You can't win over today's empowered customers with yesterday's fragmented marketing approaches. A new, modern architecture is needed, one that converges data, insight and action to enable intelligent customer engagement.

Built for a connected world – where data permeates every aspect of the customer experience – the modern marketing architecture minimizes the logistics of marketing and empowers you to address every customer as an audience of one.

A Modern Marketing Architecture

The foundation for intelligent customer engagement

RedPoint

Today's Connected – and Empowered – Customer

Your customer today is dramatically different than she was a decade ago. Fitbit trackers, iPhones, connected thermostats, tablets and streaming media have all emerged since then, dramatically altering what she now expects from every interaction with every brand[i]. She is one of millions of consumers who has pushed the economy into what Forrester Research calls the Age of The Customer[ii].

In this new age, the empowered customer knows her digital data has value –

And she expects value for sharing it. She wants brands to know her and treat her as the individual she is, and respond to her with immediacy and relevancy. She has no tolerance for inappropriate offers or actions based on incomplete information or slow internal processes. She has options and can go elsewhere in a click.

Research shows that 58% of US online adults are "always addressable," accessing the web from multiple locations, on multiple devices, multiple times per day.[iii] These modern consumers have high expectations that are in line with their high potential lifetime value.

➤ From social media to mobile devices, technologies have given consumers unprecedented power to compare prices, complain loudly, and find the best deals.[iv]– McKinsey

Two dynamics have fundamentally changed the balance of power between customers and brands. The first is the availability of information: armed with more information than any other time in history, connected customers get smarter every day. They know the price for any item and the experience of other customers – whether a television or a car – before ever stepping foot into a store or showroom.

The second dynamic is the growing gap between customers' expectations and marketers' ability to respond appropriately, the moment their customers are engaging with their brand. To remain relevant, marketers must connect with customers across all their experiences – in the store, on the website, in the app or at the point-of-sale – and deliver content to them that is both relevant and consistent. That is the essence of treating each customer as an audience of one.

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Three imperatives are forcing marketers to re-think their approach to customer engagement. It is only by acting on these imperatives that marketers will overcome the widening chasm between their brands and their digitally empowered customers.

Imperative #1: Break Down Silos

The first imperative is the need to overcome silos. As email, web browsers, and e-commerce sites came online in the 1990s, marketers added technology to support these new channels. The digital trend continued to accelerate in the 2000s, with the arrival of smart phones, mobile apps and social media channels – so marketers responded with more channels, more content and more technology. As companies built out their infrastructure, operational silos arose, and over time became institutionalized. For example:

- The email team relies on an email service provider (ESP) to send out weekly emails; consequently all email content, data and performance history is trapped in the ESP.
- The web team uses a content management system (CMS) to manage their web presence; so data for resolving identity, tracking page visits and personalizing offers is stuck in hosted weblogs.
- Social media monitoring (SMM) is done ad hoc, often by interns using free tools that are not connected to their web or email applications.
- A call center team logs inbound calls into a customer relationship management system.

Nearly 65 percent of marketers admit that silos make it difficult to have a clear view of initiatives and campaigns.[v] This diminishes the customer experience:

- **Marketers can't personalize messages and offers** because their view of the customer is limited since the data is scattered across the enterprise.
- **Silos create latency.** Marketers can't respond quickly enough to satisfy the customer because the necessary data is not readily available.
- **Messages can't be synchronized across channels** because each team operates independently.

Inconsistent experiences lead to dismissive customers, who will seek better experiences elsewhere.

➤ Cutting-edge companies create a different kind of marketing organization — one that is less siloed, more interactive, and more collaborative, and that increases marketing's value and effectiveness.[vi]
— Harvard Business Review

Imperative #2: Harness *All* Customer Data

Many businesses today are exploring ways to exploit Big Data and capitalize on new opportunities from the Internet of Things (IoT). For marketers, the data imperative stems from the need to create rich, holistic profiles of each customer from first-, second- and third-party data.

First-party data is all of the structured data residing in enterprise or departmental operational and analytical databases. It is the cleanest data in the enterprise and is therefore the most reliable. Second-party data is all of the enhancement data appended to first-party data. Third-party data comes from aggregated cookies, device profiling, social media posts, chat rooms, online user reviews, browser caches and a plethora of other sources. While highly valuable, third-party data is the dirtiest data in the enterprise, and as a result, the most unreliable.

The opportunity for marketers is to leverage *all* types of data to create dynamic, unified customer profiles. Yet many marketing organizations lack the capabilities necessary to build these unified customer profiles and deploy them across their marketing operations. In a 2015 CMO Survey, only 12% of CMOs reported having access to unified customer data across transactional, social and marketing data.[vii]

RedPoint

Fragmented Technologies

Fragmented Data

Fragmented Customer Experiences

Retention Drops, Aquisition Costs Grow

Fragmentation could be justified when customers had lower expectations and there were fewer channels. But what are the costs of fragmentation today?

Imperative #3: Simplify the Marketing Environment

As a result of the digital explosion over the past two decades, the marketing environment has become increasingly complex. The latest LUMAscape lists 40 distinct categories of marketing technology, while the 2015 Chief Martech Marketing Technology Landscape covers almost 1900 vendors![viii] With so many channel-focused technologies, it's no wonder the marketing environment is so fragmented.

Traditional campaign management software systems have been slow to adapt to marketers' needs and the heightened expectations of empowered customers. Many of these tools were built before the turn of the millenium – when channels were few, batch-and-blast campaigns were the norm, and slow response times were accepted by customers. As digital adoption grew, many of these vendors expanded their digital offerings by simply acquiring new channel-specific technologies and offering them as "add-on modules." Not only were these add-ons not integrated, the vendors often charged significant integration fees that surpassed the cost of the software itself.

What About the Cloud?

More recently, marketing software vendors have introduced a new deployment model known as "marketing clouds." In this model, organizations can license multiple solutions in a "shared" cloud. But the issue of fragmentation remains. As Forrester summarized in their recent evaluation of these solutions: "Vendors [of cloud solutions] have large portfolios of point solutions but haven't yet delivered on the promise of end-to-end integration."[ix] The lack of integration means that data is still fragmented and operational silos remain.
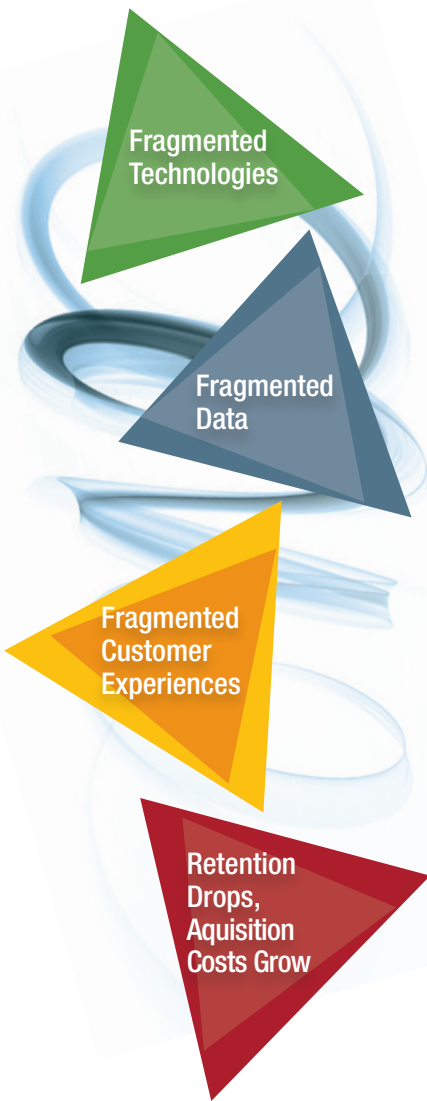
Marketing organizations need to find a solution that allows them to leverage best-of-breed technology without being hindered by data and technology integration challenges. Stated another way, marketers need to minimize the amount of time spent on the *logistics* of marketing and maximize the time spent on their strategy, if they hope to become customer-obsessed.

Time for a New Approach

The answer to marketers' fragmentation challenges is not likely to be found by simply adding more channel-specific technology. Nor is it practical to tear everything out and start over.
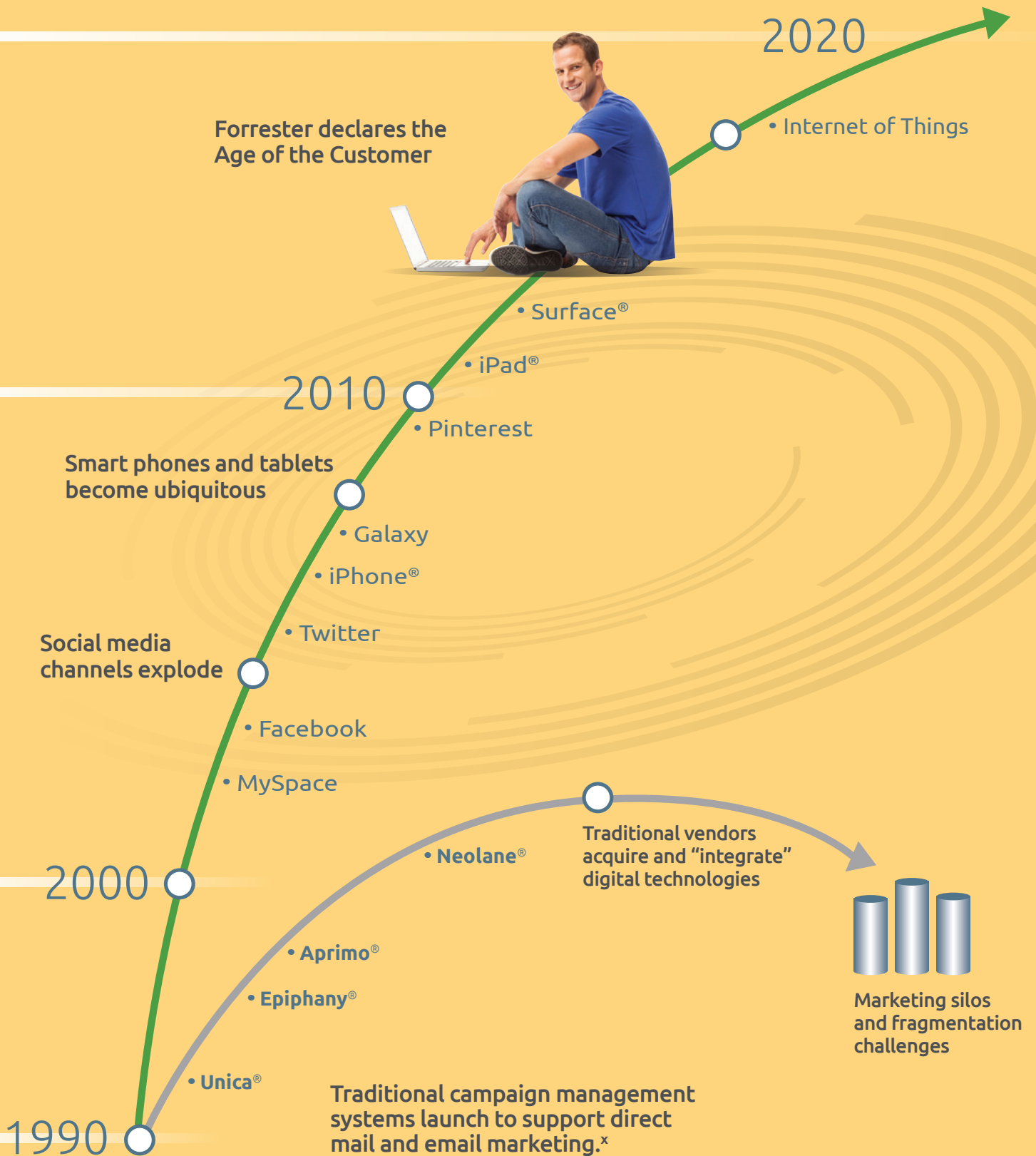
A different approach is needed – one that unifies the data, leverages the technology already in place, and links it all together through a centralized *marketing hub*. One that is flexible and scalable to adapt to the data-pervasive environment of the future.

A modern solution must integrate all channels, consume all data, and leverage analytics to respond to each customer individually, at the customer's cadence. One that is open to new channels not invented yet – born in the digital age and ready for what the future holds.

Is your marketing architecture ready for the Age of the Customer — and beyond?

2020

Forrester declares the
Age of the Customer

• Internet of Things

• Surface®

• iPad®

2010

• Pinterest

Smart phones and tablets
become ubiquitous

• Galaxy

• iPhone®

• Twitter

Social media
channels explode

• Facebook

• MySpace

Traditional vendors
acquire and "integrate"
digital technologies

• **Neolane®**

2000

• **Aprimo®**

• **Epiphany®**

Marketing silos
and fragmentation
challenges

• **Unica®**

Traditional campaign management
systems launch to support direct
mail and email marketing.[x]

1990

A Modern Marketing Architecture:
Convergence of Data, Insight and Action

A new Modern Marketing Architecture is necessary to meet the raised expectations of today's customers and relieve companies of their chronic fragmentation pains.

In simplest terms, a Modern Marketing Architecture (MMA) connects data, insights and action. Unifying all three elements in a single environment alleviates the challenges of fragmentation. The MMA is a forward-engineered approach, grounded in the requirements of the digital era. It is an integrated, extensible marketing hub that can consume vast amounts of data, extract insights through embedded machine learning, and orchestrate messaging across online and offline channels – enabling marketers to create ongoing customer journeys that respond intelligently to each individual customer's needs.

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Modern Marketing Architecture

A centralized user environment enables a unified multi-channel strategy that includes all customer touchpoints. A marketer can easily execute her campaigns across any and all relevant channels from a centralized platform.
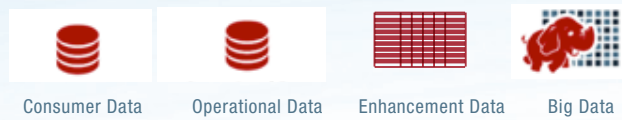
Mobile App   SMS or Push   Email   Social Media

Personal URL   Web   Microsites

Paper Mail   PoS

Action

Insight

Data

Adaptive learning models use sophisticated algorithms and machine learning to identify the optimal offers, messages and channels for each customer.

Consumer Data   Operational Data   Enhancement Data   Big Data

All data is accessible, allowing marketers to adapt to ever-changing customer needs and the competitive landscape. Combining first-, second- and third-party data creates the richest and most actionable profiles for each customer and prospect.

> Machine learning is unconstrained by the preset assumptions of statistics. As a result, it can yield insights that human analysts do not see on their own and make predictions with ever-higher degrees of accuracy.[xi] — McKinsey

Data is the foundation –
All data all of the time

The data component is at the heart of the Modern Marketing Architecture. It takes in data from any source, in all formats, and in any cadence, ensuring that data for every customer is always the freshest and most up-to-date.

The data component generates dynamic customer profiles using keys that link data from sources across the social, mobile, e-commerce and traditional domains. These profiles dynamically capture information about the customer's current actions or environment, progressing individual customer identities from unknown to known – and updating their profiles with each subsequent interaction.

The data component dramatically reduces latency by eliminating data fragmentation. It also makes the data readily accessible, so that marketers can manipulate the data – create segments, provide counts, de-dupe, merge or match data from any source – without having to write a single a line of code.

Insights leverage the data –
Enabling intelligent engagement

The insights component keys off of the data component. It incorporates sophisticated learning algorithms that leverage all of the data available about each individual customer to serve up next-best actions and offers. Marketers can harness advanced technologies – like machine learning – or create business rules that allow them to respond to customers in real-time based on information generated by the data component.

Automated insights in the Modern Marketing Architecture help marketers celebrate customer diversity by replacing "one-size-fits-many" business rules with tailored responses to individual customer attributes. Using these capabilities, marketers can deliver on the aspiration of one-to-one customer engagement.

So whether it's optimizing the message type based on past interactions; dynamically changing offers in one channel based on engagement in another channel; or determining the best offer to re-engage a customer at a specific point – the insights component optimizes the experience for each individual customer.

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Is your architecture modern?
Only if it meets these 7 requirements:

1) Enables synchronized communication
Your environment orchestrates your messages across channels, seamlessly coordinating between user-driven "triggered" responses and marketing-generated messages to ensure harmonious offers for each individual customer.

2) Makes all data reliable and usable
Your environment harnesses ALL of the available data – whether big or small, customer or prospect, structured or unstructured, traditional or digital – to give you the richest, most accurate and up-to-date customer profiles possible.

3) Provides full, five-level integration
Your environment follows the highest level of integration possible across the entire marketing technology stack: data, object, workflow, user interface and upgrade path. Seamless functional integration means you can focus on your strategy, not logistics.

4) Brings analytics to the marketer
Advanced analytics are part of the marketing workflow: automated, fast, flexible, self-learning, and capable of handling very large data sets. Actionable intelligence is readily accessible, so you can evaluate results and make decisions without a team of data scientists.

5) Centralizes real-time decisioning
A single decision engine optimizes communication elements across all touchpoints, based on all the data and your marketing goals. It balances objectives and arbitrates rules to respond intelligently to each individual customer.

6) Enables non-disruptive implementations
System deployment, as well as enhancements and upgrades to the marketing environment, are straightforward. Out-of-the-box data connectors and APIs support fast and seamless expansion to new channels and data sources at a pace that fits the organization.

7) Supports new channel and data growth
The architecture is extensible and provides channel and data connectivity for future customer touchpoints. This might be the Apple® Watch® today, the JIBO® home robot next year or the programmatic advertising in Netflix the year after that.

Action orchestrates interactions –
One-to-one versus one-to-many

The action component leverages the data and insight components to create the immediate, relevant experiences that the customer demands. The MMA enables marketers to execute their one-to-one customer strategy using a single interface that encompasses all customer touchpoints. All channels are accessible through a centralized console via bi-directional APIs. In addition, all customer data attributes are available to select and analyze audiences. Self-learning algorithms from the insights component optimize each interaction. From this interface, communication can be sent, received and monitored in real time as the results flow back into the system.

By integrating the essential customer engagement capabilities in a single, cohesive environment, the Modern Marketing Architecture makes marketing teams more agile and customer-responsive. It empowers them to meet their customers' expectations with highly-targeted and personalized messages – enabling them to deliver intelligent customer engagement throughout the entire customer journey.

A Modern Marketer's Journey to Excellence

Xanterra Parks & Resorts is a leader in the experiential leisure industry, with a portfolio that includes the national parks lodges, a boutique cruise line, campgrounds, golf courses and cycling vacations. Focusing on "legendary hospitality with a softer footprint, " Xanterra offers guest services at the Grand Canyon, Yellowstone, Mount Rushmore and other iconic travel destinations, serving more than 20 million guests annually.

To optimize the Xanterra experience for each individual guest, the Xanterra marketing team set an ambitious goal: to move aggressively towards one-to-one marketing that fully reflects the unique passions and preferences of each guest, and create valuable synergies within and across all of the company's properties.

By embracing a modern marketing architecture, Xanterra is able to harness their customer data, personalize their messages, and drive significant improvements –

> From over 100 different disconnected data sources to all data sources consolidated and continually updated, with virtually no changes to existing systems or infrastructure

> From fragmented customer views to dynamic, 360-degree profiles, enriched with 300+ external data attributes, and automatically maintained over time

> From one-size-fits all campaigns to persona-based micro segments, resulting in triple-digit performance improvements in many marketing campaigns, reaching as high as 839%

With their data now synchronized, and personalization successfully scaled across all properties and across the full customer lifecycle, the Xanterra marketing team is now ready to further enrich their profiles through social media channels. Empowered by the flexible, scalable technology now in place, they are poised to drive even greater customer allegiance to their portfolio of travel brands.

Four-Week Holiday e-Commerce Campaign Results

- Transactions: +103.6% increase YOY
- +91% increase in revenue
- Largest revenue day in e-commerce history (12/12/14)
- Grand Canyon Railway had exceptional performance: +223% YOY

Year-Over-Year (YOY) Holiday Promo Sales

2011	2012	2013	2014
100%	150%	133%	254%

RedPoint
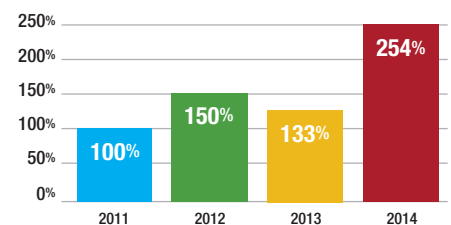
Reaping the Benefits of a Modern Marketing Architecture

Customer expectations have changed dramatically over the past decade – creating new imperatives for marketers to fully understand their customers and engage them with relevant, meaningful interactions. To succeed in the era of empowered customers, marketers must deploy a Modern Marketing Architecture – an approach that leverages the convergence of data, insights and action – to treat each customer as an audience of one.

Deploying a Modern Marketing Architecture will empower you to meet your customers' continuously evolving expectations and reap significant business benefits:

- **Improved Engagement** – With greater insights driven by dynamic, unified customer profiles, messages and offers become relevant to individual customers, increasing engagement and keeping your brand in sync with your customers.

- **Higher Retention** – As customer experiences become more relevant, attrition is reduced, loyalty increases and share-of-wallet expands.

- **Greater Efficiency** – One platform centralizes access to multiple, channel-specific tools, so collaboration is enhanced; training is reduced; campaign elements are re-used. Complexity becomes a non-issue.

- **Enhanced Value** – Your brand experience is stronger since all messages are orchestrated through a single messaging environment.

By allowing you to focus on your strategy, the Modern Marketing Architecture propels your organization to become even more customer-obsessed so you can win and retain more customers, gain share, improve your return on marketing investment and capitalize on the opportunities in the Age of the Customer.

That is the power of a Modern Marketing Architecture.

About RedPoint Global

RedPoint Global empowers marketers to bring together all the customer data they need to create precise one-to-one interactions with customers across any and all marketing channels. Unlike other solutions, the RedPoint Convergent Marketing Platform™, a customer engagement platform, enables users to quickly extract structured and unstructured data from wherever it is, easily analyze customer behaviors and preferences, and create precisely the right messaging – whenever and through whatever channel required – all from a single platform. No other software provider offers an all-in-one solution PLUS speed-to-market and robust scalability. Learn more at www.redpoint.net

i   For a thorough description of how changing consumer technologies have dramatically altered consumer expectations see *The Mobile Mind Shift* by Ted Schadler, Josh Bernoff and Julie Ask.

ii Forrester Research defined the age of the customer in 2011 as "a 20-year business cycle in which the most successful enterprises will reinvent themselves to systematically understand and serve increasingly powerful customers." For an update on what the Age of the Customer means to marketers see Forrester's April 6, 2015 "Winning In The Age Of The Customer" report.

iii See Forrester's April 22, 2015 "Scale And Optimize Customer Engagements With Digital Intelligence" report for more information on always addressable consumers.

iv McKinsey, *The new consumer decision journey*, October 2015, by David Edelman and Marc Singer. http://www.mckinsey.com/Insights/Marketing_Sales/The_new_consumer_decision_journey?cid=digital-eml-alt-mip-mck-oth-1510

v   Teradata and Forbes Insights: *Breaking Down Marketing Silos: The Key to Consistently Achieving Customer Satisfaction and Improving Your Bottom Line,* http://www.forbes.com/forbesinsights/teradata/index.html#sthash.bwwUIdZ9.dpuf

vi Harvard Business Review: *Decision-Driven Marketing*, https://hbr.org/2014/07/decision-driven-marketing) https://hbr.org/2014/07/decision-driven-marketing

vii The CMO Survey – Topline Results Report, Topic 5, Page 22, February 2015.

viii Sources: http://www.lumapartners.com/lumascapes/marketing-technology-lumascape/ and http://chiefmartec.com/2015/01/marketing-technology-landscape-supergraphic-2015.

ix Forrester Research, October 2014 report "The Forrester Wave™: Enterprise Marketing Software Suites, Q4, 2014.

x   The products shown on this timeline are reflective of the many channel-specific acquistions in this space: Unica was acquired by IBM® in 2010; Epiphany was acquired by Infor® in 2006; Aprimo was acquired by Teradata® in 2011; Neolane was acquired by Adobe® in 2013

xi McKinsey, An Executive's Guide to Machine Learning, McKinsey Quarterly, June 2015, by Dorian Pyle and Cristina San Jose, http://www.mckinsey.com/insights/high_tech_telecoms_internet/an_executives_guide_to_machine_learning

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