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Invest In Customer Insights To Drive Business Growth

A Strong Data And Analytics Foundation
Is Crucial To Excellent Customer Experiences

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FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED
BY CELEBRUS AND TERADATA | MAY 2021

Optimize Customer Experiences With Customer Insights

Creating high-impact, scalable customer experiences has become a critical goal of digital transformation — and one accelerated by the pandemic. Evidence shows that data-driven customer experience (CX) yields transformational business outcomes for the few that have gotten it right, but organizations are realizing that digital data is difficult to capture and use effectively. Organizations must invest in customer insights to achieve their CX transformation plans.

Celebrus and Teradata commissioned Forrester Consulting to conduct a custom study to explore the data and analytics challenges of CX decision-makers.

Key Findings



Though CX professionals know the critical importance of data, they continually struggle to collect, curate, analyze, and distribute insights to improve data-driven decisioning.



The COVID-19 pandemic served as a wake-up call for decision-makers who now realize they need to add the right data and analytics tools to achieve their goals.



Adopting solutions that help them better collect and use customer data will help firms as they create high-impact, personalized digital experiences that drive business growth.

Excellent CX Helps Firms Win, Serve, And Retain Customers

In the age of the customer, crafting relevant and engaging CX is clearly important. By investing in digital experiences and customer insights, organizations can better meet customer expectations, thereby both attracting new customers and keeping the ones they currently have. These improvements in customer engagement will also result in increased sales.

And early investments have started to pay off: Many decision-makers report improvements to conversion rates, average order value, and customer satisfaction metrics from their work to date.

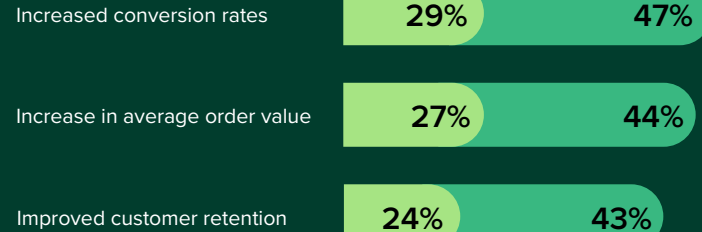
80% of CX leaders believe that data-driven customer experiences will yield business outcomes.

Top Drivers Of CX Investment



Business Benefits Of CX Investment

- Transformational benefit
- Significant benefit



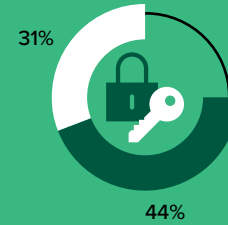
But Exceptional Experiences Are Difficult To Achieve

To engage customers, more than two-thirds of CX leaders focus on crafting real-time, high-impact digital experiences. But managing customer expectations for personalized experiences across platforms, channels, and devices, while maintaining acceptable levels of privacy and keeping up with a rapidly changing market, is challenging. Firms must address these issues before they derail critical CX initiatives.

Interestingly, the issues do not seem to be organizational in nature. Fewer than 25% of respondents note a lack of budget, executive support, or collaboration as barriers. Similarly, internal silos are not an organizational challenge, but there are cross-functional challenges at the technology level. This indicates that firms realize the need but struggle with the right tech investments to get there.

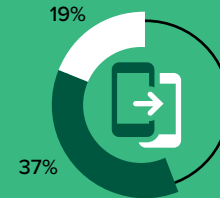
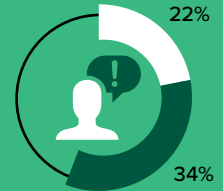
“How challenging are the following tasks for your organization?”

● Very challenging ● Challenging



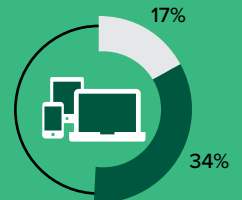
Meeting customer expectations for privacy and trust

Keeping pace with changing customer needs and/or market dynamics



Keeping personalization consistent across multiple platforms, channels, and/or devices

Anticipating customer preferences and expectations of service on various devices, platforms, and channels



COVID-19 Exposed Inadequacies In Existing Tools

Despite the critical importance of excellent CX, only about half of decision-makers say CX is currently a differentiator for them in the market. This is a major red flag, heightened by issues surfaced during the COVID-19 crisis. In times of extraordinary change and demand, the need to get CX right is even greater. Unfortunately, more than half of respondents say their firms struggle to keep up with customer needs when faced with this unprecedented challenge, having been let down by their current tools. Moving forward, investments in customer analytics can lessen the impact of these issues, making firms more agile and adaptable even in times of crisis.



The ability to respond to customer needs is critical to business success, especially in times of crisis.

“Over the past year (during the COVID-19 pandemic), which statement best reflects how your current tools supported ongoing efforts to respond to customer needs?”

“As the demands on our capabilities have increased, we’ve struggled to keep up and respond to customer needs.”

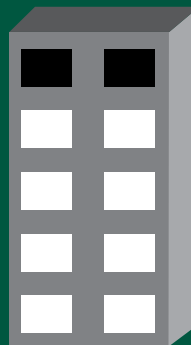
51%

Data Difficulties Spell Trouble For Firms

CX leaders understand that data is critical, but there is an ongoing data crisis exacerbated by the rise in digital channel use, accelerated by the pandemic, and complicated by data deprecation and both regulations and customer expectations for privacy and security. Firms struggle with data at nearly every stage, from collection and analysis to delivery and maintaining regulatory compliance.

Data silos are also an issue: A complex, siloed, and difficult-to-navigate data ecosystem is one of the top issues keeping organizations from becoming more insights-driven. Latency and the inability to get critical insights to the customer-facing functions that need them most also pose challenges. If firms don't figure out how to curate and effectively leverage data across all parts of the customer lifecycle, they will continue to struggle.

Firms must figure out how to collect, curate, and understand data across all parts of the customer lifecycle.



82%

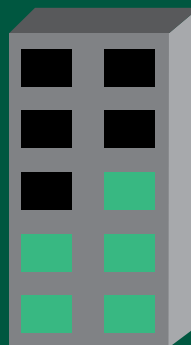
of respondents say their organization is constantly trying to capture more types of customer data



BUT

61%

say capturing and making sense of digital customer data is difficult for them



AND

55%

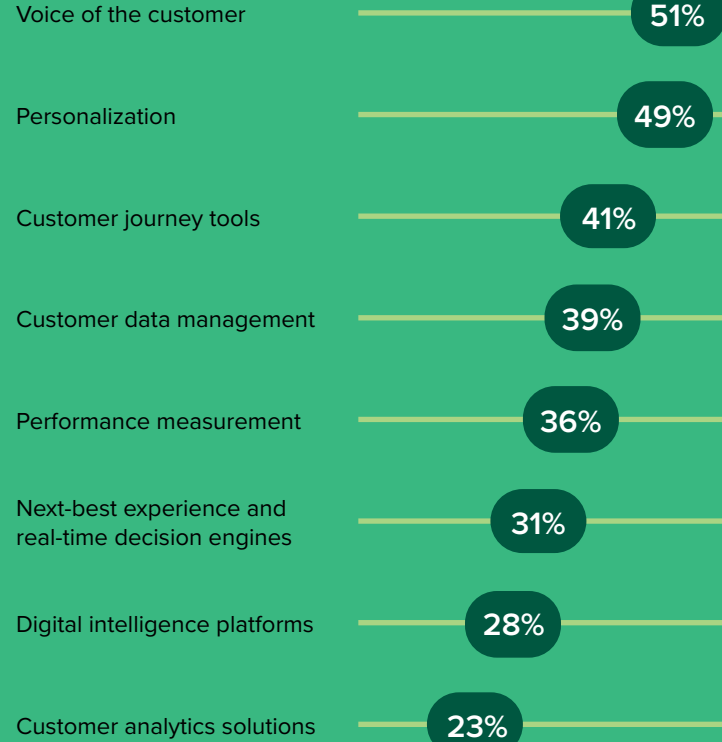
admit understanding customers across all touchpoints and lifecycle stages is difficult

Firms Prioritized Execution Tools Over Data And Analytics

Why is it that firms are having so much trouble capturing and making sense of their digital customer data? Today, firms are executing marketing, social, and digital programs without a solid base of customer understanding or for calibrating and optimizing progress. Enterprise martech and social media solutions are the most implemented CX technologies with over 60% of all respondents currently using them.

While burgeoning use of voice of the customer, personalization, and customer journey tools indicates a move in the right direction, they are simply not enough to solve these issues. Without investments in tools like customer analytics solutions, real-time decision engines, data capture technology, customer data platforms (CDP), and data management, firms will continue to lack the requisite data and analytics foundation to be successful.

Implemented Software Technologies



Current Capabilities Stick To The Basics

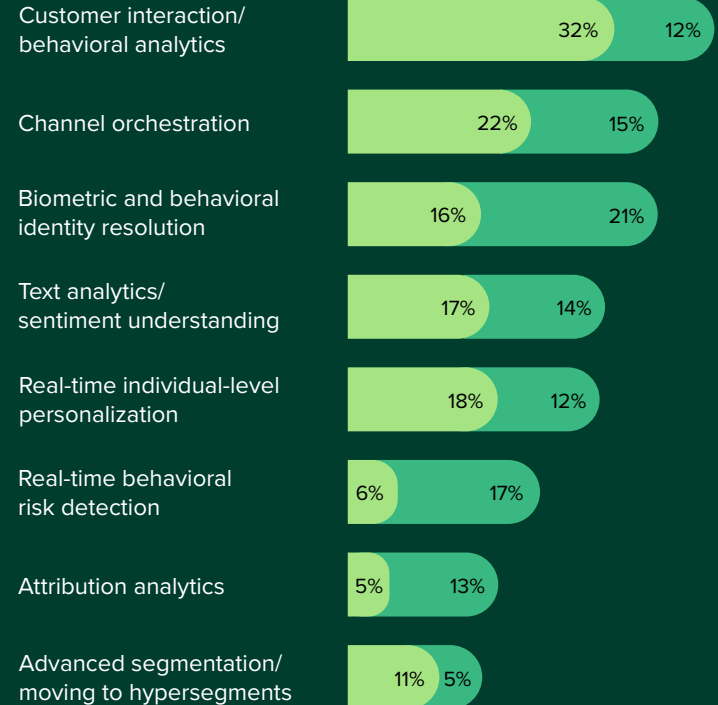
When it comes to critical CX capabilities, firms fail to move beyond the basics. Only about four in 10 decision-makers say their firms have implemented effective customer interaction analytics and channel orchestration capabilities. The fact that so few organizations can carry out attribution analytics and advanced segmentation indicates that the lightweight analytics and data capture capabilities included in current toolsets are not very advanced. Without the ability to capture high-quality data from customer interactions, even the most advanced analytic capabilities will prove useless. There's more work needed to meet evolving customer expectations.

This is why so many struggle to produce the requisite outcomes with their current tech. Just under half of respondents in our study say their tools can't effectively deliver unified and seamless experiences or understand customer behavior clusters at a granular level — two of the most important components of CX.

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“What are your organization’s plans for the following capabilities?”

- Implemented, not expanding/upgrading
- Expanding or upgrading implementation



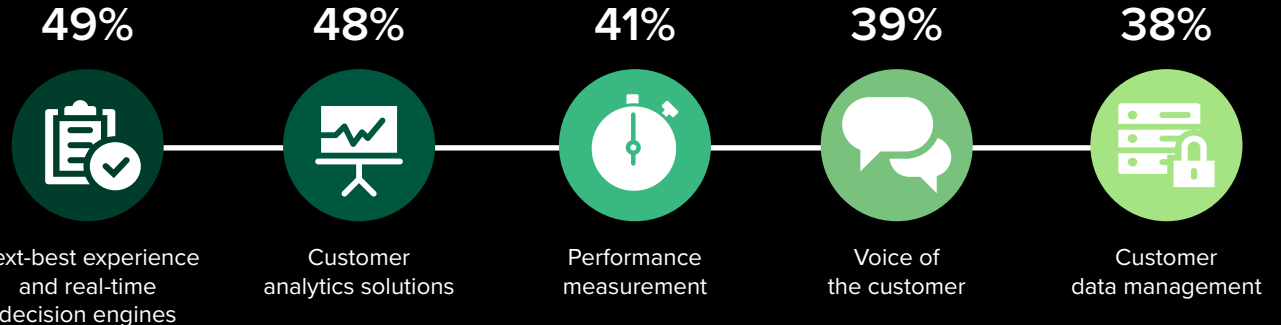
Base: 170 global decision-makers responsible for personalization of content in multiple channels
 Note: Not all responses shown
 Source: A commissioned study conducted by Forrester Consulting on behalf of Celebris and Teradata, February 2021

Firms Plan To Close Their Data Capture And Insights Gaps

Many firms have invested in channel-specific execution tools that aren't well suited to building a complete view of the customer. Decision-makers now realize they must add best-of-breed data capture and analytics tools to their martech ecosystems. Moving forward, firms plan to focus adoption efforts on technologies like real-time decision engines and advanced customer analytics solutions that will enhance their understanding of customers and their ability to act on customer data. This will underpin the ability for real-time individual-level personalization — firms' top priority for the coming year. Though it's unfortunate that many firms invested in execution tools first, it's encouraging to see them recognize the need for investments in CDP and decisioning solutions to build up their data and analytics foundation.

“What are your organization’s plans to adopt the following software technologies or services?”

(Planning to implement in the next 12 months)



Investing In Customer Analytics Drives Business Growth

Though firms have made some progress with their approach to CX to date, adding a strong foundation of data and analytics can be transformative. By selecting the right tools and enabling key orchestration and personalization capabilities, firms plan to build on the improvements they've already seen. Within two years, decision-makers expect their investments to produce improvements to critical sales, customer, and efficiency metrics.

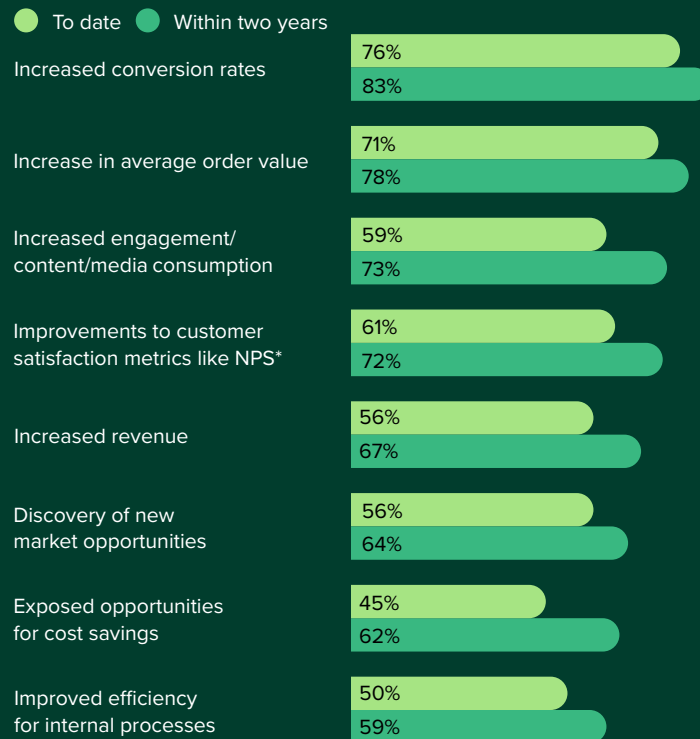
Investing in data and analytics to improve CX delivers business, customer, and brand benefits.



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Firms Expect Increased Business Benefits From Their Continued Investment In CX

(Transformational/significant benefit shown)



Base: 170 global decision-makers responsible for personalization of content in multiple channels

Note: Not all responses shown

*Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.

Source: A commissioned study conducted by Forrester Consulting on behalf of Celebris and Teradata, February 2021

Conclusion

Evolving CX demands a methodical, quantified approach to understanding customer preferences and behaviors across myriad devices, platforms, and channels. Harnessing and applying data at every opportunity to differentiate these customer experiences is fast becoming a prerequisite for success. But setting up the technology foundation to become an insights-driven business isn't easy. To enable a CX transformation roadmap, firms must examine and update their current martech stack to ensure they have best-of-breed data capture capabilities and the ability to enable activation by connecting captured data downstream in the appropriate format and time frames. This enables enterprises to gain a holistic view of how customers engage on digital channels and makes a range of analytics and personalization use cases possible. Without this critical foundation, organizations will struggle to optimize CX across the entire customer lifecycle to help them win, serve, and retain customers.

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Contributing Research:

Forrester's B2C Marketing
Professionals research group

Methodology

This Opportunity Snapshot was commissioned by Celebrus and Teradata. To create this profile, Forrester Consulting conducted research with custom survey questions asked of marketing and customer/digital experiences professions at B2C and B2B2C organizations. The online survey began in January 2021 and was completed in February 2021.

ABOUT FORRESTER CONSULTING

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Demographics

GEOGRAPHY

North America (41%)

Europe (39%)

Asia Pacific (20%)

INDUSTRY

Financial services (46%)

Retail (19%)

Telecommunications (18%)

Healthcare (18%)

COMPANY SIZE

7,500 to 9,999 employees (11%)

10,000 to 19,999 employees (73%)

20,000+ employees (16%)

POSITION

Director (60%)

Vice president (31%)

C-level executive (9%)

Note: Percentages may not total 100 because of rounding.

A close-up photograph of a person's hands interacting with a laptop. The person's right hand is pointing at the screen, while their left hand is on the trackpad. They are wearing a dark watch on their right wrist and a ring on their left hand. The word "FORRESTER" is overlaid in a white, serif font in the center of the image. The background is dark and out of focus.

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