



MESSAGE FROM THE LBM CEO – MARK BATES



Mark Bates

For this issue, I want to talk about the data challenges facing businesses that need to contact customers and prospects by telephone.

10 years ago, outbound activity was dominated by cold calling and inbound calling was a routine and impersonal service. Things have moved on since then.

Nowadays cold calling is virtually non-existent; driven not just by regulatory pressures and TPS, but also by the fact that it is becoming increasingly difficult to operate economically. Consumers don't appreciate those unexpected and ill thought out calls, whilst conversions are inadequate to support contact centre business models.

It's because of this need for compliance that outbound sales calls must now be preceded with a permission to call – whether that permission is created by previous contact, for example a visit to a website or shop, or by another means.

Initial permissions obtained via these methods must be appropriately managed before the foundations of a robust marketing data asset can be realised. It's only then that long term customer relationships can be nurtured and developed. Engaging with consumers in this way through their preferred method of contact will also generate higher response rates to your marketing campaigns, and deliver greater ROI.

The building of these marketing data assets can also have a positive impact on the performance of inbound

calling activity, and ultimately the customer experience. Hence, an increasing percentage of inbound calls can be matched to consumers about whom a great deal is already known, making it possible to route and handle calls on an individual basis.

So, for both inbound and outbound calls, we can move from the scenario where customers find contact to be impersonal and irrelevant and, in the case of outbound, unwanted and intrusive, to a scenario where more calls are:

- Anticipated (or expected) – people look forward to hearing from you
- Personal - the message relates to the individual, or demonstrates knowledge of the individual
- Relevant - the message is about something that the consumer is likely to be interested in

Therefore, the most effective contact strategies are likely to be based on a well managed and well thought out data strategy to build a long-term, permission marketing asset - ideally delivered by the same partner or in-house team who are responsible for your contact strategy. The provision of raw data to fuel direct marketing activity is not enough. Highly skilled data and analytical expertise is required to build and manage data assets to secure the long-term success of your contact strategy.

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ARE YOU GETTING THE MOST FROM YOUR B2B DATA?

Data is an organisation's window on the world they inhabit and getting a clear view has never been more important – or, fortunately, more accessible.

Increasingly we are seeing organisations harness data visibility to drive more effective outbound marketing campaigns. This is fundamentally shifting data's role from a support function to one which critically shapes activity from the outset.

The most successful marketing delivers a well-honed message to the right audience, at the right time and, increasingly, via the most appropriate medium. Getting this right in an ever more crowded space means combining the 'art' of carefully crafted campaigns with the 'science' of smart, dependable data.

This recipe has never been more critical for business customers. As Chris Combemale, executive director of the Direct Marketing Association UK puts it: "...above all (businesses) respond best when the communication is timely, relevant and targeted. This should be at the forefront of every marketer's mind in these tough trading times, as they fight to retain customers and win new ones."

But marketers face a further dilemma – how to do more – improve engagement with the right prospect, whilst at the same time reducing costs in the face of budgetary constraints?

Fortunately most organisations already have the building blocks – powerful customer insights in the form of data they hold about their customers or prospects. Unfortunately extracting useful marketing information from this data often requires new approaches, processes and skills.

CLARITY DELIVERS CONFIDENCE

Data is the raw material of any successful campaign but before you can harness it effectively you need to manipulate it. And because it comes in varying degrees of quality – and gaps etc – data cleansing, validating and profiling is imperative. In fact in a recent BtoB Online Magazine study marketers listed 'better quality data' as one of their top four priorities along with lead generation, measuring ROI and segmentation and targeting.

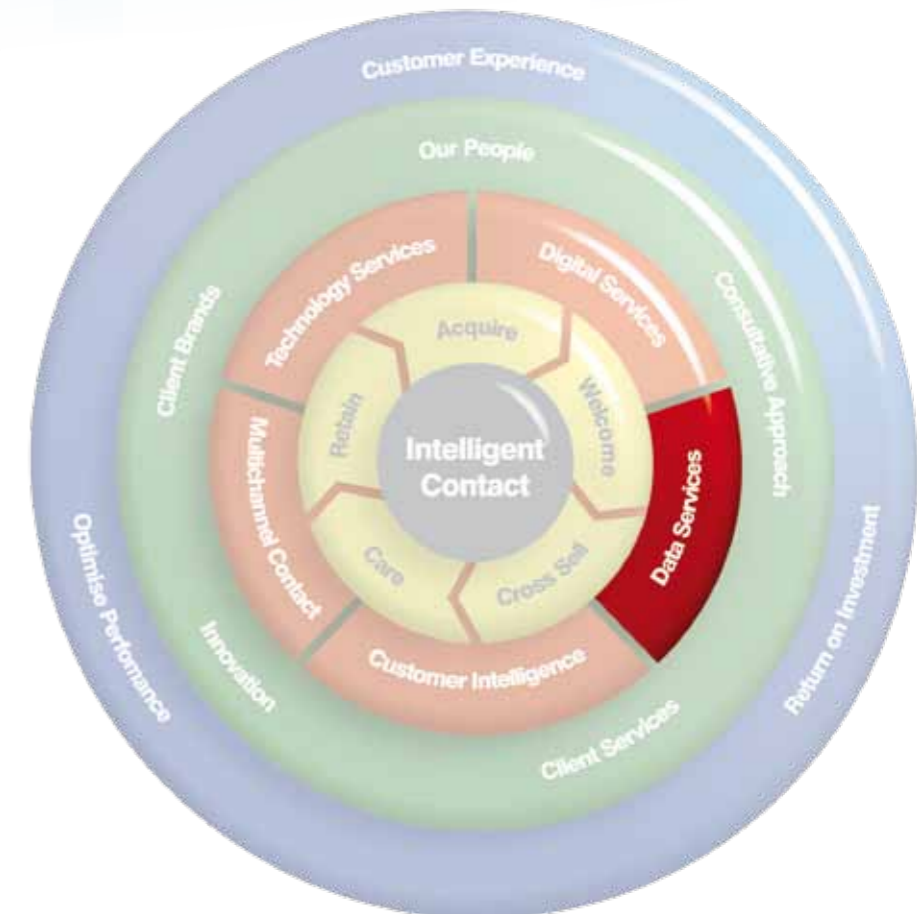
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THE TOP THREE QUESTIONS AN ORGANISATION SHOULD ASK ITSELF ARE:

1. Are we using the right selection criteria to ensure we are targeting the right people?

Consider segmenting the data into useful demographics such as size, sector or value and run different modelling processes to create segments based on various stimuli to help sharpen your creative campaigns.

2. Do we need to buy additional data to gain a complete view?

Is your view of the ‘truth’ the most complete it can be? Ensure that you are not making assumptions based on a partial view and consider the value of complementary insights that new data can bring.

3. Can we ask more creative questions of the data – can we cross-refer with other insights we hold to maximise our outbound campaign?

Your data may be accurate but what happens if you introduce a different way of analysing it – for example introducing an ‘anticipated renewal’ field into a list of prospects – could this improve the prioritisation when looking for new opportunities?

SYSTEMS AND PROCESSES

External specialists with the scale and expertise in provisioning bespoke data can of course provide additional analysis and the supporting tools and processes needed to harness information effectively.

But this isn’t the same as simply ‘buying the right data’. To ensure a campaign is successful it’s critical to discuss strategic objectives and desired outcomes from the outset, working with your data provider to ensure that the information is tailored to meet the need, compliant with intended use and future proof for any subsequent extension activity.

Addressing these questions with your data provider at the earliest stage will, in our experience, improve confidence levels and nurture creative, longer-term and joined up campaign thinking, improving return on investment.

So do you think you are ‘...getting the most from your B2B data’? Well if data is an afterthought or isn’t truly shaping your marketing activity then the answer is probably ‘no’. Perhaps its time to ask ‘can data help us to go further for our clients and more effectively shape outcomes?’

It’s time to move data up the agenda.



ARE YOU USING ANALYTICS TO DRIVE CUSTOMER EXPERIENCE?

If you knew more about your customer would you treat them differently? Would you change the channels you use to communicate with them or your tone of voice when you talk to them? If you could anticipate their needs because of this insight would you develop bespoke propositions, to target higher-value customers above the mainstream majority?

Of course you would. And now you can.

Smarter analytics can help you understand increasingly complex customer behaviours that can take place at any time of day and point on the globe through an ever-expanding range of devices and channels. Responding appropriately to these engagements will not only improve the quality and efficiency of the contact but it can also be used to shape the entire customer experience that sits behind it.

GETTING THIS RIGHT MEANS FOCUSING ON FIVE KEY AREAS;

1. Understanding customer behaviours, preferences and expectations

It's vital to understand how your customers act. Are there spikes of traffic on a Friday evening or lunchtime on a Wednesday? Or do you see a huge increase in inbound enquires around the end of the month on payday? And as well as observed behaviour, have you asked your customers how they would like to engage? The growth in online banking for example was in part driven by the realisation that most people didn't ever want to speak to a bank let alone visit one.

2. Improving self service

The power of smart analytics is that it can highlight shortcuts and help empower customers. If you see web contact preceding an inbound call you can scrutinise behaviour patterns and introduce self-service options. Web chat – supporting customers in a highly engaged way often at point of purchase is also a way of improving the customer experience and avoiding a dropped basket or a frustrated additional request for help. This reduces inbound traffic and an unwelcome hurdle for the customer. It can cut costs dramatically too.

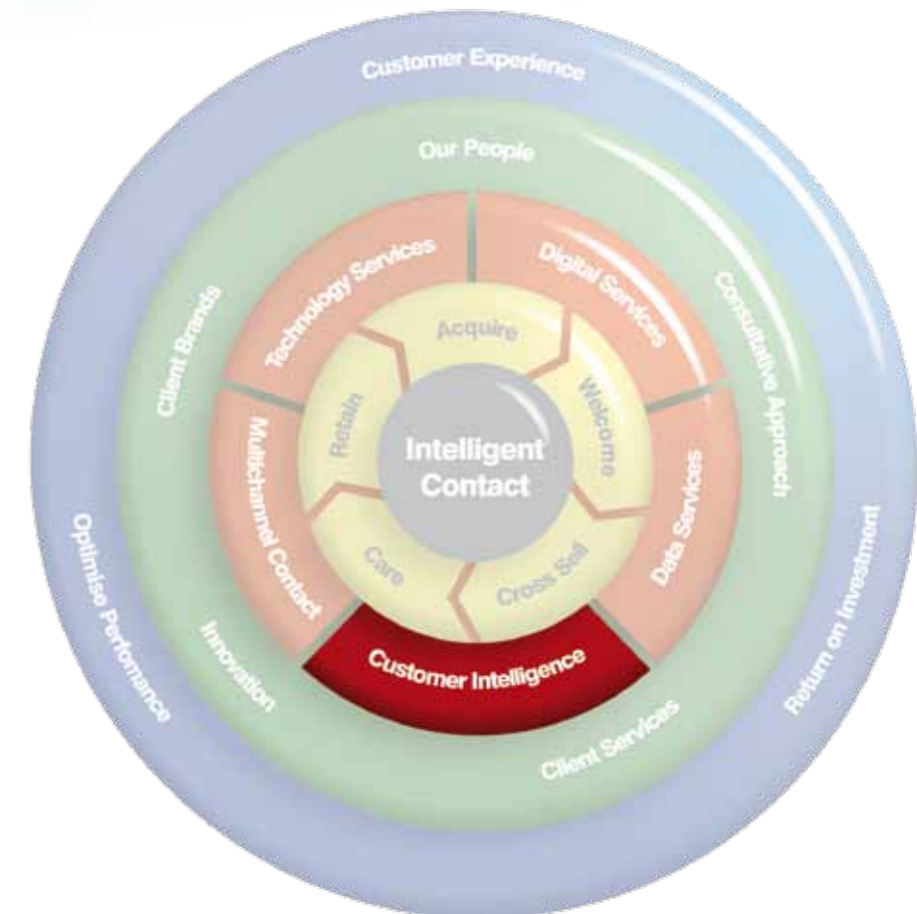
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3. Understanding customer value

Once you truly understand your customer you can devise effective cross-sell and up-sell strategies. Smarter analytics take the guesswork out allowing you to model responses to different stimuli, tailor bundled offers as well as devise affinity campaigns all based on observed behaviour over time. Thankfully feedback can be scrutinised in real time allowing you to shape the customer communications and maximise your campaign's ROI.

4. Recognising drivers of churn

“Retention and improving loyalty requires a far better understanding of your customer than acquiring prospects” Forrester Research (Searchcrm.com. Taking action on analytics: Using data for customer loyalty and retention 2010).

Fortunately new analytics techniques can pick up where traditional questionnaires leave off. The growth in customer data means it's now possible to identify previous satisfaction levels, historic engagement activity and propensity to churn. This will not only help identify drivers of dissatisfaction but can enable you to intervene to prevent it. Conversely it can identify those expensive to serve clients and can ensure that you don't over invest in retention where it makes little sense.

5. Help to identify new channels

Once you have an analytics framework in place you can easily test new channel strategies – for example migrating a sample of your customer base and trialling new approaches such as web chat, dynamic email management or even video. The responses can then be modelled against customer segments to understand the reaction by each group – improving outbound, intervention and complaint handling strategies.

Smarter analytics sharpens every engagement and while it won't remove the need to be responsive it can give you a clear competitive advantage – helping you anticipate, respond and delight your customer.

Once you have determined your target outcomes, smarter analytics will allow you to work back and match the optimal channel with each customer demographic. This will reduce wastage and improve your ROI, but its benefits can go further. By better understanding the impacts of your interventions you have the ability to optimise the customer experience using more sophisticated feedback tools. Put simply, you can ensure that you evolve and respond to ever-changing customer requirements, increasing the value of each engagement. Thanks to analytics, you've never known your customer better.



IS YOUR ORGANISATION READY TO BEGIN SOCIAL RELATIONSHIPS?

How should organisations embrace social media to engage current and prospective customers across their entire lifecycle?

Using social media is essential in engaging with today's tech savvy, time poor consumers. But it takes more than simply setting up a Facebook page to implement a social media strategy. And of course once you start you have to be ready to react – and fast – to your customers.

Many of us appreciate the role of social media when we are researching, reviewing or interacting with an organisation. In many ways it's obvious – as a consumer you reach for the simplest and most accessible channel when you need to reach someone or learn something new. For many people this means digital.

In fact a recent poll found that 15% of consumers admitted to having been influenced to make a purchase by adverts, groups and discussions on social networking sites (source: The eCustomerServiceIndex (eCSI), 11/06/11). In fact according to Ofcom a staggering 48% of UK adults said they used social networking sites in the first three months of 2011.

So why do so many organisations struggle to optimise the use of social media channels across the entire customer lifecycle? And why, when the benefits are so significant, do many solutions feel supplementary, at arm's length and not fully integrated with other channels?

SOLVING THIS DILEMMA MEANS ASKING FOUR IMPORTANT QUESTIONS:

1. Who do we want to reach – are our targets older, younger, time poor, content rich?
2. What do we want them to feel, think and do – do we want to move people onto digital channels or do we want to build a two-way dialogue?
3. How does this group currently use digital channels – is there a networked/social community we can harness or is this a simple use of digital to streamline one-to-one contact?
4. What tools, be this special offers, online vouchers or dedicated micro sites for example, can be most effectively used to support the acquisition of customers, cross selling and up selling to them as well as retaining them in the social space?

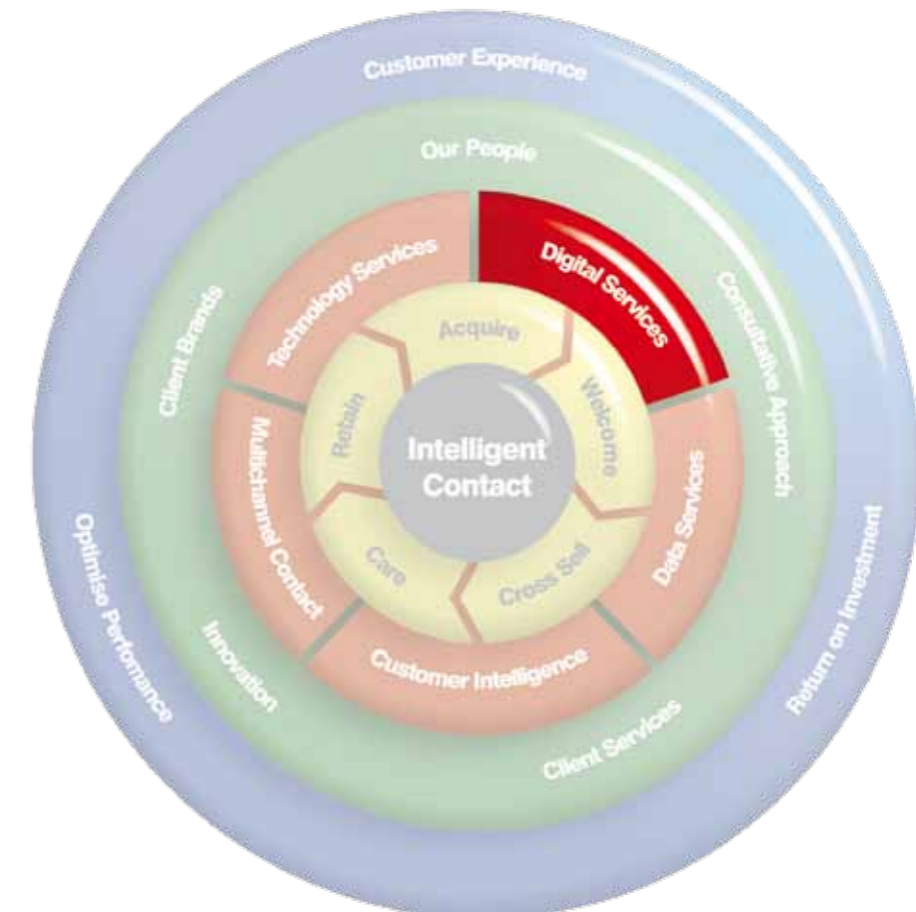
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The answers to these questions will shape your entire social strategy – from a very simple social media presence – closer to social advertising – through to more complex social community engagements which could see your brand hosting unmonitored peer-to-peer customer connections. In simple terms – from Levi's allowing customers to "like" and post comments about products straight to their Facebook wall through to Apple's Support Communities where Apple users across the world can share tips and solutions with each other.

Social media channels have a major advantage over traditional customer routes – they generate real-time data. This can be shared across the business to provide an invaluable dashboard on everything from the sentiment of a customer group through to feedback on a product's performance or the complexity of T's&C's on a new promotion. Smart organisations embed this 'feedback loop' into their social media strategies from the outset.

Of course being social means both communicating and responding, but sadly many organisations still see it as an opportunity to 'transmit' to groups of people. And you must be prepared to react and listen to your customer in a time frame very much smaller than traditional communications channels. In fact research shows that one in five consumers who complain to brands via Twitter or Facebook want a response within the hour (Source: Lightspeed Research and the IAB, 12.01.11).

With over a quarter of adults and almost half of teenagers now owning a smartphone, many consumers can also do this from anywhere, at any time. Organisations aren't set up to work this way – responses are often measured in days or weeks, not minutes or hours – so expectation management is vital both inside and outside the company.

So going back to the original question, how should organisations embrace social media? What is clear is that an organisation needs to fully understand its customers and what they are already doing in this space. Only then can they develop a clear strategy with measurable goals to ensure social relationships can benefit them. More importantly, it is vital to ensure an organisation has the proper resources in place to service 'social' and deliver a consistent customer experience across all channels. Embracing social media without this could in fact do more harm than good.

