**2nd Customer Analytics & Intelligence** Conference™
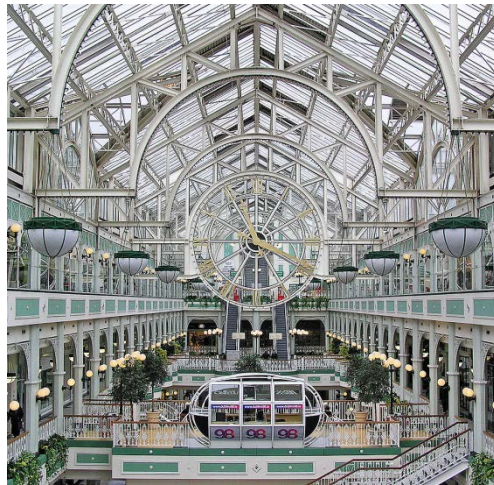
# A 360-Degree Understanding of Behavior

*Uniting research and data for actionable insights*

A ***Customer Management IQ*** Customer Analytics & Intelligence Brief

## A 360-Degree Understanding of Behavior

### Highlights:

- 29 percent of Marketers report that their departments have "too little or no customer/consumer data." When data is collected by marketers, it is often not appropriate to real-time decision making.*
- 39 percent of marketers say that their data is collected "too infrequently or not real-time enough." Furthermore, marketers today are still much less likely to collect new forms of digital data like customer mobile device data (19 percent collect it), and social media data (35 percent), than they are to collect traditional customer survey data on demographics (74 percent) and usage (60 percent).*

In order to achieve real growth and notable profits, companies must be focused not only on what they have to offer, but how they offer it. In today's economic climate, quite understandably, the modern customer is more fickle than ever and with the record high in use of technologies such as social media, mobile technology, online technology, geo-location based technology, and touch screen technology, customers are quickly becoming "smarter" and more demanding.

Customer experience is where profitable growth will come from in the future, shifting the battlefield to customer loyalty.

Analysts have predicted that "there will be an all out war to own the CEM space in 2013, a clear indication that it has become critical for businesses to focus on delivering satisfying experiences, understanding the customers and using this insight to build interactions that keep customers coming back."

Industries across the board are seeing a complete transformation in how they view and do business. The need to understand customer behavior is greater than ever and to achieve this, companies need the right strategies to successfully translate insights into action. Customer insights result in knowing your customer needs and are the single most important factor in building innovation, creating compelling marketing communication and driving purchasing behavior. You must tie it all together through storytelling and build a compelling business case for meaningful action.

*Customer Management IQ combines a synopsis of findings from various IBM and Resonate reports on customer analytics and intelligence in this brief.*

### 2nd Customer Analytics & Intelligence Conference™

>>> Download the full agenda

## Researching and Fully Understanding the Consumer Experience With Your Brand

Research professionals understand the importance of the voice of the consumer and eagerly survey their perceptions, attitudes and behaviors. Unfortunately, there is a void when it comes to researching and fully understanding the consumer experience, especially the desired experience, because it has long been thought that consumers can't tell businesses and retailers what they want.

Consumer product companies should be focused on consumers, but they are not, according to findings by IBM in their whitepaper, "Smarter Consumer Products." Consumers dictate the terms between buyers, sellers and manufacturers. They are empowered by technology and transparency and they are a brand's greatest champion or enemy with the click of a button. Hope springs to keep the consumer happy by analyzing critical market and operational data, from multichannel buying behaviors to social media content – companies can transform entire value chains by anticipating consumer needs instead of reacting to them.

The most innovative manufacturers are developing practices around the three "V's"; Variety, Velocity and Volume. According to IBM, integrated information is the key to moving beyond automation of processes and into deep business insights.

With trusted, integrated data in place, business can develop the following capabilities:

**Consumer centricity** – Find new ways of directly and indirectly connecting with your consumers

**Differentiation** – Determine what deliverables provide the greatest value to the consumer

**"Glocalization"** – Your customer needs local offerings; you need global operating efficiency. Find the balance.

**Corporate responsibility** – Integrate goodwill and accountability throughout your organization.

**Innovation** – Exceed customer expectations with your product and service offerings.

**Integrated information** – Allow interoperability across multiple systems inside the company and visibility throughout the supply chain.

*Featured Sessions*

## 2nd Customer Analytics & Intelligence Conference™

**> Download the full agenda**

**Consumer Experience Sessions July 23:**
**July 23 8:45 AM Succeeding in a World Where Customers Dictate Where, When & How** with **Todd Hale**, SVP, Consumer & Shopper Insights at **Nielsen**
**9:30 AM The Power of Coalescing Mixed Data Types to Form a 360 Degree View of your Customer** with **Gary Class**, Senior VP Internet Strategy, **Wells Fargo**

**2nd Customer Analytics & Intelligence Conference™**

**>>> Download the full agenda**

## Succeeding In a World Where Customers Dictate Where, When & How

During the past five years economic, demographic and other influences have created fundamental changes in the way retailers and manufacturers meet shopper demand. **Todd R. Hale**, Senior Vice President of Consumer and Shopper Insights at **Nielsen** will address this issue at the **2nd Customer Analytics & Intelligence Conference** July 23 in San Diego.

Listed in the IBM brief, "Deeper customer insight," are five trends in the consumer space. The report states that customer diversity and individualism are pervasive and traditional segmentation is rendered inadequate. Going forward customers will continue to demand low prices for basic goods but pay premiums for products that matter to them personally. In the end, the report states, undifferentiated companies risk fading into irrelevance. Before we get into the five key trends, lets first start with their findings.

Researchers found that "marketers' desire to be data-driven is not yet matched by a consistent effort to collect the data necessary to make these real-time decisions. **29 percent** report that their marketing departments have "too little or no customer/consumer data." When data is collected by marketers, it is often not appropriate to real-time decision making. **39 percent** of marketers say that their data is collected "too infrequently or not real-time enough."

Furthermore, marketers today are still much less likely to collect new forms of digital data.

**19** percent collect customer mobile device data

**35** percent collect social media data

Yet **74** percent collect traditional customer survey data on demographics and;

**60** percent on usage (Source: Smarter Consumer Products: Point of View by IBM)

Secondly, they found that marketers adopt new digital tools, but are uncertain on how to best measure them.

**51** percent of marketers said they use mobile ads and **85** percent use social network accounts.

Yet only **14** percent of the social networking users are tying them to financial metrics, and only **17** percent of those using mobile ads are tying them to financial metrics.

By contrast, **41** percent of email marketers measure their results with financial metrics.

**60** percent of companies report that comparing the effectiveness of marketing across their different digital media is "a major challenge." (Source: Smarter Consumer Products: Point of View by IBM)

Thirdly, IBM's "study also revealed that there is confusion about the meaning and significance of ROI among marketers. Specifically, **31 percent** of respondents said that they believe simply measuring the audience you have reached is "marketing ROI." **57 percent** are not basing their marketing budgets on any ROI analysis, and **28 percent** are basing marketing budgets on gut instincts. **21 percent** are using financial metrics for "little" or "none" of their marketing budget and **seven percent** are spending most or all of their marketing budget with "no metrics" at all. However, marketers are under pressure. **70 percent** say that their marketing efforts are under greater scrutiny than in the past, "according to the IBM report.

## The Five Consumer Trends

**Customer value drivers fragment** – Micro-market segments are resulting in shifts in demographics, attitudes and patterns of behavior – customers are trading up to premium brands while trading down to low-cost providers.

**Gatekeepers become more guarded** – Consumers will work to aggressively protect their identities and personal data from intrusive marketing tactics.

**Information exposes all** – Consumers have an unparalleled amount of information at their fingertips on brands and products.

**Megaretailers break the boundaries** – Market segments and share will blur as megaretailers reach across geographies, formats and product/service categories.

**Partnering becomes pervasive** – Leading companies are creating flexible value networks based on strong integration and collaboration with alliance partners.

According to IBM, corporate thinking "needs to switch from 'bell curves,' where firms try to serve a generic mass market but do not meet anyone's needs particularly well, to 'well curves,' where companies drive growth by applying distinct models in each part of their business to deliver the greatest value to explicitly defined groups of customers."

## The Social Media Perception Gap

The social media perception gap between consumers and businesses from the IBM Institute of Business Value report, "From social media to social CRM," February 2011, shows "70 percent of executives believe reaching out to consumers through social media will help them increase consumer advocacy. However, 64 percent of consumers say passion for a brand is a prerequisite to engage with that company in social media and only 38 percent of consumers feel social media interactions with a business will have a favorable influence on their loyalty to that company."

## Perception Gap

### Consumers' Ranking
The reasons why consumers interact with companies via social sites

**Discounts**
*61%*

**Purchase**
*55%*

**Review product rankings**
*53%*

**General information**
*53%*

**Exclusive information**
*52%*

### Businesses' Ranking
Why businesses think consumers follow them via social sites

**Learn about new products**
*73%*

**General information**
*71%*

**Submit opinion on current products/services**
*69%*

**Exclusive information**
*68%*

**Reviews and products ranking**
*63%*

*Featured Session*

**2nd Customer Analytics & Intelligence Conference™**

**>>> Download the full agenda**

**Multimedia Session:**
**July 24 1:45 PM Driving Omni-Channel Excellence: How Data & Insights Identify Opportunities to Reengage** with **Zachery Anderson**, VP, Marketing Science and Analytics, **Electronic Arts**

# Understand and Influence Purchase Decisions

Little attention is placed on why consumers make their choices, according to a whitepaper published by Resonate, a sponsor of the **2nd Customer Analytics & Intelligence Conference** July 23 in San Diego. Resonate Network's research found "that the process behind arriving at purchase decisions holds the key to understanding why certain choices are made. By understanding this decision process, we can uncover the common needs and desire that motivate action."

Resonate has listed its six steps of decision-making. **Visit us** to learn more about this and other customer analytics topics.

# The Six Steps of Decision Making

### The Context
"Context is the specific need-state that drives a person's desire to engage with a brand or purchase a product."

### The Mission
"The mission is the outcome one wants from engaging with a brand or purchasing a product."

### Values & Attitudes
"Values and attitudes are the core set of relevant beliefs, opinions, biases and preferences that shape how one judges a brand or product."

### Past Behavior
"Past behavior, or past purchase experiences, is the collective outcome of previous brand choices and the success or failure of those choices of transforming need states into a satisfying purchase."

### Engagement
Engagement is the step where consumer fills gaps in knowledge, attitudes and expectations toward a brand with a goal of refining the competitive set to only a few alternatives.

### Purchase Orientation
Purchase orientation can be a guiding philosophy behind activating choice and the preferred patterns of brand engagement and product purchase.

*>>> Download the full agenda*

## *About the Conference …*

Customer insights result in knowing your customer needs and are the single most important factor in building innovation, creating compelling marketing communication and driving purchasing behavior. Today, consumers are in charge and to get them to act requires a holistic view of understanding what makes them tick.

Join us for the 2nd Customer Analytics & Intelligence Conference as researchers, marketers and customer experience professionals explore all the latest research methodologies and ways to action insights to drive your business forward. Topics will include big data, understanding consumer choice, mobile insights, neuroscience, consumer psychology, social media listening and customer centricity.

## *About the Customer Management IQ…*

Customer Management IQ : a division of IQPC, is a forum for sharing ideas, best practices and solutions within the business community. Simply put, you can interact, share solutions to your business problems with an incredible network of authoritative sources and practicing professionals. Customer Management IQ enables you to find from your peers a method, a solution, a proven best practice that solves your specific problems when you need it solved. We offer a steady stream of front-line content that is timely, relevant, practical and has been validated by practitioners.

Customer Management IQ and IQPC provide educational conferences, training courses and expositions for Customer Management executives to network and learn the latest Customer Management developments and trends occurring in organizations today. Customer Management IQ concentrates on creating an interactive experience featuring practical, objective and up-to-date insight from leading practitioners.

Compiled by: Hannah Hager
Online Content Manager
IQPC
Hannah.Hager@iqpc.com
646-502-3265