

RIGHT TIME REVENUE OPTIMIZATION

Marketing Strategy Transformation

*A Critical Step to Multi-channel Marketing
and Right Time Revenue Optimization*





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For many marketing organizations, implementing multi-channel marketing to optimize revenue at the right time in the customer life cycle is an imperative, but elusive goal.

Summary: The Short List

Here's our suggested short list from this paper:

1. Become familiar with Right Time Revenue Optimization and download our Success Kit.
2. Before deciding on your multi-channel marketing strategy, take a step back and determine if you have the right organization, customer intelligence, and business processes in place to succeed.
3. Have an assessment done of your marketing organization's marketing maturity, using the Extraprise Marketing Maturity Model.™
4. Define and apply customer intelligence as a basis to multi-channel marketing strategy formulation. Ensure the necessary data structure is in place to drive customer intelligence.
5. Align the marketing organization to multi-channel marketing, based on what stage of marketing maturity you would like to achieve and the application of customer intelligence to determine your strategy.
6. Create and execute on a Business Transformation Plan to bring the marketing organization, data, and marketing systems together to execute the strategy.
7. Implement a closed-loop sales and marketing system to execute on the strategy.

Introduction: Taking a Step Back

For many marketing organizations, implementing multi-channel marketing to optimize revenue at the right time in the customer life cycle is an imperative, but elusive goal. Most believe multi-channel marketing strategy is about allocating budget, assigning channel roles to the team, and selecting and scheduling execution against those channels. However, the foundation for creating a specific, timely, and sustainable multi-channel marketing strategy that produces separation from the competition is often ignored.



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Customer intelligence as a precursor to formulating multi-channel marketing strategy, and ultimately tactical execution, is an imperative.

This foundation includes:

- » Reviewing and evolving the state of the marketing organization
- » Using customer intelligence to apply information to drive engagement, and ultimately a buy decision, through the right channel
- » Aligning the marketing organization to multi-channel marketing
- » Implementing a closed-loop system to provide constant feedback on multi-channel marketing performance

There are four important elements that need to be addressed to put this foundation in place to create an effective marketing strategy:

1. Interaction model
2. Organizational design
3. Information and technology
4. Performance measurement

Putting this foundation in place creates a multi-channel marketing strategy framework that will transform your marketing organization into a force that will drive competitive advantage. Without them, the marketing organization has no basis for future growth and evolution as the market changes, or a mechanism to make appropriate, quantifiable changes if particular strategies and campaigns do not yield what is anticipated.

Marketing Maturity

Extraprise has developed a Marketing Maturity Model to assist its clients to increase revenue growth. The marketing maturity model helps companies evolve in three stages from product-centric to customer-centric, and finally, the “Holy Grail” of customer value optimization.

In stage one, companies are product-centric, focused on selling products with a mass market approach. In Stage two, marketing organizations shift toward using buyer behavior to gain more customer insight. This insight involves analyzing commonalities among clusters of buyers, e.g. if customer A and B are purchasing a particular product





Recommended Action:
Get an assessment of your organization's marketing maturity and align it to your revenue and profitability goals to determine next steps.

and prospect D looks similar, what did we learn from A and B to offer D. In the final stage of marketing maturity, marketing organizations are able to drive their strategies and tactics to create value optimization, using customer intelligence, at each stage of the customer life cycle. Stage three of marketing maturity enables marketing organizations to create a 1:1 relationship with buyers.

Customer Intelligence

At any stage of marketing maturity, all marketing organizations have access to data, but very few of them are able to leverage customer intelligence that produces actionable insight to drive marketing strategy. Customer intelligence as a precursor to formulating multi-channel marketing strategy, and ultimately tactical execution, is an imperative. However, marketing organizations do not need to take a "boil the ocean" approach to customer intelligence. A customized approach to the use of existing data, based on business objectives, can yield immediate results that enable marketers to learn and to build upon. For example, basic email campaigns will immediately produce interaction information from prospects that can improve results for the next campaign.

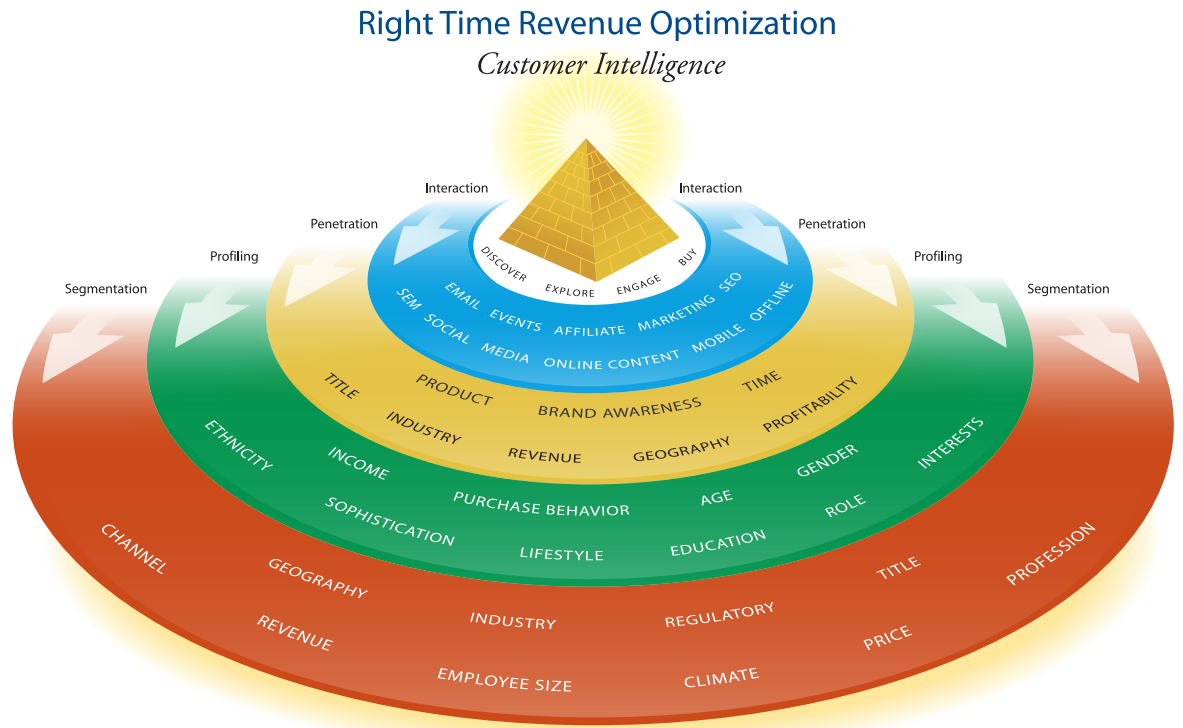
Eventually, marketers can use customer intelligence to answer the following types of questions that will drive their multi-channel marketing to greater levels of performance:

- » What are the most preferred marketing channels to engage particular clusters of prospects and customers, and what is the right offer to incent action?
- » What is the right mix of channels at each stage of the customer life cycle?
- » What is the right offer through the right channel to put in front of prospects that have interacted with my company in different ways in a concentrated timeframe?
- » What is the most profitable mix of channels by target market?





Figure 1: Right Time Revenue Optimization.



Recommended Action:
Get an assessment of the state of your existing data and define your customer intelligence requirements. What questions are you trying to answer?

Customer intelligence is multi-dimensional across a variety of segmentation attributes, buyer characteristics, and customer interactions, and it intersects with business metrics like penetration rates, revenue, and profitability (see figure 1). As a result, it demystifies the execution of multi-channel marketing strategies and campaigns. Customer intelligence is a clear indicator in formulating multi-channel marketing strategies and then choosing the right set of channels.

Aligning the Marketing Organization

Aligning the marketing organization to multi-channel marketing is not a simple task of determining skill sets and defining responsibilities. Achieving effective alignment is about understanding how to optimize revenue from those channels, and then applying customer intelligence, marketing strategies, tactics, budget, and perhaps, most importantly, business process and organizational design.





To transform your multi-channel marketing strategy into right time revenue optimization, you need to evolve to a closed-loop system that integrates multiple, heterogeneous data sources to drive high volume, multi-channel campaigns.

Recommended Action:
Formulate a Business Transformation Plan to map out four key elements against the Marketing Maturity Model - the interaction model, organizational design, information and technology, and performance measurement.



This is where a Business Transformation Plan plays a pivotal role in marrying an organizational design for the marketing organization to the interaction model (methods and channels to identify, acquire, sell to, and manage target audiences), information and technology, and performance measurement. Each of these elements is viewed against the Marketing Maturity Model and the stage to which the marketing organization seeks to evolve.

For example, organizational design for stage one, focused on product centricity, of the Marketing Maturity Model would be solely activity based – this is where most marketing organizations are today. At stage three, or customer value optimization, the organizational design for marketing encompasses strategy, activity, business process, data, and performance measurement. At this level, technology, marketing operations, and marketing management are tightly interwoven around business processes that are specific to multi-channel marketing strategy and tactical execution. The entire organization must be driven around goals based on customer intelligence and multi-channel strategy that are tied deeply to marketing and sales business processes.

The Closed-Loop System

A subsequent step to a Business Transformation Plan is an Implementation Roadmap that assists marketing organizations in implementing a closed-loop system. Implementing a closed-loop system is the final foundational element in creating a strategy that will optimize revenue through multi-channel marketing.

For those not intimately familiar with closed-loop systems, this typically means a marketing automation environment that is integrated with a sales force automation and / or a service environment. A system is said to be closed-loop if inbound data can be captured and used to target future campaigns, the results of which flow back to the original system (or some related system). In the ideal case, a marketer can track a lead to a sale and a sale to the profitability of an ongoing customer relationship.

Where do closed-loop systems intersect with multi-channel marketing, and why should they be part of your marketing strategy transformation? Simply, a closed-loop system is the most adept way to bring together data, customer intelligence, campaigns, and response, across multiple channels, to measure your organization's performance at optimizing revenue at different stages of the customer life cycle.



Recommended Action:
Use the Business Transformation Plan to create an Implementation Roadmap for a closed-loop system.

About Extraprise

Extraprise is the leader in right time revenue optimization services for B2B and B2C enterprises, offering the only suite of demand generation services that combines customer intelligence with multi-channel marketing campaigns at the right time in the customer life cycle. Spanning a comprehensive suite of services from lead generation to nurturing/brand loyalty to closed sale, and upsell and cross-sell, Extraprise's i2i demand generation services are suitable for clients at all levels of marketing maturity. Delivered through its Guaranteed Success Program as a hosted or on premise service, Extraprise continually meets the evolving marketing needs of its customers by driving tens of millions of customer interactions resulting in hundreds of thousands of buying opportunities from every country and continent. For more information, visit www.extraprise.com, or call +1(888)i2iMKTG or email info@extraprise.com.

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Many marketing organizations today might have an implementation of a closed-loop system. This is an initial step, and it is capable of producing results that can be further improved upon.

However, to transform your multi-channel marketing strategy into right time revenue optimization, you need to evolve to a closed-loop system that integrates multiple, heterogeneous data sources to drive high volume, multi-channel campaigns. Taking an incremental approach, keeping in mind that closed-loop systems are part of a journey, not a destination, can produce dramatic results over time. Ultimately, a more heterogeneous closed-loop system integrates data from many sources (and in many formats), consolidates the data, develops a clean, consistent record for each prospect or customer, analyzes the data using sophisticated software tools, uses the data to drive outbound campaigns, and captures and distributes inbound responses (leads and inquiries).

As a result, a true closed-loop system is pivotal in your marketing strategy transformation. It becomes a foundational element that provides visibility into the actual execution of the multi-channel marketing strategy.

Conclusion

Many marketing organizations believe today that multi-channel marketing strategy is about brainstorming ideas, assigning responsibility for channels, integrating marketing automation with sales and service environments, and executing and reporting on campaigns. To fully optimize revenue and gain a competitive advantage, marketing organizations must take a step back and first embrace the foundational elements of creating a multi-channel marketing strategy. These elements include evolving their marketing maturity, transforming data into customer intelligence, properly aligning the marketing organization to the channels and its business processes, and creating a closed-loop system.

Taking an incremental approach to marketing strategy transformation is important, since marketing organizations are better able to improve their performance over time, while hitting their existing business goals. Short term improvements produce learnings that meet achievable objectives that in time produce big results. Many of the activities discussed can be implemented in weeks and not months.

Undergoing this kind of marketing strategy transformation, over time, creates a sustainable and scalable multi-channel marketing strategy that optimizes revenue at the right time, through the right targets, and with the right offer.