

MARKETING

Why businesses must act digital before it is too late

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It is important to start defining digital activities by identifying those business processes where technology can bring value. Image credit: Chief Outsiders

By [Mark Coronna](#)

Sometimes businesses neglect marketing initiatives that will benefit them long term for the sake of doing what is most expedient. And unpredictable events, such as the current COVID-19 virus pandemic, make it painfully clear that we must prioritize digital initiatives so that they are in place when we need them most.

Despite the massive benefits to be gained from integrating technology in business operations such as virtually managing employees, customer acquisition and other essential relationships many are still behind the curve. But, thankfully, the journey ahead can be as simple as following a roadmap.

Since companies have been able to forego bricks and mortar to inhabit the digital space for nearly 25 years, one may think the technological maturation of business in general is quite far along.

But how far along really are small- and mid-sized businesses (SMBs) on the digital adoption curve? And what are they doing now to prepare for a post-COVID-19 world?

Market data on digital technology can be useful in answering these questions. What is more, the statistics of the matter can add context, focus and perhaps urgency to your business planning.

Benchmark of progress

Businesses can benchmark progress against relevant statistics such as this from the [2018 U.S. Chamber of Commerce study](#) on SMB technology use.

- 84 percent of small enterprises use at least one major digital platform (such as a Web site) to provide information to customers
- 80 percent use at least one major digital platform to show products and services, as well as to advertise
- 79 percent use digital tools to communicate with customers and suppliers
- 75 percent use a digital technology platform (i.e. CRM) for sales relationship management

Although the majority of SMBs use digital technology in some capacity, surprisingly few use it effectively, proactively setting goals and measuring performance and ROI.

Questions about the value of digital investments are too often met by shoulder shrugs from executives. That is why it is more important now than ever before to measure the success of digital initiatives.

Digital incentive

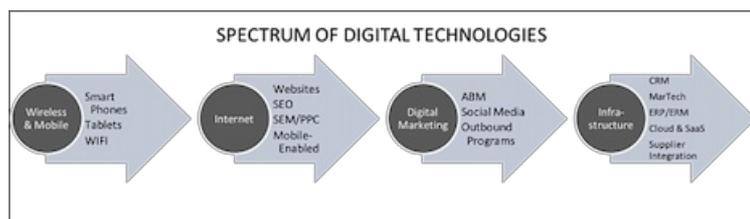
Just about all business leaders understand how COVID-19 crisis has magnified the need for digital, specifically virtual interaction with customers and employees.

What is more, a joint study between the Association of Corporate Growth (ACG) and Chief Outsiders found that 71 percent of respondents believe digital marketing and ecommerce will be even more important in the near future than in times past.

In many markets, having a well-developed digital plan, especially now, will get businesses growing faster than their competitors, and this is an excellent opportunity to realize less expensive market-share gains.

Spectrum of "Acting Digital"

There is a spectrum of digital technologies, modeled below, that can help provide a roadmap and starting place for businesses.



Spectrum of digital technologies. Source: ChiefOutsiders

The recommended action is two-fold: first, move left-to-right on the spectrum; and second, prioritize the initiatives that bring customers value.

Use the model to complete a self-assessment. Wherever your business is on the spectrum, ask these questions:

- How is the performance of current initiatives?
- What should we be doing better?
- What exactly creates value for the customer and what does not?
- What is the next logical step for us to take, and can we take that step with confidence from customer insights?

Focusing on value creation is critical.

Many companies, both big and small, have not only wasted money, but have actually lost their competitive edge as a result of investing in non-value-add technology.

Spending on digital infrastructure such as a new ERP/ERM can be especially unpredictable, as focus on business impacts, investments and diversion of management can negatively affect customer experience.

Aligning with priorities

Acting digital supports many business drivers. Profitable growth is often a primary driver for digital initiatives.

As the economy starts to strengthen and it certainly will having a growth strategy will be critical to your ongoing success.

There are three areas to consider in planning the "Act Digital" initiative. As businesses evaluate each option, each must ask what digital could do for them that is not being done currently?

Improve go-to-market strategy and performance

Where can you go for short-term profitable business growth? This model, which has survived the test of time, remains effective in thinking through the options.

Ecommerce is a critical business initiative going forward. It can help launch new products or take you into new markets. It is also great for testing new products and initiatives, because it provides real-time feedback on what markets value that can help companies iterate quickly.

Improve customer experiences

Many businesses may think they are already effectively servicing existing customers with current offerings, but there are always ways in which digital engagement can improve customer relationships, satisfaction levels and Net

are always ways in which digital engagement can improve customer relationships, satisfaction levels and Net Promoter Scores.

Digital technologies can add value to products and services by replacing dull customer interactions with more personal and fruitful experiences, such as surveys.

Strong customer experiences are opportunities to understand what additional features customers want, as well as to cross-sell and upsell. These upgraded interactions support faster, higher confidence product iterations.

Improve distribution channel presence and performance

Digital technologies have another major contribution to growth: expanding company reach.

Greater reach directly translates into more sales.

Constraints on customer acquisition activities due to personal contact and geographical limitations are quickly eliminated with a well-constructed Web site supported by digital marketing programs.

ALL OF THESE potentially profitable growth areas new products or services and new markets can be bolstered by digital technology.

But this is critical: business first, digital second.

When the phrase "digital transformation" is used, the next question must be, "Isn't it the business that needs transformation, and aren't the technologies secondary?"

It is important to start defining digital activities by identifying those business processes where technology can bring value.

Then, once you have that working list in hand, companies can start by simplifying and automating those processes.



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