

# Cultivate digital exhaust

Meaningfully orchestrated  
data helps promote  
consumer loyalty



## Meaningfully orchestrated data helps promote consumer loyalty

Consumer goods and retail companies are in a never-ending quest to enhance customer loyalty and deliver above-market growth, a steep challenge made even more difficult by the accelerating pace of technologically fueled market disruptions.

The proliferation of digital technologies and e-commerce platforms in this once staid industry has significantly reduced barriers to entry for new digital-native suppliers and increased competition among established firms — and has given consumers an endless array of choices among competing products, brands and purchase options. Omnichannel and brand engagement platforms have made it possible for shoppers to interact in increasingly convenient and flexible ways, which challenges consumer and retail firms to coherently manage interactions shoppers begin in one channel and continue in another.

Today's digitally savvy consumers enjoy an assortment of ways — ranging from mobile devices, websites and social media venues to in-store browsing — to research product capabilities, possible fulfillment options and ways to best address their individual needs.

On the flip side, even in this ever-changing, digitally enhanced market, consumer and retail companies often have only limited insights into the marketing, promotion and consumer engagement campaigns for their various brands and product platforms. Consumer and retail firms that get it right, however, can use personalized, consumer-centric data to increase revenues as much as 5 percent to 15 percent and simultaneously improve marketing spend and other cost efficiencies, according to McKinsey estimates.<sup>1</sup>



### **Cultivating customer insights**

The digital era opens new opportunities for consumer and retail firms to more systematically enhance the effectiveness of their growth campaigns. By cultivating the trail of data — or digital exhaust — that consumers leave along their path to purchase (and even post-purchase), companies can better understand latent consumer needs, behavioral patterns and ways to increase loyalty. They can then use these insights to augment key business processes, improve marketing contact effectiveness, streamline operations, reduce waste and accelerate fulfillment activities.

### **The gap between aspiration and reality**

Despite the availability of vast quantities of consumer-related data, far too many consumer and retail firms experience a gap between aspiration and reality when it comes to analyzing and making sense of that data. Many lack the data science maturity to effectively orchestrate the consumer data available for processing. They struggle to capture consumer behaviors, insights and preferences from disparate data extracted from various sources.

Many well-intended initiatives turn out to be full of obstacles posed by systems and analytic tools built in a prior era — without regard for the more comprehensive insight needed in today's market. Consequently, employees are left to make decisions based on inaccurate, incomplete or missing data, often with suboptimal or delayed results.

### **How to harness the data**

Clearly, the problem is not a lack of data. Most consumer and retail firms' ERP and CRM platforms contain huge amounts of data from internal and external sources. In fact, a study that IDC conducted in conjunction with DXC Technology found that most organizations have more than 30 siloed systems housing consumer data.

DXC believes that consumer and retail firms should better harness the information and systems already in place. To create and orchestrate meaningful, personalized insights that drive increased consumer engagement and loyalty, organizations need to properly build or enhance e-commerce platforms. Here's what we recommend:

First, position the e-commerce platform to consume services and first-party and third-party data from ERP and other back-end corporate repositories. Outfit the platforms with powerful data management tools that efficiently integrate the disparate data sources needed to analyze and build a comprehensive understanding of individual consumers. From there, deploy an ecosystem of powerful data science models and tools to identify patterns and new customer segmentation opportunities.

A flexible API layer gives both machine-to-machine and human-to-machine interfaces access to the derived consumer data model insights and analytics. We believe this layer is a differentiating and enabling capability for consumer and retail firms, which must integrate strategies, initiatives and insights from an array of marketing, distribution, sales and other consulting partners.

Next, create a microservices API environment that provides secure, but flexible, platform access for employees and partners. Armed with outside-in consumer insights — including both structured and unstructured data from a disparate set of sources — firms can then augment operational processes to achieve their strategic goals.

### **Deep customer picture**

By harnessing this rich digital consumer exhaust, consumer and retail firms can begin to build a deep and meaningful picture of individual consumers. They can then monetize this view by transforming a range of business processes, including marketing, new production development, production planning and transportation.

Orchestrated meaningfully, these transformed processes and supporting systems can deliver new and differentiated experiences and mutually beneficial interactions that ultimately promote greater consumer loyalty.

<sup>1</sup> Brian Gregg, Hussein Kalaoui, Joel Maynes and Gustavo Schuler, “Marketing’s Holy Grail: Digital personalization at scale.” McKinsey & Company.

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