

## **Dynamic marketing in Financial Services**

During most of the first decade of the 21st Century, we have seen the evolution of digital marketing in terms of channels, including social media, mobile apps, etc. However, up until about 2015, almost all of digital marketing was still primarily direct marketing over the Internet and was added to the Marketing Services organization, as it was perceived as one of many below-the-line marketing functions.

We have entered a new age of Marketing, whereby customer engagement is driven across multiple channels and various stages of a customer journey for specific segments of customers. There are sometimes multiple customer touch points within several media channels for just one stage of the customer journey. For example, when in the Consideration stage of the Journey, you might Search on Google, read recommendations on Amazon, Yelp or the company's website and seek input from others through social media such as Facebook or Instagram.

Dynamic Marketing is a truly new and exciting form of Marketing that leverages customer data (both structured and unstructured) to respond to – or anticipate - customer needs within a particular circumstance and with the most relevant content and via the most preferred channel to fulfill those needs. This enables real time interaction with customers on a more personalized basis. Unlike the traditional, static approaches to marketing that primarily rely upon stimuli to elicit a response from a prospect or customer, a dynamic approach to marketing is much more interactive and fluid.

This new and ongoing type of engagement with customers is very different from how we've typically interacted with customers and prospects in the past. In fact, what we've typically called digital marketing has given way to a new and more modern marketing paradigm that is driven by data and technology. We are now in the era of Dynamic Marketing which is driven by customer choice. It's important for Marketing and Customer Experience Leaders to understand where a customer is in their Journey with the brand and how to trigger the Next Best Action to drive the customer to the next stage of the Journey.

Today, companies such as Salesforce, Adobe and Microsoft are enabling dynamic interaction with customers and prospects in new and innovative ways. Since 2015, we have been in the Era of Dynamic Marketing in which Digital is no longer a functional, below-the-line area in Marketing. In the era of Dynamic Marketing, all Marketing is digital – or digitally enabled - and is driven by customer data and technology. Brands are no longer primarily built through TV advertising alone, but through ongoing customer engagement that can be viewed, shared, reviewed, tracked and optimized in real time.

For Financial Marketers and Customer Experience Leaders to deliver valuable and personalized customer experiences, it is necessary to have a framework by which to identify and prioritize the capabilities, talent, technologies and processes needed to deliver on the customer's expectations.

Let's face it, the traditional 4Ps framework of Product, Place, Price and Promotion is dead as a framework by which to manage a dynamic marketing capability. It's a static framework that relies upon a "broadcast marketing model" that was designed decades ago to reach large segments of customers via a push strategy through traditional channels. Many attempt to jump through hoops to keep it alive in most business schools and in Market Mix engagements, but the digital world

has left this product-led view of marketing behind, and is now focusing on customer-led engagements instead.

Therefore, there is a need for a new framework that enables a firm to manage and evolve its customer experience capability today and into the future. Our 5Cs framework of (1) Content, (2) Context, (3) Calibration, (4) Conversion and (5) Collaboration, provides a new and more relevant framework by which modern financial marketers can deliver compelling and personalized experiences to their customers and prospects.

### **Develop or demonstrate theory/case/application** (4 minutes)

Our 5C's framework enables Marketers to plan and organize around the capabilities that they need to develop and continuously optimize in order to compete in the dynamic marketplace of today. The 5 Cs are capabilities that are necessary for a dynamic approach to marketing. They are: **Content, Context, Calibration, Conversion and Collaboration.**

**Content** is still king in marketing. Whether it be a banner ad, an email, a video on YouTube, a whitepaper or post on social media, content matters and the more relevant and personalized it is to the prospect or customer, the better. Therefore, it's not hard to imagine that it is particularly powerful if a brand can provide the right content to fulfill a customer need in real time. This is why Google and mobile devices are currently so powerful at fulfilling customer needs today. No matter where a customer might be, she can pick up her mobile phone, open the Google app and have a good chance at accessing the content that she needs quickly and seamlessly. Dynamic Content Optimization Platforms and Creative Management Platforms are changing the way content is dynamically developed and distributed today.

**Context** enables you to deliver content at the right time and via the right channels, time of day, etc. It's all about making the content more relevant. Customer behavior can be a key input into developing the right context, as you're able to track customer engagement over time to determine patterns that can be distilled into setting the right context. Context can be refined by using customer engagement data to understand the job that the customer or prospect would like to hire your brand to do and then mapping that against the different types of needs to be fulfilled within a given circumstance.

**Calibration** is about continuously optimizing customer engagement across the customer journey to achieve your business goals. Calibration is very much about customer journey analytics. One way by which leading financial firms begin, is to create customer personas that are representative of a customer segment or micro-segment, and then begin to map out customer engagement touchpoints along the journey for that persona for each stage of the journey. The heavy lifting is leveraging the tools and technologies to optimize the customer journey in real time. There is a plethora of firms that do this, but you'll first want to assess that you have the right capabilities in house via the 5C's framework to operationalize those tools and technologies.

Unlike Calibration, that focuses on optimizing touchpoints within specific stage of the customer journey, **Conversion** focuses on moving a customer or prospect to the next stage of the journey and identifying the "next best action" and trigger(s) for doing so. Therefore, User Experience becomes increasingly important in Conversion. For example, if a prospect abandons the

completion of an application, we need to understand what's the next best action to be taken to get the prospect to return and complete the application. Or after the customer finalizes the application and is secures the financial product or service, how do we get them to become an advocate of the product or service via social media?

**Collaboration** is really about Dynamic Customer Relationship Management as well as peer-to-peer collaboration. It is about acquiring, retaining and expanding the customer relationship via a more interactive approach to Marketing. All aspects of Customer Service and Community are part of this capability. Social Media, in particular, has enabled the creation of communities around brands whereby they can suggest new product ideas and even serve as influencers or advocates within a particular product category. This has spurred the transformation of many business models into member-based models, whereby the Customer Lifetime Value becomes more important and customer loyalty programs are created to increase customer engagement and retention.

### **Agile marketing and the 5Cs**

These five capabilities need to be driven by an Agile approach to Marketing in order to deliver a fantastic customer experience with the brand. Agile Marketing is all about flexibility and being able to act and respond quickly. It differs from traditional marketing in several important ways, including a focus on frequent releases, deliberate experimentation, and a relentless commitment to audience satisfaction.

The eras of Traditional and Digital Marketing relied upon Waterfall planning and a horizontal planning strategy with each silo within marketing adding to the development of a campaign that might not be launched for a year. That process is no longer relevant.

We are now in a new era of Dynamic Marketing. It is imperative for financial marketers to assess their current Customer Experience Capabilities that help the company achieve its overall business goals in acquiring, retaining or expanding customer relationships. Financial Marketers now need to embrace Agile Methods for developing, implementing and measuring the ROI of their Marketing Initiatives.