

Why Context is Essential to Digital Marketing

Context in marketing:
the who, what, when, where and why

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This white paper was authored by Rebecca Lieb, Industry Analyst at Altimeter Group, on behalf of SDL. Altimeter had editorial control over the white paper to ensure its accuracy and objectivity. The findings were based primarily on research conducted by Alitmeter.



Web

What is context within digital marketing?

What?

Digital channels have moved well beyond tactics such as personalization and retargeting to deliver messaging and offers to consumers that are relevant and timely. Marketers are now empowered to deliver context, content that is finely honed and shaped by a myriad of factors that take relevant messaging to the next level.

The purpose of this white paper is to describe the types of contextual marketing, the elements of context, technical requirements for execution, and finally, a peek over the horizon at the future of context in digital marketing.

con·text noun \ˈkän-tekst\

- The situation in which something happens
- the group of conditions that exist where and when something happens

[Merriam-Webster]

What is context within digital marketing?

The untapped opportunity is to get an extremely granular understanding of customers, then anticipate their needs, wants, affinities and expectations and develop unique insights to power better marketing across all devices, channels and localities.



Why does context matter?

Why?

The more marketing can be targeted in context, the better – and more relevant – the customer experience. Context means the right person receives the right message at the right time, but also in the right place, on the right platform and in the right language. Highly relevant, personal and immediately meaningful marketing creates utility, meaning and is deeply personalized. This results in clear benefits: better and more meaningful experiences for each individual customer, deeper insights and correspondingly higher ROI for the brand.

Juice brand, Ocean Spray, recently harnessed contextual elements to drive a fun, engaging mobile promotional experience for its new 'Diet' brand, geared towards a specific segment. Instead of simply targeting by zip code 'likely to be interested,' as they had in the past, Ocean Spray targeted fitness and health-minded consumers, ages 26-55 who had previously purchased diet carbonated drinks and health food. Reaching these specific consumers via mobile with an aesthetically pleasing and interactive rich media ad generated some 40 million impressions during the campaign, with users spending an average of 12.7 seconds within the ad and a first interaction rate 27x the industry average.



Contextual marketing use cases

Who?

Contextual marketing is immensely personal, in other words, relevant to the individual recipient in a meaningful fashion. Contextual marketing is typically targeted to a specific “who,” otherwise known as personalization (e.g. messaging tailored to the individual by name and/or gender, purchase history, stage in sales cycle, age, etc.) but context also goes well beyond personalization to account for numerous other hyper-relevant factors such as customer history (or lack thereof) location, device and temporality. Contextual information collected can result in merchandising and product suggestions based on browsing or buying patterns, relevant ad retargeting, offers built around individual loyalty and even search results based on an individual database of intentions. Whereas, based on your browsing history and commonly used platforms, your ‘Apple’ is a computer, for example, mine might be a piece of fruit. When creating experiences in the digital world, ‘Who’ is the contextual determinate.



When?

Context and timing are inextricably linked. When should an offer be extended? When should information or a promotion be offered? When is this information most valuable, timely, or required? Often, this connects to a consumer action in real or near real-time, or within a specific predefined time-frame. Increasingly, “when” can also be informed by machine learning and algorithmic improvement over time. “When” can become contextually relevant based on a consumer’s online journey, or physical journey through real space and time. Waze, a crowdsourced traffic app, sends mobile brand-sponsored promotions (to gas stations, restaurants, retailers, etc.) based not only on location but only when drivers are stopped at stoplights.

Effective timing can also be tied to news events. During Typhoon Haiyan, Coca-Cola announced it was suspending all brand advertising dollars for a month to reallocate that spending into relief for victims and recovery efforts. The company received significant global recognition, publicity and social media amplification by leveraging real-time channels to get the word out.

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Where?

Physical location, device, and channel are the three biggest “wheres” that apply to contextual marketing each with a myriad of potential granularity. A customer's physical location can be as broad as region or country, bringing with it associations such as culture and language. It can also be as short-range as targeting by city block or even standing in front of a specific product in a store. A multiplicity of devices and channels “wheres” can fragment the view of the customer but instead create an omnichannel, single view, whether they're at home or at work, on a mobile device or a tablet, on a website or a social platform. More granularly, context around an immediate “where” – be it a city block or a specific aisle in a big box store can enable delivery of offers, information, service or utility that match that person in that place at that time, creating an experience relevant to here and now. Macy's enables in-store targeting in two New York locations with Apple's iBeacon, where it is installing transmitters. Macy's then pushes special offers and recommendations to customers based on the specific department in range. MGM Resorts sends coupons and notifications for nearby restaurants, shops, shows, and to guests' smartphones, based on geo-location, loyalty member status and individual preferences.

Denver Airport is consistently acknowledged as a leader in worldclass customer service, and to uphold this title, leadership is always looking for ways to make the stressful flying experience one more contextually enabled, simple, and relaxing for consumers. As a result, the airport created a mobile app designed to provide travelers all of the information they need to create a seamless airport experience.

First, the airport designed for utility:

- Airport parking, flight and gate information
- Security wait times
- Dining, shopping and entertainment options
- Weather information

Next, they tapped into the unique advertising environment of an airport—where marketers know when travelers will arrive, leave, and where they are going, enabling them to target promotions and airport services based on gate location and time of day. They also facilitated real-time user-generated ratings and reviews of airport concessionaries to give users full control and visibility into their experience.



How is context incorporated into marketing strategy?

How?

Contextual marketing cannot be achieved without a clear strategy on the part of the marketer, coupled with a tight infrastructure of highly sophisticated and integrated technology solutions. Broken down into component parts, the individual elements include:

- Context: Shared data between multiple applications and the ability to broker and serve contextual content, information and offers in real-time
- Semantic technologies: Language-based tracking, including detailed content tagging, taxonomies, etc. to determine the best assets to deliver to the appropriate device and customer and the right moment
- Customer-centric view: An obsession with customer behavior, preferences, trends, feedback, contextual needs, etc.
- Journey-mapping: Leveraging data to define contextual elements (personal, product, loyalty, location, language) along each stage and at each touchpoint of the customer journey
- Customer and additional data: The collection, listening, aggregation, analysis, visualization of customer data
- Predictive analytics: Sophisticated algorithmically informed outcomes based on machine learning, testing and optimization over time
- Integrated teams, workflows and systems: Elements without integration will only create silos; connecting people, technologies and processes is critical for 'holistic' contextual marketing at scale
- Personalization/localization, attribution, etc.: The enablement of tailored content, services, or targeting informed by data sets related to specific segments or individuals
- Flexible, dynamic and re-purposeable content: Content assets that are not only integrated across platforms but able to be sliced, diced and recycled based on context (right time, right place, right person, right service, right platform, etc.)
- Decoupling content management from content delivery: A delivery stack would need to understand customer context across a variety of business functions/systems such as regular CMS content, e-commerce and other factors such as customer service information. These are typically managed in separate siloed back-end systems. In order to deliver a single, truly contextualized experience, the delivery tier must span all these systems



Future

As barriers to connectivity decrease and efficiencies increase, the digital Internet we know today will increasingly permeate the offline world. Many, many more channels will emerge as we digitalize the offline world—the Internet of Things. This proliferation of new consumer touchpoints (beacons, connected products, connected services, wearables, sensors and actuators) will result in far more opportunities to personalize. Also correspondingly a greater need to understand and aggregate the many elements that must be combined to provide context. Increased data sources result in increased drivers for context.

An emerging IoT trend is personalization taking the form of connected product/data-informed service opportunities, e.g. “Welcome to Staples. We see your HP 455X is low in toner and will run out soon. Would you like us to order you a new cartridge to fit the HP 455X? or have it waiting for you at check-out?”



As devices, channels and data sources increase, there will be more opportunities for context but they will become correspondingly more complex to design and to implement. Organizations that harness context today, and use it to their advantage, will possess an edge as this trends accelerates and as consumer expectations and demands develop accordingly. An increasingly connected world creates more complexity, and with more complexity comes more responsibility. Ultimately, as the ability to digitally track and inform customer experiences moves offline, the experience and the brand become inseparable.





About SDL

Powering 79 of the top 100 global brands, SDL helps customers dramatically increase their speed to market with global customer experience (CX) environments that are integrated to work together across the entire customer journey. SDL's new customers have gone live with global CX solutions in an average of three months – significantly less than a typical 12-15 month implementation time for large enterprise solutions.

At the onset of 2014, SDL released the Customer Experience Cloud, which includes SDL Web who's new features introduced context brokering to the market, which enables businesses to provide personal and contextualized interactive experiences for customers across all channels and devices throughout their individual customer journeys – offering a market solution to the consumer demand for personalization and relevance during all brand touch points.

Continuing on solution innovation and development, SDL also released the SDL Language Cloud, the first cloud-based language platform to offer the full spectrum of translation options – human, machine and specialist machine translation. With these offerings, SDL solidifies its foothold of the CX market and is beginning to push the boundaries beyond experience to true customer engagement.

To learn more visit
www.sdl.com/engagingmoments



For more information, visit www.sdl.com

SDL (LSE: SDL) allows companies to optimize their customers' experience across the entire buyer journey. Through its web content management, analytics, social intelligence, campaign management and translation services, SDL helps organizations leverage data-driven insights to understand what their customers want, orchestrate relevant content and communications, and deliver engaging and contextual experiences across languages, cultures, channels and devices.

SDL has over 1,500 enterprise customers, over 400 partners and a global infrastructure of 70 offices in 38 countries. We also work with 79 of the top 100 global brands.