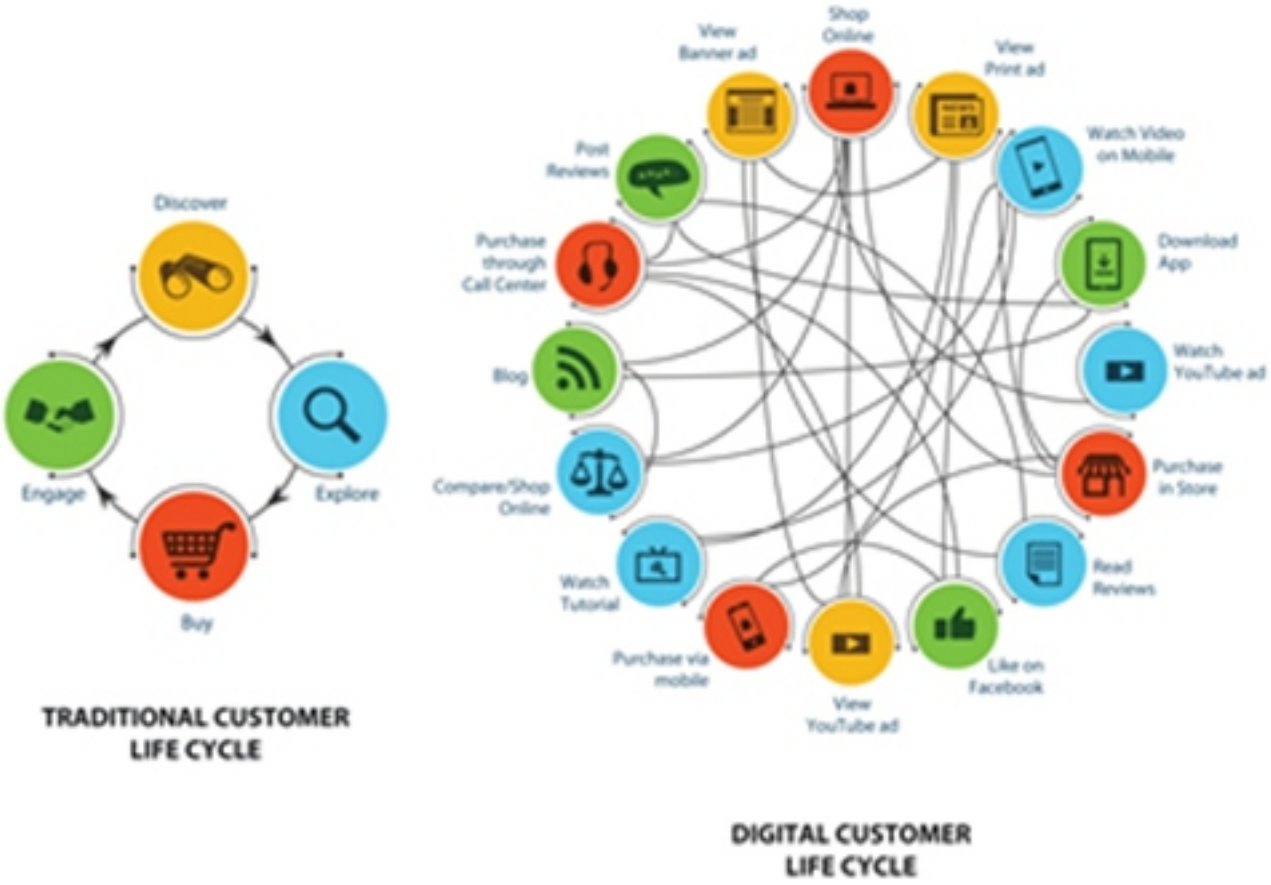
Unified View of Customer: It's All About Customer Experience

Abstract

Becoming truly customer-centric is at the top of every retailer's agenda, as a result of both the changing nature of the customer as well as the retailer's relationship with the customer.
The modern customer is gadget-savvy—a social citizen always exploring to derive the best value across channels. Faced with rapidly eroding customer loyalty, retailers are scrambling to woo well-informed customers with innovative service offerings and personalized value deals. Today, it is common to see retailers diversify their business to span various areas such as general merchandise, electronics, grocery, fuel and ,tnemniatretne ,secivres laicnan ,elibomotua and wireless services, to name a few. Likewise, retailers are now interacting with their customers through multiple channels such as in-store, direct mail, online, social, mobile, kiosks, and surveys. lennahc-inmo eht fo weiv de inu a gnitaerC customer is recognized as a fundamental
pre-requisite for customer centricity and personalized engagement.



The traditional customer lifecycle that followed a sequential path is being replaced by a non-linear shopper journey spanning multiple touch-points.

Introduction

Most retailers have, over a period of time, built silos of customer data across brands, business units, and channels, either as a result of acquisitions or because of customer engagement initiatives sponsored and executed independently. In order to detect patterns leading to a purchase and understand post-purchase behavior, retailers must not only identify each customer uniquely across interactions but also analyze the masses of data generated by various channels.

At the heart of creating a unified view of each customer is the capability to build a central repository of customers and prospects that integrates an ever-growing body of customer data and insights. Customer data comprises basic customer identification information de-duplicated across their relationships, and their extended profile in terms of demographics, sociographics, and psychographics. It is derived from linking the customer's transaction histories, interaction histories, and insights gleaned from across a retailer's multiple

brands or business units and channels. Customer data is also derived from the customer's online and social media footprint, their context information and from syndicated data. This unified view of the customer helps retailers streamline their business processes and make informed decisions to offer personalized services.

Innovations such as Big Data-based 'listening' and 'sentiment mining' now make it possible to read millions of conversations taking place simultaneously across multiple online forums. For enhanced understanding of customer behavior, customer insights should be combined with the customer's core and extended profile. Insights can be generated from contact center transcripts and notes, blogs and other social media, surveys, news and other articles, complaints received via web forms, email, online forums, online chat sessions, customer service notes and instant messaging logs.

'Context' Awareness

Another recent and very relevant layer of information available to retailers based on voluntary disclosure is the customer 'context'. When combined with an individual's profile and behavior, 'context' provides a new and effective tool to enable accurate and relevant just-in-time steps to deliver the next best action, thus maximizing conversion.

An individual's 'context' includes multiple dimensions (in increasing order of maturity):

- Location (current latitude, longitude)
- Time (time of the day, week)
- Access type (device, browser, app)
- Proximity (shops and attractions, modes of transport, people nearby)
- Actions (searching, posts on social media and other forums, currently playing—music, video, games)
- Physiology (heart rate, emotion, stress level)
- Environment (weather, temperature)

Generating Insights and Acting on Them

Harvesting useful insights from such a holistic knowledge repository opens new frontiers for customer engagement. A powerful set of analytical tools built on top of this super-repository can help retailers infuse customer insights into their merchandising, marketing, e-commerce, mobile, social, and in-store business processes in several ways such as:

- Running more accurate targeted marketing campaigns across channels or for micro-segments to identify context-driven next-best-action
- Tracking a customer across brands and channels, reducing churn by establishing 'reconnections'
- Leveraging customer insights-based localized assortments in-store, dynamic pricing, and customized promotions
- Proactively responding to life events such as 'getting engaged' or 'relocating', through targeted communications on relevant products and services
- Providing 'right recommendation' on new products based on current customer location—near a store or in an aisle.

Building a Customer Insights Repository

Over the last decade, several retailers have embarked upon their customer engagement journey with the Customer Master Data Management (CMDM) platform, which establishes unique customer identities and holds relatively static customer profiles. The CMDM platform has been successfully integrated over time with operational systems such as CRM and Loyalty to facilitate better data integrity and segmentation. However, analytics on the data collected has continued to be relatively

fragmented, with a heavier reliance on external shopper panels, customer surveys, or market demographic reports provided by syndicated data companies.

Recently, there has been significant interest in expanding customer databases to make them integrated analytical repositories that also hold relatively dynamic and derived information about customers.

Retailers are increasingly building customer intelligence as an 'internal capability', reducing their dependence on externally procured analytics. This offers them more flexibility to slice and dice data for specific marketing, merchandising, pricing, or promotional strategies and events, while using external data providers such as Experian, GNIP, and Datasift selectively to enrich individual, household, or demographic information.

The Privacy Predicament

An online survey conducted by TRUSTe indicates consumer online privacy concerns remain extremely high at 92% and it shows that consumers are demanding more transparency in exchange of trust and want to be able to control how data is collected, used, and shared to help them manage their privacy online.

Creating and leveraging a unified view of customers raises several questions regarding consumer data privacy and usage for various marketing initiatives. Some of the leading questions are:

1. Is it ethical to use information provided by a customer in one context for purposes other than what it was sourced for?
2. Are insights used for purposes that benefit only the retailer, or do they benefit the customer as well? Does the consumer see them as 'relevant' or as an 'intrusion'?
3. Privacy awareness and laws are only becoming tighter by the day. In such circumstances, how do we obtain more voluntary customer information?

The rewards associated with managing consumer privacy responsibly include increased trust, consumer loyalty, and brand value enhancement.

It is clear that retailers who take consumer privacy seriously with a view to build trust and a long-term relationship will be preferred by customers. A key recommendation on handling customer privacy responsibly is to treat customer insights programs as opportunities to improve customer engagement practices at each point of interaction, conducted as parallel business process activities. Additionally, customer engagement programs should provide incentives to customers to disclose information at every point of interaction to create meaningful

win-win scenarios. A privacy governance council should be constituted and vested with the responsibility to develop consistent privacy policies and practices across the retailer's business units.

sthgisnI remotsuC de inU na gnidliuB Repository for the Largest Grocery Retailer in Nordics

The retailer owns the largest Supermarket and Pharmacy Chain in the Nordics, focusing on food and health. The company also has other lines of business, including banking. One of the key challenges faced by the retailer was distributed and partial customer data residing in multiple siloed systems - resulting in an incomplete view of the customer. This also affected customer communications, making them product-centric. The retailer was also not able to take advantage of all the services offered across different lines of business. To address these challenges, the retailer is building a tailored Customer Analytics repository from the ground up, instead of using traditional Customer Master Data Management systems. The company aims to use the unified, streamlined, and extensive customer repository to enhance customer engagement and drive business priorities.

Unified customer view benefits

Conclusion

Retailers can quickly build an analytical platform leveraging new data sources and technologies to accelerate business value. Given the constantly changing customer behavior, preferences and expectations around personalized interactions, building a unified customer view is no longer a 'good to have' capability but rather a pre-requisite to personalize Customer experience.

References

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