

THE ONE OUT OF THE MANY

BY ROLAND FIEGE

SENIOR DIRECTOR OF SOCIAL MEDIA MARKETING, MICROSTRATEGY

WE ARE CONSTANTLY BOMBARDED WITH INFORMATION, COMING AT US FROM ALL SIDES. GETTING THROUGH TO A CUSTOMER AT ALL REQUIRES THE RIGHT MOMENT, THE RIGHT PLACE, AND THE RIGHT CHANNEL. MORE THAN EVER, IT IS CRITICAL TO ACHIEVE HIGHLY PERSONALIZED TARGETING BY “MARKETING TO AN AUDIENCE OF ONE” USING BUSINESS INTELLIGENCE.

The principle of 1:1 marketing, comprised of individualized mass production (i.e. mass customization) and personalized customer targeting (i.e. mass personalization), was first presented by Peppers & Rogers during the 1990s. Finally, it appears we are closer to this goal than ever before, and can realize it fully this decade.

Individualized mass customization is already a reality today—for instance, individualized computer production by companies like Dell or customized t-shirts by companies like Spreadshirt.

In contrast, the personalized targeting of customers has, so far, barely moved beyond the address field. Although online marketing teams have been tracking website cookies for years for clickstream analyses, landing page optimization, and targeted broadcasting of advertising banners or e-mail campaigns, their efforts have not moved far beyond that. A form of mass personalized and economically viable targeting that takes into account a consumer's current needs and preferences has never existed. Today, it is within sight.

Marketing to an Audience of One

Wouldn't it be nice to be recognized, welcomed, and served personally and individually on the internet in the same way as in a village shop? Traditionally, the conversations between shopkeeper and customer covered all manner of trivial subjects. It was a meeting place for the entire village, and the village shopkeeper was quite familiar with his or her customers' preferences. We voluntarily revealed details of our everyday family life, and were treated in a personalized and individual way—even if we bought exactly the same things as our neighbors. And perhaps most importantly, the village shopkeeper gave us, as a customer, the feeling of being important.

Let's move forward to the year 2012. In order to get across to customers at all in our hyperconnected attention economy, communication must be delivered at the right moment, in the right place, and via the right channel. Traditional push marketing in broadcast mode is increasingly losing its penetrating power, whereas pull marketing is becoming increasingly effective, as the customer perceives it as a service. This can only be achieved with true personalization and one-to-one communication, or in other words, “marketing to an audience of one”. But how can the personalization of marketing messages be realized, both technically and economically?

A “Like” is Not Enough

Facebook is a good example of this. In the past, a large part of Facebook’s marketing has consisted of the acquisition of “Likes.” Many brand owners are starting to ask themselves what benefit this actually delivers. Due to a lack of interaction and relevance, the marketing messages are mostly swallowed up by the EdgeRank and are not registered by the Fans.

It was therefore not without good reason that, on September 22, 2011, Facebook introduced changes which make the classic Facebook approach to marketing seem pretty tame. The focal point of these changes is Facebook’s Open Graph, which offers the user expanded possibilities for “Liking” and sharing activities on Facebook. These user interactions, interests, and preferences can be monitored extremely effectively within apps if the user explicitly allows their social graph to be crawled by the app. Anyone who goes about it the right way now has the opportunity to evolve online marketing from a source of annoyance into a valuable service for the customer. Coupled with information on an individual’s location, this gives rise to new, truly social possibilities for marketing communication based on mass personalization.

Online marketing now finally has a chance of becoming truly social and delivering genuine added value. The preferences and dislikes expressed by the individual make possible very highly personalized, trigger-based, and location-specific marketing.

Facebook Apps Instead of Pages

Facebook pages—however elaborately designed and with hundreds of thousands, or millions, of “Likes”—cannot deliver this highly personalized marketing. Instead, future, truly social Facebook strategies will be centred on apps, whether within Facebook, on mobile devices, or as part of websites. These apps process fairly detailed individual user data, and thus require an opt-in, that is to say, the consumer’s consent. In return, the apps offer users genuine added value with attractive and relevant content, actions, products, and services that truly reflect the consumer’s current situation.

Social Intelligence: The Key to Marketing to an Audience of One

What do marketers need in order to achieve this? In an effort to provide access to the user data within the Open Graph API, Facebook offers a freely accessible software interface. However, if we look at the data structure in Facebook, it is clear that it is not suitable for advanced analysis tasks. Moreover, the dynamics of the user data—each comment, each Like, each change of location, each new friend, and so on—influences the individual social graph of a user. What is needed, then, is a solution that processes this wealth of unstructured data in such a way that it can actually be used for personalized real-time communication in marketing and e-commerce.

Business Intelligence (BI) provides the technological basis for this. And this is where MicroStrategy, as a BI provider, comes into the picture with a comprehensive “Social Intelligence” portfolio. With Wisdom, MicroStrategy offers an analysis tool that analyzes the information collected within a Facebook app. This tool works together with the cloud-based service, MicroStrategy Gateway for Facebook, which allows bi-directional communication between Facebook and CRM and campaign management systems, customer loyalty programs (e.g. loyalty card programs), internal customer insight databases, and other IT systems.

But what does this mean? It means that fans and customers can receive the same kind of individual service as village shop customers did in the past.

Facebook pages and Like buttons are so successful with individuals because they allow them to enter into a relationship and communicate with valued brands. This interaction with brands will increasingly become a matter of course in the future. The objective now is to personalize the relationship and interaction, and offer the consumer or customer individualized content, products, services, and actions that are truly relevant to them. For enterprises, it will thus become indispensable to define precise target groups in order to address them precisely, and eventually, marketing to an audience of one.