

# Customer Insight & the Bottom Line

Ginger Conlon  
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1to1 Media

**1to1**  
magazine

1to1 **weekly**

THE MARKETING  
**x factor**

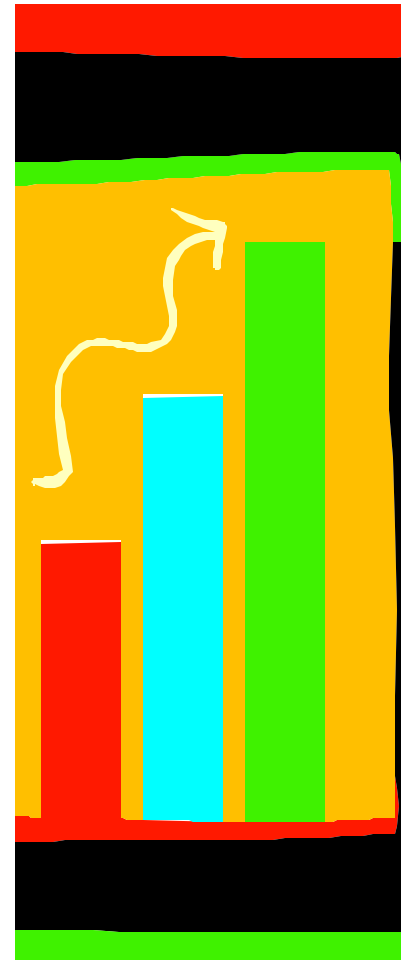
# Don't "Max"imize Your Customer Strategy

- Expectations redefine service
- Relevance is imperative
- Multichannel is the best channel
- Reactive is "so yesterday"
- Marketing goes mobile
- 1:1 is now 1:many



# Expectations on the Rise

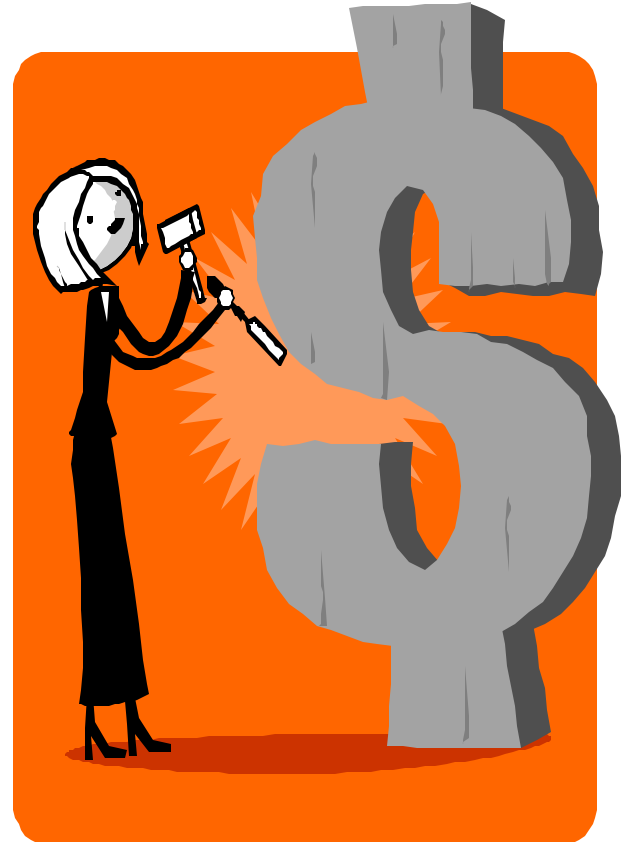
- No excuse for silos: customers see one company
- Fast responses times and first contact resolution drive satisfaction
- Experience comparisons are no longer industry-centric



So...

How can I build a  
CRM strategy  
that will make  
an **impact**...

on customer loyalty,  
on employee satisfaction,  
on the bottom line.

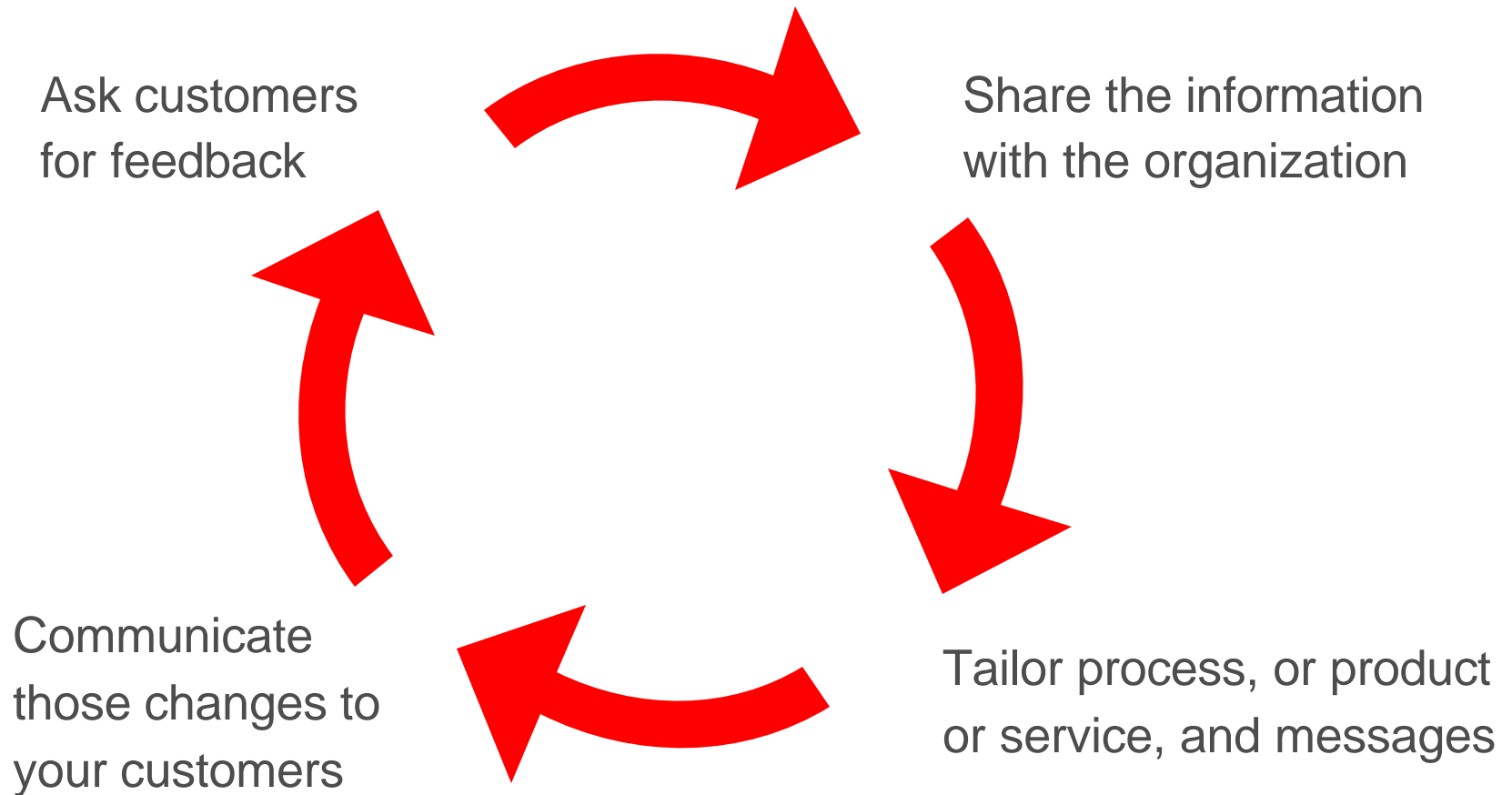


# Get Personal



Treat **different**  
customers **differently**

# Create a Learning Relationship...



...and a competitive advantage

# The Antithesis: the “Goldfish Principle”

Some species of fish have no capacity  
for territorial memory



Businesses operating on the  
Goldfish Principle have no *customer* memories

# Beyond Demographics

Who am I?

Drives a Mustang, listens to rock, enjoys weight lifting.

- Micro-segmentation
- Behavioral targeting
- Online communities

Nearly 50 percent of companies use custom communications for reaching high-value customers and targeted demographic segments, and about 30 percent use it for interacting with behavioral/trigger-based segments.

—Source: 1to1 and Xerox



# Relevancy Pays

Response rates — and sales — increase\*\* using custom communications. In the case of email:

- About one third of companies saw a 25 percent jump in email response rates
- On average, one quarter saw a 25 percent jump in direct mail, email, and online sales
- 15 percent garnered a 50 percent sales increase

Slightly more than half of respondents plan to increase their level of email customization over the next 12 months, compared to 43 percent for Web and about 45 percent for direct mail.

*\*\*Source: 1to1 and Xerox*

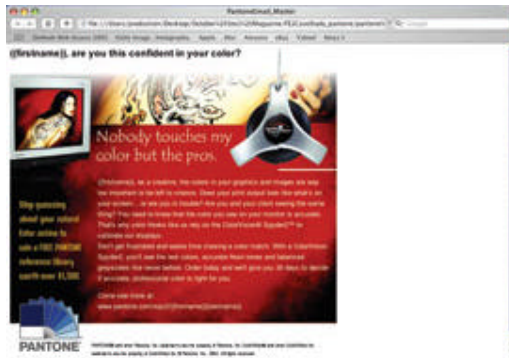
# The Personal Touch Gets Results

- Regent Seven Seas really cruises:
  - Personalized versions of a recent brochure have resulted in about \$7.6 million worth of bookings for 2007 and 2008, nearly 44 percent of Regent's total bookings for that period.
- Wachovia banks on data:
  - Since implementing its marketing mix model Wachovia has seen a 19 percent rise in customer equity.
- Ladbroke bets on intelligent routing:
  - Agent productivity is up 15 percent, sales are up 6 percent, all calls are answered in under 1 second.

**43 percent of companies use segmentation to deliver more  
personalize service in the contact center.**

—Source: Dimension Data

# Multichannel: Pantone



**“We knew that the stickiness of a campaign is much higher when the customer sees it in different executions.”**

*—Doris Brown, vice president of marketing, Pantone*

# Dollars and Sense

- Direct mail response rate: **7.8 percent**
- Email response rate: **11 percent**
- Online surveys completed: **2,043 (7.8 percent)**
- Year-over-year revenue increase: **81 percent**
- Spyder2 sales performance: **126 percent** of forecast



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# Staying One Step Ahead

- Aeroplan speaks up
  - “On hold” updates improve customer and employee satisfaction
- ScotiaBank uses smart systems
  - Proactive service improves sales as well
- Ring Bros. catches customers in motion
  - Mobile alerts spike transactions by 75 percent

89 percent of customers expect proactive communications from companies; and 85 percent said they would have a more positive opinion of a company they buy from after receiving a courtesy call.

—Source: Genesys Telecom Labs

# Customer Experience on the Go

- DirecTV powers its reps
  - Consolidated data = increased face time
- General Binding Corp. goes real time
  - Remote access improves service and satisfaction
- KUBE 93 spins a smooth tune with mobile marketing
  - Text campaigns garner a 30 to 40 percent response rate (versus 1 percent for email)

40 percent of all brands have deployed text messaging campaigns, and 18 percent have deployed multimedia messaging (MMS) campaigns.

—Source: Carlson Marketing

# CRM Fits at Harry Rosen Inc.

- The retailer uses CRM software to help deliver on its brand promise: helping men cultivate a confident personal image
- Uses slightly customized CRM software and PDAs to give sales associates insight into customer preferences and to help develop its database of Profile Clients
- Invests \$1 million annually in employee training on fitting, tailoring, selling, and using CRM software

“Even our best sales associates can only remember details on his top 10 clients, so we need to have information on clients 11 through 200 organized and stored in a user-friendly and easily accessible manner.”

—Larry Rosen, CEO, Harry Rosen Inc.



# Social Media: More Than MySpace

- Creating the online coffee klatch
- Debate: to brand or not to brand
- Insight drives branding and product changes
- Customer engagement increases



“We wanted to go deeper from an emotional standpoint with our customers. We needed a bigger picture of the relationship between pets and owners other than just what they do at feeding time.”

—Gala Amoroso, senior consumer insight manager, *Del Monte*



# Online Insight

- Nabisco sweetens its offerings
  - The immensely popular 100 Calorie Packs are created based on customer feedback
- Starwood rests easy on FlyerTalk.com
  - “Listening in” to the third-party site gives both a broad view of the market and opinions solely on Starwood
- ABC Studios offers a sneak preview into programming
  - Enthusiast viewers comment on pilots and series episodes

“In this forum everyone speaks their mind. When we see an issue that gets a significant amount of posts, we determine if we need to make changes.”

—Robin Korman, vice president, loyalty marketing, Starwood

# Ah, Yes, the Caveats

- Silos, fiefdoms
- Trend fever
- Management support – or not
- ROI



“The purpose of marketing is to harvest cash flows by changing customer behavior. That...involves knowing customers’ needs in a deeply human sense.”

—Don Peppers, cofounder, Peppers & Rogers Group

# Thank You!

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