Digital identity credentials deliver an omnichannel customer experience

Using a smartphone-based identity app across a brand’s channel touchpoints helps personalize sales, support, and marketing initiatives.

Many digital transformation adherents believe a key benefit can be the delivery of more personalized customer experiences, but actually achieving this goal has been fraught with challenges. Companies still struggle to gain a full understanding of the interests, desires, and needs of their customers as individuals. And even loyal customers may feel that they’re all but anonymous to the companies they’ve long supported.

Ironically, the rise of digital business operations has in some ways made it tougher for companies to build comprehensive profiles of their customers. Nowadays, people interact with retailers, banks, hotels, airlines, and other commercial organizations through a variety of digital and physical channels: phones, email, social media, in-person visits, and so forth. All too often, the information generated by these interactions is stored in distinct and isolated systems—creating data silos. Integrating this data to create a full picture of a customer can be a difficult, expensive, and slow process.

Meanwhile, customers who want to realize the benefits of brand loyalty programs, more personalized service, and a consistent cross-channel experience suffer their own frustrations. They find they must use combinations of passwords, physical loyalty cards, personal information identifiers (e.g., “what was your first pet’s name?”), and other authentication methods that vary depending on the manner and location of their interactions with any given company. Even after jumping through these hoops, customers are likely to experience a generic company interaction, rather than one tailored specifically for them.

Ideally, people would carry a single digital identity credential that could automatically authenticate them across any channel and in any setting. If businesses embraced such a unified, mobile identity, they could avoid the headaches of integrating disparate customer data silos. Not only would companies gain a 360-degree view of each customer’s history, interests, and current activities, they could also apply business intelligence tools to their data to help personalize services, extend compelling offers, and strengthen customer loyalty.

Once little more than a theoretical ideal, the concept of a unified, omnichannel mobile identity “badge” is now feasible thanks to the blending of several technologies including smartphones, trusted digital credentials, and sophisticated business analytics.
Toward a unified customer identity

Several vendors offer smartphone-based digital badges, but most of these serve as point solutions designed for specific applications. Some, for example, function as keys that give employees physical access to corporate, university, or government facilities. While useful, such point solutions can be difficult to extend into other application areas or to integrate with existing authentication systems.

As for consumers, they've grown accustomed to using smartphone apps to identify themselves to retailers, banks, and other companies. Unfortunately, these apps may require hard-to-remember passwords and can raise privacy and security concerns depending on how they're implemented. All too often they only serve to authenticate customers via one channel of interaction with a company, not as brandwide, omnichannel identification tools.

To provide real business utility and augment the customer experience, a phone-based identity app should offer strong security, privacy controls, and authentication across both logical and physical channels. Beyond these core capabilities, the solution should also be able to tap into other resources such as the real-time telemetric location data that smartphones can transmit, as well as data drawn from existing enterprise sources. With this information, organizations can create a comprehensive digital footprint for each unique user across multiple touchpoints. Ideally, it should also give companies the option to deploy the identity app as a standalone solution, or to integrate it as a complementary technology to enhance other business applications.

With such a solution, companies could more easily develop one-to-one relationships with each of their customers. They could also intelligently and dynamically engage with them, helping to ensure both better customer experience and business outcome for each interaction.

Benefits for brands and customers

Some of the most compelling use cases for a smartphone-based digital identity badge are in sectors such as retail, hospitality, banking, and other customer-centric industries. The more information these businesses can gather about an individual customer’s buying patterns, wish lists, web activity, and other interactions across channels, the better they can tailor offerings and services to address each individual’s needs.

Consider the ways a modern shopper might interact with a clothing retailer. She might start by visiting the retailer’s website to view and price different dresses, check on availability, and read reviews posted by other shoppers. While on the site, she might receive a coupon or another special offer from the retailer, especially if she is recognized as a member of the retailer’s loyalty program.

The shopper decides to purchase a dress, but chooses to pick it up at a nearby store where she can try it on and...
browse other items. Several days after her purchase, she
notices the same dress has gone on sale. To see if she can
be credited with the difference between her purchase price
and the sale price, she calls the retailer’s customer support
number. Because she’s recognized as a loyal customer,
the store credits her account, allowing her to apply it to a
future purchase.

If the shopper in the above scenario could use a digital iden-
tity badge for each of her interactions with the store (online,
in-person, phone), then both retailer and customer would
benefit from a more rewarding and less stressful experience.

A unified, smartphone-based identity credential can pro-
vide a range of benefits across each of these channels:

Web and mobile applications

Users interacting with a brand online
or on their mobile devices have long
struggled with the requirement to
create and remember (hopefully!)
unique passwords for each brand. A cross-channel digital
badge could eliminate the need for password management
as well as the potential for password theft. Logging in can
be as simple as scanning a QR code or tapping a button on
a phone screen.

The digital identity credential can also help support the
migration of coupons into web- and smartphone-based
shopping. Whether coupons are physical or digital, their
core goals have remained the same: upselling consumers,
moving overstock, increasing customer loyalty, and high-
lighting new products.

By knowing who the customer is, as well as their location,
a digital badge app can support customized targeting—
whether an organization issues coupons through pulling
or pushing, or whether they perform redemption offline or
in real-time. Coupons can be digitized onto a smartphone
and saved in a central repository where customers can
easily access them at the time of purchase, regardless of
which channel they’re using.

An omnichannel identity credential can also facilitate
today’s customer loyalty programs, which increasingly re-
wards people not just for their purchases, but also for their
social advocacy of a brand. Customers can be incentivized
to integrate the digital badge app and rewarded when they
use Facebook to “like” a brand, or Twitter to tweet about
it. The digital badge app can also track when they view
product videos, write reviews, or share in-app offers with
friends.

In-store/in-person
applications

When a patron walks into a store,
hotel lobby, theme park, or other
place of business, the operators
and clerks on hand usually know
nothing about the patron until they initiate an interaction. If
customers carried a location-transmitting mobile appli-
cation, employees could be immediately notified of their
presence, along with other pertinent information.

That information could include a full history of the cus-
tomer’s interaction with the brand, including their buying
habits and preferences. In this type of “clienteling” applica-
tion, the brand and its employees can more easily create
personized experiences for customers, thereby increasing
sales, satisfaction, and brand loyalty.

The mobile credential app could even help a customer
seek assistance from an on-site store employee. The
individual can send questions via the app and employees
can answer them using their own devices or assist the
customer directly. The app also eliminates the requirement
for customers to carry and present loyalty cards because it
serves as an even more secure method to identify custom-
ers and link them to their loyalty memberships.

By applying business analytics to better understand the
context of an interaction with a customer, organizations
can deliver highly targeted offers and messages leveraging
the mobile identity credential.

In addition to the location information provided by the
phone, analysts could also tap customer information stored
in CRM and marketing automation systems. For example, a
company might set rules for extending offers or messages
based on the customer’s location, the time she spent in
a store, or even the day of the week that she is shopping.
Parameters can be driven by real-time analysis of the customer’s purchasing patterns as well as by prior and current social networking and browsing activities.

**Call center identity verification application**

Typically, if a customer contacts a call center with questions about her account, she must first verify her identity by providing personally identifiable information (PII) that can range from her social security number to her mother’s maiden name. Unfortunately, this type of information can be stolen or compromised. The process of soliciting this information also adds to the time it takes for a service representative to resolve an issue.

A well-designed digital badge app eliminates the need to provide PII by generating a one-time password with which customers can identify themselves. On the flip side, the app could also be used if a service rep proactively calls the customer, generating a one-time password to verify that the caller is a legitimate representative of the company.

**Combining identity, mobility and analytics**

MicroStrategy®, a leading worldwide provider of enterprise software platforms, has created a unified, mobile digital badge that can support all of the customer applications described above while delivering a variety of additional corporate benefits. The solution, Usher™, leverages smartphone capabilities including GPS, Touch ID, and Bluetooth, and is designed to complement existing identity and access management systems, including Active Directory.

Available as either a standalone app or as an SDK for integration with other applications, Usher has the advantage of being able to tap into MicroStrategy’s rich data analytics capabilities. For example, the telemetry generated by a customer’s usage of Usher can automatically populate pre-built MicroStrategy analytics reports to help companies fine-tune their operations and offerings.

Among Usher’s business applications for delivering customer experience and insights:

- **Customer segmentation.** Because Usher provides a user with one account for every brand interaction, it helps organizations gain a 360-degree view of their customers. Usher-enabled location and device usage analysis generates real-time insight to help a brand deliver engaging, context-specific experiences and one-to-one marketing.

- **Demand insight.** By delivering rich customer data based on past events and current trends, Usher can help brands ensure that the right stores are stocked with the proper items at the appropriate times. Managers can quickly access real-time sales, inventory, and customer information and then analyze buying trends. This demand insight can help cut down on the high costs associated with inventory distortion and increase customer satisfaction.

- **Mobile campaign analysis.** Companies can deliver mobile campaigns instantly to the phones of millions of customers through the Usher-supported mobile app, and then easily evaluate the effectiveness of campaigns by seeing how many recipients responded. Organizations can also conduct A/B testing and compare the results of campaigns side-by-side using MicroStrategy data analytics and visualization tools.

Usher transmits each user’s identity via out-of-band, secure channels, helping to ensure that implementation of digital identity badges is more convenient and secure than other types of authentication solutions. Each organization can customize access to the Usher app with security mechanisms deemed most appropriate and least intrusive for its customers. A customer can choose continuous tracking or only while using the app.

To deliver on the full promise of omnichannel identity access and tailored customer experience management, a digital credential solution must deliver clear benefits to the brands deploying it as well as to the customers asked to use it. Usher accomplishes both of these goals by providing a unified, friction-free identity experience for customers, as well as a foundation on which retailers can build more personalized and more productive interactions with each customer.

For more information about Usher, visit [www.usher.com](http://www.usher.com).