

Data Mining and Predictive Modeling: Innovative Solutions for Enhanced Customer-Centric Contact Center Activity



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For high-performing customer-centric organizations, data mining and predictive modeling activities always take place within an organizational context and a rigorous marketing process. We discuss in this article what data mining and predictive modeling are, and how they can be applied in a customer-centric contact center environment.

Sound practices in the marketing sciences include data mining and predictive modeling as a vital part of the marketing and customer relationship management process. These tools and techniques provide contact center managers with valuable information from which intelligence-driven customer service tactics can be developed and deployed.

Specifically, data mining and predictive modeling assist in the identification of customers and their individual needs - including a complete history of contacts, transactions and services - as well as recognize customers at risk of attrition. They also provide the mechanism to refine tactics through results analysis. By integrating these tools and techniques into customer service operations, a turnkey approach to intelligence-driven customer service can be achieved.

In order to determine which predictive models will work best, you will first need to determine the purpose of your marketing programs —

- New customers acquisition;
- Cross-selling products / services to existing customers;
- Up-selling customers to the next level;
- Retention / customer loyalty

If the goal of the program is to acquire new customers, then use a predictive model that statistically differentiates customers from non-customers. The model's algorithm will identify prospects with the highest probability to become a customer.

If the goal of the program is to cross sell or upsell additional products to existing customers, use a predictive model that statistically differentiates customers that already own the product from customers that don't own the product and have a high probability to do so.

If the goal of the program is to retain or strengthen customer loyalty, use a predictive model that statistically differentiates customers that have already left and identify customers that have a high probability of leaving, so that pre-emptive actions can be taken.

Although these programs seek to accomplish distinctly different purposes, the process used to apply the learning from the data mining and predictive models will be the same.

The application of data mining and predictive modeling techniques to marketing and customer-centric contact center programs has yielded exceptional results to those companies which have learned how to harness it. Many of these techniques have existed for decades, but only a handful of successful companies have truly integrated data mining and modeling into their daily marketing activities. When applied strategically, the analytics obtained from data mining and predictive modeling can significantly enhance the probability of success.

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