



## From “nothing but a number” to “you’ve got my number.”

*Guiding principles to help realize the potential in your customer data.*

*After many hours reading professional and customer reviews, watching user videos and comparing technical specs, you finally settle on a new computer for your home office. You point your web browser to the company’s website, customize your order and click the “buy” button.*

*Two weeks later, you’re in the middle of your third call to the company’s technical support line—a call that began, yet again, with a from-the-beginning explanation of the confusing setup problem you keep running into—when a banner ad pops up on your screen ... for the computer you already purchased.*

**We’ve all had experiences like this.** Fragmented customer support interactions, weeks-too-late retargeting ads, incoherent experiences across different channels and platforms—it’s enough to make a person feel like

“nothing but a number.” And there’s truth in that sentiment. Too often, the data that companies collect about customers remains literally that: nothing but numbers.

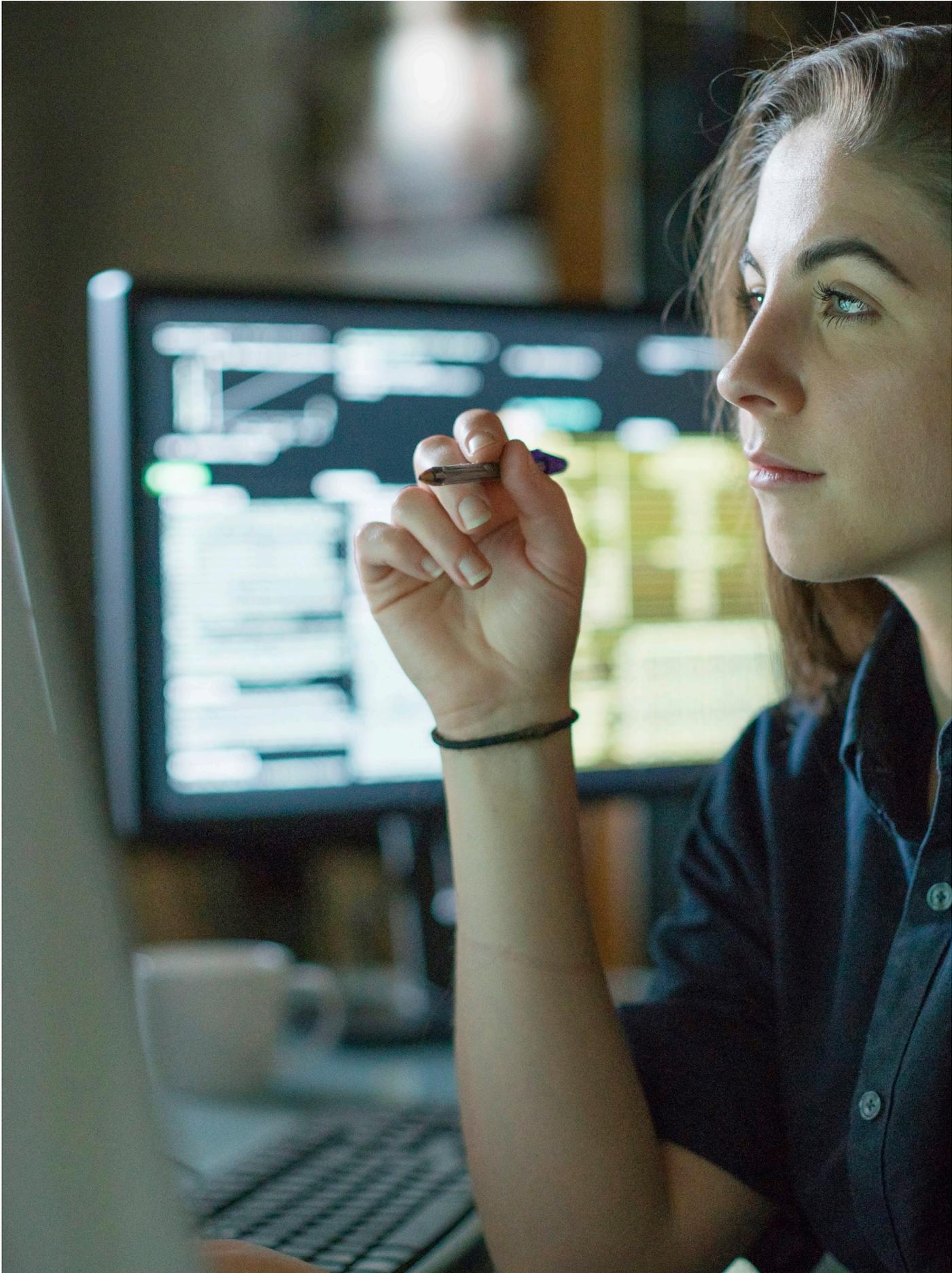
For more and more customers today, that kind of treatment is simply unacceptable. Three out of five surveyed consumers said they would abandon their favorite brand after a bad customer service interaction.<sup>1</sup> And in a separate survey, nearly all respondents (94%) said they’re frustrated by disjointed encounters across a range of industries.<sup>2</sup>

The problem of disappointing, disconnected experiences doesn’t just impact consumers. Without a clear understanding of the customer data at your fingertips, your brand can find it all but impossible to determine what motivates individual customers across

time and touch points. As a result, you can miss opportunities to deepen loyalty and to glean insights that can inform more efficient marketing and improve your brand’s relationships with existing customers.

By formulating an enterprisewide customer data strategy—a plan that goes beyond cataloging and understanding data to acting on data—you can better translate *individual datapoints* into an understanding of *individual customers*—and then leverage that understanding to provide all customers with cohesive experiences across channels, improve operational efficiency and deliver value against your business goals.

Let’s look more closely at why that matters—and how to begin solving this need for your organization.



# Disruptive forces demand a new approach to data management.

Customers put high value on great experiences. Seventy-three percent of customers across the globe say that customer experience is an important factor in purchasing decisions; and people are willing to pay, on average, 16% more for products or services when the customer experience is great.<sup>3</sup>

But the road to elevated experiences is paved with all-too-common pitfalls, with brands today facing disruptive challenges from all sides—most of them inextricably connected to how they collect, connect and act upon data.

## **A higher bar, every day**

For consumers, today's wow is tomorrow's yawn. Technologies like artificial intelligence and machine learning are speeding the pace of innovation in experience delivery. The effectiveness of those technologies—along with everything else you do to help humanize and personalize products, prices and experiences—depends largely on your mastery of data.

## **A complex technology landscape**

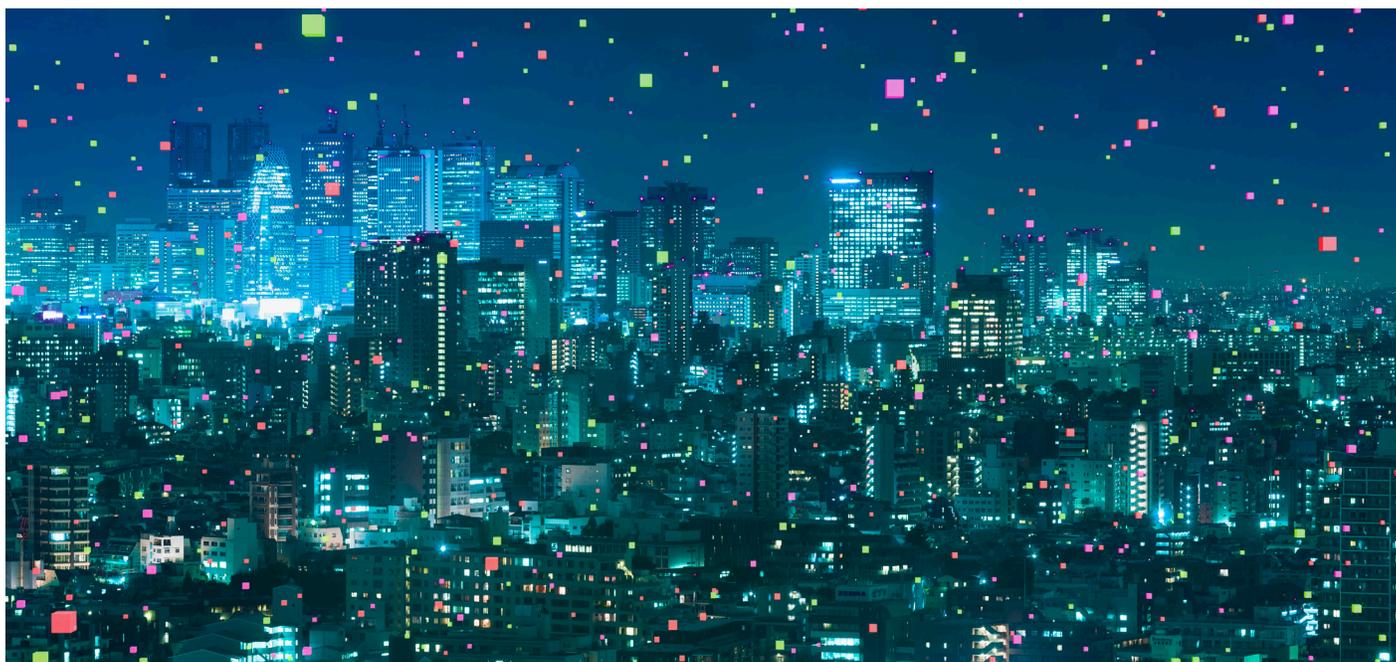
At the same time that new technologies are expanding the horizons of possibility, some tried-and-tested capabilities (such as those built on third-party browser cookies) have become obsolete. These changes are significantly disrupting adtech operations, creating confusion about what technology to build, what to buy and what to borrow in order to best achieve business outcomes.

## **Changes to the way people work**

Traditional ways of working that were designed for simpler times are being pushed to the limits to support a new digital reality. Automation and cloud create great new opportunities but must be employed in ways that meet or exceed the expectations of customers.

## **Regulatory pressures and a new era of privacy**

Data privacy is more important than ever, forcing brands to reimagine how they engage and connect with their customers. Transparency has become table stakes in the new digital age of consent. Brands that fail to deliver on this expectation risk breaking the trust that is at the core of customer loyalty.



## Swamps, siloes and “shadow IT” impede the path.

The challenges that brands face around customer data aren’t just external. Manual processes, siloed organizational structures and legacy technologies simply can’t keep pace with the data quantities, the speed and the scale required as part of doing business today.

### Data, data everywhere.

The same profusion of data that now allows companies to better understand customers is part of the problem. In recent years, many organizations tried to address data overload by implementing centralized “data lakes.” But without an underlying data strategy, companies too often found themselves wading through something more akin to a data swamp—a morass of uncleaned, disconnected data that provided little in the way of discernable, reliable, connectable insights.

Some marketing organizations have also bought into technology solutions that promised “low-code” or “no-code” functionality, under the belief those can be managed directly within the marketing unit. That, in turn, has led to an epidemic of so-called “shadow IT” infrastructure. Because those solutions typically aren’t owned, understood and operated in connection with the broader application and data ecosystem managed by the IT organization, marketers and the brand as a whole can miss opportunities for more powerful insights and more impactful actions—or even squelch that potential by delivering experiences that aren’t aligned with other brand activities or standards. When it comes to data, bringing IT to the table as a key partner will be paramount to long-term success in delivering highly personalized customer experiences.

### Look out, your siloes are showing.

At a basic level, the question of “who owns the customer” often gets in the way of connecting customer data (and thus experiences) across touch points and time. Traditionally a brand’s customer acquisition team nurtures prospects through brand awareness campaigns, with the goal of bringing new customers in the (physical and/or digital) door. Once those prospects are converted to customers, they

are handed off to separate teams that handle the ongoing relationship, including service and loyalty.

This siloed approach can get particularly thorny when a customer churns: the customer retention team may treat that individual as a lapsed customer at the same time that the acquisition team treats that same person as a new prospect—with the result that the customer winds up being treated differently, concurrently, as the two teams continue their engagement efforts. At the very least this “double-dipping” is inefficient. At worst it can lead customers to feel misunderstood, annoyed and more likely to never buy from the brand again.

Customers don’t care about your siloes, and they *don’t want handoffs*. They *prefer hand-holding* along each step of the journey—and they’re willing to provide the personal information needed in order to receive those connected experiences. Surveyed consumers said they are okay with brands knowing significantly more about them than they think the brands already know. And most want brands to use that personal information to provide better and/or more unique experiences.<sup>4</sup>

**An ad-hoc approach to customer data is unlikely to solve these issues.** What’s needed instead is a single, unifying strategy focused on driving greater value for customers, greater efficiency for your operations and greater impact for your business as a whole.





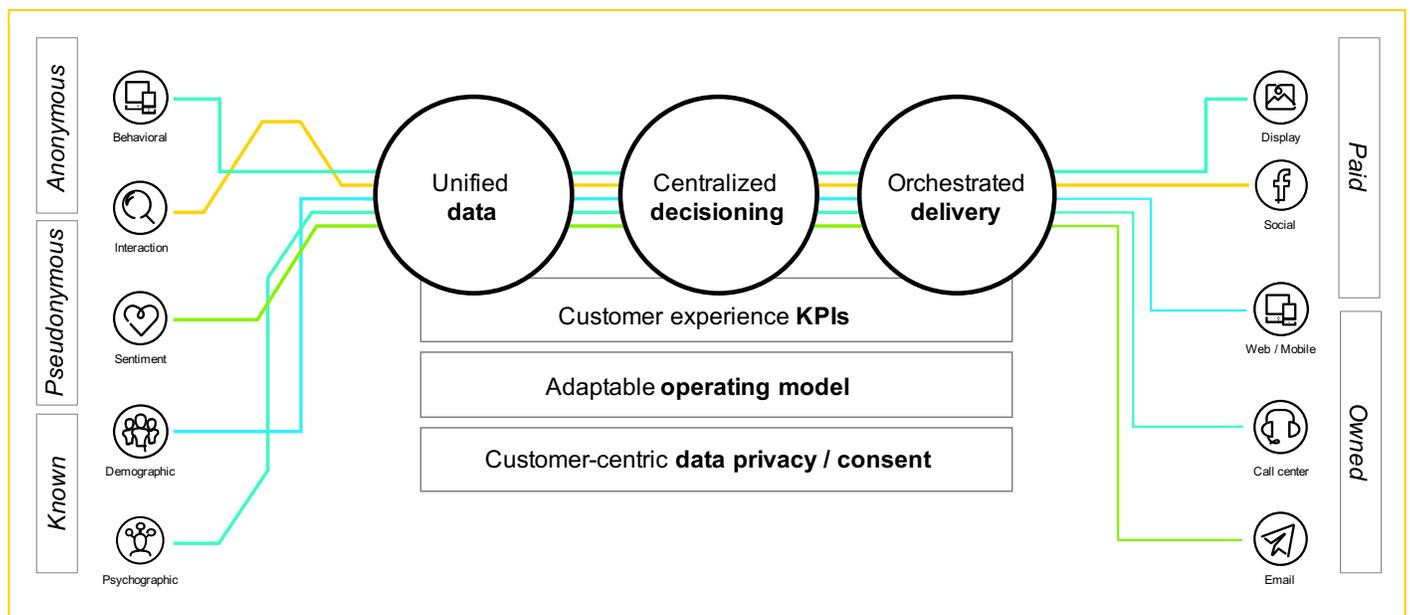
# Operate to elevate.

In order to tame complexity and elevate experiences, brands should develop a unified approach to operationalizing customer data. That means connecting signals across every channel and touch point into a unified data fabric—an architecture and set of services that enable consistency across on-premise and multiple cloud environments and that support universal identity resolution of customer profiles and

deepen customer insights. And it means leveraging those insights to help automate decisioning and orchestrate experiences across channels—all while respecting the privacy needs and preferences of each individual customer.

But even with the systems and workflows in place, it's ultimately about reconstructing and retraining teams in ways that shift traditional marketing

paradigms. The days of channel-specific teams and goals are coming to an end. Instead, brands should focus on developing multidisciplinary teams working in concert to drive measurable business outcomes, across channels and at scale.



# Building your customer data strategy.

Most brands today have already defined and are implementing customer experience (CX) strategies that address the types of tactics, campaigns and promotions they run; the look and feel of digital and brick-and-mortar experiences; how to engage with high-value customers versus lapsed customers and new prospects; how to cross-sell and upsell. And more.

Because customer data ultimately drives decisions on how, where and when to engage with customers—and because data also helps measure the effectiveness of engagement efforts—customer data is typically central to supporting those CX strategies.

But a customer data strategy should go well beyond *supporting* customer experience use cases at a tactical level. In fact, your customer data strategy can allow you to *refine* and even *redefine customer experience tactics and strategies*, by helping you:

- **Identify the highest-value data** that can drive better experiences.
- **Connect data and platforms** in ways that enable more actionable insights.
- **Understand channels and segments** that drive your success.
- **Reduce noise and friction** along the path to real-time insights and agile customer engagement.
- **Scale personalized experiences** across channels.
- **Provide a universal definition of customer identity resolution.**
- **Support customer privacy preferences** at an individual level.
- **Reduce risk** by identifying low-value or sensitive data that should not be collected or retained by the organization.

Achieving those goals often takes time—and always takes coordinated effort across virtually every business unit. It demands involvement and fluency from multiple members of the C-suite—including marketing, data / information, and risk and compliance leaders.

For that reason, the process of developing your strategy should itself

be approached strategically, with one eye toward the big picture—and the other focused on tangible actions that can be taken along that path for quick wins and on tangible enhancements that can provide incremental value, even when customer data is incomplete or imperfectly organized.



# Five principles to connect it all.

Through our experience working with companies in multiple industries—including business-to-consumer as well as business-to-business brands in markets around the globe—we've seen that smart data strategies are as varied as the companies that created them. However, they typically have five underlying principles in common.

## **Customer at the core.**

At the broadest level, your customer data strategy should focus on two goals: increasing top-line revenues by improving customer acquisition and loyalty, and creating bottom-line value through operational efficiency and insights.

These goals—and the approaches you take to achieve them—ultimately serve and amplify one another: Loyal customers are willing to pay a premium for products and services, improving the margin that feeds your bottom line; aligned and efficient operations improve customer experiences in ways that drive revenues.

In the middle of all this stands your customer, around whom your data strategy should be built.

## **Insights to action.**

The connections between revenues and loyalty and between efficiency and value should not simply be assumed. Achieving these improvements—and showing their impact on your business—depends on identifying use cases with measurable KPIs that explicitly tie data to insights, insights to actions and actions to outcomes. These use cases will serve as the engine that harnesses the potential within your data and powers the value you create.

Making those connections is all but impossible when your operating model

is fragmented or siloed. To address this, you should look at ways to organize teams around KPIs rather than around channels or capabilities. By aligning multidisciplinary teams around desired outcomes, you foster greater clarity, ownership and accountability.

## **Data, owned.**

In order to decide on an approach, you will need to soberly and comprehensively assess the current landscape of data, technology and capabilities available to you internally and through partners and providers. And, where important use cases can't be supported by existing data or capabilities, your strategy should identify the gaps in data, talent, technology, vendors / partners, processes and governance—and the solutions that will fill those gaps.

It's important to recognize along the way that more data isn't always the answer to better experiences. An underlying consideration in your customer data strategy should be the recognition that data itself has no intrinsic value. And collecting too much data can result in undue risk. So your customer data strategy should provide clarity, discipline, governance and justification for the data you collect and how you collect, store and use it—showing why you need it, how it benefits the business, how it benefits the customer, what would happen if you didn't use the data, and how the data relates to other data you're collecting and/or that is available from third parties.

## **Scalability, flexibility and privacy by design.**

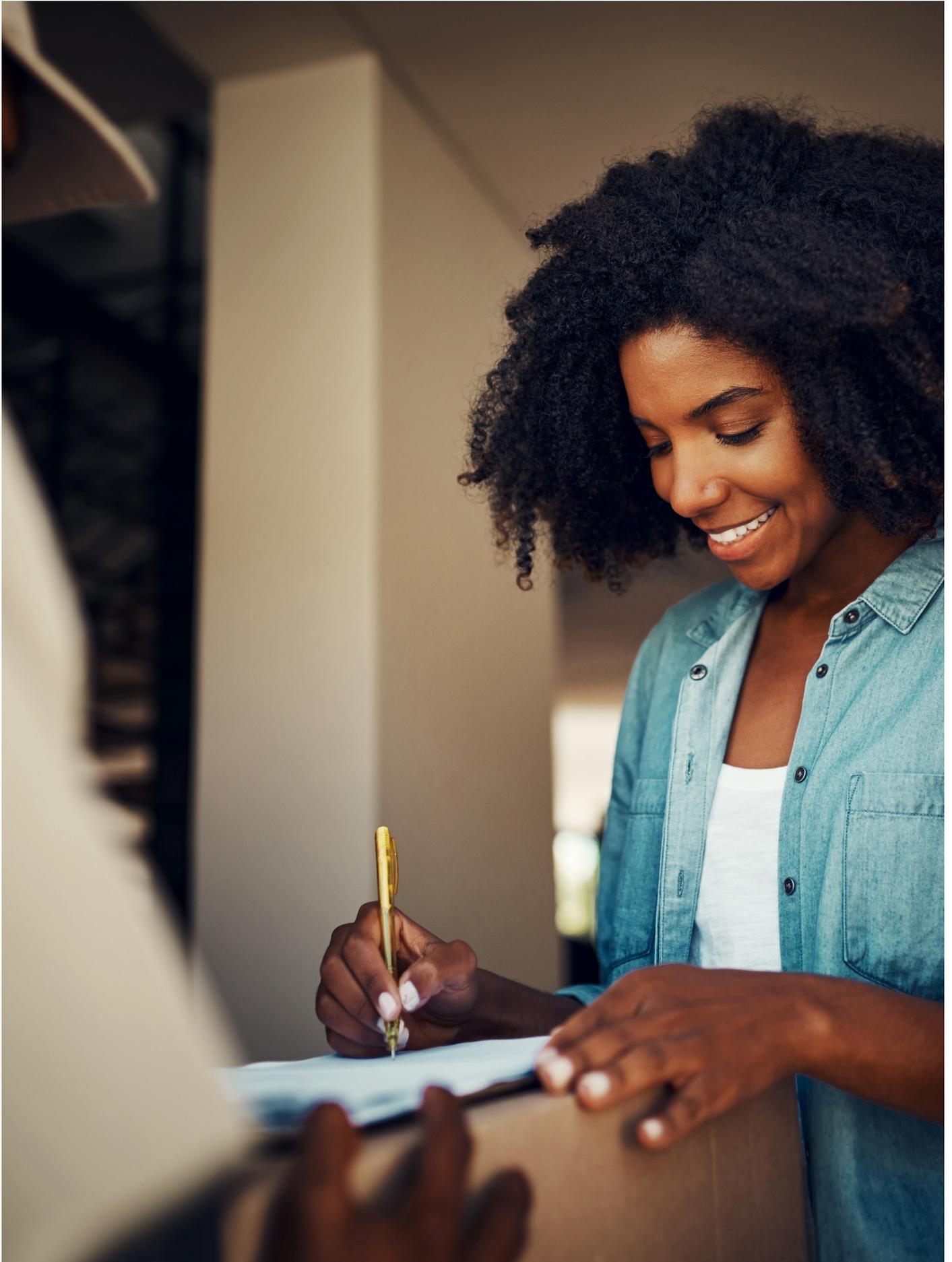
It is important to organize data in a way that keeps it readily available not only for the use cases you identify, but also for new opportunities that arise in the future. That's why it is important to manage your data fabric in serverless or

low-maintenance solutions with low- or no-code technologies that are integrated within your organization's broader IT ecosystem. This will enable greater ability to adapt at speed to new market conditions, regulations, technologies and business priorities.

Your strategy should also help identify the processes and protections that will be used in order to govern and manage workflows and safeguard customer privacy. This is critical both for building and maintaining customer trust as well as addressing regulatory requirements.

## **Automation everywhere.**

Achieving and elevating personalization at scale should be a central point of focus, and automation will almost inevitably play a role in that effort; so having the right automation toolset, principles and governance in place will be vital. Toward that end, it is important to consider all of your potential decisions through a lens of artificial intelligence, machine learning and robotic process automation. Many of these capabilities will be built into your data management platforms and tools. These technologies can be of particular help in capturing quick wins by allowing you to orchestrate incrementally better customer experiences even before you've fully mastered your customer data.



# The path from lead to loyalty is paved with data.

*You finally settle on a new computer for your home office. You point your web browser to the company's website, customize your order and click the "buy" button. The computer arrives at your doorstep two days later.*

*While setting it up, you run into a confusing issue and call the company's help line. "Thank you for your recent purchase," a voice answers immediately. "We see that your computer arrived today. You are probably calling with a setup question. Is that correct?" Within minutes, your problem is solved. Two weeks later, a banner ad pops up on your screen ... offering more tips and tricks for how to get the most out of your new computer.*

**We all wish for connected experiences like this.** It's what makes us feel more heard and respected, more known, more valued. It's what can transform us from skeptical shoppers into giddy brand evangelists.

Your brand's ability to foster those connections comes down to how well you can master customer data. With the right elements aligned and with concerted, action-oriented effort, your customer data strategy can serve as the glue that binds your organization into a more customer-centered enterprise.

Getting there won't happen overnight. Indeed, operationalizing customer data is more discipline than destination. There will always be more to glean from your

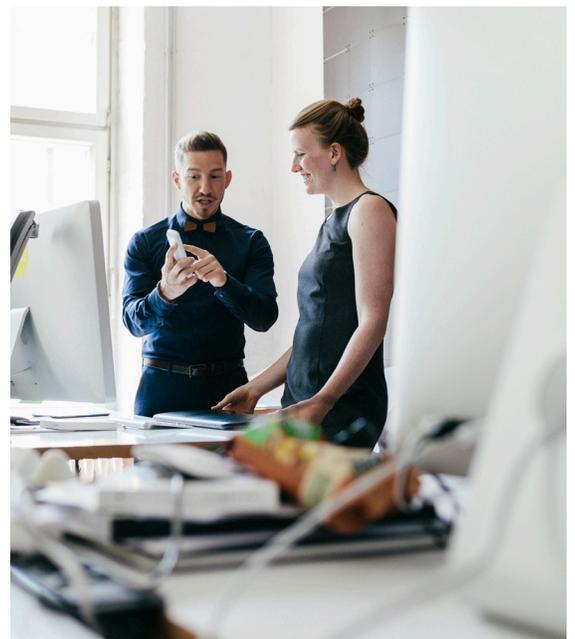
data. Fortunately, you don't have to wait to begin applying what you learn.

At each step along the path, you can improve the ways that your organization listens to, learns from and acts on data. You can reduce marketing costs, anticipate customer needs and desires, provide better service.

And ultimately, you can transport more customers, more quickly, from feeling like numbers to feeling like old friends.

## Summary recommendations

- **Develop a customer data strategy** that is separate from—but connected to—your CX strategy.
- **Focus on use cases** that deliver top-line value by strengthening customer acquisition and loyalty; and enhance bottom-line value through operational efficiency and insights.
- **Map out your customer data universe** by assessing your current state of owned and available data and technology; and identifying solutions that will fill any gaps in the data, talent and technology you need to support use cases.
- **Develop a flexible, scalable and privacy-compliant data fabric** that is consistent across the enterprise.
- **Lean into automation** in ways that allow you to score quick wins and advance your data-driven insights even as you work on longer-term opportunities.





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#### END NOTES

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