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Creating exceptional customer experience with data

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STRATEGY SPOTLIGHT

Creating exceptional customer experiences with data

This involves employing technology and analytical skills, with agile teams working across functional lines. BY THEM IN SUWARDY AND MELVIN YONG

THE ability to mine, connect, harness and monetise real business insight from data to keep customers happy and loyal will distinguish successful companies from their competitors, say industry observers.

Companies have been developing sharp insight into their customers from the vast amount of data that is being collected.

Savvy organisations have been able to capitalise on this intelligence to lift their game to create exceptional customer experiences.

"Ultimately, if the individual customer is kept at the heart of every decision – from customisable user experience interfaces, accurate recommendation engines or customer interactions – then a brand will be able to deliver on its promises: building trust, loyalty and its bottom line," said Greg Unsworth, digital and data services leader at PwC Singapore.

Enhancing personal experiences

In practice, creating exceptional customer experience will involve developing a good personalisation engine that can support a business in delivering personalised experiences, said Mr Unsworth.

This would include using robust data to analyse customer segmentations that can scale from the macro level of the market down to the level of the individual customer, as well as tailoring effective personal experiences.

The journey will involve employing technology and analytical skills, with teams working across functional lines and operating in an agile manner, Mr Unsworth added.

The insight and value created by big data will also help companies sustain their competitive advantage.

"Sustainable competitive advantage can come from improvements in their product and service offerings which can be implemented quickly, cannot be imitated easily, and can bring benefits to their current and new users," said Michelle Cheong, associate dean, School of Computing and Information Systems at the Singapore Management University.

She cites video streaming service Netflix, whose platform can personalise each viewer's preference through recommendations and personalisation of image thumbnails.

Music streaming service Spotify, on the other hand, provides users with sharing and discovery features where users can search for others' playlist, or share their own playlists, which will benefit users now and in the future.

"Such personalised solutions will improve customer service and loyalty," said Prof Cheong.

Observers say developing a true experience mindset will be a major strategic priority for companies in years to come, where customers have a wide variety of choices.

"With very few exceptions, customers can always find a substitute of the product and service they are using currently. This is one of the main reasons why a small dispute in customer



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service often leads to customer churn," said Sungkyu Chang, EY Asean customer and growth leader.

When customers are considering the product or service, they are not just assessing its functionality and physical qualities.

"Rather, they are imagining the experience of using the product, how it would meet their various motivators, and establishing an emotional connection with the product," said Mr Chang.

Practical options with data

There are several practical ways that companies can leverage big data to better personalise their services to their customers.

Mr Unsworth suggests unlocking business value by redirecting re-

sources to maximise return on experience (ROX) and building predictive intelligence using ROX to steer investments for greatest impact.

"Commonly, customer experience is viewed in silos. Measuring ROX holistically will help to understand earnings on investments directly related to how people interact with the brand across the entire organisation," he said.

There is also value in identifying segments, and considering consumer personas for segments that organisations want to reach, using data analytics.

"Businesses can consider using data analytics to enable the identification of more precise consumer segments including emerging micro seg-

ments and new borderless segments," said Mr Unsworth.

Mr Chang recommends that companies design the customer journey first.

This involves understanding how customers get to know products and services for the first time, where they visit to learn more, what motivates them to purchase, what additional support they require while using the product, and why they leave brands at the end.

"If each of these areas is fleshed out and backed by customer insights and big data analytics, this would be a good baseline for establishing the expectation gaps and where organisations need to prioritise their time and efforts," said Mr Chang.

Still, companies could focus on important questions which can be addressed without engaging in overly-complex, fancy artificial intelligence solutions.

Prof Cheong said organisations could deal with many questions related to customer experience which are descriptive in nature.

"For example, which is the most preferred shipping mode? What are the major types of complaints received at the call centre? These questions can be easily answered using a spreadsheet tool like Excel to analyse the data captured during e-commerce shopping check-out, and complaint logs respectively," she said.

"Obtaining the answers to these questions can already suggest immediate actions to be taken to better meet customer needs and preferences," Prof Cheong added.

Get the right skills in place

To unlock the value of data to better serve customers, organisations will either develop these skills with current employees, or acquire these skills through new additions to the workforce.

Both are challenging because the real upskilling takes time and trying to hire in a hot market may be difficult given the short supply.

"Employees need to be trained to work with technology and ensure they are enabled rather than limited by technology," said Mr Unsworth.

He said the essential areas for upskilling and development include the use of data tools and automation capabilities.

Mr Chang suggests that organisations will need data engineers, data analysts and data scientists to help them gather data from various chan-

nels and platforms, integrate them into a single data set, and analyse them for information and insights.

"Companies will need user experience designers who can leverage this information to create or design a people-first experience by examining how the company engages with customers at specific touchpoints or throughout the customer journey," he said.

Beyond technical data analytics competencies, all organisations need to partner their employees in their professional development, especially in areas such as creativity, problem solving and building an understanding of how digital technology can be used to enhance business outcomes.

With the time lag for skills development or acquisition, there are other avenues for organisations to leverage data to improve their customer experience.

Mr Chang said one option is to outsource data management and data analytics that often comes bundled with the infrastructure and platform.

Another option is to participate in coalitions that offer companies the opportunity to tap into data across multiple organisations to produce more meaningful insights of new customer experiences.

Apart from industry, there are also opportunities to involve academia in the journey.

"(They) include collaboration with institutions of higher learning to sponsor internship opportunities or course projects, and work with students and professors to develop ideas and prototypes, to address some of the customer experience related questions," added SMU's Prof Cheong.

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