
The New Face of Marketing Smiles on Customer Value

Whether it's the social network access of peer-to-peer marketing or the youth culture of wireless messaging, companies have never had more options to choose from when connecting with customers. But making those choices should not necessarily be a question of new technology, lower cost, or even media preference, per se. The choice should be made based on the most efficient use of your customer opportunities.

Some "new" marketing channels are now tried-and-true. A recent [Forrester Research](#) report, *Interactive Marketing Channels to Watch*, shows that 83 percent of the 259 companies it surveyed use email marketing and more than two thirds plan to increase their online activities. In terms of emerging marketing channels the report shows that social networks, RSS feeds, and advertising within video games will get the most attention and dollars over the next five years. Media, communications, and consumer packaged goods firms are the most willing to experiment with new channels because it enables them to find the most specific groups of customers.

That makes sense. We have always maintained that technology is not the driver behind customer relationships, it is simply an enabler. Now that technology is the delivery mechanism behind so much marketing activity, it's more important than ever to realize that the result is still stronger customer relationships.

"More and more companies are accepting technology as a factor in their relationship marketing strategies," says Mark Taylor, CIO of Wunderman's new customer relationship division, AME. "But relationships, not technology, are the defining factor in marketing."

Taylor believes emerging marketing channels will define customer relationships. He believes the "new" media actually goes beyond the Internet and into any kind of marketing activity that encourages interaction and learning relationships. Any touchpoint that can accomplish that mission, whether it's a mobile phone or experiential marketing, is worthy of attention.

Cost vs. value

With emerging marketing channels many companies tend to focus on the cost rather than the value. Depending on the audience to be reached and the specific goals of your marketing, email will almost always cost less than direct mail, and banner ads will almost always cost less than television. But is a medium's cost, whether measured per campaign or per customer reached, really the right decision-making criterion?

Not in our book it isn't. And we did actually write a book about it: [Return on Customer](#). No matter how many media choices there are, and no matter how inexpensive they become, there will still be just a finite number of customers and prospects, with a finite amount of attention span and patience. So don't make your media and marketing decisions based just on how many dollars you have to commit. Consider also the amount of customer attention span you have to use up, as well.

"There may be little cost to a customer interaction in channels such as email, but the opportunity cost can be very high," says Doug Bewsher, vice president of analytics for Loyalty Lab. "If you measure campaigns just by an ROI metric related to the cost of the campaign, you may miss the opportunity cost related to continual interactions with these customers. The first step to understanding this opportunity cost is valuing the cost of a consumer 'unsubscribe,' which a number of companies do. However, there are a number of more sophisticated approaches to really understand these costs, and use it in business cases or interaction models."

Measuring customer lifetime value and Return on Customersm represent just two of the advanced models that Bewsher suggests. Companies need to approach all their marketing options with the value of their customer interactions as priority one. Think of it this way, and you'll probably waste fewer customer opportunities, while creating more value for your firm.