It's time to get serious about customer insight

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Business leaders who are serious about delivering a great customer experience (CX) quickly get serious about data analytics, too.

That's the message from a recently released survey of 244 companies worldwide, conducted by IT market research company Gartner, which finds that three-quarters of them increased their CX technology investments in 2018. Customer analytics will see some of the biggest investments during 2019, says the report, with more than half (52%) of respondents intending to increase funding this year in order to analyse customer needs and the journeys they take to making a purchase.

That makes perfect sense. Most business leaders today recognise that true competitive advantage lies in creating an engaging customer experience – one that is personal, fast, easy and useful. But an outstanding customer experience can only be delivered by an organisation that really knows its users – their needs, motivations, context and pain points – and uses that knowledge to boost customer satisfaction and long-term loyalty.

At Zuhlke, a major focus of our Digital Services Innovation (DSI) solution involves equipping our clients with the analytics capabilities they need to turn satisfied customers into delighted ones. We apply analytics in two main ways:

1. Helping an organisation to understand who the customer is and how they interact with the organisation today.

Here, the focus is on building an accurate picture of different customer types, interactions and responses to a brand, to build a strong foundation for improvement. Data analytics can also be invaluable in challenging preconceptions in the business around the 'best' ways to meet customer needs, since this data holds valuable clues to what customers really want from a business, what they like and don't like. That means drilling down into customer demographics in general, and on a more specific level, into business data on customer types, churn rates, transaction volumes and the nature and frequency of complaints. Done well, this type of analysis can also help an organisation to extend the journey sideways, by introducing new products and services that generate incremental business value.

2. Enabling them to test and refine the customer experience on an ongoing basis.

Once new customer experiences are launched, data analytics are an invaluable way to 'reality check' what a company believes to be an improvement, against how that improvement is received by the people who really count – the customers themselves. By continually testing new customer experiences, companies can quickly see which ones resonate and which ones fall flat and thus need more work. Deep analytics are embedded into all aspects of testing. They may focus specifically on tracking individual customer journeys and identifying drop-out points. For example, A/B testing offers a way to experiment with alternative routes for a customer journey to take, in order to spot the route that is smoother, faster and more intuitive. At the same time, analytics can help an organisation to understand more general patterns and trends in aggregated data collected across the entire digital estate over extended periods, such as how pricing impacts sales of a particular product category at specific times of year, for example.

Most organisations already hold a treasure trove of data that could help them to transform good customer experiences into great ones. The trick is unlocking that data in ways that deliver the most valuable insights – and here, data analytics is the key.

As a result, we expect no slowdown in the number of organisations looking to take a deeper dive into that treasure trove – and Gartner's analysts agree. "When organisations grow in CX maturity, a greater focus of technology investment is placed on increasing customer understanding and delivering accurate actions by analysing data," they write.