

THE NEW BRAND LANDSCAPE

How consumer education creates clear competitive advantages

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Industry research proves that consumer education can generate much higher ROI than traditional ad-based marketing alone. However, many companies aren't taking advantage of well-documented best practices. Drawing on 30 years of learning design expertise, Allen offers insights on how the best companies are using consumer education to gain measurable competitive advantages.

INTRODUCTION

The brand landscape has changed. In most industries, a customer's first in-depth interactions with a new brand or product are driven by education and research. Get these first interactions right, and your customer is many times more likely to buy and promote your brand.

But get them wrong or neglect consumer education entirely and, the latest research shows, your competition may soon be generating as much as 5 times more ROI for each marketing dollar spent. So, we're not talking about a content-marketing fad; we're talking about a major shift, resulting largely from the always-online culture that has emerged over the last decade. The research is compelling:

- 70% of Americans now research products before making a purchase, primarily through web-based media, and that percentage grows every year (and is, of course, even higher in business-to-business sales)
- Customers who find targeted educational assets while investigating new products are as much as 29 times more likely to buy

In this new brand landscape, product marketers and brand managers must start thinking beyond ad strategies alone to consumer education strategies—to who owns the educational assets customers will access before a purchase—because these assets will increasingly drive consumer behaviors and brand affinity.

Allen Communication's experience and results working on the highest profile brand and education initiatives for Fortune 1000 companies have given us clear insight into highly effective consumer education strategies. This report breaks down these insights into three categories, helping you begin to formulate your own consumer education strategies. In the conclusion, we provide guiding questions to help you evaluate those strategies. Companies who successfully navigate these brand landscape realities are significantly increasing sales, brand loyalty, and marketing ROI.

1. CONTROLLING YOUR MESSAGING

Customers are increasingly tuning out traditional marketing in most industries, and the best companies understand they need a new way.

The first major step we need to take in today's brand landscape entails realizing that in most industries, we can't control messaging solely through "push-based" content strategies anymore (if we ever could at all). Consumer's purchasing habits are informed by an instant-access, search-and-share, content-pulling culture. Experts call this

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new research step the Zero Moment of Truth (ZMOT). After receiving a marketing claim, customers go online immediately, often through mobile devices, to educate themselves. According to Google:

1. Nearly 90% of U.S. consumers engage in such research.
2. In 2011, consumers consulted 10 different sources before purchasing (twice as many as in 2010)

There are key lessons here. First, and obviously, online education prior to purchase is only becoming more important, and it often goes well beyond a search for product reviews. Second, consumers aren't immediately finding what they want, so they consult more and more sources.

These unmet educational needs are creating profound opportunities to augment brand value. Simply put, those companies who are first to create educational strategies that are authentic, separate from advertisements, and aligned with customer research points are gaining significant competitive advantage. Additionally, industry research shows that strong educational content improves lead conversions by about 300%. On the other hand, companies who don't move quickly, with the right educational strategies, are finding that potential customers are learning from their competitors.

To create educational messaging that delivers these results, Allen's partners typically come to us with product specifications, lists of claims and differentiators, brand standards, and traditional marketing collateral. One of the first keys to transitioning from this state to impactful education is accepting that the messaging in these materials have to be instructionally designed, not just made available. Recognizing that posting non-interactive documents won't meet consumer expectations, we then work from this source content to engineer online educational tools that deliver self-directed, bite-sized, highly visual educational messages through compelling and intuitive interfaces that

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allow the customer to engage to the depth they want and at the points they want.

2. IMPROVING BRAND PERCEPTION

Most marketers would pay large sums to find a tactic that doubles the likelihood of referrals and positive reviews. Smart consumer education delivers these results—and typically at 60% less cost than traditional advertising of similar reach.

The specifics, drawn from a Next Century Media study, are eye-opening: Customers who encounter freely provided educational tools are:

- 97% more likely to tell friends about their experience
- 94% more satisfied with their purchase

Allen's experience shows these tendencies are only getting stronger. For example, our consumer education work with a major online retailer helped them transition from SOP documents and talking-head videos to bite-sized motion-design animations that, within two minutes or less, help product users maximize their time on the site. These assets have received hundreds of thousands of views, each one actively pulled by the consumer at a critical step in their process or more generally through social media channels. Because these educational assets focused on the behaviors known from market research to improve brand loyalty and site usage, so each view correlates directly with increased revenue potential.

While the business impact with consumers is strong, the value doesn't end there. Allen regularly works with global companies on brand and product strategies that meet educational needs across multiple groups, significantly improving ROI and efficiency. Consider the potential benefits of moving from product binders and SharePoint or network site to a well-designed, interactive product-education portal. Such portals allow a smartphone-using consumer to explore the specific benefits and uses of the product, and also support deeper dives from sales teams, channel partners, retail staff, or internal stakeholders.

In fact, because the best educational assets can now be carefully branded and expertly designed to allow users to pull content to the degree and depth they want, a single education strategy can unify your brand and product education needs. In markets in which product specs change rapidly and cohesive brand strategies are critical, this kind of forward-thinking educational strategy allows you to scale your product messaging, create immediate impact across multiple channels (both internal and external), and better ensure your online presence aligns with contemporary buying habits.

3. DESIGNING THE LEARNING EXPERIENCE

The brand experience, from the first touch-point with a new brand to the end of a product lifecycle, is increasingly driven by education and research.

In the new brand landscape, the way we learn about a brand or product is as important as what we learn. Busy consumers expect information to be both compelling and relevant and, with consumers using multiple devices, our educational messages must also seamlessly move across them. In Allen's experience, this means that our educational

learning experiences needs to be expertly designed with the following criteria in mind:

- **Immediate:** Valuable and precise educational content should be accessible within the first or second click from any device.
- **Brief:** Assets must be sequenced and chunked, so they part can be consumed quickly.
- **Interactive:** Learning experience design must be strong, or bounce rates from your educational site will rise, just as they do with poor web or UX designs.
- **Optimized:** Potential customers have to be able to find your educational assets before your competition's, so search optimization creates a competitive advantage.
- **Social:** Because properly designed educational assets dramatically improve brand loyalty and referral rates, social network integration within consumer education improves brand engagement.
- **Authentic:** Objectivity is a key to persuasive educational content, and embedding education within a commercial website can lead to skepticism. Instead, consider a separate presence for your educational assets, with careful but subtle brand integration.
- **Broad:** Many companies limit themselves to educating only on their specific products. In many industries, it can be beneficial to think bigger. For example, a running shoe manufacturer can use educational tools focused on running generally (not shoe features) to create strong brand affinity for new customers.

Ultimately, given the strong competitive advantages achieved through controlling the best-performing educational assets in your market, learning experience design must be considered as a distinct discipline from traditional UX design, advertising, or even web design. Properly designed educational experiences engage customers who actively seek out your industry, and

meeting this need allows you to artfully introduce your brand and direct engaged consumers to traditional advertising and points of purchase.

PLANNING YOUR NEXT MOVE

Today's brand landscape is in many ways a return to marketing fundamentals. We listen to our audience and teach them what they need to know to value our brand and products. As you consider your own consumer education strategies, Allen's case studies* can help. Additionally, the questions below can help you assess how your current efforts align with best-case strategies.

MESSAGING

1. Who, if anyone, controls the top-performing educational content consumers encounter when searching your industry (not just your products)? Are there opportunities for you to take control and "sponsor" high-performing educational content?
2. Do your current product education strategies scale across multiple channels (internal and external)?
3. Can your educational tools, both customer-facing and internal, update as quickly as your product lines and brand messages?

BRAND PERCEPTION

1. Do your educational assets feel appropriately separated from marketing materials and commercial sites, creating the appropriate tone of objective content, authenticity, and artful branding?
2. Given that optimized educational assets dramatically improve brand affinity and referral rates, do my

educational asset include carefully designed social strategies?

USER EXPERIENCE

1. Does my learning experience design (LX) align with industry best-practices, as noted previously?
2. Do I have the proper analytical tools (beyond standard web analytics), to measure the impact and success of the design of my educational assets and inform future updates and strategies?

The research is clear: Companies that fail to adapt to these new market norms are waking up to a reality that their competitors own key assets that inform purchasing behaviors and brand loyalty. However, companies that are moving quickly and intelligently to ensure clear ownership of prime educational tools in their respective markets are creating strong competitive advantages and generating much higher returns on marketing dollars spent.

Lastly, this competition for consumer education virtual ownership will only increase. This fact, combined with

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the clear data on its impact and results, shows that companies must now consider consumer education as a critical component and specific discipline in product and brand marketing portfolios.

For more information on educational trends and practices, visit www.allencomm.com, or contact one of our learning directors.

RELATED RESEARCH LIST

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* Case studies can be found at <http://allencomm.com/brand-landscape/#contactallen>

ABOUT ALLEN

For more than 30 years, Allen Communication has led the learning industry, providing pioneering educational strategies, technologies, and analytics. With extensive experience across every major industry, Allen's award-winning projects for the best-known companies in the world drive lasting business results and documented ROI. Businesses trust Allen with their most critical learning and performance projects, because Allen aligns agency-quality media design, best-in-class instructional strategy and technology, and a proven design process centered on alignment with quantifiable business results.

Learn more at <http://allencomm.com>