How Big Data Can Support Your CX Initiatives

informedy

executive summary

Improving customers' experience was a top priority across industries last year and remains a headline in 2018. Why? Because improved CX goes straight to the bottom line. Customers with a positive CX are 3.5 times more likely to buy again[1], and on average, loyal customers are worth up to 10 times as much as their first purchase. Yet, despite the clear value of a robust CX program, many companies are still struggling to implement strategies and processes that will optimize their customers' experience.

One largely untapped resource for companies grappling with these issues lies in the vast pools of data being collected on an ongoing basis. Sales information, customer surveys, call center data, and social media feedback are all traditional sources of data that could be leveraged. But further expanding that data pool to encompass as much post-purchase information as possible will help drive a CX strategy that:

- Allows you to respond in real-time to customer interaction with your products

- Guide future product development with accurate usage data

- Create and refine post-purchase experiences that reinforce brand loyalty and advocacy

You only have a 5-20% chance of selling to a new prospect, but a 60-70% chance of selling to an existing customer. Of course, that's assuming the existing customer is happy. A strong CX strategy driven by reliable and accurate data is your clearest path to happier customers and immediate financial results.

introduction

In most companies, Finance, Sales, HR, IT and Marketing teams have strategic initiatives – but lack a plan for CX. The hit-or-miss use of a CX strategy was reflected in 2017's volatile customer satisfaction levels[2]. In 2018, pressure is already mounting on corporations to address these issues. Study after study demonstrates the importance of CX to improving a company's fortunes, and the danger of ignoring its importance is clear as well. According to a study by Harris Interactive, 82% of those surveyed have stopped doing business with a company as a result of a negative customer experience.

So where do you start?

developing a customer experience strategy

Where Are You Now?

Before you articulate your vision for the customer, it's important to undertake some discovery[3] tasks and answer the following questions:

- Where do you stand with current customers? Answers can be found using customer surveys, employee interviews, and web analytics. This explorative effort will help you see how your business aligns with customer needs.

- How are the current business objectives structured? What is the expected revenue from new customers versus current customers? Are you targeting new markets with your existing line or introducing new offerings into existing markets, or both? Understanding where you're headed will help you structure customer action plans appropriately to achieve corporate targets.

- What are you doing today to support customers? What gaps exist between customer expectations and their experiences? What resources are needed to create positive customer experiences?

This assessment helps you frame an organizational structure to fully realize your opportunities with customers.

Where Do You Want to Go?

We know an effective customer experience is personalized, responsive, and covers the entire customer journey. Setting up your organization to deliver on all three of these aspects then starts with:

- Understanding who your customers are

- Knowing how, when and where they want to interact with your brand

- Ensuring that you have the entire journey covered from start to finish

So how do you start executing on these three key points? This is where the value of data comes to the forefront. While your company may not currently have a CX strategy, it probably does have data about your customers – plenty of it. Unfortunately, Deloitte estimates that up to 90% of digital data is unstructured[4] and much of it is siloed. Drawing on the right data and being able to execute on it becomes a key differentiator.

developing a customer experience strategy

How to Get There

Who Are Your Customers

To state the obvious, to have successful customer experiences, you must actually know who your customers are. That is something far more easily said than achieved. While many people will flow to brand websites during their purchase journey, as soon as customers make the purchase decision and move to retail and online channels, they can become completely lost to brands and manufacturers. While it may feel like the only time you hear from a customer is when they complain, the terrifying fact for a brand manager is that a typical business hears from only 4% of its dissatisfied customers. So, being proactive in building that relationship is of paramount importance. Focusing on post-purchase channels such as improved customer registration processes can allow you to capture crucial information as simple as an email address that will allow you start building on that relationship.

What Do They Want

To think about this in the simplest manner, let's remember that although our salaries are determined by internal forces, it's the customer who determines our revenue. Keeping our manager happy can help our career path, but keeping the customer satisfied means we'll stay employed. Since on average, loyal customers are worth up to 10 times as much as their first purchase, making sure we are interacting with them when, how and where they want is crucial. With analytics voted the #1 factor transforming CX in the next five years in a recent survey from Dimension Data[5], your timetable for implementing your company's big data initiatives could be accelerating.

Big data plays a pivotal role in understanding the customer journey, but rather than "drink from the big-data-firehose", look for ways to segment data into measured events. Examine user activity in terms of activities such as:

- website clicks

- time on page

- search terms

- downloads of manuals

- product video views

- abandoned carts

- purchase details

- purchase satisfaction

- delivery metrics (on-time / in-full)

- technical support contacts and outcomes

Big data can fill these smaller data buckets without significant changes to existing data models. Importantly, these collections of logged data can inform cross-functional CX team members about their specific silo, uncovering challenges to address, and ultimately, improve customer experiences.

developing a customer experience strategy

The Entire Customer Journey is Important, but Post-Purchase is the Make or Break Phase

Remember that while much attention has traditionally been focussed on the pre-purchase aspect of the customer journey, the truth is that a person only becomes a customer once they have in fact purchased something from you. Since 91% of unhappy customers will not willingly do business with you again, it's crucial that you get post-purchase right. Strange as it may sound, the destination is almost as important, if not more important, than the journey itself!

Analyzing customers' end-to-end interactions with your company helps dimensionalize personas – groups of customers with similar needs, wants, and pain points. When building customer profiles, be sure to note behind-the-scenes activities involved in creating their experience. Knowing the processes and technologies involved in each step along the journey can help identify weak spots in the road. For instance, while we know that an ever-increasing amount of interaction with a brand occurs online, 90% of customers report that they have had poor experience seeking customer support on mobile. Similarly, by 2017, video accounted for 74% of all online traffic, so understanding through concrete data how, when and where customers are interacting with your video support content is crucial.

How do You Stack up to Competitors?

Looking at customer experience through a competitive lens is the final step needed to inform your CX strategy development. Areas to assess about competitors include the following:

•   Financial performance, including growth

•   Consumer attitudes

•   Technologies / processes used to manage customers

During this process, include a review of market dynamics to understand the opportunities and threats you may face in the next year, and also during the longer term. This information will help map out where your organization fits in the customers' mind and how well you are positioned to compete.

conclusion

The quality of CX plateaued or declined for most companies in 2017 and is forecasted to decline among 30% of companies in 2018[6]. Customer expectations and loyalties continue to evolve, requiring organizations to be diligently nimble in managing their CX process.

About 2.5 million gigabytes of customer data is generated daily across the globe[7]. Big data is waiting to be harvested for insights to help companies improve the customer experience. A CX strategy with the right building blocks of customer knowledge, business targets and competitive intelligence can help you focus on activities needed to meet customer expectations, delivering outcomes for long-term success.

Is your BIG Data delivering SMALL results? Time to make a change! Start creating connected customers with improved CX and bigger ROI on your data analytics dollars. Talk to the team at Informedy. Call us at 289-729-0709 or contact us online.

Our RESOURCES page has informational videos and industry whitepapers for additional insights. Check out our weekly blog posts for trends, best practices, tips and tricks to help refine your CX strategy.

end notes

1. https://experiencematters.blog/2018/01/18/15-factoids-cx-efforts-roi-infographic/

2. https://www.prnewswire.com/news-releases/acsi-us-customer-satisfaction-stabilizes-after-volatile-start-to-the-year-300569682.html

3. https://www.inc.com/rebekah-iliff/qualtrics-reveals-truth-about-customer-experience-in-2018.html

4. https://www2.deloitte.com/insights/us/en/focus/tech-trends/2017/dark-data-analyzing-unstructured-data.html

5. https://www.dimensiondata.com/Global/Downloadable%20Documents/2016%20Global%20Contact%20Centre%20Benchmarking%20Report%20Summary.pdf

6. https://go.forrester.com/wp-content/uploads/Forrester-2018-Predictions.pdf?utm_source=forrester_lp_capstone&utm_medium=web&utm_campaign=predictions_2018&utm_content=button

7. https://www.leozqin.me/how-small-is-big-data/

inf●rmedy

Informedy is a company focused on The Passionate Ownership Experience™, enhancing the way consumers engage with the products they purchase.

289-729-0743 • sales@informedy.com • www.informedy.com