The Power Of Customer Context
by Carlton A. Doty, April 14, 2014

KEY TAKEAWAYS

Campaigns Alone Won’t Cut It Anymore
Consumers don’t trust your ads. There’s no advantage in campaigns when your competitors are just as skilled at the campaign game as you are. While you know how to tune campaigns to help you hit your numbers, they’re no longer sufficient.

Context Creates Valuable Connections
For all the activity you try to catalyze through campaigns, individuals more commonly interact with your brand outside of campaigns. The context of all those interactions determines whether they will engage with your brand again.

Build A Contextual Marketing Engine
You need a new way of marketing, based on an insights-driven, self-perpetuating interaction cycle. To supercharge that cycle, you must: 1) define your strategy; 2) reorganize your processes to spark the cycle; 3) adapt your enterprise marketing technology portfolio; and 4) accelerate innovation with analytics.
The Power Of Customer Context
Beyond Campaigns: Build A Contextual Marketing Engine
by Carlton A. Doty
with Josh Bernoff, Sridy Sridharan, and Elizabeth Ryckewaert

WHY READ THIS REPORT
Campaigns are far less effective at winning and retaining customers than they once were. To achieve sustainable competitive advantage now, you must deliver self-perpetuating cycles of real-time, two-way, insight-driven interactions with individual customers. Brands that seize this potential — such as McCormick & Company, Mini USA, and Nike — are assembling proprietary digital platforms that Forrester calls contextual marketing engines. Contextual marketing engines create sticky, highly engaging environments for customer interaction and yield proprietary data that cannot be replicated by traditional marketing methods or third-party data sources. The results translate into unprecedented levels of customer engagement, increased revenue, and better product experiences.

Table Of Contents

2 Context Creates New Customer Connections
Why Campaigns Alone Won’t Cut It Anymore
Contextual Interactions Perpetuate A Value Exchange

7 Build A Contextual Marketing Engine

10 Four Steps For Harnessing The Power Of Customer Context
Define A Marketing Strategy To Unleash Useful Interactions
Reorganize Marketing Processes To Spark The Interaction Cycle
Adapt Your Enterprise Marketing Technology Portfolio
Accelerate Innovation With Big Data And Analytics

Notes & Resources
Forrester interviewed 21 vendor and user companies, including Dachis Group, E-Trade Financial, Fidelity Investments, Lancôme, McCormick & Company, Microsoft, Mini USA, OgilvyOne, Panasonic, and Uniqlo.

Related Research Documents
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January 14, 2014

WHAT IT MEANS
13 Interaction Management Upends The Marketing Ecosystem

14 Supplemental Material
CONTEXT CREATES NEW CUSTOMER CONNECTIONS

Face it: Your brand is defined by the interactions that people have with it. While that's not what we typically think of as marketing, it ought to be. For all the activity you try to catalyze through campaigns, individuals more commonly interact with your brand outside of those campaigns. They may learn about your product or service prior to purchase. Then they’ll use your product, connect with others, and even organize activities around it. They spread word of mouth, positive or negative — and that, whether you like or not, is your actual brand image.

The context of all those interactions determines whether they will engage and, more importantly, transact with your brand again. Marketing's job now is to identify and use context to create a repeatable cycle of interactions, drive deeper engagement, and learn more about the customer in the process. The more you can internalize and act upon what you learn, the easier it is to make future interactions that much more engaging. Think we're full of hot air? Think these interactions have little consequence compared with campaigns? These brands would beg to differ:

■ McCormick & Company's FlavorPrint engages customers through everyday interactions. The FlavorPrint site has a simple promise: Tell it what you like, what ingredients you have, and what cooking equipment you have, and it recommends recipes (see Figure 1). Those recommendations become finely tuned to your context as you continue to interact with the site. This works so well that since the site was launched, users have doubled repeat usage; they’ve increased the time they spend on the site ninefold; and McCormick has seen double-digit growth in spice purchases for FlavorPrint users. FlavorPrint will soon incorporate users’ social networks, McCormick's retail partners, and third-party services like Foodily, creating more relevance to draw consumers back.

■ Nike creates a self-sustaining ecosystem for branded interactions. Nike dropped mass media spend in the US by 40% yet expects to grow the company by $9 billion in three years. Nike uses health data from devices such as the FuelBand to nudge consumers back to its digital platform, Nike Plus, day after day. The platform uses social sharing and fitness contests to generate more interactions, creating scale that rivals paid media. As of August 2013, Nike Plus had 18 million members, with 15,000 more joining each day.

■ Mini USA guides the customer’s journey from anxiety to attachment. Mini relied on digital media when it entered the US auto market in 2002 with only one model, 70 dealers, and a fraction of the media budget of other auto companies. Now the company invests more than 40% of its total budget on digital and social marketing. It uses campaigns to drive brand awareness, but its real marketing focus is on driving customer dialogue and interactions through digital before, during, and even after the purchase, when customers are “motoring” across the country. In the summer of 2012, for example, more than 7,000 Mini owners joined Mini’s “chief motorer,” Jim McDowell, on Mini Takes the States, the firm's biannual 12-day cross-country journey.
Figure 1 McCormick & Company Creates Customer-Specific Visualizations To Spark Interactions

Carl's FlavorPrint
This is your personal FlavorPrint. Each spike represents a different flavor; the bigger the spike, the more that flavor dominates. As you rate more foods, your FlavorPrint becomes smarter and better able to recommend the foods and flavors you're sure to love.

<table>
<thead>
<tr>
<th>Top Flavors</th>
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<tbody>
<tr>
<td>Cheesy</td>
</tr>
<tr>
<td>Coffee/chocolately</td>
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<tr>
<td>Nutty</td>
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</tbody>
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55% profile completion

TIPS TO COMPLETE YOUR PROFILE
- Rate more flavors > +1%
- Tell us about your cooking preferences > +16%
- Tell us about your pantry > +10%
- Tell us about your cooking equipment > +18%

Source: McCormick & Company

Why Campaigns Alone Won’t Cut It Anymore
Even if you’re intrigued by this continuous interaction model, your budget most likely tells the true story: You think that campaigns are where the action is. Campaigns remain important because hitting your number means finding the right customer segment in the right channel with the right message. But campaigns, even when enhanced by scaling, optimizing offers, improving measurement, and carefully tuning the mix, don’t deliver competitive advantage anymore. Why? Because your competitors are just as skilled as you are at the campaign game. Change your focus from customer acquisition to interaction management and from media schedules to customer moments (see Figure 2). This will differentiate you when your target audiences:

- **Tune out even as marketers turn up the volume.** No more than 32% of US online adults trust ads in any channel (see Figure 3). When your customers reject traditional, campaign-based marketing, only your product or service experience can make and deliver promises. As Sarah Fay, former CEO of Aegis Media and of Isobar, told us, “Consumers are so promiscuous — they are less brand-loyal and there’s such an onslaught of messages — that there is an opportunity to influence them even when they are standing in the aisle, interacting with your product.”

- **Pay more attention to competitors that engage.** Your customers engage for deals, but they also use technology to learn about new products, get loyalty rewards, gain exclusive content, or just associate with you.³ If you don’t respond, they’ll move elsewhere. As Andrew Foust, director of digital business development at McCormick & Company, told us: “Digital engagement is going to be completely different in three years. If we wait too long, someone else will capture our customers’ [attention]. Being first to market allows you to learn and adapt, ultimately allowing you to win.”
Respond to digital media and real-time interactions. Online sales grew 19% on Black Friday in 2013, mobile traffic grew to 40% of the total, and retailers spent 37% more on push notifications. Marketers are responding with shifts to digital interactions and will grow their digital media spend from 25% today to at least 35% of their total media budget by 2018. As Masahito Okuma of Uniqlo USA told us, “We are using interactions to grow Uniqlo globally because that’s where there is a lot of room to grow customer acquisition.”

Figure 2 How Customer Context Changes Marketing

<table>
<thead>
<tr>
<th>Marketing before context focuses on:</th>
<th>Marketing after context focuses on:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campaigns</td>
<td>Interactions</td>
</tr>
<tr>
<td>Targeting</td>
<td>Engaging</td>
</tr>
<tr>
<td>Customer segmentation</td>
<td>Customer recognition</td>
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<tr>
<td>Media schedules</td>
<td>Customer moments</td>
</tr>
<tr>
<td>Relevant messages</td>
<td>Contextual utility</td>
</tr>
<tr>
<td>Transactions</td>
<td>Value exchanges</td>
</tr>
<tr>
<td>GRPs and CPMs</td>
<td>Minutes of engagement</td>
</tr>
</tbody>
</table>

Source: Forrester Research, Inc.
Contextual Interactions Perpetuate A Value Exchange

Marketing beyond the campaign sounds great. Where can you get the tools to do it? You can’t buy or achieve contextually enriched customer connections by tweaking your traditional marketing. McCormick, Mini, and Nike sustain their customer relationships with an ongoing exchange of value: The brands provide services that customers find useful and get back data on product use and customer affinities. This exchange is sustainable and self-perpetuating. Rather than just pushing messages to customer segments (“women 25 to 35”), these marketers create a continuous cycle of insight-driven contextual interactions. They understand that:

*Figure 3* Your Customers Reject Traditional, Campaign-Based Marketing

“To what extent do you trust each of the following types of advertising/promotion?”
(4 or 5 on a scale of 1 [do not trust at all] to 5 [trust completely])

- Information on websites of companies or brands: 32%
- Sponsored search engine results (e.g., Google or Bing): 30%
- Ads in newspapers: 24%
- Ads on TV: 23%
- Ads in magazines: 22%
- Ads on the radio: 20%
- Emails from companies or brands: 20%
- Posts by companies or brands on social networking sites (e.g., Facebook or Twitter): 18%
- Information on mobile applications from companies or brands: 16%
- Ads on websites (i.e., banners): 13%
- Text messages from companies or brands: 12%

Base: 61,104 US online adults (18+)

Source: North American Technographics® Online Benchmark Survey (Part 1), 2013

Source: Forrester Research, Inc.
■ **Personalized interaction data creates context.** As all of your products and services generate more and more data, the resulting context gives you the opportunity to disrupt your competitors. Consider that collectively, every major health insurer in the US spent countless millions over the past decade on campaigns and services to help their members lose weight. But Lose It, a simple little app from a very small team, succeeded where they all failed and dented multibillion-dollar businesses like Weight Watchers in doing so. How did the Lose It team do it? By exploiting context, building a continuous interaction cycle, and creating a value exchange with users.

■ **Proprietary algorithms reveal insights from that context.** New approaches and investments in big data management and predictive analytics will be critical to your success. Why? Because they will enable the application of machine learning to customer interactions, using the context of the moment to proactively guide the customer to the next best interaction. Services like Google Now and products like the Nest Learning Thermostat use these approaches to provide continuous utility for users. Marketers already use early forms of machine-learning technology like multivariate testing, personalization, and recommendation engines, but as techniques and technologies become more sophisticated, their application will extend to more-complex situations.

■ **Sensor technologies extend context further.** More than a third of business decision-makers across industries say their firms either have or plan to implement machine-to-machine (M2M) or Internet of Things (IoT) solutions (see Figure 4). Add sensors and feedback to your products, and your understanding of context will go deeper. For example, Progressive Casualty Insurance’s Snapshot, a device that monitors driving habits, leads to personalized pricing and encourages safer driving. In return, Progressive gets a treasure trove of proprietary data about consumers’ driving behavior that it can use to fuel their interaction cycles.

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**Figure 4** Firms’ Plans To Adopt M2M Solutions

<table>
<thead>
<tr>
<th>What are your firm’s plans to adopt machine-to-machine/Internet of Things solutions or applications?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implemented, expanding, implementation, or piloting</td>
</tr>
<tr>
<td>Planning to implement</td>
</tr>
<tr>
<td>Not interested/no plans</td>
</tr>
</tbody>
</table>

Base: 1,863 North American and European network and telecommunications decision-makers of companies with 20+ employees

Source: Forrsights Networks And Telecommunications Survey, Q1 2013

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BUILD A CONTEXTUAL MARKETING ENGINE

You need a new way of marketing, based on insights derived from interactions. Each interaction with your brand teaches you what a customer is trying to accomplish at that moment. You must build a mechanism that allows you to act on that insight in the moment, propelling the customer to the next best interaction. This is the interaction cycle, a self-perpetuating loop in which insights trigger interactions, which in turn generate new contextual insights (see Figure 5). The utility you deliver in each interaction influences whether the customer chooses to interact with you again. To supercharge the interaction cycle, you need to build a contextual marketing engine:

A contextual marketing engine is a brand-specific platform that exploits customer context to deliver utility and guide the customer into the next best interaction.

Contextual marketing engines are assembled from some of your existing tools: marketing automation, real-time analytics, customer databases, and personalized content delivered contextually throughout the customer life cycle (see Figure 6). But the contextual marketing engine is not just another technology that you apply to achieve a specific marketing outcome, such as maximizing impressions or reducing CPMs. The contextual marketing engine will:

- **Bridge the gap between marketing and customer experience.** Where does marketing end and customer experience begin? In the age of the customer, that line is blurring. If you remain enslaved to the cadence of your campaign and leave customer experience to the interface designers and call centers, you will be left behind. Contextual marketing engines — and the interaction cycles they facilitate — bridge the gap between these two disciplines.

- **Deliver utility to customers.** Don't punctuate the customer’s experience in a staccato of email offers and irrelevant display ads; offer tailored recipes during her ride home or when she’s planning a dinner party. Don't explain how the product enables fitness; use the product (and the data it collects) to nudge the user toward healthier behaviors. Contextual marketing engines provide the platform for habit-forming services driven by useful, personalized content.

- **Provide a persistent incentive to engage.** If you successfully create useful customer interactions, you make people want to keep interacting with you. Contextual marketing increases the amount of time people spend interacting, and increasing minutes of engagement is how digital disruptors succeed.

- **Enable customer-managed relationships.** No, we didn't mix up our words. Contextual marketing flips everything you think you know about “customer relationship management” (CRM) upside down (or outside in). In CRM, you *take* customers' information, accept their phone calls, and try to unload them as quickly as possible. In contextual marketing, customers manage the relationship they have with you, and you respond by *sharing* rather than taking, anticipating customers’ needs rather than reacting, and delivering value in the moment rather than just at the point of purchase.
- **Redefine the purpose of campaigns.** Interactions do not replace campaigns. Marketers should continue to use campaigns to reach new audiences as they always have. The difference in contextual marketing is that you’re inviting them not just to purchase a product or service but also to establish a relationship, drive registrations and account generation, start the interaction cycle, and restart the engine when interactions stall.

*Figure 5 The Interaction Cycle*
Marketing sparks interactions across the customer life cycle.

Insight and automation drive the engine.

Big data and analytics fuel the engine.

Figure 6 The Contextual Marketing Engine

Marketing sparks interactions across the customer life cycle.

Insight and automation drive the engine.

Big data and analytics fuel the engine.
FOUR STEPS FOR HARNESING THE POWER OF CUSTOMER CONTEXT

Creating a contextual marketing engine will be hard for most marketers. To succeed, you’ll have to rethink your strategy and your technologies. We’ll describe just how to do that in four steps:

1. Define a marketing strategy to unleash useful interactions.

2. Reorganize marketing processes to spark the interaction cycle.

3. Adapt your enterprise marketing technology portfolio.

4. Accelerate innovation with analytics.

Define A Marketing Strategy To Unleash Useful Interactions

If you’re like most businesses, your marketing strategy is focused on building and maintaining brand awareness, driving new customer acquisition, and allocating media spend to align with those goals. Don’t just adjust this for digital marketing; rethink it completely. Start by determining your brand’s North Star — a guiding principle that shapes the brand’s external identity in people’s lives. Then build a marketing strategy that delivers utility and fuels an interaction cycle built around that North Star. Here’s how to rethink your strategy:

- **Identify your unique interaction cycle — don’t just target an attentive audience.** Your brand’s interaction cycle starts with the central brand concept and builds unique, useful, and contextual interactions to drive up minutes of engagement. Whatever your brand is really about — comforting the baby, fast driving, or saving money — your interaction cycle should reinforce that value. Consider the brand with the largest audience in the history of the industrialized world — Facebook. Its North Star is connecting people with their friends and the world around them. And its rise to success came from facilitating a self-perpetuating interaction cycle designed to drive a single metric — minutes per day spent on the site — that happens to enable ad sales.

- **Facilitate customer journeys — don’t just feed the funnel.** We’re going to take a wild guess and say that your current marketing strategy probably has something to do with “reaching the right customers, with the right message, at the right time.” That’s feeding the funnel, and while it worked for the Mad Men of Madison Avenue, it’s nowhere near sufficient for you to succeed in the age of the customer. Work with your customer experience team to build a marketing strategy to address the end-to-end customer journeys — before, during, and after purchase. CMOs like Paul Matsen from the Cleveland Clinic tell us that focusing more completely on customer experience has “broadened the scope and the depth of our brand.”

- **Seek a strategic partner — not just a collection of point “solutions.”** Don’t believe all the hype surrounding the “marketing cloud wars” that drove the enterprise marketing vendor acquisitions over the past year. You can’t buy a contextual marketing engine off the shelf, even
from these new bulked-up suppliers. You'll need to build it by integrating and scaling the pieces you have. Work with your technology management department to develop a strategy for systems of automation and engagement. If needed, find an integration partner that is committed to — and experienced at — meeting contextual marketing needs rather than just selling its own suite of recently acquired but still disparate software platforms.

**Reorganize Marketing Processes To Spark The Interaction Cycle**

Campaigns are a command-and-control process with heavy planning up front, deadlines tied to product releases, and retrospective measurement to see if all that magic paid off. Any software developers would recognize this as the “waterfall” development process that the smarter ones have dumped for quicker, Agile development methods. Marketing leaders must now embrace the same kind of Agile methods and internalize how context changes marketing processes. The interaction cycle and the data it collects are now central to your product experience. Become agile to apply what you learn about customers in the moment, not on the next campaign. You need to:

- **Manage the engine as a product, not a project.** Treat the contextual marketing engine as your product, no matter what business you’re actually in. This is exactly what McCormick did with FlavorPrint. It wasn’t a one-time project. It’s a living, breathing system of consumer engagement with the brand, delivering results. Fitbit and Nike don’t just want to sell you trendy bracelets. They want to drive consumer behavior and engagement with the platform and analyze the resulting behavioral data to fuel future interactions.

- **Reconceive the role of content.** Most of marketers’ attention on content marketing is focused on the creative to place in campaigns. It’s time to focus much more on how you manage, deliver, and distribute relevant content in all interactions. Every piece of content that you deliver during an interaction must be tailored not only to the customer but also to the moment, based on what you know about how and why that customer interacted with you in the past.

- **Embrace iterative operations and Agile development.** Your technology management teams, agency partners, and marketing technology vendors must work iteratively on much shorter time frames. Think about how often mobile apps are updated on your smartphones and tablets. So too must you update your contextual marketing engine. The self-perpetuating nature of the cycle demands a fast, test-and-learn approach. Think smaller, quarterly app releases instead of annual “big bang” site updates.

**Adapt Your Enterprise Marketing Technology Portfolio**

Contextual marketing doesn’t come with a stock engine that you can buy off the shelf from a vendor. Assembly is definitely required. You already have several of the essential components in your current enterprise marketing technology portfolio. Before you buy another marketing technology platform, take stock of your current technology assets and how they fit in.
Use marketing automation platforms to trigger your interaction cycle. This category consists of software platforms that manage the execution and orchestration of marketing processes. From cross-channel campaign management (CCCM) to marketing resource management (MRM) to lead-to-revenue management (L2RM), there’s a crowded landscape of solutions available to business-to-consumer and business-to-business marketers alike. You must repurpose these solutions toward the goal of pulling customers into your unique interaction cycle.

Tap digital intelligence to apply machine learning to customer interactions. The ubiquity of digital touchpoints amplifies the importance of measurement and optimization, the core function of digital intelligence solutions. Chances are you’re already using some of these tools, such as web analytics platforms, tag management, and multivariate testing solutions. While web analytics is mature technology, the traditional techniques were not designed for the breadth of channels and devices and the speed of today’s digital interactions. As this technology category advances, it will fuel much of the machine-learning capability that is needed for a contextual marketing engine.

Provide utility with personalized content and experiences. As the technology focal point of many customer experience transformation efforts, digital experience delivery emerges as a new category from the quagmire of web portals and web content management (WCM) systems. These platforms focus on the presentation of personalized digital content to customers across digital touchpoints.

Accelerate Innovation With Big Data And Analytics
The customer analytics discipline — and its associated tools and technologies — must become embedded in marketing. You may think you’re well versed in analytics technology, but it’s time to change how, and especially when, you apply and perform analytics. Traditionally, marketers use analytics retrospectively to analyze highly structured customer and campaign data and apply what they learn to the next campaign or customer experience improvement project. In a contextual marketing engine, you must apply analytics on the fly within the interaction cycle. Working with your technology management colleagues, experiment with big data technologies that blend a new cocktail of predictive analytics tools and methodologies to optimize customer decisions and drive business results.

Excel at customer recognition, not just segmentation. Clients regularly tell us that too many customer interactions on their digital properties are anonymous. Even with digital channels that require authentication, it’s still hard to accurately identify customers across touchpoints. Fix this now. The ability to stitch together a customer’s identity across fragmented channels and sessions lies at the core of contextual marketing. To manage this problem, use touchpoint interaction keys (TPIKs) across digital channels.
- **Prioritize the analysis of in-motion data.** There is no way to hit the pause button on the flood of customer interaction data. Interaction data is fluid and always in motion. Traditional analytics processes that rely on sampling at-rest data from marketing or customer databases will not deliver insights to fuel contextual marketing. Instead, focus on using big data technologies and data science approaches to wrangle in-motion data and compress the data-to-insight process.

- **Use time-sequenced analysis to guide customers to the next best interaction.** The sequence of customer events that leads to an interaction cycle leaves vital clues for marketers to design the next best interaction. This type of event analysis not only uncovers the type of events such as a website visit, a call to the contact center, or a complaint on Twitter but also maps them on a timeline. Then, using emerging customer analytics methods such as path and sequence mining, you can get a clearer picture of events that should influence the next appropriate interaction.21

### WHAT IT MEANS

**INTERACTION MANAGEMENT UPENDS THE MARKETING ECOSYSTEM**

The power of customer context will catalyze a shift in marketers’ priorities, budgets, and span of influence. While marketing budgets will continue to grow overall, a larger portion of that budget will shift from media to technology and innovation, leading to widespread changes to marketing as we know it.

- **Media agencies will vaporize.** Mass media will die a slow death as marketers shift toward context and utility. Media-buying expertise will vaporize along with it. Media agencies that emerged in a time when brands lacked the data and insight needed to reach large audiences will find their expertise irrelevant. The agencies that thrive in the future will be those that can merge strategy, branding, and content services with innovation and technology integration expertise to help marketers scale their early wins.

- **Nobody will win the marketing “cloud war.”** The enterprise marketing technology suite vendors will continue to jockey for strategic position as they absorb their recent enterprise acquisitions and try to sell the cloud. While they’re eyeing each other, nimble startups with contemporary approaches to analytics and machine-learning algorithms will drive the next wave of marketing technology innovation. As brands begin to experiment, they will seek or acquire strategic partners willing to co-develop and scale their unique platforms, as Staples did with its acquisition of personalization software startup Runa last year. The enterprise marketing vendors will end up selling a suite of point solutions to laggard customers.

- **Businesses will focus on “owned” data.** Campaign-based marketing typically relies on data sources like list brokers and database marketing firms. Contextual marketing will yield a new form of “owned data” that is generated from the interaction cycle, unique to the brand, and specific to just the customers that engage. Firms will begin to treat this data a source of
competitive advantage and new revenue streams. As this “owned data” source grows, so do the risks associated with privacy violations; marketers who manage privacy zealously will be able to outcompete those with questionable practices.22

- Many partnerships will emerge around that data. The value exchange that contextual interactions create between brands and customers will extend into new relationships between firms to exploit the business value of the interaction data. Consider the partnership launched in 2013 between Fitbit and Walgreens, in which members of the pharmacy chain’s Balance Rewards loyalty program can link the data from their Fitbit activity to collect more points. Forrester expects to see many more such partnerships arise as the new data economy matures.23

- New methods will emerge to measure the value of customer context. Traditional marketing measurement focuses on fractional attribution methods and fine-tuning the media mix to drive more transactions. But contextual marketing changes the role of the campaign; now it must spark the interaction cycle. New measures of success must be aligned to the value exchange between brands and customers. The key measure will ultimately be the degree to which firms can increase their share of value generated within each customer’s ecosystem of value — which will lead to higher lifetime value and brand loyalty.24

SUPPLEMENTAL MATERIAL

Methodology

Forrester’s Forrsights Networks And Telecommunications Survey, Q1 2013, was fielded to 2,487 IT executives and technology decision-makers located in Canada, France, Germany, the UK, and the US from SMB and enterprise companies with two or more employees. This survey is part of Forrester’s Forrsights for Business Technology and was fielded from January 2013 to March 2013. ResearchNow fielded this survey online on behalf of Forrester. Survey respondent incentives include points redeemable for gift certificates. We have provided exact sample sizes in this report on a question-by-question basis.

Forrester’s Business Technographics® provides demand-side insight into the priorities, investments, and customer journeys of business and technology decision-makers and the workforce across the globe. Forrester collects data insights from qualified respondents in 10 countries spanning the Americas, Europe, and Asia. Business Technographics uses only superior data sources and advanced data-cleaning techniques to ensure the highest data quality.
Forrester conducted the North American Technographics Online Benchmark Survey (Part 1), 2013, an online survey fielded in April 2013 of 61,167 US individuals and 5,800 Canadian individuals ages 18 to 88. For results based on a randomly chosen sample of this size (N = 61,167 in the US and N = 5,800 in Canada), there is 95% confidence that the results have a statistical precision of plus or minus 0.4% of what they would be if the entire population of US online individuals ages 18 and older had been surveyed and plus or minus 1.3% of what they would be if the entire population of Canadian online individuals ages 18 and older had been surveyed.

Forrester weighted the data by age, gender, income, broadband adoption, and region to demographically represent the adult US and Canadian online populations (defined as those who go online weekly or more often). The survey sample size, when weighted, was 61,104 in the US and 5,778 in Canada. (Note: Weighted sample sizes can be different from the actual number of respondents to account for individuals generally underrepresented in online panels.) Please note that respondents who participate in online surveys generally have more experience with the Internet and feel more comfortable transacting online.

**Companies And Individuals Interviewed For This Report**

- Acxiom
- AKQA
- Beam
- Covario
- Dachis Group
- E-Trade Financial
- Fidelity Investments
- Jay Baer
- Lancôme
- Mass Relevance
- McCormick & Company
- Microsoft
- Mini USA
- OgilvyOne
- Panasonic
- R/GA
- Razorfish
- Sarah Fay
- Smith.co
- Uniqlo Co.

**ENDNOTES**


3 Consumers stay in touch with brands after a purchase to get deals (54%), free samples (41%), learn about the latest product or service offerings (33%), or simply because they like being associated with a brand (31%). Forrester surveyed 2,834 US online adults who interact or keep in touch with the brands they like or purchase regularly. See the September 18, 2012, “Brand Engagement The Consumer Way” report.

4 Year over year sales on Black Friday 2013 grew by 19% over 2012. Mobile traffic grew to 39.7% of total traffic, increasing 34% year over year. Retailers sent 37% more push notifications on Thanksgiving and Black Friday than in the two months before. Source: “Black Friday Results 2013,” IBM, November 2013 (http://www-01.ibm.com/software/marketing-solutions/benchmark-reports/black-friday-2013.html).


6 The business case for investment big data technology is real and will drive innovation for firms across industries. See the June 25, 2013, “Predictive Apps Are The Next Big Thing In Customer Engagement” report.

7 Proactive customer experiences are a new way to think about and guide customer journeys. See the November 20, 2013, “Anticipate Your Customer’s Next Move With Proactive Experiences” report.

8 John Myles White, co-author of Machine Learning for Hackers, told us: “Machine-learning techniques, like contextual bandit algorithms, will be developed to determine optimal interaction policies experimentally and in principle can be extended to more complex situations.” The book focuses on specific problems in machine learning, such as classification, prediction, optimization, and recommendation. Source: Drew Conway and John Myles White, Machine Learning for Hackers, O’Reilly Media, 2012.

9 Demanding customers prioritize useful, relevant interactions with your brand that help them accomplish something or save them time. This utility goes hand-in-hand with context. See the April 8, 2014, “Creating Marketing Your Customers Can Use” report.

10 Obsess about minutes of engagement. Even an additional 5 minutes per day can deepen your relationship with the customer, generating more data, creating new revenue opportunities, and, ultimately, giving you more prominence in the mind of your customer. See October 27, 2011, “The Disruptor's Handbook” report.

11 The traditional pillars of brand equity are cracking under the weight of the higher standards of the 21st century consumer. Marketers are disoriented in this world where they are losing influence with their customers, losing control of their brand messages, and losing trust with consumers. See the August 20, 2012, “Brands Must Adapt To Customers' Higher Standards” report.

12 The lines between the brand, marketing, and customer experience (CX) disciplines have blurred as people gain access to companies and products on their own terms. Marketers must embrace CX tactics like customer journey mapping to align objectives across the enterprise — and truly become customer obsessed. See the January 14, 2014, “The Convergence Of Brand, Customer Experience, And Marketing” report.
13 Integrating operational context from connected products and services will prove challenging for traditional IT development shops, as it requires new technologies, architectural topologies, and skills. See the February 27, 2014, “Systems Of Automation Will Enrich Customer Engagement” report.

14 To enable content marketing initiatives to deliver against their goals, marketers should address distribution at the strategy stage and then follow through during production, promotion, and measurement. See the October 3, 2013, “Put Distribution At The Heart Of Content Marketing” report.

15 Adobe, IBM, Oracle, SAP, and salesforce.com have been so acquisition-hungry in the marketing technology space that many now casually refer to it as the “marketing cloud wars.” Forrester believes the consolidation will continue as each of these vendors attempts to round out its enterprise marketing technology suite. The latest move by Oracle highlights this. See the February 26, 2014, “Quick Take: Oracle Arms Itself With Data In The Marketing Cloud Wars” report.


17 This report in the digital intelligence playbook helps customer insights (CI) professionals understand the technology, tools, and capabilities that comprise digital intelligence and evaluate the available vendor options for each category. See the April 3, 2014, “Deciphering The Digital Intelligence Technology Code” report.

18 Businesses need an array of software technology to support digital customer experiences, but they struggle to understand and leverage the tools necessary to create and manage unified, multichannel digital customer experiences across multiple touchpoints. See the November 26, 2013, “Market Overview: Digital Customer Experience Delivery Platforms” report.

19 Customer insights professionals are faced with tough decisions about which combination of methods will have the biggest impact on marketing and customer experience goals. Forrester has identified 15 key customer analytics methods that customer insights professionals must master. See the February 25, 2014, “TechRadar™: Customer Analytics Methods, Q1 2014” report.

20 Marketers and CI professionals can use a customer recognition framework, together with touchpoint interaction keys, to maximize opportunities to recognize customers as they move across channels. These can then guide campaign and channel road maps as well as customer interactions. See the August 29, 2013, “Customer Recognition: The CI Keystone” report.

21 Forrester has identified 15 key customer analytics methods that customer insights professionals must master. See the February 25, 2014, “TechRadar™: Customer Analytics Methods, Q1 2014” report.

22 In the age of smartphones and sensors, privacy is not only possible but essential for building trust, the foundational currency of social, mobile, and local services. See the December 19, 2013, “The New Privacy: It’s All About Context” report.
23 To understand the ever-changing behaviors of perpetually connected customers, firms need to become collaborative, sharing their data and insight as much as they consume those of others. This is driving a new data economy, and to participate, firms must adopt what Forrester calls adaptive intelligence. See the May 8, 2013, “Introducing Adaptive Intelligence” report.

24 A dynamic ecosystem of value is made up of digitally connected products and services that combine to meet customer needs, delivering more value than the sum of their parts. See the March 10, 2014, “The Future Of Business Is Digital” report.
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