



August 24, 2011

# US Interactive Marketing Forecast, 2011 To 2016

by Shar VanBoskirk  
for Interactive Marketing Professionals



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## US Interactive Marketing Forecast, 2011 To 2016

Spend Will Near \$77 Billion As Interactive Gains Legitimacy In The Mix

by **Shar VanBoskirk**

with Christine Spivey Overby and Sarah Takvorian

### EXECUTIVE SUMMARY

By 2016, advertisers will spend \$77 billion on interactive marketing — as much as they do on television today. Search marketing, display advertising, mobile marketing, email marketing, and social media will grow to 35% of all advertising spend as they are embedded in the marketing mix. We expect this growth to help firms become adaptive, kill off daily deals, re-emphasize marketing’s “p’s,” and turn consumer electronics into audience-targeting tools.

### TABLE OF CONTENTS

#### 2 **Interactive Embeds Itself In The Mix**

Search’s Share Shrinks

Display Advertising Rallies

This Year, Mobile Overtakes Email And Social

Email Connects Everything In The Mix

Social Media Grows Moderately

#### RECOMMENDATIONS

#### 13 **Help Your Organization Adapt**

##### WHAT IT MEANS

#### 14 **Interactive Growth Will Inspire Established Practices**

#### 15 **Supplemental Material**

### NOTES & RESOURCES

Forrester conducted a quantitative survey with marketers. We also interviewed six vendor and user companies, including IBM, Merkle, PR Newswire, STIHL, The Jones Group, and Zeta Interactive.

#### **Related Research Documents**

[“Mobile Commerce Forecast: 2011 To 2016”](#)

June 17, 2011

[“Competitive Strategy In The Age Of The Customer”](#)

June 6, 2011

[“US Interactive Marketing Forecast, 2009 To 2014”](#)

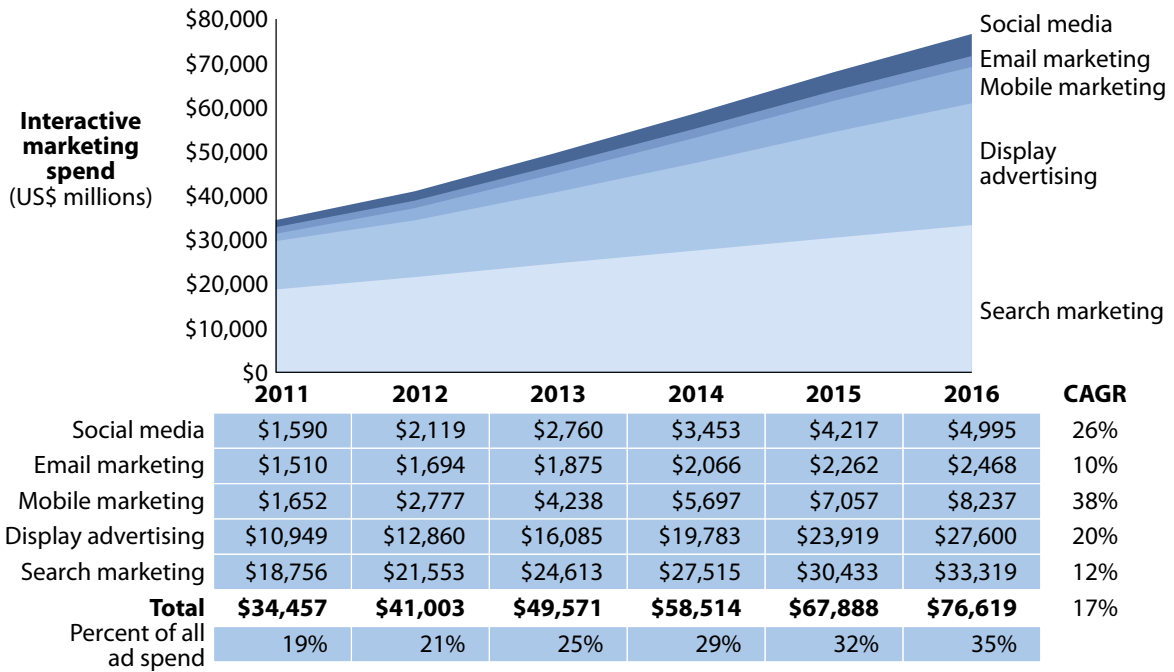
July 6, 2009

## INTERACTIVE EMBEDS ITSELF IN THE MIX

The next digital decade is here. By 2016, advertisers will spend as much on interactive marketing as they do on television advertising today. Investment in search marketing, display advertising, email marketing, mobile marketing, and social media will near \$77 billion and represent 35% of all advertising, as interactive channels gain legitimacy in the marketing mix (see Figure 1).<sup>1</sup> The following factors will enable this growth over the next five years:

- **Bigger interactive teams.** Marketers have more interactive staff now than they did in 2009.<sup>2</sup> This doesn't automatically mean more mature interactive programs or increased budgets.<sup>3</sup> But it usually allows for program expansion. One financial services firm we talked with grew its interactive team from 18 to 70 people in three years. Now it is a top advertiser on many display networks, has tripled its email marketing volume, and has a social PR effort under way.
- **Excitement about emerging media.** Marketers buy into mobile, social, or online video more now than when the recession forced them to stick with standby interactive tools like email or search.<sup>4</sup> Revenues from PR Newswire's multimedia products are up 22% this year, compared to 2009 when they were down 3%. And Intuit has a group dedicated to transforming cutting-edge technologies like Kinect into mainstream marketing options.
- **Interactive marketing effectiveness.** Marketers will invest more in interactive channels because they believe they will generate better results over time (see Figure 2). David Schwartz, marketing manager for power tool manufacturer STIHL Limited, explains, "People will spend on programs that show measureable returns. And you can measure anything through digital."
- **Customer obsession.** Firms looking to differentiate in the age of the customer will invest to create customized experiences across their customers' preferred touchpoints (see Figure 3).<sup>5</sup> This will augment existing online media efforts and inspire development for new platforms like smartphones and tablets. Forrester projects that by 2015 smartphone adoption will grow 150%, and 82 million consumers will own a tablet.<sup>6</sup>

**Figure 1** Forecast: US Interactive Marketing Spend, 2011 To 2016



Source: Forrester Research Interactive Marketing Forecasts, 2011 To 2016 (US)

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Source: Forrester Research, Inc.

**Figure 2** More Interactive Than Traditional Tactics Will Increase In Effectiveness

**“In the next three years, do you think marketing’s effectiveness will increase, stay the same, or decrease as compared to today for each of the following channels?”**

■ Increase ■ Stay the same ■ Decrease ■ Not applicable



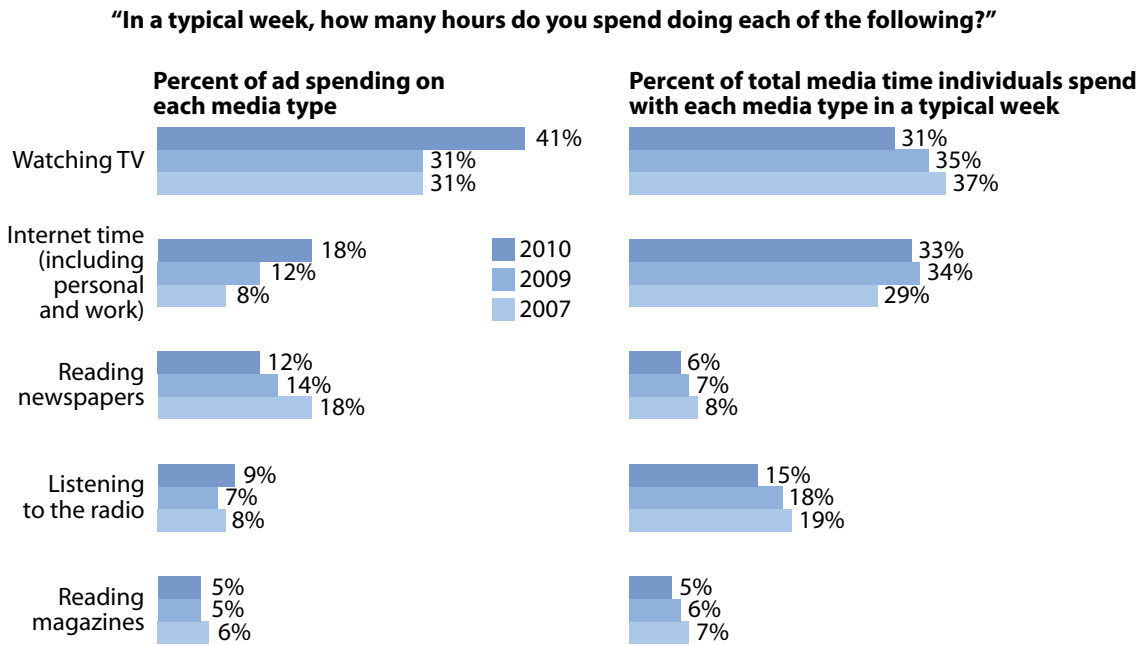
Base: 252 US interactive marketers

Source: December 2010 US Interactive Marketing Executive Online Survey

59379

Source: Forrester Research, Inc.

**Figure 3** Consumers Spend Less Time With Traditional Media



Base: US adults  
(percentages may not total 100 because of rounding)

Source: North American Technographics® Benchmark Survey, 2007; North American Technographics® Benchmark Survey, 2009; and North American Technographics® Benchmark Survey, 2010; Forrester Research Online Display Advertising Forecast, 2011 To 2016 (US)

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Source: Forrester Research, Inc.

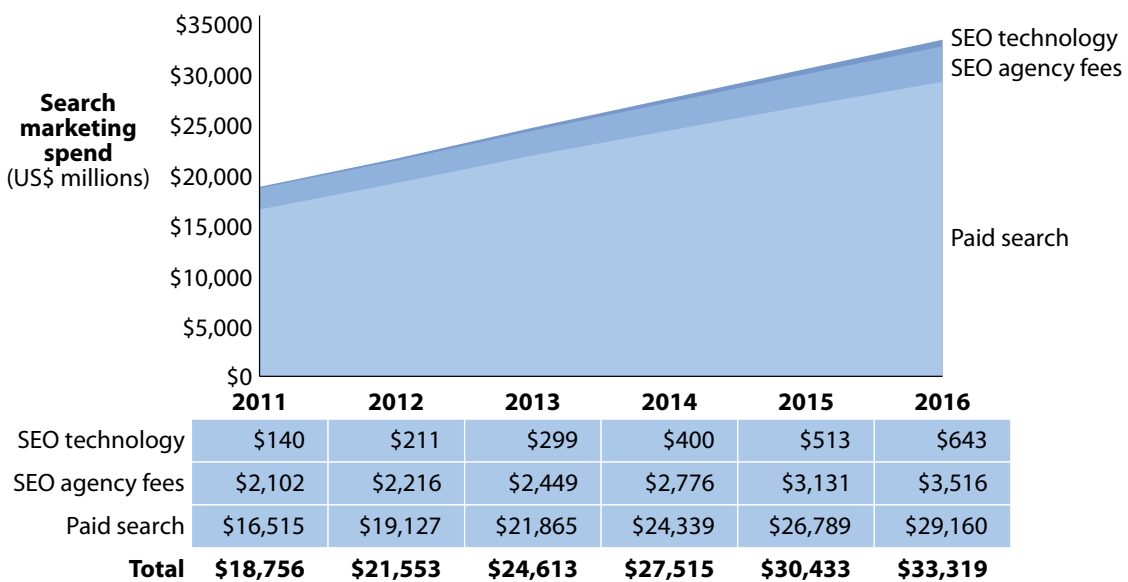
### Search’s Share Shrinks

So what role will different channels play in overall interactive marketing growth? Search will continue as the largest piece of the interactive marketing pie, growing to more than \$33 billion over the next five years (see Figure 4). However, it will lose share from 55% today to 44% of all interactive spend in 2016 as marketers refocus their search marketing strategies on “getting found” by users through any medium — not just search engines.<sup>7</sup> Investment in paid search, search engine optimization (SEO) agency fees, and SEO technology — a new category in this year’s forecast — will taper to a 12% compound annual growth rate (CAGR) as:

- **Search behavior — and the associated marketer spend — moves to other media.** A portion of marketers’ search budgets will move to mobile and social networks as users rely more on non-PC devices and nontraditional search engines like YouTube or Facebook for finding.<sup>8</sup> Performance marketing agency Performics finds that 1.7% of all paid search impressions already come from tablets.<sup>9</sup> And Jessica Koster, the senior director of eCommerce for The Jones Group, explains, “Search isn’t growing as it was for some of our businesses because consumers are looking for us in other places.”

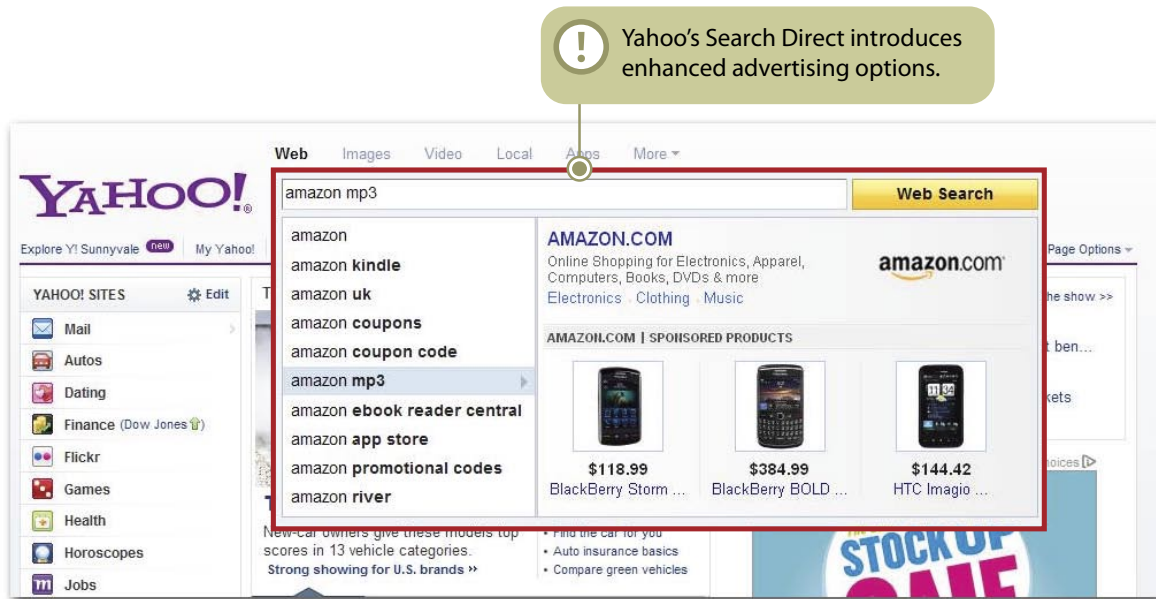
- SEO technology tempers the growth of agency fees.** The number of firms spending to optimize their sites for natural search results will continue to grow — particularly in very competitive paid search markets like financial services. However, even though this year we size SEO technologies like BrightEdge as part of our SEO forecast, our projections go down slightly from our 2009 study. This is because SEO technologies undercut or replace agency fees, dropping per-project costs about 15%.
- Rich search ads capture brand dollars.** Search investment will increase steadily, even with the above forces dampening its pace of growth compared to past years. In fact, improved search engines’ interfaces will deliver new display-like ad formats embedded into search results. For example, advertisers can sponsor terms in Yahoo’s new Search Direct feature with images or brand logos (see Figure 5). Formats like this will provoke advertisers to give search brand dollars formerly earmarked for offline or display media. And it will keep advertisers currently outbid on standard sponsored links from defecting to display.
- Small and medium-size businesses (SMBs) adopt and grow paid search programs.** Paid search ventures from firms with less than \$1 billion in revenues will also elevate search spend. In fact, SMB search media investment will achieve a 25% CAGR over the next five years — a pace twice as fast as average search growth — as small marketers adopt affordable search management solutions to amplify keyword ad programs.<sup>10</sup> For example, Clickable offers keyword management, bid optimization, and attribution modeling starting at \$499 a month. And offline directories — like SuperMedia, the publisher of the Verizon Superpages — now manage search advertising for local marketers who want to transition away from yellow pages ads.

**Figure 4** Forecast: US Search Marketing Spend, 2011 To 2016



Source: Forrester Research Search Engine Marketing Forecast, 2011 To 2016 (US Only)

**Figure 5** Richer Search Ad Formats Will Win Brand Budget



Source: Yahoo

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Source: Forrester Research, Inc.

### Display Advertising Rallies

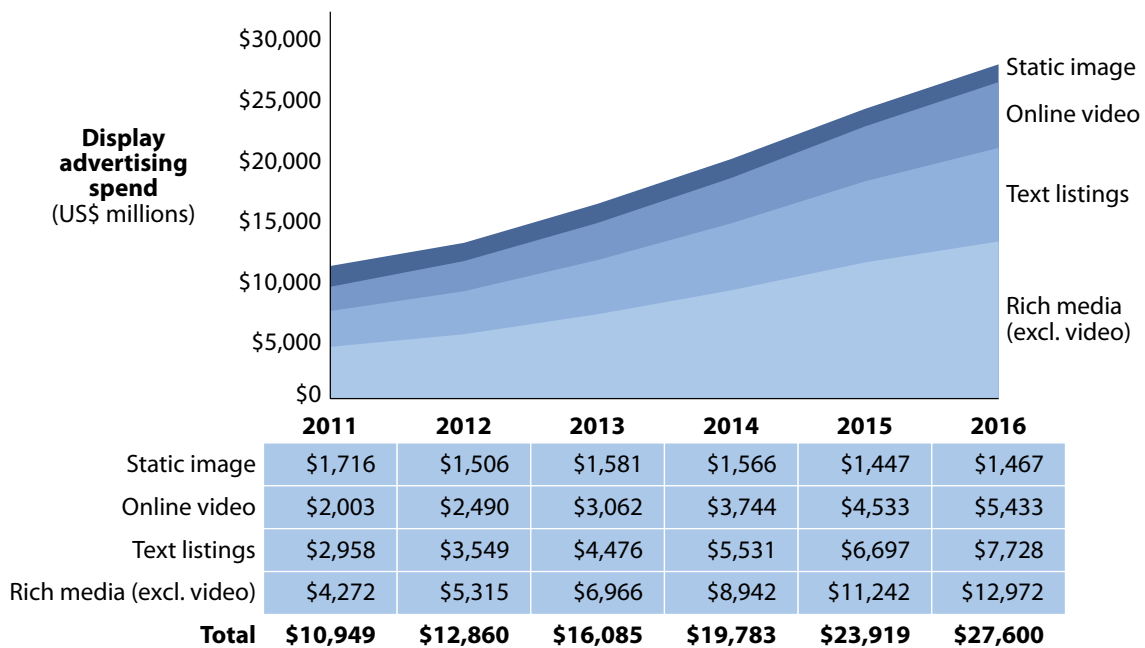
Marketers' love affair with display media is back; investment in contextual listings, static image ads and rich media ads, and pre-roll, mid-roll, or post-roll online video will reach \$27.6 billion by 2016 (see Figure 6). All display categories except for static image ads post greater than 20% CAGRs, which will boost display to 36% of interactive spend in five years. What is infusing display media with new life?

- **Search spend shifting to display.** Some marketers facing increasing keyword costs will eschew paid search for biddable display media — display ads bought through automated auctions — which can be less expensive and more effective than keyword listings. For example, one consumer product goods (CPG) firm's biddable display buys increased daily order volume by more than 100% at comparable or better cost per acquisition (CPA) than search.
- **Increasing costs of niche and remnant inventory.** Small publishers or bloggers with loyal fans can now support advertising through online ad exchanges. For example, independent online marketplace AdBrite trades more than one billion impressions a day from traditional publishers, niche media sites, and user-generated content. Exchanges like this enable advertisers to buy niche inventory that went unsold through traditional buying processes.<sup>11</sup> Additionally, auction-based ad buying also sells inventory for its market value, which means some underpriced remnant inventory may cost advertisers more. Online newspaper Topix generated competition for its remnant inventory using real-time bidding and saw a 300% lift in eCPMs.<sup>12</sup>



- **Better online ad management tools.** Big brand advertisers (and their agencies) will shift offline brand dollars into display as emerging data management platforms (DMPs) improve audience targeting, eliminate overlap across multiple publishers, and measure the contribution of a given impression toward business goals.<sup>13</sup> Consumer goods firms can't beat the nearly 40% purchase intent and 32% likelihood to recommend averages that audience targeter Lotame generates.<sup>14</sup> And Dairy Queen's in-store Blizzard sales rose by 10% year-over-year following a targeted rich media campaign managed through the MediaMath trading platform.

**Figure 6** Forecast: US Display Advertising Spend, 2011 To 2016



Source: Forrester Research Online Display Advertising Forecast, 2011 To 2016 (US)

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Source: Forrester Research, Inc.

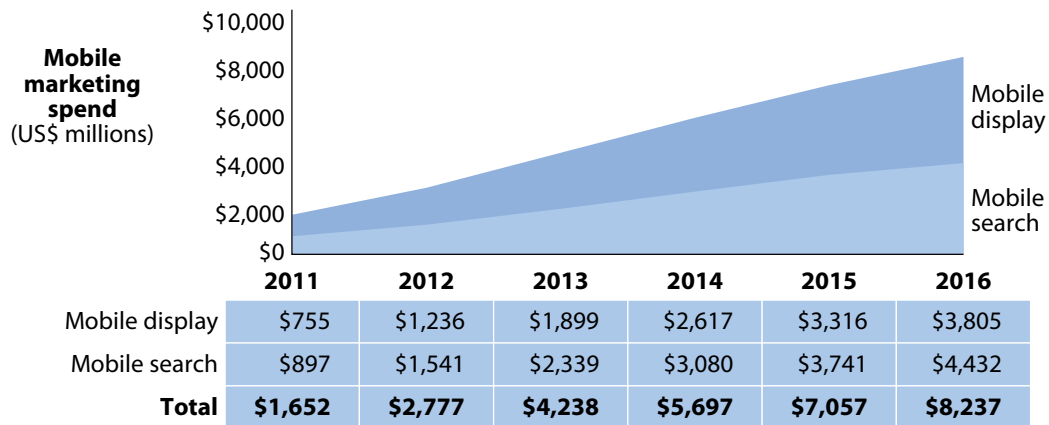
### This Year, Mobile Overtakes Email And Social

Our 2009 bet that mobile marketing adoption would hit its stride mid-2011 proved right-on. This year, spend on mobile paid advertising and search surpasses email and social and will rocket at a 38% CAGR to \$8.2 billion by 2016 because (see Figure 7):

- **Marketers will create more relevant mobile ads.** Today, marketers primarily repurpose online ads into mobile search and display.<sup>15</sup> But as mobile analytics firms like Bango mine more smartphone data, and mobile ad servers like Crisp Media mature, advertisers will spend to create user-centric mobile ads through better ad targeting and dynamic content. Already, mobile ad network AdMob can geo-target Volkswagen ads to German BlackBerry and iPhone users. Next step: layering in behavior or intent data to fine-tune the targeting.

- **Tablets — along with their expensive ad units — will become mainstream.** Debuting in our forecast this year, tablets contribute to mobile marketing investment due to their rapid adoption, but also because of the innovative — and expensive — ad formats they enable.<sup>16</sup> For example, Livestand, Yahoo’s digital newsstand for tablets, allows advertisers to interact with users through rich, customized, immersive content experiences (see Figure 8).
- **Buyers will embrace mobile commerce and the advertising that drives it.** Advertisers enamored by the mobile commerce outlook — mobile commerce will top \$31 billion in five years — will buy ads to promote more mobile transactions.<sup>17</sup> More mobile commerce will in turn further mobile ad investment. For example, Intercontinental Hotels is ramping up its location-based marketing since its room bookings from mobile devices increased 1,000% in the first five months of 2011.<sup>18</sup> And the coming explosion of tablet adoption will only amplify this virtuous cycle; already 47% of tablet owners have shopped and bought on their devices.<sup>19</sup>

**Figure 7** Forecast: Mobile Marketing Spend, 2011 To 2016

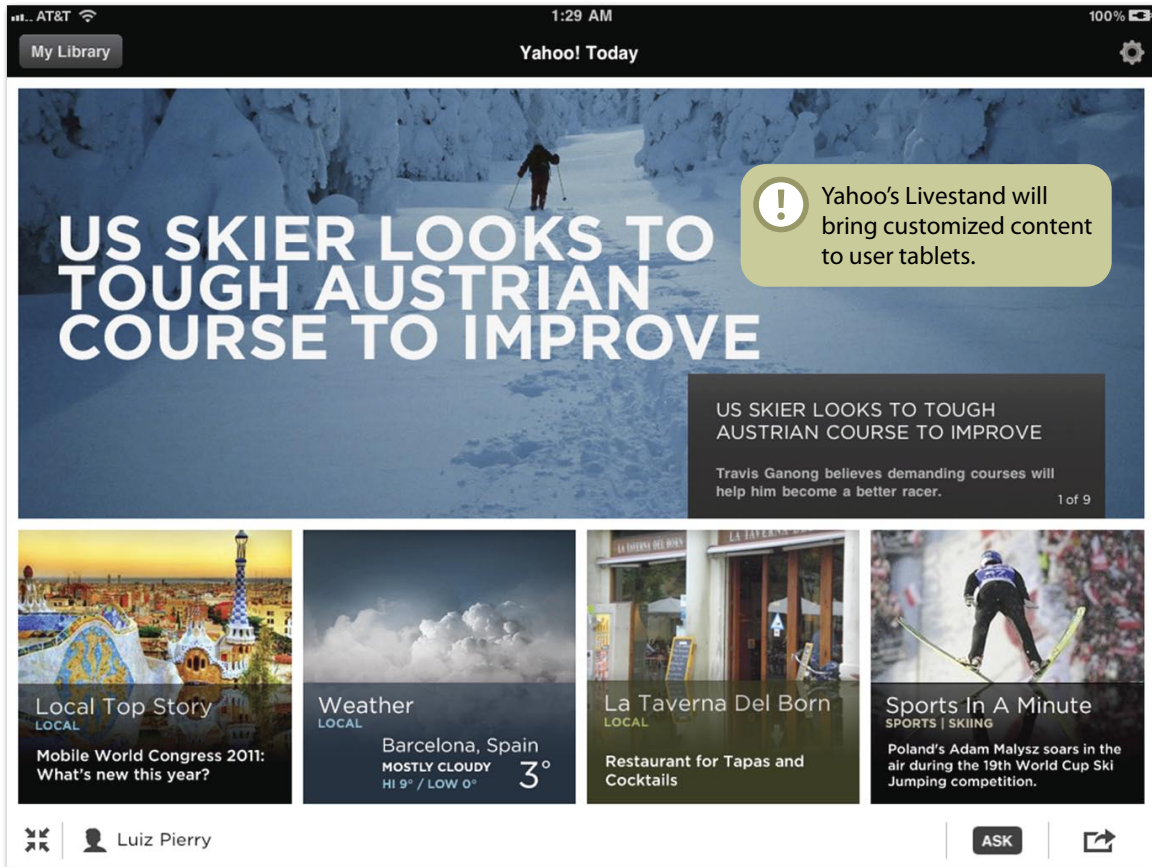


Source: Forrester Research Mobile Display Advertising And Search Forecast, 2011 To 2016 (US)

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Source: Forrester Research, Inc.

**Figure 8** Livestand Creates New Content And Advertising Opportunities



Source: Yahoo  
59379

Source: Forrester Research, Inc.

### Email Connects Everything In The Mix

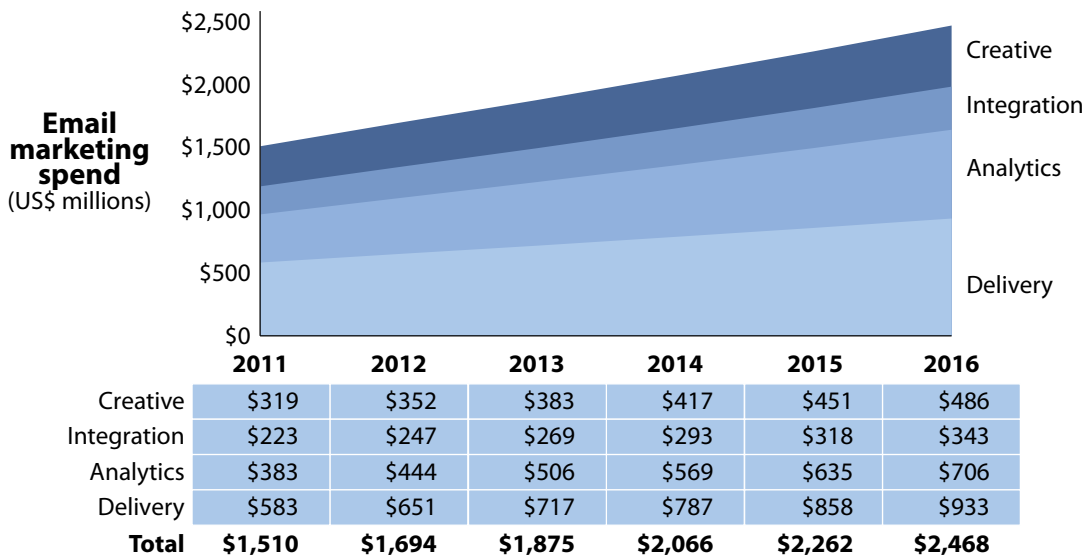
Nearly every enterprise marketer uses email marketing as the workhorse of her interactive mix. But spend on email marketing delivery, analytics, integration, and creative nears just \$2.5 billion by 2016 because of its low, low CPMs (see Figure 9). Still email marketing will maintain a 10% CAGR — consistent with its trajectory in our past forecast — over the next five years as marketers:

- **Launch new interactive programs.** That's right, developing mobile or social programs will make you send more emails. How so? Email tethers together customer experiences across channels. For example, Glamour puts blog content in its weekly e-newsletter. In-store associates at Pacific Sunwear of California use tablets to sign consumers up for its daily deal emails. So the more channels marketers embrace, the more email programs they'll need to support them.

British Airways created an email campaign to drive downloads of its new Executive Club app.<sup>20</sup> And Mint.com generated 8,500 new leads for 50 cents each by emailing existing subscribers with a referral offer that they could forward via email, Facebook, or Twitter.<sup>21</sup>

- **Create calculated campaigns.** Further email delivery growth will come as marketers spend to get more specific about what they send to whom, when. The email marketing manager of a financial services firm we talked with told us, “We’re doing targeted campaigns with smaller sends, which means more money overall; the price to produce a campaign is the same no matter what volume you send.” But this increased investment pays off. Intercontinental Hotels’ email revenues grew 16% when it kicked its batch-and-blast approach.<sup>22</sup>
- **Upgrade email analytics.** We’ve long said that spending more to send the right message will enrich lifetime value.<sup>23</sup> Well, at last email marketers are investing in analytics as part of a larger focus on customer relationship management (CRM) and customer intelligence.<sup>24</sup> For example, Travelocity increased its bottom line by 12.3% by customizing email offers to lapsed customers. And Geico is growing faster than any other insurance company in the US because it invests in segmentation and precision marketing.<sup>25</sup>

**Figure 9** Forecast: US Email Marketing Spend, 2011 To 2016



Source: Forrester Research Email Marketing Forecast, 2011 To 2016 (US)

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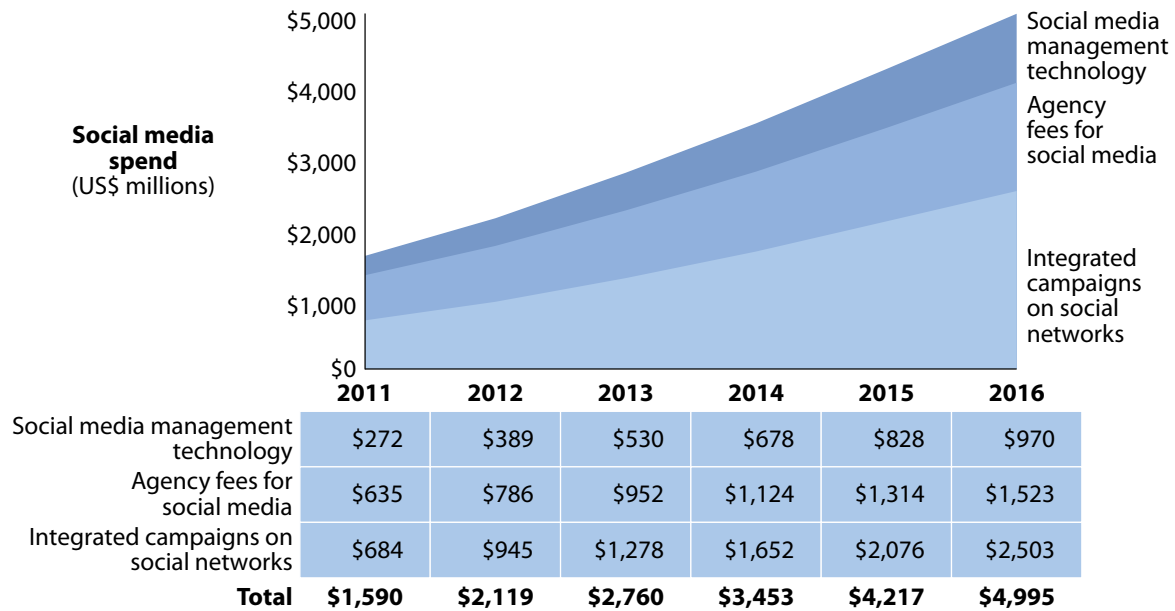
Source: Forrester Research, Inc.

## Social Media Grows Moderately

The combination of social media management technologies — an added category this year — agency fees, and spend on paid integrated social network campaigns will rev social media at a 26% CAGR over the next five years. But social media will only tip \$4.4 billion and account for just 7% of interactive spend by 2016 (see Figure 10). Why this moderate investment in five years' time?

- **Social media management is relatively low-cost.** No question, marketers are gung ho about social media investments: Matt Preschern, the vice president of North American demand programs for IBM, says, “We want IBM to be a social business. This is much bigger than marketing.” But as with email marketing, social media costs are low enough to dampen overall investment even with widespread adoption. Listening platforms cost only about \$5,000 to \$10,000 per month. Developing owned social assets like a Facebook page could run as much as \$1 million, but this is a one-time cost. Compare these fees to a paid search budget for example, which ranges between \$500,000 and \$3 million per month.
- **Social networks tender limited paid inventory.** The biggest social media outlets for advertisers — Facebook and Twitter — have only a few pay-per-click advertising options. For example, Twitter offers three paid media products.<sup>26</sup> And while Facebook has added some new products like Sponsored Stories, it has many fewer formats than traditional online portals. So while social media matters a lot to big advertisers like Hewlett-Packard, they spend more on internal resources to build and oversee social media assets — costs which we don't size in our forecast.<sup>27</sup>
- **Listening will develop into social intelligence.** Growth will come as more organizations buy listening platforms like Trackur or Crimson Hexagon to monitor social conversations. But we expect the bigger investment to come from firms integrating social data into their existing customer database as part of CRM upgrades — a spend not typically made by the interactive marketer.<sup>28</sup> Marketing services provider Merkle already positions itself as a specialist at “connected CRM” that tethers the marketing database to digital channels in order to create marketing, sales, and service opportunities.

**Figure 10** Forecast: US Social Media Spend, 2011 To 2016



Source: Forrester Research Social Media Forecast, 2011 To 2016 (US)

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Source: Forrester Research, Inc.

## RECOMMENDATIONS

### HELP YOUR ORGANIZATION ADAPT

When interactive marketing reaches 35% of all advertising it will be the second-largest line item in the marketing budget. We think this will make interactive marketers even more influential over marketing budgets and CMO agendas. Here are a few ways you can help your organization adapt to the whole-scale changes wrought by heavier dependence on interactivity:<sup>29</sup>

- Plan based on customers, not past budgets.** We've recommended before that marketers determine what marketing resources affect key decision points along customers' paths to purchase.<sup>30</sup> But most marketers still budget based on last year's channel-specific spend or industry benchmarks. We like benchmarks too, but they can't be your only budget input. Take this approach instead: 1) determine key audiences; 2) identify points of influence along their typical paths to purchase; 3) test to see how much of what medium, through what channel, will drive desired actions at critical points; 4) roll into a master budget the amounts of media and channel usage you need to accomplish your goals. We bet this approach saves you money and improves results. Ford saved 90% of its typical launch budget and generated 50% awareness in six months among target customers by using bloggers instead of TV to publicize its new Fiesta.

- **Foster innovation, not just algorithms.** We believe in the predominance of analytical strategies grounded in audience knowledge.<sup>31</sup> But we worry that interactive marketers enraptured with the foolproof nature of automated algorithms could so over-structure campaign creation that they stop innovating. For example, Wieden & Kennedy has already attempted to reduce its Old Spice/YouTube smash to a repeatable formula. Documenting best practices is always a good idea. But as important is encouraging tests, trials, and risk-taking. And taking risks doesn't mean becoming reckless.<sup>32</sup> Kraft Foods challenged each of its brands to do a pilot this year precisely to provoke programs that are not yet proven.

## WHAT IT MEANS

### INTERACTIVE GROWTH WILL INSPIRE ESTABLISHED PRACTICES

Even with its 17% CAGR, we don't believe that interactive marketing will supplant established marketing best practices. In fact, we expect a few hallmarks to showcase the importance of combining digital expertise with traditional marketing discipline. For example:

- **Daily deals will die.** Standing out above the clutter becomes harder for marketers as ad exposures grow. So some marketers unable to differentiate will rely on spontaneous coupons through more and more urgent Groupon-like "daily deals" as one way to drive notice. Consumers will grow so conditioned to micro-impulse offers that they'll lose practice at considered decisions — in all walks of life, not just when buying spa treatments. Facing a cultural descent into maladroitness, employers (and spouses) will blacklist impulse deals to keep people intentional.
- **The four p's become critical for customer acquisition.** Future interactive marketers will immerse customers in experiences to keep them loyal. But how will brands first enter the inner circle? First, they'll woo advocates the way Discover Financial already does by getting card members to refer new applicants. Then they'll pay critics to write favorable reviews or sponsor intermediaries like BankSimple to introduce them to current users. But we think that marketers will also return to their roots in the four p's, using packaging and placement to win consumer attention at key consideration points and product and price to drive trial and value post-purchase. Online underwear retailer Freshpair keys in to one of these p's — product — already: it's giving away 5,000 pairs of knickers in August 2011 to encourage people to switch from their standbys.<sup>33</sup>
- **Ad-supported devices will enhance audience targeting.** More interactive marketing investment will spawn more ad-supported content. In time this will open the door for ad-supported hardware too: big online user networks like Google and Facebook will option "freemium" devices to consumers in exchange for embedding ads into their displays. This certainly will lead to a spate of online publisher-consumer electronics partnerships. But the real advertiser boon and burden will be enhanced user targeting. Sponsored devices will leverage mobile advances like gyroscopes, 3D cameras, and biometrics to detail room location, environmental surroundings, even current companionship back to Google to aid ad sales.<sup>34</sup> But concerned consumers fear not: non-sponsored versions will still exist — for a fee.

## SUPPLEMENTAL MATERIAL

### Methodology

As part of the forecast modeling, Forrester develops comprehensive historical and base-year market size estimates based on a variety of sources, including public financial documents, executive interviews, Forrester's proprietary primary consumer and executive research, and analysis of the Internet traffic database.

All of Forrester's forecasts are designed by a dedicated team of forecasting analysts who build the models, conduct extensive industry research, and manage the process of formally building consensus among Forrester's analysts. Forecast analysts have backgrounds in investment banking, management consulting, and market research, where they developed extensive experience with industry and company forecasting.

Forrester's December 2010 US Interactive Marketing Executive Online Survey was fielded to 252 US interactive marketing professionals, who indicate that they are decision-makers and influencers of interactive marketing budgets. For quality assurance, panelists answered basic questions about their firms' revenue and budgets; Forrester ensures that the final survey population contains only those with significant involvement in the planning and running of interactive marketing programs. Respondents come from enterprise companies distributed across seven industries: financial services; retail and wholesale trade; consumer products; travel and hospitality; media, entertainment, and publishing; manufacturing and high-tech; and business services.

Forrester fielded the survey during December 2010. Exact sample sizes are provided in this report on a question-by-question basis. Panels are not guaranteed to be representative of the population. Unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes.

In addition to sampling error, one should bear in mind that the practical difficulties in conducting surveys can introduce error or bias into the finding of opinion polls. Other possible sources of error in polls are probably more serious than theoretical calculations of sampling error. These other potential sources of error include question wording, question ordering, and nonresponse. As with all survey research, it is impossible to quantify the errors that may result from these factors without an experimental control group, so we strongly caution against using the words "margin of error" in reporting any survey data.

These statements conform to the principles of disclosure of the National Council on Public Polls.

For more information on Forrester's ForecastView offering, including access to additional details and metrics not included in this report, please contact us at [data@forrester.com](mailto:data@forrester.com). If you're interested in joining one of Forrester's research panels, you may visit us at <http://Forrester.com/Panel>.



## Companies Interviewed For This Document

|             |                  |
|-------------|------------------|
| IBM         | STIHL            |
| Merkle      | The Jones Group  |
| PR Newswire | Zeta Interactive |

## ENDNOTES

- <sup>1</sup> In past forecasts, growth in interactive spend was due to experiments or due to recession-strapped marketers seeking less-expensive alternatives to traditional media. See the July 6, 2009, "[US Interactive Marketing Forecast, 2009 To 2014](#)" report.  
  
Note that we calculate interactive marketing as a percentage of advertising spend that includes broadcast and cable television, radio, newspaper, yellow pages, magazines, and other paid media like out of home. This total does not include non-advertising marketing investments like direct mail, events, or telemarketing.
- <sup>2</sup> At the end of 2009, 60% of marketers had fewer than 10 people dedicated to interactive programs. Today, only 17% have teams this small. Forty-five percent boast more than 25 dedicated interactive marketers, and 20% have 100 or more interactive staff. Please read the upcoming, "Right-Size Your Interactive Marketing Organization" Forrester report.
- <sup>3</sup> Just adding interactive headcount won't make you mature because interactive requires specialized skills, not just more muscle. Please read the upcoming, "Right-Size Your Interactive Marketing Organization" Forrester report.
- <sup>4</sup> In our "Interactive Marketing Channels To Watch In 2009" report, we found that because of the recession, marketers declined their use of brand-oriented display media and were particularly shy to adopt emerging channels like online video and mobile marketing. See the June 4, 2009, "[Interactive Marketing Channels To Watch In 2009](#)" report.
- <sup>5</sup> Customer-obsessed companies must pull budget dollars from areas that traditionally created and invest in: 1) real-time customer intelligence; 2) customer experience and customer service; 3) sales channels that deliver customer intelligence; and 4) useful content and interactive marketing. See the June 6, 2011, "[Competitive Strategy In The Age Of The Customer](#)" report.
- <sup>6</sup> As phone makers bring lower-cost smartphones to the market and operators offer less costly data plans, 77 million new smartphone subscribers will enter the market, more than 150% growth. See the March 9, 2011, "[Crafting Products For The Next Smartphone Owners](#)" report.  
  
The tablet market will grow rapidly, reaching 10.3 million US consumers in 2010 and 82 million in 2015. See the January 4, 2011, "[Tablets Will Grow As Fast As MP3 Players](#)" report.
- <sup>7</sup> The difficulty navigating splintered access to burgeoning content will push consumers to seek in more direct ways — like through apps or niche communities. This will force marketers to think about "search marketing" outside of SEM and SEO. See the August 11, 2010, "[The Future Of Search Marketing](#)" report.

- <sup>8</sup> Natural search results are still the most commonly used resources to navigate to websites. Although, compared with past studies, advertising has declined in popularity and social media gained ground, particularly for young consumers. See the February 14, 2011, "[How Consumers Find Websites In 2010](#)" report.
- <sup>9</sup> For more information on the Performics study please check out the article "Growth in tablets impacts mobile search: Performics" from *Mobile Marketer* (<http://www.mobilemarketer.com/cms/news/research/10490.html>).
- <sup>10</sup> Forrester's ForecastView provides a detailed break out of investment in search marketing by company size. Contact your account manager to access ForecastView.
- <sup>11</sup> Much of the new online content is created by individuals like bloggers or amateur videographers. These individuals have neither the expertise nor infrastructure to support the sale of advertising as would a traditional publisher with an online presence (like a magazine or television network). See the February 4, 2008, "[The Truth About Online Ad Exchanges](#)" report.
- <sup>12</sup> In case you aren't familiar, eCPM stands for "effective cost per thousand" and is a measure of cost to buy advertising impressions. Topix uses Admeld's real-time bidding capability to monetize its inventory. Read more from Admeld's website: <http://www.admeld.com/why-admeld/case-study/topix/>.
- <sup>13</sup> The very recent advent of the data management platform (DMP) now offers interactive marketers a chance to more effectively roll out segment- or audience-based marketing programs. See the July 25, 2011, "[The DMP Is The Audience Intelligence Engine For Interactive Marketers](#)" report.
- <sup>14</sup> For more detail about Lotame's results, see its published benchmark overview from its website: [http://www.lotame.com/wp-content/uploads/2011/04/Lotame\\_Benchmarks\\_Update.pdf](http://www.lotame.com/wp-content/uploads/2011/04/Lotame_Benchmarks_Update.pdf).
- <sup>15</sup> Most interactive marketers err with mobile by simply extending their existing search campaigns to a mobile audience. See the November 5, 2010, "[Making The Most Of Mobile Search Marketing](#)" report.
- <sup>16</sup> The entry price to work with iAd — Apple's in-app advertising network — is \$500,000, which was reduced from a cool \$1 million in February 2011. See the April 26, 2011, "[Tablet Ads: Premium Engagement At Premium Cost](#)" report.
- <sup>17</sup> Mobile commerce is expected to reach \$31 billion by 2016. While this represents a compounded annual growth rate of 39% from 2011 to 2016, mobile commerce is only expected to be 7% of overall eCommerce sales by 2016. See the June 17, 2011, "[Mobile Commerce Forecast: 2011 To 2016](#)" report.
- <sup>18</sup> See what else Bill Keen, IHG's director of web and interactive marketing at IHG, has to say about IHG's mobile strategy. Source: Rimma Kats, "InterContinental Hotels Group extends mobile booking app to Windows Phone 7," *Mobile Commerce Daily*, July 22, 2011 (<http://www.mobilecommercedaily.com/2011/07/22/intercontinental-hotels-group-extends-mobile-booking-app-to-windows-phone-7>).
- <sup>19</sup> In a study in partnership with Bizrate Insights, Forrester found that shopping is a popular activity among tablet owners: 47% of tablet owners report shopping for and buying something, and an additional 13% say they've shopped on their tablets without buying. See the July 25, 2011, "[Why Tablet Commerce May Soon Trump Mobile Commerce](#)" report.

- <sup>20</sup> British Airways saw 50% open rates and generated more than 60,000 downloads. Read the full case study from e-Dialog's website: [http://www.e-dialog.com/pdf/casestudies/ED160\\_British\\_Airways\\_MobileMarketing.pdf](http://www.e-dialog.com/pdf/casestudies/ED160_British_Airways_MobileMarketing.pdf).
- <sup>21</sup> Mint.com used StrongMail Influencer to create this viral program. Learn more from StrongMail Systems' website: [http://www.strongmail.com/pdf/sm\\_casestudy\\_mint.pdf](http://www.strongmail.com/pdf/sm_casestudy_mint.pdf).
- <sup>22</sup> IHG emails that were formerly basic triggered bookings confirmations now have optimized content by geography, brand, and customer behavior that can upsell and cross-sell additional products. See the May 9, 2011, "[Case Study: InterContinental Hotels Group Consolidates Email And Data Management](#)" report.
- <sup>23</sup> Using email for only short-term revenue gains is myopic. Instead, Forrester recommends that marketers take a holistic email marketing strategy aimed at increasing the long-term return from email subscribers. See the April 16, 2008, "[Break Free From Bad Email](#)" report.
- <sup>24</sup> Marketers who measure the impact of their customer intelligence (CI) say that it not only boosts campaign-specific metrics but also improves customer acquisition, retention, satisfaction, as well as revenue, profitability, and customer value. See the October 16, 2009, "[The Intelligent Approach To Customer Intelligence](#)" report.
- <sup>25</sup> Geico works with Merkle to create precision marketing programs that include email among other targeted messaging efforts.
- <sup>26</sup> Sean Corcoran discusses Twitter's paid media options on his blog. Source: Sean Corcoran, "Promoted Tweets: How Paid Media Fits Into Your Social Media Marketing," *Sean Corcoran's Blog For Interactive Marketing Professionals*, July 28, 2011 ([http://blogs.forrester.com/sean\\_corcoran/11-07-28-promoted\\_tweets\\_how\\_paid\\_media\\_fits\\_into\\_your\\_social\\_media\\_marketing](http://blogs.forrester.com/sean_corcoran/11-07-28-promoted_tweets_how_paid_media_fits_into_your_social_media_marketing)).
- <sup>27</sup> HP created a support community with the help of Lithium Technologies. The community is now monitored and maintained by internal HP employees through a program called HP Ambassadors. Source: Hewlett-Packard (<http://h30507.www3.hp.com/html/assets/HPawardSubmission.html>).
- <sup>28</sup> Social CRM is the customer intelligence professional's mandate because it is about connecting social media to the customer database and informing customer strategy through this information. See the January 13, 2011, "[What Social CRM Means To Customer Intelligence](#)" report.
- <sup>29</sup> To truly transform the marketing department into a more agile and innovative organization, CMOs must adopt these habits: 1) accept change; 2) dare the status quo; 3) act continuously; 4) participate personally; and 5) tear down boundaries. See the November 10, 2010, "[CMO Mandate: Adapt Or Perish](#)" report.
- <sup>30</sup> Strategies for allocating marketing resources come up short in two respects: 1) they do little to help marketers deliver a high return on their investments, and 2) they fail to account for consumers' rapidly changing behaviors and media consumption. Left Brain Marketing Planning provides a customer-based, marketer-led, data-driven way to decide which marketing resources — not just media — to invest in. See the May 16, 2005, "[Left Brain Marketing Planning](#)" report.
- <sup>31</sup> In a new era of Left Brain Marketing, analytical strategies grounded in deep audience knowledge will rise to predominance. Creative will remain essential but will play a smaller, more sophisticated role. See the April 6, 2004, "[Left Brain Marketing](#)" report.

- <sup>32</sup> Forrester's Accessible Innovation framework helps firms overcome their common aversion toward innovation by empowering interactive marketers to pursue marketing program developments that will solve problems or improve business results. See the September 1, 2009, "[Accessible Innovation](#)" report.
- <sup>33</sup> Turns out underwear loyalty is a hereditary thing. Most people stick with the panties their parents first gave them. Freshpair's product trial is to get people to think about a different style or, er, function (like "to slim" or "to enhance") of their underthings. So far, we like Freshpair's package. Source: Anna Baskin, "Freshpair Gives Package Goods New Meaning," *Advertising Age*, July 30, 2011 (<http://adage.com/article/news/freshpair-package-goods-meaning/229019/>).
- <sup>34</sup> The functionality in mobile devices is evolving at a phenomenal pace. Key innovations include: new control mechanisms beyond keypads, high-quality cameras, high-resolution displays, and sensors that will facilitate data collection. See the April 14, 2011, "[How To Prepare For Mobile Total Product Experiences](#)" report.

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