Creating More Contextual Customer Experiences with Intelligent, Multi-channel Engagements in the Digital Economy

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Introduction

SAP Mobile Services

Digital economy drivers and enablers

Connecting the “last mile”

Customer case studies

Key takeaways and Q&A
SAP is a proven mobile ecosystem solution provider and partner

More than 14,100 consumer products companies in 134 countries use SAP solutions.

87% of Forbes Global 2,000 companies are SAP customers.

$16 trillion of consumer purchases worldwide use SAP systems.

98% of the top 100 most valued brands in the world are SAP customers.

1.8 million messages processed daily.

230 countries reached.

1000+ mobile operators connected.

520+ IPX operators connected.

500+ enterprise customers.

93% of all mobile subscribers reached.

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The digital economy and its characteristics

**Digital business models are disruptive.**
Industry boundaries are blurring and embedded software is changing everything.

**Customers expect a frictionless experience.**
Commerce is seamless and technology is invisible and makes lives easier.

**Early adopters are winning.**
Value creation is significant for companies that embrace the digital world and execute their digital strategy.
Mobile drives the digital economy

Connect the “last mile” with customers
• Secure cloud infrastructures
• Carrier-grade networks and connections
• Global reach and reliability

Utilize integrated solutions
• Multichannel campaigns
• Authentication

Improve customer engagement
• Transparent, seamless functionality
• Simplify lives

Reach
Global proliferation and acceptance across segments and industries

Execute
Secured and reliable mobile engagements are essential

Deliver
Must acknowledge customer preferences, choices, and needs

Measure
Support real-time, effective analysis and corrective actions
Messaging is the core enabler in the digital economy

- Asynchronous yet instant
- Expressive yet fast
- Current yet evergreen
- Mobile yet distributed
- Instant yet secure
- Easy yet productive
- Real-time yet replayable
- Personal yet mainstream
- Accessible yet global
- Casual yet professional
- Simple yet 24 x 7
- Engaging yet user-controlled

Source: KPCB.com/Internet Trends 2015
Digital economy messaging trends

<table>
<thead>
<tr>
<th>Market drivers</th>
<th>Key verticals</th>
<th>Use cases</th>
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| • Reach, low cost  
  • Reliability and accessibility  
  • Strong push from chat apps | • Financial services  
  • Retail  
  • Social media  
  • Travel and transportation  
  • Healthcare | • Notifications, authentication, promotions  
  • Fund transfers and payments |

| 2FA | Data privacy and security pressures | SMS-based 2FA growing as a second line of defense | Shift to multi-factor authentication with biometric enhancement |
Digital economy messaging threats

**Poor customer engagements and experiences**

**Meet engagement expectations**
- Support social messaging and chat app options

**Illegitimate traffic**
- Higher-quality SMS providers sign contracts
- Legitimate SMS often blocked or not delivered
- “Legal” routes, delivery receipts, better service may cost slightly more

**Unreliable message routing**
- Reduce non-delivery, spam, and fraud
- Accurate routing essential for time-critical and sensitive messages

**Cheap solutions not always the best value**

**Questionable routes**
- Low-cost aggregators may often use dubious SMS delivery methods
- Operators not often paid for low-priced, bulk messages – no contract

**Fraudulent activity**
- Lower prices also attract fraudulent activity – spam, phishing
Improve experiences with multichannel mobile engagement

Orchestrate delivery across touch points
- Uncoordinated tactics ineffective
- Offer real-time, contextual content and offers
- Deliver consistent, connected experiences

Serve customers across time, location, and preferred channels
- Enable SMS, apps, email, social, voice
- Leverage global reach and connectivity
- Escalate and ensure delivery with intelligent channels

“There’s an app for that” not always the answer
- Low adoption and traffic
- High development and support costs
- Increasing customer acquisition and retention costs
Mobile ambient data is crucial for customer engagements

**Who**
- Anonymized ID, gender, age
- Zip code
- Device

**What**
- Calls and texts
- Data usage
- Web logs and clickstream

**Where**
- Location

**When**
- Location updates

**Data available**
- Home location
- Socio-demographic profile
- Sites visited, apps used
- Marketing responses
- Brand engagement
- Home zones – regional, city, district, and local
- From a place to a place
- Browsing session start/finish
- Spent at a place

**Insights gained**

**Marketing processes enabled**
- Social media
- Omni-channel marketing
- Loyalty programs and redemption
- Competitive intelligence
- Consumer behavior and segmentation
- Media and programmatic planning and buying
- Digital journey insight and analysis
Connecting the “last mile” with customers is critical for success

59% more concerned about security when using mobile phones when compared to using their laptops

66% give more importance to secure transactions above ease of doing business or reputation

42% identify failure to protect data as the biggest threat to a business reputation

Authentication enables more secure, confident experiences

SMS-based methods simplify and protect engagements

Two-factor authentication becoming a key mobile enabler

Source: SAP Mobile World Congress Survey 2016
Improving engagements and experiences in the digital economy

80% of customer engagements driven by 4 use case categories

1. Customer support
2. Notifications, alerts, and activations
3. Marketing promotions, loyalty, and engagement
4. Security and identity verification
Customer success: Global shipping provider

SMS notifications reduce call center volumes and improve customer satisfaction

- Fewer missed deliveries reduce costs and support expenses
- Decreased inbound call volumes improve call center productivity
- Single vendor with worldwide expertise simplifies complexity

81% of consumers say SMS shipping communications improve their overall brand experience

15-20% Percentage of customers adopting SMS shipment notifications when offered

x23 In the last 3 years the number of shipment SMS being sent by SAP Mobile Services' customers increased by more than 23 times

The SMS Advantage Report
Customer success: International travel company

Two-way messaging enhances confirmations, updates, travel alerts, and customer service

- Reduces cancellations with real-time booking and pre-trip info
- Delivers offers and campaigns that optimize revenue
- Complements personal service and improves experiences

77%
Say SMS communications show that travel/transport companies care about consumers and their orders/data

76%
Say SMS communications show that travel/transport companies make consumers feel in control

74%
say that they should uninstall a number of apps that they don’t use.

The SMS Advantage Report
Customer success: International retailer

Intelligent, multichannel reach improves campaigns and customer engagements

- Delivers automated campaigns and relevant content at the point of consumption
- Intelligent, multichannel engagement provides better click-through rates
- Complements other channels including social media

81%
Say sometimes I just need a simple process like SMS rather than complicated and varied apps

64%
Say that organizations should use SMS more than they currently do

68%
Check their smartphone at least hourly, and 20% check it every 10 minutes or more often

The SMS Advantage Report
Customer success: Digital retail banking

Secure and intelligent messaging enables mortgage loan origination workflows

- Delivers customer offers and rewards using preferred channels
- Provides additional security and protects customer personal information
- Validates customer information during payment account setup

82% of consumers have used two-factor authentication

85% prefer receiving an authentication PIN on their mobile phone to provide additional security

75% of respondents say SMS is their preferred method for receiving a PIN or verification code

SAP MWC 2016
SAP Mobile Services enables intelligent, interconnected engagement

**SAP Enterprise SMS 365** provides SMS based connectivity to consumers around the globe.

**SAP Intelligent Notifications 365** brings choice of push notifications, emails, T2V along with SMS, rule based decision making.

Leverage existing global IPX infrastructure from **SAP Operator Services** to direct and secure connections.

**SAP Engagement 365** offers simple to configure and manage campaigns, promotions.

**SAP Authentication 365** provides two factor authentication capabilities.

**SAP Add-In** for hybris, C4C, SFSF, and more enable easy messaging extensions for enterprise solutions.

**SAP Consumer Insight 365** delivers ready to consume insights based on aggregated, anonymized and enhanced mobile data.

Simple, secure, and reliable cloud-based API delivery and consumption model.
Key takeaways

**REIMAGINE Customer engagement**

Drive competitive advantage by leveraging new channels, new methods of engaging with your customers

**REIMAGINE Business processes**

Change fundamental business processes driven by insights based on mobile ambient data

**REIMAGINE Work**

Embrace new technologies and capabilities to enhance and perhaps disrupt existing business models

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