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The New Messaging Mandate

by Ari Osur

for Interactive Marketing Professionals

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The New Messaging Mandate

A Customer-Focused Approach Will Help You Escape Siloed Messaging

by Ari Osur
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EXECUTIVE SUMMARY

Direct messaging options have proliferated for marketers, expanding from traditional mail and telemarketing to now include myriad digital channels like email, social media, SMS, and mobile app push notifications. But while digital messaging has converged on consumer devices, most interactive marketers are still stuck in a siloed, channel-based approach to messaging. To meet user expectations and create business value, shift to customer-focused integrated messaging. This report will help interactive marketers prepare to message across digital touchpoints as channels overlap and customers increasingly use multiple platforms.

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NOTES & RESOURCES

Forrester interviewed more than 17 marketers and vendors, including ExactTarget, Gap, Knotice, Merkle, MTV Networks, Neolane, and Oreck.

Related Research Documents

"How To Integrate Email And Mobile Marketing"
November 22, 2011

"Emerging Innovations In Email Marketing"
August 19, 2011

"The Future Of Interactive Marketing"
April 4, 2011

"Evolving Your Mobile Marketing Presence"
March 3, 2011

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USERS ALREADY INTEGRATE DIGITAL MESSAGING

Thanks to the mobile devices we carry during our waking hours and the always-on connections of desktops, laptops, and tablets, there's no longer any downtime from messaging. Today we see that:

- **Users access messaging in many ways.** Users opt into and interact with digital messages through multiple channels like online email, mobile email, and SMS (see Figure 1 and see Figure 2). Increasingly these channels are accessed through a single device.

- **And they expect relevant messages across channels.** Expectations for relevant messages across channels are higher than ever. As Jim Roemmer, senior director of the addressable media team at Gap Inc. Direct, explains: "Customers don't care that a marketer is organized by channels — they want the marketer to stitch the multichannel experience all together."

But Marketers Don't Meet Users' Expectations

Unfortunately, marketers fail to deliver integrated digital messaging because they can't:

- **Create a unified view of their customers.** Most marketers still struggle to map cross-channel digital identities, preferences, and behaviors to a given customer and make that profile data accessible to messaging systems. For example, a major entertainment company told us that it can't create integrated communications with fans until it pulls together its customer data, which currently resides in disparate channel-based databases.

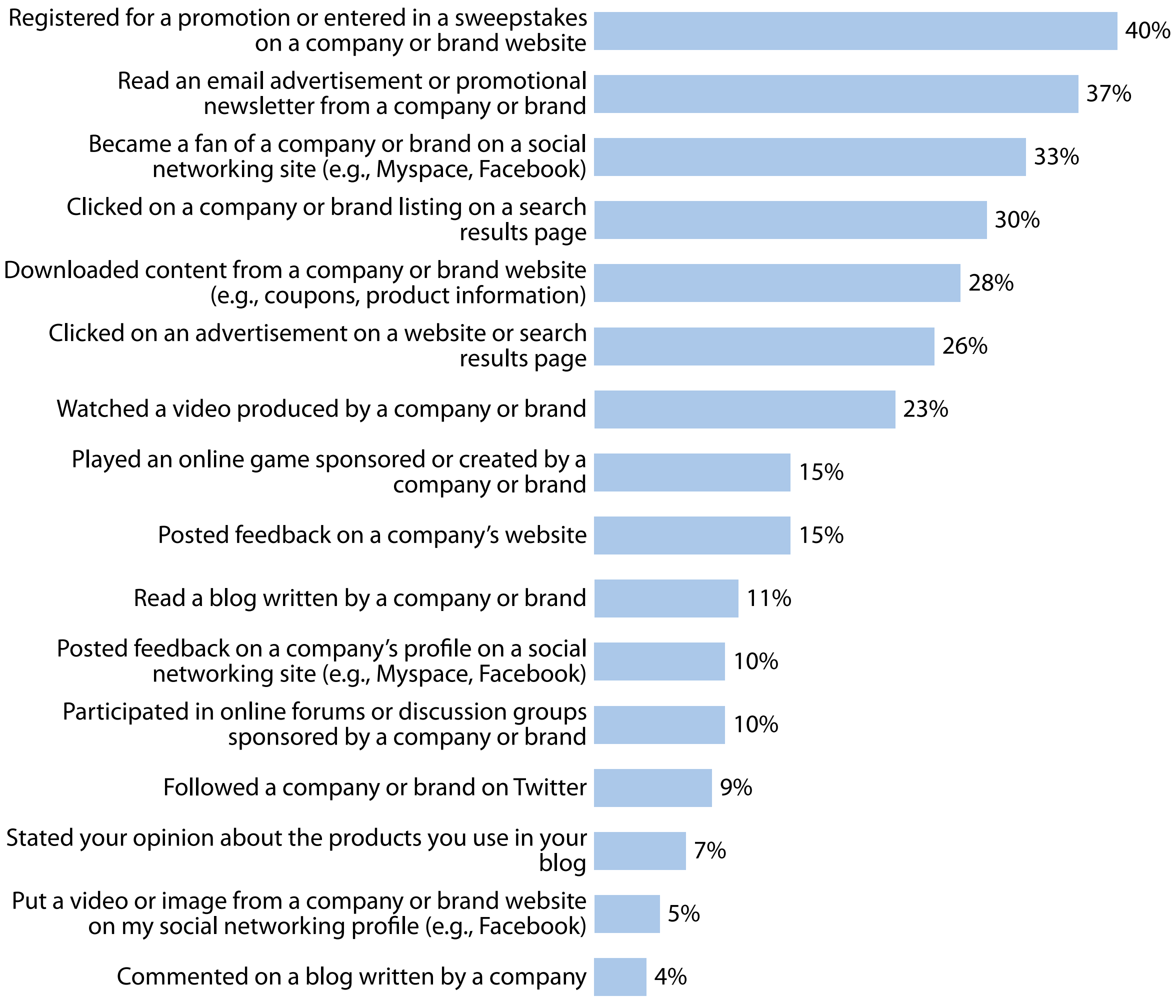
- **Coordinate messages across organizational silos.** Channel managers too often plan messaging strategies selfishly, with limited perspective for other digital channels. One digital marketer at an international consumer packaged goods (CPG) firm told us that because resources, data, and goals are isolated by channel she has no ability or personal incentive to integrate messages across channels.

- **Master the process of setting up emerging campaigns.** Emerging digital channels are less standardized compared to mature channels, which complicates how you plan and measure them and may even require point technology solutions to support their unique requirements. For example, mobile app push notifications require specific processes like detecting if the user has activated "quiet time" or granted the marketer consent to track the device's geolocation.[1]

- **Manage content for different message formats.** Most marketers today create, tag, deploy, and analyze content across channels through manual, resource-intensive processes that bog down their ability to respond to customer or market demands. For instance, a theme park has downshifted its digital contact strategy because it can't quickly produce versions of content across Facebook, Twitter, email, and personalized websites.

Figure 1 Consumers Interact With Brands In Many Ways

"There are many ways you can use the Internet to interact with companies and brands. Which, if any, of the following have you done in the past three months?" (multiple responses accepted)



Base: US online adults

Source: North American Technographics® Online Benchmark Survey, Q3 2011 (US)

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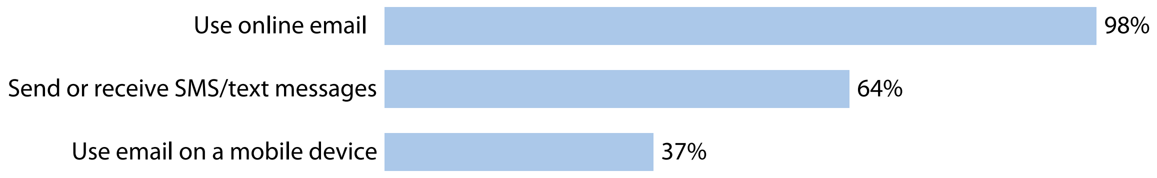
Source: Forrester Research, Inc.

Figure 2 Consumers Access Messages Through Multiple Channels



Base: US online adults

Source: North American Technographics Omnibus Online Survey, Q1 2011 (US)
Note: People who reported having at least one email account when asked "How many email accounts do you actively use?" make up the "Use online email" segment. People who responded "At least daily", "At least weekly", and "At least monthly" to "How frequently do you do the following activities on your primary cell phone or handheld wireless device?" make up the "Send or receive SMS/test messages" and "Use email on a mobile device" segments.

61144 Source: Forrester Research, Inc.

INTRODUCING CUSTOMER-FOCUSED INTEGRATED MESSAGING

Today's siloed approach to digital messaging focuses too much on generating channel-specific responses and not enough on creating overall customer value (see Figure 3-1). The better approach is customer-focused integrated messaging (CFIM) which Forrester defines as (see Figure 3-2):

> *Communications coordinated across channels and platforms that focus on driving desired behaviors, improving outcomes, and maximizing value for customers and marketers.*

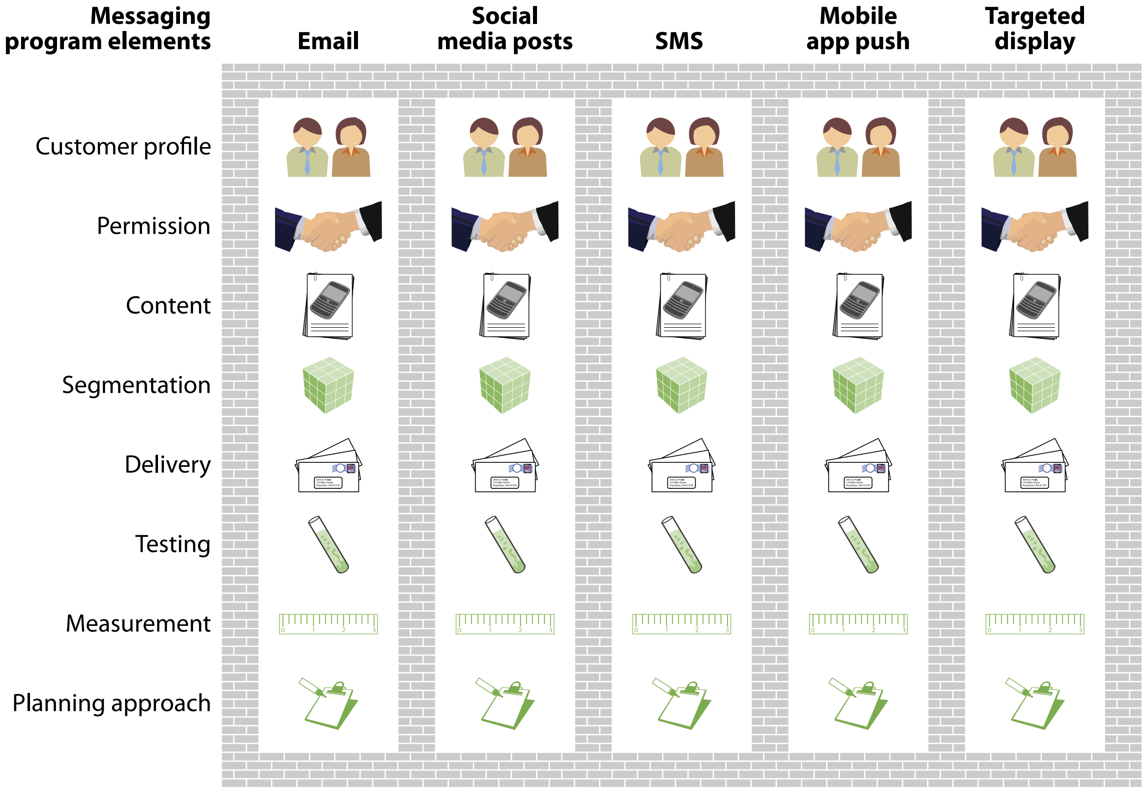
The need to tear down organizational silos and prioritize customer relationships over channel performance isn't new.[2] But today it's more urgent and attainable than before. Why?

- **Marketers who don't adapt to customer needs will perish.** The balance of power has tilted in favor of your customers, who are increasingly empowered in today's digital environment.[3] Only marketers who are customer-obsessed and adapt to consumers' changing behaviors will succeed.[4]

- **Technology can now realistically deliver on the promise of integrated messaging.** Technology solutions previously fell short when marketers sought to plan, execute, and optimize direct messaging across email, social media, and mobile. Those capabilities have evolved to where they can now support integrated digital messaging with improved efficiency, scale, and reliability.[5]

Figure 3 Marketers Must Abandon The Siloed Approach And Integrate Messaging

3-1 **Channel-focused messaging keeps common elements siloed**


Messaging program elements
Email
Social media posts
SMS
Mobile app push
Targeted display
Customer profile
Permission
Content
Segmentation
Delivery
Testing
Measurement
Planning approach

! A siloed approach to addressable media complicates a marketer's ability to optimize the customer experience and leads to resource redundancies.

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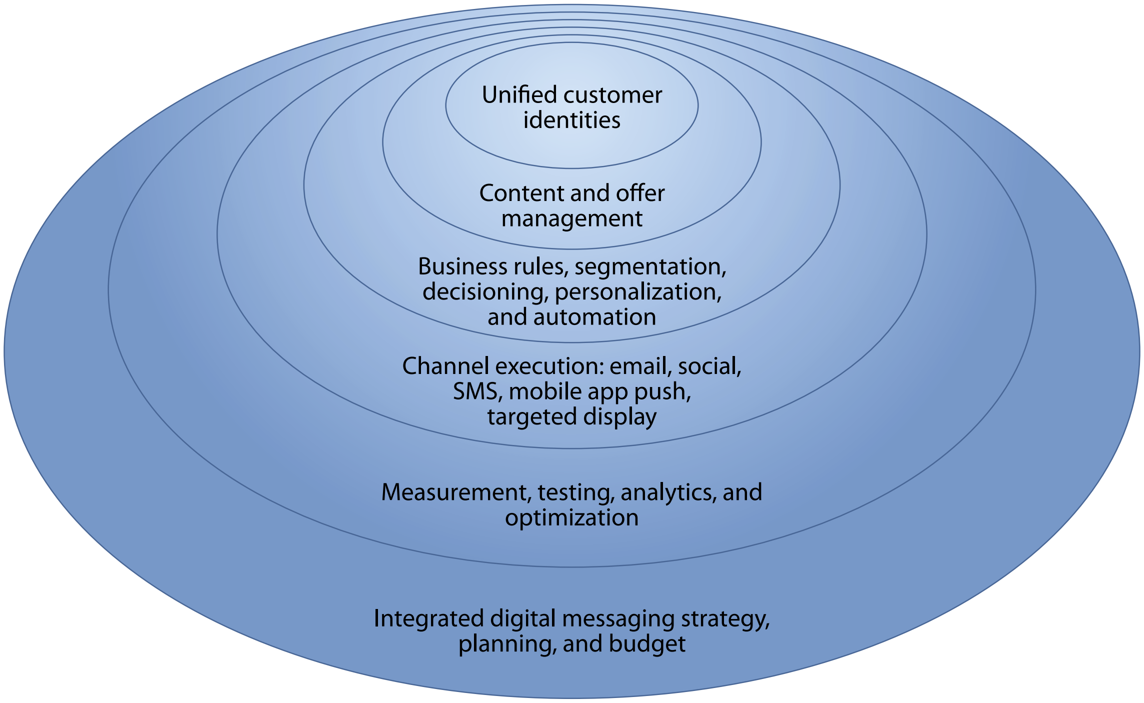
Source: Forrester Research, Inc.

Figure 3 Marketers Must Abandon The Siloed Approach And Integrate Messaging (Cont.)

3-2 The customer-focused integrated messaging framework


Unified customer identities
Content and offer management
Business rules, segmentation, decisioning, personalization, and automation
Channel execution: email, social, SMS, mobile app push, targeted display
Measurement, testing, analytics, and optimization
Integrated digital messaging strategy, planning, and budget

! Customer-focused integrated messaging (CFIM) organizes data, resources, and processes to revolve around customers instead of channels.

61144 Source: Forrester Research, Inc.

REINVENT YOUR CURRENT MESSAGING APPROACH

Building CFIM within your organization means rethinking your digital messaging data, organization, and operations (see Figure 4).

Unify Your Customer View

You can't successfully integrate digital messaging with fragmented customer data and too many vendor partners that require their own unique processes. To create a more streamlined approach:

- **Tap your IT team and service providers to build a better database.** You, along with your IT and customer intelligence colleagues, should implement a data infrastructure that provides cross-channel views of customers' behaviors and preferences — not a repository of disjointed records. Traditional database service providers can help here.[6] For example, a major media company used Acxiom to create a unified customer data warehouse that pushes list segments to different channel execution partners.

- **Offer multiple channel options in your preference centers.** The use of channel-based point solutions has led to siloed customer data collection. To remedy this, you should create a preference center that enables customers to self-select what communications they want to receive from you across channels. Madison Square Garden's preference center for its MSG Insider communication asks users to select specific content and offers to receive through email or mobile. If your web dev or IT staff can't modify email-only preference centers and then tie new data to user profiles, your email service provider can help. For example, Experian CheetahMail builds preference centers and associates multichannel behaviors to specific users through the use of unique persistent IDs.

- **Consolidate messaging platforms.** Having too many delivery vendors compounds channel silos, obstructs a single customer view, and complicates the right-channeling of messaging.[7] But several vendors today, like ExactTarget and Neolane now provide best-of-breed execution as well as multichannel campaign management and data integration (see Figure 5). Better technology options mean that marketers can now use one main vendor as a "messaging engine of record" that can manage most channels and also orchestrate a few smaller vendors as needed for specialty emerging media. EMI Music has already combined its customer database and email and SMS delivery under one system: Neolane.

Organize By Customer Segments, Not Channels

To get away from today's channel-focused approach to messaging, firms must organize to support customer goals. Graduate to this structure by:

- **Educating senior executives about the value of integrated messaging.** It will take time and effort, but teaching senior executives about the cost, operational, and customer benefits of CFIM will win them over to your camp. Case studies and pilot program results can help encourage them to push needed changes like adjusting performance goals and marshalling IT resources for marketing purposes.[8] EMI Music integrated its messaging strategies and resources with the help of a senior executive who embraced the promise of CFIM.

- **Turning channel managers into segment managers.** Aligning the entire organization around customers is the role of the CMO.[9] But interactive marketers can help by planning multichannel communications streams based on customer life cycles, rather than on channel-focused promotion calendars. An international pharmaceutical and medical device firm reassigned messaging channel managers to focus on specific target audiences and successfully integrated all of its previously disparate digital messaging programs.

Automate Campaign Processes

The increased complexity of managing messaging across channels will demand automation. But automating every part of the process at once isn't realistic. Rich Fleck, vice president of digital at Merkle, advises to start with a few manageable modifications "and then make the case for investing in long-term operational and process changes." Forrester agrees. Start by automating:

- **Campaign flows based on business rules.** It's impossible to manually manage sequenced, multichannel messages for millions of customers. Instead, implement systems that trigger messages through specific channels when particular conditions are met. For instance, several teams in the National Hockey League work with Urban Airship to automate push notifications through mobile apps. The timely messages are pushed to fans based on business rules that factor in geolocation, season ticket holder status, favorite team and players, and live game action.

- **Cross-channel testing.** Testing offers, creative, and contact strategies will only become more important as message types and volume grow. To gain a competitive edge, move beyond manual tests and automate cross-channel testing. Some vendors like Responsys offer the ability to systematically carve out test cells for campaigns, test different cross-channel contact strategies to a subset of customers, and then automatically deploy the winning campaign flows to the balance of the list.

- **Message mix optimization.** Your future challenge isn't just how to integrate messages across channels. It is also when to send messages and how much to spend on which type of message to get the most return. Some marketers are already consolidating their messaging budgets to optimize spend against the most profitable channels. For example, insurance company Plymouth Rock Management has a single budget that spans all direct messaging strategies and channel resources. The manager who oversees these communications is empowered to shift messaging spending across channels without the need to gain consensus from multiple stakeholders.

Figure 4 Depart From Your Old Ways To Build Customer-Focused Integrated Messaging

	Channel-focused messaging	**Customer-focused messaging**
Data model		
Data	Based on customer identity in a given channel only	Digital identities across channels map to a customer record
Organization		
Staff	Channel managers	Customer specialists
Operations		
Planning approach	Mostly scheduled, static campaigns	Orchestrated message flows
Content	Created, formatted, and approved for each channel	• Created, formatted, and approved for use across multiple channels • Tagged to allow for channel-specific tracking
Delivery	Multiple channel-specific execution tools	One platform that executes across all digital direct channels
Testing	Usually manual and time-consuming	Many tests executed through automated processes that determine and deploy winning versions without significant manual intervention
Metrics	Results from channel campaigns	Customer engagement across channels

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Source: Forrester Research, Inc.

Figure 5 Integrated Messaging Capabilities Vary Across Vendor Categories

	Email service providers (ESPs)	Social media marketing platforms	Mobile channel specialists	Digital direct messaging providers	Marketing automation providers	Cross-channel campaign management providers	Marketing service providers (MSPs)
Data integration and profile management	◑	◔	◔	◑	●	●	●
Content management	◔	◔	◔	◑	◑	◑	◑
Business rules, segmentation, decisioning	◑	◔	◔	◑	●	●	●
Delivery of multi-channel digital messages	◑	◔	◔	●	●	◔	◑
Measurement, analytics	◑	◑	◔	◑	●	●	●
Testing	◑	◑	◑	◑	◑	◑	●
Automation	●	◑	◔	◑	●	●	◑
Contact optimization	◔	◔	◔	◔	◑	●	●
Campaign orchestration	◑	◔	◔	◑	●	●	●

◔ Minimal capabilities ◑ Sufficient channel-specific capabilities ● Strong capabilities across multiple channels

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Source: Forrester Research, Inc.

WHAT IT MEANS

INTEGRATED MESSAGING WILL BOOST INTERACTIVE MATURITY

Marketers slow to adapt to customer-centric digital messaging will lose share to more nimble competitors. We think the push to outshine competitors coupled with improved access to customer insight — courtesy of less siloed data — will actually make marketers better at all interactive pursuits, not just messaging. For example:

- **Midmarket successes will compel enterprise marketers to integrate.** One marketer told us that trying to change his large organization was like steering a battleship. But we expect more enterprise marketers to turn that rudder harder after they witness midmarket organizations aggressively collapse silos and revamp their technology resources to successfully create CFIM. For example, vacuum manufacturer Oreck, working with Knotice, generated 10 times more revenue from its coordinated digital messaging campaigns after it shifted to a customer-focused approach.
- **Marketers will make better, data-informed decisions.** As marketers plan communications that increasingly involve multiple channels, understanding how each contact impacts customer value and changes behaviors will become more critical. This means that attribution vendors like ClearSaleing, Convertro, and Visual IQ will find their services in greater demand as interactive marketers seek to quantify the contribution of each contact. More use of attribution will make marketers better at planning programs that include messaging as well as non-messaging touches, like media buys. And we think messaging vendors will roll out attribution services either through partnerships with established players or through direct acquisitions to get a piece of this action.
- **Integrating inbound and outbound marketing will become the norm.** Automation of messaging based on real-time customer interactions will accelerate the overlap in responsibilities and operations between interactive marketing, customer service, and communications teams. As this trend goes mainstream, firms will expect more and better integrations of inbound and outbound marketing from vendor partners. Forrester foresees that Aprimo, Neolane, and SAP will rise to the challenge by increasing their partner networks and by including inbound and outbound workflow as a standard part of their platforms.

SUPPLEMENTAL MATERIAL

Methodology

Forrester conducted an online survey fielded in July 2011 of 64,515 US and Canadian online adults ages 18 to 88. For results based on a randomly chosen sample of this size (N = 64,515), there is 95% confidence that the results have a statistical precision of plus or minus 0.39% of what they would be if the entire population of North American online individuals ages 18 and older had been surveyed. Forrester weighted the data by age, gender, income, broadband adoption, and region to demographically represent the adult US and Canadian online populations. The survey sample size, when weighted, was 63,644. (Note: Weighted sample sizes can be different from the actual number of respondents to account for individuals generally underrepresented in online panels.) Please note that this was an online survey. Respondents who participate in online surveys generally have more experience with the Internet and feel more comfortable transacting online. The data is weighted to be representative of the total online population on the weighting targets mentioned, but this sample bias may produce results that differ from Forrester's offline benchmark survey. The sample was drawn from members of MarketTools' online panel, and respondents were motivated by receiving points that could be redeemed for a reward. The sample provided by MarketTools is not a random sample. While individuals have been randomly sampled from MarketTools' panel for this particular survey, they have previously chosen to take part in the MarketTools online panel.

Forrester conducted an online survey fielded in March 2011 of 5,084 US individuals ages 18 to 88. For results based on a randomly chosen sample of this size (N = 5,084), there is 95% confidence that the results have a statistical precision of plus or minus 1.4% of what they would be if the entire population of US online individuals ages 18 and older had been surveyed. Forrester weighted the data by age, gender, income, broadband adoption, and region to demographically represent the adult US online population. The survey sample size, when weighted, was 5,046. (Note: Weighted sample sizes can be different from the actual number of respondents to account for individuals generally underrepresented in online panels.) Please note that this was an online survey. Respondents who participate in online surveys have in general more experience with the Internet and feel more comfortable transacting online. The data is weighted to be representative for the total online population on the weighting targets mentioned, but this sample bias may produce results that differ from Forrester's offline benchmark survey. The sample was drawn from members of MarketTools' online panel, and respondents were motivated by receiving points that could be redeemed for a reward. The sample provided by MarketTools is not a random sample. While individuals have been randomly sampled from MarketTools' panel for this particular survey, they have previously chosen to take part in the MarketTools online panel.

Companies Interviewed For This Document

Acxiom

Aggregate Knowledge

Direct Message Lab

ExactTarget

Experian

Gap

IBM Enterprise Marketing Management Group

Knotice

Merkle

MTV Networks

Neolane

Oreck

Plymouth Rock

Responsys

Tripolis Solutions

TrueAction Network

Urban Airship

ENDNOTES

[1] "Quiet time" is a setting on some mobile devices that allows the user to specify times during which they do not want to receive alerts.

[2] For more about the importance of aligning your organization around the customer, synchronizing the life cycle, defining value for the customer, and directing the business with customer insights, see the December 14, 2009, "Marketing Mandate: Connect The Dots" report.

[3] We are now in what Forrester refers to as the "age of the customer," a period marked by your customers' access to information and ability to dictate the terms of their relationships with you. To succeed in this era, your organization must be customer-obsessed. For more about the age of the customer, see the June 6, 2011, "Competitive Strategy In The Age Of The Customer" report.

[4] The constant state of change in the digital ecosystem can fatally disrupt a business ill-prepared to adapt to changing customer needs. For more about the necessity to adapt, see the November 15, 2010, "CMO Mandate: Adapt Or Perish" report.

[5] Over the course of our research we spoke with a range of marketers using multichannel digital messaging vendors. While none were using addressable media (email, mobile, mobile, social, targeted web) via a single vendor, most expressed confidence in their vendor's abilities to execute in those channels and said they plan to test additional channels with their existing vendor. One explained that his vendor's capabilities "are far ahead of where we currently are in terms of executing complex multichannel programs and we only use about half of [the vendor's] functionality."

[6] For more details about assessing the capabilities of database marketing service providers, see the January 12, 2011, "The Forrester Wave™: US Database Marketing Services Providers, Q1 2011" report.

[7] What do we mean by right-channeling messages? It's giving your customers the content they want in the channel where they are most likely to engage with and respond to the message.

[8] Bottom-up organizational change is tough, especially given that channel managers are often short on time and lack the incentives to coordinate multichannel messaging for the ultimate benefit of the customer.

[9] For more about aligning your organization to focus on customers, see the January 4, 2011, "How Real CMOs Connect The Dots" report.

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