



MARTECH
ALLIANCE



TREASURE
DATA

2021

Research
Paper

CUSTOMER EXPERIENCE (CX) TRENDS & INSIGHTS

UK & EU

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Foreword



Andrew Stephenson

Director of Marketing EMEA & India
Treasure Data

It's recognised that a lot has changed in the way we work, as well as the way people live their lives. People expect their brand experiences to be smooth, joined up and to flow effortlessly from web to app to store and across devices as they move through our digital real estate.

The world revolves around the customer more than it has ever done before. They don't go out to the world anymore; they bring the world to them.

Customers use various devices to make sure their world keeps moving, which means a frictionless experience becomes imperative. Some of these behavioural changes will stick, some will disappear, and some may be diluted as the world moves further into the 2020s. Organisations need to be ready to adapt as the world changes around customers. Businesses need to be there to enable their lives, and to give millions of customers the feeling they are the one and only.

As expectations around experience have evolved, so too has the view and value of data. This data doesn't come easily - customers are savvy with their data, so there is a new element to the value exchange. Life is more digital, and there is more data available to help get it right. Customers know this and have high expectations that the trade in data will lead to a more relevant customer experience.

This customer experience is all of the interactions a customer has with a brand over time. Any points of friction during that experience could be where the parachute cord in the relationship is pulled, and the customer decides to move to another brand.

In today's instant gratification society, a brand can't wait for that data to reach the email provider or call centre to address these points of friction. Instead, customers demand more time-sensitive communication around their brand interactions.

Customers know the data is there and they know brands have the resources to overcome their pain points. If businesses don't overcome these problems, a customer is forced to decide whether a brand is still worth something to them.

The answer is to gain a deeper understanding of customers, directly from them, in the moment. Surveys and other similar feedback methods are useful but can be misinterpreted and diluted after the moment has passed.

The response to this challenge is to understand how customers interact with a brand and where those moments of friction are, so that brands can overcome them and ultimately manage the cognitive dissonance around expectations of experience and reality.

Having an integrated tech stack enables brands to gather customer data and understand the flaws in the customer experience. This then enables that same data to flow through the company in real time to where it is needed and can be actioned.

Our business needs a dedicated insights and actions engine, one that can manage the models, attribution and data science focus to provide the experience quietly demanded by our consumers today.

Using predictive analytics and machine learning ensures brands are always listening and watching for these moments of dissonance, sometimes in real time, which enables split second decisions to be made that can mitigate the loss of a customer due to bad experience.

We all know what is possible, our customers expect it, we want to deliver it. So what's stopping us?

Just under a third of businesses believe they are exceeding, or significantly exceeding, the expectations their customers have of their experience.

This report uncovers that there is a direct relationship between the areas invested in by businesses, and the customer experience offered to their customers. The businesses focusing on linking on and offline experiences, and personalisation, are those exceeding customer expectations.

There is the flip side to this of course. This report highlights that the rate at which customer expectations are increasing is starting to outpace some organisations'

ability to deliver against it. As a result, brands are not sure they are delivering an experience that meets those expectations.

There seems to be an innate fear that brands are not delivering the kind of experience our customers expect from us today, and that we don't have the skills and experience in our businesses to deliver what they want in the future. Almost 70% of those who believe their experience is lower than their customer expectations cite skills/knowledge as the key challenge they face. This report explores this theme in more detail as well as providing insights on the steps to take to drive CX excellence.

Thank you to those who completed the market survey, for taking the time to discuss and reflect on the customer experience of your brand and for sharing it with other similar organisations in the UK and Europe. Without your integrity and honest appraisal of your organisation's CX this report would not have been possible.

Thanks to your efforts, this is now the UK and Europe CX benchmark from which to measure future progress.

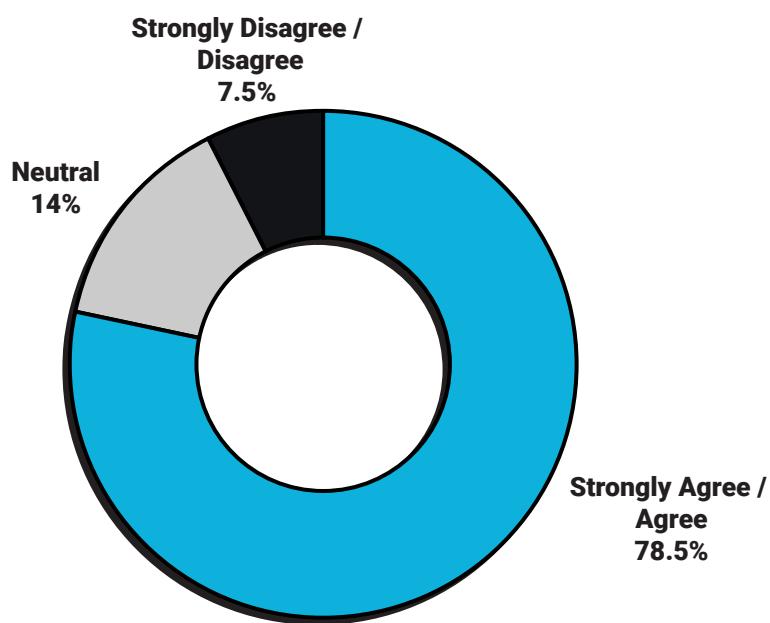


Introduction

Delivering exceptional customer experience is the key to remaining competitive in 2021 and beyond, according to nearly 80% of CMOs surveyed in MarTech Alliance's 2021 Customer Experience (CX) Trends & Insights - UK & EU. The modern CMO recognises that delivering amazing CX isn't just important, it's critical; it's the new battlefield.

Fig: 1.0 Customer experience key to driving competitive advantage

**To what extent do you agree with the following statement
'Delivering an amazing customer experience is a powerful competitive advantage'?**



The report explores the ingredients of CX success, the hurdles faced, customer expectations vs. reality, and the role of talent and technology in realising CMO's CX vision.

The survey reveals that delivering connected physical and digital experiences, real-time experiences, personalisation, and omnichannel/integrated marketing orchestration are core to CX excellence, as is doubling down on data compliance, privacy and ethics to build brand trust.

Organisations lack the skills and technology to deliver on their vision. Specifically, introducing a Customer Data Platform (CDP), or better managing an existing one represents one key to unlocking this, as does investing in training and development to advance team capabilities.

This report will provide customer experience insights from 200 CMOs across UK & Europe, assessing both what they have experienced in the last 12 months and their plans for the future.

Methodology

To uncover the latest customer experience trends and insights, MarTech Alliance, in collaboration with Customer Data Platform (CDP) Treasure Data, carried out an online survey which polled 200 CMOs across the UK, France, and Germany in March/April 2021. Respondents came from a mix of industries - from finance, consumer goods to retail, wellness and fitness.

Company size ranged from 201 employees to more than 10,001 employees, with 58.5% of organisations represented coming from companies with 501+ employees. Half of the CMOs surveyed were from the UK, while a quarter each came from France or Germany.

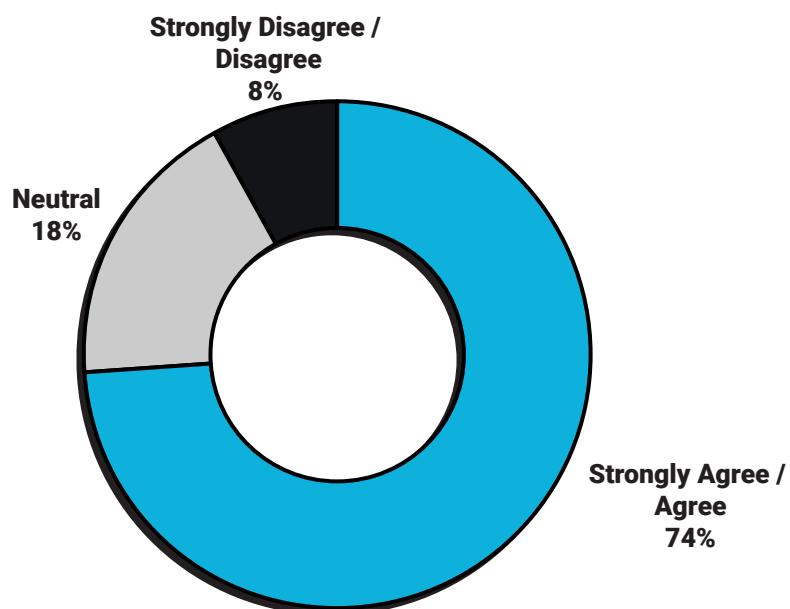
Matching customer experience to customer expectations

The digitisation of the world was already accelerating pre-pandemic, and it's now gained an exponential pace. In turn, customers have come to expect a frictionless, speedy and exceptional experience. Whether that's a few clicks to shop on Amazon, book a taxi with Uber or order food on Deliveroo, customers expect more than ever and organisations need to adapt to this.

CMOs understand that customers have increased their expectations when it comes to receiving highly relevant, personalised, and integrated omni-channel messaging and experiences. 74% of survey respondents agreed or strongly agreed that this was the case, with just 18% remaining neutral and only 8% disagreeing or strongly disagreeing.

Fig 2: Customer expectations for personalised omni-channel messaging

To what extent do you agree with the following statement 'Customers expect highly relevant, personalised and integrated omnichannel messaging and experiences'?

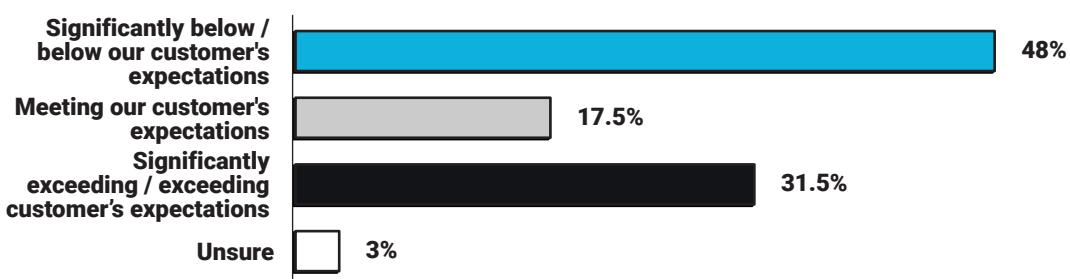


Customers expect brands to truly understand them, and to provide rich and relevant experiences across all channels. To achieve this, organisations must embrace sophisticated journey design and omni-channel execution. They need to advance their marketing efforts well beyond some level of personalisation in siloed channels. The new baseline is integrated omni-channel marketing.

Nearly half (48%) of survey respondents said the customer experience they deliver falls below or significantly below their customers' expectations. Just 31.5% are exceeding expectations, as illustrated by the following chart.

Fig 3: Customer experience relative to customer expectations

Which of the following best describes the customer experience your organisation delivers relative to customer expectations?



Failing to meet customer expectations introduces a real risk that competitors may prise customers away by better serving their needs. So it's unsurprising to see just how important CX is for CMOs.

Organisations must rethink and redefine their approach to marketing, focusing on a customer-centric approach that goes beyond multichannel to create a true omni-channel experience. Well executed omni-channel marketing connects physical channels to digital channels, focuses on rich personalisation, and delivers real-time experiences.



Neill Brookman
Director of Solutions Engineering EMEA
Treasure Data

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The first step in becoming a “customer-centric” organisation is to harness all customer data responsibly from every source to turn every bit of that data into actionable, meaningful insights and recommendations, to delight each customer with personalised engagements every time. This includes capturing customer attributes, interactions, and consent across all channels (online and offline), and enriching that first-party data with second- and third-party demographic and psychographic data to truly understand each customer on an individual basis. These online and offline data sources can include web visits, mobile interactions, email, paid media, ecommerce, loyalty apps, in-store POS, CRM, direct mail, backend systems, customer service, and the list goes on. It’s no wonder organisations struggle to bring together the vast number of different data sources for a holistic view of each customer.

The only approach that has been successful in accomplishing this is the adoption of a Customer Data Platform (CDP). It helps global brands harmonise their data, insights, and engagement technology stacks to drive relevant, real-time customer experiences throughout the entire customer lifecycle. Making it easy to know customers, personalise messaging at scale, grow the business, and meet data privacy and security requirements in parallel.

By interlacing data, insights, and engagement a CDP empowers teams across disciplines to engage customers with the best, most innovative experiences. Their comprehensive CDP is foundational for organisations who want to understand exactly who their customers are, where they are in their customer journey, and how to drive them to convert. Flexible, real-time, tech-agnostic, and infinitely scalable, Our CDP provides their customers with fast time to value even in the most complex environments.

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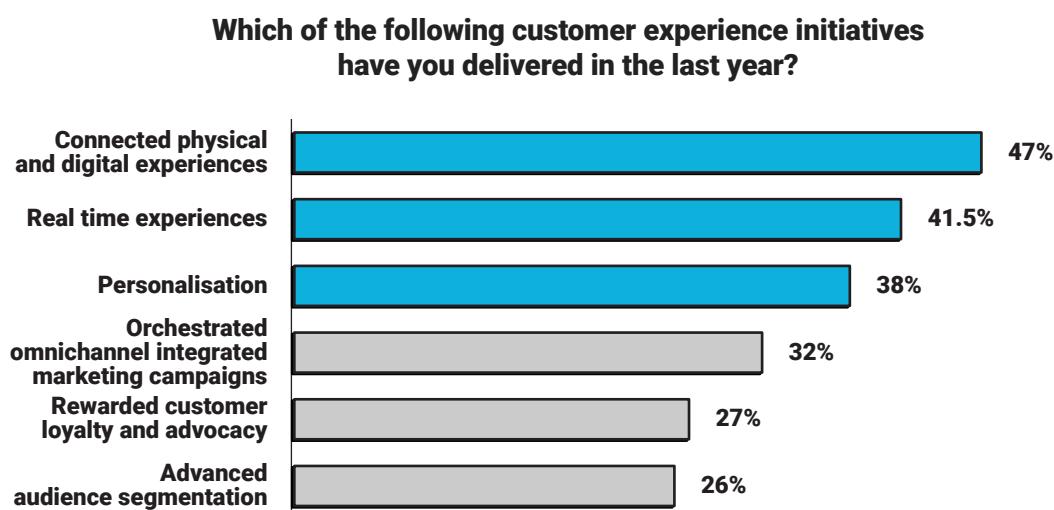
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Connect physical and digital channels for truly exceptional experiences

A connected physical and digital experience tops the list of what customers expect.

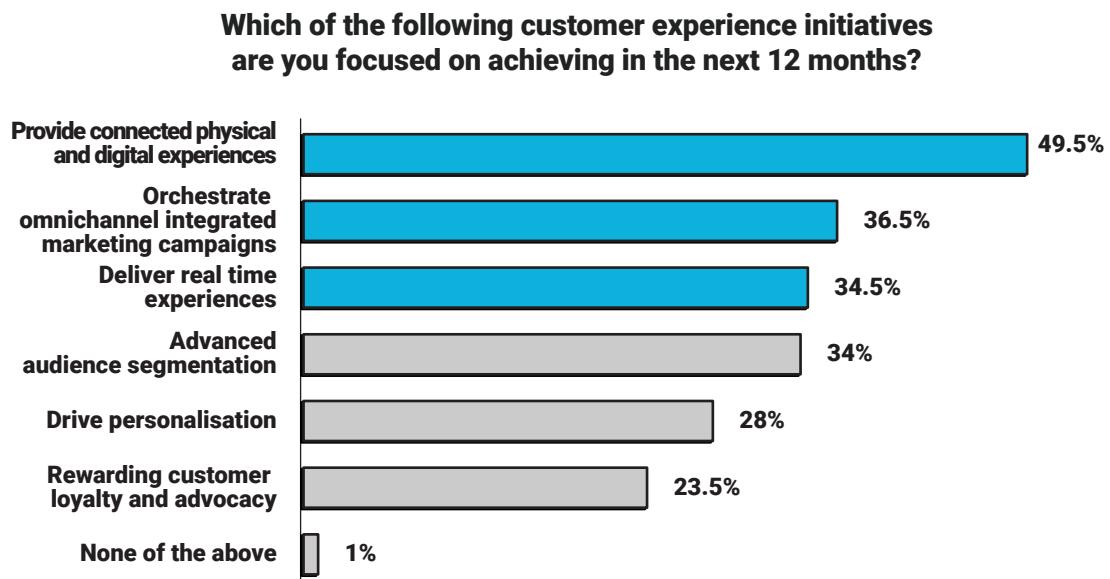
CMOs who exceeded customer expectations in the last 12 months focused on bridging physical and digital experiences (47%) and use of personalisation (38%).

Fig 4: Customer experience initiatives over the past year



Respondents indicated that in the next year, the top three initiatives they want to focus on are: #1 delivering connected physical and digital experiences, #2 orchestrating omni-channel integrated marketing campaigns, and #3 delivering real-time experiences.

Fig 5: Customer experience initiatives organisations are focused on over the next 12 months



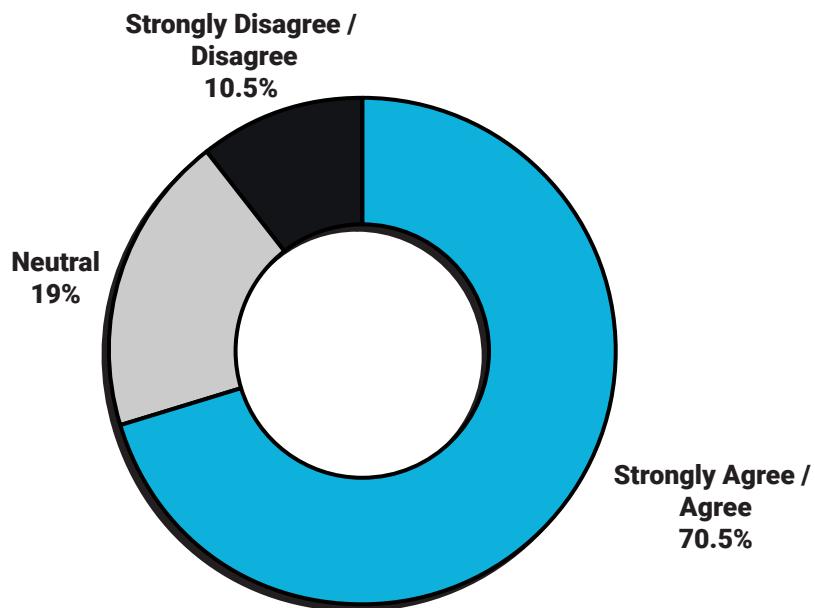
The above chart illustrates the percentage of CMOs that want to focus on different CX initiatives. Most initiatives fall within the 30% range of respondents, indicating that CMOs share similar priorities.

In addition to the top three initiatives noted above, companies also want to focus on advanced audience segmentation (34%), personalisation (28%) and customer loyalty/advocacy (24%). About a third of respondents said they rewarded customer loyalty and advocacy (27%) and achieved advanced audience segmentation (26%).

Good CX is not only about delivering a seamless customer journey, it's also about establishing trust. When asked to what extent that they agreed or disagreed with the statement, "Data compliance, privacy, and ethics are critical to customers gaining brand trust," 71% of respondents either agreed or strongly agreed with this statement.

Fig 6: The importance of data compliance, privacy and ethics to gaining brand trust

To what extent do you agree with the following statement ‘Data compliance, privacy and ethics are critical to customers gaining brand trust’?



CMOs that were able to bridge physical and digital experiences and drive personalisation were more likely to exceed or significantly exceed customer expectations. Nearly half of respondents plan to tackle these exact issues over the next year.

Orchestrating omnichannel integrated marketing campaigns (36.5%) and delivering real time experiences (34.5%) also figured high on the hit list of CMOs for the next year.

The future of delivering exceptional CX increasingly relies on taking a hybrid, physical and digital approach to understanding the customer. An organisation's marketing strategy must adapt to this integrated omnichannel reality to succeed in today's customer-centric environment.



Dorothy Chong
Marketing Lead EMEA
Treasure Data

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As the customer related world continues to evolve becoming more digitised and appified creating several places to engage with customers, a hybrid approach must be adopted by organisations wanting to maintain continued customer excellence. When it comes to connecting the dots between online and offline customers demand a seamless experience, and view this as table stakes. Customer experience can no longer be distilled down to a simple return or purchase, but rather the holistic emotional experience that's gone through as customers when deciding on a new insurance provider, or new car, or even something as simple as a new clothing item.

So, when an item is viewed online, added to cart, but then decided that it's needed to view the item in person prior to making a decision, it's expected that once the customer steps foot into a physical location that organisation knows who they are; A push notification is sent, alerting on the exact item that was abandoned online, and how to find it in store. As though the in-store experience is now an extension of where things were left online. The customer is wowed, and a brand loyalist is born.

Customers not only expect this consistency but are loyal to the brands that exceed their expectations. And while this scenario is complex, it is not impossible. A CDP unlocks this value for their customers and excels at driving this exact type of customer experience (CX) scenario. By partnering with us, organisations are able to drive relevant customer experiences across every channel, with every interaction, keeping pace with customers, and eliminating competition by executing on use cases that exceed customer expectations.

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Lack of marketing technology solutions/knowledge is a major barrier

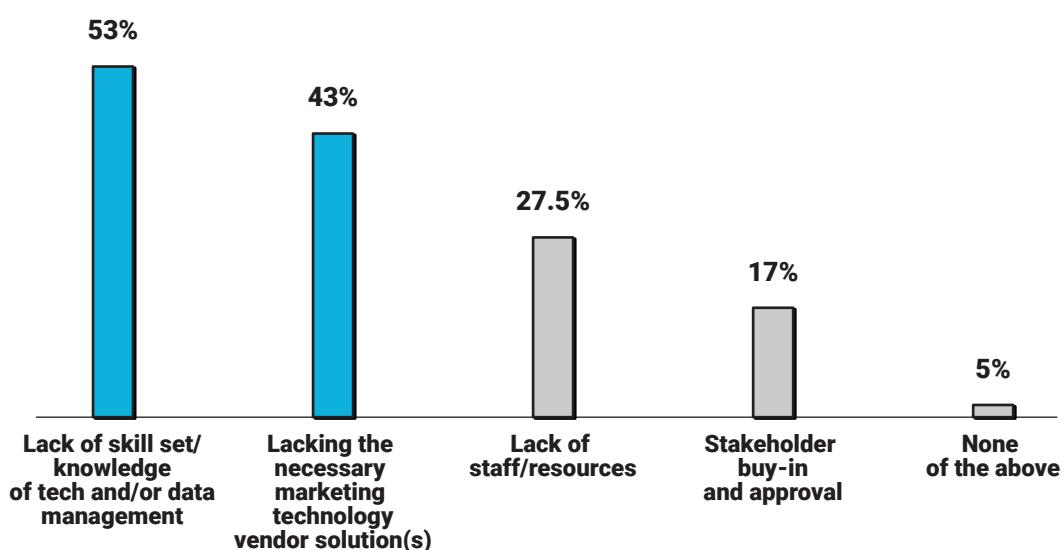
The survey looked at the key hurdles organisations face to improve customer experience and meet customer expectations.

53% Of CMOs said a lack of skills/knowledge of the technology and/or data management was one of the biggest barriers to realising their CX vision. Furthermore, organisations delivering a CX below customer expectations commonly cited (67%) this same barrier.

43% of respondents cited a lack of the necessary technology vendor solution(s) to achieve their customer experience goals. Other barriers include a lack of staff/resources and the need for stakeholder buy-in and approval.

Fig 7: Biggest barriers to realising customer experience vision

What are the biggest barriers to realising your customer experience vision?



Organisations must think about both talent and technology. The two are intrinsically connected. Companies need to invest in training and development, focused on data management and their marketing stack.

A better understanding of tech and data results in better tech management, which enables organisations to optimise and elevate the CX they deliver. Customer experience design is only brought to life when the right talent and the right technology meet.



Carlos Doughty
CEO & Founder
MarTech Alliance

With accelerated digitisation and speed of change, organisations need great talent with the skills and knowledge to embrace this, and to drive the marketing strategy that wraps around today's buyer to deliver amazing CX. But that's not enough, companies also need the type of talent that will continually build their personal skills stack to adapt to new technological changes and evolving customer expectations and behaviours. Companies have to invest in reskilling and upskilling marketers, and to seek out the type of marketer that loves to learn.



Wendy Head
Senior Director of Engineering
Treasure Data

I believe that a strong data strategy is the foundation for marketing excellence and avoiding missed customer opportunities. Across an organisation, data silos and people silos cause breaks in communication internally and with customers. Creating a single source of truth by consolidating all data sources along with creating a common language to be used between IT and Marketing departments is key to realising the customer experience vision.



Darrell Alfonso

Global Marketing Operations Manager
Amazon (AWS)

“Customers today want incredibly bespoke experiences from brands, regardless of which platform their interaction takes place on. To achieve this level of personalisation, marketers need a rigorous methodology of capturing and synchronising data across platforms, and then accessing said data in real-time for campaigning.

Many organisations lack these skills amongst their people – here are two key developmental areas: First – a deep understanding of relational databases and customer data system architecture. By ensuring the right data is synchronised across systems, marketers can customize multiple touchpoints along the customer journey. Second is a firm grasp of statistics and experimentation. When customer preference data is not present, marketers need to run frequent experiments to understand what customers want, and to quickly modify their engagements to surprise and delight customers wherever possible”.

A third, non-technical developmental area is understanding the business impact of marketing technology. Growing this type of skill is a culture shift – a change to the mental models of your teams. Every martech decision needs to answer: what will the benefit be for my end customer? This is how you'll optimise the customer experience you deliver.

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Customer Data Platforms are key to realising the customer experience vision

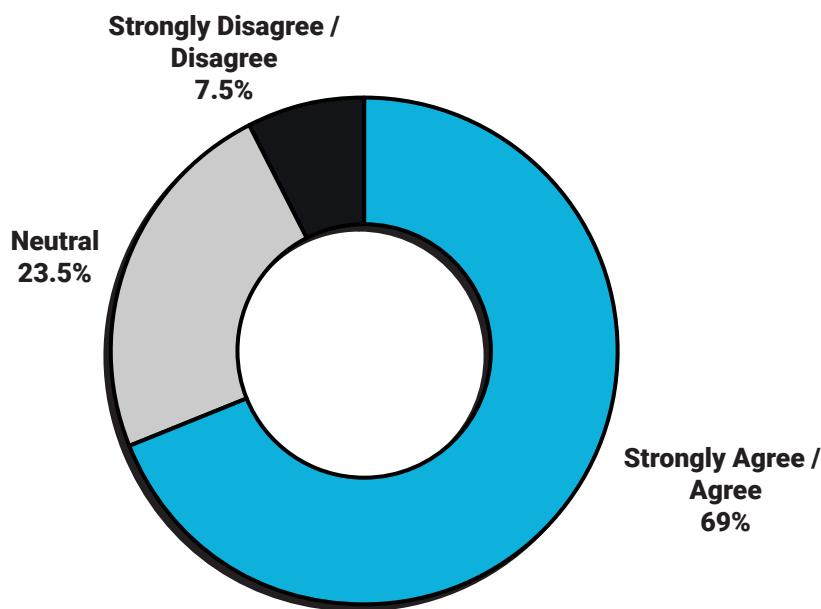
As cited earlier, technology can prove a barrier to delivering on a CMO's customer experience vision, but it can also provide the solution as an enabler.

Technology plays a crucial role in organisations' ability to deliver amazing CX, enabling businesses to meet customers' expectations, regardless of what touchpoint they use to interact with the business. Customer Data Platforms (CDPs) are developed with this goal in mind.

69% of CMOs see CDPs as the key to realising their organisation's customer experience vision. To better understand how organisations currently employ marketing and data platforms, respondents were asked to describe their current customer/marketing data platform setup.

Fig 8: A CDP is pivotal to customer experience success

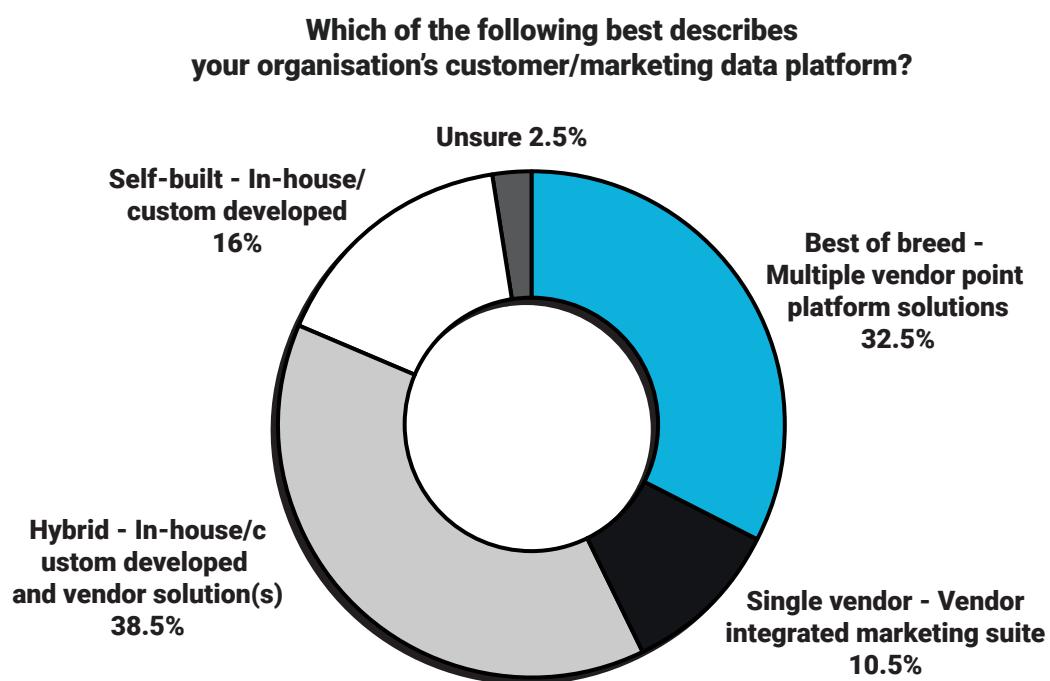
To what extent do you agree/disagree with the following statement; 'The customer experience our organisation is able to deliver would be drastically improved by introducing or better managing a customer/marketing data platform.'



Most organisations use a combination of customer data technology types, with the largest percentage of respondents (38.5%) saying they use a hybrid approach with a combination of in-house custom developed and vendor solutions.

32.5% of respondents said they use a best-of-breed provider and conversely 11% favouring a single vendor-integrated marketing suite.

Fig 9: Organisation's current customer marketing/data platform type

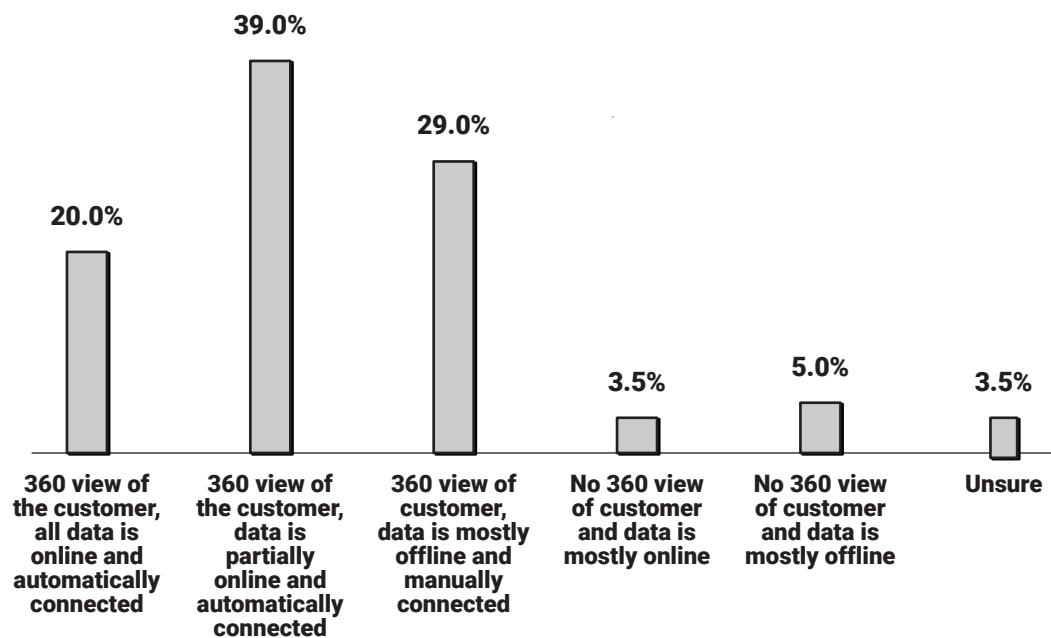


In terms of market vendor solutions, best-of-breed CDP vendors figured as the preference over single vendor/vendor integrated marketing suites.

Regardless of the type of CDP an organisation uses, there is room for the majority of organisations to improve their customer management approach, so that they focus on delivering outstanding omnichannel experiences.

Fig 10: Organisation's customer/marketing data management

Which best describes your organisation's customer/marketing data management?



When asked how to best describe their organisation's customer/marketing data management, only 20% of respondents indicated they had a 360-degree view of the customer, with all data online and automatically connected. This is the truest version of a 360 customer view. The following chart demonstrates the various approaches taken by the CMOs surveyed.

6

Customer Data Platforms: the engine behind amazing customer experiences

Nearly 70% of respondents agreed that customer experience would be drastically improved by introducing a customer data platform (or better managing an existing one).

As uncovered in this report, organisations of all sizes face challenges to meeting high customer expectations for delivering good omnichannel experiences. Much of these challenges are connected to the way organisations collect and manage data and often involve the use of outdated technology, siloed applications, and poor data quality.

- ◆ **Outdated technology hinders agility.** Older systems are slow to do things, hard to update, lack basic functionality, can be expensive to run and manage, and aren't secure.
- ◆ **Siloed applications inhibit marketing orchestration.** Multiple technologies and data sources prevent organisations from obtaining a single view of the customer due to different identifiers and different systems. They create fragmented experiences for customers who may receive multiple and varying communications from different channels with poor cross-channel personalisation. Collecting large volumes of information across multiple systems can also be slow to aggregate.
- ◆ **Lack of quality data creates an inconsistent and poor customer experience.** Poor quality data that is out of date, incorrect, or incomplete is not actionable. It leads to poor messaging and a poor user experience across channels and touchpoints.

To address the challenge of delivering truly personalised experiences, companies need to unify their customer datasets from all first-party data sources. They need to enrich that first-party data with second - and third-party - demographic and psychographic data to truly understand each customer on an individual basis, and leverage added intelligence, like behavioural scoring, content/channel affinity data, and custom propensity modeling, and easily make insights actionable across

the martech stack and organisation. This is where a CDP vendor can transform how an organisation operates.

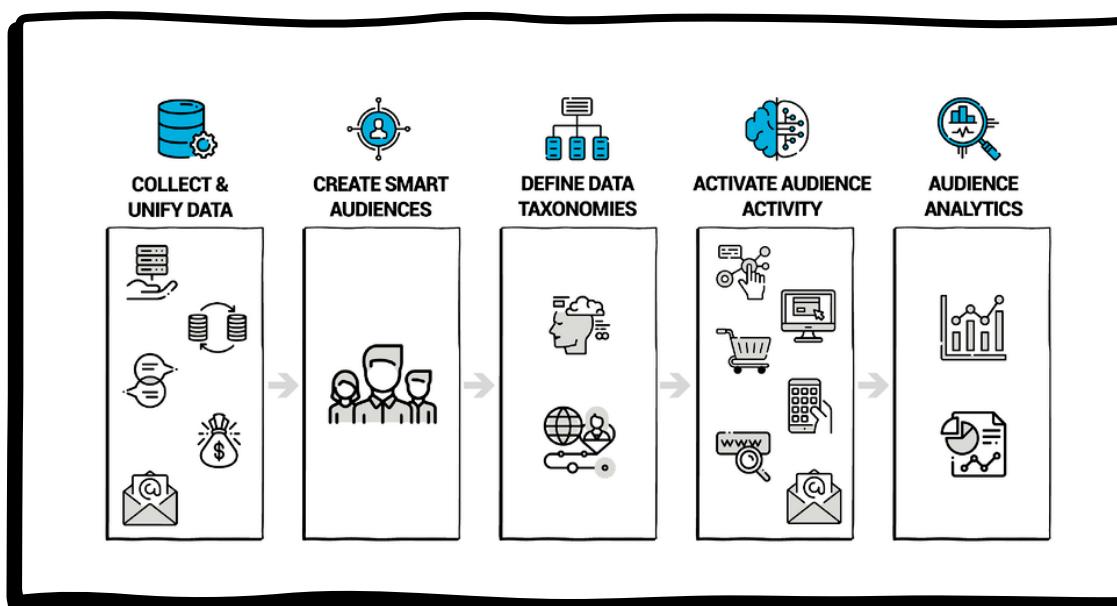
With this in mind, it's important to better understand exactly what a customer data platform is (and what it isn't) and how it can help organisations realise their CX vision.

A CDP is a prepackaged [cloud-based] software that helps organisations to collect and unify all first, second, and third party customer data. This includes capturing customer attributes, interactions, and consent across all channels, developing a comprehensive view of the customer on an aggregate and 1:1 basis. With that, all customer data can then be leveraged across all marketing and customer experience scenarios.

CDPs use information tied to an identifier, like a name, an email address, a birthdate or phone number, which can be combined with online and offline data, and used in a variety of ways, such as creating targeted marketing campaigns, personalised offers, and customised messaging.

The following illustration demonstrates the five primary functions of a customer data platform.

Figure 11: The primary functions of a customer data platform



Source: MarTech Alliance

Remember, the end goal when implementing a CDP is to improve the customer experience across all offline and online channels.

This is a true omnichannel strategy, not a multi-channel approach. This means that online and offline channels don't operate in silos, and that each customer is recognised, regardless of how they interact with a business.

Each function of a customer data platform is more clearly defined below:

- ◆ **Collect, cleanse & unify data:** The CDP gathers relevant data from all customer channels, including email, social, paid media, websites/apps, point of sale (POS), Internet of Things (IoT), QR code scanning, customer relationship manager (CRM), supply chain, physical mail, and more. This information is cleansed, used to build a persistent, unified customer profile and database - also referred to as a single customer view (SCV) - which is made available to other systems.
- ◆ **Create smart audiences:** CDPs use the single customer view to create smart audience segments which are derived from customer behaviours and information (e.g., in-store behaviour, purchase history, website/content interactions, etc.). Audience segmentation can also be automated via the use of AI or carried out manually.
- ◆ **Define data taxonomies:** This function is what enables organisations to activate their data. With this step, the customer data platform defines rule-based triggers on best-to-activate customer information. For example, by selecting a specific channel to target and/or personalising messaging to the customer or channel.
- ◆ **Activate audience activity:** Using all of the above information, the customer data platform drives audience engagement via a variety of interconnected channels, like the website (e.g., through product recommendations), across social media channels (e.g., with personalised messaging based on topic affinity), and connects offline and online experiences (e.g., through a rewards program, shopping app that drives users to stores, direct mail campaign linked to a website offer, etc.)
- ◆ **Audience analytics:** The final job of the CDP is to analyse audience engagement across all channels and touchpoints, providing insights about channel, content, and audience segments. The goal here is to improve future messaging, journey design and foster a better overall customer experience.

To more directly connect this to customer experience these are some of the questions from different data sources a CDP helps answer:

- ◆ **Customer data:** Who are my high lifetime value (LTV) customers and what is their purchasing journey?
- ◆ **Digital ad data:** Which channels drive conversions versus engagement and which high propensity segments should I target?
- ◆ **Transactional data:** Are there cross-sell opportunities? Which offers are relevant? What is the best message and channel to reach my customers on?
- ◆ **Social data:** What is my return on investment (ROI) on social media marketing? What content, topics, and interests are my customers most interested in?
- ◆ **Product data:** Is my customer engaged? How likely are they to churn? Do they love using my products and are there cross-sell/up-sell opportunities?
- ◆ **Mobile app/web content data:** What personalised content and/or offers can I provide? What role does my website play in the purchasing journey?

A CDP unifies data, allowing organisations to unlock the full potential of their customer data by providing a dynamic 360-degree view of their customers. This holistic view of the customer is what drives amazing customer experiences.

CDPs enable organisations to listen to their customers and understand them contextually. They automate the process of data collection, audience segmentation, and personalised messaging across a wide range of channels at scale.

Unlike other customer management tools, such as CRMs and data management platforms (DMPs), CDPs are focused on managing known and unknown first party data collected from a business for the purposes of marketing.

Conversely, customer relationship management platforms are focused on managing existing relationships with customers and prospects. They are, essentially, robust contact management tools. Data management platforms differ from customer data platforms in that they collect anonymous data from third-party sources primarily for advertising purposes.

A simplified approach to understanding Customer Data Platforms.

While CDPs simplify the complex process of data management, it can be difficult to grasp how they can help companies realise their CX vision. Think of it as a

three-step approach to activating customer data: connecting, discovering, and personalising.

- ◆ **Connecting Data:** CDPs connect an organisation's online and offline data sources, deduplicating and building a unified or 360-degree profile of customers with probabilistic and deterministic identity resolution, which is the critical first step to understanding customer behaviours, motivations, and needs; Ensuring data quality, providing privacy by design with consent management, and governance at scale.
- ◆ **Discovering Insights:** Once data sources are connected, the CDP enables organisations to listen to their customers. They can discover who is most likely to convert, channel preferences, and content interests. They can then create smart customer audiences and segments based on this information.
- ◆ **Personalising:** Once companies understand who their customers are and what channels and interests they prefer, the CDP enables them to optimise marketing programs across physical and digital channels, personalising the customer experience throughout the entire lifecycle, seamlessly.

CDPs enable organisations to focus on their customers. By eliminating data and organisational silos and making customer and marketing data available across all teams and departments, they foster agility, enabling companies to focus on exceeding customers' expectations even if these expectations and behaviours shift rapidly.

This is increasingly important in a post-pandemic world where hybrid events, buyer experiences, and interactions will likely become the new normal. In this environment, providing a seamless physical and digital experience is paramount. Organisations that stand out above the rest will likely have a CDP as the central piece of technology in the martech stack.



Jonathan Von Abo
Senior Director of Partnerships & Alliances
Treasure Data

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A CDP should help brands push customer experience boundaries, rather than be confined by them. The best CDP's can ingest data from anywhere and in any format. AI and ML are layered directly on top of the data which provides actionable insights that are most relevant to each individual customer. Tying engagement directly back to data and insights, teams are able to personalise all customer interactions and activate several use cases with speed. Treasure Data is the CDP of choice for customer-centric organisations looking to bring customers closer to the brands they love.

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Carlos Doughty
CEO & Founder
MarTech Alliance

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The CDP space is one of the fastest growing of all technologies across martech as it solves so many critical marketing challenges. And the results it delivers are tangible, you can directly connect a CDP to elevating your customer CX. I fully expect CDPs to continue to aggressively grow in demand and the letters CDP to become as common as CRM in the next few years.

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Summary & Recommendations

More than two-thirds of CMOs agree that great CX is the key to remaining competitive in 2021. Realising customer experience goals requires that organisations connect physical and digital experience. Only then can they deliver the heightened experiences customers demand, by embracing sophisticated journey design and seamless omnichannel execution.

The below recommendations are focused on helping organisations fully realise their CX vision. They are based on the key findings from the survey, which highlights the need for better customer data management, omnichannel marketing orchestration, advanced audience segmentation to drive personalisation, and the need to deliver real-time customer experiences.

Meeting customer expectations

- ◆ **Only 23% of respondents said they were exceeding customer expectations.** Delivering amazing customer experiences requires that organisations rethink and redefine their approach to marketing, focusing on bridging digital and physical touchpoints with the goal of creating the kind of seamless omnichannel execution that delivers real-time rich personalised experiences.
- ◆ **70.5% of CMOs say data compliance, privacy, and ethics are vital to achieving customer experience success.** Good CX is about more than optimising the customer journey, it's also about establishing trust and ensuring privacy compliance is baked into the entire marketing orchestration process. To this end, it will be important for organisations to align data and technology to ensure data security and compliance.
- ◆ **Just over 36.5% of respondents are focused on orchestrating omnichannel marketing campaign initiatives to drive CX.** Organisations that can design omnichannel around connecting physical and digital experiences will be in a good position to create amazing customer experiences. The focus should be on achieving this by creating a customer-centric approach to marketing that is based on developing a unified view of the customer.

Barriers to customer experience success

- ◆ **Over half (53%) of CMOs said a lack of skills or knowledge was a significant barrier to realising their customer experience vision, while 43% said they don't have the necessary marketing technology solution(s) in place.** First and foremost, companies need to invest in training and development around technology solutions that can help them better manage customer data and orchestrate an omnichannel approach. Conducting a thorough audit of the existing tech stack and data sources can help identify data silos and formulate a customer-centric marketing strategy.
- ◆ **69% of respondents said CDPs were key to realising their CX vision.** Implementing or optimising a CDP is paramount to helping organisations overcome barriers to achieving CX success. Organisations who do not have an automatic and dynamic, online and offline, 360-degree view of their customers need to focus on resolving this. Whether that centres around better data piping and plumbing of what is in place already, or reviewing the range of CDP market solutions that best match the organisation's business use cases.

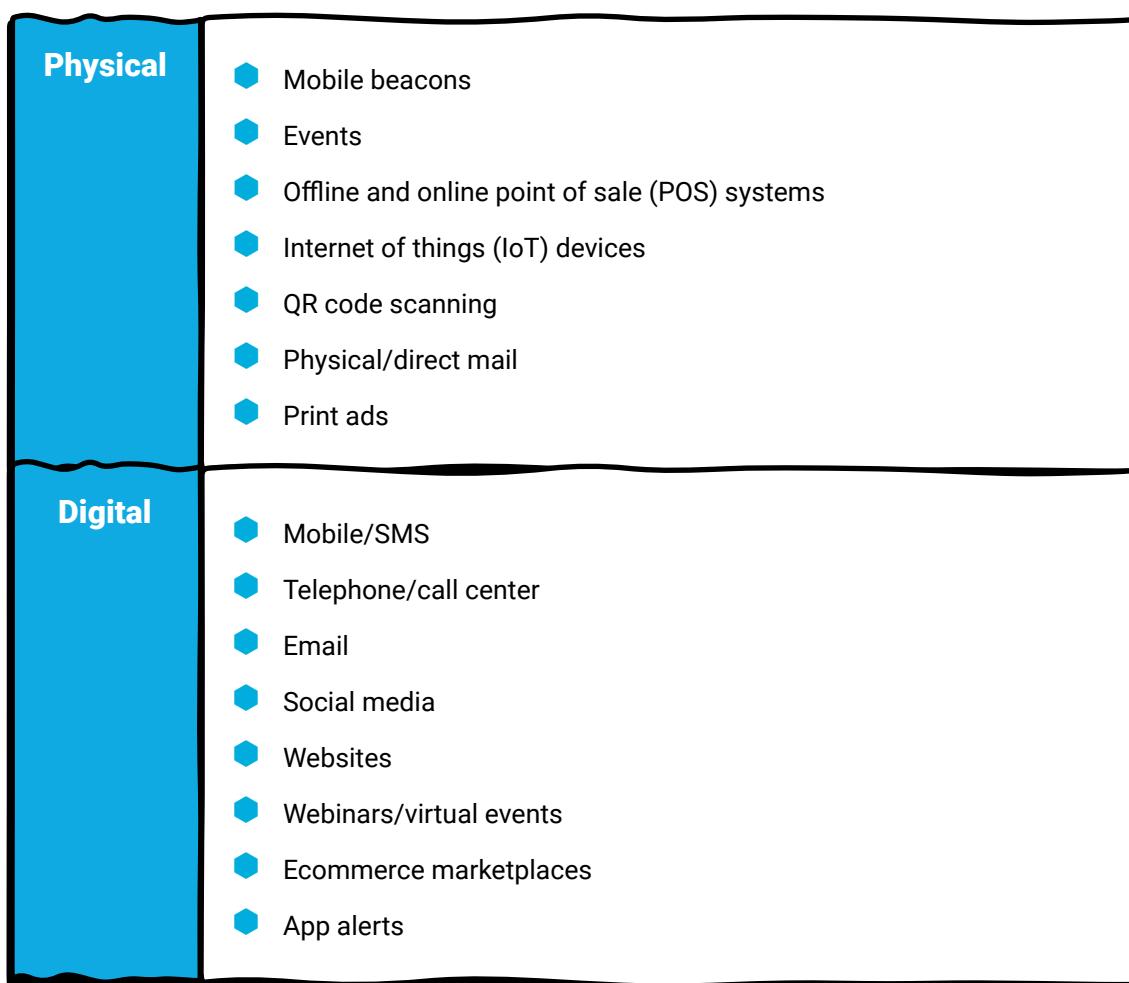
The customer experience panacea

- ◆ **78.5% Of CMOs agree or strongly agree that amazing customer experiences provide a powerful competitive advantage.** Customer data platforms improve the customer experience across physical and digital channels by completing a series of functions focused on delivering a unified customer view. They provide an all-in-one solution to a variety of omnichannel marketing and data management challenges.
- ◆ **74% of respondents agree that customer expectations are high. They want relevant, personalised, and integrated omni channel messaging from the companies they do business with.** CDPs are focused on achieving this by combining customer, paid media, transactional, social, product, and other data to deliver rich insights that enable organisations to deliver better overall messaging and experiences that are connected.
- ◆ **More than 70.5% of CMOs agree or strongly agree that data compliance, privacy, and ethics are key to establishing customers' trust.** Here, again, CDPs can help solve the problem of data privacy and compliance. A CDP acts as a single repository of customer information and feeds other systems, making it much easier to keep data updated and respond to real-world data privacy regulation requirements.

- ◆ A lack of skills and/or knowledge of technology and data management was a barrier to realising customer experience goals for 53% of respondents, while 43% of respondents said they lack the necessary martech vendor solutions. This suggests that technology is not the only answer to meeting customer expectations and delivering exceptional experiences. By focusing on enhancing skill sets and expertise in tandem with selecting and leveraging the right technology, organisations will be in a good position to realise their CX vision.

If there's one major takeaway from this report, it's that connecting physical and digital channels is key to delivering amazing CX. This means that online and offline touchpoints need to be connected, and messaging across all channels aligned.

Identifying, mapping and designing channel interactions that sit in both the physical and digital is imperative. Some examples of customer touchpoints to connect the dots across include:



It's becoming increasingly important for organisations to design and integrate to the customer experience across these and other channels and touchpoints. Customers come to expect connected experiences that combine digital and real-world touchpoints to deliver one unified experience.

They are channel-agnostic, relying on companies to recognise them, whether they walk into a business from a physical or virtual door (or reach out via a social media page, mobile app, or call center).

Of course, how an organisation leverages data and the associated data technologies plays a big role in whether or not they're able to deliver an exceptional customer experience. Connecting physical and digital experiences and seamlessly orchestrating omnichannel marketing strategies are heavily tied to data collection and management, current skill sets/knowledge, and existing technologies.

A successful omnichannel marketing approach that puts customers first defines great CX. It is the new normal in a post-pandemic world, where customers expect that seamless physical and digital experiences are the rule, not the exception.

Subaru X Treasure Data

At Subaru, data puts marketing in the driver's seat

Omnichannel marketing, predictive modeling, and audience segmentation were only the beginning. Now Subaru takes on improving customer loyalty and new product design with data.

Subaru initially turned to a customer data platform (CDP) to segment audiences, target those most likely to buy soon, and personalise each customer's journey to improve the odds of making a sale. In just a few weeks, the company was up and running with the new CDP. After quickly blowing past its initial goals, Subaru realised it could do so much more with its data. Now Subaru uses post-purchase customer data and predictive analytics to design new products and services that bring in revenue and build customer loyalty.



The Results

Predictive scoring, machine learning, AI, and personalized customer experiences helped Subaru transform and personalize each customer experience—with these game-changing results.

\$26M
earned from a single cash-back campaign

13%
increase in conversion rates

250%
increase in conversion rate for A-grade customer segments

38%
reduction in cost per acquisition

\$1M
increased revenue per 1% increase in conversion rate

14%
increase in closing rate

350%
increase in click-through rate

12%
reduction in cost per click

80%
faster time-to-value than usual



SUBARU

Subaru X Treasure Data



Challenge

Which customers are ready to buy soon? That was the question that first motivated Subaru to harness the horsepower of its own data. The company had plenty of data—from dealerships, the MySubaru loyalty app, maintenance facilities, websites, advertising, marketing tools, and social media—but it was so disjointed and siloed that Subaru often relied on gut feelings and limited data sets to form its marketing and advertising strategy.

To optimise marketing ROI, Subaru needed to personalise the customer experience by gathering all its first-party customer data and merging it with third-party data. Unfortunately, many of the tools and data sources Subaru used did not easily integrate with each other. And it didn't help that most of the first-party data was either hidden or scattered among various corporate departments. To further complicate matters, each vehicle model had its own advertising data, managed by separate agencies.

But after meeting or surpassing all of these objectives, Subaru realised how transformative post-sales customer data could be. The company had two new goals: better use of its post-sales data in product design and building brand loyalty to increase lifetime customer value.



Solution

Treasure Data's enterprise CDP provided Subaru with an easy, plug-and-play solution that was up and running in a few weeks and integrated all its disparate data sources. Their multiple advertising agencies, each managed by a different product team, could share necessary data and still work independently.

Subaru learned how to figure out who had almost decided to purchase and to optimise such customers' experiences to improve conversion rates. They created behavior-based audience segments to personalise communications for different segments—driving conversions, revenue growth, and more cost-effective advertising. Unified customer data and predictive modeling improved close rates and ad performance, cut costs, and improved collaboration and communication between marketing and sales teams.

Subaru X Treasure Data

Subaru now understands how data can transform other functions of its organisation. It's using post-sales customer data to understand how to design new products and services that improve revenue and cement customer brand loyalty. Perhaps the biggest change of all at Subaru is that the company now knows that with the right customer data, "the possibilities to improve the customer experience are endless."



About Treasure Data

Treasure Data is the only enterprise Customer Data Platform (CDP) that harmonises an organisation's data, insights, and engagement technology stacks to drive relevant, real-time customer experiences throughout the entire customer journey. Treasure Data helps brands give millions of customers and prospects the feeling that each is the one and only. With its ability to create true, unified views of each individual, Treasure Data CDP is central for organisations who want to know who is ready to buy, plus when and how to drive them to convert. Flexible, real-time, tech-agnostic and infinitely scalable, Treasure Data provides fast time to value even in the most complex environments. To learn more, visit www.treasuredata.com.



TREASURE DATA



About MarTech Alliance

The MarTech Alliance is a learning solutions business; marketing technology/operations, and data events, courses and resources. The full suite of options is wrapped into its learning membership offering. The business helps professionals drive their careers and company growth.

The business provides a multitude of ways to learn; digital and physical, live, and on-demand, formal and informal, micro and intensive/in-depth, instructor-led and community based to deliver rich learning experiences.

Organisations looking to upskill their teams on data management and customer data platform (CDP) space should explore the digital training course; The essentials of Customer Data Platforms (CDPs). More details [here](#).



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visit www.martechalliance.com or
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TREASURE DATA

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