

mengage

Leveraging AI to Build a Robust Customer Engagement Strategy



Introduction

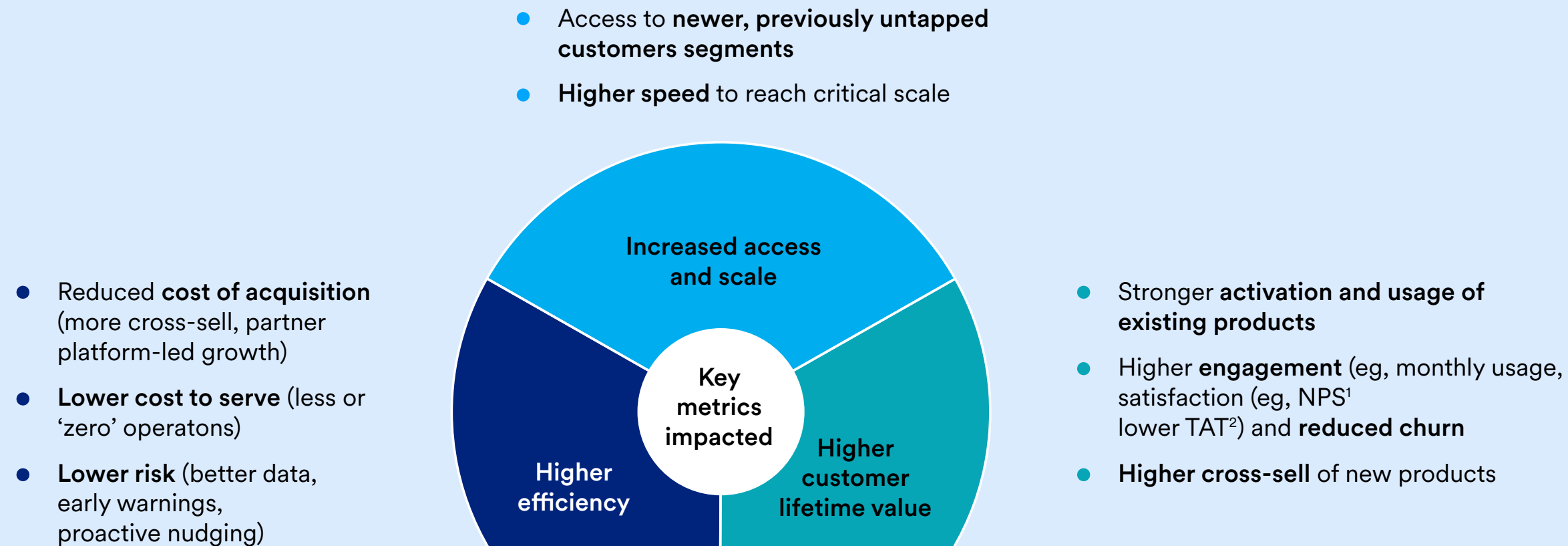
Customer engagement can be described as an ongoing relationship with a brand consisting of multiple micro-moments spread across channels. With brands operating multiple channels of engagement to serve their customers, their journey has become multi-faceted.

[Personalization Pulse Check Report](#) indicates that customers are most frustrated when brands reach out to them for irrelevant products or don't remember their preferences. Traditional and digital-first businesses feel the need to transform to adapt to the changes in consumption patterns. Increasing numbers of customers have started interacting with apps and going online to consume more content, buy essential items, etc. This is why identifying the right data points and using the right kind of [Artificial Intelligence](#) based tools such as bots (to gather data) is crucial.

Impact of AI on businesses

- Boosts growth and retention for your business.
- Improves user experience.
- Empowers you to make decisions based on data.

With an AI-first approach to customer engagement, brands have the opportunity to reap gains in crucial areas



¹Net promoter score.
²Turn around time.
Source: McKinsey analysis

McKinsey
& Company

The role of data in identifying changes in user behavior over the last year has increased manifold. Hence, organizations need to focus on using data in real time and draw insights quickly so that they can pivot and grow faster. This e-book illustrates how businesses can accelerate their growth using digital-first tactics and the criticality of data in meeting business demands.

Analyze customer behavior patterns and changes

As users change their shopping behavior, their needs are also evolving, making extensive use of data an absolute requirement. There must be a balance between listening to your customers and getting qualitative feedback because the data you get can be easily manipulated.



“ Traditionally, customers would buy fashion products and accessories but as their needs evolved during the pandemic, shopping habits changed. So, we started using data to determine what customers see in their feed based on their buying patterns, what they have used before and what’s popular. Everything at Wish is done as an experiment. We have a data-first approach.

- Alex Swan
Product Lead, Wish



“ We focus on the customer lifecycle, and begin at the first touchpoint of their journey with us. What the customer sees depends on how their journey began. If it’s through retargeting, we lead them to a specific product that they viewed or added to their cart and encourage them to complete their purchase. For regular campaigns, we take users to a customized product page with the latest trends. We track the entire journey - where they come from, what they view, where they stop browsing after a couple of products, what they add in their carts. We then use this data for retargeting.

- Lucy Zhu
Director of Retention Marketing, Revolve



“ At the beginning of the pandemic, we witnessed a dip in the consumption of streaming apps such as Spotify and Youtube. We monitored industry trends, focused on usability of the app, studied how people were consuming it and identified communication gaps. Looking at how Gen Z behaves and what they consume, we believe the change has accelerated. Since we have more users uploading on desktops, we need to ensure that the desktop experience is customized for the creator community.

- Alexander Horowitz
Senior Manager CRM, SoundCloud

Test what's working for you in real-time

“ We use A/B testing to narrow down on the features that must be included in our product roadmap. So, we prioritize the different variables to be tested throughout a quarter and identify projects that could help us develop those tests. We also use data science to make sure that our experiment and setup are correct and understand the opportunities and problems our users are facing.

- Alex Swan
Product Lead, Wish

“ We use customer browsing and purchase data to validate and inform our decisions. Additionally, we do a lot of A/B testing to confirm whether our strategy will work or not. For instance, once COVID hit, we noticed that many of our customers were interested in loungewear and activewear, so we vigorously started promoting that.

- Lucy Zhu
Director of Retention Marketing, Revolve

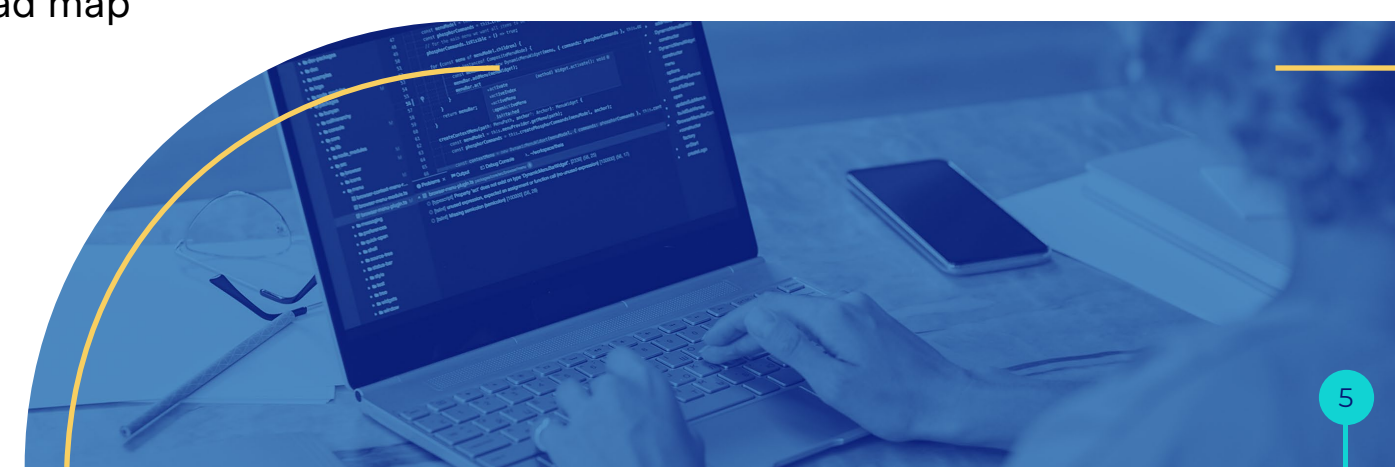
“ We conduct regular A/B testing to understand, on a campaign level, how users are engaging with individual messages and automated lifecycle programs. We look at our standard open rates, push notification reactivity, etc. and tie them back to the key indicators that suggest the health of the user on our platform.

- Alexander Horowitz
Senior Manager CRM, SoundCloud



“ To identify the right data, you need to factor in qualitative feedback. You can leverage the qualitative insights tool to tie the variable/metric to a particular test and move ahead with context. There's also the side exercise of sizing and effort that you need to keep in mind when thinking about your A/B test and see how that fits into your road map as well as the overall company goals and initiatives.

- Neha Jagannath
Product Manager, Tala



Revamp growth loops and the customer journey

Building a growth focused hyper-personalized customer journey

#1: Take stock of where you stand

The first step is to consider the stage your company is in with respect to size and product. Next, analyze how you can structure your team, align it to the company goals, and map the right people to the right jobs. Finally, focus on identifying gaps in your team structure to optimize the growth loops.



“ Having a long term vision and comprehensive company goals is fundamental to any growth strategy. Clearly articulate where your company is headed and strategize how you will address challenges, opportunities and gaps to map goals to your growth strategy more effectively. You can use this information to identify specific growth initiatives.

- Matias Honorato

Growth Lead, Tally Inc.



“ Aligning processes and people to the right goals helps in identifying gaps in the company. Team structure is one of the ways for optimizing growth loops. Consider the stage of the company, and accordingly, set up your growth team and your overall funnel. At each stage of the company, you can plug in more customization into each part of the growth funnel.

- Thomas Hopkins

Head of Performance & Lifecycle Marketing, MasterClass

#2 Map company goals to customer needs and behavior

The second strategy is to understand the experience you want to provide to the customer, gauge which team is most appropriate for it, and what goal they should be aligned to. To do this, empower your brand and performance teams to continually communicate with each other.

Let's move on to see what kind of growth strategies you could adopt to meet your customer engagement goals.

A 3-lever growth approach

Matias Honorato explains that Tally has segmented its organic growth strategy into three categories - lifecycle, content (SEO and CRO for web and mobile), and product-led. This has been easier than mapping internal gaps to have a holistic organic growth strategy.

Tally uses three levers to drive growth -

- Building trust throughout the customer journey.
- Identifying the right emotion to transmit via the product.
- Accelerating the time to value, i.e., how fast the core value propositions such as no late fee, low interest rates, etc. are presented.

To implement these three levers, what are the questions you need to start asking yourself?

✓ Lever 1: Building trust

- ☑ Do my customers perceive my brand to be trustworthy?
- ☑ If not, what's the reason for their distrust?
- ☑ What do we need to change in elements of branding or messaging to build credibility?
- ☑ At what stage should I present this credibility building information and how?

✓ Lever 2: Identifying the emotion you want to transmit through your product

Humans buy with emotions and justify with logic.

- ☑ What emotions should my brand evoke in customers?
- ☑ When should I appeal with facts vs. emotions?
- ☑ How do I reduce friction during the buyer's journey?

✓ Lever 3: Accelerating time to value

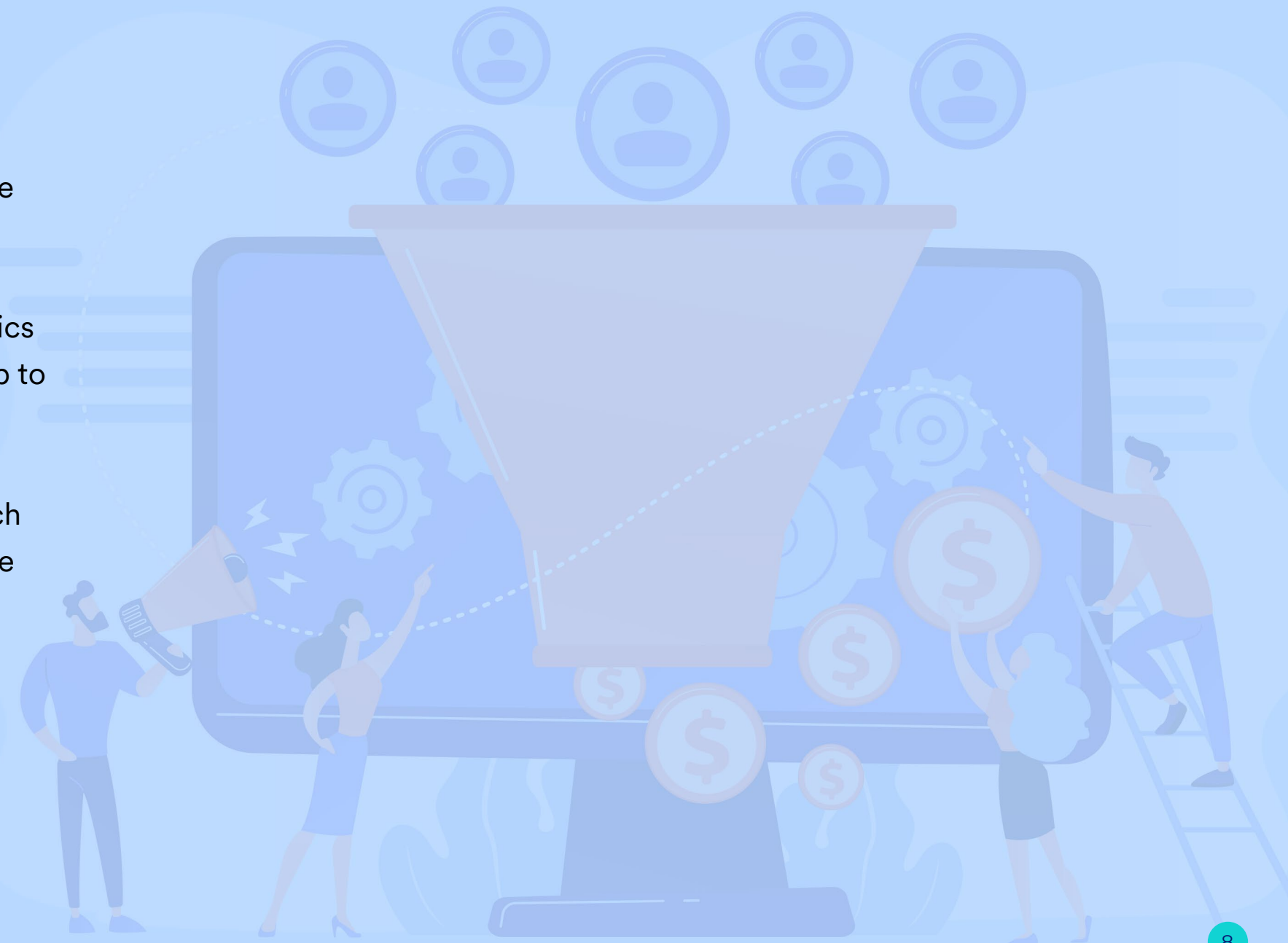
- ☑ What are the right value propositions to present to my customers and when is the right time ?
- ☑ Which channel would be most effective?
- ☑ How can I customize different value propositions for different customer actions or non-actions?

The customer funnel approach

As **Thomas Hopkins** mentioned, you can tailor your growth strategy to the stage of the funnel your customers are in.

The four focus events:

- 1 Create awareness about the product and make customers like it. Cost per site visitor is an important metric to track.
- 2 Set up a team to roll out brand surveys and ensure that people are enjoying the brand sentiment.
- 3 Get your performance marketing and lifecycle teams to use metrics such as cost per purchaser, cost per subscriber or cost per signup to understand how efficiently your users are converting.
- 4 Understand how your landing page converts by using metrics such as lifetime value per visitor to improve the site and maximize value for the user.



Actionable strategies to build the next “It” mobile app

1 Identify the exact pain points your offering alleviates:

Today, 20-30% of any country's population suffers from different types of insomnia. For around 70% of people, insomnia is caused by over-thinking. A wellness app could help solve such a problem. According to Rockwell Shah, founder of Mesmerize, analyzing customer needs is what led them to set up the company.



“

The consumers appreciated the app but suggested that we pair it with psychedelic visuals. So, we did customer interviews to dig deeper into this requirement. We found out that there were legitimate use cases for people to use these kinds of visuals to relax and sleep. When people closed their eyes, it would bring a lot of trauma; for some, it was claustrophobic and their thoughts started racing. So, they needed something visual to guide them. That's when we realized there was a huge demand which no one was paying attention to and got the idea to create the Mesmerize app.

- **Rockwell Shah**

Founder, Mesmerize

2 Scaling through acquisition:

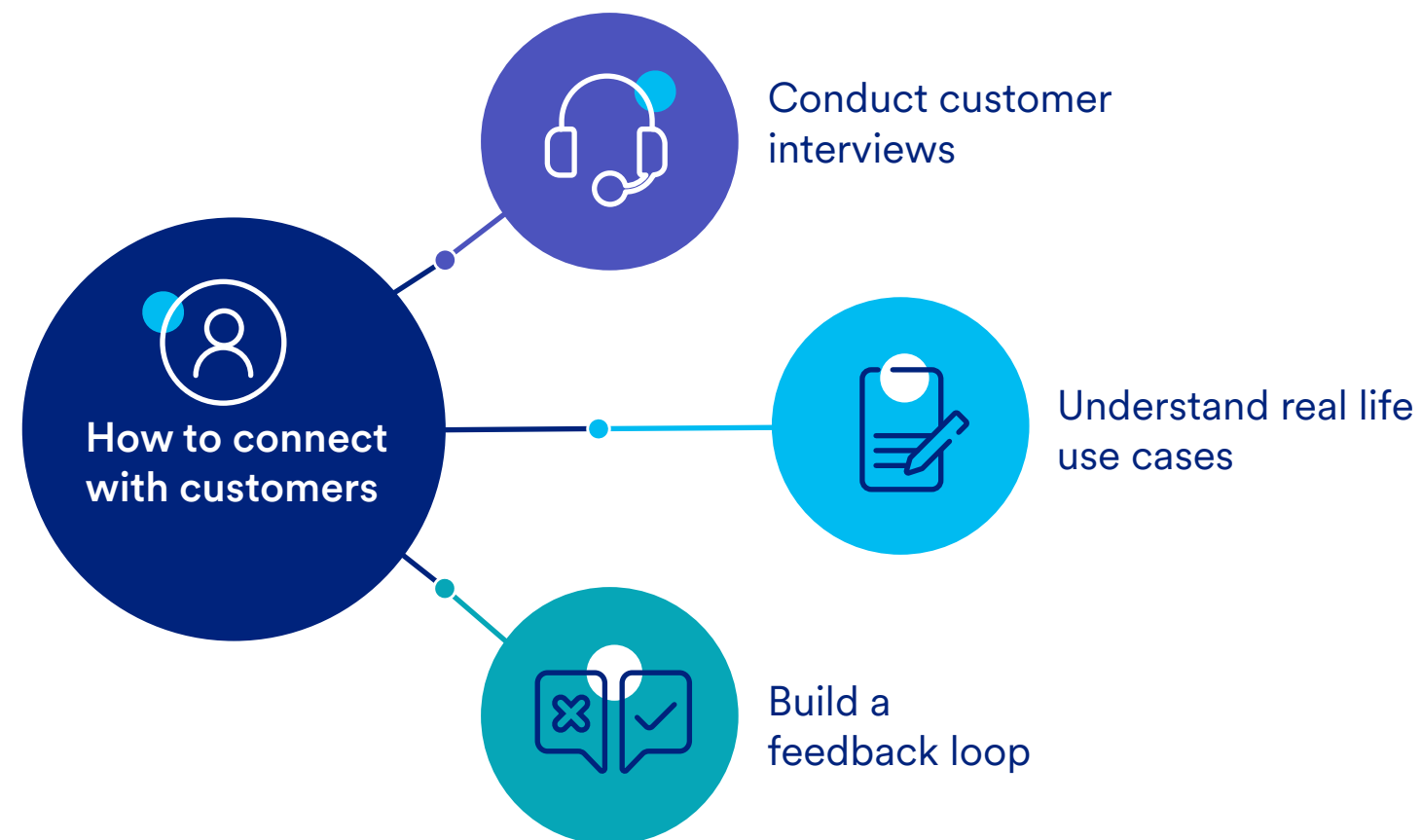
- **Paid acquisition:** This is done by running ads on Facebook, Instagram, Google or Snapchat through which you educate users about your product. You will first need to narrow down your first touchpoint with them and use the relevant distribution channels to reach them.
- **SEO and ASO:** Through Search Engine Optimization and App Store Optimization, you try to get a high rank for queries on the highly competitive spaces of app stores or search engines.
- **Create virality:** Remember that timing this for the right moment can be challenging.

These distribution channels have become standard, go-to mediums for anyone who builds an app and wants to scale.



The Importance of consumer feedback

If you want to change consumer behavior, you need to know how to reach out to them the first time. Hence, distribution channels are critical. If you don't understand distribution well, you're going to end up building something that nobody wants. This is the most likely reason that startups fail.



For instance, conducting user interviews convinced Shah that there was a huge market for a service that nobody was catering to. This led to the creation of a visual meditation app.

Learnings at the beginning of a new decade

We asked our experts the most important lesson that leading a company through a year of turmoil taught them. Here's what they said:

One of the biggest learnings for me last year has been to get our product, design and leadership teams to engage in product-led growth strategy and be a first-party growth driver (as opposed to a third-party growth driver).

- Matias Honorato

Growth Lead, Tally Inc.

One of the biggest learnings for me last year has been to truly care for each other in the company and get to know people on a more personal level. Growth starts with the people and the inherent culture of the company.

- Thomas Hopkins

Head of Performance & Lifecycle Marketing, MasterClass

Here's what you can read next



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VOLUME 1

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About moengage

[MoEngage](#) is an insights-led customer engagement platform, trusted by more than 1000 global consumer brands such as Ally Financial, McAfee, Flipkart, Nestle, T-Mobile, Travelodge and more. MoEngage empowers marketers and product owners with insights into customer behavior and the ability to act on those insights to engage customers across the web, mobile, email, social and messaging channels. Consumer brands across 35 countries use MoEngage to power digital experiences for over 900 million users every month. With offices in nine countries, MoEngage is backed by Multiples Private Equity, Eight Roads, F-Prime Capital, Matrix Partners, Ventureast and Helion Ventures.

Fortune 500 brands across 35+ countries such as Deutsche Telekom, Samsung, Vodafone, Nestle, McAfee, and internet-first brands such as Ola, OYO, Bigbasket, and Tokopedia use MoEngage to orchestrate their cross-channel campaigns and engage efficiently with their customers.

MoEngage was recognized as a Leader in the 2020 [Gartner Magic Quadrant](#) for Mobile Marketing Platforms, a Strong Performer in the Forrester Wave™: Cross-Channel Campaign Management (Independent Platforms), Q3 2021, a Leader in G2 for [Fall 2020 Grid® Reports](#), and the #1 Mobile Marketing Platform in G2's [Spring 2021 Momentum Report](#) for our solutions. To learn more, visit www.moengage.com.

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