

A New Era of Smart

5th May 2014 | Armani Hotel Dubai



A New Era of Smart

Smarter Marketing & Digital Customer Experience

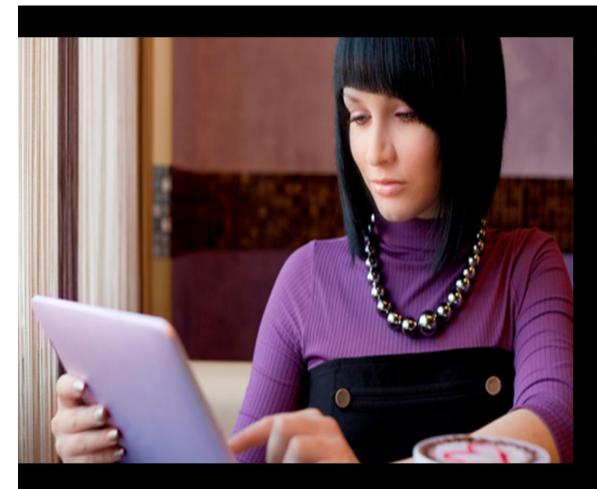
Adnan Siddiqui Social Business & Smarter Commerce Leader Middle East & Africa











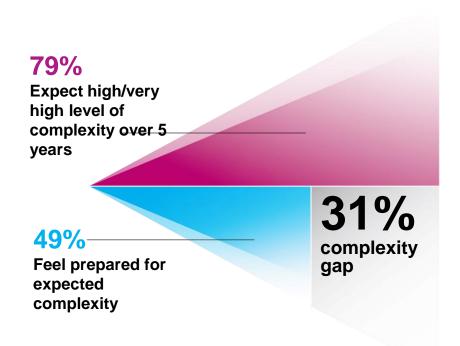
The Future

of customer relationships is defined through "the experience"



The role of the CMO is changing—from leading marketing to driving growth and transformation across the business

Expected level of complexity and preparedness to handle it



Four core challenges

- Data explosion
- Social media
- Growth of channel and device choices
- Shifting consumer demographics

Source: 2011 IBM Global CMO Study





The % of brands rated as having "excellent" customer experience declined from 11% to 3%.

Forrester Research, "The Customer Experience Index, 2012"



Today's One point Agenda

1 How Multichannel Marketing can create a superior brand experience?



Multichannel marketing requires an integrated process...

Consumers and their intentions are increasingly difficult to understand

Customers expect flexible delivery and execution

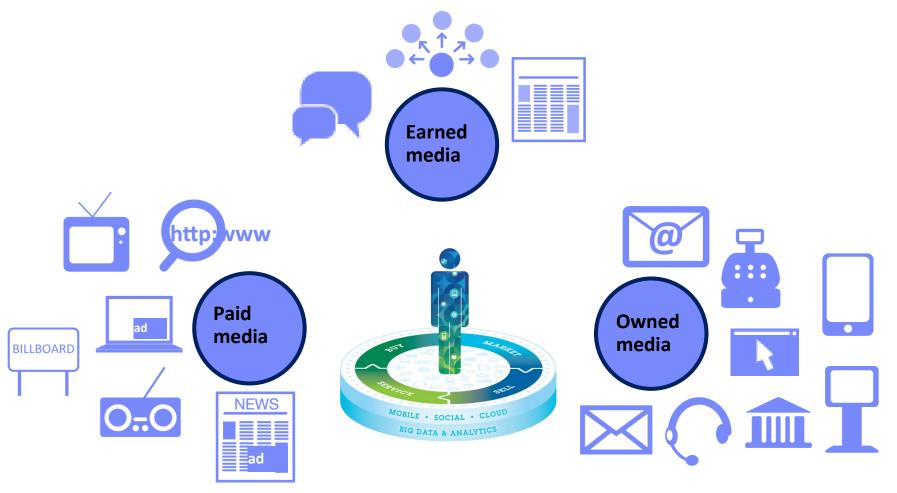


Shoppers demand highly relevant and engaging experiences

Shoppers expect to seamlessly **interact** and shop anywhere, anytime



... and spans all media types





Understanding each customer as an individual



In February of 2012, The New York Times published an article that gave us a glimpse of the future practice of marketing.

NATE SILVER ON WHAT OBAMA SHOULD DO NEXT, P. 44

DON'T MOCK THE ARTISANAL PICKLE MAKERS, P. 14 A NANNY'S VIEW OF THE WORLD, P. 47 MANAGEMENT TIPS FROM 'DOWNTON ABBEY,' P. 52

GREECE CONFRONTS ITS SPARTAN FUTURE, P. 38

te's the not doing it that's sexy. Nina Arianda

The New Hork Times Magazine



How your shopping habits reveal even the most personal information. By Charles Duhigg



Andrew Pole had just started working as a statistician for Target in 2002, when two colleagues from the marketing department stopped by his desk to ask an odd question: "If we wanted to figure out if a customer is pregnant, even if she didn't want us to know, can you do that?"

"The stereotype of a math nerd is true," he told me when I spoke with him last year. "I kind of like going out and evangelizing analytics."

As the marketers explained to Pole - and as Pole later explained to me, stuffed animals to lawn furniture to electronics, so one of the company's

Pole has a master's degree in statistics and another in economics, and has | back when we were still speaking and before Target told him to stop - new been obsessed with the intersection of data and human behavior most of | parents are a retailer's holy grail. Most shoppers don't buy everything they his life. His parents were teachers in North Dakota, and while other kids | need at one store. Instead, they buy groceries at the grocery store and toys were going to 4-H, Pole was doing algebra and writing computer programs. at the toy store, and they visit Target only when they need certain items they associate with Target - cleaning supplies, say, or new socks or a sixmonth supply of toilet paper. But Target sells everything from milk to primary goals is convincing customers that the only store they need is Tar- | living through a go get. But it's a tough message to get across, even with the most ingenious ad we can figure out a campaigns, because once consumers' shopping habits are ingrained, it's incredibly difficult to change them

There are, however, some brief periods in a person's life when old rourines fall apart and buying habits are suddenly in flux. One of those moments - the moment, really - is right around the birth of a child, when parents are exhausted and overwhelmed and their shopping patterns and brand loyalties are up for grabs. But as Target's marketers explained to Pole, timing is everything. Because birth reconfs are usually public, the moment a couple have a new baby, they are almost instantaneously burraged with offers and incentives and advertisements from all sorts of companies. Which means that the key is to reach them earlier, before any other retailers know a baby is on the way. Specifically, the marketers said they wanted to send specially designed ads to women in their second trimester, which is when most expectant mothers begin buying all sorts of new things, like prenatal vitamins and maternity clothing. "Can you give us a list?" the marketers asked.

"We knew that if we could identify them in their second trimester, there's a good chance we could capture them for years," Pole told me. "As soon as we get them buying dispers from us, they're going to start buying everything else too. If you're rushing through the store, looking for bottles, and you pass orange pace, you'll grab a carton. Oh, and there's that new DVD I want. Soon, you'll be buying cereal and paper towels from us, and

The desire to collect information on customers is not new for Target or any other large retailer, of course. For decades, Target has collected vast amounts of data on every person who regularly walks into one of its stores. Whenever possible, Target assigns each shopper a unique code - known

internally as the Guest ID number - that keeps tabs on everything they buy. "If you use a credit card or a coupon, or fill out a survey, or mail in a refund, or call the customer help line, or open an e-mail we've sent you or visit our Web site, we'll second it and link it to your Guest ID." Pole said. "We want to know everything we can."

Also linked to your Guest ID is demographic information like your age, whether you are married and have kids, which store, your estimated salary, whether you've moved recently, what credit cards you carry in your wallet and what Web sites you visit. Target can buy data about your ethnicity, sob history, the magazines you read, if you've ever declared bankruptcy or got divorced, the year you bought (or lost) your house, where you went to college, what kinds of topics you talk about voline, whether you prefer certain brands of coffee, paper towels,

cereal or applesance, your political learnings, reading habits, charitable give ing and the number of cars you own. (In a statement, Target declined to identify what demographic information it collects or purchases.) All that information is meaningless, however, without someone to analyze and make sense of it. That's where Andrew Pole and the dozens of other members of Target's Guest Marketing Analytics department come in.

Almost every major retailer, from grocery chains to investment banks to the U.S. Postal Service, has a "predictive analytics" department devoted to understanding not just consumers' shopping habits but also their personal habits, so as to more efficiently market to them. "But Target has always been one of the smartest at this," says Eric Siegel, a consultant and the chairman of a conference called Predictive Analytics World. "We're

This article is adapted from "The Power of Habit: Why We Do What We Do on Life and Business," by Charles Dubigg, to be published by Random House on Feb. 28.

the way we think

new voting path

An M.LT.

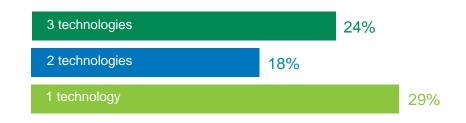
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Consumers are more connected than ever.





150 times



The number of times the average mobile user checks his or her device per day²

More than

52%



of adult cell phone owners used their devices while in a store to help with purchasing decisions³ More \$650B



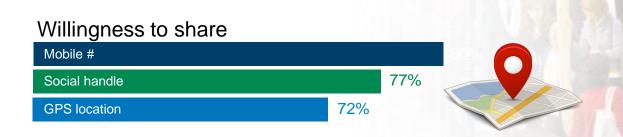
of store sales are mobile influenced⁴

1 IBM, Winning over the empowered consumer: Why trust matters, April 2012. (Study n= 28527 [global] C01 Which of the following would you be willing to use to shop and to make purchases, assuming they are available?)



Individuals are demanding that we know them as more than a transaction, more than a demographic, more than a segment, and they are willing to share information about themselves





of consumers want personalized promotions instore based on what they scan



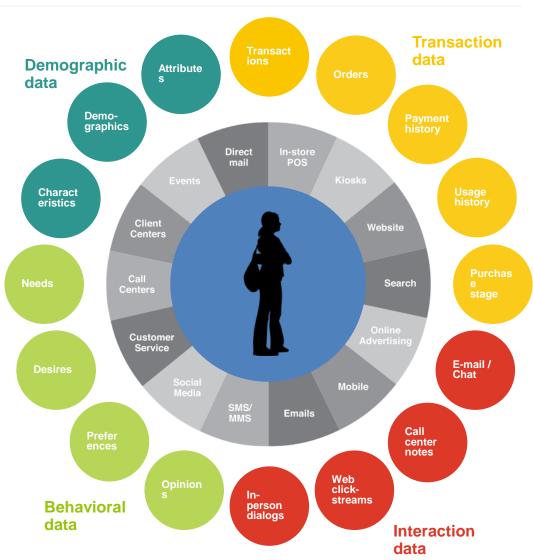


of consumers are more likely to do business with brands that allow them to control where, when and how they interact

What is our instrumentation strategy to learn more about customers as individuals?

What is our strategy for attracting data from beyond our borders?

How predictive must our insights about customers be?

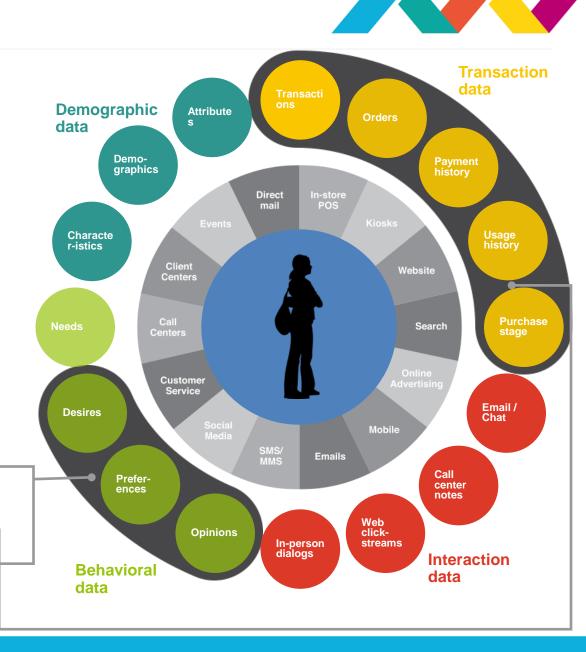


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Descriptive analytics
Predictive analytics
Prescriptive analytics



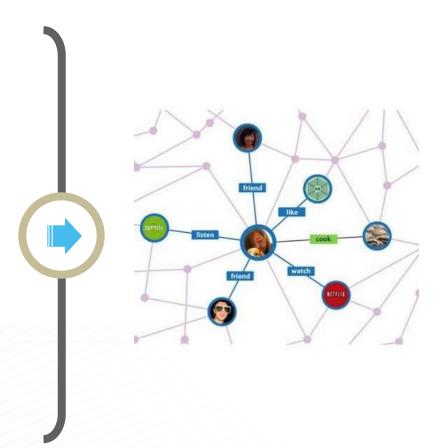


Creating a system of engagement that maximizes value creation at every touch



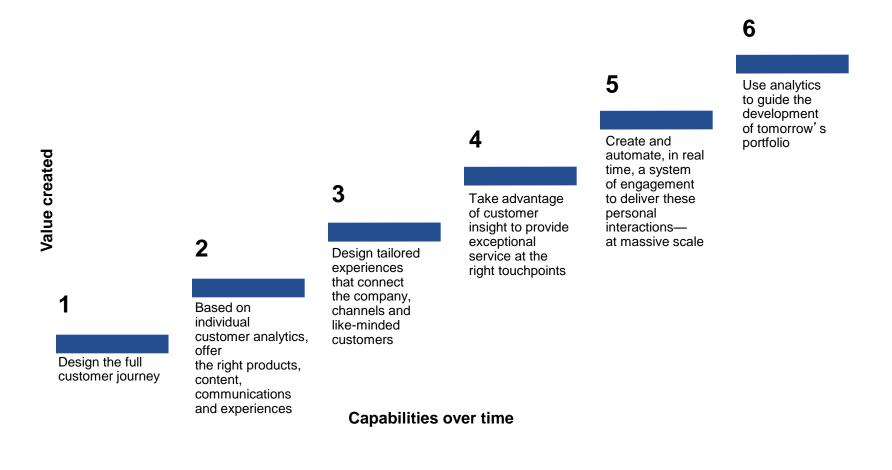
Facebook understands personalization. Do you?

"Facebook builds a custom Web page every time you visit. It pores over all the actions your friends have taken—their photos, their friends, the songs they listen to, the products they like—and determines in two-hundredths of a second which items you might wish to see, and in what order."





A progression path for creating a system of engagement.





An Engagement system that drives competitive advantage is:

- Individualized
- Scalable
- Provide insight into future product portfolio

Which of these three points do we need to work on?



Digital analytics

Customer segmentation

Attribution modeling

Customer predictive analytics

Business intelligence

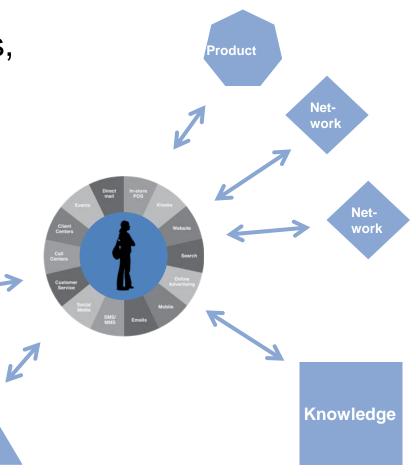
Future portfolio of products, services, knowledge and experiences



The most successful systems of engagement are defined broadly—they include products, but also expertise, new peers, connection and advice.

Product

What will we put into that system of engagement?





Home Find Us On: Find a Meeting Help LOG IN a Search Entire Site Find a Meeting Help LOG IN a Search Entire Site For Marketplace Meetings Online | Share your Story

Tweet Community Email

Now She's Loving Life



After

Name Sheryl
Age 39
Height 5'2"
Was 208.2 lbs
Lost 69.8 lbs*
Weight 138.4 lbs
As of 1/1/2011



Before

wake up in the morning physically because of my fitness level and from having the weight off. But I also feel great mentally. I just love the person I've become 37

*People following the Weight Watchers plan can expect to lose 1-2 pounds per week.

Community

Cooking Challenges Food Groups Eating Out Blogs

Message Boards



Got exciting news to share? Take part in the celebration!

- Bravo Board
- ▶ The Weight-Loss Challenge
- Maintenance

ADVERTISEMENT

ADVERTISEMENT

Inspire Others

Share your weight-loss success with



Provide Flexible & Flawless Delivery & Execution



In the past, when someone had a bad experience with a company, only the individual would experience it.

Now, the world can know instantly.

Kenneth Cole apologizes for tweet using Egypt protests to promote fashion line

Millions are in uproar in #Cairo. Rumor is they heard our new spring collection is now available online at $\underline{http://bit.ly/KCairo}$ -KC

less than a minute ago via Twitter for BlackBerry®



M INSPIKING STURIES ABOUT



Durex causes controver

7TH NOVEMBER 2011 by JON RUSSELL

When social media propagate a complaint about poor oustomer service, an international media event ensues. How do viral videos spread and what can firms do about them? This case dissects an incident in which a disgruntled customer used YouTube and Twitter to spread a music video detailing United's mishandling of his \$3,500 guitar and the company's subsequent refusal to compensate him. The song was called "United Breaks Guitars." Within one week it received 3 million views and mainstream news once. Bead More.



Worst Twitter Post Ever: Ketchum Exec Insults Fedex Client on Mini-Blog



THE TWEET THAT KILLED MY COMPANY

So that you may not have to suffer like we have: DO NOT EVER BUY A MAYTAG. I repeat: OUR MAYTAG EXPERIENCE HAS BEEN A NIGHTMARE.

8:19 PM Aug 26th from Tweetle

4

dooce

esson from Chrysler: Tweet With

@&ing" Care

CH 9, 2011 BY JD RUCKER 30 COMMENTS

I find it ironic that Detroit is known as the #motorcity and yet no one here knows how to f

Why Pampers' Diaper Fail is a Lesson in Marketing

about 3 hours ago via web

Transparency

h Reply 13 Retweet



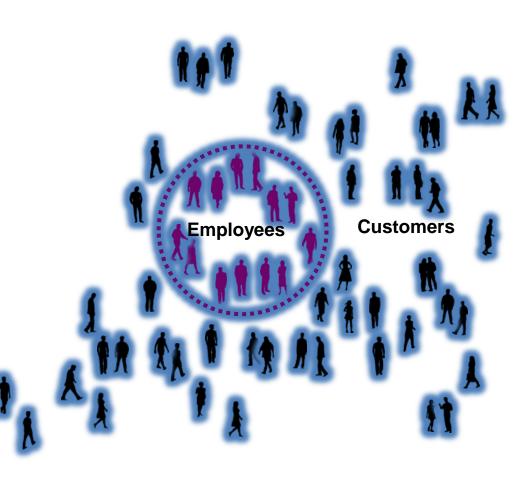
Chrysler Autos
Chrysler Autos

Offended moms get tweet revenge over Motrin ads

Employee fired for using 'F word' in Chrysler tweet



In a world of total transparency, Delivery & Execution is on a much different scale. We must build authentically great companies and, therefore, great brands. And that means a great culture.





Optimize operations

Smooth execution across your extended fulfillment network integrating stores, distribution centers and partners

- Establish a consistent view of orders and single view of inventory across entire fulfillment network, including stores, distribution centers and vendors to streamline and optimize execution
- Know the problem before the customer does
- Strategic inventory management and sourcing across the extended supply chain.



Create excellent Shopping Experience

Omni-Channel shopping

Create a highly effective, device-optimized shopping experience

 Must have support for digital channels including web, mobile web, native apps, contact center, offsite interactions & social.



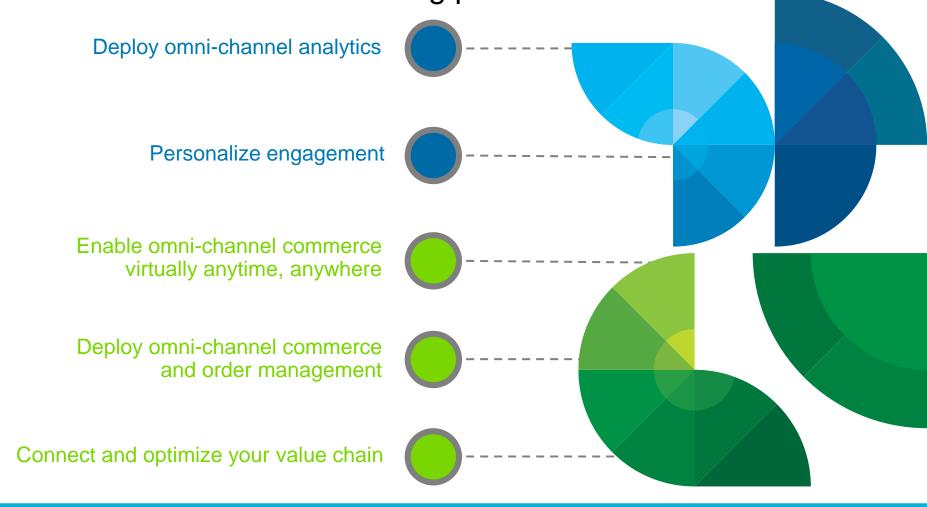


- Responsive web design and mobile-optimized stores.
- Full device exploitation; Barcode scan, Voice search, SMS, and location based services
- Seamlessly extend the experience into the store with store-specific offers and marketing, pricing rules, coupons, content.





A flexible yet proven methodology to help achieve omni-channel excellence with flexible starting points





Here's to the future.



