



The Customer Decision Hub

# What's Inside the Always-On Brain

A PEGA EBOOK

DATA ABOUT CUSTOMER

BEST ACTIONS

- Customer Interaction History
- Customer Profile & Journeys
- Customer Identification & Matching
- Propensities, Scoring & Modeling
- Customer Event Patterns
- Customer Strategies & Rules
- Action & Offer Lifecycle Management



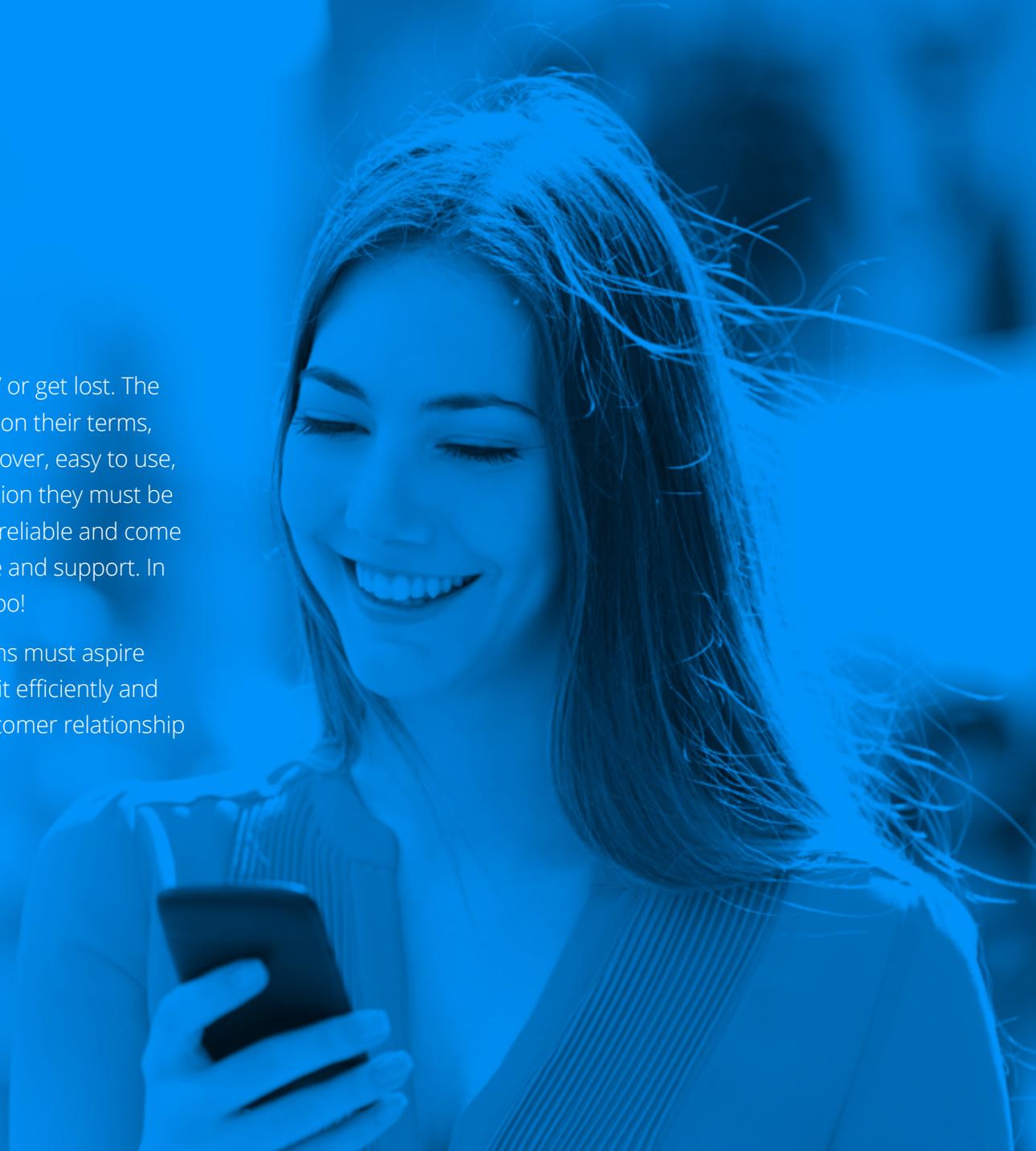
**BUILD  
FOR  
CHANGE**



### Vince Jeffs, Director, Product Marketing Customer Decision Management, Pegasystems

Customers today expect companies to either “just get it” or get lost. The new normal for consumers is being able to do business on their terms, with companies that have products that are easy to discover, easy to use, and are personalized and relevant to them. Not to mention they must be offered at a great price and available in any channel, be reliable and come with outstanding omnichannel – Mom & Pop-like service and support. In other words, they want to have their cake and to eat it too!

In this e-book, Pegasystems’ Vince Jeffs explains why firms must aspire to win over fickle and demanding consumers and to do it efficiently and effectively - they need a Customer Decision Hub – a customer relationship management brain with memory and predictive intelligence.





Just 6% of marketers  
say they have a single  
view of the customer.

— Preparing For Cross-Channel Success  
March 2015



# Remember everything about your customer

## Customer interaction memory

Every time you meet someone - whether a new or an old friend - you probably learn something important- and if you remember it and later incorporate in a meaningful way - you evolve and further personalize your relationship.

Firms need to do the same thing, as consumers expect you to know them. After all, they may interact with your personnel, products and services weekly if not daily. When you can store and recall key preferences, relationship records, loyalty status, profile states, impressions, browsing and purchase activity, and responses - you setup opportunities to demonstrate you care and can personalize your service - and ultimately you deepen your relationship and enhance lifetime value with that customer.





It's expected that the # of email accounts worldwide will rise to over 4.9 billion by 2017

— Email Statistics Report  
Radicati Group, April 2013

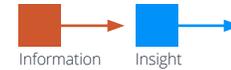


# Always recognize your customer

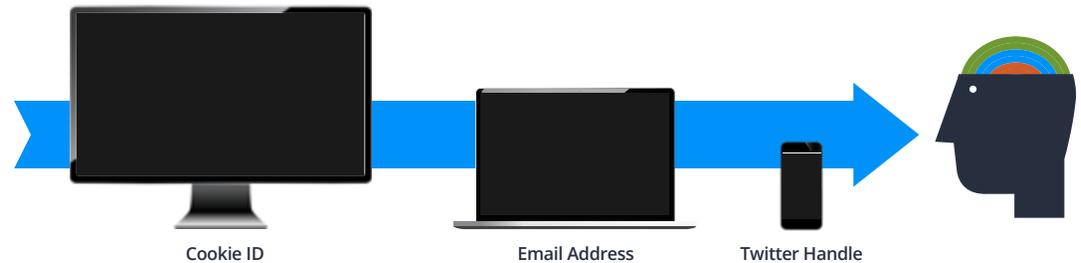
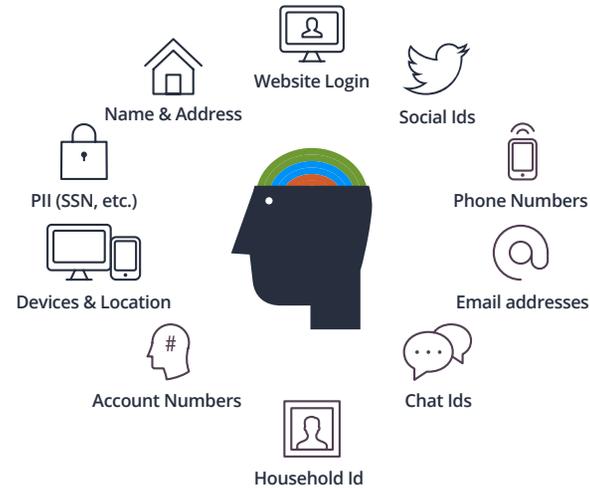
## Customer identification and matching

Today more than ever, consumers want identity. They want to stand out and be special. To give them one, you have to first recognize who they are, but it’s not always apparent when they are interacting with you – as they carry many aliases. The average person has roughly 2 to 3 email addresses – usually at least one for work and one for personal purposes. They also split their personal and work identity across social accounts, phone numbers, and physical addresses. They may have two or more mobile devices, and search and browse anonymously. Personally they may belong to a household, and in work they fall somewhere in an organizational hierarchy.

To correlate and merge as many of these identities as possible, you need software to scrub & match, household, geo-locate, merge and append. That way, you increase your chances of combining rich attributes and historical information about your customers to enhance your decision making and predictive intelligence.



### MATCHING A VARIED IDENTITY...INTO ONE IDENTITY



# It's the journey and experience that matters

## Customer profiles and journeys

Once you can reliably identify your customers, and you have mechanisms to store and retrieve their key attributes, you must constantly enrich your understanding of them and their experience as they take journeys with you, and replay those paths, whether real or simulated so that you better understand how they find you, what motivates them to buy, the use scenarios, and under what conditions you could improve your engagement strategies and tactics.

Your mission is to see through their eyes. What was it like to shop for, buy and use your products or services (historical paths I took)? Was it easy, difficult, convenient, or even pleasurable?

Would I recommend you? Would I have bought if you offered me something different (a simulation might give you some insight)?

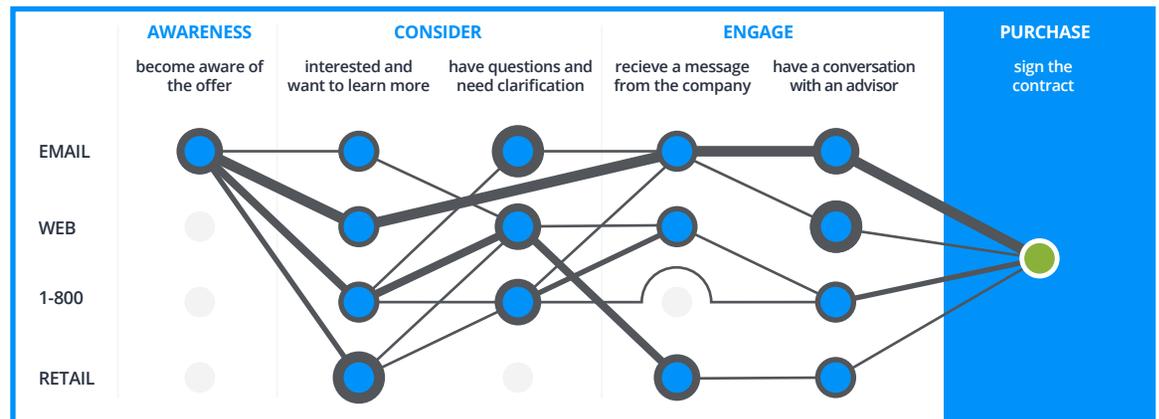


### UNDERSTAND CUSTOMER EXPERIENCE WITH JOURNEY MAPS

#### Enrich my profile



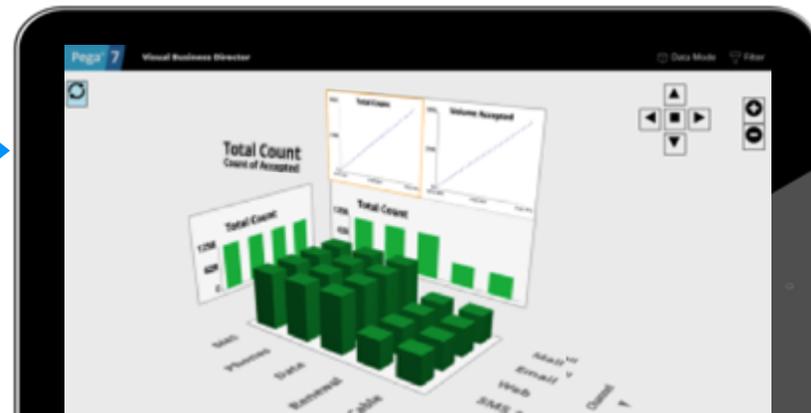
#### Analyze my historic paths



#### Run Simulations

##### WHAT IF?

Offer = X  
Rule = Y  
Credit Score = Z





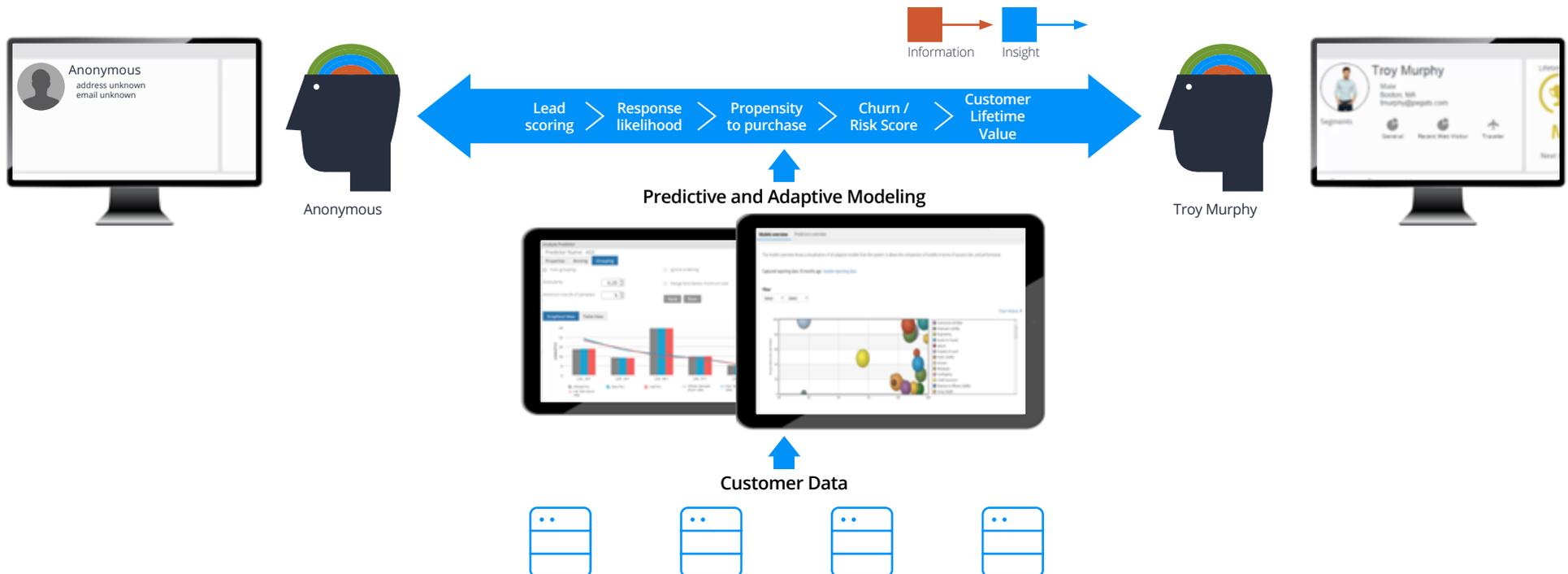
What if you could save  
70,000 customers a  
month from leaving?

# “It’s tough to make predictions – especially about the future”

## Propensities, scoring, and modeling

Yogi Berra’s famous quote both amuses us and reminds us that predictions are inexact, yet it shouldn’t discourage us from trying – and in truth available technologies have made predictions easier. Modeling and scoring software has become less expensive, easier to use, better (with more data to drive it), and more automated. The value associated with doing this right is well documented.

For example, a large telecommunications firm has realized savings of about \$20 million per month by predicting which customers are most likely to churn, and then treating them accordingly to retain them.

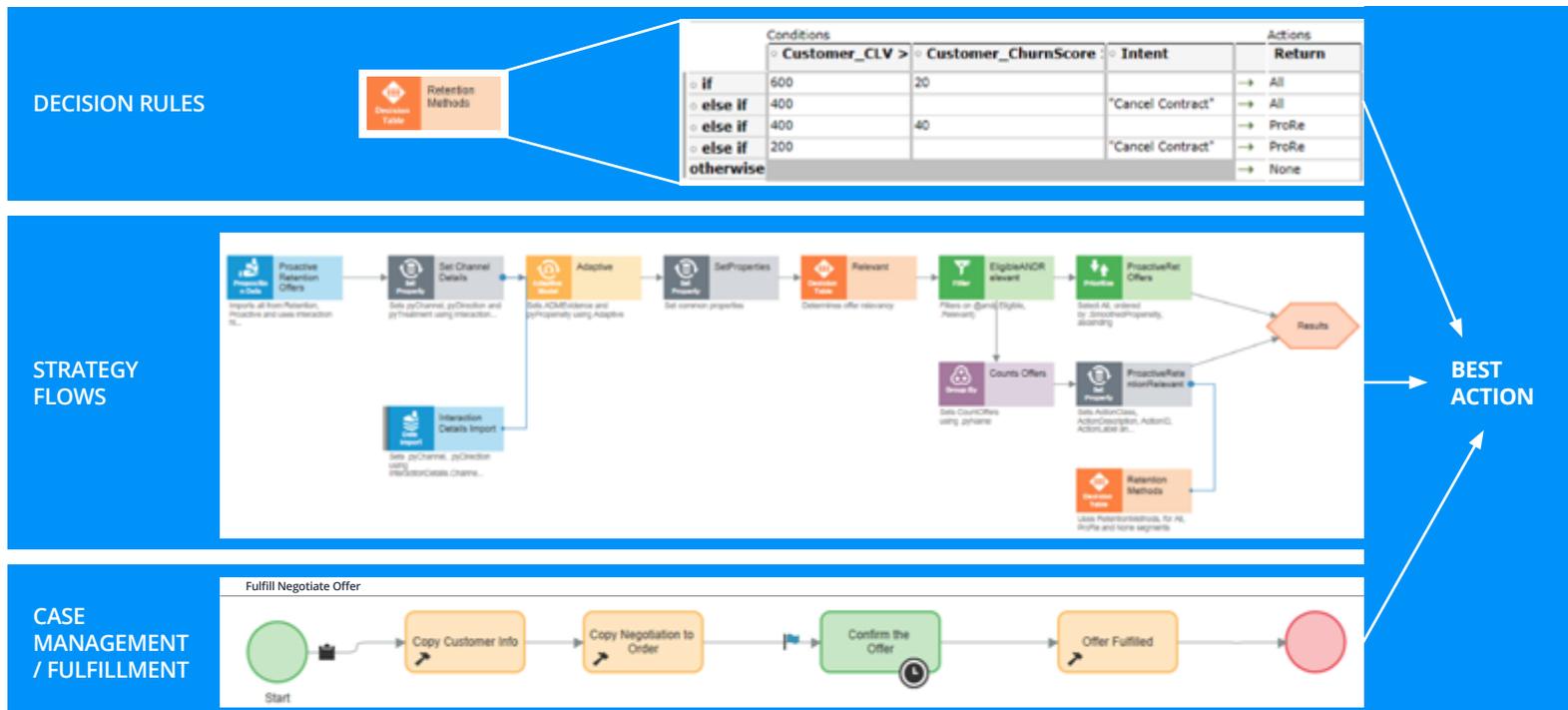


# Vision without action is just a daydream

## Customer strategies and rules

There are many variations of this old Japanese proverb, often attributed to great innovators who also understood that a great idea has to be effectively executed on to succeed. To win over your customers, you need a centralized hub - a system that unifies your rules, your tactics, and your decision strategies across Marketing, Sales Service, and Risk Management functions. And as the proverb reminds us, it has to be wired to take action, and seamlessly connected to the touch point systems that make them.

This thinking and action oriented hub becomes your corporate cognitive brain, answering questions like, “What’s the best economic offer I can make to this customer? Should I even be making a marketing offer, or should I concentrate on the best service actions or risk mitigation? When I take action, how can I ensure a smooth handoff to the right people and systems that can fulfill on

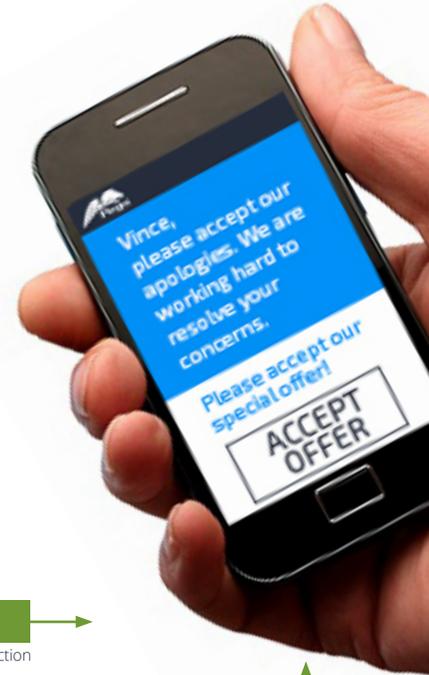


# A customer early warning system

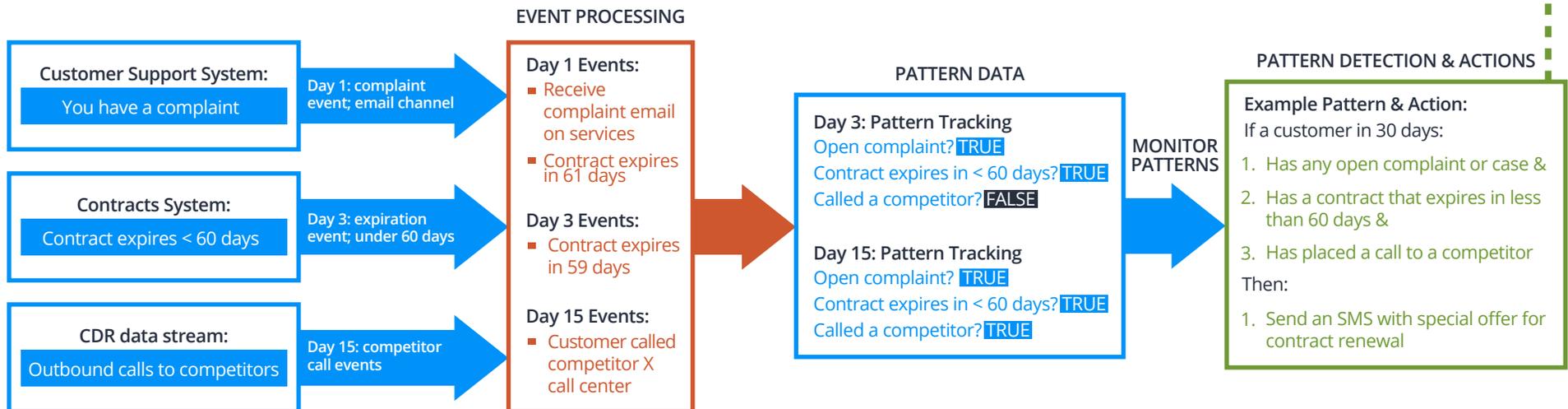
## Customer event patterns

Although they practically didn’t exist 50 years ago, internet devices and the systems they are attached to have become arguably indispensable parts of our lives. Smartphones remind us what to do next, vehicle sensors warn us of problems, and wearables can track biometric vitals – to name but a few.

The “Internet of Things” affords a wealth of opportunity and untapped value if harnessed. When you tap into it, you can monitor in real-time device issues, location, browsing and transaction activity, attitudes and opinions. Yet tapping into it is like discovering oil. Unless you can refine it, it’s useless. You need a system that can handle the data flow, filter it, and support creating, finding and adjusting patterns that track a pending risk or opportunity. Like most complex systems, once broken into small parts, granular patterns are simple. For example, find customers who have experience greater than 2 network issues over a rolling 2 day period. Once combined together, however, they can help predict and warn about sophisticated situations, such as a customer who is likely to churn, or a fleeting opportunity to make the exact right offer at the right time.



Triggered Action on Day 15:  
Pattern Satisfied

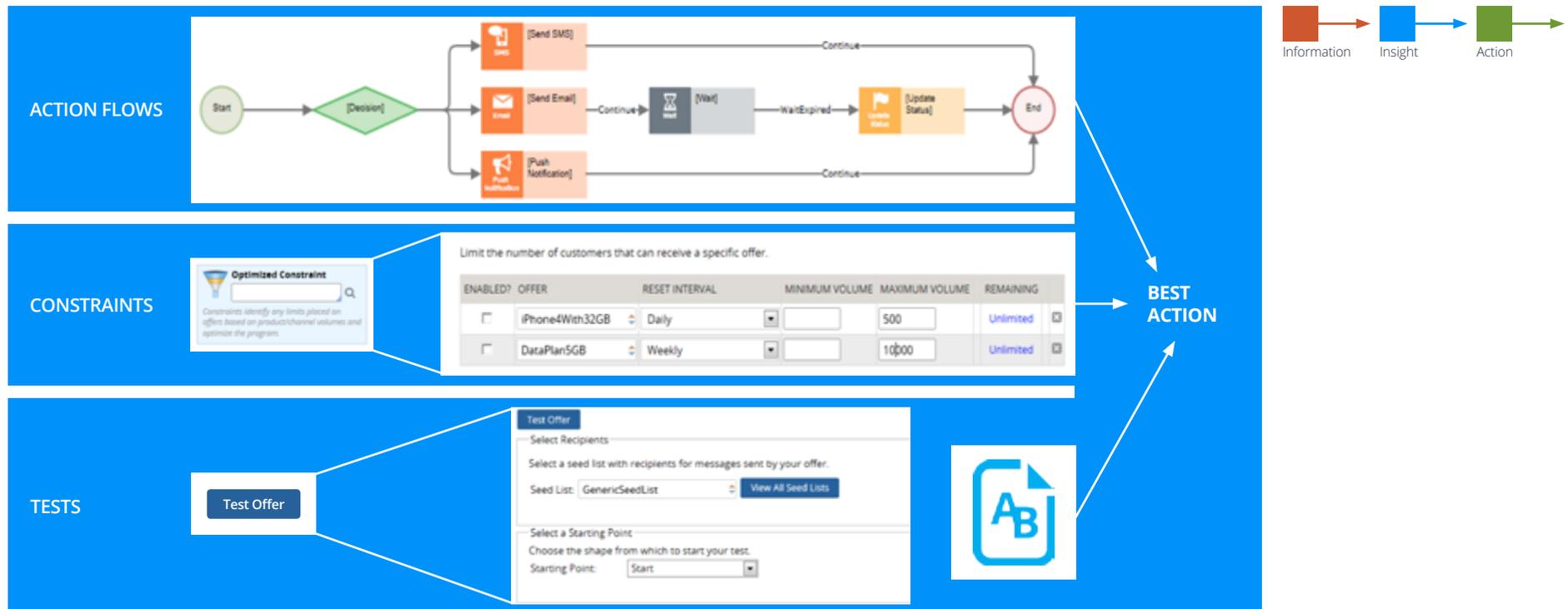


# Lights, cameras, actions = Value

## Action and offer lifecycle management

You can have the right lighting, great cameras to record the action, but without the actual action there is no chance for great outcomes. Think about this region of your Customer Decision Hub as the frontal lobe of your corporate brain. It’s here where you make key decisions about what to offer, when, and through which channels - and the next best action. Your system must be prescriptive, basing its decisions on quantitative rankings that surface the best offers or actions to make, and then arbitrate and govern when to extend it and for how long, via which channel, and even help with negotiation and optimization when that applies.

The Hub should contain a library of possible actions. It should employ statistics and modeling to calculate the propensity of various actions to be acceptable. The Hub must support continuously testing of both your systems’ effectiveness, and alternative actions. It must be able to ingest contextual information and recalculate models on the fly, balancing the consumers’ needs with the economic goals.



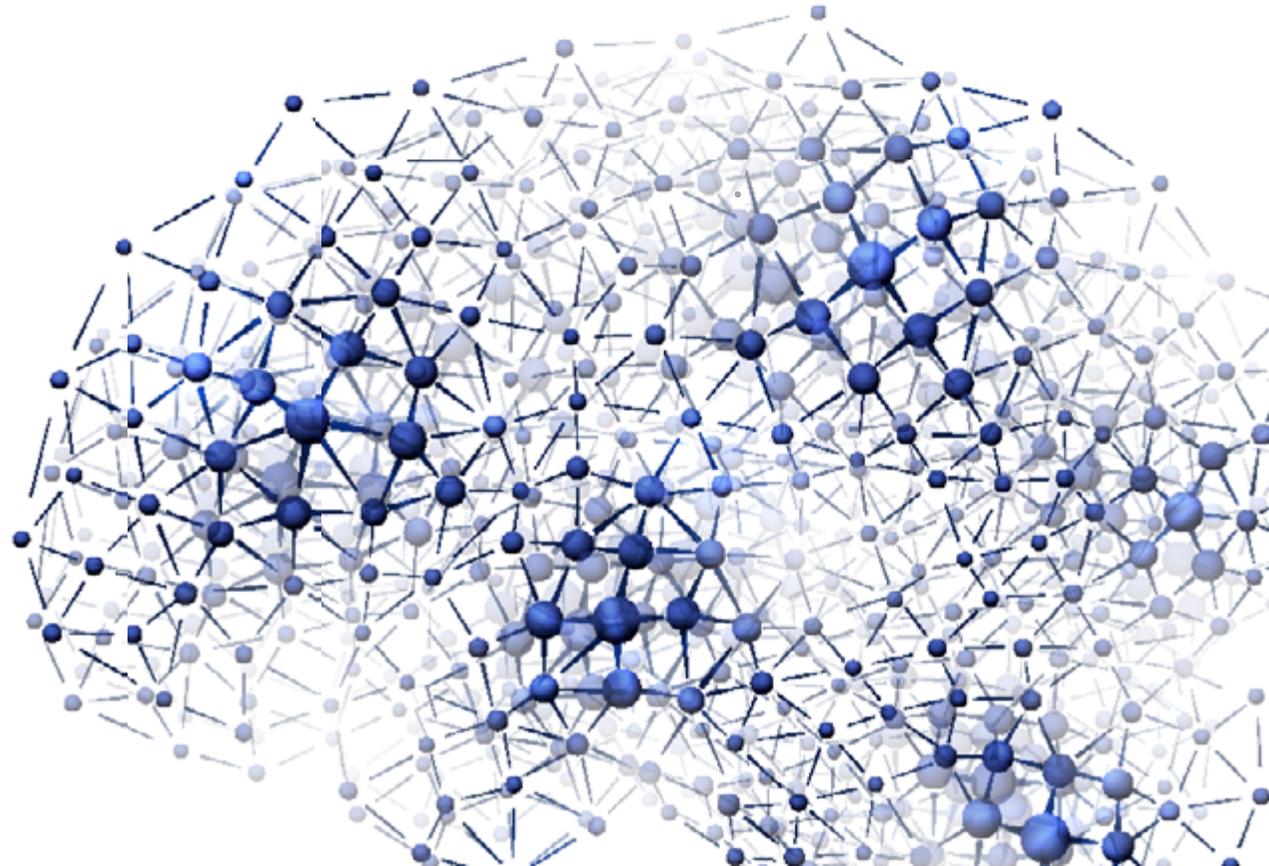
# Predictive intelligence – all in one place

## The Customer Decision Hub

Together we explored the key areas that make up a well-functioning customer relationship management brain.

To evolve its decision making ability, like a brain it needs experience – it needs stimulation, education, trial and error - over time it refines its ability to reason.

Computer systems have come of age, and are in many ways now able to mimic many of the higher order functions that we see present in the human brain. Assemble your Customer Decision Hub around these key areas, and you will obtain a better understanding of your customers, make better decisions, grow your relationships with them, and grow your business.





Connect with the Author at:





## ABOUT PEGASYSTEMS

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Pegasystems (NASDAQ: PEGA) develops strategic applications for sales, marketing, service and operations. Pega's applications streamline critical business operations, connect enterprises to their customers seamlessly in real-time across channels, and adapt to meet rapidly changing requirements. Pega's Global 500 customers include the world's largest and most sophisticated enterprises. Pega's applications, available in the cloud or on- premises, are built on its unified Pega 7 platform, which uses visual tools to easily extend and change applications to meet clients' strategic business needs. Pega's clients report that Pega gives them the fastest time to value, extremely rapid deployment, efficient re-use and global scale.

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