

THE PATH TO PREDICTIVE ONE-TO-ONE MARKETING

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THE PROMISE OF ONE-TO-ONE MARKETING

Everyone has experienced the personal touch of a neighborhood barista who remembers exactly how we like our morning coffee. In the digital world, customers express their tastes and preferences through many clues, some of which may be subtle. By effectively responding to these cues, brands can earn the same loyalty that our favorite neighborhood store inspires.

RESPONDING TO USER BEHAVIOR

“Personalization wasn’t supposed to be a cleverly veiled way to chase prospects around the web, showing them the same spammy ad for the same lame stuff as everyone else sees. No, it is a chance to differentiate at a human scale, to use behavior as the most important clue about what people want and more important, what they need.” – Seth Godin

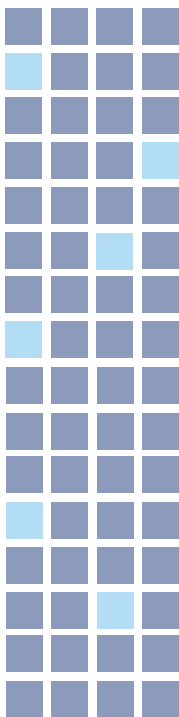
Marketers can engage users at the right time in their journey by responding to the user’s behavior on websites and apps. What a user browsed, what they searched, what they added to cart or purchased, how often they come back to the site, the marketing channels they interact with – these are just a few subtle ways customers tell us about their preferences through their behavior.

SURFACING THE RIGHT CONTENT

According to a study by the Aberdeen Group, **75% of consumers like it when brands personalize messaging and offers**. Digital marketers have an opportunity to engage customers with personalized offers and products: activate high potential prospects with a custom offer, sending next best products to recent customers and abandoned-search reminders are just some examples.

ENGAGING ON THE RIGHT CHANNEL

As customers engage with brands across multiple touch-points, marketers have to also understand customer preferences for the right channel to engage. As an NYT article pointed out, **“85 percent of online shoppers start searching on one device – most often a mobile phone – and make a purchase on another.”** Comscore has declared that 2013 was the first year when the majority of users became “multiple platform”, i.e. they were accessing the same digital properties across multiple desktop and mobile devices.



THE DIGITAL MARKETER'S CHALLENGE

While the promise of multi-channel behavioral personalization is clear, Digital marketers are often unable to deliver the promise. According to Forrester Research, **only 14% of marketing leaders deliver personalization across channels.**

MULTIPLE SILOS OF DATA

According to a recent study, **more than 70% of marketers fail to target customers with behavioral data.** In most cases, this boils down to not having access to this data in a way that can be used by marketing applications. In our experience, we have encountered one of three issues:

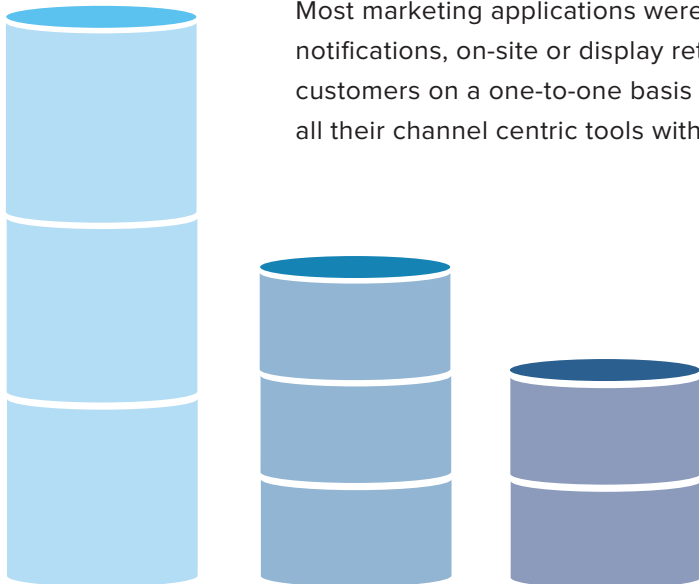
- Behavioral data isn't stored at all: In many cases, marketers still rely on email databases which cannot associate web & mobile behavioral data with customer profiles.

- Mobile and web behavioral data are not tied together: In other cases, we have found that mobile app data is not captured at the same level of granularity as web data.

- Behavioral data unable to power triggered and real-time marketing: Even in cases when marketers have this data, the tools they use to store the data are insufficient for applications like site personalization, triggered email or display ads.

CHANNEL CENTRIC TOOLS

Most marketing applications were designed with a specific channel in mind, be it email, push notifications, on-site or display retargeting. However, marketers looking to connect with their customers on a one-to-one basis need to look beyond channels. They need ways to power all their channel centric tools with a unified view of user intelligence and relevant content.



THE PATH TO PREDICTIVE ONE-TO-ONE MARKETING

Marketers can solve these challenges by creating a comprehensive view of customers that's directly plugged into a predictive analytics engine, and also integrated with real-time actions.

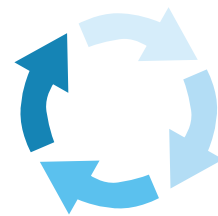
360-DEGREE VIEW OF USERS

The first step towards attaining marketing nirvana is to build comprehensive knowledge about users. In our experience, this includes having the following key components in one system, and tied to a single user-id:

Behavioral: Data about a user's interaction with elements of webpages and apps – what they clicked/searched/viewed/added-to-cart, the categories and products they interacted with, the amount of time they spent etc. Data about the channel the user found you through is also important, since different channels lend well to different intents.

Demographic: Data about a user's location, household income, gender, education, age etc.

Lifecycle: Data about the timing of past purchases, visits etc.

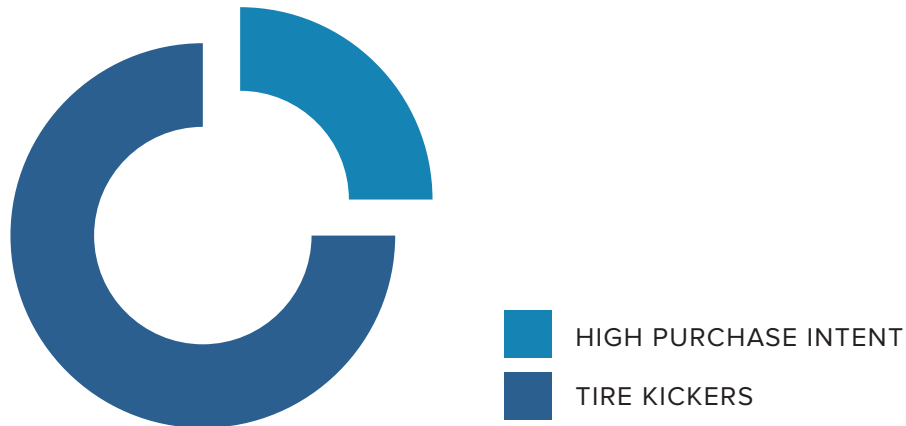


PREDICTIVE ENGINE

With comprehensive data, a predictive engine can start making very powerful recommendations for your marketing program.

USER INTENT PREDICTIONS

By modeling user actions on your website or app, you can predict behaviors and attributes that are correlated with a near term actions, like purchase or churn. For instance, let's take the example of an e-commerce website with a 5% session conversion rate – i.e 95% of all sessions are abandoned. In this large number of abandoned sessions, typically there are some from serious likely buyers, and the rest are just users who are simply browsing your site. Using a predictive engine, you can build a model that separates the ~25% likely buyers from the rest. These high intent users are typically more than 2X likely to respond to emails compared to others, and yield a 7-12X from paid advertising like display retargeting.



USER AFFINITY PREDICTIONS

Unlike user intent (which is near term), user affinity models give us an idea of the user's persona and lifetime value: the categories and brands they have a preference for, whether their attributes look similar to high value purchasers etc.

PRODUCT RECOMMENDATIONS

Once we know the right set of users to target (e.g. high value users with high purchase intent), we also need to understand the right product selection for each user. Once again, using techniques like collaborative filtering and clustering, a predictive engine can find the right set of products for each user.

PERSONALIZED PROMOTIONS

Another piece of personalized content for users is around promotions or offers. Since promotions directly impact the bottom line, we need to not only model who will be receptive to the promotions, but also if we can drive truly change a user's behavior by offering the promotion. The former is known as affinity modeling or response modeling, and the latter set is known as uplift modeling. In the uplift models, we are trying to find users who would not have transacted with us without an offer, and among these users finding the ones who have high likelihood of responding to our offer.

BEYOND ANALYTICS: INTEGRATING WITH REAL-TIME ACTIONS

Our predictive knowledge of users, products and promotions is of little use if we can't act on it. Increasingly, consumers expect websites and apps to respond to their interests in real time, or close to it. As the number of channels to connect with users increases marketers must be able to integrate their predictive intelligence with real-time actions. In the case of emails & push notifications, that might mean triggered messages. In the case of display or facebook retargeting, it would mean making users immediately retarget-able after they have exhibited the relevant behavior. In the case of on-site or in-app messaging, it means having product and promotional units that are plugged into near-real-time intelligence.

The common theme is that predictive intelligence cannot simply be an "analytics" tool anymore, simply producing reports. Instead, it has to be the brain that powers actions across each of the marketing channels where a user can be reached.

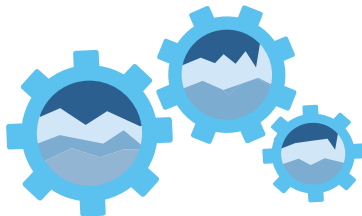
DISCOVER BLUESHIFT'S PREDICTIVE MARKETING AUTOMATION

Blueshift offers a comprehensive solution for user intelligence & predictive marketing. Delivered in a Software-as-a-Service model, Blueshift is easy to deploy, and integrates with other marketing applications.



360-DEGREE VIEW OF USERS

Real time 360-degree view of each user's behavior, across all devices and marketing channels.



PREDICTIVE INTELLIGENCE

Purchase & churn intent scores, LTV predictions, product recommendations and more.



CROSS-CHANNEL AUTOMATION

Integrated with marketing applications including ESPs, DSPs and Push notification services.

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ABOUT BLUESHIFT

Blueshift's Predictive Marketing Automation software enables e-commerce marketers to convert visitors into repeat buyers and increase activation & retention rates. With Blueshift, marketers can easily create behaviorally targeted campaigns across multiple channels including email, Display RTB and mobile push notifications, with the most comprehensive user intelligence and product recommendations.

Blueshift is founded by repeat-entrepreneurs & marketers who have previously led the development of platforms that drove \$3 billion in gross annual sales at Walmart & Groupon. The company is backed by leading venture capitalists, including NEA & Nexus Venture Partners.

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