SUPERCHARGING RELATIONSHIP MANAGEMENT WITH CUSTOMER INSIGHT

Insight isn't the 'thing', it's the thing that gets you to the 'thing'...

CVM People

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Introduction

Many businesses want better information to inform their market and customer strategy, and improve decision-making across account management, customer service, and marketing activities, but it can seem like a challenging mountain to climb.

Whilst new data and insight technologies are making things more accessible, companies still need answers to specific questions which cannot be easily or wholly satisfied by their existing data capabilities.

In the last few years, we've seen many businesses start or accelerate the journey towards better understanding and monetisation of data.

The motivations are manifold, but it usually comes down to:

i. **digitalisation** and changing customer expectations, and

ii. **competition** from disruptive brands, unencumbered by legacy, 'stealing' customers by offering improved agility and more compelling offers.

Both are underpinned by more modern data and technology foundations.

Insight is not a singular event; to be successful, organisations need to develop and embed the right insight into new and existing relationship management processes, measure its impact, and continuously adapt and refine based on results.

Why should you read this?

This whitepaper outlines the challenges that many businesses experience in extracting value from their data.

It offers 10 stand-out practices of successful, insight-driven companies that should be adopted to ensure investments in data and insight are fruitful.

Its content was refined from hands-on engagements with established and challenger client brands across a range of sectors, including Banking, Telco, Media, Retail, Logistics, and Wealth and Asset Management.

If you are embarking on a data-driven future for your company, or have already started, and need to check your progress, then this whitepaper will help signpost your next steps.

In essence, **insight is an evolutionary journey**, no matter where a business is starting from. Even the most advanced data-driven organisations like Amazon, Google and Netflix are still learning so, you're in good company!

Everyday challenges

Whilst data can tell you much about your business and customers, there are often challenges in maintaining its veracity that weaken its use and value in decision making, resulting in unknown opportunities being left on the table.

Poor quality data

Sporadically populated – data missing or known to be incorrect.

Untimely refreshes – data is outdated or infrequently refreshed to be useful.

Different answers – same data from different sources tells a different story.

Restricted access – difficult to use data in operations or analysis.

Limited scope – insufficient coverage across customers or in level of detail.

Basic capabilities

Unintegrated systems – data stored in disparate legacy technologies and business functions.

Technical ownership – data is not governed as a strategic business asset.

Unsuitable tools – insufficient automation, integration or analysis technologies beyond Excel or a BI tool.

Minimal skills – little or no specialist analytical experience leveraging data.

Outdated knowledge

Human datastores – very few staff know a lot about very few customers.

Legacy knowledge – inherent wisdom favoured over new data evidence.

Unknown customers – minimal understanding of real needs.

Varying understanding – different interpretations of the same data and information.

Conventional wisdom – rules of thumb, gut feel, and intuition fill in the decision-making gaps.

Business as usual?

Disparate silos – business functions and channels operate largely independently.

Inconsistent experiences – customer treatment varies between channels.

Tiered selling – relationship 'management' is mostly focused on high spenders.
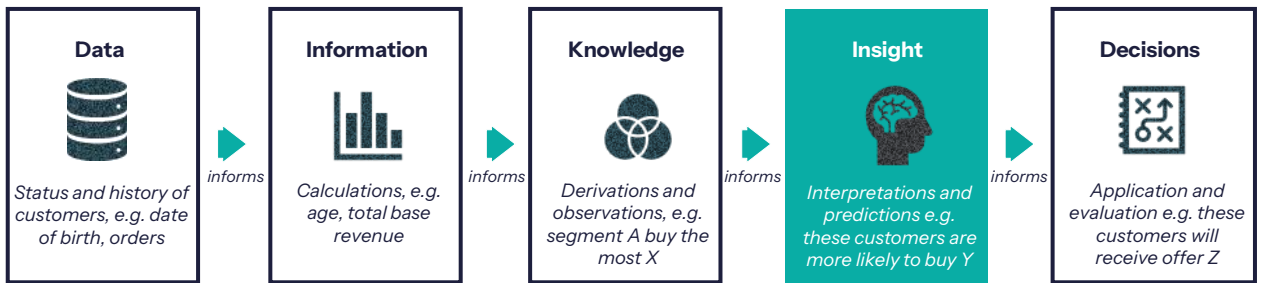
Minimal coordination – disconnected planning and execution strategy.

Transactional marketing - outreach is just selling rather than growing value.

Missed opportunity – superficial knowledge of which customers are more profitable, growable or retainable.
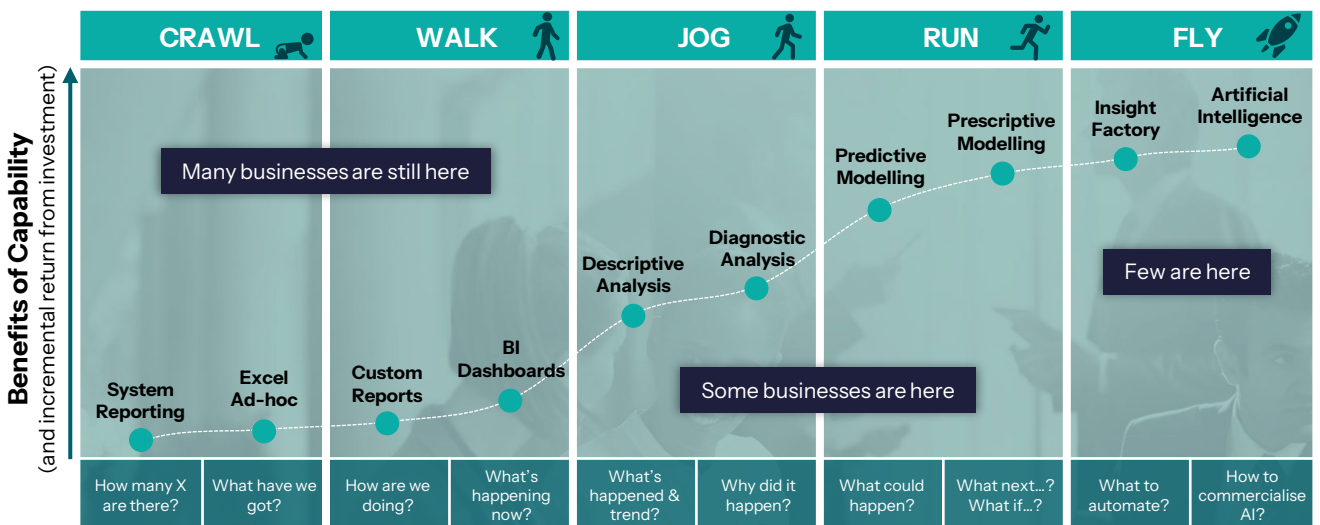
What is 'Customer Insight'?

Customer insight is making sense of customer data, information and knowledge to drive better customer decisions and focus action

Data		Information		Knowledge		Insight		Decisions
Status and history of customers, e.g. date of birth, orders	informs	*Calculations, e.g. age, total base revenue*	informs	*Derivations and observations, e.g. segment A buy the most X*	informs	*Interpretations and predictions e.g. these customers are more likely to buy Y*	informs	*Application and evaluation e.g. these customers will receive offer Z*

Typical questions for customer insight

- *Which are our most profitable campaigns?*
- *Which are our key journeys?*
- *Which are our most compelling and successful propositions?*
- *How do our customers like to engage us?*

- *How can we incentivise loyalty in our customers?*
- *What are the main reasons customers join and leave us?*
- *Which customers have the most potential to grow?*
- *If we did X, what would happen?*

Insight is an evolutionary journey that builds on foundational analytical techniques and capabilities for greater benefits

Benefits of Capability
(and incremental return from investment)

CRAWL	WALK	JOG	RUN	FLY

Many businesses are still here

Few are here

Some businesses are here

- System Reporting
- Excel Ad-hoc
- Custom Reports
- BI Dashboards
- Descriptive Analysis
- Diagnostic Analysis
- Predictive Modelling
- Prescriptive Modelling
- Insight Factory
- Artificial Intelligence

How many X are there?	What have we got?	How are we doing?	What's happening now?	What's happened & trend?	Why did it happen?	What could happen?	What next…? What if…?	What to automate?	How to commercialise AI?

Sophistication of Data Analysis
(and effort/cost to implement)

Why customer insight matters

Data is probably the most important asset a business can have. It can help solve problems, improve efficiency and customer experiences, and be the source of competitive advantage.

It can tell you what has happened and happening now, why things are happening or not, what could happen in the future, and what should happen next...but only if used in the right way.

Data can also be manipulated and misrepresented to support a specific agenda or, when treated like a commodity or a technical liability, it can have little or no value. Ultimately, data and insight is only valuable when you adapt and implement new strategies and actions to make use of such knowledge.

Here are some example applications:

Strategy

Business strategy – identify core, growth and opportunistic target markets, and priority audiences

Customer strategy – determine which customers are valuable, or have future potential, and which are more likely to go elsewhere

Service design – evaluate the pain points, and prioritise which customers get better service levels

Proposition design – define for the identified needs of different customer audiences

Planning

Marketing planning – identify key messages for each audience, and propositions likely to resonate

Sales planning – prioritise how each customer is contacted, and when

Resource planning – determine the staff best suited to supporting each customer audience

Knowledge

Market intelligence – identify factors that drive acquisition and switching

Customer understanding – profile the distinguishing features of customers in a portfolio

Customer performance – measure the effect of strategy and action on customer growth and satisfaction

Action

Service prompts – determine the recommended next actions for an account when they contact us

Sales recommendations – suggest which offers are likely to be relevant for a customer when they contact us

Digital recommendations – identify customers most likely to be interested in a specific offer

Triggers – pinpoint the customer behaviours or journey events that should prompt a specific response

10 distinguishing practices of successful, insight-driven companies

01 Aligned objectives and strategy

02 Instigated a customer base strategy

03 Committed to a scope and driving change

04 Identified and engaged ambassador users early

05 Guided design with commercial purpose

06 Mapped and understood existing data assets

07 Created an insight repository

08 Incorporated robust analytics processes

09 Joined-up decision-making

10 Embedded insight into business as usual

01 Aligned objectives and strategy

When identifying where to begin, people easily get overwhelmed and sidetracked by the sheer range of options. It sounds obvious, but keeping your strategy aligned to your overall objective is key to maintaining a 'north star' focus on positive commercial outcomes...and keeping your initial scope achievable.

> As with any significant change, it is *extremely important* that the relevant business leaders and team managers are briefed, bought into the vision, and are actively promoting the importance and benefits from day one.
>
> This means anyone with a primary responsibility to measure, analyse, forecast, verify or govern data, or target or serve customers must be aligned with this vision.

Partnering with Technology teams to provide data is vital...but, successful insight thinking and strategy is always led by the business, not IT, and focuses on commercial goals and customer outcomes, not technology costs or limitations.

IT functions are at their best when they have a clear goal and set of requirements to deliver and maintain. They are not data content experts, but they do know how to store, move and process data when the business defines the need.

The business owns the end-to-end definition of data and is responsible for its verification and use, whereas IT own the technology that captures, processes, validates and deploys data according to the business requirements.

Good Question...

1. Who are the owners and users of customer data and insight?
2. Who are the business leaders that will take responsibility for data design, implementation and use?
3. What business questions need answering most?
4. What more do we want to know about our customers?
5. What do we need to achieve and by when?
6. How 'fresh' do we need those answers?

02 Instigated a customer base strategy

It's now time to articulate and document your overarching strategy for managing customer experiences. This means setting high-level objectives for different groups of customers and then defining the service, sales and marketing treatment levers that could be flexed to achieve those objectives.

This informs what data should be captured, measured, and learned to implement the treatments.

Ultimately, insight allows you to refine this strategy, but an initial draft helps identify and prioritise your insight needs, such as which customers are, or are not, strategically important today or have potential to be so in the future.

For example, the very best customers today will receive the best service; customers with the highest potential will get special sales opportunities; the remaining customers will be cost-efficiently serviced and only receive standard offers.

Example flexible treatment levers

- Level of reactive and proactive service
- Access to premium information
- Intensity of marketing contact
- Channel mix for proactive contact
- Access to exclusive products/services
- Level of charges, or thresholds for 'free'
- Delivery and fulfilment quality
- Level of human interaction
- Pricing and discount thresholds
- Levels of incentive offered

Good Question...

1. What are the features of our business that we can flex for different customers?
2. Where might we limit these features due to resource availability?
3. When and for who might we relax the rules once in a while?
4. Who do we want to 'wow' with the best of our best?
5. What should we measure to determine the success of our strategy?

03 Committed to a scope and driving change

The reported failure rates of insight focused projects are startling, but the *reasons* behind those failures are often very avoidable.

87%

Of data and analytics projects never make it to production
~VentureBeat 2022

So, what does this mean...

Firstly, set an **achievable scope**, with clear business benefits and realistic expectations.

This should be done up front, with any changes robustly challenged and vetted against pre-agreed principles to assess value vs impact.

Secondly – *vitally* – is a **commitment to change** starting at the very top of business leadership and cascading down through management to team members across all in-scope teams.

Good Question...

1. Do you have a clearly defined 'north star'?
2. Are the benefits linked to commercial, customer, and user outcomes?
3. How will you have consistent communication from leadership to the business?
4. How will the adoption of new concepts and terminology (e.g. metrics) be embedded in day-to-day conversations?
5. How will the outputs of insight feed back into defining new objectives?
6. How will you create and promote rewards for desired user behaviours?
7. How will you enable your users to have a 'voice' that is heard and incorporated throughout inception to ongoing operation?

04 Identified and engaged ambassadors early

Ambassador

(noun) def:

(i) 1-2 people from each customer facing team, most suitable to the task of identifying insight requirements and influencing peers to adopt said insight.

(ii) A rich source of valuable input into what insight will have the biggest impact during customer engagement interaction.

Appointing one or two people from each of your customer-facing teams and including them from early in the design process pays dividends in the long run.

As well as a valuable source of requirements, this is a powerful change tool, as it creates an early sense of ownership among users, allowing them a voice in the process, and avoiding a sense of change being dumped on them without consultation.

Ambassador users help...

- Define and provide context for user requirements

- Prioritise value-add information

- Test and refine the insight tools in operation

- Communicate the benefits to peers

- Senior management acclimate to new insights in action

- Increase velocity of insight adoption

- Embed insights into business as usual

- Increase success of data-driven customer engagement

Good Question...

1. Who is well-suited to identifying which customer information is of value to their peers when interacting with customers?

2. How can you ensure they will have the time to properly engage with the process?

3. How will you adjust their responsibilities to allow them to spend time focusing solely on the future?

4. How will they keep their peers and line management up to date on direction and progress?

05 Guided design with commercial purpose

The focus, priorities and design of insight must be dictated by business objectives and commercial benefit, and tempered and informed by the specific needs of the customer-facing teams who will consume it. These two examples demonstrate how insight was designed to improve commercial productivity of relationship managers, rapidly guiding them whenever they need to know, target or serve any customer:

Global banking group offering private banking and wealth services with relationship managers (RM) for HNW individuals.

A broad range of products and legacy of human/digital hybrid operations meant the RM's desktop was littered with customer 'facts' but little insight about customer opportunities. Experienced staff were good at anticipating customer needs, but others used mostly guesswork for next action.

Objective: increase RM productivity by prompting relevant opportunities to drive better engagement and value during customer contact.

A new insight repository summarised facts into behavioural metrics and indicators. Propensities were derived from channel interaction histories, product usage, status and marketing outcomes to summarise behaviours and motivations, and predict likely interest in specific propositions.

The prioritised indicators and propensities provided relevant customer actions and tailored opportunities for the RM to introduce when appropriate during an interaction. This approach increased their commercial productivity by >20%

Respected luxury brand offering asset management with account managers (AM) at the centre of UHNW customer engagement.
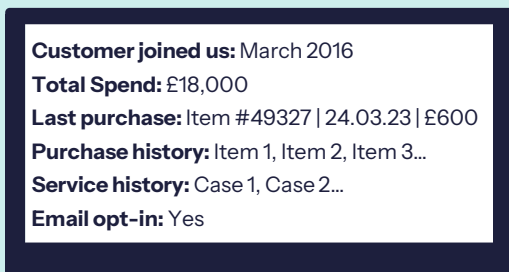
The AM's knowledge of a few of the very highest spending customers was exemplary, but the rest of the base was mostly unknown, particularly in opportunity. Lacking insight, their sales focus meant targeting generic offers based on purchases.

Objective: actively manage all customers to reduce cost to serve, and increase loyalty and revenues.

Creating an insight repository enabled customers and portfolios to be profiled, revealing interest, behaviour and pain-point themes to guide AM, service staff, and marketing in engagement activity. Demographics were overlaid to describe customer lifestyle and to prioritise the core, growth and opportunistic market segments.

Identifying groups of different revenue, potential and engagement meant treatment strategies are prioritised to guide customer interactions as well as outreach programmes: which customers to grow, protect, or contain, and which to wow.

Information *provides facts*

Customer joined us: March 2016
Total Spend: £18,000
Last purchase: Item #49327 | 24.03.23 | £600
Purchase history: Item 1, Item 2, Item 3…
Service history: Case 1, Case 2…
Email opt-in: Yes

Pertinent insight *guides behaviour*

Segment: Diamond (Protect & Grow)
Current Value & Potential: High | Very High
Interests: Private events, Learning…
Engagement: 82%
Next Best Action: Invitation to…
Recommended offer: product #1234

06 Mapped and understood existing data assets

Mapping and understanding the dynamics and lineage of customer data across source systems and databases provides a baseline for identifying quick wins, identifies crucial gaps early, and acts as a fundamental input when it comes to thinking about the size and shape of build phase activities.

Information that should anchor the insight repository includes the unique reference to identify a customer, account status, payments, demographics, and contact permissions. This information is the basis of any analysis.

Higher priority data should include a record of the customer's purchases, usage and holdings, and their sales interactions with the business. This information starts to reveal the value of what different customers buy and how.

Medium priority information should include records of digital and service interactions, and service history. This information starts to reveal customer pain points and cost impacts.

Lower priority information should include preferences, interests, and marketing history. This information starts to reveal more nuanced customer opportunities and potential.

Customer Status

Payment Arrangement

Permissions

Purchase history

Sales interactions

Product usage

Service interactions

Digital interactions

Services history

Preferences & interests

Marketing history

Good Question…

1. What data do we really need?
2. What data would be great, but not essential?
3. What data would be nice to have?
4. Where does the data originate?
5. How complete is the data?
6. How recently & frequently is the data refreshed?
7. How 'correct' is the data?

07 Created an insight repository

It may not be the most exciting element of the project, but a properly constructed and maintained insight repository is certainly the **most critical**.

Too often overlooked, rushed, over-complicated, or simply not prioritised, this stage is key to delivering a sustained, impactful, and trusted capability from which insight can be generated.

Planning your insight repository should bring together the outputs of everything so far, along with the answers to some further considerations:

Objective
Its primary purpose is the analysis of customer data, generation of insight and tracking customer performance. Operational reporting (e.g. BI) should have its own fit-for-purpose repository.

Priorities
Not all data is needed immediately. Initially focus on that which delivers value quickly, then prioritise based on business strategic need.

User needs
Most value comes from end-users with specific insight requirements and a commercial justification of impact. However, the business may not know what it needs so, may need to be led by seeded opportunity.

Available data
Not all data will be available or perfect from the get-go for any number of reasons. Focus on the critical data first, then use 'good enough' principles coupled with an enhancement plan to work through the prioritised needs.

Good Question...

1. Should we buy or build our insight repository?

2. How much are we prepared to invest, and over how long?

3. Who will own the insight repository in terms of its definition and veracity?

4. Who will be using it initially? over time??

5. What outputs do we want the repository to support?

6. Which data is needed immediately / longer term?

7. Which data is crucial? What is merely nice to have?

8. How up to date do you need answers to be?

9. What's the plan for evolving the insight repository in terms of available data?

08 Incorporated robust analytics processes

The generation of customer insight requires an analytical process and ongoing improvement programme to ensure the results remain valid and pertinent whenever the business requires answers.

Process

Clarify - Agree the objective and how to measure it. Check the question will produce the expected type of answer.

Triage - Check information and knowledge is available to answer, whether definitively, partially, or directionally as an interim.

Prepare - Collate relevant information and knowledge, validate assumption, remove anomalous and irrelevant information, and minimise background noise.

Analyse - Explore the data, including trends, patterns, correlations and drivers, to isolate potential answer scenarios.

Interpret - Review different scenarios to determine which best answers the question, noting any limitations and opportunities.

Package - Prepare the answer for the intended audience through description, visualisation, commentary and recommendation.

▶ Ongoing improvement

Knowledge – gaps in understanding of needs, expectations, behaviours, and experiences can cause insight blind spots and inferior decisions. Filling gaps with new or enhanced data enables more complete and accurate insights.

Timeliness – the business, markets & customers all constantly change so, answers can become outdated. How often to refresh insight depends on business need for updates, and how often the underlying data changes. The former dictates the business priority for enhancing the latter.

Effectiveness - measuring activity impact enables decisions to be refined. A 'control' group of similar customers excluded from the activity enables comparison against those included. If the rate or value of the outcome differs then the activity is having an effect.

Capability - questions become more astute over time. The team's skills and tools need investment to keep up with more complex questions, as well as new techniques (e.g. AI), more capacity (e.g. resource), or efficiency (e.g. automation).

Application – the most effective insight is that which can be used at the point of decision. Making pertinent insight available to end-users in a usable form, as guidance or instruction, means objectives are directly linked to actions.
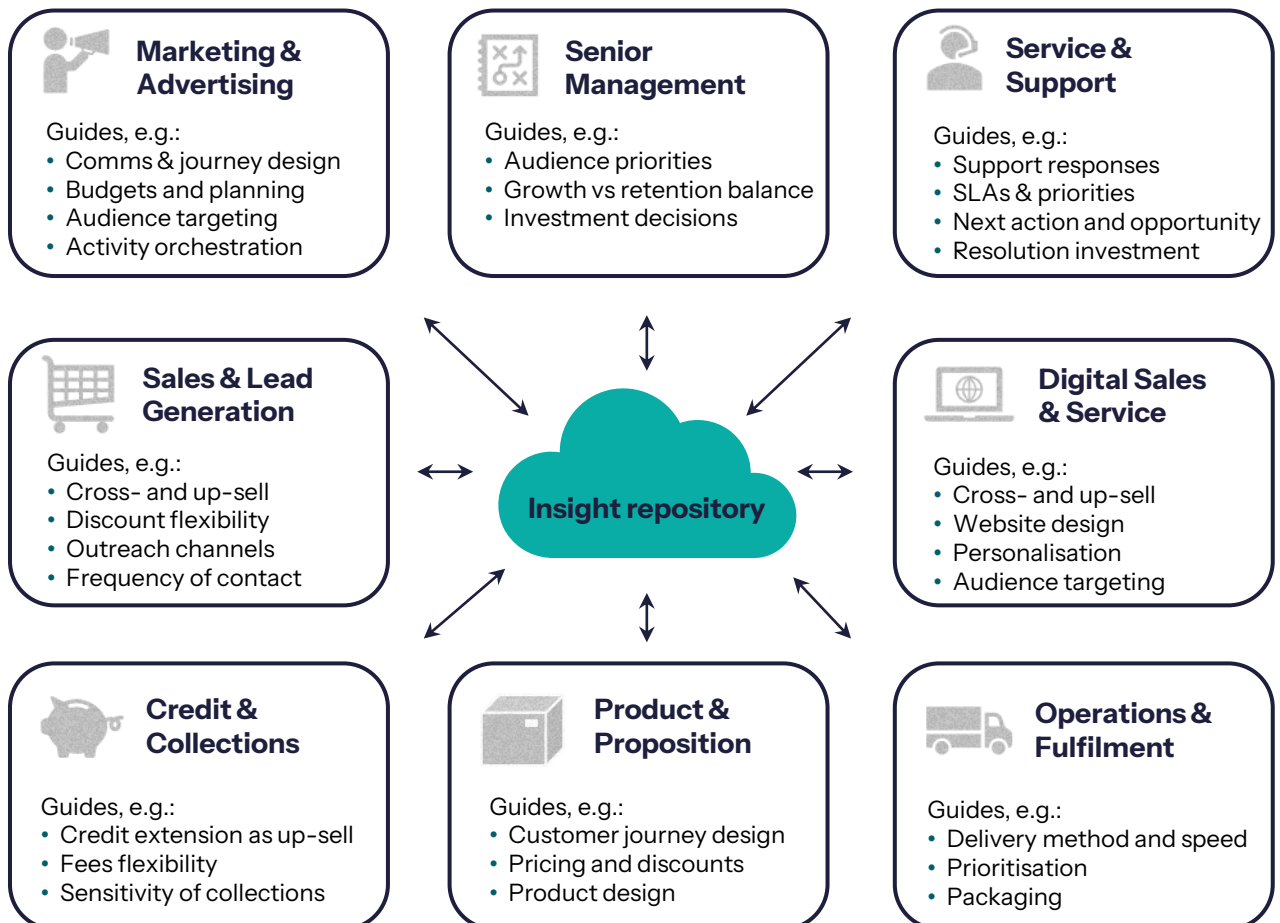
Good Question...

1. Are we asking the right questions?
2. Is new internal or 3rd party data required?
3. Do we have the right team capabilities?
4. How do we embed the insight to realise its value?

09 Joined-up decision-making

Customer insight should inform better decisions across all customer management functions, ensuring processes and thinking are aligned to overall business strategy, to avoid customers being treated in conflicting or confusing ways by different business silos.

The insight repository is the single source of truth for customer insight, feeding metrics and indicators into management dashboards and all customer management areas to ensure a unified customer, and staff, experience. It is also where outcomes and performance are tracked.

Marketing & Advertising
Guides, e.g.:
- Comms & journey design
- Budgets and planning
- Audience targeting
- Activity orchestration

Senior Management
Guides, e.g.:
- Audience priorities
- Growth vs retention balance
- Investment decisions

Service & Support
Guides, e.g.:
- Support responses
- SLAs & priorities
- Next action and opportunity
- Resolution investment

Sales & Lead Generation
Guides, e.g.:
- Cross- and up-sell
- Discount flexibility
- Outreach channels
- Frequency of contact

Insight repository

Digital Sales & Service
Guides, e.g.:
- Cross- and up-sell
- Website design
- Personalisation
- Audience targeting

Credit & Collections
Guides, e.g.:
- Credit extension as up-sell
- Fees flexibility
- Sensitivity of collections

Product & Proposition
Guides, e.g.:
- Customer journey design
- Pricing and discounts
- Product design

Operations & Fulfilment
Guides, e.g.:
- Delivery method and speed
- Prioritisation
- Packaging

10 Embedded insight into business as usual

Maximising the benefit of your insight efforts requires a concerted effort to drive change into business as usual at all levels. Embedding new language, concepts, and measurements into strategic and day to day thinking and conversations.

Lead from the front
Successful change hinges on top-down application and adoption of the new insight and ways of working. Using new assets such as strategy segments, and customer KPIs as the framework for objective setting, performance tracking, etc.

Train teams with positive examples
Create accessible, relevant training content for teams impacted by the new insight, we recommend both workshops and self-serve content, contextualising it with clear examples of how its inclusion benefits day to day activities.

Embed concepts at onboarding
Ensure onboarding content for new staff is reworked to include a proper introduction to key metrics, objectives and analytical assets, and how to apply these to day-to-day tasks.

Invest in the right expertise
The successful stewardship, innovation, and application of analytical insight requires a blend of subject matter expertise, curiosity, and stakeholder management. Identifying and hiring the right person to lead analytics is critical.

Publish & promote customer metrics
Track and publish key customer metrics, linked to corporate objectives, against which business performance can be measured.

Link OKR's to key customer metrics
Set management objectives and key results in line with customer objectives and metrics, such as improving segment profitability, high value satisfaction, etc.

Staff incentives aligned to insight
Incentivise frontline customer staff with rewards for activities beneficial to, and informed by, new metrics – such as gathering important data or driving positive change on a specific metric.

Shout about your successes
Create a medium for sharing the impact of new insight with the wider business, improvements to campaign results, sales targeting, service satisfaction, team member testimonials, etc.

How we help our clients

CVM People is a consultancy fusing innovative thinking with proven expertise to benefit medium to enterprise-sized companies struggling to realise value from data. We can accelerate your customer growth ambitions using insight to drive improved decision-making at strategic and operational levels, helping you to break down siloes and align your thinking and activities to customer objectives and commercial outcomes.

Services we provide

Strategic direction
Identifying and designing the right customer management capabilities to drive growth, including assessment of where you are today, your ambition, and creating the capability roadmap to get you there.

Implementation consulting
Configuring customer capabilities to meet your needs, including ready to go tools and insight repository, adaptable to business demands, managing introduction of capabilities, change, and ways of working.

Expertise as a service
Quickly adding time-boxed resource to your teams to realise your customer management and insight vision sooner using our network of specialists.

Recruitment
Defining roles, responsibilities and structures for data-driven customer management and insight, and hiring the right talent to build your team, knowledge and expertise for ongoing customer growth.

Brand experience

We've a depth of experience across many sectors and organisations, such as

Virgin Media, Santander, Experian, Travelopia, Vodafone, The AA, Camelot, LGU+, Centrica, Berry Bros & Rudd

Technology experience

A range of customer, data, and analytics technologies, including:

Creatio, Salesforce, Dynamics, Sugar, HubSpot, Unica, Bloomreach, Adobe, SAS, Azure, Knime, AWS

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