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The Impact of Digital Beyond Sales and Marketing

How Digital is Transforming
Organisations
In association with Blue Latitude

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<http://econsultancy.com/reports/impact-of-digital>

The Impact of Digital Beyond Sales and Marketing

blue latitude^o



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1. Executive summary and highlights

This is the first 'The Impact of Digital Beyond Sales and Marketing: How Digital Is Transforming Organisations' report, published by Econsultancy in association with Blue Latitude. Research for this report involved more than 100 online survey respondents and 15 in-depth interviews.

The report falls into three sections: an analysis of the impact of digital (including mobile and social media) on the different business functions; an examination of the challenges and barriers to greater adoption of digital within the enterprise; and the measurement of success.

The findings highlight what many of us already know, but may not yet have accepted – that change brought about by digital technologies is inevitable across all business functions and as such needs to be properly planned for.

To date, however, a great part of digital's impact on business in general has been on marketing – addressing external customer audiences. Our findings suggest that focus and investment need to expand to likewise encompass other audiences, including internal ones.

2.1 About Blue Latitude

Blue Latitude is a digital business consultancy. We work with our clients to deliver insight, strategy, user experience and evaluation services, helping them to optimise their organisations, engage more effectively with their audiences and to maximise growth.

Our clients include BBC, Bayer Schering, Cancer Research UK, CMC Markets, Early Learning Centre, Eli Lilly, Ministry of Sound, Shire, Roche and The British Museum.

For further information please visit www.bluelatitude.net, or call Sophie Berger on +44 (0) 20 3328 1898 or email sophie.berger@bluelatitude.net and tell us about the business challenges you face.

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2.2 About Econsultancy

Econsultancy is a [digital publishing and training group](#) that is used by more than 200,000 internet professionals every month.

The company publishes [practical and time-saving research](#) to help marketers make better decisions about the digital environment, build business cases, find the best suppliers, look smart in meetings and accelerate their careers.

Econsultancy has offices in New York and London, and hosts more than [100 events](#) every year in the US and UK. Many of the world's most famous brands use Econsultancy to [educate and train](#) their staff.

Some of Econsultancy's members include: Google, Yahoo, Dell, BBC, BT, Shell, Vodafone, Virgin Atlantic, Barclays, Deloitte, T-Mobile and Estée Lauder.

[Join Econsultancy](#) today to learn what's happening in digital marketing – and what works.

Call us to find out more on +44 (0)20 7269 1450 (London) or +1 212 699 3626 (New York). You can also [contact us online](#).

2.3 Who should read this report, and why?

In addition to Econsultancy's core audience, those working in digital marketing and e-commerce, this report is particularly relevant for senior level executives whose sphere of influence is not explicitly "digital", but for whom digital has immense and still growing significance, and who have the authority and budgets to drive required change within their organisations.

As indicated in its title, the report relates the relevance of the digital marketing and sales success story to other business functions and capabilities.

In particular, we find that customer services and human resources are beginning to experience rapid and profound change; and as such, assessing and planning for change in these departmental functions are likely to present valuable opportunities to those leaders who realise the imperatives of change and the steps – starting with people – to make it happen.

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3. Methodology

This research was launched at Econsultancy's [Digital Cream](#) event in March 2010, where Blue Latitude hosted three roundtable discussions exploring the business challenges delegates face while managing digital channels. Insight from this report is derived from both qualitative and quantitative research.

3.1. Qualitative research

Econsultancy and Blue Latitude carried out 15 in-depth interviews with senior executives at businesses across a range of sectors including travel, publishing, retail and financial services. Those interviewed¹ included a CEO, a managing director and several heads of digital or e-commerce.

3.2. Quantitative research

- The quantitative part of the research involved a survey of more than 100 senior, client-side Econsultancy members, typically senior executives. The survey² was carried out online and was live during April and May 2010.
- The data below profiles these companies in terms of annual turnover, number of employees in digital sales and marketing roles, and business sector.

“What is your annual company turnover?”

- Only 16% of respondents surveyed worked for companies with an annual turnover of less than £10 million.
- 40% reported an annual turnover of £50m-£150m; 22% between £150m and £1bn; and 21% more than £1bn.

“How many people does your company have working in digital marketing and e-commerce?”

- More than half (53%) of respondents surveyed reported that their companies had less than 10 people working in digital marketing or e-commerce roles.
- 15% reported 11-20 employees in these roles and another 15% reported 21-50 employees.

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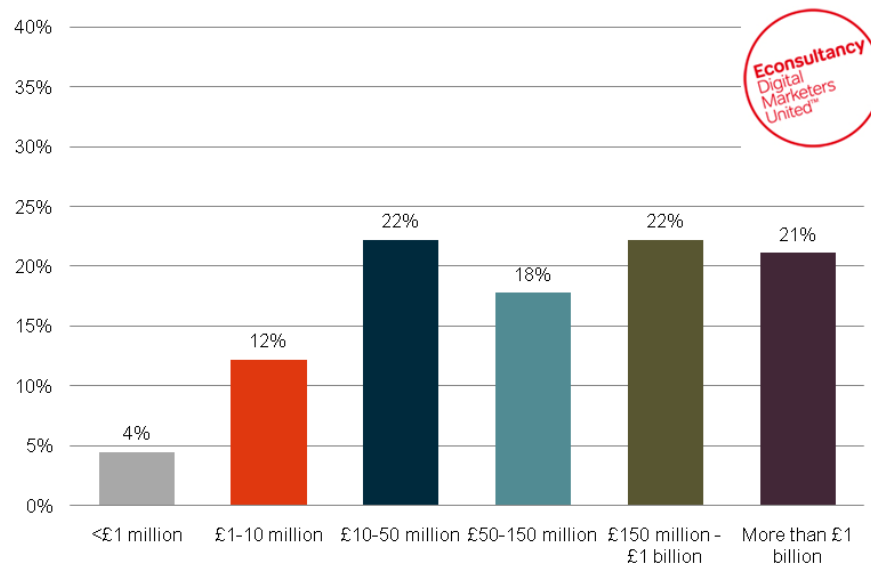
¹ The following organisations were represented: British Museum Company, Dell, Dyson, Electronic Arts, Glasses Direct, Kaplan, Ministry of Sound, o2, Penguin Books, Dorling Kindersley, Pentland Brands, Roche, Santander UK and Virgin Atlantic

² Econsultancy uses Clicktools for its online surveys



4. Company turnover

Figure 1: What is your annual company turnover?



Respondents: 100

5. The impact of digital on business functions

The impact of digital is cascading beyond sales and marketing functions (including the associated areas of market research and PR and communications) to have a wider influence over the evolution of customer service and product development in particular.

Less immediately, the role of the employee, and the relationship between businesses, customers and employees, are also subject to redefinition as a result of digital innovation.

To begin with, the impact in marketing should not be overlooked. It is the business function where there has been the biggest revolution over the past few years, with 86% of responding companies reporting “*major impact*” here.

PR and communications – arguably a marketing function - has also changed radically, with 70% of respondents reporting major impact. A third directly marketing-related function, market research, is also an area where a majority (52%) of respondents have experienced or observed significant change.

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5.1 How long before digital transformation is realised?

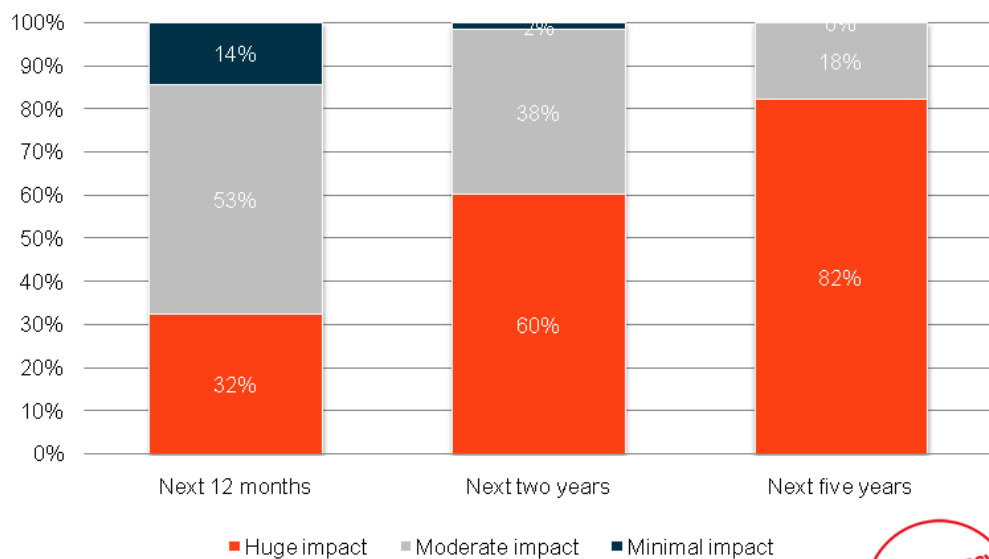
Many of the survey respondents describe a corporate world that has changed enormously during the past 15 years, and particularly the past five years, but it's also clear that further, greater change is still to come. Most companies still see digital as something that is going to happen in the future, even though digital change has been with us for some time.

Voice of the company

“Somebody once said to me something about digital: ‘a lot less will happen in the next two years than you think – but a lot more will happen in the next five’. When the iPhone was launched – three years ago – people wanted to shoot it down in flames. Now it is becoming extremely important, very powerful, it is on three networks, there were 35 million of them sold last year.”

SAMPLE QUOTE

Figure 2: At an overall level, to what extent do you think digital will transform your organisation?



Respondents: 121

Case study - how a company has embraced digital

The company has been able to integrate its activities in a way that many larger organisations struggle with. Its CRM system is aligned with its website content management system so that individuals can be targeted and re-targeted with the most appropriate recommendations, both while they are online and through email marketing.

SAMPLE CASE STUDY

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