



Clairvoyix Targeted Marketing Solutions

Integrated Cross-Media Campaigns

The Evolution of Targeted Marketing

Will you be ready for the fourth wave?

While it goes without saying that these are trying times for organizations across the board, there has never been a better time to be a marketer, unless of course you have been hiding under the umbrella of prosperity. Now is the time to prove that marketing is not only important, but that it can literally mean the difference between the survival of your company or the dreaded company “reorganization” (or worse). The evolution of targeted marketing gives you another tool to deal with the fact that there are fewer consumers willing to spend on your products. And if you market a so-called luxury product your situation is even more critical. Targeted marketing should help you deliver on the promise of spending less for a higher return, but of course this is dependent on both your targeted marketing expertise and the availability of the resources required to target-market effectively.

The economy’s effect on marketing

Our country’s recent economic turmoil has resulted in marketers either seeing their budgets slashed or they see a new emphasis on campaign ROI. During the time of economic distress the CFO rules. This spells trouble for mass media investments as the hard dollar ROI is often difficult to measure, let alone prove. Targeted marketing to the rescue. The CFO will appreciate the fact that you are sending offers exclusively to people who are determined to be good candidates for your products. The CFO will be overjoyed to learn that you will be able to directly attribute marketing dollars spent to revenue generated.

A brief history of targeted marketing

We can look at targeted marketing in waves, with the first wave of basic segmentation finally moving (most) us away from “junk mail” or unsolicited promotions to offers that are relevant based on segmentation schemes such as household level demographics. So smart marketers could keep families from receiving offers from “Greater Expectations” (singles matchmaker) while singles were no longer invited to a Disney Family Cruise.

The next thing, or second wave, that happened to evolve targeted marketing was made possible by “actionable” consumer data and personalization solutions for both traditional and emerging media. Smart companies realized that their very own customer data, including their transaction history, allowed for a new class of both segmented and highly personalized targeted marketing. The really smart marketers would enhance their customer data with geographic, demographic, and lifestyle information. So the right offer got to the right person with a message the recipient could relate to. Now a company really could spend less on marketing campaigns and expect a higher return.

Direct mail was made for variable data print, and targeted marketing solutions for the web, email, and mobile could all be accomplished programmatically, meaning it could all be done in software without the need to purchase expensive equipment. The proof to me that the cost of personalization had become reasonable to even the smallest business was when our dog Max received a personalized postcard from the veterinarian.

Why the consumer database is so important

We know that most (if not all) companies have some form of a customer database as well as a transaction master. We also know that a significant number of companies have very poor data. Customer data is duplicated in several departments, mailing addresses are not updated, little or no data verification (mailing, e-mail, telephone) systems are in place, and the list goes on-and-on. Bad data basically means that any attempt at targeted marketing will result in not only a poor response to the campaigns, but even more serious is that the potential exists to actually lower lifetime value as you may send a very negative message to your customer. An extreme case involves a hospital that sent out a promotion for a cancer screening. They targeted elderly people within a certain radius of the hospital. They received a call from a woman who thought it was in poor taste to be sent a promotion when her husband had passed away at the very hospital a few weeks prior. Another person received multiple redundant offers and wondered about the quality of the care if they could not even get a mailing correct. The message here is to spend the time and effort on the database before any form of targeted marketing is considered. Everything is better with a good database. Your analytics and reporting will tell the true story, and you will have the confidence to launch highly personalized marketing promotions knowing your data is highly accurate.

Integrated cross-media marketing

We are now just entering the third wave. Savvy marketers are branding their products and images in a consistent way across all traditional and emerging media. While newspapers are getting roughed up by the internet and network TV is competing with cable, all media remains important. Marketers are working to have consistent messaging on the web, on traditional media, on mobile phones (which outnumber laptops and PC's by a wide margin), and on e-mail. Many marketers are also trying to figure out how to exploit social media (e.g. Facebook, myspace), but that is a topic unto itself. Thankfully there are variable data composition engines out that will produce output for presentation spaces other than the ubiquitous 8.5" x 11". The new breed of composition engine will help marketers format a given promotion to all sizes and resolution required by cross-media marketing. Mobile, web, email, and direct mail are all supported and the designer can concentrate more on the messaging and less on the presentation space. This is not to say that we can ignore the fact that a mobile web page must be radically different than a typical PC web browser page, but the designer can prototype the various formats to ensure consistency across different media. This is far superior to using different design tools for different media.

Marketers have also learned that some marketing messages are better sent the old-fashioned way (print) while others are more suitable for electronic communications. E-mail, thanks to the spammers out there, continues to be a tough way to prospect. It is very hard to get through the clutter. Many marketers use direct mail to drive online communications. Send someone a compelling reason to "register" on your site and you can reduce the amount of direct mail spend over time. This is integrated cross-media marketing as its best. Use the most expensive channel only when absolutely necessary and give the consumer a compelling reason to communicate with you in the most cost-effective manner. A true win-win for the two of you. And don't ignore mobile, many direct marketers are predicting an explosion in mobile marketing. Americans love the concept of instant gratification, and the mobile phone gives the consumer an opportunity to respond to a promotion anytime, anywhere. As a marketer you get the chance to respond while the consumer's interest is at its highest. Send a mobile coupon while asking for their email address. Fully integrated and automated cross-media marketing.

Marketing Nirvana

The fourth wave of targeted marketing can be characterized by the consumer managing their marketing communications from both a timing perspective and the channel of delivery. Imagine a consumer registering in a global marketing database their desire to purchase a luxury item such as a diamond tennis bracelet within the next 60 days. Now also imagine that they prefer to receive mobile offers while driving to and from work, email during the work days and direct mail at home on the weekends. Now also imagine a consumer who desires to buy a boat during the winter for use next summer. Fourth wave marketers will only promote to people who are looking at the products they sell, during the timeframe that they are interested in the product, and through the channel the consumer selected. Respecting the consumers wishes will reward the marketer with highly qualified prospects and nothing else.

Getting ready for the fourth wave

Marketers that have developed the infrastructure and processes necessary to capitalize on the opportunities presented by the fourth wave will obviously have a significant competitive edge over their rivals. We believe that consumers will respond positively to advertisers who spend the time and effort to fully understand their preferences for marketing communications.

So get your consumer database ready, the fourth wave is a marketing tsunami that will wipe out those who ignore the signs.