

Why Search + Social = Success For Brands

The Role Of Search And Social In The
Customer Life Cycle

Table Of Contents

Executive Summary: Customers Rely On Search And Social Channels To Find And Choose Products.....	1
Understanding The Customer Life Cycle.....	2
Search Is A Primary Tool For Customers Through Their Life Cycle.....	2
Social Doesn't Match Search For Volume, But It Drives Increased Value .	4
Your Best Customers Use Both Search And Social.....	6
Key Recommendations	7
Appendix A: Methodology	8
Appendix B: Data.....	8
Appendix C: Endnotes.....	9

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Executive Summary: Customers Rely On Search And Social Channels To Find And Choose Products

Brands are waking up to a world in which their customers have access to more information, across more channels, and have more control in their relationships with brands than ever before. In this world, it's more complex than ever for brands to choose the right channels to drive discovery, exploration, and post-purchase engagement.

In April 2016, Catalyst, part of GroupM Connect, commissioned Forrester Consulting to evaluate how online consumers use search, social media, and other marketing touchpoints throughout their customer journey. Forrester tested the hypothesis that search and social are crucial components of the customer life cycle and, furthermore, play a complementary role with one another in driving customer awareness, consideration, purchase, and ongoing engagement.

To test this hypothesis, Forrester Consulting conducted an online survey of 999 consumers who had used online channels to shop (defined as researching, purchasing, or discussing a product) in the past three months. The study included purchases across several verticals including consumer packaged goods (CPG), automotive, entertainment, consumer electronics, telecommunications, and financial services.

KEY FINDINGS

This study yielded four key findings:

- › **Search and social play an important role for customers throughout the customer life cycle.** People turn to both search and social channels throughout the stages of their journey – with over 90% of customers report they use search at every stage of their customer lifecycle, and over 85% of customers saying they use social channels for discovery and consideration or purchase.
- › **Search is king for trust, volume.** Search consistently dominates the rankings of tools customers turn to for reach, depth, and relationship. Customers trust their search results as well – with 72% saying search results are trustworthy – the highest rating for any digital channel.
- › **Social drives deeper engagement.** While social doesn't match search's volume, it provides impactful, trusted

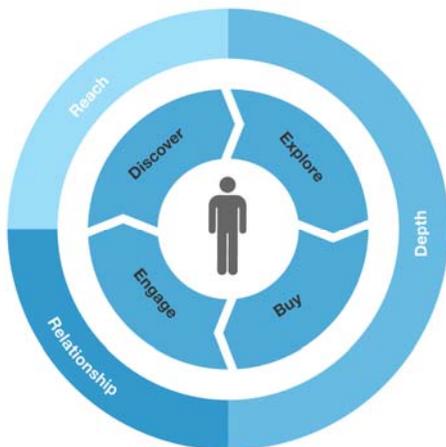
information to customers while they are engaged in shopping behavior. This study showed that while friends' brand-oriented social activities impacts customers' purchases, 43% of customers were influenced by a company's social post when shopping, and 30% report they were influenced by paid social ads.

- › **Customers who use search and social together are high value targets for marketers.** These customers are relatively high-spending online consumers - with 50% saying they've spent more than \$250 online in the past three months, and they are 9% more likely to act as brand advocates than overall consumers. Overall consumers are defined as those who have used any online channel to shop in the past three months.

Understanding The Customer Life Cycle

To help brands adapt to the shifting customer landscape, Forrester introduced the customer life cycle in 2010, defined as: “*The enterprise's view of the phases a customer passes through in the course of an ongoing relationship with a company.*”¹ Forrester calls on brands to focus on programs that address their customers’ reasons for interacting with them through different channels in the different stages of the customer life cycle (see Figure 1).

FIGURE 1
Effective Marketing Programs Must Support The Customer Life Cycle



Source: Forrester Research, Inc.

- › **Reach channels support discovery.** Brands use reach channels to convey a compelling brand promise, paint an appealing brand image, and encourage audiences to learn more about their offerings.
- › **Depth channels support exploration and purchase.** If the reach component of a campaign is successful, customers will then explore your products and services using channels that offer them greater depth of information.
- › **Relationship channels support engagement.** Customers use relationship channels to engage with brands to get more from the products and services they have purchased; share their experiences with other customers; and, as a result, build a stronger emotional bond with the brand.

This study examined the role that search and social channels play in the customer life cycle, and it found that they were important channels for customers to discover, choose, and interact with brands.

Search channels in this study included:

- Searches conducted using search engines
- Searches conducted on retailer sites
- Searches conducted on social media sites

Social channels in this study included:

- Major consumer-focused social platforms
- Video sharing sites
- Blogs created by companies or other people
- Customer review sites and communities

Search Is A Primary Tool For Customers Through Their Life Cycle

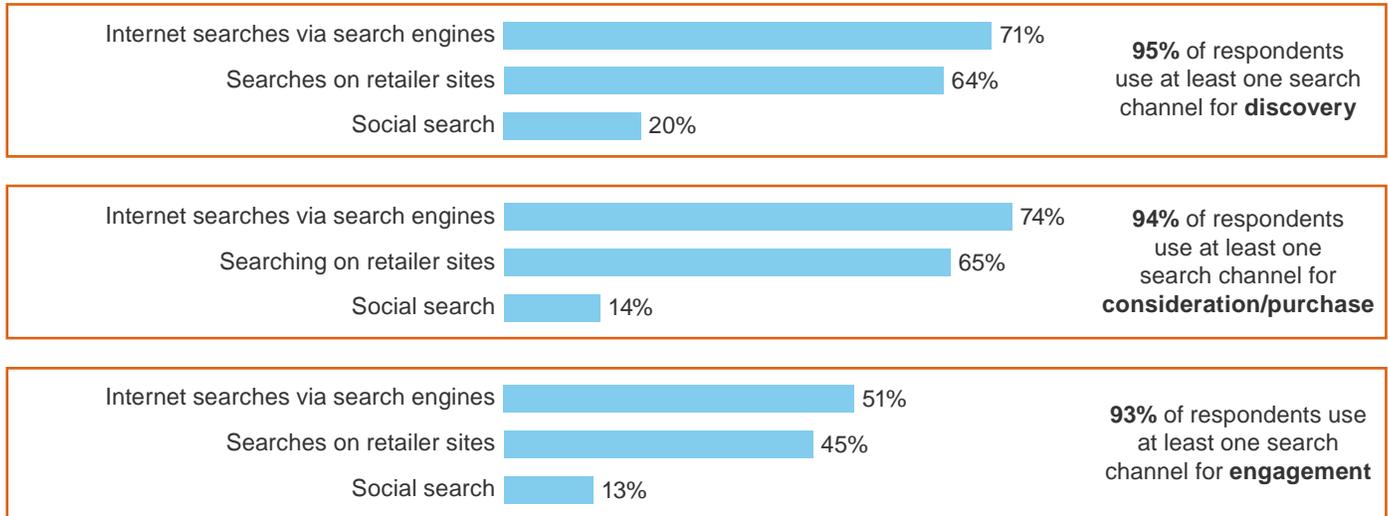
This study found that customers turn to search channels as one of their top sources of information at all stages of their customer life cycle (see Figure 2). In fact, more than 90% of consumers in our study say they use one of the search channels offered (mostly general Internet searches, but also searches on retailer sites or social platforms) when discovering, exploring, and engaging.

SEARCH IS AN EFFECTIVE WAY FOR BRANDS TO REACH MOST CUSTOMERS

Search is a significant way study participants discover or find out about new products or services, with 95% reporting they turned to search in this stage of their life cycle. In comparison, only 50% indicate they discovered a recent product via TV advertising.

FIGURE 2
Search Is Crucial Throughout The Customer Life Cycle

“Which of the following ways do you typically discover or find out about new products, brands, or services (reach)/research brands, products, or services (depth)/keep in touch with brands (relationship)?”



Base: 999 consumers in the United States

Source: A commissioned study conducted by Forrester Consulting on behalf of Catalyst, Part of GroupM Connect, January 2016

Furthermore, the study showed that customers think the discovery information from search to be highly impactful. Eighty-five percent of study participants report that the information derived from using search engines for discovery purposes would be likely or very likely to lead them to seek more information on the particular product, brand, or service, and 80% report that search results on retailers' websites would do the same.

SEARCH IS A MAJOR GATEWAY BETWEEN CUSTOMERS AND BRANDS' DEPTH CONTENT

Search is shown to be a main way customers access the deeper product information they need to make informed decisions about what products they want to buy. The study found that 94% of survey respondents use search during this stage of their life cycle.

However, it's important to bear in mind that the content that drives depth — such as detailed product information, pricing, and demonstrations — is not what the actual search results provide. Instead, search acts as a launchpad for customers who are ultimately seeking deeper information on products and services; this information is often delivered on brand sites and at retail locations. Indeed, this study found that 74% of respondents who used search for the depth stage do so because they wanted to find more information

on product or service features or compare similar products with one another.

Search plays such a powerful role for the customers in this study partly because of how much these customers trust the information they get from searches. Seventy-two percent of survey respondents who used search on retail sites during their depth stages report they trust the results of their search queries — trailing only visits to a physical store location (80%) and speaking with people they know (86%).

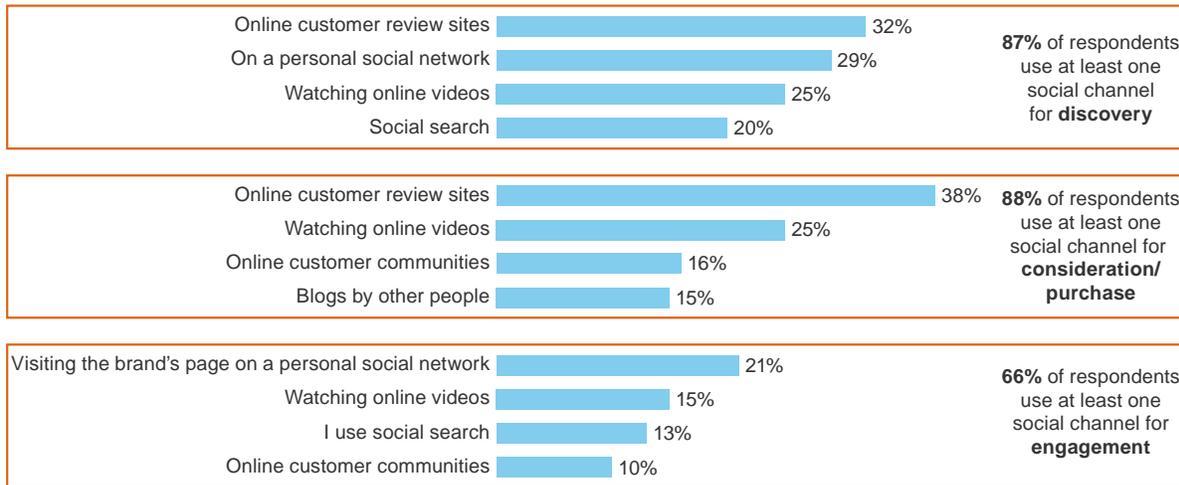
SEARCH IS AN EFFECTIVE CHANNEL FOR BRANDS LOOKING TO BUILD CUSTOMER RELATIONSHIPS

Finally, search continues to play a strong role for customers looking to engage post-purchase with the brands they want to buy from. Ninety-three percent of customers report they use search to keep in touch with brands post-purchase — and searches on search engines (51%) trail only the brands' website (64%) among individual channels that customers turn to in the relationship stage.

These customers see search as a valuable tool to help them keep in touch. Eighty-four percent of customers said that searches conducted on retailer sites are valuable or very valuable for them when engaging in relationship activities, and 81% said the same of searches conducted on

FIGURE 3
Social Delivers Value For Customers

“Which of the following ways do you typically discover or find out about new products, brands, or services (reach)/research brands, products, or services (depth)/keep in touch with brands (relationship)?”
 (Shows top four social selections)



Base: 999 consumers in the United States

Source: A commissioned study conducted by Forrester Consulting on behalf of Catalyst, Part of GroupM Connect, January 2016

search engines. Seventy-eight percent report they turn to search in order to find more information about how other customers were using the product or service they had purchased, indicating that search again is playing a gatekeeper role, specifically for content centered on fostering or maintaining brand relationships, including reviews and product discussions.

Social Doesn't Match Search For Volume, But It Drives Increased Value

Social channels and activities make up a part of the marketing mix for almost all brands, yet companies struggle to effectively integrate social into their marketing mix.² This study found that social channels hold up well in terms of customer interactions through the stages of the customer life cycle (see Figure 3), but the impact of social channels lies more in the quality of interactions brands can expect than the quantity.

SOCIAL REACH TACTICS DRIVE PRODUCT AWARENESS

Social media channels play a strong role helping customers become aware of products or services, with 87% saying they turned to one of the brand-managed social media tactics in this stage of their life cycle. This number does not

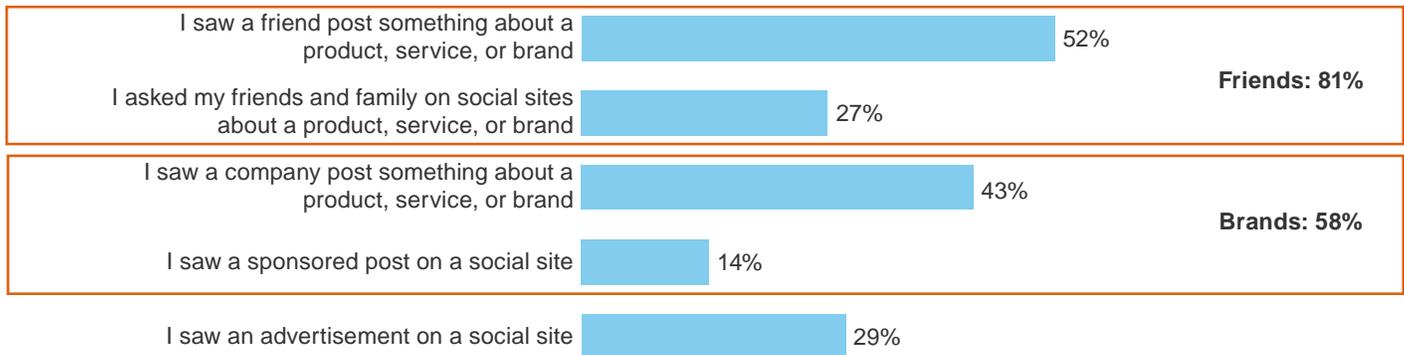
include general word of mouth, such as speaking with friends, family, or colleagues — which 61% of our respondents said played a role in their product discovery.

Leading the list of individual social media channels in the reach stage are online customer review sites (32%) and personal social networking sites (29%), which both individually outperform other marketing vehicles, including mailed advertising (28%), entering physical store locations (27%), and general online advertising (27%).

It's also important to note that social content plays a role in the power of search discussed in the prior section, with search engine algorithms favoring sites that have social content as part of their offering.

FIGURE 4
Friends' Activities Drive Social Awareness Benefits

“You indicated that you used social media recently to discover or find out about a recent product or service purchase. Which of the following statements describe how you came to use this source?”
 (Select all that apply)



Base: 670 consumers in the United States

Source: A commissioned study conducted by Forrester Consulting on behalf of Catalyst, Part of GroupM Connect, January 2016

This study found that the main driver of awareness for customers in social media was the activity of their social connections (see Figure 4). Eighty-one percent of customers who credit social media for making them aware of a recent purchase report it was either the passive action of seeing a friend's post (52%) or actively asking their connections (27%) about a product or service they are interested in.

That said, companies' own activities also help to drive awareness. Over half of customers who use social media to become aware of a product or service do so through a company's post (43%) or a sponsored post from a company (14%), and 30% report that ads on social media sites were responsible for their discovery of a recent purchase.

SOCIAL DEPTH TACTICS HELP CUSTOMERS MAKE INFORMED PURCHASES

Eighty-eight percent of customers report that in the depth stage of their life cycle, they used at least one branded social channel to get more information on products or services they were considering. Customer review sites were the top social media channel, and 38% of respondents report they typically use them to research brands, products, or services they're interested in buying, matching the number who relied on visiting an offline store for depth products.

Furthermore, the information customers gathered on consumer review sites drove trust. Seventy-one percent of

customers in the study who accessed online customer review sites for product information considered that information to be trustworthy or very trustworthy, compared with 64% of customers who got the information by visiting an online store, 69% who did so via search engines, and 60% of customers who visited the brand's or manufacturer's website.

Additionally, customers who use social channels when shopping are likely to be among a company's best customers. Fifty-two percent of social users said they spent more than \$250 online in the past three months, compared with 45% of total respondents. And 73% of social users said they would pay more for a product or service from a brand they like, and 76% said they often tell friends and family about products that interest them.

SOCIAL RELATIONSHIP CHANNELS ATTRACT FEWER CUSTOMERS BUT BUILD STRONG ENGAGEMENT

The study showed a drop-off in terms of customers utilizing social channels for relationship purposes, with 66% saying they used at least one of the social channels available for this stage. Forrester's previous research shows customers typically favor relationship channels like email, postal mail, and loyalty programs in this stage.³ What's important for brands to bear in mind here is that the customers who take the time to connect with you through social channels are either currently your best customers or want to be.

When brands get the chance to engage with customers through social media channels, their efforts often pay off.

Over 70% of customers in this study indicated that several social channels, including customer communities, blogs authored by other customers, and information on product-sharing networks, provided information that was either valuable or very valuable to them.

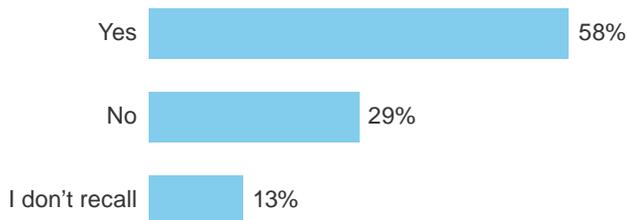
Forrester's research has shown that brands should deploy social channels to help existing customers stay connected to the latest product offerings, share the benefits of their purchases, provide discounts for future repeat purchases, and let them express affinity for products that have delighted them.

Your Best Customers Use Both Search And Social

This report has outlined the way in which search acts as a lead-in to content that customers use to find, consider, and follow up on the purchases they make. We also looked at customers who said they had used both search and social channels within their customer life cycles in the past three months. We found that over half who had used one channel ultimately used a mix of both to inform their shopping behavior (see Figure 5).

FIGURE 5
Over Half Of Customers Using Search Or Social Have Used Both

“You indicated you used either search or social media to influence a purchase decision in the past three months. Have you used both search and social media to influence a single purchase decision?”



Base: 932 consumers in the United States

Source: A commissioned study conducted by Forrester Consulting on behalf of Catalyst, Part of GroupM Connect, January 2016

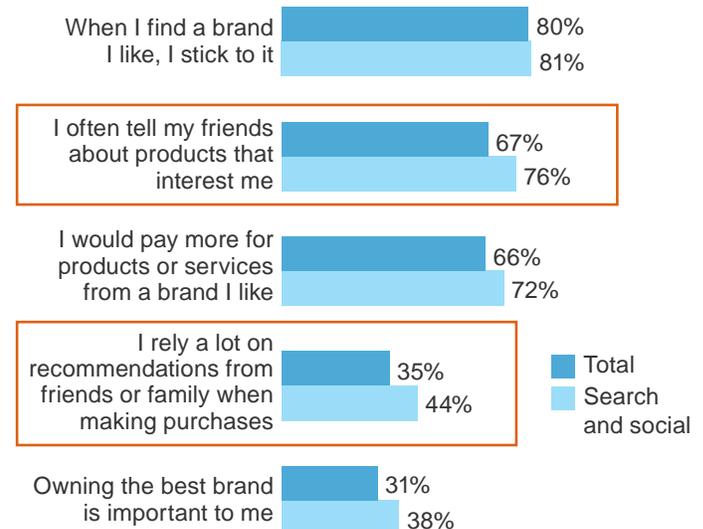
The respondents in this study who said they combined search and social in their shopping behaviors are valuable customers who reward the brands they like both by opening their pocketbooks and actively promoting their favorite

brands. Half of these customers have spent more than \$250 online in the past three months, compared with only 40% of those who said they hadn't used both channels.

Furthermore, they are more likely than overall consumers to both promote brands and seek recommendations from friends and family, acting as important social vectors of product discussions and positive sentiment (see Figure 6).

FIGURE 6
Search And Social Customers Are Valuable Sources Of Product Sentiment

“Please indicate how strongly you agree with the following statements.”
(Shows “agree” and “strongly agree”)



Base: 932 consumers in the United States

Source: A commissioned study conducted by Forrester Consulting on behalf of Catalyst, Part of GroupM Connect, January 2016

Ultimately, search and social channels are key ways customers relate to the products and services in their lives, and they should be considered an important part of the marketer's channel mix. Customers actively use search to help efficiently access the information they need to make informed purchase decisions and interact with social content — both passively (in terms of ads and other content placed on their social media feeds) and actively (in terms of specifically requesting information or initiating conversations). Search lets them access impactful information that guides their own purchases, as well as the purchases of those in their social circles.

Key Recommendations

The study yielded the following important recommendations:

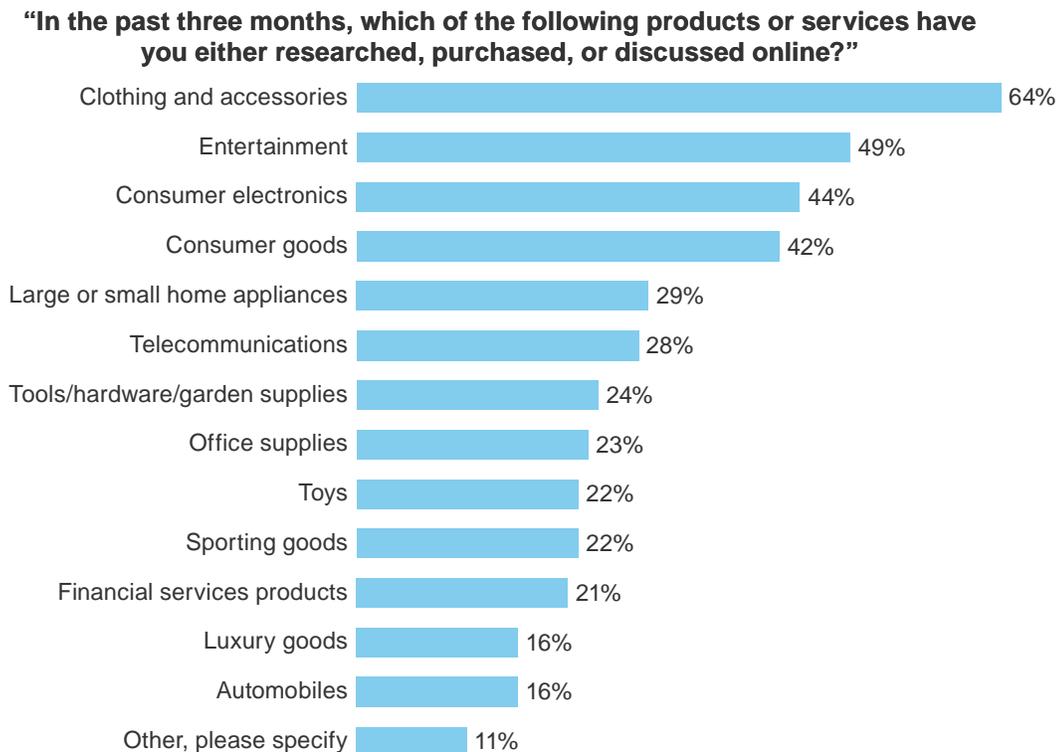
- › **Use search when you need to drive volume.** Our study clearly demonstrated that customers looking for product information online turn to search with extremely high frequency to get started. Whether brands are looking to drive awareness of a product, demonstrate the particular strengths or benefits of their products, or provide channels for ongoing engagement, they should understand that while search won't be the ultimate destination, it will more likely than not be the point of departure their customers use to arrive at the information they need.
- › **Use social when you need to drive value.** Social channels — including customer review sites, blogs, and more — provide customers with impactful, trusted, and valuable information to help guide their product decisions. Our study showed that social content is an effective way brands relay information to their most valuable and engaged customers, who in turn reward brands that delight them with more purchases and more purchase loyalty, and by spreading the word on their favorite brands to other members of their social circles.
- › **Combine search and social strategies for the greatest impact.** With 58% of customers in this study saying they used social and search together, strategies that account for both channels present a strong opportunity for brands to drive value for customers throughout their life cycle. Social is also an important aspect of how well organic search performs. By understanding that customers will respond to social content while they are searching for information on your company and its products or services, you can reward your high-value customers by delivering the right content in the right context in these customers' moment of need.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 999 online consumers in the United States to evaluate the role of search and social media channels in these customers' life cycle. Survey participants included online consumers who had shopped (defined as researching, purchasing, or discussing a product) online in the past three months. Questions provided to the participants asked about their use of various marketing touchpoints through their customer life cycle, with a specific focus on motivations and behaviors for using search and social media channels. Respondents were offered a small incentive as a thank you for time spent on the survey. The study began in March 2015 and was completed in April 2016.

Appendix B: Data

FIGURE 7
Customer Shopping Behavior By Vertical



Base: 999 consumers in the United States

Source: A commissioned study conducted by Forrester Consulting on behalf of Catalyst, Part of GroupM Connect, January 2015

Appendix C: Endnotes

¹ Source: “The Customer Life Cycle: A Blueprint For Customer-Obsessed Enterprises,” Forrester Research, Inc., April 14, 2013.

² Source: “Integrate Social Into Your Marketing Radar,” Forrester Research, Inc., September 24, 2014.

³ Source: “Integrate Social Into Your Marketing Radar,” Forrester Research, Inc., September 24, 2014.