



Desktop Widgets: Engaging your customers Beyond the Browser

HOW TO PERSONALIZE YOUR CUSTOMERS'
ENGAGEMENT WITH YOUR BRAND

Introduction

There was a time when the big question in the minds of all traditional brick and mortar businesses was whether and how to have an online presence. An online presence would automatically ensure a growth in revenue. The reality today is that everyone and anyone is selling everything and anything online. With internet penetration and growth slowing down in the developed markets 'everyone' is competing for the same group of eyeballs. The marketplace is overcrowded with very limited differentiation of sellers in the eyes of the consumer. Brand loyalty is decreasing sharply with consumers more and more looking for the best deal rather than the best brand. This has also happened partly because of commoditization of a lot of products and services in the eyes of the customer. With more and more spending moving online the challenge is to keep the existing customers engaged with your brand so that they add to the incremental revenue as well as not go over to the competition.

WHO OWNS THE CUSTOMER?

It is no secret that in a distribution channel whoever is the closest to the customer gets to keep the largest piece of the profit pie there is in the trade. We can see that today there is a lot of effort on getting to the consumers direct. The increasing number of customers preferring to buy online has made the task of reaching to the customer direct more feasible if not possible immediately. A lot of the constraints that the businesses have in a traditional distribution model are taken away by the internet.

To get to the customer direct the first step any business takes is having their own website with ecommerce capability. In this they are also sometimes in conflict or in competition with their own resellers. For e.g. in the travel industry the OTAs (online travel agents) are increasingly feeling the pressure from Airlines and Hotels having the lowest rates on their own sites as well as some offering the customers the complete holiday package of flights, rooms, cars, tours, etc. This is blurring the line between an Airline/Hotel vs. an OTA. In such a dynamic environment it becomes more and more important for you to be the closest link to the customer in the distribution chain.

How do you engage customers to continue buying with you? One needs to offer the customers an online experience that is not just relevant for them but also personalized to them. Personalization and relevance of content can have a direct and upward impact on the e-commerce success of the business. It can lead to

higher brand recall and loyalty, increased rates of conversions and more opportunities to up sell/cross sell to the same customer base.

Traditionally personalization has been looked at in the form of a recommendation engine (like Amazon) or having the customers name on the website when they visit again (via cookies). RateGain looks at personalization as delivering the right message (relevant content) at the right time (non-intrusive) through the right medium (multiple channels of content distribution for the type of content) to the right person (segmentation and targeted reach) so that on the receiving end the customer feels that he/she is not receiving a 'one size fits all' experience from the Brand. Personalization is an experience like any other where it evolves with time and interaction between the customer and the brand. With increased interaction the brand can track usage as well as buying behavior, analyze the demographics and other variables but smart brands will also hand over some control to the customers itself in the form of UGC (User generated Content) where they can receive direct feedback from other customers like themselves. This not only helps in making the customer more comfortable and help them decide but it converts your customers into your best sales people. Viral or word of mouth marketing capability is an essential feature that should be there in any strategy that you are taking up to reach out.

Personalization, The Long Tail and Ancillary Revenue

The concept of The Long Tail drew in part from an influential February 2003 essay by Clay Shirky, "Power Laws, Weblogs and Inequality" that noted that a relative handful of weblogs have many links going into them but "the long tail" of millions of weblogs may have only a handful of links going into them. Beginning in a series of speeches in early 2004 and culminating with the publication of a Wired magazine article in October 2004, Clay Anderson described the effects of the long tail to describe certain business and economic models such as Amazon.com or Netflix.

Anderson argued that products that are in low demand or have low sales volume can collectively make up a market share that rivals or exceeds the relatively few current bestsellers and blockbusters, if the store or distribution channel is large enough.

Ancillary Revenue is revenue from non-core product sale. Say you are an airline then ancillary revenue for you is all non-ticket revenue that you are able to generate through various products and services.

Personalization of your Brand's engagement with your customers has the potential to help your business capitalize on both the Long tail concept as well as increase in ancillary revenue. What personalization also helps you with is – not overwhelming the customer with so much choice (all the products and services that you have compiled as part of your Long Tail approach) that they get frustrated and disengage themselves.

Personalized Communications Platform

Personalization doesn't mean that you need to have a dedicated team that is trying to prepare a one-on-one communication strategy with each one of your customers. It means to have your database of content in a well defined, plug and play module architecture so that the process of personalization can be automated to its fullest extent.

It means to have kind of a core intelligent platform as an interface between your database of users & their profiles and the various channels of distributing content that you have. The platform should be intelligent to know what messaging is targeted at what customer and also knowing what messaging needs to be pushed through which channel

NON INTRUSIVE PERSONALIZATION

Personalizing content, offers and communication does not require that you make the customer fill out a long form with his/her whole life history chronicled in it. The information that you need to create 'avatars' or unique profiles within your system for purposes of targeting and segmentation can easily be collected in a non-intrusive and anonymous way. Going back to the airline example; One doesn't need to know Tom by his name to know that if 'T' (Tom who is anonymous and therefore has his privacy not violated) is a Southern California customer (ip based geography tracking) looking for flights to Aspen then the airline should also offer him lodging and ski packages and skiing equipment and gear deals. Or that if 'T' is in Los Angeles then it doesn't make sense to send him New York to Miami special that the airline is running currently.

RIGHT MEDIUM

It is not ok to have only one way of communicating online with your customers, namely your website. Or for that matter to think that by running an email newsletter and offers program it is good enough to retain and convert lookers into bookers. The current competitive landscape is of information overload. It is

increasingly becoming very difficult to differentiate when communicating with the target audience. Email and Web apps are being used by so many companies that the communication sometimes gets lost and it becomes very hard to engage one's audience.

To capture a larger piece of the customers mind share it is imperative that the Brand is present at all the right places ready to engage them at their own convenience. New channels like RSS feeds have become quite popular and hot nowadays. But one technology that is getting lot of attention is technology to have your own branded widget (both desktop and Web). Newsweek had earlier this year called 2007 the year of the widget.

You have a website that is popular, gets good traffic then it is time to take the customer engagement beyond the browser (where other competitor sites are also vying for their attention) and personalize your interaction with the customer on multiple mediums. Brands need a platform which they can use to push content through multiple channels like desktop widgets, web widgets, mobile phones, and RSS feeds.

RIGHT PERSON

Most of the times when email campaigns get a little sophisticated they use geographical targeting for the brand's communication with the customers. But is that the only way to divide and target your segment? What about the ability to say that this communication is only targeted for all female customers or all male customers? What about being able to define your own segmentation parameters and personalize the communication for each one of them? When looking at technology solutions or platforms we need to ask these questions and have that flexibility to be able to truly personalize the communication and engage the customers.

Conclusion

When we talk about engaging the customers or personalizing our communication with them, we need to be clear about why we are trying to do all this? The answer should be \$\$\$

If we are in it to make money then we don't just need to deliver the right message at the right time through the right medium to the right person, but we need to make sure that we are able to track the success or failure of that messaging in

real time so that we can be quick in doing more of the things that click rather than be in a trial and error mode forever.

We also need to realize that it is far more cost effective to retain and engage the existing customers rather than be on a constant new customer acquisition mode to fuel our desire for increase in revenue.

Lot of the eCommerce platforms were built to standardize user choice and behavior online. Increasingly customers have begun to put a premium on personal service and are willing to stick to brands or pay a premium for brands that are able to provide them with that experience. Successful brands will be able to adapt themselves and deliver on this expectation, other will find out the hard way.

About RateGain

RateGain is a Travel Technology Company offering innovative and value-driven e-business solutions to the hospitality and travel industry. The customer portfolio includes top Online Travel Agents, Airline, Accommodation Wholesalers and over 4000 Hotels. Its solutions are in the areas of Revenue Management, Distribution, Sales and Marketing.

BTB is RateGain's innovative 'Beyond the Browser' communications platform which helps companies engage their target audience by personalization of the overall communication via their own branded desktop widget along with a robust content/campaign management system. The platform has the capability to easily repurpose the content into RSS feeds, mobile messaging and web widgets and deliver rich media to the users. For more information www.rategain.com/btb_platform.html

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