

The Resurrection of Brand Loyalty



John Merakovsky from Experian, a sponsor at the **marcusevans CMO Summit 2010**, considers the best brand loyalty maximisation strategies.

Interview with: John Merakovsky, Director - Digital Marketing, Asia Pacific, Experian

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All marketing efforts could be wasted if the **Chief Marketing Officer** (CMO) does not have an integrated database of customer data right in the first place, says John Merakovsky, Director - Digital Marketing, Asia Pacific, Experian. The customer is dictating the interaction, therefore bringing the different channels together is very important. From a sponsor company at the **marcusevans CMO Summit 2010** taking place in the Gold Coast, Australia, 27 - 29 September, Merakovsky highlights the steps for maximising brand loyalty and the best uses of social media in **marketing**.

What is the best way of creating and maintaining brand loyalty?

John Merakovsky: Consumers are becoming more and more demanding, therefore earning their loyalty is increasingly difficult. They are getting real time information from a number of sources, and as a result, asking themselves why they should blindly trust a brand when they are able to compare product prices, reviews and consumer experiences.

When faced with rational information versus pure emotional brand loyalty, people are choosing the information from other consumers. This does not mean that brand loyalty is dead, but it does mean that value and differentiation must be clearer than ever before. If you cannot differentiate your products, you will be forced down the value curve in terms of price. About 25 per cent of buyers are price focused, and 50 per cent inertia buyers who will continue to buy from a given brand. It is this 50 per cent of consumers who are beginning to scrutinise their brand loyalty on the basis of high quality information and better value elsewhere.

The solution to this challenge is to firstly have quality customer data. Many **marketing directors** in Australia are struggling, because their customer information is split across multiple databases. These sources should be integrated. Secondly, the data should be used to target **communications** to customers

via different channels, including emails, mobile messages and direct mail, to avoid channel fatigue by ensuring the most responsive channel by individual is used.

Thirdly, channels have to be integrated so that customers have control over how they buy and communicate with the company. The reality is that the customer is dictating the interaction, so bringing these different channels together is very important. Lastly, customers have to be segmented by their past behaviour and geodemographics, which are the best predictors of future behaviour and buying patterns, and can eventually generate huge returns on investments. These four solutions are the underlying strategies for maximising brand loyalty.

What are some of the best uses of social media in marketing?

John Merakovsky: Social media has become a huge generator of traffic, and some brands are getting significantly more traffic from social media sources than from search engines. Capitalising on this is very important, and it goes well beyond having a Facebook page with 500,000 fans.

A great strategy would be to replace 'Refer a Friend' or 'Forward to a Friend' with 'Share with your Network'. In this simple tactic, the email can be embedded with the feature of sharing the message with one's network of potentially hundreds of thousands of users. This gives exposure on a much greater spread.

How can CMOs deliver competitive advantage to their organisation?

John Merakovsky: There is a long shopping list of web **data analytics** tools, including e-mail and mobile platforms and campaign management databases, which can help give a competitive advantage. However, all of these will be wasted if you do not have the database right in the first place. The customer database platform has to be set up in such a way that it brings all strands of data together, giving the CMO the

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ability to do the analytics and deliver campaigns based on predictive modelling. This means that the CMO must have control of the database and campaign systems, which should always reside in marketing and not in IT.

What developments do you expect in the next few years?

John Merakovsky: We can expect total convergence of e-mail and mobile channels. We are already seeing this faster than expected with the emergence of the iPhone and rich messaging, although in some markets like Australia and New Zealand, mobile marketing is still seen as rather intrusive and personal. I think we will start to have personal devices capable of displaying rich media at all times; this convergence will render the distinction between the different channels null.

All marketing communication with customers will be data driven and one-to-one. However, we have to get the fundamental technology systems in place to be able to do this, as consumers will be targeted based on which device they are using at any point in time.

Do you have a final message to CMOs?

John Merakovsky: The key thing to understand is where you sit on the differentiation curve; if you have a highly differentiated product, you can command a higher price. But the days of being able to use marketing and messaging as your main tool in gaining brand loyalty are gone, and so you must differentiate your product or you will be pushed down the value curve.

The key here is to understand what your consumer wants, and target all of your communications and marketing to these needs, because consumers are becoming more and more demanding.

Whilst all of the fundamentals of marketing have been changed, it is a different world now, because honesty and transparency with the consumer are absolutely vital. It is imperative that we listen to the consumers and address their concerns and needs directly.

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This unique forum will take place at the Sheraton Mirage Resort & Spa Gold Coast, Queensland, Australia, 27 - 29 September 2010. Offering much more than any conference, exhibition or trade show, this exclusive meeting will bring together esteemed industry thought leaders and solution providers to a highly focused and interactive networking event. The summit includes presentations on connecting with consumers, integrating marketing goals with business strategies, and driving customer loyalty in a volatile marketplace.

For more information please send an email to info@marcusevanscy.com or visit the event website at www.cmoanzsummit.com

Please note that the summit is a closed business event and the number of participants strictly limited.

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