up significant opportunities to increase revenue and gain market share. It’s true for all sectors, B2B and B2C.

For example, a report by LifeCycle Marketing found that personalised emails generated a 58% higher click to open ratio, and yet in their survey astonishingly less than 5% of emails had any personalisation. [The Boston Consulting Group](#) in their recent report found that: “companies that create a personalised experience for their customers typically will generate a 6 to 10% revenue increase. McKinsey, in their report on this topic, found that “only 15% of companies did proactively shape their customer purchasing journeys and decision-making and had established effective processes for capturing individual customer insights”. But those companies that had invested were significantly more likely to be the market leaders in their sector... “personalisation will push a revenue shift of some US\$800bn to the 15% of companies that get it right.”

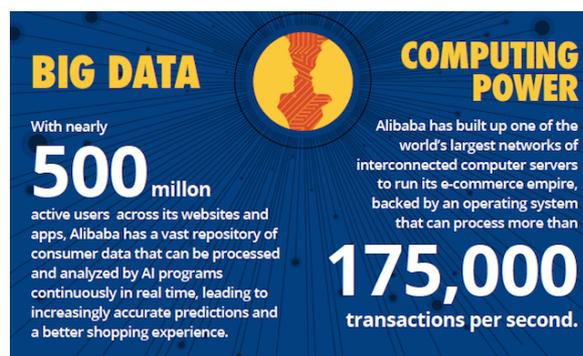
[Alibaba](#) provides a great case study on what steps it has taken to establish a genuine and lasting “personal relationship” with each of its c 500 million+ active customers. The Alibaba personalisation programme includes:

- Tools that enable merchants to tailor online storefronts and products to individual customers
- Personalised search results, offers and product recommendations reflecting buying and browsing history (matching eg Amazon, NetFlix and others)
- Personalised news feeds, display ads, product reviews and user-generated content to keep shoppers engaged

- Personalised customer buying experiences with instant chat connections between sellers and buyers
- Personalised video recommendations on its social media messaging service Sina Weibo
- Individual targeting Mobile App, Miao Street, that lets merchants' physical stores send personalised offers to customers who are in or near the store. For example, an initial test with McDonald's generated very positive results ([China Skinny on Facebook](#)). Alipay (the Alibaba payments platform) says McDonald's sent 2 million free sundae coupons to women ages 18 to 35 who were within 3,000 meters of a McDonald's restaurant in five Chinese cities. 32% of recipients redeemed the coupon within 20 days and the fast-food chain gained 1 million followers on its social media account.



Alibaba has built a user base of most all its 500 million customers, with c. 80% of them involved in two or more “consumption scenarios”. Many companies doing business with Alibaba proclaim the benefits of being able to adopt and embrace these personalised tools and approaches. Recent case studies have come eg from Beiersdorf and their Nivea Brand who found their customer conversion rate improved by 70% and sales increased by 150%. Procter & Gamble's Pampers diaper team found their customer conversion rates with targeted offers to existing customers increased by 3x. Starbucks, Walt Disney are among a growing list of case studies extolling the benefits of the Alibaba personalised platforms



3. Social Media for B2B

B2B companies are increasingly seeing the power of social media to transform their customer engagement and communications. IM, “influencer marketing”, is becoming an important part of their social sales and marketing programme.

Some key stats to illustrate this potential:

-56% of B2B purchasers search online to find testimonials and what others say about a company’s products

Journal of Marketing

-Influencer Social Marketing generates the highest RoI of all marketing activity with up to 6x return for every \$ spent

HYPH

“We found 85% of our prospective clients said that they looked at the online presence of an organisation, not just its web site but how it presents itself generally, to judge how forward-thinking and sophisticated the organisation is”

research by law firm Linklater’s

-79% of B2B customers say that what they see and read on social media is a key influencer on their purchasing decision

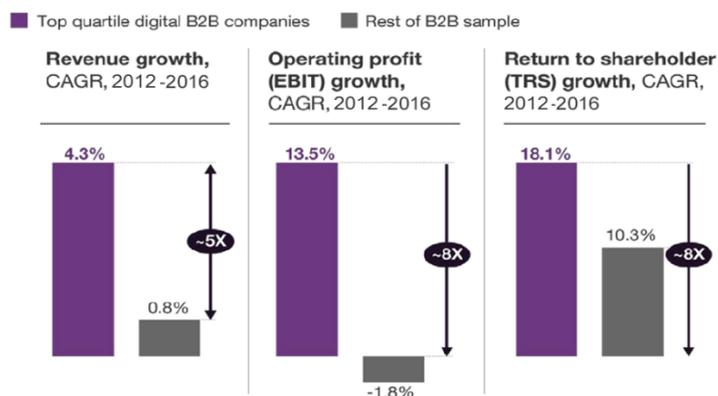
Forrester

-B2B e-Commerce sales in the US are expected to hit \$1trillion in 2018 and worldwide the forecast is c. \$7 trillion by 2020 accounting for more than 25% of all B2B sales

e-Marketer / Frost & Sullivan

A recent McKinsey survey showed clearly that companies that do embrace social media and digital applications as a key means for interacting with their customers, who are in the vanguard in trialling and developing new approaches, these companies grow more sales, earn more profits and deliver more value to shareholders.

Top Digital B2B players outperform their peers.



McKinsey&Company | Source: McKinsey Digital Quotient; Capital IQ

•Cisco recently decided it would use only social media to announce and market the launch of a new router product. The focus was across four key social media channels:

- dedicated Facebook content
- YouTube demos and interviews
- Twitter news and announcements
- LinkedIn product content

All this gave the opportunity to establish a wide-scale and immediately interactive environment where customers could look at video content and demos, ask questions, see what others were saying, arrange for a sales call, read through specs, participate in web and podcasts and generally engage. The amount of activity, the influential effect of customers voicing their experience was persuasive. It has been acclaimed as one of Cisco's most successful ever launches.

•American Express has established OPEN forum which is a social place for SMEs to share comments and ideas about not just AMEX products but about all manner of SME type issues and concerns from bank borrowing, securing investment, tax, NI and a host of other things. "It's a place for seeing latest news and ideas, where business people can see what are the hot topics of the day, share, learn and engage. It's a developing community whose voice and experience can be very influential. We have found a significant increase in corporate customer business flowing directly from this channel"

Recently, e-Consultancy carried a report titled: "*Here are 10 B2B brands who are killing it on social media.*". In each case, it's the viral effect, the word-of-mouth, the authentic and credible testimonies of users and customers that become a key influence on company perception, product engagement and subsequent sales and business development.

Some examples:

-Oracle using Twitter to showcase its charitable activity and philanthropy and developing nearly 1m followers

-Intel using Facebook to profile its engineers, who they are, demonstrate their diversity, describe its recruitment philosophy and encourage its target audience to apply for jobs

-Raytheon, the US Defence Mfr and Contractor, has a busy Twitter programme looking to promote its corporate culture and does that by also linking to US servicemen and women to honour their achievements

-Salesforce uses Facebook to congratulate high-performing employees, showing pride in its people and looking to build connections and engagement with a globally distributed workforce

-Novartis, the global Pharma company, has worked on Instagram to show an exhibition of images and photos about the role nature has played in medicine and then linking to beautifulmedicine.com where it can show more about Novartis

-Dell has established DellCares, with a view to responding to 98% of customer issues as they arise within 1 hour. They say this programme by itself now generates nearly \$20m in incremental annual sales and costs them <20% of the media /ad money they would have had to have spent to generate that level of additional business.

While some of these examples may feel contrived, it is nevertheless something that customers and employees are beginning to expect. Companies like Salesforce and Raytheon are setting standards of communication and benchmarks against which other organisations are judged. Nowadays if a company does have a weak social media presence then commentators and influencers will be asking why, will be making public comparisons and suggesting the company is lagging behind.

4. Mobile

While much is written about consumer usage of mobile communications, there has until recently been less research about the value of Mobile in B2B sales and marketing and customer ordering. However, there is now a growing amount of evidence that points clearly to the critical role mobile plays in the B2B arena and how it's become a crucial marketing and business tool even for the most traditional manufacturers.

The key driver is the “Amazonisation” of the buying process. No matter how long established or conservative the industry and the company, the “individual as buyer” has been widely exposed to the web and the simplicity and convenience of quick online research and repeat ordering. That experience naturally carries forward when they return to work on Monday morning, with the same set of expectations for immediate access and response during their work life as they experience in their home life. And the individual as buyer will be like most worldwide in possession of and an active user of smart phones.

A report from BCG found that B2B mobile internet access will surpass desktop and laptop usage in 2018:

-80% of B2B buyers said that: “mobile played a significant role in their purchase process”

-71% said they expected: “mobile usage to continue to grow over the next 2 or 3 yrs”

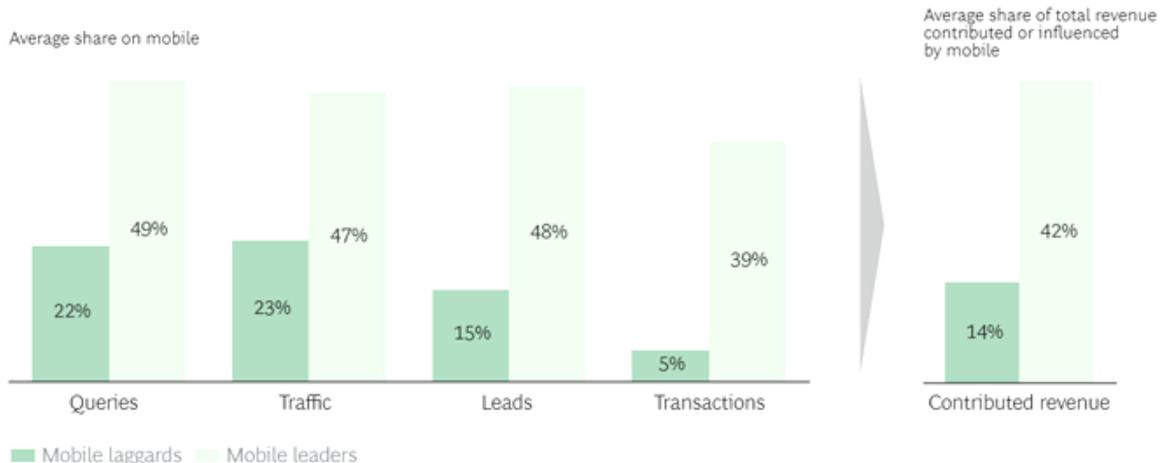
-53% said that they used their mobile phones for quick fact checks on the supplier, checking order and invoice status and general queries

-actual mobile order placement is growing and expected to reach around 15% by 2020

-82% said: “we’d expect all our major suppliers to make the supply chain mobile-enabled in the next few years”

-25% said that they had placed a repeat order of more than \$500k using their smartphone and would expect more and more e-commerce to be transacted that way.

Mobile Leaders Drive Superior Results



Source: BCG B2B marketer survey, Feb.–Mar. 2017, N=141; 21 Leaders, 26 Laggards, 94 Followers.

Note: Leaders defined as companies meeting at least five of the following six criteria: (1) mobile spending greater than 25% of total advertising budget, (2) current mobile experience characterized as strong or very strong, (3) use of a revenue attribution methodology to measure ROI, (4) use some level of mobile personalization, (5) invest in mobile-specific content, (6) have invested in site optimization for mobile.

What practitioners are also finding is that using mobile can have significant speed and process benefits and so reducing costs, as well as being a revenue generator. Time to purchase (one survey found average days from lead generation to purchase near halving from 84 days to 49 days), speed of general decision-making, faster cycle times, facilitating team interaction, enabling immediate face response to problems... are all examples of the kind of internal gains potentially available. And those sort of tangible cost benefits can for sure help make the mobile investment ROI more attractive and compelling.

Sounds like a clear win and a natural focus for investment for 2018? The stats certainly indicate that is the opportunity but in practice many have been reluctant to embrace the mobile opportunity with any meaningful increase in investment. Some of this is due simply to where mobile sits on the priority list, with most industrial companies still struggling to come to terms with "Industry 4.0" and what these digital technologies really mean for them, their customers and their future prospects. But in addition, a key factor that is commonly cited is: "we just don't have the requisite skills in the company". As a result there is often no-one to champion the cause, no Chief Digital Officer, and rarely a dedicated mobile force and team. There is as a result a growing disconnect between the very evident mobile opportunity and potential and the actual commitment and time that companies give to it.

Research shows that on average industry buyers spend more than 25% of their time during their work day on their mobile phone, but they devote typically less than 10% of their sales and marketing efforts to mobile communications and customer engagement. In addition, web sites are often not mobile-enabled so there is a poor experience for prospective buyers right from the start of the research and purchase decision-making chain. So no quick-loading mobile responsive web site, content which does little to encourage mobile interaction (most eg just have 9 to 5 Monday to Friday switchboard /non-personalised land line phone number), no easy data capture and certainly no sophistication or engaging user experience.

The Mobile Marketing Association in their survey found that 58% of B2B execs "did not feel fully confident about how to best use Mobile comms in their business". There was a widely-felt need for more facts and stats and case studies to show what's possible and so to encourage that next stage investment and commitment. But there is now such a large amount of evidence that surely we have reached the tipping point, the research evidence is showing the size of gain to be had and with technology moving at such a pace, critical now for every company to take a deep look at its Mobile strategy and start to develop that roadmap for change.

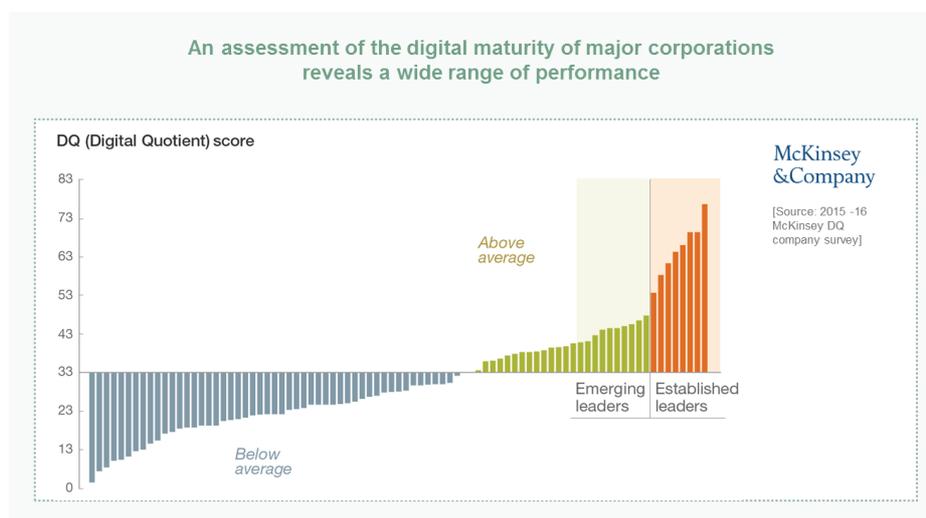
5. Talent strategy

“Employers face a war for the best Digital and Data talent as companies look to build their core capabilities and skills”. That’s the opening sentence of a recent Deloitte report examining the key steps companies need to take in order to take advantage of the technology changes in their market places. The Deloitte report showed how most every organisation is “talking” about digital disruption and change but often struggling to make the targeted progress, because they cannot hire the right people.

Against this backcloth what becomes clear is there is an acute need for a long term digital Talent strategy, a roadmap and plan that identifies the key skill needs, the gaps that the company concludes it cannot fill organically and a resulting programme of action to find and recruit the key talent identified.

A critical part in developing that talent strategy is to assess how ready is the organisation to attract the best digital and tech and data talent, how attractive is the company for the potential targeted new hires? Assuming things are financially sound, why would a star digital performer for example give up their current job and join this company? Salary and benefits are of course important but for many there are other key factors such as the genuine commitment of the whole company to digital and technology-led change, what investment is the company able to put into delivering the key change programmes and how prepared is the workforce and especially the key stakeholders to perhaps accept a fundamental transformation in the way the company is organised and goes about its business.

McKinsey have established what they call a “Digital Maturity” or “Digital IQ” index. Its purpose is to provide a quick audit and check on how ready is the company to embrace and adopt digital technologies and so how attractive might that organisation look to prospective employees and key hires.



In terms of what Digital IQ measures to use, the Digital IQ Maturity test set out below describes the 10 key Digital IQ attributes. The test will identify how far an organisation is on its digital journey. Scores less than 50 will be of concern.

Digital IQ

10 key attributes a top Digital organisation should have
(score progress on each out of 10)

1. CEO commitment: has the CEO publicly stated that Digital transformation is a top 3 agenda item?
2. Senior Management commitment: have the key senior stakeholders taken major steps to transform their teams and ways of working?
3. Transformation leadership: is there a dedicated digital transformation /project office in place?
4. Technology Leadership: does the Tech team have the requisite skills to quickly evolve the Technology platform?
5. Do Agile ways of working exist outside of the IT team?
6. Online Presence: is there a full transaction capability?
7. Mobile presence: how much customer engagement is driven by Mobile?
8. Social Media activity: is there a dedicated team in place with key customer loyalty goals?
9. Data: has the company invested in Data Science and in using machine learning to drive new revenue and performance goals?
10. Digital part of everyone's job: does each employee have "Digital" as part of their job description and assessed on their "digital contribution"?

No easy answers, lots of challenges but also lots of potential. This fast-changing world is driven by often disruptive and game-changing technologies and it is affecting every industry sector. B2B companies have for long avoided this area, feeling that it only impacts consumer-facing companies who have no choice but to move along the digital transformation journey. And indeed many B2C companies have now built up an understanding, a capability and a plan for managing these challenges. Now B2B companies need to start the same journey, face up to the major change opportunities and evolve and develop their operating models accordingly. At Facebook, the mantra is: "we are still only at 1%". In other words no matter how far we think we may already have come we are still only at the start of the technology revolution of the 21st century.

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Michael used to be MD of Argos.co.uk and of Experian.com, is ex McKinsey strategy consulting and Procter & Gamble marketing, providing a personal and dedicated recruitment service that delivers results and is built on treating people with kindness and respect.]