

Deloitte.



The art of customer engagement

Optimizing your investments with analytics and insights

Future-proof your organization with data-driven customer strategies

The war for the customer rests on a constantly shifting battlefield. In fact, exponential change is the new constant—and its velocity, volume, and variety have toppled giants and enabled new breeds of disrupters.

Today's executive leaders are continually being challenged to reimagine their businesses and strategically allocate scarce capital to meet rising customer expectations. While there is a growing realization that customer experience can be a brand's most powerful competitive advantage, many business leaders struggle with where, among hundreds of potential touchpoints, to prioritize investment. The data to guide these decisions has proven elusive, with only one in 20 Canadian organizations considering themselves insight-driven. Moreover, category disruption often comes from unexpected sources, begging the question: Are you monitoring the right competitors?

There is good news. Some organizations are successfully tapping into analytics-driven insights to guide their customer experience strategies and achieving notable results. With the right data as their compass, business leaders can more effectively understand their customers' experience preferences while benchmarking their own brand's strategies against competitive efforts. And, armed with the right insights, these leaders are better able to build a powerful customer experience roadmap to future-proof their organizations.

In the battle for your customers' attention and engagement, do you know where you stand?

The path to customer engagement begins with insight

A new service offering from Deloitte helps you take decisive action

Deloitte's new Customer Engagement service offering can be an important first step in developing long-term strategies and gaining a better understanding of competitive and customer landscapes. It combines proprietary data, competitive intelligence, prescriptive analytics, and world-class visualizations with advisory services from subject matter experts to drive revenue growth by enabling a more engaged customer base.

This service offering, including our proprietary Customer Engagement Index (CEI), combines primary market and customer research as well as sophisticated data analytics that measure the most powerful experience drivers across 200 major retailers in Canada and the US. Competitive benchmarks, combined with importance rankings of the key experience drivers by retail sector, yield important insights into strategic investment priorities to achieve customer-centric and competitive differentiation.



With the CEI, you can make more relevant, strategic decisions

The CEI, in particular, can become a critical new foundational step, supporting you as you begin your customer-centric journey. It can serve as an effective catalyst, enabling you and other decision makers within your organization to initiate more relevant, robust discussions and strategic decisions by asking:

- What are the key priorities and customer engagement capabilities for investment?
- What investments should you maintain?
- What capabilities might you want to de-prioritize?
- How should you plan for channel growth, customer acquisition, marketing, and more?

Deloitte's Customer Engagement service offering—along with our recognized leadership and know-how—can help you decide whether the investments you're making are truly impacting customer experience. And if they're not, we'll help you ask the right questions to identify opportunities, prioritize your dollars, and thoughtfully consider how to differentiate your company to meet the challenges of today's competitive customer-centric landscape.

Behind the Customer Engagement Index

Comprising a comprehensive capabilities field assessment of major retailers, along with new “importance” and “performance” metrics—all illustrated and monitored via the CEI Visualization Platform—the CEI is designed to help your company:

- Understand how you’re faring against the competition
- Evaluate what customer engagement capabilities are important to your customers
- Get a meaningful read on how customers believe you’re performing
- Prioritize investment dollars and discover white space opportunities for differentiation
- Monitor the pace of change in customer engagement capabilities across retail categories

In addition, to inform our Customer Engagement strategies, we leverage the knowledge and best practices gained from helping our global and Canadian clients across a broad range of industries.

The CEI includes these core components that provide you with the means to benchmark where you are relative to the industry and your competitors—and take decisive action:

Capabilities assessment

For the 2017 CEI, professional mystery shoppers visited 200 major retailers in Canada and the US, evaluating the presence and sophistication of their customer engagement capabilities across online, mobile, and in-store channels along the customer path to purchase. We measured over 100 separate experience drivers, analyzing where organizations’ capabilities were leading and lagging.

NEW! Importance and performance:

In 2017, we supplemented the capabilities assessment with a comprehensive customer survey in order to uncover the importance and value customers place on customer engagement capabilities, and measure how retailers are actually performing and executing these capabilities based on customers’ perceptions.

These valuable insights can help you assess not only how you’re performing but also how to identify and prioritize which capabilities are most suitable for investment moving forward based on what your particular customers want.

Top insights from 2017

Many retailers are not optimizing investments as they vie to win in customer experience

Overall, the US continues to lead Canada in customer engagement capabilities across all retail categories, except for grocery where Canada outpaces US across all channels (online, mobile, and in-store) along the path to purchase.

In Canada, retailers have made large strides in delivering exceptional customer experience, led by department stores, home improvement, and sporting goods retail categories.

Canadian retailers have improved the overall in-store experience, but need greater focus in the mobile and online experience, especially with the growing number of US retailers coming into the Canadian market.

Canadian home retailers (furniture, housewares, home goods) are showing the greatest relative improvement in capabilities in the in-store channel from 2016 to 2017.

In Canada, department stores and home improvement retailers lead in mobile experience, but still lag far behind their American counterparts.

The grocery sector in Canada is showing the greatest relative improvement in online customer engagement capabilities, beyond that of US grocers, from 2016 to 2017.

Canadian and American retailers need to re-evaluate their investments to better align with customer expectations and focus on key capabilities

The CEI uncovered that many retailers are not currently optimizing their investments in customer engagement capabilities. Many have implemented capabilities that are relatively less important to the customer and have left key competitive capabilities behind.

Across all retail categories, this year's CEI indicates that **promotions, loyalty, and price comparison** are the top customer engagement capabilities that require more attention and focus from retailers to better serve their customers.

The CEI provides visibility into what capabilities are available and important, and how they are performing, so that retailers can determine where to focus their investments.

Retailers sharpen their customer centric focus

Here's one recent success story illustrating the power of Deloitte Customer Engagement

National retailer sets its sights on understanding its customers

Aspiring to become more customer-centric—as well as gain a better understanding of the competitive landscape, leading practices in customer engagement, and which investments were valued by its customers and prospects—a top national retailer leveraged Deloitte's Customer Engagement Index and proprietary dataset for a quantitative competitive assessment of its capabilities across online, mobile, and in-store channels.

These analytics were then used to identify the most impactful and valued capabilities and meaningful touchpoints to better engage with its customers.

THE RESULTS?

Leveraging our Customer Engagement Index, the national retailer was able to:

- Understand the capabilities that its customers value as most important
- Identify tangible opportunities for investment to deliver a superior experience to its customers
- Develop an aspirational target state through a prioritized list of initiatives addressing gaps in capabilities

"The Customer Engagement Index is a valuable platform that helped inform and align our team across a range of customer interaction points. The index helped our team prioritize investments to maximize customer experience and value. The process served as a key input in developing our long-term customer and digital strategy."

Director, Strategic Planning & Market Research

Deloitte's Customer Engagement capabilities and experience can help you ask the right questions to identify customer engagement opportunities, prioritize dollars, and differentiate you within your industry.

Win the customer experience and strengthen your competitive advantage

Choose the assessment and analytics that meet your needs

Deloitte provides a range of business models to meet your organization's needs—from monitoring and visualizing CEI results at a high level, to gauging your capabilities relative to competitors and your sector, to developing a fully customized customer engagement assessment that includes performance analysis, gap assessment, strategic workshops, and ongoing monitoring.

Plus, the Customer Engagement Index is fully scalable and updateable quarterly or annually so your investment can be monitored and changes in the competitive landscape captured.

Customer Engagement offerings include:

Annual syndicated access to competitive benchmarks

Interactive visualization dashboards for real-time analysis

Customer analysis to understand end-consumer preferences

Investment prioritization to customer engagement capabilities

Strategy workshops to become a customer-centric insight-driven organization

Did you know?

While Deloitte's Customer Engagement capabilities were initially developed for the retail sector, our methodology and analytics are entirely flexible, and can be adapted and deployed across a variety of sectors and geographies.

In fact, we can help your organization identify what capabilities are important by country, retail category, and retailer.

Our team can provide you with additional details.

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