



August 2018

# **CUSTOMER EXPERIENCE ROUNDUP:**

## **How Digital Factors Are Fueling More Personalized Content**

Customer experience has become one of the biggest areas of business focus across industries. One way that adds value to a consumer's shopping journey is authentic, tailored content. eMarketer has curated this Roundup of articles, insights and interviews to zero in on the trends affecting content marketing today—from creation and personalization to brand safety and more.

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# CUSTOMER EXPERIENCE ROUNDUP

## OVERVIEW

Customer experience has become one of the biggest areas of business focus across industries, and it might be even more vital for retailers to foster the buyer-merchant relationship.

Companies are asking themselves a slew of questions: "What do customers want?" "How do we meet expectations across all phases of the path to purchase?" "Is tech the answer for improvement?"

According to an April 2018 Salesforce survey, 79% of consumers worldwide say experiences are as important as a company's products and services, and 64% say their standard for good experiences are higher than ever. Most companies aren't imagining a growing pressure to deliver.

An annual KPMG study about customer experience ranked US companies on the following factors: personalization, integrity, empathy, expectations, time and effort, and resolution. Personalization (21%) turned out to be the most influential factor for customers when choosing to do business with a particular company. Integrity (18%) and time and effort (17%) were also important.

The grocery industry was tops for consumer experience, earning the highest score of any sector among consumers surveyed. Three of the top 10 overall companies were grocers: H-E-B, Publix and Wegmans. These regional supermarkets have devoted followings. H-E-B is involved with the community and donates 5% of pre-tax profits to charities; Publix is known for friendly customer service and staff who load groceries into shoppers' trunks; and Wegmans is lauded for its vast selection and enjoyable shopping experience, which includes in-store restaurants and bars at select locations.

While KPMG focused on high-level pillars of good customer experience, Salesforce zeroed in on more digital influences. A full 54% of consumers in the Salesforce survey said companies need "cutting-edge digital experiences to keep my business," and more than half actively seek to buy from the most innovative companies. These figures should not be ignored, but it's also not an overwhelming majority who have these high expectations.

When asked about technologies that will transform expectations of companies, Salesforce found smartphones were the only technology viewed as having already achieved that transformation by a larger percentage of customers than viewed it as being in progress. Mobile apps (40%) and the internet of things (40%) were considered the top two technologies that were actively transforming expectations, while artificial intelligence (AI) was expected by 36% of respondents to be transformative in the next five years.

Consumer perception of AI was mostly welcoming, according to the Salesforce survey: 61% said it presents positive opportunities for society, and 59% were open to its use in improving the customer experience. AI-driven applications aren't all science fiction either. Top marks were given to both credit card fraud detection and spam filters, which were "liked" or "loved" by 86% and 81% of consumers, respectively.

### Internet Users Worldwide Who Believe Select Technologies Will Transform Their Expectations of Companies, April 2018

% of respondents

	Already transformed	Actively transforming	Will transform within 5 years
Smartphones	49%	32%	12%
Social media	38%	33%	13%
Mobile apps	37%	40%	13%
Cloud computing	27%	38%	18%
Voice assistants	19%	37%	25%
Cybersecurity	18%	43%	24%
Internet of things	18%	40%	26%
3-D printing	17%	34%	30%
Drones	16%	33%	29%
Chatbots	14%	34%	26%
AI	13%	36%	36%
VR/AR	13%	33%	28%
Cryptocurrencies	12%	29%	27%
Blockchain	9%	27%	31%

Source: Salesforce, "State of the Connected Customer," June 5, 2018

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# Marketers Grade Their Personalization Efforts a 'C'

## Insufficient data is creating ineffective personalization

Most marketers have personalization strategies in place, but many struggle to make them effective.

In a March survey from Evergage and Researchscape International of 300 marketers, 93% of whom were from the US, just 6% of respondents gave their personalization efforts an A rating. Some 46% graded their personalization as a C, making it the most popular response given. This implies that marketers' personalization efforts are good enough for a passing grade—but just barely.

A major roadblock that derails effective personalization is inadequate data. Most of the marketers polled said they did not have sufficient data to mount successful personalized campaigns. Business-to-business (B2B) marketers were more likely than business-to-consumer (B2C) marketers to say their personalization data was insufficient.

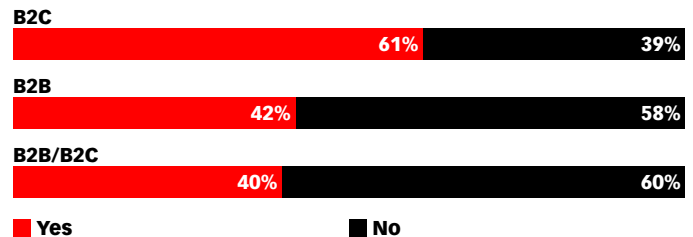
The idea of targeted messages that specifically cater to particular users may sound appealing to many marketers, but the technical obstacles make it difficult to accomplish. Sailthru surveyed 146 UK and US marketers in October and found that 37% cited data and technology challenges as a hindrance to their personalization goals.

Marketers are focusing on personalization because many find it to be essential to delivering a solid customer experience. In a January survey of 200 US senior decision-makers conducted by Verndale, nine in 10 respondents said that better personalization was key to improving the customer experience.

But marketers looking to improve their personalization should tread carefully, since a zealous demand for better and more effective personal data can place a firm in hot water. With the enforcement of the General Data Protection Regulation (GDPR), and the ongoing scandal with Facebook and Cambridge Analytica, people are becoming more skeptical of sharing data through third parties. And for some consumers, personalization can indeed get too personal.

### US B2B and B2C Marketers Who Feel They Have Sufficient Data and Insights for Effective Personalization, March 2018

% of respondents



Source: Evergage and Researchscape International, "2018 Trends in Personalization," April 25, 2018

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### Listen in!

Check out an episode of the "Behind the Numbers," podcast, in which eMarketer principal analyst Lauren Fisher talks about what customer engagement is and why it matters.

# Consumers Love Personalized Offers, but Only If They Opt In

## Many think details gleaned from social media should be off limits

Everyone likes to feel special, even if that recognition comes in the form of exclusive retail offers.

According to an April 2018 survey of US internet users by verification services company SheerID and Kelton Global, more than two-thirds of respondents said an offer just for them is more important than a promotion sent to everyone, and 94% would take advantage of an offer that wasn't made available to the public at large.

What would these consumers do if they were given an exclusive offer? Nearly half said they would make a purchase sooner than normal, while 41% would look for products to buy so they could use the offer, and 38% would treat themselves to something they wanted but didn't really need. This would be the nudge to make a purchase, but fewer would spend more or buy a more expensive product.

As many studies have shown, consumers want personalized offers, but they also want control over how much a brand or retailer knows about them. In this survey, 40% of respondents said they want to opt in to offers. Very few approve of brands gleaned info from social networks—not just activity, but information explicitly provided on social networks (13%). The top two pieces of personal information consumers would be “extremely willing” to share are email address, cited by 37% of respondents, and full name (36%). Very few would share credit card details or social security numbers, though 14% of millennials would share credit card info while only 3% of baby boomers would.

This is in line with recent findings from Avionos. In a December 2017 survey, the top two forms of personal details US internet users would be willing to share in exchange for a more personalized shopping experience were the same basic information: email address (72%) and name (69%).

But brands and retailers are using information that consumers would prefer to keep private. The Facebook/Cambridge Analytica scandal revealed that many social media users don't understand the degree of information captured by the platforms to sway opinion and market

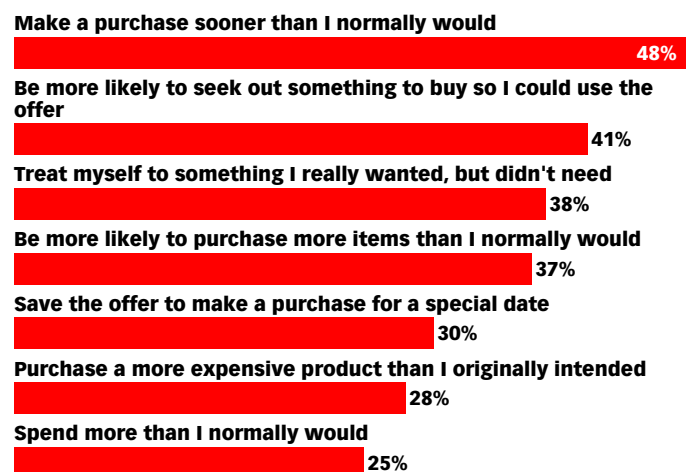
to them. In an April 2018 Gallup poll, more than half of US Facebook users were “very concerned” their personal information was being sold to and used by other companies.

An April 2018 survey of US Facebook users by CBS News and YouGov showed that the leading action taken in response to the Cambridge Analytica issue was to share less personal data on the social network, cited by 37% of those polled. This could hurt marketers that use third-party data for personalization.

The thrust of the SheerID study was proving the need for verification to ensure offers only made their way to consumers who qualified for them. Eighty percent of respondents said they would lose trust in a brand that allowed everyone to take advantage of supposedly exclusive offers. This might seem like a niche issue, but it points to a larger problem: Trust is eroding.

And the biggest losers could be marketers. In a September 2017 PwC survey, US internet users ranked 26 industries by level of trust. Just 3% of respondents said they trusted marketing and advertising, placing it dead last. Social media fared only slightly better at 6%.

### Ways in Which US Internet Users Would Use a Brand's Exclusive Offer, April 2018 % of respondents



Note: ages 18+; among the 94% of respondents who would use a brand's exclusive offer that the brand would not typically offer to the general public  
Source: Kelton, "Privacy, Personalization and Promotions" prepared for SheerID, May 14, 2018

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# Content Marketing Goof: Posting a 'Story' When Consumers Want a Coupon

## Over 70% of internet users say they want posts about deals

Marketers produce loads of different content types for social media, but are their posts in line with their consumers' preferences?

A May 2018 survey conducted by Survata for Sprout Social found that social media marketers aren't prioritizing the types of content that consumers want. And what consumers are most likely to want—not surprisingly—is value.

The Survata survey found that marketers prioritize posts that tell a story (58%), whereas only about one-third (37%) of internet users said they wanted to see that type of content.

Meanwhile, consumers reported wanting to see posts on potential savings as they scroll through their news feeds. In fact, 72% said they want posts about discounts and deals, yet just 18% of marketers said they prioritize that kind of content.

There is a sweet spot, though: how-to content. Consumers and marketers were about equally likely to value "posts that teach something."

Surprisingly, marketers were unlikely to prioritize posts tied to influencers. And, equally surprisingly, consumers were similarly unenthusiastic.

It's difficult to overestimate the value that consumers place on discounts, however much brands may resist them.

According to the eMarketer Ecommerce Insights Survey conducted in May by Bizrate Insights, nearly three-quarters of internet users consider discounts or coupons important or very important in making digital purchase decisions—and younger consumers are the most likely to place a higher value on the offers.

### Social Media Priorities According to Social Media Marketers in North America vs. What Internet Users\* in North America Want to See on Social Media, May 2018

% of respondents

	Social media marketers	Internet users*
Posts that teach something	61%	59%
Posts that tell a story	58%	37%
Posts that inspire	53%	49%
Posts that announce what is happening at a company	51%	41%
Posts that entertain	47%	56%
Posts that showcase new products or services	46%	60%
Posts that showcase a company's personality	44%	23%
Posts that showcase a company's employees	24%	13%
Discounts or sales	18%	72%
Posts that are partnerships with influencers	16%	12%

Note: \*ages 18-64

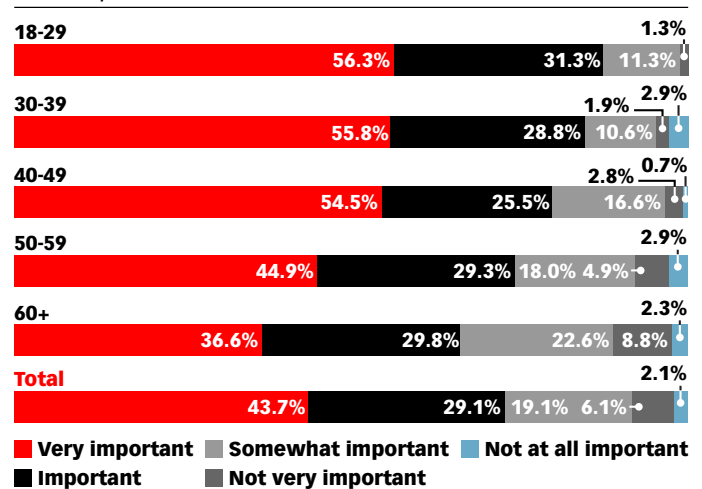
Source: Sprout Social, "Sprout Social Index 2018," June 5, 2018

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### Importance of Discounts/Coupons to Their Overall Digital Purchase Decisions According to US Internet Users, by Age, July 2018

% of respondents



Note: numbers may not add up to 100% due to rounding

Source: "The eMarketer Ecommerce Insights Report" conducted in May 2018 by Bizrate Insights, July 3, 2018

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# Will AI Change How People Approach Creative Work?

## Emerging technologies are reshaping job functions

Artificial intelligence (AI) is more than just a job-eliminating technology. It also has the potential to change how people approach creative work.

In July, Wrike and EdgePeak Consulting surveyed 1,552 “creative professionals” who work in various fields including design, art, film, video production and advertising. The researchers found that 85% of respondents believed that AI will have a significant impact on their creative output in the next two years. No other emerging technology was expected to have an impact this big.

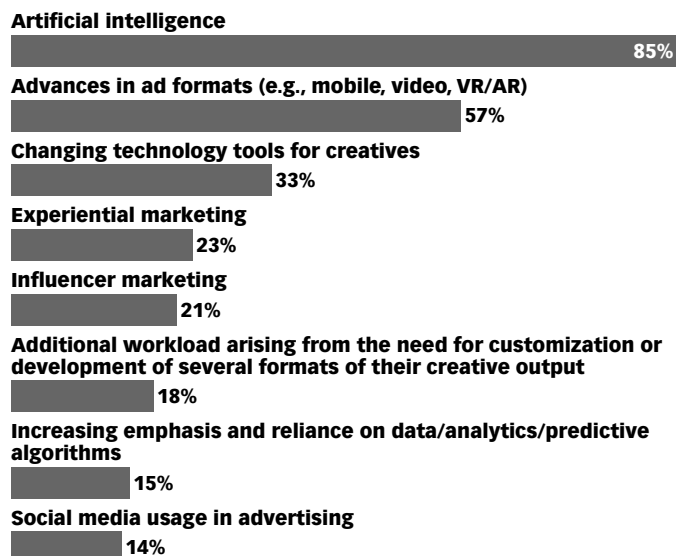
AI is already being used to write stories and pop songs. Designers use AI to automate basic tasks like tagging images and analyzing data sets. Among marketers, AI has been used to search for new groups of users to serve ads to, change an ad’s message on the fly to make it better align with a user’s preferences and spit out thousands of versions of ad copy that can be A/B tested rapidly.

Although many companies are considering investing in AI, integrating it into a marketer’s workflow is much more difficult than flipping a switch and letting the machine do all the work.

In a February BrightEdge survey of over 500 content, digital and search marketers worldwide, nearly a third of respondents said that applying AI in their current role was the strongest barrier to adoption. Other obstacles included the lack of a standard definition for AI and limited budgets for exploring emerging technologies.

### Which Trends Do US Creative Professionals Believe Will Have a Significant Impact on Their Creative Output? April 2018

% of respondents



Note: in the next 2 years

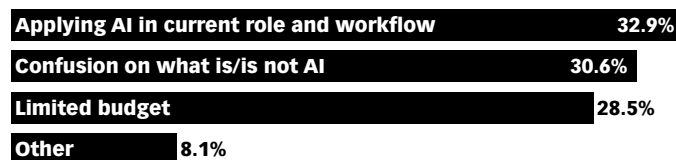
Source: Wrike, “The State of Creative Teams in 2018” conducted by Edgepeak Consulting LLC, July 25, 2018

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### Biggest Obstacle with Integrating Artificial Intelligence (AI) at Their Company According to Marketers Worldwide, Feb 2018

% of respondents



Note: numbers may not add up to 100% due to rounding

Source: BrightEdge Research, “2018 Future of Marketing and AI Survey,” March 12, 2018

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# Ensuring Brand Safety Is a Perennial Problem

## Brands don't want to associate with content that makes them look bad in any way

Last year's brand safety controversies stirred fears that advertisers would back away from platforms like Facebook and YouTube, but spending has continued to surge.

Indeed, US advertisers continue to pour more than nine in 10 new digital ad dollars into the Facebook-Google duopoly.

Still, virtually all brands are making changes in how they operate in digital media to be safer going forward. This includes demanding more transparency and investing more ad dollars in quality environments.

According to November 2017 data from Teads, more than nine in 10 US CMOs surveyed had already begun making changes to their digital strategy due to brand safety concerns.

"Conversations with brands, ad tech firms, programmatic partners, publishers and platforms suggest all are making moves in this direction thanks to brands' reawakened concerns about safety," said eMarketer senior analyst Nicole Perrin.

### Listen in!

Check out an episode of the "Behind the Numbers," podcast, in which eMarketer principal analyst Lauren Fisher speaks with Meghann York, director of product marketing for Salesforce Marketing Cloud, about how AI is being used to improve the customer experience, and why it's so important that marketers think about those experiences first, and the tech itself second.

### Ways in Which US CMOs Have Changed Their Digital Strategy to Address Concerns About Brand Safety, Nov 2017

% of respondents

Increased our spending on channels that can prove they are brand safe

57.7%

Reviewed our agency relationships

54.8%

Reviewed our supplier relationships

48.1%

Demanded more transparency from the agencies and suppliers we work with

44.2%

Increased our third-party measurement

39.4%

Now have a more direct involvement in the way our digital strategy is executed

39.4%

Increased our spend with premium publishers

38.5%

Reduced our spend or boycotted channels that we can't guarantee are brand safe

29.8%

Made no changes to our digital strategy and do not plan to do so in the next 12 months

4.8%

Made no changes to our digital strategy but plan to do so in the next 12 months

2.9%

Note: n=104 CMOs and marketing VPs; in the past 6 months  
Source: Teads as cited in press release, Nov 11, 2017

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# Agile Practices That Are Changing Creative Processes

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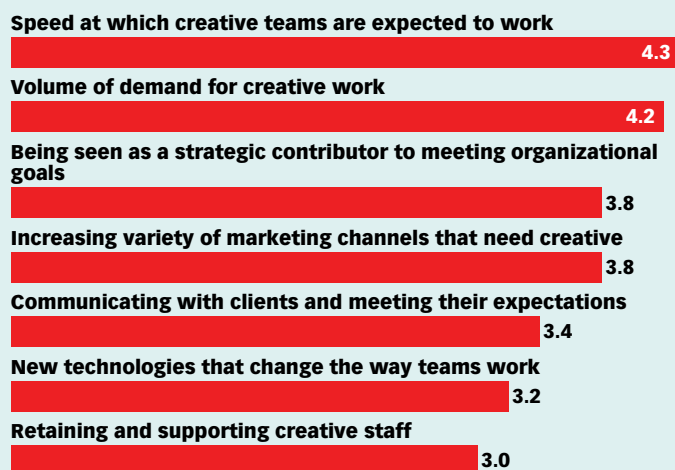
The need for more creative, in shorter timelines, and with more variety were among the top three challenges US creative professionals faced last year. Extending agile management practices to creative processes allows teams to better respond to these challenges. But exactly how do agile management practices help creative teams perform better?

**Rapid Iterations.** One of the core principles of any agile management application is the idea of favoring rapid iterations over big bang campaigns.

Traditional creative processes emphasize planning large complicated campaigns. They may be weeks in length or burst focused and often rely on agencies to develop creative and execute the campaign. The majority of the work is focused upfront on strategy and creative with little time spent looking at campaign performance.

In agile creative processes, the emphasis is on accepting that creative might need to be quickly changed after learning if it worked. Implementing two weeks creative sprints is a great way to systematize iteration.

## Challenges Faced by Creative Teams According to US Creative and Marketing Professionals, Nov 2017 scale of 1-5\*



Note: \*where 1=least challenging and 5=most challenging  
Source: InSource and inMotionNow, "2018 In-House Creative Management Report," March 14, 2018

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**Testing and Data Use.** The idea of making creative decisions based off of data and not only the eye-test is something creatives are not used to. Traditional creative processes often mean that the highest paid person has the loudest and most followed voice for campaign direction or execution decisions. However with agile creative, test results and data play an important role in decision making.

Placing importance on testing and data use is a big cultural change for a lot of creatives and requires buy in. At Shutterstock, we take this approach and there are times when our best performing creative include concepts that we didn't anticipate working well. This leads to adapting and iterating the design based on response data.

**Individuality of Audiences vs. One Size-Fits-All Creative.** A marketing trend over the past few years has been around micro-audiences or micro-segmentation—something largely talked about but not often implemented due to execution challenges.

A major part of the executional challenge comes from the process of creating messaging and creative relevant to multiple audiences and managing campaigns that can target these audiences. The agile approach embraces this idea and uses rapid iteration and testing components talked about earlier to create messaging and visuals against these audiences. When marketers can match highly relevant visuals to highly focused targeting the return on their efforts can improve significantly.

**Response to Change.** The reality of everyday marketing is that master marketing plans are made with the best of intentions but rarely precisely followed. Business priorities change throughout the year and, as a support department, creative needs to react to those changes vs. digging in and saying it's out of scope.

Lay down a framework for 365 evergreen programs to form the basis for plans, and layer the standard campaign planning on top.

The agile approach isn't just conjecture—it is a real model that truly can change the way different marketing functions operate and improve their efficiency and effectiveness.

—Paul Cowan, Vice President of Enterprise & SMB Marketing, Shutterstock



# Content Shouldn't Live and Die in Marketing, Says Hootsuite

## A case for internal systems that give all teams access



**Amber Naslund**

*Senior Director, Industry Leadership*

**Hootsuite**

Marketers create a lot of content that can be leveraged by other teams. However, internal content management is a facet of content marketing that is often overlooked. As a result, these assets rarely leave the marketing department. Amber Naslund, senior director of industry leadership at social media management software company Hootsuite, tells eMarketer's Jillian Ryan why it's so important for content to be available to all customer-facing teams.

**eMarketer:** Many business-to-business [B2B] companies create great content, but are they using that content to its full potential?

**Amber Naslund:** The team responsible for building content usually resides in the marketing organization. But getting that content to actually be leveraged in other areas of the business, where it needs to be used most, is a perpetual challenge. Content lives and dies in marketing, but it shouldn't.

A marketer's job is not just to create the demand, but to help support the entire sales cycle. At Hootsuite, we use content across all teams. We think about supporting our sales organization through content to actually close the marketing qualified leads [MQLs] that come down the pipeline. Otherwise, it's an incomplete strategy.

**eMarketer:** What's an example of how another team can benefit from having access to content?

**Amber Naslund:** B2B sales and customer success teams should be learning how to leverage content so they have the resources and assets to speak to their prospect or customer. For example, when they're having a conversation with a customer, they should be able to hear that

customer's problem and have a relevant piece of content to send over to them that speaks to that concern.

**eMarketer:** Why is it important for organizations to begin developing internal systems that give all teams real-time access to content, and where do they start?

**Amber Naslund:** Marketers spend a lot of time, money and energy producing top-notch content, but sometimes it doesn't get pushed into the market or used by the sales team. Sometimes assets get created and they only have a short shelf life: One is shared with a client and another is used as a deck for an industry event, but sometimes they go nowhere after that.

One way to stop that cycle and give content more life within an organization is leveraging technology to help them, whether it's centralized content management or a sales enablement platform.

**"How many times does an organization waste resources recreating an asset that already exists but isn't saved and labeled properly?"**

But technology does not create the behavior change that's necessary for it to be successful. You can roll out a platform, put all the assets there and tell people they're there. But unless they have a habit of looking for content in that system, there will still be disconnects and silos. Content won't be maximized across the company.

**eMarketer:** What's another incentive for companies to enact a system for internal content management and break down those silos?

**Amber Naslund:** How many times does an organization waste resources recreating an asset that already exists but isn't saved and labeled properly? The same piece of content has probably been reinvented countless times within multiple areas of a company. But rather than recreating the wheel because we don't know an asset exists, wouldn't it be easier to have all of the assets centralized so anyone can go into the system and check? That's another benefit.

# Content Marketing Is a Marathon, Not a Sprint

## Do it right and return will come



**Erin Stender**

*Vice President, Marketing*

**Classy**

Content marketing programs that focus on producing quality content and speaking directly to the target audience have the ingredients to succeed, but return doesn't come overnight. Erin Stender, vice president of marketing at online fundraising platform Classy, spoke with eMarketer's Jillian Ryan about how the company's content marketing strategy evolved over time—and when it started driving sales.

**eMarketer:** What is Classy's approach to content marketing?

**Erin Stender:** Online giving is still a small percentage of all nonprofit fundraising in the world today. Since we started in 2011, we've seen that the fastest way to get nonprofits to move to online giving is education. And the fastest way to educate is to put out great content.

From day one, that's been a core philosophy. We believe in content marketing's "long game." We've hired journalists from the very beginning to help us create great content, and now it's paying dividends in terms of traffic, referrals and leads. In the past year or so, we've been able to measure the impact of that content.

**eMarketer:** How has Classy's approach evolved since you started creating content?

**Erin Stender:** We continue to invest heavily in content because it's fundamental to how we build our business. For example, our content team makes up a fifth of our marketing team, and even as we've grown, we've kept that ratio.

The natural evolution of our blog—which is where we started—is to produce longer-form content. We've also focused on mapping out our customer journey based on the different types of desire at various stages. Then we make content that's relevant at each stage and helps move a potential customer down the sales funnel.

**"We've hired journalists from the very beginning to help us create great content, and now it's paying dividends in terms of traffic, referrals and leads."**

**eMarketer:** In addition to long-form content on your blog, what other types of content are important to capture your target audience?

**Erin Stender:** We publish content that taps into their appetite to learn, including on-demand learning through recorded or live webinars, as well as e-guides we release chapter by chapter on a weekly basis and deliver via email. Our new podcast series has also been valuable for us.

And no matter the format, case studies that show a customer success story work really well. We can track if a case study is used to help close a deal or is the tipping point to move into a sales call opportunity.

**eMarketer:** With a huge backlog of content, is repurposing existing assets a focus as well?

**Erin Stender:** We're up to about 1,500 blog posts, so now the game is balancing production of new content with our library of assets. We want to reuse content in a smart way, and part of that balance is thinking about our audience. We want to continue to be relevant to them and help them solve pain points in their organization.

A high-angle, vibrant photograph of a person sitting on a red-painted ship deck. The person, seen from behind, is wearing a white tank top, blue jeans, and a white sailor's cap. They are sitting on a white lounge chair with a colorful striped cushion. The deck is a bright red, and white railings run along the edge. The ship is moving through a deep blue ocean with white-capped waves. The scene is brightly lit, suggesting a sunny day.

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