



# DIGITAL INTELLIGENCE: THE HEART OF SUCCESSFUL DIGITAL TRANSFORMATION

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# INTRODUCTION

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Digital transformation is here, and businesses are feeling it. No matter what stage of the transformation a company is in, it is likely aware of a shift in its industry, customer expectations and employee perspectives. When it comes to digital, there is truly nowhere to hide.

So, what is driving this push for technology in the business landscape? In effect, customer experience (CX). Digital transformation is found at the intersection of people and technology, and the goal of digital transformation is to create a better, smarter, faster business that can better anticipate and meet its customers' needs. However, with so many different technologies – from artificial intelligence to machine learning, to cloud, to as-a-service modeling – it's also much more complex than

that. Used well, digital can help save – and make – money. It can help engage and empower customers. It can help create a meaningful customer journey and allow marketing teams to tweak, monitor and evaluate that journey in real time.

Indeed, the underpinning of digital transformation is about successfully layering technology into one's business to meet and exceed the expectations of today's customers to ensure they become tomorrow's loyal supporters. That involves both a clear CX vision and commitment to data-backed decision making. However, those two things alone won't ensure success. To be digitally intelligent, companies also need the smart application of these technologies based on strong analysis from a team equally committed to its vision.

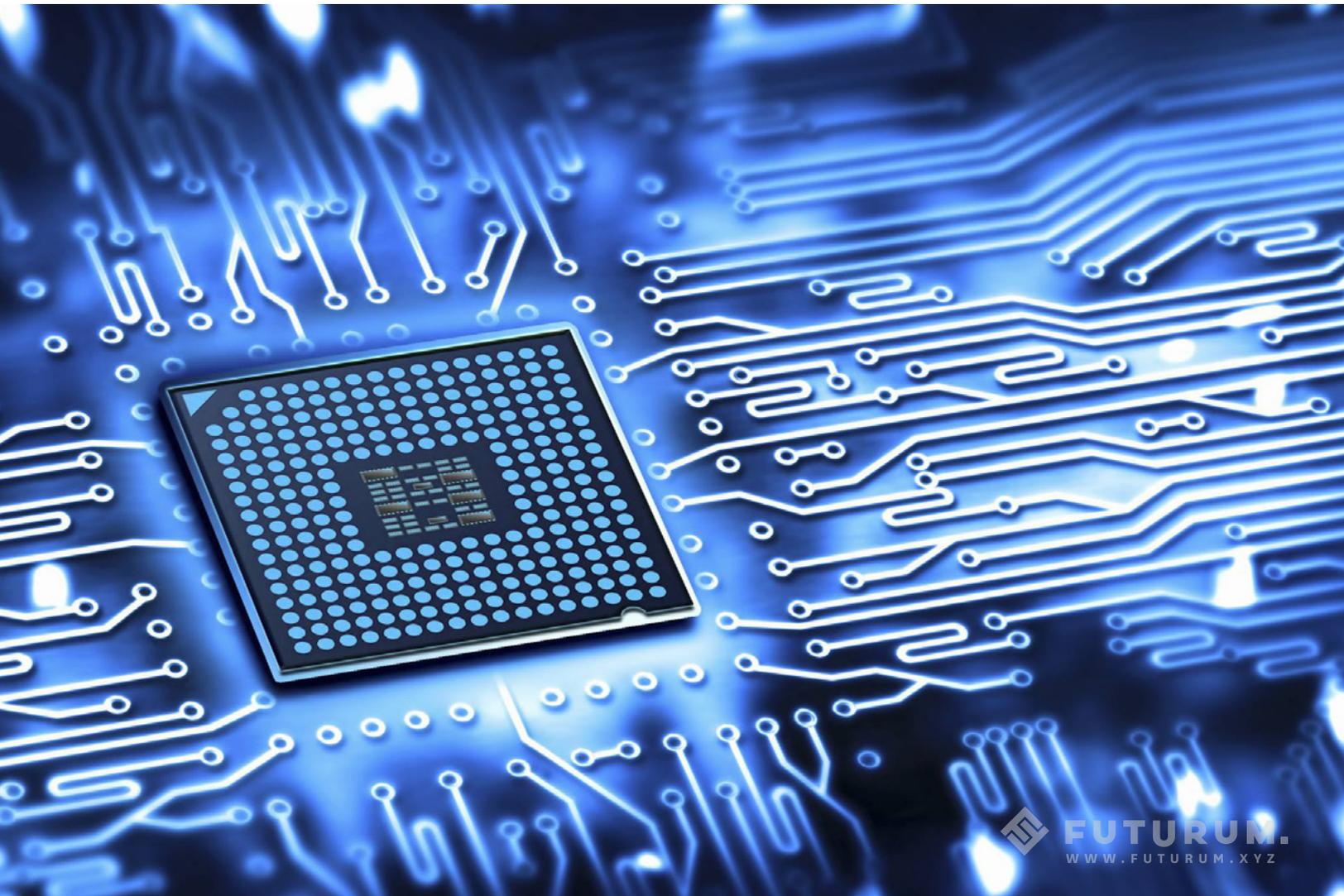


# DIGITAL INTELLIGENCE: THE NEW GUIDEPOST OF DIGITAL TRANSFORMATION

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Though it can be tempting to transform and adopt new technologies simply for technology's sake, this will never help build a successful digital business. The world is now moving so quickly that every decision made must be a strategic one that clearly aligns with mission, vision and a clearly mapped customer journey – especially when it comes to technology. And, as with anything in life, there needs to be a way to measure progress to be successful.

In the simplest terms, this is no longer an age where leaders can afford to make gut-based decisions or throw something at the wall to see what sticks. This is an age where leaders need communication and cooperation at every level of the company to ensure all are aligned and committed to forward movement. Much like a rowing team, they need marketing, tech, data, finance and the CEO working closely together to determine where the company is going, why and the best way to get there.



# CHANGING ROLES IN A CHANGING WORLD

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Digital transformation isn't just changing business models, service delivery and customer expectations. It's also changing how employees interact with one another, and the respective roles they play in creating digital intelligence. Silos no longer have a place in the digital world. In fact, even longstanding jobs like CFO, CMO and CIO are getting an overhaul as companies realize the collective value of shared insights and learning necessary to create the experiences customers want and need.

- **The chief marketing officer (CMO)** is becoming a central focus of digital transformation, as companies seek to create stronger customer journeys by understanding customer demands. This means the CMO is more involved in technology purchases since he/she is responsible for achieving the next generation of CX.
- **The chief information officer (CIO)** is being charged to lead enterprisewide tech vision, not just focus on daily tech

management and maintenance. New challenges like shadow IT, dev ops and cybersecurity are highly important to the CIOs of digitally intelligent organizations.

- **The chief finance officer (CFO)** is being forced to learn a whole lot more about technology and how it can save money, make money and drive the company forward.
- **The new C-suite** has roles like the chief data officer, chief customer officer, chief digital officer, chief analytics officer and chief talent officer, which are rising to partner with traditional C-suite roles in the age of digital transformation.

Some might say in successful, digitally intelligent companies, every person in the organization is part of the marketing team. Everyone realizes the role they play in the customer journey, and is equally committed to it. But one could also say they're all part of the digital intelligence unit.

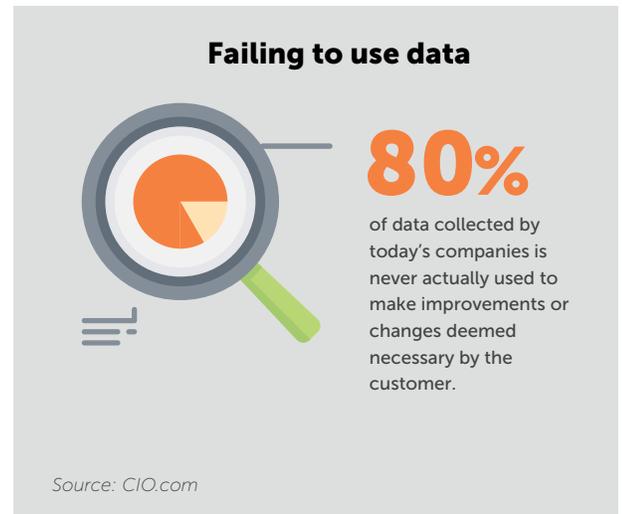


# DATA'S ROLE IN DIGITAL INTELLIGENCE

Big data isn't just a trend. It's one of the core elements of a digitally intelligent company and brand. Think of it as the most powerful tool one has in reaching customers and creating a meaningful experience in their lives.

First and foremost, data helps with smart targeting and personalization. More than [85 percent](#) of mobile marketers report success with personalization, including higher engagement, revenue and conversions. For example, a [Harley-Davidson](#) dealership was desperate to improve the quality of its leads and conversation rates. Selling just one or two bikes a week wasn't enough. After trying marketing software powered by artificial intelligence (AI) and analytics, the owner sold 15 bikes in one weekend. How? Using existing customer data, an analytics platform searched the company's customer relationship management (CRM) system to define the qualities of "high value" customers. They used similar customers as tests for micromarketing campaigns. The AI even tested which words within the email led to higher response rates. Using big data, the company jumped from finding one qualified lead per day to finding 40. By the third month, its leads had grown by almost 3,000 percent.

Indeed, being digitally intelligent isn't just about collecting data; it's about using it intelligently. That means using tools like artificial intelligence, machine learning and predictive analytics to sort and analyze the mounds of data now available. Research shows [80 percent](#) of data collected by today's companies is never actually used to make improvements or changes deemed necessary by the customer. That's likely because the company did not invest in the proper resources to use it. That's a big mistake in today's digital landscape, and will be the reason many companies are left behind in the digital transformation.

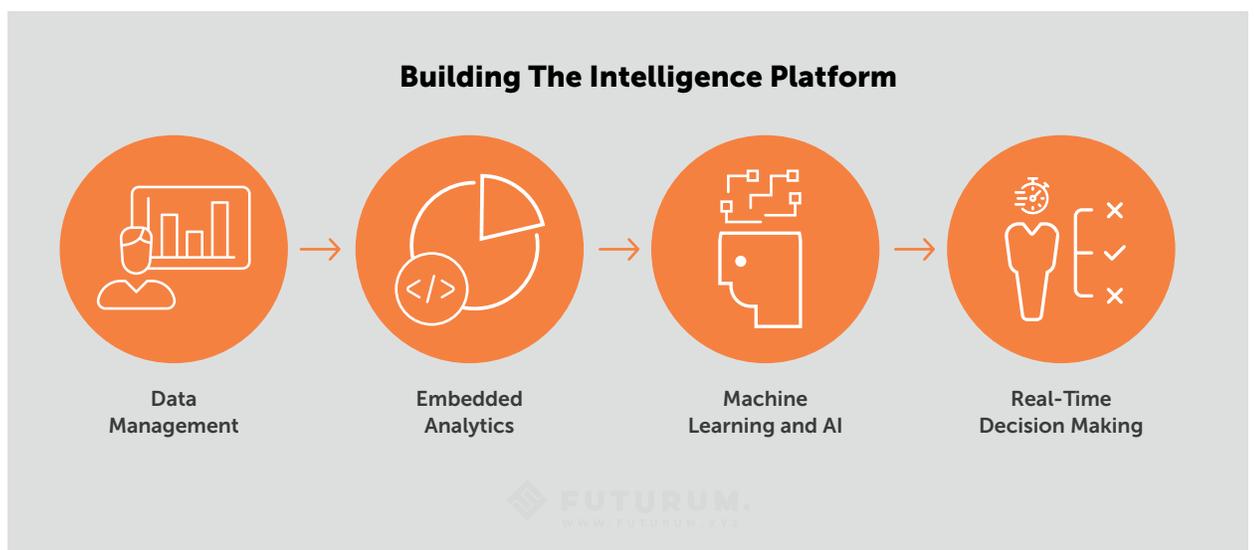


Which brings up the issue of the customer journey. In the past, companies would look at their customer relationships as something started with outreach or marketing, and ended with point of sale. Digital transformation has changed all of that, allowing customers to speak up about what they want and need. Now, the journey doesn't end with a purchase. In some ways, it's just beginning.

Helping marketing teams use data intelligently can map customer journeys more clearly. Yes, it can explain why some customers are responding to ad campaigns, abandoning shopping carts, or leaving a website as soon as they find it. But it can also show why a customer keeps coming back – or not. It can define what they like best about a product – and how they wish it would change. And, it can gauge how loyal they will be to a brand throughout that growth process. Being digitally intelligent means embracing these new phases of the customer journey – not as a new responsibility, but as an opportunity for growth.

# BUILDING A DIGITAL INTELLIGENCE PLATFORM

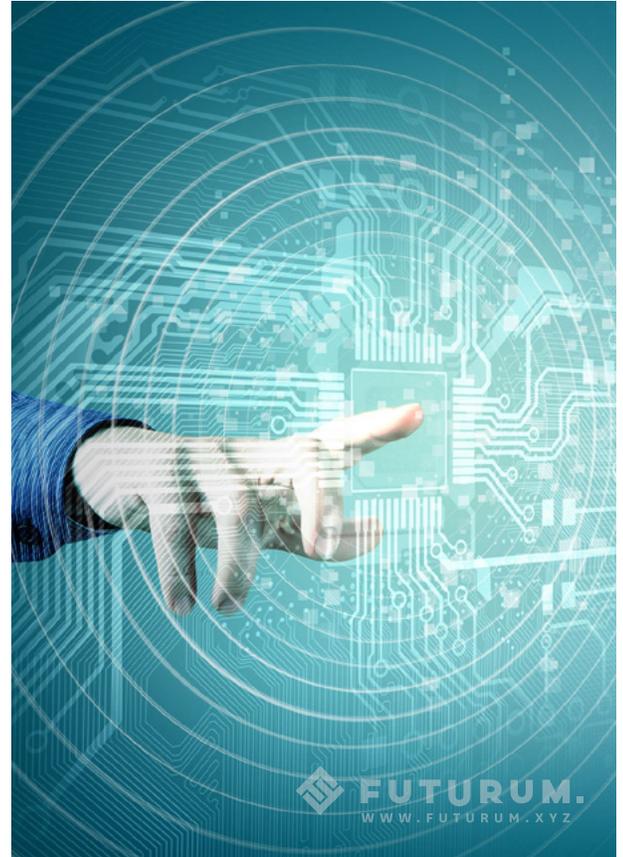
Becoming a digitally intelligent company does not need to be overwhelming. In fact, it can help marketing teams and entire organizations chart a clear and strategic customer journey. Below is a breakdown of the elements of true digital intelligence, grouped into four simple categories:



- **Data Management.** This is the “do not pass go” of any digital intelligence platform. Strong data management is – and must be – the core of any digital intelligence platform. As [one writer noted](#), “Predictions are only as good as the underlying data sources.” If data is outdated, dirty or unmanageable, it isn’t useable. Imagine finding a new set of probable leads, only to find out all the contact information is outdated. Not a timesaver after all! Many have heard the phrases “data lake” and “data swamp.” A data lake needs to be pristine for useful data analysis. Any machine learning or marketing AI will work in partnership with CRM programs: If the data is full of junk, junk is likely what will come out. Before building a digital intelligence platform, the resources and manpower to manage the data correctly must be in place.
- **Embedded Analytics.** Analytics, including predictive analytics, is the ultimate goal of collecting data; it gives purpose to the mass amounts of words and numbers being collected. The problem many companies face is that either they are tracking analytics that don’t have any discernable value, or their data management systems don’t allow for the type of data to create the analytics they really want. Additionally, analytics needs to be much more accessible. The best way to do this is through customer intelligence platforms that bring analytics inside technology tools so that elite talent isn’t required to find value in the data collected. Before moving down the road of analytics, companies must involve all relevant parties to make sure the information being selected will pull the company ahead. Next, they must embed analytics into the tools that people are using daily.

- Machine Learning and AI.** With the masses of information available, the gap between accessible data and the best data can and must be augmented with machine learning and AI. Why? There is simply no way for humans to make sense of the mass amounts of data being gathered in the digital transformation. Humans can manage a [few hundred](#) keywords at once. [AI can manage hundreds of thousands](#), while also processing millions of interactions per minute. One company, Swisscom, was able to [use text analytics to identify problems](#) within 24 hours that once took weeks to identify and train staff to deal with. Spending less time identifying problems and working on administrative tasks means the customer service department has more time to nurture customer relationships and improve User Experience. This is the power of AI, and why it's critical for any digitally intelligent company.
- Real-Time Decision Making.** The most digitally intelligent companies are making decisions faster with real-time decision making via artificial and hyperintelligence. As noted in the Harley-Davidson example earlier, the marketing software was fully automated to determine which words and images were working most effectively, and empowered to choose those words and images in real time to reach as many customers as possible. Other companies, such as [Chico's](#), are using advanced analytics to process customer information pulled from multiple channels – social, web and stores – to create clear customer profiles for even smarter personalized marketing. When companies allow machines to decide and/or process, the decisions get made much faster, based on real data.

As noted above, these elements are simply the platform of digital intelligence. They will only be effective in terms of enhanced customer loyalty, increased sales and improved efficiencies if used to map a customer journey that meets business and



marketing objectives. For instance, embedded analytics, machine learning and AI allow companies to better understand customer issues, concerns and desires. Companies can determine how to best respond in an appropriate and growth-focused manner. Real-time decision making is only helpful when it's tied to solid growth objectives, which are tied to targeted customer segments as identified by embedded analytics and AI. Of course, none of this can happen without proper data. All elements work together to create potential value, which is not realized until it's translated into positive CX.

Although this may seem daunting to many companies – especially legacy organizations that are still catching up in terms of digital transformation – many companies deliver technology that can make this process easier. For instance, [Oberweis Dairy](#) uses [SAS®](#) as its single source for accurate data management, predictive analytics and visualization to make better business decisions and provide better services for its customers.

# MOST DIGITALLY INTELLIGENT INDUSTRIES

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While digital intelligence is key to successful transformation in every business industry, there are several industries that have already risen to the top in terms of smart tech adoption, even in the face of massive industry change. The fol-

lowing are a few examples of technology helping to solve unique challenges faced by certain industries. The best part: Many of these strategies and technologies can also be applied to other industries.



- **Retail.** The [global retail industry is anticipated to grow to \\$28 trillion by 2019](#). If there is anyone who stands to benefit from digital intelligence – especially considering the customer journey – it's today's retailers. In today's world, retail is all about personalization. Using both big data and automation, AI is helping retailers understand their customers' preferences and better anticipate their needs. [Harry & David used AI](#) to stop marketing products and start marketing to customers. Following the economic collapse in 2008, the retailer had a lot of catch-up work to do in regaining customers and increasing profits. Since using analytics to accurately target

customers, it increased profits by 20 percent and increased customer retention by 14 percent. Indeed, analytics can automatically recommend products customers might like to try, send coupons for things they've already purchased, and even redesign entire web pages instantly based on user social media profiles. Loyalty programs use AI for real-time sensors and buying history to reward customers as soon as they make a purchase. Smart beacons take targeted marketing to a whole new level, texting coupons or discount codes when customers pass a certain store. They allow for immediate data collection to determine the effectiveness of a marketing campaign.

- Entertainment.** If there is any industry that is mastering the omnichannel user experience, it's entertainment. Granted, the rise of mobile – and the fall of cable and music – have provided many challenges. But the expansion of things like web content and social media have also provided a wealth of new opportunities for meeting customers and viewers at every single point of the customer journey, sometimes all at once. Indeed, content delivery is [no longer linear](#). Viewers can rarely make it through an entire TV show or movie without checking social media or sharing the experience. In that way, marketing has moved from being a one-time thing to becoming an all-channel event. Media companies have used digital intelligence to determine how to best take advantage of this, for instance by prompting viewers to #share branded content and gain greater reach. Marketing teams and writers no longer think solely in terms of what makes a great movie scene. They think about what would look best on Facebook, as a GIF or how they can sell a product in the process.
- Financial Services.** Reports show [58 percent of Americans use a mobile device to access their bank accounts](#) at least once per month and one in three of those are logging in three times a month. Seeing the shift to mobile in the market, fintech solutions like finance apps and mobile pay have given users a much broader market for investing, managing and borrowing money without the need for physical banks or middle men. It's now possible to get a home loan right from a smartphone.

Undoubtedly, many banks have been forced to increase their digital intelligence, doing market research on what their customers really want, and how to provide it quickly and securely. Major players like Wells Fargo and Bank of America have joined the "cardless ATM" field, allowing customers to make withdrawals with their smartphones. As blockchain technology continues to grow, they will also likely face more pressure to offer even more services via mobile.

- Telecommunications.** If there was ever an industry that needed to adapt to digital transformation, it's telecommunications. In fact, it seems like telecom has been in flux for the past 20 years, evolving into mobile, smartphones and now the IoT. The strongest companies are the ones that learned to flow with, rather than fight, the change. For instance, AT&T didn't just start offering mobile service, it innovates its mobile experience based on what customers demand. Now, in addition to internet and cable on-demand services, AT&T users can secure their home right from their phone through [AT&T's Digital Life](#) app. While it operates like Nest, it does one better: It allows users to add the service without having to subscribe to an outside source. If there is one thing users like in digital transformation, it's simplification. On the analytics side, Norway's [Telenor](#) started taking a closer look at its customer behavior, creating 70 models to help personalize sales pitches and increase sales. The initiative has allowed the customer service teams to see a significant increase in sales, without an increase in call time.

# CONCLUSION

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Taking part in digital transformation is no longer enough to ensure success for any given company. The world is moving so fast that businesses need to focus on digital intelligence and make the smartest use of today's technologies to keep their businesses lean, agile and moving on a clear path forward.

As digital transformation continues to expand, so does the customer journey. Data is the strongest tool businesses have in building an effective CX, from advertising to point of purchase and throughout the product life cycle. This data needs to be carefully culled and managed. Along with the right teams focused on forming a clear digital strategy, companies need to make a conscious decision to build a digital intelligence platform that includes data management, analytics, machine learning and real-time decision making. There must also be thoughtful planning and input from the executive team.

Numerous industries have proven leaders in the digital intelligence arena, including banking, retail and health care. Other industries would do well to learn from them, determining which of their strategies and ideas can be applied to improve their customer experience.

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