



Consumer motivation

Why and how
customers can be
engaged in dialog



CUSTOMER SEGMENTATION AND DIALOG

A Comhra White Paper

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Why and how customers can be engaged in dialog

Seán Kelly

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Patents applied for.

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Foreword	page 3
1 Purpose of customer dialog	4
2 Reasons why customers will supply data	4
3 Inviting dialog with customers	5
Discovery option	6
Voluntary option	6
Encouragement option	6
Incentive option	6
Involuntary option	6
Interception option	6
Call-centre option	6
4 Accepting/declining the dialog invitation	6
5 Benefits to customers	7
Engagement	7
Authorization	7
Currency	7
Validation	7
Personalization	7
Control	7
Convenience	7
6 Conclusions: unifying customer dialog	8
7 Glossary of terms	8



CUSTOMER SEGMENTATION AND DIALOG

Version 1.0

Consumer motivation

Why and how customers can be engaged in dialog

This White Paper explores the reasons why customers would want to provide personal profile information to business enterprises as well as the approaches that a business might take to acquiring that information.

While many businesses will readily acknowledge that it is highly desirable to acquire richer information about customers, many business leaders are unconvinced that customers will volunteer such information. The main source of such scepticism is the culture of mass marketing that still pervades the business-to-consumer marketplace. For those businesses that remain firmly and exclusively committed to mass marketing techniques to sustain their business, there is little point in considering a strategy based on customer dialog. It is important that this be stated frankly at the outset.

The concept of the business enterprise establishing dialog with customers and responding to the information furnished through such dialog is primarily of interest to businesses that are embarking on a more differentiated approach to customers. The Comhra application, comprising an integrated solution for customer segmentation and dialog management, is a response to the needs of enterprises that are in the process of making the transition from mass marketing to strategies based on a more personalized relationship with customers. Only in that strategic context does customer dialog management make sense and only in that context can a valid incentive be provided to customers to engage in meaningful dialog.

In addition to a sustained commitment to customer relationship building, it is also a necessary pre-requisite that the business can conduct the dialog with customers on the internet. For enterprises that satisfy these two conditions, the value proposition presented by Comhra is compelling. Even more importantly, for consumers seeking a more customized service from their suppliers the potential of dialog-oriented service management is equally compelling.

The assumption that underpins the concept of customer dialog management is that most consumers are prepared to trade information for service improvements based on that information. The *quid pro quo* of any active dialogue is that Party A is prepared to furnish Party B with information provided that Party B is prepared to act on it.

Much of the current analytical focus for enterprises

analyzing customer behaviour involves data gleaned from operational transaction systems, such as click-stream, page-view, payment-history, purchase-history, usage-history, and fault-history data. Such information is useful and customers are aware that it is harvested and exploited by businesses. However, customers are acutely aware that such historical, transaction-based information presents only part of the picture. Businesses that place total reliance on observation techniques are often blinded to changes that occur in the market that cannot be anticipated by relying exclusively on historical patterns to predict future events. Sooner or later the business must resolve to talk to their customers. And, if dialog is managed in an effective manner, customers will prove to be more than willing to participate.

The key to effective dialog is that information imparted by customers is acted on by suppliers.

In the past it was rarely the case that personal information held about customers was acted on by suppliers. The model of mass marketing provided the same communication message for the same product delivered through the same channel to all customers. Since mass marketing offers no possibility for differentiation, there is no incentive for customers to furnish personal information. There is, in the undifferentiated marketing model, no possibility to exchange information for benefits. In these circumstances there is no rational basis for customers to supply any more information than is strictly needed to complete a purchase transaction.

Mass marketing of mass-produced products also conditions customers who have provided information to expect unsolicited (and often irrelevant) promotions and communications. This, in turn, reinforces the consumer's reluctance to provide any further information.

However the business-to-consumer market is undergoing a radical overhaul as the potential for the internet to provide a more personalized communication channel is becoming evident: the technology now exists to deliver on the promise of mass customization. The business commitment also exists in many enterprises to make this transition.

What is lacking is meaningful data about individual customers. Without such data it will not be possible to embark on a strategy of individualized or micro-segmented marketing. And this information can be provided only by customers themselves. The first step therefore is to create a culture of customer dialog, and the Comhra application provides the means of achieving this objective.

Establishing a customer dialog process is about the enterprise building trust with the customer through a commitment to greater knowledge of customer needs, which in turn improves the intelligence of the operational, sales and marketing business processes that are used to interact with the customer.

Purpose of customer dialog

Customer dialog is based on the assumption that different business enterprises have an interest in gleaning different kinds of information about their customers, and that customers will disclose different levels of information about themselves on the basis of their requirements and their personal discretion.

The component of the Comhra application known as Customer Dialog Builder facilitates a number of different types of interaction with customers, including the following examples:

- The **consumer grants permission** to the business enterprise to engage in specific marketing activities that are prescribed and constrained by the consumer.
- The **business receives confidential consumer information** that will enable a more accurate targeting of sales and marketing communications to the consumer. The business also now has the opportunity (and the permission) to engage more directly with the individual customer.
- The **business grants rewards and benefits** to the consumer in return for information furnished.
- The **consumer can control the relationship** and can at any time change the profile provided as well as the permissions granted.

Not every customer will respond positively to an invitation to engage in dialog and it is also clear that not every customer who does engage in a dialog will respond to all of the questions posed by the business. But neither of these outcomes represents a negative impact on the relationship between business and customer since many customers will note that the opportunity for dialog exists and will reserve the opportunity to engage in dialog in future. A failure to respond cannot be represented as hostility to the dialog process; it may simply be the case that the customer has no pressing requirement to communicate at the particular point in time.

Reasons why consumers will supply data

The purpose of dialog is to allow consumers to register their preferences with the business enterprise in order to improve the quality of service they receive. The dialog process also provides the checks and balances demanded by consumers with regard to their privacy and the confidentiality of data about them that is held by the business. Consumers will

provide valuable personal information in the course of engaging in dialog but they will also be aware that behavioural data concerning their purchase activity is also available to the business and they will want to use the dialog opportunity to exercise control over this information as well.

It may be queried why any consumer would spend valuable time in voluntarily divulging information about himself or herself to a business enterprise. Obviously, if the information is to be used purely for the benefit of the business then there is no valid reason why the consumer should become engaged in the process. The key to understanding the attractions of a dialog strategy lies in the acknowledged frustrations of consumers who are increasingly irritated by what the enterprise does not know about them.

Ignorance on the part of the business enterprise may result from the fact that the information about the consumer was captured but is unavailable to the marketing function, or is out of date, or was captured and later deleted, or was captured and for some other reason has become unusable. Or such ignorance may be a result of the intelligence that has been gleaned about the consumer being hopelessly fragmented across multiple information systems without the possibility of re-integrating the consumer profile in any meaningful way.

The reality is that there are a number of attractive incentives for a consumer to divulge information, but only in circumstances that are regulated within a covenant that cedes control from the enterprise to the consumer and where there are explicit benefits for both parties. From a consumer perspective these benefits include the following:

- **Permissions and control.** All consumers wish to have some measure of control over the communications they receive and the utilization of personal information concerning their preferences and behaviour.
- **Frustration.** Many consumers actively demand that the enterprise utilize information the consumer has already provided so that they are not continually having to draw their preferences to the attention of the enterprise.
- **Research and curiosity.** Some consumer are prepared to experiment with modes of communication and the personalization of services if the interactive environment is sufficiently stimulating and if the return on the effort involved is sufficiently rewarding.
- **Multiple personalities.** Many consumers wish, for reasons of confidentiality and efficiency, to register multiple personas with the enterprise in order to have different types of communication directed to different destinations or to different members of a household.

Inviting dialog with customers

There are four keys to persuading customers to furnish information. These are:

- There has to be a **benefit** associated with the task of providing the information.
- The task of providing the information should occupy a **reasonable period of time**.
- Information sought should be **relevant** to the relationship.
- The information request should be made on a **suitable occasion or in a suitable context**.

Therefore, when a request to a customer to furnish information is made, the request should be presented on a suitable occasion, should not be prurient or inappropriate, should be perceived as being associated with a benefit, and should not require an onerous time commitment from the customer.

Bearing these principles in mind, it is clear that a comprehensive process of market research to enhance customer profile data will have a number of separate gateways provided to the customer to submit the full complement of profile data over time. Some customers will undoubtedly register their full profiles online and, while the customers that are prepared to do this will be in a minority, the potential value of customers prepared to make this relationship-building effort should not be underestimated.

But the majority of customers will require some coaxing. Such customers can be enticed to submit information progressively at different times in the context of routine operational interactions with the business. For example:

- A post-sales customer satisfaction questionnaire can

prompt customers for information.

- Customers seeking product information or an estimate or quotation can be enticed to offer some information.
- Customers engaged in a physical dialog with a telesales operator can be prompted to provide information.

Each of these dialog gateways has a specific context. This suggests that particular dialog categories are more appropriate to particular dialog opportunities. To take an extreme example, it would be highly inappropriate to solicit a customer's social attitudes when they are in the process of making a complaint, but it would be acceptable (even highly desirable) to use the opportunity to elicit information regarding their sensitivities, channel preferences, and feedback on products. Similarly, a new customer will be conditioned to provide basic demographic data and would welcome the opportunity to register permissions regarding contact frequency or data privacy. And customers who are invited to complete an online customer satisfaction survey will be inclined to provide feedback on the product, their usage habits, and some basic attitudinal responses.

Figure 1 provides an association matrix outlining basic business-to-customer scenarios and the acceptability of extracting customer information in the context of those scenarios. (This chart is not intended to be exhaustive with regard to possible dialog opportunities or dialog categories.)

One of the key strengths of the Comhra customer dialog architecture is that ALL customer dialogs can be centralized and unified and dialogs can be launched in response to defined events. The format of the dialogs incorporates styles of questionnaire (for example, multiple choice, scalar, and range styles) that assist in rapid completion. The opportunity also exists within the Comhra format to highlight benefits associated with responding to each category of questions.

	Customer first purchase	Customer subsequent purchases	Customer fault report	Customer complaint	Customer satisfaction survey	Customer newsletter subscription	Customer profile registration
Demographics	✓						✓
Lifestyle		✓				✓	✓
Product			✓	✓			✓
Sensitivities				✓			✓
Attitudes and opinions						✓	✓
Usage					✓		✓
Satisfaction			✓		✓		✓
Permissions	✓						✓
Channel preferences		✓		✓			✓
Lifecycle							✓

Figure 1: Scenarios in which customers provide information

Seven different dialog options that can be considered and combined by a business are described below.

Discovery option

With the discovery option the dialog facility would simply appear on the home page of the enterprise's website with the invitation to access this option displayed as prominently as the business wishes. This furnishing of information would be entirely voluntary and would not involve vigorous promotion by the business. The process would be entirely non-invasive.

Voluntary option

With the voluntary option the web trader would automatically introduce customized Comhra registration pages to users as a part of the customer registration, sign-on, or ordering process. This option involves some level of promotion of the benefits of the dialog to the customer by highlighting the option during the course of interaction.

Encouragement option

With the encouragement option the consumer is encouraged, but not explicitly required, to furnish information. For example, it might be reasonably expected that a post-sales customer satisfaction e-survey would elicit high response rates from customers who have made a recent purchase. Likewise, Comhra dialogs could be inserted into procedures for the follow-up of complaints, enquiries, or other customer transactions. These would normally be market research questionnaires that are issued following a business event.

Incentive option

With the incentive option the business provides tangible incentives or rewards to the customer in exchange for information. In much the same way that loyalty card users are incentivized to use their loyalty cards when making purchases, online customers can be offered rewards in exchange for information. For example, special offers or club discounts can be made to customers who register information.

Involuntary option

With the involuntary option the provision of elements of information would be a requirement of the business. In this option, questions that have relationship building potential would be incorporated into existing mandatory information gathering procedures. For example, the dialog questions may be inserted into customer registration, order processing, bill payment, or other operational procedures.

Interception option

With the interception option market research questions that are relevant to or associated with a transaction event are launched by that event. These interceptions may be mandatory or discretionary and would be related to the event that gives rise to the interception. As with the encouragement option, these dialogs would be embedded in an existing business process, but are automatically triggered online. But unlike the involuntary option, the dialog would not be launched by the customer being engaged in an actual business transaction; instead the dialog would be triggered when, for example, the customer requests a quotation or estimate, or seeks product information, or subscribes to an information service.

Call-centre option

With the call-centre option the telesales force (or a front-office member of staff such as a salesperson or account manager) is used, in addition to the internet channel, to interact with the customer. In circumstances where customers engage in a physical dialog, the opportunity exists for intelligence to be captured by the operative conducting the physical conversation. This can occur using Comhra screens that are available to call centre operators, or are installed in front office systems, or are installed in a sales force automation system.

4

Accepting/declining the dialog invitation

It is intended that the Comhra dialog facility would be inserted as an option on the enterprise's website home page. In this way, the customer is invited to engage more deeply with the business. Not every customer will accept his invitation. Reasons why a customer or prospect may decline the invitation include:

- **Time-constrained consumer.** The time-constrained customer is usually not resistant to furnishing the information required by the enterprise but does not have the time to engage in the dialog in order to make the information available.

Recommended action. *When promoting an invitation to respond to a dialog, an effort can be made to persuade the time-constrained customer that there is a time benefit associated with providing the information requested. For example: provision of the information could lead to the creation of more accurate and timely alerts for the customer; or to*

personalization of the enterprise's website to suit the customer's requirements; or to the streamlining of channel and payment methods made available to the customer.

- **Privacy-conscious consumer.** The privacy-conscious customer is fearful of divulging confidential information to the business and is conditioned to decline requests for information.
Recommended action. *Prominent attention should be drawn to the fact that the engagement process that is central to the concept of customer dialog is designed to cede control from the supplier to the customer in a manner that enhances the customer's privacy.*
- **Occasional consumer.** The occasional customer engages in a very limited number of transactions and is not interested in establishing a deeper relationship with the business enterprise.
Recommended action. *Little or nothing should be done by the enterprise to engage more closely with the occasional customer. The customer dialog process is intended for customers who have an ongoing consumption pattern for the goods and services available from the business enterprise.*

5

Benefits to customers

The engagement process facilitated by the Comhra application for integrated customer segmentation and dialog is designed to benefit discerning customers. The benefits to the customer of participating in a dialog with the business enterprise include the following.

Engagement

Most customers wish to combat the alienation that is a feature of most relationships in the business-to-consumer market. Engagement builds long-term relationships and facilitates a two-way communication process between enterprise and customer. Frequent customers will particularly value this facility since it provides a formal basis for communication. Customers can register their preferences as well as record their grievances. In this way, the individual customer can evaluate whether the enterprise values their custom, whether the enterprise listens to their point of view, and whether the enterprise is genuinely dedicated to building a personalized relationship with them.

Authorization

In a business environment that increasingly values confidentiality and privacy, it is necessary for supplier and

customer to combat distrust and to provide a transparent basis for doing business. Most customers are vaguely aware that their rights to privacy may not be protected in all instances by businesses and that many unsolicited (and often unwelcome) promotions are directed to them by businesses. The authorization process provides a basis for the customer to authorize permissions across a range of activities.

Currency

In every relationship, information and circumstances change over time. The registration process allows customers to update their own personal data, as well as providing the opportunity to update preferences, permissions, and profiles.

Validation

Business enterprises constantly observe consumer behaviour and make assumptions about the requirements and profiles of their customers. Sometimes these assumptions are based on unsound premises or on incomplete information. By publishing a customer's profile information to that individual customer, the enterprise provides a basis for the customer to validate or to query any of these underlying assumptions that the business is using to guide its relationship with the customer.

Personalization

Every customer who has a relationship with a business based on repeat purchases or some other form of long-term relationship wishes to have their own requirements and preferences reflected in a personalized service. This might be reflected in customization of product, service, channel, or price. A two-way dialog that ensures that all communications from the business are relevant to the customer can only add to the satisfaction of customer demand for one-to-one relationships.

Control

In a business relationship where there is no feedback it is not possible for the customer to exert influence or control over that relationship, and it is not possible for the business enterprise to optimize the processes it uses to satisfy the customer's requirements. The feedback loop provided by the registration process provides the customer with a means of influencing the nature of the relationship as well as influencing product directions and the business strategy of the enterprise.

Convenience

For most customers, an online dialog is more convenient than telephone surveys or face-to-face surveys. The fact that the questionnaire can be customized dynamically based on answers to previous questions enhances the experience and eliminates the frustrations of dealing with an inflexible questionnaire.

Conclusions: unifying customer dialog

The implementation of a centralized and automated customer dialog layer of software is a recognition that dialog occurs routinely in all organizations and is a necessary ingredient in any human relationship. Unfortunately, it has been the case historically, in virtually all businesses, that customer dialog has been fragmented, unstructured, uncoordinated, and mismanaged. To meet the expectations of a new generation of consumers, dialog needs to become a well-managed and unified process.

The consumer of today has a low tolerance of providing the same information on multiple occasions to different (or sometimes the same) parts of the business. Consumers have an even lower tolerance of organizations that capture information and seem incapable of acting on it. The transition from mass marketing to mass customization (or at least to some degree of differentiation) is marked by the individualization of customers. No longer anonymous accounts, individual customers, and especially online customers, are visible, identifiable, and available to a process of dialog.

But the demands and expectations of customers are not the only driving forces in the implementation of dialog processes. Businesses themselves desperately need to capture customer-attribute data that will allow them to fully exploit business intelligence capabilities that are now available. The existence of powerful data mining and artificial intelligence technologies promises to transform marketing and sales processes. But these tools cannot be effective unless sufficient high-quality, detailed customer data is available for analysis. And such data must come from customers.

Businesses also need to improve their exploitation of investments that have been made in data warehousing, CRM, e-commerce, and call centre systems deployed during the past decade. These systems are, at present, operating in a low-intelligence capacity because of the paucity of genuinely useful customer data. The analysis of data from legacy operational systems does provide insights into customer behaviour, but the data stored in these systems was captured and stored for operational business purposes that are largely divorced from the marketing and sales functions.

It is now time for marketing managers to determine what data they require to manage a sophisticated marketing operation, and then to use a centralized dialog management layer of software to capture that data in a manner that is coherent, unobtrusive, appropriate, and ethical. In this way, customer dialog becomes a primary source of customer data and can serve to augment existing information systems and accelerate the return on investment achieved from the existing information systems infrastructure.

Now that customer surveys can be conducted using the internet, it is possible to dramatically reduce the cost and greatly improve the quality of the results achieved. We can now address the reasons that motivate customer choices, and measure the underlying satisfaction levels resulting from the choices customers make. Business enterprises that invest in online dialog can expect to reap the rewards of a cost-effective method of building relationships with their customers.

Much of the information gathering process that occurs as part of the dialog process will be transparent to the customer. Customers already complete application forms, register their payment details, report faults, make complaints, complete satisfaction forms, participate in market research, and discuss issues with front-office and call-centre staff. Dialog is happening all the time. But the data customers provide has simply not been captured and analyzed, because no adequate centralized solution existed until now for performing this function. And yet these dialogs have high cognitive prominence in the minds of consumers. Consumers remember the information they have furnished. It is businesses that forget.

Glossary of terms

***A priori* segmentation**

A customer segmentation method that defines, in advance, a framework that is based on known characteristics of customers or prospects. For example, a segmentation model containing 16 segments may be defined that forms a two-dimensional, four-by-four matrix in which one dimension measures the value of customers to the enterprise and the other measures the strength of customer relationships with the enterprise.

Behaviour segmentation

The division of customers into groups based on attitude, usage, or response to a product or promotion.

Benefits segmentation

The division of customers into groups according to the different benefits that consumers seek from the product.

Buyer-readiness segmentation

The division of customers into groups according to the different stages that consumers pass through during the purchase process. These usually comprise awareness, knowledge, preference, and conviction.

Cluster segmentation

A customer segmentation method that (in direct contrast to the *a priori* method) seeks to discover naturally occurring clusters of customers that share common characteristics or

behave in the same way. The cluster analysis process looks for groupings of customers, and generates new segments rather than taking into consideration boundaries imposed by pre-defined segments.

Comhra dialog

A set of questions provided by the enterprise and the customer's responses to those questions. Questions may also be launched by another application of the enterprise as a response to some event. The Comhra approach emphasizes two-way rather than one-way communication through the provision of benefits, offers, and feedback.

Comhra segment

A population of customers whose characteristics are defined (by a user of the Comhra software) or discovered (by the Comhra software itself) where each member of the population shares a common set of customer attributes.

Consumer

A potential or actual purchaser of goods and services who routinely engages in the evaluation, acquisition, or use of those goods and services.

Consumer trends

Consumer characteristics, normally identified in terms of needs, purchases, personal preferences, and product affinities.

Customer

An individual, household, or group that has an established purchase history with a supplier enterprise.

Customer interaction

Any contact by a customer whether by way of customer-initiated contact, response to a message, or routine transaction.

Customer lifetime value

The amount by which the revenues from a given customer over time will exceed the company's costs of attracting, selling to, and servicing that customer.

Customer relationship management (CRM)

The fostering and maintenance of enduring relationships with customers using IT-based applications. CRM systems may be characterized as operational or analytical:

- An analytical CRM system integrates and unifies the information concerning customer behaviour and uses IT-based applications to derive business intelligence from that data. Such systems include data warehousing, data mining, business intelligence, and reporting systems.
- An operational CRM system executes communications to and from customers and maintains a history of such communication transactions. The communications are based on intelligence provided from elsewhere (for example,

an analytical CRM system). Such systems include contact management, sales automation, call centre, and messaging systems.

Customer segmentation

The process of partitioning a heterogeneous market into separate and distinct homogeneous segments. A segment comprises a group of consumers that react in a similar way to a given set of marketing stimuli.

Demographic segmentation

The division of customers into groups based on demographic variables such as age, gender, family size, income, occupation, education, language, religion, race, nationality.

Demographics

The study of human populations in terms of size, density, location, age, gender, race, occupation, and other relatively static characteristics.

Dialog

An exchange of information between customer or prospect and the enterprise. Includes requests by the enterprise to the customer for information that can be used to enhance the service provided to the customer. See also *Comhra dialog*.

Differentiated marketing

A marketing strategy whereby the enterprise targets a number of different segments and offers a unique value proposition to the group of members that constitutes each different segment.

Ethnic segmentation

The division of customers into groups according to the needs and strengths of ethnic communities or on the basis that they share a common, recognized heritage.

Geo-demographics

The study of the relationship between location and demographics.

Geographic segmentation

The division of customers into groups based on geographic factors such as country, region, climate, population density.

Interaction segmentation

The division of customers into groups based on their preferences regarding channels, payment methods, promotions, and communications.

Lifecycle segmentation

The division of customers into groups based on consumers' changing needs at different stages of their lives.

Loyalty segmentation

The division of customers into groups based on their degree of loyalty to supplier or brand.

Market intelligence

Information about a market environment that enables decision makers to anticipate and respond to trends and patterns in that market environment.

Market segment

See *Segment*.

Market segmentation

The process of partitioning the heterogeneous market into separate and distinct homogeneous segments. A segment consists of a group of consumers that react in a similar way to a given set of marketing stimuli.

Mass customization

A marketing technique whereby products and/or communications are crafted for individuals and executed on a large scale.

Mass marketing

A marketing technique that uses the same product, promotion, and distribution for a very large group of consumers.

Message

Any communication that emanates from a supplier to a customer or consumer.

Multi-variate segmentation

A technique for creating segments by combining two or more variables. For example, soap brands are generally directed at simple multi-variate segments defined in terms of three demographic variables: gender, age, and income.

Occasion segmentation

The division of customers into groups according to their consumption of a product or service in certain situations, in response to particular events, or at particular seasonal or cyclical times.

One-to-one marketing

The process of identifying the needs, wants, sensitivities, and behaviour of each individual customer and customizing the product offering (including price, channel preference, and communication preference) for each individual customer.

Profitability segmentation

The division of customers into groups based on the degree of customer value to the enterprise measured in terms of profitability.

Psychographic segmentation

The division of customers into groups based on lifestyle, social behaviour, and personality characteristics.

Segment

A group of consumers that react in a similar way to a given set of marketing stimuli. The segment concept can be used not only for grouping consumers but also employees, suppliers, products, channels, and so on. See also *Comhra segment*.

Segmentation methods

There are two principal methods of performing segmentation, differentiated by the extent to which the user of the method defines in advance the segments involved:

- *A priori* segmentation, which defines, in advance, a framework that is based on known characteristics of customers or prospects.
- Cluster segmentation, which (in direct contrast to the *a priori* method) seeks to discover naturally occurring clusters of customers that share common characteristics or behave in the same way.

Segmentation model

A framework for a set of segments, defined to support the objectives of a particular segmentation effort. A segmentation model identifies relevant variables (such as demographic, geographic, or behavioural variables), describes their basic characteristics, and defines how these variables relate to each other. Multiple segmentation models may be defined by the enterprise such that each model has a specific application in the marketing function. Any proprietary segmentation system may be used as a segmentation model.

Telemarketing

The technique of communicating with customers using the telephone. There are two categories of telemarketing:

- *In-bound*. Where the consumer is stimulated through advertising to contact the supplier.
- *Out-bound*. Where the supplier selects customers using information and then telephones those customers with a targeted value proposition.

Undifferentiated marketing

A market-coverage strategy in which the enterprise decides to ignore the existence of market segments and directs the same marketing message to the entire market.

Usage segmentation

The division of customers into groups based on their level and type of usage of product or service.

COMHRA

Comhra supports the transition from mass marketing to individual communications with customers. It enables enterprises to:

- Analyse customer information through powerful segmentation capabilities.
- Devise highly cost-effective campaigns for cross-selling, up-selling, customer profitability, and loyalty programs.
- Establish integrated, consistent customer dialogs through which durable relationships with customers are created and sustained.
- Collect and manage high-quality customer information.

COMHRA PRODUCT COMPONENTS

Customer Segment Analyzer

The Customer Segment Analyzer (CSA) is a powerful, rich, and flexible system for performing automated market segmentation. CSA empowers the enterprise to make sense of increasingly complex and heterogeneous markets through segmentation into distinct, homogeneous segments. CSA operates against data gathered through customer dialogs together with data from other systems such as transaction systems, data warehouses, data marts, and other business intelligence solutions.

CSA supports the two principal methods of performing segmentation:

- *A priori* segmentation defines, in advance, a framework that is based on known characteristics of customers or prospects.
- Cluster segmentation, in direct contrast to the *a priori* method, seeks to discover naturally occurring clusters of customers that share common characteristics or behave in the same way.

CSA also supports the most popular mechanisms that may be used to populate segments: Scored, Scalar, and Selected population. The ability to associate business actions with each defined or discovered segment is also provided.

Customer Dialog Builder

The Customer Dialog Builder (CDB) provides a powerful new layer of enterprise software to manage sales and marketing communications between enterprise and customer. The CDB offers:

- A range of dialogs that capture valuable customer profile information, plus the ability to customize dialogs.
- The ability to unify and integrate web-based communications with the customer within a single software system.
- The unification of all customer personal information (as opposed to transaction information) within a single software system.
- The option to associate specific benefits with information disclosure, which further encourages customers to participate in the dialogs, generating valuable, regular feedback.
- A capability for customers to specify permissions concerning how their personal data is used.
- The facility for customers to amend or update the information stored about them by the business enterprise.
- The facility for businesses to progressively fine-tune the questions that individual customers are asked and to progressively customize the service offering to that customer.

Customer Feedback Manager

The Customer Feedback Manager (CFM) provides complete control over the storage and transmission of messages to customers of the enterprise. CFM enables:

- Storage of predefined messages for future use.
- Association of individual messages with specific customer segments and specific customer actions.
- Complete control over the timing of message transmission to customers.

Vertical extensions

The Comhra application incorporates templates for each major industry sector, containing dialogs and structures that relate directly to key business and marketing issues commonly encountered in that industry.

PRODUCT BENEFITS

Use of Comhra provides the following benefits to enterprises that use the web as a channel for communicating with their customers:

- Empowers quality customer dialog.
- Replaces erratic with systematic market feedback.
- Increases control over marketing activities.
- Reduces marketing costs.
- Increases revenue from existing customers.
- Increases promotion response rates.
- Increases customer loyalty.
- Builds better knowledge about customers and prospects.
- Closes the feedback loop data warehousing has left open.
- Resolves customer permissions and privacy issues.

In addition the product is designed for ease of deployment and ease of use by marketing and other business personnel. In particular:

- Business people can perform deployment, customization, and fine tuning of the Comhra solution quickly and without significant intervention from the Information Technology department.
- Comhra dialogs adopt the look and feel of the organization's existing website.
- The Comhra solution does not degrade the performance of existing websites.
- The Comhra environment can be integrated with existing business intelligence, CRM, data warehouse, data mining, and marketing solutions that may already exist in the enterprise.

SERVICES

Comhra supports the deployment of its solution with an integrated range of consultancy, methodology, and training services.

The Comhra solution can be deployed successfully without customization. Each industry-specific solution provides fast ROI in its standard form. Such implementations require minimal amounts of external support.

Some organizations wish to customize the dialogs and define their own additional segments. This normally requires internal and possibly some external resources.

Consultancy

Both the customization of Comhra dialogs and segments and the integration of the Comhra solution with pre-existing systems can often be handled by the enterprise's own resources. But in cases where other demands on those resources create the need for external assistance, Comhra can provide most types of support. Comhra professional services include business consultancy, technical consultancy, product installation.

Methodology

The Comhra solution contains a complete, step-by-step methodology for putting the Comhra solution to work in any business, marketing, and technical environment. The Comhra Methodology defines in full detail all the tasks, resources, schedules, and deliverables required to achieve the substantial returns on investment available from deployment of the Comhra solution. The Comhra Methodology is an integral part of the Comhra product bundle.

Training

Comhra offers a range of education and training modules for senior marketing management, corporate management, marketing specialists, IT professionals, and Comhra partners.