

salesforce marketing cloud

Digital marketing predictions 2016

RESEARCH REPORT

Table of Contents

Executive summary.....	3
Predictions for 2016.....	6
Data science and unlocking your customer information	8
Social media and your priorities for 2016	13
Why the Internet of Things should matter to your marketing team	16
Email marketing and creating the one-to-one customer journey.....	18
Mobilising your marketing in 2016.....	19
Conclusion: The new era of marketing	20

Executive summary

Technology presents today's marketers with new opportunities to influence people, grow their revenue and gain an edge over competitors.

We believe 2016 is a watershed for customer marketing strategy as we transition from traditional to digital. We also believe if you embrace change you too can be a market leader – keep your head in the sand and you're out of the running.

International Data Corp (IDC) research suggests many Australian businesses already agree. By the end of next year, two thirds of the top 1000 enterprises in the Asia-Pacific region will have digital transformation at the centre of their corporate strategies.¹ By 2018, the majority of organisations will completely refurbish their 'digital front doors' to support between 1000 and 10,000 times more customers and customer touchpoints than they do today.²

The opportunity for marketers is huge. We have prepared this report to help your business make sense of the biggest marketing trends from 2016.

We've collated all insights presented here from interviews (unless otherwise stated) with some of the leading marketing experts in Australia and New Zealand. We spoke to Stephen Scheeler, Managing Director at Facebook Australia and New Zealand; Jodie Sangster, CEO of the Association for Data-driven Marketing and Advertising (ADMA); David Fox, CEO of

Ogilvy Australia; Michael Barnes, Vice President and Research Director at Forrester Research; and our own Derek Laney, Head of Product Marketing, APAC at Salesforce.

One of the most striking observations these leaders shared was that consumers are ready to trust businesses with sensitive personal data – provided it is secure and used to deliver relevant, personalised experiences.

Meanwhile, opinion on the maturity of the Internet of Things (IoT) was divided. Some experts believe it is in its earliest stages but holds considerable potential. Others cautioned that the IoT is likely to spread quickly with far-reaching implications, and that planning for these outcomes needs to start immediately. All agreed it would be important for businesses.

The relevance and value of email remained steady, suggesting the platform remains central to many companies' plans, despite its legacy status.

We hope you find the perspectives and insights we've collected here helpful in shaping your marketing strategies for 2016 and beyond. If you have any questions, the Salesforce team in Australia and New Zealand looks forward to hearing from you.

Lee Hawksley
Senior Vice President and General Manager,
Salesforce Marketing Cloud, JAPAC

1. <https://www.idc.com/getdoc.jsp?containerId=prUS40553515>

2. <https://www.idc.com/getdoc.jsp?containerId=prUS40552015>

Contributors



Derek Laney
Head of Product Marketing,
APAC, Salesforce

Derek is a nine-year veteran at Salesforce and has worked in the technology industry for 18 years in product development, consulting, sales and marketing roles.

He is a keen advocate of digital transformation and speaks regularly on the topic, helping brands identify high-value strategies that accelerate their adoption of new and emerging digital technologies.



Jodie Sangster
CEO, Association for Data-driven
Marketing and Advertising (ADMA),
and the Institute for Analytics
Professionals of Australia (IAPA)

Jodie is the CEO of the Association for Data-driven Marketing and Advertising (ADMA), and the Institute for Analytics Professionals of Australia (IAPA).

She has 18 years' experience in the fields of global data-driven marketing and advertising developed in roles throughout the US, Europe and the Asia-Pacific.



Michael Barnes
Vice President,
Research Director, Forrester

Michael leads an Asia-Pacific team of analysts who help businesses collect, manage, analyse and apply customer data to win, serve and retain customers. His team supports business technology professionals who need to embrace digital disruption to deliver better business value.

Michael's areas of expertise range from big data, cloud computing and customer analytics to customer intelligence strategy, information management and trends in enterprise technology adoption.

Contributors



David Fox
CEO, Ogilvy Australia

David joined Ogilvy Australia in 1999, managing brands such as Nestlé, Lion Nathan, Hyundai and Unilever. He has since held a number of global leadership roles in the Ogilvy London office, including heading up Ogilvy's Global Trade Marketing for Ogilvy Action.

In 2014, David returned to Australia to take up the role of CEO for the Ogilvy Group in Australia. David is Australian and holds a Diploma in Advertising and Communications.



Stephen Scheeler
Managing Director, Australia
and New Zealand, Facebook

Stephen held senior strategy and innovation roles at Deloitte, Westfield, Lion and Subaru before leading Facebook's diverse efforts across Australia and New Zealand.

He applies his experiences as both an entrepreneur and a seasoned business strategist, focusing his teams on helping businesses harness the commercial and social benefits that Facebook creates.

Predictions for 2016

This is a critical year for businesses and government organisations at various stages on the journey towards using digital to market more effectively. Marketing is evolving from traditional campaigns to ongoing projects that use active listening to facilitate conversations and meet or exceed customer expectations. Australia's businesses are keen to capitalise on these trends.

The Salesforce Marketing Cloud and other marketing automation services work hand in hand with data science and intelligence tools to help marketing and business teams speak with customers more naturally.

Using these tools, marketers can process customer data more effectively and communicate with customers about what will happen next, rather than what has happened or is happening now. By translating what they learn into actionable insights, businesses have the opportunity to seize new marketing opportunities before less advanced rivals are even aware they exist.

Using data science as a means to better understand what customers want and need holds major benefits for businesses and government organisations. But, in return for access to their personal data, customers expect organisations to provide highly personalised and useful interactions.



So what is the vision of Salesforce and marketing leaders for 2016? Here are a handful of developments we expect to see this year:

- More business and government organisations will combine marketing automation tools, data science and business intelligence systems with customer data to deliver greater value across the customer life cycle.
- Forward-thinking organisations will actively dismantle information barriers between different departments, providing consistent data access to teams and a one-to-one journey with each customer.
- These organisations will boost their use of data-driven insights to develop brands and products that are more relevant to their customers.
- The next step will involve projects that encourage customers to share their information and preferences freely, so that brands can customise their marketing, products and services accordingly.
- Many organisations will shift from the expensive process of repeatedly reacquiring customers with each new campaign to a model that offers customers tailored and relevant messages for the duration of their relationship with the business.
- Social media, mobile, and video will play an even more crucial role in helping organisations win new customers and prospects – and forge long-term relationships with them.

By example, Facebook – the world’s most popular social media channel – is transitioning from a simple social platform to a highly-targeted, mass media platform with mobile and video services. In this new format, Facebook will give advertisers and marketers a valuable tool for reconnecting with known customers and reaching out to similar prospects.

- Organisations will tailor mobile application strategies to the customer and their needs, by adopting proven, user-driven design techniques.
- Business and government frontrunners will begin to prepare themselves for the opportunities of the IoT, for example gaining the ability to analyse consumer behaviour data in real-time to create new, more relevant products and services.
- Email will remain a valuable low-cost tool for marketers in Australia to manage one-on-one relationships with customers.

Marketers and organisations that own these trends will position themselves well to succeed in 2016 and beyond. To read more about the types of actions that could help you realise opportunities before your competitors, read on and take a look at the steps we’ve included in the conclusion of this report.

Derek Laney
Head of Product Marketing,
APAC, Salesforce

Data science and unlocking your customer information

Marketers will move beyond customer listening to build campaigns that predict and direct behaviour

Marketing will continue to develop very quickly in 2016, driven by consumers empowered with many forms of technology and digital media.

Over the last few years, marketers have responded to this empowerment by using social listening and digital tools to understand consumer behaviour and interest in real-time. But forward-thinking marketing departments today are trying to become better able to predict and direct customer preferences and actions.

This means creating a single view of each customer, planning how their relationship with the business could evolve over time and directing them down set paths based on their preferences and interests. Developing this sort of personalised relationship with customers means marketers can create customised opportunities that achieve better results.

The reality in 2016 is that many businesses and government organisations are yet to grasp the importance of providing customers with more personalised experiences. Michael Barnes, Vice President and Research Director at Forrester Research, believes this is risky for businesses, especially given customer expectations are rising at an alarming rate.



“There is no endpoint when you are seeking to improve customer experience,” Barnes says. “Most business folks intuitively understand that these changes are happening and their customers are increasingly empowered. The problem is that most decision-makers have not yet internalised what those changes mean for their organisations, value propositions and activities.”

Data science is valuable beyond marketing

Data science – which involves processing large amounts of information to uncover useful insights – is the catalyst for creating a one-to-one customer journey. As Barnes notes: “You can’t delight the customer if you don’t know anything about their needs and wants.”

Jodie Sangster, CEO of ADMA, agrees that access to customer data has moved from being a differentiator to ‘business as usual’ for organisations.

“You can’t afford to not be looking at your datasets and using them to inform your marketing decisions,” Sangster says. “In order to be valuable [and cut through the clutter], we need to understand our customers, know what makes them tick and how they like being communicated with.”

It’s not enough to only look at data produced by channels that are familiar to marketing. Sangster insists that marketers need to analyse data right across the business – from procurement to customer retention – to properly tailor a single journey and meaningful relationship with each customer.

“You can’t afford to not be looking at your datasets and using them to inform your marketing decisions.”

Jodie Sangster
CEO of ADMA



“It’s not just about being able to personalise and target,” Sangster says. “It’s literally from end to end that data should be used.”

Customers need personalisation and security in return for their information

There is an important trade-off for businesses that decide to use data science to move from ‘anonymous’ to ‘known’.

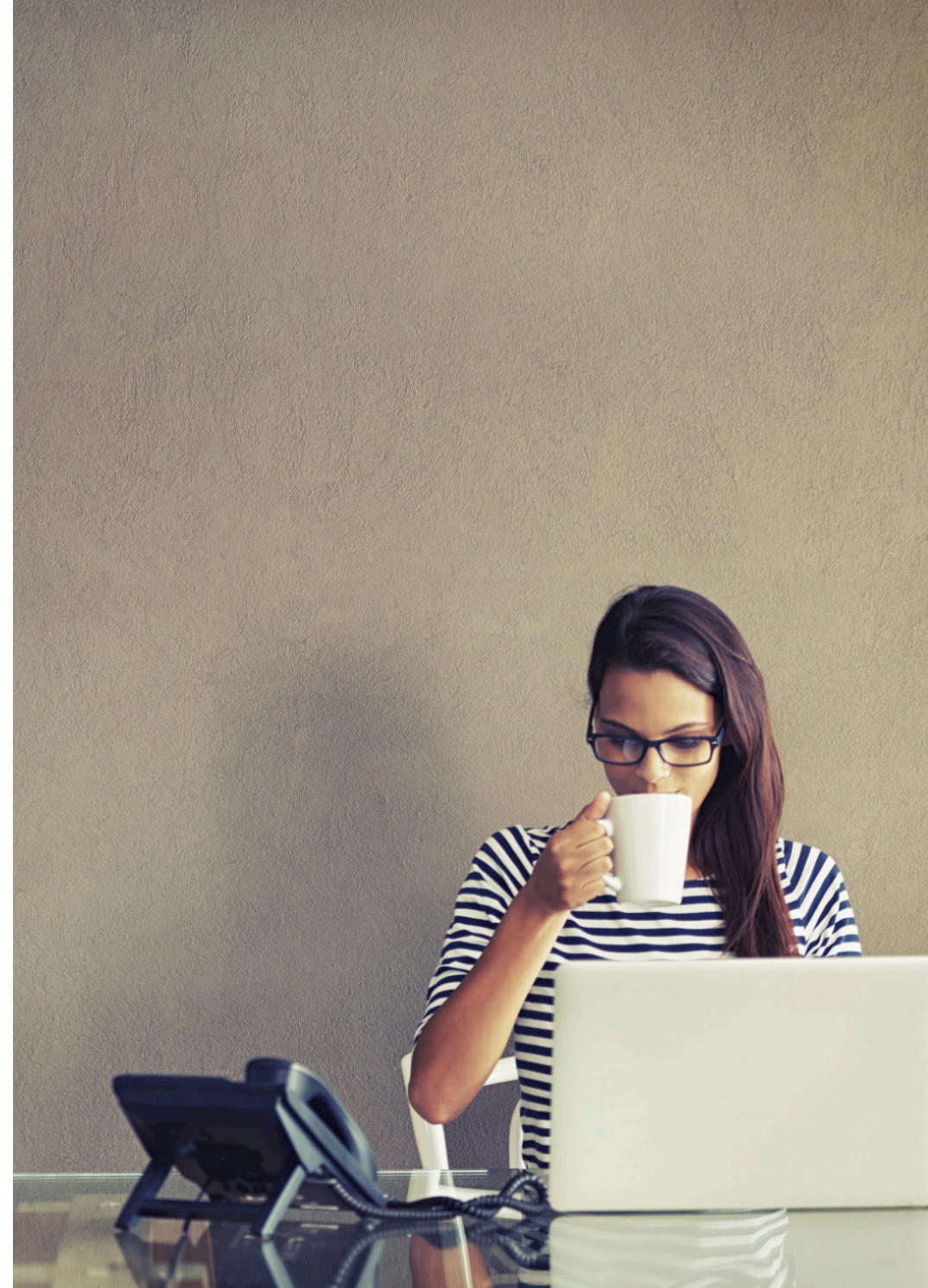
In return for handing over information about themselves when signing up for a newsletter or setting up an account on a social media or e-commerce website, customers are demanding two things of brands.

First, they expect a personalised experience that anticipates their needs and tailors offers and information based on their online behaviour. Second, they demand brands secure their personal data so that it’s not seen or used by anyone else.

Business ‘silos’ are a barrier to personalised marketing experiences

If a business is going to use its data to effectively meet customer expectations, it needs to review department structures and hierarchies so different teams can access the data they need and work together to deliver a one-to-one journey for customers.

Tools such as cloud-based customer service platforms can help organisations pull data from various sources into a single view. But the sheer volume of this collected data can make it complex for marketers to find the information they need.



The cloud also gives organisations access to new and cost-effective tools to help store, organise and process much larger datasets to find the grains of insight that will help them serve customers better.

Marketers are now able to divide customer data into four basic categories: age, location and similar profile data; declared preferences; behavioural data that illustrates what customers are doing; and transactional data. Applying these categories to enormous, business-wide datasets means businesses can personalise products and services and deliver content and offers that are customised for each prospect at every stage of the relationship.

The Internet of Things will add to this stream of rich data

In many industries, the customer experience is being enriched by fresh connections between a new generation of web-connected products and services.

For example, a Samsung refrigerator showcased at CES 2016 in January³ offers owners a screen to use as a television, display recipes or send alerts when items have run out and need to be replenished. In future, this type of appliance could integrate with cloud-based applications that combine similar data from around the house to help users write shopping lists as they run out of household goods.

More broadly, the IoT is delivering unique connected experiences that span the home, car, public spaces, retail locations and the industrial workplace. In the process, it has begun to generate huge volumes of customer data that marketers will soon be able to use and mine for trends.

3.<http://www.ibtimes.co.uk/ces-2016-samsung-showcase-internet-things-fridge-called-family-hub-1536010>

Trillions of data inputs

Data science used to be something only big businesses with large technology stacks and specialists could afford. In 2016, it is now widely available, with many businesses offering algorithms and associated technology for sale as a service.

The result is that businesses trying to create a single customer have access to tools that enable customers to identify themselves at outlets and customise products or services to meet their individual requirements.

The next generation of technologies could deal with trillions of data inputs from different touchpoints and deliver even deeper and more relevant insights for businesses to act on.

Forward-thinking trusted advisors

Forward-thinking businesses are now positioning themselves as trusted advisors to consumers, dedicated to adding value throughout the customer life cycle, rather than reacquiring customers several times. They do this using technology such as applications that enable customers to ‘trial’ products virtually and compare their trial experiences with other customers.

Marketers can then analyse the resulting information in real-time for insights that allow the business to provide personalised experiences and advertising back to the customer. Businesses can deliver these experiences through a vast range of channels, including email, text message and social media. Organisations also have the opportunity to add data collected by distribution partners and other stakeholders to provide a broader and more detailed view of customer behaviours.

Businesses will make data 'portable' to provide consistent experiences across channels

As part of creating a single customer view, businesses need to use data to provide a consistent customer experience across a range of channels.

In other words, the customer experience on email and social media should tie in with a business's website, contact centre and face-to-face channels. New tools and technologies are available to provide a single source of data across all these systems and deliver opportunities for businesses to adopt more consistent media buying strategies.



Social media and your priorities for 2016

The social media landscape is continually changing

Social media channels are reshaping themselves in 2016. Some social services are consolidating into single platforms, arming marketers with an opportunity to interact with consumers in a more diverse way across ecosystems.

Social media services are also beginning to provide a more personalised experience with newer formats, such as video, in a more receptive environment than traditional marketing media.

Keep the customer in mind on social media

Marketers need to start any social media project with the needs of the customer in mind. By understanding what the customer needs and outlining each step of the customer journey, a marketer can ensure their social media activity is more relevant and valuable to the end user.

'Owned communities' can deliver enormous value

Within this context, 'owned communities' can be of enormous value. They enable businesses to provide valuable content to highly engaged consumers and companies without paying for services such as mass email distribution.

According to Facebook's Managing Director for Australia and New Zealand, Stephen Scheeler, the concept of Facebook as social media is "melting away" to be replaced by Facebook as a truly targeted mass media platform.

"Since our initial public offering [IPO] a few years ago, we've built probably the most robust and fastest-growing mobile advertising platform in the world," Scheeler says. "And what's been added to that mix has been video."

Video and mobile are useful for reaching modern audiences

Scheeler points out that for businesses that want to reach customers, mobile is a crucial channel.

“We know that mobile has exploded in terms of usage and we know that it moves people,” he says. “It changes how they think about brands and the world around them.”

He also believes marketers and workers in related professions need to be conscious of the opportunities that video presents.

“Video is becoming the choice of advertisers in a [...] native environment such as Facebook.”

The social giant is now introducing immersive formats such as 360-degree video, while virtual reality through the Oculus Rift headset and other next-generation formats are on the horizon.

The final format that Facebook is pursuing is messaging. While mobile messaging has been around for a while, Facebook is developing its Messenger tool to drive advertising and business outcomes. Scheeler points out that the percentage of media budgets dedicated to advertising on the mobile channel is far less than the time consumers spend in that space.



Stephen Scheeler

“We know that mobile has exploded in terms of usage and we know that it moves people.”

Stephen Scheeler
Managing Director for Australia and New Zealand
Facebook

A human voice is essential

According to David Fox, CEO of Ogilvy Australia, businesses will need to humanise how they talk to consumers as opposed to maintaining a corporate voice.

“Some brands we see still shout at consumers rather than having a conversation with them,” Fox says. “We talk to our clients about becoming a more human brand on social and talking to them.”

Part of that process is working with clients to encourage their customers to create content about the brand or its products.

“It’s really a value-add or value-creation piece, not yelling about what the brand is about,” he says. “Getting people to create content about your product going forward [helps with selling and creating a positive view about that product].”

Fox is excited about the live video streaming and 360-degree video services provided by social media platforms in 2016, and his business plans to work with clients to exploit the capabilities of Snapchat in Australia. While community management will remain important, the focus of many companies will move to selling products through social channels.

“If you get the ‘humanisation’ right, you can build trust and sell via social, not just talk about cool stuff.”



“Some brands we see still shout at consumers rather than having a conversation with them.”

David Fox
CEO of Ogilvy Australi

Why the Internet of Things should matter to your marketing team

Connecting every ‘thing’ from refrigerators to cars

The IoT presents enormous opportunities for marketers in 2016 and beyond. Gartner estimates 6.4 billion connected things will be in use worldwide in 2016 and this will grow to reach 20.8 billion by 2020. In 2016, users will connect 5.5 million new things every day.

For consumers, the IoT involves connecting items ranging from home refrigerators to personal cars and smartphones through software, sensors and networks. Analysing this data in near-real-time will allow businesses to deeply understand and respond to customer behaviours.

We are not even ‘one per cent’ into what the IoT will become

Jodie Sangster, CEO of ADMA, sees it as “very early days” for the IoT.

“We’re starting to see the connected world. As consumers, we’re starting to see that we’ve got something around our wrists that measures how many steps we take and how we sleep, but I don’t think we’re even one per cent of the way through what this is going to turn into.”

4. <http://www.gartner.com/newsroom/id/2970017>

However, Sangster also acknowledges customers and brands are excited about the possible effect the IoT could have on people’s lives.

Automotive industry embracing connectivity

While the IoT is at a relatively early stage, some industries are already embracing its possibilities. Many cars now come equipped with a computer that offers drivers access to many different components and data feeds from a single screen. Automotive manufacturers are treating connectedness and digital services as a competitive differentiator. Gartner estimates that by 2020, more than 250 million cars will be connected globally⁴ and consumer spending on in-car connectivity will double.

Other industries that have already experienced technology-driven transformation – such as financial services and retail – are likely to find considerable value in the IoT. For example, retailers will be able to track product sales in greater detail and adapt their inventory accordingly.

As we mentioned in the data science section, the benefits will not flow one way. Consumers working with IoT-enabled businesses will expect to receive the same personalised service as is typically delivered over online channels.

IoT data combined with other information

For marketers, the key opportunity is to capture data about what a consumer is doing at home, in a car, in the workplace or in other locations. They will need to combine this data with information received from the consumer's use of mobile applications, the web or other channels to deliver a more customised experience.

Where relevant, organisations can use this data to inform strategies that build longer-term relationships with customers and minimise the need to repeatedly reacquire the customer with each new marketing campaign.

Partnerships critical to customer retention

To make the most of what the IoT will offer, marketers need ways of capturing and analysing large volumes of data. For businesses that don't own all the devices involved or data being captured, this may involve building new partnerships with other businesses.



Email marketing and the one-to-one customer journey

Email marketers can become leaders

Email marketers face extensive opportunities in 2016. These involve successfully achieving best practice and using their already deep understanding of customer relationships to develop multi-channel experiences and programs.

Email still a dominant low-cost tool for one-on-one customer relationships

Email is perceived as a bit old-fashioned, yet it remains the leading low-cost channel that marketers use to manage one-on-one relationships with consumers. Email is also still the channel most likely to generate an order, transaction or click-through.

“Two years ago was the first time we saw email drop only slightly as the top channel,” says Jodie Sangster, CEO of ADMA. “However, it is still absolutely front and centre.

“It is powerful for a couple of reasons. First, it is a cheap form of communication and you know you are going to hit a large number of people very quickly. And second, it does work provided you do it correctly – including a sense check before you send it out.”

Like any marketing discipline, success in email requires marketers to constantly refine their strategy. Email marketers should seek out peers within their industry and review freely available content that looks at leading-edge practices, such as Uber’s use of email in marketing campaigns.

“Two years ago was the first time we saw email drop only slightly as the top channel.”

Jodie Sangster
CEO of ADMA

Mobilising your marketing in 2016

Mobile applications present a powerful opportunity

Mobile applications present marketers with a valuable way to address customers one-on-one in a highly engaging medium.

However, the process of creating and managing an application is involved and ongoing, and marketers should not invest in mobile in a half-hearted manner. They'll want to obtain as many 'opt-ins' for location awareness as possible, secure as many downloads as they can and develop and execute a plan for adding new features and functionality to communicate more effectively with the customer.

"Mobility is not about devices, it's not even about applications, it's about understanding how that constant connectivity impacts customers' behaviour and expectations," says Michael Barnes, Vice President and Research Director at Forrester Research.

Barnes believes that this "constant connectivity" means customers are expecting products and services to be delivered in their moment of need and that it's up to businesses to be able to predict when these moments will occur in their customers' life cycle.

"It's up to organisations to understand what customers' mobile moments are and to understand how the customer interacts or what their activities might be at various phases of their day and how that particular brand might be able to identify where within that life cycle they can add value," he adds.

Mobile is a valuable source of customer data

Mobile presents businesses with a constant stream of valuable context-related data on customers' preferences and behaviours while they're travelling. Any business intent on using mobile for marketing should take the opportunity to capture this information, combine and analyse it with other data sources, and then use the resulting insights to further tailor the customer's ongoing relationship with the business.

Focus on customers

Those businesses that are most successful with mobile applications in the near future will likely start by asking two questions: how can we use mobile to improve our relationship with customers, and how can we best solve key customer pain points through mobile and applications?

The answers to these questions will help businesses refine their development processes so applications focus clearly on the customers' needs and expectations of a mobile-enabled brand.

Determine the best option for your business

Mobile applications may be appealing, but they are not the ideal option for all businesses. A business may find the idea of location-specific data useful but have nothing valuable to offer customers in mobile. For marketers that elect to go down a different path, social media platforms and rich media such as video offer similar opportunities to foster close, ongoing relationships with customers.

Conclusion:

The new era of marketing

The implications of these trends for marketers in business and government organisations in 2016 and beyond are enormous. Here are some key actions we recommend marketers take away from this report and into the year ahead:

Become a data advocate – Marketers need to recognise that they have a pivotal role in creating their employers' data-driven customer strategies. This includes becoming an advocate for combining and analysing data, and acting on what they learn. Marketers also need to promote the idea of data being available to everyone, from senior leaders to the back-office team, so that the entire business is on the same page.

Stay open to new channels – Marketers need to stay up to date with each new channel and technology that could help them create or improve a customer relationship. Constantly fine-tuning how the business uses these channels will help marketers use them effectively.

Choose your tools carefully – Choosing the right marketing automation, data science and business intelligence technologies is critical to a successful digital marketing plan. Marketers should collaborate closely with technology leaders to develop selection criteria and testing guidelines to find the right tools and technologies for their business or organisation.

Gauge your readiness for the IoT – The IoT could offer many businesses valuable data about customer behaviour and open up new business opportunities. Marketers are in a strong position to help their business gain an edge over the competition by keeping track of IoT developments, identifying genuine opportunities and forging partnerships with relevant businesses in this field.

Place the customer at the heart of everything – Offering customers value should be the starting point for any digital marketing strategy. Building campaigns around customer needs, expectations or challenges will help set the direction for marketing investments and minimise the risk of projects being hijacked by internal agendas.

We're confident that recognising and applying these lessons will help marketers position their departments and organisations for success in the coming years. However, the trends our expert panel has outlined in this report are complex and demand constant consideration.

Once again, if you have any questions or perspectives you would like to share, the Salesforce team in Australia and New Zealand would love to hear from you.

Derek Laney
Head of Product Marketing,
APAC, Salesforce



THE CUSTOMER SUCCESS PLATFORM
SALES SERVICE MARKETING COMMUNITY ANALYTICS APPS IoT



Blog



Facebook



Twitter



LinkedIn