

Making the shift:

**How great
marketers are
changing their focus
from the campaign
to the customer.**

Stemming from the days of print media and television ads, campaign-centric marketing – a single message, delivered as loudly and broadly as possible – has long been the standard mode of operation for most brands. Focusing on the needs of the individual consumer simply could not deliver as much scale as a well-executed mass marketing campaign. Once the Internet entered the mix, marketers simply shifted this blanket messaging to a digital platform, essentially putting their campaigns on steroids by increasing their reach.

While the Internet has not only given marketers a larger platform, it has also dramatically amplified the voice of each and every customer – and they are eager to be heard. Of course, they still want to interact with their favorite brands, as long as those interactions are on their terms and relevant to their wants and needs. For example, research shows that customers are three times more likely to engage with a brand that they say understands their needs than they are with a brand that they feel doesn't know them.¹



As such, digital marketers must re-orient their thinking, their programs, and even their organizations to focus on optimizing and orchestrating the interactions they have with each and every customer instead of just optimizing campaigns. Companies that can make this shift will be successful. Those that resist will be cast aside by a customer base that has come to expect a more personal experience from their favorite brands.

“Companies were in control even until 2000. But now the customer is in the driver’s seat. If you embrace that, you will thrive. If not, then by 2020, you will not survive.”

— Jamie Nordstrom / President of Nordstrom Direct

¹Responsys Survey Data 2013.

Where we were

It wasn't always this way. A generation ago, you would walk down the street and interact with local storeowners who knew their patrons – their likes, their dislikes, even their birthdays. But everything wasn't perfect; it was difficult to scale beyond Main Street. So when customers got wind of different options – something bigger and better in the town next door, for example – they were willing to forfeit a personal relationship for a magnitude of choice. Companies scaled to meet the demand and the individuality of service was discarded in favor of diverse and enormous offerings – and marketing followed suit. The more broadly a marketing campaign could communicate a message, the better.

But things have changed. Dramatically.

Today's consumers still demand choice and value. Yet, the rise of digital media, the proliferation of online shopping, and the reduction of customer switching costs have enabled consumers to demand the same, individual experience they could receive at the local corner store, but at massive scale. Today, customers are demanding to be treated as individuals no matter where they interact with brands. In fact, nearly half of consumers (44 percent) are less responsive to non-personalized or mass marketing messages.²

However, most companies have failed to respond to this new reality.



80%

According to a recent Forrester Research survey, retailers are spending 80 percent of their digital budgets on campaign-centric, mass acquisition channels.³ This needs to change, and marketers must be willing to restructure accordingly.

National Geographic Society, for example, found that its “batch-and-blast” method was no longer working for the brand the way it had in the past. “Over mailing and lack of personalization creates a negative perception among our members and causes them to stop paying attention to us,” said Eric Brodnax, Executive Vice President of Digital Products at National Geographic Society. “True member engagement can only be achieved through relevance.”

²Responsys Survey Data 2013.

³“The State Of Retailing Online 2013: Marketing and Merchandising,” Forrester Research, July 2013.

Where we're going

Today's marketing team must become "customer obsessed," and for good reason. Research shows that marketers in the United States and Europe must bring on between five and seven new customers if they want to equal the revenue of a single repeat purchaser.⁴

With the help of technology and a restructuring of the marketing team to focus on the customer, not solely the campaign, companies can begin to orchestrate individual interactions with customers. And with the right technology, they can do it at massive scale.

As a marketer, here are three things to keep top-of-mind as you begin evolving your mindset, your programs, and your team for this new era of marketing.

1 / Get ready for a new marketing team structure

With a campaign-centric worldview, it makes perfect sense to build out individual teams around different communication channels. And most companies today have entire divisions that specialize in email, or in display advertising, or in social media. But as marketing teams have grown around siloed, single-channel execution, the holistic customer experience has become obscured.

As a company transitions from campaign-centric to customer-centric strategies, integration and communication are critical to the marketing team structure. How marketing teams change to meet specific business goals will differ from company to company, but this much is clear: the divisions within marketing teams must be bridged.

"A lot of marketing organizations are still very siloed: your email team is not talking to your social team, yet they could learn a lot from one another and coordinated efforts are always better for the brand in the long run," says Richard Fleck, Vice President of Strategic Services at Responsys.

"Restructuring to break down these siloes and aligning teams with common, integrated goals are smart steps forward that will help a company be much more customer-centric."

⁴"The ROI For Marketing to Existing Online Customers," Adobe, August 2012.

Some companies, like computer and electronics retailer TigerDirect, have even considered updating titles – from the traditional, to titles that better describe the evolving roles and functions in this new era of marketing – to enable this shift. Beyond title adjustments, however, a customer-centric marketing team needs to have transferrable skills. Gone are the days of one person being an expert in only one channel. Now, your email marketing expert must not only understand the nuances of email marketing, but know how the various channels, such as mobile, web and display advertising, play into and impact the customer lifecycle.

“We’re still in the early stages of restructuring,” says Deneke O’Reilly, TigerDirect’s Email Marketing Director. “My team is growing because we’re changing how we’re going to market. It’s not only about email anymore. In addition, cross-channel integration has become more important. We’ll need to have improved line-of-sight into the initiatives of all marketing channels. The closer we’re aligned the better we’ll be able to coordinate our customer-centric marketing to build longer lasting relationships.”

2 / Make data a priority

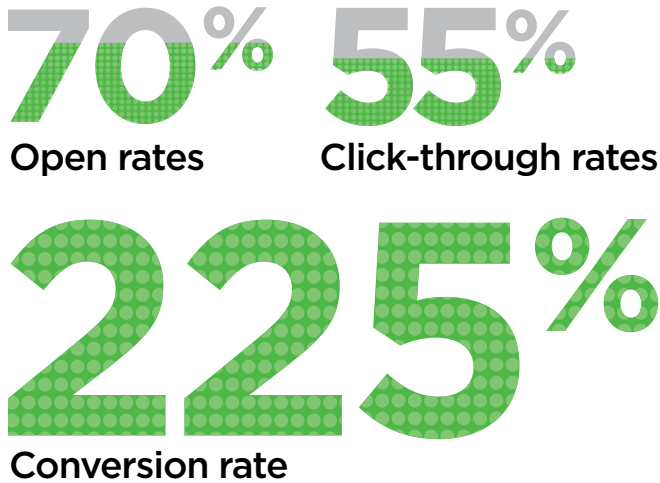
Over half of Fortune 1000 firms are still relying on past experience and gut decision-making to create and optimize their marketing campaigns. Only 11 percent, meanwhile, are using data to support those decisions. These marketers are still living in a campaign-centric world.

Today, collecting and leveraging customer profile data should be the focus of any marketing team. Fleck explains, “Without data, we don’t know where certain phases of the customer journey begin and end. We can use data to identify certain points in time. Data also reminds us that everyone’s journey is different.”

But, the amount of customer data that’s out there is seemingly endless so it’s essential that the focus be on the right data. While general demographics and purchase data from years ago are better than flying blind, most marketers have found that near real-time interaction data – from the links that people are clicking on to the products they’ve browsed online, are the best predictors of behavior in the near future.

⁵“The Surprising Qualities of Today’s High-Performing Marketing Teams,” CEB, August 2012.

For example, Ascena Retail Group found that by individualizing email content based on real-time interaction data, they experienced 70 percent higher unique open rates, a 55 percent increase in click-through rates and a 225 percent boost to their conversion rate. And, they're not stopping there. The next step in their evolution toward customer-centric marketing involves breaking down the siloes between channels and expanding these programs to encompass additional channels like display and mobile.



Customer centric marketers have seen that simply applying and measuring interaction data for email only isn't enough. There are a growing number of ways that customers are interacting with brands - email, online display ads and text messages, to name a few - and these should be measured and considered together.

Whether data is coming from email, mobile or display marketing efforts, it must be looked at holistically and not in a vacuum. Every data point represents an opportunity to better understand your customer and allow your marketing team to respond accordingly. The data is your looking glass into the individual customer.

“We need to measure and analyze cross-channel interactions or behaviors because we know that consumers engage with brands across mediums,” says Fleck, “We can take the data that’s generated from the footprint the customer leaves behind and from there, we can begin to build much more relevant messages for that individual person.”

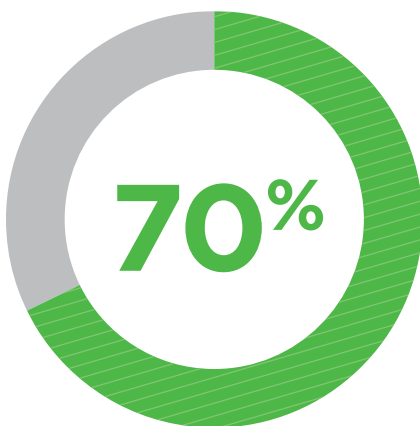
3 / Respect the customer journey

Every great marketing program starts with building a strategy that not only considers the customer's profile, but also where that person is on their "journey" as a customer. Brand new customers should be treated differently from loyal customers, who should be treated differently from at-risk customers. This customer journey will be unique for every industry and every company.

Let's take the airline industry, for example. Ted Wham, Vice President of Travel Industry Solutions at Responsys, says "Airline customers tend to go through two distinct lifecycle phases. The first is the period where they have a specific future travel interest. In this case, time is of the essence - marketers need to deliver a targeted purchase message right after the customer has taken a measurable action such as browsing flights for a specific destination."

But the strategy changes in the other phase of the customer journey. "When customers don't have the same specific future travel interest," says Wham, "a barrage of messages telling the customer to 'purchase now' will likely result in an unsubscribe click, rather than a purchase click. It's far better to deliver a message aimed at maintaining loyalty so that you're top of mind when the time is right."

This approach pays dividends.



In fact Forrester Research reported that emails triggered in response to a customer action have over 70 percent higher open rates than business-as-usual messages.⁶

Keep in mind that the transition to focusing on the individual customer journey doesn't have to happen overnight. Companies typically start small by, for example, treating customer customers who are engaging differently from those who haven't engaged in awhile.

⁶"Evaluate The Completeness Of Your Marketing Effort," Forrester Research, April 2013.

“This gives a much more customer-analytics focused view of the customer base,” says Fleck. “Companies can then begin to layer in more sophisticated data points to further enhance the journey. For example, what specific links did your ‘engaged’ segment click on in the last email? Use dynamic content to deliver a highly tailored message about that interest in the next note.”

“And it’s even more powerful,” says Fleck “if you can leverage other channels to re-engage those customers who are on the ‘dis-engaged’ part of their journey. If you can target email unsubscribers with a relevant display ad, you may end up winning them back.”

Conclusion

In order to deliver a highly personalized experience that is driven by the individual customer, not the marketing campaign, marketers must make shifts within their organizations, get smarter with their customer data and understand the customer journey.

“Be aware that it’s a journey and not necessarily a destination,” Fleck says. “You’ve got to start with things that are going to make a lot of collective sense. Open rates and click rates are important but they’re not moving the needle. You need to be paying attention to who your high-value customers are and how you engage them in a more effective way. Those are the things you need to focus on.”

“What separates us from everyone else? It’s going to be the relationship we have with our customers,” says O’Reilly.

“Whoever has the strongest customer relationships is going to have the upper hand, and we see that happening already with the rapid growth of some companies, and the decline of others that haven’t been as good at building individual relationships with customers at scale.”

In addition to leaders like National Geographic Society and TigerDirect, other brands like Nordstrom, MetLife, and Virgin America are transitioning their mindsets, programs and teams to this new era of marketing. Have you thought about making the shift yet? If not, start today.

About Responsys

Responsys is a leading marketing cloud software and services company. Our mission is to enable the smartest marketing in the digital world. The most respected brands across the globe use the Responsys Interact Marketing Cloud to manage their digital relationships and deliver the right marketing to their customers across email, mobile, social, display and the web. Our customers gain competitive advantage through the automation, individualization, and coordination of cross-channel marketing interactions at massive scale. Founded in 1998, Responsys is headquartered in San Bruno, California and has offices throughout the world. For more information about Responsys, visit responsys.com.