iProspect

2017

Future Focus

Delivering growth in the Digital Economy.

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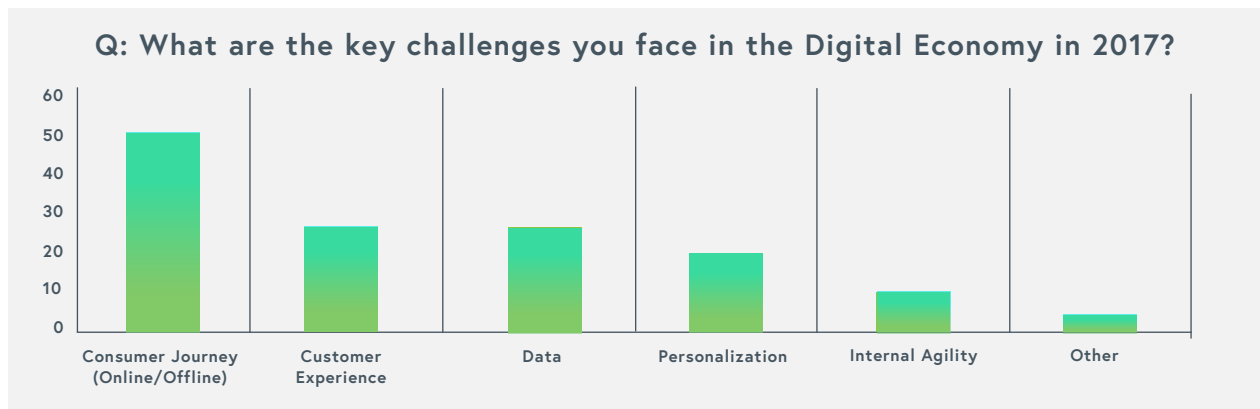
There are now more than 3.6 billion Internet users globally, equating to almost 50% of the world's population.

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.

Delivering growth and profitability in this environment will require many brands to re-examine existing ways of working in a digital context. Res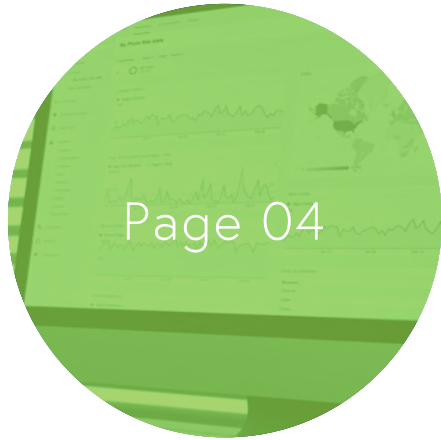earch from MIT Sloan School of Management indicates that those who do invest in digital transformation are 26% more profitable than industry peers. But delivering digital transformation can be challenging. iProspect asked 120 global clients their views of the Digital Economy and the challenges they face, 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 personalized, 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 another 19% think data remains a challenge.

Q: What are the key challenges you face in the Digital Economy in 2017?

Category	Value
Consumer Journey (Online/Offline)	~51
Customer Experience	~26
Data	~26
Personalization	~20
Internal Agility	~9
Other	~3

In this document, we outline the core challenges facing brands, from utilizing data to power better decision making, to understanding how marketers can structure their organizations to deliver greater agility. As the pace of the Digital Economy accelerates, the brands that win will be those that embrace these challenges, adapt quickly and organize for future success.

Contents –

Data-inspired decision making

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1

Data-inspired decision making

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

Future-gazers have emphasized 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 organizations.

While "not all data is created equal" is becoming a tired mantra, it is 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 capitalizing 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 organization, and investment in the tools and processes that surface and continuously improve data sets.

A best-in-class data strategy will recognize 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 organization from marketing to product to finance.

1

Case Study

Eurostar

The high speed railway service 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 personalized 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 organization.

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 does not fully understand the full consumer journey, or the importance of tracking it, while 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 online and offline experiences has never been greater. We can expect to see brands making significant efforts in 2017 to more accurately combine online and offline and to understand the impact each has on one another.

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 behaviors.

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.

1

Case Study

Media World Italy

Media World

Electronics retailer Media World Italy aimed to increase food traffic in-store, leveraging an "online to offline strategy." By synchronizing 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 optimize media across both online and offline together.

Brands get creative in generating more first party data.

Many brands assume they do not have much data without realizing the wealth of first 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 first party data for their brands and deliver better business as a result.

Increasingly, for many brands, targeted content provides the answer. Creating and tracking custom content that meets a specific consumer need allows brands a new way to directly capture data on potential consumer behaviors 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 first party data.

Case Study

Starwood Hotels

starwood
Hotels and
Resorts

Starwood's website *momentum.travel* is designed to deliver unique content to travelers on topics such as entertainment, food and drink, and culture. Rather than pushing users toward a sales conversion, the site is designed to capture first 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

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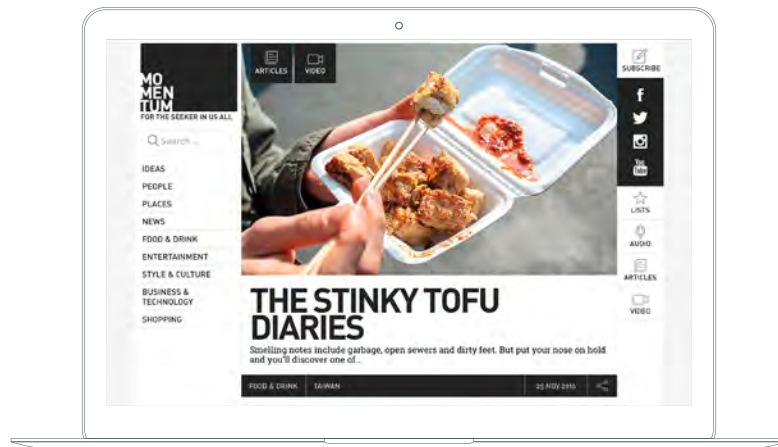
The focus points

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.

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.

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.

Data-inspired decision making

Getting personal

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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 personalization is not without challenges. A recent iProspect survey on personalization with 4500 respondents across 8 markets found that while consumers are broadly accepting of

personalized messaging, there needs to be a clear value exchange. As data privacy continues to move to the forefront, we can expect consumers to place greater demands on brands to deliver not just personalized communication, but truly relevant communication that adds genuine value.

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

How personalized is personalized?

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 toward this level of granularity will be either impractical or unprofitable. The key is to start small, limiting how niche you target, followed by 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 personalization will need to understand how best to organize and budget for the increased investment in content that comes with a highly personalized strategy.

Case Study

Tchibo customer segmentation

Tchibo

German coffee manufacturer Tchibo has segmented their potential coffee-drinking audience initially into six 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; the landing pages and offers are too.

From personalized targeting to personalized 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, personalization of the initial message is only the first step in developing a personalization 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 personalized message to the right consumer, subsequent communications, such as website landing pages, remain generic.

Successful brands in the Digital Economy offer personalization at every stage, using data to understand the key triggers that indicate when a consumer is at a certain point 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 go elsewhere.

2

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 personalized strategy, segmenting customers according to customer types and buying scenarios. All messaging was highly personalized, with 44 unique pieces of creative and specific land pages for each segment. This level of personalization across audience and message delivered a significant cost reduction in customer acquisition.

Personalized 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 personalization.

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" personalized messaging.

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

But, it's not just retailers who are taking advantage of beacon technology to deliver more personalized experiences. Museums and art galleries are increasingly using beacons to deliver greater visitor engagement, while airports and stadiums 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 personalization of right person, right moment and right message.

Case Study

Regent Street app

REGENT STREET

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

3 key takeaways for brands

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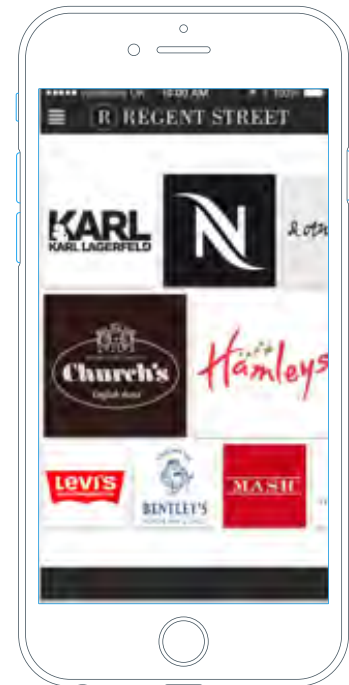
The focus points -ːֹ-

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

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

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

Expectation economy
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3

> # Consumers today have extremely high expectations of brands.

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

This change in behavior 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. One example is Apple, whose product launches consistently deliver enhanced product upgrades, but may disappoint consumers, who simply have higher expectations.

For brands, 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. It 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 capitalize on this 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.

3

Case Study

Macy's

★macy's

Large department store retailer, Macy's, has optimized for voice search, ensuring that the most relevant content is displayed to a consumer, based on very specific voice search queries.
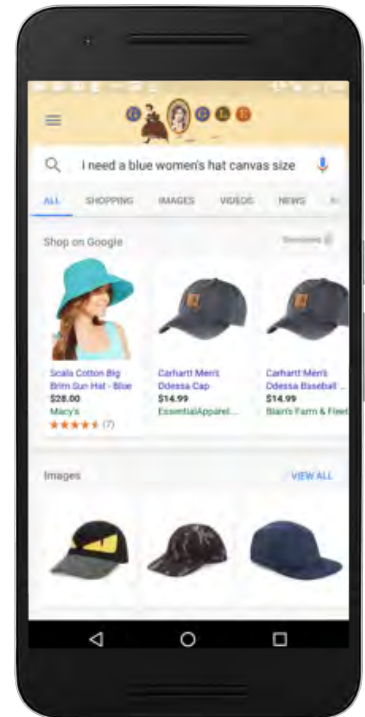
Using Artificial Intelligence, messaging becomes truly responsive.

In the expectation economy, consumers value 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 for new ways to optimize communications using technology solutions to remove friction, cutting out unnecessary steps along the consumer journey, and bringing the point of engagement and transaction even closer together.

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

3

Case Study

Campbell's Soups

Campbell's Soups have recently partnered with IBM's supercomputer, Watson, to deliver AI advertisements 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.
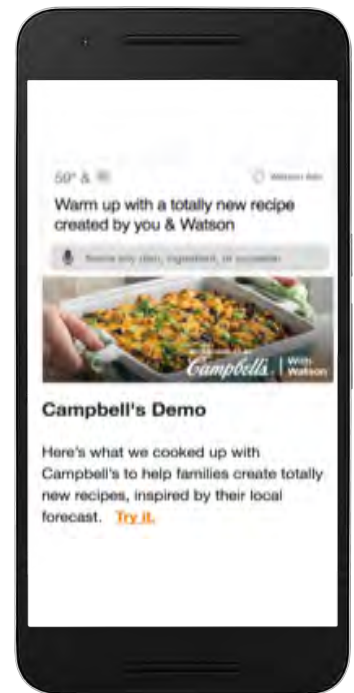
Creating better connections across media channels.

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

Advertisers 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 maximize experience and, ultimately, results.

In 2017, we can expect to see further advances in our ability to more easily connect consumers across media channels. Tools such as Customer Match already allow brands to use their customer email lists to find and target existing customers with specific messages in search and social (or exclude 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 behavior 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.

3

Case Study

adidas

adidas

Global retailer 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

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Expectation economy

The focus points

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

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

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

Connected commerce

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

I t 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.

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.

We're expecting to see trends emerge 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 emerging media solutions allow marketers to easily maximize 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 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 maximize 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 maximize transaction within external commerce environments.

4

Case Study

Ted Baker

TED BAKER
LONDON

Recently, luxury retailer 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, the brand launched a new three minute video directed by Guy Ritchie featuring clothes from their Autumn/Winter collection in Q4 2016.
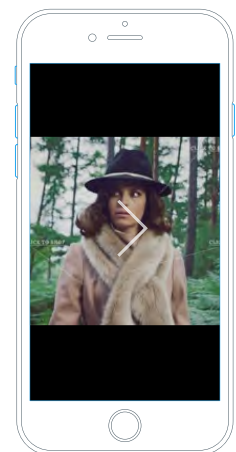
As messaging grows, so too does conversational commerce.

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

Messaging represents the next greatest area of innovation in commerce, and top Chinese messaging apps such as WeChat are showing the way. While many markets have separate apps for social networking, chat and commerce, WeChat offers everything through one platform. 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 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.

4

Case Study
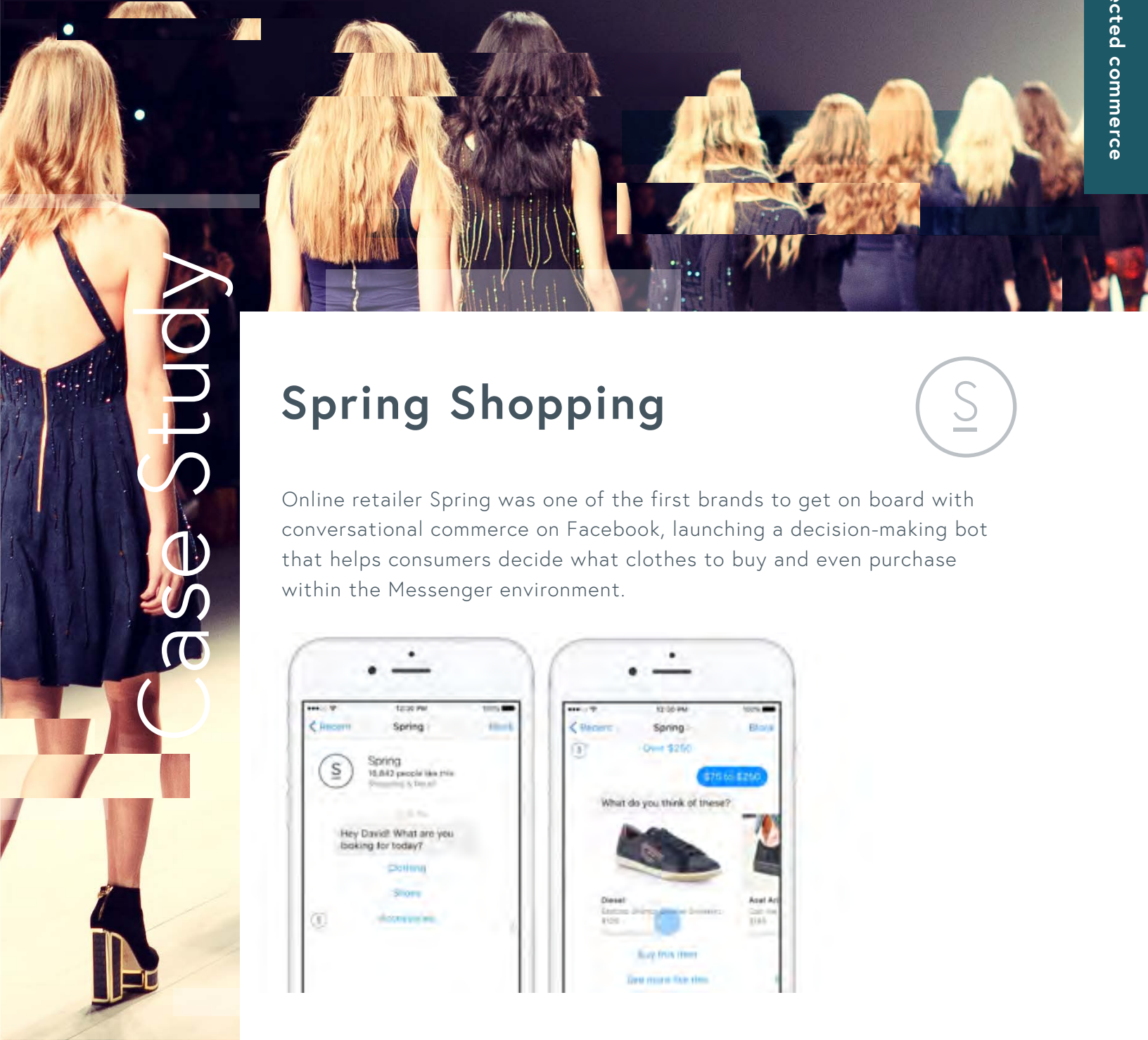
Spring Shopping

Online retailer Spring was one of the first brands to get on board with conversational commerce on Facebook, launching a decision-making bot that helps consumers 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 globalized, 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 six months. With opportunities come challenges as traditional e-commerce practices are not necessarily replicable in regions with fundamentally different purchase behaviors. For example, India 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 behavior 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 behavior.

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 was able to push eBay out of China and create a market stronghold that has turned Alibaba into a global e-commerce force. The Alibaba 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.

4

Case Study

Burberry

Luxury retailer Burberry was one of the first luxe 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-over-year results have reaped rewards, delivering increases in both order value and revenue.
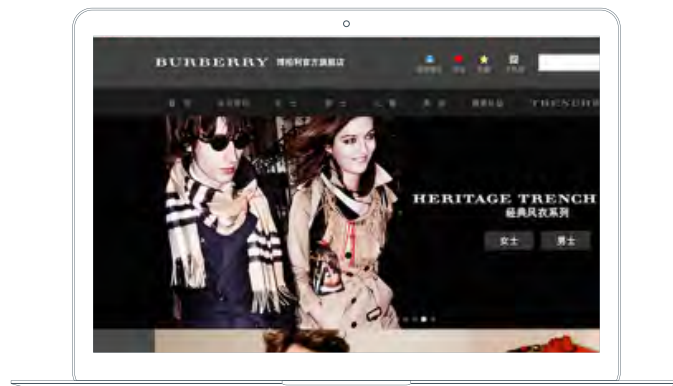
3 key takeaways for brands

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The focus points ⌐·⌐

1

Make sure you're thinking 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

Consider 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.

Organizational agility

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5

"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 organization 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 organizational 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 organization, 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 organizational 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 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.

5

Case Study
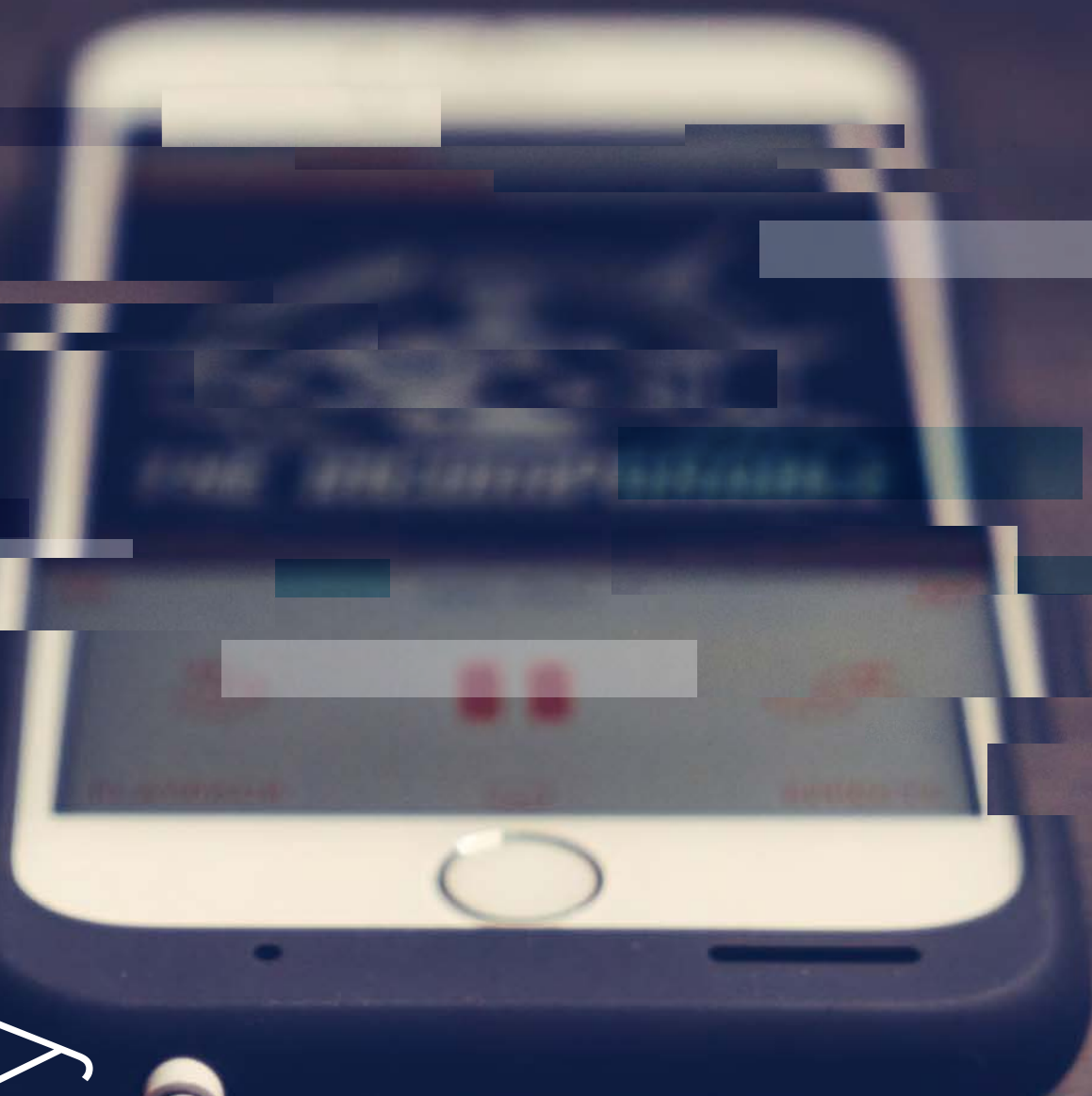
Orange

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 organization.

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

Added to this, organizations 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.

5

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 provides new ideas and thinking to the top management team. In addition, Accor has 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 organizations 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-in-class 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. 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
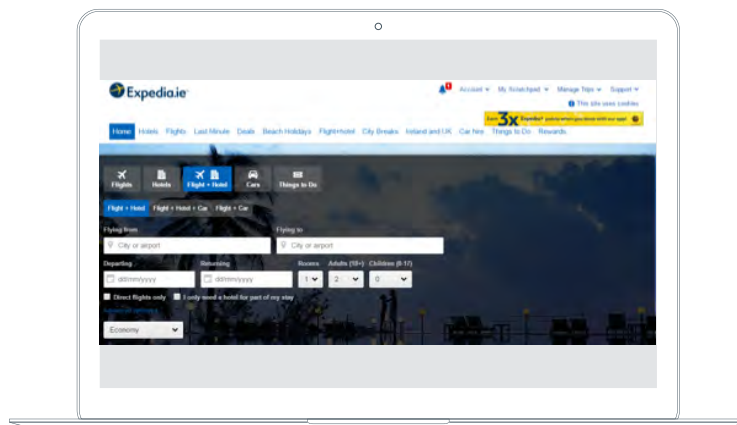
For travel giant Expedia, test and learn is simply part of everyday business. 50 different variants of the website are being tested at any given moment and the expectation is that at least 60% of all tests will fail. Everything is tested, from site features to technology to advertising messages. As a result, data is of critical importance to Expedia, directly informing future company direction.

3 key takeaways for brands

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5

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 organization and a willingness to constantly innovate, perhaps fail, but always learn.
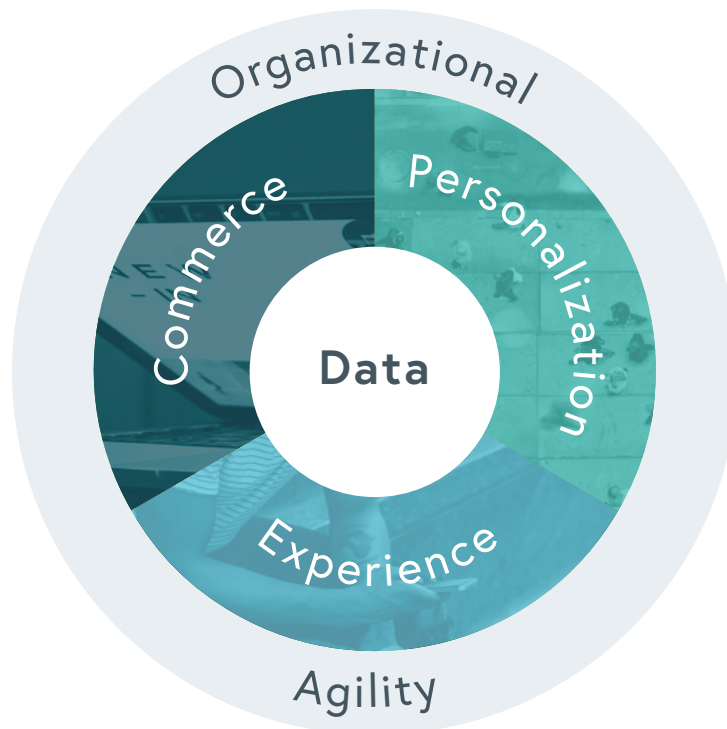
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