By Barton Goldenberg

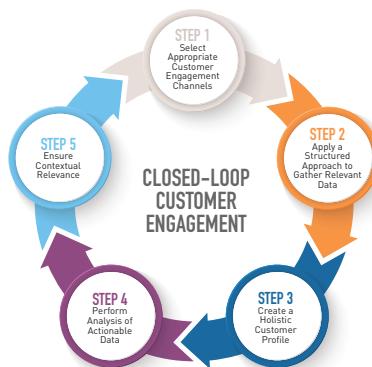# Make Your Customer Engagement a Closed Loop

Choose channels, gather data, create profiles, analyze, deliver right message at right time. Repeat.

SUCCESS IN today's digitally driven, hyper-connected marketplace largely hinges on customer engagement. This means engaging effectively with customers today and learning from each interaction, with the goal of continually improving the customer experience and enabling you to engage with customers more productively in the future.

In recent columns, I've described the components of a long-term customer engagement strategy, which I see as mandatory to survive in today's digital deluge. Engaged customers are more likely to buy from you today and be loyal advocates for your brand tomorrow. Given that strategy is meaningless without effective execution, let's now dig into the tactical implementation of an effective customer engagement strategy. It revolves around a five-step process that has at its core a robust CRM system, capable of both leveraging current levels of engagement and driving enhanced engagement in the future. I call this implementation closed-loop customer engagement.

STEP 1: SELECT APPROPRIATE CUSTOMER ENGAGEMENT CHANNELS

Closed-loop customer engagement begins with fully exploiting whatever channels your company now uses to sell its products and communicate with customers. These channels could include traditional media (face-to-face meetings, email, phone calls), social media (both public and private branded communities), e-commerce (websites, portals, shopping carts), or emerging technologies (mobile apps, IoT, wearables, virtual and augmented reality, addressable TV, personalized videos). Another way to look at channels is to put direct mail and display on the high end of the maturity scale, and email, website, social, search, video, premium content publishers, and the IoT on the low end of the

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maturity scale. Sources of customer input and feedback through these channels could be online or offline and could flow through your sales, marketing, or customer service functions—often all three.

STEP 2: APPLY A STRUCTURED APPROACH TO GATHER RELEVANT DATA

Next, closed-loop customer engagement requires a structured approach to gathering relevant data from each of the channels. This structured approach includes these steps:

1. Gather digital/non-digital information about your customers.
2. Analyze it.
3. Derive actionable insights from it.
4. Deploy digital tools to customize and optimize each individual customer's experience.

The focus here must be on *actionable* data, given the flood of data available, which requires some planning well in advance of actual data collection.

STEP 3: CREATE A HOLISTIC CUSTOMER PROFILE

Data is less useful if it is anonymous, or if it is only available to one part of the organization. A holistic customer profile, or customer master file, takes data from every available channel of engagement, links it to individuals, aggregates it in one place, and makes it available across silos. I like to think of a holistic customer profile as a daisy: You put the customer in the center of the profile, and various sources of information are the petals of the daisy. To keep the daisy healthy, you need to remove dead petals (i.e., customer information no longer relevant) to make room for new petals. Holistic customer profiles are essential for seamless collaboration across business units that market to, sell to, and service customers.

STEP 4: PERFORM ANALYSIS OF ACTIONABLE DATA

Accumulating relevant data and placing it into your customer profiles is not enough. You must also be able to

analyze and derive actionable insights from it, for use in subsequent interactions and outreach efforts. There is no shortage of useful types of analytics, including segmentation, look-alike modeling, opportunity sizing, acquisition modeling, lead scoring, cross-selling and next best offer, retention/survival modeling, response modeling, and customer lifetime value. New data analytics tools make it possible to link traditional data with internet and social media activity to model and predict customer attitudes, preferences, and behaviors. The goal is to develop *personalized* insights about individual customers or groups of customers that can be used to produce unique products and services and precisely targeted marketing programs.

STEP 5: ENSURE CONTEXTUAL RELEVANCE

The final step in closed-loop customer engagement is to be present in each customer's channel(s) of preference with the right message at exactly the right time. This is called being contextually relevant. As noted in my July 2017 column for *CRM* ("Contextual Relevance is Critical to Capturing Customers"), contextual relevance requires knowing as much as possible about the customer at every touch point 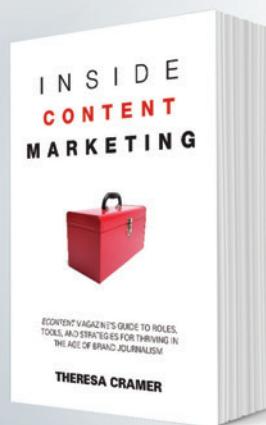and presenting contextual information that recognizes who the customer is, in which channel he is engaging, and where he is in his buying window. While this is no small task, best-in-class companies know that contextual relevance is a key differentiator in successful customer engagement.

CLOSING THE LOOP

This brings us back to step one, choosing the channel. Whatever channels you employ today are a good place to start. Make sure you're harvesting all the relevant data they can provide. But then endeavor to understand other new or emerging channels where your customers can be found, and develop capabilities to both listen to and engage customers in these channels as well. That's the key to surviving and thriving in our digital future.

Barton Goldenberg (bgoldenberg@ismguide.com) is president of ISM (www.ismguide.com). Since 1985, ISM has served as a strategic adviser to organizations planning or implementing customer engagement strategies that leverage technologies including CRM, social media, e-commerce, analytics, identity resolution, and other emerging technologies. He is a frequent keynote speaker (www.bartongoldenberg.com) and is the author of four books, including his latest, The Definitive Guide to Social CRM. *He is currently completing a new book,* Engaged Customer Strategy: Your Roadmap to Success in 2030.