

Five reasons why the time is right for Customer Centric Marketing

With up to 10 times more profit than less tailored communications, if you haven't already, maybe now is the time to take a closer look at Customer Centric Marketing?

Customer Centric Marketing may be a relatively recent addition to the marketing lexicon but the concept behind it is not. Customer Centric Marketing is really just another term for what all good marketers know as effective targeting ... but taken to a new, more personal level. The art of understanding your target audience, how it segments and how the differing needs of those segments impact on both your product offering and marketing communications hasn't changed. Customer Centric Marketing is an approach that places the individual customer at the very centre of marketing design and delivery and recognises that there is no such thing as an "average customer", that everyone is unique and therefore so are their demands on you.

At its heart lies data, data that drives personalised targeting and insight that helps optimise the relevance of each message. And whilst data and its stewardship have made the headlines recently, and not always for good reasons (Facebook and Cambridge Analytica spring to mind!), we're convinced that there's never been a better time to pursue this approach. Here are five reasons why:

Reason one: consumers want it

Conventional wisdom would suggest otherwise and it's certainly true that consumers are, more than ever, wary of their personal data being mis-used. However, they're also unenthusiastic about unsolicited, poorly targeted communications that don't reflect their needs. In a recent survey

"40% stated they'd be less likely to buy from a company who sends them multiple communications that are irrelevant and don't meet their needs"¹

This survey was from the travel industry but there is little reason to assume that the result would be significantly different in the financial sector.

Reason two – legislation demands it

Secondly, there is the small matter of the recently enacted data protection legislation, GDPR. One of the main principles enshrined in GDPR is the importance of putting consumers in charge of their own data. The other main change is that all organisations have

¹ Source: Boxever survey "Grounded by Untargeted Marketing", 2015

to be accountable for what they do with personal data and transparent about how they use it. Some organisations have seen this as a threat, but that should not be the case for any responsible and reputable organisation. Instead,

“UK businesses should seize upon GDPR as the catalyst to transform their businesses into human-centric ones.”²

Reason three – financial services has a head start

It’s also worth remembering that in the financial sector there is a legislative requirement to Know Your Customer. This puts specific requirements on gathering and storing essential facts on each customer and ensuring that the products sold to them are appropriate for their needs. This customer data potentially provides a valuable resource for adopting a Customer Centric Marketing approach - so the financial sector is already at an advantage to other sectors where customer data is harder to acquire.

In FMCG for example, data capture is much harder to come by and many different strategies are employed.



This example generated a lot of push-back on social media including this gem on LinkedIn...

“It’s not free beer. You are paying for it with your data... It’s actually very expensive beer.”³

As the above example shows, consumers now have a much greater understanding of, and expectations for, the use of their own personal data. They know that their personal data has real value and are becoming much more aware of the tactics that organisations use to entice them to share it.

Reason four – it’s no longer the expensive option

So if consumers’ data is more valuable and they have more control of it, and organisations have to be accountable for how they use it, does this not make Customer Centric Marketing a necessity rather than a luxury? If so, is it something that only large organisations who can afford ‘Big Data’ platforms can access or is this something that every organisation, regardless of size, should embrace?

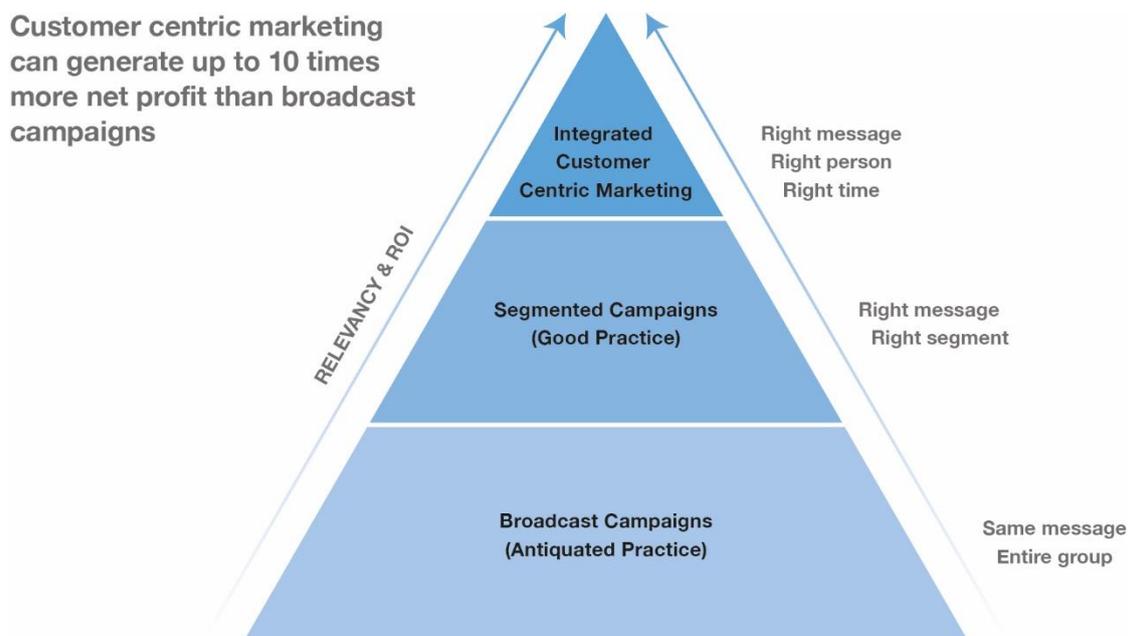
² Source: DMA, presented at Marketing Society Scotland Digital Day 2018

³ As 2.

Marketing sophistication has been transformed over the last few years with the impact of digital marketing, digital print, massively increased computing power enabling data science techniques, sophisticated customer data platforms, to name but a few. This transformation has massively reduced the cost of improved targeting. Taking digital print as one example, it is now no more expensive to personalise imagery and text to different audiences as to produce the same template for everyone. So, personalisation is much more affordable across many channels if the power of the data can be unleashed efficiently.

Reason five – it pays dividends

Finally, many marketers have known for some years that targeted, personalised, relevant communications drive profitable, incremental sales from your customers. Indeed, many research projects and countless client campaigns from our own experience have proved as much. And, with the rise of more cost effective digital print and cheaper online communications this has never been more true.



So, is now the right time to overcome your fear?

So customer centric marketing: it is no more expensive to produce, it generates a better ROI, it is less likely to drive away consumers through badly targeted marketing, and there is a strong legislative imperative too. What is not to like?

Whilst it may feel a bit scary at first, with our expert team to guide you there has never been a better time to take the data-driven, personalised approach to your marketing strategy.

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