

Crystallising Your Heart's Desire

Ever wanted to predict the subliminal magic words that would make the buying masses part with their money for your product?

By Catherine Yong with compilation by Nur Atifi, Lydia Koh, Sharil Abdul Rahman, Mohamed Nazrin, Michael Kwan & Audrey Parent

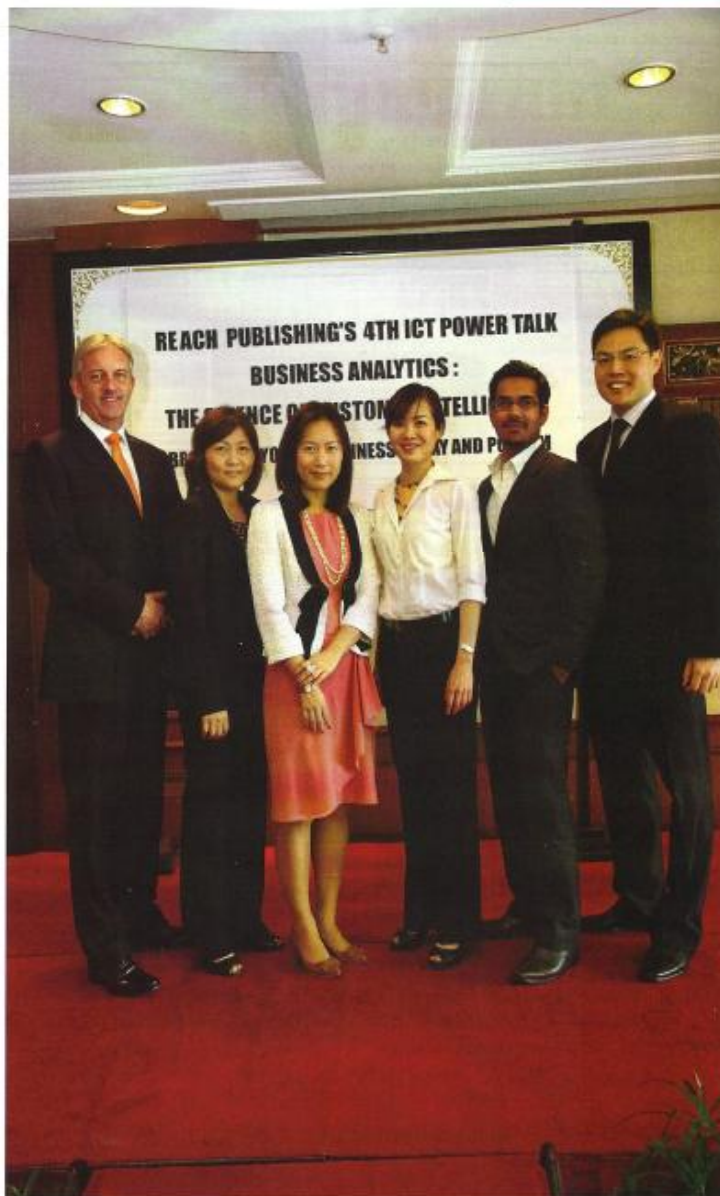
(L-R) Beardsell, Lim, Lee, Moderator Lee Ting Ting, Pranabesh and Fong

Information is power. But information that can give an idea of what the next course of action would yield, is the ultimate. Analytics and the whole business of trying to emerge trends and predict outcomes, is not an exact science. Outcomes and successes aren't guaranteed, a lot of times the element of risk is involved. But insight, that would otherwise have never emerged, at least gives decision makers choices and options about what to do next. Decisions are informed. A whole new world of possibilities opens up.

Customer intelligence, a discipline which can be said to be under the business analytics umbrella, in a way, opens up a whole new world of possibilities too. It's all about taking all the data you have learnt about your target market, and predicting... predicting why they would spend, what they would spend on, how and where and when they would take out their wallets...even how much they would fork out and for how often they would continue to. Amongst other things.

When a distinguished panel of analytics and systems experts gathered at Crowne Plaza to try define customer intelligence, crucial points were raised, one of which is that customers or the people whom you are trying to sell to, are not dumb. Spray and pray ads do not work anymore and the keyword now is "targeted." And to make sure the right ads are going to the right people, at the right moments, at the right amount of frequency, the more you know about your customers, the better.

But challenges arise. Privacy is increasingly being seen as a right to have and consumers are starting to fight to take back their data. Organisations are grappling with how to use social media, the first medium in a very long time, where they are expected to interact with increasingly discerning



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Profile



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consumers without being seen as fake or trying to sell anything. Whatever data that is collected, sometimes aren't high quality enough – they could be outdated, or compromised by company events like mergers and so on. And how is data going to be useful anyway, if they all sit in separate silos within an organisation? The PR department, the marketing department, the customer relationship department, the credit department and whatever else there might be.

These are just a few concerns that came up during the two-hour roundtable with the likes of SAP, SAS, Oracle, Experian and Frost & Sullivan.

Who shall prevail? Brand sellers and their high-tech analytics systems? Or unwitting consumers who do not know yet, they want to buy something from them?

(Roundtable session commences)

Understanding Customer Intelligence (CI)

Graeme Beardsell: I think CI has always been on the back burner. It has been part of the business intelligence and management intelligence, but I can say within the last 10 years with the increased focus on CRM systems, it has really brought forward the need to go much further than customer contact and account management information into customer preference and customer buying habit – the holy grail of CI. I'll also add that with social media becoming increasingly relevant to customers now – *it's not just selling customers the right product but the right product at the right place.*

Robin Fong: When we talk about CI, it is really looking from a buyer's perspective. But I think before we look into CI, we first need to understand from the seller's perspective – *what about looking into seller's intelligence.* Today we have so much information about our sellers, so much information about our suppliers from the social networks, or the Internet, or even from your mobile phones. There is no shortage of blogs or reviews of products.

So in that same aspect that we know about the seller, the seller needs to know about the buyer – and I think there is where CI is more and more important – not just from a CRM perspective but really from the aspect of how we can understand our customers better and sell them the right product so we can make sure we service them the right way. At the end of the day, it's all about increased revenue, perpetual sales and also improved customer relationship. I think that is really the key when we talk about CI.

Julia Lee: With social media networks, customers are putting information about what are their needs and what their preferences are out there in the open. So this creates another set of information out there, that we call "the voice of the customer".

You have your enterprise CRM asset and you have the voice of the customer out there. So where we see CI going forward is how you bring these two together and CI rightly put is not so straight forward. *It is not a simple evolution from CRM; it's about how you bring these two together and how you move from the old way of approaching customer*

intelligence.

Fong: *Talking about data, integration of it is where the biggest challenge is in CI, as there is so much data. You are not just talking about a marketing perspective, but also customer's satisfaction. At the end of the day, CRM was one-to-one, used to be the formal kind of perspective – now it is more virtual. You don't see the customers, but you know a lot more about the customers now. The data is much more than what you can get from a face-to-face perspective.*

Customer intelligence (CI) versus Suppliers Intelligence

Helen Lim: Well, indirectly, if we have customer intelligence, we have suppliers' intelligence as well, *because if you want to tap into them, they'd want to tap into you too, to know what you are selling.* So if you look from the perspective of the sellers' intelligence; we are sellers, we should know what to put into the market to sell. It's not so much about the investment; it's also the point in time – it is very important in terms of matching businesses – because things are very volatile. Things move very fast now, you can't wait for it. It's a very different perspective of what you sell, the whole scenario can change as well.

Beardsell: I think the holy grail is going beyond where Groupon is today – it's the fastest growing business right now. What they're doing is pushing discounts, coupons, etc to all over the market.

In Singapore, I'll get offered all sorts of different things that everyone would have. It's interesting but I'm not getting anything that's targeted. *So the next evolution of customer intelligence is taking all of the information in the social networks and get a better understanding of the customers and have more of that supplier intelligence and then targeting offers to customers that are product relevant as well as place relevant....* So I think that the transformation from an aggregator of general offers to something specific for a targeted customer base would be the real key of leveraging customer intelligence.



Profile



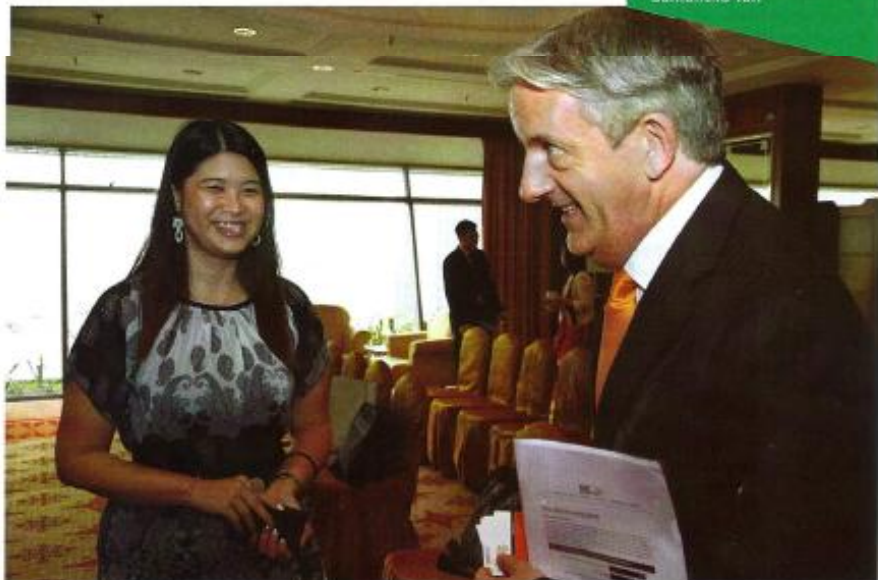
Graeme Beardsell
Chief Customer Development
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Pacific Experian

He is responsible for driving new business and product development, partnerships and marketing initiatives and managing customer operations across Asia Pacific. Beardsell is also a member of the Global Communications Council, Global Marketing Team, Telecommunications Industry Council and the Strategic Account Council. In the last two years at Experian, Beardsell led many successful launches of new products, including a first-of-a-kind software-as-a-service offering that delivers low cost marketing campaign analysis and ROI. He also established and developed strong relationships with customer executives and strategic partners across Asia, and was a guest speaker at numerous industry events around the region.

Pranabesh Nath: The customers see marketing as irrelevant and they see through it, so you have to find new ways of targeting the right people with the right kind of information so that they go for it. That's definitely the way, and the solutions that we see now, especially with social media, sites like Groupon. We have to evolve the way we move to have that kind of targeting solutions for our market.

Beardsell: I'm not sure if they used much intelligence, perhaps intelligence about the sellers, because they know what offers customers or sellers

Graeme makes small talk with Swot Communication's Samantha Tan





Roundtable participants convene around a square table as Reach's publisher, Selva Rajan shares a few welcome words.

wish to place, to create stock or to bring people to their sites, and keep them on the sites, but I would argue they don't know anything about buyers because it's a general blast. In order to sign on to Groupon, all I had to give was my name, my email address and my location. They didn't ask for my address, my demography, my interests, desires, etc, nothing. So I think that's the next step.

Lead industries for CI usage

Lim: In the retail industry, there are a lot of companies that have begun to leverage the use of CI ... you can see that these businesses are moving forward to have a little bit more understanding in that respect. I think all of us have loyalty cards and nobody bothers much about it ... now you can see that there are trends that show a little more interest. They're trying to get information from you so that they can do more targeted sale. So I think retail is one of the industries that are moving in that direction. Banking started a while back, but they're not at the brim, there's a lot of improvement that can be made as well.

Lee: If we go back to the banking organisation, having used CRM since many years ago, the volume and speed of data collection will be tremendous. It is similar for telcos. So, how do you go beyond the next step of CI? It all comes down to that real-time decision, to decide on the spot during first point of contact, when a customer calls you. How do you react? ... I think we are excited about the trend, but we have yet to get there still.

Beardsell: Back to business, it all boils down to scenario planning. It is about testing what is going on in the social media space or blogosphere, and then running some different scenarios for your business. That is actually a part of analytics, which is probably music to all of our ears. It's the capability to not just take static data about

the customer, but to use that overlaid over some demographic data and do some scenario planning. You are more able to adjust in kind of real time to what is happening in your consumer base.

Drivers for CI

Beardsell: At the end of the day, it's all about business. This top line about turning marketing from being a cost centre into a revenue driver ... Look at a bank, an average customer has 1.4 products; how do we get that customer to 2.3 products - what marketing money can we port towards moving that business metric.

What is it that drives that? To a certain degree, marketers in very recent times haven't taken a business case-driven approach to marketing spend and CI can help with that.

Fong: I guess the key about CI and in the context of the marketing department is about targeted marketing. One of the common trends and issues in the marketing department that I see is that a lot of the marketing campaigns are just "Spray and Pray" - I identify a few campaigns, let's go and execute, and hope for the best. A lot of times, the effectiveness of certain campaigns and promotions are really in question.

How CI can really help is to mine the data and get a lot of valuable insights of the existing customer base. Don't forget that the biggest revenue that you can get is from your installed base - cross sell, up-sell, whatever sell. The problem is, that we do not know much about our installed base beyond the last transaction they did maybe three years ago ... just by selling to the installed base you are able to grow your revenue a lot, and you will be able to do a lot more targeted marketing.

In that sense, CI will be able to help from an installed base analysis- targeted campaign perspective and then slowly graduating to



Profile



Helen Lim
Director of Software Solutions,
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Lim has over 20 years of experience, both with vendor and users, focusing mainly on the financial services industry. Her primary role in SAS is to provide consultancy and advisory to customers on how business analytics can help to address various challenges faced by the different industry. She also has vast experience in product development, project implementation, project management, and business consulting.

white space and something like that. Those are the investments that will really justify CI in the marketing department.

Pranab: The other important thing is how do you improve customer service? That's a very important thing especially if you look at the contact centres in the industry. Their entire motto is to improve customer service. If you look at the existing channels that they use, e.g. IVRs, they really need to use that to improve customer service, call

resolution times, all kinds of measurements they need to have.

So now what these contact centres are trying to do again is to leverage on social media. A lot of them have social media teams that's separate from the marketing team, where they have monitoring, profiling of customers based on different networks they are using. But it's still a young industry as of now, but it's definitely something worth exploring.

Hindrance to growth

Beardsell: One of the problems was, even though we bundled all the three things together in one solution, only one or two of them were used. The true holy grail for CRM is having that end-to-end customer view from prospecting all the way through to a consistent relationship in a customer service fashion. CI goes a bit deeper. It's taking customer preference data, it's taking demographic data, it's enhancing what you get through a CRM, which tends to be transactional or opportunity based.

Lee: Nowadays when we talk about intelligence, how do we make it highly available and actionable and even fun or mobile? Many of our clients are coming to us and saying, "Look, many of my field operations and sales force are out there in the open because they need to be closer to the customers, closer to the ground. There's a surge in iPhones, iPads, mobile devices; how do we make sure that the data that they look at is simple for them to understand but simple to act on it as well?"

So where we see intelligence 2.0 going forward is this whole other aspect, it really goes beyond a mere CRM system.

Fong: I think CI, rightly said provides a platform to do actionable insights in a collaborative way, etc. I think it is important to understand the limitations of CI or CRM – it does not replace, is not a replacement, and is not a substitute for superior customer interaction, it is not a substitute for superior service and the whole culture of customer-

centricity is not a replacement.

It helps, enables, facilitates, but at the end of it is the culture within that company. How much do they value customer service and how much of that is ingrained into the DNA of the company?

Lim: CI is not a technology, is not a software solution, it's not what you buy, it is more than that. It runs from the top as well, the whole business strategy. So from the top perspective: what does management see, you want it just to be the revenue or as holistic. Looking at the whole perspective of satisfaction from customers to grow your business rather than growing new business because it is also a journey from the single customers from the next generation as you see it rather than the current today's generation of people that you sell because you have to look at a longer perspective.

Pranab: Another thing is when you are a company and you are trying to grow, that is when customer service is so important. And you focus more on customer service because you notice that companies that are on top of the heap do not pay so much attention. That happens a lot of time and it is common across all countries.

Customer service and company DNA

Beardsell: When I presented to a CEO or to the executive board, the first slide was the most important factor in success and it was the picture of the CEO. If the CEO doesn't buy in to the concept of customer management or customer intelligence, then there is no point.

We get that a lot because we see the modelling tools, we sell the data analytics tools, we do the what-if scenario planning and we get that a lot customers are sold on the ideas of what the tools can do but that implementing them in their organisations are very difficult. We are trying to crack that at the moment – is it a training opportunity for us, is it a market-shift that hasn't arrived yet, therefore the kind of innate skills ... If you can get some of the



Profile



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Fong is responsible for the development and implementation of the go-to-market strategy for Business Analytics in South East Asia. He drives strategic growth initiatives like Purpose Built Industry Specific Analytics, In-Memory Computing and Enterprise Performance Management. As a domain specialist, Fong also provides thought leadership and solution expertise to customers and partners and is a regular speaker at industry and IT events.

skills into marketing I don't think we will have those problems, but today we do see these problems.

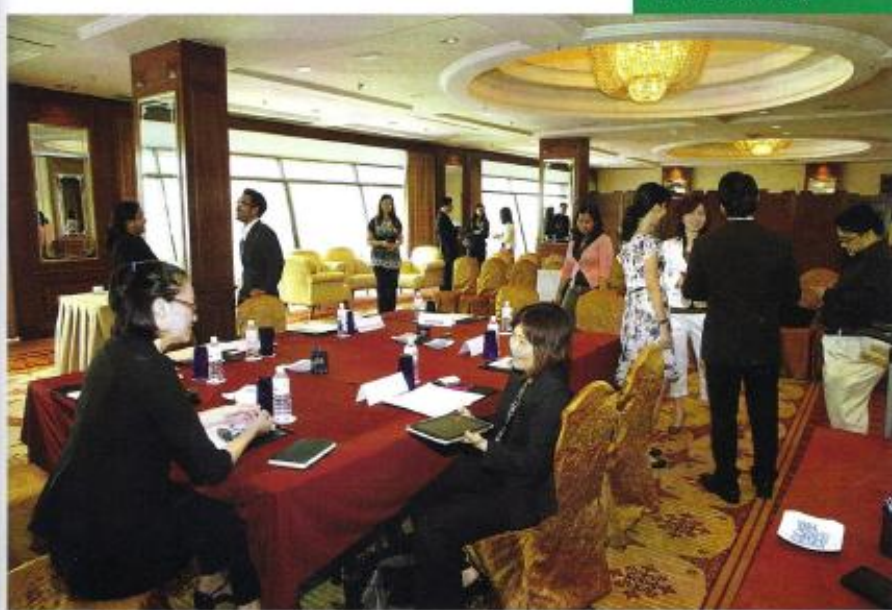
Lee: Technology is an enabler; the technology has to be something that is easily understood and adjustable and that is the evolution of intelligence as well. Again it gets back to the issue that it gets simpler, more mobile, and more fun. Now, saying that technology is also an enabler, when it comes to giving that platform I suppose, when we work with our clients for example we always ask them what is your organisational goals at the senior executive level. Finally how do we use technology as an enabler to put everybody on the same page? So everybody knows what are the goals first of all and how do they interlink all of that to all of the processes and real customer analytics is done in the proper way is to bring it to every level in the organisation, everybody is on the same page, everybody is aware. I am not saying that technology is the be-all end-all but it is a critical enabler for this process of unifying and ensuring that all the employees know that the goal of the organisation, whichever that is.

Fong: I think one of the key missions' outcome today is they (companies) bought the system, but they are not really using it. One of the key reasons is because it might not be that user-friendly or it is quite cumbersome. So right now we talk about analytics or CI, one of the key fundamental factor is that it has to be very easy to use, it has to be pervasive ... So the question is why is enterprise app not like that (Facebook or iPhone/iPad)? So the whole design and the interface and the way we use it is supposed to be like that so when we achieve that type of level then I think adoption will be secondary, it will be a given.

Customer Intelligence 2.0

Lee: Business analytics 2.0 is supposed to combine the real usability part but it goes beyond that so for myself for example, I look after fifteen countries, I use BI. I would die without BI ... so 2.0 is very easy to use – I understand the data, simple layman can play around an iPad, analyse data but you should be equally empowered to say I need to

A moment of levity



execute the next step, I need to execute the next section. That is what 2.0 is about.

For customer intelligence and business intelligence, there has to be integration with the business process. Where do we see evolution ... how do you drive the intelligence capability embedding it to the business process itself that will give you complete end-to-end closed loop analysis so it is not just about how pretty or how easy it is on the iPad but how do I, as a business owner or as a business analyst, in a current business organisation, execute the next step on time real-time – that is very critical.

Beardell: I think it is the same, I mean I like to see a dashboard of products of the customer, customer per industry, marketing expected ROI, tactic effectiveness, what's happening in seven and eight countries at any one time during a month, so I'd like a competitive dashboard just like that. The BI dashboard for managing sales, I absolutely agree with Julia. It needs to be fuel gauges, charts, charts, colour, it is the only way to operate but I do feel we need to take it into CI as well.

I'll admit it, some of our tools are not that easy to use necessarily, they hand a lot of power to people who understand how to apply what they get from tools for any average business manager to access them in a very user-friendly way.

Lim: Once upon a time, it is a powerful tool for the powerful users who know how to do it without explanation but looking at the average user it should be something that is accessible via click of the button and you go to next step so that is the next step we vendors are going towards that direction.

Customer Privacy and CI

Pranab: Privacy is a very, very key issue that everybody faces. When we think about privacy, I think banking data is very relevant. You see this more in consumer segment, FMC², the telco space... when I got a new SIM card and turned on my phone, I got five spam messages even though I haven't given my number to anyone. As a user when you think about what's happening, they've already sold my data to someone else, and you feel violated somehow! ... That issue is very important and has a lot of implications. Somewhere, we'll have to

FROST & SULLIVAN

Profile



Pranabesh Nath
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Pranabesh Nath is an Industry Manager with the ICT Practice at Frost & Sullivan in Asia Pacific.

He leads a team of analysts specialising in studying the market trends and developments in the conferencing and collaboration sector in Asia Pacific. His core research areas include video conferencing systems and solutions, telepresence, as well as audio, video and web conferencing solutions and hosted services.



Altogether again, and this time with Reach Publishing's Business Today Editor Vino Nair and PC.com's Catherine Yong

draw the line. A lot of things are in the grey and the customer, the consumer, doesn't always know what's really happening. That's another issue as well.

Fong: In any CI system, or in any IT system, security is one of the aspect that is already a given. All software, whether CI or ERP or whatever, comes with security built-in already. The system will prevent you from, for example, accessing data you are not supposed to access. But the system can never stop you from divulging the assets that you have, to someone else. From that aspect, I think it has to be dealt with by regulation and legislation. If someone abuses the information, they will have to be dealt the hand of the law.

Beardell: Permission-based marketing is the key. We have systems that manage campaigns with customers – emails, SMS, MMS, social media campaigns – and it's all permission-based. So we are very, very focused on making sure that mailing lists of customers that we put into our servers are permission-based or legitimate lists. So we try to filter, so we don't get into that situation.

Pranab: I don't think regulation can really stop that trend (messaging trend). Your intent is to make money, basically. I mean look at all these people, they are just numbers and you're saying, "I think I can make money out of you, and I don't care about what's happening and I just go ahead with it." Sometimes there are a lot of grey areas, and sometimes, it's not quite clear which side of the law you are on.

I guess the other thing is, in terms of concept, there is a shift from having privacy as a right to have rather than privacy as a good to have. There is a shift happening already. Something like this is a much larger trend. I see this happening in Malaysia.

Implementing CI

Fong: One of the things right now in the BI or analytics market is that customers are moving away from buying BI as a tool ... what they really want is a solution. So from SAP's perspective, where we are moving to is this thing called purpose-built, industry-specific analytic applications. Basically, these are analytic apps pre-built for specific industries. You don't have to start everything from scratch. You adopt the best business processes, best practices so that you can get the system up and running, pre-built with all these, and that is the direction that SAP is heading towards.

Lee: There's a need now to bring all these various data sources, within the organisation or out there amongst the various channels, and bring them together in a form that makes logical sense, and in a form where the right attributes are there, to make sense of the data, apply the intelligence to it, in order to have a better view of the customer... Back to the earlier point about the whole 2.0 concept. It's not just BI and being pre-built. Nowadays all of us are expected to give the industry content, it's there, it's delivered. But then how do you integrate that layer of intelligence back to your business process, how do you go that extra step in that direction. That is the key direction that we feel is most important.

In order to have the most benefit or value from investing in CI is that actionable step that you need to take ... that technology has evolved to support that and for us, we have just brought together BI with BPM (Business Process Management). I think companies and a lot of clients are seeing this value and they are seeing that it makes sense.

Lim: I mean if you look at the bigger perspective of things, you look at it from a risk perspective as well; not just the CI perspective. In a lot of cases, yes, we have the models, it starts with a department as well – how do you grow it across the enterprise whereby it's the same kind of perspective that is being used. In a lot of organisations, it's probably starting from a risk, from a CI perspective, but these two are never really integrated together. That's always the missing link. It used to be that I would go ahead with my business and risk management would be so cautious and finance is on its own again, so it's all looking at different KPIs in a way. Yet how do you synchronise the KPIs?

Beardell: I think to a degree, trust goes into the relationship that you have with that company Managing your data, managing your customer profile, and delivering what that customer wants, at a time and place that's relevant, at a price that's relevant, will build trust. So I think brands use social media, competitive intelligence, to build a better, not just a one-to-one relationship, but a segment relationship.