

Discussion Summary

Achieve Customer Centricity in a Hyper-Connected World

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Interview Featuring:

Jonathan Moran, Customer Intelligence Product Marketing, SAS Institute Inc.

Wilson Raj, Global Director of Customer Intelligence, SAS Institute Inc.

Introduction

Enterprises routinely claim to be focused on the customer experience, yet few really keep that promise. What's in the way? Fragmentation and complexity in both customer data and customer-facing processes. IIA spoke with Wilson Raj, Global Director of Customer Intelligence, and Jonathan Moran, Customer Intelligence Product Marketing at SAS Institute Inc. about how organizations can leverage technology platforms and analytics to become more completely and genuinely customer-centric – making connections in the right way, at the right time, and on the right device.



We hear a lot about how technology has changed customer expectations. How do you characterize the most important of those changes?

Jonathan: Consumers are very much digitally empowered and hyper-connected; they have technology devices on themselves during all waking hours. These mobile devices can serve as a hotline or conduit into the brand, and it's not just a single channel. A mobile device, for example, serves as a phone, a way to post on social sites, a mobile apps platform, a web browser, a GPS, a human sensor of sorts. So we can see brands face a wide variety of options in trying to gauge how to best interact with their customers.

Wilson: Today's consumers have more control. Technology makes them more empowered, more influential, and they're certainly more discriminating. So the issue here is sparse customer attention, and brands are fighting for it. To win in this marketplace, you don't just need great digital marketing, but broader digital transformation. How can a brand address the full spectrum of customer needs and experiences instead of just operating in one or two channels?

Behind the scenes is another important change: marketing is exerting more control over its technology, and that changes how marketing and IT work together to embed data and analytics in marketing processes and enable brands to flourish in the future.



What does it take to win and retain customers, and become truly customer-centric?

Wilson: The challenges can be summarized in two words – fragmentation and complexity. Information about customers is highly fragmented, so understanding them is a complex undertaking. Then there are so many channels and multiple interactions that coordinating across them and providing a continuous customer experience are also complicated.

Customer centricity is not just a rallying cry, not just an attitude toward the customer. I view customer centricity as a strategic operating model where all your channels are aligned so that you present one face to the customer, and the customer has one face to the brand. We need to overcome fragmentation and complexity and recast all these disparate data points, disparate analytics, disparate processes into a more unified whole.

Jonathan: The challenge is keeping track of customers as they move across not only channels but devices and points in time. Then orchestrating interactions with consumers to be both relevant and timely. Customer centricity demands coordination across all departments influencing the customer experience. If all departments aren't contributing to the outcome of positive customer experiences, then the brand is not customer-centric.



What does success look like? If this were an ideal world, what capabilities would marketing have, and what would they be able to do?

Jonathan: I think you can group capabilities into three main areas. First, the marketing organization would be able to *plan* – that is map out how interactions along the customer journey should occur, when and where, and with what possible outcomes. Second, they would be able to generate *insight* about customers and shape outcomes based on a rich mix of marketing data, data from other departments, and external data from third-parties and public sources. And finally, they would be capable of *flawless execution* – the ability to interact with customers on their terms over their preferred channels with that contextually correct offer.

Wilson: Success from a marketing standpoint boils down to two things – loyal customers and sustained profitability. But how do you tie customer centricity to real business outcomes of increased revenue or reduced cost, so marketers can demonstrate their true effectiveness and value? Marketing should measure its success in three ways:

- First is customer engagement measures. How effective is the customer experience effort? You can track engagement metrics such as transactions, how people are interacting across touchpoints, their impressions with the brand, time spent on websites, level of intimacy, and influence.
- Second is operational measures of the efficiency of marketing. By connecting budgeted and actual spending with specific customer experience activities, you can better develop skills, manage resources, and adjust objectives over time.
- The third category is business measures that assess the customer experience contribution to overall corporate value. These include familiar metrics such as revenue growth, margins, profit per customer, and wallet share that link operational performance to the top and bottom lines.

At the end of the day, if you have the three capabilities that Jonathan mentioned, you can communicate the broader value of marketing in terms of customer engagement, operational efficiencies, and corporate financial success.



What does success look like from the customer standpoint? What's the reaction you want to get from a customer?

Wilson: Customers want value, that the interaction with the brand has in some way, shape, or form helped them meet their goals. They want a level of utility, that the interaction was efficient and fit with their flow of activity. And they really appreciate it when the interaction is enjoyable. Was it fun, pleasing, uplifting? So value, utility, and emotive connection – that spells success from a customer perspective.

Jonathan: I think it's important to emphasize the power of the emotive aspect. You want your customer to be delighted with the interaction or the message that they receive from your brand. You want them to think "Wow, this brand really gets where I am, what I need, and how to deliver it to me." Consumers long for that emotive connection in a world of overabundant and often distracting messages.



How can marketing organizations use data and analytics to develop the capabilities and do the things we're talking about?

Jonathan: Data and analytics are at the center of the three capability areas I mentioned earlier – planning, insight, and flawless execution. Marketing needs the ability to source all relevant data and position it in a single repository, a logical and virtual data hub if not a single physical one. We're talking not just traditional marketing data, but many forms of digital intelligence – purchase data, social data, third-party data, and data from other departments and outside of the brand. Analytics is simply the smart manipulation of that data in specific ways like forecasting, customer scoring, and offer optimization. Brands can demonstrate customer centricity by avoiding over-contact, predicting what next-best offer or action is appropriate and scoring customers for their propensity to accept offers or messages.

Wilson: To leverage data and analytics in the customer experience, marketers need to rewire their brains in several ways.

- The first is driven by the fact that customers today are operating at click speed. So marketing strategy, planning, and execution all have to be faster, more adaptive, more agile. The CMO of a major consumer goods company says it's "like being in perpetual beta." You have to be trying new things and assessing the results continuously, using data and analytics to shape and test new offerings and messages. This acceleration usually requires dismantling the silos and promoting collaboration both inside and outside the brand.
- Marketers must shift their thinking from brand campaigns to a brand technology platform supporting all campaigns. To be customer-centric, you need a robust platform to synchronize data management, analytics, and marketing processes across channels and across campaigns. Marketing has to work with IT to capture customer intelligence from all sources, and to integrate systems, including CRM, with new customer-touching apps.
- A third change in mindset is around mobility. When we talk about mobile at SAS, it's not so much as a channel, but as a way of thinking. You can use mobile to connect the dots for the customer. For example, the customer can scan products via a mobile app while shopping in a retail store. Or can schedule at-store pick-up as part of the online shopping experience. Mobility lets us redefine the relationships between the online and brick and mortar worlds.



What are the biggest barriers that marketing organizations face in being customer-centric?

Jonathan: The single biggest issue is access to insight. A company's service department or contact center may have no insight into what messages and offers a customer has received from the marketing department, what they have posted on social channels, or how they have navigated the brand's website. Without that insight, how could those functions possibly be customer-centric? How can the contact center representative serve up a relevant offer without knowing what the customer just looked at on the website? Without insight, the rep has to be reactive in serving the customer.

We're back to the challenge of getting the data into one place where you can analyze and act upon it instantly. Interestingly, a recent survey of CMOs by Duke University professor Christine Moorman found that the level of integration of customer data across channels has declined, presumably because the number of channels and data sources and the amount of data has proliferated. Marketing faces a dilemma – both the importance and the complexity of data integration are rising.

Wilson: Many marketing organizations still face barriers in how they use technology. There are gaps in the use of good marketing automation and optimization software, alongside inadequate investments in data management and analytics. That hinders the ability to generate and assemble data, ensure its quality and integrity, keep it up to date for the best analytics, and distribute insights to all the stakeholders in marketing and other customer-facing functions such as sales, service, and support.

The more fundamental barrier is that operational processes are broken. Getting data in one place is good; getting insight is great; but now how do you activate that insight? How do you embed it into a messaging system, into a call center, into a human system in a physical store? Building the processes that connect data and analytics to actual decisions and actions is one of the hardest tasks that brands are facing today. That's simply because marketing staff are unaccustomed to, and sometimes confused by, the cross-functional workflows, the new applications, and the ability to coordinate across customer-facing touchpoints. So activities remain fragmented.



Please give us an example of an organization or brand that is highly customer-centric. What are they doing right?

Jonathan: One of my favorite examples among companies that we have worked with is a Nordic telecom and wireless provider. Telenor has over 200 million subscribers and has refined how to be customer-centric in their industry. They have a program that provides automated sales tips to their front-line agents across different channels, and can generate the next best offer or action in about a half second. Behind the scenes is an analytical ensemble of over 70 individual models. Most organizations have just a handful of models at work. Telenor can score customers, score offers, and provide service extraordinarily quickly and accurately. Their customer-centric program has accounted for strong revenue growth over the past few years.

Wilson: Vail Resorts is a favorite of mine. They manage a lot of property and vacation spots including, of course, great ski resorts. Their brand promise is all about creating the experience of a lifetime, and they're using data, analytics, and processes to deliver. For example, they started embedding RFID tags into every ski pass. As visitors were up on the mountain, the company was capturing and analyzing data about them to make offers or initiate interactions such as awarding virtual "badges" for completing specific ski runs. Customers interact via the brand's mobile apps and social site. In the program's first season, over 100,000 guests established accounts, and about 40 percent downloaded the apps and really interacted with the brand. About six million digital badges were given out, and 45 percent of the users were sharing their accomplishments and experiences on Facebook, Twitter, or other social media. That amounted to about 35 million social impressions – all in that one season.

By the way, that season had the worst snowfall ever, but they were still delivering the experience of a lifetime. They took a holistic view of the customer experience and built an ecosystem of partners, from the shuttle service that takes you from the airport to the resort, to the ski-lift staff on the mountain, to the restaurants and retail shops on property. Everyone shares data and uses it to deliver the customer experience.



How about brands that are struggling – what is in their way?

Jonathan: Telenor is one of a few exceptions in the telecom industry. The U.S.-based phone, cable, and Internet service providers have a horrible reputation for customer service. They raise rates for no apparent reason, and the customer has to threaten to leave in order to get the rate readjusted. What's in the way is lack of information to make better decisions. My cable provider has no idea how I am browsing their support site looking for information or troubleshooting tips, what products and services are the next best fit for me, or what voice and data bundles I've explored online. If they recognized me as a 15-year customer and not a provider-hopper, they might find ways to reward my loyalty instead of raising my rates. But that doesn't happen. Either they lack the insight to act differently, or they don't mind the costs of customer churn.

Wilson: Here's how I would characterize the brands that are truly struggling – they suffer from the “50 shades of the customer” syndrome. The telecom company or airline is seeing shades of customer interaction, and they can't distinguish that these 50 shades or 500 shades of Wilson Raj is really one Wilson Raj. We did a survey with the *Harvard Business Review* recently on the characteristics of customer experience leaders and laggards. Those same issues of data, technology, and process integration came up. A recent *Forbes* report said that the top technical barrier for delivering customer-centric experiences was inadequate integration with back office systems. Even when they invest in data and analytics, the laggards often fail to recognize the customer, and they struggle to enrich, activate and deploy customer insights into marketing processes and customer-facing interactions.



Our conversation has centered on the consumer market. What's the B2B version of this challenge?

Wilson: B2B marketing has the same core challenges that we've talked about, but in a different context. B2B is more directly cross-functional. Marketing will do the promotions, sales will do the deals, and customer service will handle the after-market issues. But no one function is really accountable for understanding the complete customer journey or creating a consistent

experience, so customer centricity can be harder here. B2B can also be more challenging when there are intermediaries in play – agents, dealers, brokers. They make it more difficult to understand the end consumer; there’s more distance, more fragmentation, more complexity. Finally, in B2B it’s natural to focus more on products and features rather than customer concerns, and it’s harder to create that emotional connection. Companies need to build value-centric partnerships that are aspirational and fuel collaboration.

The solutions are also similar. Like our B2C friends, B2B marketers have got to clean up their data. They can listen in on social conversations and teach sales to be more socially savvy, which is something we’re doing at SAS. Then, of course, they must be able to capture information and distribute coordinated insight across the functions that touch the customer. And they need to inject a little bit more emotion into the customer experience and relationship.

Jonathan: I think the B2B and B2C situations are similar. Businesses very often do not understand what interactions are of most value to their customers, suppliers, and partners. They don’t know enough about the customer organizations that they work with. As a result, they don’t have the insight needed to provide the best business terms, options, timeframes, and interactions. They can act as perhaps trusted suppliers, but can they help orchestrate the customer’s success?



What are people’s biggest blind spots when it comes to customer centricity?

Wilson: One of the most common blind spots relates to how you communicate the value of customer-centric marketing to your C-suite. When marketers are intensely focused on the customer, we sometimes forget how to report back up, even though it’s often easy to measure what’s happened. Leads generated, conversion rates – speak the language of the business and use its metrics. When you talk about churn and propensity to buy, translate that into revenue and customer loyalty. If you report mainly on marketing activity and cost, you’re not communicating the full scope and value of marketing. Instead, tell a financial business story when you talk about customer experience.

Jonathan: Some people have the misconception that a shiny new piece of marketing software will solve their customer centricity issues. Software is sometimes purchased for the fancy front-end when it lacks the data management and integration and backend analytics to generate insightful front-end outputs. Customer centricity takes more than a new piece of software with

a nice-looking interface. It takes planning and insight and flawless execution as well. Think of the software as part of a strong foundation to deliver those capabilities.

Wilson: One more blind spot is related to data. Some marketers feel that more data is always better. But it's not so much the volume of data as its relevance, its veracity, and its sufficiency for the questions being analyzed. What are initially perceived as problems with the analytics can often be traced to problems with the data. Marketers need a variety of data skills: accessing data inside the company, finding data outside, generating new data through experiments, and getting all the relevant data together. They also need to develop a sense of what's a "big data" problem or opportunity and what can be accomplished with "smaller data." The key is getting the data right for the analytics – without big gaps and without wasteful overkill.



What are the top three things that marketers and their technologists should know and do to make marketing more customer-centric?

Jonathan: My three tips tie directly to the capabilities I've mentioned:

1. Plan out and be ready for those customer "moments of truth." When a customer calls and has lost a credit card, or needs a last minute ticket change, or has made a large purchase and something has gone horribly wrong, you need to be prepared to address the issue in all of its likely variations. Not many organizations plan the paths for those moments of truth, and as a result, the customer and the relationship suffer.
2. Take action based on insight, not instinct. Gut-feel marketing is hard to get right. When you want to make a major marketing decision, have the data and the analysis to back it. Especially as those marketing programs are taken from the planning to the action phase, use data analysis as your guide.
3. When you do take action, whether it's a simple message or series of orchestrated interactions, you need to be confident in the action, that it's the right channel, the right message, at the right point in time. If you can't be confident, then more than likely you're short on data and analytics and you're going to miss the chance to deliver the best customer experience.

Wilson: My three are more technological and operational imperatives.

1. As much as possible, establish a single customer view. That's the foundation for continuity of experience across channels and for developing richer customer profiles based on channels and interactions. It also supports a more continuous dialog along the customer's decision journey.
2. Try to automate advanced analytics. We really need customer analytics to understand and shape contextual relationships and interactions. The more you can automate that with an embedded decision engine, the more accurate and consistent the actions. That also enables the brand to free up resources for higher value-add activities, including face-to-face collaboration in B2B.
3. Distribute customer insight to support everyone taking marketing actions. All the functions – marketing, sales, service, and others – need to connect, not only with the data, but with each other. Build the connecting processes in terms of workflow, business rules, and engagement rules to put customer insight to work.

In today's world, every CEO, COO, and CMO is thinking about customer centricity. The question is how deep their commitment is, and how pervasively that commitment spreads across the organization in terms of strategy, ownership, culture, and willingness to invest in the people, technology, and processes to follow through on the customer experience.

Additional Information

To learn more about this topic, please visit sas.com/ci.

About the Interviewees

Jonathan Moran is responsible for global marketing activities for all SAS Customer Intelligence solutions. Mr. Moran joined SAS in March of 2008 bringing 7 years of industry experience with him, having worked in Global Professional Services and Sales Support roles at the Teradata Corporation.

Over the past 14 years, Mr. Moran has had the opportunity to not only architect, develop, demonstrate, and implement Customer Intelligence solutions, but he has also had the opportunity to work on-site with Fortune 500 customers helping them solve unique digital marketing challenges.

Mr. Moran graduated from North Carolina State University with undergraduate majors in Marketing and Spanish Languages and Literatures. Mr. Moran also holds a MBA from North Carolina State University with a concentration in Technology Commercialization.

Wilson Raj is the Global Director of Customer Intelligence at SAS. His responsibilities include collaborating with industry leaders and customers, and directing marketing and product teams to establish, evolve and evangelize SAS's growth strategy for analytics-driven marketing capabilities.

With twenty years of experience in multiple industries, Raj has built data-driven brand value, engagement, and loyalty through expertise in integrating advertising, digital marketing, social media, multi-channel relationship marketing and public relations.

He has held global leadership positions in marketing at Fortune Global 500® companies such as Microsoft, Novell, Medtronic, Philips, Ameritech (now AT&T Midwest). He also served in digital strategy roles at Publicis and also at VML and Wunderman—as part of Young & Rubicam Group at WPP.

Raj holds a B.A. in English and an M.B.A. from Brigham Young University, and a Certificate-in-Education from the Institute of Education in Singapore.

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