THE PERFECT CUSTOMER WEB JOURNEY

PHILIPS

100 %
TRANSPARENCY

17,4 BN
TURNOVER

73.000
EMPLOYEES

HOW PHILIPS INNOVATES DIGITAL MARKETING STRATEGIES WITH CELONIS PROCESS MINING

Today, only a few clicks separate us from the products or services we want to purchase. From a company's perspective, however, those clicks are preceded by hard work: Well thought-out marketing strategies have to catch the customer's attention on a product and persuade him to buy it. But how do companies know what marketing strategy to choose – and which potential customers to address with? Philips, a leading health-tech company, has found answers to these questions – with the support of Celonis Process Mining. In a first of its kind project, the company uses the big data technology to keep track of the web user journey.

INNOVATION SPIRIT AT PHILIPS

Philips is a leading health-tech company with the ambition to touch billions of lives with its products, solutions and services. Originally known for its wide range of electronic devices, covering TVs, computers, mobile phones and kitchen appliances as well as lighting, the company is focusing more and more on health technologies.

Today, Philips offers B2B professional health systems such as hospital equipment as well as B2C products for personal care such as electric toothbrushes and shavers, all presented and sold in its online shops. Philips' online offerings are a sing of its spirit of innovation that not only reflects in its new product range but also in the company itself, being on a big wave of digital transformation.

WEB ANALYTICS: IN SEARCH OF A NEW SOLUTION

To get insights into the visitor's web journey on its company websites and online shops, Philips has always used best-in-class digital analytics solutions. Besides other tools, web analytics has been the what Philips mainly relied and still relies on to study online performance. It provides Philips with very detailed data on everything happening on the Philips websites. And yet, the company was searching for an additional solution, which was able to show a customer journey oriented view on this

data and perfectly complementing with the existing analytics solution.

The objective that Philips pursued by adding a new data analytics solution was clear: **The company intended to fully understand the customer behaviour, continuously adapt its marketing strategies to the wishes of the customer, improve the self-service experience of the users on the websites and finally boost web orders by improving the lead conversion.** Philips wished for a solution that opens up new views on the customers' behaviours and allows easy interpretation of what is actually happening. To be able to compare effectiveness of customer journeys and to proactively identify new improvements. Philips' search is driven by its internal marketing strategy: "Becoming a customer-obsessed, data-fueled winner in the global landscape".

**CELONIS PROCESS MINING VS.
WEB ANALYTICS PLATFORMS**

Philips chose Celonis Process Mining, a big data technology that allows to look at customer journeys as a sequence of business events. In more holistic view than a web analytics system typically does. **To understand the patterns of customer behaviour on Philips' online shops from high level back into great detail.** "Process Mining is a very unique analysis method",

says Gerwin Hendriks, Digital Analyst at Philips. "It automatically generates visualizations of the data you have, so you do not have to configure data into a report to look at something specific – which you would typically do in a dashboarding tool."

What Philips fascinated about Celonis Process Mining from the very beginning is its process orientation. Like most of the large companies in the world, Philips aims to get a grip on the customer journey. "The customer journey on the Philips website creates such an overwhelming amount of information that it can be difficult to keep the overview and pinpoint specific issues or opportunities. The visualization of the customer journey makes it easy to interpret, and communicates a story with key actionable insights for our marketers", says Paul Poels, Global Head of Digital Analytics and Marketing Effectiveness at Philips. With the support of Celonis, Philips has an overview of all the business sequence events that a single customer experiences. "**Web analytics solutions can do some of this but not as easy, focused and complete as Process Mining.**"

In order to best benefit from the strengths each data analytics solution provides, Philips uses both Celonis Process Mining and a Web analytics platform. While Web Analytics technology provides a Business Intelligence solution that offers insights

through Performance KPIs, **Celonis helps to understand why the KPIs would highlight underperformance and also provides hypotheses for effective change.** More than Web Analytics, it is possible to quickly understand what happens to customers and why – hypotheses do not need to be predefined so much. "Web analytics, and its' extensive drill-down analysis capabilities, is ideal for many use cases: If you already have an analysis question in mind, you can look up and compare specific performance numbers. To answer a hypothesis you have defined upfront", says Gerwin Hendriks. "With Celonis Process Mining, we add a unique and complementing way of looking at data. The way Celonis shows the data is closely linked to our business goal of realizing the best possible customer journey."

The big advantage of Celonis is that the full end-to-end journey can be perfectly visualized and researched. Insights can be found more exploratively without specific Web analytics knowledge required, giving business decision-makers the chance to understand the full picture and not just partial phenomena. "The key advantage of Celonis is the visualization of the customer journey; the steps our customers go through while interacting with our website. The true value can be unlocked when we leverage Celonis for always-on optimization across markets

and businesses", says Paul Poels. In addition, with Celonis it is possible to visually filter and benchmark variables faster. And study the respective process flows in an easy-to-handle user interface. This allows for better consumption of the data and therefore a much deeper understanding of root causes.

PAUL POELS
Global Head of Digital Analytics and Marketing Effectiveness
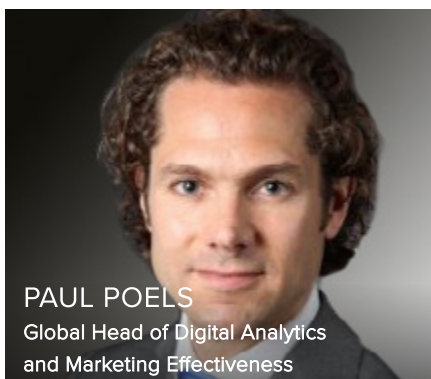
IMPLEMENTATION OF CELONIS PROCESS MINING

Celonis Process Mining has already been implemented centrally in the global marketing team of Philips – with the ambition to spread it into the local departments. The first implementation and setup was quickly completed as the Celonis software connects well with the tracking data the Web analytics platform provides: After being uploaded into an Amazon Web Services S3 Bucket, the data is processed into an SQL database. **The raw data – already provided in an event-log format plus mapping table – is then transformed into a Celonis data model**. Celonis runs as a frontend on an application server from which the data model can be accessed. The end users access Celonis through a simple web application with their internal Philips credentials.

The main challenge Philips had to meet was to pick the right data from the most relevant business events on the website. **Philips collects millions of data every month, generated by every click that is done by every user on every website across the world** – integrating them into the Process Mining software would have caused an incredibly complex and unusable process diagram. "It's about understanding the data model of your web analytics system and then determining the relevant business events that you want to put into Process Mining", says Gerwin Hendriks. "The value of a process diagram becomes bigger when you show only the things that matter to people interpreting it. You need to make it meaningful and user-friendly from the very beginning."

The second major step when estab-lishing the user interface was to tightly manage the business and technical definitions of the data model to be shown in Celonis Process Mining. "In order to get clean processes, you need to know how businesses events should be recognized. But you also have to write down clearly how to measure these business events. So that you can use it to communicate without errors during the realisation phase", Hendriks explains. Philips completed the implementation process in September 2017 and after a couple of weeks was able to already rank around 40 employees among its users. The big advantage of the software is that it can easily and flexibly be used by everyone from the very beginning: "**Analysts do not have to know how the engine under the hood works. They can start driving the car after one hour of training already**", Gerwin Hendriks says.

Philips' objective is to train more and more data analysts of different departments besides the global and local marketing analysts who are already successfully using the Celonis software. In order to guarantee the best possible training effect, employees at Philips are trained personally in groups of 1-2 persons. Hendriks: "The use of Process Mining at Philips is new and unfamiliar

— even for senior data analysts. Process mining as a method of analysis is still quite unknown and an innovation in is the field of digital marketing. Plus analysing external and costumer-focused processes is quite unique for a process mining solution to be used for. It introduces unique demands for the technology in terms of data volume, variation and decision-making scenarios."

CUSTOMER SATISFACTION AND EFFICIENCY

By using Celonis Process Mining, Philips can keep track of what potential customers do online – and adapt accordingly. What distinguishes web users who visit the Philips websites via paid search? Which combinations of marketing channels do they use on their customer journey and how does that impact conversion between any business event? How does behaviour between different marketing

campaigns compare and which have been successful in creating specific journeys? Philips knows which way its customers prefer to go, can shift marketing budget where necessary, maximise persuasion and get consumers to eventually make a purchase. The enhancement of the customer journey with the support of Celonis Process Mining is not only made for marketing purposes at Philips, but also to drive efficiency within the company itself. By providing customers with user-friendly and effective user interfaces, **Philips can reduce the likelihood that customers contact Philips on technical matters** – the aim here is to maximize the number of consumers that use troubleshooting instead of directly contacting support. Generating more buy leads while minimizing the wasted resources – with Celonis Process Mining, Philips is on the best way to stimulate its outperformance.

PHILIPS' PLANS FOR THE FUTURE

In order to add even more value with Celonis Process Mining, Philips sees the opportunities to connect more data in the future. Connecting it further with the big data ecosystem would open up many more business opportunities for Celonis Process Mining.

Eventually all customer touchpoints as well as front- and backoffice can become entirely integrated to create business value using Celonis. "The general response to what Celonis does is extremely positive in our company. Many people are not aware of what Process Mining is but as soon as they see it, they are absolutely impressed and immediately see the true value of it", Gerwin Hendriks concludes.

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