

THE MARGINAL IMPACT OF AN ADDITIONAL BRAND-INITIATED COMMUNICATION CHANNEL: A PEOPLE-BASED AND INCREMENTAL APPROACH

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Abstract

Brands use multiple communication channels to interact with their customers. Most research about omni-channel communication has focused on how brands should adapt their customer contact strategies to drive performance. This paper explores the switch from a channel-centric logic to a people-based approach. It investigates the impact of the rise in contact frequency due to additional channels at multiples steps of customers' path to purchase. It is based on three randomized field-experiments on large sample sizes (from more than 300,000 individuals to 1,000,000 individuals). It demonstrates that additional channels only drive more unique customers to purchase (a volume effect) and do not impact the average amount spent by customers or frequency of purchase over the analysis period. Considering the marginal cost induced by every additional channel and the incremental revenue it generates, solid incremental ROI emerge. While programmatic display activation generates from 13,1 to 30,8 of incremental ROI, SMS activation generates a 11,5 incremental ROI.

Keywords: *omni-channel; incrementality; people-based*

Track: Advertising & Marketing Communications