

The Data-Driven Economy

The 451 Take

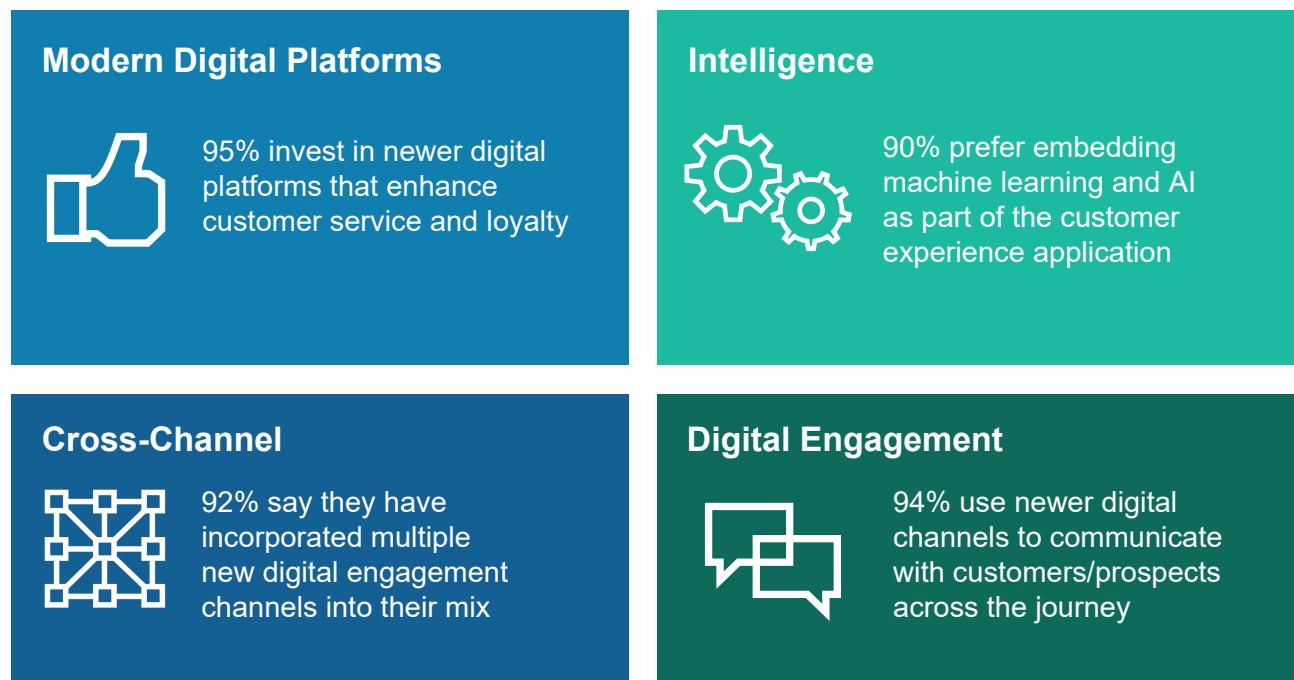
While the pandemic changed customer experiences forever by accelerating the shift to digital, one truth that existed before 2020 and will continue indefinitely is that experiences are the battleground for competitive differentiation. Brand advocates' ideal is an easy-to-use consistent customer experience across all channels. As they head into post-pandemic life, businesses must prepare to address the shifting behaviors and preferences of empowered consumers, not just online but across the entire customer journey.

Formal digital transformation strategies are accelerating. Fifty-four percent of businesses have formal strategies in place, up from 43% in 2019 and 29% in 2016. Our research also shows that 24% of businesses consider themselves early adopters of technology; investment in technology can ensure that businesses rise to meet changing customer expectations, but many have a long way to go to turn that vision into reality.

What were once aspirational views of innovative digital experiences are now requirements for immersive experiences for both business-to-consumer (B2C) and business-to-business (B2B) markets. B2B organizations are not immune to rising customer expectations. Eighty percent of businesses said that they are likely to stop buying from a vendor because of a poor customer experience. For years, businesses have been impacted by the 'consumerization' trends of the enterprise, and they are now adopting lessons learned from those experiences to meet the needs of their customers.

New Approaches to Data-Driven Experience Economy Abound

AI, Digital Experiences and Omnichannel Are Top of Mind



Base: CXC respondents (n=460)

Source: 451 Research's Voice of the Enterprise, Customer Experience and Commerce, Digital Maturity 2020

Businesses are reshuffling the proverbial deck of priorities to implement technologies that facilitate experiences that in turn drive stickier relationships and competitive differentiation. Execution is at a critical stage, and maturity matters as businesses focus on innovations in cloud infrastructure, AI and machine learning; data-driven customer insights are the foundation to deliver great experiences that will be more immersive, frictionless and contextual. Ninety-five percent of respondents said that investments in more modern digital platforms continue to garner attention from those looking to enhance customer service and loyalty. The potential for always-on access is redefining the way brands and businesses engage, communicate and transact with their customers and prospects. It's also leading to an increasingly complex and inextricably intertwined ecosystem of providers.

Business Impact

Invest in more modern digital experiences. Innovations in cloud infrastructure, application architecture, and AI and machine learning are all enabling new ways to digitally transform and deliver new experiences that will be more immersive, frictionless and contextual. The customer journey is highly complex and will only become more so as emerging digital channels of engagement proliferate and the volume of customer data grows. The explosion in connectivity and intelligent devices has led to a rapidly compounding landscape of digital touchpoints and contextual channels that consumers use to engage and transact. Delivering experiences will require businesses to transcend data silos and unify efforts along the customer journey – spanning sales, marketing, commerce and service, with digital channels acting as the engagement interface with consumers.

Embrace real-time customer communication and collaboration tools. As businesses shift to prioritize retention, we are seeing an even deeper union between marketing and service efforts. This requires investments in an array of contextual channels such as social media and SMS. Digital channels (e.g., mobile, SMS, email and social media) are the critical inflection point; they are the vehicle by which digital experiences and contextual content are delivered along the customer journey. In our Voice of the Enterprise: Organizational Dynamics survey, respondents from digitally driven organizations cited customer engagement tools (e.g., email, SMS, social) as one of the top priorities for overarching customer experience (CX) technology investments over the next year. This focus on channel integration will continue to be critical in scaling the accessibility of digital experiences, allowing for more intuitive interactions and providing choice for consumers.

Break down silos for a modern 360° view. For decades, businesses have sought to achieve a comprehensive picture of customer activity and behavior, but a modern 360° customer view remains out of reach for most. Harnessing the power of data is essential for businesses as they seek to capitalize on improvements to the customer experience. It also requires an approach that considers all the tools, processes and data across the customer journey. This complex process usually involves dynamically maintaining a single repository of customer preferences and behaviors to drive personalized experiences. Managing this complexity and truly delivering on the promise of contextualized experiences at scale and in real time requires more than a 'one size fits all' approach.

The power is in the platform. Businesses can embrace digital transformation to improve, connect and radically change business processes, enhance customer experiences and harness innovation. One critical aspect is the use of digital technologies to obtain mastery over the vast stores of data with embedded privacy and security. To comply with the multitude of new regulations, organizations will need to comb all customer data to account for a variety of factors, such as where and how data is stored, and to ensure the business always has the most current information. Ultimately, the essence of putting digital technologies to work in a transformative way is ensuring that data and insight connect people with the right information and processes that ultimately lead to a better experience for customers, partners and employees.

Looking Ahead

The reality is that most businesses' customer experience technology fails to meet their needs – 67% of respondents, according to our research. As a result, organizations are actively pursuing projects to improve the customer experience. They are using data and analytics to gain better insight, optimize the customer experience across a multitude of physical and digital channels, and improve customer self-service options. These initiatives are incredibly important since nine out of 10 customers in our study said that having a negative experience will make them less likely to engage with that brand again. This demands that businesses rethink their engagement model. It is now essential to view each point of interaction along the customer journey as an opportunity to deliver consistent, differentiated experiences to attract, win and retain customers.



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