

The Data-Driven Experience Economy

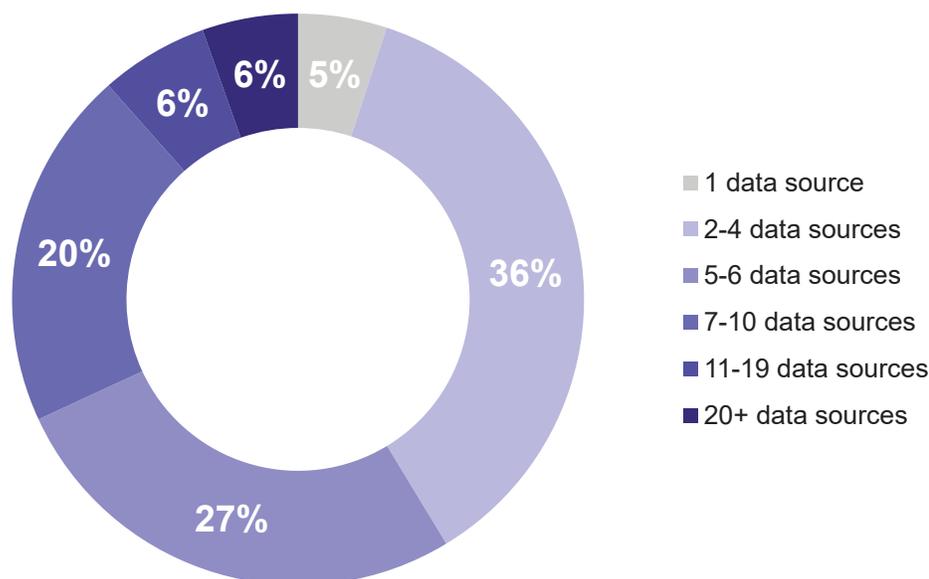
The 451 Take

As we plan for the 'new normal,' gauging long-term behavioral shifts will greatly depend on consumers' attitudes toward embracing new experiences. Depending on the situation, certain consumer segments will adopt more enduring behavioral shifts, while others will revert to pre-pandemic behaviors. With the rise in data-driven experiences, businesses are expected to reshuffle the proverbial deck of priorities to implement technologies that drive stickier relationships and competitive differentiation.

As customers change their behaviors due to the pandemic, 81% of surveyed businesses state that generating a 360-degree view of the customer to understand intent and context will have a high impact over the next two years. Now more than ever, companies will need to rely on data-driven insights in order to provide contextually relevant experiences.

However, according to our Voice of the Enterprise research, roughly one-third of organizations (32%) say they have 7+ silos of customer data. There are now billions of data points and events that are collected, processed and analyzed by businesses across public cloud, private cloud and on-premises infrastructure. Past data integration projects have largely focused on achieving a 'golden record.' This often falls on the shoulders of IT departments that have failed to consider all data necessary for a modern 360 view. Innovations in cloud infrastructure, application architectures, and AI and machine learning are all enabling new ways to digitally transform and deliver new experiences that will be more real-time and contextual.

Multiple Islands of Customer Data



Source: 451 Research's Voice of the Enterprise: Customer Experience and Commerce, Organizational Dynamics 2021

Q. How many customer or prospect data sources does your organization use today? (n=685)

For businesses to effectively compete in this shifting environment, they need to capture, analyze, understand and act on information. They must recognize patterns, comprehend ideas, plan, predict, solve problems, identify actions and make decisions on a grand scale. The explosion in connectivity and intelligent devices – and the digital interfaces overlaying this information – is increasingly making it possible to create personalized experiences, augmented in real-time.

Business Impact

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-degree 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 customer experience (CX). This demands 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 individual preferences and behaviors about each customer to drive personalized experiences.

Don't get leapfrogged. Nearly 84% of enterprise survey respondents believe that transforming to a real-time enterprise is important to meet customer demands in light of the coronavirus pandemic. Harnessing the power of customer data is top of mind for many organizations and is guiding their CX-driven digital transformation efforts in the near future. The use of data, intelligence and automation will create competitive differentiation among digitally driven organizations, helping them to leapfrog their digitally delayed counterparts.

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. Ensuring that a company is compliant with a multitude of new regulations will mean combing all customer data to account for a variety of factors, including where and how data is stored, and ensuring that businesses always have 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

While data remains at the heart of customer engagement, silos of data are rampant. Since emotion is the currency of experience, businesses will strive to drive spending by harnessing the power of human decision-making behavior with regard to brand loyalty. Consumer experience, not products, creates competitive differentiation. Ultimately, however, a data-driven experience strategy is key to capitalizing on CX, which represents a multibillion-dollar revenue impact. According to our Voice of the Connected User Landscape: Measuring CX survey, more than half of consumer respondents believe that the ideal CX is 'efficient' – demonstrating clear expectations for a consistent, frictionless experience along the entire customer journey.

Technology today can ensure that businesses rise to meet changing customer expectations, but considering that our research indicates 46% of the market is still formulating its digital transformation plans, many businesses have a long way to go to ensure that vision meets reality. Implementing technologies that facilitate data-driven experiences, ensure seamless customer journeys, and drive stickier relationships are likely to become top priorities as businesses work to simultaneously secure loyalty and revenue.



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