# MAKE IT ALL ABOUT ME

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LEVERAGING OMNICHANNEL AND AI FOR MARKETING SUCCESS

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# INTRODUCTION TO THE BOOK

## DEBBIE GETS READY FOR THE PARTY

Debbie didn’t know what to wear next Saturday for Christine’s birthday party. She took out her mobile, opened Instagram and found in her feed a cool look made by one of the new stylists from Nordstrom. It pictured a beautiful girl wearing a skirt, a shirt and a belt. When she clicked the post, she was linked to the products on the Nordstrom website, where she downloaded the app and signed up.

Debbie decided to give the three items from the look a chance so she added them to her wishlist and clicked ‘reserve’. She hadn’t tried this feature before, so she wasn’t sure what to expect. A confirmation note promised her that a sales associate would get the items ready for her within two hours.

Half an hour later she received a notification from Nordstrom that the products were ready for her to try on at her local store. When she approached the store, she received another notification, giving her more precise instructions on where to go to find her reservation. But, when she tried on the items, it was clear to her that she still didn’t know what to wear next Saturday.

A few days later she got a notification on the app encouraging her to try out the new ‘style boards’ that Nordstrom offered. She only had to answer a few questions about her style and preferences so this seemed like less of a commitment than having a real personal shopper. Saturday was approaching, and she had to think of something soon.

Later that day she was notified that her stylist had put together a style board just for her. Viewing it in the app, she was quite impressed. There were definitely some great suggestions. As she already had a skirt that would match the suggested shirt, and since she was familiar with this brand’s sizes, she decided to purchase the shirt right away and pick it up immediately. She didn’t even have to enter the store – a staff member brought it to her right there in the car while she waited. Now she was ready for Saturday, and she’d definitely be shopping with Nordstrom again!

## A FICTIONAL STORY THAT COULD BE TRUE

Debbie's story, as described above, is fictional – but not unfeasible. Nordstrom, being one of the most technically advanced department stores in the world, has already implemented technology[1] that supports all parts of this small narrative. Apart from this, Nordstrom is investing heavily in other parts of its omnichannel strategy – in terms of advanced supply chain optimization, new store formats requiring less real estate space (Nordstrom Local), turning data analytics into personalization at scale and consistently training its employees in using all this technology to 'help customers express their style'. Nordstrom wants to win by combining the best of the physical and the digital areas of shopping, all with the aim of becoming the best fashion retailer. As the title of this book suggests – they're making it all about the customer.

As Nordstrom reported at its investor day[2] in July 2018, customers who engage with Nordstrom's digital features – such as reserve in-store, 'click'n'collect' (also known as BOPIS, or buy online and pick up in-store), style boards and stylists – spend between two and five times as much as the average customer. This tendency is backed up by a *Harvard Business Review* study[3] from 2017 that shows how omnichannel customers spend 4-10% more on their first purchase and place 23% more repeat orders within a year.

On a broader level, the Boston Consulting Group states that leaders within personalization show two to three times faster growth than average companies:

> Over the next five years in three sectors alone – retail, health care, and financial services – personalization will push a revenue shift of some $800 billion to the 15% of companies that get it right.[4]

The Boston Consulting Group goes on to describe its view of the path to success:

> For incumbents to defend – and expand – share, they need to reimagine their business with an individualized value proposition at the core, merging physical and digital experiences to deepen their customer connections. They need to put brand individualization at the forefront of their strategy agenda to influence everything that they do, including marketing, operations, merchandising, and product development.[5]

Nordstrom is not alone in investing in an omnichannel strategy. A study from the second half of 2017 by Brightpearl, "The State of Omnichannel Retail", states that as many as 91% of the retailers surveyed already had either an omnichannel strategy or a plan to invest in omnichannel, while 87% of them agreed that omnichannel was critical or very important for them.[6] However, only 8% indicated that they had mastered omnichannel. That's what we call a large execution gap!

Retailers are under heavy pressure from international pure-play e-commerce giants such as Amazon.com and Alibaba.com. Amazon is already the biggest player in e-commerce – it is a heavy-hitter in terms of convenience and service. From the East come JD.com and Alibaba.com, with Chinese-government-backed business and goods at a fraction of the price.

Consumers today do not distinguish between e-commerce and commerce. Nor do they care whether they buy from a local company or not – and it is not even certain that they will notice if they haven't. They expect a seamless experience when they switch between digital and physical sales and between communication channels, and they get annoyed when companies send them irrelevant offers that do not take account of the history they have with the company.

Consumers are ready to give up data, and to a certain extent privacy, in favour of convenience and financial benefits. That is where the opportunity lies. Companies will have to seize this opportunity. It starts with building up loyal customer bases, where the companies themselves collect and process data. Companies can then control how the data will be used to create a better, more relevant and welcoming experience for their customers – both on online channels and in the physical store, as well as when customers come to them and when they reach out to the customers.

But this will require a fundamental transformation on the part of businesses: a conversion involving business models, organization and technology. That is what this book is all about.

## THIS BOOK ...

... is a suggestion of how to leverage omnichannel and AI (artificial intelligence) for marketing and business success. We believe that the chief marketing officer is well equipped for leading organizations in the omnichannel transformation that is needed. Marketing and business success therefore go hand in hand.

On the basis of our experience in this field, input from more than 100 specialists within the industry, and the latest articles and literature, we have developed the Omnichannel Hexagon as a model for gauging omnichannel maturity. The hexagon provides a framework for targeting your marketing efforts and ensuring that every step you take is a step closer to continuously improving the customer experience without sacrificing profitability.

This book will present the six disciplines to master and how to manage them in a more customer-centric manner. You will get an overview of how far along your organization is in working with omnichannel, and what barriers might impede your further progress in it.

You can match your company with the four archetypal types of omnichannel maturity and find help with formulating a strategy for furthering the process. In addition, the model will serve as a litmus test of whether and how you should organize your next project, and which factors you should take into account to really bring you closer to the best possible and most profitable customer experience.

Each chapter in this book corresponds to one of the six disciplines in the Omnichannel Hexagon, introducing central themes for the discipline being discussed. The goal is to provide insights into the relationships between the themes and disciplines, and the optimal, most profitable customer experience.

To help demystify omnichannel marketing, each chapter opens with an example that focuses on the discipline in question. These narratives are fictional stories inspired by both articles and dialogue with the companies depicted – they are by no means intended to be accurate representations of reality but merely sources of inspiration.

A similar disclaimer is important to make with regards to legal topics that we are touching upon in the book. The tactics mentioned are by no means guaranteed to be considered legal by all worldwide legislations. Consult a legal advisor with expertise in local legislation before you do anything too hasty.

We wish you a profitable reading experience.

Rasmus Houlind and Colin Shearer,
June 2019

# TOWARDS AN OMNICHANNEL TRANSFORMATION

In the business world today, we are seeing companies moving on from the initial hype and enthusiasm for new technology and communication channels to a place where they can start to apply these powerful technologies and communication channels with a razor-sharp focus on winning more customers and keeping them profitable.

To put it briefly, we are seeing more and more companies moving from a sales-oriented multichannel focus to an omnichannel focus where customer profitability and customer loyalty are at the heart of all major decisions. There is more on those topics below.

## Digital hype and excitement

Needless to say, the advent of digital brought tremendous initial excitement. Marketers suddenly had an ever-increasing array of new communication channels and digital tools at their disposal. The first questions were naturally around how all of these new tools worked. What could marketers now achieve? How could they better accomplish the goals that they were already working towards?

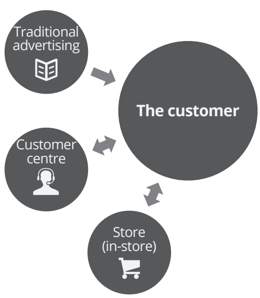
## From multichannel to omnichannel

Within marketing this led to multichannel marketing, which is the ability to use multiple communication channels in marketing and sales. Seen from a contemporary standpoint, there was a tendency for marketing functions to copy traditional marketing mechanisms over to the – at that time – new digital channels. As an end customer you would meet the same campaign everywhere – but it wouldn’t take into account the totality of your personal history with each company.

In pure multichannel marketing, data can be collected and used within each channel to at most suboptimize the performance for precisely that channel. There are no incentives for anything else, at least not for the individual employee. Multichannel focuses on the individual communication channels, which can be great for building a really good app or a website. But, when it comes to integrating the channels, challenges arise.

Cross-channel marketing is the stepping stone between multichannel and omnichannel. The fundamental difference between multi- and cross-channel marketing lies in the use of data. In cross-channel marketing, there is a recognition that the customer will switch channels many times on a purchasing journey. Channel managers are encouraged to obtain data from other channels, since broader data will create better results for personalization and segmentation. But at this stage the customer-centric organization is not yet in place, so silos are still strong, with internal rivalry and suboptimizing of 'non-customer-centric' objectives, tools and data silos.

Omnichannel is the next level of marketing, where the entire organization has accustomed itself to the fact that customers' buying decisions are not linear. In principle, every communication channel is bidirectional and data is gathered and stored by organizations for use in later interactions via all other communication channels – hence the prefix 'omni'. In practice, the customer service centre knows immediately if the customer it has on the line is one who opens their email and has recently been logged in; it also knows what the customer has previously purchased, both online and in-store. There is no channel conflict, and the employees are not biased to push the customer in a particular direction but are able to help the customer on the purchasing journey in an open and well-informed way. All outbound communications are also tailored on the basis of customers' previous interactions with the company, as well as their stated or deduced interests and preferences. All together this maximizes the relevance for each customer – and thus gets them to buy earlier, more and more often, and to tell their friends about their positive experience.




**SINGLE CHANNEL**


**MULTICHANNEL**


**CROSS-CHANNEL**


**OMNICHANNEL**

As the description of omnichannel above clearly indicates, omnichannel success takes a more profound effort from the whole organization and entails moving far beyond simply 'going digital'.

Throughout this book, we will refer to both sales and communication channels simply as 'channels'. When we refer to 'omnichannel marketing', we will be referring specifically to the discipline of personalizing customer communication across all channels, whereas when we refer to 'omnichannel' in general, it will cover both omnichannel marketing and omnichannel commerce.

## Omnichannel is for all industries

Even though retailers and consumer-based retail brands have been quick to embrace omnichannel as a concept, the term is by no means exclusive to these types of business. Just because a certain business doesn't have physical products or stores doesn't mean that customers limit themselves to one single communication or sales channel in their search, or when they are looking for after-sales service. Getting omnichannel right as a retail business requires a lot of supply chain and inventory management – something that other industries may not need to do. To make this book widely applicable, we have deliberately chosen not to cover the entire supply chain discussion but instead focus on the communication and data aspects.

## Beyond a digital transformation

Exploring new tools and how digital could enhance all kinds of functions within enterprises led to heavy debate around digital transformation. How should companies embrace digital technology to support existing business processes and to innovate and invent new business models?

The odds are that by now:

- Your organization has an established presence in relevant digital and social channels.
- You are on your third-generation (or *N*th-generation) website.
- You are doing email marketing.
- You have experimented with personalization in most communication channels.
- You are using ad-spend on programmatic advertising.
- You are thinking about digital in the way you develop your products and services.
- You are using business intelligence to provide numbers and forecasts as well as support procurement.

So, although things could potentially continue in this way, and you haven't yet exhaustively explored what all technology can do for every part of your business, it's already time to refocus and enter into what we call an omnichannel transformation.

## Customer expectations call for an omnichannel transformation

Another significant business trend that stresses the need for an omnichannel transformation can be summed up as 'the Age of the Customer'[7] or 'B2Me'[8]. At its core, this is all about putting the customers and their expectations of individual treatment first, reaching them with a relevant product or a personalized message, and doing so at precisely the right time.

The idea of accommodating customer needs on a one-to-one basis is nothing new. In 1993, authors Don Peppers and Martha Rogers wrote their book *The One-to-One Future*, which has since then become famous for its foresight.[9] Their point was that it was about time that companies started to define themselves as customer-centric instead of being obsessed with the silos of sales channels and products. “Why now?” you might ask.

According to Jim Blasingame, the author of *The Age of the Customer*[10], since 2015 the digital revolution has led to a game-changing shift in the control of the buying process. The power has shifted towards the consumer since product availability is abundant, the next vendor is never too far away on the internet, all content regarding a product is available in a multitude of places and so are other customers’ opinions about this product. Furthermore, it’s extremely easy to share both positive and negative experiences and opinions for future customers to see.

This forces businesses to refocus on the customer instead of on their sales channels or on the infinite number of vendors out there promising gold will rain down from the sky if only customers buy their new product.

The digital revolution has brought with it the temptation of a vast array of opportunities. It’s time to refocus and make sure that marketers are looking in the right direction, namely towards the customer – all the while applying technology and business insights to help stay on course.

## The omnichannel transformation

The transformation into the new omnichannel paradigm implies a profound change within not only marketing but also many other parts of the business.

CEOs need to support and play a central role in changing existing ways of working, not only within marketing and sales but also within data analytics, retail and even HR.

And, even if throughout the organization things are in place for omnichannel marketing, you won't be able to make all communication relevant to everybody all the time. You will never get to a point where you have a complete customer database; you will never have enough data on all your customers, nor all the content you need to always be relevant to everyone. This means that you can't suddenly abandon your one-size-fits-all campaigns. They have to live on.

For most companies, an omnichannel transformation means rebuilding the aircraft while flying it. And, if you aren't given any extra resources, it will be the same people flying the aircraft as those who are rebuilding it.

But in time your entire organization will become customer-centric. It will have a large known customer base, numerous AI models, and vast amounts of content and automated communications going out to the right customers at the right time. Your in-store personnel and customer service agents will be trained and equipped with tools that bridge the gaps between sales and communication channels alike so that customers – for the most part – are met with relevant communication.

That's when the transformation will be complete.

## A tool for the marketer

This book is a tool for you, the marketer, to help you steer your organization into a new omnichannel world. To make this tool as comprehensible as possible, we've created the Omnichannel Hexagon as a maturity model to guide you through the transformation. Read on to learn more.

# THE OMNICHANNEL HEXAGON

The Omnichannel Hexagon is the main model used in this book. It is a concentration of all the features that span communication and sales channels alike and thus need to be addressed in order to succeed with omnichannel marketing. Since the model is flavoured by neither communication-channel-specific nor department-specific lingo, it provides a neutral language within which you and your colleagues can discuss omnichannel important topics.

## The objective of the Omnichannel Hexagon

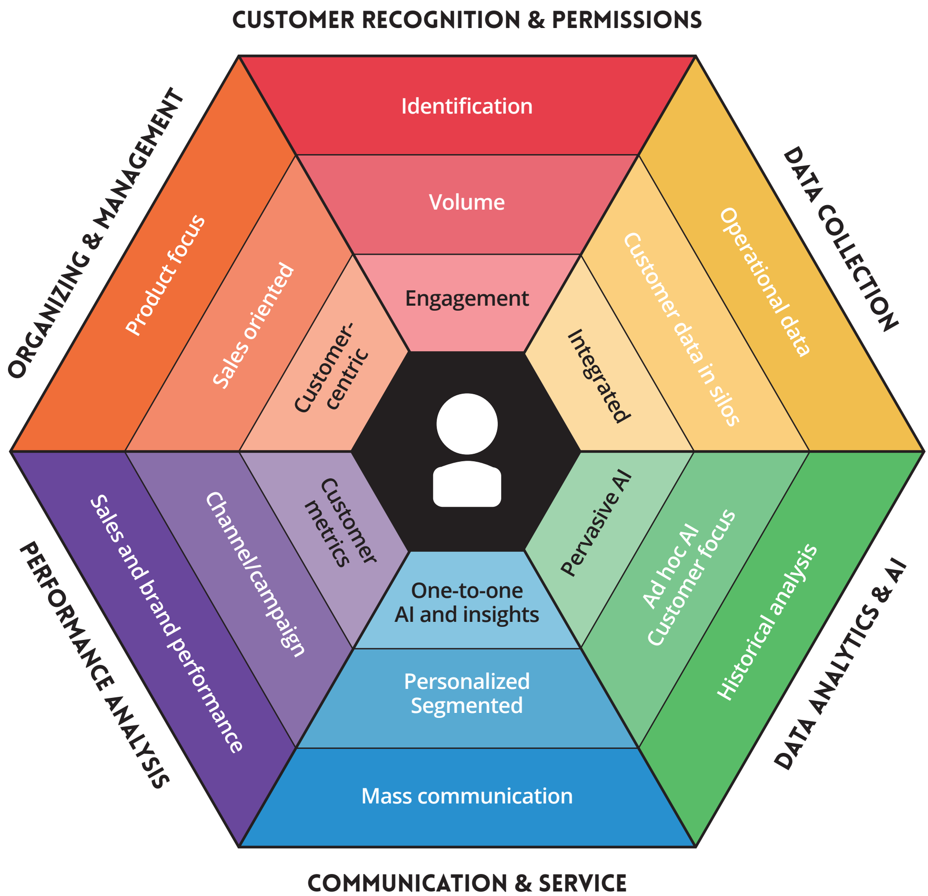
The objective of the Omnichannel Hexagon is to provide a method to address and assess progress with omnichannel. It will provide your business with a better overview of your journey to omnichannel marketing and what your priorities should be. By mapping your company's position on the model and comparing it with your competitors', it will be apparent where your primary efforts are needed and in which direction you should be moving.

The Omnichannel Hexagon can also help you to secure appropriate resources and the necessary budget from top management. It can be used in management workshops in which different parts of the organization indicate their view on the progress to omnichannel. Talking about the Omnichannel Hexagon and the related disciplines stimulates a change of attitude that will make it easier to work towards omnichannel as a common goal. Read more about this in Chapter 6.

## The six disciplines

In order to conduct omnichannel marketing effectively and efficiently, there are six disciplines that you and your business should cultivate to an ever more customer-oriented and sophisticated degree. The disciplines are as follows:

- **Customer recognition and permissions**: The more customers you can recognize across channels and reach out to on your own initiative, the greater the total impact and profitability through personalization you will have, and the less expenditure for exposure on paid media.
- **Data collection**: Data is your company's memory of every single customer and the prerequisite for becoming more relevant in your communication and service. Customer data must be collected systematically and integrated to provide a comprehensive picture of each customer.
- **Data analytics and AI**: Artificial intelligence and predictive analytics provide granular insight into correlations between data and desirable and undesirable customer behaviour. This insight constitutes the treatment of each individual customer as well as the prioritization and estimation of the impact of new omnichannel efforts.
- **Communication and service**: Data and insights are worth nothing, if they aren't being used. Leverage insights from data analytics to develop and deliver the right communication and service to each individual customer at the right time in the right channel. By doing so you acknowledge your history with each customer, both when you turn to your customers and when they come to you.
- **Performance analysis**: If you want to develop a customer-centric organization and measure its success, then you need to monitor metrics that you are not used to. You should incorporate customer metrics in your performance analysis and not just focus on individual channels and campaigns.
- **Organizing and management**: Organization and incentive structures should support optimal customer servicing across channels. Otherwise, individual agendas and targets will quickly block your way to omnichannel. Your business must also possess the right culture, skills and tools.




These six disciplines are applicable across all channels. For example, when you assess your company's maturity in Communication & Service, the questions and the answers are relevant for all channels. Maturity is measured from the outside in, understood in the sense that you need to start with assessing whether your business meets the criteria in the outermost ring and then move one level inward towards the centre. Most companies will, at minimum, be in the outermost ring for each discipline.

The disciplines have no fixed order, but in many cases it will be difficult to fully master one discipline without having a certain maturity in another. For example, it makes little sense to do Data Analytics & AI without being fairly sophisticated in Data Collection. It is also difficult to be really relevant in your communication without being able to recognize the customer and have a certain amount of data. The goal is to move slowly inwards across the disciplines, while the interplay among channels and organizational entities is created, preserved and strengthened.

**Why is the product not included in the Omnichannel Hexagon?**

We've been asked a number of times why the product is not included as a separate discipline in the Omnichannel Hexagon. There are several reasons for this.

First, there are differences in how centred a company is around a single product or a single joint service. Some companies will indeed have one core service that their business will be built around, while others will have many products. In the latter case, it will be more about selecting the right products for each customer than developing the product itself.

Second, some of our readers do not have the opportunity to change the product or service itself to any significant extent. Therefore, having a separate discipline for the product would not be relevant to all.

However, the six disciplines can be used to develop products. For instance, companies should be using the Data Collection and Data Analytics & AI disciplines to better understand their customers and gain insight into their needs.

### Communication and service are a big part of the product experience

It is a fact that the perceived value of a product can be significantly affected by the Communication & Service discipline. For example, a customer sees a ring in a shop. The ring has some natural value in that it is beautiful and made of quality materials. But the perceived value can be enhanced if the customer is presented with communication that supports a narrative about the ring, the designer's thoughts on the piece, its artisanal qualities, etc. This provides a better (and perhaps different) experience of the product's value and increases the impact of word-of-mouth and storytelling about the brand. The product, or at least the product experience, is to some extent contained in the Communication & Service discipline.

### Why is the brand not included in the Omnichannel Hexagon?

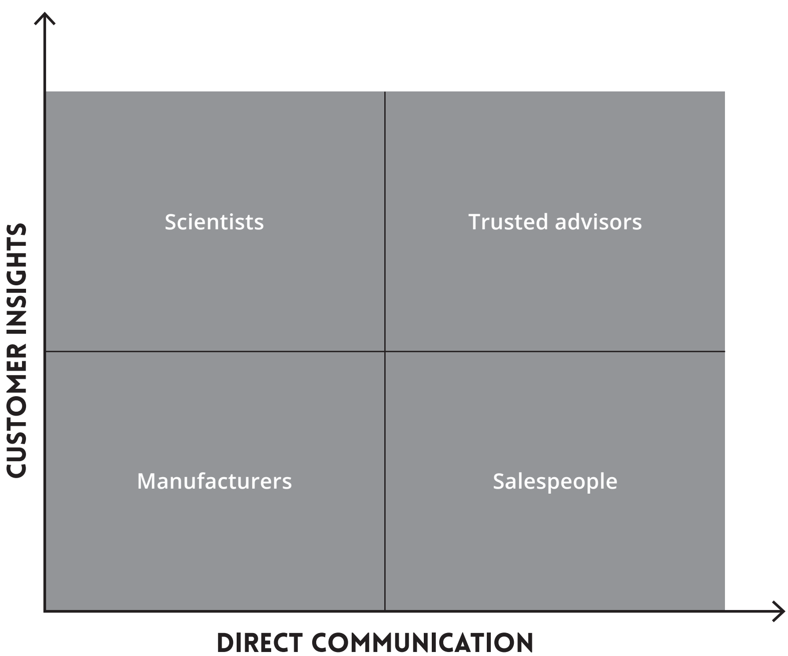
The Omnichannel Hexagon and omnichannel marketing in general will be pointless to employ if the starting point, i.e. the brand, service or price point, is not attractive in itself. The Omnichannel Hexagon takes for granted that your brand understands or speaks to the right emotional values that create an interest and are relevant to your customers. Omnichannel is primarily an enabler, i.e. a way to perform better on an already known and functioning foundation. That is why the brand is not included as a discipline in the model.

However, good execution of omnichannel can greatly impact perception of the brand. Customers will adopt a more positive view of your brand when they learn that your company does not forget their history as they switch from one communication channel to another and when they are consistently met with relevant and timely communication, whether they are interacting with the brand in the physical store or through one of the many digital channels.

## The four omnichannel archetypes

Since 2015, when Rasmus Houlind launched the first version of the Omnichannel Hexagon, more than 800 companies have used the original online benchmark tool to assess their omnichannel maturity.

During the data-investigation process, together with the Networked Business Initiative (NBI) and Copenhagen-based PhD in Maturity Models, Lester Lasrado, it became clear that maturity within certain disciplines correlated to a significant degree. This led us to define the following archetypes within omnichannel maturity. The archetypes can help to describe certain states but, more importantly, they set a direction towards omnichannel success, which is where the company takes on the role of a trusted advisor in the eyes of customers.



On the X-axis, you can execute direct communication towards customers across communication channels. Companies that excel on this axis are the ones who are fairly mature in the two disciplines of Customer Recognition & Permissions and Communication & Service.

On the Y-axis, you have the degree to which an organization can derive insights from customer behaviour. Companies that excel on the Y-axis are fairly mature in Data Collection and Data Analytics & AI.

The top-right corner represents organizations that are good at communicating directly with customers across channels based on customer insights. In general, it is not possible to achieve the top-right position in the matrix without also being mature in the two disciplines of Organizing & Management and Performance Analysis.

### The Manufacturers

Companies that fit the Manufacturer archetype have indirect communications with their end customers and don't record much of their data. Maturity within the Omnichannel Hexagon will generally be low for such companies across all six disciplines. In this archetype we find product-oriented companies that resell their products without ever meeting the end customer one to one. Evolving from this archetype requires a tremendous transformation on all levels. Connections with end customers need to be established if the company wishes to become omnichannel to any degree.

### The Scientists

Companies that fit the Scientist archetype generally score well in both Data Collection and Data Analytics & AI, but poorly in Customer Recognition & Permissions and Communication & Service. While these companies do not use analytics to improve communications to and servicing of customers, they do employ insights derived from research and development analytics to improve their core product. These companies tend to be very technologically driven and are often seen building hardware products. For these companies to become more omnichannel, their marketing teams need to take advantage of all the wonderful data that is at their disposal – proactively turning average customer experiences into delightful ones.

### The Salespeople

Companies within this archetype generally score well in Customer Recognition & Permissions and Communication & Service, but poorly in Data Collection and Data Analytics & AI. While permission and consent may have been gathered, this will primarily have been done for the purpose of moving from paid media advertising into owned media such as email-, web-, app- and SMS-based communications.[11] This means that there will be no changes made to the traditional one-size-fits-all communications other than the occasional segmentation and personalization of newsletters. In this category you find most traditional retailers which tend to struggle with implementing an omnichannel strategy. Customers often perceive these organizations as salesy and perhaps even pushy. To become more omnichannel, they need to take both data collection and analytics more seriously. This can be achieved if the marketing team begins to incorporate marketing (data) analytics and inspire the organization to adopt data practices to a wider extent.

### The Trusted Advisors

In the top-right corner of the model we find the Trusted Advisors. This is where we find the top performers within omnichannel. Companies that fit this archetype excel not only within the four data- and communication-related disciplines but also within Performance Analysis and

Organizing & Management. This archetype proves the point that a company cannot become fully omnichannel without working intensely to adjust its organization and its way of looking at performance analysis towards customer-centricity.

### Use the online benchmark tool to assess your company's maturity

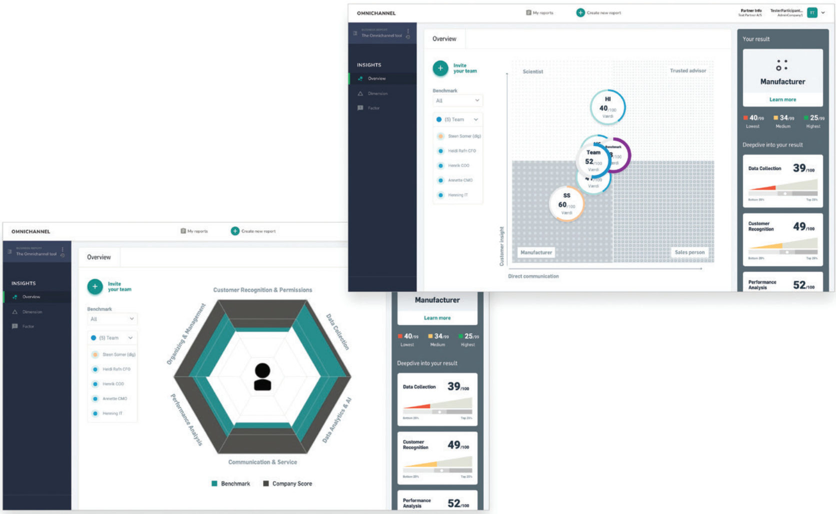
Some CEOs are so concerned with their immediate competitors that they neglect to consider whether bigger players such as JD.com or Amazon are going to win the entire market. Therefore, an indication of whether your business is in front of or behind your competitors can be helpful.

For this purpose, we have allied with the NBI. Using the Omnichannel Hexagon, we have jointly developed a new omnichannel benchmark tool that can be used to measure omnichannel maturity. By following the link in the QR code below, you can quickly determine your maturity level within the six disciplines and see where you rank against your competitors.

You can take the survey at this link:

**OMNICHANNELFORBUSINESS.ORG**

Initially, you will get a chart of your company's maturity that can be used internally. You will be able to narrow down the comparison with your own or similar industries and see how other companies have generally answered the specific questions.

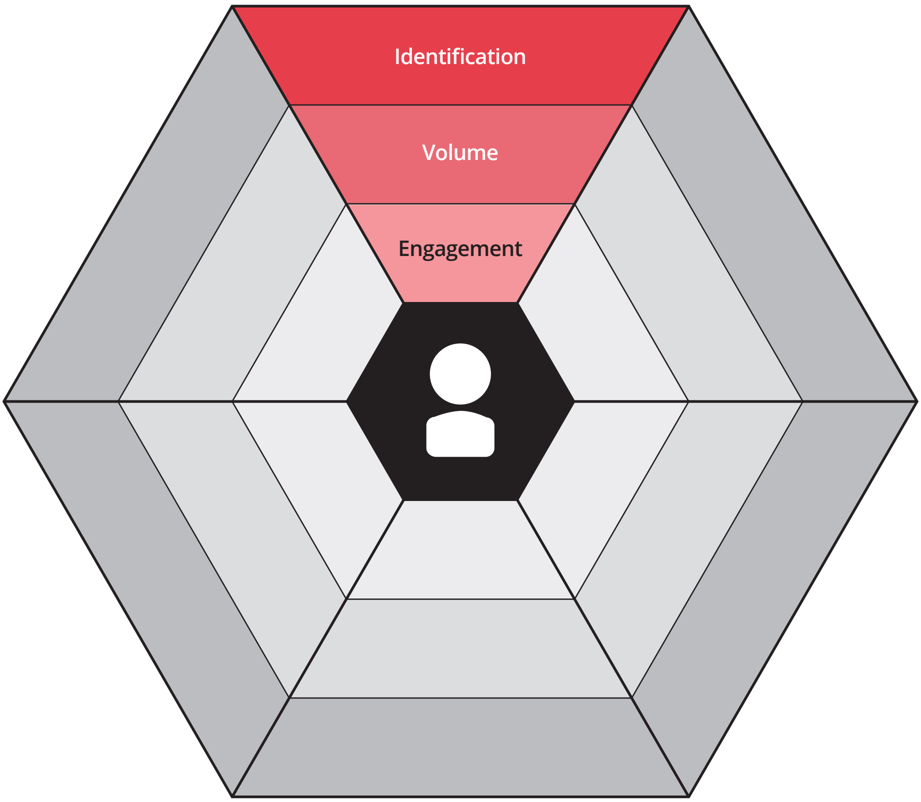



Later you can choose to invite members of your organization to answer the same questions to reveal a more deeply rooted image. It will also be clear where you and your colleagues have different perceptions of things. This can inspire knowledge-sharing and collaboration.

All responses feed into the body of data that NBI gathers for its global study of omnichannel maturity. Your data is private and processed anonymously for inclusion in the benchmark for other companies as well as general analyses.

Apart from an initial benchmark on the Omnichannel Hexagon, the tool also provides you with insights into which archetype your business resembles the most and how this compares with the other respondents.

**CUSTOMER RECOGNITION & PERMISSIONS**



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# CUSTOMER RECOGNITION & PERMISSIONS

Recognizing a customer is the foundation of being personal. How many of your customers can you recognize across channels? And do you have the option of reaching out to them on a one-to-one basis?

Wang Lei lives in Shanghai and his two-year anniversary with his partner Zhang Min is approaching. Wang has never bought jewellery before, but lately he has noticed that his idol Timmy Xu is sharing pictures of himself wearing jewellery from the brand Forevermark on WeChat. Wang clicks the link to the Forevermark WeChat store, follows the brand and adds some necklaces and rings to his wishlist. He's prompted to come and see the products physically in the shop Libert'aime in Shanghai and is able to book an appointment through WeChat.

When Wang Lei gets to the store, he sees people trying on jewellery in front of a 'magic mirror' that takes your picture to share on WeChat so that you can get your friends' opinions on the jewellery before buying. To use it, you have to sign into your WeChat account and enrol in the brand's loyalty programme. Wang finds his details on WeChat and a sales ambassador shows him the products from his wishlist.

Later, Zhang Min is surprised and happy when she unwraps the necklace Wang chose. Occasionally Wang gets notifications from Forevermark and is reminded to shop there in the future.[12]

The example above is a realistic (yet fictitious) scenario of how a customer journey could take place in the Libert'aime store in Shanghai and how Forevermark takes great care to recognize the customer across both communication and sales channels and also asks for consent for later direct communication. It is a great example of exactly what this chapter is about.

We suggest that you learn from how Forevermark combines influencer marketing and social media to reach its potential audience and then uses the WeChat app and e-commerce store to encourage them to connect and identify themselves. Be inspired by how Forevermark uses technology in the store, where customers are recognized, and the shopping experience can continue where it left off on digital channels. This will help you create long-lasting connections between your brand and your customers.

Using the same principles (but, where relevant, perhaps through channels more heavily adopted in your market than WeChat), we suggest that you connect with your customers. To make customers feel that they are at the centre of your attention, you have to be able to recognize them no matter which communication channel you meet them on. You also want the opportunity to be the one who starts the dialogue. Otherwise, it soon becomes a very one-sided relationship. That's why your aim should be to get their consent, also known as permission.

When we talk about customer recognition and permission gathering as the same discipline, it is because there is commonly an overlap between the way you recognize the customer and the way you reach out to the customer. Very often, it is the email address, phone number or app ID (or more than one of these) that is the key to recognizing your customers.

At the same time, they are among the direct communication channels you can have to your customers.

On a more general level, this discipline refers to the necessity of building a large, dedicated base of both customers and non-customers in order to succeed with omnichannel. You must be able to recognize customers across channels no matter whether they enter your stores or call you on the phone. At the same time, you must have the possibility of reaching out to customers when you have something on your mind that you wish to take action upon – preferably tailoring this message using the data you have for each and every customer.

Systematic customer recognition and permission gathering is the first of the six disciplines in the Omnichannel Hexagon. It is the foundation for personalizing your communication and the key to being able to analyse data going forward. If you don't know who you are talking to, how will you be able to 'make it all about them'?

Moving on to the permission part – you cannot always count on customers seeking you out. "Build it and they will come!" is perhaps true if you have the most amazing product in the world or the craziest budget for content marketing. But who has that?

If your customers are to feel that you have a bidirectional relationship, then you must be able to recognize them across all channels. Your brand should also take the initiative once in a while – although not all the time and not too aggressively, otherwise individuals will feel pressured and 'sold to' rather than invested in as loyal customers.

## PROFITABILITY LIES IN SCALING REACH ON OWNED MEDIA

It is expensive constantly having to buy your own customers' attention on Google or Facebook, not to mention TV, print or radio. As a category these communication channels are referred to as 'paid media'. Once you have paid Google to reel in a customer who has perhaps already searched for your brand name, it feels quite ridiculous having to pay again so that the same customer will also click on your Google ad next time.

Owned media is a term covering all the communication channels where you don't have to pay someone else for the exposure. So in practice this accounts for (at least) email, web, app, SMS and even the physical signage within or on your brick-and-mortar stores. The sooner you start moving the dialogue from paid into owned media, the better (and cheaper).

Any self-respecting retail brand today has some form of loyalty programme with an associated marketing permission. But, more often than not, permission gathering is seen as a pure digital activity and club membership may not even be recognized in the physical store at all. This is despite the fact that this can easily become the best-performing source for new club members – and, equally importantly, behavioural data. There is more about these 'channel conflicts' in Chapter 6.

### Scale puts 'meat' on the segments

Another significant benefit of having built up a large customer and permission base is that as the database grows, so does the size of the underlying segments into which it makes sense to divide the database.

Quite practically, we know that personalizing the content and timing of a given push communication can dramatically increase its impact – by as much as 200% to even 900%.[13] However, if the actual number of customers that will be reached by personalized communication is low – as it will be before critical mass is obtained – this can mean that the additional cost of preparing the personalized content will not pay for itself. A high permission volume will mean more meat on even the smaller segments of your customer database and make it much more profitable to develop and send personalized content for them.

If your business adopts automated communication (trigger communication, marketing automation, etc.), a large permission base will also provide a greater volume of automated communication going out to relevant targets on a regular basis. This communication can have a very high degree of efficiency and it costs only marginally more to reach a much wider audience.

## Club membership as the hero in the ad

Traditional paid media, such as TV commercials, has the advantage that it can often scale very rapidly. If you have a message today that you would like to see cause an effect very quickly, mass marketing can still do something quite unique. Despite the trend of watching programmes on online streaming services, there are still a great many households that watch traditional TV channels every evening. If your advertisements run today, there will be increased demand for your product tomorrow and there will be a higher chance of you reaching your quarterly budget. If you have to gather permissions first, then sales won't come until you market to that permission base. So, do you have the luxury of thinking and acting long term?

More and more traditional ads are ending with an announcement that one can enrol in some form of loyalty programme or news service, or download an app, which then immediately gives the end customer a sales-oriented promotion. In this way, companies can achieve both the short-term and the long-term result.

## WORKING WITH CUSTOMER RECOGNITION AND PERMISSION GATHERING

Very often customers can be identified by their email address. Permissions may be directly equated with email permissions. Historically, authorization to send directly into people's electronic inbox has also been the most frequently used method of direct digital communication. Email is effective, visual and inexpensive to send. Email is still the largest and most efficient channel for your external communication on owned media. That said, there has definitely been a proliferation of the number of channels in use by consumers today. Apart from endless social media options, such as Snapchat, Instagram, Facebook Messenger, not forgetting WeChat in China, it's definitely also worth mentioning text messaging and app push notifications.

In line with the Omnichannel Hexagon and customer-centricity, you can classify permissions according to how close they come to the customer. Can we automatically recognize customers and personalize the message when they show up on our website or in the store on their own initiative? Or can we make a relevant message vibrate right down in their pockets at a relevant time?

It is one thing for a company to recognize customers in each channel independently, but it is another thing to identify each individual customer across channels. You need to be able to link email addresses to phone numbers to make sure you know who you are talking to. The same is true for postal addresses, Facebook profiles and other more unconventional ways of recognizing customers.

Maturity in customer recognition and permission gathering is a matter of both identifying and being able to interconnect different types of permission for the same customer. This must be done for as many customers as possible and on as many channels as possible. Subsequently, it is a matter of keeping them engaged, so they are not just dead meat in the database.

In this chapter we will first review the methods of customer identification across channels and then examine the different types of permission. Then we will go into how to effectively gather permissions via both your own and paid media. Finally, we will discuss maturity within the discipline.

# IDENTIFICATION AND RECOGNITION

If it is your intention for your customers to receive personalized messages, then as a minimum you have to be able to recognize them. There are many ways to do this, and some are specific to the channel in question.

## Cookies – recognition on the same device

The simplest way of recognizing a customer on a website is by the company placing a small unique file called a 'cookie' on the customer's phone, tablet or computer. This tracks the device so it is recognized if it accesses the website again. It is not a bullet-proof method of tracking individual users, since it is of course possible to imagine that multiple users might use the same tablet, computer or even phone, particularly in the case of shared devices at home or in a library, airport or another public place. Also, it's worth noting that cookies expire after some time, leaving the trail cold.

Ever since the EU Cookie Directive was approved in March 2011, users in Europe have had to actively be made aware that a website is going to install a cookie. However, not all websites have adopted this and most users perceive it as a nuisance having to click 'I accept cookies' when visiting a website for the first time. In May 2018, the GDPR (General Data Protection Regulation) legislation was put into effect in the EU, and the rules have become even more strict. Websites are now required to give users the option of saying no to different types of cookies, and there are increased fines for overstepping these guidelines. At the time of writing, we have yet to see any finished lawsuits with substantial fines for companies not living up to these guidelines. We suppose it's just a matter of time, though.

Despite these and other legal hurdles, it is important to remember that people are no longer surprised when they are recognized by a website; quite the contrary – it is now expected and desired by more and more people.

### Login and profile – recognition across devices

If you need a little more certainty that it is the same customer/user who is looking at your website, a login on the site is the best option. However, there must be a good reason for creating such a login for the user – otherwise this option is typically not used. We see this most frequently while completing online purchases, where users are offered the possibility of creating a login to make subsequent purchases easier. The merchant will then save the customer's contact, billing and shipping information, and it will be easier to transact a second time. It makes good sense, if the customer can imagine doing business in the same place again.

Other kinds of functionality may also require a login. One example is the wishlist function, to enable users and potential customers to save products that they might be interested in buying at a later stage. Customers who would like to use this function will be asked to create a login. The website will then remember what is on the customer's wishlist and there will be no need to log in again later on this device – unless the customer actively logs out. It is considered a service for the customer to be able to save products of particular interest, especially when the product assortment is overwhelming.

An added benefit for the company is that they can now recognize this individual again – both later on the same machine and on other devices – as long as the individual logs in using their profile. In addition, the company will gain valuable knowledge from the contents of the wishlist and may even manage to tempt the customer with a discount voucher in exchange for agreeing to receive offers and newsletters.

## Bait for email, name and title

If a strong incentive is not immediately provided for the user to create a profile, you can use a known tactic from B2B (business-to-business) lead generation. Companies offer free downloads of white papers and e-books in exchange for users giving their name, title and email address. Regardless of whether the user checks the box to receive marketing materials, you can now with 95% accuracy attribute the page and product views from this device to a concrete prospect, whom you can then contact in other ways. Of course, this requires a CMS (content management system) that supports this function, or installation of a proper tracking tool on the site.

For instance, you don't have to download many white papers from Sitecore.net before it knows whether you are interested in a demo of its software – which, incidentally, is the very same software Sitecore uses to collect this data. Sitecore is not the only CMS that supports this; there are a number of similar tools.

## Recognition in the physical store

In the old days, it was no big deal to recognize customers who often came into a store. The owners, who were often standing behind the counter themselves, got a feeling for which customers visited their store frequently. A talented sales associate would nod familiarly at returning customers and maybe even remember their sizes and their previous purchases.

Although this still occurs, the retail trade today is characterized by ever-larger stores with often less experienced sales associates and a high turnover of these employees. And, when international chains are spread across multiple locations, cities and countries, it is in practice impossible to recognize customers from branch to branch without some kind of common identifier. The solution for physical retail is very often a loyalty programme.

## Customer recognition via a loyalty programme

In order to recognize customers, retailers set up loyalty programmes. In exchange for providing information about themselves and identifying themselves when making a purchase, customers receive some type of advantage in the form of discounts, other services or privileges, such as invitations to special sales and events.

One of the problems for most clubs, unfortunately, is that it is only at checkout (the point of sale, or POS) that customers identify themselves. Therefore, it is usually not possible for the sales associate to provide the same personal guidance and service to the customer that would have been possible if they had been recognized in the old-fashioned physical way. Personalized assistance can only be given when the customer has already made a purchase decision and stood in line at the register – and that is often too late.

## The phone is the key to in-store customer recognition

Long gone are the days when loyalty programme membership equalled carrying around yet another plastic card in your wallet. Membership cards have now moved into customers' mobile phones in the form of apps.

Besides relieving customers from dragging along extra plastic cards, mobile apps have the advantage of supporting so-called 'geo fencing' using beacon technology, Wi-Fi or GPS. These methods all have more or less the same effect. As soon as a customer (who has given their consent in the app) enters a certain geographical area, something happens. For example, the customer could get a promotional message, but, more importantly, the retailer will now know that this customer is nearby or even in-store. This will help in terms of data collection and also mean the sales associates can be notified. This was in effect what we saw in the opening of this chapter with the Forevermark example.

Over the past few years many grocery chains have deployed self-service checkouts where customers first use an app to scan a barcode in-store to let the store know they are there and then scan products as they add them to their shopping basket. With a credit card registered in the app, this makes checkout so much easier. This is, for instance, the case with Waitrose's Quick Check and Selfridges' Scan & Go.

As addressed in more detail in the next chapter – Data Collection – the added advantage for the store is that purchases are no longer anonymous. In this way, knowledge about purchases in physical stores can be used in future digital communications with customers. Additionally, this helps to inform all channels of the service the customer previously experienced when they were recognized by the shop staff.

Companies that are good at recognizing customers in-store have a head start in omnichannel. Nordstrom (a North American chain of department stores) has around 50% of its purchases registered with members of its loyalty programme,[14] whereas according to the National Retail Federation, Williams Sonoma brands can, due to the company's mail-order heritage, connect a name, email address and physical address to 70% of purchases.[15] As we shall see in the opening of Chapter 2, Amazon Go has taken this to a whole new level. It simply doesn't allow anonymous visitors into its stores.

### Voice recognition in the customer centre

Voice recognition is no longer science fiction. Not to be confused with speech recognition, which can determine *what* is being said, voice recognition can determine a speaker's identity through biometrics. This can greatly reduce call centre operation speed. Each customer profile will have a voice 'footprint' – in other words, a registration of each customer's sound.[16]

### Facial recognition

China is one of the most pioneering countries in terms of exploring new technologies (and, it is also worth mentioning, the country is less concerned with privacy issues than the EU). It has already enabled facial recognition in Shanghai Airport, making it extremely easy for Chinese citizens to check in.[17] The plan is to also implement this in Shanghai Metro, coupled with speech recognition and digital payment provider Alipay. Commuters will simply need to look into the camera and say out loud where they intend to go and they will automatically be let in and their account will be charged.[18]

## TYPES OF PERMISSION – INITIATIVE FOR COMMUNICATION

There is a big difference between just being able to recognize customers and having the right to occasionally initiate dialogue with them. It is important to have consent to send information and offers to each individual customer without the customer prompting this communication. This is backed by a study conducted by the media agency OMD and Insights Group showing that 75% of the market for your product consists of passive customers who will only take action if you or your competitors reach out.[19] The more customers that can be recognized and contacted (with permission), the more profitable customer relationships you will have. In the following sections, we will review the different types of permission and related topics.

### Social media is paid media

If you can get your customers to follow your brand page or profile on websites such as Twitter or Facebook, in theory you will have some of your posts appear in their newsfeed, which they will likely check once in a while. Instead of relying on your customers coming by your website or store, you will now have the possibility of reaching them more directly.

However, there is no guarantee that your prospects will check their Facebook or Twitter newsfeed. Furthermore, social media sites are increasingly having to capitalize on their business customers, with the result that you as a business owner must again pay to boost the visibility of your message to your followers.

If you choose to pay for increased exposure on Facebook, there is then the possibility of segmenting your editorial message by gender, age, education, geography, language, marital status and interests. If you import specific lists of people (names, emails and phone numbers) to Facebook that you know share certain behaviour (i.e. have purchased the same product), you can be fairly sure you are reaching the right people. However, there is no guarantee that you are totally right and there is no possibility of merging each customer's name, purchase history or external data into your messaging.

The point is that you never really get close to customers on social media without it being really expensive or manual. So, this social permission is therefore not the most profitable one, but it can still be valuable to have a large number of followers on social media. If the content that you choose to share is fun and interesting, it can lead to great exposure, especially if your followers are commenting on and sharing it. Bear in mind, though, that posts carrying a very sales-oriented message (e.g. a discount) tend not to get commented on or shared.

### Postal address and direct mail

You can also consider the physical address as a possibility for communicating directly to customers. If your customers are not registered on lists prohibiting them from receiving offers through the mail, you may write physical letters to them. You should check each address against a country's 'Robinson list', which is a public list of the names and associated addresses of people who have opted out of receiving direct marketing in their mailbox.

Postal mailings are the traditional channel for direct marketing. With the use of advanced merge rules, potentially augmented by AI, you have the freedom to create the right personal message and deliver it directly into the recipient's address. But this is not very cost-effective. If you choose to send direct marketing to your customers, you should consider design, printing, packing and postage costs. Direct mail can easily amount to over €3.00 per piece for printing, packing and postage alone.

Although postal delivery is relatively expensive, it does have its advantages. The opening rate is typically very high. Today customers rarely get letters in their physical mailbox so when they suddenly do, they almost always open them. The DMA (Data & Marketing Association) in the US claims that the response rates for direct mail tend to be anywhere between 10 and 30 times higher than for email.[20]

Postal addresses have the added advantage that to a large extent they can be purchased in bulk.[21] It is even possible to buy them segmented by household statistical data such as presumed media habits, political attitudes and income. Therefore, if you find yourself having to create new customer relationships and you have a target group that is unevenly distributed in other media groups, this can be a fine media choice.

## Email permission

*Win a €300 gift card! Sign up for our newsletter!*

You've probably seen this message many times – in several variants, of course. Retailers of all sizes today have email lists and newsletters. Email is still the most cost-effective outbound communication channel, with the capability of being used in personal one-to-one communication. Even though email is seen by many as unsexy and maybe even a little old-fashioned, email permissions have many advantages that other types do not.

### A mature medium

Email is a mature medium, in the sense that it has been around for many years. Therefore, there are a great many sophisticated systems for sending email, and just as many sophisticated mechanisms to prevent unwanted emails from getting through.

### A creative medium – with many rules and exceptions

An email message can be extremely creative in its design. As the sender, you have 100% control over the content. Images, text and even video can be embedded in the mail, so it will be more of an experience than a dry message delivered on a white background. However, with the multitude of devices used for viewing email, there are great differences in how the HTML is rendered. So, as a sender, you must put a lot of work into encoding specific rules and carrying out thorough testing on all devices.

### Dynamic content and merge rules

As with direct mail, you have the advantage that you can determine with complete accuracy who, or at least which address, you are sending an email to. Most email service providers offer the opportunity of creating merge rules in your emails, and you can then personalize messages and content according to the information and data you have on your customers. That said, not everyone uses this possibility. The vast majority of email communications that businesses undertake today are of the one-to-many type. This is on an equal footing with traditional print advertising. The difference is simply that it is very inexpensive to deliver.

In addition to varying the content itself, some tools enable the creation of advanced trigger programs, where email messages are sent automatically on the basis of registered events on the part of the customer. The best ones offer this possibility not only for email, but also across several permission types and communication channels. There is more on this in Chapter 4.

### Measurability

Email messages have the advantage that virtually any interaction your customers have with them can be tracked. The most common metrics are:

- **bounce rate**: the proportion of sent email messages that could not be delivered
- **open rate**: the proportion of sent email messages that have been opened
- **click rate**: the proportion of sent email messages that have been clicked in
- **conversion rate**: the proportion of sent email messages that resulted in a customer carrying out a desired action (typically a purchase) on the website linked to in the email
- **unsubscription rate**: the proportion of recipients who have opted out of receiving further email from the company
- **spam complaint rate**: the proportion of sent emails marked as spam by the email recipient.

In addition to measuring each type of interaction as a whole, it is becoming more common to record which individuals click on which types of link. This behaviour generates data about the recipient's preferences and interests, which may be used for further communication.

### Spam

There are some companies that send marketing-related email messages to recipients who have never given them permission to do so. Either they will send emails to all of their customers with an email address, even if those customers have not given marketing permission, or they will add email addresses to their list via more or less shady methods, such as buying email lists from third parties or automated retrieval via open webpages. This is referred to as 'spam' and it is not a good practice to pursue if you represent a serious business.

**Deliverability – will the email get through?**
Most browser-based email readers, such as Hotmail and Gmail, have dedicated buttons so that users can report messages as spam. Gmail does not look into whether or not the claim is true. The fact is, however, that if more than a certain percentage of recipients of messages from a particular sender (often measured by IP addresses) declare that they perceive those messages as spam, the sender will be blacklisted. Subsequent email messages from this sender will be suppressed and land in the spam filter. It is therefore a good idea to make it not only possible, which is a legal requirement with GDPR, but also crystal clear how recipients can opt out of unwanted email communication.

It can also be dangerous to wait for too long to use an acquired email permission; perhaps the recipient will not recall having given consent and will mark the message as spam.

Within email deliverability, the term 'bacn' refers to email messages that recipients have given their permission to receive but don't bother to read. It can be argued that, in these cases, if the recipient sees the email in their inbox – even without opening it – the sender has nonetheless attained a brand impression or exposure and thus has created a bit more brand awareness. However, there is usually a more specific message in the email to which the recipient does not respond.

Hotmail and Gmail monitor the amount of bacn a sender generates. If you generally send out a lot of emails that are unopened, then you are gradually punished and your deliverability decreases. They especially punish senders who send to so-called spam traps. Spam traps are email addresses that have been unused for a long time and that Hotmail and Gmail have 'taken back' from the person who originally opened them. If you are sending to spam traps, it is a clear indication that you are not monitoring the quality of your list and do not continuously unsubscribe recipients who don't open communications from you. The problem, of course, is that many marketing employees are rewarded by the number of permissions in the customer database – not the number of active permissions.

To avoid the risk of having your regular internal email end up in spam filters, you should send emails to customers from a different subdomain and IP address than your ordinary domain. For example, if you have the domain Company.com, instead of sending from newsletter@company.com you might send from newsletter@email.company.com.

## Browser and desktop notifications

A fairly new permission type is browser notifications. Upon visiting a company's website, the browser or the operating system can be instructed to prompt the user for permission to send them notifications whenever the company deems that something is of interest. YouTube, for instance, uses this type of permission. The format is short and primarily text-based – similar to that of app push notifications. We consider it fairly intrusive and something that brands should use with care. The messages pushed towards end customers should be fairly specific and data driven.

Due to the newness of this communication form, research into the economic potential is fairly limited. Without a doubt, however, it is an extra touchpoint that is bound to cause some kind of awareness. The system support is also relatively limited, and more often than not browser notifications are not a native channel in the common automation marketing solutions out there.

# INTIMATE PERMISSION – REALLY UP CLOSE

It vibrates in my pocket – and it's with my consent. It can hardly get more intimate, in terms of contact from a business.

'Intimate permission' is our attempt to conceptualize a contact form that works on an individual level and in quite close proximity – in more than one sense of the term. It is mobile and reaches the customer right where they are by the phone vibrating in their pocket. However, with the potential for such close contact, there is specific best practice for this type of communication.

### Text messages

It has been possible to send text messages to customers for many years. Nevertheless, using text messages for marketing is still quite limited compared with email, for several reasons, including:

- Text messages are expensive.
- Text messages are more difficult to track: it is not as easy to track openings and clicks as it is with email.
- Tools for sending text messages often do not provide advanced methods of personalization.
- Opt-out rates for text messages are typically higher than those for email because it is relatively intrusive and also easy to unsubscribe from.
- There is a longer path to an online purchase from a text message than from an email click, even though mobile commerce is growing.

However, text messages do have a very high opening rate.[22] Also, from a purely practical perspective, it is extremely easy to collect phone numbers. There is typically not the same risk of spelling errors as there is in entering and collecting email addresses.

### Use with caution

Senders must consider the context in which the user will receive the message. Reception of a text message is most likely followed by either a sound or a vibration. Therefore, senders should consider the timing. A text message in the middle of the night can be highly annoying. You should be especially cautious if you are operating across time zones.

Text messages are typically used as a kind of notification tool with respect to customer inquiries. When will my package be shipped? When is my hairdresser appointment? When should my bike go in for servicing? This has helped to shape consumers' expectations for the channel. To a greater degree than for email, it is expected that the content will be personal and unrelated to sales.

### Push messages to an app

Another method of getting closer to customers is by using push notifications to apps that the user already has installed on a mobile device (phone or tablet). It is by its very nature more complicated for customers to download an app, identify themselves by login and then give the app permission to send push messages. It requires a certain closeness of relationship or a really good offer to get this to happen. Your app should contain more customer-oriented and value-adding features than just the capability of receiving messages.

The same precautions about sending times and promotional vrsus service-oriented content that apply to text messaging also exist for app push notifications.

### Different degrees of proximity for customer recognition and permission gathering

The closer you get to a customer's intimate sphere, the greater the necessity to think really hard about both the content and the timing of your communication. On a website you can get away with not being particularly relevant without it leading to customer complaints. On a mobile device there is less tolerance of and patience with irrelevant communication. A few irrelevant text messages and the permission and/or customer relationship will be lost.

## Lead generation and permissions

Collecting permissions is not necessarily a particularly highbrow, academic discipline. It is in principle a simple proposition to be sold to customers. The key is to give them the offer and make them feel that they will get more out of saying “yes, please” than “no, thanks”.

### What exactly did I say yes to?

The value proposition does not need to be particularly advanced; in fact, simple messages often work best.

Nordstrom’s loyalty programme is called The Nordy Club, and more than 50% of Nordstrom’s revenue is accounted for within the loyalty programme.[23] The value proposition for the loyalty programme is as simple as:

Free to join!
Earn points no matter how you pay.
Earn status based on spend.
Reach a new status and enjoy even more benefits, such as priority access to style events.
Get exclusive access.
Enjoy perks such as access to beauty and style workshops, curbside pick-up, first to shop select brands and more.
Earn 1 point per 1 dollar.
Earn points towards Nordstrom Notes, and unlock them even faster with our Nordstrom app.[24]

Note that Nordstrom does not promise any specific discount, aside from earning points that can be used later. Too many companies overestimate the need to give a big discount to get memberships and permissions.

Nordstrom naturally also asks whether it can send communications to customers and its app also prompts users about permission to send push notifications.

We have seen some examples of how, at the time of enrolment, businesses have divided their permissions into many sub-permissions and presented them to the customer up front. This can be a bad idea, because customers typically will never sign up for everything. In unsubscribe scenarios, however, it might be a good idea to provide customers with the option to unsubscribe from specific parts of the communication without having to say no to the whole thing.

# PERMISSION GATHERING CAMPAIGNS

Value propositions can be delivered through the channels you already use for communicating with customers.

## Permission campaigns via owned media

You don't have to pay to be published on your own media. Therefore, it is natural to use these to a great extent.

### The store network

If you have a large store network today, you should activate it from the start. Make it a natural part of sales associates' work to ask customers for their email addresses and possible club membership. Follow up on how well they do it and reward the best. It is the execution that will determine how effective this will be. If it does not become an accepted part of the sales staff's routine, and if the performance is not measured, it can be extremely hard to make it work.

Typically, sales associates have a lot of things they have to remember to ask about in order to support up-sales – for example, "Would you like a box of candy for only €1.50?". In order to use retail as part of collecting permissions, you must have organizational acceptance that a permission is worth far more in the long term than the sale of a box of candy here and now.

Through a store network, you will typically collect permissions among existing customers, so you should primarily collect permissions via this channel with the aim of developing relationships with them. In the context of cultivating brand new customer relationships, this channel's results are limited.

### Your website

On your website, you can collect marketing permissions from both potential and existing customers. If you have many unique visitors to your website, it is obvious that you should ask for permission here, but not just in connection with order placement or as a passive call to action. More and more companies are serving up the message about giving permission in a kind of pop-up or overlay triggered by a particular behaviour – for example, time spent on the website or the number of pages shown to the user.

Depending on your business, there can be different opinions for how aggressively you can allow yourself to push the message. Typically, however, it is quite easy to set up the message, as it is often the marketing department that has control over the website.

### Email

Talking about the use of email for permission gathering may sound contradictory to many people.

Nonetheless, if you want to extend your reach to customers on as many channels as possible and obtain permission to contact them via either text messages or apps, the email channel is an excellent medium.

### Facebook

It is of course possible to use Facebook, particularly in conjunction with campaigns, to collect email permissions. Facebook ads have a special feature for exactly this – but remember that it's paid media and nothing is free.

The fashion retailer Zalando.com is quick to encourage potential customers to make themselves known to the brand on

Facebook (by following the company's page). In return, customers receive offers and even a rebate into the bargain.

### Mobile

App and text messages can be used to notify customers if it is found that messages can no longer be sent to the provided email address (i.e. the messages bounce). Text messages in particular can also offer an excellent supplementary way to collect permissions.

In March 2014, the Nordic chain of gas stations Statoil (now Circle K) launched its loyalty concept Statoil Extra. The sometimes overly busy sales associates could not always manage to collect all relevant profile information from the gas station customers, but they could generally manage to get a phone number and enter it into the system. Afterwards, customers would receive up to four text messages reminding them to register for Statoil Extra using the phone registration form. Phones thus worked in combination with the other channels to get members to say "yes, please".

### The customer service centre – can't we just ask them when they call?

When customers call your customer centre, it seems like an obvious chance to ask them about marketing permissions for email and mobile. But, before you do so, remember to check with local legislation. Unfortunately, in some territories this is a violation of current law. However, it may still be legal to ask for customers' email address for purposes other than marketing – in fact, with GDPR, you have an obligation to make sure that the information you store about your customers is up to date.

### Direct mail – permission gathering via post

A database of customers' physical addresses is still an owned medium, even if it is not as cost-effective to use as for instance emails and push notifications. It is a commonly used tactic to include a message about permission capture as 'envelope stuffing' if you already have the legal obligation to send out postal mailings to customers but do not have marketing permissions.

## Permission gathering via paid media

### TV campaigns

Paid media is frequently used to collect permissions. A TV ad campaign can easily have a company's loyalty programme as its protagonist and becoming a member as its primary call to action. TV campaigns are expensive, but permission gathering can be incorporated within existing branding-oriented campaigns.

A TV commercial will result in interest in your loyalty programme coming from two directions. Even if your sales staff don't remember to ask customers about membership, there is a chance that the customers will know about the loyalty programme from the TV commercial and will ask about it.

### AdWords and banner advertising

An above-the-line mass-media campaign will typically create increased traffic on Google AdWords and other similar services. If there are TV ads running for a loyalty programme, there will also be people looking for the club on search engines. It can be an advantage to advertise on the relevant search words, for example to help the people who are sitting in front of the TV with an iPad on their lap. Likewise, it can make good sense to increase media pressure across channels through banner advertising on various ad networks, including Google and Facebook.

### Collecting permissions by leveraging the brand of a supplier

A good way of collecting permissions can be teaming up with a supplier that has an interest in knowing more about how its end customers behave throughout the whole process of shopping. An example of such a collaboration is that between the Dutch online retailer bol.com and LEGO®.

The toy brand LEGO distinguishes between customers and users. Customers are the ones who buy the products (often grown-ups) and users are the ones who actually play with the LEGO bricks (children of all ages). Since LEGO has a policy of not communicating directly with users, it doesn't collect permissions or create personal profiles for users. Instead, it collaborates with its partners (resellers), which engage with the users and collect permissions and data about them.

Together, LEGO and bol.com have set up a dedicated LEGO platform to inspire and better understand users. The result is the video platform speel.bol.com, which offers various types of engaging and interactive content, such as LEGO movies, unboxing videos and user-generated video content – all targeted at children of various ages.

The main goal of the platform is to gather relevant data derived from various touchpoints. This data includes:

1. login data, to provide the companies with demographics and to enable children to post their own created video content and be able to win LEGO products
2. engagement data by adding gamification, such as enabling users to collect LEGO stickers to show they're a big fan of the brand
3. more generic platform statistics, such as traffic numbers and sources, number of video views, time on site and so on.

This data should lead to more relevant insights for both LEGO and bol.com. These insights are used to improve marketing effectiveness and product development (for LEGO) and enhance shop and conversion optimization (for bol.com).

According to Justin Sandee, head of retail media management at bol.com, the numbers are promising. In a personal interview with the authors he revealed that within a relatively short period of time, the platform gathered more than 10,000 unique profiles of children aged 1–11 years. It also appears that children find the platform engaging, with 150,000 video views and 30% of all visitors returning regularly and staying on the platform for 21 minutes on average. Over 2,000 children spent two hours watching videos and earning virtual LEGO badges. These children are rewarded as true LEGO fans, and can share this status with their friends on social media. So far the unboxing videos have been the most popular, especially in the older age groups.

The platform is providing interesting insight into how to adjust the way LEGO products are promoted. The LEGO inspiration platform is a typical example of part of an omnichannel customer approach in which the consumer is put in the middle and their behaviour is the basis for marketing improvements, making LEGO and bol.com more relevant as a brand and a shopping destination.

### Collecting permissions from new customers through direct mail and unaddressed mail

Just as traditional direct mail can be a good medium for acquiring digital permissions from existing customers, direct mail or unaddressed mail can also be a means of acquiring permissions from completely new customers. Today, it can be a very liberating feeling to find a letter in the mailbox that is not a bill. As mentioned earlier, the DMA boasts that direct mail has an extremely high opening rate, perhaps precisely because people no longer receive physical mail very often.

But to whom should we send a letter or an unaddressed mailing, when we have all the inhabitants in the world to choose from and the mailing cost is so high? Luckily this information can be bought through providers such as Experian and local vendors. Both business and consumer addresses can be purchased based on a variety of criteria, so you don't have to send expensive direct mail to everybody.

### Why doesn't my media agency suggest we do permission campaigns?

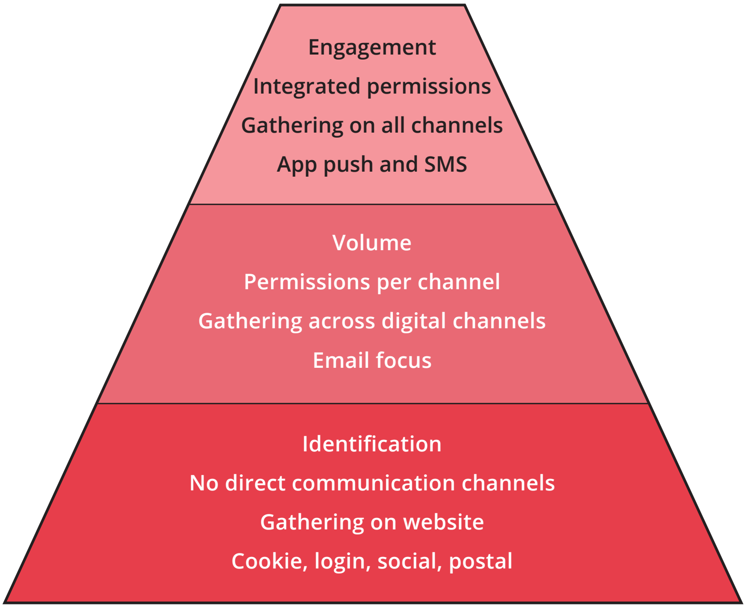
Don't forget that most media agencies earn money for media purchases, so they won't push their clients to encourage end customers to convert to their own media instead of paid media. The same applies to advertising agencies. Why would they actively help to saw off the branch they're sitting on? Unless you insist that permission gathering be a completely natural call to action in your mass communication, it will not happen.

# MATURITY IN CUSTOMER RECOGNITION & PERMISSIONS

How does a mature business work with customer recognition and permission gathering? Is it unconditionally good to have very many text message permissions and 'less good' to have a great many email permissions? Since there are significant differences in recipients' expectations for communication via websites, email, SMS and app push, healthy communication and service efforts include the effective orchestration of messages *across* channels.

You should use each channel on its own terms and for the types of message most suitable for that medium. It is general practice to send a newsletter via email. If the same communication is suddenly published via text message, then one can expect a significantly inferior performance. However, quite short, personal messages function really well as text messages due to the high opening rate and the physical activation of the device. These can also be sent by email – but not as effectively.

Customer recognition and permission gathering must be practised in line with your existing communication efforts. If you (for reasons to do with prioritizing) have not considered using SMS-based communication, then there is no need to invest massively in collecting permissions to do so. Why send invitations to a party that you're not throwing? But one thing is absolutely certain: working with customer recognition and permission gathering is a key part of omnichannel. Below we have summarized the maturity levels, as we see them in this discipline.




## Highest maturity level

The companies that are the most mature in customer recognition and permission gathering work systematically to maintain a large and engaged customer and permission base. They collect several types of permission, including for email, text messages and push messages. Permissions are collected from and integrated across all channels, so there are as many open communication channels as possible for each customer. Customers are automatically recognized across physical and digital channels.

## Middle maturity level

Companies with average maturity in working with customer recognition and permission gathering have a focus on building up the volume of their customer and permission base. Permissions are collected across digital channels in particular but are stored in the channel or silo where they are collected.

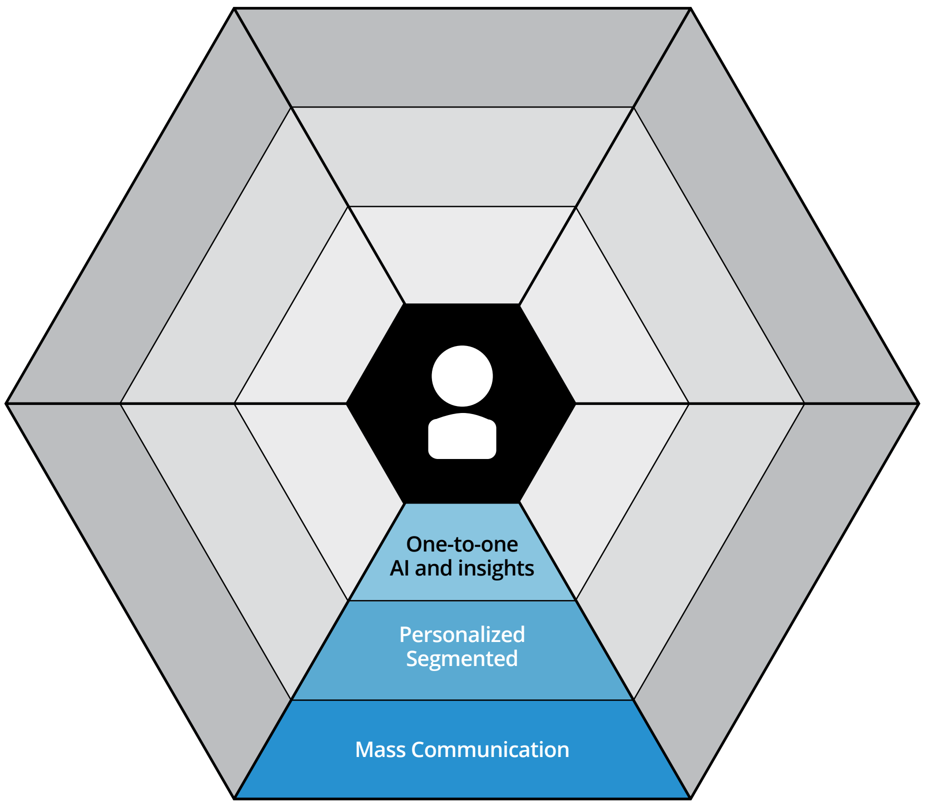
For example, if phone numbers are collected, they are not necessarily linked to the customer's name, email address or postal address. There is a particular focus on acquiring email permissions and gaining new members of the customer club. Customers are recognized across websites, email and store points of sale.

### Lowest maturity level

The companies that work the least maturely with customer recognition and permission gathering can recognize a customer within each channel. Most often this is a task carried out from the website, from cross-exposure on the company's Facebook page or from collecting email addresses. The website uses cookies for simple recognition purposes, and in some cases there is an opportunity to log in. Physical addresses can be found for the customers who have provided them as part of a transaction.

Remember that you can take our test based on the Omnichannel Hexagon and find your company's omnichannel maturity level at:

**OMNICHANNELFORBUSINESS.ORG**




COMMUNICATION & SERVICE

# 4

# COMMUNICATION & SERVICE

Data and the insights derived from data by AI have no value until they're put to use. Data and machine intelligence should be used to tailor the right communication, service and deals at the right times. In this way, you will implicitly and explicitly be acknowledging your history with each and every customer, both when you turn to your customers and when they turn to you.

Alex enjoys hiking. Although he's studying business administration at Columbia University in New York, he spends most of his free time either thinking about hiking or enjoying the fresh air of the mountains.

Over the years he has signed up for multiple newsletters from both retailers and brands. None of the newsletters impress him much. Products, products, discount, sale ...

In the summer, Alex finds himself on a trip to San Francisco, where he visits The North Face store. The sales associate tells him about the local trails and recommends a trip to Slacker's Hill. They also talk about The North Face's rewards programme, VIPeak, and Alex signs up for it.

The rewards programme offers an app with loads of interesting content about hiking and inspiration for new destinations and experiences. The sales associate reminds Alex to use the app to check in when he reaches the top of Slacker's Hill.

When Alex reaches the top, he opens The North Face app and checks in at Golden Gate National Recreation Area. Immediately he gets a notification saying he's earned 50 points.

In the following months Alex notices a change in the communications he receives from The North Face. Receiving a "Back to Campus" campaign at just the right time – and containing just the right backpack – makes him think that it's almost as if the company has figured out who he is and what he's interested in. Thinking back, he actually gave them all the clues – the stuff he bought, the places he checked in, his address, what he browsed on the website and what he clicked in the emails. He's just not used to brands keeping their promise to send relevant information to each customer. It brings a small smile to his face and he adds the backpack to his online shopping basket.

## COMMUNICATION AND SERVICE

This is how a story from a customer of The North Face in the US might sound. Imagine if you could create such an experience for a large proportion of your customers.

To better understand its customers, The North Face launched a loyalty programme called VIPeak in 2012. As in traditional rewards programmes, points are obtained for every product that is bought, but it doesn't stop there. In line with its brand, The North Face has made it possible to obtain points by 'checking in' through its app to outdoor locations worthy of exploration or by participating in The North Face events. This motivates customers to keep exploring. Loyalty points can be used not only to get reward vouchers for use on future purchases but also for experience-related rewards that are 'on brand', such as rock-climbing or even a trip to Mount Everest base camp if you are a really skilled shopper and/or explorer. Consider which benefits that aren't all about points and discounts that you could offer your customers – make those benefits support your brand and the mission you're on.

Rewards are one thing – relevance is another. You should employ personalization techniques in much the same way as The North Face does. The techniques here are based on simple business rules as well as advanced predictive analytics and AI. For instance, because the school semesters start at different times throughout the US, the timing of the "Back to School" campaign is accommodated to the physical address of members through a simple rule in the campaign. At the other end of the scale, an advanced algorithm analyses the combined data stream for each customer and determines which outdoor disciplines each one is particularly interested in. For one product launch – the Ventrix Jacket – the promotional video was even edited into multiple versions accommodating each discipline and sent to only the members matching those disciplines. According to Ian Dewar, director of customer lifecycle management and analytics at The North Face, the results have been impressive – at a conference in Sweden in August 2018, he presented to the audience that same-year visits in the store for customers receiving this personalized and timely communication are up to three times higher and average transactions are 20% larger than for the average customer. And on top of this come the long-term brand equity benefits of communicating more relevant content instead of just pushing products.

## THE FOURTH DISCIPLINE IN OMNICHANNEL MARKETING

In this chapter, we will first discuss what it means for your customers' experience when you succeed in doing omnichannel marketing and which major challenges you will need to overcome in order to achieve this. We will then look closer at the difference between being company-centric and being customer-centric in your marketing. With concrete examples, we'll look into which moments in the customer journey can be leveraged to get closer to customers. We'll use the retail and subscription sectors to exemplify this. Even though timing is essential for coming across as relevant, it's far from being the only tactic. We'll explore other tactics that you can use when you want a message to be experienced as close and relevant to customers and look at which data you can use to achieve this. Realizing that omnichannel plays a special role within retail, we'll introduce the classical omnichannel commerce features that retailers can expect consumers almost to take for granted and how data can be used in-store to further strengthen the customer relationship.

Then we'll discuss how you walk the thin line of using data to be personal and relevant without coming across as creepy. There are certain simple rules to follow to avoid falling into that trap.

Even if the starting point is not about the channels, they will still be important when you want to reach out to your customers. Therefore, we'll discuss what distinguishes the individual channels, so you can decide which channels are relevant to you. How do they differ in their capacity for targeting messages? Are they primarily suitable for push-based or pull-based communication? Are they linked to the rest of your customer data?

System support will be an important parameter when we talk about the need for your company to develop its own media. What types of systems are needed to support insight-based one-to-one communication?

Finally, we will discuss and characterize the different degrees of maturity within the work of using data and insight in communication and service.





## FROM 'VICTIM OF A CAMPAIGN' TO 'PROTAGONIST OF THE BRAND'S STORY'

No one likes being sold to, but we all like buying into something, and there is always something we are looking for – after all, we are consumers. We have money, and we'll certainly see that it is used.

That is why mass communication works. When you reach out widely enough, some of the people who are passively watching TV are bound to think that your advertising touches directly on their needs. If you are lucky, some viewers will order the product immediately.

The problem is that there are increasingly few people who have that good feeling. Although the media agency has promised you exposure to specific audiences who are expected to see this specific TV broadcast, the majority of your exposures – and thus your advertising funds – are wasted. The majority of potential customers are at best indifferent to your message; the rest might almost feel like victims of your campaign.

### Marketing becomes service

That is why you should work at using insights and data to a greater extent in your communications. It may not always be possible, but when it *is* possible, do it, preferably on media you control. In that way, you can make your personalized offer – i.e. what used to be called marketing – increasingly be perceived as a service rather than an attempt at pushing a sale through.

## Service becomes marketing

The case can also be quite the reverse, in the sense that your communications do not have to focus on the right offer at the right time but instead should really be crafted into the appropriate service message that will be seen as value-adding for the customer, without intending to sell anything. This is also why many organizations that focus on building customer relationships refer to the 'next best action' rather than the 'next best offer' (see Chapter 3 for more on this).

For example, in the case of The North Face, when they have sufficient data on members, they take great care to communicate less about the products and more about outdoor experiences they believe the member would enjoy.

## Relevance doesn't come overnight

Unfortunately, it is difficult or even impossible to be relevant to all customers all the time.

Working towards relevance in your communications and service is a long and probably never-ending process. It requires customer recognition, data collection and the generation of insights. And, as we'll discuss further in this chapter, it requires the production of an array of creative content elements to suit each customer type. It's a gradual process because you won't have rich contextual data for every customer – not to mention the fact that you won't have all potential customers in your database in the first place.

So maximizing relevance is a game of setting up automated data captures, analytics and automated communication that gradually more and more of your customers will experience. But you still have to do all the marketing that you used to do – all the campaigns, all the paid media, all the mass marketing.





And, of course, you can use data intelligently to target the right audiences and personalize the messaging in the campaigns, but it takes extra effort.

## The short version

As the Omnichannel Hexagon suggests for this discipline, the starting point for Communication & Service is mass marketing. If you don't have any (or you have too few) customers in your database, then you have to start with mass marketing in paid media. As you gradually build up sales and scale your marketing permission base, you can incrementally move more of your campaign-based communication into owned media. That's the first measure of success – owned media is generally a lot cheaper than paid media. Data and AI-derived insights can be used to personalize and optimize your campaigns, with different content used to engage different parts of your customer base.

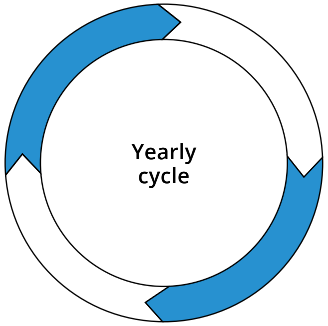
The next step, as illustrated in the central part of this discipline in the omnichannel hexagon, is for AI to help inform the timing of *when* you reach out to customers – this covers not only the time of day but also when is most appropriate in the individual customer lifecycle. Data will not only help you decide what you *should* communicate but also *when* to communicate it. In fact, studies[32] show that using data to find the right moment is often more effective than personalizing the contents of a campaign. This is where the combination of AI and automation comes in. The timing of certain events is unique to every customer, such as when they are most receptive to marketing, when their recurring cycles of behaviour (such as repeat 'replenishment' purchases) fall and when they hit key points in the customer lifecycle.

If you let AI learn these cycles and set up automated communications that are triggered as soon as a customer hits one of those key moments, then you'll have optimized the timing for each customer.

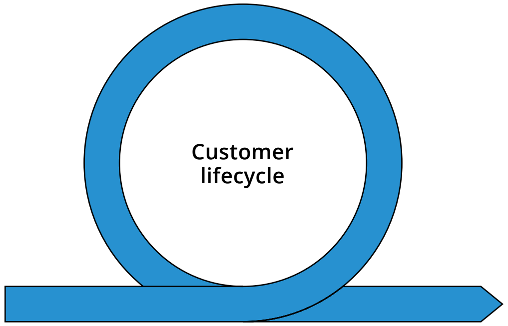
After having launched several flows of automated communication, it is time to establish a continuous process of optimizing what you've built. Put in place ongoing ways of questioning your content, timing and algorithms, and experiment with creative messaging and additional personalization. In this way, you will see a further increase in effect.

## COMPANY-CENTRIC VS. CUSTOMER-CENTRIC

For many companies, marketing campaigns follow the production cycle. And quite often the production cycle follows the four seasons. This is not wrong, and it does help to increase relevance that autumn-related products are marketed in the autumn. On top of the seasonal track you'll have the yearly blockbuster occasions, such as Valentine's Day, Mother's Day, Singles' Day (Asia), Black Friday and Christmas. Retailers will also do campaigns on behalf of their suppliers – in essence, suppliers will pay retailers to market specific products at specific times in accordance with *their* campaign plans. You could argue that this is a place where the business model flips around – you selling your customers to your suppliers as opposed to selling the products of your suppliers to your customers.




**CAMPAIGN DRIVEN**




**DATA DRIVEN**

These tactics are all company-centric and follow a campaign mindset. You know the date is coming and prepare the best campaign possible across paid and owned media. Hopefully you are using data where you have it to select the right audiences in paid media and to personalize the message to each customer in owned media. But how about customer-centric communications – where do they fit in? For example, isn't it customer-centric to personalize by gender? Well, it's better than nothing – but you can get closer to a customer than that. Instead of timing your communications in accordance with the yearly cycle, you can time them according to each customer's lifecycle. Throughout their lifecycle, customers will have different considerations on their mind – should they buy 'product A', cancel their subscription or perhaps refer a friend? A data driven approach (see Chapter 2 and 3) can reveal what these things might be and at what point in time a certain customer may be having these considerations. Given this insight, the skilled marketer can then send a message that fits each moment of truth. This of course needs to be automated and data-driven as no human can effectively schedule send-outs for each individual customer in a large database.

### How Interflora gets the timing right

Interflora is a flower delivery network that enables customers to send flowers to friends, family and loved ones in most parts of the world. Interflora naturally taps into the blockbuster occasions by reminding people to buy flowers. But, to be honest, everybody can sell flowers on the day before Mother's Day.

The real challenge is to sell flowers on an anonymous and rainy Tuesday afternoon in November, or any other day that doesn't fit the blockbuster occasions. In order to do that, you'd need to know who has a birthday – and, even better, who could be in the market for buying them flowers (or wine, specialties, etc). To get the timing right, Interflora in Denmark first tried asking people to type in their private occasions, such as anniversaries and the birthdays of their friends. For the customers who actually do get around to this and submit their private occasions, the reminders work extremely well. Interflora uses every occasion to motivate customers to submit these private occasions, but, as you can imagine, it is quite hard to make people provide the data. Interflora had to find another solution that could give the same results but at a greater scale (in terms of reaching more customers), so it turned to AI.

While Interflora could mine data from products and transactions, it appears it has more valuable data that comes significantly closer to the feelings involved when sending someone flowers – the greetings card! When you send flowers using Interflora, you can type in the greeting that you want the receiver to get along with the flowers. Interflora has created an AI algorithm that reads the card text and determines with great accuracy the occasion, the intent and the relationship between the buyer and the receiver. So, for example, if a woman sends a man a wine gift on a specific day, the same woman gets a subtle reminder around the same time as last year's purchase. "Do you know anyone who has a birthday soon?" It turns out that Interflora is 95% sure this woman does, and it suggests she buys something that a man may appreciate, such as candy or red wine. This also enables Interflora to send a steady flow of communication reaching a large part of its customer base with the right timing. So, let's have a look at what *the right timing* could be for a few classic business models.

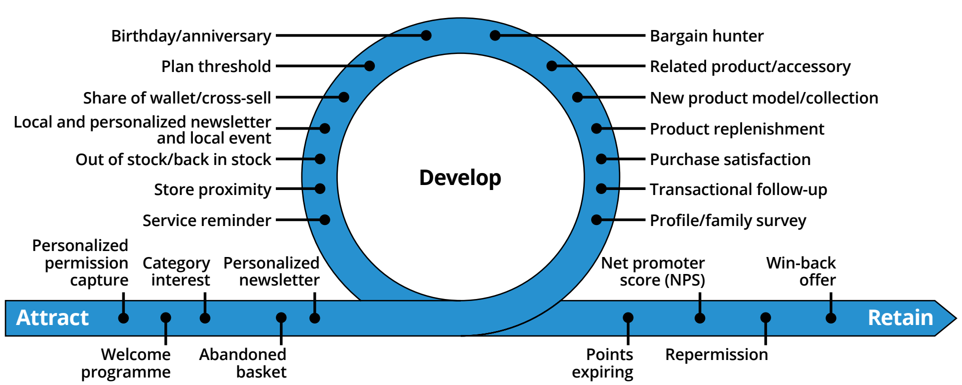
### How retail and subscription businesses get the timing right

The customer lifecycle can be simplified by dividing it into three overall phases: Attract, Grow and Retain. In the Attract phase, you know very little about your customer. You use browsing and engagement data to identify what this customer could be interested in and the possible best times to contact them regarding this. Once you have a customer relationship, the Grow phase starts. In this phase, you want to make the customer relationship as deep as possible, maximizing both the profitability and the satisfaction of the customer. In this phase you tend to have much more data at your disposal and thus it should be easier to provide relevant communication. In the Retain phase, the customer is showing signs of leaving you. Often the signs are that you have fewer data points than normal – i.e. you still have their transactions, but it's been a while since the last one and perhaps they aren't opening emails any more. That could very well be a sign that you are going to lose this customer if you don't act.

The image below provides an overview of typical moments in the customer lifecycle that can be tapped into by retailers. Later on in this section, you will find the same image showing these moments for subscription-based businesses. The images are by no means exhaustive in the moments they include, but they should provide inspiration to get your imagination going.

Bear in mind too that there are many moments listed in these images that may also apply to similar sectors or lines of business. Retail and pureplay e-commerce are very similar to travel and other services that can be sold online. Subscription businesses encompass both pure digital services (such as Netflix, HBO and Spotify) and more traditional print magazines and newspapers allowing their customers a subscription. The word ‘subscription’ could also apply to membership organizations, such as workers’ unions, non-governmental organizations and charities, fitness clubs and insurance. In fact, there is a growing trend within retail to offer subscription-based services. Take a look at JustFab.com as an example, or Amazon’s ‘Subscribe and Save’ service. Here you have both retail and subscription in one.

Below are details on each of the moments in retail and subscription-based businesses.








### Retail

## Attract

**Personalized permission capture** (or sign-up) involves getting consent for communicating directly with the customer (more about this in Chapter 1). Should the customer leave your website or your store, then you have the chance to restart the conversation using owned media. Using immediately accessible online data, it’s possible to personalize the bait in the permission prompt. Which competition, discount, product category or gender should be emphasized in the offer? It may be obvious from the data, or scoring models could choose these for you.

This is not an online-only tactic. It can and should be applied to physical touchpoints as well. Make sure to use in-store signage, flyers, stickers in changing rooms and notes on the wrapping and packaging of products to ask for marketing permission.

A **welcome programme** is your chance to give something back to the customers who chose to sign up for your communication. Use this chance to say more about your business and confirm that the customer did the right thing. What’s the story behind your business? What’s the concept? What can they expect? What kinds of services do you offer, and which of these did the customer perhaps not know about already? To incentivize the first purchase, spice it up with a voucher or something similar – perhaps chosen by an AI model that has learned from what worked for similar newcomers.

**Category interest** is a moment that relies on the web browsing history of each customer. If data implies that a customer has a particular interest in a certain product category, then make sure to tell all the great stories that you have about this category. It could be small pieces of information about the designer and the thoughts behind the category, or inspiration for how you'd use the products. In the case of The North Face, if a customer has browsed rock-climbing products intensively, provide more information about how they can get great rock-climbing experiences. Again, depending on how aggressive and salesy you wish to be, this can always be spiced up with discounts and personal vouchers. As in most interactions, AI can provide you with more details in terms of knowing exactly which category information is most likely to appeal to this customer.

**Abandoned basket** is by far the most common moment that every retailer wants to pursue with timely communication. The customer has left a product in the shopping bag but hasn't completed checkout. There are multiple ways of addressing this – you could choose a convenience approach here and say that you've reserved the contents of the basket for a given period of time. You could also suggest alternative products or even try your luck with discount vouchers. However, don't be tempted to give everybody a discount all the time – instead, look into your data and see what is the best option for each individual customer. AI can tell you which abandoned baskets have the best chance of being (with a nudge) resumed and completed, and which might require discounting to tip them into conversion.

A side note to this moment is to incorporate in-store shopping baskets in the data capture for this moment. If you are selling high-value items and the customer cannot quite make up their mind, you should consider saving the shopping basket to an online profile so you can remind the customer later on. The Nordic furniture retailer Bolia is using this tactic with great success.



Variants on abandoned basket tactics include looking for products on people's wishlists or motivating people to complete a sign up. If someone has spent a lot of time online researching a new car or kitchen, or if someone has used advanced app features such as augmented reality visualization of new furniture in their home, these are all moments that can and should be used to continue the conversation towards a likely purchase.

**Personalized newsletter** is probably the most common communication in the customer lifecycle. AI can recommend which content and offers to include in order to turn a one-size-fits-all newsletter into a personalized communication. If the customer chooses to interact with your newsletter, this can give you important clues as to what the customer is interested in. Make sure you capture the data and follow up with more information on what the customer seems interested in.

### Develop

**Profile/family survey** can actually take place at any point in the customer journey. It's your way as a retailer of encouraging the customer to tell you a bit about themselves and give you the opportunity to become more relevant in the future. Ask about their interests, family relationships (such as kids), clothing sizes, preferences, birthdays and other special days, such as anniversaries. Also keep in mind that this does not have to be an online-only exercise. A visit to a physical store is often a great opportunity to get to know your customer better, and this tactic is applied by brands such as SuitSupply.com and TheTrunkClub.com that combine physical showrooms / stores with e-commerce. As described in Chapter 3, when customers don't provide all the requested information, AI may be able to help fill in some of the blanks.

**Transactional follow-up** is not to be confused with the order confirmation. But the moment a customer receives an item they've bought, this could be an excuse for reaching out again, possibly to confirm they've made the right choice or to make sure they have all the information they need to get the most out of their purchase. If it's a complicated product, make sure they get the information on how to use it. If it's a design item, you could confirm their purchase decision and provide them with small facts they could use as conversation pieces and help them to become ambassadors for the brand. Again, you can choose to be more salesy and suggest products that belong to the same series or within the same category (or which an association model predicts may also appeal). For example, if someone bought running shoes, you might suggest they now buy socks and tights.

**Purchase satisfaction** should automatically be prompted shortly after the purchase has been made. Ask separately how the buying experience was and how the product experience is. If the customer is positive, then you can suggest they recommend you as a retailer, give the product a review or perhaps supply you with user-generated content for further marketing of the product. AI and advanced analytics can be used to find patterns of common factors that drive low or high satisfaction.

**Product replenishment** is a tactic that looks at products that are, or could become, frequently purchased. Typically, these products are those that are consumed, such as body lotion, shampoo, shoes and jeans. You can either do this using rules – reaching out at the timing that in your opinion would fit the most people for each product – or use AI to help determine the optimal timing for each customer and product. If there's a high chance of repurchase at a particular point in time, then trigger an appropriate communication to the customer and make sure it's clear in your creative messaging that you are trying to help them not to run out of their favourites.





**New product model/collection** is the moment a new model of an existing product is launched. A good example is running shoes. Most running shoes are relaunched every year, for instance the ASICS Kayano. At the time of writing, we're at model number 25. Make sure people who bought the old version are told all the benefits of the new model and perhaps even guide them to how they can sell their old item second hand.

**Related product/accessory** is similar to 'new product model/collection', but instead of a new model you should be keeping an eye on new products within a series, a collection or a category. This works best for design products and products such as kitchenware. This tactic can also be used within media, where you can keep an eye out for new books, movies or similar from the same author, producer or series. AI can identify the customers who are most likely to expand their purchasing within the same family of products.

**Bargain hunter** is not so much about the product as it is about getting a good deal. A cross between the two is ideal, of course. You can use AI algorithms to determine who is especially interested in getting a good deal, and even what level of discount is likely to be a 'trigger' for them. If one of your suppliers offers a special discount on a limited number of products, then make sure to get this message across to all bargain hunters. Don't waste the discount on customers who would normally buy at full price no questions asked, unless you are trying to cross-sell them into a new category (see 'share of wallet/cross-sell' below).

**Birthday** is perhaps the most common of all triggers. Reaching out to customers because their birthday is approaching is a tactic applied across many product and service types, which means you have to be creative in order to distinguish your communication. We often see poor examples of this, for example when a customer receives an email birthday wish from a brand that is not personalized, does not take into account product history and does not include offers for products or discounts. A good use of such an opportunity is motivating customers to use the wishlist function and share it with their peers; you can also suggest relevant products they could add to the list. And of course give them something too – after all, it's their birthday! Acknowledging that they probably have closer friends than you to celebrate their birthday with, see whether you can offer them something they can use in the days around their birthday and not exclusively on the birthday itself. A discount is always nice, but consider giveaways from suppliers, collection samples, special events or similar. If you have physical stores, then ideally this should be something that has the customer come to the store so they can be tempted by other products.

**Anniversary** is similar to 'birthday'. It could be your customer's wedding anniversary that is triggering this. Data could be submitted by the customers themselves, or you could use AI techniques such as the one described for Interflora above to infer likely dates. It could also be fun to remind the customer that now it is *your common* anniversary – that, for instance, it's one year since they signed up for a club membership, or they've just completed purchase number ten. Use this occasion to delight the customer by acknowledging the history you have together, reminding them that you value this relationship and providing a relevant offer to them.

**Plan threshold** is used for two things. First, it is a service reminder to tell customers that they are very close to reaching a plan threshold, such as Gold Membership; second, it is used to tell them that this has happened. A new threshold may open up extra benefits, such as earning double points on purchases, the option for customers to choose their own seat on a flight, or even the ability to choose a benefit of their choice.

**Share of wallet/cross-sell** is often the hardest sell. It's usually easier to sell something to a customer that they've already bought (provided that it's something that gets consumed, of course). However, if you carry a wide assortment, then there can be a lot of extra revenue to be gained by cross-selling new categories to existing customers, thereby increasing customer lifetime value significantly. AI and predictive analytics are scalable ways of finding customers that are eligible to buy something in a new category. Using data from online browsing behaviour, look-a-like models comparing behavioural patterns between customers and product affinities can be quite effective. As soon as you see a propensity for buying into a new category exceeding a certain threshold for a customer, that's the moment you've been looking for. But make sure not to set the threshold too low or you'll come across as being spammy.

**Local and personalized newsletter** and **local event** can be approached similarly to a normal newsletter. The difference can be sending the newsletter from a store near to where the customer lives or with which they have a special connection. Allow the store manager to influence what is in the newsletter and incorporate content that is specific to this location. What's going on in this particular city or neighbourhood that could increase relevance and strengthen the relationship? Is there a local event that the customer could find interesting? Make sure to add the local store manager in the 'from' address of the newsletter and consider inserting their image or even signature.

**Out of stock/back in stock** is meant for when a customer has been browsing or asking for a specific item (in a specific size). If this item is out of stock, be sure to make the customer aware of similar or alternative products that could be of interest, or ask them whether they want a reminder once the item is back on the shelves. AI can give you clues as to which customers are likely to be interested in an alternative and help to select which one(s) to offer. As soon as the item does come back in stock, make sure you tell the customer.

**Store proximity** is a tactic mostly applied within mobile. When a customer is close to a certain store within opening hours, make sure they are alerted of their current personal discounts or any other special benefit that may incite them to visit the store. This can also be used inside department stores for cross-selling across departments, e.g. promoting the food court after a certain amount of time spent shopping.

**Service reminder** is similar to 'transactional follow-up' but generally happens much later. Some items need a service check after a period of time. A bicycle has to get its brakes and spokes adjusted at some point, parts in a car have to be changed for maintenance and people's eyesight has to be checked regularly by their optician. Make sure to automate this opportunity for reconnecting with your customers.

### Retain

In general, you could argue that retaining a retail customer is in part done by trying to develop the customer relationship. But when things do start to go south there are still a few arrows left in the quiver.

**Points expiring** is a subtle way of trying to win back customers. If you've launched a points scheme, then hopefully points will expire at some point. It will most likely be perceived as a service to tell customers about them having points that will expire soon. Tell them how many points are expiring and when. You should also include suggestions as to which items





they could use the points for. AI can help you identify who will be most amenable to this type of persuasion and what sort of incentives might convince them.

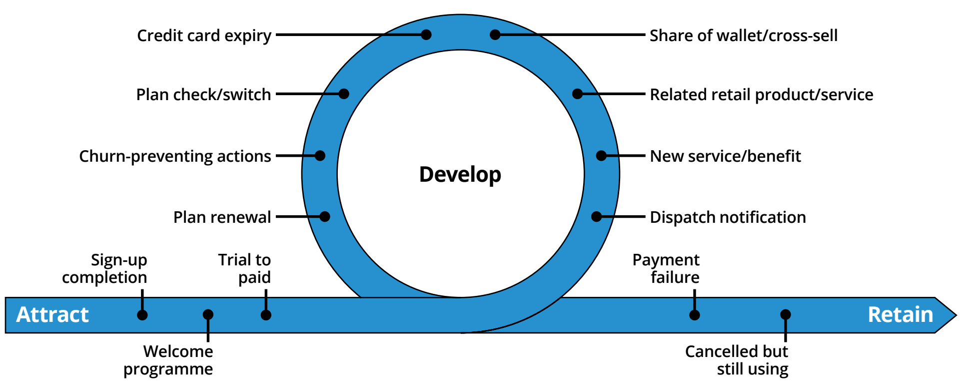
**Net promoter score** (**NPS**) is a popular form of customer satisfaction survey. Instead of asking about the customer's satisfaction, you ask customers how likely they are to recommend you to a friend or colleague on a scale from 0 to 10. If they answer between 0 and 6 then obviously you need to address this, learn what went wrong and possibly remedy the damage done. If they answer 9 or 10 – as in, they really want to recommend you – then show them how to do this and possibly provide an incentive to make sure it happens. Offer both parties a benefit if the recommendation is successful. Chapter 5 provides more information about how NPS can be used to obtain valuable insights to optimize your business as a whole. And, as described in Chapter 3, note how Cablecom used AI to learn from this type of feedback and predict satisfaction levels across all customers.

**Repermission** is a way of letting customers know that you've noticed their engagement has dropped, and then trying to get this back up. You trigger this tactic by looking at the time since the last email was opened, the last purchase, the last login or similar, or by having an AI model recognize more subtle signs of impending disengagement. Instead of just keeping up the steady pace of campaigns, try addressing the fact that engagement is dropping. Have the customer re-opt in or give them the possibility of lowering the communication frequency. This not only shows the customer that you are paying attention but also helps your sender reputation with email service providers. When you lower the frequency for (or even unsubscribe) unengaged customers, your average opening rates go up and this will strengthen your general deliverability, avoiding spam complaints and bad placements in for instance the inboxes of Gmail and Hotmail.

**Win-back offer** is the last resort. It's been too long since you've seen any monetary action from a customer. They must be spending their money elsewhere. Addressing this directly through communication, and using discounts and relevant products and events as bait, are usually the best ways of getting the customer back. Use AI to help you select the bait that's most likely to work in each case. You could also use this moment to learn more about why the customer doesn't shop with you anymore. Ask them why and show your appreciation for this small favour. Maybe posing this question will make them reconsider. Ironically, doing you a favour can make them like you better.

### Subscription

Subscription businesses reuse many of the tactics from retail. Personalized permission capture, personalized newsletters, profile surveys, repermission, win-back offers and such tactics are also completely valid for subscription businesses and thus we haven't repeated the description of those below. Instead you will find details of each new subscription-specific tactic to provide you with inspiration below.








## Attract

**Sign-up completion** is a tactic that resembles the abandoned basket tactic from retail. In this moment you'll find all potential customers who almost completed a purchase but didn't. It could be that you have collected their permission and can communicate directly to them through app push messages, browser notifications, email or similar. Remind them that they almost completed something and you've saved their progress, so they don't have to start from scratch again. AI can help to determine which customers are most likely to complete the sign-up and should be your focus; it can also predict which 'nudge' will best persuade them to do so.

**Welcome programme** is also a valid tactic in subscription. In contrast to a retail scenario, you'll likely want to spend some time informing the customer of all the options and benefits that are available within the service. Use insights from your data analytics and make sure that you motivate customers to do relevant things that lead to a high customer lifetime value. Encourage them to download the app, set up shortcuts to the service and give advice on how to use the application or app properly to get them off to a good start. Keep track of what they in fact do and remind them to do the rest.

**Trial to paid** is only valid if you use trial subscriptions in your process of acquiring new subscribers. You can argue that converting trial subscribers into paying customers starts with a good welcome programme; however, as the expiration date of the trial approaches, it makes sense to start addressing all the benefits of being a real paying customer and what exactly this entails. If the customer has been using the trial subscription heavily, then consider pointing this out to them using the engagement data you have available and show how much value and/or joy the customer is likely experiencing by using the service. Also make sure to communicate all the practical information around becoming a real customer. Do you need extra information? Billing information? Based on behaviour during the trial period, AI can give a reliable prediction of how likely each customer is to convert. For customers at risk of not converting, you can consider extending the trial period and relaunch a light version of the welcome programme.

### Develop

**Dispatch notification** is primarily used within businesses that issue publications such as magazines. When a new issue is ready and in the post, it's a good time to inform the subscriber so they can look forward to receiving the publication. Just because something drops into the mailbox these days, it doesn't mean that the subscriber notices it. Make sure to include reasons as to why the subscriber should bother opening the magazine – which articles are included that fit the profile of this particular subscriber? AI can help you identify which content matches their likely preferences.

**New service/benefit** is the moment you launch a new product or benefit to your subscribers. It could be a new type of add-on subscription, such as nutritional supplements included in a fitness club membership, or a general benefit, such as a special retail discount available for subscribers. This service/benefit should be communicated to customers for whom it's relevant, or to customers identified by predictive models as having a high propensity to take it on. Make sure to not only launch the service/benefit via a dedicated campaign, but also include it in your existing automated communications, such as the welcome programme.

**Related retail product/service** is used by subscription services that have an attached e-commerce store. It can be hard to justify to existing subscribers that new customers get welcome gifts while loyal subscribers get nothing. So, quite often, it's a good idea to let existing customers shop limited items with an attractive discount. When a product pops up that is relevant to certain subscribers, make sure to tell them and also include this in your normal tactics. As with retail, you can use AI to determine which products are the best fit for each customer and which customers are likely to be tempted by specific levels of discount.

**Share of wallet/cross-sell** is a bit different from in retail. Instead of selling products, consider other types of subscription a customer could be interested in. Affinity to a certain subscription along with third-party data on addresses from the customer's neighbourhood can very well indicate that certain other subscriptions are relevant. If they are subscribing to a fashion magazine, could they also be interested in subscribing to a kids' magazine? Could they need high-speed internet along with their electricity? Association algorithms and models that predict customers' propensity to take specific additional subscriptions can help to guide the offers you make.

**Credit card expiry** is probably the one 'must-do' tactic for all subscriptions. It's so easy and can seriously avoid a lot of unnecessary churn. When the expiration date of a credit card approaches, make sure you remind the customer in due time. Chances are that they've already received the new credit card from their bank and, if they are happy using the service, they'll be pretty sure to change the card that is attached to your subscription, provided you remind them. AI techniques can help to identify any latent causes of dissatisfaction that may cause them to hesitate and you can plan to pre-empt these.

**Plan check/switch** communications should be sent at regular intervals. Even if nothing has happened, reassure the customer they've made the right choice and they are on the right plan, or encourage them to switch to something more appropriate if your data shows you this is better for them. Could they have a lower monthly bill if they switched to a variable rate for their electricity? Would they be better off with a phone subscription that included free international roaming? Or flat-fee voice conversation? Perhaps it will mean a slightly lower recurring revenue for you, but it's better than the customer feeling they've paid more than they had to. That would make them vulnerable to acquisition activities from your competitors. The AI techniques we discussed in Chapter 3, including optimization, can help you to ensure you match the best tariff to each customer across your subscriber base.

**Churn-preventing actions** can be applied at any point in the customer's relationship with you and will often be brought into play as a result of an AI model detecting likely churn risk. This is a place where the 'next best action' approach (described in Chapter 3) is often applied, to select the optimal action that will secure the best long-term outlook for your relationship with the customer.

**Plan renewal** is probably what you want your subscribers to do. If you've played your cards right, this will simply involve a service announcement informing the customer that renewal has happened. If there is a churn risk and you're able to anticipate this ahead of time (perhaps with the aid of a predictive model), offer the right benefit or gift to the customers that show a high risk of leaving you for a competitor.

### Retain

**Payment failure** is the moment that a credit card failure is experienced. Most often this is not because the customer wished to cancel their subscription but merely because they cannot remember all the places where their credit card is in use. For instance, when they change banks, their card expires, and suddenly some recurring payments stop working.





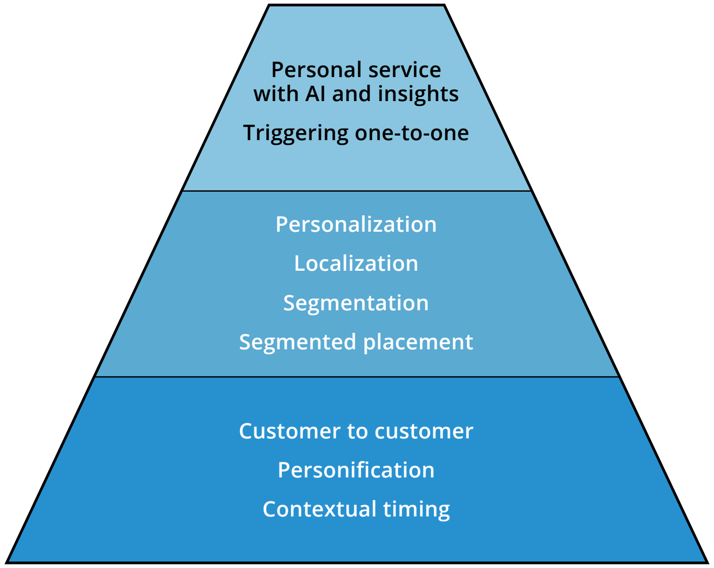
Follow up on this with simple instructions on how to supply new information and reinstate their subscription.

**Cancelled but still using** occurs when subscriptions offer customers the option of using the subscription even after the cancellation. When data shows this is taking place, you have a pretty good candidate for a special 'early win-back offer'. You can ask the customer whether they would like to sign up again – perhaps without a start-up fee.

## RELEVANCE TACTICS

Getting the timing right is a good step towards becoming relevant, though it is by no means a universal tactic that can always be applied and that will serve all needs. In this section we'll explore other relevance tactics.

Below is an introduction to a number of tactics you can apply in order to make your customers feel that a communication is suited to them, thus increasing your chances of getting your message across. These tactics can be used across channels, on large and small scales, and be used simultaneously for increased impact. Sorted by the degree to which they support a feeling of customer centricity, they can be placed in the Omnichannel Hexagon's blue pyramid, as shown below.




### Contextual timing

Contextual timing means that you time your message to coincide with something going on in the world right now. It could be a big event or maybe just tonight's TV schedule. The timing could also be weather dependent. The concept is also known by the term 'real-time marketing'.

Pizza Hut in the UK uses personalization tools on its website to time and localize its coupons according to the local weather forecast. If it promises to be a nice sunny day, Pizza Hut knows from its data that it will usually not be as busy in the restaurant as it might want. Therefore, it provides coupons and communicates about them to customers on days with good weather, so it will be easier to fill up the restaurants.

### Personification

Personification (not to be confused with personalization) is about sending the message from another name than the





brand itself. The communication seems more human as there is a personal sender at the other end. In TV, brands often use celebrities to talk about the product in an ad or as an extension of good PR work, or more subtly as product placement in an entertainment programme.

But this tactic also works during more personal one-to-one dialogue. Certain brands feature experts – real and fictional alike – who speak on the brand's behalf about relevant topics. On an email level, the 'from' name in the inbox can be a real person and if the customer hits the 'reply' button then it can appear that this person will actually receive the answer. The content is written in a personal style, with only a few branding elements and maybe a scanned signature to finish the email off. So, it appears quite personal, but the content and timing of the message can still be automated.

### Customer to customer

Even if you do not necessarily have much data on your customers, thorough market insight on a global level can be extremely effective for getting close to something that feels significant and relevant to a large group of customers. An example of this is when the manufacturer of sanitary pads and tampons Always hit the world with its #likeagirl campaign. By directing people's attention towards how adolescence can create insecurity among female teenagers, Always was able to discreetly stand out as part of the solution.

Often a big campaign through paid media can get these conversations started. Over the past few years we've seen companies starting to use influencers in addition to (or sometimes even a substitution for) traditional media. Influencers are individuals who have large followings on social media and who are worthy and authentic carriers of the message you want out there, whether it's a complex story or simply a new product.

### Segmented placement

Even on the channels where it is hard or impossible to target the right message to specific individual customers, there is still an opportunity to do some kind of segmentation in the placement you choose for your message.

If it's outdoors, then you know that there are certain types of people who live in specific cities and neighbourhoods. The same applies to placement in a TV advertising block or insertion of a banner. Certain channels, shows and times of day increase the exposure to the attractive target groups, as opposed to the less attractive.

### Segmentation

Segmentation is about deciding who will get a certain message. You divide customers into groups that share certain characteristics. Some of these characteristics are more permanent than others. Gender, for instance, is permanent for the vast majority of people, whereas subscription status can vary over time. If in your case we're talking about segments built on very dynamic data and updated automatically, then please skip to the paragraph on 'triggering' below.

If you don't know very much about your customers, you can segment based purely on demographic characteristics. If you have a mature setup for data analytics, you may have behaviour-based segments correlated to high and low customer lifetime value or to certain personas.





When you have a certain message, you should decide which segments should receive it, so you don't waste the attention of customers or an unnecessarily high portion of the advertising budget on burdening indifferent leads with irrelevant messages. Note that if you are getting attention through paid media then segments are often referred to as 'audiences'.

### Localization

Localization rests somewhere between segmentation and personalization. Although it does not involve personalizing based on directly personal data, it is still effective and advisable to localize content to better fit local circumstances. Countries and territories have different cultural heritages that can further vary according to specific underlying ethnicities and religions. So, when you want to launch a global Christmas campaign, keep in mind that not everybody celebrates Christmas and that it isn't winter south of the Equator. Instead of watering your communication down and sending 'Seasonal Greetings' as opposed to 'Merry Christmas', you should consider allowing markets to make true localization by personalizing the message based on the data and knowledge you have of a specific region or country. Consider the religion, climate zone, origin of the (human) models in use, etc. to make the best match. The result should be that people who most likely will be celebrating a white Christmas will get a greeting that matches this – whereas others who are not likely to be celebrating Christmas (but may very well have a few days off) receive the 'Seasonal Greetings'.

More practical things to consider within the localization tactic include which products are actually available for which markets. Additionally, if you put exact promotions and prices in your communication, you have to consider the matter of different currencies.

The global toy company LEGO has used this method when localizing the message of a certain campaign to French and German audiences. For the German audience, the company took a very constructional approach, emphasizing the stuff a father could build together with his children as he had done with his father. But, for the French audience, the company couldn't rely on childhood experiences, since many people had played with the competing brand Playmobil, so it spoke to the mother of the family with a more playful and feminine message.

### Personalization

Very broadly, personalization is often taken to mean achieving relevance. We reserve it for when you are communicating directly with a customer and you have to decide *what* to communicate or show – in other words, the specific content of the communication.

It could be that you are personalizing which products to show on an individual level. That's the easy part because the content is already there in your product catalogue, although you have to figure out which products to show to whom, which can be more tricky. If you are personalizing a more substantial or creative piece of content, then you have to decide how many versions are necessary and incorporate the resources needed to do this. If you are skilled in data analytics, you can find input for the answers there (see Chapter 3).

If you are reaching out to all members of a fitness club that have a high risk of cancelling their subscription (a high-risk segment calculated through AI), then it makes sense to vary this message depending on which subsegment a customer belongs to. In order to encourage them to reactivate, senior citizens may need a different message, line of argumentation





and tone of voice than would a young man working out to get lean and buff.

Segments calculated from profile data or AI, such as personas, are used to determine how to personalize large pieces of content. When it comes down to product-level personalization, AI should be used to drive automated product recommendations.

### Triggering, or one-to-one

Timing, timing, timing – if we had to choose between personalization and timing, the choice would be timing. A relevant message, with the right timing, to the right recipient, will generate a significantly greater effect than nearly any other marketing. One-off actions initiated by specific conditions in the data are known as triggered actions – for example, trigger emails, trigger messages or trigger flows (trigger flows apply if you have multiple interrelated communications going out to a customer that evolve around the same place in the customer lifecycle). Note that triggering needn't be based on manually created conditions; AI models monitoring each customer's data can recognize when it is timely to deliver a message and when to catch the recipient at their most receptive moment. In the section above we already covered a multitude of examples for how you can trigger relevant communication at the right time in the customer lifecycle.

### Personal service with AI insights

The relevance tactics mentioned above are mostly related to communication that you can choose to send out to customers. Hopefully, customers will also be seeking you out and you will meet them on your inbound channels. Apart from your website (where the tactics above do also indeed apply) your employees will be meeting customers in the physical store, the customer service centre – whether it be through channels such as chat, on the phone or in a physical meeting. Here, it is of key importance that your employees are informed with the same insights that you utilize in your general outbound communication so that they will have the opportunity to communicate with an equal degree of relevance. If you are able to combine the digital insights with good old-fashioned service and a smile, then your customers are in for a truly memorable customer experience. (Read more about the application of this tactic within retail further below.)

To achieve personal service with AI insights the principle of the next best action (NBA), which we discussed in Chapter 3, can be extremely useful. The NBA is a calculation or determination of which action you should take next to have the most positive effect on the customer's relationship with you. A non-revenue-generating action – or even one with costs, such as a voucher by way of apology for a poor service the customer has had but may not have complained about – might be better than a sales offer because it reduces retention risk and in the long term leads to higher customer lifetime value. The NBA is especially useful for personal interactions in customer service and in-store personal meetings.

### How personalization and triggering work together

If you have a large permission base and a lot of data and insights, you can use personalization and triggering together for increased effect.

Say, for instance, that you've launched a welcome flow for new fitness club members. The timing is fairly easy to get right – immediately after signing up, the customer should receive the first message, which could be about how membership works





and how to get the most out of it. You'll most likely make a one-size-fits-all welcome flow covering topics such as practical information around getting access to the club and booking classes, the importance of having a training programme, the option of booking personal trainers, the importance of setting a goal for training, etc. Customers will most likely respond fairly well to this, but the response will differ from segment to segment. So, if the general performance is indexed as 100 and you see 'Segment B' (which could be senior citizens) showing only a performance index of 80, then you may need to enhance the flow for this particular segment. Ask yourself how you could vary the messages, the images and the tone of voice to improve the flow for this segment.

| | SEGMENT A | SEGMENT B |
|---|---|---|
| **Generic welcome flow** | Performance index: 100 | Performance index: 80 |

| | SEGMENT A | SEGMENT B |
|---|---|---|
| **Generic welcome flow** | Performance index: 100 | - |
| **Welcome flow adapted Segment B** | - | Performance index: 100 |

### Which tactics to choose

If you are wondering which tactics are best, the answer, unfortunately, is not very straightforward. If you have problems with customer acquisition (bringing in and getting to know customers), it would be natural to go broadly into mass communication using some of the tactics mentioned above. If you already have a lot of customers but face challenges in retaining them or selling more to them, then it makes sense to start the whole journey by collecting permissions and data, finding insights, and then personalizing and timing as many of your communications as possible.

Almost regardless of how much data you get on every single customer, they will over time be exposed to a variety of one-to-one, personalized, segmented and mass communication. The customer will in the course of a month receive personalized emails, push messages on the app, and segmented or general newsletters, but will also see your brand in TV ads, outdoor advertising and less targeted marketing.

The degree of personalization will naturally vary because not all communication channels are equally interconnected and integrated. The trick is to find the point where it is no longer profitable to personalize further – the 'inflexion point'. However, the inflexion point will be in constant motion as you gain volume in your customer base, customer data and insights and as the evolution of media makes it increasingly easier to personalize messages across channels.

#### Is it profitable to do one-to-one?

The answer is a clear yes, and even to a degree you would not think possible. However, it requires that you have plenty of permissions and data on your customers and your prospects, and that you use this effectively.





The underlying business models behind one-to-one communication and automation are to a great extent incremental, and over time they will create more and more value for the same effort. For instance, a welcome programme runs automatically once it is up and running, creating sustained value day after day. So, to maximize value creation, it's suddenly interesting how fast you can deploy multiple automated communication flows.

## CLASSIC OMNICHANNEL COMMERCE FEATURES

Apart from the previously mentioned relevance tactics, there are some classic service features that omnichannel companies within physical retail should seriously consider. Many shoppers consider these to be a given, in which case customer expectations will not be met if most of these are not implemented.

#### Returning items to store

Few things are as frustrating for a customer as not being able to return an item purchased online to a physical store of the same brand. You are disappointing customers if they are met with messages such as: "Sorry, we don't accept returns from the e-commerce store. That's a different business unit." Incentive structures and some logistics may need to be adjusted to make this work, but it is considered 'table stakes' (a minimum requirement) to allow this.

#### Click & collect (BOPIS)

Sometimes referred to as BOPIS (buy online and pick up in-store), click & collect is a feature that allows customers to place orders online but pick them up in a store nearby. We saw it in action in the opening narrative of this book, where Debbie picked up an order at Nordstrom. If properly implemented, BOPIS significantly improves online conversion rates and allows for further up-sales in-store.[33] However, make sure stores are able to cope with receiving customers who have ordered online; you can even consider dedicating an area or staff to handle these customers and orders and you should monitor inventory to ensure you have the item in stock.

#### Endless aisles

Physical retail naturally has a limited assortment in stock. Not all products can be available in all variants and sizes. Smart omnichannel retailers offer the option to purchase online from the store. If a specific variant is not available, then the sales associate still has the option of closing the order by having the item shipped from the online inventory and directly to the customer. Sometimes this is implemented as an in-store kiosk where customers can self-serve.

#### Split order

Three for the price of two is a good offer. Ideally such promotions should be available for the customer even if they only get two items in-store and order the remaining item to be shipped directly to their home address.

#### Reserve and collect

This is a variant of click and collect where the payment is postponed until the customer actually picks up the goods. This can further boost conversion rates but takes more effort to implement because it often conflicts with traditional incentive structures (the conversion is moved from online to offline) and because it puts demand on the retailer to put the item aside. This poses high demands for precise inventory management and training of in-store sales associates.





#### Shipping from store

Though not strictly an omnichannel feature, it's also worth mentioning the option of shipping an item from a store. If a customer has ordered online then a local store could carry out that fulfilment. If you are really good at inventory management, a store where this item is not selling well could ship the item.

### Using customer data in-store

Apart from the standard omnichannel commerce tactics mentioned above, customer recognition and access to a comprehensive digital customer profile can make all the difference between success or failure when customers haven't yet made up their mind about a specific purchase. The behaviour of trying on products in the store before buying them online is referred to as 'showrooming' whereas the act of browsing websites before visiting the store is referred to as 'webrooming'.

In the early days of omnichannel, retailers were scared that people would come to their store and spend a lot of the sales associates' time to talk about products and try on different styles just to go home and buy the products from a competing and more discount-focused website. But since there is really no way of preventing customers from doing this, retailers might as well try and get the best of the fact that they have personal contact with the customers.

Data and insights from previous interactions on both digital and physical channels coupled with the immediate response, observations and intimacy that only personal service can give can provide a unique foundation for creating a good customer experience no matter in which order the customer chooses to use the channels. If communication and service are seamless and if it is made easy for the customer to continue the same purchase journey even if they change channels, then chances are that you will win the trust of the customer in the end.

However, there is no easy solution, and this scenario does not come about without some serious integration work. On the other hand, the benefits are substantial in an omnichannel context. And remember, no kind of data insight can make up for a demotivated sales associate who doesn't meet customers with a smile.

Many large brands have tried integrating technology into their stores. Only a few, however, have succeeded in using it to become more personal with the customer. There are a few great examples where it has become more than a gimmick.

One example is IKEA, which makes it possible for customers to take the configuration of a new kitchen quite far before they even consider talking to a sales associate in-store. In the comfort of their home, they can visualize their future kitchen on IKEA's website and make a lot of choices and decisions, as well as get an indication of the price. When they decide to visit the store, the sales associate will ask whether they've already started online. The sales associate will then help the customer find the exact configuration that they've prepared and use their subject matter expertise to help finalize the offer. This saves a lot of time for everybody and ultimately leads to more kitchens being sold.

Another example is the international fashion chain Suitsupply. The first time the customer visits the store, the staff offer to take the customer's measurements, and this data is stored and used whenever the customers wishes. If the customer is online and wants to order a few extra shirts, he can be confident they will fit his body shape perfectly; alternatively, if he's in-store and wants to decide on the style of





his new tuxedo, his measurements will be available there too. Suitsupply makes it easy to buy tailor-made clothes by saving and using data across all channels.[34]

## GET CLOSE, BUT DON'T GET CREEPY

We are often asked whether or not customers are getting freaked out by all this use of data. When things get creepy, it's often because, although customers are aware that companies are collecting certain types of data, they may not realize the full extent of what this data enables companies to do. For most people it's no surprise that companies are giving personalized product recommendations on their website based on previous purchases. Other types of data collection are subtler and more discreet, and, even when all the consents are in order, they can still be considered creepy. Take the example given in Chapter 2: the fact that Amazon owns IMDB and data is shared between the two.

To avoid freaking customers out with how you use data, you should:

- Consider the age group of the recipient – the older a customer is, the higher the risk of them seeing personalization as creepy (that said, this is a generalization, and there are many exceptions on a personal level).
- Consider how directly you address what triggered your message – if you are basing communications on data that the recipient may be unaware they have given up, then water down the reasoning in the message a bit to make it seem more coincidental that this customer is being exposed to this message right now.
- Consider the communication channel and how normal it is for customers to be addressed personally there. For instance, very obvious personalization in display banners or on Facebook may be considered creepy.

### Combining business rules and AI

Algorithms and AI may be tremendously helpful in scaling personalized communications and messages. However, don't put all your faith in AI to come up with the perfect suggestion. You need humans to evaluate the actual output and apply suitable business rules that work together with the AI.

If AI is not combined with human interaction and business rules, events can take unexpected directions. Human supervision is highly recommended. Take, for instance, the company My Handy Design, which relied on AI to find images from the internet and automatically create customized iPhone covers using these images for sale on Amazon. This ended up with some really hilarious examples of iPhone covers showing adult diapers and even more inappropriate images from the darkest corners of the internet.[35]

A less hilarious but perhaps more widely applicable example is from a sporting goods retailer that applied AI to pick the products most likely to be sold to specific customers. The algorithm did a fine job in selecting these products, but all the products were black, which, even though they may have been technically correct, made for some extremely boring visual emails that failed to inspire anyone.

There will always be exceptions to which recommendations you may want to give. For instance, there's no reason for a grocery store to recommend that people buy milk – they figure that out by themselves. Or perhaps you are carrying some products that need discretion, such as pregnancy tests, sex toys or similar.





## THE CHANNELS

It is a thankless job to describe and categorize all the channels on which you can communicate with and serve your customers. We are sure that when we read this section again six years from now, at least one new social medium that everyone thinks we have to be on will have popped up. More traditional media will have gone further along the route towards digitization, perhaps capable of recognizing consumers in completely new contexts. There are already myriad media and channels that companies have to deal with, in principle. In the following text we confine ourselves to the channels listed in the table below.

| CHANNEL | DESCRIPTION |
|---|---|
| **TV** | Primarily TV commercials (but see 'PR and influencer marketing' below). |
| **Radio** | Primarily radio spots (but see 'PR and influencer marketing' below). |
| **Print** | Traditionally, household distributed advertisements and insertions in printed matter such as newspapers and magazines (but see 'PR and influencer marketing' below). |
| **Outdoor** | Placement of advertisements on bus stops, billboards, facades, posters and the like. |
| **In-store** | Exposure in the company's own store network (both own stores and stores-in-stores). Includes in-store screens, customer radio, signage, customer queries by staff, etc. |
| **Packaging** | Wrapping of the product and stickers, bottle collars, etc. |
| **Events** | Time-limited happenings at particular locations, where the brand is the sender or facilitator. |

| | |
|---|---|
| **Call centre** | Inbound and outbound call centre activities – i.e. manual handling of telephone calls that either originate in or are received in the company. |
| **Display advertising** | Banner advertising that appears in locations other than the company's own website. Placement, real-time bidding, retargeting, etc. can be purchased, including advertising on social media sites such as Facebook, LinkedIn and YouTube. |
| **Search marketing** | Advertising on search engines such as Google, Yahoo and Bing. |
| **Website** | The company's own websites – both mobile and desktop – can be both sales and marketing channels. These contain both products and rich content for use in content marketing and search engine optimization. Company blogs are also in this category. |
| **App** | The company's app, e.g. to be installed via Apple's App Store or Google Play. Apps can contain tools for the user and be used as a channel for push communications, if consent has been given. Has the advantage that you can ask for permission to access data from other installed apps, such as the calendar, image library and the camera to gain extra knowledge on the customer. |
| **Text messaging/ SMS** | Text messages sent from the company, but also incoming texts, which can collect data and trigger communication the other way. |
| **Email** | Systematized email, such as newsletters and trigger email, as well as manual email communication between the company and customers. |
| **Direct mail** | Primarily covers service letters and direct mail from the company. |





| | |
|---|---|
| **Social media** | Includes e.g. Facebook, Twitter, LinkedIn, YouTube and Instagram. Arguably the most dynamic category. Once upon a time there was just Myspace, but since then we've seen Google+, Pinterest, Snapchat etc. Extends over paid, owned and earned media; can be an incubator for viral marketing, especially if it is helped by a large media budget and the right influencers are approached or paid to carry the message. |
| **PR and influencer marketing** | PR is more a discipline than it is a channel. Covers the work of getting the company's story and products mentioned and/or talked about on others' media, whether this is centrally controlled media (such as TV), newspapers or magazines, or the media channels of influencers on social media. Digital PR has the advantage that it often involves links back to the company's website, which has a positive influence on the company's Google ranking. |
| **Devices** | Devices are a relatively new category. This category covers the possibility of being able to interact with customers via the digitized products the customer buys – e.g. communication to and from a Tesla car, or notifications from an Apple Watch or a Fitbit. Still a young category, but one that it will be exciting to follow. |
| **Chatbot** | This is also a relatively new category. Chatbots are automated bots used for customer service questions and similar. They are powered by more or less simplistic algorithms and AI using natural language processing and a large knowledge base that enables them to give the right answers to the most common questions. As AI and algorithms mature, we imagine a future where customers will prefer chatting to a bot as opposed to a newly hired customer service rep. |

### Does a company have to be on every channel for it to be true omnichannel?

It would never make sense to be present on all channels, since it would never be profitable. Narrow your usage to the channels that you have the resources to tie into a total customer experience rather than spreading yourself too thin just for the sake of having a presence. This varies across markets and geographical regions. For instance, in China it makes sense to be on WeChat. In Europe, that's not a concern.

### How are the channels distinguished?

It can be difficult to assess what role each channel should play in the customer journey. As an aid to these reflections, we will address some issues that will help to distinguish the channels and establish their priority, in relation to both where the media are today and where they are going.

#### Paid, owned and earned media

In recent years, the notion of paid, owned and earned media has gained ground. Every time you need to draw attention to your brand and your product, you have in principle a choice of how much to use paid, owned and earned media. We briefly touched upon this classification in Chapter 1. Below we'll go into a bit more detail.

**Paid media** are, not surprisingly, those where a company must pay to expose a given target group to a message. Traditional TV, newspaper and outdoor advertising fall into this category, naturally. Usually some kind of segmentation is offered – for example, before which TV shows or in which trade journal an ad will be shown. Careful selection of outdoor locations can also be a basis of segmentation.

Paid media also includes many of the digital advertising options. Although we can make it very intelligent and personalized with retargeting (re-exposing website visitors through display ads) and twin audiences (i.e. audiences that display web behaviour comparable to an initial group's behaviour), all online banner advertising is still paid media. Similarly, Google AdWords, in particular, has become a big expense for many advertisers, and there is nothing to suggest that this is about to change.

**Earned media** covers the brand's earned reputation. This category includes mentions in the press, on social media, on blogs and (some will say) in organic search traffic from Google (i.e. the part that is not AdWords). Many would argue that the exposure that can be gained on Facebook, Twitter and Instagram constitutes earned media. Every time someone decides that your content is worth sharing, that is earned reputation.

Unfortunately, the fact is that even if you have already spent quite a lot of money getting your customers to 'like' your page on Facebook or follow you on Twitter, you will only reach a few with your posts. Analysis shows that on Facebook it is typically fewer than 5% of your followers[36] who will see a given post, unless you pay to expose more of your followers to the message. However, you have then, in our opinion, crossed over into the category of paid media.

**Owned media** are the channels you yourself control and can use without having to pay other businesses. They include all the existing touchpoints that you have with customers and prospects. It could be your storefront, your store layout, your in-store TV or your website: all inbound or 'pull' media (i.e. those that you depend on customers seeking out before you can reach them with a message). In addition, there is your own outbound or 'push' media. These most often consist of your email and customer base, and, if you are more advanced, your mobile permissions as well, whether text messages or messages you push directly to an app that you know the customer has installed. Your own call centre can also be both an inbound and an outbound owned medium. Direct mail is another owned medium; however, the cost per direct mail is so relatively large that it is debatable whether or not it is actually paid media.

### Connected versus unconnected

Whether a channel is connected, i.e. linked with data to your marketing ecosystem, or not makes all the difference in enabling true bidirectional communication. An unconnected channel can provide fine exposure and encourage interaction via a different channel. It could be 2D bar codes on your packaging, or invitations to send a text message with a specific short code to a particular number or to enter a specific URL in a browser. With few exceptions, the traditional media are most often not connected; this applies to TV, radio, print and outdoor ads.

It goes without saying that digital channels are more connected than analogue channels. However, there is a clear dividing line between the anonymized cookie network used by media agencies and the whole personal marketing ecosystem that your own digital media comprise. As an advertiser, you can indeed target banner ads to specific groups of individuals but due to legal issues their true identity is never a part of the media agencies' cookie systems. So getting data back into your own ecosystem from potential interactions in paid media is generally not possible. There is also a limit to how much information you may be allowed to integrate *from* the ecosystems of media such as Facebook. They are, after all, most interested in keeping the dialogue with the customer on their channel, preferably (from their point of view) with





some form of paid advertising involved. Although many channels are still not connected, there is an evolution going on within this field, with more and more channels being digitized.

### Possibility of targeting messages

The digital channels usually have greater potential for targeting messages to either segments or individuals than the analogue channels do. Direct mail is perhaps an exception, since the starting point for the production of letters is most often a database where each letter is subjected to hefty mail-merging of various pieces of personal information and messages. Digital channels such as websites, email, text messages and apps are at the summit of message-targeting potential, but personally operated media (such as the call centre, customer service, social media and in-store service) also have the potential for completely personal and targeted efforts. The accuracy with which you can target messages again depends on how connected a channel is.

### Push and pull

There is a great difference between whether a channel allows for actively pushing messages to customers or not. The whole difference lies in whether you have to cross your fingers and hope that your customer happens to drop by, or can actively do something to get their attention.

There are different degrees of push. A notification buzzing on a phone gets the greatest attention. A non-boosted post on your company's Facebook page is also a push, but, as we have previously described, you will be dependent on Facebook finding it relevant enough to show it to your followers.

At the extreme pull end of the spectrum is your website. If you have good content on your website, where you write about things people are actually interested in, there is a chance that you will get a good amount of organic non-paid search traffic from Google. Content – both text and images – that is so good and illustrative that people want to share, mention and link to it will then give another boost to your site's Google's ranking. Altogether, this effort could also have a positive impact on how much you need to pay for a click when you need to advertise on AdWords. This is also regarded as a pull medium, since the limit on how much traffic you can create is determined by customer search volume. However, AdWords is a bit pushier than your website, because you can freely choose which search words you will advertise on.

### Automation

If you want to deliver on the tactic of one-to-one personalization and timing and not drown in manual work, you should consider automation. You won't get far if you have to manually send individual text messages to a customer base of 1,000,000.

Email, text messages, app notifications and website content personalization provide full potential for automating the communication in all imaginable ways. There are several major players in this market that want to be the one to give you the tools to orchestrate cross-channel communication. You should take this seriously and get started sooner rather than later.

Automation is also possible for search engine marketing (AdWords), display banners and social media. TV, print and radio are at present more difficult to automate, but, again, they are gradually opening up new ways to buy media exposure. Read more about putting together your marketing technology stack in the section of this name below.





## How to manage it all?

As the above sections clearly indicate, there is a lot to consider when you want to manage communications with a large customer base that continually changes channels while maximizing relevance for each individual.

### Make centralized data available for the marketing and CRM teams

As discussed in Chapter 2, one of the central components you need to establish in order to succeed with omnichannel is making centralized data available to the marketing and CRM (customer relationship management) teams. There are many ways to accomplish this, but the deployment of customer data platforms and data management platforms is an important aspect. Some of the so-called (see below) marketing hubs also carry this functionality. The deployment of these types of system makes it possible for marketing and CRM to act more freely when it comes to using and experimenting with data. They will be able to put together dynamic target groups and audiences for specific purposes, automation flows, campaigns and detailed segmentation. But the data part is only one half of the equation.

### Messages should also be managed centrally

It is important to store data centrally, but data doesn't achieve anything alone. No difference is made until data is combined with your key messages and the result is presented to the right audience. We have to make a distinction here between messages and content. 'Messages' are the pieces of creative content (a combination of text, images and/or video) that are supposed to pique the interest of the audience and lead them to do something they might not have done otherwise, whether that is buying a product, reading more about something or performing a specific action. By 'content' we mean rich articles or pieces of information, most often stored in a content management system (CMS).

Unfortunately, messages are more often than not created and kept in the systems managing each communication channel. The words of a text message are created in a text-messaging system, the text and layout of an email are created in an email system, the personalized content on a website is created in the CMS, etc. This makes creation, coordination, distribution and reporting extremely cumbersome. If you choose to create and store these messages centrally and on a meta level – in other words, before they reach a channel – then you'll be heading towards a much better way of using data and insights in omnichannel marketing. In this way, messages will be flexible and adaptable to multiple communication channels and they will carry different versions or propositions for personalization. Only a very few tools offer this possibility, but look out for it when you are piecing together your marketing technology (martech) stack.





## WHAT YOU'VE ALWAYS BEEN DOING AND WHAT YOU'VE NEVER BEEN DOING

The heading for this paragraph describes the challenge in transitioning into the new marketing paradigm. Even if you manage to get all the new things right – think, build and deploy large programs of trigger-based and relevant communications and supply personnel with the right tools and insights to be as relevant as possible – there will always be customers (or potential customers) for whom you hold little or no data. For these customers it is almost impossible to be relevant. Does that mean you should stop doing mass marketing? The bad news of omnichannel marketing is that it does not relieve you from doing what you've always been doing – at least, it won't do so in the foreseeable future. Instead, it gives you more work in a domain where you're probably not as comfortable and skilled. So, if you're already up to your neck in work, it's practically impossible to become a success. Marketing will need more resources for sure, and so will IT.

## PIECING TOGETHER YOUR MARKETING TECHNOLOGY STACK

Yes, you'll be needing new tools. In this section we'll focus on demystifying some of the TLAs (two- or three-letter acronyms) that you are most likely to encounter when setting up your martech stack. We've aimed to focus on the main categories that are relevant for omnichannel marketing. It will by no means be an exhaustive list as the categories overlap to a great extent and many systems contain elements from multiple categories simultaneously. Note that we already covered customer data platforms and data management platforms in Chapter 2.

### Customer relationship management systems

Customer relationship management (CRM) systems are an old category of systems primarily invented for B2B (business-to-business) contexts where salespeople would extensively take note of their customers and what they talked to them about. More specifically, CRM systems contain information about contacts, leads, opportunities, activities and tasks. They are mostly used for supporting person-to-person contact between salespeople and customers, but some have evolved to include basic capabilities within email marketing.

### Marketing automation platforms

Marketing automation platforms (MAPs) are designed for automating as much outbound communications going out to end customers as possible. These platforms often have built-in email marketing capabilities for use in both campaign-based and automated communications. This category has become almost synonymous with B2B lead generation and lead nurturing. Note that, in the Nordic countries, MAPs are equally often seen as B2C offerings that cover most of the characteristics of MMHs (see below).

### Multichannel marketing hubs

The multichannel marketing hub (MMH) is the research company Gartner's category for platforms encompassing segmenting, communicating and reporting on an end-customer level (in regard to both campaigns and automation). MMHs carry the opportunity to do this on not just one channel but, as the name suggests, on multiple channels. The category is not very commonly used outside the Gartner ecosystem.





### Demand-side platforms

A demand-side platform (DSP) is a tool that rests on top of a data management platform and allows companies (those that 'demand' advertising) to control their own media buying, advertising and data exchanges. A DSP combines multiple methods of buying ads, such as programmatic buying, real-time bidding and retargeting.

### Content management systems

A content management system (CMS) is basically a system for building and maintaining websites and the content therein. Many CMS providers see the core CMS offering as commoditized and have moved into the categories that are more closely related to customer experience. However, their core strengths are still around the website and its management.

### Social media management

Social media management (SMM) tools offer the possibility of centrally managing multiple social media networks and accounts. Their functionality includes distributing content, listening for specific keywords, managing paid social (social media ads) and reporting on posts and campaigns.

### Influencer relationship management systems

As the reach of traditional media (such as TV and print advertising) declines, influencer relationship management (IRM) systems have seen a boost in popularity. Influencers are private people with large groups of followers across social media sites, such as Instagram, Facebook, YouTube and Twitter. An IRM system can help companies to discover and choose relevant influencers to co-market their products, cause or offering; it can also help companies to reach out to influencers, create campaigns and report on them. IRM systems are especially used within the fashion- and lifestyle-oriented sectors.

### Digital asset management

Digital asset management (DAM) systems are used for controlling and managing marketing assets centrally to support the use of these assets across the various marketing functions. This type of platform is optimized to store and serve large volumes of rich content, and it supports the workflows needed to put these central assets in place.

### Marketing resource management

Marketing resource management (MRM) systems are used for controlling and managing marketing processes between employees, vendors, agencies and assets as effectively as possible.

### What is a marketing cloud, or experience cloud?

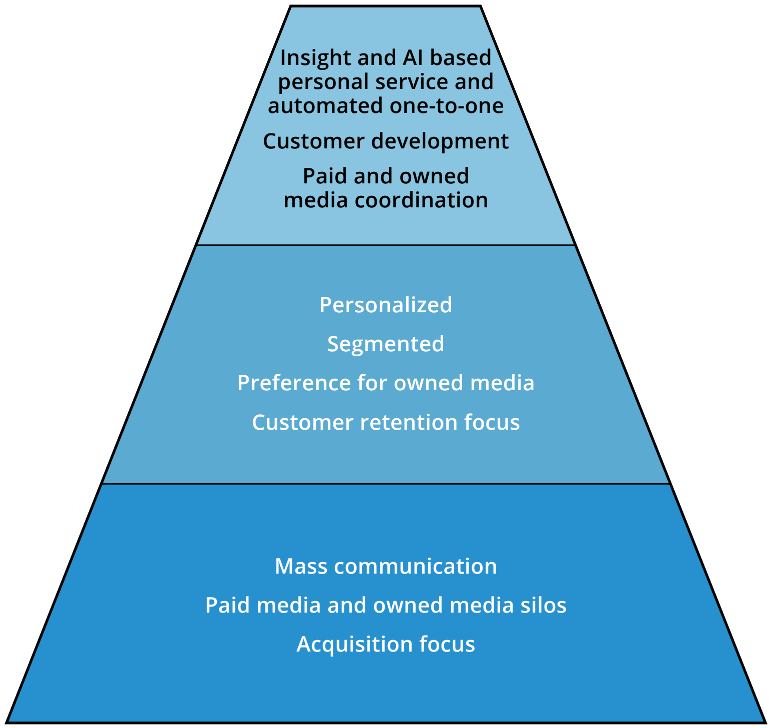
A marketing or experience cloud is a wide set of tools and offerings beneath the same brand umbrella. Most of these clouds or suites have been put together through the acquisition of previous best-of-breed vendors from the underlying categories. While the promise is that these underlying systems are all well integrated and act as one platform, this is quite often not the case. And, with the history of the underlying systems all being best-of-breed vendors, it's often just as easy to cherry pick well-functioning parts of suites and make them work in ecosystems across different clouds.





## MATURITY IN COMMUNICATION & SERVICE

So, what represents maturity in the use of data and insight in your communication and service?




### Highest maturity level

The mature companies work at learning (from both a human and an AI perspective) as much as possible about customers and prospects. This impacts the way in which they communicate with and service customers on all channels. They provide data-informed, personal service, both in-store and via call centres. In parallel, they constantly work to launch ever more automated personal communication based on data and insights. Their focus is on developing all customer relationships from a one-to-one perspective, where the customer's place in the lifecycle determines what the next move is. There is full synergy between the use of paid and owned media.

### Middle maturity level

Companies with average maturity still focus mostly on a company-centric campaign plan and how to apply this most effectively in owned media and paid media. For this purpose, they use data and insights to segment and personalize communications in their campaigns.

However, there is also a long-term goal of gradually building up data and permissions so as to be able to automate communications based on the customer lifecycle. Work is done in both owned and paid media, but they are treated as two separate things, and optimal synergy between them is not yet achieved.





### Lowest maturity level

This maturity level designates companies that apply data and insight in their communication poorly. They mainly use paid media via mass communication to create demand and stimulate sales and customer access.

Remember that you can take our test based on the Omnichannel Hexagon and find your company's omnichannel maturity level at:

**OMNICHANNELFORBUSINESS.ORG**