Real-Time Customer Engagement in Practice

There are prescriptive and logical steps for embracing and executing real-time interactions. This whitepaper will present a capability maturity framework for real-time marketing and examples of four tactics you can take to optimize customer engagement efforts. Whether you are just getting started on real-time or looking to take your marketing to the next level, there are a series of progressive and practical steps you can embrace today to benefit from real-time customer engagement.

There's no question that contextually relevant interactions, at the moment of engagement, are the key to maximizing revenue and customer satisfaction. A high-impact recommendation conveying a relevant message is up to 50 times more likely to trigger a purchase than a low-impact recommendation according to research from McKinsey[1]. But selecting the next-best-action in a buyer's journey demands robust data and analytics to connect the right message with the right offer and an understanding of context at the moment of engagement. The most significant barriers to real-time customer engagement include gaining insight quickly enough (40%), having enough data (39%), and inaccurate data (38%)[2].

These days, customers have high expectations for the brands they trust; generic, repetitive, and irrelevant messaging leads to fatigue and frustration. And while it's quite possible to be too relevant too quickly, contextually relevant messages result in 6-7x higher conversion rates than generic messaging[3]. Even better, buyers don't feel fatigued or frustrated by relevant messages even if they choose not to interact. In a world where buyers are inundated with online and offline marketing messages, a more intimate understanding of the buyer journey (device preferences, location, time of day, next-best-product, channel preference, etc.) allows brands to interpret intent and support individual buyer journeys in a non-invasive way.

[1]McKinsey, Mckinsey Quarterly - A new way to measure word of mouth marketing, https://www.mckinseyquarterly.com/Marketing/Strategy/A_new_way_to_measure_of-mouth-marketing_2567#footnote1

[2]Forrester Research, Inc., Experian Data Quality Survey, July 2014

[3]Experian 2013 Marketing Study, Personalized emails deliver six times higher transaction rates, but 70% of brands fail to use them.

What is real-time customer engagement?

The very concept of real-time engagement, or real-time marketing conjures up a litany of complicated considerations about data, contextual understanding, personalization, decisioning, offer optimization, and channel orchestration. It's akin to adapting to a person in a face-to-face conversation. You need to interpret complex information instantly – what you already knew about the person and new insights you are learning based on the interaction. You need to react and respond in just the right ways; do you nod, say something, adapt your expression to show understanding? Marketers face similar challenges with buyer interactions and each is as unique as a fingerprint.

- What channels do they prefer?
- What devices are they on or do they prefer?
- What content do they interact with?
- How frequently do they engage?
- What products will resonate best based at a given time or condition?
- What are their interests and demographics?
- Where are they in the buyer journey?

It's overwhelming to think about all the ways your messaging would have to adapt to address a seemingly endless array of creative, copy, and next-best-action choices. But in practice, real-time marketing is not that complex to layer into your marketing strategy or execution – with some readily available tools and techniques. We are rapidly approaching a world where more sophisticated analytics and decisioning can be layered into your existing marketing engagement model to trigger next best messaging by channel, time, customer preference, and offer. Furthermore, these analytical capabilities are now available to marketers from within customer engagement tools – so there's no need to hire data scientists or rely on IT for support in these areas.

Real-time brand communications are often confused as real-time customer engagement; but they are only a fraction of what is possible with real-time. Take for example Oreo's viral "You can still dunk in the dark" marketing campaign during Super Bowl XLVII in New Orleans - one of the most frequently misconstrued examples of real-time marketing. During a power failure at the Superdome Oreo tweeted a message out to thousands of loyal followers receiving over 10,000 retweets and 20,000 likes on Facebook. It was the birth of many similar efforts which eventually morphed into what is more appropriately described as "newsjacking" (injecting your ideas into a breaking news story to generate viral media coverage and social media engagement).

Oreo's efforts were definitely real-time and contextual — but it was really just a cleverly timed brand communication driven by a savvy PR team. In practice, real-time customer engagement goes well beyond what Oreo achieved. Enabled by three pillars that offer incremental value, simultaneous application of all three delivers real-time engagement that offers value for the recipient.

1 ⏱ **Speed and Agility**

Real-time is all about being able to interact at the right moment of engagement, in a way that is non-intrusive and delivers value for the recipient. That might require a response in milliseconds (for dynamic messaging and personalization) or a communication that triggers a series of communications over time.

2 🔽 **Data-driven Personalization**

Effective personalization is largely about data. You need to have a very strong sense of the customer, in their various states and bring together online and offline behavior, preferences, and automate the targeting and segmentation process to deliver unique, compelling, and relevant experiences.

3 ⚬ **Cross-channel Optimization**

Channel and device preferences will continue to play a critical role in customer engagement. Real-time is not just about inbound channels such as call center or websites. Real-time is also about orchestrating all communications, inbound or outbound, digital or traditional. Today, much of this effort can be automated through journey orchestration, and optimized with A/B/n and multivariate testing, self-learning models, or predictive analytics to determine what audiences, segments, or individuals are the most likely to respond.

Forrester's definition of real-time interaction management (RTIM) does a good job distinguishing the difference between brand communications and real-time engagement. Forrester says real-time engagement is about "far more than just effective decision management, robust content personalization, or precise offer recommendations; it is a system of engagement that helps marketing activate contextual experiences.[4]

[4] Forrester Research, Inc., Brief: Demystifying Real-Time Interaction Management

What if Oreo had taken things a step further?

- What if the tweets that went out to their brand followers were personalized?

- What if they could segment their audience and deliver messages across individually preferred channels (email, mobile apps, SMS, social, direct mail)?

- What if they could have delivered targeted coupons and offers based on the results of the social campaign?

Can you imagine actually executing relevant and personalized messages across channels in your organization? What would it take? Technology — yes, and it would seem that you need nearly a half dozen marketing tools that would have to be integrated in some way to pull it off. The right messaging — yes, and that requires internal talent to deliver copy and creative, but these individuals would also need a solid understanding of customers

(channel preference, loyalty, messaging by demographic, etc.). Data – you would definitely need to tap into a database of demographic, psychographic, and behavioral data on customers.

So how do you get there? Truth is, most organizations are already on the path to realizing this goal. According to Gartner, "sixty-four percent (64%) of marketers expect to apply event-triggered tactics to multichannel marketing techniques in the next two years, up from 29% who do it today." Stats like this underscore how real-time channels play an essential role in the entire customer buying journey. Are you behind? Unlikely, Gartner also suggests "although industries such as retail, financial services, travel, and hospitality have big omni-channel visions, over 90% cannot seamlessly connect more than three channels together around a buying journey." So we start there – connecting the data, then actioning the data in a scalable way.

In reality, your organization is probably moving towards real-time on a variety of fronts; people, process, and technology. We know we need to strive for real-time level engagement, but it starts to get a little overwhelming to define a destination. Is the destination a 1:1 interaction in the next-best-channel? Is it a manual or automated effort? Let's start by establishing some guiding principles for real-time marketing – something tangible that can establish a foundation for what is and isn't realistic as a goal for marketers.

Real-time marketing is about finding relevance at the intersection of the customer, your business, and time; what can you offer that is relevant to your customer at just the right moment in time. This can be achieved manually via one-time targeted communications or through automation that leverages data to trigger the best message/offer in the ideal/preferred channel at exactly the right time for a select customer. In practice real-time marketing is a spectrum that extends from manual to automated effort; manual, triggered, dynamic, adaptive (See Figure 1). Marketers should incorporate a variety of real-time tactics in the marketing mix to boost message relevance.

While channels like social media provide a vehicle for injecting real-time messaging with large volumes of highly engaged audiences at low or no cost, this is just one of many tactics you can leverage. According to Forrester, the actual use of real-time interaction management varies significantly by channel. Web personalization and dynamic email content are well ahead of other deployments, in use by 62% and 60% of survey respondents, respectively. At present real-time mobile app deployments are surprisingly few – 8th in the list of digital and offline channels – but by far the highest number of respondents (49%) plan to add mobile capabilities.

Forrester believes more firms will start to assemble "contextual marketing engines" for self-perpetuating cycles of insight-driven interactions. That's a mouthful, but with statements like this come very profound implications. First, adoption of these types of tools is nascent at best – in fact most organizations remain very good at one or a few channels and are certainly not capable of a next-best-interaction journey across any channel. Second, it's not just about decision management, content personalization, and offer optimization – more advanced flavors of real-time person-

Guiding Principles for Real-Time Interaction Management

- It should be something tangible we can manage – invest in, measure, and refine

- It should be something we can all understand and communicate internally to any function

- It should be an engagement in whatever channel is preferred by the customer

- It should be cross-channel – orchestrated for two or more channels

- It should be near real-time or at the right time for the customer

- It should be dynamic, in context and in cadence with the customer's actions based on customer data –(behavior, preference purchase history, etc.)

- Execution includes a combination of manual and automated effort

- It requires a mechanism to capture feedback in order to ensure future actions are refined
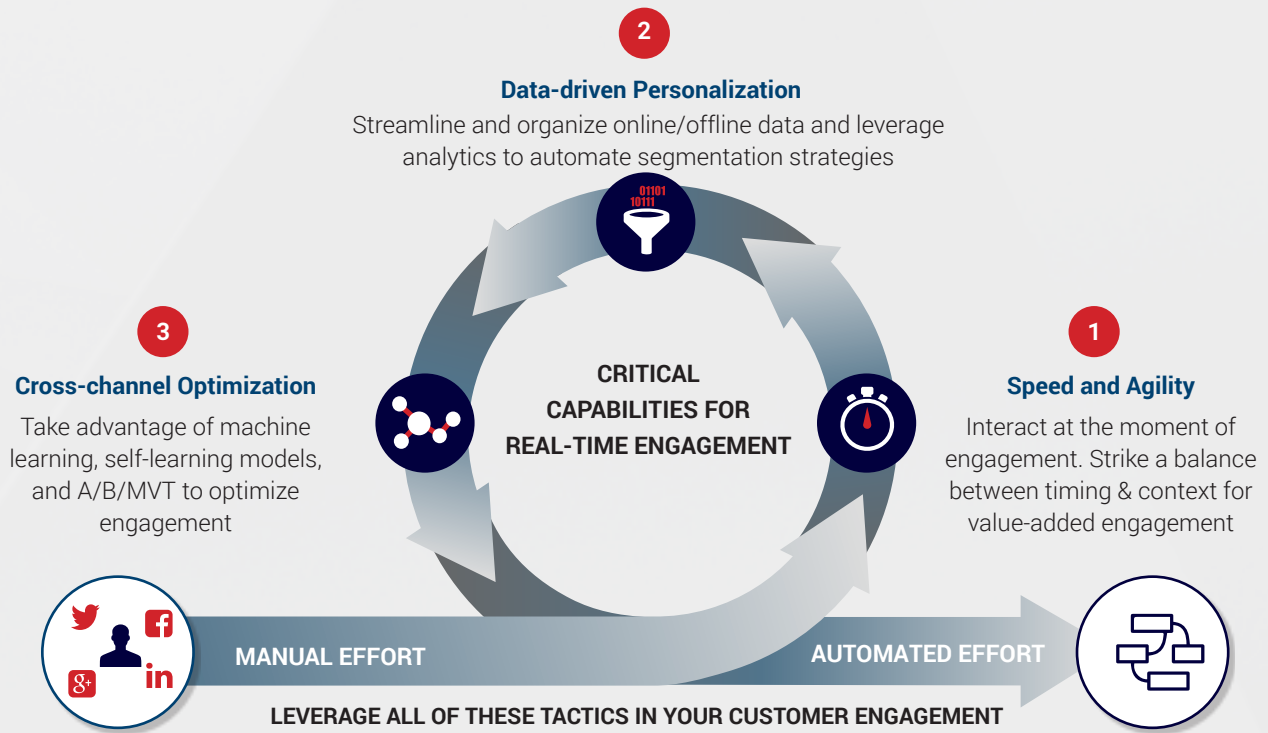
alization will require marketers to embrace machine learning and advances in computing capacity that will allow us to tap into on-the-fly insights that become triggers for contextually relevant communications. This type of "augmented intelligence" requires robust cross-channel data which is currently a challenge for most organizations. But machine learning is the most scalable way to understand the circumstance (timing & context) for an interaction with a customer and determine the next-best-offer (engagement).

Much like we rely on our brain to instantly interpret complex real-time inputs in a conversation, we're going to need something similar to move the needle on automated real-time engagement

74% of brands cannot recognize customers in real time.

Acxiom, State of the Industry: A customer centricity paradox

Figure 1: The Real-Time Customer Engagement Spectrum

(2) Data-driven Personalization
Streamline and organize online/offline data and leverage analytics to automate segmentation strategies

(3) Cross-channel Optimization
Take advantage of machine learning, self-learning models, and A/B/MVT to optimize engagement

CRITICAL CAPABILITIES FOR REAL-TIME ENGAGEMENT

(1) Speed and Agility
Interact at the moment of engagement. Strike a balance between timing & context for value-added engagement

MANUAL EFFORT ———→ AUTOMATED EFFORT

LEVERAGE ALL OF THESE TACTICS IN YOUR CUSTOMER ENGAGEMENT

MANUAL	TRIGGERED	DYNAMIC	ADAPTIVE
Injecting ideas or brand messaging into a widely covered event, news story, or comment to generate viral media coverage – typically on social channels. Examples include newsjacking and humorous responses to negative sentiment.	Trigger pre-configured communications across one or more channels based on an action taken by an already engaged audience. Examples include welcome emails, retargeting, and shopping cart abandonment campaigns.	Using customer data to adapt content based on the context of the customer interaction on one or more channels (and potentially across one or more devices) a customer may interact with during their journey.	Using customer data from online and offline interactions to predict and trigger a next-best-communication or a next-best-offer across any customer preferred channel or device. Examples include personalized messaging on digital channels based on interactions in offline channels (a purchase, inquiry, product sensor, etc.)
WHAT IT LOOKS LIKE IN PRACTICE			
Arby's was retweeted 81k times after posting a tweet "@Pharrell can we have our hat back?" during the Grammy's event.	Boot Barn achieved a 12% lift in revenue after implementing a series of highly personalized emails to customers who abandoned their cart.	L'Oreal Paris engages site visitors in interactive questions about hair color, eye color, and personal beauty concerns (wrinkles, dry skin, etc.). As users interact the website experience dynamically updates with products and tips based on the visitors information. First-time visitors are offered free samples (where they capture address information) shipped directly to a home address. They also capture email addresses for personalized solutions, tips, and product recommendations.	A consumer packaged goods company uses in-home IoT device sensors to determine when a customer may be low on product refills. An event triggers an email and an SMS communication (which the customer has opted-in to) as a reminder. If no action is taken within 2 months a personalized direct mail coupon is delivered to the customer's home address.

70% of consumers have a negative view of inconsistent cross-channel messaging, and one in ten feel that inconsistencies in brand experiences would stop them from interacting with a brand altogether.

Bridging the Cross-Device Chasm, Forrester Research, Inc.

TABLE 1: Key Technologies that Support Real-Time Customer Engagement

TECHNOLOGY CATEGORY	CAPABILITIES
Next-Best-Action/Offer	Next-Best-Action and Next-Best-Offer systems use advanced analytics such as artificial intelligence (AI), machine learning algorithms, as well as business rules to automate decisions and digital content strategies across the entire customer journey.
Optimizers	Optimization tools offer testing, targeting, and optimization for digital channels such as the websites and landing pages. Common capabilities include A/B/n and multivariate testing.
eCommerce & Content Management Systems	eCommerce & CMS platforms help with the omnichannel customer experience both online and offline. These tools are critical for real-time customer engagement since they provide content, insight into shopper behavior, cart abandonment, and next-best-offers.
Offline Modeling	Offline modeling solutions include traditional business intelligence and advanced analytics. These tools offer predictive models and offline decision engines. They typically take a rear view mirror approach and need to be updated often to keep up with customers.
Multichannel Campaign Management and Email Service Providers (ESPs)	These tools are primarily focused on direct customer engagement, customer journeys, retention and loyalty marketing, outbound and inbound messaging to targeted audiences.
Ad Tech	Ad Tech includes a whole ecosystem of solution categories including onboarding providers, DMPs, DSPs and programmatic media offerings. These tools leverage analytics for real-time targeting and acquisition strategies in ad networks.
Customer Data Platform	This is a category of solutions that bring together 1st, 2nd, 3rd party data, PII, along with ETL, data quality, probabilistic and deterministic record matching, and identity resolution to generate a comprehensive single view of the customer.
Customer Engagement Hub	An emerging framework for the connective tissue in the enterprise that bring many of the capabilities mentioned in this table together in a cohesive customer engagement strategy.

for offline and online channels. Today that's a sobering reality given the proliferation of channels that customers may use and the bi-directional and dynamic nature of customer interaction. As long as customer data is siloed across fragmented engagement systems and personalization is decentralized to the last mile of connectivity with customers, (i.e. individual channels), it will be difficult to impossible to activate contextual relevance. Table 1 shows some of the most popular technologies that play a role in real-time customer engagement.

There are aspects of real-time customer engagement that are certainly analytical in nature. A next-best-action experience requires data and analytics to connect the right message, offer, and surrounding elements based on the context of an individual customer journey. But today, most analytics capabilities exist outside of the customer engagement engines that trigger and manage customer interactions. Traditional analytics solutions like offline Business Intelligence and ad tech such as DMPs remain difficult to integrate with cross-channel customer engagement flows, particularly dynamic or real-time flows. In fact, virtually all stand-alone analytics options can't offer a viable solution for contextual messaging - and it's certainly not turnkey.

Future proofing of customer engagement technology will require marketers to embrace more sophisticated analytical capabilities like machine learning and advanced modeling from within customer engagement tools - where multi-channel triggers can deliver next-best-communications. Today, advances in computing capacity such as in-memory processing and the availability of big data have made real-time customer engagement more accessible than ever.

There are actually turnkey ways to layer real-time capabilities into your existing infrastructure, without divesting existing marketing technologies. The new breed of customer engagement tools behave like a hub, or connective tissue, between existing marketing tools. You don't necessarily need a new email platform or a new web personalization tool you need a way to connect disparate systems, centralize disparate data, and trigger next-best-actions across a variety of different systems and channels.

Getting Started with Real-Time Customer Engagement

There's a lot of skepticism about investing in personalization and contextual messaging — while it sounds nice in theory, in practice it's incredibly difficult given siloed data, distrust in data, fragmented marketing tools, and limited resources to deliver personalized copy and creative. But you don't have to jump all in on 1:1 messaging and next-best-offer interactions. Improving offer optimization based on channel preference or segmentation could lead to a huge lift in revenue.

The most sophisticated tools are only useful if marketers have a good understanding of target audience preferences, unmet needs, and buying behavior. But for many organizations, existing tools

do little to help raise visibility about channel preference, frequency of touch, and next-best-offer insights. Next generation customer engagement tools can help connect multi-channel data and shed light on trends that could get the ball rolling on more advanced real-time customer engagement.

We have outlined a series of stages for embracing real-time customer engagement: stretch, walk, jog, run (See Figure 2). Whether you are just getting started on the real-time journey or struggling to realize more advanced capabilities, these practical steps will help focus initiatives and investments on the things that matter given your organization's maturity. Don't over complicate this. Next generation customer data platforms are designed to stitch together data and fragmented tools so marketers can immediately benefit from turnkey analytics and modeling via a journey based approach to customer engagement. You don't have to rip and replace all of your marketing tools in lieu of a suite provider to benefit from real-time contextual optimization.

Executing a successful real-time customer engagement strategy starts with your data— but you can get started even if the data has gaps or quality issues. If you are able to capture and manage data, generate insights from the data, and take action on the data in a timely and relevant way, you will see better results and continuous improvement. Any organization can benefit from real-time customer engagement efforts— particularly tactics like newsjacking. You should be thinking about ways to layer manual, triggered, dynamic, and adaptive real-time engagement into your marketing mix. But to truly scale contextual engagement, marketers will have to embrace new technologies, connect disparate data, and apply more sophisticated analytical capabilities to action real-time contextual interactions.

How can RedPoint help you achieve real-time customer engagement?

RedPoint helps enterprises optimize customer engagement and deliver their brand promise with high contextual relevance. The RedPoint Customer Engagement Hub (see Figure 3) enables organizations to unify data and create an integrated view of customers, generate next-best-actions with automated analytics, and orchestrate the customer experience across touchpoints, data sources, and channels.

RedPoint allows you to leverage analytics in-line with engagement: With the ability to ingest data from a myriad of sources and access in-line analytics, you can leverage powerful customer insights directly in your engagement and decisioning flows. RedPoint uses advanced analytics, paired with machine learning, to segment, predict, and optimize your customer engagement in real time. RedPoint also ensures you can optimize engagement with libraries of analytic models: RedPoint's platform can also mange your segmentation, predictive models, and ingest 3rd party model results. RedPoint provides a library of the most robust analytical models available to drive engagement. You can test, tune, and optimize any and all models in a closed-loop system with the most advanced analytical tools available.

Figure 2: Getting Started with Real-time Customer Engagement

STRETCH

Get your house in order. Bring data in from any source needed. After the data is merged and cleansed, load it to a marketing database where you can access it for targeting and personalization. Use this data to better understand customers.

Data governance and continuous enhancement of data are essential to long-term success. Consider establishing a Data Governance function inclusive of the business and IT to help with data quality efforts. The accuracy and robustness of data will define the boundaries for what you can do in real-time customer engagement.

ACTIONS
- ☑ Data integration
- ☑ Data cleansing
- ☑ Data augmentation
- ☑ Integration with customer engagement tools
- ☑ Customer understanding (demographic, firmographic, product lifecycle)

WALK

Start with low hanging opportunities to improve dynamic outbound communications. Use available data (from social data, clickstream data, anonymous browsing, POS, loyalty, and CRM) to execute personalized outbound campaigns. Incorporate trigger marketing tactics to layer implicit and explicit data into customer engagement.

ACTIONS
- ☑ Dynamic personalization in outbound channels
- ☑ Segmentation
- ☑ Business rules to suppress message volume and offer repetition.
- ☑ Cart abandonment campaigns
- ☑ Collect customer insights

EXECUTION
- ☑ Focus on real-time marketing via single channel execution – learn and test.
- ☑ Consider outbound newsjacking techniques and use these to collect information about what makes your target audience tick.
- ☑ Incorporate trigger marketing techniques over 1 or 2 channels.

TECHNOLOGIES TO CONSIDER
- ☑ Customer Data Platforms
- ☑ Campaign Management
- ☑ Email Service Providers
- ☑ Offline BI Tools

JOG

Progress real-time tactics from single channel to multichannel and layer in optimization techniques. Try real-time inbound offers and experiences that engage customers on the web, call center, or in-store. Trigger messaging and remarketing through email, SMS, or mobile app to tie in real-time outbound channels.

ACTIONS
- ☑ Multi-channel campaigns (>2)
- ☑ Establish a customer preference center
- ☑ Retargeting
- ☑ Event-based trigger campaigns
- ☑ Dynamic personalization via inbound channels

EXECUTION
- ☑ Focus on incorporating more than one channel in an orchestrated way.
- ☑ Continue to analyze the cross-channel customer journey and define gaps beyond your core channels
- ☑ Consider divesting of legacy tools that limit or impede real-time messaging

TECHNOLOGIES TO CONSIDER
- ☑ eCommerce and CMS
- ☑ Next-Best-Action/Offer
- ☑ Ad Tech
- ☑ Web Analytics

RUN

Look for ways to optimize inbound and outbound communications and start shaping the ideal customer journey. Focus on a true orchestrated omnichannel journey – next best offer, next best channel, and a consistent message across any channel. Take advantage of machine learning tactics like automated recommendations, propensity to buy models or customer scorecards.

ACTIONS
- ☑ Coordinated inbound & outbound
- ☑ Embrace machine learning
- ☑ Closed-loop measurement
- ☑ Automate customer lifetime value scoring
- ☑ Adopt an attribution model for continuous improvement

EXECUTION
- ☑ Embrace advanced modeling and algorithms.
- ☑ Leverage out-of-the box tools to deliver turnkey modeling.
- ☑ Simplicity equals scale in real-time messaging
- ☑ Focus on small tweaks that have incremental gain

TECHNOLOGIES TO CONSIDER
- ☑ Customer Engagement Hubs
- ☑ Machine Learning
- ☑ Optimizers
- ☑ Product Recommendation Engine

There are critical capabilities that drive customer engagement – delivering highly contextualized and individualized engagement, while working with existing investments in data and sub-systems to optimize customer engagement according to your business goals.

Contextual Customer Decisions
- Closed-loop (plan, design, run, evaluate, refine)
- Customer Journeys
- Real-time Orchestration
- Broad API Interconnectivity

In-flight Analytics for Customer Decisions
- Machine-learning for specific models, e.g. A/B testing
- Automate and Operationalize Analytics – model outputs leveraged into automated interaction flows (e.g. segmentation, predictive and optimization modes)

Unified View of the Customer
- Progressive Customer Profiles
- Deep Data Connectivity

Figure 3: Optimized Customer Engagement
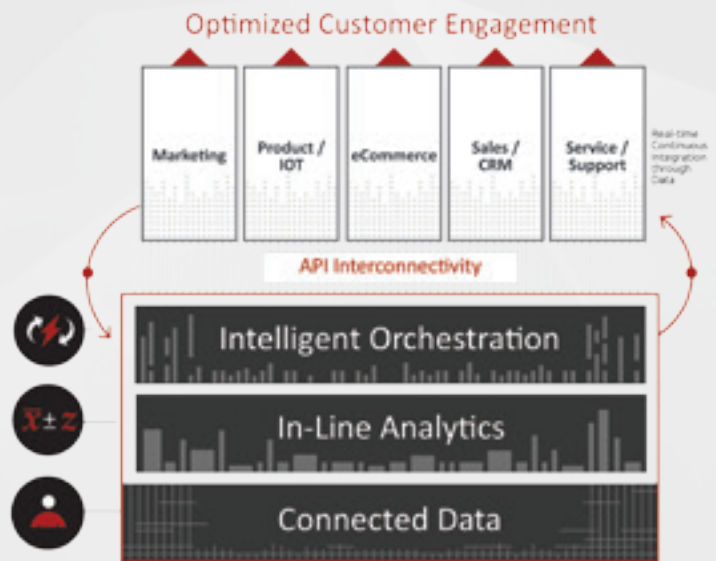
RedPoint dramatically simplifies the process of orchestrating real-time interactions in several ways:

- Next-best-actions are abstracted from individual channels, enabling you to manage them easier and deploy them in a seamless way across touchpoints.

- In-platform analytics make prescriptive models possible inside of your customer engagement engine – not only can these models indicate what might happen, but our capabilities empower your business to stimulate and execute the next-best-action based on predictive insights.

- RedPoint provides access to a turnkey library of robust analytic models that can be instantly applied to your available customer data. That means marketers can quickly benefit from advanced analytics and make decisions based on the customer's behavior. Marketers also have the flexibility to configure models and/or add their own custom models to address the unique nuances of every business.

- Real-time customer journey capabilities let you define customer characteristics and actions in a fine-grained, cross-channel, and tunable way to deliver the best possible outcomes.

- The platform also allows you to test, tune, and optimize in a closed-loop system. While A/B/n testing exists across most of your existing marketing tools, now you can action cross-channel optimization from within a single platform, which is far more efficient than managing stand-alone testing tools.

- Built-in self-training in machine learning algorithms allow you to be completely hands-off in the modeling process so you can focus on messaging, creative, and customer preferences. This means marketers are empowered with real-time results to rapidly adapt contact strategies in inbound and outbound channels.

About RedPoint Global Inc.
RedPoint Global optimizes customer engagement by providing a platform for intelligent and timely orchestration of data, insights, and action. RedPoint's customer engagement platform provides a unified view of your customers, determines the best decision on next actions to take, and orchestrates customer interaction across all channels. RedPoint's customer engagement platform drives more revenue while optimizing the spend on interactions. For more information, visit www.redpointglobal.com or email contact.us@redpointglobal.com.