

Connecting with your customers in a multi-channel world: 5 insights for marketing success

An Experian white paper



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Introduction



Mark Zablan
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Questions, questions, questions

There are still many questions that persist to how digital media is changing our world, evidenced by the fact that increasing digital spend alone is no guarantee of success. The one certainty is that organisations need to stay ahead of the game.

There are so many variables that it can be difficult to keep up. Social media is the latest channel superstar, but that doesn't mean we can afford to ignore others putting in strong 'under the radar' performances, such as mobile and TV. Audiences are dynamic too, now consuming their brand information in a variety of formats, across a variety of channels on a variety of devices.

It's an incredibly complex communications environment that asks marketers some tough questions:

- With millions of marketing emails sent every day, how do you differentiate yours and make them stand out from the crowd?

- How can you make sense of huge amounts of data to better understand and sell to your customers?
- How do you bring together so many online identities across multiple channels to uncover the individual behind the address — and form a Single Customer View?
- What do you need to do to harness the potential of social media?
- How do you combine channels to exert influence in a crowded and noisy communications environment?

Answer, answers, answers

It's a multi-channel world and we need multi-channel strategies that measure impact. If we are to get to grips with the new world order, analysis needs to take account of individual channels — online advertising, email, and social for example — but also how these perform as part of the wider media mix.

The good news, as this white paper illustrates, is that there are answers. Companies benefiting from growth in the complex media ecosystem are those that are investing in understanding it. Tools, technology and people are being harnessed to deliver greater returns on campaigns — combining online and offline, shaping huge amounts of raw data into targeted insights, making sense of social media and moving towards the elusive Single Customer View.

It's an environment that demands specialised expertise and insight. Marketing in the digital age may be complex, but with the right help, it doesn't need to be complicated.

It's a multi-channel world and we need multi-channel strategies that measure impact.

Get from A to Z with a Single Customer View



Debbie Oates
Principal Consultant

Many organisations are lost in masses of behavioural and transactional data – from product purchases, email behavioural data, website visits and page views; to customer service and social media conversations; potentially across different brands or products.

Success will come to those organisations that can make sense of this 'Big Data' — to increase customer brand engagement, leading to lasting and more profitable relationships. The first step on your path is to link as much of this information as possible back to an individual to create a Single Customer View. If a company doesn't understand its customers, it can't give them what they want, no matter how hard they try.

A tale of two companies

So why is this important? Let's start with a multiple choice question.

You buy a product through a company website, entering your home address, email and mobile number as part of the registration. Which company would you be most likely to use again given the following?

Company A: you hear nothing about your order until you see the 'sorry you were out' card on your door mat and are then bombarded with a constant stream of email, SMS messages, direct mail and calls exhorting you to make another purchase of the

same or loosely associated goods. And then, when you phone and ask them to stop, the calls cease but the emails, direct mail and SMS continues.

Company Z: as part of the registration process you are asked how you prefer to be communicated with and are sent helpful updates on the progress of your order, including delivery times. After asking about what you might also be interested in, the company then sends useful information on offers and deals at times and in ways that are convenient to you.

Dare we suggest that this is a no-brainer? Company A may seem like an extreme example, but the truth is that millions of customers experience this every day. In not harnessing its data, companies like this gain a single sale and a fair amount of ill-will. At the other end of the spectrum, Company Z uses its data intelligently to gain customer trust and ever-increasing insight, which can be used to convert marketing messages to sales in the short, medium and long term.

Multiple channels for a Single Customer View

The digital revolution has opened up a world of data. Businesses can harvest it at point of sale, by tracking web activity; collecting web advertising and email click-through information, via customer loyalty

schemes; newsletters and social media. Whilst some might think of this as data overload, others have learned that it's gold dust. By being smart about the data you capture, aggregating it as required, verifying and integrating it, you can begin to see your customers as individuals.

Take an email database, for example. On its own, it's a list of contact points and masses of event driven data. Load up a mailing with potentially untargeted marketing messages, pull the trigger, and maybe 10 emails in 1,000 might lead to a sale. ROI may still stack up due to the low costs of emails, but is this really giving the customer what they want? Is this approach alienating some of your base?

If you were to restructure the event level data back to an email address you would start the journey towards a customer centric approach. Quick wins can be achieved through targeted re-engagement campaigns as well as loyalty/advocacy initiatives targeted at those who are highly engaged with your brand.

Now that the email address has taken centre stage, the next step is to link this back to a name and address. This opens up opportunities to leverage geo-demographic and other transactional and behavioural data that you have in your business about that person. Suddenly an email address is more than letters and numbers, it's a place where a certain type of person lives who has a certain level of income and is likely to buy certain kinds of products. And if you've collected the right kind of data, you can refine this still further so that every email finds a customer who's interested in what you're offering.

The same principles apply to mobile numbers and SMS campaigns — and it doesn't stop there. The growth in the use of mobile devices opens up opportunities for targeted, on the move communications. If you know the profile, needs and potential of a customer, you can exploit geo-location technologies to deliver marketing messages with pinpoint accuracy — sending discounts and deals to shoppers' mobiles when they are in proximity to a store that they 'Like' on Facebook, for example.

The key to success is to put the customer at the heart of whatever you do. Creating links that bring together disparate, but valuable, data about an individual will allow actionable insight to be applied across multiple, relevant channels.

Data that drives a Single Customer View

So, how can you ensure you can get from (Company) A to Z? You need a roadmap to navigate your way towards a Single Customer View.

1. Know where you want to be:

where possible, quantify the benefits based on basic analysis. Look at what you'll gain from more targeted mailings, increased cross-selling through better targeting — and also look at what you'll lose if you

don't; such as the impact of lower customer retention. These should focus business attention and achieve buy-in.

2. Know where you are now:

to get to your Single Customer View destination, you need to be honest about your current data quality and understand the tools, (such as opt-ins) that you can use to improve it. This will help you to identify and plug any gaps. If you have data overload in some areas, think about the data you really need to improve the customer experience and filter out anything you don't. Test this data by seeing if it gets you closer to a Single Customer View.

3. Get the right people on board:

make sure you have a cross functional team and a high level sponsor who understands and 'owns' the benefits that getting the right data will bring. Agree the project brief, the right solution to suit your business and then project manage it through to the end.

4. Drive data in the right direction:

be clear on how your data assets need to be accessed to allow business benefit. This is likely to be in a marketing database platform with links to call centre, point of sale, email deployment and web decisioning.

5. Keep exploring: once data can be accessed at all the relevant points, you can now begin to change into a customer centric organisation. Link back to your initial vision to pull together a plan of the changes that need to be implemented, informed by your data. It's important that you continually review and explore what your data is telling you and amend requirements accordingly.

Insight is a competitive advantage

In merging offline, online and mobile identities, a Single Customer View means you can be confident you know who you're about to start a conversation with. By building

real trust between company and customer, you increase the likelihood of new business, help to retain existing customers (and even turn them into advocates), provide a platform of understanding to cross sell intelligently and continually sharpen customer insight. Ultimately, this accrues to enhanced brand value — and sales.

Achieving a Single Customer View is a journey, and in making it, you'll find a competitive edge. It is not a panacea but is the key to unlocking the power of data. It is the insight and ability to act on that insight that brings success in this multi-channel world. But without solid, high quality and relevant data, the old adage will apply, 'rubbish in, rubbish out'. It's a path that's been trodden by some of the world's most successful companies — as former GE CEO Jack Welch said:

“There are only two sources of competitive advantage: the ability to learn more about customers faster than the competition and the ability to turn that learning into action faster than the competition.”

Quality, not quantity — influence in multi-channel marketing



James Murray
Marketing Research Analyst

In 2012, the message to marketers continues to be, 'work harder and work smarter' if you are to keep customers coming back to your brands. Times have changed and in an age of unparalleled choice, the old stalwarts of success — being an established or cheaper brand — simply won't cut it anymore.

Increased choice means that customers expect more, simply because, if they don't get what they want, they will go elsewhere. And a profusion of marketing messaging means that they've learned to filter out those that are irrelevant. Multiple channels might have made message distribution easier, but it's also made exerting influence through this messaging a more complex business.

Knowledge is power — and power is influence

Harnessing this elusive influence demands engagement with individuals across multiple touch points in all aspects of their online lives. Luckily, there are five pillars of knowledge to ensure that smarter working delivers the powerful customer connections we need — and a competitive edge.

1. Keep your customers close

Understanding who your customers are and how they behave online has two major benefits for your marketing strategy. Firstly, it avoids wasted effort; by knowing who your customers are there is less need for the scattergun approach of mass

marketing. You can reduce the volume of people you try to market to and focus just on the core demographics who will buy your brand. Secondly, by understanding your audience you can tailor messaging to specific demographic groups, which gives much greater ROI.

2. And your competition closer

You can monitor your own brand performance online, but how does that stack up against the competition? Is your closest competitor investing more money in search, social, email? How successful are their campaigns in bringing traffic to their website? Online competitive intelligence is becoming crucial as more of your customers' time is being invested online. The ability to answer these questions brings real value, because sometimes you don't have to innovate to get ahead, you can take the best parts of what works for your competitors and simply do it better.

3. Keep up — with customers

Over two billion visits are made to search engines every month in the UK, but millions of these are unsuccessful in that they don't result in a click to a website. Each of these unconverted searches represents a missed opportunity — a potential customer who couldn't find what they wanted. Understanding the demands of your customers through the searches they make online allows you to adapt your products and communications to fulfil their needs. In taking those searches

and plugging the gap in the market, you'll reap the benefits of bringing a solution to previously frustrated online users.

4. Keep up — with channels

With so many channels available, picking the right mix can be challenging. It's important because digital channels are dynamic — last year's blockbuster could be playing to empty houses this year — and multi-channel marketing is all about finding the right blend of outlets to create a more powerful whole. With online analysis you can understand what channels deliver the greatest amount of traffic, or the highest number of conversions for you and your competitors; whilst highlighting fast moving affiliates that can work to your advantage.

5. Get social

2012 is the year for brands to invest in social media. Social networks have traditionally delivered most of their traffic to content based websites, but as more companies embrace social as a marketing channel, the amount of traffic coming to transactional websites is growing significantly. With over 9,000 social networks in the UK, finding the right ones to invest time and effort in can create huge benefits and strengthen ties between your brand and your customers — as well as create new sales opportunities.

Enrich your data



Helen Taylor
Data Analyst

Every email campaign sent out has the potential to provide vast amounts of information about how customers interact with a given product or brand. By effectively collecting, analysing and enhancing this data, email campaigns can result in higher profit margins and customer engagement.

The collection and analysis of results can be managed in a number of ways:

- Profiling your customers.
- Reporting on your campaigns.
- Benchmarking your results.

By appending data to email addresses using Mosaic, (Experian's unique consumer classification system) or by directly collecting the information from the customer, email addresses can be targeted using demographic segmentation. This means that customers will be offered products and information that is likely to appeal directly to them.

A customer profile can be built by combining demographic and behavioural data, enabling our clients to create a more colourful picture of their database; allowing for greater insight into customer preferences and interests.

Marketers must continually assess and evaluate their email marketing activities to ensure that their campaigns are successful. Understanding what makes one email campaign work and another flop, is essential. Regular reporting can break down results at a campaign level, where they can be

benchmarked against both internal and external data. This ensures that any improvements can be effectively implemented and monitored.

Maximise your ROI

The collection, analysis and enhancement of data; combined with profiling, segmentation and benchmarking, will result in improvement in customer engagement and a greater return on investment.

By using effective segmentation and profiling, marketers can expect to see circa 30% increase in unique open rates, and 50% increase in click to open rates. You could also witness a 10 fold revenue increase.

Relevance is king

One of the main points of focus for today's marketers is to have an in-depth understanding of their customers. Every email sent needs to be appealing and engaging. With the ever-increasing number of emails hitting customers' inboxes every day, the need for your emails to stand out against the crowd is essential.

The strong foundation to successful email campaigns is relevance. When customers offer their data to your brand, they expect it to be used wisely so that they can reap the benefits. Clean data; a well-managed, highly automated CRM system, along with customer segmentation and profiling, can all aid in increasing relevance, which in turn leads to greater engagement.

Behavioural profiling and segmentation

For the majority of email campaigns, profiling and segmentation can be split into two categories: behavioural and demographic profiling.

1. Behavioural profiling and segmentation relies exclusively on subscriber actions and does not take into account age, gender, location, etc... Behavioural segmentation data can be based on email activity, website interactions, and whether customers respond to direct mail.

2. Demographic profiling and segmentation can be based on gender, age, occupation, location, marital status; number of children, income or other socio-economic factors.

With any segmentation programme it is important to bear in mind that there is a customer at the end of every email address. Every time you send an email, consider whether the content provides something useful or informative to your audience.

High octane email



Matthew Potter
Head of Product and Proposition

Your products are perfect, your deals are delicious and your costs are competitive — but at a time when every email has to fight for space in gridlocked inboxes, this doesn't guarantee that your marketing messages will claim victory in the race to influence customers.

Reflecting tough market conditions, 2011 saw a 57% increase in marketing emails. With so much quantity, quality will be the real differentiator. If customers are to open your emails and their wallets, marketers need to hone the competitive edge and supercharge their email performance.

Any Formula 1 fan will tell you that getting in pole position on the grid makes victory that much easier. What's true at Monza or Monaco is also a reality in the competition for customers' attention.

We generally only look at the first few messages in our inboxes — we haven't got the time to travel too far down the page. So getting your email out in front is critical.

It's all about timing. We need to think about when customers are likely to access their inbox and ensure that our emails arrive just in time: too early and your message will be overtaken by the chasing pack; too late and the race is over before your email's left the pit lane. Experian CheetahMail has identified the times when your emails can achieve maximum impact:

Pole position

- **Flying start:** emails sent first thing in the morning are perfectly poised to grab attention when customers are using their smartphones on the way to work or logging on to their PCs. These morning messages are very effective, showing the highest transaction rates.
- **Hit the 'breaks':** send an email between 10 am and 1pm and you can benefit from a spike in open rates from those who are having their coffee and lunch breaks.
- **Chequered flag:** time your email to arrive between 6pm and 8pm and you capture customers at the end of a hectic day — it's a period that records the highest open rates.

Social climbing

Social media might be new to the race but it's already overtaking many other channels in its ability to access customers and influence them.

Experian CheetahMail has recorded a massive 504% increase in social media related emails in the past year. It is growth that's driven by the phenomenal success of providers such as Facebook, Twitter and YouTube.

But this is a hugely dynamic space and fundamental changes can happen in months, not years. Demonstrating the need to monitor

the performance of competing social channels, Experian CheetahMail has identified the players who were hugely influential just a few years ago, but now no longer pull in the crowds.

It's this sort of real-time insight that's critical if your emails are to find the fast lane to your customers.

With the increasing level of competitiveness and an ever more savvy customer base, the need for your email to stand out in an inbox is essential.

Fast moving mobile

Just a few years ago, if you wanted to open an email, you needed a PC. Today, that seemingly unbreakable link between channel and device has gone.

Smartphone sales have already overtaken PCs, gaining the lead from the laptop as far back as 2010. Smartphone penetration is expected to pass 50% in the UK this year and hit 100% by 2015. It's a revolution that's liberating email from the PC, with 2011 witnessing a 23% increase in mobile emails. Experian research in the US shows that half of all smartphone owners use their devices to access the web, and PayPal estimates mobile commerce will exceed £2.6 billion by 2015.

Mobile is a huge opportunity, but only if marketers understand how to exploit the phenomenon. An email that's a work of art on a PC can appear as unintelligible code on a smartphone; whilst one that's impressive on an iPhone can be ghastly on a Galaxy.

Specialist coding and creative expertise under the bonnet can ensure that your emails are firing on all cylinders and are presented in showroom condition.

Content is still king

At a time when everything seems to be changing fast, it's a relief to know that at least one thing stays the same — content is still king. Whilst the channels you use and the times you choose are important, what your email says — and how it says it — remains the world champion of email marketing.

Subject lines with 'exclusive offers' 'sale' 'rewards' or that refer to a customer's birthday or anniversary, set pulses racing with strong open, click and click to open rates. Using these key words sees transaction rates rocket — between 100 - 150% than an 'average' email.

There are hazards here, however, with subject lines that promise something for 'free' resulting in lower open and transaction rates. Customers are too sophisticated to believe that they'll ever get something for nothing.

The big prize

In combining up-to-the-second understanding of the email marketing environment, the latest and most relevant technologies and tailored, high impact content, your emails will have all the performance they need to claim victory in the daily 'inbox Grand Prix'.

Social mobility — power to the people



Mike Keating
Director of Enterprise Solutions

It's a natural reaction to fear something new, and the term 'social media' can cause a flutter of disquiet in even the most hardened marketing pro. But, with some smart thinking and specialist help, the meteoric growth of social media can enhance user experience, increase traffic to your website and grant access to rich social profile data. It brings power to the people...and power to you.

Open sesame — social login and profiles

We've all been there, wanting to get information on or buy a product online, but give up when faced with an online registration form that looks more like an A-Level Physics exam. Sadly, an intimidated web-surfer is a wasted customer. Harnessing the simple logins provided by social media sites, however, is a fast track for customers with access granted in a couple of clicks; and for marketers, with access to rich data that's already been captured elsewhere. It removes a barrier, increasing sign-ups.

An additional benefit is that social media logins are far more likely to represent a user's real identity — it's hard to find your friends on Facebook if you don't identify yourself properly. Social data gives you more confidence that an email address, for example, is a validated link to a real individual. There's also far more data available than you'd get in even the

most exhaustive online registration form; from users' demographics, employer and University, through to interests and friend network. It means you can align your marketing messages to their specific profile.

Like and Share and even 'cook' with Facebook

Since Facebook burst onto the marketing scene, introducing 'Like' and 'Share' buttons - a customer is enabled to endorse products or content — increasing engagement with the site, growing brand awareness and generating 'viral' conversions.

It's important to stay abreast of changes to the fast moving Facebook platform, with updates to their Open Graph functionality taking this a step further. Now brands have more options to promote specific customer activity, such as allowing users to 'read' 'listen' 'watch' 'play' 'cook' and 'buy'.

Get smart with specialist social integration

Marketers can get smart with social integration by using the services of a specialist provider such as Techlightenment. They can deliver platforms that manage the login process and store social profile data. Techlightenment can extend Facebook functionality, recording 'Likes' and allowing you to attribute

visits and purchases to an individual customer.

Social media profile data can be used to improve customer marketing, transform analytics models and inform business processes. It means customers get a tailored marketing service with information that's relevant to them, and you get insight into customers that will deliver greater ROI.

With some smart thinking and specialist help, social media can enhance user experience, increase traffic to your website and grant access to rich social profile data.

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