

Tap On Customer Intelligence

Gleaning on intelligence from the volumes of data available in and outside an organisation

Time and again, the topic that has come our way at the ICT Power Talk Series has proved to be enlightening and the recently concluded session does not disappoint. With a power-packed title "The Science Behind Customer Intelligence", the session had many terminologies and questions thrown about and rightfully so, seeing as the discussion brings us to the very crux of the problem for most businesses – understanding their customers and better targeting products to meet their needs.

One would feel with the scores of products being dished to the market on almost a daily basis, there would have been months, if not years, of research and development that went into the product. While this rings true for many, an interesting point was brought up by one of the participants of the Power Talk session.

Says Graeme Beardsell, Chief Customer Development & Marketing Officer, Asia Pacific of Experian: "I was looking at a research in Malaysia where about 500 CMOs (chief marketing officers) were polled about what their biggest challenges are - 53% of them said that lack of customer insight was their biggest challenge."

Imagine, more than half of the CMOs have little clue of what their customers' might want to see from products or what companies are marketing and this sets the premise for customer intelligence (CI) in almost all businesses or more specifically marketing plans of companies so that they can better target and achieve success in their marketing initiatives.

Other participants of the roundtable session on the fine July morning in the capital city also include Robin Fong, Senior Business Development Manager, Business Analytics & Technology, SAP South East Asia; Helen Lim Director of Software Solutions, Pre-Sales Support, SAS Malaysia; Julia Lee, Sales Director, ASEAN, Enterprise Performance Management & Business Intelligence, Oracle; and Pranabesh Nath, Industry Manager, ICT Practice, Asia Pacific, Frost & Sullivan.

Unleashing customer intelligence

While the science of customer intelligence has somehow been a little on the mysterious side for many businesses, technology has to a large extent been able to gather the mountainous amount of data that is available from within and outside a company, and make sense of the information, thus feeding intelligence back to the company's product development and marketing teams.

It is not so much about buying a software with CI, it is about the power of the information a company personnel has when faced with a customer and how they can make the customer stay, spend more and influence others to buy from the company.

In this new age and day, social media has very much been able to do the latter for many. If you like something, or even dislike something, chances are a whole lot of your friends will know about.

Social media has also helped companies create brands and this has been possible due to the fact that many companies understand, through CI, how people can make or break brands.

Frost & Sullivan's Pranabesh explains: "Social media is definitely one of the ways. I guess the challenge comes from how do you define the matrix, what kind of measurements do you put to see that a brand has increased, and probably different companies have different perceptions of what it means to be a high-brand company ... That we see is a key challenge."

What also makes CI an asset for businesses is the intelligence it provides organisations. In the past, scores of data were available to companies yet intelligence from these data was only for select eyes. Yet

SAS' Lim says this has changed.

"These days to be customer-centric or to have a single unified view of the customer, you need so much data points in a single view. There is 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 to the personnel who is out there."

An example of how CI can work is aptly provided by SAP's Fong. "We can use the concept of CI, not so much in the commercial space, but in the political space. Singapore just held its elections in May. Never in the history of Singapore have we seen so many issues being surfaced – not in the main media, but in the social network. I think the government really got a wake-up call since they got an unexpected result. Had they applied CI a lot earlier, they would have been a lot more effective in addressing these issues and requirements of the customers, which are the voters. The results would probably be a lot more favourable."

However for CI to work in businesses, Oracle's Lee believes it has to be broken down to four prerequisites and they are Integration, Relevance, Actionable and Manageable.

She enlightened us on some of the points: "Integration isn't just about integrating data onto a common platform but ultimately, about controlling the total cost of ownership. Making investments worthwhile in the first place and also justifying the business needs. For relevance, how to make BI relevant to the business point sell? Thirdly, it (CI) needs to be actionable; how you link intelligence into your business process. And the final point is manageable – how do you make it as manageable as possible?"

She concludes with a cautionary note: "Just because a system has to be manageable or simplified for deployment, you still cannot compromise the key areas of security; you need a common layer for that; and you still cannot compromise on performance and scalability. For us, that is the four broad areas."

Intelligence to the Fore

Industry players espouse customer intelligence to better understand customers

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 walk 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 straightforward. 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.

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.

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 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 royalty 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 bank 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 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 is 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



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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.



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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.



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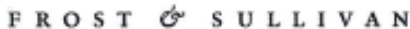
Lim has over 20 years of experience, both with vendor and users, focusing mainly on the financial services industry. Her primary role in SAS is to provide consultancy and advisory to customers on how business analytics can help to address various challenges faced by the different industry. She also has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



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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 engrained 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 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 processes of unifying and insuring 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

Enterprise 2.0

analytics or CI, one of the key fundamental factors 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

Lcc: 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 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 integrated 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 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.

Beardsell: 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 have 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 knows how to do it without explanation but looking at the average user it should be something that is accessible 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, FMCG, 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 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.

Beardsell: 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.

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: And you even integrated, 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 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?

Beardsell: 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 using social media, competitive intelligence, to building a better, not just a one-to-one relationship, but a segment relationship. ■