

Human Centric Marketing for Customer-Centric Innovation of Corporate Marketing Activities

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With the widespread use of mobile devices, consumer behavior is changing dramatically. Corporate marketing activities are forced to respond to these changes, but are not necessarily successful. Fujitsu believes that customer-centric marketing is critical in responding to changes in consumer behavior, and that plans for that purpose must be formulated and implemented in an integrated manner. To achieve this, Fujitsu proposes FUJITSU Digital Marketing Platform CX360 (hereafter, CX360), which consists of specialists, solutions, and an ecosystem. This is at the core of various digital marketing solutions provided by Fujitsu. CX360 has helped innovate customers' marketing activities as a partner by improving the conversion rate of digital advertisement (ad) delivery to about 2.5 times that of conventional methods and achieving about six times the contract rate for equipment sales, for example. This paper presents human-centric marketing—customer-centric marketing essential for future corporate activities—and CX360 for its realization.

1. Introduction

The recent proliferation of mobile devices and subsequent changes in consumer behavior has forced companies to make a major shift in their marketing operations. In addition to the conventional mass-market approach, the need has arisen to attract customers on the individual level using a variety of channels and diverse types of data.

Companies have devised all sorts of digital marketing measures to approach customers such as websites, electronic commerce (EC) sites, e-mail newsletters, and marketing automation (MA), but there are few that can claim that such measures have been fully effective. One factor hindering the development of digital marketing is thought to be the lack of coordination between different organizations within a company.

Companies are divided into departments with different functions such as sales, EC-site management, and customer-relationship management (CRM), and it is often the case that the measures and policies for each department are no more than partially optimized. Under such conditions, a customer may receive offers from the same company via direct mail from the sales department, web advertisements (ads) on an EC site,

and e-mail from the CRM department, with the content of such offers even differing at times. Such an approach from the same company not only confuses the customer but may also damage the company or product's brand value.

Such a situation arises out of circumstances on the company side, in which department-specific optimization is given priority over customer experience (CX). To challenge this situation and promote digital marketing, the customer's individual circumstances, such as preferences and behavior, must be clearly understood. For this purpose, an optimal CX must be designed and used as a basis for approaching the customer in an optimal manner at optimal times without regard to company organization or other structures. In short, there is a need to break away from existing systems that have been influenced by circumstances on the company side and practice customer-centric marketing.

Fujitsu proposes FUJITSU Digital Marketing Platform CX360 (hereafter, CX360) for companies to achieve customer-centric marketing.¹⁾ To keep up with dramatic changes in customer trends and needs, CX360 encompasses a platform enabling cross-organizational use of diverse types of data, solutions, and human support

from experts. In this way, CX360 forms the core of Fujitsu digital marketing.

This paper first describes the current state of digital marketing. It then describes the CX360 structure and its capabilities and presents application examples.

2. Current state of digital marketing

This section describes the current state of digital marketing and new trends.

2.1 Rapidly changing marketing environment

The proliferation of smartphones and tablets has brought about an explosive and complicated increase in points of contact between consumers and information. In addition to a company's website, the consumer now has access to all sorts of product-related information including sites comparing prices and products, blogs, and word-of-mouth through social media. Today, it is the consumer who takes the initiative in seeking out information—the unilateral provision of information from the corporate side is hardly enough to move a consumer.

In contrast, there are companies who are proposing new value and rapidly obtaining results by focusing on CX within such an environment. Starbucks Coffee Company, for example, which has experienced rapid growth even in Japan, embodies the concept of a "third place" separate from home and the workplace that provides the customer with more than just a coffee-shop experience.²⁾ Uber,^{note 1)} meanwhile, has been a big blow to the taxi industry due to the convenience it provides consumers.

In today's severely competitive marketplace, having a CX and customer-centric mind frame is one example of a critical element in a company's quest for a competitive advantage. This is why CX360 places prime importance on customer-centric marketing.

2.2 Corporate barriers to overcome

Fujitsu asserts that the following barriers present in many companies must be overcome to deploy digital

marketing.

1) CX design

Many companies have come to recognize the importance of CX and undertake its design. However, when a company compiles its contact points with the customer in a unilateral way and proceeds to design an experience, company thinking tends to be reflected in that experience in not a small way. In the end, the completed design, while thought to be a highly convenient CX from the company's point of view, deviates from what the customer actually experiences.

In a recent survey, it was found that 80% of the companies surveyed believed that they were providing an excellent CX. However, on the customer side, it was felt that only 8% of companies were providing a good CX.³⁾

2) Dispersed customer data

Customer-related data is scattered among multiple departments within a company. One reason is that different departments collect that data, but it must nevertheless be integrated around the customer. If this is not sufficiently done, data collected by multiple departments with the aim of learning something about the customer will reflect only one aspect of that customer in each department. Consequently, instead of obtaining a good understanding of a certain customer, the company may recognize that customer as a set of different persons.

3) Inter-department coordination

Within a company, each department having a customer contact point is unable to suitably coordinate the information it has with that of the other departments. This is one reason why such departments do not have common measures or policies or why a company cannot respond to an individual customer in a consistent manner. At the same time, we are entering an era in which business and supporting technologies are becoming inseparable. However, the business departments that prize such values as agility and flexibility and the system departments that emphasize safety and stability have had a somewhat distant relationship up to now. There is therefore a need for each department to coordinate closely with each other and to collaborate more than ever to improve CX.

2.3 Need for a new player

To overcome the barriers described above, digital

note 1) A taxi and personal-automobile matching service provided by Uber Technologies Inc. founded in 2009 in the United States. Net sales for 2017 were about 7.5 billion U.S. dollars.

marketing has to be redesigned from a customer-centric perspective. To this end, it is essential that strategy and tactics be formulated from upstream, that a company-wide mechanism be created for implementing them, and that that mechanism be executed widely in accordance with a plan-do-check-act (PDCA) cycle. In corporate digital marketing up to now, a variety of players in digital marketing would each provide a service specific to its line of business. Such players may include a consulting firm specializing in strategy planning, an advertising agency specializing in measures and policies, and an ICT vendor specializing in creating mechanisms.

In Europe and the United States, which have been at the forefront of this field, the position of chief marketing technologist (CMT) having detailed knowledge of both ICT and marketing has been established as an essential component of corporate marketing activities. This position can be viewed as a mechanism for keeping an eye on what have traditionally been distinct fields and for demonstrating leadership in digital marketing. In other words, there is a need for a new player in the marketing field in the manner of a CMT that can provide a total solution that has heretofore

been nonexistent.

The following sections describe CX360 as a means of solving these problems.

3. Customer-centric digital marketing

This section describes customer-centric digital marketing by CX360.

3.1 CX360: New digital marketing system

Fujitsu offers CX360 as a new system supporting customer-centric digital marketing. The core concept of CX360 is to achieve a customer-centric, real-time, personalized approach (Figure 1). The CX360 system supporting corporate digital marketing is shown in Figure 2 in terms of specialists, solutions, and ecosystem as three values expressing this core concept. Since its launch in November 2016, CX360 has been introduced in a wide variety of industries and used in over 250 projects.

The following introduces the three key values of the CX360 system.

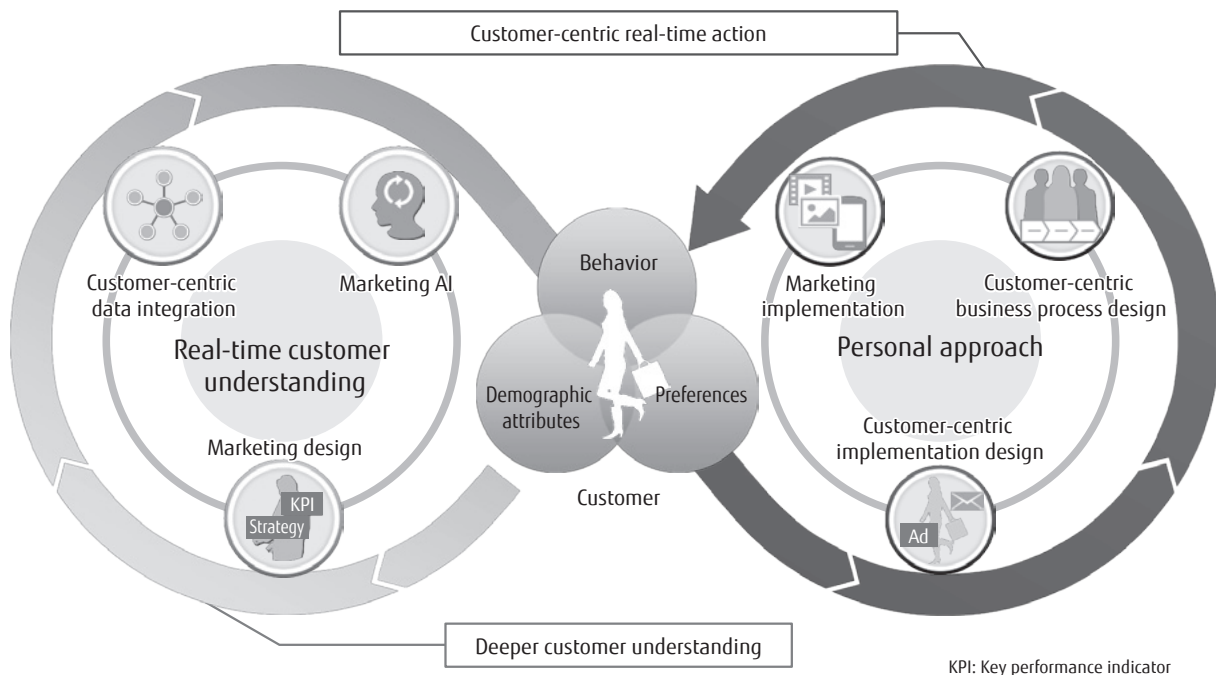


Figure 1
Real-time customer understanding and personal approach.

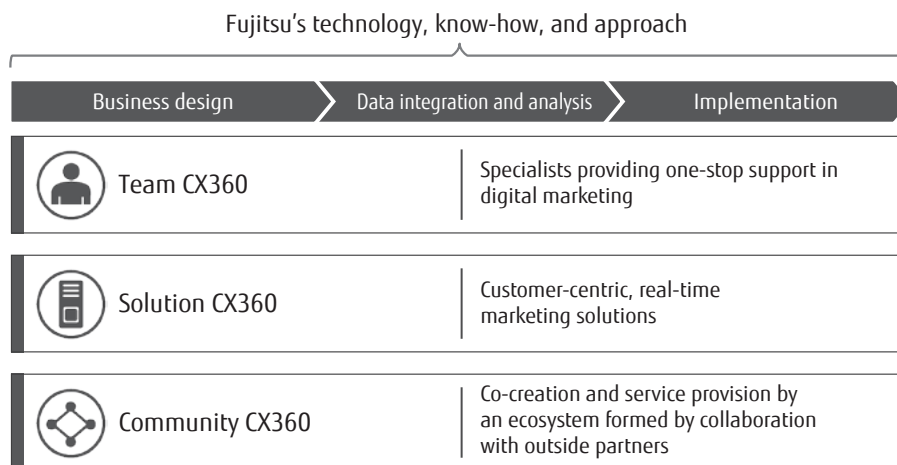


Figure 2
Key values of CX360.

3.2 Team CX360: Specialists supporting digital marketing

Successful implementation of customer-centric digital marketing requires involvement in a wide range of fields, from vision formulation to feasibility studies and system construction. There is therefore a need for a diverse array of specialists in the personnel involved. Team CX360 assembles specialists from diverse fields to support digital marketing in the form of a new player as described in the previous section.

The members of Team CX360 have up-to-date know-how and skills and form a single team from various perspectives. These members include marketing consultants supporting the design of an entire customer-centric marketing system, data curators in charge of data modeling and analytics, and data engineers that perform system integration and agile development.

3.3 Solution CX360: Customer-centric real-time marketing solutions

Solution CX360 systematizes customer-centric real-time marketing solutions into five areas: strategy planning, purchasing experience, marketing measures, data integration, and business systems (Figure 3). Its two main features concerning strategy formation and data integration are described below. Strategy planning and CX are described in more detail in the paper “Website Utilization Support with CX³ to Enhance

Customer Engagement” in this issue.

1) Consulting

Consultants having extensive experience in digital marketing support the planning of strategies, introduction of solutions, and optimization of operation methods. At Fujitsu, we seek to accelerate the achievement of customer-centric digital marketing and offer consulting based on the CX³ (pronounced “CX Cube”) consulting framework (Figure 4). This framework aims to enhance the CX by promoting a deep understanding of the customer from a 360-degree view (Customer comprehension), formulating a company-wide common marketing strategy and targets based on customer comprehension (Common strategy), and design of cross-department marketing measures, business processes, and ICT for implementing them (Cross action). Specific consulting techniques based on this framework are described in more detail in the paper “Fujitsu’s Digital Marketing Method Realized with a Customer Experience-Oriented Concept” in this issue.

2) The eXperience Data Platform (XDP)

The XDP is equipped with AI functions (Marketing AI Container) for obtaining a deep understanding of the customer and implementing customer-centric marketing measures by managing and integrating different types of customer data (Figure 5).

It is here where the data needed to support an appropriate CX is accumulated. The XDP integrates customer data scattered within the company, department/

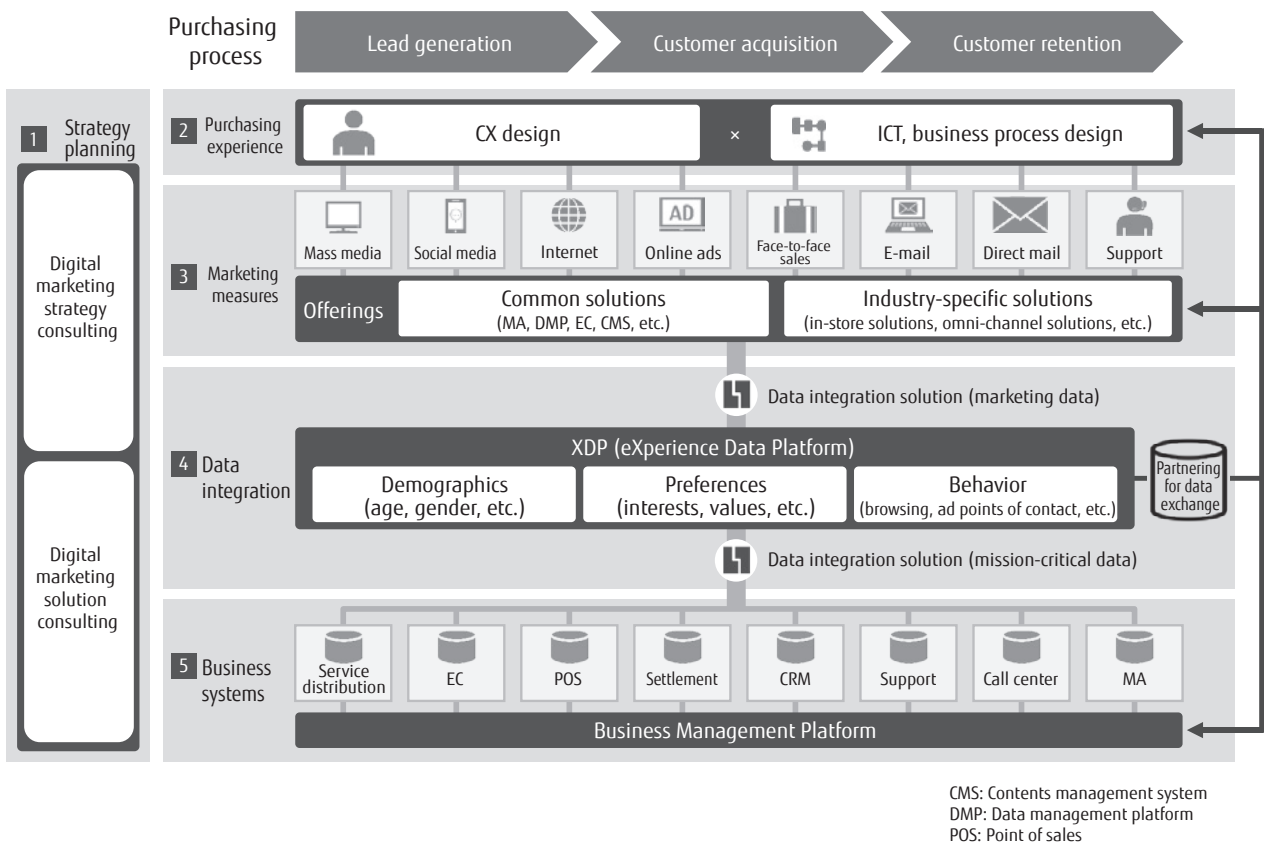


Figure 3
Solution CX360 areas.



Figure 4
CX³ consulting framework.

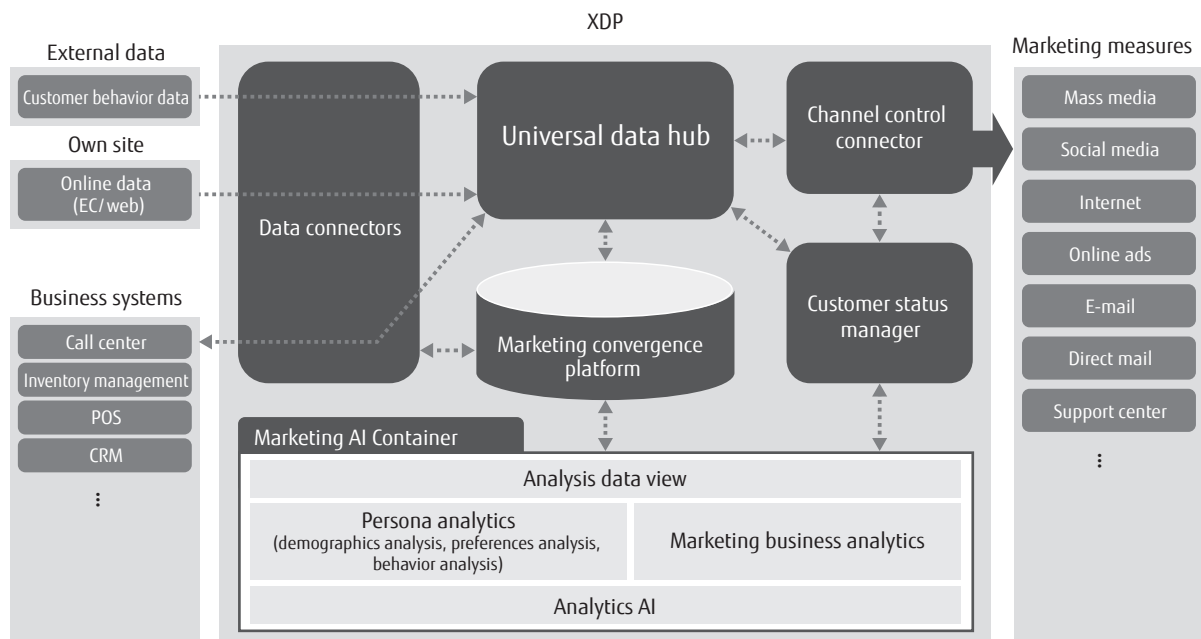


Figure 5
Structure of XDP.

marketing-related business data, and even customer data within mission-critical systems. In addition to extracting the data needed and using it for various types of measures, XDP carries out demographics analysis, preferences analysis, behavior analysis, etc. in real time through the Marketing AI Container (see the paper “AI for Matching Company-Owned Content with Consumer Needs” in this issue). In the above way, XDP is an engine that facilitates and improves the accuracy of customer-centric digital marketing.

3.4 Community CX360: Ecosystem formed through collaboration with external partners

This is a cooperative system that promotes digital marketing through collaboration with various types of marketing professionals providing advanced marketing techniques and services, such as advertising agencies and ICT vendors. For example, Fujitsu has been collaborating with Dentsu Inc., Japan’s biggest advertising agency, since May 2013. In this collaboration, new business value has been created through a synergistic effect between the marketing know-how of Dentsu and the system integration know-how of Fujitsu. Placing priority on successful corporate marketing, Fujitsu offers

solutions by proactively collaborating with external partners having exceptional know-how and skills to form a digital marketing ecosystem.

4. CX360 in practice

The customer-centric approach by CX360 achieves a new form of engagement.^{note 2)} This section describes the items that CX360 can achieve.

1) Customer-centric CX design

The consultants described in subsections 3.2 and 3.4, having extensive experience in this field, support optimal customer-centric CX design tailored to all sorts of industries and businesses. In this regard, a closed, in-house study of CX cannot help but result in a CX design that the company wants from its point of view. Fujitsu, on the other hand, supports CX design by consultants who have been involved in cross-industry projects, that is, from a third-party point of view. For departments accustomed to conventional ways of doing business, customer-centric CX design may generate some uncomfortable situations. However having third-party consultants in an intermediary role can help

note 2) A deep connection between a company or brand and the consumer.

eliminate such conflict within a company.

2) Data-driven customer understanding

A common approach to understanding customers in the past was to utilize static data stored in mission-critical systems. However, the evolution of digital technology has made it possible to make use of customer activity before and after purchases and even third-party data in addition to such static data. The CX360 platform includes functions that can observe and analyze customer behavior in detail on an individual customer level. CX360 can be used to analyze this customer-behavior data using data analytics, marketing AI, and other techniques and to perform detailed deductions of a customer's preferences, life stage transitions, etc. This data forms a valuable basis for implementing actual digital marketing measures.

3) Deeper customer understanding using mission-critical data and AI

In data analysis and usage, Fujitsu places importance on data linking across multiple systems such as the mission-critical system, sales management system, and marketing tools. Furthermore, in addition to information obtained from marketing tools, other types of information such as EC site usage, point of sale (POS) data, CRM response, and call-center history can be targeted for linking (see the paper "Approach to Construction of Data Utilization Platform to Realize Optimization of Customer Experience" in this issue). Adding such customer data accumulated from these systems leads to a deeper understanding of each and every customer.

The Marketing AI Container shown in Figure 5 plays a central role in deepening this understanding. Marketing AI performs detailed analysis of customer data gathered as big data and integrated on XDP. These data includes customer demographics information, preferences such as interests and values, and behavior attributes such as website browsing history and points of contact with ads. This makes for an efficient, real-time approach to identifying optimal customers for implementing measures and delivering ads.

4) Customer-centric marketing in practice

Digital marketing measures are implemented on the basis of a customer-centric CX design and data-backed customer understanding. Fujitsu provides knowledge and technology accumulated in the Solution CX360 domain through a "who, when, what, and how"

approach in a system tailored to its customer's company situation.

5) Visualization of results and current conditions

CX360 provides visualization of digital marketing in its entirety. It can access and integrate mission-critical data, customer data, ledger data, etc. and visualize the results of measures and dynamically changing information as a measure is executed. This enables real-time monitoring of conditions obtained from repeated application of the PDCA cycle and facilitates ongoing decision-making (see the paper "Data-Driven Marketing to Accelerate Decision Making" in this issue).

5. CX360 application examples

The CX360 system places importance on contributing to areas having a direct bearing on business strategy itself or business results. There are already many application examples of using CX360, but we will here present examples of applying the system to the promotion and sales areas.

1) Promotion area: Improving conversion rate

Fujitsu conducted an in-house experiment on digital advertising to test whether conversion rate^{note 3)} could be improved and to what extent on a fixed budget. The experiment compared the case of placing ads manually by conventional methods and that by linking mission-critical data with CX360 and using the Marketing AI Container. It was found that CX360 could achieve a conversion rate 2.5 times greater than that of conventional methods.

The reason for this result is thought to be that the Marketing AI Container selected customers for ad delivery not only by segment-based techniques as used in conventional ad delivery but also by detailed analyses of customer behavior data. In short, this result is not simply a matter of placing an ad that should be of interest to a certain customer—it also involves funneling the customer to the point of making an actual purchase.

2) Sales area: Improving closing rate

In a gas company's sales approach for gas-related equipment, CX360 was used to analyze customers' latent needs in detail by linking mission-critical systems and applying the Marketing AI Container. As a result

note 3) The ratio of users among all users visiting a website who reach some kind of final result (conversion) such as a purchase.

of implementing measures based on that analysis, a closing rate 6.0 times greater than the past figure was achieved.

6. Fujitsu human-centric marketing

The CX360 platform received the “2015 CRM Best Practice Award” from the CRM Association Japan.⁴⁾ Additionally, in an IDC survey on business-partner awareness in the digital marketing service market, Fujitsu came in second at 31.2%.⁵⁾ Fujitsu’s customer-centric digital marketing and its new CX360 marketing system for achieving it are beginning to be accepted in the market.

Customer-centric digital marketing can also be referred to as “human-centric marketing.” To be successful, this form of marketing requires partners having advanced skills in both business and ICT. The capability of providing such advanced skills in a one-stop manner like a CMT described earlier in the paper is one of Fujitsu’s great advantages.

7. Conclusion

This paper described the current state of digital marketing—a rapidly changing field—and examined the effectiveness of FUJITSU Digital Marketing Platform CX360 at the core of Fujitsu’s digital marketing in achieving new customer experiences and creating new business opportunities.

Going forward, digital marketing will become increasingly important in improving a company’s business results and will therefore require more advanced functions. Fujitsu will continue to support the evolution of human-centric marketing by CX360 and company growth through the optimization of marketing activities.

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