



Alterian's Eighth Annual Survey

How Engaged Is Your Brand?



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Executive Summary

The marketing industry continues to move from mass communication to true personalized engagement with consumers. Social media is gaining ongoing momentum, allowing consumers to hold much more control over their interactions with brands. As marketers begin to embrace this new phenomenon, a true shift is taking place, abandoning what was once broadcasting and welcoming individualized interaction between the consumer and the brand. While simply including a customer's name in marketing communication signifies some degree of personalization, individualization is far greater. The essence of ultimate engagement, individualization takes into consideration the customer's preferences, including what they would like to receive, when and in what channel.

More than half of respondents predict an increase in overall marketing budget, and approximately three quarters expect their social media expenditure to increase this year. This suggests 2011 will be the year marketers get their first glimpse of the light at the end of the tunnel, representing an optimistic change from the recent economic downturn. Marketers are gaining understanding of social media and the conversations surrounding their brand and increasingly seek to engage with consumers on this emerging channel.

However, while some dove right in to the social media frenzy and have thrived there, the majority of marketers either only use a few ad-hoc tools to monitor social media or have very little understanding overall. While this certainly represents a challenge, marketers have the opportunity to continue to mature in this space.

The corporate website offers marketers a great opportunity to increase personalization and enhance the web experience immensely based on individual website behavior. Only 11% report tailoring each visitor experience, while 34% say the website mainly serves as a corporate brochure. Meanwhile, email personalization is slightly more advanced with 43% using some form of segmentation to deliver marketing messages, yet only 13% deliver emails based on preferences at the individual customer level. While some may consider these traditional online marketing channels, as marketing evolves into personalized engagement and the consumer gains more control, marketers must learn to adapt these traditional mediums to new expectations of individualization.

More than one third of marketers measure and analyze all their efforts to drive future strategy. While the majority may not be quite to the ideal level of analytical aptitude, only 6% admit to doing no analysis whatsoever. Friction between IT and marketing may have something to do with this, as nearly two thirds admit to some friction for various reasons, which are further expanded in this report.

Marketers admit to still struggling to create true multi-channel engagement with their customers. When taking all issues addressed in the survey into consideration, more than three fourths admit to not being as engaged as they can and should be. However, while the majority recognize they are somewhat at risk, they also have identified the issues and are taking steps to correct them. It is clear that marketers could use guidance, the right tools, and a clear, strategic plan driven by consumer intelligence, to move toward fully engaging customers at an individual level, with the precision they have come to expect.

Marketers now must not only engage with their customers, but they must continue to analyze and measure their engagements across multi-channel disciplines, taking their findings and applying them across all customer interactions in a very precise and operational way. The art of engagement is not about personalization, it's about individualization.

Introduction

From October to December 2010, Alterian collected responses to its Eighth Annual Survey, the results of which were published on January 19, 2011. The attitudes of nearly 1,500 Marketers, Agencies, Marketing Services Providers (MSP) and Systems Integrators (SI) were solicited and considered.

Objective & Overview

Alterian's Annual Survey clearly illustrates the current state of the marketing industry and the changes affecting marketing professionals. Their responses provide distinct insight into the processes, systems and investments marketers are exploring and implementing, and the challenges they currently face.

Marketers are finally beginning to see the industry turn a corner economically, and the industry continues to move farther away from mass communication, gravitating toward one to one engagement with the consumer. The main objective of this year's survey is to determine how well brands engage with their consumers and how ready they are to take necessary next steps. While marketers may have been forced to accept the fact that the consumer is now in control and demanding accountability, it remains to be seen how ready marketers are to rise to the challenge.

- What is their level of understanding of social media and the conversations happening about their brand?
- What level of personalization do they apply to their website or customer emails?
- Are they taking the necessary steps to measure and analyze their brand's interactions with customers?
- How integrated are their marketing channels and corresponding strategies?

The survey also examines marketing budget and how much marketers are planning to invest in all aspects of the marketing mix.

Definitions

For the purpose of this survey, the following definitions have been used:

Marketer: A marketer follows the marketing process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy the customer and organizational goals.

Agency: This category includes agencies which cover a range of services including: Web Design and Development; Search Engine Marketing; Internet Advertising/Marketing; e-Business or e-Commerce consulting; advertisement production and placement; and the planning of advertising and direct marketing campaigns. Agencies may also perform other marketing functions, including market research and consulting.

Systems Integrators: A systems integrator (SI) is an individual or business that builds technology solutions for clients by combining hardware and software products from multiple vendors. SIs also help with business implementation, business transformation and change management of a new solution.

Marketing Services Provider: A marketing services provider (MSP) traditionally focuses on designing, building and managing marketing databases. MSPs also offer other marketing related services, such as list services and data sales, print services and lettershops, and call centers.

Thank You

Alterian would like to take a moment to thank all the participants that took part in its Eighth Annual Survey.

Methodology

Source and Method of Data Collection

The survey was conducted from October 9, 2010 to December 17, 2010, both online and offline.

Offline, Alterian gathered survey responses at the following industry events:

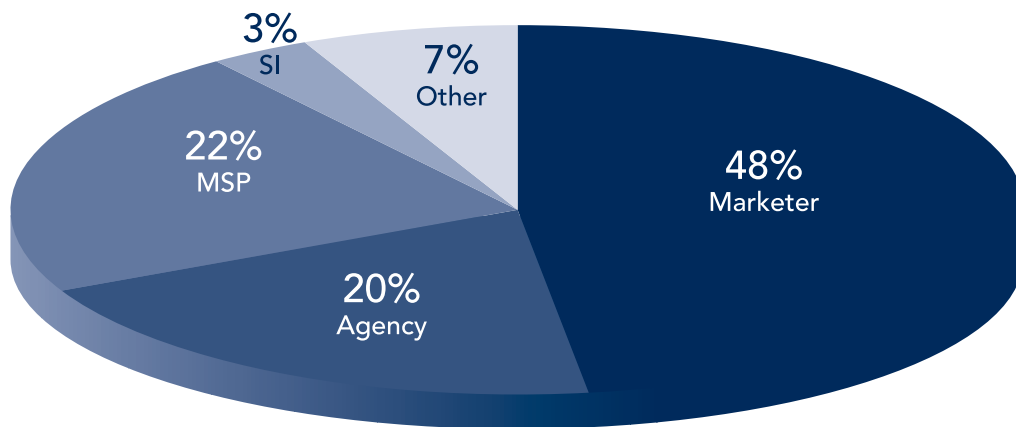
- DMA 2010 Annual Conference, October 9-14, San Francisco, CA
- JUMP 2010, October 13, London, UK
- PRSA International 2010, October 16-19, Washington DC
- AMDIA 2010, November 2-3, Buenos Aires, Argentina
- WOMMA 2010, November 17-19, Las Vegas, NV
- Marcus Evans' Social Media Marketing Conference 2010, November 18-19, Mumbai, India

Online, Alterian collected survey responses via an electronic submission form on a dedicated landing page on the Alterian website. The survey was promoted through email communication, social media interaction and social media workshops.

Industry Segments

Survey respondents totaled 1,462 professionals, including Marketers, Agencies, MSPs and Systems Integrators. While Marketers, Agencies and MSPs make up the overwhelming majority, the small segment of Systems Integrators is characteristic to the industry as a whole and reflective of the maximum pool size from which the respondents were drawn. Due to the small sample size, however, any analysis by industry segment will focus on Marketers, Agencies and MSPs.

Survey Respondents (by Segment)



Survey Respondents by Region



North America – 71%

Europe – 17%

Asia Pacific – 7%

South America – 2%

Middle East – 1%

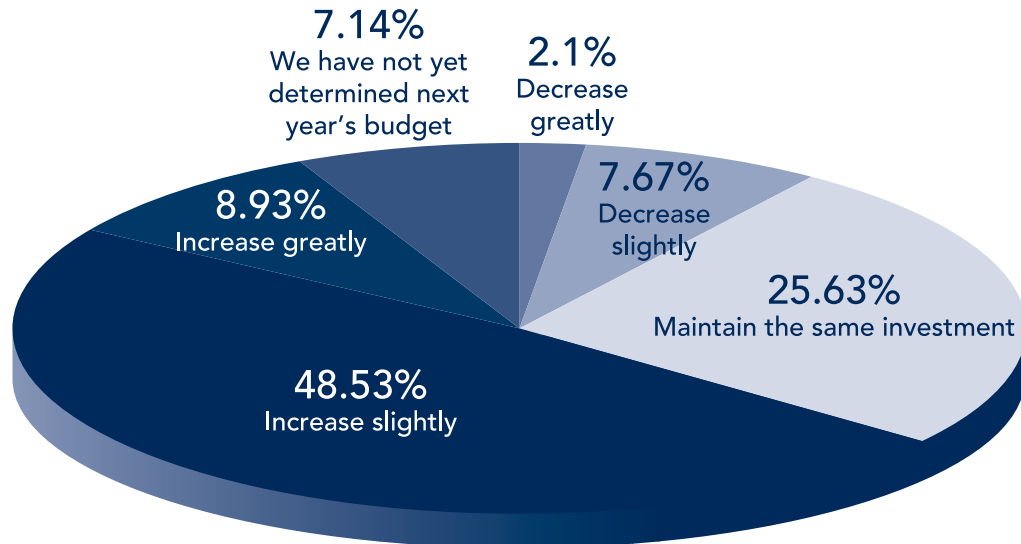
Other – 2%

Alterian surveyed professionals across North America, Europe, Asia Pacific, South America and the Middle East. Geographically, North America represents the largest sample of respondents, followed by Europe, Asia Pacific, South America and the Middle East, leaving a minute portion unidentified or from other regions.

Due to the small sample of responses coming from South America, Asia Pacific, Middle East and other, these geographic regions will be classed together as "Rest of World" for any analysis by region and throughout the remainder of this brief.

Although North America represents the strong majority, the total volume of data collected outside of North America validates any analysis and enables legitimate conclusions to be drawn.

1. How do you expect your overall marketing expenditure, or that of your typical client, to change over the next 12 months?



The majority of marketers expect their overall budget to increase, with about half of respondents projecting overall marketing expenditure to increase slightly and an additional 9% saying it will increase greatly (25% or more increase) over the next year. With only 10% estimating a decrease, this indicates good opportunity for industry growth in 2011.

An independent report by Forrester Research makes a similar prediction about marketing budgets and what that means for growth and advancement in the industry. "Seventy percent of marketers expect budgets to stay the same or improve, which means that there is room for innovation and experimentation in the coming year."¹ As the industry makes its way out of the recent economic slump, marketing professionals remain positive about the future.

Alterian has looked at marketing budget yearly since 2004, and while recent years have been less optimistic, responses show a steady uptake in spending, hopefully pointing to continual economic improvement across the industry. Research conducted by Duke University's Fuqua School of Business and the American Marketing Association found that marketing spend was up 9.2% in 2010 over 2009. Based on their findings, they project growth in budgets to double over the next year.²

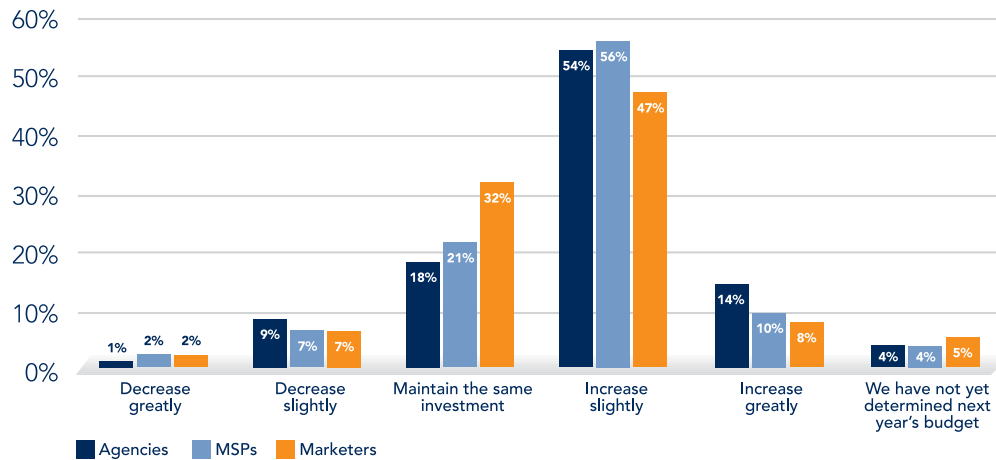
Jen Doyle, Senior Research Analyst at MarketingSherpa, explains in the "2011 B2B Marketing Benchmark Report" the recent resilience in the industry. "Today, the B2B marketing community is encompassed by optimism. With signs of a potentially improving economy, organizations are taking the lessons they've learned during the recession and are applying them with increased budgets for various marketing tactics."³

¹Forrester Research Inc., "Midyear Planning: Predictions For 2011" July 29, 2010

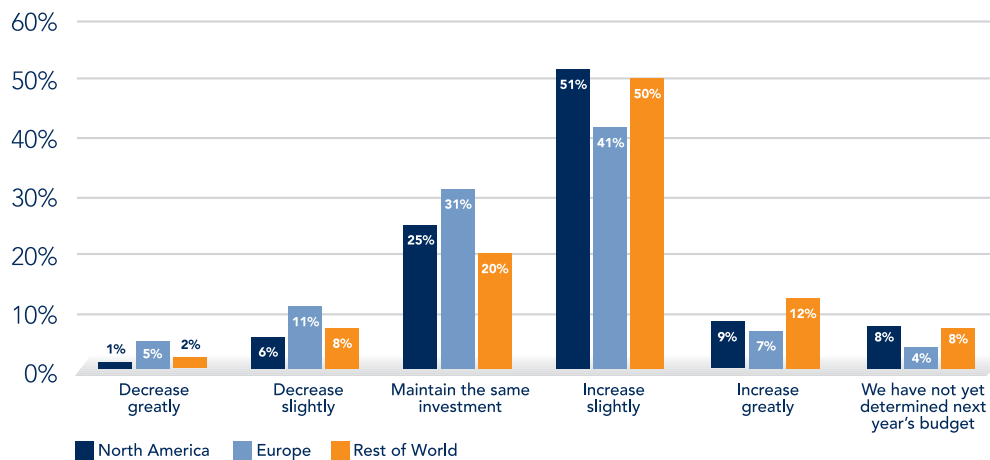
²CMO Survey 2010, Christine Moorman, www.cmosurvey.org

³MarketingSherpa, "2011 B2B Marketing Benchmark Report" Fielded August 2010

When looking at industry segment, marketers appear most conservative about spending, where agencies appear most optimistic. Agencies are more likely than Marketers to say expected marketing expenditure will greatly increase (25% or more) over the next 12 months. Marketers are more likely than others to say they plan to maintain overall marketing expenditure over the next 12 months.



Respondents in North America are more likely than those in Europe to say they expect to slightly increase (5-25%) market-ing expenditure over the next 12 months.



While overall budgets are increasing, industry experts predict digital marketing expenditure to grow at an even more rapid rate. Michael Greene, an analyst with Forrester Research forecasts, "Traditional tactics dominate B2B marketing budgets, but B2B marketers — including business-to-business marketers across vertical categories — are beginning to look beyond traditional offline tactics and are turning to interactive channels for both branding and lead generation goals."⁴

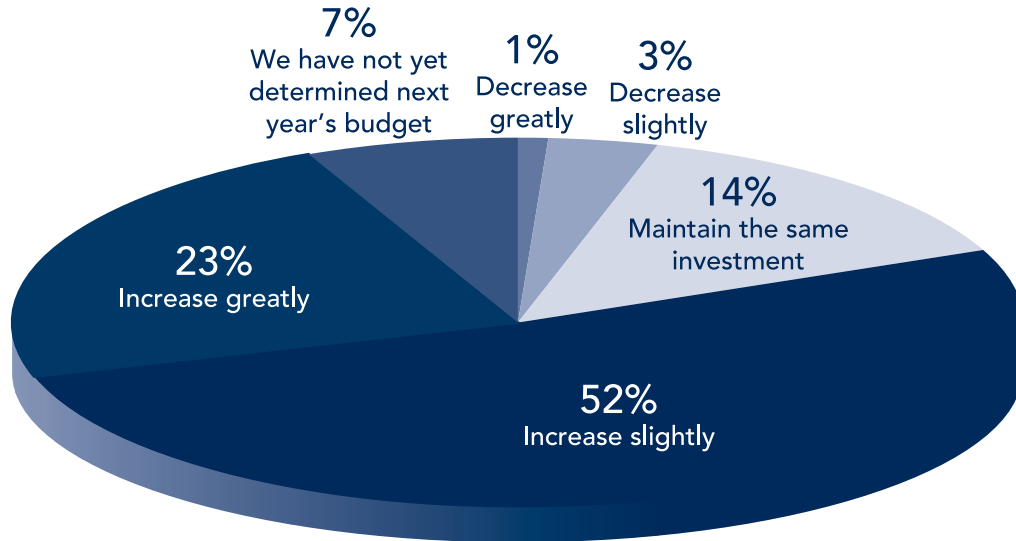
⁴Forrester Research, "B2B Interactive Spend Will Double By 2014" March 4, 2010

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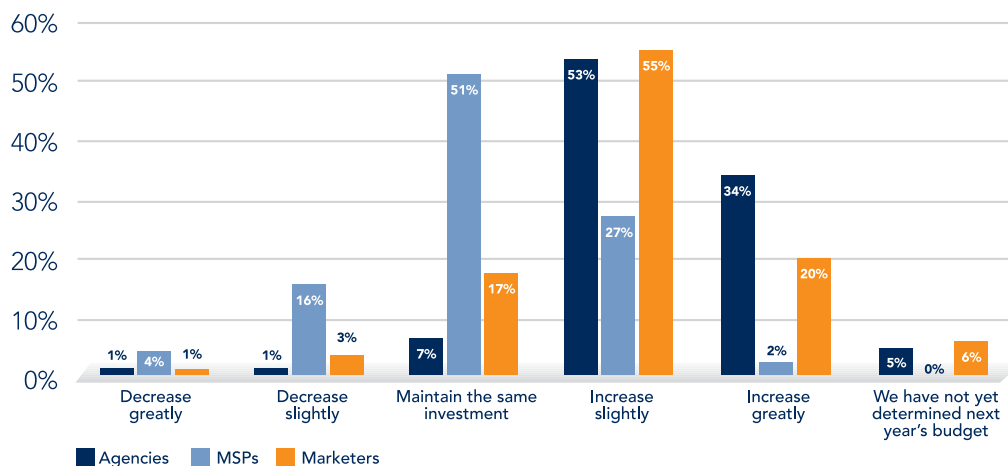
“Midyear Planning: Predictions For 2011” July 29, 2010

2. How do you expect your social/digital marketing expenditure, or that of your typical client, to change over the next 12 months?



Three fourths of those surveyed estimate their social/digital marketing expenditure will increase over the next year, with one fourth overall projecting it will increase greatly (25% or more). The estimated growth above and beyond overall marketing expenditure projection is indicative that social/digital marketing will drive general marketing growth in the coming year.

MSPs are more likely than others to say they plan to maintain overall social/digital media expenditure over the next 12 months. They are less likely than others to say they plan to slightly increase (5-25%) social/digital media expenditure in the next year. Again, agencies maintain the most optimistic outlook and are more likely than others to say expected social/digital media expenditure will greatly increase (25% or more) in the next 12 months.



According to research conducted by Forrester, where digital and social media marketing were once minor parts of an overall marketing strategy, the industry is beginning to embrace these functions as having their own valid contributions. "Our forecast examines the pace of the shift toward interactive marketing as a more substantial part of the marketing mix. We expect search marketing, online display advertising, email marketing, social media, and mobile marketing collectively to grow to nearly \$55 billion by 2014."⁵ No longer just an "add-on" to a larger plan, social media and digital marketing are beginning to carve out a place for themselves as effective elements of the marketing landscape.

Research conducted by eMarketer estimates, "Next year, four in five US businesses with at least 100 employees will take part in social media marketing... That's up from just 42% as recently as 2008, and the number of marketers using the channel will continue to rise through 2012."⁶

As more companies adopt social media strategies, this creates more opportunity for growth within the industry. Michael Greene of Forrester Research predicts the social media practice will grow to become its own entity. "B2B marketers spent \$11 million on social marketing in 2009, and that number will increase to \$54 million in 2014." Greene continues in the report, envisaging even the most conventional marketing professional will grow to recognize the benefits of social media. "Despite small budgetary spending, social media's impact far outweighs its current budget figure, as many of social marketing's costs (time, staffing, and training) are difficult to quantify. Still, traditionally conservative B2B marketers are beginning to see the benefits of investing in social marketing, especially through the use of exclusive communities and online events to share information both with clients and internal stakeholders. For instance, American Express' OPEN Forum provides financial and management advice to small businesses and allows members to connect with other small business owners."⁷

While social media marketing continues to evolve, and it becomes clear that digital marketing will drive budgets in 2011, companies furthering their strategies will drive innovation in not just online marketing, but offline as well. Debra Aho Williamson, principal analyst with eMarketer states, "Marketers that have spent the past few years ramping up their internal social media marketing infrastructure – and their presence on sites such as Facebook and Twitter – will take social media to new heights in 2011. And as they do, they will evolve the way they market across all media, not just online."⁸ Overall, the outlook for the future of marketing, and social media in particular, appears overwhelmingly optimistic.

⁵Forrester Research, "US Interactive Marketing Forecast, 2009 To 2014" July 6, 2009

⁶eMarketer, "How Many Marketers Are Using Social Media?" December 9, 2010

⁷Forrester Research, "B2B Interactive Spend Will Double By 2014" March 4, 2010

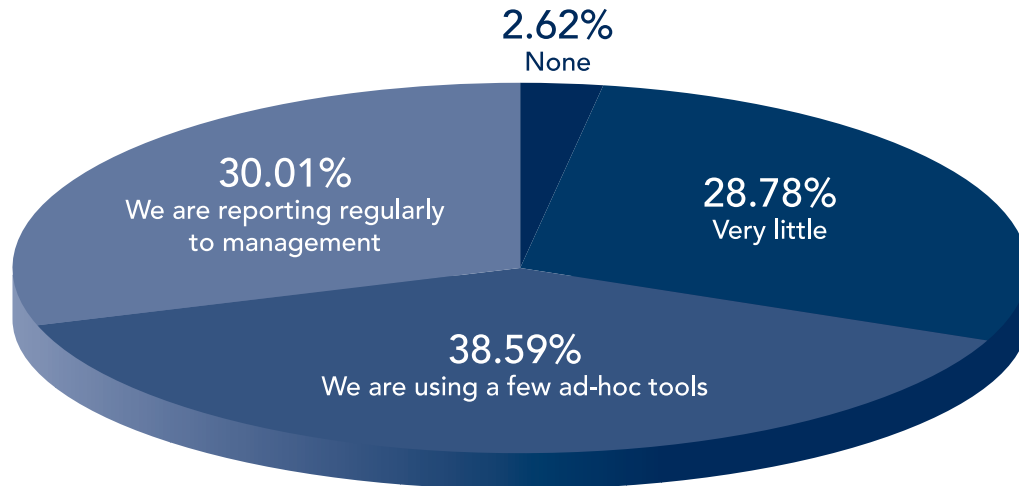
⁸eMarketer, "How Many Marketers Are Using Social Media?" December 9, 2010

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– eMarketer

“How Many Marketers Are Using Social Media?” December 9, 2010

3. What level of understanding do you have about the social media conversations happening around your brand or that of your clients?



Respondents overall are fairly divided in their level of understanding about relevant social media conversations around their brand. Seven in ten either have very little to no understanding (31%) or use a few ad-hoc tools (39%), while the remainder report regularly to management. The majority look to improve their level of understanding about these conversations and redirect their social media monitoring strategy to improve awareness and engagement.

Social media is still a relatively new platform, and understandably, marketers adopt at different speeds. However, Marisa Peacock of CMSWire argues that social media engagement is not only important for marketers looking to embrace emerging media, but it should be considered a priority across the board. "Engaging users across social media platforms has become a full time job. Not only do you need to participate, you need to be able to monitor and analyze the chatter."⁹ It is no longer enough to simply be active on social media. Marketing professionals must consider social media the same way they would the traditional aspects of their marketing mix, analyzing what's on the social web, understanding and applying their findings accordingly.

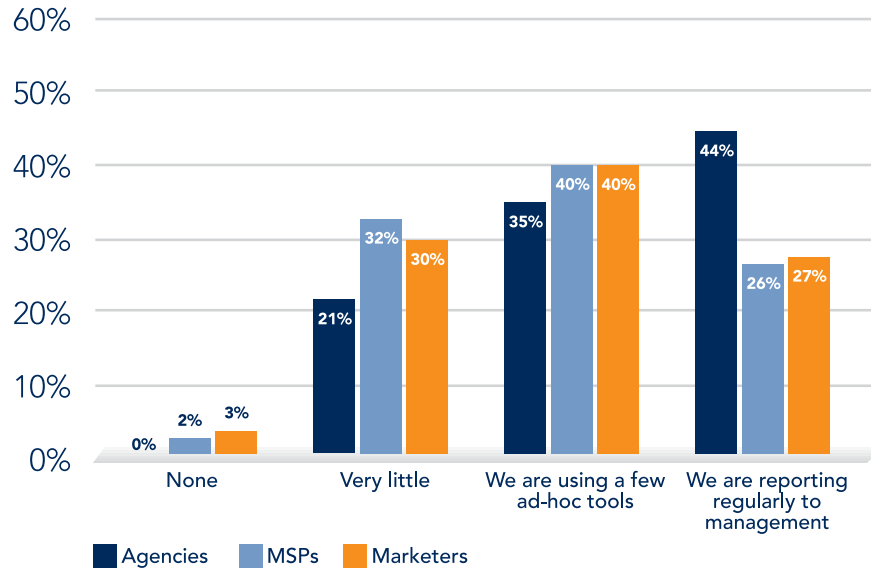
When it comes to social media, marketing professionals are progressing along the engagement maturity model at different rates. A recent survey conducted by MarketingSherpa found that only 23% of professionals using social media marketing had a formal, strategic process in place with routine implementation. Meanwhile, 33% remain platform centric with no processes in place, and 40% report having an informal process, which is performed randomly.¹⁰ This represents an opportunity for industry professionals, as the majority fall into what MarketingSherpa describes as the "transition phase,"¹¹ expected to gradually move to a formalized, consistent process over the upcoming year.

⁹CMSWire, "A Look Back at Web Engagement in 2010" December 28, 2010

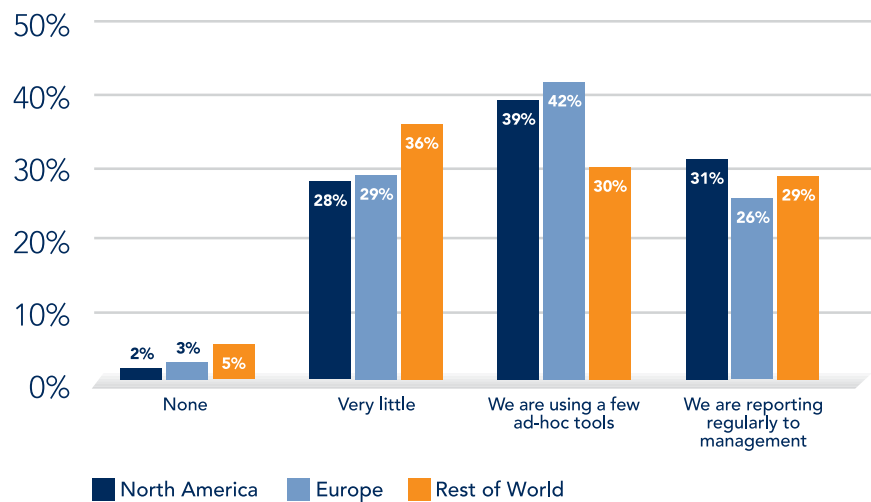
¹⁰MarketingSherpa, "Social Media Marketing Benchmark Survey" Fielded Nov 2009

¹¹MarketingSherpa, "Social Media Marketing Benchmark Survey" Fielded Nov 2009

Agencies are more likely than others to say they report regularly to management on the social media conversations happening around client brands.



Respondents in other geographic regions are less likely than North American and European respondents to say they are using a few ad-hoc tools to follow social media conversations happening around their (or client) brands.

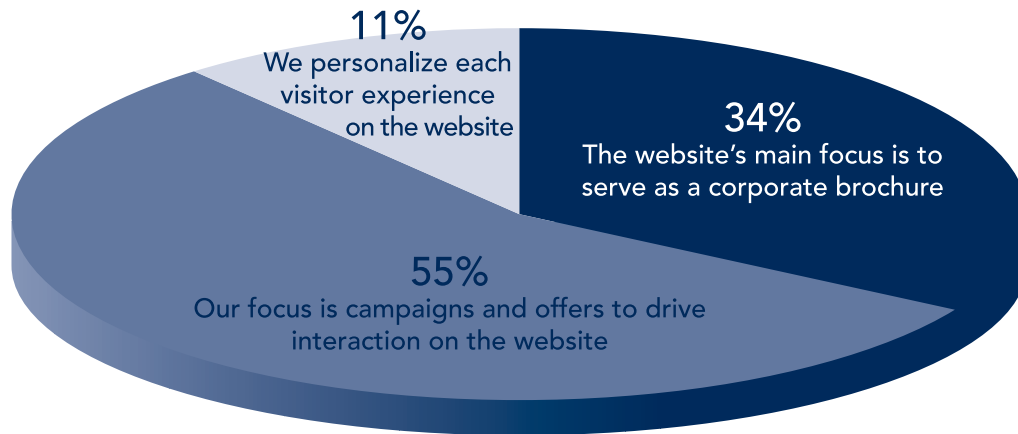


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– CMSWire

“A Look Back at Web Engagement in 2010” December 28, 2010

4. Which of the following best describes how you or your clients focus your/their website to engage your/their audience?

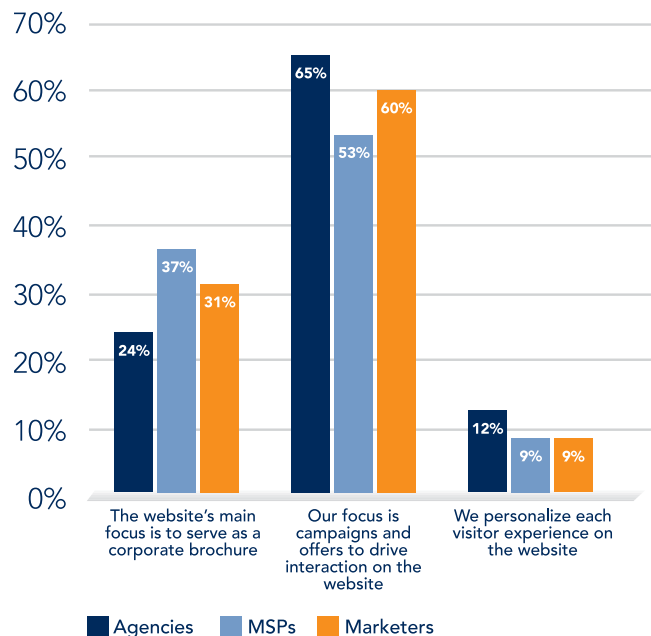


When it comes to audience engagement on company websites, only a small number (11%) tailor each visitor's experience. With one third using their site as a corporate brochure and more than half (55%) concentrating on offers and campaigns, the large majority do not focus on any kind of individualized company or brand experience based on each customer's needs and/or information. When it comes to websites, this indicates a mass marketing strategy is still the norm over personalization.

Unfortunately, this lack of personalization is relatively standard across the industry. James L. McQuivey, Ph.D., an analyst with Forrester Research, explains that while this may still be the norm, brands must recognize the importance of their customers' interactions with the corporate website. "Most companies view their Web sites as channels, a means of reaching consumers to offer them value. In a digitized relationship, however, a Web site is a means for the consumer to reach the company to extract value from it. But customers will only make the effort if they have confidence that there is value there for them to receive — and they'll only go often if they know that that value will be regularly updated."¹²

Moderately ahead of the pack, agencies are less likely than others to say a client website's main focus is to serve as a corporate brochure. Perhaps due to the nature of their business, agencies tend to be more advanced along the engagement maturity model. As consumers begin to expect more from their brand experiences and interactions, other industry segments will be obliged to catch up.

While many still lack in this area, this represents an opportunity for marketing professionals. Because many consumers interact with a company's website more so than other channels, simply advancing slightly on the engagement maturity model can enhance the brand's interaction with its customers.



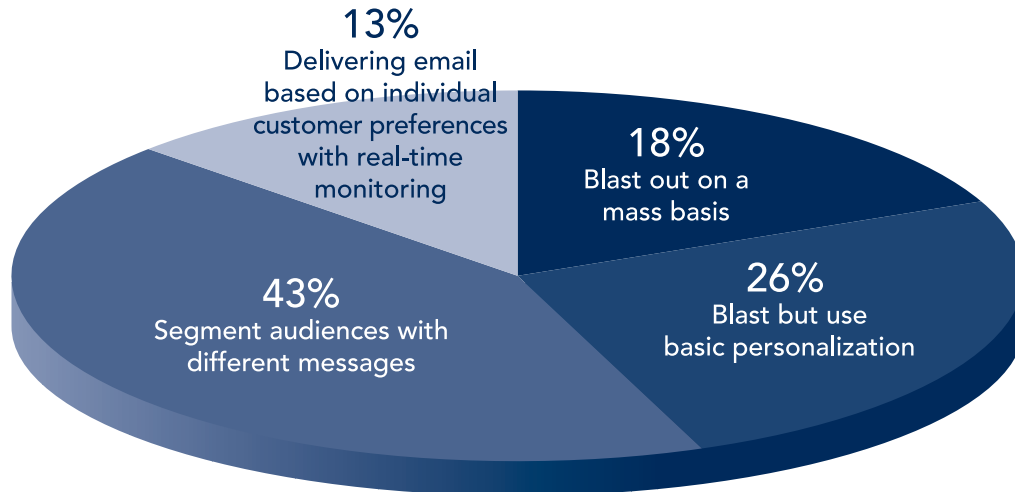
¹²Forrester Research, "Build A Digital Relationship With Your Customer" December 7, 2010

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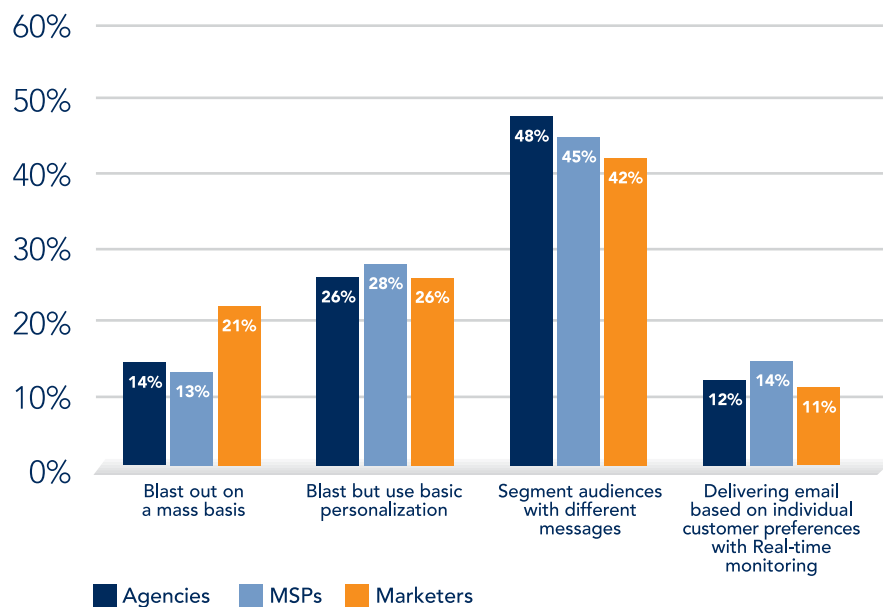
“Build A Digital Relationship With Your Customer” December 7, 2010

5. How would you describe your brand's (your clients') level of email engagement with Customers?



It appears email personalization is further advanced in the marketplace than customized website experiences, with 43% using some kind of segmentation strategy to deliver specific messages to each audience. However, only a small portion (13%) deliver emails based on preferences at the individual customer level, monitored in real-time. With 44% still employing email blasts of some kind, there is still much room to improve email engagement strategy through message customization, particularly based on individual (rather than segment) preferences and needs.

Marketers are more likely to describe their level of email engagement with customers as blasting out on a mass basis. This is consistent with research conducted by The Relevancy Group, according to which "data indicates that many marketers continue to mail to the same subscribers over and over again regardless of their engagement, treating all customers the same way."¹³



¹³The Relevancy Group, April 2010

When it comes right down to it, email will only drive conversions; whether it's completing a sale, visiting a site or completing a form; if that email engages consumers. Matthew Kelleher of Econsultancy writes, "The vast majority of your sales will come from the engaged customers and the more engaged customers you have, the more sales you will make. Engaged email recipients have a higher propensity to purchase."¹⁴

Kelleher continues, "We can only influence people while they are engaged. Over the last two years customer engagement has become a panacea for most email deliverability ills. A consumer's engagement with a brand is a transient ever changing state." He continues that recent research "found that three quarters of email respondents said that irrelevancy was the main reason for unsubscribing from a company's email program. Frequency of emails is another issue, with 66% of email users listing it as a reason to unsubscribe."¹⁵

The bottom line is simple personalization isn't enough; marketers must strive for relevant email with the aim of individualization. More than just the consumer's name in the greeting, individualized email strives to cater to the consumer's needs and preferences.

¹⁴Econsultancy, "The rules of email engagement" January 14, 2010

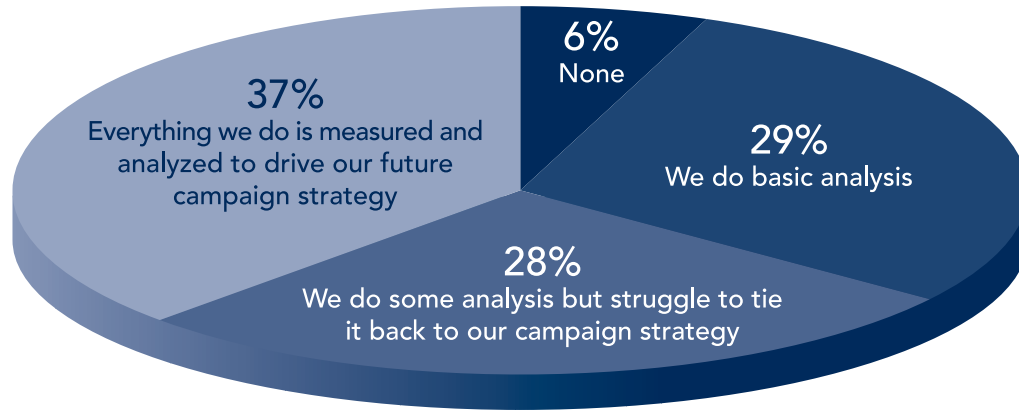
¹⁵Econsultancy, "The rules of email engagement" January 14, 2010

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6. How would you describe Marketing's (your client's) level of analytical competency?



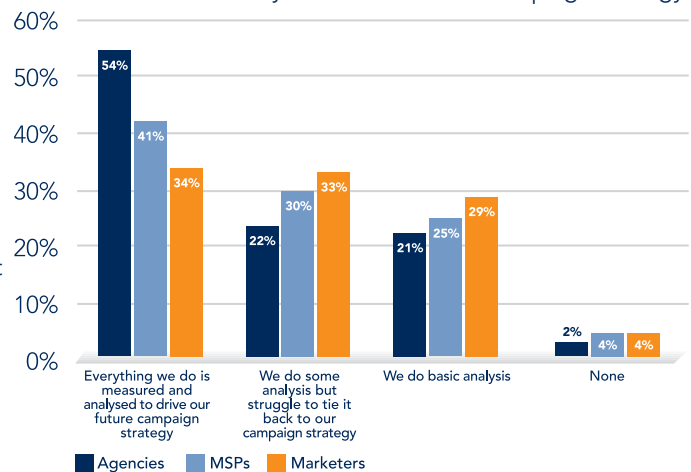
Slightly more than one third (37%) of respondents believe all marketing efforts are measured and analyzed to drive the company's future. While few (6%) admit to having no analytical competency, the remainder has limitations in the analysis done, whether they stop at a basic level (29%) or struggle to tie it back to their campaign efforts (28%). This indicates the majority lack direction on what exactly to measure and analyze, how to go about it, and how to utilize that information moving forward to continually improve on their marketing efforts.

Regrettably, this is reflective of the industry as a whole. Recent research by MarketingSherpa found that only 71% of marketers track a registered lead, and less than half track any other stage in the sales funnel.¹⁶

In the "2011 B2B Marketing Benchmark Report" by MarketingSherpa, Doyle goes on to explain that while the future looks bright for marketers, to achieve continued success, they must have a solid analytical foundation. She says, "The key to success for these organizations will be improving their marketing efficiencies in every stage of the buying cycle, from prospects to leads to loyal customers, and then closing the loop with sound marketing analytics for continued improvement."¹⁷

Agencies are more likely than others to say everything they do is measured and analyzed to drive future campaign strategy for clients. Correspondingly, they are less likely to say they struggle to tie analysis back to campaign strategy.

Having engagement plans and policies in place is simply not enough. Marketers must have the understanding to analyze their customer interactions and apply those findings to future communications. "Once you've developed ways to manage the different web engagement strategies, it's crucial that you have solutions in place to analyze it all. Doing something just to do something is very web 1.0. Measuring, testing and analyzing customer, multichannel and social engagement is what's required."¹⁸



¹⁶MarketingSherpa, "2011 B2B Marketing Benchmark Report" Fielded August 2010

¹⁷MarketingSherpa, "2011 B2B Marketing Benchmark Report" Fielded August 2010

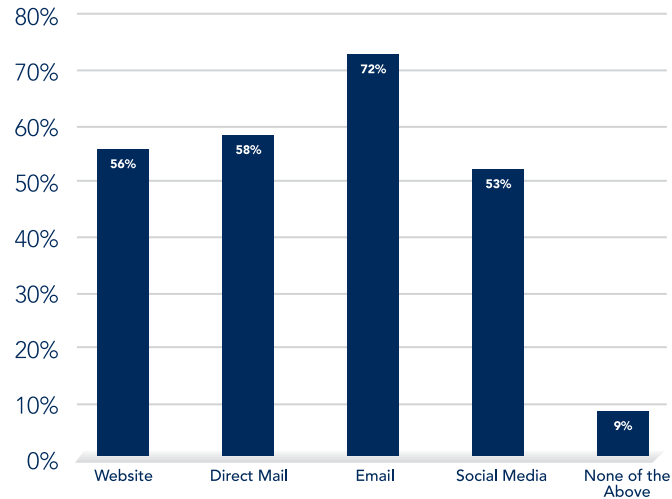
¹⁸CMSWire, "A Look Back at Web Engagement in 2010" December 28, 2010

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– MarketingSherpa

“2011 B2B Marketing Benchmark Report” Fielded August 2010

7. In which of the following channels do you/your clients focus on creating a personalized customer experience? (Select all that apply)

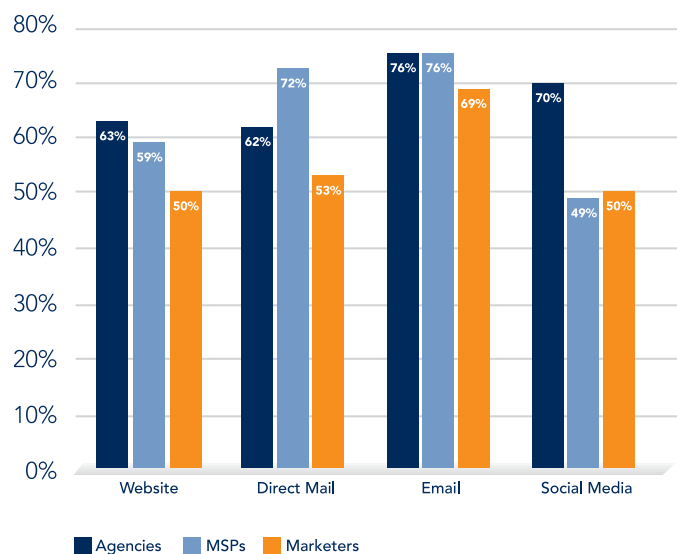


When it comes to creating personalized customer experiences, email is at the front of the pack with 72% of respondents selecting this as a focus. Direct mail (58%), website (56%), and social media (53%) campaigns are all personalized by between 50-60%, indicating that approximately one fourth do not customize the marketing experience for any one channel. However, only 9% admit to not personalizing any channel, which shows the vast majority focus on creating a customized experience for at least one. The trend of a personalized customer experience is clearly important, but it seems that the majority need some help seeing the value in executing this strategy across multiple channels.

"Creating content for multiple channels is one thing, managing it all is another. As these technologies evolve, content management has to catch up, and fast. In addition, organizations can no longer ignore standards and best practices and are strongly encouraged to produce, publish and police guidelines that optimize content and experiences."¹⁹

Marketers are more likely to say they do not create a personalized customer experience in all of the following: website, direct mail, email, and social media. Agencies are slightly more likely to deliver a personalized customer experience across website, direct mail and email and approximately 17% more likely to do so on social media.

A recent report from Forrester Research advises that clients and partners begin insisting on multi-channel marketing solutions, rather than ad-hoc tools and disjointed channels. "Vendors and agencies often have capabilities that extend beyond what the typical interactive marketer uses on a regular basis and are often willing to do a lot of custom work in order to become a partner with a top company. In 2011, it is crucial for marketers to start asking partners for cross-channel marketing solutions."²⁰



¹⁹CMSWire, "A Look Back at Web Engagement in 2010" December 28, 2010

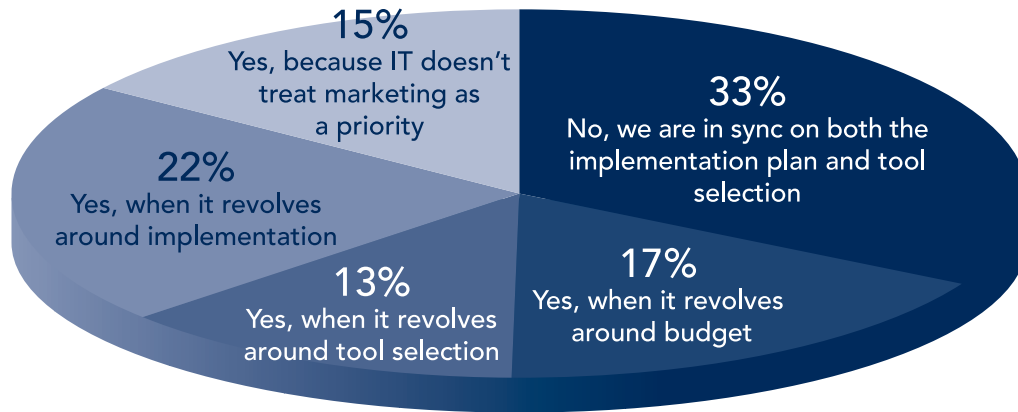
²⁰Forrester Research, "Midyear Planning: Predictions For 2011" July 29, 2010

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– CMSWire

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8. Would you say there is friction between IT and marketing in terms of selecting and implementing social or online marketing tools?

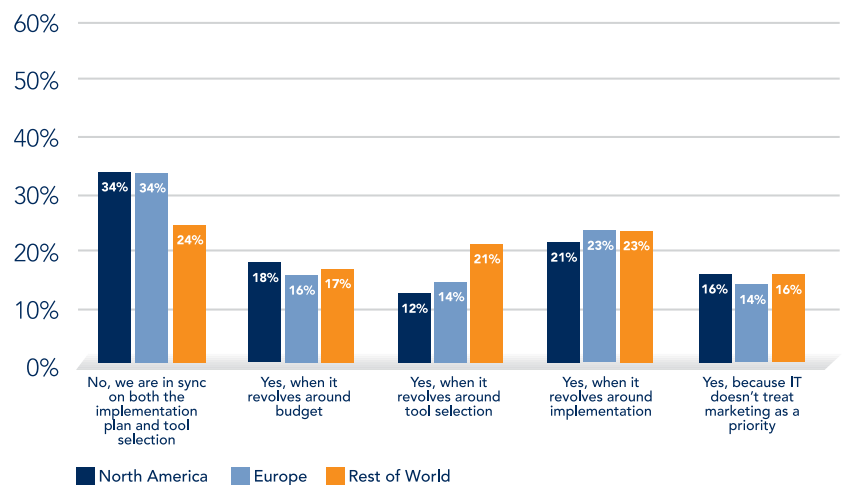


Two thirds report friction between IT and marketing for a variety of reasons, while the other third feels the departments are in sync. Whether the conflict is a result of implementation issues (21%), budget (17%), prioritization (15%), or tool selection (13%), the majority of marketing professionals are in need of a solution to mitigate the above issues with IT so that both can perform their jobs more effectively.

While reasons for friction may vary, it is clear that marketing and IT are in it together for the long haul. Neil Strother, of Forrester Research explains, "Interactive marketers – and their IT counterparts – need to have a clear chain of command for decisions that reach an impasse and require a decision-maker to break the deadlock. For instance, one interactive marketer we spoke with has a plan for escalating the tough calls: He documents the issue and takes it to both his boss and the head of IT to have them bring in the people needed to reach a solution."²¹ As more marketing resource and expenditure moves to digital marketing, it will behoove both departments to work together.

North American and European respondents are more likely than others to say there is no friction between IT and marketing in terms of selecting and implementing social or online marketing tools.

Strother expands, "Many interactive marketers find their interactions with IT to be positive, but others struggle with conflicting team priorities, slow response times, or differing communication styles. To successfully engage with IT, interactive marketers must: 1) define clear project specifications; 2) create combined working groups with aligned goals; and 3) obtain support from the highest levels of the organization. Forrester also recommends that marketers designate a point person who speaks IT's language, invest personal time with IT colleagues, and develop an escalation plan for resolving problems."²²



²¹Forrester Research, "How To Work with IT To Get (Most) Of What You Want" October 15, 2009

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“Many interactive marketers find their interactions with IT to be positive, but others struggle with conflicting team priorities, slow response times, or differing communication styles. To successfully engage with IT, interactive marketers must: 1) define clear project specifications; 2) create combined working groups with aligned goals; and 3) obtain support from the highest levels of the organization.”

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9. On the basis of the questions above, overall do you feel your (client's) brand is at risk from not being as engaged with customers as it should be?



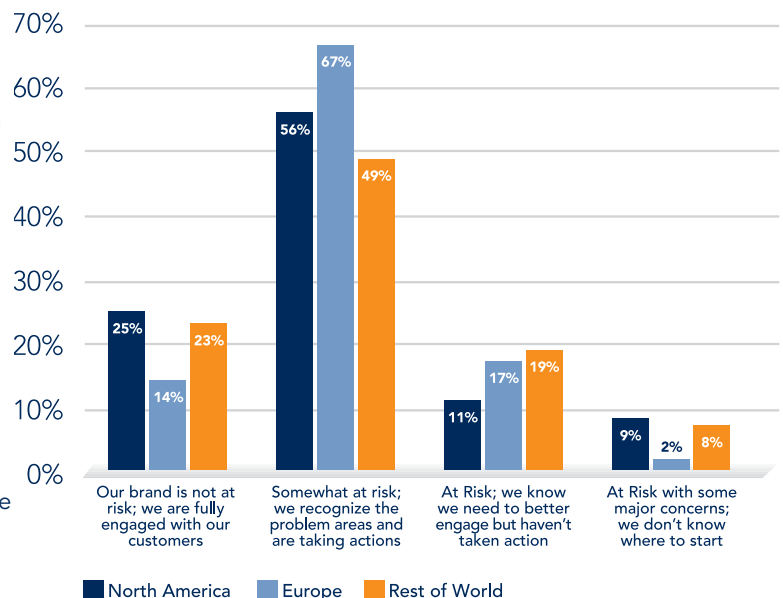
When taking all factors previously addressed into consideration, more than three fourths say their brand is at risk of not being as engaged with customers as it should be. The majority (57% overall) feel, although somewhat at risk, they see the problem areas and are taking actions to rectify them. However, even those identifying as somewhat at risk could likely use guidance, the right tools, and a clear, strategic plan to move toward fully engaging customers at the level they can and should be.

European respondents are significantly more likely than others to say that overall their (or their client's) brand is somewhat at risk from not being as engaged with customers as it should be, and less likely to say it is at risk with major concerns.

Though the future is optimistic for marketers, new opportunities also bring new challenges. Most professionals hope to finally see the light at the end of the tunnel that's been the recent economic downturn. Stephen Powers, an analyst at Forrester

Research, states, "The uncertain economy has increased pressure on companies to engage customers more efficiently, especially via online channels that offer lower-cost ways to interact with customers, enable better lead generation, and increase customer retention rates. This is likely why investments in software to manage customer experiences has held up relatively well in the current economy. Our most recent data suggests this trend will continue into the next year."²³

Improved economic conditions and emerging channels bring new opportunities for the industry, but marketers must not only adopt new technology, but fully utilize it as a means to engage with customers on an individual level.



²³Source: Forrester Research, "The Online Customer Engagement Software Ecosystem" February 8, 2010

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Key Findings

- More than half of respondents expect their overall marketing budget to increase in 2011; 9% expect it to increase by 25% or more
- Three fourths of marketing professionals expect to increase their social media marketing expenditure this year, with about one fourth expecting an increase of 25% or more
- Seven in ten marketers surveyed have little understanding of social media conversations surrounding their brand
- One third of respondents say their website's main focus is to serve as a corporate brochure; only 11% tailor each visitor's experience on the website
- Email personalization is more advanced than other channels, with 43% of respondents using some sort of segmentation to deliver specific messages, although only 13% deliver emails based on customer preferences at the individual level with real-time monitoring
- Agencies are more apt to strive for true personalization and deliver individualized experiences
- Marketers tend to be slightly behind the curve, or less advanced along the maturity model for engagement across all channels
- The majority of respondents admit to having limited analytical competency, indicating they either have no analytical experience concerning digital media (6%), stop at the basic analytical level (29%) or struggle to tie analytics back to the campaign strategy (27.5%)
- About one fourth of respondents do not customize the marketing experience for any one channel, but only 9% admit to not personalizing any channel, indicating the vast majority focus on creating a customized experience for at least one
- 66% report friction between IT and marketing for a variety of reasons, including implementation issues (21%), budget (17%), prioritization (15%), or tool selection (13%)
- When taking all factors into consideration, more than three fourths of respondents say their brand is at risk of not being as engaged with customers as it should be, although the majority (57% overall) feel they see the problem areas and are taking actions to rectify them
- European respondents feel significantly more at risk of not engaging with customers as they should

About Alterian

Alterian (LSE: ALN) enables organizations to create relevant, effective and engaging experiences with their customers and prospects through social, digital, and traditional marketing channels. Alterian's Customer Engagement solutions are focused in four main areas: [Social Media](#), [Web Content Management](#), [Email](#), and [Campaign Management & Analytics](#).

Alterian technology is utilized either to address a specific marketing challenge or as part of an integrated marketing platform, with analytics and customer engagement with the individual at the heart of everything. Working alongside a rich ecosystem of partners, Alterian delivers its software as a service or on premise.

Alterian Strategy and Insights Consultancy combines market research, marketing strategy and social media data, enabling clients to make informed decisions by delivering insight and foresight from familiar and unexpected places. This integrated approach draws on research, rigor and analytics, providing a holistic understanding of the attitudes and behaviors driving business outcomes. These consulting skills give partners and customers access to an extremely talented group of people with a deep track record in analytics and market research, a highly advantageous combination.

For more information about Alterian visit www.alterian.com or the Alterian blog at www.engagingtimes.com.