Capturing untapped revenue

How customer experience insights improve remarketing and customer recovery efforts

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Executive summary

Imagine that a customer comes to your website with the intention of completing a transaction. Whether it is purchasing a product, opening up a new bank account, or making a travel reservation, they have come to your site with the intention of transacting with you. However, what if the customer encounters a problem on one of the last steps of the transaction and is unable to complete the process, even after multiple attempts?

This is the moment of truth.

Do you let the customer abandon and hope they have a better experience the next time they visit your site (assuming they return)? Or do you have a strategy in place that enables you to turn this "bad" customer experience into good one – for both your customer and your business?

Leading ebusinesses have chosen the latter and their strategy is to invest in Customer Experience Management (CEM) solutions. CEM solutions, such as IBM Tealeaf solutions, afford unprecedented visibility into your customers' online behavior.

Unlike web analytics and specific remarketing tools, which can only tell you when customers abandon your site, CEM solutions tell you why they abandon. And, knowing why is the key – the actionable data required to fully re-engage lost customers.

In this white paper, we will describe the two main techniques companies utilize to incorporate customer recovery into their overall CEM strategy – namely, immediate issue resolution and follow-up and real-time customer recovery.

- **Immediate issue resolution and follow-up**. With this technique, companies utilize their CEM solution to determine the root cause of abandonment for a given customer segment, such as an invalid coupon code. Armed with this information, the company can then remedy the problem itself, before more customers are negatively impacted, as well as design a customized remarketing program for the affected customer base.
- **Real-time customer recovery**. With this technique, companies leverage the real-time insight afforded by CEM solutions to monitor live sessions and reach out to customers at the first sign of struggle – before they even have a chance to abandon.

Organizations that commit to going the extra mile to recover abandoned or struggling customers – customer-centric organizations – will have a leg up on their competition. Not only do they demonstrate a higher-level of service, which translates into improved customer satisfaction and retention, but they can also realize significant improvements in conversion and capture untapped revenue as a result.

This is the moment of truth. What are you going to do?

What is remarketing?

There are many reasons people visit and abandon a website. Sometimes the customer is just browsing. Sometimes the customer is conducting research and not prepared to purchase. Other times the customer fully intends to transact with you – he adds items to the shopping cart, fills out his shipping information, perhaps even his billing information – but for whatever reason he does not hit the "submit" button.

Now, if you were managing a grocery store and watched a customer leave a half-empty cart at the register, you would beeline over to that customer and try to address his concerns in the hopes of recapturing the sale, right? The same is true in the online world. Even though most ebusinesses are challenged by a lack of visibility into why customers abandon, remarketing is the method used to go after these "intenders" in the hopes of closing the sale after all.

How remarketing tools work

Most remarketing tools leverage cookies to capture and report on specific customer information. These tools capture some key demographic information about your site visitors, such as their email addresses and their shopping cart contents. But most importantly, these tools generate a list of customers with incomplete transactions, as defined by you. For example, an incomplete transaction might be any customer who added something to his cart but then did not complete the purchase within 30 minutes. Once armed with this list of customers, ebusiness teams can then follow-up with these "intenders" via email in an attempt to recover their business.

Although remarketing tools provide a list of customers who abandoned your site, including insight into what products they were looking at or had in their cart, these data points are just fragments of the insight needed to fully re-engage a lost customer. What these tools cannot tell you is whether or not the customer had an issue before he abandoned. Did the customer struggle to enter acceptable payment information? Did the customer encounter a usability issue, such as poor navigation or inaccurate instructions? Or, did the customer receive an error message? A CEM solution allows you to pinpoint the exact cause of abandonment, and thereby make more informed remarketing decisions.

Customer experience data: the key to remarketing

CEM solutions provide unprecedented visibility into your customers' online behavior. Unlike remarketing tools, which can only tell you when customers abandon your site, CEM solutions tell you why they abandon. Moreover, CEM solutions offer this insight in real-time. You no longer have to wait overnight while data is synched; instead, you get rapid visibility into customer abandonment.

Before we go any further, let us take a moment to explain exactly how CEM solutions, such as IBM Tealeaf solutions, work.

How IBM Tealeaf solutions work

Using groundbreaking, patented technology, IBM Tealeaf solutions capture each customer interaction on your website, each time – right down to the page-by-page, browser-level experience. This rich customer experience dataset is then fully organized and indexed to be used by ebusiness teams to analyze, investigate and respond to the issues preventing customer success on the web.
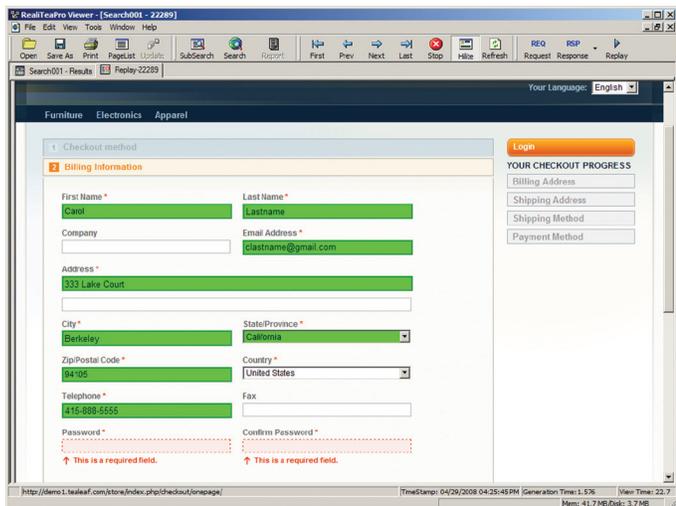
Figure 1: The replay capabilities of IBM Tealeaf solutions allow you to see each customer action and interaction on your site, including site experience problems.

The visual replay capabilities of IBM Tealeaf solutions are what take you past just knowing there is a customer experience problem to understanding exactly what that problem is. Further, because IBM Tealeaf solutions capture the entire supporting HTTP request and response information behind each session, technical teams can quickly diagnose and fix the problems causing poor customer experiences and abandonment on the site.

In addition, with the search capability of IBM Tealeaf solutions, ebusiness teams can quickly quantify the business impact of a given site issue by searching and retrieving customer sessions where that given issue appeared. For example, you can search IBM Tealeaf solutions to find sessions (and thereby customers) that saw the error message, "Invalid Coupon Code."
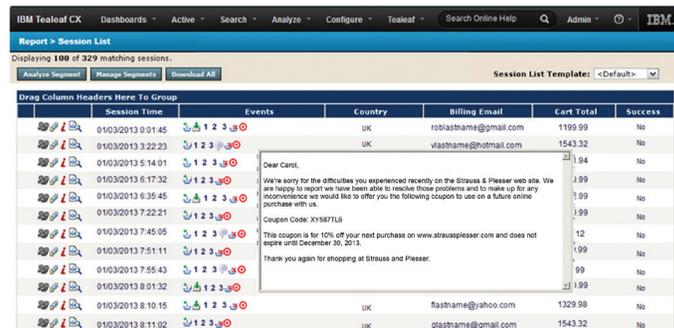

Figure 2: IBM Tealeaf solutions allow ebusiness teams to find each customer who saw the error message "Invalid Coupon Code" in order to quantify the impact of the problem and design a personalized remarketing campaign.

Finally, the data captured by IBM Tealeaf solutions is analyzed in real-time against a set of user-defined rules – called events – to provide rapid awareness into business process health, customer activity, errors and response time problems. Alerts are then triggered when acceptable thresholds for events are exceeded. Many companies use IBM Tealeaf solutions to monitor the rate of abandonment on their site, for example. When abandonment spikes, the alert warns a business analyst to the fact that there are unforeseen issues occurring on the site. From the alert, the analyst can quickly drill-down to the exact users affected, replay their sessions as desired, and determine the root cause of the problem.

Across online business stakeholders – from marketing and ebusiness, to development and customer service, the customer experience insights afforded by CEM solutions such as IBM Tealeaf solutions can be leveraged to not only optimize the website, but also to recover struggling or lost customers and recoup valuable revenue.

Two customer recovery techniques afforded by CEM

The majority of ebusinesses who use CEM solutions to inform their customer recovery initiatives leverage two specific techniques:

1. Immediate issue resolution and follow-up

2. Real-time customer recovery

Immediate issue resolution and follow-up

With this technique, companies utilize their CEM solution to determine the root cause of unexpected issues and obstacles that have forced customers to abandon, such as an invalid coupon code. Armed with this information, the company can then remedy the problem itself, before more customers are negatively affected, as well as design a customized remarketing program geared to re-engage the affected customer base.

Outlined below are two examples of how companies have embraced specific "moments of truth" and converted a situation that might have otherwise negatively impact customer satisfaction into a positive one – for both their customers and their business.

Customer case study: global online provider of wall décor

The company emailed a new coupon to their most loyal customers, but on the back end failed to properly activate the coupon code within the purchase processing system. As a result, customers who tried to enter the coupon during checkout saw an "invalid coupon" message, which caused the majority of them to abandon their purchases.

Leveraging the real-time alerting capability of IBM Tealeaf solutions, the company was immediately notified about the drop in checkout conversion. At the same time, the customer service center had recognized a pattern among callers with recent order problems – many had been attempting to use a coupon. With this information in hand, the company searched IBM Tealeaf solutions to uncover each customer session where the error message, "invalid coupon" appeared.

With the help of IBM Tealeaf solutions, the company quickly resolved the coupon activation issue, which halted the loss of $25,000 in potential revenue per day. In addition, because IBM Tealeaf solutions uniquely capture each customer session, the company was able to identify 300 "lost" customers who abandoned their orders due to this error and emailed these customers with a new purchase incentive. Not only did the company recover lost revenue, but they used the opportunity to turn a negative customer experience into a positive one.

Customer case study: leisure and activity vacations provider

On one particular day, Europe's largest provider of leisure and activity vacations was alerted by IBM Tealeaf solutions that site errors and abandonment were on the rise. The company immediately leveraged the replay capability of IBM Tealeaf solutions to analyze representative customer sessions and discovered that their third-party vendor, who managed the site's credit card transactions, was experiencing an outage, resulting in forced customer abandonments.

Within minutes of the discovery, the ecommerce team was able to put up a notification on their website about the technical problem, which reduced unnecessary calls into the contact center. Further, given that IBM Tealeaf solutions captures the details about each customer session, the company was able to generate a list of affected visitors. Because the company had discovered the problem so quickly, they decided to have their customer service agents proactively phone the affected customers, apologize for the inconvenience, and offer to complete the transactions on the customers' behalf.

Remarkably, the company's customer service team was able to convert more than 85 percent of contacted customers, recovering hundreds of lost orders and thousands of dollars in revenue. Moreover, the company's customers were incredibly impressed by the company's high-level of service and happily continued to do business with them.

As you can see, identifying and fixing the obstacles that prevent customers from completing transactions can not only quickly improve your overall conversion rate, it also provides you with insight into how best to reach out to the customers who were unsuccessful. Rather than allowing these non-converting customers to slip through the cracks, a CEM solution provides the key information needed to successfully remarket to them, thereby creating more satisfied customers, as well as recovering otherwise lost revenue.

Real-time customer recovery

While timely issue resolution can recover many customers who have already abandoned, companies are also using the real-time insights gleaned by IBM Tealeaf solutions to reach out to customers at the first sign of struggle – before they even have a chance to abandon. Although this approach may seem aggressive to some businesses, organizations in "higher-touch" industries, or those trying to convert their service center into a profit center, believe strongly in this approach.

Outlined below are two examples of how companies have embraced the real-time power of IBM Tealeaf solutions and realized big gains as a result.

Customer case study: leading UK travel firm

The travel provider originally purchased IBM Tealeaf solutions to improve online conversion and bookings for their website. But once deployed, the company realized they could further leverage IBM Tealeaf solutions to transform their call center into a vehicle for customer recovery and a source of profit.

From their team of 220 support representatives, the company allocated six individuals for dedicated outbound revenue recovery. IBM Tealeaf solutions are now used to pass alerts to this outbound team anytime a customer with a certain basket value is on the site. The outbound agents then use the "shadow browse" capability of IBM Tealeaf solutions to monitor these live customer sessions, and at the first sign of struggle, these agents follow up with a prompt call – usually within a minute or less – in order to attempt to complete the sale.

By harnessing the power of IBM Tealeaf solutions, this small, proactive team now delivers more revenue per hour than any other reservation group within the company and generates over £16m annually, up 340 percent year-over-year.

Customer case study: US bank

This US bank requires different account opening processes for various types of deposit accounts. For example, in order to open the highest-level deposit account – the platinum account – customers are required to call the bank to verify their identity before completing their initial online deposit.

Using IBM Tealeaf solutions, the bank noticed that conversion for the platinum account was dramatically lower than the other types of accounts. By watching numerous sessions, the bank saw that most of these customers did in fact get to the final step of the process, where they were instructed to call the bank, but instead of calling the customers simply gave up.

Armed with this information, and at risk of losing its most valuable patrons, the bank decided to enable IBM Tealeaf solutions to pass alerts to their high net worth service team anytime a customer began the platinum account opening process. Similar to the prior example, this group of agents then uses the"shadow browse" capability of IBM Tealeaf solutions to monitor these live customer sessions, and at the first sign of struggle, follow up with a prompt call in order to ensure account activation.

By taking this approach, the bank has improved the online conversion rate of the platinum deposit account by nearly 50 percent. Moreover, the bank's customers are incredibly impressed by the high-touch level of service they have received.

As these customer stories illustrate, savvy, customer-driven companies are capitalizing on these "moments of truth." And, by simply integrating the valuable information afforded by CEM solutions into their enterprise-wide customer recovery processes, these organizations are realizing significant business benefits as a result.

Customer recovery: expected or intrusive?

From the reactive and low-touch email recovery effort of the wall decor company, to the proactive and high-touch phone sales of the travel provider, the examples cited in this paper run the gambit of customer recovery strategies. Yet they all have one thing in common – they are taking action to re-engage a potentially lost customer and repair an otherwise negative customer experience.

The approach your organization endeavors should be consistent with your company's privacy policy, applicable privacy laws and industry regulations and, most importantly, your customers' level of tolerance and expectations. Just remember, timing is everything and the window for re-engaging customers is short, as competition is just a click away.

Conclusion

No company can afford to risk frustrating customers or losing them altogether – especially when tools and best practices exist to help you mitigate such issues. Organizations that commit to going the extra mile to recover abandoned or struggling customers – customer-centric organizations – will have a leg up on their competition. Not only do they demonstrate a higher-level of service, which translates into improved customer satisfaction and retention, they can also realize significant improvements in conversion and capture untapped revenue as a result.

About IBM Enterprise Marketing Management

The IBM Enterprise Marketing Management (EMM) Suite is an end-to-end, integrated set of capabilities designed exclusively for the needs of marketing organizations. Integrating and streamlining all aspects of marketing, IBM's EMM Suite empowers organizations and individuals to turn their passion for marketing into valuable customer relationships and more profitable, efficient, timely, and measurable business outcomes.

Delivered on premises or in the Cloud, the IBM EMM Suite of software solutions gives marketers the tools and insight they need to create individual customer value at every touch. The IBM EMM Suite helps marketers to understand customer wants and needs and leverage that understanding to engage buyers in highly relevant, interactive dialogs across digital, social, and traditional marketing channels.

Designed to address the specific needs of particular marketing and merchandising users, the IBM EMM Suite is comprised of five individual solutions. Digital Marketing Optimization enables digital marketers to orchestrate relevant digital interactions to attract and retain new visitors and grow revenue throughout the customer's lifecycle. With Customer Experience Optimization eCommerce professionals can turn visitors into repeat customers and loyal advocates by improving the digital experience of every customer. With Cross-Channel Marketing Optimization customer relationship marketers can engage customers in a one-to-one dialogue across channels to grow revenue throughout the customer's lifecycle. Price, Promotion and Product Mix Optimization allows merchandisers and sales planners to make price, promotion and product mix decisions that maximize profit and inventory utilization. And with Marketing Performance Optimization, marketing leaders, planners and decision-makers can model and assess mix, and manage marketing operations to maximize ROI.

Over 2,500 organizations around the world use IBM EMM solutions to help manage the pressures of increasing marketing complexity while delivering improved revenue and measurable results. IBM's time-tested and comprehensive offerings are giving companies such as Dannon, E*TRADE, ING, Orvis, PETCO, Telefonica | Vivo, United Airlines and wehkamp.nl <http://wehkamp.nl> the power and flexibility required to provide their customers and prospects with what they expect today – a more consistent and relevant experience across all channels.

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