

Are you being served online?

The case for real-time analysis

To give customers provenly successful individual treatment, web operators need to take a lead from the corner shop, suggests **Malcolm Duckett**, Speed-Trap

IF WEB MARKETERS were asked to name a shining example of how they want their brands to treat customers online, they would likely be able to repeat a shortlist of companies they believe offer a trusted brand name on the web and boast a subscriber or customer base that is the envy of their competitors.

There may be a good example of quality service in there somewhere, but there's another far more fertile hunting ground: the corner shop. Every town or village has them and they could teach web marketers a thing or two about how to treat their customers as individuals. Walk into a local grocery store and chances are the owner will know you by name, know what you normally like, what you bought last time you were in, what they had run out of but now have got back in stock and what new products are available that you should try.

The problem with the web is that as it's a global phenomenon where huge numbers are what impress, companies think they're dealing with large homogenous groups; but in fact they're people, and people are individuals.

Getting to know you ...

If you start to treat your customers as individuals and notice what they like and what product decisions they are making, the chances are you will be able to sell them more by simply recommending what they are most likely looking for, particularly at a discount in appreciation of their returning custom. If you were in a local shop and you were looking through the fruit and the owner asked you if you were interested in exterior paint, you'd be taken aback, but exactly this kind of untargeted, inappropriate promotion is a daily occurrence online.

If you know your customer as well as a corner shop would, you can upsell to them. If someone is on your website looking for a toaster and you know they have previously been looking at a kettle, it makes sense to offer them a bundled deal.

Mind you, while this historic process can work, it can be misleading. Companies need to invest in the technology that will enable their sites to establish what a person is doing in real time today, now. Recommendations based on previous

visits and interest may be appropriate most of the time, but not always, and a lack of appreciation of customers' changing needs or motives will result in the same untargeted approaches as before.

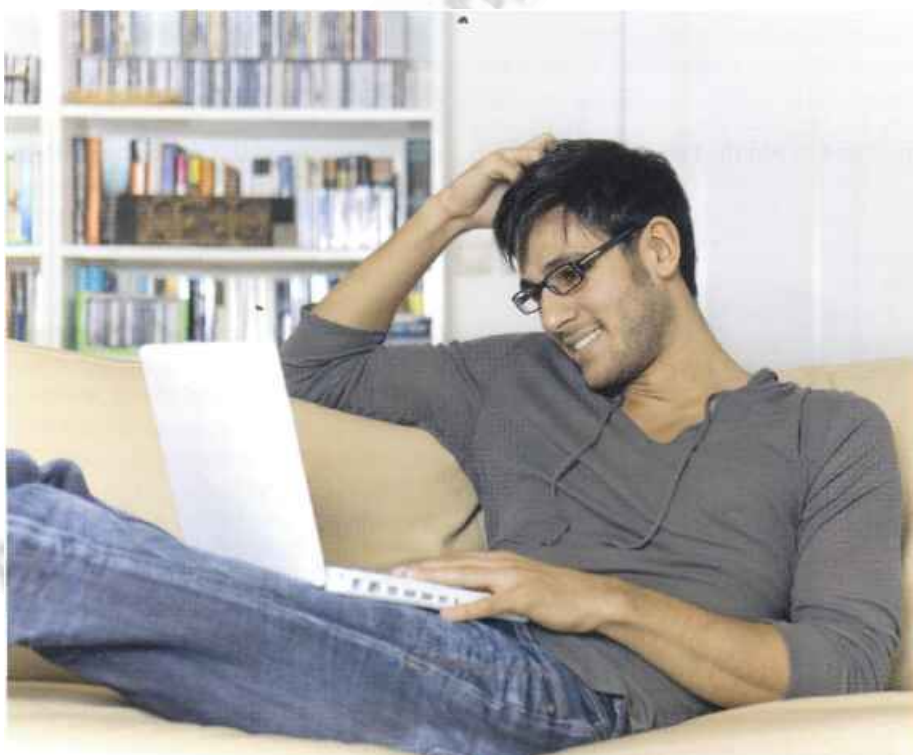
A simple example of where this historic approach can go wrong is booking flights and hotels. If you have previously booked a single return trip to Frankfurt with a city-centre hotel for the night, the site assumes you are a person who books business trips. There is nothing wrong with that, but where marketers are letting themselves down is not realising that business people are individuals with home lives too. So, if someone who normally books overnight stopovers in Frankfurt comes on the site and starts looking at flights for two adults and two children to Malaga or Florida, the site should realise that person is in a different buying mode.

So, if I'm buying just flights, for four, the site needs to ask itself, where is this customer's family staying; how will they get there and what will they do once they are there? Perhaps the site could even suggest how the visitor's Airmiles - which have been logged all the while - could be factored into the booking. If the site is not treating me as an individual, it will probably offer me a business hotel because of my history, and it may or may not offer me a hire car, but it almost certainly won't offer me a family-sized car with a big boot and a child seat or two - resulting in massive missed opportunities, especially if the prospective customer leaves the site for a competitor's, exasperated by the lack of correct offers.

This is where it really pays to build up a 360° view of each customer and invest in the technology to find out who a person is when they come on to the site, what they have shown interest in previously and, crucially, what they are interested in today.

Single them out for best effect

This development of an online one-to-one, instead of one-to-many, customer relationship approach needs a real-time view of the customer that allows companies



Malcolm Duckett is VP, Marketing and Operations, at Speed-Trap. The company's development and use of Dynamic Collection technology makes it unique in the data-gathering market.
malcolm.duckett@speed-trap.com



'If you start to treat your customers as individuals and notice what they like and what product decisions they are making, the chances are you will be able to sell them more by simply recommending what they are most likely looking for, particularly at a discount in appreciation of their returning custom'

to leap further ahead of the competition by combining their online storefront with associated interactions with their customers on other channels, such as in-store and through a call centre.

But the obvious question any marketer is going to ask is 'How do I know who each individual is when they arrive at the site?' A lot of analytics and marketing companies will extol the virtues of cookies and IP tracking. But neither can be relied upon solely.

Cookies can get you a long way, particularly now most are first-party rather than third-party, but all they show is that you have returned to a site, and help the site track the pages you are looking at. What use is this? You can't upsell to a page, only to the person viewing it, and cookies alone cannot provide enough information for this.

Cookies share another problem with IP tracking. It is not uncommon for a person to start researching a purchase at work but book or buy at home in the evening on a different computer, or vice versa. Investing in technology that can adapt to identify someone and establish that there are previous records that must be taken into account from other sources and, crucially, combine these with the details of the current visit, makes upselling an effective possibility.

Be braver

This technology would ordinarily require tagging - writing code in a web page that allows marketing teams to monitor and record interactions with given parts of the web page, for example links or data-entry fields. However, how can a marketer determine what parts of the site need to be monitored and therefore where to tag? Presumably you are instrumenting (tagging) the site to discover visitors' motivations, etc, and you would need that insight to place the tags correctly - scarily, guesswork is the only route.

It can take weeks or months to tag the parts of the site that are apparently relevant, and then further days to collate, and to analyse and distil conclusions. This is assuming that the IT department has even agreed to the cost or manpower required to add the tags in the first place. But what if the first assumptions were wrong? The whole process needs to be restarted, with fresh hypotheses and new time-consuming tags.

How many times will you need to repeat this process? It could take months to garner the detail, and all the while the original problem remains and valuable snapshots of customers visiting the site are being wasted.

Instead, marketers need to grasp the nettle and gather every possible element of data, without being put off by quantity. They need to appreciate that, although a month's worth of data at a popular consumer site might run to terabytes of information, the storage facility required is the size of a shoebox and available for a few hundred dollars. And the analytics required to filter through it all and process

it for practical use are more than adequate and, again, available. Marketers have to be more open-minded¹ when it comes to this ability, and brave enough to implement it and take advantage of the data that are there.

Nice to see you again ...

This leap forward in marketing and customer service can be made only if marketing departments realise that numbers, and old ones at that, are not the be-all and end-all. Only when you understand each customer and their immediate motives and can serve them as an individual can you really start to increase basket size and drive repeat custom. People like to be recognised and have apt products suggested to them, just as they like the guy running the corner shop recognising them and saying hello. Every advertising campaign, irrespective of the size of the company, hinges on appealing to individuals. Why is this emphasis not shared when it comes to approaching online customers?

By going full circle and applying the personal, local, corner-shop approach to an online global audience, marketers can move away from grouping people together and making assumptions on past purchases, and instead use real-time activity analysis to enable them to target the right customer at the right time with the right product.

Web retailers must stop seeing visitors as nothing more than anonymous shoppers and restricting themselves to considering only historical purchase data. Online customers must be regarded as individuals, just as they are when they visit high-street branches or the corner shop. A customer is not just a folder of past purchases - old information is just that: old. By using available real-time technology that allows retailers to proactively and accurately target and attend to online visitors during their actual visits, shopping baskets can be converted into real sales and, more importantly, later refilled.