

Creating Intelligent Client Interactions



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by Jon Paisner | March 2008

Executive Summary

The increase in the number of contact channels has made executing a successful marketing campaign a difficult task for many enterprises. Interactions with customers and prospects can happen through a number of contact channels, including the web, the call center or at the point of sale. Designing the appropriate call to action through the appropriate contact channel is equally difficult. Simply identifying customers and prospects and verifying their information does not enable enterprises to maximize conversion or cross-selling opportunities. Enterprises must consider and predict the conversion challenges that relate to each customer and prospect (see Exhibit 1).

Using multiple operational and transactional data systems, enterprises can segment verified customers or prospects to determine how to most efficiently interact with them at any point of contact, thereby increasing lead conversions. It is important to manage all interactions, including those at inbound and outbound call centers, a retail point of sale, and on the web.

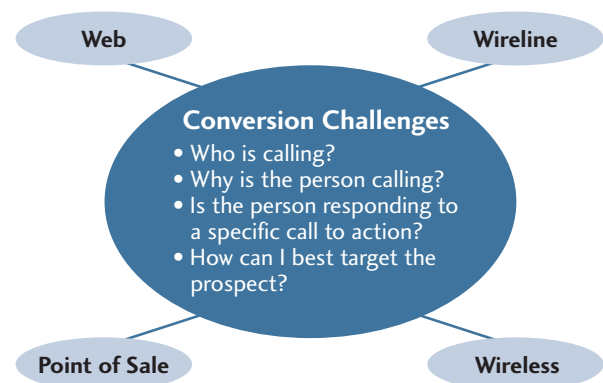
Enterprises are also facing challenges from the fragmentation of mass media, the rise of the internet and the decline of traditional marketing channels such as radio and television. Enterprises must tailor their marketing for individual customers or prospects rather than use a single generic television advertisement for large blocks of audiences. On-demand analytics can provide intelligence to enable enterprises to address the changing market conditions.

As marketers customize their message for the individual, location must not be a barrier. Whether you are interacting with your customer through the web, the phone or at the point of sale, you must be able to identify, verify and score your customer or prospect. This Yankee Group Report covers the ways that verification, identification, profitability scoring and on-demand analytics can help.

Exhibit 1

Conversion Challenges

Source: Yankee Group, 2008



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I. Changing Market Trends Require a New Level of Intelligence

Changing marketplace conditions are shifting how consumers and merchants interact. Communications mediums, such as the internet, are evolving and new means, such as the mobile channel, are continuing to drive changes in the marketplace. Geographically dispersed customers can now access any merchant at the click of a button. However, merchants often have no prior relationship with or knowledge of (i.e., buying habits, preferences, general profile) this base.

In addition, with limitations on merchants for outbound direct marketing channels and the fragmentation of mass-media audiences, businesses are more and more reliant on inbound contact from their prospects and customers. As a result, on-demand knowledge about prospects and customers has never been so valuable. Getting a customer or prospect to respond to a call to action is a difficult and sometimes expensive process. When a customer or prospect responds to a call to action, organizations must be prepared to leverage this information no matter how they are being contacted, whether over the phone, on the web or at the point of sale.

Lead verification, intelligent routing, the capture of customer information and customer profitability scoring all underpin a consistent, measurable customer experience and ensure that your company is knowledgeable about your most important prospects. These services help enterprises optimize customer marketing campaigns, which enables more effective lead conversion and increases the performance of internal operations.

As a company captures more information about a customer, it must be integrated with the CRM data to ensure a consistent quality of service. The enterprise captures inbound information about a customer or prospect for any number of activities. Capturing this information provides accurate, actionable marketing information on prospects and customers regardless of the contact channel—the web, the phone or the point of sale.

II. The Evolving Relationship Between Consumers and Merchants

Merchants' interactions with customers and prospects occur daily. Integrating that data into everyday business processes is key to maximizing the potential cross-selling and up-selling opportunities through any contact channel. It is also important to understand which customers and prospects are unprofitable or do not provide opportunity for additional revenue, so less valuable customers or prospects can be shifted to self-service channels such as the IVR.

To truly maximize revenue potential with your customers and prospects, merchants must compare their internal knowledge, skills and abilities to the expectations of consumers. Currently, a call center at a telecommunications provider is focused on scheduling optimization and skill-based routing. Call centers in the financial services or insurance industries have moved beyond creating operational efficiencies and driving costs out of the business. Instead, they are focused on generating revenue through the call center channel, transforming this necessary but expensive center into a profit center.

Merchants have terabytes of data about customers from the multiple channels. Automating the capture and analysis of that data into actionable information enables enterprises to ensure each communication with a customer or prospect is positive. To achieve consistent and positive interactions with clients, enterprises must move beyond necessary tasks such as verification and identification of the person calling. Segmenting and profiling the consumer is a necessary piece of intelligence to guarantee cross-selling and up-selling promotions are highly relevant to the customer. As the customer profile is developed, analytics become an important step in enabling enterprises to generate revenue from a call center or web-based form.

Call center or CRM software can identify that the person has called the customer care the last 3 months in a row because of a billing error and analytics can provide a pre-scripted response. Or, analytics can be used to provide a profitability score of the caller and the call center representative is prompted with a targeted message such as mortgage rates or no fee balance transfer credit cards. These analytics are useful tools to provide the call center representative and should be implemented through all contact channels.

The changing business environment and the need for instantaneous intelligence underscore the importance of applying segmentation data in real time. During an e-commerce purchase, an interaction is considered real-time if verification, profiling and identification are completed before the order is closed. Depending on how the checkout page is constructed, merchants often have enough time to perform low-level predictive analytics to cross-sell products. During a web purchase, that segmentation, profiling and recommendation must happen even faster than it does during an interaction with the call center so it does not hurt the customer experience and produce order fallout. It's very important to verify customer data and predict relevant cross-selling or promotional opportunities without drastically altering the time required to complete a transaction.

III. The Fragmentation of Mass Media Increases the Importance of Intelligence

Advertisers are finding it increasingly difficult to reach consumers with messaging through the traditional television advertising channel. In the past, marketers could purchase a block of advertising on three network television stations on a Thursday night and reach the mass market with their messaging. Now, with the fragmentation of the mass media caused by the emergence of the internet and pay TV, marketers can rely less on traditional communication channels such as television and radio. According to the Yankee Group *Anywhere Consumer: 2007 US Penetration and Usage Survey*, the number of households with a digital video recorder (DVR) has increased to 22% of current US cable subscribers with an additional 9.2% expecting to purchase a DVR in the next 6 months. In addition, according to the January 2008 Yankee Group North American Consumer Forecast, broadband will reach 59% of US households in 2008, increasing from 53% in 2007, enabling consumers to view and purchase content through electronic methods. According to the Federal Trade Commission (FTC), e-commerce is growing at a rate of 20% per year and consumers have limitless access to content through multiple channels.

Because of the increasing number of contact channels and fragmentation of mass media, enterprises must be intelligent in all points of interaction with a consumer. In addition, it's important to have the ability to incorporate real-time decision-making, which will enable merchants and retailers to promote cross-selling opportunities for online web purchases or simply increase the number of converted leads.

Using analytics to segment consumer preferences will provide enterprises the knowledge to react to the quickly changing markets.

IV. Location Doesn't Limit Knowledge of Your Customer

Location and time are no longer barriers to conducting intelligent interactions with your customers and prospects. Identifying whether your customer is at a point of sale, on the web or on the phone is necessary to segment your customer base. Simply identifying and verifying your customer is no longer enough. Companies such as TARGUSinfo are in a position to segment buying preferences against verified customer data, which will enable enterprises to turn data into dollars. Beyond targeting consumer buying preferences, the use of predictive analytics is necessary to leverage insights into measuring strategy for effective acquisition, cross-selling, up-selling and retaining customers.

Increases in broadband adoption and the ability to analyze consumer behavior will enable enterprises to present personalized and targeted offers. For example, ServiceMaster would identify a consumer hiring a plumber and provide a cross-selling opportunity for kitchen or bath services. To provide this cross-selling opportunity, ServiceMaster must be able to gather basic information from a web form, validate that information and even assign a profitability score to the record. This will enable the company to cross-sell additional services based on the lead's geographic location.

Throughout this Report we have identified challenges that face enterprises, such as the fragmentation of mass media. To provide real-world examples of analytics implementations and the intelligence it provides these enterprises, case studies single out some best practices for acquiring and retaining your customers. The case studies will also demonstrate how enterprises allocate internal resources to target prospects that are most likely to buy additional products and services.

Customer Case Study One: A Leading Computer Systems and Services Company

Using Identification and Modeling to Maximize Sales Rep Effectiveness

One of the world's leading computer systems and services companies designs and builds products to suit a range of global customer requirements, from the largest corporations' server, storage and professional services needs to those of consumers at home. This company earns more than \$50 billion in revenue per year in the consumer marketplace with more than 50,000 employees worldwide. Through highly accurate, specific consumer information available through TARGUSinfo and its partnerships with the telecommunication companies, this computer systems and services company was able to create a consumer scoring model and route inbound phone calls to the appropriate queue based on sales rep performance and consumer purchasing hierarchy. This routing ensured that the sales reps most equipped to increase conversion rates receive the calls with the ability to purchase a more expensive product. These calls can be routed based on time of day, which representatives are available on each shift, or any other business rules the company chooses to implement. TARGUSinfo delivered reliable, accurate and fresh data without sacrificing speed.

The ability to intelligently route a customer or prospect enhances salesforce performance and delivers a measurable ROI to the organization. The TARGUSinfo solution had the following effects on the business.

- It created differentiated calling experience.
 - It increased overall customer satisfaction metrics by more than 5%.
 - It improved margin per order by more than 5%.
 - It improved sales close rates by more than 100 bps.
- It created repeatable processes and successes in business segments.

Although this is an inbound sales call center example, the same organization has implemented TARGUSinfo solutions for a technical support call center. If a customer has called the call center four times in the past week, the next call is automatically escalated to a more knowledgeable support representative. All information is held in cache for 60 days to help determine which calls need to be escalated. The ability to identify and understand the individual consumer enabled this organization to implement a solution that greatly improved the customer experience.

Customer Case Study Two: Sylvan Learning Center

Integrating Identification, Location and Intelligence to Support a Franchise Model

Sylvan Learning, Inc. provides private tutoring for children from pre-kindergarten to 12th grade. Sylvan Learning offers personalized tutoring programs to students in more than 1,100 centers located across the United States and Canada. Sylvan provides tutoring services in math, reading, writing, homework, organizational skills and test preparation.

Because it knew that junk data often comes along with web leads and because it needed to route phone calls to individual franchisees, Sylvan sought to improve the conversion of lead-to-inquiry and inquiry-to-enrollment. To help valid consumers rise to the top and serve them as well as possible, Sylvan verified the web lead data and modeled consumer information with solutions provided by TARGUSinfo. This process—customer interaction management—enables Sylvan to determine the drivers of consumer behavior on an individual customer level, prioritizing those most likely to respond positively to its products and services.

TARGUSinfo implemented solutions to address lead conversion and lead quality. It enabled Sylvan Learning to qualify leads, validate information based on business rules written specifically to increase the quality of each customer or prospect interaction and to increase the conversion percentage of leads to inquiry and enrollment. TARGUSinfo now collects leads from a web form or through the phone channel, applies real-time analysis and then routes them to the appropriate franchisee. This process serves and supports both the consumer and the Sylvan center.

To achieve success, Sylvan developed a standardized lead conversion process focusing on segmenting customers into one of four groups: Platinum, Gold, Silver, and Bronze. This segmentation occurs for all leads through the web or phone channel after verification with TARGUSinfo data. This organizes the data, which then allows Sylvan to implement specific conversion processes for each group.

Using TARGUSinfo data to verify and segment incoming leads has allowed Sylvan to identify the most convenient franchise location and also enabled them to apply a lead and sales process to the consumer. Validating, verifying and scoring leads have enabled Sylvan to segment customers in specific categories and increase conversion results.

Customer Case Study Three: Cole & Weber United

Utilizing Partnerships to Provide Actionable Metrics to Clients

Cole & Weber United is a full-service agency developing interactive marketing and advertising campaigns for customers across a number of verticals. Cole & Weber develops campaigns designed to solve business problems by generating interaction between its customer and the consumer. Throughout its partnership during the last 3 years, the performance marketing group (PMG) at Cole & Weber has utilized TARGUSinfo solutions to deliver prequalified leads to its clients. Cole & Weber executes query and response activities against the TARGUSinfo repository as a way for clients to validate and score leads gathered through the web channel.

Through its PMG, Cole & Weber aims to develop metrics and actionable results for interactive marketing campaigns. Consumers that click a banner ad on a web page are directed to a landing page and asked to give contact information. Cole & Weber first applies extended filters and checks for duplicates against the client's business rules. The web form is checked for faulty information (such as someone using the name Mickey Mouse or phone number 123-456-7890). Once the data has been checked against the internal CRM system and basic filters have been applied, the data is fed into the On-Demand Lead Verification from TARGUSinfo.

This enables Cole & Weber clients to minimize costs by not verifying data for current customers or prospects. Cole & Weber clients have seen a decrease of 10% to 15% in the number of invalid leads marked as valid. TARGUSinfo has decreased the effort and cost associated with targeting unreachable leads.

Customer Case Study Four: Onvoy

Caller Name Services Are a Necessity in the Wholesale Telco Industry

Onvoy, a division of Zayo Group, is a wholesale provider of the largest privately-owned time-division multiplexing (TDM) and IP network in Minnesota and operates more than 3500 miles of fiber cable in more than 350 communities throughout the state.

Onvoy provides local exchange carriers (LECs) with caller name services for voice in addition to other wholesale services for data, operator services, IP services and network services. Primarily with voice and IP services, caller name services is viewed as a necessity because it drives revenue for the organization and their wholesale customers. The caller name data repository at TARGUSinfo leads to a high level of customer satisfaction for wholesale customers due to the high quality and breadth of proprietary data feeds, which translates into high renewal rates and less churn. As a validation of the quality of caller name services, Onvoy conducted a customer survey in 2007 that verified the high customer satisfaction and negligible concerns regarding the caller name services.

V. Conclusions

Changing market dynamics, fragmentation of the media and an increased importance placed on consumer segmentation has increased the necessity for analytics solutions. It has become essential for an enterprise to support customers and convert sales opportunities with customers through any number of channels. Enterprises must understand the consumer and be able to market products and services on a one-to-one level while providing an increased level of efficiency for the enterprise.

TARGUSinfo has developed solutions to meet these changing business needs. Traditional business models required a query and response model to verify and identify a consumer. Evolving marketplace conditions and business models require innovative analytical services. The ElementOne Analytics platform powers a host of solutions that provide relevant, actionable analytics and data services to strategically guide new customer acquisition, as well as cross-selling, up-selling and retention of existing customers.

As business conditions change and media fragmentation continues, increased importance will be placed on predictive analytics. Enterprises will need to develop personalized marketing messages using predictive analytics to increase the effectiveness of actionable cross-sell and up-sell campaigns.

VI. Appendix

About TARGUSinfo

TARGUSinfo On-Demand Information services provide unique identification, verification, qualification and location solutions that enable retailers, call-center operators, communication service providers, web-based marketers and others to dramatically increase the quality of their services and the effectiveness of their marketing. A privately held company, TARGUSinfo is headquartered in Vienna, Va. For more information, visit www.TARGUSinfo.com.

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