

You can hit bullseye every time

Improve your aim by making your marketing more relevant to your customers.

David Reed leads the way with examples of campaigns that got it spot on

Relevance is a buzzword in marketing. Every campaign, message or interaction needs to be driven by its relevance to the customer. What you hear less often is a definition of what relevance actually means in practice and especially what it looks like as a data brief.

The best way to understand it is by looking at good examples and how they were created. Park Resorts provides a strong reference point with its 2010 holiday brochure. "That is when we really started to use data to support our positioning of 'creating amazing memories'," says Hayley Jones, database marketing manager at the holiday parks company.

"We're fairly new to using data to drive our

marketing and have just built a single customer view. That goes a long way to support this type of activity," she says. For the annual brochure, Park Resorts started by looking at transactional history, such as which park the customer had visited, their frequency of booking and the time of their visit.

This analysis was then used to define the personalised brochure. "We used images of the park they stayed at to play on notions of memory. People always have memories of holidays – that is the vision we are trying to put forward. That drove the relevance of the brochure," says Jones.

Images were not just linked to the resort, but also to demographics, such as family group. Results from the new, relevant communication



We have seen open rates rise by 10% when there is personalised content – the investment paid back in months

Vince Keay, *Jobsite.co.uk*

idea of triggering a memory every time we talk to a customer."

It is this emotional dimension that moves the idea of relevance beyond simple targeting. Direct marketing has long used the socio-demographics found in data to define propositions, offers and even pricing. Taking that information into the creative realm has proven to be harder to achieve, not least because soft factors are much harder to discover in a database.

Once marketing started to talk about engagement, rather than interruption, the need to make this link became more pressing. With consumer interests and likes becoming ever more visible through social media, too, it has become essential to define a more robust process for giving marketing communications relevance.

Paul Laughlin, head of customer and market insight at Lloyds Banking Group (Life, Pensions and Investments), argues this can be done in two ways. "If you can help to shape the design of a campaign, then absolutely, relevance can be a data brief because there will be pieces of information that might be relevant."

As with the holiday example, this means looking at previous product-holding or channel preference or even length of tenure. Using this information to drive imagery as well as content makes it obvious that the company has been paying attention to the customer.

He believes that relevance is even greater if the process starts much earlier in the genesis of a proposition. "If you develop it with a very clear understanding of the market and deep insight from both data and research, then you can get into the real drivers of emotional resonance," says Laughlin. "When you have a clear line of sight like that, it is more obvious to the marketer how they can appeal to their target market and build clear difference into their propositions based on that insight."

To develop relevance at this level does mean giving the insight function a much wider remit than a simple data brief. Laughlin argues that closed loop targeting, tracking and measurement is more likely to move the brand closer to its customers than just building targeting or propensity models. "Insight can then do a proper job," he says.

Measurement of the improvement from taking this approach is probably the most difficult aspect. Evidence may be available through better performance, measured in response and conversion rates, or even profitability. Proving the cause-and-effect link to relevance is harder.

"You can sometimes see it in research, although whether customers know that what made them buy something was more relevance is

not easy to see. Sometimes the customer brings it up – sometimes they just react," says Laughlin.

Relevance is as much an emotional response as a rational one, which is what can make it hard to formalise. If customer reactions were mechanistic, every campaign would succeed by hitting the right buttons. Instead, it requires a blend of appeals to the heart and mind to get that engagement.

Marketers themselves are as prone to emotional decision making. For many companies, the new model of data-driven marketing has been about ensuring campaigns are relevant to business objectives as well as marketing's goals.

Frank Abu, modelling and analytics manager at RIAS, says the insurer has undergone a change to its marketing process to achieve just this sort of shift. "We might have got approval for increased spend based on 'gut feel' or 'instinct' – now we know what to spend, who to target and the return for the organisation. That gives us a lot of control and credibility," he says.

At the heart of this has been a two-year process of moving marketers away from ad hoc spreadsheets and into a predictive analytics ►

Relevance in B2B

Relevance is usually thought of in relation to consumer marketing, but it can be just as powerful in business-to-business. Reed Business Information (RBI) has transformed the way it sells a range of knowledge and information by taking a view of the customer lifecycle, rather than concentrating on sales.

"Marketing has become closer to editorial than ever before," says marketing director Lawrence Mitchell. "We have recognised the value of content in engaging prospects. It has changed the nature of how we sell."

Previously, RBI used a simple "take a trial" offer on its websites, but only a small proportion of visitors were ready to commit.

Last year, RBI introduced a lead nurturing system from Eloqua that has given it a better way to track the way prospects develop and can be converted. This has led to a shift in marketing strategy towards relevance, rather than sales.

As a result, conversion from anonymous visitors to known prospects has risen by 1.2%, the number of sales opportunities has risen by more than 50% and qualified lead volumes rose by 42%.

were strongly positive and have led the company to go further in looking at what messages and channels it uses with customers.

"For 2011, we have been looking at whether we need to send out an expensive printed brochure or if we can get the same response through other personalised channels, such as a mini-brochure, postcard or email," says Jones. "We are also testing timings to see if that makes a difference. Timing is easier to achieve with email, of course."

Having seen the benefit of making specific campaigns more relevant, Park Resorts is moving to ensure the relevance of its ongoing communications, rather than one-off pieces. "Next year, our whole direct activity will carry that through," she says. "It all comes back to the



People always have holiday memories – that drove the brochure's relevance

Hayley Jones, Park resorts

► environment supported by statistics software SPSS. "The success we have had with it in the last two years has made it easier to ask for a bit more money to spend on marketing," he notes.

In a competitive sector such as general insurance, there has been pressure in recent years to make marketing spend as effective as possible. RIAS started out looking to reduce its marketing budget by 20% without losing any sales. It has actually achieved far higher cost savings while still growing the customer base.

"This has enabled the marketing team to take some of that saved spend and use it to develop other areas, such as brand-led direct response TV advertising for the first time, to coincide with the launch of RIAS' new brand proposition, vision and identity," says Abu.

With the brand looking for ways to keep itself relevant to the over-50s segment, predictive analytics has been used to understand customer value, even before a relationship exists. By orienting acquisition activity towards higher value prospects, RIAS has been able to achieve over 20% uplift in sales from some campaigns. Shifts between value segments are emerging as a key factor.

"That analysis is not yet complete, but we are already starting to see movement of people who were high value and have gone lower or have moved from low to high value. We have got smarter with our marketing and offered them more products and services which meet their needs," he says.

Relevance does not stay fixed – what appeals to somebody before they become a customer will naturally change through the lifecycle of their relationship. Maintaining a relevant dialogue requires constant re-examination of the data and refreshing of the messages used.

In some case where this has been done, it has revealed a new understanding of the customer

and therefore of how the brand should engage with them. Recruitment specialist Jobsite.co.uk started to look at how it interacts with its users two years ago and the way it was marketing to them, especially through its email campaigns.

"A lot of our interaction with users is through email – people don't have to come to the site to keep an eye on the job market," says Vince Keay, email and database marketing manager at Jobsite.co.uk. "We have a lot of different emails that change through their lifetime."

Previously, the company was struggling to set up these campaigns using a time-consuming process. Having implemented a new marketing automation system from Neolane, it has enhanced the relevance of these messages – and has also driven new engagement cycles.

"We see a core three-year cycle for people actively looking for jobs. We looked at whether people were only active for one or two months and then had two years in which they didn't interact," recalls Keay. "Now we are offering additional services. People are happy to receive our emails as long as they are relevant."

In the first four to eight weeks of registering, users are focused on actual job opportunities and will engage repeatedly with both email and website. As well as situations vacant, Jobsite.co.uk now includes content in its emails about writing a CV, interviewing for a job, training and career development.

"As a result, we have seen open rates rise by 10% when there is personalised content, and clickthrough rates on the majority of campaigns have doubled. From a business point of view, the investment paid back in months," says Keay.

Relevance may be a buzzword taking its place alongside longer established terms. What makes it valuable for marketing is the way it can deliver to the bottom line of the business. In the end, that is the real buzz. ●

viewpoint



Michael Doyle, manager, customer understanding, Honda (UK)

There is an ongoing attempt to understand what is an acceptable level of communication and what is bombardment. Dealers can send things to customers without our knowledge, so our strategy is to help those dealers talk to customers.

We have taken an approach to customer insight via non-data sources. Based on our findings, we adapt or alter communications appropriately, for example, learning how often customers want to be spoken to. We have seven segments to distinguish customers – one of those segments describes customers who don't want to be spoken to twice in a six-month period about the same issue.

Frequency can come down to individual opinion. We monitor opinions about our communications and the length of time between them through research using our Honda Friends panel. The concept is that we have three customer panels, one each for cars, motorbikes and power equipment, that we have invited customers onto. We ask them what they think of our communications, how often they would like to get them, even down to what colour motorbikes we should make.

My function sits outside of marketing so it is not influenced by them and has the ability to remain objective. If there is a room of five or six marketers with differing opinions, they will use Honda Friends as a first reference point.

We also invite customers into dealerships to talk about their experience and what they think of a campaign or even the competitor's proposition. We get a balance of views from ten people and the dealership management can listen in – it's important for them to hear what the customer says.

For us, communications are part of the customer experience. Hybrid vehicles are very topical – so how do you communicate about them? Two months ago, we ran some Town Hall workshops in London and Gloucester where we invited people who we divided into five groups: conventional car owners; Honda hybrid owners; Toyota hybrid owners; people considering buying a hybrid; and people who hadn't.

For each meeting, we asked people to bring pictures about how we should communicate the hybrid message. I had expected to see lots of polar bears on icecaps, but we didn't. The types of images people brought were about families and money saving – things you could associate with any model. That's why it is important for marketing managers to be involved in what the customer is saying.

Choose your words wisely

Changing the wording in your privacy statements can increase the number of customers giving you permission to use their details for marketing by as much as 17%.

The DMA Data Tracker Study tested four different wordings on a sample of respondents who took part in a fast.MAP survey.

The lowest level of opt-out was for a statement saying a company "would like to keep you up to date with special offers" – 51% of respondents said they would tick the opt-

out. Second in line was a chattier approach:

"We're sure you won't be disappointed with the messages we'll send you (and we'll make it easy for you to change your mind later on)"

– some 55% of consumers said they would still tick the opt-out box. A simple statement that the consumer should tick the box if they would prefer not to receive special offers saw 61% opt out. Where the privacy statement mentioned sharing data with "selected partners", the opt-out rate shot up to 68%.