



DATA AND ANALYTICS | CMO CORNER

How Brands Can Turn Data Into a Growth Engine

From music services that anticipate listeners' moods to maps that predict the fastest routes, smart technologies once considered futuristic have become commonplace—thoroughly changing consumers' expectations of how they interact with products and services. In a world of price and feature commoditization, experience has often become the primary differentiator and driver of growth for brands.

The need to deliver emotionally resonant and contextually relevant experiences has only deepened during the pandemic—a time of rapidly changing market conditions, regulations, and customer expectations.

In this complex and fast-moving environment, trust has become paramount for brands. It's the primary ingredient in building customer loyalty, which can help businesses grow revenue and reduce churn, according to Deloitte research on customer-led marketing. Building trust among millions of customers depends on an organization's ability to automate smart decisions at scale, in real time, based on personalized data—all while respecting privacy through transparent policies and enhanced customer choice.

Yet even as data and automated decisioning have become more critical to business differentiation and growth, many brands struggle with foundational issues—data from too many sources, disconnected technologies, inefficient decisioning processes, and inability to understand customers' wants and needs.

Deloitte has identified five trends that can help experience-focused brands build better data and decisioning mastery, which can lead to accelerated, sustainable growth.

Bring Customer Data In-House

Thanks to dynamic experience engines and data-driven marketing platforms, brands can orchestrate end-to-end, omnichannel, personalized experiences for consumers. First-party customer data is now the most valuable asset for brands to deliver the types of in-the-moment, relevant experiences consumers expect—and core assets should never be outsourced.

Yet, too often, data provided by and about a brand's customers is scattered across external agency and vendor platforms as well as across tools managed by disconnected departments or teams within the enterprise. To solve this issue, many brands are bringing first-party customer data—and the skills required to manage it—in-house. To enable in-house teams, many

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brands are building custom data management tools and consolidating vendors and systems to help reduce complexity and build connectivity.

To drive competitive advantage, brands can create and execute a comprehensive, enterprisewide customer data strategy that maps out goals and key performance indicators, needed capabilities and technologies, and near-term opportunities.

Create Connected Experiences

The most effective customer experiences are often informed by the past, are relevant in the moment, and anticipate future customer needs. Seventy-five percent of customers surveyed in a Deloitte study on emotion-driven engagement said they expect brands to know their purchase history, and 52% said they want companies to know how satisfied they are with products purchased.

Providing coherent experiences requires connected data about customers—and customer data platforms (CDPs) are designed to serve that purpose. A CDP consolidates first-person customer data in one system, helping organizations

make decisions and create connected experiences across all consumer touch points.

Coherent customer experiences can also require coordinated operations across sales, marketing, advertising, service, product development, and other functions. This means collaborating with leaders outside of the marketing organization. For example, two-thirds of customer experience leaders surveyed in October 2020 said IT is involved in customer experience data management, up from 54% in September 2019.

Adopt Agile Methods

Agility has become a mandate for marketers in today's disrupted world. Faced with marketplace changes, competitive pressures, rising consumer expectations,

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Data and decisioning mastery are critical to this agility. A well-implemented, unified CDP can help organizations identify new customer microsegments, gain real-time insights into the most effective ways to engage those audiences, and adapt campaigns on the fly. In addition, advanced AI tools can enable brands to model lifetime value, propensity, churn, and more—in the moment, based on the most current data.

To get there, CMOs should collaborate with CIOs and CTOs to leverage talent and tools across the enterprise. These efforts can help an organization evolve its products, services, and prices to meet rapidly changing customer expectations.

Embrace Customer-Led Privacy

Recent privacy regulations—such as the California Consumer Privacy Act—and the phasing out of third-party cookies reflect a groundswell of preference for greater transparency about how customer data is collected and used. Brands that choose to ignore consumer preferences or circumvent privacy laws may face increased reputational and financial risk. A single trust-related event can erode the market capitalization of a company by 20% to 56% in as little as three months, according to a Deloitte study on trust.

Organizations can build—or rebuild—trust with customers by implementing a secure, next-generation

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privacy center that gives customers fine-grained control and informed consent over the collection, storage, use, sharing, sale, and transfer of their data. This privacy center should provide up-to-date transparency about the organization's data practices, give customers self-service tools for data access and control, and include capabilities that allow organizations to adapt based on future regulatory and marketplace changes.

Build Emotional Intelligence

The convergence of AI, machine learning, automation, and always-on communications allows brands to provide responsive, empathetic, personalized experiences to customers across channels—becoming “emotionally intelligent” enterprises. This requires connected, automated decisioning so brands can listen attentively, respect boundaries, anticipate needs, and orchestrate experiences based on how consumers wish to engage with them in the moment.

Connected decisioning can help brands ensure that consumers aren't served a banner ad for a product they just purchased or recognize that the person phoning

a call center is the same one who just abandoned a chatbot session. This means running hundreds—if not thousands—of algorithms simultaneously to coordinate decisioning in real time, at an individual level, across channels, and at scale. The payoff can be significant: Consumers who had developed an emotional bond with a brand were more likely to have made a purchase from the brand within the past six months—and are less likely to be lured away by a cheaper deal according to Deloitte research on human-centered experiences.

By mastering these five trends, brands will likely be more prepared to orchestrate consistent, coordinated, relevant experiences for consumers.

Perhaps more important, they can treat customers as real, unique, individual people, which can contribute to building customer trust and loyalty that can drive sustainable business growth.

—by Alex Kelleher, global CMO, Deloitte Digital, and managing director, Deloitte Consulting LLP

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