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*Database Marketing*

## The medium is the message

*Listen to what your customers are saying before planning your next campaign*

by [Emma Warrillow](#)

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E-mail marketing is a hot topic in marketing circles these days, and for many, it seems like a panacea.

For one, it's cheap: Jupiter Research reports an average cost per piece of \$0.25 US compared to \$2 US for direct mail (source: Jupiter Research 1999). It's also quick: e-mail messages are typically responded to within hours or days, rather than weeks for direct mail. And, thirdly it works: the average response/click-through rate is 5.4% (source: eMarketer eMail Marketing report, 2000). Many campaigns that I have seen have significantly higher rates of response.

Not surprisingly, people are scrambling to collect e-mail addresses and start e-conversations. But before you jump on the e-mail bandwagon, hold on. Are you sure this is what all your customers really want?

One-to-one communication is about interacting with your best customers on their terms. That means the message should be customized and relevant to each client - and it also means that it should be delivered when and where the client wants it. Moving from DM to e-mail does not automatically make your communications more one-to-one.

I know this is not easy. As long as we are still talking about "campaigns," there are economies of scale to think about. I recommend you try to sort out the logistics of delivering your next campaign through a variety of channels; your customers will thank you for it and you'll learn a lot along the way.

One way to decide how to deliver a message to a specific customer is simply to ask them. However, if CRM is really about creating a relationship, then some basic rules must apply. Consider another relationship in your life - that with your childhood best friend. How did you create that relationship?

Receiving an invitation: I rather doubt you walked down the street and knocked on every door you saw. You may have worked on a school project together or played on the same ball team. The first time you went to his or her house was likely when you were invited to come over to play. Being invited, or getting customer permission, is crucial to starting any kind of dialogue - and this is especially true online.

Keeping promises: Whether you "swore on your mother's life" or not, a key part of the relationship you had with your friend stemmed from the commitments you kept to one another. Feel free to ask your customers how they want to be talked to; but do this only if you can, and will, honor that commitment.

Getting to know them: Finally, what makes a friend a friend is that you understand what makes him or her tick. You greet your companion by name; you use the information you know about that

person to make your actions more relevant. If your friend hated swimming, you probably didn't drag her to the nearest pool at every chance you got. Get to know your customers and treat them like they want to be treated.

One thing that you may wish to consider is whether you want to give all customers all the choices. In some cases, a client's value to the organization may not justify giving them the service that they request. A low-value client may indicate a preference for a personal visit, rather than direct mail, but you may not be willing to make the drive! Only offer what it makes sense to provide.

Perhaps you don't need to ask.

If you currently allow customers to interact with you via various channels, monitor customer behaviour to understand how they chose to communicate. Your analysts may be able to tell you the percentage of their past transactions that they made through each channel - allowing you to observe their preferred approach. One caution, however, is that the customer may have different preferences for inbound and outbound communication. I often pick up the phone when I need the answer to a question. Yet, I would far prefer an e-mail solicitation to a telemarketing call.

On an individual level, it may be difficult to infer preference from response. Typically, you only approached the client through one channel. Even if this was not the case, it is usually difficult to track which channel actually generated the response. Just because someone responded via the Web, doesn't mean it was the e-mail that provoked it.

One recommendation is to test channel preference by setting up random campaign cells that use different channels. The results will allow you to model channel preference. Each client will be assigned a likelihood of preference for each channel and you can select the appropriate method from there.

Asking all your clients, and committing to act on their responses, is a huge endeavor and may not be cost effective. In many cases, model results coupled with profitability measures may be preferable.

One final note: If you give people the choice, don't make it difficult. I recently tried to respond to Bell Canada's offer of online bill presentment. I spent more than an hour on the phone trying to get a pass code and PIN number to allow me to do this - without success. I think my situation was an anomaly, however, very few customers would be willing or able to sacrifice this kind of time.

Emma Warrillow helps her clients assess and gather data, tools and resources to get the most out of their customer relationships. Her Web site can be viewed at [www.emmawarrillow.com](http://www.emmawarrillow.com).