

# Delivering personalised experiences in times of change



# Contents

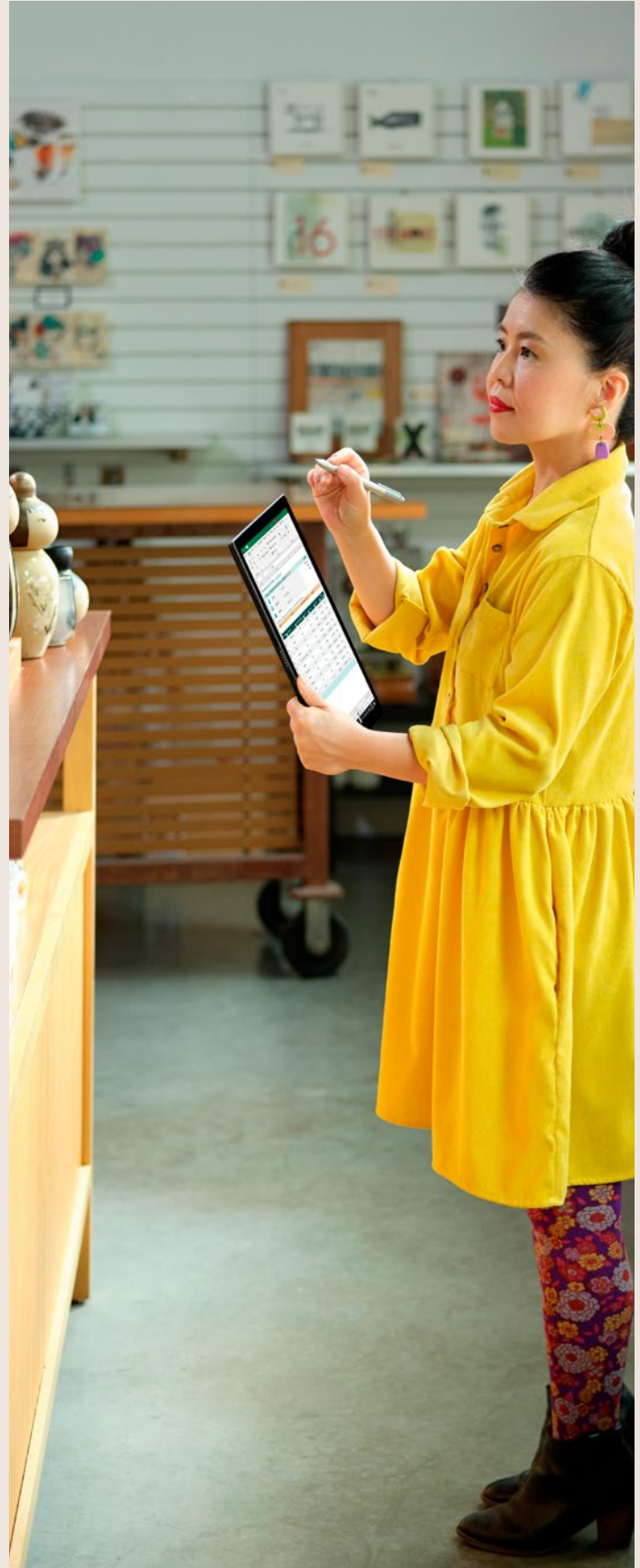
<b>Introduction</b>	Page 3
<b>It's all about the data</b>	Page 4
<b>Creating a complete view of customers</b>	Page 7
<b>Leveraging data to drive acquisition, conversion and retention</b>	Page 8
<b>Why is this still hard to do?</b>	Page 10
<b>How Microsoft can help you connect with customers</b>	Page 11

# Introduction

As the digital economy grows and evolves, customers are continuing to set the bar higher and higher in terms of what they expect from the brands they interact with. Power that was once held by the providers of goods and services has now shifted to the customer whose demand for a seamless and highly relevant experience at every interaction is driving a shift in the way organisations must operate. As a result, a company's success depends on its ability to attract new customers while keeping existing ones happy with personalised engagements that they value.

Customers now have access to more content, buying channels and brand options than ever before. With such an overload of information and choices, organisations can no longer survive by providing the bare minimum necessary to keep customers from leaving. Instead, they are shifting to a strategy centred around optimising customer experiences and outcomes.

Technology today has advanced from traditional one-way marketing and generic engagement to create data-driven experiences, giving organisations the ability to approach and engage their customers in more proactive, intentional ways than previously imaginable.





# It's all about the data

Providing an exceptional, relevant customer experience is no longer an option, it's a necessity. In a market where customers are free agents and where adoption and abandonment occur in the blink of an eye, organisations must demonstrate that they both understand and value their customers. It all starts with data and business applications that leverage that data to drive improved customer relationships, create a clearer customer journey and improve their understanding of what motivates their customers.

For decades, business applications have been static in their functionality and approach. Because business applications embody and automate an organisation's business processes, the business processes themselves have been static as well, limiting organisations to operating in a reactive versus a proactive manner. For example, when a customer would have a problem and contact a call centre for help, the service representative manually enters the information into the CRM platform, then manually completes steps to rectify



the problem, typically utilising several, disconnected systems. This is an incredibly reactive process and has been the norm for decades because there has been no other way to approach it. Moreover, customers can be quick to change their minds, and competitors are just a click away. Customer expectations are set based on the 'last best experience', which is difficult to achieve without a large team of developers.

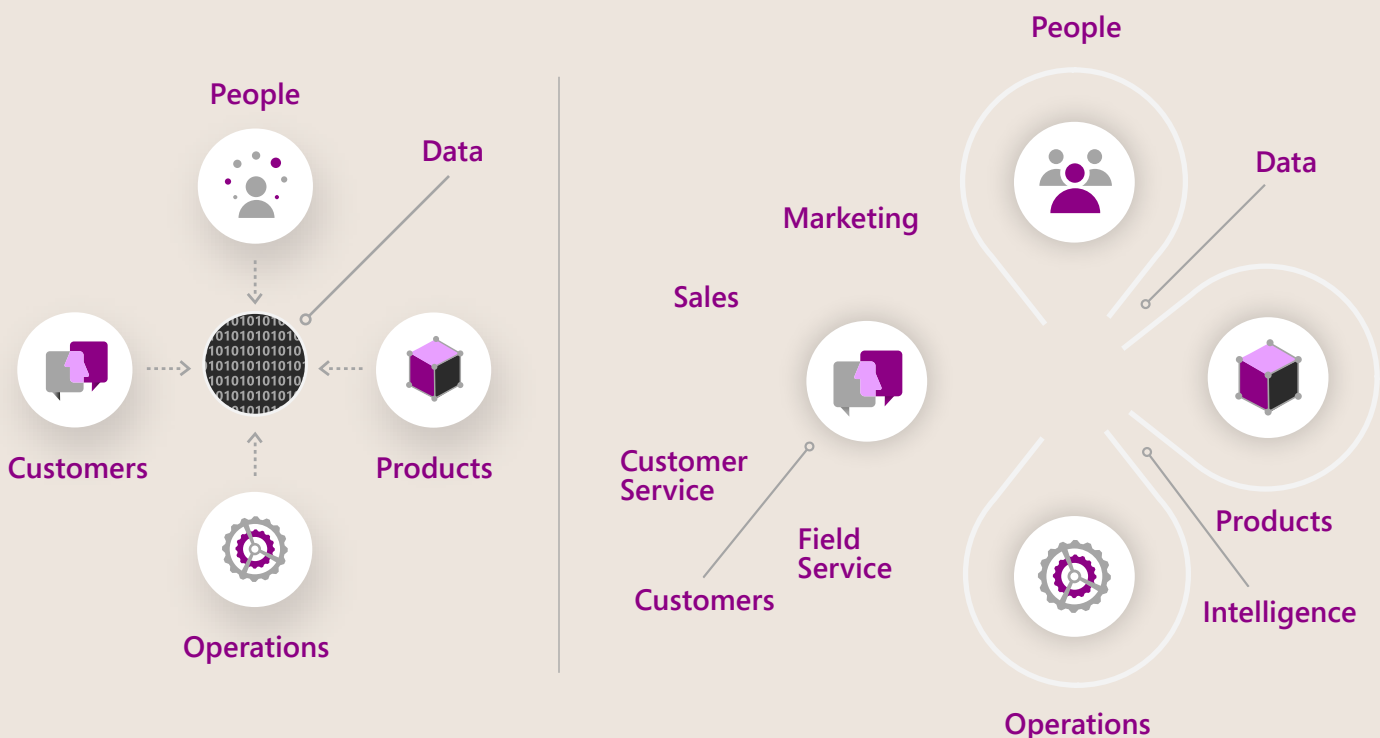
Advanced technology changes everything. Nearly every product and service now is digitally enhanced. Products have embedded software, services are consumed via applications and everything connects to the cloud. These digitised, intuitive technologies are enabling organisations to leverage data to derive insights that power proactive action detecting issues and anomalies before they arise, and knowing what customers want even before they do.

Data now is a competitive advantage for companies. The ability to find actionable insights can help companies find new customers, understand customer feedback and usage, streamline operations, improve employee productivity and market more effectively.

An enormous volume of data is being generated constantly by customers, products, employees and operations, which can be collected, analysed and interpreted to gain a more holistic view of

everything going on within and around an organisation. From the customer perspective, behavioural and transactional data gathered at every interaction such as web searches, social media updates, purchases, support calls or customer surveys provide insights that power more intelligent engagements across marketing, sales and service. These engagements generate even more data. Over time, they build and improve the view of the customer in a continuous digital feedback loop.

## 360-degree view of the customer

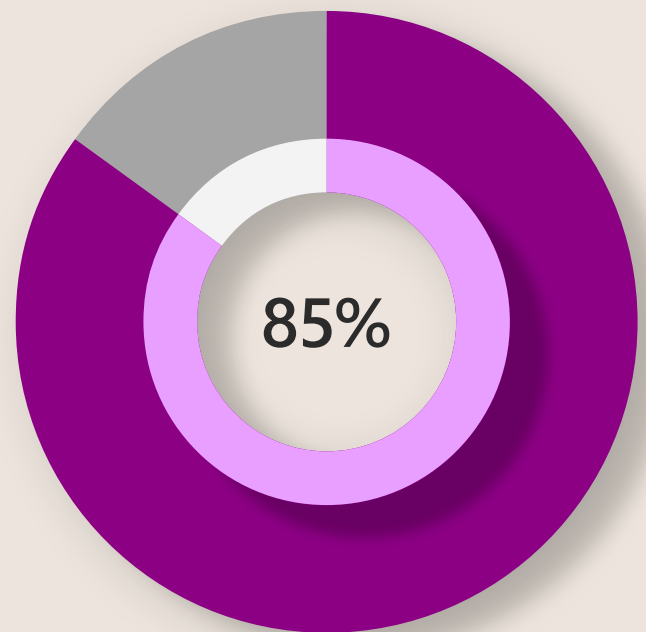


The impact that customer data is having in today's economy is already clear. Organisations that are leveraging their customer behaviour data to generate insights generate 40% more revenue than their competitors.<sup>1</sup> A unified data estate

not only helps organisations to better understand and engage their customers, but can power better business decisions and strategies such as which products or services to eliminate, or where to locate the next storefront.

<sup>1</sup> ['The value of getting personalisation right – or wrong – is multiplying'](#), McKinsey, 2021.

**Organisations that leverage their customer behaviour data to generate insights outperform peers by 85% in sales growth.**



# Creating a complete view of customers



Digitally transforming the customer experience not only drives sales, but establishes deeper, longer-lasting customer relationships. More than 90% of US consumers report they find personalised marketing 'somewhat to very appealing.'<sup>2</sup> This means it is vital for organisations to leverage their customer data to remain competitive, strengthen relationships and foster trust.

A recent McKinsey study notes how personalisation can be a powerful tool to increase revenue, and that it's a tool that works even for companies that don't have regular, direct customer interactions. According to the study, there was a strong correlation between the fastest-growing companies over the past year and those that prioritised personalisation. In fact, of the companies with above-average revenue growth, they attributed 40% of their revenue to "personalised marketing actions or tactics."<sup>1</sup>

Companies such as Netflix have been leveraging this approach for years, fine-tuning and delivering exceptional experiences built on a deep understanding of their customers. The entertainment streaming giant utilises AI and machine learning to identify patterns and trends in what customers watch and search for, then produces personalised recommendations for each individual user of an account or household. The more data it collects over time, the smarter the system and more accurate the suggestions become. More than 75% of Netflix viewer activity results from the user data-driven recommendations, which results in a churn rate of an extremely low 2.4%.<sup>3</sup>

<sup>1</sup> ['The value of getting personalisation right – or wrong – is multiplying'](#), McKinsey, 2021.

<sup>2</sup> ['Marketing personalisation – statistics & facts'](#), Statista, 2021.

<sup>3</sup> ['How Netflix Maintains Low Churn and High Customer Retention'](#), Hubspot, 2021.

# Leveraging data to drive acquisition, conversion and retention

With complete data about customers, organisations can better understand buyer preferences and anticipate customer needs, powering proactive, intelligent engagement through the right channels at the right moment.

Not only does this strengthen the entire customer journey, it also can help drive better business outcomes, including increases in acquisition, customer lifetime value, revenue, retention and loyalty.

## Improve acquisition

Understanding customers on a deeper level helps organisations not only tailor their content for individual customer segments but helps attract qualified leads who are more likely to be interested in what they're offering. Ultimately, leveraging customer data enables organisations to target the right customer,



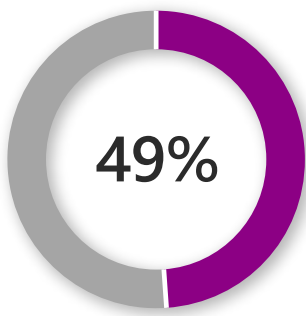
with the right offer, at the right time raising the likelihood of conversion, focusing on higher value customers, helping guide the right investments in marketing and building trust. Research shows that companies currently utilising individually targeted offerings are seeing 5 to 15% growth in revenue when compared to companies that don't.<sup>4</sup>

## Unlock new revenue opportunities

The goal is no longer to simply convert a customer in a single, initial transaction – the bigger picture is to secure repeat purchases and increase the customer's lifetime value. By enriching existing internal customer data with third-party data and AI, organisations can make targeted, intelligent recommendations for products or services customers are most likely to respond to, which can significantly drive additional revenue.

<sup>4</sup> ['The Future of Personalisation'](#), McKinsey, 2019.





In fact, customers who receive personalised, relevant offers are 2.6 times more likely to buy those items compared to customers who don't receive personalised offers.<sup>5</sup>

### Strengthen retention and loyalty

Competition is fierce. With no shortage of options available today for every product or service, it's easy for customers to find an alternative the moment they feel undervalued. Considering that it costs five

times more to attract a new customer than to retain an existing one, using customer data to deliver exceptional experiences and service is paramount to strengthening retention. Yet while 44% of businesses focus on customer acquisition, only 18% focus on customer retention.<sup>6</sup> Empowering service employees with complete, 360-degree customer profiles enables them to provide intelligent service and recommendations and to resolve issues swiftly, while AI-powered analytics can predict customers likely to churn and trigger retargeting offers to keep them from leaving.

<sup>5</sup> ['We thought you'd like this: Personalised recommendations are here'](#), Omnisend, 2020.

<sup>6</sup> ['70 powerful customer retention statistics'](#), Semrush Blog, 2021.

5×

Considering that it costs five times more to attract a new customer than to retain an existing one, using customer data to deliver exceptional experiences is paramount to strengthening retention.

# Why is this still hard to do?

While business leaders are realising they must move fast to become customer-data-driven organisations, the reality is that many companies still fall short of providing experiences customers expect. Some 72% of customers say they only engage with personalised messaging,<sup>7</sup> and 61% have stopped doing business with a company because of it.<sup>8</sup>

Much of the data necessary to power intelligent customer experiences may already be getting collected. But simply gathering customer data does not mean that it will be readily accessible or actionable. Data coming in through multiple channels in an organisation from sales and marketing interactions to customer service calls is often siloed across disparate systems, making it difficult or impossible to unify to gain a single source of truth.



Deepening the challenge is the inability to ingest, process and interpret this enormous volume of data at scale in order to react with the speed necessary to be effective. While a cloud infrastructure can enable this using machine learning, it still requires the right safeguards to maintain data security and compliance. Gaining a holistic view of customers requires that data be synthesised in real time and enriched with machine learning to derive better insights. That requires a clean data estate and expensive data scientists to implement the strategy.

<sup>7</sup> ['26 Essential Personalisation Stats for 2020'](#), SmarterHQ, 2021.

<sup>8</sup> ['Win customers over with an AI-enhanced journey'](#), Accenture, 2019.

# How Microsoft can help you connect with customers

It is becoming more difficult, not less, to use data to understand the customer journey. Online identities are becoming more fragmented, forcing marketers to enrich their data through partners to reach new customers and meet their goals. Those organisations that do not have a strategy to maintain – and even grow – their access to high-quality data may have to spend [10% to 20% more](#) on marketing and sales to generate the same returns.

## What sets Microsoft apart?

The good news is that you do not have to be an industry giant to successfully leverage customer data. Microsoft can help you connect with customers on your own terms; predict customer intent to deliver the right content at the right moment and deliver connected experiences across every customer touchpoint.



Today, marketers can take advantage of the new [Microsoft Customer Experience Platform](#), a customer data platform that brings together transactional, behavioural and demographic data for a complete view of customers. This can be used to unlock insights that power personalised customer experiences. It moves marketing from reactive to proactive, driving more revenue and building deeper customer relationships.

To engage customers across all possible touchpoints, Microsoft Dynamics 365 Marketing helps marketers design and deliver content through the right channels and at the right time, creating a more personalised customer journey. Easy to use and driven by AI, Microsoft Dynamics 365 Marketing helps build customer trust and earns greater loyalty.

Next, Microsoft Dynamics 365 Customer Insights unifies your B2C and B2B customer data to generate AI-powered insights in real time. With it, you can understand customer behaviour using digital and cross-channel analytics. A third element of Microsoft's complete toolset for marketers is Microsoft Dynamics Customer Voice. This is an enterprise feedback management solution to help organisations quickly collect and understand omnichannel feedback and customer metrics all at scale. Its personalised surveys help you continuously track customers' perceptions of your products and services, helping you better understand what matters to your customers.

Built on Microsoft Azure, the Microsoft Customer Experience Platform leverages a set of secure and compliant SaaS applications, while offering extensibility through an ecosystem of Microsoft partners who can optimise and tailor solutions. In addition, it helps organisations own their data and control its use so they can benefit from the insights they generate. The Microsoft Customer Experience Platform is a complete solution that opens a new world of marketing possibilities.

**Start creating  
more personalised  
experiences today with  
the [Microsoft Customer  
Experience Platform](#) >**



**Microsoft Dynamics 365**

© 2021 Microsoft Corporation. All rights reserved. This document is provided 'as-is'. Information and views expressed in this document, including URL and other Internet website references, may change without notice. You bear the risk of using it. This document does not provide you with any legal rights to any intellectual property in any Microsoft product. You may copy and use this document for your internal, reference purposes.