Fulfilling The Relevancy Promise

How People, Process, And Technology Strategies Impact Customer Loyalty

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Engagement And Relationships In The Age Of The Customer

The days of the marketing funnel are long gone — succeeding in the age of the customer requires mastery of customer engagement and loyalty beyond customer acquisition. Marketers are taking note and investing in the right people, process, and technology strategies to develop more fulfilling customer experiences and engender stronger brand loyalty. Accordingly, understanding what those strategies are and how to employ them becomes increasingly important as marketers seek to gain advantage over competitors.

In April 2016, VeraCentra commissioned Forrester Consulting to better understand how business-to-consumer (B2C) marketers in the US prioritize engaging and maximizing relationships with customers. This study also examined the challenges faced and specific strategies employed involving people, process, and technology.

105 marketing decision-makers in the US

From B2C companies that generate between $300 million and $5 billion in annual revenue

Industries
› 57% Retail
› 20% Consumer services
› 6% Hospitality
› 6% Health/fitness gyms
› 6% Grocery
› 6% Other B2C industries

Seniority
› 23% C-level
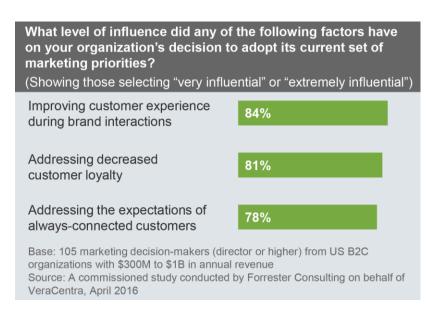› 23% Vice president
› 54% Director

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Empowered Customers Drive Marketers To Prioritize Customer-Centric Objectives

Perpetually connected at all times with more information than ever before, customers today are increasingly empowered. As a result, they have limited tolerance of brands that do not deliver relevant and meaningful experiences — greatly diminishing brand loyalty. A strong majority of marketers acknowledge this and are prioritizing their department goals accordingly: 78% said their priorities are influenced by always-connected customers, 81% seek to address decreased customer loyalty, and 84% seek to improve customers' experiences as they interact with the brand.

What level of influence did any of the following factors have on your organization's decision to adopt its current set of marketing priorities?
(Showing those selecting "very influential" or "extremely influential")

Improving customer experience during brand interactions	84%
Addressing decreased customer loyalty	81%
Addressing the expectations of always-connected customers	78%

Base: 105 marketing decision-makers (director or higher) from US B2C organizations with $300M to $1B in annual revenue
Source: A commissioned study conducted by Forrester Consulting on behalf of VeraCentra, April 2016

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Marketers Prioritize Loyalty, Engagement, And Relationships To Retain Customers

In line with the trend of the empowered customer influencing marketing agendas, this study revealed that marketers highly or even critically prioritize initiatives intended to retain an increasingly fickle customer. Top initiatives among marketers include increasing loyalty (91%), increasing long-term engagement (77%), and maximizing their customer relationships (72%).

To what extent is your organization prioritizing the following marketing initiatives over the next 12 months?
(Showing those selecting "high priority" or "critical priority")

Initiative	
Increasing customer loyalty	91%
Increasing long-term customer engagement	77%
Maximizing customer relationships	72%

Base: 105 marketing decision-makers (director or higher) from US B2C organizations with $300M to $1B in annual revenue
Source: A commissioned study conducted by Forrester Consulting on behalf of VeraCentra, April 2016

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The Ability To Understand And Deliver Relevancy To Customers Challenges Marketers

Engaging and winning the loyalty of today's empowered customer is no simple task. Half of marketers find that increasing customer loyalty and long-term customer engagement is either very or extremely challenging, despite it being a top priority.

Delivering the best experiences for customers requires understanding what the customer wants. And this is where many marketers face significant hurdles — 59% stated they are challenged in generating customer insights, and 55% face an uphill battle of increasing marketing operation efficiencies that are necessary to deliver high levels of customer engagement and loyalty.

37% of marketers are challenged because they either have a poor ability to interpret data for customer insights or lack access to data entirely.

How much of a challenge has it been for your organization to execute on the following marketing priorities?
(Showing those selecting "very challenging" or "extremely challenging")

52% Increasing long-term customer engagement

59% Generating customer insights and intelligence

50% Increasing customer loyalty

55% Increasing marketing operations efficiency

Base: 105 marketing decision-makers (director or higher) from US B2C organizations with $300M to $1B in annual revenue
Source: A commissioned study conducted by Forrester Consulting on behalf of VeraCentra, April 2016

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Marketers Are Walking — Not Running — Toward Engaging And Retaining Customers

Marketers actively attempt to meet the challenge to engage and retain their customers — 58% manage customer experience across multiple touchpoints, and 50% have loyalty/reward programs in place.

Unfortunately, marketers are more inclined to adopt these more basic approaches over holistic ones that seek to engage customers throughout their entire experience with the brand. Only 44% embrace the customer life-cycle marketing model — engaging customers throughout their entire relationship with their organization. And while most manage customer experience across multiple touchpoints, only 40% are creating a seamless experience for customers across those touchpoints.

Which of the following approaches does your organization use to address customer retention, engagement, and loyalty?

Managing customer experience across multiple touch points	58%
Loyalty/reward programs	50%
Creating customer profiles, personas or other segmentation strategies	48%
Personalizing customer communications and interactions	48%
Focusing on relationship versus product-focused marketing	48%
Embracing a customer life cycle marketing model	44%
Conducting voice of the customer studies	40%
Creating a seamless cross-channel experience for customers	40%

Base: 105 marketing decision makers (director or higher) from US B2C organizations with $300M to $1B in annual revenue
Source: A commissioned study conducted by Forrester Consulting on behalf of VeraCentra, April 2016

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Basic Approaches To People, Process, And Technology Prevail Over Advanced Methods

Marketers also widely adopt specific people, process, and technology strategies to achieve their marketing goals — 95% employ at least one people strategy, 98% employ at least one process strategy, and 98% employ at least one technology strategy.

Strategies trend, however, toward being less mature and more superficial. Most marketers have at least some strategy in place, but those most widely adopted just touch the surface of what is necessary to deeply engage customers. People strategies focus on leveraging internal resources over seeking agency assistance, and process strategies incorporate a customer focus but lack the processes in place to get insights. And while 81% are applying technology to gathering customer data and building relationships, strategies that leverage automation capabilities — sparking continuous cycles of customer interactions across touchpoints — lag behind. *See figure on following page.*

Which best describes your organization's plans to adopt the following to achieve its marketing priorities?
(Showing those adopting or expanding adoption)

People Strategies

Working across teams to address customer relationships	79%
Hiring internal analyst capability to support marketing	74%
Working with agencies specializing in lifecycle and loyalty marketing	61%

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Source: A commissioned study conducted by Forrester Consulting on behalf of VeraCentra, April 2016

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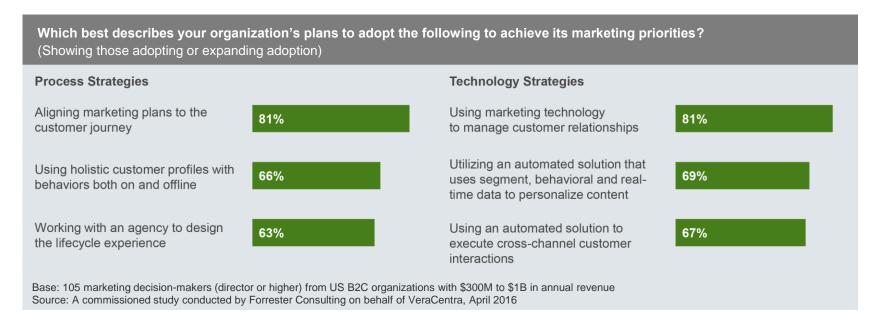**OVERVIEW**　　**SITUATION**　　**APPROACH**　　**OPPORTUNITY**　　**CONCLUSIONS**

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Basic Approaches To People, Process, And Technology Prevail Over Advanced Methods

Which best describes your organization's plans to adopt the following to achieve its marketing priorities?
(Showing those adopting or expanding adoption)

Process Strategies

Aligning marketing plans to the customer journey	**81%**
Using holistic customer profiles with behaviors both on and offline	**66%**
Working with an agency to design the lifecycle experience	**63%**

Technology Strategies

Using marketing technology to manage customer relationships	**81%**
Utilizing an automated solution that uses segment, behavioral and real-time data to personalize content	**69%**
Using an automated solution to execute cross-channel customer interactions	**67%**

Base: 105 marketing decision-makers (director or higher) from US B2C organizations with $300M to $1B in annual revenue
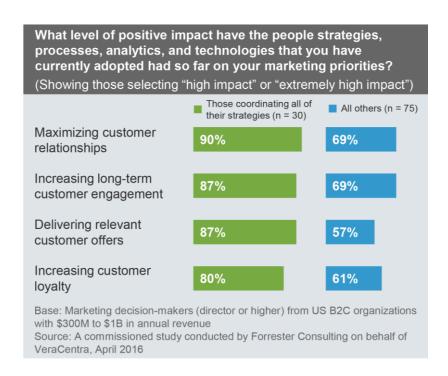Source: A commissioned study conducted by Forrester Consulting on behalf of VeraCentra, April 2016

Coordinating People, Process, And Technology Strategies Unlock Potential For Increased Impact

Strategies that address customer retention and loyalty, even if less mature, still yield results. The majority of marketers reported that the people, process, and technology strategies they put in place have either a high or extremely high impact on increasing customer engagement, loyalty, maximizing relationships, and delivering relevant offers.

The true potential of these strategies, however, is unlocked when they are effectively coordinated together. Those in this study who stated that their people, process, and technology strategies are either mostly or fully coordinated with each other are far more likely to witness a high impact on their overall engagement and retention goals. This group is 26% more likely to see a high impact on increasing customer engagement, 30% more likely to see a high impact on maximizing relationships, and 31% more likely to see a high impact on customer loyalty.

What level of positive impact have the people strategies, processes, analytics, and technologies that you have currently adopted had so far on your marketing priorities?
(Showing those selecting "high impact" or "extremely high impact")

Those coordinating all of their strategies (n = 30)   All others (n = 75)

	Those coordinating all of their strategies (n = 30)	All others (n = 75)
Maximizing customer relationships	90%	69%
Increasing long-term customer engagement	87%	69%
Delivering relevant customer offers	87%	57%
Increasing customer loyalty	80%	61%

Base: Marketing decision-makers (director or higher) from US B2C organizations with $300M to $1B in annual revenue
Source: A commissioned study conducted by Forrester Consulting on behalf of VeraCentra, April 2016

Conclusion

Empowered customers have pushed B2C marketers to reshape their organization's priorities to focus on building deeper relationships, creating delightful experiences, and engendering loyalty. Marketing's challenge in achieving these goals, however, stems from the less active "walking" approach toward customer engagement instead of sprinting toward more active, engaging strategies. Any concerted development of people, processes, and technologies will help win, serve, and retain customers. But ensuring that these strategies function in a coordinated fashion is far more likely to yield a positive impact. As a result, learning how to coordinate strategies effectively should become mission critical for marketers.

METHODOLOGY

This Technology Adoption Profile was commissioned by VeraCentra.

› To create this profile, Forrester developed custom survey questions asked of 105 marketing decision-makers in the US from B2C companies with 300 to less than 1,000 employees that generate between $300 million and $5 billion in annual revenue.
› The custom survey was completed in April 2016. For more information on Forrester's data panel and Tech Industry Consulting services, visit forrester.com.