



Leverage Powerful, Flexible, And Scaled Customer Insights To Secure Your Business's Future

How Analytics-As-A-Service Solutions Help Leaders Overcome Silos, Mature Their Analytics Practices, And Align To Customer Needs

Get started →

FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY EXL | MAY 2022

Customer-Centricity Is The Engine Driving Brands' Innovation And Success

As businesses across industries scramble to transform themselves in the wake of a rapidly shifting business environment, the need for rich, fast, scalable customer insights has never been clearer. But many customer analytics leaders find that delivering relevant insights across the organization in the moment they're needed is a complicated task — one that will only increase in scope as digital and unstructured customer data play an increasing role in their understanding of what customers want and need from them.

To achieve the speed, scale, and quality of customer insights their organizations need to support customer-centric strategies, analytics leaders need flexible solutions and services. Many are turning to analytics-as-a-service (AaaS) solutions to drive more effective decisions that will transform their business and delight customers across their entire lifecycle.

Key Findings



Customer analytics is a critical business enabler: To thrive and compete, businesses across industries rely on their ability to harness timely, accurate, complete, and accessible data.



Technology and organizational silos prevent insights from flowing where they're needed most. As a result, businesses struggle with customer acquisition and loyalty and key business initiatives.



Analytics leaders are increasingly turning to AaaS platforms. AaaS solutions help businesses by offering end-to-end capabilities that help to quickly and accurately transform insights into action.

More Than Ever, Customer Insights Are A Critical And Strategic Business Enabler

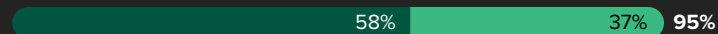
To thrive, enterprises must harness and apply data and analytics at every opportunity to differentiate their products and customer experiences.¹ Events of the past few years have only made the critical nature of customer analytics more apparent, and the leaders participating in this study clearly agree.

More than 90% agree that their overall success as a business relies on data that is timely, accurate, complete, and accessible. But data is only useful when it is transformed into insights, which is why nearly that many respondents see customer analytics as a critical competitive differentiator. They believe that as customer interactions increasingly happen in the digital realm due to the COVID-19 pandemic, demand has risen for customer insights that can help brands optimize every interaction and that customers will only increase their expectations for personalized, highly relevant experiences in the future.

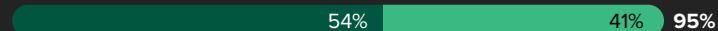
“How much do you agree with each of the following statements about customer analytics?”

● Completely agree ● Agree

Protecting our customers' personal information and privacy is a priority.



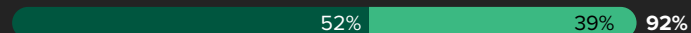
My organization's overall success relies on timely, accurate, complete, and accessible data.



The volume of customer data we have to manage and work with is growing exponentially.



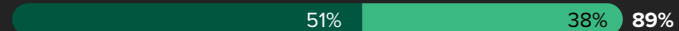
Our experience during the pandemic has increased the demand for digital customer insights and analytics.



More than ever, our customers demand personalized, highly relevant experiences.



Customer analytics is a critical competitive differentiator for my organization.



We are shifting our organization to focus more on direct consumer relationships, vs. selling through intermediaries.



Our first-party data is more strategically important to our organization than ever before.

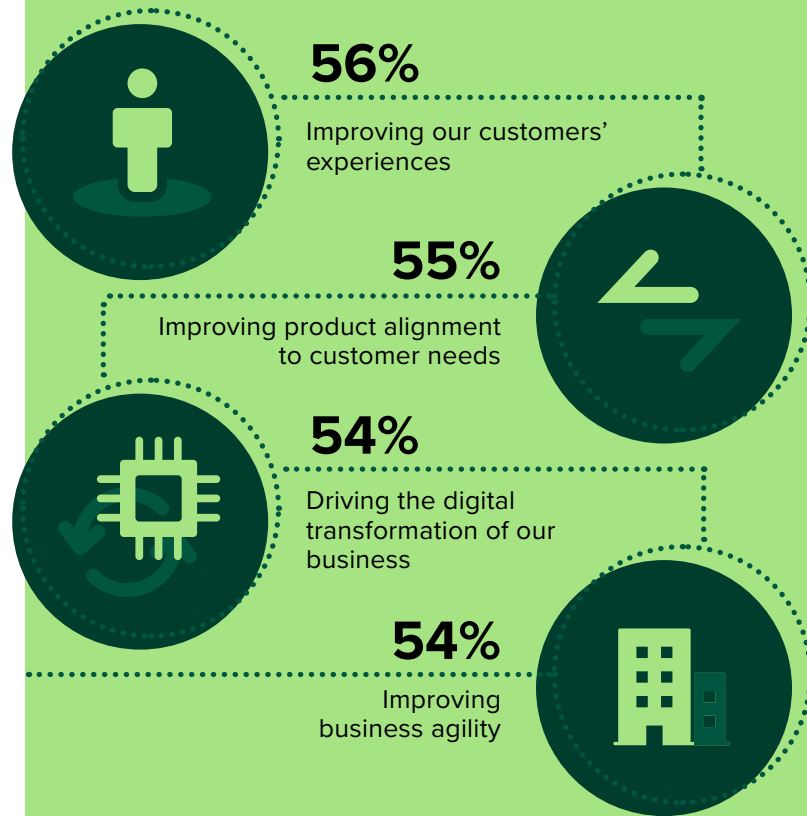


Customer Experience And Digital Transformation Lead Brands' Goals

During the pandemic, companies that were able to pivot to more flexible, digitally focused business strategies enjoyed significant competitive advantage over those that did not. It's becoming clear that the fundamental shift in consumer behavior to digital channels is here to stay, so the leaders in this study are setting their key business goals accordingly.²

Respondents' top business goals for this year were highlighted by a recognition of the importance of excellent customer experiences (CX), as well as having the capabilities to deliver them on customers' preferred terms. Improving CX led all other business objectives for respondents but was closely followed by analytics-driven enablers including improved product alignment to customer needs, better business agility, and driving digital transformation initiatives forward.

“Which of the following are your organization’s key business objectives for this year?”



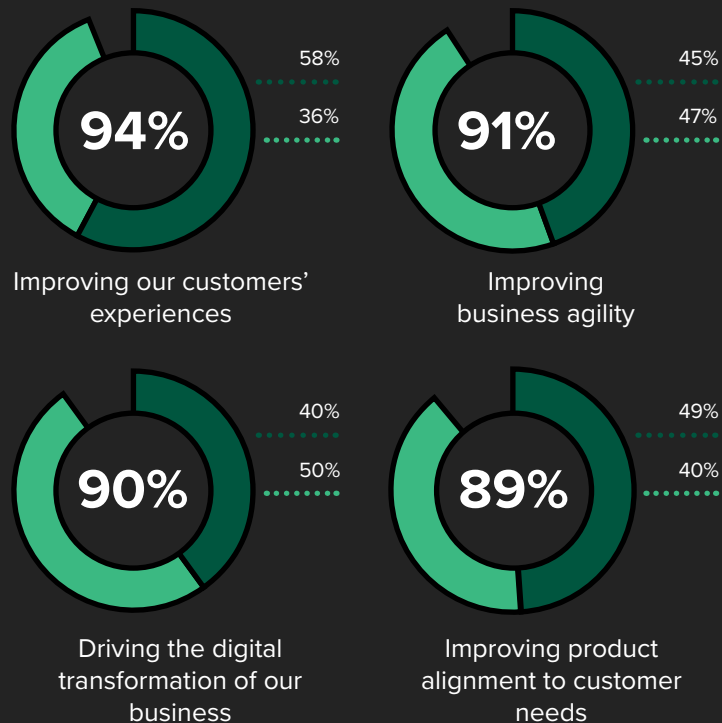
Business Leaders Rely On Customer Analytics To Achieve Their Key Goals

As they work to build the capabilities that will empower the delivery of highly valuable, convenient customer experiences at scale, business leaders will depend on customer analytics to provide the means to achieve them.

Across each of the top-ranked business goals they selected, decision-makers in this study assigned significant credit to customer analytics programs for their success. At least nine out of 10 respondents described customer analytics as making either a significant or mission-critical contribution to their plans to deliver better CX, improve their business agility, and drive digital transformation, while 89% said it would determine their success in better aligning products to customer needs.

“How much of a role does customer analytics currently play in your organization’s ability to succeed in each of the following business initiatives?”

● Mission-critical contribution ● Significant contribution



Organizational Silos And Lack Of Maturity Hinder The Value Of Customer Analytics

The majority of enterprises have started their journey to becoming data driven, but as they do so, they have to contend with organizational and technology silos that can slow down insights generation and complicate decisive action.³

Nine out of 10 respondents experience at least one of a distributed set of challenges with customer analytics, most commonly struggling with organizational silos as they try to turn customer insights into action. They are also challenged by customer insights tools that are poorly integrated with one another, and they struggle with a lack of embedded analytics capabilities within their organization. Additionally, many respondents wrestle with clunky compliance workflows that interrupt their ability to deliver insights where they're needed.

“Which of the following challenges does your organization experience with customer analytics today?”



Overcoming internal organizational silos

35%

Our customer insights tools and technologies are poorly integrated

34%

Compliance workflows get in the way of our ability to deliver insights

33%

Lack of embedded analytics capabilities throughout our org. makes acting on insights less efficient than it could be

32%

We don't experience any challenges

9%

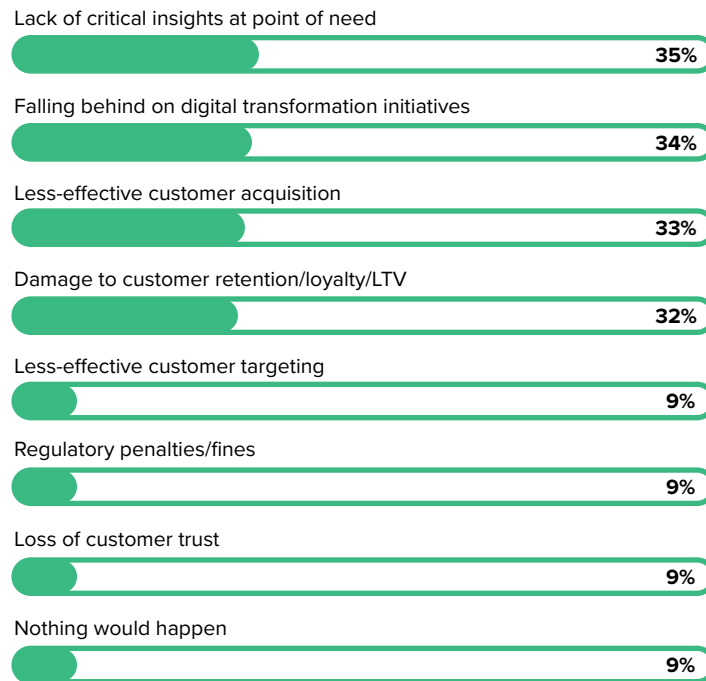
Δ91% — at least one of the above

Insights Delayed Are Insights Denied

Despite the fact that most organizations capture massive amounts of information about their customers, many analytics leaders struggle to gain access to clean, relevant data they need, when they need it. They run into challenges, too, when it's time to deliver models to business stakeholders to respond. As a result, too many valuable customer insights wither on the vine before they can be translated into action.⁴

Ninety-five percent of respondents recognized at least one negative outcome from ineffective customer analytics — chiefly a lack of critical insights when they're needed. Delayed or fragmented customer analytics insights also slow digital transformation initiatives, hamper customer acquisition efforts, and depress the long-term value of customer relationships for brands. This mix of front-end and back-end pain bolsters the picture of customer analytics as a major driver of business success when leaders are able to take advantage.

“What are the ramifications of less-effective customer analytics?”



Δ95% — at least one of the above

Predictive, Automated Insights Arrive To Help Manage Proliferating Customer Data

Customer analytics professionals looking to drive systems of insight at their organizations largely struggle to ingest digital data into their analyses of customer behavior, which will only pose a bigger challenge as customer behaviors continue to migrate online.⁵ Looking forward, respondents in this study are working hard to incorporate digital customer data as well as voice-of-the-customer data like emails, phone calls, and survey comments to deepen their understanding of customer needs.

To help manage this influx of signals, leaders are looking to onboard AI or machine learning (ML) capabilities into their programs, as well as increasing automation in their analytics processing. These efforts will help enhance the scale, speed, and quality of customer insights.

“What are your organization’s key initiatives for its customer analytics program?”



Incorporate voice-of-the-customer data into our understanding of customer needs

59%

More effectively incorporate digital data sources into our view of the customer

54%

Improve automation and capabilities

Increase automation in our customer analytics processing

54%

Incorporate AI or machine learning capabilities into our customer analytics

52%

Manage new sources of insight

Analytics As A Service (AaaS) Is Increasingly Important To Analytics Leaders

To derive meaningful insights from data and promote effective actions across their organization, customer analytics leaders partner with both technology and service providers. This study has found that as they consider which partners they want to work with, cloud-based AaaS approaches are seizing an increased profile within the service and technology landscape. AaaS approaches help leaders by offering end-to-end analytics capabilities and procedures — including organizing, analyzing, and presenting data and insights — through the cloud.

When considering which capabilities are most important for their next analytics partner, 56% of respondents stated that the availability of an AaaS approach would be important for them, ranking just behind speed of delivery and ahead of interoperability. Furthermore, 49% are planning to onboard an AaaS solution within the next 12 months.

“Which of the following capabilities are most important to you when selecting an external customer analytics partner or solution?”

Speed of delivery

59%

Analytics as a service

56%

Ability to work across your existing technology stack

52%

Effective data privacy and security controls

49%

Industry expertise

48%

Ability to scale up and down

42%

Degree of customization in solutions/services

40%

Stakeholder management capabilities

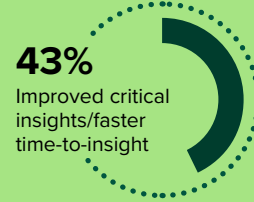
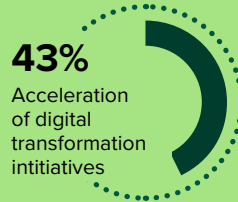
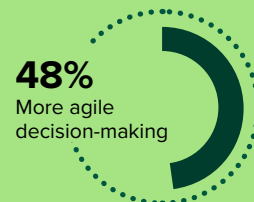
37%

Customer Analytics Investments Drive Better Decisions And Business Outcomes

Fundamentally, customer analytics powers customer obsession by helping insights-driven businesses understand their customers and drive growth. Customer analytics leaders play a crucial role in helping their companies win, serve, and retain customers.⁶

Every decision-maker in this study tied improvements in customer analytics to improved business and customer outcomes. They believe that better customer understanding would bolster customer trust, enable faster and more effective decision-making, help shore up their data processes and governance, and drive better customer experiences and, ultimately, customer value. They also connect better customer insights to faster progress on digital transformation initiatives and, of course, improved ability to deliver critical insights when and where they are most needed.

“What are the benefits of more effective customer analytics programs?”



Conclusion

Customer analytics is the engine of a customer-centric, insights-driven business. Business leaders depend on customer insights that are timely, accurate, complete, and accessible to make better decisions, intelligently transform their business, and meet consumers' increasing demands for personalized, relevant, and valuable experiences.

Customer analytics providers should seek iterative transformation within their analytics stack to address or overcome organizational and technological silos that can hinder the scale and speed of insights-driven decisioning. Many analytics leaders are working to marry the power of AI and ML with the flexibility and scale of cloud-based AaaS solutions to ensure that their business leaders can leverage customer insights to deliver better business outcomes and customer experiences.

Project Director:

Nicholas Phelps,
Principal Market Impact Consultant

Contributing Research:

Forrester's Customer Insights
research group



LEVERAGE POWERFUL, FLEXIBLE, AND SCALED CUSTOMER INSIGHTS TO SECURE YOUR BUSINESS'S FUTURE

Methodology

This Opportunity Snapshot was commissioned by EXL. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of 170 data and analytics strategy decision-makers. The custom survey began and was completed in May 2022.

ENDNOTES

¹ Source: "Enable An Insights-Driven Business," Forrester Research, Inc., April 29, 2021.

² Source: "The CMO And CIO Partnership In Digital Transformation," Forrester Research, Inc., October 4, 2021.

³ Source: "Chart Your Course To Insights-Driven Business Maturity," Forrester Research, Inc., April 27, 2021.

⁴ Source: "Turn Data Into Insights With Customer Analytics," Forrester Research, Inc., October 29, 2021.

⁵ Source: Ibid.

⁶ Source: "The State Of Customer Analytics 2020," Forrester Research, Inc., March 11, 2021.

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

© Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, RoleView, TechRadar, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. For additional information, go to forrester.com. [E-53185]

FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY EXL | MAY 2022

Demographics

GEOGRAPHY

United States	64%
United Kingdom	36%

INDUSTRY

Technology/services	29%
Financial services	28%
Retail	20%
Healthcare	14%
Professional sports	6%
Media	4%

COMPANY REVENUE

\$500M to \$999M	3%
\$1B to \$4.9B	46%
\$5B to \$9B	25%
\$10B and above	26%

SENIORITY

Director	49%
Vice president	25%
C-level executive	26%

Note: Percentages may not total 100 due to rounding.

A person in a business suit is sitting at a desk, pointing at a laptop screen with a pen. The laptop screen displays various charts and graphs, including a bar chart and a line graph. The person's hand is visible, holding the pen and pointing at the screen. The background is blurred, showing a desk with papers and a cup. The overall image has a dark, muted color palette.

FORRESTER®