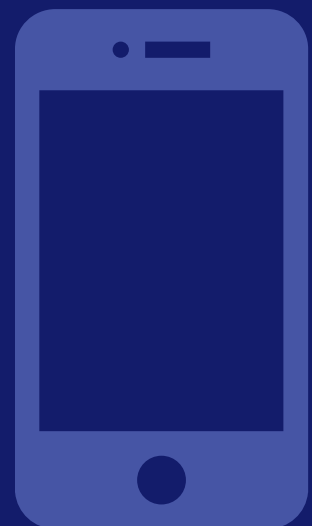


Navigating the touchpoint revolution

NEW



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Touchpoints' journey to the centre of brand strategy

Today's brands and businesses operate in an intensely connected world, and this has pushed a new concept to the centre of their planning. Not so long ago, 'touchpoints' were just another term for marketing channels, conversion opportunities or the different elements of customer experience; a handy catch-all phrase that meant very different things to each department and function within an organisation. Today, touchpoints are one of the most powerful and important concepts in planning – and precision in the use and understanding of them is essential. Marrying them with the right content, at the right moment, should occupy the centre of strategic thinking for businesses. It is taking over the process of building brands, driving conversion and managing customer experience. The ability to understand touchpoints, align them, and respond to them, will increasingly distinguish successful businesses from the rest.

For marketers, touchpoints were once passive channels that could be selected and flexed at will. Depending on the brand idea that you had and the target audience you were trying to reach, you could select the most relevant set of touchpoints and simply roll your creative ideas out through them.

For those working in shopper marketing, touchpoints were steps in the path to purchase, and here too, they were passive and pre-determined. They lined up in a regimented order with particular remits based on assumptions about when people would use them and what they would use them for. In customer experience, where touchpoints represent the moments at which businesses and their customers interact, those moments were almost always defined and planned by the business itself.

Now, this illusion of an organization's control of its touchpoints is crumbling. It's not just that the connected world creates many more potential touchpoints around each and every person (thanks to the fast-expanding range of digital and offline platforms through which they experience things).

The biggest change is that, in the hands of connected consumers and customers, touchpoints are no longer passive. They are autonomous and increasingly assertive – as capable of setting the marketing and customer agenda as serving it. Their role is defined by the people interacting with them.

Businesses must adapt to a world where brands, experiences and purchase journeys are all self-assembled in people's minds using touchpoints of their choosing, for purposes of their choosing, at the moments of their choosing.

To keep up, they need to be attuned to all of the different roles that each touchpoint could play. They must free touchpoints from the internal siloes into which they have been categorised (customer experience touchpoints versus shopper touchpoints versus brand touchpoints) and start to build a unified understanding based on the meaning of different experiences to people. They must be prepared to listen and respond to touchpoints at least as much as they must be ready to activate them.

The touchpoint-centred world is hugely dynamic, hugely disruptive – and potentially, hugely exciting. This booklet is your starting point for navigating it.

Margot Acton



Touchpoints as **brand builders**

Brand marketers have adapted to an increasingly complex digital landscape by rolling out their activity across a range of different touchpoints in search of reach. Programmatic has emerged as the glue linking different digital touchpoints automatically to deliver target audiences at scale.

The most skillful and forward-thinking marketers have gone further, customizing creative ideas to maximize their effectiveness within the different touchpoints that they use. This could mean adapting content to suit the formats of native advertising within social media feeds, or skillfully editing video ads so that key brand messages appear during the first five seconds, before YouTube users have the opportunity to skip them. In these different ways, brand advertising is evolving its capability for driving awareness and engagement in a multi-touchpoint world. However, a far bigger change needs to happen.

The brand campaigns that make most effective use of touchpoints will be those that look beyond reach to prioritize mindset and receptivity in their media plans. Rather than chasing exposures, they will look to reach the most open consumers through the touchpoints that are most relevant to those particular people. Twitter, Weibo, LINE and Instagram, for example, aren't just different ways of reaching an audience – they provide very different contexts for doing so. The most appropriate context for a brand campaign will depend on whom precisely you are trying to reach: rich, immersive imagery for those already disposed to spend time with a brand; attention-grabbing tweets for those who need convincing of its relevance to their lives; more intimate instant messages for those with a more established relationship.

The next big opportunity in planning will involve integrating a proper understanding of mindsets into digital targeting, identifying the groups of consumers most receptive to a brand, and the most meaningful touchpoints for that particular group. Would a male grooming brand, for example, be better served targeting touchpoints around the morning routine of preparing for work or the evening routine of preparing for a night out? More precision about people and contexts provides an opportunity to tailor creative ideas to the touchpoints that matter most.

Touchpoints as **brand experiences**

What marketers communicated about their brands used to be the dominant influence over how people felt about them.

Today, the positions that brands occupy in those people's minds are the sum of their memorable brand experiences – and the experiences shared by others. Brands are less and less in the business of selling stand-alone products, and increasingly in the business of curating better customer journeys. Doing so will involve aligning a range of different touchpoints that were once the responsibility of different functions within a business, but must now come together to tell a coherent brand story.

The in-store environment, the contact with a call centre, the eCommerce platform where a consumer researches their next purchase, the layout of a bank branch or the way a service centre is organized: all have the potential to generate experiences that will shape people's behaviour in the future. The same touchpoint could be equally influential in shifting brand perceptions amongst one consumer as it is in enabling another to complete a purchase. The same supermarket aisle delivers different experiences for the loyal customer attempting to find their favourite product – and the undecided shopper considering their options. Things get more complicated still when we consider the role of audiences themselves in co-creating brand experiences. One person's customer service complaint, skillfully and publicly resolved by a social media team, becomes a perception-shifting experience for that person's followers.

How can businesses keep up in a world where touchpoints can shift roles so rapidly and the experience delivered by one department can have huge implications for the success of another? How can marketers plan and manage brands when brand-building experiences can happen anywhere at any time? They must start by forming a unified, holistic view of the touchpoints themselves. Establish a common language between customer experience management, shopper marketing and brand marketing, and it becomes a lot easier to decode what is happening at each touchpoint – and what, if anything, needs to change about the experiences it is delivering.

But a fragmented approach to planning different experiences for different touchpoints can also undermine brands by confusing the emotional connection they form with people. Aligning the social, functional and emotional roles of a brand is vital to create coherent brand experiences – and ensuring the brand remains a preferred or even automatic choice for its target consumers. The way that marketers create relevant brand experiences for different touchpoints must reflect the distinct emotional role of the brand's distinct positioning. A brand built on refinement and exclusivity, for example, can't run discount offers on eCommerce platforms or social media just because that's what others use those channels for. The experience will potentially undermine its emotive appeal. Brands cannot establish a unique positioning by attempting to be all things to all touchpoints.



Key to aligning an organization effectively around touchpoints is a recognition that the drivers of better brand experiences don't have to originate in marketing. Amazon, for example, has built an entire business model around customer-centricity. It touches how the brand communicates with people (through personalised recommendations), how it deals with problems (no-questions-asked returns), how it delivers customer service (their Twitter customer service is highly rated), and how it enables easier communication between customers themselves. Amazon's approach increases the value of customer relationships whilst establishing a brand promise that drives customer acquisition across a wider set of touchpoints.

When optimizing touchpoints, marketers must consider both the immediate outcome of experiences, and the memories that those experiences create. The former may nudge people towards a purchase in the here and now or prompt them to push the 'satisfied' button on leaving a store, but the latter has the greatest influence on brand perceptions, customer loyalty and future behaviour. Analyzing not just what happens at a touchpoint, but how people remember what happens, is essential for understanding the true influence each touchpoint has - and prioritizing the actions that frontline staff need to take.

If this sounds complex, there are plenty of brands whose success in delivering different types of experience through common touchpoints proves it is possible. Air New Zealand excels with Twitter for customer service, brand building and sales simultaneously. The Apple store acts as a retail opportunity, brand experience centre, content distribution channel, and customer service delivery point. Nescafé demonstrated the potential for a more creative approach to touchpoints, when it launched vending machines on the streets of Germany that only worked when strangers collaborated to press two buttons simultaneously. In the process, it turned a sales channel into a carefully designed brand experience that was rapidly amplified across social and mainstream media channels.

Success with managing brands across different touchpoints comes down to identifying the touchpoints that matter most in driving profitable growth, and the range of experiences those touchpoints need to deliver. It requires an understanding of the emotions different touchpoints generate – and commitment to managing those emotions in a coherent way. Above all, it demands a unified understanding that enables coordinated action across an organization.



Touchpoints as **buying opportunities**

Conversion used to be the preserve of a few, very select touchpoints, which were only reached once consumers had passed through a range of other touchpoints priming them to buy the brand.

Now any touchpoint represents an opportunity for people to make decisions and in some cases complete purchases. But this ability to 'Checkout now' is also a challenge. Consumers expect to be able to buy at the moment of their choosing, through the platform of their choice – and brands that haven't anticipated this are likely to suffer.

As brand touchpoints, customer experience moments and buying opportunities merge, marketing departments must follow. The most immediate impact of this is an increase in the scope of shopper marketing – no longer restricted to stores, it must increasingly seek to engage and influence shoppers outside the store environment and beyond eCommerce platforms. When entire purchase journeys can take place within a single social media platform, it's more important than ever that shopper marketing starts when the shopper's decision-making process begins, not just when they enter a store.

On one level, this involves identifying the touchpoints and moments at which consumers are most interested in completing a purchase – and optimizing to enable this to happen. But dealing with a complex, connected shopper journey isn't just a case of adding 'Buy now' buttons to every platform.

Marketers need new ways of identifying the touchpoints that most influence a buying decision, and the context in which shoppers might favour one conversion channel over another.

When consumers and existing customers are free to choose how and when they buy, it confirms the importance of brand equity in their purchase decisions. Put simply, people tend to buy the brands they prefer – and with the ability to buy those brands through any touchpoint at any time, they have fewer and fewer reasons not to. If marketers are to negotiate more fluid and dynamic shopper journeys, it is vital that they understand existing brand relationships and behaviours. They must differentiate between people who are open to buying their brand and those who are not; between those considering a range of alternatives, and those whose purchase has already been decided. They must focus their attention on the most relevant touchpoints for people most inclined to buy their brand in the first place, whether they are existing customers or not.

This requires closer integration between brand and shopper organisational structures, as well as between customer strategy and customer acquisition. Businesses need common metrics that can help them to determine their most profitable paths to growth, as well as the relevant triggers and barriers.

As targeting capabilities evolve, driving conversions will involve using an understanding of a brand's most likely buyers to cultivate moments of serendipity. Presenting the opportunity to interact and buy at the precise moment when a shopping mission forms in a potential buyer's mind is the future of both brand and shopper marketing.



Touchpoints as **disruptors**

Connected consumers have an expectation of convenience and ever shorter, ever more frictionless journeys to access the products and services they need.

This creates powerful opportunities for disruption when businesses find new ways to leverage touchpoints in order to give people what they want: a smartphone app that allows you to control your heating remotely, a connected fridge that restocks essentials automatically, or a vehicle that books its own service to suit your diary. The deeper marketers' understanding of how people interact with different touchpoints, the greater the opportunity to develop these new, direct-to-consumer business models.

Research published by the psychologist Wood¹ suggests that as much as 45 per cent of human behavior tends to be repeated in the same physical location, every single day. This is a strong indication of habits at work, with fully automatic sequences of behaviour governing what people do and how they do it. To succeed, new brands and products must often find ways to disrupt or bypass these hard-wired habits, and mastery of

touchpoints often holds the key to doing so. Understanding the particular context and circumstances that trigger habits is the key to bypassing those habits and helping new ones to form. By enabling people to use touchpoints in different ways, brands have the opportunity to rewrite large portions of their previously predetermined behaviour.

Consumer appetite for disruption should make analysis of touchpoints an essential component in brands' innovation strategies. And it should also broaden the scope of those strategies beyond developing new products, to incorporate new types of experience. In order to direct innovation efforts efficiently, it is vital to integrate this analysis with an understanding of the technological ecosystem surrounding touchpoints, and the contexts in which consumers use them. Disruptive innovation rarely occurs in a vacuum.

The nimblest and most successful innovators are those that can identify when changes in technology enable new uses of a touchpoint, and can move to own the opportunity space that results.

¹Habits in everyday life: Thought, Emotion and Action, W Wood:

<http://www.ncbi.nlm.nih.gov/pubmed/12500811>

Touchpoints as sources of insight



Touchpoints' most important role used to be carrying messages from brands to consumers; today the opportunity to listen, engage and gather insight from consumers matters just as much. Making effective use of the different touchpoint roles and opportunities described in this booklet depends on the ability of brands to capture new types of data and insight from those touchpoints.

This requires a revolution in research to cope with the demands of a touchpoints-centred world. It must begin with a more precise understanding of touchpoints themselves. Here short, smart surveys delivered at the most relevant moment have a key role to play (exploring the reasons for a consumer completing a purchase on a phone, for example). New sources of real-time data, such as social media listening, are increasingly important for keeping up with consumers as they move nimbly across touchpoints. However, these new forms of agile insight can only provide meaningful understanding when they are integrated with foundational knowledge: in-depth surveys that probe the emotions associated with different contexts and experiences, and uncover the drivers behind people's use of different touchpoints for different purposes.

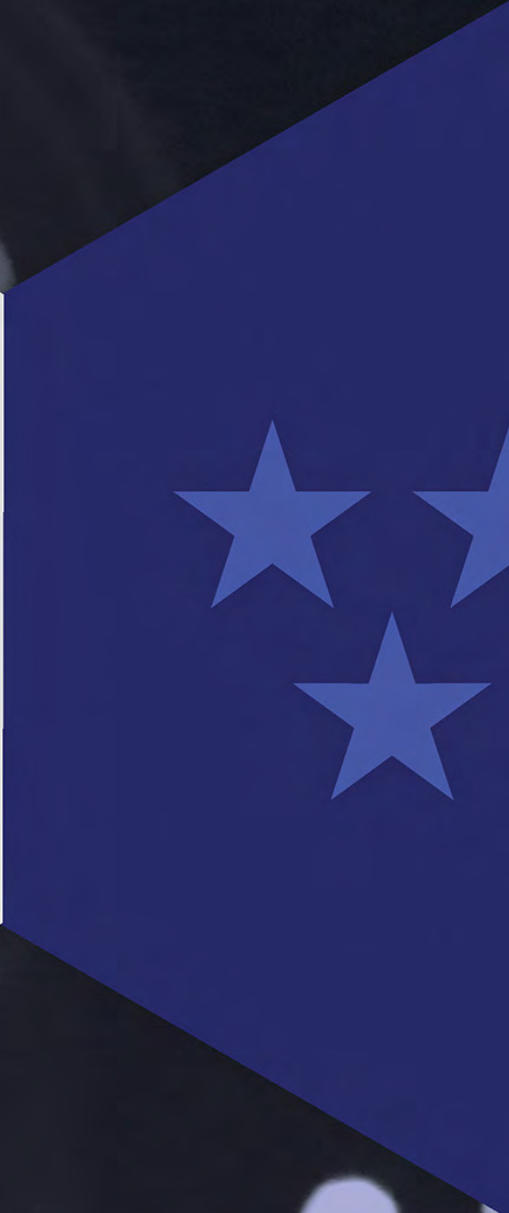
Such understanding also provides context for interpreting the data that different touchpoints generate. Armed with the right knowledge of how emotions translate into memories and action,

analysis of the social media footprint created by an advertising campaign can provide a near-instant snapshot of the type of impact it is delivering – and the long-term benefits that a brand might expect. At the same time, informed analysis of social media conversations following customer service experiences can provide instant, actionable insight for the touchpoint involved; the social media response to new products can similarly provide vital early insight on how launches are performing – and which changes to the launch strategy could improve that performance.

Touchpoint-based analysis provides brands with vital insight on how their equity shifts in different circumstances and situations: a coffee brand that has far greater presence in consumer minds during morning rush hours than at lunchtime, for example; or a beer brand that is bought most frequently during afternoon, and struggles for sales in the evening. Understanding such situational equity will help brands to map their barriers and opportunities more precisely – and direct their strategies towards the touchpoints that represent the greatest growth opportunities.

Touchpoints can provide a rich source of insight through passive listening. As the value of data to marketers increases though, we will see them used more proactively to gather insight on consumers. When sports brands add Near Field Communications (NFC) technology to trainers and footballs, as Adidas did last year, they aren't just seeking to create new types of customer experience in the here and now – they are establishing new sources of customer data for the future. They know that building new types of data-gathering touchpoints experience will hold the key to competitive advantage. When Nike and North Face create new types of connected touchpoints by helping customers track and share their climbs, runs and adventures, they are both adding to the brand experience, and adding to their customer understanding.





Conclusion

Responding to the **touchpoints revolution**

The complexity of connected consumer experiences mean that marketers cannot afford to pre-judge the role of any touchpoint, or dismiss its significance to their objectives out of hand. However, this is not to say that all touchpoints must be treated with equal importance. As the opportunities for interactions between brands and consumers proliferate, it's vital to distinguish those that can make the most valuable contribution to growth. Only then can brands focus their efforts on delivering the experiences that matter, through the touchpoints that matter, for the people that matter.

Our research shows that, for brands and products in many categories, 20% of the touchpoints deliver 80% of the impact.

The key to navigating the connected world successfully lies in continually identifying the 20%. In order to do so, we must focus on pooling information across once-siloed marketing departments, establishing a common vocabulary for understanding and activating touchpoints. We must put that common vocabulary to use by re-integrating an understanding of the most important audiences for any business, how they contribute to growth, and how touchpoints must be activated to deliver the coherent brand experiences that they demand. Only through a common vision of the importance of different touchpoints can we deliver an effective strategy for leveraging them.

