

5 DIGITAL

MARKETING TRENDS

2018

ANALYSIS OF THE DEVELOPMENT OF
DIGITAL COMMUNICATION IN 2018

PREFACE

Access to customers and marketing communications is rapidly changing. The expectation on companies to provide a top user experience to produce effective competitiveness, is growing. Marketing Engineering – the ability to achieve quick results in a complex digital transformation – will become a future challenge. We have identified the five most important trends in communication, data and operative processes as well as measurement and analysis which will shape the marketing of companies until 2018.

Marketing is taking on a leading role in the digital transformation. Traditional campaign management has become worn out and is giving way to dynamic real-time communication. The Internet of Things opens up a number of new communication channels, contexts and data sources. Mobile marketing no longer only consists of mobile optimised measures but now also incorporates the context of use and location-based services. Traditional buyer-seller relationships between customer and company are becoming more complex and must be understood in a more differentiated way.



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01

CUSTOMER-CENTRIC EXPERIENCE – DIGITAL DIALOGUE TAKES THE LEAD IN THE TRANSFORMATION

The digital transformation is currently considered the biggest challenge for companies of all industries. According to a current study by Price Waterhouse Coopers, 4 of 5 top managers view the move to digital as decisive for future business models. Gartner predicts that by 2020, approximately 75% of all companies will have digitalised, but only 30% will be successful. Marketing, in particular, is facing a radical paradigm shift. The classic campaign from a company perspective is giving way to a more customer-centred service experience. 90% of marketing experts see the individual user experience as essential according to an e-consultancy study on behalf of IBM. Digital direct marketing is taking the lead in this transformation.



An essential driver of the digital transformation is disruption within the competition. Increasingly, new market players are pushing into an ever more saturated markets. This is due, in part, to globalisation where international companies – often without a physical presence – are pushing into local markets. On the other hand, technological progress, especially digitalisation, has significantly lowered market entry barriers, enabled new business models and enhanced value chains. Large e-commerce companies compete online against numerous small and medium scale, highly specialised companies and even private individuals, who use auction and trade platforms for their sales. Disruptive digital platforms such as Uber or AirBnB are questioning entire business models. Branded companies focus on direct sales and their own customer retention tools and therefore skip parts of the „traditional“ value chain. In this increasingly complex, dynamic world, the competition is becoming stiffer. Companies find it more difficult to differentiate themselves. Enabling customer-centred access to markets is becoming essential, given that digitalisation creates a transparent market. Customers can research and compare offers more quickly. Furthermore, there are new decision-making options between different (international) providers. The barriers to change are low. The customer can reach a new provider with a suitable offer or with an attractive look & feel with a single click.

BEST-IN-CLASS IS BECOMING THE BENCHMARK

Market transparency has another consequence. Customers know the best-in-class approaches of different providers. This means demands on all other companies are also increasing. Customers do not expect anything less than a best-in-class experience in service and communication, at all times and everywhere. At the same time, marketing departments are facing the task of optimising their measures from an economic point of view, especially in lowering costs and justifying investments. Marketing must be able to prove its viability clearly.

PARADIGM SHIFT NECESSARY

Of all factors driving this change, the customer is the most essential. Current studies by IBM and econsultancy illustrate that most companies (according to the study 90%) have generally understood that the customer and his individual customer experience need to be at the core of marketing. Nevertheless, 80% of customers today do not feel as if they were personally regarded as individuals in marketing. This shows that there is still a gap between demand and reality, i.e. in the practical implementation of customer-centred marketing and service experiences.

The continuous changes in the market, particularly relating to customer expectations are putting companies under pressure to achieve a quick time-to-market with their measures to improve the customer experience. Marketing has a pioneering role here, as it is easier to achieve positive results quickly through marketing than through e.g., the adaptation of service processes. Marketing, particularly digital marketing, is becoming the essential driver and pioneer in the digital transformation. In digital marketing, essential factors of the expected user experience such as speed, individuality and accuracy of fit, as well as personal value, can be realised more easily and more quickly. The desired customer-centred marketing and service experience at the forefront is pushing forward the background abilities needed for this, such as data availability, process automation and analytical intelligence.

CONCLUSION

The digital transformation is led by a radical customer focus in marketing. Customer demand for of a best-in-class experience and personal appreciation can only be achieved in marketing in the context of an increasingly fierce competition. Marketing is becoming the driving force to push forward the factors necessary for customer-focussed user experiences, such as data availability, process automa-

tion and analytical intelligence. The high time-to-market pressures in this transformation will be accelerated by a market, where market entry barriers are lowered through digitalisation, new business models become possible and changes in value chains. The transformation will also be accelerated by the growing pressure on companies for profitability; by increasing demands of customers who are used to be mobile, always on, linked, social, prepared to switch and increasingly used to best-in-class user experiences.

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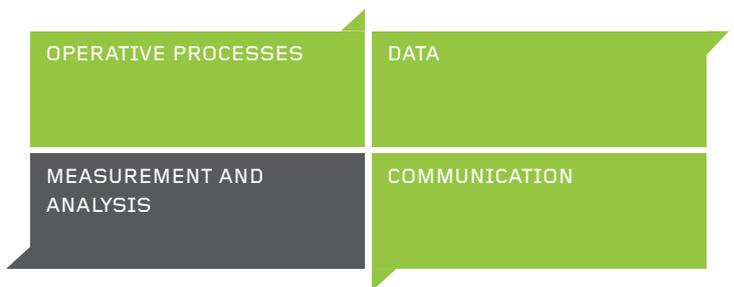
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02

RESPONDING TO BEHAVIOUR IN REAL TIME – FROM CAMPAIGN MANAGEMENT TO REALTIME MARKETING AUTOMATION

In digital direct marketing, a paradigm shift has taken place from campaign-centred communication to customer-centred interaction. The speed with which customers interact in this communication is also increasing rapidly. When dealing with mobile, „always on“ customers, truly customer-centred communication means responding to customer behaviour in real time and including previously unknown data derived from the context of use (e.g. Where is the customer now? What is at that location? What is the weather like?) and to adjust the communication dynamically according to the information gained.



Relevant, customer-centred communication does not only mean individualising communication according to the requirements, interests, consumer behaviour etc. of the individual customer. Relevance now has to take into account speed, context sensitivity and live up-to-dateness.

FROM MARKETING TO REALTIME MARKETING AUTOMATION

The key to context-sensitive, truly up-to-date communication lies in the correct use of realtime marketing automation. „Classic“ marketing automation mostly means that customers are selected based on existing data and then automatically approached with a relatively static dialogue course. Customer responses to a campaign are registered, analysed and taken into account with a time delay, which means the information is only relevant for the next campaign. Realtime marketing automation on the other hand controls the dialogue in a flexible way. The technology responds to events (triggers) in real time with relevant communication and dynamically adapts this to the context and the current data available. Important parts of the data that are necessary for this are not known in advance and are only captured at the moment when a trigger occurs, either through an interaction with the customer or through unforeseeable amendments of other data, such as change of price or weather data. Based on this new data, the communication measure is created, amended and output in real time.

TAKING INTO ACCOUNT THE CONTEXT OF USE

Context sensitivity means that the context in which the customer receives or uses the information is taken into account. Contexts may be the following:

- **The location:**
If the customer is on a shopping spree through the high-street, you could e.g. approach him via app notification with special offers from nearby shops including directions and discount vouchers. We will come back in detail on the subject of „mobile contexts“ in Trend 4.
- **The weather:**
When it's sunny, the customer will receive offers for sun glasses. When it's raining, the latest blu ray hits for cosy movie night in will be suggested to him.
- **The time of day:**
When the customer opens e.g., a newsletter during the day, special offers from the nearest branch will be displayed. If he opens the newsletter at home after closing time, offers from the online shop will be promoted. The addressing changes depending on the time of day: „Good morning“, „Enjoy your evening“, „Still awake?“
- **The terminal device used:**
Apple users (more affluent than Android users according to studies) will be displayed higher priced offers. Media offers (e.g. music) will be directly linked to the app store of the used operating system. On terminal devices with retina display, graphics have a higher resolution.
- **Interaction in the Customer Lifecycle:**
If the customer signals a certain demand through his interaction, it is important to respond in real time and with the correct communication. If a customer opens e.g., a newsletter while at the same time browsing through a specific product category in the online shop, the newsletter could automatically display dynamic offers from this category.
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UP-TO-DATENESS MAKES HIGH DEMANDS ON DATA AVAILABILITY

In order to make context-sensitive communication relevant for the customer, it must be up to date. Content which adapts to obsolete weather data or messages which supposedly refer to a shop location the customer has long since passed by, are of little effect or are even annoying for the customer. Up-to-dateness is generally highly relevant when the communication includes data which can suddenly change and where even „small“ changes can have significant impacts on the derived communication message. For example: if the geo-fencing function detects that a customer is currently located near the shop (PoS), he is a loyalty card owner and has a 10GBP voucher, then the probability is high that relevant and immediate communication can persuade him to make a spontaneous purchase. Half an hour later and the opportunity is gone. If, in addition, the insufficient availability and/or up-to-dateness of the loyalty card data doesn't allow for the establishment of whether a specific voucher has already been redeemed yesterday, this important purchase incentive cannot be used for spontaneous communication. The speed and availability in data processes is therefore becoming a key criterium in the exploitation of modern, customer-centered communication.

In addition to the ability of capturing data in real time after sparking the trigger and to being able to analyse this data and output the correct communication measures based on the results of the analysis, realtime marketing automation must also be able to dynamically adjust content. The following example will illustrate this: The newsletter is not sent with fixed content but blank. Instead of content, the email contains dynamic placeholders which are only filled with content when the email is opened. When the user opens the email, the required data (e.g. current weather forecast) will be accessed within milliseconds and contents matching the data will be displayed in the placeholders. Such

ultra-responsive formats enable real-time capability even in campaigns which are not sent in real time.

CONCLUSION

Relevance in marketing and service communication does no longer only mean individualisation of the communication based on existing customer data, such as purchase history. Relevance in communication is increasingly gained through up-to-dateness and speed based on the consideration of the customer's context of use, such as e.g., his location, the weather or terminal device which is used. The capacity for real-time marketing is becoming vital for success. Companies must be able to deal with previously unknown data in real time, to analyse it and based on the analysis results output the correct communication measures or dynamically adapt communicated content without any time delay.

03

SMARTWATCHES, WEARABLES & INTERNET OF THINGS – NEW TERMINAL DEVICES, NEW TOUCHPOINTS, NEW CONNECTIONS

The Internet of Things – the linking of smart products is tipped off as the next big revolution in information technology. A revolution which has the potential to significantly influence – if not dissolve and rearrange – the structures of whole industries, supply chains and competition rules. These changes also affect the digital direct marketing, as the Internet of Things leads to an increase in relevant data sources and contexts which need to be taken into account in the communication, as well as to new terminal devices via which companies can contact customers.



The Internet of Things describes the network of so-called smart objects or products. Smart products are products which in addition to physical components (e.g. a motor) also contain intelligent components (e.g. sensors, processors, software systems or data storage) as well as components which allow a linking, i.e. a data exchange, of the product with one or more other smart products or generally IT systems. We can distinguish between B2C products such as fitness trackers, smartwatches or connected cars and B2B applications such as networked industrial robots or agricultural machines. Bitcom and Deloitte estimate that by 2010 approximately 100 million networked consumer products will be employed in Germany (smartphones and tablets not counted). 17% of Germans already owned a wearable device e.g., a smartwatch or wristband in 2015 (PriceWaterhouseCoopers). McKinsey even forecasts a global economic impact (value and efficiency gains) of 11.1 billion dollars per year from 2015 through the Internet of Things. However, he primarily refers to the B2B context. Accenture goes even further and is talking of 10 billion dollars from 2013, 592 billion of which in Germany.

INTERNET OF THINGS IN MARKETING

From a marketing point of view, B2C products are particularly relevant from two perspectives. Firstly, networked devices generate data and deliver new contexts of use. Secondly, many terminal devices open up new communication channels or opportunities.

In B2B, user data can help to gain a better customer understanding which can then be used for a more precise communication approach. Marketers do not only learn which products a customer purchases, but also whether he actually uses them, how he uses them, what he does when using them, when he uses them, how frequently or in what context and in combination with which other products.

The fitness product market belongs to the B2B sectors where connectivity is most advanced. Wearables which track performance data (miles run, speed, calories used etc.) are available from many sporting goods manufacturers and are becoming increasingly popular with sports and fitness fanatics. Here are some examples to use the captured data in marketing:

- By means of the miles run you can estimate when the running shoes (which are possibly connected themselves and provide the necessary data) are worn off and a new purchase is imminent.
- High performance sportsmen and women can be offered special dietary supplements.
- People who run long distances may have an interest in taking part in a running event, e.g. a marathon.
- Athletic performance can be linked to incentives (1% discount per 10 miles run) and integrated in suitable campaigns (another 20 miles and you can save 10% in our latest fitness collection).
- The tracking of running geo-data allows marketing messages with geographical reference (after the run, quickly pop into our branch on XY street).
- Training schedules or dietary tips matching the performance data are practical services and can be enriched with commercial messages.

However, not only in B2B you can open new potentials for marketing communication via the internet of things. In B2B, service communication can be a real benefit. For example, the continuous monitoring of machines can detect wear and tear and suggest an inspection on time. Or a repeat order of wear parts can be enquired independently from the production performance.

HIGHEST DEMANDS ON DATA PRIVACY AND DATA SECURITY

Whether health data of medical devices in B2C or business-relevant data about manufacturing processes in B2B, many data captured in the Internet of Things is highly sensitive. This sets special demands on data privacy and data security. With each data-producing device, a new source as well as a new transmission path is created where data must be protected from misuse. According to a current study by eco and YouGov, many Germans have reservations about the Internet of Things because they are afraid of data misuse and lack of control. It is therefore becoming an essential pre-condition for companies to create (legally) secure technical processes to capture, store and process data from the Internet of Things as well as to gain the trust of private and business customers whose data is to be used.

NEW TERMINAL DEVICES, NEW CHANNELS

Smartwatches, smartglasses, digital signage, connected cars or the infamous internet-enabled refrigerator are all networked terminal devices which communicate with customers and can theoretically be used to distribute marketing messages.

It is up to the terminal device producers and their partners to develop deployment scenarios for the marketing and service communication, to establish software and communication standards and manufacture the corresponding terminal devices. For some terminal device categories this may only be wishful thinking or even just a pipe dream, but many terminal devices e. g., fitness devices or networked household appliances, have the potential to open up new communication channels. Some already integrate existing communication channels, such as social media or above all, email. Companies should therefore follow the developments, possibly even influence them and look at deployment sce-

narios in advance at least on a conceptual level.

Two terminal device categories which already stand out as interesting from a marketing angle, are smartwatches and connected cars. The Apple watch, for example, enables the reception of emails and push messages from apps and is therefore a relevant terminal device particularly for location-based marketing in real time. Via an on-board computer of a connected car, you can e.g., retrieve traffic or entertainment information, but it can also serve as a channel for marketing and service communication.

CONCLUSION

The Internet of Things, especially in the B2C sector, opens up new potential for digital direct marketing. Consumer products such as fitness trackers or smart homes increasingly generate data from which a better customer understanding can be gained. Companies do not only learn more about what types of products a customer buys, but also e.g., how and in what contexts these products are used. The capacity to use this information for the optimisation of not only products but also the marketing and service communication is becoming an integral part of competitiveness. Furthermore, networked terminal devices open up new communication channels. Smartwatches and other wearables, connected cars, smart homes, networked household appliances etc. offer a huge potential not only to capture data but also to communicate with customers. Even if this is not possible yet with many other terminal devices, it is recommended that possible deployment scenarios on a conceptual level are anticipated.

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04

GEO-FENCING, BEACONS, LOCATION-BASED – MOBILE CONTEXTS AND TOUCHPOINTS SET THE TIME

According to an online study by German TV broadcasters ARD/ZDF, 78% of all German onliners (30.7 million people over the age of 14) are already using the internet on a smartphone. However, for many companies mobile marketing still means only adapting measures known from the desktop internet for mobile usage. Furthermore, the mobile context of use needs to be taken into account, i.e. how to employ technologies such as geo-fencing or beacons in order to exploit mobile touchpoints and to adjust communication to the user's location.



Mobile is no longer a trend but for many users, it is the primary access to online services. Some experts even forecast that mobile will soon become the norm and desktop will become the exception. Bearing in mind that globally there are already approximately 800 million mobile-only internet users (Cisco), the distribution of smartphones is constantly increasing and new mobile terminal devices such as smartwatches (see trend 3) are on the rise, those predictions only sound reasonable. Most companies are aware by now that marketers can no longer ignore mobile devices. Mobile marketing however, does not only mean delivering a mobile user experience (e.g. through scalable emails or shopping apps with mobile-optimised operation); it is also important to bear in mind the mobile context of use, above all, the location of the customer. Mobile marketing also means location-based marketing.

GEO-FENCING, BEACONS, LOCATION-BASED MARKETING

The term geo-fencing is inseparably linked to the topic of location-based marketing. In geofencing, an invisible fence - e.g. in the form of a WLAN net - is erected around a specific area. When a customer enters this area, he will be detected by the company's geo-fencing system. The smartphone is located via radio frequency, GPS or in short distances via beacons/bluetooth or WLAN. A pre-requisite is often that the customer has installed an app, enabling communication with the geo-fencing system and that he has agreed that the app can capture his location data. Geo-fencing is very sensible in those deployment scenarios where by entering the geo-fence or within the geo-fence a trigger occurs or offline touchpoints, especially the PoS, are involved (we will provide more details on deployment scenarios later).

Generally, location-based marketing is also possible without geo-fencing. As long as the location of the customer can be determined, e.g., via an app, whether he is

on a highstreet within a geo-fence in front of a PoS or on holiday far away from civilisation. Both could be attention-drawing contexts for marketing and service communication. Location-based marketing without geo-fencing is particularly suited for pull communication where the location of a customer is only retrieved at the moment when he e.g., actively uses an app or opens an email.

According to a current study by Gettings and Goldmedia, 56% of German smartphone users share their location with companies several times per month in order to be able to use location-based services. According to a study by Juniper Research, 56% of users would like to receive location-based offers, e.g., coupons when they are near a PoS.

CONSIDER MOBILE CONTEXTS AND TRIGGERS

The location of a customer is one of the most important contexts in customer-centred marketing and service communication. Information on the location can serve the context-sensitive adaptation of communication or as triggers. Here are some application examples:

Geo-fencing at the PoS:

When a customer enters a geo-fencing area around a PoS, he activates a trigger and then receives a message informing him e.g., about special offers, discounts or events at the PoS. Even (time-limited) coupons which can be redeemed at the PoS are very effective. Truly eye-catching communication also includes other contexts apart from the location (e.g. the weather) as well as the available customer data (e.g. purchase history). „Perfect weather for the beach. The latest swimwear collection of your favourite brand today for 30% less in our shop in 10 XY Street, only 200 yards from where you are now.“ The customer experience can be upgraded even more through additional services. Navigate the customer to the PoS via GPS. Offer the option to reserve the promoted products or deliver them if the customer has no time to pick them up. Fix a consulta-

tion appointment with a member of staff. Have the products ready for when the customer enters the branch and wants to view his desired item, etc.

Geo-fencing is not limited to the exterior but can also be used indoors (e.g. through Bluetooth beacons or WLAN triangulation) in order to send customers information and offers on products at their locations. „Did you know that clothing from this department has been designed by star designer xyz and is made of 100% pure eco cotton? And even better: if you buy 2 pieces, you get a third one free.“ Even the length of stay of the customer at specific locations can provide clues and serve as a trigger.

Event Infos:

During events (concerts, sport, expos, conferences, markets, etc.), geo-fencing can be used to provide the customer/visitor information on promotions at the venue or information on the event schedule. „We compliment player XY for his spectacular goal. Learn everything important about his career so far.“ „In hall 2, very close to you, our top talk on geo-fencing will start in 5 minutes. There are still seats available.“ A very successful case comes from the event venue operator Weser-Ems-Hallen who was able to increase the length of stay of visitors by over 10 minutes per event by using location-based gastronomy referrals.

Interactive Promotional Actions:

Geo-fencing can also be used for interactive promotions. E.g., paper chases or location-based games can be organised where participants are rewarded with a voucher or a free product gift. Networked out-of-home media can incite customers to take a closer look („We have hidden a secret on the poster next to you“) or provide additional information on the promoted products. Even location-based virtual reality applications can be used in a variety of ways. „Did you think there is only construction work going on here? Have a closer look with our VR app. We are building our biggest flagship store here. Come to the opening and expe-

rience an exclusive in-store gig by pop star xyz.“

Delivery and Pick-up:

Click & collect is one of the most important trends in multi-channel commerce and can effectively be linked to location-based marketing. For example, retargeting based on products viewed online „We have the following items in stock in our shop in XY Street. Pop in, we have a little surprise for you.“ Even pure e-commerce providers can use location-based communication for their service. „Not at home? No problem. Our courier with your order is near you. Agree a meeting place now.“

In-store Navigation:

Location-based apps can also be used for in-store navigation. The customer puts the desired items in the shopping basket of his app or in the online shop. When the customer enters the shop, the app directs him to the desired products. This does not necessarily have to be via the quickest route. Instead, it could be recommended to lead the customer past other products which could be interesting for him.

Dynamically Adapt Content:

Generally, the following applies to all plausible deployment scenarios: all communicated content should be adapted as much as possible to the customer's location. A customer who opens a travel app in order to view restaurant recommendations for his trip, expects to receive offers for restaurants near his current location. The displayed content is output when the customer opens the app. However, it is recommended even in geofencing-triggered communication to only adapt the content dynamically at the time of use. Only because a customer receives a message near a PoS does not mean that he opens it there. If his location changes between the dispatch time and the opening, this should be taken into consideration. When the customer opens the message, e.g., at home, it would no longer make sense to motivate him to immediately visit the PoS. Instead,

you could offer him, for example, to order the products online or have them reserved for his next visit.

REALTIME MARKETING AUTOMATION AND DATA CENTRALISATION

Location-based marketing and service communication presupposes that a change of location and with it the customer's context of use is immediately detected and the corresponding communication is triggered. Furthermore, content needs to be adapted to the current location exactly at the time of usage. All processes involved therefore need to be real-time capable. Realtime marketing automation technology is a requirement for successful location-based communication (see trend 2).

Many mobile deployment scenarios integrate online and offline channels. In order to guarantee consistent communication and not e.g., advertise a product via app push which is no longer available at the PoS or which the customer has already bought at another branch, all data sources must be centrally managed and updated in real time. A single customer view at all touchpoints is the pre-condition.

CONCLUSION

Truly customer-centred communication is no longer possible without including the customer's location. Geo-fencing for location-based services or communication e.g., in order to direct customers on the highstreet to the nearest PoS or navigate in-store, have become a must-have. After experiments with non-customer-specific services such as beacons, this means a growing investment in truly customer-specific tracking technologies and tracking-enabled apps. Furthermore, it is important to adapt content dynamically to the customer's location at the time of usage in order to take into account changes, time delays in the perception or the context of use. In order to respond in real time to the location (including to changes in location)

with the correct marketing and service communication, the speed of the marketing capacity is becoming critical for success. Traditional campaign management with a planning phase is being replaced by real time marketing automation.

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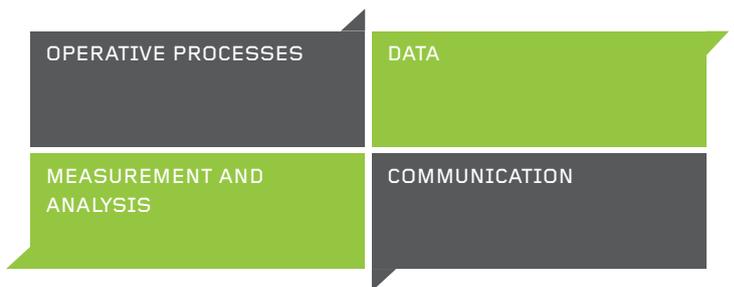
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05

THE END OF UNILATERAL CRM – TAKING INTO ACCOUNT THE COMPLEXITY OF CUSTOMER RELATIONSHIPS

The Customer Relationship Management - CRM - should control the relationship between customers and companies. Increasing customer expectations and the growing speed in which customers interact substantially affect the CRM. Another important trend beyond data understanding and speed of analysis in interactions is challenging companies. This type of relationship between companies and consumers is significantly more complex than a pure classification into „customer buys“ and „customer does not buy“. Companies must develop a real understanding in order to fulfil the different expectations and not lose customers in a complex competitive situation through a unilateral or incorrect understanding.



In many companies, CRM means to collect data from which information on the consumer behaviour can be gained (brand preferences, willingness to pay etc.) and to create different buyer profiles from this data. Customers are often only seen as buyers who should be motivated to a transaction by means of different measures. For some customers, this is indeed the right approach. They expect a rational, pragmatic seller-buyer relationship from a company. However, this is not true for all customers. There are those who see themselves as partners of a company and would like to interact with it. Other customers have internalised the old principle of „the customer is king“ in a particularly strong way and see themselves as masters over the company which is to fulfil their requests and provide the deserved attention to the customer. Others have fallen for a company in such a way that they are easily excited, defend the company against critics and are happy to be led by the company. These are only a few examples of possible relationships which customers can expect from a company.

SELF-AWARENESS IS THE FIRST STEP

Companies often focus their marketing measures only on one relationship type, especially on the transaction-focused seller-buyer relationship (e.g. in companies with strong love brands) or on the fan relationship. However, this unilateral customer relationship often results in the frustration of users who wish for other relationships. A user who just wants to buy cheap, quality running shoes will easily be annoyed when a sporting good manufacturer treats him like a marketing evangelist and communicates completely irrelevant communication. The first and most important step to a multi-level CRM approach consists in the recognition that customers actually wish for different relationship types and that these relationship types mostly go beyond the present marketing-oriented understanding in the CRM.

After this acknowledgement, the first step lies in categorising the different possible relationship types. There are a number of approaches to do this. Researchers and marketing/CRM experts Jill Avery, Susan Fournier and John Wittenbraker have suggested a categorisation according to 29 relationship types in their study based on the characteristics of interpersonal relationships. Relationship types were labelled e.g., as neighbours, spouses, acquaintances or one-night stand. Generally, the shaping of the category is flexible and does not need to follow a fixed approach. Significantly more important is the understanding that the relationship type cannot exclusively be differentiated according to consumer behaviour but also according to psychological factors, emotions, satisfaction, non-commercial requirements (e.g. search for bonding or execution of authority).

RELATIONSHIPS WITH YOUR OWN CUSTOMERS

In order to determine which type of relationship your own customers wish, you will first need to find indicators for each relationship type. These could include e.g., certain statements which customers use about the company in social media discussions, but also in direct contact with the company, e.g., customers who say they „love“ a company. Via data mining you can determine whether relationship types correlate with certain combinations of customer attributes. When you capture the indicators or data from which the indicators can be read via analysis technologies at all available sources (social media, direct customer contact, feedback/surveys, self-service data, response data from online marketing, socio-demography, purchase behaviour, etc.), you can then categorise your own customers.

In any case, it is important for a company to be open to unexpected results which could force a rupture of your old habits, possibly even a correction of your self-image. Maybe a company which has so far understood itself as a friend of its customers and has positioned itself accord-

ingly, discovers that most customers do not actually wish this friendship. The consequences from this locating of your own customers will have to be that each customer must be approached individually with the right marketing measures according to his relationship type, context of use and his requirements in general. Content, frequency, design and timing of digital dialogue measures will all have to be individualised. The process of continuous categorising of customers, the individualised execution of marketing measures based on this and the conversion of the results of these measures into the categorisation of customers is only possible through the use of real-time marketing automation technology which responds to changes of the indicators in real time.

CONCLUSION

Many companies today focus their CRM on a primary transaction-orientated seller-buyer relationship with the customer. The complexity of the customer requirements according to their relationship with the company or brand is only insufficiently considered. In the future, it will become vital to manage more complex and emotional relationship types and to correctly classify customers. All relevant relationship types will have to be identified and indicators (e.g. statements in social media posts) which allow the classification of customers into relationship types will have to be modelled. Taking into consideration the relationship type of each individual customer helps to make the marketing and service communication even more customer-centred and to address the true motives. The categorising of customers according to relationship types should be transferred to an automated and continuous process which responds to changes to the indicators in real time.

QUELLEN

Harvard Business Manager 09/14: Das Geheimnis guter Beziehungen

CONTACT

artegic AG supports you in the construction of loyal and profitable B-to-B and B-to-C customer relations via online channels. Our service portfolio includes strategic consulting, technology and business services for CRM and dialogue marketing via email, mobile and social media.

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