HOW COMPANIES CAN THRIVE IN THE ERA OF ME-COMMERCE

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WNS

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In the past...

Alexis plans a surprise visit to her parents in New York. She checks for offers while booking her tickets, and after finding none, buys her tickets at full price and boards the flight. When she arrives at JFK airport in New York, she waits in queue for a cab. Later, she receives an e-mail from the airline asking for her feedback. She discards the e-mail instantly as there was nothing exciting about her journey.

Today...

Alexis tweets her plans. The airline offers her a 20 percent discount if she recommends them to her friends on social media. Alexis gets her preferred seat in premium economy class. The airline helps her book a taxi at a discounted fare. The car will be waiting to take her to her destination when her flight lands. At the airport, she gets a reminder to stop by the duty-free

shop to buy gifts for her parents. She buys her mother's favorite perfume and picks up a bottle of wine for her father. She sends out a positive tweet about her seamless experience, tagging her airline. The airline is listening.

Welcome to the world of me-commerce!

While emerging technologies are the catalysts, me-commerce, as a concept, is driven by hyper-personalization. A PwC consumer insights survey[1] found that customers rank social media as the top source of inspiration for purchases. This brings peer recommendations and narratives of other users' experiences to the forefront, further advocating the need for hyper-personalization as opposed to massive spend on impersonal advertising. According to Sabre,[2] 83 percent of customers expect information and product recommendations to be personalized.

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[1] https://www.pwc.com/gx/en/industries/consumer-markets/consumer-insights-survey.html

[2] https://www.sabre.com/locations/apac/why-personalization-in-travel-is-a-big-deal/

ALTERING THE BUSINESS LANDSCAPE

Me-commerce is not merely a new add-on to marketing. It is a whole new way of doing things impacting key business imperatives. Enterprises cannot take customer loyalty for granted any more. According to one study,[3] on an average, a customer considers at least three hotels before booking. Nearly 82 percent of customers consider loyalty programs while making a booking. Further, 84 percent of business travelers consider personalization as important.

With me-commerce, the tilt is towards retention through customer relationships instead of simply acquiring customers. The other significant shift is the focus on Customer Lifetime Value (CLV) rather than revenues per transaction. CLV tracks the overall revenue added by a customer minus the cost of acquisition. This allows travel companies to identify the most valuable customers and prioritize resources in creating personalized experiences for this segment.

Me-commerce requires travel companies to change the metrics they use to assess a customer's feelings. Customer sentiments expressed on social media have become far more important than customer satisfaction scores. The dynamism and immediacy required for success in me-commerce cannot be enabled by customer satisfaction scores. The fact that 97 percent of millennials share photos on social media while traveling makes the business case for investing in social media sentiment analytics.[4] It enables travel companies to gather data points across the customer journey and identify new opportunities. The impact of social media sentiments is immediate and tangible on the brand and market value. Let me elucidate with an example.

One of WNS' clients, a leading media company, leveraged social media sentiment analytics to achieve ~100 percent reduction in bias while signing and renewing artists and a 20 percent optimization in channel spends for artist promotion. We co-created the solution with the client by leveraging text analytics, face detection and Machine Learning (ML) to track 1600 artists across 13 geographies.[5]

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[3] https://www.hospitalitynet.org/news/4090522.html

[4] https://martech.zone/social-media-statistics-travel-vacation/

[5] https://www.wns.com/insights/case-studies/casestudydetail/441/social-media-analytics-and-ai-help-find-accurate-engagement-and-brand-value-of-artists-for-a-global-media-company

DESIGNING THE ME-COMMERCE FRAMEWORK

The me-commerce approach requires the right framework to be designed and an effective transition strategy. While the transition journey for each travel company will be unique based on their current business context, certain key elements will be common across all me-commerce frameworks. These will include:

- **Mapping the Customer Journey:** The fundamental shift me-commerce brings is to engage with the customers across the entire customer journey, which starts much before the sale is made and continues after the service has been delivered. This enables travel companies to build a unified 360-degree view of a customer across channels. Often, the challenge is in not being able to identify a customer across different transactions. For example, a customer might have called the contact center and tweeted as well, yet the system fails to identify the customer as the same person on both channels. Similarly, a customer may have made purchases across different channels, but it is captured as different transactions, skewing metrics such as the CLV

- **Omni-channel Strategy:** An omni-channel strategy unifies the customer experience across multiple channels. Without an omni-channel approach, mapping the customer journey, building a unified 360-view of the customer and creating personalized experiences will not be possible

- **Talent:** Me-commerce requires a new approach to talent. Companies will need to hire, develop and empower their employees to drive personalization in every customer interaction. Employees need to be enabled by real-time insights and on-ground decision-making powers

- **Technology:** Defining the technology strategy is one of the crucial success factors of me-commerce. Building an analytics ecosystem including infrastructure, people alignment and accountabilities is necessary. Each travel company needs to map the current state to evolve a strategy that works best for them. Incorporation of big data, Artificial Intelligence (AI), ML and Internet of Things (IoT) needs to be prioritized uniquely in the strategy

EMERGING TECHNOLOGIES & CHALLENGES

Me-commerce is powered by emerging technologies in ways that directly impact revenue. Let me cite another example.

A global hotel chain, a WNS client, was able to generate more than USD 1.75 Billion as a result of increased loyalty program engagement and ~USD 450 Million of incremental revenue through hyper-personalized campaigns, by leveraging analytics and ML algorithms. We collaborated with the client to co-create and deploy 40 predictive models and a personalized engine to handle 60+ offers with the help of ML algorithms.[6]

Here are a few more examples of AI-driven solutions that are enabling me-commerce.

SMART INTERACTIONS

Natural Language Processing (NLP) is enabling chatbots to interact with customers for faster, round-the-clock query resolution. NLP provides an opportunity to align the interactions with company values and brand identity ensuring a seamless transition from human interaction to human-like interactions. According to predictions,[7] by 2020, 85 percent of all customer-business relationships are likely to be without human interactions.

SMART KNOWLEDGE BASE

AI guides customers through a transaction, allowing granularity of interactions. Further, it enables businesses to get a 360-degree view of a customer across platforms and touchpoints. For example, when a customer raises a complaint about a booking on social media and then calls customer service, he / she is identified based on a unified profile.

SMART SEARCH

Ensuring customer experience along with reducing resolution time and queue management is a challenge AI is helping solve for travel companies. It allows for in-context escalations by optimizing interactions, deflecting queries to the right experts and reducing the need for follow-up calls.

While enabling me-commerce, new-age technologies are also posing a new set of challenges for travel companies in the form of data privacy and security. Businesses need to find the proverbial sweet spot where they have enough data to personalize experiences without invading a customer's privacy.

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[6] https://www.wns.com/insights/case-studies/casestudydetail/611/co-creation-helps-generate-usd-450-mn-in-incremental-revenue-through-customer-analytics

[7] https://www.forbes.com/sites/forbestechcouncil/2018/06/06/how-facebook-messenger-bots-are-revolutionizing-business/#38faa4c67f5e

PROSUMER TRAVEL EXPERIENCE

The journey of me-commerce has multiple milestones. While travel companies understand the need to personalize, many begin from the stage of ad hoc personalization. The efforts are not consistent, and technology and data, if used, are unstructured. With focused efforts and defining clear goals, travel companies can transition to the end stage of strategic and comprehensive personalization. In this stage, there is a unified approach to personalization working seamlessly across channels supported by robust data and technology infrastructure. Thus, companies will not just be responding to the past preferences of a customer, they will be able to accurately predict what the customer might want next.

According to a Gartner study,[8] 81 percent marketeers believe they will be competing mostly or entirely on customer experience by 2020. Finding the right transformation partner who brings to the table strong domain expertise, technology and analytics capabilities, and a co-creation approach is crucial to chart a unique journey for each organization. Striking the right balance between size and speed will also be imperative as businesses transition from being just another travel company to becoming a prosumer travel experience creator.

[8] https://www.gartner.com/smarterwithgartner/key-findings-from-the-gartner-customer-experience-survey

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