

How AI is empowering CDPs to drive the Consumer Experience

BY NISHANT GAURAV

Could you envision a day without coming across AI? Its all-encompassing existence has effortlessly assimilated into every aspect of our lives.

Among the innovative technologies, the AI-driven Customer Data Platform (CDP) has emerged prominently, serving as a potent instrument that is transforming the way enterprises comprehend, interact with, and bring contentment to their customers.

AI/ML are dynamically changing Customer Data Platform (CDP) analytics by enabling these technologies to access multiple data points, across departmental silos, resulting in a more accurate customer profile and the ability to provide real-time decisioning. This article explores how AI-driven CDPs elevate the customer experience throughout every step of their journey.

Evolution of CDP

Gartner's recent report, the Market Guide for Customer Data Platforms, defines a CDP as being used for "centralizing data collection, unifying customer profiles from disparate sources, creating and managing segments, and activating those segments in priority channels." A CDP is useful to marketers, sales teams, customer service agents, and other customer facing business functions.

Given that customer data is spread across all of a brand's channels, as well as hidden away in data silos in various departments, in disparate software platforms, the number one function of a CDP is to unify all of that data in one location. Additionally, a CDP facilitates the creation of customer segments, however it goes further than that and enables the hyper-segmentation of customers.

It enables a brand to target very specific groups of customers, and also allows the brand to exclude or suppress other specific groups of customers who, for example, are not likely to be interested in what the brand is offering. For instance, there may be a specific group of customers who are between the ages of 20 and 35 who are Mumbai Indians' fans and live in the Mumbai area – but targeting males in that group with ads for female-oriented products might not be as effective as targeting the females in the same group.

Real-Time Decisioning

To be able to recommend the next best action requires the most recent, up-to-date data, which is simply not possible without a platform which unifies the latest customer data from across channels, in real-time. Take customer churn as an example. If marketing is relying on business intelligence teams or data scientists to collect data from disparate systems, run predictive models, and create segments of customers based on their propensity to churn, the data could be weeks or even months old by the time it's ready for use. These kinds of operational inefficiencies can have a big impact on short-term marketing goals and long-term business profitability.

Real-time decisioning in a CDP is critical with consumer behaviours changing, as they now expect a brand to know them in real-time, across multistage and multichannel journeys. The key is to have all of the data current, precise and available for use in the cadence of the customer. By perfecting data in real-time at the point of ingestion – cleansing, matching and integrating it in a way that is fit for purpose – brands are in a much better position to deliver compelling and differentiated customer experiences.

Hyper-Personalization

Not only is it more important to provide personalized content today, it must be presented based on the customers' current state. An AI-based CDP allows a brand to adjust its marketing efforts to the current context of its customers through customer segmentation and real-time decisioning. Because a CDP utilizes first-party data which comes from customers that have purchased from or opted-in to a brand, a holistic view of each customer is developed based on their preferences, past history and current real-time behaviour. One of the biggest challenges to personalization at scale is having access to an actionable single customer view. A CDP collects and consolidates customer data from across systems and sources to create the most comprehensive and up-to-date record of what you know about your customers – including online, offline, behavioural, interest-based, and synthetic attributes.

To deliver comprehensive, multi-channel, multi-touch journeys which meet the needs and expectations of individual customers, brands are finding that an AI-based CDP is able to guide such an experience amid growing complexity. To do this, there is a growing recognition that an accurate, personalized and real-time customer profile is essential for driving decisions across multiple channels at the cadence of the customer.

An AI-based CDP can facilitate the collection, unification, cleaning, and standardization of customer data from across all of a brand's channels, all of which enables the CDP to create hyper-segmented customer profiles. AI enables real-time decisioning based on current customer data, which facilitates the hyper-personalization that customers expect today.

How Can AI-Based CDPs Improve the Customer Experience?

With this deeper understanding of customers, brands are able to use actionable intelligence to create highly personalized experiences that resonate with customers. Additionally, AI and ML can be leveraged for more precise customer segmentation, as well as to predict which customers are least likely to be retained. This understanding enables brands to proactively take action to keep the customer within the sales funnel until they become a customer. With an AI-based CDP, brands are able to follow customers as they progress through their journey, and can minimize or eliminate any pain points before they become a problem.

A brand's customer experience initiative should drive their CDP strategy, as the ultimate purpose for having an AI-based CDP is to improve and enhance the entire customer journey across all of the brand's channels. When they are deployed in line with the customer experience and business operations, AI and machine learning are essential to advance toward a market of one – highly personalized messages, offers and content in the context of each customer journey. While it is impossible to make the necessary decisions and next best actions to scale at a purely human level, AI/ML empowers marketers to get to highly granular segmentation and predictive models that are tunable to meeting their priority business objectives.



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