

# EXPERIENCE IS EVERYTHING

The importance of customer experience to brand success



# FOREWORD

**Richard Madden, Group Strategy Director, Bartle Bogle Hegarty**

This paper is essential reading for anyone who wants to grow the value of their brand and their business.

The reason is simple. What we used to refer to as the digital revolution is now just business as usual. As a result, brands are now the sum of the experiences they create for customers. And the winning marketer is the magician who can somehow make the whole greater than that sum.

I use the word 'magician' deliberately. Because brilliant customer experience is the result of imagination as much as it is science. Let me explain.

One goal of the customer experience designer is to eliminate friction from the customer experience while maximising sales conversion.

This is a noble aim, as any user of a dysfunctional website or inefficient contact centre can attest to. It is also a commercially vital one, as any marketer who has modelled the dramatic impact of just a 1% increase in downstream conversion knows only too well.

But removing friction from the customer experience only takes us so far. Because when every brand in a category relies on identical tools and techniques to achieve the same end, the ultimate result is a narrowing of the difference between customers' experiences of brand A and brand B.

Good communications build both short and long-term value for brands. And it follows that any customer experience that aspires to be greater than the sum of its parts should also do both.

A great customer experience delivers an immediate sales return by removing friction and frustration from customers' interaction with the brand. But it also delivers more: an interaction that is deeper, more engaging, and thus more memorable than that offered by the competition, with greater long-term brand preference the result.

My key take-away from this paper is that the unique advantage of mail within the customer experience is the power it gives marketers to grow both short and long-term value for their brands and businesses.

As the research shows, over a 12-month period 38% of consumers bought or ordered as a direct result of receiving mail.<sup>1</sup> Targeted letterbox media also multiplies the marketing efficiency of other channels.<sup>2</sup>

<sup>1</sup>IPA touchpoints, 2018.

<sup>2</sup>JICMAIL & IPA Touchpoints Integration 2019.

So, mail drives immediate demand and makes buying easier. This much we always knew. But what may surprise you is that it also has remarkable long-term effects on brand preference.

70% of consumers say that mail makes them feel more valued by a brand than email.<sup>3</sup> Its very tactility makes brand experiences richer and more memorable, with the result that 49% more consumers recall receiving a piece of mail than they do an email. Perhaps most impressively of all, neuroscience reveals that the brain responds more strongly to mail than to social media or email.<sup>4</sup>

Take my advice. Invest a few minutes of your day digesting this guide. Download the accompanying customer experience planning tool. Ask yourself and, if you have one, ask your agency about how you can incorporate mail into your customer experience more effectively. And if they can't give you an answer, talk to one that can.

Because, as more and more businesses are discovering, experience is everything.

<sup>3</sup>Royal Mail MarketReach, The Value of Mail in Uncertain Times, Kantar TNS, 2017.

<sup>4</sup>Royal Mail MarketReach, Neuro-Insight, 2018.

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# INTRODUCTION

Customer experience is everything. How it feels to use your product, the way customer service teams respond, what you say in an email or letter – right down to your programmatic ads and social posts. Every touchpoint your customers experience shapes their perception of your brand.

Of course, this is nothing new. But as digital transformation has taken hold, customer experience has become a global phenomenon, with spend on enhancing the customer experience increasing by 50% since 2015<sup>1</sup>.

**THERE WERE 88% MORE CHIEF CUSTOMER OFFICERS IN 2018 THAN IN 2017<sup>2</sup>**

Talecco, 2018

That's because the transformation age has redefined consumer expectations. We want everything, and we want it now. We expect brands to understand and even pre-empt our behaviours, and data-driven digital channels have made all this possible.

At Royal Mail MarketReach we don't expect digital transformation to slow. As consumers, we expect real-time interactions and behavioural triggers. And as marketers, we're excited by innovation. We are excited to be part of our clients' evolving comms strategies and watch with interest as the platforms that drive them become more and more powerful. And it comes as no surprise to us that brands continue to use mail within their marketing activities.

We've anticipated the continued role of mail as part of the transformation age – and see it only becoming more relevant. In this paper we offer our thoughts on customer experience trends and give you our perspective on how the physical nature of mail can work alongside digital channels to add a personal touch, allowing brands to further enhance the customer experience.

Many household names, including digital companies, are already doing so. We have noticed how businesses like Google sell banner advertising through mail and Amazon use mail in their retention and growth strategies. Costco also use mail as part of their growth and recruitment strategies.

**AMAZON HAVE INTEGRATED MAIL INTO THEIR COMMUNICATIONS STRATEGY**

<sup>1</sup>Forbes, 2018.  
<sup>2</sup>Talecco CCO Report 2018.  
<sup>3</sup>Martech Advisor, 2018.

# CUSTOMER EXPERIENCE TRENDS

Customer experience is nothing new. But that doesn't mean it's always the same. Here we offer some thoughts on key trends affecting customer experience right now.

## MEETING CUSTOMER EXPECTATIONS WILL GET HARDER

According to a study by McKinsey “Consumer expectations are rising across the board”<sup>1</sup>. It's a trend that's developed over a number of years and not one we expect to slow.

Customers are aware of the data they are sharing. They expect brands to know them and to add value to their experiences when using their personal data. In fact, 67% would ‘pay more for a great experience’, and 57% of those surveyed have ‘stopped buying from a company because a competitor provided a better experience’.<sup>2</sup>

## CUSTOMER EXPERIENCE WILL BECOME THE NUMBER 1 BRAND DIFFERENTIATOR

In 2019, customer experience will overtake price and product as the key brand differentiator for customers, according to new B2B research by Walker<sup>3</sup>.

With this in mind marketers can't afford to be precious. If a marketing interaction doesn't add value – or create a sense of being valued – then it should be scrapped.

This sounds bold. But it's what sits at the heart of all digital transformation: getting a relevant message to the right customer at the right time. Transformation is not changing the fundamentals behind good marketing – just making it better.

## THE BEST EXPERIENCE WILL BE AN OMNICHANNEL ONE

For businesses to succeed, they must have customer experience running through their DNA. It's not enough to just create a department or hire a Chief Customer Officer.

For example, the partnership model at John Lewis means staff have a vested interest in customer experience. According to Internet Retailing 2018, the company committed £400-500m a year to improving customer experience across channels.<sup>4</sup> For us, that means John Lewis recognises that the best customer experience is built using the right blend of physical and digital channels.

## WE MUST PUT OUR FAITH IN TRANSFORMATION BUT NOT LOSE FAITH IN OUR OWN HUMAN TOUCH

We can trust digital platforms to tell us when to communicate, but we must have faith in our own abilities to decide how to communicate. We must trust our instinct in defining our channel mix – and must not underestimate the power of the human touch.

<sup>1</sup>[McKinsey, 2018.](#)

<sup>2</sup>[Salesforce research, 2018.](#)

<sup>3</sup>[Walker, 2019.](#)

<sup>4</sup>[Internet retailing, 2018.](#)

# CUSTOMER EXPERIENCE AND DATA

So much of digital transformation is driven by data. But with many of us grappling with smaller audience groups, what does a data-driven customer experience mean in a GDPR world?

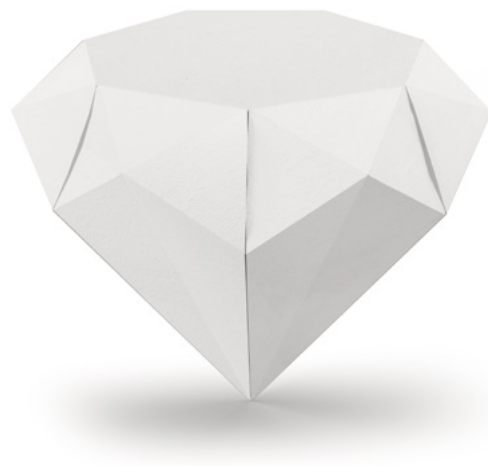
Now the opportunity for marketers is about quality, not quantity. While the GDPR has left many brands with smaller marketable bases, it also leaves us with more engaged pools of customers. So, the way we use their data and communicate with them still relies on the same principles.

A 2018 study by Disney|ABC Television, Omnicom Media Group and Insight Strategy Group states that consumers expect the same from brands as they do friends.<sup>1</sup> Namely reliability, authenticity, and the feeling like the brands 'get' them, and what's important to them at this point in their lives.

If our customers are willing to allow us into their circle of friends, we owe it to them to remember just how precious a commodity their data is, and to use it wisely to make their experiences better and better.

This in itself will have implications, as more and more brands shift their focus to customer satisfaction, marketers will have the opportunity to create more and more advocacy moments using what we know about our customers.

This again reinforces the idea that every single touchpoint has a crucial part to play in creating a positive customer experience.



<sup>1</sup>[ABC Television, Omnicom Media Group and Insight Strategy Group, 2018.](#)

# CUSTOMER EXPERIENCE BEST PRACTICE

Customer experience is a big topic – and a complex one. However, there are certain fundamental principles that can help us shape our approach.

## KEY PRINCIPLES

- Put the customer in control
- Reflect the customer's identity
- Set and meet customer expectations
- Feel effortless and stress-free
- Be engaging
- Consider the emotions and indulge the senses

Based on Watkinson, M, 2012, The Ten Principles Behind Great Customer Experiences, Financial Times Series.

Of course, applying these principles to the problems faced by your business is a whole different challenge. Which is why we've created a downloadable [Customer Experience Map Template](#). It's designed to bring your customers' experience into a single framework, and to help you identify any pain points.

The template also gives you space to note your ideal channel mix, and suggestions of how mail can help your customers' experience, as well as your business goals.

You can download your [Customer Experience Map Template](#) for free – and can save and edit it as your customer experiences and business challenges evolve.



Download your map template now at [marketreach.co.uk/cx-map](https://marketreach.co.uk/cx-map)



# CUSTOMER EXPERIENCE AND MAIL

Mail has the ability to incorporate all the best practice principles of customer experience, so can be a hugely beneficial channel.

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## PUT THE CUSTOMER IN CONTROL

Mail addresses customers' needs – both emotional and rational. Research shows it makes customers feel valued and is seen as important, secure and useful.

## REFLECT THE CUSTOMER'S IDENTITY

Mail offers a relevant, personalised experience. High-end mail, such as a quality catalogue, feels aspirational and prompts browsing at leisure.

## SET AND MEET CUSTOMER EXPECTATIONS

Build customer confidence and brand trust with mail. 87% of people consider mail to be believable, compared with just 48% for email.<sup>1</sup>

## FEEL EFFORTLESS AND STRESS-FREE

Mail's long-form content is immersive, not intrusive. It's known that 90% of mail is engaged with – by being opened, looked at or read etc.<sup>2</sup>

## BE ENGAGING

Mail can broaden and deepen engagement across channels.

## CONSIDER THE EMOTIONS AND INDULGE THE SENSES

Mail's tactile nature can physically excite the senses and evoke both rational consideration and emotional feelings.

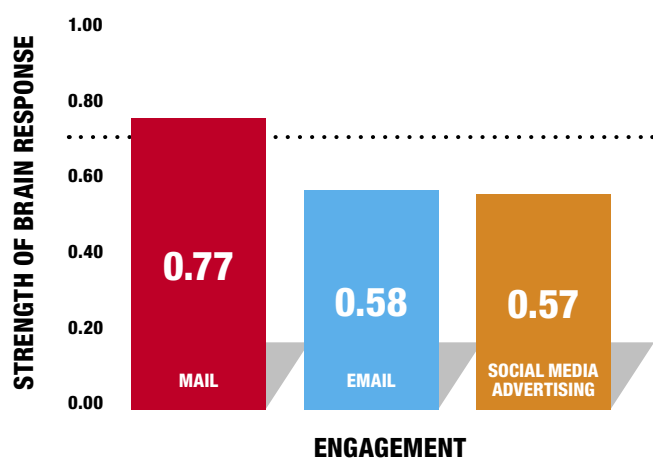
"With mail you get to touch, feel, see the quality and smell. That is evocative, and it can't be achieved by pixels," Tim Lindsay, CEO, Design & Art Direction.

<sup>1</sup>Royal Mail MarketReach, The Value of Mail in Uncertain Times, Kantar TNS, 2017.  
<sup>2</sup>JICMAIL 2017.

# CUSTOMER EXPERIENCE AND MAIL - THE NUMBERS

When you understand the end-to-end customer journey you can use the right touchpoint at the right time to enhance your customers' experience. Here are the facts on mail's strengths to help you choose when it might be most effective for you and your customers.

## 1. DRIVING BRAND ENGAGEMENT



The brain responds more strongly to mail than to social media or email.<sup>1</sup>

A reading of 0.70 and above indicates a response that is likely to be powerful enough to impact future behaviour.



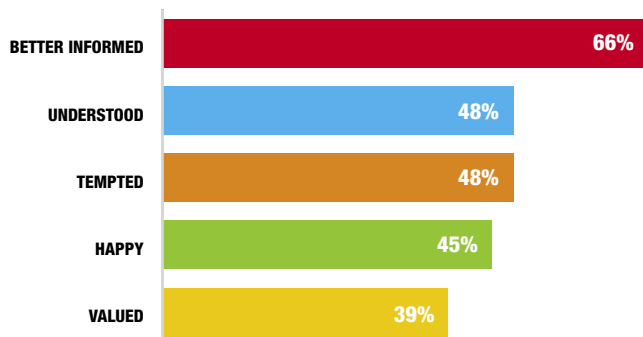
75% of business mail and 45% of advertising mail stays in the home for over 4 weeks and is revisited over 4 times on average meaning your brand stays top of mind.<sup>2</sup>



Consumers who had seen a piece of mail spent 30% more time looking at related social media posts.<sup>1</sup>

<sup>1</sup>Royal Mail MarketReach, Neuro-Insight, 2018 (social media advertising tested was a single-image ad with text, appearing in participants' Facebook news feed).  
<sup>2</sup>JICMAIL, Kantar TNS, Q2 2017 - Q1 2018.

## 2. INSPIRING RATIONAL AND EMOTIONAL FEELINGS



Mail inspires both rational and emotional feelings. The chart demonstrates how people felt about the mail they received.<sup>3</sup>

## 3. INCREASING IMPACT



Royal Mail MarketReach undertook research to assess the quality of touchpoints across media. The research explored the Insurance, Retail Banking and Telecommunications sectors, which represent some of the largest media spend in the UK.

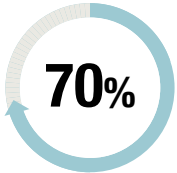
Mail was shown to have **higher impact scores** than many media channels – including TV, press, radio, cinema, email and mobile.<sup>4</sup> These impact scores were based on **recognition** (% who remember that brand touchpoint) and **quality of touchpoint** (how a touchpoint changes attitude towards a brand) over six months.

<sup>3</sup>Royal Mail MarketReach. Values, Quadrangle, 2014

<sup>4</sup>Royal Mail MarketReach, Kantar TNS, Mail and Other Media 2017-2018.

## 4. DRIVING CONVERSION

Mail adds an extra dimension to customer experience that's especially useful in driving conversion. Customers take action off the back of receiving mail.



70% of all consumers have made some form of digital response to mail in the past 12 months.<sup>5</sup>



38% bought or ordered as a result of receiving mail in the past 12 months.<sup>6</sup>

## 4. CREATING LOYALTY AND ADVOCACY

Customer experience wasn't discovered in the digital age. As Maya Angelou noted: "People will forget what you did. But they will never forget how you made them feel."



70% said mail made them feel more valued than email.<sup>5</sup>



70% said mail gave them a better impression of a company than email.<sup>5</sup>



Mail has a long-term effect on memory encoding with 49% remembering mail over email.<sup>7</sup>



When people can both see and touch something, they value it 24% more highly than if they can only see it.<sup>8</sup>

No matter what your business objectives, customer experience is key. You can help set your approach using our [Customer Experience Map Template](#).

<sup>5</sup>Royal Mail MarketReach, The Value of Mail in Uncertain Times, Kantar TNS, 2017.

<sup>6</sup>IPA touchpoints, 2018.

<sup>7</sup>Royal Mail MarketReach, Neuro-Insight, 2018.

<sup>8</sup>Royal Mail MarketReach, Private Life of Mail, Kantar TNS, 2015.

# CUSTOMER EXPERIENCE AND MAIL – THE INNOVATION

Mail has always evolved to incorporate new technologies. A recent example is the arrival of Programmatic Mail, and the seamless integration of mail within today's marketing automation platforms. Continued innovation presents new types of consumer responses, which can be measured to offer valuable insights.

## PROGRAMMATIC MAIL

Programmatic Mail is a piece of tailored mail that's automatically produced once a customer has taken an action, such as browsing a website.

It uses customers' online data to create highly targeted, relevant mail in real-time, using variable images and copy. For example, by sending their customers Programmatic Mail featuring their abandoned basket items, JD Williams increased basket completion by 14%.<sup>1</sup>

Programmatic Mail combines the tangible and emotional impact of mail with bespoke messaging – making the digital, physical.

Take a look at our website for [further information on Programmatic Mail](#).

## MAIL MARKETING AUTOMATION PLATFORMS

Marketing Automation Platforms allow you to craft your customer experience across a myriad of touchpoints, using the most appropriate channel for each stage of the journey.

Providers such as Adobe, dotdigital, Mailchimp, ActiveCampaign and many more make it simple to incorporate direct mail into multi-channel campaigns. Helping to enhance the customer journey and increase overall campaign effectiveness.

Platforms are supported by analytics and AI to provide 'as you go' test and learn and optimisation capabilities, so marketers can be more responsive to market changes.

## JICMAIL (JOINT INDUSTRY COMMITTEE FOR MAIL)

The data gathered by JICMAIL means that mail now has its own media planning currency. This works for both Direct Mail (addressed) and Door Drops (unaddressed).

Insights are based on over 70,000 mail items, which show how consumers interact with their mail, what commercial actions result from this, and over what timescale.

Now, for the first time, the award-winning JICMAIL dataset has been integrated with the TGI fusion and IPA touchpoints for further valuable insights.

It can also demonstrate the value of the relationship between mail and other media as well as the longer-term brand-building effects of mail. And gives you a practical tool for campaign planning and budget optimisation.

Take a look at [jicmail.org.uk](http://jicmail.org.uk) for further information.

<sup>1</sup>Paperplanes and JD Williams case study.



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