Marketing. Changed Forever.
Cross-Channel Lifecycle Marketing
for Today's New Marketer

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with Heather Blank

Today's business environment has changed. Consumers are more dynamic, informed, and unpredictable than ever, and they use more interactive channels – including email, mobile, social and the web – to inform and execute their buying decisions. To be successful, marketers must be ready with relevant marketing at a moment's notice, whenever and wherever consumer behavior and preferences dictate. Cross-Channel Lifecycle Marketing provides marketers with a more nimble, holistic approach to planning and executing marketing programs that deliver greater customer value and higher revenue.

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Customers and buying behaviors have changed forever.

When was the last time you watched live – not recorded – TV at home, let alone sat through a commercial? When was the last time you answered your home phone after 7:00 p.m. and actually talked to a telemarketer? Can you recall the last piece of direct mail you saved?

Now consider how often you check your email. How lost do you feel without your mobile phone at your side? How many friends do you have on Facebook, and when did the nine-year-old next door start blogging?

In the past, television and direct mail were considered the killer outbound marketing channels, while call centers and stores were the primary inbound channels. But today the Internet has become such a huge part of everyday life, for consumers and marketers alike. It's difficult to imagine shopping, working, reading, banking, job hunting or social networking without it. And it has forever changed the way people buy and sell products and services.

The nature of relevance has changed forever.

Today's consumers have more options and higher expectations than ever before when it comes to the way they interact with companies. They are more technology-savvy and use the key interactive channels – email, mobile, social, and the web – practically simultaneously. They are more sophisticated about marketing, too, and know that marketers are constantly collecting data about them – detailed data about when they are online, what they click on, what they buy online, what they buy offline, what they don't buy, and more. They expect marketers to use this data to make marketing messages more relevant.

But today relevance isn't just about sending the right messages to the right people at the right times. It's also about sending them through and across the right channels. And with the growing adoption of emerging technologies, such as social networking, consumers now expect to find relevant information not just in their inbox or on a web site but in whatever channel they decide to use, whenever they feel like using it. Marketers must contend with an unlimited number of possible interaction points with – and among – customers, and they are no longer in control. For the new cross-channel marketer, inbound and outbound channel usage is now dictated by individual customer behavior and preference.

Most marketers already understand the value of using customer behavior and preference data to drive email message content and timing for greater relevance. But as relevance itself is being redefined to include channel usage and preference data, email marketers must now think of digital marketing more holistically, starting with permission.
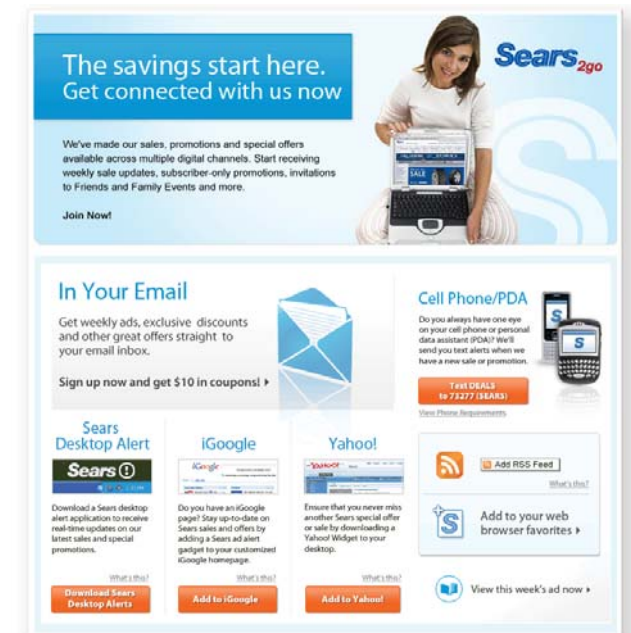
Sears captures permission across multiple key interactive channels.

Permission is key, but not just for email any more.

Email marketing was founded on the principle of permission. But today, permission forms the very basis of all online relationships, not just email. Marketing across mobile, social, and web channels also starts with permission, and only with permission can marketers begin to communicate with the new cross-channel customer in a known, personalized way.

Traditional, acquisition-oriented marketing campaigns, such as targeted search or online advertising, are designed to drive consumers anonymously into a "conversion funnel." But conversion rates – typically between one and three percent – are low and drive ROI down. As for the 97 to 99 percent of customers who do not convert, they simply disengage anonymously and are, with any luck, driven back into the conversion funnel at a later time by more marketing spend.

In this traditional model, however, marketers are always starting at square one. With an anonymous audience they can't optimize their marketing messages, let alone their marketing spend, to increase ROI. But with permission to interact with customers in their preferred channels, marketers have greater opportunities to get to know customers, learn what makes them tick, and reach them at the most opportune times.

Marketers will know when Sarah J. Parker clicks on their email. They will know when she is on their web site. They will know when she is online, talking to friends and colleagues about their company. They will have her email address (probably more than one), even her mobile number, and they will be part of her online social network. They will learn which channels she prefers to use when and for what purposes – including interacting with and influencing their brand. And they will know when those preferences change.

Only with permission and a cross-channel, holistic view will marketers be able to reach their customers at the most influential moments of the lifecycle. To adapt, marketers need to rethink the way they approach marketing – one that drives both higher conversion rates as well as higher levels of efficiency, revenue and engagement from this new cross-channel customer experience.

Southwest Airlines uses the mobile channel to acquire email permission.

Marketing has changed forever.

While using a lifecycle model is still the best way to approach marketing, today's new cross-channel customer is online, offline, captivated, distracted, satisfied, annoyed, vocal, or quiet at any given moment. The linear concept of a traditional funnel, or even a succession of lifecycle "stages," is no longer a useful framework for planning marketing campaigns and programs.

Today's cross-channel consumer is more dynamic, informed, and unpredictable than ever. Marketers must be ready with relevant marketing at a moment's notice.

Marketing to today's cross-channel consumer demands a more nimble, holistic approach, one in which customer behavior and preference data determine the content and timing – and delivery channel – of marketing messages. Marketing campaigns should be cohesive: content should be versioned and distributable across multiple channels. Marketers should collect holistic data profiles on consumers, including channel response and preference data, social footprint/area of influence, and more. Segmentation strategies should now take into account channel preferences.

Marketers can still drive conversions and revenue, based on their own needs, with targeted campaigns sent manually, but more of their marketing should be driven by – and sent via preferred channels in response to – individual customer behaviors and events.

How can marketers plan for that? Permission, integration, and automation are the keys, along with a more practical lifecycle model designed to make every acquisition marketing investment result in conversion, after conversion, after conversion.

Marketers may not be in control but they can be ready to respond.

Marketers ultimate goals are to keep customers continually engaged with their brands, so that when customers are ready to buy (or buy again) – or their friends or colleagues are ready – their brands are top of mind, in the right place at the right time. For most marketers, understanding the dynamics of the new cross-channel customer behavior is the easy part. The challenge lies in knowing how to align marketing programs and spend with the most influential moments and channels.

At Responsys, we prescribe an approach, called "Cross-Channel Lifecycle Marketing," that is guided by a set of strategic "loops." The approach is integrated, customer-driven, and nimble to help marketers be ready with the right marketing messages when their customers "tell" them they want them. Marketers always have to be "listening" – collecting actionable customer data – so they know which loop a customer is in at any given time and can respond accordingly with the best marketing.

On the various loops we have already mapped best-practice, cross-channel marketing programs that are proven to drive customers to take a value-creating action, whether it's making a purchase or influencing one.

Unlike a traditional lifecycle approach, where customers are simply messaged differently based on which stage of the lifecycle they are in or how much they've spent, this approach allows for more marketing – programs and campaigns, message content and timing – to be driven by customers themselves. And as customer behavior and preferences change, so can marketing messages. The result: more efficient, effective marketing, and more engaged customers.

The right approach: Cross-Channel Lifecycle Marketing.

Cross-Channel Lifecycle Marketing really starts with the capture of customer permission, contact information, and preferences for multiple channels. It also requires marketers to have the right integrated marketing and customer information systems, so that (1) they can have complete understanding of customers through stated preferences and observed behavior at any given time, and (2) they can automate and optimize their programs and processes throughout the customer lifecycle. Once marketers have that, they need a practical framework for planning marketing activities.

Let's take a look at the various loops that guide marketing strategies and tactics in the Cross-Channel Lifecycle Marketing approach: conversion, repurchase, stickiness, win-back, and re-permission.

The Responsys Cross-Channel Lifecycle Marketing Approach
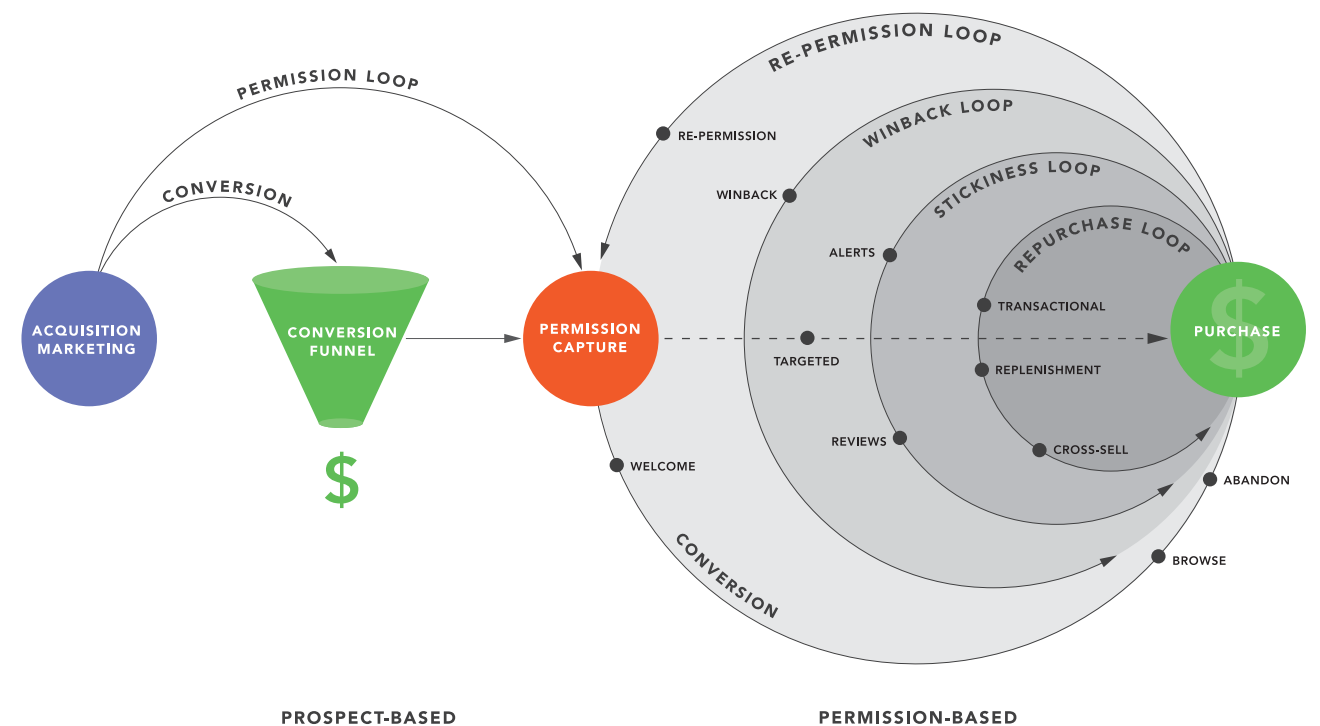
Lifecycle "programs" may be composed of multiple "campaigns" or messages and use multiple channels to engage customers in longer-term dialogues.

For example:

— Instead of sending new email subscribers a single "welcome to our mailing list" message, send three emails, over a span of three weeks, introducing them to products, or services and offering them special discounts or promotions available only to new subscribers.

— If a customer clicks on a link in one email but doesn't convert, trigger another email or mobile message to be sent a few days later with more specific content about the topic or product in which they showed interest.

— After a product purchase, ask a customer via email, social, or mobile message to provide a rating or review for the website or to share their experience with their social network. Trigger an email or mobile alert to that customer whenever another web site user ranks the review as helpful.

Conversion Loop Permission

Permission capture creates an immediate opportunity to influence initial conversion and recapture the 97 to 99 percent of people who were not convinced by generic acquisition-marketing tactics. In this more predictable "conversion" loop, triggered programs tied to welcome, browse, and abandonment activities are proven ways to accelerate a purchase. The messages can be highly relevant – perfectly timed and tailored based on a customer's observed channel behavior and declared preferences in the profile center. It is important to push marketing content to the consumer beyond the inbox. Sale alerts in the social and mobile channels are a great opportunity to drive additional conversion.
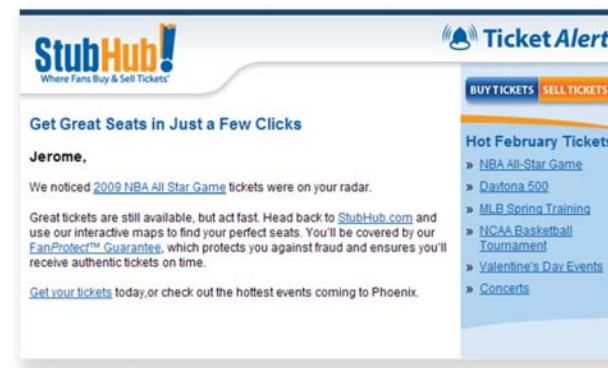
StubHub leverages web behavior to drive more relevant, triggered programs.

Repurchase Loop

Any single purchase creates more immediate and recurring opportunities to influence additional purchases – without spending more dollars on acquisition. In the "repurchase" loop, transactional, replenishment, and cross-sell/upsell programs are the optimal ways to capitalize on the momentum of a first purchase. Transactional campaigns, in particular, are typically high performers since studies show that people most likely to respond to marketing are people who most recently purchased. Replenishment notifications via mobile are an excellent way to communicate with customers beyond the desktop.
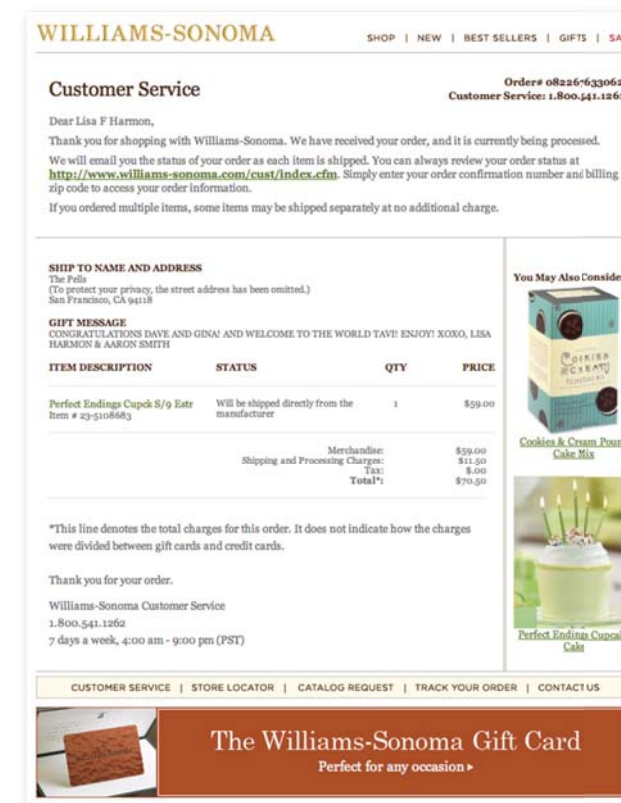
Williams-Sonoma includes additional recommended products as part of transactional programs.

Stickiness Loop

Even if customers aren't in the market to buy now, keeping them brand-engaged is paramount. In the "stickiness" loop, ask customers to participate in polls and surveys or provide ratings or reviews for products and services. Share customer opinions on the web and on social networking sites to influence the purchasing decisions of others. Identify brand enthusiasts and enable them to easily share content via multiple channels. These types of "sticky" programs can not only lead to increased brand affinity but drive additional conversions as well.

Whole Foods utilizes social networks to engage customers and create brand advocates.

Win-back Loop

If interactions with a customer over a certain period of time haven't resulted in conversion or purchase, move the customer to the "win-back" loop. Here, discount, free-shipping, bonus, limited-time, or other special-incentive promotions are proven tactics used to accelerate conversion. Use a well-timed series of messages, with personalized offers delivered to the channel of preference based on level of inactivity to deliver more compelling messages.
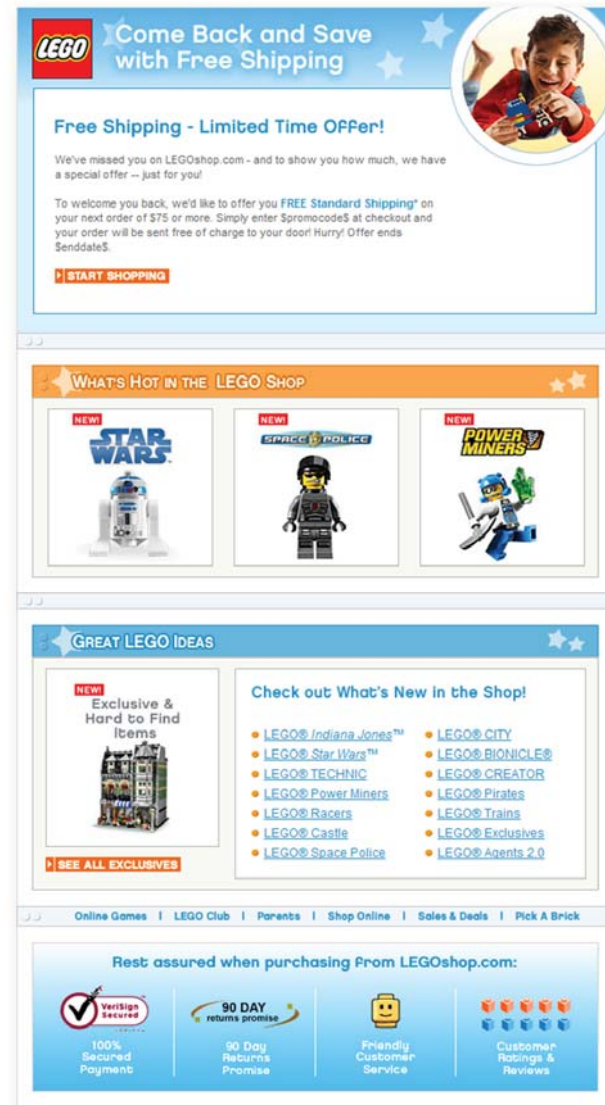
Lego provides a limited-time promotion to re-engage customers.

Re-permission Loop

If a customer has been inactive for an extensive period of time – hasn't clicked on links in emails, taken advantage of special offers, or responded to campaigns in any way – we recommend asking again for permission to continue communication. Re-permission campaigns should be sent via multiple channels to ensure response. Simple personalization and acknowledgment of inactivity are highly effective in not only re-engaging customers but driving new conversions as well.
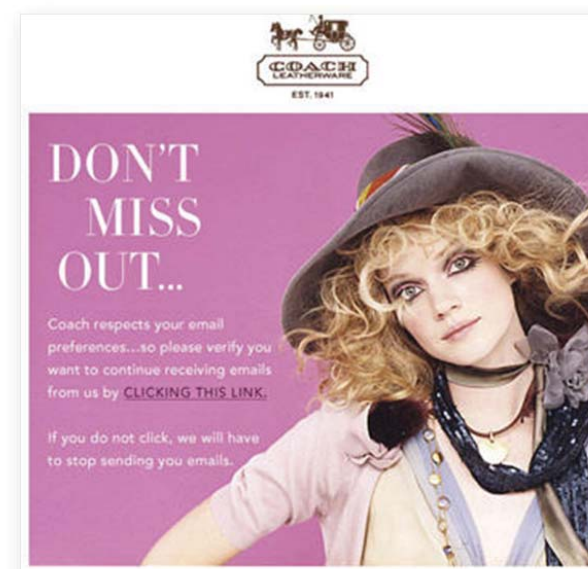
Coach reaches out to customers to maintain their permission.

This Cross-Channel Lifecycle Marketing approach provides a flexible, nimble foundation for both planning and executing customer-driven marketing programs that addresses the changing needs of the new cross-channel consumer. With the right technology and integrated data, marketers can automate the majority of their marketing programs to deliver the best messages at the best times via the preferred channels – on a repeatable, predictable basis.

Win back time for planning, optimization, and innovation.

By design, productivity and efficiency are key advantages of the Cross-Channel Lifecycle Marketing approach. By having a core set of automated programs in place – practically running and optimizing themselves – marketing teams can spend less time on execution and more time on the strategic initiatives relating to segmentation, innovation, and optimization that will make their ad-hoc and recurring campaigns that much more powerful. Segmentation alone can make a huge impact on campaign success, and today most marketers just can't find the time to do it.

With this approach and the right technology, marketers will also be able to adapt and ramp up as new communication channels and touch points gain adoption. The emergence of social networks as a marketing channel is a great recent example. Email recipients and web site visitors are now a click away from sharing marketing messages with their social networks – and marketers need to influence that process.

Which channels are best suited for which marketing programs?

Gotcha. This is a trick question. The channels used by marketers should be determined by individual customer behavior and preference. For example, users who frequently purchase via a mobile site or browse via a 3G phone might get a browse campaign via their mobile device, instead of via email. Users who frequently use "share-with-your-social-network" links in emails might receive more socially-enabled campaigns than other subscribers. Channel and content are simply segmentation strategies based on the most recent subscriber data. As emerging channels develop better technology and gain increased adoption, marketers should ultimately have channel versions for all of their lifecycle marketing campaigns and programs.

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Important Considerations for Cross-Channel Lifecycle Marketing

To effectively facilitate Cross-Channel Lifecycle Marketing efforts, organizations need an advanced email and cross-channel campaign management solution to effectively plan, execute, monitor, and automate personalized and timely campaigns. When deciding which solution is right, there are five key considerations:

1. Program Automation
2. Cross-Channel Campaign Management
3. Data Model Flexibility
4. Integration
5. Reporting and Analysis

1. Program Automation

Cross-Channel Lifecycle Marketing increases the number of potential contacts between brands and customers. The increased volume of communications may at first seem like increased workload, but the right solution allows marketers to automate large portions of their customer touches. Any offering that promises sophisticated campaigns and programs without the ability to fully automate them should be reconsidered. By implementing the appropriate triggers, interactions can be automatically executed without manual intervention. The right solution enables this self-running capability by allowing marketers to automate the design, orchestration, and execution of their multi-stage and cross-channel dialogues. Furthermore, with extensive automation, marketers see significant additional ROI benefits as they take on more high-impact marketing without the incremental costs of labor and rework.

2. Cross-Channel Campaign Management

To effectively communicate with customers, marketers need a solution that allows them to define and deliver content to their customers using the channel and medium that fits the task, and fits their customer's preferences. If certain users – or certain offers – require that specific message types be sent to mobile phones, or social networks, or email inboxes, it's not enough for marketers to just "know" that. They have to be able to properly execute and manage their campaigns given this cross-channel context. Beyond just delivery, it's the appropriate level of production, management, scheduling, coordination, and tracking that truly defines a solution's cross-channel campaign management capabilities. While some solutions claim to "support" multiple channels, the right solution allows marketers to properly tie them together into an integrated contact strategy and delivers the required capabilities to help them get the best out of each channel.

3. Data Model Flexibility

Successful Cross-Channel Lifecycle Marketing relies on the efficient and effective use of data. This data is almost always collected from multiple sources, and leveraged in multiple ways to get campaigns built, tuned, and analyzed. The higher fidelity and relevance of the data, the more capable marketers are at doing the precise targeting and personalization that makes lifecycle marketing so effective. When evaluating offerings, marketers should be wary of any solution that locks them into a rigid or flat data structure, or requires that their data be transformed into a predefined format. Only an open, relational data model allows marketers to speak to their customers as individuals, respond to events and behaviors as they happen, and avoid the reliance on IT projects in order to execute their campaigns.

4. Integration

Marketing solutions must have access to other systems and data sources that provide insights into customer behavior and attributes. Very few, however, are able to effectively and efficiently handle the flow of data between systems – and even less provide those capabilities in a marketer-friendly way. The right solution must give marketers control over what data should be leveraged for campaigns and make it straight-forward for them to schedule and auto-mate any required data transfers. Additionally, the solution provider must also have proven experience helping other companies perform successful data integration with the key data sources that the marketers use, such as Web Analytics, CRM, ERP, Social Networks, and ecommerce platforms.

5. Reporting and Analysis

Cross-Channel Lifecycle Marketing adds a new set of reporting and analytics needs, as marketers start to compare and aggregate performance metrics across multiple channels and multiple campaign types. To provide this, the right solution needs to deliver advanced capabilities that allow marketers to do both standard and ad-hoc reporting, and that give them the flexibility to drill-down and explore their data. The solution must be usable and intuitive – designed for marketers, not data analysts or scientists with PhDs – and it must also provide engaging charts and graphs. But while great interfaces and pretty charts and graphs are nice, they alone are not sufficient. Marketers placing more value on actionable reporting and analytics – so that they can make real marketing decisions or campaign adjustments based on their findings – will be more successful.

Cross-Channel Lifecycle Marketing is a journey, but one that brings substantial rewards even in the early phases. Selecting the right solution, and the right partner, will pay off quickly – by helping avoid any roadblocks, and accelerating success along the way.

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About Responsys

Responsys enables companies to increase revenue and customer loyalty through successful email and cross-channel marketing.

Responsys helps marketing organizations maximize their results by enabling every customer interaction to be highly automated and individualized, and every process to be highly collaborative, efficient, and error-free. With its on-demand, software-as-a-service (SaaS) delivery model and proven, Cross-Channel Lifecycle Marketing approach, Responsys offers the highest ROI, the lowest total cost of ownership, and the fastest time-to-value of any marketing solution available today.

Founded in 1998, Responsys is headquartered in San Bruno, California and is trusted by world-class brands such as Avis Europe, Chico's, Continental Airlines, Deutsche Lufthansa, Lands' End, LEGO, Men's Wearhouse, PayPal, Salesforce.com, Sears Holdings Corporation, StubHub, and UnitedHealthcare.

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