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# Delivering a Consistent Cross-Channel Customer Journey

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The background of the page is a photograph of a man in a dark suit and a red and white patterned tie, holding a silver tablet. He is pointing at the screen with his right index finger. In the upper left corner, there is a smaller, semi-transparent inset photograph of a woman with long brown hair, smiling. The title text is overlaid on an orange banner that spans across the top of the page.

# Delivering a Consistent Cross-Channel Customer Journey through a Customer Engagement Hub

## Executive Summary

To keep up with today's connected customers, organizations know they must deliver a consistent customer experience that engages customers across all channels. A Customer Engagement Hub can orchestrate this collaboration between the marketing, digital commerce, customer service, sales, and customer experience teams. Together, they can identify the journey gaps that lead to customer dissatisfaction, defection, and low spending.

Pega has architected its next-generation customer engagement platform to function as the core component of this Customer Engagement Hub vision. Because it is a system of insight rather than just a system of record, insight can now find every moment to guide the end-to-end customer journey across any brands' existing systems, data and channels. This Research Paper discusses, the problem the Customer Engagement Hub solves as well as the elements of a successful *Customer Engagement Hub* architecture.

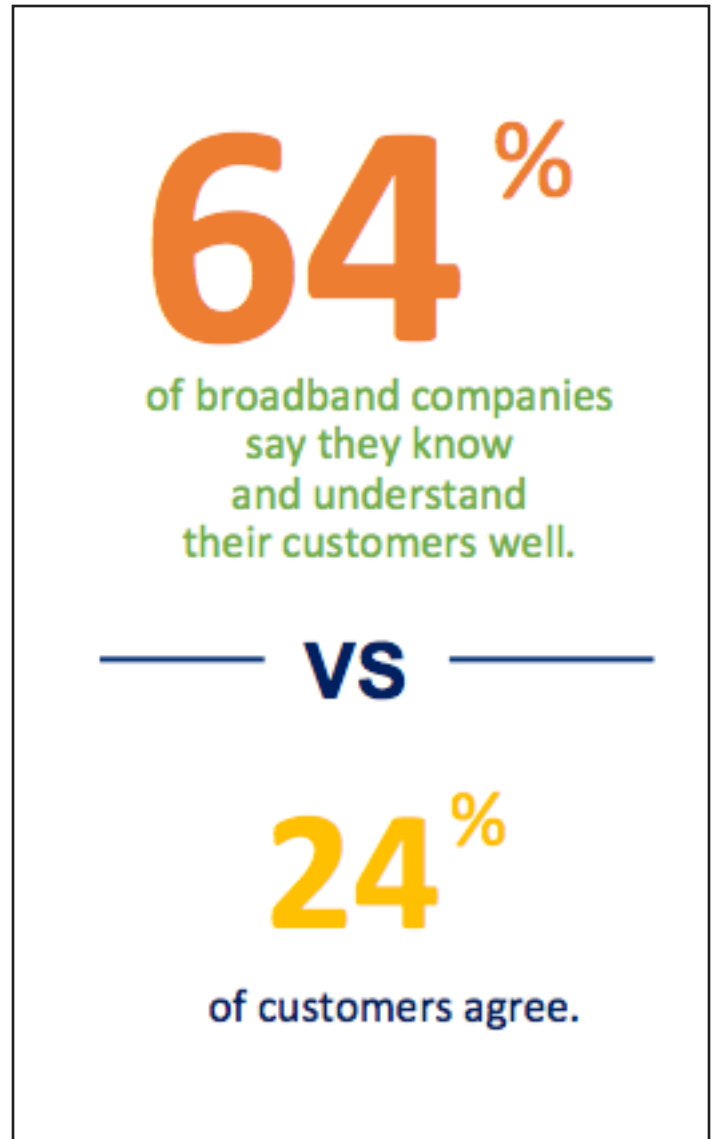
## The Disconnect Between Customer Experience and Customer Expectations

Today, “connected customers” are changing virtually every organization in the world. They are digitally-enabled and constantly connected via their mobile devices, tablets, laptops, and wearables. As a result, they now expect that everything is connected, even across channels. And they expect that connection to be easy with friction removed from the process. They know they *are* the most important party in this equation.

Technology has made this expectation possible. Disruptors like Apple, Amazon, and Uber have used technology to re-engineer the experience completely around the consumer. It’s why these companies are some of the most valued companies in the world. And as a result, they’ve done something that every other company is chasing – a channel-less approach to customer engagement.

For customers of other companies, the lack of consistent treatment across communication channels is frustrating. As Gartner states: “Customer satisfaction with the customer care function has hardly improved in the past decade, and this undermines marketing efforts. Unintegrated departmental initiatives to create customer journeys, and to sell and support, lead to incompatible processes and software systems.”

A recent Pega survey of Telecommunications companies and their customers found that 64% of broadband companies say they know and understand their customers well. Yet, disturbingly, only 24% of their customers agreed.\*



*Moments of Truth in Broadband and Telco  
US Survey Results From Broadband/Telco Providers and Customers on  
The State of Customer Experience  
Source: Pegasystems*

*“To become Europe’s leading digital airline, we need to think beyond competing on price and position ourselves to meet the increased customer demand we see for fully joined up end-to-end services.”*

Mattijs ten Brink, CEO of Transavia, Press Release May 12, 2016

### The “Paradox of Technology” – are organizations solving the wrong problem?

In an ironic paradox of technology, while technology has increased customers’ expectations for a connected world, it has also created *barriers* preventing companies from delivering this connected customer journey. Silos of information, unintegrated departmental initiatives, and incompatible processes and systems have emerged, both driving up costs and preventing organizations from actually delivering upon the vision and expectation of a connected, individual customer journey.

And, since organizations have spent millions of dollars on CRM solutions, it’s clear that the problem is not caused by a lack of money that’s been spent on technology. Perhaps the issue is that organizations have been solving the wrong problem.

Many organizations have been chasing the 360 degree view under the premise that if they could collect all the data and put it all in one place, everything would somehow turn out right. However in practice what they found is that with the incredible volume and velocity of today’s data, this is futile, if not impossible. Furthermore, data in itself is **not** the answer.

As the term “Customer Relationship Management” would imply, CRM systems were intended to empower a *relationship* with our customers. But unfortunately, mainstream CRM systems turned out in the end to be nothing more than *systems of information...* in essence, customer **record** management systems rather than systems that cultivate any true customer relationships. Under examination, these CRM systems are primarily focused on capturing, manipulating, managing, reporting

– and perhaps providing visibility into – information about customer contacts, transaction details, and accounts. One might describe them as an “electronic Rolodex.” And while putting CRM systems in the cloud provided significant benefits, it did not change the fundamental nature of what they were designed to do, or what they were capable of solving.

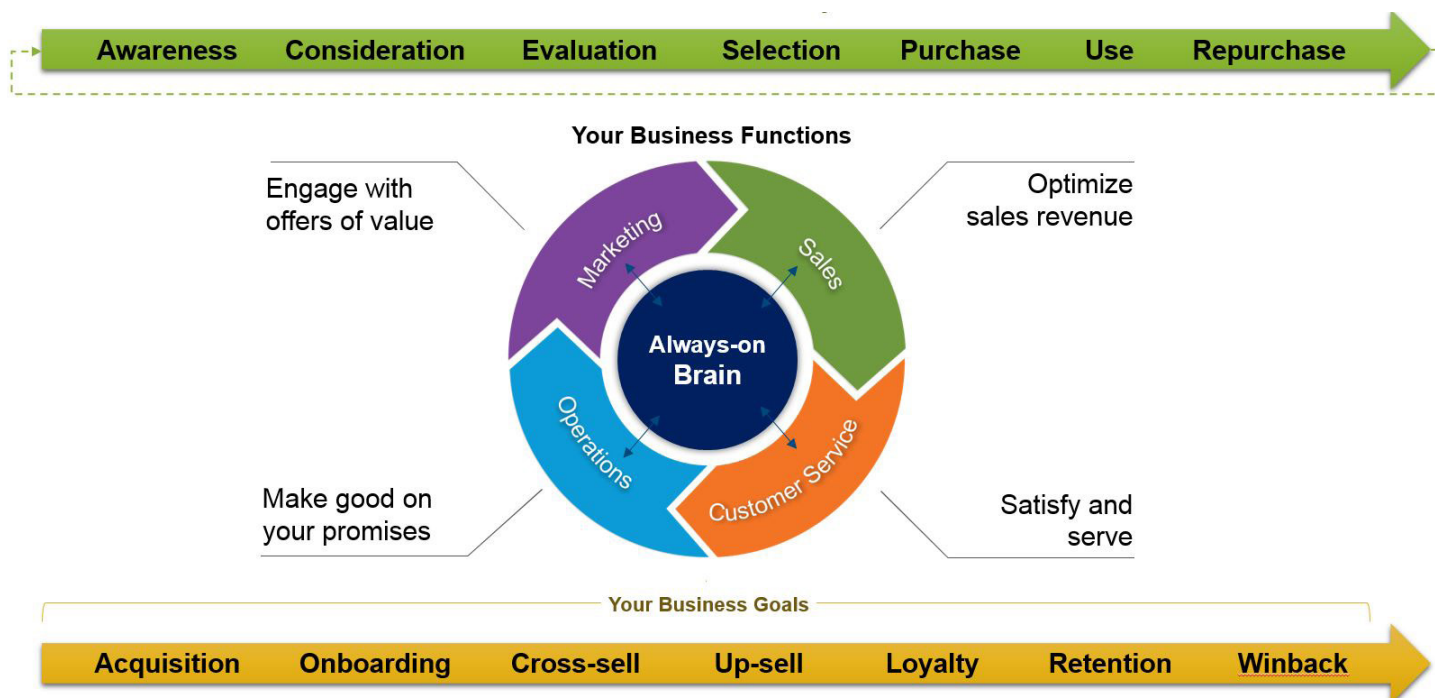
### Misalignment of Business Functions

A second contributor to the difficulty in meeting connected customer expectations is a misalignment of an organization’s business functions with the customer journey. As indicated in the diagram on the next page, business functions (such as Marketing, Sales, Customer Service, Operations, etc.) all may interact with customers throughout their journeys and ought to be coordinated. Yet often these business functions are not.

To make matters worse, inside of each of these functions are often many fragmented and siloed units. In marketing alone, an organization’s web team may not talk to the email marketing team and these may not talk to the call center team or the digital advertising team, social team, etc. Additionally, most enterprises function in a distributed fashion, with multiple segmented lines of business, management tiers, and geographies.

Another area of disconnect is a company’s business goals. These are different from the company’s functions. These goals include things like acquisition, onboarding, cross-sell, up-sell, loyalty, retention, win-back, and advocacy. An effective business may need to achieve all these goals. Meanwhile each departmental function is often operating with its own set of KPIs and management directives.

**Figure 1: The Customer Decision Cycle**



Source: Pegasystems

The customer journey is different for every customer. It is the path toward whichever goal they are seeking. The diagram above illustrates a simple “path to purchase”, but there are also service journeys, retention journeys, onboarding journeys, etc. The challenge is that to get the customer experience and customer journey right, an organization needs to be able to somehow figure out where each individual customer is at any given moment in time, when to choose to interact, and get it right. And to make matters even more challenging, any given customer can be on multiple journeys at the very same time.

The reason that most organizations struggle to solve this problem is not due to negligence, but rather that traditional CRM systems - in the cloud or otherwise - are ill-equipped to meet the challenge. A fundamentally new approach is required.

### **Achieving the Customer Engagement Hub Vision – a “System of Insight”**

We would argue that what is needed to most effectively achieve Gartner’s *Customer Engagement Hub* vision is an entirely new approach to CRM. Businesses can’t solve these challenges with yet another *system of information*, or *system of record*. Instead what is needed is a singular **“system of insight”**.

*“Pega has the brains to help an agent deliver the right treatment to the right customer at the right time. We’re seeing more than double the acceptance of retention offers. That is a big deal.”*

Marcelo Claure, CEO of Sprint, Fortune.com Article August 2015

This is not a traditional approach, where employees and customers are required to **find** the insight. Indeed employees have been forced to search through screens and databases, run reports, or use BI tools to somehow go and **find** conclusions. This system will deliver information and insights that will actually go and find **you...** at the precise moment they’re needed.

For example:

- As a marketer, this system of insight can guide you to orchestrate truly personalized 1:1 treatments and strategies around each individual customer or prospect, tailored for the moment.
- As a sales rep or agent, when you pick up your mobile phone in the morning, you can be presented with insights that will tell you which opportunities to prioritize today – based on their likelihood to close and potential value – and even which immediate actions to take to move them faster through the pipeline.
- When a customer calls a contact center, insight can find the Customer Service Agent and even guide them what to say next – all based upon deep analytics. Because the system has analyzed every interaction the customer has had with your organization, it anticipates what they might be calling about, understanding the true, real-time context of the call.

- Most importantly, for an organization’s customer, the insight can find them directly. If, for example, a customer has had three dropped calls in a day, why should the service provider wait for the angry call to a service center? The system of insight can actually sense and detect these “moments of need,” sometimes even before they happen, preemptively and digitally reaching out to the customer with a resolution. This is insight that, for the first time, can actually find you.

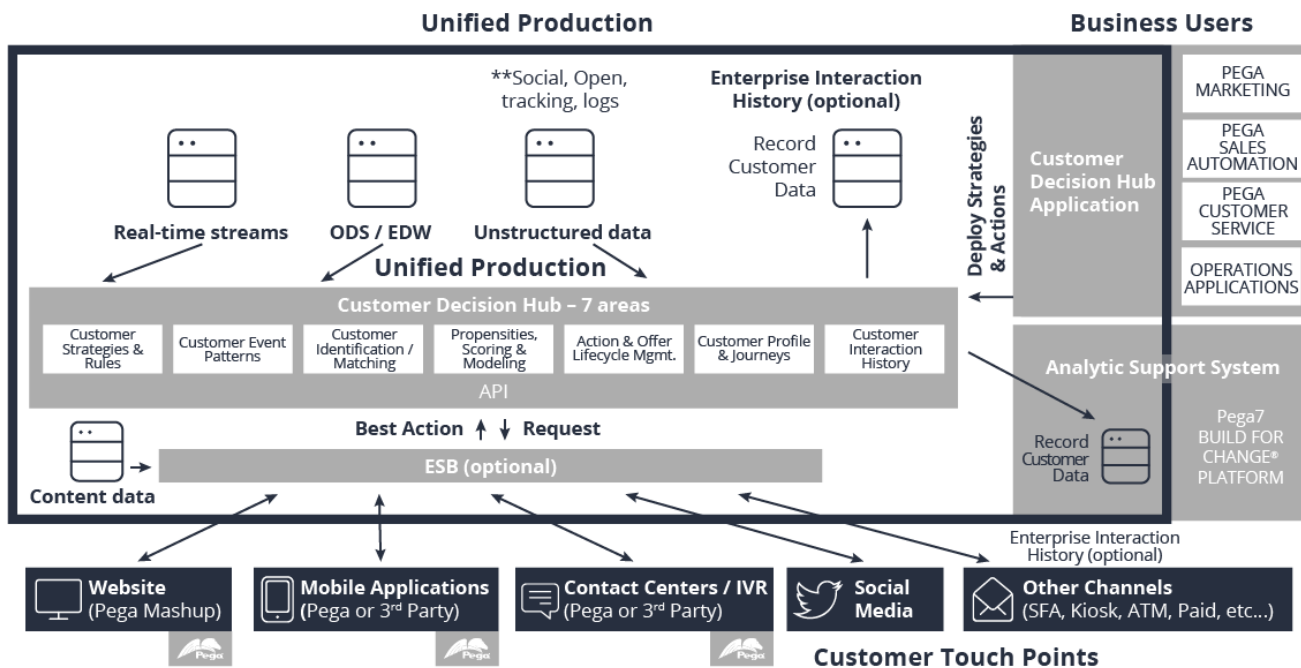
This new reality can finally be achieved by employing the latest in analytic approaches including artificial intelligence, machine learning, complex event strategies, and many others resident in Pega’s solution.

### **Customer Decision Hub – The “Always On” Customer Brain**

Pega’s approach to solving the system of record problem is to redesign CRM, literally put the customer in the center of the business. This is achieved by building the vision around a “Customer Decision Hub” which tracks the customer’s state across their decision journey and uses analytics and decisioning to recommend next best actions in real-time.

Think of the Decision Hub as an “Always On Customer Brain” that understands the customer’s state across his or her customer journey. This brain IS the center of the CRM system and, at any instance, is able to inform each business function of the precise right thing to do for any given customer, at any given time.

**Figure 2: The Customer Decision Hub**



Source: Pegasystems

This brain understands the “context” of the customer – their state along their individual journey – and balances that context against business goals. A call center agent or field sales agent may be on the phone with a customer. Yet if this customer was on the organization’s website a minute ago, researching a specific product, how would an agent know to talk about that product? The Always On Customer Brain captures this activity and advises the right action, in real-time during every interaction. Recommendations could include a retention treatment, a specific marketing offer, or a question to find out how much the customer is liking the product he or she has already bought. This takes the guesswork out of the equation.

### Pega Customer Engagement Products

To facilitate customer success, Pega offers a range of customer engagement products powered by the central Customer Decision Hub.

**Pega Marketing** – A next-generation Marketing Automation system that powers inbound marketing, outbound marketing, and a new generation of customer-centric digital advertising across the customer journey. It is the only solution that provides a bridge between traditional segments and campaign-based marketing to the new world of individualized, contextual, real-time marketing.

*“Every time we interact with a customer, whether that is face-to-face or online, we want to be able to influence that conversation using everything that we know about our customers.”*

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*Christian Nelissen, Head of Data and Analytics, RBS Press Release June 9, 2015*

**Pega Sales Automation** – The first salesforce automation solution to not just augment manager visibility into pipeline, but **to solve the real problem: sales effectiveness**. Automation leverages the power of the analytic brain in the Pega Customer Decision Hub to optimize velocity, value, and volume so that each rep can close *more deals, at greater value, in less time*.

**Pega Customer Service** – The enterprise application with best-in-class capabilities for achieving a new omni-channel customer engagement center including social, mobile, live chat, co-browse, email, telephony, and even field service. Your business can power every interaction with the analytic power of Pega Customer Decision Hub’s always-on customer brain. This also includes the latest in new digital customer service strategies such as orchestrating proactive and preemptive customer care by sensing the customers’ moments of need and triggering real-time outreach.

**Pega Customer Decision Hub** – The power of the always-on customer brain is available separately, or in combination with each of the other Pega applications to provide the business with the next generation of customer engagement.

**Pega Platform** – As the market-leading platform for digital transformation, the Pega Platform utilizes case management and business process management and mobility to help your organization’s operational functions deliver upon your customer journey promise. Your operations are the important “final mile” of the customer journey, when results most impact successes.

### **Achieving a Quick Win on the Customer Engagement Hub Journey**

Time-to-deployment is critical and Pega recognizes that companies have already made significant investments in CRM infrastructure. For this reason, the Pega Customer Decision Hub is designed to be able to work with existing marketing, sales, customer service, or other supporting systems.



*“But don’t just take our word for it on why a centralized hub is necessary to orchestrate multiple systems and ensure a consistent customer experience across channels. The next section showcases Gartner’s research on Technologies for CRM and the Emerging Customer Engagement Hub.”*

And Pega can start by delivering **quick win** implementations to begin improving the customer journey in as little as 90 days. This quick win strategy delivers fast benefits along with a clear vision and roadmap for moving toward best-in-class service.

### **Reinvention Comes from Pega’s Heritage**

This reinvention of CRM is possible because its origins are different from traditional “old-guard” CRM systems:

Pega’s ability to help organizations sense **moments of customer need as they happen** and orchestrate the activities that follow comes from our heritage in Business Process Management where Pega has been the clear leader.

Our ability to act upon these moments of need by **pushing prescriptive, analytic insights at the precise moment of interaction**, comes from our heritage and leadership in Real-Time Interaction Management.

This is why Pega has completely changed the game, and is *already* positioned as a leader in CRM in the Gartner Magic Quadrant for the CRM Customer Engagement Center 2016.

But don’t just take our word for it on why a centralized hub is necessary to orchestrate multiple systems and ensure a consistent customer experience across channels. The next section showcases Gartner’s research on Technologies for CRM and the Emerging Customer Engagement Hub.

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Source: Pegasystems



Research From Gartner

# Technologies for CRM and the Emerging Customer Engagement Hub

Increased focus on driving growth through customer experience will shape IT strategies for building a customer engagement hub. To be successful, IT application leaders will need to bridge organizational gaps and orchestrate multiple systems to ensure a consistent customer experience across channels.

## Impacts

- To build an integrated customer experience, IT application leaders will need to build a customer engagement hub.
- To build an engaging customer experience, IT application leaders will need to overcome departmental barriers and politics.

## Recommendations

IT application leaders should:

- Think of the customer engagement hub as a business strategy linked to a technology framework, rather than a product for sale.
- Prepare for extensive system integration of products from multiple vendors to achieve business value.
- Use the customer engagement hub to deliver a consistent, orchestrated, cross-channel customer experience supporting customer journeys that span all customer engagement channels.
- Collaborate with marketing, digital commerce, customer service and the customer experience team to gather data that demonstrates the need for a new approach to customer engagement.

- Identify the journey gaps that lead to customer dissatisfaction, defection and low spending.
- Conduct substantial reference checks before accepting a new solution or maintaining an existing system.
- Create a unified picture of current technologies, identify new functionalities required and technology convergence from different software, and calculate the business case for the investment.

### Strategic Planning Assumption

By 2018, 60% of large organizations will architect a customer engagement hub, yet only 20% will select the correct technologies to make it work.

### Analysis

From the perspective of the customer, the lack of consistent treatment across communication channels is frustrating. Customer satisfaction with the customer care function has hardly improved in the past decade, and this undermines marketing efforts. Unintegrated departmental initiatives to create customer journeys, and to sell and support, lead to incompatible processes and software systems. From a pace-layer perspective, complex legacy applications drive up costs while failing to improve business metrics.

The idea of building a complete customer engagement hub that ties together the communication infrastructure, business rules, relevant information and analytics is gathering momentum. Although social media and CRM are powerful incentives to become

innovative, the customer engagement hub is held back because it is not a system that can be bought, but rather is a system of systems that need to be synchronized to deliver more intentional outcomes for the business and the customer. Several departments manage parts of the customer journey, but not in an orchestrated fashion. Many decision makers purchase these supporting systems from a wide variety of vendors.

Over the next three years, large organizations will relook at their existing CRM applications, mobile development tools and Web technologies, to architect a customer engagement hub. This will be used by all departments including marketing, sales, digital commerce, customer services, logistics and others. This research looks at how IT application leaders can work with business leaders in marketing, sales and customer services to assemble the multiple parts to create a dynamic customer engagement hub.

### Begin With Organizational Change to Meet Customer Expectations

Businesses see individual departments (such as marketing, sales and customer care in general, and the customer engagement center specifically), as isolated functional groups within the enterprise. This is driven by the conflicting business metrics by which each is measured. The trend is turning toward seeing them not as departments, but rather as one orchestrated entity, and an extension of corporate strategy to drive growth.

As customers obtain more-pervasive personal analytics and communication capabilities through which to interact with the enterprise, the enterprise divides between IT, marketing, sales, logistics and customer support will fall in order to better adapt to the new customer reality.

Without coordinated planning, it will be difficult for an enterprise to exploit the advantages of new channel capabilities. For example, the work required for current customer self-service systems to integrate with order-processing systems is point-to-point. The Web process and technologies are different from the mobile processes, which are becoming the predominant engagement medium. To add another communication channel (such as chat or telephone-based applications) the work has to be repeated. This is costly and difficult to maintain, and puts the consistency of the customer experience in jeopardy.

The value of the customer engagement hub is that any new channel can be added as a solution for the enterprise, while maintaining the business rules and knowledge base. With such a hub, current tools and solutions can be extended and applied to new channels.

A customer's perception of the enterprise is profoundly shaped by interactions with employees or partners outside sales and customer services, such as those in logistics, shipping, billing and technical support. Yet, businesses quarantine the knowledge, insight and content — as well as the rules by which individual customers should be treated — in isolated departments, such as marketing, or in secluded channels, such as the call center (the precursor to the customer engagement center). This poses a

fundamental challenge to the enterprise, and will increase the pace of deployment of independent (siloed) channels. It also creates a gap between customer expectations and the enterprise's ability to meet the expectations.

The inability to meet customer expectations is an organizational, as well as a technological, challenge. The challenge can only be addressed after processes are in place to determine who owns the customer. To improve customer processes, leading businesses will carefully select the key customer business processes and business monitoring activities. They then will determine integration points that map the engagement channels to the business process. From there, the enterprise can define the shape that the CEH will take.

## Impacts and Recommendations

### **To build an integrated customer experience, IT application leaders will need to build a customer engagement hub**

The idea of building a complete customer engagement hub that ties together the communication infrastructure, business rules, relevant information and analytics is gathering momentum. Over the next three years, large organizations will look at the existing applications they use for customer engagement, and introduce a working concept of a customer engagement hub, which can be used across all departments including marketing, sales, digital commerce, customer service, logistics and others.

**Figure 1: Top Impacts and Recommendations for IT Application Leaders**

Impacts	Top Recommendations
<p>To build an integrated customer experience, IT application leaders will need to build a customer engagement hub.</p>	<ul style="list-style-type: none"> <li>• Think of the customer engagement hub as a business strategy linked to a technology framework, rather than a product for sale.</li> <li>• Prepare for extensive system integration of products from multiple vendors to achieve business value.</li> </ul>
<p>To build an engaging customer experience, IT application leaders will need to overcome departmental barriers and politics.</p>	<ul style="list-style-type: none"> <li>• Collaborate with marketing, digital commerce, customer service and the customer experience team to gather data that demonstrates the need for a new approach to customer engagement.</li> <li>• Identify the journey gaps that lead to customer dissatisfaction, defection and low spending.</li> <li>• Conduct substantial reference checks before accepting a new solution or maintaining an existing system.</li> <li>• Create a unified picture of current technologies, identify new functionalities required and technology convergence from different software, and calculate the business case for the investment.</li> </ul>

Source: Gartner (November 2015)

The customer engagement challenge goes beyond an enterprise merely handling communication and interactions — telephone conversations, emails, texts, requests from embedded devices in machines (the Internet of Things), Tweets and responses on social media (such as Facebook, WeChat), or from websites or mobile apps. The challenge is to harmonize and synchronize these interactions. When asked to evaluate multichannel capabilities, more than 90% of Gartner clients report that these are not integrated functions.

The requirement of engaging customers in a cross-channel and multichannel scenario brings unique challenges:

- Experiences vary by the channel selected, and are inconsistent with other channels.
- Multiple channels are each managed in isolation.
- The delivery of the customer context accurately on all interaction channels — digital and human — is difficult.

There are other forces at work to make advances in consistent engagement happen. They are a result of the seismic negative shifts in customer sentiment (for example, trust in institutions worldwide is low), the advancement of digital marketing technologies

(for example, event-driven campaign management) and behavior (turning to peers and communities for advice), and the radical shift to mobile devices. These will drive the change in enterprise thinking from supporting interactions to encouraging consistent and profitable customer engagement.

The customer engagement hub is unique in three fundamental ways because it has:

- 1 A greater emphasis on the explicit two-way exchange of value between customer and enterprise.
- 2 Built-in internal collaboration and channel routing tools to connect employees across departments, employees with customers, and customers with their peers.
- 3 Several layers of analytics to manage optimized and personalized customer interaction.

We believe that the established communication technologies should work together to enable the management of multiple communication channels as a single channel, and be integrated with the business applications. However, until 2018, most will integrate with, but remain separate from, business applications.

IT application leaders and CRM leaders will need to examine the justification for the customer engagement hub, and the timing of the technology purchases and integrations that will enable them to deploy it.

The hub will most likely include, among others, these general-purpose tools and applications:

- CRM sales, marketing and customer service and support functionality, including self-service.
- Email, Web and mobile campaign tools.
- Web content management (including video).
- Business process modeling and rule servers.
- Real-time decisioning engines.
- Multichannel interaction routing engines.
- Mobile platforms for customer support.
- Social CRM tools, such as social engagement and peer-to-peer community support applications.
- Knowledge management.
- A number of analytics solutions (such as Web analytics, interaction analytics and customer journey analytics).

The customer engagement hub will sometimes include these general-purpose tools and applications:

- Digital commerce platforms.
- Personalization engines.
- Digital personalization engines for commerce.
- Voice-of-the-customer solutions.
- Expertise and presence management.

- Web conferencing, collaboration and co-browsing technologies.
- Advanced search.
- Natural-language processing engines.
- Customer communications management solutions (for generating letters and bills).
- Virtual customer assistants.

There will be many other middleware components for mobile and Web development to consider, such as:

- Integration.
- API frameworks
- Identity and access management.
- Content authoring and content repositories.
- Portal development and functionality (including persona modelers, interaction pattern analysis, and customer journey builders).

There will be tight collaboration between IT and data specialists to construct a single, logical customer profile.

Most hub components will not be bundled as a suite. However, the issue of siloed customer engagement is gaining the attention of business and IT leaders. Businesses are struggling to design the graphical user interfaces (GUIs) of customer services, or any types applications used while engaging customers to accommodate sharing customer information

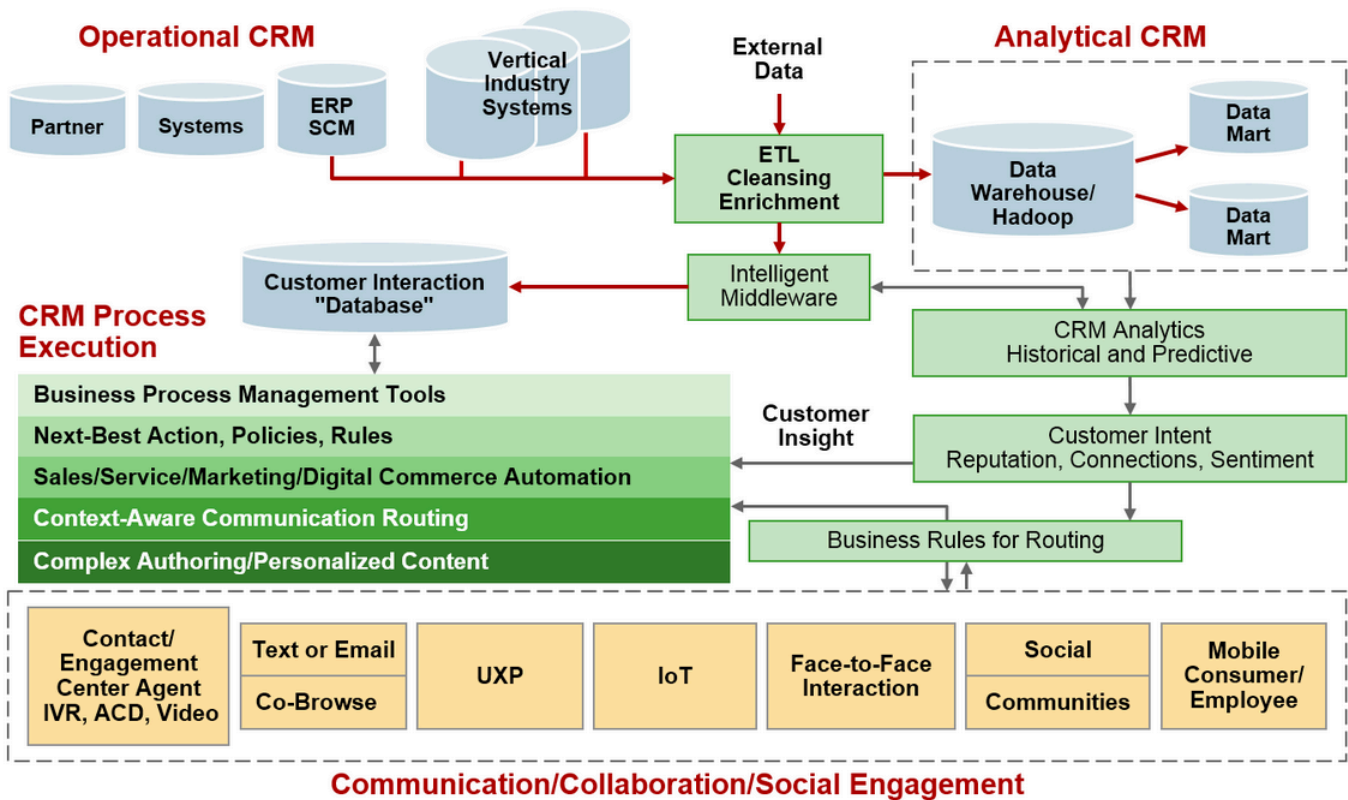
and context within their organization and with their customers and partners.

We anticipate that new capabilities will gradually change the shape of the GUI, such as:

- A co-managed customer profile. This type profile will have restrictions, but will allow end customers to post information about themselves directly into their profiles.
- Status update. The end customer and the customer service representative will see updates to the account at a glance (for example, new purchases, change in terms and conditions, status of returns and pending actions).
- Feeds from Web analytics. The customer's visited pages, and the most relevant sites for the customer will be listed.
- Feeds from campaigns. The customer's response to email, mobile and Web campaigns.
- Links to user groups. It will be possible to understand customer Web behavior and preferred sources for information and how they form opinions.
- Connectors to the customer's social applications. These open APIs will enable IT to send business rules from within the customer support system out to Facebook, a community site, or another mobile social application.
- Social content. In addition to enterprise content, the new GUI will bring in search-refined and personalized, crowdsourced content.

- Sharing model between customer and business. These are controls that will allow for secure access by the customer to a portion of the customer information.
  - A clear view of the effectiveness of the customer journey (single customers and groups of customers).
  - The status of customer sentiment (single customers and groups of customers).
- Through 2018, we anticipate a continued absorption of the best-of-breed software providers into broader customer engagement hub systems (see Figure 1).

**Figure 2. The Customer Engagement Hub**



ACD = automatic call distribution; CEC = customer engagement center; CRM = customer relationship management; ERMS = email response management system; ERP = enterprise resource planning; ETL = extraction, transformation and loading; IoT = Internet of Things; IVR = interactive voice response; SCM = supply chain management; SMS = Short Message Service



The systems will consist of four component architectures, or subsystems, rather than one single system:

- 1 **Operational CRM.** These are the supply chain, financial, logistics, e-commerce and account management systems that contain information about the customer and their formal business with the customer.
- 2 **Analytical CRM.** This system is a series of subsystems. Some analyze historical data about the customer offline. The result is fed to a system that looks for any clues in real time that were not included in the back-end analysis. This result is then matched with a business rule. A business rule could be about marketing, selling or providing the correct customer care. Basically, this spans historical, descriptive, predictive and prescriptive analytics.
- 3 **CRM process execution.** These systems will deliver the rules that determine the specific action to be taken with the customer. In 2016, most systems will launch processes that cannot reconcile other application processes, such as campaign management versus a business process management platform versus an online offer to a customer — each today is separate.

In the future, we will want to reconcile and integrate one of more of the following activities:

- Selection of the next best action (based on the analytical systems it takes/suggests action based on that selection).

- Conformance to a procedure or policy.
  - Personalization engines for best response to customer in context.
  - Selection of the correct knowledge artifact.
  - Rendering of the most relevant content.
  - Initiation of campaign activities.
- 4 **Communication/collaboration/social engagement.** The communication infrastructure allows for seamless escalation of a customer conversation from mobile app to website to phone and over to social media. We do not fully understand how the Internet of Things (IoT) will impact communication and other functions.

*Recommendations:*

- Think of a customer engagement hub as a framework, rather than a product for sale. A practical problem for the enterprise is that the hub is a combination of specific business applications (for example, sales, marketing, service or resource planning), general-purpose information systems, analytics and communication/social collaboration technologies. The information systems and communication technologies are general-purpose and lack the customer's intelligence or knowledge that is built into marketing, customer service or sales applications.

- Prepare for extensive system integration of products from multiple vendors to achieve business value. Even if a business has mapped the communication channel to the customer-facing process, fulfilling the specific functionality requirements (for example, sales/service) and process (for example, alerts, workflow, escalation or prioritization) will call for extensive system integration of products from multiple vendors to achieve the business value. The endless combination of business models will make the appearance of a standard customer engagement hub product an impossibility.
- The customer engagement hub will be the result of advances in service architectures tying together smaller suites — for example, collaboration suites, customer service suites and knowledge management suites. Many of the critical elements of the hub exist today as general-purpose and stovepiped applications.

### **To build an engaging customer experience, IT application leaders will need to overcome departmental barriers and politics**

Four organizational challenges will slow the transition to a CEH. Overcoming these challenges will depend largely on the mindset of the enterprise. To understand organizational readiness to improve the customer experience, see “The Gartner Customer Experience Management Maturity Model.”

### **Challenge No. 1**

Lack of conviction that a customer engagement hub is necessary. For a small business, the decision-making power surrounding the replacement of customer-facing technologies is often up to one or two individuals. Once they conclude that change is necessary, the wheels are set in motion to realize that change. For large organizations, this is not possible, because there are layers of decision making.

Each division of a business may have its own IT group. Each of these may receive shared services from a central IT group. The end users of IT systems for customer interaction may never be in a position to procure the systems they require. It is not uncommon for two years to elapse between the articulation of a technology need from the customer service area, and the eventual delivery of the underlying software. The more complex the system replacement, the longer it is likely for it to be replaced.

#### *Recommendation:*

- The customer service or customer experience team should gather data that demonstrates the need for a new approach to customer engagement. The team should listen carefully to the CIO or other executives about business objectives and embed those ideas in presentations. That might mean discussing metrics, such as call deflection, or improved Net Promoter Scores, lower customer defection, average revenue per unit, brand loyalty, or salary and technology spend in the customer service department.

## Challenge No. 2

The decision making required to build a customer engagement hub does not rest in the hands of the people who most want it. Because IT is focused on business continuity, security, compliance and other core functions, it may not have the passion for such a program.

### *Recommendation:*

IT should work together with marketing, sales and customer service to identify the journey gaps that lead to customer dissatisfaction, defection and low spending (this will be different for higher education and public-sector organizations). Explaining the need to foster deeper customer engagement from a business perspective will help raise the profile of a customer engagement hub initiative.

## Challenge No. 3

Vendors are not partners. This challenge is a major impediment to technology refresh. For many forms of customer service and support systems, the availability of alternative products is so low as to constitute a monopoly. Waves of acquisitions in the CRM space for packaged applications have left the market for a CRM desktop for customer care, for example, without serious competition for large-scale, highly complex needs. The same limited choice is true in the workforce optimization market. The result is that

vendors charge high prices for their software, add high yearly maintenance fees, and limit the availability of upgrades. In theory, consolidation is good, because it reduces integration; but look under the covers of supposed suites to see if this is true.

### *Recommendation:*

- Before accepting a solution, conduct substantial reference checking. This includes site visits to vendor clients that have a similar use case as yours, and an evaluation of the software that the vendor is proposing.

## Challenge No. 4

The customer engagement hub is not a product for sale, but a long-term process and technology initiative. This makes prioritizing projects difficult.

### *Recommendation:*

- IT application leaders should create a unified picture of current technologies, identify new functionalities required, investigate technology convergence from different software, and calculate the business case for the investment. This will help CIOs gain approval for a customer engagement hub program.

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*Source: Gartner Research Note G00290989, Michael Maoz, Olive Huang, 12 November 2015*



## EE Quadruples Successful Offers to Customers

*“We have quadrupled the number of successfully accepted marketing offers.”*

*Suzanne Woolley, Head of Customer Base Management, EE*

### The Business Issue

EE was looking for a way to increase revenue per customer and improve retention, and they wanted to improve the relevancy of marketing and retention offers across all channels. But since they had multiple systems across all channels (agents, retail stores, and digital) they had no way of creating consistent or compelling offers. Customers received different offers in different channels, and the offers were not personalized or aligned to the business value of the customer.

### The Solution

EE relies on Pega Marketing for Communications to determine the optimal offer strategy for each customer. Real-time context is combined with big data and analytics to create and present 1:1 offers across multiple channels. These offers uniquely balance customer needs with the customer value to EE.

### The Results

- 300% increase in offers accepted by customers
- TRIPLED the customer value retained during retention
- SUBSTANTIALLY decreased subscriber retention costs
- RETAINED an additional 4% of most valued customers each month
- DELIVERED a consistent experience across all channels



## PNC: Compelling, Data-Driven Customer

### The Business Issue

In spite of the recent financial crisis, PNC has maintained a sound capital position and doubled in size due to acquisitions. Still, PNC had greater aspirations. PNC decided it was time to reevaluate its brand identity and examine what type of marketing company it wanted to become. PNC's #1 Goal: Build a compelling customer experience.

### The Solution

PNC set out to build a compelling customer experience with data, analytics, and customer insight at its core. The result: the Customer Interaction Management (CIM) System, which provides a 360° view of the customer and is built on Pega technology. Features include:

- Centralized decisions
- Real-time decisions
- Adaptive learning
- Two-way conversation

*“Decisioning happens in one central place, making it easy for PNC to provide a consistent customer experience across all channels.”*

John DeMarchis, Senior Vice President, Customer Management, The PNC Financial Services Group

### The Results

Customers are happy, employees are happy. It's a win-win for PNC:

- Increased revenue
- Improved customer experience
- An “A” for online marketing
- Increased employee enthusiasm & productivity

With Next Best Action marketing capabilities from Pega, it will be easy for PNC to update and enhance their offerings in the future.

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Source: Pegasystems



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