

Operationalizing Empathy: The Five Facets of Real-time Context

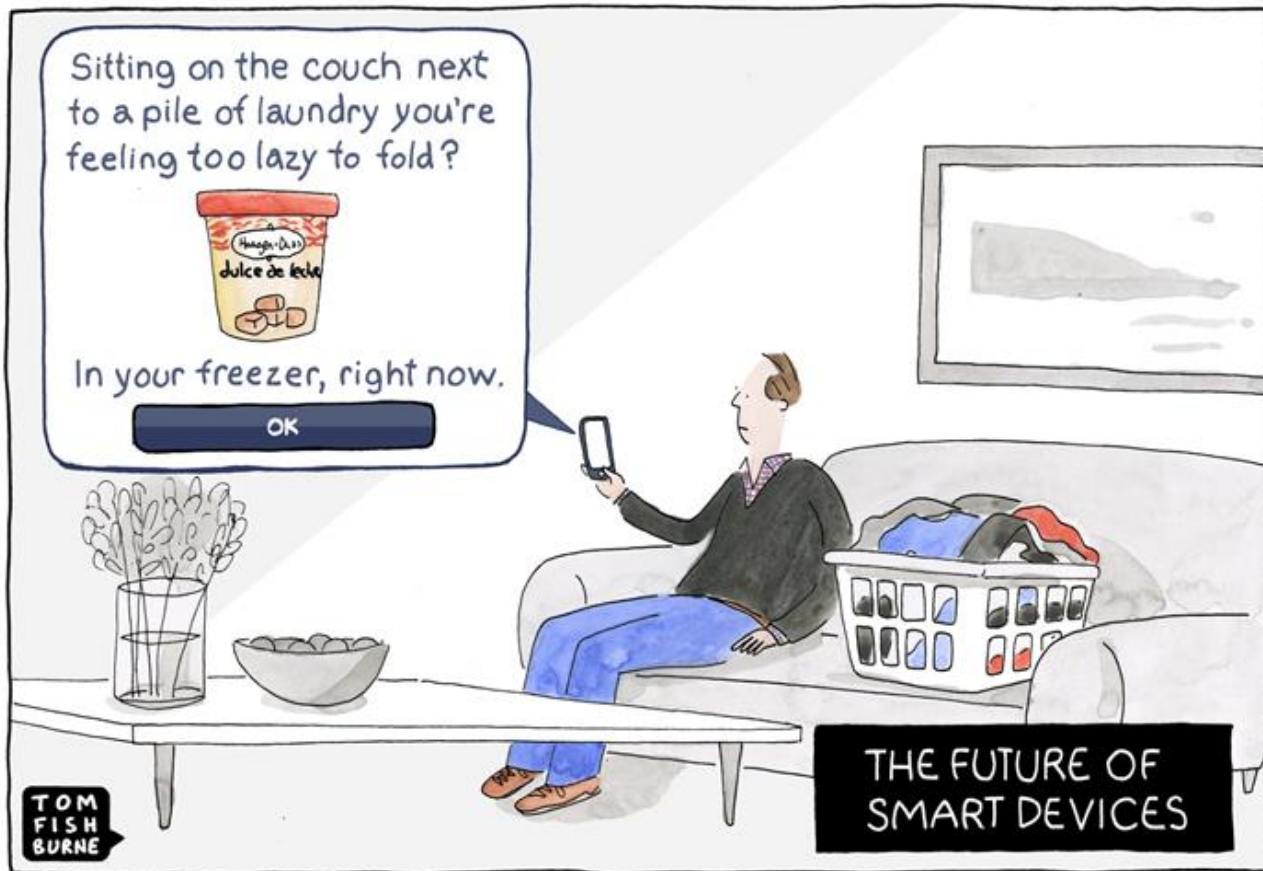
Jeff Nicholson, Global Head of CRM, Pega

Paul Greenberg, Managing Principal,
The 56 Group

PW 18



**Limitless
possibilities.
Real results.**



THE FUTURE OF
SMART DEVICES

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What is context?

Oxford Dictionary

“The circumstances that form the setting for an event, statement, or idea, and in terms of which it can be fully understood.”

Context is Everything



A little weekend gardening?

Context is Everything



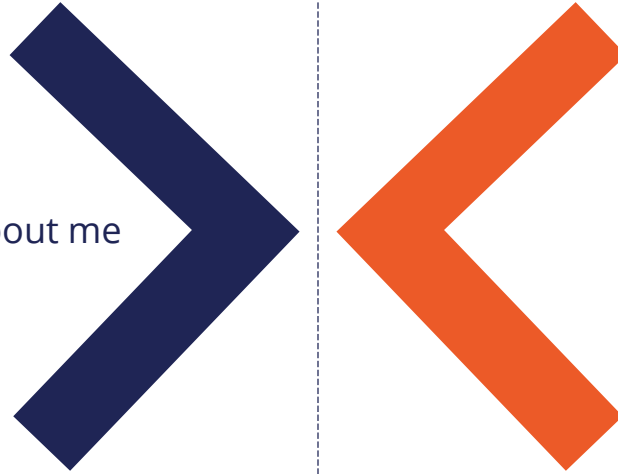
Business Context vs. Customer Context

BUSINESS CONTEXT

I want to sell stuff
I want you to say great things about me
I want greater lifetime value
I want to reduce costs

SLOW MOVING

BUSINESS CONTEXT:
LONG TERM VALUE



CUSTOMER CONTEXT

It's my goals that are important
I expect immediate gratification
I avoid experiences with friction
I want real value

FAST MOVING

CUSTOMER CONTEXT:
MOMENT OF NEED

The Five Facets of Real-time Customer Context



Emotional

• Sentiment

How the individual “feels” in the moment.

(e.g. At Fidelity and my stocks are tanking. Expectations not met.)



Motivational

• Intent

What the individual wants. Their goal.

(e.g. I am trying to open a checking account for my son, add handset)



Behavioral

• Actions/Activity

What the individual has DONE or is likely to do. Can be behaviors that or visible to the brand, or not.

(e.g. web browsing behavior, clicks, transactions, social posts)



Situational

• Journey

What is the individual's STATE along their journey? Can involve transactional, IoT, wearables, as means to detect

(e.g. was on web trying to buy, frustrated and now calling)

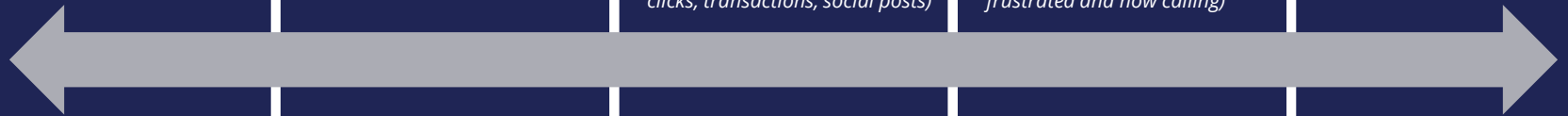


Environmental

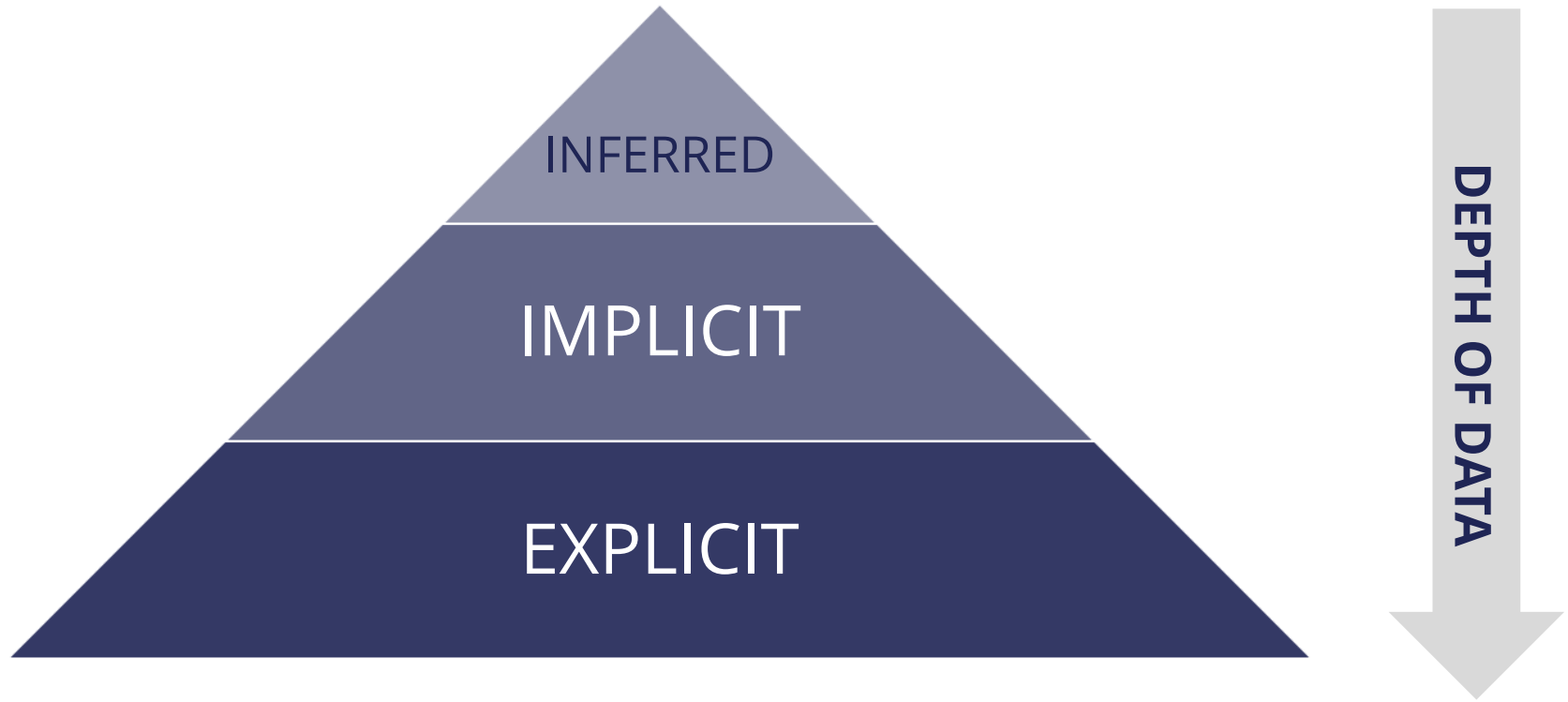
• What is AROUND you

Physical OR Digital Environment.

(e.g. Real-time GPS location, proximity, weather, web location)


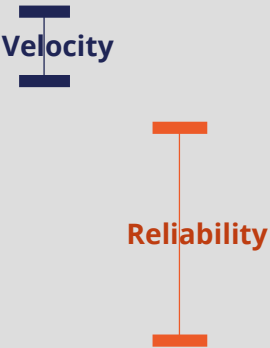
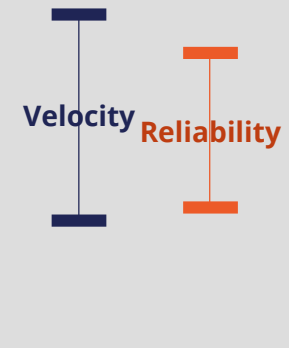
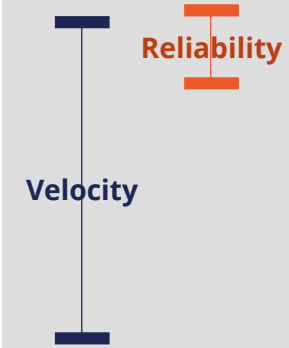
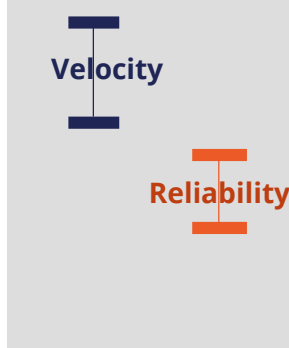
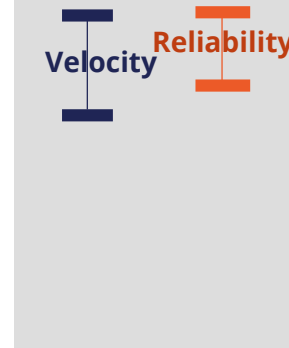


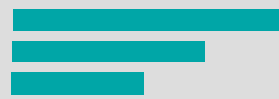

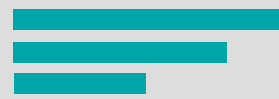


Trust in Data: Understanding “Data Depth”



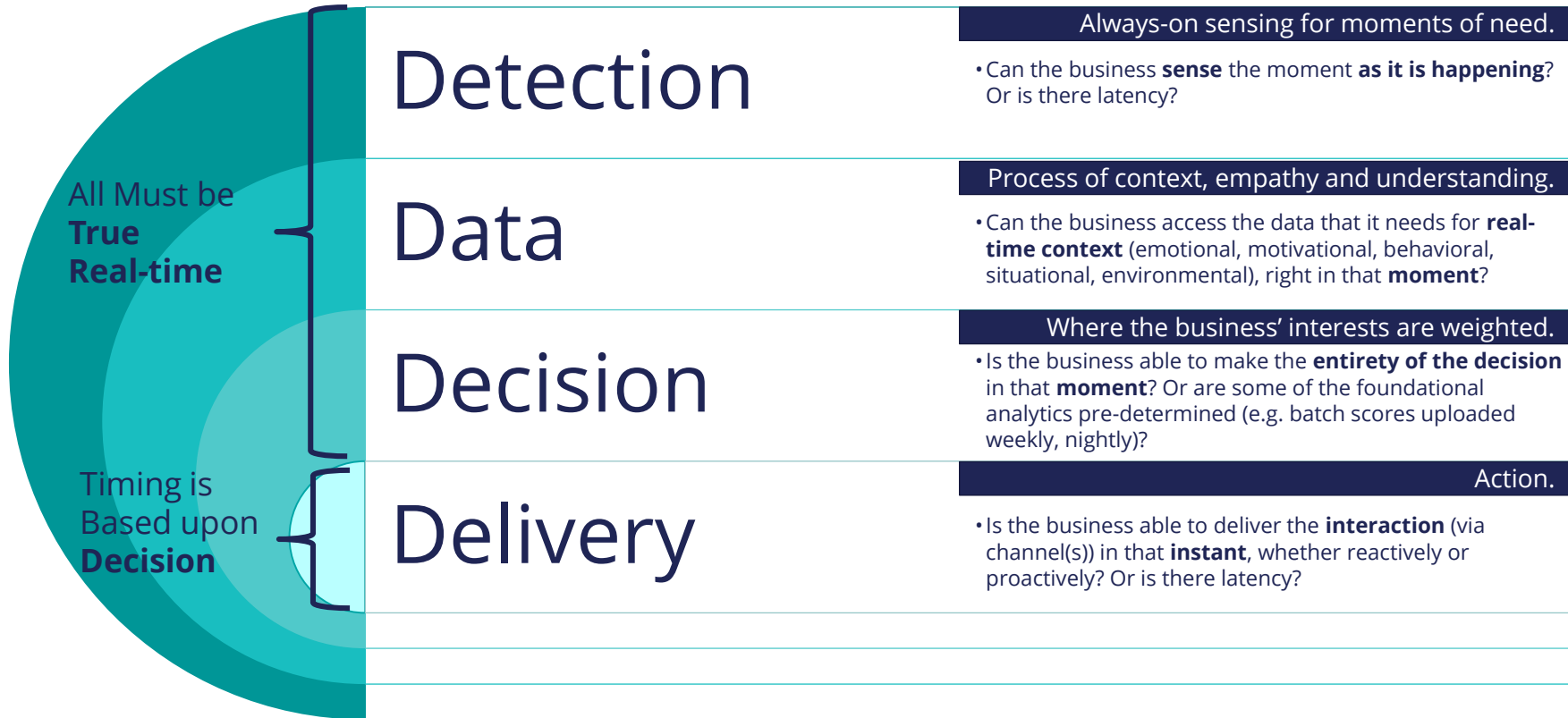
The Five Facets of Customer Context: Data View

Where contextual data is highly variable, high in velocity or low in explicitness, real-time ability is paramount

	Emotional	Motivational	Behavioral	Situational	Environmental
DATA PERTINENCE HIGH  LOW	 <p>Velocity</p> <p>Reliability</p>	 <p>Velocity</p> <p>Reliability</p>	 <p>Reliability</p> <p>Velocity</p>	 <p>Velocity</p> <p>Reliability</p>	 <p>Velocity</p> <p>Reliability</p>
DATA DEPTH EXPLICIT IMPLICIT INFERRED	LOW HIGH 	LOW HIGH 	LOW HIGH 	LOW HIGH 	LOW HIGH 
EXAMPLE DATA SOURCES	Data Sources: Sentiment via text (from Chat, Social, email, Voice-to-text...)	Data Sources: Unstructured text, speech-to-text	Data Sources: Web browsing activity, mobile app clicks, transactions, social posts	Data Sources: Must be decisioned using state, event- detection, AI	Data Sources: IoT, Beacons, 3rd party data such as google weather, proximity

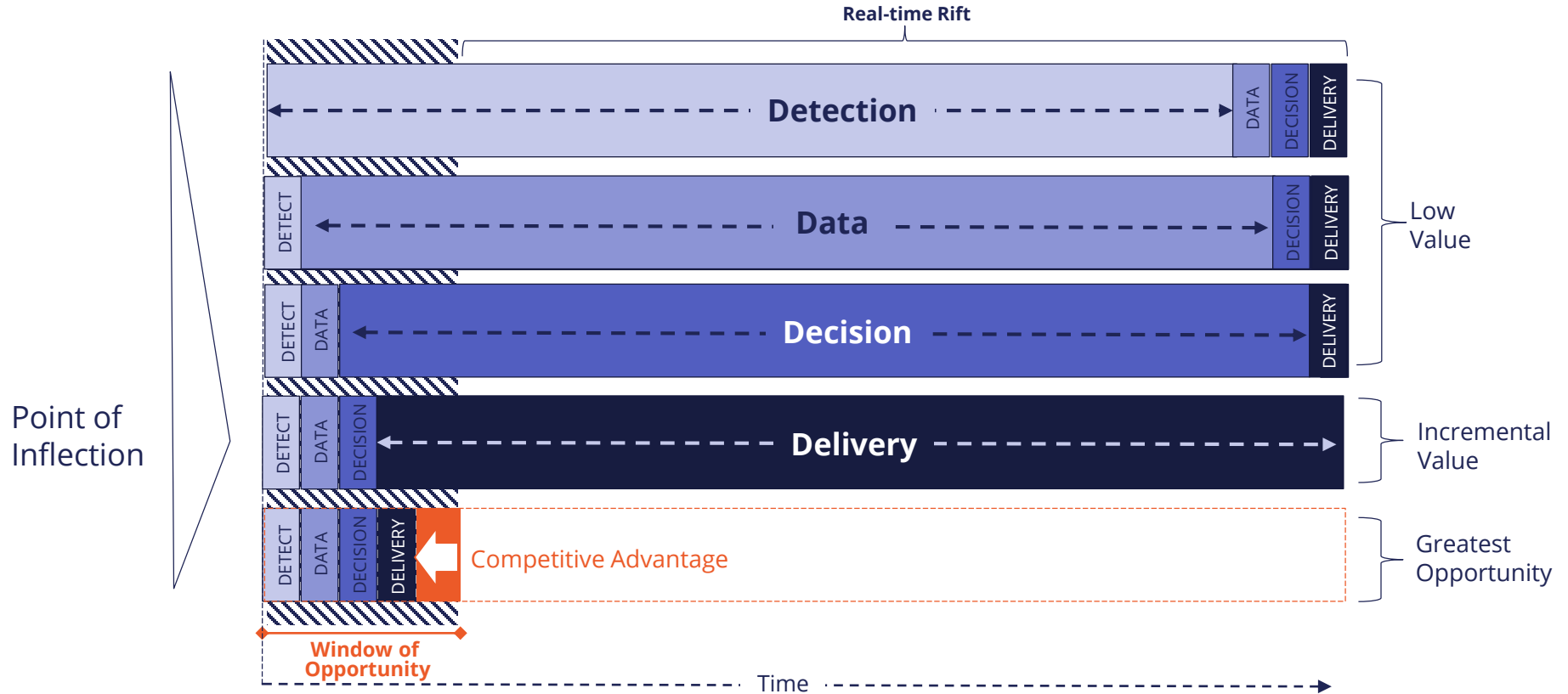
“Context is one of the four critical components of a **real-time reflex.**”

Real-time Advantage: The 4 D's of a Real-time Reflex



How fast is
fast enough?

Understanding the Impact of Real-time Bandwidths



When is Real-time Context Most Important?

- When **understanding customer context** can make a significant **positive** impact to outcomes (acceptance, engagement, NPS, retention,...)
- When **not understanding customer context** can have a significant **negative** impact to outcomes (acceptance, engagement, NPS, retention,...)



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CUMULATIVE EXAMPLE 1:

Negative sentiment
+ intent to quickly resolve service issue
+ item in shopping cart for past 2 weeks
= **NOT** a good time to present offer
(cart abandonment)



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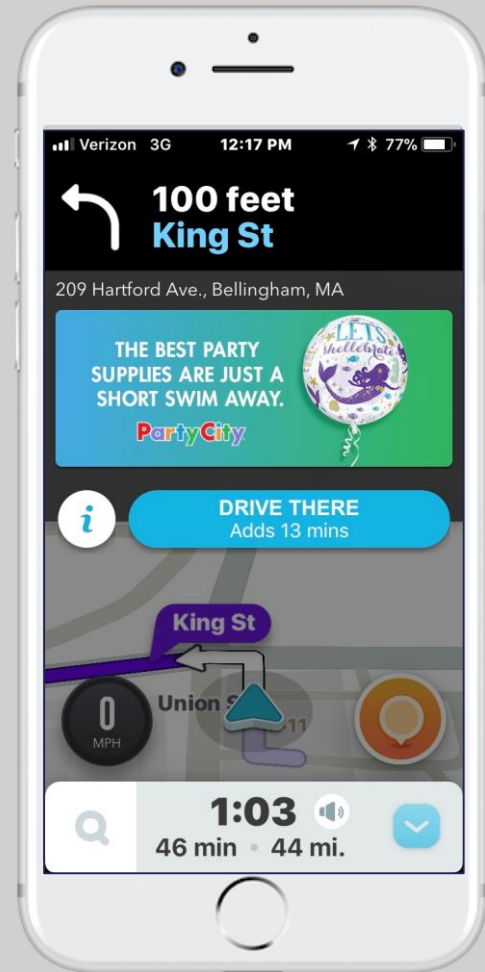
CUMULATIVE EXAMPLE 2:

Intent to open no fee account
+ several recent overdrafts
+ upcoming regular recurring payment
will trigger next overdraft
= present a **DIFFERENT** offer for
safer-student package with overdraft

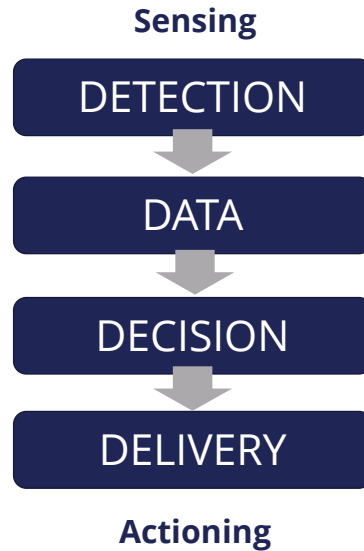


Real-time Context

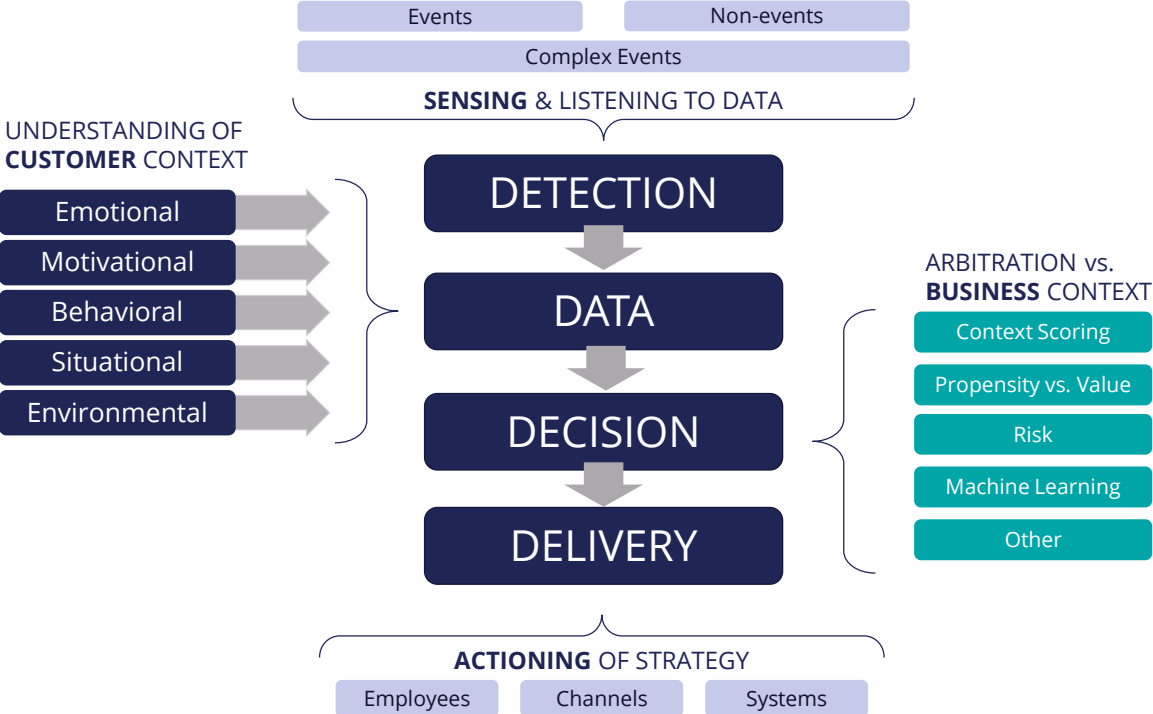
Does anyone
like this?



A View of End-to-end Real-time Readiness



A View of End-to-end Real-time Readiness



Optus

"To create game-changing customer experiences, we needed to integrate our channels in real-time. Not batch driven, not cached-offers, not near real-time... But REAL real-time.

We're able to use context to make a decision, and get a personalized offer within 200 milliseconds."

— **Gabrielle Shone**
Associate Director, Optus

Optus relies on Pega Marketing to provide contextual, real-time decisions across their email, SMS, mobile app, mobile push, direct mail, telemarketing, geo-location, and NPS programs.

- 1-1, Real-Time, Contextual Offers < 200 MS
- New Offers Launched < 24 Hours
- Campaign Time To Market - Decreased 90%
- Geo-Fencing Offers Increases Relevance
- 90% Faster Net Promoter Setup



Etisalat

"Since moving to Next Best Action, we've seen a 12% increase in monthly revenue, a 20% increase in renewals, and a 15% reduction in customer churn."

— **Bindu Chandran**
Manager of Loyalty & Retention, Etisalat

Etisalat uses **Next-Best-Action** to prioritize leads for their outbound calling teams – arming them with prioritized contact lists and personalized offer recommendations for each account.

They also leverage **Pega Marketing** in their email, SMS, and mobile channels. They engage customers with real-time digital messages, triggered by mobile location and geo-fencing.

- **12% Increase in Monthly Revenue**
- **20% Increase in Customer Renewals**
- **15% Reduction in Customer Churn**



How Do I Get There?

- One journey at a time
 - Begin with key business goal (e.g. retention)
- Start with simple triggers
 - e.g. Real-time web site behavior, mobile location
- Focus on most reliable context
 - Begin with explicit sources
- Gauge your own real-time readiness
 - Detection, Data, Decision, Delivery
 - Own the point of inflection





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