Marketers Are on a Mission
The State of B2C Marketing
Marketers are on a mission to make customers pay attention.

It’s no secret consumers are incredibly distracted these days: 95% admit to doing other things while shopping.¹ With their trusty devices constantly at their fingertips, it’s easier than ever for customers to interact with their favorite brands while waiting in line at the grocery store, binge-watching the next best thing on Netflix, or rehashing the week’s happenings over happy hour. It also makes it easier than ever to switch between channels during the customer journey.

Consumer hyperconnectivity—combined with their over-committed personal calendars and endless companies vying for their attention—makes it even harder for brands to compete. More marketers across all industries are working hard to catch distracted consumers by making experiences as effortless, efficient, and enjoyable as possible. They’re also proactively trying to target and communicate with consumers in ways that empower them to move faster from browsing to buying, and keep them happy and engaged for years to come.

So how can marketers cut through the noise, effectively connect with consumers, and increase conversions?

SmarterHQ, Cheetah Digital, Liveclicker, and MailCharts asked hundreds of B2C marketers, spanning a number of industries and job titles, what tactics they’re using to reach customers, where they’re spending most of their marketing budget, and ways in which they’re leveraging technology to better target consumers.
Executive Summary

This report reveals the top priorities, investments, channels, and strategies of today’s digital marketers. Here’s a rundown of what you’ll find on the following pages...

**Marketing investments and strategies varied by industry:**

- **Travel & Hospitality, Higher Education, and Financial Services** are investing in Content Marketing 63% more than other industries.
- 79% of those in Retail are investing in Personalization Tools, which is more than any other industry surveyed.
- Travel & Hospitality reports the highest shift toward tailored messaging, with 63% of their communications catered to individual customers versus mass marketing. Retail follows, with 38% of their marketing mix focused directly on individual shoppers.
- All industries prioritize their marketing spend to drive traffic to online first, mobile second, and physical locations last—however, over 50% of consumers are still doing their shopping in-store.²

But no matter their background, marketers as a whole also have some solid common ground...

**Top 4 trending priorities of B2C digital marketers today:**

1. **Creating a more personalized customer experience.** 51% of respondents said this was their top-ranked opportunity.

2. **Increasing budgets to invest more in multichannel.** Marketers reported investing 26% more in multichannel solutions than any other technology.

3. **Sending more behavioral-based messages.** Respondents plan on sending 30% more behavioral emails compared to mass newsletters.

4. **Implementing strategies to compete with Amazon.** 95% of Retail marketers said the giant has significantly impacted their marketing plans.

What does this mean for marketers everywhere and why does it matter? We’re happy you asked.

In this report...

We dissect the 4 key trends identified in our survey results and discuss how you, too, can best put your plans into action. When finished reading, you’ll gain a greater understanding of whether marketers’ current strategies correctly align with how consumers really want to receive information from brands (in some cases—they don’t), and you’ll walk away with tips from industry leaders on how to tackle the current landscape and turn customers into brand loyalists.

**Grab that cup of ☕ and let’s get started.**

1. 2  https://smarterhq.com/millennials-where-they-shop-how-they-shop-why-it-matters
When asked to sum up the most important marketing priorities and goals in 100 words or less, here’s what a few of you had to say:

“I want to reduce the amount of batch and blast, and add more personalization and triggered messaging to better converse with our customers.”
- Retail Specialist

“I want to shift content strategy from having the largest reach/engagement, to receiving more quality engagements from those we have found to be key audiences through recent research studies.”
- Travel & Hospitality Manager

“I want to improve onsite conversion; we’re efficiently acquiring users, but need to do a better job at converting them.”
- Financial Services Director

“I want to unify customer data, increase personalization, enhance life-cycle campaigns, leverage more informed recommendations—all for a better customer experience.”
- Retail Manager

Overall, marketers said they’re hyper-focused on the customer: customer experience, customer data, customer messaging, customer life cycle, customer engagement, customer conversion—you mentioned them all. There’s no doubt dialing into and connecting with the right audience remains at the center of the marketer agenda, especially with names like Amazon, Apple, Google, and Walmart executing customer everything so well.
In addition, we uncovered some key commonalities that are make or break for your marketing strategies in the coming year and beyond.

**Top marketing to-do’s you’re tackling...**

1. Create a better, more personalized customer experience that drives increased engagement and loyalty.
2. Grow brand reach, ROI, and revenue.
3. Focus on and cater to the correct target audiences.

From email, web, and app marketers, to social media and paid advertisers, 51% of respondents said personalization was their #1 priority. While “personalization” isn’t exactly the new buzzword on the block, it’s how effectively it is being implemented across all channels to create a better customer experience that puts this at the top of your list. And with Marketo reporting 78% of consumers will only engage in offers that have been personalized to their own tastes—this is an absolute must if brands want a shot at winning them over, while also winning their year-over-year revenue goals.

Delivering personalized, real-time experiences can boost revenues by 3X. Whether through dynamic emails, behavioral tools, or triggered messaging, marketers are understanding that increasing advanced personalization tactics to drive relevant, timely content to more consumers can have a huge impact. But how exactly are they planning to achieve this? We’ll get to that next.

"Jumpstart your own email personalization efforts by understanding what the best players out there are doing. This will give you a good starting point as well as optimization ideas. Pay close attention to key user journeys such as browse abandon, cart abandon, and the post-purchase experience.”

Carl Sednaoui
Director of Marketing, MailCharts

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3 [https://www.liveclicker.com/resources_page/celebrity-cruises/](https://www.liveclicker.com/resources_page/celebrity-cruises/)
4 [https://www.liveclicker.com/resources_page/celebrity-cruises/](https://www.liveclicker.com/resources_page/celebrity-cruises/)
Marketers are on a mission to invest more in multichannel.

By 2022, CMOs in the U.S. will spend over $122 billion on investments in marketing technology and services. Your marketing budgets continue to increase across industries, proving just how high martech continues to climb up the priority totem pole. In fact, our survey found that this year alone, marketing budgets are increasing on average by 18%, with multichannel solutions as the top technology for investment. Respondents reported investing 26% more in multichannel than any other technology.

Budgeting more for online and website technologies is next in line, with social media right on its tail. Over the next five years, Forrester says the nation’s spending on online display and social media advertising will grow by nearly 70%, largely due to the rapid expansion of social media ads. But according to today’s marketers, this is only partially true. Social media budgets are growing, while display is seeing the least amount of change in investment as marketers shift their focus to multichannel, web, and social performance.

“With email as a key engagement tool and the ‘tie that binds’ multichannel elements together, automatically personalizing those important customer communications in real time and at scale is more important, and effective, than ever.”

- Justin Foster
  Co-founder & VP of Market Dev., Liveclicker

Technology budget changes by channel

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With 43% of millennials saying they have made a purchase through a social media platform, and 65% of millennials reporting they follow brand profiles, the channel continues to be a growing priority for marketers. But consumers of all ages continue to surprise us with their shopping habits. 50% of millennials are still buying in-store, and 90% of consumers have browsed online and purchased in-store. These stats prove customers are blurring digital and physical channel lines, making the omnichannel experience more fundamental than ever. Today’s marketers recognize this and want to keep closer tabs on consumer behavior by also investing more in multichannel data and analytics.
Remember when you mentioned personalization as your biggest priority? The most important component of this is behavioral marketing technology: the means to accurately identify, collect, track and automate messages to customers across various identifiers, devices, and channels. Marketers are shifting their budgets to dive into these data capabilities further—83% of respondents said they’re investing in Data and Analytics. After data technologies, tech investment varies by industry: Travel & Hospitality, Higher Education, and Financial Services are investing in Content Marketing more than other industries; Retail is investing the most into Personalization Tools; and Travel & Hospitality is investing the least into Email Deliverability.

Furthermore, all industries currently prioritize their marketing spend to drive traffic to online first, mobile second, and in-store third. Marketers are spending most of their time driving traffic to online and mobile, but as previously noted in this section, many consumers still favor in-store over other channels, so it’s surprising to see physical locations last on the priority list. If marketers do invest in behavioral marketing to successfully track and engage multichannel behaviors—which include brick and mortar interactions—like they say they will, these metrics can be easily combined to help deliver relevant, timely customer messaging. This brings us to our next trend...

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5 https://www.forrester.com/report/The+US+Marketing+Technology+And+Services+Outlook+2017+To+2022/-/E-RES137651#
7 https://nypost.com/2018/03/07/millennials-are-starting-to-hate-social-media-too/
Marketers are on a mission to send behavioral-based messaging.

Today’s marketers are tapped into the channels driving the highest percentage of revenue for their brand—54% of you ranked email as your top ROI-driving channel. Email continues to take the cake over other channels, mostly because it remains the cheapest to implement and consistently produces the highest engagement. Respondents also revealed their top tactics proven to increase their email ROI: sending more personalized dynamic content in mass emails; sending more triggered messaging; and investing in personalization tools. The main correlation we found from these analyses: The more personalization infused into your email marketing, the greater the return on investment.

“Behavioral-based emails have seen 60% more conversions than mass marketing emails for our clients. That’s why it’s so important for brands to invest in behavioral marketing strategies if they truly want to quickly move the needle and impact ROI.”

Kara Holthaus
VP of Client Services, SmarterHQ
“It’s essential to remarket in real time based on behaviors because booking lifecycles are a lot longer than consumer goods lifecycles... We only have a few seconds to get them engaged, so we want to send them the most relevant information based on how they interact with our site.”

Chris Killough  
Senior Manager of Email Marketing, Omni Hotels

Now, marketers say they are actively trying to shift towards personalized emails powered by customer behavior, with a goal of sending 30% more individualized campaigns compared to mass newsletters. This is good given that 70% of millennials are frustrated with receiving irrelevant emails, and 55% of consumers state they like email marketing offers which include relevant products and offers. But the survey found that brands are still sending mostly mass communications: 62% of you are focused on mass marketing, while only 38% are focused on individual customers. By industry, Travel & Hospitality seems to be most actively making the shift towards tailored content, while retailers, who have the best opportunity at personalizing based on behavior, continue to send mass marketing over everything else.

In addition to marketers not exactly practicing what they preach on personalization, we also found a large discrepancy in the amount of messages being sent compared to actual consumer preference. Millennials only want 1-3 marketing emails per month, but you’re sending 8-10 on average. That’s a pretty staggering difference considering 83% of consumers say they unsubscribe due to too many emails. But instead of implementing strategies to send less, marketers across all industries reported they plan on running the same amount of newsletter and mass marketing campaigns while also increasing personalized communications. That means you plan to send even more emails in the future. (Cue the 😁 emoji.)

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12 According to a 2018 Omnichannel Consumer Survey conducted by SmarterHQ polling 1,000 American consumers ages 18-65.
Over-inundated inboxes are a serious problem, and with unsubscribe rates costing the industry $5.8 billion a year,19 marketers must get more strategic about frequency. As the only industry that plans on decreasing the amount of mass marketing emails to run behavioral campaigns instead, Retail is starting to get this a bit more than the others. But even if you don’t plan on sending less, at least invest in personalization technologies to send the most relevant messages: Brands using dynamic content are sending 60% more campaigns than those who don’t.14 And be sure to make it easy for subscribers to control how often they hear from you—putting the power in their hands could prevent the unsubscribe.

Overall, we need to cut back on sending to the masses, so we can accommodate dynamic messaging proven to increase conversion and keep customers loyal time and time again.

### How will your marketing messaging mix change?

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[Some] marketers are on a mission to compete with Amazon.

THE COMPETITION

Marketing Change because of Amazon

- Retail: 44%
- Financial Services: 5%
- Travel & Hospitality: 0%
- Higher Education: 0%
- Media, Ent., Telecom: 18%
- Average: 23%

It might not be a big surprise that Retail marketers reported they’re taking drastic measures to compete with Amazon. After all, 45% of consumers say they typically shop on Amazon over online, department stores, malls, and boutiques. Consumers state their biggest reasons for choosing Amazon include: ease of finding a specific item, such as branded and lower-priced products; free two-day shipping via Prime membership; and extremely personalized product reminders and suggestions.

To satisfy the demands Amazon shoppers have now come to expect everywhere, retailers say they have adopted a game plan. One survey respondent summed this up pretty perfectly: “We are investing in an entire new company infrastructure to be able to ship products faster and more accurately, improve in-person experiences with our sales reps, and create a better, more consistent online shopping experience.” -Retail Manager

Here’s how you’re combating Amazon:

1. Providing free and fast shipping options
2. Focusing more on customer retention + overall customer experience
3. Offering your company’s products on Amazon
4. Lowering prices
But more surprising to us is that marketers outside of the Retail space reported they aren’t as concerned, or in some cases concerned at all, by Amazon. Should they be? With Amazon already moving into Financial Services, Food Delivery, and Healthcare, it’s only a matter of time before they tackle other industries, too. 35% of Amazon’s sales are directly attributed to behavioral marketing.\(^\text{16}\) Being proactive versus reactive tends to pay off big, which is why it’s vital to implement these strategies now versus later—especially if you want a fair shot against whatever Amazon may have hiding up their sleeves next.

Consumers and marketers agree: Ease of transaction is Amazon’s biggest advantage over traditional brands. But what do marketers feel is their biggest advantage over Amazon? The in-store experience, which is, interestingly enough, also marketers’ least prioritized channel. But why? Over 50% of today’s consumers prefer to shop in-store, 53% are most likely to buy online and pick up in-store, and 61% have bought online and returned in-store.\(^\text{17}\) The appeal of in-store is savings and immediacy: Consumers avoid shipping fees, reduce the time required to locate items or receive reimbursement for a return, and can complete either action same-day.

These statistics, and audiences, shouldn’t be ignored. Marketers need to place a greater focus on properly tracking storefront data and syncing with digital channels to create the best customer journey possible. By making in-store a priority, you give customers a seamless interaction with your brand no matter where they interact with you, and you offer an authentic experience that keeps them coming back for more. Take that, Amazon.

“I see consumers pick up one shoe and put it on the right foot, put another on the left foot, take a selfie, post it onto Instagram, get feedback from their followers. That’s how they make their buying decisions. That’s how they get some of their validation. Our consumers believe they’re brands. We have to give them a stage to operate on... It’s really going to be driven by customer data and insights.”

Dick Johnson
CEO, Foot Locker Inc.
Marketers are on a serious mission to accomplish a lot of things in the coming years, but they must stay focused on what truly matters: successfully tracking behaviors across all channels, making experiences more personalized with every interaction, and sending the most powerful messages to consumers. If they don’t, they risk rapidly declining revenue streams, losing customers altogether, and failing at the hands of companies that do it better.

Thanks to third-party platforms and partners like us who act as an extension of your marketing team, executing these tactics and meeting your goals doesn’t have to be a difficult or expensive venture. In no time, you can implement a powerhouse marketing strategy and customer experience that delivers phenomenal results (and gets you lots of praise from your peers).

Trust us—you got this!
SmarterHQ is the leading multichannel behavioral marketing platform, empowering B2C marketers to personalize individual customer interactions in real-time. We work with some of the world’s largest brands—such as Bloomingdale’s, Santander Bank, CarRentals.com, and Finish—to drive outstanding business results. We’ve been recognized by Forbes as technology to push B2C companies into a new era of personalization and Forrester’s Total Economic Impact study to deliver 667% in ROI. Visit SmarterHQ.com to request a demo.

Cheetah Digital is an enterprise cross-channel marketing solutions provider that is dedicated to marketers. Our unique combination of data, analytics, and services helps companies solve complex marketing challenges and drive exceptional results. We provide marketing expertise to the world’s best brands, including Williams-Sonoma, American Express, and Hilton. Learn more at CheetahDigital.com.

Liveclicker is a global provider of real-time email personalization solutions for B2C marketers. Since the release of our VideoEmail platform in 2009, marketers have used us to captivate consumers and drive program performance. Today, top brands such as 1-800-FLOWERS, AT&T, Best Buy, MasterCard, Lowe’s, Nintendo, and Samsung rely on our market-leading RealTime Email solution to deliver engaging, personalized messages, simply and at scale. Visit Liveclicker.com to learn more.

MailCharts is a platform that helps marketers build and optimize their email programs, track and report on competitors, and seek content and design inspiration from top email senders. Our platform detects ESPs and technologies used in any email—including advanced analytics, dynamic content, remarketing pixels, and more. Over 500 companies and counting use MailChart technology, such as Nordstrom, the NBA, Everlane, and Carter’s. Sign up at MailCharts.com.