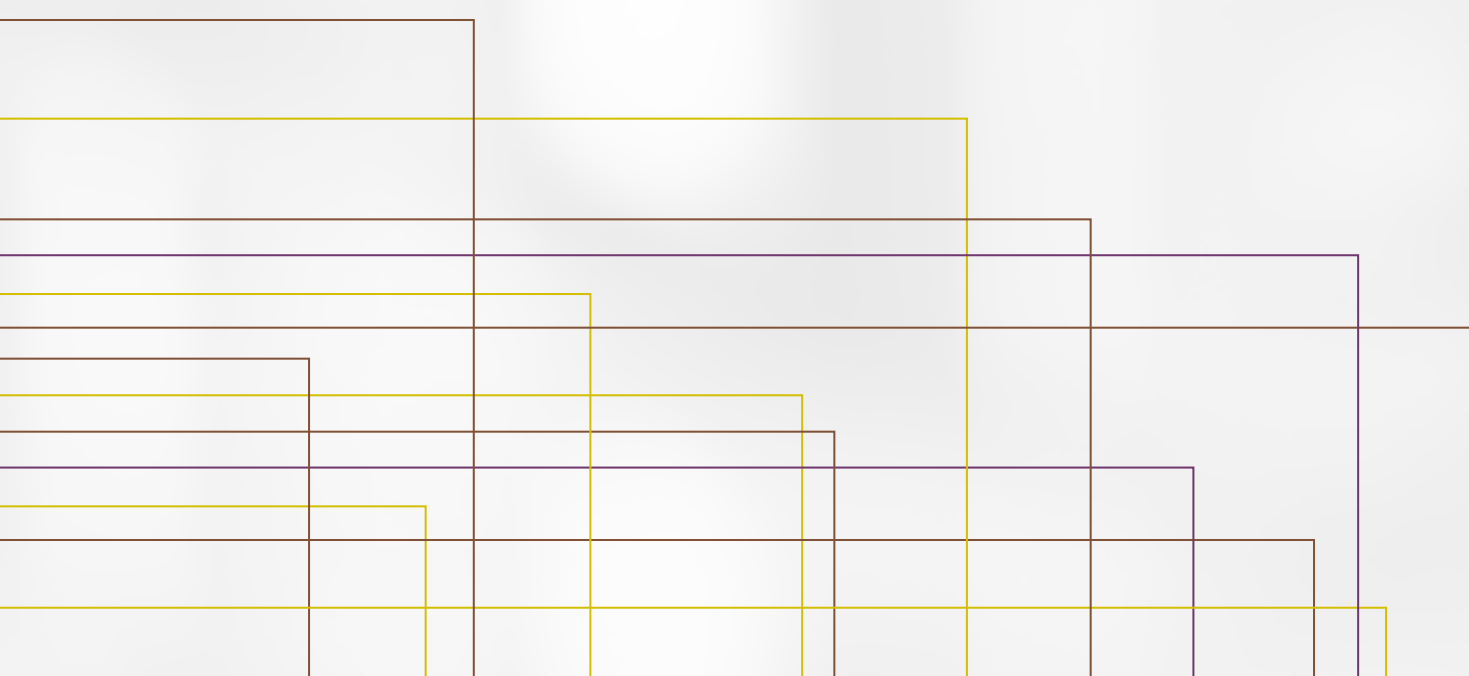


CUSTOMER ANALYTICS:

TAKE THE DATA-DRIVEN PATH TO
MORE PROFITABLE CUSTOMERS

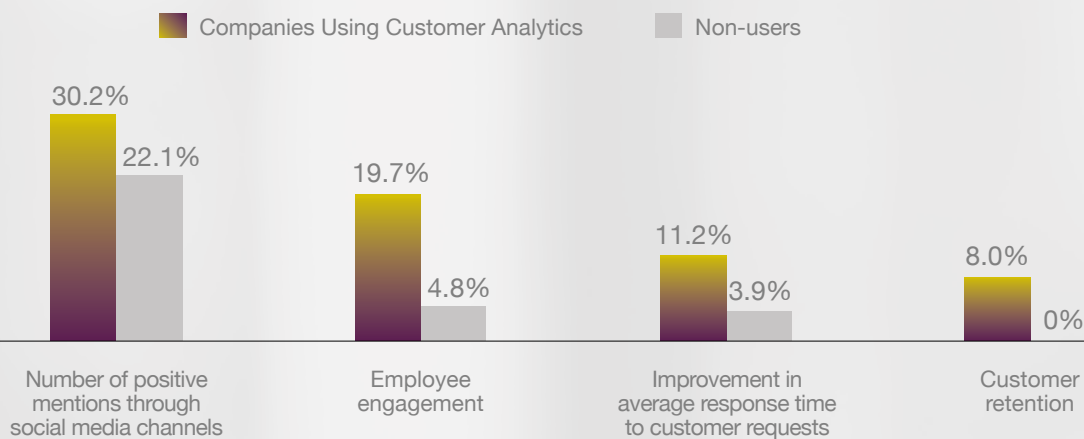


How Data Impacts Customer Experience and Company Profits

Effective use of data influences an organization’s ability to gauge its performance in pursuit of customer experience objectives. One major customer experience objective is customer loyalty, which organizations earn by mastering the use of data to meet and exceed customer expectations.

Achieving this particular outcome requires that companies manage customer interactions in a personalized and consistent fashion, while at the same time providing marketers with the relevant insights needed to do their jobs. However, as Aberdeen’s February 2017 CEM Executive’s Agenda study showed, 95% of businesses struggle with using data to deliver tailored marketing campaigns across all channels. The figure below shows that companies using customer analytics are able to alleviate this challenge and achieve superior results.

Analytics, Coupled with a Single View of Customer Data Delivers Results

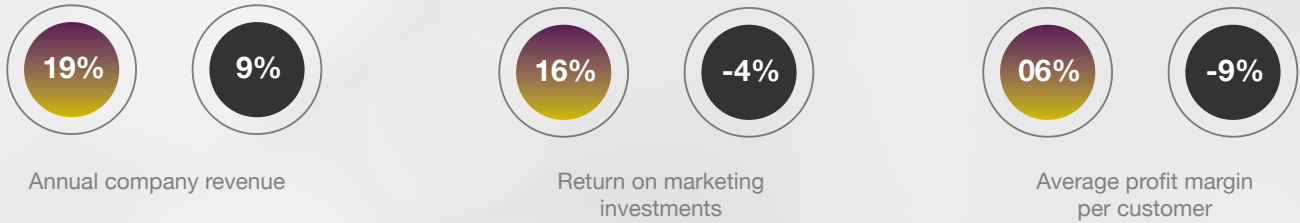


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The figure above shows that companies using analytics to deliver tailored, cross-channel marketing campaigns enjoy an 8% increase in customer retention rates. Companies using no analytics see 0% change in customer retention year over year. These organizations generate deeper customer relationships and loyalty by moving away from being “data hoarders” to become “data-driven businesses.” As a result, they are more likely to get employees the information they need to sell more, market more effectively, and provide better service.

Analytics Boosts Marketing Effectiveness

■ Companies Using Customer Analytics ■ Non-users



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Happy customers are not only more likely to continue doing business with a given company, they are also more responsive to marketing campaigns and tend to grow their spend over time. The figure above shows that companies using customer analytics to drive customer satisfaction increase revenue year-over-year at twice the rate of those who do not. In other words, there is a real return on investment associated with using analytics to deliver data-driven customer interactions.

One reason for this is that the effective use of analytics helps marketers better use their limited resources to get the most out of customer interactions. As a result, they increase customer profit margins by 6.1% year over year, while those without analytics see a 0.9% annual erosion in customer profit margins.

Let's now take a look at the key processes and practices companies must adopt to address their data utilization challenges and improve business results.

For the purposes of this research, Aberdeen defines "customer analytics" as a set of technologies companies use to analyze customer data captured across different channels (e.g., web, email, social media, phone, etc.)



Start by Building a Unified View of Customer Data.

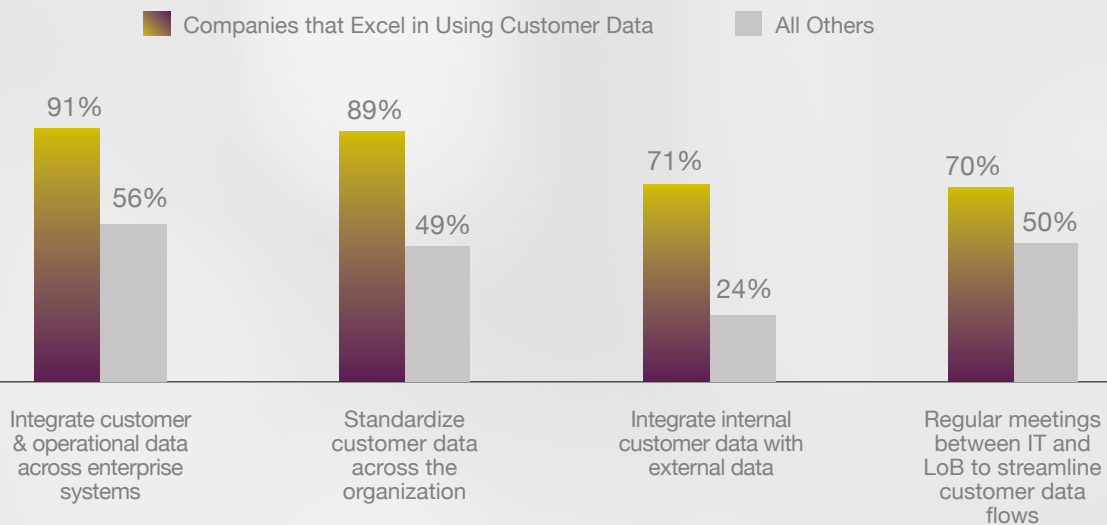
One of the top reasons companies struggle with using data to better tailor their marketing activities for each customer is that, despite capturing data through multiple channels, marketers can't easily access and act on the right insights at the right time. In fact, Aberdeen's CEM Executive's Agenda 2017 study shows that, on average, employees (e.g., marketers) spend 15% of their time looking for the information – such as account data and self-service history – that they need to do their jobs.

To build customer loyalty, companies must first aggregate all customer data and create a single view of the customer. A single view of customer insights allows all employees across the business to see the same account information at the same time.

Marketers with this capability minimize the risk of delivering inconsistent messages across different channels or from other departments such as Sales and Service. For example, knowing that a customer has had issues with a recent product purchase through service interaction history would help marketing avoid targeting the buyer with messaging promoting the same product, and instead promote a different product that the customer is more likely to buy. This, in turn helps increase profit from marketing campaigns as it helps reduce unnecessary costs and grows revenue.

Aberdeen research has shown that this is, in fact, the top strategy pursued by top performing organizations. The figure below reveals that 91% of those companies excelling in their use of customer data currently have integrated customer and operational data across enterprise systems.

Build the Right Foundation to Gather Data



Creating a unified view of customer data begins with an audit of all the channels a company uses to interact with customers. The CEM Executive's Agenda 2017 study shows that 55% of businesses use at least 10 channels in their customer interactions. The channel mix used by each business will, of course, vary depending on numerous factors (industry, product offerings, customer expectations, and so on). Once a business maps the channels used to capture customer data and the systems storing this information, it must then standardize data accessibility across the business.

Businesses that excel in using customer data (e.g., previous spend, demographics and firmographics) also ensure that their data is rich and relevant. Specifically, they are three times more likely to integrate external data, such as data from channel partners or customer-generated social media content (e.g., Facebook posts and Tweets), with internal data, such as CRM records. This provides marketers a more complete view into the customer journey, hence facilitating the delivery of more consistent and personalized interactions across all channels (otherwise known as “omni-channel communication”).

Delivering seamless marketing campaigns across all channels ultimately helps marketers better manage the overall customer journey. This increases the likelihood of achieving desired results such as increased customer spending, and helps marketing avoid activities that yield minimal or no returns due to poor targeting. Omni-channel programs supported by a single view of the customer help marketers increase profits by enabling highly relevant offers and calls-to-action that customers are more likely to act on.

Don't Simply Collect Data. Use It.

Unless your marketing team regularly uses relevant and timely insights to drive and craft customer interactions, you won't see any improvement in the customer experience. Companies that excel in using customer data consistently provide employees, including those in marketing, with the actionable insights needed to do their jobs. For example, instead of expecting marketers to browse through all customer data – data that might include self-service history, sales contracts, billing issues, and so on – marketers would be provided with only those insights (e.g., previous spend and buying preferences) to help tailor marketing campaigns. Activities designed to support marketers in such a way are highlighted in the figure below.

Use Data to Understand Your Customers

Companies that excel in using customer data are:



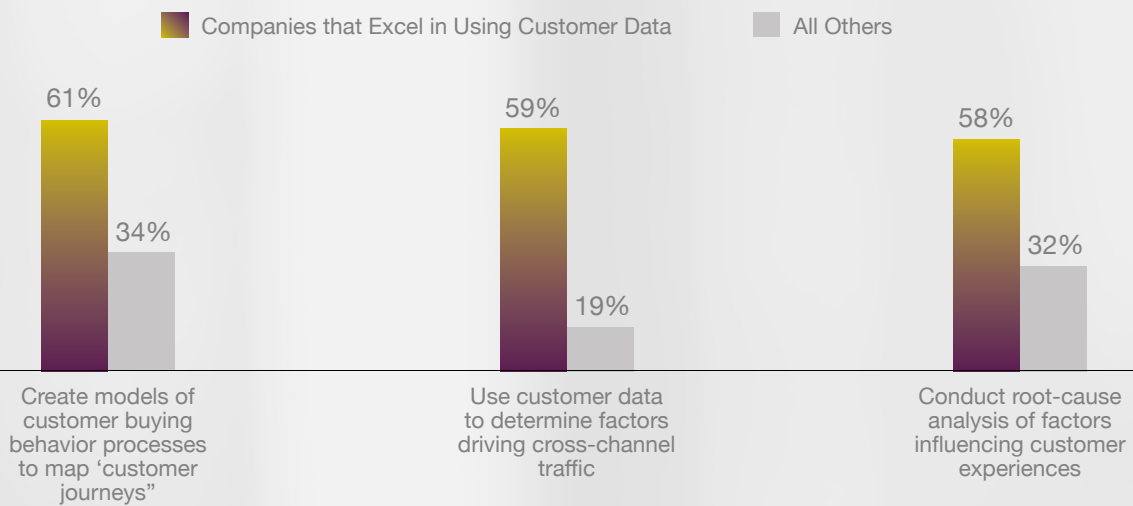
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One reason employees spend 15% of their time looking for relevant information is this: they're not provided with appropriate access to customer data. Even though a company might have built a unified view of account data, for example, it doesn't guarantee that employees have easy access to the information they need.

To illustrate, consider what marketing actually needs. For instance, marketing may not need real-time insight into what customers are doing right now, but they do need historical data to identify common attributes of loyal customers. Such insights will allow them to design or modify marketing campaigns to target customers with similar attributes.

The chart below shows that data-driven companies build models of the customer journey as well as use customer data to identify drivers of cross-channel traffic. These sorts of insights allow employees to tailor interactions with buyers and provide employees with a structured approach to steering the customer through the next stages of their journey with the business.

Adjust Customer Conversations Across All Channels



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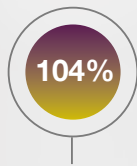
Measure Your Data

The final step in the process of converting data into actionable insight is measurement.

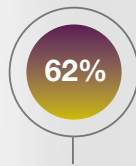
Measurement is how you ensure that the activities discussed thus far actually help boost customer loyalty. Companies must use analytical tools, such as customer data and engagement platforms, to gauge how each interaction impacts consumer behavior. In this way, companies can understand how to influence customer satisfaction, and thereby increase the likelihood of customer retention.

Measurement also helps uncover opportunities for improvement so marketers can adjust future campaigns. The figure below shows that businesses excelling in the use of customer data are 32% more likely than All Others to use measurement to improve performance.

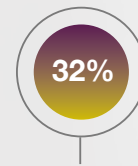
Measure Your Performance for Continuous Improvements



More likely to drill-down into customer experience data by numerous criteria



More likely to regularly analyze customer experience data to identify process bottlenecks & inefficiencies



More likely to have established KPIs to measure effectiveness of customer engagement activities

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Analyzing the connection between customer interactions and KPIs helps companies uncover inefficiencies that undermine performance. For example, a business observing poor response rates to marketing campaigns might uncover a mismatch between the marketing message and the customer's need. This might indicate problems in segmentation or targeting, and would prompt the CMO to address them.

Marketers don't need to rely on IT for such analysis. Use of technologies such as business intelligence helps show how historical marketing campaigns impacted relevant marketing KPIs. Marketers can use these insights to fine-tune each interaction to maximize the likelihood of achieving desired objectives.

Key Takeaways

Despite Big Data being the new normal, companies face ongoing challenges when it comes to delivering data-driven customer interactions. And though the barriers to tailoring customer interactions through data may vary, findings in this eBook reveal that the use of analytics, coupled with several key activities, helps companies alleviate these challenges and achieve superior results.

Below is a summary of the four key actions every firm looking to excel in using customer data must take to create happy customers and maximize financial returns:



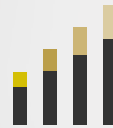
Build the right foundation to gather data



Empower employees with relevant insights



Optimize customer interaction processes



Measure your performance with a customer-centric approach

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