The Power of Personalizing the Customer Experience

Creating a Relevant Customer Experience from Real-Time, Cross-Channel Interaction

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The Marketplace Today

Today's consumer marketplace is extremely complex. Offers, advertisements and marketing messages are being sent from every possible direction – bombarding our senses and often overwhelming our lives. In an ideal world, from a consumer perspective, we would receive messages that are tailored, relevant and timely – and offered to us based on our actions and behaviors in the past – or better yet, how we might act or behave in the future. These offers would be consistent regardless of the channel that is being used. If we did in fact receive only those offers and not all of those irrelevant messages, how much better would our lives be? It would be one less trip to the trash can, one less click on the delete icon, and one less read of something insignificant – that's for sure.

Challenges

Real-time marketing, a term that has been around for several years, is continually evolving. Real-time marketing involves adding context, or color, to the channel by which you interface with a customer. The definition of context is the set of circumstances or facts that surround a particular event, situation or object. Thus for a channel through which customers interact to have context, it would provide facts that surround their current situation. An example of this would be as follows:

Customer X comes to Bank Website Y to browse for a loan product. Bank Website Y, after Customer X authentication, gathers browsing history from the Web channel, service history from inbound call center interactions, purchase history from in-store behavior history (including past abandonment on the Web), and analytically derived propensities from the customer's lifetime history with the company. Using that information, the bank can not only offer a loan product up front, but also provide terms, conditions and a repayment schedule that suits Customer X specifically.

This example is a simple demonstration of how real-time marketing works. Real-time marketing, and the ability to provide context, allows companies to provide relevant, insightful offers, recommendations, advice and service actions when a customer needs and wants it most. Using analytics underneath that offer allows for terms and metrics that are statistically significant to be presented to that customer.

The marketer's challenge, in a time when customers undoubtedly drive the dialogue, is to be both proactive and reactive in order to keep customers fully engaged. Being able to drive offers and respond to concerns across channels (social, call center, website, kiosk, point of sale, direct mail, ATM) is pertinent. The ability to feed offer and response history back into marketing to combine with collected contextual data for future decision making is the main challenge that marketing departments of today must tackle in order to remain competitive in the marketplace.

In this era when the customer has more presence and power than ever before, not providing a relevant, timely and insightful message will alienate the customer immediately.

The SAS® Solution

The SAS solution for the adaptive customer experience provides organizations with the following capabilities:

- **Simple data collection.** Using only a single line insert, as opposed to individual form field tagging, SAS can collect data down to the individual keystroke and mouse-over level. This rich data set provides more detailed insight into customer behavior.

- **Information management.** The ability to take collected data and – through the power of data integration and data mining – transform it into useful information is where SAS excels. Using analytics, data mining and data management techniques, you can transform raw data into powerful insight.

- **Cross-channel coordination.** Tying data into an organization's customer data repository to seamlessly coordinate offline and online data sources is key – SAS can do this easily and quickly.

- **Decisions to interactions.** Analytically driven decision making – in real time, across channels based on historic and current interactions – is what SAS does best. After the best decision has been surfaced, SAS then can analytically optimize interactions for customer contact.

- **Closing the loop.** Tying offer delivery and acceptance or refusal into response history is essential for contextual marketing. SAS can easily listen, engage and then leverage that information to further refine marketing efforts.

Differentiators

SAS does a few things differently when it comes to offering a personalized experience. While a lot of vendors say they do real-time marketing, the tangible differentiators and benefits of using SAS for the adaptive customer experience are as follows:

1. Information Management to Offer Management

Transforming rich data into useful information is essential for effective real-time marketing. Only SAS can provide the data collection detail at the customer touch point and then feed that data into a real-time decisioning repository, all within one solution. From that decisioning repository, offers can then be created and delivered. Many other vendors must partner and patchwork a solution of this caliber together. SAS can easily take raw data, transform it with the power of analytics, and then use that real-time collected data to provide a relevant offer via the inbound channel. This functionality is built into our core solution and is provided out of the box.

2. Complete Customer Profile

Creating a complete customer profile is a challenge for many organizations. How can you take all the data that you have about a single customer – across channels, time periods and at different instances in the customer's lifetime – and join it together to form a single view? With SAS Customer Intelligence solutions, it's possible to create this complete customer profile. SAS Customer Intelligence solutions include the inbound and outbound campaign management applications, the multichannel execution applications, and applications that gather and provide insight to marketers – thus giving companies all the tools necessary to create this complete customer profile. Though the concept of a complete customer profile is easy to understand, it can be difficult to achieve. Creating this profile involves culling data from online and offline channels – tying it all together with cross-channel coordination – over lengthy time periods. Throughout this process, contact, response and transactional history must be interspersed throughout the life cycle of the customer. Customer value, profitability, behavioral analysis and propensity scores must also be included. SAS provides a simple manner that allows you to create and maintain complete customer profiles.

3. Online and Offline Insight

How do you merge data from the Web channel with traditional channel data? How does that insight about your customers get fed into campaigns from an inbound channel perspective? With SAS solutions, you can take what you learn via the online channel, merge it with stored data from traditional channels and use that newly found insight to augment campaign processes. Most vendors have a difficult time bringing online data into their traditional customer data repositories. In the past, online and offline information was kept in separate buckets. Now it is easier than ever to tie all of this data together and use it for real-time marketing.

4. The Power of Analytics

SAS provides the analytical foundation to make the correct marketing decisions. An offer that is underpinned by analytics is relevant and valuable to the customer, instead of being viewed as "noise." SAS Customer Intelligence solutions include data mining, modeling, correlation, optimization and forecasting techniques – and data metrics can be included in decisioning on the fly, without staged batch import jobs. SAS makes it easy for you to use analytics that provide the insight needed for decision making and optimization.

Business Value

The business value of the SAS solution is simple: personalization.

Personalization involves many things that create a meaningful dialogue. Personalization includes relevant, insightful offers, recommendations, advice and service actions. Response to personalization provides more insightful customer data for an organization. Delivering personalization to the customer drives brand loyalty.

Here are just a few examples of the results realized by companies using SAS to personalize the customer experience:

SAS® for the Adaptive Customer Experience Statistics			
Company	Solution	Conversion Rate Delta	
Global Retailer	Email with real-time online personalization	Increased from	4.4% to 13.5%
Global Consumer Packaged Goods Company	Real-time online content customization	Increase of	9%
Global Online Insurance Company	Real-time online content personalization	Increase of	20%

Benefits of Personalization

So the next question becomes – why should you contextualize? Let's look at three benefits of personalization.

Measurement

With SAS for the adaptive customer experience, you can measure effectiveness. Gathering such detail from the customer touch point allows you to look at how effective your marketing department is from an engagement perspective. If the customer is engaged, metrics like time on page, willingness to complete and achievement count will increase. Increased engagement metrics are a clear indicator of a more satisfied customer, along with a more satisfied marketing department and Web team.

Relevance

In this day and age, offers have to be relevant. Irrelevancy gets ignored due to the abundance of marketing and advertising that companies engage in. Real-time marketing often results in fewer, more relevant offers. This will decrease marketing costs while increasing marketing effectiveness: a win-win proposition.

Insight

Organizations want to gain insight around their customers and understand them at a deeper level. The more you know your customers, the more effectively you can deliver a relevant offer to them. The more relevancy we provide to them, the closer the relationship between company and consumer becomes – driving metrics like loyalty and retention.

Customer Successes

Increased acquisition rates. A global retail bank cut its online media spending by 10 percent and increased target audience numbers by 500 percent.

Increased customer loyalty. A global insurer measured a twofold improvement in customer engagement in just three months.

Increased self-service rates. A global financial services company gained insight in four weeks that two Web analytics vendors failed to give in two years, saving millions on unnecessary infrastructure costs.

Increased conversion rates. An online retailer implemented event triggers that will deliver a 1-2 percent reduction in abandonment that will result in additional revenue of $12.5 million a year.

Increased online sales revenue. A global airline identified a segment of frequent flyers to New York that can be targeted with multiflight offers, resulting in millions in increased revenue.

Starting with Personalization

The path to full personalization can be an evolutionary process, in which organizations can add on when ready. Companies tend to take the following into account when starting personalization initiatives:

- **Channel selection.** Start with a single channel. Then add channels when you are certain that you are taking advantage of all possible personalization capabilities.
- **Business objectives.** Begin with a single business objective across a single channel, such as driving cross-sell opportunities on the online channel. This will help to clearly portray if results are being met, and metrics will be easier to gauge. Once you have mastered a single business objective, you can then move on and add additional objectives like migration, growth, retention, loyalty, etc.
- **Derive insight.** A single channel with a single objective will make it easy for you to derive insight and then share that insight across the organization. Once you are certain that insight and ROI metrics are being met, you can then move and tackle more complex issues.
- **Mind the analytics.** Insight will be increased exponentially when you mind the analytics. Using analytics to your advantage in order to understand where and why things like abandonment or bounces are occurring will help your organization take action to remedy such issues. Using the power of optimization, forecasting and modeling will only give you more information and help you improve your personalization initiatives.

Summary

Making things personal with customers is a must – it's no longer an option. Today, especially from the inbound perspective, there is a segment of one. Each inbound transaction or dialogue has to be aimed at this segment of one – each individual customer. Not doing this, and not having the capacity to do this, results in customer attrition. Customers of today demand superior customer service – and expect companies to know individual preferences and behaviors.

The transition to a customer-focused business strategy continues to gain momentum, giving organizations more opportunity than ever to drive profitable revenue growth. SAS Customer Intelligence solutions can help you advance marketing management beyond the confines of the marketing department and ensure harmony with overall organizational strategy.
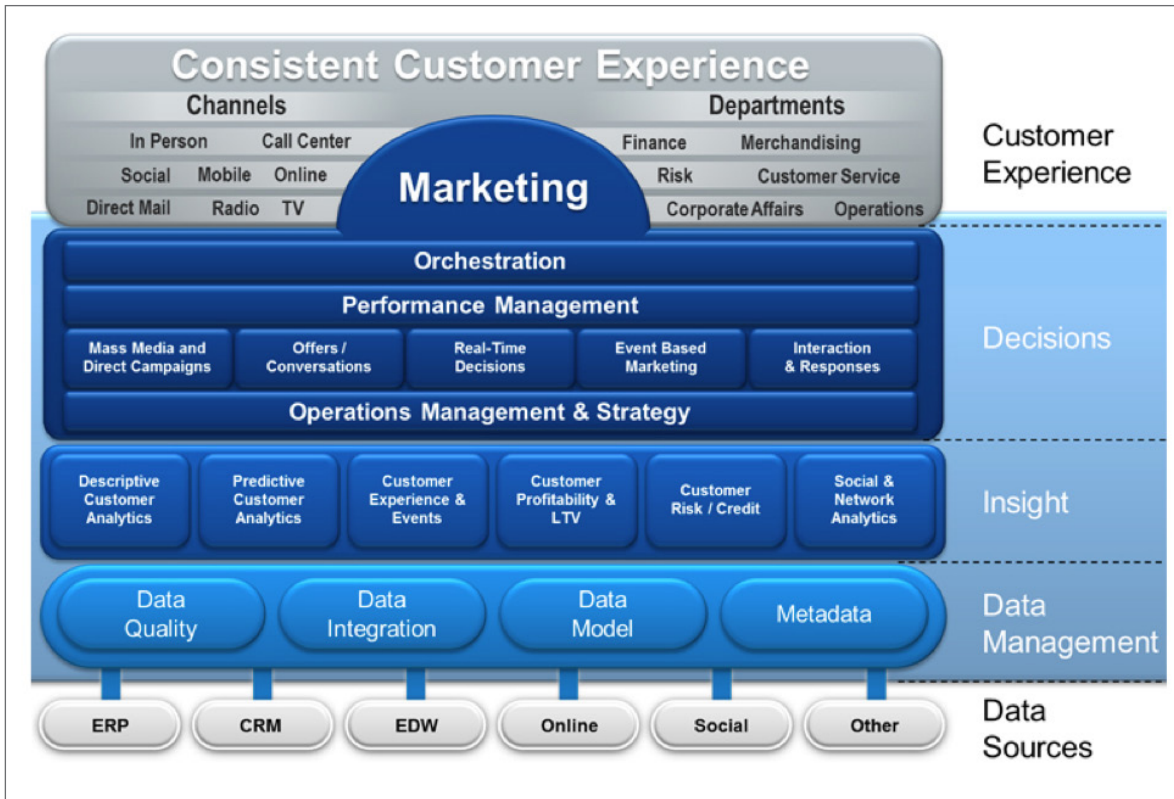

Figure 1: The SAS Customer Intelligence integrated marketing management framework.

In fact, only SAS provides a full suite of customer intelligence solutions – fueled by the world's best analytics – that give you the power to find the most profitable growth opportunities, take the best marketing actions and maximize cross-business impact.

Customer intelligence, also commonly referred to as integrated marketing management, is a framework that provides a holistic approach to solving business challenges across the marketing department. This framework is structured to provide solutions for key areas across marketing – from strategy and planning, to data and analytical insight, to optimizing the customer interaction, to leveraging information gained from the customer experience.

Learn More

To access the webcast, *Harness the Power of Unstructured Data to Enhance Customer Experience:* sas.com/reg/web/corp/1931532

For more details about customer intelligence solutions:

sas.com/solutions/crm/customer-experience/

To read more thought leader views on marketing, visit the Customer Intelligence Knowledge Exchange: sas.com/knowledge-exchange/customer-intelligence

To get fresh perspectives on customer analytics from marketing practitioners writing on the Customer Analytics blog: blogs.sas.com/content/customeranalytics

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