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Marketing’s New Key Metric: Engagement

by Brian Haven
for Marketing Leadership Professionals
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Marketing’s New Key Metric: Engagement
Marketers Must Measure Involvement, Interaction, Intimacy, And Influence

by Brian Haven
with Josh Bernoff and Sarah Glass

EXECUTIVE SUMMARY

The marketing funnel is a broken metaphor that overlooks the complexity social media introduces into the buying process. As consumers’ trust in traditional media diminishes, marketers need a new approach. We propose a new metric, engagement, that includes four components: involvement, interaction, intimacy, and influence. Each of these is built from data collected from online and offline data sources. Using engagement, you get a more holistic appreciation of your customers’ actions, recognizing that value comes not just from transactions but also from actions people take to influence others. Once engagement takes hold of marketing, marketing messages will become conversations, and dollars will shift from media buying to customer understanding.

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DOES THE MARKETING FUNNEL NEED AN UPGRADE?

Traditionally, marketers modeled consumers’ decisions as they progressed from awareness through consideration, preference, action, and loyalty — through what is called the marketing funnel (see Figure 1-1). The marketer’s job was to move people from the large end down to the small end. But now it’s time for a rethink, as the funnel has outlived its usefulness as a metaphor. Face it: Marketers no longer dictate the path people take, nor do they lead the dialogue. We must rethink the marketing funnel because:

• **Complexity reigns in the middle of the funnel.** Awareness is still important; you need to know that a product or service exists in order to buy it. And the marketer’s endpoint is still a transaction. But, in between, other factors such as recommendations from friends or family, product reviews, and competitive alternatives described by peers influence individuals. The funnel’s consideration, preference, and action stages ignore these forces that marketers don’t control. Rather than a clean linear path, the real process looks more like a complex network of detours, back alleys, alternate entry and exit points, external influences, and alternative resources (see Figure 1-2).

• **The most valuable customer isn’t necessarily someone who buys a lot.** In this socially charged era in which peers influence each other as much as companies do, good customers can’t be identified solely by their purchases.¹ Companies also need to track individuals who influence others to buy. For example, a customer who buys very little from you but always rates and reviews what she buys can be just as valuable as someone who buys a lot — her reviews might influence 100 other people to buy your product. Tracking only transactions and loyalty at the end of the funnel misses this significant element of influence.

• **Traditional media channels are weakening.** Marketers continue to use mainstream media messages to move consumers into a consideration frame of mind. But passive consumption of media is waning. Individuals dismiss or ignore marketing messages in lieu of information available from an ever-increasing number of resources, such as product review sites, message boards, and online video.²

• **Consumers force brand transparency.** Marketing and public relations teams used to have the influence to spin a message in their favor when something went wrong. But in these days of snoring cable technicians caught sleeping on a customer’s couch, captured on video, and posted on YouTube or blogs blasting CompUSA for selling an empty box instead of a camera, spin is out of control.³ Online social tools, coupled with increasing social behavior online, make it easy for the truth to come out. When companies try to spin the message now, they get caught in the act, only making the problem worse.
Figure 1 The Traditional Marketing Funnel Fails To Model Complex Buying Paths

1-1 The traditional marketing funnel

Eyeballs → Awareness → Consideration → Preference → Action → Loyalty → Buyers

1-2 Complexity lies at the center of the marketing funnel

Eyeballs → Peer reviews → Competitive alternatives → Buyers

Contributors

Recommendations from friends

User-generated content

Source: Forrester Research, Inc.
Marketing complexity means that traditional metrics fail to capture the whole story. Online metrics like unique visitors to a Web site, number of pages viewed, and time spent per page mimic offline media metrics of reach and frequency. But these measurements don’t indicate the engagement of an individual; they fail to capture the sentiment, opinion, and affinity a person has toward a brand as manifested in ratings, reviews, comments in blogs or discussion forums, or likelihood to recommend to a friend.

ENGAGEMENT: A NEW PERSPECTIVE ON MARKETING

If the funnel no longer accurately reflects what marketers can influence, why do they still cling to it? Because they can measure it, which is reassuring, even if it no longer accurately reflects the real buying process. And, of course, there are no useful alternatives. We believe that marketers need a new approach to understanding customers and prospects. This new type of measurement — engagement — encompasses the quantitative metrics of site visits and transactions, the qualitative metrics of brand awareness and loyalty, and the fuzzy areas in the middle best characterized by social media. Our definition of engagement includes four components (see Figure 2):

Engagement is the level of involvement, interaction, intimacy, and influence an individual has with a brand over time.

**Figure 2 The Four Components Of Engagement**

<table>
<thead>
<tr>
<th>INVOLVEMENT</th>
<th>INTERACTION</th>
<th>INTIMACY</th>
<th>INFLUENCE</th>
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<tbody>
<tr>
<td><strong>What To Track</strong></td>
<td><strong>What To Track</strong></td>
<td><strong>What To Track</strong></td>
<td><strong>What To Track</strong></td>
</tr>
<tr>
<td>• Site visits</td>
<td>• Contributed comments to blogs</td>
<td>• Sentiment tracking on third-party sites (blogs, reviews, forums, etc.)</td>
<td>• Net Promoter (NP) score</td>
</tr>
<tr>
<td>• Time spent</td>
<td>• Quantity/frequency of written reviews, blog comments, forum discussions, and UGC</td>
<td>• Sentiment tracking of internal customer contributions</td>
<td>• Product/service satisfaction ratings</td>
</tr>
<tr>
<td>• Pages viewed</td>
<td>• Site logins</td>
<td>• Opinions expressed in customer service calls</td>
<td>• Brand affinity</td>
</tr>
<tr>
<td>• Search keywords</td>
<td></td>
<td></td>
<td>• Content forwarded to friends</td>
</tr>
<tr>
<td>• Navigation paths</td>
<td></td>
<td></td>
<td>• Posts on high-profile blogs</td>
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<tr>
<td>• Site logins</td>
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<tr>
<th>How To Track</th>
<th>How To Track</th>
<th>How To Track</th>
<th>How To Track</th>
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</thead>
<tbody>
<tr>
<td>• Web analytics</td>
<td>• eCommerce platforms</td>
<td>• Brand monitoring</td>
<td>• Brand monitoring</td>
</tr>
<tr>
<td>• Social media platforms</td>
<td>• Customer service calls</td>
<td>• Customer service calls</td>
<td>• Surveys</td>
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<td></td>
<td>• Surveys</td>
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</table>

Source: Forrester Research, Inc.
The Elements Of Engagement

Engagement goes beyond reach and frequency to measure people's real feelings about brands. It starts with their own brand relationship and continues as they extend that relationship to other customers. As a customer's participation with a brand deepens from site use and purchases (involvement and interaction) to affinity and championing (intimacy and influence), measuring and acting on engagement becomes more critical to understanding customers' intentions. The four parts of engagement build on each other to make a holistic picture.

- **Involvement.** This component is the most basic measurement of engagement and reflects the measurable aspects of an individual's relationship with a company or brand. It includes actions like visits to a site or a physical store, time spent per page, and pages viewed. While this alone isn't sufficient, measuring these activities is critical because they are often the first point of interaction an individual has with a brand and are the foundation for making the connections to other metrics. For example, Reed Business tracks visitors to its Web sites, the time they spend, the articles they read by category or channel, and pages they view per week (and across other time periods). This helps Reed Business distinguish between first-time and repeat visitors, and informs the company of the depth, frequency, and level of interactions of their visits, helping it determine its content agenda. You can use Web analytics services like Omniture, Web Trends, or Visual Sciences to measure these activities.

- **Interaction.** This component provides the depth that involvement alone lacks by measuring events in which individuals contribute content about a brand, request additional information, provide contact information, or purchase a product or service. Where involvement measures touches, interaction measures actions. These include click-throughs, completed transactions, blog comments, social network connections, and uploaded photos and videos. Social media contributions increasingly play a role in calculating the value of a customer and are vital to tracking emerging behaviors. For example, PETCO tracks when customers browse and sort by top-rated items and then buy a product, allowing the company to identify the effect user-generated content (UGC) has on purchases. You can use eCommerce platforms to provide transaction data, while social media platforms like Bazaarvoice and UGENmedia track actions like ratings and reviews, photos or videos uploaded, or connections made in social networks.

- **Intimacy.** This component goes beyond interaction to measure the affection or sentiment an individual holds for a brand. This includes her opinion, perspective, or passion for the brand as represented by the words she uses and the content she creates. Intimacy is the critical new component that sheds light on customer’s feelings about your brand (positive or negative), and, with new services, it can be tracked almost in real time, providing ample opportunity to correct a problem or seize an opportunity before it wanes. For example, Del Monte's pet food division used Umbria's brand monitoring services to track online conversations about how owners perceive their pets, yielding fascinating differences — for example, Gen Yers think of them as...
accessories, Gen Xers think of them as family and worry about how to fit them into their busy schedule, and Boomers consider them people too. Brand monitoring firms like TNS Media Intelligence/Cymfony, MotiveQuest, Biz360, Umbria, and BrandIntel measure sentiment in online venues, including social networks, discussion forums, blogs, and video-sharing sites.\textsuperscript{7}

\textbf{Influence.} This component looks beyond even sentiment to determine an individual’s likelihood to encourage a fellow customer to consider or buy a brand, product, or service. Qualitatively, it includes brand awareness, loyalty, and the possibility of purchasing again. It also includes quantitative metrics like the Net Promoter (NP) score, measuring a person’s likelihood to make a recommendation to a friend.\textsuperscript{8} Understanding your customer’s intention to return, repurchase, or recommend is critical to building a forward-looking profile of your customer. For example, BrandIntel tracked sentiment about the film \textit{Snakes On A Plane} and TV series \textit{Heroes}. Eighty percent of the conversation about \textit{Snakes On A Plane} focused on the hype of the film and Samuel L. Jackson the actor, not his character, while \textit{Heroes} conversations were all about the characters and the premise of the show. This is why \textit{Heroes} is a hit and \textit{Snakes} was a flop; BrandIntel's studies show that people aren’t really engaged unless they’re talking about plot and characters rather than hype and actors. You can measure influence through opt-in surveys, mailed questionnaires, or customer service calls and phone surveys.

\section*{Making Sense Of Engagement}

With a new set of components — involvement, interaction, intimacy, and influence — companies can integrate data from many sources to build the engagement profile, an aggregate description of the types and levels of engagement your customers exhibit. But with all this new data, what metrics matter, and how can you combine them? To understand how engagement affects customer value, consider these three customer scenarios that reflect different customers and how they approach one brand, an online retailer:

\textbf{Charlie: passive participant.} Charlie’s just not that into you. You see him on your site as an occasional visitor who does not recommend the brand and reads the company blog about gadgets but does not comment. Still, his behaviors on the site liken him to people who tend to have a favorable sentiment about the products they’re researching (see Figure 3). Since Charlie isn’t a registered user, you’ll need to track his actions on the site (pages viewed, time spent, etc.) and measure the sentiment of the occasional anonymous content he contributes (comments, discussions, etc.) as well as the sentiment on the sites and pages that refer him, tracked through browser cookies. In your analysis of engagement of visitors like Charlie, you would match their characteristics to similar users who are registered and, from that, extrapolate their loyalty and likeliness to recommend.

\textbf{Steven: semiactive participant.} Steven is ready to be turned on to your brand. He visits the site in bursts surrounding product purchases, has become loyal, and writes highly influential reviews of the sports equipment products he buys, even though he feels that the product
research tools and information are lacking (see Figure 4). For users like Steven, you should track activities surrounding purchases (before and after) and the time between a transaction and his review of the product. Measure the sentiment of product reviews, the actions taken after reading unfavorable content, and the influence his reviews have on other customers’ purchasing behaviors. You need to ascertain what motivates him to contribute content and try to encourage more of that behavior.

• **Sarah: brand zealot.** Sarah could turn out to be one of your most valuable customers. She is an avid fan of the site's pet accessories, is a highly active visitor who recommends the site to every pet owner she knows, and actively contributes content to the site's online community, even though she sometimes posts negative comments about products after making customer service calls (see Figure 5). For zealots like Sarah, it's important to track the quantity and frequency of reviews, profile updates, blog posts, forum discussions, and other content contributions. You should also measure the sentiment of her contributions and use surveys to keep a pulse on her affinity for the brand and intent to continue to participate. For some brands, it would make sense to start a brand ambassador program to draw users like Sarah closer to the company and energize their word-of-mouth.
### Figure 3 Passive Participant

<table>
<thead>
<tr>
<th>PROFILE—CHARLIE</th>
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<tbody>
<tr>
<td>• Passive participant</td>
</tr>
<tr>
<td>• Reads and views others’ contribution</td>
</tr>
<tr>
<td>• Only participates on rare occasions</td>
</tr>
<tr>
<td>• Not registered on the site</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Involvement</th>
<th>Interaction</th>
<th>Intimacy</th>
<th>Influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Visits the site one to two times per month</td>
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<tr>
<td>• Spends about 10 to 15 minutes browsing</td>
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<tr>
<td>• Primarily uses search to find products</td>
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<tr>
<td>• Browses the tech gadgets category</td>
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<tr>
<td>• Seems to purchase at the physical retail locations</td>
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<tr>
<td>• 10% of the time, Charlie is referred from a third-party review site</td>
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<td>• Reads company blogs about products</td>
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<tr>
<td>• Commented on blog posts three times in the past six months</td>
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<tr>
<td>• Reads customer reviews</td>
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<tr>
<td>• Text analysis shows that the few comments Charlie makes tend to show favorable sentiment</td>
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<tr>
<td>• Text analysis of the reviews Charlie reads includes both favorable and unfavorable reviews of the product</td>
<td></td>
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<tr>
<td>• Text analysis of the views on third-party review sites, particularly the site that refers Charlie on occasion, tend to be slightly less favorable</td>
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<tr>
<td>• Basic demographics of gadget lovers show that Charlie is most likely male, 18 to 35, with moderate to high income (he’s actually 28 with low to moderate income)</td>
<td></td>
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<tr>
<td>• People in this segment who are linked to registration data and browse the same categories have low NP scores and rank the products and online services as “satisfactory”</td>
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<table>
<thead>
<tr>
<th>Level of intensity from low to high</th>
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<tbody>
<tr>
<td>Lo</td>
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<td>Lo</td>
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<td>Lo</td>
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Source: Forrester Research, Inc.
**Figure 4 Semiactive Participant**

**PROFILE—STEVEN**
- Semiactive participant
- Fan of the brand
- Contributes in large bursts, with big gaps in between

<table>
<thead>
<tr>
<th>Involvement</th>
<th>Interaction</th>
<th>Intimacy</th>
<th>Influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Just made a recent purchase after 12 months of inactivity</td>
<td>• Wrote a review of a recently purchased product; 32% of the people who read his review (53) purchased the product</td>
<td>• Most comments about the company are favorable</td>
<td>• NP score of 8.7 for the company's services</td>
</tr>
<tr>
<td>• Typically visits the site three to four times per month</td>
<td>• Commented on six posts from the company blog about specific products</td>
<td>• An identical username on a third-party site shows that he finds the research tools lacking some key features</td>
<td>• Recently set up his profile and forwarded links of the products he likes to his friends</td>
</tr>
<tr>
<td>• Browses forums and company blogs just before and after buying</td>
<td>• Engaged in a weeklong discussion in a forum on the company’s site on a recently released product</td>
<td>• Steven commonly responds to questions posed by other members in the company's forums</td>
<td>• Survey responses from multiple touchpoints indicate that Steven is highly loyal to the brand</td>
</tr>
<tr>
<td>• On average, spends 25 minutes on the site browsing</td>
<td>• Read an unfavorable comment about a product by another member and requested to return the product 20 minutes later</td>
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</tbody>
</table>

**Level of intensity from low to high**

Lo | Hi
---|---
Lo | Hi
Lo | Hi
Lo | Hi

Source: Forrester Research, Inc.
**Figure 5 Brand Zealot**

**PROFILE—SARAH**
- Active participant
- Brand zealot
- Contributes content
- Connects with other customers

<table>
<thead>
<tr>
<th>Involvement</th>
<th>Interaction</th>
<th>Intimacy</th>
<th>Influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities</td>
<td>Activities</td>
<td>Activities</td>
<td>Activities</td>
</tr>
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</table>
| • Visits the site three to five times per week  
• Spends 7 hours on the site weekly  
• Views top-rated products and new customer reviews regularly  
• Highly passionate about products for her pets  | • Updates her on-site social network profile weekly  
• Rates 90% of all non-pet-food purchases  
• Reviews half of all non-pet-food purchases  
• Uploads photos and videos of her pets  
• Contributes topics to company discussion forums  
• Uses on-site blog tool to write about caring for pets  
• Answers forum questions  | • Reviews are mostly positive, but some are negative when the product falls short of expectations  
• Negative comments about products correlate with customer service calls about the product  
• A matching username on a popular third-party site about pets matches commentary posted on the company’s site  | • NP score for the brand is 9  
• Advocates products on her blog  
• Has high satisfaction rates with the brand and products  
• Indication that she recommends the brand to friends and family  |

Level of intensity from low to high

| Lo | Hi | Lo | Hi | Lo | Hi | Lo | Hi |

Source: Forrester Research, Inc.
Putting It All Together

Now that you know what information to collect, can we provide you with a formula to measure engagement? Well, no, because it’s different for each company. But you can start by identifying the key metrics that are useful to you and use them to choose and work with vendors of measurement technology. The engagement profiles you track will be different depending on your marketing strategy. Here are four recipes for measuring engagement, matched to company objectives:

- **Your objective is to create awareness.** Start as you always have, tracking existing online ads, promotions, and TV commercials. To this, add tracking content contributed by brand advocates, such as product reviews or comments in discussion forums. Measure the sentiment of that UGC, including venues you don’t control such as third-party product review sites. Additionally, track influence through customers’ intent to recommend the product to a friend by conducting a survey or witnessing actions on peer review sites like Epinions and TripAdvisor. A good example: A large national financial institution used brand monitoring service Biz360 to identify key message pickup from its Superbowl ad in both traditional and interactive channels, and used that buzz measurement to evaluate the expenditure.

- **Your objective is to drive transactions.** Track involvement to identify how people use your site (page views, navigation paths, etc.) and merge that information with the effect UGC has on others’ purchases. This way you can discover the content and actions that increase a customer’s likelihood to buy. For example, CompUSA uses Bazaarvoice’s services to provide product ratings and reviews, then tracks the effect reviews have on the buying behavior of readers. They’ve found that customers acquired via review-related searches convert at a 60% higher rate than the average customer and spend 50% more per order.

- **Your objective is to build brand preference.** Track involvement on your own site as well as referrals from other sites to identify the content people use to make decisions. Understanding how intimate customers are with your brand and what increases intimacy will establish what it takes to convince a person to choose you over a competitor. For example, a large auto manufacturer launched a new SUV, but sentiment in discussion forums (measured using brand monitoring services) indicated that the off-road capabilities of the vehicle were not believable. Then, using imagery of the SUV performing in off-road conditions, the company was able to track a change in perception, which resulted in outselling its competitors that quarter.

- **Your objective is to increase loyalty.** Track recurring purchases, positive commentary, and intent to recommend. Analyze the characteristics and behaviors of known loyalists to determine what you should do to motivate potential loyalists to make the leap. Monitor sentiment about products in forums and in blog comments to track those actions that commonly encourage or discourage repeat purchase and respond accordingly through incentives, product modifications, or services enhancements. For example, in 2006, Mini Cooper decided to boost its community
efforts in a year with no new product announcements to strengthen loyalty and avoid being seen as a fad. Working with MotiveQuest, it used brand monitoring services and confirmed that the emotion expressed by owners in the Mini community set it apart from other vehicles. In addition, Mini Cooper was able to monitor the results of the brand’s community efforts and evolve future communications.

ENGAGEMENT ENHANCES CUSTOMER INSIGHT

Measuring engagement is a new concept, and no measurement vendors provide unified services to help tie it all together — yet. To get started, you’ll need to take the first steps alone. But starting small and remaining focused on a few objectives at a time (such as connecting UGC to increased purchases or linking sentiment to loyalty) allows you to identify the metrics that matter to you most. Integrate your customer perspective across channels and campaigns by using a variety of online and offline metrics, so you can calculate the value of new channels and identify efficient strategies for them.11 And consider the payoff of your hard work. You’ll be able to:

• **Measure and learn from things you currently ignore.** Qualitative metrics like feelings, affinity, and sentiment are difficult to track. And when you can collect the information, it has historically been complicated or impossible to use with other data. But social media makes it easier for customers to offer up their opinion, and, as a result, all that data is sitting out there waiting to be mined. Companies should track these metrics on a regular basis with brand monitoring services, partly to get insights that no survey would ever detect, since they come right from the minds of the customers. For example, a kitchen hardware manufacturer should track commentary in discussion forums about home renovation to get ideas about product shortcomings, identify new or improved products, and track impact on actual sales.

• **Identify customers who influence others to buy.** A person who contributes content, such as a product review or a video of the product in use, may be far more valuable than the average purchaser.12 As a result, your idea of who you consider a good customer should become more robust, and you should make tactical offers with finer control to drive the behavior of these customers. For example, a sporting goods retailer should identify customers who make significant product reviews that influence others’ purchases, then initiate programs to encourage those customers to contribute more content.

• **Encourage behavior across multiple touchpoints — online and offline.** The engagement profile crosses channels. Once you establish engagement profiles based on online data, the next step is to tie in data from offline sources, such as in-store transactions, phone or catalog orders, and customer service calls. For example, a quick service restaurant should determine if customers that are heavy users of its in-store loyalty program are more likely to provide favorable sentiment in online discussion forums or possess an increased likelihood to recommend the food to a friend.
WHAT IT MEANS

ENGAGEMENT REDIRECTS THE MARKETING TRAJECTORY

As they understand and leverage customer engagement, firms will begin to collaborate with loyal, passionate users on brand messages. But the further implications are broad and sweeping.

• **Rather than just targeting new customers, firms will increasingly market to their alumni.**
  As engagement exposes the value of UGC, brand graduates will become the new target. Even customers who no longer have a need for your products or services still have something to say. Marketers will target customers who have exited the final life-stage of your product, enticing them to provide parting wisdom for existing customers. For example, imagine if Pampers awarded points redeemable at Gap Kids for customers that continue to participate in discussions about baby care, even after their own child no longer needs Pampers’ products.

• **Metrics will focus on the acquisition of evangelists rather than purchasers.** Marketers currently measure the performance of interactive marketing tactics with metrics like cost per thousand views (CPM), cost per click (CPC), or cost per acquisition (CPA). As marketers establish the value of a contribution in relation to a purchase, a new metric will emerge: the cost per acquired advocate (CPAA). Nike may determine that the cost to recruit runner hobbyists who are vocal about Nike’s products is more effective than marketing solely to ordinary shoe buyers, because the advocates influence other runners to buy.

• **People will hold brands to higher quality standards.** Marketers will begin to allow evangelists and contributors to collaborate on the brand message. When this transition happens, customers will demand better quality, refusing to jeopardize their credibility in the community over poor-quality products. This customer requirement will force companies to increase spending in R&D and add a new group within marketing: the Customer Understanding Group. For example, Verizon FiOS might learn that customers demand improved service performance before they’ll volunteer to advocate the brand. As a result, Verizon could assemble a team of marketers, product development specialists, and market researchers to conduct a customer needs study and redesign its service to perform better and meet new customer desires.

• **Marketing dollars will shift from outbound communication to data analysis.** With the brand message partly in the hands of loyal customers, the marketing organization will realize that fewer dollars need to be spent on mass communication. Marketing spend will shift to building and nurturing brand zealots, while simultaneously reducing traditional and interactive marketing efforts. Many of these marketing dollars will shift to expenditures on data acquisition and data mining. Imagine if Procter & Gamble redirected 20% of its marketing budget in traditional media and dedicated those new dollars to interactive marketing efforts, enterprise marketing measurement, and database management services. The marketer’s fortunes as a brand company would then shift — careers would soar in data analysis and stagnate in media spending.
• **Audience, not product or channel, will define the new marketer.** Rather than focus on areas of expertise aligned with a channel or industry, the marketing organization will shift to a customer organization. As she focuses on influencers and consumer knowledge, the new marketer will develop a career based on her understanding of, for example, new moms, young athletes, or women reaching menopause. For example, Alison Zelen, Consumer & Market Insight manager for Axe Body Spray at Unilever, succeeded based on her intimate understanding of how young men think, gained partly from watching them in a Communispace community. This is knowledge that transcends the consumer packaged goods category.

• **Engagement will force B2B marketers to take the social media plunge.** B2B marketers’ slow adoption of social technologies will be accelerated when community sites emerge discussing the merits (benefits and limitations) of their products and services. B2B marketers will recognize that social media is critical to their business because all of their customers are online and one unhappy customer can cost them millions of dollars in business. Imagine this: A new enterprise product from HP, Oracle, or Microsoft fails to deliver on its promise for a prominent client. The key decision-maker at the client company is an avid blogger and posts about the poor performance of the product. A groundswell of unhappy customers develops, and three developing deals fall through as a result, costing the vendor more than $5 million in potential new business. Events like this will persuade B2B marketers in a heartbeat to measure engagement.

ENDNOTES

1 More than one-quarter of online consumers contribute to discussion boards or submit a rating or review of a product. See the January 25, 2007, "Leveraging User-Generated Content" report.

2 Only 13% of consumers say they buy products because of their ads, and a mere 6% believe that companies generally tell the truth in ads. See the November 27, 2007, “Consumers Love To Hate Advertising” report.

3 The video of the Comcast technician is located at http://www.youtube.com/watch?v=CvVp7b5gzqU. The blog post about CompUSA’s sale of an empty camera box is located at http://www.thepomoblog.com/archive/lifeslices-all-sales-final-is-not-a-license-for-theft.

4 In marketing today, the term engagement has a plethora of definitions coming from many different organizations. For example, the Advertising Research Foundation (ARF) defines engagement as: “turning on a prospect to a brand idea enhanced by the surrounding context.” The Web Analytics Association sticks to today’s components of measurement (internal search terms, top pages and content requested, customer retention rate, time for a user to navigate the site, etc.) to help encourage better usability. But we’re arguing for a more comprehensive definition that addresses all of the many touchpoints an individual has with a brand. The ARF definition of engagement can be found at http://www.thearf.org/research/engagement.html. The Web Analytics Association explanation of measuring engagement is located at http://www.webanalyticsassociation.org/en/art/?102.
5 To get the most out of your Web analytics efforts: 1) connect customer behavior to business results; 2) present analytics data to business owners regularly; 3) assign a single owner to each metric; 4) create rapid response plans; and 5) add staff to accelerate ROI. See the June 2, 2006, “Five Tips For Web Analytics Success” report.

6 Based on our analysis, four vendors rose to the top of our evaluation: WebTrends for its strengthening product line, flexible deployment, and global presence; Omniture because of its all-around solid product and training offerings; Visual Sciences for its market-leading technology; and Coremetrics for its respectable product coupled with the market’s best customer service. See the January 13, 2006, “The Forrester Wave: Web Analytics, Q1 2006” report.

7 As consumers usurp control from companies, marketers are forced to listen more, shout less, and interact on a regular basis. Brand monitoring services have emerged to specifically focus on helping firms listen. See the September 13, 2006, “The Forrester Wave: Brand Monitoring, Q3 2006” report.

8 Net Promoter alone isn’t enough, but alongside other insights about customers’ motivations, other metrics about customer experience touchpoints, and operational programs, Net Promoter becomes an important input into a broader measurement process. See the February 2, 2007, “Net Promoter Scores: Good, But Not Enough” report.

9 Marketers need technologies that improve marketing processes and help deliver relevant and consistent customer experiences across multiple channels. Leading enterprise marketing platform (EMP) vendors aspire to be the comprehensive suite. See the May 7, 2007, “The Enterprise Marketing Software Landscape” report.

10 Product reviews can be found at Epinions (http://www.epinions.com), and travel reviews can be found at TripAdvisor (http://www.tripadvisor.com/).

11 As marketers make strides to become more customer-centric, their need for a single agency of record diminishes. Over time, these marketers become better at managing integrated marketing campaigns — which results in spreading budgets across different agency types, building up internal capabilities, and experimenting with risk-sharing contract structures with their agencies. See the February 23, 2007, “Help Wanted: 21st-Century Agency” report.

12 New tools of Web 2.0 promise to dominate the shopping landscape in the years to come. This will launch a cycle in which more consumers become comfortable using the Internet for information created by other consumers and then begin to create content of their own. See the February 20, 2007, “Trends 2007: eCommerce And Online Retail” report.

13 Communispace builds and runs online communities to provide product and marketing insight for its clients. More information is available at its Web site: http://www.communispace.com.

14 B2B marketers admittedly stick to marketing tactics they say fail to work as well as they would like. See the August 2, 2006, “B2B Marketing Needs A Makeover — Now” report.
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