



IBM LeadershipConnect

Driving Transformation for Greater Value

Understanding Each Customer as an Individual

Tony Hocevar
Marketing Executive
Business Analytics
IBM Growth Market Unit



Seeing Customers as Individuals



IBM LeadershipConnect
Driving Transformation for Greater Value

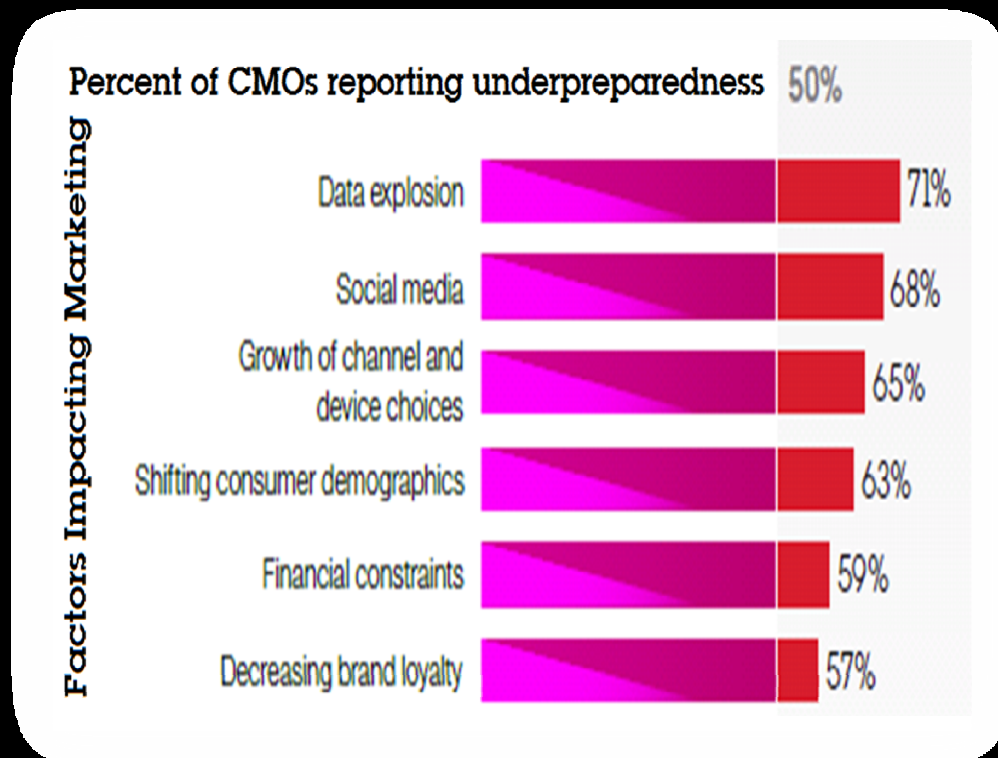
“Data is the new oil”

*Ann Winblad
Hummer-Winblad*





The CMO's Dilemma: Analyze Effectively or Drown



Global Chief Marketing Officer Study
IBM Institute for Business Value
2011

73% of CEOs identify customer insights as the most critical investment area

Global Chief Executive Officer Study
IBM Institute for Business Value
2012



*As the voice of the customer in the C-suite and an officer of the company, the CMO has the responsibility and, increasingly, the credibility to **lead a customer-obsessed transformation** of the business strategy.*

*Global Evolved CMO Online Survey
Q3 2011 Forrester/Heidrick & Struggles
Forrester Research Inc.*





Agenda

- **A Story**
- **The Process**
- **Next Steps**

Fly First Airline

Act
Predict
Analyze
Interconnect
Collect



Scheduling delays

Declining customer satisfaction


Declining revenues



Mission: Deepen Understanding of Customers

Act
Predict
Analyze
Interconnect
Collect

- Traditional data only tells part of the story



Overall, how satisfied are you with FlyFirst?

Very unsatisfied

Unsatisfied

Somewhat satisfied

Collect Sentiment from Social Media Sites

Act
Predict
Analyze
Interconnect
Collect



Connecting Customer Information

Act
Predict
Analyze
Interconnect
Collect



Web Click
Streams

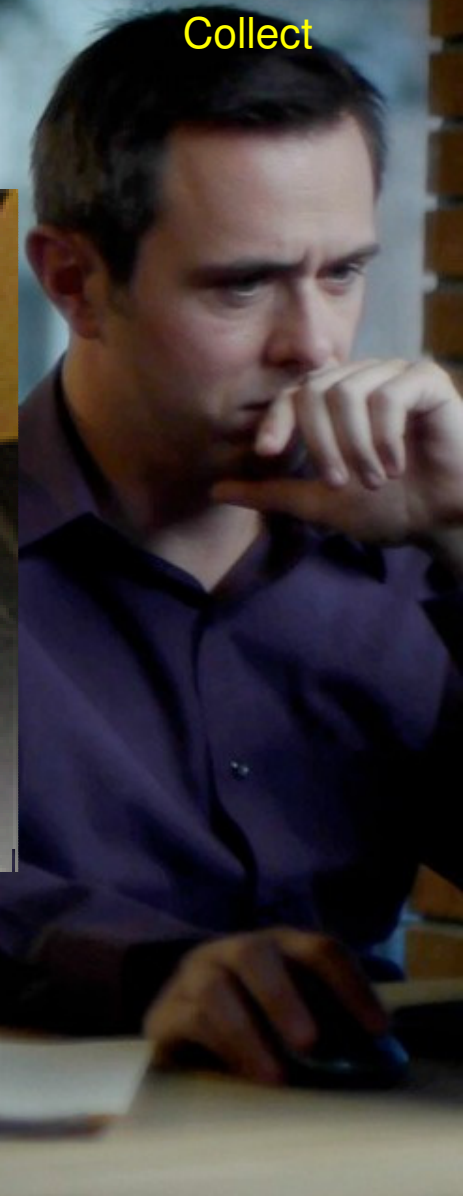
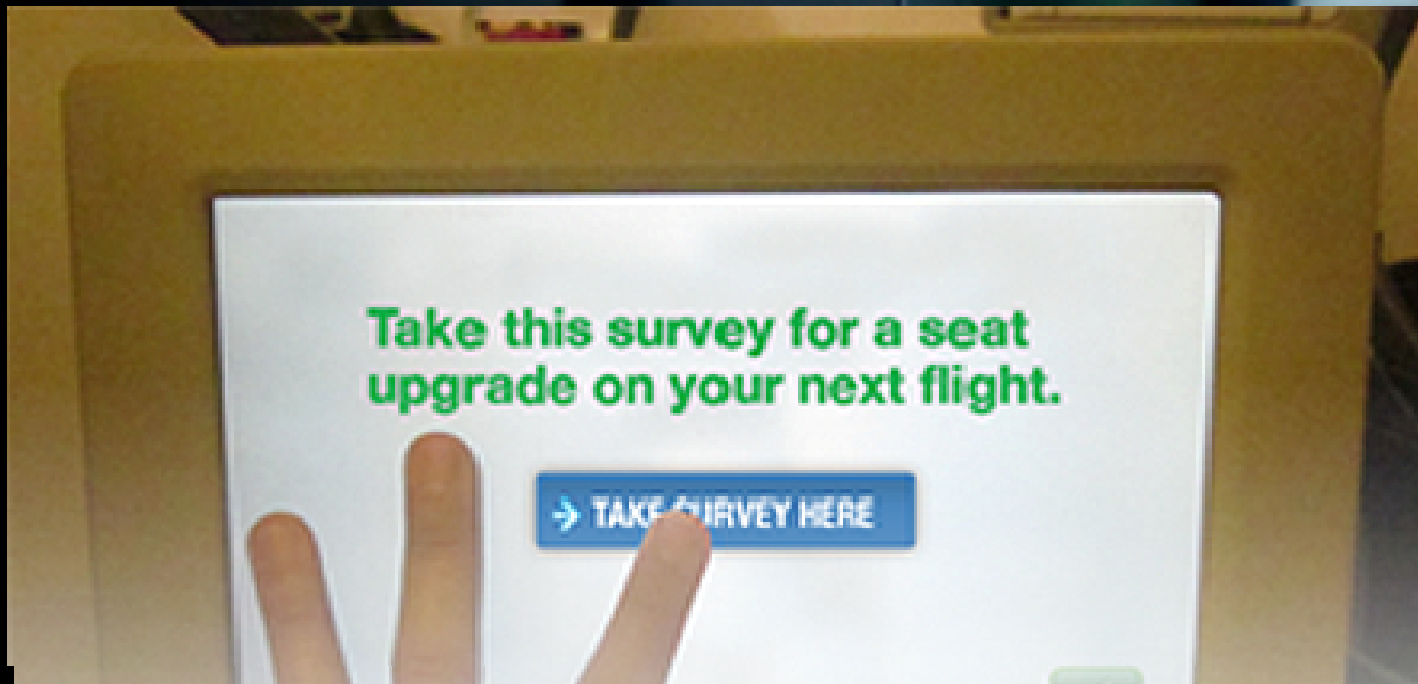
Social Media
Comments

Flight
History

Seat
Preferences

Filling Gaps Through More Data Collection

Act
Predict
Analyze
Interconnect
Collect



Draw Insights / Make Predictions

Act
Predict
Analyze
Interconnect
Collect

Most Profitable
Customers

Likely
Products
to Buy

Who
Has
Influence

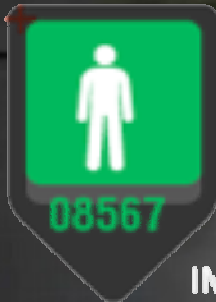
Most
Effective
Offers



Applying Customer Insights for Improved Customer Service

Act
Predict
Analyze
Interconnect
Collect

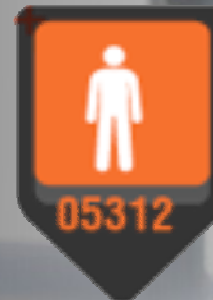
PASSENGER RECORD



RICK
BOOR **08567**

FREQUENT FLYER
BRAND AGNOSTIC
SOCIAL MEDIA INFLUENCER
LOUNGE PASS: NO
IN-FLIGHT MEAL: ENTREE, BEER

PASSENGER RECORD



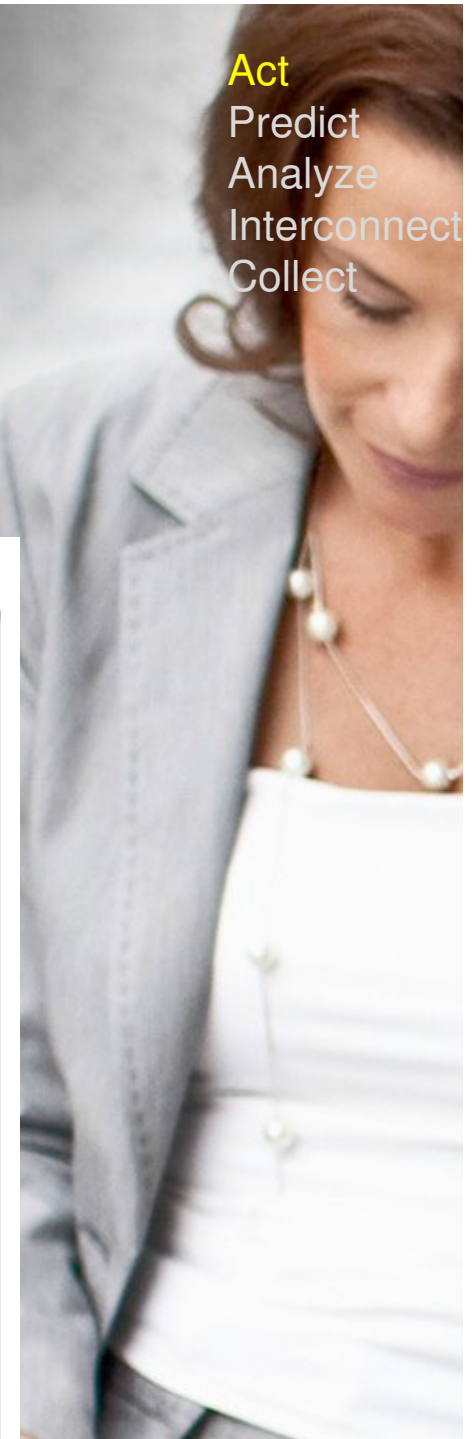
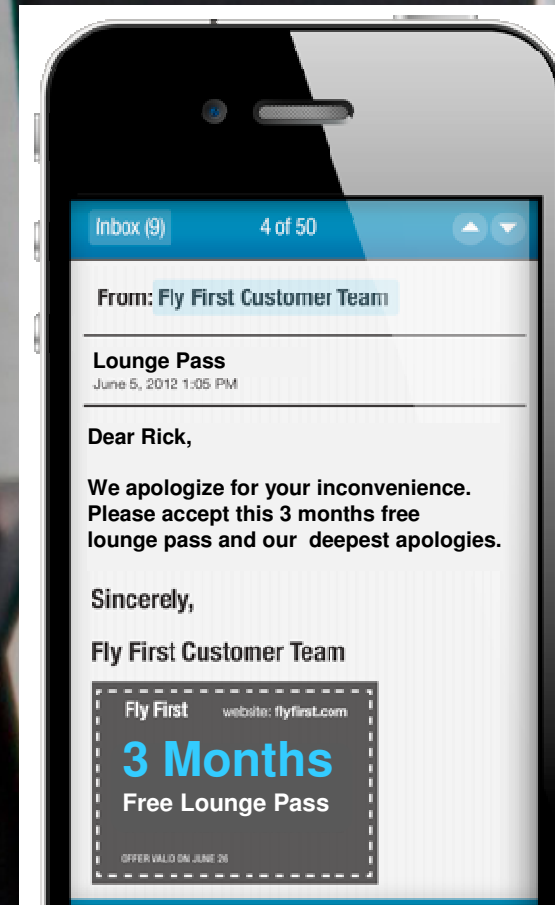
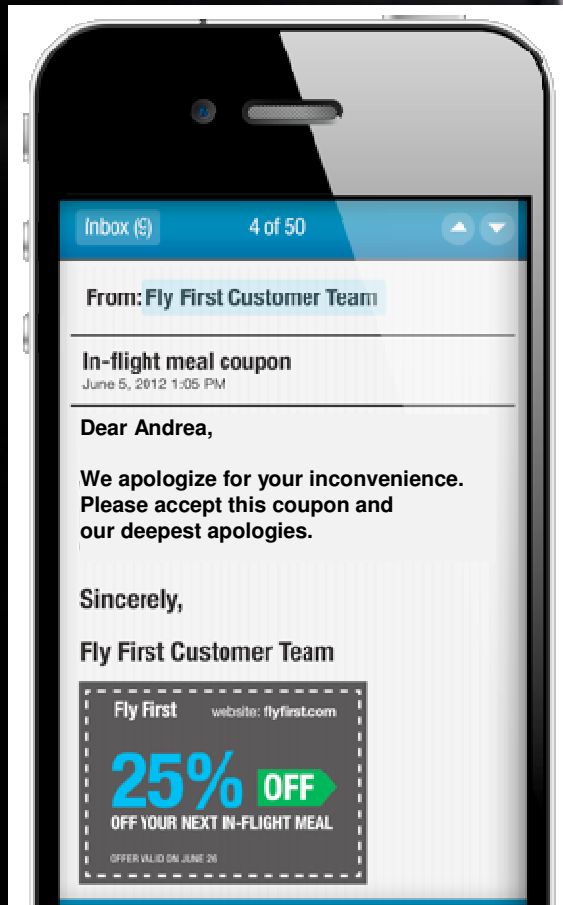
ANDREA
SMITH **05312**

FREQUENT FLYER
LOYAL TO FLY FIRST
SOCIAL MEDIA INFLUENCER
LOUNGE PASS: YES
IN-FLIGHT MEAL: APPETIZER.

Proactively Managing the Customer Experience

Act
Predict
Analyze
Interconnect
Collect

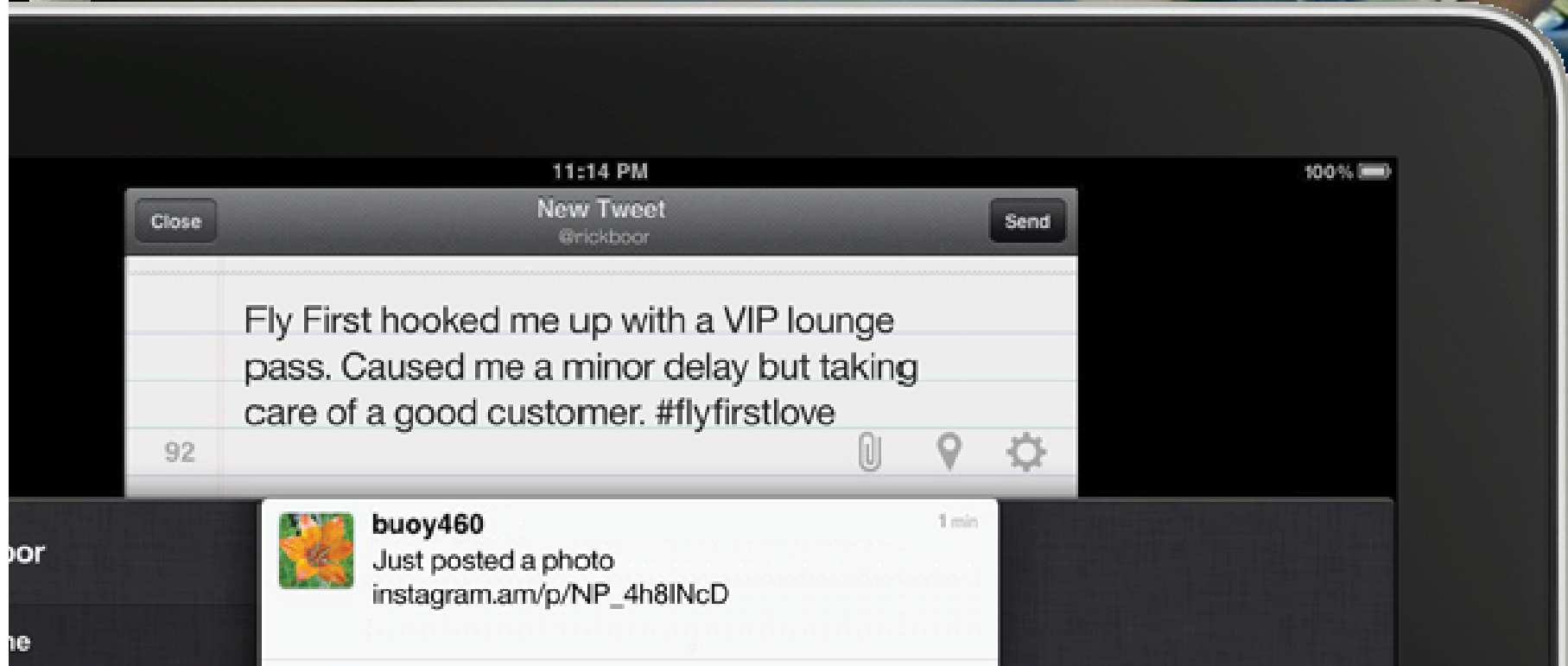
Problem: Mechanical difficulties have created a flight delay.



Analytics in Action

Andrea: Lounge – Flight – Discounted Meal - Happy

Rick: Lounge – Beer – Twitter - Happy



Impact of Applied Customer Insight



Social media sentiment

Customer Satisfaction

Frequent flier participation



Re-imagining the Path to Marketing Transformation

Imperative #1: Understanding Each Customer as an Individual

Collect

Instrument all the key touchpoints to gather the right data on each customer

Interconnect

Interconnect social media data, other forms of digital data, and transaction data to paint a more vivid picture of each customer

Analyze

Run the analytics at the right time on the right customer to generate new ideas on whom to serve and how best to serve that individual

Predict

Generate insights in real time that are predictive, not just historical

Act

Build the capability to do this at massive scale



Collect

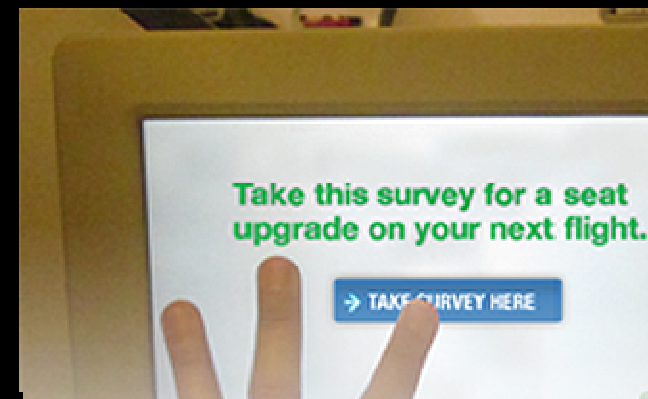
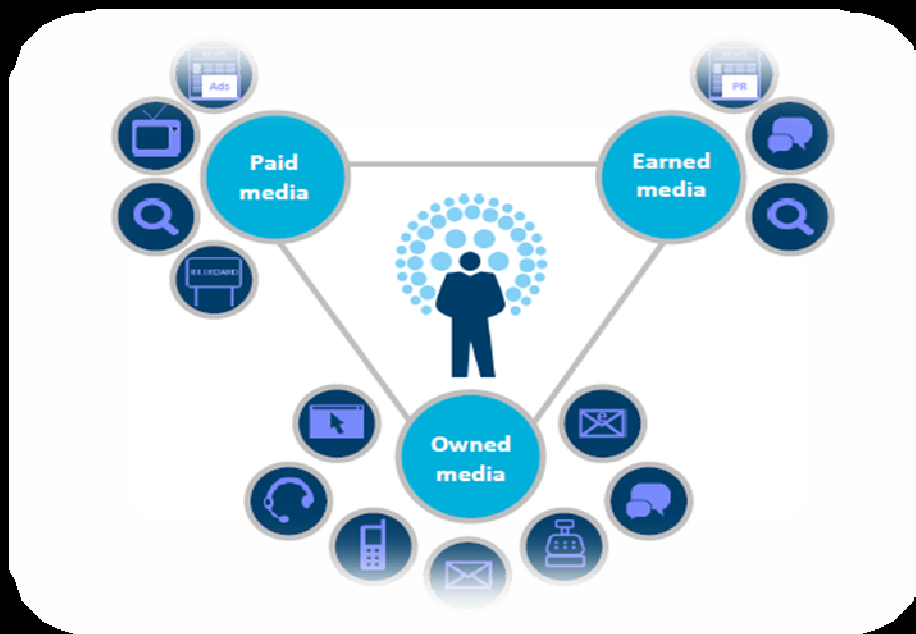
Interconnect

Analyze

Predict

Act

Instrument all Key Touch-points to Personalize the Customer Profile





Act

Predict

Analyze

Interconnect

Collect



Connect all the Customer Data...

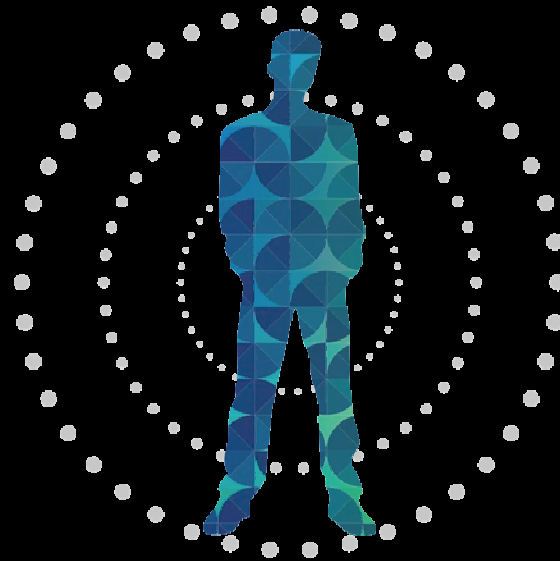
UNSTRUCTURED

Interaction data

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

Attitudinal data

- Market Research
- Customer Surveys



Descriptive data

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

Behavioral data

- Orders
- Transactions
- Payment history
- Usage history

STRUCTURED



...And Interconnect Social Media Data

*100,000+
discussion forums*



*Twitters, media,
reviews, etc.*



*2 billion+
blog
postings*



*30,000+
news
feeds*





Collect

Interconnect

Analyze

Predict

Act



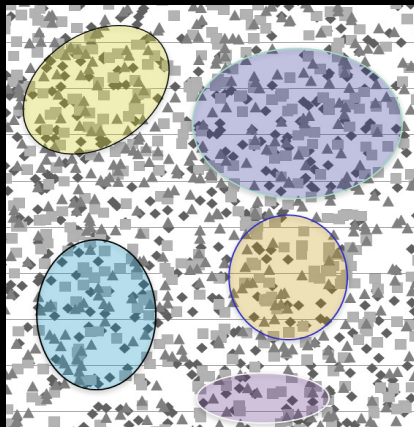
Pop Quiz

- **Johnny's mother had 3 children.**
- **The first child was named April;**
- **The second child was named May.**
- **What was the third child's name?**

Source: Forbes, 10 brainteasers to test your mental sharpness, Holly Green



Generate New Ideas... Using Powerful Tools



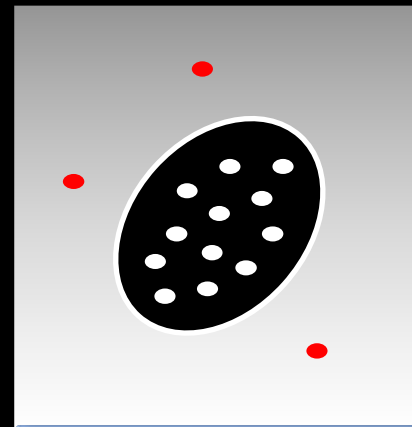
Segmentation

Find hidden clusters / groups of people



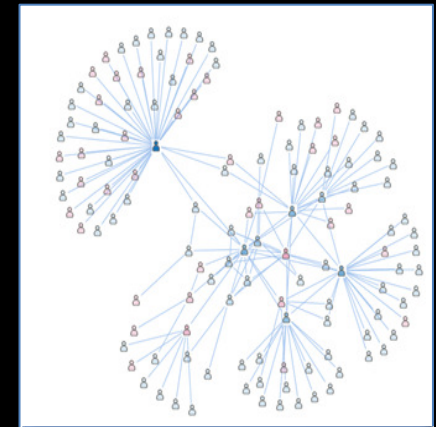
Association

Identify what events occur together



Anomaly Detection

Identify cases that are unusual



Social Network Analysis

Identify and target influential group leaders



Collect

Interconnect

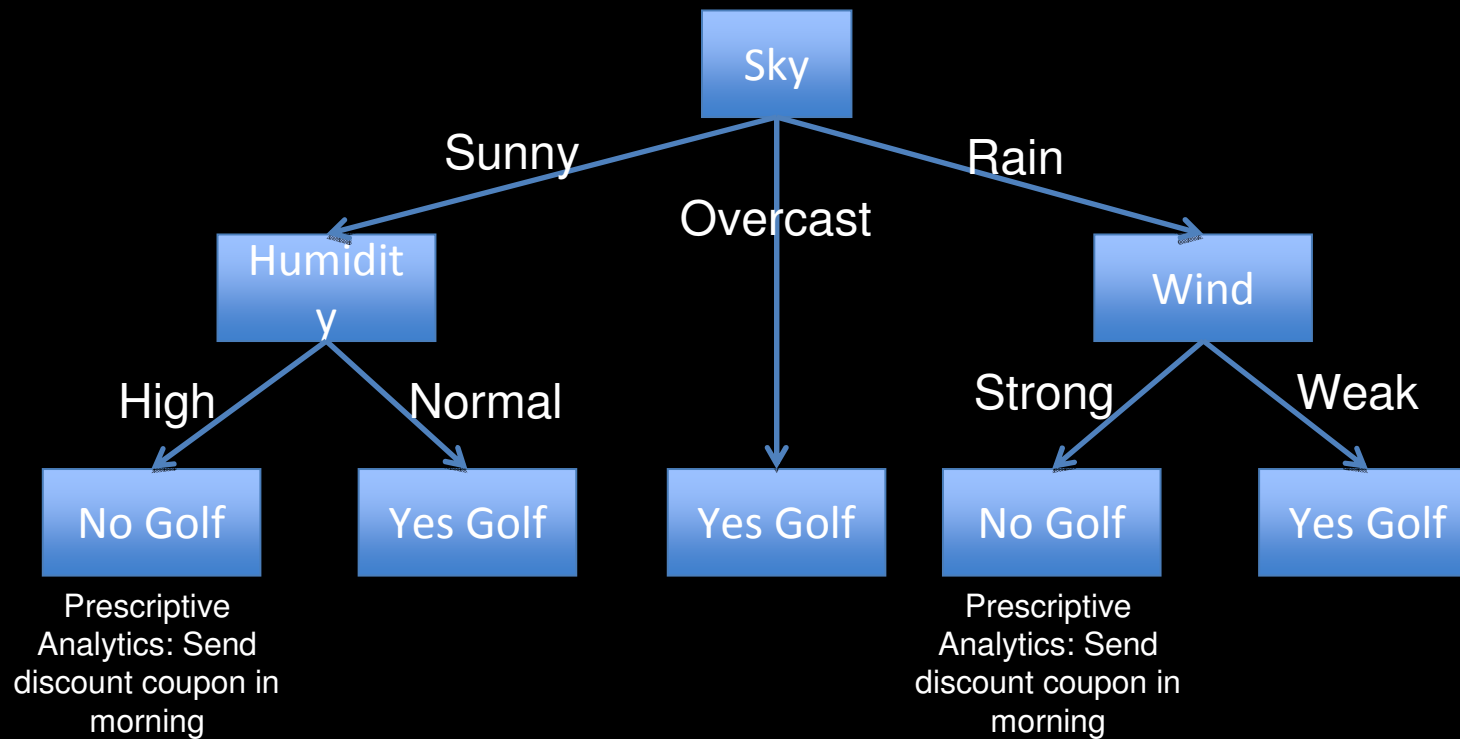
Analyze

Predict

Act

Generate Insights that are Predictive, Not Just Historical

- **Example: will Jim go golfing today?**





Act

Predict

Analyze

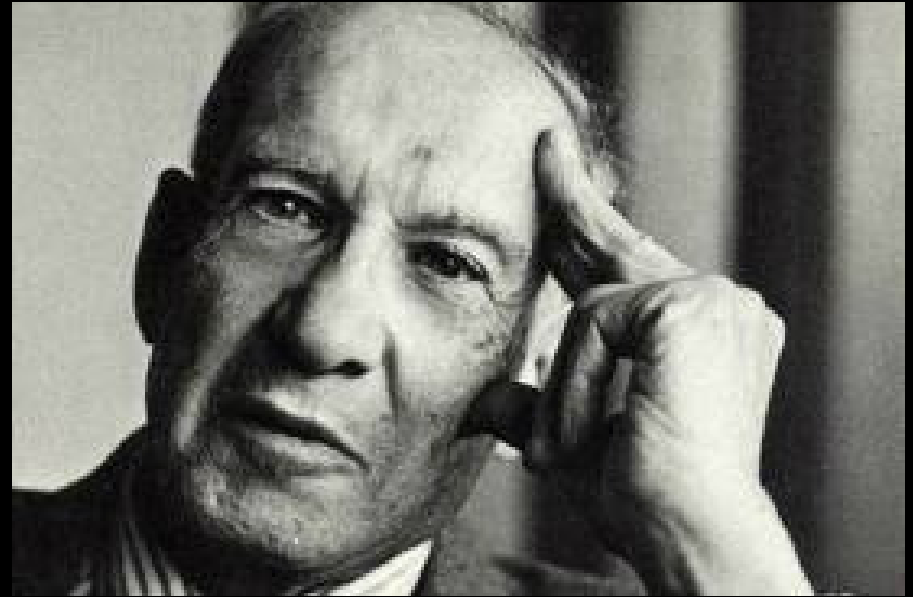
Interconnect

Collect

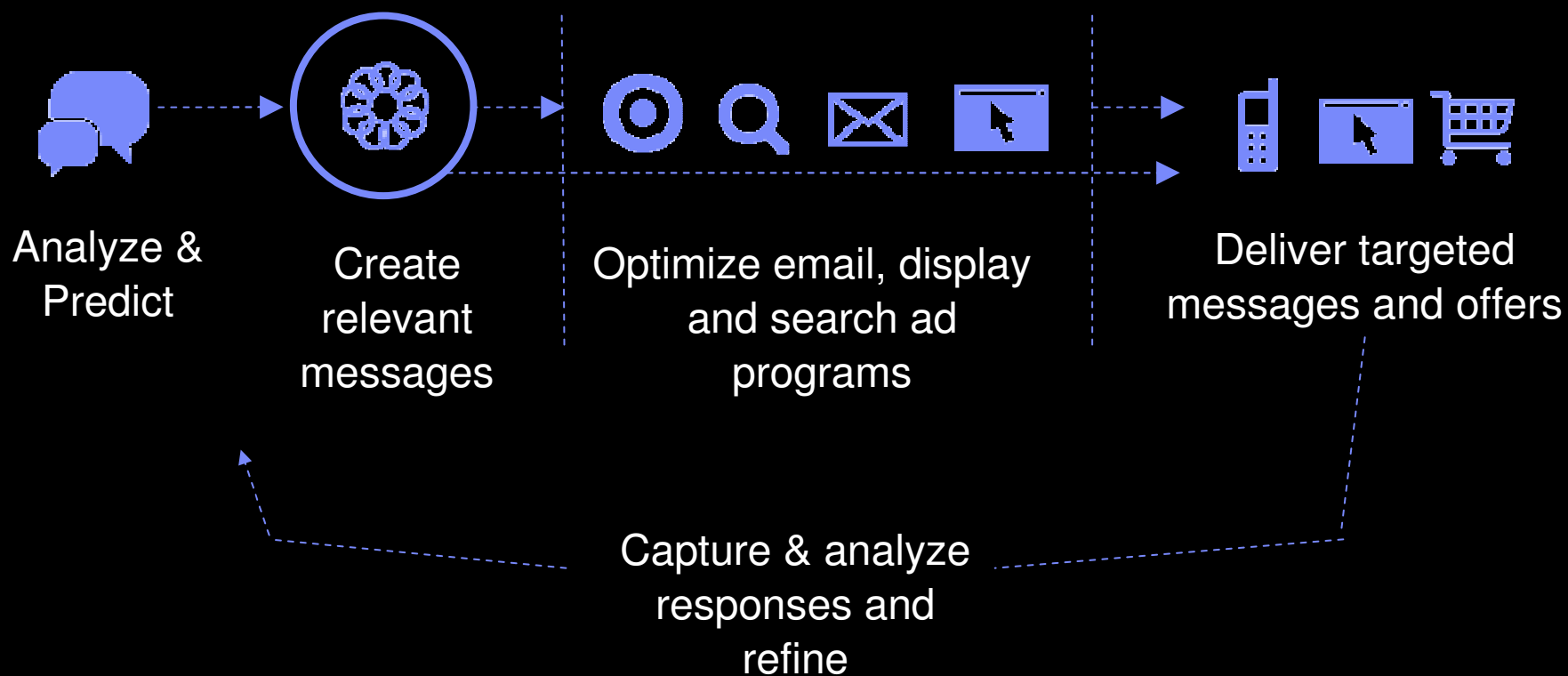


***“Unless a decision has degenerated into work it is not a decision; it is at best a good intention.*”**

The Effective Executive, 1967
by Peter Drucker



Deploy insights across multiple channels...



... And Drive Real-time Decisions at the Point of Interaction

Optimized decisions



Business
rules

+



Optimization

+



Predictive
analytics



IBM LeadershipConnect

Driving Transformation for Greater Value

↑ Act
Predict
Analyze
Interconnect
Collect

NEXT STEPS

Find projects that quickly delivers results

Analyze Existing Data



- Deploy analytics on existing data
- Most profitable customers? Cross-sell which products? Best offers?
- Act on the insights

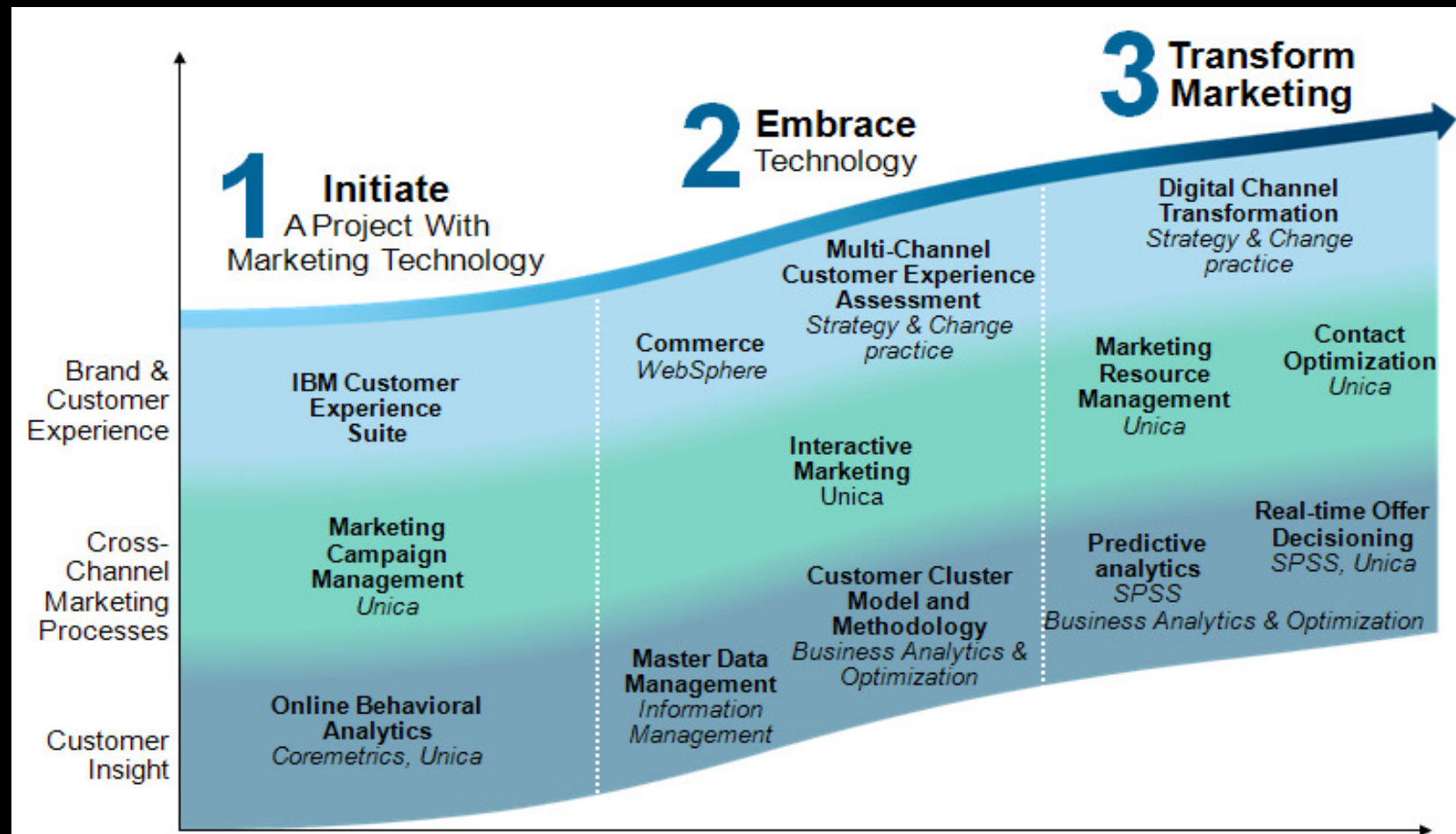
Optimize online and social experience



- Deliver targeted offers to Web channels
- Increase customer satisfaction



IBM delivers industry-leading capabilities every step of the way





Why Take the Journey?

- Understanding the customer is a CEO priority
- Opportunity for the CMO to lead this major business transformation!



IBM LeadershipConnect
Driving Transformation for Greater Value

The Right Tools in the Right Hands





IBM LeadershipConnect
Driving Transformation for Greater Value

