Treating Every Customer Like Your Only Customer With Oracle Marketing

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Introduction

This whitepaper provides an overview of how marketing personnel can create target audiences for their marketing activities using lists, segments, customer interactions, and click-through destinations (CTDs) to provide customers with one-to-one experiences that increase customer response and loyalty. With Oracle Marketing, marketers can create targeted audiences to engage customers in more meaningful one-to-one communications.

One-To-One Marketing

What Is One-To-One Marketing

One-To-One marketing (1:1 marketing)[i], or personalized marketing is a customer relationship management strategy emphasizing personalized interactions with customers.[ii]   This involves remembering details about customers, ranging from their personal preferences and characteristics to the products and services they purchase from the organization. Using the information provided by the customer, the organization can provide personalized communications similar to how local neighborhood mom-and-pop stores know their customer's names and history. By using one-to-one marketing strategies, large organizations can begin to build the same types of personalized relationships that local neighborhood stores have had for years with their customers.

Challenges with One-To-One Marketing

One-To-One marketing becomes a challenge to execute successfully when an organization begins to grow its customer base into the thousands. Whereas the mom-and-pop store may have a couple hundred customers, they have the advantage of dealing with the same customers face-to-face each time. Organizations with thousands of customers and/or no direct face-to-face interaction with the customers (E.g., online only organizations) have the distinct problem of personalizing their message to each customer. How do they deliver a personalized message to a customer they never met? The way to accomplish this is to capture the interactions the customer has with the organization, whether it be a customer support call, an order, or simply the completion or non-completion of a survey. The captured information allows the organization to begin to develop personalized messages for each customer in cost effective manner.

Accomplishing One-To-One Marketing with Oracle

Overview of One-To-One Marketing and Oracle Marketing

Oracle Marketing provides the organization's marketing personnel with the tools necessary to design, execute, and track targeted marketing activities. All activities, from marketing campaign design to execution and reporting is done within Oracle Marketing. This provides the marketer with even more data on how customers respond to the organization's marketing campaigns. The cycle of One-To-One marketing in Oracle Marketing is depicted in figure 1.
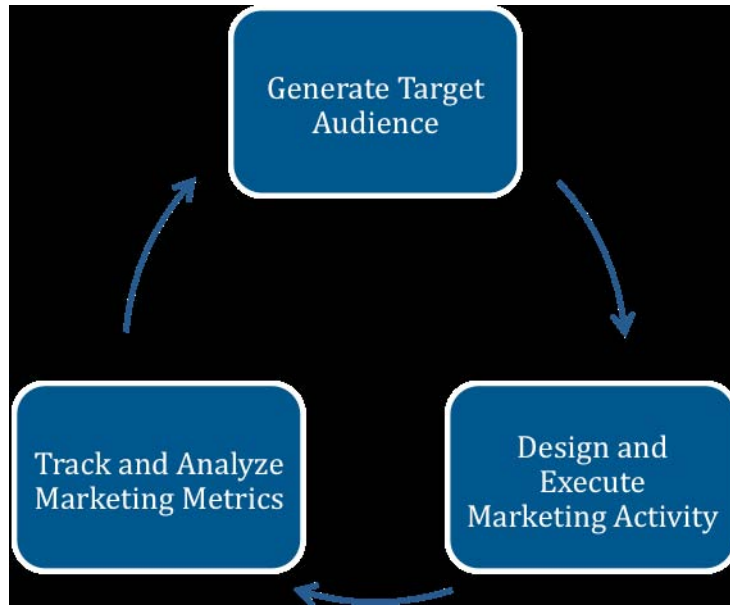
Figure 1: One-To-One Marketing Cycle

The marketer begins by generating a target audience using available customer data and marketing metrics from both external sources and internal sources such as order history, Trading Community Architecture (TCA) information, and interaction history. During this step the goal is to build a target audience that has similar characteristics and history with the organization. Next, marketing activities are designed and executed. When designing the marketing activities it is important to include methods for capturing interactions, such as e-mails with click-through destination (CTDs) URLs, and printed materials with unique source codes. After design comes the execution of the marketing activity. This is the point where the customer interacts with the organization. For example, clicking on an e-mail link. Lastly, the marketer tracks the marketing activity metrics such as number of orders placed as a result of the marketing activity, or the number of unique clicks originating from a particular e-mail. The marketer can use the captured information and metrics to begin the cycle again, each time gaining a better understanding of the organization's customers.

Generating Target Audiences
When generating target audiences in Oracle Marketing the marketer should be able to answer three questions:

- What type of data is available?
- Where is the data located?
- How to use the data to generate target audiences?

What Type of Data is Available?
To begin the process of generating target audiences and marketing activities, the marketer must understand the type of data that is available. Within Oracle Marketing the marketer has the flexibility of using data captured from the Oracle E-Business suite (Internal Data), or using data in remote databases, typically data warehouses (External Data). To learn more about remote data sources please see the Oracle Marketing Implementation Guide.

Internal Data, that is data stored in the E-Business suite database consists of information from customer interactions, order information, and party records.

Oracle's Interaction History tables are designed to store and track the who, what, when, why, and how of interactions between the customer and organization. Each interaction can have an assigned Outcome. An Outcome is a value used to indicate the disposition of an Interaction. It is a way to categorize an Interaction. For example, an e-mail sent to a customer can have an initial outcome of *Sent*. Then, if the customer opens the e-mail the outcome will update to *Opened*. Below is a list of outcomes that the one-to-one fulfillment server tracks for e-mail distribution:

- Sent
  - o Opened
  - o Unopened
- Not Sent
  - o Malformed
  - o Do not contact
  - o Other failures
- Bounced
- Unsubscribed
- Resubmitted Malformed

Interaction history provides the marketer with real-time customer interaction data. To view Interaction History configurations, log into the *Interaction History JSP Admin* responsibility. See Figure 2 for a screenshot of the Outcomes configuration page.
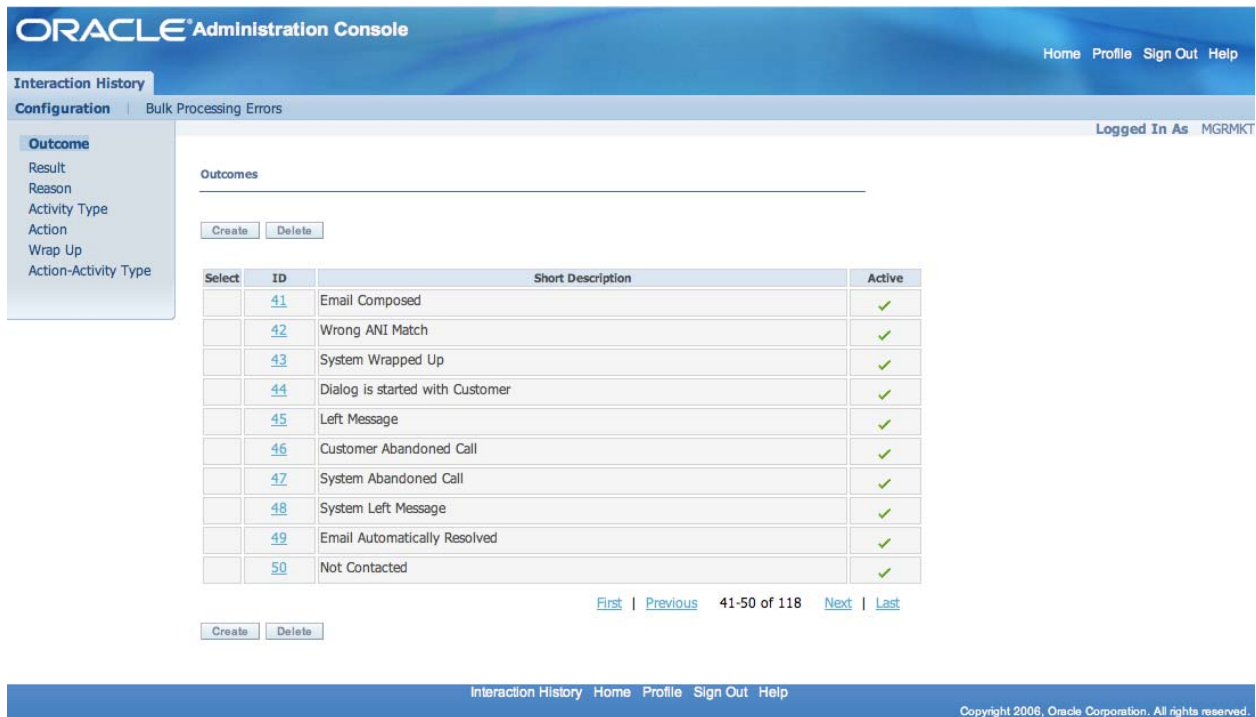

Figure 2: Outcomes configuration screen in the *Interaction History JSP Admin* responsibility

If Order Management is set up, the marketer can use a customer's order history to learn about the products and services purchased. The marketer can also use the order information to perform basic calculations such

as average order amounts, minimum and maximum order amounts for each customer. Some order information the marketer is looking for may require the use of Structured Query Language (SQL).

Party records (TCA records) are another source for marketers to use to generate target audiences. Information within the TCA records includes factual data about the customer, such as age, physical address, and gender.

Where is the Data Located?

Within Oracle Marketing this data is accessible through the use of pre-defined list templates and data sources (Covered in the next section). However, this data can be accessed directly. For Interaction History, the marketer can view information for each party by using the *Interaction History JSP User* responsibility (See Figure 3). To view customer party information and order information the marketer can use TeleSales responsibilities. While the marketer can see the raw data by logging into one of the aforementioned responsibilities, the only way to generate target audiences is to use the functionality in Oracle Marketing.
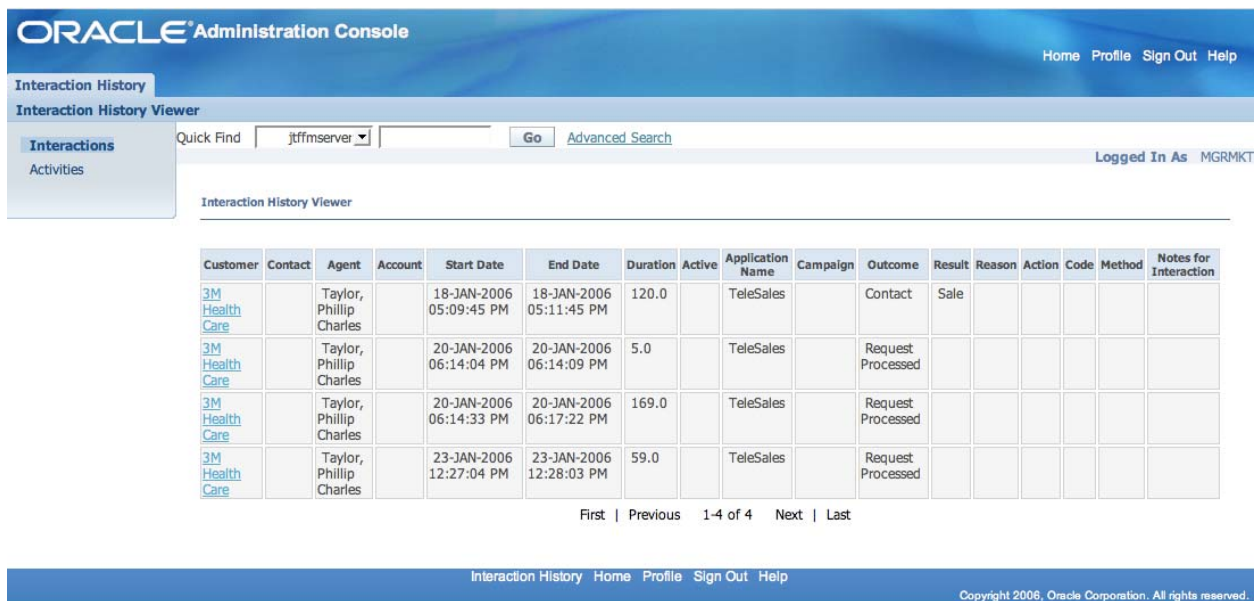
Figure 3: Interaction history for a party using the *Interaction History JSP User* responsibility

How to use the Date to Generate Target Audiences?

There are three ways to generate target audiences. The first is to generate a List. The second is to create a Segment. The third way is to combine multiple lists and segments to generate the target audience.

A List in the context of the Oracle Marketing application is a group of customers or prospects that meet specific user-defined criteria. Lists are always static; meaning the number of entries in the list always remains the same. Lists can be generated many ways, however, for this whitepaper the focus will be on list imports and the Natural Language Query Builder (NLQB).

List Import

Using the list import feature provides the marketer with the ability to target a list of customers that otherwise would not be available for targeting. With the import feature, the marketer has the ability to choose whether a list is rented or purchased (See Figure 4).

Figure 4: Selecting the type of imported list

Having the functionality of rented or purchased lists allows for one of two data handling scenarios. If the marketer chooses the rented option then the information inside the list will not migrated over to the Trading Community Architecture and become permanently part of the organization's records. The other option allows for the records to be migrated over to the TCA. See Figure 5 for a screenshot of the import mappings. The process of importing a list is can be accomplished in 4 steps:

1. Generate a flat file with the data to be imported
2. Specify the type of list: Rented or Purchased
3. Map the data in the flat file with the fields available in Oracle (See Figure 5)
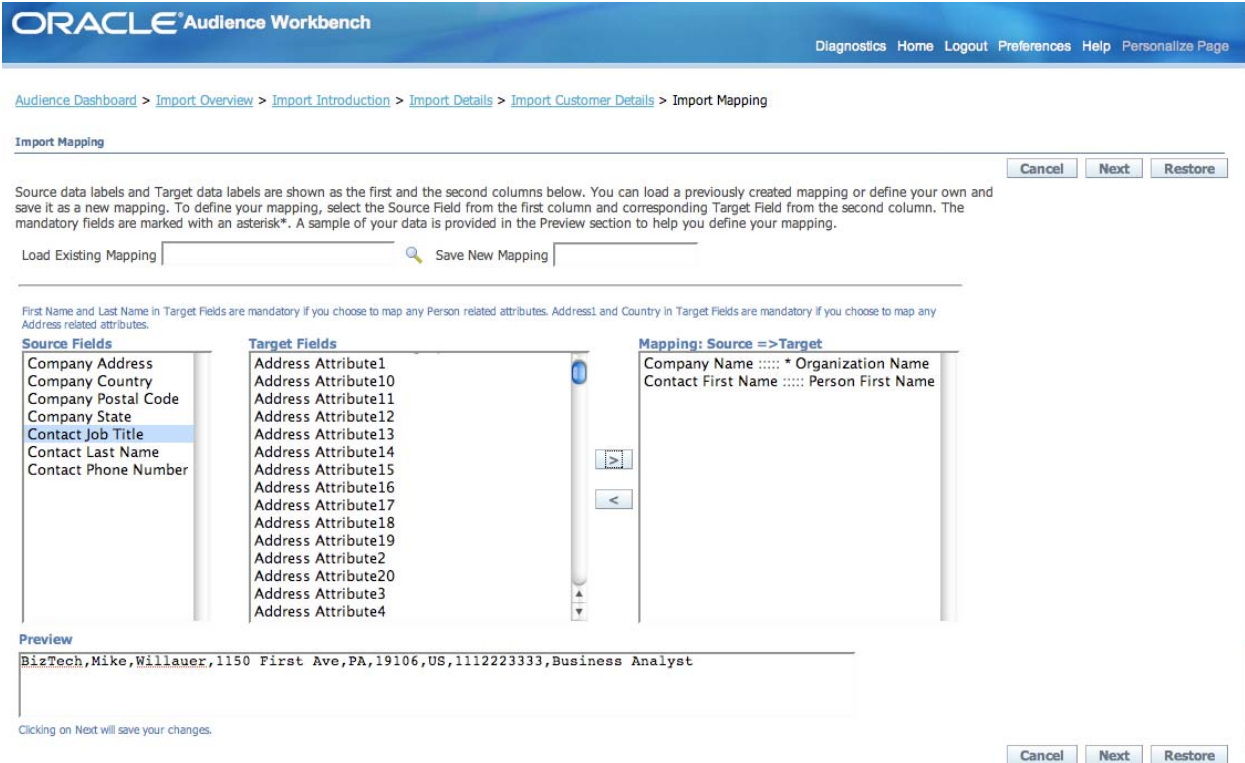4. Upon completion of list import check for errors and if necessary re-import error records

Figure 5: Import Mapping Screen in the Audience Workbench

Natural Language Query Builder

The Natural Language Query Builder (NLQB) uses out-of-the-box record sources with pre-defined criteria to assist the marketer in creating various types of lists. The NLQB allows the marketer to define a list by thinking about it in a natural language, rather than having to rely on technical resources to build Structured Query Language (SQL) statements. Examples of NLQB are:

- *Customers who purchased product **X***
- *Customers who responded to marketing activity **Y***

In the above examples the bolded letters, X and Y represent information the marketer would populate. NLQB provides the marketer with great flexibility in building targeted lists. With NLQB, marketers can work with out-of-the-box query templates ranging from *Interaction Follow-Up for Organization Contacts* to *Customer Retention for Individual Consumers*. The built-in templates provide the marketers with the framework for using the data from customer interactions, customer order history, and customer information without worrying about the details of where the data resides in the system. See Figure 6 for a screenshot of the NLQB.

Figure 6: List creation using the Natural Language Query Builder (NLQB) in the Audience Workbench

<u>Segments</u>

Segments are used to identify groups of customers, or prospects that satisfy business-defined strategic or tactical criteria. [iii] Segments are not static which means the number of entries in a segment may differ over time. Once a segment is created it can be used as a basis for creating a list. Marketers create segments using an Oracle Discover Workbook, or a SQL statement. Some examples of segments are:

- *All customers who purchased from the organization in the last year.*
- *All customers who purchased product A in the last year.*

Segments are typically created in a hierarchical fashion as show in Figure 7. Each segment in the hierarchy generates a more refined list of entries. In Figure 7 the parent list *Laser Printer Customers December 2007, January 2008, February 2008* has a size of 286. The child segment, *Laser Printer Customers January 2008* has a size of 35.

Figure 7: Segment hierarchy for Laser Printer Customers

Once the targeted lists are designed. The marketer has two options, use one list or segment to generate a target audience, or use multiple lists to generate a target audience. Using multiple lists allows for further refinement of the target audience. With multiple lists, the marketer can set specific criteria for which entries to include. For example, if two lists are going to be used to generate a target audience then the marketer could intersect the two lists, so that entries that appear in both lists will only be used for the target audience. Figure 8 shows the list with the name of *Import Lists, Lists, Segments* contains multiple list types and segments.

Figure 8: Combining multiple lists and segments to generate a targeted audience

Designing a Targeted Marketing Activity

When designing a targeted marketing activity the marketer follows the following process:

1. Select an Activity
2. Generate Target Audience
3. Create Customer Facing Content

Activity Selection

The first step in designing a targeted marketing activity is to select an activity that best suites the target audience. Oracle Marketing provides many types of activities for the marketer to choose from. The activities available are:

- Advertising
- Web
- E-mail
- Fax
- Print
- Sales
- Telemarketing
- Events

It is a good practice to select an activity that will provide the most feedback to the organization. For example, in some instances e-mail CTD URLs may be more effective than a print activity because a marketer will know which customers respond to the e-mail. Table 1 shows the response tracking method and whether the activity can include a target audience.

Activity Type	Can Specify Target Audience?	Response Tracking Method
Advertising	No	Landing Page URLs
Web	Yes	CTDs
E-Mail	Yes	CTDs
Fax	Yes	Landing Page URLs
Print	Yes	Landing Page URLs
Sales	Yes	Employee interacts directly with customer
Telemarketing	Yes	Employee interacts directly with customer
Events	Yes	Response known through event registration

Table 1: Marketing Activity Capabilities Matrix

Target Audience Generation

Once the marketing activity type is selected, for example e-mail (See Figure 9), the next step is to generate the target audience for the activity using the list or combination of lists previously created. During generation of the target audience, de-duplication rules, do-not contact lists, fatigue rules and suppression lists are applied.

- De-duplication – a marketer can use seeded de-duplication rules or custom designed rules based on fields such as e-mail and address. De-duplication will prevent the same customer from showing up in the target audience.
- Do-Not Contact List – stores customers who have opted out of communication with the organization. This is typically accomplished by using the unsubscribe feature in e-mails sent from

Oracle Marketing. The organization has the capability to place a customer on the do-not contact list from within Oracle Marketing.

- Fatigue Rules – defines the maximum permissible contacts within a specified time period. Marketers can set fatigue rules by channel and different periods such as week, month, quarter. Customers considered fatigued will not be contacted despite being in the target audience list.
- Suppression lists – define the customers that should not be contacted in the target audience. Suppression lists are generated the same way as target audience lists.

Generating the target audience for the activity is as simple as selecting the desired lists and pressing the *Generate Target Group* button (See Figure 9). After the target audience is generated the next step is to create the customer facing content.

Figure 9: E-Mail Marketing Activity Details

Customer Facing Content Creation

For an e-mail activity, the customer facing content is e-mail. Note that text-based e-mails cannot include CTD URLs. Figure 10 shows a step in the creation of a CTD URL. In Figure 10, the product picture is selected and the CTD button is pressed, resulting in a pop-up window appearing similar to Figure 11. From this window a destination URL is selected (E.g., A Specific iStore Page) or the marketer manually designates a URL. Once the destination URL is defined the following code is added to the e-mail:

- href="http://www.yourdomain.com:8041/OA_HTML/amsWebTracking.jsp?ctdid=38015&amsp=%7B%28customer_id%29%7D&sccd=%C3%82%C2%ABsource_code%C3%82%C2%BB"><img

src="http://www.yourdomain.com:8041/OA_HTML/ibcGetAttachment.jsp?cItemId=fousoF4mAiBFoj
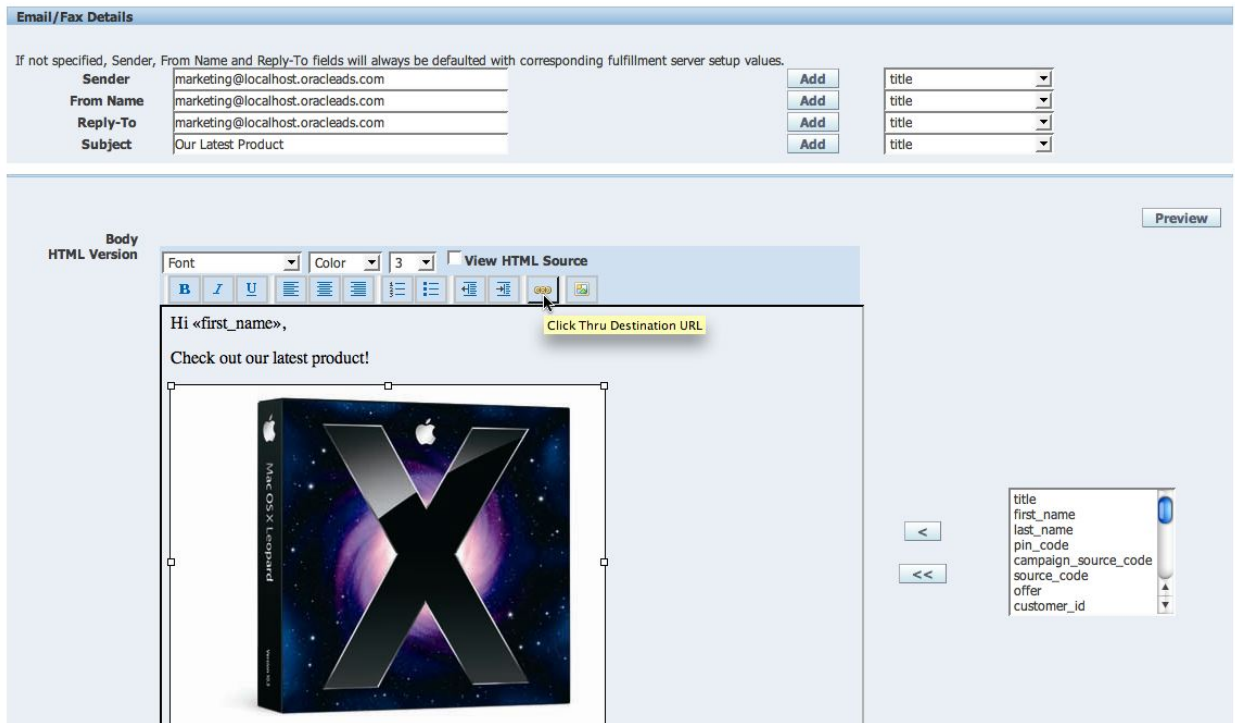QQceSrXA&fileId=6dSiz9VtPCI5eHuVOAqBSA">
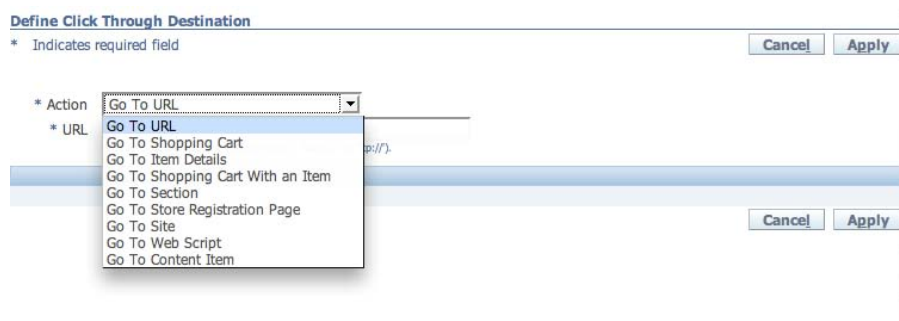

Figure 10: Use of a CTD in an e-mail graphic

Figure 11: Pop-Up Window to define the CTD Destination

The marketer has the ability to add more than just one CTD per e-mail. Each CTD in the e-mail will have its own metrics. So for example, if the marketer has an e-mail with two CTD URLs defined then there will be detailed metrics for each CTD URL similar to what is seen in Table 2 and Figure 12.

The CTD provides the marketer with a way of tracking who clicked on the picture in the e-mail. This provides a means for later targeting customers who clicked on the CTD URL and more importantly were interested in the product displayed in the e-mail.

Not all activities allow for this granularity of interaction tracking. When CTDs are not available, source codes (Unique identifiers required for all marketing activities) provide the means for tracking and linking customers to marketing activities. Sources codes allow the marketer to track metrics related to the marketing activity

such as order placed, leads and opportunities generated. Figure 9 displays the source code **CL-2007-EMAIL-BLAST**.

Based on the e-mail activity in Figure 9 and the CTD created in Figure 10 there are multiple ways for the marketer to gather data. For instance, when the customer opens the e-mail, this action is recorded in the marketing activity metrics. The action of opening the e-mail generates interaction history, linking the customer to the marketing activity.   If the customer clicks on a CTD URL this action will also generate interaction history. By including the CTDs and using Oracle Marketing to send out the e-mails, the marketer has a system that continually updates customer interactions. As an example, the marketer can now create a list using the NLQB to look for customers who responded to the e-mail activity in this example.

Tracking Marketing Activity Metrics
The marketer has many activity metrics to work with, such as: CTD metrics, financial metrics (Revenues and Costs), and activity specific metrics such as e-mail metrics. CTD metrics are available to web activities and e-mail activities with CTDs. Web activities have detailed reporting that go beyond the CTD metrics listed in Table 2 below.

Metric	Total (# of clicks)	CTD URL #1 (# of clicks)	CTD URL #2 (# of clicks)
Total Anonymous Responses	0	0	0
Total Unique Responses	2	1	1
Total Responses	2	1	1

Table 2: CTD Analysis of an e-mail activity with two CTD URLs

CTD-Based Metrics

Table 2 displays metrics a marketer may see when viewing the reports section of a web or e-mail activity.

- *Total Anonymous Responses* – represent the number of clicks that cannot be identified. For e-mail activities the number will remain zero because only the entries in the target audience will receive the e-mail.
- *Total Unique Responses* – represent the number of identified clicks. Identified means that the CTD URL captured the unique identifier of the customer when the link was clicked. In the above example an identified customer clicked each CTD URL once. If the same user clicked *CTD URL #1* it would only register as one click.
- *Total Responses* – is the summation of *Total Anonymous Responses* and *Total Unique Responses*.

Unique responses create interaction history linking the customer and the marketing activity. From this information, the marketer can locate customers and generate target audiences that have responded to a particular e-mail activity. Figure 11 provides a screenshot of e-mail specific metrics.

Figure 12: E-Mail Specific Marketing Metrics

Financial-Based and Sales-Based Metrics

Financial and sales metrics are also tracked for each activity. The financial and sales metrics can roll-up into the parent campaign and program. The roll-up functionality allows the marketer have a centralized view of the financial and sales metrics. Depending on the E-Business modules installed, the following metrics can be tracked: Leads, Opportunities, Quotes, and Orders. Some of the metrics a marketer can track are the return on investment of marketing activities, the lead to order ratio and revenue per lead. It is important to remember that these metrics rely on capturing the marketing source at the time an order is placed, or a lead is generated. Figure 13 displays revenue metrics for a marketing activity.

Some metrics are only available to specific types of marketing activities. For e-mail activities, information is collected on bounced e-mails, the number of people who click the unsubscribe link, and the number of opened e-mails. See the Oracle Marketing User Guide for more information on specific metrics.
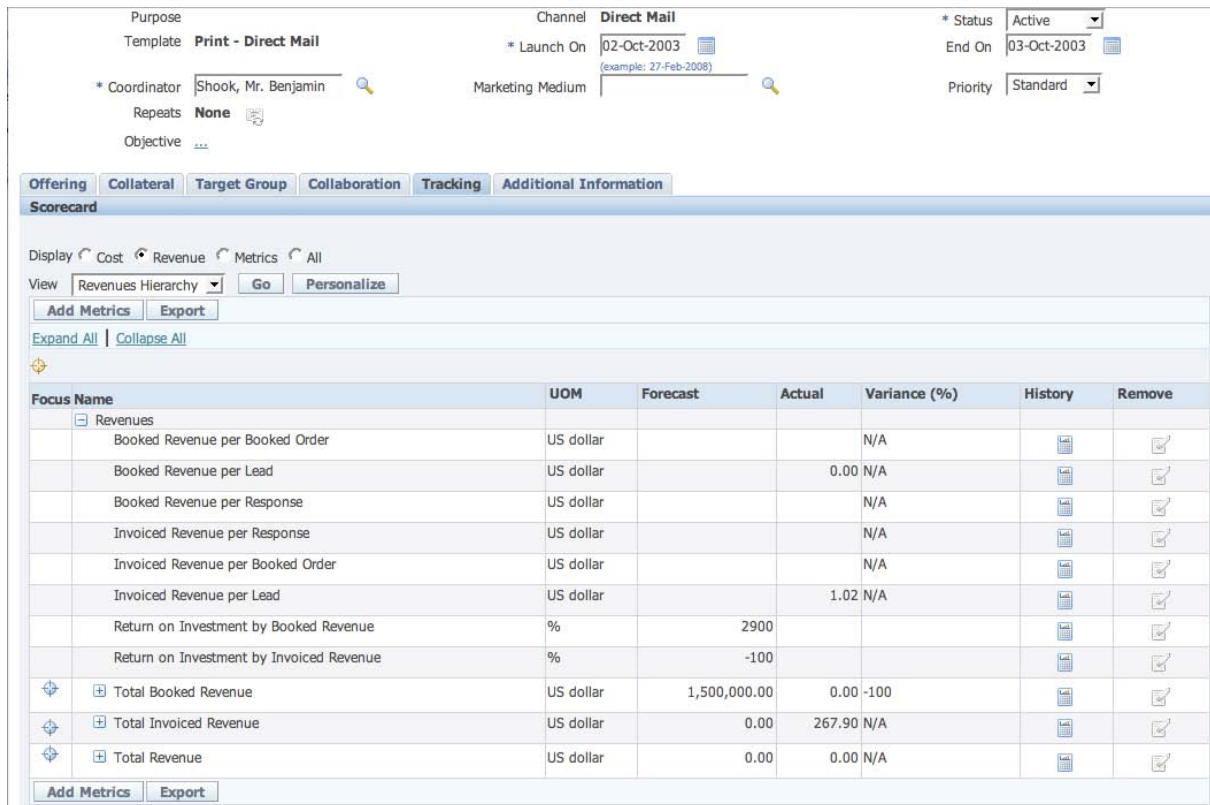
Figure 13: Marketing Activity Revenue Metrics for a Direct Mail marketing activity

Conclusion: Completing the One-To-One Marketing Cycle

In order to build customer loyalty and engage customers, the organization should understand a customer's preferences, characteristics and history. The first step to understanding is to capture customer interactions with the organization. Once interactions are being captured the next step is to use the interactions as a basis for designing more personalized and specific future communications. With the use of Oracle Marketing's lists, segments, and click-thru tracking the marketer has the ability to deliver unique and targeted marketing activities to each customer through multiple mediums such as e-mail, advertisements, telemarketing, sales and events. As Figure 14 depicts, the organization never stops learning about the customer.
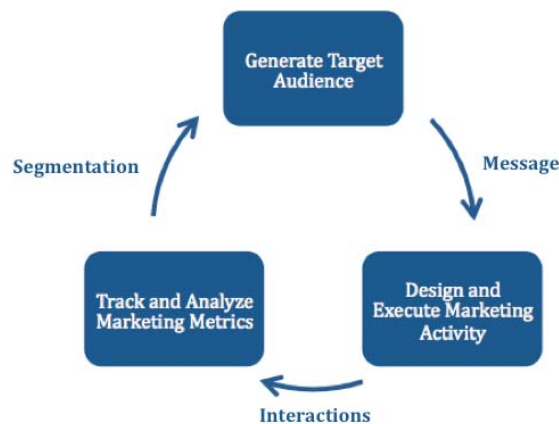

Figure 14: One-To-One Marketing Cycle

About the Author

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[i] Peppers, D., & Rogers, M. (1996). *The One to One Future (One to One).*
[ii] http://searchcrm.techtarget.com/sDefinition/0,,sid11_gci938888,00.html
[iii] Oracle Marketing User Guide Release 12