MARKETING OUTLOOK 2016: PART 1
WHAT CHANGE IN CUSTOMER BEHAVIOR WILL IMPACT MARKETING THE MOST IN 2016?

Marketing industry insiders predict the most significant ways that B2B and B2C buyers will behave differently this year—and what marketers should do about it.
Marketers may anticipate frequent changes in customer behavior, but are often surprised by their magnitude. Ever-rising expectations, mobile obsession, often contradictory preferences—these are just a few that marketers are dealing with daily. Some customer behaviors, however, matter more than others. With that in mind, we asked marketing industry insiders what change in customer behavior will impact marketing the most in 2016, and why.

Here, they predict the most significant ways that B2B and B2C buyers will behave differently this year—and share their advice on what marketers should do about it.
TABLE OF CONTENTS

4 Lisa LaCour, VP, Head of Global Marketing, Outbrain
6 Eric Wheeler, CEO, 33Across
8 Bill Muller, CMO, Visual IQ
5 Patrick Salyer, CEO, Gigya, Andrew Howlett, Chief Digital Officer, Rain, Jon Gold, Director, Web Strategy and Design, Blackboard, Tom Stockham, CEO, Experticity, Julie Ginches, CMO, Kahuna, Jim Eustace, Cofounder and CEO, Get Smart Content, Charles Nicholls, SVP of Product Strategy and Marketing Solutions, SAP Hybris, Greg Peters, CEO, INFORM, Pat Higbie, CEO and Cofounder, XAPPmedia
10 Dominic Kinnon, President of Global Customer Experience Solutions, SDL
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Customer behavior doesn’t change drastically; it evolves and responds according to the environment, whether virtual or physical.

The mobile landscape, for example, will continue to evolve, putting more power into the hands of the consumer while creating more audience fragmentation. This fragmentation is not only about where buyers consume a marketer’s message, but also their mind-set. Consumers desire and expect to be served more personalized messaging from brands, so marketers must connect with them at the right places and the right times, which involves activating with increased real-time localization.

We’ll see more personalization technologies evolve in 2016 that enable marketers to get smarter about what, where, and how they serve their messages. Look for marketers to become more sophisticated in their connections using always-on storytelling that won’t seem interruptive.

Research reports in the latter half of 2015 indicated that if advertisers serve up more personalized content to consumers, they’re more likely to engage with those brands. Content that is as tailored as possible to customers’ preferences is also less susceptible to ad blocking, which has recently become a big issue for marketers.

One of the better pieces of marketing I saw in 2015 was the Cover Girl tie-in to *The Force Awakens*, the latest film in the *Star Wars* franchise. It’s an example of a smart marriage of two pieces of content to a young, female audience. Back in August Cover Girl launched a limited-edition line of “light” and “dark” make-up looks named after the types of characters in the film. The Droid look had products in light colors while the Storm Trooper look was composed of darker shades of eye shadows, lipsticks, and the like all co-branded with the *Star Wars* logo. You can expect to see more of these types of executions in 2016.
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In 2016 we predict that consumers’ password fatigue will take hold in earnest, driving a shift away from the use of traditional usernames and passwords toward more convenient forms of authentication, such as biometrics. With this change in consumer behavior, marketers must ensure that alternate forms of authentication are made available on their mobile applications and Web properties. In doing so, marketers will not only be able to ensure that registration and login numbers increase as friction is reduced from the authentication process, but also capture valuable, permission-based data they can use to personalize cross-channel customer experiences.

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The consumer buying cycle used to be about the simple act of trading goods and services with a neighbor. Now there are ever-increasing touchpoints where customers expect to be served and delighted. In-store, online, mobile, social, smart watches, smart televisions, connected devices, in the car, in the air, and many more are already available or coming quickly.

This 360-degree experience continues to expand, and brands must now account for all ways that customers might want to engage with their goods or services. No longer is it enough to have a great website but a mediocre mobile experience. Consumers are sophisticated and expect not to be “talked at”; they want to “talk with” brands and even contribute to the conversation.

While it’s not smart business to ever be mediocre, it is expedient for brands to master each new platform one by one, while continuing to pursue all platforms their customers can, do, or could use.

Marketers must first identify where their customers are, both physically and digitally, and then look at ways to connect the experiences in a way that allows for seamless customer flow. When a new platform, such as the Amazon Echo, comes along, jump on it quickly. Learn by trial and error, and ask your customers to help. Then iterate quickly. Brands will learn what is working, what isn’t, and where they can improve.

But hurry...the 360-degree buying experience will only grow more encompassing and waiting too long will only mean one thing: more places you aren’t reaching your customers.
The increasing use of ad blockers will continue to impact marketers in 2016. In fact, a recent survey by The Reuters Institute for the Study of Journalism and Oxford University found that 47% of the U.S. survey participants use ad blockers. However, this signals opportunity, not doom and gloom.

Specifically, ad blockers will be the driving force behind three of the biggest shifts marketers will face in the coming year. First, since users turn on ad blockers because they’re turned off by ads that are intrusive, off target, and interrupt their experience with engaging content, this will drive marketers to raise the quality bar on creative as well as content to ensure that visitors return to their site.

Second, ad blockers are spurring innovation. Today, publishers have no choice but to get more creative as they experiment with various payment models in exchange for access to high-quality content.

Last, as those new innovations come to bear and user experiences improve, we’ll see greater transparency among the ecosystem of publishers, advertisers, and users. We’re already seeing signs of improved transparency with the recent launches of several new offerings that guarantee 100% viewability of ads by humans. As this metric becomes the standard, marketers will have greater visibility into their target audience. This, in turn, will result in higher engagement.
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The biggest change in customer behavior is that customers expect a consistent and personalized experience—despite their increased engagement with brands across various channels. This was the case in 2015, but we can expect it to be even more so in 2016. Brands should not only keep the variety of channels and the expectation for individualized experiences in mind, but also the fact that customers are increasingly global; they don’t only live in your backyard—they’re across geographic borders, speaking various languages with unique cultural nuances. At Blackboard, we [aim] to meet these digital and global demands by delivering a mobile responsive website and effectively targeting specific customer personas.

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The biggest change in consumer behavior in 2016 is that consumers will increasingly turn away from anything they perceive as marketing. Instead, they’ll increasingly look to small groups of people who have a high level of credibility in their specific industry or category to influence their buying decisions. These tastemaker groups are on the rise and should be the targets of marketers in the coming year.

This behavior will be due in part to the vast amount of product information available to the average consumer. Consumers have more information than they could imagine available to them; however, they’ve grown overwhelmed and wary of marketing and so-called “trusted sources.” Recommendations and reviews are no longer enough; consumers in 2016 will continue to believe that every purchase decision needs to be researched, evaluated, ranked, and even crowd-sourced to ensure that it’s the best decision. It makes sense, then, that marketers should focus in 2016 on consumers who want help sorting through the sea of information to find the very best recommendation sources.

Marketers have learned that branding is more of a two-way conversation rather than a one-way lecture. But to keep up with consumers, marketers will need to create better strategies to understand which voices have greater impact among their key consumers and how to connect with these tastemakers in a more credible way.
From mobile phones and tablets to laptops and desktops, today’s consumers are using an ever-increasing number of devices to access the Web, search for information, make purchases, and more. Even if a brand isn’t running campaigns across devices, consumer responses are still being harvested in greater numbers across multiple device types.

As m-commerce continues to grow in 2016, expect marketers to look for solutions that enhance their understanding of their marketing’s true impact across all channels and devices, as well as how to best allocate their spend by device to meet their goals. By deduplicating unique users who are exposed to marketing touchpoints across multiple devices, these solutions will provide marketers with a more holistic view of their consumers’ paths to conversion, and the ability to more effectively allocate their budget by device type.
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In 2016 consumers will fully understand the power they have to unsubscribe and disengage. As brands begin to realize that marketing is a privilege instead of a right, marketers will have an added urgency to improve their efforts at personalization or risk being excommunicated. The winning brands will focus their efforts increasingly on providing personalized, contextual messages that are driven by data.

We can also expect that marketing will be less about a quick sell and more about building a long-term relationship. It will be less about immediate sales conversions and more about brand loyalty and long-term value. Chubbies is a men’s apparel brand that’s already excelling in this capacity by interacting with their customers less as a brand and more as a friend. Their communications range from a touchpoint like a random joke, to something a little more traditional like an alert that something is on sale.

Further, brands will stop making their customers fit their specific mold and instead learn their preferences to communicate offerings and deals specific to each individual’s needs. This will drive meaningful interactions and conversions rather than a meaningless onslaught of content.

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The expectations of the B2B buyer can be summed up as: Don’t waste my time. If they’re an existing customer, they want to be treated from a standpoint of knowledge about the past business they’ve done with you, and if they’re a prospect they want relevancy and consistency to their industry.

Why? Consider retail, which often is first to adopt new technology. Retailers have been quick to adopt segmentation, serving different experiences based on factors such as location, previously purchased items, and past spend. Business buyers expect that same level of personalization, especially if they have previously engaged with your content or completed a form, thereby letting you know who they are.

In the enterprise we see that B2B sellers are not as well-prepared to deliver seamless omnichannel experiences because of the enterprise hurdles of scale and siloed ownership: One group likely owns acquisition through digital media, while an entirely different group owns the email nurture channel; CRM is almost always out of the purview of either of those groups. Enterprises often successfully clear these hurdles when a demand gen or marketing operations function owns the goal of optimizing omnichannel and can reach across the existing organization barriers.

What should marketers do about it? B2B marketers are quickly realizing that they have access to the data they need to deliver a seamless omnichannel experience, but it exists in silos that are hard to manage. Getting a handle on the data channels and using data to market and sell more effectively will be critical in 2016. New technology offerings will bring together disparate data to enable marketers to accurately segment visitors, deliver personalized messages to prospects, and help them quickly move through the buyer’s journey. The key is to find solutions that work well together, allowing marketers to seamlessly transfer customer data from one platform to the next.
Today’s consumers are being flooded with more digital content than ever before, with a huge number of brands available at their fingertips via their device of choice. In 2016 customer expectations will also be higher than ever. Consumers are becoming accustomed to immediate accessibility and will expect their brand experiences to be personalized and easy to navigate. With so many options just a click away, customers won’t wait around if the brand experience is not a positive one. Even our research found that four out of five customers won’t come back after a bad customer experience.

Businesses can no longer afford to drive blind. Instead, brands need to rely on sophisticated technologies to personally engage with today’s customers. Tools like customer analytics, social intelligence, and machine translation are all crucial components designed to assist brands in the delivery of the experiences that customers really want, through messages that resonate across the right languages, markets, and touchpoints.
In recent years we’ve seen customers’ expectations grow rapidly as they seek simple and instant 360-degree support. Customer expectations will only continue to evolve, forcing marketers to keep the customer experience as top priority.

In 2016 marketers need to collaborate with technology departments to create synergy between customer relationship management and the technology behind it to improve a brand’s voice through better customer service. By getting behind the right customer relationship management technology, marketers will be able to keep up with their customers’ rising standards.

2015 saw mass adoption of ad blocking technology for the first time, with some estimates as high as 140 million people, or 58% of U.S. consumers now blocking ads. While this is already beginning to have a profound impact on advertising, it is symptomatic of consumers becoming increasingly intolerant of marketers abusing their data. In short, consumers are looking for a new deal on how marketers use their data. In parallel, regulators are gearing up for a new onslaught around data privacy, led by European Union regulators who are planning to ban any form of tracking without explicit consent.

Consumers will continue to give their information to brands, but with a growing expectation of a fair value exchange. In return for data, they expect better experiences. This translates into personal offers and personal experiences that increasingly define the consumer-to-brand relationship. That means we need to stop shouting at customers and start listening to what they want and need right now.

To create truly personal experiences, marketers have to understand individual customers. The old adage was never truer: You can’t personalize unless you know the person. That means tackling the customer data problem, because, today, data is scattered across a large number of customer-facing systems, making it impossible to really understand what’s relevant to a particular customer at any moment in time. Marketers need to start capturing customer intent data so that marketing and experience can become contextually relevant to individual consumers, perhaps for the first time.
What consumer behavior do marketers need to watch in 2016? Mobile mania. According to Gartner, mobile traffic in 2016 is expected to increase 59% from 2015. In fact, in May Google confirmed that more searches are conducted on mobile devices than desktops in 10 countries (including the United States).

As mobile use continues to dominate, so, too, does consumers’ demand for a seamless mobile experience. Marketers must master reaching their audiences through a mobile platform—whether it’s focusing specifically on the design of a responsive mobile site or creating a mobile application that will engage prospects or help to retain current clients. Additionally, because mobile applications open up whole new markets (think Uber), successful marketers will continue to create innovative market segments through mobile applications. Finally, marketers must master mobile search, both organic and paid, because mobile searchers behave very differently than desktop searchers. And, because Google released the “Mobilegeddon” algorithm update in 2015, organizations that are not mobile savvy will suffer in search engine results.
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In 2016 consumers will access news and entertainment from mobile devices at more explosive rates than ever before. This means that information provided through digital video will continue to define new paradigms of user behavior, therefore helping push personalized experiences across everything from smartphones to smart TVs.

For these reasons, it is imperative that marketers find new ways to use digital video that appeals to consumers. This includes shifting 2016 budgets toward personalization, mobile-optimized environments, and high-engagement content. Mobile and video are offering marketers the opportunity to think through what engagement actually means and how to measure it more effectively.

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Ad blocking will be one factor in consumer behavior for 2016 impacting both marketers and publishers. Mobile in general and audio streaming apps in particular will benefit from this trend as marketers look to reach consumers through mobile apps.

Mobile advertising growth is projected by eMarketer to exceed 40% this year. Consumers’ use of ad blocking may drive that number higher. Audio will also benefit from growing usage in daily time spent with media that is already two times higher than Facebook. Ad-supported audio will benefit from the confluence of several trends including: ad blocking, mobile ad growth, audio usage growth, and the optimization of audio ads for mobile.

The key behavior change we’ll see is consumers engaging with audio ads with their voice. This will bring about profound change because until now mobile audio ads have relied on touch interaction, which is ineffective given that a phone’s screen is not accessible 85 to 90% of the time while people are listening.