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Building Brands

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That in a nutshell is what all of us in business are ultimately about. Sales are based on brands; companies are based on sales. World renowned business management author, *Peter Drucker*, considered marketing to be the crux of any organization. Without it, there is no company.

A thorough understanding of your brand includes knowing what makes it truly invaluable to your consumer. If you know that, then the rest of puzzle - creatively and effectively communicating this - will more easily fall into place.

In this issue we conclude the article on Consumer Loyalty as well as provide you with the "fountain of youth" recipe for mature brands.

As always - Enjoy!

The Keys To Revitalizing A Mature Brand

Source: "Chief Marketer" - article by Hampton Bridwell

Building a strong brand takes time, commitment, and hard work, but the result is one of the most valuable assets a company can own. Instant identification in the mind of the customer, a reputation for competence and quality, the knowledge that the promises of the brand are genuine and not just slogans...the list of benefits goes on.

A strong, mature brand isn't a static asset. It must be cared for and nurtured, kept fresh, dynamic, relevant, and at top of mind while retaining its unmistakable identity and heritage. This balancing act is the challenge, and the opportunity, presented by a mature brand.

On the surface, a long-established brand might seem to be a limitation, implying stodginess, a lack of dynamism, and an unwillingness to change

with the times.

That perception doesn't go deep enough. Innovation is what keeps businesses alive and thriving in a highly competitive world. Any company that's been around long enough to develop a mature brand is almost by definition an innovator. An organization that has built a strong brand also has strong core values that define it, values that have stood the test of time. Always treasure and respect your heritage, and use it to guide your brand revitalization.

What really counts is how your brand comes across to your customers. You may be too close to tell. This is where inertia can really hurt your efforts: The older and more established the brand is, the harder it is to break free from that inward focus.

You need to know what your customers expect. The

'New Coke' debacle is the classic (pun intended) example of failure to do this. By all accounts the product tested well, all the way down the line...but the company failed to realize that Coke isn't all about great-tasting products. Customers wanted to know that the traditional, familiar, trusted brand would still be there, and they felt betrayed when their beloved Coca-Cola disappeared from store shelves.

That's an object lesson in the value of getting to know the brand from the outside and understanding the true nature of the relationships that drive the business. Be honest with yourself; the companies that have been most successful at revitalizing their brands have examined themselves in an unflinchingly truthful way:

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The Twelve Laws Of Loyalty (part 2 of 2)

By: Jill Griffin

Don't be fooled into thinking "sexy" marketing tools like the Internet and knowledge management breakthroughs rewrite the Laws of Loyalty. They don't. Your best insurance for building loyal customers is to make sure all your programs are built around tried-and-true principles of loyalty.

Here are the final six Laws of Loyalty.



6 Get and stay responsive.

Research shows that responsiveness is closely tied to a customer's perception of good service. The advent of the Internet has changed the customer's perception of responsiveness. More and more, customers are coming to expect round-the-clock customer service. Moreover, customers now arrive at Web sites time-starved and eager to locate answers. Technology tools such as customer self service, email management and live chat/web call back are proving increasingly critical for companies as they address the demanding customer's responsiveness needs.



7 Know your customer's definition of value.

The loyalty password is "value." Knowing how your customers experience value and then delivering on those terms is critical to building strong customer loyalty. But knowing your customer's true definition of value is not easy because your customers' value definitions are constantly changing. Invest in customer loyalty research that enables you to understand; through the eyes of the customer, how well you deliver value.

Getting actionable results is the key to any customer loyalty research. When working with your research firm to design quantitative loyalty research, consider a plan by which your survey's attributes are grouped

into four actionable categories:

Loyalty drivers. This area is most important to your customers; this is where your performance is highest. Stay the course. Your efforts are already producing loyalty.

Improvement candidates. This area is important to your customers, but your performance is lacking. To improve loyalty, invest more resources to improve here.

Hidden Opportunities. Your customers may have emerging needs in this area that they themselves are yet to identify. Additional investigation may be warranted.

Over-investment candidates. Since customer importance is low in this area, avoid over spending. Trimming costs in these areas may be wise.



8 Win back lost customers.

Research shows that a business is twice as likely to successfully sell to a lost customer as to a brand new prospect. Yet, winning back lost customers is frequently the most overlooked source for incremental revenue in many firms. Why? Because most firms consider a lost customer a lost cause. With the average company losing 20% to 40% of its customers every year, it's imperative that firms create hard-working strategies, not only for acquisition and retention but also for win-back. Since no customer retention program can be 100 percent foolproof, it follows that every company needs a process for recapturing those high value customers who depart. Think of it as loyalty insurance.



9 Use multiple channels to serve the same customers well.

Research suggests customers who engage with a firm through multiple channels exhibit deeper

loyalty than single channel customers. But take note: This finding assumes customers get the same consistent service whether coming into the store, logging on the Website or calling the service center. To accomplish this, your firm must internally coordinate sales and service across multiple channels so that customer preferences are accessible no matter how the customer chooses to interact. Today's customers expect to hop from channel to channel and they expect good service to follow.



10 Give your frontline the skills to perform.

Increasingly, for many companies, the employee 'front line' is a call center where agents interact with customers. These agents will be the "loyalty warriors" of the future.. Converged call centers that bring together multi-channel access points (phone, fax, email, web) are on the rise. Gartner Group estimates that 70% of North America's call centers will migrate to multi-channel contact centers by 2005. This means these agents need to be as equipped to write a well-written email reply and navigate the company Web site as they are in being helpful and friendly on a phone call.



11 Collaborate with your channel partners.

In today's complex marketplace, most every firm is dependent on suppliers to help serve its customers. Embracing these supply chain relationships for the greater good of the ultimate customer creates customer value that is hard for competitors to match. For example, a European auto manufacturer converted its customer data base program into a system that could be shared by all channel partners. By refusing to hoard the information, the manufacturer helped create a blended- channel strategy that built greater customer loyalty

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Loyalty Laws (continued)

6. Get and stay responsive.

7. Know your customer's definition of value.

8. Win back lost customers.

9. Use multiple channels to serve the same customers well.

10. Give your frontline the skills to perform.

11. Collaborate with your channel partners.

12. Store your customer data in a centralized


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The Key To Revitalizing A Mature Brand

(Continued from page 1)

- How do your customers view you, your heritage, your values, and your ability to meet their needs?
- How do they experience the brand?
- What brand experiences are real, compelling, and differentiating?

Revitalizing a mature brand is to a degree the classic meeting of irresistible force and immovable object. One side of the argument is "change or die," while the other is "tradition is paramount."

The correct course, naturally, lies somewhere in between. The trick is to place yourself in the center of that debate and

hear both sides.

The "10-80-10" rule of focus is useful here:

10% - Acknowledge your heritage.

80% - Address the needs of today.

10% - Look forward to the future.

This gives continuity, ensures relevance, and shows that you're thinking ahead.

Before a mature brand can be redeveloped, it needs to be thoroughly understood.

Peel back the layers:

- What is it about the brand

that gives it its identity?

- At the core, what gives the brand its value?

- What's the central idea?

This is where having a mature, established brand can be an advantage. A new brand has no established core, no heritage, no track record to leverage. That central, pure idea of your brand--the core of value creation--will become the centerpiece of its revitalization.

By keeping that vital core intact, you retain the essence of the mature brand even as you revitalize it. Staying focused on that valuable core idea is the single most important thing you can do. ❖

"Always treasure and respect your heritage and use it to guide your brand revitalization."

"Staying focused on that valuable core idea is the single most important thing you can do."

Hampton Bridwell is president of BrandLogic (www.brandlogic.com), an identity consulting and communications agency based in Wilton, Connecticut, USA.

The Twelve Rules Of Loyalty (part 2 of 2)

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through out the distribution chain.

Dell may be the ultimate role model in channel partner collaboration. Dell's "keep it simple" philosophy has driven all areas of operations including channel partnership. The technology giant has worked to simplify its channel relationships by doing business with as few as 40 suppliers (which provide more than 90% of Dell's material needs), but to equip those preferred suppliers with all the information they need to make "informed", collaborative decisions. "Complexity kills" is a familiar refrain within Dell and shrewd channel partnership management has helped this industry leader achieve operation simplicity and, in turn, drive significant sales and profits.



Store your customer data in a centralized database.

Most firms lack a 360-degree view of their customer because they have no centralized database. Billing departments, sales divisions and customer service centers might all have their own databases with no effective means for creating a complete customer information composite. To effectively implement a sound customer loyalty strategy, data from all customer touch points must be combined into a centralized customer database. Without it, the firm is greatly handicapped in its efforts to serve the customer.

It's a lesson casino operator, Harrah's Entertainment, has aggressively leveraged. Harrah's

coast-to-coast customer database is an industry first and enabled the company to have the first integrated, nationwide system that allows real-time communication between all of its properties. This means that Harrah's in Las Vegas can know a visitor from New Jersey's gambling, eating and spending preferences. This customer insight enables the company to tailor services to the visitor through customized comps such as free dinners, hotel rooms, show tickets and the like. Bottom-line, when the New Jersey customer comes to Harrah's in Las Vegas, customized service can follow. What's more, Harrah's can better target its marketing promotions so that customers are more likely to bite. For example, a customer receiving a mail promotion will

call Harrah's centralized call center for more information. The call prompts an array of customer information to pop-up on the computer screen of the Harrah's customer service representative. From knowing the customer's tier (platinum, gold, or diamond) to how much he's won or lost to even possibly an estimate of his financial worth, the rep is armed with key information to help turn the caller into a confirmed reservation. The result? Sustained record sales and profits since the firm's customer information system investment. Despite a sluggish economy, Harrah's customer data base capabilities helped drive the firm's record \$4.43 billion of revenues in 2003, up more than 5 percent from 2002. ❖

Jill Griffin is author of the internationally-published business best seller "Customer Loyalty: How To Earn It, How To Keep It" and co-author of the award winning book "Customer Win Back: How To Recapture Lost Customers and Keep Them Loyal."