

# SAS Customer Intelligence 360 for Retail

## *Customer Data Platform (CDP)*

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# Personalization is the new currency in Retail CX

Scott Feldman


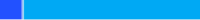
# Context and drivers: McKinsey - 2022

## Digital driven personalization is the new loyalty

### Performance propels outperformance

Research shows that personalization most often drives 10 to 15 percent revenue lift (with company-specific lift spanning 5 to 25 percent, driven by sector and ability to execute). The more skillful a company becomes in applying data to grow customer knowledge and intimacy, the greater the returns. For digitally native companies that forge a data-backed, direct-to-consumer model, personalization isn't just how they market, it's how they operate.

### Digitally native companies drive more revenue from personalization than other company archetypes.

Company archetype	Companies without direct relationship (eg, CPG)	Brick and mortar (eg, grocery, apparel)	Digitally native (eg, DTC brands)
Strength of customer relationship	Low	Medium	High
			
	<ul style="list-style-type: none"><li>Typically does not own customer transaction</li><li>Limited access to or use of 1st-party data</li></ul>	<ul style="list-style-type: none"><li>Owns customer transaction, not always product development</li><li>1st-party data captured but mixed</li></ul>	<ul style="list-style-type: none"><li>Owns customer transaction and product development</li><li>1st-party data at heart of decision making</li></ul>
% of revenue driven by personalization <sup>1</sup>	~5–10%	~10–20%	~25%

<sup>1</sup> Question: "What percentage of your revenue comes from personalized marketing actions/or tactics?" Possible responses: values from 0 to 100%. Source: McKinsey Next in Personalization 2021 benchmarking survey, 2/7–2/14/2021 (n = 100) sampled among consumer businesses

McKinsey  
& Company

<https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-value-of-getting-personalization-right-or-wrong-is-multiplying>

# Context and drivers: likely challenges for UX

## Taking the right **DECISION**

- using generic, simplistic AI, regardless of what's needed
- inability to deploy the right analytics to improve interactions
- inability to automatically update algorithms in line with results



## Identifying Moments of **NEED**

- identifying moments days after they happen, not at the time
- inaccuracy in linking actions to individuals
- inability to access merged online / offline data to evaluate moments

## Reacting with **PRECISION**

- managing coherent journeys across siloed channels and disjointed legacy infrastructure
- struggling to deliver real-time responses to real-time insights
- inability to attribute value to actions

# From anonymous visitor to repeating customers

PROSPECTIVE VISITORS

ANONYMOUS VISITORS

IDENTIFIED VISITORS

BUYING CUSTOMERS

REPEATING  
CUSTOMERS

# Traditionally separated...

**DIGITAL  
MARKETING**

PROSPECTIVE VISITORS

ANONYMOUS VISITORS

IDENTIFIED VISITORS

BUYING CUSTOMERS

REPEATING  
CUSTOMERS

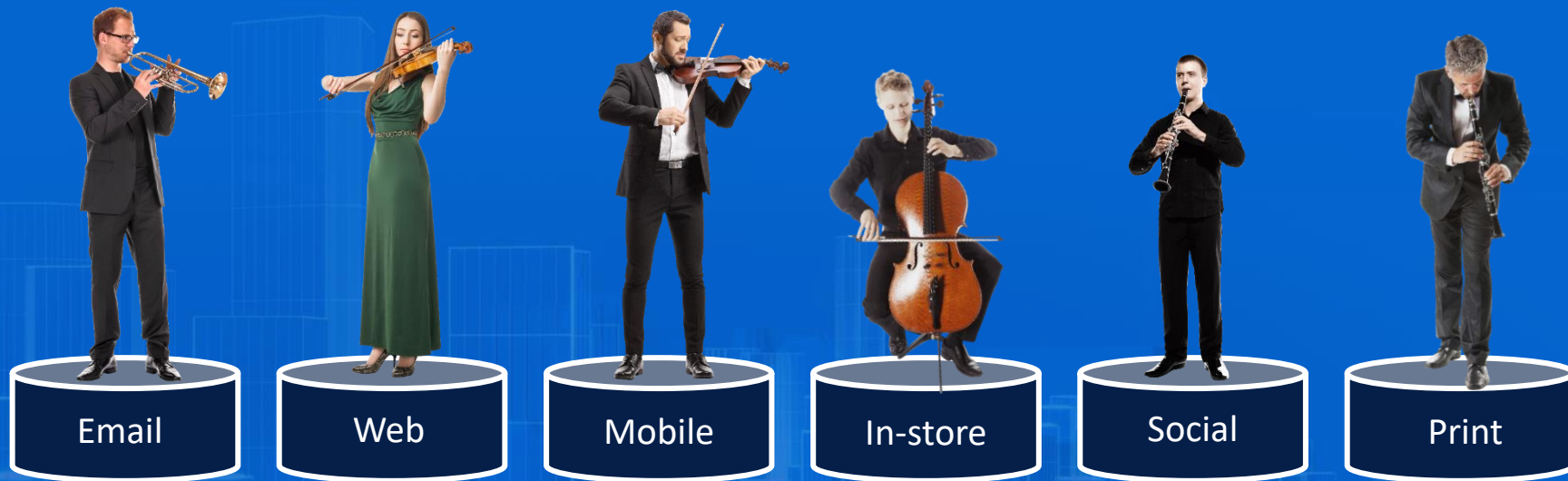
**CRM  
MARKETING**

It is impossible (or very expensive) to deliver relevant customer experiences across multiple channels if you don't orchestrate them centrally.





# The Reality is a Confused Customer Experience



Every channel has its own orchestration, data, content, agenda and integrations. IT can't keep up with integrations and data movement to all different SaaS tools





# Experience happens in the channels - connecting and coordinating digital activity across channels is complex

## Top strategic marketing challenges:

- Keeping up with rapid pace of interactions
- Difficulty translating customer insights into actionable marketing outcomes
- Managing the frequency and volume of communications to customers
- Coordinating messages across channels and screens

# CDP for Retail should have's

*4 value propositions*

- **Customer data platform** - Integrate prospect and customer digital behavior with transactional and loyalty data
- **Customer Insight** – Explore and predict omnichannel behaviors, optimize interactions in all touchpoints
- **Customer Journeys** – Design, plan, test and deploy multiple omnichannel experiences for key retail user scenarios, from awareness to advocacy.
- **Customer Decisions** – Provide the most relevant sequence of items (service, offer, message), scaling in *real time* with dozens of thousands of options.

# The CDP Can Help...

## Ingest Data

Ingesting audience data from multiple sources helps marketers with adding or enhancing data with new sources

Facilitating real-time segmentation within the CDP allows marketers to use all available data seamlessly

## Segment Audiences

CDP

CUSTOMER DATA PLATFORM

## Identity Matching

Providing a unified customer profile helps marketers overcome customer data silos and legacy systems challenges

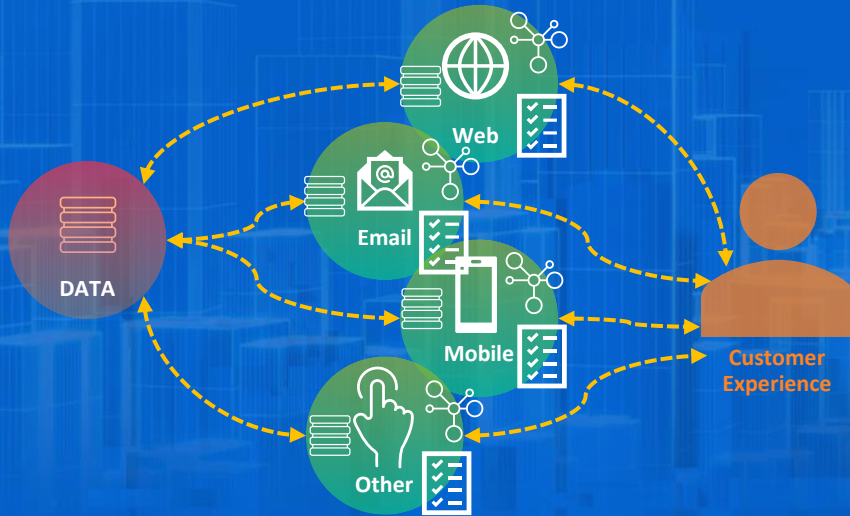
Providing connections to other marketing technologies helps marketers translate data into actionable insight

## Provision and Activate Data

# Given The Current Challenges...

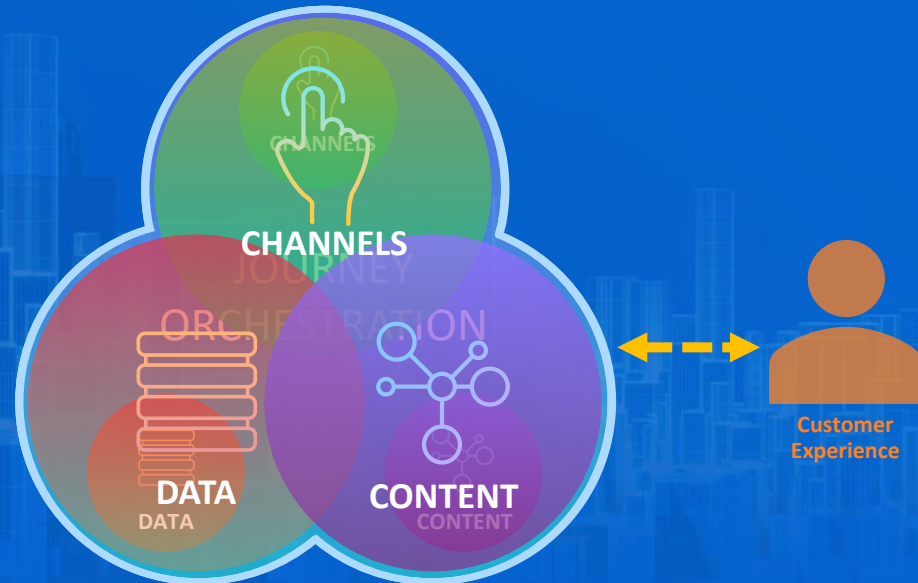
## Do You Want to work like this?

-  Data is Still Everywhere & Needs Complex Integration!
-  Content is Still Managed Everywhere !
-  Business Logic is Also Still Managed Everywhere !

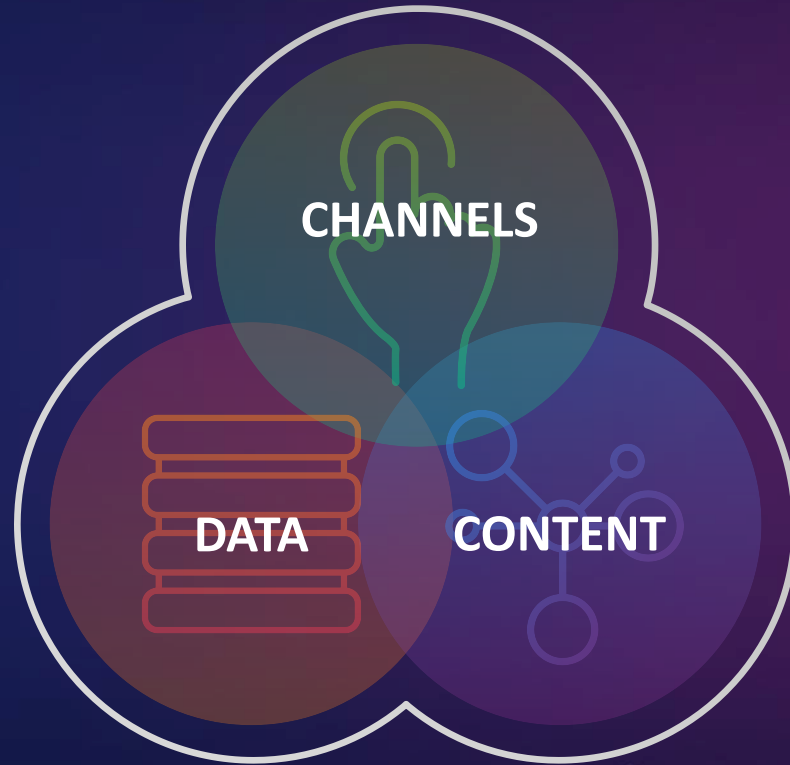


## Or like this?

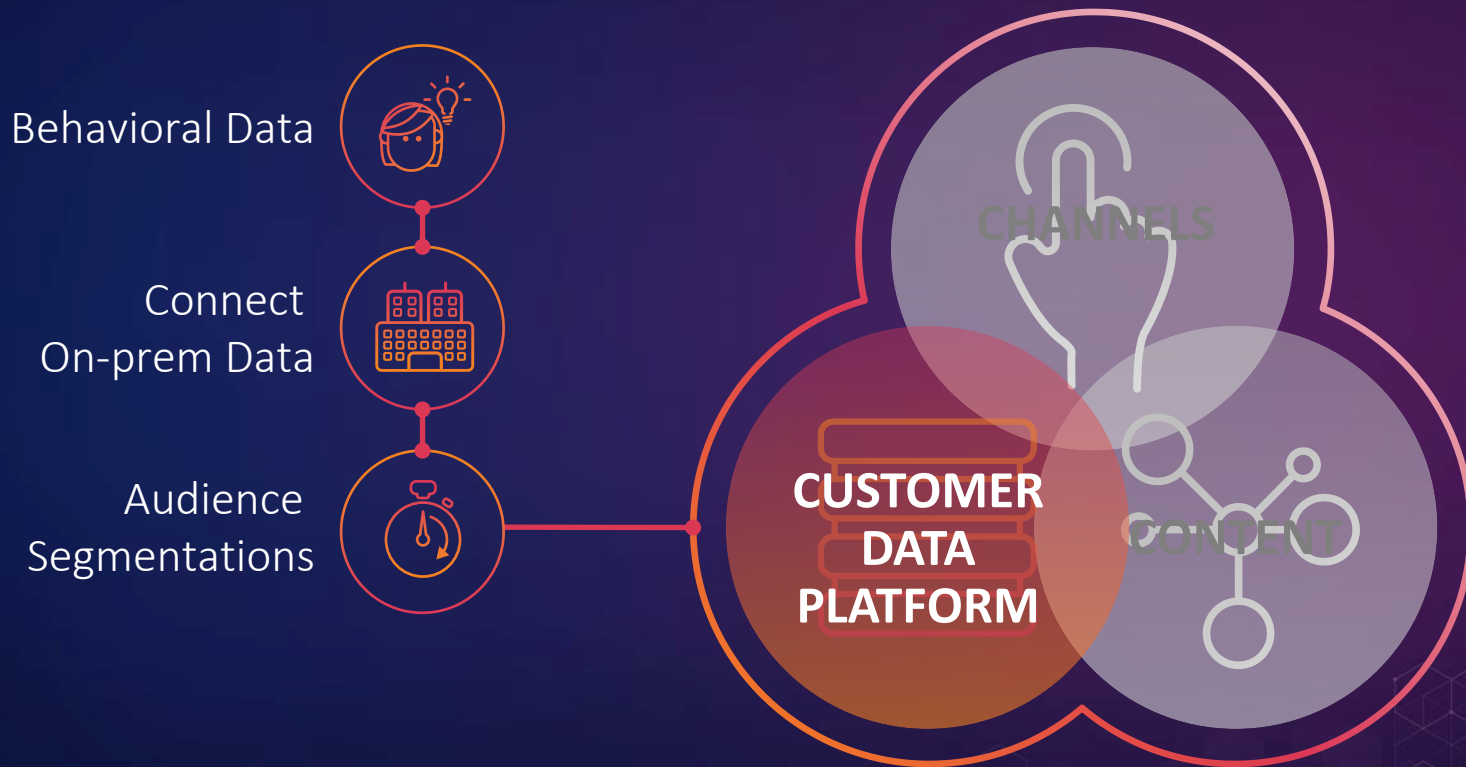
Data, Content and Channels are all fully integrated and managed in a single platform  
With Journey Orchestration and Business Logic for a true omnichannel experience



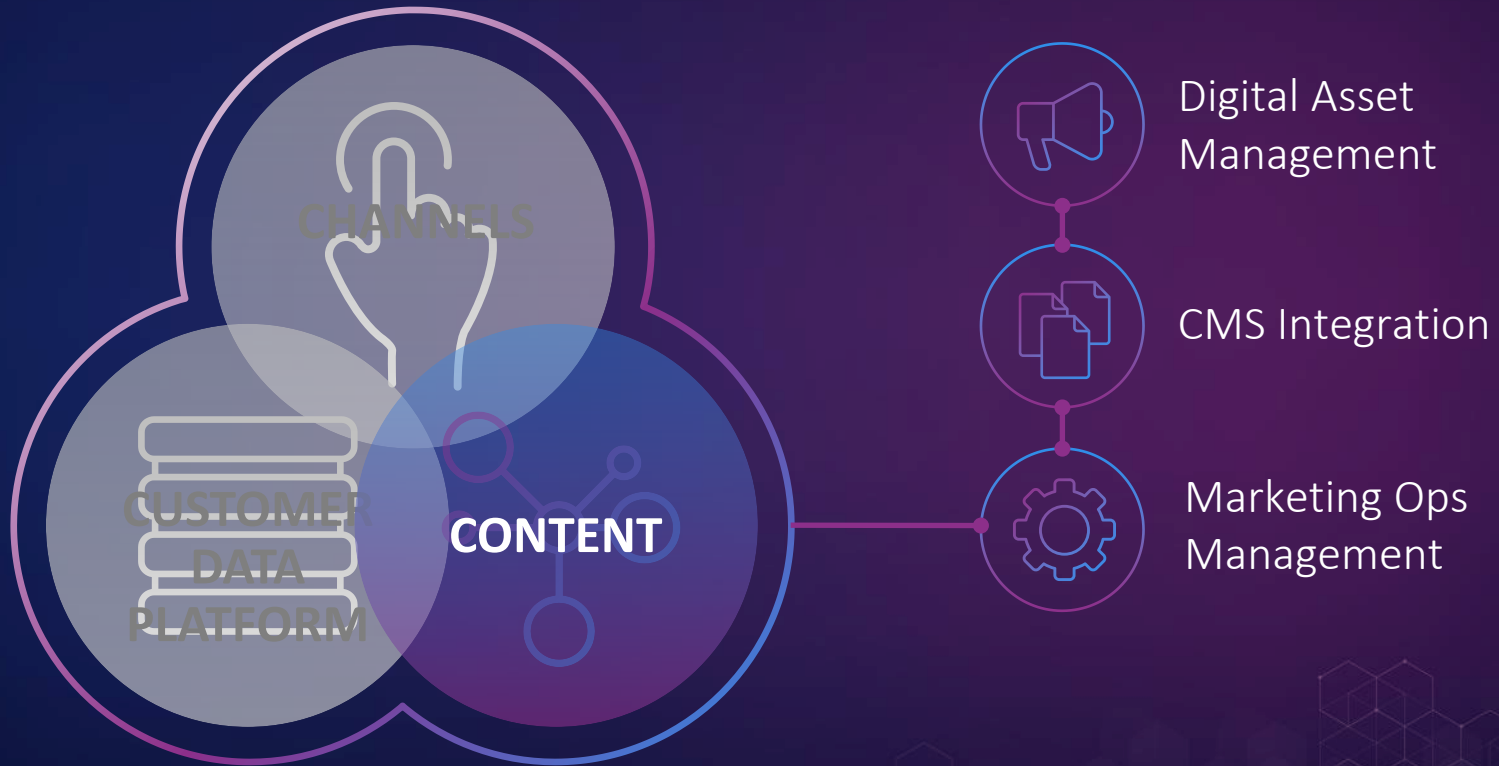
# Get the Basic Right!



# Customer Data Platform (CDP)



# Central Content and Asset Management

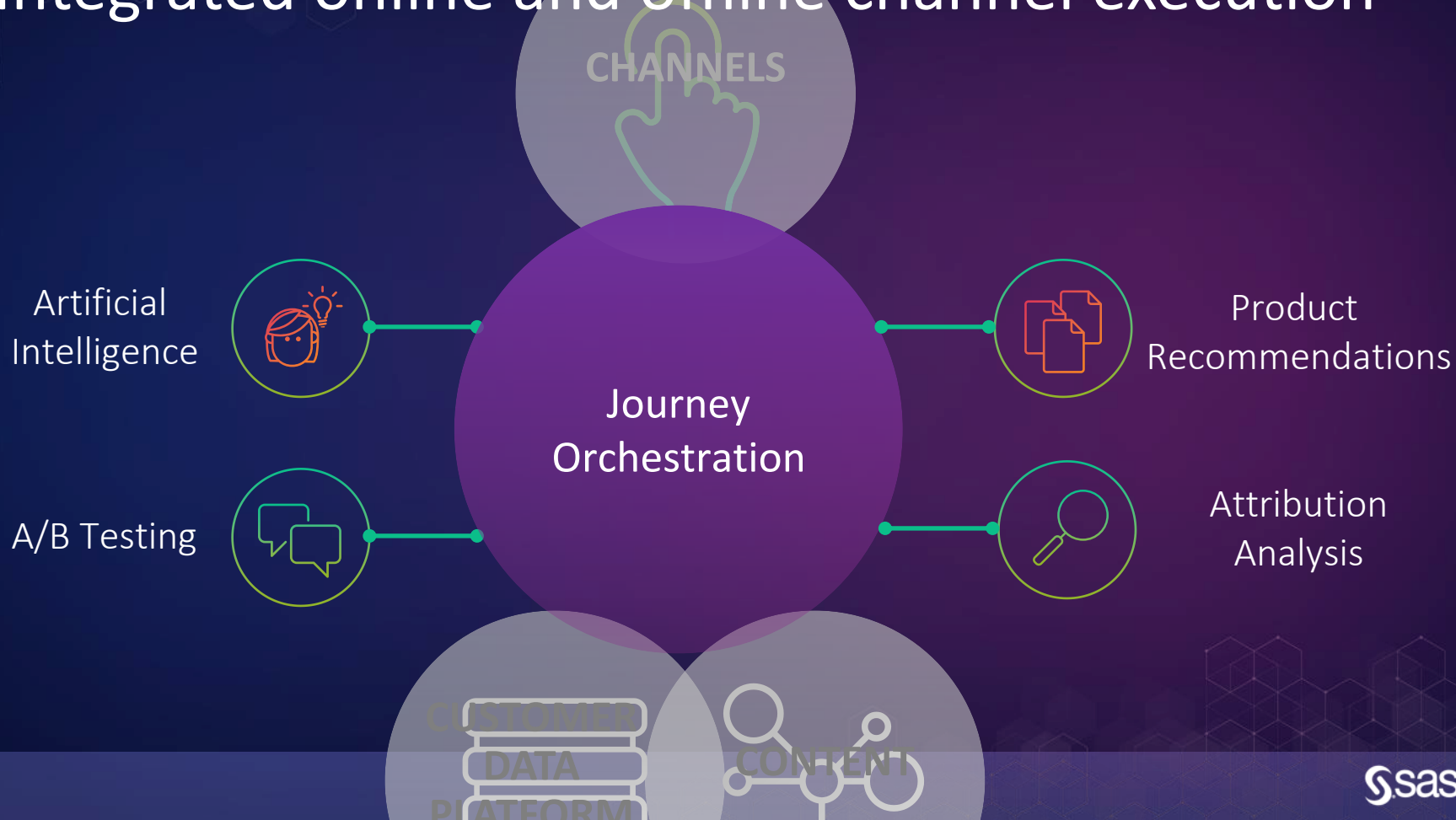




# Integrated online and offline channel execution



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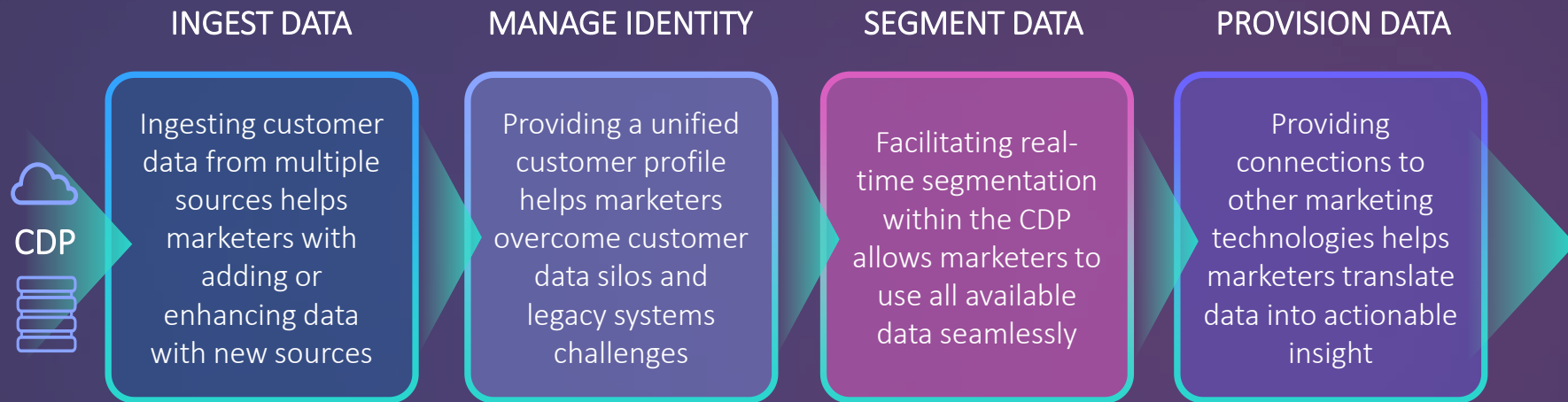
# CDP & Customer Insight

82% of brands say the ability to win in CX is tied directly to the ability to capture/analyze data in real-time

Yet marketers struggle to combine on and off-line customer data, much less activate analytical insights in real-time across the organization

There is a better way – seamlessly enhancing and extending customer data activation – moving beyond a traditional customer data platform (CDP).

# Customer insight – Customer Data Platform



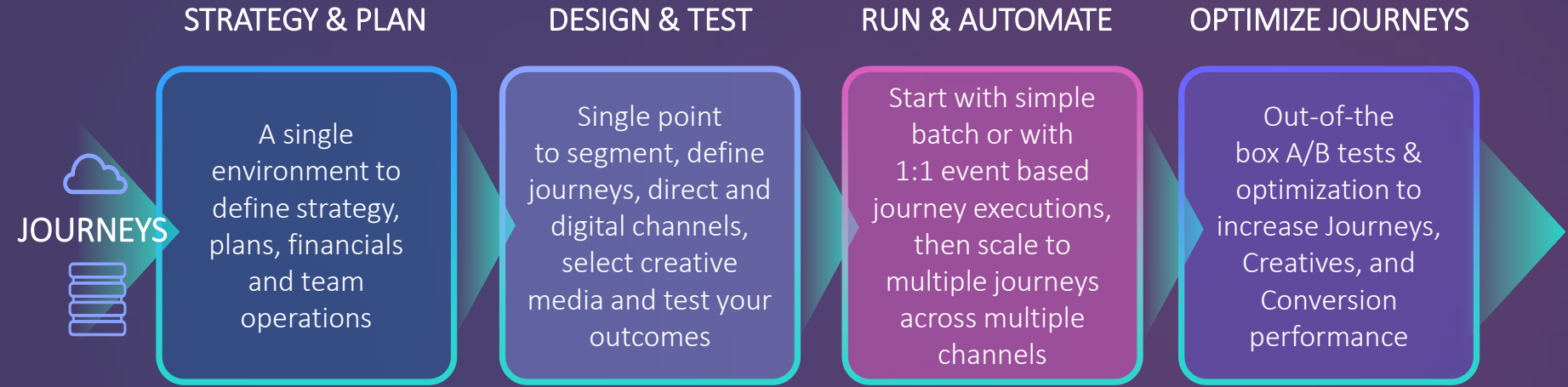
# Customer Journeys

91% of consumers are more likely to shop with brands who **recognize, remember** and provide **relevant** offers and recommendations.

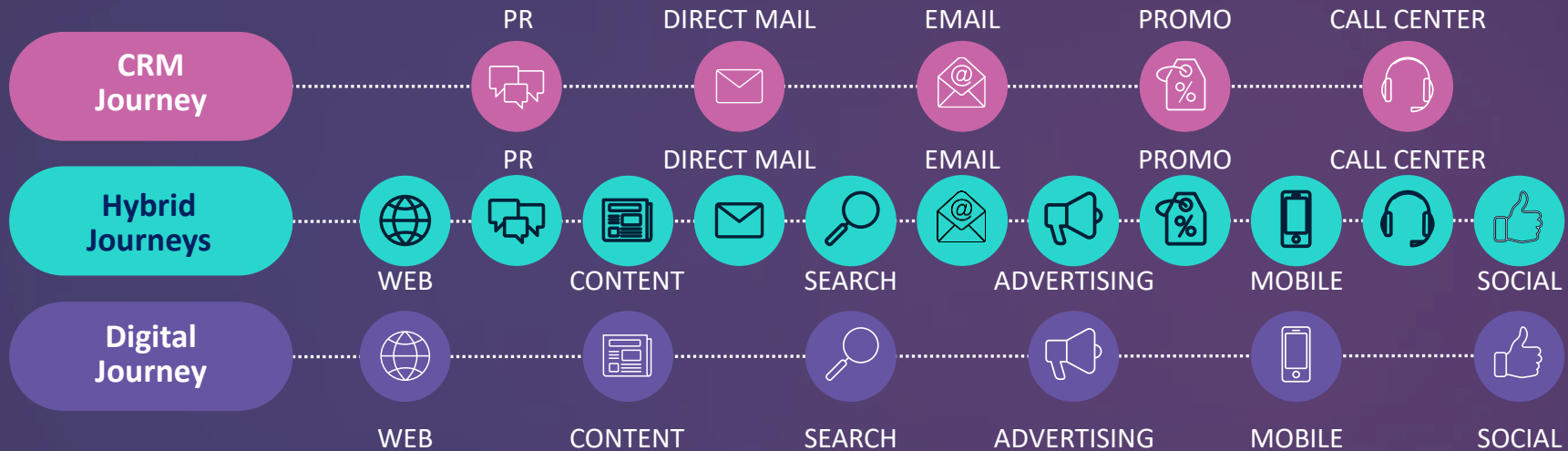
But many companies **think** of the customer journey as the optimal path **they** would **like to see** their customers take

There is a better way –  
By leveraging **all of the data** and **insights** at your disposal to meet your customer wherever **their** journey takes them.

# Customer Journeys: once were campaigns



# Customer Journeys: orchestrate all channels



Define which user scenarios could perform better if connected across channels (e.g. offers)

Quickly connect your direct and digital channels  
Using Journeys

Execute, monitor and optimize performances in real time



# Customer Decisions

86% of brands believe engagements with consumers will be increasingly driven through **AI-powered intelligent systems**

Yet many organisations still miss critical moments of truth or deliver wrong reactions, damaging satisfaction, reducing revenue and loyalty

Complete CDP's help you to instantly identify opportunities and risks, then make the right decisions to deliver **the right sequence of the best content for every customer**

# Customer Decisions: thousands, instant, in context

## REAL TIME LISTENING

## DETECT MOT

## DELIVER DECISION

## ALIGN / REFINE



DECISIONS



Track digital and in-store customer behavior, transactions and contextual data in real-time

Recognize the moments of truth, identify subtle behavior shifts and instant opportunities across the relation

Deliver massive scalability in decision volumes and evaluate performance as circumstances change

Align channels, monitor effectiveness and automatically retrain, optimize and redeploy

# RECAP: CDP for Retail should have's

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## Key Capability:

SAS® Customer Intelligence 360

Ulta Beauty is an American retailer that carries cosmetics and skincare brands, men's and women's fragrances, nail products, bath and body products, beauty tools and haircare products. They have 1196 branches in all 50 states. With one of the most successful customer loyalty programs in the world, "Ultamate Rewards", Ulta sought to maintain their leadership position and stay on the

cutting edge of customer marketing by leveraging innovative technology such as AI and machine learning. They needed strong investment from a vendor in their Martech stack, with capabilities such as intelligent decisioning based on detailed customer level data. They turned to SAS and our SaaS Customer Intelligence solution versus other large players in the space.



Automation of customer journeys will be completed with SAS Customer Intelligence 360 Engage.



Optimization of those customer journeys will be completed using Engage: Optimize



Customer Journey Optimization will be completed using machine learning, specifically reinforcement learning.



This will incentivize customers to increase spend, which will grow revenue and margin.



Loyalty Program usage will remain in the 95% + range.

# Context and drivers → CDP Users Realized

60%

Digital Visitor Identification

How?

Real-Time Digital Insights + Identity  
Management + Real-Time  
Personalization

-87.5%

Campaign Cost Reduction

How?

Analytical Offer Propensity +  
Optimized Offer Selection + Omni-  
Channel Delivery

+157% / x3

NBA Take Rates / Products per Cart

How?

Real-Time Digital Insights + Real-  
Time NBA Delivery / Personalization

+\$50M

3 Yr Credit Sales Increase

How?

Real-Time Credit Decisioning +  
NBA Calculation & Delivery

+400%

3Yr Online Sales Increase

How?

Real-Time Digital Insights +  
Personalization + Omni-Channel  
Orchestration

-30%

Print Cost  
Reduction

2x

In store  
traffic

How?

Customer Insights +  
Optimized Offer Selection  
coupons