



# PREDICTIVE ANALYTICS FOR MARKETING

SUMMARY OF  
WORKSHOPS IN 2016



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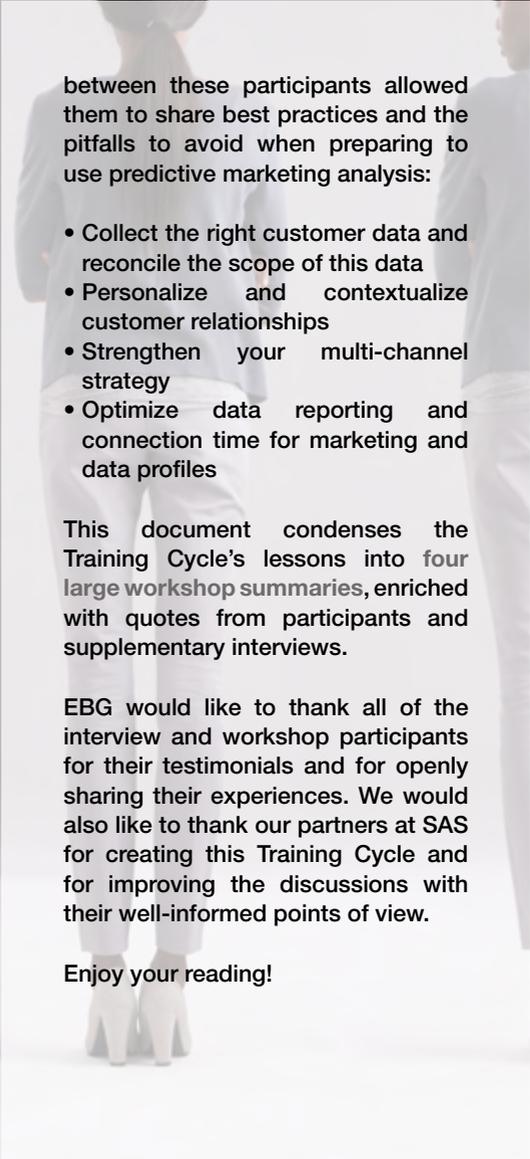
# INTRODUCTION



Big Data is just beginning to spread its wings and fly. Its critics and supporters have finally agreed that Big Data does not mean storing as much data as possible. What is really at stake is being able to act upon data in real time, even if that means reorganizing it. Immediately after this first Big Data revolution, a new term appeared: *Predictive Marketing*.

Is this just another vague concept? Not really. It's simply a matter of agreeing to common definitions. To start, we shouldn't be talking about predictive marketing, but rather about using predictive analysis to guide marketing. Using this new paradigm also means making traditional processes and organizational structures more dynamic, because the goal is to respond to customer needs in real time, and maybe even ahead of time someday.

EBG teamed up with SAS to organize a training cycle called *Predictive Analytics for Marketing*. This series of **four workshops** took place between April and October, bringing together around forty decision makers from the Marketing, E-commerce, Data, and Digital worlds. Open discussion



between these participants allowed them to share best practices and the pitfalls to avoid when preparing to use predictive marketing analysis:

- Collect the right customer data and reconcile the scope of this data
- Personalize and contextualize customer relationships
- Strengthen your multi-channel strategy
- Optimize data reporting and connection time for marketing and data profiles

This document condenses the Training Cycle's lessons into **four large workshop summaries**, enriched with quotes from participants and supplementary interviews.

EBG would like to thank all of the interview and workshop participants for their testimonials and for openly sharing their experiences. We would also like to thank our partners at SAS for creating this Training Cycle and for improving the discussions with their well-informed points of view.

Enjoy your reading!

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# **Social networks, transactional data, open data: What data sources help you to anticipate client behavior?**

Predictive analysis solutions can lead to a new style of marketing, based on listening to your customers. The problem is, there's too much to listen to.

How can you collect client data in the right place, and once you've done so, how can you reconcile the scope of this data?



1.

“We’re  
transitioning to a  
more aspirational  
marketing  
strategy”

## Interview

Angélique Bidault-Verliac looks back on voyages-sncf.com’s goal of rolling out a personalized marketing scheme to entice customers.

The latest initiative created weekend destination recommendation notifications based on the weather forecast.

VOYAGES-SNCF.COM  
ANGÉLIQUE BIDAULT-VERLIAC  
Data Science and Customer  
Knowledge Director



**CAN YOU TELL US HOW THE IDEA TO LINK DESTINATION RECOMMENDATIONS AND WEATHER FORECASTS CAME ABOUT?**

“We have long believed that personalization is the key to our business and to customer satisfaction. Over the last two years, we have put our Hadoop big data infrastructure into place. We were able to create a destination recommendation algorithm by applying machine learning to our navigation data. This recommendation system is based on customer searches and connections between destinations and users. After a few positive tests of the destination recommendation tool in our newsletters, voyages-sncf.com wanted to push personalization even further by adding external data, like the weather forecast.”

**IS THE PERSONALIZATION PROCESS THE SAME FOR THESE WEATHER-BASED RECOMMENDATIONS?**

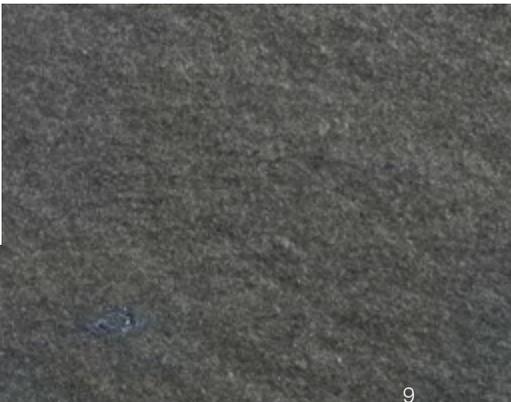
“We were able to leverage our existing customer big data structure and make the most of our experience activating our first destination algorithm. This allowed us to concentrate on adding external data and to anticipate the resulting internal changes. Really, what changed about our process was the input file, which is no longer a destination promotion file, but rather a list of destinations where there will be good weather.”

**SO IN THIS CASE, BUSINESS USERS WERE CONSULTED IN ADVANCE?**

“Actually, before the project, we had to work with business users to clearly define our actual need. First, we selected trips under 2 hours and 30 minutes, which we thought was an acceptable distance for a weekend trip. Then we accessed open source weather data to identify destinations where the sun would be shining. Then, the business users modified the trip list, keeping only the most attractive destinations from a customer’s point of view.”

**WHAT MADE THIS PROMOTIONAL EFFORT AN ACTUAL INNOVATION?**

“This is the first time we’ve been able to offer our customers a personalized notification based on both their desired destination and the weather forecast. This has changed how we operate. We’re transitioning to a more aspirational marketing strategy from a fairly traditional promotional one. This new strategy will make users want to travel more. This strategy required a lot of agility from the team, since the weather was especially unpredictable in June, and everyone was working right up until the night before the notification was sent out with no guarantee that the weather would cooperate.”



**YOU RECENTLY TESTED THIS NEW SYSTEM<sup>1</sup>. WHAT DO YOU THINK OF IT?**

“Actually, one of the main things we’re working on now is how to measure the impact of this kind of initiative compared to a more traditional, personalized promotion. Still, we now know how to link our recommendation system with external data and our notification framework. That’s at least one very promising lesson we learned as we continue our personalization efforts.”

1. The system was tested on Friday, June 24, 2016, and the interview was held in July 2016.

**WHAT ARE YOUR NEXT BIG PROJECTS IN THIS AREA?**

“We plan on continuing to explore these aspirational marketing strategies. Specifically, we’re working on how to recommend points of interest or events in connection with given destinations.

**IF THE GOAL IS TO CONTEXTUALIZE YOUR MESSAGES, ARE YOU TRYING TO BETTER UNDERSTAND WHY PEOPLE ARE TRAVELING?**

“The reasons people travel are one of our key areas of study. Especially because you can’t definitively link one single travel motivation to a given traveler. Someone might use their personal account to purchase a ticket for work purposes. On the other hand, someone who normally travels for work may want to discover a new destination for personal reasons. The key is understanding why someone is traveling at a specific moment. We will begin tackling these questions starting in September (2016), with a series of workshops aiming to place the customer, rather than the product, at the heart of our marketing action plan. In the same vein, we are also working to refine how we link preferences for a certain kind of trip to destination recommendations. All of this is seen through the lens of predictive and personalized marketing.”





**Social networks,  
transactional data, open data:**

**What data sources help you to anticipate  
client behavior?**

**Summary of the Workshop  
on April 6, 2016**

Workshop No. 1

Cycle: *Predictive Analytics for Marketing*



## AGENDA

New analysis tools, which are improving every day, have made it possible to use behavioral data to predict future affinities and transactions.

However, even the most efficient engines can't run on empty, so they need to be fueled with data, "smart" data if possible. To find the right data, it's important to know how to collect the right information from the right places...

Reactions to mobile campaigns, navigation behaviors, telephone calls: what lessons can we learn from each different channel?

- How can internal databases be used in conjunction with external data?
- Using content strategy to acquire rather than collect data: what added value is there for predictive marketing?
- Data warehouse vs data lake: how can we process non-structured data?
- Permanent geolocation: the most important predictive tool of tomorrow?

## FACILITATORS

- **SAS**, Nicolas Terrace, Senior Business Solutions Manager

## PARTICIPANTS

- **GALERIES LAFAYETTE**  
El Mustapha Barkani, Data Scientist
- **BAYARD PRESSE**  
Alexandra Barral, Customer Knowledge and CRM Project Manager
- **VOYAGES-SNCF.COM**  
Angélique Bidault-Verliac, Data Science and Customer Knowledge Director
- **CRÉDIT AGRICOLE SA** David Carter, CRM & Digital International Retail Banking Manager
- **SHOWROOMPRIVE.COM**  
Damien Garzilli, Marketing Data Manager
- **ORANGE BUSINESS SERVICES**  
Catherine Le Drogo-Ferrari, Business Product Marketing Director
- **FRANCE LOISIRS** Nadine Thery-Dauvergne, Marketing Action Plan and Product Offering Manager
- **SAS**  
Elizabeth Derozier, Head of Marketing Sciences South West Europe
- **SAS**  
Eric Vessier, CRM Analytics Consultant

Contextualizing messages, personalizing product offerings, retaining customers... There are many reasons to use predictive marketing, but few ways to go about deploying it: *Ultimately*, the goal is always to improve your ability to capture customer data and to transform it into intelligence that you can use for your business. This transformation goes beyond marketing divisions. Let's take a closer look...

## TO COLLECT, OR NOT TO COLLECT...

Accumulating rich and varied information is the first step in pursuing those data-driven initiatives that have been all the rage in marketing departments over the last few years. Nadine Thery-Dauvergne (France Loisirs) had this to say: *"Generally speaking, we have a customer database that is very rich internally, but not externally."* And she is not alone. It's often said that data intelligence is more important than data volume. Damien Garzilli (showroomprive.com) pointed out: *"There are a lot of buzzwords flying around when it comes to big data...but you don't necessarily need big data to create useful predictive models. You can work with a small volume of data. In the same way, when it comes to the technological side of things, you don't need to create some complicated contraption to make predictive models."* This leads to France Loisirs' question: *"Is it a good idea to try and enrich [your] data to understand the client from another point of view and create push notices for them? Or, should we just be happy with what we have now?"* Basically to collect data, or not to collect data...

## BUT IS THAT REALLY THE QUESTION?

The added value derived from big data is that it makes this dilemma obsolete. The term 'big data' is not perfect, despite its popularity: the revolution it describes has made it possible to not only analyze large volumes of data, but also to analyze highly varied data and to do so quickly (the infamous 3 V's). Here's another way to ask the question: what is the purpose of data collection? This refocuses us on



the connection between analytics and business. Éric Vessier (SAS) reminded us of this essential step: *“Of course, it’s good to collect data, but we have to remember that the end goal is to integrate this data into a concrete and pragmatic initiative.”*

But how can this be done?

## RECONCILIATION IS KEY

The greatest difficulty mentioned by the group of participants during the workshop was data sharing and reconciliation. Even after data has been collected, or even if it is collected regularly, it may be disparate or poorly interconnected. El Mustapha Barkani, a Data Scientist from Galeries Lafayette made a recommendation: *“The first step is to cross-reference the data we already have internally.”* Depending on the sector, this first task may be more or less tedious. David Charretier (Crédit Agricole International Retail Banking) explained that the banking sector has *“plenty of data (an average of 2,000 data points per client).”*

## WITH WHOM, WITH WHAT?

Once the data have been reconciled, the next question is *“how can we make this data available to the different departments within our company?”* (Damien Garzilli, showroomprive.com). This requires *“structuring it (...) to make it easier for marketing to leverage it”* (David Charretier). Hence the need to hire new specialists, data scientists *“whose job is to build models.”* It’s also important to have the right tools, leading us back to the eternal debate over whether or not to use a DMP. Should

the data be stored in a data warehouse or a data lake? El Mustapha Barkani (Galeries Lafayette) had a few things to say on this point. *“It depends on your needs. Using a data warehouse may seem inappropriate if you want to be working in real time. For faster response times, you need to use a data lake, not a data warehouse.”* Here again, maybe we’re not asking the right questions, or asking questions that cannot be asked alone. What data do you want to collect? What are your end goals?

## EXTERNAL DATA: A REAL TEMPTATION...

For El Mustapha Barkani, a Galeries Lafayette Data Scientist, the logical next step to cross-referencing internal data is to *“enrich them with external data.”* Of course, that *“means you need a data lake platform to store all of your unstructured data,”* while still having well-defined goals. *“For example, when doing surveys, we need information about how much customers are drawn to a particular product category. That is why we got in touch with Mediapost, who provided us with targets for different sectors. We also work with meteorological data, which can be a discriminating factor for some models.”*

**80%** of data are **unstructured**  
of the **7.9 ZB** of data created in the world in **2015<sup>2</sup>**

2. Capgemini Consulting, “Big Data: where is your business, really?”, 2015.

## ...TO BE APPROACHED WITH CAUTION

On the other hand, most people aren't yet thinking about enriching their data with external information. Usually, this is because they think they can further optimize internal data reconciliation or increase the potential impact of their marketing actions.

*"Before looking at external data, the priority is making the most of the internal data you already have,"* said Damien Garzilli, from showroomprive.com.

This is the approach used by large groups with subsidiaries, who already have a large volume of disparate internal data. For example, David Charretier (Crédit Agricole International Retail Banking said, *"It is entirely possible to use 'internal' data from our partners in the insurance or asset management sectors..."* This preference for internal data over external data is even stronger because *"in the banking sector, data is very sensitive."* This question of whether or not to use external data can also be viewed through the lens of client data sensitivity. Because, as Alexandra Barral (Bayard Presse) reminds us, *"In terms of privacy, you have to prove your transparency to your customers when it comes to the data you want to use."* It is difficult to provide this transparency when you don't have a clear idea of the full extent of your data. Damien Garzilli (showroomprive.com) notes that, *"External data (and I'm thinking mostly of open data) often cloud this understanding."*

## EXTERNAL DATA, SURE, BUT WHICH DATA?

*"There's a decision you have to make,"* said El Mustapha Barkani (Galeries Lafayette), *"Will you opt for paid data, or will you use open data, which are free, but which aren't as refined?"* Once again, your decision will be based on the goal you have in mind. Often, the goal is to *"add certain signals"* to the behavioral models you've already identified. In this light, open data are not ideal because they are rather generalized and can, in the end, prevent you from understanding behaviors.

Damien Garzilli (showroomprive.com) pointed out that *"postal codes can be connected to Insee's socio-demographic data."* However, he doesn't think the results are very convincing. *"On the other hand, leveraging meteorological data to focus your product range might be more helpful."* This is exactly what we saw with voyages.snfc.fr – a personalization initiative that *"provided each customer with a list of promotions linked to their place of residence"* and, more recently, linked to *"the weather forecast."*



# ME, MYSELF, AND MY CUSTOMER

Choosing external data to enrich your existing databases must be done carefully, because you can't just pick any data to add to your data. When making these choices, it's sometimes tempting to turn to paid services. However, Catherine Le Drogo-Ferrari (Orange Business Services) pointed out the irony of this situation. *"Sometimes, a third party comes to know your data better than you! For example, Facebook has access to our clients' geolocation, knows their age, what kind of phone they have, and can track their movements, etc. The world's leading Internet players can make money because of how well they know your client base."*

In order to change this not very lucrative situation, an organization should set itself the wider goal of creating a customer experience that allows it to collect the right data at the right moment. That is why David Charretier (Crédit Agricole International Retail Banking) said, *"The key is being able to capture even the weakest signals from the Web/mobile data. You want to detect any plans the customer might have. The more that a site is well made and well "tagged", the easier it is to correctly identify the visitor's needs (e. g. a landing page dedicated to identifying target clients: "your children's future", "getting ready for retirement"... and localized for each country). This information is used to fill out a "need/plan" table that the marketing teams*

*will be able to use to create multi-channel contact scenarios."*

Catherine Le Drogo-Ferrari (Orange Business Services) also pointed out that *"the main goal is customer knowledge"* and she also stressed the need to *"be able to listen to each person's demands, to transition from sales-based marketing to customer relations-based marketing."*

## PREDICTIVE MARKETING: A 360° VIEW OF THE DATA

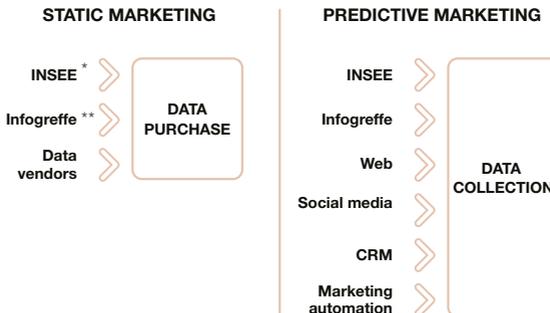


Image Source: *The B2B Predictive Marketing White Paper*, C-Radar (Data Publica), May 2015

\* INSEE: French National Institute of Statistical and Economic Information

\*\* Infogreffe: French national register of commerce and companies

# A MULTI-CHANNEL PRESENCE, THE NUMBER 1 CHALLENGE OF PREDICTIVE MARKETING

This new customer relations-based marketing, which is predictive if possible, goes beyond the Web/mobile universe. That would be too simple! David Charretier (Crédit Agricole IRB) brought up the term “multi-channel”. He observed that *“We have to work towards a better mix of online and offline channels (web-to-store, mobile-to-store strategies, etc.): offering the right product at the right time through the right channel.”* They’ve come to a similar conclusion at Galeries Lafayette, where Data Scientist El Mustapha Barkani, who works on the customer knowledge team, says they *“want to create a real multi-channel strategy, with a clear vision of the relationship between the brand and the customer.”*

This challenge is an unmissable opportunity to reinvent customer proximity. That is why David Charretier promised that *“If you are smart about how you use raw data, you can create wonderful opportunities for different channels (customer events, Web/*

*mobile interactions, etc.)”* The many kinds of physical, digital, and hybrid channels are doors through which the brand can access their customers, and through which the customer can access the brand. It may soon be the case that when the customer accesses the brand, they leave behind useful data that can help solve their problems. *“This may mean anticipating a box breaking down, and intervening before the subscriber has even noticed,”* said Catherine Le Drogo-Ferrari (Orange), giving an example.

It goes without saying that when it comes to both acquiring clients and maintaining their loyalty, the creation of target-specific campaigns has always been marketing departments’ highest goal. However, meeting the challenge of multi-channel marketing in the age of predictive marketing requires even more ambition. To use David Charretier’s words, we need to transition from “push marketing” to “inbound marketing”.

## THE MOST COMMON PERSONALIZATION METHODS<sup>1</sup>



## EXPERT OPINION

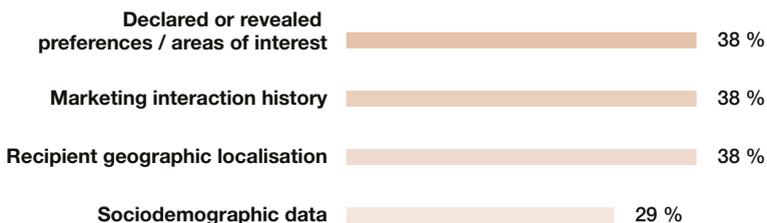
“Focus on what’s really useful”

Éric Vessier

SAS

Data processing has always been a key factor in determining what makes good predictive marketing. We must recognize that approaches have become more complex in recent years. Communication channels have multiplied, data sources are more diverse, volumes are greater, and the structure of some of these data has changed. In order to work with all of this information and to concentrate on what’s really useful, companies need to frequently update their processing algorithms. This requires investment. Not pursuing these updates or undervaluing their importance undermines a company’s interest in cultivating customer relations.

For a brand to perform well and become more relevant in a swiftly changing market, it needs to constantly adapt its communication strategies, improve targeting, and anticipate demand. A good approach is to use new market tools as much as possible to support the teams already in place, use sub-contractors if necessary, automate processes and make them iterative, and focus internal expertise on the most critical cases.



## NEW MARKETING, NEW APPROACHES

Questions about predictive and new marketing tools are already being asked. A bit too early, perhaps. In terms of the data lake vs. data warehouse debate, Damien Garzilli (showroomprive.com) observed that *“These two terms are not opposites. They can coexist perfectly well. Data lakes make it possible to quickly set data aside without running the risk of losing it. It operates using a more exploratory logic: it is possible to sift through a data lake and pull out a data point that a data warehouse may have missed.”*

The tool itself is not the focus of this debate, rather the point is to show how important it is to defy traditional logic using more exploratory approaches. Using a DMP leads us to the same issue. Such is the case at Bayard Presse, which recently acquired a Krux Data Management Platform under its *“Test and Learn approach”* (Alexandra Barral). Alexandra Barral also admits that *“we are undertaking a few (personalized campaign) actions. There are many questions that remain: what data need to be reconciled? What is the end goal?”* Angélique Bidault-Verliac (voyages-sncf.com) advises *“always thinking in terms of use cases.”* That’s *“the goal you can never lose sight of (...)* Also, *when starting a big data project, you have to start on a small scale with very concrete steps that provide results for your business rather quickly.”* Alexandra Barral continued: *“You have to learn as you go, taking lessons from*

*different use cases. For us, the essential points are deciding which data to send to the DMP, working in an agile manner, and assessing use cases individually. We will then assess our progress after a year. At the same time, pursuing this kind of project involves changing how people think about data. It’s a change-focused project.”* (see use case: Bayard Presse). David Charreter (Crédit Agricole IRB) rounded out the conversation, saying *“this type of project should be started with smart data.”* This means identifying a handful of use cases (for example: opening an account, cross-selling to customers between 25 and 35 years old with only one contract with the company, etc.) and some data that are necessary for launching *“ultra-targeted”* actions (real-time banners with personalized messages). *To start, you will need 300 data points, later adding about one hundred to the data mart every quarter. You will progress gradually towards your goal (data that are mostly summary data: profile, preferences, etc.). This approach can be called an MVD (minimum viable datamart) approach.”*

**“It’s not having the data that counts, the information they contain is rarely exclusive!”**



Alexandra Barral

Bayard Presse

The first step [was to] contextualize the messages based on moments in the customer's life (holidays, birthdays, etc.). For example, sending a special offer and wishing a customer "Happy Birthday" can help publicize a digital store. We are also working on the concept of households in order to discern the relationship between the reader and the payer. With the Data Management Platform, we're "pixelating" all of our emails with a view to centralize the actions carried out with our campaign management tool. Similarly, the pixel is being implemented across all our links with the aim of personalizing the site for a non-logged-in visitor based on the information gathered. The system can prove particularly valuable for communicating with non-subscribers who visit the site quite regularly.

## AND NEW GOVERNANCE

The use-case approach has to be supplemented by transverse operating modes – the “agile methods” mentioned by Alexandra Barral (Bayard) – and a governance conducive to breaking down silos.

The crux of this new transversality is found at the point where business teams and data managers meet. Thus, alluding to the deployment of a “real-time system with a profile table that displays banners and personalized messages in real time based on customer behavior on our websites and mobile sites,” David Charretier (Crédit Agricole IRB) confides that “the most difficult step involved choosing, with the business, the ten key data points to profiling and personalizing (segment, equipment, potential, etc.). Then it’s business intelligence’s job to create different scenarios based on the customer’s navigation on the digital channels (e.g.: display the right banner in the right place with the right message based on the customer’s navigation and the profile table data, etc.).”

At voyages-sncf.com, this connection between data and business is built on a dedicated structure. “We have been performing classic data mining and have had predictive CRM models for a long time. Two years ago, we created a customer big data entity.” This structure enabled, for example, “navigation elements to be taken into account in order to customize the content.”



## LEGAL VIEWPOINT

### “Predictive analytics needs limits”

Régis Carral

Cabinet Hoche

Using big data can enable predictive analyses to be carried out on data segments in real time by cross-referencing them through increasingly powerful algorithms. It is evident that these systems, which help or influence decision-making, can be used in several industries.

Creating “profiles” of individuals based on different criteria will make it possible, for example, to personalize marketing offers, to target checks or surveillance of individuals in connection with police investigations, to assess risks and determine the probability of loss occurrence in insurance, or even to perform genetic diagnostics so as to predict what type of patients will likely suffer from a particular illness.

Using big data for predictive analytics needs defined limits at the risk of allowing, like the imaginary scenario in *Minority Report*, individuals to be arrested because the “precogs” know they are going to commit a crime.

The limit is found in respecting the fundamental rights of the persons concerned. Consequently, the use of predictive algorithms raises two important questions. First, is data processing lawful? Second, do the results of data processing create unlawful discrimination?



# CONCLUSION

## From storage to real time

If customer data belongs to companies, it is only consequential. The data belongs first and foremost to customers. They are willing to share it if they receive compensation, a value-added service for example. Google, Apple, Facebook, and Amazon are proof of this. Their strength lies in their ability to draw on the data they capture to develop appealing new services. Keeping this promise incites the customer to communicate a variety of data in return, creating a virtuous circle for the company.

Ultimately, what matters is not so much having data – the information it reveals is rarely exclusive – but knowing how to capture it, reconcile it, uncover its intelligence, and connect it to the business. In fact, Arnaud Deschamps, the Director of Nespresso, revealed in *the Digital Transformation Reference*: “I believe a lot more in using data in real time as opposed to storing it. The latter is going to be extremely expensive and poses security problems. The challenge is using data in real time. Analyzing the past does not allow you to predict the future.”

# How can you take advantage of predictive analytics to personalize and contextualize customer relationships?

It's hard to find a marketer who will tell you that personalization is not a priority.

If this question is meant to eventually rework the classic marketing approach, it currently remains in the exploratory phase and is closely related to predictive inspiration recommendations.



2.

“Recreate the rapport  
between a salesperson and  
a buyer in the store”

## Interview

At Menlook Group, predictive analytics take place within the perspective of a personalized shopping experience enhanced by a significant layer of services.

David Nedzela, CMO of the retailer since it was founded six years ago, goes over the most recent initiatives implemented.

**MENLOOK GROUP**  
**DAVID NEDZELA**  
Chief Marketing Officer



## **HOW WOULD YOU DESCRIBE MENLOOK GROUP TO DATE?**

“We are the leading men’s lifestyle e-commerce platform in Europe. Our primary site, Menlook.com, now ships orders in over 70 countries every month. The company has two other sites dedicated to men’s fashion: oki-ni.com in the UK and frontlineshop.com in Germany. We sell products that are also available in department stores, but we do it online and offer many services: 48-hour delivery, free returns, always-in-stock products, and additional content offers, notably through Menlook Tribune which deciphers trends in men’s fashion.”

## **YOUR LIFESTYLE POSITIONING SET YOU ON A COURSE TO ASSIST THE CUSTOMER BEYOND SIMPLY SELLING HIM CLOTHES?**

“Absolutely, this is why, as of February 2015, we launched our marketplace, which opens us up to overlapping worlds that may be of interest to our customers. Menlook customers are 35 years old on average, very urban, and very connected and have fairly decent purchasing power. We identified their interests, and we now have the broad product range to meet their needs: connected objects, watches, running shoes, etc.”

## **YOU ALSO OFFER PERSONAL SHOPPING...**

“We noticed that men are very loyal to retailers and brands. From the moment we offer a good shopping experience, we actually manage to generate a lot of repeat purchases. Menlook Tribune was part of this logic. We were also one of the first fashion e-commerce sites to offer a loyalty program. With this same view to create customer loyalty, we launched into personal shopping with our first service, ‘Georges Privé,’ where a stylist (assigned to every customer registered on the platform) recommends and sends the customer clothes.

We have since introduced our personal shopper telephone service, the idea being to recreate the rapport that can exist between a salesperson and a buyer in the store. We noticed that, by assisting the customer this way, we have a good chance to increase the average shopping cart checkout price – either by selling more expensive items or by simply selling more products.”

## **WHAT DATA DO YOU USE TO REFINE YOUR RECOMMENDATIONS?**

“We analyze both the transactional data and navigation data on our site, paying attention to visitors’ various actions: items placed in their cart, additions to *wishlists*, etc. Based on consumer behavior, we discern which brands and products are in higher demand. Through all the data we collect, we manage (over a given period of time) to identify the products that are popular and those that are a little less so.”

## **WHAT IS THE MARKETING PURPOSE OF THESE DATA ACTIVATIONS?**

“The data we collect are used in two ways. First, to customize the site, and specifically our *listing* pages. This is a major challenge because, given the magnitude of choice, the customer can easily get lost. From the moment we were able to collect cookie data, our algorithm began to prioritize products available in the customer’s size and brand world. The goal here is to improve the conversion with each visit.”

## **ARE THE DATA YOU COLLECT ENRICHED WITH DATA OUTSIDE THE SITE?**

“Indeed, we use other navigation data, and this serves our second goal: to identify clusters. The personal shopper contacted by phone collects a certain amount of information from the customer regarding his tastes in terms of brands. We developed a tool for personal shoppers that will allow them to cross-reference this information with other data and identify items that will most likely be of interest to the customer on the line.”

## **WHERE DID YOU FIND THE SKILLS TO DEVELOP SUCH A PREDICTION TOOL?**

“Everything pre-sale falls under the responsibility of our marketing teams. So I have a person dedicated to personal shopping who works on it. Our analysts work with CRM data or BI tools. For predictive analytics, we decided to rely on Early Bird algorithms.”

## **TO CONCLUDE, CAN YOU TELL US SOMETHING ABOUT THE MOBILE SITE THAT YOU DESCRIBE AS A MAJOR FOCUS OF DEVELOPMENT?**

“We took it on over a year ago, seeing that mobile traffic was exploding and that our opportunity to interact with Internet users would materially dwindle. Historically, the mobile conversion rate is low. In all likelihood, this is because the user has trouble finding his favorite product quickly. Hence our decision to customize the mobile experience as much as possible. We ‘minimize our losses’ on the conversion and help the customer find the product he is likely to buy more rapidly. It’s a win-win.”





**How can you take advantage of  
predictive analytics  
to personalize and contextualize  
customer relationships?**

**Summary of the Workshop on May 18, 2016**

Workshop No. 2

*Cycle: Predictive Analytics for Marketing*



## AGENDA

Predictive analytics must enable marketing to place the customer at the center of its approach – with the right message, in the right place, at the right time, and to the right person.

How does behavioral and contextual analysis allow a large-scale, bilateral relationship to be established with each customer?

- How can you refine your customer segmentation?
- How can you design tailored offers or new offers in real time?
- How does automation help industrialize and optimize the customer relationship?
- How can you personalize mobile apps and sites?

## FACILITATORS

- **SAS**, Nicolas Terrasse, Senior Business Solutions Manager
- **SAS**, Blandine Colas, Pre-sales CRM Consultant

## PARTICIPANTS

- **AXA FRANCE**  
Janik Added, Digital Studio and Multichannel Journey Manager
- **AXA FRANCE**  
Laura Wehrmuller, Projects and Surveys Manager
- **VOYAGES-SNCF.COM**  
Angélique Bidault-Verliac, Data Science and Customer Knowledge Director
- **CABINET HOCHÉ**  
Régis Carral, Partner
- **MALAKOFF MEDERIC**  
Nicolas Frot, Digital Manager
- **UGC**  
Marie Guislain, Marketing Manager
- **LA BANQUE POSTALE**  
Christophe Lascaux, Cap Client 3.0 CRM Project Manager
- **GROUPAMA GAN ASSURANCES**  
Jean-Marc Le Corfec, Innovation Director
- **ORANGE**  
Béatrice Marcelin, Business Application Marketing Director
- **BAYARD PRESSE**  
Cédric Naux, Director of Digital Development
- **ORANGE**  
Michel Puharré, European Customer Marketing Director

The first workshop enabled us to glimpse Predictive Analytics as a milestone for a new type of marketing that is more oriented towards the customer relationship than sales.

Unsurprisingly, the first experiments in personalized marketing built on predictive models could not be achieved using an overly intrusive sales logic; it is a question of redefining customer proximity and gaining his confidence by playing on reciprocity: capturing personal data in exchange for a service perfectly tailored to his needs.

## THE RIGHT MARKETING PRESSURE

In Europe, 37% of Internet users delete third-party cookies from ad servers six times a day.<sup>1</sup> Moreover, Angélique Bidault-Verliac (voyages-sncf.com) reports, *“Some users are categorically opposed to the idea of personalization. They do not want the company to show them that it has information on them. This fact should be taken into account, and the company should remain deliberately vague in communications addressed to them.”* At the same time, 84% of customers would be willing to no longer buy from a retailer that does not take their preferences and past purchases into account.<sup>2</sup> Personalization is therefore indispensable. Nonetheless, it is not only about message content but also the degree of marketing pressure to apply. At AXA France, Laura Wehrmuller assists with experiments to this end: *“We want to perform tests on the non-opener population. It’s a matter of understanding these profiles better and attempting to ‘wake’ them using rather offbeat or original messages.”* Angélique Bidault-Verliac confirms: *“research on the frequency that emails are opened is a valuable resource for determining the right marketing pressure. The more the individual opens communications, the more they will receive. The Holy Grail would be to be able to establish a marketing pressure score for each individual.”*

In 2014, **80%** digital marketing departments believed that personalization would become the key to the success of their initiatives<sup>3</sup>

1. Attribution Management, *The Instability of Cookies*, Converteo, 2015, p.33

2. *The 10 Commandments of Personalization*, Loyalty Expert, 2016

3. Teradata 2014, Digital Marketing Insight Report Study conducted among 1506 marketing decision-makers worldwide – Response to the question: “What will be the key to the success of your initiatives in the next few years?”



## LEGAL VIEWPOINT

### “Towards consenting personalization”

Régis Carral

Cabinet Hoche

In the case of personal data – namely, as defined by the CNIL, “any information that identifies a natural person directly or indirectly,” – its processing is subject to the provisions of amended Law No. 78-17 of January 6, 1978 as well as EU Regulation 2016/679 of April 27, 2016 covering the protection of natural persons with regard to personal data processing, to come into effect on May 25, 2018.

As these texts are applicable, data controllers are bound by several requirements. For instance, they must declare any data processing to the CNIL, obtain the consent of the persons concerned, and inform them in advance of several legal notices, including the intended purpose of processing the collected data.

This means anticipating said purpose before even collecting the data. In practice, it appears that predictive big data users have limitless imaginations and that they are often encouraged to improve collected data processing in order to develop new uses for which the consent of the persons concerned has not been obtained.

Bear in mind that financial penalties imposed by the CNIL can reach €150,000 (€300,000 for a subsequent offense), which EU Regulation increases to €20 million or 4% of the offender’s global revenue... not to mention criminal penalties of up to 5 years in prison and a €300,000 fine (which can be raised to €1.5 million for legal entities).

In 2015, **90%** cited individualized marketing as a priority<sup>4</sup>

In 2016, **53%** of companies in France were already personalizing the visitor experience or had a short-term project<sup>5</sup>

4. Teradata 2015, Global Data-Driven Marketing Survey conducted using the same methodology as the 2014 edition

5. “A/B Testing & Personalization,” 3<sup>rd</sup> annual survey, conducted by Convertio for Kameleoon in 2016 in France

## PERSONALIZATION: GIVE AND TAKE

An excessive amount of personalized messages generates several points of tension in customers: not only a weariness that garbles the message and paradoxically produces an impression of disrepute, but also a sense of intrusion into their personal lives. With regard to this, Nicolas Terrasse (SAS) notes that *“on the customer’s side, the level of acceptance depends on the compensation that he is offered in terms of services... In certain cases, the consumer is prepared to entrust the company with personal data if – and only if – he sees a real benefit in return.”*

This give-and-take approach nevertheless requires an understanding of how to deploy services or recommendations in real time or near-real time; personalization is all the more effective when it is deployed at the moment of interaction. *“Having fresh, relevant information to trigger communication can be extremely beneficial,”* observes Laura Wehrmuller (AXA France). Conversely, there is nothing more irritating to customers than dealing with ill-timed retargeting actions, urging them a hundred times to buy a product that they already bought.

## ADAPT TO THE INDIVIDUAL... AND TO THE CONTEXT

In order to use this logic in real time – or near-real time, Orange (Béatrice Marcelin) invented an *“app called ‘Business Lounge’ [that] aims to better understand the customer’s reality. Potentially, it is possible for us to know, by means of statistical models, whether the possessor of the app is working, on the move, or at home. This obviously has an impact on how to address him or her.”* At SAS, Nicolas Terrasse cites the example of *“a geofencing project [carried out] with one of the leading retailers in Belgium. The project involves manipulating a very large amount of data and a micro-geolocalization system in real time.”*

The challenge behind this contextualization is ultimately reinventing customer proximity. Which leads Béatrice Marcelin (Orange) to say of Business Lounge: *“Ultimately, the application (which never leaves the customer) allows us to target our messages better. It’s a way to better manage the relationship by means of additional information that we could not get through other channels.”*

**“Personalization is all the more effective when it is deployed at the moment of interaction.”**



### “Moving ever towards the real-time dimension ”

Angélique Bidault-Verliac

[voyages-sncf.com](http://voyages-sncf.com)

About a year and a half ago, we created an organization dedicated to big data projects. The new CEO expressed the wish to offer more subtlety in our newsletters. In fact, all promotional communications up to that point had been identical. So, we developed an algorithm that is unique for each customer and customized according to their place of residence.

To do this, we rely on data from the [voyages-sncf.com](http://voyages-sncf.com) search engine, into which the visitor enters their trip information. If the visitor is identified with their password, recognition is much easier.

So, we already have research data, infrastructures, and teams. A POC was launched through A/B Testing and strong biases (accepting the possibility of being wrong). We used the Hadoop algorithm with the “Filter Collaborative” feature, which offers the option to do look-alike modelling.

Even so, the initial feedback indicated that the place of origin is not always correct: users who moved have not updated their information in the CRM database.

In the end, the aim of this project was to demonstrate that personalization could have a real impact in terms of business. We have a multitude of big data projects to explore, especially regarding price sensitivity. The ambition entails moving ever towards the real-time dimension in order to establish (for instance) very accurate desirability scores.

## THE MOST COMPREHENSIVE VIEW POSSIBLE

The first workshop served as a reminder that personalized and contextualized marketing is based on an omnichannel approach; it almost goes without saying that the customer is omnichannel. This logic requires having an overall view of their actions. Yet, *“we don’t know what the customer has placed with the competition,”* observes Janik Added (AXA France). *“Consequently, the offer that we are going to push on him or her is not necessarily appropriate to the investor’s real life (short of asking direct questions regarding their investor profile).”* The issue is thus not about the volume of data collected. But rather on their representativeness, or their ability to shape a customer’s profile. For Janik Added, *“this is why we need to try to collect behavioral data on the Web.”* This then raises the issue of processing these disparate data because, as the first workshop of the cycle (cf. p.12) revealed, the use of external data seriously complicates control and activation. Incidentally, Nicolas Terrasse (SAS) points out that it *“is necessary to begin (...) with healthy, clean data.”* At AXA France, this complex processing *“notably involves using a Data Management Platform.”* Laura Wehrmuller, also at AXA France, adds: *“The DMP retrieves all of our customers’ browser cookies. This allows us to determine, for instance, cancellation scores meant to detect potential weaknesses. Our DMP partner is able to detect the most desirable*

*profiles. We are still only in the infancy of these systems, but the initial results on car insurance are very satisfactory, although the volumes remain low. The goal of all of this must be to personalize communications. That is where the principal added value lies.”*

## BEFORE YOU GET STARTED...

But before you choose tools, it is important to have clarified governance issues. At AXA France (Janik Added), *“the relationship with distribution networks is another problem. We do not necessarily have centralized permission to collect data. In fact, the network sometimes considers that the customers themselves ‘belong’ to it. This needs to be negotiated with insurance agents in advance so as to determine who collects the information.”*

It is not so much a question of clarifying the ownership of a particular piece of data within the organization as clarifying its sharing rules; customer data *ultimately* belongs to the customer. Being aware of this fact is an indispensable prerequisite for any data project. The data battle is already rude enough externally; no need to add infighting.



# EXPERT OPINION

## “Predictive marketing and personalization cannot be disassociated”

Nicolas Terrasse

SAS

Since the early '90s and the advent of the 1-to-1 marketing advocated by Dr. Don Peppers and Dr. Martha Rogers, personalizing the customer relationship has become an extremely powerful marketing tool. Some, like Amazon, have moreover fully integrated it into their strategy.

And the basis of this personalization is the analysis and understanding of customer behavior and the context of their interaction – the customer journey. Previously often reserved for pure digital players, the digitalization of interactions and the democratization of big data technologies now give most companies the capacity to better understand their customers in the midst of their journey and to be able, in response, offer them products, special offers, communications, or even unique and individualized services.

Predictive marketing and personalization cannot be disassociated in order to ensure the relevance of the approach. In fact, it is necessary to anticipate and plan (or, better yet, prescribe) what the appropriate message to deliver at the most opportune moment will be during this complex customer journey.

### FOR PERSONALIZATION, VISITOR SEGMENTATION IS MAINLY BASED ON:

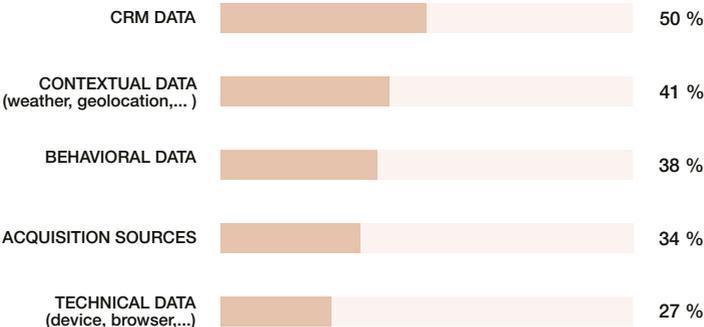


Image Source: “A/B Testing & Personalization,” cf. Supra

## REGULATORY FRAMEWORK: PERSISTENT CONCERNS

Another precaution to take before embarking on any personalization project is clarifying legal and regulatory issues (cf. “Legal Viewpoint” by Frédéric Guénin, p.53).

Present at the workshop, Régis Carral (Cabinet Hoche) first reminds us that *“the way cookies are used is regulated. You are required to inform Internet users of the fact that these cookies are present, and you have to post information indicating how to delete them. The first principle is that of accepting and informing the individual being tracked. Then you need to declare to the CNIL the purpose of the system in place. The use of cookies has to be done with the full knowledge of the person being followed in accordance with what has been declared to the CNIL. In case of non-compliance, it is not just a matter of criminal prosecution; it is also a matter of enhancing the value of the company’s assets, since illegal data is worthless. The best course of action is to take these problems into account as early as possible during the project construction phase.”*

In this regard, some players are protesting against unfair competition vis-à-vis the global heavyweights that use data: they *“are in the process of ‘platformizing’ the entire Internet and seem to be able to free themselves from the constraints to which French companies are subjected. Today, the political authorities are encouraged to legislate on privacy, but these decisions only concern the French players. So, there is an immense challenge linked to the question of harmonizing regulations among industry players.”*

Régis Carral tries to be reassuring on this point and indicates that *“the new European regulation regarding data protection that was recently adopted actually aims to create a certain uniformity of approach, at least within Europe. Because, up to this point, each country had established laws that weren’t consistent with those of the other countries. In terms of sanctions, this new regulation has an approach based on the percentage of the global revenue of the company in question.”*

### E-MAIL IS BY FAR THE MAIN CHANNEL OF PERSONALIZATION

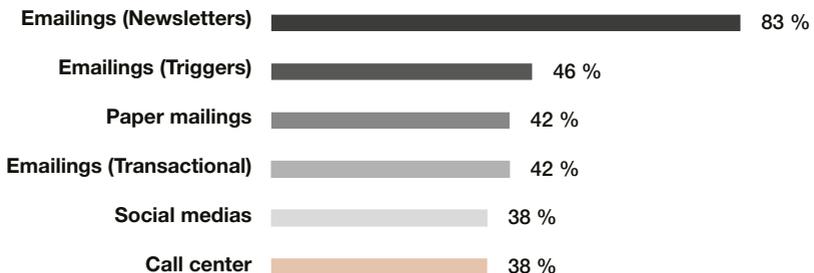
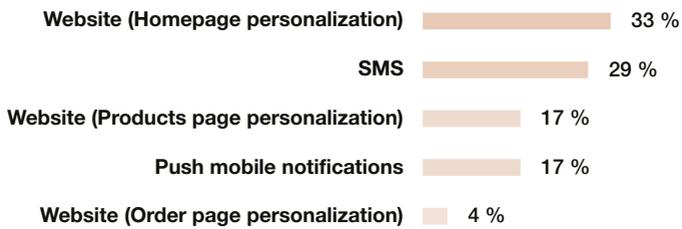


Image Source: *Relational Marketing and Personalization*: Task-Force, EBG booklet, in collaboration with Activo, 2015.





# CONCLUSION

The subject of personalization causes the contract of confidence linking the brand to its customers to be redefined. Consumers wander over a multitude of channels. In order to stay by their side and catch them at the right moment with the right message, the advertiser has no other choice than to expand its customer knowledge. This involves the collection and analysis of new data and, on top of everything, a new kind of message. Users, especially the younger generation, are willing to share a lot of information and to be sent tailored messages on one – key – condition: that the service provided in return be, in fact, perfectly suited to their needs.

This is a signal to brands: as far as personalization is concerned, the company should spare its efforts. Nothing should be free. Everything has to play a part in orchestrating the timely meeting between supply and demand, which is silent more often than not. Predictive analytics is the instrument of this project.

# How can your multichannel strategy be optimized using predictive analysis?

Switching to marketing based on predictive analytics is a long-term perspective that now drives redesigning not only data collection and customer segmentation but also user journey tracking indicators.

All these new projects are being carried out in light of a multichannel strategy.





3.

“Tap into our customers’  
expertise”

## Interview

At Citadium, predictive analytics is primarily deployed on the e-commerce site and is aligned with the value proposition of the stores: a wide assortment, fashionable brands, and a fun, inspiring experience.

CITADIUM, PRINTEMPS GROUP  
ANNE-LAURE BIGOT  
E-commerce & Web Manager



## HOW IS MARKETING IN A RETAILER LIKE CITADIUM ORGANIZED?

"I am responsible for e-commerce, digital, and web activities and, by extension, omnichannel and CRM subjects. Part of marketing at Citadium is linked to purchases. It is a matter of *trade* coordination and *in-store* event development. The subjects of CRM marketing, analytics, acquisition, and communication are primarily digital. My team consists of a *web trade* division (e-merchandising, analytics, UX project and sales management), a production division (photos, graphics, design), and an e-marketing division (traffic & media management, community management, and customer relationship management)."

## YOU USE PREDICTIVE ANALYTICS ON YOUR SITE. WHAT MOTIVATED THIS CHOICE?

"We have been working on expanding the e-commerce site's selection for the past two years and, for a little over a year now, we are up to 95% *identical* in terms of references between the site and the stores. This strategy has exposed us to a problem: the range offered. Analytics actually showed that nearly 20% of the products were never purchased *on site* and nearly 12% were never seen. So, there was a 'mixing' problem. The merchandising tool that we were using at the time enabled us to prioritize and *rank* the products according to interesting objective criteria (potential sales, margin, on-hand inventory), primarily featuring our 20-80 products. The same products were coming back onto the scene too regularly. One of the main objectives of predictive analytics was to solve this issue of product visibility so as to work the *long tail* and showcase the diversity of what we offer."

## HOW HAVE YOU DEPLOYED THIS NEW MARKETING APPROACH?

"We started from the simple observation that visitors and Internet users are the most willing to tell us what they like, what they buy together, and what they don't like. When we embarked on redesigning the site in October 2015, I thought for some time about creating a feature or module that would make the site more fun while allowing visitors to share their opinions. We then set up a *wishlist* based on Tinder's template, which was booming at the time: products appear, and the user chooses: Like/Dislike."

## WHAT OTHER USES OF PREDICTIVE ANALYTICS DO YOU MOBILIZE?

“More generally we have used predictive analytics to personalize content in the site’s various *touchpoints*: on the list of products, on the placement of items in the shopping cart, on the *home page*, etc. Nonetheless, we need to be sparing with this personalization effort (notably on the *home page*) so as to show a maximum number of offers and collect a maximum amount of information on visitors’ tastes. We use *machine learning*: this self-learning logic initially starts by gathering a maximum amount of information in order to ensure that the algorithm will subsequently be as powerful as possible and generate relevant, personalized recommendations that won’t be perceived as a gimmick for the customer. But even with *machine learning*, when working for more than 220 different world brands, it is still vital to create some settings, especially countermeasures to avoid displaying all of the brands in radical opposition.”

## HOW DO YOU PLAN TO TRANSPOSE THIS DATA MARKETING APPROACH IN STORES?

“We would like to collect transactional data from in-store buyers through the loyalty card we launched a year ago. Even if it is not yet the case, we aim to be *cross-channel*. Citadium owes its success to the interaction it has been able to develop with its customers; brands open their pop-up stores in our stores and are proposing events there. As far as these events go, our *web-to-store* strategy helps get customers to come and be inspired and have an in-store experience. *Click-and-collect* is this initiative’s primary lever, with approximately 10% of our online orders. Another lever (on which we are still working) consists in making our five stores’ stock availability visible in the product descriptions on the site and having an e-reservation system to top it all off.”

## MANY BRANDS ARE PRIORITIZING EXPERIMENTING WITH PREDICTIVE ANALYTICS VIA E-MAIL. YOUR RATIONALE SEEMS DIFFERENT...

“Indeed, our *repeat business* and personalized recommendation e-mails are currently based on customer purchases; predictive analytics in this area is on next year’s agenda. We are giving priority to the e-shop. This channel seems more suited to our target (those under thirty years old), and most importantly, it enables us to tap into our customers’ expertise. They are the ones who make fashion now, and for some time still, they are the ones who will decide how they will dress.”



**FINALLY, PREDICTIVE ANALYTICS  
HELPS YOUR POSITIONING: A  
NEW, WELL-CRAFTED CUSTOMER  
EXPERIENCE?**

“We are persuaded that, with digital, it is becoming easier to create the event and build an experience. Nevertheless, despite all the conversational services currently being deployed, the two-dimensional screen cannot provide the contact, fitting, exchange, and advice that can be found in stores. Therefore, the challenge is to recreate the store experience on our site – be it a *website* or a *mobile site*. Ultimately, predictive analytics allows us to answer a very simple question: how can we reconnect with the consumption patterns and new trends of this generation Z that is always one step ahead?”

# How can you optimize your multichannel strategy with predictive analytics?

**Summary of the Workshop on June 14, 2016**

Workshop No. 3

Cycle: *Predictive Analytics for Marketing*



## AGENDA

Any predictive marketing analysis approach is based on the development of a unique view of customers and their behaviors, regardless of the interaction channel.

- How do you develop the customer's DNA for effective marketing? Which big data sources (DMP, social networks, open data, etc.) are effective?
- How can you make the most of personalization and recommendation engines?
- Predictive marketing platforms: How can you use them to enhance the performance of your multichannel campaigns? What are the contributions in terms of rating customer profitability?

## FACILITATORS

- **SAS**, Nicolas Terrasse, Senior Business Solutions Manager
- **SAS**, Anne-Marie Abissegué, Senior Marketing Specialist

## PARTICIPANTS

- **VOYAGES-SNCF.COM**  
Angélique Bidault-Verliac,  
Data Science and Customer  
Knowledge Director
- **CABINET HOCHÉ**  
Régis Carral, Partner
- **CABINET HOCHÉ**  
Frédéric Guénin, Attorney
- **GALERIES LAFAYETTE**  
Laëtitia Civeit, Datamining  
Studies Manager
- **REXEL**  
Thierry Delarue, Group Senior  
Vice President Strategy,  
Business Transformation, and  
M&A
- **LA BANQUE POSTALE**  
Florence Deschamp, Remote  
Customer Relationship  
Manager
- **LA BANQUE POSTALE**  
Nathalie Méry, CRM Director
- **ACCORHOTELS**  
Blandine Aujoulet, Director of  
Acquisition
- **CLUB MÉDITERRANÉE**  
Laure Fontaine, Social Media  
Manager
- **ORANGE BUSINESS  
SERVICES**  
Renaldo Detouteville, Assistant  
Marketing Director, European  
Customers

Any predictive marketing analysis approach is based on the development of a unique view of customers and their behaviors, regardless of the interaction channel.

In fact, this construction happens in several stages and does not have to hinder early experimentation on better-controlled channels.

## 1<sup>ST</sup> BATTLE: DATA COLLECTION THAT IS ITSELF MULTICHANNEL

The previous workshops linked predictive marketing and data use, not by searching pre-amassed pools of information but by quasi-instantaneous stream processing.<sup>1</sup> These streams flow – at least they are expected to flow – from silo to silo, from channel to channel, unencumbered.

Initially, participants in this workshop actually agree on the importance of collecting “fresh” data, irrespective of the channel. Nathalie Méry (La Banque Postale) mentions “a CRM project connected to a lot more ‘fresh’ data than in the past (real-time banner tools, etc.). Launched two years ago, this project now needs to be reconciled to the predictive dimension. This involves having a much more comprehensive view of the customer. We have good information, but it is organized in silos and linked to a specific channel. The rivers that feed into the data lake are, at present, rather separate from one another, although we have had a customer repository with fairly centralized data for ten years; the segments linked to it might no longer be relevant today.”

### DISTRIBUTION OF CONSUMERS ACCORDING TO THE NUMBER OF CHANNELS USED BEFORE THE SALE (EXAMPLE OF COMMON PRODUCTS)

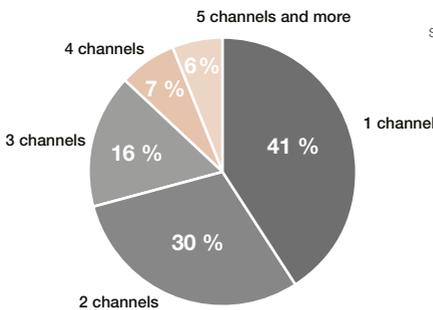


Image Source: ECR Study – Kinali: “Omnichannel shoppers and their new product purchasing practices,” July 2015



## LEGAL VIEWPOINT

**“Data collection must give rise to a thorough legal investigation of the terms and conditions relative to the processing proposed.”**

Frédéric Guénin

Cabinet Hoche

The (EU) Regulation 2016/679 of April 27, 2016 by the European Parliament and the Council pertaining to the protection of natural persons with regard to personal data processing and the free flow of this data, which came into effect on May 25, 2016 and will be fully applicable May 25, 2018, increases the penalties in comparison with the current regulations. Consequently, foreseen penalties now include “administrative fines (...) in each effective, proportionate, and dissuasive case (...) up to €20 million or 4% of total global annual revenue of the previous fiscal year, whichever amount is higher.”

In regard to data collection (without going into detail about this regulation here), we can cite two of its measures that strongly impact data controller companies: data minimization and data privacy by design.

We can also mention that the amount of information to be provided to the individuals concerned was significantly increased.

Consequently and in the era of big data technology, data collection must henceforth not only give rise to the impact study required by the regulation but also to a thorough legal study of the terms and conditions of this collection relative to the processing proposed thereafter. Otherwise, the data controller risks not being able to use the data how they wish... lest they incur the aforementioned sanctions.

## 2<sup>ND</sup> BATTLE: CUSTOMER SEGMENTATION THAT SURPASSES CHANNELS

Everyone somehow wages this first battle to make collecting and activating data more fluid; at least this necessity seems to be understood by everyone these days. A second preliminary stage (a work in progress for most companies) entails revamping customer segmentation using an approach that is, itself, omnichannel. Interview with Thierry Delarue (Rexel). *“We carried out a segmentation of our customers so we could be in a position to offer more targeted offers. The big challenge consists in managing a multichannel offer through different touchpoints. In addition, we have to manage the complexity of being a group with very heterogeneous maturity levels across countries. So, there is a company transformation process to launch in order to strive towards harmonization. We created a ‘Management Data Model’ with 27 customer segments, opening the way for differential pricing.”*

This new approach involves some sacrifices. Primarily, the responsiveness of a given profile to a given message on a given channel becomes difficult to measure. Blandine Aujoulet (AccorHotels) affirms having *“identified use cases where marketing actions were scripted in order to determine the best channel by sub-segment. [But] this remains very complicated to actually implement because you need to run several campaigns simultaneously. Is it necessary to increase the display bid for people who did not open the e-mail? This question seems simplistic in theory; it is less so at the technical level! Each lever can be activated quite easily when it is in the silo. The complexity arises in a cross-channel approach.”*

## THE E-MAIL CHANNEL TO START...

The multichannel approach unquestionably complicates predictive analytics. Angélique Bidault-Verliac (voyages-sncf.com) talks about *“the great difficulty”* in activating personalization cases, which *“stems from the inability to make the connection between a mobile search (when the user is not logged in) and a desktop action,”* despite the implementation of a *“Customer Big Data system in which mobile and web browsing data are integrated. (...) The data surely exists somewhere, but you still have to find it at the right time...”*

These kinds of complications raise a paradoxical question: while the ability to extract a unique view of the customer is being developed, should we not start by deploying predictive recommendation solutions associated with a channel?

Angélique Bidault-Verliac (voyages-sncf.com) refers to an initiative conducted on the e-mail channel, while waiting to be able to expand it: *“We put the browsing data in the Big Data system and then created a predictive algorithm that identifies the destination for which the user shows the most desire. For the time being, this tool can only be activated by e-mail. In the future, it will be a question of deploying it on the site. The idea consists of delivering the best offer, rather than offering the customer all of the promotions. This involves onerous technical implementations and the development of a dedicated API.”*



## ... SOCIAL NETWORKS IN THE LONG RUN

E-mail appears to be the favored channel for experimentation at this stage. Conversely, social networks are an interaction channel that brands still approach with caution. Nathalie Méry (La Banque Postale) indicates: *"In the data lake, there will potentially be a river that will be that of social networks. However, that particular area is not considered to be a priority. Numerous use cases need to be conducted well before that one."* That said, social networks include an additional dimension beyond the more traditional channels in that they are highly interactive. Nicolas Terrasse (SAS) gives the example that *"it is possible to 'crawl' a Facebook page once the users have declared themselves fans of your brand. For instance, we carried out a project for BNP Paribas aiming to identify the vocabulary the general public associates with saving. A big differential appeared between the vocabulary of the bank and that of the customers. It was thus imperative to adapt certain communications."*

Social networks do not seem to be a channel suitable for predictive solution experimentation. Unlike e-mail and its Push logic, they already fit into this new, more inbound, more interactive marketing. For

the time being, they are a data collection channel above all else. While most brands are waiting to be able to process it and learn from it. Although some have already ventured to reconnect the collected data to offer content. Laure Fontaine points out by way of example that at Club Méditerranée *"the challenge involves reconciling Club Méditerranée customers with their avatars on social networks. It is also a matter of seeing how – using the knowledge acquired on social networks – we can enrich the experience on the B2C site as well as at the resort."*

The matter of which channel to prioritize in order to start experimentation is brought to a close by Florence Deschamps (La Banque Postale) making this very accurate observation. *"The notion of a prioritized channel is especially interesting when talking about 'Push.' When we want to communicate, it is certainly advisable to opt for a favored channel. However, when the customer wishes to contact the brand, this notion is no longer relevant because the context of the request can be quite varied."*

**44%** of marketers cite consistency as a major concern in omnichannel marketing<sup>2</sup>

2. Teradata 2015: Global data-driven marketing survey: progressing toward true individualization. Survey of 1506 marketing and communication decision-makers from large companies around the world

## EXPERT OPINION

“The centralization of predictive marketing helps bring a relevant message”

Nicolas Terrasse

SAS

With an average of nearly 6 channels operating in France, brands have all implemented a multichannel customer interaction strategy. What remains is to render it effective and relevant.

This efficiency comes with a centralized approach to the customer. All the channels must be connected and synchronized in a structure – no matter what it is called – that creates a 360° customer view and is the repository of the contact strategy developed with predictive analytics. Indeed, each new channel generally was added to the silo to meet a specific need and to expedite time-to-market. Too often, this is done at the expense of consistency among the different channels. The centralization of predictive marketing helps bring a relevant message that is consistent throughout the customer journey and set the company up as a single brand.

The second challenge of a successful omnichannel strategy is related to a new balance between incoming and outgoing. In order to maximize opportunities, it is necessary to elaborate a marketing plan that takes all incoming customer interactions into account and script and automate the next interactions based on this centralized repository.

### REAL-TIME RECOMMENDATIONS: THE MAJOR USE CASES

#### A progressive, channel-after-channel deployment

##### 0-6 months

- Website layers optimization and/or dynamic optimization
- Online purchase and content recommendation

##### 6-12 months

- Offline purchase recommendation
- Email subject personalization

##### 12-x months

- Intensification of recommendation
- Opening to innovative channels (in store)

Image Source: Blog [businessdecision.com](http://businessdecision.com), “Real-time recommendation engine: the Holy Grail of digital marketing,” by Mathieu Moisant, February 2016



# PREDICTIVE ANALYTICS IS FORCING MULTICHANNEL INDICATORS TO BE CONSTRUCTED

Predictive analytics is the long-term prospect behind reshaping collection methods, cross-channel customer segmentation, and even new user journey management tools, from the user's search for information as a lead to their desire to be assisted or be offered additional services as a customer.

Laëtitia Civeit (Galeries Lafayette) stresses the delay that brands are now suffering in customer follow-up. *"It turns out to be very frustrating not to be able to track the customer journey on all of the channels. Frustration is also present in customers: if they look at a product online and buy it in store, they will receive e-mails about this product anyway! We have some catching up to do with regard to the customer. We are operating in a market that changes every day (...)."*

Considering that a variety of customer interaction channels exist is one thing. Realizing that, for each customer, the interaction can be on several channels at once is another and is more complicated to monitor (hence the occasionally used term: omnichannel<sup>3</sup>). Subsequently, Blandine

Aujoulet (AccorHotels) observes: *"This debate prompts us to broach the issue of the attribution model. The last click model is going to be disputed (since it indicates that display and social networks must be given up). Everything is traceable and measurable on the Web, but the choices are largely dependent on the attribution model chosen. An attribution model is biased."* Angélique Bidault-Verliac (voyages-sncf.com) concludes: *"We endeavored to demonstrate a customer's life time value through data mining. The lesson is that all channels are profitable, including display. Today, the systems are relatively simple: we re-target in acquisitions those who are unresponsive to newsletters. But we are working on identifying more subtle combinations..."*

3. For convenience goods, nearly one third of customers use three or more channels before purchasing (cf. graphic on the previous page).



# CONCLUSION

The aim of the initial topic was to ask yourself to what extent predictive analytics led to optimizing your omnichannel strategy. The first predictive inspiration experiments – single-channel and rather focused on Push e-mail – tend to prove the opposite. Nicolas Terrasse (SAS) moreover notes that “combined with predictive analytics, Push may prove very valuable.” He even cites an example: “At Volkswagen, 50% of vehicles sold by the network are maintained by other repair shops... In order to lower this number, the brand implemented predictive “Push,” aiming to identify the key moments concerning the vehicle’s maintenance needs. In 80% of cases, the mechanism is right on the money. Customers are very grateful: they perceive the tool as a genuine service and not at all as a marketing approach.”

Wasn't predictive analytics rather expected to feed a new, multi-channel marketing driven by the customer?

This promise was not vain. For Nicolas Terrasse explains: “Without intelligence, Push marketing is nothing.” This Push relies on advance data collection, customer segmentation, and a measurement of their value that are indeed multichannel. It is also a first step before perhaps switching to more inbound marketing, where messages are delivered more subtly, in the course of regular interactions between the brand and the customer. In the meantime, you still need to meet the customer need.

# What kind of data reporting will stimulate marketing teams' creativity?

In marketing, predictive analytics is not an end per se but a new way to answer the question: "Is this person susceptible to buy?" From that point, creativity has a green light to seize this opportunity!

The moment when data teams render the collected data is a highlight of the analytical marketing approach – that of the meeting between opposite, but completely complementary profiles: *Mad men and Math men.*



4.

“Step outside of their data scientist roles”

## Interview

Elisabeth Zehnder stresses the importance of bringing together analytical and creative skills to give marketing a breath of fresh air. She notably looks back on the Big Data challenge, conducted with the University of Lille 1.

KIABI

ÉLISABETH ZEHNDER

Data Scientist



## **HOW DID YOU COME TO DRAW ON PREDICTIVE ANALYTICS TECHNIQUES?**

“As part of its cross-channel strategy, Kiabi had set up a unique customer repository. We quickly wanted to know more about our customers. We thus needed the technology to link all our data, take the worlds out of our silos, and put everything back in the same place. Hence the 2014 launch of a Big Data Customer Knowledge project, of which I am now in charge.”

## **HOW DOES THIS PROJECT CONTRIBUTE TO THE MARKETING APPROACH?**

“The project was built around two major objectives. The first involved making the data available to management and marketing actions, including data visualization in particular. The second objective concerned personalizing customer relationships: how to address customers in a more precise, targeted manner based on their tastes and desires. These questions led us to draw on scoring, statistical techniques, algorithms and predictive analytics.”

## **THIS APPROACH IS THE WORK OF MANY...**

“Our roadmap, established in 2014, was shared with both the CIO and Marketing so as to create rapport and so that the technology would meet our expectations. Another aim of the project is scalability. It was not a question of developing a separate R&D system but actually integrating all the solutions into the Kiabi IS.”

## **HOW WOULD YOU DESCRIBE YOUR ROLE COMPARED TO THAT OF MARKETING TEAMS?**

“Data streams now flow into our Hadoop cluster, which enables us to make interesting connections. Nevertheless, we are not currently in a position to explore the data. In literature, we talk about ‘exploring data,’ but this does not actually exist in companies. No one is paying someone to explore data without expecting a specific application from it. The first challenge for us analysts is to show creativity, explore our data, but differently, with new marketing application prospects. The second challenge is to expand at the data and mobile ecosystem level. We are based in Lille; we are surrounded by statisticians’ skills and innovative startups. It’s up to us to open up to this world.”

## **HENCE YOUR BIG DATA CHALLENGE IDEA?**

“Indeed. When I met the SIAD Master’s program department at Lille 1, we had the same desire to advance our knowledge of big data technology. We decided to set up a partnership in order to have their data scientist students work with our Kiabi business managers. This led us to work on elements that were more exploratory but likely to provide some answers and a new view of things. This Big Data challenge took place from January to April 2016. Six teams were formed; each team had four data scientists and two Kiabi business experts.”

## **DO YOU THINK THAT THERE IS AN OPPOSITION BETWEEN MAD MEN AND MATH MEN, ANALYTICAL VS CREATIVE PROFILES?**

“Within the six teams, certain marketers possessed a good sensitivity to data – especially if they were working on geomarketing. Others were more creative. The strength that enables us to move forward is precisely our ability to link data and creativity in order to reinvent the customer experience.”

## **DO YOU HAVE AN EXAMPLE, AT KIABI, OF A CREATIVE MARKETING INITIATIVE THAT IS TIED TO DATA?**

“For instance, one colleague had the idea to link the *Net Promoter Score* (NPS) and customer behavior. Some customers are dissatisfied with the retailer for one reason or another: who are they? Many corollary questions follow. Does one bad customer rating mean that the customer is thinking of deserting the retailer? For a loyal customer, sales support or marketing action may be sufficient for retention, but for someone else? Did I manage to keep them as a customer or just enter their NPS? We can go further in this type of analysis: what if it was possible to predict the purchasing behaviors of an unsatisfied customer?”



## **DO MARKETING ACTIONS ARISE FROM THESE OBSERVATIONS?**

“That was actually the goal of the Big Data challenge. Due to lack of time or complex problems, certain teams did not go as far as deploying actions. But the winners of the challenge are the teams that managed to step outside of their Data Scientist roles and recommend actions.”

## **ONE OF THE CHALLENGES WAS TO PRODUCE DATA THAT MARKETING COULD USE. IN THIS CAPACITY, DID YOU HAVE TO WORK ON DATA REPORTING?**

“We didn’t have the opportunity to go very far on the subject of data visualization. However, one of the winning projects was that of *clustering* stores; it consisted of classifying the stores according to customer profiles. If the customers from a point of sale have similar profiles, this gives us an indication of how to communicate in the store. It was a successful project, with a ROI projection. It will soon be developed in production.”

**What kind of data reporting  
will stimulate marketing  
teams' creativity?**

**Summary of the Workshop  
on October 6, 2016**

Workshop No. 4

*Cycle: Predictive Analytics for Marketing*



## AGENDA

Predictive analytics tools are continuously being innovated. Their marketing applications are growing and seem limitless. The issue of analyzed data reporting has become vital because it will prevent teams from being overwhelmed by a mass of analyzed data.

- Math men vs Mad men: how can these opposite profiles be reconciled?
- What methods of data reporting enable business and marketing teams to generate a clear view of future customer needs?
- Data visualization: What innovations and best practices can be used to simplify decision-making (synthetic presentations, etc.)? How can you get teams involved in data reporting (interactive analyses, etc.)?

## FACILITATORS

- **SAS**, Albert Derasse, Senior Business Solutions Manager Customer
- **SAS**, Nicolas Terrasse, Senior Business Solutions Manager

## PARTICIPANTS

- **APRIL**  
Mélanie Lestage,  
Webmarketing Manager
- **EDF**  
Sandrine Lorand, 'Ma conso & Moi' Product Manager
- **SAINT-GOBAIN**  
Deniz Loué, Strategic  
Marketing Watch and Projects  
Manager
- **BAYARD PRESSE**  
Cédric Naux, Director of Digital  
Development
- **UCPA**  
Corentin Thomas D'annebault,  
Marketing Analysis & Studies  
Manager
- **CABINET HOCHÉ**  
Régis Carral, Partner
- **CABINET HOCHÉ**  
Frédéric Guenin, Attorney
- **SAS**  
Anne-Marie Abissegué, Senior  
Marketing Specialist

*“There is a dichotomy between Mad Men and Math Men, between the ultra-creative marketer and the geek who is very attached to statistics. Yet, these two parts of our brain are brought to work together. Either you are attached to outlines, you like to let your imagination run wild, you enjoy variety, you trust your intuition, you are content with a project sketch, you are always tempted by novelty... You are a ‘Mad Man’! Or you are more inclined to well-established facts, practical elements, rules and like your project to be completed down to the very last detail... You are a ‘Math Man’!”*  
(Albert Derasse, SAS)

How are these two profiles able to understand each other in order to jointly construct a marketing system that is tied to solid analytical bases and simultaneously inspired and creative in its messages?

## MARKETING IN THE ERA OF ANALYTICS, A MATH MEN AFFAIR?

Our initial assumption is that analysts have a more mathematical profile while marketers possess a more creative profile. Be that as it may, most marketing teams must first meet various criteria that are ultimately rather objective and measurable. Sandrine Lorand, a former data scientist now associated with the EDF's B2C Marketing Department, describes data analysis as an important base for a marketer's work and still hopes for developments in this sense. *“We are still far from an optimal use of analytics,”* she reports. *“Marketing today tends towards more actions that are differentiated, data-oriented, and, for all that, occasionally addressable to all customers. A profile like mine can fully participate in this trend.”* At April, marketing can also depend on analytical profiles. Mélanie Lestage confides: *“At our company, we are rather Cartesian by nature. Consequently, if we use a creative agency, it is essentially to find creativity. The ‘Math Men’ side is widely present among us.”*

**84%** of marketing decision-makers cite collaboration between marketing and IT as a priority objective<sup>1</sup>

1. Teradata 2015: Global data-driven marketing survey: progressing toward true individualization. Survey of 1506 marketing and communication decision-makers from large companies around the world



## NO PREDICTIVE ANALYTICS WITHOUT MAD MEN

Nevertheless, predictive analytics requires most internal teams to use their imagination to use the data. *“A creative team is made up of people who work on the color, design, editorial, etc. I used these things less in my previous professional activities [as a data scientist],”* confides Sandrine Lorand, now working in B2C Marketing at EDF. *“The great trap,”* warns Albert Derasse (SAS), *“when we do predictive analytics is to put people in a box. ‘You liked A; you will surely like B.’ Consequently, predictive analytics should not be deployed at the expense of open-mindedness.”*

Cédric Naux, the Director of Digital Development at Bayard Presse, comes back to the necessity of this open-mindedness. *“Regarding predictive marketing and when we say ‘predictive,’ we mean the ability*

*– as a publisher – to fulfill our mission: to accompany our subscriber, to detect specific moments in life (parenthood, retirement, etc.), as well as to open, discover, and understand the world around us. Our goal is to bring about encounters, work the unexpected, and not be locked in a logic of ‘you liked this so you’ll like that.’”* With this in mind, analyzing data is rounded out with creativity; it makes it possible *“to know how to find the right rhythm, the right context to start a conversation while taking everyone’s level of commitment into account.”*

## DIVERSE CREATIVE SENSIBILITIES... TO GATHER TOGETHER AT LAST

The previous workshop confirmed this. Consumers adopted omnichannel behavior before brands did so. Thus, developing customer-demand-driven marketing needs an unsiloed data governance and, by extension, transverse operating modes. Moreover, reducing time-to-market (driven by online players) on almost every market favors agile methods, based on transversality.

This state of affairs tends to gather around marketer and analyst data. Diverse creative sensibilities, not that their profiles are fundamentally incompatible... However, they have been pursuing different goals for a long time. Sandrine Lorand, who went from data science to the B2C Marketing Department (EDF) with a project-oriented view, reports: *"This is an important split because the repositories are not the same and creativity is not used the same way. However, the spirit of the times makes it so that we are increasingly in an agile, cross-functional work mode."*

Perhaps this is one of digital departments' new missions. Create synergies between different profiles in order to foster data-driven approaches. Mélanie Lestage, Webmarketing Manager at April, demonstrates. *"I work in a department that is 100% dedicated to digital. Our field of activity has gradually expanded to make room for more creativity. In addition to business generation, editorial, and Web design, we keep creative when taking opportunities, in order to increase risk taking. The vision therefore goes beyond traditional creativity. Digitalization represents a huge shift, and our work in the company also entails evangelizing and creating synergies among the different profiles. For example, on a dedicated day, we offered workshops to employees in order to explain digital marketing to colleagues who were curious but sometimes ignorant of what digital actually covers. This provides the opportunity to build bridges within the company."*

### MARKETERS' PERCEPTION OF MARKETING CONTENT'S EFFECTIVENESS



## EXPERT OPINION

### “What better way to check a hunch?”

Albert Derasse

SAS

In 2016, Mad Men need Math Men. Creative minds, analytics can help you; and this paper is for you.

As a child you had this keen mind, this ability not only to observe but also to imagine. Today you still rely on what that fairy godmother gave you. Your intuition has always worked for you; but, in the meantime, you learned (occasionally at your expense) that it can play tricks on you. Beyond your ego and your beliefs, what better way to check a hunch?

In 2016, analytics can help you define trends in order to be even more efficient (time-wise) and effective (result-wise). In addition, with respect to a precise question, it will enable you to determine what offer to make to which target so that you can optimize your aim. Predictive algorithms at your service!

Stronger... Based on reactions to past proposals, analytical solutions can now tell not only what offers to make and to whom (performance) but also how to do it (economy).

Ready for a big lesson in modesty?



# DATA VISUALIZATION, THE BEST RECONCILIATION TOOL?

The workshop was bound to cause participants to wonder about focusing on collaboration between analytical and creative profiles: data reporting. On this point, new data visualization techniques seem to unlock a certain number of prospects. Corentin Thomas D'annebault (JCPA) observes: *"The challenge is to emphasize both content and form. A picture is worth a thousand words. So best practice is to send the right message with the best visualization, which then sets the foundation for creativity. The data visualization tool saves considerable time compared to more basic solutions... This time can then be dedicated to exploring data, detecting new trends/opportunities, assisting teams, and sharing results. Furthermore, data visualization enables us to go beyond conventional ideas and*

*continually challenge ourselves."* Some, however, lament these types of tools' still-limited progress with regard to marketing applications. For Sandrine Lorand (EDF), *"BI data reporting tools are very process- or performance-oriented; but as soon as we aim to explore them further without actually leading a process, the tool is no longer suitable. It's extremely frustrating."* Others start off again on this point. *"We are only in its infancy,"* Mélanie Lestage (April) says. *"We lack a great visualization tool. Equipping ourselves with a pertinent platform is one of our main projects for the coming months."*

## MARKETING PRIORITIES AND DATA INSIGHTS



Image Source: <http://bit.ly/smartcontent>, Smart Insights, HubSpot, internationally conducted survey



# LEGAL VIEWPOINT

## “The legal limit of any machine”

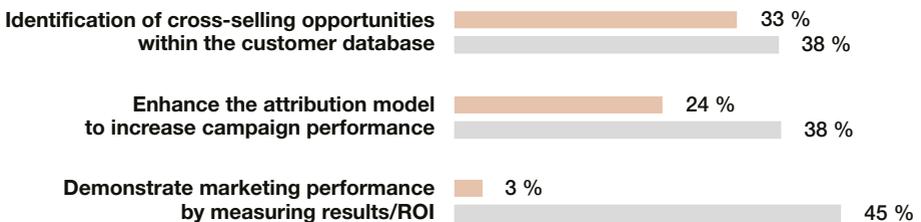
Régis Carral, Partner, with Lydia Merad, Student-Attorney  
Cabinet Hoche

The results of data processing must not lead to unlawful discrimination. In order to prevent this risk, Article 10 of the amended Law No. 78-17 of January 6, 1978 prohibits decision-making that produces legal effects with regard to a person, on the sole basis of automated data processing intended to define the individual's profile or evaluate certain aspects of their personality.

In its 2014 annual report dedicated to digital technology and human rights, the Conseil d'État [highest French administrative jurisdiction] recommends three methods to supervise the use of predictive algorithms. In this way, the respect of individuals' rights can be guaranteed (i) by an effective human intervention in decision-making, (ii) by the implementation of transparency and procedural safeguards, and lastly (iii) by the development of results monitoring.

Similarly, (EU) Regulation 2016/679 of April 27, 2016, regarding the protection of natural persons with regard to personal data processing, provides that the person concerned has the right not to be the subject of a decision, based exclusively on automated processing or profiling, that would give rise to legal effects concerning them or that would significantly affect them in a similar manner.

Consequently, in the event that a person is a victim of unlawful discrimination based on the relationship established with the predictive algorithms user (whether it be contractual or not), the latter, or even the algorithm's creator (if aware of the unlawful end purpose of the algorithm), could be held liable.



■ Marketing teams priority  
■ Priority which the data analysts provide useful insights for

## THE IOT, A NEW PROSPECT OF MARKETING CREATIVITY?

The Internet of Things improves data marketing's prospects; it is a purveyor of fresh, contextualized data. It is, therefore, also the chance to imagine both new offers and new messages to go along with them using a storytelling approach. For instance, Corentin Thomas D'annebault at UCPA sees in the IoT *"a very interesting avenue to guide our sports activities, for example. We're reflecting on this matter. The objects could guide participants during training with three pillars: customer experience, instruction, and digitalizing the experience."*

This point systematically leads to a host of questions concerning regulatory issues. On this point, Régis Carral (an attorney at Cabinet Hoche) admits that *"Data is truly the black gold of this century"* but evokes the necessity of *"nonetheless respecting the conditions imposed by the CNIL and,*

*in the future, by the European regulation. Otherwise, the database will be 'polluted,' which will have a considerable impact on its value, or even that of the company."* However, it also opens up an interesting prospect that is, in turn, bound to arouse strategic reflection among all participants. *"The value of one isolated connected object is quite low. However, if we manage to aggregate data from several objects, the value increases exponentially. Players are already battling to be the one to integrate all these different connected objects."*

**"In marketing, predictive analytics need not be an end per se.**

**Predictive analytics is a way to answer the question: 'Is this person susceptible to buy?'"**

**Albert Derasse, SAS**







# CONCLUSION

## A question of visibility

Initially focused on the issues of data reporting and marketing teams' creativity, this last workshop will ultimately highlight the need to build bridges among data, marketing, and business specialists. The challenge is gathering all the profiles together in order to innovate together. Because "it is always possible to innovate in our products. For instance, we can seek to develop materials that are lighter, less perishable, etc." acknowledges Deniz Rented (Saint-Gobain). However, "that is not the problem. The difficulty lies, first and foremost, in the fact that we do not know the end customer. This is one of our major concerns: trying to gain insight into the individual using our products so as to get closer to that famous 360-degree view."

The underlying problem in implementing predictive-inspired marketing is really that of visibility. For it mobilizes all of the organization's collective intelligence in order to decipher the data and transform it – from analysis to analysis and from sensitivity to sensitivity – into a message that speaks to and, if possible, inspires the end customer.

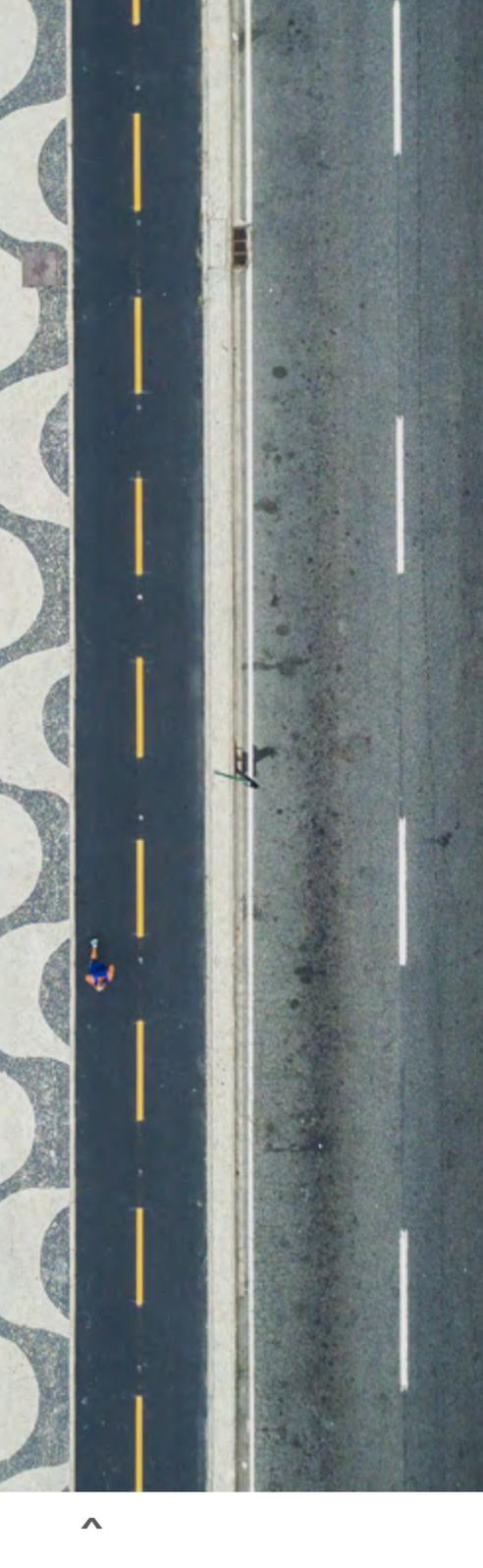
An aerial photograph of a beach area. A path with a repeating wavy pattern of light and dark grey stones leads from the foreground towards the background. On the left side of the path, there is a bicycle with a red bag on the back. The background shows a sandy beach, palm trees, and a blue sky. The word "CONCLUSION" is overlaid in large, bold, black capital letters across the middle of the image.

# CONCLUSION

Taken separately, the main lessons of the Workshop Cycle ultimately appear obvious, and yet they lead to a conclusion that is paradoxical to say the least.

First observation: in an economy where nobody is immune to pure digital players' competition, an agile marketing organization that enables offers to be adjusted in real time is essential. Predictive analytics and self-learning ability are its indispensable instruments.

Second observation: in the midst of a data revolution, the use-case approach becomes vital. Over  $10^{22}$  bytes of data have already been created worldwide. In a static reality, a "simple" rise in the power of algorithms would suffice to make this abundance of data talk. The problem is the speed at which new data is created every day; inevitably, algorithms give way to machine learning and big data to smart data. Also, the world is not static; it has never moved so fast. For advertisers, this entails – in the words of Alexander Barral (Bayard Presse) – "learning as you go."

An aerial photograph of a road with a yellow dashed center line and white dashed edge lines. A person on a bicycle is visible on the left side of the road. The background shows a patterned wall on the left and a building with a grid pattern on the right.

The *test and learn* logic thus prevails. The cases of using predictive analytics mentioned by workshop participants, incidentally, remain largely in the experimentation stage. This is where the paradox emerges. If predictive analytics goes hand in hand with a new, agile marketing organization able to continuously connect analytics and business, initiatives are still struggling to get past the exploratory phase.

Once again, the question of scalability poses a problem. Undoubtedly because it is an organizational issue with extensive implications. Setting up a data-driven organization in order to make the best use of predictive marketing strategies is precisely the issue raised at the conference presenting this Summary Report.

In this regard, we hope that the round table<sup>1</sup> will have produced (in the absence of definitive answers) the right questions to incite further reflection on Predictive Analytics for Marketing. Because we are entering a new cycle, a cycle based on automated commitment and personalization principles, a high-segmentation marketing approach that will transform all businesses contributing directly or indirectly to providing customers with guidance as they choose where they want to go and how they want to get there.

1. Report downloadable as of November 14, 2016 on [ebg.net](http://ebg.net)

# CONTRIBUTORS



**ACCORHOTELS**  
**BLANDINE AUJOLET**  
TRAFFIC ACQUISITION DIRECTOR



**APRIL**  
**MÉLANIE LESTAGE**  
WEB MARKETING MANAGER



**AXA FRANCE**  
**JANIK ADDED**  
DIGITAL STUDIO AND MULTICHANNEL  
JOURNEY MANAGER



**AXA FRANCE**  
**LAURA WEHRMULLER**  
SURVEYS AND PROJECTS MANAGER



**BAYARD PRESSE**  
**ALEXANDRA BARRAL**  
CRM PROJECTS AND CUSTOMER  
KNOWLEDGE MANAGER





**BAYARD PRESSE**  
**CÉDRIC NAUX**  
 DIRECTOR OF DIGITAL  
 DEVELOPMENT



**GALERIES LAFAYETTE**  
**LAËTITIA CIVEIT**  
 DATAMINING STUDIES  
 MANAGER



**CABINET HOCHÉ**  
**RÉGIS CARRAL**  
 PARTNER

**GROUPAMA**  
**JEAN-MARC LE CORFEC**  
 DIRECTOR OF INNOVATION



**CABINET HOCHÉ**  
**FRÉDÉRIC GUÉNIN**  
 ATTORNEY

**LA BANQUE POSTALE**  
**FLORENCE DESCHAMP**  
 REMOTE CUSTOMER RELATIONSHIP  
 MANAGER

**CLUB MÉDITERRANÉE**  
**LAURE FONTAINE**  
 SOCIAL MEDIA MANAGER



**LA BANQUE POSTALE**  
**CHRISTOPHE LASCAUX**  
 CAP CLIENT 3.0 CRM PROJECT MANAGER



**CREDIT AGRICOLE SA**  
**DAVID CHARRETIER**  
 CRM & DIGITAL  
 INTERNATIONAL RETAIL



**LA BANQUE POSTALE**  
**NATHALIE MERY**  
 CRM DIRECTOR



**EDF**  
**SANDRINE LORAND**  
 MA CONSO & MOI PRODUCT  
 MANAGER



**MACSF**  
**PIERRE-EMMANUEL RATEAU**  
 MOA PROJECT MANAGER



**FRANCE LOISIRS**  
**NADINE THERY-DAUVERGNE**  
 MARKETING ACTION PLAN AND  
 PRODUCT OFFERING MANAGER

**MALAKOFF-MEDERIC**  
**NICOLAS FROT**  
 DIGITAL MANAGER



**GALERIES LAFAYETTE**  
**EL MUSTAPHA BARKANI**  
 DATA SCIENTIST



**ORANGE**  
**BÉATRICE MARCELIN**  
 BUSINESS APPLICATION MARKETING  
 DIRECTOR



**ORANGE**  
**MICHEL PUHARRÉ**  
 EUROPEAN CUSTOMER  
 MARKETING DIRECTOR



**SAS**  
**ALBERT DERASSE**  
 SENIOR BUSINESS SOLUTIONS  
 CUSTOMER MANAGER



**ORANGE BUSINESS  
 SERVICES**  
**CATHERINE  
 LE DROGO-FERRARI**  
 MKG PRODUCT FOR  
 BUSINESS - DIRECTOR



**SAS**  
**ÉLISABETH DEROZIER**  
 HEAD OF MARKETING SCIENCES SOUTH  
 WEST EUROPE



**ORANGE BUSINESS  
 SERVICES**  
**RENALDO DETOUTEVILLE**  
 ASSISTANT MARKETING  
 DIRECTOR, EUROPEAN  
 CUSTOMERS



**SAS**  
**NICOLAS TERRASSE**  
 BUSINESS SOLUTIONS  
 MANAGER



**REXEL**  
**THIERRY DELARUE**  
 GROUP SENIOR VICE  
 PRESIDENT, STRATEGY AND  
 M&A



**SAS**  
**ÉRIC VESSIER**  
 CRM ANALYTICS CONSULTANT



**SAINT-GOBAIN**  
**DENIZ LOUÉ**  
 STRATEGIC MARKETING  
 WATCH AND PROJECTS  
 MANAGER



**SHOWROOMPRIVE.COM**  
**DAMIEN GARZILLI**  
 DATA MARKETING MANAGER



**SAS**  
**ANNE-MARIE ABISSEGUÉ**  
 SENIOR MARKETING  
 SPECIALIST



**UCPA**  
**CORENTIN THOMAS  
 D'ANNEBAULT**  
 MARKETING ANALYSIS & SURVEYS  
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With **660 member companies**, including the entire CAC 40 and SBF 120 and over 160,000 professionals, the EBG is the foremost French think-tank on the digital economy.

The EBG is dedicated to facilitating a **network of decision-makers**, by eliciting exchanges that enable business executives to meet and share best practices and field experience.

Over **150 events take place and 10 to 12 works are published** each year, bringing together the viewpoints of corporate decision-makers from all backgrounds: Marketing Directors, Digital Directors, CIOs, HR Directors, DGs, Purchasing Directors, etc.

The following notable people sit on EBG's board of directors:

- Stéphane Richard, CEO of Orange – current President of the EBG
- Jean-Bernard Levy, CEO of EDF
- Steve Ballmer, ex-CEO of Microsoft
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- Wu Janmin, President of the Institute of Beijing Diplomacy, President of the Bureau of International des Expositions
- Philippe Rodriguez, Treasurer
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## EBG STUDY CENTER

The EBG has published five collections of one-of-a-kind works, enabling it to collect our members' expert accounts and views on current topics.

### References:

- Large-scale study on the evolution of a business user and a sector, or major transformation in organizations
- 100 interviews with directors of big companies
- 200 pages of analyses, case studies, and quotations

Published titles: *Référentiels des Directeurs Achats [Purchasing Directors' Reference]*, *Référentiels des Directeurs Marketing [Marketing Directors' Reference]*, *Référentiels des DSI [CIO's Reference]*, *Référentiels de la Transformation Digitale [Digital Transformation's Reference]*



### Summary Booklets:

- Compilation of reflections from a cycle of events (workshops or conferences)
- Event by event: summary of issues, interviews, reports
- 100 pages of thematic analyses and field experience

Published titles: *Sécurité des SI [IS Security]*, *Ressources humaines [Human Resources]*, *Immobilier d'entreprise [Corporate Real Estate]*, *Bénéfices du collaboratif [Benefits of Collaboration]*, *Transformation Digitale de l'Assurance [Digital Transformation of Insurance]*



### White Papers:

- Study on an innovative subject (Data Visualization, Cloud, etc.)
- 30 interviews with decision-makers who support a project related to the theme
- Between 100 and 150 pages of analyses, case studies, and quotations

Published titles:

*Cloud et nouveaux usages de l'IT [Cloud and new uses of IT], Data Visualization, Big Data, Marketing comportemental [Behavioral Marketing], Internet des Objets [Internet of Things], L'encyclopédie des Big Data [The Encyclopedia of Big Data]...*



### Internet Marketing:

- 70 marketing campaigns decrypted
- 10,000 copies distributed
- 500 pages of methods and techniques



### Barometers:

- Quantitative survey of the EBG community
- Between 500 and 1,000 respondents per survey
- 35 to 45 pages of analyses, tables, and graphics

Published titles:

*Performance du Marketing Digital [Digital Marketing's Performance], État des lieux du Programmatic en France [Current State of Programmatic Marketing in France], Impact des Stratégies Digitales sur la Performance Marketing et Commerciale [Impact of Digital Strategies on Marketing and Sales Performance]*



## FOR MORE INFORMATION ON EVENTS OR THE STUDIES DIVISION OF THE EBG



### François Edom

Head of Editorial Projects  
+ 33 (0)1 48 00 00 38  
francois.edom@ebg.net



### Philibert Adamon

Studies Division Content  
Manager / BtoB Division  
+ 33 (0)1 48 00 00 38  
philibert.adamon@ebg.net



### **SAS, WORLD LEADER AND LONG-STANDING PLAYER IN ANALYTICS**

SAS is the largest independent vendor in the Business Intelligence market. SAS turns data into knowledge and gives you a clear view of your activity. You can identify what's working, fix what isn't, discover new opportunities, and leverage your large volumes of data.

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### CUSTOMER INTELLIGENCE IN THE ERA OF DATA-DRIVEN MARKETING

the sales offers and messages to use when your targets are visiting your site.

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Download the new interactive guide *“Customer Intelligence in the era of data-driven marketing.”* Available in PDF.

The customer’s voice, customer journey, real-time interaction, web browsing... The complexity of the marketing ecosystem no longer permits relying on intuition. The challenge is drawing insights from that data. The sole solution for marketing professionals is to rely on analytics to drive their business. SAS is positioned to do just that.

## YOUR SPECIAL CONTACT

SAS/France  
Domaine de Grégy  
Grégy-sur-Yerres  
77257 Brie-Comte-Robert Cedex  
[www.sas.com/france](http://www.sas.com/france)  
Phone: Premium Rate Number  
0820 22 11 11 (€0.09 incl. VAT/min)  
E-mail: [comsas@fra.sas.com](mailto:comsas@fra.sas.com)



### Nicolas Terrasse

Sr Account Executive, South West  
Europe, Center of Excellence  
[nicolas.terrasse@sas.com](mailto:nicolas.terrasse@sas.com)

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