

# Customer Engagement: Moving From Buzzphrase to Business Value

*Everyone in marketing is talking about “customer engagement” these days. You’ve heard this term before. You’ve probably talked about it within your organization – how customer engagement is different and better than just traditional marketing, and how it can help you maximize your marketing results.*

*All too often, new ideas like this never get beyond being buzzwords. So what does it take to make customer engagement real?*

*We’ll tell you.*

## Customer Engagement, From The Customer’s Point Of View

First, let’s talk about what customer engagement means. Too many descriptions focus on the marketer. Instead, let’s consider how it feels to your customer.

Meet Anna. Your customer.



*“Who am I? I’m just... me. More importantly, who are you? And why should I care?”*

*“I like it when companies know what I want – sometimes even before I know it. But most companies just tell me about what they want to sell.*

*“I like it when they talk to me. But most companies treat me like I’m the same as everyone else.*

*“I like it when I know they’re listening, when they remember what we’ve talked about before. Like a real conversation. But most companies never seem to learn anything about me.”*

Customer engagement makes people feel you’ve anticipated their needs, and that their needs take priority over your organization’s. It makes them feel like each interaction is personalized – every email, Web visit, mobile app usage, phone call, social media visit and piece of mail. And it makes them feel like each interaction builds on the last one.

## What’s In It For You?

If you’re like most organizations, you’re not making your customers feel this way today. And doing so is going to take some work. Is it worth it? What’s in it for you?

Stronger loyalty. Above all, advocacy. That’s what supercharges marketing results, whether you measure it by response rates, conversions, customer lifetime value or ROI.

Over time, customer engagement enables you to build a truly virtuous cycle. Customers invite you to learn even more about them... you create offerings they like even more... they become even stronger advocates.



*"I like what I like. Why shop around when I've found a good thing? I go back for more when I need something new. Why risk being disappointed elsewhere? And I like to spread the word to my friends. Why not share something so good?"*

## There's No Alternative: Your Customers Demand It

If the upside of customer engagement isn't enough to entice you, consider the downside of *not* embracing it.

Your customers are bombarded with messages. They're brutal about filtering out what's not relevant or valuable. They have the power to control exactly how and what information they get exposed to – and they use it. If you don't engage them, it'll be as if your marketing doesn't exist. And if your competitor *does* engage them, pretty soon *you* won't exist.



*"Ugh, I hate marketing. Thank heavens for SPAM filters, DVRs, and do-not-call lists for keeping it all away from me – and for my Facebook friends and my mobile phone for helping me figure out what's actually worth buying."*

## Why Customer Engagement Is So Difficult

If customer engagement were easy, everyone would be doing it by now. What makes it hard? And why does it seem like it's getting harder?

Simply put: it's hard because we're in the digital age – where communication channels and customer touchpoints are continually proliferating, and the number and variety of sources of customer data are exploding.

### Channel Proliferation

New ways of interacting with customers are emerging seemingly every day – most of them digital. Each represents a great customer engagement opportunity. But too often, each channel has its own team, and its own strategy – in effect, is its own silo. That's a problem in the face of customers' cross-channel behavior.



*"Yes, I made a purchase recently. How did I make my decision? Well, first I did some web searches. Then I poked around a few providers' sites. There was so much information I still couldn't decide (I just had to tweet my frustration). But then I posted some questions for friends to answer on Facebook, which helped me narrow things down. I did some more research, mostly on my phone in spare moments here and there during my day. In the end the spirit moved me as I walked by the store one day and I stopped in and made a purchase."*

Amidst this multitude of channels and strategies, each customer is still one person who sees your company as one organization, and expects a single, engaging dialogue.

### Data Explosion

Proliferating communication channels has triggered an explosion of data, because every time a customer interacts with you through one of these channels, new data is created. This is part of the genesis of the Big Data phenomenon – more types of data, generated more quickly, and stored in new repositories such as Hadoop.

While all of this data adds up to a great opportunity to understand each customer better, you first need to put it all together – and the more of it there is, the harder that is to pull off.



*"Some companies act as if they have multiple personalities disorder. They treat me one way on the web, a different way through email and differently again when I talk to an actual human being over the phone. There's one of me, there's one of them (one company, that is) – I just don't get it."*

## What Can Help Make Customer Engagement Easier? Three Competencies: Data, Insight, Action

Making customer engagement easier, even in the midst of the digital age, requires marketers to build competencies in three critical areas: data, insight, and action.

### **Data: Building a Dynamic Record of Engagement**

Successfully engaging a customer means knowing all you can about her: who she is, how you've tried to engage her before, how she's responded, and vice versa: how she's chosen to engage with you. You need a dynamic, flexible, living "record of engagement," one that doesn't just sit there adding overhead, but is used constantly by your organization to understand your relationship with each customer.

Traditionally, most organizations thought their most valuable customer data came from internal operational systems: demographic profiles, purchase histories, account transactions, and so forth. Now, however, in the digital age, your most valuable data often comes from the points at which customers and prospects interact with your marketing efforts – the "margins" of your organization, or even beyond your organization, such as how your customers behave in social media or on their mobile device.

These new data sources are invaluable. But they're also dirtier, less reliable, and the data is harder to match to existing records. This makes data quality and data integration more important than ever. Also, increasingly, this data sits not just in traditional databases, but also in Big Data environments like Hadoop. Today's data competency is simply not the same as in years past.

### **Insight: Defining Accurate Predictors of Engagement**

Data isn't worth much on its own. To engage your customers, you must get beyond just data and create insights into their individual needs, wants and desires – in other words, discover what it'll take to engage them in the future. This is the process of developing "predictors of engagement."

Sometimes, "predictors" are, quite literally, quantifiable predictions made by algorithms. For example: What are the chances a specific customer will respond to a specific message? But, more generally, insight refers to anything that helps you understand how to engage your customer.

Creating predictive algorithmic models for marketing purposes is getting quicker and simpler every day. Therefore, using algorithms has become "table stakes," not a unique differentiator. Even smaller, under-resourced organizations need analytics; without it, they will fall behind swiftly. And if you're in a more sophisticated organization, you can no longer assume that even cutting-edge analytics will differentiate you by itself. You need to do even more.

### **Action: Creating More Effective Moments of Engagement**

All the data and insight in the world doesn't engage anybody on its own. You must *do something* – take action – to engage your customers. In the old days, that would have meant sending them something as part of a campaign. In the digital age, it's important to be prepared to take advantage of the opportunities that arise when prospects choose to interact with you, such as by visiting your web site, or even calling your service center. Think of this as creating "moments of engagement" – and every one counts.

You have to expect that the channels for engaging each customer will keep changing. Direct mail marketers didn't see email and the web coming. Email and web marketers didn't see social or mobile coming. Facebook and Twitter marketers didn't see Instagram and Pinterest coming, much less SnapChat, WhatsApp, or their successors. Being unprepared for new channels risks further fragmenting the customer experience, making it even harder for organizations to engage.

An important aspect of this "action" competency is being able to personalize interactions even when the person is anonymous – e.g., visiting a web site without having identified themselves. Every usage of a web site, mobile app or social media presence provides valuable knowledge you can use to make that person's next visit more compelling and make it more likely they'll convert and become a customer.



*"Wow – now it seems like you know me. You know what I like and need. You keep me interested. You don't waste my time. You make me feel you care. I'm really paying attention! For the moment..."*

## Technology Enabler: A Customer Engagement Platform

Building these customer engagement competencies is an undertaking which, like so many things in business, can benefit from technology support. A customer engagement platform is a technology solution that enables organizations to use customer engagement to improve loyalty, advocacy and business results.

A complete customer engagement platform has the following characteristics:

- Supports all three critical customer engagement competencies – data, insight and action
- Is designed with "change" in mind – changing data sources, changing communication channels
- Can work with data of any type from any source – structured, unstructured, traditional databases, Hadoop, or other Big Data environments
- Fits comfortably into your existing marketing technology ecosystem – provides capabilities where there are none, but also connects to what you may already be using
- Delivers value quickly – no long implementations or costly maintenance efforts

Technology is only a piece of effective customer engagement, but an important piece. Choose wisely.

## RedPoint: Your Partner In Customer Engagement

RedPoint Global provides a complete customer engagement platform that has been adopted by organizations big and small across industries and around the world. RedPoint's Convergent Marketing Platform™ has all the critical capabilities needed for customer engagement.

Beyond just offering technology, the RedPoint team can provide advice, best practices and implementation services that ensure your success. With RedPoint, you can make "customer engagement" more than just a buzzphrase, and create real, demonstrable business value.

### **About RedPoint Global**

RedPoint Global is best known for delivering data-driven marketing solutions that accelerate customer engagement. The RedPoint Convergent Marketing Platform extracts customer data from wherever it's located; delivers insights from customer behaviors, sentiments and preferences; and creates precisely the right interactions – whenever and through whatever channel required – all from a single platform. RedPoint also delivers world class data management and ETL applications for improving data quality across traditional relational and Hadoop 2.0 / YARN environments. For more information please visit [www.redpoint.net](http://www.redpoint.net) or email [contact.us@redpoint.net](mailto:contact.us@redpoint.net).

# RedPoint

REDPOINT GLOBAL INC.

36 WASHINGTON ST., SUITE 120, WELLESLEY HILLS, MA 02481 USA

+1 781 725 0250 | [www.redpoint.net](http://www.redpoint.net)