BCG

Executive Perspectives

The Future of Sales and Marketing Is Here

February 2022

Consumer behavior is evolving, necessitating shifts in sales and marketing

Changing consumer expectations

80%

Of consumers say they are **more likely to do business** with a company if it **offers personalized experiences**

64%

Of consumers expect companies to **respond and interact with them in real time**

E-comm growth

19.5%

Of total global retail sales are through e-comm (up from 13.6% in 2019)

New channels emerging

37%

Projected CAGR of intelligent virtual-assistant market size from 2020 to 2027

$1.3Tn

Expected **market for the metaverse[1]** by 2030 (40%+ CAGR)

1. Metaverse market proxied by 'extended reality' - a term referring to all real-and-virtual combined environments and human-machine interactions generated by computer technology and wearables. Note: Augmented reality (AR) adds digital elements to a live view often by using the camera on a smartphone; virtual reality (VR) refers to a complete immersion experience that shuts out the physical world. Sources: BCG & Natixis Explore Tech survey, Allied Market Research, web search, BCG analysis,

Summary

The future of sales and marketing is here

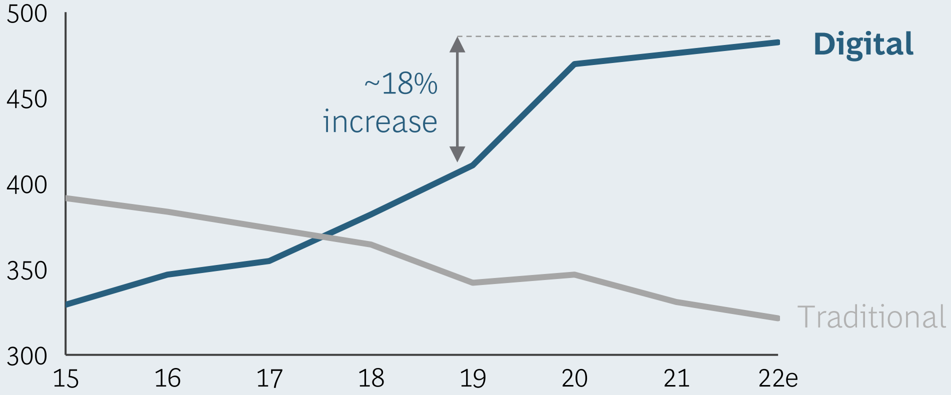
1	TRENDS	1	The pandemic has permanently increased time spent online and brought new digital users, accelerating e-commerce growth
		2	Customers now expect hyperpersonalization, ultraconvenience, augmented experiences, community connection, and sustainability
		3	Across B2B and B2C, new sales channels are emerging that are geared toward remote, voice, gaming, and social
		4	As a result, the role of traditional sales channels is shifting toward convenience, entertainment, immersion, and personal touch
		5	At the same time, technological innovation is fueling this exponential change: AI, AR/VR, the metaverse, NFTs, crypto
		6	Yet, privacy concerns & 3P cookies phaseout present a challenge, prompting a focus on zero- & first-party data and data partnerships
2	IMPLICATIONS FOR LEADERS	1	Leverage deep customer insights—demographics, needs, context—to develop and prioritize meaningful demand spaces
		2	Optimize and personalize each micro-moment of interaction across channels—to win the ever-intensifying “attention wars”
		3	Revisit your channel strategy—focus on a seamless integrated experience across channels matching individual preferences
		4	Reinvent traditional sales channels—with a clear customer value proposition, leveraging new technology
		5	Don’t be shy about exploring new channels—emphasize experimentation, understand value drivers, and focus on big opportunities
		6	Kill boundaries between marketing, sales, and services and infuse new talent—to spark innovation and drive cross-channel success
		7	Combine data and tech capabilities—to allow for a single customer view across teams and end-to-end engagement
		8	Redefine the measure of success—shifting from channel to customer-first perspective; deploy holistic rigorous ROI measurement

Sources: BCG analysis and case experience.

1.1 The pandemic has permanently increased time spent online and brought new digital users, accelerating e-commerce growth

Consumers now spend more time online…

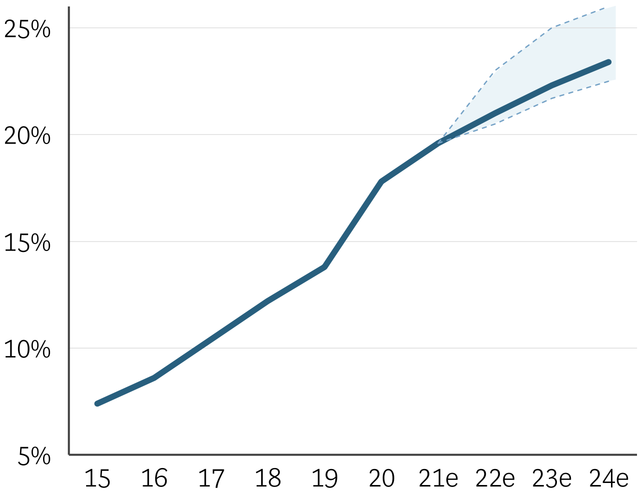
Average time spent per day by media type in US, 2015–2022 (mins)[1]



+14%	Increase in **digital-marketing budget** reported by CMOs in 2021 vs 2020 in the US (vs stagnant traditional spending, after 5% decline in 2019)[2]

….accelerating the growth of e-comm and digitally influenced sales

E-comm share of total global retail sales, 2015–2024[1,7]



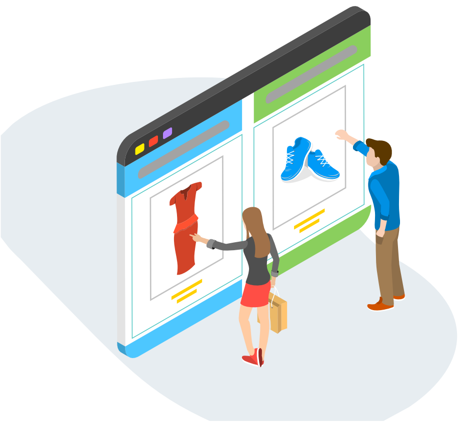
~60%	Of US retail sales will be **digitally impacted/influenced** by 2023[3]
16%	Increase in e-commerce users in **ASEAN, China, and India** during pandemic[4]
15-24%	Rise in **new users of e-payments** across Southeast Asian countries[5]
12K+	Permanent store closings in the US in 2020 (vs 6K in 2018)[6]; **6K+ in UK, 2020**

1. Statista, BCG research; 2. Change in digital vs. traditional marketing budgets per US CMOs, 2012-2020; 3. Forrester Research, "digitally impacted" comprises sales occurring either online or in-store but influenced by digital technology; 4. OECD report "Digital Transformation in Emerging Markets, May 2021"; 158 million users added, % calculated using 2019 e-commerce user numbers in ASEAN (655 million inhabitants, 26% e-commerce users—DBS Bank), China (710 million ecommerce users in 2019—Statista), and India (135 million ecommerce users—Statista), 5. 2020 vs pre-COVID—BCG CCI COVID-19 Consumer Sentiment Survey 2020; 6. *Fortune;* 7. Lower end of e-commerce share of global retail sales: 22.5% (eMarketer); Other sources: BCG, *Fast Track to Digital Marketing Maturity, Building Bionic Capabilities for B2B Marketing*

1.2 Customers expect hyperpersonalized engagement, ultraconvenience, augmented experiences, community connection, and sustainability

Hyperpersonalization

Explosion of **customer solicitation** emphasizing brand communication and **offering relevance**



63% Of millennials are willing to **share personal data** to get personalized offers and discounts

Real-time, ultraconvenience

Shift to **online and new technologies raising standards** especially for checkout, delivery, and aftersales

65% Of millennials had an **active Amazon Prime membership** in the US in 2019

Cutting-edge experience

Beyond physical stores, **augmented experiences building on customer emotions**

79% Of customers say the **experience provided** is as important as the product sold

Community & connection

Connection with **communities around passions/similar interests** and brands with **similar values**

45% Of Chinese consumers' purchase decisions are **influenced by key opinion leaders/ influencers**

Sustainability & purpose

Close alignment of **value systems**—championing sustainable products and operations, investing in ESG

78% Of consumers globally admire companies that take action to **reduce their impact on climate change**

These expectations span customer demographics—with a stronger emphasis by Generation Z and millennials

Sources: Ocean Insight consumer trend survey; BCG Social Retail Playbook; BCG consumer trend survey; Statista; Salesforce; Shoptalk; desktop research; BCG analysis

1.3 Across B2B and B2C, new sales channels are emerging that are geared toward voice, gaming, and remote/hybrid interactions

Nontraditional sales channels optimized over past decade (e.g., social, video, livestreaming); new ones emerging:

In B2C

Voice: Strong potential

Proposition: Improving **context, sentiment & emotion understanding**, common-sense reasoning

Intelligent recommendations and actions

1.2bn Active voice AI-capable devices already installed by 2020

34% Projected CAGR of global intelligent virtual assistants[1]

Expectations: Evolution to **platform economy—**with a few dominant players

Winners will have control of **inclusion and ranking of third-party offerings[2]**

Gaming: Gaining momentum

Offering **new form of augmented social media** with in-game ads, immersive features, and built-in transactions

29% Projected CAGR for advertising spending in mobile gaming[3]

86% Of those who purchased in-game virtual item/skin also purchased the corresponding physical item

Increase in use cases, e.g.,
- Customer data collection
- Limited products launches
- Virtual product concept testing, etc.

In B2B

Remote/hybrid interaction: Will stay

Offering high value to both **buyers** (e.g., better response times) and **sellers** (e.g., elimination of travel time, use of data)

2-3x Productivity of sales reps selling over the phone/video vs field sales

60%+ Productivity increase of field reps moving to a hybrid selling model

Sales reps becoming **product experts**, with larger collaboration between reps

Deployment of AI in "all-in-one" sales CRMs to suggest the next-best action in a sales cycle

Increasing importance of seamless cross-channel experience, especially given ever-more-diverse channels

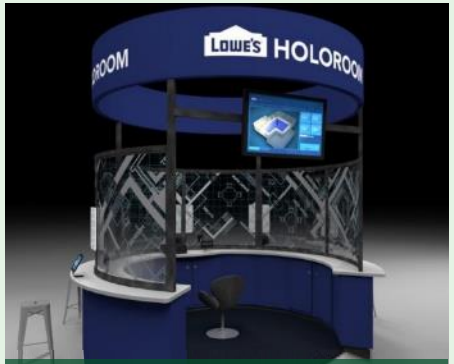
1. From 2020 to 2027; 2. e.g., limited ability of voice to display many choices; 3. Global advertising spending CAGR from 2021 to 2025
Source: Statista, Web search; BCG experience; BCG-Altagamma True-Luxury Global Consumer Insight Survey Mar/Apr 21 (12K respondents in 12 countries)

1.4 As a result, the role of traditional sales channels is shifting toward convenience, immersion, entertainment, personal advisory & product touch

Immersive exploration

Community of afficionados and blends real and virtual in unique and entertaining ways


Chanel's pop-up store modeled as a nightclub


Lowe's Holoroom How To - customers mix virtual paint, apply plaster to virtual walls

Personal trusted advisory

Guidance and validation from knowledgeable source especially for high-technicity or high-ticket purchases


Advisors could beam in customer's homes through Microsoft "Holoportation"


Uniqlo headsets measure neural activity to recommend T-shirts matching customer moods


Automotive parts manufacturer using VR to demonstrate products at B2B trade show

Product touch and feel

Direct sensory encounter with products before buying

Hyundai and Audi dealerships' AR features allow visitors to see color and trim variations on real cars while reducing the volume of inventory

Ultraconvenience

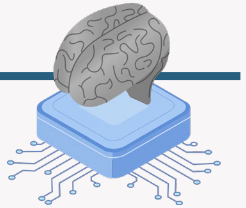
Immediate fulfillment of basic needs, ever-closer proximity to the consumer

Monoprix "city center" strategy relying on small, fully automated stores open 24/7

Zippin's checkout-free hotel store in Japan

1.5 At the same time, technological innovation is fueling this exponential change: AI, AR/VR, the metaverse, NFTs, crypto

Artificial intelligence



Scan code or **click here** to learn more

- **Hyperpersonalization at scale**, continuous learning, and adapting **next-best action**
- **Lead management automation**, personalized/**dynamic pricing**, precise cross-selling, tailored engagement to improve close rates
- Processes **automation,** e.g., chatbots, self-service, **no-/limited-human-contact support** (increasingly preferred by Gen Z consumers)

ebay: Uses AI to generate custom emails tied to brand tone, customer needs, and specific promotions using linguistics models

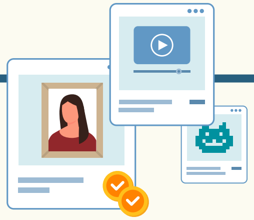
AR/VR[1] and metaverse

Scan code or **click here** to learn more

- **Immersive customer engagement**—ability to connect at a deeper level and create unique virtual communities and experiences
- **Virtual remote experiential sales** (e.g., demonstrating products)
- **Rich emotional data gathering** (e.g., 20 mins in VR enables ~2m records[2])
- **Product concept testing** without costly prototypes

HYUNDAI: Launched Hyundai Mobility Adventure metaverse space where users can meet, trial new models, & experience Hyundai offerings

NFTs[3]



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- Opportunity to **tokenize access to unique experiences and products** and build community
- New **interactions and storytelling** opportunities to attract early adopters as customers

Launched NFT to create buzz around McRib's return; 95k entered the competition for 10 unique McNFTs

Crypto[4]

Scan code or **click here** to learn more

- **Enhanced trust** and transparency (e.g., unalterable ledger, **customer validation,** product **traceability)**
- **User attention monetization** and elimination of some unnecessary ad network expense (e.g., via Basic Attention tokens)
- Reduction of **transaction cost and disintermediation**

Reportedly working on implementing Ethereum payments on its platform

1. AR: Integration of digital objects with the physical world to enhance the environment; VR: Immersion in a virtual 3D world that does not interact with the physical world; metaverse: Immersive virtual world experienced synchronously by an unlimited number of users, each with an individual presence; 2. Unique records of body language; 3. NFTs (non-fungible tokens): Unique tokens with provable ownership of the attached data, typically art or collectibles; 4. Crypto: Digital currency designed as a medium of exchange through a computer network that is not reliant on any central authority, Sources: Web search, BCG experience and analysis

1.5

Metaverse platforms are likely to become a channel with $1.3 trillion potential by 2030

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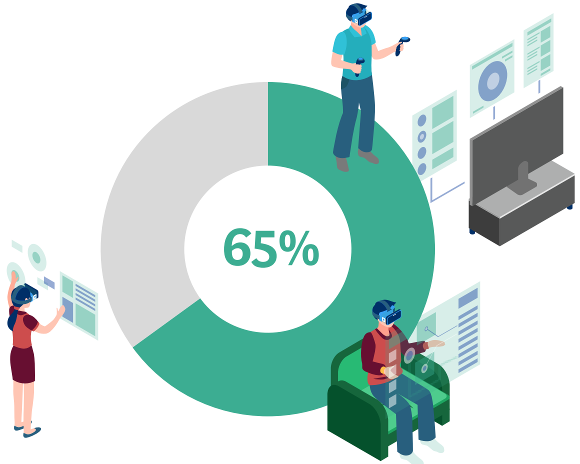
Consumers signal readiness…



Of Gen Z consumers have spent money on a virtual item that exists only within the confines of a video game

… and Big Tech increasingly investing

FACEBOOK Meta	"Meta" rebranding; **$10bn metaverse investment**
Microsoft	Mixed-reality feature **Mesh for Teams; $70bn acquisition** of Activision Blizzard
DingTalk	**Launch of AR glasses** for virtual meetings
Google	**Reorganization of AR/VR team,** Google AR glasses, acquisition of North[1]

$1.3tn **Expected market size** for **extended reality**[2] by 2030 (40%+ CAGR)

Breakthroughs expected in 2022

Despite slow adoption of AR/VR so far—due to limited applications, bulky hardware, immature UI/UX, and low accessibility—**several breakthroughs expected:**

Devices

- Convergence of AR/VR in the first **mixed-reality** devices (e.g., Meta, Apple) with quick use cases

Content

- VC investment will mature startup space
- Integrations with current systems will **solve content bottlenecks** (e.g., limited content)
- But **interoperability will remain limited** (long-term open platforms likely to get an edge)

43% Share of value expected to **accrue to content providers** by 2025

Enablers

- Doubling down on 5G and **computing power**—yet these are likely to remain a **challenge**

Corporate adoption

- Corporates will **communicate their strategy and deploy first** AR/VR use cases at scale

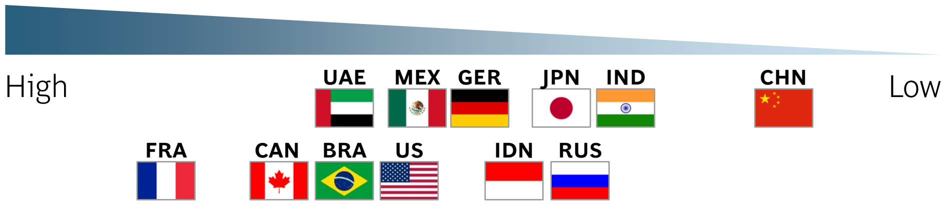
1. 2020 acquisition of Canadian human-computer interfaces and smart glasses; Sources: BIS research, Web search; BCG analysis and experience; 2. Extended reality is a term referring to all real-and-virtual combined environments and human-machine interactions generated by computer technology and wearables;

1.6 Privacy concerns and the expiration of 3P cookies present a challenge, prompting a focus on first- & zero-party data and data partnerships

Data privacy requirements and distrust drove shift away from third-party cookies

72% Of North American consumers would stop buying from a company or using a service because of **privacy concerns**[1]

Concerns about data privacy and tech safety vary by country[2]



26% **Increase in ad blocker** use globally in past 5 years[3] driven by: disruptive advertising and security concerns

3P cookies phaseout: Google (late 2022), Firefox and Safari (done)

Governments have **introduced privacy regulations** (e.g., GDPR[4])

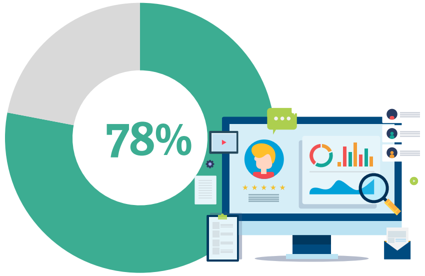
Increasing focus on data capture, yet gaps remain

88% Of CMOs plan to invest **in first-party data capture** and **management** in 2022[5]

1.5-2.9x **Uplift in revenue** for companies using **first-party data** for key marketing initiatives[7]

Only 21% Of companies **have a clear strategy** to fully close data gaps[6]

57% Of companies in Asia-Pacific say they are **not effectively leveraging first-party data**[7]



More data sources used by digitally mature companies than their less-mature peers

Top data capture sources:

Zero-party	**Voluntarily shared data** in exchange for value: e.g., access to content, discounts, services, loyalty **Progressive registration/profiling**, single sign-on (using Facebook/Google profiles)
First-party	**First-party cookies** (e.g., browsing behavior) **Transaction data** (incl. traditional non-B2C companies launching D2C propositions)
Partners	**2P and 3P data-sharing** partnership[8]

1. BCG, *Responsible Marketing with First-Party Data*; 2. BCG CCI research on global drivers of consumer choice, September 2020-February 2021, average n per statement = ~8,400, per country sample ranges from 1,100–1,600 respondents; 3. 2015-2020; 4. EU regulation on data protection and privacy in the European Union (EU) and the European Economic Area (EEA). GDPR's primary aim is to enhance individuals' control and rights over their personal data and to simplify the regulatory environment for international business; 5. If they haven't done so already; BCG & Forbes CMO Insights survey; 6. BCG, *Measurement Done Right*; 7. Google-BCG research in 2020 on responsible marketing with first-party data in Asia Pacific; 8. Second-party partnerships constitute consumer data shared by partners based on specific agreements (e.g., profile data collected, aggregated anonymized POS data); third-party partnerships include data bought from agency partners (e.g., trends, consumer demands, segments) or context data; Sources: BCG research and experience

In the news | Personalized seamless omnichannel interactions, adoption of new channels, and reinvention of traditional channels are main areas of focus

The metaverse set off a battle between tech giants to build virtual and augmented reality headsets

The future of marketing is building a privacy-safe world

Omni-channel personalization is the future of marketing: The onset of a new era

2022 will be the biggest year for the metaverse so far

2022: AI and hyper-personalisation will become table stakes

First-party data collection is more crucial than ever

Traditional B2B sales and marketing are becoming obsolete

Microsoft's $75bn bet on Activision sets off content wars in gaming

Sources: BCG, press search

2 Personalize customer journeys and reinvent sales channels; combine sales, marketing, and customer service capabilities to enable the change

Implications for leaders

Adopt customer-first approach

1. Leverage **deep customer insights**—demographics, needs, context—to develop and prioritize meaningful demand spaces
2. **Optimize and personalize each micro-moment of interaction** across channels—to win ever-intensifying “attention wars”

Future-proof sales channel

3. **Revisit your channel strategy**—focus on a **seamless integrated experience** across channels matching individual preferences
4. **Reinvent traditional sales channels**—with a clear customer value proposition, leveraging new technology
5. **Don't be shy about exploring new channels**—emphasize experimentation, understand value drivers, and focus on the big opportunities

Enable integrated operations

6. **Kill boundaries between** marketing, sales, and services and infuse new talent—to spark innovation and drive cross-channel success
7. **Combine data and tech capabilities**—to allow for a single customer view across teams and E2E engagement
8. **Redefine measure of success**—shifting from channel to customer-first perspective

Sources: BCG analysis and case experience

2.1

Leverage deep customer insights—demographics, needs, context—to develop and prioritize meaningful demand spaces

Scan code or **click here** to learn more

Traditional segmentation methods have limitations, as they do not focus on drivers of choice. Demand Centric Growth is a consumer-centric way of defining meaningful segmentation

Determine fundamental drivers of consumer choice
- Understand precise **emotional, functional, and technical needs** by **occasion/context** and **over time**
- Statistically narrow down key drivers of choice

Run analytics to identify demand spaces—at the intersection of drivers of choice and needs
- Determine "axis of segmentation": what drives distinct needs (e.g., context, occasion preference, etc.)
- Develop **comprehensive, singular demand map**—with no overlapping demand spaces

Bring demand map to life with demand space personas
- Outline contextual, behavioral, demographic data, and needs defining each persona
- Quantify **attractiveness and size** (revenue/profit/growth potential) of each space/persona

Determine priority personas: identify opportunity and right to win
- Assess **own and competitors' perceptions**, strengths, and weaknesses in each demand space
- Weigh how to win with your capabilities in the space; **identify priority (white) spaces** to pursue

Translate persona needs into target proposition
- Reimagine the "perfect" experience for each persona, embed findings in **personalization algorithms**
- Determine **gaps in current proposition** (e.g., product and pricing, channel mix, interactions, journeys)

Example

Indian alcohol beverage manufacturer

Nine demand spaces identified based on extensive consumer survey.

Determined specific pricing, promotion, and product offers for selected spaces

+5%	Market share in selected segments
2x	Growth vs industry
+10%	Gross profit

Source: BCG analyses and experience

2.2 Optimize and personalize each micro-moment of interaction across channels—to win the ever-intensifying “attention wars”

More brands are trying to connect, but customers' overall interactions capacity is finite

<5% Growth of **time spent** online per annum

~0% Increase in time on **social media stagnating**

Only 2.8 **Loyalty schemes** people participate in, on average

1

Optimize each micro-moment

- Determine the **purpose** of each customer moment of interaction
- **Be bold:** redefine, add, and remove interactions to drive outcomes consistent with your sales strategy

2

Go beyond a “segment of one”

- Go beyond segmentation
- Deploy **atomic approach to content** production and delivery[1]
- Build **predictive, iterative segment-of-one algorithms**[2], capturing behaviors at **different moments**

3

Drive consistent comms

- Align on KPIs with partners to ensure a **consistent objective**
- Establish a **“fail fast, learn fast”** culture, embed collaboration tools and **direct data sharing with partners** early on

To enable, focus on first-party data and make data capture attractive

- Invest in complementing data-capturing techniques to tackle growing privacy regulations
- Make data sharing **worthwhile for the customer** (e.g., access to content, discounts, services)
- Engage or **orchestrate data partnerships**
- Master/closely partner with **GAFAM walled gardens**[3]

Examples

Implemented customized 1:1 offers and recommendations evolving with behavior, time of day/week, etc.

8% Member revenue growth

3x Engagement in marketing comms

Leveraged an IoT-capable vending machine to analyze customer's body health and recommend the perfect drink

343m Impressions on social media

60K Visits during 14-day feature period

1. Advanced version of dynamic content involving modular components of creative assets to curate personalized content for each customer in real time; 2. “Segment of one" predictive analytics driving unique selling moments in the journey with personalized product/service, channel, moment in time (of day/year); 3. GAFAM = Google (Alphabet), Apple, Facebook (Meta), Amazon, and Microsoft; walled gardens = unified data and software ecosystems; Sources: BCG analysis, research, and experience

2.3 Revisit your channel strategy—focus on a seamless integrated experience across channels matching individual preferences

Understand channel interplay

- Determine the value of each channel, including **second-order effects,** e.g., brand impressions, loyalty, community
- Analyze **how channels work together**

Build seamless cross-channel interfaces

- Deploy **customer-first view** (rather than channel-specific objectives)
- Allow for **delineated customer experiences**, preparing for multiple new touch points

Continually experiment and adapt

- Invest in a **segmented approach** for rolling out new channel initiatives with targeted use cases
- Ring-fence budget for granular customer research to explore the art of the possible

Define role and tailor proposition of each channel

- Determine **best channel fit** for each customer and part of their journey (e.g., based on buying patterns, preferences, needs)
- Leverage **new channels** to enhance discovery and inspiration; innovate parts of the journey (e.g., customer care via voice/VR)
- Consider **blurring the lines**—e.g., voice/gaming/AR in stores

Enable smooth cross-channel transition

- Revisit **product mix** and **pricing** in each channel
- Recognize **supply chain implications**, invest in multi-directional product flows, integrated stock management, etc.
- Break **functional siloes** and align KPIs, **incentives,** and remuneration to limit channel conflicts *(see pages 18-20)*

Examples

SEPHORA

Frictionless integration of stores, app, social, & new tech in stores:
- In-store AR mirror and app feature to try make-up and upload looks to social media
- AI feature scanning customer face to find right foundation
- Connected offline-online basket, same-day order pickup

13% Uplift in in-store order values if visit app the previous day

HILTI

- Clear channel roles for each persona to ensure highest value-add per channel given needs
- KPIs & formal responsibilities on cross-channel consistency
- Harmonized product & pricing and data flows across channels

Sources: BCG analysis, research, and experience

2.4 Reinvent traditional sales channels—with a clear customer value proposition, leveraging new technology

Scan code or **click here** to learn more

Realign role of channels to the new reality—consistent with our **cross-channel strategy**. Prioritize one or two of the following functions.

	Ultraconvenience	Product touch and feel	Immersive exploration	Personal and trusted advice
Reinvent traditional channels	**Use dense network** of smaller stores **Shrink delivery time** (e.g., restaging inventory, drop-off lockers, drones, curbside pickup, 3PL deliveries)	**Focus stores** on products whose qualities cannot be reduced to specs on a web page Improve **digital display** using advances in browser technology	Build **experiential capabilities—** e.g., retail as entertainment, gaming, mixed reality	**Refocus stores on services** difficult to replicate remotely **Enhance customer recognition** across channels to ensure high-quality, personalized advice
Target use of new tech	**Consider near-real-time product manufacturing** and **dematerialized formats** (e.g., instant book download)	Explore **haptic technology,** recreating conditions of product uses	**Fast-track AR and VR** through rapid test-and-learn cycles	Explore investing in **bots and automated advisory** powered by NLP[2] and “AI empathy”

Examples

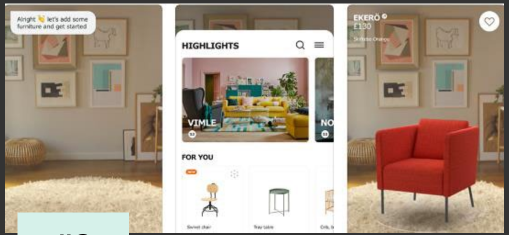
Amazon Go “grab & go” with no scan, automated, in-app checkout/payment

50% More sales in Amazon Go stores on avg. vs. typical store[1]

Canada Goose’s 10°F “cold room” with Alpine dioramas and simulated snowstorms where customers can trial their gear

25% Of all Canada Goose stores have a "cold room"

IKEA's Place app lets users place furnishings in their space in real time



#2 Most popular app on Apple's ARKit based on downloads

Cisco's AR catalog helps reps show B2B customers products “at scale” and demonstrate unique value features

2.5k+ Weekly application users

Continually assess the interplay between channels. Set up metrics to track second-order effects of traditional sales channels, e.g., engagement

Sources: BCG analysis and experience; press search

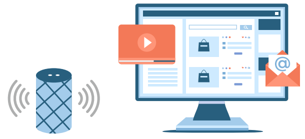
2.5 Don’t be shy about exploring new channels – understand value drivers, focus on experimentation and big opportunities

1. Experience the new channel

- Embed new channels in your teams' DNA—organize **demo sessions** and experiences
- Form an **innovation squad** to brainstorm **sources of value**; include **external talent** with experience and out-of-the-box thinking (e.g., VR gamers for metaverse)

2. Assess its role and value-add for customer outcomes

- Understand **potential value drivers** and role within E2E customer journeys[1]
- Think **beyond sales**—e.g., customer experience, data, engagement, loyalty



3. Determine impact on other channels, yet don’t let channel conflicts limit you

- Identify a **unique role**—but also be ready to **self-disrupt** in overlap areas
- Decide whether it is **the right time** to engage in the channel

4. Prioritize learning and experimentation in use cases

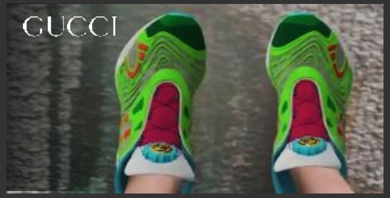
- Define your involvement (e.g., metaverse: as a creator, user, tech provider)[2]
- Prioritize use cases—based not only on **value-add** but on **feasibility**
- Don’t expect returns on the first pilot; instead, **aim to identify sources of advantage[3]**

5. Communicate and partner externally early on

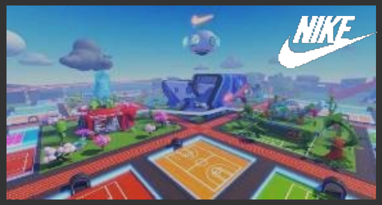
- Communicate externally: new channel, goals, and areas of focus
- Build connections early—to gain first-mover advantage in new channels' ecosystems

Examples

Launched a **virtual restaurant** for Halloween brand activation, offering awards to first 30K users



Started selling **digital sneakers** for use in virtual worlds, e.g., on Roblox, a gaming platform



Nikeland game launched on Roblox that includes interactive games, **digital show rooms, and gear for purchase**

1. E.g., customer engagement, sales, data collection; 2. Example on metaverse: as a creator, bringing content to attract users (e.g., virtual showrooms); as a user, defining new business models or improving op performance (e.g., AR in surgeries); as a tech provider, offering tech enablers to boost adoption (e.g., next-gen Wi-Fi); 3. Examples: capabilities, own data, linkages (links across data layers to enhance your connectivity services), etc. Sources: BCG analysis and experience; web search

2.6 Kill boundaries between marketing, sales, and services and infuse new talent—to spark innovation and drive cross-channel success

Maintain clear functional responsibilities…

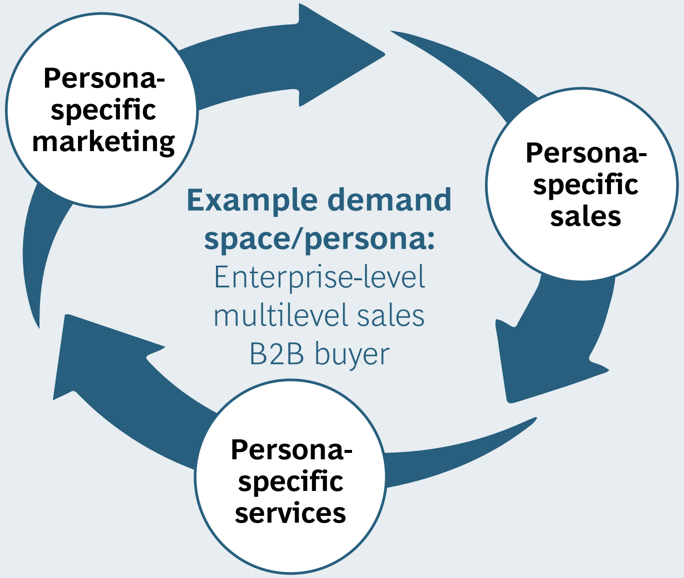
Example for B2B:

Marketing	Sales	Services
Lead on optimizing overall customer experience	Drive quality leads, key account management, and support field sales	Resolve customer complaints, processing orders, etc.
Orchestrate omnichannel personalization	Develop relationship-based customer insights	Share learning with marketing and sales
Focus on traffic/leads generation and target company-wide lead goals	Lead key account mgmt. and demand space goals	Target product-specific customer success goals

Infuse with tech and data specialists

Upskill/hire as needed, e.g., privacy, statisticians, measurement model, web analytics, tag management, sales, and mar-tech, etc.

…but remove boundaries between them



Transform into a buyer-persona organizational structure

- Reorganize around cross-functional persona/demand space teams
- Replace function-specific forums and tools with persona ones
- Align SLA[1], success metrics, and incentive structure among functions
- Reward cross-channel and functional collaboration

1. Service-level agreement: A marketing-sales service-level agreement (SLA) is a cross-team commitment that establishes a shared set of expectations for each team's responsibilities. A marketing-sales SLA will include goals for marketing about the quality and quantity of leads that should be produced at each life cycle stage. Sources: BCG analysis and case experience

2.7 Combine data and tech capabilities across sales, marketing, and customer service teams—to allow for a single customer view

Scan code or **click here** to learn more

Customer data platforms (CDPs) ingest customer data from multiple sources and use deterministic and probabilistic matching to combine it into a **unified customer profile**—enabling customer analytics and activation of audiences across platforms

Only 30% of companies are creating a **single customer view** across channels

20% Expected **CAGR** of CDP market until 2027, with most corporates expected to invest

Set up CDP to enable one view of the customer

Start with quick-win use cases

Use cases not requiring large changes to a company's data, analytics, or tech

Avoid extra integration work, customization costs, and uncertainty

Identify best setup mode

Assess three options:

- Buy platform suites solution[1]
- Build in-house
- Customize with a niche vendor

Consider upfront and total costs, time to market, scalability, suitability, ease of integration, etc.

Understand vendor landscape

Follow a structured selection framework:

- Ability to deliver
- Technical strengths
- Reliable support and infrastructure
- Viability and funding of the vendor
- Security and compliance

Examples

Auto post-purchase service

Combined demographic lifestyle and vehicle-specific data (e.g., telemetry devices)

Delivered personalized comms highlighting next service/accessory customer will need (e.g., oil filter change)

10% Increase in new car owners returning to dealer for first service

Airline cross-sell

Integrated real-time data from own site, travel agents, and customers' past behavior (e.g., checked bags, travel frequency)

Improved relevance of offers

2x The sale of add-ons (hotels, rental cars) the instant after a booking

1. e.g., part of Adobe, Salesforce, SAP

Sources: BCG, *With Customer Data Platforms, One-to-One Personalization Is Within Reach*; BCG analysis, research, and case experience

2.8 Redefine the measure of success—shifting from channel to customer-first perspective; deploy holistic, rigorous ROI measurement

Establish consistent customer-focused KPIs

Pitfall

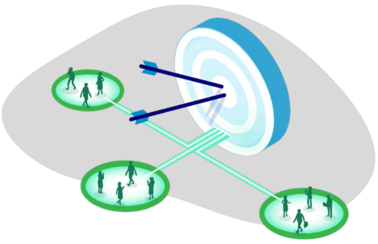
78% Of brands largely track non-actionable metrics

Best practice

Set **common objectives** across channels, **and marketing and sales teams,** linking them to customer outcomes

Set up **strategic customer-focused scorecard** and dashboard with high-level and operational KPIs

Track **consistent KPIs** over time to ensure continual measurement



Deploy predictive models and attribute value to each touch point

Only ~35% Of firms leverage predictive models, using primarily precision marketing instead

Deploy predictive models (e.g., uplift test, modeled conversions)—to **bridge gaps in data** (predominantly from loss of third-party cookies[1])

Attribute value to each **customer touch point**

Use complementary methods

Only 25% Of firms use complementary methods[2]; most focus on overall campaign effectiveness

Drive **end-to-end measurement** across the customer purchase journey

Combine traditional measurement (e.g., marketing-mix modeling) with **incrementality testing/experiments** to optimize individual channel effectiveness toward **holistic customer outcomes**

1. Increased regulatory requirements (e.g., GDPR) and distrust drove shift away from cookies; 26% increase in ad blocker use globally in past 5 years driven by disruptive advertising and data security concerns; 2. E.g., incrementality, test and learn
Sources: BCG Digital Marketing Maturity Model, Google-BCG research

Additional perspectives on sales and marketing

The $70 Billion Prize in Personalized Offers

Companies Gain When CMOs and CFOs Measure Success Together

Digital Marketers Race to Meet the Needs of a New Era

CEOs Need a Customer Experience Revolution—Not an Evolution

Four Ways Physical Stores Can Survive

Building an Integrated Marketing and Sales Engine for B2B

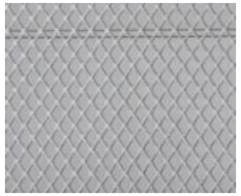
The Fast Track to Digital Marketing Maturity

Conquering the Metaverse: 3 Ways That Businesses Can Find Real Customers in Virtual Worlds

There's No Going Back to the Old B2B Sales Model. That's a Good Thing.

Consumers Want Privacy. Marketers Can Deliver.

Why B2B Brand Marketing Matters



Delivering on the Promise of First-Party Data

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