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Beyond Ecommerce

Treating the Internet as a new and different world is so last year. Danielle Green finds out that taking a pragmatic approach to ebusiness is what this year's winners are doing.

For too many years the bricks and mortar sector laboured under the misconception that ecommerce was an area to be treated separately from core offline business. Web sites were spun out as autonomous concerns and online marketing was often viewed as some kind of dark art, the secret to which was locked away in the minds of a few pureplay dotcom geniuses.

Use your experience

Thankfully, with a bit of experience under their belts and the benefit of hindsight, companies are starting to realise that the best way to make money out of their ecommerce business may be to

approach it in a more integrated way. In turn, by incorporating Web business into the whole CRM process, companies are finding that actually, in terms of selling online, for the most part basic direct marketing principles apply.

Strip the direct marketing ethos down to its core and what you have is a requirement to offer a tailored, personalised proposition. Not rocket science, you would have thought. But check out much of the ecommerce offerings on the Internet and what you encounter is little more than unimaginative, one size fits all, virtual catalogues.

It is a state of affairs that leaves Andrew Pearson, regional manager UK and Ireland at content per-

sonalisation software provider Vignette, bemused and exasperated. "There is this blindness out there when it comes to Internet business," he despairs.

"Companies are not really taking up the use of personalisation technology fully and if you parallel that with 'real world' business it's all about personalisation.

"It's about customers physically walking into a shop or a bank and as soon as the shop or bank assistant opens their mouth you're getting a personal service and they are catering to your specific needs. On the Internet, with a few notable exceptions, retailers have deployed a one service suits all model that they wouldn't dream of employing in their other channels. So why should their Web site be any different?"

One of the notable exceptions

Pearson is alluding to is the Prudential- owned online bank Egg. Where Egg differs from some of its counterparts is that in-built software enables it to track users' movements on the site, commit that information to memory and ensure that each time that user re-visits the site, he is only presented with relevant information.

"Egg's site, rather than being very busy with loads of different information that makes you wonder where you want to go, is very clean, very simple," continues Pearson. "The things you most commonly do are placed right in front of you and the stuff you don't normally need is hidden away elsewhere. It



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Andrew Pearson, UK and Ireland manager, Vignette.

comes down to good front-end design and flexible systems to enable you to deliver different content and functionality to different people."

The Web's unique selling point is also that it provides a quick, convenient medium for purchasing goods and services. Make that process slower, or more difficult than it needs to be by failing to tailor content, and, warn the experts, you are going to lose sales.

"There is a rule that applies to Web sites which stipulates that if you can't get to where you want to go within three clicks you are going to say 'forget it' and get out of there," explains Claire Middleton, business development director at DM agency Draft Worldwide's ecommerce arm DraftDigital.

"People are still making the mistake of thinking that customers are going to sit there and click through loads of stuff" continues Middleton. "But they're not.. If you make it in any way difficult or irrelevant for them there are eight million other Web sites they can go to. You've got to keep it simple and tailor it as much as you can."

Remember the basics

Again, there are echoes of the traditional direct marketing ethos in the phrase "keep it simple". It doesn't matter if you are dealing with a customer online or offline, if you want them to respond to a communication, you've got to make it a hassle-free process. In the world of direct mailing that means including a prepaid addressed envelope. Similarly, in the world of ecommerce it means inserting a hot link in your email communication.

"The key thing to remember about marketing your

ecommerce site is that people will often hear about a site and be genuinely interested and genuinely mean to check it out. But when it comes to it they don't for whatever reason because it involves a certain amount of effort on their part," notes Caroline Worboys, marketing director at CRM solution provider BroadSystem's database management arm BroadData. "You have to stop that process from being a chore."

You also have to provide person-to-person contact. Companies may feel their Web site design, registration and ordering process is crystal clear, but the general public is still getting to grips with buying online. Indeed it will be some time - if ever - before they no longer require the psychological safety net provided by easy online access to a call centre and genuine 'human' assistance. Access to a call centre also satisfies the public's need for reassurance that they are dealing with a legitimate, tangible company, rather than a Mickey Mouse operation run out of some fresh-faced computer whiz kid's bedroom.

DM agency Brann Worldwide is a strong advocate of this approach. "With our clients we provide call centre capability," stresses Mike Horne, managing director of Cirencester-based Brann. "Sometimes people just need to speak to a human voice. They also want to know that there is more substance to the dotcom than somebody just working out of a garage. Generating consumer confidence is a big part of the process."



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Claire Middleton, business development director, DraftDigital.

Further, as technologies develop, this personal touch could in future drive sales by enabling call centre staff to 'push' relevant content to users' PCs. For instance, a consumer who is unable to find what he needs on a Web site could press a call button and request a particular page or specific information.

Not only can the call centre employee then upload that page to the caller's PC, but he can also push other areas of the site that he judges to be relevant, based on the nature of the initial enquiry. However, with Web site traffic still too limited to justify the type of investment required for such a system, most companies find themselves in a Catch 22 situation.

"The dilemma at the moment is that the market need is there for companies to put that software into their resident call centres because it could really help fuel sales. Unfortunately, we haven't got the volumes going yet and there's a lot of investment and a lot of

risk involved in installing this kind of system because it means you changing all your processes. In the meantime, people are using outsourcers to do it until the volume reaches sufficient levels," points out Worboys at BroadData, which is currently piloting such technology.

Elsewhere, companies are realising that to generate Internet business they need to approach customers as part of their offline campaigns. BroadData client and ski specialist Crystal Holidays, for instance, sends out direct mail pieces suggesting that consumers who require a brochure either send the enclosed coupon back, phone the call centre or order one on the Web site.

"By sending them to all these different channels it makes it slightly more challenging tracking the response, but it's doable," says Worboys. "What we do then is continue future communications with people who have come through the electronic channel via email."

Play to a channel's strengths

When pitching to potential customers, the basic DM rule of presenting a compelling proposition applies. Again, it sounds like common sense, but it's not a theory that everyone has thought to use.



Above-the-line advertising is all about attitude, whereas below-the-line is about changing behaviour

Mike Horne, managing director, Brann.

"A lot of dotcom start-ups were sold a brand story by above-the-line ad agencies and ended up pouring enormous amounts of money into establishing a name," recalls Horne. "But that doesn't make consumers understand why they should go and buy something online rather than via a traditional channel. Above-the-line advertising is all about attitude, whereas below-the-line is about changing behaviour and that's what's required when it comes to ecommerce."

However, there is a key area of difference between traditional direct marketing and the direct marketing required to drive Web-based sales. Where companies have traditionally imposed their preferred method of communication on the customer, the Web's interactive nature means dialogue between company and consumer is much more of a two-way street, enabling consumers to dictate the terms of the relationship more than they have in the past.

"A lot of technology deployed previously to manage customer relationships relied on database back-ends like call centres and sales automation systems," says

Pearson. "All this gave the organisation what one might call an inside out view of the customer - a single view from within the organisation. What technologies like ours seek to do is turn that around the other way for an outside in view that enables the customer to drive the nature of the relationship with you.



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Caroline Worboys, marketing director, BroadData.

"You only have to look at Egg whose tag line is 'Individual Money Matters'. Their pitch to the consumer is 'We want to make it easy for you to do business with us. How can we do that?'. They have treated that outside in view very seriously."

Further, with email marketing being a fraction of the cost of snail mail and telemarketing, companies can afford to adopt a more individual approach to consumers. "That idea of empowering the customer, combined with the cheaper costs involved, mean you disallow some of the traditional direct marketing approaches which are more volume-based and based on economies of scale and low percentage hit rates," continues Pearson.

Finally though, harking back to the idea of companies dovetailing ecommerce into other areas of their business, online sales should not necessarily be regarded as the be all and end all. The Internet is merely another tool in the tool box and companies have to lose their obsession with selling online for the sake of selling online when often a Web site's strength lies in driving sales through other channels.

This is the approach adopted by Peugeot whose customers predominately use the Web site for research purposes prior to visiting a dealership. The company has found that by directing people to the site dealership sales have risen significantly. "We have given people the opportunity to go online, build their own car and understand what the deals are so that when they actually go into the dealer they feel more empowered," says Horne at Brann which orchestrated an email campaign to drive traffic to the site. "We have mapped the Web activity against further sales and we can show that people who are able to do their research on the Internet feel more in control of the buying experience and actually buy."

The moral of the story being: before you do anything, recognise which customers are comfortable doing what on your Web site. Then, and only then, can you roll out tried and tested DM techniques. ■