

Touch me if you can

Optimising contact points of B2B corporations

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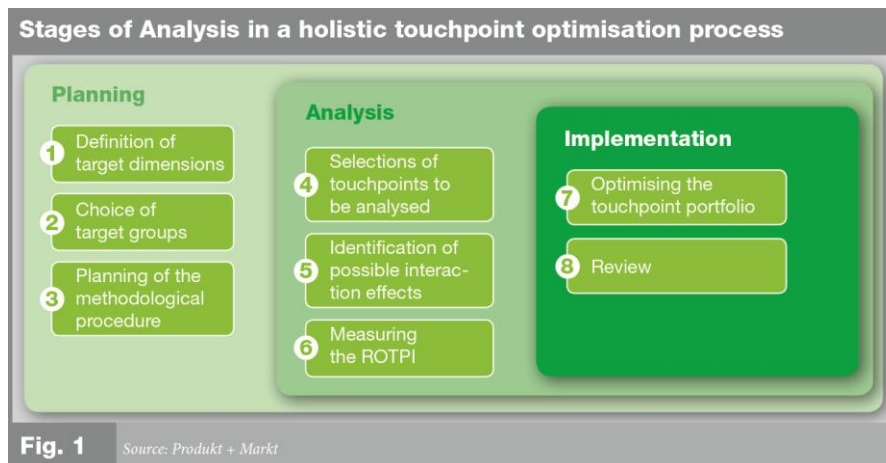
At B2B enterprises, fine-tuning all relevant contact points is becoming more and more important to achieve effective and efficient customer management. According to **Ludger Rolfes** and **Angela Hoffmann**, it is necessary to measure the relevance and interdependencies of the individual touchpoints, and to examine them in relation to the respective contact prices.

In terms of enterprises and their touchpoints with potential customers, there are currently two developing trends: an overall increase in expenditure on advertising as well as reallocating these advertising funds in favour of new media. Especially the high coverage, low cost of communication, and the variability of content all speak in favour of higher investments in internet and social media. Taking into account the limited communication budgets, the people in charge are also facing the question how far investment in traditional contact points may be reduced.

Determining the Return on Touchpoint Investment

A central index for these major decisions is the so-called Return on Touchpoint Investment (ROTPI). As the following paragraphs will show, the calculation of this ROTPI requires a holistic approach, especially for B2B corporations.

The first three steps of this holistic touchpoint optimisation concern the stage of planning (fig.1). This includes the definition of target dimensions – for example a high level of brand awareness as well as longterm customer loyalty.



Secondly, the target audiences relevant for the analysis need to be identified. These are current customers as well as potential customers. For current customers, the analysis focusses on the impact of individual

touchpoints on the current customers' loyalty, while one needs to examine how individual touchpoints affect brand awareness among potential customers. Thirdly, the methodological procedure needs to be devised: Which methods will provide solutions to the issue at hand?

Methods and procedure

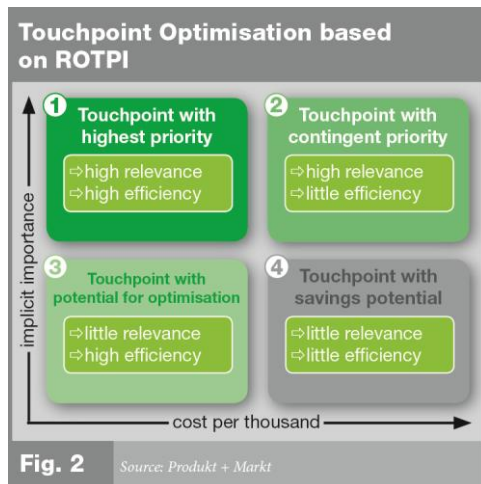
Qualitative methods are essential during the planning stage and at the beginning of analysis. Hence it makes sense to identify relevant touchpoints through individual ladder interviews. Furthermore it seems to make sense to devise hypotheses on the interaction of contact points within the context of focus groups early on, so that later the interaction effects between the touchpoints can be captured entirely.

In the further course of measuring the ROTPI, primarily quantitative methods are applied. At that, it is advisable to follow the concept of implicit importance: By applying econometric models, it is investigated how much all relevant touchpoints impact the selected target variables. Recommendation rates and the extent to which products are used may serve as endogenous variables. Additionally they may also indicate previous customers' loyalty. Furthermore it is measured if and how often the respondents are in touch with the relevant touchpoints within a given period of time, and also how they would rate them. Afterwards it is central to select an estimation method. Based on the so-called Shapley value solution concept, a number of procedures have been derived that can be used to measure implicit importance, even on the assumption of interaction effects between the touchpoints. The advantage of the method developed by Produkt + Markt is that a large number of touchpoints can be included in the analysis. For B2B enterprises, this advantage is of utmost importance. In addition to touchpoints directly related to the product, there is also a wide variety of other touchpoints available to them – such as visits by sales representatives, trade fairs, promotional gifts, and information leaflets intended for retail customers. Additionally, interaction effects between the individual touchpoints as well as indispensability as key feature should be explicitly considered by the estimation.

The next task includes measuring previous touchpoint investments and comparing them to the effectiveness of the touchpoints. In addition to considering the company's own cost per thousand for the relevant touchpoints as approximation value, considering similar companies' costs or the expectations of knowledgeable experts is also advisable.

Relevance and efficiency of contact points

The assessment of the touchpoints based on their ROTPI is outlined in figure 2. The touchpoints are positioned in the coordinate system according to their implicit importance and their respective cost per thousand; furthermore, recommendations are derived regarding the future composition of the touchpoint portfolio.



One should primarily choose touchpoints with great relevance (high implicit importance) and high efficiency (low costs per thousand). These are for example a strong online presence consisting of a website and an online shop. While the website is mainly contributing to the company's brand recognition, the online shop is classified as the preferred touchpoint to increase customer loyalty. In comparison investments can be reduced for touchpoints with savings potential. For example, despite relatively high costs, circulars are noticed by only a few customers.

The holistic touchpoint optimisation ends with the stage of implementation, where the impact of the new touchpoint portfolio should be reviewed. Hence, the survey of the target group and the measurement of the ROTPI is repeated after a predetermined test phase. This step in the analysis is often neglected. However, it isn't until after this step that one may conclude to what extent investing in new touchpoints (internet and social media) will have a positive effect on the target variables. Until this point the company should remain able to revise touchpoint investments and to quickly make new adjustments.

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