Customer Experience (CX) Executive Briefing

Delivering frictionless and engaging customer experiences in retail and CPG

Data and analytics are the keys to the CX of the future

Customer experience (CX) is the perception that a consumer has of how well their expectations are met each and every time they interact with an organization. Tech disruptors like Amazon and Uber have set the bar high for CX. As more of us move to digital channels, delivering a great experience has become hugely important. Many of us will walk away after just one poor experience…but good experiences vastly improve the likelihood to purchase, become a repeat customer, or even better still an advocate for your business.

To create loyalty, organizations in retail and consumer packaged goods (CPGs) must design and manage exceptional experiences that feel individual, effortless, and hyper-personalized at every interaction. Successful organizations are leveraging data and analytics to differentiate from their competition by understanding their customers better, and ensuring that every customer interaction is engaging and meets their needs. When organizations succeed, they improve customer loyalty, improve market share, and grow revenue.

Teradata has identified the core data analytic disciplines that are required for an organization to meet customer expectations around CX (Figure 1).
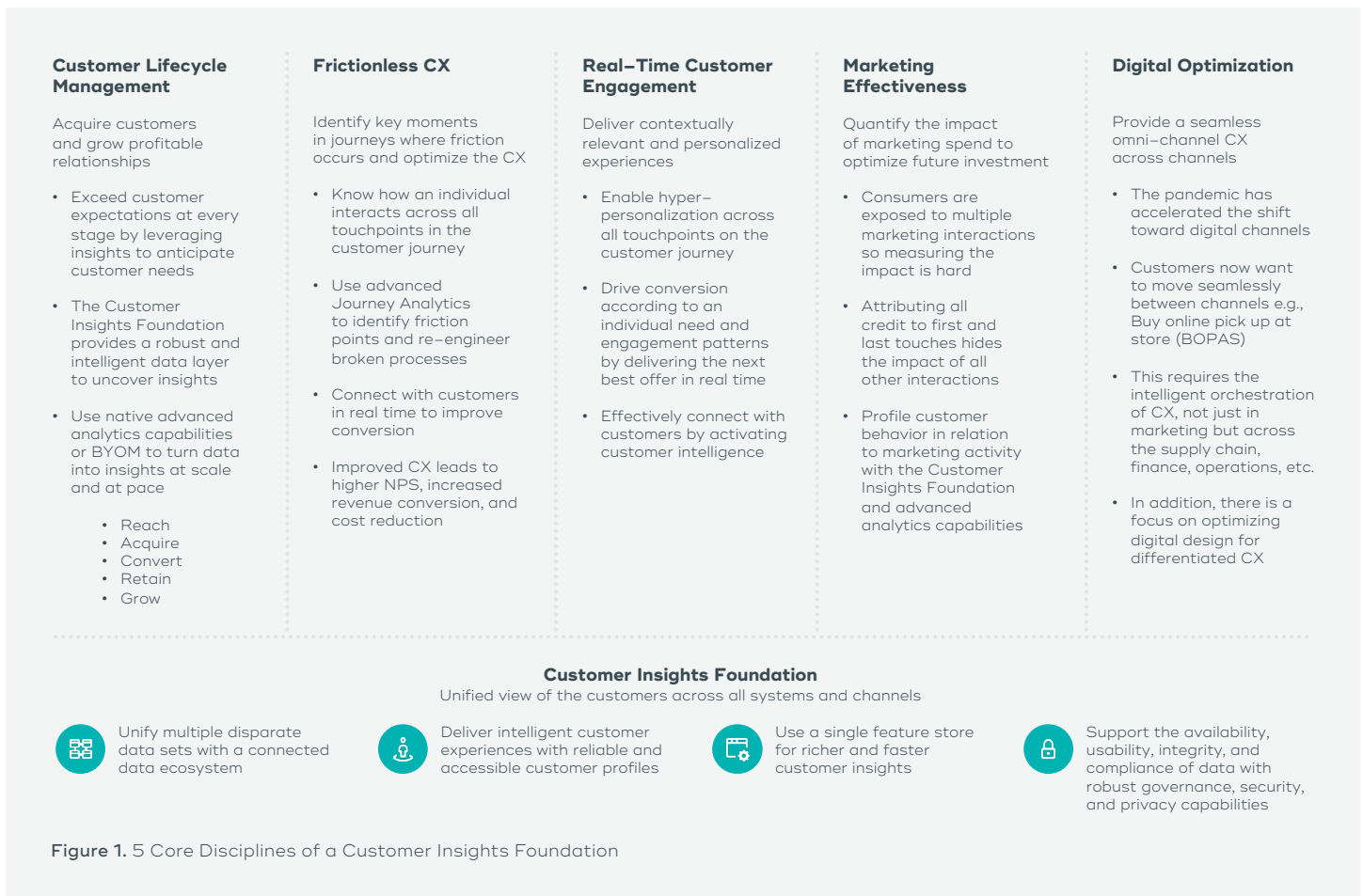
Customer Lifecycle Management

Acquire customers and grow profitable relationships

- Exceed customer expectations at every stage by leveraging insights to anticipate customer needs

- The Customer Insights Foundation provides a robust and intelligent data layer to uncover insights

- Use native advanced analytics capabilities or BYOM to turn data into insights at scale and at pace

  - Reach
  - Acquire
  - Convert
  - Retain
  - Grow

Frictionless CX

Identify key moments in journeys where friction occurs and optimize the CX

- Know how an individual interacts across all touchpoints in the customer journey

- Use advanced Journey Analytics to identify friction points and re-engineer broken processes

- Connect with customers in real time to improve conversion

- Improved CX leads to higher NPS, increased revenue conversion, and cost reduction

Real–Time Customer Engagement

Deliver contextually relevant and personalized experiences

- Enable hyper-personalization across all touchpoints on the customer journey

- Drive conversion according to an individual need and engagement patterns by delivering the next best offer in real time

- Effectively connect with customers by activating customer intelligence

Marketing Effectiveness

Quantify the impact of marketing spend to optimize future investment

- Consumers are exposed to multiple marketing interactions so measuring the impact is hard

- Attributing all credit to first and last touches hides the impact of all other interactions

- Profile customer behavior in relation to marketing activity with the Customer Insights Foundation and advanced analytics capabilities

Digital Optimization

Provide a seamless omni-channel CX across channels

- The pandemic has accelerated the shift toward digital channels

- Customers now want to move seamlessly between channels e.g., Buy online pick up at store (BOPAS)

- This requires the intelligent orchestration of CX, not just in marketing but across the supply chain, finance, operations, etc.

- In addition, there is a focus on optimizing digital design for differentiated CX

Customer Insights Foundation
Unified view of the customers across all systems and channels

Unify multiple disparate data sets with a connected data ecosystem

Deliver intelligent customer experiences with reliable and accessible customer profiles

Use a single feature store for richer and faster customer insights

Support the availability, usability, integrity, and compliance of data with robust governance, security, and privacy capabilities

Figure 1. 5 Core Disciplines of a Customer Insights Foundation

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A Customer Insights Foundation Enables a Connected Data Ecosystem

- The Customer Insights Foundation brings together disparate data including granular browsing data, transactions, payments and customer profiles into a connected data ecosystem for a unified customer view. Comprehensive and reliable profiles are accessible to the entire marketing ecosystem, with robust governance, security and privacy capabilities to ensure usability, integrity and compliance.

- Customer Lifecycle Management is about acquiring and growing long-term profitable relationships with customers. Analytics play a pivotal role at every stage, enabling a better understanding of customers to anticipate their needs. This discipline is about enabling and improving the core customer analytics – such as lifetime value calculations, profitability, churn prediction, product recommendations and segmentation - that an organization needs to acquire new customers, retain them and grow them.

- Frictionless CX is the ability to monitor and optimize customer experience using advanced analytics to see things through the eyes of the customer. For example, using path analytics to time sequence customer interactions and identify customer journeys across multiple channels and visits. Organizations can leverage these insights to optimize customer journeys by removing friction points, deliver engaging experiences and reducing cost to serve. Another example is using text analytics to monitor the Voice of Customer insights to understand sentiment, brand reputation, proactively address root causes of complaints, etc.

- Real-time Customer Engagement is the ability to combine the context and everything you know about a customer, plus real-time analytics to decide in the moment that they interact and deliver the most relevant and personalized experiences possible. Real-time "always-on" dialogue is 10 times more effective than traditional marketing, driving incremental revenue and growth in customer satisfaction.

- Measuring the effectiveness of marketing spend is key to increasing revenue and acquiring the best customers in the most cost-efficient way. However, proving the value of marketing spend is hard because individuals are exposed to many marketing interactions and different external factors at once, so un-picking this and measuring the impact is hard.

The availability of rich granular data and the ability to leverage advanced analytics enables organizations to accurately quantify impact and optimize future investment. Organizations often use multiple methods to provide unique insights and address different challenges.

- The focus on digital optimization has increased during the pandemic as use of digital channels has accelerated rapidly. Consumers want a consistent omni-channel experience wherever they choose to shop. Organizations must be able to intelligently orchestrate customer journeys, aligning all business functions with world-class data management and integration capabilities.

What Can Teradata Help You Accomplish?

Teradata has identified four key capabilities to deliver frictionless and engaging customer experiences (Figure 2). They are:

1. Listening to customers in real time as they interact. This requires the continuous capture of all data signals and bringing together this disparate data into a single connected data ecosystem for a unified customer view.

Figure 2. 4 Core Capabilities to Enable Engaging CX

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Teradata Drives Business Outcomes at the Largest Global Companies

Teradata works with the world's largest companies, in every vertical, to transform their customer journeys and drive significant business value.

Improved relevancy **$100m** Increased profit	Real–time intervention **30%** Improved conversion	Improved relevancy **90%** Improved ROI
Offer optimization **3x** Increased spend	Journey optimization **30%** Cost reduction	Personalized journeys **181m** Individual relationships
Improved ROI **30%** Reduced acquisition cost	Spend optimization **20%** Reduction in cost	Active CX management **18 points** NPS growth

2. Using analytics that go well beyond reporting and dashboards that explain what's already happened. Complex advanced analytics like path analysis, affinity, real-time scoring, and attribution that are predictive and prescriptive are needed to deliver deep insights that anticipate customer needs.

3. Leveraging real-time decisioning, in less than 25 milliseconds, to determine the next best offer in real time. Self–learning ensures continuous optimization.

4. Operationalizing insights through seamless integration with the MarTech stack to ensure that the right message is delivered to the right channel at the right time.

About Teradata

Teradata is the connected multi-cloud data platform company. Our enterprise analytics solve business challenges from start to scale. Only Teradata gives you the flexibility to handle the massive and mixed data workloads of the future, today.

The Teradata Vantage architecture is cloud native, delivered as–a–service, and built on an open ecosystem. These design features make Vantage the ideal platform to optimize price performance in a multi–cloud environment. Learn more at **Teradata.com.**

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