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**Creating a memorable
customer experience one
interaction at a time**

Theresa Morelli
Global Predictive Customer Intelligence
Manager, IBM Analytics

Thursday 7th May 2015

#IBMConnect

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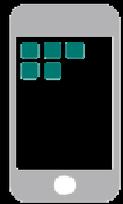
Creating a memorable customer experience one interaction at a time

Theresa Morelli
IBM Analytics



Decreasing Loyalty Consumerization of IT
Intensifying Competition **Social Networking**
Soaring Customer Expectations Increasing Transparency
Globalization Channel Proliferation and Complexity
Mobile Commerce **Shrinking Wallet Share**

Age of the Empowered Customer



90%

Of mobile users keep their device within arm's reach 100% of the time

5 minutes



The response time users expect from a company once they have contacted it via social media



12 to 5 minutes

In the last 10 years the average attention span has dropped

80%

Of CEOs believe they deliver a superior customer experience

By 2015, **2/3**



Of the workforce will own a smartphone, and

40%

Of the workforce will be mobile

150 times a day



The average mobile phone user checks their phone

70%



Have stopped doing business with a brand following a poor customer experience

5 petabytes

Of data are generated everyday by mobile phone subscribers around the world



But only **8%**

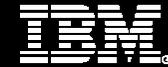
Of their customers agree

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The transformation of the customer relationship



Find me

Using visualisation and analytics to discover new customer segments



Ask me

Consulting customers on products, services, and social issues



Advise me

Bringing expertise to every client interaction

Know me

Offer new products and services based on understanding my wants, needs



Excite me

Unexpected services at unexpected moments



Compare me

Offer peer analytics in virtual channels

Trade with me

Sharing data, location, and new ideas in return for better products and value

Educate me

Digital online education and tips "in the moment"

Alert me

real-time predictive analytics and personalised customer communication

Let me choose

Options vs. prerequisites, roadmaps vs. checkboxes

Protect me

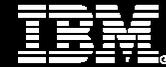
Multifactor security that doesn't punish the innocent

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Empowered Consumers demand more from brands



Anticipate and service my purchasing needs



Make it convenient and easy to interact with you



Be there when I need you, in real-time



Know me in context, remember all of our interactions

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How should the brand respond and redesign their customer experience?



Right Time
Customer Insight

- Execute single view of the customer
- Develop integrated customer insight engine



Right Customer
Customer Segmentation

- Deploy spectrum of approaches to segmentation
- Adopt agile and in context – real-time – profiling



Right Place
Omni-Channel Optimisation

- Deliver seamless cross channel experience; merge digital/physical data analysis and deployment



Right Service
Customer Service

- Architect customer experience
- Build an experience that connects emotionally

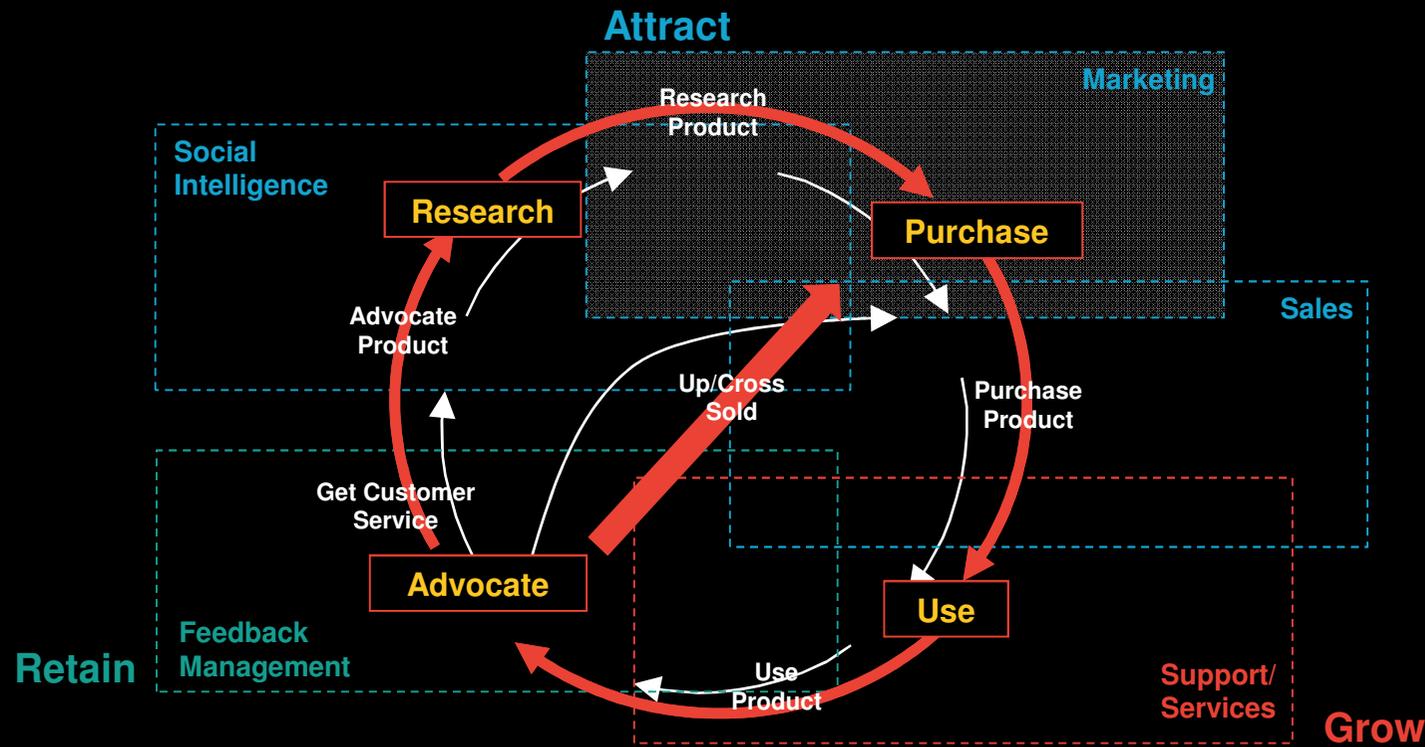


Right every time

- Providing the customer with the right offer, right time, right place, in real-time if necessary



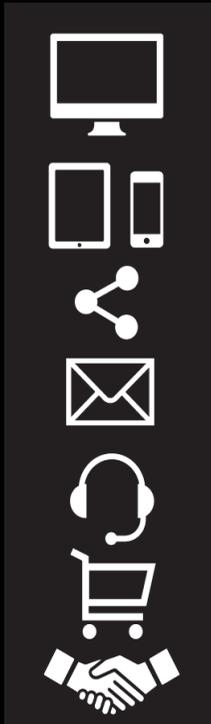
The consumer's experience has dramatically changed...



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A holistic view of the customer: the key to competitive edge



Customer Data Conventional Analytics

Customer Understanding

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Claiming the perishability of the moment: real-time analytics



Organisations have **two seconds** – the elevator ride – to connect with a customer. It is the single moment of truth.



- Analytics are emotionally agnostic and unbiased
- Shift from anecdotal decision making to data-driven
- Know exactly what to do not just for that customer, but for that moment

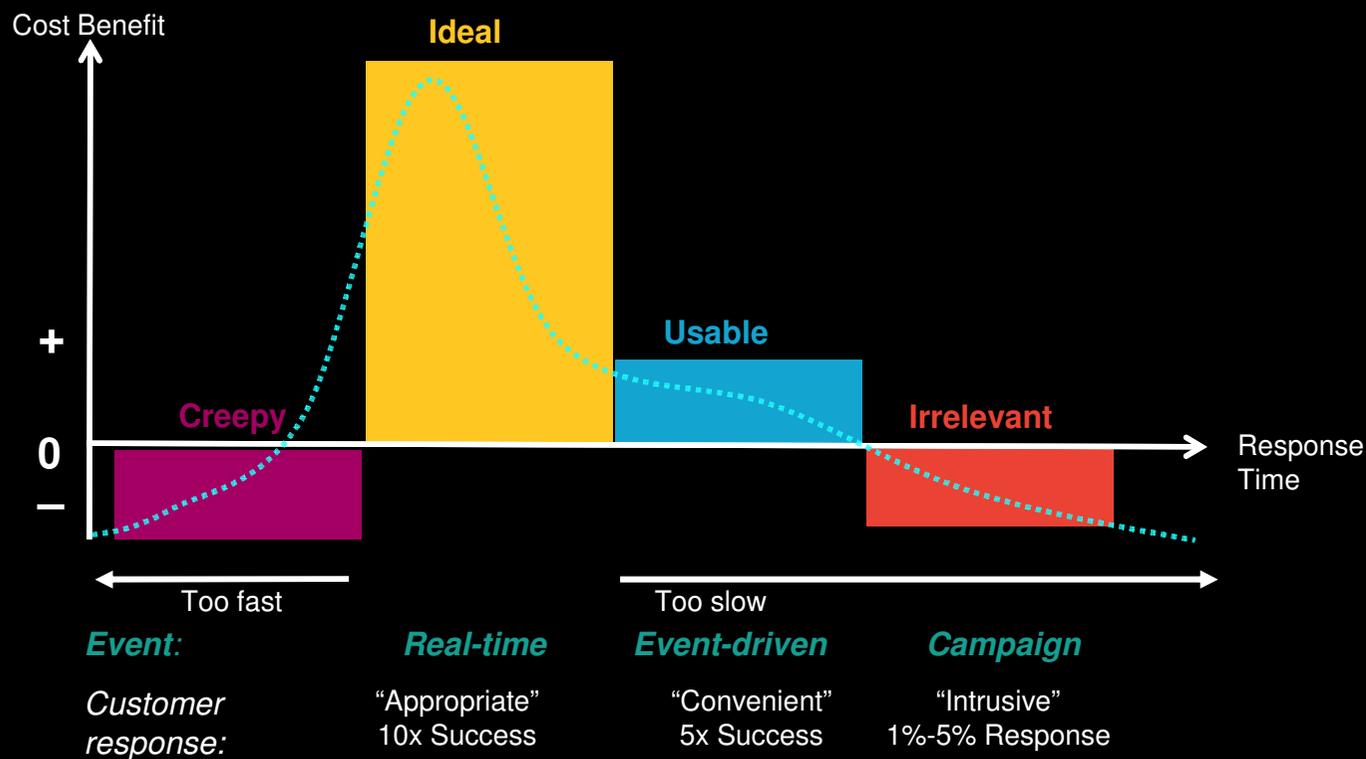
The moment of truth



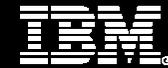
“ The most competitive organisations are going to make sense of what they are observing fast enough to do something about it while they are observing it.

Jeff Jonas
IBM Distinguished Engineer
Chief Scientist, IBM Entity Analytics

But, with great power comes great responsibility...



Customer Analytics solutions from IBM offer unified views and analytics across modes and channels of customer interactions



WHAT IS HAPPENING



Provides quantitative insight by capturing website and mobile interaction data and providing easy-to-use interfaces showing:

- Purchase funnels
- Real-time sales data
- Traffic flow through site
- Conversion benchmarks

WHY IT IS HAPPENING



Provides qualitative insight by capturing, replaying and analysing individual user web and mobile interactions:

- In-page context (including dynamic, personalised experiences)
- Each user interface interaction
- Error messages displayed
- Identify affected visitors

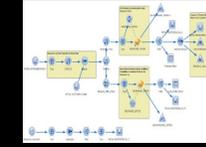
WHO IS TALKING



Provides powerful listening and analysis platform across social networks and communities:

- Assess social media impact
- Segment social media audiences
- Identify relevant relationships
- Discover new ideas and risks

WHAT SHOULD I DO ABOUT IT?



Provides the most sophisticated predictive analytics platform to identify and deliver the right offer in real time:

- Analyse structured and unstructured data from multiple sources
- Identify key predictors that make each customer unique
- Incorporate contextual data for true real-time scoring

Anticipate and delight: Predictive customer intelligence solutions

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Leading marketers are achieving breakthrough results with a unified omni-channel approach

The top
20%
achieve

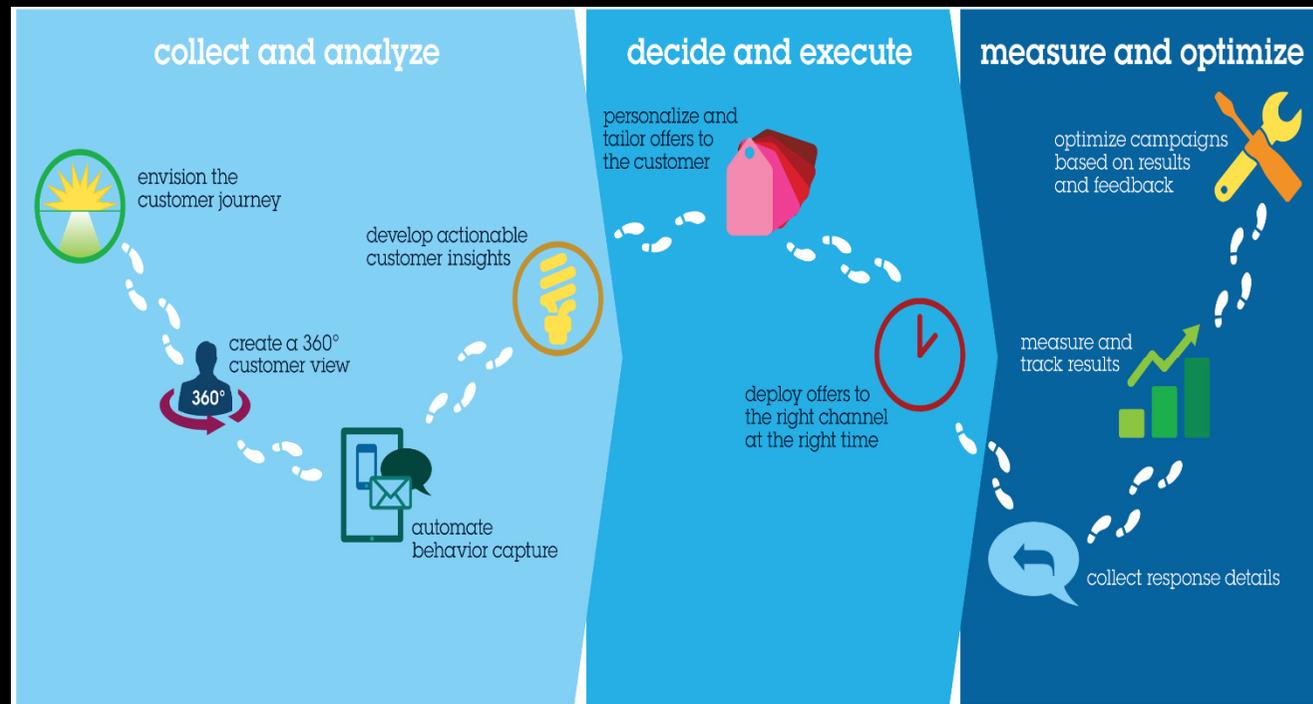
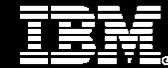


Source: "The State of Marketing 2013: IBM's Global Survey of Marketers," IBM Center for Applied Insights

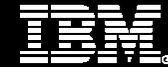
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Integrated capabilities designed to fuel end-to-end marketing success



The optimised customer insight and engagement process



Data

Real time or historical

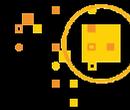
HOW?
Interaction data <ul style="list-style-type: none"> Email and chat transcripts Call center notes Web clickstreams In-person dialogues
WHY?
Attitudinal data <ul style="list-style-type: none"> Opinions Preferences Needs and desires
WHO?
Descriptive data <ul style="list-style-type: none"> Attributes Characteristics Self-declared information Geographic demographics
WHAT?
Behavioral data <ul style="list-style-type: none"> Orders Transactions Payment history Usage history

Predictive customer insight



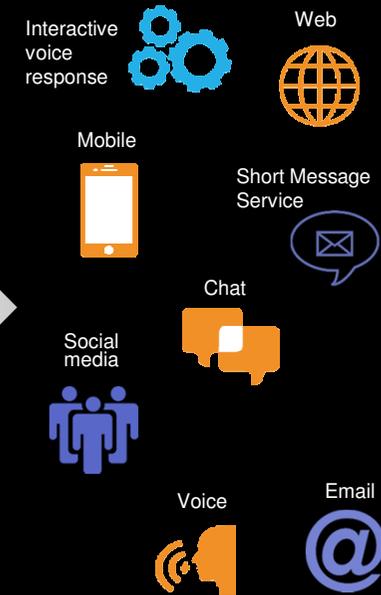
- Acquisition models
- Campaign response models
- Churn models
- Customer lifetime value
- Price sensitivity
- Product affinity models
- Segmentation models
- Sentiment models
- Up-sell / Cross-sell models

Enterprise marketing



- Campaigns
- Offers
- Messaging
- Lead management
- Cross channel campaign management
- Real time marketing
- Marketing event detection
- Digital marketing

Multi-channel customer interactions



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IBM Predictive Customer Intelligence is a new analytics offering for marketing, customer service and sales

IBM Predictive Customer Intelligence

- Real-time, optimised recommendations at point of decision
- Personalisation with rich 360° view of customer
- Exemplary customer experience — every interaction in context



Accelerate Time-to-Value

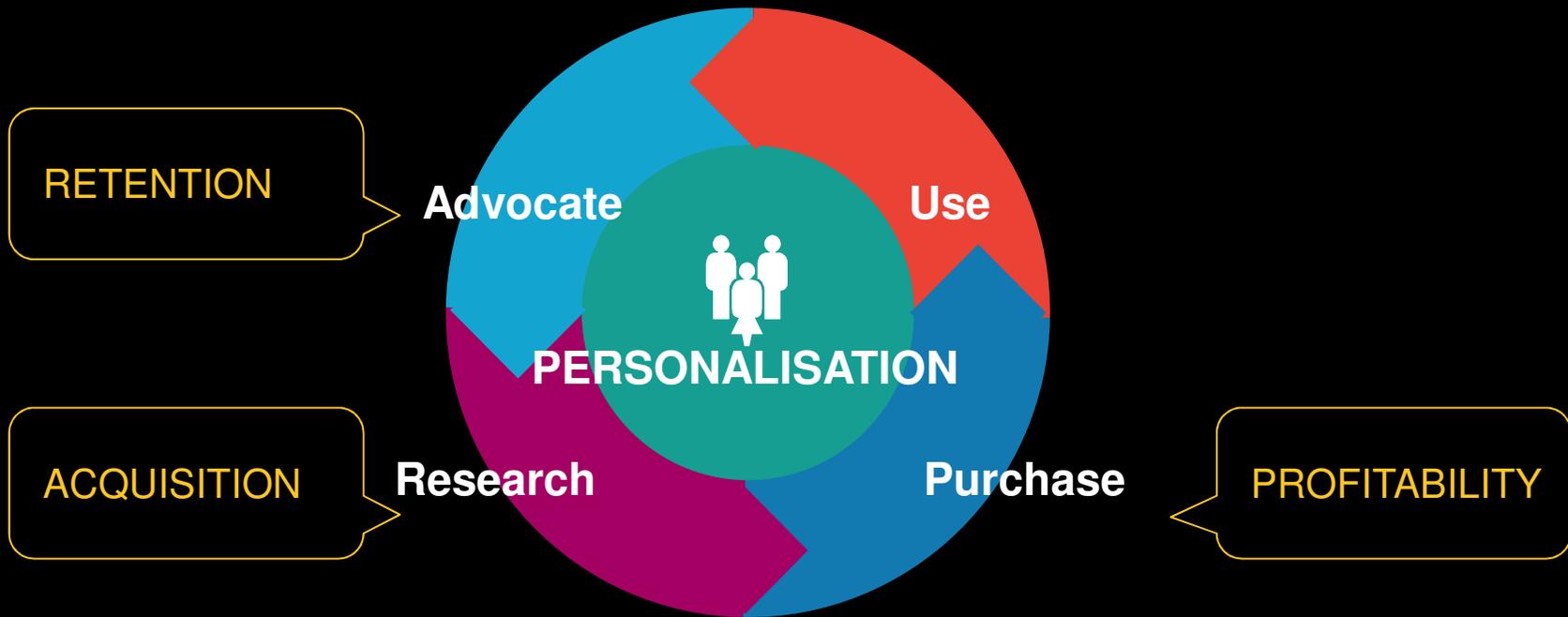
- Big data, predictive and advanced analytics, decision management, scoring and business intelligence
- Real-time capabilities
- Industry-specific samples: retail, telco, insurance and banking
- IBM Interact, IBM Campaign, IBM BigInsights and GBS Lifetime Value Maximiser connectors
- Open architecture

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Acquire, Grow & Retain customers by harnessing all customer data and engaging appropriately across all channels





Industry use cases and business benefits



Banking & Insurance

- Right offer, right time, right place, right customer
- Maximize revenue from customers and touch points
- Accelerate repurchase through propensity models
- Segmentation, classification and association analytics
- Offer optimisation
- Personalisation
- Customer Lifetime value
- Customer Retention
- Improved cross-sell/upsell



Retail

- Sentiment Analysis
- Merge physical/digital
- Identify influencers and attributes that matter
- 1:1 marketing in context in real-time
- Affinity, real-time scoring
- Offer optimisation
- Personalisation
- Improved cross-sell/upsell
- Customer satisfaction



Telecom, Energy & Utilities

- Anticipate customer needs, requirements
- Address churn issues with appropriate service response to minimise churn and improve CLTV
- Respond in real-time at point of contact with optimal response
- Minimize customer churn
- Improve customer service
- Pinpoint personalisation
- Improve cost to serve

Predictive Customer Intelligence key capabilities



ANALYSE

data to gain critical insights



Predictive Capabilities

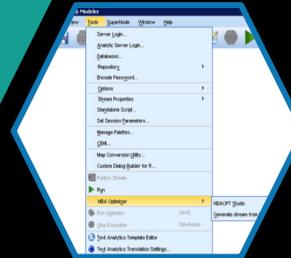


Industry-specific content

Operational Connectors

DEPLOY

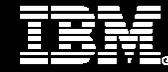
to real-time channels for point-of-impact action



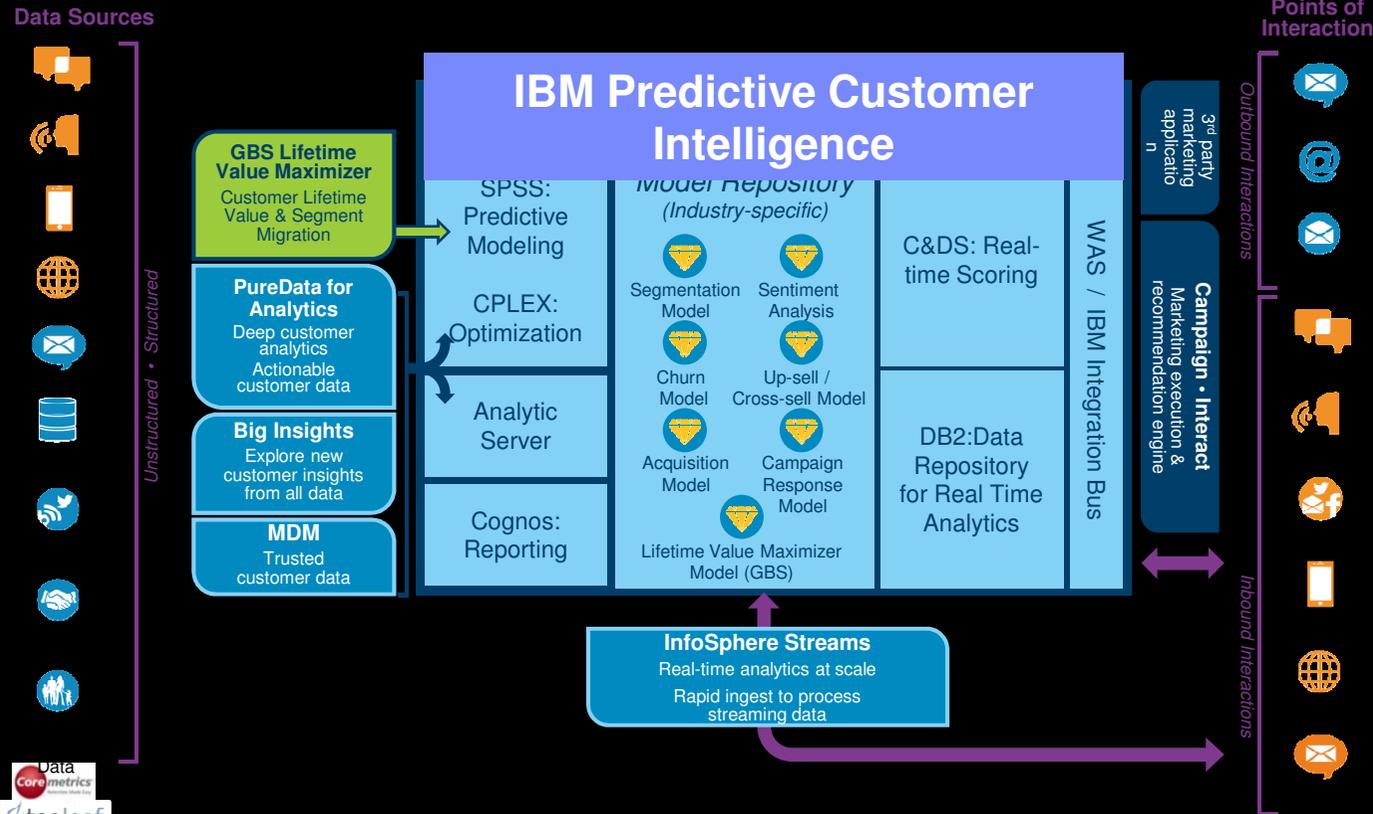
ACCELERATE

time to value with focused solutions

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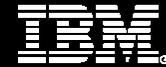


IBM Predictive Customer Intelligence: a fully integrated solution



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Predictive Customer Intelligence informs ExperienceOne



Deliver the experiences your customers want—
even the ones they aren't expecting.

IBM ExperienceOne

Campaign

- PCI provides predictive scores / output directly to Campaign
- Marketing users can build / score predictive models within Campaign
- Share predictive models across output (Campaign) & inbound (Interact)

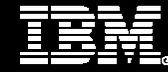
Interact

- Interact feeds real-time contextual data to PCI
- PCI provides Interact with real-time predictive analysis for product offers & retention

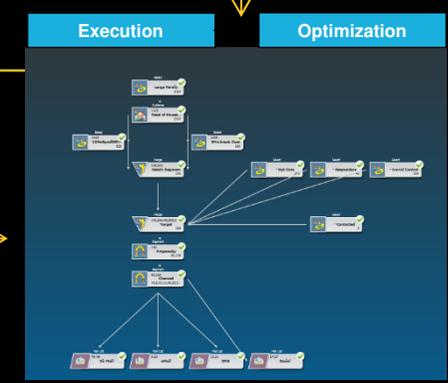
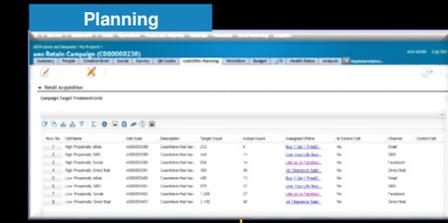
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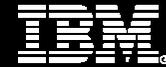
- email
- SMS
- Mail
- Social
- Other



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Real-time customer analytics in action



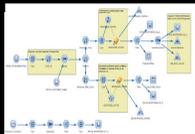
1. Interact makes a real-time call into PCI via API



2. PCI predicts the best offer and informs Interact

Real-time contextual data
Microsegmentation

Offer propensity
Category affinity
...



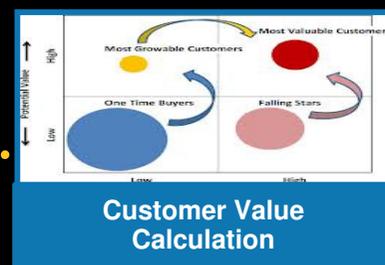
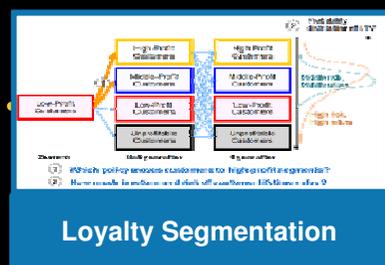
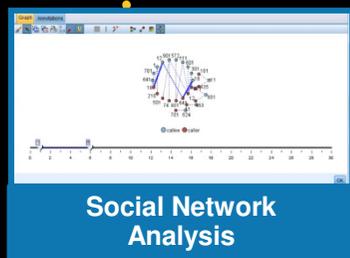
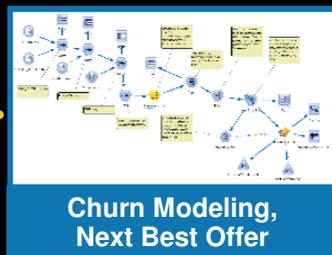
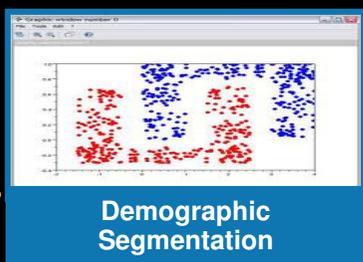
3. Interact optimises and delivers offer

25% Off Shoes	84	
Lingerie BOGO	65	
Store Coupons Awareness	90	Score
Store Sale Message	75	
Week-end Sales	98	

4. Interact captures the results of the campaign and feeds back into PCI for machine learning



Many, many rich modeling techniques





...and optimisation

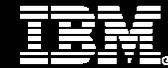
Maximizing return for each customer

	Possible campaigns	Business rules	Response Probability	Revenue	Cost	(Prob * Rev) - Cost
	A	✗				
	B	✓	50%	100	20	30
	C	✓	25%	200	10	40

Maximizing return across the entire campaign

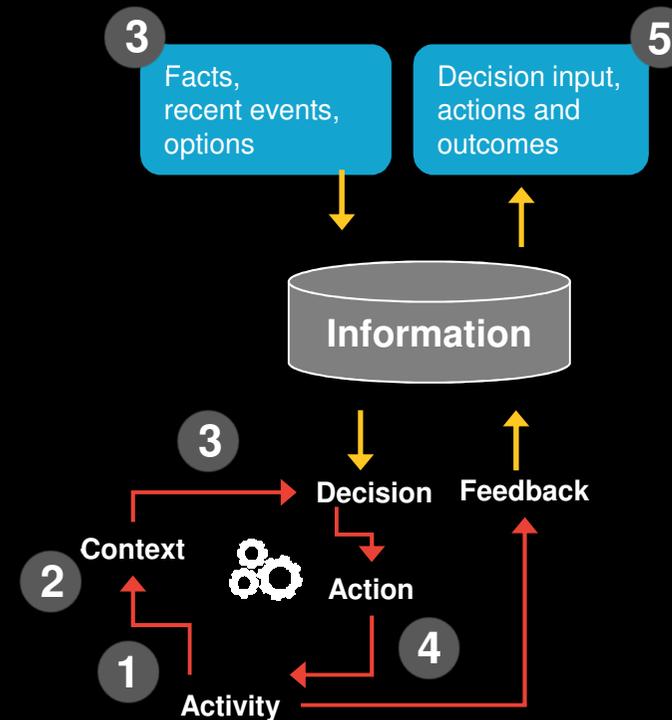
Possible campaigns									
A	\$22%?	X							
B	\$7%?	X							
C	\$7%?	X							

Constraint:
Budget Exceeded

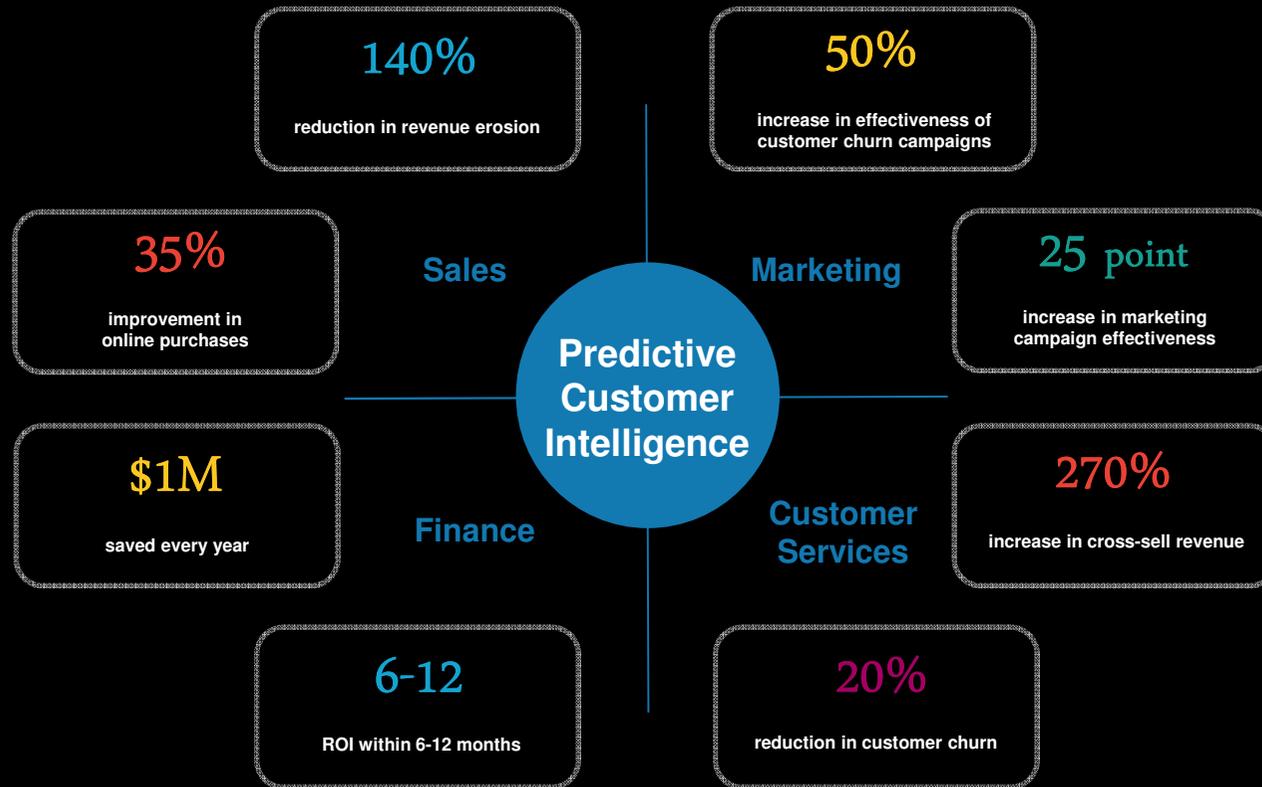
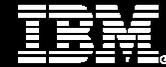


Real-time decision loop allows predictive models to get even smarter

1. An **activity** occurs that calls for a decision.
2. The **context** from the activity is passed to the decision process.
3. The **decision process** augments the context with stored information and runs the decision model.
4. One or more **actions** are recommended to the activity.
5. The activity **feeds back** the results to help tune the model over time.



IBM clients have gained enterprise wide value



The IBM difference



-  Most advanced and easy-to-use analytics platform on the market
-  Omni-channel deployment to every customer touchpoint, every time
-  Integration with Big Data platforms for true 360° view of customer
-  Faster time to value with pre-package industry accelerators
-  Single solution with everything you need for your analytics journey



Additional reading



Solution Brief: IBM Predictive Customer Intelligence

Create personalised, relevant customer experiences with a focus on driving new revenue.



White Paper: The new frontier for personalised customer experience

BM Predictive Customer Intelligence gathers relevant information and uses analytics to recommend the right offer or action during interactions with individual customers.



Analyst Research: The Power of Customer Context Beyond Campaigns

Campaigns are far less effective at winning and retaining customers than they once were.



White Paper: Optimising marketing results with business analytics

Build a foundation for successful, profitable marketing programs with marketing analytics.

All available at: <https://ibm.biz/predictivecustomerintelligence>

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Questions ?

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