

DIGITAL EXPERIENCE MANAGEMENT THROUGH MARKETING:

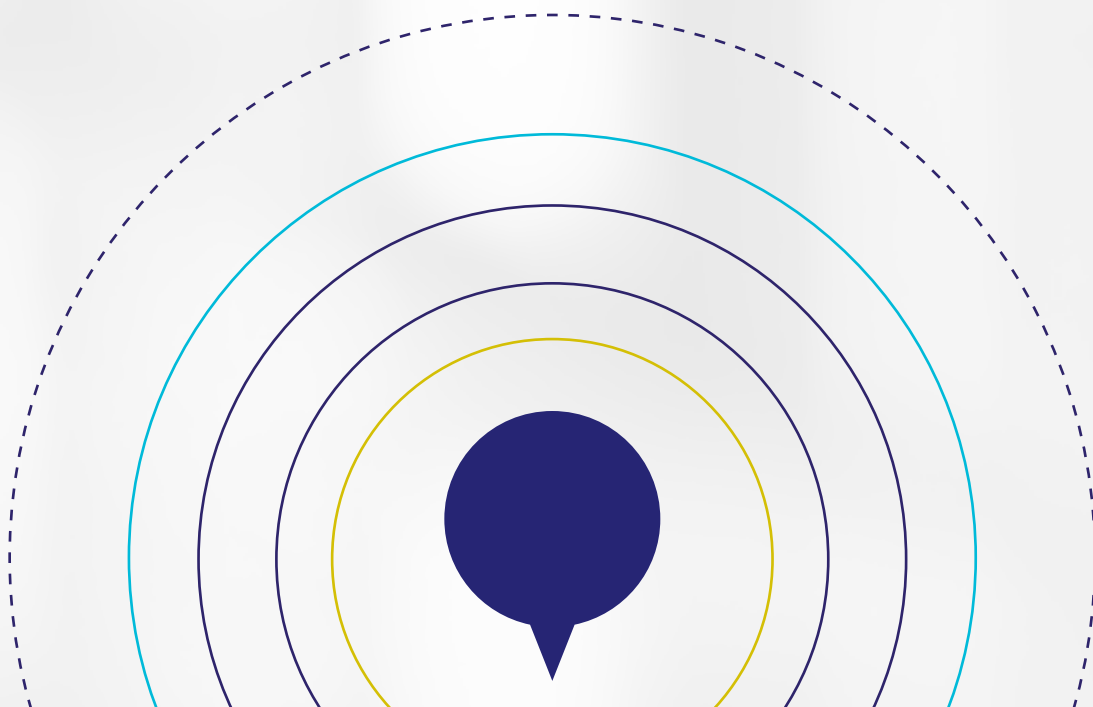
ORCHESTRATING OMNI-CHANNEL CONVERSATIONS

ABERDEEN



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Overview

In recent years, digital channels have become ubiquitous in marketing campaigns. In fact, Aberdeen's CEM Executive's Agenda 2017 study shows that 55% of marketers use at least 10 channels (web, email, social media and mobile applications) within their marketing channel-mix. In this environment, where the use of multiple channels has become the 'new normal,' adding yet another channel within the channel-mix is not enough for marketers to differentiate their business.

Instead, savvy marketers distinguish themselves by orchestrating campaigns across all channels to deliver truly personalized and consistent conversations, an activity that's commonly defined as 'omni-channel.' For example, a financial services firm might do a webinar for first-time home buyers highlighting important factors they must consider when applying for a mortgage, relevant rules and regulations and etc. The attendee data from this webinar would then be used to personalize the follow-up interactions such as emails sent to attendees. This is important as it helps attendees get more personalized service and it allows the marketers to maximize the likelihood of attaining desired results by executing a seamless omni-channel marketing strategy.

Findings from Aberdeen's 2017 customer experience management (CX) study reveals that 69% of marketers deliver omni-channel conversations. However, only 33% of marketers indicate that they are either somewhat satisfied or fully satisfied with their ability to use data in marketing programs. Put together, these findings reveal that while marketers have made strides in incorporating omni-channel within their activities, they still struggle in using data to maximize results from their omni-channel efforts.

This eBook will reveal the business value marketers derive by mastering orchestration of omni-channel marketing campaigns. It'll also reveal several building blocks marketers must use to achieve superior results.



Best-in-Class marketers are **38%** more likely than others to have established an infrastructure to deliver **omni-channel** customer conversations.

The Business Value of Omni-Channel Orchestration

Findings from Aberdeen's CX study revealed that a leading group of organizations excel in managing customer experiences across digital channels such as email, web, mobile applications, and social media. Those are defined as 'Best-in-Class' businesses; Table 1 reveals their success, in comparison to other organizations.

Top Performers Excel in Meeting Customer Expectations

| | Best-in-Class | All Others |
|---|---------------|------------|
| Customer retention rate | 85% | 74% |
| Year-over-year change in annual company revenue | 45% | 6% |
| Year-over-year change in customer satisfaction rate | 21% | 3% |
| Year-over-year improvement (decrease) in response time to customer requests | 14% | 4% |
| Year-over-year change in average customer profit margin | 6% | -2% |

The key performance indicators (KPIs) in Table 1 are measured by 63% of businesses; hence, they can be considered as common metrics companies across various industries use to gauge their performance in CX programs. The findings above reveal that marketers across Best-in-Class businesses have found ways to use multiple channels to drive superior performance outcomes, compared to their peers. In fact, data from the CX study reveals that these Best-in-Class marketers also outpace their peers by 25% in return on marketing investments.

Top performers achieve these results by adopting a series of key activities that can be summarized in three categories.



For the purposes of this research, Aberdeen defines **return on marketing investments** as the total incremental revenue that was influenced by marketing activities.



For example, if the company can track that **\$150 million** out of **\$600 million** in annual sales were influenced by marketing programs, this would mean **25% return** on marketing investments.

Three Steps to Success in Omni-Channel Orchestration

STANDARDIZE CUSTOMER DATA

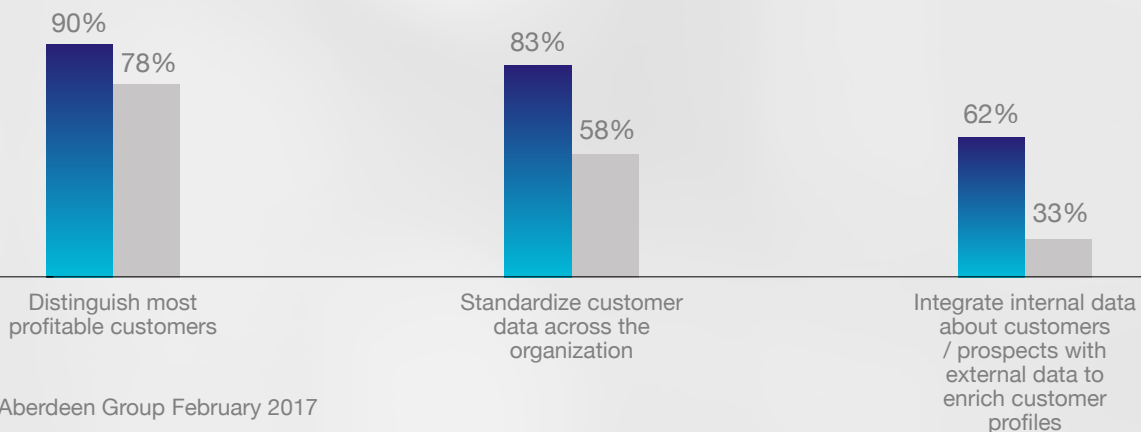
As a first step, top performers standardize customer data throughout the business. In a world where 'big data' has become the new normal, marketers collect a wealth of structured and unstructured data. These come from multiple different channels (e.g., web, social media, email, in-store) and geographic locations. Structured data refers to data that is organized in a pre-defined way or model. Examples would include data regarding a customer's web visitation history or past purchases. Unstructured data refers to data that is not organized in a pre-defined way or according to a standard model, such as text in social media messages, recordings of service calls to a contact center, images, etc.

Using unstructured data, particularly is challenging. Without proper tools to integrate unstructured and structured data and analyze the resulting insights, marketers must analyze unstructured data such as customer-generated social media content manually. This would mean needing to read massive amounts of content, determining their context (e.g. require response or not) and take action. To truly build a unified view of customer interaction history and alleviate these issues, companies must standardize data, using data quality and integration tools to integrate their data across multiple systems. It's important to note that this, by itself is not enough to generate Best-in-Class results. For maximizing their performance, companies must use analytics to extract hidden insights on the top factors influencing customer behavior and sentiment. This, in turn helps better personalize marketing campaigns across all channels.

Unifying customer data by breaking down silos across the business is the top strategy Best-in-Class firms use to manage their CX programs. More than eight out of ten of the top performers standardize customer data to build a unified view of customer journeys across all channels.

Figure 1: Get Data Management Right to Know Your Customers

■ Best-in-Class ■ All Others



Top performers also integrate internal data, such as account information stored in the CRM system – with external data such as customer-generated social media content – to build a richer profile of each customer. This enhances the timeliness and accuracy of data that employees use when managing customer interactions.

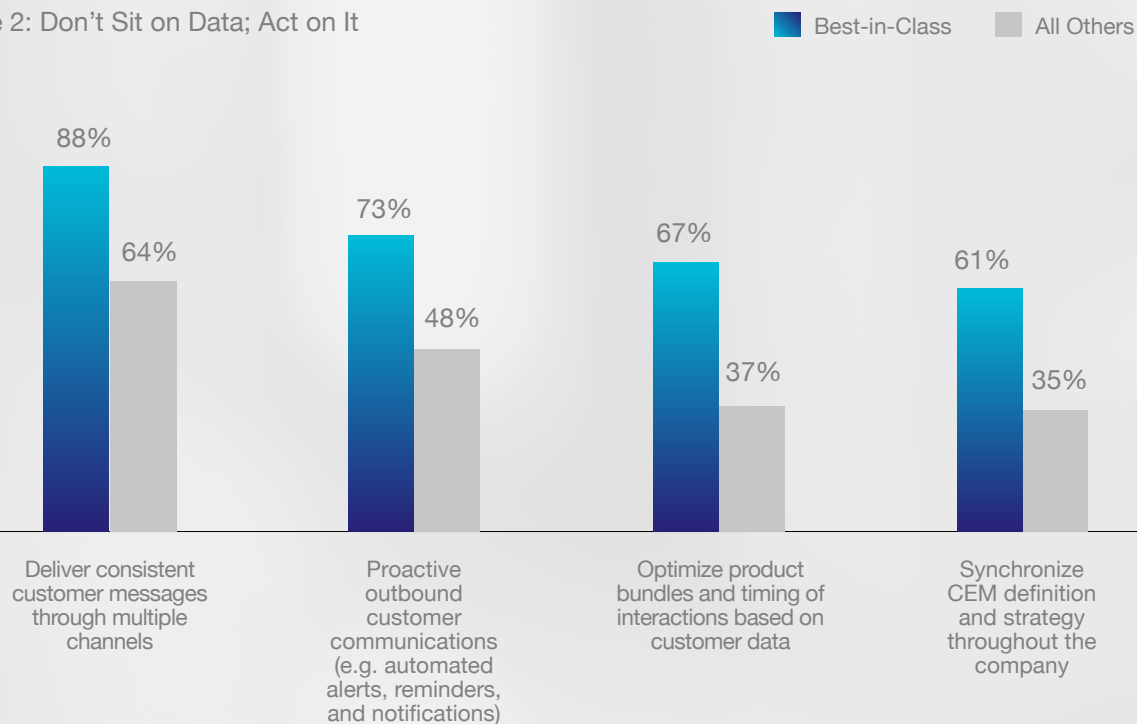
At 90% Best-in-Class adoption, the ability to segment the customer base by different criteria – including profitability and response to previous campaigns – is essential. Segmenting customer base marketers to better understand the characteristics of customers in certain groups by looking at commonalities greatly helps to tailor future marketing campaigns.

DON'T SIT ON DATA; ACT ON IT

One of the most common mistakes companies make when launching and managing a CX program is assuming that collecting customer data is good enough to improve customer satisfaction and other measures, such as revenue growth. While some organizations might get lucky and see short-term results, those that achieve long-lasting performance improvements do more than just collect data. They analyze and act on it too.

Figure 2 shows that top performing businesses use numerous activities to put insights – generated through reporting and analysis of data – into action. For example, they are 38% more likely to utilize the unified view of customer data to deliver omni-channel messages.

Figure 2: Don't Sit on Data; Act on It



Enabled with a unified view of customer insights, marketers can then optimize future campaigns accordingly. Specifically, this refers to tailoring the timing and content of each campaign based on insights captured through previous interactions. For example, if a high-tech buyer is more likely to respond to in-depth written content when making a purchase decision, knowing this insight would help the marketer use relevant content. Figure 2 shows that Best-in-Class firms are 81% more likely to have this capability in place, compared to others.

There is a lot of competition to capture customer attention and wallet share. Marketers who succeed do so by establishing a unique relationship with clients. One of the ways Best-in-Class firms do this is by using customer data to deliver informative, proactive communications (interactions that are initiated by the company, as opposed to the customer). While facilitating customer spend and retaining clientele are top-of-mind for marketers, it's important to remember that customer loyalty is closely related to brands becoming a trusted advisor to their buyers. For example, a retail buyer being notified that an online order has been shipped is more likely to think of the retailer being engaged in addressing their needs, as opposed to another that's not delivering such proactive notifications.

The ModCloth Omni-Channel Marketing Strategy



Mobile device has empowered consumers with the ability to find the products and services they want, when they want them. ModCloth, a mid-sized online women's vintage clothing retailer, was challenged with increasing brand awareness in this new marketplace, while simultaneously managing a successful omni-channel marketing strategy. It was also challenged in personalizing customer conversations across all marketing communication channels.



Using an omni-channel program enabled the company to go beyond traditional email marketing to increase brand awareness and deliver the perfect customer experience through each marketing communication. Specifically, ModCloth uses omni-channel programs to build campaigns that deliver highly-personalized content. The ModCloth website allows shoppers to save items on a wish list, instead of using the checkout cart to store items they want to purchase later. If the item goes on sale or is close to being sold out, a message is automatically sent to the customer. ModCloth tracks each campaign across various channels to see how it performs, which allows their marketing team to better manage independent variables.



The marketing team also developed a "Welcome" email campaign consisting of three emails: the first one features a coupon with a unique promotional code, and the next two feature the ModCloth community—a photo gallery of real customers wearing clothing they've purchased from ModCloth. This welcome campaign has generated a 330 percent lift in email campaign revenue.

ANALYZE CUSTOMER FEEDBACK

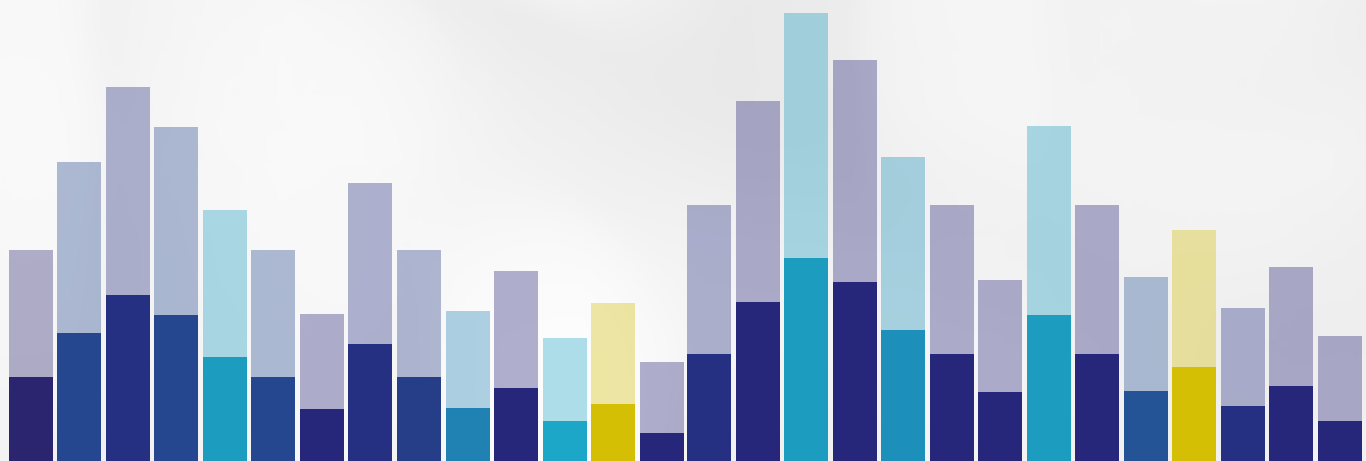
In an environment where marketers must use 10 channels, it's easy to get confused about how each channel contributes to marketing program results. One of the ways companies can ensure meeting customer needs is by capturing and analyzing customer behavioral and feedback data. This refers to data such as marketing campaign results (e.g., click-through rates, open rates and shopping cart abandonment rates) as well as survey data gleaned through methods such as online surveys. Figure 3 shows that marketers across Best-in-Class firms are 60% more likely to regularly analyze how activities across each channel contribute towards KPIs.

Figure 3: Top Performers Use a Rear-View Mirror to Self-Assess. Top Performers are:



n = 162 Aberdeen Group May 2017

Best-in-Class firms also utilize root-cause analysis to identify specific factors influencing customer behavior. This means detecting how changes in pricing, for example, influence the purchase of specific products, or identify how repeat customer contact influences client churn. These insights help companies adjust CX processes to address weaknesses and develop a deeper understanding of customer needs in order to personalize customer conversations.





Answering customer needs when they arise is important, but **predicting** those needs and **proactively initiating** a relevant conversation helps differentiate top performers from All Others.



Conduct **root-cause analysis** to reveal what influences unique customer behavior. This will help tailor future marketing campaigns to achieve desired results.

Summary

The wide adoption of numerous digital channels presents a unique opportunity for marketers across all industries. However, many struggle in using insights gleaned through these channels to better manage customer experiences. The good news is that there is a leading group of businesses that found ways to alleviate the challenges of orchestrating omni-channel campaigns.

These firms benefit by maximizing their return on marketing investments, boosting customer satisfaction and enhancing customer loyalty.

You don't need to learn by yourself to achieve similar performance outcomes. Using the best practices that work for Best-in-Class firms will help your marketing organization achieve similar results. We highly recommend incorporating the three steps that Best-in-Class marketers take within their business to lay the foundation for superior performance outcomes.

Read the Full Report

