Breaking the complexity barrier

Applying cross-channel content for message optimization
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INTRODUCTION

Not that long ago, we engaged in mass marketing. Everyone received the same content on the same direct-mail piece or email message. Eventually, marketers became more targeted and dynamic content developed to allow them to send a single message, customized to a single customer’s profile, via a specified channel. For example, dynamic content can be used to automatically display images and copy in email messages relevant to individual subscribers’ interests or purchase history.

This method of personalization has proven to be extremely efficient and effective. Dynamic content allows marketers to set up rules to execute dynamic content once and then automatically deliver potentially millions of unique versions of a message. In fact, according to a recent study in Experian Marketing Services’ Digital Marketer, personalized promotional emails have 29 percent higher unique open rates and 41 percent higher unique click rates than non-personalized emails. Personalized triggered mailings have similar lifts, with 25 percent higher unique open rates and 51 percent higher unique click rates.

Although executing dynamic content in a single channel has been effective, the customer landscape has evolved. The customer journey is no longer linear, and in fact, it has become much more complex. With the proliferation of connected devices and the explosion of Big Data, marketers now have the opportunity and technology to evolve the power and effectiveness of dynamic content.

A customer-centric approach

The time has come for marketers to advance from executing in a single channel to powering true, cross-channel optimized messaging that is centered around the customer rather than the channel. So, rather than sending out an email campaign and customizing basic elements to the customer, it additionally takes into account:

- Who is the customer?
- What are they doing right now?
- What do they want or need?
- What is the most optimal way I can deliver what they want or need?
CUSTOMER CENTRICITY

A full transition into truly integrated, customer-centric processes adds the need to execute coordinated strings of content that are:

- **Optimized** for specific channels and devices
- **Relevant** to the customer’s preferences and context (behavioral information)
- **Able to be shared** with friends, family members and social networks
- **Equipped with customer-level tracking** capabilities so that the activities generated in response to the content may be captured and attributed to influence subsequent communications

A customer-centric approach is a big, but necessary transition for marketers who have grown accustomed to list-based campaigns and technologies. Essentially, it’s the premise of true cross-channel optimization.

**Single and actionable customer view**

To optimize customers’ experiences, all their information needs to be taken into account. This requires the ability to gather and consolidate disparate data from all points of contact and make it immediately available for messaging.

**Examples of disparate customer data:**

- Third-party data and insights
- First-party data
- Demographics and psychographics
- Customer self-identified data
- Transactional information
- Call center responses
- Social interactions
- Direct response data (email opens, email clicks, coupon redemptions, etc.)
THE CHALLENGE:
Create a single-platform infrastructure, not independent systems

Many businesses do not have the necessary technology infrastructure in place to execute data-driven content easily across channels in near real-time. This is primarily due to the fact that channel-specific content is traditionally managed in different formats across independent systems — each having its own way to define and store selection rules. Expecting separate rules, reading separate data and selecting separate content to generate consistent, coordinated messages becomes more an act of faith than a sound business strategy.

Independent systems
Data, rules and content are unique to each system

<table>
<thead>
<tr>
<th>System 1</th>
<th>System 2</th>
<th>System 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data</td>
<td>Rules</td>
<td>Content</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Independent systems cause uncoordinated contacts, inconsistent messaging and poor customer experience.
TRADITIONAL METHOD NUMBER 1:
Central decisions - Complex, thousand-cell lists to specify each option

One common way businesses address this challenge is to put all the decision making into a single, central system that sends each channel a list with explicit instructions for what content to deliver to each customer. But, in today’s complex marketing ecosystem, there may be thousands of combinations of messages, customer segments and channels. The real-world result is lists that use thousands of cells to specify each decision.

As if the error-inducing complexity of such schemes was not problematic enough, the outputs must also be generated in a different format for each channel system and must reference content stored in each channel. This means the central system must be adjusted for any change in the channel system setup and in the channel content. If it’s detected, a mistake anywhere in the process can cause major delays — even bigger problems if it’s not.

Central decisions architectures are prone to errors and small changes in channel system require changes in the central system.
TRADITIONAL METHOD NUMBER 2:
Local rules - Simple files are sent to the channel systems

One alternative to generating complex, thousand-cell lists is sending simpler files to the channel systems and then letting each system further refine the information with its own rules. This leaves marketers trying to duplicate the same underlying logic in each system’s unique tools, which likely don’t have the same functions, let alone the same formats. Moreover, the addition of each new channel only further compounds the problem.

With local rules architectures, channel systems apply their own rules and content to simple lists.
INTEGRATED ARCHITECTURE: REDUCING THE COMPLEXITY

Marketers are expected to deliver coordinated and consistent experiences to customers. This can be near impossible with traditional methods and technologies that fail to help marketers execute relevant messages efficiently across channels. There is a great need for marketers to adopt more flexible and integrated solutions that work to resolve the complexities of a siloed marketing ecosystem.

Fortunately, marketers have an alternative to the conventional content management and execution methods. Rather than adding staff and systems to manage the ever-increasing complexity at an ever-greater cost, they can reduce the complexity itself. The key is a new kind of content that enables automated, intelligent, real-time customer interactions while maintaining coordination and application across all channels.

As stated previously, marketers have been using traditional dynamic content for some time. Cross-channel dynamic content, however, takes this functionality further and combines two key features. First, it contains chains of business rules that would otherwise be built into a segmentation scheme. These rules select treatments based on the current customer and context.

For example, a promotional email campaign for a retail brand might have one rule to determine whether a customer should receive images of pants, shoes or dresses and another rule to select a discount of 10%, 15%, or 20% off based on the customer’s unique preferences and value to the brand. In this example, since there are three choices for each of the rules, a classic segmentation would need nine campaign cells to accommodate all possible combinations.

<table>
<thead>
<tr>
<th>Pants</th>
<th>Shoes</th>
<th>Dresses</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>10% and pants</td>
<td>10% and shoes</td>
</tr>
<tr>
<td>15%</td>
<td>15% and pants</td>
<td>15% and shoes</td>
</tr>
<tr>
<td>20%</td>
<td>20% and pants</td>
<td>20% and shoes</td>
</tr>
</tbody>
</table>
INTEGRATED ARCHITECTURE:
REDUCING THE COMPLEXITY

If the two rules are embedded in the content, however, the right combination will be assigned to each customer when the content is generated, allowing the marketer to only create a single message that automatically adjusts based on real-time data.

For the marketer, the advantages are significant. In a traditional segmentation scheme, each cell requires a database query or similar selection rule. A nine-cell segmentation requires nine queries, each containing variations of the two-selection criteria. That’s nine opportunities for error if the rules are built manually and nine passes through the database to generate the output. Imagine how complex this would become if there were 20 choices for each business rule. It’s both safer and more efficient to build the two rules once and execute them on each record as the content is generated:

“Empowered customers don’t ‘use digital channels’; they engage in multi-touchpoint experiences. The more siloed each channel is in your thinking as a marketer, the greater the risk of inconsistent messages, redundant steps, and stranded customers.”

Forrester Research, Inc.
The New Interactive Agency Landscape: Agencies Reinvented As Mediators Will Win While The Rest Wither

Utilizing dynamic content blocks, marketers can more efficiently and effectively create rules for dynamic content.
REAL-TIME, RELEVANT CROSS-CHANNEL INTERACTIONS

As marketers move closer towards a customer-centric marketing strategy, being able to run dynamic content rules across multiple channels is where the power of dynamic content really shines.

By executing dynamic content from a single platform, the problem of coordinating content in (and from) different systems is eliminated by bringing content together into one single object.

Let’s take the previous example of a promotional email. With the use of cross-channel dynamic content, the exact same rules used to personalize the email message can also be seamlessly applied to messages across channels, allowing the marketer to more easily send highly customized, coordinated and consistent messages in the channels customers prefer.

Therefore, if a customer has indicated mobile SMS as her preferred mode of communication, the marketer will automatically be able to create and send her a text message containing the right product promotion and discount she would have otherwise received via email.

The channel agnosticism of both the rules and the content in this example is critical as it allows for more intelligent decisioning to take place.

It takes into account everything that is known about the customer and her behaviors across channels, and delivers the most optimal message, in the most optimal format, via the most optimal channel.
TECHNOLOGY IS THE BACKBONE:

Choose wisely

Rules-driven cross-channel content is an evolution in marketing technology. For best results, it also should be supported by a fully integrated, non list-based platform that enables:

Data integration:

The foundation of customer-centric marketing is data. You cannot deliver content that is relevant and meaningful if you don’t know who your customers are, their likes and their preferences; the way they behave; and their value to your brand. A flexible and relational database will allow you to take advantage of data from any source for a panoramic view of your customers.

Additionally, it is necessary to ensure that your data is always fresh and can be accessed and applied quickly to campaigns and messaging. Today’s consumers are constantly moving and changing. In order to engage customers in modern customer interactions, marketers must have continual access to the most recent and up-to-date customer insights and information.

Optimal decision rules:

It is one thing to create business rules to make your data actionable for campaigns across channels, but another for those decisions to be effective. As with data integration, this isn’t a new problem. It is more pressing, however, as the choices expand and customers demand higher levels of relevancy. Adopting a platform with a backend infrastructure that doesn’t require you to have a Ph.D. in SQL to create sophisticated business rules will allow you to easily and efficiently deliver highly interactive, one-to-one messaging that truly enhances the customer experience.

Cross-channel execution:

In order to speak to customers’ immediate needs, marketers should move away from channel-centric marketing and list-based solutions and move towards customer-centric marketing through integrated processes and organizational silos.

“Forrester Research, Inc.
The Forrester Wave™: Cross-Channel Campaign Management, Q1 2012

"While leading tools shine brightest in planning, segmentation, and campaign design, Cross–Channel Customer Management (CCCM) increasingly focuses on execution, not on optimized lists."

For example, new interactive marketing technologies have been architected to allow users to centrally manage and execute content across all channels directly from a single platform. A marketing platform of this capacity will facilitate better coordination across both functional (marketing, sales and service) and channel execution processes, and ultimately enable organizational alignment. However, this cooperation can only be effective if decisions are driven by sound analytics. Organizational inertia is a roadblock that technology alone can never remove.
THE PATH TOWARDS TRUE CROSS-CHANNEL OPTIMIZATION

The new demands created by customer expectations are at times daunting, but there is no need to panic. The path to true cross-channel optimization is a journey that cannot be traveled overnight.

In practical terms, this means first addressing both technical and organizational issues. From the technology standpoint, you should work on building or selecting a platform of integrated data, decision optimization and cross-channel execution. You can then deploy the new content engines in stages, feeding traditional segments to some channels while switching to channel-ready outputs in others.

At the same time that you’re improving your technology, you can work on business processes and measurement techniques to support more radical change. This won’t be easy, but evidence in favor of change will accrue every day from your own efforts, from reports on competitors and from your customers’ feedback.

Listen carefully and seize opportunities to achieve true customer obsession.

For more information on how to utilize cross-channel dynamic content, or to request a demo of cross-channel dynamic content in action, please visit our Website at www.experian.com/cross-channel-marketing or call us at 1 866 626 6479.
About Experian Marketing Services

Experian Marketing Services is a global provider of integrated consumer insights and targeting, data quality and cross-channel marketing. We help organizations from around the world intelligently interact with today’s dynamic, empowered and hyperconnected customers. By coordinating seamless interactions across all marketing channels, marketers are able to plan and execute superior brand experiences that deepen customer loyalty, strengthen brand advocacy and maximize profits.

For more information, please visit http://www.experian.com/marketingservices.