

## **Behavioral Analytics: Understanding Your Customers Through Data**

Leading companies across the globe are looking to use big data to generate revenue growth. Thanks to the advent of big data technologies, we can now aggregate, index, store and analyze vast amounts of unstructured data very cheaply. This includes end customer generated data.

Gartner notes that 90% of all customer data being used today has been generated in the last two years, and in 2017, the amount of data produced will only increase. While it is great to have so much information about potential customers, one cannot help but wonder if companies are leveraging all this massive amounts of information in the most efficient and effective manner.

A study done with marketing and analytics leads for Fortune 500 companies across the globe revealed some key challenges faced while dealing with big data-

1. Gaining access to data across siloed departments
2. Integrating massive amounts of data
3. Having access to specialists who understand data
4. Converting data into actionable insights

So how can companies overcome these challenges?

Behavioral Analytics rescues companies from the dilemma of sitting on heaps of data and not being able to use it well. Behavioral Analytics is all about understanding your customers' decision making process. It focuses on decoding how your customers act and why, making it easy to predict what they will do in the future. This enables companies to reach out to the right customers at the right time with the right communication.

In 2008, Richard Thaler and Cass Sunstein wrote about influencing behaviors using “nudges” in their book- *“Nudge: Improving Decisions About Health, Wealth, and Happiness”*. According to them, a nudge is “any aspect of the choice architecture that alters people's behaviors in a predictable way without forbidding any options or significantly changing their economic incentives. To count as a mere nudge, the intervention must be easy and cheap to avoid. Nudges are not mandates. Putting fruit at eye level counts as a nudge. Banning junk food does not.”

Behavioral analytics is nothing but identifying these nudges that lead to positive business outcomes. It enables companies to:

1. Target customers more precisely to improve efficiency of marketing dollars
2. Predict with improved accuracy the willingness of a customer to buy a product or service
3. Generate incremental revenue based on such timely nudges

OSG offers end to end behavioral analytics capabilities to drive innovation and growth. Our clients have seen a minimum 20% improvement in customer engagement through smart insights delivered using ASEMAP™, our proprietary Stanford University developed behavioral analytics methodology. With over 900 projects in Life Sciences, Retail and Consumer Packaged Goods, Financial Services and Energy, we

understand the true signal power from ASEMAP™ data, and have driven incremental revenue of over \$80 billion for our clients.

OSG is now boldly evaluating new cognitive and behavioral algorithms to test and vet their incremental value to our proven analytical approach for our customers using CAVII™, our big data analytics platform. We believe that a richer behavioral profile and persona based on digital presence is important, especially since this is voluntary, and in many cases, free data is being shared by customers in exchange for the promise of more personalized, tailored transactions. OSG's CAVII™ is not only powered by its proprietary ASEMAP™ engine but also by cutting edge machine-learning services like the IBM WATSON™ that includes such features as voice-to-text, tone analytics, weather analytics, social media insights, natural language classifier, personality insights and other image analysis services. Some of these machine learning services are now running at scale for our customers providing them with deep, actionable behavioral insights and a better return on investments on their marketing dollars.

In a recent engagement for a retailer, OSG CAVII-R™ helped increase retention and same store sales by 7%, delivering nearly \$81 Millions in incremental sales among pilot stores that participated in the behavioral and cognitive analytics execution. Such unprecedented growth can be achieved only by leveraging historical data with forward looking data on the right kind of nudges and interventions to deliver to each customer in a personalized manner.

For more details on how we can assist you on your journey to customer centricity, please write to us at [sales@optimalstrategix.com](mailto:sales@optimalstrategix.com)