



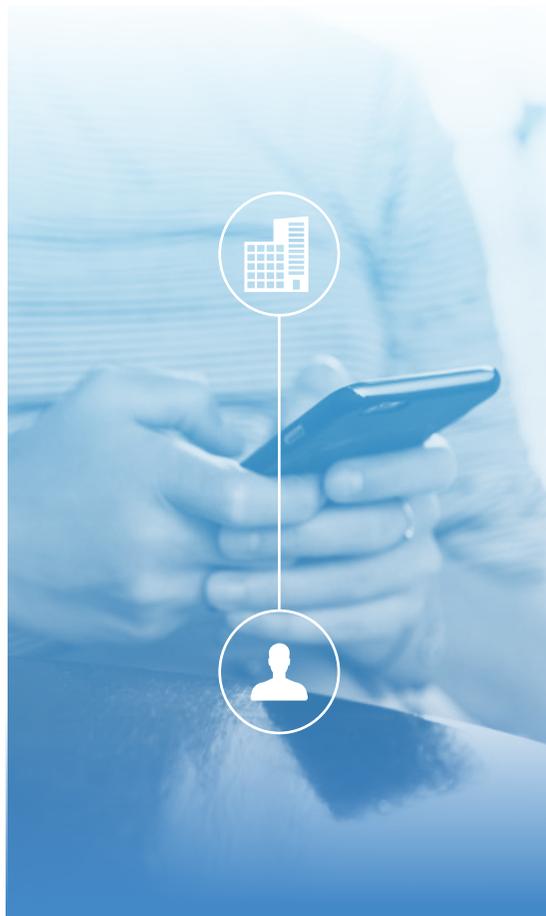
USING NEXT-BEST-ACTION ANALYTICS TO OPTIMIZE THE CUSTOMER JOURNEY

ENTER

Table of Contents

- 01** Aligning Business Objectives with Dynamic Customer Journeys
- 02** The Macro Journey
- 03** Analyzing Micro Journeys
- 04** Identifying Gaps in the Journey
- 05** Implement Next-Best-Action Technology
- 06** Real-Time Customer Decisions
- 07** Tracking Multiple Journeys Simultaneously
- 08** Gain a Comprehensive View of All Channels
- 09** Rank Actions in the Context of Journeys
- 10** Adaptive Modeling & Machine Learning

Aligning Business Objectives with Dynamic Customer Journeys



Today's businesses want to construct the "perfect" customer journey: one that pushes customers to make decisions beneficial for the enterprise. If every customer wanted the same thing and business objectives never changed, achieving this goal would be plausible.

However, customers constantly adapt their own paths, interacting with organizations through whichever channels are most convenient, in the moment. In addition, their needs and preferences change constantly – yet they expect brands to understand them, and the context of their decisions.

On the business side, corporate priorities change on a quarterly basis – shifting through periods of growth,

retention, customer acquisition, and risk mitigation.

In this dynamic environment, organizations need to constantly re-calculate the Next-Best-Action for each customer, and each moment.

In this e-book, we'll outline how enterprises can integrate agility and responsiveness into their day-to-day operations.

The Macro Journey



A “macro” journey is a series of interactions that indicates a customer’s commitment to your brand.

Examples of a macro journey include:

- A customer purchasing cross-sell “add-ons” to the original purchase.
- A customer renewing a subscription service at the end of a contract.
- A customer advocating on behalf of a brand.

Depending on the nature of their journey, a customer may be more or less willing to engage with your organization’s products, services or solutions.

Because of this, it’s critical to integrate an “always-on” decision-making process into your customer engagement decisions – this process gathers information on each transaction in real-time, so you can determine:

- The value each customer presents to your business.
- Business actions to which the customer will respond positively.
- How your decisions will impact the customer’s overall experience.

Analyzing Micro Journeys



“Micro” journeys are the various steps customers take along that larger journey, to achieve their goals. When a customer purchases a product (a macro journey), he may use a search engine to identify brands, read online reviews and use a coupon or loyalty card. These are micro journeys.

Each stage within a macro journey offers risk-reward scenarios for your organization, because it shapes how individuals actually perceive your brand. If a call-center agent can't answer a question or provide a compelling path forward, the customer may become frustrated, disengage, or disappear completely.

Every interaction with a customer is a tipping point you can't avoid – you either get closer, or you push that customer away.

Your brand *must* think and react at the micro level, identifying the Next-Best-Action along the given the context of the interaction. You must *guide* customers toward the optimal path – but never *push* them – they're the ones in control.

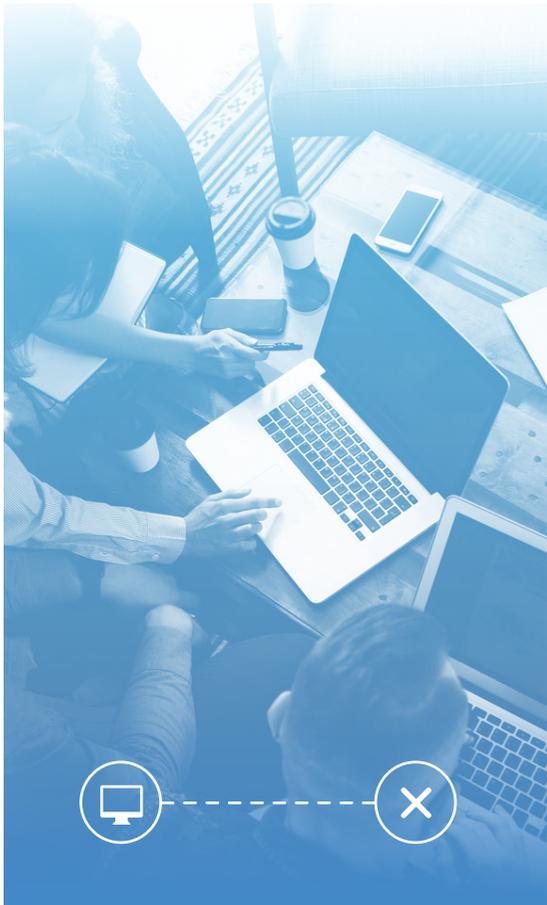
Identifying Gaps in the Journey



When identifying gaps in your experience, you must determine which journeys your business fails to optimize – such as:

- 
Brand Visibility and Access
 Is your brand's presence across third-party platforms and other channels easy for customers to find?
- 
Interaction Intelligence
 Can you translate real-time data into relevant, timely actions? Can you personalize customer interactions across multiple channels?
- 
Sales Conversion
 Is it easy for customers to navigate the purchase process?
- 
Support
 Does your business optimize non-transactional experiences, such as resolving product or account issues?
- 
Cross-Sell and Upsell
 Are customers able to expand their relationships with ease? Can they find what they're looking for, quickly and easily?
- 
Holistic
 Is the sum total of their experiences positive? Or does it detract from your value?

Implement Next-Best-Action Technology



Many technologies can't optimize customer journeys as they occur, because they believe they can pre-determine where and how to "push" a customer.

These solutions rely on pre-scripted journey paths, calculated propensity scores, and static "best practice" templates that push offers – they focus on what the brand wants to sell, not what the customer actually needs.

Technologies that embrace dynamic interactions focus on the context of that journey, and make decisions that balance customer and business needs.

For example, when a customer is in need of service, they'll identify that context – and help the customer resolve that issue, rather than simply trying to sell another product.

Context is the heart and soul of the customer journey... but what other capabilities must your technology deliver?

Real-Time Customer Decisions



The technology at your disposal *must* be able to analyze interactions in real time – but do so within the context of the customer’s situations.

For example, “Wisdom of the crowd” algorithms account for what *others* have done – but ignore the *individual* customer, and the unique story that led them to this exact moment. So they end up pushing products or offers that aren’t relevant to that individual’s context, *right now*.

Real-time analysis *must* be done at the customer level, at the moment of interaction. This enables your business

to determine what *this* unique individual needs in *this* exact situation, and react accordingly.

This requires that analytics and decisions are made in fractions of a second – to capture the tiny window of opportunity when the customer is truly engaged, and actively listening.

Tracking Multiple Journeys Simultaneously



Customers rarely complete a journey from start to finish.

For instance, an e-commerce customer may place several items in a shopping cart, or use a search engine to study them – with no intention of purchasing those items right now. The items may not even be related. They're researching your brand, and may take dozens more actions before they circle back – if they do at all. They're in control – and there's no penalty for indecision.

To this end, you'll often need to manage the customer through multiple journeys simultaneously, and adapt your approach *instantly* when that individual shows signals that they're changing course.

Attempting to push that customer down a high-value path is tempting – but your goal must always be to *serve*, rather than to simply *sell*.

Your focus must be on giving them what they need, when they need it – so that every interaction is relevant, timely, and aligned with the context of their situation. That's what will keep a connected customer engaged, and keep your brand top-of-mind.

Gain a Comprehensive View of All Channels



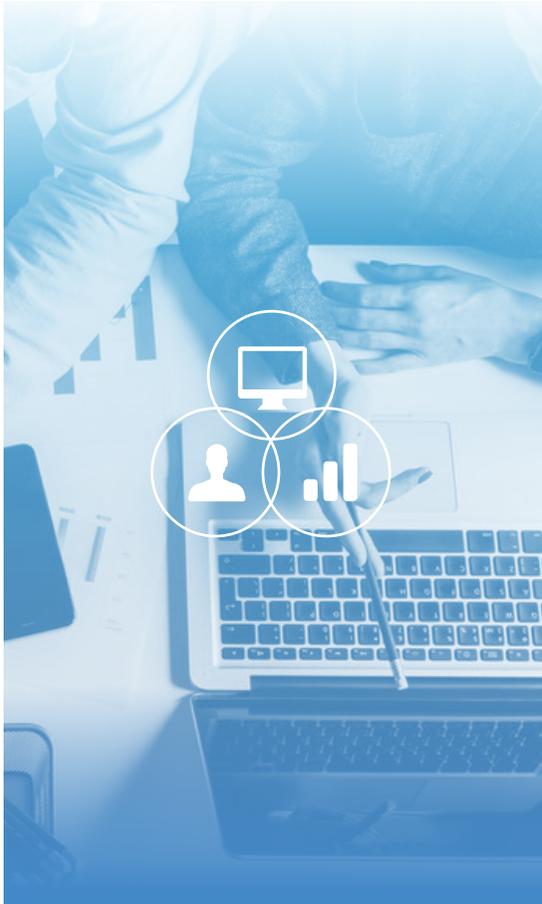
Many technologies on the market were designed to manage *either* inbound or outbound interactions, but *not* both.

As such, they can't provide you with a comprehensive view of customer journeys, and more importantly – they can't give you the data and insights you need to *optimize* those journeys as customers move across channels. A single channel focus – or a focus only on digital channels – won't provide the deep insights you need to optimize a customer's experience.

The technology at your disposal *must* track and anticipate the decisions customers make across *every* touchpoint – showing

the connections between offers and channels, and mapping those interactions to journeys and stages that can be optimized. By integrating data from across channels, the solution will better understand the context of each specific interaction, and deliver a much more effective Next-Best-Action recommendation – regardless of where it takes place.

Rank Actions in the Context of Journeys



A visualization of a customer journey means *nothing* if it fails to clarify how your actions performed.

The technology you use must score the relevance and effectiveness of each past decision you made for a customer, within a specific journey. For example, a system user must be able to identify a journey, see all its component stages, and quickly understand which actions satisfied customer needs – and which did not.

For instance, if a brand has 10 Next-Best-Action options available at a certain stage in a macro-journey, which of those 10 have generated positive results consistently?

Some options may perform favorably in general, yet fail in certain situations or contexts.

For example, if a customer wants to talk to an agent about fixing a problem with a computer, you wouldn't want to send that customer a computer manual – you want the agent to resolve that problem, and get them back up and running as quickly as possible. You need to *earn* the right to up-sell or cross-sell to that customer in the future.

Adaptive Modeling & Machine Learning

For examples of how top-tier organizations are optimizing their customer journeys and realizing significant impacts to their business, we recommend the following:

- **Forrester:** Total Economic Impact of Pega Marketing
- **Video:** EE: Transforming the Customer Journey Through 1:1 Customer Engagement
- **Case Study:** Next Generation Decisioning at British Gas
- **Case Study:** Award Winning, Personalized, Real-Time Marketing at PNC Bank

What technology is driving Next-Best-Action capabilities? Adaptive modeling is at the core.

Adaptive analytics are a machine-learning approach to predictive modeling and artificial intelligence; this approach integrates real-time intelligence and awareness of its own performance into every aspect of the customer decision-making process.

Unlike conventional predictive models, adaptive models update themselves automatically as the system gathers data on customer interactions.

Adaptive models constantly evaluate the efficacy of customer decisions – constantly analyzing performance to determine which data, actions, and responses will best predict customer actions.

When the customer or market changes, adaptive models change with them – enabling you to stay relevant and connected, always on-pace with the modern customer.

Start your own Customer Engagement journey [here](#).



About Pegasystems

We are Pegasystems – dedicated to streamlining business and enhancing customer engagement. Our Global 3000 customers rely on our dynamic, strategic applications to drive excellence in their sales, marketing, service and operations. We seamlessly connect our customers with their customers across channels, in real-time.

Our adaptive, on-premise and cloud-based apps – built on our unified Pega 7 platform – empower people with comprehensive visual tools to extend and change applications to meet strategic business needs.

To learn more, please visit www.pegacom.