Crossing the chasm:

From traditional marketing to one-to-one customer engagement

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Marketing is evolving

There's an evolution taking place right now, in marketing departments all over the world. Fragmentation of the digital environment, a changing landscape of privacy and regulation, and the constant demand for more personalized experiences are forcing the industry to make uncomfortable – and sometimes painful – changes. Consumers are demanding empathy and relevance become a top priority for brands, creating a dissonance that reverberates across every channel, every interaction – everything.

Traditional mass-marketing techniques that use segments, batches, and campaigns aren't moving the needle anymore – they've become antiquated and unsustainable. The market has recentered around real-time technologies and one-to-one customer interactions. That combination creates more compelling experiences, inspires deeper engagement, and builds longer term customer loyalty. This change was not only necessary, but it was also well timed – for consumers and businesses alike.

A race to the bottom

The fundamental question every company needs to ask itself is: What are we actually trying to accomplish with our marketing? In many cases, there's more harm being done than good. With a siloed understanding of the end goal, business units squabbling over territory, and a fragmented view of the customer, many brands have ultimately compromised on their own successes. Marketing messages have become interruptions and distractions, rather than adding value. Organizations refusing to look at the big picture and their own sustainability have accelerated this downward spiral.

It's a race to the bottom – with organizations cutting corners to undercut the competition. While this is easy to see once called out, it's more difficult to change – factors like corporate culture, process, technology alignment, and a campaign-focused mindset are all barriers. The concept of one-to-one marketing was popularized more than 20 years ago – but the technology was never available to actualize the vision. The advent of real-time artificial intelligence (AI) has changed that and delivered undisputable benefits to both businesses and customers, but the challenges of culture and stagnation still remain.

Crossing the chasm

To cross the chasm from traditional marketing to a more modern, always-on approach that can create sustainable value, organizations must adhere to the following three core innovations:

1. Abandon segmentation-based marketing in favor of optimizing individual, **one-to-one interactions** with customers.
2. Move away from channel and product-driven targeting and adopt a single, **centralized decisioning model** that can unify the customer experience.
3. Eliminate scheduled push campaigns and install an **always-on model** that continuously engages individual customers during their "moments of need."

Next, we'll walk through each of the three requirements, explain why they're critical, and what needs to change to make them a reality.

"We had to completely rethink our approach to deliver more omni-channel, contextually relevant, and personalized one-to-one experiences, and that charter matches perfectly with the capabilities of Pega. They have given us the main ingredients we needed to create a magic recipe to move from product-oriented to a customer-centric approach."

- ***Ivan Lastra, Marketing, Commercial, and Analytics Manager at Vodafone***

Moving from segments to one-to-one

Segmentation is relatively simple, which is why it's such a popular marketing tactic. It tries to identify the people who are the best targets for a campaign by filtering down a big list of customers and prospects into a smaller one – based on the criteria/attributes those people have in common, like what they typically buy, how much they make, where they shop, and so on.

Here's an example of how it works in practice:

A Financial Services company wants to sell their platinum credit card – so they'll typically use a campaign to make that happen. With the goal of selling x-number of additional cards, segments to target are identified with the platinum campaign. The first level of segmentation might look something like this:

- **Select contacts where age>45 and location=East Coast and income>$150K**

To try and get more personalized, more criteria is added a few levels deeper – by looking at the above group for everyone who visited the website and viewed pages in the cards section.

- **Select contacts where age>45 and location=East Coast and income>$150K and web visit=true and cards page visit=true**

And in many cases, attributes about responses to previous offers, eligibility, and suitability criteria for the card (e.g., a credit score, disposable income), and their propensity to respond to a similar offer (derived from a previous campaign), are also included. Altogether, this would read something like:

- **Select contacts where age>45 and location=East Coast and income>$150K and web visit=true and cards page visit=true and credit score>500 and frequent travel=true and platinum propensity>10%**

These cases are oversimplified, but present common ways of building an audience with segmentation. However, the process introduces significant challenges, such as:

- **Compromised relevance:** Segmentation is a filtering approach that routinely mixes concepts like eligibility, suitability, urgency, preference, and relevance – costing you precision and transparency. Even when advanced predictive analytics are used as criteria, they're just one factor diluted by all the other noise, which significantly compromises their value. Relevance is the most critical factor in marketing, and it's too complex for humans to solve without using hardcore math – but that's exactly what segmentation encourages us to do.
- **Scalability issues:** Generally speaking, most companies know that broad segmentation isn't that effective – so they keep adding more and more criteria to generate micro-segments, which supposedly improve targeting (see above for why that doesn't work). But the more specific a segment gets, the less transparent and understandable it is, and the harder it is to reuse. The organization ends up allocating a tremendous amount of resources to build new segmentation models for every initiative, even though they're not very effective.
- **Targeting conflicts:** Segments often collide and conflict. There's never any guarantee that customers in a campaign segment aren't part of another segment or concurrent campaign. This is usually solved by referencing one segmentation scheme within another (exclusions) or using campaign optimizers to balance across campaigns. Whatever method is used, things can quickly get complicated and murky, and the goal shifts to doing whatever will maximize short-term KPI – at the expense of healthier, more profitable, and more sustainable customer relationships.

The difference between campaigns and next best action

We've established that campaigns and segmentation don't work very well. But that doesn't have any practical value unless we can recommend a better alternative and help you understand why it will deliver more value to your organization. Let's shift gears and introduce the one-to-one approach.

You may have heard the terms "one-to-one campaigns" or even "next-best-action (NBA) campaigns" before. However, those terms can sometimes be used in a misleading manner as an attempt by campaign management vendors to remain relevant. There's no such thing as a one-to-one campaign – that term is an oxymoron.

Let's compare traditional campaigns with a true one-to-one approach:

Traditional campaign approach	One-to-one approach
Select the offer to push	Select the customer to engage
Define the audience with segments	Select their next best action using AI
Schedule outreach in outbound channels	Use always-on outreach across all channels
Optimize the individual campaign	Optimize the overall strategy
Manually start and end campaign	Activate/deactivate offers automatically

While campaign management vendors claim otherwise, campaigns are fundamentally different from an always-on, one-to-one customer engagement approach that utilizes next best action. Campaigns focus on the product to sell first, then on finding customers to buy it – leading to low response rates fueled by dreadful experiences for customers. Those types of campaigns are about what the business wants, not what the customer needs. In contrast, one-to-one engagement starts with an individual customer, then uses advanced next-best-action analytics to predict the best thing to say to that individual, in that specific moment. One approach is truly the opposite of the other.

Next best action is an approach used to engage individual customers on their own terms, rather than using segments – taking into account their unique needs, preferences, and context. It works to make every interaction more relevant and meaningful (regardless of channel), and optimize high-level KPI like revenue, profit, and customer lifetime value – rather than short-term metrics like campaign response rate.

One of the greatest advantages of NBA is that it goes beyond just sales offers to consider all the potential conversations you could have with a customer, including:

- Sales offers
- Retention offers
- Service messages
- Educational messages
- Well-being/nurture messages
- Collections messages
- Risk mitigation

With NBA, you'll build a large library of actions that are always on – available at all times – so it becomes much easier to find a relevant action to take for each person. In many cases, selling isn't your best option for a customer in a specific moment. Instead, you'd be better off taking a non-sales action. This could be introducing a retention plan to a customer who has become likely to churn, proactively offering service, or recommending problem-solving tips when someone is struggling. You may want to negotiate a discount, assist with reconciling a debt, or simply thank someone for being a customer for five years. In fact, in some cases, your best option might be to do nothing – because there's too much risk tied up in that customer, and you'll be selling or trying to retain bad business. You want customers to feel that interactions with your company are valuable and that you don't waste their time. Silence can be an undervalued customer treatment.

When you look at the customer relationship from a long-term perspective, there will be many moments where there are better options than trying to sell. This has become more critical in the wake of the COVID-19 pandemic – with many customers facing situations they wouldn't normally be dealing with like financial uncertainty, health issues, and job loss, to name a few.

Customer experience done right with Commonwealth Bank of Australia

In the wake of both of Australia's national emergencies – COVID-19 and the deadly Australian bush fires – CBA pivoted its Customer Engagement Engine (the Pega Customer Decision Hub™) to recommend next best actions that would help struggling customers and offer contextually appropriate, high-empathy messaging in CBA's mobile app and website.

CBA used machine learning to help identify which customers would benefit from which sort of messages. The primary goal was to connect customers with the various forms of financial support available to them, including government grants, rebates, and payments. **More than 270 different types of payments were included. Customers were matched to the right ones and connected to over $481 million in 2020 – with over one million extra claims being initiated.**

CBA used the same decisioning capability to deliver product messages that might help individuals and businesses, including deferring payments on loans and mortgages, reducing rates and fees, and accessing cash through secured and unsecured lending. Instead of being a faceless financial institution that customers feared, they became a source of help and support – building customer loyalty in the process.

Legacy marketing tools using batches and segments can't be empathetic because they aren't centered around one customer, but a group of customers with similar attributes. CBA succeeded by using hyper-personalization and one-to-one marketing, often with decisions being made contextually in real time, using industrial-scale, predictive analytics.

How does next best action work?

When you're doing one-to-one marketing, instead of just taking a campaign brief and defining an audience to meet, say, a September launch date, you're going to need to build a strategy that places the customer at the very center. The question isn't: "Should Mary be part of the campaign for this offer?" Instead you should ask: "What conversation should we have with Mary right now?" With NBA, your strategy will make the decision about which offer is best for Mary in each potential category – which will generally look something like this simplified example:

Potential actions for Mary	P (Propensity)	V (Value)	L (Lever)	Action ($)
Offer: Rewards card offer	0.3%	$561	0%	1.68
Offer: Home equity loan	--	--	--	--
Offer: Mortgage loan offer	0.1%	$834	0%	0.83
Service: Missing email address	4.0%	$55	50%	3.30
Service: Travel notification	3.0%	$29	20%	1.04
Well-being: COVID-19 payment holiday	64.0%	$23	100%	29.44
Retention: "Manage your rewards" alert	14.0%	$83	50%	17.43
Retention: Waive annual fee for one year	5.0%	$48	0%	2.40
Nurture: Personal finance class	3.0%	$135	20%	4.86
Nurture: New mobile app available	21.0%	$20	20%	5.04

This strategy flows from left to right. Every company defines the next best action in its own way, but typically it's the action that will increase customer lifetime value (CLV) by the largest amount.

Business rules define the conditions under which customers are **eligible**, when actions are **suitable**, and where actions are **applicable**. These are used to filter down the list of actions being considered for a customer at any one time so that it's more manageable.

The simplest formula will look something like priority = P*V*L, where:

- **P** is the **propensity** of the customer to accept this specific offer. For every action, a predictive model will determine the propensity for that unique customer to take that action. The propensity is a number between zero and one and is the biggest indicator that the offer will be relevant to the customer (e.g., if P = 0.63, there's a 63% chance of that person accepting your card offer).
- **V** is the **value** to the company when the specific offer is accepted by that customer – it could be a simple margin calculation, a dollar profit level, or a CLV calculation (e.g., V = $1,576 in profit when that person accepts a card offer). Usually, this formula is where a lot of differentiation is achieved, because it's easy to equate value with product margins. Doing that would favor high-margin products too much, forgoing "seeding" offers or messages that would provide the set up for a future high-margin transaction.
- **L** is a **lever** used to boost a low-propensity offer – if it makes sense for the business. This is sometimes necessary, but it's tricky. Going against propensity will decrease relevance and undermine the experience (e.g., If L = 1.5, that would boost the priority score for the offer by 50%).

When we execute this strategy, here's what happens:

1. The **AI applies the business rules** to filter down the list of available actions, for that customer, under those conditions.
2. Predictive models are used to **calculate the customer's propensity** to take each of the remaining actions.
3. Those same options are then scored to determine the action's **financial value**, if the customer was to take it.
4. The lever is applied to **influence the priorities** of those actions, by bumping them up or down by a percentage.
5. The **next best action** is the best combination of P*V*L, and becomes the action presented to the customer during that interaction.

That next best action balances what's relevant for that specific customer (using the propensity, P), with what is financially best for the business (using a projected value, V, for that action), while allowing the brand to boost the priority of any offers it feels deserve a higher rank than the data might show (using the lever, L). Again, determining the formula for that balance is an important part of a company's strategy and brand.

Unify customer experience with a single customer decision authority

NBA strategies are designed to materially increase overall customer value. That's what they do – unless something gets in their way. But to make that happen across the business, companies need to use NBA strategy across all channels – both inbound and outbound. Here's why that's important:

- **Disconnected channels create chaos:** Any disconnected channel is a missed opportunity, not only to add intelligence to it, but also to learn from and provide more moments to create value. Activity happening on disconnected channels can actively work against your overall goals because it isn't linked to a single, centralized decision authority. This can lead to decisions that collide with the rest of your strategy – pushing offers at the wrong time, ignoring customer context, creating blind spots, and producing an overall disjointed experience.
- **Siloed KPIs create a fragmented performance view:** If several independent marketing/customer engagement strategies touch the same customers, it becomes impossible to simulate their combined brand and revenue impact on the overall company. You can attempt to analyze this manually, but only after the fact and with expensive data aggregation. Any organization without active, centralized customer intelligence is running their engagement based on an incomplete view – or at best, a sub-optimal one.
- **Decentralized strategies create change management nightmares:** A centralized strategy gives you one place to design, test, deploy, monitor, and rollback strategy changes. Having all customer interactions governed by a single decision authority makes change management safer, better informed, and more operationally efficient. How can an organization possibly manage multiple decision-making systems that influence each other, but are managed and executed separately?

We don't typically recommend launching in all channels simultaneously – as there are significant benefits to an agile, channel-by-channel approach. However, to be truly effective, the initiatives should expand beyond real-time interactive channels – through your outbound initiatives, agent channels, paid media, and so on.

Integrating data and context from across channels will lift offer acceptance rates by 3x or more very quickly, because those channels immediately begin learning together and using cross-channel data and intelligence to adapt with the customer. The NBA you've calculated for a customer might be right for the current context, but what happens when that situation changes? Regardless of where it happens, that rejection is critical – and it may shift your approach instantly. Presenting offers and learning from the response is a type of context change. Just like in a real-life conversation, the NBA will be calculated immediately after the customer response comes in. In interactive channels, your Customer Decision Hub will be pinged for the NBA multiple times during a single real-time interaction.

From push campaigns to always-on engagement

We talked before about relevance, but timing has also become critically important to marketing. Traditional campaigns can't meet the timing needs of a connected customer.

If you set relevance aside, the biggest factor in poor response is bad timing. Running traditional campaigns means you're pushing out messages on your timeframe, not the customer's. With all the planning cycles and lag involved in executing a large campaign, there's only a small chance that you'll hit the right window of opportunity to capture an individual customer's attention. You can't wait to fill a customer's needs once they've presented them; consumers are driven by instant gratification, and the opportunity disappears in hours or minutes, rather than days or weeks.

It's a better customer experience to align what you're saying with what the customer actually needs in that moment, or to avoid talking if they're not ready to listen. Instead of investing a majority of your time building megalithic campaigns to expose a new offer, it's far more effective to simply activate that offer and let the AI/decision engine trigger the offer when it's relevant to present, for any customer in context, across any channel.

In a traditional model, all of a brand's campaigns essentially "compete" with each other – in addition to actual competitors who are vying for the same customer attention. When they happen within too small a window, each interaction steals mindshare from the next. The fact that a customer saw one message, or two, or three, doesn't enhance their experience – it actually decreases the likelihood that they'll engage with the next one, especially if the last provided no value. Campaigns are always assigned specific timeslots to minimize customer friction, making it hard to engage in an agile way. This gets compounded by the long, elaborate process required to move a campaign from brief to execution.

How always-on marketing is different

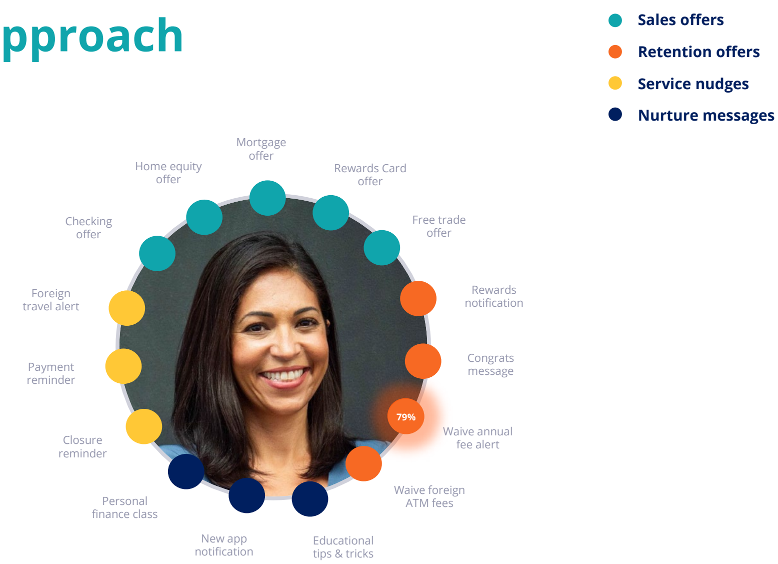
Using an always-on marketing approach removes many of the factors that cause customers to tune out. When you have something new to talk about, the offer or message simply gets activated, and all timing-related rules (contact frequency, customer preferences, channel constraints) become part of the NBA strategy. The offer is turned on when it's ready – and presented when it's relevant, wherever the customer wants to interact – across both inbound and outbound channels.

If it's relevant and profitable to reach out to a customer about an offer, a one-to-one outbound message doesn't have to wait for a campaign to be executed in – it's simply sent to that person when it's the best action to take at that moment. Maybe it gets triggered because the customer's purchase propensity jumped over a threshold, based on what they just viewed on the website. Or maybe they clicked through a Google search ad for a credit card and need a follow up. Or maybe they demonstrated a product interest on an owned channel, and you want to reengage them on a paid channel like Google or Facebook. NBA strategies constantly read the environment, reassess, and trigger new types of engagement – they don't ignore new information or miss context clues from the customer.

As you collect new intelligence, you might shift the channel, shift the timing, shift the offer, or just do nothing at all. Ultimately, it depends on what's best for the customer and the business in that moment.

The always-on approach

Propensity-driven one-to-one



Next best action

Waive annual fee - alert

This is the foundation for always-on-marketing – where every customer interaction is relevant, timely, contextual, and in everyone's best interest. This dynamic approach is where all interactions (initiated by the customer or by the company) are used to deliver the right message, at the right time, in the right channel. This triple right phrase is very popular and highly desirable – but it's only feasible if all three of the core innovations are in place and working together.

Trigger/activity	Examples	Used to trigger:
Propensity to purchase	(P by 30%) & (V >= $250)	Cross-sell message
Churn likelihood	(P by 30%) & (V >= $5000)	Retention message
Interaction lapse	No interactions >= 30 days	Next-best-action message
Crossing geo-fence	Mobil enters trade area	Contextual message/alert
Abandoned cart	(Open > 1 hour) & (no purchase)	Re-targeting message
Product expiration	Date > product expiration date	1-click replenishment offer
Ugrade available	Eligibility = Y, CLV > $2500	1-click upgrade offer
Life-stage event	Marriage, birth, home, etc.	Contextual message
Payment missed	(Late > 30 days) & (CLV <= $1000)	Reminder message, account lock
Repeated outage	Outage count >= 3	Service message, discount offer

Optimization of the enterprise – not the unit, product, or offer

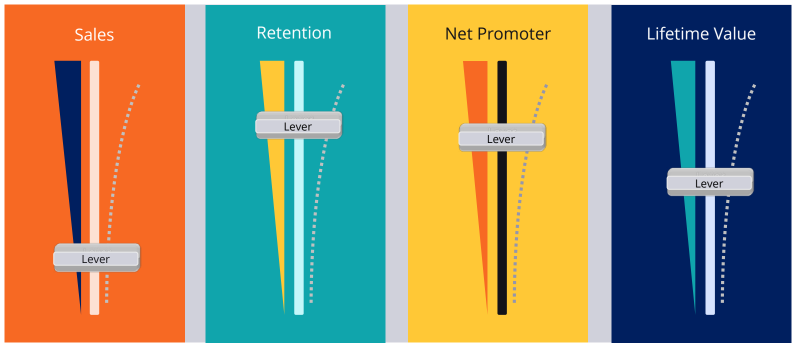
A potential downside to the always-on marketing approach is that while it accelerates overall value for the company, results will be less predictable at the business unit, product, and offer level. You are no longer pushing products to a set number of customers but rather, finding relevant products for the customers it makes sense to interact with. Traditional ways of evaluating campaign success are no longer valid. It's not about whether you've met the campaign response numbers by pushing specific smartphones, credit cards, or policies – it's about optimizing the mix of what to talk about, given all the potential options. In a framework where you can be extremely precise with relevance, timing, and value projection – it's about how you balance what to talk about and when to optimize profit and customer satisfaction.

Given all of that, simulation and monitoring are critical to an always-on, one-to-one marketing approach. Before an offer is even activated, you can run simulations that project its likely performance over time. And with all the possible conversations you could have with a customer, it's harder to project how many times one specific offer may be presented. However, you can project variations in that number over time, tweak its priority, and see how it performs at the expense of other offers. The end goal is to introduce new offers into the strategy in a balanced, low-risk way that optimizes value and ensures that when you change a strategy, there isn't a cascade of negative impacts.

Of course, while it's best practice to let the AI optimize the strategy using propensity, value, and timing, you can adjust the lever (L) in P*V*L to *manually* shift the priority – if it makes sense. You could even have the NBA strategy do this automatically, modifying itself to favor an important offer, when reality runs behind the plan.

Centralized optimization

Connected changes in high-level, organizational KPI



Centralized levers provide control & agility

With one set of levers controlling the strategy across the entire program, you can stay agile and quickly launch new actions and offers across channels.

Without playing with the levers (the L), NBA may not give business-unit, product, or offer stakeholders the exact same level of control that a campaign would – but that's a good thing. NBA optimization will be better for the company overall. And while a campaign might consistently net you a 1% response rate, that's all you'll get – any incremental improvement is typically marginal. That's a massive compromise, given the response and performance potential available.

Working within the next-best-action hierarchy

Moving from traditional marketing to an NBA approach obviously requires the company to embrace relevance and large-scale predictive analytics, but also to implement logic that can extend the conversation to higher-level considerations beyond sales – such as retention, service, risk, collections, negotiation, and so on.

Reading the strategy below from right to left, we see there is an explicit definition of the company's business objectives and trade-offs: prioritizing when to decide if each of those business strategies are relevant.

For instance, instead of simply considering retention plans against sales offers in every scenario, next best action may shift to retention only when specific conditions are met – such as a customer's likelihood-to-churn score rising above a certain threshold. With other business concerns such as risk, the recommended action may be to do nothing – because the risk of doing business with a specific customer has become too high.

As an example, companies like SiriusXM have seen significant lifts in customer retention, revenue acceleration, transparency, and consistency by utilizing the Pega Customer Decision Hub™. By unifying data across web chat, text messaging, customer care, and intelligent virtual assistant channels, SiriusXM has been able to tailor its retention strategy to individual customers.

According to Jason Barbrow, Vice President of Customer Retention at Sirius XM (whose audio properties reach more than 100 million audience members each month), "We've seen improvements in survival rate when customer engagement is treated with Pega versus when they aren't. At the same time, those relationships have generated higher revenue outcomes. Combine more customers with higher revenue and those metrics become very meaningful."

Using NBA to power modern customer journeys

NBA strategies use propensity-driven decision-making to materially increase the relevance of communications. This translates into increased engagement that creates incremental customer lifetime value. As previously discussed, NBA considers all the potential interactions you could have with a customer – beyond just sales – and what to deliver for each scenario, from retention to service to nurture and so on. This is a critical capability for powering modern customer journeys.

The concept of a customer journey isn't a new one, and it's not that complicated. The goal is to help a customer down a path to complete an objective, usually a product purchase. Historically, most journeys were designed with that end in mind, but a major shift in how people work, shop, relax, and socialize has forced marketers to rethink their approach significantly.

Customer journeys need to be looked at holistically, with the brand aiming to help the customer complete each journey as quickly and painlessly as possible, even if the outcome doesn't maximize short-term revenue. Yes, the identified journey often involves the customer buying a product – but unfortunately that's where much of today's journey software starts and stops. Most times, any single customer interaction is only a small part of a much bigger brand experience for the customer – and consistently adding value should be the goal, even if an eventual sale is still out over the horizon. Trying to force a sale before its time runs the risk of interrupting – and ultimately fatiguing – the customer.

Fortunately, nearly all journeys can be broken down into pieces to make them easier to understand and optimize. During stages of that journey, brands can prioritize and "lever up" content designed to help customers make progress against their goals. The key is that when an individual reaches a step, you never try to force them toward the next one. Instead, organizations should deploy real-time analytics to view all possible journeys and content options. Armed with the full knowledge of what the customer is likely to do, companies can present the most relevant message, in the moment. That's what separates modern journey solutions from their predecessors.

Modern customer journeys that are powered by NBA strategies can be broken down into the following categories (excluding sales):

- **Service:** Service journeys utilize nudges to preemptively solve customer problems before they occur or escalate. For example, in the case of a banking customer traveling abroad, the brand could serve up content about exchange fees or restrictions they might incur internationally before they even leave for their trip. They may remind them to authorize their credit card for international use, and during the trip they may highlight value-add information like ATM locations, foreign currency exchange counters, or branch locations.

  The goal of this kind of journey is not to make an immediate sale, but to head off the most likely problems before they ever occur. This approach builds trust and helps brands earn the right to expand their relationship with the customer.

- **Nurture:** Nurture journeys are similar to service journeys, designed to keep your brand top of mind while gradually increasing customer or member engagement. For example, a Healthcare organization may have multiple nurture journeys in place to educate or entertain customers – focusing on health, fitness, aging, membership programs, or case issues. Those journeys would each feature a wide variety of content like podcasts, articles, videos, studies, news, etc. This strategy exposes the customer to each topic and associated content to see which journeys and formats catch their interest. As they engage with a topic, the brand can identify and adapt to their behavior.

  Once again, the goal is not to sell or convert – it's to build engagement and develop that customer relationship over the long term, using a low-pressure approach.

- **Retention:** Retention journeys are different in that they are often very immediate and are used to reduce the attrition of high-value customers – and to do so profitably, without maximizing incentives.

  For example, a Telecom provider may analyze customer browsing or network behavior looking for patterns, ultimately determining that a customer is frustrated and trending toward churn. Instead of waiting until that person calls the contact center (when it may be too late, and will definitely be expensive), they reach out with a personalized and proactive retention offer based around their needs – like providing extra data, adding an additional family member at no charge, or access to the latest upgrade at a reduced rate. This avoids churn, allows them to retain that customer at a significantly reduced cost, and has the added benefit of improved customer satisfaction and loyalty levels.

- **Resilience:** Resilience journeys are the newest offshoot of real-time capabilities, designed to safeguard a customer's short-term well-being while solidifying a high-value relationship for the brand over the long term. They're often tricky because an organization needs a strong understanding of individual customer context and their ability to pay but are also relatively low risk and provide substantial benefits.

  For example, during a time of short-term customer hardship, a brand could proactively reach out to customers whose profile and behavior show a risk of non-payment or default. The organization would provide them with a personalized offer of reduced terms that should allow them to stay in good standing if accepted. This practice not only helps customers prioritize payments to the brand, but also helps build relationship equity with the individual, and creates substantial positive public sentiment.

Modern journeys do not try to script all possible paths to a good outcome. That leads to impossible to maintain spaghetti journeys. Nor do they prescriptively describe a path to follow. Most of those will be journeys to nowhere. Instead, modern journeys should only provide guidance for well-understood paths to outcomes, and every journey and journey stage should be used as context for the NBA engine. The next best action will probably lean toward continuing the journey the customer appears to be on. But when led by AI looking for relevance, the NBA engine may elect to pause or stop the current journey to pursue a more promising path.

Real world Microjourneys

There are hundreds of possible variations in the roadmap for an NBA implementation, as an organization converts quick wins and then expands across channels. They will vary depending on the nature of an organization's products, industry, levels of expertise with AI/analytics, technical capabilities, go-to-market strategy, and customer orientations.

The following is a vision for scalable delivery repeatedly adopted, templated, and modified by other organizations. Each approach provides value because:

- They provide tangible quick wins that substantiate the investment early on.
- They showcase the potential of NBA with a robust path to value.
- They work to mitigate growing pains that could generate undue stress for the core business.

Vision for scalable delivery roll out

NBA strategies – FinServ example

High impact
Moderate impact
Incremental impact

Channel		1 Grow	2 Service	3 Nurture	4 Retain	5 Acquire
1	Online banking	Contextual offers	Self-service actions	Usage stimulus	Proactive offers	Next best actions
2	Mobile app	Contextual offers	Self-service actions	Usage stimulus	Proactive offers	---
3	Branch	Dynamic bundles	Service nudges	Benefit reminders	Reactive offers	Acquisition bundles
4	Call center	Dynamic bundles	Service nudges	Benefit reminders	Reactive offers	Acquisition bundles
5	Mobile push	Geo-Fenced offers	Service triggers	Contextual alerts	Preemptive Offers	---
6	Email/SMS	Open-Time offers	Service triggers	Triggered messages	Preemptive Offers	Contextual offers
7	Direct mail	Contextual offers	---	Triggered mailers	Preemptive Offers	Contextual offers
8	Paid media	Contextual offers	Service nudges	Triggered displays	Preemptive Offers	Contextual offers

Business outcomes

Best practices: The path to one-to-one excellence

Some enterprise-level organizations maintain hundreds of millions of customer relationships, with billions of complex interactions each year – spread across dozens of marketing and engagement channels. Nothing about that is remotely simple. The decision about how to organize and advance the move from segments and campaigns to NBA and an always-on approach requires some strategic thinking. However, it's a great opportunity to evolve the corporate culture toward true customer-centricity, funded every step of the way by massive business outcome improvements.

Organizations should attempt to answer the following questions (and assemble a great deal of data and consensus) before making a decision on their always-on roadmap:

- Which channel or business function is causing the most customer pain, currently?
- Which would yield the greatest revenue gains? Cost efficiencies?
- Which would generate the greatest expense? How do we optimize cash flows?
- Which has the greatest switching costs? Would those decrease over time?
- Which stakeholders would be the most likely to adopt? Where would there be resistance?
- Which channels provide data or insights that can be leveraged downstream?
- How will our organizational structure support this initiative?
- Who will champion this initiative now and after the initial implementation?
- How can we generate quick wins to validate the project, and build momentum?
- What order of operations has produced success? Are there established best practices?

Key takeaways and benefits from using a one-to-one approach

Overall, the NBA approach has tremendous benefits over a campaign/segment model, and significant benefits even over the sales-centric NBA (also called next best offer) – because it allows the organization to prioritize actions designed to boost customer experience and satisfaction, rather than just marketing or sales objectives.

Typically, a comprehensive investment in NBA yields benefits like:

- Increasing response rates by 3–6x
- Reducing churn rates by 10–50 percent
- Reducing retention discounts by 20–35 percent
- Finding incremental agent-sales opportunities by 2–3x
- Increasing Net Promoter Score by 10–40 points
- Maximizing return on investment by 3–5x
- Minimizing payback period by 4–6 months

But again, to make those benefits real, the following innovations need to happen within the organization – both technically and culturally:

- The organization must progress from one-to-many segmentation to a **one-to-one customer engagement approach**.
- The organization must migrate from channel- or product-driven targeting to a **single, centralized decision authority**.
- The organization must reduce reliance on scheduled push campaigns and advance to an **always-on model** that engages customers during moments of need.

These three innovations are eminently possible today – early adopters have already implemented them. And these innovators have seen massive gains – demonstrating KPI lift across the board. At the same time, their status-quo peers have lost ground in the same markets. Given the state of marketing in general, it’s clear that organizations must change how they think about engaging customers, be willing to adapt, and invest in an approach that will develop relationships instead of eroding them.

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