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Campaign Management and Real Time – a Winning Combination for Accommodating Customer Needs

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1. Background

Whenever an organization decides to purchase and implement a Campaign Management (CM) system, the purpose is to present each customer with the right offer, at the right time, through the right channel. A pure one to one marketing tactic.

Although the CM system does enable the organization to prepare personalized offers for its customers, it also has one serious flaw – it neglects to use the most updated commercial data, i.e., the customer's most recent activities.

This is where the Real Time (RT) Offering Management System comes in. The RT enables the company to draw up a personalized offer for the customer, based on previous offers sent to him using the CM system and on offers the system plans for that customer in real time.

2. What Are the CM and RT Systems?

The CM system enables the organization to define campaigns, select the target audience for each campaign, and prioritize the different campaigns. The system also handles sending the campaigns through different channels:

- Incoming Channels – call centers, websites, company branches, ATM's, etc.
- Outgoing Channels – telemarketing, SMS, emails, direct mail, etc.

The RT system performs the same process. However, in this case, the target audience is not pre-selected, but is decided upon in real time, according to customer activities. In fact, the RT tailors each offer to match the specific customer, using the most effective timing and channels.

Both systems, collectively and individually, render the organization with the ability to simultaneously manage hundreds of campaigns while still keeping with customer contact regulations, and to prioritize campaigns according to budgetary and channel-capacity considerations. Additionally, gathering feedbacks for the different channels allows the organization to monitor the status of each campaign at any given moment, while measuring its success per channel, per offer, per segment, or per any other factor.

3. CM and RT – A Winning Combination

Implementing both the CM and the RT systems in the organization creates an optimal application of customer service options. The CM enables pre-planning of campaigns aimed towards large sectors, and an optimal planning of marketing offers to both existing and potential customers.

This is also where the CM system's great shortcoming lies, since pre-planned campaigns sent through the different channels are not based on customers' recent activities. Thus, a certain customer may have been targeted by a "discount on a second product purchased" campaign, while recent activities show that he is more suitable to be targeted by a retention campaign, as he is seemingly planning to abandon. The RT system may choose to offer the customer a retention program, rather than prompt the offer pre-planned for him by the CM system, thus enabling the organization to immediately provide the customer with the right offer.

Moreover, combining the two systems allows for optimal usage of marketing channels, since the CM system best operates in outgoing channels, whereas the RT system focuses mainly on incoming channels. When the organization implements only the CM system, it is difficult to synchronize incoming channels with offers sent to customers via outgoing channels. For instance, in many organizations the service representative is not aware of an offer sent to the customer via direct mail, and will therefore not use an incoming call from said customer to inquire about purchasing a product offered using the CM system.

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The RT system enables synchronization between the different marketing channels, and support for offers sent to the customer in one channel, by communicating with that customer in other channels. And so, using the example mentioned above, the RT system will prompt the service representative that an offer has been sent to the customer via direct mail, so that the representative can advance that sale.

4. Commercial Applications of the RT System

There are many different applications of the RT system in the business world, helping the organization to achieve marketing objectives such as recruiting new customers, expanding market segments, and retaining existing customers. Seeing as the RT system operates individually with each marketing channel (while still allowing inter-channel synchronization), the different applications and marketing activities are tailor-made for each channel separately.

5.1 The Website

The general opinion is that new customers can only be recruited by expensive advertising campaigns. However, with the RT system, organizations can contact potential customers who had previously been referred to the organization for varied reasons, and send them personalized offers.

For instance: an unregistered user visits the website of a credit card company, and is exposed to a variety of generic marketing offers. The RT system can follow his browsing patterns, and align them with analyzed browsing patterns of users who are registered in that website, according to different measures and past experiences. This data will allow the RT system to present the unregistered user with offers that will urge him to continue browsing rather than abandon the website. This way, the company can dramatically boost the number of new users registering and shopping in its website.

Similarly, when the user is already registered, the system can promote higher customer loyalty by monitoring real time data inputs, e.g., pages visited, browsing time, clicks, Internet product usage (online calculators, online surveys, etc.), and others. Based on this data, the system can send a personalized offer to the customer, in real time.

For example, if a bank customer was identified by the CM system as a potential subject for a loans campaign, the RT system might choose to offer a savings campaign instead, as the customer is currently browsing a savings-related webpage.

5.2 Retail / a Face-To-Face Sales and Service Channel

When it comes to face-to-face communication with customers, many companies use marketing strategies based on RT systems. These companies recognize the enormous power face-to-face sales pitches possess, as opposed to selling in outgoing channels. The reason for this is that the customer, who is usually already in the midst of a purchase action, is exposed to the relevant product/service, and creates a spontaneous interaction with the sales rep, while being influenced by his surroundings (the store/branch).

RT solutions can be applied in banks, retail stores, service and sales centers, etc.

For instance: the RT system processes the purchasing habits of a supermarket shopper, while he is making his current purchase, and compares it with data from his previous purchases. The cashier is then prompted with product offers complying with this shopper's product choices and shopping patterns. This way, the retailer can dramatically improve the effectiveness of cash register discount offers, based on the correlation between the different products.

Similarly, the RT system of a book retailer offers the customer discounts for additional books that were found to correlate with the books this customer had just paid for.

The authorization management system for bank employees is monitored by the RT system. The bank monitors all authorizations using that system, as it enables the bank to approve authorizations based on hundreds of rules analyzed by the RT system in real time, for any action performed by any employee.

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5.3 Call Centers

RT solutions are best applied in call centers, because inputting the customer's current demands into the system enables the RT to compare it to campaigns previously suggested to that customer by the CM system, and then to produce and send the customized new offer to the call center's rep.

The system might also rely on additional data, such as the amount of training necessary to perform certain actions, daily sales targets set for the call center, and the center's success in meeting those sales targets. Consequently, the system will prompt the call center's rep with a sales offer for a certain product, based on the information that this rep has been suitably trained, and that the call center has not met its daily/monthly sales target for that product.

One of the problems encountered by organizations who offer a vast variety of products is that the reps offer customers the most trivial products, ones they are informed about via internal channels (product launch emails, call center banners, etc.). As a result, other products that may be more suitable to the customer, according to his shopping profile, are not offered to him at all.

Another application is the modification of customer data. The RT system can monitor failed attempts made by telemarketers to locate the customer, data about returned letters from the customer's address, etc., and prompt the rep dealing with said customer with a window asking to verify that customer's details. In many organizations, service reps are asked to verify customer information regularly. However, a selective prompt for information modification will shorten service times and result in a more effective modification process.

5. How Does the RT System Operate?

The RT system performs a process similar to that of the CM system. The only difference is that with the RT, the target audience is not predetermined, but is chosen in real time, based on the activities made by the customer at any given moment.

Schematically, the RT operates in the following manner:

Customer data is fed into the system > the option engine selects the offer to be prompted > the offer is pushed through the marketing channel > the system collects responses from the channel.

5.4 Feeding Data into the System

The RT solution processes data of the following types:

- Real time data: reason for calling the call center, browsing history
- Service rep's abilities
- Service level suitable for the customer

Customer Information

- ✓ Customer profile – products maintenance, usage, previous calls, customer value
- ✓ Outcomes of previous campaigns

Marketing Data

- ❖ Offers preset by the CM system
- ❖ Marketing events
- ❖ Marketing objectives

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5.5 The Option Engine

Technologically, the RT system includes an engine with the capacity to process a large amount of details in real time, and produce an offer for the customer within a few seconds. There are several types of engines that perform this process:

1. The rules engine – an engine that contains a vast quantity of business rules applied by the system, in order to produce the most appropriate offer for each customer. This engine is capable of dealing with highly complex rules, dozens or hundreds at a time.
2. The statistics engine – based on statistic models activated in real time to determine what is the most appropriate offer for any given customer. Each time the customer acts, the engine starts processing information about that customer, sometimes altering the model itself for the purpose of a more accurate estimate.
3. The ratings engine – the system rates each activity performed by the customer in real time, in addition to rating that customer's previously recorded parameters. The choice of an offer to that customer is made using a decision tree.
4. The adaptive learning engine – an engine constructed by models built dynamically as the system operates. The only flaw is that when analyzing the data, the models are sometimes influenced by irrelevant actions.
5. The combined engine – this engine combines a few of the abovementioned technologies, usually using the rules engine with another engine.

5.6 Pushing an Offer through the Marketing Channel

The RT system deals with each customer individually, pushing the most appropriate offer for the specific customer, unlike the CM system, that transfers to channels the data on all the customers included in that customer's target group.

In most cases, the RT will transfer the offer to the channel in which the customer is currently located, e.g. the website or the computer of the rep currently dealing with said customer. However, there are times when the RT will choose another channel, an outgoing one, to communicate with the customer. For instance, if the RT chose to make an offer to a customer who had just logged out of the website, the offer might be sent via email or SMS.

5.7 Collecting Responses from the Channel

Much like the CM system, the RT collects the customer's reactions from the channel. However, in the RT's case, the data is collected in real time. Moreover, the RT will include this data in the processing of its next offer to that customer. For example: the customer logged on to the website and browsed into a certain page. The RT system chooses to present a certain offer in the form of a banner. The customer clicks on the banner and then goes back to the page he just left. In this case, the RT will continue monitoring his activities and might choose to prompt another offer later on.

6. Conclusion: CM and RT from the Customer's Point of View

Cross sell, up sale, preplanned offers, real time offers – the customer could care less. He does not think of previously performed actions, his value to the organization, his previous demands to the organization, or his service supplier's objectives and business goals.

As far as the customer is concerned, the present is much more important than the past. He may have expressed a certain need to his service provider, but he may just as well have a certain need he never disclosed, or is not even aware of. In any case, the customer wants the service provider to solve his current problem immediately and in the best way possible.

The RT system caters to the customer's basic yet critical need in the best manner.

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About Synergy

Synergy is an international consulting company, specializing in Analytical CRM solutions.

Synergy offers marketing oriented business ventures, formed by a team of leading local and international industry experts.

Synergy aims to provide its customers with the ability of acquiring commercial advantages by informative analysis of their customers' shopping data.

Synergy has vast experience in working with leading commercial organizations, both locally and internationally, and its clientele includes foremost industry leaders in the communications, financial and retail fields.

For more information, visit our website at: www.il-synergy.com, or email us at: info@il-synergy.com.

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