Invest In Customer Insights To Drive Business Growth

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

- Anticipating customer preferences and expectations of service on various devices, platforms, and channels: 34%
- Meeting customer expectations for privacy and trust: 44%
- Keeping personalization consistent across multiple platforms, channels, and/or devices: 37%
- Keeping pace with changing customer needs and/or market dynamics: 34%
- Very challenging: 31%
- Challenging: 44%

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

Base: 170 global decision-makers responsible for personalization of content in multiple channels
Source: A commissioned study conducted by Forrester Consulting on behalf of Celebrus and Teradata, February 2021
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.

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Base: 170 global decision-makers responsible for personalization of content in multiple channels.
Source: A commissioned study conducted by Forrester Consulting on behalf of Celebrus and Teradata, February 2021
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.
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.
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)

49% Next-best experience and real-time decision engines
48% Customer analytics solutions
41% Performance measurement
39% Voice of the customer
38% Customer data management

FORRESTER OPPORTUNITY SNAPSHOT:

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 Celebrus and Teradata, February 2021
Firms Expect Increased Business Benefits From Their Continued Investment In CX

(Transformational/significant benefit shown)

- **Increased conversion rates**: 83% (Within two years)
- **Increase in average order value**: 78%
- **Increased engagement/content/media consumption**: 73%
- **Improvements to customer satisfaction metrics like NPS**: 72%
- **Increased revenue**: 67%
- **Discovery of new market opportunities**: 64%
- **Exposed opportunities for cost savings**: 62%
- **Improved efficiency for internal processes**: 59%

**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 Celebrus 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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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.

Demographics

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<tr>
<th>GEOGRAPHY</th>
<th>INDUSTRY</th>
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<tr>
<td>North America (41%)</td>
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<td>Europe (39%)</td>
<td>Retail (19%)</td>
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<tr>
<td>Asia Pacific (20%)</td>
<td>Telecommunications (18%)</td>
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<td>Healthcare (18%)</td>
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<table>
<thead>
<tr>
<th>COMPANY SIZE</th>
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<tbody>
<tr>
<td>7,500 to 9,999 employees (11%)</td>
<td>Director (60%)</td>
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<tr>
<td>10,000 to 19,999 employees (73%)</td>
<td>Vice president (31%)</td>
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<tr>
<td>20,000+ employees (16%)</td>
<td>C-level executive (9%)</td>
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Note: Percentages may not total 100 because of rounding.

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