RIGHT TIME REVENUE OPTIMIZATION

Multi-channel Marketing

How To Get Started

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What is new and evolving is driving multi-channel marketing at the right time, in the right places throughout the customer life cycle.

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. Recognize the difference between real-time and right time multi-channel marketing, and how they apply to your business and industry.

3. Take a customer life cycle approach and change the culture of your marketing organization to true customer centricity, i.e., how, what, when, where, why do they buy.

4. Don't automatically assume that you need to set up all forms of outbound and inbound channels. Closely analyze your customer interaction history to create a multi-channel marketing starting point.

5. Once you master early use of customer interaction history, evolve to using more customer intelligence, looking at dimensions like account and market penetration.

6. Always remember to apply customer intelligence across channels throughout the customer life cycle to evolve to right time multi-channel marketing.

Introduction

Multi-channel marketing is not new. Its genesis comes from integrated marketing communications, and its most recent evolution is from the vast number of possible customer interactions fueled by the Internet. What is new and evolving is driving multi-channel marketing at the right time, in the right places throughout the customer life cycle.

To many, real-time marketing is the optimal way to drive 1:1 customer interaction. But real-time is highly complex, costly, and its transactional nature is not directly applicable to many industries, products, and services. Right time multi-channel marketing focuses on the aggregation of customer behavior over time, and takes a very deep, analytical approach to customer interactions, based on behaviors and a multitude of market dynamics. The customer intelligence derived from these interactions guides an optimized revenue strategy that focuses on markets, accounts, and buyers to spur specific buying behavior throughout the customer life cycle.

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In our previous white paper, *Marketing Strategy Transformation: A Critical Step to Multi-channel Marketing and Right Time Revenue Optimization*, we spoke about how to formulate marketing strategy to drive multi-channel marketing, including key marketing business processes. Here, we'll dive deeper into understanding the customer life cycle as the starting point to effective multi-channel marketing, placing particular emphasis on lead generation, nurturing and qualification, and buying opportunities. We'll also demonstrate how marketers can evolve their multi-channel marketing programs to take advantage of optimizing revenue at the right time throughout the customer life cycle.

The net effect will be to demonstrate how today's marketing organizations can develop multi-channel marketing campaigns at the right time to spur higher quality leads, sales ready leads, and ultimately buying opportunities.

Zeroing in on the Customer Life Cycle

In developing multi-channel marketing strategy and executing campaigns, most marketers profess to be very customer-centric. But often that customer centricity is very linear. It views the customer typically in the context of new customer acquisition, and there usually is homogeneity about the interaction, e.g., disproportionate spend on one marketing channel or a lack of insight on how the customer wants to interact with the brand.

According to Forrester Research (Customer Life-cycle Marketing Demands New Metrics, February 8, 2011), a customer life cycle approach forces the marketer to think about the customer's buying process along four key dimensions:

1. Discover
2. Explore
3. Engage
4. Buy

Figure 1: Forrester Research defines the customer life cycle in 4 stages.
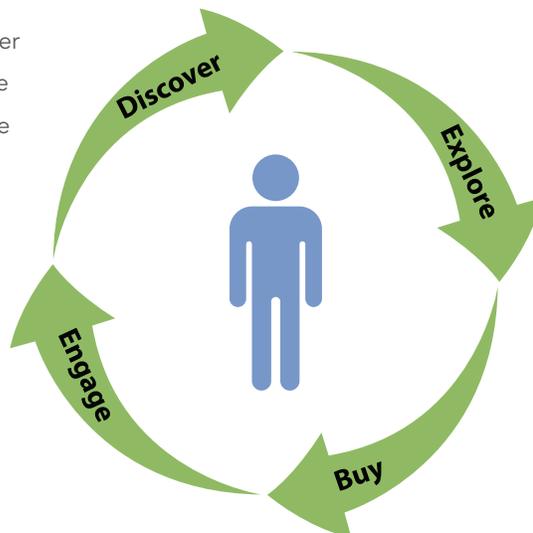
[Source: "Customer Life-Cycle Marketing Demands New Metrics," Forrester Research, Inc., February 8, 2011]

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> The only way to create and drive an effective multi-channel marketing strategy is to build it from the *outside in* – through the customer life cycle, mapping the various stages to your customer buying behavior, channels, platforms, and data sources.

These four dimensions represent different strategies, channels, and forms of customer interaction and buying opportunities, e.g., discover and lead generation, explore and lead nurturing, engage, and buy (new customer or up-sell /cross-sell). Over 70% of all buyers want to interact with brands across different channels, depending on their buying stage.[1] Adding to this complexity is the stratification across interaction platforms, e.g., tablets, mobile, laptops, PCs, and kiosks, and voluminous customer data sources across and outside the organization.

The only way to create and drive an effective multi-channel marketing strategy is to build it from the *outside in* – through the customer life cycle, mapping the various stages to your customer buying behavior, channels, platforms, and data sources. By using the customer life cycle approach, marketing and sales are also able to create a far more effective closed-loop sales and marketing system that ensures the two functions are aligned throughout the entire buying process (and beyond) while providing prospects and customers with the right offer at the right time.

The combination of buyer behavior, channels, platforms, and data sources around the customer life cycle also contains the necessary information to drive a much more effective multi-channel marketing strategy based on right time revenue optimization. Right time revenue optimization in this instance, using the customer life cycle as a basis, extends to sales and marketing. This creates a holistic, heterogeneous approach to engaging buyers, on their terms.

Where to Start in the Customer Life Cycle

The most obvious place to begin multi-channel marketing is with lead generation. This is especially true of marketing organizations that are totally driven by selling more products. At this juncture, marketing organizations often set up their outbound channels, i.e., email, events, and inbound channels, SEO, pay-per-click, and social media, to drive the most leads into the top of the sales funnel or to create buying opportunities in the case of B2C. However, an initial mistake marketing organizations make in taking this approach is a failure to review their customer interaction history. This history, with the idea that past behavior is the best predictor of future performance, guides the marketing organization toward the right combination of channels to use in their multi-channel marketing lead generation effort. To evolve toward right time multi-channel marketing, the marketing organization also

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needs to redesign organizational processes to map to the channels, determine information and technology needs, and put performance measurement in place. (See our white paper, *Marketing Strategy Transformation: A Critical Step to Multi-channel Marketing and Right Time Revenue Optimization*.)

The lead nurturing and lead qualification stage of the customer life cycle is part of the continuum toward producing sales qualified leads to create buying opportunities. Again, customer interaction history is critical. While leads may be initially generated through email, events, or a variety of inbound channels, this stage may see more time spent on the Web site downloading various forms of content, interactions in online groups looking for customer references, discussions with sales, or continued receipt of email campaigns with new offers. In this stage, since the type of interaction is different, i.e. a potential greater readiness to buy, so are the channels needed to reach and cultivate them. To bring these two elements together, marketers must carefully map their campaigns, i.e., channels, content, and offers to the stage.

Similarly, the buying stage also has room to leverage multi-channel marketing. Although in this stage the prospect is generally engaged with sales, there is still opportunity to leverage marketing channels to support the sales effort through customer references within social media and email campaigns that message directly to the buyer to build confidence in their prospective purchase.

Next Steps

So far we discussed why the planning of multi-channel marketing campaigns against the various stages of the customer life cycle, using customer interaction history, is critical. For many marketing organizations, the next big challenge is to use customer interaction history in more sophisticated ways, as customer intelligence, to evolve to right time multi-channel marketing.

Customer intelligence associated with buying behavior, traditionally viewed as a linchpin in B2C, is of increasing importance to B2B multi-channel marketers. Many B2B sales are complex, and require taking different corporate roles into account, whether based on economic, user, or technical influence. These different buyers engage the B2B brand across multiple channels including direct sales and customer service. The advent of widespread channels to access brand information for B2B

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and B2C, and the ubiquity of sales force automation and service systems, make it an imperative to leverage buyer behavior as part of customer intelligence in multi-channel marketing.

At the most basic level, there are two types of customer intelligence multi-channel marketers need to consider when leveraging buying behavior – account penetration and market penetration. The former focuses on customer retention or brand loyalty, while the latter is critical to new customer acquisition. In each case, multi-channel marketers must take their organization's business objectives into consideration, rather than assume that new customer acquisition and increased market share is the defining corporate goal. There have been several instances where Extraprise clients have competed in mature markets, increasing market share marginally. But, by formulating a specific strategy around account penetration, they have significantly grown their company's top and bottom lines, fueling new sources of growth.

Applying customer intelligence to an account penetration strategy leveraging multi-channel marketing yields the following types of information:

» How many customers do I have, what do they look like, what have they purchased, where did they purchase it, and what is their purchasing behavior?

» For B2B customers, do we have Net Promoter Score data? How does that data compare to the customer's purchasing and service history? What buying opportunities and through what channel are the result?

» What is the measure and level of product and service saturation generally within your customer base and by specific customers? Does this information change new product development plans?

» Are there correlations between customers who are low volume purchasers vs. the high volume ones? What can you learn from the latter to offer to the former to improve saturation?

» How can you tell from a contact's interaction and, if appropriate, purchase history that the person may be ready to buy your offering or something like it?

» What are the hidden patterns of customer behavior that might indicate attrition before it takes place?

» Who are the customers who might respond to offers and messages that could help smooth out seasonal revenue variations?

Note a couple of key considerations in patterns emerging from the above questions and the intelligence that is implicit from them. First, customer service, sales history, online support communities, and user groups are all fruitful channels for a multi-channel marketing strategy to drive account penetration. Given that these channels produce live interactions and that ample customer intelligence exists to create a message and drive an offer, optimizing revenue at the right time can become core to your multi-channel marketing to penetrate an account. Second, implicit in the above questions is the need to engage existing customers at every stage of the customer life cycle. Indeed, existing customers can work their way through the customer life cycle all over again, culminating in a new purchase, and in the process, solidify their brand loyalty based on their level of interaction with you.

The buying behavior principles of account penetration carry over to multi-channel marketing for market penetration. In fact, building a data strategy around optimizing account and market penetration yields competitive advantage.

Right Time Multi-channel Marketing

In moving to right time multi-channel marketing, we've explored the need to start with a customer-centric approach through the customer life cycle, moving from lead generation to nurturing to buying opportunities, while also leveraging buying behavior. One critical customer intelligence step for the multi-channel marketer is monitoring buyer behavior across channels.

Taking an account penetration and a market penetration approach to multi-channel marketing is critical strategically, and it will map to your marketing objectives. But, applying customer intelligence to how your marketing channels are behaving and performing is critical.

Again, let's go back to the customer life cycle. We know in the initial phases of more effective multi-channel marketing that applying customer interaction history to lead generation, nurturing, and the buying stage will help improve campaign results and dictate what channels to implement. With more sophisticated customer intelligence, we'd like to evolve much closer to right time multi-channel marketing. Here, customer intelligence makes a huge difference because patterns can begin to emerge for segments of customers within channels at different buying stages. Knowing,

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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.

for example, that a particular type of buyer, i.e., based on a role within a particular industry, spends time on an online community and weighs the recommendations on products of other peers in his or her industry can help drive a social media channel strategy. Similarly, to make email marketing a more effective channel, it might be important to understand that a certain type of content works better than another during the nurturing stage, e.g., a newsletter vs. a white paper. Accumulation of that data over time and analyzing it against metrics that show when buyers go to the next stage begins to provide customer intelligence that demonstrates when is the right time to market to those types of customers.

Conclusion

Many marketing organizations believe today that multi-channel marketing strategy is about brainstorming ideas, assigning responsibility for channels, integrating marketing automation and sales and service systems, and executing and reporting on campaigns. To fully optimize revenue and gain a competitive advantage, marketing organizations must take a step back and fully understand the customer life cycle in their market. It's then important to take an evolutionary approach, treating multi-channel marketing as a journey, where the use of customer interaction history leads to more sophisticated forms of customer intelligence. Only then can marketers achieve right time multi-channel marketing and revenue optimization.