RIGHT TIME REVENUE OPTIMIZATION

# How to Start Using Customer Intelligence to Optimize Revenue

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Most marketers would be very surprised to learn they are sitting on a treasure trove of customer intelligence in the form of their existing data.

## 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 that using customer intelligence is an evolution, not a revolution. Start with the data you have today around customer interactions and begin getting the answers to the most basic questions about your customers.

3. Continue to evolve your use of customer intelligence, but understand the signs of when it is time to implement a marketing database, e.g., customer interactions from a large number of sources, more sophisticated requirements for firmographic and demographic data, the need for multi-channel campaigns at different stages of the customer life cycle.

4. Don't assume a marketing automation system is your marketing database. It's a start, but it is part of the evolution.

5. Recognize the need for more sophisticated customer intelligence based on what your interaction history is telling you, and evolve toward the use of a customer intelligence system.

6. When evolving your customer intelligence needs, and making the decision to implement a marketing database and customer intelligence system, take into account your customer interaction model, organizational design, information and technology, and performance measurement.

## Introduction: Evolution not Revolution

Marketers embrace the need for customer intelligence to provide them with actionable insight to optimize revenue. But many view creating customer intelligence as costly and complex. The issue isn't whether customer intelligence is necessary; it's what kind of customer intelligence do marketers need to achieve their business objectives at any point in time. Defining the issue that way enables marketers to treat customer intelligence as an evolution, rather than a revolution. Taking this approach enables marketers to think

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about using their existing data as customer intelligence, learn from it, and then incrementally improve upon it over time. As they learn and achieve results, marketers will discover the benefits of database marketing, applying customer intelligence in more meaningful ways, and begin the execution of multi-channel marketing campaigns, at the right time, and in the right places, to optimize revenue.

## Sitting on a Treasure Trove

In our white paper, Marketing Strategy Transformation: A Critical Step to Multi-channel Marketing and Right Time Revenue Optimization, we speak about elements of creating a marketing strategy for multi-channel marketing as a journey rather than a destination. The same principle can be applied to the use of customer intelligence. The key is to begin the journey.

Most marketers would be very surprised to learn they are sitting on a treasure trove of customer intelligence in the form of their existing data. Whether all of that data is readily accessible, inaccurate or complete is not the point, nor should it hinder you from beginning your customer intelligence journey. What is there is actionable today, right now. Even the simplest marketing campaigns produce customer interaction history that qualifies as customer intelligence. For example:

» What is the most popular message or offer to a particular type of contact?
» How many contacts actually responded to the message or offer?
» Which channel was the most effective?

Those basic questions begin to paint a picture around customer intelligence that tells the marketer who is typically responding to my campaigns and how? What is the best way to engage them? Is this the best market segment? In this simple example, a marketer would form the beginning stages of segmenting, profiling, and interacting with customers the way they want to buy from you. Isn't that a basic definition of multi-channel marketing?

A key decision at this early stage of using customer intelligence is to keep asking questions about the attributes of your customers, factoring that knowledge into your campaigns, testing what you've learned, and measuring the results. Taking this systematic approach, most marketing organizations soon become "hooked" on the

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value of the data and the results it can drive. As a result, their customer intelligence requirements increase tremendously and they soon begin to think about ways to organize that data for maximum benefit.

Progressive marketers learn and grow from the results of their campaigns, and they seek to take a more systematic approach. Others, while acknowledging the need, hit a data wall. Their existing systems aren't able to accommodate the evolution of their customer intelligence requirements.

## The Next Step: A Marketing Database

Marketers know they are ready for a marketing database when they need:

» To manage (clean, de-duplicate, standardize, merge, purge, consolidate, and augment) responses and other marketing interaction data that are generated from a myriad of online and offline sources

» More complex firmographic and demographic segmentation and profiling to increase leads, incent buying, or take advantage of significant up-sell and cross-sell opportunities

» To use more sophisticated segmentation and profiling to drive campaigns and offers to the right buyers, at the right time, and in the right places

Marketing's first inclination to implement a marketing database is to turn to the IT department. Beyond the considerable backlog that most IT departments face, this approach eventually results in the development of a standard database based on technical considerations that do not meet the unique design requirements of a marketing database. Instead, marketing data marts need to be designed to support the:

» Programs and campaigns that are to be executed

» Customer analytics and performance reporting that are required

When the marketing database is complete, it can immediately be used to execute pilots and, then, full programs and campaigns to start generating revenue.

Finding, winning, and keeping customers is increasingly reliant on utilizing more sophisticated forms of customer intelligence.

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> Greater use of customer intelligence enables learning more about your business and your customers in real time to pursue revenue now.

Another mistake marketing departments often make is assuming that their marketing automation system is a marketing database. Marketing automation systems may capture marketing data, and they do provide some capability to access and act on that data, however these systems often lack the capabilities to manage data from hundreds of sources, e.g., sales, service, finance, manufacturing, the Web, ecommerce, and channel partners, and to perform more advanced targeting and analysis.

In keeping with the approach to evolve toward increasingly sophisticated uses of customer intelligence for multi-channel marketing, the implementation of a marketing database is the next step. It provides the capability to integrate with a customer intelligence system that has the capability to analyze very large, complex amounts of data all in one place. Marketing automation systems do not have extensive capabilities in this area.

For example, in B2B, there is a rich trove of untapped intelligence from marketing, sales, and service. This data includes not just simple transaction information about product purchases and shipment dates, but also details concerning customer interactions, product installation, product use, and service calls. Locked in the raw data about a customer's behavior are important insights about their interactions, which is significantly more actionable through a marketing database integrated with a customer intelligence system.

Similarly, in B2C, behavioral data is being leveraged as intelligence derived from many of the new channels that consumers wish to engage and interact from, i.e. social media and mobile. The dynamics of the buying cycle are much faster in B2C, and require the need for a marketing database and customer intelligence system to exploit the changes in the data.

Extraprise believes that the best predictor of future behavior is past behavior.

## The Value of More Sophisticated Customer Intelligence

Finding, winning, and keeping customers is increasingly reliant on utilizing more sophisticated forms of customer intelligence. As marketers evolve their use of customer intelligence and build extensive interaction history through their campaigns,

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they begin to see the value of the data they've accumulated and how they can use it in multi-channel marketing.

Three important factors bringing greater use of customer intelligence to the forefront include:

1.  Data is exploding at a nearly 1000% increase in the last five years[1]

2.  Social media and mobile communications are driving data explosion

3.  Cloud computing and associated technologies, i.e., social media listening platforms, marketing automation systems, and sales force automation, are making data more accessible and actionable.

The tsunami of data available on buying behavior is positioning customer intelligence at the forefront of new multi-channel marketing initiatives. Marketers are moving beyond simple demographics and firmographics and taking a deeper, holistic view of customer intelligence, spanning segmentation, profiling, market penetration, and behavior, answering the most important questions about your company and your customers:

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

» What is the measure and level of product and service saturation generally within your customer base and by specific customers?

» How do you identify those customers who have bought some of your products and services but look like those customers who have bought a lot of your products and services?

» 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?

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Figure 1: Right Time Revenue Optimization.
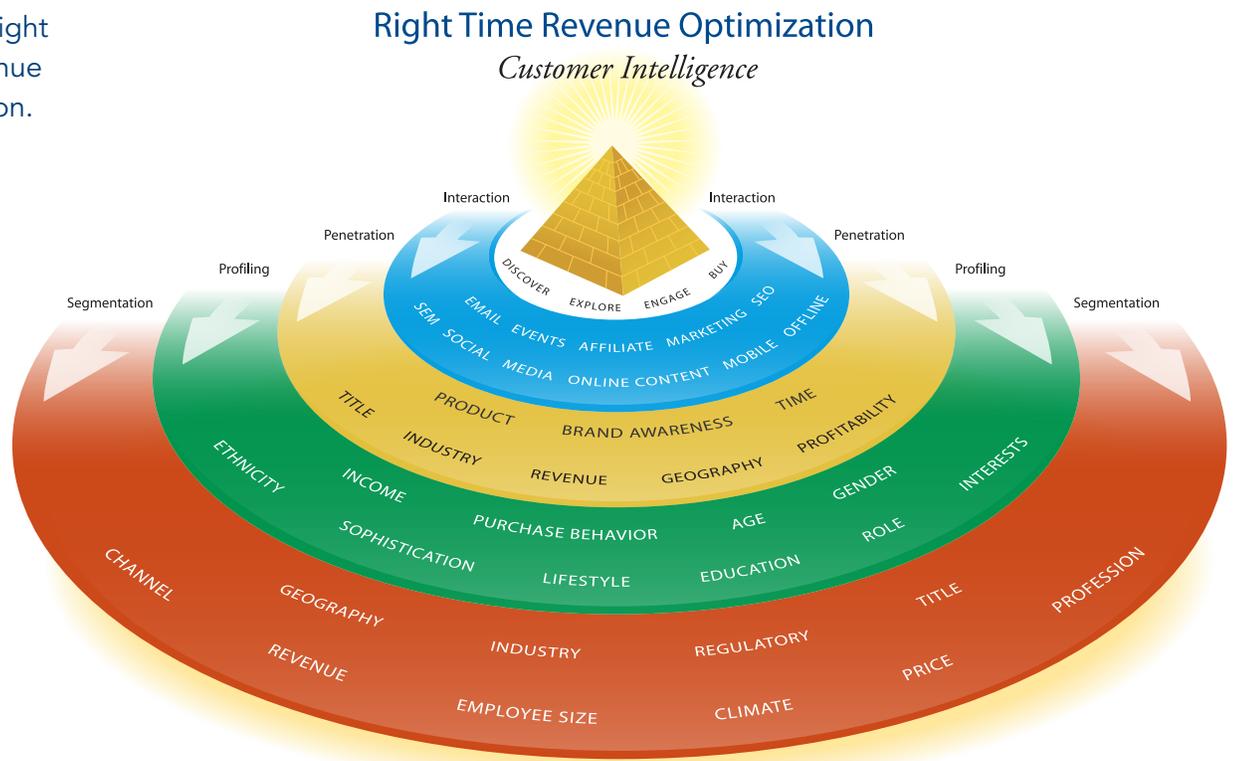


Right Time Revenue Optimization
*Customer Intelligence*

Greater use of customer intelligence enables learning more about your business and your customers in real time to pursue revenue now (see figure 1).

# Evolving the Use of Customer Intelligence for Right Time Revenue Optimization

How does marketing evolve to more sophisticated uses of customer intelligence to optimize revenue? When a marketing organization makes a decision to move forward on building a marketing database, it really needs to take the following into consideration:

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

These elements form the foundation needed for effective execution of the multi-channel marketing strategy, embodying people, process, and technology.

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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.

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.

## Conclusion

The use of customer intelligence is part of a journey and not a destination. The journey involves a specific plan toward realizing the use of customer intelligence to drive right time revenue optimization, which will dramatically increase the probability of customers purchasing in a shorter period of time. However, marketers need to begin that journey by using the data they have available today to drive significant, incremental improvement of revenue results. This approach will create the necessary experience, understanding, and additional accumulation of customer intelligence to optimize revenue.

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