



An NGDATA Report

Use AI to Create the Most Profitable Customer Experience

What if you could better understand your customers' needs, behaviors and habits? It's the Holy Grail that marketers have been searching for since, well, the dawn of marketing. First, it was through focus groups. In an intimate setting, we asked customers directly what they liked and used that data to better target and market our products. But, that was just a small sub set. It couldn't scale.

Fast-forward to computers and online shopping, and suddenly analytics and purchase behavior was just a click away. Marketers now had loads of data at their fingertips, which was great! Or, was it?

Data Overload

Endless trails of data analytics and insights, layers upon layers of information—location, age, spending habits, attrition tendencies, product and communications preferences, behavioral intelligence, preferred platforms—were suddenly widely available. But, with so much information, how do you disseminate it? And, moreover, with so much data available, why are customers still being marketed to with very little relevancy?

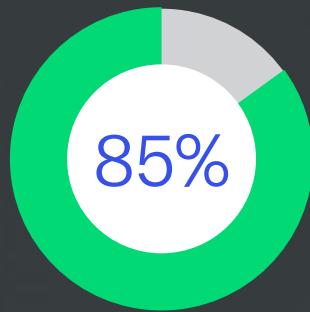
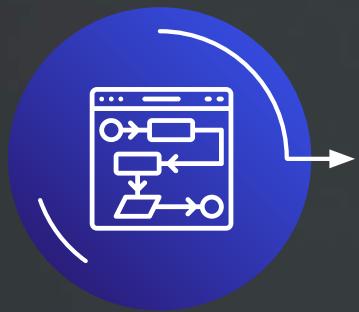
If only there was a way to turn this data into actionable insight and make it tangible.

If only we could create something that would learn from this data and not just analyze it. Introducing what could be the most accurate, timely and growth-minded tracking device available: Artificial Intelligence (AI).

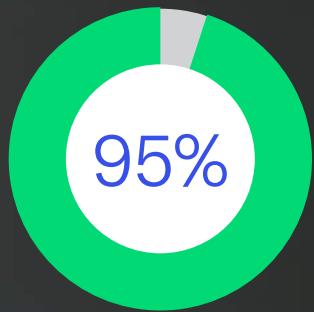
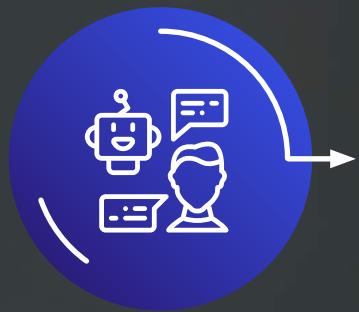


What is Artificial Intelligence?

When most of us think of AI, we think of robots: Rosie from *The Jetsons*, R2-D2 and even HAL from *2001: A Space Odyssey*. But, AI is so much more than just robots acting like smarter more efficient humans. Here are some interesting stats:

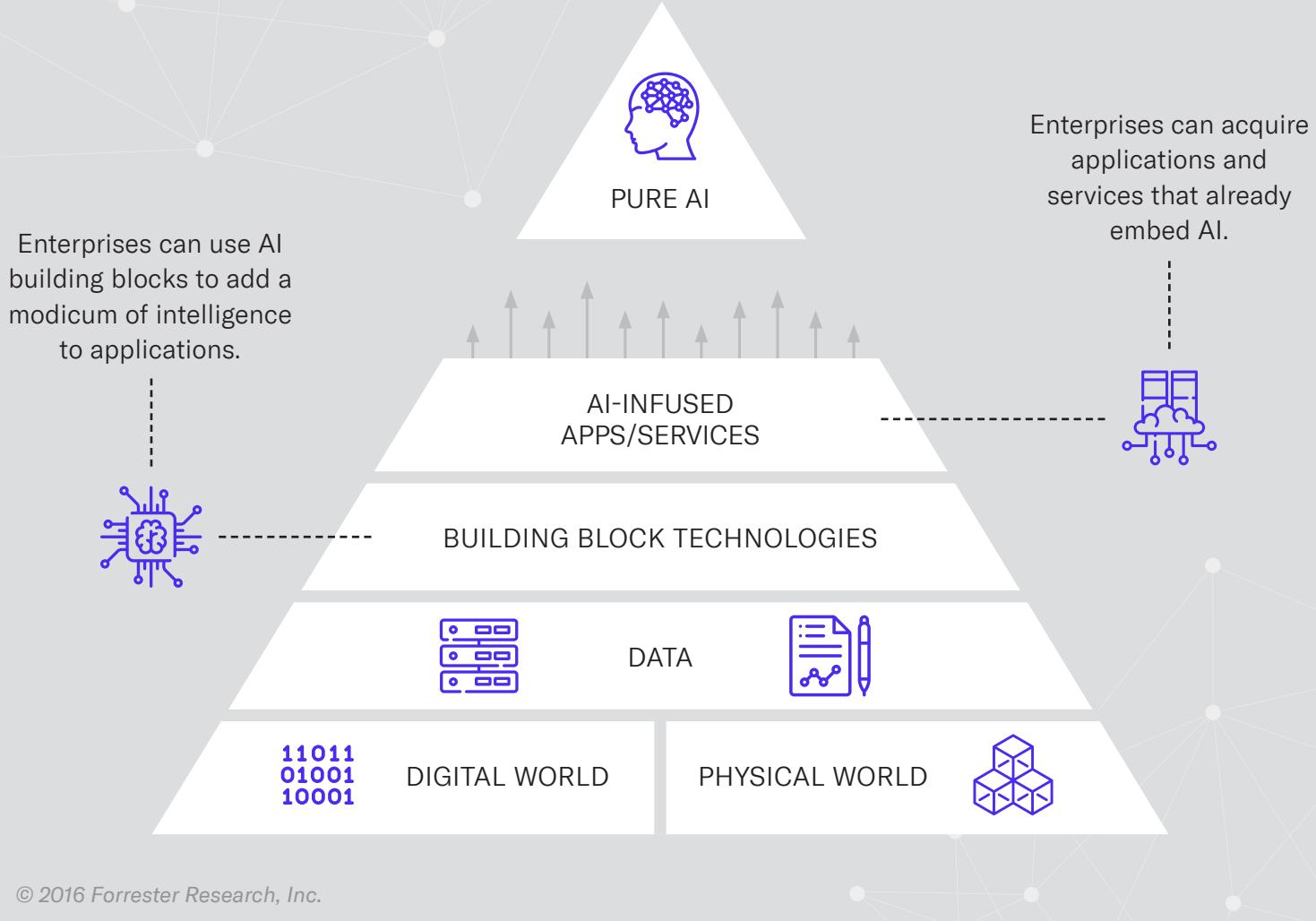


Gartner says that 85% of customer relationships will take place without human interaction **by 2020**



Servion predicts that AI will power 95% of all customer interactions **by 2025**





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And, while the [highest benchmark for AI is the humanlike ability to perceive \(sense\), learn, think \(formulate ideas\), interact, and take action,](#) AI isn't cookie-cutter.¹

For most businesses, the type of AI they want to focus on is called Pragmatic AI. This essentially is about tech-based building blocks that add intelligence to applications in order to transform business. Because, although most applications use

data, they don't learn from it. Pragmatic AI creates machines that can analyze data to build predictive models for use in applications and then adapt and learn with experience.² Machines that can not only understand audiences, but react to them in real-time, pivot and give them exactly what they want, oftentimes before they even know it. Some more basic applications include chat-bots, home assistants, like Alexa and Google Home, and even dynamic advertising.

¹ AI researchers refer to "strong AI" and "weak AI." Strong AI does not exist yet. Weak AI refers to what is possible now. Most use the term "general AI" to mean what we call "pure AI."

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AI is in everything we do these days. Recommendation engines have been benefitting from AI for years:

DO YOU WATCH NETFLIX?

If you do, you're surely familiar with the "Because you liked Show X, you probably would like Show Y" touts that appear in your search and watch history.

ORDER ON AMAZON.COM?

Surely, you've seen the "customers who bought this, also bought this".

BUY BOOKS ON KINDLE?

All of the titles suggested to you are based on what you have read previously.



These sites use algorithms that are seeing your behavior and predicting what you might want based on that past purchase, watch or search history. But, of course, AI is even more than this. We haven't even scratched the surface.

Creating Individual Customer Experiences

Everyone wants to feel like they are special. They are unique. They want to feel like you are only marketing and talking to them, specifically. Today's AI is all about helping you understand, reach and connect to your customer in a way that gives them this seemingly individual and personalized experience. In fact, 57% of enterprise executives believe the most significant growth benefit of AI and machine learning will be improving customer experiences and support.

It's impossible to understand your audience without analyzing them. Even if you talk directly to them and gather feedback, that feedback is data on how they are responding—or not responding—to your product. It also includes what their needs are and how you can meet those needs. AI allows you to gather this data more efficiently, and in the case of a customer data platform (CDP), analyze and contextualize it in real-time, enabling you to react to the behaviors of each individual and deliver on customers' expectations for personalized experiences.



With machine learning, you aren't just reviewing spreadsheets and crunching numbers after the fact. The machine is learning as it goes, interacting with consumers and adapting to their needs right then and there. It's essentially data mining meets marketing on steroids. Because AI is always learning, it can free up living and breathing people in your organization to focus on more complex problems. According to Gartner, "CDPs are gaining widespread attention from marketers due to the promise of providing a holistic view of the customer to help execute and optimize personalized journeys."



Predictive Intelligence

If you knew exactly what your customers were thinking, marketing to them would be a cinch. With the use of AI, predicting behavior in real-time is fast becoming a reality and in fact, it's already possible to predict what a customer wants before they even know they need it.

Before there even was such a thing, Steve Jobs was hacking AI. He was steps—and years—ahead of the customer. He was always thinking about what was possible and what they could have. Not what they do have. AI gives you real-time actionable insights into individual customers to maximize your targeting precision by placing the right personalized message in front of the right people:

- Respond in real-time to inbound requests, from any channel or execution system, with the best recommendation for each customer or audience.
- Initiate real-time alerts when a customer becomes part of an audience or qualifies for a specific recommendation.

In other words, it allows you to deliver better, faster, and more precise predicted customer experiences. This more strategic approach to using customer data could be the difference between a lost customer or a newly gained one.

“Our job is to figure out what [a customer is] going to want before they do. I think Henry Ford once said, ‘If I’d asked customers what they wanted, they would have told me, ‘A faster horse!’’ People don’t know what they want until you show it to them. Our task is to read things that are not yet on the page.”

– Steve Jobs

Follow the Breadcrumbs

Luckily for you, you don't need to hack AI because your customers are already leaving a digital trail wherever they go. These breadcrumbs can be analyzed to start predicting where they might go next. And even more important, give them things they don't even know they need...or want. Let's be frank, big brother is always watching, so he may as well be on your payroll.



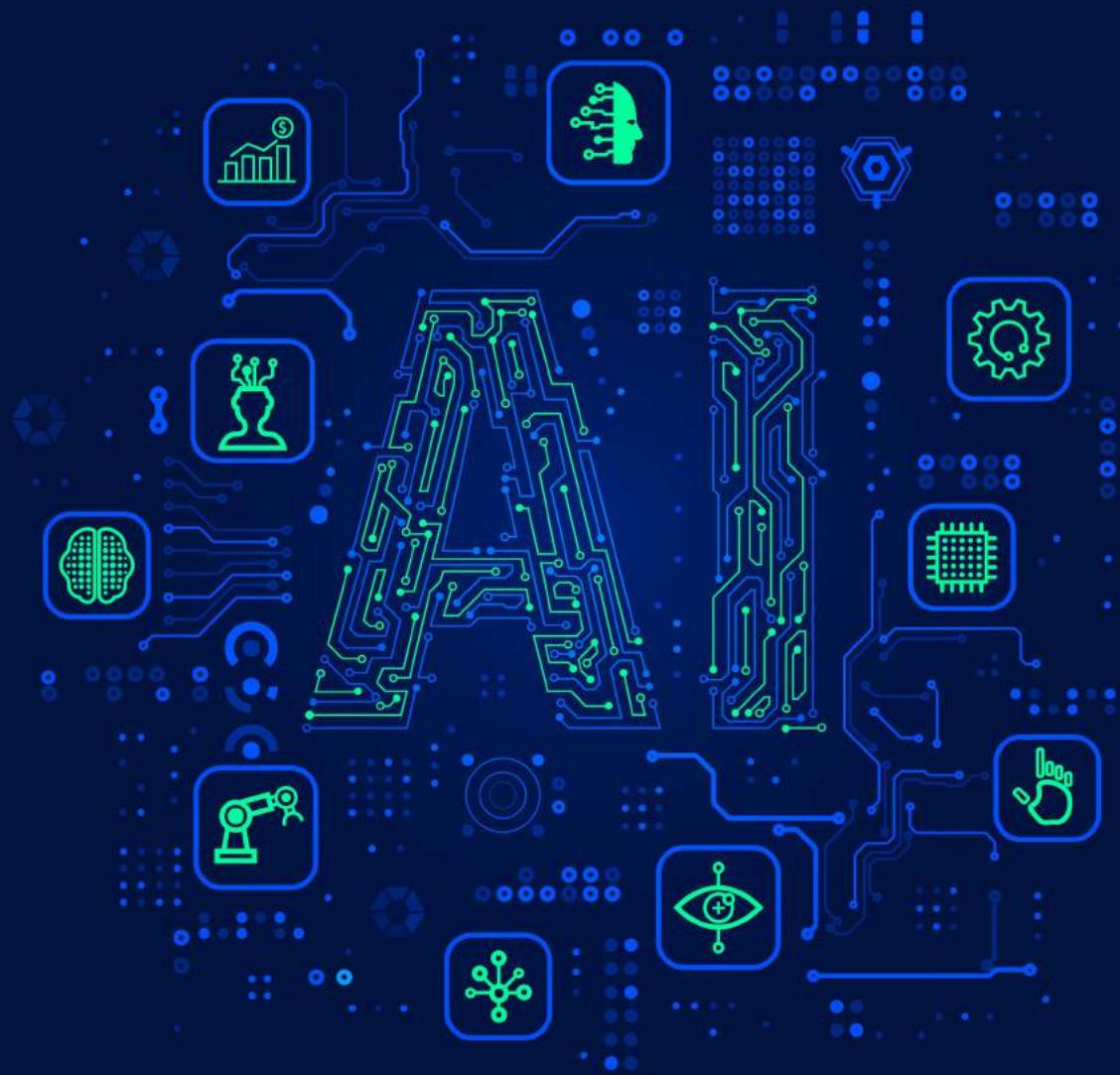
For example: We already talked about how predictive intelligence is being used by Netflix and Amazon. But, those examples were based on behavior that happened in the past. What about reacting to an immediate behavior to offer your customer more as they shop or immediately post-purchase? In other words, let's say they buy a

blender. Immediately after that purchase you can send them an email suggesting a travel mug to carry their smoothies in. Or, better yet, as they add the blender to their cart, a chat bot could pop up and offer them the travel mug on the spot. That is true real-time marketing. And it adds value to the customer and of course, revenue to your bottom line.

Converting Data to Marketing ROI

It used to be that marketing prospects were scored manually based on where people were in the customer journey. This was extremely time consuming and often meant that time was wasted gathering and plugging in data to garner a person's likelihood of purchase, only to find out this lead was lukewarm or tepid at best. But, with AI's ability to have predictive lead scoring, it's the data that determines which leads are most likely to convert.

Using predictive models and machine learning automates much of what used to be impossible to accomplish for a brand. By automatically selecting the most attractive and relevant offers, delivering them over the most effective channel—whichever device customers are most likely to engage with—and customizing those offers for them individually, the result is rich personalization with zero marketer guesswork. This leaves you more time to spend building fun and engaging experiences, and optimizing those experiences to deliver the most value to both your brand and customers.



You Don't Have to Reinvent the Wheel

The beauty of AI is that in most cases you don't need to completely revamp your existing systems. AI can be added to most existing enterprise applications. Imagine all the ways you can amp up your current applications with AI; anything that would improve through discovery, prediction and interaction. The time to start thinking and implementing these changes is now.

Taking the Artificial Out of Marketing Intelligence

When most people think of AI, they tend to focus more on the acronym's Intelligence and less on the Artificial. That's because this ability to learn and understand human behavior has nothing to do with artificiality. It's actually almost super-human. Being smart enough to recognize patterns and behaviors, and understanding enough to give people what they want based on those, is empathy in the form of commerce.

Closing this gap between analytics and execution means letting marketers truly manage the conversation with the customer, both in- and outbound. By leveraging your data to deliver the most relevant, timely and contextually-aware actions that match the needs of each and every individual customer, you'll become transformative in the way you approach your marketing and your business.



NGDATA helps brands achieve data-driven customer centricity. Our AI-powered Customer Data Platform (CDP) & Digital Transformation services and solutions enable our clients to deliver relevant, connected and timely customer experiences. We partner with our clients to help them capitalize on emerging opportunities, drive profitable customer experiences and supercharge analytics and campaign ROI. NGDATA partners with companies around the world to drive digital transformations.

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