Three Practical Steps to Tapping Into Big Data (and Little) to Drive

More Profitable Behaviors from Your Customers

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In the beginning, loyalty programs were pretty simple – a customer buys something, that customer earns points; that customer burns those points to get something. But this simple "earn and burn" type loyalty program rewards everyone equally for their business. Sure, there may be "tiers" that allow for a higher discount, or better rewards, but overall, every customer was treated the same, regardless of their potential value to the company. A great example of this is the My Starbucks Rewards program – where loyal customers, who are likely to come back tomorrow to Starbucks and buy a coffee regardless of the program, are rewarded on the same basis as people who aren't likely to go back without an offer.

THE DAWN OF A NEW AGE OF CUSTOMER ENGAGEMENT PROGRAMS

The new generation of customer engagement programs allow companies to treat customers on a one-to-one basis, thus driving truly incremental behavior that can lead to a positive ROI on their loyalty investment. These intelligent programs depend heavily on customer behavior measurement in order to determine how each customer is currently engaging (or not engaging) with their loyalty program. This data helps marketers determine the value of customer behaviors at their full potential and map out, on a one-to-one basis, the customer behavior gaps that can be filled to achieve that full potential.

The good news for marketers of larger organizations is this customer behavior data is probably already being recorded. The bad news is that it is likely stored across several system silos, difficult to access, and stored at a granularity too fine, or too large, to be of immediate use.

THREE STEPS TO LEVERAGING THE VALUE OF BIG DATA (AND LITTLE)

To help bridge those customer behavior gaps, companies can use data capture and aggregation tools – in effect, listening posts – which can be easily implemented into existing technology to "listen in" on customer behavior. However, as with any technology, due diligence is required to ensure that the solution you choose accurately meets your needs. So here are three key criteria to keep in mind when evaluating technology or approaches to data capture. The solutions should:

1. Capture data across multiple channels, encompassing a wide spectrum of customer interaction
2. Have the right level of granularity for program measurement,
3. Be easy to integrate into existing systems in order to enable you to start tracking data quickly

LISTENING ACROSS MULTIPLE CHANNELS

Capturing data across the spectrum of customer interaction leads to two questions:

1. Which channels do your customers use to interact with the company?

2. Which channels will you prioritize in order to get access to the most data available, or at the very least, the minimum viable data to pilot a program?

For example, an Internet-based businesses may select the following channels for their data-capture: a customer facing web property may be the primary target, a mobile app may be secondary, followed by a contact center, existing CRM systems and others.

You will need a solution that is channel-agnostic and will eventually capture data across all these channels, but one which can start with a subset rapidly. Ideally, you'll want to collect this data in real time through a web service layer, to which your various channels can be integrated one at a time.

LISTENING FOR THE RIGHT TYPE OF DATA

Once you've identified the right channels to target for the data collection, you need to think carefully about collecting the right type of data. Listening to and collecting data from the right channels, but at the wrong level of granularity can lead to unnecessary complexity.

For example, it can be very tempting to "capture every click" of a website through web logs, or a remote listening technology. However, what you really need is to identify and capture all of the customer behaviors that create and/or decrement value. An arbitrary click is a valueless behavior. Some examples of metrics or behaviors you want to capture may include purchases, logins, submission of customer content, or complaints. You should not discount the value of social data, which in some cases may be unstructured. Externally shared reviews of your product or service can prove to be very valuable! You need to understand and measure the customer behaviors that drive value to your business (or draw value from it). Leave the clicks to the UX designers.

LISTENING IN ... QUICKLY

Lastly, but perhaps most importantly, you'll need to consider speed to market. The faster you can demonstrate ROI from your loyalty program investment, the better. The true power of one-to-one customer engagement is that you can prove that you can affect the incremental behaviors that drive value to your company. Such lightweight technologies like JavaScript remote procedure calls can be just the ticket to get going quickly. They can help you start small, prove your ROI, and grow.

Introducing a one-to-one customer engagement program into your enterprise can represent a significant inflection point in the success of your business. To do this successfully you'll need to collect data from across your enterprise at the right level of abstraction, and you'll need to do it fast. There are technology tools and frameworks that can help you get a leg up in your endeavor. Whatever way forward you choose, just make sure your solution will meet your needs. ●

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