



We Share Our Knowledge

Article no. 28

Marketing Executive Sitting in a Cockpit / Automated Marketing

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January 2006

With the competition in the market intensifying, organizations realize that in order to survive and succeed they must preserve their most prized possession – their customer base. More and more companies are allocating many of their resources to maximizing the potential of their existing customer base, and increasing their efforts to improve business results by targeted marketing campaigns towards existing customers, instead of focusing on potential ones.

Companies understand the need of effectively managing their customer relations in order to leverage profitability. Enhanced marketing activities cause customers to be more selective and have higher expectations, so in order to effectively manage marketing campaigns, organizations are required to market more specifically (different campaigns to smaller homogenous markets), and use much more sophisticated media channels than before. These media channels include multi faceted marketing campaigns and a variety of means such as radio, TV, direct mail, SMS, websites, etc.

In a market where product knockoffs are readily available and where almost every company can pride itself with high levels of service, gaining a competitive advantage is done by using the information gathered about customers. An organization that can effectively use this information to its advantage will become more successful.

The growing competition in the predominant industries (cellular, internet, digital TV, finance and retail), brought the key players in those industries to allocate more resources towards advertising. As mass media (radio, TV, newspapers, billboards...) are available to all, and exposure through these channels is only a matter of money, the larger companies enhanced their media presence considerably over the past few years.

On the other hand, the development of additional media channels, such as SMS, internet, IVR etc. has significantly increased the burden of advertising "traffic" on the individual consumer, who is constantly bombarded with marketing messages, and the time he dedicates to advertisements only grows shorter. We all experience it. After a long day at the office, we come home just to have to fight off nagging phone calls from solicitors offering mortgage insurance or any one of a thousand other products/services. This overload of messages has caused us to grow indifferent to advertising, which, in turn, triggered a "war" on consumer attention between advertisers. This "war" is manifested in more aggressive and bolder advertising methods, all aimed towards one goal: "Memorability". Each company tries to make the consumer remember its advertisement over all the others.

As a result, marketing managers are now realizing that in order to capture the consumer's attention, they must change their tactics and significantly improve their targeted marketing campaigns. This is where direct marketing comes in.

Direct marketing can be a very effective tool, if the marketing manager can present the right offer to the right person, at the right time and for the right price.

In other words, marketing has become a segmental activity, almost a one-on-one contact with each customer.

In an age where marketing budgets are shrinking and marketing managers are required to show higher performance, they must develop an ability to significantly improve the effectiveness of their marketing campaigns.

It wouldn't be a stretch to say that direct marketing (BTL) in place of mass marketing (ATL) is a growing tendency in most organizations.

The ability to launch direct marketing campaigns in relatively low budgets and produce better results while creating a learning curve and drawing conclusions, motivates marketing managers to pay more attention and invest more resources in order to expand such activities.

The cost of a certain marketing campaign is known and predetermined, and due to its nature, its results can be accurately measured, and the cost/effectiveness ratio can be easily calculated.

Activities that are not found to be cost effective will be improved or terminated, and all the efforts will be channeled towards high ROI-bearing activities.

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The latest technological developments accelerated the evolvement of new direct marketing strategies. This evolvement was intensified by developments in two major fields:

The development of additional communication channels, such as SMS, web and email, personalized banners, virtual communities etc.

The second field of development was information systems, which enabled storing vast amounts of information at low costs. This new technology prompted the development of new tools and data processing systems that added commercial value to the information gathered, and distributed it to executives, in order to improve decision making processes and by extension – business performance. New Business Intelligence (BI) developments vastly improved the ability of marketing managers to understand customer needs and target their activities correctly.

These two factors dramatically altered the world of direct marketing, which, in the past was based mainly on the direct mail channel.

The evolution of direct marketing does seem to be a breakthrough for marketing manager, but there are still quite a few obstacles to overcome.

We will now review the main obstacles.

In order to properly manage a direct marketing system that produces several effective campaigns at a time, marketing managers must receive constant support from the organization's IT units, who are usually reluctant to allocate resources for this purpose.

In most organizations, the cooperation between the marketing and the IT departments leaves much to be desired, and despite the information infrastructure and the abundance of information in the organization's database, not many organizations fully utilize the information in their possession to promote their business interests.

There are two reasons for that: the marketing managers' lack of knowledge of IT system abilities (i.e., they don't know what to ask for), and the IT managers' lack of business sense (i.e., they don't know what needs to be done).

Another problematic issue is the dissonance between different marketing managers whose main concern is their personal success rather than that of the company. This dissonance is mostly evident within product marketing departments. Each marketing manager is so encompassed with promoting his own product that he tends to forget that his individual customer has to deal with several product marketing managers within the company. There aren't many marketing departments who succeed in implementing a customer oriented marketing strategy and communicating with that customer as one whole unit.

Most marketing departments don't have monitoring and control devices that enable them to assess the results of their marketing activities. Those same activities are distributed according to Pareto's Law (80% of the effects are achieved with 20% of the means). The ability to identify the most effective campaigns and to focus the marketing efforts on them is a complex mission onto itself. The inability to assess the results and efficiency of these campaigns in real time, prevents marketing managers from making the right decisions in the future, and causes them to allocate their resources inaccurately.

Reducing the number of marketing campaigns and focusing only on the effective ones does require monitoring and supervision of each campaign, but also enables managers to focus their efforts on the most effective campaigns, and properly utilize their resources.

The last obstacle is the resources (mainly HR) required to establish an effective direct marketing system. I have already stipulated that effective marketing is measured by a larger number of marketing campaigns, each targeted towards a smaller number of customers. Executing a larger number of such campaigns requires additional personnel in the marketing departments, mainly those with analytical abilities and a good understanding of information systems. Such a shift of personnel between departments will increase the workload in lateral marketing departments such as Marcom, research and information, and there aren't many organizations willing to make that shift.

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In order to carry out this vision and truly maximize marketing campaign revenues, the organization would require a system that will implement the overall marketing strategy, automate the marketing process, support all marketing staffs, and continuously improve the effectiveness of marketing campaigns, starting from targeting the right markets and personalizing marketing offers, and through to evaluating and drawing the relevant conclusions.

Campaign management systems enable marketing managers to carry out their vision by installing one comprehensive system which will resolve all the obstacles listed above, thus enabling them to bring the organization closer to its business goals.

Campaign management systems enhance performance by refocusing campaigns on recruiting new customers, retaining existing ones, and cross-sell/up-sell campaigns.

These systems enable the organization to implement multi-faceted marketing campaigns in numerous channels and highly effective event triggered campaigns in real time. These systems have very high capacity when it comes to interfacing with external systems, both in importing new data and exporting information for activities in the different channels (SMS, IVR, call centers, mail shots, etc.).

Additionally, these systems provide feedback regarding the efficiency of marketing campaigns and easily locate success and failure factors.

These tools enable the organization to terminate ineffective campaigns, improve activities in need of improvement, and utilize the success of effective campaigns. Constant monitoring of customer responses to marketing campaigns, such as direct responses (subscribing to a raffle, using a coupon), or indirect responses (increasing usage rates etc.), promotes constant improvement in campaign efficiency, and enables marketing managers to create more successful campaigns at lower costs, while utilizing the budget to maximize results (doing more with less).

The final stage is automating processes. The ability of campaign management systems to generate recurring marketing activities in set times significantly enhances marketing efficiency. The ability to perform routine activities without having to use any resources enables marketing managers to focus more efforts on the process of learning, drawing conclusions and implementing them in the field. Since each marketing campaign constantly improves and becomes more effective, the volume of marketing campaigns drastically increases, without having to use any additional marketing resources.

As campaign management systems were initially constructed by marketing experts, they are very easy to operate. Most systems have a user friendly interface, which enables the user to easily go through all the motions of producing a direct marketing campaign, without having previous knowledge of information systems' usage.

Implementing a campaign management system in an organization may last anywhere from 3 to 6 months, and requires cooperation between marketing teams, analysts and IT teams. As this system is set to serve all of these departments, the IT and marketing departments become dually committed and involved in the process.

After implementing the system, the marketing department's dependence on the IT department for the execution of marketing campaigns will drastically lessen.

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Conclusion

Campaign management systems put the marketing manager in the cockpit and enable him to meet the gradually growing demands of composite marketing campaigns in restricted amounts of time and in increasing frequency, without compromising the creativity and sophistication so essential for the launch of an effective marketing campaign.

About Synergy

Synergy is an international consulting company, specializing in Analytical CRM solutions.

Synergy offers marketing oriented business ventures, formed by a team of leading local and international industry experts.

Synergy aims to provide its customers with the ability of acquiring commercial advantages by informative analysis of their customers' shopping data.

Synergy has vast experience in working with leading commercial organizations, both locally and internationally, and its clientele includes foremost industry leaders in the communications, financial and retail fields.

For more information, visit our website at: www.il-synergy.com, or email us at: info@il-synergy.com.

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