

Why consumer data  
is the foundation  
to the consumer  
experience





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# Why consumer data is the foundation to the consumer experience

The consumer relationship is no longer just about the transaction. It's about delivering value to the consumer before, during and beyond the transaction. As retailers and brands look to become an indispensable part of consumers' lives, data is the first step in orchestrating consumer experiences that increase lifetime value and brand advocacy.

**By Jeff Orschell, Louise Keely, Patrick Moriarty and Pamela Delaney**

At the center of every retail strategy are the consumers – how to target them, how to attract them and how to keep them coming back, physically or virtually. Though summed up in one sentence, a consumer-centered strategy is easier said than done. Every consumer is different, and thus, each of their journeys, behaviors, needs and wants is different.

Retailers and brands must build a sophisticated understanding of the ways consumers live, eat, shop, work and play and then use this knowledge to provide the right products, services, experiences, content and message to the right consumer, in the right place, at the right time and in the right context.

This is an [experience-led consumer journey](#).

And it's no small feat. It goes beyond selling. It goes beyond e-commerce. It goes beyond channel. It adapts to a world where every journey is different.

There are two ways to approach an experience-led consumer journey.

One, which we call the lowercase "e" experience, focuses on convenience. Lowercase "e" is anytime, anywhere, removing friction from digital and in-store channels and allowing consumers to shop and buy on their terms.

The uppercase "E" experience, however, builds on top of this important foundation. It seeks to engage and add value for consumers both when they expect it and when they don't. It's well known that the relationship between a retailer and a consumer is multidimensional and nonlinear. It begins well before someone enters a store or logs onto a website. It ends long after a sale is tendered. It fosters different ways of engagement with consumers in a different order and over time. Uppercase "E" transitions retail from a series of touch points to trust points, where a retailer's or brand's knowledge of consumers anticipates and delivers on their tangible and intangible needs, when and how they need it.

In either case, a lowercase "e" or uppercase "E" experience relies on data. Data can help take retailers into the mind of the consumer, enabling customized experiences that enrich the consumer's life.

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## What is your consumer data trying to tell you?

Consumer data is a necessary, but often overlooked, strategic competency that's foundational to delivering an exceptional consumer experience. It can be used to both predict future behavior and inform the right way to engage with a consumer at any given moment. It offers a window into the factors that influence consumer behaviors, interests and expectations. Every interaction becomes germane and relevant to the next. The insights derived from these data models influence everything from product offers to feature bundles, service-level standards, personalized messaging and imagery, all informing deeply relevant, connected, satisfying experiences.

The challenge for retailers and brands is not the availability of data, which can be found in abundance. It's efficiently identifying the behavioral patterns within the data, isolating what matters most, stitching it together and identifying trends on which to act. While every consumer has a unique journey, there is convergence across consumers where we can identify key points of engagement in a scalable way.

So, how can you move from data capture to data insight?

First, a comprehensive data strategy aligns your brand and the consumer experience you're trying to deliver. It answers questions like what problems will it help you to solve, what data do you need, how will you treat it and how will you analyze it. It supports a 360-degree view of the consumer – not just their behaviors within your “four walls,” but how consumers

live their lives with and without your brand. What else do they purchase? How do they use it? Can you meet those needs instead?

With your strategy in place, you must next invest in data sourcing, data stewardship and quality, data privacy, data analytics, data storage and, most importantly, a team of technology and data insights practitioners to understand and interpret the data that drives decision-making.

Then there's data governance. The consumer data revolution has put technology and digital leaders in a very influential position.

While data “lives” in the technology organization, siloed data comes with risks. Data cannot be owned and operated solely by technology. It should be out in the business, shared, examined and actioned across all levels and functions of the organization.

Consumers make so many decisions each day. Retailers and brands must design a data strategy that identifies the behavioral patterns that drive these choices to inform targeted experiences. This creates a sense that the retailer and consumer understand each other on a deeper level, creating the linkage between data and trust.



### Consumer data in action

A company in the food and beverage space needed to refresh its loyalty program. The solution was to sync the program with the company's mobile app. Customers enter their payment info into the app and then order, pay for and arrange for delivery of products right from their phone. In exchange for this act of trust, consumers get convenience and earn points they can redeem on future transactions. The company gets committed revenue and additional pieces of data it can use to inform the relationship with that consumer.

A separate consumer visits a health and beauty e-commerce site on the 15th of each month, spending no more than \$75. First- and third-party data help deduce that the 15th is payday for this consumer, who is part of a family of five with three teenage girls and who replenishes shampoo and face soap about every six weeks. Data is connected from across this consumer's journey to inform relevant, value-driven experiences that are not overengineered, but rather fit like wearing a comfortable shoe.

# Trust matters in life, love – and data

Strong, healthy relationships are built on trust. Early on, both sides are feeling each other out and learning about the other's likes and dislikes. As they get to know each other, the comfort level grows and, with it, the willingness to share personal details. In the case of the consumer and brand relationship, trust is the only way to get to the deeper levels of data necessary to drive loyalty.

The [EY Future Consumer Index](#) finds that consumer trust is hard to acquire. As part of the survey around consumer sentiment, when asked what level of trust they currently have in various organizations, only 10% of US consumers completely trust online-only retailers and chain retailers. Only 13% completely trust consumer packaged goods (CPG) brands.

Consumers need to be confident that companies will [use personal data responsibly](#) or consumers won't provide access to it. They also need something in return – a value exchange. What should they get in return for sharing their data? Relevant and personalized experiences, content and transactions. Then, trust is developed, and so long as the brand continues to deliver on, and even exceed, its value proposition, the relationship continues to grow.

The importance of trust cannot be understated. Just as in a relationship, once it's lost, it's very difficult to regain. Retailers need to be thoughtful about how they obtain data and what they do with it. As interactions increase in number and complexity, so, too, do the risks of losing trust.

Though complex, it's an opportunity. But the bottom line is relatively simple: how can you use the data that's out there to build better relationships with your consumers? See sidebar for some key questions to develop a comprehensive data strategy.

The data is available, as are the tools to tap into it and put it to use. It comes down to finding those first pockets of opportunity. From there, the uppercase "E" experiences will come.



## Key questions to develop a comprehensive data strategy

- ▶ Why do I need consumer data and what questions will I answer with it?
- ▶ What data sources will I need to address these questions?
- ▶ What capabilities are needed to access, process, store and retrieve data?
- ▶ What data governance processes are required to reduce risk and maximize value for the business? What do I need to do to comply with regulatory changes on the horizon?
- ▶ What analytics do I use to qualify my consumers or prospects and improve acquisition and retention?
- ▶ What analytics can I use to form better segments, target consumers with greater personalization and forecast demand more accurately?
- ▶ And most fundamentally, how is my consumer data strategy helping to drive the consumer experience I'm trying to create?

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While not easy, creating a personalized consumer journey can be a powerful differentiator. Leveraging a technology like Adobe unifies your data and creates actionable digital insights, transforming the customer experience.

Erik Larson, EY Americas Digital and Emerging Technology Leader and Global Adobe Alliance Leader

# Data as part of the experience

Data isn't the only component of an experience-led consumer journey, but it is the first and most foundational one and part of our four pillars to exceptional consumer experiences:



Stay tuned as we continue to dive into the remaining pillars of the experience-led consumer journey.



## Summary

Consumer data is the fuel that propels your transformation.

It tells you what your consumers like, what they don't and why they do business with you. Some data requires a little more interpretation. Other times, you'll have to read between the lines to understand what it's trying to convey. It won't always be easy, but the answers are there.

The key is the commitment to finding those answers and then sharing them in every part of the organization to create the ultimate experience-led consumer journey.



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