

The Rise of CoMarketing Clouds

CoMarketing Clouds are poised to revolutionize the way marketing gets done.

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Issue: What are CoMarketing Clouds and how will they evolve?

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SUMMARY

We are leaving the era of first-generation marketing offerings and entering the era of CoMarketing Clouds, which represent a fundamental shift in the way marketing work gets done. CoMarketing Clouds leverage intelligence and automation to help marketers streamline tasks and campaigns and deliver personalized recommendations to make them more effective. They also provide marketers with an intelligent assistant to help them work more efficiently. The result is that marketers can engage buyers on a more dynamic, localized, and personal level than ever before. This market is poised to revolutionize how enterprises market to buyers across their channels.

Key Findings: The CoMarketing Cloud market is expected to grow from US \$2.7 billion in 2022 to \$15.6 billion by 2027, representing a CAGR of 40.8%.

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Introduction

Today's buyers expect to be courted as individuals, no matter what part of the customer journey they are on or what channel they are using to interact with a business. Consequently, enterprises and their marketing teams are under tremendous pressure to satisfy this demand across their organizations. One-size-fits-all campaigns, content, and generic responses via messaging are effectively driving customers away. Marketers have turned to legacy marketing automation offerings for help, but the problem is that they often fail to address the challenges of customized and data-driven marketing at scale, across channels and locations.

Marketers need a solution that can quickly ingest large amounts of data across channels, recommend best practices and tactics to engage customers wherever they may be engaging with the brand, and then automate these tactics locally and at scale, eventually freeing up the marketer to focus on other parts of the business. The solution is CoMarketing. CoMarketing Clouds (CMCs), powered by intelligence, analyze data from disparate channels, deliver recommendations, and automate tasks that may have previously required a substantial marketing team to execute. CMCs are more than a marketing tool; they are a partner to marketers and will change the way work gets done and the way enterprises engage with customers across channels. This Research Note will introduce and define CMCs, discuss who CMCs will benefit, and instruct enterprises on how they can put CMCs to work in their marketing departments.

The Rise of CoMarketing Clouds

Today's marketing landscape requires an omnichannel and personalized strategy across multiple levels. Legacy marketing offerings tend to be point solutions and often address one or two channels. Their automation features are essentially an upgrade of legacy marketing offerings that have added features such as lead nurturing and CRM integration. While they are a core part of the marketing tech stack, they are often siloed, and their intelligence features may be limited. They do not work alongside marketers to provide guidance on how to streamline productivity and personalize campaigns across channels to engage with customers at every level of the business.

CoMarketing Clouds represent a new approach to marketing—the age of assistance. They give marketing teams an intelligent leg up across multiple areas of their strategy. Through insights and recommendations, CMCs give marketers the power to decide how and when to automate time-consuming and tedious tasks and how to make campaigns more effective. CMCs can do everything from taking tasks off a marketer's plate to creating workflows to creating drafts of assets for marketers to review and expand upon. Given this shift, teams will be able to act faster, and this will drive a higher level of awareness, consideration, and conversions.

Defining CoMarketing Clouds

What if you could combine a data scientist, a data analyst, an engaging copywriter, a creative photographer, and an empathetic customer service representative with your hardest-working co-worker or employee? That's what the 'co' in CoMarketing stands for.

Aragon defines CoMarketing as:

a collective of intelligent assistants across key areas of marketing that analyze data, make strategic and tactical recommendations, and automate the process of marketing to buyers across channels, locations, and platforms.

The assistants that power CoMarketing Clouds will be finely tuned to the specific area of marketing they assist in. Providers will increasingly have highly-trained applications that are tied to content so that the level of fidelity of the work created becomes better over time. Another aspect of CMCs that will distinguish them over time is the ability to learn and execute against marketing strategies based on conversational prompts and inputs made by the business rather than constantly clicking buttons and navigating an entire platform for answers.

Generative AI Powers CMCs

One of the most notable developments in generative AI that emerged in 2022 was the rise of text interfaces for generating code and written content. Foremost among these was ChatGPT, OpenAI's conversational interface for text generation, which has taken both the business and consumer world by storm. As investment pours into the market, more and more applications will leverage generative AI, including CoMarketing Clouds.

One area of generative AI used by CMCs is generative content, which refers to digital assets—text, image, video, sound, or even computer code that is produced or augmented by artificial intelligence rather than a human creator. Leveraging generative AI, CMCs can take on tasks like responding to questions and reviews, writing website and blog copy, creating social content, optimizing business descriptions, and more. CMCs are also ideal for suggesting ideas to augment the efforts of human marketers when campaigns are already in progress.

CMCs also leverage generative AI for chatbots that interface with buyers. This is especially critical for conversions, which may take place at any hour of the day across different time zones. When a buyer in a specific locale has a pressing question, the chatbot can answer their query at any hour of the day. With generative AI, personalized engagement can be ongoing—something that has just not been possible previously.

How Large Is the CMC Market?

Aragon is forecasting that the market for CoMarketing Clouds will grow from US \$2.7 billion in 2022 to \$15.6 billion by 2027, representing a compound annual growth rate (CAGR) of 40.8%. Part of the reason for the fast growth is that so many are unhappy with the lack of automation in many areas of marketing and the promise that generative AI offers to users, particularly marketers that have to deal with so much manual content creation.

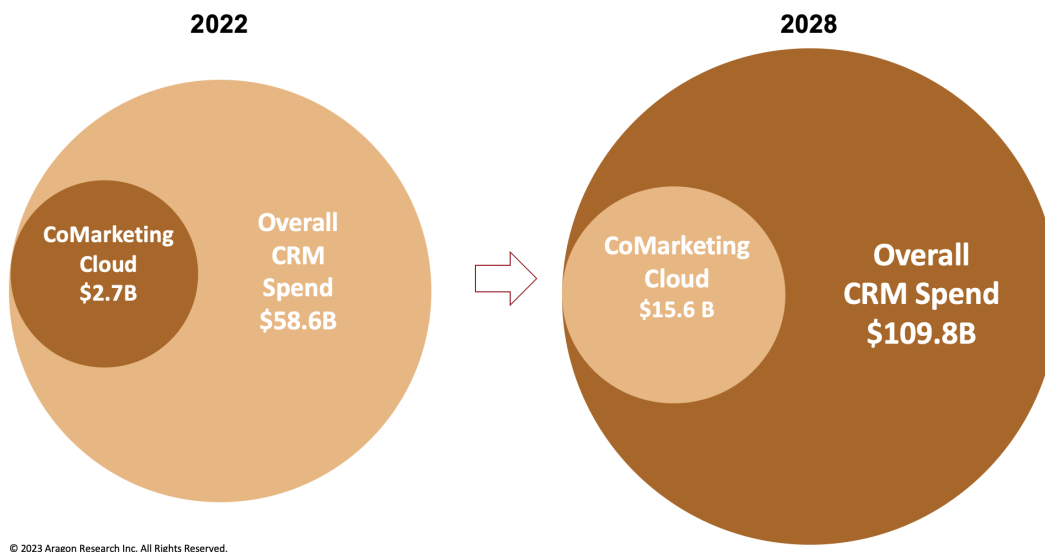


Figure 1: The market forecast for the CoMarketing Cloud Category as compared to Customer Relationship Management.

The Key Components of the CoMarketing Cloud

CoMarketing Clouds are meant to make marketers' work lives easier. Their power lies in their ability to ingest and intelligently analyze data from many channels and then provide marketers with key insights and recommendations based on this wealth of data. Automation and intelligence capabilities are infused into the platform so that marketers can work smarter no matter what campaign or channel they are focused on.

Key components of CMCs include:

- Campaign Automation:** CoMarketing Clouds will automate page creation and campaigns. Build campaigns leveraging local or national landing pages to create customized, search-optimized experiences for specific locales to improve brand visibility. Ensures brand authority is consistent across all campaigns.

- **CoMarketing:** Marketers can dialogue with an intelligent digital assistant (versus searching and clicking) to help problem-solve, idea generate, and create compelling copy. Over time CoMarketing Clouds will also be able to summarize Customer Journeys that can lead to more personalized journeys over time.
- **OmniChannel Marketing Capabilities:** The ability to meet customers where they are along their purchase journey. The ability to publish personalized content across social and communication Channels. Channels may include, but are not limited to, the following:
 - **Local Search (Listings):** Sync, update, and manage all listings to ensure accuracy and consistency across the board. Provides insights to help brands out-rank competitors and improve location-based SEO strategy.
 - **Review Automation:** Leverage generative content to craft personalized and accurate responses to reviews across locations and insights to stay on top of emerging sentiment trends.
 - **Conversational AI (Chatbots):** Leverage machine learning and natural language processing to respond to buyers and customers 24/7 and to capture leads. Responses are personalized for different business areas/locations.
- **Data Management:** The ability to ingest, process, secure and store an organization's data, where it is then utilized for deep learning, automation, and strategic decision-making to improve business outcomes.
- **Predictive Insights & Intelligence:** The process of distilling and interpreting big data, often automatically through advanced AI, from which a set of predictions and/or recommendations are made based on specific outcomes. This capability is table-stakes for the creation of intelligent digital assistants (versus searching and clicking) to help problem solve, idea generate, and create compelling copy.
- **Content Creation, Management, and Distribution:** The ability to create, publish and manage content across different audiences and channels leading to more personalized customer experience across channels and more instantaneous responses to social engagements, online Q&A, local reviews, etc.
- **Workflow Orchestration:** Marketing teams manage their campaigns across channels and across teams via automated workflows. With CMCs, items for review, approval, and pending responses won't fall through the cracks.

The impact of using a CMC is that marketers can understand and respond to the needs of their buyers no matter where they may be located, the channel that they are in, or what product or service they might be interested in (see Figure 2 below for more information), resulting in a more dynamic, localized, and personal level than ever before.



Figure 2: The key capabilities of CoMarketing Clouds.

The Need for Automation

Marketing is multi-faceted, and it is overwhelming for teams of any size to ensure their campaigns are performing at an optimal level across all platforms. It is also impossible for marketing teams to be omnipresent, which is where automation comes in. CMCs leverage automation in three key ways:

- Automate workflows used for the assignment of tasks and the creation and approval of campaigns.
- Automate alerts for high-priority situations, such as when a customer leaves a negative review.
- Automate content creation by leveraging generative content to continually meet buyers' needs as they change over time.

CMCs leverage smart workflows to ensure marketers deploy timely and relevant content to potential consumers while responding promptly to customer interactions on their social channels—such as engagements with content, DMs or private messages, comments, mentions, reviews, etc. CMCs also enable enterprises to manage their entire content libraries across verticals and locales to ensure consistency across their messaging when it's being published. They can then analyze how well that content is engaging buyers.

Why CoMarketing Now?

The scale and sophistication with which marketers must address their buyers has evolved into a genuine human capacity issue. The need to be highly optimized across every channel at every location is impossible to meet without intelligence and automation. Leveraging generative AI, the assistants that power CMCs can be trained to help marketers do everything from drafting highly personalized responses to customer queries; to publishing relevant content to local audiences at peak times; to generating new web pages to rank for highly searched business products or offerings, all automatically with little time or assistance required from marketing teams.

CMC assistants can be trained on an enterprise's brand voice and relevant content library to give marketers the information they need in an instant. They can even suggest ideas or provide inspiration for a campaign already in progress to marketers who may be stuck. CoMarketing gives every marketer a trusted coworker who can help them execute faster than ever before. They no longer have to waste time searching for the knowledge they need to finish a project or help a customer, giving them valuable time back. SOCi, a CMC built for multi-location enterprises, incorporates advanced AI and machine learning into the SOCi Genius platform to provide marketers actionable insights and recommendations while automating their most important workflows (see Notes 1 and 2).

Key Benefits of CoMarketing Clouds

The role of marketing in any organization is to engage with buyers, educate buyers, and determine if buyers are ready to purchase a product or services—and if so, guide them towards that purchase, all while creating a lasting impression and optimal experience that continues post-purchase. Potential buyers are diverse in wants, needs, and goals, and each may require different

Note 1: SOCi Overview

Location: San Diego, California

CEO: Afif Khoury

Key Offerings: SOCi Genius

Availability: Available Now

Website: meetsoci.com/genius

Note 2: SOCi Platform Overview

Description: SOCi is a CoMarketing Cloud for multi-location enterprises. It empowers businesses like Ace Hardware, Jersey Mike's, Kumon, and Ford to automate and scale their marketing efforts across all locations and digital channels in a way that is brand directed, locally perfected and data connected.

Key Offerings:

- **Local Search:** increase local search visibility by ensuring accurate and consistent information across thousands of business listings.
- **Local Pages:** deliver a branded and localized buyer journey through optimized landing pages.
- **Social Media Management:** automate and personalize responses to engagements at the enterprise and local levels.
- **Reputation & CX Management:** coordinate brand-consistent responses to reviews and track customer and competitor sentiment.
- **Intelligent Chatbot (SOCi SmartBot):** respond to buyer requests 24/7 with localized, intelligent chatbots. Also helps marketers with customer care, lead generation, and crisis management.
- **Social Listening:** Get insights into what buyers are saying about your brand and competitors and apply sentiment analysis to campaigns.
- **Ads:** manage all social advertising and boosted posts across hundreds or thousands of locations.

methods and means of engagement. CMCs give marketers one place to scale their personalized marketing efforts to win more buyers.

Key benefits of adopting a CMC include:

- **Localization: Dynamically Render Content Based on User Profiles—**Enterprises with multiple locations need to keep brand messaging consistent with their ethos and voice while also keying into the ways location can influence the specific needs of their different customer bases. CMCs take the guesswork out of engaging buyers by dynamically rendering content based on user profiles or location/community attributes, as well as signals from other local channels to indicate where a brand is finding success locally. Enterprises can focus on building a powerful presence in every location they serve.
- **Automate Personalization—**Marketers can leverage generative AI to more quickly and seamlessly create personalized, more accurate content and deploy it to their campaigns to increase the quality of their engagement with buyers. With CoMarketing, buyer journeys will be able to be made more personal and get better over time. As more knowledge of buyers grows, the platform will automatically deliver a more personalized experience.
- **Robust Third-Party Integrations—**Integrations with websites (Content Experience), Customer Relationship Management (CRM), and social channels are just the start. CoMarketing Clouds will be able to offer even more experiences where the customers are. That includes communities, social channels, and sites that they visit frequently.
- **Fill the Gaping Hole of Existing Marketing Offerings—**Marketers need more than email and lead tracking. Most traditional marketing automation offerings do not prioritize personalization, and they don't give marketers the tools they need to engage with customers 24/7. They also lack the intelligence to generate relevant content and help marketers with creative and strategy challenges across channels. Marketers will find that adopting a CMC will help them consolidate their marketing tech stack and will give them the cross-channel insight that is missing from their current toolset.
- **Data Consolidation and Signaling—**Today's businesses have built marketing and information technology stacks that are fragmented, follow different workflows, and do not share or connect data systems. CMCs can replace a significant amount of their fragmented stack with a unified workflow and data center that, when connected with external sources, can represent the enterprise's most complete repository of customer data. The result is being able to deliver a more personalized, engaging experience.

Key Industries for CMC

CMCs will appeal to enterprises looking to execute highly effective, omnichannel marketing, whether at the national, regional, or local level. CMCs will be especially critical for enterprises that have multiple locations (corporate-owned, franchised, etc.), vast local representation (agents, advisors, brokers), diverse dealer and distribution networks (e.g., CPG brands), or otherwise represent and provide marketing services to a vast number of smaller businesses or communities (e.g., agencies). Enterprises across industries—from food service to consulting to educational services to real estate—will benefit from a CMC. Some key industries we have highlighted include:

- **Automotive:** enterprises in the automotive industry will be able to centralize their localized marketing strategy to automate business listings, social content, and more to drive more visibility and engagement for their dealerships. The CMC can listen to local community sentiment and apply that to content creation, helping to better engage buyers by listening directly to their wants and needs.
- **Financial Services:** enterprises in financial services or other regulated industries can leverage a CMC to drive more traffic and customers to their business through the automation and optimization of their local search profiles, business listings, and social content generation while adhering to the regulatory and compliance needs within their respective industry.
- **Food Service:** a CMC gives managers of local establishments the ability to easily create new marketing campaigns to drive more customers to their restaurants. Managers have creative freedom to tell the story of what makes their location unique, while the enterprise has oversight to ensure branding is consistent across locales. SEO and sentiment are used to help local chains better address FAQs on their landing pages (such as hours of operation, dietary accommodations, and more), and chatbots can be used to answer customers' questions in real-time, 24/7—something no on-site manager can do by themselves.
- **Retail:** enterprises in retail can leverage a CMC to create localized store pages that resonate with local buyers. A CMC can help them drive more people to local store locations and increase visibility of their specific products and demonstrate how they differ from a rival brand.

Getting Started with CMC

Before getting started with a CMC, enterprises need to first evaluate the health of buyer engagement in their organization. They should identify how much time marketing or managers spend on creating campaigns and the workflows involved in these processes. They should also evaluate what parts of their processes they want to prioritize when it comes to automation.

Enterprises should evaluate CMC providers who are equipped to handle large-scale operations to account for all locations or products/solutions an enterprise oversees. CMC providers who have experience in a specific industry or business type will have the most highly-trained models for an enterprise's specific use case. Once a CMC has been adopted, enterprises will be provided with more insights into how their buyers think about, engage with, and talk about their brand. They can use this information to refine their strategy.

Aragon Advisory

- CoMarketing Clouds are the new way to deliver a modern customer experience.
- Enterprises, including marketing and digital transformation teams, need to consolidate single-stack marketing offerings with a new CMC offering that can automate processes and increase marketing awareness and overall conversions.
- CoMarketing is in its infancy but offers the potential to assist marketers with content creation, including social media posts.

Bottom Line

CoMarketing Clouds are the new way forward that represent a new level of automation not seen before. Not only will they consolidate existing best-of-breed offerings, but they also offer new levels of intelligence and automation that have been missing from existing marketing products. Enterprises should look to develop a plan to leverage CMCs, which in many cases will mean consolidating some of the existing best-of-breed tools.