iProspect

Future Focus

Delivering growth in the digital economy.

December 2016

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Intro

There are now more than 3.6 billion Internet users globally, equating to almost 50% of the world's population.

These users are always on, increasingly mobile, and most importantly, they're constantly connected. And this constant connectivity has in turn given rise to a whole new economy, a digital economy, where traditional business models and ways of working have been turned on their head, where digital-first brands are disrupting established categories and where consumers now have impossibly high expectations of products and brands.

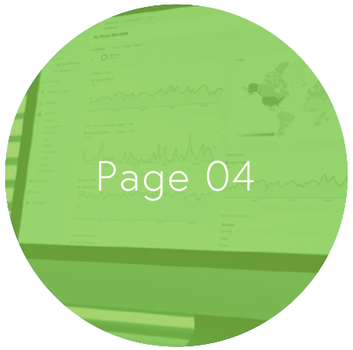
To deliver growth and profitability in this environment will require many brands to re-examine existing ways of working in a digital context. Research from MIT Sloan indicates that those who do invest in digital transformation are 26% more profitable than industry peers. But delivering digital transformation can be challenging. iProspect asked 120 global clients their views of the digital economy and the challenges they face, as they seek to grow and scale their businesses.

For 41% of those surveyed, the ability to gain a 360 degree view of the consumer is a key focus, as it is this joined up consumer view that will allow brands to truly deliver on personalised, relevant experiences across multiple devices. This will only become more important as the number and variety of devices grows. For 20% of marketers, meeting the experience needs of customers in the digital economy is critical, while for a further 19%, data remains a challenge.

Q: What are the key challenges you face in the digital economy in 2017?

In this document, we outline the core challenges facing brands, from utilising data to powering better decision making, to understanding how marketers can structure their organisations to deliver greater agility. As the pace of the digital economy accelerates, the brands that win will be those that embrace these challenges, adapting quickly and organising for future success.

Contents –



Principle One:

Data inspired decision making

Data will continue to be a critical area where brands need to excel.

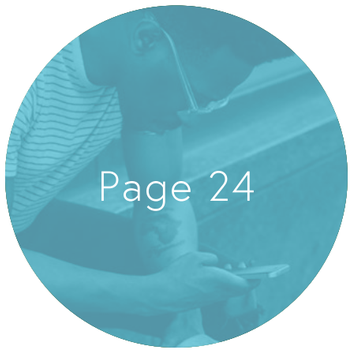
1

Principle Two:

Getting personal

Brands get better at getting personal.

2



Principle Three:

Expectation economy

Consumers today have extremely high expectations of brands.

3

2017 Future Focus

Principle Four:

Connected commerce

We're now firmly in the era of commerce, anytime and anywhere.

4

Principle Five:

Organisational agility

Success in the digital economy requires a re-evaluation of traditional ways of working.

5

Conclusion:

Delivering growth in the digital economy

6

Data inspired decision making

> **Data actionability will continue to be a critical area where brands need to excel.**

Future-gazers have emphasised the importance of data for a number of years and we expect 2017 to be no different.

With new technologies linking data sets more effectively than ever before, data is becoming a common currency across organisations.

"Not all data is created equal" is a tired mantra but one marketers forget at their peril. Data inspired decision making relies on more than data collection – the most successful brands will focus on those data sets that add value rather than volume.

Any brand dipping a toe into programmatic waters will understand the importance of data for effective targeting. If brands used data in 2016, 2017 will see them capitalising on the learning and groundwork in place, to deliver a holistic data strategy and real competitive advantage. Those that don't will be left behind.

Brands invest in data strategy

In 2017, brands will move from data collection to data strategy.

This means identifying quantifiable use cases, an unflinchingly honest assessment of the quality of data in the organisation, and investment in the tools and processes that surface and continuously improve data sets.

A best-in-class data strategy will recognise there is no single data source that can answer every question. Real value is delivered by finding the connections between these data sets. Brands will therefore increasingly invest time and effort in building their single customer view. Data and infrastructure will be owned by the brand, bringing together known and unknown signals to form a holistic view of the customer for the entire organisation from marketing to product to finance.

Case Study

Eurostar

Eurostar is building a best-in-class single customer view (SCV) infrastructure. Data points from website and app engagements, sales data, service records and On Board Entertainment interactions are combined to provide a 360° view of the customer. A Data Management Platform (DMP) harnesses this data to enable personalised targeting in media, and feeds offsite media interactions back into the SCV.
This is an excellent example of harnessing all the data connections available to deliver benefit for the entire organisation.

Combining online and offline data becomes more effective

While e-commerce continues to grow, offline sales still account for a significant portion of overall sales returns.

The industry has still not fully solved understanding and, more importantly, tracking the full consumer journey as consumers move seamlessly from online to offline and back again. With the proportion of shoppers purchasing from omni-channel brands increasing, the need to join up online and offline experiences has never been greater. We can expect to see brands making significant efforts in 2017 to more accurately join up the online and offline worlds, and to truly understand the impact of online on offline and vice versa.

Google has made a lot of progress in this area of measurement over the past 18 months. They claim to have measured over 1 billion store visits which can now be linked to Google Adwords to give a total estimated conversions figure and provide much needed insight into customer behaviours.

E-receipts and loyalty cards are also useful solutions to try to match online to offline. 2017 will bring greater progress in this area for marketers.

Case Study

Media World Italy

Electronics retailer Media World Italy aimed to increase footfall in-store, leveraging an "online to offline strategy." By synchronising the Media World data assets with iProspect's Data Lake, many detailed customer segments of online and offline shoppers were developed and specific strategies developed for each. Users in areas with a store within 50 kilometres were exposed to drive-to-store campaigns; users located further away were exposed to e-commerce campaigns. With an increase in online and offline revenue, and an increase in store visit rate, the campaign clearly demonstrated the benefits of using data to optimise media across both online and offline together.

Brands get creative in generating more 1st party data

Many brands assume they do not have much data without realising the wealth of 1st party data at their disposal, from CRM to website data and media campaign data.

This is the most valuable data available to any brand as it's the purest direct source of data available and unique to the brand. A key strategic objective for marketers, therefore, has to be to look at new ways in which they can increase the volume of 1st-party data for their brands and deliver better business as a result.

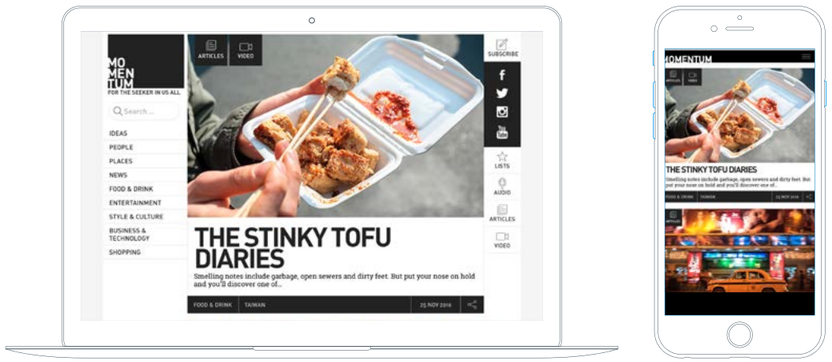
Increasingly, for many brands, targeted content provides the answer. Creating and tracking bespoke content that meets a specific consumer need allows brands a new way to directly capture data on potential consumer behaviours and to harness that data in future communications.

We can expect to see more brands in 2017 looking at content not just as a means of fulfilling a specific consumer need, but also a means of generating additional 1st-party data.

Case Study

Starwood Hotels

Starwood's website momentum.travel is designed to deliver unique content to travelers on topics from entertainment, to food and drink, and culture. Rather than pushing users towards a sales conversion, the site is designed to capture 1st-party data related to travel interests and destinations which can then be used in the future to create highly targeted communications.



3 key takeaways for brands

The focus points

1

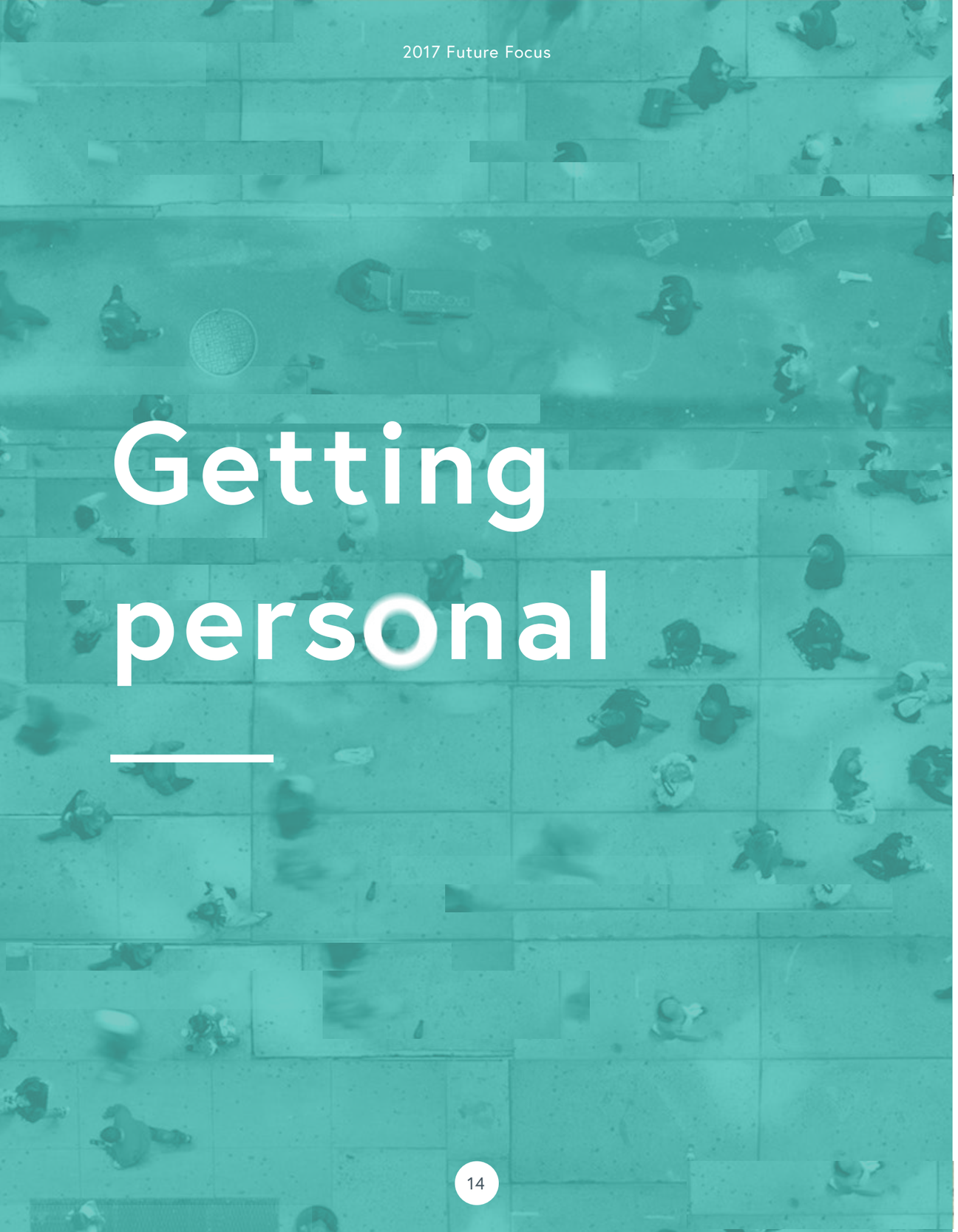
Get the hygiene factors right: it might not be exciting, but the quality of the processes, naming conventions and technology is the single biggest reason brands succeed or fail with data.

2

Data is not just for and from marketers: think beyond CRM and web analytics. The wealth of data in the business is most valuable when joined together.

3

Value not volume: Don't fall into the trap of thinking more is better. Only collect data that will serve a purpose, whether insight or activation.



Getting personal

“Brands get better at getting personal”

One of the key benefits of investing in data and a robust data strategy is the ability to get to know your customers at a granular level.

Getting to know your customers better in turn enables more targeted and valuable communications to be delivered to those customers, ultimately delivering business gain.

Yet personalisation is not without challenges. A recent iProspect survey on personalisation with 4500 respondents across 8 markets found that while consumers are broadly accepting of personalised messaging, there needs to be a clear value exchange. As data privacy comes more to the fore, we can expect consumers to place greater demands on brands to deliver not just personalised communication, but truly relevant communication that adds genuine value.

Brand strength will continue to be important in a personalised world, with 73% of consumers in the iProspect survey indicating they would be unlikely to respond to a personalised message from a brand they didn't know.

How personalised is personalised?

We now have almost unlimited amounts of data with which to deliver extremely granular segmentation, but understanding what level of granularity delivers best results and what level of granularity is even practical from a message point of view will become increasingly important.

While there has been much talk over the past 12 months of the goal of reaching the "segment of one," for many, moving towards this level of granularity will be either impractical or unprofitable. The key is to start small, limiting how niche you target, then testing, learning and expanding, creating ever more granular segments over time.

Using existing segmentation data, brands can then begin to plot which data sources can deliver greater consumer understanding.

In addition, brands who want to invest in greater levels of personalisation will need to understand how best to organise and budget for the increased investment in content that comes with a highly personalised strategy.

Case Study

Tchibo customer segmentation

German coffee manufacturer Tchibo segmented their potential coffee-drinking audience initially into 6 distinct types of drinkers and adopted a unique creative approach designed to appeal to each individual segment. Not only are messages specifically tailored to each audience, but so, too, are landing pages and offers.

From personalised targeting to personalised messaging

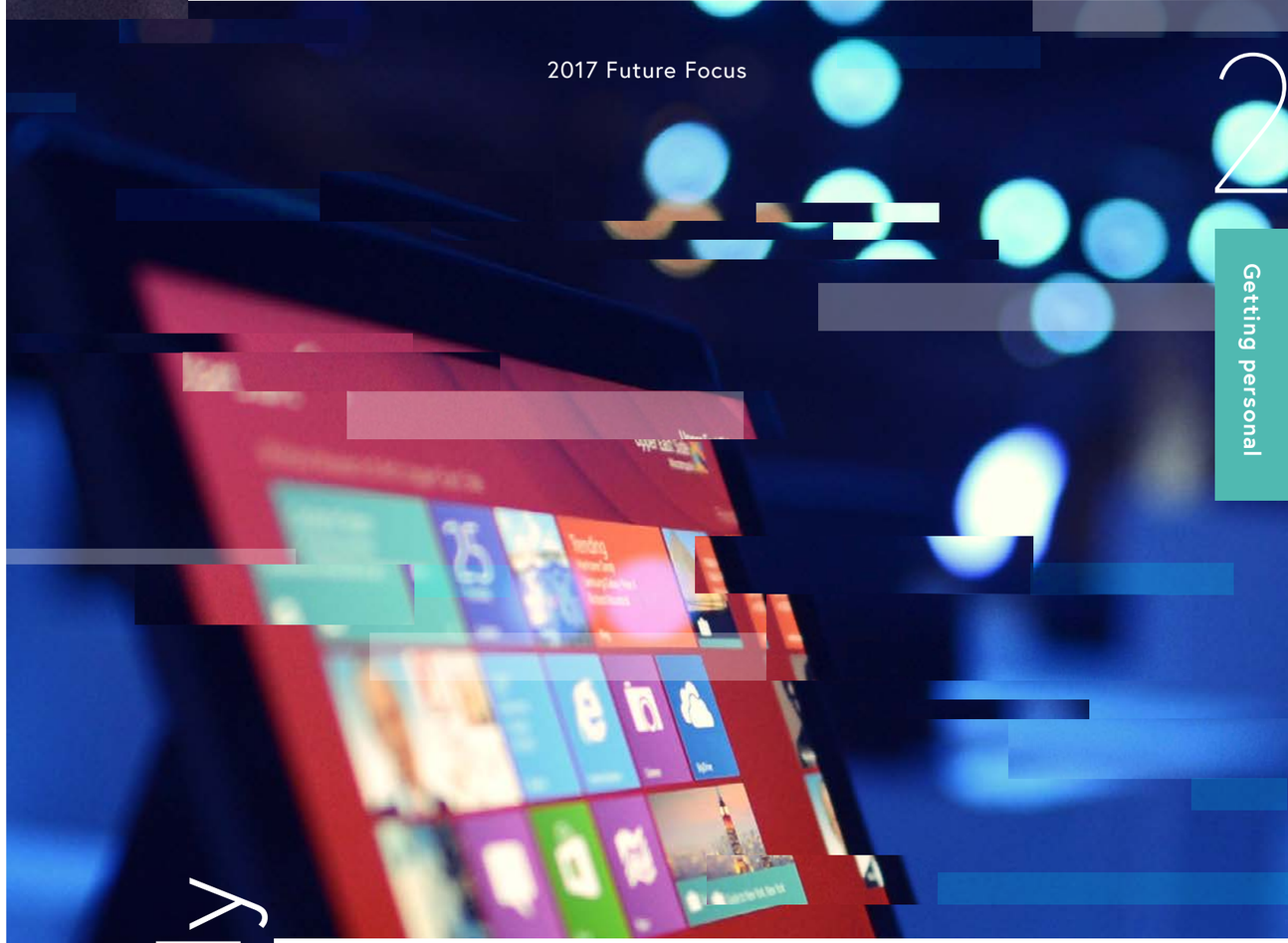
While much focus to date has been firmly on the ability to segment consumers in media, less focus has been placed on the actual message itself.

In 2017, we can expect to see greater focus on truly segmented creative messaging, with brands placing more emphasis on delivering genuinely unique communications to each audience segment. As a result, dynamic creative providers such as VE Interactive should become popular, given their ability to offer high quality, dynamic, creative solutions as part of an overall programmatic buy.

Of course, personalisation of the initial message is only the first step in developing a personalisation strategy.

The ultimate goal is to deliver the right message to the right consumer, right across their purchase journey. Today, while many brands have succeeded in delivering a first personalised message to the right consumer, subsequent communications, such as website landing pages, remain generic.

Successful brands in the digital economy offer personalisation at every stage, using data to understand the key triggers that indicate when a consumer is at a certain point of in the purchase journey and adapting communications accordingly, for example, using data triggers that indicate when a new consumer is just about to purchase or a current customer is about to churn.



Case Study

Microsoft targets small businesses

Microsoft

To target micro businesses more effectively for their Office 365 product, Microsoft used data to build a highly personalised strategy, segmenting customers according to customer types and buying scenarios. All messaging was highly personalised, with 44 unique pieces of creative and specific land pages for each segment. This level of personalisation across audience and message delivered a significant cost reduction in customer acquisition.

Personalised location targeting reaps rewards

The combination of understanding not only the consumer, but exactly the right moment to target that consumer with the right message, is, of course, the ultimate goal in personalisation.

Location-based targeting is making this a reality for many mobile brands in the retail space and consumers have an appetite for "in-the-moment" personalised messaging.

Consumers in the iProspect personalisation study cited real-time offers based on location as the third most useful type of personalised communication from brands after price promotions and more detailed product information. Beacon technology is now allowing retailers to deliver a variety of personalised "in-the-moment" solutions, from pushing specific personalised location-based offers to improving customer service by telling the store when a customer is nearby or about to enter the store. And beacons are also increasingly being used by retailers to help deliver a more personalised and engaging in-store experience to entice greater footfall.

But, it's not just retailers who are taking advantage of beacon technology to deliver more personalised experiences. Museums and art galleries are increasingly using beacons to deliver greater visitor engagement, while airports and stadia are using beacons to help deliver a more seamless customer experience.

In 2017, we can expect to see greater investment in beacons as a means of delivering the ultimate personalisation of right person, right moment and right message.

Case Study

Regent Street app

The Regent Street app brings together leading stores on Regent Street in London in a single app. Beacons in each participating store connect users who have downloaded the app to real-time personalised content, unique personalised offers, and daily deals. Users create their own profiles to receive these personalised offers, creating a genuine value exchange between brand and consumer.

3 key takeaways for brands

The focus points

1

Less is often more. When starting on a personalisation journey, start small and expand your segmentation as you go, based on results.

2

Look for the key data sources that can point to the right moments to deliver the right personalised message to consumers.

3

Remember that personalisation requires increased investment in creative and content. Start looking for cost-effective ways to deliver multiple creative messages and content.

Expectation economy

> “Consumers today have extremely high expectations of brands”

Today, it is firmly the consumer who defines what a brand stands for and not the brand itself.

And this change in behaviour has created a new form of competition, where brands no longer just compete within their category, but rather against all other brands, in a constant battle to provide the best of the best in product and service.

This, in turn, has created the expectation economy, where it has become almost impossible for brands to meet the high expectations of consumers. A case in point is Apple, whose product launches consistently deliver enhanced product upgrades, but disappoint consumers, who simply have higher expectations.

For brands this means that advertising is no longer only about delivering business growth, it's also about delivering happier, more satisfied customers. So, to deliver success in the expectation economy, brands will increasingly need to use their communications to build stronger relationships with consumers, create enhanced experiences that add value, and remove friction from every stage of the consumer journey.

Voice search allows brands to deliver more relevance to consumers

With more than 90% of all online journeys starting with search, it's one of the key channels where consumer expectations have increased significantly.

Consumers today expect search results to be delivered not only fast, but also with a higher degree of relevance than ever before. And while marketers have long focused on using search marketing tactics to deliver relevant answers to search queries, voice search heralds a new era in search relevancy.

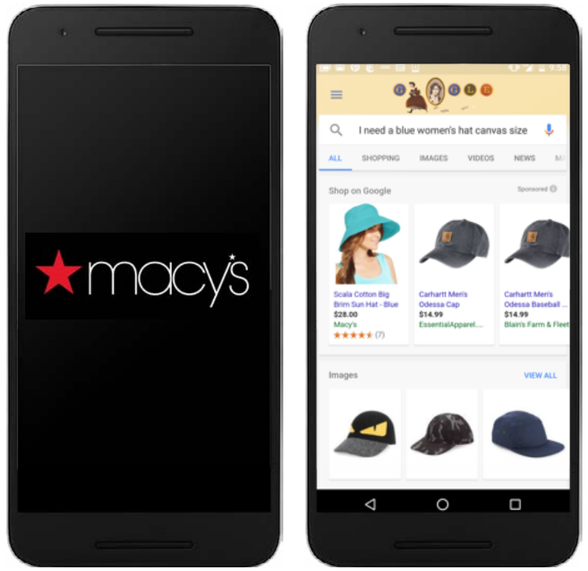
Voice search represents an opportunity for brands to clearly and instantly answer specific consumer intent, without the consumer having to link through to a webpage. This creates a powerful value exchange by saving time and removing barriers for consumers. And voice search currently has another fundamental advantage for brands. In a voice search scenario the results page is populated by a single brand, creating a valuable whitespace which, when used properly, creates an outsized communication advantage for a brand.

Voice search is accelerating fast. Earlier this year, Google announced that 20% of all searches now have voice intent. To capitalise on voice search in 2017, brands will need to start thinking less about "keywords" and "phrases" and more about natural language, as well as working on creating relevant content to match the most popular voice searches.

Case study

Macy's

Macy's have optimised for voice search, ensuring that the most relevant content is displayed to a consumer, based on very specific voice search queries.



Using Artificial Intelligence, messaging becomes truly responsive

In the expectation economy, what consumers value most highly is the ability to save time and energy.

The brands that will win in the future are those that invest in ways to remove the friction and barriers that prevent consumers from quickly and easily getting to the information or products they want.

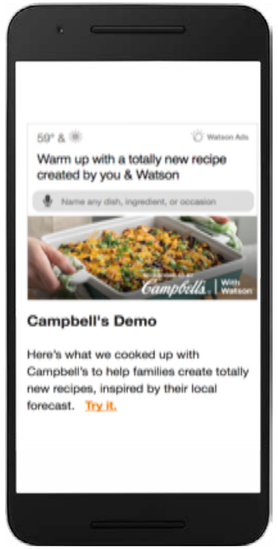
Therefore, we can expect to see brands looking increasingly for new ways to optimise communications using technology solutions to remove friction, cutting out unnecessary steps along the consumer journey, and bringing the point of engagement and transaction ever closer together.

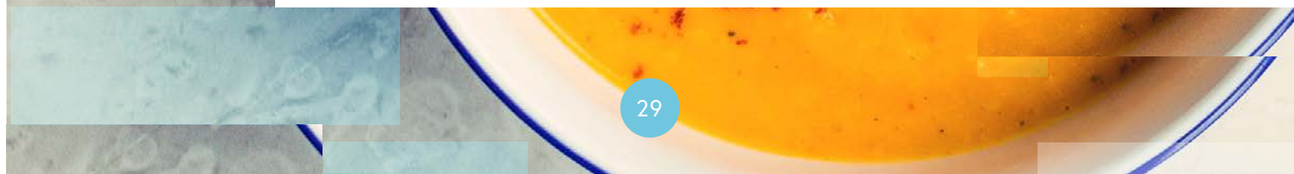
A number of brands are already looking to artificial intelligence (AI) solutions as a means of doing just that. Using AI, a simple online advert can be transformed into a real-time response engine, allowing consumers to interact with the advert to ask questions and receive instant answers and relevant content. In this way, brands can offer true one-to-one personalised communication with consumers, delivering on each consumer's individual need in real-time, without the need to ever visit the brand website.

Case Study

Campbell's soups

Campbell's soups have recently partnered with IBM's supercomputer, Watson, to deliver AI adverts that allow consumers to converse with the brand within the ad format itself. Consumers can ask for recipe suggestions via voice or text and Campbell's will respond (courtesy of Watson) with a recipe appropriate to the consumer request. In this way, the brand offers true value to the consumer, as communication is directly based on the consumer's declared need.





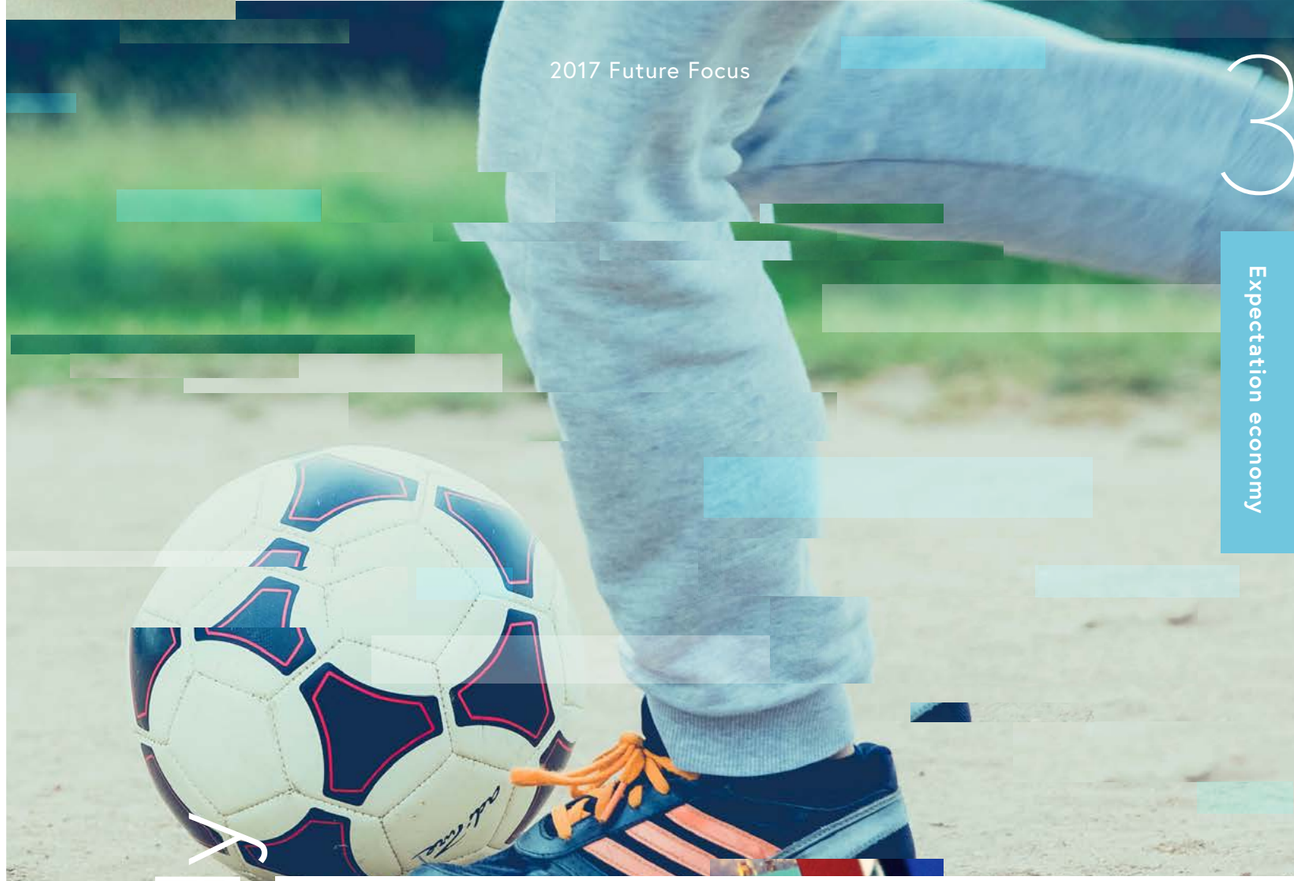
Creating better connections across media channels

In the expectation economy, consumers move seamlessly across devices, media touchpoints and social networks, and they expect brands to do the same.

Advertisers, therefore, will need to start thinking more about consumer experiences rather than campaigns, and overall experience rather than individual channel performance. This requires a clear understanding of consumers and the overall consumer journey, as well as the ability to connect data and channels to maximise experience and, ultimately, results.

In 2017, we can expect to see further advances in our ability to more easily connect consumers across media channels. Already, tools such as Customer Match allow brands to use their customer email lists to find and target existing customers with specific messages in search and social, or, indeed, to exclude those customers from specific messaging. Also, remarketing lists for search ads (RLSA) allow marketers to become even more targeted in search communications, using consumer segments based on website behaviour to deliver specific targeted search messages.

Of course, the ultimate goal is the ability to form a single ID that identifies every consumer, across every touchpoint and device, so that we can deliver truly connected experiences. But, cross-device understanding remains a challenge for marketers. With more than 70% of consumers in developed markets accessing the Internet with more than one device, we can expect to see greater focus on making cross-device tracking a reality for communications in 2017.



Case Study

adidas

adidas identified an important opportunity to apply a gender-based retargeting search strategy to their branded campaigns that would provide each customer with more relevant, useful content. After reviewing individual user interactions with gender-specific pages on adidas.com, they created male and female user lists in Google Analytics, created duplicates of the ad groups based on the term "adidas," and targeted each group to either the men's or women's remarketing lists. Finally, the team ensured that these adidas customers in the newly targeted ad groups received both gender-specific messaging in ad copy and land pages. This approach resulted in 103% improvement in conversion rate and more than 300% ROAS.

3 key takeaways for brands

The focus points

1

Start thinking about how you will need to change your keyword strategy for search to maximise voice.

2

Look to new technologies as a means of delivering greater efficiency and relevance in communications.

3

If you are not doing so already, start testing and utilising new tools that allow you to connect consumers across channels or devices to improve overall experiences and maximise business return.

Connected commerce

> We're now firmly in the era of commerce, anytime and anywhere

It seems almost unbelievable, but a recent eMarketer report suggests that by the end of 2016, 43% of the world's population will have made a purchase online.

And with revenues expected to reach $4 trillion in 2020, e-commerce will continue to become one of the fastest growing areas of digital business.

Consumer demands in the e-commerce space are also changing at a furious rate. And increasingly, commerce will become more mobile too. It's clear that marketers will need to consistently keep pace with these consumer demands and trends if they are to continue to take a slice of the future e-commerce pie.

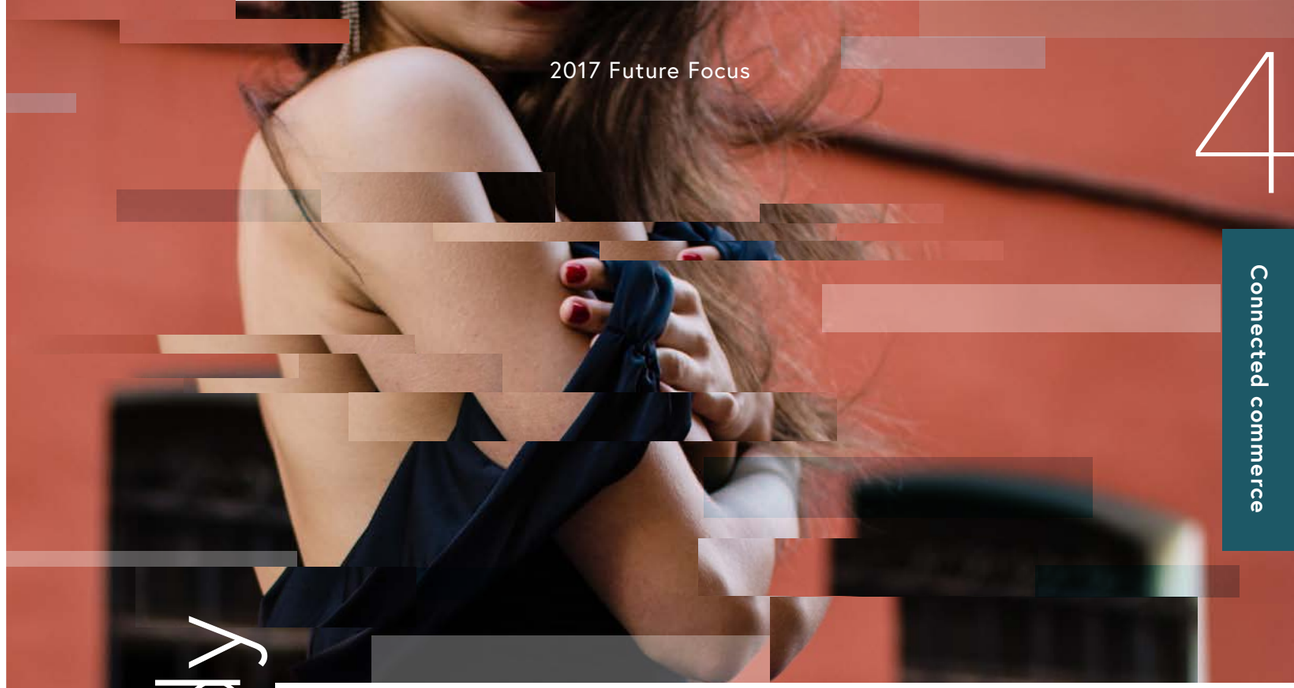
Here are some of the trends we can expect to see in e-commerce throughout 2017.

Brand and performance strategies come closer as more media becomes "shoppable"

Many marketers today may still think of their digital communications and budgets in terms of brand focused or performance focused.

With the point of engagement and the point of transaction coming ever closer together, advertisers will increasingly need to look at ways to tell brand stories using performance formats and vice versa. New media solutions are emerging to allow marketers to easily maximise commerce via more traditional brand formats. Image sharing site Pinterest launched their e-commerce initiative "buyable pins" in June 2016, allowing consumers to shop directly from an image. Instagram recently announced plans to make imagery on their platform e-commerce enabled via "shoppable tags". Video formats are becoming increasingly shoppable, too. Earlier this year, YouTube launched TrueView for Shopping ads, allowing merchants to feature products within their YouTube videos directly via a feed.

We can expect to see shoppable options become mainstream next year as Facebook, Pinterest, Google and more gear up further to cater to seamless transaction opportunity. To maximise success, brands will need to consider how to leverage both the points of inspiration and transaction in a matter of seconds, as well as understand how best to maximise transaction within external commerce environments.

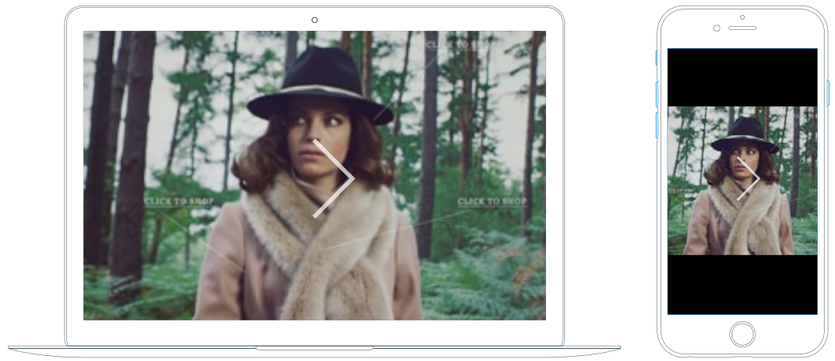


Case Study

Ted Baker

TED BAKER
LONDON

In 2015, fashion brand Ted Baker launched a shoppable video allowing users to click and instantly shop items. The video delivered a 30% sales uplift on featured products. Building on that success, in Q4 2016 the brand launched a new 3-minute video directed by Guy Ritchie featuring clothes from their Autumn/Winter collection.



As messaging grows, so too does conversational commerce

Messaging apps have seen huge growth over the past few years and now outpace social networks in terms of numbers of monthly active users.

Thus, messaging represents the next greatest area of innovation in commerce, and top Chinese messaging apps such as WeChat are showing the way. While in many markets separate apps exist for social networking, chat and commerce, WeChat offers everything through one app. The app now has 700 million active users who access it daily to conduct tasks such as ordering food or taxis, chatting with friends or purchasing fashion items. There are also now more than 10 million small businesses with accounts on the WeChat platform.

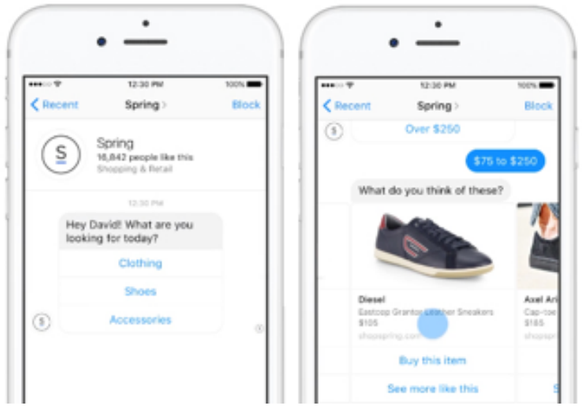
In the western world, Facebook is leading the charge to replicate the Chinese model and its Messenger app already allows for functionality to order an Uber or to complete a purchase via the app.

Expect Messenger functionality to become more sophisticated throughout 2017 with new and unique ways for advertisers to promote goods and interact with potential customers. Brands, in turn, will need to start to think about how they might partner with platforms such as Messenger or WeChat and what the user experience should look like within messaging app vs their existing app. In addition, brands will increasingly need to think about how both sales and service should best be combined within a messenging environment.

Case Study

Spring Shopping

Spring, a New York fashion house, was one of the first brands to get on board with conversational commerce on Facebook, launching a decision-making bot that helps you decide what clothes to buy and even purchase within the Messenger environment.



Borderless commerce opens up new markets and opportunities for brands

As the world becomes more interconnected and globalised, cross-border commerce presents a noticeable opportunity for brands to scale.

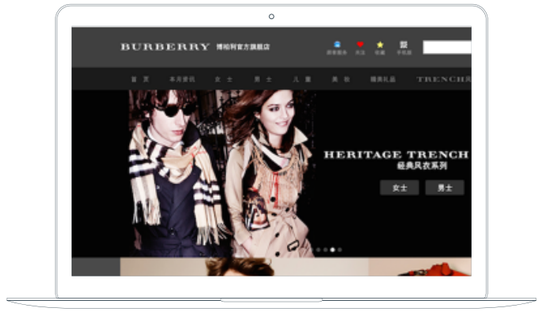
More and more customers are shopping abroad. In fact, a recent Nielsen study found that 57% of shoppers bought from an overseas retailer in the past 6 months. With opportunities come challenges as traditional e-commerce practices are not necessarily replicable in regions with fundamentally different purchase behaviours. India for example is currently the world's fastest growing e-commerce market, but only 1% of the population has a credit card meaning cash on delivery is the most popular payment means. Adapting to this behaviour allowed local e-commerce powerhouse FlipKart (now backed by Alibaba) to own the market with 400% growth in 2015. Only recently and after significant capital investment has Amazon clawed back market share by pivoting its approach to suit local user behaviour.

The Chinese market, which accounts for 47% of all global e-commerce, has a similar history. By understanding local nuances in UX, product authentication and delivery, Alibaba were able to push EBay out of China and create a market stronghold that has turned Alibaba into a global e-commerce force. The Alibaba shopping app is already a top-10 app across Europe and the US, with other Chinese shopping apps, such as Wish, also beginning to dominate outside of their home territory. To truly tap into cross-border e-commerce opportunities, brands must look to leverage not just the global juggernauts, but also newer e-commerce players that deliver scale in emerging markets and increasingly in more developed markets, too. This requires flexibility and agility in payment methods, pricing structures, and delivery.

Case Study

Burberry

Burberry was one of the first Luxury brands to launch a storefront on Chinese e-commerce marketplace TMall. This presence opened up a new revenue opportunity for Burberry globally, tapping into the lucrative affluent consumer market in China. The first year-on-year results have reaped rewards, delivering increases in both order value and revenue.



3 key takeaways for brands

The focus points

1

If you're not doing so already, think about brand and performance together, rather than two distinct parts of your marketing activity. Start testing where to integrate the point of purchase into branding activity.

2

Think about how you might apply conversational commerce for your brand. What can you automate that would help consumer decision making?

3

Look beyond traditional players to expand revenue opportunities across borders.

Organisational agility

> **Success in the digital economy requires a re-evaluation of traditional ways of working**

As a result of a constantly connected consumer, one of the key aspects of the digital economy is constant change.

And the speed of change is accelerating. Consumers now have the ability to capture and share information in a millisecond, to access instant entertainment at the click of a button, and to complete basic actions like booking a taxi or paying a bill via mobile in an instant. In this environment, a brand is only as good as its last product, service, or innovation. And the brands that can best answer the constant consumer demand for high quality products and service at speed are those most likely to succeed in the digital economy.

The success of an organisation will therefore increasingly be dependent upon its ability to manage change in an agile yet stable manner. And this ability to manage change is not just the preserve of technology companies and new digital startups. A recent Boston Consulting Group study found that companies termed "Digital Leaders", irrespective of business industry, are more prosperous and more attractive for both customers and employees.

But it can be hard for legacy businesses with traditional, long-standing structures and processes to deliver organisational agility. How do you do it, at what pace, and where do you start? The simplest route is to start by looking at how to reduce complexity within the organisation, simplifying structures and processes, empowering employees, and starting to create a test and learn environment focused on delivering agility.

Simplifying structures and processes

One of the first and most important steps on the road to organisational agility is a review of current structures and processes with the express aim of streamlining and simplifying both to allow for faster, more agile decision making and movement.

From a process point of view, many companies today have streamlined processes when it comes to their consumer-facing tools such as websites or apps. But in order to be a truly agile company, it's also necessary to innovate behind the scenes and simplify delivery processes or customer service. Many big companies such as Orange are now focused on drastically reducing the number of internal processes in order to become more dynamic and efficient in how they operate.

But it is a real challenge for big companies to reduce the number of internal processes, limit the number of steps of each process, and change the habits of large numbers of employees. One of the best ways to start reducing the number of processes is to empower employees to confidently make decisions, moving to a flatter structure, where decision making is not only made at the top. That will automatically eliminate non-relevant intermediary processes.

Many marketers are also increasingly looking at automation as a means of reducing overall process inefficiency, for example, investing in a single platform to manage all content across blogs, website, social media and newsletters. The key is being able to isolate those areas where processes can easily be streamlined or automated.

Case Study

Orange

In launching their Digital Leadership Inside program, Orange described a company as a "laboratory of the digital revolution". Their digital transformation project is designed around three key pillars, raising awareness of digital, training managers for the digital environment, and equipping them with relevant tools and solutions. More than 75,000 employees have completed a digital-specific training program and the initiative overall has won industry awards for its breadth and scale.

Creating culture and empowering people

Culture is today one of the key elements that defines a business or organisation.

Looking at companies such as low cost airline Ryanair, coffee chain Starbucks, or tech giant Google and the relative culture of each business, it is clear to see in how they speak publically, how their employees act, and how they interact with consumers. In the digital economy, it's no longer enough for businesses to have great products, they also need to invest in the cultural environment which allows those products to thrive.

For brands seeking to improve organisational agility, one of the first steps must be to start looking at company culture, creating a set of common values that guide all behaviours and that clearly define the spirit and goal of the organisation. This in turn creates a common understanding of business needs and creates collective responsibility for success.

Added to this, organisations must increasingly look for new ways to empower employees, streamline decision making and remove the decision making blocks that may arise from traditional hierarchical structures.

Case Study

Accor Hotels

ACCOR HOTELS
Feel Welcome

Noting that most successful digital businesses were led by young professionals, whereas his management team was primarily older, Sébastian Bazin, CEO of Accor Group, created a "Shadow Exec Committee". Made up of 13 young Accor professionals aged between 25-35 and with a minimum of 5 years experience, this committee provide new ideas and thinking to the top management team. In addition, Accor have a focused digital education program, designed to educate their 180,000 staff on digital change within their business.

Adopting a Test and Learn Approach

The concept of test and learn is generally credited to the agile development practices of the software industry, where the focus is on small experiments and constant testing, the results of which are then fed back into overall product development.

But the idea of testing quickly, failing fast and learning is increasingly critical for all organisations hoping to succeed and grow in the digital economy.

To get started on a test and learn approach, marketers should embrace a simple motto of "think big, start small and scale fast". For instance, if you are looking to deploy a Data Management Platform (DMP), you will need to "think big" in order to select the best-of-breed tool that will be able to deploy your most innovative and complex data use cases. Then you will need to "start small" by quickly collecting data from key digital assets (website and digital campaigns) in order to activate your first use cases during a pilot. Then once you have collected learnings from your first activations and corrected any mistakes or irregularities, you'll need to "scale fast" by collecting more complex data that will enable the massive deployment of innovative use cases and digital activations.

Of course, critical to the success of any test and learn approach is the ability to understand the key metrics that will define success and putting in place effective measurement tools and processes.

Case Study

Expedia

For travel giant Expedia, test and learn is simply part of everyday business. 50 different variants of the website are being tested at any given moment and the expectation is that at least 60% of all tests will fail. Everything is tested, from site features to technology to advertising messages. As a result, data is of critical importance to Expedia, directly informing future company direction.

3 key takeaways for brands

The focus points

1

Start to review the processes within your organization or department. Is there a way to reduce complexity or streamline communications?

2

Create a clear defined culture starting with a single defining goal that can motivate and unite employees.

3

Look at small ways to start implementing a test and learn environment. This might be as simple as testing multiple messaging options to conduct A/B tests on website functionality.

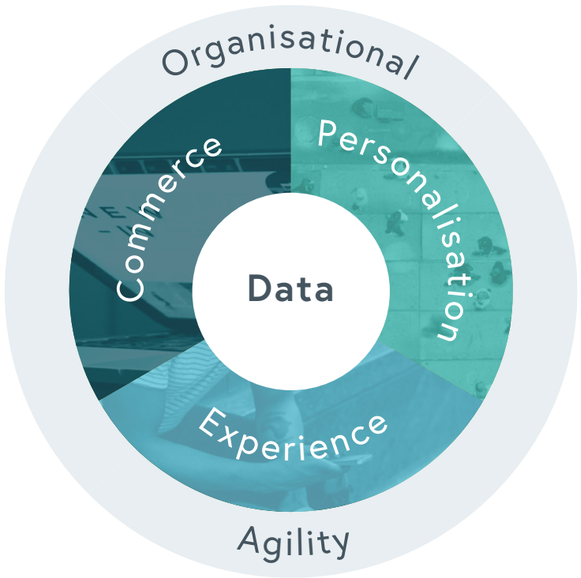
Conclusion

It's clear that there are a number of key challenges that face brands if they are to grow in the digital economy, but the upside is huge for those who get it right.

Placing data at the heart of decision making will be key to not just understanding consumers, but ensuring that all marketing is based on trackable outcomes. And that will allow brands to get much closer to consumers, delivering personal, relevant communications that ultimately add value and enhance the experience between brand and consumer.

Of course, marketers will need to work hard to craft experiences that truly add value to the customer, but this, in itself, has a direct commerce benefit facilitating faster, easier purchase.

Finally, the brands that will truly grow in the digital economy are those who are prepared for change, who have a strategy to generate greater agility in their organisation and a willingness to constantly innovate, perhaps fail, but always learn.



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