

Implementing Next-best Action With Sitecore Personalize, CDP, and Content Hub

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An Introduction to Next-best Action

You track detailed data about your customers, including demographics, product purchase history, engagement behaviors, and communication preferences. But are you utilizing this data to more effectively market to them? How do you ensure your message is relevant, consistent, and presented on the right channel, at the right time?

Traditional personalization strategies group customers into segments and build campaigns that target them in specific channels. But when the segments are too broad, or the messages sent across different channels aren't coordinated, this approach can fall flat and even hurt conversion metrics.

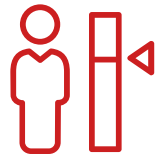
A better approach to personalization exists and it's called Next-best Action. Rather than focusing on campaigns and segments, NBA entails looking at your complete customer journey and all the touchpoints where you interact with them. For each touchpoint, think through

the activities or conversations that you could engage in with customers. Then, using the detailed tracking data you already have, leverage business rules and machine learning to identify where in the customer journey a person is and identify which "offer" or "action" has the highest likelihood of progressing a customer along the purchasing journey. Once this next-best action is determined, it can be presented to the customer across channels with a personalized call to action on the website, an email message, or a prompt by a call center representative the next time the customer calls.

The key to success with this approach is that the next-best action needs to be reevaluated frequently. As you learn more about your customers, you can improve the chance you are presenting them with an offer they will likely engage and gain value from.

The Four Ds of Personalization

Executing next-best action personalization requires technology that can orchestrate personalization at scale.¹



Data

Bring together customer data to support engagements in real time or near-real time.



Decisioning

Use machine learning to evaluate and analyze data for potential marketing offers.



Design

Create the targeted experiences for each offer using a library of content and assets.



Distribution

Deliver the content through the right channels at the right time.

¹ McKinsey & Co.

Connecting the Four Ds to Next-best Action With Sitecore

Sitecore CDP and Sitecore Personalize provide the technical foundation needed to employ a next-best action strategy around the four Ds. While you can manage content to some extent with Sitecore Personalize, leveraging Sitecore's Content Hub DAM and Operations modules provide better tools to manage the content and asset production you'll need to execute personalization at this scale.

Let's take a look at how the Sitecore platform aligns with the four Ds of personalization: Data, Decisioning, Design, and Distribution.

Data—Sitecore CDP

Data is the key to enabling a next-best action and is critical to driving the business rules and decisions to best match customers to specific offers. To help centralize the data from your back-end system, Sitecore CDP offers three sets of APIs: streaming, batch, and REST.²

In addition to these three APIs, look into Sitecore’s marketplace of pre-built integrations for Sitecore CDP. Consider leveraging Sitecore’s own low-code integration tool, Sitecore Connect, which has built-in connectors that allow Sitecore CDP to connect your customer CDPs using Workato’s 1,000+ pre-built integrations.

A different CDP platform can be used with Sitecore Personalize, but Sitecore CDP provides the best performance for real-time evaluation of customer data and creating personalized website experiences. Customer data is stored and optimized for performance when using Sitecore Personalize, so expect higher latency if using your own CDP platform.



Streaming APIs process real-time events, such as a user browsing your website or using your mobile app. The Sitecore Personalize JavaScript libraries leverage this API behind the scenes to push page views and events into Sitecore CDP.



Batch APIs allow teams to bulk-load customer and order data into Sitecore CDP. This API is used to integrate with systems that can’t support real-time integration methods, where a batch load can run one a day or at multiple points throughout the day to bring new data in.



The REST API are an interactive API for reading, writing, and updating data stored in Sitecore CDP. This can be used by your back-end processes to evaluate and enrich customer data.

² [Sitecore](#)

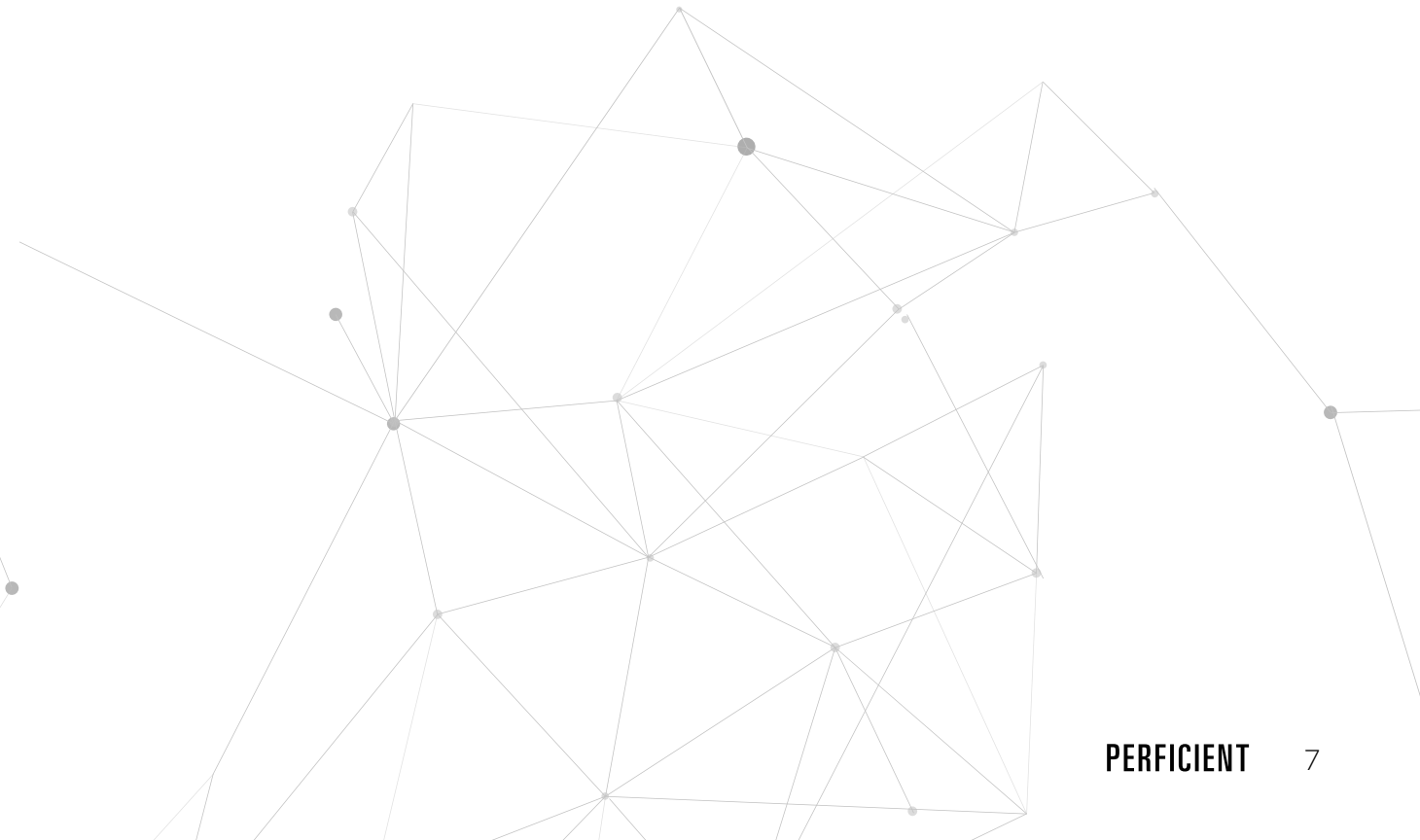
Decisioning—Sitecore Personalize

Decisioning is the heart of any next-best action marketing strategy. It allows you to evaluate customers and prospects using collected data to determine the best action or offer to present them.

Sitecore Personalize has the technical capabilities needed to implement this kind of decisioning. The key to implementing an next-best action marketing strategy with Sitecore Personalize is creating business rules and integrating machine learning into your decision model.

Create a Compelling Offer Library

Offers are conversations with customers that are primarily intended to progress the customer journey but they can also address customer needs based on what a company knows about them. A good way to define an offer is to think through the customer journey and consider what conversations need to be addressed throughout the different stages of awareness, consideration, purchase, service, and loyalty.



Customer Journey Offer Examples

	Awareness	Consideration	Purchase	Service	Loyalty
Healthcare	Research a specialty	Find a doctor	Schedule an appointment	Request a refill	Take a class
Financial Services	Research loan options	Use a mortgage calculator	Open an account	Sign up for paperless billing	Meet with an advisor
Insurance	Research policy types	Plan wizard	Request a quote	Claim status notifications	Renewal discount
Automotive	Research car types	Compare models	Schedule a test drive	Schedule an oil change	Return lease early
Retail/CPG	Research product features	Compare products	Add to cart	Product tips	Discount on next order

You don't have to define offers for every point of the customer journey at once. Start with clear value propositions and add additional offers over time. While you may initially

focus on purchase or conversion, do not neglect service and loyalty because it is often easier to keep an acquired customer engaged than to find a new customer.

Define Offer Policies and Rules

Before suggesting an offer, it's important to define rules around whether an offer can or should be recommended at all. A rule may limit an offer to a specific geographic region or apply only to customers who have purchased a specific category of product before. These rules can also be used to avoid making an offer similar to one that was already converted.

Once you define the criteria that will be used to activate or deactivate an offer, you'll need to build them into your Sitecore Personalize decision model using either a programmable template or a decision template. Decision templates allow you to create reusable rules that evaluate tracked data to determine whether an offer can be applied.



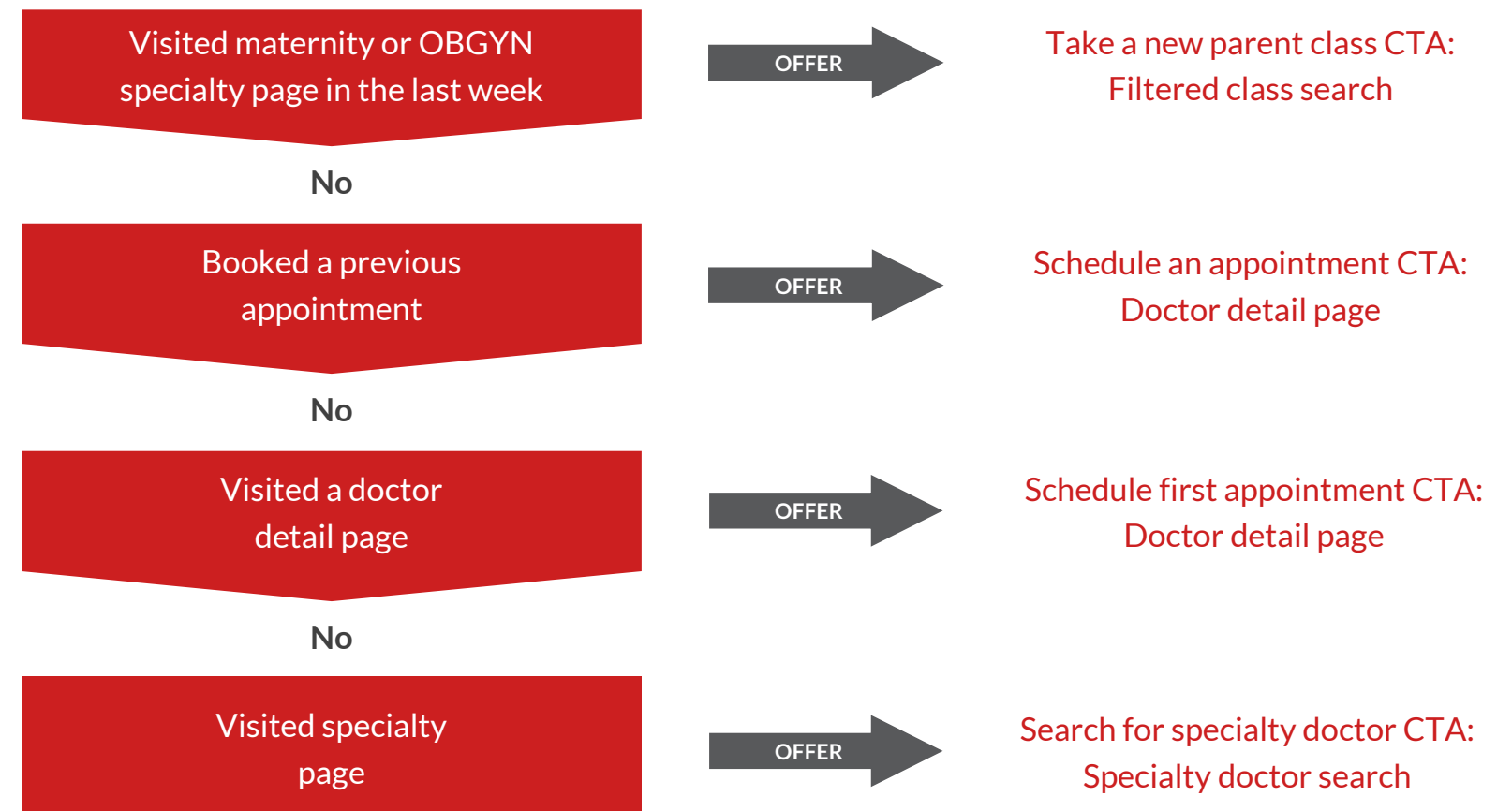
Make the Decision

With established offers and rules in place, implement the decision model to select an applicable offer based on the customer data.

A decision model in Sitecore Personalize can be as simple as a program that uses a series of “if” statements to evaluate customer criteria and determine which of your eligible offers would be best suited based on the data. Test different logic to see which offer performs better and improve accuracy over time.

Healthcare Decision Model Design Example

Once CTAs are established, the next step is to determine when to display them and which experience to use. Workshop the priority of each offer to design how the initial decision model will work. Following the engagement, additional offers and rules can be added to improve overall offer performance.



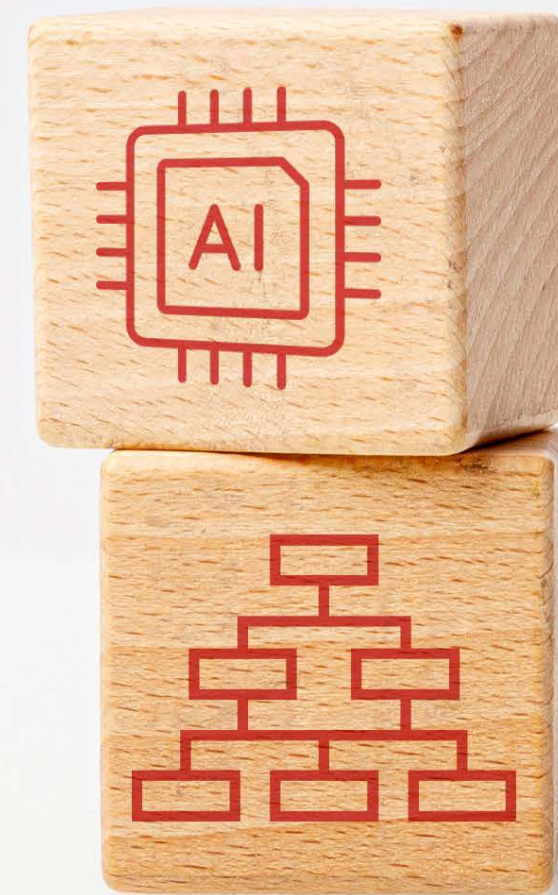
Utilize Machine Learning

To truly utilize next-best action and personalization at scale, you'll need to integrate machine learning into your decision process and work with data scientists. The basics of this approach include using a propensity model to determine the odds that a client will engage with an offer. To do this, machine learning will need a large data set to train against. Most of the data should be in Sitecore CDP, so you'll need to push it to a data lake to train your model.

Advanced models should also consider the value of the offer. If one offer has a value of \$50 and another offer has a value of \$1,000, you will be more likely to select the latter even though it has

a lower propensity of being converted. The model will likely need to be more nuanced than this with certain offers being boosted to ensure the desired results.

Connecting the machine learning model to your decision model should be straightforward. Once the connection and its parameters are defined, drag and configure the machine learning data source within the Sitecore Personalize decision model canvas. Similar to a rules-based model, you can test different versions of trained machine learning models against each other to validate improved outcomes by creating variants of the model in Sitecore Personalize.



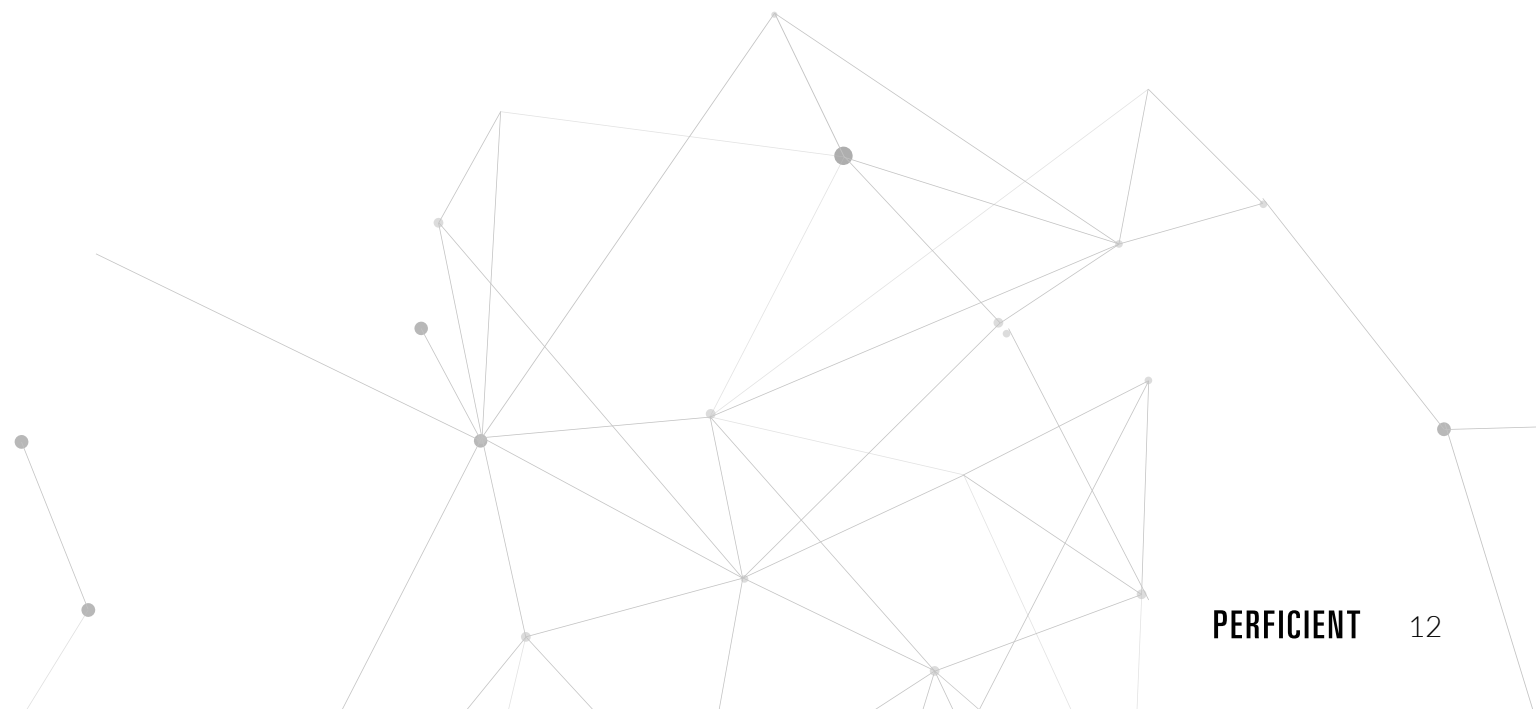
Design—Sitecore Content Hub

Design covers how to engage customers or prospects and how to present offers in the channels in which they engaged with you. This quickly becomes an exponential equation as you increase the number of offers and channels. While you can associate content with offers by adding fields to your offer template in Sitecore Personalize, this is not a solution that scales if you are supporting several channels. Nor does it help with managing image and video assets that you may want to associate with an offer.

For this we recommend Sitecore Content Hub, a digital asset management solution for producing and managing image and video assets, Sitecore Content Management Platform for managing content in templates, and Sitecore Marketing Resource Management to support project management for creating and deploying content and campaigns.

With Content Hub, teams can create templates for each offer with specific fields that can be used to target experiences across every channel where the offer will be presented. These templates can blend text copy and rich media to be effective in each channel. To connect this content to your channel, you can either integrate directly with that channel or integrate directly with Sitecore Personalize. Sitecore Personalize can pull approved content directly from Content Hub when creating a web experience, or experiment to include the content when triggering or exposing an API through a full stack experience.³

³ [Perficient](#)



Distribution—Sitecore Personalize

The last stage of the four Ds is activating the offer in the channel(s) where it will have the biggest impact. You can present your offer to customers and prospects as they browse your website or use your mobile app. You may also want to trigger an email, text message, or prompt a call center representative with a personalized script to discuss the offer.

Aligning the offer with the right content and right channel is relatively straightforward using Sitecore Personalize. Web experiences are injected into websites, meaning additional content and images can be added or replaced within seconds to present a personalized experience. The Sitecore Personalize JavaScript Library can be targeted based on the URL path as part of the experience definition.





For real-time channels such as email and SMS, Sitecore Personalize can identify triggering events to evaluate and push a personalized API call to an external system. Use this to send details of an email or text message based on a selected offer to your campaign management tool, which will then dispatch a personalized message.

For systems that require personalized information on demand, you can define an interactive experience in Sitecore Personalize to expose a personalized API with the appropriate content.

These approaches allow you to blend data from the offer, content from external sources like Content Hub, and parameterized fields that are defined when the experiences are created – all of which allow marketers to easily change labels, colors, and images. These same fields can also be used to set up experiments to test how to make the experience more effective.

What Is Your Next-best Action?

Next-best action is a powerful marketing strategy that can be employed with Sitecore Personalize CDP and Content Hub to deliver targeted personalized messages across channels while taking full advantage of your customer data. By making these tools the foundation of a personalization strategy, you can unite your data and create a robust decisioning strategy that codifies business rules and leverages machine learning to connect your offers with content, create compelling experiences, and distribute them across the right channels at the right time.

This approach also promotes continuous improvement. With built-in analytics and reporting, you'll see how offers and messages are performing and can run A/B tests to make them more effective. As you continue to collect data, the machine learning models will become more accurate, making this approach more successful.

How Perficient Can Help

We're a Sitecore Platinum Enterprise Solution Partner helping large enterprises and the world's biggest brands create meaningful and engaging digital experiences that delight customers, build brand loyalty, and drive revenue. From strategy through design and implementation, our global team of technical and industry experts will help you realize value with Sitecore faster than you thought possible.

We are the industry leader in leveraging the power of Sitecore's evolving technology to empower organizations to chart their future with a composable platform strategy. Combined with our expertise in experience design, strategy, digital marketing, and analytics, we create end-to-end solutions that deliver exceptional results.



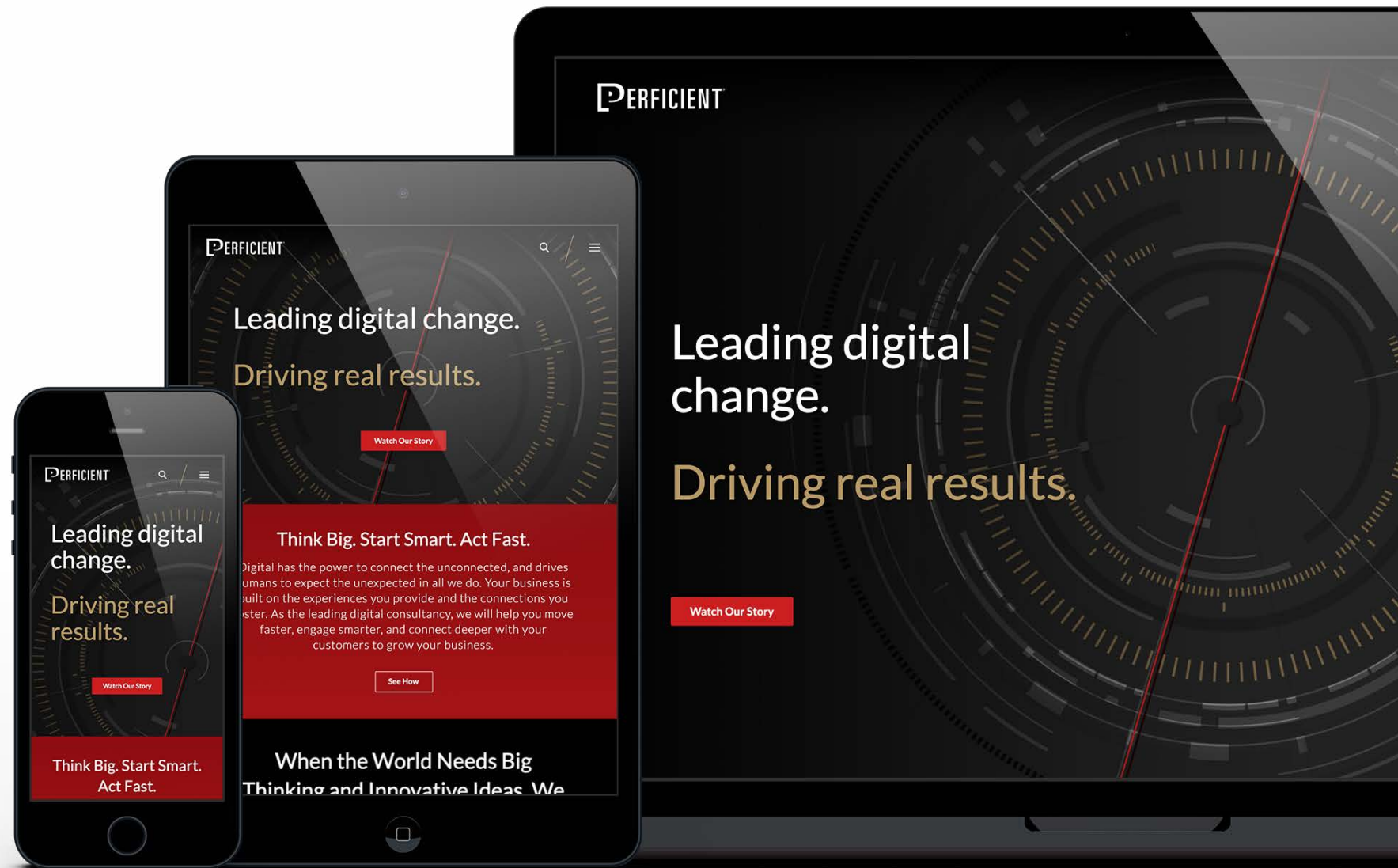
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