White Paper

Marketing in the 4th Dimension:

4 Keys to Personalising the Web Experience

CHANCES ARE YOU'RE NOT REALISING THE FULL VALUE OF YOUR WEBSITE

In many ways, today's Web marketers are like blindfolded shopkeepers: they might have a *general* understanding of their customers' needs, based on site analytics and other data sources, but they don't really see what their actual customers are doing across channels – and as a consequence, miss numerous sales and marketing opportunities – online and off.

Whether your shop is real, virtual or a combination of the two, the more complete your customer vision, the greater the value you can provide to them – and the greater value they'll deliver to your bottom line.

For example, you know that many of your customers enter your website via a search engine – and in many cases, you know their search terms, too. This is the equivalent of customers walking into your store with a big sign that says, "Here's what I want to buy…" Why ignore that information?

More importantly, websites allow you to personalise the experience in a way no bricks and mortar store can match. In the physical world, we all walk into the same store; but on the Web, each of us can have our own unique store, with the products we bought before or new products that might interest us now offered on a virtual silver platter. In fact, the Web store can change as we shop, offering cross-sell suggestions, recommendations from other users, and appropriate reviews as we move around.

Through real-time insights based on individual profiles and behaviours, today's online marketers can deliver offers so personally relevant to their customers, their communications no longer sound like a marketing imposition, but feel like a helpful service.

In the remainder of this paper, you'll discover the four key dimensions to personalised Web marketing and learn from the real-life successes of enterprises that have made the personalised Web a core part of their growth strategies. As you'll see, you can achieve comparable success when you make the four personalisation steps your own.

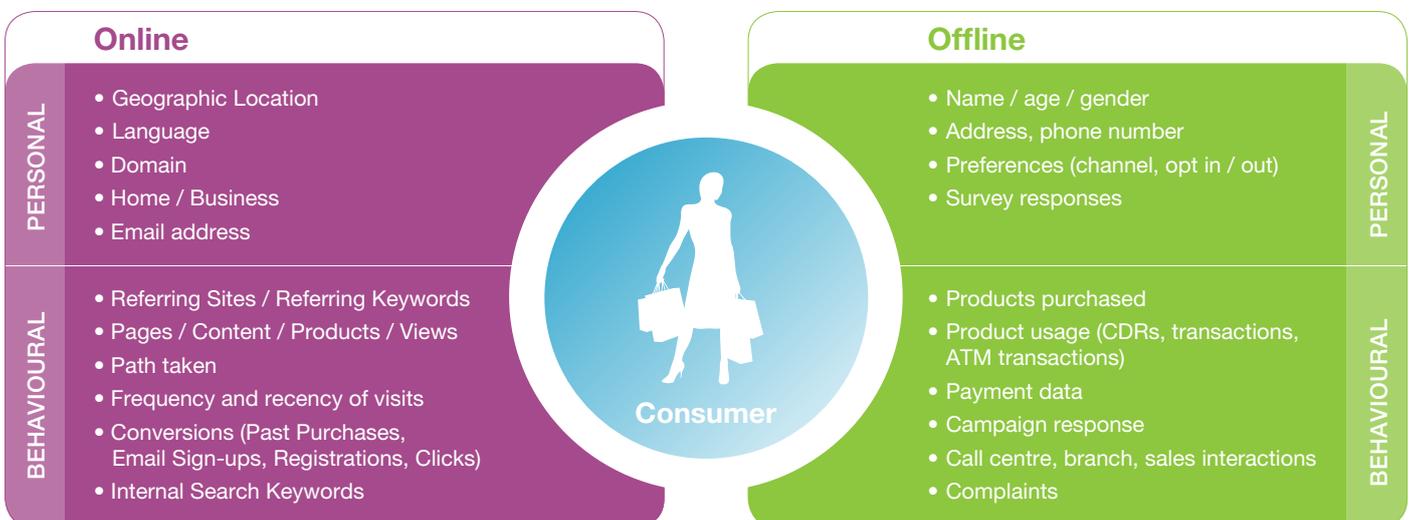**1. Watch and learn from current customer activity**

Traditionally, Web marketers have based their campaign decisions on *retrospective* data sets that analyse metrics regarding keywords, search terms, click-throughs, conversions, and more.

While that data is valuable, it leaves out the most important part of the marketing equation: the customer. By putting the customer at the centre of analyses, and building data profiles of website visitors based on their current (and past) behaviours, marketers can discover:

- Where did this customer come from and what (keyword/ search term) are they looking for?
- What did they look for, buy, or do the last time they visited?
- Which pages attract and hold individual customer interests?
- What offers/messages inspired click-throughs and drill-downs?
- Where did individual customers go and how long did they linger?
- Where did customers abandon their shopping carts?

By asking these and related questions, marketers can gain insights into the most important question of all: **What do visitors want** *right now*?

Building a Customer Profile

Online		Offline
PERSONAL	• Geographic Location • Language • Domain • Home / Business • Email address	**Consumer**	• Name / age / gender • Address, phone number • Preferences (channel, opt in / out) • Survey responses	**PERSONAL**

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BEHAVIOURAL	• Referring Sites / Referring Keywords • Pages / Content / Products / Views • Path taken • Frequency and recency of visits • Conversions (Past Purchases, Email Sign-ups, Registrations, Clicks) • Internal Search Keywords		• Products purchased • Product usage (CDRs, transactions, ATM transactions) • Payment data • Campaign response • Call centre, branch, sales interactions • Complaints	**BEHAVIOURAL**

PETCO'S PERSONALISED BANNERS FETCH NEW CUSTOMERS AT LOWER COSTS

Seeking to improve the efficacy of its Web banner ads, PETCO partnered with a leading marketing software provider*, to apply the same level of personalisation to its banner ads as it had to its email campaigns. By using search terms as triggers, PETCO presented relevant ads that matched what customers were seeking. As a result, coupon redemption rates reached more than twice the previous record high. Every pet segment saw an increase in related product orders; in bird accessories alone, two thirds of its orders came from the personalised ads. Better yet, the cost per order was 64% lower than the average cost per order. And more than half of the customers attracted by banner ads were new to PETCO.com.

(* PETCO partnered with Coremetrics, an IBM Company)

2. Integrate Web and non-Web data sources

While understanding your customers' Web behaviour is important, isolated "behavioural targeting" is not the goal. Without a deeper understanding of individual customer habits, preferences, and attitudes, isolated Web behaviours may unintentionally trigger the wrong offers to the wrong customers.

Consider, for example, the case of a large UK retailer with a vast physical footprint and a growing online presence. Many of its top customers still favour bricks and mortar, but use the website for research and to order items for in-store pickup or delivery to work locations. Unfortunately, the retailer's channels are siloed, failing to share information. Without insight on these customers' in-store spends, the direct channel labels them as "occasional" buyers (based on Web behaviour) and offers them discount promotions online – for products they may have paid full price for in the stores. Instead of building profitable relationships, the retailer is undermining its own progress, and providing incentive for good customers to move their business to a less profitable channel. The lesson is clear: marketers must view customer interactions *as a whole*, rather than in channel fragments, if they want to realise the greatest customer value.

The intelligent alternative is an *integrated*, *real-time* customer profile that includes:

- Behavioural data, such as keywords, search terms, click-throughs, conversions and click streams, that can be culled from customer engagement with your site, historically and in real time

- Customer data from traditional marketing data sources

- Cross-channel campaign and response data

- Usage data, such as history, orders, transactions, payment history, and more

By pulling multiple data streams into one customer profile, you can achieve the most accurate understanding of your individual customers.

SNS PULLS THE DATA TOGETHER

The fourth-largest bank in the Netherlands, SNS Bank launched a bold growth strategy that put the Internet at the centre of all its customer-related activities. To make its website a relevant customer-service platform, SNS integrated customer data across numerous channels. Today, clickstream data from SNSBank.nl, reinforced with keyword data and data from referring sites, is connected to SNS' CRM system to draw further information from call centres, branch interactions, and financial transactions. Finally, marketing data, such as demographics and product ownership, is blended in, creating a comprehensive, accurate profile of each customer. By applying integrated data to its personalisation efforts, SNS has gained, among other advantages, a 5% increase in savings accounts sold by debit cards.

For example, many online retail recommendations rely exclusively on click data to stimulate cross-sales. But they miss the more effective opportunity: in a true customer-centric strategy, the system would add insights from multiple channels into the mix, such as past purchases and buying profiles, to make recommendations much more likely to encourage customer action – and greater customer satisfaction.

A customer-centric strategy requires a platform for *centralised decision-making* that coordinates efforts across all channels. Centralisation:

- **Informs** activities in each channel with information drawn from all the others
- **Integrates** campaigns with consistent messaging
- **Empowers** offers through mutually reinforcing campaigns, e.g., an offer initiated on the Web can be supported with a subsequent email, or the call centre can be informed with the customer's response history to recent promotions

WITH SMART RULES, A NATIONAL RESEARCH CENTRE CONNECTS THE RIGHT KIDS TO THE RIGHT COLLEGES

At heart, a college admissions research centre holds itself accountable to one overarching mission: getting high school students to inquire into schools, the centre's clients. With an audience that lives and breathes through electronic media, the organisation cannot afford missteps in its Web, mobile and email communications. By applying an integrated suite of marketing applications, the centre uses a combination of standing rules and real-time observations to match students with schools that fit their interests – or that have already expressed interest in them. The value of precise communications? The research centre has gained a five-fold improvement or greater in all key metrics including email activity, opens, clicks and, most importantly, college inquiries.

3. Determine the optimal action

With comprehensive profiles on hand, marketers can reach beyond traditional campaigning to influence the next best action – the intersection of the customer's most likely interests with the offer most advantageous to the enterprise:

- By leveraging deep customer insight combining historic and real-time data, you can anticipate current customer interests. Your website can capture what traditional, offline marketing tactics cannot: awareness of what customers are looking for *right now.*

- By applying sophisticated business rules and models, you can select the most favorable offers. With simple, straightforward rules, marketers can pluck the low-hanging fruit: e.g., a discount Blackberry offer to high-value iPhone customers lingering on Blackberry pages. But with more advanced techniques, including testing and self-learning, you can offer progressively more refined, and more productive, offers.

4. Centralise your decision-making

As Web opportunities expand, the last thing marketers want to do is create another isolated channel or silo that competes with other efforts, such as direct mail, email, or outbound advertising. Behavioural targeting solutions can provide much needed real-time data, but if they're disconnected from other channels, they're not fit for customer-centric strategies.

ING ACHIEVES 60% RESPONSE RATES THROUGH CENTRALISED MARKETING

For years ING, one of Europe's largest financial service firms, relied on high-volume direct marketing to drive sales, producing nearly 60 million pieces of direct mail per annum. But between 2005 and 2007, campaign profitability plummeted by as much as 65%. Further, the bank's dependence on mail was inconsistent with its growing online presence.

Beginning in 2008, ING launched a comprehensive marketing initiative that integrated databases, organised cross-channel campaigns and, most importantly, centralised decision-making over all departments and channels. Instead of matching lists to offers, the new system addressed customers individually with offers personalised to their interests, distributing communications – and resulting feedback – throughout the entire enterprise.

Results? Average response rates have increased across all product groups; savings account offers alone have reached response rates as high as 65%. Direct marketing costs have been trimmed by as much as 35%. And campaign cycle times, from inception through execution, have dropped from 26 weeks to just four.

With one centralised point of command, various channels no longer compete against each other, but cooperate to provide the most relevant service possible to customers

REALISING THE REAL VALUE OF THE WEB

By integrating real-time Web data within a comprehensive, centralised interactive marketing platform, marketers can deliver greater value for their customers and for their companies.

For just one of the enterprises represented in this paper, SNS Bank, the increased cross-sell of savings accounts alone justifies the entire cost of Web personalisation. By 2012, the bank expects:

- A 20% increase in customers who use SNS as their main bank
- Three times more online sales
- Double the sales of complex products, such as mortgages and pensions
- A 40% reduction in branch operating costs

All told, the increased revenues and reduced call centre expenses are expected to yield **4 million euros** in its first year of operation.

SNS Bank made Unica interactive marketing solutions an integral part of its Web personalisation success story. To learn how to achieve similar success with your own Internet platform, contact us at **+34 91 745 68 53** or email **info@unica.com**.

ABOUT UNICA

Unica, an IBM Company, is the recognised leader in **marketing software** solutions. Unica's advanced set of **enterprise marketing management** and cloud-based marketing solutions empowers organisations and individuals to turn their passion for marketing into valuable customer relationships and more profitable, timely, and measurable business outcomes. These solutions integrate and streamline all aspects of **online and offline marketing**. Unica's unique **interactive marketing** approach incorporates **customer analytics** and **web analytics**, **centralised decisioning**, **cross-channel execution**, and integrated **marketing operations**. More than 1,500 organisations worldwide depend on Unica for their marketing management solutions.

Unica is headquartered in Waltham, Massachusetts with offices around the globe. For more information, visit **www.unica.com**.

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