

Time To Make Things Personal

Unlock Customer Data Across Your Organization To Improve Customer Satisfaction Through Personalization

A FORRESTER CONSULTING THOUGHT LEADERSHIP PAPER COMMISSIONED BY TWILIO, OCTOBER 2023



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Executive Summary

Businesses today have more customer data available to them than ever before, and it provides limitless potential to create impactful customer experiences and lasting customer relationships. However, in today's age of the customer, organizations face the dual challenges of harnessing an unprecedented volume of customer data while meeting ever-evolving customer expectations.

In August 2023, Twilio commissioned Forrester Consulting to evaluate how businesses today are accessing and sharing data across their organizations to help support personalization efforts by both contact center agents and sales reps. The study revealed that while 90% of contact center and sales/ marketing leaders believe their companies have sufficient access to customer information to aid agents and reps in comprehending customer context, 90% also agree that having greater access to real-time customer data would significantly enhance their company's capacity to serve its customers. These leaders are eager to transform their customers' experiences from good to great through improved customer data usage and personalization.



Key Findings

Companies need to better establish customer context to drive personalization. Ninety percent of leaders cited challenges in delivering impactful and contextual insights in a timely manner to help agents and sales representatives understand customers and their journeys. Both contact center and sales leaders identified harmonizing multiple technologies including customer relationship management (CRM) and contact center solutions to deliver personalized moments across the customer lifecycle as a top improvement goal.

Disparate data collection, storage, and analysis creates data-access challenges. Companies collect and store customer data in fragments across departments and in various system types including CRM, customer feedback, analytics, and contact center solutions. These silos make it difficult to build a full customer profile, and just one-third of leaders said it is very easy for their company's agents and sales reps to access relevant data to support customer interactions.

A lack of centralized data platforms creates delays during customer interactions. When an agent or rep needs to switch between applications to access necessary customer information, it leads to an average of 8 minutes lost per customer interaction.

Improving access to customer data leads to benefits across both contact centers and sales/marketing. Strategic efforts for personalization are not just about increasing the bottom line, they are also about keeping customers happy and loyal by empowering customer service and sales representatives with the proper context to provide more personalized experiences.

A More Holistic View Of Customers Will Enable Better Sales And Service

Contact center agents and sales reps engage thousands of customers every day, and each interaction provides a valuable touchpoint in an individual customer's journey. Optimizing the customer experience (CX) in those touchpoints requires agents and reps to understand a customer's context (e.g., what they've done, where they are, what they prefer, etc.). In today's competitive market, all it takes is one bad experience to lose a customer. To mitigate this risk, it's essential that companies make each customer feel valued and known at every possible touchpoint by empowering customer service agents and sales reps with proper data to provide a contextual understanding of the customer to allow for personalization where appropriate.

While most companies may have the sufficient technology and data needed for personalization, 90% of respondents said their organization encounters challenges in delivering impactful, contextual insights in a timely manner to help agents and sales representatives understand customers and their journeys and to provide better customer experiences. This is because most organizations have customer information spread across multiple applications and mostly in silos. For example, most voice-of-the-customer and CX measurement programs work with structured data and siloed data sources and almost never include the contact center data. The massive amounts of unstructured customer and interaction data that contact centers have can inform and help build robust CX strategies, but it isn't always included. Many organizations use contact center data to gain customer insights but don't funnel those insights back into contact centers to drive CX outcomes.¹ In both cases, better sharing of data enables customer service agents and sales representatives to get more granular in their customer interactions.

Just 5% of leaders
said they believe their organization's teams can provide high levels of personalization across all stages of their customers' purchase journeys.

Respondents said their organizations struggle to engage with customers across the customer journey to create value, drive adoption, and set the stage for growth, retention, and advocacy. Less than half said their company has a solid strategy focused on personalization across all phases of the customer lifecycle, and just 5% said they believe their organization’s teams can provide high levels of personalization across all stages of their customers’ purchase journeys. The result of these gaps is that an average of 42% of leaders cited struggles with offering seamless customer engagements (e.g., not having to bounce customers around to different services agents and communication channels), and 40% said their company struggles to foster customer loyalty. Recognizing this need for improvement, 50% of both contact center and sales leaders identified harmonizing multiple technologies (including CRM) to deliver personalized moments across the customer lifecycle as a top improvement goal (see Figure 1).

FIGURE 1

Primary Goals For Contact Center And Sales/Marketing Leaders

| Contact Center/Customer Support* | Sales/Marketing† |
|--|--|
| 50% Improving integration of contact center system data with other customer-related systems (e.g., CRM) | 50% Improving integration of sales and marketing systems (e.g., CRM) with other customer-related data systems (e.g., contact center system) |
| 48% Improving ability to collect and/or act on real-time customer data | 43% Transitioning from lead-focused efforts to opportunity management (e.g., acquisition, upsell, cross-sell, retention) |
| 43% Expanding customer engagement through new channels (such as social media) | 42% Using technology more effectively to extract insights from customer data |
| 40% Increasing personalization of customer support interactions | 40% Improving support for more personalized outbound messaging |
| 40% Better supporting direct and indirect presale customer engagement | 40% Improving customer experience |

Base: 411 contact center and sales/marketing decision-makers at organizations in the US and Canada

*Base: 310 contact center decision-makers at organizations in the US and Canada

†Base: 101 sales/marketing decision-makers at organizations in the US and Canada

Note: Showing top 5 responses.

Source: A commissioned study conducted by Forrester Consulting on behalf of Twilio, August 2023

Personalization Challenges Stem From Data Silos

If it was easy to build a customer profile and deliver effective personalization, every company would be doing it already. Our survey of contact center, customer service, and sales leaders revealed three common issues that inhibit their organizations from providing more effective personalization of customer interactions. These include:

- **Poor integration of customer-related data systems across the whole customer journey.**

Organizations collect and store valuable customer data in different applications across each phase of the customer journey, and companies need strong integration between these applications in order to better holistically understand their customers. Unfortunately, customer-data integration between contact centers and sales/marketing continues to be a challenge: Less than half of respondents cited strong integration of contact center data with marketing systems and vice versa (see Figure 2).

- **Difficulty establishing cross-channel customer context to deliver cohesive and actionable insights at the right time.** Customer context is foundational for effective personalization. Without context, agents and reps will struggle to fully understand customer needs, which could lead to customer frustration and dissatisfaction. Real-time customer data (e.g., recent purchases, social media activity, location, etc.) is one data type that agents are keen to utilize for establishing context. Ninety percent of respondents said having greater access to real-time customer data would significantly enhance their company's capacity to serve its customers.

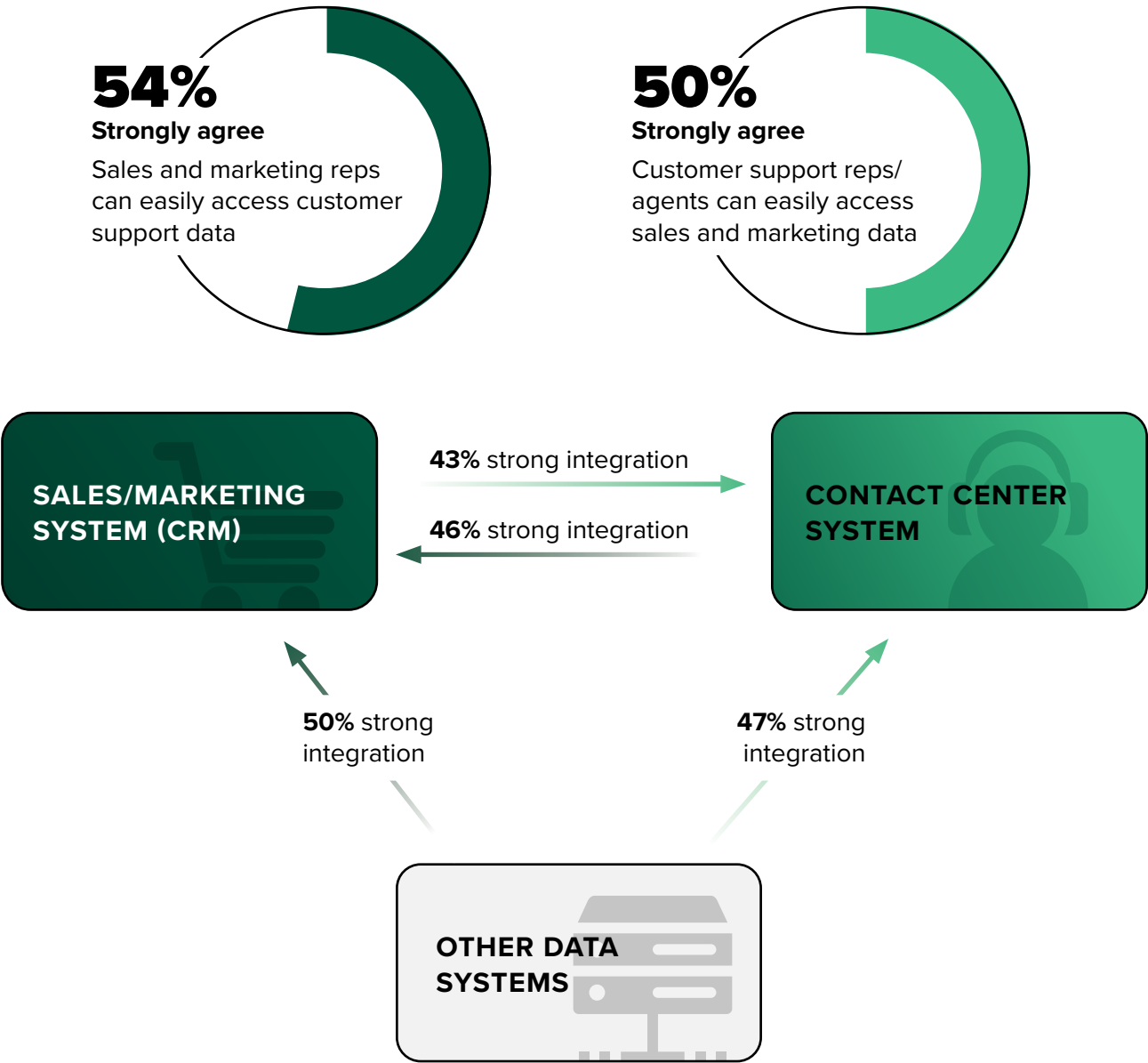


90%

of respondents said having greater access to real-time customer data would significantly enhance their company's capacity to serve its customers.

FIGURE 2

Organizations Need Stronger Integration Between Sales/Marketing And Contact Center Systems



Base: 411 contact center and sales/marketing decision-makers at organizations in the US and Canada
Source: A commissioned study conducted by Forrester Consulting on behalf of Twilio, August 2023

The challenge is that all companies utilize various system types including CRM, customer feedback, analytics, and contact center solutions to collect and house customer data. Having multiple systems for different engagement channels is normal and not inherently bad, but the issue is that 50% of surveyed leaders reported that their organization's agents and reps don't have full access to cross-channel contextual customer data contained within these various systems. And only one-third indicated that it is very easy for their company's agents and sales reps to access relevant data to build customer profiles and support customer interactions, which demonstrates the need for better shared access to contextual customer data.

- **A lack of modern, centralized data platforms hinders personalization insights.** On average, agents and reps need to access three or more applications to gather the data necessary for personalization. These applications may also include a mix of on-premises and cloud solutions, and this can further hinder the ability to access needed data quickly.

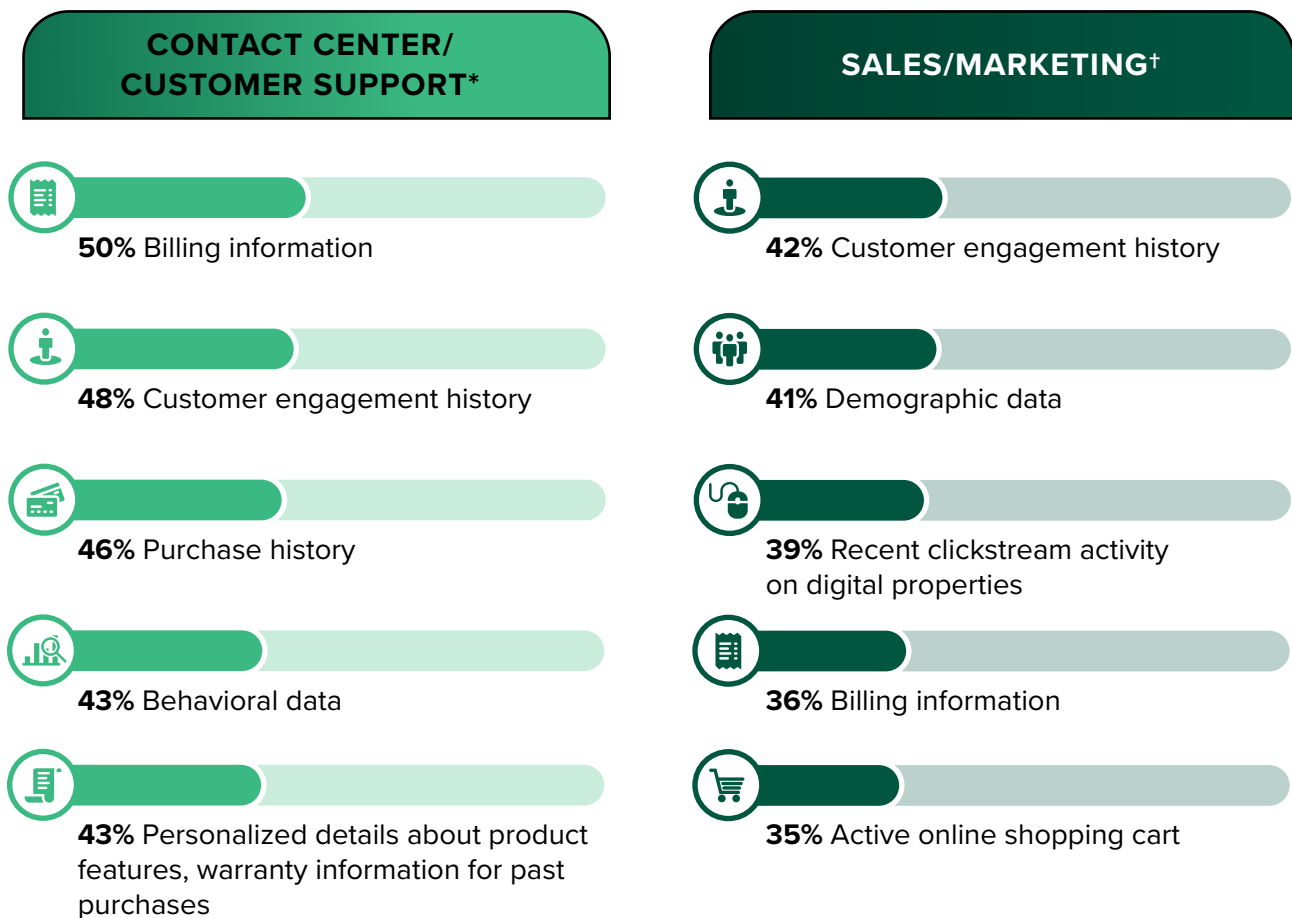
Survey respondents reported that agents and reps needing to switch between applications leads to losing an average of 8 minutes per customer interaction. That is why 89% of leaders said centralizing customer data elements (e.g., within a CRM, contact center, or customer data platform [CDP] system) could greatly enhance their organization's ability to deliver personalized customer experiences across the entire customer journey. Contact center leaders recognize that tools like CDPs that centralize customer data from multiple sources and make it available to systems of insight and engagement (which have historically been used for marketing) can also be leveraged to support key personalization use cases (e.g., knowing customers, targeting, predictive product, loyalty, etc.) within contact center interactions — not just sales.

Companies Need A Unified Data Platform To Connect The Dots

Better orchestration of customer data across support, sales, and marketing workstreams has great potential to improve customer outcomes, and it should be a top priority of any company looking to improve its CX. Nearly half of surveyed contact center leaders highlighted the need for several different types of structured and unstructured customer data (e.g., behavioral, historical, financial, interaction, personal) in creating better customer experiences (see Figure 3).

FIGURE 3

Types Of Customer Data And Insights Needed To Deliver More Personalized CX



Base: 411 contact center and sales/marketing decision-makers at organizations in the US and Canada

*Base: 310 contact center strategy decision-makers at organizations in the US and Canada

†Base: 101 sales/marketing decision-makers at organizations in the US and Canada

Source: A commissioned study conducted by Forrester Consulting on behalf of Twilio, August 2023

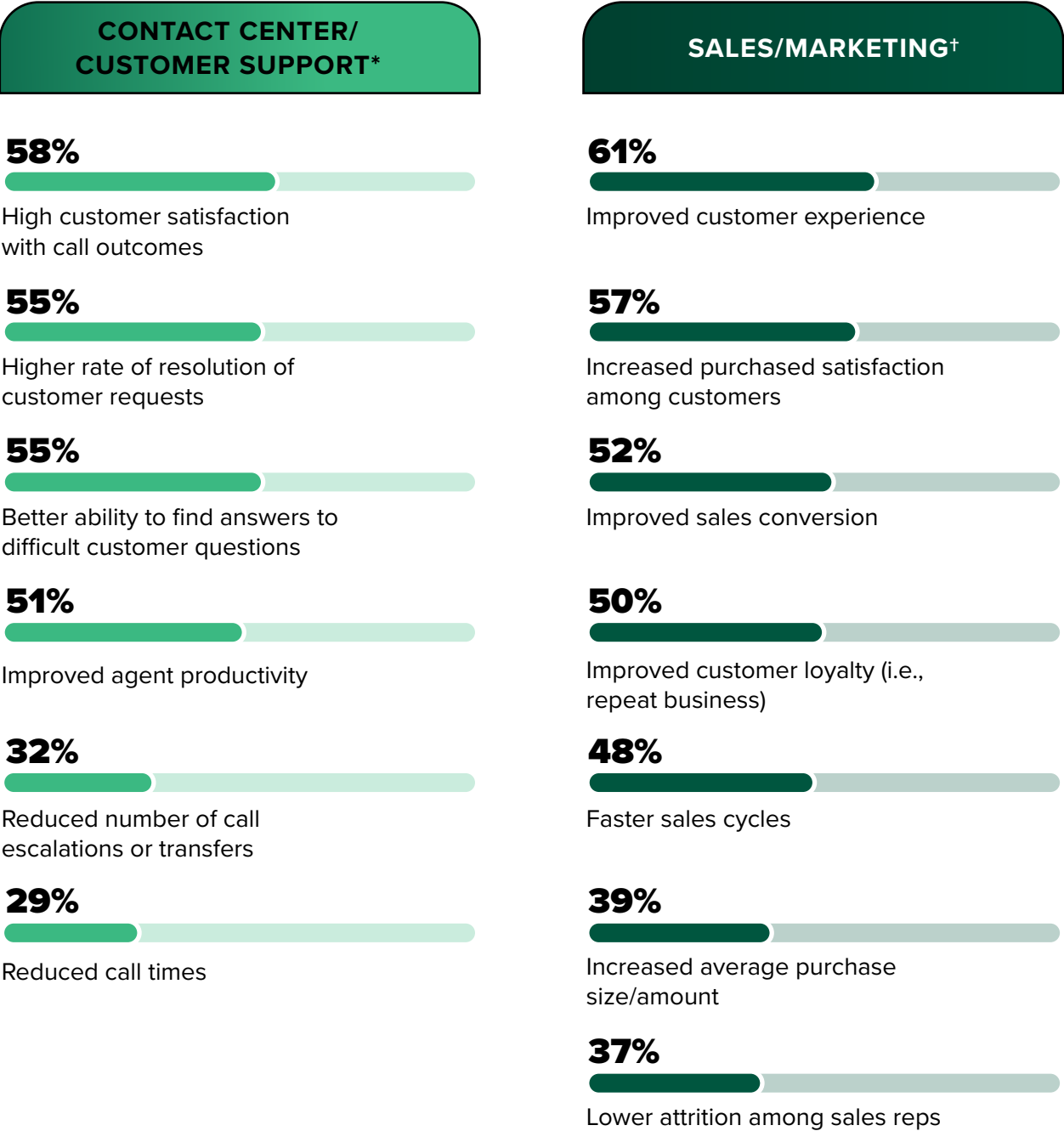
Full and timely access to insights across both the sales and customer service organizations is critical, as the data must flow both ways. Contact center agents need presale and sale information (e.g., purchase history, buying behaviors, etc.), and sales reps can benefit from understanding customer engagement history (e.g., service call logs, inquiries, etc.) or real-time customer information. Marketing teams can also benefit from better customer understanding to enable more targeted campaigns. To accomplish these outcomes, implementing a unified CDP accessible to all departments is the number one step leaders are taking to build cross-departmental relationships and enable better sharing of customer intelligence.

Improving access to customer data leads to benefits across both contact centers and sales/marketing (see Figure 4). Contact center leaders expect it to lead to higher customer satisfaction, higher rates of call resolution, and improved agent productivity. Sales leaders similarly expect to see improved customer experiences, higher purchase satisfaction, and better sales conversions. These benefits roll into key business outcomes of improved customer satisfaction, higher retention, and faster turnaround times for customer responses.

Interestingly, increased revenue was in the middle of the pack (40%) regarding outcomes respondents expect. This suggests that strategic efforts for personalization are not mainly about revenue generation, but they are instead about keeping customers happy and loyal by empowering customer service and sales representatives. If agents and reps are unable to understand customer context to provide more effective and personalized experiences, it's likely that customers will start looking elsewhere and businesses will be at risk of losing market share. That's why no business can afford to ignore it.

FIGURE 4

Improving Access To Customer Data Is Expected To Drive Benefits Across Both Contact Centers And Sales/Marketing



Base: 411 contact center and sales/marketing decision-makers at organizations in the US and Canada

*Base: 310 contact center decision-makers at organizations in the US and Canada

†Base: 101 sales/marketing decision-makers at organizations in the US and Canada

Source: A commissioned study conducted by Forrester Consulting on behalf of Twilio, August 2023

Key Recommendations

Delighting customers is and should always be a top business priority. Whether it's a sales rep engaging a customer for the first time or a contact center agent providing customer service to a long-time customer, having a better understanding of a customer's context will result in better customer and business outcomes. Breaking down data silos should be a top priority for every company hoping to establish a more holistic view of its customer across all phases of the customer journey. Doing so will drive strategic benefits across both customer service and sales organizations.

Forrester's survey of contact center and sales leaders yielded several important recommendations about how organizations can expand and optimize their use of customer data to better serve customers.

Treat personalization as table stakes, not as a growth engine.

Companies often use the word “personalization” but have trouble defining it. Personalized interactions occur throughout the customer lifecycle: before, during, and after a purchase. Depth of individualization increases as people move through the customer lifecycle. Companies base personalized moments on a spectrum of methods: segmentation, discrete interactions, preset personas or customer journeys, and contextual understanding and anticipation of customer needs. Personalization efforts that only aim for short-term gains (e.g., singular sales, marketing goals) typically fall short of consumer expectations.

Considering the ubiquity and significance of personalization across organizations — be it finance, healthcare, or technology — it is high time for organizations to reposition personalization as a standard operational requirement. It should not merely be considered an engine for growth, but a cornerstone of a company's holistic customer experience strategy that enables it to meet the ever-increasing demands and expectations of modern consumers.

Invest in a data solution that brings all channels and interactions together in one place.

Contact centers are rich repositories of customer insights, but they are often marginalized in organizational CX analytics programs. It is a strategic necessity for a modern organization aiming to enhance its CX to invest in a unified data solution that would streamline the analysis process by integrating both structured and unstructured data from various channels and interactions. This would help the organization understand the needs and preferences of its customers more comprehensively, which is crucial for crafting personalized customer experiences that go beyond mere transactional interactions. Such a solution offers multiple benefits, from enhancing personalization of customer experience and real-time decision-making to improving operational efficiency and data governance — all of which is crucial for organizations to be competitive in today's data-driven landscape.

Get predictive and prescriptive with intelligence.

Companies have been using predictive models for a while, but they have done little to make it accessible to customer service and sales reps beyond generic next best actions (NBAs) for upselling and cross-selling. Coupling predictive models with personalized recommendations will help agents deliver more tailored services. Churn prediction, issue prediction, and bill shock prevention are examples of predictive models that can empower agents and sales reps. But remember that predictive models will substantially improve their NBA recommendations if they're designed to access and analyze data across the entire customer journey.

Continuously learn and optimize with machine learning.

Learning models are key to analyzing vast amounts of customer data and building sustainable insights programs to drive personalization. Learning-based models allow you to scale from sample-based analysis to use all the data and build more readily usable data formats and reusable models.

Comprehensive data empowers AI bots to provide tailored and accurate responses, which streamlines routine inquiries. Modern IVR systems integrated with holistic customer data offer personalized menu options, which speeds up issue resolution and increases automation rates. Agents armed with complete customer insights deliver more personalized service, and real-time data allows for proactive problem resolution and reduces escalations. In essence, having a 360-degree view of the customer is transformative and drives superior customer experiences and operational efficiency.

A closed-loop feedback system that tracks the effectiveness and impact of insights can improve the quality of recommendations, facilitate productizing and monetizing an insights program to build insights-led operations, and even expand the scope to client-owned environments.

Facilitate sales-service synergy.

Encourage sharing of valuable customer insights between sales and customer service teams to offer a seamless customer experience. Coordination can not only help in the upsell and cross-sell, but also reduce customer churn.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 411 contact center and sales/marketing decision-makers at organizations in the US and Canada to evaluate barriers to and opportunities for personalization efforts across customer journeys. Questions provided to the participants asked about how data is shared across their organizations and where gaps exist for tighter integration. Respondents were offered a small incentive as a thank you for time spent on the survey. The study was completed in August 2023.

Appendix B: Demographics

| REGION | |
|--------|------------|
| US | 87% |
| Canada | 13% |

| INDUSTRY | |
|--------------------------------|------------|
| Retail | 35% |
| Healthcare | 23% |
| Technology/technology services | 23% |
| Financial services/insurance | 20% |

| DEPARTMENT | |
|---------------------------|------------|
| Customer service | 40% |
| Contact center operations | 36% |
| Sales/marketing | 25% |

| CONTACT CENTER SIZE | |
|------------------------|------------|
| 25 to 99 agents | 5% |
| 100 to 249 agents | 30% |
| 250 to 499 agents | 40% |
| 500 to 1,000 agents | 40% |
| More than 1,000 agents | 2% |

| COMPANY SIZE | |
|--------------------------|------------|
| 500 to 999 employees | 20% |
| 1,000 to 4,999 employees | 57% |
| 5,000 to 9,999 employees | 23% |

| RESPONDENT LEVEL | |
|------------------|------------|
| Vice president | 38% |
| Director | 43% |
| Manager | 19% |

| CUSTOMER SERVICE/CONTACT CENTER ROLE | |
|--|------------|
| Director/head of customer service | 42% |
| Director/head of contact center operations | 33% |
| Operations manager | 21% |
| Senior manager | 4% |

| SALES/MARKETING ROLE | |
|------------------------------------|------------|
| VP of sales/marketing or higher | 33% |
| Sales director | 55% |
| Sales team manager/account manager | 12% |

Note: Percentages may not total 100 due to rounding.

Appendix C: Endnotes

¹Source: “[Design An Insights-Driven Contact Center](#),” Forrester Research, Inc., January 5, 2023.

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