# **Analysis**











**Business Development Services** 











April 2015

**Delivering an Interactive Customer Experience** 



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## **Key Highlights**

- The survey entitled *CMO Spend Survey: Eye on the Buyer* indicated that the customer experience was the top marketing technology investment and accounted for approximately 18% of the total marketing budget in 2014.
- As products and services become more commoditized, the customer experience will be the ultimate differentiator.
- Mobile-enabled magazine ads, brochures, postcards, out-of-home media, packaging, labels, and t-shirts will become part of a blended approach that spurs interaction and engagement in new ways and creates a better customer experience.

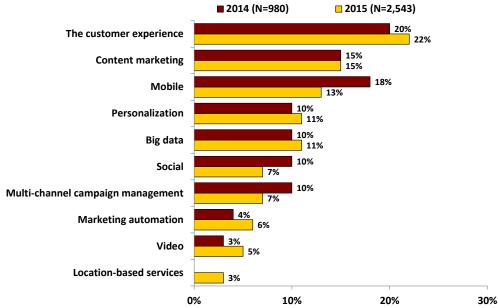
#### Introduction

In a cut-throat world where everyone is competing on price, businesses are seeking strategies to differentiate their products, services, and solutions. At the heart of nearly differentiation strategy are techniques for enhancing the overall customer experience. By improving the customer experience, organizations hope to increase customer satisfaction and boost loyalty. This should help generate more customer advocates who can spread awareness and send their business referrals. It can also create points of differentiation that will help you fight off competitors and win new business.

#### **What Marketers Want**

Businesses are allocating their budgets accordingly. The survey entitled *CMO Spend Survey: Eye on the Buyer* indicated that the customer experience was the top marketing technology investment, accounting for about 18% of the total marketing budget in 2014. The customer experience was also ranked as the top innovation project for 2015. This past week, Adobe published its <u>Quarterly Digital Intelligence Briefing</u>, which surveyed more than 6,000 digital and e-commerce professionals from around the world. When these respondents were asked to specify the single most exciting opportunity for 2015, the customer experience topped the list. Marketers are expecting their efforts in this area to crystallize in the coming year.

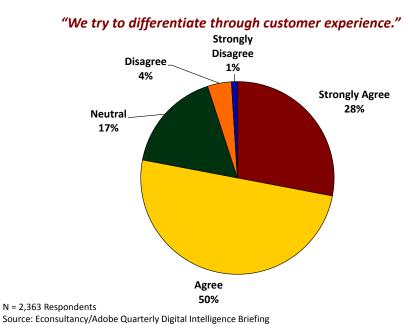
Figure 1: What do you consider to be the single most exciting opportunity for your business?



Source: Econsultancy/Adobe Quarterly Digital Intelligence Briefing

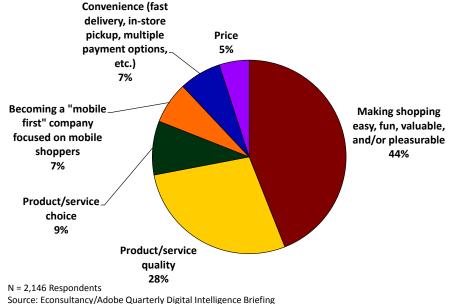
Marketers hope to create a memorable experience that will ultimately drive bottom-line results. Over three-quarters of respondents agreed that they were attempting to differentiate with an enhanced customer experience, with 28% of these respondents strongly agreed with that statement. Only 5% were not planning on using the customer experience as a point of differentiation.

Figure 2: To what extent does your company agree with the following statement?



According to this same report, the customer experience is the number one way that respondents hope to differentiate themselves over the next five years. As products and services become more commoditized, this experience will be the ultimate differentiator. When asked specifically about differentiation strategies, the top choice was making the shopping experience easy, fun, valuable, or pleasurable. Only 5% of respondents believed that they could set themselves apart with pricing strategies.

Figure 3: What is the primary way that your organization will seek to differentiate itself from competitors over the next 5 years?



## **Delivering on the Experience**

Although the mobile channel continues to evolve and grow, other channels (including print) will remain an important element of the customer experience. Offline platforms can be used as a springboard for online engagement with the use of mobile technology. In 2015, mobile-enabled magazine ads, brochures, postcards, out-of-home media, packaging, labels, and t-shirts will become an integral part of a blended approach that spurs interaction and engagement in new and interesting ways and creates a better customer experience. Through this approach, consumers can access valuable offers and have engaging experiences that incorporate additional information, education, video technology, and gaming. Market leaders are seeking the right media combinations to drive a better experience in consumers' homes and also at bricks-and-mortar locations.

When it comes to enhancing the in-store experience, Lego was an early adopter. Lego had the clever idea of showing kids and parents what its puzzles would look like after they were constructed, and the finished product could be virtually viewed before the actual purchase. Lego teamed up with technology company Metaio to devise an augmented reality system known as the Lego Digital Box (LDB). With LDB, prospective buyers can hold any Lego box up to a screen in-store to view the finished product. This concept engages the customer while also facilitating the purchasing decision.



Figure 4: Lego Digital Box Incorporates Augmented Reality

In June 2014, Lego took this concept a step further, making the leap from the real world to virtual reality with the release of a new augmented reality mobile app that enables real-world Lego objects to be brought to life. Lego Fusion contains a pack of 200 plastic bricks and a custom base plate upon which to build, and the resulting plastic creations can be photographed with compatible Apple or Android devices for import into a number of downloadable games. Smartphones and tablets have become a popular platform for empowering game mechanisms that kids love. Fusion is designed to bring these two favorite play patterns together in an experience that inspires creativity, strategy, and pride.



Figure 5: The Lego Fusion App

Tesco, the largest retailer in the U.K., has its own views on augmented reality applications in stores. The company enhanced Tesco Magazine, its printed product catalog, with augmented reality features as well as QR code scanning. This idea captured direct mail's immediacy advantage and then triggered dynamic, interactive content to engage the user. By scanning the QR codes that are placed on a range of in-store products or the pages of the magazine, customers can access product-specific content (e.g., nutritional information).

Figure 6: Tesco Magazine Leverages Augmented Reality and QR Codes



IKEA's 2014 catalog included a variety of digital content. Recipients were able to activate 50 bonus pages to reveal a decorator's virtual paradise with 360/180 degree views of rooms. The offering also made it possible for the user to design his/her space digitally.

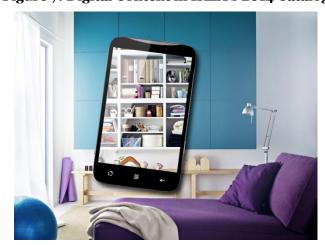


Figure 7: Digital Content in IKEA's 2014 Catalog

### **Print: At the Heart of the Customer Experience**

During 2015, successful service providers will find a way to provide value-added services concerning the design, deployment, management, and reporting of interactive customer communication campaigns. Regardless of whether the customer is in the store or at home, print is integral to engagement—and marketers understand this. Savvy service providers will take a leadership position in educating customers on how to use print to enhance the overall brand experience. Print is integral to building a better brand experience. It can help marketers dive deeper with prospects and buyers, attract higher-profile contributors, enable enhanced design and visuals, and more. For service providers who haven't yet started, 2015 should be the year to embrace augmented reality, NFC tags, QR codes, SMS messaging technologies, and mobile applications and help marketers deliver a better and more interactive customer experience.

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## **About the Author**



Barb Pellow Group Director barb.pellow@infotrends.com +1 781-616-2161

A digital printing and publishing pioneer as well as marketing expert, Barb Pellow helps companies develop multi-media strategies. She assists companies in creating strategies to launch new products, building strategic marketing plans, and educating their sales force on delivering value.

Comments or Questions?