Want to pull ahead of the pack? Ramp up data-driven capabilities.

New research shows a widening gap between CX leaders and laggards in their abilities and impacts.

Customer-centric organizations know that mastering data is the key to meeting rising expectations for personalized experiences. In today's experience economy, the ability to synthesize, interpret and act on customer data—in real time and across digital and physical touch points—is foundational. It allows a brand to connect with customers as individuals in personal, resonant and cohesive ways.

To understand how organizations are adapting their customer data strategies and capabilities, Deloitte Digital has commissioned annual research by Forrester Consulting over the last three years. This year's study found that many brands are **asserting more ownership of their data, using omnichannel campaign data *and* measuring marketing efficacy in new ways** in order to make customer experiences more personalized and meaningful.

Yet despite year-over-year improvement by brands that are already CX leaders, overall momentum in customer data mastery stalled in 2021. Brands appear to be complacent or mired in persistent technology, talent and organizational challenges. This complacency invites peril. To pull ahead of the pack—and enjoy the benefits that come from personalized customer rapport—brands will need to turn their intentions of data mastery into action.

The good news: Brands are taking control of their data.

First-party customer data is the fuel that powers a personalized experience, and most brands know it. They're moving away from arms-length relationships with their data, technology and service providers. They are ramping up their direct involvement in data mastery by consolidating vendors, developing mission-critical skills in-house and building technical capabilities. This trend is prevalent among most surveyed companies.

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Two-thirds of all brands have **expanded direct control of mission-critical capabilities** such as corporate and marketing data management, customer identity resolution and profiles, customer insights and engagement decisioning.

The bad news: Mastery of omnichannel data is uneven.

While increased data ownership is a positive and widespread trend, **it hasn't uniformly translated into data mastery** for all brands. Bringing together and using customer data from interactions across channels—whether in-store, on social media, or online—is paramount to personalizing customer experiences. But it calls on new capabilities and skills that some brands are struggling to acquire. Accordingly, leaders gained momentum with their use of omnichannel data during the last year, while laggards lost ground.

53% OF LEADERS

have **omnichannel campaign history** and use it very effectively, an increase from 41% the previous year. But ...

JUST **25%** OF LAGGARDS

have omnichannel campaign history and use it effectively, down from 29% in the previous year.

Make it personal— to make it profitable.

For those brands getting it right, personalized rapport with customers and prospects is paying off. Respondents with data-driven personalization initiatives report seeing:

18%
lower customer acquisition costs.

27%
increase in transactions generating a sale.

20%
higher spend per customer.

Customers expect more "me." But many brands still see "them."

As brands vie for consumer attention, nearly all respondents recognize that customers and prospects expect to be treated as individuals, with content and experiences that seemingly intuit their needs and wants. Despite awareness of these expectations, not all brands are delivering personalized communications.

87% say **customers increasingly expect relevant, personalized information** based on where they are in their decision journey.

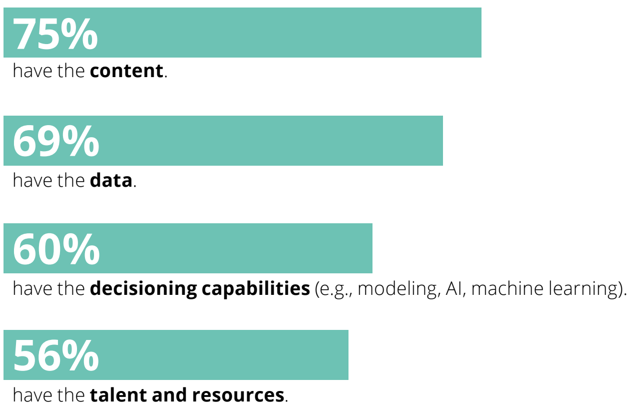
However, not all brands are taking action.

76%
of leaders consistently or frequently personalize their communications.

ONLY 40%
of laggards do the same.

Talent and decisioning capabilities impede progress.

At least two-thirds of brands say they have the data and content needed to personalize experiences. However, fewer say they have the talent, resources and decisioning capabilities they need. This deficit stands in the way of brands being able to make seamless, automated decisions, at scale, about how and where to connect with each customer in bespoke ways.



These figures reflect the percentage of respondents who agree or strongly agree they have these capabilities to support personalized CX.

Data tools proliferate—and so do challenges.

Brands have adopted many tools to help them personalize experiences—but not necessarily the *right* tools. In the past year, they have added to—rather than streamlined—the number of applications used to leverage customer data (to 28 from 26, on average). It has only become harder for many to measure and connect progress effectively.

50% **lack the right technology** to perform needed tasks—slightly worse than 47% a year prior.

45% **lack real-time reporting** capabilities—slightly worse than 43% a year prior.

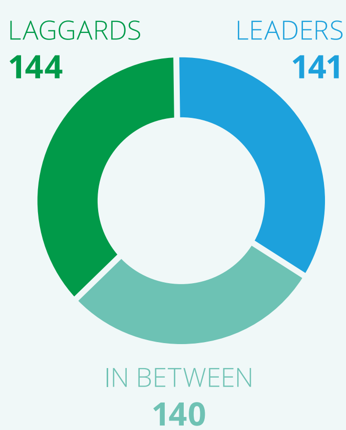
44% **struggle to aggregate data** from multiple systems, worse than 39% a year ago.

37% **lack the capability to measure marketing campaign results**, the same as a year ago.

Our research methodology:

Leaders. Laggards. And everyone in between.

We assessed customer data mastery maturity by asking respondents to answer questions across four categories, as shown below, with points for each question ranked from lowest maturity (1 point) to highest maturity (5 points).



Total of **305** points possible.

- Breadth of tasks in which customer/prospect data is used **(70 points possible)**.
- Confidence in key data management capabilities **(70 points possible)**.
- Effectiveness with different types of data **(65 points possible)**.
- Extent to which key performance indicators (KPIs) and cost performance indicators (CPIs) are used to measure CX efficacy **(100 points possible)**.

The sum of points determined the maturity of each brand. Of our 425 respondents, 141 ranked as leaders (with scores ranging from 228 to 275), 144 as laggards (with scores between 111 to 201), with the rest falling somewhere in transition (with scores between 204 and 225).

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Make 2022 the year of momentum.

Nearly four out of five surveyed companies say that improving data measurement and activation capabilities is a critical or high priority in the coming 12 months. However, they said the same thing a year ago. As our research makes clear, it's time to turn intentions into action. Laggards have proven they're capable of closing the gap on certain capabilities, such as taking greater direct control of their data and mission-critical capabilities—but in other areas they're losing ground. Now, all brands must find ways to make good on their intentions to personalize customer experiences and drive strong returns on investment.

GET IN TOUCH

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SOURCE: Commissioned studies conducted in December 2021, October 2020 and September 2019 by Forrester Consulting on behalf of Deloitte Digital reflecting the responses of 425 (2021), 439 (2020) and 425 (2019) customer data management decision-makers at North American enterprises.