

Using data effectively to enhance customer experience

By [Lorraine Doke](#)

10 Nov 2020

The digital revolution is empowering consumers like never before. While advancements in technology give consumers the convenience of getting the products and services they want - when they want them - it's the generated and collected data from these engagements that add real value to customer experience (sometimes referred to as CX).



A recent [Walker Info](#) report revealed that customer experience is overtaking price and product as a key brand differentiator. The report further shows that 86% of buyers are willing to pay more for a better customer experience.

So, what does this mean for business leaders? Simply put, it implies that effective customer experience management creates a competitive advantage for organisations.

Customer experience: Benefits of a data-driven approach

Data-driven customer experience is vital to the future growth and development of organisations and it all starts with cold, raw data extracted from basically any type of online interaction you can possibly have with your customers – from purchase history to social media interaction, and other customer insights across various touchpoints.

But why data? A [Forbes Insights](#) survey of 357 executives found that the benefits of evolving to data-driven CX are wide-ranging, including enhancing revenue generation and enabling cost reduction, as well as accelerating process efficiencies and quality improvements.

It allows organisations to better target, personalise and optimise for specific customers, as well as deliver consistency and context across several channels. Take, for example, someone looking for cooking pots online. It may be relevant to serve them additional ads for kitchen utensils, or an after-sale emailer with recommended products based on their purchase.

In another example, data can show you what customers find difficult about using your website. If customers tend to drop off when they get to your check out page, you know you need to make improvements there.



Smart m-commerce opportunities for Black Friday and beyond

James Bayhack 20 Oct 2020



Data allows you to identify gaps or opportunities like these and then do something about them. This may sound complex, but there are many systems and platforms that simplify this process, making it easier for small and big businesses to harness their data.

The use of big data and related organisational innovation has changed the way we view and use data and has provided a platform for customer experience to be rich exchanges between customers and an organisation.

A data-driven approach is a strategic decision based on analysis and interpretation. Through close examination across all

channels, and better alignment of people, processes, and technology, organisations are able to use valuable data and create richer customer experiences, which can increase the lifetime value of each customer.

Collecting data is not enough

[Splunk](#) conducted a Global Research Survey of over 1300 business and IT decision-makers across seven leading economies, and found that 60% of respondents said that half or more of their organisation's data is 'dark', meaning that it's rarely used to improve customer experience. Even though the data is available, it's seldom used to make improvements or changes that customers consider necessary.

Another study by [SAS](#) found that only 23% of organisations were able to integrate customer insights in real-time. This is a wasted opportunity for organisations and raises the question: Why focus on the collection of data and not use it?

The sheer volume of raw data might be intimidating, or perhaps businesses leaders simply don't know where to start or how to use data insights to improve processes or products. Whatever the reason, leaders need to figure out what the business needs are and focus efforts there. While there are many factors that can affect how data is collected and stored, leaders need to be aware that the data is as fair and as unbiased as possible.



Fulfill SA's growing e-commerce appetite with a seamless online experience

Gareth Hawkey 12 Oct 2020



Futuristic use of data and CX

Data-driven customer experience efforts are already delivering benefits to organisations. These benefits can be seen in two main areas: providing leadership teams with high-quality, relevant information to make better, more confident decisions, as well as improving interactions with customers by informing how processes and experiences are designed.

Yet, to support exceptional, data-driven customer experiences going forward, organisations need to link the results and services being offered at the front end to key underlying processes. This means fostering a culture of people, processes, and technology that operate as one.

It's this combination of organisational readiness, data integration, technology implementation, training, and the rethinking of processes that will assist in delivering exceptional and highly relevant customer experiences.

In today's hyper-competitive global economy, data-driven customer experience is key for outdoing the competition. It offers highly specific insights into consumer behaviour and helps build brand affinity, create convenient experiences and, ultimately, aid in developing products and service offerings that will be met with high demand.

If your business isn't already using data to inform the customer experience, it should be at the top of your to-do list.

ABOUT THE AUTHOR

Lorraine Duke, Senior Customer Experience Consultant at IQbusiness.