Welcome
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Marketing as the Trusted Source of Business
“Your brand is a story unfolding across all customer touch points”

Jonah Sachs
Free Range Studios
Customer experience is the brand
BRAND = CUSTOMER EXPERIENCE
BRAND = CUSTOMER EXPERIENCE = DEMAND
It’s never been easier to create a very bad experience
“Don’t count the people that you reach, reach the people that count.”

David Ogilvy
An Intelligent Customer Experience is one that doesn’t just respond to customers needs it predicts them
Artificial Intelligence (AI)
- Intelligence exhibited by machines
- Broadly defined to include any simulation of human intelligence
- Expanding and branching areas of research, development and investment
- Includes robotics, rule-based reasoning, natural language processing (NLP), knowledge representation techniques (knowledge graphs), …

Machine Learning (ML)
- A subfield of AI which aims to teach computers the ability to do tasks with data, without explicit programming
- Uses numerical and statistical approaches, including artificial neural network techniques to encode learning
- Models are built using “training” computation runs, can also train through usage

Deep Learning (DL)
- A subfield of ML that uses specialized computational techniques, typically multi-layer (>2) artificial neural networks
- Layering allows cascaded learning and abstraction levels (e.g. line recognition -> shape -> object -> scene)
- Computationally intensive enabled by clouds, GPUs, and increasingly more specialized HW such as FPGA and new custom hardware
Intelligence in Marketing

Measure Customer Response and Optimize Customer Journeys
- Smart Campaigns and Campaign Optimization
- Automated Segmentation
- Multi-touch Attribution

Use Customer Behavior for Continuous Personalized Engagement
- Product/Offer Recommendations
- Content Recommendations
- Personalization Apps
- Intent Detection

Understand Customer Behavior to Build a Dynamic Profile
- Activity, Channel Affinity, Scores
- Sentiment
- Lead Conversion Prediction
- Buying Propensity Prediction
- Customer Churn/Retention
Intelligent Marketing: End to End process

Track Customer Behavior

- Intelligent Scores
- Channel Affinity
- Best Sending Time
- Sentiment Analysis

Personalize Engagement

- Buying & Customer Propensity
- Customer Retention
- Lead Conversion Propensity
- Propensity to buy a product
- Predict customers with high churn risk
- Identify high probability Lead/Prospects

Orchestrates Campaigns Customer Journeys

- Personalization
- Product / Offer Recommendation
- Augmented Shopping
- Target Group
- Automated Segmentation
- Smart Campaigns
- Customer Attribution

Performance
IDC MarketScape Names SAP a Major Player for Worldwide AI in Enterprise Marketing Clouds

Strengths

• “The AI and ML use cases available from SAP Hybris Marketing Cloud are invaluable to digital marketers, particularly those operating at scale where rapid decision making is crucial to conversion rates, average sale value, and customer experience and loyalty.”

• “SAP Hybris offers a full range of implementation services for all of its AI and ML use cases, including planning and project management, design (UI, dashboards, visualizations, etc.), data-related services (audit, assessment, preparation, and management), model building and testing, and performance monitoring.”

Consider SAP Hybris

• “Today, orchestration across departments offers greater potential for differentiation than more modular functionality in any given department. That's a strong case for making a full commitment to the SAP Hybris solutions.”

• “If you are not an SAP Hybris customer, but you are an SAP customer, you should prioritize the SAP Hybris solutions especially if you are expecting to build a sustainable customer experience infrastructure. Having both the integrated applications at the front end and the shared services available to all those environments is critical to the success of any CX initiative. In fact, CX initiatives that lack this level of technological underpinning are highly likely to be ineffective and fail in the long run.”


IDC MarketScape vendor analysis model is designed to provide an overview of the competitive fitness of ICT suppliers in a given market. The research methodology utilizes a rigorous scoring methodology based on both qualitative and quantitative criteria that results in a single graphical illustration of each vendor’s position within a given market. The Capabilities score measures vendor product, go-to-market and business execution in the short-term. The Strategy score measures alignment of vendor strategies with customer requirements in a 3-5-year timeframe. Vendor market share is represented by the size of the circles. Vendor year-over-year growth rate relative to the given market is indicated by a plus, neutral or minus next to the vendor name.
Machine Learning in Marketing: Current and Future View

AVAILABLE
- Channel Affinity
- Best Sending Time
- Buying Propensity Model
- Product Recommendations
- Best Offer
- Sentiment Analysis
- Brand Impact
- Customer Attribution

PLANNED
- Lead Conversion Propensity
- Customer Retention

FUTURE
- Marketing Mix/Campaign Optimization
- Voice Controlled Digital Assistant
- Guided/Automated Segmentation
- Next best action
- Augmented Shopping
- In-store Personalization App
- Smart Campaigns
Intelligent Scores: Affinity Scores, Best Sending Time, Custom Scores

Use rule-based scores to optimize individual engagements with the most effective treatment every time.

Gain a better understanding of customers by ranking and classifying customers in real-time based on their interactions and behavior.

Optimize customer interactions and response behavior by using the most appropriate channel and contact time.

Utilize predictive and rule-based scores seamlessly across Marketing for customer profiles, segmentation, and campaign execution.

Allow marketers to easily consume and tailor scoring and predictive algorithms based on gained insights and business objectives.
Intelligent Scores – Building up a real-time Customer Profile

Scores created using a ScoreBuilder App within SAP Marketing Cloud

Profile can be customized by selecting relevant scores

Personalization of tiles flag those tiles, which shall be visible on the screen.
Intelligent Scores – Using Scores in Segmentation

Score appears in the defined attribute group. When both segment and score are selected the scores are calculated and the distribution of the score values is shown as histogram in the preview area.

Score name and owner is shown. If the score is persisted the date and time of score calculation is displayed as well. Otherwise the score is calculated in real time; in this case no data/time information is given.

Histogram shows the distribution of score values for the selected segment.

Marked Area which selects the share of top scoring members of the segment. Press Keep-button, if these should become the next sub-segment.
Sentiment Analysis

Increase customer understanding with Sentiment and Interest Analysis by using structured and unstructured data.

Gather deeper insights into customers and predict their behavior through social media channels like Twitter, Facebook, and so on.

Gain insights into customer’s sentiment and interest by analyzing social posts, emails, complaints, reviews using embedded Natural Language Processing technology.
Sentiment Analysis – Capturing the Customer’s Voice

Unstructured text from social posts, call center notes, complaint emails automatically get transformed into sentiment scores.

Sentiment can be tracked as a function of time, channel and areas of interest.
Consumer Buying Propensity and Custom Propensity Models
Business View and Benefits

RESONATE BETTER WITH CUSTOMERS IN THEIR CUSTOMER JOURNEY LEVERAGING PROPENSITY SCORES.

Leverage predictive modelling without advanced data modelling techniques.

Easily extend the predictive model beyond the standard buying propensity.

Use buying propensity and the new predictive models to intelligently target customers.
Create Profile with Buying Propensity Score

Select consumers in Germany

Select consumers with high Buying Propensity

Create target group for special offers

Consumer Buying Propensity Model - Using Prediction scores in Segmentation

Track Customer Behavior

Available
Use Predictive Models to identify consumers with high probability of buying

Select Model and Target Data
Select the predictive model in the Predictive Model Management

Train Models
- Train models based on selected data
- Review contributing parameters

Select & Use Model
Select right model based upon fit
A Case Study on Predictive Buying Propensity Model

An Auto Company

SAP Marketing with Predictive Models for Purchase

- Customer Satisfaction
  +4% points

- Time to Market
  -90%

- Sales Conversion
  +100%
Product and Offer Recommendations

PROVIDE CONTEXT-AWARE INTELLIGENT PRODUCT AND OFFER RECOMMENDATIONS IN REAL-TIME ACROSS MULTIPLE CHANNELS.

- Provide context-relevant real-time product and offer recommendations.
- Increase conversion rates and average sales order value.
- Increase customer loyalty and satisfaction.
- Reduce marketing costs.
Product Recommendations
Part of Consumer 360 View
Product Recommendations
Personalize E-Commerce and Web Channels

- **Personalized Product recommendations** served on the web-shop based upon the scenarios enabled

- **Real-time** Delivery of recommendation is done in real-time when the customer logs into the website

- **Integrated to SAP Commerce Cloud** but can link to any webshop
A Case Study on Product Recommendations Model

An online B2B Company

SAP Marketing Cloud with Product Recommendations linked to E-Commerce Website

Number of E-Commerce Touchpoints
4

Increase in Revenue
+300%
Customer retention enables you to . . .

- Identify at-risk customers early
- Track the customer journey
- Gain insights
- Take proactive action
Identify customers at risk and the right customers to focus on for retention.
Customer behavior

Track the customer journey by integrating all touch points across different channels.
Segmentation

Gain insights about various customer behaviors.
Campaigns

Take proactive actions across channels to retain your customers.
Lead conversion propensity enables you to . . .

Capture the interaction history  
Analyze the lead conversion score distribution  
Track lead score progression  
Nurture the relevant leads
SAP Intelligent Services for Marketing – Lead conversion propensity

Track the lead conversion score distribution across all contacts in the system.
SAP Intelligent Services for Marketing – Lead conversion propensity

Lead score progression is shown for each lead or contact identified by the model.
SAP Intelligent Services for Marketing – Lead conversion propensity

Lead score follow-up actions

Nurture leads

Transfer leads
Personalization and Augmented Shopping

CREATE IMMERSIVE AND PERSONALIZED SHOPPING EXPERIENCES BASED ON IMAGE RECOGNITION.

Deliver interactive shopping experiences which blend seamlessly with in-store and digital channels.

Utilize image recognition algorithms to determine consumer information.

Enable real-time capture of interactions to refine recommendations.

Allow marketers to easily consume and tailor scoring and predictive algorithms based on gained insights and business objectives.
Personalization Through Image Recognition
For interactive product recommendations based on gender and age

- Provide a seamless personalized shopping experience in real-time
- Product recommendations can be easily integrated into applications via SAP Cloud Platform
- By allowing consumers to interact with the display many use cases can be applied to increase conversion
- More insights can be provided by enabling tracking such as engagement level by different age groups

* Innovation – not part of standard delivery
Augmented Shopping Experience Through Image Recognition

- Enable customers to load a product that they like or want to buy easily with a mobile app.
- Classify the image of the product and provide Visual Product Recommendations to Customers.
Smart Campaigns

PLAN AND RUN OPTIMIZED AND INTELLIGENT CAMPAIGNS.

Utilize machine learning to recommend combinations of campaigns and segments.

Optimize responsiveness via preferred channel and send time recommendations.

Create re-usable campaign building blocks with predefined templates and audiences.

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SAP Customer Attribution
Optimize every marketing touch point to drive more efficient CX using a game theory algorithm*

Closed Loop Marketing Built on Machine Learning

ENRICH
CAPTURE AND ENRICH USER DATA ACROSS ALL SOURCES INTO A SINGLE VIEW

INSIGHT
INSIGHTS INTO PERFORMANCE OF EVERY MARKETING TOUCH POINT

AGILITY
REACT QUICKLY TO OPPORTUNITIES WITH DAILY MEASUREMENT AND OPTIMIZATION

* https://www.youtube.com/watch?v=OcM11-74rqU
SAP Customer Attribution
Closed Loop Marketing Built on Machine Learning

Incremental value

Measurement and Optimization

Unified marketing and customer data

Customer profile

Campaign analytics and tooling

Customer segmentation

Availability: Today

Site personalization

Social

Mobile App

Email

Paid Media

Market and customer tracking

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