



Gain Market Leadership and Customer Loyalty
An essential 3-part webcast series sponsored by IBM

- Improve the visibility and control of your business processes
- Differentiate your business operations from your competition
- Meet customer demands for consistency and convenience

Learn More ▶

SUBSCRIBE
to Data Informed

Analytics of Customer Data Drives Personalized Marketing Campaigns

by [Mindy Charski](http://data-informed.com/author/mindy-charski/) | October 29, 2013 5:44 am | 0 Comments



Hertz's marketing analytics program relies on the buy-in of customer service reps. Photo of Hertz service counter at Sky Harbor International Airport by forzaq8 via Flickr. Used under Creative Commons license.

DALLAS – Last December the car rental company [Hertz](https://www.hertz.com/) began a slow rollout of a marketing program that can tell it in real time what kinds of personalized offers or messages to give customers when they speak with a customer care representative, interact with someone at the rental counter or receive a receipt. Hertz can prioritize offers by considering data it has about the customer, like attributes collected through its loyalty program and responses to past offers, along with the benefit the company will receive if the person takes the bait.

It is this kind of analysis that helps Hertz staff evaluate the next-best action for serving customers while driving revenue, said John Timmerman, solutions marketing manager at Teradata. "If I have an offer that somebody is 90 percent likely to convert on, but Hertz only gets \$1, as opposed to an offer that somebody has a 70 percent likelihood of converting on but Hertz gets \$100 – it's the combination of the statistical likelihood of converting versus the business benefit to see what's the offer I should be [giving]," Timmerman said.

As a result of these quick determinations, Hertz can personalize next steps for individual customers. One person's receipt may have a push to enroll in the loyalty program, and another's may be a reminder that his or her driver's license is expiring soon

Related Stories

Marketers integrate customer experience data in drive to grow revenue.

Read the story » (<http://data-informed.com/marketers-integrate-customer-experience-data-drive-grow-revenue/>)

The challenges and benefits of aligning marketing and IT for analytics.

Read the story » (<http://data-informed.com/the-challenges-and-benefits-of-aligning-marketing-and-it-for-analytics/>)

Bring SAP HANA into **focus**.



SAPexperts | HANA hub

Most Popular Articles

Esri to Broaden Location Analytics with SAP, Salesforce Offerings

Urban Observatory Visualizes, Compares Cities Through Data-Based Lens

Risk Managers Visualize Fresh Correlations by Analyzing Location Data

Geofeedia Structures Twitter, Social Media Data by Location and Time

Getting Your Business Ready for GIS

Gain Market Leadership and Customer Loyalty
An essential 3-part webcast series sponsored by IBM

- Improve the visibility and control of your business processes
- Differentiate your business operations from your competition
- Meet customer demands for consistency and convenience

Learn More ▶

Subscribe by Email

Email *

SUBSCRIBE

Meet the Staff and Contributors

since an expiration would present an inconvenient problem at the counter. Likewise, someone might qualify for a “buy one, get one free” offer – although Hertz might not give that one if the person has already turned down that kind of promotion. Hertz enters every response to its offers into its self-learning engine, which is powered by Teradata’s Aprimo Real-Time Interaction Manager.

Timmerman was speaking to business and IT professionals at the [Teradata 2013 Partners Conference & Expo \(http://www.teradata-partners.com/\)](http://www.teradata-partners.com/), which was held in Dallas October 20 to 24.

The Importance of Gaining Business Side Buy-In

The Hertz presentation was one of many at the conference that demonstrated how companies are currently using vast amounts of data to make marketing more relevant and timely. And while the marketing applications of presenting companies at the event varied, some common themes emerged. Among them: The importance of gaining buy-in for implementing analytics throughout the organization. The need to have a centralized database to manage these applications. And how it’s essential that managers are mindful of the customer experience when implementing them.

Indeed, Greg Palk, manager of CRM Systems at Hertz, was among those extolling the importance of including business units in marketing-related data projects. Palk said the core team to launch the marketing effort included not only those from marketing and IT, but also others on the business side and the front line. “If we didn’t have buy-in from customer care and people at the counter, they wouldn’t use the tool,” he said.

At [Meredith Corp. \(http://www.meredith.com/\)](http://www.meredith.com/), there are many business units who rely on the database of the media and marketing company, including those handling direct mail, list rental, ecommerce, tablets, and the newsletters, according to the company’s lead information architect, Brian Tournier.

The centralized database has more than 100 million unduplicated users and more than 4,500 data points including demographics and interests. It has information on about 7 out of 10 women in America, Tournier said, and 8 out of 10 U.S. households.

The definition of how Meredith markets to consumers has changed, Tournier said, noting it used to focus purely on direct mail. Customers were largely defined by a street address back in 2002. (Interestingly, direct mail still generates the highest response rates of all Meredith’s direct marketing vehicles.)

Tournier noted that as Meredith began leveraging email, online and cell phone information over the past seven years, the complications grew. Now customers have multiple mailing addresses, emails, phone numbers, social media handles and online actions.

“The challenge is always tying those things together,” Tournier said. “We want to find your current address and also what we call a current email that looks at from our Web application side, what is your current email, your best email, the one you’ve registered for and you’re the mostly likely to use? That’s something that we just implemented.” Meredith’s data is collected from many other sources, too, including promotion response and surveys.

Tournier said data-driven marketing has become a huge revenue generator for the company that is best known for publishing cookbooks and magazines like Better Homes and Gardens. “We’ve developed and utilized our data in a very efficient manner, we have very good teams that model and they do a wonderful job, and as a result we have many millions of offline and online promotions that execute every year,” he said.

Data is seen as a strategic asset at Meredith, Tournier said, and he benefits from that outlook. “It makes my job much easier when I know [the business side] values the data,” he said.

Another company in the spotlight with a strong centralized database was [Caesars Entertainment \(http://data-informed.com/how-caesars-entertainment-sustains-a-data-driven-culture/\)](http://data-informed.com/how-caesars-entertainment-sustains-a-data-driven-culture/), which itself has a data-driven culture led by its chairman, chief executive officer and president, Gary Loveman. The company’s Total Rewards loyalty program is the backbone of its data efforts, and transactions for hotels or beverages, for instance, are attached to it, according to Darrel Kammeyer, executive director marketing solutions at Teradata, which works with Caesars, which operates in industries like casinos, online gaming, resorts, retail and dining.

Caesars can use the interactions contained in the database to determine which incentives to offer and which guest requests to honor, like for complementary coupons to a steakhouse. “I’m not just going to give these comps out to and fro,” Kammeyer said. “I’ve got to make smart decisions, and more importantly you need to be empowering your front-line staff to make these types of decisions, and the way you can do it is through the power of integrated data.”

When asked how Caesars can avoid over-communicating with customers through its many channels,

Redbox finds new kiosk sites by tracking DVD rental behavior data.

Read the story » (<http://data-informed.com/redbox-finds-new-kiosk-sites-tracking-dvd-rental-behavior-data/>)

More retailers analyze e-receipts as customer relationship channel.

Read the story » (<http://data-informed.com/more-retailers-analyze-e-receipts-as-customer-relationship-channel/>)

Follow Us:



(<http://www.linkedin.com/groups>

[/Big-Data-Business-Analytics-](#)

[Data-4298775?home=&qid=4298775&](#)



[trk=anet ug hm\)](#)

(<http://www.facebook.com/DataInformed>)



(https://twitter.com/Data_Informed)



(<http://data-informed.com/feed/>)

Kammeyer said it's effective to ask customers their preferences. If someone says Caesars can send messages to their cell phone during their vacation a certain number of times, for instance, Kammeyer said the company can use that information to send offers that are "wildly successful." Theoretically top customers who share their numbers could receive offers for lobsters that a restaurant needs to sell by the end of the night. "We're finding real-time offers are going gangbusters in terms of response rates," Kammeyer said.

Empathy with Customers Can Avoid the "Creepy Factor"

But it was clear from some presentations and audience questions that there's concern about how to be relevant and timely without spooking customers. Kammeyer pointed out that while patrons may want to be treated differently, perhaps with the person at the front desk knowing their names, they probably don't want that person to know their kids' names. "[Guests] want prestige and to be treated better, and all those things from the platinum level, but they don't want creepy," Kammeyer said.

The "creep factor" was brought up in a question one audience member asked in a session about programmatic ad buying, an increasingly popular process in which advertisers bid in real time for the opportunity to show an online ad to a particular visitor based on that person's profile. The participant said some attendees were uncomfortable about seeing ads on Drudge Report for the conference while at the event.

That prompted Sean Culhane, a lead manager of inbound marketing at Teradata, to say advertisers need to "think like a customer" when using technology like real-time bidding and consider "what would creep you out as a customer?" He added that organizations that will be most successful are those "who put trust front and center."

David Shapiro, vice president of corporate and business development of [DataXu](http://www.dataxu.com/) (<http://www.dataxu.com/>), which helps brands and agencies participate in programmatic marketing, offered his own take on what he referred to as the "seesaw between creepiness and relevance." Advertising is what's powering the Web and it's not going away, he said, and people have gotten more comfortable with retargeting, in which companies can have their ads "follow" their website visitors to other sites.

Programmatic marketing is an enhanced version of retargeting, Shapiro said. "I think the creepiness factor will abate a little bit as we get more familiar with personalized advertising and personalized marketing, but it's ongoing."

Mindy Charski (mindy@mindycharski.com (<mailto:mindy@mindycharski.com>)), a contributing editor for Data Informed, is a Dallas-based freelance writer. Follow her on Twitter: [@mindycharski](https://twitter.com/MindyCharski) (<https://twitter.com/MindyCharski>).



<http://cta-redirect.hubspot.com/cta/redirect/215445/46f42d0e-1554-48a8-bf42-8f2338eedc44>

Tags: [analytics](http://data-informed.com/tag/analytics/) (<http://data-informed.com/tag/analytics/>), [CRM](http://data-informed.com/tag/crm/) (<http://data-informed.com/tag/crm/>), [Teradata](http://data-informed.com/tag/teradata/) (<http://data-informed.com/tag/teradata/>), [travel](http://data-informed.com/tag/travel/) (<http://data-informed.com/tag/travel/>)