

Brand and CX Management Challenged to Comprehend the Phygital Customers' Journey: Blending Brand and CX Governance



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Abstract

We are witnessing marketers' imperative to have a complete picture of consumers' engagement throughout their complex buying journey stages, as well as the powerful impact of CX governance, and the need of AI integration throughout the entire CX journey. There is no doubt about the pressure of paying attention to both customer engagement value, and brand value, considering brand interactions so as to make certain brand voice and values' precisely representation, combining EI skills with AI skills. Marketers are struggling to deliver on brand promise and impacting business outcomes by considering main challenges for intelligent teamwork when assessing brand health, without neglecting an improved brand experience delivering on brand positioning, including by valorizing catalytic digital experience and brand governance. It is a real need to advance on the recommended path to ensure brand promise and customer experiences' alignment, including by comprehending the personalized touchpoints' impact on CX.

Keywords: Brand Management; CX Management; Digital Customers' Journey; AI Integration; Brand Governance; CX Governance

JEL Classification: D83; L21; L81; M21; M31; M37; O31; O33

Marketers' imperative to have a complete picture of consumers' engagement throughout their complex buying journey stages, the powerful impact of CX governance, and the need of AI integration throughout the entire CX journey

The leader of the human experience agency VectorHX brought recently to our attention the powerful impact of CX governance (how organizations' customer experiences are managed and optimized based on customer-first visions' alignment) on the necessary unified strategy integrating organizations' various departments (Karofsky, 2024). He showed the importance of such a structured approach (considering its significant components: inspiring vision, carefully chosen KPIs and CX metrics, professional cross-functional teams, clear assumed roles and responsibilities, rhythmic communication strategy, monitoring CX continuous improvement and adjusting accordingly, data-backed decisions based on technology and CX goals' alignment) ensuring both customers' delighting, and profit driving.

In our last RDCM issue (Purcarea, 2024) we made reference to the increased obvious AI role in streamlining customers' path to purchase in phygital spaces, within the context in which there is a clear need to better understand the phygital customers' journey. More recently, a New Webinar Alert (AI Business Webinars, 2024) highlighted how essential for organizations' success is AI integration throughout the entire CX journey (in CX strategies and roadmaps AI classifying as a top priority), where the need for the right knowledge and data.

Also, very recently, the reputed industry-leading path-to-purchase market research firm Luth Research (recognized for its revolutionary behavioral data collection technology, and delivering timely data to the Fortune 100 companies), underlined marketers' imperative to have a comprehensive view of consumers' engagement with products and brands throughout their complex buying journey stages, going beyond the so-called black box of shopper insight data (Luth Research, 2024). Within this framework there were highlighted significant aspects, such the importance of the digital buyer's journey (with its micro and macro moments' insights provided by ZQ Intelligence proprietary technology, pain points, preferences and motivations) prediction within the evolving landscape characterized by accelerated interactions across devices and platforms involves gaining a holistic view based on a deeper analysis of what shape modern consumer behavior.

Paying attention to both customer engagement value, and brand value, considering brand interactions so as to make certain brand voice and values' precisely representation, combining EI skills with AI skills

It is essential to pay attention to customer engagement value as demonstrated by Kumar (a, 2024), this concept being described by him as "a set of values provided by customers who value the brand and contribute to the firm through purchase and non-purchase behavior." He also highlighted (Kumar b, 2024), how "customers with greater brand value are more likely to engage

in activities that result in an increase in customer value when compared to customers with low brand value.”

As shown by Bourne (2024), marketers are under pressure to work jointly with AI teams on advanced AI integration into brand interactions so as to make certain brand voice and values’ precisely representation, improved CX across channels remaining constant. These ideas were presented on the basis of the findings (April 9, 2024) revealed by an Adobe and Econsultancy survey (“2024 Digital Trends”) regarding US and European consumers’ level of comfort with AI use for various brand interactions.

On the other hand, in order to obtain sustainable sales results, alongside AI skills (Stanley, 2024) it is critical to teach emotional intelligence (EI) skills. Going on this path of combining human-centered capabilities (EI skills) with AI skills means to intensify collaboration and innovation, to ensure improved decision-making and problem-solving, as well as to prepare companies’ workforce for the future.

McKinsey’s experts (Relyea et al., 2024) showed the importance of AI incorporation into companies’ employees’ work, KPIs being impacted by AI adoption (this impact being measured accordingly). Taking into account, for instance, Gen AI opportunity, it was underlined the imperative of work redefinition by this new technology, being recommended how to ensure the necessary preparation for gen AI’s next inflection point (by translating vision into value based on operating model reinvention, ensuring talent and skilling strategy reimagination, and ensuring continuous needed adaptation on the basis of shifts reinforcement through both formal, and informal mechanisms).

Delivering on brand promise and impacting business outcomes by considering main challenges for intelligent teamwork when assessing brand health, without neglecting an improved brand experience delivering on brand positioning, including by valorizing catalytic digital experience and brand governance

According to Gartner’s experts (2024), brand building (notoriously difficult to measure) is usually cited by CMOs as a desired marketing capability, but in order to strengthen brand health (maintained by regularly assessing and modifying brand strategy accordingly) an organization need a team effort on the basis of all departments’ collaboration. Consequently, they recommend the adoption and sharing of Gartner’s Brand Health Framework (with questions posed and essential metrics), as shown in figure below.

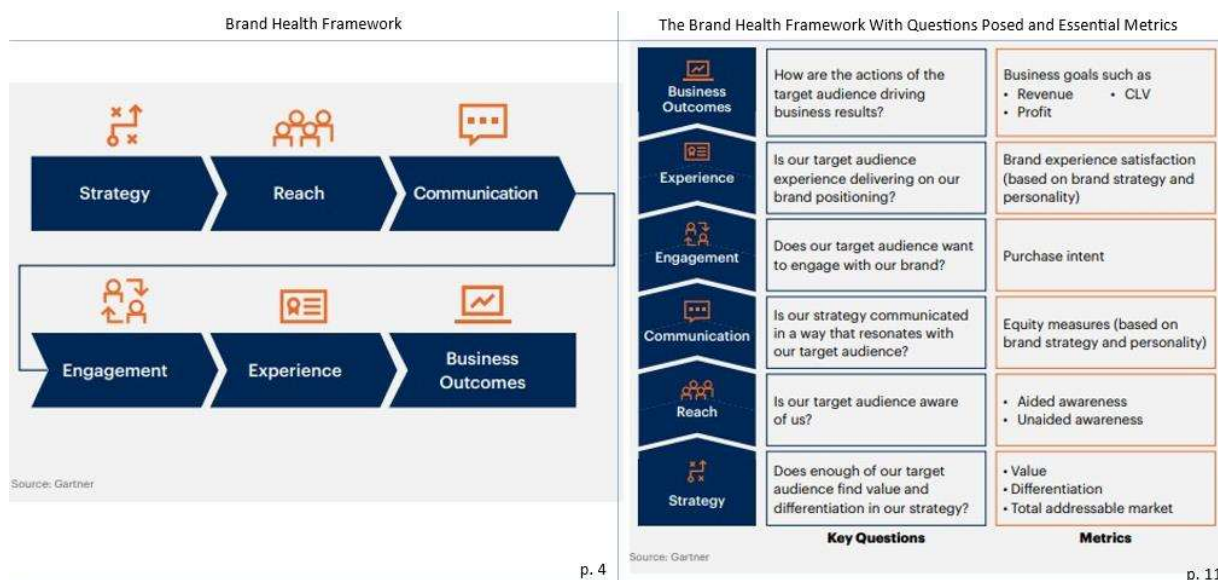


Figure no. 1: Brand Health Framework (on the left side) and The Brand Health Framework With Questions Posed and Essential Metrics (on the right side)

Source: Gartner (2024). *A Six-Point Brand Health Framework For Marketing and Communications Leaders*, Gartner for Marketing, August, p. 4 and p. 11 (work cited)

It is worth remembering within this context that last year Gartner (Gartner for Marketing, 2023) brought to our attention the significance of the catalytic marketing approach as a better strategic path to drive profitable growth. Going on this path CMOs can ensure marketing's success expansion as companies' efficient growth engine (moving away from expanding marketing's scope), and providing that CX (based on quality-over-quantity ethos contained, and scaling CX) which is making possible to stimulate their customers' confidence (thanks to CMOs' focus on establishing the credibility and trustworthiness) so as to engage in commercially productive behaviors, research findings from Gartner demonstrating how the probability of such behaviors being doubled by a single catalytic digital experience.

On the other hand, it is important to underline the importance for CMOs (especially in case of midsize and large organizations) to use the Gartner's Brand Governance Maturity Model (as shown in the table below), taking into account how not only the organization's structure and resourcing, but also the brand architecture is impacted by brand governance on the path to reach the next level (Parthasarathi, 2024).

Table no. 1: Brand Governance Maturity Model

	1. Nascent	2. Developing	3. Intermediate	4. Advanced	5. Expert
Brand Resources	Brand resources are not consistent and are loosely documented.	Formally documented and consistent brand resources teach core brand elements and illustrate the dos and don'ts of brand representation.	Brand resources orient employees on how brand representation should align with higher-level organizational priorities.	Brand resources have actionable tools and templates that provide practical guidance and enable marketing teams to apply brands more effectively in their work.	Brand resources are customized based on corporate and unit-level priorities and include decision-making support.
Organization and Talent	Approvals for all brand work are given by the head of marketing or CMO.	CMO delegates approvals to senior marketers within the corporate marketing team.	The corporate marketing team's branding efforts are led by the brand leader.	- The corporate marketing team approves all brand work. - The unit-level marketing teams may lightly tailor corporate marketing messages to their specific audiences.	- The corporate marketing team approves all brand work pertinent to the corporate brand. - The unit-level brand representatives approve brand work pertinent to their unit.
Brand Training	No brand training is conducted at this level.	The corporate marketing team is trained to use and apply the teachings given in brand resources during their onboarding.	Brand training connects the brand to business priorities and is provided to marketers on an on-demand basis, or when a big organizational change or brand refresh occurs.	Brand training dives into granular brand details, like modifying logos, differentiating color palettes, etc., and is provided to corporate and unit-level marketers on an annual basis.	The corporate marketing team gives specialized brand training to unit-level brand representatives to help them develop their brand positioning.

Source: Gartner

Source: Parthasarathi, P. (2024). *Improve Brand Governance With Gartner's Maturity Model*, Gartner, *The Chief Marketing Officer Third Quarter 2024, Recast Marketing's Value*, p. 27 (work cited)

Instead of conclusions: *Recommended path to ensure brand promise and customer experiences' alignment, including by comprehending the personalized touchpoints' impact on CX*

To achieve the desired results retailers, for instance, need to consider significant key trends as those revealed by Walmart's first annual State of Adaptive Retail Report (this advanced retail form being seen as "bringing shopping to the customer in exactly the way they want and need") which analyzed US shoppers' survey responses (Cabrey, 2024). As stated by Walmart's global CTO and CDO: "Retailers must predict shoppers' needs, reduce decision-making, and enable highly personal experiences". The report confirmed that shoppers are more and more for seamless CX, personalization, very highly specific recommendations, and instant gratification (both offline, and online).

As shown by Weidig, Weippert and Kuehn (2024), the personalized touchpoints are a critical success factor, being necessary to comprehend the personalized touchpoints impact on CX. Within this framework, it was underlined the dependence of personalized touchpoints' effect on CX not only on the touchpoint nature and the customer journey stage, but also on the personalization design, also discerning (within the personalized customer journey) when choosing the touchpoints to personalize and the manner to connect them so as to ensure personalized touchpoints' positive effect on CX.

Focused on retailers' and DTC brands' personalized omnichannel customer journeys' scope and intensity (both encompassing design concepts for these personalized journeys) Weippert (2024) highlighted important aspects, such as: personalization intensity to individual customers' preferences should be adapted (customers' acceptance of personalized journeys is possibly to be influenced by multiple customer-related contingency factors); these personalized journeys should be understood as a continuum along which brand managers need to determine the optimal scope, only by considering the customer journey perspective being recommendable to approach personalization; both customer's preferences and characteristics are essential to approach each individual customer's assessment of the personalization optimal intensity made by brand managers.

If brand is largely recognized as organizations' most valuable intangible asset, brand managers need actionable insights to continuously improve brand performance, orchestrating accordingly (brand governance and management ROI), and impacting directly brand manifestation on the basis of Brand Life Cycle Model (Cloosterman, 2017), as shown in figure below. Then, through brand management and brand manifestation an organization is spreading apart into brand performance (across all its touch points and channels) whose improvement process (by assessing the current and desired situation, defining improvement areas, creating a roadmap and activating it by developing a brand dashboard, and monitoring by KPIs) is measured continuously.

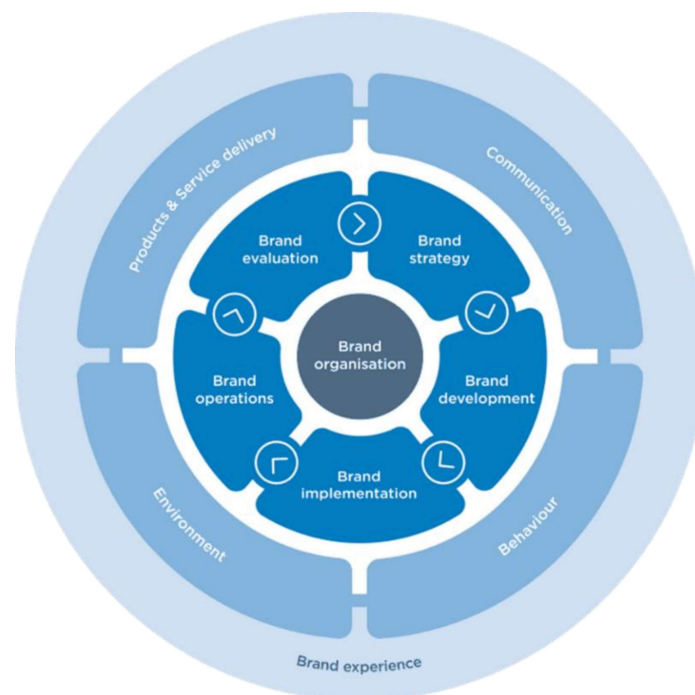


Figure no. 2: Brand Life Cycle Model

Source: Cloosterman, M. (2017). Brand performance in the board room, Smart Insights, 25 Oct, 2017 (work cited)

Organizations' growth can be made more powerful by closing the gap between brand promise (consumers' brand choice being influenced by it) and a CX driving brand differentiation by meeting customer expectations (brand value is driven by expectations' meeting, expectations being confirmed by experience and by meeting them trust is built) across phygital touchpoints (Abel, Atherley and McDonnell, 2023) By meeting these expectations and building trust an organization can ensure experiential touchpoints' optimization, Kantar's Brand Authenticity Framework (see figure below) confirming the extent to which there is more or less brand promise and customer experiences' alignment (that is possible to achieve by doing brand promise against CX mapping, also tracking constantly brand and CX metrics).

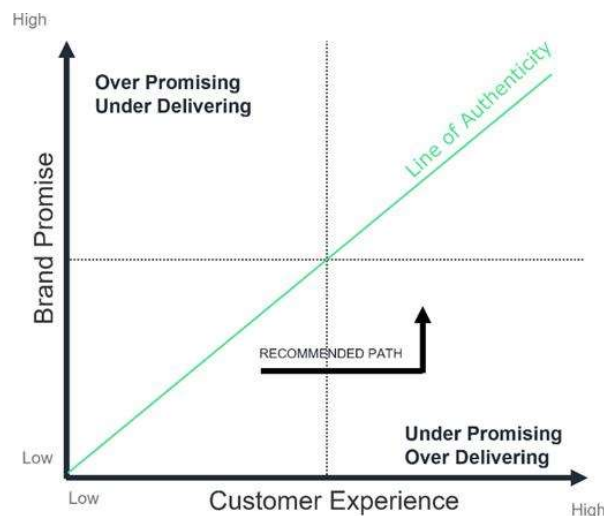


Figure no. 3: Brand Authenticity Framework

Source: Abel, A., Atherley, S., McDonnell, S. (2023). *Mind the Gap: Why customer experience and brand need to get closer*, Kantar, 07 February 2023 (work cited)

And coming back to AI integration into brand interactions, it is also worth mentioning that according to the Chief Revenue Officer (CRO) at Acxiom (greater part of the Fortune 100 companies are served by Acxiom), to benefit from AI-driven applications as much as possible so as to deliver personalized CX, brands first need to ensure customer intelligence building (Olinghouse, 2024).

Allow us to end by bringing some quotes together, inviting our smart readers to identify a possible significant harmonious connection: *"Brand is just a perception, and perception will match reality over time"* (Elon Musk); *"Your brand is the single most important investment you can make in your business"* (Steve Forbes); *"If people believe they share values with a company, they will stay loyal to the brand"* (Howard Schultz); *"It's easier to love a brand when the brand loves you back"* (Henry Ford); *"We have entered the era of the customers. Today, providing customers with outstanding customer service is essential to building loyal customers and a long-lasting brand"* (Arti Patel); *"The way to a customer's heart is much more than a loyalty*

program. Making customer evangelists is about creating experiences worth talking about” (Bill Gates); “The first step in exceeding your customer’s expectations is to know those expectations” (Jerry Gregoire); “Customer experience isn’t an expense. Managing customer experience bolsters your brand” (Annette Franz).

So, let us harmonizing Brand and CX Governance!

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