



ADDING INTELLIGENCE TO  
**SALES & MARKETING**  
PROCESSES

## Enter the era of “AI first”

While you can begin the process of introducing customer insights and machine learning to your sales and marketing approaches today, a transformational mindset is an absolute prerequisite for impacts that are measurable, relevant and sustainable.

Having a transformational mindset in sales and marketing started more than a decade ago with “digital first”, which quickly became “mobile first”. We are now seeing the third transformational sales and marketing wave making its mark, the era of “AI first”.

In this e-book, we first discuss the objectives of intelligent sales and marketing processes, requirements for success and the analytics approaches that drive the exercises featured in our cases.

We then dive into **six real-life customer stories** in which the delaware.ai team used data from a wide range of sources to bring actionable insights to customers in diverse industries. We conclude with an intro to customer data platforms (CDP) and why they are the centerpiece of the truly customer-centric company, where data and AI power your day-to-day customer successes.

This e-book is the second in a series of e-books that touches on different domains that delaware.ai is active in. You can find the other editions on [delaware.ai](https://delaware.ai).

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# Before you get started

Before you jump into our inspiring case stories and begin applying our learnings to your own organization, it's important to take several **key concepts, considerations and caveats into account**. Below are a few that we think will broaden your understanding of customer intelligence and help you shape your strategy.

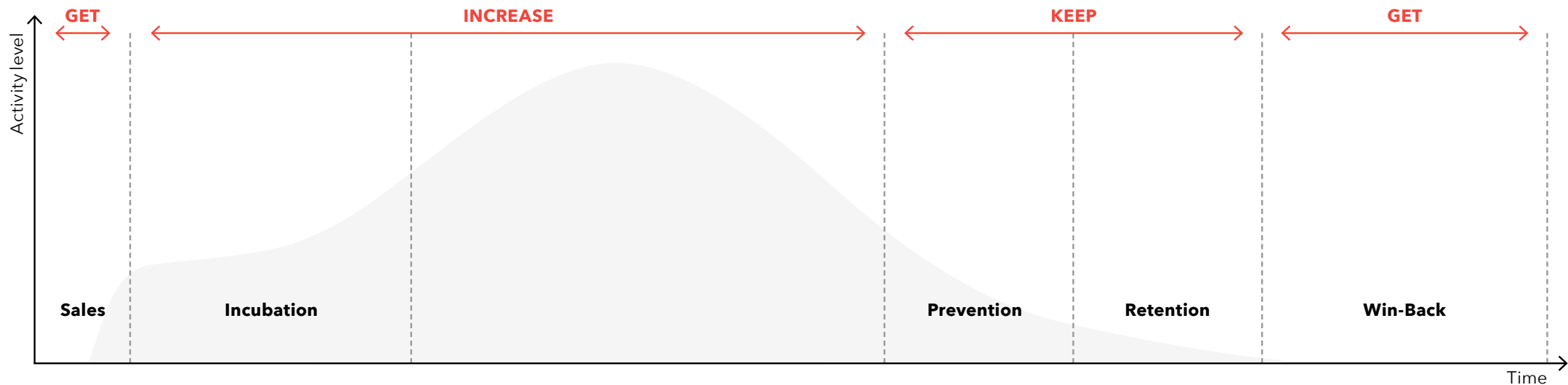




# Introducing the “get-keep-increase” storyline

Every sales and marketing activity - and every customer intelligence exercise - falls under one of these three categories: **attracting new customers** (“get”), **securing the next buys** of existing customers (“keep”) and **growing the value** of loyal customers (“increase”).

On the next page, we show how the activities of a customer are spread over time and which sales and marketing actions that we recommend for each interaction.



offering | First purchase | X days since first purchase | X days without purchase or interaction | X months after purchase

- Value Based Segmentation (A)
- Recency, Frequency, Monetary Value Segmentation (A)
- Dealer Performance Analysis (A)
- Churn Prediction (B)
- Basket Analysis (B)
- Lead Scoring (B)
- Win-Back Prediction (B)
- Product Recommendations (B)
- Next Buy Moment (B)
- MarCom Prediction (C)
- Price Elasticity Modelling (C)
- Behavior Driven Customer Segmentation (C)
- Promo Effectiveness Analysis (C)

Recommended maturity level low-high: A/B/C



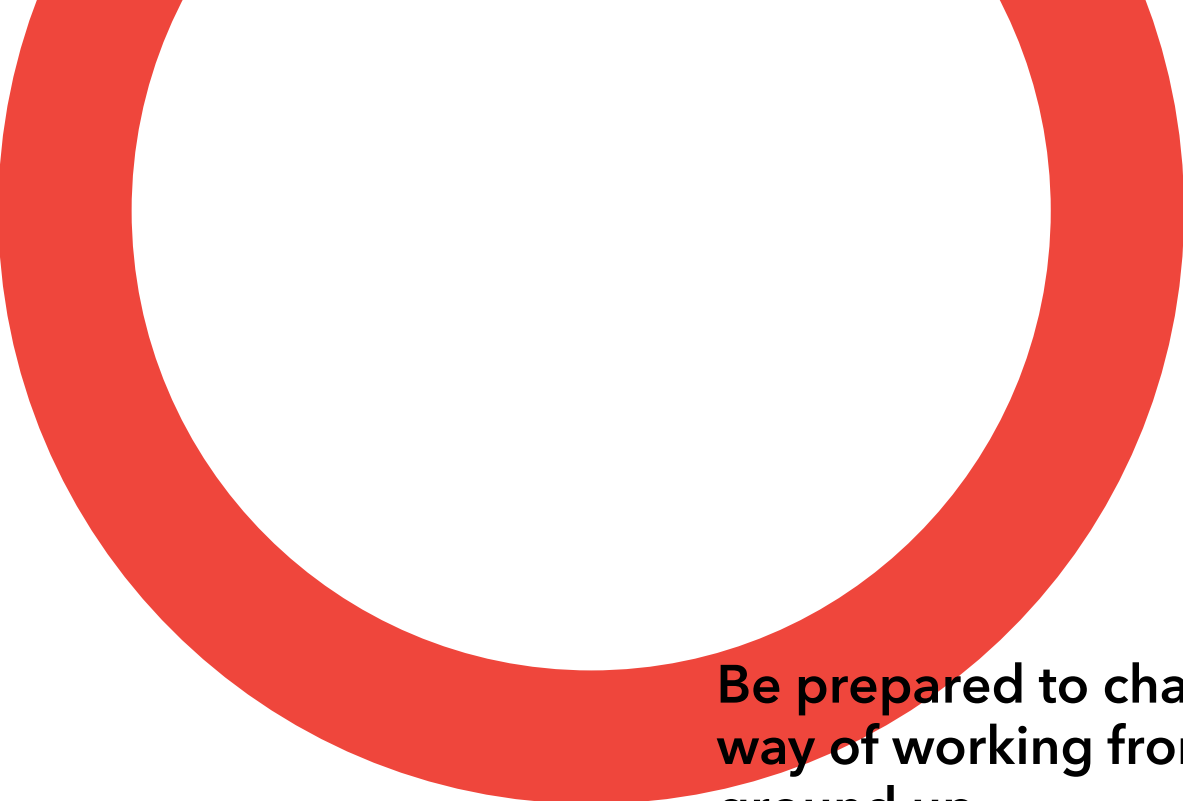
# Laying the foundations for impactful data-driven sales & marketing

## Know what data you have

Before beginning any customer intelligence exercise, it is important to understand the form and quality of your data. Assessing its readiness and accessibility is a crucial first step – which info is available, where is it stored, which data is usable, and which preliminary customer groups to investigate further.

That being said, **you are likely undervaluing your data.** Based on our experience when performing these data quality assessments, we see that even very limited data sets can reveal actionable insights that you can use to beef up your customer approach.

Even if you do have high-quality data, it will only provide useful, actionable answers when you have concretely identified the problem that you want to solve, or the goal you would like to achieve.



## Be prepared to change your way of working from the ground up

While you don't necessarily need a high maturity level in terms of data and technology to start a successful exercise, you do need a data-driven **sales and marketing vision and mindset**.

Transitioning from traditional working methods to a customer-centric approach is the only way to apply the data insights you gain to reap material rewards. Rewards can come in a variety of forms, including better service, customer loyalty, higher sales, lower campaign spend and greater efficiency.

Naturally, this requires completely rethinking the way campaigns are structured, redesigning processes to revolve around customer needs and using technology to your advantage in making sales and marketing personal again.

## Secure the support of the C-level

Leadership support is absolutely critical for your intelligent sales and marketing initiatives to have sustainable, on-going impact. To become truly customer-centric in your sales and marketing it will require to adapt processes across many - if not all - departments in the organization. Because it goes beyond marketing and sales and will involve customer service, operations, finance... , **it must be on the strategic agenda** and have C-level support from the start.



# "Get" case stories

The customer cases described in this chapter concern two very different companies interested in **learning from the behavior of existing customers to identify new customer bases**, understand their needs, and develop strategies to attract them. Sparse customer data can be used in these exercises, but comprehensive data is highly valuable.



## "GET" CASE STORIES

# DELIVERING RICH CUSTOMER INSIGHTS IN A B2B CONTEXT USING LIMITED DATA

### The company

STIHL Benelux

### The industry

global manufacturer of high-quality gardening tools

### The challenge

gaining a clear understanding of market potential by location

## The approach

STIHL Benelux sells its products through a well-developed network of independent dealers. "Because dealers submit purchase orders for products, STIHL has limited information about the end users of their tools," explains Kevin De Beck, delaware.ai data scientist. "They asked us for help in revealing new insights by analyzing this and other data sources."

The delaware.ai team collected the transactional data, augmenting it with information that STIHL had gathered through a market survey distributed to its dealers. "This survey had included questions about the size of the dealership, the number of parking spaces available, the presence of competition and other characteristics. We also identified the locations of dealerships selling competing brands by scouring the web," Kevin continues.

Finally, in order to estimate market potential in a specific region, the delaware.ai team got creative. "We figured that gardening waste volume was a good indicator of demand - the more waste, the greater the need for gardening tools. We identified an open data source containing this information by location."

## The solution

delaware.ai applied advanced statistical approaches to identify the geographical regions in Belgium with high or low potential based on demand, the presence of competition and dealer characteristics.

"Even more, we regionally evaluated individual product sales to identify - down to the level of the dealer - which products were over- or underperforming. With these insights, STIHL can investigate in what areas there is room for new partnerships, share marketing best practices with dealers, investigate why certain products are popular and where, and help them optimize their digital marketing approach to boost sales there.

Kevin: "We also uncovered some interesting insights, such as the fact that STIHL having some competition in the area enhances sales, hinting that choice is important to consumers."

**Next steps: using learnings to predict the next season's sales by location.**



"GET" CASE STORIES

# IDENTIFYING AND DEVELOPING THE MOST PROFITABLE - NOT THE BIGGEST - SEGMENTS

## The company

fashion retailer, headquartered in Belgium

## The industry

nationwide retailer of apparel for the entire family

## The challenge

efficiently attracting new customers and growing sales with existing customers

## The approach

This fashion retailer manages shop locations in easily accessible suburban areas in Belgium and France. "Their clientele is very stable and typically consists of families," asserts Laurence Vandelanotte, marketing strategist at delaware.ai. "Thanks to their loyalty card system, they have a rich source of data about existing customers."

They came to delaware.ai with two specific challenges: reaching new customer groups and increasing sales figures of existing customers. Laurence: "They felt that it was becoming increasingly difficult to renew their customer base, and they were already aware of customer lifecycle trouble areas, such as when children in a family become teenagers and begin making their own clothing choices."

The retailer's sales and marketing team had also experimented with personalized campaigns, but they weren't able to prove that it was contributing to increases in the bottom line.

## The solution

delaware.ai examined customer behavior across nearly 70 different data points, from demographic information to purchasing behavior, family composition, distance from the store and more. The team distilled seven different segments: "And the one with the most customers wasn't necessarily the one generating most revenue," asserts Laurence. "The most valuable segment turned out to be customers buying for their entire families several times per year."

The retailer will use the characteristics of this segment to attract similar people that are not yet customers, as well as to grow shopping cart value of existing customers and migrate them to more profitable segments - all through personalized recommendations and ads. "For instance, one segment aggregates customers that only buy as a couple. With this information, the retailer can now target this segment by advertising men's and women's clothing without wasting promos on children's clothing."

**Next steps: using data related to children's clothing and following the customer life cycles of young moms and their kids over the years - thus increasing long term loyalty.**



# “Keep” case stories

This chapter explores the cases of two organizations interested in using in-depth customer behavior insights to **transform one-time buyers or sporadic customers into loyal, repeat purchasers** through data-driven sales & marketing processes. More detailed customer data is required for insightful outcomes.



## "KEEP" CASE STORIES

# TRIGGERING EXISTING CUSTOMERS TO PURCHASE AGAIN AND AGAIN

### **The company**

NMBS Europe, headquartered in Brussels (Belgium)

### **The industry**

rail service between Belgian stations and intra-Europe destinations

### **The challenge**

securing the customer's next ticket purchase

## The approach

NMBS Europe is responsible for all international railway traffic between Belgium and international destinations like London and Paris. "The organization was successfully selling tickets to these destinations as a first trip, but was having trouble convincing people to make repeat purchases," explains Inez Van Laer, data scientist at delaware.ai

The delaware.ai team performed a segmentation exercise using the purchasing data of customers in a first phase, adding behavioral and call center data in a second phase. "We ended up with eight distinctive segments that differed by purchasing channel - via the web, app or by phone - when they traveled and whether they also made hotel and taxi reservations at the same time," Inez goes on to say.

"Business travelers were easy to spot, as were those who traveled for specific sports tournaments like Wimbledon; these two segments aren't particularly difficult to target. However the call center data was crucial in this exercise to truly understand a customer's purchasing triggers and behavior, as it added a whole new level of intelligence to our customer insights."

## The solution


According to these segments, delaware.ai, also identified purchasing triggers, such as holiday periods, to determine the best moment to approach each group with which message using which channel.

"These insights enabled NMBS to take a much more intelligent approach to optimizing their Google and social media ad spend, which is now aligned with the customer segments we identified," says Sven Arnauts, manager of the delaware.ai team. "Customer behavior, purchasing triggers and demographic data points are now being integrated into a customer intelligence model that the NMBS sales and marketing team can activate throughout their strategy. This allows NMBS to have more impact at a lower marketing cost."

**Next steps: activating the identified purchasing triggers by offering personalized experiences on their website and mobile app to optimize conversion ratio.**



**In-depth customer  
behavior insights can  
transform one-time buyers  
into loyal customers.**



## "KEEP" CASE STORIES

# DESIGNING HIGHLY TARGETED CAMPAIGNS BASED ON ACTUAL CUSTOMER BEHAVIOR

### The company

Stage Entertainment, headquartered in Amsterdam, the Netherlands

### The industry

live entertainment for international audiences

### The challenge

ensuring every seat is filled at concert halls and musical venues

## The approach

With significant time, money, expertise and effort going into every production, it is crucial for Stage Entertainment to attract as many people to every concert to recover costs and guarantee profit.

"Stage Entertainment wanted to know more about its many different customer segments in the Netherlands, Germany, Spain, Russia and France," begins Sven Arnauts, manager of the delaware.ai team. "Each target group has different interests and budgets, looks for very different things in a musical, has a unique buying journey and must be approached in a specific way."

The delaware.ai team combined numerous sources of data to develop a complete, 360-degree profile for each customer, following up with a customer segmentation exercise. "But this wasn't your everyday segmentation project, since we didn't start from predefined business rules," says Kevin De Beck, delaware.ai data scientist. "We applied a complex AI algorithm necessary to examine and understand the many different levels of actual customer behavior. It was so multi-layered that it took ten iterations to tune it."

## The solution

"The exercise revealed a key insight: In order for Stage Entertainment to perform relevant marketing activities, they needed to recognize that there was not one segmentation rationale. Even within countries where the same musicals are offered, there are significant differences between individual customer segments," Sven continues.

"As a result, just applying one European segmentation model to each country would not be successful in reaching customers," says Kevin. "Stage Entertainment is now focusing completely on customer behavioral characteristics to design effective campaigns and a strong strategic roadmap for scheduling and planning its productions."

**Next steps: following up on the segmentation exercise by continuing to examine customer behavior as people move between segments.**



# “Increase” case stories

Both companies in this chapter have already been using customer data insights to drive sales and marketing processes for some time and are familiar with the possibilities offered by advanced analytics exercises. **A high level of data, tooling and organizational maturity** is needed to perform the exercises featured in these cases.





## "INCREASE" CASE STORIES

# OPTIMIZING MARKETING CAMPAIGN OUTCOMES BEFORE SPENDING ANY BUDGET

### The company

DELA, headquartered in Eindhoven, the Netherlands

### The industry

insurance company for funeral services with over 4 million customers

### The challenge

predicting the outcomes of and returns on marketing campaigns

## The approach

DELA was already designing marketing campaigns with customer preferences in mind, but their sales and marketing team felt that their efforts were based mainly on past learnings and guesswork. "We took what we had learned from previous campaigns and improved on it, but this often meant spending our budget without guaranteed success," explains DELA Chief Marketing Officer Marysia Kluppels.

DELA asked delaware.ai to develop a predictive data model capable of accurately estimating returns on its marketing campaigns with the goal of combining the variables that generate the highest returns.

The delaware.ai team combined contract and payment data with historical information that the DELA marketing team had collected on the results of its past campaigns to develop a customized statistical model using Microsoft Azure machine-learning tooling.

## The solution

Offering an 82% accuracy rate, the model designed by delaware.ai allows Marysia and her team to simulate the impacts of changing certain campaign variables on predicted outcomes. "This enables us to choose the combination with the highest predicted return, allowing us to spend our limited budget on the channels, messages and approaches that create the highest value," Marysia concludes.

**Next steps: asking the predictive model for answers to questions like "what variables will lead to a 10% growth in our customer base" and receiving the best combination of target groups, timing, channel mix and budget.**



## "INCREASE" CASE STORIES

# OPTIMIZING PRICE QUOTES BASED ON MARKET, COMPETITION AND HISTORICAL DATA

### The company

a large industrial firm headquartered in Belgium

### The industry

construction materials

### The challenge

dynamically defining optimal input prices to win contracts and generate margins

## The approach

"Our customer works with numerous high-volume contracts with companies around the world," explains Kevin De Beck, delaware.ai data scientist. "But every time a new contract is on the table, they have to start from scratch to evaluate an appropriate pricing strategy that both optimizes the chances of winning the deal and generates the highest margins possible."

Also an important variable in this company's industry is market saturation. "It's a question of demand that is impacted by the availability of raw material in the market," Kevin continues. "The customer asked us to create a statistical model based on historical quotation information, market conditions and client characteristics that would suggest optimal prices for sales managers."

delaware.ai started the exercise by splitting historical quotation data by region and product, revealing a key insights. "We saw very clearly that demand and price elasticity is highly regional - for instance, we noticed significant differences between specific regions and even countries. These are totally different markets where numerous external elements impact pricing and demand, including labor costs and the presence of competing suppliers."

## The solution

delaware.ai created the prototype of a mobile application for sales managers driven by this price elasticity model, which is continuously optimized as more data is analyzed.

"As new data sources are incorporated, the accuracy of investigations into impacts on prices and demands in different markets will increase," Kevin asserts. "A price elasticity model must be continuously retrained based on quotations made and up-to-date market conditions, because changing variables lead to different impacts."

In addition, the model assists the firm in matching regional demand with quantity available in other regions. "If they notice an overcapacity of a specific product in one region, they can identify other regions in which to sell that overcapacity at a better price."

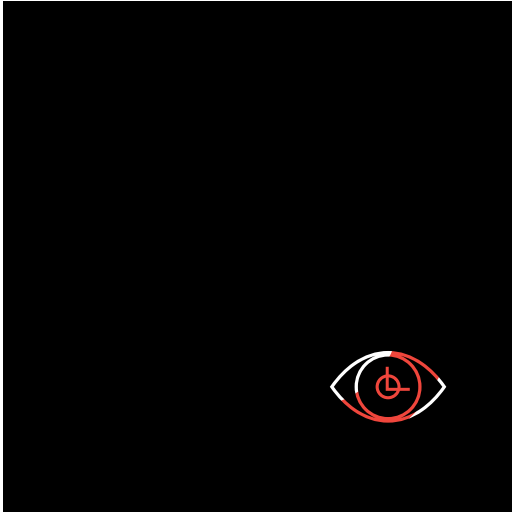
**Next steps: incorporating new variables in the model, enabling it to accurately answer increasingly complex questions such as "if labor costs increase by X amount, should we take that on our margin or increase the price?"**



# The importance of a customer data platform

The case stories presented in this e-book illustrate the fact that there are many ways to apply deep data to sales and marketing. Gaining maturity in this area means **investing in the tools needed to scale up** these experiments, realizing a mindset shift and adapting **your processes**. Finally, when the company is data-mature enough to reproduce experiments regularly, automate the process of gaining customer insights and scale the use of personalization and recommendations, a flexible data platform is crucial.





# Real-time insights linked with the customer's DNA

Every case discussed in this e-book highlights the power of detailed customer insights and the value added when these insights are activated through 'get-keep-increase' processes.

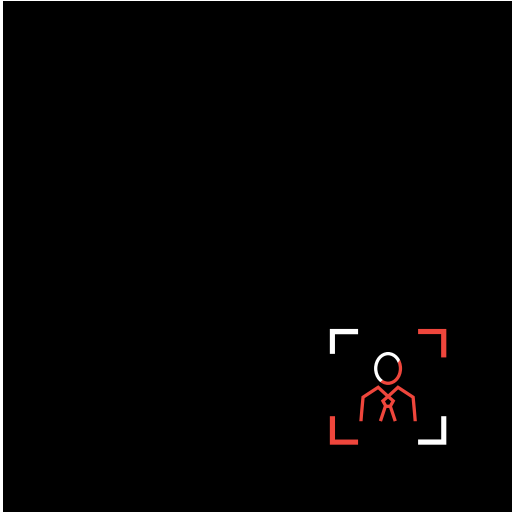
The next step for data-driven companies is to map data insights to individual customers to create a 360-degree view of each client, including buying triggers, sensitivities and needs. Even more, this information should be updated automatically with every new customer transaction.

Ideally, this level of information should be available the moment a new transaction happens to adapt campaigns,

promotions, ads and recommendations in real time. However, this is where traditional CRM-systems have their limitations. Modeling, activating and maintaining this 360-degree customer view over multiple channels and marketing execution tools is where the customer data platform (CDP) comes into play.

**Customer data platform:** *a unified customer database that gathers, cleans and centralizes a company's entire pool of customer data, enabling the creation of detailed profiles for each separate customer that other systems access to support every sales, marketing and service process.*

**By centralizing data,  
a CDP generates  
organization-wide insights,  
thus making data actionable.**



# Enabling ultimate customer focus

In traditional IT setups, the leading dimension in data warehouses is product or transactional data. As organizations become more customer centric, we are witnessing a shift in focus, with data architectures built around the customer as the leading dimension. The biggest impacts on the bottom line are made when the necessary intelligence is created around well-structured, new and historical data to understand the customer based on changes in their behavior.

The CDP is a business solution – not a technological solution – that allows businesses to incorporate these techniques into their day-to-day sales and marketing processes. It ensures continuous, real-time updates of your 360-degree customer

view, enabling every application that relies on customer data to incorporate the most accurate intelligent insights possible. As such, it is far more advanced than a traditional CRM.

All marketing automation initiatives, website personalization, account management and customer service activities are based on the output of the CDP. If the CDP determines an optimal moment to engage with the customer, it creates a trigger for the account manager, website, app or call center to offer experiences tailored to who the customer is right at that moment.



# Essential for your full transformation

CDP solutions are for more data-mature companies with robust strategies in place that govern the application of AI capabilities to sales and marketing. Laying the foundations for a CDP requires plenty of hard work from your marketing team on the customer experience personalization front.

That being said, it's not something that your company can consider before further exploring the path towards intelligent sales and marketing.

## Value Leader:

delaware's CDP lite for businesses just starting their journeys

Following the big data hype, many companies already collect huge amounts of data, relying on their business intelligence teams to translate that data into reports. However, few manage to interpret and act on the information contained in those reports to add business value.

delaware.ai developed Value Leader to help businesses access the benefits of sales and marketing data insights, **even in the very earliest stages of your customer-centricity journey** - as long as you have some data.

Beginning with transactional sales information, Value Leader goes back to basics, **generating actionable data insights - not reports**. In doing so, this tool helps you take your first steps toward incorporating and activating customer intelligence into your day-to-day sales and marketing operations.

## The benefits

- generates data insights **based on available customer data** - no matter how limited
- reveals valuable segments to target **without requiring advanced enterprise capabilities**
- **democratizes** early-stage customer intelligence
- offers **a step between** traditional CRM and BI tools and full-blown CDP

Once you have mastered basic techniques and made customer data insights the focal point of your processes, you are ready to begin investigating CDP solutions.



# About delaware /a.i.

## Become a truly customer-centric organization

We believe that the intelligent transformation of sales, marketing and service is part of a wider – and inevitable – trend towards true “AI first”-enabled customer centricity. Many companies continue to focus on the short term when it comes to customers; attracting customers for the first time, securing an upsell, etc. But the key to measuring how customer centric you are is through the advanced KPI of **customer lifetime value**.

**Customer lifetime value: the monetary value that a customer generates over the entire period that they engage and interact with your company.**

Are you capable of growing your customer’s lifetime value in an efficient and cost-effective way? Investing in customers and influencing their behavior to make them more valuable in the long term is absolutely possible, and this is where AI comes

into play to help you identify the right customers where your efforts are converted into sustainable value. It is only by applying these advanced statistical exercises and modeling approaches that you can gain the insights needed to:

- define the “right” customer for your company, i.e. the one with the highest customer lifetime value;
- identify existing “right” customer bases;
- approach them in a personalized manner with options that meet their needs – via their channel of choice at the right moment in their journey.

Ready to participate  
in the movement  
towards **"AI first"** in  
sales & marketing?

Our experienced team is standing by to answer any questions you may have. Get in touch!