



Five Keys to Building Superior Customer Relationships Through Next Best Offer Marketing

Executive Summary

Today's consumers are savvy. They are getting more and more used to the conveniences and benefits from the likes of Amazon, Google and other enterprise service providers who build their business around their customers. With companies gathering so much of their data on a moment by moment basis, customers expect to receive highly personalized offers and messages as a result. To do this, you need to know your customers at the individual-level to deliver the right offers at the right time. And, you need to start doing this today or risk losing crucial business to more technology-based, customer-centric competitors.

Next best offer marketing is a strategy that has been around for a while, but few marketers have been able to fully implement it and receive its benefits. It's a concept that the whole organization needs to align on because it impacts the entire customer experience. With next best offer marketing, each customer must become a "segment of one" versus a "segment of many," improving marketing offer precision and relevancy.

Next best offer marketing entails evolving from the campaign-based marketing programs of the past. When offers are personalized, relevant and delivered in real-time, you can finally make the fundamental shift in your customer relationships.

Delivering true value to customers is possible if you can master:

- Personalization
- Real-time response
- Predictive analytics
- Adaptive analytics
- Multi-channel consistency through social, mobile, local
- Micro-segmentation

To implement next best offer marketing, you need to adjust the way you think about marketing, while at the same time, have the right technology in place to get there. You should be able to tap into all the information you have on your customers, gain the intelligence from that data and drive the insights through to offers. Your technology needs to bridge the gap of current environments to allow you to understand each and every customer, and decide on (and recommend) the offers to take at the right time – all based on the complete, individualized customer view.

In this guide, we'll delve into next best offer marketing and the five keys in using it to build superior customer relationships.

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An Omni-Channel World

Today, customers have more choices than ever before to interact with their enterprise service providers. They connect through online, mobile applications, email, dialing into the call center, social channels, and interacting in-person through the branch or local offices. But, even with all of these communication channels, customers don't see these channels as separate ways to interaction with a company. They only see one brand, and they want to get the best possible service out of that brand.

Is your company able to provide a personalized, relevant, omni-channel experience for each and every one of your customers at present? If so, the individual customer's experience is excellent, no matter the channel. We all have situations where we might look to resolve an issue by going to a company's website. And, we can all relate to the frustration of then calling into the call center and having zero connection between the two interactions. We end up telling our story multiple times, especially once we are passed to a different rep depending on the dispute. We would rather that the rep(s) quickly and easily solve our issue. Also, wouldn't it be a bonus to then have the marketing department send us a relevant and beneficial offer based off our recent interactions? How pleasant and memorable this seamless, fluid experience would be!

You have limited, but frequent opportunities to make each customer interaction count – you need to provide a completely omni-channel experience to make each interaction positive. Every time you interact with your customer, through any channel, you have the opportunity to extend the relationship and deliver something relevant for an overall superior customer experience.

That's where next best offer marketing comes into play.



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Next Best Offer Marketing is Customer-Centric Marketing

As a marketer, you are able to gain greater results when you work with more detailed and dynamic information on each individual customer, rather than treating them as members of broad segments at a single point in time. For next best offer marketing to work, your marketing strategy needs to transition from “segment of one” to “segment of many” so you can improve marketing offer precision and relevancy.

Next best offer marketing is about directly interacting with the individual customer to deliver the next best step(s) that will benefit them enough to ensure that they continue to interact with your company. You have to make the right offer, and do it for the right person at the right time, through the right channel. That’s the heart of next best offer marketing. When you put your customers’ needs at the center of your organization, and your decisions revolve around them individually, you become customer-centric.

Because of this, providing generalized decisions needs to be replaced with personalized and timely decisions. You need to use everything you know about the customer to deliver the most consistent customer experiences across all channels. But, the longer it takes for the customer to get a response, the less value you and the customer get out of the interaction. You need to utilize responsiveness in your decision-making to bring the offer closer to the time of decision making.

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Execute Next Best Offer Programs with the Right Technology

In order to be able to deliver personalized next best offers, you should look at technology that gives you an ongoing understanding of the customer at the individual-level. It should not only let you comprehend real-time information about all your customers’ behaviors, habits and background, but should also apply rules to ensure that offers are accurate, timely and relevant. The power of this kind of technology, from a marketing standpoint, is that it analyzes the various potential offers for individual customers and selects the best one. The most comprehensive technology gives you access to each and every customer’s preferences, behaviors, affinities, context, purchase history, and more, and can match those to the right product, service or action for that customer at the right time.

In order to understand your customers, you need to have access to all your data, from all possible sources. The data should be analytically enriched to provide insights that drive decisions. Policies, regulations, best practices and preferences must all be considered to make consistent, precise, real-time decisions about offers across all channels. The solution should be able to learn continuously so it’s always adding in new data, in real-time, to be able to connect the most relevant offers to the proper customers. Monitoring how a customer’s behavior has evolved over the course of their relationship with your company is critical in understanding just which offer is the right one to make in a timely manner.

THE RIGHT SOLUTION	CORE CHARACTERISTICS
Agile – designed to respond to change consistently and rapidly	Manages structured and unstructured data
Analytic – the way it acts and what it does are driven by analytics	Builds data-driven analytics
Adaptive – learns what works and what doesn’t, and gets better over time at how offers are managed	Includes rules – policies, regulations, best practices Enables decision-making – available across all channels Learns and adapts – tracking and learning over time

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Building Superior Customer Relationships

Once you have the right technology in place for next best offer programs, you can apply these five keys to build superior customer relationships:

1 Bridge the Gap Between Data Analytics and Business Execution

Previously, the data and its analysis resided on one side of the organization, while marketing execution happened in a disconnected way on the other side of the organization. This caused a gap between insights and offers. You need to disrupt the ineffective tactics of business offers and customer engagements existing far away from data and the insights they generate so you can have the most timely and relevant customer interactions. That can only be done by connecting the customer information to the marketing execution channels – with the right solution in the middle in order to provide the best offers/interactions possible based on that intelligence.



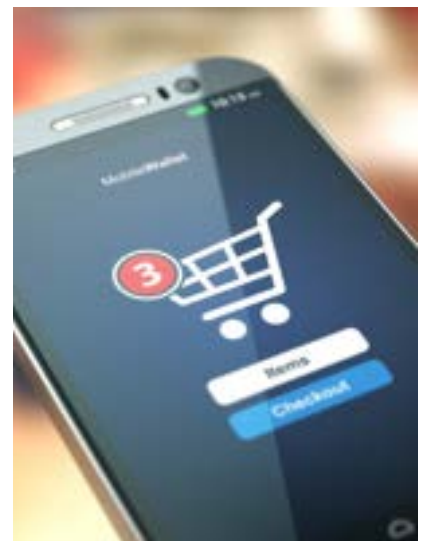
2 Go from Campaign-Based Marketing to Individual Interactions

Campaign-based marketing takes a lot of time, effort and money, but doesn't give you the results deserved for all the work you put into it. This is due to one reason: campaign-based marketing is product-centric, not customer-centric. Next best offer marketing is all about giving your customers a smarter, more relevant and personalized experience. Individual interactions enable you to provide the one-to-one relationship-building customers are seeking. It lets you treat each customer in ways that are relevant to their preferences, behaviors and traits.



3 Incorporate Behavioral and Contextual Data for Real-Time Relevancy

Deploying campaigns based on static, slow moving information, such as location and age, hoping your message and offers will somehow match the needs of the people you are sending it to, just doesn't cut it anymore. You need to know everything you can about your customers, especially their ever-changing movements, such as behavior and context, to ensure they're getting the most personalized, relevant messages and offers tailored to all their data points. Without behavioral, contextual and deep customer insights, you won't be able to meet these expectations, and this can have a profound, negative impact on your business. Customer-centric companies that fail to gain insights from the goldmine of existing customer data are falling short and leaving massive new business potential on the table.



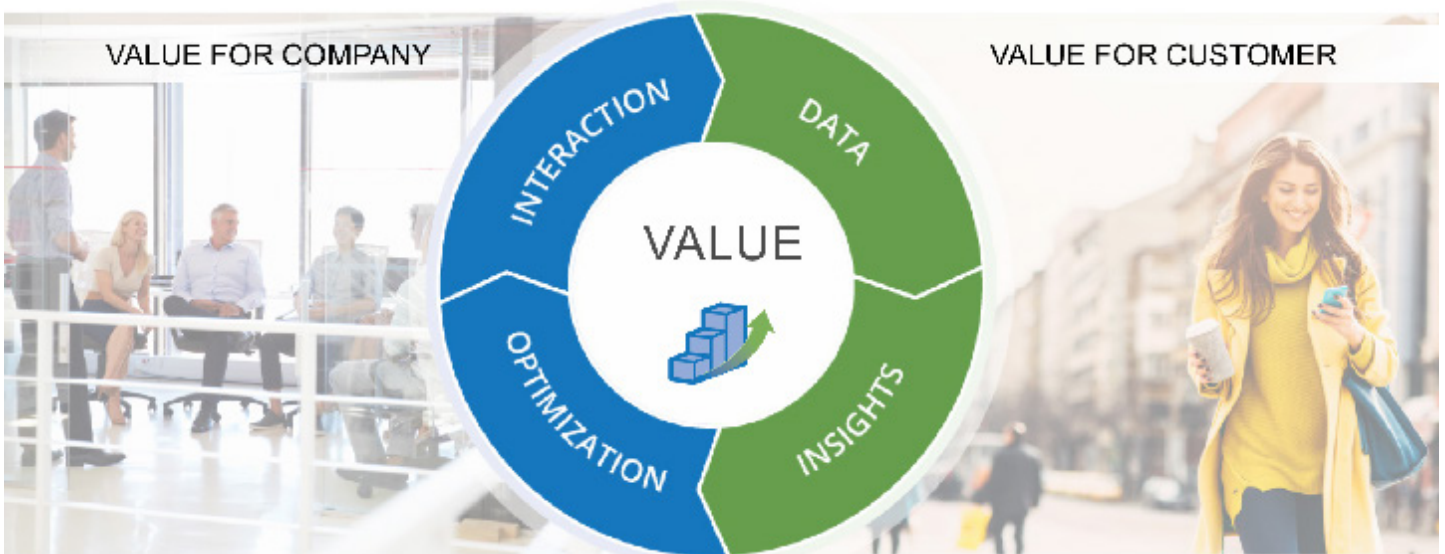
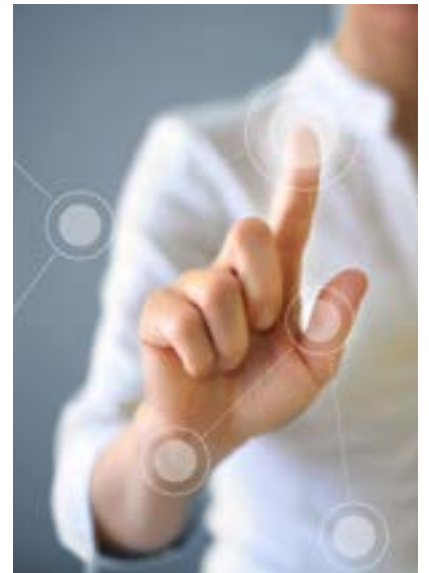
4 Have Continuous Scoring, Always-Available Individual Insights

For years, organizations have been developing models that predict customer behavior, tackle churn, acceptance/acquisition and market segmentation challenges. Models, however, were often developed on sample data sets – not reflecting the entire population and its intricate connection mesh of inter-dependencies. Scoring of individual customers was happening only on a scheduled basis, e.g. weekly or even monthly, providing you with quickly aging parameters. For important model-based propensity scores, such as churn, risk and acceptance, it's vitally important that every customer is scored whenever new data about their behavior becomes available. The solution you work with should assemble individual customer profiles and score them continuously for propensity related to all products, offers and actions.



5 Flexible Environment – Allowing Movement to Decision and Execution Without Over-Reliance on IT

For marketers, business intelligence and analytics applications have become increasingly mainstream. BI solutions that produce monthly reports and present massive customer data dashboards don't necessarily provide the best business value or actionable insights. By the time a monthly customer data report is produced, it's too late for you to effectively address an ongoing conversation with a customer. The right technology takes the lead to have these individual interactions without manual intervention. It enhances your interactions by making the decisions automatically and doesn't slow down the process with IT practices. By having a solution in place that accumulates precise and industry-specific snapshots of each customer, you get a more personalized, timely and actionable way to target customers with next best offer programs.



Driving Next Best Offer Marketing with Lily™

NGDATA's next generation customer data platform, Lily, is a powerful solution that drives next best offer marketing by giving you the individualized customer intelligence needed to become completely customer-centric. It aggregates all customer data from every available source, no matter where it resides or in what form, and becomes more intelligent as more data sources are added. Lily's Customer DNA feature turns all of your data into key metrics, which represent detailed information about each and every customer. All of the metrics are calculated in real time, and Lily maintains historical values at all times, as well. Lily's metrics include contributed, calculated and predicted customer-level scores based on behaviors, preferences, context, affinities, opportunities, value and more. Lily continuously updates each Customer DNA profile so you have consistently optimized insights without needing to waste time duplicating data integration, collection or preparation efforts.



With Lily, you can transform each customer into a “segment of one” rather than a “segment of many” to improve next best offer precision. It enables you to gain a complete understanding of every customer, and then decide on (and recommend), the right offers to take at just the right time.

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