RECOMMENDATION ENGINE OVERVIEW



What it is and is not...

Where it fits...

How to demo it...

Competitive Difference...

How to make more money...

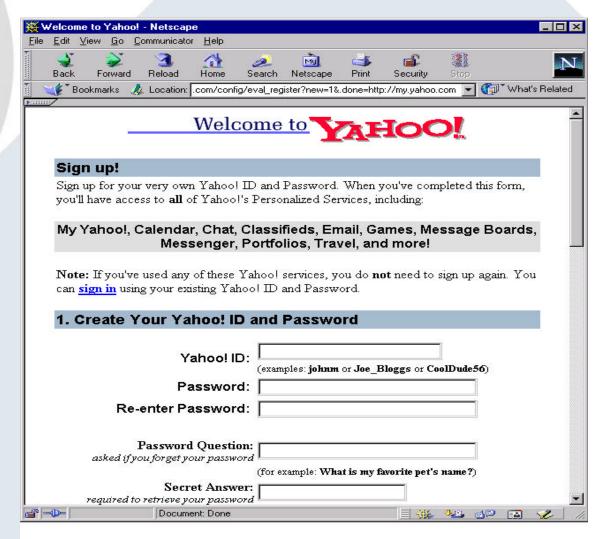


It's not customization...

O User-defined

• Examples:

My Yahoo My Excite



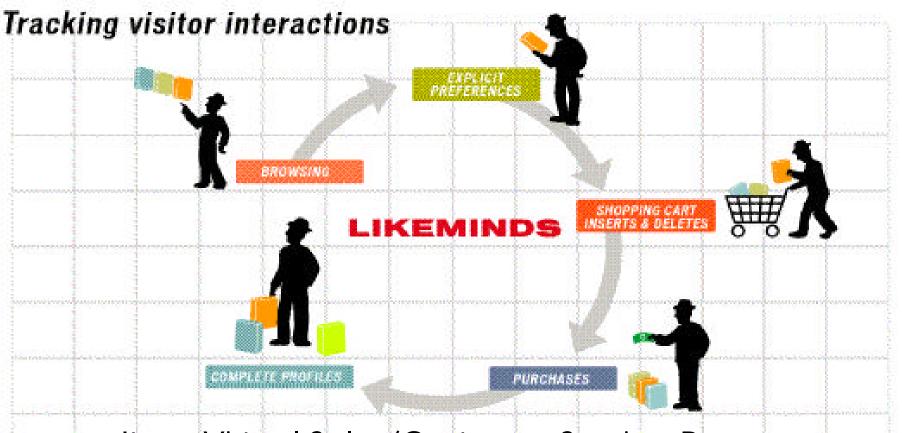


It's not rules-based personalization...

- Target Marketing
- Segmentation
- Great rbp examples:
 - Global changes
 - General business policies
 - Moving excess inventory

RegionClassifier.clf		<u>_ ×</u>
add Condition	r <u>s.CUST_ST_is equal to</u> value Specify Value Specify a value of type Text:	<u>.</u>
Effective date: 8/ 3/2	OK	Use attribute

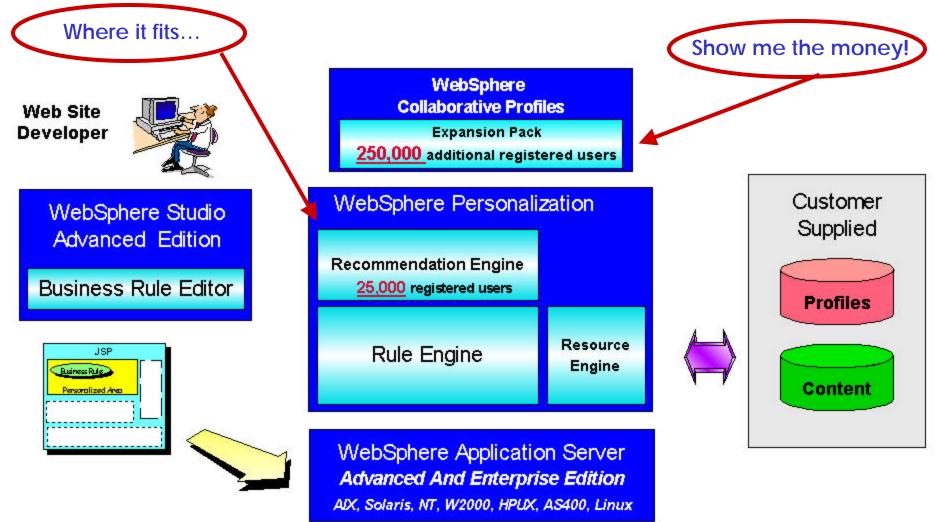
Product Recommendation: If [Digital Camera] then [Memory Card] Content Recommendation: If [NC] then recommend a [Policy/Law Updates for that State]



It's a Virtual Sales/Customer Service Person...

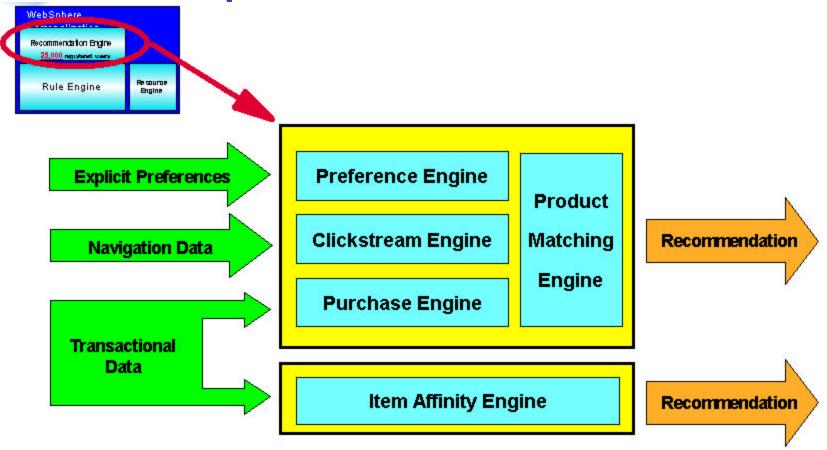
Highly complimentary to rules... Real-Time product and/or content recommendations Adapts to behavioral patterns in real-time

WebSphere Personalization Solution Elements



Note: The Recommendation Engine currently supports AIX,NT, W2000 and Solaris

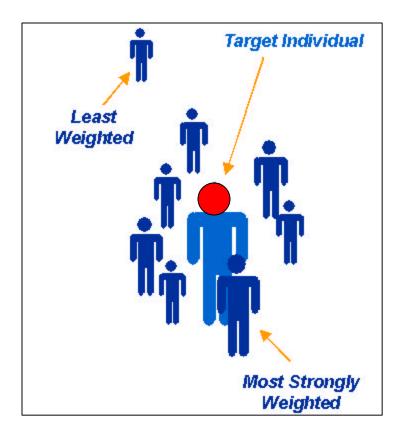
A quick look under the covers...



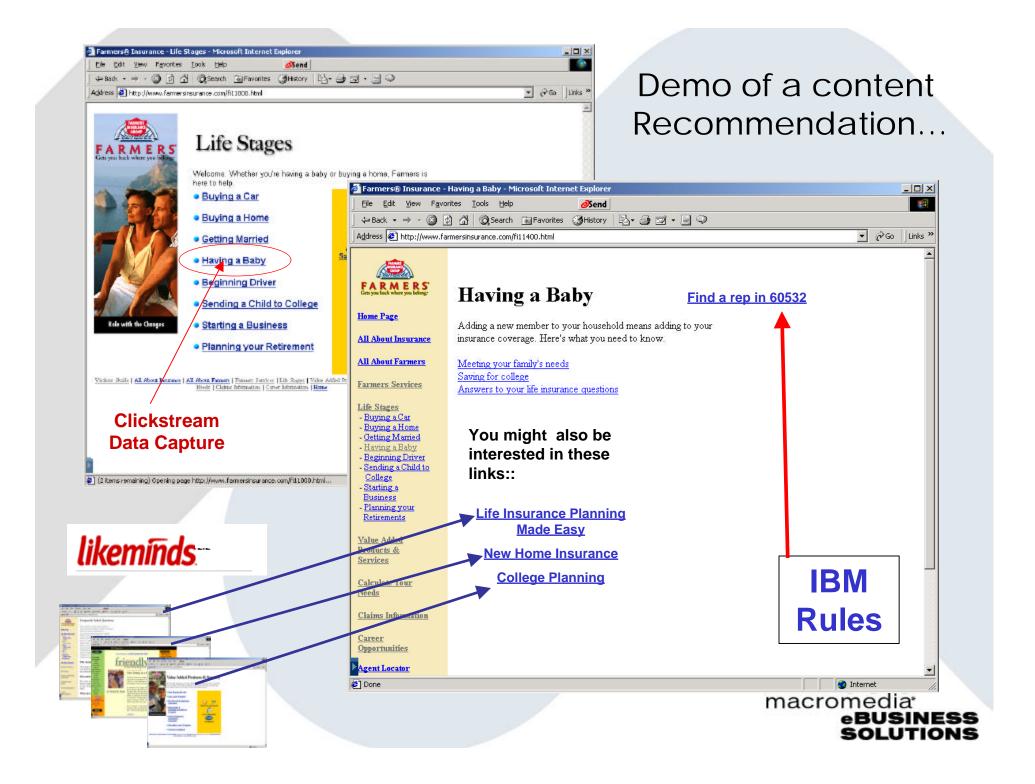
Recommendation Engine 3.5 Collaborative Filtering

How it works

- 1. Build user profile in real-time based on user interactions (implicit and explicit).
- 2. Identify users with similar profiles.
- 3. Mark most similar users as the target user's "mentors."
- Weight mentors on how similar they are to the target user.
- 5. Generate recommendations based on mentors' behaviors.



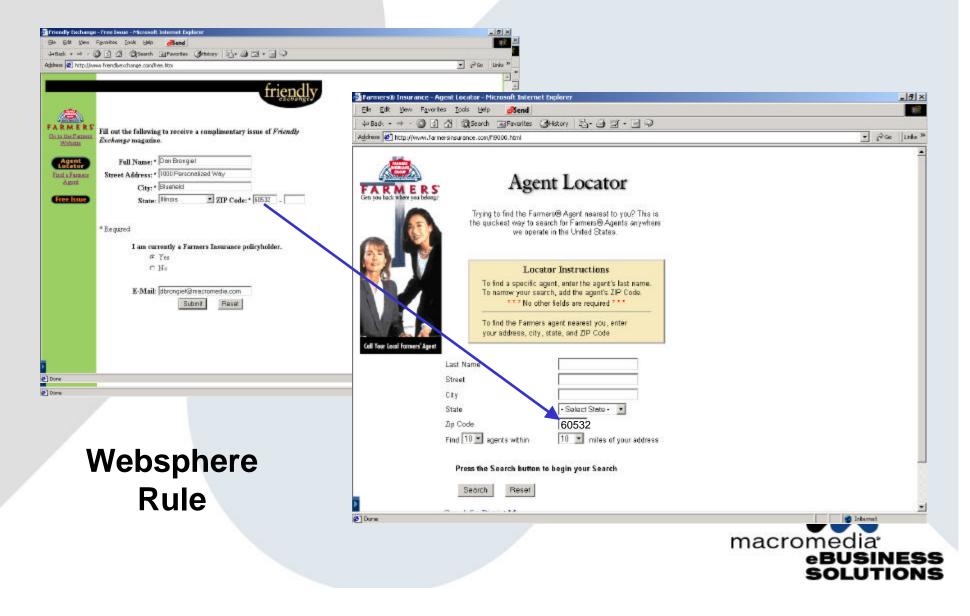
Example of collaborative filtering can be found at: http://www.moviecritic.com/



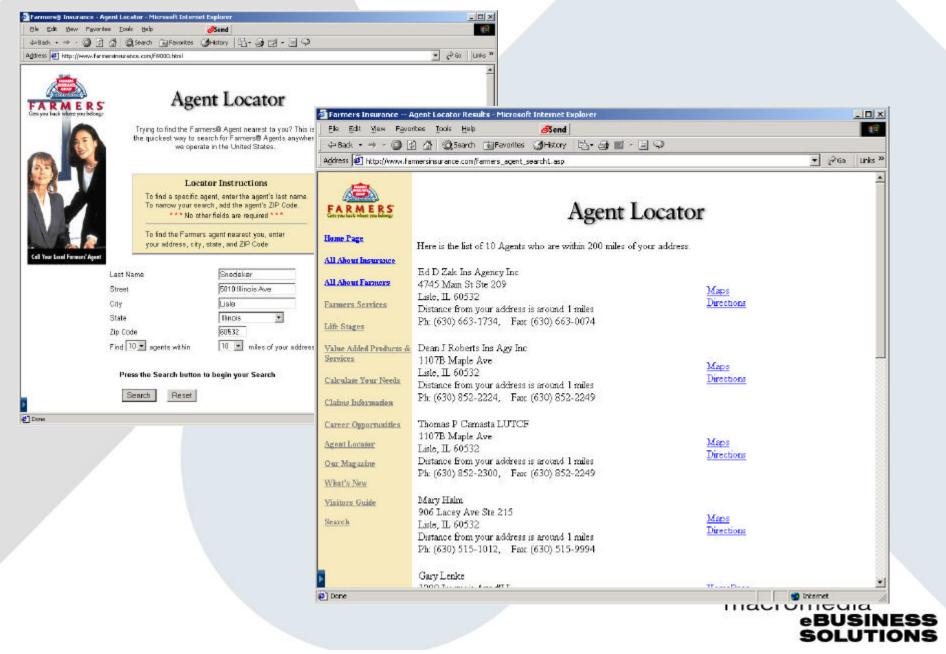
Content Recommendations

	🎒 Farmers Insurance - Fi	equently Asked Life Insurance Questions - Microsoft Internet Explorer		
	Eile Edit View Favorites Iools Help			
] 🕁 Back 🔹 🔿 👻 🧕) 🚮 🔞 Search 📷 Favorites 🔞 History 🖏 🚽 🛃 🕶 🖃 🖓		
	Address 🛃 http://www.fa	mersinsurance.com/fi3450.html	💌 🔗 Go 🛛 Links 🎽	
	FARMERS Get you back where you belong:	Frequently Asked Questions Why should I purchase life insurance? How much life insurance should I purchase?		
Likeminds can power	Home Page All About Desurance - Auto- Safety Tips FA.Q Boat Safety Tips - Home - Home	When does my coverage start? Is a medical exam necessary to qualify? When I send in my application, should a check be included? What's the difference between standard and preferred rates, and how do I qualify for preferred rates? Should I get coverage on my spouse and/or children? Will my policy ever be canceled for health reasons?		
Navigation Links	Safety Tips FAQ - Life FAQ - Business Safety Tips - Retirement	<u>Does smoking cigarettes affect my rate?</u> <u>What happens if I become disabled?</u> <u>After the initial period of guaranteed premiums, what will my insurance cost?</u> <u>Is there a money-back guarantee or free look period?</u>		
	All About Farmers	Why should I purchase life insurance?		
	Farmers Services Life Stages	The primary reason for life insurance is to provide income for your dependents if you or another family income provider should die prematurely.		
	Farmers Advantage Products®	How much life insurance should I purchase?		
	<u>Calculate Your</u> <u>Needs</u> <u>Claims Information</u>	If you have a family, many experts suggest that you need an amount equal to 5 to 10 times your annual salary. However, many people own higher coverages to provide more income for their family.		
	Career Opportunities	When does my coverage start?		
	e)		Internet	
			macromedia ^a eBUSIN SOLUTI	

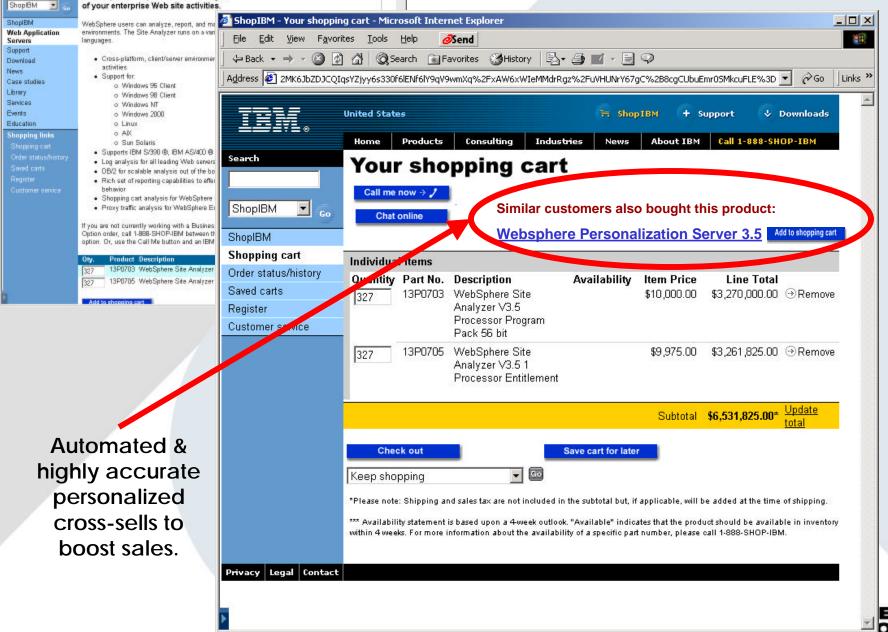
Personalization can improve the User Experience



Personalized Recommendations



How to demo a Product Recommendation...



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Your shopping cart - Microsoft Internet E

Robust, accurate, and detailed analysis

Aginus 🜒 34%35200039737765306EBW0/3979765306EBW0/39793764867816493767953676486785307632869205467876078-20

WebSphere Site Analyzer

Edit yew Favorites Icols Help Send

Ele.

Drive Revenue, Loyalty, & Stickiness

E-Commerce Revenues Soar

33% Higher Spend Rate (on average)

67% More Products Viewed (increased average from 6 to 10) AN ANA

_ikeMind's

E-Marketing Results Skyrocket 75% More Time on the Site (increased average from 4 to 7)

27% Higher Repeat Visit Rate (on average)

Survey Results Prove Accuracy and Popularity

- 94% Of Visitors Had Fun
- **92%** Found it Easy to Use
- 87% Said They Will Purchase the Products Recommended
- 84% Said Recommendations Were Just Right



Highlights...

- Only App Server to offer both technologies
- Most accurate form of collaborative filtering
- Cost justify entire deal...increase conversion rates by 1/2
 % or site stickiness 20 seconds
- **O** 3 yr relationship...IBM provides support
- Danske Bank and Farmers Insurance!!



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Dedicated Sales Support Team!!

