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DataStrategy

TURNING BUSINESS INFORMATION INTO PROFIT

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Persuading your customers to spend



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So the fight for declining consumer spending is well and truly on: “holding off”, “the old one still works”, “short-term commitments”, “pay freezes” have become the established mantras of 2009. Caution is the natural response in an environment where predicting what is around the economic corner has brought established visionaries down to the level of the once-a-year punter selecting their Grand National nag.

Above-inflation increases in the cost of essentials like food, fuel and rail fares have certainly reduced disposable income, but have we really stopped spending? Or is it more the case that the “desirability maps” that govern how we spend have been redrawn?

What appears to be happening is that we are reassessing the levels of personal utility that can be derived by spending. Wallets are clamped tightly until providers produce compelling utility arguments that overcome economic caution. And, as we know, for many providers that’s not easy.

For example, car purchases can be delayed in the knowledge that existing models are likely to remain reliable – good-time utility justifications such as “owning the new model” or “upcoming first MOT” no longer seem as

immediately persuasive as measurable benefits like lower fuel and road tax bills.

Since personal utility is so subjective, brand owners must find ways to identify what it is about their particular products and services that appeals to each of their customer segments and niches. Key to this is finding ways to listen to customers. By using tools such as database analysis, online research, web analytics and online decision trees, providers can begin to find out what the persuasive arguments are for each particular group.

Once personal utility messages are assigned within a segmented customer framework, the next essential skill is to find ways for consumers to pull relevant information and receive targeted messages. Lives dominated by punchy text messages or micro-blog sites that engage with their mobile devices no longer fit with reading A4/A5 material.

In short, it’s now imperative to give people what they need, not tell them what they should have. The winning marketers will be those who can tap into these shifting customer desires using clever and timely analysis, and message delivery mechanisms that are aligned to changing consumer lifestyles.

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