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WHITE PAPER

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CUSTOMER INTELLIGENCE MADE IN SWITZERLAND

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THE SOLUTION

Gartner, the global research and market analytics company, made a powerful statement on the central importance of customer experience management (CXM)

A new era of customer relationships, in which customers are the new employees, and have a voice that needs to be listened to, respected and acted upon, will be unavoidable for the vast majority of organizations over the coming decade. Voice of the Customer (VoC)-focused technologies will become critical investment areas for many organizations during the next five years.

Companies are capturing ever-increasing volumes of customer-related data. But this data fails to produce value in proportion to its volume. At many companies, this is a systematic failing. Typically, customer knowledge, including the Voice of the Customer across all three voices (direct, indirect and inferred), is stored in separate data silos, and accessed through discrete systems.

This traditional model fails to yield a truly comprehensive view of the business and its relationship with its customers. We need a new way of unifying all streams of customer knowledge, one that can store and analyze the full range of both structured and unstructured data and perform real-time analytics that generate actionable customer intelligence.

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THE EVOLUTION OF CRM

The modern commercial arena is choked with acronyms and buzzwords, many of them fully or partially redundant with newer concepts; this makes it difficult to assess a given company's current business ecosystem and identify opportunities for improvement. CRM (Customer Relationship Management) has been with us for some time, and most companies use a CRM system to manage their relationships with customers. But does it still deserve its traditional place at the center of a company's efforts to understand its customers?

"Voice of the Customer (VoC) and Customer Experience Management (CXM) applications provide an outside-in view of the customer experience."

In its most basic form, a CRM system stores customer information such as contact details, sales history, contact log and segmentation data. CRM systems have been in use for many years, with good success, but they can only provide an inside-out view of the customer experience. Their only view of a given customer relationship is from the business's perspective. This one-sided view of the customer relationship is gathered over time, and can be used by decision-makers to inform their strategic thinking.

In contrast, Voice of the Customer and CXM applications provide an outside-in view of the customer experience. CXM technology can be used to capture feedback across the entire customer journey, from pre- purchase through sales transactions, support enquiries, and post-sale care.

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CRM VS. CXM

Which of CRM and CXM provides the best basis for managing the customer experience? Both, as it happens. CRM is primarily a vehicle for maintaining records of transactions and interactions between the company and its customers; CXM technology delivers the outside-in view. Together, they deliver a 360-degree description of the customer experience. In effect, the data collected by CRM systems is best regarded as a subset of CXM.

> By implementing CXM systems driven by the Voice of the Customer, companies gain the ability to capture, analyze, and visualize customer feedback in real time. This customer feedback can be instantly turned into customer intelligence and disseminated across the enterprise, turning the Voice of the Customer into a crucial guide to profitable action and an important element of strategic planning.

A comprehensive CXM platform identifies the root issues behind all customer feedback, both positive and negative, and gives companies a tactical advantage by delivering real-time insights to key personnel. Its correlation of customer and financial data helps companies identify and mitigate risk, allowing them to allocate short-term resources and respond to customer needs quickly and profitably.

Responding quickly to the needs of individual customers needs—closing the customer experience loop—is a relatively minor benefit of VoC-driven technology. By far the greater benefit is conveyed at the broader strategic level, when customer feedback is used to drive business decisions, assess and improve business processes, and reorient corporate culture around the customer.

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THE CUSTOMER HAS THREE VOICES

Does your company really understand the power of the voice of its customers? Many companies spend considerable time and money trying to understand the needs and wants of their customers, but very few actually have access to a 360-degree view of the customer relationship. In practical terms, this is because most companies lack the tools to listen to each of the three distinctly different voices used by the customer: the direct voice, the indirect voice, and the inferred voice.

An inside-out view of the customer relationship, typical of that derived solely from CRM systems, can only ever capture the direct voice of the customer. Let's take a look at all three voices, and some of thetouchpoints at which they can be captured.

The Direct Voice of the Customer

The direct Voice of the Customer is expressed at any touchpoint where the customer interacts directly with the business. Typically, the customer will be expecting the company both to listen and in some way to reply. These direct touchpoints include pre-sales questions, contact with the call center or billing department to resolve issues, and any other touchpoint where the customer is communicating one-to-one with business representatives, regardless of the communication channel.

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THE CUSTOMER HAS THREE VOICES

As previously mentioned, CRM can only manage the direct Voice of the Customer. An expanded understanding of the customer relationship must draw from the more fully representative store of data collected by a CXM solution such as the sandsiv+ platform.

Very few companies have access to a 360-degree view of the customer relationship.

The Indirect Voice of the Customer

The indirect Voice of the Customer is expressed whenever customers talk about the company or its associated brands and products to anyone but representatives of the company.

Comments about the company on a social networking site such as Facebook, Twitter, Yelp or Tripadvisor are common examples of the indirect VoC. By definition, these comments will be viewed largely by the customer's peer group, amplifying their effect on the company.

Any discussion about a company involving two parties unrelated to the business presents an opportunity to capture the indirect voice of the customer.

CXM platforms are designed to capture this valuable stream of information, adding an invaluable dimension to the records stored in a company's CRM system.

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THE CUSTOMER HAS THREE VOICES

The final voice, the inferred voice, is the most complex of the three. The inferred voice combines historic VoC data (including both the direct and indirect voices) and produces a composite voice through predictive analytics.

The Inferred Voice of the Customer

The inferred Voice of the Customer spans every communication channel, including SMS, email, web chat logs, transcribed call logs, social networking comments...absolutely every possible form of communication, across every conceivable touchpoint. This material is then
analyzed in an effort to predict what the customer will says about the company in any definable circumstance.

The ability to listen to and act upon each of these three voices is what gaining a 360-degree view of the customer relationship is all about. Only by taking each of the three voices into consideration can businesses make fully informed, holistically customer-centered decisions.

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ONE PLATFORM / THREE VOICE

So many vendors offer what they purport to be Voice of the Customer or Customer Intelligence platforms that there is now some confusion over exactly what these kinds of solutions should deliver in the way of features.

Let's try and clarify this issue and come up with an answer, by first listing what a CXM platform is not. A CXM platform is none of these:

- A CRM system
- Analytical tools for extracting information from a CRM system
- A Customer Feedback Management (CFM) solution
- A Sales campaign management solution
- A social media monitoring application
- A social CRM
- A Business Intelligence application
- A data mining tool
- A sentiment analysis tool

sandsiv+ draws on all available data, structured and unstructured, to produce a highly detailed understanding of the customer experience. This enables predictive analytics to begin uncovering the factors behind customer behavior. These insights can be used to develop more informed, more successful strategic decisions.

A Customer Experience Management platform is none of these things, but it can be used to support each of them. If we consider what businesses require to build a competitive advantage based on customer insights, then a comprehensive view of the customer relationship can deliver the same results as an array of disassociated systems and functions.

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THE BENEFITS

The sandsiv+ platform provides an end-to-end CXM solution. A partial list of its benefits includes the following.

> Gaining an understanding of how existing operational KPI actually align with real customer metrics, will enable the business to make short-term actions, to fix issues that negatively impact the customer experience.

Bridging Customer Satisfaction and Financial KPI

Happy customers are not always the most profitable customers. One goal of any CXM program is to tie customer behavior into financial KPI, allowing businesses to realize the best return on investment for each customer.

Financial KPI such as account profitability, share of customer wallet, average order value, and other related metrics, can be correlated with customer sentiment and satisfaction at highly granular levels.

By understanding the customer relationship at such a deep level, a business can begin to move from a focus on products and services to a more customer-driven model. Any change operational focus has its potential pitfalls, and even a proven strategy like customer-centricity is no exception.

Three specific elements need to be aligned to successfully move towards a more customer-centric business model, each based upon financial KPI correlated with the customer experience:

- The correct metrics must be chosen
- Data must be captured at a level of granularity sufficient to provide actionable results after analysis
- Implementation must take segmentation data-sampling methods into consideration.

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THE BENEFITS

Bringing Social Media into the Customer Relationship

sandsiv+ turns social media into a powerful source of strategic customer knowledge. By integrating social media with other channels of customer data, companies gain the capability to move beyond purely reactive customer interactions.

By listening to the indirect opinions of customers and responding by way of off-line interaction, such as a private chat session or even a follow up call, companies can identify priority indirect interactions in need of escalation.

Becoming Proactive

sandsiv+ turns social media into a powerful source of strategic customer knowledge. By integrating social media with other channels of customer data, companies gain the capability to move beyond purely reactive customer interactions.

Aligning Operational Information with Customer Feedback

Even simple customer feedback tools such as customer surveys can highlight business opportunities based on customer wants and needs. Furthermore, key operational KPI such as First Call Resolution (FCR) and customer satisfaction can be aligned realistically with actual customer metrics at a highly granular level.
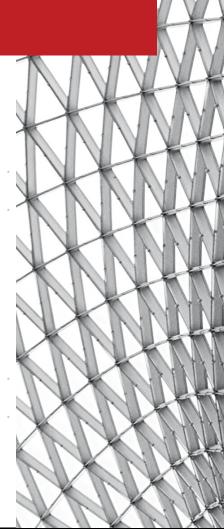
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FROM CXM TO CI

Many of the benefits described beforehand rely upon the adoption of generated customer intelligence (CI) to drive business change. To fully appreciate the benefits of CI, we will first define it.

> CI is an exciting new technology that enables an entirely new business methodology, one driven by customer insights gained from performing analytics and classification on customer data.

Business intelligence platforms have existed for many years that summarize and conceptualize financial data, helping decision makers define and develop key strategies.

Similarly, CI summarizes and conceptualizes customer relationships, based upon all available customer data as it is correlated key company KPI, both financial and operational.

CI delivers a comprehensive and easily understood picture of the customer experience and its effect on the business. This could include factors such as retail store performance, customer churn rate, product advocacy, indeed any metric that customers generate. CI shows these indicators in context, describing how they combine and connect.

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FROM CXM TO CI

As additional layers of customer data enter the equation, such as social networking monitoring, loyalty program performance, and web analytics, they become increasingly difficult to integrate and the total collection of data more difficult to analyze. This is where the sandsiv+ excels. It takes all of these data sources, however disparate, into a single silo of potential customer intelligence.

sandsiv+ excels at providing CI where older platforms fall short. It is a true Big Data application, able to take information for any source, in any form, and turn it into a single data silo, with no need for data modeling.

Difficulties aside, it is easily apparent that CI can deliver a significant competitive advantage in any market. It can also empower any enterprise to inform more effective marketing, product development, and customer service efforts based on real-time insights.

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A DUAL CLOUD SOLUTION

To gain a strategic competitive advantage through leveraging Customer Intelligence derived from the Voice of the Customer, some innovative technology is required. SANDSIV's dual cloud-based solution delivers everything businesses need to understand and act upon the Voice of the Customer.

The sandsiv+ solution is a multi-layered product, delivering specific capabilities and features at each layer. These layers include collection, discovery, integration, analysis, and delivery.

Collection Layer

This layer collects direct feedback from clients using a highly customizable multichannel platform that can be integrated with any CRM system or Web-based application. RESTful API integration with any CRM platform and prompts integrated into business websites allow companies to solicit feedback in real time immediately after each direct interaction.

Available communication channels include:

- Email invitation to web surveys
- Text invitations to web surveys
- Texted "ping-pong" surveys
- Web-based feedback mechanism activated by configured conditions
- Web-based feedback mechanism activated by API calls
- IVR voice calls

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A DUAL CLOUD SOLUTION

Data Preparation Layer

Data collected by the previous layer is combined with externally collected data from any other source, and the resulting data store is transformed and prepared for further analysis.

APIs allow sandsiv+ to connect external data sources and update data in real time. Different data sources can be united, harmonized, and customized for aggregated analysis when summary results are desired. Open text lemmatization transforms free text into collections of basic lemmas, used in the Data Mining and Presentation layers. Lemmatization in sandsiv+ solution supports more than 130 languages.

Data Mining Layer

sandsiv+ was engineered to work with huge collections of unstructured data and open text, and to analyze them for important insights. This layer provides a simple yet powerful data-mining interface with a focus on analysis of open text. Flexible, intuitive filtering logic assesses data sources for patterns and identifies data selections meeting specified criteria. These selections can be exported directly for further evaluation or use in other systems, or used to power sandsiv+'s Analysis and Presentation Layers.

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A DUAL CLOUD SOLUTION

Analysis Layer

Existing data mining technologies often struggle to analyze unstructured and open-text data. Human analysis is untenable in a system presented with a constant flow of new records, particularly if that system aims to work in real time.

sandsiv+'s Analysis Layer is a powerful Big Data analytics application capable of extracting CI from all customer knowledge available to the platform. It overcomes the problems traditionally posed by large quantities of unstructured data by applying Facebook's text classification technology "fastText" and automating its operations.

Delivery/Presentation Layer

sandsiv+'s final layer is responsible for delivering CI and related insights in a readily understood, immediately actionable way.

At its most basic, this can amount to BI reports and similar static information. But the Delivery/ Presentation Layer's real power lies in its provision of highly configurable real-time visual dashboards. These dashboards are specific to each user or role, allowing tailored dashboards to put the right information in the hands of the right employees at the right time, all perfectly aligned to key strategic goals.

The layer's flexible permissions and filtering model simplifies configuration and management by using the same dashboard to serve wide ranges of employees with exactly the information they need. Customer Intelligence can also be exported to third-party applications, adding further value throughout a company's decision-making and technology ecosystems.

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CONCLUSION

The sandsiv+ solution is uniquely capable of integrating many disconnected data streams into a single source of actionable customer intelligence. This is achieved with very little integration overhead, due to the platform's Big Data capabilities.

By taking data from every conceivable source, including CRM systems, social media, customer feedback surveys, financial/ transaction data, disconnected data warehouses, and any other form of customer knowledge, sandsiv+ delivers additional value as an interface to the systems that produced this data.

The result is the ability to receive in real time an entirely holistic, 360 degree view of any business's relationship with its customers. This resulting customer intelligence can be used to drive strategic business decisions, based on solid insights, in a manner as agile as the pace of business itself.

THE CXM FRAMEWORK
ABOUT SANDSIV

SANDSIV is a Swiss software provider located in Technopark Zurich, Switzerland's main technology hub. Listed as a leading VOC vendor in Gartner's recent VOC Market report, SANDSIV has built its reputation in delivering its state-of-the-art Voice of the Customer enterprise solutions "sandsiv+" to advanced CX teams at leading organizations throughout EMEA, including leading companies in the telco, financial services, utilities, retail and transportation sectors.

ABOUT sandsiv+

sandsiv+ captures, analyses, integrates, improves, and measures the customer experience. Introduced in 2014, the next-generation CX platform harmonizes data from any direct or indirect channel, and generates inferred data using artificial intelligence. Its analytical features are built on advanced AI technologies including Natural Language Processing (NLP) and Deep Machine Learning, providing for the increasingly unsupervised production of faster and more accurate actionable insights, and allowing organizations to act responsively and plan wisely. The platform supports complex integration, customization and configuration.

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customer intelligence made in switzerland

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