

A Custom Technology Adoption Profile Commissioned By GlobalWide Media | September 2017

Cultivate Word Of Mouth With Digital Advertising

Incorporate Everyday Influencers Into Targeting And Optimization Logic

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Cultivate Word Of Mouth With Digital Advertising

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Brands Need Help Turning Prospects Into Customers

Marketers face a sea of competition as they try to grow their customer base and attract new, high-value customers who can be converted into brand advocates.

In July 2017, GlobalWide Media commissioned Forrester Consulting to explore whether targeting not only potential converters, but also the individuals who influence their purchase decisions, is more efficient and effective than targeting prospects alone.

Forrester conducted an online survey of 131 business-to-consumer (B2C) marketers in the US and found that incorporating everyday influencers into targeting and optimization logic can help marketers differentiate their digital advertising strategies, reinforce brand positioning, and boost the likelihood of prospects to convert. This approach is gaining momentum: 98% of marketers see value in incorporating influencers into their targeting and optimization strategies.

98% of B2C marketers see value in incorporating influencers into targeting and optimization logic — 41% already do it well, and 57% are working to activate and optimize this approach.



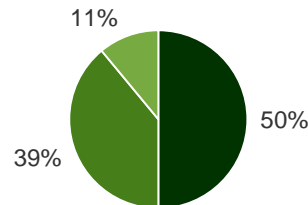
Company profile

US enterprises whose products and services are targeted toward consumers or a mix of consumers and businesses



Industry composition

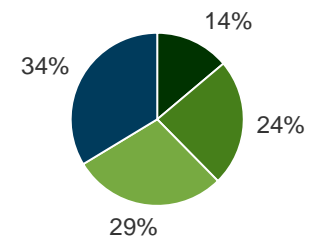
Retail, financial services, automotive, consumer packaged goods (CPG), hospitality, healthcare, entertainment, and politics/advocacy



Company size

Enterprises with 1,000 or more employees

- 1,000 to 4,999 employees
- 5,000 to 19,999 employees
- 20,000 or more employees



Respondent profile

Digital advertising decision makers in B2C marketing roles

- C-level executive
- Vice president
- Director
- Manager

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Brands Need New Tactics And Tools For Customer Acquisition

In the digital age, brands must constantly evolve their advertising strategies to stay relevant. In exploring marketers' current priorities and pain points, we found that:

- › **Acquiring customers is more difficult than retaining them.** Four in five respondents (81%) believe it is tougher to reach new customers than it is to retain existing ones.
- › **Marketers are turning to existing customers for help.** Half of marketers strongly agree that including everyday influencers — i.e., the people whose input a potential customer values most — is a key component of their advertising strategy. Brand advocates play this role in their personal networks, so turning customers into brand advocates has become a priority for 78% of respondents.
- › **Brands need new prospecting solutions to activate these strategies.** Three in four (76%) seek new prospecting solutions.

Brands are looking to influencers, advocates, and new prospecting solutions to help win new customers.



To what extent do you agree with the following statements about your marketing organization's current strategies and processes?

Strongly agree

Somewhat agree



Base: 131 digital advertising decision makers in marketing roles at B2C US enterprises

Source: A commissioned study conducted by Forrester Consulting on behalf of GlobalWide Media, August 2017

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Conventional Prospecting Strategies Hold Marketers Back

Consumers face a barrage of digital advertising every day; over 40% actively avoid digital and mobile ads.¹ Without a unique strategy for connecting their brands with consumers in a way that fits into consumers' lives, marketers will struggle to turn prospects into customers. Our study showed that:

- **Marketers struggle to execute targeting strategies that competitors aren't already using.** Even more complex targeting approaches like lookalike modeling, once heralded as key to competitive advantage, are now table stakes.
- **Strategic and tactical limitations reduce advertising effectiveness.** As prospecting strategies become table stakes, marketers also struggle with tactical challenges like limited scalability of prospecting tools and difficulty executing cross-device campaigns. These competitive and capability limitations lead over a third of marketers to say that their prospecting solutions and tactics are expensive and ineffective.

Which of the following challenges does your marketing organization face in prospecting new customers?



Base: 131 digital advertising decision makers in marketing roles at B2C US enterprises

Source: A commissioned study conducted by Forrester Consulting on behalf of GlobalWide Media, August 2017

1. Source: "How To Advertise To Consumers Who Hate Ads," Forrester Research, Inc., July 21, 2017.

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Few Marketers Consistently Engage Customers To Encourage Brand Advocacy

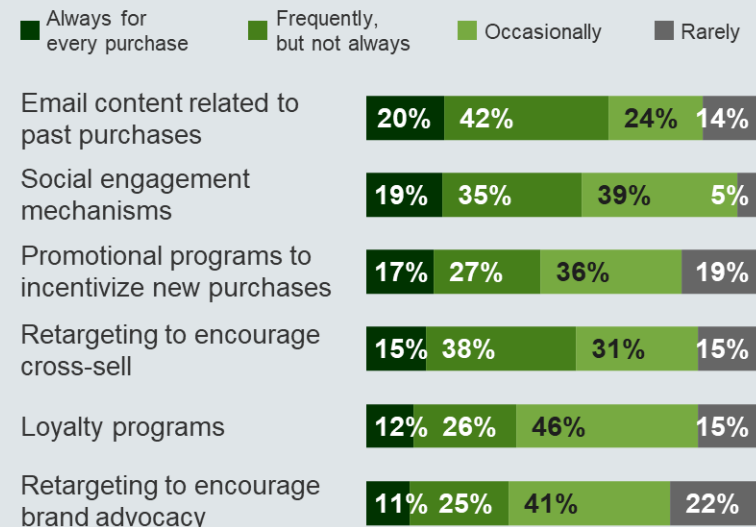
Earlier, we saw that 78% of marketers agree that their organization regularly advertises to consumers after purchases in an effort to turn customers into brand advocates. However, in exploring specific post-purchase mechanisms, we found that most companies fail to consistently execute on post-purchase engagement strategies.

- **Email and social campaigns are common but not universal.** A substantial 38% to 44% of marketers engage customers with these mechanisms only occasionally or rarely.
- **Marketers miss opportunities with retargeting.** Just over half of respondents (53%) frequently or always use retargeting to encourage cross-sell. However, despite stated goals to encourage brand advocacy, 63% only occasionally or rarely use retargeting for this purpose. Advocates help brands attract new customers, so these inconsistencies are missed opportunities for growth.

Although most marketers have mechanisms in place to engage customers after they've purchased, only 20%, at best, have a consistent strategy.



How frequently does your marketing organization use the following mechanisms to continue the dialogue with consumers once they've made a purchase?



Base: Variable 131 digital advertising decision makers in marketing roles at B2C US enterprises
 Note: Percentages may not total 100 because of rounding.
 Source: A commissioned study conducted by Forrester Consulting on behalf of GlobalWide Media, August 2017

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Influencer Targeting Is Gaining Momentum

Word of mouth is one of the most effective ways to turn prospects into customers, because customers place the greatest trust in the people they interact with every day. Most marketers (69%) believe that digital advertising influences word of mouth. But how can brands control and even automate word of mouth?

By targeting not only key prospects, but the people who influence their decisions — from everyday influencers like family and friends to digital influencers like bloggers and social connections — marketers can guide personal interactions that reinforce brand messages and inspire action.

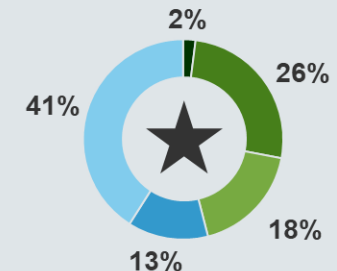
Our survey showed that 98% of marketers see value in including influencers in targeting and optimization logic — 41% already have a solution in place, but the remaining 57% are still working to activate and optimize their strategies.

66% of respondents agreed that word of mouth is one of the most effective forms of advertising, and 69% agreed that digital advertising influences word of mouth.



Which of the following best reflects your organization's current or future plans to target people who influence the decisions of key prospects (e.g., family, friends, relevant bloggers, social network connections, etc.)?

- Not interested
- Interested, but no plan yet for activating this strategy
- Planning to incorporate influencer targeting in the next 12 months
- We strive to target influencers, but lack an effective solution
- Currently use a solution that has delivered many benefits



Base: 131 digital advertising decision makers in marketing roles at B2C US enterprises

Source: A commissioned study conducted by Forrester Consulting on behalf of GlobalWide Media, August 2017

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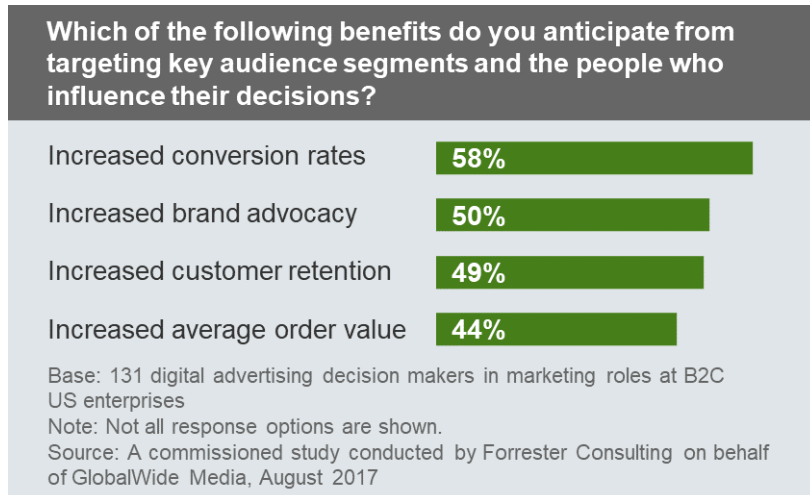
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Brands Are Eager To Reap The Benefits Of Targeting Influencers

More than half of respondents (58%) expect that including everyday influencers in digital advertising targeting will increase conversion rates, which boosts business growth and delivers greater return on ad spend. Other expected benefits include improved productivity of the advertising team and richer customer relationships through greater brand advocacy, customer retention, and higher average order value.

Marketers are willing to invest their advertising dollars toward proving the value of targeting influencers of key audience segments. In fact, 90% said they would increase their digital ad spending by 5% or more, and a third are willing to increase spending by more than 10% to reap benefits from influencer targeting.

Brands are bullish on influencer targeting, with 90% willing to increase ad spend by 5% or more.



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Consumers don't make decisions in vacuums. They consult their friends and families as they move through the purchase process. Marketers are increasingly understanding that these communities of influencers can amplify their marketing message. However, most brands fall short of success today because they lack unique and effective prospecting strategies, and they inconsistently execute post-purchase engagement programs.

Targeting not only key prospects, but the people who influence their decisions on a daily basis, is an emerging opportunity for brands to differentiate their digital advertising approaches and create a competitive advantage. Our study showed that 98% of marketers see value in this approach and 58% believe investing in influencer targeting will increase conversion rates. Additionally, by fostering more conversations between customers, prospects, and the people who influence them most, influencer targeting has the potential to deepen customer relationships and strengthen brand loyalty.

METHODOLOGY

- › This Technology Adoption Profile was commissioned by GlobalWide Media.
- › Forrester Consulting fielded a custom survey of 131 digital advertising decision makers at B2C enterprises in the US.
- › The custom survey was completed in August 2017.

ABOUT FORRESTER CONSULTING

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Project Director

Karin Fenty
Senior Market Impact
Consultant