

360° Touchpoint Management – How important is Twitter for our brand?

B2C and B2B decision-makers face a dynamic and ever-changing marketing environment. What is the best way for them to control a holistic, optimal marketing mix in an efficient and effective manner, in order to optimise their investments in market and brand management? This article answers the question by explaining how customer-oriented touchpoint measurement adds significant value by optimising the marketing mix and maximising marketing ROI.

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From the company perspective, there is a substantial risk in investing increasing amounts of technical, personnel and financial resources in order to reach and gain (potential) customers and win their loyalty (Lindstrom 2005). It is not surprising, therefore, that there is growing uncertainty about which market and brand management strategies are most likely to succeed.

How and where do customers experience brands – both today and in the future? Sell-side touchpoints provide invaluable information when navigating the complex interaction between companies and (potential) customers, especially when it comes to making focused plans for specific strategies and activities (Spengler/Müller 2008, p.223). Accelerom AG, a research and consulting firm based in Zurich, has developed 360° Touchpoint Management – a measurement system that helps companies to improve their performance while avoiding ineffective spending in sales and marketing. This holistic analysis and optimisation

concept is based on new insights from consumer and media research, and has been empirically validated in collaboration with the University of Zurich.

Developing strategies “from the outside in”

Companies that want to use their market and brand potential to the fullest must have a comprehensive picture of how they are perceived by (potential) customers. Developing strategies and activities from the outside in not only increases certainty when making decisions, it also leads to better quality contacts and services, and strengthens the brand. The information gained from a 360° Touchpoint Management analysis (see Fig. 1) can significantly improve a company’s customer focus and provides a sound basis for goal-oriented, interdisciplinary staff organisa-

tion in sales, marketing, communication and customer service. Collaborating across disciplines is a must when it comes to putting integrated touchpoint management into practice, as is a general willingness to embrace change.

Creating a unique customer experience

Customer interaction – along the entire value chain, from initial contact, to first sale, to ongoing loyalty – is the starting point for any integrated market and brand management system. The customer experience is the product of a customer’s total interaction with a brand or company: each individual interaction contributes to brand perception and thereby increases or diminishes customer satisfaction. What may come as a surprise, however, is the fact that the actual quality of the contact, for example friendly service or skilled advice, may not always hold primary importance. As an example: everyone knows what it’s like to use a call centre, and unsatisfied customers generally rate short waiting times and flexibility in solving problems as more important factors than friendly service. The influence of process quality on customer satisfaction is thus equal to, if not greater than, the influence of contact quality mentioned above. In

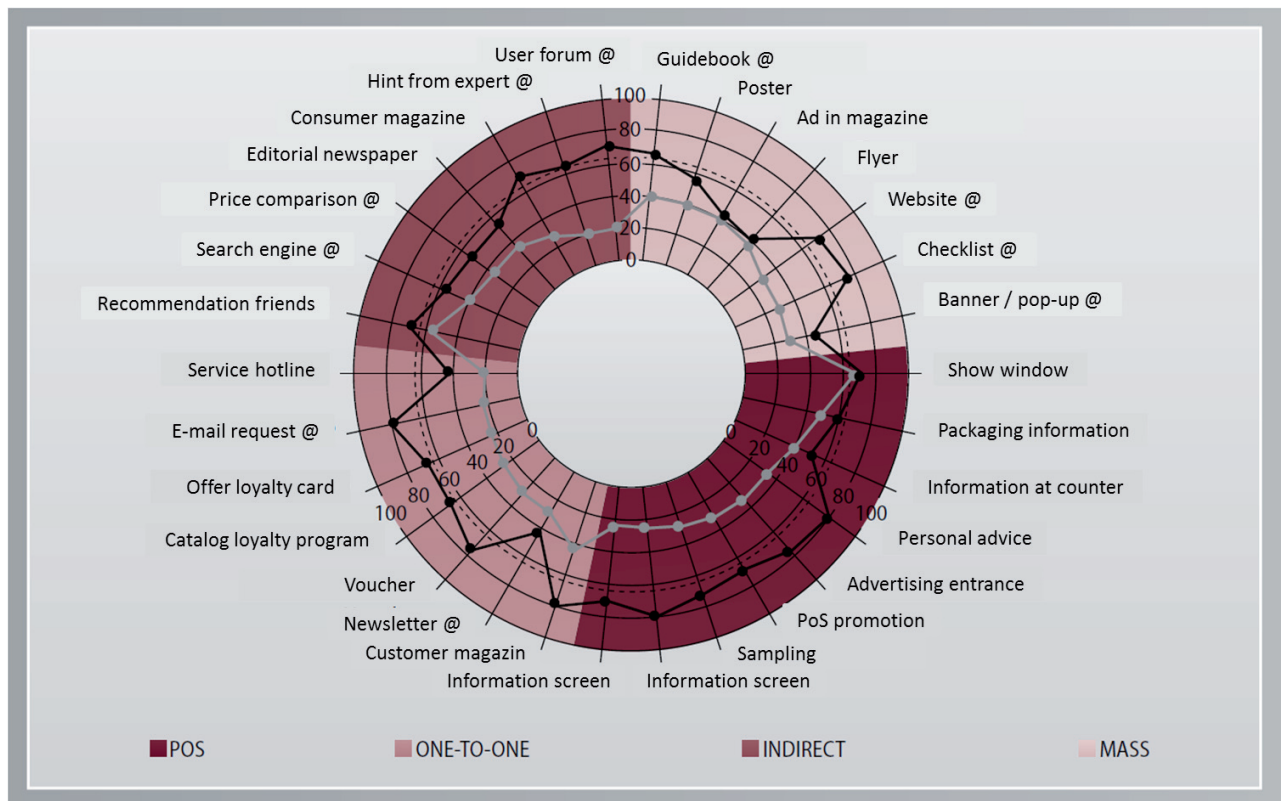
the end, finding the ideal balance between contact and process quality is the most critical success factor: it is this that allows companies to deliver a high-quality customer experience unique to their brand, ensures customer satisfaction, and sets them apart from the competition.

Adapting business models to new realities

In everyday practice, decision makers in distribution and marketing meet continual challenges, for example with respect to cost-benefit efficiency, and the effectiveness of market strategy optimisation (Reinecke 2006, p.6 et seq.). There are various reasons for this performance pressure. Important external as well as internal factors include, amongst others, global competition, increasing exchangeability of the products offered, tight budgets, the atomisation of media market processing channels, as well as the growing fragmentation of market groups.

Touchpoint management increasingly involves adapting the business model to new conditions in order to ensure the future competitive capabilities and value creation of the company. This means a rising requirement to clarify the value of particular marketing strategies for the company, and to demonstrate

Fig. 1 360° Touchpoint Universe



Source: Accelerom AG

what they actually contribute to the company's success (Porák 2005, p.163). A question that is often posed by chain-store companies in this regard relates to the future value of physical point of sale (POS) as a decision-making location. Will new purchasing habits result in the reduced importance of traditional sales locations? What opportunities will arise as a result? A deeper analysis of the priority touchpoints can outline the value of the various interaction categories that result from the breadth and depth of their influence (see Fig. 2).

An example from our practice: A successful "brand-typical client experience"



With over 1,200 outlets, Marionnaud is the largest perfume and cosmetic retailer in Europe and has a presence in over 13 countries. Since 2005, Marionnaud has been part of the A.S. Watson Group, the world's largest health and beauty products trading group. The market leader has 700 employees in over 100 sales outlets in Switzerland. Marionnaud's concept is to be a specialised dealer for perfume and beauty products in the luxury segment, with individual advisory services. Accelerom investigated the factors for success for the brand in various markets, and the relevant touchpoints for sustainable international and local market implementation. "In our client-oriented handling and planning of activities we follow an integrated approach, in which all areas and fields are involved. This makes it even more important that the effect of our message and the relevant points of interaction for the management of our brand-typical client experience are precisely understood. In this way we are in a position to set the correct key points from POS to communication and training, which will continually enhance the power of the buying experience."

Carsten Seupke
Country Manager
www.marionnaud.ch

An example from our practice: Leading TCS into the future in a client-orientated manner with innovative Touchpoint Management.



With 1.6 million members the Touring Club Schweiz – a non-profit-organisation with its headquarters in Geneva – is the leading organisation in Switzerland for car breakdown services. Their 250 patrols handle 300,000 breakdowns every year and ensure that 90% of clients continue driving on their way after receiving assistance. Founded in 1896, TCS today includes market-leading services such as ETI travel insurance, Assista legal protection, Auto TCS car insurance, and "Touring" magazine. As an important player in the consumer protection field, TCS carries out benchmark tests every year. With 24 sections, the TCS is the highest-profile discussion partner for mobility questions for the cantonal and national public authorities. For over 100 years they have been the main initiator of awareness campaigns and studies relating to transport and the safety of adults and children. As the leading provider of driver training, with 28 course centres across Switzerland, 13 with their own private driving tracks, they play an important role in driver education. The TCS has over 18 technical centres, three driver training centres, two transport security centres, 32 camping grounds and two hotels. Almost half the households in Switzerland trust TCS, its largest mobility club. "What will the mobility club of the future look like for the generation of young adults that has been affected by the introduction of the internet? Integrated Touchpoint Management will support us to further develop our business model in an efficient, effective and client-oriented manner with the relevant topics and offers, and help us to pursue new and innovative directions for our dialogue with (potential) clients."

Martin Waeber
Head of Marketing & Sales, Member of the Board of Directors
www.tcs.ch

Tab. 1 Checklist “optimal marketing strategy mix“

Assessment grid for strategies and measures (excerpt)
From the client perspective, which are the 30 most relevant contacts with the company or brand?
Which ten new types of contact points will be relevant for the company over the next two years?
Which activities should be re-examined, due to having insufficient breadth and depth of impact?
Which key contact points need targeted optimisation?
Which investments in which activities promise an optimal return on investment?
Which combination of activities has the greatest potential for successful marketing and brand management?
Which contact points can address and win new customers?
Which contact points are most effective at retaining customers?
Which contact points strengthen the brand-typical customer experience?

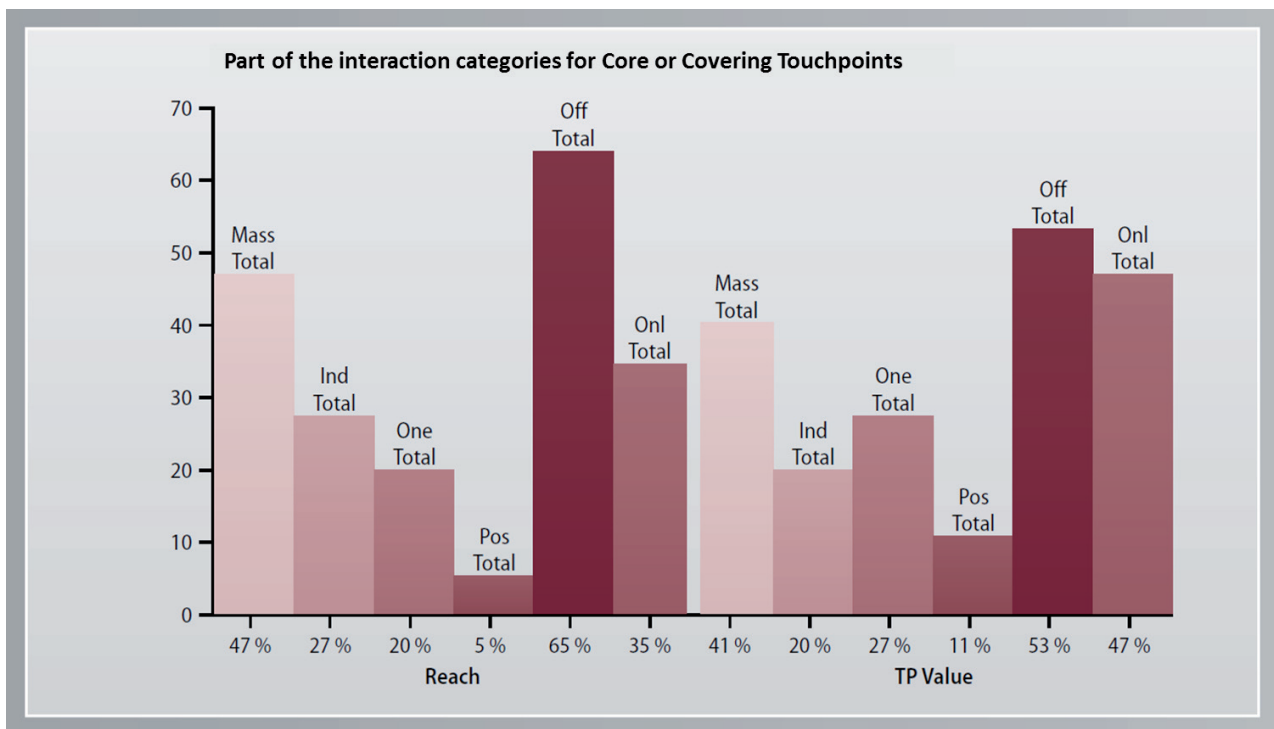
Source: Accelerom AG

Optimal market strategy mix

Which measures and which market strategy mix for sales and marketing are correct and important for the company? Discussions with consultants? Client magazines? Exhibitions? Or newsletters, advertisements, seminars, hotlines, sponsoring,

websites, search engine optimisation, or community forums? It is possible to continuously add to this list. Unrealistic assumptions concerning market reach and performance potential; the choice of unsuitable - or suitable – instruments; or a too low level of investment at the decisive points of contact can greatly hinder or even make it impossible to achieve market strategy

Fig. 2 Significance of categories of interaction



Source: Accelerom AG

Through systematic evaluation of the effectiveness of the relevant touchpoints, the complexity involved in managing market strategy can be simplified. The multi-level market strategy mix can be optimally designed, and the outgoings for marketing reduced - without shrinking performance. Perfect orchestration, with the correct dosage of the various market strategy instruments in conjunction with an outstanding level of creativity, is most important for success and effectiveness in touchpoint management. With the optimal market strategy mix (potential) clients can be optimally reached in a relevant and cost-effective manner (see Table 1).

Measurability and comparability determine optimisation

It is necessary to have a unified currency to judge the effectiveness of all the possible touchpoints between the brand and (potential) clients as a way to resolve the “apples and oranges problem” and reduce the complex options available. This is the Touchpoint Value (TP value). Key figures are collected by questioning (potential) clients on the rational, emotional and behavioural dimensions. This three-dimensional capture takes place using the tripartite attitude concept recognised in persuasion research.

The measurability and comparability of touchpoints regarding their effectiveness of breadth and depth, and their range, and the Touchpoint Value, make it possible to achieve systematic optimisation of the market strategy mix (see Fig. 3). In addition to highlighting those touchpoints that are particularly relevant (Core Touchpoints), brand-presence strengthening (Covering Touchpoints) and non-effective (Question Mark Touchpoints), the Touchpoint Matrix also depicts innovative points of contact (Potential Touchpoints) that will enable the future-oriented organisation of the market strategy mix.

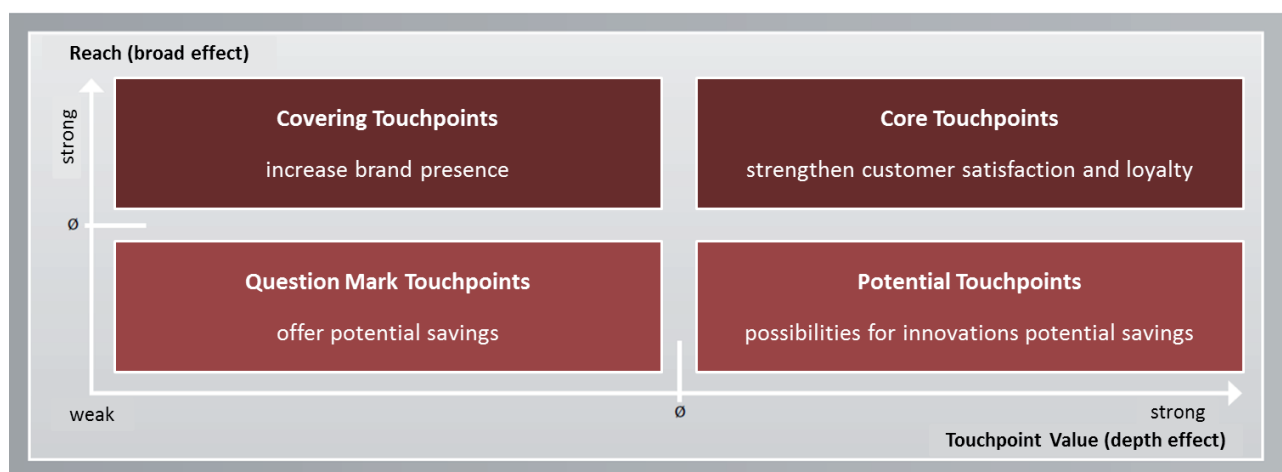
In addition to depth, effect and range, this measurement enables benchmarking with direct competitors regarding brand performance on the contact points examined. This provides a comprehensive picture of the interaction with (potential) clients and a customised predictive market understanding for the company. Experience has shown that there are often astonishing differences between internal perception and the actual views of the market, which are confirmed by actual values.

Convergence of technology, products and services

Communication from and with respect to brands takes place predominantly through the media. A major current challenge for deciding the market strategy mix is the correct deployment of digital media, in particular the internet, in target group marketing. As a multifunctional meta medium – meaning a medium that unifies the central elements of traditional media – the internet provides new ways to satisfy well-known needs, such as information, entertainment, social interaction, or product purchase (Flanagin/Metzger 2001, p.175). It is no longer absolutely necessary to open a newspaper to find out about the events of the day; it is not necessary to own a television in order to watch your favourite show; messages can be sent by email or SMS independent of location or the time of day; and transactions can take place online in an uncomplicated way.

When it comes to market and brand management, this means that classical measures must be reconsidered so that connections with various target groups do not get lost in the converging environment. But how intensively do the different generations actually use these new opportunities? Or more precisely: how and at the cost of which traditional media is the media usage mix moving, and with which off- and on-line touchpoints will it be possible to reach both older and younger generations today and tomorrow?

Fig 3 Touchpoint Matrix



Soucre: Accelerom AG

Diffusion of innovative touchpoints

Technological innovations such as internet services or mobile phone applications do not directly determine usage – it is more that the diffusion of online services and communications technology is a dynamic process. The perceived advantages of particular functions in comparison to “old” media can only be determined from everyday usage. This process will be driven by the image of the medium and the habits and needs of the users, under the influences of social networks and new technology innovation cycles (Wirth/von Pape/Karnowski 2008, p.599 et seq.). In order to effectively reach (potential) clients through a mix of measures, we must be able to track these dynamics (Belz/Schögel/Tomczak 2007, p.10). The advantage of a holistic approach from the client perspective is the following: with the trackability of off- and online touchpoints (see Fig. 2) it becomes clear which measures are able to reach which target group, and what cognitive, affective and conative priority a contact point has. This ensures that market and brand communication keep up with technological development as well as with the usage habits of different generations.

Connecting with the “digital” generation

Since they have grown up with and are totally familiar with the internet and mobile communication devices, the newest developments in the handling of multi-media technology are mirrored in the behaviour of the “digital native generation” (Tapscott 2008). While older generations have primarily been socialised as passive recipients of media offerings, it is self-evident for digital natives to interactively participate beyond the bounds of classical one-way communication. Their communication tools are blogs, discussion forums, posts in social networks such as Facebook, or following Twitter.

In the transformation to Web 3.0 – according to Google CEO Eric Smith - network (mobile) applications that are distributed virally will be increasingly important (Smith 2007). So it is necessary to more closely examine and target the potential of

the digital world for application within a company’s strategies. Currently, digital worlds are developing as fast as ever. When introducing a product, for instance, it is possible to use smart ad games to virtually transmit the characteristics of a product, without even being noticed as an attempt to persuade (Klein 2003, p.53; Kühne/Sigrist 2009). However, the importance of digital contact points cannot be definitively stated: it differs from market to market, from brand to brand, and from generation to generation.

Balancing generational differences

For the development and organisation of innovative and therefore future-oriented strategies and measures, the client perspective is a reliable reference point. Integrated Touchpoint Management can reveal the potential for a brand-typical and innovative client experience, as well as for targeted group-oriented communications processes, as it considers where new technologies meet generation-specific needs. Innovation within the framework of Touchpoint Management succeeds through the measurement of various breadth and depth effects, and is done in conjunction with knowledge concerning various communication behaviours transferred in a successful interaction of tradition and innovation into the market strategy mix.

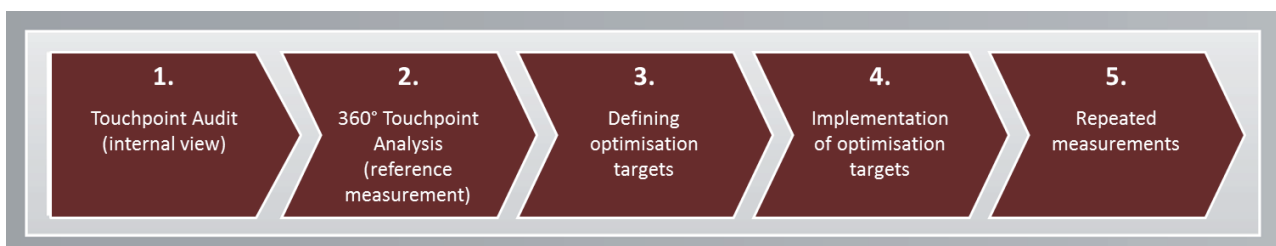
Systematic solution development and planning

The process of Touchpoint Management can be displayed in five steps (see Fig. 4).

1. Touchpoint Audit

All company and industry-relevant off- and on-line contact points are recorded. This runs from sales and marketing (point of sale), to classical mass media, indirect communication (public relations, word-of-mouth, etc.) up to personal one-to-one communications.

Fig 4 The five stages of Touchpoint Management



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2. 360° Touchpoint Analysis (reference measurement)

In order to assess the effects achieved by possible contact points, elements such as the range and depth effect are measured by questioning both clients and non-clients, and performing statistical analyses. The combined observation of points of contact, target groups and brand performance delivers the necessary depth of information to enable companies to make long-term decisions in relation to market strategy.

3. Defining optimisation targets

In coordination with strategy and positioning, the qualitative and quantitative requirements for change can be determined.

4. Implementation of optimisation targets

The optimal organisation of the touchpoints is the main target of implementation. Moreover, the analysis aims at optimisation of deferred processes and the multi-channel mix for distribution, marketing, communication and service.

5. Repeated measurements

The repetition of measurements is important for the evaluation and control of strategy and performance.

Determining the right future-oriented activities

Within the framework of 360° Touchpoint Management, a comprehensive and holistic index system is set up, thus creating transparency on multiple levels: market, own company, competitors and client categories. In this way, comprehensive Touchpoint Management helps decision makers and specialists to understand the connections between market strategy and market leadership, to make judgments, and to plan realistically from the perspective of the client.

The core elements of 360° Touchpoint Management are:

- Prioritisation of the points of interaction and measures for an optimal market strategy mix
- Efficiency-oriented budget allocation to maximise ROI
- Management of a brand-typical client experience
- Productive innovation management through systematic client orientation
- Targeted reduction of complexity and an escalation of product efficiency in market and brand management
- Flexibility and quick reactions to the ever-increasing speed of change

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