

The power to disrupt: How marketers are turning industries upside down

Customer experience management technology
can change the competitive landscape



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I. Introduction: What's really disruptive?

"Disruption" is the darling of the high tech lexicon, and with good reason. Disruptive technology has the power to change the way people do things, and forever alter a competitive landscape. Disruption often comes from small, nimble market entrants, usually start-up companies unencumbered by legacy systems, processes, and people.



"Booking a flight should be as easy as putting on a pair of trousers."¹

—Peter Duffy,
Chief Marketing Officer, easyJet

But for established enterprises, survival hinges on self-disruption. Today, this requires harnessing technology that allows companies to get closer to customers. And it's not easy—as marketers chase customers through multiple, siloed communication channels, customers criss-cross between them, engaging freely to meet their needs and whims. To disrupt, any company must present the right response, immediately, at every interaction across every channel.

Waiting to tailor the information to visitors when they return (to a web, mobile, or social site) is simply too late. The disruptive competitor will have already converted the visitor by delivering a more humanistic conversation, a more engaging customer experience, and a more relevant offer, in the moment.

Steps toward self-disruption

One thing is certain: pinpointing the right information to present at every interaction requires a complete customer picture, and the ability to adapt and respond immediately at every twist and turn of the customer journey. Collecting and connecting data is fundamental, in order to overcome legacy siloed systems and see the complete customer picture on an individualized, granular basis.

Complete customer information also fuels non-stop experimentation, a hallmark of disruptive businesses. Yet only a fraction of companies have a single view of customers across online and offline touch points.²

This white paper presents the steps enterprises can take to become self-disruptive, from 650 Labs' Mark Zawacki. It also includes a snapshot story of easyJet, Europe's leading low-cost airline and a market disruptor powered by Sitecore.

Finally, this white paper describes how Sitecore provides primary enabling technology. The Sitecore® Experience Platform™ empowers marketers to quickly develop and deploy exceptional experiences that are based on complete information. With Sitecore, marketers can engage customers in the moment, across the channels they prefer: web, mobile, email, social, and commerce.

As the industry's only fully integrated customer experience management (CXM) solution, the Sitecore Experience Platform allows marketers to completely rethink customer experiences, and disrupt their industries.

"Against a backdrop of disparate technologies and channels, growing use of social media, and demand for more ROI, marketers are rethinking how they can immediately engage with customers in deeper, more meaningful, ways. Today's marketers are tomorrow's disruptors."

—Justin Calvo, Global Director for Digital Marketing, Avanade

1. "Mobilising the fleet," Charles Orton-Jones, *The Marketer, The magazine of The Chartered Institute of Marketing*, May 2013. Photo: ©easyJet.

2. Only 30% of respondents to Sitecore's 2013 CX Maturity Model Survey reported having this single view.

II. A prescription for disruption

Mark Zawacki is the founder of 650 Labs (www.650labs.com), a consulting firm that “helps companies understand the broad-based disruption across industries now emanating from Silicon Valley.” In his quarter-century career in the high tech industry, Zawacki has been both a market participant and a strategic advisor, counseling more than 300 clients globally on myriad growth and revenue-related initiatives. Today, he helps non-tech companies around the world to understand disruptive forces and capitalize on the opportunities that lie within.

“First of all, ‘disruption’ and ‘innovation’ are overused words,” Zawacki is quick to say. He defines an innovative company as one achieving organic growth of at least 5% per year for five years in a row. “Only 8% of companies with revenue over USD \$1 billion dollars are growing at this rate—those are the real innovators. Nearly every company says it’s innovative, but that is not evidenced in their growth rate,” he says.

Disruption, defined

For companies wanting to disrupt, Zawacki provides another definition: “Disruptors are building multibillion-dollar franchises that are adopted throughout the world. There’s extreme customer centricity in what disruptors are doing; to paraphrase [Philip] Kotler, they will not just meet a need, they’ll create a market.”³

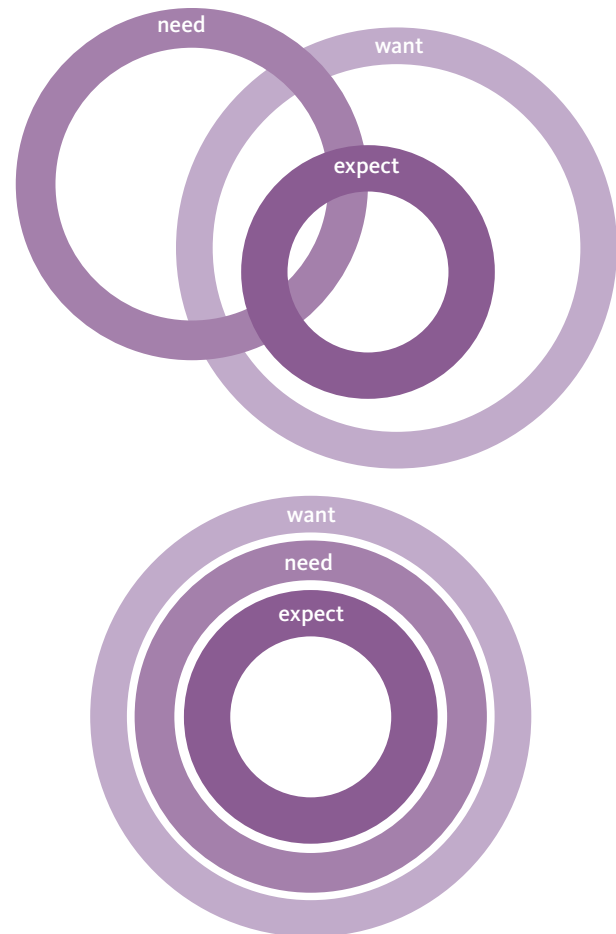
In meeting those needs, Zawacki describes disruptors as able to deliver a rare trifecta, simultaneously: what customers want, what they need, and what they expect. And it has to be all three—delivering only two isn’t enough.

To disrupt a market, a company must meet customers’ wants, needs, and expectations, in harmony.

The ability to disrupt is largely enabled by data. Zawacki explains, “In terms of the overall disruption, we’re seeing a lot of patterns, as all industries are becoming digitized. So much of our lives, and our interactions with people, companies, and brands, are conducted in the digital realm. All of the ‘fingerprints’ we leave in the course of those digital interactions create additional data that can be mined for more insight.”

3. Philip Kotler is the S.C. Johnson & Son Professor of International Marketing at the Kellogg School of Management, Northwestern University. Known as the “Father of Modern Marketing,” he has scores of memorable quotes such as “Good companies will meet needs; great companies will create markets.”

What customers:



What happens when a company’s attempts to meet customers’ wants, needs and expectations are out of harmony (above) or in harmony to cause disruption (below).

Data enables creativity

But Zawacki is quick to emphasize that data, alone, is not the gateway to disruption. “To be disruptive,” he says, “you’ve got to leverage the data and combine it with the right creativity, in order to deliver something that is different, insightful, and truly amazing.” In other words, disruptive products and technologies make a deeply emotional, almost spiritual connection with the customer.

As an example, Zawacki cites the Apple iPhone, “a deeply creative device; its emotional appeal is far greater than any pure sales and marketing effort could ever achieve,” he says. “iPhone users have a strong emotional affinity for the product and they identify with its intrinsic values, which are central to its design. An iPhone is cool. Everybody wants to be cool. It’s visceral.”

Allow marketers to do what they do best

Zawacki's observation dovetails with a classic, yet crass, proclamation from advertising legend David Ogilvy:

"Consumers still buy products whose advertising promises them value for money, beauty, nutrition, relief from suffering, social status, and so on."⁴ Giving Ogilvy's chestnut a 21st-century spin, Zawacki says, "The best brands align with your dreams, ideals, and values. The products they sell are just the vehicles to take you there. Disruptive companies do this in a way that is better than you could have ever imagined.

"That's where a marketer's magic comes in," he continues. "Today, the best marketers know how to create a digital experience that somehow intuitively knows and understands what your dream is, and then gives it to you. It's a digital experience that somehow, magically, knows what you need, want, and expect, and delivers on all of those requirements at the same time. These are the kinds of experiences that build billion-dollar, global franchises, and change the way people do things—the very definition of 'disruptive.'"

"Disruptors are building multibillion-dollar franchises that are adopted throughout the world. There's extreme customer centricity in what they are doing."

—Mark Zawacki, Founder, 650 Labs

easyJet is a company that Zawacki strongly characterizes as a disruptor. Europe's leading low-cost airline has "an uncanny ability to home in on customers' needs, wants, and expectations within seconds of their arrival on its home page," he says. "People need to book a ticket or holiday, quickly and easily. They want to have the fun, carefree lifestyle that the easyJet brand personifies. And they expect their purchase experience to be flawless. The company has built a billion-dollar franchise, fulfilling all of those customer requirements on the easyJet site." (For further discussion on easyJet, see Section III.)



"The best brands align with your dreams, ideals, and values. The products they sell are just the

vehicles to take you there. Disruptive companies do this in a way that is better than you could have ever imagined."

—Mark Zawacki, Founder, 650 Labs

Never stop experimenting

To continuously improve the ability to meet customer wants, needs, and expectations, Zawacki is a big believer in experimentation. He says, "This is where enterprise-size companies often have a lot of baggage—they're more accustomed to running pilot projects of everything: enterprise systems, new business initiatives, you name it."

He believes that a pilot study—defined as "a small-scale, short-term experiment that helps an organization learn how a large-scale project might work in practice"⁵—isn't, in fact, an experiment at all. Pilot projects are too large, too slow, too multiphased, and often require companies to "trick other parts of the business into participating," Zawacki says.

"Experiments are extremely small in scale, and designed to help you learn," he explains. "If you can learn faster than your competitors, you'll win. Experiments should be small enough, and rapid enough, to keep you learning at a fast pace.

"This is what we mean in Silicon Valley when we say, 'Fail fast, fail often.'" Zawacki continues. "It's about learning from failure and sharing your knowledge with others. Besides, it's not really failure if you're breaking things down into such small pieces that they are experiments.

"Ultimately, what separates winners from losers, and disruptors from innovators, is how fast they can learn," Zawacki summarizes. "How often do these companies really spend quality time, not trying to microwave the answer, but extrapolating real insight from all this data? The companies that can find the insight, that can learn quickly, win."

4. David Ogilvy, *Ogilvy on Advertising*, Vintage Books, 1985.

5. Source: TechTarget.

III. Disruptor profile: easyJet



Powered by Sitecore, easyJet's personalized promotions can fill two planes per minute.

Distinctively branded with an energetic shade of orange, easyJet is Europe's leading low-cost airline—larger than British Airways, Virgin Atlantic, and British Midland International Airlines, combined. It has 633 routes across 30 countries and 217 aircraft and in 2013 served 60.8 million passengers, achieving revenues of £4.26 billion.⁶

Promotions that fill two planes a minute

On the web, “easyJet” is the number-one travel search term in the UK. The easyJet website, which supports 14 languages and attracts visitors from 221 countries, gets 370 million visits every year. easyJet is passionate about making travel easy and affordable; customers can book a flight within 30 seconds, even less on a mobile device.

Together with valued Sitecore partner True Clarity, easyJet first implemented a Sitecore solution in 2011. With it, the easyJet site uses search and GeoIP data to dynamically personalize the home page for each unique visitor, showing flights from their local airport, plus imagery and content that appeal to their previous behaviors. The home page shows live pricing for relevant flights and, with a click, the visitor can add those flights to their shopping basket.

The easyJet solution is extremely robust, delivering personalized home pages to more than 2.5 million concurrent users at peak load times during the airline's popular five-day January Sale. During the sale period, easyJet typically transacts five sales per second, the equivalent of filling two planes per minute.

6. For fiscal year ended September 30, 2013.

Always experimenting

“We have, at any point in time, a dozen to 20 tests running. We come up with a series of ideas for how we can do things better, inspired either by watching our customers or looking at where customers are dropping out of the process, or maybe we have something new coming along. We will run a series of tests to work out what the optimal answer is, and from that we will define our development programme in terms of what goes live.”

....

“A big test would take 50% of the site, but we don't often do that. So typically 5% of customers go into an A/B test. We have hundreds of thousands of customers. We sell 200,000 seats a day. Even with those numbers, we always have more stuff to test than there is capability to deliver it.”⁷

—Peter Duffy,
Chief Marketing Officer, easyJet

7. “Mobilising the fleet,” Charles Orton-Jones, *The Marketer*, The magazine of The Chartered Institute of Marketing, May 2013.

Inspired marketing drives 67:1 ROI

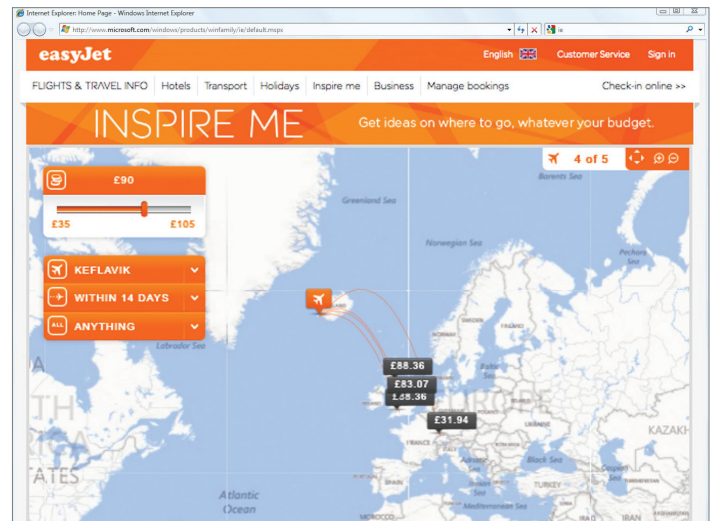
Around 40% of customers coming to easyJet.com know they want to travel, but are unsure where to. The “Inspire Me” function, an inspiring mix of data and relevant content, matches travelers with their perfect trip—whether that’s cultural, romantic, beach, or adventure. This disruptive capability uses personalization and customers’ digital fingerprints to “magically” align travel offerings with their needs, wants, and expectations, simultaneously, converting more undecided travelers into flight bookings, in the moment.

easyJet’s award-winning 2013 email campaign to support “Inspire Me” presents a dramatic shift for the airline sector. It moves from the obvious tactic of sales-driven, batch-blasted emails, to reflect the human truth about travel: travelers care more about their holiday experience than they do about how they get there.

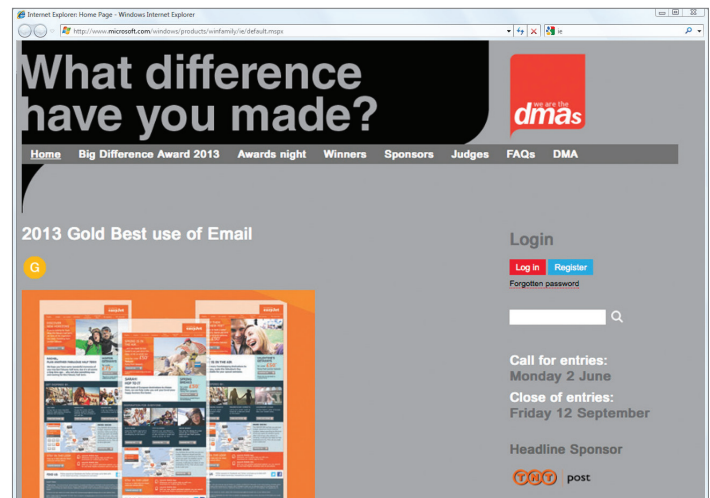
For the campaign, “Inspire Me” emails directed travelers to the website’s handy inspiration tool, to search destinations based on the experience they want. Emails were triggered at intervals based on customers’ previous travel, anticipating their desire to take a last-minute city break or plan a family vacation for an upcoming school holiday. Dynamic content connects travelers with easyJet at the moment when they’re dreaming up their next getaway, tempting skiers with adventure, couples with romantic escapes, or families with fun-packed beach holidays.

These highly individualized, humanistic emails are filled with targeted suggestions, taking travelers to the “Inspire Me” tool. Here, the breadth of options available is fully tailored and personalized with destinations from the customer’s preferred departure airport, with prices based on what they’ve paid previously. Booking options are just one click away. Throughout the process, rigorous, continuous testing refines key elements of the campaign, further boosting results.

easyJet’s “Inspire Me” campaign doubled customer engagement with the email (expressed as the click rate) and quadrupled conversion (expressed as unique bookers who received “Inspire Me” emails vs. unique bookers from the easyJet newsletter). The inclusion of personalized airports doubled engagement and increased conversion by 60%. Including the price increased engagement by 70%, and conversion by 42%, except for the French market, where not including the price converted 15% more.



“Inspire Me” lets travelers quickly translate their travel wishes into reality, presenting an array of tempting possibilities tailored to their needs. Created by Havas EHS, the campaign combines highly individualized, personalized email and web experiences to create a seamless digital experience. easyjet.com/en/inspireMe



easyJet’s “Inspire Me” campaign won DMAs Gold, Best use of Email award in 2013. dmaawards.org.uk/2013-gold-best-use-of-email

“easyJet is the third most searched for airline globally, generating over 370 million annual visits to easyJet.com, which accounts for 85% of sales. The site has a high proportion of personalised content based on browsing history and a rigorous multi-variant testing programme ensures new features are trialled with up to 20% of the customer base before going live.”

—easyJet Annual Report 2013

Overall, the “Inspire Me” campaign achieved an exceptionally high return on investment (ROI) of 67:1. These results are an important part of easyJet’s reduction of its per-seat marketing costs by over 10% in 2013.

The “Inspire Me” campaign doubled customer engagement and quadrupled conversion, contributing to easyJet’s 10%+ reduction of per-seat marketing costs in 2013.

The mobile explosion

Not surprisingly, easyJet has enjoyed enthusiastic customer response in the mobile realm. The company launched its mobile app at the end of 2011 and achieved five million downloads in 18 months. Five percent of the company’s revenue comes through smartphone bookings, and growing. easyJet mobile apps are downloaded 10,000 times a day.

In winning the Best B2C App and Grand Prix Awards at the 2013 Marketing on Mobile Awards (MOMAs), accolades for the easyJet mobile app included: “The speed and ease of booking, great design, and on-going additional functions and improvements (such as the recent addition of mobile boarding passes, seat selection, and passbook integration) have contributed to their success. The engagement and desire for mobile is increasingly evident, such as when easyJet recently added mobile boarding passes—one million customers downloaded the latest version of the app in 24 hours.”^{8,9}

“For a start, the sheer power of the [Sitecore] tool out of the box has transformed the way we can change the site to react quickly to external factors. For example, during a recent wet spell we had a series of ad banners encouraging users to escape the rain—such a simple premise but very difficult to achieve quickly before we implemented Sitecore.

“This power, coupled to the dynamic pricing and the increasing levels of personalization the site is beginning to offer, means we are able to offer ever-more-relevant content to our visitors, which helps us drive our brand values—easyJet is passionate about making travel easy and affordable!”

—James Millett, Head of Digital, easyJet



“We have a range of levers to drive demand, firstly web optimization, of course; ... We know our digital platform is already strong with our award-winning app and we will continue to invest to maintain our advantage in this area.

....

“Our marketable database is increasing by 400,000 customers per month. Customers in our email program are worth 30% more to us than those who are not in our database. They book 11% more and for every £1 we spend, we drive £50 in revenue.”¹⁰

—Carolyn McCall, OBE, Chief Executive Officer, easyJet

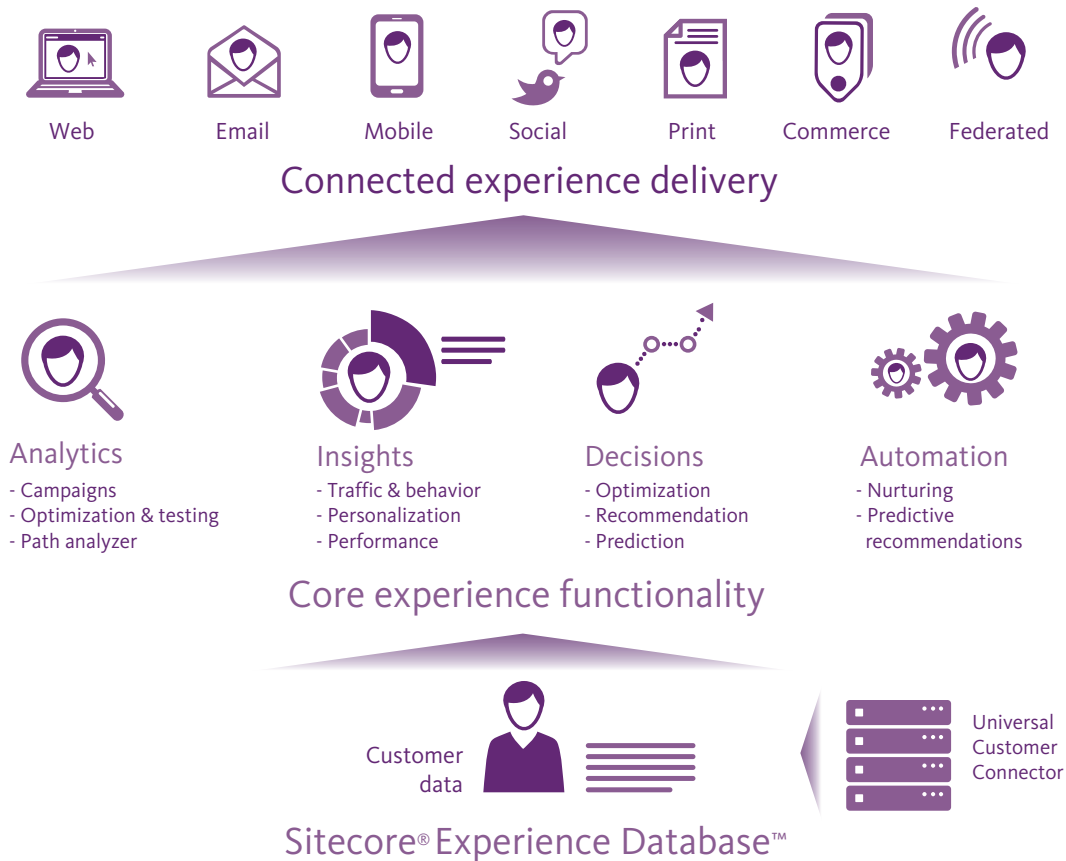
8. “easyJet and MTT scoop Best B2C App and Grand Prix Awards at Leading Mobile Marketing Award Ceremony as easyJet app downloads reach the 5 Million Mark,” press release, June 18, 2013.

9. Sources for the easyJet portion of this paper include: “How EasyJet Plans to Convert Web Surfers Into Highfliers,” Emma Hall, *Advertising Age*, February 25, 2013; “Mobilising the fleet,” Charles Orton-Jones, *The Marketer, The magazine of The Chartered Institute of Marketing*, May 2013; “How easyJet is driving demand,” CAPA Centre for Aviation, June 20, 2013; “EasyJet rolls out ‘inspire me’

tool in CRM overhaul,” Loulla-Mae Eleftheriou-Smith, *Marketing Magazine UK*, February 20, 2012; 2013 Gold Best Use of Email Award, Direct Marketing Association (DMA) UK; “easyJet and MTT scoop Best B2C App and Grand Prix Awards at Leading Mobile Marketing Award Ceremony as easyJet app downloads reach the 5 Million Mark,” press release, June 18, 2013; easyJet plc Preliminary 2013 Results—Call Transcript, November 19, 2013; easyJet Annual Report 2013.

10. easyJet plc, Preliminary 2013 Results – Call Transcript, November 19, 2013. Photo ©easyJet.

IV. The foundation for disruption: An integrated platform



Sitecore delivers unrestricted information flow between all the components of the customer experience environment—and full, easy information flow to marketers.

As Zawacki of 650 Labs notes, data sciences and experimentation are at the heart of disruption; disruptors like easyJet epitomize marketers' passionate embrace of data and digital experimentation to gain insight into customers' deepest needs, wants, and expectations.

Customer experience technology is the foundation on which mature companies can build disruptive businesses. But many organizations still rely on non-integrated experience solutions (i.e., multivendor environments), conducting single-channel marketing campaigns in world of highly iterative, multichannel conversations. This persistence is an extension of a decades-old belief that multivendor environments allow companies to get precisely the functionality they want, while avoiding vendor lock-in.

A pragmatic, sustainable approach

However, thought-leading business service providers, like Avanade Inc., increasingly turn to fully integrated experience platforms like Sitecore to meet the needs of their global clients. Steve Yi, Avanade's Senior Director for Application Development Product Line, Software and Cloud Services, says, "One of the things about Sitecore that really impressed Avanade is, rather than taking an ivory tower, academic approach to digital marketing or web content management, Sitecore really took a bottom-up approach to building their experience platform."

Yi continues, "Sitecore looked at what's pragmatic, what provides value to the customer, and what's sustainable from an operational and management perspective, long term, to evolve the platform to meet customer needs."

A unified platform

Supported by global service leaders like Avanade, unified digital environments built with Sitecore® Experience Platform™ have quickly emerged as enablers for disruptive businesses. Specifically, Sitecore's unified, single-platform approach gives marketers:

- **Integrated business processes** that are consistent with the way customers interact with the company, and the way marketers want to blend multichannel customer interaction data. In contrast, multivendor environments force marketers to use processes that are disjointed, complicated, and time-consuming.
- **Technology integration** that delivers full, seamless data exchange between the various components of the customer engagement environment, resulting in maximum information flow to marketers. For example, easyJet's "Inspire Me" function and email marketing campaign rely on the seamless, fluid exchange of content and customer information between the digital, mobile, and email environments.

Sitecore delivers unrestricted information flow between every component of the customer experience environment—and full, easy information flow to marketers.

- **The option to easily integrate**, if necessary, third-party components into the Sitecore environment. While Sitecore delivers the integrated multichannel marketing capabilities required to drive disruption forward, it may be necessary for some companies to use certain third-party applications.

Sitecore has invested significantly in software development that allows these point solutions to be easily integrated—an ideal strategy for adding new capabilities to supplement the core Sitecore Experience Platform.

Continuous experimentation and learning

Sitecore is designed to help companies continuously experiment, on both strategic and granular levels. First, because it is a fully integrated platform, Sitecore allows digital environments to be deployed faster than on multivendor

alternatives. Thus, fully functional experimental environments can be built quickly in Sitecore, compared to alternative solutions' time- and labor-intensive pilots.

Once deployed, the Sitecore Experience Platform allows for continued non-stop testing of variations in business model, personalization, user experience, pricing, navigation, and other critical aspects. Exemplified by easyJet, marketers can quickly and easily test their hypotheses with Sitecore's integrated multivariate and A/B testing.

Differentiating data from insight

Finally, Sitecore's engagement analytics present an important way to differentiate data from insight. Because traditional web analytics¹¹ can be misleading, marketers are increasingly supplementing them with **engagement analytics**. This new category of metrics gives clear insight into the true barometer of customer value: the degree to which customers are engaged with a company or brand.

For example, rather than using five traditional web metrics to infer engagement, a single, exact metric assesses engagement based on the visitor's behavior—**Engagement Value**. From that single metric another important metric, **Value per Visit**, can be evaluated. It is an excellent measure of how efficient marketing is.

These two measures, Engagement Value and Value per Visit, are much more valuable to marketers than traditional metrics such as time on page. For a given number of visitors, marketers can use these metrics to determine how much value was created. They also can be used to evaluate channels, campaigns, pages, assets, and even the value of specific visitors.



For more information on Engagement Value, scan the QR code to get the white paper "Sitecore Engagement Value Best Practices," or visit sitecore.net

To learn more about how Sitecore can help marketers to disrupt their industries and change the competitive landscape, please visit sitecore.net

11. For more than 15 years, traditional web analytic statistics have been used to measure the effectiveness of web-centric digital strategies. In today's multi-channel environment, marketers need to sift through 47 traditional metrics to try to determine what's working and what's not.

About Sitecore

Sitecore is the global leader in customer experience management. The company delivers highly relevant content and personalized digital experiences that delight audiences, build loyalty, and drive revenue. With the Sitecore® Experience Platform™, marketers can own the experience of every customer that engages with their brand, across every channel. More than 3,500 of the world's leading brands—including American Express, Carnival Cruise Lines, easyJet, Heineken, and L'Oréal—trust Sitecore to help them deliver the meaningful interactions that win customers for life.

For more information about Sitecore, visit sitecore.net