

empatiX Consulting:

Customer Centricity: The Power of Personalized Experiences



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SEPTEMBER 2023

EMPATIX

Organizations are enhancing their customer centricity by delivering personalized experiences in every element of business. Elevating CX maturity is mutually beneficial for customers and businesses alike.

A moderate increase in customer experience generates an average revenue increase of \$823 million over three years for a company with \$1 billion in annual revenues. (Qualtrics).

There are many ways to reinvent customer experience, leveraging data analytics and machine learning with journey orchestration tools.

We see 3 key essential objectives as customers expect more from their brand experiences in 2023 and beyond.

1.
Advance CX Maturity
Through Human-
Centered
Understanding



2.
Breakdown Data
Silos



3.
Harness the
Potential of
Generative AI

Advance CX Maturity Through Human-Centered Understanding

A 360-Degree Approach

A 360-degree approach to consumer understanding will provide the best insights to help a business excel. There are many aspects of a customer that all factor into who they are and what patterns they exhibit. Only knowing their spending habits, or where they are from is not enough to form in-depth insights. **A brand not only must understand each component of the customer journey, but also should be supporting the customer through seamless integration across channels with customer journey orchestration tools.**

CDP's or customer data platforms are powerful tools that will help a business bring together many sources of data. Combining data from social media, web analytics, transactional data, survey data and geo-location data can all be used in one centralized location to optimize efficiency and provide insights that connect different aspects of a consumer. AI and machine learning processes are expanding rapidly and being built into customer data platforms. This allows a brand to spot patterns that may be hard to see when data sits in siloes. It is vital to leverage the various customer data streams, especially first-party data to understand a more holistic view of the consumers.



Customer Journey Orchestration

Consumers wish to connect with brands that help them grow and achieve their personal goals. In fact, our research found that 66% of consumers feel a sense of urgency to achieve their personal goals. **A company taking the time to elevate these experiences and make the consumer feel as though they truly value their time, goals, and seeks to make an emotional connection with them can go a long way.**

Consumers want to experience that collective identity and shared purpose that they value in partnership with a brand.

The buyer's journey consists of every interaction the buyer has with a seller. Importantly, it continues well after the buyer makes the purchase. Customer journey orchestration is not only leveraging the CDP but also anticipating and managing interactions with the customer to optimize the experience and drive future purchase behavior with your brand.

A great way to approach getting to know consumers on a deeper level is through customer journey orchestration tools which support the specific actions a brand needs to take to connect with the consumer, deliver a personalized experience and develop a trusted relationship with the brand. Customer journey orchestration tools represent a key opportunity for brands to evolve their CX maturity and build a competitive advantage. And, as we have seen in our recent data, the consumer wants to feel connected to a brand beyond just a surface level relationship. **Our study noted that 30% of people feel less trust with brands than they did last year. (empatiX CX thought-leadership study 2023).**

Customer-centric brands
report profits that are
60%
higher than those that fail to
focus on CX. ([CX Index](#)).

Breakdown Data Silos

The Importance of Data Collection

Finding integrated customer insights needs to involve a holistic approach, looking at every aspect of a consumer's humanity. This can be achieved through data, understanding all the intricate details that formulate their opinions and habits as a consumer. With the death of the third-party cookie, it is even more necessary for brands to democratize data across the enterprise and bring all the first-party data together to help understand the consumer in greater detail.

A few data streams we commonly see clients bring together are listed below...



Leveraging First-Party Data

First-party data is more critical than ever to build and evolve the broader data strategy for the enterprise. Third-Party cookies or small pieces of data that help the website collect information about a website visit, will not be utilized moving forward. As LinkedIn puts it, “this shift leads to a very different future for marketing teams, who are now forced to rethink the collection and use of data to make better business decisions and deliver more relevant experiences for their customers without third-party tracking.” ([LinkedIn](#)).

The death of the third-party cookie means that there is less information to collect about consumers and, as a result, a much narrower view of how brands can understand them. As mentioned previously, CDP and CRM platforms will be necessary tools for data collection, synthesis and analysis. Brands that build a robust first-party data asset (harnessing data across the enterprise) will improve their ability to create consumer profiles and target those profiles more effectively before and after they buy the brand.

Say Goodbye to Silos

Breaking down data silos will be necessary to achieve in order to execute proper customer journey orchestration.

Incomplete, conflicting, missing data can be attributed to a technological issue, an issue with the data platform or a lack of communication between departments. Data silos decrease productivity and create barriers. An essential aspect of eliminating silos is collaboration and sharing. **All parts of an enterprise must be connected using integrated data, A business must look broadly at how data is centralized and managed while ensuring data governance protocols are established.** In organizations with lower CX maturity, the customer experience will be impacted by the lack of data integration.

As mentioned before, customer journey orchestration tools represent a solution to eliminating data silos and fostering omnichannel communication. Journey orchestration allows the marketing team to work across an enterprise to create a holistic view of a customer's behaviors and deliver communications informed by their needs. [\(Adobe Business\)](#).

Personalization of content is critical to tailor to the habits and preferences of consumers. A brand can define various journey archetypes that customers will take to fit their needs. It is imperative that brands create a customer journey map and understand the variations and differences in consumers. A customer data platform and appropriate customer journey orchestration tools will support an advanced level of CX maturity to understand the whole human. **Through the collection and integration of behavioral, demographic, customer service and transactional data the brands with elevated CX maturity will deliver a superior customer experience.**

CX mature organizations centralize their data and eliminate data silos.

47% of marketers

Note that data silos are their biggest problem when it comes to gaining insights from data.

Source: [Treasure Data's Customer Journey Report](#)

72% of leaders

Believe that merging teams and responsibilities around the customer experience will increase operational efficiencies.

Source: [Zendesk CX Trends Report 2023](#)

Brands need to be open, honest, and transparent with consumers about how they are using data collection to provide a better overall customer experience for them.

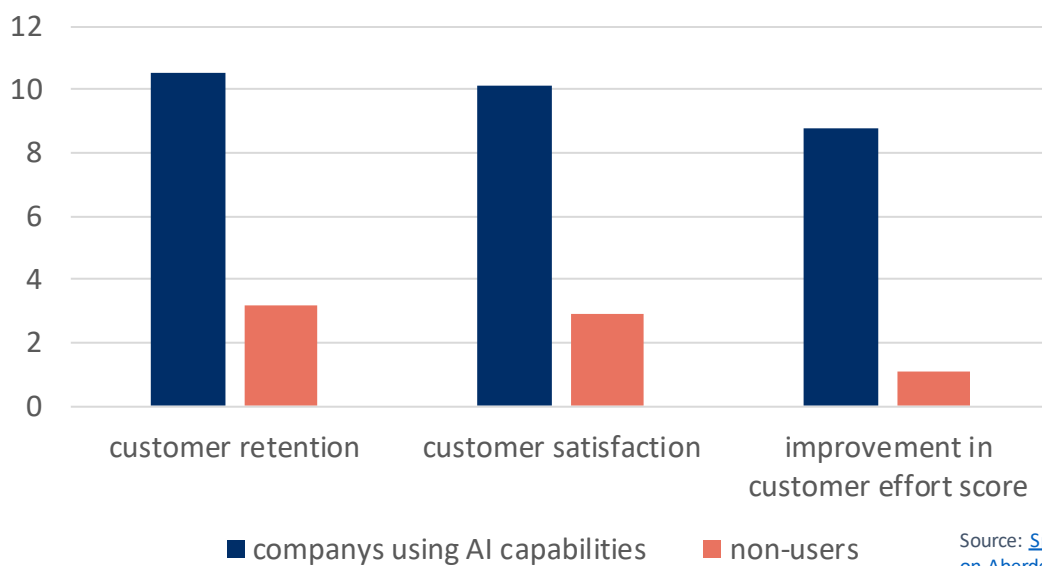
Opting consumers in to share this data is also key to the trust, loyalty, and the relationship a brand will develop with each customer. Transparency and privacy protection will be essential components to success in leveraging first party data. Customers seek personalized experiences and are willing to opt-in to sharing appropriate information to receive a personalized experience.

Building a first-party data asset through various approaches (loyalty/ rewards programs, net savings across channel purchases, etc.) will reinforce the enhanced customer experience gained when they opt-in to share additional information building trust with the customer and improving the value each customer brings to the brand.

Harness the Potential of Generative AI

Generative AI is rapidly expanding and changing the way businesses operate as **AI can increase business productivity by 40%** ([Techjury](#)). Generative AI plays an important role in customer centricity as it allows a business to efficiently deliver an optimal customer experience. **72 percent of business leaders agree that expanding the use of AI/bots across the customer experience over the next 12 months is very or somewhat important.** ([Zendesk CX Trends Report 2023](#))

Firms Leveraging AI Capabilities Enjoy Superior CX Performance Improvements



Artificial Intelligence is a critical component to improving a brand's CX maturity. With the availability of Generative AI, the opportunities for data understanding are vastly expanding, as the technology is continuously learning over time. **What a customer does today are key inputs in not only predicting future behavior, but also prescribing actions the brand can take to enhance the customer experience.**

According to a recent report from ([McKinsey](#)), Generative AI's impact on productivity could add trillions of dollars in value to the global economy with 75% of the value driven by use cases that specifically impact the customer experience, including:

- Customer Operations
- Marketing and Sales
- Software Engineering
- R&D

This represents a massive opportunity in delivering customer experiences. An example is Disney who has leveraged machine learning with "MagicBand" wristbands as room keys, tickets and payment. The wristband collects information of where the guests are in the park to recommend experiences and even route people around busy areas." ([Forbes](#)). By implementing Generative AI, personalized message content can be delivered to guests specific to any information on the wristband.

The customer experience use-case possibilities are endless for Generative AI. The most important component is identifying use cases that represent issues in delivering a customer experience and automating processes through Generative AI to improve the customer experience.

Customer Centricity is the Future.

With the objectives of **Understanding the Whole Consumer, Breaking Down Data, and Harnessing Machine Learning in mind**, brands have the technology and tools to improve customer-centricity.

Executive leadership plays a key role in moving CX maturity forward. A business catalyst for change needs to be present for CX maturity to move forward. We saw this across industries with COVID-19. Brands needed to transform to survive in some cases.

We recommend identifying and addressing specific use cases to progress CX maturity by developing actionable goals and ways to start seeing these improvements come to life in your business. You will need to be monitoring progress and evolving with the changing needs to revamp your strategy. Customer expectations are always changing, which is why centricity may look different every day. It is important to continuously monitor progress as more use cases are addressed and make incremental progress on the path to elevating your CX maturity.

Brands need to measure how successful your customer centricity plan is using various metrics that can be tied back to financial metrics in the business. (Some are noted below).

Customer experience measurement can help you assess progress on your customer centricity journey as well as understand the financial impact your centricity initiatives are having on your business.

Net Promoter Score (NPS),
Likelihood to Renew/Re-purchase

Customer Satisfaction Score (CSAT), Brand sentiment in social media channels

Customer Effort Score (CES), # of contacts, 1st Call Resolution

Sales Rate and Customer Loyalty Program Signups

Customer Lifetime Value (CLV)

Want to learn more on trends, technology advancements, or ways to advance your insights team?

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