Gartner

DIGITAL COMMERCE PRIMER FOR 2017

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SUMMARY

Marketing leaders are under pressure to deliver digital commerce results, but struggle to define winning strategies, build high-performing teams and optimize programs. Use Gartner's digital commerce research guidance to meet these challenges head-on.

Scope

Digital commerce involves the use of digital marketing technology, techniques and channels — together with data-driven insights and digital content — to drive commerce revenue.

It covers insight and guidance for:

- Building a marketing strategy aligned to digital commerce goals and business objectives

- Creating digital commerce experiences that leverage sales models, technology and channel mix

- Building marketing teams, resources and capabilities to execute your digital commerce strategy

- Optimizing digital commerce experiences and marketing tactics with data and analytics

54% of marketing organizations have ultimate responsibility for digital commerce.
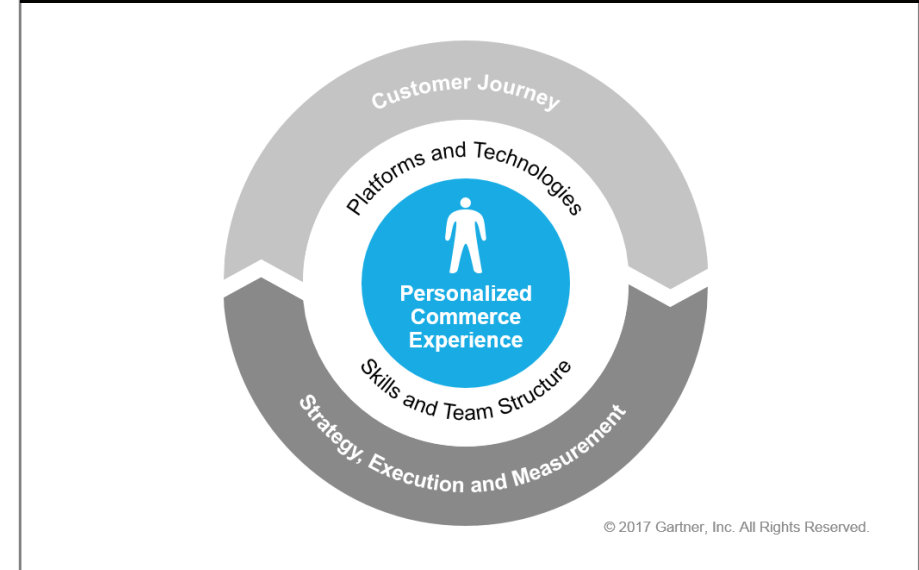
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ANALYSIS

Marketing leaders with digital commerce responsibilities fall into two categories: those who own the digital commerce function, and those who support digital commerce by using marketing to achieve digital commerce goals. Marketers who own digital commerce demonstrate revenue results, and have authority over capital expenditures and resource management. They build and advance the digital go-to-market strategy and gather and analyze customer data to better understand buyer expectations and inform strategy and execution.

Marketers who support digital commerce must align marketing plans, resources, channels, tactics and content to deliver against digital commerce objectives. They must use business and financial acumen and data-driven insight to influence digital commerce strategy and shape commerce goals, which are often set by brand or business unit leaders. To achieve those objectives marketers must work closely with those leaders and other internal functions like sales and IT.

Whether you own or support digital commerce, your team is responsible for optimizing digital commerce experiences by leveraging the resources you control — strategy, techniques, technology, team and budget. Harnessing and analyzing data using new technologies and skill sets to increase your customer intelligence are top priorities. Scanning the marketplace for new behavior patterns, emerging channels and competitive threats that could disrupt your digital go-to-market strategy are continuous protocols. Collaborating with internal and external stakeholders to achieve results and align to business goals are imperatives for success.

Figure 1. Digital Commerce Overview

Customer Journey

Platforms and Technologies

Personalized Commerce Experience

Skills and Team Structure

Strategy, Execution and Measurement

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Source: Gartner (January 2017)

Top Challenges and How Gartner Can Help

The 2017 digital commerce research agenda keeps marketing leaders at the vanguard of a rapidly changing commerce environment, providing the in-depth analysis required to seize opportunities, optimize resources and overcome competitive disruption head-on.

How can I create digital commerce strategies that align to my business model and accelerate growth?

Achieving results means understanding and anticipating your customers' wants, needs, behaviors and expectations. Ground digital commerce strategies not only on a foundation of customer insights, but also on the environmental and competitive factors driving marketplace disruption.

Use Gartner's 2017 digital commerce research to build and advance your digital commerce strategy. Follow this guidance to deploy best practices designed for specific use cases and proven techniques that work across multiple scenarios.

Planned Research

- Build and accelerating your digital commerce strategy — Digital commerce strategies need to be tailored to your business context. Use this research to create a digital commerce strategy designed to deliver growth in retail, services, B2B, B2C and B2B2C scenarios.

- Maximize customer lifetime value with digital commerce — Marketing leaders must balance short- and long-term success. Use the digital commerce strategies and techniques identified in this research to engage high-value customers and increase customer lifetime value.

What are best practices to better plan, orchestrate, execute and measure marketing that drives digital commerce results?

Use this research to guide marketing planning, orchestration and execution that drives digital commerce results. Learn to balance short-term goals, such as conversion, and long-term results, such as customer lifetime value. Maximize results from established tactics, like email and content marketing. Incorporate emerging techniques. And, master the right mix to attract, engage and convert high-value customers.

Planned Research

- Create a marketing strategy for digital commerce — Marketing for digital commerce takes a different approach than brand marketing. Use this research to understand the data and techniques you need to target, segment, test and optimize marketing for commerce results.

- Using search and email marketing to drive digital commerce — Marketing channels, like search and email, play a key role in the Buy phase of the customer journey. Use best practices offered in this research to improve the use of these and other channels to increase conversion and retention.

Ground digital commerce strategies not only on a foundation of customer insights, but also on the environmental and competitive factors driving marketplace disruption.

How can I best lead and guide digital commerce technology decisions?

According to Gartner's 2016-2017 CMO Spend Survey, marketing leaders spend more on marketing technology than they do on paid media (see **"Presentation of the CMO Spend Survey 2016-2017: Budgets Climb (Again!) to 12% of Revenue as Marketers Juggle More Demands"**). To get the most value from technology investments, your team needs a firm grasp on key functions of digital commerce technologies.

Use this research to understand the critical capabilities that distinguish digital commerce platforms, impact effectiveness and deliver competitive advantage. Also, learn how to evaluate and choose martech that enables your digital commerce strategy and complements your existing digital commerce platform.

Planned Research

- Choosing a digital commerce platform — The landscape of digital commerce platforms is vast and complex. This research will highlight key considerations before buying a commerce platform and critical capabilities marketing leaders should look for in a provider.

- Personalizing digital commerce — Personalization is a key point of competitive advantage in digital commerce, but varying techniques and a vast array of technologies create confusion. Use this research to plan your approach to personalization and identify the right solution.

Related Priorities

Table 1. Related Priorities	
Priority	**Focus**
Marketing Data and Analytics	Data and analytics have become the foundation of marketing, driving efficiency and effectiveness through better data collection, modeling, optimization and greater relevance to the consumer.
Customer Experience	Customer experience (CX) management is the practice of designing and reacting to customer interactions so as to meet or exceed expectations and increase customer satisfaction, loyalty and advocacy.
Multichannel Marketing	Multichannel marketing constitutes continual, orchestrated engagement across digital and traditional customer touchpoints.
Mobile Marketing	Effective mobile marketing balances targeting audiences with gathering data on how mobile device use informs marketing strategy, which is critical to successful multichannel marketing teams.
Social Marketing	Social marketing involves listening to and engaging customers, distributing content and cultivating brand advocates. It can increase awareness, consideration, conversation and advocacy.
Marketing Management	Marketing management involves setting marketing strategy, and sourcing, aligning and optimizing people, processes and data to align results to strategic business goals.

Source: Gartner

GARTNER RECOMMENDED READING

Suggested First Steps

"Maturity Model for Digital Commerce"

"Digital Commerce Spending and Expectations Are on the Rise"

"Use Five Techniques to Align Multichannel Marketing to Digital Commerce"

"Use the Hierarchy of Digital Commerce Marketing Metrics to Balance Business Results"

"Understand the Top Digital Commerce Organizational Archetypes"

Essential Reading

"Market Guide for Digital Commerce Marketing Providers"

"Digital Commerce Is Prime Candidate for Innovation in 2016"

"Use Content to Attract, Engage and Convert in Digital Commerce"

"Use Customer Journey Analytics to Align Marketing and Digital Commerce"

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ABOUT GARTNER FOR MARKETERS

Digital has redefined the role of marketing, adding new players and creating bigger complexities

Gartner for Marketers helps you get up to speed on and stay smarter in the eight marketing areas that matter most: social, mobile, multichannel and data-driven marketing, digital commerce, customer experience, marketing management, and emerging marketing technology & trends. Our clients say that they use our real-time, expert advice and objective research, data and tools to:

• Target the right audiences

• Choose the right channels

• Quickly shortlist marketing and technology providers

• Stay informed on market and competitors

• Save time and avoid costly mistakes

Gartner helps companies improve their business results through the use of technology. Our independent research and advice is trusted by business and technology leaders in more than 10,000 distinct enterprises around the world.

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