



Loyalty in a multichannel environment

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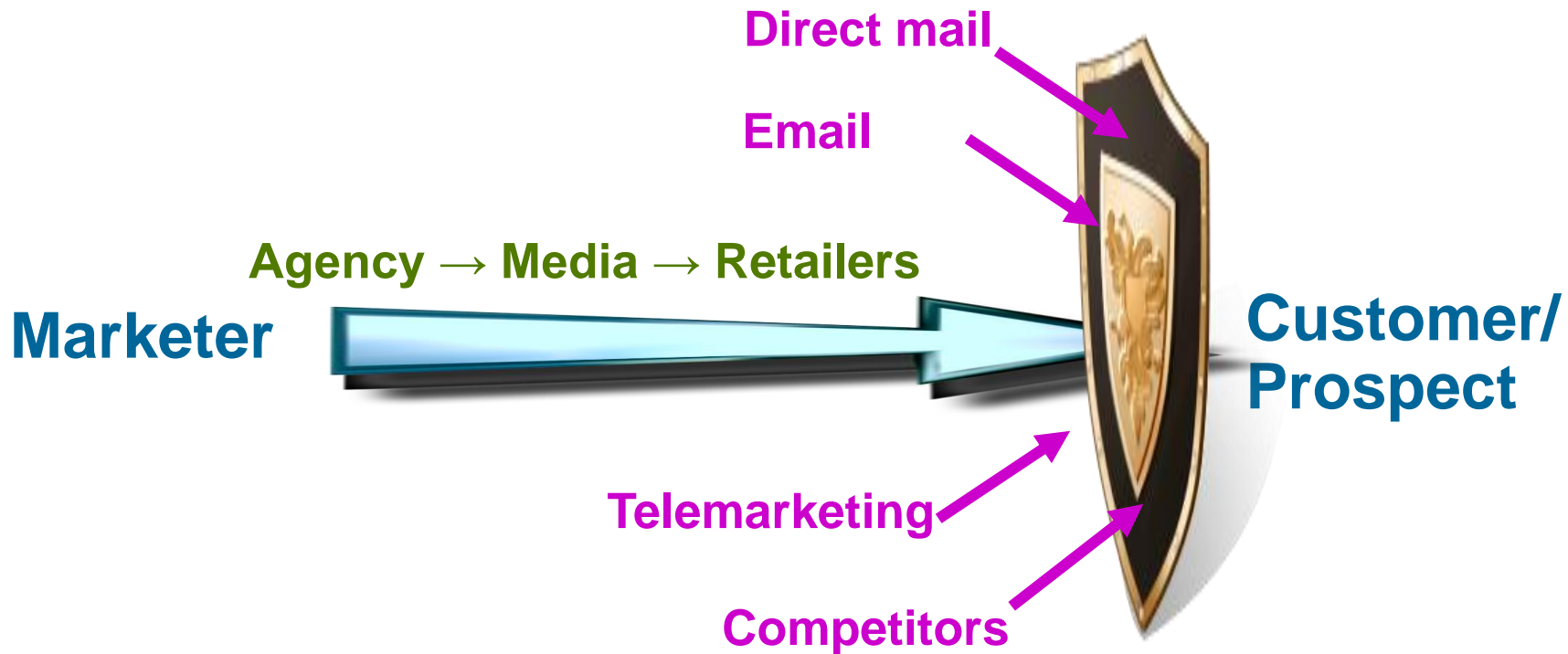
Air Transportation Management, M.Sc. Program

Airline Marketing

May 2015

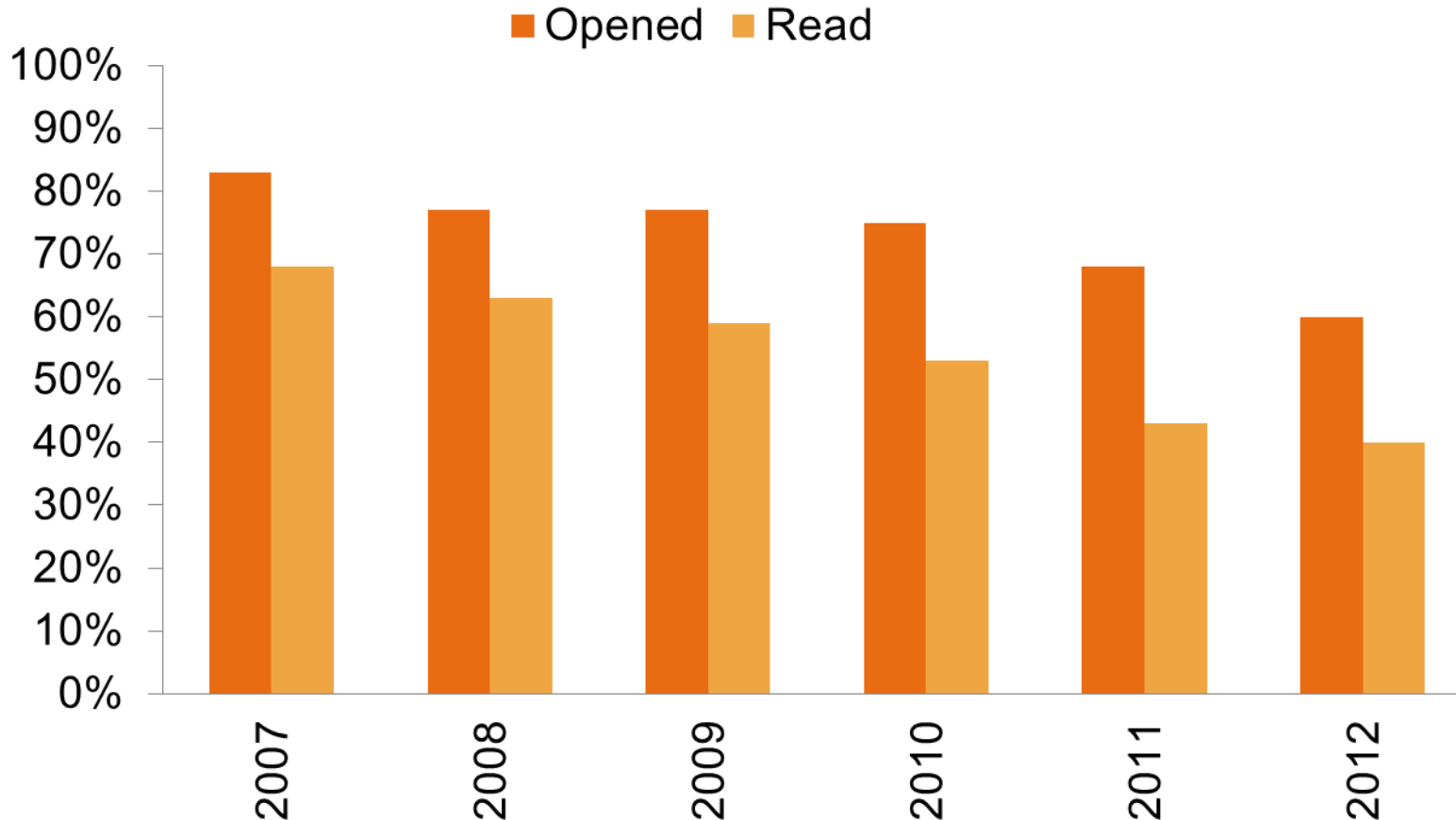
1. Why traditional marketing practice is failing
2. Principles of relevant customer conversations
3. Exercise: benchmarking multichannel CRM maturity

The system we grew up in



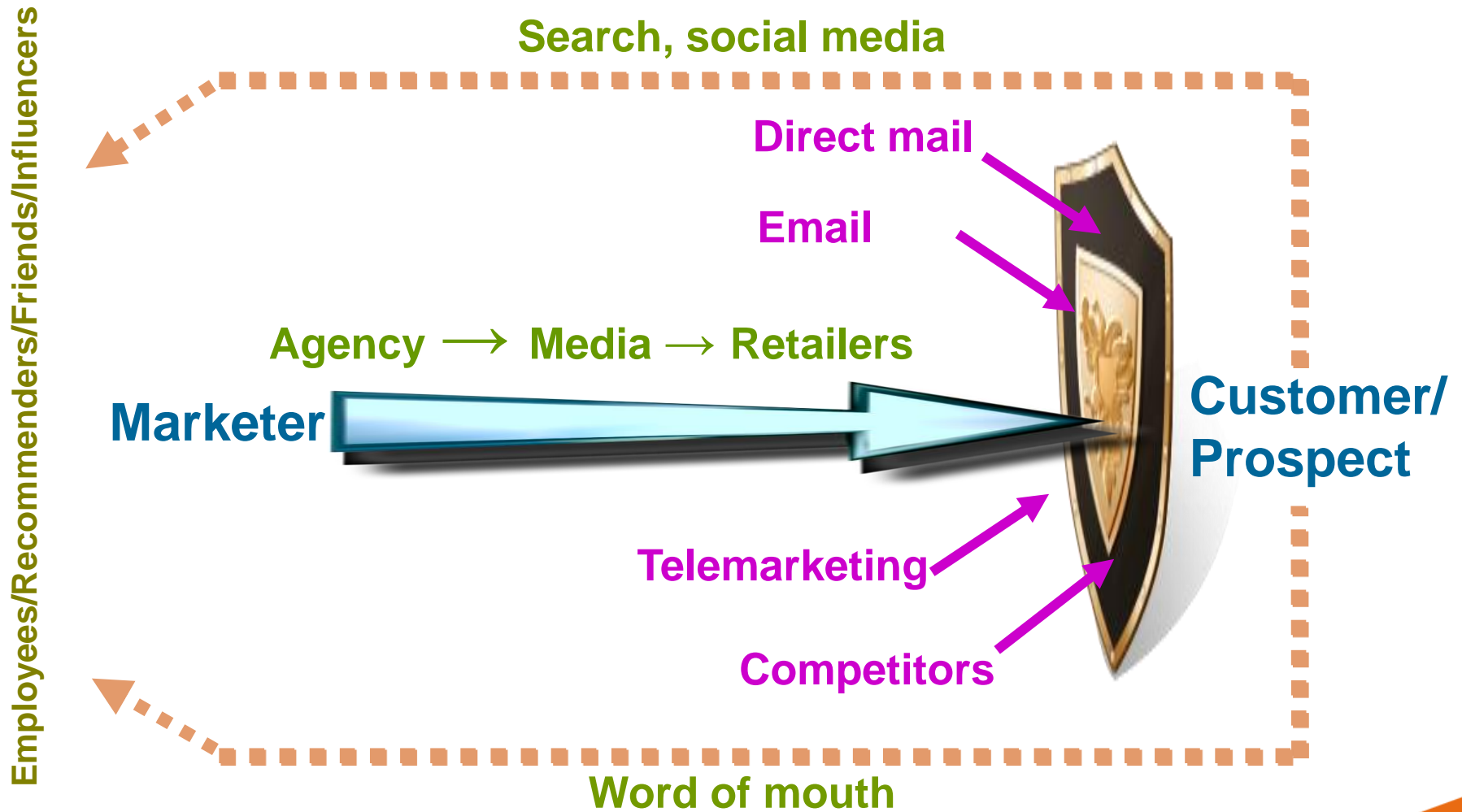
The trouble with campaigns

Proportion of adults who opened or read direct mail sent to them



Source: DMIS Consumer Direct Mail Trends Report

The system we live in today



What do great conversations look like?

1. *Personal*



A bank: next-best action prompts online

Fixed Rate Bonds

Your bond is due to mature soon.
View our latest rates and choose
to invest for 1, 2 or 3 years.

Minimum deposit
£5,000.



[Find out more >>](#)



Your Messages

Don't forget, you still have a tax free allowance of **£2,600** available to top up your **Cash ISA** before the end of the tax year. **Top up your account now**

What do great conversations look like?

1. Personal

2. *Dynamic*

VISION - Microsoft Internet Explorer

File Edit View Favorites Tools Help

O2 VISION clean | end call | logoff
Logged on as annette at 11:09 AM

Profile Recommendation

Caller Profile (1) Profile (2) Call Context Recommendation History

ACCOUNT

Full name Mrs A Parker
Account nr GEN9301020243
MPN 07715177156
Postcode WR6 6PH
Account type Consumer

CONTRACT

Average bill NaN
Invoice latest bill 8.26
Tenure 62.0
Current tariff Leisure time 600 R/T
Bolt-ons
Last bill date 02-11-2004

LOYALTIES

Reward taken 4
First prog. award

USAGE

0 25 50 75 100

VOICE ↗
SMS →
MMS →

Info

Next best action
Customer has not previously downloaded a ringtone.

Credit Risk

Assessment

top offers

Ringtones	<div style="width: 80%;"></div>
Graphics	<div style="width: 50%;"></div>
Voicemail 901	<div style="width: 30%;"></div>

Advice

Ringtones [Show short advice](#)

PROPOSITION
According to our records, it doesn't look like you've ever downloaded one of our ringtones. Were you aware that the first ringtone you download from O2 is free if you've not downloaded one before? Personalise your mobile by downloading your own ringtone. O2 has more than 3000 ringtones, so whatever you're into - chart, dance, rock, pop, sport, tv and films - there's bound to be something to your taste.

BENEFITS
You can tailor your phone to suit you; There are more than 3000 ringtones to choose from.

HOW IT WORKS
You can download from the website www.o2.co.uk; You can send a text from your handset (if you know the code for the ringtone you wish to purchase); You can download through O2 Active.

PRICING

Accepted & added Offer declined Maybe later

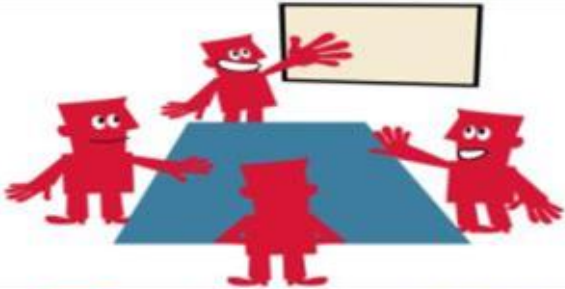
What makes great conversations

1. Personal
2. Dynamic
3. *Authentic*

Authentic conversations at DHL: Customer4Life programme



From Account Plans (about us) to **Joint Business Plans**



Regular meetings (Quarterly Business Reviews and Annual Top to Tops) with our customers focused on **strategic future** needs



Bringing **Innovation and Insight** to our customers – proactively seeking new ways of adding value



Introducing Customer Sponsors – **senior account support** that truly understands the customer's business and will act within DHL as a Customer Champion

DHL: co-created business plans



JOINT BUSINESS PLAN BETWEEN PFIZER AND DHL

Customer4Life

WELCOME

JOINT BUSINESS PLAN BETWEEN RECKITT BENCKISER AND DHL

Customer4Life

64%

IS OUR 2012 FIRST CHOICE CUSTOMER SURVEY OVERALL CUSTOMER SERVICE SCORE

Customer4Life

JOINT BUSINESS PLAN BETWEEN EABL AND DHL

Customer4Life

JOINT BUSINESS PLAN BETWEEN BAYER HEALTHCARE AND DHL

Customer4Life

JOINT BUSINESS PLAN BETWEEN JOHNSON & JOHNSON AND DHL

Customer4Life

JOINT BUSINESS PLAN BETWEEN HENKEL AND DHL

Customer4Life

WELCOME

JOINT BUSINESS PLAN BETWEEN PANASONIC AND DHL FOR EUROPE & RUSSIA

Customer4Life

71%

IS OUR 2012 CO CUSTOMER SURVEY OVERALL CUSTOMER SERVICE SCORE

Customer4Life

JOINT BUSINESS PLAN BETWEEN BRITISH GYPSUM AND DHL

Customer4Life

JOINT BUSINESS PLAN BETWEEN BP AND DHL

Customer4Life

JOINT BUSINESS PLAN BETWEEN TDK AND DHL

Customer4Life

WELCOME

JOINT BUSINESS PLAN BETWEEN BRITISH AIRWAYS AND DHL

Customer4Life

61% → 71% → 80%

IS THE BEST RATING YOU GAVE US FOR SMALL CUSTOMER SATISFACTION IN OUR 2012 CUSTOMER SURVEY

Customer4Life

WELCOME

JOINT BUSINESS PLAN BETWEEN 3M AND DHL

Customer4Life

WELCOME

JOINT BUSINESS PLAN BETWEEN MINISTRY OF JUSTICE NATIONAL OFFENDER MANAGEMENT SERVICE, DHL and BOOKER

Customer4Life

Account Initiatives Plan > OUR JOINT ROADMAP

Customer4Life

BIENVENIDOS

PLAN PARA EL DESARROLLO DE LA RELACION ENTRE DHL Y L'OREAL

Customer4Life

EN EL MOMENTO DE SENSIBILIDAD EN LA PROMOCION DE CLIENTES

Customer4Life

Authentic conversations: DHL's Customer For Life programme

A **like for like comparison** of the customers surveyed in both 2012 and 2014 shows that whilst customers with no C4L engagement declined in both loyalty and satisfaction, C4L engaged customers improved both satisfaction and loyalty

	Satisfaction	Loyalty	DHL cares for its customers
No C4L Engagement [n = 162]	69.4 ↓ 0.4 (0.6%)	72.4 ↓ 0.3 (0.4%)	72.1 ↓ 0.4 (0.6%)
C4L Engaged [n = 57]	72.3 ↑ 3.1 (4.6%)	75.2 ↑ 4.3 (6.1%)	75.0 ↑ 6.6 (9.6%)

**C4L - Caring for Customers shows a
10% improvement!**



What makes great conversations

1. Personal
2. Dynamic
3. Authentic
4. *Inclusive*

Royal National Lifeboat Institution



Insight sessions in their own world...



Reaching young people where they are

Research

Task:

Relax

Insight:

YouTube was their medium,
vloggers were their celebs.

Creative

Identify the UK's most
popular young YouTube vloggers ...



What constitutes value?

Research

Go into the diary room and give your view on this article.



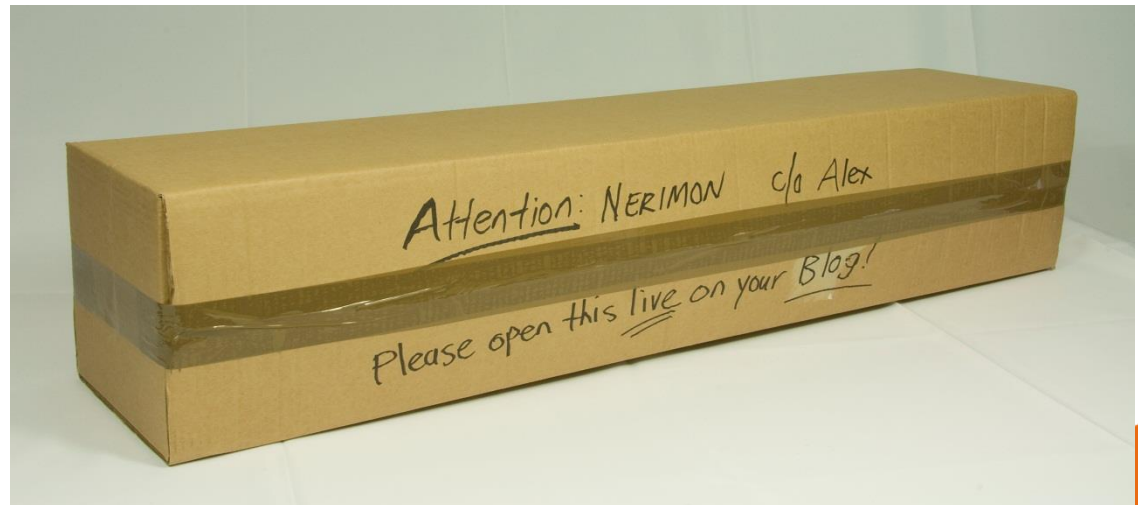
Insight:

Their explosive response showed an unmet need to be heard

We were mugged by hoodies, Mr Cameron ... so PLEASE don't ask us to hug them

Creative

Boxes posted to 12 influential YouTube bloggers, with this instruction ...



In the box



'Rebrand your generation'



The reveal

“Yeah talk about left field it being the RNLI.

I was convinced it would be some crappy marketing trick or something, but that is actually really great and a good cause.”

“I’m glad the packages were from the RNLI – they’re a pretty heroic organisation. Imagine if it had been Coca-Cola or McDonald’s – that would have been a real anticlimax.”

1m young people reached...all from 12 direct mail packs!

In 2015, the movement
is powering on ...
led by consumers!

Over the last 4 years, the youth have:
lobbied **youth brands** for donations;
petitioned **stars** to sell their secrets;
staged a **concert** at the end of a pier;
and **launched secret social events**
to raise money for the RNLI
in a way no other generation could.

So far, they've raised enough
to fund a 'Lifeboat for Youth'



Multichannel CRM exercise (1)

Please fill in this form to assess the maturity of an airline at creating great conversations with customers. This could be your own airline or a competitor. (Or fill it in for both, in different colours.) Choose a customer group to fill this in for (eg consumers; business customers).

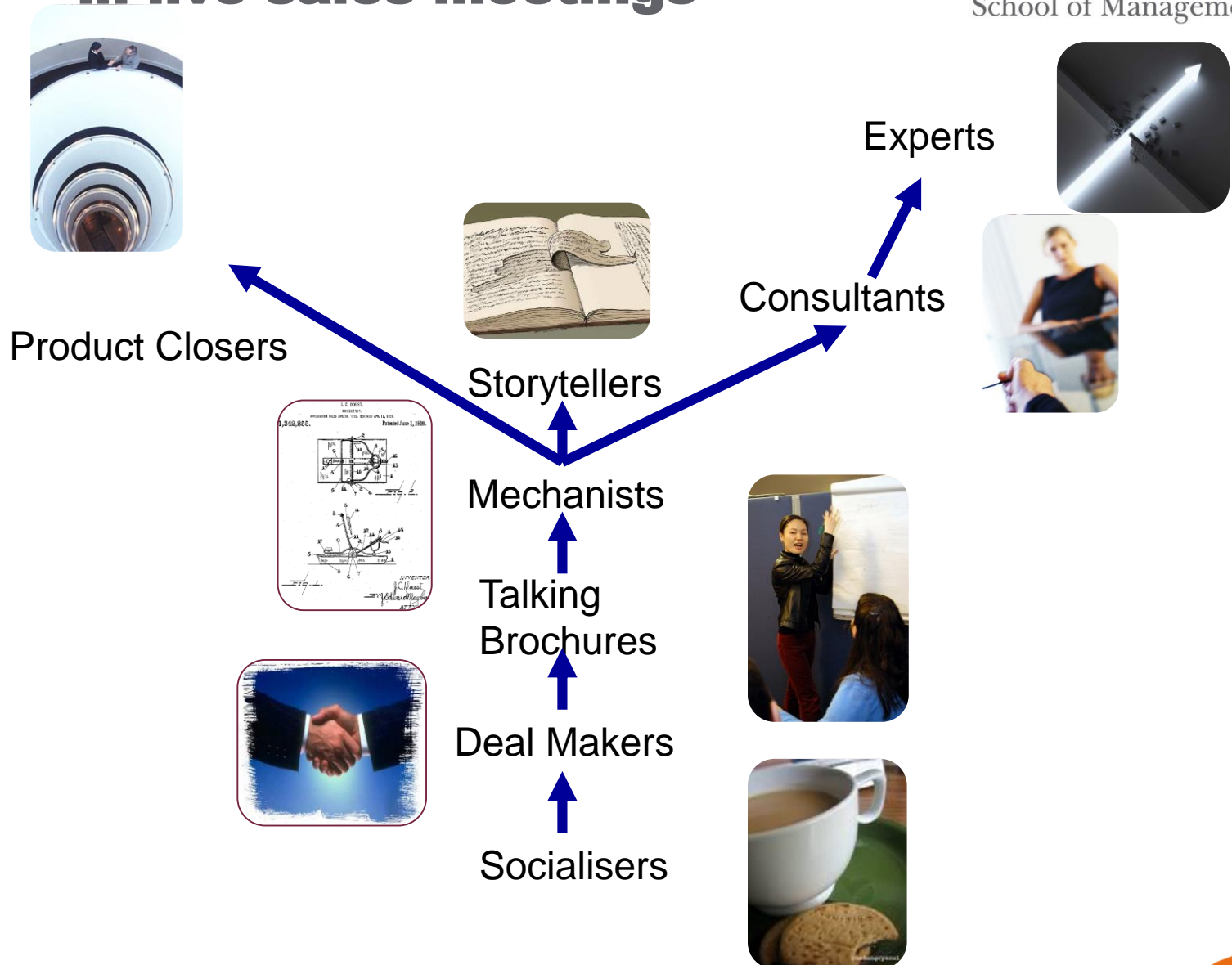
Airline: _____ Customer group: _____

Step 1. Thinking of this customer group, to what extent do you agree with these statements? Please score out of 7, where 7 = 'strongly agree' and 1 = 'strongly disagree'. You would ideally refine your scores through some mystery shopping!

		Score 1-7
Q1	<i>Personalisation:</i> Everything we say or write to customers is based on individual-level customer insight	
Q2	<i>Dynamic interaction:</i> What we say or write to customers depends on what the customer has said to us in the same conversation	
Q3	<i>Authenticity:</i> We put the customer's interests first when making sales or service propositions to them	
Q4	<i>Inclusivity:</i> We look out for opportunities for customers to add value for each other	
Q5	<i>Customer selectivity:</i> How we treat a customer varies according to the long-term potential of the customer, which we estimate accurately	
	Total:	
	Interaction score - Divide total by 5:	

How sales people operate in live sales meetings

Sales Success: Closing, Closing to next Stage



1. A good customer experience gives permission to hold conversations about other needs
2. These conversations are not one-way sales pitches. Instead, they need to be personal, dynamic (interactive), authentic and inclusive.
3. The firm will rightly also need to be customer selective: that is, take into account the current and future value of the customer. If this is done openly and fairly (that is, authentically), customers will be happy with it.

For most firms, this involves a total transformation in marketing practice.