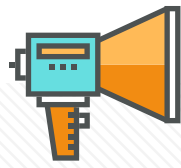# TREND REPORT:

INNOVATIONS TO DIFFERENTIATE YOUR BRAND IN 2016

selligent

Digital marketing is evolving faster with every passing year.

New technologies are changing how consumers interact with brands, and marketers are acquiring new tools for achieving the holy grail of 1:1 marketing. As a digital marketer, your long-term success depends on your ability to identify and respond to the trends shaping the industry. At Selligent, we believe there are four areas where marketers should be focused on in 2016.

Omnichannel Marketing

In the new age of the ever-connected consumer, the importance of having a true omnichannel marketing strategy has exponentially increased. Instead of bombarding consumers on all channels, marketers must engage in an ongoing dialog that continues across the best channel based on the unique needs of the recipient at the moment of engagement.

While many marketers use different channels to send different types of messages, those distinctions are meaningless to the consumer receiving it. Your customers just see another one of your messages and expect it to their current relationship (and increasingly their real-time context based on location, device, etc.) Only by recognizing, understanding, reflect and responding to consumer activity across channels can brands generate the customer satisfaction and loyalty that is inherent with well-executed omnichannel marketing.

Dynamic Everything

Marketers used to be limited in how and when they could personalize messages. As a result, a consumer could receive messages that didn't reflect the real-time relationship she had with the brand. Fortunately, technology now makes it possible for marketers to personalize any aspect of a message – even after it is sent. Instead of leveraging static CRM data at the time of send, marketers can now enhance that data with real-time data feeds (location, device type, inventory, etc.) to dynamically personalize messages at the moment of engagement. No longer does a customer have to receive a message advertising a product that is out of stock – or advertising flip flops during a cold snap. Transitioning from static to dynamic data means that marketers can create more relevant and valued experiences for customers and prospects.

Video

Consumers' love affair with video is only getting stronger. Whether user-generated product reviews, Vine ads, or live streams via Twitter's Periscope app, there are an unprecedented number of ways to create video that consumers love to consume. All this time spent with video makes it one of the best ways to capture a consumer's attention. By leveraging video to enhance the customer experience with products, services, or even email, consumers have the opportunity to engage more deeply with a brand and its offerings. By keeping track of the latest video formats and services that are being adopted by consumers, you can create new ways for consumers to get to know your brand, which is key to driving customer engagement and loyalty.

Internet of Things

The momentum behind the Internet of Things (IoT) has never been stronger – both in terms of how many internet-connected devices are being created and the rate at which consumers are adopting them. These devices are bringing new levels of utility to consumers while also generating relevant data for marketers to deliver more personalized experiences. The proliferation of sensors in everyday devices is empowering consumers to make smarter decisions about how they live their lives from how much they exercise to how long they leave their lights on at home. As a result, there are more opportunities than ever before for marketers to leverage this trend to better understand and meet the needs of their customers. The Internet of Things is new consumer reality. The question is how quickly marketers will adapt.

Let's Dive in

The empowered consumer has high expectations and will be the major driver behind these trends in 2016. And of course, she expects brands to understand her wants and needs. More than ever before,the time has come to jump on these trends.

As a result, marketers need to respond with a new level of dynamism, responding to consumers' needs in real-time. These four trends will transform how consumers and brands interact with each other in 2016 and beyond. Read on to learn more and get inspired by some powerful examples from leading brands.

Embracing Omnichannel Marketing

For several years, the industry has been talking about enabling omnichannel experiences, but marketers have not yet delivered them with any consistency. In 2016, rising investment in data and engagement platforms will enable marketers to drive cohesive consumer actions across email, mobile, social, web, display, in-store, etc. But omnichannel is much more than "all channels," which might imply a scenario where consumers are bombarded by the same messages everywhere they turn. Instead, true omnichannel involves creating a single integrated engagement program that moves across channels seamlessly to engage consumers based on their unique needs at any moment in time.

The recent holiday season was a great backdrop for seeing omnichannel marketing in action, as many brands were focused on programs that drove mobile app actions, social engagement, and even offline channel interest.
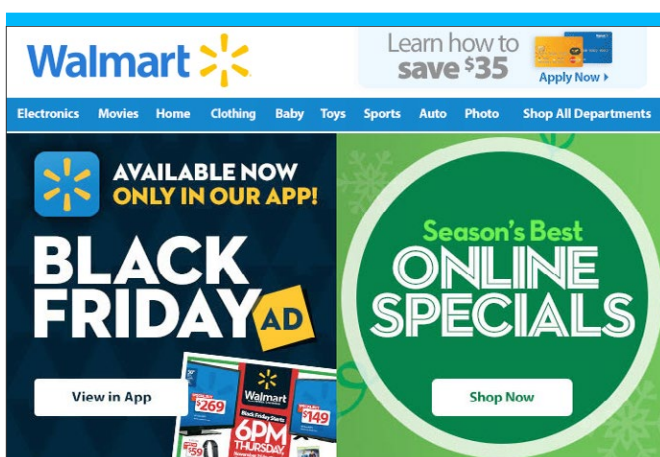
Walmart took an omnichannel approach by using email to prompt its customers to download its mobile app to get early access to its Black Friday ad. The Walmart app then enabled its customers to order products for online delivery or to schedule pick-up at a local store. As a result, Walmart had record mobile sales over Black Friday weekend[1]. Plus, Walmart boosted adoption of its mobile app dramatically, which gives it access to another channel — mobile push — to help meet the needs of its customers.

Instead of viewing each channel as its own silo, marketers should begin thinking of it as a system of harmonious communications to deliver great customer experiences and increase revenue. Not only is this good marketing, but it's also what consumers are starting to expect.

In a recent webinar called The Warming Web[2], Selligent and The Future Foundation shared how consumers want to be recognized across multiple channels, yet few brands are following this trend. This is further corroborated by a 2015 study from the eTailing Group[3], which found that 50% of consumers are comfortable with having retail interests and behaviors used to coordinate a better shopping experience across channels.

By embracing an omnichannel experience for customers, marketers can differentiate themselves amongst competitors and provide more value to customers. The easiest way to start is by aggregating the data from various channels, making it actionable, and then leveraging it to deliver value in all future customer communications, regardless of channel. This may sound daunting, but it will be the standard moving forward—and first movers will benefit the most. Fortunately, new technologies make this much easier than it has been in the past. And there's no need to start with all your data from all your channels. Be smart and selective; create manageable and measurable experiments in omnichannel and build on the initial learning and results.

> A 2015 study from the eTailing Group[3] found that 50% of consumers are comfortable with having their retail interests and behaviors used to coordinate a better shopping experience across channels.

[1] Walmart Statement on 2015 Cyber Monday. (2015, December 1). Retrieved January 5, 2016, from http://news.walmart.com/news-archive/2015/12/01/walmart-statement-on-2015-cyber-monday
[2] The Warming Web | StrongView, a Selligent company. (2015, December 1). Retrieved January 5, 2016, from http://www.strongview.com/resources/webinars/the-warming-web
[3] eMarketer. (2015). US Adults Spend 5.5 Hours with Video Content Each Day. Retrieved January 3, 2016 from http://www.emarketer.com/Article/US-Adults-Spend-55-Hours-with-Video-Content-Each-Day/1012362

Dynamic Everything and Everywhere Marketing

To say our world is getting more dynamic sounds hackneyed, but we are rapidly moving to a world where instantaneous customization and dynamism powered by data, is beginning to infuse every digital experience. We see solid examples of this in the realm of travel with flights and hotel rooms. Pricing and availability is presented to consumers in real-time. And specific attributes are aligned with supply, demand, and individual consumer attributes and behaviors.

Consider the traveler whose early morning flight has been delayed for more than a few hours. She has to rush to the office for a 1 pm meeting, but she is hungry and tired. This traveler would likely pay a premium for high-quality food that meets her dietary requirements and can be delivered to her office.

Retail is another dynamic frontier. Amazon has pioneered a new way to connect consumers to products through dynamic pricing strategies that are driving conversions. By analyzing key data points and putting them into action, Amazon delivers custom pricing with margin and conversion[4] optimization in mind. Factors such as location, supply, demographic attributes, loyalty levels, etc. help determine pricing for each product.

Now with UberEATs[5], travelers can grab an Uber home while ordering food on the same app. When she arrives at the office, the much-needed food will be waiting for her. By enabling its customers to meet two needs through a single touchpoint, Uber is helping engender customer loyalty by creating additional convenience and satisfaction. The ability to offer this type of on-demand service to an in-transit customer is just one example of how it's now possible to customize nearly every customer experience based on real-time data.

[4] Snyder, B. (2015, January 16). Report Analyzes Amazon's Dynamic Pricing Strategy. Retrieved January 6, 2016, from http://www.cio.com/article/2870961/consumer-technology/report-analyzes-amazons-dynamic-pricing-strategy.html
[5] UberEATS San Francisco. (n.d.). Retrieved January 6, 2016, from http://ubereats.com/eats/sf/

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From on-demand food and car services based on a dynamic location to dynamic pricing strategies, marketers are creating new ways to deliver more value to consumers. And of course, email marketing is becoming more contextual and dynamic.

As omnichannel experiences advance, we also see marketing technology becoming more intelligent and adapting content to the consumer's device. In the realm of email, modern solutions can even detect when a message is opened on a device with the brand's app installed, and dynamically direct them to the app for a better user experience.

As consumers begin to expect more context and customization, dynamic elements will continue to expand across every channel and touch point. Marketers who focus on understanding and responding to their customers' needs in the moment will differentiate themselves and generate a new level of consumer action.

WARBY PARKER   OPTICAL   SUNWEAR   LOCATIONS

**Reminder:
Your FSA dollars could be
expiring December 31.
(That's very soon!)**

Time left to purchase on warbyparker.com

DAYS	HRS	MIN	SEC
01 :	06 :	28 :	44

Time left to purchase by phone (888.492.7297) or in retail locations

DAYS	HRS	MIN	SEC
03 :	15 :	39 :	24

Using the carrot of "limited time" to drive consumer action, Warby Parker implemented a double countdown clock in a recent email campaign to inform consumers about the time left to purchase online versus by phone for upcoming 2015 Flexible Spending Account (FSA) deadlines. As they say, time is of the essence, and through this campaign, Warby Parker created a sense of urgency to drive consumers to action.

Brands Embrace Video to Engage Consumers and Increase Loyalty

Consumers are spending more time viewing online video than ever before. In 2011, consumers spent less than 21 minutes a day watching video on computers, smartphones, and other connected devices. In 2015, that number jumped 5x to one hour and 16 minutes, according to eMarketer[6]. It seems there is no end to consumer appetite for online video. Hot consumer trends like unboxing videos, online learning, and augmented reality are all driving a rapid increase in video viewing.

This rise in consumer consumption of online video has not escaped the attention of major brands. Forrester Research projected that spending on video advertising grew by 54% year-over-year in 2015, and should account for 60% of all display advertising spending in 2020[7]. And video display advertising is just part of the picture. Nearly three-quarters of marketers are creating video for their target audiences, according to a 2015 survey from content marketing provider Brafton[8]. This pushes video past blogs, case studies, and infographics as the most popular type of content marketing in 2015.

For some brands, video is becoming an integral part of the user experience. The popular beauty sampling service Ipsy, was born out of beauty video tutorials created by its founder Michelle Phan. Each month Ipsy members receive a "Glam Bag" with samples of beauty products that are paired with online videos to demonstrate the best ways to use the products. Leveraging video to enhance its service has enabled Ipsy to reach $120 million in annual sales.

[6] eMarketer. (2015). US Adults Spend 5.5 Hours with Video Content Each Day. Retrieved January 3, 2016 from http://www.emarketer.com/Article/US-Adults-Spend-55-Hours-with-Video-Content-Each-Day/1012362

[7] Colburn, C., Paderni, L., Merlivat, S., Carpenter, M., Egelman, W., & Glazer, L. (2015, September 29). The State Of Online Video Advertising In North America, 2015. Retrieved January 5, 2016, from https://www.forrester.com/The State Of Online Video Advertising In North America 2015/fulltext/-/E-RES128466

[8] 70% of brands say video is the most effective for content marketing. (2015, February 20). Retrieved January 5, 2016, from http://www.brafton.com/news/video-marketing-news/70-brands-say-video-effective-content-marketing/

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Video has even infiltrated email marketing, where it was once avoided because of the different protocols that inbox providers use to determine whether or not it is rendered. New tools for open-time personalization now allow marketers to automatically serve up video-in-email based on the capabilities of the inbox provider at the moment of open.

And these are just some of the many applications of video. For instance, Disney added an augmented reality experience to its Star Wars mobile app to help promote The Force Awakens[9]. Marketers who find new ways to incorporate videos in 2016 will see a rise in customer engagement and loyalty.

InterContinental Hotels Group's (IHG) added video to an email promoting its new "Share Forever" reward points, which enabled it to increase its click-through rates between 200% and 300%.

[9] Your Galactic Hub: Inside the New, Totally Essential Star Wars App | Disney Insider. (2015, July 8). Retrieved January 5, 2016, from http://blogs.disney.com/insider/2015/07/08/your-galactic-hub-inside-the-new-totally-essential-star-wars-app/

The Rise of the Internet of Things (IoT)

At its core, the Internet of Things (IoT) is simply a device that is connected to the Internet. By merging the physical and online worlds, IoT has the potential to make our lives easier at every moment — while driving, while cooking, while exercising, while sleeping, while preparing the children for bed, etc. Although the IoT phenomenon is still fairly new, it is dramatically changing how we interact with the world.

There are varying predictions about the potential growth of IoT, but the International Data Corporation predicts that the worldwide IoT market will grow from $655.8 billion in 2014 to $1.7 trillion in 2020.[10] And by 2020, there will be 50 billion connected devices installed across the world according to a 2015 study from Cisco and DHL.[11]

All of these connected devices are generating more new kinds of data that can be instrumental for marketers to better understand and serve their customers. The ubiquity of cheap and tiny sensors makes it possible for brands to collect data in ways that were never before possible. Sensors have even been added to liquor bottles that help the manufacturer track where it is in the supply chain and when it has been opened. More importantly for marketers, the brand can also use the bottle sensor to change marketing messages based on where the consumer is when she scans the bottle with her phone's NFC feature – if she's in the store, present a coupon; if she's at home, present a recipe. The point is that sensors can be added to nearly anything to provide brands with more powerful data streams for optimizing and marketing their products.

Understanding the possible impact of IoT for marketing and bringing IoT elements into future product roadmaps now, can be a powerful way to differentiate your brand from everyone else. Embracing these IoT innovations will enable marketers to think differently in 2016 and beyond.

While there are countless IoT devices (Fitbit, Nest, Philips Hue, etc.), Amazon's Echo[12] was one of the top three items ordered on its website on Christmas Eve 2015. Through this unique device, users can speak directly to Amazon's virtual assistant, Alexa. With a hands-free device that listens to all requests such as finding local Chinese restaurants, adjusting the lights inside the house, or playing specific songs, this product conveniently provides information to consumers at the exact time of need.

Not only is this IoT gadget practical for users, but it also opens up a world of possibilities and new ways for Amazon to market to its customers. In only a few words, users can order items directly from Amazon.com. And in the near future, Amazon may be able to incorporate sponsored recommendations. The possibilities are endless.

amazon echo

FAVORITE THINGS

[10] Chen, Y. (2015, January 4). Internet of Things Spending to Reach 1.7 Trillion by 2020. Retrieved January 6, 2016, from https://www.clickz.com/clickz/news/2411703/internet-of-things-spending-to-reach-17-trillion-by-2020
[11] Lundin, B. (2015, April 25). 50 billion connected IoT devices by 2020. Retrieved January 07, 2016, from http://www.smartgridnews.com/story/50-billion-connected-iot-devices-2020/2015-04-21
[12] Amazon Celebrates a Record-Setting Holiday for Prime, Amazon Original Series and Amazon Devices. (2015, December 28). Retrieved January 6, 2016, from https://www.google.com/analytics/web/?hl=en#home/a852462w1467206p97903879/

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Another interesting IoT example comes from Samsung and its Family Hub Refrigerator.[13] Launching in spring 2016, Samsung is taking the connected refrigerator to a whole new level. Apart from including a large touch screen, the fridge includes an internal camera so that you can view the interior of your fridge from your mobile phone to discover if you need to buy more milk, while at the grocery store. Or, you could just use the "Groceries by Mastercard[14]" app on the fridge to get milk delivered via services like FreshDirect and ShopRite. Get ready to see more unique integrations like these in 2016.

[13]Crist, R. (2016, January 5). The future is here, and it's a refrigerator. Retrieved January 07, 2016, from http://www.cnet.com/products/samsung-family-hub-refrigerator/
[14]MasterCard News. Introducing Groceries by MasterCard on the Samsung Family Hub Refrigerator. (2016, January 05). Retrieved January 07, 2016, from https://www.youtube.com/watch?v=ql0-2i--K_M
[15]http://www.diageo.com/en-row/ourbrands/infocus/Pages/diageo-and-thinfilm-unveil-the-connected-smart-bottle.aspx

In Conclusion...

Consumers are now interacting with brands and the world at large across multiple channels. While print, broadcast, and even email used to be the only ways that consumers received communications from brands, there are now a multitude of interactive channels for brands to engage their customers – and vice versa. Only through an omnichannel marketing strategy can brands begin to create a unified and contextually relevant customer experience regardless of how consumers choose to engage, whether by email, SMS, mobile app, or even via an interactive touchscreen in a retail store. A marketer's ability to know a consumer's location via smart phones and Beacon sensors only make it that much more important to engage via the right channel.

All of this data, whether from CRM databases, e-commerce systems, smart phones, or IoT sensors, make it possible for marketers to understand and respond to a consumer's needs in the moment. Moreover, consumers know marketers have this data and are increasingly expecting them to use it to create more customized experiences and messages.

Marketers must invest in using dynamic data and dynamic personalization to automatically trigger compelling messages that deliver value and foster customer loyalty. This is the new normal. Consumers will begin to gravitate to and increase their interaction with brands that understand their wants and needs at every given point in time. And that understanding needs to be reflected in the channel, message, and even content-type used to engage (e.g. video vs. text). Omnichannel marketing makes all of this possible. You just need the right partner to get started.

Marketers must make it a priority to understand how emerging trends will affect their marketing strategy in 2016 and beyond. Customer loyalty is built on trust and value — and that needs to be reflected in every touchpoint, regardless of channel. Take the time now to investigate these trends and learn how you can leverage them to deepen customer relationships and soar above your competition.

About Selligent

Selligent is a global marketing automation provider that powers audience engagement programs for more than 450 leading brands in retail, financial services, automotive, publishing and travel. Our solution empowers brands to create meaningful omnichannel communications across email, site optimization, social, mobile and customer care at a competitive price point that makes Selligent the best value in the market.

- Monitor and react to customer behavior in real time
- Tie all activity across all devices and touch points back to the individual
- Deliver personalized data-driven dynamic content to every customer in every communication
- Easily segment and manage the communications cadence for different audiences
- Adapt seamlessly as your customer continues to interact

The platform uses rich data analytics to provide 360-degree audience insights and offers customer journey mapping capabilities to deliver **optimal audience engagement** to customers and prospects alike. Serving brands in 19 countries across both Europe and the Americas, Selligent works with companies ranging from the mid-market to large enterprise, often partnering with its extensive network of agencies and MSPs.

This report is part of a trend report series examining the effects and opportunities arising from digital transformation. If you would like to find out more, head on over to the resources section on the Selligent website, where further reports on additional industries are available to download.

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