CUSTOMER ENGAGEMENT ANALYTICS:

DEMYSTIFY THE CUSTOMER JOURNEY TO MAXIMIZE RESULTS

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Top Challenges Impacting Data Use in CX Activities ●━━━

➢ Between January and February of 2019, Aberdeen surveyed CX leaders (sales, marketing, service, contact center, and commerce) regarding their customer experience (CX) programs. The results show that 73% of companies are not satisfied with their ability to use data to achieve their CX goals.

➢ Customer behavior changes rapidly. As a result, firms note that they struggle to have sufficient data to establish visibility into the most recent trends influencing customer needs.

➢ CX leaders also report that they lack employees with the ability to manage and analyze the vast volumes of customer data captured across all channels while ensuring that the existing data is relevant and usable.

Why Do Firms Struggle Using Data to Achieve CX Goals? ●━━━

Top Challenge	All Respondents
Insufficient data	45%
Lack of skilled human resources needed to manage data	38%
Poor data quality (Data "unfit" for intended use in planning and execution)	32%
Lack of technologies needed to manage data	30%
Disparate data sources and systems make it difficult to have a unified view of customer data	27%
Lack of budget to properly fund activities and technologies to manage data	22%
Poorly designed processes do not allow employees to easily find and access the right data	6%

n = 369 • Source: Aberdeen, February 2019

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What Makes a Company **Best-in-Class**?

➢ Despite the complexities, CX leaders have found ways to improve their performance and achieve their goals continuously. Aberdeen used self-reported performance findings (across the five metrics below) to categorize the top 20% as Best-in-Class.

➢ The five measures below benchmark the Best-in-Class as the organizations with superior abilities to rapidly address customer issues, ensure customer satisfaction, build and nurture a loyal clientele, and maximize financial results.

➢ The superior performance of the Best-in-Class shows that using the right tools and processes to manage customer data helps firms outpace peers.

➢ Best-in-Class firms improve (decrease) the time it takes to address customer issues by 54.2% year-over-year, compared to 0.3% worsening by All Others. This signals that the top performers utilize data to handle customer needs more efficiently, which results in a 37.5% annual increase in customer satisfaction rates.

➢ Happy customers also reward businesses with continuous and greater spend: Best-in-Class firms enjoy 16.1-times greater year-over-year increase in annual revenue, compared to All Others (45.2% vs. 2.8%).
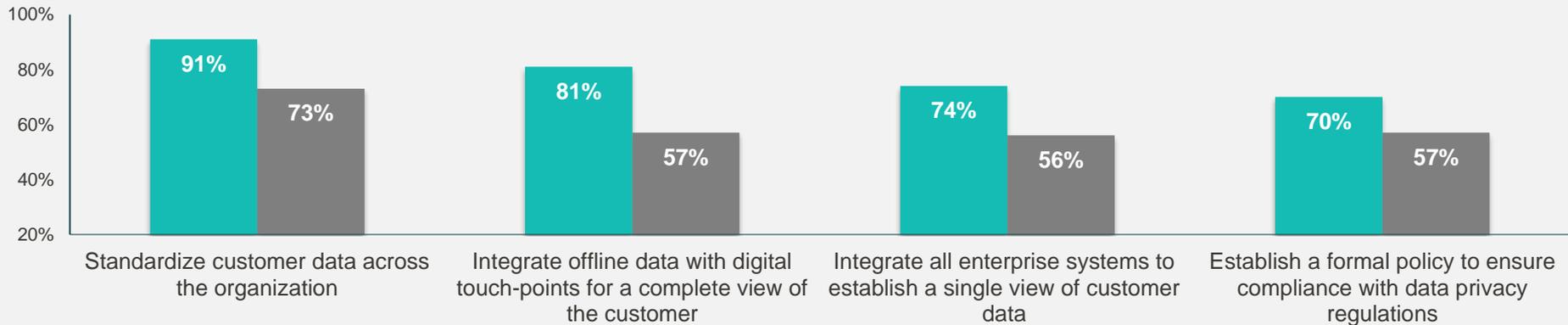
Best-in-Class Performance Results

Company Performance	Best-in-Class	All Others
Customer retention rate	82%	53%
Year-over-year improvement in customer satisfaction rate	37.5%	-1.5%
Year-over-year improvement (decrease) in response time to customer requests	54.2%	-0.3%
Year-over-year growth in annual company revenue	45.2%	2.8%
Year-over-year improvement in average customer profit margin	23.5%	-4.0%

n = 369 • Source: Aberdeen, February 2019

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Top Performers Have a Seamless View into Customer Data Across All Systems

- Aberdeen's research shows that 51% of companies use at least 10 channels (i.e., Web, email, and social media) to interact with customers.

- Firms use various technology / tools to capture, manage, analyze, and use the data captured.

- Unless integrated, the tools create broken views into customer interaction history, which makes it harder to use CX data to personalize interactions and ensure consistency across all channels.

- Best-in-Class firms provide employees with a single view of customer data.

- Top performers are 25% more likely to standardize how they capture data across different business units, channels, and product lines (91% vs. 73%).

- Top performers are also 32% more likely to integrate all systems when capturing customer data (74% vs. 56%), which ultimately allows more accurate and timely visibility into the changing needs of their clientele.

Eliminate Data Silos to Build a Single View of Data Across Your Business

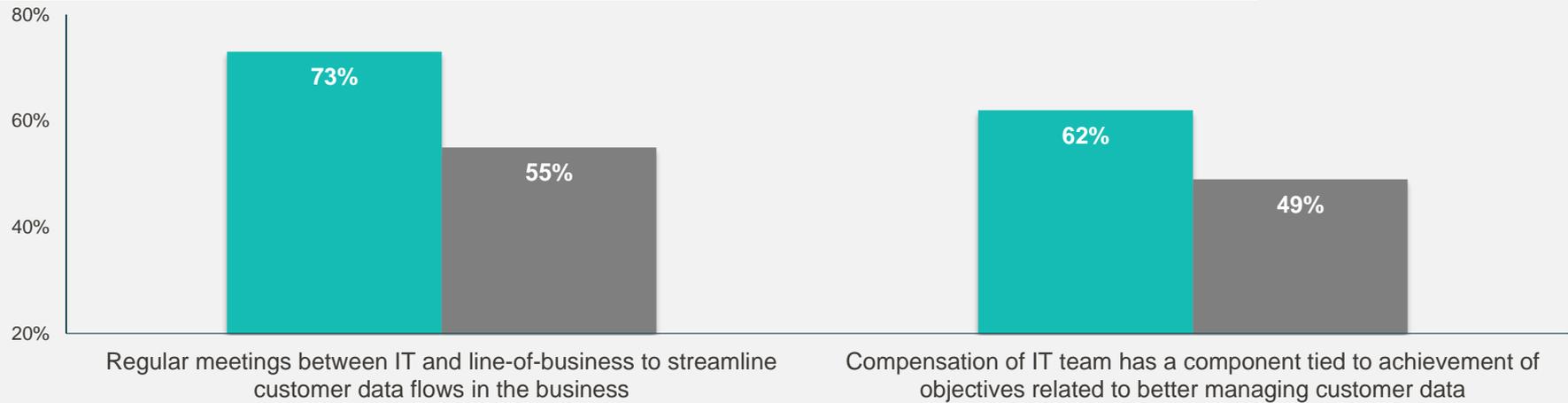|	Best-in-Class	All Other
Standardize customer data across the organization	91%	73%
Integrate offline data with digital touch-points for a complete view of the customer	81%	57%
Integrate all enterprise systems to establish a single view of customer data	74%	56%
Establish a formal policy to ensure compliance with data privacy regulations	70%	57%

Best-in-Class   All Other

n = 369 • Source: Aberdeen, February 2019

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Align IT Activities with Your CX Objectives

➢ IT is the one role in the business whose job entails deep knowledge of managing data. Line of business (LoB) employees (i.e., contact center agents, sellers, and marketers) rely on the technologies that IT provides to do their jobs successfully; however, it is often IT that deploys and manages the technologies as well as any data captured and used. As such, it's vital to maximize IT skills and expertise to provide employees with the tools and information they need to meet customer expectations.

➢ The Best-in-Class understand the need to align IT and LoB; they are 33% more likely to establish regular meetings between IT and customer-facing departments, where these departments can share their challenges and expectations with IT to help find ways to address them (73% vs. 55%).

➢ Savvy CX leaders go beyond meetings between IT and LoB; they tie achieving CX results to the compensation of their IT team. The Best-in-Class are 27% more likely to have this in place than All Others (62% vs. 49%).

Turn IT into a Strategic Partner to Achieve Your CX Goals

Bar chart:
- Regular meetings between IT and line-of-business to streamline customer data flows in the business: Best-in-Class 73%, All Other 55%
- Compensation of IT team has a component tied to achievement of objectives related to better managing customer data: Best-in-Class 62%, All Other 49%
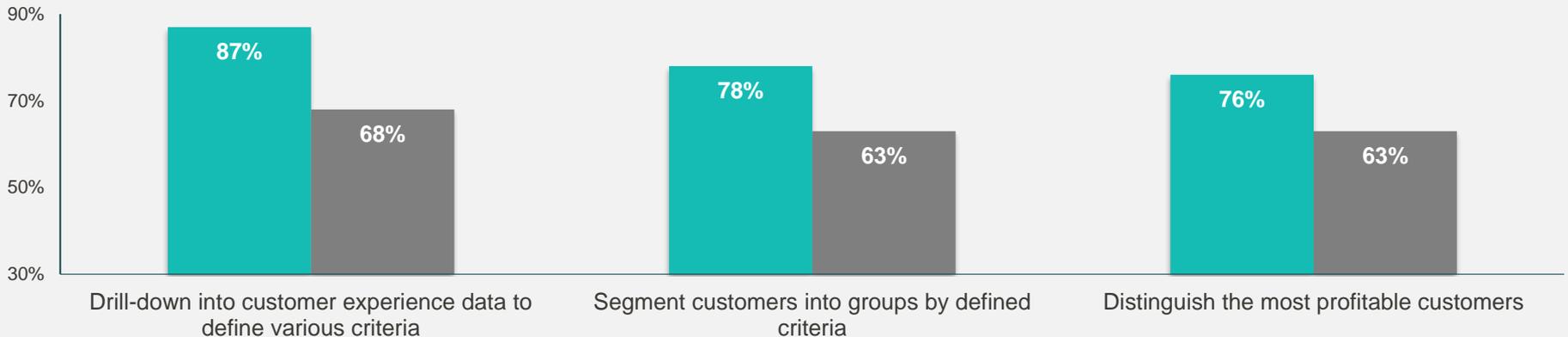
Legend: Best-in-Class, All Other

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Know the Unique Needs of Each Customer

➢ Solely capturing data about customers isn't enough for CX leaders to improve customer satisfaction rates, reduce cost, or improve revenue. To achieve these goals, CX leaders must demystify the hidden trends and expectations behind the data.

➢ To determine the unique needs of their clientele, CX leaders analyze the vast amounts of data captured across all channels using business intelligence (BI) tools to drill-down into data to define various criteria, like previous spend and customer churn.

➢ Segmenting customers into groups by their spend and demographics, for example, allows firms to answer questions like, "Which customers are more likely to purchase a specific product?" or "What are the common factors associated with customers who do not renew a subscription service?"

➢ Drilling-down into customer data can reveal many different insights, but you must know which questions to ask. First, determine the top objectives (e.g., reducing customer churn) that drive your CX program and tailor analysis to reveal the factors that will influence successful results.

Best-in-Class Firms Demystify the Unique Expectations of Each Client

Bar chart comparing Best-in-Class and All Other firms:
- Drill-down into customer experience data to define various criteria: Best-in-Class 87%, All Other 68%
- Segment customers into groups by defined criteria: Best-in-Class 78%, All Other 63%
- Distinguish the most profitable customers: Best-in-Class 76%, All Other 63%
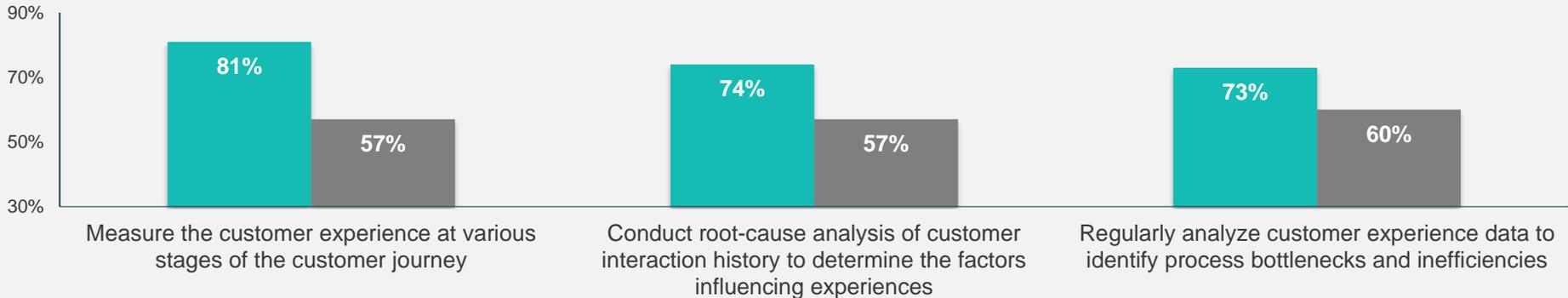
Legend: ■ Best-in-Class ■ All Other

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Master Using Data to Manage the Customer Journey

➤ Companies risk not achieving the desired results (i.e., improving brand recognition, driving revenue growth, or increasing customer retention rates) when they do not know what influences customer preferences and behavior across each stage of the customer journey.

➤ Best-in-Class firms understand this importance and excel in using captured data to manage the customer journey.

➤ To interact with their customers, 51% of companies use at least 10 channels across the various phases — from raising awareness of the company products and services to purchases, onboarding, service, and loyalty.

➤ Customer experiences are dynamic and evolve over time. Top performers measure CX results across all stages of the customer journey, which allows them to pinpoint the inflection points that have a positive or negative influence on CX results. Pinpointing utilizes root-causes analysis of historical and real-time data to reveal answers to questions like, "Why there is a sudden surge in customer support requests?"

➤ When using root-cause analysis, CX leaders must know which questions to ask (e.g., "Why has the number of phone calls increased by 11% over the past month in our contact center?") The resulting insights allow the top performers to sustain the activities that help them achieve their desired results while eliminating those that detract from the desired results.

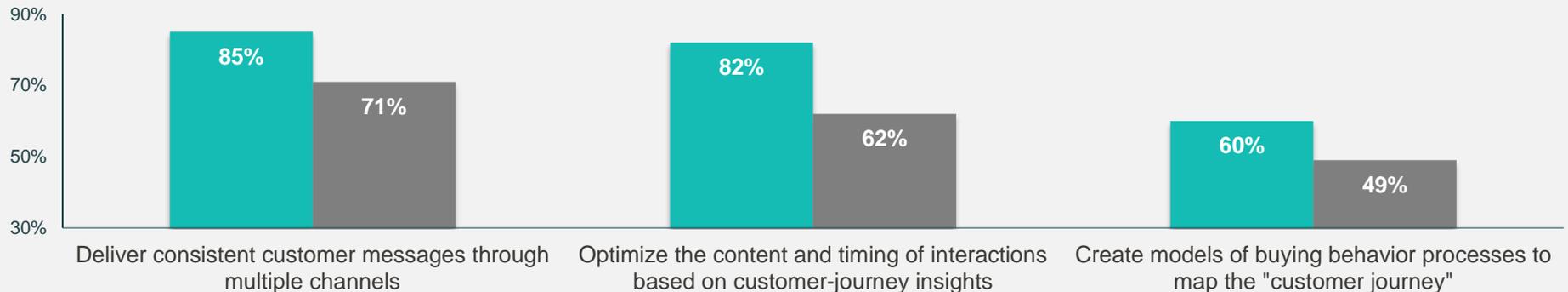## Top Performers Use Data to Manage the Customer Journey Seamlessly

Measure the customer experience at various stages of the customer journey	Conduct root-cause analysis of customer interaction history to determine the factors influencing experiences	Regularly analyze customer experience data to identify process bottlenecks and inefficiencies
Best-in-Class: 81% / All Other: 57%	Best-in-Class: 74% / All Other: 57%	Best-in-Class: 73% / All Other: 60%

Legend: ■ Best-in-Class   ■ All Other

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Effective Use of Data Ensures the Consistency *and* Personalization of Customer Interactions

➢ Companies that deliver conflicting messages confuse their clients, erode trust in their brand, and could risk potential litigation.

➢ For nearly a decade, **omni-channel interactions** (which refers to ensuring the consistency and personalization of customer interactions across all channels and business departments) has been a popular topic with many CX executives and remains a vital differentiator in achieving today's CX objectives.

➢ Both B2B and B2C buyers expect companies to personalize interactions — no matter the complexity — while ensuring seamless conversations with product service providers.

➢ To understand the context of each interaction, Best-in-Class firms address expectations by mapping customer journeys, which allows them to tailor future interactions so that the customer experience remains consistent and ensures personalization that addresses the unique needs of each client.

Best-in-Class Firms Manage Customer Journeys, Seamlessly

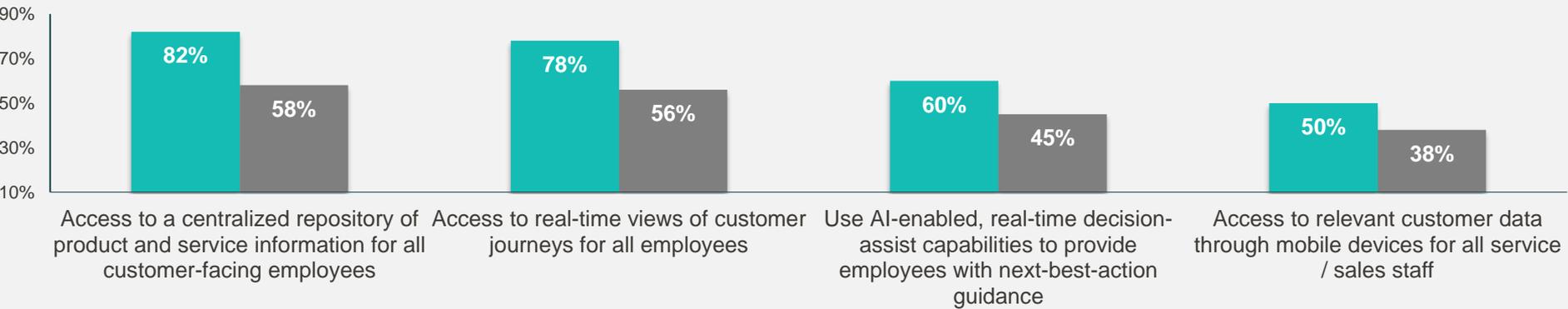|	Best-in-Class	All Other
Deliver consistent customer messages through multiple channels	85%	71%
Optimize the content and timing of interactions based on customer-journey insights	82%	62%
Create models of buying behavior processes to map the "customer journey"	60%	49%

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Empower Employees with Information and Tools

➢ Despite the abundance of data available throughout the business, employees spend 17% of their time looking for the information needed to service customers. This equates to $1.7 million in unnecessary annual labor costs because employees are not empowered to access the right information at the right time.

*A fully-loaded annual salary of **$50,000** per employee*
***x 200** employees **x 17%** of their time looking for information*
*= **$1.7 million** in unnecessary annual labor costs.*

➢ Employees (like contact center agents) taking a long time to access information delays addressing buyer needs and results in negative downstream impacts (i.e., unhappy customers, lost clientele, and business opportunities.)

➢ Best-in-Class firms understand the importance of empowering employees and are 41% more likely to provide access to relevant knowledgebase articles (82% vs. 58%), 39% more likely to provide real-time visibility into the customer journey, and 33% more likely to utilize AI capabilities (60% vs. 45%) for next-best-action guidance that provides employees with suggestions on how to manage interactions to achieve desired outcomes.

Empower Employees Create Happy Customers

	Best-in-Class	All Other
Access to a centralized repository of product and service information for all customer-facing employees	82%	58%
Access to real-time views of customer journeys for all employees	78%	56%
Use AI-enabled, real-time decision-assist capabilities to provide employees with next-best-action guidance	60%	45%
Access to relevant customer data through mobile devices for all service / sales staff	50%	38%

Best-in-Class   All Other

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Regularly Measure Your Results •———————————

- ➤ CX leaders must aim to improve performance results continuously.
- ➤ Best-in-Class firms adopt performance management capabilities that keep them ahead of the competition.

- ➤ Top performing CX leaders are 29% more likely to monitor customer effort across the entire customer journey (75% vs. 58%) by analyzing various results, including repeat customer contact, average handle times, and voice of the customer (VoC) insights.
- ➤ The Best-in-Class use root-cause analysis to reveal what specific the customer interactions and what support activities influence CX results so they can maintain and / or replace the activities that fail.

Top Performers Gauge Results to Optimize CX Results •———————————

Bar chart values:

- Use data from historical interactions to measure how specific articles in the company knowledgebase support issue resolution: Best-in-Class 78%, All Other 48%
- Monitor the customer effort through the entire customer journey: Best-in-Class 75%, All Other 58%
- Analyze how specific aspects of customer interactions influence customer behavior: Best-in-Class 75%, All Other 57%
- Tailor customer-engagement-performance reports based on internal job function / role: Best-in-Class 73%, All Other 57%

Legend: ■ Best-in-Class ■ All Other

n = 369 • Source: Aberdeen, February 2019

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What Capabilities Do the Best-in-Class Use?

➢ Best-in-Class CX leaders utilize and adopt specific technologies more widely than All Others, in addition to using certain activities more widely.

➢ The normalized survey data reveals that technologies adoption is not restricted to firms with vast human and financial resources.

➢ While top performer are more likely to use technologies, they recognized that not every company is the same: CX leaders use the analytical tools that best align with their needs and resources.

➢ These tools help CX leaders to gain a competitive advantage by helping to make better use of data that results in superior business outcomes.

Top Performing CX Organizations Have a Rich Technology Toolbox

Technology Adoption (n = 369)	Best-in-Class	All Others
Web reporting and analytics	71%	42%
Customer analytics	66%	53%
Text analytics	61%	36%
Predictive analytics	60%	37%
Digital dashboard / visualization tools	59%	33%
Data quality and integration	53%	39%
Prescriptive intelligence or recommendation engine	55%	34%
Real-time decision assist and guidance	52%	29%

Top performers are more mature in understanding the impact of technologies.

Best-in-Class   All Other

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Key Takeaways

Don't Compromise the Quality of Customer Data

The adage "garbage in, garbage out" is an important one to remember when analyzing customer data: Inaccurate data will yield inaccurate insights.

➢ To get the most out of analytical tools, make sure that you have an holistic view into customer insights captured across all systems.

➢ Eliminate data silos across the business by integrating various technology tools, activities, and in-house systems that improve the accuracy and timeliness of the data used in CX programs.

Use Analytics to Attain Your CX Program Goals

Analytics enable vast opportunities for CX leaders. Getting the most out of analytics is ultimately in the hands of its users. Many CX leaders forget to align how they use analytics with their top strategic priorities. For example, if increasing cross-sell / up-sell revenue is a top priority for your firm, analyzing how customers respond to an email marketing campaign shouldn't be a top priority. Instead, you should segment customers with cross-sell / up-sell activities and observe which increase the likelihood of customers buying additional or related products.

Stop Analysis Paralysis. Take Action.

Insights from analytics are only as helpful as the action you take from them. One of the common reasons why firms observe a gains plateau is because they fail to take action on the insights revealed through analytics.

➢ Maintain your strengths uncovered by data analysis *and*

➢ Address your weaknesses that resulted in poor performance.

You'll enjoy the benefits of customer analytics continuously when you act on — rather than just observe — the resulting insights.

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