From campaigns to context
How to embrace the contextual marketing revolution
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The emergence of contextual marketing

In the past the average local business – whether that’s a local pub landlord or a local green grocers - would know their customers by name, what products they bought and which products they might like. Their conversations with customers were one-to-one and meaningful. Marketing for them was ‘easier’.

Today, things are more complicated. With the proliferation of devices, channels, volume of marketing messages and the internet’s transfer of power to the consumer, brands need to realise that they need to seek out ways to better understand their customers and their buying decisions.

Now, in this era of data, marketers are actually able to deliver relevant and tailored messages to the customer that take into consideration one or more elements such as time of day, location, past purchases, device, etc. It is the culmination of marketing sophistication — the stage at which brands make the ultimate, all-important leap from campaign-centric marketing to customer-centric marketing, providing a true value exchange.

“The cornerstone of a successful contextual marketing programme is simple: the customer must be at the centre of everything.”
The customer journey
To be successful, marketers must understand that today’s multichannel consumers conduct a growing portion of their buying journeys beyond the carefully orchestrated confines of a brand’s campaigns. The customer journey is no longer linear. People jump from their phone to a desktop via an actual store in a completely fluid and flexible manner. Brands have to be aware of this and they have to be ready for it.

The path to purchase is not linear

It should be noted, however, that contextual marketing does not and should not replace campaigns — marketers still need to use campaigns to reach and acquire new customers, just as they always have.
The elements of context

With contextual marketing, messages are crafted and sent based on a number of stepping stones, or data points, through which a customer’s journey occurs. The marketer can then use these data points to predict behaviour and respond to the customer in the most relevant way. Given the scope and complexities involved, marketers must be prepared to embrace the sophisticated tools, principles and practices necessary to process all of this data and deliver the real-time customer insights required of any contextual marketing programme.
The contextual marketing process:

1. Gather real-time contextual data
2. Enrich profiles with new customer insights
3. Design engagement journeys
4. Deliver relevant dialogue in best channels
5. Capture and analyze customer responses
6. Optimize program and develop next journey
Benefits of contextual marketing

Contextual marketing is critical to modern brands for three fundamental reasons:

**Providing mutual value** – Leveraging customer demographics, history, attitude, devices, channels, location, timing, preferences, response and countless other pieces of contextual DNA, the marketing process itself becomes an integral part of the brand-consumer value exchange. For the brand, these data points deepen the relationship with the customer and increase ROI. For the customer, they are treated more as an individual.

**Exceeding customer expectations** – The channels, tools and always-on connectivity of the modern era have led to an expectation for personally relevant engagement. Forrester reports that 18 per cent of today’s consumers expect information or service wherever and whenever they request it, and expects that figure to reach nearly 50 per cent by the end of 2015. Brands that engage in contextual marketing will be catering to their customer’s desires at every touchpoint, increasing customer loyalty.

**Increasing competitive scalability** – The billions of interconnected devices that constitute the Internet of Things means the number of meaningful data points is exponentially increasing. Forward-looking brands are only now tapping into the data generated by these devices and the vast potential of contextually meaningful customer relationships. Data generated by sensors, monitors, and other integrated devices — combined with existing datasets — will enable brands to create proprietary forms of contextually-flavoured customer intelligence that will set them apart from the competition.

1 Source: “Industry Preview 2015 – Contextual Marketing Engines,” Shar VanBoskirk, Forrester
The Paradigm shift

Contextual marketing enables modern enterprises to engage in customer-centric conversations that — like any meaningful relationship — deepen across time and future points of engagement. This is particularly true in an era when consumers are overwhelmed by untargeted and disruptive marketing messages. By contrast, contextual marketing is designed to seamlessly and usefully merge into the customer’s daily activity.

Contextual marketing moves brand marketers from customer acquisition to interaction; from push marketing to insight-driven response and prediction. For marketers to make this leap, they have to change their focus — and even their vocabulary.

“Campaigns, even when enhanced by scaling, optimising offers, improving measurement, and carefully tuning the mix, don’t deliver competitive advantage anymore. Why? Because your competitors are just as skilled as you are at the campaign game. Change your focus from customer acquisition to interaction management and from media schedules to customer moments.”

Barriers to contextual marketing
The three biggest barriers to contextual marketing are:

1. **Marketing sophistication**
   A brand’s own conventional mindset and the programmes that support it.

2. **Actionable data**
   Lack of clean and accurate data that prohibits real-time “on the fly” interactions.

3. **Technology**
   Disparate systems that are unable to link information across repositories, channels and interactions; inability to automate interactions in real-time.

“Forty-three per cent of marketing leaders reported that translating a deep knowledge of their customers into relevant interactions was one of their top priorities for 2015. Further, 36 per cent of marketing leaders listed integrating technology to automate, orchestrate and manage customer interactions as one of their top priorities.”

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By using a variety of channels and triggering more and more interactions with companies as they seek to meet discrete needs, customers create clusters of interactions that make their individual interactions less important than their cumulative experience.\(^4\)

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## Five steps to building a contextual marketing program

### 1. Assess and plan
- Assess where context is already driving results — which customer journey works best and what are its contextual drivers?
- Begin with location-specific touches such as mobile or local search Map customer journeys to determine where other contextual touchpoints may occur
- Define next best journey — determine how to replicate, optimize and scale your programme accordingly

### 2. Determine strategic and tactical focus
- The marketing organization must fully embrace the data, tools and practices needed to support customer-centric marketing
- Start with one or two channels with which to experiment — email, the cornerstone of cross-channel marketing and the easiest channel to test, is an excellent starting point
Capture, clean and link data
- Validate data on an on-going basis and cleanse regularly — bad data leads to duplicate or erroneous messages and offers, alienates customers and is a wrench in the sophisticated algorithms you’ll be using downstream.
- Link data across channels and devices to create a consistent, single view of the customer — this can be achieved even when the starting point is little more than a cookie or device ID.
- Enrich the customer profile and any missing data with third-party data assets including:
  - Demographics
  - Life events
  - Purchases
  - Attitudes
  - Lifestyles
- Use these customer insights to create engagement strategies.
- Chart your creative and media plans and determine which segments to target, offers to make and when to make them.
- Leverage predictive analytics to deliver real-time offers optimised by channel, device, message, offer and timing.

Engage, interact and measure
- Here, the full potential of contextual marketing is realised. Customer conversations can be orchestrated across any or all channels, product lines, location, time or combination of these attributes.
- The speed, agility and utility of these operations are dramatically improved when executed and automated in real-time through a single integrated cross-channel marketing platform with all of the elements of a contextual marketing engine.
  - Record, analyse and integrate customer responses back into the contextual marketing ‘engine’ and optimise in-flight.
  - Review marketing attribution analyses to discern performance across channels and allocate marketing spend appropriately.
Conclusion
We live in an era where consumers are empowered by a growing number of increasingly sophisticated interconnected devices and channels.

The power lies with the consumer and brands had better fall into line.

They expect contextually relevant brand messaging, offers and service. The brands that embrace contextual marketing will not only meet the unique needs of each customer, but over time, will generate proprietary customer intelligence that will give those brands unparalleled advantages over their competition.

About Experian Marketing Services
Experian Marketing Services is a leading global provider of consumer insights, targeting, data quality and cross-channel marketing. Through the Experian Marketing Suite we help organisations intelligently interact with today’s empowered and hyper-connected consumers.

By helping marketers identify their best customers, find more of them, and then coordinate seamless and intelligent interactions across the most appropriate channels, Experian Marketing Services’ clients can deepen customer loyalty, strengthen brand advocacy and maximise profits.