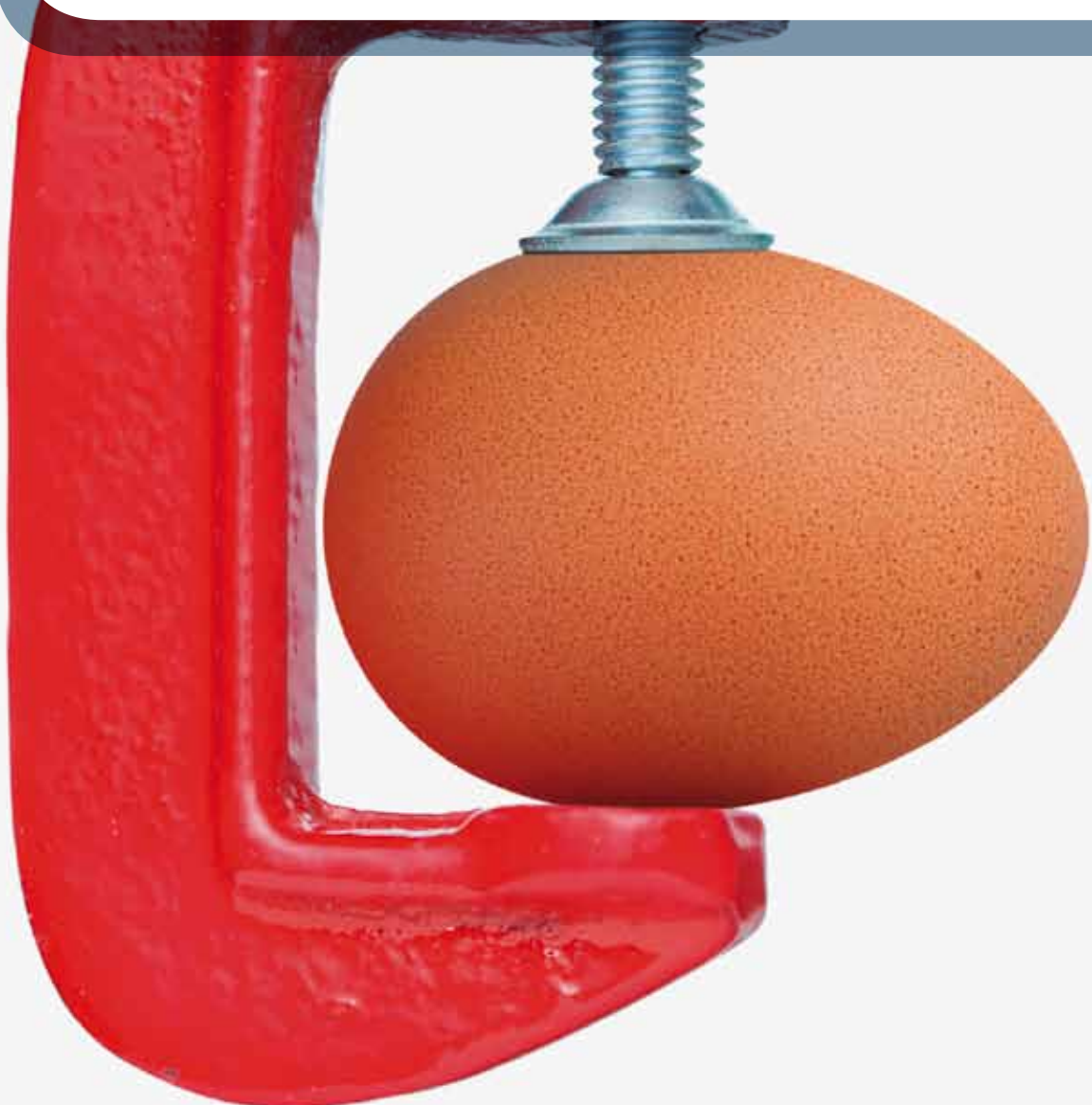




# WHITE PAPER

## EFFICIENT CUSTOMER INTERACTIONS: HOW TO PREVENT MARKETING FATIGUE?

*Optimizing communication in a cross-channel  
and customer-controlled world*



# EFFICIENT CUSTOMER INTERACTIONS: HOW TO PREVENT MARKETING FATIGUE?

## *Optimizing communication in a cross-channel and customer-controlled world*

People are flooded with marketing messages. The number of communication channels has increased explosively, and they're being used more intensely than ever. It becomes harder for companies to interact with consumers who use more media, switch from one media to another depending on their preferences and actively search for information on their own. People today decide for themselves in which way they want to get in touch with a business.

In this reality, where the empowered consumer increasingly controls communication, the keyword is relevance. Businesses must focus on the value of their messages and interactions in every single contact, regardless of the channels and depending upon the recipients. Cross-channel, relevant and real-time communication, based on customer and prospect choices, is crucial.

In their interactions with companies, people increasingly think "what's in it for me", exactly since they have more choice and control than ever before. If the communication is not relevant, from a content, frequency and channel viewpoint, they unsubscribe and lose their interest.

The results? Less leads, less loyalty and less customer interactions.

The answer? Continuously improve your communication, optimize the efficiency of every contact moment, focus on what people want, think relevance and optimize the coordination of your communication to avoid marketing fatigue and a tsunami of poorly coordinated marketing messages.

In this paper you will discover how to do just that.



# The explosive rise of communication channels

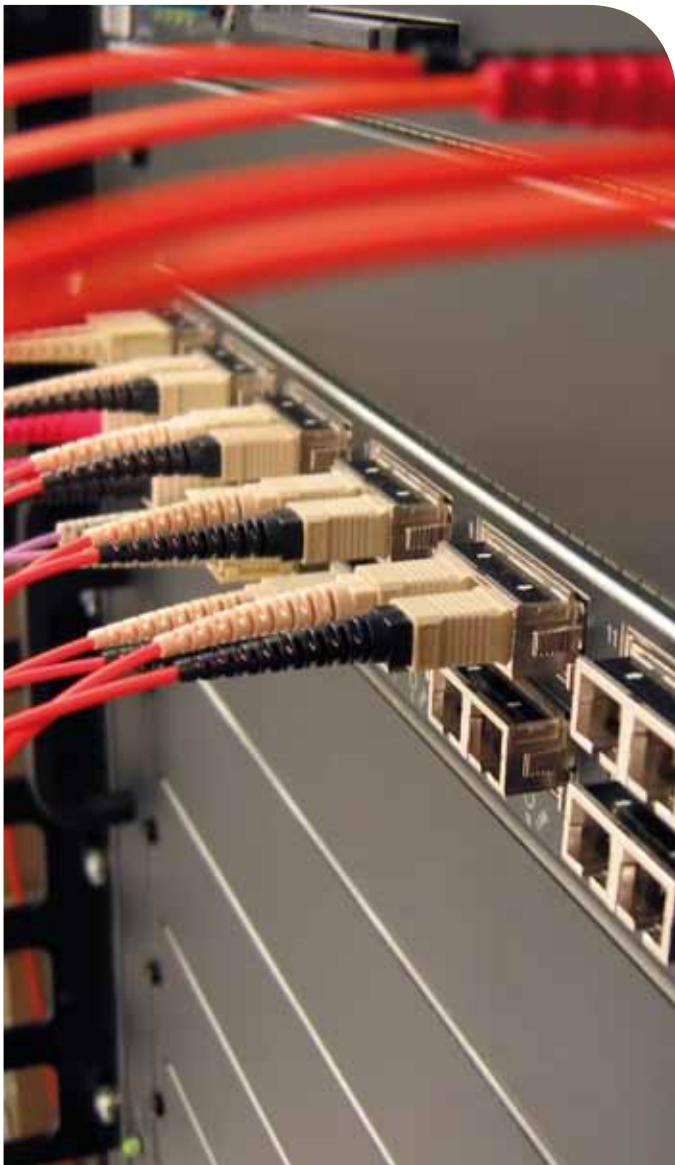
It's getting more difficult for companies to stand out in this digital world. There is more competition, both economically and in the efforts to reach and engage people online and offline.

Despite the rise of ever more new media, channels like e-mail continue to be used more by businesses to have conversations with customers and prospects.

Worldwide, for instance, more than 247 billion marketing e-mails were sent every single day in 2009 and almost all companies increased their number of e-mail marketing campaigns.

Communication has not only exploded in e-mail marketing:

- in 2009, 90 trillion e-mails were sent on the Internet;
- Facebook has over 500 million active users;
- there are over 126 million blogs on the Internet;



- in 2007, every day 5000 tweets were sent via Twitter, today it's over 50 million;
- each day 2 billion videos are streamed on YouTube.

All these new channels are being used by both businesses and people to communicate, interact and comment.

The explosive rise in the number of communication channels, the increasing competition, as well as the increasing control of the consumer over marketing messages aren't the only reasons for the rise in the amount of marketing messages businesses use to interact with people.

Another reason is the shift from selling to buying and the fact that many stages of the customer journey are moving online.

The effects of these changes are obvious: today businesses have to connect with customers and prospects via a wider range of media and they have to track and monitor the online signals they get to serve people's needs.

And, last but not least, there are more stakeholders within companies, all using digital communication channels.

The question businesses have to answer today: how to keep their customer interactions engaging, compelling, and relevant for both their business and customers without overwhelming their customers and prospects and using the channels people prefer?

# The challenge of being relevant and avoiding marketing fatigue

In traditional direct marketing the priority issue always was “how best to target my campaign to maximize my rate of lift?”. Digital media has changed this. The unit cost of shipping a message is small, the ease and rapidity of content production is reduced from month to month. The number of different contributors capable of mobilizing the attention of a consumer by sending an e-mail multiplies: product managers, customer segment managers, the communication department responsible for the content of newsletters and blogs, marketing managers, point of sale managers etc.

E-mail marketing and direct marketing do not belong to one department but are used across divisions as part of a cross-channel communication mix. On top of that, the opportunities associated with event-triggered and scenario-based marketing allow automating the contact moments in function of the customer life cycle, buying journey and real-time signals.

Add this to the fragmentation of audiences, media and channels and to the increased use of behavioral segments and you immediately notice how complex it has become to manage all these contact moments and customer interactions in the most efficient and valuable way possible –from the business and customer viewpoint. In the end, both the value for your business and for the customer and prospect are connected, and so is the relevance.

So the question now is how do you ensure that you do not bombard your customers with too many messages? How do you respect their tolerance threshold? How do you adapt yourself to their idea of marketing pressure and relevance?

Or in other words: how do you prevent marketing fatigue by optimizing your communication frequency, relevance and coordination?

The relevance of communication and the content you provide is function of how it is perceived by the people you interact with. It is a subjective and perceived relevance. People want content and messages that are valuable for them, delivered via the channels of their choice, taking into account their preferences and as personal as possible.

Marketing fatigue and disinterested customers and prospects are the price you pay for not looking at that perceived relevance.



## According to a poll by Harris Interactive for AdWeekMedia:

- 43% of consumers tend to ignore online banners
- 20% disregard Internet search engine ads
- 14% tend to ignore TV ads
- 7% disregard radio ads and 6% newspaper ads

# Diagnosing marketing fatigue: the symptoms

All areas of marketing and communication are prone to marketing fatigue and a loss of efficiency.

Among the symptoms that we see in direct marketing you can find:

- a continued decline in open rates and response rates in e-mail and direct marketing;
- an increasing number of people canceling their subscriptions to permission-based marketing programs;
- increasingly large and inexplicable variations in the returns, including measured sales, between promotional campaigns;
- more spam complaints in large messaging solutions and the implications in terms of black-listing and the decrease of the sender reputation, both key in e-mail deliverability;
- a surge of complaints and negative comments via social media, capable of causing serious impairment of the reputations of the concerned brands and companies;
- an increase in the workload at contact centers because of complaints from consumers, especially those who express their dissatisfaction by responding to unsolicited campaigns.

The list goes on. Fortunately there are solutions to tackle these challenges. Some of them involve the way your business communicates and interacts with consumers. Some of them involve technology.

## Some key figures

- In 2009, 90 trillion e-mails were sent on the Internet
- Facebook has over 500 million active users
- There are over 126 million blogs on the Internet
- Every day over 50 million tweets are sent via Twitter
- Each day 2 billion videos are streamed on YouTube

We start with improvements you can implement yourself today in what is still the most popular interaction channel between businesses and customer for all marketing and CRM purposes: e-mail.

Looking at marketing fatigue problems and solutions in e-mail marketing also provides insights and tips for other communication channels and the whole communication strategy.



# Marketing fatigue in e-mail marketing: some data

Marketing via e-mail has exploded over the last decennium, not only because of the end of mass media but also because of the inherent advantages and typical marketing goals of e-mail marketing.

Some of them are very similar to direct mail but of course there are the specific benefits of using e-mail such as the possibility to measure in real time, advanced possibilities of targeting and segmenting, the digital and viral nature of e-mail marketing etc.

One of the areas where marketing fatigue is a hot topic is precisely e-mail marketing and that's exactly the reason why e-mail marketers are looking more at the content, frequency and value of their e-mails. A second reason obviously is deliverability.

E-mail marketing is being used for several purposes. Among the most important reasons why companies send out e-mails, we find goals such as customer retention, upselling, cross-selling, customer loyalty, viral marketing, asking for feedback, surveys, white papers, and, indeed, acquisition.

There are several challenges in the cross-channel and very competitive communication landscape for e-mail marketers. E-mail lists are getting longer and a relevant and personal

dialogue with people becomes increasingly complex in the digital jungle of media and messages. Add to that the control of the consumer and the changes we mentioned before and the challenges become clear immediately.

In a world in which inbound marketing is more important, it's normal that it's the direct and outbound marketers who try the most to make their messages as relevant as possible when it comes to content, frequency, format, and timing. This includes e-mail marketing that, although it is based on permission, is still predominantly a form of outbound marketing.

The number of sent e-mail marketing messages has risen over the last few years. Differences exist per country, sector, and of course per data source. According to the Econsultancy Email Marketing Industry Census 2010, 54% of the questioned marketers planned to send out over 50.000 e-mails per month in 2010, despite the rise of new channels like social media.

How does this impact marketing fatigue? In order to measure this, you could use parameters like the "open rate" and "click-through rate". The problem however is that the data on the evolution of those ratios differ a lot, depending on the source.

One source is the American Direct Marketing Association. They found in June 2010 that the open rates of e-mails on a house



list balances around the 20%, that the click-through rate is 6.64%, and the conversion ratio 1.73%.

This might not seem bad, but a few important comments on these results should be made:

- some ESP's published open rates for Europe balancing around 13% and 10% for the US;
- the DMA survey is carried out with a limited amount of participants, all of them professional members;
- various big e-mail marketers in the US already applied tactics to raise the open rate and to decrease the marketing fatigue.

Furthermore, an open rate of 20% means that 80% of the e-mail subscribers do NOT open the mailings.

On top of that, a conversion ratio of 1.73% is quite low for an easy-to-personalize-and-optimize channel such as e-mail (direct mail and telemarketing perform even better, according to the study by the DMA).

So how do you improve these statistics as an e-mail marketer and how do you prevent marketing fatigue lowering your open rates and list activity?

## 9 tips to fight marketing fatigue in e-mail marketing

The marketing fatigue phenomenon has been known amongst direct marketers and e-mail marketers for years and is called list fatigue.

Here are some techniques to counteract it:

### *1 - Offer choice of communication*

Provide a preference center. Offer the subscribers to your mailings the possibility to adjust their communication preferences. Think, for instance, of the frequency of contact moments, the content, the channels, etc. This way, you make sure that the subscriber has full control, avoiding not only list fatigue, but unsubscribes as well. Your subscriber should be aware of the fact that there are other possible ways to interact with you.

### *2 - Respect the rules of engagement and of permission*

Now, more than ever, it's crucial to respect permission in e-mail marketing and beyond. Respect the rules of double opt-in of professional ethics. Have explicit and multilingual unsubscribe procedures and ensure they are systematically applied in each communication. Have robust mechanisms of exclusion to ensure immediate compliance with the mechanisms mentioned above. Showcase your privacy policy, make the fine print less fine and always provide choice, even when people unsubscribe from your list.

### *3 - Analyze, automate, segment, and target*

It's perfectly possible to refine the communication with the various subscribers automatically, in regards to your subscribers' response linked to both customer data and data on the online behavior. This is possible in the field of content as well as interaction preferences. So analyze that behavior (post-click as well), segment your target groups, and improve the relevance of your e-mails based on these analyses. Make sure you are able to capture and consolidate the behavioral information relating to the use of interactive media (recency, frequency of opening of clicks or reaction, appetite for subjects or offers, ...) and to use it for refined targeting to increase the relevancy of the messages sent.

### *4 - Look at an opt-in e-mail address as a human being, not as an acquired right*

Once somebody subscribes, it doesn't mean that he gives you permission to send him the same kind of e-mails over and over again. Permission is something that you have to keep on earning again and again. The same goes for your subscribers' engagement. You should constantly make sure that the relevance of your e-mails, in regards to both content and format and frequency, encourages the subscriber to interact and makes him stay interested. The best way to do so is by looking at the needs of the people behind your e-mail addresses. So monitor, but also organize satisfaction surveys, etc. Be alert. And don't forget to make use of other channels as well, like social media,

offline interactions, your call center, etc. in order to acquire more data about each communication channel that you use, like e-mail.

### *5 - Keep on testing and improving*

Since engagement is something that you must keep on earning, it's important to continuously refine your campaigns. Testing plays a crucial role in this. Ideally, you'll have access to a platform that is linked to other customer systems and which of course encompasses all possibilities regarding A/B testing, split testing, automatic triggers, behavioral-based interactions, etc.

### *6 - Invest in relevant content and information*

No matter how important the subject line and other aspects of an e-mail might be: the perceived value of the content and information ultimately makes the difference. Subscribers can only stay interested when the promotions, texts, information, and all other content of your e-mails are adjusted to their needs throughout their entire lifecycle. The more relevant and personal the content is in regards to the subscriber's profile, the more efficient your campaigns will be, and the smaller the change is for marketing fatigue. When you segment, personalize, and work with triggers in regards to the (online) behavior of your subscribers, you'll have to provide even more content. Provide a good mix of advertisements and information. How this mix will turn out depends solely on your subscribers' wishes.



### *7 - Look after the quality of your lists*

Naturally, a relevant and valuable communication with your e-mail subscribers asks for a continuous effort to look after the quality of your list and other customer databases. Combine as much data as possible, and organize actions to acquire more detailed information on your subscribers. This way, you won't only keep your files "alive", but you'll also avoid receiving spam complaints and ending up on spam lists because of too many bounces. Have reliable mechanisms to maintain your files up to date in order to immediately apply the changes your customers have expressed in their interaction with your business.

### *8 - Coordinate your campaigns*

Virtually all companies have more than one e-mail marketing goal or program. Besides regular mailings, actions are often being set up for specific promotions, events, white papers, etc. Here lie serious risks for marketing fatigue in e-mail marketing: when the various sorts of e-mail campaigns for overlapping target groups are being sent out too quickly one after another, or even at the same time, subscribers will soon grow tired of them. Pay extra attention to this in the periods in which you typically send out more e-mails, for instance around the holiday seasons. Coordination really is crucial.

### *9 - Involve your recipients*

Give recipients, customers and prospects the possibility to provide feedback at any time regarding the relevance of your communication and content. On top of preference centers, surveys and direct feedback, use the tools and possibilities that social media has brought upon us: allow people to vote for your content, give reviews and interact with your content. This leads to a higher level of engagement but also of perceived value, relevance and involvement. Finally, allow people to interact with your content, and even highlight it, thus creating a sense of community, giving your brand an "open" image and, last but not least, enabling you to add more behavioral and other data to the profiles of your customers and prospects.

# The need for communication coordination: marketing fatigue is a risk everywhere

E-mail marketing campaigns and activities are often divided over various departments or subsidiaries, especially in bigger companies or companies that are very active online. This leads to the risk of saturating the recipient's inbox. But e-mail marketing is far from the only communication channel that has to be optimized to avoid marketing fatigue. The times in which we only used direct marketing, such as e-mail marketing, call centers, etc., are gone forever.

In the preface to this paper, we told you how more and more channels have shown up to interact with clients and prospects where and when they want to. In that dispersed communication landscape and with an even more dispersed media consumption, it's important for companies to use the right channels, namely those that are being used by their target groups.

This multi-channel communication increases the risks of marketing fatigue, especially when people are being approached at the same time through various channels and by various departments.

Marketing fatigue doesn't exclusively present itself in the more traditional types of communication and interaction, like e-mail marketing and direct mail. And it's also not only linked to commercials in mass media, like TV, or on major websites where people often talk about "banner fatigue". Strictly seen, banner fatigue is a phenomenon where people grow tired of a certain

online ad, but it more and more goes for online advertising in general as well. Especially intrusive types of online and offline commercials (like loud, intrusive formats or creations) annoy people.

The same goes for advertisements that are irrelevant for the Internet user, which is why there is so much attention for personalized messages regarding the online behavior of the individual surfer within the world of online advertising.

Some think that social media diminish the problem of marketing fatigue. However, nothing can be further from the truth. The abundance of channels, social media services, and all kinds of new media are confusing people.

They often subscribe to various services, and ultimately don't have a clue anymore just where they left what kind of information. Furthermore, people often neglect to read the privacy rules and the fine prints, which leads to them receiving messages which they never realized they subscribed to.

Coordination seems like an impossible task in such a complex environment. Luckily, we have marketing automation and other technology at hand.

The management of the frequency and the intensity of the marketing communication, the so-called marketing pressure, should be an essential part of this as you will read further.



# Marketing fatigue is not only a matter of frequency

When looking at marketing fatigue in communication with clients and prospects in general, we see that it is definitely not solely a matter of frequency. The intrusiveness and the perceived relevance and value play an important role as well. Therefore, customer-centric thinking and working and adjusting your messages to the needs of your target groups are crucial, just as testing is.

Also, more modern ways to communicate with clients don't come without their share of marketing fatigue either because of their nature and the way consumers use them. For instance, messages on a mobile phone (like SMS) can be regarded as very intrusive. The mobile phone, more so than any other device, is seen as something very personal. Therefore, the rules of permission are even more important for mobile marketing than for, for instance, e-mail marketing.

The same applies for some forms of social media that people mainly use to communicate and interact with their peers and not with businesses.

A lot of people are searching for central hubs in that jungle of media and channels, from which all of these communication channels can be managed and viewed in order to save time. And this often turns out to be... e-mail.

Thus marketing pressure depends on frequency but also on the way you communicate (aggressive and broadcasting versus permission-based and targeted), how often you repeat the same message, the channel, the number of launches in a single campaign, the degree of customization, the perceived intrusiveness, the relevance of the messages etc.

The days of "shouting" are definitively over.

## Conclusion: behavioral and technological solutions to a complex problem

Marketing fatigue is a challenge everywhere. In a cross- and multichannel marketing- and media consumption reality, it's no longer sufficient that marketers limit themselves to just a few communication channels. Whoever wants to have a global view on his marketing and customers, should look at the marketing fatigue problem from a broad perspective.

There are two kinds of solutions to the marketing fatigue challenge: applying best practices and having the proper technologies.

From the best practices perspective, it boils down to knowing perfectly which channels your clients and prospects use, to optimize the marketing pressure in an intelligent, cross-channel, data-driven, and automated way, and to implement the expressed communication needs in real-time.



# Key focus points...

## *...regarding best practices:*

- Optimizing frequency and value
- Cross-channel coordination
- Relevance
- Perceived value
- A holistic view on your customers
- Respecting permission and ethics
- Offering choice
- Real-time responsiveness
- Listening and not shouting

Furthermore, when using the right tools and technologies, it's possible to coordinate all communication activities in a customer-centric and data-driven way to keep the interactions with customers fresh, worthwhile and effective.

## *...regarding technology:*

- The possibility to offer preference centers and immediately implement changes over all database
- Ways to track the interactions and online behavior in real time and automatically implement them for further actions
- Integration of all customer and communication databases and lists
- Event-triggered and scenario-based marketing automation features
- Possibilities to optimize and test continuously
- Personalization, targeting and segmentation possibilities
- Communication in function of the customer life cycle
- A global view on all communications across all departments and channels
- Tools for planning, measurement, and analysis to visualize and monitor marketing pressure, particularly by analyzing by customer segment
- Solutions to manage priorities and arbitration of priority conflicts between messages or campaigns

Keeping these best practices in mind and using these technologies to both respect the communication preferences of customers and optimize communication, is the solution to marketing fatigue.

Businesses that implement them won't be regarded as spammers, and treated as such, but as good communicators who listen to people. And that doesn't only lead to a good brand reputation and satisfied customers, but also to an as efficient as possible cross-channel communication.

The perfect example of a win-win situation.

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