

National Trust out of the woods

BY DONALD NORDBERG

The metaphor of the 'customer journey' is a particularly appropriate one for institutions and destinations in the tourism sector. Donald Nordberg explains how projecting a multi-layered market segmentation on to a model of the lifelong value of customers helped pull the National Trust into modern marketing

SUCCESS ARRIVES carrying its own baggage. The historic house is crowded with visitors and more people are arriving every minute. The spacious parlours, with majestic ceilings and beautiful antiques, ought to be a delight to view. But it is getting uncomfortably crowded. The property manager calls through on the radio to the front gate: 'create a diversion'.

The volunteer greeting the new arrivals identifies the likely gardeners in the group: 'There is a wonderful magnolia in bloom in the garden just behind the house. You might want to start over there.'

The National Trust has a nice problem: a lot of new customers. And it is trying to manage them – and the lifetime value of those customers – the way the staff of the house managed them on that spring bank holiday visit. Unobtrusively. Sensitively. Aiming to give them the best value, while getting the most value from them as well.

Three years into a new strategic plan, the payoff is apparent. Revenues are up by more than 50%. Membership is up by a third. That suggests that revenue per member is up as well, but it is not straightforward to make that leap: the Trust's relationship with customers – as its new programme of change is showing – is rather complex.

Other signs are positive, too. Customer satisfaction, for example, was up 10% last year. 'It has never moved more than a couple of per cent in any year before,' says Anne Dixon, director of customer services. 'Yes, we do seem to have been successful, but pride comes before a fall,' she warns, 'and we still have lots to do.'

Dixon joined the Trust in 2001 to
Donald Nordberg is a writer and visiting lecturer in marketing at London Metropolitan University.



NT/ANDREW BUTLER

Powis Castle, with orangery in foreground, one of the National Trust's many stunning properties.

lead the new customer services directorate. Her background is not what you would expect of a person looking after historic buildings and gardens. She is a refugee of sorts from the world of e-commerce. Internet marketing and old historic houses may seem to have little in common. Even three years into the new strategic approach, the National Trust makes only limited use of its websites and has only just rolled out a customer relationship management software of its four million customers. But there is something more fundamental that links the two paths of Anne Dixon's career: a sense of community. Just as internet marketing held out the promise of building virtual communities, the National Trust has long been a community, one with deep cultural roots and shared values. The breakthrough – and what seems to underpin the emerging commercial success – came in linking that sense of community with the Holy Grail of relationship marketing: the lifetime value of the customer.

The challenges

Before the new approach started in 2001, people at the National Trust did not, even internally, speak about 'customers'. The Trust had 'members'. The properties had 'visitors'. The shops were staffed by 'volunteers'. And, of course, the houses, gardens and a lot of the maintenance money came from 'donors' and 'patrons'. If there was one generic term for all of them, it was decidedly non-commercial 'supporters'.

In 2001, as its new management arrived, the National Trust was facing serious issues. Despite its official-sounding name and its prominence in the profile of the country abroad, the National Trust gets no money directly from government. That means there is no buffer when donations dry up and visitor numbers fall. Farm incomes were down and with it the income of many who lived near and frequented National Trust properties.

'Mad-cow' disease was followed by foot-and-mouth among the cattle in the countryside and visits to rural Britain became less frequent.

Worse was to come as the number of visitors from the US began to fall after the attacks of 11 September 2001. Moreover, the Trust's substantial investment assets incurred considerable losses and stock markets fell.

More customers may be a good problem but it is still a problem. The new customer-centric approach to marketing is working but the technology has not kept up entirely with the plan. In 2003, the Trust commissioned work on a database for customer relationship management. Off-the-shelf CRM may be able to track which purchases someone made and how much they spent, as well as recording demographics and other profile data for analysis, but even when the new system is in place, it will not capture all of the complex relationships that individuals have with the National Trust.

Getting data is an issue, too. While stately homes or internet bookings for holiday cottages may provide a trial of point-of-sale data, how do you know that a customer spent a lot of time at the windswept ruins of a castle, where there is no mobile phone reception, let alone an EPOS terminal to record their activity in real time?

New management took a fresh marketing approach based less on advertising and more on understanding the customer. Its root lies in seeing customers as engaged in a 'journey' – during each visit and over the lifetime

of their relationship with the Trust.

The National Trust's old approach to members and visitors was anything but relationship-based. Dealings with customers were transactional: a fee for entering the property, a purchase at the shop, a membership fee and a renewal. The Trust did not know who was visiting where or how much they were spending. Moreover, when memberships lapsed the Trust rarely knew why.

Furthermore, two camps within the Trust constantly fought with each other. On one side were those who worked on serving visitors at Trust properties and on the other were the conservationists, responsible for the preservation of the history that the properties embody. The first thrived on keeping properties accessible and the second felt visitors were often the source of damage.

This conflict, however, was not what customers felt. Management knew anecdotally that visitors often came back as volunteers, either tending the gardens, helping with restoration work or just guiding visitors through the grounds. This work does not look on the surface like a customer relationship, but think of it this way: if they had not volunteered, the Trust would have had to find money to pay staff instead: volunteers make, in effect, a contribution to the Trust of £14 million a year, assuming everyone were paid only the national minimum wage.

But even that was not the full picture. The Trust survives only because of non-operational funding

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from legacies, contributions and grants. This income has ranged between £46 million and £82 million a year over the past six years, and comes from people who have been visitors, members or volunteers, who go on to become patrons and donors. They are, in effect, among the most valuable customers of the National Trust.

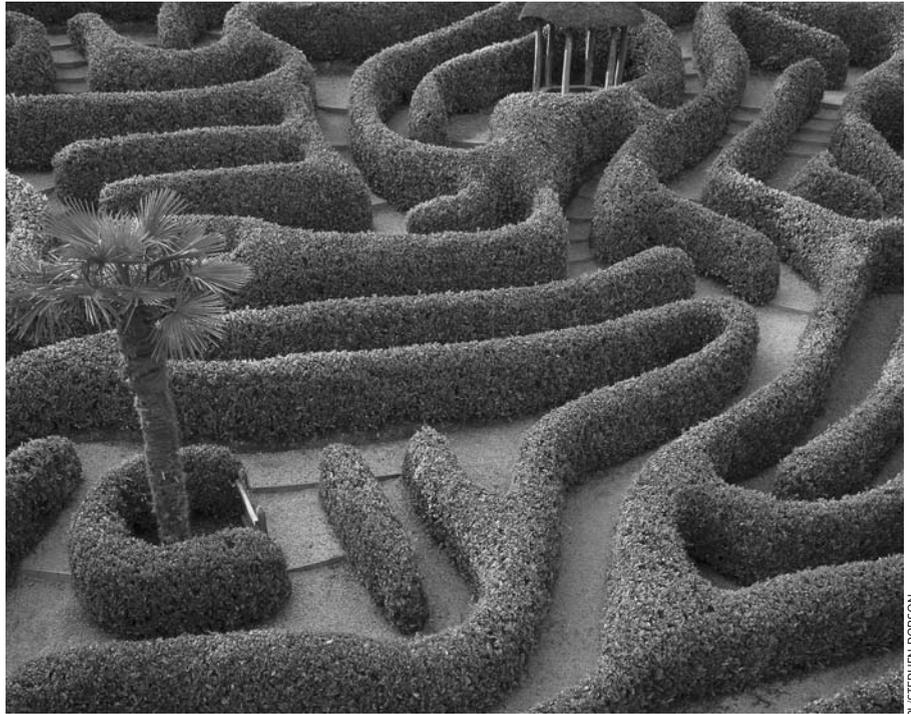
The National Trust customer journey

Working with consultant Kathryn Bullock of Customer Solutions UK, Dixon launched a programme of change in the Trust. She built a team drawn from across the Trust's various functions – and representing both the 'access' people and the conservationists. Together they developed the model of the customer 'journey'. The journey starts when the customer first comes into contact with any National Trust service. The journey metaphor helped people understand how they could lead the customer through a property and into a relationship that might even become a habit. At the end of each journey – to a property or through a phase of life – there was a danger the customer might leave and not return: the point of potential churn was marked with 'Mind the Gap'.

The market analysis

The economic and social conditions looked good. An ageing population should favour membership. Concerns about the environment and heritage were becoming more important. A simple SWOT analysis showed good signs, too, though the weaknesses of the 'old' Trust were glaring.

The team looked carefully at the customer research and what it was telling them about how people use the Trust. The model of the customer journey that starts and (hopefully) never stops was shared across the Trust. It was expressed as a circle with the customer in the middle, influenced by a layer of customer experiences, such as buying products, property and



The maze at Glendurgan, a National Trust property.

open-space visits, shops, restaurants, holidays, books, and so on.

The group then devised approaches to lead visitors from one attraction to another during the 'day journey' and through a programme of focused communications from one phase of the 'customer journey' to another.

That customer journey was mapped against demographic information based on age and geography, and mapped again to products and services. The key was to try to identify customers at crucial churn points and target them with suggestions of activities they would not previously have considered: teenagers might be alerted to opportunities for tailored work experience, activity holidays or opportunities for volunteering on archaeological digs. Empty-nesters – membership whose children had flown the coop – would be targeted with lecture lunch offers. Products were subtly reshaped as well:

- activity holidays for late teens
- special offers for grandparents; the analysis showed this to be an important segment – 20% of visitors to National Trust properties bring children, and 13% of these were

grandparents, while the parents stayed at home

- separate service offerings and promotions for overseas visitors – especially from the US.

Dixon says she cannot be sure all the analysis, modelling, positioning and targeting really caused the upturn in visitor numbers and revenue. The past couple of years have seen a resurgence in foreign travel from the US and a lessening of fears about an economic downturn. Despite creating an attitude of customer relationship management, the Trust is still running almost blind as far as who bought what additional products and services on-site. And the financial results – although improving – got worse after fiscal 2001 before they started getting better.

But the change programme did become something of a journey for the staff and volunteers. There is a growing sense that it is now one Trust, not two, and that the business – if a charity can be a business – is about conservation and access working in harmony and not conflict. ☺

dn@edgevantage.com