

Altman Dedicated Direct

STRATEGY... TACTICS... RESULTS

Column: **"Channel Crossing..."**

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Topic: **Developing an Integrated Customer Contact Management Strategy**

What is a contact management strategy and why do you need one at all, let alone an integrated one? First let's define the term: a contact management strategy is simply a plan that identifies when and how you contact customers or prospective customers once they have initiated contact with your firm by placing an order, adding themselves to your mailing or eList or requesting information.

As marketers, we've all been in situations where we look back and realized that we missed opportunities to sell more to existing customers or convert more prospects into customers had we acted more swiftly or approached them differently. Having a documented, well thought out contact management strategy seeks to avoid that situation by looking ahead and determining what types of contacts are appropriate at different stages of the customer's life cycle with your firm.

The idea of defining a specific contact management strategy originated years ago with catalog marketers, many of whom realized they were repeatedly mailing catalogs to customers, but not being as efficient or effective in maximizing the sales and profit benefit from all those mailings. Analysis showed that some customers segments would generate more profit if mailed more frequently; for other segments the opposite was true.

Adding to the complexity was the development of web sites, and email marketing. Ultimately the idea of developing an integrated contact management strategy took hold. An integrated contact management strategy means that your strategy takes into account all potential methods of contact with your existing prospects and customers – phone, mail and email – and integrates them into a cohesive whole. While developing an integrated contact management strategy is a much more challenging task than a contact management strategy that deals solely with direct mail, email or phone contacts but not all three, the benefit of integration is your results can be as efficient and effective as possible.

Without integration, companies often suffer duplication of efforts where, for example, the email department is busy executing emails targeted to new customers while the DR department is sending mail to or making outbound phone calls to those same customers. Without integration “the left hand doesn't know what the right hand is doing” so to speak and conflicts in offers, prices, deadlines, can occur, in addition to upsetting customers or prospects with too many contacts.

Every effective contact management strategy starts with defining the customer or prospect segments that you are/will be contacting. The reality is that you will need a unique integrated contact management strategy for each of those major segments.



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I've identified two unique segments for you: Identified Prospects (some call this group Inquirers) and Customers. However it's likely you will have further distinctions:

- eList Subscriber Prospects
- Inbound Phone Inquirers
- New Customers – 0-30 days from most recent date of purchase
- Recent Customers – 31 – 120 days from most recent date of purchase.
- Older Customers – 121+ days from most recent purchase
- Multi-buyers – Customer who have purchased more than once
- Former Customers – Over 2 years from most recent date of purchase

. Sales and profits from each of these groups is likely optimized with a somewhat different contact management strategy based on their level of involvement with your company (non-buyer, buyer, multi-buyer) and with their recency status. Some other common areas for segmenting your buyers are based on average order value, product purchase category, continuity vs. non-continuity buyers, etc.

Having defined your segments, the next step is to define what the goal for the contact management strategy will be – conversion to buyer? Increase in averages order size? Conversion to continuity buyer? Whatever the goals, it is key to define and know what they are – it's impossible to have success without a metric or benchmark against which your results are measured.

Next you'll need to define the “triggers” which will initiate each step in the series of contacts with that segment. Triggers can be actions on the part of a prospect or customer -- for example signing up for your eList could initiate a confirmation email and an eNewsletter; making a purchase over \$100 could trigger an outbound call to offer a continuity.

Triggers can also be based on a combination of action/no action and the passage of time. The prospect who calls in response to your DRTV spot, does not place an order but willingly gives their email and postal address to receive information on your product could trigger not one, but a series of timed, integrated contacts from you designed to convert this prospect into a buyer. For example, you may send an email, followed immediately by a mailing, and then a phone call one week later, followed by a series of 3 additional emails at pre-defined intervals, all designed to convert that prospect into a buyer. Each segment in this integrated series of contacts would be carefully designed to build on the others and convert that prospect into a buyer. The copy/scripts and offers would be a cohesive plan designed to maximize sales conversions. Analysis of each step in the contact management process should be undertaken in order to ensure each step made sense on it's own as well as part of the whole process.

Similar approaches to what I've described for inquiries can be taken to turn single buyers into multi-buyers, single order customers into continuity customers, eList customers into web buyers, and so on.



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Integrated contact management strategies for customers tend to be planned out on a calendar year basis as natural seasonal events and holidays can become triggers for promotional efforts. Direct response marketers who have appropriate product for gift buying, will likely have a special series of actions on their contact management strategy that focus on maximizing holiday sales and profits. Most major holidays throughout the year provide a buying occasion of some sort that can and should be woven into your contact management strategy as appropriate for that segment.

Similarly to almost every other aspect of direct response marketing, testing and analysis are the keys to success. This means designing your integrated contact management strategy based on assumptions you have about what will work, but not resting on your laurels. Every step in your contact management strategy for each segment represents an opportunity to test and improve.

Identify the biggest areas of opportunity and focus your testing there. Most likely the places for largest opportunity will be converting prospects into customers and turning single buyers into multi-buyers or continuity customers. Is email best if you have both an email and a postal address for a contact? Should you make a premium gift offer or a discount offer? At what point in the contact management strategy do you give up trying to convert prospects into customers? The answers to all these questions can be found through testing your efforts and identifying which approaches net the most sales and profits.

Development of an integrated contact management strategy is a complicated but worthwhile effort. When successful, an integrated contact management strategy allows you to not only streamline internal marketing efforts, but also to maximize sales and profits from each defined segment. Integrated contact management strategies are challenging to pull together but never the less, well worth the planning time and effort.

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