How Customer Analytics Enhance Omni-channel Journey Design

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Contents: How Customer Engagement Analytics Enrich Omni-channel Journey Design

• What We Did: Research Methodology
• What We Found:
  – Challenges & Solutions
  – Return on Investment is Real
  – Performance Benchmarks, Metrics & Best Practices
• Best Practices: Select Case Studies
  – Wireless Provider, NA
  – International Toy Manufacturer
• Contact Info
Research Sources Utilized

2017 retail, wholesale, and distribution industry outlook
Report on Deloitte.com

Navigating the New Digital Divide: Capitalizing on Digital Influence
Report on Deloitte.com

Marketing in a World of Spontaneity
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Today’s relationship dance: How behavioral insights from the digital dating arena can guide customer relationship strategies
Report on DUPress.com

Deloitte Retail Volatility Index: How 100 years of conventional wisdom is being disrupted
Report on Deloitte.com

How Customer Analytics Enriches Omni-channel Journey Design Processes
Report online
Geography and Company Size

- **North America**: 47%
- **EMEA**: 34%
- **Asia Pacific**: 19%
- **South America**: 0%

- **Mid-market**: 44.6%
- **54% Large Enterprise >$2B**

- **Company Size Breakdown**:
  - Less than $100M: 1.4%
  - $101M to $500M: 17.0%
  - $501M to $2B: 27.6%
  - $2.1B to $5B: 17.3%
  - $5.1B to $10B: 24.0%
  - $10.1B to $20B: 7.8%
  - More than $20B: 4.9%
Industry Sectors Demonstrate...

Good balance of B2B and B2C industries

Retail: Online, Store, Catalogue, etc..., 22.3%
Financial Services: Retail / Commercial Banking, 14.1%
Manufacturing: B2B, 11.7%
Consumer Goods & Electronics, 10.2%
Entertainment, Hospitality, Hotel, Leisure & Travel, 7.4%
Telecommunications: Infrastructure, Networks, & Communications Services, 6.4%
High-Tech: Hardware, 4.6%
Insurance: Auto, Life, Medical, Property etc..., 4.6%
Hi-Tech: Software Solutions Provider, 4.2%
Utilities, Oil, Gas or Energy, 3.9%
Accounting, Law firm, other business services, 3.2%
Other: Write in please, 3.2%
Health care Provider: Hospital, Clinic, etc..., 1.4%
Pharmaceuticals / Bio Tech, 1.1%
Public Sector & Government Agencies, 1.1%
Distribution or Logistics, 0.7%
Retail: Online, Store, Catalogue, etc..., 22.3%
Financial Services: Retail / Commercial Banking, 14.1%
Manufacturing: B2B, 11.7%
Consumer Goods & Electronics, 10.2%
Entertainment, Hospitality, Hotel, Leisure & Travel, 7.4%
Telecommunications: Infrastructure, Networks, & Communications Services, 6.4%
High-Tech: Hardware, 4.6%
Insurance: Auto, Life, Medical, Property etc..., 4.6%
Hi-Tech: Software Solutions Provider, 4.2%
Utilities, Oil, Gas or Energy, 3.9%
Accounting, Law firm, other business services, 3.2%
Other: Write in please, 3.2%
Health care Provider: Hospital, Clinic, etc..., 1.4%
Roles & Functions Include...

Customer-facing, operations, marketing and analytics.
Perception: Customer Experience vs. Customer Engagement?

1) Customer Experience is the summation of all recent experiences with a brand. 2) Customer Engagement is interaction-based & personalized using analytical insights.

- Yes, they are fundamentally different concepts: 38.2%
- Somewhat, but they are fundamentally similar: 26.9%
- No, these are basically the same concept with different words or emphasis: 25.1%
- Don’t Know / Not Sure: 4.6%
- Does not apply to our business model: 1.8%

63.3% acknowledge a difference.

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### Prioritized Business Challenges: Complex

Encompass investment justification, organizational structure, best practices and information sources.

<table>
<thead>
<tr>
<th>Challenge</th>
<th>#1 Highest Priority</th>
<th>#2 High Priority</th>
<th>#3 High Priority</th>
<th>#4 Priority</th>
<th>#5 Priority</th>
<th>Not a Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building a business case to JUSTIFY investment in software to C-Level or Board of Directors.</td>
<td>24.5%</td>
<td>16.2%</td>
<td>17.0%</td>
<td>17.0%</td>
<td>9.0%</td>
<td>16.2%</td>
</tr>
<tr>
<td>Investment in technology – Lack budget or software tools.</td>
<td>18.5%</td>
<td>15.7%</td>
<td>15.3%</td>
<td>13.5%</td>
<td>11.7%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Creating, selecting or applying the right performance METRICS or KPI's</td>
<td>16.8%</td>
<td>24.0%</td>
<td>19.0%</td>
<td>14.0%</td>
<td>10.8%</td>
<td>15.4%</td>
</tr>
<tr>
<td>Business structure – siloed organization and cultural mindset</td>
<td>16.7%</td>
<td>21.7%</td>
<td>19.2%</td>
<td>13.0%</td>
<td>7.6%</td>
<td>21.7%</td>
</tr>
<tr>
<td>Developing best practices that support Customer Journey Design process optimization</td>
<td>14.1%</td>
<td>20.6%</td>
<td>22.7%</td>
<td>12.6%</td>
<td>13.7%</td>
<td>16.2%</td>
</tr>
<tr>
<td>Knowing which SOURCES of information we should utilize for multi-channel Customer Engagement Analytics</td>
<td>11.9%</td>
<td>22.7%</td>
<td>15.2%</td>
<td>18.4%</td>
<td>10.8%</td>
<td>20.9%</td>
</tr>
<tr>
<td>Selection of the right SOFTWARE tool, vendor partner or solution for our organization.</td>
<td>11.9%</td>
<td>17.3%</td>
<td>15.9%</td>
<td>17.0%</td>
<td>10.5%</td>
<td>27.4%</td>
</tr>
<tr>
<td>Determining how to ORGANIZE internally</td>
<td>11.1%</td>
<td>19.0%</td>
<td>23.3%</td>
<td>20.1%</td>
<td>7.2%</td>
<td>19.4%</td>
</tr>
</tbody>
</table>

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Tangible Return on Investment Varies...

<table>
<thead>
<tr>
<th>Category</th>
<th>Less than 2%</th>
<th>2-5%</th>
<th>More than 5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Marketing Investment (ROMI)</td>
<td>60.1%</td>
<td>55.6%</td>
<td>54.3%</td>
</tr>
<tr>
<td>Cross-Sell / Upsell Increase</td>
<td>30.6%</td>
<td>31.6%</td>
<td>31.6%</td>
</tr>
<tr>
<td>Customer Retention</td>
<td>15.1%</td>
<td>15.5%</td>
<td>20.3%</td>
</tr>
<tr>
<td>Customer Service &amp; Support Enhancements</td>
<td>27.0%</td>
<td>27.3%</td>
<td>28.9%</td>
</tr>
<tr>
<td>Operational Business Process Improvements</td>
<td>16.9%</td>
<td>20.3%</td>
<td>14.5%</td>
</tr>
<tr>
<td>Bottom Line Revenue Increase</td>
<td>17.5%</td>
<td>29.9%</td>
<td>20.9%</td>
</tr>
<tr>
<td>Customer Loyalty or Satisfaction Enhancements</td>
<td>23.0%</td>
<td>30.5%</td>
<td>21.1%</td>
</tr>
<tr>
<td>Top Line Revenue Increase</td>
<td>15.1%</td>
<td>24.2%</td>
<td>29.6%</td>
</tr>
<tr>
<td>Customer Acquisitions</td>
<td>15.5%</td>
<td>27.3%</td>
<td>29.9%</td>
</tr>
</tbody>
</table>

But is measurably significant across multiple journey touchpoints.
Case Study: Global Retailer
A global retailer of educational toys seeks to deliver personalized, targeted messages...

that lead shoppers on relevant journeys across every stage of the customer lifecycle from the physical store to digital and experiential gaming experiences.

The company visualizes, maps, and analyzes each consumer’s journey as they explore numerous age-appropriate toy brands.

With this insight, the retailer intends to influence the customer’s journey toward paths most probable to result in purchases by intentionally designing their engagement options.¹

Case Study: Telecom
When a US-based wireless provider with retail subscribers experienced rapid growth, the increase in customer service and support call volume was both costly and overwhelming.

To address call volume without negatively impacting service or satisfaction levels, the company decided to perform customer journey analytics on all online support channels to determine the probability of a customer calling in for a certain support issue.

Agents now proactively know what issues need to be resolved, how the subscriber tried to address the issues, and how best to deliver an improved customer experience.

After operationalizing customer journey analytics, time customers spent in the interactive voice response unit (IVR) decreased by 67 percent, which in turn had a positive impact on customer satisfaction index (CSAT) and customer effort (CES) scores, customer retention rates and top-line revenue.²

With more than 1.35 million subscribers, just one-half of one percent increase in customer churn or retention is worth an estimated $1.3 billion in revenue to this telecommunications company. In addition, the company reduced call center volumes by 30 percent which saved 15 dollars per call without negatively impacting service levels.

Top Performers Are More Likely to…Prioritize Goals Differently

- Brand Reputation Management (72.8%)
- Customer Advocacy, Loyalty & Satisfaction (71.5%)
- Customer Analysis, Profiling, Segmentation (62.4%)
- Customer Engagement Improvements (58.9%)
- Consider use of all customer touch-points for analysis as critical (67%)
- Believe customer experience & engagement as more critical (58%/52%) than customer journey design (38.2%)
- More likely to use one software tool to help us analyze and visualize customer journeys and another to modify and configure customer journey processes. Both from same vendor. (51.8%)
Key Take-Aways...

• Customers seek personalized brand interactions and engagements that businesses could supply by using the right consumer insight in the right place and at the right time.

• Determine the design and outcome objective of the Omni-channel customer journey:
  - Conversion to purchase?
  - Loyalty?
  - On-boarding?
  - Lifecycle management?
  - Advocacy?
  - Timeframe?

• Align customer journey design processes to customer engagement preferences:
  - In store?
  - Online?
  - Mobile?
  - Etc...

• Market campaigns and trade promotions need to be contextually/historically relevant, in-moment, and in alignment with a customer’s current lifecycle.

Prioritize Design and Business Process Goals Effectively!
How to Start...Consider...

- Using adaptive interaction rules and artificial intelligence (AI) to optimize the customer experience according to channel preferences;
- Offering predictive or prescriptive next-best action upsell, cross-sell, and trade promotions to high-value customers most likely to purchase;
- Integrate both data and contextual information prior to analysis in order to enhance customer engagement;
- Supporting near-real time or in-the-moment customer engagement based upon various embedded analytical techniques;
- Increasing usage of multiple customer information sources;
- Brands that successfully utilize analysis of this in-moment contextual engagement to improve the customers’ journey, reduce friction and enhance the brand experience.

Prioritize Design and Business Process Goals Effectively
Q&A

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