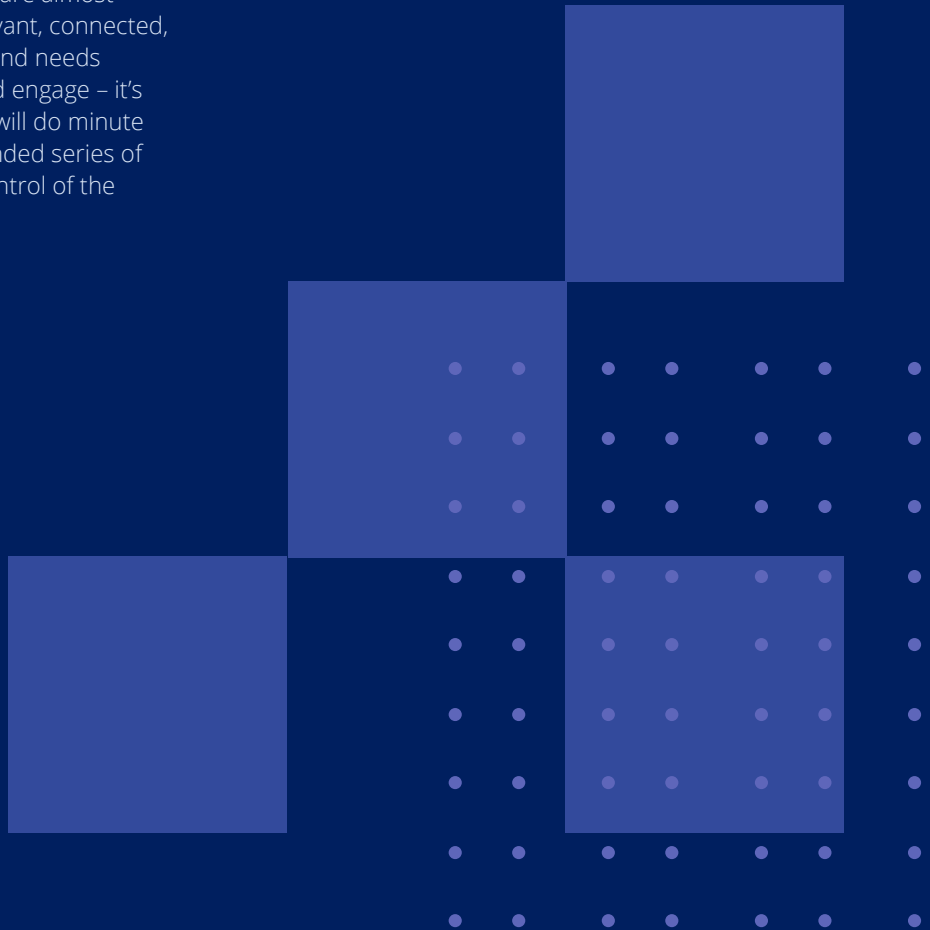




Building better customer journeys

The concept of a customer journey isn't a new one; the idea has been around since the 1980s. Customer journeys, at their core, aren't that complicated. The goal is to help a customer move down a specific path towards an objective, which is usually toward purchasing a product or service. Historically, most journeys were exclusively designed with that end in mind, but a major shift in how we work, shop, relax, and socialize has forced marketers to rethink their approach, significantly.

There are more channels and touchpoints than ever before, and digital engagement options are almost endless. Customers are looking for relevant, connected, and secure experiences. Their context and needs change rapidly as they click, browse, and engage – it's almost impossible to predict what they will do minute to minute, much less script out an extended series of interactions. Brands are no longer in control of the journey at all, the customer is.



The time for a refresh is now

NAVIGATING JOURNEYS WITH THE CUSTOMER AT THE WHEEL

Connected customer experiences are the minimum requirement for building brand-customer relationships today. It's no longer novel or differentiating to deploy analytics when engaging a customer. Most brands do this on a surface level, every single day. But what can still separate brands from their competitors is the ability to operationalize those analytics and data in real time, using propensity and relevance to adapt the experience right along with the customer, bringing those journeys to life.

Traditional approaches to journey-building used rules, reminders, and nudges to push the customer toward the brand. This was done at fixed times throughout the experience, leveraging a narrow set of pre-determined content and offers. Marketers would simply construct a few basic, linear scenarios that didn't allow for much variation or adaptation. Anyone moving through that journey would likely experience the same things as anyone else moving through the same journey.

The problem with that approach is that while the customer moves through an experience, they rarely do so in a straight line – they often back up, leap forward, get stuck, or change directions completely. This causes their context to constantly change and a rules-based journey quickly becomes brittle. As an individual's context stagnates, the messages and offers triggered by the brand quickly become irrelevant. In just a few moments, the entire process falls victim to poor timing and an overall lack of empathy.

Whether the marketing program framework is a campaign, trigger or journey-based, it's time to ask different questions about our customers' and prospects' objectives.

It's time to ask new and different questions. Does this person need help with a service issue? Is it a suitable time to present a sales offer? Do you need to go the extra mile to retain them, after a negative experience? The key to journey-building is finding those answers and setting your organization up to respond immediately – while the customer is the most receptive and engaged.

Delivering modern customer journeys – fast

Customer journeys need to be looked at holistically, with the brand aiming to help the customer complete each journey as quickly and painlessly as possible, even if the outcome does not maximize its short-term revenue. It's true, many times the identified journey involves the customer buying a product – but unfortunately that's where much of today's journey software starts and stops. Any single interaction is only a small part of a much bigger brand experience for the customer – consistently adding value should be the goal, even if an eventual sale is still out over the horizon. Trying to “force” a sale before it's time runs the risk of interrupting and potentially fatiguing the customer. The last thing you want to do is cause an unwanted pit stop or inconvenient delay that sets both the customer and the brand back.

Fortunately, nearly all journeys can be broken down into pieces to make them easier to understand and optimize. During stages of that journey, brands can prioritize and “level up” content designed to help customers make progress against their goals. But it's important to keep in mind that when an individual reaches a step, you must never try to force them towards the next one. Instead brands should utilize real-time analytics to look out across all possible journeys and content options for that customer, and with full knowledge of what they're likely to do, present the most relevant message. That's where modern journey solutions deviate from their predecessors.

Modern journey solutions can't simply rely on rules or basic analytics – instead they need predictive analytics and machine learning to constantly read and react to new customer context, reassess the options for that individual, and pivot to prioritize a new journey or conversation as needed. Every time you get new data about a customer, it can (and often does) completely change your understanding of what they need, and what path they're on. This kind of real-time adaptation enables an elevated experience, eclipsing any level of relevance that a rules-based journey could provide.

What modern customer journeys look like in the real world

Traditional customer journeys that rely solely on sales or product-specific offers are a thing of the past. Modern, empathetic customer journeys are about so much more including the following:



Service journeys utilize “nudges” to preemptively solve customer problems, before they occur or escalate. For example, in the case of a banking customer traveling abroad, prior to the trip the brand could serve up content about exchange fees or restrictions they might incur internationally. They may remind them to authorize their credit card for international use, and during the trip, they may highlight value-add information like ATM locations, foreign exchange counters, or branch locations. The goal of this kind of journey is not to make an immediate sale, but to head off the most likely problems before they ever occur – and by doing so, earn the right to expand that relationship with the customer.



Retention journeys are different. They are often very immediate and are used to reduce the attrition of high value customers, maintaining profitability without maximizing incentives. For example, a telecom provider may analyze customer browsing or network behavior looking for patterns and determine that a customer is frustrated and trending towards canceling or “churn”. Instead of waiting until that person calls the contact center (when it may be too late, and will definitely be expensive), they reach out with a personalized and proactive retention offer, based around the customer’s needs like providing extra data, adding an additional family member at no charge, or offering the latest upgrade at a reduced rate. This avoids churn, allows them to “save” that customer at a significantly reduced cost, and has the added benefit of improved customer satisfaction and loyalty levels.



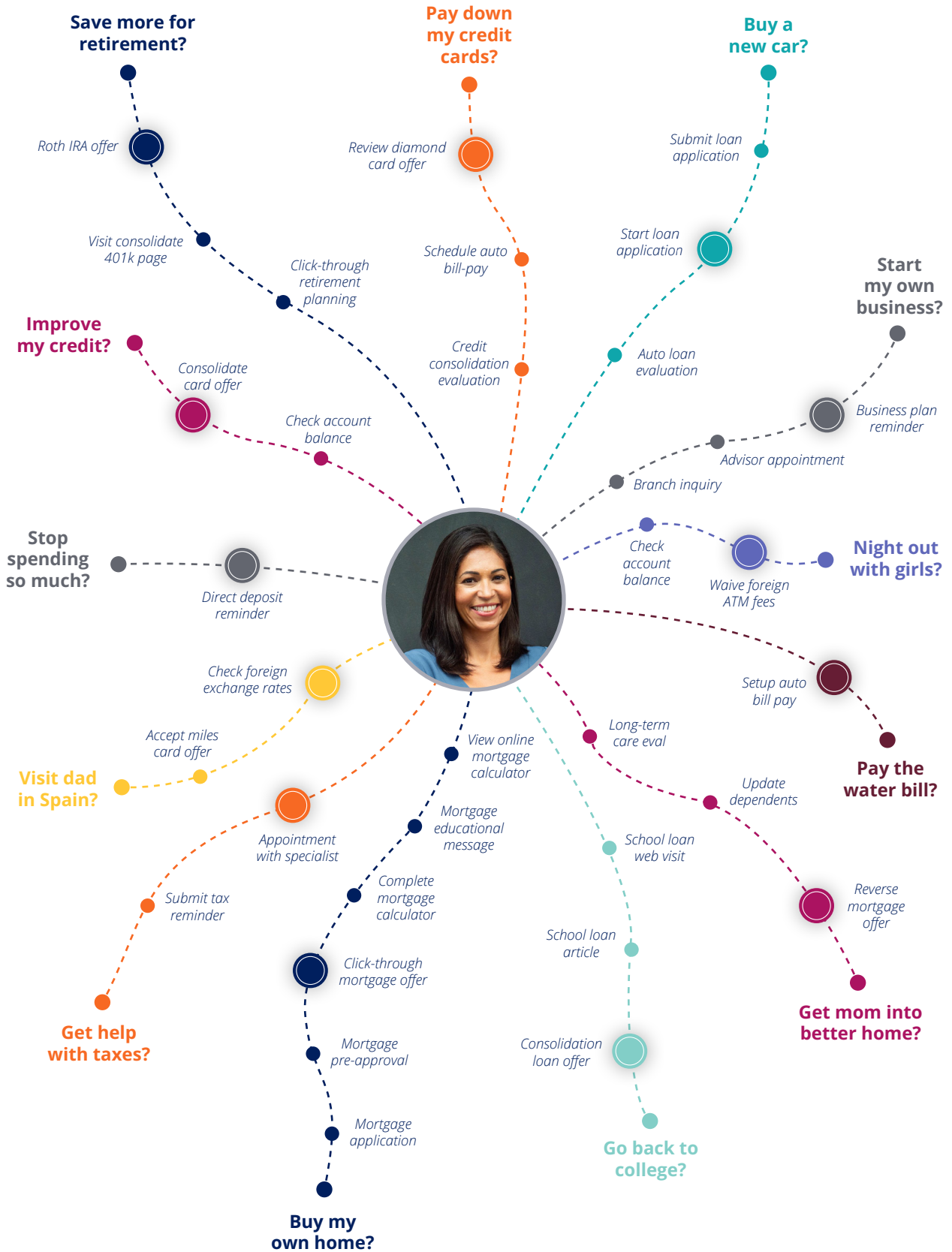
Nurture journeys are similar to service journeys, designed to keep your brand top of mind while gradually increasing customer or member engagement. For example, a healthcare brand may have multiple nurture journeys in place to educate or inform customers – focusing on health, fitness, aging, membership programs, or case issues. Those journeys would each feature a wide variety of podcasts, articles, videos, studies, news, etc. The strategy would be to expose the customer to each type of content and see which journeys and formats catch their interest. Each time they engage on a topic, that’s a brand’s window of opportunity to identify and adapt to their behavior. The goal is not to sell or convert – it’s to build engagement and develop that customer relationship over the long-term using a low pressure approach.



Resilience journeys are the newest offshoot of real-time capabilities. They are designed to safeguard your customer’s short-term well-being. By doing so, companies can solidify high-value relationships with their customers over the long-term. However, they’re often tricky because an organization needs a strong understanding of individual customer context and ability-to-pay but are relatively low risk and provide substantial benefits. For example, during a time of short-term customer hardship, a brand would proactively reach out to a customer whose profile and behavior show a risk of non-payment or default. The organization would provide them with a personalized offer of reduced terms that should allow them to stay in good standing if accepted. The practice not only helps customers prioritize payments to the brand, but also helps build relationship equity with the individual, and creates substantial positive public sentiment.

Modern journeys happen in real time

The journey shifts as quickly as the customer's context





Delivering the right journey with next-best-action decisioning

Modern customer journeys are made possible by real-time decisioning capabilities, which use next-best-action strategies to power customer-centric decision-making. Next best action (NBA) is an approach used to engage customers by taking into account each individual's unique needs, preferences, and context.

NBA strategies use propensity-driven decision-making to materially increase the relevance of communications, increasing engagement to create incremental customer lifetime value (CLV). One of the largest advantages of NBA is that it goes beyond just sales offers to consider all the potential conversations you could have with a customer, including ones that fall into service, nurture, retention, and resilience.

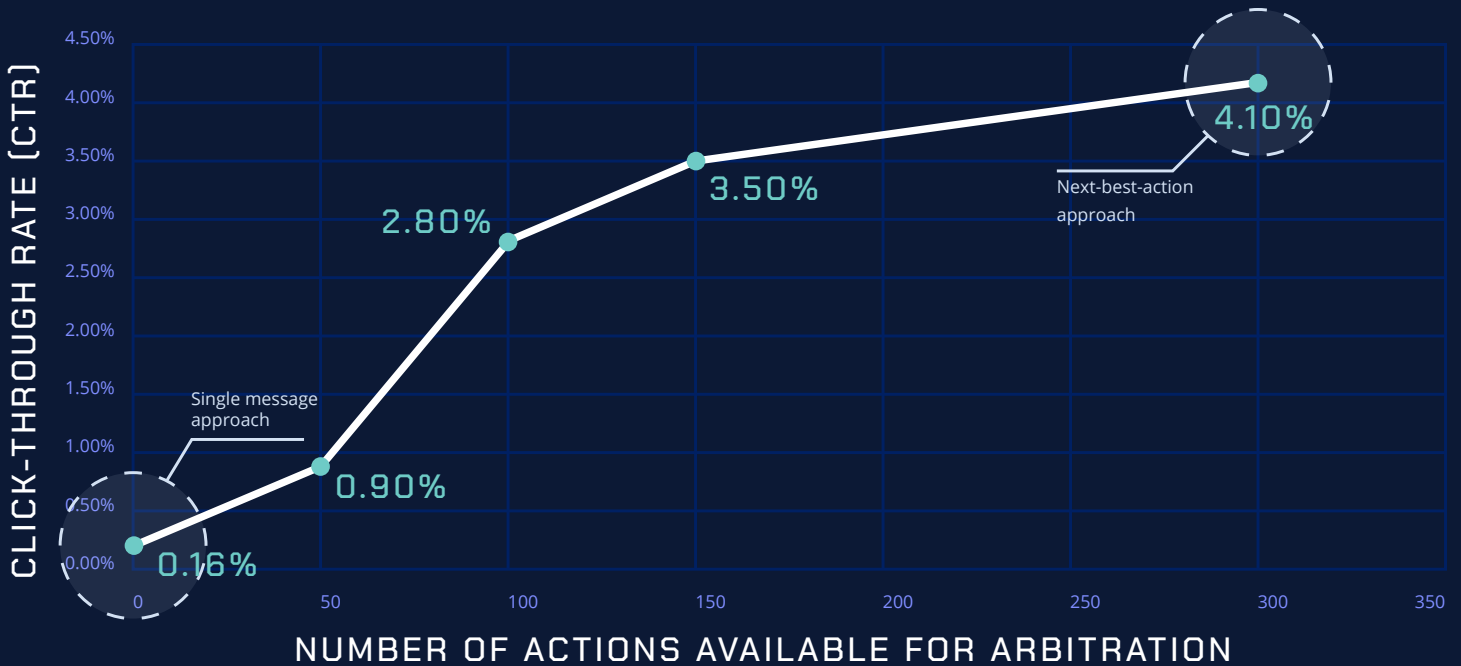
With NBA you have a large library of actions that are “always-on” and available for presentation at all times, so it becomes much easier to find a relevant action to take for each person as they progress along a journey. Instead of making a sales offer, the next best action may be to recommend a training course, negotiate a discount, attempt to collect a debt, or congratulate someone for being a five-year customer. In fact, many times your best option might be to do nothing – because the customer is experiencing a problem, and any action you take would actually worsen the situation. Silence can be an undervalued customer treatment.

Having a deep library of potential actions is critical to driving long-term relationships that strengthen customer lifetime value, the best key performance indicator of long-term business growth.

However, we also know that building out capabilities to enable volumes of potential conversations drives desired short-term behavior as long as the objective continues to be to meet the customer's needs.

The effect of "optionality" on CTR

HAVING MORE ACTIONS PROVIDES EXPONENTIALLY BETTER CTR



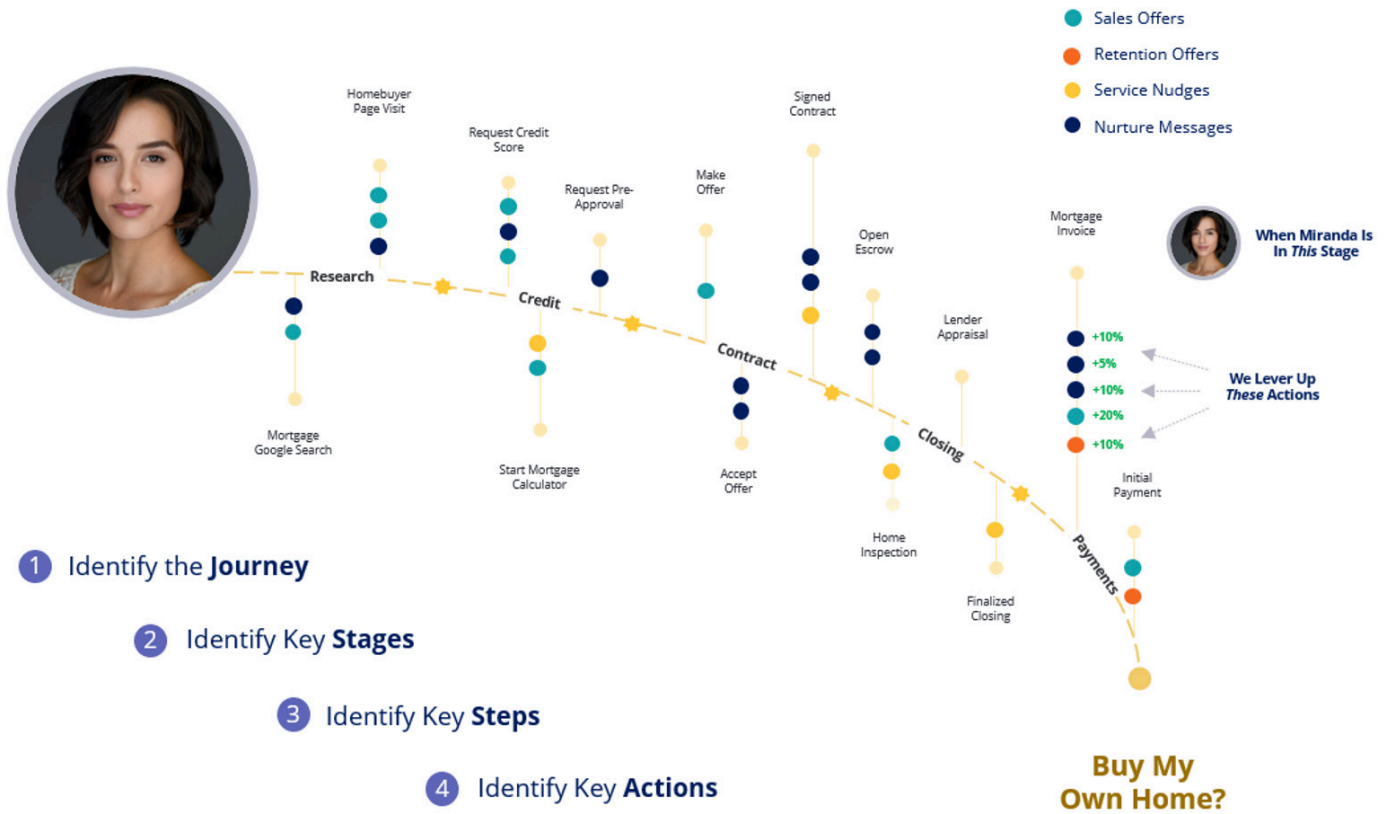
*source: Pega personalization benchmark program

Pega: Where modern customer journeys and NBA meet

At Pega, we help brands leverage a high-empathy approach, and build sustainable customer relationships with a capability called next-best-action customer journeys. Next-best-action journeys allow the brand to identify common customer experiences that they wish to optimize, break those experiences down into consumable stages, and increase the likelihood that when a customer enters the stage, they're presented with relevant and compelling content designed to help them solve that problem. Instead of simply "pushing" customers to the next stage with rules, this capability relies on propensity modeling to determine which journey the customer is on at that exact moment. Real-time decisioning then helps present the best offer or action that aligns with exactly where they are in their journey, through whichever channel the customer chooses to interact.

Those journeys are powered by the Pega Customer Decision Hub™. Customer Decision Hub(CDH) acts like a brain that sits in the middle of all your marketing and engagement channels, bringing everything together and unifying your existing stack. It's a real-time decisioning engine with built-in analytics and machine learning, that reads customer context, figures out what it means, and triggers messages to individual customers exactly when they need them - constantly learning and improving from customer responses. To ensure every journey is driven by the customer themselves, their journey is orchestrated by their needs, not from a fixed set of variables.

Brands all over the world are using Pega's CDH to enable customer journeys. Vodafone has been a Pega Marketing and Customer Decision Management user since 2007 - progressively integrating more of their inbound and outbound channels, such as call centers, retail stores, web, mobile, IVR, and campaign management into CDH.



With Pega, we can forget about the channel - it's irrelevant. The idea of audience-based segments is gone. We have genuine, relevant, 1-1 communications, personalized to the individual - making decisions based on what happened half a second ago.

GROUP HEAD OF MARKETING TECHNOLOGY & COMMERCIAL CAPABILITIES, VODAFONE

Vodafone: Always-on marketing example

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| <p>1. CENTRALIZE ALL MARKETING DECISIONS
Instead of making decisions within business units or channels, Vodafone centralizes them at the country level withing Pega CDH.</p> | <p>2. CALCULATE EACH INDIVIDUAL'S INTENT
As customers interact on inbound channels, or events stream in, they use it to determine intent, and select a next best action.</p> | <p>3. DISTRIBUTE ACTIONS ACROSS CHANNELS
Those actions are delivered immediately on inbound channels (<200ms), and queued up for delivery on outbound channels.</p> | <p>4. HUGE INCREASE IN RELEVANCE
The combo of complete customer context, real-time decisioning, and a large conversation library increased response by 500%.</p> |
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How to start down the path to modern customer journeys

Digital engagement options and customer expectations are only going to increase in the future, meaning companies who aren't creating seamless, unified, and personalized experiences will end up further and further behind the competition. Detecting customer context is going to need to be even faster and even more accurate than ever before. While this level of transformation can seem monumental, there are ways companies can get the ball rolling in the right direction:

1. Move away from batch messaging and segment-based campaigns – treat every customer as a unique individual.
2. Evaluate your current tech stack to make sure it's meeting not just your current business needs but future ones as well.
3. Look into future technology investments that can replace or augment what you've already implemented.
4. Designate key stakeholders, level-set expectations, and establish clear goals and timelines – the key is long-term gain vs. short-term wins.
5. Start diversifying your actions and offers to include more than just sales.

As customer journeys become even less linear and more complex, companies who get it right will thrive, building the long-lasting customer relationships that are critical to business success. It's time for companies to take their own journey towards customer experience excellence.



Pega provides a powerful platform that empowers the world's leading organizations to unlock business-transforming outcomes with real-time optimization. Clients use our enterprise AI decisioning and workflow automation to solve their most pressing business challenges – from personalizing engagement to automating service to streamlining operations. Since 1983, we've built our scalable and flexible architecture to help enterprises meet today's customer demands while continuously transforming for tomorrow.