

So timing is important – but when is the right time?

MARTIN
WRIGHT
ASSOCIATES

Customer Contact Strategy: Viewpoint two

Customer Contact Strategy: Definition - What to say to who, when.

A pre-planned sequence of integrated, targeted communications with clearly defined goals.

It is often said that once you've decided who to talk to, when you talk to them makes the biggest impact on response rates; way above any incentives or creative tests. Why? Because it's so much easier to sell to someone who has already started the purchase process than to someone who isn't in the market.

This article summarises what works best, how timing should be central to any customer contact strategy, talks about some of the technical developments in this area and offers some case histories.

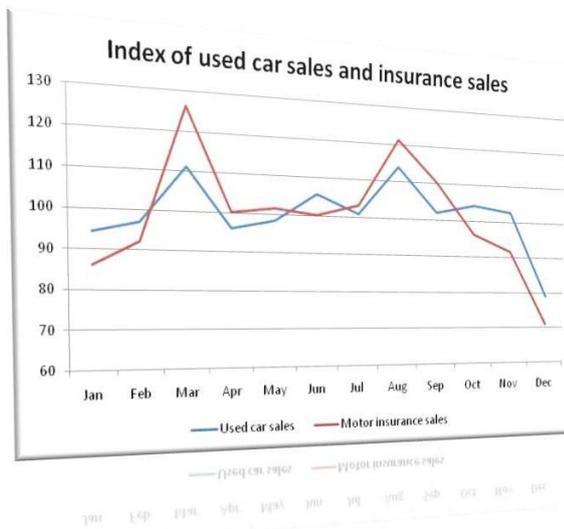


Bob's timing was a little off.

Finding the right time

There are three common approaches to identifying when the time is right: seasonality, event targeted communications and event triggered communications.

Seasonality – a blunt instrument



The motor market shows strong seasonal trends

By far the most common is seasonality. Motor insurers and car manufacturers will tell you that due to historic registration dates March and August are the key periods for new car motor sales, and these influences have penetrated into the used car market and motor insurance markets. Naturally, marketers target spend to reflect these trends. All other things being equal, a March contact is almost twice as likely to generate a sale as a December contact.

But of course all other things are **not** equal; competition is more than twice as fierce in March and media costs vary. So finding other techniques to identify who to target in December or January when competition is lighter can be more profitable.

Event targeting

More accurate than seasonality is using something you know about a prospect to time communications. It might be the anniversary of an enquiry or purchase, a key birthday or the ending of a contract. Because these events are usually known well in advance traditional campaign

The Studio
15 Bloomfield Grove
Bath BA2 2BZ
Tel: (01225) 33 69 77
Fax: (01225) 33 69 76
martin@martinwrightassociates.co.uk
VAT Registration No: 646 0862 28

management processes can be used and, because it is based on something specific and tangible you know about someone you can make your communications more personal. For example working with Drayton Bird I helped create a direct mail pack for Bank of Scotland current account customers on their first anniversary. The letter started like this:

***You've been our customer for a year now, and I hope you feel we have done a good job.
But you know, I think we could do even better.***

Done well, using events to target communications can typically increase response by between 25% and 100%.

Event triggered communications

As well as responding to known changes in customer status companies can, and the best increasingly do, respond rapidly to customer actions. This might be a request for information, a web visit, form completion or download. It may be a change of circumstances (like address or surname) or a customer driven transaction like an early repayment, cancellation or purchase.

If you respond appropriately, and quickly enough then your communication will be highly relevant increasing customer engagement and often eliminating further evaluation by your prospects of your competitors' offerings. As well as demonstrating that you are responsive to your customers, many companies find event triggered communications are their most profitable marketing activity.

A major UK bank with a well developed system of branch and call centre 'prompts', and event triggered direct mail communications find that these activities are for them, on average, 270% more profitable than traditionally targeted communications. A leading UK insurer found that if it followed up online quotes with a telephone call within 20 minutes, conversion to sale doubled.

Incorporating event triggered communications into a long-term, strategic contact strategy

An effective contact strategy will start by understanding the customer journey. How do people interact with the company as they go through different stages; enquiry, purchase, renewal, complaints etc. Based on this knowledge a company can implement two powerful developments:

1. It can test and implement changes to the journey (including marketing communications) that improve customer value.
2. It can understand what actions are associated with different stages in the buying funnel and use those to trigger communications.

A classic buying process might include the stages shown below (with actual drop-out rates from a 2010 US study).

Each of these stages might be associated with multiple touch-points across multiple channels. However the important thing to bear in mind is that people don't all move up the funnel at the same speed, indeed some people may well miss out several stages depending on their circumstances.



If a company has a contact strategy that helps support prospects through the buying funnel it can use event triggers to start the communication series or to skip to the most appropriate phase in the series.

Systems and processes: How to set up a contact strategy that incorporates event triggers

This article does not call for businesses to invest in expensive IT infrastructure. The first step is to develop a strategy, to critically evaluate the profit it can realistically generate, to test it as far as is possible within existing capabilities and only then decide if additional infrastructure is required.

The steps a company should consider include:

1. Map existing customer journeys (www.martinwrightassociates.co.uk/articles/customer-journey-mapping/)
2. Develop contact strategies to help improve the outcomes from those journeys
3. Establish what triggers are reliably associated with specific stages of each journey
4. Build a business case for the contact strategy
5. Establish which elements of the contact strategy can be delivered within existing capability, albeit with changes to standard processes
6. If meaningful elements of the contact strategy can be executed test and research these to improve effectiveness and validate the business case
7. Review what incremental value will come from changes to systems capability and review alternatives.



Even companies with relatively poor legacy systems have produced effective event targeted and event triggered communications. Rudimentary marketing automation can be created by feeding data from internal systems and into diallers, email servers, content management systems or digital print solutions.

Of course a range of more sophisticated marketing automation solutions are now available from broad database/CRM providers like salesforce.com to specialists such as Eloqua and Neolane. See

Forrester's free market review at <http://pages2.marketo.com/forrester-marketing-automation-ppc1.html>.

As well as combining available data from all touch points (call centre, web site, retail etc) and interfacing with a company's marketing production systems they add real-time lead scoring to help improve the effective identification of event triggers. (See below.)

It should be noted that for most companies the problem is not a lack of data, they are awash with it. The problem is that different functions across a business measure different things in different ways and no one has overall responsibility for the customer journey, nor for pulling the data together to create a single customer view of that journey.

A case history

Eloqua have published a benchmarking report based on the email campaign results of all its Clients (some 600) sending more than 1,000 emails a month from January 2009 to July 2010.

www.eloqua.com/benchmark . In summary it shows that using lead scoring to evaluate event triggers and using them to automate planned email communications (as part of a wider marketing mix) was associated with three changes:

1. A growth in the number of new qualified leads, up by 49% for SMBs and 451% for the largest corporations.
2. More, but smaller campaigns. Whilst the average campaign size shrank (20% smaller for B2B organisations, 94% smaller for B2C businesses) the total volume of email sent increased (36% for B2B and 25% more for B2C businesses).
3. Higher open and click-through rates as campaign sizes reduced.

In summary

Finding the right time to target communications almost always improves results. Event triggers are extremely powerful because they allow companies to strike while the iron is hot, ensuring their messages are relevant and so increase engagement and response.

Integrating event triggers into planned contact strategies can better support prospects through to purchase, increasing the volume of qualified leads for some companies by over 400%.

If you would like to discuss the challenges your company or Client faces then contact me at martin@martinwrightassociates.co.uk. I have over 20 years experience of developing and testing contact strategies and loyalty programmes for companies as diverse as Unipart, Bank of Scotland, Weight Watchers and Nationwide Building Society.

Other related content

Customer contact strategy: Timing is important – but when is the time right?
Customer contacts strategy case history – Nationwide Building Society