



◊ The Lacek Group

NEXT-GEN ENGAGEMENT MARKETING

As The Lacek Group begins its fourth decade, we're sharing a snapshot of our proprietary approach to customer relationship management (CRM). Unlike typical strategies, we extend beyond behavioral segmentation to deliver a wide range of emotional and rational value built on empathy. This approach helps our market-leading global clients build and nurture devoted, long-lasting customer-brand relationships.



AT LACEK, WE FIRST ANCHOR OUR ENGAGEMENT EFFORTS IN THE WHAT.

Our first step is defining what customer and business outcomes we're aiming for. Once those are clearly defined, we can move on to the *how*, i.e., the CRM strategies that can be employed to reach the intended goals. Engagement marketing harmonizes strategy and execution to build more emotionally connected—and thus more meaningful—brand interactions.

BUILD A CRM FOUNDATION BY ASKING WHAT AND HOW

WHAT ARE THE DESIRED OUTCOMES OF CRM STRATEGIES?

Define your team's objectives.
For example:

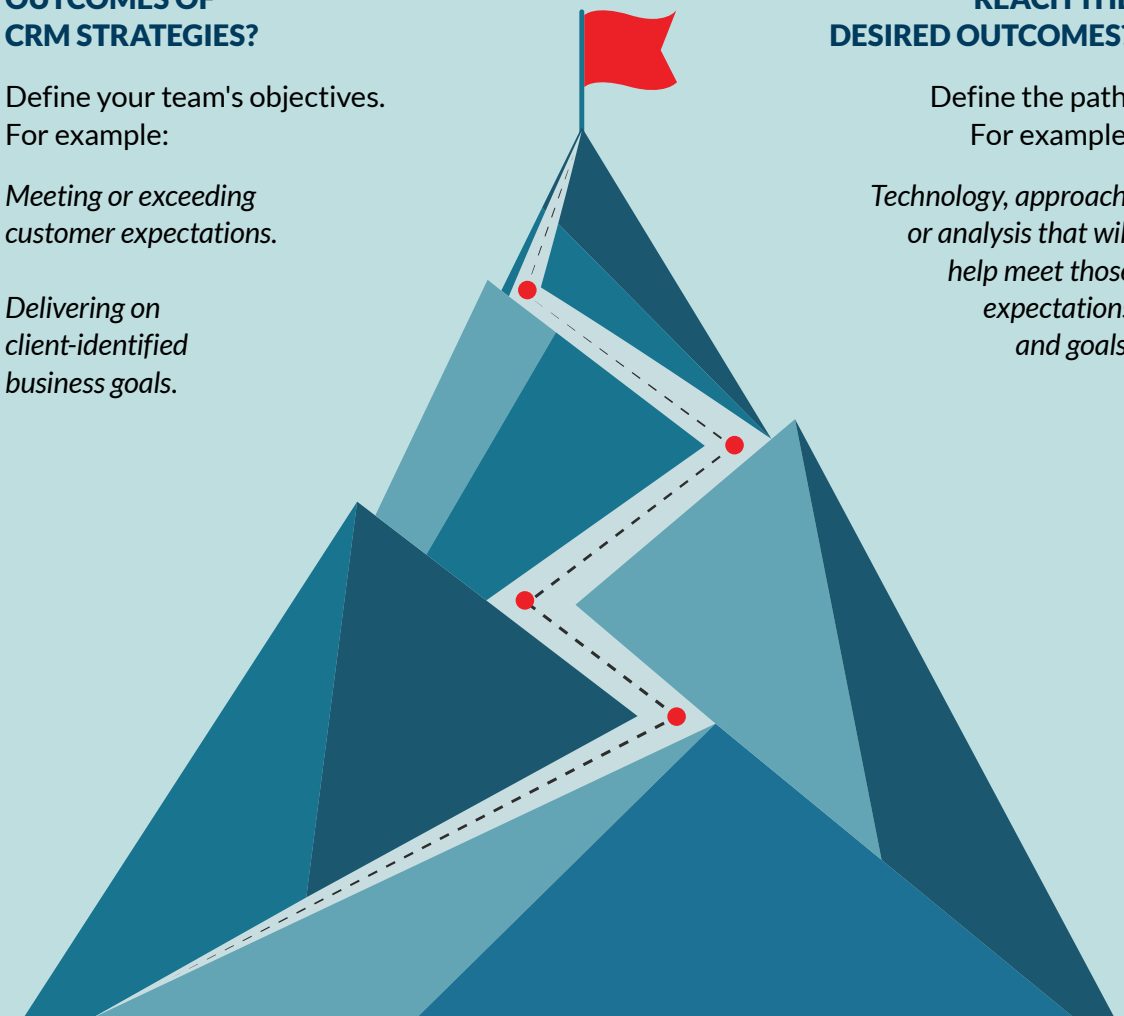
*Meeting or exceeding
customer expectations.*

*Delivering on
client-identified
business goals.*

HOW CAN YOU REACH THE DESIRED OUTCOMES?

Define the path.
For example:

*Technology, approach,
or analysis that will
help meet those
expectations
and goals.*



STAYING ON TOP OF WHAT PEOPLE EXPECT



Consumer expectations are growing alongside increasing choices and compelling experiences. While brands compete in their category on price and features, everyone competes with titanic brands—such as Amazon, TikTok, and Apple—in the arena of experience.

CRM helps brands understand audience needs, deliver rational and emotional value, and measure the impact. However, marketers often fail to realize the full potential of their CRM investment.

Let's explore how to map out and maximize your CRM capabilities to drive business and consumer goals through a total value exchange.

UPDATING CRM TO REFLECT TODAY'S LANDSCAPE



CRM—how companies holistically nurture consumer interactions with their brands—is crucial because today's consumers expect compelling value and personally relevant connections with brands.

The acronym CRM is tossed around liberally, but it isn't widely understood in a comprehensive way. CRM is often viewed primarily as a process-focused operations approach that typically leverages data analysis.

The dominant perception is that CRM encompasses data, tools, and workflow. In other words, most definitions focus on the *how* of CRM but often overlook the *why*.

Reframing CRM—reappropriating the "M" to be *marketing* rather than *management*—can expand our thinking to include one-to-one, direct-response, and other marketing disciplines. Viewing CRM as a holistic strategic practice activates a customer-centric mindset and approach. Ultimately, that's CRM's greater purpose.

FUELING CRM WITH DATA

CRM STRATEGIES MAKE LARGE AMOUNTS OF INFORMATION ACTIONABLE IN THREE MAIN AREAS.

1

All good strategy starts with insights. So the first goal of CRM is understanding customers. Marketers analyze existing customer data to uncover behavior patterns—particularly those that offer an opening to influence. The resulting information and strategic recommendations are the basis of any engagement strategy.

Once an opportunity to influence is identified, CRM must deliver meaningful interactions with both customers and prospects. Customers expect information they provide—either explicitly or implicitly—to result in relevant brand communications.

2

3

CRM's third role is to measure, learn, and optimize. Are marketing activities performing? Are assumptions correct? Performance data (both tangible and intangible) is translated into performance insights that loop back and inform future strategy.

In The Lacek Group's global research study:

81%

of respondents report opting in to communications with a brand.

73%

say it's critically important or somewhat important that brand representatives know who they are and understand their preferences.

CRM-related tools and techniques have matured in recent years, improving the way we bring to life these three main facets of CRM. For example, current data practices make it easier to reconcile online and offline consumer behaviors, providing more context about the individual. Application programming interfaces (APIs) connect more digital—and even offline—touch points in real time, creating an omnichannel marketing environment.

And now machine learning and artificial intelligence are accelerating marketers' ability to recognize patterns, which informs decision-making.

The world of engagement possibilities seems unlimited. However, in practice the reality isn't keeping pace.



GETTING STRATEGIC— AND ALIGNED

MULTIPLE ANALYSTS CONCLUDE THAT

20%–70%

of CRM projects either didn't improve company performance or resulted in losses.

Too many brands aren't seeing the benefits of CRM because they don't align their CRM strategy to their marketing strategy. They get lost in the capabilities of CRM's related tools and techniques. Brands that recognize CRM as an enterprise-wide effort to build positive, emotionally connected relationships are more likely to meet their short- and long-term marketing goals.

To deliver returns on CRM investments, brands should align their CRM approach with their growth-marketing strategies.

Let's first address short-term strategies: It's useful to think of engagement strategy as the CRM-based marketing discipline that helps build brand devotion with your customers. Your engagement strategy and plans may deliver on goals like brand engagement or loyalty program engagement. These drive the core brand and loyalty objectives on which CRM-based engagement activities are constructed.

For long-term strategies—let's call them road maps—track the CRM strategy to broader ambitions or goals the brand isn't capable of delivering today. While it does involve increasing your CRM maturity, this is not what drives the road map. Your road map is designed to deliver on larger ambitions of your brand or loyalty strategy but can also be developed to include related strategies like omnichannel marketing or customer experience (CX). The key is creating achievable milestones that incrementally help you realize your ambition. What customer interactions or experiences do you want to unlock, and what's needed to accomplish this? Data? Technology? New ways of working? All are necessary to advance your goals.

Once you have strategic alignment, additional work is needed to find the value exchange that builds brand devotion with customers.

INFUSING EMPATHY TO NURTURE BRAND DEVOTION

Building brand devotion—trust-based, lasting relationships with your most valuable customers—is a central goal of CRM. And that purpose should inform your thinking from strategizing through execution.

To achieve that for our clients, we follow a defined process. Keep in mind that our approach emerged from addressing the particular needs of marketing leaders who've come to us struggling to activate

internal strategy or to realize a measurable return from existing technology investments.

We start by designing an engagement program that delivers relevant value based on each customer's unique needs. The goal is to create an actionable and personal value exchange in relevant and differentiated ways. CRM capabilities can unlock this opportunity.



THREE KEY DESIGN STEPS

ESTABLISH THE CRITERIA FOR SHORT- AND LONG-TERM CRM GOALS.



BUILDING CUSTOMER EMPATHY.

Everything starts with the customer. Insights about the rational and emotional needs of the audience provide the foundation for a great CRM design. What needs does your product or service fulfill? How are customers feeling? What moves them further along the journey? What influences their decisions? Qualitative research, behavioral science, and social listening can help answer these core questions. Then distill the resulting insights into representative personas and journey maps to isolate the crucial moments of engagement when your brand can effectively influence the beliefs, attitudes, and actions of your audience.



Human-centered design (HCD) calls for a powerful creative shift: supplying users with radically new solutions to complex challenges after tapping into their customer mindset. According to organizational-design leader Stoked, HCD hinges on six key elements:

1. FOCUSING ON HUMAN VALUES:

Uncover unmet needs that serve as opportunities to create innovative solutions through wild curiosity about customer behaviors, emotions, and habits.

2. SHOWING, NOT TELLING:

Create and share visual assets and interactive probes to elicit a more engaged and collaborative audience response.

3. MINDING THE PROCESS:

Foster openness to all possibilities during idea generation for focused team alignment and thoughtful evaluation.

4. COLLABORATING RADICALLY:

Invite fresh perspectives by working creatively with a broadly diverse group of people.

5. EMBRACING EXPERIMENTATION:

Consistent iteration based on users' needs is at the heart of innovation. Informed experimentation saves time, money, and team energy—and is likely to get you to your desired result faster.

6. DISPLAYING BIAS TOWARD ACTION:

Show up with a key learning, idea, or prototype rather than a conclusion or established plan. Doing so will help maintain your team's curiosity and engagement—and, by extension, their potential to discover something truly new and innovative.

2

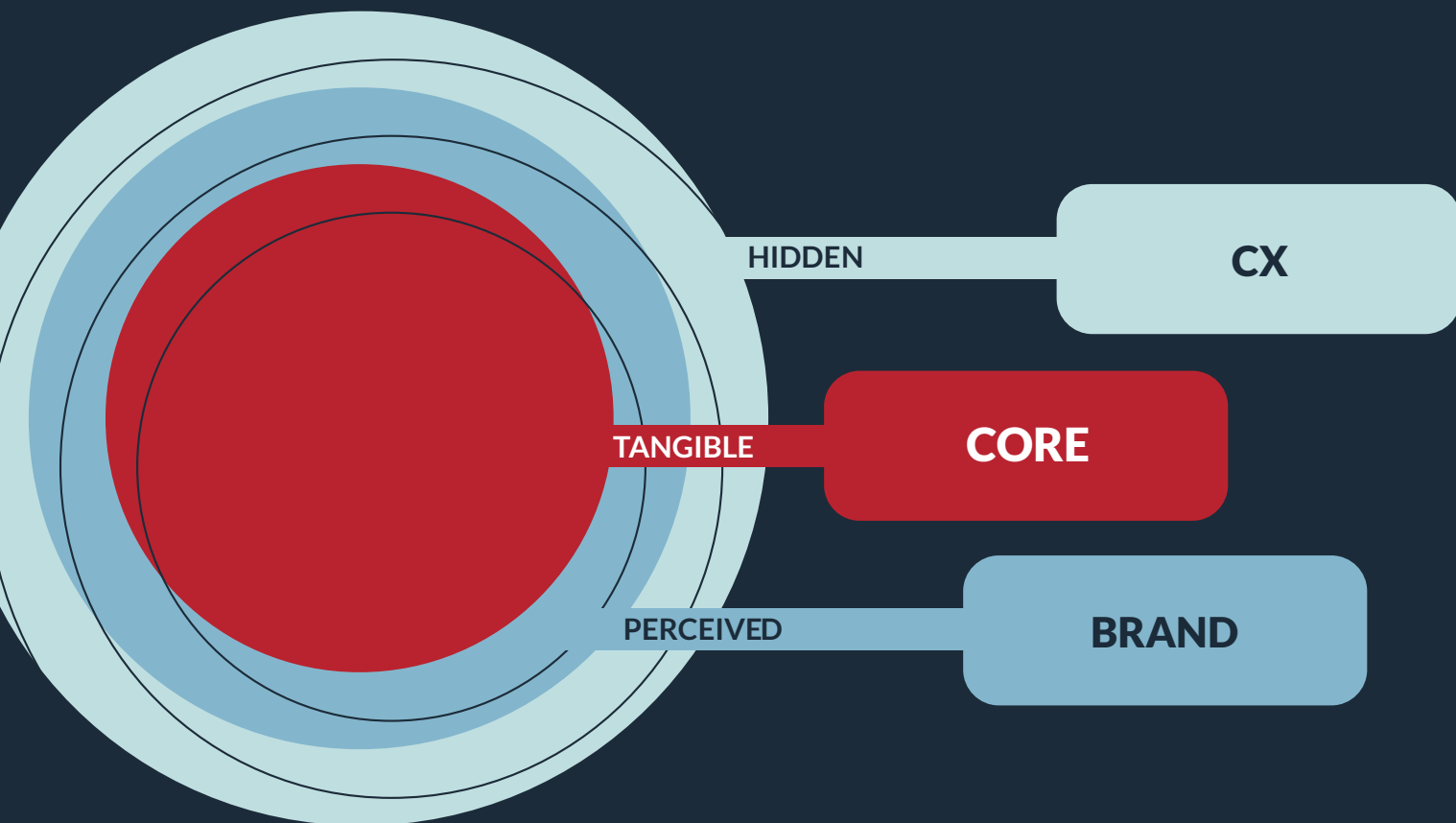
ASSESSING THE BRAND OFFERING.

Once consumer needs are defined, brands must identify how they can meet those needs. Which exclusive benefits or product features are at the core of meeting consumers' tangible needs? Which brand attributes meet customers' perceived need or desire to be associated with the brand? Finally, how can brands meet hidden needs through experiences that delight or reduce friction for the customer? Thinking through each allows for a more complete value proposition.

3

MAKING IT ALL ACTIONABLE.

Personas and journey maps are great, but they must be actionable to be effective. Validate the overall value proposition concept with quantitative research and then match it to targeted audiences. This produces demographic, behavioral, and attitudinal segmentation opportunities that will help you create personalized and compelling interactions with individual audience members.



KEEPING AN EYE ON SHORT-TERM ENGAGEMENT PLANNING

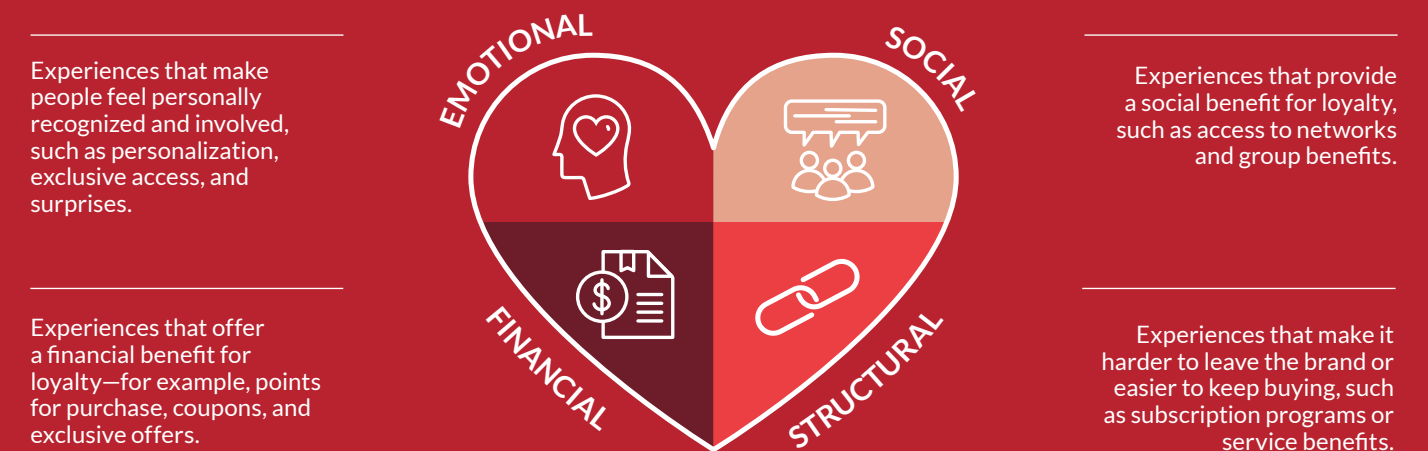
Once you establish which criteria move people along your brand's customer journey, prioritize your marketing tactics to move your strategies forward. A comprehensive engagement plan should leverage existing CRM capabilities or easily achievable enhancements. Construct your plan around these core elements:

- **Objectives.** Quantifiable objectives keep tactics focused and hold teams accountable. They should be marketing objectives—such as acquisition, retention, and program engagement metrics—or completion of high-value behaviors, e.g., downloading your brand's app.
- **Value proposition.** Customers choose to engage with your brand or loyalty program for more than the rational benefits (e.g., points or discounts). Make sure your brand's value proposition appeals to a wide range of customer needs and desires.
- **Enablement.** Be specific about delivering and assessing the engagement strategy you design. How will you measure success? What strategic learnings will be gathered and how?
- **Personalization strategy.** Segmenting customers and then strategically targeting those segments with corresponding value elements will drive your brand's core objectives. However, remember that more personalization isn't always better. You only need to drill down to the level of personalization detail that will yield a lift in performance. So avoid the temptation to burn resources achieving what's possible and focus instead on what's critical.
- **Interaction design.** Stay intentional about how interactions are handled at critical moments of the customer journey. What experience do you want to evoke, and what does that mean for content, channel, and timing?

Providing customers with a valuable experience encompasses more than serving up the right message at the right time. Aim to make them feel good every time they interact your brand. Devotees of a brand are inspired, involved, and rewarded by and for their engagement—keeping them invested in giving your brand their total loyalty.

Total loyalty is akin to devotion. It's about creating feel-good, brand-led touch points and experiences that make people want more.

Our research shows that growing brand devotion requires four types of consumer experiences—emotional, social, financial, and structural.



Emotional: Are messages and offers meaningful, relevant, and specific to me?

Example: Starbucks mixes personalized messaging with targeted offers across channels to create an emotional conversation with customers that fosters the sense that Starbucks really knows them.

Social: Do I feel a part of something positive? Are there experiences that allow me to connect with the brand?

Example: Elite-status members of Marriott Bonvoy, Marriott International's global loyalty program, can gift status and points to other members, creating a positive experience and extending brand and loyalty program love.

Financial: What's in it for me? Are there reasons why I continue to participate?

Example: Nordstrom gives Nordy Club members exclusive early access to brand sales, e.g., the anniversary sale. Members with higher program status get priority access.

Structural: Is it easy to participate? Can I easily find program information, and are program details easy to understand?

Example: Chipotle Rewards members who use the app get alerts if they preorder and are heading to the wrong location.

TAKING A LONG-TERM VIEW OF YOUR CAPABILITIES

It's easy to get caught living year to year from a planning perspective. Challenge yourself to identify how your capabilities can evolve over time to keep pace with consumer expectations—and advances in technology and techniques. Marketing, data, and technology teams must collaborate on a longer-term vision to align on a shared road map. Here's a framework to provide structure to that vision:



- Phases:** Create a horizontal map of key milestones. It can be as simple as the example shown at left or more complex—whatever serves your process. Even better, craft maps based on specific brand, loyalty, or CX milestones. Achievability is key, so be mindful of budgets, bandwidth, and competing priorities.
- Use cases:** Develop use cases that support the perspectives of your target consumers. In other words, from the consumer perspective, what behaviors, attitudes, and beliefs would help achieve your goal? For example, say you're a major bank and your milestone goal is to boost the number of consumers who apply for consumer loans. Your uses cases should reflect the perspectives reported by the customers you want to reach: "I'll feel more confident about applying if I can first calculate the projected monthly payments. I need to feel confident my information won't be shared or resold. I believe this bank is strong and stable."
- Capabilities needed:** Identify the data, technology features, or ways of working that would scale and sustain the delivery of the use cases. Then look at those capabilities from multiple perspectives: data collection, data curation, decisioning, content design, channel delivery, and measurement.

ANTICIPATING COMMON ROADBLOCKS TO PROGRESS

All road maps set a course to success—until they don't. If you encounter a roadblock or circumstances require an unanticipated detour, be sure to update your map.

- 1. Re-center strategy.** CRM flourishes when data, technology, and strategy are interlocked. When CRM is only held up by data and technology, its functionality is probably underutilized. Share your strategic vision and long-term marketing plans with your data and technology partners so they can prioritize and sequence their data strategy and technology functions to support the shared vision.
- 2. Remember that technology isn't magic.** Avoid the temptation to replace underutilized technology with new technology. When results disappoint, new or better tools can have an outsized appeal. Replacing an old platform won't solve underlying inconsistencies or blind spots in your approach, but it can eat up months of your timeline. To future-proof your CRM capability, be sure to house your data collection, curation, and decision-making internally instead of in your email service provider (ESP) or other point solution. This allows you to maintain your personalization capability, regardless of what technology delivers the interaction.
- 3. Confront channel silos.** CRM marketers typically have responsibility for the ESP, but other point solutions supporting the website, app, social, or programmatic display often are owned by other disciplines. That can lead to a disjointed flow of data, which stands in the way of effective omnichannel integration. Bring all stakeholders and channel owners into the planning process. Getting them invested in your engagement approach can help you create a stronger road map and break down silo walls.
- 4. Trumpet your successes.** CRM has tremendous power to uncover data insights and measure lift from engagement strategy and tests. But did it happen if no one knows? Broadcast CRM insights and achievements across the organization to highlight the benefits of your team's efforts and to justify past and future investment in CRM capabilities.

REACHING THE DESIRED DESTINATION:

BRAND DEVOTION

To open up the world of possibilities enabled by modern CRM, engagement strategies must move beyond behaviors to consumer attitudes and beliefs at the individual level.

Rooting engagement strategies in customer needs helps you connect CRM features and functionality to the full range of reasons consumers seek out your brand. Identify and leverage the various brand, content, and experience elements available. Then strategize on how to deploy those assets to influence the way your customers think, feel, and engage with your brand.

THAT'S THE PATH THAT LEADS YOUR BRAND CLOSER TO GENUINE AND DURABLE BRAND DEVOTION.

INTERESTED IN LEARNING MORE?

Check out lacek.com/insights for more expert perspectives on CRM, loyalty, and more.

[Loyalty and CRM: Better Together >](#)

[Using Data to Enhance Your Customer Journey Maps >](#)

[Human-Centered Design Boosts Brand Devotion >](#)

[Total Loyalty >](#)

[The Changing Look of Loyalty >](#)

For more than 30 years, The Lacek Group has been innovating the art and algorithms of brand devotion. We help world-class brands identify their highest-potential customers, engage them across channels throughout their lifecycles, personalize each relationship for optimal long-term results, and measure the true effectiveness of those efforts.

ABOUT THE AUTHORS

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Todd brings over 15 years of experience in managing CRM and digital campaign strategies to help drive engagement marketing performance across the financial, healthcare, hospitality, and quick-service restaurant industries.

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Joe leads our Engagement Marketing practice and has more than 30 years of experience developing CRM strategy and digital experience for brands, such as Dunkin', Microsoft, Ameriprise Financial, and Land O'Lakes.



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