

# Digital footprints lead to fresh, exciting insights

Why being customer-centric means being data-centric

Successful organisations have to be customer-centric. Which means they need a deep understanding of their customers. Who they are, their tastes, preferences and expectations – and how they feel about competing brands.

Customer-centric organisations excel at gathering, analysing and interpreting information about their customers. But in the digital world, consumers are leaving ever-larger and more complex data footprints. Every click or activity provides a new insight.

So you need new ways of processing and understanding vast amounts of information and extracting fresh, meaningful insights.

This is where the term 'big data' came from. According to Gartner, 4.4 million jobs will be created around big data by 2015.

Today however, many organisations are only scratching the surface. All too often, data sets end up in separate, unrelated databases. It can be hard to integrate, and hard to interpret what's relevant, as the sheer volume of data continues to grow exponentially.

So, how can you ensure you're working with the most insightful new data streams? And how do you bring it all together in a meaningful way?

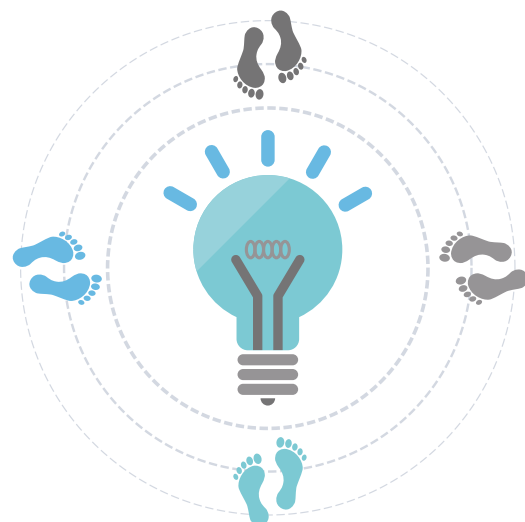
## Our own approach to understanding customers

Like you, in our own consumer business we are always striving to build a richer, more complete view of our customers. One that lets us understand what they do, why they do it, and what they really want from us.

We've always put customers at the heart of our business. But in the last couple of years, we've begun to take data analytics much more seriously.

Our new approach combines behavioural analytics with market research, and it's opened up new ways of segmenting our customer data. By integrating new data sources, we've been able to create a model which maps customer-level profitability against customer attitudes towards digital technology. Its impact can be seen across all levels of our business, from the big strategic decisions through to the tactical offers we promote to customers.

Integrating multiple data sources and digging down to the facts is a big task. But in our experience, the benefits outweigh the work and investment we put in.



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## Fresh insight for business customers

We apply the same thinking and approach towards big data when partnering with other businesses to help them gain fresh insight from new technologies. Our most established example is Priority Moments, the UK's largest digital loyalty programme. It uses location-based data from our mobile network to help companies reach millions of potential customers with relevant, real-time, location-based offers.

Of course, respecting consumers' privacy is a priority. As we develop new products based on our network data, we ensure that only anonymised, aggregated data is ever used. At the heart of the information is the goal of delivering added value to the end-customer. By building a better understanding of their needs, we, and the organisations we work with, can offer them a more valuable, personalised service.

## O<sub>2</sub> Wifi insights

Another example is O<sub>2</sub> Wifi, which is already available across 9000 venues, including those of 40 leading high-street brands.

Not only does it allow venue partners to offer their customers free, easy access to the internet regardless of whether they are O<sub>2</sub> customers or not, it can also provide rich customer insights, helping partners to understand their customers better. These include aggregated customer demographics, top website domains browsed across their venue estate, number of registered and returning customers, as well as details on times of day users are connecting highlighting peak times, the device types used to connect and their top ten locations for wifi usage. All of this information is accessible via an online portal, so venue partners can access fresh insights as and when they need them. Together, these insights are already helping many of our high-street customers make more informed decisions on how to engage with consumers.

## Smart Steps

Smart Steps is the first product from Telefónica Dynamic Insights, our global innovation arm. Whereas O<sub>2</sub> Wifi enables organisations to better understand customer behaviour in

the specific areas or venues where that organisation has installed O<sub>2</sub> Wifi, Smart Steps provides insight into trends in consumer behaviour in any specified outdoor location right across the UK.

Using anonymised and aggregated data from our mobile phone network, Smart Steps shows how many people visit an area by time, gender and age. It provides a wealth of insight into the behaviour of crowds – enabling you to identify trends in a particular area at a particular time. Organisations can analyse the data, making like-for-like comparisons by area, for any given day, week or month. You can see catchment patterns too – showing where crowds are coming from and going to.

Use cases for Smart Steps currently span the retail and leisure industries, and its partner product Smart Journeys has been developed for passenger services; the good news is that uses are growing all the time. Some of the tried and tested cases include retailers who've used the insights to significantly improve the effectiveness of their targeted marketing campaigns, whilst passenger services organisations have used Smart Journeys to look at their impact on the transport modal split for significant journeys in the UK. It's all about better understanding consumer behaviour to drive organisational effectiveness, all the while getting closer to customers.

## Conclusion

Organisations have more power than ever before to understand customers' needs, preferences and expectations. Insights can increasingly be based on actual behaviour, gathered in real, or near real time, rather than purely retrospective or speculative research.

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The key to unlocking insights from your data is to approach it with specific business challenges in mind – and always ask whether new data streams are worth integrating.

The answer should only ever be 'yes' if they tell you something new, enrich your view of customer behaviour, and uncover deeper insights that enable you to develop a closer, more personalised relationship with customers.

It doesn't have to be complicated or disruptive. You can start by applying the principles to relatively small projects. It simply means that the quality of the information you are working with is better, whether you're planning a targeted local promotion, or a major strategic change.

Find out more about how we can help by following the link below:

[Customer Insights & Engagement](#)