

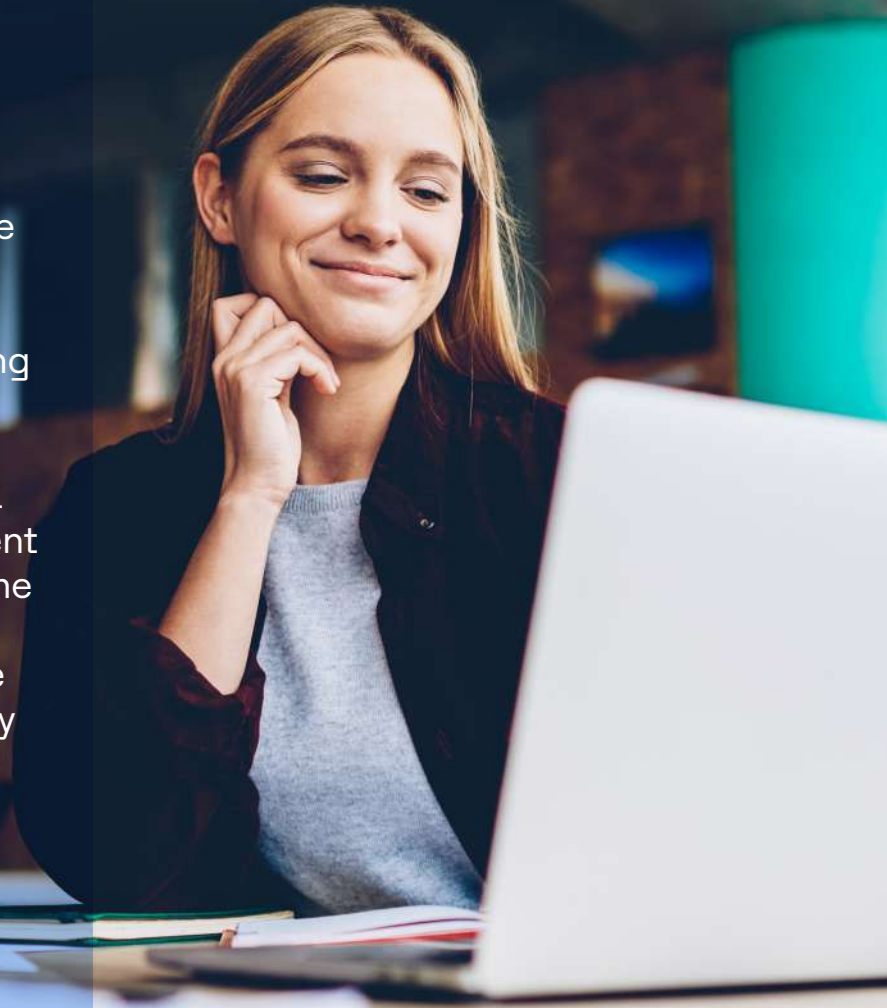
# The path to **personalization** at scale



Data-driven customer journey  
is a must for personalization

# Introduction

In this age of growing physical distance and increasing digital engagement, delivering a seamless customer experience has become a greater challenge than ever before. This holds greater truth value in the progressively coupling marketing and sales functions. Success is determined by a number of high-expense variables – digital content and customer movement data in the digital scape, to name a few. Naturally, extracting demonstrable revenue from the marketing spend is a top priority for senior management at top companies.



However, some major developments have taken place as well. The technological stacks that empower stellar customer experiences have greatly evolved. But if that's the case, why are almost 98% of companies still failing to deliver effective decisions to customers across channels in real-time – in other words, why are enterprises failing to see their customers in the right context? And more importantly, why should they care?

According to McKinsey, delivering hyper-personalized customer experiences is not only the pathway to better engagement, retention, and revenue but also to lower costs incurred by the company. But what does it take to actually get there, and how can enterprises leverage the evolving tooling to orchestrate a multichannel strategy with the same efficiency as the tech giants?



# Changed customer expectations in a digital world

The customer of today is more demanding from the organizations they interact with. Customers expect personalized, proactive, contextual, and connected experiences. They care about the brands more than ever before, as they are more aware due to social media. They expect brands to echo their principles, meet them where they are, and understand their concerns. The scope of customer experience has also expanded. It now includes brand marketing, engagement, sales, and post-sales support. The expectations can be summed up as follows:



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To know the customer – who are they, what are their preferences



To be aware of their latest interactions



To describe what the brand has to offer to them



To protect their data and maintain privacy

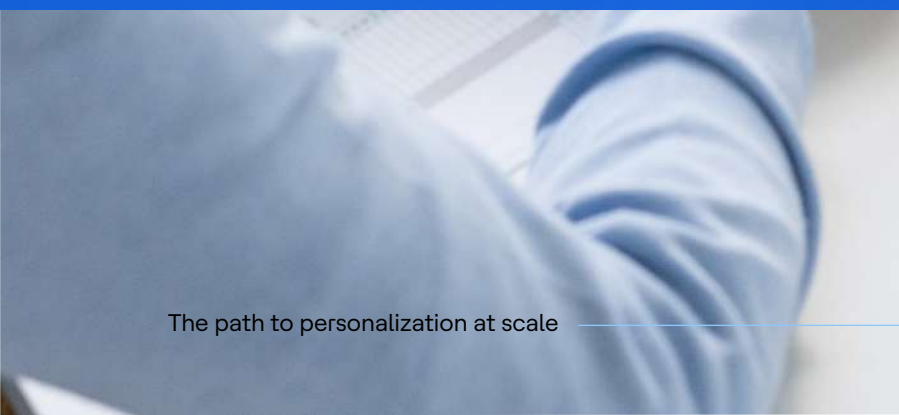


To deliver exceptional Experience



# The digital customer lifecycle – how data plugs in?

A successful customer journey meets all customer needs and provides an exceptional customer experience across all touchpoints. To enable organizations to deliver such experiences, organizations need to bring their focus on all the customer data available within the organization. They can start with aggregating customer data from all touchpoints, such as web behavior, customer demographics, customer transactions, channel data, among others. This creates the foundation for customer experience by breaking down data silos within the organization. A data foundation allows organizations to move from theories to factual data modeling. The result of these models will generate tremendous value for organizations. The actionable insights from this can be used to understand the most valuable customer segments, significant customer interactions, essential channels for each customer, breakpoints, and their path to purchase with areas of influence. Organizations can leverage this data to move customers, design new customer journeys, or continuously optimize existing journeys.



# Critical barriers to becoming a customer-first enterprise

Customers are engaging with brands now more than ever. Customer experience is one of the biggest differentiators among organizations. This requires a customer-first view for organizations. The experiences must be designed from the customers' point of view. Some of the biggest challenges to achieving this are:



**Data and organization silos:** Data silos within organizations are the most significant cause of fragmented customer experiences. Departments within the organization essentially function independently and don't collaborate. They use technology to capture customer data but don't connect it to other systems, creating more silos. As the organization grows, this problem increases multi-fold



**Omnichannel customer experience:** Customers' channels to interact with brands are no longer owned by them. Customer experience has expanded to social media, marketplaces, apps, etc. Each channel has its database, which makes it difficult for organizations to connect and collate data



**Real-time experiences:** Customer expectations should be understood and met in real-time to provide a consistent experience across the customer journey. Real-time decisioning becomes an essential tool in this. Organizations need to apply AI/ML algorithms to understand customer needs and determine the following best action for each customer to have meaningful experiences



**Hyper-personalization:** To personalize, organizations need to understand the needs, motivations, and expectations of the customer. This can only be done if they have a 360-degree view of customer profiles and can target everyone based on their data. Even with unified data, organizations need to determine the right content in the correct format at the right time to deliver a personalized experience



**Creating a seamless journey:** It is not enough for organizations to deliver exceptional experiences over a single transaction. They need to have a consistent presence across channels throughout the customer journey. They need to ensure all online and offline channels are in sync and understand the step of the journey the customer is on



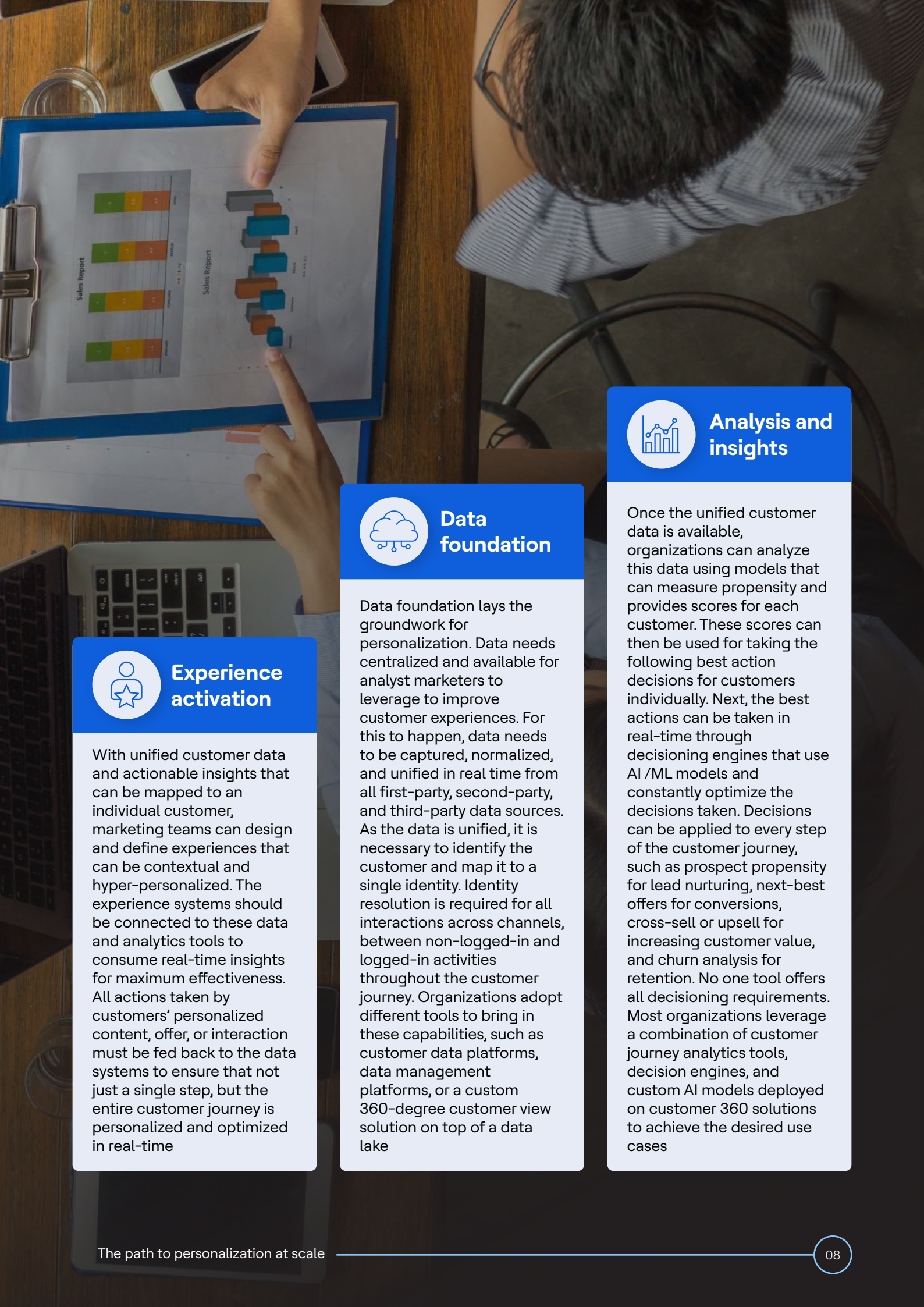
# How can data resolve these challenges?

The key to solving all the challenges listed above is data. Data aggregation to data analysis to data activation. The first step is to create a complete view of the customer. This can only be done if each customer interaction is consistently tracked, captured, and mapped to a known or unknown customer over a diverse set of data sources and customer touchpoints. A unified customer profile allows organizations to optimize customer experiences fully. Organizations will better understand segments that provide additional growth opportunities and identify high-value and high-risk customers. The data can be leveraged to align marketing campaigns with target segments, improving overall marketing ROI. Accurate data in real-time allows organizations to reach out to customers with context information that can push them further in the sales funnel. Data is the key to designing, executing, and measuring the effectiveness of customer journeys. A data-driven customer journey is more closely aligned with customer wants and needs and can deliver personalization at scale. Organizations must employ the right tools and technologies to track, capture and utilize data across channels and interactions. No single solution can provide everything needed to deliver these data-driven customer journeys. Organizations need to identify a technology stack that can support data from aggregation to insights to activation.



# Capabilities needed to enable data-driven customer journeys

To deliver data-driven customer journeys at scale, enterprises need to identify the product capabilities to capture relevant data, generate actionable insights, and activate experiences. Each capability has multiple products that can fulfill the requirements for personalization at scale. Selecting, implementing, and integrating the right combination of technologies requires extensive experience and coordination. The capabilities needed can be categorized into the following:



## Experience activation

With unified customer data and actionable insights that can be mapped to an individual customer, marketing teams can design and define experiences that can be contextual and hyper-personalized. The experience systems should be connected to these data and analytics tools to consume real-time insights for maximum effectiveness. All actions taken by customers' personalized content, offer, or interaction must be fed back to the data systems to ensure that not just a single step, but the entire customer journey is personalized and optimized in real-time



## Data foundation

Data foundation lays the groundwork for personalization. Data needs centralized and available for analyst marketers to leverage to improve customer experiences. For this to happen, data needs to be captured, normalized, and unified in real time from all first-party, second-party, and third-party data sources. As the data is unified, it is necessary to identify the customer and map it to a single identity. Identity resolution is required for all interactions across channels, between non-logged-in and logged-in activities throughout the customer journey. Organizations adopt different tools to bring in these capabilities, such as customer data platforms, data management platforms, or a custom 360-degree customer view solution on top of a data lake



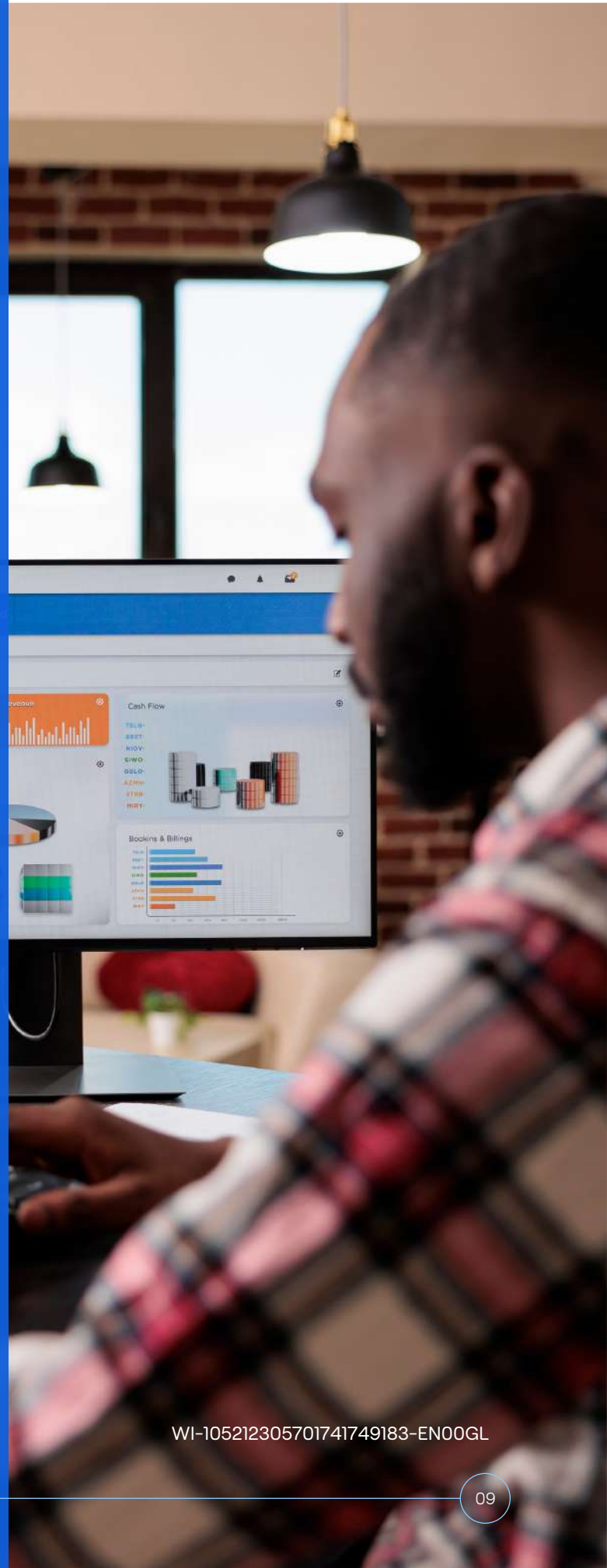
## Analysis and insights

Once the unified customer data is available, organizations can analyze this data using models that can measure propensity and provides scores for each customer. These scores can then be used for taking the following best action decisions for customers individually. Next, the best actions can be taken in real-time through decisioning engines that use AI /ML models and constantly optimize the decisions taken. Decisions can be applied to every step of the customer journey, such as prospect propensity for lead nurturing, next-best offers for conversions, cross-sell or upsell for increasing customer value, and churn analysis for retention. No one tool offers all decisioning requirements. Most organizations leverage a combination of customer journey analytics tools, decision engines, and custom AI models deployed on customer 360 solutions to achieve the desired use cases



# In Conclusion

In their journey towards a data-driven customer journey, it is paramount for companies to leverage all organizational data from the customer, marketing, sales, and service teams. As technology advances further, most of the capabilities are available out of the box in products with no or little need for customization. In such circumstances, the entire organization should be aligned with a customer-centric vision to break the conventional marketing, sales, and service views and place all activities in the purview of the customer journey. So, they can ensure a smooth transition toward data-driven customer experiences that promise exceptional and effective customer outcomes. Lastly, companies need to safeguard customer data and focus on cybersecurity to gain the customer's trust. After all, hyper-personalized customer experiences can only influence the customer positively if they are assured that their data is kept safe and not shared across parties without their consent.



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