Cycle Time

Mastering the engagement cycle

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In this installment of cycle time, I intend to introduce a new series of columns that will explore the end-of-the-digital-asset-value-chain: customer engagement (CE) and a breakthrough approach for using digital asset management (DAM)-enabled processes to engage customers.

According to the English-language version of Wikipedia on 2 January 2009 (edited here for concision), *customer engagement* refers to the engagement of customers with one another, with a company or a brand – either consumer- or company-led using offline or online media.

Unlike the marketing term, *positioning*, no single source defined CE. Discussed widely online and representing hundreds of published pages with reader comments, CE has become the topic of numerous conferences, seminars and roundtables.¹

Customer engagement presumes a longer term, more strategic context with the assumption that simply maximizing for sales conversions can decrease the likelihood of repeat conversions. Customer engagement aims at *long-term relationship*, customer loyalty and advocacy through word-of-mouth referrals and recommendations.

Customer engagement in *online media differs from offline engagement*: the nature of the customer's interactions with a brand, company and other customers; discussion forums, social networking sites, *blogs*, and rankings enable people to communicate in ways not possible in most offline media. The rise of online *user-generated content* now makes customer advocacy and antagonism a common feature of most markets.

Customer engagement enables organizations to more effectively respond to the fundamental *changes in customer behavior brought about by the Internet*. Customer engagement addresses the need to offset the increasing ineffectiveness of the traditional 'interrupt and repeat,' broadcast and print advertising approach.

Customer engagement enables organizations to overcome the following *sources of increasing loss in market power*:

- fragmentation of media and audiences;
- greater specialization of media content;
- consumer expectation for variety and convenience;
- simultaneous multichannel media consumption by consumers;
- instant messaging among peers while consuming media;
- lower physical switching costs for most products and services;
- widening of geographic market access;
- lower reputation among some consumers of many corporations with non-sustainable offerings and offensive policies.

Customer engagement seeks *deeper and more frequent customer contributions* as an important source of competitive advantage: public endorsement of advertising themes, user-generated product reviews, customer service FAQs, and so on.

A WORKING DEFINITION

Wikipedia offers the following definitions of online CE:

A social phenomenon enabled by the wide adoption of the Internet, exploiting the technical developments in high-speed broadband, low-cost Internet-connected devices and digital media.

The behavior of customers that participate in online lifestyle communities, directly or indirectly, associated product categories (cycling, sailing) and other consumption topics; a socialization process that induces participants to create positive association with sponsoring companies or user groups.

Marketing practices that create, stimulate or influence CE behavior.

Metrics that measure the effectiveness of the marketing practices that seek to create, stimulate or influence CE behavior.

INDUSTRY PROOF-POINTS

Amazon recently re-branded itself, using the slogan ‘Serving the world’s largest engaged online community.’

The World Federation of Advertisers (WFA) offers a ‘Blueprint for Consumer-Centric Holistic Measurement.’

The Association of National Advertisers (ANA), American Association of Advertising Agencies (AAAA) and the Advertising Research Foundation (ARF) now operate an ‘Engagement Steering Committee’ to define metrics for CE.

Nielsen Media Research, IAG Research and Simmons Research all pursue the development of a CE definition and metric.²

In March 2006, the Advertising Research Foundation announced the first definition of CE,³ at the 52nd Annual ARF Convention and Expo: ‘Engagement is turning on a prospect to a brand idea enhanced by the surrounding context.’

Some theorists and practitioners refer to CE as the *stages through which consumers travel* as they interact with a particular brand and develop deeper bonds of affection and reciprocity.

This Customer Engagement Cycle, or Customer Journey, has been described using a myriad of terms but most often consists of five different stages: *Awareness, Consideration, Inquiry, Purchase and Retention*.

Marketers employ *Connection Strategy* to speak to would-be customers at each stage, with media that addresses their particular needs and interests.

When conducting Search Engine Marketing and Search Engine Optimization, or placing ads, marketers must devise media and/or keywords and phrases that encourage customer flow Customer Engagement Lifecycle towards Purchase.

Because the various definitions often focus on entirely different aspects of CE, competing definitions often illuminate hidden or obscure aspects of CE.

INTRODUCING THE ENGAGEMENT CYCLE

As we discussed in the column just previous this column, customers navigate markets as

concentric rings of trust within their individual brandspaces (unique to each customer), arriving at the *brand engagement theaters* of their trusted brands. What then ensues comprises the seven phases of the engagement cycle (depicted in Figure 1). *Brand engagement theaters* constitute the first phase, presenting content, navigation, presentation and context. *User reactions* may entail reading or viewing, clicking through the next page or section, or exiting. Key point: Most visits exit for reasons unknown, a strategic breach that engagement managers must address with session-monitoring systems. *Behavioral data* from most Web analytic systems provide useful but minimal insights of both anonymous unnamed and named users. The next frontier of behavioral data will include interaction data from inside immersive rich-media streams and video, documenting where users went and what they did. *Analytic insights* include other sources of data: customer databases, social media monitoring, voice of the customer and newer Web analytic tools. *Content-user requirements* specify what types of ‘information food groups’ that particular high-value customer segments prefer; this will require a formal information consumption model and procedures for directing content creators to produce required information, matching user-consumption profiles to classes and types of information and media formats.

Content optimization starts with semantic tagging of Web pages and documents, creating topic maps (similar to tag clouds, only specific to an individual page) and metadata sets that later will power faceted search and dynamic navigation.

Contextualized content uses behavioral targeting, semantically tagged content (that enables dynamic composition of topic maps or page-specific tag clouds), faceted navigation (dynamically constructed keywords within a multi-tiered hierarchy or taxonomy), and user-account histories, journals and personal collections within the site.

CLOSED-LOOP FEEDBACK SYSTEM

It then follows that the transit from awareness, consideration and trial to purchase, adoption, commitment and advocacy – stages of the brand

Figure 1: Seven stage cycle creates customized content

lifecycle – comprise hundreds of discrete engagement cycles.

The structured model below supports these key insights:

- Faster engagement cycle times induce greater levels of engagement.
- Fewer defects in delivered content, navigation and presentation increase the probability of success.
- Most defects occur unnoticed, leading engagement managers to make the same mistakes again and again.
- Automation and policy management of content workflows can reduce the number of defects.
- Voice of customer systems provides critical insights as to what's broken, missing or needed.
- Analytic insights and voice of customers must inform content creation; this requires formal

systems for documenting content-user requirements.

- Effective engagement requires governance: someone within the firm must step forward and take ownership of the engagement cycle.

In future columns we will explore each of the capabilities indicated in the Engagement Cycle, demonstrating how DAM and DAM-enabled business processes will drive the next revolution of marketing: Customer Engagement!

Notes

- 1 http://en.wikipedia.org/wiki/Customer_Engagement#cite_note-1.
- 2 http://en.wikipedia.org/wiki/Customer_Engagement#cite_note-2.
- 3 http://en.wikipedia.org/wiki/Customer_Engagement#cite_note-3.