

Chief Marketing & Sales Officer Forum

Get in touch with customer touch points

Customers are demanding very different kinds of relationships with companies. Here are some ways to jump-start customer engagement across your organization.

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Research confirms that the online channel is expanding in all product categories particularly for consumer electronics and digital/mobile products. Consumers increasingly research products online via computers and mobile devices prior to making any purchase decisions, especially regarding mobile phones. Companies, including telecommunications providers, should address this new segment of online buyers, as they could be a strategic source of growth and savings.

To capture these opportunities, companies need a comprehensive understanding of digital research and purchasing behavior (which is complex and involves a multitude of touch points), and they should align their digital marketing strategies with these emerging usage patterns.

Digital marketing presents an open opportunity

The digital research and purchasing trend continues. Consumers have already gone digital when shopping for products in categories such as consumer electronics and mobile/digital goods. Some 60 percent of consumers report that they research these products online before buying, and nearly half make more than 25 percent of their purchases online. But product categories such as furniture, clothing, and footwear – once classic offline domains – are now also being researched and purchased in the digital space. This trend is expected to continue.

The number of consumers who use their computers to conduct online research within certain purchase categories has already seen a significant rise from 41 percent in 2010 to 50 percent in 2012. In that same time period, the number of consumers using mobile devices for product research has nearly doubled – from 12 to 21 percent. Both means of information retrieval are especially popular among consumers shopping for mobile phones. Nearly every second consumer searches for information online and approximately one-third of them conduct mobile device-based research before purchasing a new mobile phone. There are, however, still great differences between the European countries. The Netherlands is in front with 55 percent of Dutch consumers conducting computer-based research for a mobile phone and 43 percent using mobile devices to gather pre-purchase information. On the other end, only 33 percent of Polish consumers perform computer-based research for a mobile phone and only 9 percent of French shoppers use their mobile device for that purpose.

A major new disruption for retailers combines traditional and digital research – the instore use of mobile devices. More than 20 percent of consumers already use mobile phones for product research across all categories, and 40 percent of them do it instore, primarily to consult professional reviews and price comparison sites.

Consequently, if they hope to capture the resulting growth opportunity, companies in all industries will need to ensure that they offer their goods through the right channels and that consumers can easily and quickly find what they are looking for – but this is easier said than done.

Consumers' digital purchasing journeys are becoming more complex. It is not news that the digital world is highly complex. Consumers are accessing multiple sources (four on average) in their digital research, ranging from search engines and commercial Web shops/retailer sites to user-generated videos and social content. Adding to the complexity, consumers' online journeys differ by customer segment, product category, and geography.

For instance, the majority of British consumers (57 percent) use Amazon when searching for books, whereas the typical Spanish user would first conduct a search using Google. For footwear and household products, on the other hand, half of British consumers prefer to gather information from the retailer's Web site, while Spanish shoppers visit price comparison sites for their shoes and largely do not perform any research on household products at all.

Once again, it proves to be important that companies understand their customers well, not only by providing the right information, but also making it accessible in the right digital spots.

Capturing the opportunity: Aligning digital marketing strategies to current trends

Companies should develop a consistent strategy for addressing all of these fragmented new touch points (e.g., mobile- and computer-based online research, social networks, word of mouth, etc.) by investing in the most efficient ones and aligning messages across all platforms. The first element of this alignment is the investment of marketing resources in the arenas where consumers spend their time. This means shifting investments from paid channels (those owned by other companies, such as print or online newspapers) to owned channels (those the brand controls, such as its own Web sites) and earned channels (customer-created channels, such as communities of brand enthusiasts).

The second element is more internal and involves the coordination of messaging across all channels to ensure they reinforce and do not contradict one another. Third, companies that develop direct, opt-in channels will increase their ability to deliver information to consumers. Some 20 percent of Facebook users now use the site to follow retailers in Europe (compared to 34 percent in the United States) and 23 percent of Twitter users rely upon the service to follow brands or retailers or both. The followers especially value the opportunity to stay up to date on promotions and receive coupons. Companies should reinforce their presence on these channels, create fan pages or groups, and promote their products accordingly. Another strategic move would be to develop smartphone or tablet-native applications, since 13 percent of customers now use their mobile devices as purchasing tools.

The growing number of sites in the "earned channel" category is a rich source of information. By mining the content created by users and experts, companies can gain insights into consumers and brands, and use collected data to create engaging content.

The final digital marketing element leverages targeted online marketing. Purchasers are demonstrating an increasing preference for targeted advertising and many view it as a service. For instance, 35 percent of online buyers are willing to share personal information in order to receive promotional coupons. Companies that invest in this channel have an opportunity to package and deliver marketing as a service valued by their customers and boost their sales at the same time.

By defining the right digital strategy and aiming it at the right customers, companies will surely find new sources from which to generate growth as well as new opportunities to serve current and potential clients. Some companies, including telecommunications player Turkcell and retail giant Tesco, have already adopted these strategies and are well prepared to capture the digital marketing opportunity.

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