

From campaigns to context

Embracing the contextual marketing mindset





The emergence of contextual marketing3

The customer journey4

The elements of context.....5

The contextual marketing process6

Benefits of contextual marketing7

The paradigm shift8

Barriers to contextual marketing 9

Five steps to building a contextual marketing program..... 10

Conclusion 12



The emergence of contextual marketing

Once upon a time and long ago, local general store owners would know each of their customers by name, what products they bought and which products they might like. Their conversations with customers were one-to-one and meaningful. Marketing was “easier.”

Today, things are a little bit more complicated. With the proliferation of devices, channels, volume of marketing messages and the Internet’s transfer of power to the consumer, brands have come to realise that they need to seek out ways to better understand their customers and their buying decisions.

The cornerstone of a successful contextual marketing program is simple: the customer must be at the centre of everything.

Now, in the era of Big Data, marketers are actually able to deliver the right message to the right person at the right time on the right device. However, this sort of contextual marketing requires a mastery of collecting, analysing and actioning data in real-time. By doing so, marketers can deliver relevant and tailored messages to the customer that take into consideration one or more elements such as time of day, location, past purchases, device, etc. It is the culmination of marketing sophistication — the stage at which brands make the ultimate, all-important leap from campaign-centric marketing to customer-centric marketing, providing a true value exchange.

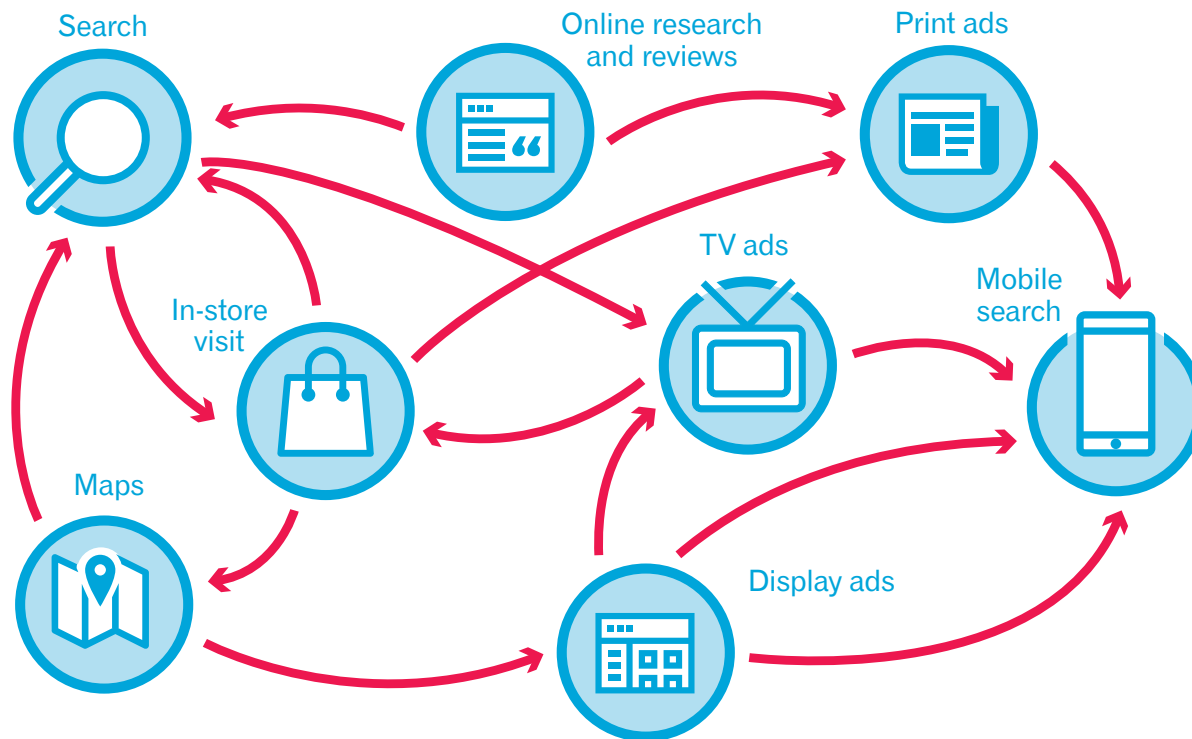




The customer journey

To be successful, marketers must embrace the fact that today's multichannel consumers conduct a growing portion of their buying journeys beyond the carefully orchestrated confines of a brand's campaigns. The customer journey is no longer linear.

The path to purchase is not linear



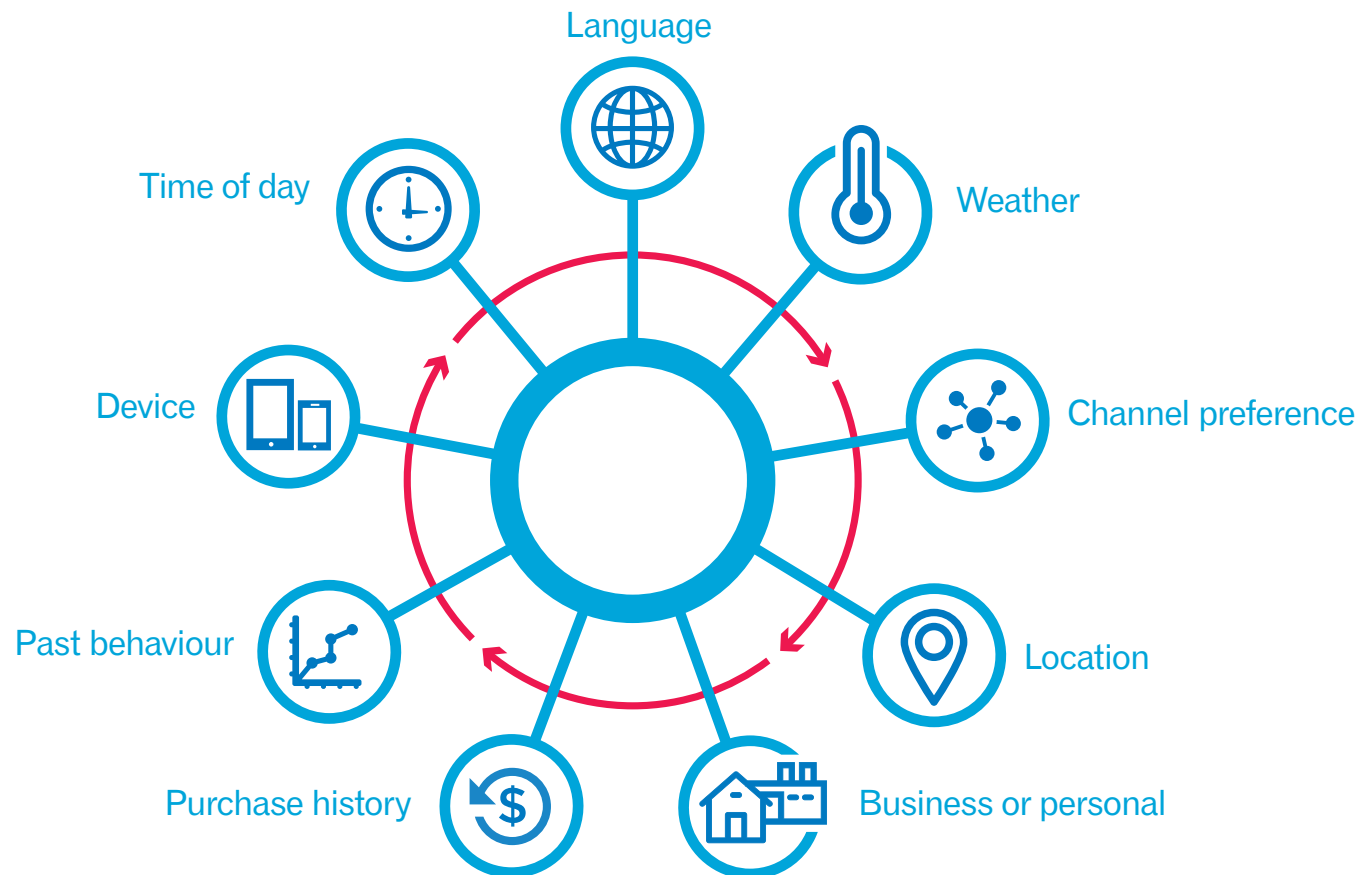
It should be noted, however, that contextual marketing does not and should not replace campaigns — marketers still need to use campaigns to reach and acquire new customers, just as they always have.



The elements of context

With contextual marketing, messages are crafted and sent based on a number of stepping stones, or data points, through which a customer's journey occurs. The marketer can then use these data points to predict behaviour and respond to the customer in the most relevant way.

Given the scope and complexities involved, marketers must be prepared to embrace the sophisticated tools, principles and practices necessary to process all of this data and deliver the real-time customer insights required of any contextual marketing program.





The contextual marketing process





Benefits of contextual marketing

Contextual marketing is critical to modern brands for three fundamental reasons:



Providing mutual value – Leveraging customer demographics, history, attitude, devices, channels, location, timing, preferences, response and countless other pieces of contextual DNA, the marketing process itself becomes an integral part of the brand-consumer value exchange. For the brand, these data points deepen the relationship with the customer and increase ROI. For the customer, they are treated more as an individual.



Exceeding customer expectations – The channels, tools and always-on connectivity of the modern era have led to an expectation for personally relevant engagement. Forrester reports that 18 percent of today's consumers expect information or service wherever and whenever they request it.¹ Brands that engage in contextual marketing will be catering to their customer's desires at every touchpoint, increasing customer loyalty.



Increasing competitive scalability – The billions of interconnected devices that constitute the Internet of Things means the number of meaningful data points is exponentially increasing. Forward-looking brands are only now tapping into the data generated by these devices and the vast potential of contextually meaningful customer relationships. Data generated by sensors, monitors, and other integrated devices — combined with existing datasets — will enable brands to create proprietary forms of contextually-flavoured customer intelligence that will set them apart from the competition.

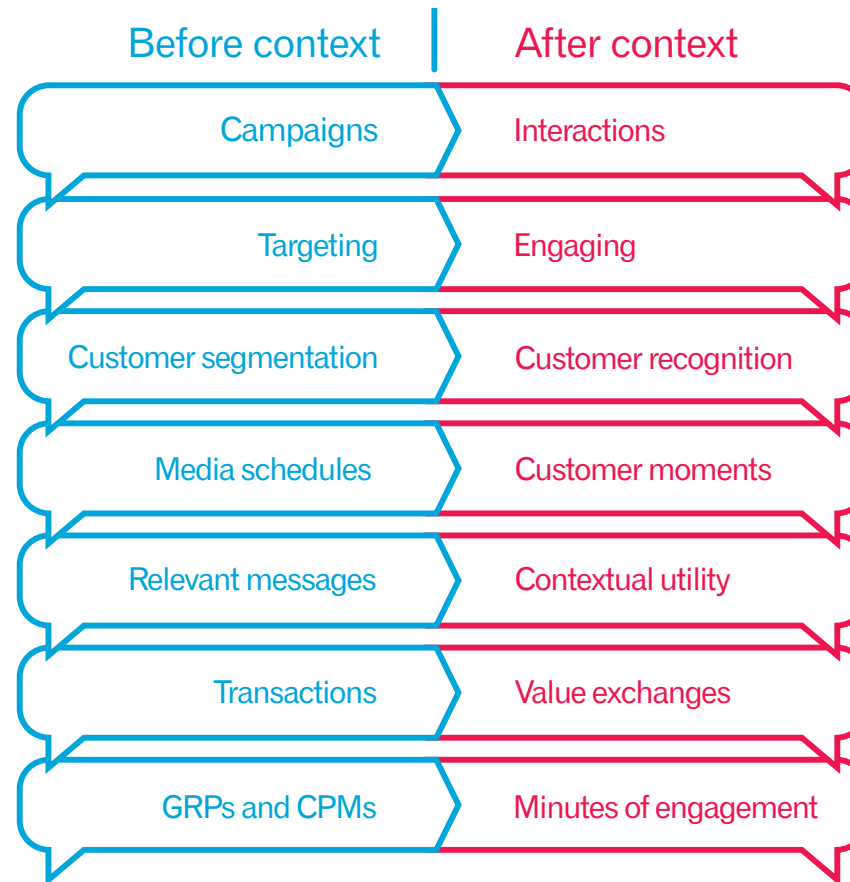
¹ Source: "Industry Preview 2015 – Contextual Marketing Engines," Shar VanBoskirk, Forrester



The paradigm shift

Contextual marketing enables modern enterprises to engage in customer-centric conversations that — like any meaningful relationship — deepen across time and future points of engagement. This is particularly true in an era when consumers are overwhelmed by untargeted and disruptive marketing messages. By contrast, contextual marketing is designed to seamlessly and usefully merge into the customer's daily activity.

Contextual marketing moves brand marketers from customer acquisition to interaction; from push marketing to insight-driven response and prediction. For marketers to make this leap, they have to change their focus — and even their vocabulary.



Source: "The Power Of Customer Context," Forrester Research, Inc., April 14, 2014

"Campaigns, even when enhanced by scaling, optimising offers, improving measurement, and carefully tuning the mix, don't deliver competitive advantage anymore. Why? Because your competitors are just as skilled as you are at the campaign game. Change your focus from customer acquisition to interaction management and from media schedules to customer moments."²

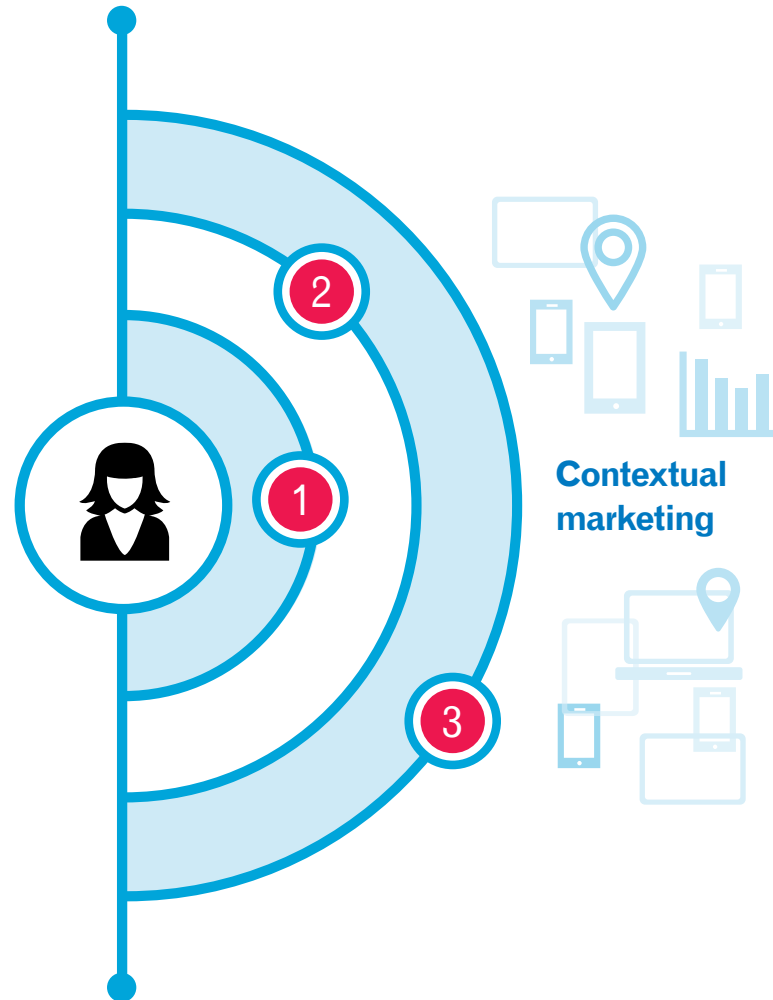
² Source: "The Power Of Customer Context," Forrester Research, Inc., April 14, 2014



Barriers to contextual marketing

The three biggest barriers to contextual marketing are:

- 1 Marketing sophistication**
A brand's own conventional mindset and the programs that support it
- 2 Actionable data**
Lack of clean and accurate data that prohibits real-time "on the fly" interactions
- 3 Technology**
Disparate systems that are unable to link information across repositories, channels and interactions; inability to automate interactions in real-time



"Forty-three percent of marketing leaders reported that translating a deep knowledge of their customers into relevant interactions was one of their top priorities for 2015. Further, 36 percent of marketing leaders listed integrating technology to automate, orchestrate and manage customer interactions as one of their top priorities."³

³ Source: The 2015 Digital Marketer: Benchmark and Trend Report, Experian Marketing Services, 2015



Five steps to building a contextual marketing program

1. Assess and plan

- Assess where context is already driving results — which customer journey works best and what are its contextual drivers
- Begin with location-specific touches such as mobile or local search
- Map customer journeys to determine where other contextual touchpoints may occur
- Define next best journey — determine how to replicate, optimise and scale your program accordingly

2. Determine strategic and tactical focus

- The marketing organisation must fully embrace the data, tools and practices needed to support customer-centric marketing
- Start with one or two channels with which to experiment — email, the cornerstone of cross-channel marketing and the easiest channel to test, is an excellent starting point

“By using a variety of channels and triggering more and more interactions with companies as they seek to meet discrete needs, customers create clusters of interactions that make their individual interactions less important than their cumulative experience.”⁴

⁴ Source: “The three Cs of customer satisfaction: Consistency, consistency, consistency,” McKinsey & Company, March 2014



Five steps to building a contextual marketing program (continued)

3. Capture, clean and link data

- Validate data on an ongoing basis and cleanse regularly — bad data leads to duplicate or erroneous messages and offers, alienates customers and is a wrench in the sophisticated algorithms you'll be using downstream
- Link data across channels and devices to create a consistent, single view of the customer — this can be achieved even when the starting point is little more than a cookie or device ID
- Enrich the customer profile and any missing data with third-party data assets including:
 - Demographics
 - Attitudes
 - Life events
 - Lifestyles
 - Purchases

4. Apply contextual intelligence

- Proactively connect all customer-centric, contextually derived data points to reveal:
 - Preferences
 - Habits
 - Behaviours
 - Segments most lucrative
 - Other hidden opportunities
- Use these customer insights to create engagement strategies
- Chart your creative and media plans and determine which segments to target, offers to make and when to make them
- Leverage predictive analytics to deliver real-time offers optimised by channel, device, message, offer and timing

5. Engage, interact and measure

Here, the full potential of contextual marketing is realised. Customer conversations can be orchestrated across any or all channels, product lines, location, time or combination of these attributes.

The speed, agility and utility of these operations are dramatically improved when executed and automated in real-time through a single integrated cross-channel marketing platform with all of the elements of a contextual marketing engine.

- Record, analyse and integrate customer responses back into the contextual marketing “engine” and optimise in-flight
- Review marketing attribution analyses to discern performance across channels and allocate marketing spend appropriately



Conclusion


We live in an era where consumers are empowered by a growing number of increasingly sophisticated interconnected devices and channels. They simply expect contextually relevant brand messaging, offers and service.

The brands that embrace contextual marketing will not only meet the unique needs of each customer, but over time, will generate proprietary customer intelligence that will give those brands unparalleled advantages over their competition.

About Experian Marketing Services

Experian Marketing Services is a leading global provider of consumer insights, targeting, data quality and cross-channel marketing. We help organisations intelligently interact with today's empowered and hyperconnected consumers. By helping marketers identify their best customers, find more of them, and then coordinate seamless and intelligent interactions across the most appropriate channels, Experian Marketing Services' clients can deepen customer loyalty, strengthen brand advocacy and maximise profits.

The Experian Marketing Suite is the world's most flexible and comprehensive end-to-end marketing solution, enabling brands to create and deliver exceptional and authentic customer experiences, every time, across any channel and device. Brands can leverage Experian Marketing Services' industry-leading technology and services and increase sophistication as their program evolves. To learn more, contact us:

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