Better Ways to Understand Your Customers

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The COVID-19 pandemic has hit the whole global economy. Most companies are, however, developing plans for the next stage of recovery and new growth.

Data analytics is the best way to help retain your best customers and also to attract new customers. Even those organizations that have lagged in the adoption of digital technologies are realizing that without a data strategy, it will be difficult to restart stronger than before. A data-centred vision is more indispensable than ever in this phase. We are heading for a transformation of many facets of our social and economic life which will make new demands from an operational and logistical perspective on our companies.

A study conducted by the Harvard Business Review Analytic Services together with Intel, SAS and Accenture Applied Intelligence finds that customer analytics is the basic need of the hour for improving customer experience across all channels:

- 44% of enterprises are acquiring more new customers and increasing return on investment by adopting and integrating customer analytics operations
- 58% of enterprises are witnessing a significant rise in customer loyalty and retention due to customer analytics
- 60% of real-time customer analytics is in use to improve customer experience across various devices and touchpoints
- 70% of enterprises have increased expenditures on real-time customer analytics solutions over the years

Using data to allow businesses to read and interpret current trends and intentions, as well as allowing businesses to predict and generate insights, will become the key to competitive advantage.

Data analysis has become an essential activity for companies in managing competition and growing the business. However, the data alone is not enough—a careful data strategy is needed to ensure that all resources are used, shared and analyzed simply and efficiently.

The days of all products being sold to all the customers using a cliché marketing strategy are over! It no longer operates that way.

Consumer segmentation analytics is a method that enables businesses to identify sub-categories or customer segments within the market. Assessing consumers and dividing them into various groups that might purchase more of a single product or purchase more frequently helps build tailor-made marketing campaigns and communication techniques.

Image source: eweek.com

Today, consumers are more motivated and more linked to the source than ever. As such, they have full access to information at any moment, anywhere – where to purchase, what to purchase, what the cost and the best price is, etc. This makes it important to predict how customers would behave when interacting with your business, so you can react accordingly. Having a deeper understanding of the lifestyle preferences of your customers and buying habits enables you to predict accurately future buying behaviours. The more successful you are in delivering specific customer attraction offerings, the better it is for your company.

The use of customer analytics drives corporate performance heavily as shown in the figure below for Mckinsey.

Image source: McKinsey&Company - Why customer analytics matter

Use of customer analytics is the better way to understand your customers. As businesses emerge from the pandemic, a strong data strategy will be crucial for charting a course amid the uncertainty.

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