Forbes insights

DON'T BE A BYSTANDER

How to Influence the Customer Journey
for Better Business Outcomes

The Customer Landscape

Today's chief marketing officers are only as valuable as the business outcomes they produce. Increased share of wallet, improved customer loyalty, campaign profitability—they're all standards by which CMOs are measured.

But achieving these goals requires knowing your customers—who they are, what they want and when they want it. That's an increasingly difficult task as customers interact through an ever-widening array of channels and devices. As it is, many marketing organizations struggle to keep track of online and offline interactions. Stitching these touchpoints together to create a comprehensive view of a customer's journey can feel like an insurmountable task. The result: passive spectators without the power to influence customers in a way that brings about the best business outcomes.

The time is ripe for marketers to use data to drive a better understanding of where customers are in

KIM THIPE, Head of Marketing, South African Airways

"The heart and soul of what CMOs have to ensure is making sure your brand is relevant and available for engagement through various channels at the time of purchase."

the buying process and to provide the right message based on their intent to lead them to a purchase. Brands need to be able to operationalize insights to actually influence customer decisions and shape journeys that align with unique business objectives.

n this Forbes Insights report, sponsored by Teradata, we explore the challenges facing marketers today, including disparate data sources and silos, the steps needed to derive richer insights from data, and the importance of interacting with customers at the right point in their journey. Based on in-depth interviews with some of today's best-in-class marketing professionals, we dive into the mindset shift required to move from mapping the customer journey to actually influencing a buyer's next steps.

Key Findings

1 Marketers need access to both real-time and historical customer interaction data to understand customers' buying journey and unique needs.

2 Integrating online and offline data across all channels and sources is critical for brands to create a 360-degree view of customers.

3 Data analytics is key to deriving deeper insights from massive amounts of customer data, in time, to support real-time decisions.

4 Analytic models must be continuously tested and refreshed with the latest data for the most impactful insights.

5 By interacting with customers at the right time, with a personalized message, through the right channel, brands can influence customers' decisions and shape their buying journey.

The digital universe
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44 ZETTABYTES
by 2020.

Facing the data deluge

CMOs want to use data analytics not only to anticipate customer behavior but also to shape and redirect it. Yet many struggle to transition from disengaged onlookers to key influencers. In fact, all too often, as marketers focus on mapping labyrinthine journeys through online and offline channels, a customer will move on, making it nearly impossible for a CMO to take profitable action.

Part of the challenge is the sheer amount of data in the world. Trends such as the Internet of Things (IoT) and mobility produce vast volumes of information. In fact, according to IDC, there will be as many digital bits as there are stars in the universe by 2020. Indeed, with the volume of data doubling in size every two years, the digital universe is expected to reach 44 zettabytes by 2020.
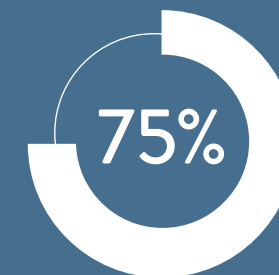
Beyond volume, data types and sources are also multiplying at exponential rates. Geolocation information, behavioral data, demographic details, consumer transactions, digital activity data— all are rich sources of information streaming from social networks, websites, smart devices, appliances and even smart cities.

Adding to this deluge is data from offline channels. Offline sources of data, such as brick and mortar stores, bank branches and more, are still alive and well, and an integral part of a customer's journey. In fact, tech titan Google recently launched a new service, called Google Attribution, that lets companies track offline consumer purchasing activity. And a Retail Dive survey reveals that two-thirds of consumers research products online at least occasionally before shopping for them in a store.

75% of consumers research products online at least occasionally before shopping for them in a store

Scott Deaver knows the complexities of today's omni-channel universe. Executive vice president and CMO at Avis Budget Group, Deaver says, "Our customers move—they don't stay in one channel forever. Different customers come at us in different ways. So we make sure we're in the channel the customer wants to use—be it a smartwatch, handheld device or laptop computer. We need to know who the customer is, and what they want, as they move from channel to channel."

Even B2B companies are upping the ante, using data to create compelling experiences.

LAUREN SALLATA, VP of B2B Marketing, Panasonic

"We're all consumers at the end of the day. The expectation for relevant information, the velocity of information, service and ease-of-buying all need to be attended to."

Given the challenges, how can marketers drive, optimize and shape the customer journey? Fortunately, there are steps organizations can take to connect disparate data, glean valuable insights and intervene at the right time, with the right message, to influence a customer's decision making.

Connect the dots in your data

Today's online and offline worlds can deliver a richness of data that has never existed before. But data silos and disparate systems can stand in the way of marketers leveraging this information to improve and influence a customer's journey in real time.

"One of the big challenges that I've spoken to a few other CMOs about is that we have certain data silos that exist that sometimes prevent the opportunity to predict behavior in the marketing environment," says South African Airways' Thipe. "We have various sources of information that sit on different platforms, and sometimes they are not consistent. Furthermore, it can be quite challenging to obtain complete detailed information [about a customer], because sometimes there are portions of information that aren't always available at specific times."

Thipe cites legacy systems and self-service channels, such as third-party travel websites, as key impediments to creating a truly 360-degree view of the airline's customers. "We're all working towards this holy grail of having a single view of the customer in order to better serve customers, but there are some challenges," she says.

South African Airways isn't alone. Consider Avis, for example. According to Deaver, the car rental company is "making good progress on unifying its view of the customer among channels, whether it's desktop, app, mobile site or phone call." However, he adds, "like many entities in the travel business, third parties are a bit more of a challenge to us.…We can aggregate a lot of patterns, but we can't always put together a view of an individual person."

The sheer breadth of data sources also creates challenges for companies eager to build a complete customer view. Connecting real-time, in-session activity data from digital channels with offline channel data; uniting anonymous customer information with known customer identification data; aggregating real-time customer activity with historical data—they are all challenges preventing companies from determining who's visiting a website, why someone abandoned a cart and what message would help drive a sale.

Despite these obstacles, organizations, including South African Airways and Avis, are making significant headway toward integrating all customer data to gain a better understanding of where the customer is in his or her journey.

A perfect example is UK online retailer Shop Direct. "As a catalog business that's transformed into a pure play etailer, we've always known more about our customers than high-street retailers," says Assi Gol, data intelligence director for Shop Direct. "Our huge data asset dates back 85 years." Yet, he adds, "getting a single holistic view of all our customers has historically been tricky, given data is distributed across different systems."

In response, Gol says, Shop Direct launched **"a world-class data environment, pooling all source systems into a single, well-governed data lake."** This unified platform not only eliminates data silos but **"democratizes access to our unique data sets by giving people across the business world-class analytical tools that provide insights when needed."**

An ecosystem of
13,000+
partners

Panasonic Corporation for North America is another organization that is successfully integrating disparate data silos for a 360-degree view of its B2B customers. In the past, Panasonic's Sallata says, the multinational electronics company relied on "proprietary, custom-built internal tools" for order entry, fulfillment and tracking.

However, eager to achieve a more holistic view of its large network of partners, Panasonic launched an innovative partner portal. "With the power of a unified digital portal, we're able to more effectively pinpoint how our 13,000-plus partners interact with us," says Sallata. "This portal is the engine that gives us the data to customize the kind of information we make available to our partners, helps us direct our resources and efforts, and ultimately provides a better experience for our partners."

Inspired by the success of its partner portal, Sallata says, the company is currently in the process of building a customer insight platform. Although in its early stages, the goal of the platform is "to have a holistic view of customers across the enterprise, and to understand how they're interacting with us and what they've purchased from us," says Sallata.

Dive deep for insights with analytics

As companies such as Avis and Panasonic demonstrate, integrating data from disparate sources and systems is a key part of creating a complete view of a customer. But it takes more than managing petabytes to influence a customer's next steps.

"The problem with data is both having not enough and having too much. For example, Sallata says, "one of the most important things we've learned is, if you collect too much data, you simply know too much about the customer, and then you don't know what information to use."

Enter analytics. Data analytics allows marketers to derive insights from massive amounts of data for timely decision making. Rather than simply toss vast volumes of data into a model, Deaver says Avis' marketing team "tries to go back to the customer herself and look from her point of view at what her needs and base behaviors are, and what she might care about." From there, the company applies analytics in a model that is best suited to understand and anticipate customer behavior.

n fact, if carefully executed, an analytics strategy can produce actionable insights that justify marketing spend. According to a Gartner study, while the majority of marketers expect increases in their marketing budgets in 2017, 14% are anticipating a cut—up from 3% who expected cuts in the 2014-2015 survey, and the highest reported percentage in the survey's five-year history.

Long gone are the days of high-risk, exorbitantly priced, big-budget marketing campaigns. Rather, today's marketers need to ensure that their efforts to influence a customer's journey will be successful from the start. Fortunately, with access to a wide range of advanced predictive, descriptive and prescriptive analytic techniques, marketers can anticipate customer behavior and campaign results.

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"Because we do have considerable granularity of insight into customer journeys for a lot of our customers, we're a lot better able to learn over time how to prove a hypothesis," says Deaver of Avis. "If I think a certain marketing strategy will make the customer journey better and bring them back, I can simply measure whether it does or not. It really is a process of discovery."

Analytics are also at the core of Shop Direct's transformation from a catalog company into an etailer. Today, Gol says, the company relies on sophisticated algorithms "to personalize our customers' experiences before, during and after they've shopped. We can also use machine learning to realize the full potential of our data."

Case in point: Gol says Shop Direct has "developed models that can forecast when a customer will run out of a particular type of beauty product, so we can prompt them to buy again. Using machine learning and vast behavioral data,

we can even tell if a customer is about to stop shopping with us. We'll then try to bring them back by sending the right kind of message or promotions at exactly the right time."

These data-rich models are already having an impact on Shop Direct's bottom line in terms of customer retention and increased revenue. "Our lapsing model is an excellent example of using data to retain valuable customers, and to reduce the number of offers sent to

the wrong person," points out Gol. "Similarly, our recommended products represent an increasing share of our sales."

To derive the most value from models, it's critical that companies continuously add new types of data to them as well as experiment with new modeling techniques. For example, adding online digital activity data to a behavioral model can significantly improve model accuracy and enrich the quality of insights.

Intervene and interact at the right moment

So now that data has been integrated and parsed using sophisticated algorithms, what's the next step to influence and activate the customer journey? As consumers move from one channel—and device—to the next, the timing of a brand's interaction with a customer becomes critical. Certainly, organizations must influence customer behavior in a way that aligns with desired business objectives. However, to do that, they must interact with customers at the right time, with the right messages, through the right channels.

With these goals in mind, Avis recently rolled out a mobile app "that entirely puts the control and management of the customer journey into the customer's hands," says Deaver. Customers can see what vehicles are available before they arrive to the lot, change car selections, find the car in the lot and unlock it, even set preferences such as only vehicles with USB ports and GPS capabilities.

Not only does Avis' mobile app enhance customer satisfaction, but Deaver says it allows the company to observe and shape individualized consumer behavior at the precise moment of impact. That's because the data sets charting a

customer's moves and preferences are consolidated within a single app rather than scattered across a hodgepodge of third-party websites and offline service desk kiosks.

"The app is really changing the way we manage the customer journey," he says. "If I know there's one particular make or model you always choose, I can assign you that make or model, and then offer you other similar choices. Now I can use data in a more individualized way to tailor customer experience. More and more, we're focused on making that customer journey one that the customer wants to take, not the journey we created on a whiteboard."

SCOTT DEAVER, Executive VP and CMO, Avis Budget Group

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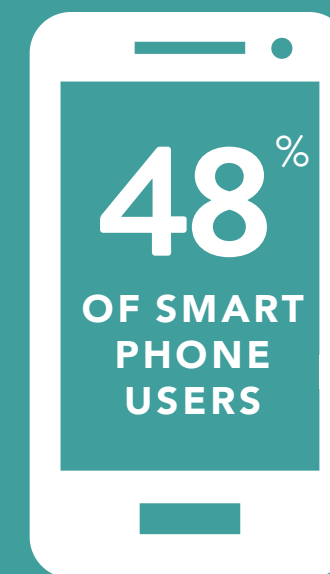
By interacting in a timely and consistent manner, and communicating with customers in a way that resonates with their personal profile, Deaver adds, Avis is also attracting customers who typically "have a higher basket value than customers who do not take that customized journey."

But personalized offerings must also be contextually relevant. That's especially true as consumers increasingly make buying decisions on the go. According to an annual survey by analytics firm comScore and UPS, 48% of smartphone users made purchases through their devices in 2017, compared with 44% the previous year.

Consider, for example, Shop Direct, which is now using "data to personalize the categories, offers and products customers first see, because relevance wins in retail—particularly when most customers are shopping on smartphones," says Gol.

In fact, Demand Metric reports that nearly 90% of buyers indicated that it is important to influence customers earlier in their journey.

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Simplifying a customer's journey is also key to influencing purchasing decisions. For instance, Gol says, Shop Direct "offers a style assistant that uses personal preferences and measurements to suggest new outfits to try." And, he adds, by gathering and analyzing back-end data, the company is determining what "purchase, payment and credit processes can be improved. This way, we can make customers' journey as simple as possible."

ASSI GOL, Data Intelligence Director, Shop Direct

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A Look to the Future

When it comes to the customer journey, marketers can't afford to simply focus on mapping the customer's experience. Rather, they must align marketing spend with corporate business objectives and create campaigns that target consumers with personalized and contextually relevant messaging. The path to successfully navigating a customer's journey requires:

1

Integrating online and offline data to gain a better understanding of where the customer is in his or her journey

2

Using data analytics to glean insights to influence a customer's next steps

3

Interacting with the customer at the right time, with the right message, to spur the right action

Together, these strategies can help move marketers in the same direction as their customers. But consider your speed. "It's a never-ending process to stay up with—and ahead—of where our customers want to go," says Deaver of Avis. Like all CMOs committed to shaping customers' journeys rather than simply observing them, he admits, "we've got our work cut out for us." But with the right strategies, success is imminent.

Learn more about how Teradata is helping leading companies make the move from mapping to shaping and influencing the customer journey. Visit Teradata.com.

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