

The Impact of Digital on Growth Strategies

CMO Imperatives for 2012

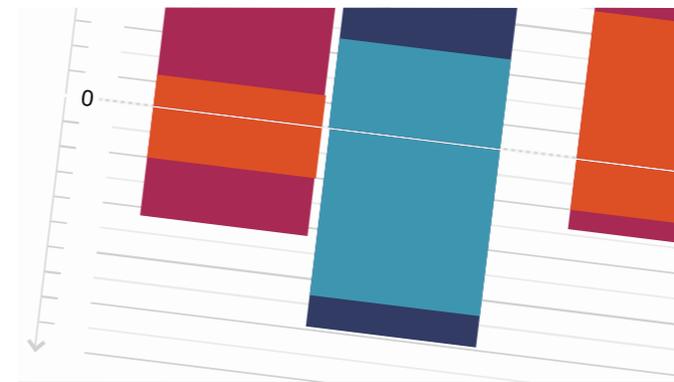


Contents

Introduction	05
Executive summary	07
Current trends	17
Digital integration	17
Focus on brand building	18
Renewed faith in the brand idea	20
CMO's challenges	25
Need for executional speed	25
Making data work harder	26
Better ROI evaluation required	30
Future opportunities for growth	33
New roles for brands in the consumer journey	33
More growth in mobile	35
Social media expands retail options	37
Summary - CMO key action points	39
Acknowledgements	41

Introduction

This report is based on one-to-one interviews with Chief Marketing Officers (CMOs) from a range of international organisations. The opinions and commentary have also been used as qualitative guidance to the reporting and analysis of the Digital Life study from TNS – launched in November 2011.



TNS Digital Life is a global study into the attitudes and behaviours of the world's consumers online. We conducted in-depth interviews with over 72,000 people in 60 countries to build the world's most comprehensive view of what people do online – and why they do it. We have teams in all the markets where we conduct research, so our findings are not just based on numbers, they are real human insights validated by experts in the market.

Our goal is to make the complex marketing environment simpler to navigate, cutting through the clutter to develop precise strategies, channels and content. It is only by detailed understanding of attitudes and behaviours online that effective marketing plans and growth strategies can be developed.

This report is just a small snapshot of our findings from our CMO interviews. Please do get in touch with us to understand more about the opportunity that digital presents in your market or category, and learn more at www.tnsdigitallife.com

Imperative 1: Digital engagement and the brand idea

The focus is very much on deeper consumer engagement through 'owned', 'earned' and 'shared' media. Through a renewed focus on the central 'brand idea' in the first instance, greater efficiency is possible in digital touchpoint selection and utilisation – with touchpoints being selected according to their ability to land the idea, rather than starting with the touchpoint and asking "what can we do with this". This is also proving a successful guiding approach to social media strategy and tactics.

Imperative 2: Analytics to make data work harder

Today, data is proving to be the bonding ingredient across the marketing mix. If anything, data supply exceeds demand for the CMO. Instead their main focus is on how to make digital data streams work harder – to generate insights, improve targeting and deepen engagement.

Easily said, but what does this mean exactly? It can mean or offer many opportunities to grow sales through marketing with CMOs currently seeing clear advantages in data's ability to provide more tailored and personalised consumer experiences. The CMO and CIO are increasingly working together, with the CMO now a 'shared stakeholder' in data sources previously considered outside their usual remit.

A clear message expressed by all was that 'digital is the new normal'. It is integrated throughout the marketing function and where it has not already done so, the integration within the CMO's remit is often now catalysing digital's role as a broader business enabler and creating new horizontal connections across business functions. From this wide-ranging role of digital

flows one particularly important implication – the need to execute more quickly. From internal capabilities to agency partner selection, many CMOs are structuring their teams to ensure that they can deliver more quickly – to respond to real-time customer feedback, to stay relevant with a broader group of influencers at the speed the business – and customers – now demand.

Imperative 3: Speed of execution and organisational change

How do TNS's Digital Life findings relate?

Today we are seeing greater emphasis being placed by brands on engaging more deeply and intimately with their consumers – focussing digital marcoms more closely around the central brand idea. Despite the many unarguable opportunities social media presents for brands, we have also seen social media able to act as a distinct distraction for some brands, especially those who are not focused as strongly on using the brand idea to guide their digital and social media marcoms investments.

The race online has seen businesses across the world develop profiles on social networks, such as Facebook or YouTube to speak to customers quickly and cheaply – but our research reveals that these efforts are wasted on half of them who do not want to engage with brands on social networks. Beyond not delivering impact, failure to target effectively can result in a negative perception for the brand from those consumers who feel the brand has no place in social networks.



The result is significant consumer-generated noise, which is echoing across the digital environment and making it harder for brands to be heard – presenting a major challenge for businesses trying to enter into dialogue with consumers online. Winning and keeping customers is harder than ever. The online world undoubtedly presents massive opportunities for brands, however it is only through deploying tailored marketing strategies that they will be able to realise this potential. Choosing the wrong channel, or simply adding to the cacophony of online noise, risks alienating potential customers and impacting business growth.

Our Digital Life study asked consumers around the world whether they actually want to engage with brands on social networking websites – either to find out more or to make a purchase. Although 54 per cent of people*** admit social networks are a good place to learn about products, the research shows brands must harness their social presence more carefully if they are to use it to their advantage and deepen relationships with customers and prospects. We see significant geographic contrasts which highlight the risks of multinational brands employing a catch-all approach that doesn't take the needs of different consumers into consideration. Fast growth markets** were found to be far more open to brands on social networks. Just 33 per cent of

Colombians*** and 37 per cent of Mexicans*** said they don't want to be bothered by them, while 59 per cent of people*** across fast-growing countries see social networks as a good place to learn about brands. However, even here brands must still plan and manage online engagement carefully to avoid alienating consumers and doing more harm than good. We have also been able to shed more light on why people do engage with brands online. 46 per cent of those motivated to post comments on companies do so for the simple desire to impart advice. And more people like to praise brands than complain about them.

*Developed markets: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Republic of Korea, Singapore, Slovak Republic, Spain, Switzerland, Sweden, Taiwan, United Arab Emirates, United Kingdom, United States.

** Fast growth markets: Argentina, Brazil, Chile, China, Colombia, Egypt, Estonia, Ghana, Hungary, India, Indonesia, Kenya, Malaysia, Mexico, Morocco, Nigeria, Pakistan, Peru, Philippines, Poland, Romania, Russia, Saudi Arabia, South Africa, Tanzania, Thailand, Turkey, Uganda, Ukraine, Vietnam.

***This refers to social network users only.

Current trends

Digital integration

That digital must be integrated throughout the entire marketing function is now a given. Few CMOs see standalone functions remaining in place for many years to come. The broader focus is on the role digital should be playing as an enabler across all functions of the business, having typically made its presence felt originally in the marketing function. This is blurring organisational boundaries as digital is making horizontal links, where there used to be silos between business functions – for instance between core marketing and retail or shopper marketing.

Most CMOs felt that now digital is being integrated across the whole business, digital marketing success will follow more readily. However, the breadth and depth of integration varies, dependent on the unique characteristics of each business, the category it sits within, its 'digital heritage', the extent to which it interacts directly with consumers, its growth ambitions and the strategies it has in place to realise these ambitions. So, looking at the broader business enablement piece is particularly relevant for those CMOs currently tasked with rapidly 'digitising' businesses that have been later to the game than others.

CMOs' responsibilities and required areas of expertise are being stretched horizontally across the business. In some cases this takes them upstream to innovation and product development and, in others, downstream to shopper

marketing and retailing. The catalyst for this is primarily digital – and two areas in particular: social media and data analytics. development and, in others, downstream to shopper marketing and retailing. The catalyst for this is primarily digital – and two areas in particular: social media and data analytics.

Barry Judge,

CMO, Best Buy

"...digital is the love of our life. It's very important in communications, it's very important in customer service, it's very important in how we build our customer experiences. Digital is pervasive in everything that we do."

Social media has transformed the nature of consumer and brand interaction and this open consumer dialogue has been discussed for some time now, but only more recently it has been broadly embraced by marketers, who not so long ago would typically have seen this interaction as a PR or customer service function responsibility. Be it 'fans' on Facebook, 'followers' on Twitter, or 'members' of a brand's own community or loyalty scheme – the direct interaction and dialogue between consumers and brand is now usually led by the CMO and is proving to be a powerful co-creation input to innovation, product development and to customer service and relationship management.

Analytics is a second area cutting horizontally across the business, with data from once separate business functions now cross-fertilising. The customer relationship function is now a powerful partner to the marketing function, and the marketing team can feed new and much needed consumer data to the retailer. Most are at the earlier stages of this cross-fertilisation but significant opportunity and change is expected by almost all.

Digital is a significant catalyst for change within the Marketing function. This catalyst is now radiating more broadly both up and downstream within the organisation, and we expect to see more convergence and collaboration between Marketing and other business functions over the course of the next few years.

Focus on brand building

The priorities are changing; for those marketers who have been focussing on channel-defined activation, there is now a return to the core brand idea. With well-established channels, attention is moving back to deeper, brand-led engagement activities.

One of the drivers is increased consumer accessibility enabled by digital infrastructure and platform improvements; high(er)-speed broadband, mobile web, WiFi, new form factors such as tablets, multi-media web capabilities and mobile (apps), to name just a few. (In particular this has driven change in the BRIC and other fast growth markets.)

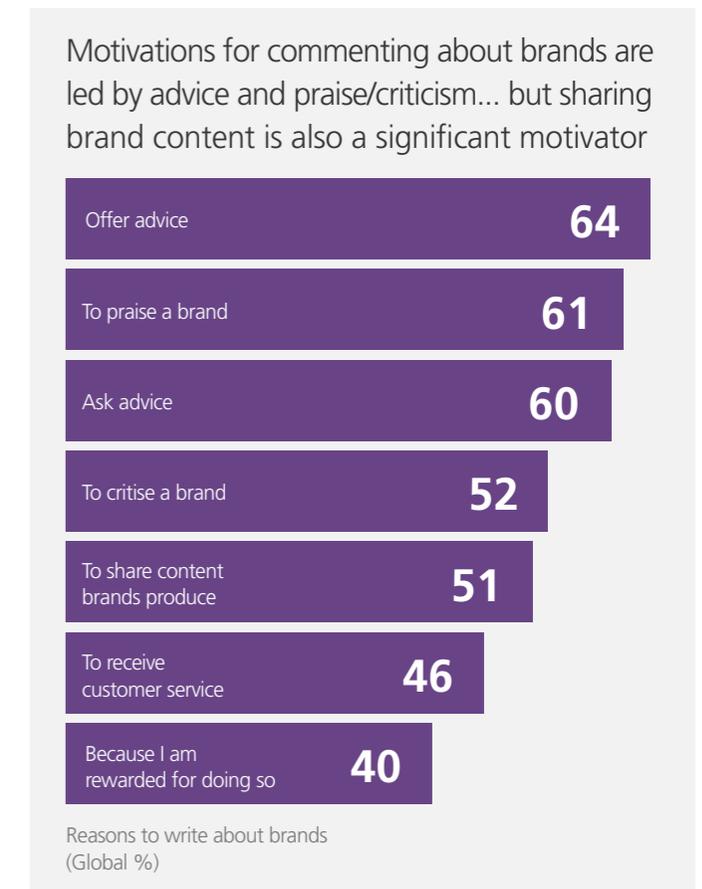
Another driver is social media, which offers marketers the potential to develop richer web experiences in the context of the environments where people are already spending more of their online time. A brand used to have to fight much harder to pull consumers to their owned media touchpoints.

However, the ability to develop experiences within social media has opened up new possibilities and changed priorities.

A new set of brand-building priorities is emerging, including:

- Shareable content: content and experience development that has 'share-ability' and is designed to enable and encourage advocacy. This applies to B2B and B2C businesses, and also for PR or Corporate Communications influencer outreach.
- Co-creation and experience marketing: encouraging and welcoming consumer input to brand marketing campaigns.
- Brands as enablers: the Digital Life study shows us that consumers are looking to express themselves online and welcome brands who act as enablers. This can take almost as many forms as the self-expression itself, for example, brands being entertaining, informative, playful, collaborative or helpful.

Figure 1: The importance of sharing brand content in consumers' motivations for writing brand-related comments online





How the British Olympic Association are using 'open- source creativeware'

For the British Olympic Association, generating awareness and engagement in the run up to the London 2012 Olympics is very much about harnessing the power of earned impressions through shareable content.

Shareable content equates to powerful word-of-mouth endorsement – attractive in its own right, but even more attractive given the modest budgets available the BOA has available. The challenge is to connect the 900 strong British Olympic team to as many as possible of the 60 million British population. For this the BOA is using what they call 'open-source creativeware'. In the same way that open- source software enables collaboration and public development, the BOA are creating a creative campaign blueprint and then inviting others - marketing partners and consumers alike - to take it and build it in their own way. This shareability, built into the DNA of the campaign, is what they know is required to connect with a whole nation, something no media budget could realistically achieve with broadcast media.

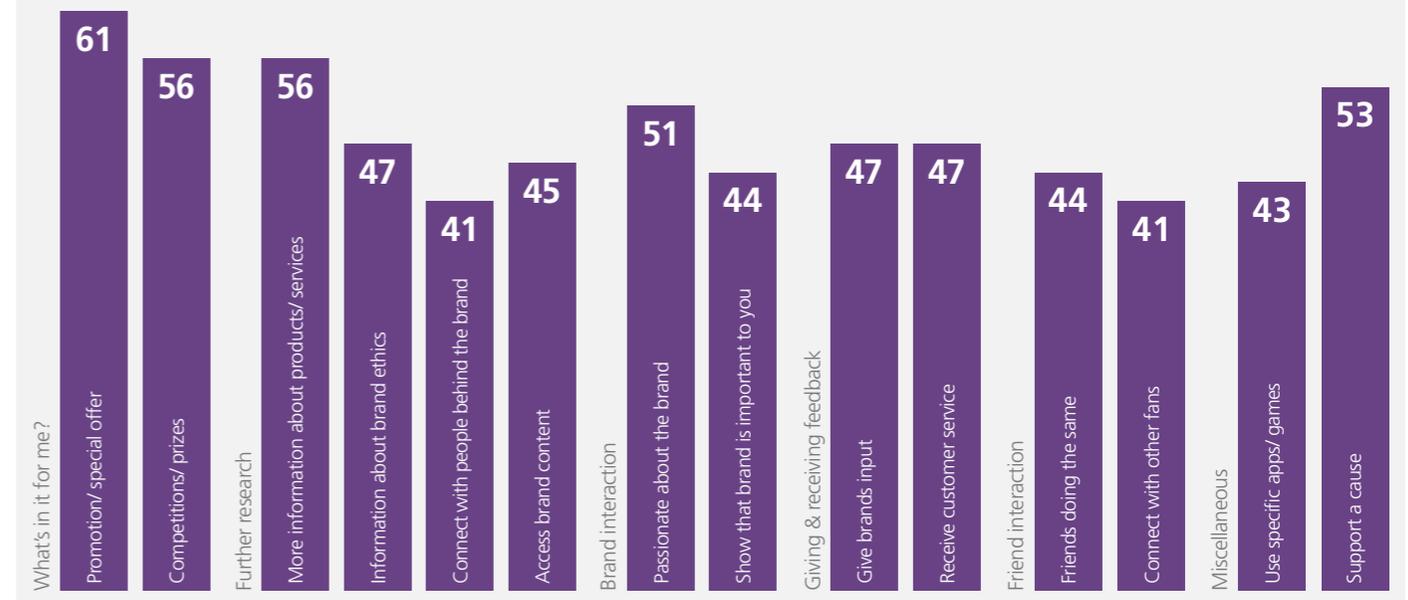
Renewed faith in the brand idea

CMOs have renewed faith in the central 'brand idea'. They are exploring how this can – and should – live out in the digital realm: where the idea is central and channel selections and execution approaches all flow from this idea. This is, of course, a long established approach, and some brands have always allowed their brand idea to guide their digital marcoms efforts. But for many others, the strong tides of digital response have moved them further away from the central brand idea. For these CMOs the current redirection is a more significant change.

The 'big idea' is enjoying resurgence for two main reasons:

- Today's more empowered digital consumer has more influence on a brand's digital manifestation and reputation. With a stronger central idea, there is more likelihood the brand will be able to maintain the key essence or message they wish to convey, as it is remixed and shared by consumers.
- The proliferation of digital touchpoints means it's rarely feasible to create a different idea for every touchpoint and so they need to be prioritised. Using the 'idea' as the rationale for planning, each touchpoint or channel is now selected on its ability to effectively deliver the idea; a great balancing force to the temptations offered to marketers by new technologies.

Reasons to join a brand community (Global %)



Brand storytelling

Growth in transmedia planning – storytelling across multiple platforms and formats – is helping the brand idea land more readily through digital.

Richer, more interactive web experiences, combined with the increasing interplay between TV and social media, mean that it is now possible for brands to engage in conversations and

develop brand stories over many channels. TV programming, with embedded social interaction hooks (Social TV), is demonstrating an ability to further amplify and extend organic online conversations. The programming is able to blend and weave itself across multiple channels, many digital, to drive greater engagement and participation for loyal viewers and bring casual viewers closer in. This dynamic is being leveraged by marketers to deliver richer and 'always-on' storytelling.

Simon Sproule,

CVP Global Marketing Communications, Nissan



“I think if you go below the line into the PR and communications world, digital is changing a lot more in this space perhaps even than in the consumer space - simply because the previous ways in which a company used the Internet as a way of engaging with the media were very transactional, very one-way. And now I think we’re into brand journalism, we’re into engagement in conversations.”

A focus on the central brand idea helps guide approach and strategy in a more focused way; and given the context of ongoing marketing change brought about by connected technologies, it is otherwise difficult to stay focused. In addition the ‘brand idea first’ view also helps deliver the authenticity consumers now seek in an environment where digital communications are empowering consumers and democratising brands. A clear majority of those we spoke with believe their attention will remain on this area for some time to come, as they test new ways to land the brand idea in the digital realm and to tell digitally-led and participatory brand stories that engage and delight consumers.

Nissan’s storytelling strategy is also a good example of Marketing and PR function convergence – something referred to by many of our contributing CMOs.

CMOs' challenges

The need for executional speed

CMOs agree that execution needs to be faster, whether it is planned for or reactive. This is especially true for the multinational CMO who must drive growth across disparate markets.

There are two main areas of focus for CMOs in order to deliver this:

- Agency consolidation
- Strengthening the marketing organisation

Agency consolidation

CMOs need to cut the number of agencies and rationalise them in order to create a seamless service which mirrors the way digital is now horizontally embedded across all their marketing functions and the broader business. This is largely so they can act faster and keep up with the 'always on' nature of digital communications. As digital has become firmly established as the 'new normal', so agencies are integrating it across their offer and there is less need for a boutique specialists. A reduction of the time a CMO must allocate to managing the roster and executing account reviews is a must.

With CMOs now placing more emphasis on (digital) brand building over direct response we have seen renewed faith in the central brand idea which can guide the all-up comms strategy through to touchpoint planning and creative

Simon Sproule,

CVP Global Marketing Communications, Nissan



"It's been our experience so far that – because of the global nature and the speed in which information travels – you have to define your brand very clearly upfront. You have to really know who you are. And then you have to drive those values consistently."

development. It therefore makes sense to up-weight relationships with agencies who are the guardians of the central idea or have a long-term role building in the brand.

Strengthening the Marketing Organisation

Digital has changed the structure of many marketing functions. Social media and direct interaction with consumers has led to powerful co-creation in innovation and relationship management. CMOs are now working more closely with colleagues in product development and shopper marketing to take advantage of these opportunities.

Making data work harder

Further strengthening is coming from the following areas:

- Centrally resourced and executed marketing ‘innovation and experimentation’ - and for some, centrally orchestrated innovation, executed locally
- Best practice identification and dissemination
- Development of ideas that maintain their integrity across markets, but are flexible enough to allow local customisation for relevance
- Standardised creative development processes
- Standardised metrics for digital ROI evaluation allowing faster norms development and market on market comparisons (more below on ROI)

In an older world we saw the focus on ideas, ad agencies and TV spots. Other ingredients have been added over time, but today their relative importance is different once ‘paid’, ‘owned’ and ‘shared’ media are added into the mix. Today, binding new and old ingredients alike is data.

For the CMO sourcing data is not a problem. If anything the issue is more one of over-supply. However the main focus is on how to make digital data streams work harder – to generate insights, improve targeting and engagement. CMOs are seeing clear advantages are seen in data’s ability to provide more tailored and personalised experiences.

In many ways a need for rapid execution capabilities is not new, but it has been further impacted by consumer’s growing ability to interact, respond, feedback, praise or criticise, all in almost real-time. As mobile internet usage develops this real-time consumer voice becomes louder and more impactful, so always-on monitoring and swift execution is a high priority for CMOs. This increasingly complex environment requires an overhaul of marketing strategies to ensure that hard won reputations are not damaged or destroyed overnight.

Larry Bruck,

SVP Global Media and Marketing Operations, Kellogg Company



“Digital has led to a complete revamping of the view and role of IT and their role within the organisation. We have created a digital marketing IT function that works adjacent with my team – that incorporates data reporting so that the IT function is marketing-driven.”

Figure 5: Data sources currently identified as being in focus are:

Current Data ‘Focus Area’	Typical questions being addressed	Why
Social Media (Earned) data		
Paid social advertising	How is it performing? (data to input to ROI modelling)	Uncertainty currently exists over the value of paid advertising within social media environments and needs to be better addressed. E.g. Is there more value in brand owned/ developed content?
Site/page usage	What are people engaging with (dwelling on)? Clicking on? Sharing?	To guide content development strategy; distribution/ publishing timing; optimise opportunities for sharing amongst users
Sentiment and Buzz	What are people saying? When? How many people?	To give a faster understanding of sentiment and hence enable quicker execution in response (where appropriate)
Owned Media data		
Site/page usage	What are people visiting/using? Engaging with (dwelling on)? Clicking on? Sharing? Buying? How can this data inform my content development and site architecture/usability? How can it offer better personalisation for the user? How can it help me increase conversion - be it lead generation or sales?	A need to optimise the experience and enable a greater degree of personalisation for users – ultimately satisfying the users’ primary motivation – be that information, entertainment shopping etc.
CRM Data		
Bringing offline CRM data online, and vice versa	What value does it offer me as CMO? How can I link offline loyalty program customer data to corresponding online data? How can I get online CRM data into the hands of in-store sales and service executives?	Offline data can better inform the owned online content strategy, and also provide greater personalisation of the online experience. Similarly, how can online CRM data better personalise a customer’s offline experience?
Mobile (Usage) Data		
Paid, Owned or Earned	Who is connecting with me via mobile? When? Why? How can I get this information? What can it do to inform my mobile strategy?	Consumer use of mobile and content continues to be less well understood than online. Insight into mobile usage informs both content and marcoms.

New business connections through 'shared data'

Worthy of specific mention is that CMOs felt the relationship between the CMO and Shopper Marketing had important data implications. For brands selling through third-party retailers there is value in leveraging retail data to make the in-store experience more personal and engaging. CMOs are spending time developing recommendations for their retailers based on new data from their consumers.

Wendy Clark,

SVP Integrated Marketing and Capabilities, Coca-Cola

"When I have had that face-to-face with a consumer, I have a huge opportunity to grab data and start buildingand if I use your data right I am serving up experiences, data, content, information, engagement that is really useful and interesting for you. So experience is actually a huge net for us to get data and get opt-in and that sort of thing."

The CMO and CIO are increasingly working together and the CMO is now a 'shared stakeholder' in data sources previously considered outside their usual remit - for instance, CRM and ecommerce data.

Enhancing analytics capabilities

CMOs are placing a high priority on connecting currently disparate data streams in a bid to create value that is greater than the sum of the parts. The challenge is that whilst there is consensus on the importance of connection data, there isn't yet any clarity on the destination yet let alone the route to get there. This is an exploratory phase for most CMOs, with some looking to develop expertise in-house, and others bringing in third-party specialists to help define the objective and shape the solution.

For the time being it is first-party data integration that tends to be number one on the agenda. The increase in the number of digital touchpoints is creating a more detailed and holistic view of each individual customer. His more detailed profile can be formed from information like their email preferences, preferred website content areas, online comments, preferred consumption device, enhanced social profiles through Facebook Connect and understanding of intent from search queries and online advertising response.

Many CMOs see opportunities rather than challenges in the amount of data at their fingertips. At GameStop Mike Hogan speaks of a focus on data integration, especially with regard to integrating data from newly acquired online properties.

Mike Hogan,

CMO, GameStop

"There's a lot of cross-platform promotion that we want to do - integrating our customer data across all of our acquisitions. So, for example if you come to a GameStop store, I know who you are. If you come to Gamestop.com, I know you're the same person. If you go to Kongregate which is the casual online game company that we purchased last year, I still need to identify you as a customer and link you and your behaviour across all our properties.... there's a lot of opportunity that I want to realise there."

The typical questions from CMOs include: "How can these be better unified? How can social media listening data be integrated with brand or comms trackers?" To address these areas several of those we spoke to are ramping up their in-house data and analytics expertise. Departments are doubling in size for some, with specialists being sought from outside the usual marketing recruitment pool; analytics and statistics specialists, data visualisation experts and user experience designers are all now actively recruited.

This is one of the newer areas to impact marketing and is set to experience significant change in the short and mid-term. In-house expertise development and working with new data and analytics suppliers will both play an important part of this change. As a result expect to see even closer relationships emerge between CMOs and CIOs and also with internal retail functions and retail partners.

Better ROI evaluation required

CMO thoughts on digital marcoms ROI evaluation highlighted what a multi-dimensional area this is. Approaches tended to be distinct to each business with limited consistencies, even across businesses with the same, or similar, categories.

However, a clearer distinction is evident between ROI evaluation for 'paid' and 'owned' digital investments versus 'earned' and 'shared' investments. The former is far more developed, with most agreeing they are able to track 'paid' and 'owned' back to business results. This is much less the case for 'earned' and 'shared', with reputational measures largely being used, whilst development work continues on approaches that get closer to evaluating the impact on sales and other harder business results.

The current primary focus for most CMOs is on cutting through the clutter to determine what to measure, and what should be input to the various evaluation models in use. For multinationals cutting clutter links into their work consolidating agencies and increasing speed of execution. Some brands are seeing initial success by plugging shared and earned data sources into marketing mix models, but this work is generally in its earlier phases.

As CMOs increase their investments in data and analytics capabilities more improvements will be seen in this area. Some are looking primarily to industry organisations and publishers to work and fill the gap, others to their communications evaluation agencies and their own internal teams. It seems most likely that the data sources that really matter are further identified, 'earned/shared' touchpoints and channels will also develop a more clearly defined position in the mix.

Future opportunities for growth

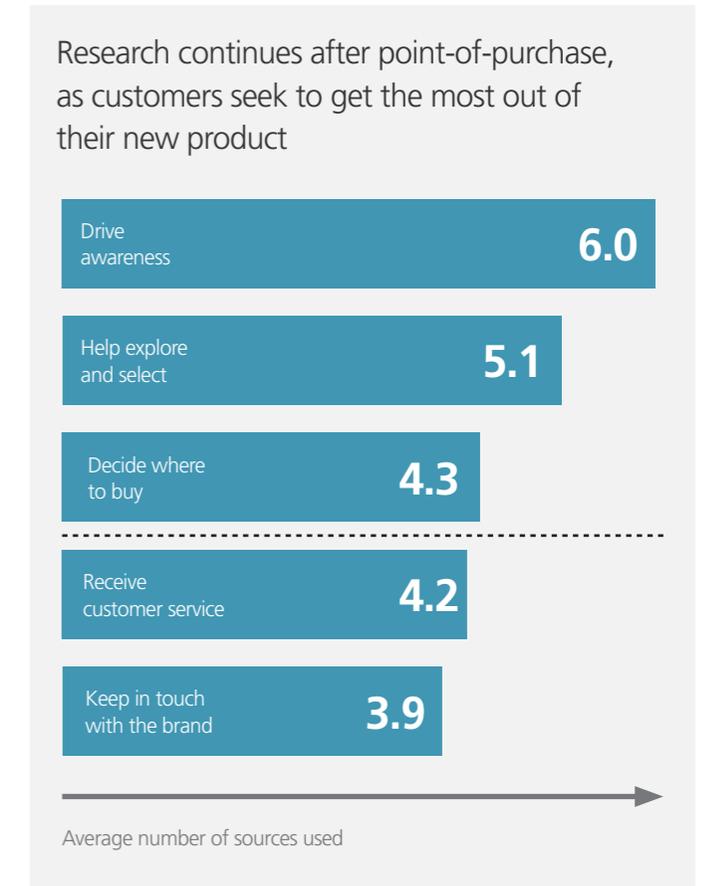
New consumer journey opportunities

For consumer goods, and other lower involvement categories, the path-to-purchase and post-purchase phases of the consumer journey are also becoming more influenced by digital touchpoints in the same way as other categories. Even for brands that do not have high online sales, digital is proving effective in the product research phases of the path-to-purchase.

As we see the brand idea live out more deeply in a multimedia world, digital now has a role for categories such as snacks and drinks, cosmetics and clothing, and even household cleaning products and baby foods. For a snack bar brand targeting the health conscious consumer, a brand-owned website or mobile app could be offering them the daily calorie counting system they really need, or for the organically minded new parent, they may well wish to visit the manufacturer's website to review more carefully the ingredients of a toddlers' juice drink.

Consumers are already comfortable with extensive online product research and are attracted by more digital retail experiences including post-purchase research for getting maximum value from their products - especially when buying higher value items. TNS Digital Life shines more light on this trend, highlighting the extent to which consumers look online for product usage advice, both from brand and consumer-generated sources.

Figure 5: Digital is expanding consumers' post-purchase product research and brand contact



Some brands have been quick to capitalise on the post-purchase research trend. Best Buy operates a series of consumer review sites and communities, which range from more general entertainment and music blogs, to managed forums and to the 'tech-expert' community, where people share opinions and rate each other's product reviews.



52%

agree that even a single negative review can affect how they feel about a brand

The path-to-purchase looks likely to become even more complex in future with added factors like:

- Paying in-store with a mobile phone to avoid the check-out queues. This is already resonating with loyalty scheme members for some retailers.
- Scanning products with a mobile phone while in-store for more product information.
- More brand or retailer-run forums, where customers can get more information on how to get the most out of their purchases.

More growth in mobile

Mobile is of interest to all CMOs. Its role varies across categories, brands and individual consumer path-to-purchase decisions. Mobile is showing signs of particular influence at the end of the path-to-purchase, at point of sale and now also in-store.

Wendy Clark,

SVP Integrated Marketing and Capabilities, Coca-Cola

“We view mobile as end-to-end across the spectrum of what we do and how we engage with consumers. So we believe that we can brand build, we can engage, we can create desire and preference and that we ultimately can create transactions through things like Google Wallet.”

For many CMOs, mobile is no different to any other digital touchpoint - they view mobiles as just another device to access the web. However, as the number of people using their mobiles to access the Internet increases (and the time they spend online also rises), there will be more and more investment in mobile search advertising, mobile versions of owned websites, mobile couponing and in-store apps etc.

For Getty Images mobile apps must first and foremost be functional – allowing consumers to search, purchase and download imagery.

Jim Gurke,

SVP Marketing, Getty Images

“One of the big changes in the use of our products has been the use of imagery in web and increasingly in mobile environments. So the product has to be optimised for mobile and web use. And increasingly everybody carries a mobile device with the desire to have - and with increased bandwidth to provide it - mobile as their delivery vehicle for imagery, music and video. And it gives us wonderful opportunities to answer that demand....We have iPad and iPhone apps as a tool for our customers, because so many of our customers are searching, purchasing and downloading in a mobile environment.”

Some mobile opportunities, like location-based services and marketing, are undeniably different. TNS Digital Life for the U.S. market reveals current usage of location-based services is 14%, with 45% of those users expecting themselves to increase their usage in the future. So there are clearly opportunities for growth here.

Mobile is an opportunity as well as a challenge for brick-based retailers. Consumers see tangible benefits from being able to access coupons or information and recommendations on

products and services, even when they are in-store and are crucially close to the final point of purchase. TNS Digital Life shows that, globally, an average of 8% of mobile users shop with their phones on a daily basis. And for tablets, this jumps significantly to 22% - adding evidence to the intuitive notion that the tablet is even more significant for commerce than either the PC or the phone.

New mobile-based payment methods are growing in awareness in more developed markets. These include couponing, near-field communications (NFC) and digital wallets. For some retailers, mobile payment could become a real differentiator in adding value. One example might be for loyalty scheme members in-store who, with pre-approved payment credentials, could be given the option to pay via their phones, to avoid check-out queues and receive other benefits. Starbucks are perhaps the most high profile current example of this.

Apple has recently announced a scheme for iOS device users enabling them to self-scan and pay in-store. With this technology, retailers can deliver the more personalised online shopping experiences that many consumers are coming to expect when they go in-store. Personal experiences can also come from enabling the customer to further explore the story behind the product or the marketing – QR codes and product recognition through camera apps are being used for this purpose.

There are also opportunities for retailers who arm their sales associates with mobiles so they can check the latest information on stock levels and product information. A sales person may even be able to access information about the customer they are serving - through CRM data or a customer's social profile - in order to deliver a more tailored recommendation from the sales person.

Despite the industry press and marketing and technology conference hype, mobile is not highlighted as a major 'head-scratcher' for CMOs. There are some technical trials and errors anticipated, especially around mobile commerce platforms, and arguably more head-scratching will be seen amongst retailers and shopper marketing specialists. For the CMO more insight into consumer mobile usage and uptake is still welcomed, as often this is data held by the telcos rather than the brands themselves. Otherwise the consensus is that mobile can slot within the broader frameworks and strategies already in play.



Social media expands retail options

Social media is enabling more buying options. Amazon was the first to popularise the anonymous social recommendation engine, and today through Facebook Connect you can see what your friends are buying or adding to their 'wish lists'. TripAdvisor has implemented Facebook Connect in a similar way to show you where your friends are, have been, and have stayed.

Facebook Commerce, or FCommerce, has seen some strong early promise and success for consumer brands, with Facebook Stores established for brands in a wide range of categories, including Coca-Cola, Gillette, Pampers, Lady Gaga, Warner Bros, Starbuck, Max Factor (Unilever), Old Spice, Heinz, Skoda and Bulgari.

Since brands started using Facebook to offer group-buying options, consumer awareness and intent for engaging in this type of retail has increased. And Facebook is also now leveraged as a way to offer exclusive offers and deals to reward 'fans'.

Social media is blending offline and digital activities, for example, Diesel provides shoppers with in-store cameras to take photos of themselves in their new jeans and upload them to their Facebook accounts. At the Amsterdam Motorshow in the Netherlands earlier this year, Renault used RFID smartcards on its stand so that visitors could connect

them to their Facebook profiles. Then if they liked a particular car on the stand they could swipe their card against a reader which automatically marketed it as 'Liked' on their Facebook profile and posted a link containing more information. (Source: The Next Web, Sep-2011)

As technology continues to innovate across areas including 3D printing, Augmented Reality, 4G, LTE mobile networks and next generation web search, there are many new opportunities for an enhanced retail experience. This is not to say eCommerce will grow at the rapid expense of bricks-based retailing; the social nature of shopping is too powerful to fade in the near-term for many categories. However, we expect to see some of the influence digital touchpoints have had on early path-to-purchase phases, driving further consumer demand for digital experiences closer to the point-of-purchase and in-store. Mobile will be a crucial component of this trend.

Summary

That digital needs to be fully integrated in the CMO's modus operandi will not surprise many. Indeed for most of the businesses we interviewed it already is fully integrated. However, the extent to which this integration is impacting other areas of the business is 'newer news'. From marketing and PR convergence through reputation management via social media, to increased collaboration between the CMO and retail or customer service functions, for many, the changes brought about by digital marketing are now creating significant up and downstream business impact.

Whilst peer-to-peer influence over brand preference and purchase decisions is enhanced through digital's democratising impact, there is still a clear role for brands to play in shaping these influences and decisions. However, this is less often through blunt broadcast instruments and more through one-to-one engagement and brand utility. The flood of consumer self-expression that digital communications is enabling, means brands must work harder to cut through new type of clutter; the new noise for brands is the addition of millions of consumer voices to the more familiar noise of competitors. Whilst social media is a huge consumer phenomenon that has capitalised on our innate social desires, TNS Digital Life reminds us that for many consumers, brands need to work hard to earn their place in this new world. In earning that right, we heard loud and clear from our contributing CMOs that the brand idea is more important than ever.

Keeping the core brand idea at the centre is proving a successful way to minimise digital waste and capitalise on the digital opportunity – that opportunity being to create deeper, more personal, one-to-one relationships with existing customers and to engage and convert new customers. It is in this final conversion phase of the consumer journey that we are seeing the most significant change: as consumers get closer to the point of purchase, new devices, technologies and social connections are linking the real and virtual worlds and up-ending more traditional marketing and retail practices. If there is one area to 'watch for the future', this is it.



For more information please contact
digitalife@tnsglobal.com

Acknowledgements

TNS would like to thank MaryLee Sachs and all the contributing interviewees for their participation in this project:

Best Buy	Barry Judge	CMO
British Olympic Association	Hugh Chambers	Chief Commercial Officer
Coca-Cola	Wendy Clark	SVP Integrated Marketing and Capabilities
GameStop	Mike Hogan	CMO
Georgia Pacific	Douwe Bergsma	CMO
Getty Images	Jim Gurke	SVP Marketing
Godiva	Lauri Kien Kotcher	CMO
Hallmark Cards	Lisa Macpherson	SVP Marketing
Kellogg's	Larry Bruck	SVP Global Media and Marketing Operations
NeuStar	Jean Foster	VP Marketing and Channels
Nissan	Simon Sproule	CVP Global Marketing Communications
Webtrends	Hope Frank	CMO
Xerox	Christa Carone	CMO