Capgemini

Data-driven
Customer Experience

MEETING THE
NEEDS OF AN
EXPERIENCE
ECONOMY

CONTENT

MEETING THE NEEDS OF AN EXPERIENCE ECONOMY

Customer Experience and Engagement have been among the most critical business priorities for many years and directly impact the growth and profitability of today's businesses. Neither Customer Experience or Customer Engagement can be improved without a solid foundation of data related to the consumer (transactional, behavioral, product, and others. So, why is it that majority of organizations still struggle with lower-than-average customer engagement scores and find it difficult to leverage the data they have?

In the past few years, organizations have launched various initiatives to overcome this challenge by launching 360-degree single views of customers, based on data lakes. While these initiatives have brought some amount of success, they have not solved the holy grail of Customer Engagement across channels and departments. The challenge is the ever-growing data around customers, with the proliferation of channels clubbed with regulatory changes on tracking third-party cookies, device IDs, etc. These evolutions are pushing organizations to look at a more sustainable solution that would keep customer-related data unified to enable personalized customer experience, with flexibility to evolve with changing industry dynamics.

Some organizations are getting it right. They're building customer intimacy on a single source of unified, trusted data. And they're striding ahead of the competition. What these companies have recognized is that while identifying a customer and related data is a key step, applying this data and deducing actions to enhance customer experience based on this data is more important.

THE CUSTOMER (AND RELATED) DATA CHALLENGE

It's not easy. Compared to other enterprise data (supply chain, operations, etc.), customer data is the most scattered and complicated to manage and activate. Here are six of the challenges that must be addressed to transform customer data into sharp and relevant insights.

How to match and unify individual customer data and insights, even with inconsistent identities

How to handle massive real-time data ingestion, transformation, and storage

How to create a unified customer profile with customer data and enterprise data

How to give real-time easy access to data for business personas

How to innovate and scale for advanced analytics and AI infusion

How to activate this data to drive and personalize engagement at the individual customer level – and this is the most vital requirement.

THE CUSTOMER (AND RELATED) DATA CHALLENGE *(CONTINUED)*

An overarching challenge is data privacy and consumer trust. Ethical data management is the cornerstone on which customer trust and loyalty are built, and customers expect brands to embrace ethical AI as part of this. Data use is also governed by increased global data regulation, which requires mature data privacy, quality, and lifecycle management, while honoring the preferences and permissions set by your customers.

The challenge beyond customer data

Even if companies unify data correctly, a much bigger challenge is driving actions based on this data in a way that each customer is treated uniquely, almost creating an individualized experience. Traditionally, after getting all customer data, systems apply rules to segment customers in a group (all women living in Wembley in age group of 20-25 interested in soccer — target them with Euro cup merchandise), but your customers aren't segments. They are humans. And increasingly they expect to be treated like people with unique preferences, personalities, histories, and knowledge. They now demand that organizations understand their needs and act toward them no differently than they are treated by their favorite store or by their go-to stylist at the salon. Shifting from a customer segment model (rule based) to an individualized model demands fast, complex decision-making at scale and a holistic approach that applies to end-to-end customer experience across channels (and not just marketing). Applying the right models of artificial intelligence (AI) and machine learning can help correlated customer data across channels and departments and make decisions in the moment based on hundreds or thousands of data points — and at enterprise scale.

In this point of view paper...

We examine the challenges facing organizations as they seek to use Customer Data Platforms to connect all the data silos across their enterprises. With data volumes growing exponentially and in multiple formats, we will look at a number of use cases for a Customer Data Platform. And we will describe how Capgemini's Data-driven CX leverages the power of AI and advanced analytics to augment the CDP platforms to create conversations, build trusted relationships, and enable brands to provide personalized offers and recommendations, in turn delivering value to the brand and the end customer.

MAKE THE MOVE TOWARDS REAL-TIME, PERSONALIZED CUSTOMER EXPERIENCE

The more you know about your customers, the better the experience you can provide to them. So, why do organizations struggle to get their customer experience right? As we discussed, the simple answer could be data. It's not a lack of data that's the problem. Rather, huge volumes of data are not in one place and organizations struggle to connect it all to provide a single, real-time view of the customer.

Information is captured at every customer touch point, from marketing and sales to customer service and e-commerce and points of sale (stores, agencies, etc.). Then there's the data residing in core business operations and partner ecosystems. It's all there. And it's all sitting in disconnected silos across the enterprise. Add in the right AI capability and you suddenly have the potential to filter this data to help provide an actionable view of the customer.

To achieve this, however, organizations must first address a number of issues.

- How best to connect the different organizational silos to better understand the customer and deliver a differentiating and contextual experience at every touchpoint.

- The need to embrace a unified customer data-management approach with strong focus on trust, processes, and governance.

- Regulatory compliance, for example, with data privacy and protection legislation, such as GDPR, to maintain customer trust and brand reputation.

- The need to embrace ethical AI, which in turn requires ethical data management.

MAKE THE MOVE TOWARDS REAL-TIME, PERSONALIZED CUSTOMER EXPERIENCE *(CONTINUED)*

One route is to invest in a Customer Data Platform (CDP). Designed to create actionable data by taking outputs (segments, audiences, etc.) that are pushed into the organization's interaction platforms, a CDP is a set of data products built on top of the enterprise AI and data platform. It can give you the answers you're looking for. Who are your customers? Where do they live? How old are they? How often do they transact with you, when and why?

In essence, a CDP ingests, organizes, cleans, enriches, and connects only customer data into unified and trusted customer profiles. This is contextual data that can be leveraged across your marketing channels.

The next challenge is how best to derive actions for your customers based on that contextual insight. Ideally, this should be in real-time because your potential customer will not wait minutes until you find the right message. The insight provided by your CDP enables you to tailor the next interaction or moment your brand shares with the customer, whether that's initiated through a pull or a push from the brand.

To optimize your customer data, it must be stitched together across devices or channels where the visitor currently interacts. When you know which device and channel your customer is using, you can create a more engaging experience. For example, a customer is more willing to open an e-mail on a desktop that provides more detailed information. However, when in front of a kiosk system in a public environment, people will never scroll through an extensive text. Let people leave an e-mail address and send them more about your offer with a welcome voucher.

The objective is to find the right balance between customer and business expectations all along the customer lifecycle, then deliver value at speed for everyone. How? By focusing on the moments that matter, nudging customers through a more engaging experience and a stronger value exchange in which they share more about themselves and what they value, and the business to experiment, test, and learn.

Finally, all this must happen with the consent of your customer and in compliance with data regulations.

Build contextually relevant experiences

Done right, personalization goes beyond any single technology to focus on contextually relevant experiences that boost customer value. Customer-focused personalization requires enterprise data management to facilitate customer understanding, industry expertise to define a winning brand strategy, and technology and services to deliver superior customer experience.

DATA-DRIVEN CUSTOMER EXPERIENCE HELPS YOU REALIZE THE FULL POTENTIAL OF DATA

To extend and enable benefits of customer data initiatives, organizations need a holistic approach, not looking at this as a problem related to just customer data but as a business journeys enabled across channels, an approach that builds upon existing initiatives (data lakes, customer 360, MDM, CDP, and others) to enable CDP and give acceleration to implementation and adoption. Data-driven CX augments CDP platforms by realizing the full potential of customer-related data.

What is the return on investment? This is surely the first question that needs to be answered when senior CX stakeholders are making the business case for a CDP. Beyond delighted, loyal, and lifetime customers, the five primary customer-experience touchpoints (marketing, sales, customer service, e-commerce, and points of sale) derive several efficiency and revenue benefits from realizing the full potential of their customer-related data.

Data-driven CX uses different data points and signals from each of the CX domains and combines them to create a richer, unified view of how a customer interacts with a brand or even competitor brands. It leverages business-ready journeys, AI models, and scalable architecture to rapidly activate intelligent customer experiences across channels. With data-driven CX, companies can stitch together all customer-first functions to build "golden customer records" – unified profiles that uniquely identify each customer (both known and unknown) and provide a high-quality, global view of their relationship with the brand – while ensuring strong security, data trust, and privacy compliance across all data sources.

And Data-driven CX does this in real time, offering brands more reliable, actionable insights from the data they've collected. It enables use cases via a proven KPI framework that bridges the gap between marketing, sales, customer service, e-commerce, and points of sale. This lets decision-makers spot trends and patterns, predict customer intent, create more accurate segments, improve lead scoring and prioritization, predict churn and customer intent, identify next-best action or offer, improve customer retention, and predict optimum product configuration.

Here's how it is all stitched together.

DATA-DRIVEN CUSTOMER EXPERIENCE HELPS YOU REALIZE THE FULL POTENTIAL OF DATA *(CONTINUED)*

BUSINESS DRIVERS	**MARKETING** Optimize customer acquisition, improve customer retention and CLV, enhance efficiency of digital advertising programs.	**SALES** Use historic data to forecast product sales based on past sales, market trends, and other factors.	**SERVICE** Combine customer data and service agent data to match behaviors with competencies.	**COMMERCE** Automatically tailor search and category pages based on each customer's web activity.
HOW DATA HELPS	**Tailored channels and segments** Use customer data to build and test segments and engage with customers on the channels that suit their behavior, preferences, and patterns. Build unified customer profiles and embrace personalized marketing activation.	**Sales forecast accuracy** Use historical data to better forecast product sales (based on previous sales, market trends, sales forecast by area/segment, etc.)	**Customer plus agent match** Use customer data and service agent data to match them and direct the interaction accordingly (look for "behavior" matching, in addition to "competencies" matching.	**Predictive search** Automated tailored search and category pages based on data-log tacking customers actions on website.
BENEFIT	*Boost revenues and optimize activation budgets by using data to cut out the guesswork when it comes to creating an engaging, personal CX.*	*Optimization of supply chain and revenues, while fulfilling customer needs.*	*Happier customers spend more. Efficiently handling customer requests will boost service agents' job satisfaction.*	*Increase revenue and ARPU (average revenue per user).*
HOW DATA HELPS	**Detect inactive users** Detect inactive users by analyzing pattern history and using statistical and business rules to flag pending actions (purchase, email opening, etc.)	**Dynamic pricing** Optimize pricing of products and services in line with different data: demand, seasonality, propensity to buy, storage capacity.	**Anti-churn action** Detect unsatisfied customers and act to increase their loyalty (anti-churn scoring, intervention by service agents…)	**Product recommendation** Use customer data and purchasing history to recommend the "right" product (propensity to buy, look alike modeling, etc.)
BENEFIT	*Address inactive users to reopen revenue streams with them.*	*Grow revenue and increase margins.*	*Higher rate of retention and happier customers.*	*Grow revenue and increase ARPU.*

WORKING WITH CAPGEMINI TO BUILD A BUSINESS CASE

In today's data-rich consumer landscape, the value of CDPs is undeniable. Globally, businesses want to invest in these CDPs, but don't know where to start.

At present, most organizations have not realized the full potential of their data and are still building the business case for data transformation. That's understandable. However, the writing is on the wall and, as more and more consumers engage on digital channels, it is time to start preparing for real-time decision making and personalization with a program of CX transformation.

Capgemini can help to provide an optimal transformation thanks to its Data-driven CX based on a Customer Data Platform. Across a number of industries in the areas of sales, marketing, and service. We work with multiple vendors in this area including Adobe, Microsoft, Pega, Salesforce, Tealium, and others to deliver on the promise of Data-driven CX.

OUR METHODOLOGY

Data-driven CX is based on the following principles.

INTELLIGENT CUSTOMER PROFILES: Capgemini's Data-driven CX associates and stitches together data from identifiers beyond cookies and device IDs to create intelligent customer profiles that capture audience discovery, interests, needs, and segment discovery.

CONTEXTUAL ENGAGEMENT: The Capgemini solution employs AI models to contextualize customer engagement events, converting intents from unknown to known and deriving insights from declarative and behavioral data.

REAL-TIME DATA AND INSIGHTS: An intelligent decision engine then enables brands to decide on the right action, on the right channel, at the right moment.

SCALABLE ARCHITECTURE: Data-driven CX leverages purpose-built AI/ML models for marketing, sales, service, e-commerce, and points of sale to enable seamless customer experience across channels and is scalable across business domains.
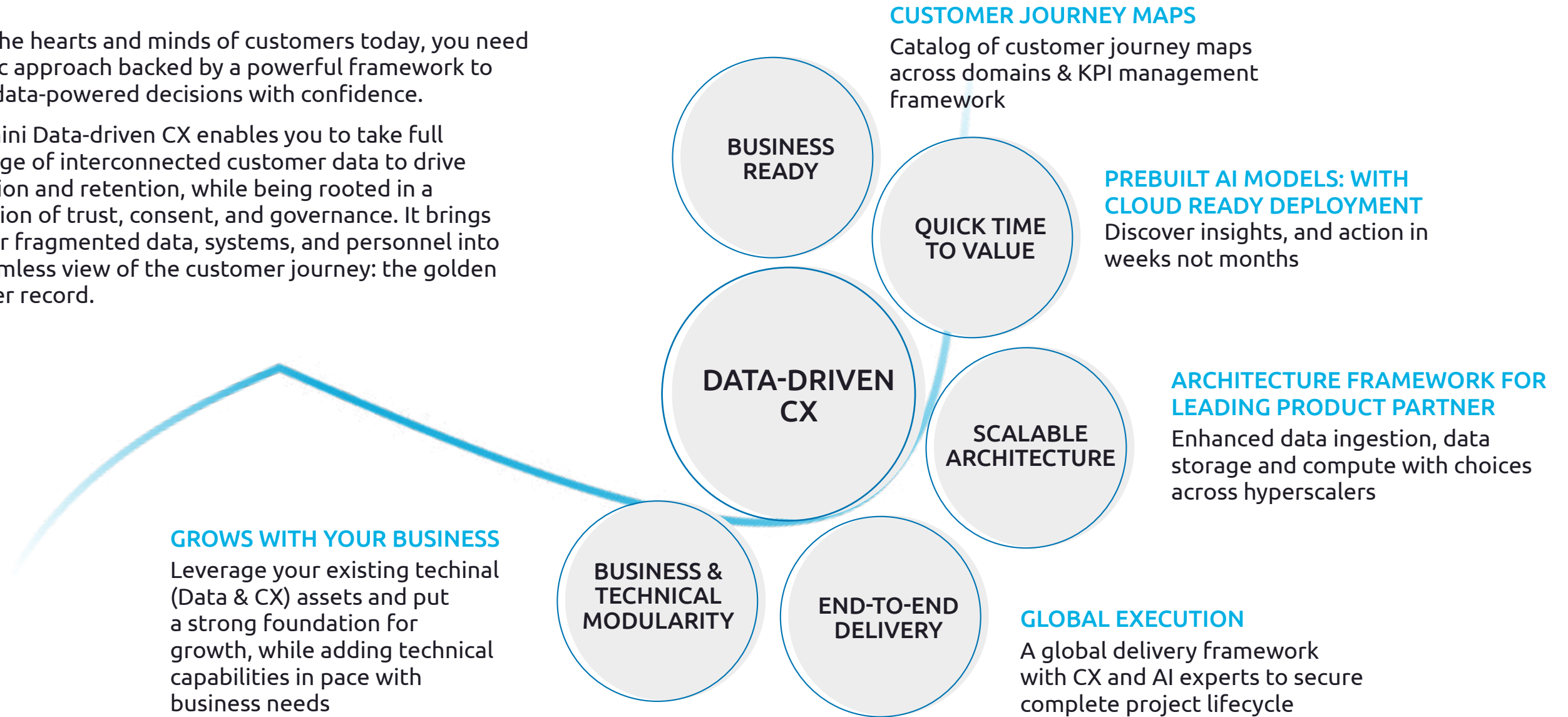
CUSTOMER DATA STORE: The custodian of the golden copy of customer data with the capability to manage all data related to customer including identification data, transactional data, behavioral data, product data, and others.

OUR VALUE PROPOSITION

To win the hearts and minds of customers today, you need a holistic approach backed by a powerful framework to inform data-powered decisions with confidence.

Capgemini Data-driven CX enables you to take full advantage of interconnected customer data to drive acquisition and retention, while being rooted in a foundation of trust, consent, and governance. It brings together fragmented data, systems, and personnel into one seamless view of the customer journey: the golden customer record.

BUSINESS READY

QUICK TIME TO VALUE

DATA-DRIVEN CX

SCALABLE ARCHITECTURE

BUSINESS & TECHNICAL MODULARITY

END-TO-END DELIVERY

CUSTOMER JOURNEY MAPS
Catalog of customer journey maps across domains & KPI management framework

PREBUILT AI MODELS: WITH CLOUD READY DEPLOYMENT
Discover insights, and action in weeks not months

ARCHITECTURE FRAMEWORK FOR LEADING PRODUCT PARTNER
Enhanced data ingestion, data storage and compute with choices across hyperscalers

GLOBAL EXECUTION
A global delivery framework with CX and AI experts to secure complete project lifecycle

GROWS WITH YOUR BUSINESS
Leverage your existing techinal (Data & CX) assets and put a strong foundation for growth, while adding technical capabilities in pace with business needs

About Capgemini

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of over 300,000 team members in nearly 50 countries. With its strong 50-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2020 global revenues of €16 billion.

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