

Your Customer Data Is Limitless, and So Is Its Value

Your company can either navigate the digital deluge, or be swamped by it

HAVING A sturdy data foundation now is critical to successful customer engagement in the future. Properly collected and analyzed, customer data can deliver increased business revenue, bigger wallet share, and happier and more loyal customers willing to advocate for your company’s brand(s).

The amount of data available to help you understand your customers and their interactions with you is massive, and it will continue to grow exponentially. Today, more than 11 billion connected devices are producing eight zettabytes of data per year. By 2025, forecasts call for 80 billion devices and a staggering 180 zettabytes of data, respectively. Companies will need to learn how to harness this “digital firehose” to their advantage. The alternative: getting inundated. No wonder 77 percent of businesses say that digital transformation is their highest strategic priority.

In the digital era, your job is to capture, retain, and grow customers amid the digital deluge. How? Let’s look at my Engaged Customer Strategy framework (see diagram). Begin by gathering transactional data (e.g., from enterprise resource planning (ERP), point-of-sale, or loyalty systems), CRM system data, and any available data from third-party sources. This offline data can be enhanced with identity resolution tools that bring in online customer data as well, allowing your company to

create a best-in-class, holistic customer profile. These profiles are the foundational building blocks for transforming customer data into value.

Once your holistic customer profiles are in place, your next step is to perform data analysis on these profiles to develop customer segmentation, customer personas, customer journey maps, and more. Your goal is to identify the right customers and their preferred buying channels. While there will always be challenges performing good data analysis, there is also no shortage of analytical approaches. Many of ISM’s clients choose from an array of tools—including look-alike modeling, opportunity sizing, acquisition modeling, lead scoring, cross-selling, next best offer, retention/survival modeling, response modeling, customer lifetime value (CLV) analysis, and others—to derive meaningful insights from their customer data and then transform this data into value.

CHOOSING CHANNELS

When your data analysis is complete, you are now ready to sell products through one or more of four customer engagement channels:

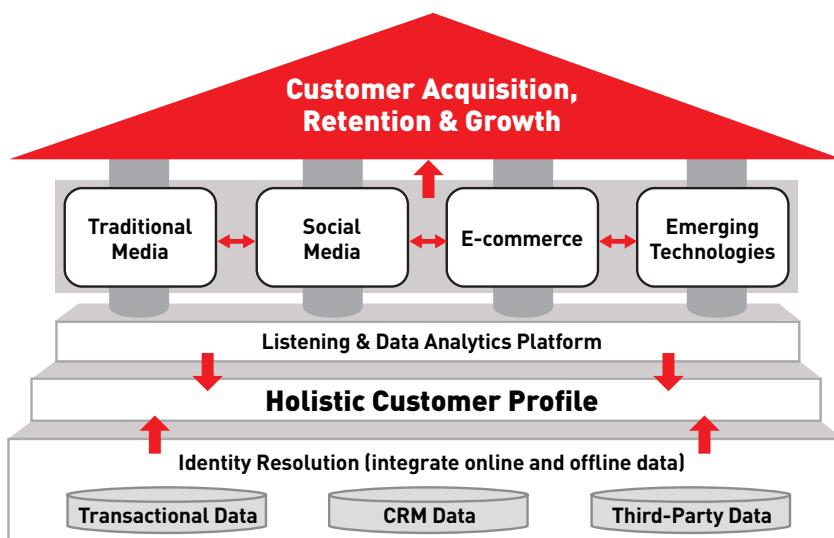
- **Traditional media.** This includes face-to-face meetings, sales calls, emails, calls to the contact center, and marketing mailers.

- **Social media.** This includes public social media communities (e.g., Facebook and Twitter), as well as private, branded social media communities.

- **E-commerce.** This consists of websites, portals, next best offer, and shopping carts.

- **Emerging technologies.** Among the rich variety of tools included here are mobile apps, wearables, personalized video, addressable TV, virtual assistants, and virtual/augmented reality.

As you select the most appropriate channels to reach your target audience, remember that different demographic groups prefer different channels. For example, Millennials and Generation Xers tend to favor



internet/chat and social media, whereas Baby Boomers prefer email or even the traditional phone channel. Your product messaging also needs to be contextually relevant to each channel since this greatly increases your likelihood of being heard. Lastly, you will need to be present across multiple channels, both offline and online, at all times. Today's customers expect a consistent level of care and service as they move between channels throughout the buying journey. In the digital world, it is all about "find me, know me, delight me."

Once you have settled on the channels best suited for selling your products, listen to customer feedback about your products coming from each channel. Then integrate this feedback into each person's holistic customer profile and conduct additional data analytics across all customer profiles to come up with more effective marketing and sales programs: better face-to-face interactions, more relevant social media community forums, a more compelling website, a more useful mobile app, and so on. Properly done, this closed-loop sales and listening process will deliver to your company enhanced customer acquisition, retention, and growth.

For all this to work, however, you need to ensure tight collaboration between marketing/sales and your technical

staff. Why? Because you need "creative" marketers/salespeople to elicit real-time online and offline data from brand-loyal customers sensitive to privacy issues and "technical" marketers/salespeople to analyze the data and help achieve smarter decision making. Individuals capable of switching between left brain and right brain and and do both creative marketing and technical marketing are hard to find.

The overwhelming volume and frequency of customer data in the digital age provides a wonderful opportunity for companies to understand their customers and prospects in a hyper-focused way. This, in turn, presents opportunities to transform customer data into increased business revenue, bigger wallet share, and happier, more loyal customers, ones who are willing to advocate for your company's brand(s). But it also poses a risk of getting swept away in a 180-zettabyte flood if you and your company do not get on top of this now. 

Barton Goldenberg (bgoldenberg@ismguide.com) is president of ISM (www.ismguide.com). Since 1985, ISM has established itself as a strategic adviser to organizations planning or implementing engaged-customer strategies that leverage technologies including CRM, social media, e-commerce, emerging technologies, analytics, and identity resolution. He is a frequent keynote speaker (www.bartongoldenberg.com) and is the author of four books, including The Definitive Guide to Social CRM. He is currently completing his new book, titled Engaged Customer Strategy: Your Roadmap to Success in 2030.