



## Customer Insights Go Real Time: Marketing at the Moment of Truth

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There is a great deal of evidence that consumers are turned off by traditional advertising. Traditional media is nowhere near as effective or efficient as it used to be. Marketers are challenged by this decline, as well as by the loss of control they have suffered in the explosion of interactive channels that place so much more power in the hands of customers.

The web has made it easier for consumers to research and be fully informed about products before they engage in a transaction. Consumers also have a much greater ability to influence and even drive marketing campaigns, through viral marketing efforts and by expressing themselves through these new channels. Individual consumers can now get their word across to broad spectrums of their peers, with credibility.

While marketers try to make sense of this wild, new frontier of communications, some are increasingly turning inward to have a positive impact on their customers and the bottom line of their companies.


Inward? Yes, faced with declining returns on outbound campaigns, marketers are increasingly leveraging their customer insights when those customers call in, visit a web site or a store or otherwise engage in a transaction or conversation. According to Forrester Research, 85 percent of marketers already practice inbound marketing or plan to in the near future.

This does not just mean cross-selling or up-selling a captive customer during a service call. Far from it. High-pressure sales when customers are calling in or incessant pop-ups when they visit web sites are sure-fire ways to alienate even loyal customers. However, these channels do present an opportunity where the customer has chosen to be actively engaged and where the customer's needs may be more apparent.

### **More than selling**

This is not just an opportunity to sell but also an occasion to enhance the customer experience, reinforce the brand image and to strengthen long-term loyalty by creating an interaction that is meaningful in the context of the interaction, as well as taking into account the past relationship between that customer and the company. This is

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not only true of channels such as the web and the call center but also of traditional retail environments, with the availability of point-of-sale systems that can drive personalization based on decision rules and real-time analytics. Of course, contextual (relevant) marketing is also critical in emerging channels such as mobile devices. What customers do not want is to be deluged with offers and messages that do not speak to who they are or where they are.

Taking advantage of these opportunities requires nimbleness as well as intelligence. The payoffs, however, are huge. Real-time insight leveraging the right information applied to inbound interactions can yield huge return, both because the costs are lower and because the success rates tend to be higher. At a recent Gartner Summit, O2, the leading mobile telecom company in the United Kingdom, reported a 9 percent increase in the average value of customers and a response rate of about 75 percent to offers made on inbound calls after they adopted such an approach. This was achieved with no appreciable change in customer handling times—but was coupled with increased customer satisfaction. These kinds of results can make a marketer drool.

O2 was using a “next best action” model, using a real-time decision engine to deliver customer experiences based on sophisticated metrics that instantly balanced insights about customers and corporate priorities on a case-by-case basis. For instance, the company has an optimized bundle of retention offers that balance customer value and the likelihood of churn against the cost of those offers. The offer available to the customer is created in the context of what products and services the customer has and how he or she has taken advantage of them in the past.

The idea is that there is no sense in offering extra free minutes to customers who do not already use all of their current minutes. Such a customer may actually appreciate being switched to a less expensive plan with fewer minutes. Making such a smart offer available simultaneously improves customer satisfaction and the long-term value of the customer relationships because of the reduced churn.

### **Customer first**

The key to making this approach successful is to take care of the customer first, before you initiate any action on your own. The customer is calling your call center or visiting your web site for a reason. Your first order of business has to be to take care of whatever it is the customer has called or visited you for. Is he calling to complain? Then address the complaint to his satisfaction. Is she visiting to get some information? Make sure she gets the information she wants. Remember that the customer’s positive experience paves the path for any future interaction you want to create.

It is also important that these kinds of insights and approaches are applied uniformly across all channels. Wherever possible, the customer should get the same offer or action regardless of whether he or she comes in through the call center or the web site. This can be difficult because marketing in most companies does not control the call center or even the web channel.

For your company to present a coherent, attractive offer, it is essential that marketing and service—or marketing and the web folks—are aligned regarding the customer strategy, including priorities with regard to each customer. The key is that you want to take the

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next best action with respect to the customer, not sell the next best product you think you can sell. Service folks can sometimes be very skittish about sales-type activities. Proper training may be needed before they are comfortable making the right offers to customers. Making it evident that you are doing what is in the customer's interest can go a long way toward increasing you employees' comfort with these activities.

Real-time interactions provide a great laboratory for understanding what works and what does not. Test different approaches to see which ones seem to have the best impact. The best-laid plans do not always work in the heat of the moment. Testing allows you to learn, from a customer standpoint, what is beneficial and what is not.

At a time when marketing expenditures are being challenged and marketers are being held more accountable for value for their spending, real-time marketing at the point of contact offers the potential for a significant payoff. However, it takes organizational and analytic nimbleness and agility to realize this payoff.

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