

Online Self-Service Is Finally Getting Interesting

By Eben Miller, Director of Product Marketing, Interwoven

For years, companies have relied on customer support websites, online banking centers and other self-service channels to defray the rising costs of call centers. While this was an effective strategy, many companies are now realizing that there is a much greater opportunity—a growth opportunity. For interactive marketers, driving revenue growth by creating a more compelling online customer experience is the new gold standard.

The difference lies in an approach called “closed-loop optimization”: leveraging real-time customer data, segmentation and targeting strategies, behavioral analysis and foundational content management to deliver the right message at the right moment to the right customer. The result: a more relevant and meaningful online experience, greater customer loyalty and increased sales.

The Customer Knows Best

In essence, Web self-service is a matter of making it simple for customers and partners to receive information and take action without having to drive to the store or pick up the phone—whether to research, purchase or return a product, voice concerns or manage an account. While some customers and some situations will always call for the high-touch experience of a live person, a quick, convenient and effective online experience can not only reduce costs, but yield better customer satisfaction, conversion and transaction metrics as well.

Companies initially focused on self-service for support because the business environment emphasized cost savings and operational efficiency. More recently, however, leading companies are focusing their energy on top-line growth and competitive differentiation in an increasingly complex and dynamic marketplace. Online channels now play a key strategic role in meeting the expectations of customers who have grown more sophisticated, and expect more on the Web. To win and retain business, you have to deliver truly outstanding online experiences, including high-quality

and relevant content, intuitive design, useful applications and easy-to-understand navigation—and expand your perspective of the customer across the entire sales cycle, from product research to executing transactions to follow-on sales.

In this effort, you can leverage your rich customer data and put critical content to work. Every interaction is an opportunity to target an offer, introduce a new service and track behavior. From the moment a visitor enters the website, a vast amount of information can be gathered, from geographic location and browser type to clickstream data describing every click the customer makes on the site. Based on this and other information you may have about the customer, you can target the right content (such as offers, promotions or messages) to

the right customer at the right time and in the right context. You can also track user behavior, identify patterns and problems with your sites or content and continually improve the experience through incremental optimization processes.

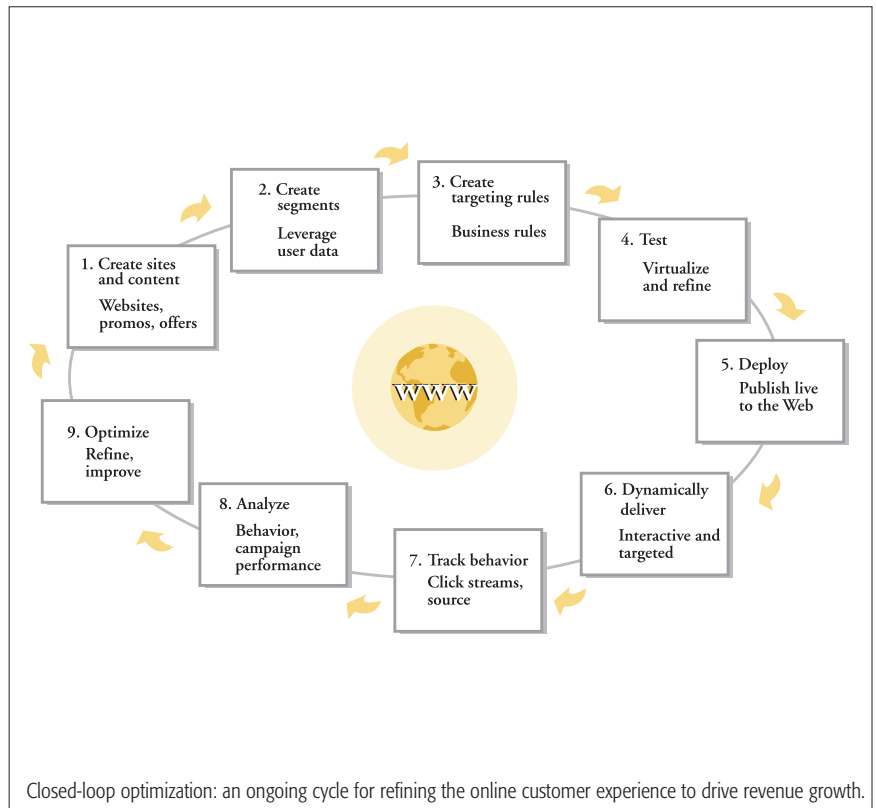
Leveraging Web Analytics for Maximum Impact

The effectiveness of closed-loop optimization is driven in part by the ongoing evolution of Web analytics technologies, as well as a better understanding of how these technologies can be integrated with content management and delivery applications.

In the past, investments in Web analytics have delivered a fraction of their potential value:

- ◆ Systems tracked only the most basic metrics, and lacked the depth needed for a significant business impact;
- ◆ The technologies were implemented as standalone applications without full integration into content management systems, hindering effective action and adding to the IT bottleneck; and
- ◆ Marketers weren't empowered to take matters into their own hands by using analysis to make real-time changes to site content and offers.

Times have changed. Today, some analytics technologies offer powerful capabilities for overcoming these historical limitations and deliver a significant business



impact. First of all, they can capture more data and provide better analysis out-of-the-box. More fundamentally, when integrated properly with content management systems, you can continually optimize, refine and improve the online experience—all without IT intervention. In this way, you can improve customer satisfaction and dramatically increase conversion rates.

Closed-loop optimization processes consist of a cycle of interrelated steps for continually refining offers, registration forms or site designs based on real-time customer behavior tracking:

1. **Create sites and content** for specific campaigns, promotions or offers. This can involve creating different versions of sites or messages for different groups of users in order to test for the most impactful or efficient content (often referred to as “a/b” or “multivariate” testing);
2. **Define segments** for groupings of customers based on a combination of customer value, demographics, psychographics and other user data and campaign objectives;
3. **Create content targeting rules** (business rules) for specific segments and areas of a site where you want to show different content;
4. **Test.** Virtualize each segment before you go live to ensure you don’t deliver the wrong content to the wrong customer at the wrong time;
5. **Deploy** sites and content to the Web;
6. **Dynamically deliver** targeted content to each customer based on the segmentation analysis;
7. **Track behavior** to determine which campaign brought them to the site and what they are doing once they arrive. Marketers can track a broad spectrum of data, including conversion rates, the path taken through a site, departure location and more;
8. **Analyze** customer behavior and campaign performance to determine what is delivering the best results—which sites and content are most effective for each segment, and how well the campaign as a whole is working;
9. **Optimize** internal sites and content based on analyzed data. Business users can take action immediately and improve the message or the experience without requiring IT; and
10. **Continue** the process until you achieve maximum results.

In this context, Web analytics provides more than just thought-provoking pie charts; it becomes a dynamic element of a complete, ongoing cycle for optimizing and refining customer experience and revenue growth.

Closed-Loop Optimization in Action

An online sporting goods retailer wants to improve sales in its Northeast region. The marketing department decides to test a new site version in which product shots are larger and a broader selection of related items is shown on each product page. Following the optimization cycle, the new site content is created, tested, deployed and delivered by the content management system. Business rules direct half of all site visitors from the Northeast to the new version of the site, and half to the existing site. By tracking the conversion rates of each group, a business analyst determines that the new site is generating more transactions. In real-time, the marketer makes the new site version the default site for all Northeast customers, creates a slightly improved version of the new site, splits the traffic again and further refines its effectiveness by testing new combinations of related products for different customer profiles. The process continues over and over again to deliver the best results.

“Leading companies are focusing their energy on top-line growth and competitive differentiation in an increasingly complex and dynamic marketplace.”

An auto insurance company places ad buys on major search engines. As users search for specific terms, they are funneled, based on keywords and other implicit data, to any one of seven versions of a microsite that features a quote registration form. As each customer goes through the form process, the company tracks their behavior and uses the analysis to optimize the messages and quote form to maximize the conversion rates.

A marketer uses a template to create an email newsletter, which is then submitted through a rules-based targeted engine to deliver more relevant offers based on user

profiles and preferences. As customers click on links within the newsletter, the marketer can determine which messages have been most effective and make incremental improvements for the following campaigns.

Requirements for Success

Breaking down the optimization cycle, the requirements for an effective solution are:

- ◆ Create sites and content easily with a business-user-friendly content management system;
- ◆ Describe content richly (with metadata) for automated delivery;
- ◆ Push content efficiently through the review and approval process;
- ◆ Create customer segments and targeting rules;
- ◆ Assign those rules to sites and pages;
- ◆ Test the site for each segment;
- ◆ Execute the publication process;
- ◆ Deliver content dynamically based on visitor identities and associated rules;
- ◆ Track and analyze clickstream data and other information on any live Web page; and
- ◆ Take action effectively in the content management system to make improvements.

And all of this should be done without needing IT involvement.

Leading companies have already deployed these capabilities, and are growing their profits faster than those who haven’t. They see each element as an interlocking part of a holistic process, and ensure that the technologies are properly integrated in a way that facilitates the entire cycle. In this way, they can maximize the return on investment while leveraging the solution as a whole to improve the customer experience and drive revenue growth.

In the true spirit of Web self-service, the closed-loop optimization process transforms online content from a static, one-size-fits-all message to a dynamic and relevant conversation with the customer. By tracking the customer’s behavior while targeting content, you can respond with more relevant and appealing sales offers and an online experience that drives revenue growth and strengthens customer loyalty. ■

Interwoven is a global leader in content management solutions. Interwoven’s software and services enable organizations to effectively leverage content to drive business growth by improving the customer experience, increasing collaboration, and streamlining business processes in dynamic environments. Our unique approach combines user-friendly simplicity with robust IT performance and scalability to unlock the value of content. Today, nearly 3,800 enterprise and professional services organizations worldwide have chosen Interwoven, including: adidas, Airbus, Avaya, Cisco, DLA Piper, the Federal Reserve Bank, FedEx, HSBC, LexisNexis, Microsoft, Samsung, Shell, Samsonite, White & Case, and Yamaha. Over 19,000 developers and over 300 partners enrich and extend Interwoven’s offerings. To learn more about Interwoven, please visit www.interwoven.com.