

# Microsoft CMO on the transformation of digital marketing

 By Jessica Tennant

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Peter DeBenedictis, chief marketing officer for Microsoft in the Middle East and Africa, based in Dubai, recently attended the Microsoft Ignite tour in Johannesburg, where he also had the opportunity to meet the local team.

With trends on everyone's minds at the moment, I interviewed him to find out more about his thinking behind the current state of marketing in the region, how it has changed over recent years and what he predicts for the industry in the near future...

## ■ *Let's get right to it with comment on the current state of marketing in the region.*

Just like any other industry or function, marketing is going through a transformation and this shift to digital is only just getting started. If you think about how digital marketing was initially conceived, it was about putting a banner ad onto a website and, hopefully, you got some clicks. People were aware of your product and you could measure engagement, but that was it.

I think we're shifting, particularly on B2B but even B2C to move away from what I would call vanity metrics (clicks/impressions) and more towards what I would call end actions, so trying to drive a consumer or business decision-maker to do something that you want them to do – that could be downloading a whitepaper, or filling out a form so that someone can contact them about a product or solution.



Peter DeBenedictis

That is becoming far more important than how many people clicked on your ad or how many views you got. Digital marketing needs to be about more than just engagement. While it is still important, you actually want to drive an action, and that for me is the biggest shift I've seen over the last five years. I think the shift away from just **engagements to end actions** is a big one.

The other is that digital marketing is part of an integrated marketing mix. The challenge for marketers today is how to create an entire customer journey... For the last five or seven years, we as a function have been encouraging people to be siloed and experts in one area, when in fact now **integrated marketing** is far more important.

Those are some of the trends that I'm seeing not just in this region but across the world, and I think a recurring theme is around **skills**. How do you create the skills necessary to have that holistic, integrated capability?

## ■ *Where does artificial intelligence (AI) come in?*

AI is a bit of a buzzword right now. I think before you get into how it has been impacting marketing, I think it's important to think through what it is because there are a lot of misconceptions. There are four key areas:

1. **Vision:** computer centres can actually identify objects in the same way that the human eye can;
2. **Speech:** you can train your AI to differentiate between ambient background noise and when someone is talking;
3. **Language:** not only can they identify speech, but they can also identify the language the person is speaking and try to translate that into meaning in real-time in the same way that a person can; and
4. **Learning:** an AI application can learn in the same way and at the same pace as the human brain can.

The interesting thing about these four areas is that this is not a futurist notion, this is literally happening today in real-time.



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### What does this mean for marketing?

There is an art and science to marketing. There's an element of creativity that will never go away and that I don't think AI will ever replace.



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What it will replace is routine tasks that are done by people, that effectively are doing the same thing over and over again, such as media planning.

Media plans from one campaign to another across multiple markets largely look the same, particularly if you use the same platforms. I can see a time when this will be done by an app or a bot versus being done by a media planner. What that will mean is that your media dollars can go further because you're not needing to pay an expensive client serving team to do repeatable tasks.

I think this has more of an impact on agencies than marketers, and we're seeing on a global basis this playing out where your old, very 'well-oiled' brands such as Y&R and JWT have merged [with other agencies] and there are various other cases where agencies are being absorbed by digital agencies.

We work with Wunderman and Wunderman and JWT are merging. Why? Because you do not need those big agencies with big client servicing and creative shops developing TV commercials and big ads on TV. There are still some brands that do that, but more are moving towards more tactical, smaller scale digital campaigns, which just don't require that same infrastructure, so the agency industry is being massively disrupted. That's why you're seeing a lot of EMEA activity both within WPP and indeed within the other network agencies.



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### ■ What do you believe AI will enable for marketers?

It will accelerate creativity. It may take an art director two, three, four days to flesh out an idea. With advanced algorithms and machine learning, maybe it will get 10 iterations in a couple of hours... Accelerated creativity will happen, but it will still require an art director with a creative eye and with human intuition to develop the concept.

This is great for marketers because it means they can develop campaigns a lot faster, they can be a lot more nimble and they can pivot their messaging much faster. It doesn't mean that human beings will go away, it just means that their work will be done differently.

Marketers will also be able to leverage AI to get customer insights in a much faster, more meaningful way. By digitally leveraging AI and machine learning, you can actually get a much truer understanding of your customer needs, how your product or solution solves them and develop campaigns and messaging to target that audience.

And the targeting can be a lot more focused, but you want to do this in a way that is not obtrusive and that you're not doing interruption marketing, you're actually engaging with customers who are ready and willing and able to be engaged.

That's what I see happening today and it will only accelerate in future.

### ■ So, what do marketers need to do now to address some of the challenges and opportunities that lie ahead?

There are two things that are happening today. One, you have a tremendous amount of technology intensity when you think about how much you interact with tech, and marketers need to acknowledge this and that it's not going to go away, if anything, it's going to increase.

And the second thing is to build their skills.

*“ When I'm hiring, for example, I no longer look for a digital marketer. For me, all marketers are digital marketers. We're all digital marketers today. Marketers really need to build their skills and embrace new technologies, new ways of engaging their customers and new ways of listening to and understanding their customers' needs. ”*

Ultimately, that's what marketing is about: understanding your customer and creating activities and tactics that find the audience where they're consuming the media; the right customer at the right time with the right message to drive the different outcome you're trying to drive.

I don't think that's ever going to change. What will change is the tactics, the skills required to do that and so I think embracing the technology intensity and building skills and lastly, adopting new tools that are going to enable us.

I think those are the key things, not just for marketers but any professional today and that will always make sure you are relevant today regardless of whether AI or any other technology comes in.

### ■ Concluding comments?

Marketers really need to take **privacy** and cybersecurity incredibly seriously. In the past, marketers would get technical data from a variety of sources. It would sit on their PC. They would use it somewhat indiscriminately. I think marketers, historically, did not take that privacy very seriously and I think the world is changing.

Consumers and businesses are becoming far more sensitive to this interruption of their privacy by brands and platforms.

Marketers really need to understand that they are really important custodians of private information and they need to embrace it as a key part of their job.

Tied in with that is **cybersecurity**. Not only is having the data important but protecting it in the most appropriate way is incredibly important and so embracing cloud is not a nice-to-have, it's the best way for agencies and marketers to protect the integrity and the privacy of the data, but also to protect their own system.

*“ There's a joke that there are two types of originations, those that have been hacked and those that don't know they've been hacked. That's just part of the new normal of today's digital world and marketers really need to get very crisp and clear on their responsibility in this area because they're at the vanguard, they're at the forefront of this when it comes to the collection and protection of customer data. ”*

The last thing would be around how marketers can leverage this data to really understand their customers better. I think there's been a divide in marketing – you have the creative types and you have the analytical types. The analytical types do their data thing, the creative types do their thing around creating campaigns and there's a blurring of lines between the two. Marketers today need to be as much a data scientist as they are a creative guru and bridging the gap between the two is incredibly important for marketers.

Marketers should not be on the sidelines of their business' digital transformation. I think it's imperative for marketers to get in the middle of the conversation. All industries are being disrupted by technology and marketers can play a unique role in understanding customers and helping their organisations develop new business models that will answer their customers' needs today and in the future.

## ABOUT JESSICA TENNANT

Jess is Senior Editor: Marketing & Media at Bizcommunity.com. She is also a contributing writer. [marketingnews@bizcommunity.com](mailto:marketingnews@bizcommunity.com)

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