

Karen Hardie– Senior Technical Sales Consultant

# Delivering a positive experience with customer analytics

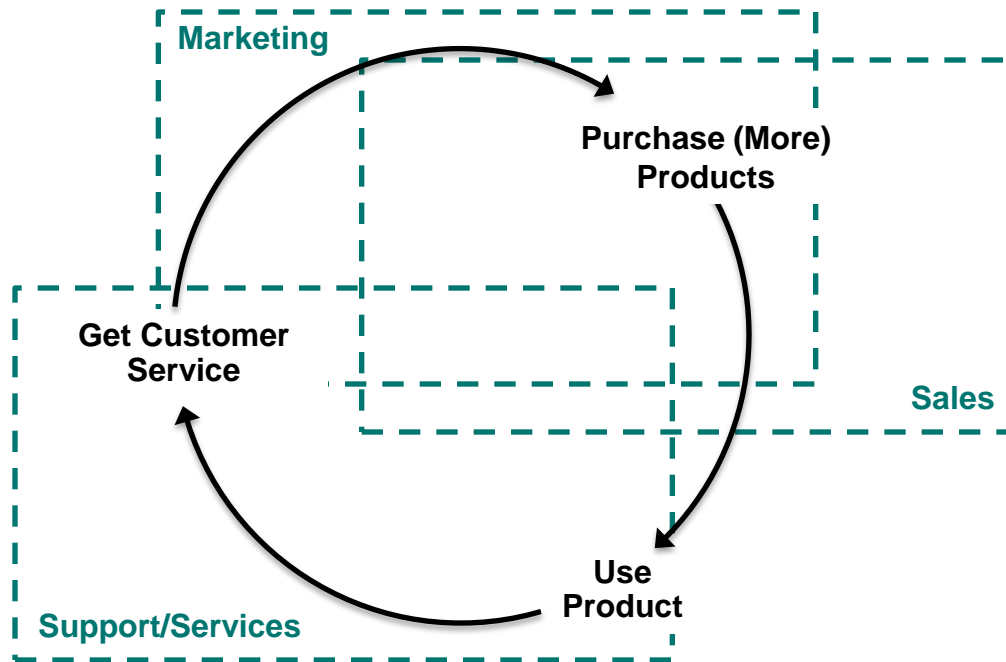


## Session objectives

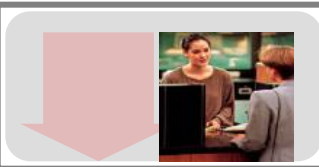
### **In today's session we will cover:**

- The Crisis: The Age of the Empowered Consumer
- The Course of Action: Use of analytics to better understand and focus on customers
- The Conclusion: How organisations are using customer analytics to gain advantage

# Consumer Experience Framework – 10 years ago



## The consumer has taken charge...



### Customers have lost confidence in institutions

- 76% of customers believe companies lie in advertisements
- Growing trust gap in many consumer focused industries



### Technology is changing how customers interact

- Social media changed purchaser influence; opinions viewable instantly
- Mass customization and personalization of products and services



### Evolving Expectations:

- ✓ Timely
- ✓ Localized
- ✓ Experiential
- ✓ Personalized
- ✓ Information

### Expectations have changed

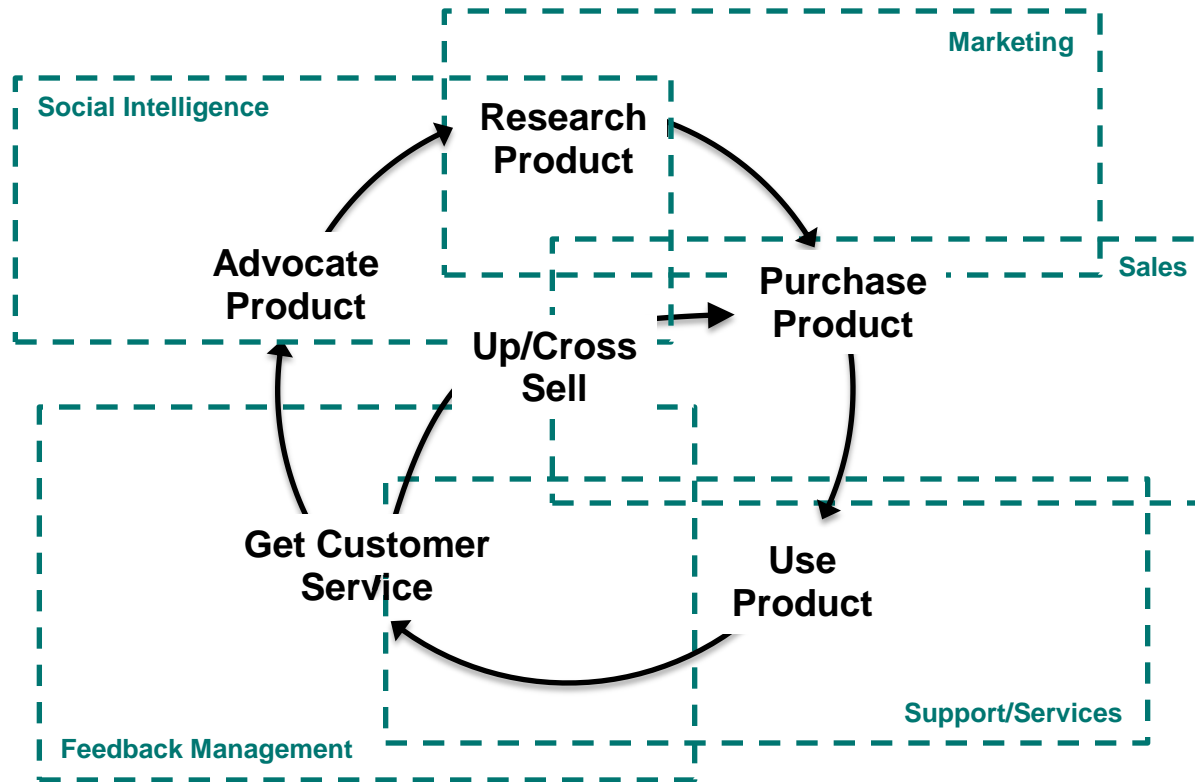
- Focus is on value, transparency and accountability
- Customers want to be seen holistically across the enterprise



### Institutions need to rediscover their customers

- Consumers are experiencing brands in new ways though new channels
- Micro-targeting: the move beyond 1 on 1 is accelerating

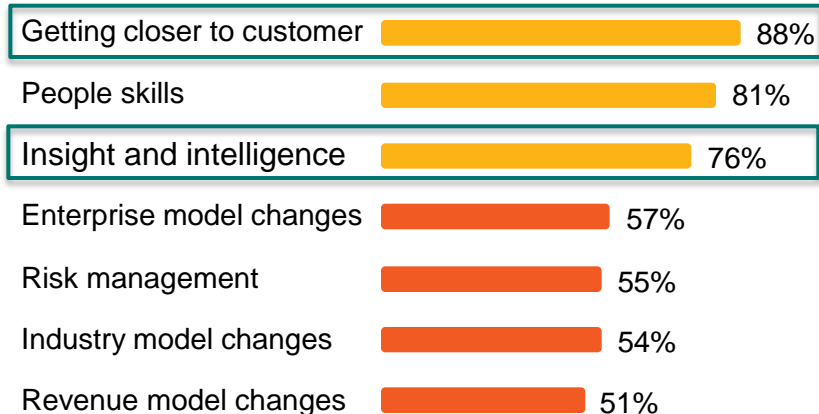
# Customer Experience Framework today



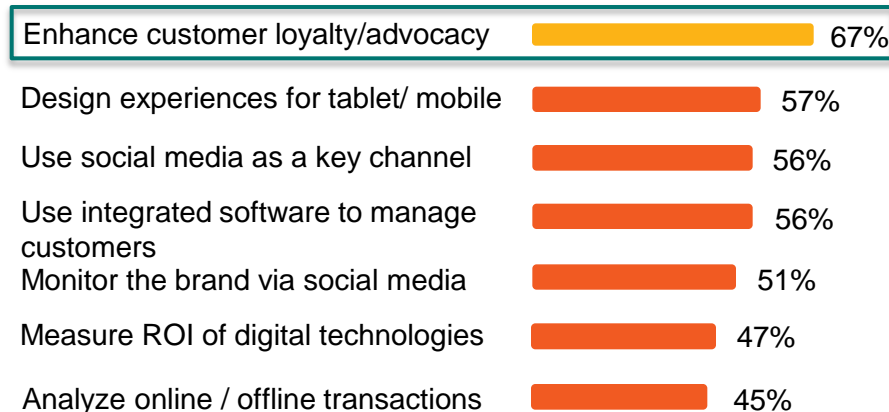
# The Course Of Action

## IBM C-Suite studies

### CEO Focus Over Next 5 Years



### CMO 5 Year Focus Toward Digital



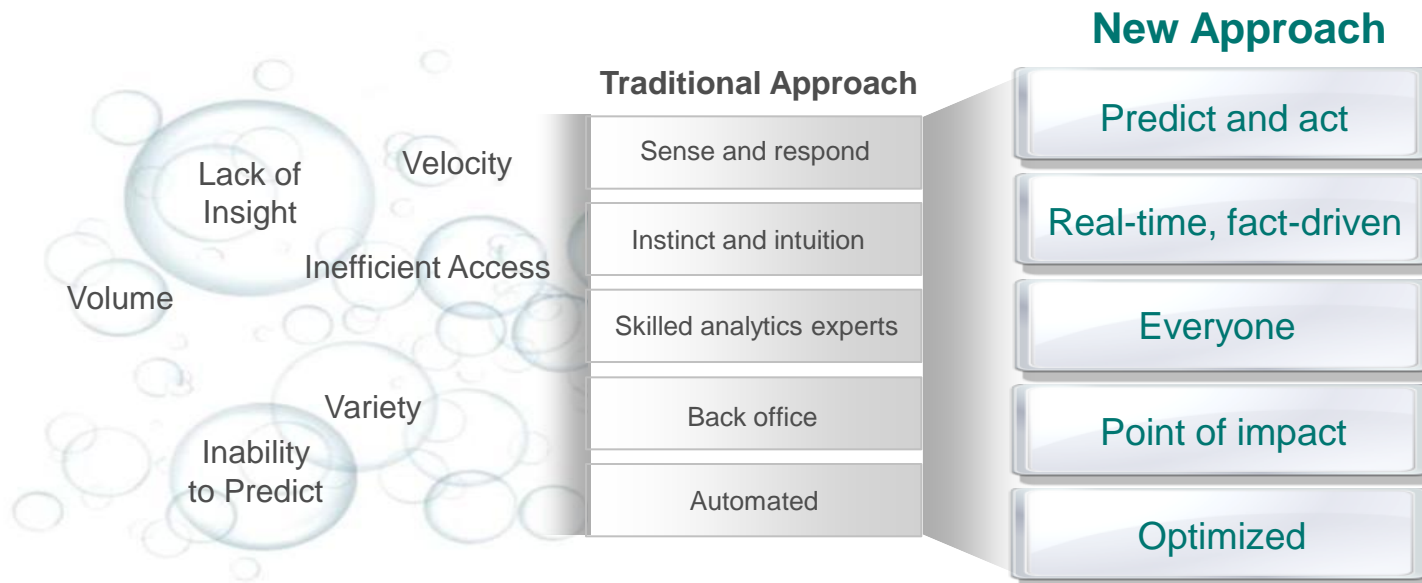
Sources: IBM's 2011 Global CMO Study: From Stretched to Strengthened (2011) & IBM's 2010 Global CEO Study – Capitalizing on Complexity

# The customer experience is an enterprise responsibility



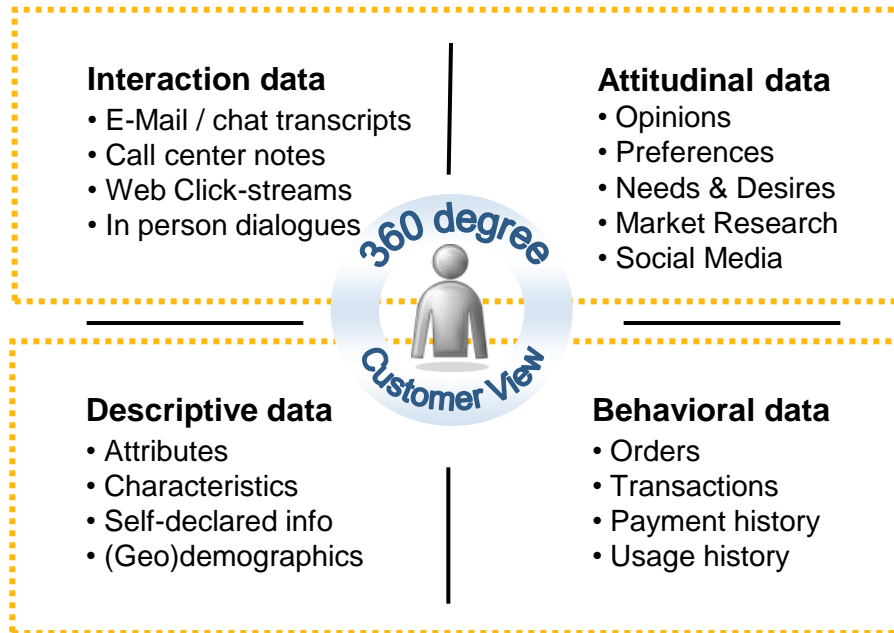


## New business challenges create a need for analytics



# Data at the heart of customer analytics

*High-value, dynamic - source of competitive differentiation*



*“Traditional” – CRM Mentality*

# Customer analytics maturity model

Insight for  
Decision Makers

**Information Cost Reduction**  
Foundational  
0.2% - 2.9%

**Information Sharing**  
Competitive  
6.2% - 18.7%

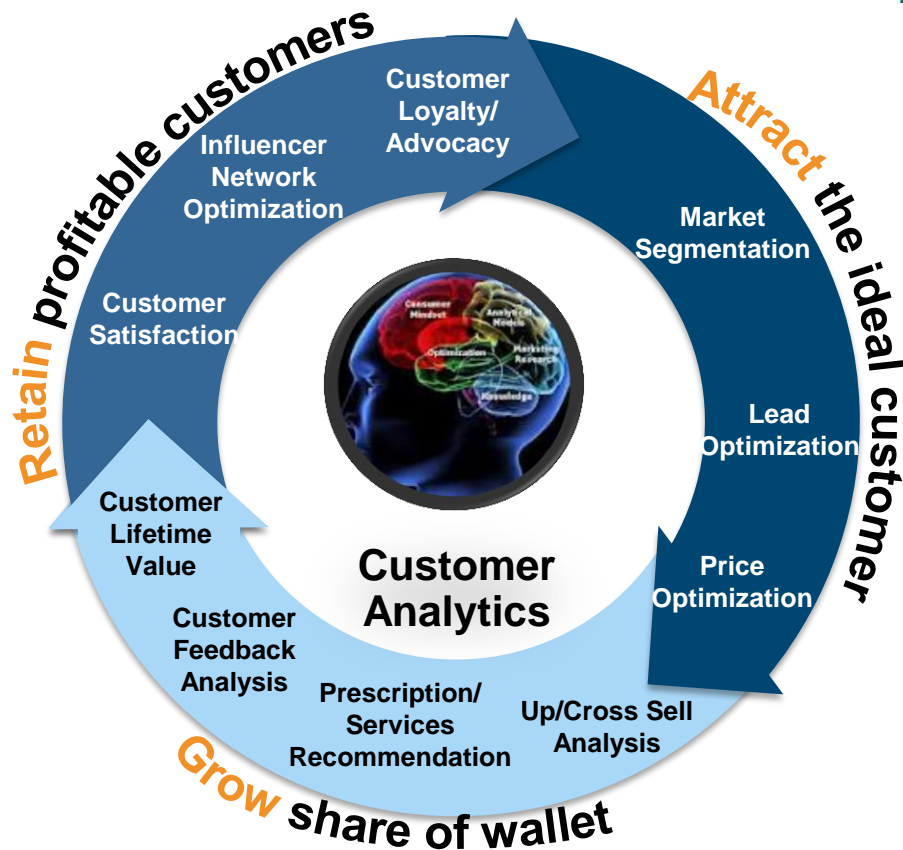
**Information Responsiveness**  
Differentiating  
16.9% - 38.2%

**Information on Demand**  
Breakaway  
24.1% - 64.3%

The Next Best Action

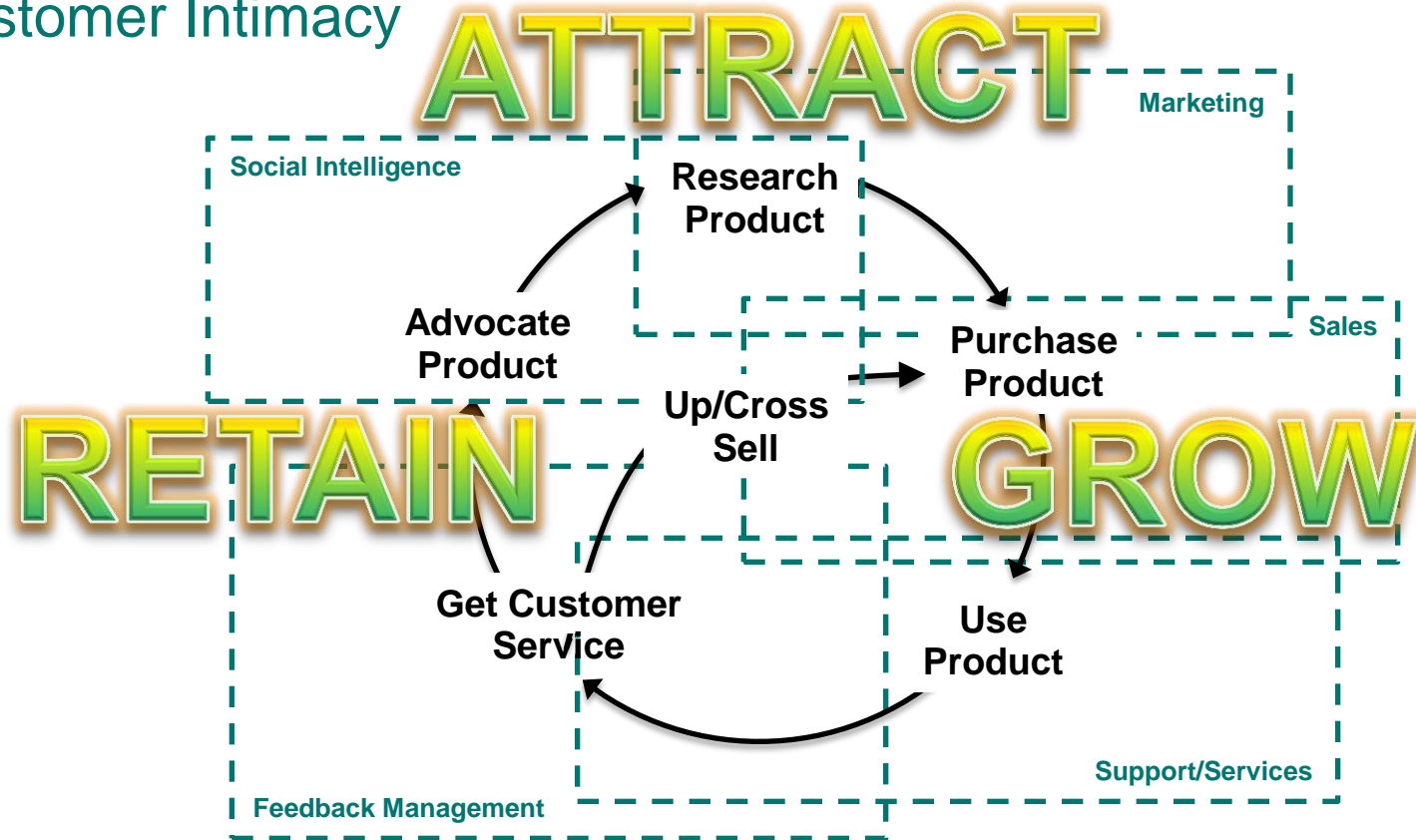
# The Conclusion

# Customer experience framework – From the enterprise viewpoint



# Demo

# Customer Intimacy









# Demo

# Data at the heart of customer analytics

*High-value, dynamic - source of competitive differentiation*

**Interaction data**

- E-Mail / chat transcripts
- Call center notes
- Web Click-streams
- In person dialogues

**Attitudinal data**

- Opinions
- Preferences
- Needs & Desires
- Market Research
- Social Media



**Descriptive data**

- Attributes
- Characteristics
- Self-declared info
- (Geo)demographics

**Behavioural data**

- Orders
- Transactions
- Payment history
- Usage history

*“Traditional” – CRM Mentality*

# Social + Survey

From anonymous to targeted actions with

# Decision actions with

1. Analyse social contribution



4. DM package to outreach to specific people in target segments

Condition	Model	Model action	Result
Active	Yes	Approved	Approved
Standard	Yes	Approved	Standard
Post track	Yes	Approved	Post track
Post track	No	Approved	Post track

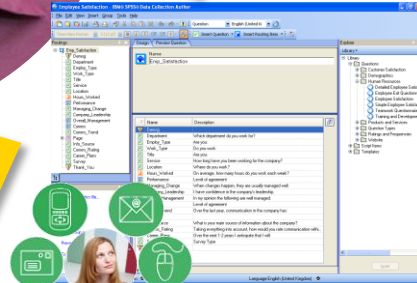
Total Simulation Results: 9%

Model	Count	Number of cases released
Active	47	0
Standard	48	0
Post track	236	107
Total	331	107

2. Determine segment profiles



3. Survey looking for characteristics of preferred segment(s)



## XO Communications

### What if predictive analytics could reduce customer churn?

- To improve its small business retention rate, a U.S. telecommunications company is using predictive analytics to anticipate voluntary customer defections.

### The Opportunity

- XO Communications needed to identify which of its small business customers were at the highest risk of switching to a competitor.

### What Makes it Smarter

- Understanding critical data is key to identifying risk factors. XO Communications deployed an IBM SPSS predictive analytics solution that evaluates more than 500 variables for predicting customer defections within 90 days. That allowed the Customer Intelligence team at XO to build an accurate regression model keying on the 25 most relevant variables. Using this information, the client service managers can then proactively prioritise outbound calls to at-risk accounts.

### Solution Components

- IBM SPSS® Statistics and Modeler

### Real Business Results

- 60 percent improvement in revenue retention rates
- Realising millions of dollars in annualised revenue protection
- Fewer client services managers are needed for the same level of risk coverage



*“By enabling our client services managers to prioritise their proactive outbound calls – basically, a ‘health check’ on the customer – we can cover more risk with our existing Client Services team . It’s been a very successful business model for us and has helped us organise our resources better.”*

**-- Trent Taylor, Director  
Customer Intelligence, XO Comm.**  
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## Benefits for IBM customer analytics solutions



### Unparalleled Consumer Experience

- Drives personalized engagement across multiple touch points
- High customer satisfaction and loyalty, advocates, results in increased revenues



### Optimizing Customer Interactions

- Generates the right offer at the right time, in the right place
- Attract the ideal customer and maximizes customer lifetime value

Customer Analytics

### 360° View of the Consumer

- Aligns the capacity to deliver with the propensity to buy
- Goes beyond traditional 1:1 interactions

Capabilities



Reporting & Analysis



Scorecarding & Dashboarding



Forecasting & Planning



Predictive Analytics



Social / Sentiment Analysis



Decision Management

**Thank You**



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