Not All Customers Are Alike: How ING Retooled Its Metrics and Doubled Its Conversion Rate

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Whether your business is large or small, it's a good idea to figure out how to optimize your marketing investments and measure marketing's impact. That's exactly what the ING Retail Annuity Group did when it undertook an initiative to develop a set of mission-critical marketing metrics and a dashboard. But the initiative led to results that went beyond Jason's expectations.

Before the ING Retail Annuity Market Segment put the new metrics in place, the group's measurements were based on response data and anecdotal feedback from salespeople. Plus the market segment relied on the results from the annual customer satisfaction survey, which focuses on satisfaction primarily related to sales and operations. For the ING Retail Annuity market segment, the primary customers are independent financial professionals. The company calls them "producers." Building preference among this segment, retaining them and keeping them engaged are critical to achieving revenue targets. Until marketing embarked on the new initiative, it approached this main customer segment as though all the financial professionals—that is, the producers—were all alike.

The initiative created new metrics that enable ING Retail Marketing to look at how it markets to various segments of the producers and where these customers are in their lifecycle in regard to their engagement with the company. The lifecycle refers to the three stages of producer development: how a financial professional moves from a prospect to a new producer and, finally, a consistent producer. The new metrics forced the marketing department to make a fundamental shift in the way it approaches each stage of the lifecycle because it now has metrics around prospecting for new producers, increasing the frequency of a producer's business and retaining loyal producers. The metrics also improved the alignment between sales and marketing because it gave the two groups a common set of measurable goals related to finding, keeping and growing the value of the financial professionals.

It started when ING Group executives wanted to be able to measure marketing performance to better gauge how marketing was affecting the business and what was and wasn't working. ING Group is one of the largest integrated financial services organizations in the world, with more than $937 billion of assets under management as of December 2007. It was ninth on Forbes' "Global 2000" list for 2008. The company consists of a variety of businesses, such as wealth management and insurance, asset management and banking.

Because the Retail Annuity business invests millions of dollars annually to market its products, it was an ideal group to use as a pilot to learn whether the organization is optimally allocating its marketing funds and if not, how it should allocate those funds.

Including key stakeholders

We employed a well-defined process and methodology created by Laura's firm, VisionEdge Marketing. The process involved several steps, including an assessment phase, a metrics development phase and a dashboard development phase. In the first assessment phase, key stakeholders, such as the president and CFO of the business, the head of product development, national sales managers for each channel and the head of business development, helped us determine leadership's expectations of marketing, assessing marketing's success and contribution. This helped the marketing team understand the key business outcomes related to customer and producer retention, producer and market penetration, productivity, asset management, new producers and efficiency—initiatives with greater market and customer focus. It also emphasized the importance placed on improving product speed to market, campaign performance, sales enablement and producer satisfaction.

A key next step in the process entailed creating a metrics map. A metrics map is a blueprint for developing the metrics and the dashboard. It links the business outcomes to marketing objectives, strategies and tactics. Marketing doesn't work in isolation. The work affects, and is affected by, sales, product, customer service and other parts of the organization. Therefore, it is a good idea to develop the map collaboratively with other members of the organization. We included individuals from across marketing, sales, product and finance.

The mapping session served as the catalyst for bringing metrics around the customer engagement lifecycle into focus. We created metrics related to prospecting, penetration and retention. At the end, we had an initial set of outcomes, operational and activity-based metrics and key performance indicators such as producer penetration, producer retention, producer engagement, and producer activation and sales enablement.

Because producers, though independent, are key to ING's Retail Annuity business and the primary interface to the consumer, metrics related to producers are critical. It is marketing's job to engage the producers, motivate them to prefer ING's Retail Annuity products and increase the producers' ability to sell more ING Retail Annuity Products.

These served as the basis for the metrics categories. One of those categories was, for example, a "producer engagement" metric, which monitors the level of "engagement"—whether the producer has proactively contacted ING or has accepted a meeting with an ING sales representative—based on where that producer is in his or her lifecycle.

Tracking the engagement of prospects with us on a monthly basis, we found that we are converting 12 percent into new producers. We ran a campaign aimed at introducing our sales representatives to a targeted list of prospects. In the campaign, we made bobblehead dolls of our sales representatives and, in conjunction with a call-out campaign, contacted prospects on the list. By combining a clever promotion with a coordinated calling campaign, we converted more than 20 percent of the targets into producers—or nearly double our typical average.

The entire process made for some monumental changes. Our previous marketing plan had a strong internal orientation and primarily comprised a list of product-launch and sales-support activities. With the new orientation, marketing created objectives for each phase of the lifecycle, and then identified levers and indicators for each objective related to the metrics categories.

The ING Retail Annuity Group ended up with a valuable set of metrics and a usable out-of-the-box dashboard. But it gained even more. Valuable byproducts of the process were better organizational alignment, a more measurable marketing plan and a stronger customer-centric orientation. ING's experience has lessons for all marketers. When you establish a set of measurable objectives that link marketing more directly to the business, you will enhance the alignment between marketing and other parts of the organization.