

## Customer Insights and Analytics Shining a light on profitable, lasting relationships

“Do more with less” is the new mantra for consumers and businesses alike. With less time, tighter budgets, and fewer people, it seems like the only thing that’s abundant for many companies is information. Today’s technology allows businesses to collect ever-growing piles of customer and prospect demographic, transaction, and preference data. But more information doesn’t mean more insights.

### Out of the dark

Analytics is a powerful tool that can help organizations find eye-opening opportunities to improve sales, marketing, and customer service. Some companies find ways to cut advertising costs and increase sales. Others reduce customer churn and improve satisfaction ratings. Smart analytics goes beyond number crunching and can help companies develop ways to listen and respond to the needs of customers and the employees who serve them.

Standing in the way of adopting an analytic approach may be a corporate culture that encourages individuals to rely on their intuition and experience when making decisions. Or perhaps the organization lacks the processes and technology needed to collect, analyze, and develop actionable insights. From there, companies may require the ability to transform the analytic insights into offers, products, information, and services customers will value.

### How we can help

Deloitte combines deep industry knowledge, broad functional capabilities, and technical know-how to help our clients capture insights and create strategies for attracting, engaging, and retaining profitable customers. We look at customers from the outside in – turning

everyday information into useful and actionable insights that can inform your decision-making. Here are some of the services we offer:

- **Strategy:** Analytics business case roadmap creation, analytics center of excellence deployment
- **Marketing:** Customer segmentation, data mining, customer value analytics, promotion results analysis, online advertising cost effectiveness
- **Sales:** Sales force alignment, prospect targeting and qualification, cross- and up-sell targeting
- **Customer relations:** Customer churn reduction, customer loyalty identification
- **Customer service operations:** Service resource improvement, service inquiry pattern analytics



### Bottom-line benefits

Customer Insights and Analytics can help you in your efforts to:

- Generate a higher return on marketing and promotional investments
- Increase sales to existing customers
- Lower new customer acquisition costs
- Reduce customer churn and increase loyalty
- Resolve customer service problems more efficiently – or better yet, avoid them
- Increase the sales force effectiveness by targeting qualified prospects

### Six ways to get more value

We've helped some of the world's best-known companies analytically use customer data to build more lasting, profitable relationships. Here are some of the lessons we've learned:

**Walk in your customers' shoes:** Experience what it's like to be a customer by shopping your company's channels and contacting your call centers. Do the same with your competitors. Talk to customer-facing employees to gain their insights. These experiences can help to identify areas for improvement.

**Ask smart questions:** What information will help you better serve customers, gain competitive advantage, or fulfill the business strategy? Setting tight objectives for your research and analysis can help you avoid drowning in insights that are interesting, but don't lead to action.

**Know your data:** Do you have access to internal or external data that provides correct answers to your questions? Don't underestimate the strength of your current data; it doesn't have to be complete to be valuable.

**Make it count:** Before you start, plan how you can turn the insights into actions and how you will measure results. Make sure you have the necessary organization, systems, and processes in place that support implementation and add value.

**Target a quick win:** Pick a tight, focused project that can generate valuable insights and recommendations that will likely be easy to execute. Use this experience to learn how to tackle more complex, broader-scale projects across the enterprise—as well as to demonstrate the value of analytics internally.

**Test and learn:** Be willing to test different approaches and learn from results. This requires patience on the part of your organization to do this effectively now and in to the future.

### Customer Insight and Analytics in action

- A national retailer that sells fashion apparel through its catalogs, web sites, and retail stores wanted to improve the ROI on its web-search advertising spend. We helped this client analyze three million customer orders to identify the search keywords that drove the most sales. The insights were surprising: the client's organic search terms delivered a stronger ROI than their paid search terms. As a result, the client decreased their paid online search spend by more than a million dollars without decreasing top-line sales.
- An insurance company was struggling to meet its sales and customer retention goals. They needed a clear profile of their customer base to more accurately target advertising and promotions to attract new clients and to expand relationships with existing customers. We used customer data-matching algorithms and cluster analysis to analyze approximately 150,000 policies and 300,000 customers. This analysis provided the insight needed to better understand and segment the company's customers, including identifying customers with high potential value.
- A national healthcare provider wanted to improve customer service levels by anticipating and mitigating negative customer experiences. We designed, developed, and implemented a tested, rules-based solution to help them predict – and preempt – customer complaints. This solution allowed customer service representatives to proactively reach out to customers who were identified as likely to have a negative experience, which reduced customer dissatisfaction and strengthened loyalty.

### Related insights

- **Building a customer relevant organization:**  
Achieving high performance in retail
- **Consumer-centric innovation:** Tapping into consumer insights to drive growth

### Related offerings

- Customer transformation
- Business analytics
- Direct to consumer
- Pricing and profitability management
- Service delivery transformation
- Talent
- HR transformation
- Mergers & Acquisitions

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