

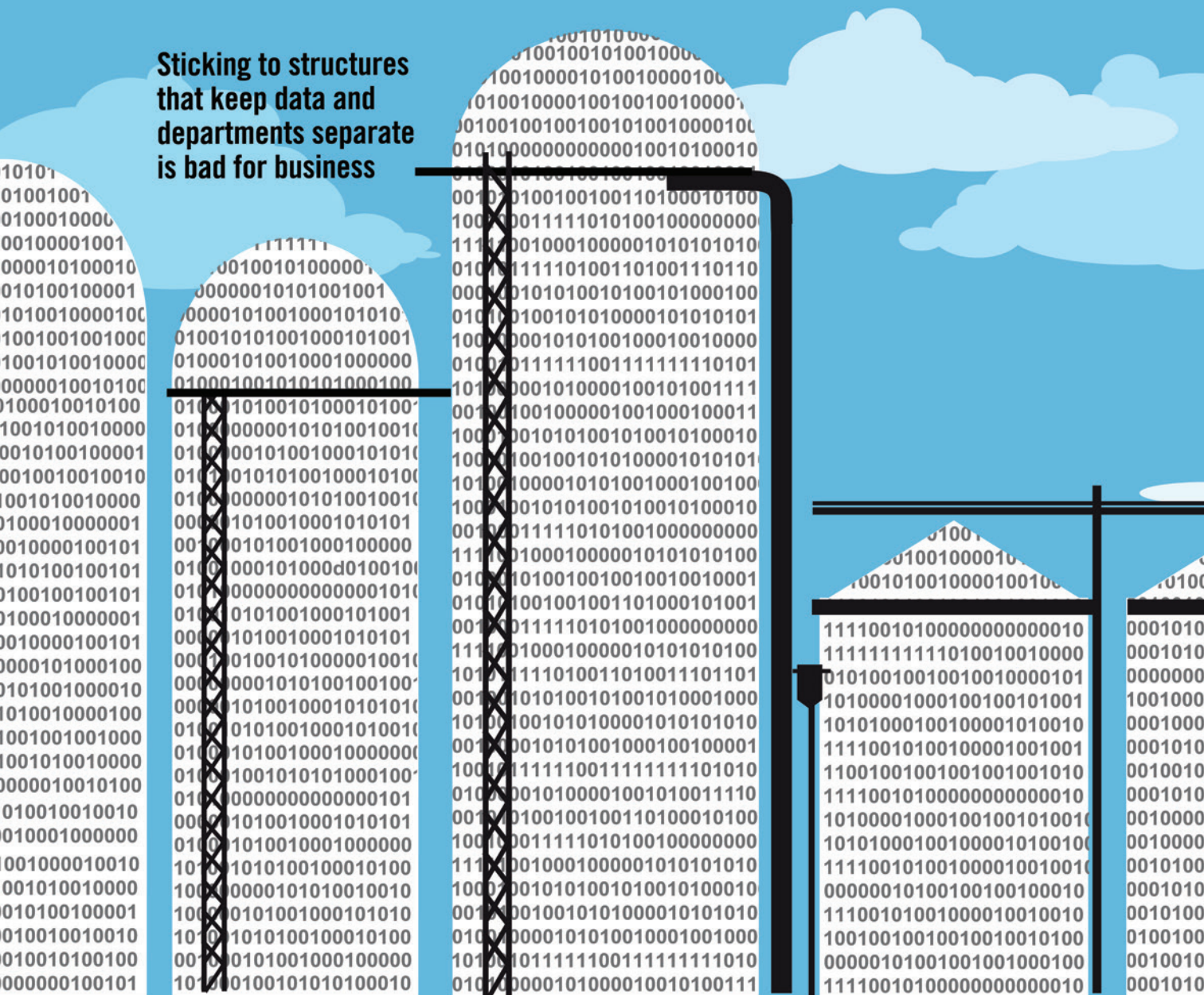
CRM

CUSTOMER RELATIONSHIP MANAGEMENT

- > Harnessing Data Across Social, Texts, Chat, and More
- > Machine Learning Reshapes the Marketing Landscape
- > Companies Don't Need Websites to Benefit from SEO

SILO BUSTING

Sticking to structures that keep data and departments separate is bad for business



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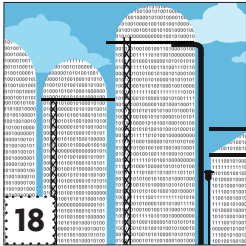
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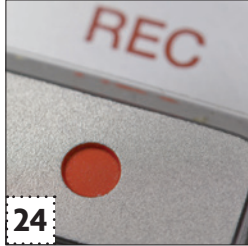
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This Month, It's All About the Data

When the news media wasn't fawning over Stormy Daniels, it seemed to have blanketed us throughout the month of March with coverage of the ongoing customer data crisis. Saks, Lord & Taylor, Panera Bread, Under Armour, and Orbitz were just some of the companies whose data gaffes were a mainstay of the media maelstrom. And they weren't even the biggest news stories.

First there was the ever-expanding Equifax data breach. Still reeling from the initial crisis that came to light in September, the credit reporting company said that 2.4 million more consumers than previously reported were likely affected by the breach, bringing the total to 147.9 million.

Then came revelations that political consulting firm Cambridge Analytica harvested personal data from about 50 million Facebook users that it could use to target them with tailored ads. Facebook's questionable handling of its members' information not only triggered a few U.S. government investigations but set off a public relations and stock market nightmare that is sure to plague the social media giant for some time.

Then there was the mad scramble for companies to realign their data strategies in advance of the European Union's General Data Protection Regulation (GDPR), which takes effect later this month (May 25). Companies that do business in Europe have been working overtime for months to get their data in order, secure the necessary permissions, and upgrade their data security protocols; vendors have been just as busy testing and remarketing their software in advance of the new rules.

Then as part of its ruling in *ACA International v. the FCC* (see the story "Court Strikes Down TCPA Expansions," page 15), a Washington circuit court of appeals affirmed U.S. consumers' ability to revoke consent to receive telemarketing phone calls (I, for one, can't imagine why anyone would consent to those in the first place).

The month ended with Rep. Bobby Rush (D-Ill.) introducing a bill in Congress to strengthen U.S. data protections. In introducing the bill, called the Data Accountability and Trust Act (appropriately abbreviated DATA), Rush said that "strong

national data privacy and data protection rules are long overdue."

"We can no longer allow companies that hold our personal information to self-regulate when they have proven time and again that they are incapable of effectively doing so and continue to erode the trust of the American people," the congressman's statement continued.

With all that mainstream media coverage, it's no surprise that the data issue is tightly woven throughout this edition of *CRM* magazine. In our cover story, "Now Is the Right Time for Silo Busting" (page 18), writer Mary Shacklett points out that companies have traditionally kept separate marketing, sales, and customer service data in department silos, which has ultimately been hurting business. The article advocates for sharing data across departments.

The data issue also surfaces in our second feature, "This Chat, Email, Text, or Social Media Post May Be Recorded for Training Purposes" (page 24), which details how companies can harvest and gain insight from the data that customers share through their multichannel interactions. In the article, Associate Editor Sam Del Rowe suggests that making the most of such data requires the right mix of people and technologies, including analytics.

Our third feature, "Machine Learning Reshapes the Marketing Landscape" (page 30), highlights how artificial intelligence can be applied to the oceans of customer data that companies now maintain as they seek to draw insight, make predictions, and better personalize their consumer outreach.

Throughout each of these three stories runs a common element: the need for companies to better safeguard the valuable information that consumers hand over to them, whether willingly or not.

If there's one thing we've learned from this coverage, it's that companies can no longer afford to be so cavalier with valuable customer data. There's just too much on the line. After all, companies' privacy policies are now an important part of the business landscape, determining whether consumers continue to do business with them or turn their backs on them with a bitter sense of betrayal. It's a development that is long overdue.

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CRM MAGAZINE'S MONTHLY PR EDITORIAL EMAIL UPDATE:

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The 4 Personalities of Digital Transformation—and How to Cater to Them

Here are five best practices to help reach all of your digital customers, from the tech-obsessed to the tech-reluctant.

ORI FARAN, COFOUNDER AND CEO, CALLVU

7 Trends That Are Transforming Sales and Marketing

Personalization and new technologies continue to reshape the business landscape. Here are the emerging sales and marketing trends that can help you stay ahead of the competition.

OLIVIER GACHOT, EXECUTIVE VICE PRESIDENT, NORTH AMERICA SALES, NEWVOICEMEDIA

Triangulating Sales Intelligence Can Help B2B Marketers Find Their Way

No one has a monopoly on insight. Figuring out the 'who,' 'what,' and 'why' of sales prospecting requires a collaborative approach.

SCOTT HORNSTEIN, AUTHOR, TEACHER, AND CONSULTANT

The Must-Dos, and Must-Don'ts, of CRM Data Integration

Here's how to keep system integration project management on track.

GATHY SANDS, VICE PRESIDENT OF PROFESSIONAL SERVICES, MAGIC SOFTWARE ENTERPRISES AMERICAS

The 4 Elements of Real-Time Customer Engagement

To adapt to customer moments of need, companies need strategies that enable real-time responsiveness.

JEFF NICHOLSON, VICE PRESIDENT, CRM PRODUCT MARKETING, PEGASYSTEMS

Modern CRM Needs a New Partner: Master Data Management

While the advent of cloud-based marketing tools in the past several years has accelerated CRM, it has also served as the catalyst for the rapid proliferation of disparate data sources.

TIM J. BUSCHE, COFOUNDER, PRESIDENT, AND CEO, ENVISION HEALTH SOLUTIONS

3 Ways Amazon Has Raised the Bar on Customer Experience

Customers across industries now expect a better overall experience thanks to Amazon, and here are a few ways your business can follow their lead.

JOEY COLEMAN, CONSULTANT, SPEAKER, AND AUTHOR



By BRUCE TEMKIN

3 Ways to Put the Human Element into Customer Experience

Recognizing and celebrating our collective humanity is more than a lofty goal—it's good business

FOCUSING ON people first is an obvious concept for customer experience (CX), right? Unfortunately, life is full of so many distractions that the human element can often get lost. Now is the time to refocus on instilling humanity into our customer experience efforts.

THE YEAR OF HUMANITY

Every year, Temkin Group identifies a theme that we believe deserves the attention of the entire CX community. We focused on empathy in 2014, employees in 2015, emotion in 2016, and purpose in 2017. Continuing in this vein, we labeled 2018 as “The Year of Humanity.”

With all of the discord and tension throughout the world, it seems like a good time for all of us to refocus on what's most important: our collective humanity. This might seem like a lofty goal, but it only takes small changes in how we interact with each other. The first step is to better understand each other.

SIX COMPONENTS OF HUMAN BEINGS

To place the focus on our collective humanity, it's important to first understand what drives the actions and behaviors of the people with whom we interact. Everyone has some understanding of other people, but it's helpful to keep in mind that we are all:

- **Intuitive.** We make most decisions based on mental short cuts.
- **Self-centered.** We view the world from our own perspective.
- **Emotional.** We remember experiences based on how they make us feel.
- **Motivated.** We look for opportunities to satisfy intrinsic needs.
- **Social.** We desire to make connections with other people.
- **Hopeful.** We flourish when we envision a positive future.

When it comes to our individual interactions, we can raise the level of humanity by simply doing three things: (1) embracing diversity, by not only respecting our differences but also finding ways to appreciate each other as

wonderfully unique individuals; (2) extending compassion, by tuning into the condition of the people around us and caring about their well-being; and (3) expressing appreciation, by seeking opportunities to look for and acknowledge the positive aspects of the world and the people around us.




IMPROVING HUMANITY AS CX PROFESSIONALS

How are we translating this focus into the world of customer experience? By creating a concept that we call *Humanize CX*, which we define in the following way: *Thinking about people first in every activity and endeavor.*

It's tempting to look at a business through the lens of technology or process, but those are just conduits to the ultimate objective: people. Since organizational success is driven by engaged employees and loyal customers, it's important to focus on the underlying needs and behaviors of these human beings.

To humanize CX, companies should strive to adopt these three principles:

- **Act with purpose.** Although human beings respond to external stimuli like bonuses and coupons, they are truly motivated by the desire to find meaning in their lives. So we need to enlist people's commitment and loyalty by sharing the purpose of our efforts and understanding the purpose that motivates other people.
- **Cultivate deep empathy.** Dynamics within organizations tend to reinforce an internal and myopic perspective. So we need to break the status quo by proactively uncovering and satisfying the needs of other people.
- **Create positive memories.** What human beings experience is not what they remember, and what they remember drives their loyalty. So we need to concentrate our energies on the moments that have the most emotionally significant impact on people.

Hopefully you're inspired to improve humanity in both your individual interactions and in your professional capacity. If we all do just a little bit, then we can collectively make 2018 the Year of Humanity. 

Bruce Temkin is customer experience transformist and managing partner of Temkin Group, a research and consultancy firm focused on enterprise-wide customer experience transformation. He is also the chair and cofounder of the Customer Experience Professionals Association (CXPA.org) and author of the blog Customer Experience Matters (experiancematters.wordpress.com).

IT'S TEMPTING TO LOOK AT A BUSINESS THROUGH THE LENS OF TECHNOLOGY OR PROCESS, BUT THOSE ARE JUST CONDUITS TO THE ULTIMATE OBJECTIVE: PEOPLE.



What's Hot in Sales Enablement

Digital transformation is touching all areas of the corporation—including one of the toughest areas to automate, the sales team. In the following sales enablement special report, we will take a look at the compelling reasons to incorporate e-signatures into your workflow to drive business value and enable end-to-end digitization. We will also take a look at how using a sales enablement hub benefits that other sales enablement department—marketing—by giving those reps clearer and deeper insights into how sales uses their content. Sales enablement platforms powered by artificial intelligence keeps sales teams on track and helps marketers produce more targeted content that is more likely to close more sales.

Sales enablement tools create more efficiency, more productive reps, faster cycles, and, of course, higher revenue.

Bob Fernekees

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E-SIGNATURES –
WHAT STARTS DIGITAL,
STAYS DIGITAL

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TOP 5 REASONS MARKETERS
NEED SALES ENABLEMENT

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E-Signatures – What Starts Digital, Stays Digital

It is difficult to talk about managing enterprise content without mentioning electronic signatures. E-Signatures make it possible to create end-to-end digital workflows. They help maximize ROI from ECM, while enhancing productivity, compliance, security and analytics. For these reasons, we're seeing a spike in e-signature implementations with storage and collaboration tools like Box, Microsoft SharePoint and other ECM technologies.

BUSINESS VALUE

According to analyst firm Aragon Research, “less than 30% of all document processes are fully digital. Aragon estimates that enterprises still spend 1 – 2 percent of revenues on imaging and printing.”¹

Electronic signatures, digital business and ECM are interdependent. Without e-signature capability, documents continue to be printed for signing, then photocopied, shipped, corrected, imaged back into the system, archived and shredded. The good news is, as much as 90% of the time and cost of administrative labor dedicated to managing paper can be offset through e-signatures. Not to mention benefits like faster decision-making, shorter sales cycles and improved customer experience.

Case in point: RBC Royal Bank. According to *ITbusiness*, “Instead of printing a voluminous agreement for a client to put wet ink on, only to rescan it into the ECM system later, the signature is captured on a digital pad. ‘During peak periods we’re saving 2 -3 hours per week per advisor,’ says Keith Wilson, senior manager of sales force technology enablement at RBC. ‘With 8,000 advisors, that is about 24,000 hours per week in time saved.’”²

COMPLIANCE

In the last few years, financial services, insurance, healthcare and government have embraced digital transformation. A major driver is compliance and risk. Many

organizations are concerned about legal risk or they struggle with the constantly changing regulatory landscape in their industries, in part because manual processing is so error-prone. But rather than react to regulatory pressures with additional people, manual controls and process complexity, businesses that adopt e-signatures:

- Leverage workflow rules to execute transactions correctly and consistently;
- Capture a full audit trail and electronic evidence;
- Minimize exposure to risk due to misplaced or lost documentation;
- Make the process of e-discovery easier, more reliable and less expensive.

In addition, e-signature solutions like eSignLive by VASCO make it easy to demonstrate compliance and reduce legal risk through the ability to playback the exact process that was used to capture signatures. Imagine the VP of Compliance asking for transaction records from five years ago. How helpful would it be to quickly produce all the signed records, in good order, AND replay the entire web-based signing process for context?

HOW E-SIGNATURES FIT WITHIN ECM SYSTEMS

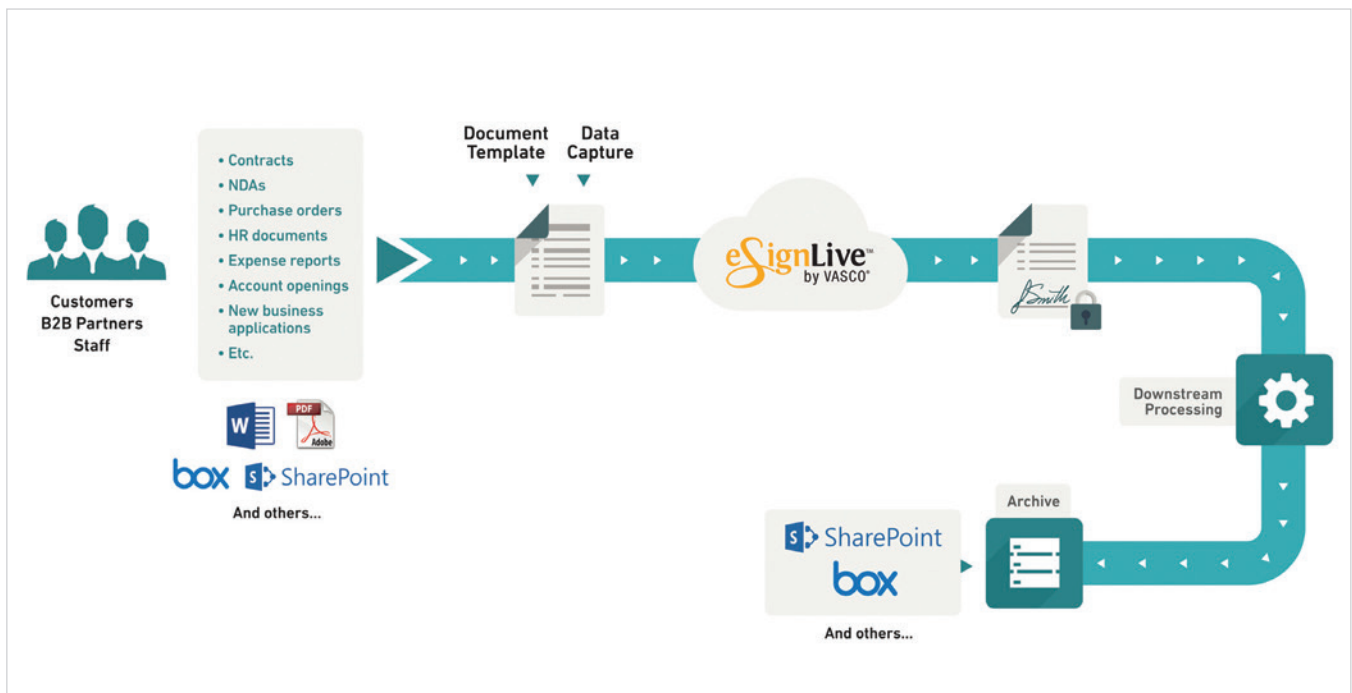
According to Forrester Research, “Enterprises and customers now recognize that e-signature is an important enabler of tomorrow’s digital business.”³

Today, business is digital and e-signature is a foundational technology enabling end-to-end digitization. Consider an insurance application as an example. Customer data is captured and application forms are filled out. When the package is ready to be signed by the customer, traditionally it would revert to paper. Instead, documents are handed off to the electronic signature solution. A solution like eSignLive then manages every aspect of the e-sign process, including notifying and authenticating signers, presenting documents for review, capturing intent, securing the documents, collecting evidence and more.

¹ The Aragon Research Globe™ for Digital Transaction Management, 2018

² <http://www.itbusiness.ca/news/rbc-sales-team-saves-time-and-trees-with-esignatures/50671>

³ Forrester Research, The State of E-Signature Implementation: 25 E-Signature Use Cases Show Adoption Trends, October 2017



Once e-signed, the documents can be downloaded in PDF format (an ISO standard) and stored in any archiving system. The e-signature audit trail and the security travels seamlessly with the document, ensuring the record can be verified independently of the e-signature service. A document-centric approach to embedding e-signatures within signed records allows for greater portability and easier long term storage in an ECM solution.

Additional META data related to the e-sign transaction can be handed off to the ECM as well for analytics purposes.

GETTING STARTED

Contrary to what some might think, adopting electronic signatures can be quick and easy and does not require IT or programming resources. Sign up for e-signatures and you can upload and start sending out documents today. For companies who might be looking for a more integrated, automated workflow, e-signature plugins for Microsoft

SharePoint, Salesforce, Microsoft Dynamics CRM, or Box are available. Businesses can quickly and easily enhance approval workflows with a more robust e-signature solution than a checkbox on an approval routing sheet, while also automating archival. ■

eSignLive™ is the electronic signature solution behind some of the world's most trusted brands. Regulated industries and top analyst firms recognize eSignLive's products and services for their ability to balance the highest levels of security and compliance with ease-of-use while automating any process – from the simplest, internal signing workflow to the most complex, customer-facing transactions. Available in the cloud and on-premises, the eSignLive solution offers a scalable platform to support an organization's digital transformation strategy across the enterprise – today and tomorrow.

To learn more: www.esignlive.com



Top 5 Reasons Marketers Need Sales Enablement

Marketers at organizations of all sizes are tasked with promoting the company, building the brand, and generating awareness. But all too often, marketers are asked to adjust and respond to the demands of a sales team, many of whom don't understand or appreciate the value of marketing content in the first place.

When marketers spend valuable time and company resources on creating content the sales teams say they need, they rarely see the ROI on those efforts. CRM and marketing automation tools have kept marketers data rich when it comes to an understanding of how customers interact with public-facing materials, but those tools are not delivering an understanding of what is happening in the field during direct sales interactions with customers.

Marketers have a unique opportunity to take advantage of new suites that have become known as sales enablement platforms (like Bigtincan Hub) to help build integrated and symbiotic relationships with sales. These platforms can finally help marketers understand how sales works (and vice versa) without having to send out tedious surveys or schedule lunch meetings to get insight into the sales process.

Often times, marketers to just leave the management of the sales enablement program to the sales ops team. But with a thorough understanding of sales enablement tools and the results that they can deliver marketing teams can tap into what is happening in the field.

CREATING THE RIGHT CONTENT, EVERY TIME

Marketing departments often have limited insight into the materials sales teams actually need to be

successful. With next-generation sales enablement software, marketers can understand exactly how the sales team works in the field – how they engage with customers, what materials they are presenting, which they are sharing, and which pieces are resonating with prospects.

UNDERSTANDING HOW MARKETING IS IMPACTING THE TOP LINE

Sales enablement software empowers marketers with details into the daily use of content by the sales team, and when combined with CRM software like Salesforce.com, provides direct insight into what content is helping to close specific sales. Marketers can start to see how the sales team and the customers interacted with that content, allowing for creation of more content that actually works, based on data – not guesswork.

MOVING THE NEEDLE ON ADOPTION AND USE OF CONTENT

Just creating and refining content isn't enough – the sales team still needs to adopt that content into their everyday selling processes. Sales enablement tools encourage sales team to use devices like iPads and smartphones to provide a new way of interacting with their customers, in ways that can deliver increased levels of engagement and, of course, more sales. By using tools like Bigtincan Hub, powered by AI technology, marketers can have a helping hand in ensuring that sales people have access to the right content at their moment of need, helping to drive forward the selling process.

MODERNIZING A COMPANY'S IMAGE AT THE TOUCH OF A FINGER

Empowering sales teams with mobile devices like iPads and

smartphones, in conjunction with smart sales enablement software can help reps present the right image, showing prospects and customers what the business is all about – modern, technology-savvy thought leaders. Technologies like Bigtincan are built to be customized, and a custom-branded application to show a client can propel a salesperson past another who is digging through a legacy portal or intranet.

USING MACHINE LEARNING AND AI TO INCREASE SELLING AND PRODUCTIVITY

At the end of the day – the top reason why marketers need sales enablement is to help sales teams work smarter without additional headaches. Imagine having an assistant that could work with salespeople to help them to improve how they work, recommending the right information and content to send to the customer, and even assist them to more effectively log their actions into tools like CRM. That vision is now within reach, with smarter AI-powered sales enablement software like Bigtincan Hub. More data, collected through actions automatically recommended to sales reps, means more points for marketers to use in their content creation strategy.

With the power of sales enablement tools, marketers can now start to think differently, create more effective content, and get an understanding of exactly that content is helping sales teams close deals, and discover the true impact of content on the organization's bottom line. ■

Contact Us

To speak with a sales representative in your region, contact sales@bigtincan.com or call 617 981 7557. To learn more about Bigtincan, please visit www.bigtincan.com or follow us on Twitter @Bigtincan.

To Personalize CX, Companies Must Earn Digital Trust

Customers want more tailored experiences, but they also want their data protected

CONSUMERS are locked in a catch-22 with companies over customer experience (CX).

New research highlights that they're increasingly demanding more tailored customer experiences, they're buying in to digital assistants like Alexa and Siri, and they get frustrated when companies don't deliver the experiences they crave. Yet at the same time they're concerned about giving companies too much personal information—the exact information companies need to deliver these experiences in the first place.

As companies increasingly invest in intelligent technologies, such as AI and machine learning, to gain deeper insights into customers and deliver “hyper-relevant” experiences, the issue of digital trust needs to be addressed. Until then, profitability is at risk of erosion as customers walk away.



EARNING DIGITAL TRUST

Digital trust will become increasingly challenging for companies to achieve as they look to capture new categories of customer data, such as biometric, geolocation, and even genomic data, in their

drive for greater relevance.


Customer concerns will inevitably rise, so it's critical that companies have strong data security and privacy measures in place, give customers full control over their data, and are transparent with how they use it.

To deliver the experiences customers crave, leaders should consider these steps:

- **Give customers full control over their data.** As customers demand greater control over how companies use their personal information, organizations must become more transparent. Customers must be given full access to, and control over, their data, which will demonstrate responsible stewardship and ethics. Furthermore, they must ensure the appropriate safeguards are in place to protect it.

- **Create new customer value.** Companies that distinguish themselves with hyper-relevant experiences look beyond the traditional customer journey. They prioritize areas where they can dynamically deliver something that customers value, at the right moment every time.

- **Invest in precise insights.** Hyper-relevant companies invest in predictive analytics, collaborate with an ecosystem of partners to capture real-time customer insight, and mine data in new ways to understand their specific needs.

Hyper-relevance is the next wave of growth for companies operating in consumer industries, but it cannot be achieved without engendering digital trust. With so much at stake, this might just be the wake-up call companies need to pull out all the stops to earn the trust of customers. 

BREAKING THE CYCLE

Consumers will share their personal information with companies if they get something they value back in return and their trust isn't compromised.

The value they seek will differ for each customer—from tailored offers on the brands they love around their birthday, a special invitation to a private event where the latest fashion lines are unveiled, or a yoga class hosted by their favorite sportswear manufacturer or blogger. Today, 43 percent of U.S. consumers are more likely to shop with companies that always personalize their experiences.

They're also more open to new, innovative shopping experiences than you might think. Nearly half (48 percent) would use “smart-reordering” services where intelligent sensors in the home detect when a product, such as laundry detergent, is running low and automatically reorder it. Another 36 percent use digital assistants today.

However, while the majority are satisfied with the experiences their digital assistants deliver, 40 percent say it can feel slightly creepy when technology starts to correctly interpret and anticipate their needs.

DIGITAL TRUST DEFICIT

Digital trust is a critical barrier that is preventing companies from delivering the experiences that consumers say matter.

CONSUMERS WILL SHARE PERSONAL INFORMATION IF THEY GET SOMETHING THEY VALUE IN RETURN—AND THEIR TRUST ISN'T COMPROMISED.

Does AI's ROI Mean Humans Are SOL?

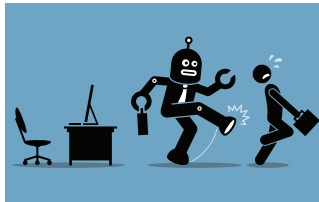
OMG, no! They need each other to do their best work

INCREASINGLY, we hear terms like “seller bots,” “cognitive computing,” and “relevant metadata” (which one can only assume is a lot more valuable than irrelevant metadata). Such terms can sound pretty scary to many people who work in an under-automated call—I mean, *contact*—center. Even for those of us who are tech savvy, the idea that human beings found a way to steal their own jobs indicates that it is mankind’s intelligence that may have been artificial all along.

A REALITY CHECK SHOWS GOOD NEWS

Despite their typecast use in many sci-fi plots, bots are simply tools for humans to use to do a better job and provide socially intelligent customer service while increasing profits. Bots allow agents to offer personalized service while their electronic brethren do menial tasks. Predominantly, research shows that human beings still value connecting with each other, preferring it over any other interaction.

And that includes the screen-glazed-eyed 19-year-old Generation Z customer who, despite his professed love of all things automated, was thrilled to find out that Haley (or Kaylee or Bailey) was a real person when his overly confident trial-and-error trouble-shooting method wasn’t enough.



ARTIFICIAL INTELLIGENCE IS AN OXYMORON

It’s right there in the name: *artificial* intelligence. After decades of research—and billions of dollars poured into that research—robots still cannot think. Gaining knowledge and applying it at record speed does not mean your AI can turn an angry customer around in seven minutes. This customer is getting ready to tell her 5,000 Facebook friends that your company is “actually” the devil. So why can’t your AI do it? Because an artificial brain does not read emotions or urgency. Speaking of Facebook, its AI program to identify suicidal thoughts essentially turned out to be a filter for flagging posts that human handlers could then interpret and respond to. Quite often, AI is just a very focused computer program—with some programs (like the Facebook one) designed for nobler purposes than others.

Self-learning algorithms are impressive and can beat humans in games of logic. Still, to be intelligent is one thing; to live in the reality of the human experience, to feel and have empathy, is another thing entirely. As phony

as some people can be, they can still have an emotional connection to a motive. An AI mechanism that performed well on an IQ test would not know why it was taking the test and wouldn’t care about the result.

KEEPING AND ATTRACTING TALENTED PEOPLE IS JOB NO. 1

I’m not saying that we’ll never have technology that can replicate human intelligence and behavior 100 percent. I’m just saying the return on investment for artificial intelligence does not include anything beyond programming at this point.

The future of customer relationship management is still dependent on the acquisition and retention of talented employees. Those who are highly skilled at making the customer feel valuable are themselves the most valuable asset the organization has to offer.

I’ve heard from the latest generation of geniuses about accepting the new truth about technology. And I certainly understand where they’re coming from because every generation has said the same thing. But there is no such thing as new truth. The truth can never be invented; it can only be revealed. So allow me to pull back the curtain.

I managed call centers in 38 states, back when they became automated with predictive dialers and computer screens. There was resistance and some initial job shrinkage and talk of everyone being replaced by robots (though we envisioned something that resembled Daft Punk more than Siri). We faced new restrictions for outbound calling, lawsuits, and other problems. But in truth, the technology made humans better, and the industry started to grow.

It turns out that industries are disrupted when they don’t grow and change, but if you know the value of your people, you won’t disrupt *yourself*. We realized that the sci-fi concept of humans being replaced by the technology they create was just that—science fiction. Since 1990 the number of call centers and call center employees has increased well over 400 percent. So the profitability of artificial intelligence is not a threat to your job security. On the contrary, it’s proof that you’re in an industry that’s worth investing in long term because it has a big future.

So the next time someone tells you that the ROI for AI will cost you your J-O-B, you can LOL! 🤖

Garrison Wynn, CSP, is a best-selling author and keynote speaker who has been featured in Forbes and Inc. magazines. He can be reached at Garrisonwynn.com.

AI IS SMART, BUT CAN IT TURN AN ANGRY CUSTOMER AROUND IN SEVEN MINUTES?

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Companies Don't Need Websites to Benefit from SEO

Links to local search results also rely on accurate and up-to-date information on the Web

Despite all the warnings to the contrary, not all small and mid-size businesses (SMBs) are convinced that search engine optimization (SEO) is a relevant investment for them.

In general, SMBs still have not adopted SEO as much as they should, according to B2B ratings and reviews firm Clutch's recent "Small Business Website Survey."

Though 74 percent of SMBs last year said they planned to invest in SEO, only 55 percent are doing it today. This is a marginal 3 percent increase in the number of SMBs that invested in SEO in 2017.

A big reason for the lack of investment is that many SMBs mistakenly believe that they don't need SEO because they either don't have a website or are referral-based. Less than two-thirds (64 percent) of small businesses have websites, and of the 36 percent that do not, only 28 percent have invested in SEO, according to the research.

Experts say, however, that nearly all small businesses can benefit from SEO, even small, local businesses without a big web presence.

"SMBs are not just competing online. They're competing across the board," says Grayson Kemper, senior content developer and marketer at Clutch. "SMBs need to do [SEO], they just have to be more strategic about it. They need to optimize more for local searches."

"Every business is a viable candidate for SEO, unless they absolutely don't

require business from the public and they are a referral-based, discrete, or relationship-based business," says Kevin Tash, CEO of Tack Media, a digital marketing agency based in Los Angeles.

Even without websites, SMBs can benefit from optimizing their local directory listings, such as Google My Business profiles, to increase their chances of being found in local searches, like when consumers search for "pizzerias near me," experts contend. Other directories, like Angie's List, HomeAdvisor, Yellow Pages, and Yelp, also compile lists of local businesses that need to be verified and kept up to date.

Given their budget and personnel constraints, it's no surprise that SMBs aren't as advanced in SEO as their larger competitors, but even when SMBs do engage

in SEO, they do so far differently from their larger counterparts, according to Clutch's research.

SMBs measure the quantity and quality of links back to their sites (21 percent) to determine SEO success, followed by site traffic (19 percent), leads and conversions (19 percent), keyword rankings (18 percent), and

on-site engagement (13 percent).

The Clutch research reveals that the metrics SMBs prefer depend on the stage in the conversion funnel where they engage target customers. For example, businesses concerned with branding track keyword rankings to determine their level of exposure through SEO.

Businesses concerned with return on investment track leads and conversions that result from their SEO investments.

Additionally, SMBs traditionally have invested modestly in pay-per-click advertising (PPC), often in tandem with SEO. Less than half (45 percent) run PPC campaigns, up just 5 percent from last year. And they do so as needed rather than regularly and only devote a small portion of their total marketing budgets to it. In fact, 65 percent spend 30 percent or less on those campaigns.

Another finding of the research was that SMBs are more likely to invest in social media marketing to boost their search rankings. In fact, 56 percent have done this. It's an attractive option, Clutch's research found, because it is a low-cost, low-effort option for resource-strapped SMBs.

And though there are outside consulting firms that can direct SEO efforts, these are often out of the price range for SMBs, which more often than not rely on internal teams and SEO software.

Among the software tools available, according to Clutch's research, are Moz, which measures how well web pages rank in terms of domain authority and page authority for certain keywords; SEMRush, which performs competitor analysis for keyword positioning and strength and tracks individual search marketing projects; Ahrefs, which lets businesses see which domains and pages link to them and their competitors; and AWR Cloud, which tracks keyword performance on Google search.

"SMBs can do things that don't require a lot of technical know-how," Kemper says.

"If you're a small, local business, you don't need to invest a lot. You can keep it simple," he suggests. "Look at what your customers search for, which keywords they use, and tailor your efforts around that." —Leonard Klie



"Every business is a viable candidate for SEO, unless they absolutely don't require business from the public."

Customer Sentiment Is Becoming a New Imperative

Sentiment and emotion analytics are poised for 3,000 percent growth

Artificial intelligence has dramatically increased the ability of automated systems to recognize and analyze human emotions, and that has produced a real market opportunity for the analytics industry, according to a new report from research firm Tractica.

The sentiment and emotion analytics market is set to explode, from \$123 million currently to \$3.8 billion by 2025, representing nearly 3,000 percent growth in just seven years, Tractica predicts.

These colossal growth projections are due in large part to accelerated access to data (primarily social media feeds and digital video), cheaper computing power, and evolving deep learning capabilities combined with natural language processing (NLP) and computer vision.

The top three use cases for sentiment and emotion analysis will be customer experience, product and market research, and customer service, respectively, the research firm reported. Combined, these three areas will represent 71 percent of the total revenue opportunity, according to Mark Beccue, principal analyst at Tractica.

In customer service, the technology can “make live or automated agents better,” Beccue says.

In customer experience, it can “completely reshape how companies engage with customers,” providing not just insight but context to most interactions, he adds.

And in market and product research, emotion and sentiment analytics can prove more reliable than panels, surveys, and focus groups, where “people can often say what they think you want to hear,” Beccue explains. “Their faces

often tell a different story than their words, and that’s where the analytics comes in.”

Also driving the continued emphasis on sentiment and emotion analytics is the need for companies to create unique customer experiences, as product and price are no longer differentiators. The



ability for companies to come across as empathetic is a huge motivator, Beccue points out.

But, even with technology, correctly analyzing sentiment and emotion is not easy. Humans themselves often have difficulty reading other humans, so can technology really be expected to do it flawlessly?

“It’s still in the early days, for sure,” Beccue says, noting that emotion and sentiment analytics will only really start kicking into high gear around 2022, still four or five years away. By that point, he expects artificial intelligence and machine learning to have advanced far enough to make an analysis with a reasonable confidence level.

The one advantage that machines will have over humans when it comes to this type of analysis, though, is the ability to

process data faster. But taking into consideration the necessary context is still a challenge, and it will be for some time to come.

Emotion and sentiment analysis is complex because emotion is complex and not very well understood. Emotion can be deceptive and expressed in multiple ways: in speech intonations, the text of words spoken or written, facial expressions, body postures, gestures, and more. And these factors can all vary among geographies and cultures, making it difficult to create computer models that can be broadly applied.

Also keeping back the technology today is the fact that many vendors are still very specialized, resulting in an industry that is fragmented, according to Beccue.

Going forward, Beccue expects customer service automation companies to really advance the science behind sentiment and emotion analytics, and for customer-first companies to be among the earliest adopters.

One of the innovative uses that Beccue singles out is the Cloverleaf ShelfPoint system, a retail display system that uses artificial intelligence and emotion detection technology from Affectiva to change up the content on in-store LCD displays in response to the emotions detected on the faces of shoppers walking the aisles.

Among other use cases, Tractica expects to see the most growth in the retail, advertising, business services, healthcare, education, automotive, manufacturing, and gaming segments. “A better understanding of

human emotion will help AI technology create more empathetic customer and healthcare experiences, drive our cars, enhance teaching methods, and figure out ways to build better products that meet our needs,” Beccue concludes.

—Leonard Klie

“[People’s] faces often tell a different story than their words, and that’s where the analytics comes in.”

IoT Technology Has Huge CX Potential

Companies can use IoT data to improve product and service delivery

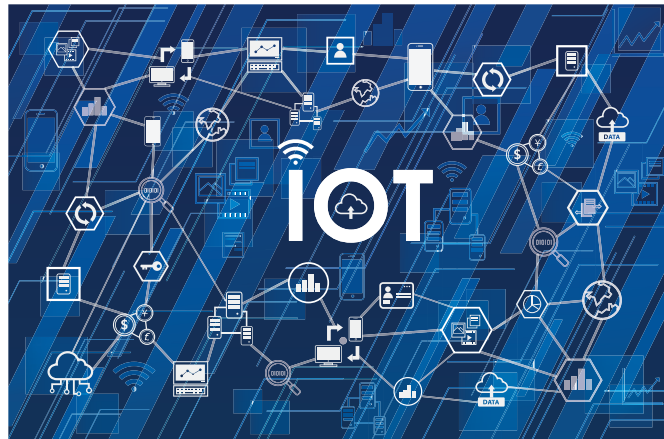
Customers increasingly expect enhanced experiences in the physical world, and for many, that means that companies should be able to tap into the Internet of Things (IoT) to sense and transform those experiences, according to a new report from Forrester Research.

“Whether it’s consumer or enterprise, people’s expectations are increasingly that companies should have visibility into what’s going on [in the real world],” explains Frank Gillett, a Forrester vice president and principal analyst serving information professionals. “[There’s] definitely a shift in expectations and experiences based on the increasingly amazing things you can do with your smartphone. People don’t always realize what hidden magic is going on under the covers, so they’re just assuming and expecting even more magic to extend beyond the phone.”

The report identifies four key ways that IoT technology can benefit customers: monitoring and improving experiences with company offerings; personalizing each situation for the customer; automatically improving and learning over time via updates to products and services; and reinventing product access and purchase.

In terms of monitoring and improving experiences, the report notes that customers attending a Red Sox baseball game at Boston’s Fenway Park, for example, might expect the venue to be able to provide seat-based food delivery and automatic updates on when the

lines at beer stands are short. Similarly, users of iRobot’s Wi-Fi-enabled Roomba robot vacuum today expect customer service reps to know their vacuum’s status and battery cycle count when they contact the company with a problem.



As for personalization, the report asserts that customers expect experiences to be regularly refined to their particular needs based on real-world context. As an example, the report cites Schneider Electric’s smart commercial electrical panels, which monitor energy use and deliver custom notifications to customers and service technicians based on their needs.

With regard to product and service updates, the report says IoT data can provide valuable insights on how companies can improve their offerings. One company mentioned in the report is electric car manufacturer Tesla. The company in late 2016 introduced the hardware needed to operate its Autopilot 2.0 self-driving system in all its vehicles, but it has been slow to roll out the software needed to make self-driving Tesla cars a reality. Tesla drivers have been very vocal in their criticism

of the company’s progress on that front, and Tesla listened and is now rebuilding all of its Autopilot features on a new architecture powered by neural net and computer vision technology. Tesla CEO Elon Musk now says the new Autopilot update is in final testing.

As for reinventing product access and purchase, companies are using the IoT to offer their products and services in new ways, according to the report. The report cites smart bike sharing platform Mobike, which offers dockless, cash-free bike sharing, as an example.

But these are not the only ways that the IoT is shaping consumer-company interactions. A new class of software, called customer journey analytics platforms, is emerging that enables customer experience (CX) professionals to analyze, plan, test, and automate customer journeys. The report asserts that these customer journey analytics platforms—offered by companies such as Adobe, NICE, and Teradata—are the best place for organizations to integrate new IoT data and control options.

“Their primary purpose is not in fact Internet of Things. They were designed to help collect and organize information from...existing business applications or digital systems,” Gillett explains. These include all of an organization’s CRM applications, website interactions, mobile app interactions, and even interactions with third parties, as part of their ongoing relationship with the company.

“However, what we’re arguing in this report is that those journey analytics platforms, because they integrate all this different digital interaction into a complete view, are going to be an important place for customer experience professionals, those responsible for assessing and improving customer journeys...to integrate this new class of information [from IoT devices],” he concludes.

—Sam Del Rowe

“[There’s] definitely a shift in expectations and experiences based on the increasingly amazing things you can do with your smartphone.”



Court Strikes Down TCPA Expansions

Appeals court decision overturns the FCC's new definition of autodialers

A circuit court of appeals in Washington in mid-March struck down the Federal Communications Commission's expansion of the definition of an autodialer, which could have encompassed smartphones, as overreaching and "utterly unreasonable."

In issuing its decision in the case of *ACA International v. the FCC*, the court rejected the assertion that any dialing equipment or device that could dial numbers using a random or sequential number generator was an autodialer. Under the FCC's proposed definition, which was included in a 2015 amendment to the Telephone Consumer Protection Act (TCPA), smartphones could have been included in the definition because, through add-ons or downloads, they can be made to function like autodialers.

"The TCPA cannot reasonably be read to render every smartphone an [autodialer] subject to the act's restrictions, such that every smartphone user violates federal law whenever she makes a call or sends a text message without advance consent," the court ruled.

The court also vacated the FCC's

approach to calls made to phone numbers previously assigned to someone who had given consent and now reassigned to someone else. The court found that "called party" can mean "intended recipient" as well as the current subscriber, citing "reasonable reliance."

The D.C. circuit court did, however, affirm the FCC's interpretation of a consumer's ability to revoke consent. "We uphold the commission's approach to revocation of consent, under which a party may revoke her consent through any reasonable means, clearly expressing a desire to receive no further messages from the caller," the ruling said.

Not surprisingly, the ACA, an association of collection agencies and financial institutions, was pleased with the outcome.

"We applaud the court for making the right decision today because it supports legitimate, law-abiding businesses and recognizes that technological advancements in the ways people communicate are good for society as a whole," said Mark Neeb, ACA International's CEO, in a statement.

"This decision affirms that consumer interests are best served when legitimate

businesses are able to contact consumers to communicate information that they want, need, or expect to receive rather than by outdated rules and regulations built for a world that no longer exists," added ACA International's corporate counsel, Karen Scheibe Eliason. "And ACA is pleased to see that attempts to maintain unnecessary, unwarranted, and unduly burdensome regulatory handcuffs on businesses have been thwarted."

In an unusual response, the FCC's current chairman, Ajit Pai, also supported the ruling.

"Today's unanimous D.C. circuit court decision addresses yet another example of the prior FCC's disregard for the law and regulatory overreach. As the court explains, the agency's 2015 ruling placed every American consumer with a smartphone at substantial risk of violating federal law.

"Instead of sweeping into a regulatory dragnet the hundreds of millions of American consumers who place calls or send text messages from smartphones, the FCC should be targeting bad actors who bombard Americans with unlawful robocalls," Pai added.

The FCC chairman also reiterated his agency's commitment to continue combating illegal robocalls and spoofing, pointing out that it proposed more than \$200 million in fines for alleged TCPA violations last year alone.

The call center industry also came out in support of the ruling.

"The FCC's past interpretation was overly broad. We will continue to support responsible marketing practices that protect consumers and hope to see greater cooperation between the FCC and the contact center industry going forward," stated Jim Noble, president and CEO of Noble Systems, in a statement.

"We believe this ruling is a step forward in providing much-needed clarity that will provide more fair and balanced rules to protect both the business community and consumers," adds McKay Bird, chief marketing officer at TCN, a provider of cloud-based call center technology. —*Leonard Klie*

ON THE SCENE: ADOBE SUMMIT 2018

Adobe Urges Companies to Enter the Experience Business

At its annual user conference, Adobe urged attendees to make experience their business

Consumers no longer simply buy products—they buy experiences, Adobe’s chairman, president, and CEO told attendees during his opening keynote at the Adobe Summit 2018 user conference in Las Vegas in late March.

“It used to be that products were the basis of differentiation, but not anymore,” Shantanu Narayen said. “Businesses must now deliver great experiences to win in this increasingly competitive world, competing for the hearts and minds of all their customers and exceeding the ever-increasing expectations that consumers have during every point in the journey.”

Narayen went on to say that making experience their business is as essential for B2B companies as it is for B2C ones. “People’s expectation of this experience doesn’t change the moment they go into their office. Every organization needs to get up and break through this noise and speak to the customer in this unique, genuine voice to leave this lasting impression.”

With this message in mind, the company introduced the next generation of its Adobe Cloud Platform. It features Experience Cloud Profile, which unifies customer data across the enterprise via Experience Data Models. More specifically, Experience Cloud Profile combines back-office data with data from across Adobe Experience Cloud to compile a complete, real-time view of customers along their journeys.

“It used to be that products were the basis of differentiation, but not anymore.”

Adobe also used the conference to introduce some of the changes it’s made to Adobe Advertising Cloud, Adobe Analytics Cloud, and Adobe Marketing Cloud.

Adobe Advertising Cloud now features Advertising Cloud Creative, a self-serve platform that expands the Dynamic Creative Optimization offering by giving marketers control over basic design elements, such as advertising copy and assets used in display ads.

Additionally, creative assets designed in Adobe Creative Cloud will be automatically available in Adobe Advertising Cloud Creative.

Two key features added to Adobe Analytics Cloud include Adobe Analytics for streaming audio, which enables organizations to gain insights into online and offline audio, including listening behaviors, streaming quality, and monetization opportunities; and Adobe Experience Cloud Device Co-op, which leverages Adobe Analytics Cloud and Adobe Sensei to aggregate anonymous device data from customers to help businesses recognize actual consumers, not just devices, across digital touch points.

For Marketing Cloud, the company introduced innovations in Adobe Experience Manager, Adobe Campaign, and Adobe Target. Experience Manager has new Sensei-powered content capabilities, including intelligent image discovery, tailoring of images for different screens, and automated personalization of content.

Additionally, native support for Experience Manager in Creative Cloud applications unifies creative and marketer workflows.

New features in Campaign include a creative designer to simplify email creation and email templates prebuilt with Adobe’s Behance. Adobe Target now lets users customize their algorithms.

Adobe also introduced Adobe Experience League, a customer enablement program that provides guided learning for Adobe Experience Cloud, and Adobe Experience Index, a self-assessment tool to help participants determine their position in their development journey and next steps.

Another major theme of the conference was the intersection of artificial intelligence (AI), augmented reality (AR), and virtual reality (VR), reflected in a day -two panel discussion between Narayen and Jensen Huang, founder, president, and CEO of NVIDIA.

VR, Huang said, is “a wormhole for us to travel to virtual worlds,” while AR is “the way for artificial intelligent agents in these virtual worlds to wormhole into us. They’ll be sitting right there in front of us in augmented reality, mixed reality, and the way we go into their world is to travel through VR.”

Adobe and NVIDIA, which have collaborated for more than a decade, also announced a strategic partnership aimed at enhancing their AI and deep learning technology. More specifically, the duo will work to optimize Adobe Sensei’s AI and machine learning framework for NVIDIA graphics processors.

—Sam Del Rowe



Adobe CEO Shantanu Narayen (left) talks virtual worlds with Jensen Huang, CEO of NVIDIA.

REQUIRED READING

Businesses Should Ask *Would You Do That to Your Mother?*

Company leaders need to focus on what it takes to make Mom proud, and do likewise

Companies often become so engrossed in the technical aspects of business that they lose sight of the end goal: providing an exceptional experience for customers. To ensure that the customer isn't forgotten, customer experience expert Jeanne Bliss proposes that business leaders make it a habit to treat customers as they would their own mothers, a practice she addresses in her aptly titled book *Would You Do That to Your Mother?* To learn more about this make-Mom-proud standard for treating customers, Associate Editor Sam Del Rowe spoke with Bliss, who is also founder and president of CustomerBliss and cofounder of the Customer Experience Professionals Association.

CRM magazine: What is the basic premise behind this book?

Bliss: I organized the book to be a simple inventory of the most common struggles that define our lives as customers. If companies study and own this list, they have a simple game plan for not only eliminating the struggles but, by working on each of them, elevating their behavior to stand out as a company to make Mom proud.

The book identifies four principles by which make-Mom-proud companies operate. How did you come up with those principles, what do they entail, and why are they important?

Grounding these principles is the personalization of business centered on this one deceptively simple question: Would you do that to your mother?

The four principles are the following:

- **Be the Person I Raised You to Be.** Make-Mom-proud companies work to find people who live their core values and then work to enable them to bring the best version of themselves to work. They remove practices that might curb the extension of care or inhibit employees from acting in good conscience.

- **Don't Make Me Feed You Soap!** This is our opportunity to remove what makes it hard to be a customer: waiting, complexity, uncertainty, and even fear. Our opportunity is to turn these moments into ones of reliability, respect, and caring.

- **Put Others Before Yourself.** Make-Mom-proud companies prove with their actions that they have their customers' best interests in mind. To achieve your goals, you need to help others achieve theirs. Taking this approach to growth

means opening everyone up to a new order of design and decision making. It's about building deliberate moments of trust based on customer needs and delivering memories earned by serving lives.

- **Take the High Road.** Through leadership guidance and company actions, make-Mom-proud companies are establishing more balanced relationships where both company and customer win. Leadership is foundational for this to occur because the high road is a choice leaders take in how they will and will not grow.

Of the 32 case studies presented in the book, which ones stand out to you?

The greatest joy I had in writing this book was finding, assembling, and curating these case studies. There are so many companies that are reversing frustrated-Mom moments to create make-Mom-proud moments. Among them are Pal's Sudden Service, a fast-service drive-through restaurant based in Tennessee; the personal shopping service Stitch Fix; Careem, a ride-sharing service in the Middle East; and car repair service Luscious Garage in San Francisco.

What steps would you recommend to organizations looking to become make-Mom-proud companies?

This is a movement or a shift inside an organization's culture that has to start with leadership. It's not as easy as simply telling everyone to ask "Would you do that to your mother?" with everything they do. Conditions must be right culturally for employees to do the asking. Then, challenging and disruptive thinking must be rewarded and celebrated.

Tactically, go down the list of the moments that define our lives as customers and start determining which ones your company has the capacity, leadership, and culture to tackle. The last chapter of the book, called "Stop the Shenanigans," is a quiz designed to assess where you are in each phase so that you can determine how to prioritize your actions.

And finally, celebrate the make-Mom-proud moments that exist today in your organization to give people examples of the behavior and acts with which you want to define your company. Leaders deliberately begin to take these actions themselves and promote them as a beacon for the kind of company you want to show up in the marketplace.



**NOW
IS THE
RIGHT
TIME
FOR**

SILO BU

STICKING TO STRUCTURES THAT KEEP DATA AND DEPARTMENTS SEPARATE IS BAD FOR BUSINESS | By Mary Shacklett



JUSTING

Few would argue against the importance of word of mouth as companies try to appeal to the widest number of customers without having to spend mountains of cash to do so. After all, it is a well-documented fact that it takes far more to gain new customers than it does to keep existing ones.

Several studies on the subject have been conducted over the past few years, and they have concluded that the costs for acquiring new customers are anywhere from five times to 25 times higher than they are for retaining existing ones. Increasing customer retention rates by as little as 5 percent, on the other hand, can increase profits anywhere from 25 percent to 95 percent.

So exactly how do you ensure that level of commitment from customers that keeps them coming back time and time again?

“You need a clear, 360-degree vision of your customers and their experiences that everyone in your organization who relates to the customer sees and acts on,” says Vala Afshar, chief digital strategist at Salesforce.com.

But getting to 360-degree customer visibility across the entire organization is not always such an easy undertaking. It requires continuous interaction and collaboration between the sales, marketing, and customer service departments, which often operate independently of one another.

If you don’t have active collaboration and communication between these three distinct departments, it is likely to be difficult, for example, for you as a sales rep to know that your most loyal customer was recently disappointed with the quality of his last order, which could make him less receptive to a new proposal the next time you call.

If that is a problem at your company, it’s time to tear down the silos. It’s a tall order, to be sure, but it’s definitely not an unsurmountable challenge.

“A customer-centric culture should be the North Star and guiding principle for tearing down the silos [between marketing, sales, and customer service],” Afshar says. “Before joining Salesforce, I spent 12 years running global engineering and also serving as a [chief marketing officer]. Silo busting was how I spent most of my time. I realized that I had to try to align different areas of the business, and the only way to do that was to silo-bust.”

Afshar points out that in a recent *Harvard Business Review* study, 50 percent

of marketing departments passed leads to sales without qualifying them. That’s not only a common scenario, but it’s an example of a silo that is hurting not only the overall customer experience but the bottom line.

If you’re the CEO of a company where that is happening, and you must answer to a board of directors and other stakeholders, you’re probably finding it increasingly hard to defend the siloing of departments, particularly when it affects revenue.

“The siloing of departments has a significant negative impact on customer satisfaction and retention,” says Johann

“The siloing of departments has a significant negative impact on customer satisfaction and retention.”

Wrede, global vice president of strategic marketing at SAP Hybris. “Customers don’t really care and are often unaware of which department they are dealing with; they do not see experiences with these departments in isolation, but rather as elements of one continuous journey. They expect that journey to have a consistent experience, but siloed departments by their very nature cannot deliver a sufficient level of consistency to match the expectation. That results in fractured experiences, damaged brand perceptions, and a decrease in satisfaction and loyalty, which ultimately hurts revenue.”

SILOS IN THE FIELD

There are myriad stories all over the Internet, social media, and other venues involving mistakes companies have made when dealing with customers. “United Breaks Guitars,” following a musician’s experience with the airline in 2008, is

one of the most viral, having become an instant hit on YouTube and iTunes and a public relationship nightmare for United.

On the opposite end of the spectrum is fashion retailer Nordstrom, “widely regarded as one of the premier organizations in customer service,” according to Rob Consoli, chief revenue officer at Liaison Technologies, a cloud applications integrator. “Early on, they recognized the importance of service, because if you don’t do service well, you could lose a customer. They’ve spent time understanding the buying habits and preferences of customers, which links sales, service, and marketing together.”

Tom DiScipio, chief strategy officer and partner at marketing firm Impact Branding & Design and author of the book *Building Your In-Bound Sales Process*, calls this “smarketing,” a “strategy that aligns marketing and sales goals. Having this makes it easier for sales reps to deliver the best customer service, while also using marketing to deliver more value to leads before they interact with sales reps.”

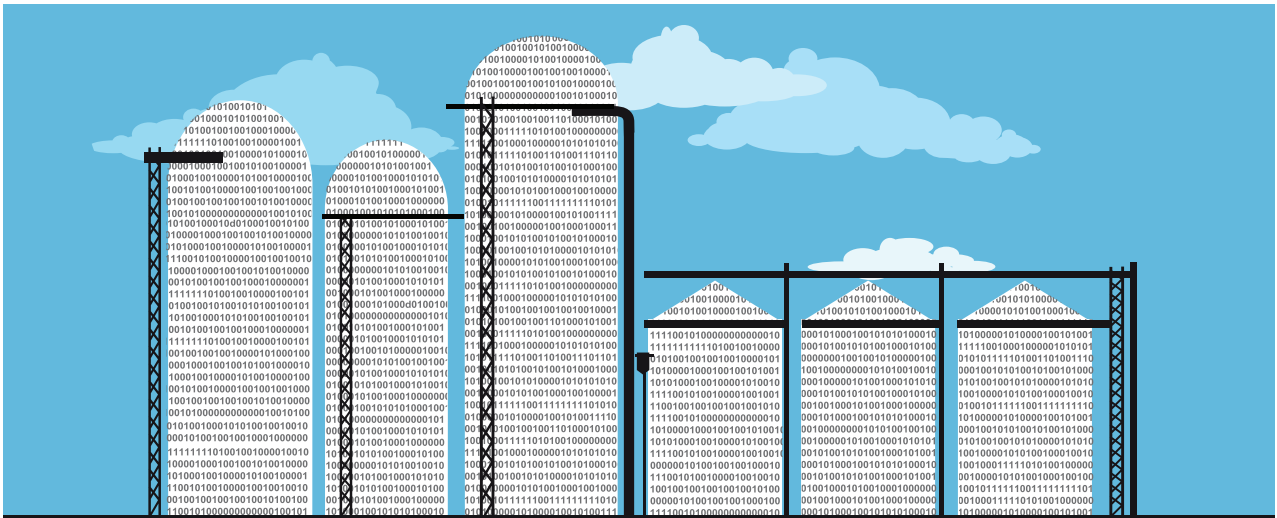
Adding customer service participation to this formula creates a real opportunity for companies to obtain that 360-degree view of their customers’ journeys with them and, ultimately, to fully understand customers better.

THE STAYING POWER OF SILOS

So if a 360-degree view of the customer is valued, and if companies understand that silos and disconnects between sales, marketing, and customer service are bad, why do so many companies continue to accept departmental silos?

“They tolerate it because fixing this issue requires some very fundamental changes, and that feels risky and difficult,” Wrede says. “Companies in some industries have recognized the organizational dysfunction at the root of these experiences and have responded by creating roles that cut across departments (such as the newly minted chief digital officer). The issue is that this now slices the expense by channel rather than by department, trading one set of siloes for another.”

As a real-world example, I look back



SILO-BUSTING BEST PRACTICES

Though there are no universal ways to break down silos—every company culture and structure is different, after all—experts can agree on a number of principles that can be applied across the board.

1. Set a goal of aligning business units with business purpose.

The key to aligning departments so they work together more effectively is first to define a common business goal toward which everyone strives. If, for example, the goal is to increase customer satisfaction, the shared goals and key performance indicators between departments should reflect specific objectives for sales, marketing, and customer service to attain these KPIs.

2. Find a CRM system that can scale to your customer-centric needs.

Not all CRM systems are created equally. If you are shopping for a new CRM system or looking to upgrade an existing one, be sure to include centralized customer data that is cleaned for consistency by the system and that can present a single-source-of-truth data repository for all customer-facing departments—sales, marketing, or customer service.

3. Invest in analytics, artificial intelligence, and machine learning technologies.

These technologies can assist you in learning more about your customers and prospects, in understanding how they feel about your company and its products, and in identifying when it is time for them to buy again.

4. Change the company view of customer service.

Too many companies still think of customer service as a “necessary evil” that just adds costs to the corporate balance sheet. This should never be the case. Instead, customer service can tip off sales if a particular customer was recently disappointed with an order. It can tell manufacturing and marketing which parts are getting returned because of product defects, which can lead to customer dissatisfaction. Customer service also “lives” with the customer once the product is sold, so it is in the best position to prolong the customer’s journey with the company on an ongoing basis.

5. Invest in employee training.

Moving to a customer-centric culture, if you don’t already have one, isn’t easy when you have employees who are set in their ways and used to a standard set of business processes. If you are expecting them to use analytics and other new technologies, they might not have the training for that. The more you can actively support and encourage employees during a cultural or work process transition, the faster they will develop confidence with the new business processes.

6. Remember: Silo busting is a journey.

It took years to develop departmental silos in your company, and it will take time to break them down as well. Take simple, well-calculated steps as you transition to a customer-centric culture. Clearly demonstrate the results that are expected and make them realistic enough so that employees feel that they are able to achieve them. —M.S.

on my experience with this firsthand during a recent interaction with a car rental agency. I had booked my reservation online, but the employee at the airport was on a completely different system, rendering her unable to give me the discount I had been promised. It took weeks to straighten the situation out, and in the end, I determined that it would be too painful and time-consuming for me to rent from that company again.

“Breakdowns between departments occur because modern organizations are operating under the traditional organizational structure: Marketing does the marketing, sales does the selling, customer service does the fixing, and so on, and their business processes and systems are not fully integrated,” Wrede laments. “This creates a fractured experience for both customers and employees alike, yielding gaps and inconsistencies that often place the onus on the customers to figure out which department they should be dealing with.”

APPROACHES TO SILO BUSTING

Some companies try to solve the silo disconnect problem by implementing systems that can integrate information that flows in from different departments into a single database that everyone can use and update, no matter where in the organization they work. It’s a flawed approach, according to many experts.

“The problem with this approach is that systems don’t create the communication breakdowns—they amplify them,” Wrede says. “Siloed business processes, incomplete customer data, misinterpreted insights, and a variety of other breakpoints become more visible as independent systems are implemented around them. As the volume of customer interaction scales, these breakpoints become more pronounced, and situations that could previously be overcome by manual processing and direct human communication now become unmanageable.”

A more effective approach to silo busting comes not from taking a wrecking ball to systems and structures; silo

busting has to begin on the human side of organizations.

If marketing, sales, and customer service are working independently of each other, with separate budgets and individual sets of key performance indicators (KPIs) that don’t include collaboration between colleagues from other departments within the company, they won’t be able to come together holistically to address the customer’s full set of needs.

“While it might seem attractive because being able to define your own set of KPIs independently feels easier, in the long run it creates rifts between

**“Breakdowns
between
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groups, wasted effort and budget, and, ultimately, poor experiences for customers,” Wrede says.

Salesforce’s Afshar agrees. He advocates for a system where KPIs are shared and co-defined between marketing, sales, and customer service.

“From the board and the CEO, through the executive team, and down to the single contributors, the organization has to believe that the customer experience and the customer journey are the most important elements for the company,” Afshar says. “The best way to assure this collective buy-in is by designing shared KPIs that collaborating departments must all work together to meet. The chief revenue officer, customer service, and marketing officers should collectively design the KPIs that

are going to matter to the organization and determine how each will contribute to them.”

Busting silos also demands strong salesmanship. There will be personnel in the company, like “super salespeople,” who are earning more in commissions and base salary than some C-level executives and who have been highly successful in getting accounts and sales. The company does not want to lose these people and will be willing to do whatever it takes to keep them.

These super salespeople are also likely to insist on adhering to the tried-and-true sales methodologies and practices that have made them and the company successful in the past. Companies, after all, can hardly argue with results.

But there are ways to persuade such individuals to consider breaking down silos if you can give them reasons that directly contribute to revenue and their paychecks.

“Imagine a chief customer officer walking into a super salesperson’s office where the salesperson has a 90 percent commit from a customer,” Afshar conjectures. “Then the customer officer tells the salesperson that she has just completed research on sentiment and that the last Net Promoter Score for that customer was pretty low. The recommendation from service might be that the salesperson put in a call to that customer, which could save the sale. This kind of assistance will catch the attention of the super salesperson and demonstrate the effective alignment of different departments in the business.”

Afshar also supports “golden nugget” insights as a way to gain the attention of sales reps. As an example, he cites Italian motorcycle manufacturer Ducati’s use of connected sensors that transmit the mileage, service history, and more related to each individual motorcycle on the road and then store the information in the customer service system. “This information gets to dealers and repair shops, and it gets to sales and engineering. By using the [Internet of Things], all departments are tied together, and they’re getting the same information.



“So let’s say that service collects the information and, by analyzing post-sales customer information, predictively determines the ongoing needs of the customer. This enables the company to proactively respond to the customer and to modify what might be standard service-level agreements so they can more directly address customer needs with the appropriate escalation, acceleration, and people involvement for that customer. The effort is service, but it gains the respect of sales and marketing because customers are happy, and these customers bring more business to the company.”

If companies have learned anything, it is that changing corporate culture and realigning departments so they work more effectively, efficiently, and productively with each other is a journey, too—and it is likely to endure longer than any single customer journey.


“There is still a customer experience gap that companies are grappling with, but increasingly companies are

“The best way to assure this collective buy-in is by designing shared KPIs that collaborating departments must all work together to meet.”

focusing on improving customer experience because they are beginning to see customer experience as a battleground where they must compete against other companies,” Afshar says.

SAP’s Wrede delivers a similar message. He recommends appointing a brand experience “czar” who is

responsible for the end-to-end customer journey and is charged to work with an executive council that coordinates the analysis and improvement of experiences across the entire customer journey.

“Also, bolder, less risk-averse executive boards can consider re-structuring budgets to centralize all spending on customer experience initiatives and mandate that no department can access those funds in isolation,” Wrede suggests. “In this way, every customer experience project, whether it’s a website overhaul or a revamp of the way orders are captured, only gets funded once a cross-departmental team has evaluated the project and understands their role in it, because every department has a role in every stage of the customer journey.” 

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Get Your **CONTENT** MARKETING on Track ... Or Get Left Behind.



By Theresa Cramer
ISBN 978-1-937290-06-1
208 pages • \$17.95

“Resistance may be futile as so-called ‘digital natives’ set trends and increase their purchasing power, but this good-natured book makes the pill a tad more palatable. After all, Cramer cautions publishers, ‘If you’re still resisting custom content, you’re already years behind your customers.’”

—Kirkus Reviews

Marketers and brands are eager to cash in on the content marketing craze, but as *EContent's* Theresa Cramer points out, relatively few firms are doing it well. In fact, while a recent study shows that 90% of B2C marketers now have content marketing programs, just 34% rank their efforts to date as effective. In this book, Cramer’s savvy guidance—drawn largely from incisive profiles and interviews with successful content marketers—demystifies the discipline and presents tactics and strategies that are working today. Cramer offers definitions and background, highlights minefields and misfires, and describes exciting new roles and opportunities for marketers, publishers, and journalists.


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CUSTOMERS ARE USING MORE CHANNELS
THAN EVER TO RESOLVE CUSTOMER SERVICE ISSUES.
COMPANIES NEED TO HARNESS INFORMATION
ACROSS ALL OF THESE INTERACTIONS • By Sam Del Rowe

The days of customer service being call-centric are over. With the proliferation of channels like chat, email, SMS, and social media, customers are using more pathways than ever to resolve their service issues. In fact, customers have, on average, a choice of nine channels available to engage with organizations, according to Dimension Data's 2017 Global Customer Experience Benchmarking report.



The analyst firm expects the number of channels to increase to 11 this year. And as mobile devices continue down the path to ubiquity, consumers have access to all of these channels simultaneously, anywhere and at any time.

The growing number of channels presents companies with a number of challenges, particularly as they look to collect and manage all of that data, make sense of it, and ensure that it is handled responsibly, but it also affords them an enormous opportunity to gain more information and insight about their customers.

To get those insights, companies need to record all of their interactions, regardless of the channels where they occur. It sounds easy enough, but for many, it is still a tall order.

By most estimates, roughly 90 percent of contact centers employ some form of call monitoring and recording software or have contracted with a third party to carry out those functions. While it was once an expensive proposition requiring a lot of complicated hardware, call recording is now a standard feature in most, if not all, business phone systems.

Unfortunately, businesses in every industry are coming to realize that their existing contact center strategies don't support true omnichannel customer engagement. They are hampered by outdated, legacy contact center infrastructure that handles voice channels separately from other forms of communications. The various channels operate in silos, preventing companies from linking what happens in one channel with other channels.

Cost has also been a big concern, with many companies unwilling to invest in the infrastructure needed to handle more channels. But cloud-based technologies are bringing costs down, significantly reducing up-front expenditures, lead times, hardware requirements, and the amount of professional services needed to bring everything together.

Whatever the reason companies cite for not turning to a more unified interaction recording strategy, experts agree that recording contact center interactions of all types is essential, citing benefits such as a better understanding of the complete

customer journey, improving processes and agent performance, driving faster issue resolution, ensuring adherence to company guidelines, and maintaining regulatory compliance.

"The primary reason most contact centers conduct call recordings is for quality assurance purposes. Recorded calls can be reviewed and analyzed for understanding what went well, what didn't, and help determine what to change from a process-and-procedures standpoint to constantly improve the overall customer experience. As today's consumers are

of sources to understand the holistic customer journey and make actionable recommendations to improve business," adds Liz Osborn, vice president of product marketing at [24]7.ai, a company that applies artificial intelligence and machine learning to customer engagement solutions.

Osborn goes on to say that by examining contact center interactions across channels, including voice, interactive voice response (IVR), chat recordings, and website and mobile app visits, companies can determine ways to increase

"The primary reason most contact centers conduct call recordings is for quality assurance purposes."

expecting alternative channels to communicate with their businesses, it's up to the contact centers to provide the right channel for the right customer," says Curt Gooden, experience leader for technology at C3/CustomerContactChannels, a contact center outsourcer with operations in the United States, Latin America, and the Philippines.

"As contact centers want to provide consistent service across all channels, it is very important to record all interaction types for quality assurance purposes and assistance in developing proper procedures for ensuring the most consistent and best possible customer experience to the end user, regardless of the channel that they choose to interact with," he adds.

Gooden also notes that in addition to improving customer experience, analytics applied to recorded interactions can deliver "a great deal of value to the company as a whole." This analysis can, for example, help companies understand which products or services are performing well and which ones are causing customer complaints.

"With the advent of customer journey analytics, we are now able to process massive amounts of interaction recordings and other data from a variety

of revenue and reduce customer effort.

Furthermore, by combining text and speech analytics and running them against interaction recordings from multiple contact channels, she notes, companies can "create very sophisticated virtual agent models" that can then be used "to train virtual agents to handle repetitive tasks and transactions."

HOW TO PREPARE

Experts also agree that making the most of recorded contact center interactions requires a combination of people and technology. Scott Amyx, chair and managing partner at Amyx Ventures, a venture capital firm, and author of *Strive: How Doing the Things Most Uncomfortable Leads to Success*, suggests that the first step for any company should be "taking stock of their capabilities, people, and know-how." Based on that assessment, the decision makers are likely to find out that they need "new technologies, skill sets, and experience."

Amyx says that data science expertise, whether in-house or through a consultancy, is usually necessary. More specifically, he says data science teams should know how to source, transform, and cleanse data; apply



techniques and modeling to it; and evaluate the results based on stated objectives set by the business. “Without the know-how, it’s difficult to optimize the result of your analytics,” he says.

Gooden agrees. “With the constant improvement of analytical tools that are taking advantage of unstructured data analysis through the use of [artificial intelligence and machine learning], data analytics and data science programs are going to be more important across all organizations. The sooner companies start to plan for these programs and develop frameworks for how to take advantage of the tremendous amount of data insight that is available to them, the better the position they will be in,” he says.

Given the vast amount of data available today and the ease with which it can be gathered and stored, data security programs must regularly be evaluated and improved, Gooden stresses. When recording interactions, companies should completely understand what data is being captured and then limit what they capture to only the information that is absolutely necessary.

In addition, security should include encryption and access restrictions. Regular audits and reviews are also important not only to determine which data is retained and the performance of current security controls but also to proactively identify ways of improving those security controls, according to Gooden. “You can never be complacent in your information security programs,” he says.

AVAILABLE TECHNOLOGY

Before implementing systems for recording interactions, organizations should note a key difference between phone interactions and digital messaging: The latter typically preserves a history of the reaction for both the agent and the customer, whereas customers do not have access to call logs or recordings.

“This threaded history of messages is a key part of what makes digital messaging preferred for agents and customers,” says Anaal Patel, vice president of marketing at Sparkcentral, a digital customer engagement platform provider. “One of

the biggest pain points that both customers and companies experience around customer service interactions is having to repeat themselves multiple times. If I’m speaking to an agent and the call drops, I have to call back and repeat everything again—start from scratch. With digital messaging, you can pick up where you left off. This format reduces the burden of work for the customer by eliminating unnecessary repetition and does the same for the agent by giving a contextual view into the previous interactions with that customer.”

As an added benefit, these recorded messages can give insights into the types of customer service requests coming in, the overall sentiment of customers, the performance of agents, and the amount of time needed to resolve issues, “far more than a call center can get from call recordings” alone.

But with additional channels comes additional data, which can be overwhelming if not handled properly. Amyx notes

that data from new channels introduces new variables, and that organizations can “effectively run a multivariate regression” to “analyze which variables have a positive or negative degree of correlation and which are statistically significant in predicting certain customer behaviors or outcomes.”

He recommends that any analysis should include data mining, statistics, and predictive and prescriptive analytics. Most of the leading cloud service providers, including Amazon Web Services, Microsoft, Google, and IBM, “more or less provide all of the necessary infrastructure for storing, manipulating, and analyzing heterogeneous data sets,” he points out.

Gooden, meanwhile, proposes a holistic approach to interaction recording. “Regardless if the interaction recordings are from voice, chat, social, email [or other channels], they should be analyzed

from a consistent approach underneath a common program framework,” he says.

Analytical teams can then correlate data with new artificial intelligence and machine learning tools across supported channels “to get a much more thorough understanding of what’s happening in their customer base throughout all of their communication channels. This can also help companies develop strategic initiatives to improve their goods and services as well as improving their overall customer experience for their end users,” he adds.

A NOTE ON REGULATIONS

Of all the legislative changes that have taken place in the past few years, perhaps none are more relevant for contact centers than MiFID II, which went into effect earlier this year.

As part of these regulations, financial firms now have to ensure that the systems used to conduct and record trading communications are fully operational at all times and that captured recordings

“You can never be complacent in your information security programs.”

are of high quality and usable. MiFID II’s stricter compliance assurance requirements also direct financial firms to institute proactive alerting systems to notify if a trade communication system is not working or if conversations are not being properly recorded and retained.

“Under MiFID II, business-as-usual ways of performing this testing are no longer going to work,” said Chris Wooten, executive vice president of NICE, in a statement. “In addition to increasing the number of regulated users who need to be recorded, MiFID is raising the regulatory hurdle for [financial firms] by requiring complete transparency and accountability. It’s no longer sufficient simply to have systems in place that enable conversations to be conducted, recorded, and retained; [financial firms] need to ensure those systems are



fully operational and all working together as planned and provide evidence around the auditing process and results.”

NICE is one company offering a solution that does just that. It recently introduced the Automated Voice Trade Communication and Recording System Health Check capability as part of its NICE COMPASS solution suite. The new capability helps financial services firms provide accurate records of trading communications in accordance with MiFID II and tests all communication and recording processes and associated systems to ensure flawless performance and call recording quality. Scheduled, automated system tests can be centrally managed and remotely performed across the entire company. It also ensures that trading communications

voice, video, application/screen sharing, file transfer, and content sharing recording—in a single unified system. The solution can be deployed on premises or in the cloud.

“The ability to capture, archive and analyze various types of communications media via a truly integrated information governance solution, provided by IPC, will be a competitive advantage for financial service firms seeking to deal with regulatory requirements efficiently,” said Lionel Grosclaude, IPC’s senior vice president of risk and compliance, in a statement.

Also of note is the European Union’s General Data Protection Regulation (GDPR), which is set to become enforceable this month (May 25). Designed to harmonize data privacy laws across


changes to customers in advance, experts maintain. Amyx notes that “auditors will want to see that there are strong controls in place that clearly keep tabs on the source and where and with whom data is shared.” This becomes challenging, he adds, “when data is commingled with other data sets and then some derivative of that data is shared downstream,” but the problem can be mitigated when companies have IT and process controls in place “for traceability and auditability.”

Experts agree that organizations must strictly adhere to a variety of regulations and note that compliance can become complicated, as regulations vary by industry, country, state and local laws and, in some cases, even by channel.

Industry regulations typically involve consumer privacy, preventing identity theft, providing security, and requiring consent to record. Examples include the Payment Card Industry Data Security Standard (PCI DSS), which concerns security for consumer credit card data; the Health Insurance Portability and Accountability Act (HIPAA) in health-care; and the National Automated Clearinghouse Association (NACHA) in finance.

Some U.S. and international regulations also legislate around privacy, consent, and other areas that will affect interaction recording. If, for example, an organization is dealing with outbound interactions, violating the U.S. Telephone Consumer Protection Act (TCPA) can result in large fines.

And even within the United States, there are “nuances depending on what state the consumer is in,” according to Osborn. Some states, such as California, require the consent of both parties to record an interaction, while others allow interactions to be recorded with the knowledge of only one of the parties.

“It is crucial that each business understand and comply with each level of various regulations, which requires a good deal of research for your individual business situation,” Osborn says. 

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“Any contact center that records interactions or calls will need to be able to delete those per EU customer requests.”

for all regulated users are being recorded with good quality audio and properly retained. The new NICE COMPASS capability even simulates calls to ensure all related components—including networks, gateways, PBXs, recording tools, audio quality, archiving, and retention—are fully functional and working together, automatically triggering alerts when problems arise. All health check results are viewable on a browser-based dashboard.

Another firm, IPC, a provider of communications and networking solutions for financial markets, signed an agreement with Verba, a provider of call recording and quality management solutions for unified communications that support instant messaging, voice, and video devices, to provide MiFID II compliance solutions for IPC customers who use Skype for Business. IPC will enable customers to record, index, and archive all Skype for Business communications—including instant messaging,

European Union member nations and to reshape the way organizations approach data privacy, the GDPR requires companies to get explicit consent from consumers before collecting and using personal data about them.

Experts concur that the GDPR also has applicability for recording calls and other contact center interactions. “The thing that businesses will need to be aware of and plan for is that the regulation provides expanded rights for individuals in the European Union by granting them, among other things, the right to be forgotten and the right to request a copy of any personal data stored in their regard. Therefore, any contact center that records interactions or calls will need to be able to delete those per EU customer requests, which can be a huge challenge if your systems cannot handle such requests,” Patel says

It’s also important to keep privacy policies up to date and communicate

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Machine Learning

Reshapes the Marketing Landscape



EMERGING SOLUTIONS PROVIDE MARKETERS WITH INSIGHTS INTO PROGRAM EFFECTIVENESS, BUT THEY REQUIRE A HIGH DEGREE OF SKILL TO FINE-TUNE

By Paul Korzeniowski

Marketing has been evolving from a discipline based on gut instincts to one relying on empirical data. In fact, marketing today is almost completely driven by data, and companies are collecting oceans of it, literally. By 2020, the world will have accumulated 44 zettabytes of information, up from 10 zettabytes in 2015, according to market research firm International Data Corp. (IDC). To put those numbers into context, one zettabyte of apples would fill the Pacific Ocean.

But collecting data is only the first step in the process. By itself, data does nothing. Its value only comes once corporations use it to garner insights that can then be used to improve the business. Given the sheer volumes of data available, that is no easy task. Using information to gain business insights is labor-intensive, requiring marketers to sift through reams of reports, correlate items in an ad hoc manner, make business decisions, and monitor their results.

Luckily, machine learning has finally reached a level of sophistication where it can help.

“Machine learning has become mainstream in marketing,” says Colin Priest, director of product marketing at Data-Robot. “This is mainly due to increased competition, which forces innovative marketing teams to adopt new technologies that give them insights from data coming in from their multichannel touch points.”

Machine learning, the next rung on the artificial intelligence ladder (see sidebar), turns information into action. It relies on algorithms to illustrate data point connections and generate reports. Since machine learning is a horizontal technology, marketers can apply it to any part of a customer engagement.

Companies can, for example, use the technology to measure marketing campaigns more granularly than in the past. With traditional newspapers, radio, and television, businesses blasted out advertisements and had no idea how they impacted customers. With search and social media enhanced by machine learning, they can now monitor where users click and gain more insight into the sales process.

Advertising is certainly one area where machine learning is widely used. “The most mature of the machine learning tools in marketing is programmatic advertising,” says Andrew Frank, a vice president and distinguished analyst at Gartner. “Firms have been using sophisticated software for years now and know how to bid on real-time opportunities based on whether or not users are clicking on their ads.”

Social media also generates oodles of information. Each day, more than 3.5 billion Snapchat videos are generated, and machine learning can also help marketers filter and use that content more effectively. “Machine learning tools

enable companies to capture social sentiment and identify which customers are brand champions,” says Gerry Murray, research director at IDC.

Customer service is another area of interest for machine learning, with 57 percent of executives believing its most significant benefit will be improving the customer experience, according to Forrester Research.

Rather than simply responding to random inquiries, companies can build models that anticipate what the consumer wants and respond proactively. For instance, if a customer picks up the phone after clicking through a website and ending up with an empty shopping cart, the representative who answers the call could deduce the customer was unable to find the specific product she wanted.

In addition, companies are relying on machine learning for segmentation analysis. They are trying to identify the high-value customers and determine how to serve them better, while at the same time trying to identify the low-value customers and limit the resources they consume.

MAKE IT PERSONAL

Personalization is one more area of emphasis. Marketers’ ultimate goal is real-time personalized advertising that spans across all platforms and delivers optimized messaging to each customer.

One way to achieve that is with recommendation engines, another place in the marketing stack where machine learning has really taken root. Once customers purchase a product, companies can present them with similar items that might interest them as well.

Companies like Amazon and Netflix have invested a lot of time and money into this sort of personalization and had a lot of success with it. They are, of course, not alone.

Invaluable has evolved into an e-commerce site and online marketplace for fine art, antiques, and collectibles. The company enables auction houses, galleries, and dealers to provide clients in 160 countries with desired items. The firm, which has 125 employees, generates about \$250 million in revenue annually.

Like many e-commerce sites, Invaluable was searching for a way to improve communications with its customers, who contact it across a variety of channels. Near the end of 2015, the company heard about Evergage’s personalization platform, which combines behavioral analytics, a data platform, and machine learning to help businesses better understand what drives customer interactions. Evergage’s cloud platform tracks each visitor’s shopping behavior on websites and mobile applications and presents them with relevant offers, messages, and incentives designed to improve demand generation and optimize conversion rates.

With it, Invaluable has gained better visibility into its customers’ desires and can present consistent messaging across all of its sales channels, according to Neal Glazier, vice president of marketing at Invaluable.

Sentiment analysis is another emerging area for machine learning. Using this technology, companies try to identify the emotions that their customers are feeling so they can respond in a more empathetic manner. Mattersight is just one vendor that provides sentiment analysis. Its platform builds up personality profiles for each customer over time and can route callers to the appropriate agents who are trained to engage them in their preferred communication styles. In Australia, Touchpoint Group developed Iphiphany, a customer service solution designed to help banks identify brand behaviors that irritate customers so that they can train their reps not to engage in them.

“Machine learning tools enable companies to capture social sentiment and identify which customers are brand champions.”



Customer churn is another area where machine learning is being applied. Churn is very common among telecommunications providers, where companies are constantly updating their devices, form factors, services, and pricing plans. Here, statistical analysis enhanced with machine learning is helping companies identify which customers are likely to switch and then deliver enticements to convince them to stay.

FACING NEW CHALLENGES

While marketers have increased their interest in machine learning, they face a number of serious challenges in adopting the technology. Among them, organizational issues are among the most pervasive. For one, many companies still cling to department silos that are not built to take advantage of machine learning. Others do a poor job of aligning their investments in machine learning with business opportunities, according to Capgemini, which found that the typical deployment practice is to place the tools in the hands of technologists who prioritize very challenging projects and miss the low-hanging fruit. As a result, these companies overreach on their initial machine learning deployments and have a hard time building sound business cases for further investments.

An equally large problem is that few companies have the proper skills to deploy these solutions. To put a system in place, companies need to pick their machine learning platforms and then customize them to match their needs. That's not easy given the large number of vendors, the enormous variety in system capabilities, and the differences stemming from the design of the intelligence engines and their algorithms. Each machine learning solution has been tailored to its own set of special use cases for various industries.

Making Sense of Machine Learning

At one time, individuals punched cards that computers then read as part of their programming. Through the years, computer software has taken on more of the work that humans once completed. As technology has evolved, terms arose that described new system capabilities around intelligence. Here are just a few of them:

Automation—the simplest form of computer intelligence. Here, a computer system completes one specific task. For instance, a network monitoring program automatically sends an alert to a technician's phone when response times go over a predefined limit.

Orchestration—the next step in the process. Here, the system completes a number of tasks autonomously. Configuring a server is one area where orchestration has recently taken hold.

Artificial intelligence—a term that emerged in the 1950s to describe actions that computers could take that possess the same characteristics as human intelligence and some degree of reasoning. Through the years, various systems have been programmed to perform a range of activities, like image classification on Pinterest.

Machine learning—a field of study that gives computers the ability to learn without being explicitly programmed. This type of programming is often referred to as unsupervised because the technology identifies patterns, builds insights, and automatically acts on those insights. Here, input shifts from people teaching computers via code to teaching with examples.

Neural networks (also known as deep learning)—this is the next step. The approach was inspired by an understanding of the biology of the human brain. Here connections are more free-flowing than traditional linear programming. In the brain, any neuron can connect to any other neuron within a certain distance. With neural networks, programs have more connections and can draw more complex conclusions. Neural networks have taken on tasks such as colorization of black-and-white images and automatic handwriting generation.

While the various terms are helpful in understanding how these solutions work, they lack precision, and overlap is common. Also, new terms will emerge as the technology takes further shape, experts agree. —P.K.

And then, even when the right solutions are selected, few companies have staff adequately trained to use the tools. "The biggest challenge is that marketing teams usually don't have any data scientists on their staff," says DataRobot's Priest.

This shortcoming creates a significant barrier because these solutions are quite

complex to install and run. Deployment means building custom data models, something only individuals with a data science background typically do. These individuals are rare, the competition to hire them is intense, and their salary requirements are high: While salaries for machine learning specialists and data scientists start on the very low end

"The biggest challenge is that marketing teams usually don't have any data scientists on their staff."

at around \$100,000 per year, they often surpass the \$250,000 mark.

Not surprisingly, then, costs for machine learning can add up quickly. Building a machine learning marketing application is a complex, expensive proposition. While vendors have tried to build tool sets that can be plugged into different applications, each company usually has its own unique mix of front-end and back-end systems that need to be integrated. “Initially, we underestimated the work needed to get our system running,” admits Invaluable’s Glazer.

The integration work takes time and costs money. “One good predictive model is worth millions of dollars,” says Mike Gualtieri, a vice president and principal analyst at Forrester Research covering artificial intelligence and advanced analytics.

After trying it on their own unsuccessfully, companies often find the integration work so daunting that they wind up outsourcing development to consulting specialists like Accenture, Capgemini, and Infosys.

Another option for companies is to find a marketing solution that has the type of machine learning that they need built in right from the start. Some vendors, like IBM with its Watson cognitive computing engine and Salesforce.com with Einstein, trumpet their machine learning capabilities. “Other marketing solutions may not tout their machine learning capabilities, but they are bundled in these solutions,” Forrester’s Gualtieri says.

With these prebuilt solutions, companies only need to tune the system and analytical reports without having to build their own custom engines from scratch.

STILL NEEDING A HUMAN TOUCH

Companies also need to keep the solutions and their expectations around

them in perspective. Though it’s called artificial intelligence, the technology is by no means omniscient. Systems can transform gobs of data into tidy reports, but ultimately, humans are still needed to interpret the information. The evaluation process involves a high degree of subjectivity. “A lot of factors are involved in a purchase,” Gartner’s Frank says. “How much credit does a company give to a marketing campaign, or does a loyal customer just decide that they need the product at that moment? The difficulty is accessing the value that the machine learning provides.”

And no matter how far the technology advances, machines are not as smart as humans. “Computers do not understand really basic things because they lack world knowledge and common sense,” Frank adds.

Mostly due to overambition, not all machine learning projects have been successful. Chatbots, for example, “are not very intelligent” right now, Frank points out. “They understand language in terms of words said but are not good at interpreting the context of a conversation.”

These tools can perform simple tasks, like connecting phrases to a reference document in FAQ files, for example, but they are not yet able to complete complex correlations.

Because of these shortcomings, some executives might be hesitant to trust machine learning results. “Marketers often feel comfortable making decisions based on gut instincts,” says Goutham Belliappa, a principal data integration and reporting practice leader at Capgemini. Marketing executives, he notes, have a lot of knowledge about the subject and often prefer to base their decisions on that knowledge.


This is often, then, permeated throughout the entire corporate culture, which could result in the whole

marketing team’s reluctance to adopt machine learning.

Changing corporate culture can be challenging, so in some cases, corporations are splitting the chief marketing officer’s role in two: one who follows old-school principles, and another who’s steeped in more modern technologies. In other cases, firms are taking their chief marketing officer from within the IT department because they understand how the technology works.

So while marketing has been looking at machine learning, many companies are struggling to incorporate it into their marketing processes. Many large companies are dabbling with the technology, but they are confining it to narrow areas and trying to get a better idea about its potential.

Fortunately, businesses have time to make needed changes. While there has been a lot of hype about machine learning, the market is in a nascent stage of development. More time will be needed for organizations to put all of the pieces in place to fully take advantage of the technology.

At the same time, though, there is no doubt that machine learning will eventually reshape marketing. “Machine learning frees up marketers’ thinking,” IDC’s Murray concludes. “They have more data on more people than at any other time, and the power of industrial analytics is growing. Increasingly, businesses will compete on their idea of what drives customer engagements: How can we create value-added services on top of what we try to sell? That is where the new customer loyalty will come from.” 

Paul Korzeniowski is a freelance writer who specializes in technology issues. He has been covering CRM issues for more than two decades, is based in Sudbury, Mass., and can be reached at paulkorzeni@aol.com or on Twitter at #PaulKorzeniowski.

“Computers do not understand really basic things because they lack world knowledge and common sense.”

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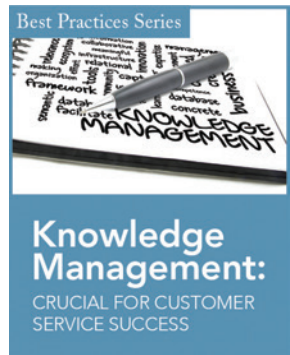
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Rack Room Shoes Steps Up Its Customer Engagement with Salesforce.com

Thanks to the Marketing Cloud, the shoe retailer sees its email and text campaigns hit their stride

Charlotte, N.C.-based shoe retailer Rack Room Shoes, together with its sister company, Off Broadway Shoe Warehouse, operates some 500 locations across the country. The company, owned by German firm the Deichmann Group, bills itself as “the family footwear retailer of choice” and carries a wide selection of national brands in the dress, casual, and athletic categories.

Until recently, the two retailers (Rack Room acquired Off Broadway in 2002) managed their email marketing efforts through a third-party vendor that sent a standard, one-size-fits-all email to all customers. But as the companies grew, this approach became both more costly and less effective, especially considering that the vendor’s siloed model made it harder to measure email marketing and slowed down the manual delivery of time-sensitive marketing messages.

“The approach was rather unsophisticated in terms of our communication with our customers; [it was] mostly ‘batch and blast,’ not a lot of personalized information, not a lot of segmentation strategy,” says Scott Baldt, senior director of omnichannel at Rack Room Shoes. “We were sending a lot of communications to consumers without regard to

[their] level of activity in the program, likelihood to respond to the communication to begin with.”

To help bring consumer engagement data, campaigns, and personnel—from both companies—onto a single CRM platform, Rack Room turned to Salesforce.com’s Marketing Cloud. The move

paid off in a big way: Both Rack Room and Off Broadway have seen the revenue from their digital campaigns take off since the deployment

With Salesforce Marketing Cloud, the two brands increased store traffic via incentivized in-store rewards programs and added other digital channels such as text messages to their consumer outreach strategies. And their marketing teams have increased productivity by bringing digital marketing in-house, automating campaigns, and integrating data and analytics.

“One of the things that we’ve been able to do utilizing the platform is insert more relevant information even into our campaign messages. The rewards program, like many, is a points-based program where you can earn discounts to be applied on future purchases based on current purchasing behavior. In the past, in our marketing communications, we had no reference to whether [customers]



“We were sending a lot of communications to consumers without regard to level of activity.”

had an available reward, whether they were close to earning a reward,” Baldt says. “Those are the types of things that we’ve been able to insert into our campaign messaging to help drive performance. That’s been a real strong factor.”

And by automating their email and text campaigns, both stores’ marketing teams now have more time to assess customer data and come up with more strategic, data-driven campaigns. “Our ultimate desire is to really make these journey-based communications a much bigger part of our communications strategy,” Baldt says, “rather than general marketing messaging that retailers tend to send that really only hits a small percentage of the appropriate audience.”

The results with Salesforce Marketing Cloud have been impressive: Rack Room Shoes has seen an online revenue increase of 161 percent for email and 451 percent for SMS; Off Broadway Shoe Warehouse has seen an online revenue increase of 44 percent for email and 291 percent for SMS.

“Our long-term goal is to really gain a better understanding of which data points are more likely to predict positive impact on performance across all of our spaces,” Baldt says. “Right now email, SMS, and push notifications are what we’re using the platform to help drive. Next steps are how do we better activate our customer data in our social spaces and with our digital marketing teams as well.” —Sam Del Rowe

the payoff

SINCE IMPLEMENTING SALESFORCE MARKETING CLOUD, RACK ROOM SHOES AND OFF BROADWAY SHOE WAREHOUSE HAVE SEEN THE FOLLOWING RESULTS:

- an online revenue increase of **161 percent** for email and **451 percent** for SMS for Rack Room Shoes; and
- an online revenue increase of **44 percent** for email and **291 percent** for SMS for Off Broadway Shoe Warehouse.

SendinBlue Sends the Right Message with Dataiku

Machine learning helps guarantee that millions of messages are delivered daily

SendinBlue, a relationship marketing company, sends millions of marketing- and sales-related email and text messages each day on behalf of its more than 50,000 corporate clients around the world. Ensuring that those messages reach the right people is crucial, and the company also has its reputation to consider.

Since launching as a company in 2012, SendinBlue has been steadily gaining momentum, says Jules Jeanroy, the company's deliverability expert. "Our platform has welcomed more than 600,000 users across 140 countries to date, and with this growth has also come the need to more efficiently and effectively scale our operations. We needed to find a way to automate the time-intensive, manual task of validating new customers as approved or unapproved SendinBlue accounts that have permission to send messages from our platform."

The Paris-based company which maintains U.S. operations in Seattle, also needed a solution that included machine learning to manage customer accounts, particularly because SendinBlue was dealing with multiple data sources and limited resources, Jeanroy says.

"Data science and machine learning are the future of many industries right now, and top among them is marketing technology," Jeanroy adds. "We knew we needed to stay on the cutting edge of the marketplace by automating key internal processes, and we were also looking to eliminate or drastically minimize the margin of error inevitable with multiple parameters and human judgment. To continue to ensure that SendinBlue's delivery system maintains the highest reputation and quality in this rapidly evolving space, basic and fixed rules were not efficient enough."



To achieve that leap in efficiency, SendinBlue selected Dataiku Data Science Studio. The system automates checks that filter out potential spammers before they can access the SendinBlue platform.

"It combines multiple tools, including data manipulation across multiple technologies, machine learning capabilities, and an intuitive, user-friendly interface," Jeanroy says.

Dataiku's algorithms are based on multiple parameters, including historical data from more than 1 billion emails and associated events, including clicks, opens, and bounces; it also works off a list of thousands of blocked accounts and hundreds of fraud criteria, such as IP addresses, histories, sending volumes, and past behaviors. Using that information, Dataiku Data Science Studio analyzes new users and automatically classifies them as good, bad, or uncertain. Based on their risk scores, potential users can then be validated, blocked, or sent to customer care for further analysis.

The solution, which took about four months to fully implement, allows SendinBlue to scale by serving customers more quickly. This analytics initiative saved the equivalent of a full-time job.

On top of this, SendinBlue can now provide a better customer experience

by considerably shortening validation delays. Initially handling just 24 percent of the new accounts as part of a staged rollout, the machine learning model now handles most of the new accounts. Thanks to those machine learning capabilities, SendinBlue can now validate more than 30 million email and text messages daily.

"The results have been tangible. Not only has the new solution helped improve our bottom line, but it has also decreased the amount of time previously spent by our teams on manual tasks," Jeanroy says. "The process is now properly scalable to keep up with our rapid customer growth, and it's also helped us improve SendinBlue's customer experience by allowing for more control and feedback."

Customers have benefited from an improved user experience, Jeanroy adds. "The automated, machine learning process allows for less waiting time, ultimately resulting in less frustration during the on-boarding process. It's also allowed us to improve our response time to clients' help requests, now that our customer care team spends less time moderating the validation process."

Reduced fraud was another advantage of the solution.

"Dataiku helped us to massively scale our team's productivity while delivering a better user experience," adds SendinBlue's CEO, Armand Thiberge. "We are now going to leverage the power of machine learning to aid our customers in real time while they use SendinBlue. As fraudsters' systems always evolve, we'll soon leverage a new generation of advanced algorithms to detect new kinds of fraud." —Phillip Britt

the payoff

SINCE IMPLEMENTING DATAIKU DATA SCIENCE STUDIO, SENDINBLUE HAS BEEN ABLE TO:

- validate **30 million** email and text messages daily from more than **50,000** companies;
- eliminate the equivalent of **one** full-time employee;
- dramatically speed up the on-boarding process for new customers; and
- reduce fraud.

Cloud Contact Center Solutions Continue Upward Trajectory

There's plenty of cloud-based excitement, though proliferation, compliance, and security remain issues

LAST YEAR COULD be seen as the breakthrough moment when cloud-based vendors began their takeover of the contact center infrastructure market. While most contact center infrastructure is still installed on-premises—market replacements generally occur every six to 10 years—cloud-based contact center infrastructure is where market momentum is happening, in the form of growing sales, technical innovation, and the creation of a large and lucrative ecosystem of partnerships.

MASSIVE AND DIVERSE COMPETITIVE LANDSCAPE

With more than 150 competitors worldwide, the cloud-based contact center infrastructure market is primed for success. This sector includes vendors that build solutions and those that sell them, although there is overlap between these two groups. For most of the past 20 years, the primary go-to-market strategy for this sector was direct sales. As this market matures, a vast ecosystem of partners has emerged to participate in this large revenue opportunity. And with the entrance of each new vendor and partner, more salespeople enter the market to evangelize, promote, and sell cloud-based contact center infrastructure solutions.

A significant challenge for this market is that there are vendors from many categories vying for sales opportunities, including purpose-built solution providers; on-premises solution providers that sell cloud capabilities; hosted interactive voice response providers; carrier/network service providers; business process outsourcers; system integrators; cloud-based private branch exchange providers; contact center platform providers; and more. Enterprise business and IT leaders are struggling to find the right cloud-based solutions for their operations. While there are major differences in system functionality, reliability, and security, as well as in vendor vertical expertise and knowledge of contact center best practices, the messaging from most of these vendors sounds the same.

It's great that prospects have many choices, particularly after years of limited on-premises infrastructure options, but the proliferation of cloud-based solutions is creating a



great deal of market confusion. Selecting the right vendor partner is critical for the long-term success of the contact center because the client organization will need to work closely with this vendor to achieve mutual success.

MARKET BENEFITS AND POTENTIAL

As of the end of 2016, DMG estimates that the revenue size of the cloud-based contact center infrastructure market (excluding carrier revenue) was at least \$2.8 billion. Given that this represents only 11.4 percent of total contact center seats, the revenue potential for the cloud-based contact center infrastructure market is in the tens of billions. As value-added partners join the cloud-based ecosystem, the costs for enterprise clients increase, as each vendor must get a piece of the action. It's great to have a large group of vendors to choose from and lots of value-added options, but with each additional layer, the costs go up.

A cloud-based contact center infrastructure solution offers many benefits. The primary one for most companies is that it frees their IT departments from implementing and maintaining hardware and software with which they have little expertise, allowing them to dedicate time to addressing their specific business needs. There are many other benefits, including a geographically redundant environment without the need for buying and maintaining a second system; a simplified upgrade process and reduced risk; timely access to new features and capabilities; and the elimination of annual maintenance

THE REVENUE POTENTIAL FOR THE CLOUD-BASED INFRASTRUCTURE MARKET IS IN THE TENS OF BILLIONS.

fees, which are often in the range of 18 percent to 24 percent, and climbing.

In many but not all cases, when a company buys a cloud-based solution, it ends up spending more after year four or five than if it had purchased it outright as a capital investment. As a result, the revenue potential of the fast-growing cloud-based contact center infrastructure segment and ecosystem is larger than the on-premises sector, which is another reason why so many vendors are entering the cloud-based market.

SECURITY AND REGULATORY COMPLIANCE ARE KEY

As strong as this market and its solutions are, there is still room for improvement. The top reasons why companies have avoided using a cloud-based solution are security and regulatory compliance, two very different but often related issues. Businesses are literally under siege from hackers, fraudsters, and industrial spies intent on stealing secrets for a variety of nefarious purposes. At the same time, companies are facing a growing number of often confusing regulatory requirements, such as the Health Insurance Portability and Accountability Act (HIPAA) in the United States, the Payment Card Industry Data Security Standard (PCI DSS) worldwide, the Data Protection Act in the United Kingdom, the BDSG federal data protection act in Germany, the upcoming EU General Data Protection Regulation (GDPR), and many more.

Companies need systems that protect them from security breaches and keep them in compliance with these myriad regulations. They are also looking to the vendors to help clarify the regulations and to deliver the features they need to prove compliance. The more mature cloud-based contact center infrastructure vendors have a senior security officer to help them stay current with industry security and regulatory requirements and to work with clients to understand and meet their needs.


The argument that contact center solutions do not access or store personal consumer or customer data or protected health information, for example, might once have been valid, but it isn't any longer. Contact center solutions access sensitive data when they use computer telephony integration to go into a CRM system or other customer data repository to access data to personalize and route a transaction. Additionally, even if the most sensitive data, such as Social Security numbers, account numbers, or credit/debit numbers, is redacted—which is rare—there is still a great deal of personal information in recordings stored in the cloud. Financial services and healthcare companies, in particular, are hypersensitive to these issues and are hoping the cloud-based contact center infrastructure vendors can provide tools and

knowledge that allow them to mitigate their security risks and compliance concerns.

INNOVATION AND ARTIFICIAL INTELLIGENCE IN CONTACT CENTERS

Purpose-built cloud-based contact center infrastructure vendors entered the market with their first-generation offerings more than 20 years ago. In the technology world, this makes these solutions dinosaurs, even though their technology and design are more current than those of many of the on-premises solutions. The cloud-based contact center vendors have invested millions of dollars in their solutions and the supporting networks and operations to run them. But the time has come for them to push the market forward with new and innovative designs, architecture, functionality, user interfaces, and best practices. Vendors that want to differentiate themselves as market leaders must move beyond functional parity with legacy on-premises contact center infrastructure. This is where artificial intelligence, machine learning, natural language understanding, and analytics come in. The market leaders will begin a major round of innovation to build “smart” and personalized contact center and self-service solutions. They will also introduce next-gen user interfaces with vastly improved user experiences for administrators, managers, and agents. At the same time, to achieve and maintain a leadership position, these vendors must invest in marketing and sales to differentiate their offerings and messaging from the rest of the pack.

WHAT'S NEXT

The cloud-based contact center infrastructure market is confronting its next set of major hurdles—architecture, functionality, innovation, AI, security, regulatory compliance and, of course, service reliability. Additionally, even the best solutions in the world cannot succeed without outstanding sales, marketing, and support. The vendors in the exciting and adaptable cloud-based contact center infrastructure market have what it takes to succeed, and this IT sector is going to look even better in 10 years. 

Donna Fluss is president of DMG Consulting. For more than two decades she has helped emerging and established companies develop and deliver outstanding customer experiences. A recognized visionary author and speaker, Fluss drives strategic transformation and innovation throughout the service industry. She provides strategic and practical counsel for enterprises, solution providers, and the investment community.

COMPANIES NEED SYSTEMS THAT PROTECT THEM FROM SECURITY BREACHES AND KEEP THEM IN COMPLIANCE WITH MYRIAD REGULATIONS.



MARSHALL LAGER
MAY'S OUTGOING CONTRIBUTOR EMERITUS

Pint of View

Last Call

You don't have to read something else, but you can't stay here

DEAR READERS, I guess you've noticed you haven't gotten a new column from me in quite a while. At least, I hope you've noticed; maybe you just think I'm really that repetitive. It's a good thing that *CRM* has such a large archive of my work—"classics," as I think of them—because I wouldn't have wanted to leave them or you without something fun to read. But that's what I'm about to do anyway, and you deserve an explanation.

You might recall that I had to go on disability last year due to some silliness with my CPAP machine. Sleep apnea is a nasty condition, and it can do significant heart damage over time. I was without treatment for three months, so I think you can see where this is going. Two weeks after returning to work, I had a heart attack and wound up needing a quadruple bypass. The good news is that I feel much better now, at least where my heart is concerned. The bad news is that it did a number on my head.

This is where most people would start explaining how the experience shook them up, or how they realized that life is short and that nobody ever made a deathbed lament that they wished they'd spent more time at work. That's not what's going on with me. I've expected for a very long time that I would not be winning any longevity contests, and I've always firmly believed that we work to live, not the other way round. Nothing changed on that front, and in fact I was totally cool when I was lying in the hospital bed waiting for surgery—I knew that I'd either feel much better in the long run (once the awful recovery period was over), or I wouldn't be waking up again.


Nah, my post-op issues are different. First, and most pertinent to this discussion, I have a much harder time focusing and concentrating on my writing than I did before. The amount of effort it takes for me to churn out content for my

day job leaves me with not a whole lot left over for *Pint of View*. Second, compounding the problem, when I see the absurdities perpetrated in an industry supposedly devoted to serving customers better, my instinct now is to shake my head rather than craft a witty tale about them.

The third reason is much more mercenary in nature: I'm financially comfortable for the first time in many years and actually have an outside shot at retiring some day. That has become my goal. It won't be anytime soon, but I want to get there. I would be proud to take after my dad in any way other than this: He was in the process of retiring when he died, and so he never got the chance to settle in for a well-deserved rest with my mom.

It is for these reasons, among others, that I am making the painful decision to bring *Pint of View* to an end. I had a 13-year run that I can be proud of, but it's time to step away while I can still be proud of it; anything I wrote beyond this point would be less than my best, and less than you deserve.

I'd like to thank the editorial team at *CRM*, present and past, for allowing me this page for so long and for putting up with my foibles and tendency to treat deadlines as fragile things that must never, ever be hit. I was able to build a brand here, one that put me on the road to stability and respect, and that's something I can't overrate.

All that said, you might not have seen the last of me, O Noble Reader. This magazine has been part of my life for far too long for me to cut all ties with it. Whether as an expert source (ha!) or guest contributor, the future of my name in these pages has not yet been written. 



Marshall Lager is still a senior analyst in Ovum's Customer Engagement practice, so he's not disappearing altogether. Hint: Try marshall.lager@ovum.com or www.twitter.com/Lager.



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