

ENGAGEMENT MARKETING

PARTNERING WITH YOUR CUSTOMERS FOR SUCCESS



MARKET INTELLIGENCE.

PERSONAL INSIGHT.

BETTER RESULTS.



As the venerable mass-media age of broadcast advertising yields to the digital era, an exciting new landscape of marketing channels and one-to-one relationships is emerging. With the rise of the Web, empowered consumers have unprecedented access to a vast array of product and company information, as well as control over the marketing messages they receive. The surge in social media use has given voice to hundreds of millions of people who are freely sharing their thoughts and opinions through social networks, photo and video sharing sites, blogs, community forums, wikis and more.

It's a new age in marketing, and one thing is clear: marketers no longer have exclusive control over brands.

Today, brands are no longer defined by marketers. Although the 60-second commercial and Web-site descriptions will always be a part of the buying decision, these traditional marketing channels are just a small voice among other more compelling sources of input. In the Web 2.0 world, brands are defined by the very people who are influenced by them – customers. Brands are built by the countless conversations taking place – primarily online – between current and potential customers. Without a road map to navigate through this uncharted digital expanse, marketers are understandably anxious. But the truth is, the Web and the growth of social media have created an opportunity that will catapult marketing to a new level of effectiveness and influence.

The new world of marketing takes advantage of the online social phenomenon by participating in the dialogues and forums that many marketers fear otherwise are undermining the traditional approaches to branding. The new world of marketing acknowledges that buyers are driving the brand, and it invites buyers to define the kinds of marketing they will receive. The new world of marketing listens as often as it speaks. It understands individuals, not just audiences, and it prefers anticipation over interruptions.

This new world of marketing is called *engagement marketing*.

Marketers must become adept in this new world to stay competitive. This white paper offers strategies and tactics for implementing programs that create a dialogue with prospects and customers to build brand value, increase customer loyalty and drive revenue

WHAT IS ENGAGEMENT MARKETING?

Like many words that fall victim to overuse, “engagement” is in danger of losing its meaning for marketers. “Engagement” is more than just an industry buzzword; it is becoming the cornerstone of savvy marketing. Along with the Web 2.0 technologies that enable marketers to understand and communicate relevant messages, engagement makes it possible for marketers to cultivate vibrant brands, legions of loyal customers and fans, and ever-increasing revenues and marketing returns on investment.

Engagement is a marketing approach that – in contrast to traditional brand and direct marketing strategies – allows a brand's customers and prospects to shape the company's marketing. People choose what messaging they will receive, and in what channels. Engagement marketing begins at the moment someone takes an action and initiates a dialogue, such as by signing up for an email program or reading a product review and requesting more information.

Engagement is a worthy pursuit. But it is also a practical one. Interactive content must be combined with powerful branding and clear calls to action in order to achieve your business goals. As you implement an engagement mind-set into your marketing programs, keep in mind that:

Engagement means someone is listening to you, and you must engage that person in order to persuade him or her to buy or become a fan and brand advocate. Content itself can be engaging, but as many now-famous engaging videos or Web sites have shown, the actual brand, as well as the call to action, can get lost in the excitement around the content. Therefore, engagement alone is not sufficient for sales. To drive revenues, you must also have an end in mind.

Engagement marketing is the deliberate application of strategies and tactics that drive someone toward measurable lifetime customer value and/or provide opportunities and impetus to participate in dialogues, interact with your brand, and influence others to become buyers.

Ultimately, the goal of engagement marketing is to create relationships that benefit both customers and organizations. In a survey of 1,300 marketers, 38 percent said the value of engagement marketing is that it increases customer lifetime value. But nearly the same percentage (34 percent) said it is about increasing the value the company delivers to the customer.* In fact, it is both.

THE STRATEGY OF ENGAGEMENT MARKETING

Given the stormy financial situation forecast for the immediate future, companies will be forced to focus on existing relationships and customers more than ever. Embracing a marketing philosophy that enables you to connect deeply with customers is a smart way to build brand loyalty and weather the storm. And when the economy eventually rebounds, the benefits of engagement marketing will put you in a position of strength compared to your competitors.

While studies find that marketers recognize the importance of customer engagement, the December 2008 “Online Customer Engagement Report” from Econsultancy found that fewer than half of organizations actually have put a defined customer engagement strategy into place.* How to go about establishing a deeper and more beneficial relationship with customers and prospects eludes most organizations.

Strategies that lay the foundation for engagement include:

Multichannel messaging. In the new era of engagement marketing, you not only need to give your customers the messages they want, you need to deliver it through the channels and at the times they prefer. Today that means a multiplicity of channels in addition to email, including RSS, mobile and direct mail. Your messaging in these channels or any other touch points should be unified and support each other.

Customer-centric Web sites. Your Web site is the ultimate online destination for your customers and prospects. It should encourage participation, foster dialogues, and deliver unique content based on past customer behaviors and preferences. Place an opt-in for your marketing messaging program prominently on every page. Offer user reviews, customer forums or other methods of feedback and commentary. And approach Web sites as a personalized communication channel that you can use as part of your two-way dialogue with customers. By “listening” to the exchange of ideas, you can better understand the needs of your customers and potential customers and truly engage them.



The difference between targeting and engagement marketing

Targeting is a one-way conversation in which you send messages you believe the customer will find relevant. Engagement marketing is a two-way interaction in which you ask customers to participate in the dialogue, therefore assuring that these customers are waiting to hear from you. Although targeted marketing is an essential part of any savvy marketing plan, it's no longer enough. As customers gain more control over the brand, it's imperative to engage them too.

* “Online Customer Engagement Report,” Econsultancy and cScope, December 2008

Data gathering. To truly engage with customers, particularly across many channels, marketers will need to view and act on data from across these communication vehicles. The email database is morphing into the communications dashboard for a wide variety of relationship marketing touch points. Today, this centralized database can be used to personalize messages sent to customers in a variety of channels including email, RSS and mobile. Additionally, information can flow into this database from these and other applications, such as Web analytics platforms, and be used to trigger personalized messages that then go out to customers in the channel of their choice. Information can also flow from the engagement marketing database to populate personalized surveys and Web pages. Marketers increasingly can touch customers in the channel they prefer with the personalized, data-driven content they want.

Time-based (lifecycle) messaging. You can drive engagement levels very high if you talk about a product at the same time that a person is interested in making a purchase. The key is to pay attention to a person's activity as well as what he or she tells you in order to send the right message at the right time. Lifecycle automation times each communication so that each customer gets a message when it's most appropriate. So, if someone has just signed up for your email program, that person gets a triggered "Welcome" series of messages. Customers who purchased ink-jet toner might receive a product replenishment message at the time when they are expected to need more, or customers who are due for an automobile oil change might get a triggered email when their service date is near.

Transactional messaging. Response-triggered or transactional emails are those which companies send to customers to confirm a purchase, notify of shipping dates, deliver warranty information, etc. Of all the types of email that marketers send, recipients rank transaction confirmations, followed by account summaries, as the most relevant.* Since consumers are already highly engaged with the transactional messaging channel, it's an excellent opportunity to make these messages even more engaging by adding relevant cross-sell and up-sell messaging, as well as content that is simply valuable and interesting to them.

ENGAGEMENT MARKETING TACTICS THAT WORK

Web 2.0 tools have created both the need for, and solution to, engagement marketing. Customers' ability to easily communicate with each other, access brand information and reach decisions independently of brand marketing has never been stronger. But the very online tools customers use to take control of the message can be shared with organizations who want to meet customers in the middle.

Here are some engagement marketing tactics you can use that let customers know you want to have a dialogue:

Preference centers. A preference page gives customers the opportunity to pick and choose from a set of messaging options. Let customers shape their marketing by deciding what types of content they want to receive, such as newsletters, sales notices or birthday promotions, and in what channels, for example email, RSS or mobile. And, make it easy for them to change their subscriptions or update their information by offering a link to your preference center in your messages and on your Web site.

* "View from the Inbox 2008," Merkle, April 2008

Surveys and polls. Surveys can give marketers an opportunity to initiate a conversation and learn a little more about their customers. When you use a survey or short poll to spark a dialogue, be sure to frame the questions in terms of customer benefit. Once you've received the responses, plan a follow-up campaign that lets customers know you've listened to what they've said and are taking action as a result of the new information you have.

Social networking. Hundreds of millions of people actively connect on social networking Web sites every day. The reason is simple: People want to know what their friends are saying. Social email marketing is a way for marketers to join this conversation. By placing links to popular social networks inside your email message, you can encourage subscribers to share the message with friends. The message can then be viewed, clicked and re-shared by friends, then shared again by friends of friends. With the right analytics and reporting tools, you'll gain the ability to understand your most avid brand advocates – who they are, what motivates them and how they differ from the rest of your customers. Armed with that knowledge, you can deliver the content they love and are most likely to repost.

User-generated content. Invite and facilitate ways for your most ardent forwarders, bloggers, commenters, opinion sharers and publishers to discuss and interact with your brand and each other through user reviews, blogs, social networking pages, retail and online auction sites, and more.

Optimized send times. Engagement happens when someone is waiting to hear from you. Some people like to open their email marketing messages on Saturday morning before the kids wake up. Others always check when they get home from work. A great engagement tactic is to send your next message at a time and day that the recipient is most likely to be receptive.

Analytics. When many online marketers think of analytics, they immediately think about Web analytics that measure how visitors interact with their site. However, a bigger opportunity exists to analyze data across channels and interactions such as email, social networks, store purchases, online commerce and, of course, Web-site visits. Armed with this data, you'll be able to initiate deeply personalized conversations with customers through the channels they prefer.

MEASURING ENGAGEMENT

When calculating how intertwined customers and prospects have become with your brand, remember that they can become more or less engaged over time depending on your purchasing lifecycle. For example, the engagement cycle for buying a car differs from a computer, which differs from the cycle for winter coats or music CDs.

It's also important to keep the time element in mind as you consider metrics such as email and Web page opens, clicks and purchases, and posting messages on social network sites. Someone who opens an email an hour after you send it is indicating engagement. If that person returns to the product landing page soon after, he or she could be indicating an even higher level of engagement because your brand or offer clearly stayed on that person's mind. By adding a time-based element to activities, you can infer a higher level of engagement.



e-Newsletters Good for Engagement

A majority of marketers believe email newsletters are most likely to help strengthen customer engagement, and nearly six out of 10 (59 percent) plan to increase their spending in this area, according to a survey of 1,300 marketers for the "Online Customer Engagement Report" issued in December 2008 by Econsultancy in partnership with the digital agency cScape.

But newsletters aren't the only method engagement marketers use to reach customers and prospects in new and meaningful ways. Just under a third of respondents to Econsultancy's survey (30 percent) said the development of microsites help them keep Web-site visitors informed of new product offerings and services.

The three basic levels of engagement are:

1. **ENGAGED**

Initiates a dialogue. This person has expressed an interest in your brand and in receiving communications from you. He or she spends time on your Web site, has consumed content, opted in to your marketing program, and opens all or most of the emails you send and clicks links.

2. **ENGAGED TO BUY**

Prepares to purchase. The person has indicated that he or she is closing in on a purchase by conducting product-specific searches, reading user reviews, returning to email landing pages or microsites, placing items in an online shopping cart, or contacting customer service.

Buys and becomes a repeat customer. The person makes a purchase, continues to be engaged with your personalized transactional messages and other correspondences, and then makes additional purchases.

3. **ENGAGED TO INFLUENCE**

Spreads the word. This person, often a repeat customer, contributes user-generated content such as ratings and reviews, or recommends your brand to friends through message forwarding and share-to-social network features. In some cases, brand influencers may not be loyal customers but simply aficionados of your brand who may never make a purchase from you. Regardless, they are ardent fans who click every link in every email, forward and share your messages with friends, and write and comment about you on blogs, community forums and in product reviews. As an engagement marketer, you must learn who these people are and cultivate them.

In the new age of social media, understanding that consumers are discussing and sharing your brand is the first step to relinquishing control and figuring out what role you can play and how you can help shape the conversation. In fact, when asked what value engagement marketing would bring to their organizations, 58 percent of marketers said the ability to foster customers as brand advocates, recommending the company's products.

WEIGHING THE VALUE OF BRAND INFLUENCERS

The proliferation of social media channels has enabled millions of people to share their opinions of products and brands. People trust the recommendations of friends and family first and foremost. But they also are more likely to heed anonymous user reviews over the paid advertisements of even the most famous brands.

A July 2008 JupiterResearch consumer survey revealed that as a percentage, online users ages 18 to 24 are the largest segment to influence others' Web site and shopping choices, even though they themselves do not typically have a great deal of disposable income.*

And a September 2008 study by media communications agency Universal McCann yielded the following findings:

- ◆ More than 44 percent of Internet users surveyed in 29 countries had shared an opinion about a product or service in the previous month by instant messenger, and 42 percent had done so by email.
- ◆ More than 30 percent had commented on a product or service on a blog, and 29 percent had recommended a product or brand on a blog.
- ◆ Nearly 29 percent had written a review on an e-commerce site, and nearly 28 percent had posted an opinion on a social network personal profile.**

People who are engaged are either buyers or wish they were. Either way, both groups will spread your messages and become advocates for your brand. They will talk about you and your products and trigger the desire for your products in others, who will subsequently make purchases from you. This loss of message control can strike fear in the steeliest of marketers, as it comes with the risk that fickle consumers may voice unflattering opinions in a permanent, widely visible format. But enlightened marketers realize that they need to be monitoring what is being said and, ideally, interacting in social network environments, both with formal programs (such as Silverpop's Share-to-Social feature) and as individual voices representing their brands and companies. By engaging fans of the brand, including those who are not necessarily lifetime customers, you can help ensure that these people continue to be valuable allies.

* "Targeting Influential E-mail Subscribers: Tactics to Harness Influencers," JupiterResearch, July 2008

** "When did we start trusting strangers? How the Internet turned us all into influencers," Universal McCann, Sept. 2008

CONCLUSION

When implementing an engagement marketing program, make sure your platform can:

- ◆ Enable a two-way flow of customer data and communications to and from multiple marketing platforms and channels, such as email, RSS, mobile, survey and Web analytics data.
- ◆ Deploy personalized, campaign-specific microsites that re-market to visitors based on behavior factors such as how often they visited your page, clicked specific links or took a desired action.
- ◆ Generate rich transactional messages that can include important and relevant cross-sell and up-sell messaging, and that incorporate full tracking, reporting and enhanced deliverability for any message from any system in your organization.
- ◆ Share messages into social networks and also track downstream viral activity in order to identify your most ardent influencers.
- ◆ Send messages at times that are individually personalized for each recipient based on previous open behavior.

Once somebody becomes engaged with a brand, engagement marketers enter into a partnership with that person. Rather than targeting customers and prospects with marketer-centric messaging, today's guardians of the brand acknowledge the new reality of the marketplace – that the buyers are in control. Buyers will talk about brands and define them, and thus they will also help determine the success of the companies they buy from. Engagement marketing is a way for companies to positively involve themselves in that dialogue.

Today's consumers are the most informed buyers in history. They can find out everything they want to know about a brand and the company behind it. Consumers don't demand engagement from you, but they will be indifferent to the businesses and brands that are indifferent to them. And they will seek out relationships – knowledge-based, product-based and community-based – with the companies that they choose to do business with.

ABOUT PRIORITY

Priority is a national leader in custom communications, providing marketing, publishing and interactive solutions for a fully integrated experience. Services include strategic email marketing, custom magazines, collateral, annual reports, Web development, SEO, banner ads, SWOT analysis, marketing plans, brand development, surveys, analytics and MediaTrackR™ real-time ROI tracking. Custom writing is provided by our expert in-house team of editors. Translation services are available.

Priority knows your market and has a proven method for reaching it. Our integrated marketing approach ensures all the elements of your campaign – from custom content and award-winning design to final delivery – interact powerfully and generate the response you seek.

View our portfolio and success stories, plus request samples at www.priorityresults.com.

[Subscribe to *PRIORITIES*](#), our monthly email publication filled with the latest marketing tips as well as free white papers and content.

For more information, contact us at **800.727.6397, ext. 3436**, or email us at info@priorityresults.com.



6700 France Avenue S.
Suite 300
Minneapolis, MN 55435
800.727.6397

©2009 Priority Publications Inc.