How
ANALYTICS
Bring Organizations
Closer to
Their Customers

King Fish Media
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Sponsored by IBM Business Analytics

Everybody these days talks about the importance of getting as close to the customer as possible. After all, the name of the game in sales is to establish as intimate a relationship with the customer as possible.

Unfortunately, very few organizations achieve such levels of intimacy with their customers. In fact, most of the relationships between vendors and their customers today are transactional. The trouble with that, of course, is that when the relationship between a vendor and customer is just about the transaction it becomes relatively easy for the customer to replace one vendor with another.

The reason this situation is an all too common problem is that it's hard to create a meaningful relationship with a customer that you know very little about. Unless you can contribute something that adds meaningful value to the customer's business process your organization is really just one more replaceable element of an extended supply chain that the customer needs to manage.

Information, on the other hand, is power. If you can provide that customer with critical insights into a key component of their business process or provide a unique service that is specifically tailored to increase the satisfaction of that customer, your company is no longer just another supplier. Instead, your organization becomes a strategic partner that is irreplaceable because it empowers the customer with relevant information. The ultimate goal should be to use that information to anticipate the needs of your customers even before they themselves know what it is they might need next.

The good news is that social media is providing organizations with a plethora of data about their customers. Marketing departments, for example, can measure the effectiveness of campaigns by assessing consumer sentiment expressed in social media channels; combine attitudinal and survey-based data with social media sentiment to anticipate and target new segments; sell better across multiple channels; and ultimately predict close rates for new orders. Ultimately, the end goal should be to personalize marketing messages in a way that allows the organization to narrowly target specific customers based on the knowledge of the customer they already have.

In fact, the four phases of attaining that level of customer intimacy, as identified by Peppers & Rogers, a marketing consulting firm, are to first identify customers as unique addressable individuals; differentiate them based on their value, behavior and needs; establish a mutually beneficial learning experience and then customize your products and services accordingly.

To achieve that goal marketing departments both large and small are investing in business intelligence and advanced analytics that help them to predict what customers are going to need based on the history of transactions your company has conducted not only with that customer, but hundreds of similar customers. Better still, you can now predict what medium they would like to be contacted through, when the best time to communicate with them is, and even how to create a message that will appeal to them most.

Armed with that information, your sales organization can then make proactive calls on that customer that not only educate the customer about your goods and services, but also educate them about the next series of steps they should consider given their previous investments in those products and services, which in many instances your organization is now more likely to have identified before they do. In fact, it's the need to get closer to the customer that is leading so many companies to treat marketing increasingly as a science that drives their sales engine because marketing is now passing along more qualified and targeted leads. That improvement in lead generation ultimately compresses the sales cycle by giving the sales staff the information they need to get closer to the customer, which in turn allows them to have a more meaningful dialogue about the specific products and services that potential prospects might be interested in.

In fact, a recent IBM study of CEOs found that getting closer to customers is one of three prerequisites for success in the twenty-first century. CMOs obviously are being tasked with accomplishing that mission. But the ways in which companies engage customers is more diverse than ever, resulting in a huge amount of complexity. In fact, a separate IBM study of CMOs found that the four major challenges facing CMOs are data explosion, social media, proliferation of channels and devices, and shifting consumer demographics. Collecting all the data needed to manage marketing as a science

is only half the battle; applying analytics tools that make it easier to identify risks and opportunities has become mission-critical. In fact, nearly two-thirds of CMOs think return on marketing investment will be the primary measure of their effectiveness by 2015. The value of those marketing investments can't be accurately gauged without some sort of advanced analytics capability being in place.

None of this is lost on CIOs either. A recent IBM study of CIOs found that business intelligence and analytics are of the utmost importance when it comes to increasing the competitiveness of their organization over the next three to five years. When asked how they will achieve that goal, roughly two-thirds of them identified customer analytics and related enabling technologies as strategic investments.

Leveraging analytics in particular has been proven to help organizations achieve customer intimacy goals. Many companies have found that the most effective results are obtained by using business intelligence software combined with predictive analytics. It is not uncommon for organizations to monitor and measure their historical performance using these tools. This allows them to spot trends in customer behavior that need to be addressed. An integrated planning/budgeting/forecasting system allows companies to then take action by aligning operational tactics and financial goals. The most successful organizations go one step further by employing predictive analytics to understand what customers most likely are going to need or want next.

Sophisticated data mining technology can, for example, help your organization find hidden clusters of customers with similar attributes and characteristics that have purchased products or responded to campaigns in the past. Your sales team can then use that information to make more personalized recommendations in the future. Predictive models can not only determine what products or services are most likely to be purchased together, but can also uncover patterns of behavior of customers that have defected in the past, which is vital information that can be used prevent similar occurrences. On a broader scale, sentiment analysis can be conducted across the Web to provide strategic insights

into perception of your organization's brand. That's a critical capability because just as in the physical world, perception on the web almost invariably becomes reality.

IBM Business Analytics solutions provide powerful, yet easy-to-use business analytics capabilities such as reporting, analysis, scorecards, dashboards, planning, budgeting, forecasting and predictive analytics for both novices and advanced users. That approach encourages the broad adoption of analytics by allowing a company to "think big but start small" in order to match their business needs to budget and resource constraints. Using an incremental approach based on a modular design allows your organization to grow your BI, predictive analytics and planning solution over time in line with strategic business goals and objectives.

Using IBM Business Analytics solutions allows companies to achieve their strategic vision of turning disconnected data into information, turn information into valuable insight and turn insight into action via the delivery of timely and effective plans, budgets and forecasts that allow marketers to not only demonstrate ROI, but also predict with confidence what the customers are going to do next.

In effect, IBM Business Analytics solutions allows your organization to increase its "Analytics Quotient" in a way that not only allows insights to flow freely across divisions and departments, but also be used to optimize the allocation of resources; minimizes risk and maximize business opportunities.

In these challenging economic times the only way to grow a business is to be smarter and more nimble than the next guy. In fact, the one thing that business executives crave most in this economic climate is the agility needed to shift strategy quickly based on rapidly changing business conditions. That agility can only be achieved when they have insight into the business that is provided with enough time to take action. All too often, the data that business executives arrives long after the event is over, which only serves to confirm what the business executive already knows versus giving them information about what is about most likely to transpire next.

The alternative scenario would be to put the power of IBM Business Analytics solutions directly in the hands of employees that could in real time use that information to gain better insights into customer behavior that would allow them to make better, faster and more accurate decisions at the moment when they are actually interacting with customers.

In order to make that happen CMOs in particular have to be at the nexus of an information hub around which the rest of the company revolves. Many businesses today are out of sync when it comes to sharing critical information. The end result of the lack of coordination, which often results in product shortage, shipment delays and all manner of unplanned events that conspire to undermine the organization's brand.

We invite you to learn more about leveraging business intelligence software and advanced analytics to fundamentally change the business is conducted. The simple fact of the matter is that the closer your organization gets to the customer, the more successful it will be. But you can't get close to someone you don't actually know, so the first step on the journey to transforming your relationship with those customers should be putting the tools and processes in place needed to really understand what makes those customers tick.