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Learning from integrated marketing: How to optimise personalised customer marketing strategies (Part 2)

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Abstract

This paper considers the implications of integrated marketing for direct marketers. Based on a model of integrated marketing previously reported in the journal, it reviews five customer experience factors that form a single coherent driver of business success as well as the antecedent business performance characteristics that determine excellence in managing customer experience. It suggests significant practical changes for the practice of communication planning and evaluation, and further argues that the broad community of 'direct marketing' practitioners responsible for managing personalised relationships has acquired a body of skills and experience with considerable relevance to marketing best practice, organisation development and strategy in general.

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Introduction

This is the second of two linked papers reviewing research findings of the Centre for Integrated Marketing and their implications for direct marketers and others who have responsibility for managing customer relations and/or generating personal communication tailored to the interests and behaviours of segments and individuals, such as an interactive webpage, mail/e-mail, mobile phone text, interactive TV, and service or sales interaction. For the sake of convenience, the term 'direct marketing' (or direct marketers) will be used as a broad label to cover all such forms of personalised marketing and communication. In the previous paper, *Integrated marketing and its implications for personalised customer marketing strategies*,¹ a model of 'Integrated Marketing' based on a range of empirical research was considered, including the methodology for this research. The research included numerous in-depth interviews, case studies and a quantitative survey of over 200 UK brands/firms. The key findings are very briefly summarised below.

Integrated Marketing is considered to be the organisation-wide optimisation of unique value for stakeholders. As such, it represents a developmental stage of both CRM (customer relationship marketing,

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also known as customer management and customer relationship management) and IMC (integrated marketing communications). In 1992, Duncan and Caywood² presented a paper suggesting how communication effort could be progressively evolved towards a more expansive form of integration. Beginning with controlling the internal management of image, including such basics as managing how the logo was presented, it included several stages of increasing collaboration and partnership between agencies and client management and their respective disciplines (or tools, ie advertising, sales promotion, direct marketing, PR, etc). Duncan and Caywood³ then proposed an inversion of attention, from internal organisation to focusing on the external customer groups, later all stakeholders, mapping out their brand contact points, each of which represents 'a message, a form of marketing communications'. In the final, seventh stage, relationship management integration, communications would be regarded as a strong element in the total business management process. Thus, integrated communications could become part of a total quality initiative. Integrated marketing is, however, understood by Jenkinson and Sain⁴ as a yet further stage, as outlined in the first paper. Rather than regarding operational communications as a separate field to be managed in an integrated way, it considers how the organisation can work in an integrated way to manage the experiences and communications of customers.

Integrated marketing is proposed to have three dimensions:

Three dimensions of integrated marketing

1. Identity, which is seen as the core strategic element of differentiated value. Identity provides coherence to the organisation and design direction for the development of consumption value and market strategy.
2. Mobilisation of all employees behind identity and value, with value-focused, lean processes to deliver potent on-brand value propositions with elegantly utilised resources.
3. Integrated contact management (integrated communications, creating valuable experiences for customers): Each contact or consumption point is seen as the opportunity to deliver both communication and value as two inseparable elements. At this point, product, service and communication become three facets of a single experiential concept.⁵

Direct marketing has often been relegated to an important but 'tactical' role

The context for the consideration of direct marketing is that it and its practitioners have often been relegated to an important but 'tactical' role with responsibility for lead generation and direct sales. For example, IBM uses direct marketing as a lead generation tool, while Toyota uses direct marketing to generate requests for product brochures or test-drives. The direct marketing disciplines have, however, also been recognised as having the potential to modify the strategic business model. For example, the development of direct channels or business units (building on the heritage of mail-order firms) has been highly influential in the telephone, financial, information technology and travel industries supported by methods such as 'one-to-one', database and

relationship marketing, CRM/customer management and mass customisation. The launch of First Direct and Tesco Clubcard are high-profile examples, while Thomson Holidays made an equivalent shift in the mid-1990s: rather than selling only through high-street agencies to unknown customers, they developed an additional direct relationship model. More recently, the new digital marketing techniques embraced by the terms ‘interactive’ and ‘digital’ have led to dramatic shifts in business models.

Summary of the research findings

The need to consider marketing as an integrated activity is a response to the social tendency towards fragmentation of knowledge, organisation and activities, including:

Research findings

1. Specialist expertise that divides practice communities, each with their own technical languages. The division of marketing communications into a number of disciplines is an example.
2. The need to control the organisation leads to a hierarchical management model that can divide channels, functions and business units.
3. Product-focused organisation structures that provide expertise and focus but divide people and processes down product lines.
4. A legacy of independently developed information technology solutions that fragment information about customers. Accumulation of diverse systems from acquired companies increases this tendency.
5. International and other geographic dispersion.

Overcoming such fragmentation is not easy and capacity varies according to both willingness and role. For example, a creative working within a direct agency may not be able to influence the organisation structure of the client but they can develop new modes of thinking about the creative challenge in their own area. The research aimed to identify the most important action areas and provide a framework that would be relevant to both the C-level team and local engagement according to such role-related interest.

Conceptual model

The conceptual model is shown in Figure 1. Business results such as profit and equity outcomes depend on customer attitudes and behaviours, which derive from their experiences. These are in turn

Figure 1: Integrated marketing causal model

Figure 2: Integrated marketing model

largely determined by performance characteristics or competencies of the firm or brand organisation. This is therefore a hierarchical model of business outcomes that depends on two levels of antecedents with intermediation factors between.

Customers rarely experience a brand in isolation but rather as part of a network of competitive and supportive brands within a category framework. Sales might reduce because a competitor has a promotional offer or new technology. Customer experience is therefore relative; combined with demand volumes, this leads to business outcomes.

The research identified a statistically robust model, which is shown in Figure 2, conforming to this 'performance leads to customer experience leads to business outcomes' model. As previously outlined, each cluster of factors was confirmed as a single statistically and rationally coherent group that is also statistically significant at the 99 per cent level within the model.

Five elements of customer experience form a coherent measure of customer excellence:

1. brand recognises individual customers wherever they interact, when appropriate
2. customers treated in ways appropriate to them
3. all brand experiences come from one identity
4. customers trust the brand's promises
5. customers are happy with the brand experience.

There were four performance factors, each a cluster of characteristics:

1. *Living the Brand*, which includes employee mobilisation, an aligned value stream and culture–brand congruence.

A statistically robust model

2. *Customer knowledge management*, which involves capturing distribution of information about customers. This factor is directly relevant to CRM and direct marketing and had the poorest UK performance among the UK sample of 200 brands.
3. *Marketing organisation*, which concerns skills, structures and processes within the marketing function.
4. *Communications optimisation*, which involves deeper understanding of customer groups, managing customers on a lifetime basis and a universal communication and planning framework.

The detailed assessment factors repeated from the previous paper are shown in Table 1.

Six of these detailed competencies account for 50 per cent of customer experience; these were dubbed the BECAUSE factor, an acronym of first letters (items 3, 4 and 6, which are italicised have particular direct marketing relevance and will be discussed below):

1. Business processes aligned to brand (from Living the brand)
2. Effective partnership with value stream (from Living the brand)
3. *Company and Agencies work in partnership (from Marketing organisation)*
4. *Universal planning and evaluation framework (from Optimising communications)*
5. Service-oriented ideal (from Living the brand)
6. *Excellent at realising high-value propositions (from Living the brand).*

Implications for direct marketers

Customer excellence

While business success depends on many factors outside the direct control of the organisation, such as economic and social trends, any organisation or brand that wants to succeed should remain committed to creating an enhanced customer experience, or rather experiences. The difference between commodities and successful brands is that successful brands create distinctive value, at an economic cost. This value, once locked into customer perceptions, becomes brand equity, which is typically a measure of future cash flow deriving from this perception. As a number of commentators have observed, notably Pine and Gilmour⁶ in their discussion of the experience economy, the entire brand organisation is in the show business, presenting and sustaining an experience for its customers. Traditional societies created sacred rituals investing special meaning in many aspects of life, including cooking, eating, work and even play. Today, advertising, packaging, service and the consumption experience of the product itself often provide something similar by investing a kind of power, glamour or soul in their products and services. Even the most basic commodities, such as gas and electricity, may need to be imbued with something special in

Successful organisations or brands should remain committed to creating an enhanced customer experience

Table 1: Integrated marketing competency factors

<i>Living the Brand</i> (0.68 correlation) 12% of brands are strong	<i>Customer knowledge management</i> (0.5 correlation) 7% of brands are strong	<i>Marketing organisation</i> (0.49 correlation) 17% of brands are strong	<i>Optimising communication</i> (0.51 correlation) 13% of brands are strong
<ul style="list-style-type: none"> • Service-oriented ideal encourages aligned commitment. Everyone nurtures brand. • Future vision is consistent with core truths. • Values in company culture support brand values. • Excellent at realising high-value propositions. • Quality is what is good for the customer, employee(s) and company. • Objectives are coherent with our competence. • There are no silos. • Culture encourages people to release creative potential. • Effective partnership with value stream. • Business processes aligned to brand. • Leaders promote what they practise. 	<ul style="list-style-type: none"> • Quality customer information timely at point of need. • There are no silos. • Practices ensure shared learning across the organisation. 	<ul style="list-style-type: none"> • Communication is aligned by a media-neutral idea. • Marketers are organised around customer groups and not disciplines. • Company and agencies work in partnership. • Evaluation is managed as a learning discipline. • Seniors are multi-skilled across communication disciplines. 	<ul style="list-style-type: none"> • Understanding customer groups. • Managing customers on a lifetime value basis. • Deploying a universal planning and evaluation framework. • Leaders promote what they practise.

order to win and keep customers, as the recent UK history since privatisation has demonstrated (see below). Apple, Nike and Virgin are frequently cited examples of power brands, but we have also found that almost everyone can mention a local hairdressing salon, restaurant, dentist or tyre repair shop that demonstrates the principle. Almost anything can be glamourised. Some brands glamourise sheer reliability (FedEx), some precision engineering (Audi), some economy and choice (Tesco) and some glamour itself (L’Oreal).

Customer excellence is a single coherent measure of customer experience that managers can use to operationalise excellence in this field. It can be used in strategic planning, customer research design, business process improvement, KPI evaluation and training. Each of the five factors has a significant tradition within the marketing and

specifically direct marketing community. Given that each factor is relatively well established and explained in the previous paper, only brief background comments will be made.

Five factors

1. *All brand experiences come from one identity*: The importance of avoiding a clash between dissonant images and associations, or between promise and reality, is well attested.⁷⁻⁹ Consequently, marketers need to understand the unique identity of the brand or firm and implement this across all touch points, including but not restricted to paid-for media. Direct and relationship marketers have learned to map out customer touchpoints and use this not only to support media planning but also to design a consistent high-quality brand experience¹⁰ as well as database design.¹¹ Consequently, every communication needs to be seen and managed as part of the brand development mix. The development of the internet as a trendy, habit-free direct marketing/interactive channel helped to overcome historic tendencies to reduce direct marketing to direct response. As in the case of the National Trust, whose direct marketing department led a brand building project,¹² and ICG, a leading international financial services firm that re-branded in 2006 as a result of a website development project, direct marketers should as a minimum be committed to being 'on brand' and potentially leaders in developing 360° competence. While our research suggests a strong emerging consensus for this expanded view, the community remains divided in practice. Behavioural habits change more slowly than intentions. Furthermore, until a new set of effective methods are generated to replace the old ones, there is a tendency to be driven by traditional planning and assessment frameworks. Direct marketers often suffer from the commonly occurring problem: what they are measured on (responses) conflicts or does not match up with what they are expected to do (enhance the brand).
2. *Customers trust your promises*: In the first instance, this capability relates simply to being a trustworthy brand, but this critical performance area¹³ also refers to the necessity of making promises, which has a long tradition in both service and direct marketing. For example, Jenkinson,¹⁴ following Hart,¹⁵ noted the opportunity to develop 'Guarantee management' as a critical part of good direct marketing practice, using guarantees not only to reassure customers but also as a strategic business development tool, a benefit confirmed by recent studies.¹⁶ When you make a large promise to customers, it creates a strong focusing force across the organisation. Direct marketers have always understood the importance of trust and guarantees because, operating at a distance, they are more vulnerable to customer mistrust, a lesson that Amazon applies well with strong guarantees prominently displayed.
3. *Treating customers in appropriate ways* involves having different treatments or propositions to offer and being capable of targeting

them effectively, both good direct marketing practices. Much effort has, however, been focused only on financial segmentation, such as catalogue marketing's emphasis on recency/frequency/monetary segmentation. More advanced understanding of customers, however, focused on difficult to achieve but worthwhile goal of attitudinal segmentation,¹⁷ which leads to greater capability in value creation, as Tesco has demonstrated. Often such segmentation can be implied from within the database; for example, the purchase patterns of goods or services indicate customer attitudes and interest/attitude-based communities. A pharmacy chain is able to identify consumers who are more likely to be hypochondriac, while Amazon uses advanced algorithms to recognise customer interests and make tailored recommendations. Alternatively, customers can be invited to provide information, as Amazon also does. The Times Previews sends personalised newsletters to readers based on their interests with results that suggest substantial increased newspaper circulation. Data can also be added from market research, using quantitative analysis of attitudinal and behavioural factors to develop community or tribal clustering, as Harley Davidson has brilliantly demonstrated.¹⁸

4. *Recognising customers whenever appropriate* is a platform for delivering personalised value as well as making an important emotional contribution in its own right.¹⁹ It has therefore been an important ROI justification for many loyalty and marketing technology initiatives. For example, investment by Tesco in its Clubcard is a means to recognise individual customers. This has a dual effect: it acquires information and it creates a platform for individual service.
5. *Making customers happy*: While this may be considered obvious, relationship marketing programmes, loyalty ladders and research techniques for understanding the loyalty value pyramid (such as the BRANDZ research by WPP) have become a staple of (direct) marketing best practice, influencing FMCG, retail, finance and other sectors. Happy customers are more likely to notice and like the brand's advertising and communication, are more respondent, loyal and give a larger share of wallet.²⁰

The five factors are a coherent measure of customer experience

Confirmation that these five factors are a coherent measure of customer experience and that each of them has strong links to the competencies developed by the direct marketing community indicates the strategic importance of its skills and thinking. During the course of the last 20 years, we have seen a shift from direct marketing as an activity carried out either by 'mail-order' firms (an important but highly defined sector) or by relatively junior specialist practitioners responsible for specific tactical roles. Today, direct thinking is often fundamental to the business model and strategy. The implications will be discussed in the conclusion.

Applying the core integrated marketing competencies in direct marketing

Living the brand

Each of the four core marketing competencies shown in Table 1 consists of a cluster of performance attributes, representing competencies of the firm. Space permits only a brief exploration of each. Living the Brand has the most general attributes. Even here, however, there is a considerable opportunity for applying direct expertise to internal marketing and employee communication. The task of mobilising employees to 'Live the brand' is clearly related to mobilising customers to 'Love the brand'.

Need states

Furthermore, 'Excellence at realising high value propositions', the creation of a distinctive value proposition, or offer, which is a basic skill of direct marketing, is one of the six BECAUSE factors that together account for 50 per cent of customer experience. Value is a difficult concept. What the brand communicates, whether through the product, service or communication, is essentially its value; this can also be described as its meaning for the customer. Value is related to need states: the satisfaction of need states creates value. A consumer's need states are related to their personality and lifestyle/stage. Communication can stimulate or alter a need state: the consumer who suddenly realises their status requires a new hat or golf clubs. Alternatively, it can point out the product benefit that matches the need. Great (direct and other) creatives owe their genius to the ability to identify the compelling value in a product and express it in such a way that it evokes and speaks to the need state of the consumer. Creatives often see potential innovations in value propositions: they recognise the need state and what would satisfy it. This suggests that marketers could use (direct) creatives to help with design of value propositions as well as the executions to promote them.

An even larger opportunity exists. Calder and Malthouse²¹ regard the 'brand concept', which defines how the consumer should experience the product, as Integrated Marketing's defining principle because it creates the value framework for the organisation. The Centre's case studies confirm this potential and an emerging role for agencies. M&C Saatchi helped the Automobile Association redefine its mission,²² as did Enterprise IG for British Gas (Doing the right thing) and Ogilvy for IBM (e-business). Saatchi and Saatchi's decision to reposition as an 'ideas agency' is a consequence of this shift in perception. This is not exclusive to 'advertising agencies', as it is an integrated agency, AIS with strong roots in direct marketing whose work redefined SEEBOARD Energy. For Harley Davidson Europe, Cricket, an agency that largely focuses on dealer relationships, provides a similar strategic role.

Customer knowledge management

The second cluster is in the heartland of 'direct'. It consists of three interconnected performance capabilities:

1. Quality customer information timely at the point of need.

2. There are no silos.
3. Practices ensure shared learning across the organisation.

The first is a primary objective of CRM. Many of the questions and competencies outlined in QCi's CMAT, a CRM audit tool, support this capability.²³ Applications include mapping touch points and data needs, with advanced applications such as event-driven communication using business rules or statistical profiling. Such relatively technical applications can lead to strategic planning, business culture and business process changes.²⁴

Shared learning

'Shared learning' is not only important for customer information but also for breaking down barriers ('no silos'); these factors are clearly related. Knowledge management is often regarded as a facet of CRM, collecting and deploying information about customers and value propositions to support employees. There is therefore a benefit if practitioners of these two management domains collaborate. Silos are gaps in the organisation that break down shared learning, shared understanding of customers and shared collaboration in the provision of value. This critical performance area scored lowest in the study, but is at the heart of integrated marketing. It confirms the need for organisations to develop greater knowledge of their customers and to deploy business processes, technology and cultural characteristics that develop unified collaboration and better service. This is not a new idea, but remains a real need relevant to CRM practitioners.

Optimising communications and the marketing organisation

Given the need for brevity, a summary of key findings related to the final two clusters, Optimising Communications and the Marketing Organisation, will be dealt with together, along with the remaining two key BECAUSE factors, 'collaboration between agencies and client' and the use of a 'universal communication planning and evaluation method'. The (qualitative) open planning/MNP best practice research project (described in the first paper and including senior marketers from agency and client including IBM, Masterfoods, Land Rover, Financial Times, Ford, NSPCC, Lloyds TSB, Wunderman, MindShare, Cricket, Mercier Grey, Brodeur²⁵) made substantial recommendations for change in thinking, organisation structure/process and planning methodology.²⁶ The qualitative and quantitative studies were mutually reinforcing.

The use of a big media-neutral idea to integrate communications helps to put all disciplines and media on an equal footing. An example is BMW's relaunch of the Mini with the creative platform 'mini adventure'. Each communication featured the Mini having a short adventure (even saving the world). The creation of a truly media-neutral idea is not as easy as it seems. Not only must it have affinity with the brand (essence and personality) but it should also not favour one form of communication. For example, PR professionals commented that 'advertising ideas' are sometimes problematic for them.

**Agencies should
become a team of
equals in partnership
with the client**

Advertising agency planning can include envisioning brand stories, not unusually 30s long. Similarly, direct marketers often begin with an offer or value proposition rather than a media-neutral idea. Integration does not mean taking a graphic image from one medium (eg a still from television) and then replicating it in others. If each group, however, develops their message (content and execution) independently, there may be dissonance or lack of synergy between them. This is a skill the industry needs to develop, yet to date there is no established term for it, although 'platform' has some adherents. The importance of such an idea can be further extended into organisation strategy: an entire organisation can be strategically focused by a large 'organising idea', as IBM was with 'e-business' or NSPCC with 'FULL STOP'.

A new relationship also needs to develop between clients and agencies and between the agencies themselves so that agencies become a team of equals in partnership with the client. This is not a new idea²⁷ and it has been very successfully practised, for example at the NSPCC where Saatchi & Saatchi and WWAV negotiated a partnership that has since been successfully extended across all external and internal agencies, including PR, with the collaboration and leadership of the client.²⁸

There are a number of attitudinal and policy changes needed to make this work. Social skills feature as a key part of the job, for example. But it is also important that the economic relationship supports partnership rather than competition. One proven method based on the psychology of reward structures²⁹ is to structure payment so that it consists of two or optionally three elements:

1. base fees to cover actual costs
2. supplementary income based on the overall performance of the group of agencies rather than on each one individually
3. an optional third element reflecting specific exceptional efforts by the individual agency.

The single most radical idea is the adoption of a universal communication planning method. This concept is also related to the idea of a universal currency for evaluation. The logic for adoption is based on a reappraisal of traditional methods.

1. Traditionally, each marketing discipline designed communication according to its own methods and priorities. These tended to reflect the individual characteristics of the method, including the media employed, and the political or sales argument its practitioners used to establish competitive advantage in the battle for budget. In particular, the direct community has claimed the benefit of 'accountability'; it then follows that client's focus on counting responses, which in turn drives creative endeavour. Direct marketing's success as a response counting specialist then disenfranchised it as a brand attitude or image influencer.

Stereotypes are unlikely to optimise resources and communication

Consequently, the full potential of each discipline and media type may be overlooked.

2. Communication planning is also seemingly simpler when each type of communication has a benefit stereotype that can be assembled like so many pieces in a jigsaw to make the 'integrated plan'. At its crudest, this divides into above the line and below the line activities, with the former designed to create attitudes, which have enduring benefits in creation of brand equity, and the latter designed to create immediate sales. Budgets for these two are then separately allocated, typically in advance for the whole accounting year, with communication activity measured according to its allocated budget head. While there has been broad agreement for some time that this is indeed crude and misplaced, the structure is still widespread. The same thinking also applies to rubrics such as 'advertising is for awareness, PR for fame and direct for sales'.

3. While such stereotypes are convenient, may have grains of truth, and benefit from established procedures for using them, they are unlikely to optimise resources and communication. Communications do not divide purely into long-term image and short-term results, nor is any form of communication restricted to one effect. Logically, any communication paradigm that assumes this will lead to sub-optimisation of results. During the research, experienced practitioners affirmed a breadth of possibilities for any communication/method. This is supported by quantitative data: a DunnHumby study using the Tesco Crucible database, which the Centre audited, reviewed the use of mail media across 31 FMCG brands, with an aggregate mailing volume of over 9 million packs. The study found that mail not only lifted immediate sales by a median 21 per cent, or an average 2 per cent increase in brand share (as might be expected from a 'response medium'), but also shifted brand attitudes, on average maintaining 60 per cent of sales uplift over at least 9 months, the period of the study.³⁰ Consequently, as a minimum, each communication may be allocated along the spectrum between these two polarities reflecting some inclusion of both elements. Put simply, it is unlikely that a communication that attempts to generate an immediate sale will not create an attitudinal effect; and it is similarly unlikely (and unwanted) that an attitude-shifting communication will have no effect on purchase intention.

4. In reality, however, communications do not map onto such a simple polarity. If marketers want to optimise their communications they need an intelligent framework that maps reality more closely. Consumers undergo a range of different mental effects, including shifts in their thinking (cognitive effects, beliefs), their emotions (affects, feelings, affinity, relationship) and their intentions (conative effects, intentions, eg to buy), the three components of attitude, so that any communication could plot its relationship to all

these three factors as a minimum. Indeed, many agencies use these three as elements of their creative brief. In our interviews, we noted several media planning agencies, communication agencies and industry taskforces studying media neutral planning and other techniques to achieve 'common-currency' or what our research termed 'universal planning' methods. We also noted the success of research companies like Integration MCA in developing single frameworks for the media analysis of contact points. Adoption of such a method would constitute a fundamental and much needed shift in communications thinking.

5. A planning model with five dimensions known as CODAR was developed to test the efficacy of such an approach. It has been in successful commercial use at IBM, NSPCC, Masterfoods and elsewhere, and with a variety of agencies. Results suggest that any and every communication can indeed be planned and then subsequently evaluated using the same planning framework, which may also be used as a design standard for research. Furthermore, the ability to link these communications for budgeting costs and performance expectations through a hierarchical communication structure (from overall campaign objectives through to each specific tactic and back) has also been demonstrated.³¹

Creative disciplines can fuse and blend

Senior marketers indicated strong agreement that this leads to a new marketing communications outlook and creative philosophy.³² Just as there has been widespread fusion between musical styles, popular, classic, jazz, world, etc, over the last few decades, so can creative (marcoms) disciplines fuse and blend, and routinely do in the most successful work. A variety of case studies were observed to demonstrate the general principle that any discipline can work with any medium, and any discipline and any medium can achieve any mix of communication objectives, if required and appropriate. From observation of a smaller group of examples, it also seems likely that a group of individuals can successfully collaborate in the design and execution of a piece of creative — in one case the advertising agency wrote packaging copy and the package design firm contributed to the website.³³ A number of instances were quoted suggesting ideas can also come from anyone or/any part of the team. There is, therefore, limited intellectual justification for traditional planning methods.

Change will have another benefit. In every study that we made, we found that clients were generating overly simplistic briefs. The agency, either at account management/planning or creative level, commonly, reinterpreted the client brief to a more balanced and complete intention, recognising that without this communication would not be effective. This gap between the formal client objectives and the actual operational objectives used by creatives, which may not be formalised, leads to inefficiency in planning and learning. Put simply, the brand can fail to recognise what really works.

Conclusion

This research leads to two sets of interrelated implications and recommendations beyond the relatively trivial suggestion to:

1. develop excellence in the critical customer experience factors
2. focus on the six key performance indicators that drive customer experience (the BECAUSE factors)
3. develop the core Integrated Marketing competencies: Living the Brand, Customer Knowledge Management, Marketing Organisation and Optimising Communication.

The two broadly related conclusions are that:

Broadly related conclusions

1. direct marketing, in its broader understanding as a practitioner community concerned with the management of personalised value relationships with customers, has a significant strategic role to play in the development of best practice; and also
2. the maturing of the direct community implies a broadening and universalising of its method of communication planning as well as the potential contribution that it can make.

The introduction noted that direct marketing is capable of more than creating and measuring a response, useful as this is. It can and should be critically concerned with soft issues such as brand attitudes, loyalty and brand identity. Given that companies are spending millions of pounds on direct marketing activities with no qualitative research to understand these wider effects, this is an important finding to underline.³⁴ It is equally clear that there are skills embedded within the direct community that could have relevance to the broader development of strategic capability, business propositions and brand value.

We noted sufficient examples of good practice to know that this is more than idealism. SEEBOARD Energy (now part of EDF Energy) applied a vigorous integrated approach to recovering from a marketing and business crisis following energy privatisation.³⁵ Direct competency underpinned their commitment to transform the individual experience of customers and develop a relationship with them. For example, they appointed Customer Experience representatives who were responsible for collecting and collating customer experience, drawing knowledge from dozens of contact points. Direct marketing was also crucial to the development of a new product that was an industry innovation and proof of brand concept for consumers. Advertising thinking led to the development of a big service and branding idea that operated as a fulcrum for the transformation of internal and external attitudes, while PR thinking helped form events and stories that built involvement and belief. An active programme involving hundreds of staff led to changes that improved quality, relevance and consistency of brand experience.

Many other examples could be cited, notably Tesco, which promises and then delivers benefits across a broad front ('Every Little Helps') and uses the data developed from its massive Clubcard programme, in combination with other research programmes, not only for loyalty and

The personalised philosophy of customer relationship management is crucial to the future of marketing

promotions programmes but also to design a wide range of in-store tailored experiences, beginning with product range. And this is not just a matter for large firms. Royvon has a chain of dog training centres and recently won an award for an ingenious customer relationship management programme. Owners leave their pets to be trained. The trainers use a structured reporting programme to give the owners a day-by-day account of progress, beginning with a prompt reassurance that their pet is well and settling in. This is a beautiful example of using customer information to provide personalised communication and it has resulted in substantial increases in both customer satisfaction and sales, benefiting from word of mouth. But this is more than just a communication programme: it involves a fundamental structuring of the service process and the trainer workflow, reflecting a form of quality guarantee: we observe what is happening to your pet in the greatest detail and let you know exactly what is happening. Furthermore, it intelligently anticipates the fact that unless the owner reinforces the training it will be less successful. So the communication also builds in a series of tips that train the owner along with the pet.

Together, these and other examples suggest that the personalised philosophy of customer relationship management that underpins 'direct' is crucial to the future of marketing at a broader and more strategic level than simply the generation of promotional responses. At the same time they suggest that the core competencies of each discipline can be fused, merged, mixed or composed in a variety of ways to suit the personality of the brand and practitioners, and the business need. Furthermore, smart marketers expect more than a one-dimensional result from each communication piece. The new understanding of communication leads to a new understanding of creative intention. In particular, while direct marketers will still be tasked with helping to improve brand sales, the full scope of their capability should be progressively liberated. This combination of strategic importance and liberalisation of the direct suggests a significant career opportunity for the discipline and its practitioners.

There are enough examples to show that agencies do not need to wait for clients to adopt the new techniques, nor do direct marketers need to wait until advertising or media agencies make them fashionable and commonplace. They can begin to think, train and practice in a more ambitious universal planning mode. Such methods are already included in IDM professional certificate courses and the IDM has indicated that it is committed to further development in this direction. Clients and agencies can also look for smarter partners and progressively develop the techniques together. Any person anywhere can begin to think from a broader framework even if they have to subsequently fit this into a limited template. The future really is now.

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