

Maturity Model for User-Driven Marketing

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Introduction

A truly user-driven marketing strategy leverages knowledge of the needs and wants of each individual user to offer relevancy at every point of interaction, whether that's a web user looking to make a purchase, an app user checking up on his loyalty points, or an e-mail user reading the latest newsletter. Every marketer knows this approach can improve results. But many are struggling with how to get started or what to do next.

BlueConic has helped hundreds of marketers implement a user-driven marketing strategy on its leading-edge user-driven marketing platform. To gain insights into what works, we analyzed the paths of sixty clients as they deployed our system. We found that successful companies move through similar stages as they progress from simple to complex user-driven experiences. This paper presents those results as a maturity model that marketers can use to benchmark their current capabilities and plan their future development.

The paper is divided into three sections:

- **Maturity Model Description** provides an overview of the maturity model and explains each component in detail.
- **Examples** of marketing programs for each level of the maturity model. This is intended to provide a more concrete understanding of how the levels differ.
- **Using the Maturity Model** describes how the maturity model can be applied to improve your business.

Maturity Model Description

Overview

A maturity model shows how companies develop capabilities in stages that each build on the previous level. This allows for steady, incremental improvements, which are more easily achieved than sudden leaps in sophistication. Each stage of the User-driven Marketing Maturity Model describes the types of marketing programs that are run at that stage; the channels, user data, and segmentation methods used in those programs; and the business processes, measurements, staff skills, and organizational arrangements needed to make these possible.

Ideally, movement to the next maturity stage requires changes in every area. But companies often find that their capabilities in different areas are at different levels.

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This enables them to concentrate their efforts on improving the weakest areas, allowing faster progress.

Program Design by Maturity Levels

Marketing programs become more sophisticated and more tightly coordinated as companies progress through the maturity model. The following table describes how interactions are managed at each level and offers a concrete example by way of illustration. “Level 0” represents a company with no user-driven marketing strategy; “Level 4” represents companies with the most mature user-driven marketing strategy.

Program Design by Maturity Level					
	Level 0	Level 1	Level 2	Level 3	Level 4
Program design	- Same interactions are applied to all users	- Interactions are optimized in isolation - Personalization considers only behavior during the current session (i.e., no stored customer profile)	- Interactions are coordinated within a campaign sequence - Personalization considers behavior during previous interactions within campaign	- Interactions are coordinated across selected campaigns - Rules explicitly reference behaviors in specified campaigns	- Interactions are coordinated across all campaigns - Rules reference behaviors from all campaigns - Interactions are coordinated across brands
Example	- Landing page optimized based on a/b testing of interactions to all visitors	- Personalized newsletter sign-up banner based on topic of viewed content during same visit	- Personalized landing page based on previous visitor behaviors such as site searches and abandoned shopping carts	- Campaign landing page and email marketing are personalized based on user interest insights from each other and on previous site behavior such as searches, abandoned shopping carts	- Personalized interactions in social, email, home page, product pages, call center, and in-store mobile. - Interactions in all channels based on ‘best interaction’ stored in individual user profile and derived from past behavior in all channels

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Scope by Maturity Levels

Scope can be measured by the proportion of coordinated interactions, the number of channels included integrated campaigns, the range of data used, types of segmentations. More mature organizations embed a user-driven component across more interactions in more channels using more user data. The most mature firms incorporate advanced analytics such as predictions, trends, and significant events into their marketing interactions.

Scope by Maturity Levels					
	Level 0	Level 1	Level 2	Level 3	Level 4
Interactions	- Marketing interactions are not targeted with user data	- User data drives interactions in isolation	- User data drives all interactions within a campaign	- User data drives all interactions across selected campaigns	- User data drives all interactions across all campaigns and entire life cycle
Channels	- Marketing systems do not interact with channel systems	- Marketing systems only listen to siloed online channels	- Marketing interactions are coordinated within siloed online channels	- Marketing interactions are coordinated across multiple online channels	- Marketing interactions are coordinated across online and offline channels
Profiling	- No shared user profiles	- User profiles contain only basic attributes (name, address, demographics) collected from a single online system and are siloed by channel	- User profiles contain attributes, behaviors and inferred attributes (purchase motives, top 3 interests) - User profiles incorporate anonymous as well as known users	- User profiles contain attributes and behavior from external sources as well as internal systems - User identities from different systems are merged into a consolidated profile	- User profiles contain predictions and important events as well as attributes and behaviors - User profiles merge online and offline sources
Segmentation	- No customer segmentation	- Segmentation is based only on basic attributes - Users are assigned to segments periodically as part of a batch process (e.g. nightly)	- Segmentation is based on attributes, behaviors and current context	- Users are assigned to segments in real time as interactions take place	- Segmentation is based on real-time access to details of user history and context - Segmentation happens across channels and across brands

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Supporting Processes by Maturity Level

Managing the greater complexity of higher maturity levels requires changes in the supporting processes that manage a business. As maturity increases, companies shift managing each channel separately to coordinating treatment by customer segment. Key factors include:

Supporting Processes by Maturity Levels					
	Level 0	Level 1	Level 2	Level 3	Level 4
Collaboration	- No effort to coordinate interactions across channels	- Programs are designed separately for each channel, often by external agencies or consultants	- Program managers design coordinated interactions across campaigns within each channel - Channel managers retain control of actual messaging	- Program managers design coordinated interactions across channels and campaigns - Program managers direct channel managers to implement messaging	- Formal business processes to coordinate interactions across channels - Standard procedures to prioritize interactions across programs during same interaction
Measurements	- Results are measured within channel systems - Primary focus is on channel activity	- Results of each interaction are measured separately using basic response measures	- Results are measured by program and segment as well as interaction - Measures track cost and profitability	- Results are measured for individual users as well as programs and segments	- Results are measured for incremental impact of interactions on customer lifetime value
KPIs	- KPIs: engaged interactions, page views, unique visitors, social likes	- KPIs: response rate, open rate, Web traffic, cost per response	- KPIs: conversion rates across buying stages; segment growth, interaction volumes, costs, profitability	-- KPIs: historical customer value across all program combined, lifetime value by segment	- KPIs: projected customer lifetime value by segment, incremental return on marketing investment, projected or predicted net change in future customer value

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Organizational Methods by Maturity Level

User-driven marketing must be supported by organizational methods that encourage coordination across channels and by staff with more advanced skills. Attributes for each maturity level include:

Planning	- Marketing planning is separate for each channel	- Marketing planning is based on interactions that are optimized independently for each channel	- Marketing planning is based on campaigns that deliver coordinated interactions within channels	- Marketing planning is based on campaigns that deliver coordinated interactions to each segment across channels - Standardized definitions exist for customer segments	- Marketing planning is organized around customer segments
Rewards	- Rewards based on channel results	- Rewards based on interaction results within channel	- Rewards based on campaign results within channels	- Rewards based on campaign and segment results across channels	- Rewards based on segment and company level results, including incremental ROI
Staff skills	- Program creation and execution within each channel	- Gathering and assessing user data	- Campaign design - Behavior analysis	- Segmentation - Journey design	- Predictive analytics - multi-touch attribution

Examples

Following are some illustrations of typical use cases for companies at different levels in the Maturity Model. These are based on BlueConic experience but do not represent specific clients.

Level 1

Level Features: Each interaction in each channel is managed separately and there is no history saved across interactions. The system can segment on basic user characteristics and can respond to online behavior during an interaction such as a Web site visit.

Background: An energy utility provides gas and electricity to building owners over a broad region. Different services are available to residential and commercial clients and in different areas depending on the local infrastructure. The company wants to help Web site users, who may be customers or prospects, to understand its offerings and to avoid describing services that it cannot provide to their location.

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Program: Home page on the company Web site asks users for their service address and whether they are current customers. Potential new customers are shown information about available services and sign-up procedures. Existing customers are offered information about conservation programs, customer service, and add-on products. Based on the product-related pages visited by each user, the system determines whether they need commercial or residential service and which products they are interested in. It makes offers related to those products and includes only products available at the service address.

Level 2

Level Features: Several interactions can be coordinated as part of one campaign. Past behavior is stored in user profiles and can be used to help select interactions. Each channel is still managed separately.

Background: A municipal visitor bureau is responsible for promoting both holiday tourism and commercial travel to its region. The bureau provides tourism materials including information about local attractions, family activities, historical background, and guide services. Materials for commercial travelers include information about meeting venues, business practices, tax rules, and translation services. General information about transportation, dining, lodgings, currency, local holidays, and customs is provided for both types of travelers. The bureau wants to ensure that each type of traveler gets the information she needs and to build a relationship with each traveler over time as she plans her trip. The Web site provides each user with a trip planner that includes group members, trip dates, locations, lodgings, attraction bookings, restaurant reservations, and transportation arrangements.

Program: The bureau Web site creates a profile for each new user. It classifies users as tourist or commercial and by budget type, group type, interests, travel dates, and other factors based on the Web pages viewed and information the user provides. This information is stored in the profile and used to display housing and entertainment options that fit the user's travel plans, budget, and group type. The system keeps track of interactions already offered to each user and adjusts new interactions to minimize repetition and try alternatives to offers the user has previously rejected.

Level 3

Level Features: Campaign interactions are coordinated across online channels. User profiles are created for anonymous visitors and then linked to identities as these are uncovered. Identities are consolidated across channels and profiles are enhanced with external data.

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Background: A retail bank employs a recommendation engine on its Web site to identify the best offer for each user based on current products owned and financial situation. It makes special introductory offers to prospective customers without displaying these to current clients.

Program: Current clients identify themselves to the Web site at the start of each interaction. The system uses cookies and mobile device IDs to identify clients before they log in and to track anonymous users. Once identified, clients and prospects are presented with offers selected by the recommendation engine, which considers current savings and insurance accounts owned by the client and external information about the client's assets and income. Users who are strong prospects for mortgages are offered an appointment with at a branch with a mortgage advisor. After the appointment, the advisor enters details into the system and the user receives emails and printed materials with calculation papers and general mortgage tips. The system repeats these offers at intervals until the user purchases a mortgage or indicates she is no longer interested.

Level 4

Level Features: Interactions with each user are based on position in the customer life cycle, coordinated across all channels, and prioritized across campaigns to ensure the most valuable interaction is delivered every time. Metrics support this by estimating the incremental impact that each interaction has a long-term customer value.

Background: An auto manufacturer has several product lines. It captures prospect names on its corporate Web site and passes these to independent local dealers. It is able to look up owners of existing products during this process and makes special efforts to upsell owners on higher-value vehicles within its company.

Program: The company Web site offers anonymous users detailed information about company products in exchange for personal identifying information. The system uses the identity to look up current vehicle ownership within the company's own database and to estimate income and other relevant information from external sources. It builds a predictive model to find current owners who are likely to purchase a higher-value vehicle. These owners are sent an elaborate, personalized direct mail piece highlighting the targeted vehicle and offering a mobile app with a coupon for a free oil change if the user takes a test drive. The user can schedule the test drive through the app. The system also alerts the dealer to the user's interest, and allows the dealer to follow up directly or the company call center to follow up on the dealer's behalf. The app tracks whether the test drive occurred. The company follows up by telephone or email with reminders about the offer and with other information about the product and buying advice.

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Using the Maturity Model

The maturity model provides a vision for how your organization is likely to evolve as it adopts more sophisticated user-driven marketing. Specific ways to use it include:

- **Self-assessment.** Compare your company's own practices to the model criteria to determine your current maturity level. Once you've done that, look at any criteria within your level that you don't meet. Closing these gaps should be a priority to ensure that your programs, systems and processes are aligned as you move ahead.
- **Marketing planning.** Each maturity level supports many specific marketing programs. Implementing programs consistent with your level is easier than deploying programs at higher levels. Try to build a plan that includes primarily programs at your current level plus a few programs that will push you to the next level. Pay close attention to those advanced programs, since they are the most likely to run into technical and organization roadblocks.
- **Technology and organizational planning.** The maturity model indicates the technical and organizational changes you'll need to move to the next level. Assess your existing technical and organizational resources to see which can easily support continued progress and which will need substantial revision before you can move ahead. Then make plans to execute the necessary changes.

Final Thoughts

The maturity model presents a fixed set of levels, but improvement never really ends. Today's marketers can count on a continuous stream of new data sources, interaction channels, and analytical methods. Taking advantage of these is an opportunity to improve marketing results and a necessity to satisfy ever-increasing user expectations. Beyond mastering specific technologies and business processes, marketers must become skilled at change management itself. Tools like the maturity model are part of this skill set, helping marketers to advance successfully into a challenging and exciting future.

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About Raab Associates Inc.

Raab Associates Inc. is a consultancy specializing in marketing technology and analytics. Typical engagements include business needs assessment, technology audits, vendor selection, results analysis, and dashboard development. The company also consults with industry vendors on products and marketing strategy. It publishes the Guide to Customer Data Platforms and B2B Marketing Automation Vendor Selection Tool (VEST).

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