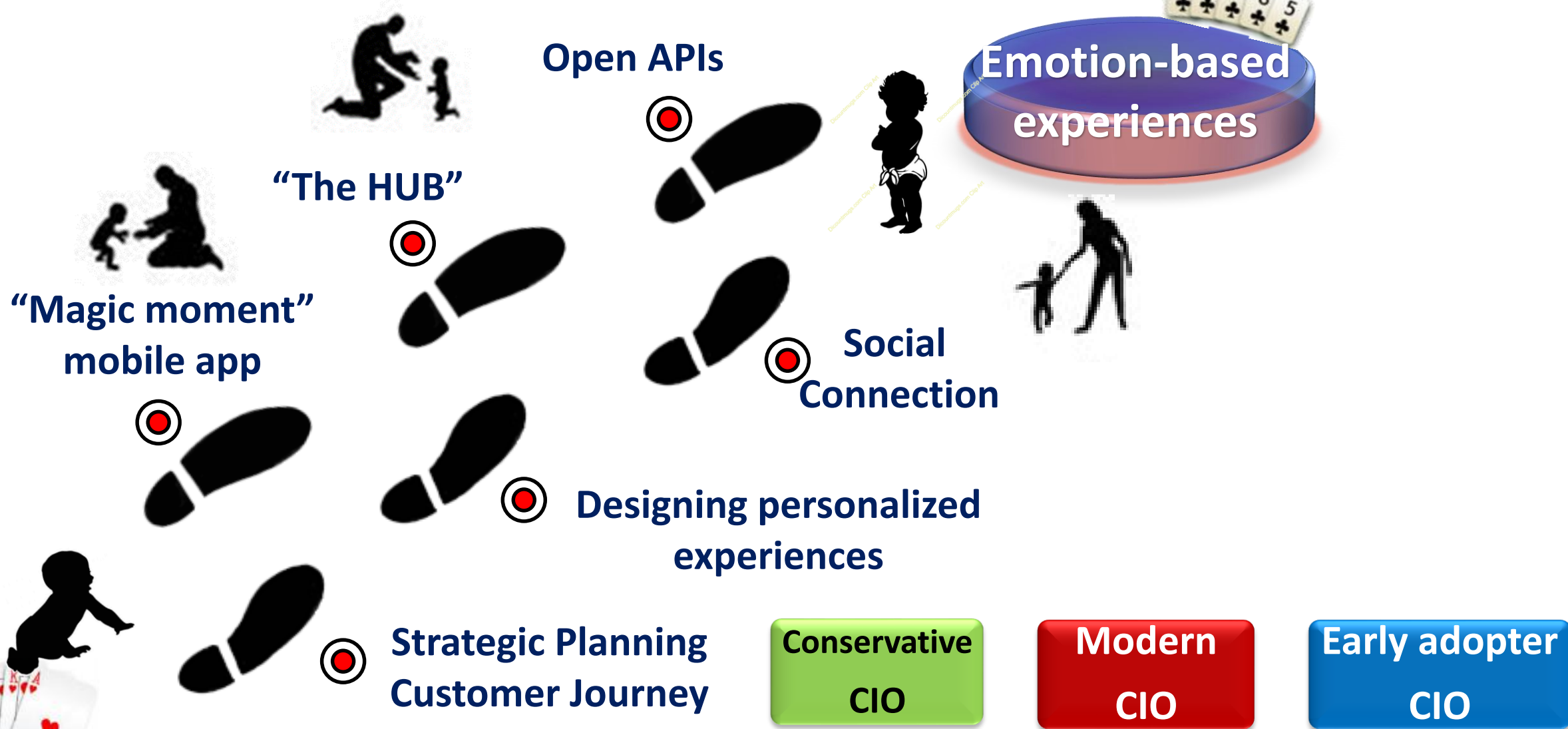# The Digital Game

## Galit Fein, Einat Shimoni & Liat Tsafir

EVP and senior analysts
STKI  "IT Knowledge Integrators"

1

# Steps to creating personalized, emotion-based experiences

Open APIs

**Emotion-based experiences**

"The HUB"

"Magic moment" mobile app

Social Connection

Designing personalized experiences

Strategic Planning Customer Journey

Conservative CIO

Modern CIO

Early adopter CIO

Einat Shimoni & Galit Fein's work  Copyright@2015
*Do not remove source or attribution from any slide, graph or portion of graph*

**Physical world** is coming online as objects, devices, & machines acquire **more digital intelligence**

Smart things

Smart machines

Robotic Surgery

Quakebot

Internet of Things is Real and Here to Stay
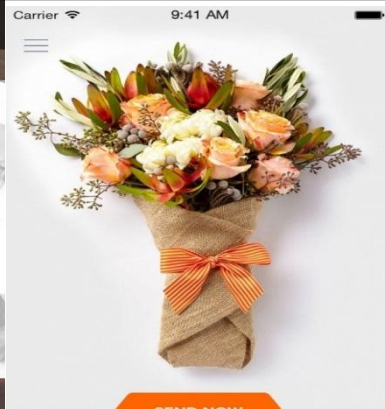
Wearables 4 fitness

Connected Home

Mobile App

Get Taxi

SONOS

THERE'S AN APP FOR THAT... AND THAT... AND THAT... AND THAT... AND THAT... AND THAT... AND THAT... AND THAT... AND THAT...
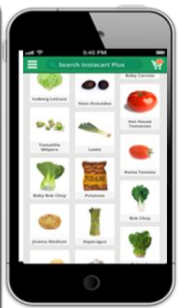
On-demand Economy

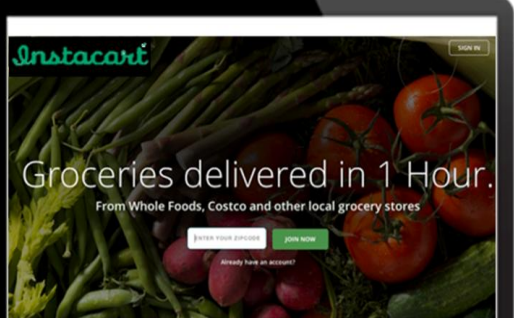רכב לפי שעה בכל זמן, בכל מקום
CAR2GO...
Anytime, Anywhere
ובמספר תחנות רכבת נבחרות

REMOTE HOME CONTROL
ONLINE HOME AUTOMATION
ECO MODE
NORMAL
22°C
OFF

CHOOSE MASSAGE TYPE
SWEDISH    DEEP TISSUE
SPORTS     COUPLES
RELAXING MASSAGE STYLE THAT WILL REJUVENATE AND AWAKEN YOUR SENSES.
NEXT STEP

SEND NOW
THE CORTLAND $45

Instacart
Groceries delivered in 1 Hour.
From Whole Foods, Costco and other local grocery stores.

Grocery retail

These macro trends and changes in customer behavior have a direct impact on how customers wish to consume their products and services:

*What do you mean ... this product doesn't come with an app?*

*What do you mean ... this product is not connected?*

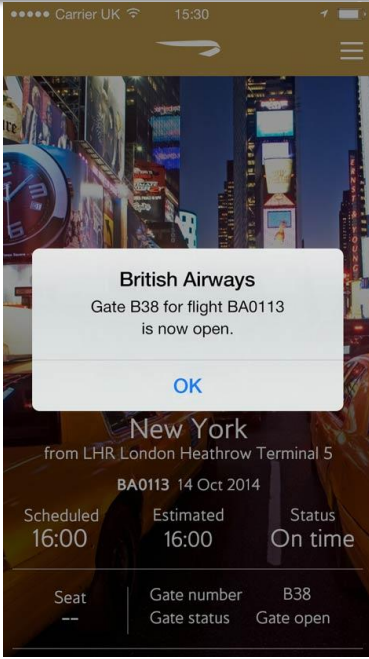*What do you mean... I have to purchase this product? I just want to use it for a while.*

The expectations from the consumer B2C world is spilling over into the B2B world

*Source: blog.axeda.com*

Everything will be **connected**, come with a **mobile app**, and be available **as a service**

stki.info
IT Knowledge Integrators

## The benefits are huge

mortgage-application and
decision process digitalization

**CUSTOMER DELIGHT**

## You can BOND with a happy customer

I am a happy customer

7

Software-Defined Data Center

**Systems of Engagement**

nodeJS · RAILS · spring · python

**System of Engagement**

15-20% of Budget
70-80% of CIO time

Touch people
In-moment decisions
Personalized & in-context
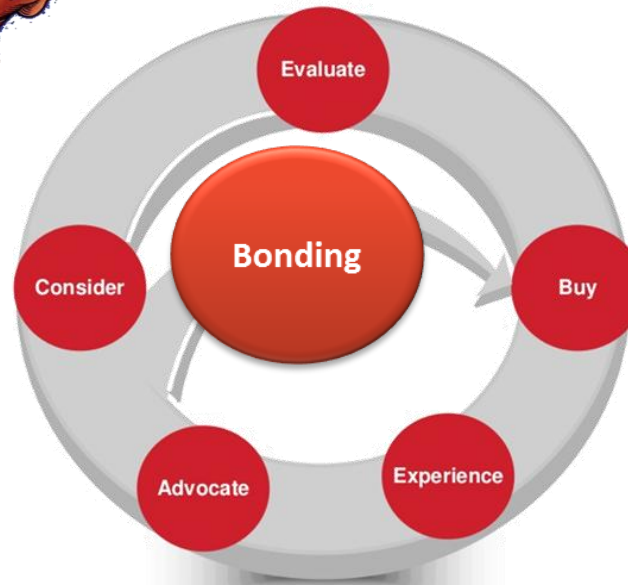Social and analytics driven

short & rapid releases

Invest in new systems

engagement "interaction" systems

social and crowd analytics

## Design starts with engagement

Evaluate

Consider

**Bonding**

Buy

Advocate

Experience

**EVANGELIST**

**SYSTEMS OF ENGAGEMENT** have to evolve into **SYSTEMS OF IMMERSION**.
Immersion takes place when the customers forgets that he is a customer

- ~**40%** of adults distrust ads in any medium

- Young people are particularly resistant –

  **84%** of millennials dislike advertising

- People are looking for the immersive experience

  *Source: Nielsen*

*"Engagement takes place when a story, or a marketing message, provokes some sort of action among the audience—a tweet, a post, a face-to-face conversation.*

*Immersion takes place when the audience forgets that it's an audience at all. Immersion blurs the lines—between story and marketing, storyteller and audience, illusion and reality."*

*Source: Frank Rose The Power of Immersive Media*

**GAME ON WORLD.**

**PEACE, LOVE AND RUNNING.**

G

- The customer has changed

- This means the game and the rules have also changed

- There are many new cards you can use (technologies and tools) but they will most likely be used alongside existing cards.

- So how do you play this game? What does it take to win?

# First let's have a look at the cards.

**It all starts with Customer Journey**



name of the experience:
**Flight to NYC**
Who?

Description:
Richard is a tall, senior executive travelling as part of work

**BEFORE**

- Heathrow express train to Airport
- check-in at Paddington train station
- receive tickets
- book tickets
- Contact travel dept.
- expedited security & passport checks for frequent flyers
- waiting to board plane in comfortable lounge
- board plane
- safety procedures
- take off

**DURING**

- seating - wide comfy seats
- sleep in fold-out beds
- read/work in quiet with internet connection
- watch a movie
- choice of mealtimes
- sleep in fold-out beds
- disembark - reserve seat for return flight

**AFTER**

- hotel reconfirm flights back
- get to LEGO fresh
- driver checks into hotel for me
- met by driver
- business lounge for shower
- customs fast track
- luggage collection
- passport & immigration fast track
- short walk in airport

**A ♠ CX & Customer journey design**

How can this be a positive experience?

Make or break moment - what can we do to make sure consumers come back time and time again

Where do we need data to help deliver the experience?

11

*Do not remove source or attribution from any slide, graph or portion of graph*

## The New Marketing & Sales Funnel

Then...

Now

Marketing

Sales

- Awareness
- Interest
- Consideration
- Intent
- Evaluation
- Purchase

Marketing

Sales

**Yesterday's funnels gave organizations power and control** of the process. **Today, customers control the process** and have more knowledge.
"Today, buyers are 60-70% through their decision-making process before engaging a salesperson" (Steve Patrizi)
**Journeys** are a way to **re-gain control** and create personalized, more valuable processes.

Source: Steve Patrizi
http://stevepatrizi.com//lennuf-selas-gntiekram-wen-eht/2012/10/23

N

12

stki.info
IT Knowledge Integrators

**A ♥**
**Mobility**
**♥**
**A ♥**
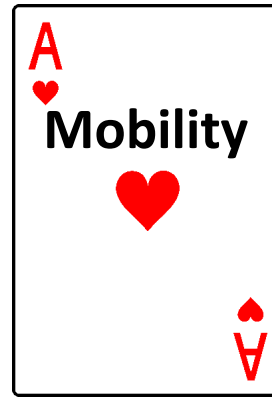
*"Whatever the problem is …*
*my smart device is the solution!"*

*Source: Spoiled customer*

**Customers expect to get what they want**

**in the moment of need "immediately"**

**in context to "their data"**

**In other words, customers expect …**

**Magic**

**Mobile as extension of YOU**

*Source: christianheilmann.com*
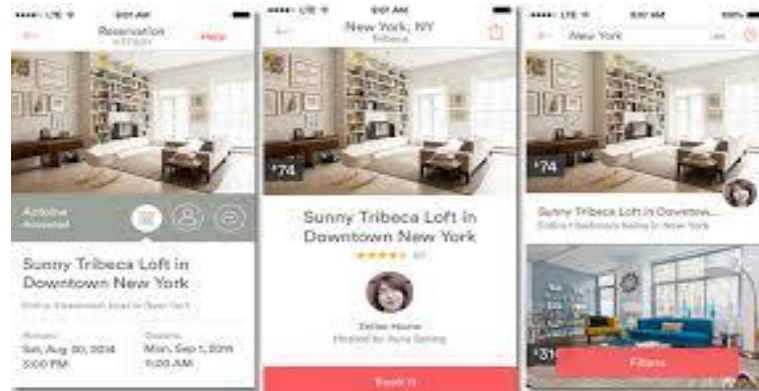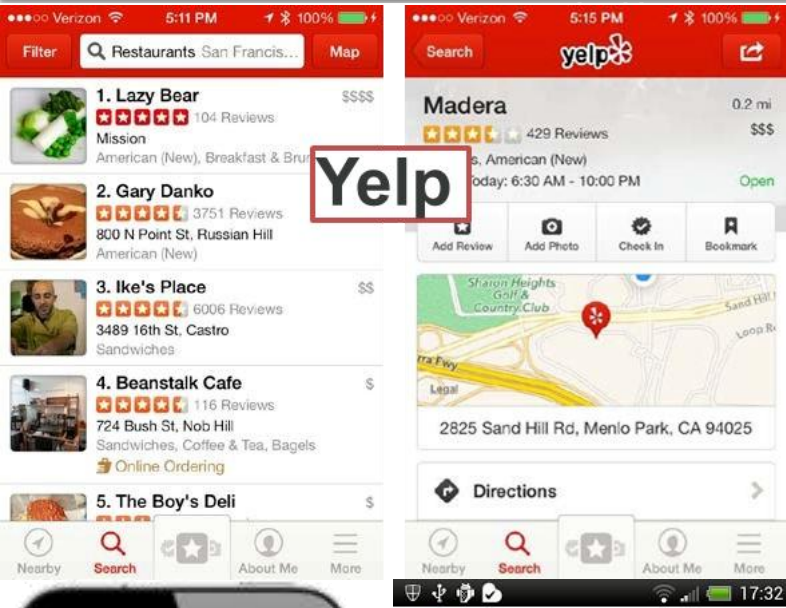
**stki.info**
IT Knowledge Integrators

Yelp

Amazon

airbnb

FLIGHT DEPARTS KCI AFTER PLANE VEERED OFF RUNWAY

Einat Shimoni & Galit Fein's work  Copyright@2015
*Do not remove source or attribution from any slide, graph or portion of graph*

14

Sensors

IoT

Customer

EXPERIENCE

social and crowd analytics

SAAS

APIs

hub

APIs

SOCIAL

Systems of Transactions
Core

Systems of Engagem.
Emotion

QS

A ♥ The
HUB
♥
A ♥

15

**API Manager**

**Complex Event Processor**
- Collector
- Detector
- Publisher

**Rule Processor**
- Rules for moments
- Rules for exceptions
- ………

**MDM (Data) Manager**
- Data Repository
- Analytics
- …….
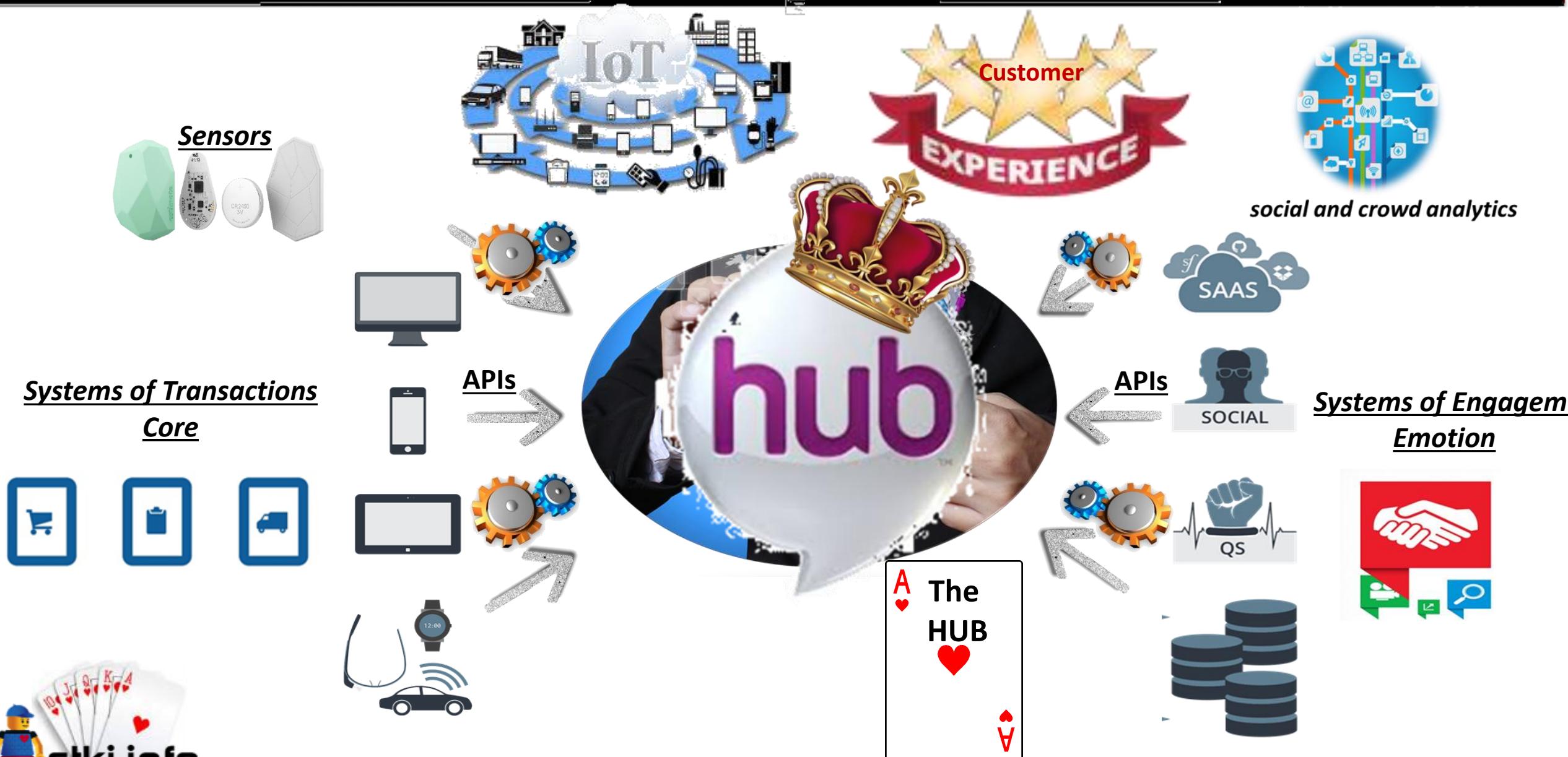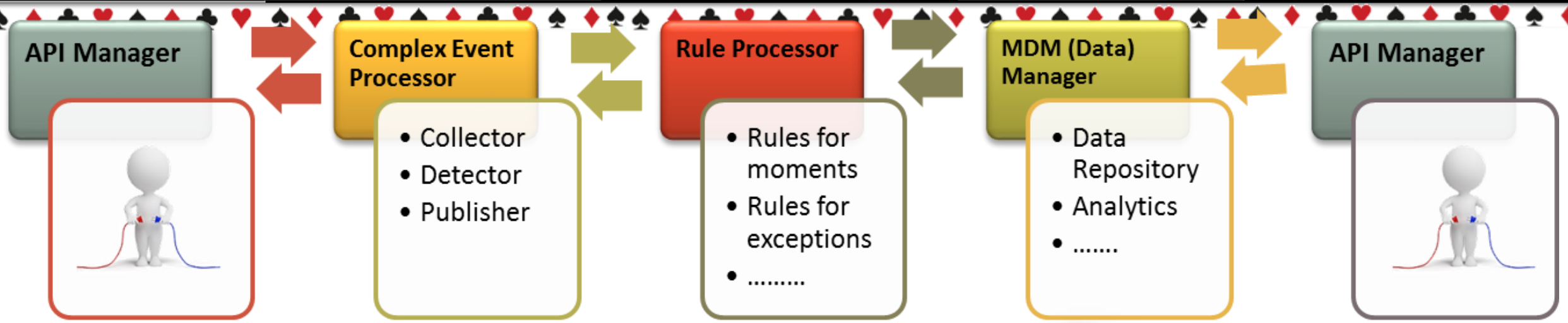
**API Manager**

Complex Event Processing (CEP)
Rule   Machine
Data   Management
API    Management
…other

"THE HUB" has become: the new secret weapon and is now the greatest competitive advantage tool

**WINNER!**

16

It's time for new architecture:
- ***Web isn't designed*** to handle mobile apps or sites.
- It ***cannot handle the real-time*** demands of connected products.
- Existing ***architecture*** built for a browser-led PC world can't flex, scale, or respond to the 21$^{st}$ century needs.

Mobile *IS* replacing "the web"

programmers


taxi-like


home maintenance

עיריית מוסקבה משיקה שירות
חדש שישכיר לך בעל לפי שעה


programmers

amazon
mechanical turk
beta

Mechanical Turk is a *crowdsourcing marketplace for work that requires human intelligence*.
It provides an *on-demand and flexible work force in the cloud* that developers can leverage to build human intelligence directly into their applications.


Doctors@home in 2 hours

Crowd testing

Get started in minutes, no contracts, no minimums

Introducing LAWfone
Video Chat with a Lawyer from Go, or Anywhere!

Jason Smith
Sarasota

Video consultation with an experienced attorney at the push of a button

19

Cultivating a Partner Ecosystem Based on Strategic Shared Data

From http://ebiza.net/blogs/enterprise by Dion Hinchcliffe
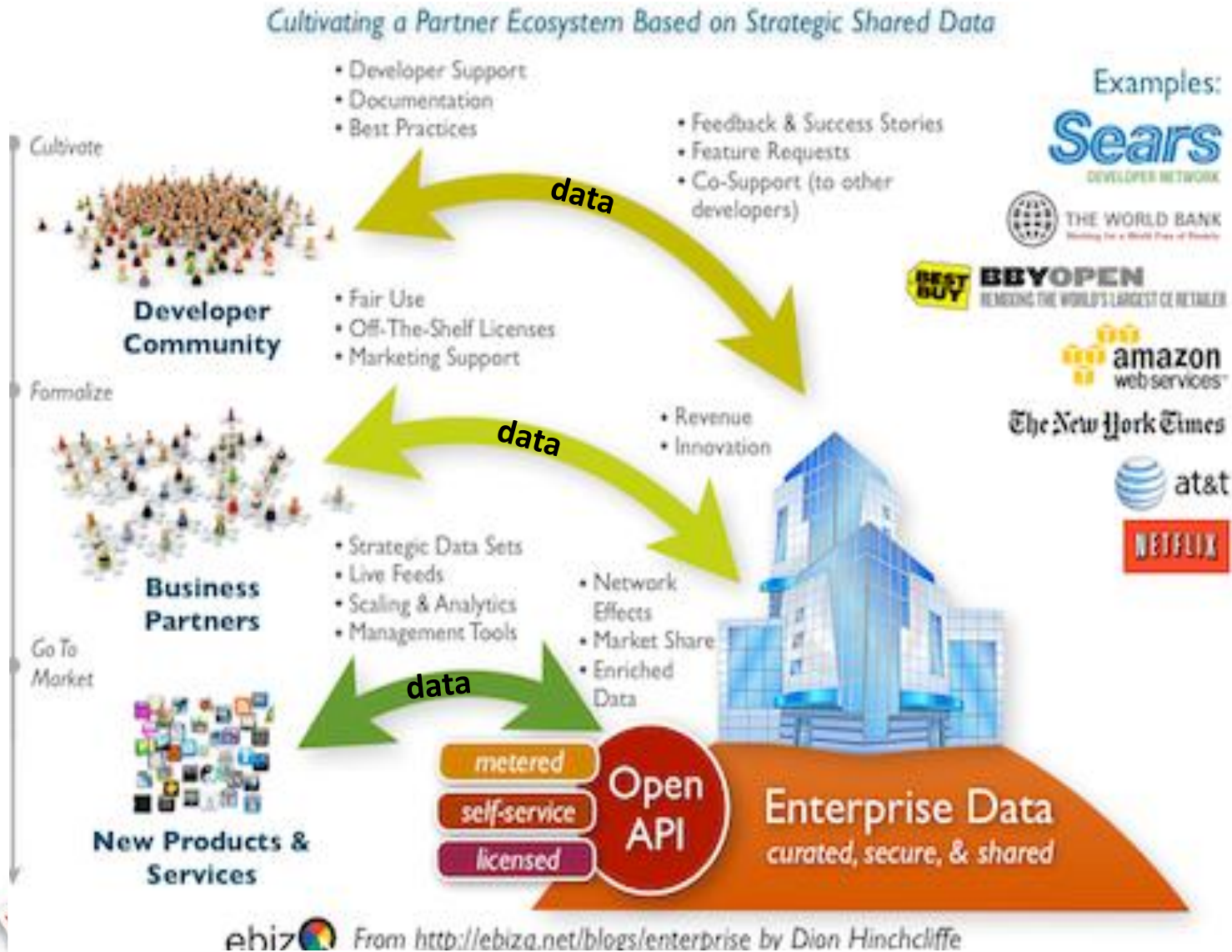
# Mobility strategy – 3 types of CIOs

## Conservative
**Org. presence in the mobile channel**

- Silo mobile app development for specific need or
- App created without significant clear goal
- Tactical adoption of responsive web design (RWD)
- Stand alone app

## Modern
**Mobile apps as extensions of core business**

- Strategic Planning
- Core system integration
- App being used by people but doesn't bring real change or innovation
- Mobile app as a channel
- Mostly hybrid approach

## Early adopter
**Holistic mobility strategy integrated in org. strategy**

- "Magic moment" app - existence of "HUB" tools that understand events and trigger personalized mobility experiences
- Taking full advantage of smart devices functions (location awareness, push notification, social network integration, context based value added, offline mode)
- Open APIs
- omnichannel – IoE, smart devices & wearables as part of ongoing, seamless processes
- Adjusting infrastructure

G

# Who's in-charge of customer experiences and magic moments?

*Service? Sales? Marketing? Engagement? Digital officer? Experience officer?*

*All of the above? No one?*

CIOs: You have a new customer!

✓Half of their budget is already spent on *customer experience*

✓They will be 100% based on *technology* within 10 years

✓<u>They will measure anything</u> and <u>everything they do will be measured</u>

✓They are "data people" - *Analytics* will be their most important tool

✓They are now turning from *cost centers* into *profit centers* (deal-closers)

✓Their power in the organization is soaring!

Old marketing

New marketing

You get the picture.

chiefmartec.com Marketing Technology Landscape

- Email marketing
- Mobile marketing
- Social media marketing
- Content marketing
- Customer experience – channels
- Customer experience – analytics
- Hubs/Suites
- Campaign mng
- WCM
- Ecommerce
- Analytics
- Digital advertising

January 2014 → January 2015

x2

947 companies → 1,876 companies

Source: Chiefmartec.com Marketing Technology Landscape

NEW!
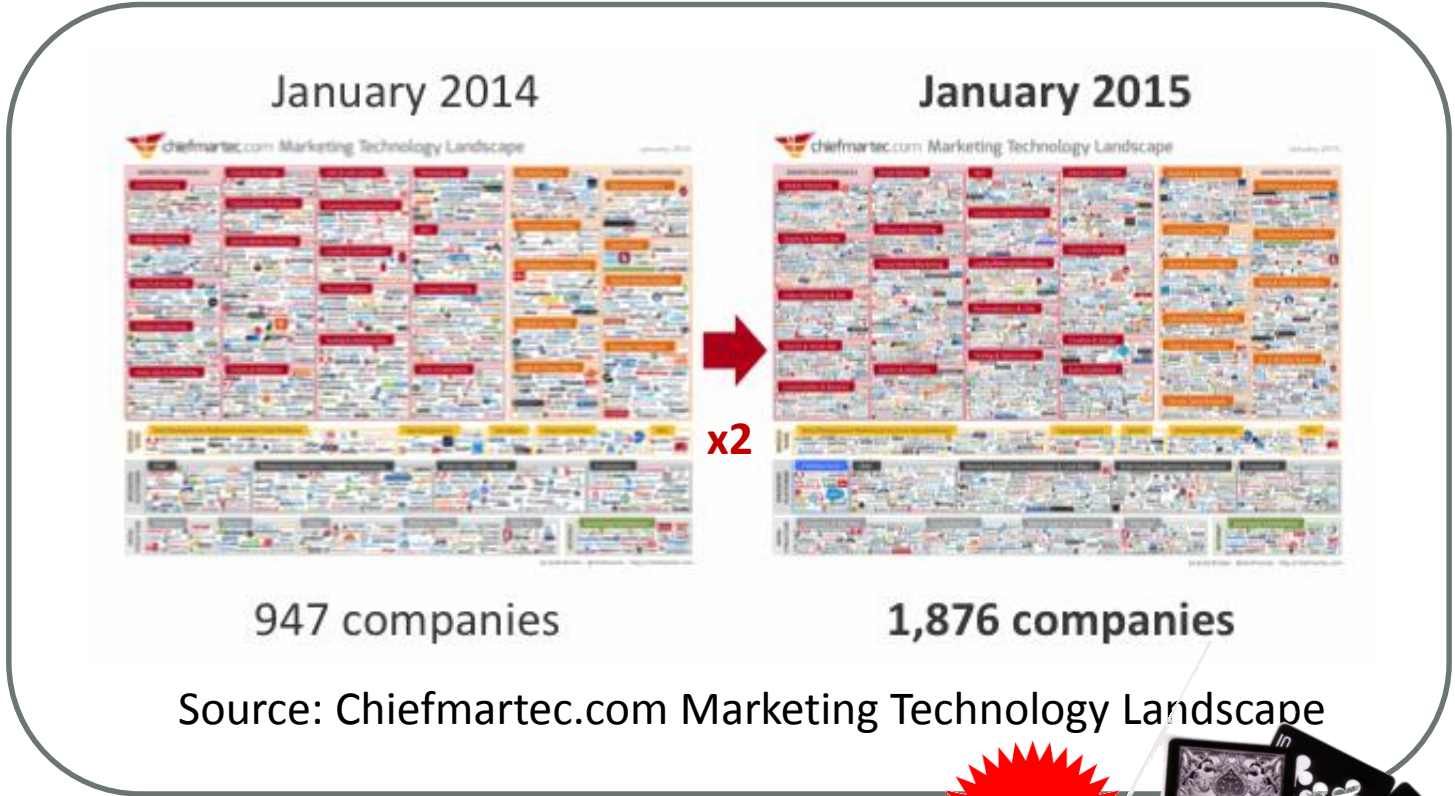
* Another grear source for MarTech tools and categories:
http://www.lumapartners.com/resource-center/lumascapes-2/

stki.info
IT Knowledge Integrators

# Significant Digital Advertising Milestones

| 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |

Pop-up, Pop-under Ads

PAY PER CLICK

BID

And everything is measurable

| 2007 | 2008 | 2009 | 2012 | 2013 | 2014 | 2015 |

Get In-Store Notifications

28  L

## Ad Networks (media planner):

## Ad Tech, Interactive & Specialized agencies:

**2003**

**2015**

המפלגות משקיעות בקידום סרטוני וידיאו

פברואר 2015

יש עתיד
כ-1.2 מיליון חשיפות ← כ-350 אלף שקל

המחנה הציוני
כ-525 אלף חשיפות ← כ-97,000 שקל

הליכוד
כ-295 אלף חשיפות ← כ-77,000 שקל

ש"ס
כ-285 אלף חשיפות ← כ-70,000 שקל

מקור: יפעת בקרת פרסום

**TheMarker**

**and many more….**
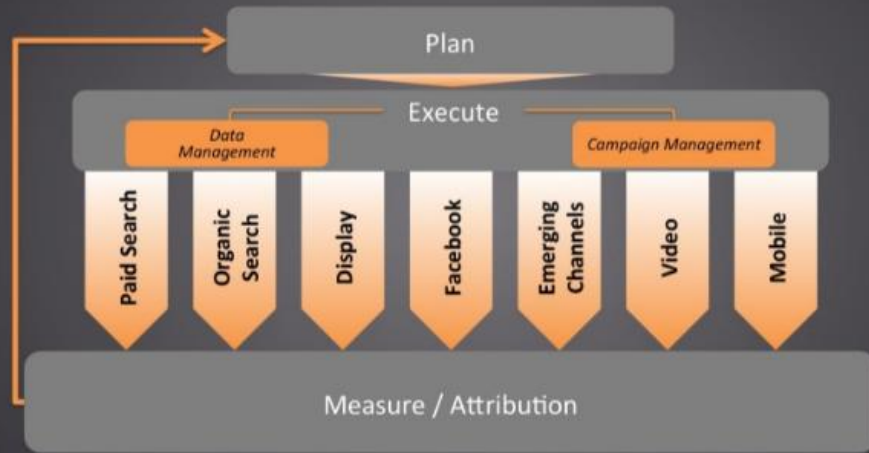
Source: Lumascape
http://www.slideshare.net/fullscreen/tkawaja/lumas-the-evolving-digital-media/10
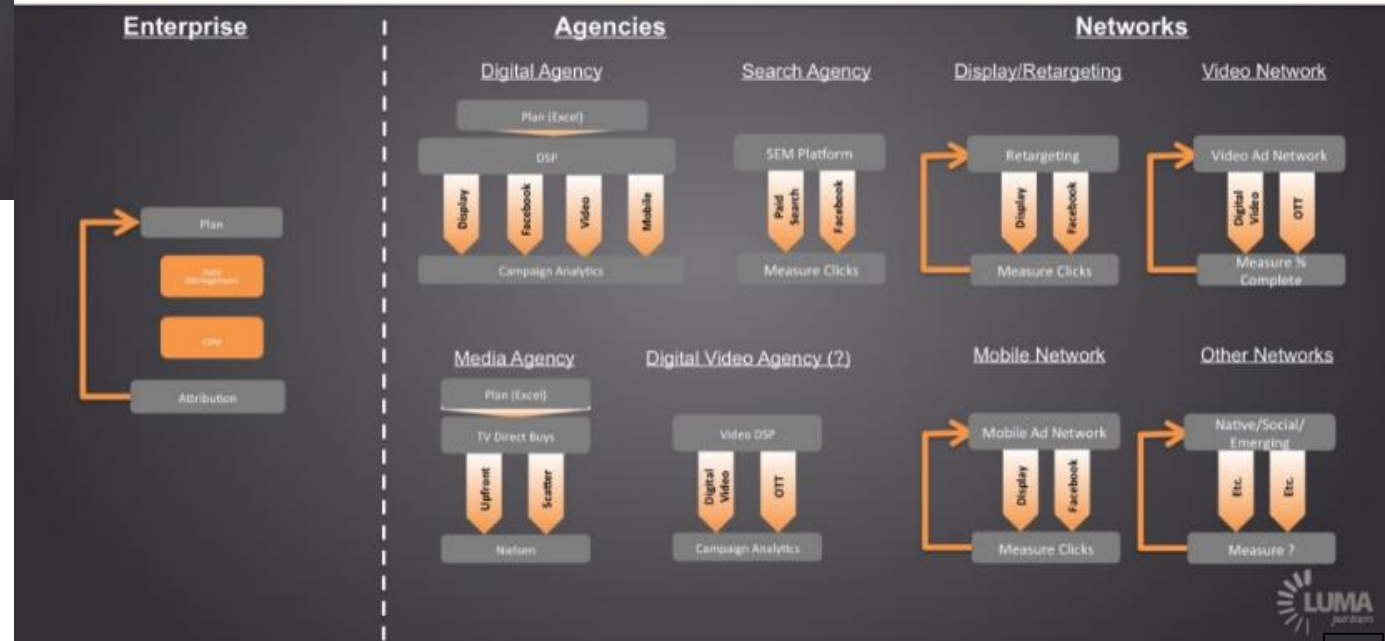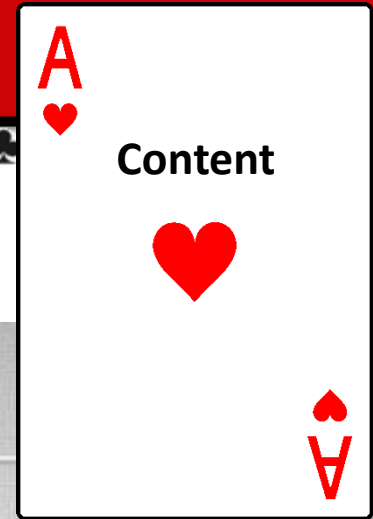
**Content**

Content marketing and storytelling

EITHER

write something worth reading

OR

do something worth writing

- Benjamin Franklin -

stki.info
IT Knowledge Integrators

- ✓ Track <u>everything</u> a person (IP adress) does in your digital space
- ✓ "Paint" /Pixell them - Construct a digital view and body language
- ✓ What interests them? What are the chances I can sell them?
- ✓ Next step is to get them to identify themselves and know who the customer is
- ✓ Once they identify I can track their journey and create a personalized experience

**Analyzing digital data**

Einat

32 | N

% of respondents selecting top-2 / based on a survey of 478 CMOs and senior marketers worldwide

## February 2015

"Which future trends will have the biggest impact on marketers by 2020?"

| Mobile Payments | Internet of Things | Wearable technology | Virtual/ augmented reality | Privacy backlash | Other |
|---|---|---|---|---|---|
| 51% | 50% | 29% | 26% | 13% | 1% |
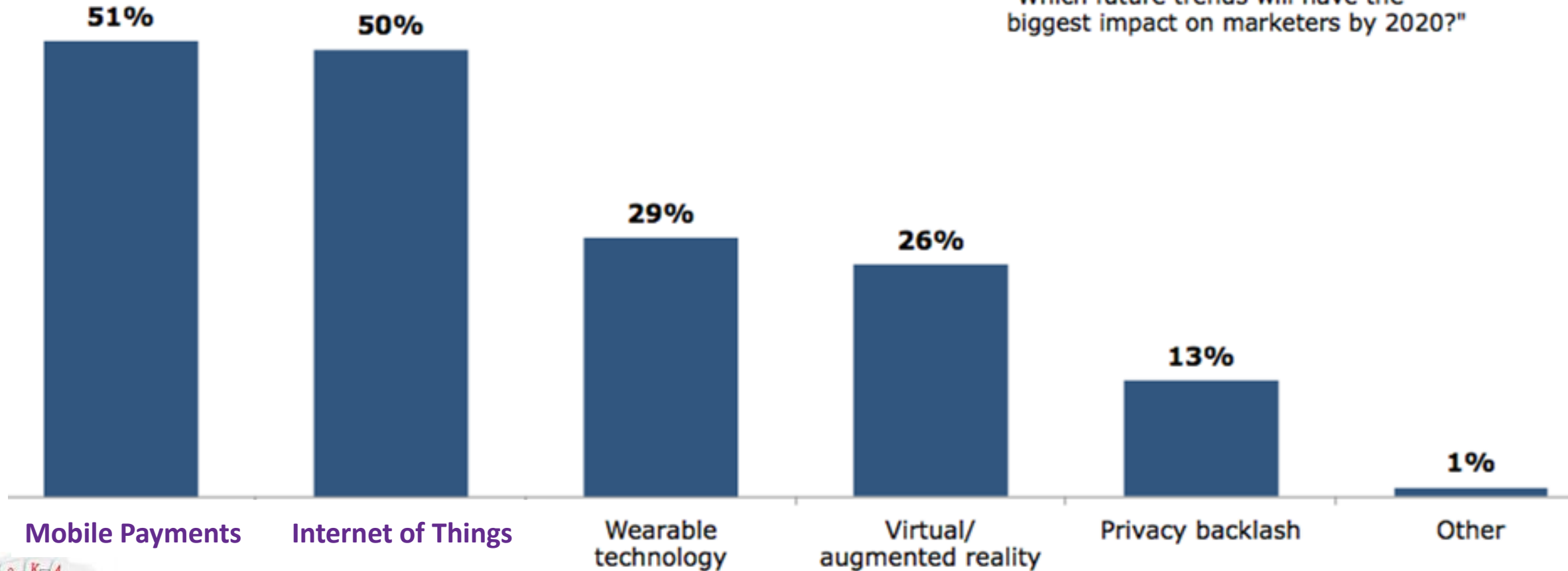
MarketingCharts.com | Data Source: Marketo / Economist Intelligence Unit

FORECAST OF US MOBILE IN-STORE PAYMENT VOLUME 2014 to 2018

CAGR = 154%

$1.8 (2013) ... $189 (2018E)

Billions of dollars
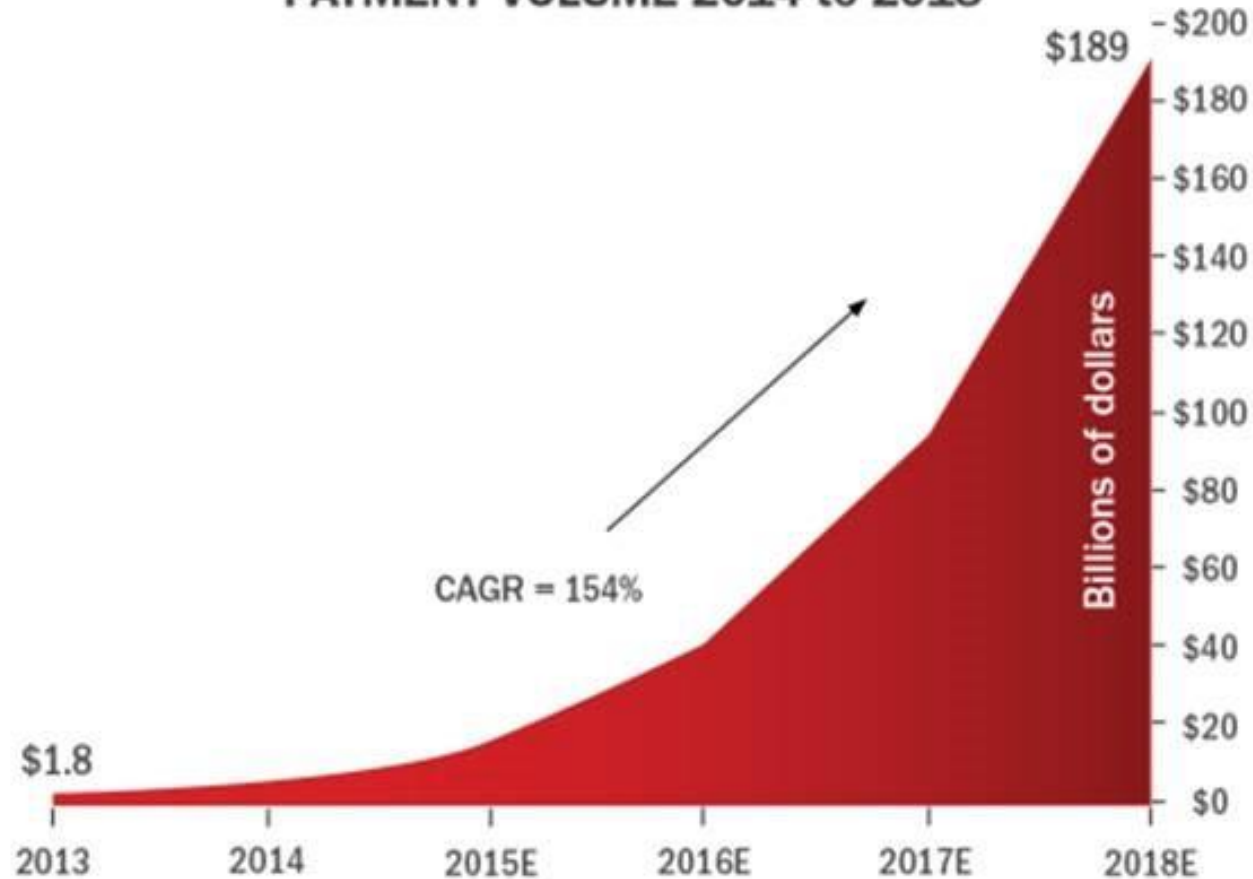
Source: BI Intelligence © February 2015 Digital Banking Report

It will be harder than ever to meet the increasing demands of the m-payment in 2015.

**Away from Low-Tech, Paper-Based Tools, Expensive Registers, Card Swift**
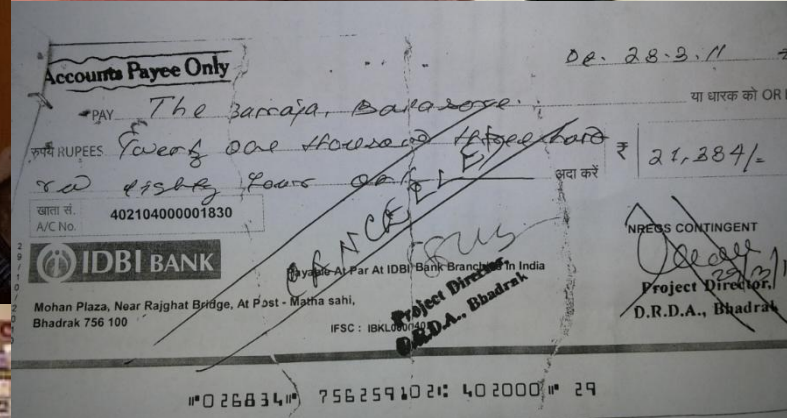
stki.info
IT Knowledge Integrators

- Consumer adoption is still limited
  - ➤ Less than 10% of U.S. and European consumers use mobile payments
- Mobile security and fraud risk are not currently major concerns - mobile experience is
- Digital consumer wants the simplicity, context, time savings & entertainment value offered by Amazon, Get Taxi, Waze & their favorite retailer's mobile app

**Majority of mobile wallet users are millennials**

**Young and Mobile**

Already Using or Very Likely to Use Mobile Payment Providers in the Next 12 months.

**32%** Age 18-34

**8%** Age 50+
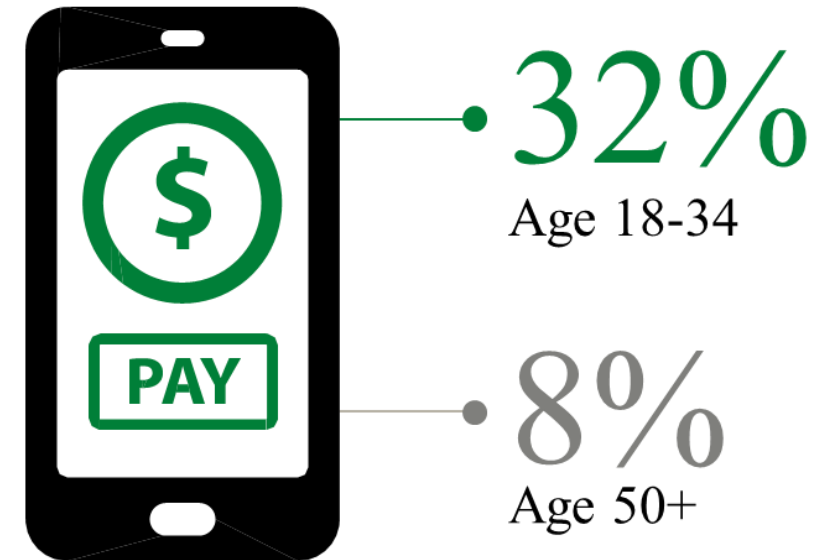
# No single clear technology winner



45%

37%

29%

% 10% 20% 30% 40% 50%
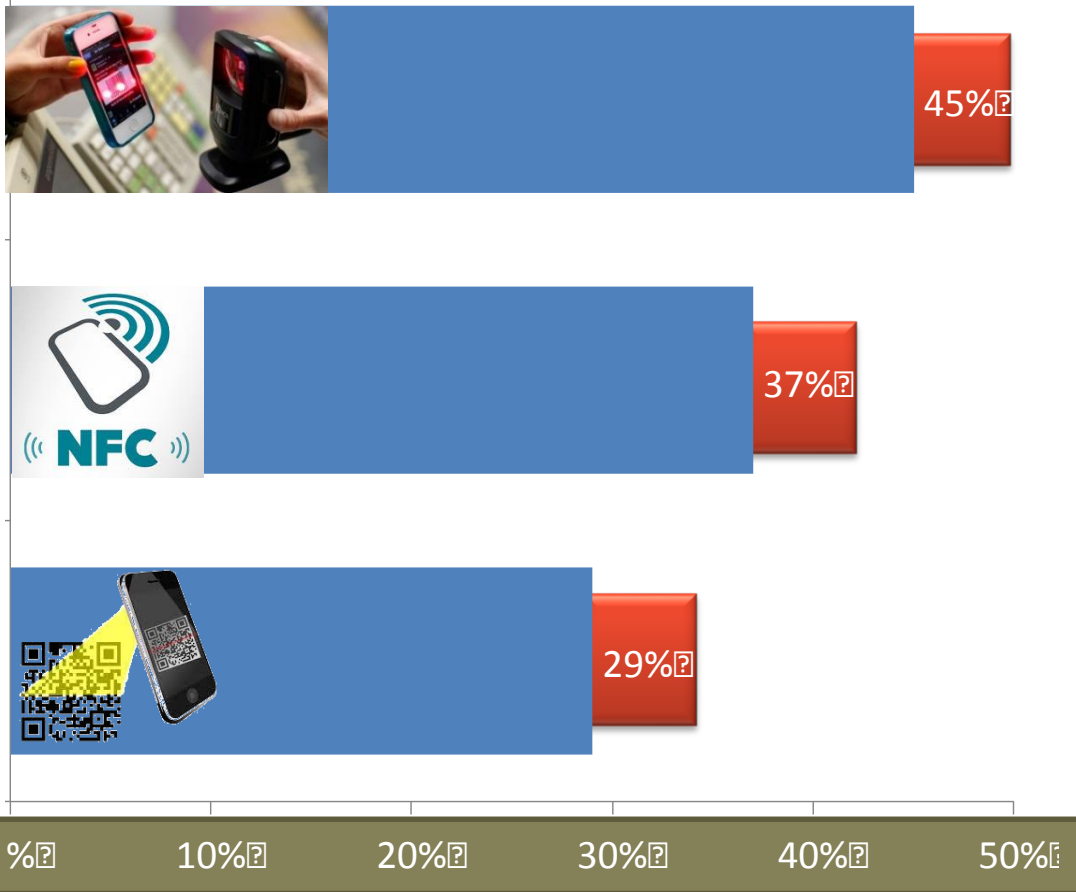
- With consumer acceptance expected to reach critical mass in the next 2-3 years, early successes define the landscape of m-payments for years to come
- Established players and startups competing for not only market share but also the ability to establish business rules & technological standards

*Source: BI Intelligence*

**Square**
Square is making commerce ea...
San Francisco · Mobile Payments

**ClairMail**
Acquired by Monitise, March 2012
San Rafael, CA · Mobile Commerce

**ShopSavvy**
The original mobile shopping ap...
San Francisco · Mobile Commerce

**Yoyo**
The mobile platform that seamle...
London · Mobile Payments

**PayDivvy**
Next-generation bill pay and grou...
Orange County · Mobile Payments

**Venmo**
Make payments to anyone by linki...
New York City · Mobile Payments

**Clinkle**
Modernizing the way people trans...
San Francisco · Finance Technology

**Regalii**
Remittances via SMS (YC S13)
New York City · Emerging Markets

**Passport**
Designing mobile apps for urban...
Charlotte · Parking

**Stratos**
The Bluetooth Connected Card
Ann Arbor · Mobile Payments

**PayNearMe**
Mountain View · Mobile Payments

**TabbedOut**
Uber for your bar or restaurant tab
Austin · Mobile Payments

**Zing**
Seamless Brick and Mortar Com...
Austin · Point of Sale

**FaithStreet**
Outreach and giving platform for ...
New York City · Religion

**Joist**
Estimating & Invoicing Tool for C...
Toronto · Small and Medium Business

**Coinbase**
Making Bitcoin accessible to con...
San Francisco · Mobile Payments

**Affirm**
Turn Mobile Shoppers into Mobil...
Silicon Valley · Mobile Payments

**ZooZ**
Start accepting payments in mobi...
Global · Mobile Commerce

**ZappRx**
GoogleWallet meets ePrescribing
Boston · Mobile Health

**Remitly**
Convenient money transfers from ...
Seattle, Wa · Mobile Payments

**BitPay**
Accept bitcoin.
Atlanta · Mobile Payments

**HandUp**
Technology to fight urban poverty ...
San Francisco · Crowdfunding

**Coda Payments**
Singapore · Mobile Payments

**Revel Systems**
Innovative iPad based POS system
San Francisco · Mobile Payments

**Seeds**
Payer conversion through social ...
New York City · Mobile Games

**BOKU**
Munich · Mobile Payments

**CardFlight**
Stripe for in-person (card present...
New York City · Mobile Commerce

**Wallaby Financial**
The leading consumer credit car...
Pasadena, CA · Finance Technology

**Splitwise**
Expense sharing done right
Providence · Personal Finance

**Azimo**
Social Remittance Network
Mobile Payments

**Cover**
Dine without waiting for the check.
New York City · Restaurants

**card.io**
Mobile credit card scanning
San Francisco · Mobile Commerce

**Cheddar Up**
Collecting money just got fun.
Denver · Consumer

**Instore**
Happy selling — instoredoes.com
San Francisco · Mobile Payments

**OfferUp**
buy. sell. simple.
Seattle · Mobile Payments

**Dwolla**
The Internet's payment network
Des Moines · Banking

**PayDragon**
1-Click Shopping for the Real Wor...
Los Angeles · Restaurants

**LevelUp**
Mobile Payment
Boston · Loyalty Programs

**Payfirma**
We help businesses accept onli...

**Braintree**
San Francisco · Mobile Payments

stki.info
IT Knowledge Integrators

## Facebook plans to monetize WhatsApp: Ads or mobile payments?

Market Realist

By Patricia Garner
February 19, 2015 2:05 PM

### Facebook's plan for WhatsApp: Advertising or mobile payments?

There's been a lot of media speculation around the strategy that Facebook (FB) will adopt to monetize WhatsApp. Until now, Facebook has avoided earning advertising revenue from WhatsApp, so as not to dilute its users' experience.

## Leaked Screenshots Show Facebook's Move into Mobile Payments

Forbes

**Chanelle Bessette**
Contributor

It has been a big year for Facebook. With an attempt to purchase Snapchat, the actual purchase of WhatsApp and the hiring of a certain influential Silicon Valley executive, the social network has proven that it still has a few tricks up its sleeve. This time, it looks like Facebook may be taking a leap into the realm of payments.

Inc.

GROWCO CONFERENCE            Login or signup

TECHNOLOGY

## Twitter Launches Mobile Payments Before Facebook (but Apple May Have the Last Laugh)

Twitter launches a new payment service in France, beating Facebook to the finish line. Apple Pay w in about a week and it could change everything.

BY JEREMY QUITTNER *Staff writer, Inc.*  @JeremyQuittner

Text the people you care about, for free          Send photos privately
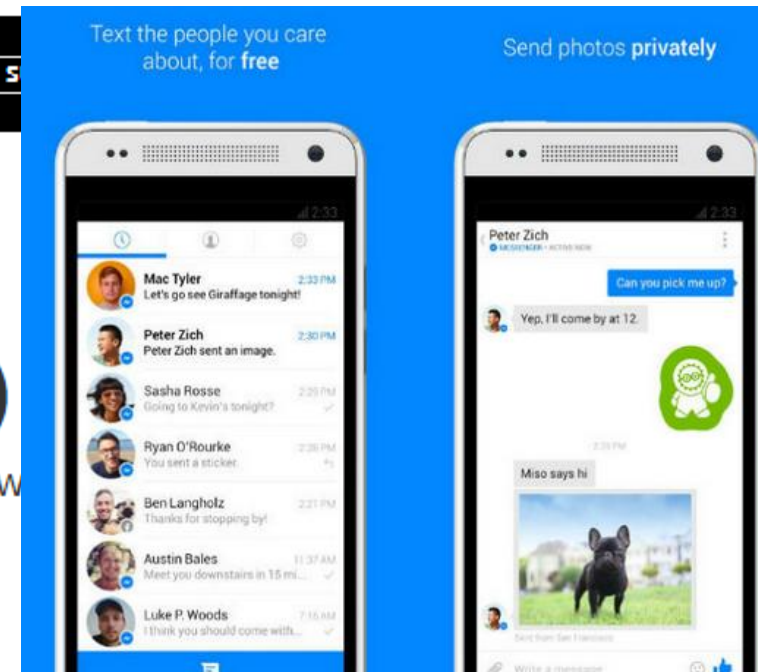
# Apple Pay | Google Wallet | PayPal
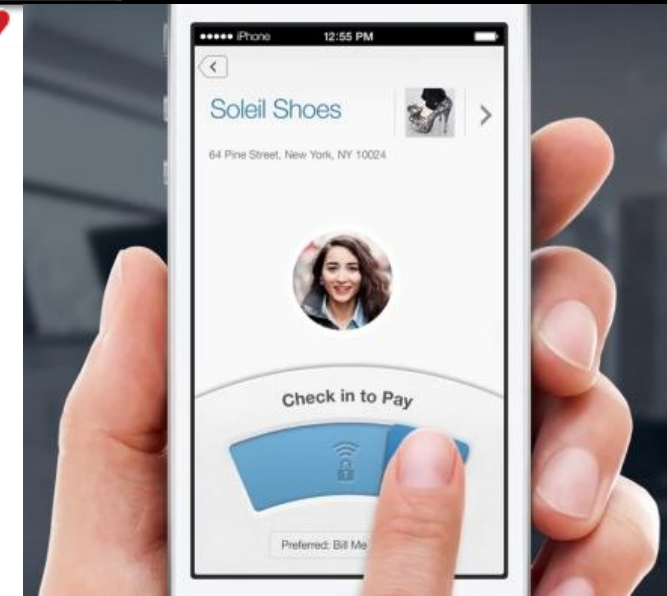
VS   VS

**Apple Pay**
Security wins - tokenization
• Merchant n...
• ...oney abroad
• ...(...04)
• ...ks at less than 5% of retail locations

**Google Wallet**
...ality
• Acceptance by many online retail...
• Google stores data i...
• Samsung buys **LoopP...**
    • Works at 90% of...
    • Supports 10,000+ of credit, debit cards, most gift, loyalty, cards (Target, Walmart, Starbucks)

**PayPal**
15 years experience
• If you're PayPal user paym...
• ...option help to make purchases
• Not many chains

Samsung just bought the only payments company that could be larger than Apple Pay

PayPal just bought Paydiant for in-store payments using a scannable code at checkout

- The market is very fragmented
- This confuses consumers
- It will take time before most merchants are ready to support mobile payment

# Retail 2·0 Emerging Technologies



searching the item without using words

beacon-powered alerts and offers

convergence of wearables, iBeacons and big data

Sharing selfie for on-the-spot opinions before buying
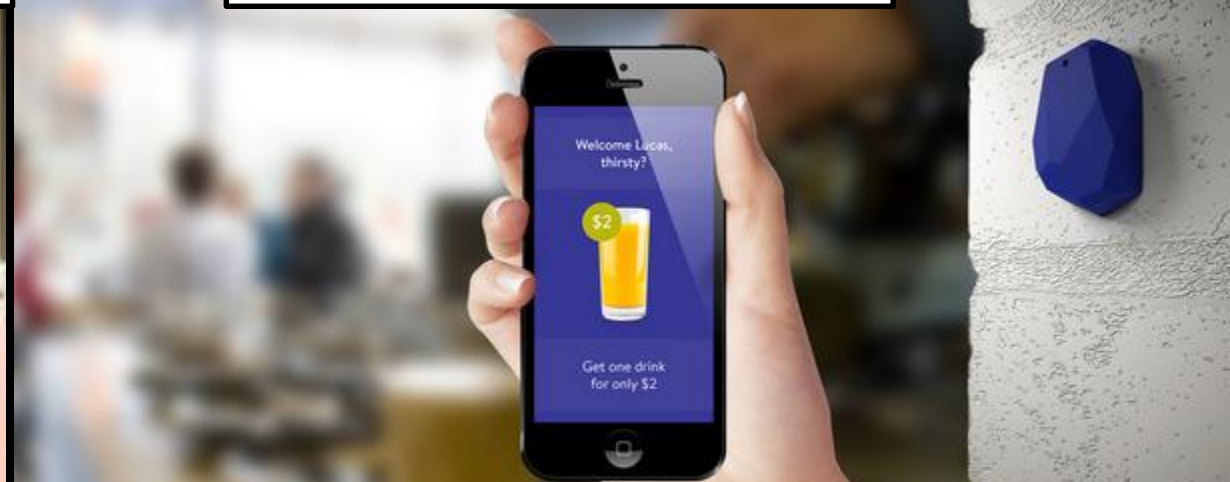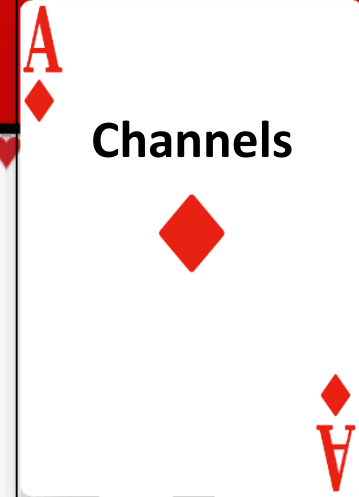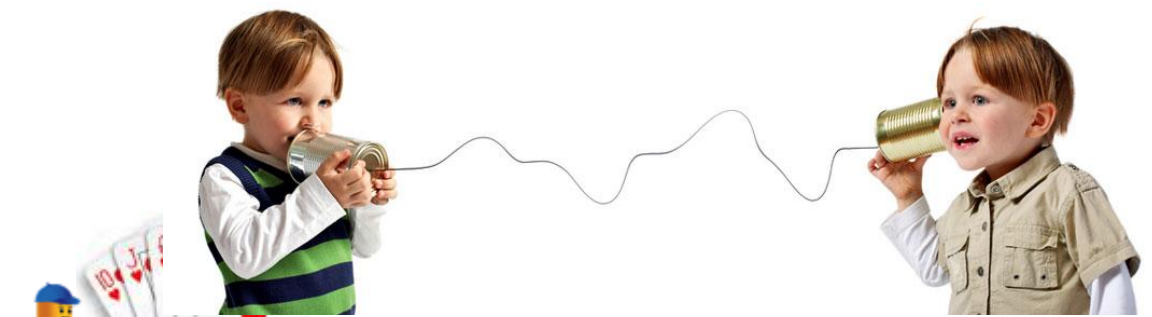
QR to build shopping lists with info & recommendations

G

**Channels**

Telephone/IVR account for 65% of interactions, while self service accounts for 20%

**Source: Gartner**
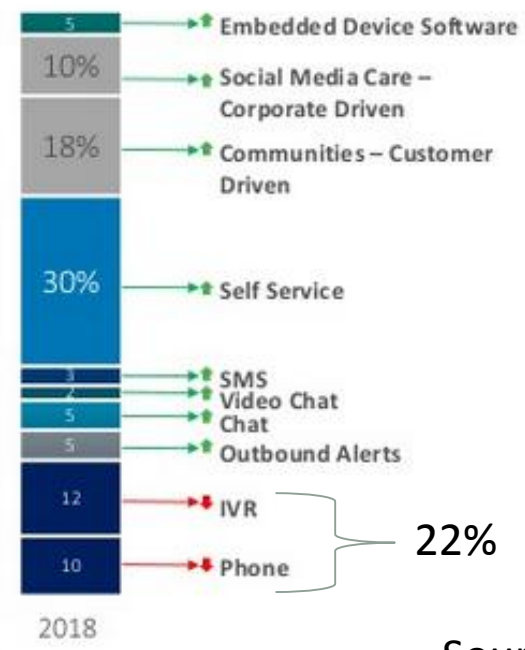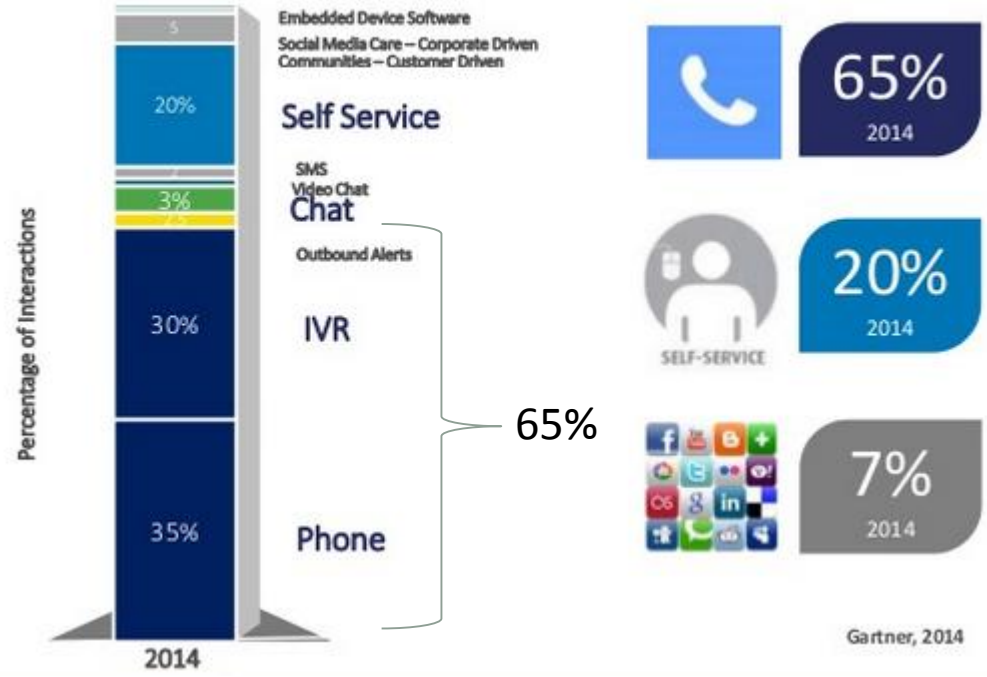
## Customers new expectations are not met!

### Top sources of frustration of smartphone owners across all ages



| Source of frustration | Percentage |
|---|---|
| A. Takes too long to resolve my issue | 78% |
| B. Lack of context and customer history causes me to start all over | 77% |
| C. It takes too much effort on my part to resolve my issue | 71% |
| D. I'm unable to move easily from one type of interaction to another (cross channel) without repeating myself | 70% |
| E. Customer service is impersonal and does not understand who I am and my issue | 70% |
| F. They don't solve my problem | 68% |
| G. I cannot interact with customer service in the channel that I want | 34% |
| H. A website offers live chat service when I don't want or need it | 23% |
| I. Other | 10% |

45

**It's about better experiencse, not reducing call center costs!**

HGS

Telephone is one of the most costly interaction channels... yet still very effective in many cases...

*But it's a nice added bonus!*

Cost reduction illustration - per interaction

$12
$4
$2
$0.50

Phone Call    Chat    Email    Website

Experience

stki.info
IT Knowledge Integrators
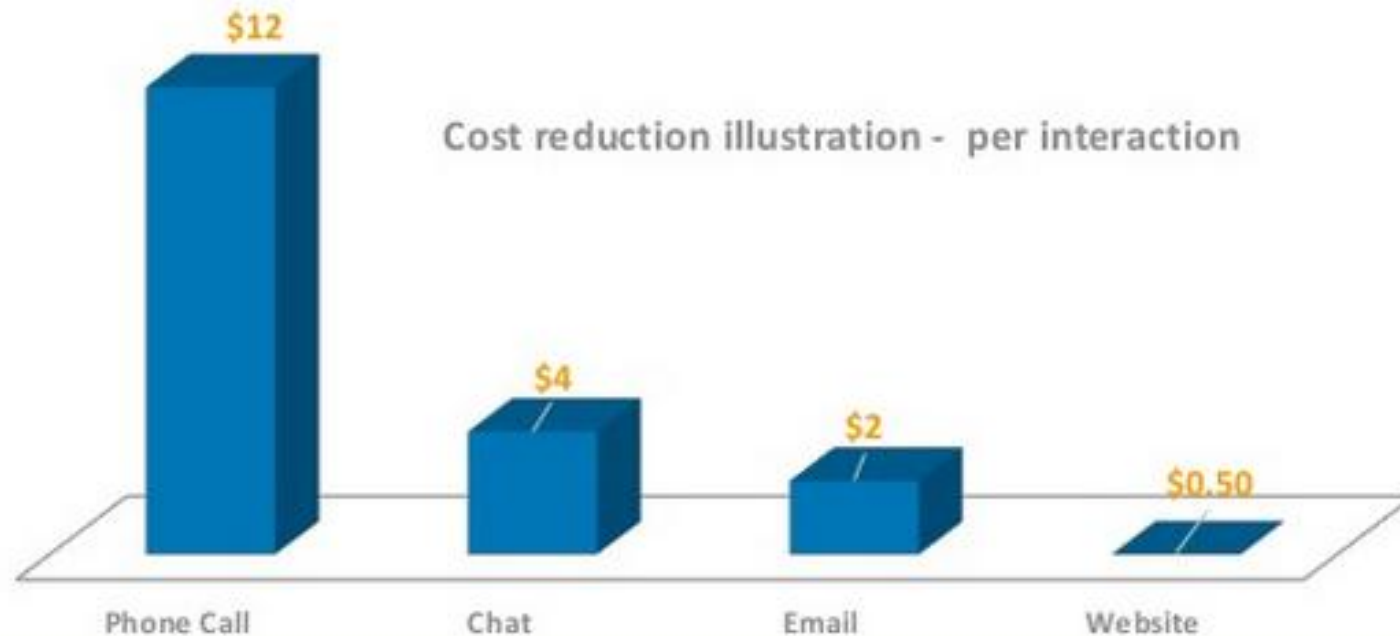
**Do you need fancy new technologies?**

**Or will your existing ones be good enough?**



ACEKING PLAYING CARDS



# That depends. Which game are you trying to win?

stki.info
IT Knowledge Integrators

# Which "Digital" type are you? Your winning hand is...

## Conservative
Systems to support clients' functional needs efficiently

## Modern
Systems to spur intimacy with customers and turns them into advocates

## Early adopter
Systems that bond with customers and immerses them into the company's story

**Systems of Records**

**Systems of Intelligence**

**Systems of Engagement**

**Systems of Immersion**

**Systems of Immersion**

Core applications APIs

Operational CRM
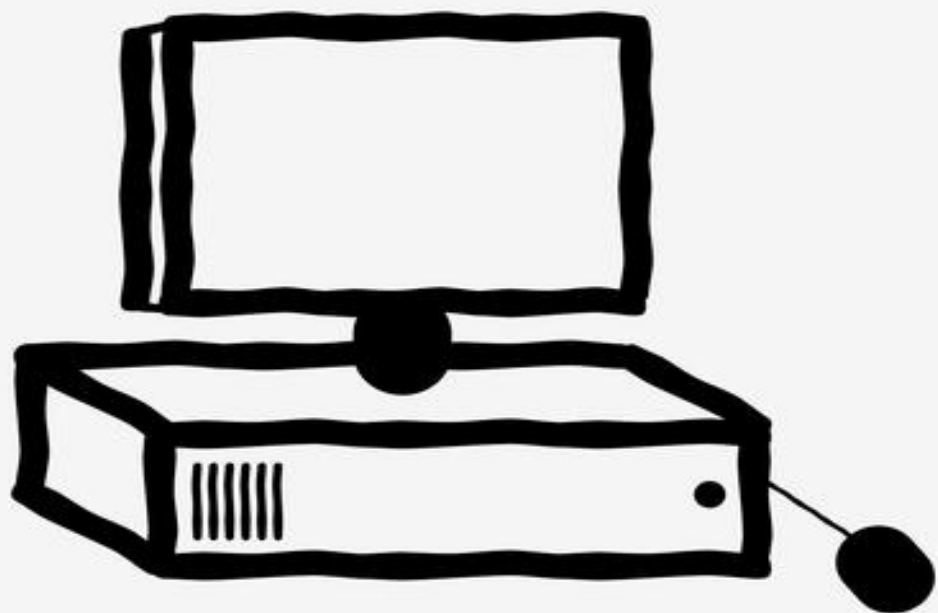
**Consistent** channel experience

Operational channels "silos" (web, chat, IVR, mobile etc.)

Responsive website

Classic marketing automation (batch & offline)

BPM

Self service BI

UI & CX design

**Cross-channel** experience

Channel integration

Mobile Apps strategy

Ecommerce "style" web

Customer experience analytics

Digital & online marketing (batch/ real time)

Social media engagement and analytics

**Personalized** CX

Omni channel tools

Big data analytics

Mobile "magic moment" app, the HUB

Content marketing & storytelling

IoT and wearables as context engines

Real time marketing

CX & customer journey design

The "hub" – tools that understand events and trigger personalized magic moment experiences