



How Digital Asset Management Can Help Achieve Top Marketing Executives' 5 Highest Priorities

Marketing ROI

Customer Retention

Brand Loyalty

Positioning/Differentiation

Customer Satisfaction

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Introduction

Anderson Analytics recently performed a study that measured, among other things, the importance of various marketing trends to top marketing executives such as Chief Marketing Officers (CMOs). The "Marketing Trends Report 2010" survey was completed between January 11, 2010 and February 8, 2010 by respondents who are members of Marketing Executives Networking Group, hold a position of Vice President or higher and have a minimum base salary of \$160,000. The survey showed that the top priorities of the executives are:

1	Marketing ROI	58%
2	Customer Retention	53%
3	Brand Loyalty	53%
4	Positioning/Differentiation	52%
5	Branding	50%
6	Customer Satisfaction	49%
7	Mobile Marketing	44%
8	Social Media	42%
9	Segmentation	41%
10	SEO (Search Engine Optimization)	40%
11	Green Marketing	39%
12	Blogging	37%
13	Word of Mouth	37%
14	Community Building	37%
15	Social Media ROI	36%

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It's interesting to note that Digital Asset Management (DAM) can have an important impact on each of these priorities specified by the top marketing executives themselves. DAM addresses these priorities by providing a central repository for digital media files and a set of tools to store, manage the approval of, find and convert these files to increase their value in the marketing process. DAM also makes complete or selected subsets of the organization's digital media resources easily available to authorized users such as sales representatives, channel members, the media, etc. These capabilities can have a far-ranging impact on the marketing organization and the enterprise as a whole. For instance:

¹ Peter Ostrow, "Marketing Asset Management: Managing Brand Compliance in Distributed Marketing Environments," Aberdeen Group research report, March 2010.

² Grant Cowell, "Online Video Given "Highest Focus" in 2009's Digital Marketing Campaigns, Says Survey," REELSE, December 18, 2008.

- An Aberdeen Group research report showed that 79% of the Best-in-Class companies that achieve the highest return on marketing investment deploy a library asset management system for their marketing assets.
- PermissionTV's online survey of 400 senior marketing and media execs found that customer retention was one of the top reasons that video was a primary focus on their digital marketing campaigns while DAM is critical to the centralization, transformation and distribution of digital video assets.
- The best in class companies cited in the Aberdeen Group research report average 18% year-over-year improvement in brand consistency compared to only 2% improvement by other companies.
- ZDO uses DAM to differentiate itself from other advertising agencies by providing a highly organized library of everything pertaining to the jobs they are responsible for in working with their clients.
- FedEx is developing new tools that can be used along with its DAM to develop timely communications with its customers to increase customer satisfaction.

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With DAM demonstrating the ability to achieve all of the top goals of high-level marketing executives, it should come as no surprise that Frost & Sullivan's research shows the DAM market accounting for over half a billion dollars in 2009 and growing at a compound annual growth rate of more than 20% through 2014.

Increasing return on marketing investment

Aberdeen Group research revealed that Best-in-Class organizations identified in its research achieve an average of 32% year-over-year improvement in return on marketing investment, compared with an average 4% decrease for laggards. These best-in-class organizations are twice as likely as all other companies to leverage marketing asset management (MAM) software versus generic DAM software to achieve superior performance in return on marketing investments and operational productivity. Marketing asset management solutions include workflow capabilities, dynamic collateral development, and a model for varying degrees of user security necessary for complex marketing environments. It's also worth noting that the best performing Best-in-Class companies are mainly those with DAM deployments that are more than two years old, providing evidence that results increase with the maturity of the deployment.

Aberdeen Group reports that best-in-class companies are following a number of identifiable strategies to improve measurable marketing performance. Most important, they are centralizing digital asset approval and management, integrating digital repositories with marketing campaign technology and eliminating redundant marketing activities. Centralizing the management and approval of digital assets “helps make marketing content more readily available and actionable,

³ Ian Michiels, “The Marketers Guide to Justifying Investments in Digital Asset Management,” Aberdeen Group research report.

⁴ Interview with Bryon Zimmerman, Widen Web site, <http://www.widen.com/the-widen-advantage/customer-interviews.php>

⁵ Michael Singer, Delivering Better Digital Asset Management, Internet Evolution, May 19, 2010. http://www.internetevolution.com/author.asp?section_id=774&doc_id=192191&cf_src=internetevolution_sitedefault

⁶ Mukul Krishna, “Realizing the Value Proposition of Hosted DAM Solutions – A Case Study,” Frost & Sullivan research report.

⁷ Peter Ostrow, “Marketing Asset Management: Managing Brand Compliance in Distributed Marketing Environments,” Aberdeen Group research report.

which in turn aids in building and managing brand consistency across campaigns; in improving efficiency; and in maximizing overall enterprise profitability." Aberdeen Group also points out that integration of DAM repositories with marketing campaign technology makes it easy to locate the right marketing content for individual campaign executions without extensive manual effort, time-consuming searches or random selection of assets.

Best-in-Class companies are 52% more likely than average companies and twice as likely as laggards to recognize the value of automated integration between stored content and the delivery mechanism. Best-in-Class companies are also 29% more likely than laggards to provide the entire marketing team with access to digital assets that make it easy to carefully repurpose content and images to leverage marketing's creativity and output. Furthermore, four in five Best-in-Class companies turn a centralized marketing collateral database into a sales-friendly resource compared to only about half of other companies.

GISTICS research reiterates the value of DAM in improving marketing ROI. GISTICS benchmarks reveal that DAM can chop 5 to 15 days off a global rollout. GISTICS continues: "In markets characterized by short product lifecycles, aggressive competition, seasonal marketing windows, and promotional partnerships, cycle time improvements of just one or two days translate into \$10 to \$20 million in incremental profit." Furthermore, GISTICS gathered data from more than 1,000 marketing operations on DAM systems operated as an outsourced portal, deployed as in in-house departmental system, or as an enterprise content management system. GISTICS determined that marketing ROI can be maximized by investing in hosted DAM systems because their total cost of ownership is only 50% of a deployed in-house departmental system and only 1/7 the cost of an enterprise system. "Hosted digital media services make sense for many, many firms," GISTICS concludes.

Mukul Krisha, a Frost & Sullivan analyst, has forecasted the growth of hosted DAM solutions to outpace the growth of installed solutions with a compound annual growth rate of well over 30% and achieve revenues totaling more than \$250 million by 2013 as opposed to a 20+% growth rate for installed solutions. This may explain why several enterprise DAM providers have adopted hosted models either through acquisition or development.

Raising customer retention rates

Aberdeen Group research points out that Best-in-Class companies utilize DAM to improve customer retention rates by leveraging the capabilities of their most expensive marketing assets – human sales representatives. Marketing automation is used to warm up lead opportunities until they are worthy of the conversation. Best-in-Class companies also help improve the effectiveness of the sales team by providing them with the assets they need to close deals and up-sell and cross-sell into existing accounts.

Just about every medium and large sized organization has thousands, often many thousands, of digital media files that play an important role in their marketing operations. It's often difficult for the people whose job it is to retain customers to determine the existence of this content, not to mention accessing it and putting it to use. For example, when a sales person wants to send an application note that will help a customer make better use of the company's product, the marketing person taking the request must rely upon their personal knowledge of the available assets to find the right image. The marketing staff member may have to send emails and make phone calls to try and locate the document. If a channel partner has sales responsibility for the account, the sales person might not even know that the application note exists.

⁸ Michael Moon, Making the Business Case for Digital Asset Management, GISTICS Incorporated research report, 2007.

⁹ Mukul Krisha, "Realizing the Value Proposition of Hosted DAM Solutions – A Case Study," Frost & Sullivan research report.

DAM solves this problem by providing a central repository that stores, catalogs, manages and distributes marketing-related digital content. Metadata such as the type of content, creator, date, keywords, etc. are associated with each digital asset which makes them easy to find with a simple search. Users inside your company or partner companies can easily navigate through the full range of available content. The result is that those who are tasked with maintaining customer relationships will have the optimal tools they need to do their job and will gain additional time that was previously required searching for the right digital assets.

Improving brand loyalty and brand consistency

Brand consistency plays a direct role in building and maintaining brand loyalty—a consumer's commitment to repurchase or otherwise continue using the brand demonstrated by repeated buying of a product or service or other positive behaviors of advocacy. "Consistency truly is the name of the game in brand identity," says Brad VanAuken, Chief Brand Strategist at the Blake Project. "The more consistent the brand is across all customer touch points and over time, the more the brand will have made a firm impression on people and will be easily recognized by people." Furthermore, brand consistency helps reinforce brand loyalty because it helps make a brand more salient. Derrick Daye, a Managing Partner for The Blake Project, reasons "Brand Salience is the degree to which your brand is thought about or noticed when a customer is in a buying situation. Strong brands have high Brand Salience and weak brands have little or none."

One of the key findings in the Aberdeen Group research cited earlier is that 44% of the companies studied said that geographic coverage makes brand consistency difficult to manage and 31% said that brand volume – the number of business units, acquisitions, etc. – makes brand consistency difficult to enforce. While the proliferation of digital content provides enormous opportunities for marketers, in some ways it also makes it more difficult to maintain brand consistency. The users of digital content such as internal and external creative staff, sales representatives, channel partners, etc. often need an image very quickly. Facing time pressure, they may be faced with the task of choosing from dozens of possible alternatives with no way of knowing which particular images properly portray the brand.

DAM helps improve brand consistency by making it possible for the enterprise to maintain full control over the representation of the brand. Users are provided with fast and easy access to images that provide the correct brand image and are restricted from accessing content that provides an outdated or incorrect brand image. So it should come as no surprise that Best-in-Class companies, which also are the companies that are most likely to use DAM, are far better at addressing these issues, achieving an 18% improvement in brand consistency compared to a 4% improvement for middle performers and a 1% decrease in brand consistency for laggards.

Brad VanAuken, Chief Brand Strategist at the Blake Project, summarizes the value of DAM in protecting the brand identity: "The brand promise should be translated into a supporting brand identity, including logo, tagline and elevator speech among other key components. This should be integrated into a system that includes brand architecture and naming conventions. These should then take the form of guidelines that are available to all employees and business partners through an online platform. Digital asset management systems provide for even greater consistency and control."

¹⁰ Brad VanAuken, The Branding Strategy Insider, Blog by the Blake Project, August 1, 2008.

Positioning and differentiating products

GISTICS states that the rise of the Internet has led to the rise of digital marketing communications supply chains in which electronic systems now manage requests for proposals, media-insertion orders, invoices, and the production, distribution, review and final authorization of marketing materials. Their research finds that: "Many marketing operations outsource collateral creation, localization, print production, and fulfillment. Progressive operations now outsource entire business functions such as creative services, publishing, and Web site management. This outsourcing of business functions results in what analysts call marcom supply chain integration and the application of strategic sourcing disciplines to marketing procurements."

These shifts have the potential to substantially improve the efficiency of marketing operations, shorten timing cycles, reduce time-to-market and help improve positioning and differentiation of products. GISTICS points out that: "A centralized collection of reusable media components, or digital assets, can both lower the cost and speed the execution of many global brand-marketing strategies...Always-on, multilingual access to approved materials for sales, marketing, advertising, investor relations, public relations and training provides the missing capability to speed product launches, freeing time for the completion of more strategic work by headquarters staff and field marketing personnel, and ensuring higher levels of brand consistency." GISTICS recommends a managed on demand DAM service from a solution provider with a proven expertise in digital asset management, security certification of the highest level, trusted management for multiparty copyrights and the ability to service the requirements of marketing executives worldwide.

Research from the Aberdeen Group referenced earlier reinforces this theme. The Best-in-Class companies cited by Aberdeen Group that tend to be mature DAM users experienced an average 1% year over year reduction in marketing time-to-market compared with an average 3% decrease for laggards. As an example of how DAM can reduce time-to-market and improve product positioning and differentiation, Aberdeen Group cites the ability to easily locate the right marketing content for individual campaign executions without extensive manual effort, time-consuming searches or random selection of assets. Aberdeen Group concludes that as organizations attempt to operate as effectively as possible under volatile market conditions and often with fewer resources, technology and process best practices around DAM should continue to separate the Best-in-Class from other organizations.

Bryon Zimmerman, CEO of ZDO, an advertising and design firm, said that Widen's on-demand digital asset management solution makes it possible to differentiate ZDO from other agencies by providing more value to clients. "We offer our clients a highly organized library of all their images, their logos, their stock photography ... everything pertaining to the jobs that we work on for them," Zimmerman said. "This is something that they haven't had before. We are definitely going to realize a reduction in project time and an increase in profit margin. It's a high level service that we offer our clients but we are also going to use it internally. It will help us make more money as an agency."

¹¹ Brad VanAuken, The Branding Strategy Insider, Blog by the Blake Project, August 1, 2008.

¹² Michael Moon, Business Case for On-Demand Delivery of Digital Brand Management in Global Marketing Operations, GISTICS Incorporated research report, 2008.

Increasing customer satisfaction

The Aberdeen Group found that Best-in-Class companies that made the best use of DAM also do a much better job of improving customer satisfaction than others. 82% of Best-in-Class companies improved customer satisfaction year-over-year compared to 45% of middle-tier companies and 27% of laggards. Furthermore, Aberdeen Group adds: "Lest any doubt be cast regarding the connection between best practices in marketing and the factual business results that represent the goal of deploying marketing asset management solutions Corporate revenue represents not only the largest percentage of Best-in-Class companies improving performance on a year-over-year basis, but also the largest delta between the performance of top performers and laggards, more than three-times differential."

KeyFruit points out that DAM can help increase customer satisfaction by improving the quality of creative content. "Consumers not only have tremendous choice in the products and services they purchase, they have also gained unprecedented control over how and when they will accept messages. This dynamic places a greater burden on companies to continually produce memorable and engaging campaigns that will be pushed, published, and aired via a variety of devices. Arming the creative team with a digital asset management system offers greater efficiency, access to a host of materials, and information about the content such as when and how it was used, rights and permissions, and its association with other stored and catalogued assets.... Thus, allowing for more time spent dedicated to the core function of developing highly creative, quality, brand conscious and memorable marketing deliverables."

"Arming the creative team with a digital asset management system offers greater efficiency. Thus, allowing for more time spent dedicated to the core function of developing highly creative, quality, brand conscious and memorable marketing deliverables"

Conclusion

Top marketing executives are facing a number of difficult challenges in their effort to achieve or maintain a leadership position for their enterprises. The rapid growth in digital marketing content has generated new opportunities for touching customers and prospects but also has led to bottlenecks and inefficiencies in managing the huge volume of digital assets and maintaining a consistent brand image. DAM can overcome these problems by automating many marketing processes while delivering the right content directly to everyone involved in customer and prospect communications. By being able to search through the full range of assets, users are often able to find more suitable digital media files and repurpose them for multiple projects. DAM can help address the top concerns of marketing executives by increasing return on marketing investment, raising customer retention rates, improving brand loyalty, positioning and differentiating products and increasing customer satisfaction. Top marketing executives should invest in DAM to meet their goals for 2010 and beyond.

¹³ KeyFruit Inc., Meet DAM, White Paper.