

Competing on the Basis of Customer Experience

Gaining a single point of control over customer data and interactions to deliver highly personalized omnichannel experiences.



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Overview

By 2020, customer experience (CX) will overtake price and product as the primary competitive differentiator.

"Customers 2020: A Progress Report," by CX consulting firm Walker¹. This type of CX calls for a holistic approach across the enterprise, and across all customer touchpoints.

This impending reality is already evident. According to research firm Aberdeen's report, "Customer Experience Agenda 2018: How to Satisfy the Empowered Customer," improving customer satisfaction is respondents' top priority for delivering shareholder value, followed closely by improving brand awareness, loyalty and customer profitability^{II}. The study also found that top performers in terms of CX retain 45 percent more customers year-over-year than other companies (85 percent versus 58 percent). And, top performers grow customer profit margins year-over-year by nearly 40 percent.

Those top performers are in the minority of businesses, so now's the time to make the changes needed to deliver superior CX and gain a long-lasting competitive advantage. The only way to achieve that CX-based competitive advantage and be a top CX performer is by delivering a consistent and contextually relevant omnichannel experience — because that connected experience is what customers want now.

More than half of consumers polled (56 percent) say they feel more loyal to brands that show a deep understanding of their priorities and preferences, according to the "Wantedness" study by marketing agency Wunderman^{III}.

This competitive landscape requires a completely different approach than what most companies are taking, as there is far too much friction and fragmentation in today's customer experiences. And ease of doing business is an essential element of CX today:

\$800B revenue shift to the 15% of companies that get personalization right over the next five years in three sectors alone – retail, healthcare and financial services.

-Boston Consulting Group

Creating a single point of control over customer data and interactions will allow marketers to develop a deep understanding of the customer to create highly personalized experiences that are aligned to where they are in their customer journey across omnichannel interaction touchpoints.

A single point of control is necessary to orchestrate interactions in today's omnichannel environment, ones that span multi-stage real-time online and offline customer journeys.

Customer Experience Gap

What the customer expects is often not their reality

Only 1%

of buyers feel brands consistently meet their expectations

Customer Experience Index

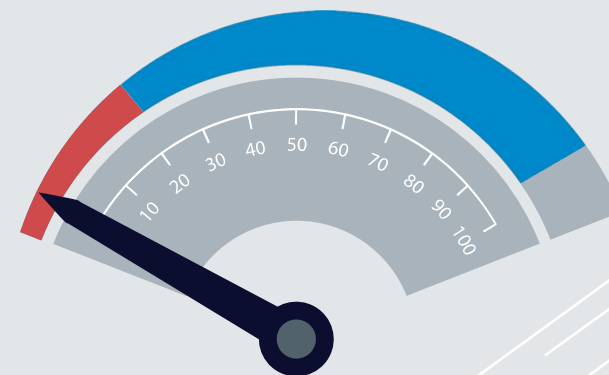
Experience

86%

of buyers will pay more for a better customer experience

Customer Experience Index

Expectation



The CX Landscape

Consumers are looking for consistent experiences across channels and across the enterprise.

According to the “Wantedness” report, **63 percent of U.S. customers consider great brands as the ones that exceed their expectations across the entire customer journey^v.**



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That means brands must now compete based on delivering a superior customer experience across every touchpoint and across the entire customer journey. Consider a travel company as an example. Customers expect a consistent, personalized experience starting with pre-trip research, during their trip and in any post-trip follow-up.

That type of holistic customer experience requires a holistic customer view, which is made possible by connecting customer data from across sources: batch and streaming, internal and external, structured and unstructured, transactional and demographic.

89%
of brands **expect to compete primarily on customer experience** rather than price and product as the key brand differentiator.



- Gartner

Doing so is essential for two main reasons:

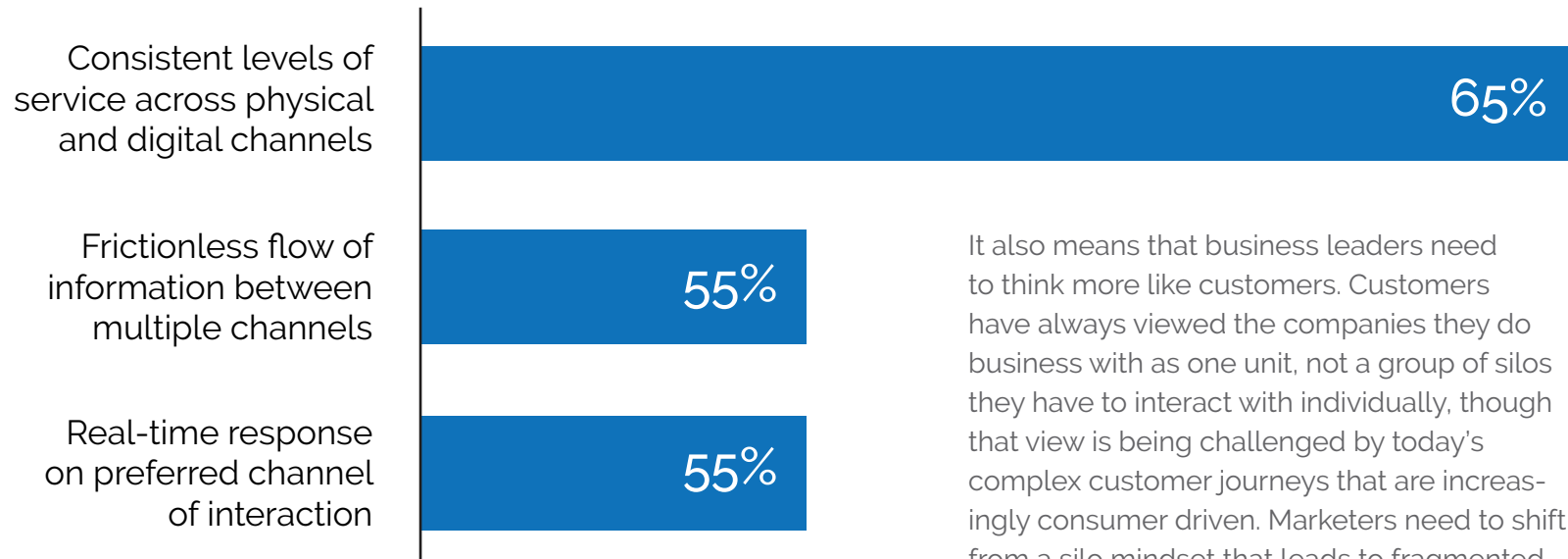
1

Best-in class companies are **29 percent more likely than other companies to emphasize single-view-of-the-customer insights**, according to Aberdeen^V.

2

Customers want relevance through a personalized touch, which shows in marketing performance improvements: 88 percent of U.S. marketers polled for the "2018 Trends in Personalization" report **say their customers and prospects expect a personalized experience^{VII}**.

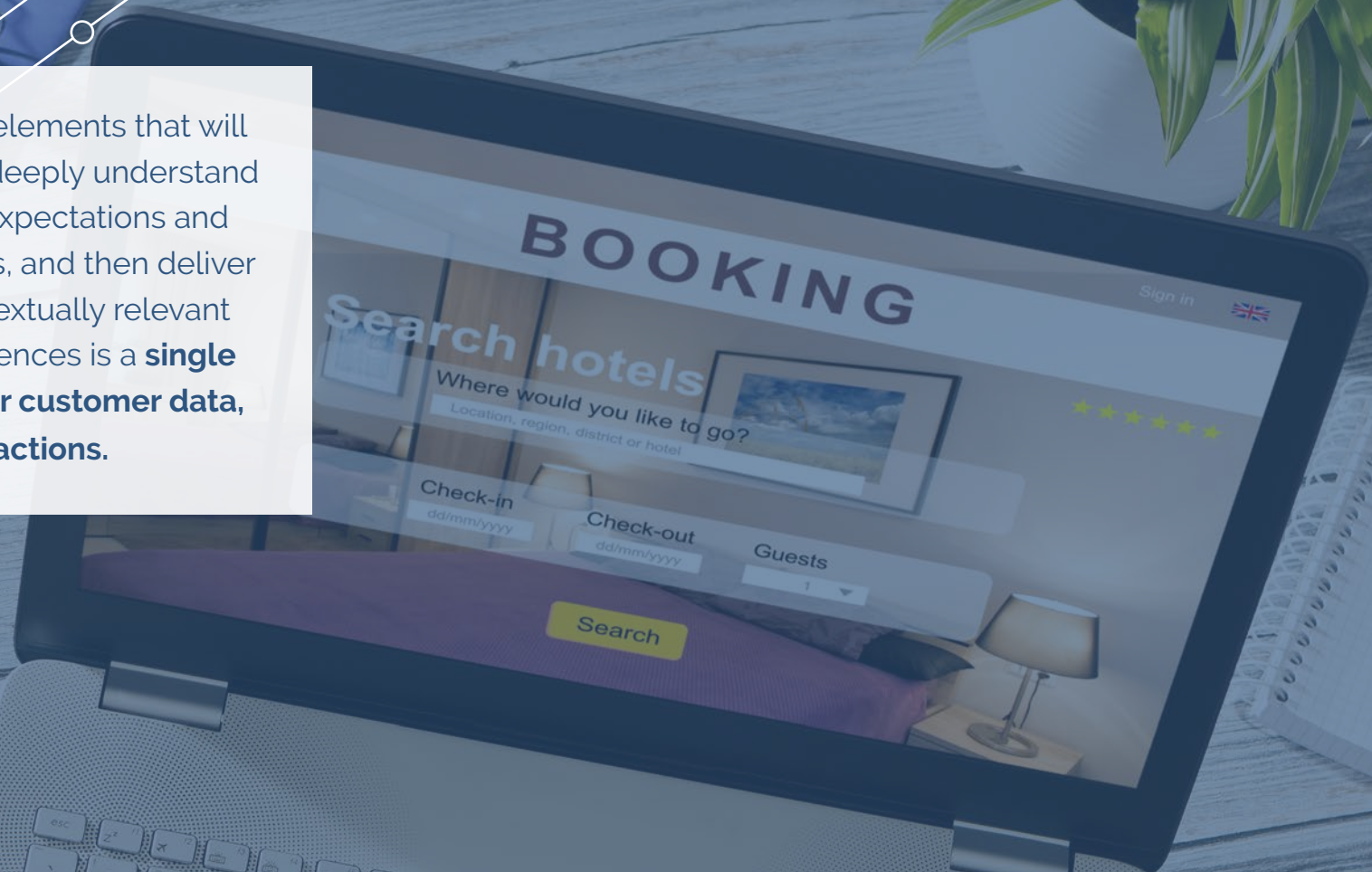
Customer Experience Expectations that US Digital Shoppers Have for Brands



Note: ages 18+ Source: Ipos and Mediallia, "The Customer Experience Tipping Point," June 20, 2018

It also means that business leaders need to think more like customers. Customers have always viewed the companies they do business with as one unit, not a group of silos they have to interact with individually, though that view is being challenged by today's complex customer journeys that are increasingly consumer driven. Marketers need to shift from a silo mindset that leads to fragmented experiences to one that is concentrated on unity. Marketers can do this by expanding their focus to the enterprise, going far beyond onboarding or website interfaces or on-premise interactions, for instance; they need to connect those touchpoints in a way that weaves each discreet interaction into a cohesive whole.

Three foundational elements that will allow marketers to deeply understand customers' needs, expectations and channel preferences, and then deliver consistent and contextually relevant omnichannel experiences is a **single point of control over customer data, decisions and interactions.**



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Customer **insight** to meet today's
CX expectations takes...

Holistic view of
the customer

Real-time data
access

Single point of
control over data

Customer **interaction** to meet
today's CX expectations takes...

Understanding
where a customer
is in their path to
purchase

Deciding the
next-best action,
offer, or message

Orchestrating
interactions in the
proper context and
cadence across
multiple channels.

Market Drivers

Clearly, companies must provide superior customer experiences to meet customers' expectations.

Focusing on CX as a competitive differentiator is essential, especially as we move deeper into the Age of Consumer Empowerment.



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Digital transformation, omnichannel marketing, data and technology proliferation empowered the customer to take charge of the buying experience. The result: customers are demanding that their purchase experiences be tailored uniquely to them.

Ninety percent of consumers value when a business knows their account history and their current activities with that company,

according to the report "Understanding the Customer Journey," by telecommunication firm Genesys^{VIII}.

And, 64 percent of consumers say they expect companies to respond to and interact with them in real time, according to the "State of the Connected Buyer" report^{IX}.

As these empowered consumers' demands grow and their expectations increase, marketers need the ability to respond at their audiences' moments of interaction. Today, more than 60 percent of consumers are always-on and readily addressable, according to research analyst firm Forrester. Adopting a real-time synchronous interaction model is the only way to speak with the relevancy (content, timing, etc.) that customers want in the channels they prefer.

Using a real-time synchronous interaction model allows marketers to respond effectively despite the proliferation of channels, touchpoints and data. Channels and touchpoints include far more than the obvious mobile, social, on-premise, email and website. Beacons, IoT and sensors are examples of touchpoints that marketers can use to improve the customer experience. And it's essential

that they do: Research from consultancy McKinsey & Company found that more than 50 percent of customer journeys are now multievent and multichannel^{XI}.

Those touchpoints also exemplify the ever-expansive sources of data available to marketers. These include anonymous-to-known customer, structured and unstructured, batch and streaming and first-, second- and third-party data. Invaluable information that data provides includes customer behavior, transactions, preferences, and ultimately intent.

It is now possible to access all that data in real time, so marketers can know all that is knowable about their customers with no latency – and without breaking the bank or ripping and replacing their tech stack. The more information marketers have on customers, the more valuable your brand becomes to them. For example, behavioral data may reveal the need to generate the next-best action within a certain timeframe and deliver it at the customer's moment of interaction. If a company's systems are connected, it makes it possible for marketers to use automation to serve the next-best offer and enable customers to act on it in whatever channel they prefer.

One challenge marketers face in implementing a real-time synchronous interaction model that supports this is the fragmentation being brought about by the accelerated pace of technology innovation. As more and more specialized technologies are introduced to the market, there's a potential for marketers to add silos to their already disjointed marketing technology stacks.

One type of silo that marketers may overlook at their own peril are the walled garden marketing clouds, which curtail marketers' access to vital customer insight.

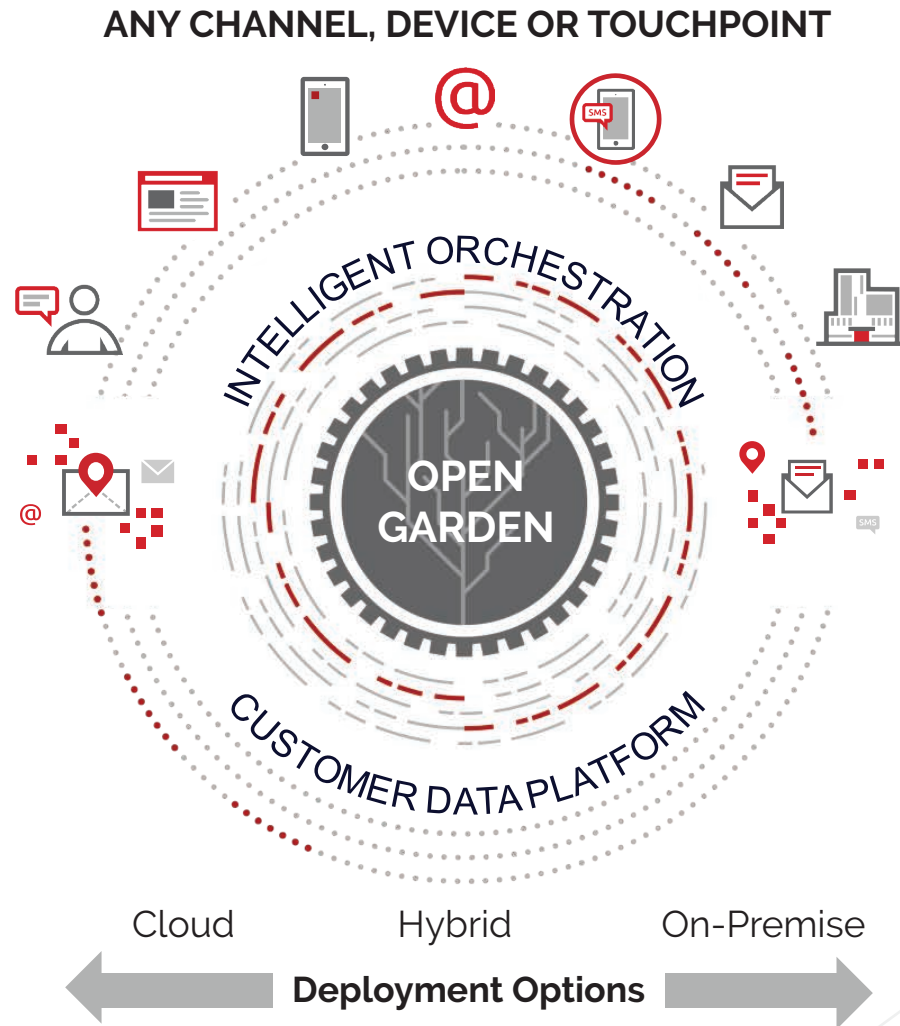
An open garden approach that links disparate data sources to create a holistic, always-updating view of the customer is a must to overcome the obstacles of siloed data and technologies.

Plus, it helps to extend the value of existing marketing technology investments and future-proof the enterprise to take advantage of any technology innovations to come.




Open Garden vs. Walled Garden Approach

Integrate with all customer data sources

- AdTech (DMP & web)
- CRMs
- Marketing Automation systems
- Customer Engagement technologies



Seamless API's and Connectors

-  Future Proofing Data and Technology
-  Scalable Performance
-  Rapid Cloud Deployment

CX as the New Competitive Frontier

Paradoxically, digital transformation has empowered consumers more than brands. But that doesn't actually put marketers at a disadvantage. Instead, it provides the opportunity to create a two-way dialogue — i.e., a value exchange — between consumer and brand.

Traditional approaches to marketing are static and linear; they're one way and led by the brand. Using the myriad of data and technologies available to them, marketers can create a value exchange with consumers that is mobile, real time and two-way. Consumers give and get information, which enables marketers to make their interactions highly iterative; the more insight customers give, the more targeted the communications are that they receive. It's a virtuous cycle based on the context and cadence of the customer — one that creates hyper-personalized experiences and treats each customer as a segment of one.

It's imperative that brands have this type of direct relationship with consumers and work to implement a real-time synchronous interaction model, supported by the single point of control over data and single point of control for real-time interaction, that will enable it.

Currently, according to Forrester, although 90 percent of organizations are focused on delivering personalized experiences, only **40 percent** of shoppers say the information retailers provide is **relevant to their interests**^{xiii}.

Single Point of Control

Brands need a single point of control over customer data, decisions & interactions to optimize customer engagement

To do this organizations will need to...

- Know all that's knowable about a customer (every source and type of customer data that is current, accurate, precise, continuously updated)
- Automatically determine the next best message, offer or action that are in-line to a customer's journey
- Engage and interact at the speed of the customer (real-time)
- Continuously optimize engagement through a highly personalized path to purchase

Single Point of Control for All Customer Data

Building a single point of control starts with bridging organizational, process and technology silos that create friction in the path to purchase. Luckily, this no longer requires overhauling processes or ripping and replacing technology. The right technology builds bridges to connect existing silos, and then takes a phased approach to making any necessary changes. For instance, begin with just two processes, such as acquisition and onboarding. Overlay technology that gives you a single point of control to create the links between those processes. Create a cross-functional team to address any related organizational and process changes.

The ideal technology to support a single point of control is a customer engagement platform that comprises a customer data platform (CDP) and an interaction hub.

A CDP is an enterprise solution that helps marketers know all that is knowable about their customers.

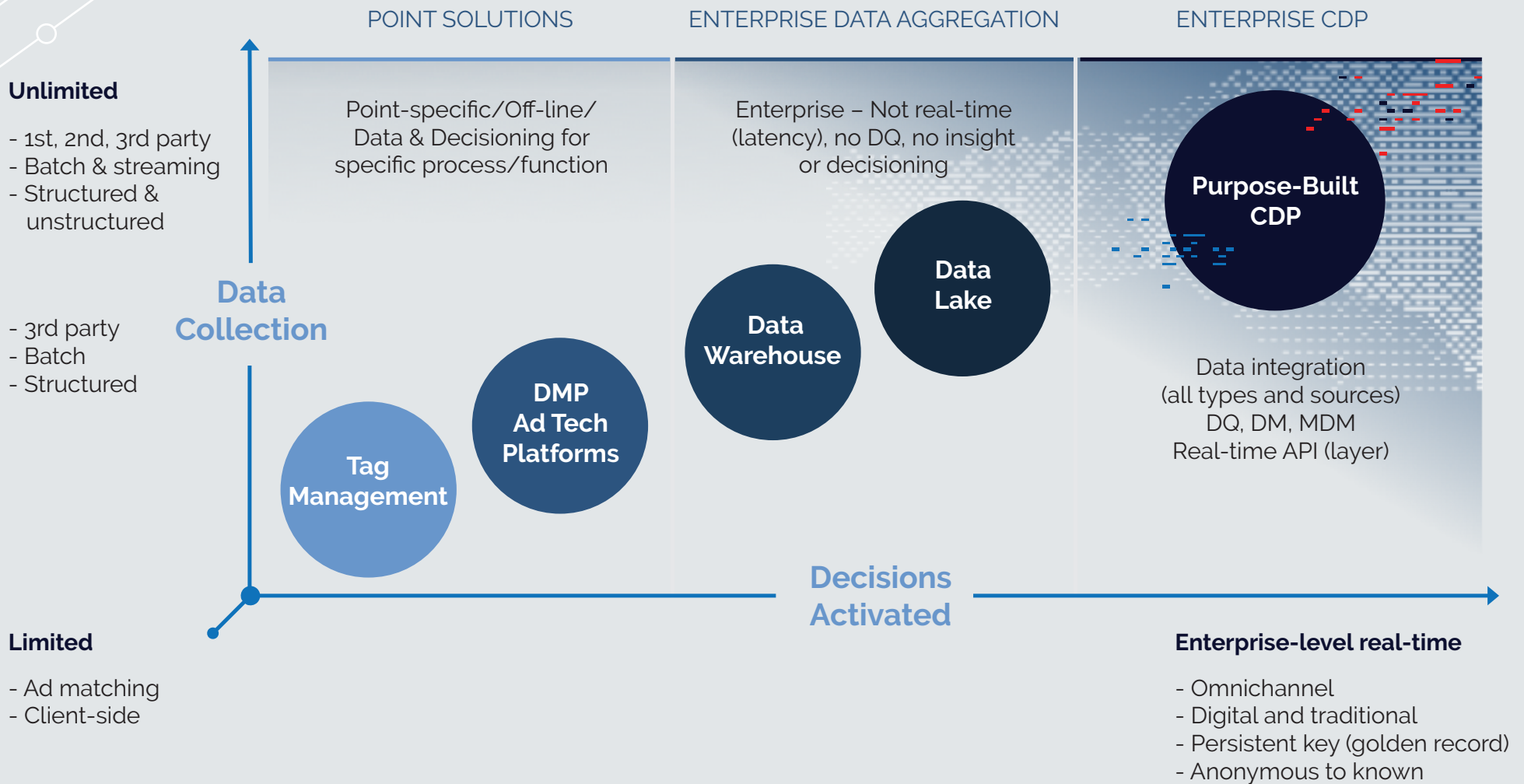
That knowledge allows marketers to get a deep understanding of customers and recognize individuals across multiple channels and interaction touchpoints. The interaction hub then enables marketers to deliver relevant, hyper-personalized offers whether customers are in a physical location, online, or on their mobile device.

Empowered consumers become more engaged as the two-way dialogue of information sharing that the engagement platform supports optimizes a path to purchase that is unique to them and is delivered in real time.

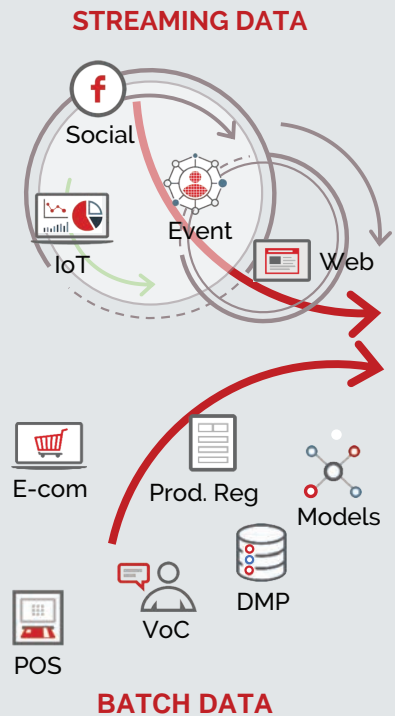
Redpoint's CDP connects all your data to provide a deep level of customer understanding that's critical to engaging customers in real time, with next-best actions across all interaction touchpoints that are contextually relevant and highly personalized.



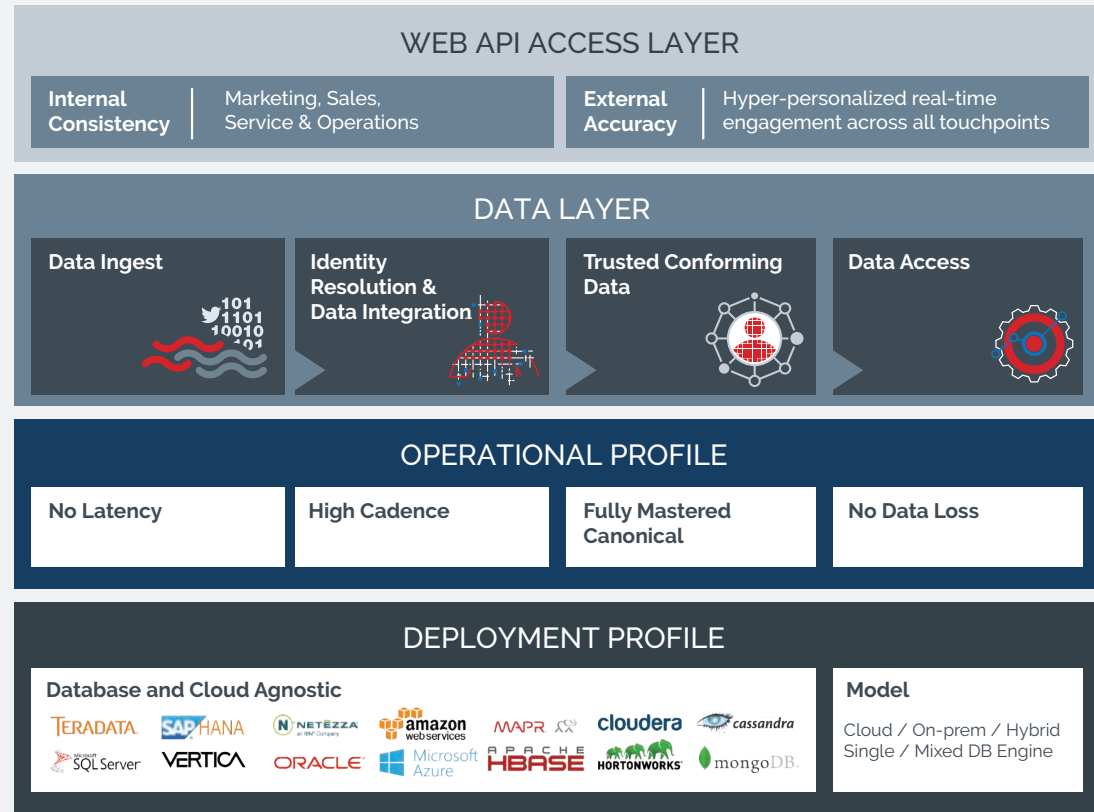
Single Point of Control for All Customer Data



Customer Data Platform Capabilities



CUSTOMER DATA PLATFORM



THE GOLDEN RECORD



In-Line Analytics

Artificial intelligence and machine learning present marketers with a major opportunity to optimize the path to purchase. This technology powers the advanced analytics necessary to deliver contextually relevant interactions at every moment of engagement.

When supported by robust analytics, marketers can track consumers across channels and analyze their transactions, behaviors and preferences to determine intent and produce next-best actions.

Powerful decisioning engines, fueled by AI and machine learning, ingest and analyze customer data in-line with the customer journey. Leveraging in-line analytics enables marketers to understand customer context and cadence, the two pillars of relevant customer experiences.

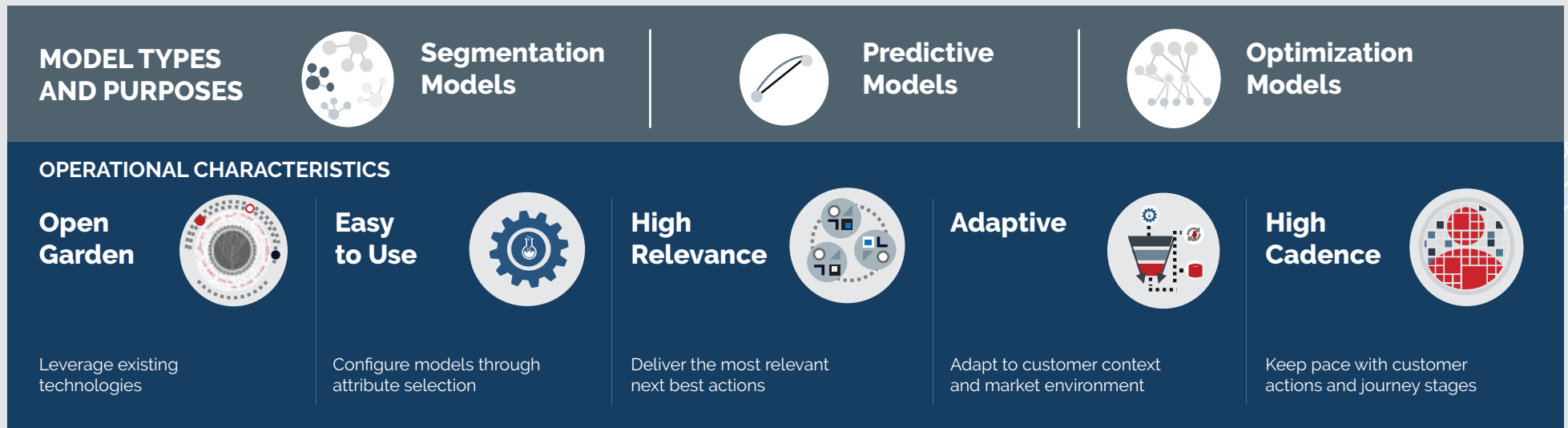
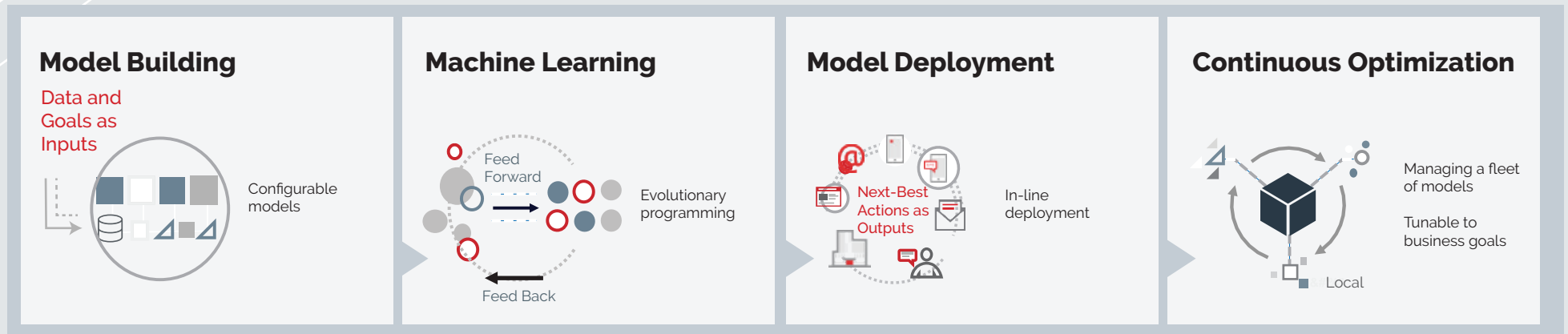
Once context and cadence is analyzed, machine learning drives the customer experience forward, determining personalized next-best actions, offers and messages in real time.

Machine learning also enables continuous optimization, allowing marketers to easily measure success and tune models to business objectives for better results.

In-line analytics are a key component in your martech stack, providing marketers with the critical capabilities necessary to deliver superior customer experiences.

74% of marketers are challenged to recognize in real time.

- Acxiom



Single Point of Control for Customer Interaction

No individual technology “owns” the last mile of the customer experience — or any one part of CX. So, it’s necessary to link those databases to create a single point of control that will allow marketers to intelligently orchestrate customer interactions across an entire lifecycle.

The rgOne solution provides a single point of operational control for customer interactions, enabling brands to execute personalized customer journeys in the context and cadence of the customer. Redpoint turns data into action at the speed of the customer. Redpoint’s rgOne delivers a unified view of each customer, in-line analytics driven by machine learning

for decisioning to determine next best actions and optimize offers, and then intelligently orchestrates the delivery interactions and highly relevant brand experiences, in real time, across the enterprise.

Redpoint's rgOne solution provides a continuous, dynamic path to purchase that is personalized for each customer and can be delivered wherever they show up next.

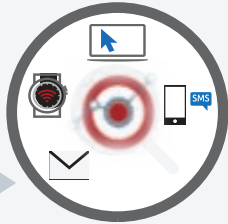
Intelligent Orchestration

Strategy and Targeting



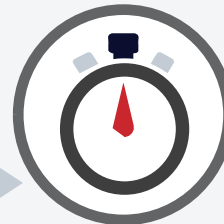
Create segments
and audiences

Omnichannel Touchpoints



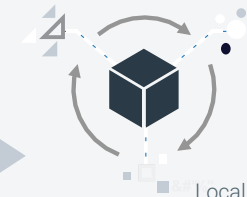
Design customer
journeys across
all channels

Real-Time Execution



Deliver real-time
messages, offers
and actions

Analytics and Optimization



Optimize through
A/B/n testing,
rules and
machine learnings

Local

DEPLOYMENT OPTIONS



Cloud



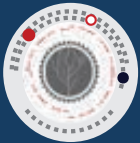
Hybrid



On-Premise

OPERATIONAL CHARACTERISTICS

Open Garden



Leverage any data or
engagement technology

Innovative Strategies



Deliver differentiated
customer journeys

Data Driven



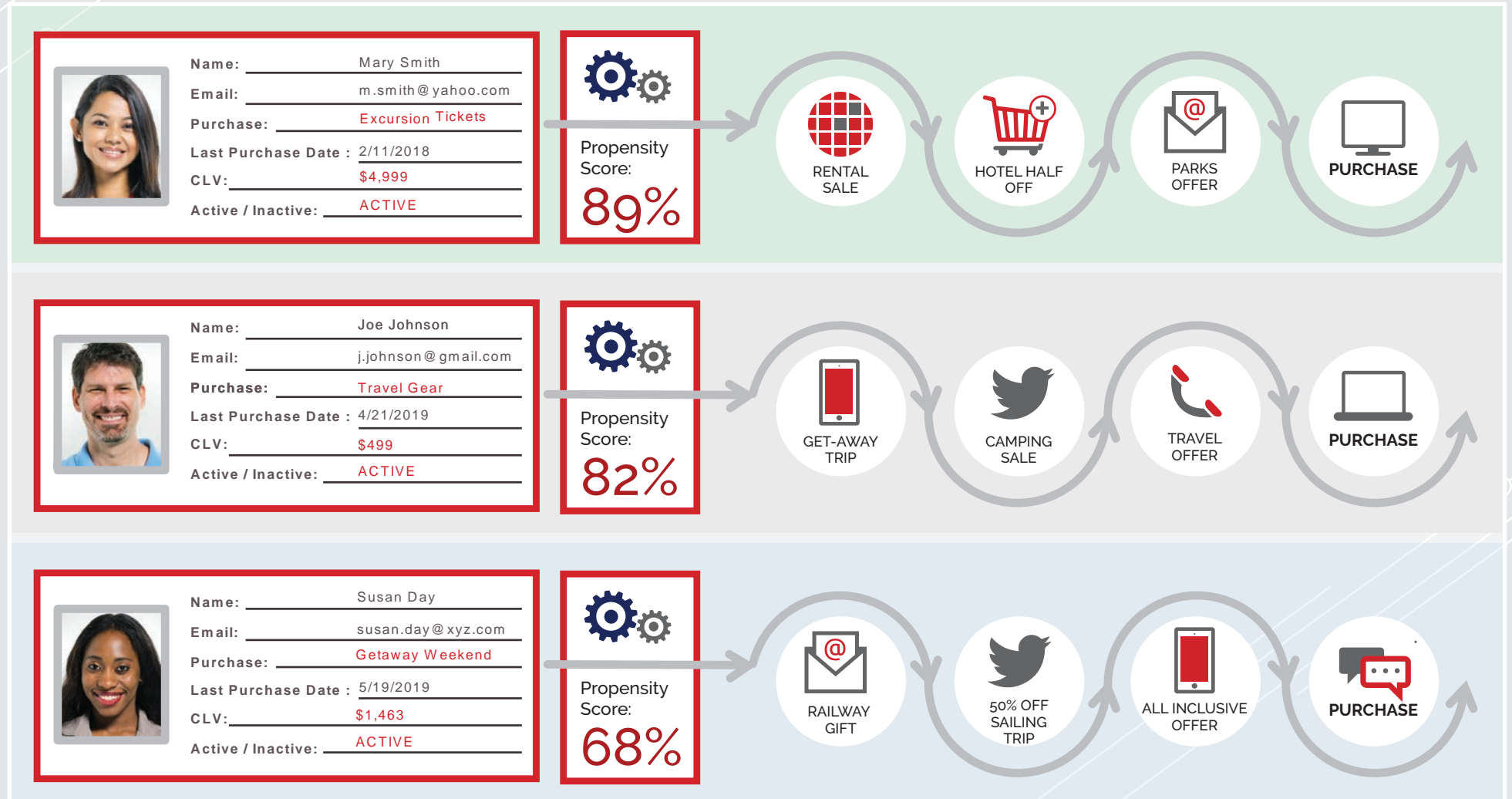
Use all that's knowable to
deliver highly relevant and
personalized engagement

Closed Loop



Test, tune and optimize

Journey Optimization: Path to Purchase



Conclusion

Today's competitive landscape, and the rise of the empowered consumer, have made it clear that marketers need to take a different approach to orchestrating interactions. This presents an opportunity to engage customers on their terms and in their preferred channels – and create a competitive advantage for your organization.

Top performers in terms of CX retain more customers and enjoy greater financial success, according to the findings from Aberdeen. Top performers boast an 84 percent customer retention rate versus 58 percent for other companies. Their

year-over-year growth in annual company revenue is 40 percent versus -7 percent for other businesses. And their improvement in average customer profit margin is 40 percent versus -8 percent for other businesses^{XIV}.



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Optimizing and personalizing omnichannel customer experiences to meet customer expectations requires organizational, process and technology changes that bridge silos and center on the customer. The ideal method for enabling all this is to create a single point of control over data and for real-time interactions, and phasing in process and organizational changes over time. Creating a single point of control over data allows marketers to build a deep understanding of customers that they can use to guide their omnichannel strategy and provide highly personalized experiences. A single point of control for real-time interactions is necessary to orchestrate those omnichannel interactions.

Single point of control acts as a central hub from which marketers can make decisions that are then feed to the channels. It comprises a single point of control for aggregating and understanding customer data, as well as a single point of intelligent control over customer interactions that spans across every enterprise touchpoint.

The ideal technology to support a single point of control is a customer engagement platform that comprises a customer data platform (CDP) and an interaction hub. The combination of these tools allows marketers to know all that is knowable about their customers, recognize a customer across multiple channels and interaction touchpoints and then deliver relevant, hyper-personalized offers at any touchpoint in real time.

The rgOne solution provides that single point of control for customer interactions. Leveraging this solution allows marketers to deliver hyper-personalized customer journeys in the context and cadence of the customer and set themselves apart from the competition – creating a win/win for customer and company.

Optimized Customer Experience



Personalized Experience

- Consistent personalization across touchpoints, consistent brand experience (cross-channel)
- Delivered in real-time across the entire enterprise



Next-Best Action

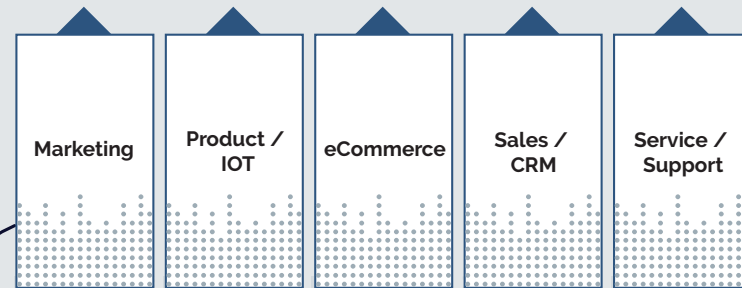
- Next-best offer, action or message in context & cadence
- Analytics in-line (real time) to customer interaction



Single Customer View

- Every source of customer data (1st, 2nd, 3rd, batch & streaming)
- Most recent, accurate & precise (cleanse & match, identity resolution)
- Golden Record

Data / Events / Results



API Interconnectivity

Intelligent Orchestration

In-Line Analytics

Connected Data

Real-time Continuous Integration through Data

Next-Best Actions / Recommendations



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About Redpoint Global Inc.

With Redpoint's software platform, innovative companies are transforming their customer experiences across the enterprise and driving higher revenue. Redpoint's solutions provide a remarkably unified, single point of control where all customer data is connected and every customer touchpoint intelligently orchestrated. Delivering more engaging customer experiences, highly personalized moments, relevant next-best actions, and tangible ROI—this is how leading marketers lead markets. To learn more, visit redpointglobal.com.

Connect with us    



REDPOINT GLOBAL INC.

US Headquarters: Wellesley, MA +1 781 725 0250 | EMEA Headquarters: London, UK | Tel: +44 (0)20 3948 8170
www.redpointglobal.com

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ⁱWalker, "Customers 2020: A Progress Report"

ⁱⁱAberdeen, "Customer Experience Executive's Agenda 2018: How to Satisfy the Empowered Customer," 2018

ⁱⁱⁱWunderman, "Wantedness," 2018

^{iv}CEB/Gartner, "The Effortless Experience: The Key to Customer Loyalty"

^vWunderman, "Wantedness," 2018

^{vi}Aberdeen, "Customer Experience Executive's Agenda 2018: How to Satisfy the Empowered Customer," 2018

^{vii}Evergage and Researchscape International, "State of the Connected Buyer," 2018

^{viii}Genesys, "Understanding the Customer Journey"

^{ix}Salesforce, "State of the Connected Buyer"

^xForrester Research

^{xi}McKinsey & Company, "Transforming Customer Experience, From Moments to Journeys"

^{xii}CMO Council and Redpoint Global, "The State of Engagement: Bridging the Customer Journey Across Every Last Mile," 2018

^{xiii}Forrester Research

^{xiv}Evergage and Researchscape International, "State of the Connected Buyer," 2018