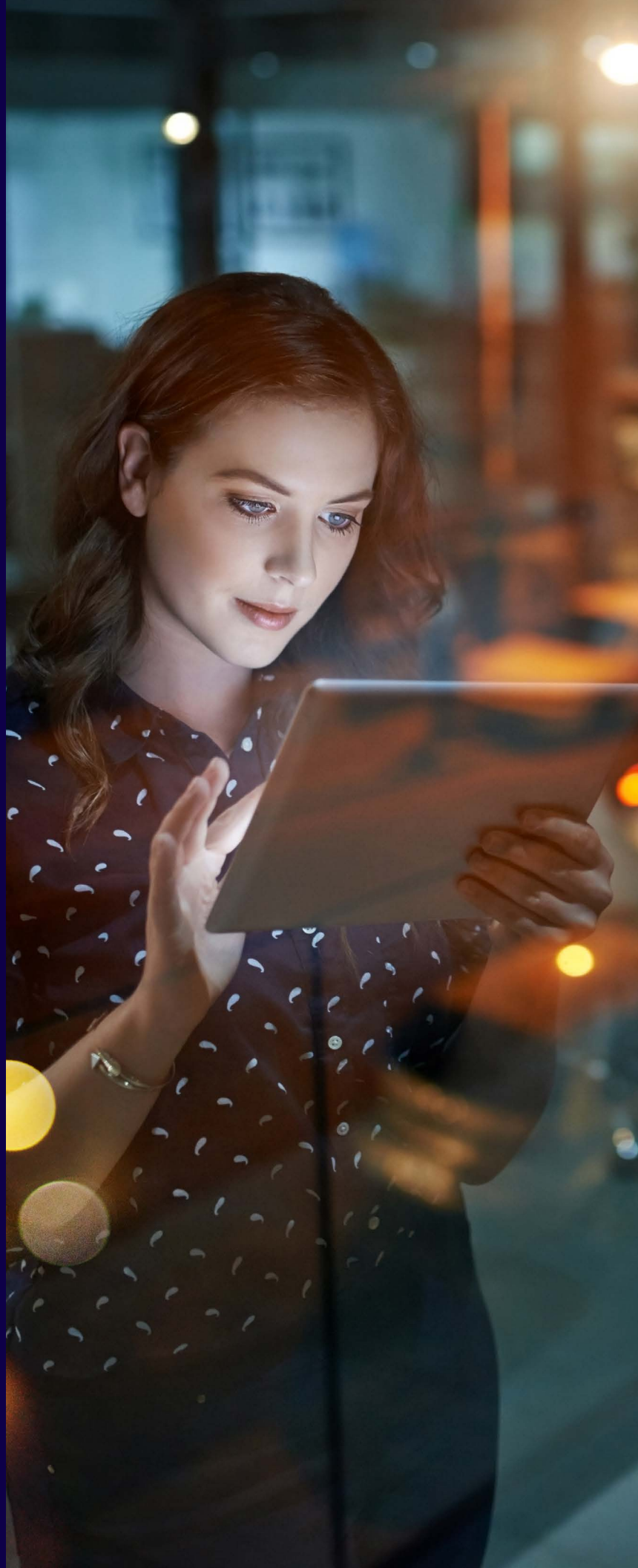




Get relevant or get ignored

Why communications service providers are making the shift to one-to-one engagement.

You don't need a data scientist to sense the change happening right now. With digital channels and AI going mainstream, the same stale customer engagement tactics aren't getting the job done anymore. Everything that's not personalized and perfectly timed falls flat. So how can you break through the white noise to drive real value and deeper customer connections?



99 out of 100 customers aren't paying attention

Campaign responses are down. Click-through rates are embarrassing. And many brands can't even connect with existing customers – much less find new ones – without hemorrhaging time, budgets, and reputations.

In a sector with more than 5000 unique marketing solutions,¹ the average campaign response rate is still less than 1%.² That means on average, 99% of the messages we send are largely irrelevant.

Communications service providers (CSPs) are scratching and clawing to innovate, trying to close the gap by investing in the best people, platforms, and intelligence. Ultimately, we still end up engaging customers with the same campaign-based, product-push tactics we've used in the past... but those techniques no longer produce results. Instead of earning customer equity, we end up digging an even deeper hole – just doing it faster, and in flashier, more expensive ways.

It's time to radically shift the way you engage

To break out of this death spiral, we have to stop constantly interrupting customers' lives, distracting them rather than earning their attention. We have to become a part of their day-to-day experiences, not a tangent or an afterthought.

This requires us to rethink how relationships work and develop. We have to empathize with each individual and adapt to their specific needs. And we have to add value every time we engage, instead of falling back to just pushing products and shouting from the rooftops. This is a big ask because it requires us to read and react, and calculate a well-considered next best action for every touch – an offer, message, or service that's relevant to the customer, while still being valuable to the business.

3 ways to move beyond product-pushing

So how does a next-best-action approach work, and what can it really do for your customer relationships?

1

Next best action goes beyond the tactics of traditional marketing because **it analyzes each individual's complete profile and current context, in the moment** – while an interaction is still taking place. It calculates the right approach for a specific person, based on their needs and the organization's goals.

2

Next best action is not just about making marketing or sales offers. Instead it looks across the whole business, and **considers all the retention or service options that might be better than selling**. Every option is modeled and examined, and the next best action is the option that best balances customer relevance with business value.

3

Traditional campaigns and segments pick a product, then decide who's likely to buy it so we can target them. The problem is, that focuses only on what we want, not on what the customer really needs. Response is low because it's about us, not about them. With a next-best-action approach, **you trigger messages only when the customer needs them**, based on their unique situation. They never see irrelevant outreach or get sick of hearing from you – because if there's nothing relevant to talk about, you don't reach out at all. You wait until the time is right and engage only when you're likely to add value.

¹ Chief Marketing Technologist Blog, Scott Brinker (2017), <http://chiefmartec.com/2017/05/marketing-technologylandscape-supergraphic-2017/>

² Direct Marketing Association, 2017 Response Rate Report (2017) <https://thedma.org/marketing-insights/responserate-report/>

How to make it real (and get real results)

Implementing a next-best-action approach requires CSPs to make three significant changes, which together reshape their approach to engagement. These aren't small things, but they're critical for success.

A one-to-one customer approach:

Shift from traditional one-to-many segmentation to a model where decisions are personalized for each individual customer – instead of smashing people into groups, where their unique needs are dumbed-down and underserved.

A centralized decision authority:

Stop channel and product-driven targeting and use a single "customer brain" to govern engagement across products, channels, and business units, based on what's best for the organization as a whole.

Always-on engagement:

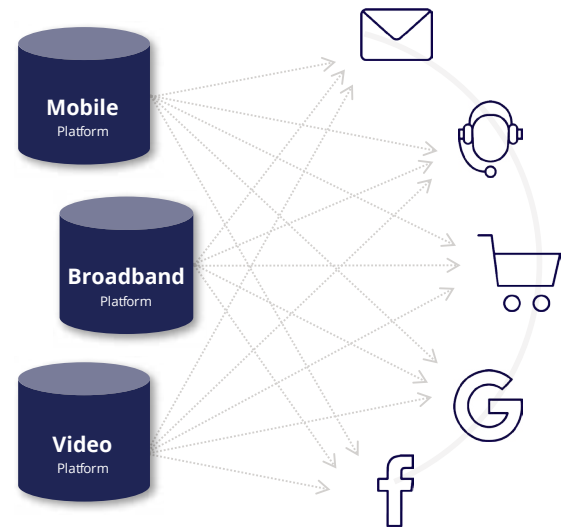
Move away from scheduled push campaigns and large batches to an always-on model that never stops or starts. Instead, it continuously engages customers during calculated "moments of need," regardless of the channel.

These changes can seem impossible, mainly because our businesses aren't naturally set up that way. This kind of transformation doesn't happen overnight; instead, it's an organizational evolution that has to happen channel by channel, and case by case. That way you can progressively produce ROI, and steadily earn the right to take on more.

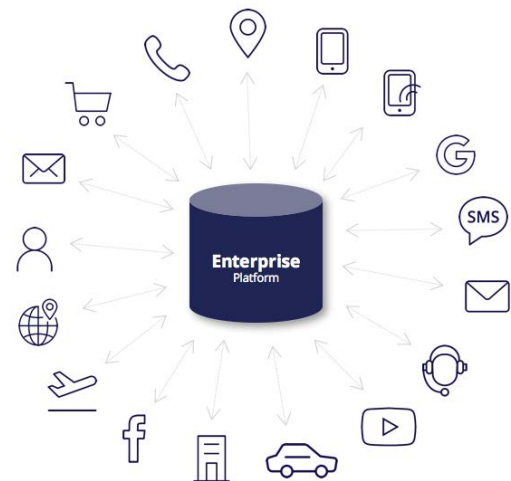
Despite the challenges, organizations invest because they see the potential value, including:

- **Increased response rates (3-6x)**
- **Reduced churn rates (10-50%)**
- **Reduced retention discounts (20-35%)**
- **Incremental agent-sales opportunities (2-3x)**
- **Increased net promoter score (10-40 points)**
- **Significant return on investment (3-5x)**
- **Minimal payback period (4-6 months)**

Decentralized strategy



Centralized strategy



Real one-to-one engagement requires holistic thinking, not segmentation by product or channel.

Who's getting it right?

Industry leaders are already embracing this approach, with dramatic results.

Vodafone embraced an "always-on marketing" approach with its customers, and drove 40% revenue growth by leveraging next best action across channels.

EE deployed next-best-action retention and cross-sell recommendations, and reduced their customer churn levels by 40%.

Sprint Wireless increased its upgrade rates by 600%, using context to predict when customers were most likely to accept offers.

How can you join them?

To learn more about how CSPs can use next best action to recalibrate their customer relationships – including a proven formula for success – **download our whitepaper.**

