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SCHEMA: Information on marketing and customer engagement performance – reality versus dreams

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Abstract

Purpose: This article reviews development of thinking about the information needed by companies to create an accurate picture of how well they manage their engagement with customers, taking into account the evolution of thinking and practice in this area over the last three decades towards the idea of data-driven customer engagement. It then describes the evolution and use of an assessment and benchmarking process and tool which provide the needed information.

Design/methodology/approach: Literature review, conceptual analysis and explanation of the management consulting process used.

Findings: Companies can get an accurate picture of how well they manage customer engagement provided that a careful assessment approach is used where assessors are properly selected and trained and that there is a strong focus on compliance with requirements rather than "box-ticking" based upon managers' perceptions.

Research limitations/implications: The assessment and benchmarking process was developed mainly for use by larger companies, though the findings could be adapted for use by smaller companies.

Practical implications: Companies whose success depends upon customer engagement should consider using the assessment and benchmarking tool to guide their planning and implementation. They should heed the warnings about the risks of inaccurate assessments which may arise because of the incentives by which managers are managed.

Social implications: The assessment and benchmarking process has been used by the public sector and government, and given government's desire to engage citizens better, they should consider adopting the ideas in this article to reform citizen engagement.

Originality/value: This is the only article which reviews the development of the assessment process for customer engagement.

Keywords: Customer engagement, data-driven, marketing, assessment, benchmarking, CRM

Article Classification: General Review

1. INTRODUCTION

The problem statement

In complex areas of business activity, senior managers have the problem of knowing the quality of what their staff are doing. The need for this has been confirmed by the substantial literature on strategic implementation and on change management. This demonstrates clearly how strategic plans often fail to be implemented, because when the plans were made, management did not have enough information about what their company was currently doing or about what was required to achieve the required change (Hrebiniak, 2013, Li *et al*., 2008). A company making big changes cannot necessarily rely on operational or line management processes for ensuring that everything is done as it should be. That tends to work when work is routinized. When it is not routine, such as in large construction projects, deployment of new information systems, or new strategies, how can senior management know that when they want to be done is being done? Risks are also high when senior managers have incentives for creating the changes, as they may be optimistic about whether the changes have occurred, may lie about whether they have or even cover up failures (Stone *et al*., 2018). All these risks apply to the area of data-driven customer engagement.

The meaning of data-driven customer engagement

Data-driven customer engagement is where engagement with target audiences (including customers and prospects) is planned, facilitated, supported, delivered, measured or analysed using first party data (from the company itself), second party data (from a company's partners, suppliers and intermediaries) and third parties (from more general providers of data including widely-available data platforms). The engagement can be of any kind – direct with the supplier, via an intermediary or a partner, and through any channel – own website, contact centre, direct mail or email, third party of partner websites, or social media. It includes precise targeting of prospects (potential buyers of known potential value) through digital media, using content tailored to their profiles and to their likely needs, often real-time, in the sense that the individual has just become available for contact in a particular channel (e.g. because they are browsing, searching or buying).

Data-driven customer engagement can be practised by any company, not just those with frequent direct contact with their customers and/or prospects. The widespread availability of third-party digital platforms for managing contact with prospects and customers means that the cost of data-driven customer engagement has fallen rapidly. So, the approach is now feasible for the smallest company. As the Web has developed, the process of customer engagement has become more creative, whether in terms of the content served to customers, the type of engagement achieved, or the use of data and technology to support it. The latter is visible in the rise of data management platforms.

For customers, the benefits of improved customer engagement with their suppliers include better and more appropriate offers, and often better value, because competitors use data to compete and the best competitors are often those who offer the best value and the best products. The benefits for companies include cheaper and better customer acquisition, retention and development, and greater profit.

A historical perspective

Data-driven customer engagement has its roots in direct mail, which started in the 19th century as mail order, to supply the westward moving US frontier, and then developed mainly in subscription publications, before broadening out. The broadening became dramatic when large organisations started to change how they managed their customers. In the late 1970s and the early 1980s, developments in computing and telecommunications (mainly in information capture, storage, transmission and analysis) allowed companies to apply techniques of managing individual customers that had been confined mainly to the mail-order industry (Stone, 2012). Utilities, telecommunication companies, airlines, banks, insurers, retailers and many other companies started to build customer databases and use them to contact their customers directly instead of via advertisements (e.g. Gamble *et al*., 2000; Stone and Mason, 2000; Aitchison and Stone, 2002; Foss and Stone, 2002; Moffett et al., 2002; Wright *et al*., 2002; Stone, 2009; Stone, 2010; Stone, 2015a; Stone and Laughlin, 2016). The method of contacting started with direct mail, but quickly moved to contact centres when liberalisation of telecommunications led to new telecommunications services becoming available as more cost-effective channels to manage customers (Stone *et al*., 2002a). Even many parts of the public sector adopted the approach (Stone *et al*., 2007b; Woodcock *et al*., 2008).

These developments led to a parallel evolution in the focus of and terminology for describing how customers are engaged. The different definitions, which are not just words but represent real changes in management, data and technology, include in approximate order of their evolution:

- Direct mail
- Direct marketing
- Database marketing
- Customer database marketing
- Relationship marketing
- Customer relationship marketing (CRM)
- Relationship management
- Customer relationship management (the latter-day CRM)
- Customer satisfaction (management)
- Customer experience (management)
- Customer engagement (management)
- Data-driven customer engagement management

All these have different interpretations and requirements for insight or data. Their meaning depends on whether the term "management" is added to the end, as without the term, academic research tends to be from the customer point of view, but with the term, it tends to be from the company point of view. Parallel to the development in focus and terminology were institutional developments, supporting industry needs. For example, in the UK, the Direct Marketing Association (the DMA) was founded in 1917, focusing initially on regulatory issues and standards and recently renamed the Data & Marketing Association). The UK's Institute of Direct and Digital Marketing (IDM) was founded in 1987 (with the strong support of two of the authors, Stone and Woodcock) as the Institute of Direct Marketing, engaging mainly in training. It has now merged with the DMA. The UK's Market Research Society, representing the market research industry, for which engagement research has always been a key focus, was founded in 1946. In the US the Direct Marketing Association was founded in 1917 as the Direct Mail Association.

The need for assessment of customer engagement

Changing how customers are engaged involved many big projects, involving new skills, new business partners, new techniques, new strategies in marketing and customer service management, and learning how to succeed in deploying new approaches (Abbot *et al*., 2001a; Abbott *et al*., 2001b; Aspinall *et al*., 2001; Stone, 2000; Woods and Stone, 2000; Stone and Nowell, 2005; Stone and Woodcock, 2006; Stone *et al*., 2007a; Stone and Liyanearachchi, 2007; Stone, 2014b; Stone, 2016). Often, things went wrong, but because so many people were new to this activity, company senior management were often unaware of what was going on (Pries and Stone, 2004; Stone *et al*., 2007b; Foss *et al*., 2008; Stone *et al*., 2009). This led to much wasted investment and a demand for independent assessment of the quality of customer management and later of customer engagement. Data already available showed which customers were joining, staying, buying more, or leaving, and how customers felt about it. However, it did not focus on management implementation e.g. whether the right strategies were in place, whether they had been translated into realistic implementation plans, whether the company's people were doing what they were meant to be doing, whether the systems and processes that had been planned were being deployed as planned, whether data was being handled correctly, and so on. The aim of this study is to introduce how a process for assessing data-driven customer engagement was developed to document management implementation, and how it was formalised into an assessment tool called SCHEMA, how the tool is deployed, the results it yields and how the results are used.

2. BACKGROUND TO THE CRM ASSESSMENTS

Assessing customer engagement from the perspective of the company

Much early academic work focused on a particular stage in the above-described evolution of customer engagement concepts, customer relationship management (known as CRM). Although some work was carried out on identifying the success factors in CRM, much of it appeared many years after CRM first began to be used. Some of it focused just on CRM systems e.g. Wilson *et al*. (2002), Jayachandran *et al*. (2005). Some of it focused on capabilities rather than whether the capabilities were deployed appropriately e.g. Plakoyiannaki and Tzokas (2002), while some focused on processes e.g. Reinartz *et al*. (2004). There was also an extensive literature on CRM failure, partly stimulated by CRM systems that failed due to inadequate work on other aspects of CRM e.g. Wu (2010). Only occasionally did researchers take a more comprehensive view, that CRM success depended upon more than one aspect of customer management e.g. Jutla *et al*. (2001), Chen (2003). This was despite consultancy evidence of the need for a more comprehensive approach to assessment and management of CRM strategy and implementation.

The emergence of customer engagement as a topic of academic research is relatively recent. Customer engagement is a broader definition, focusing on all connections between customers and the company, offline and online. The first in-depth research and analysis appeared around ten years ago (Bijmolt *et al*., 2010; Brodie *et al*., 2011; Van Doorn *et al*., 2010; Verhoef *et al*., 2010). However, most academic research focuses on the customer point of view (e.g. Harrigan *et al*., 2018, Carvalho and Fernandes, 2018), rather than the management of customer engagement, although some focus on how particular techniques, especially digital (such as platforms and social media), can be used to create stronger customer engagement (e.g. Sashi, 2012; Wirtz *et al*., 2013; Merrilees, 2016; Carlson *et al*., 2018). A few researchers focused on how customer engagement applies to brands rather than companies e.g. Hollebeek (2011), France *et al*. (2016), but even here the focus tends to be on the behaviour of online brand communities rather than their management by brand owners (e.g. Gong, 2018).

The origin of the assessment tool

In the early 1990s, a group of consultants (including two of the authors of this article – Stone and Woodcock) were working on customer engagement projects with telecommunications firms, utilities and airlines. They realised the extent of the problem. Their team had been working on a project for auditing in a technical area, involving assessing compliance with various technical criteria over many areas of activity. They adapted the assessment methodology to assess the management of customer engagement. The central idea was that successful engagement resulted from several different areas of activity, each of which could be assessed by skilled assessors, using a combination of their own experience and carefully phrased compliance text which would allow assessors to score the extent of compliance according to the quality of compliance (frequency, depth etc.).

The assessment tool (structure, questions, compliance texts etc.) was originally called CMAT (Customer Management Assessment Tool) and focused on customer management, but it has evolved greatly to become SCHEMA, a tool for assessing data-driven customer engagement It was developed by a team of consultants and academics, pooling their knowledge of what constituted good customer management, and it was then tested on several clients. The first results were published in a variety of reports and in book form (Stone *et al*., 2000; Foss and Stone, 2001; Starkey *et al.*, 2002; Stone *et al*., 2002b; Stone *et al*., 2003c). A quarter of a century later, the assessment tool is still in use, but has evolved greatly, due to the massive changes in marketing caused by the digital revolution and by the strong interest of many companies in customer engagement rather than customer relationship management. However, the tool remains true to the principles observed in the team's first consulting assignments – the focus on acquiring, keeping and developing customers cost-effectively. It is also the foundation for a large knowledge base used by the consultants, their associates and their academic partners, providing great certainty amongst these partners that they knew what the real situation was, as opposed to "hype".

Competitive models of customer engagement

Before considering the nature of the assessment tool, we must explore what is being assessed - the management of customer engagement. There is no one right way to manage customers. Companies have become used to the idea of business model (Stott *et al*., 2016; Parnell *et al*., 2018), but in the early CRM days, this was not so. Many client companies felt that all they had to do was to develop a customer database and start contacting customers. Today, many companies have learned that managing customers does not necessarily involve building a detailed customer database and contacting all customers. In some cases, a more focused approach is required, perhaps focusing on the most valuable customers using CRM, while other customers are managed through the conventional marketing mix – product, price, advertising and promotion and distribution channels. For example, conventional scheduled airlines, which eagerly adopted the CRM approach to manage their frequent flyers, had to retract from the approach when faced with competition from low cost airlines such as Ryanair, EasyJet, JetBlue, Air Asia and South West Airlines and others, in which product, price, airport and simple direct and digital marketing techniques were used to win customers away from their addiction to frequent flyer loyalty programs. The same can be said of the worldwide value retailer challenge of Lidl and Aldi to conventional grocery retailers.

CRM and now in its modern form, customer engagement, does not replace other models of customer management (Stone *et al*., 2002b). Indeed, it can enhance their importance. In its digital form, where contacting customers and contact by customers is more interactive, quicker, simpler and cheaper, having the right product, price and channel is more important than ever, as is serving the right content in the right context to persuade the customer, a role that used to be performed mainly by advertising but to which is now added a wide range of digital and real engagement activities. In complex industrial products and services, customer engagement activity plays an important role in supporting the activities of sales people, allowing them to focus on more complex purchasing decisions, while buyers order routine products and services via the Web. In many markets, however committed a company is to engaging customers better, product and company brand are still critical.

However, "conventional" models of marketing and customer management usually had well-established information flows, showing how efficiently and effectively the models were being deployed. For example, sales people were assessed according to their calling patterns and order rates. However, when a new dimension of customer engagement is added to an old one, this changes the required information. In this sales force example, additional aspects to be assessed includes the sales person's interaction with digital enquiries from customers, their digital responses and how they use digital sources to qualify customers. In grocery products, critical sources of information were typically sales data (to and through retailers), usage and attitude data gathered by market research companies and market test data. Today, the data includes what consumers are doing on brand websites and social media commentary by consumers.

However, new models may challenge old ones. Are large customer databases with lots of historic data on customers as valuable as data on what customers are doing right now, perhaps co-creating/configuring products (e.g. Ranjan and Read, 2016), so the customer uses their own data to get what they need? If customers can quickly find the same or similar products or services at the same prices, they may be "repertoire buyers" (Banelis *et al*., 2013), loyal to one or more suppliers but buying from many. In this situation, an existing customer must be treated as if they are a prospective rather than an actual customer, because they see themselves as having a range of choices, so companies need to identify who they are, where they are in their customer journey, and engagement with them from as early as possible in their journey to purchase. The journey from being interested in buying a product or service to buying it is harder for companies to manage, with companies needing to focus on areas such as conversion optimisation, activation of inactive customers, delivering a consistent customer experience, anticipating the need for service, prompting customers to recommend or advocate and identifying dissatisfaction early to prevent the customer leaving.

The role of resources and business partners

In the decades since 1980, there was strong emphasis on the size and complexity of the customer database (whether managed in house or by a data management bureau), the complexity of telecommunications systems and contact centres required to support it, the central role of data in leading to a clear information-based picture about customers and interactions with them and the use of that information to improve customer management (Abbott *et al*., 2001b; Dobbs *et al*., 2002; Foss *et al*., 2003; Pula *et al*., 2003; Stone *et al*., 2003b; Stone *et al*., 2004; Stone and Woodcock, 2014). However, it became easier to use the CRM approach, as outsourcing companies competed to provide data management, software development and maintenance, marketing, customer service and sales resources. Radical new developments have further reduced the cost, particularly the advent of cloud computing (allowing data and software to be hosted remotely much more easily) and the development of customer information platforms to support customer engagement (Stone, 2014a; Stone *et al*., 2016). Today there is a new ecosystem of suppliers, each adding their own value to a client's customer engagement capability (Guesalaga *et al*., 2018). This has been facilitated by the information platforms mentioned above, as they provide a common basis for data management. Social media giants such as Facebook, with their dependence on advertising revenues, have provided new channels to access customers and, for many companies, a new way of hosting content or even websites, but also a source of (often negative) feedback. There is no place to hide for the weak company or the poor product, so many companies use specialist social media agencies to monitor, measure and influence social customer feedback (Woodcock and Stone, 2013). Meanwhile, market research companies have focused increasingly on providing customer satisfaction data. Some commonly used measures such as Net Promoter Score have been heavily criticised (Kristensen and Eskildsen, 2011), but market research agencies have added great value in interpretation of social media data.

One important complexity of close customer engagement is privacy, particularly important given the current political drive to data protection embodied in the General Data Protection Regulation (GDPR) (Chalder *et al*., 2000; Stone *et al*., 2001; Milkau, 2018). This means that assessment of customer engagement must be very thorough in this area, though it was always important, as the CRM approach was adopted early and strongly in highly regulated industries such as utilities, telecommunications and financial services.

At the centre of assessment: SCHEMA - the data-driven customer engagement assessment

An assessment tool is a combination of several different elements, which include

- The definition of the factors that are being assessed
- Definition of best practice as applied to those factors
- The question set – the questions which probe the extent of compliance with best practice
- Compliance criteria – the criteria which assessors use to identify the answers that apply to the organisation being assessed
- The scoring and weighting system, which determines how the outcomes of the assessment are quantified
- The reporting system, which translates these scores into a report, prioritised recommendations and action plans
- The selection and training of assessors, who must have the knowledge and skills required – typically they need to be experienced customer engagement consultants

The company providing the assessment is The Customer Framework, a subsidiary of the marketing communications agency Dentsu Aegis Network. The clients for assessment include companies that are very experienced in managing data-driven customer engagement, those who use the approach and want to learn how to do it better, and those who want to examine their company through the lens of data-driven customer engagement, not necessarily to adopt it but to see how they measure up against competitors who might be using data-driven customer engagement to attack them (Stone, 2015b).

The main information benefits of SCHEMA assessment include:

- Providing a quantified assessment of how well the organisation engages its customers
- Benchmarking the organisation against relevant other organisations
- Ensuring that senior management have a common understanding of how their organisation is really engaging customers

- Identifying what actions can and should be carried out to improve customer engagement
- Providing a basis for business cases for information technology and other investment

SCHEMA as a balanced scorecard for customer engagement
SCHEMA is a highly focused but well-balanced scorecard for customer engagement, designed to overcome the usual problems with balanced scorecards, such as the politics of scorecards, poorly defined metrics, lack of skills, poor data collection, weak review processes, influence of the power culture and leadership, and internal focus (Lueg and Vu, 2015). It provides deep insight into how well a company is doing. The factors assessed are summarised below.

The first four are what TCF calls the Levers of Success, as follows:
- Winning customers – this may mean more customers or a better mix of customers
- Keeping customers for longer and focusing on the best customers (however defined)
- Developing customers (both for their direct financial or other value and their indirect value e.g. as recommenders)
- Costs -managing the costs of customer engagement and reducing them if possible relative to positive outcomes

These are achieved through what TCF calls the Enablers as follows:
- Brand and customer experience
- Channels, media and content
- Measurement and reporting
- Insight and targeting
- Agility and innovation

The above are made possible by what TCF calls the Customer-Oriented Foundations, as follows:
- Direction and leadership
- People and culture
- Data
- Technology

Each factor is assessed through several components. Examples of the those assessed for Win are:
- Building awareness
- Helping customers find you
- Optimising conversion

Each of these components is assessed by many questions. For example, under the “Lever of Success” called Win, “Engaging influencers” is assessed by several statements, of which one is:
“The most important influencers regularly talk highly of us because of our managed engagement strategy with them.”

The practices assessed include:
- Strategy co-ordinates traditional journalist/industry commentators and new social media influencers
- Social media influencers and sentiment are mapped and target influencers identified and flagged automatically (using services such as social media monitoring). The company recognises that its audience has another audience that it influences
- Engagement strategies exist to engage the best customers and influencers, carefully, to ensure an alignment of brand values and objectives
- Influencers are deliberately 'involved' with the brand (e.g. visits to head office/factory, samples, early sight of new products, public recognition of their involvement (status) on social sites)
- Measurement of the success of the engagement programme covers improved sentiment and attempts to examine sales impact (not just advertising exposure).

3. METHODOLOGY

Overview
Various SCHEMA modules are used to help consultants address specific challenges and the result is more robust and credible if all of the modules are used together. The most important for the purposes of this article are:
- The Direction Shaper, which focuses on whether the management team are aligned in their understanding of the direction they are heading in and the organisational implications of their ‘vision’ (a key building block of change).
- The Assessor-Benchmarker, which investigates Outcomes and Capabilities that affect the customer experience, quantifying the start point of the client’s journey and giving a benchmark against other similar organisations.
- The Value Estimator, by taking inputs from 1st, 2nd and 3rd party data, identifies the likely financial prize of improving customer engagement and helps prioritise relative actions.
- The Roadmap is designed to take the outputs from above and delivers a plan.

The focus of this article is the Assessor-Benchmarker module, which provides the information foundation for much of the rest.

How the SCHEMA Assessor-Benchmarker works
The SCHEMA assessment is carried out by trained and accredited assessors who are experienced customer engagement practitioners, whether working in the consultancy company, one of its partners or in the client company itself. It is based on over 300 outcomes. Each outcome is assessed relative to on good practices from the company's consulting or assessment clients and from companies accepted as industry leaders. A 'scoring based on evidence' approach is used to assess each outcome. A broad range of people, from senior directors to operational level practitioners, is interviewed. The approach is designed to identify clear plans, real delivery and an identifiable effect of each of the practices, showing where gaps exists between senior management perception and operational reality. The assessment process also involves watching customer engagement processes in action, e.g. testing what happens on websites, observing agents in contact centres, reviewing routine and other reports generated by customer engagement systems.

Assessments start with an extensive briefing session for the assessor from the client's senior team. During this session they establish the current 'perceived' stage of development in customer engagement, key business issues and any initiatives under way. They also agree the list of individuals to be interviewed, the appropriate benchmarks and identify the material to be covered in the review phase. The assessor reviews all the background material provided. This typically includes marketing plans, research material, satisfaction surveys, literature, web sites etc. A briefing pack is distributed to all those in the organisation who are to be interviewed. This explains the objectives and approach for the assessment and what they should bring to their interview. Typically, 5 to 6 days of interviews are carried out at relevant locations. Each covers the topics relevant to the individual but is more engaging than a simple question and answer session. Between 30 and 60 staff are interviewed. The assessor looks for clear evidence to support the answers given. Interviews last between 60 and 90 minutes.

A detailed report is prepared by the assessor based on the information and evidence collected. It covers:
- An overall score against best practise and a management summary
- Scores and a summary report against each element of the customer engagement model
- Comparisons, at a detailed, sub-section level of company performance against a relevant benchmark
- A quartile positioning for each area based on all the assessments on the SCHEMA database
- Recommendations, ranging from tactical quick wins to highly strategic, identified by the assessor during their interviews.

A feedback workshop is conducted with the management team to facilitate discussion of results and obtain outline 'buy-in' to the need for further action. Recommendations are developed into a prioritised action plan agreed by all. This is achieved at a workshop following individual input of key stakeholders. Prioritisation is usually based on return on investment, taking into account the difficulty of achieving each change.

The below scoring scale is used (see Table 1).

Table 1: SCHEMA scoring

Score	Description	Condition
7	World class	This is only given if the outcome is achieved all the time, if leaders understand it and care about it being achieved, if it is done across all relevant parts of the organisation and if most SCHEMA practices are in place. Scores of 7 represent world class best-practice and are rare. Where a score of 7 is given for current state, a short case study is provided by the assessor to build the SCHEMA knowledge base.
6	Approaching world class	This is only given if the outcome is achieved most of the time and if two of the following three hold 1) leaders understand it and care about it being achieved, 2) it is being done across all relevant parts of the organisation 3) all the SCHEMA practices are in place.
5	Launch state	The outcome is being achieved often (about half the time) if all three conditions above hold.
4	Progressive state	The outcome is being achieved often (about half the time) and leaders clearly support it. They have also made progress in delivering best practice for that outcome.
3	Fragile	The outcome is being achieved often (about half the time) but leaders do not support it.
2	Basics in place	The outcome is not being achieved often leadership understands it and supports it.
	No real recognition	Senior stakeholders do not see any value in investing in this outcome other than perhaps for tactical purposes

Source: The Customer Framework

4. FINDINGS
An example of the findings is shown in Table 2 below – a ranking of companies in different sectors by their scores. Scores tend to be higher for companies where the business model and/or the model of customer management was traditionally based on direct marketing and is now based upon digital marketing, such as telecommunications, travel and tourism and insurance.

However, there are some surprises. For example, many retailers were late in converting to direct marketing (Tapp and Stone, 2004; Stone *et al*., 2003a), but the Internet has so threatened retailers that most retailers have made big efforts to keep up with best practice. At the other extreme are consumer packaged goods, still largely reliant on sales through retailers, manufacturing and automotive, still considered to be very product-focused in their marketing and marketing services and IT services/software, typically very sales-force-based.

Table 2: Sector ranking

Sector	Rank
Insurance	1.
Travel and tourism	2.
Retail	3.
Telecoms	4.
Pharma and healthcare	5.
Electronics and technology	6.
Not for profit	7.
Gas and electricity	8.
Retail banking	9.
Other financial services	10.
Publishing and media	11.
Petrochemicals	12.
IT services and software	13.
Automotive	14.
Manufacturing and engineering	15.
Marketing services	16.
Consumer packaged goods	17.

Source: The Customer Framework

The role of the customer engagement leader and his/her relationship with other senior managers

An important finding of many assessment and consultancy assignments relate to the role of leaders. When customer engagement activity started seriously in most companies, there tended to be a senior sponsor. This person would often end up in conflict with leaders of the different traditional marketing functions, competing for resources with them and trying to get them to modify their planning and implementation. This outcome conflict has become rarer, as the imperatives to "go digital" and "engage customers" is understood by most senior managers, with companies having little choice but to move in the right direction. In many companies the focus has moved to digital transformation of the entire company combined with customer engagement, of which digital customer management is just a part. Defending market position or growing market share in the digital economy requires root and branch analysis of all the strategic processes that govern how the organisation becomes digital and uses digital techniques to engage customers. The most common challenges (McKinsey, 2016) are:

- Breaking down functional silos to deliver an integrated customer experience
- Redefining end-to-end processes to streamline activities and improve speed and quality of process outcomes
- Upskilling the organisation to take advantage of data and digital opportunities
- Improving the speed and quality of decision making
- Becoming totally 'profitably consumer centric' in the way the organisation thinks and behaves.
- Changing people and their deeply held values and beliefs to support new ways of working, new technologies and new policies, as well as changing their day to day choices their focus and so on.

Using the SCHEMA scores to benchmark

One important use of the results is benchmarking. 'Benchmarking' is a widespread but often misused management practice (Zairi, 2010). It can be over-valued by leaders who want quick, easy answers and under-valued by leaders who believe they have nothing to learn from outside. If benchmarking is poorly executed, it can be a waste of time and money and lead a corporation in the wrong direction. However, if the purpose and method are clear, then benchmarking process stimulates strategic thinking, accelerates innovation and enables 'good practices' to be achieved quicker.

Benchmarking can be of just one area (e.g. marketing, finance or logistics) or how the organisation's functions co-operate to deliver, for example, 'a profitable customer experience'. It involves comparing performance or practices between one or more entities and can be used to:

- Examine high level or operational targets versus others and understand possible areas for improvement
- Identify the current state of the organisation
- Help design an 'end state', and fix timeframes for achieving them based on how long it took other organisations

- Check customer engagement programmes to see what current practice is, whether there are any best practices in the organisation, whether anything is missing, or can be removed from the programme.

Benchmark results can be used tactically or strategically, as shown in Table 3.

Table 3: Uses of benchmarking

Focus	Recommendation for use
Tactically (benchmarking as part of ongoing business improvement)	• Critically examine the important areas where scores were weakest and identify what can be improved from the benchmarking. • Fast-track good practice ideas coming from the benchmarking process into your innovation 'triage' process for evaluation, along with other ideas • If the benchmarking is carried out across business units or brands, identify and then share best practices across the business. This can have a big impact on performance, if leaders of business units are encouraged to learn from others (this must be supported by recognising people for documenting and sharing learning and best practice, otherwise there will be little to learn from) • Consider meeting 'best practice' organisations to exchange ideas and find out more detail about common points of interest (this typically requires mutual sharing, so clients need to identify what they can offer that will be of interest to organisations they want to meet).
Strategically (benchmarking underpinning transformation)	• Use the benchmarking model to understand current state and areas to improve • Use the findings to help define desired state i.e. where the organisation wants to be in 2-3 years to deliver its vision • Use inputs on the current state and desired state to develop a prioritised transformation plan to move from current to desired state • Ensure relevant leaders are involved in the process: The plan will only work if it is developed by the leadership team and the guiding coalition of influencers facilitated by the people doing the benchmarking • Define what should be measured to track the success of transformation. • Ensure the plan provides a link between capability improvement and quantifiable outcomes to provide the justification that will maintain momentum and facilitate wide-scale roll-out

Source: The Customer Framework

Maturity in customer engagement and benefits of assessment
Using the scores, TCF developed a stage-based analysis of maturity in customer engagement. The stages are:
- Traditional
- Data-driven marketing
- Data-driven customer experience
- Customer centricity

The main characteristics of each level of maturity were expressed in terms of the status of the different levers of success. The benefits identified from doing the assessment were identified as varying with the level of customer engagement maturity and so are restated as, as shown in Table 4.

Table 4: Benefits from assessment for companies at different stages of maturity in customer engagement

Stage	Benefit area
Traditional	Incremental efficiency benefit through constant optimisation of processes
Data-driven marketing	Early stage: Improvements in efficiency of marketing organisation and media spend Later stage: Improvements in marketing effectiveness, especially in Win, but also in Customer Value Development.
Data-driven customer experience	Improvements across all areas, especially customer retention and development, as more integration allows delivery of relevant personalised experience across all channels at any stage of the lifecycle and opportunity management
Customer centric	More agile and automated working results in higher productivity and less waste, improvements in organisational efficiency via employee engagement (impact on retention and productivity), improvements in customer engagement outcomes and impact on profitability as opportunities management is optimised

Source: The Customer Framework

Evaluating a company's ability to prosper and manage customers in the digital economy has led to the approach to the assessment being modified to strengthen the focus on high level managerial outcomes.

5. CONCLUSIONS

Lessons for marketing in general and all areas of management

The implications of this article are straightforward. It is possible to assess a company's activity even in a complex area like customer engagement and to translate the assessment into information that can be used by senior management to change what the company does. However, it does require a sophisticated and specific tool to do it and the design and management of that tool must be independent and based on deep knowledge of the domain and how it is changing. In the area discussed - customer engagement in (at first) the real world and (today) the digital world - this requires a good understanding of the changes that are taking place in terms of what is best practice.

The skills and independence of assessors are critical. It is important for assessors not to "go native", whether positively (by being so close to those being assessed that they are not happy about giving them an assessment that is less than the managers would give themselves) or negatively, because they want to secure more consulting business and agree with those being assessed that one way to secure it is to give lower ratings than senior management would give). This is one reason why TCF publishes as much as is possible, taking into account the need to be careful about competitive sensitivities, about the approach and how it works.

Assessment is not to be taken lightly. Assessors and their clients may easily slip into a "rush to tick boxes", particularly if the assessors are unfamiliar with or inexperienced in using the methodology. As discussed in Stone *et al.* (2018), the risks posed by misinformation, particularly the optimism bias and the covering up of poor performance and failures, are serious.

The value of assessing activity using a tool such as SCHEMA depends partly on a company's willingness to change and on whether its leadership is committed to changing. Carrying out an assessment because it is "nice to know" absorbs a lot of management and staff time and may be distracting. The best assessment clients, in terms of project success, are those that want to change and want to be honest with themselves about the need to change and about how much they must change. Companies that carry out assessments to congratulate themselves nearly always overestimate how good they are.

Lessons for academics

The implications for academics relate to the need to understand the complexities of customer engagement, in its digital or real form and how transforming a company, from not being good at managing customer engagement to being good, requires a significant change programme covering all of the business. It is not enough just to adopt a few simple targets relating to whether customers recommend the company, as implied by simplistic measurements such as Net Promoter Score or other customer satisfaction methods, or customer loyalty measures such as share of wallet. So, in teaching and researching about marketing, academics should focus on the tight and complex interrelationship between marketing and other functions and how information about the quality of marketing, especially customer engagement and the factors that create and support it, is vital for management to decide where to invest their effort. This applies to many other areas of management and is related to the need to use research approaches that are more grounded in actual practice, such as grounded theory, as shown in Parnell *et al*. (2018)

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