

Creating the Ideal Customer Experience

Raab
associates, inc.
730 Yale Avenue
Swarthmore, PA 19081
www.raabassociatesinc.com
info@raabassociatesinc.com

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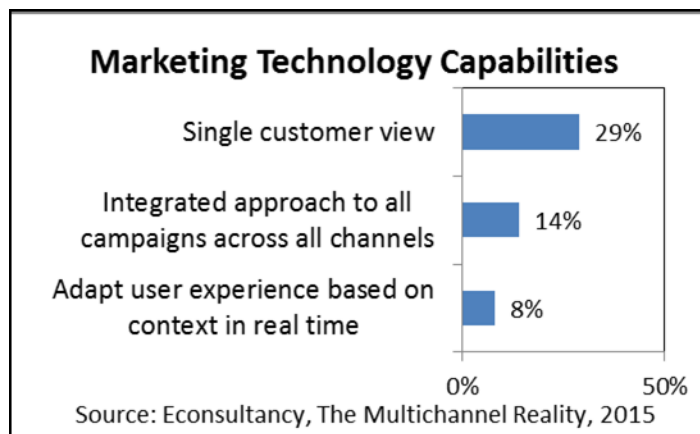
Introduction

Here's a bit of irony to add to your diet: consumers today are more accessible than ever but harder to reach. They're accessible in the sense that they spend more time consuming media – total time is up 54% since 2011, to 12 hours per day¹ – as well as using a wider variety of media on a broader range of devices. But all this consumption makes it harder for any one marketer to gain the attention of a broad audience.

At the same time, consumers are becoming more demanding about the messages they receive. Most simply assume that marketers are tracking their behavior and using data to personalize their treatments, and they get frustrated when this doesn't happen. They also expect companies to give them control over the messages they receive. (See sidebar for details.)

Marketers recognize these expectations, even though they also realize they are wildly over inflated. In reality, less than one-third of companies have an integrated customer view across all channels and fewer than 10% actually adapt customer experience to context in real time.²

It's not for lack of trying. Survey after survey shows that marketers consistently list



personalization capabilities as their top investment priority.³ Nor is this just talk: actual spending on marketing technology exceeded \$20 billion in 2015 and will reach \$32 billion by 2018.⁴

So why can't more marketers give consumers what they want? Technical reasons include

Consumers Expect Personalized Treatment

72% are frustrated when they receive generic marketing that doesn't relate to their interests or past purchases. (Source: 3 Things Marketers Need to Know About Succeeding with Personalization, Autopilot, 2015)

68% have stopped doing business with a brand due to poor customer experience. (Source: 2015 Global State of Multichannel Customer Service Report, Microsoft)

52% believe that more than half of online retailers understand they are the same person across all devices and personalize the shopping experience accordingly. (Source: 7th Annual Consumer Personalization Survey, the e-tailing group, 2015)

42% expect companies to give them control the types of offers and content they receive. (Source: The Contextual Marketing Imperative, Forrester Consulting, 2015)

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incompatible data sources and non-integrated systems. But obstacles also include organizational barriers, lack of budget, inadequate strategy, missing marketing skills, and lack of senior management support. In other words, there's no single problem and, therefore, no single solution. Marketers who want to deliver a truly integrated customer experience need to recognize they're starting on a long, difficult journey and plan accordingly.

Technology Framework

Technology isn't the only requirement for delivering an integrated customer experience, but it does provide the essential foundation. The first step in planning your journey is therefore defining a technology framework to work against. Raab Associates divides customer experience technology into three layers:

- **Data.** You'll need to assemble as complete a view of each customer as possible and make it available to guide actual experiences. This may involve a permanent, physical database or it may mean assembling data on demand from different source systems. Either way, the single biggest challenge is often to link data from multiple sources that belongs to the same individual. What makes this hard is that each source system is likely to have its own identifiers, such as email addresses, Web cookie IDs, mobile device identifiers, telephone numbers, and customer account IDs. Determining which identifiers relate to the same actual person can be extremely difficult. Fortunately, it becomes easier as customers get deeper into their relationships, because they're more likely to identify themselves by logging into Web or mobile app accounts, especially if you offer them incentives such as discounts or personalized service.
- **Decisions.** This is the layer where you choose which actions to take. It draws on customer data, including results of previous decisions. The actions most often involve choosing which marketing content to present, but they might also be other treatments such as providing customer service, allowing a refund, or rejecting a credit request. In addition to customer data and historical results, this layer requires access to the list of actions available – so it includes content creation and management features. It also includes marketing planning, budgeting, and measurement, all of which provide context for judging which choices are best. Note that “do nothing” can also be a legitimate action: indeed, in situations where there's a risk of annoying customers by contacting them too often, doing nothing is often the best choice.
- **Delivery.** Actions are delivered through a wide range of systems including Web sites, advertising networks, email, social media, call centers, and retail stores. Many of these are designed primarily to support business operations, such as processing orders, and only secondarily for marketing. Of course, every customer-facing business activity is part of the customer experience, so this distinction may

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seem arbitrary. But in a practical sense, operational systems are run by operational departments concerned primarily operational tasks, so marketing actions are rarely their users' main concern. This means it's important to recognize that many delivery systems are controlled outside of marketing and to explicitly consider how marketing-driven decisions will be incorporated in the delivery systems' customer interactions.

The distinction between data, decision, and delivery systems is important because these are logically separate functions which are often delivered by physically separate systems. Treating them separately gives marketers a starting point for defining their technology requirements, comparing these to existing technology, and identifying gaps to fill.

Defining Requirements

So what are those technology requirements, exactly? The broad answers are the same for every organization: build a unified customer view on the data level, develop rules and analytical methods to pick the best actions on the decision level, and execute the decisions on the delivery level. But broad answers aren't enough to guide your practical decisions. Those require a more nuanced understanding of your particular situation.

This understanding is ultimately driven by business strategy, which determines the type of experience you want to offer each customer. Will it be one driven by low cost, by white-glove service, by innovative product features, or something else? The marketing department won't choose that strategy by itself, although it should certainly have an input. What marketing does need to do is understand that strategy and define marketing programs to support it. These programs in turn will have specific business and functional requirements.

From Marketing Programs to Functional Requirements			
Marketing Program	Business Requirement	Functional Requirement	System
Webinar	acquire lists	buy and load names	marketing database
Webinar	send invitations	send emails	email
Webinar	promote on social	social posts	social
Webinar	promote on blog	blog posts	blogging platform
Webinar	advertise	place ads	media buying
Webinar	capture registrations	landing page	form builder
Webinar	send reminders	email	Webinar
Webinar	create content	create slides	content builder
Webinar	deliver Webinar	broadcast Webinar	Webinar
Webinar	post for viewing	host recording	slide sharing
Webinar	send followup	import attendee list	email

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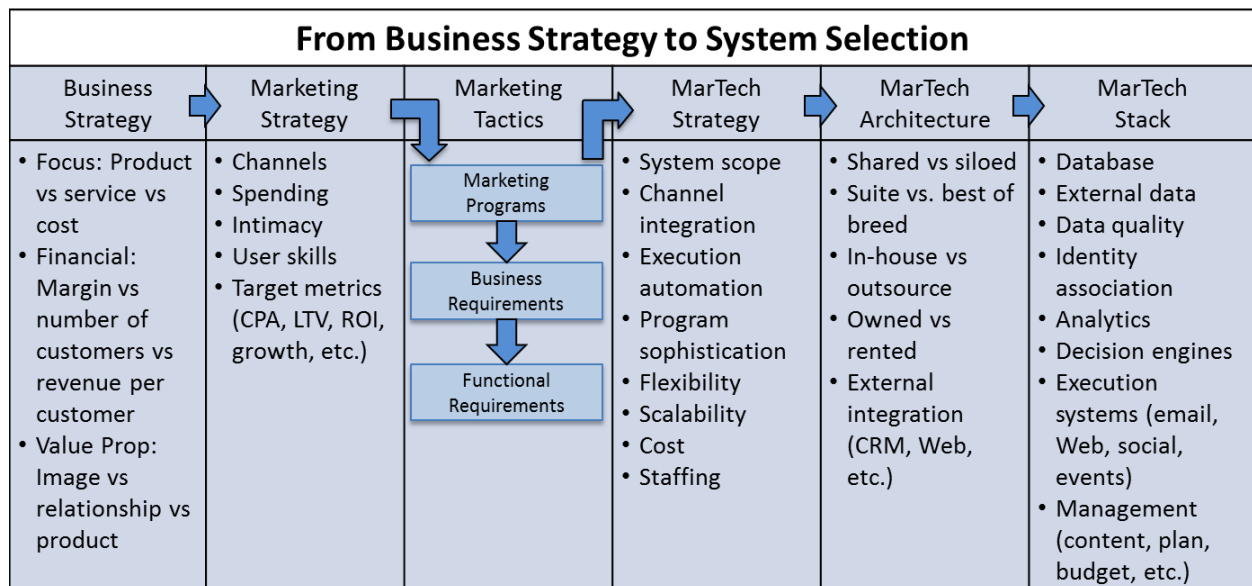
But knowing requirements isn't enough by itself. How you meet them is the realm of marketing technology strategy, which covers such choices as:

- the scope of your marketing systems in terms of which channels they support
- how much channel system integration is needed to provide the required level of experience integration
- how much automation is needed to adequately tailor individual experiences

After you've defined your general approach to marketing technology, you can start looking at specific decisions about the architecture you'll need. This still isn't at the level of selecting systems; rather, it is looking at broad decisions such as:

- will customer data be stored separately and assembled on demand or kept in a continuously-updated central database?
- should you pick a single vendor's suite as your core system, saving on integration costs, or use separate products that may be better at particular functions but are harder to coordinate?
- how much work should be managed by in-house technical staff and how much should be assigned to outside experts?

Once those decisions are made, you'll have a clear picture of the types of systems that will meet your specific business and marketing objectives. Now you're finally ready to look at individual products on the data, decision, and delivery levels. Bear in mind that you'll almost surely need multiple systems on each level, although integrated suites may reduce the number of products you need by combining several functions.



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Making the Transition

Picking products isn't the end of your job. What comes next is even harder: managing the transition.

The transition planning begins with identifying gaps between your current capabilities and your future requirements. You can then identify which changes will fill each gap. The changes might involve installing new technology, making better use of existing technology, or making organization and process changes that have nothing to do with technology. You'll probably find it's a mix of all three. In any case, your goal at this stage is to plan a sequence of changes that allows you to make incremental improvements without destroying your business in the interim. To do this, you'll want to list the set of changes needed for each improvement and then find an arrangement that puts the improvements requiring the least change first. Each change then becomes a stepping stone towards the next improvement.

Transition Matrix								
Improvements supported:	Changes Made (in Order of Deployment)							
	1	2	3	4	5	6		
	install MA , create content, import lists, blast email	synch with CRM leads & behaviors	simple selections & batch campaigns	complex campaigns for nurture programs	import mail lists, dedupe, enhance	integrate w/dialer, score for priorities	capture email response, Web behavior, Web forms	real-time access to MA from CRM
create emails & forms within MA	X							
generate referral, birthday, etc.	X	X	X					
direct mail prospecting	X	X	X	X	X			
email & phone nurture	X	X	X	X		X		
segment on response data	X	X	X	X	X	X	X	
display MA data to CRM users	X	X	X	X	X	X	X	X
let CRM users pick campaigns	X	X	X	X	X	X	X	X

Although the process sounds simple, it requires careful assessment of the relative difficulty of different changes, the value each change provides, and whether pieces of a particular system can be deployed or shut down independently. Some changes will also require new processes or user training, so more than technology is involved.

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Indeed, the deeper you get into transition planning, the more important it becomes to consider organization, process, training, budgets, revenue targets, and other non-technical issues. Ignoring these greatly increases your risk of failure.

Summary

Marketers know they need to give customers a quality, integrated experience. The technology to do this is widely available but deployment is hard for many reasons. One key to success is creating a systematic process that derives requirements from business strategy and converts them into specific target systems. These targets must then be deployed in another systematic process that makes incremental changes to deliver incremental benefits. The final key is to look beyond technology to ensure you're your plan addresses the process and organizational issues necessary to make good use of the new systems. It's a long and challenging journey, but one that every organization must navigate to compete successfully in today's business environment.

Notes:

1. eMarketer, Average Time Spent per Day with Major Media by US Adults, 2015
2. Econsultancy, The Multichannel Reality, 2015
3. For example: Ascend2, Data-Driven Marketing Trends Survey, 2015
4. IDC, Worldwide Marketing Software Forecast 2014-2018, 2014

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About Raab Associates Inc.

Raab Associates Inc. is a consultancy specializing in marketing technology and analytics. Typical engagements include marketing architecture planning, business needs assessment, technology audits, vendor selection, results analysis, and dashboard development. The company also consults with industry vendors on products and marketing strategy

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