

DOING MORE WITH DATA

Discovering Data-Accelerated Revenue Traction

Report | June 2018



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INTRODUCTION

For the modern marketer, data and digital have been the linchpins to radical evolution, catapulting the role of the CMO into the position of chief customer relationship officer, chief growth strategist and vanguard of the engagement strategy across the enterprise. These new roles have not come easily—and marketers are still in the throes of this constantly shifting and increasingly complex landscape.

In earlier CMO Council research, marketers revealed that:

- Digital transformation has heightened the need for data to be pulled from across the organization as engagement has become a 24/7, customer-defined strategy. But the digital customer has also revealed cracks across the technology stack, highlighting just how hard it is to reach a single view of customer truth for the entire organization.
- The misuse, misinterpretation or just plain missing intelligence from data has inadvertently created frustrating experiences for consumers. In fact, 42 percent of consumers surveyed by the CMO Council state that recognition of their history, loyalty and relationship with a brand is a key attribute to an exceptional customer experience. Yet only one in four consumers believes that the brands they do business with are getting the core attributes of customer experience and relationships right in every channel. Most important is the cost of failing to deliver on these relevant, contextual and timely engagements: 47 percent of consumers say that if brands deliver frustrating experiences, they will stop doing business with that brand while 45 percent say that not only will business stop, but they will immediately and intentionally seek out the competition to spend their money where they might be more valued.
- Despite the best efforts and a wealth of best practices, marketers are struggling to deliver consistently profitable and positive customer engagements as 38 percent of CMOs admit that they are getting mixed results from current customer engagement strategies. Only 11 percent are meeting expectations, and only 7 percent feel they are exceeding their organizations' expectations for success.

These challenges have marketers looking more intensely at how data can be used to personalize, streamline operations and identify opportunities far more effectively. But with this focus have come admissions that, to date, data has been primarily used in the form of rearview-mirror metric reports to justify past investments across the media mix, and it has proven to be a costly logjam of raw material, causing headaches for marketing, IT and operations.

Moreover, marketers admit that their organizations are in a data rut, aspiring to do more but struggling to make substantive change. But the stagnation is not limited to marketing. In fact,

it is an issue that extends across the entire value chain of customer engagement strategy and delivery, necessitating a new call to action that every function that reaches, touches and services the customer begin to do more to deliver value, to deliver personalization and to do more with data.

This call to action is not just being made to a single audience, but instead to the entire organization. Customer engagement, and more specifically, profitable customer engagements and relationships extend across the journey from consideration through to fulfillment. This necessitates a far closer connection and deeper collaboration across core functions like commerce, supply chain and marketing, who now have equal stakes in the development, delivery and optimization of the entire journey. Simply, in order for the organization to advance their data agenda and accelerate change across the customer engagement and lifecycle, it will be these three front line partners in engagement that will need to become the primary agents of change.

Instigating change is the exact reason why the CMO Council, in partnership with IBM Watson Customer Engagement, embarked on this research: to spark change and share insights beyond the marketing silo. This initiative has sought to consolidate mindsets, strategies and best practices across the critical functions that deliver on the promise of an exceptional customer experience—specifically marketing, commerce and supply chain. This customer value chain is both reliant upon and a contributor to the wealth of knowledge that an individual organization can amass and analyze about a customer.

Until now, their views into data, engagement and the customer have largely been reported in silos, similar to those that segment and separate the functions. But what follows is a collective view of where and how today's customer-obsessed organizations must evolve their data and engagement strategies.

Across all functions, some common trends and sentiments emerge from the 165 marketing, supply chain and commerce survey respondents:

- Data is considered the cornerstone of all business strategy, but **one in four** executives admits that there is simply not enough time, budget or patience to unlock all of data's potential.
- Part of executives' frustration stems from data accessibility issues as **39 percent of all executives** surveyed feel that access to customer data from across the organization is hit or miss, at best.
- Not only is accessibility an issue, but once data is accessed, it is also often incomplete or fails to include critical intelligence from outside of the organization as **41 percent of executives** admit that third-party intelligence is only partially integrated into their current systems.

- Finally, while today's view of data across the organization has revealed gaps in both talent and technology, a third "T" has actually been most elusive for customer engagement-focused executives: time. Some **47 percent** say that there are just not enough hours in the day to address all of the transformation projects that are needed to activate data.
- The payoff for doing more with data is points of empowerment that organizations all strive for as executives believe that leveraging data more effectively will lead to engagements and organizations that are more **collaborative, customer centric, efficient, connected, responsive and profitable.**

These key findings are just the view from the top across all key functions of the engagement value chain. What follows is an in-depth review of how data strategies and applications are being challenged, transformed and optimized. We have also included a view into how each individual function aligns, differs and outright clashes in their perceptions of where and how each function must connect and collaborate around the customer.

About the Research

During the second quarter of 2018, the CMO Council fielded an online survey of senior marketing, supply chain and commerce executives. Fully 165 executives completed the 20-question online audit, with 44 percent of respondents holding marketing roles, 24 percent participating from supply chain and operations, and 19 percent holding commerce titles. Thirty-six percent of respondents represent organizations with more than \$1 billion USD annual revenue. Respondents span a multitude of primarily consumer-facing industries, including retail (15 percent), consumer packaged goods (5 percent), manufacturing and consumer durables (10 percent), and media and entertainment (8 percent). Some 43 percent of respondents represent organizations with a hybrid (B2B2C) selling model, with 26 percent exclusively selling directly to the consumer.




The CMO Council also interviewed 12 senior executives from brands including Ryder, Nordstrom, REI, AT&T, TD Bank, The Body Shop, Samsonite, Cabela's and Lamps Plus.

KEY FINDINGS

In early 2018, the CMO Council released findings that upwards of 75 percent of senior marketing leaders felt that their jobs could be on the line if customer experience strategies failed to deliver profitable results. Making this an even more stark admission was that 77 percent of CMOs admitted they were yet to realize the full revenue potential of today’s connected customer. Despite these lackluster results and a wave of skepticism about job security and strength of customer experience strategies, marketers readily reaffirmed that a commitment to the customer and a business that centered its strategy around the customer was the only way to achieve growth and profitability.

The findings of this study of 165 executives reveal that as organizations are centering their strategic focus on the customer, functions are aligning and adopting key ownership roles to advance and enrich the customer experience. Marketing has assumed the role of customer experience strategy leader, according to 61 percent of marketing respondents to this study. But marketing also feels it must play a principal role in identifying where innovation and transformation can advance the customer experience.

Commerce, for its part, has assumed the role of taste and moneymaker, establishing the right product mix and ensuring that these products appear in the right channels and locations at the right time to meet the customer’s expectations. Supply chain sees itself as the cornerstone of operations...the backbone of engagement that takes the strategy, the mix and the behaviors of the customer and turns those indicators and queues into profitable reality.

 MARKETING	 SUPPLY CHAIN	 COMMERCE
<p>(61%) Owner of CX strategy</p> <p>(59%) Visionary for engagement innovation opportunity</p> <p>(55%) Collector of critical intelligence</p>	<p>(72%) Operational backbone</p> <p>(62%) Partner tamer</p> <p>(44%) Master of the last mile to meet customer expectations</p>	<p>(75%) Selection guru</p> <p>(63%) Moneymaker at the point of engagement</p> <p>(50%) Visionary for engagement innovation opportunity</p>

What is most notable about this delineation of roles and responsibilities is that there is minimal confusion or agenda overlap...no turf wars or battles for ownership that could threaten to turn the best-intended strategy into an experience failure. Instead, these functions clearly see their roles, and their roles are synergistic to one another.

So what is holding organizations back? Why do executives believe there is still so far to go specific to fully realizing the revenue potential of their customer engagements and operations?


The Current State of Data

Among marketing respondents, the data that is available is thanks to a broad network of data partners and collaborators. With top sources of data including CRM (74 percent), insights from marketing automation and campaign systems (63 percent), social media (59 percent), service and support (49 percent), and finance and transactional data (46 percent), marketing believes there are fewer data silos and distractions among their front-line engagement peers.

Not only are these the data sources that marketers feel are critical to understanding the customer, but they are also believed to be the sources of data that can be put to work to deliver on engagement and experience promises.

This has led 43 percent of marketers to state that sales is a key data collaborator, aligning in efforts to identify, aggregate and analyze data that is critical to marketing’s ability to deliver on key mandates and priorities. Supply chain, according to 39 percent of marketers, is also a key collaborator, as are commerce (38 percent) and finance (34 percent).

Yet a key question emerges to potentially tarnish marketing’s data optimism: If supply chain, commerce and finance are data collaborators, serving as partners in the gathering, analysis

 DATA AVAILABLE TO MARKETING	
MOST AVAILABLE	LEAST AVAILABLE
MARKETING OWNED	SUPPLY CHAIN/OPS OWNED
(74%) CRM	(9%) Shipping and fulfillment
(63%) Marketing automation/ campaign management	(11%) Supplier/vendor intelligence
(59%) Social media	(13%) Procurement

and application of customer data, then why is it that the least available intelligence and insight sources all directly relate back to these functions?

The picture comes into focus when data accessibility is taken into consideration. While 20 percent of marketing respondents feel that real-time access to all relevant points of customer insight and data is available to them across the organization, far more (31 percent) admit that access is more hit or miss, with access across functions, partners and their parties varying wildly. In fact, 12 percent admit that access to critical insights is fairly to highly inaccessible.

This view sours even more from the supply chain or commerce perspective. Well over half of commerce respondents (53 percent) believe the organization's access to data that is usable and relevant is hit or miss. Supply chain executives agree as 45 percent say that access to data varies across the organization, but some 29 percent admit that accessing data outside of their own function is difficult, requires manual export or assistance from IT, or at worst, is impossible to reach and wrangle from current systems and platforms.

Identifying the True Barriers to Success

What once held teams back—senior leadership being skeptical of any return on investment into data—is no longer the primary the obstacle preventing executives from realizing greater value from data. Across all functions, executives agree that gaps in technology and systems that fail to connect data into a single customer view are top challenges, and once again, the subtle differences in mindset across marketing, commerce and supply chain may reveal deeper cracks in the customer engagement foundation.

While marketing believes that gaps in technology are the top issue, supply chain and commerce executives are more troubled by very different issues. Supply chain leaders admit that there is a significant lack of communication among key stakeholders (according to 67 percent of respondents), and there is a challenge to keep up with the requirements of constant transformation and strategies being implemented (64 percent).

Commerce, also challenged with issues of data standardization, must also confront what it believes is a corporate culture averse to change and perfectly content to exist and operate with functional silos. And few, regardless of function, are wholly confident that current teams have the skills and talent required to unlock data's full potential.

These challenges, combined across all functions, manifest in attitudes about data being collected across the organization. While many would like to believe that data is fundamentally the cornerstone of business strategy and customer engagement (according to 18 percent of marketers, 16 percent of supply chain executives and 17 percent of commerce leaders), the following real issues with data emerge:

- Marketing believes the organization's current attitude is that data is hard to access and even harder to use (21 percent).

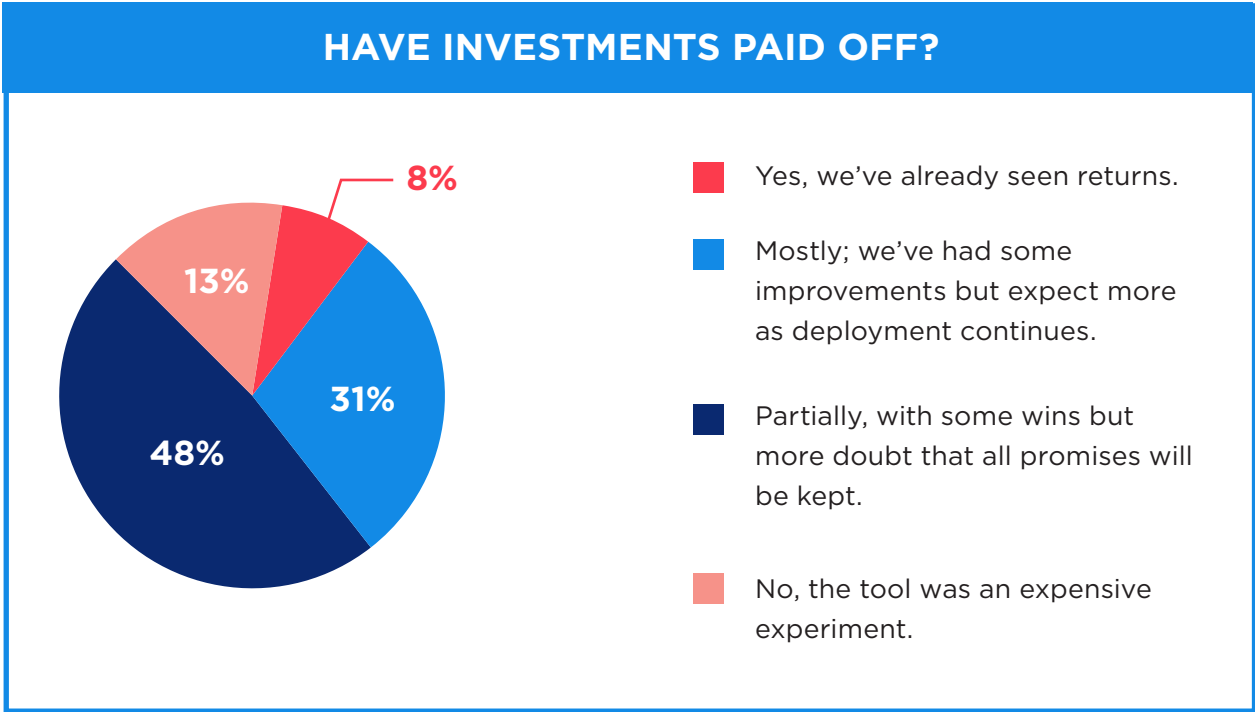
- Supply chain and commerce believe the attitude is that there is just not enough time, budget or patience to unlock data’s untapped potential (42 percent and 37 percent, respectively).

Not only is there just not enough patience or budget, there also does not seem to be consensus on how the organization even ensures cross-functional participation in the data value chain. Marketers, even the optimists, believe that shared goals and metrics have unified and rallied the organization (49 percent) while 35 percent point to a centralized data and insights team that aggregates data into a single repository and then distributes relevant data to teams.

But supply chain is far more blunt in its criticism of the alignment, or lack thereof, around data. While 42 percent agree with marketing that shared goals and metrics help define success, 47 percent actually believe that there is no mandate or action to ensure partnership and participation, and this lack of organizational mandate is part of the problem.

Can Platforms Power Progress?

By and large, all executives that took part in this survey have invested in and deployed new platforms, tools and technologies specifically to aggregate, manage or analyze data over the past 12 to 18 months. In fact, nearly half (47 percent) have deployed some new data tool. But when asked if these new platforms met expectations, only 8 percent of all executives said that they have already seen great returns on their investments.



The majority (48 percent) have only seen partial positive returns at best, admitting that there have been some wins, but there is growing doubt that the deployed solutions will deliver on all of the promises made by the vendors involved. Sadly, 13 percent have already come to the realization that the deployments and investments have been an expensive experiment that ended in failure. And once again, supply chain respondents paint a far more harsh report: 58 percent say that return on past investments has been spotty and partial at best, with 24 percent admitting that deployments had little impact on the business other than serving as an expensive trial.

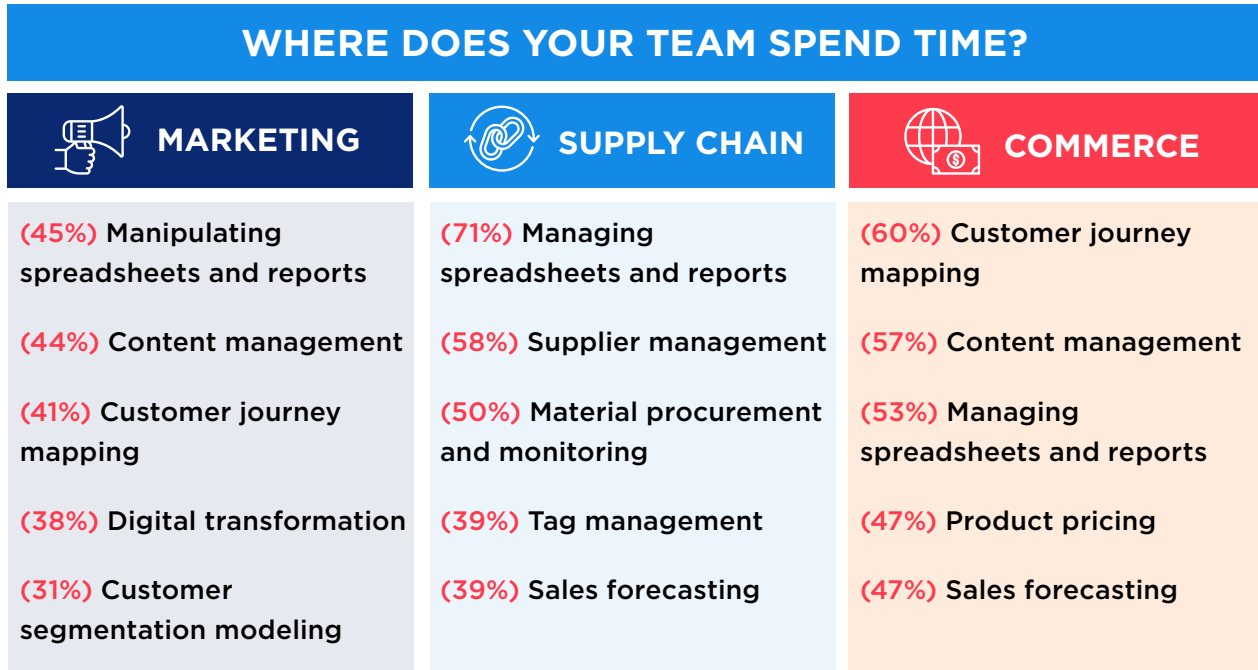
The Three Ts That Hinder Engagement

When asked to identify what could be holding the organization back from realizing the full potential of data, three issues were echoed across marketing, commerce and supply chain:

- **Tools:** 53 percent of all respondents indicate that they do not have the systems to connect data silos and boost accessibility.
- **Talent:** 48 percent point to gaps in skills and talent to move from the current state of data aggregation to more powerful data utilization.
- **Time:** 45 percent of respondents say there just are not enough hours in the day to address all of the issues and needs that are part of the overarching transformation to activate data.

While there are nuances within each individual function—supply chain, for example, believes a lack of transparency into data systems that would allow them to better understand what intelligence is available is also a key barrier to success while commerce points to budget limitations as a key constraint, while marketers lead the charge in the belief that the biggest issue is not having systems that connect data silos and boost accessibility across the organization—leaders are focused on augmenting the tools and talent that power customer engagement, hoping that time will become a bit more elastic.

But upon closer review, it could be the misdirection of both tools and talent that could be adding to the issue of time. Consider what takes the most time across each function. For many teams, time is being spent—and perhaps wasted in some cases—manipulating and managing spreadsheets and reports. When you consider earlier findings pointing to the lack of connected, real-time systems that demand access and processes that involve manual transfer of data and information across complex systems, this is hardly a surprise. Teams are also spending considerable time tagging and managing content, from images to content.



What becomes clear is that mundane, operational tasks are occupying team time and costly technology resources. Instead of identifying new opportunities for upselling and cross-selling, demand forecasting or monitoring product availability, commerce executives are managing content, journeys and, of course, the dreaded spreadsheet. Instead of focusing on friction resolution, identifying and assessing risk and, similar to commerce, upselling and cross-selling, supply chain leaders are juggling spreadsheets and monitoring suppliers, tags and sales forecasts.

Organizations are failing to relieve some of this operational pressure by adding more meetings, more goals and no concrete strategy to mandate and ensure cross functional contribution and participation in a customer data strategy and customer data value chain. As demands for intelligence, experience and fuel to make smarter decisions increases, organizations will need to outline formal strategies and shared goals to commit to data. When asked how organizations were accomplishing this today, marketing confidently pointed to having shared goals and metrics that define success. Sadly, their supply chain and commerce colleagues do not agree.

In fact, in a sign there may be far more friction across the value chain than collaboration, 47 percent of supply chain executives admitted that the organization simply doesn't have any formal programs or strategies in place to ensure contribution to the data value chain, which is in and of itself part of the problem. Commerce executives believe that the key to participation and achieving a rich data value chain is to actually remove any individual function from the task and to create a centralized data and insights team that aggregates and distributes all relevant intelligence. However, 30 percent also admit that contribution

to this system is selective and ad hoc with little to no consequence for inaction...something likely to significantly constrain the proposed centralized team’s ability to achieve their goals, let alone achieve the organization’s goals of optimal engagement delivery.

In reality, each team across the value chain has differing priorities that no amount of meetings, technology or even mandates seem to be able to quickly and easily resolve. In fact, what our respondents continue to point out is that despite technology investments and deployments, despite commitments, meetings and best laid plans for collaboration, and despite new teams and talent to address the growing data challenge, very little has shifted to bridge the gaps being faced across tools, talent and time.

New Tech to Transform Time and Free Talent

What is clear is that marketing, commerce and supply chain executives are looking to resolve these roadblocks and hope to leverage key technology investments to not only resolve issues across teams, tools and time, but also achieve transparency and connectedness across the organization. In short, the leaders surveyed in this research are focused on what must transform so that their organizations can do far more with data.

Topping the technology roadmap for the coming year is artificial or augmented intelligence as 77 percent of all respondents indicate that they hope to onboard an AI tool in the coming year. While some intend for this tool to be marketing-focused (37 percent), there will also be investments into AI-powered tools in supply chain (21 percent) and commerce (19 percent) as all functions are looking to accelerate both the organization’s and their own function’s aggregation and application of data.

Individual investments within each function indicate that marketers will also look to enhance or replace CRM platforms, perhaps in an effort to better aggregate data and collaborate across key functions. Supply chain and commerce are both looking to optimize customer engagement or experience management platforms (59 percent and 57 percent, respectively), perhaps looking to be more connected and collaborative with teams already entrenched in CX management like marketing and sales.



NEW TOOLS AND TOYS FOR DATA TRANSFORMATION

- 1. ARTIFICIAL INTELLIGENCE (77%)**
- 2. CUSTOMER ENGAGEMENT/EXPERIENCE PLATFORM (54%)**
- 3. CRM PLATFORM (48%)**
- 4. CHANNEL/PARTNER MANAGEMENT (30%)**
- 5. USER IDENTITY MANAGEMENT TOOLS (23%)**

This is an incredibly positive transformation, especially with the rapid embracement and adoption of AI-powered tools and cognitive computing solutions. But the challenge that could face many of these customer engagement executives will be how to best apply these powerful data tools to achieve the greatest yield, output and result for the organization.

Consider previously reported findings around time being spent executing mundane operational tasks. Chief among the time-consuming activities was the tedious management of a multitude of spreadsheets and reports. Not only does this heavily manual process take up time, but it actually prevents them from operating in real time. Systems that demand output, upload and manual intervention are inherently activating engagement in real time. The reality of these systems is that they often hold far too much data in unstructured stockpiles with little conformity or even cleanliness across the data deluge.

This is where many executives have started with AI tools and applications—empowering the tools to ingest, analyze and recommend actions in real time, regardless of engagement platform, channel or even functional owner.

What if the time consumed by content and tag management was suddenly available to be reallocated back to teams that are hungry to better leverage data to creatively engage with customers? How could teams better perform if time was actually being returned to their day thanks to AI ingesting, understanding and learning how to optimize, clean and even standardize data? From media mix modeling to friction identification and resolution recommendations, the application of AI could very well address all three Ts impacting success.

Resolving these operational issues will also directly tie back to how the organization measures the impact of data utilization and application. When asked how data success would be measured, four key metrics emerged among respondents: revenue gains, cost reductions, customer experience improvements and operational efficiency gains. By unlocking data's potential and applying technologies—including customer journey mapping, CRM and AI or cognitive computing—teams can begin to address all key measures of success, from efficiency to effectiveness.

The bigger question becomes how and where organizations can start down the path of this AI- and customer-powered transformation of data. Through the course of this research, the CMO Council interviewed 12 executive leaders with brands including AT&T, The Body Shop, Samsonite, Nordstrom and Lamps Plus, to name a few. Their aggregated best practices reveal some key steps to be taken toward tool, talent and even time optimization.

BEST PRACTICES TO DO MORE WITH DATA

Doing More to Know the Customer

Central to customer engagement and data strategies is a need to have a deeper understanding of the customer. At Lamps Plus, this translates into having a deeper understanding of both the customer and their engagements and behaviors across an omni-channel landscape. Through an eCommerce lens, Angela Hsu, Vice President of Marketing and eCommerce, says this view is more than just enabling personalization at scale and delivering more contextual experiences.

Lamps Plus has developed a unified view of the customer, including behaviors on websites, in stores and across all engagement efforts. This view has empowered personalization in what is delivered and served to a customer, but it has also enabled the entire organization to better meet the needs of the customer, regardless of channel. This has necessitated deeper partnerships across the organization to reach this greater understanding of the customer.

“THERE IS A GREAT BENEFIT FROM HAVING DIFFERENT TEAMS LOOK AT THE SAME DATA.”

—ANGELA HSU, LAMPS PLUS

“The combined data of our marketing, supply chain and commerce teams is substantial...there is no shortage when it comes to the insights our teams are regularly discovering,” Hsu notes. But thanks to collaborating with cross-functional peers and unifying a view of the customer, there is a more holistic end-to-end view. Thanks to this partnership, Hsu is able to look at data through multiple lenses, not just

marketing. This has led to a deeper understanding of the customer, how the customer interacts with multiple points of engagement with the brand, and how Lamps Plus can not just boost profitable experiences, but also reduce costs with streamlined operations.

“We often find insights not only in the data that is untapped, but in taking a different look at the same data,” she says. “There is a great benefit from having different teams look at the same data to determine their own unique insights. Because our company frequently takes on major initiatives that require input and contributions across multiple teams, collaboration ensures that everyone understands the same goal, can measure from the same data source, and can know the customer and share learnings from one group with the entire organization.”

Doing More to Center the Business on the Customer

Nordstrom has long been an iconic brand steeped in lore about customer service and centrality. For the organization, data is the cornerstone of how that commitment to the customer is delivered. But even one of the world’s most customer-centric brands must evolve, and this is especially true in how the organization’s supply chain operations strategy has evolved.

“We evolved our traditional supply chain model to start from the perspective of our customers,” explains Jason Trusley, Vice President of Supply Chain Operations. “It seems simple and straightforward, but it forced our supply chain to refocus on the customer in a way that develops our capabilities and ultimately transforms our roadmap to start with the customer in mind rather than the traditional way, where supply chain is a step removed from the customer.”

In order to achieve this evolution, data needed to be prioritized and stitched together differently to enable the supply chain team to better forecast, plan and deploy against a constantly moving target: the customer.

“OUR CUSTOMERS ARE CURATING THEIR OWN LIVES, AND WE ARE JUST ALONG FOR THE RIDE.”

**—JASON TRUSLEY,
NORDSTROM**

“Our customers are curating their own lives, and we are just along for the ride,” he says. “As a result, we need to get closer to the customer to serve them and to create the capacity to respond to what they want, when they want it.”

For Nordstrom, developing and deploying a strategy around the customer demands data.

“Data is the stuff of life—corporate bread. Today, data sources are closer to real time, and bridging flows both backward and forward, ultimately allowing us more opportunities to put the right product in front of the right customer.”

Doing More to Bust Functional Silos

As a brand grows and evolves, it must sometimes take a step back to reassess and re-center its goals and purpose. For a purpose-built brand like The Body Shop, that means remembering the core principals and values that drew customers to buy since the first product was sold. But to reach and acquire those customers that share the brand’s values and vision, data must be explored and exploited regardless of function or engagement origin. It must reach across the entire organization.

“Each function is thinking about what data is needed to achieve their own goals, so it can be hard to take a step back and think about the larger context,” noted Indar Chanicka, Vice President of eCommerce for The Body Shop. “Today, we look at making sure that everyone is aligned to business objectives and goals. We can’t look at it in silos any longer. Gone are the days that you could work in silos to accomplish something...it doesn’t exist anymore.”

Thanks to cross-functional alignment and collaboration, the organization has been able to change the way they organize, manage, maintain and prioritize data.

“We get a lot of data that doesn’t mean anything to anyone, but reports on that data are still sent out—no one knows how to interpret it, and no one knows how to create next steps from it, but time is spent collecting, reporting and reviewing it.”

Teams must take a step back and ask core questions around value, use and application of data in order to better understand how and when a single report on a repository of data impacts an individual, a function or the business.

“IT IS ABOUT MAKING SURE EVERYONE IS ALIGNED TO THE BUSINESS OBJECTIVE, EVEN THOUGH WE MIGHT HAVE DIFFERENT GOALS.”

—**INDAR CHANICKA,**
THE BODY SHOP

“It is easy to go down a rabbit hole of information and then not produce anything out of it. All you end up with is another report in your inbox that means nothing at the end of the day,” he says. “Thanks to education and a lot of conversations between multiple teams, we maximize outputs using cross-functional reports, knowing exactly how that data is going to impact you, me and the other teams.”

Doing More With AI to Do More for the Customer

For a brand like REI, the experience centers around members as opposed to shoppers. This allows REI to develop a comprehensive member profile that includes past shopping history as well as all engagement and experience points along that member’s journey. With that profile constantly evolving, each individual team is able to look at the profile, down to an individual member, to have a deeper understanding of what is and is not important to fulfilling that member’s needs.

“For me, the challenge isn’t in having data or even the source of data. The challenge is the inferences I achieve from the data,” explains Rick Bingle, Senior Vice President of Supply Chain at REI. “For REI, we know that a shopper who shops both online and in the store is a stronger customer for us. My concern arises if a shopper is drifting away from the store experience and just becoming an online shopper. How do I really find that in the data, create the inference and then turn around and create strategies around getting you back in the store?”

These inferences and investigations into the data have demanded far greater collaboration across teams, and that collaboration needs to be underpinned by more than just the sharing of spreadsheets.

“Most organizations are finding much greater collaboration, but the tools of collaboration don’t really exist,” he says. “What you have is marketing plans on spreadsheets or marketing tools, merchandising plans on spreadsheets or merchandising tools, etc. The idea of bringing those together and creating a unified conversation is pretty challenging.”

But interestingly, for REI, the pivot was not in forcing tools to spur transformation, but rather starting with talented people and then applying tools to empower and support their actions and intentions.

“Data and tools are secondary to bringing inquisitive people who really think through the lens of being an analyst and want to influence an organization,” he says. “For us, it isn’t tool first; it’s people first.”

When the organization sought to leverage AI specifically to bring together disparate information and planning—unifying where and how that data can be interrogated and applied—they started with how teams could be empowered to achieve and accomplish more versus how teams could be replaced by machines.

“We looked at an evolution that started with people first. We looked at where our data was, started building tools around that and began unifying the data in order to create supposition, action and outcome,” he explains. “Then the question became ‘How do we empower the

“IT ISN’T THE DATA...IT IS RECOGNIZING THAT THE POWER OF WHERE WE GO IS THROUGH ANALYTICS.”

—RICK BINGLE, REI

analyst,’ not ‘how do we replace them with AI?’ Instead of being able to address two questions about the data in a day, now we can address 20 because AI accelerates the ability to think, extract, communicate and then potentially change.”

Today, REI has applied AI to enhance aggregation of data and visualization of the insights from the data. But Bingle already has his sights set on how AI will continue to enhance the organization’s ability to understand and rapidly evolve.

“I have a lot of hope for where AI will take the speed of outcomes. In a presentation about AI, a statement stuck with me: It is not that AI is going to take your job; it is that successful leaders are going to be the ones using AI. If you want to be a successful leader, AI is going to be as much a part of your job as those spreadsheets are today. So now, I am looking at AI from the perspective of, ‘Okay, I’ve given the analyst a tool to visualize data, bring it all together and collaborate across groups. But can I create some of the thinking horsepower behind the scenes to actually accelerate the actions of that analyst?’ That’s the AI play we are looking toward.”

Conclusion

Without doubt, the executives leading the customer engagement charge have been tasked with an almost Herculean mandate: align once-disparate functions into a cohesive unit that is obsessed with and centered around the customer. In order to do this, data must take on a new role—one of connective tissue rather than a frustration flashpoint.

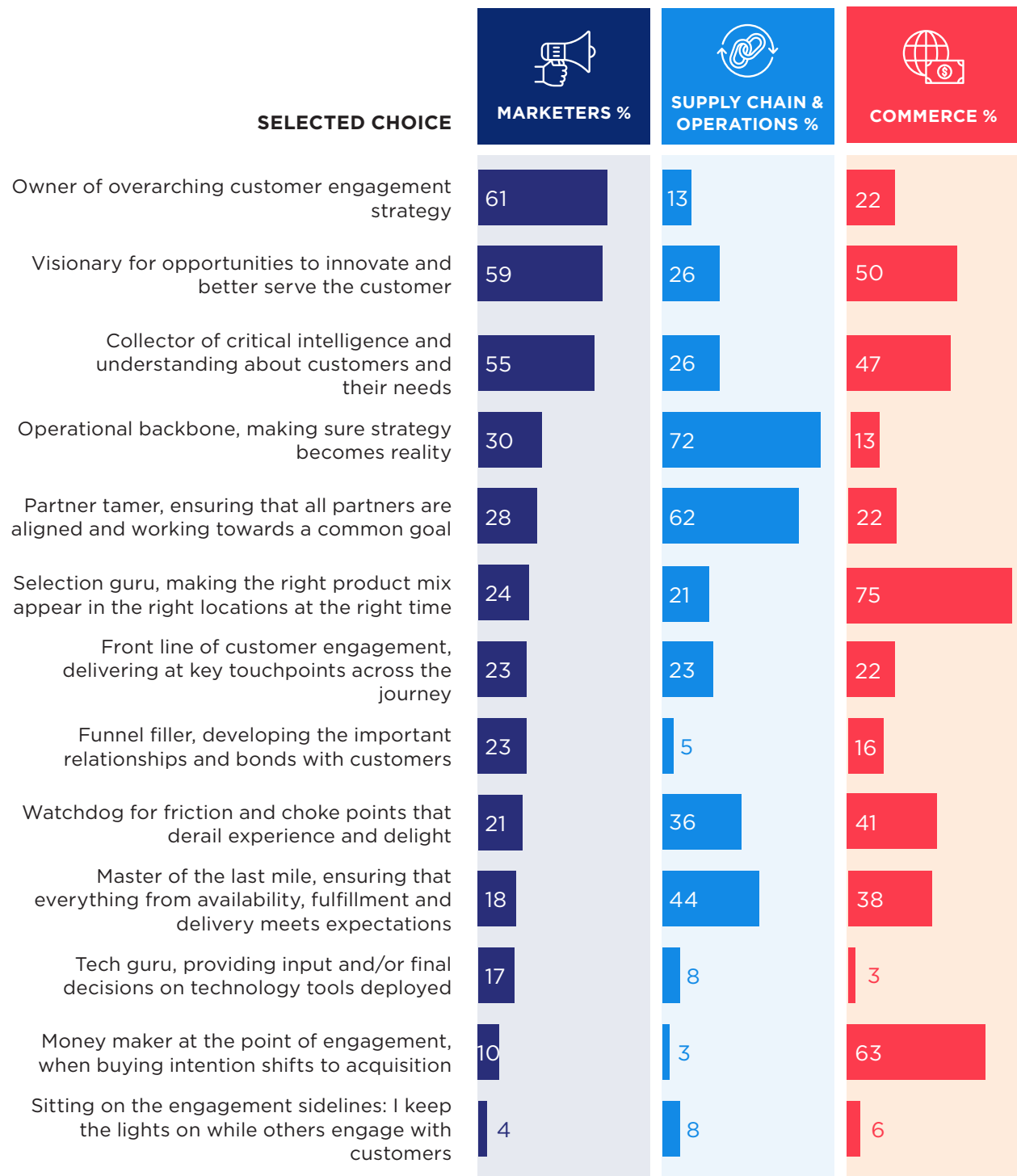
The payoff is simple and already top of mind for our respondents. Data is changing organizations. It is empowering brands to collaborate, heighten efficiency, stay connected, be more responsive to needs and, in the end, be more profitable. Data—and even more specifically, the AI-powered tools and customer-centric technologies being leveraged by

the best-of-breed brands through today's customer engagements—are not “giving up” or allowing the “machines to take over.” Instead, they are activating tools to free up time to allow teams to leverage technology to better develop and deploy profitable experiences that are highly relevant, valued and expected by today's connected customer.


It is no coincidence that, when respondents were asked to select key words to define what data has delivered for an organization, “agile,” “creative” and “profitable” all bubbled to the top of the list. As organizations work to balance the art and science of engagement, it will be the machine-powered tools that could very well empower us to be more human.


DETAILED FINDINGS

Q1 - Thinking of your organization’s ability to develop, deliver and continuously improve on profitable customer engagements, what role/roles do you fill (either by role and responsibility or by necessity or “just started to do it”) for the organization? (Select all that apply.)




Q2 - Specific to identifying, aggregating and analyzing data that is critical to successfully executing on your function's key priorities, how do the following departments and teams rate? Are they partners, collaborators, distractions or roadblocks to success?


 MARKETING				
SELECTION	DATA PARTNER	DATA COLLABORATOR	DATA DISTRACTION	DATA SILO
Marketing	57%	33%	1%	9%
Sales	28%	43%	6%	23%
Supply Chain	20%	39%	16%	25%
Commerce	27%	38%	13%	22%
Finance	16%	34%	24%	25%
Procurement	19%	35%	17%	29%
IT	31%	32%	15%	22%

 SUPPLY CHAIN & OPERATIONS				
SELECTION	DATA PARTNER	DATA COLLABORATOR	DATA DISTRACTION	DATA SILO
Marketing	23%	28%	5%	44%
Sales	58%	24%	11%	8%
Supply Chain	59%	18%	13%	10%
Commerce	37%	42%	11%	11%
Finance	47%	24%	16%	13%
Procurement	29%	32%	26%	13%
IT	34%	39%	8%	18%


Q2 - (Cont.)

 COMMERCE				
SELECTION	DATA PARTNER	DATA COLLABORATOR	DATA DISTRACTION	DATA SILO
Marketing	57%	27%	0%	17%
Sales	50%	23%	13%	13%
Supply Chain	3%	55%	7%	34%
Commerce	60%	33%	0%	7%
Finance	10%	33%	40%	17%
Procurement	13%	33%	17%	37%
IT	22%	38%	9%	31%


Q3 - How connected and aligned are you with the following customer experience stakeholders?

 MARKETING					
SELECTION	EXTREMELY ALIGNED	WELL ALIGNED	PARTIALLY ALIGNED	NOT WELL ALIGNED	TOTALLY MISALIGNED
Marketing	71%	13%	15%	1%	0%
Sales	28%	36%	26%	10%	0%
Supply chain	12%	23%	38%	25%	2%
Commerce	9%	34%	40%	15%	2%
Support/service	18%	22%	40%	20%	0%
Finance	9%	23%	33%	30%	4%
HR	12%	12%	40%	28%	9%
Operations	16%	28%	32%	22%	1%
Product development	27%	25%	30%	12%	6%
Digital	35%	31%	25%	9%	0%
IT	19%	28%	38%	14%	1%
CEO/Board	37%	30%	27%	6%	0%

Q3 - (Cont.)

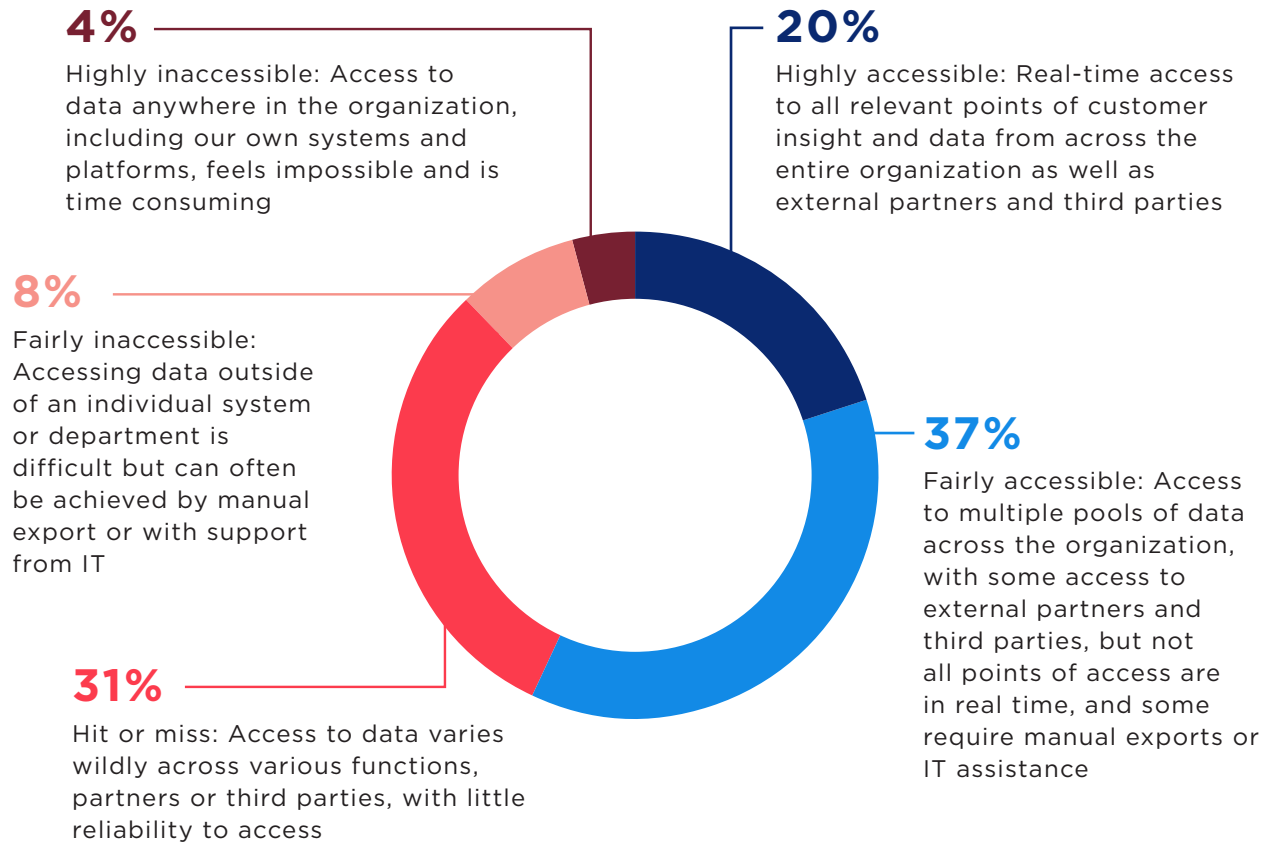
 SUPPLY CHAIN & OPERATIONS					
SELECTION	EXTREMELY ALIGNED	WELL ALIGNED	PARTIALLY ALIGNED	NOT WELL ALIGNED	TOTALLY MISALIGNED
Marketing	0%	31%	51%	13%	5%
Sales	5%	53%	42%	0%	0%
Supply chain	18%	66%	16%	0%	0%
Commerce	5%	46%	44%	5%	0%
Support/service	18%	66%	16%	0%	0%
Finance	3%	50%	45%	3%	0%
HR	0%	29%	53%	16%	3%
Operations	21%	71%	8%	0%	0%
Product development	11%	37%	47%	3%	3%
Digital	11%	39%	45%	3%	3%
IT	16%	55%	26%	3%	0%
CEO/Board	23%	56%	15%	5%	0%

Q3 - (Cont.)

 COMMERCE					
SELECTION	EXTREMELY ALIGNED	WELL ALIGNED	PARTIALLY ALIGNED	NOT WELL ALIGNED	TOTALLY MISALIGNED
Marketing	47%	27%	27%	0%	0%
Sales	17%	37%	43%	3%	0%
Supply chain	0%	33%	63%	3%	0%
Commerce	41%	34%	14%	10%	0%
Support/service	7%	50%	39%	0%	4%
Finance	0%	32%	43%	25%	0%
HR	7%	15%	59%	11%	7%
Operations	8%	62%	27%	4%	0%
Product development	14%	39%	36%	7%	4%
Digital	56%	30%	15%	0%	0%
IT	0%	32%	64%	4%	0%
CEO/Board	0%	71%	18%	11%	0%

Q4 - Rate your organization's overall access to customer data that is usable and relevant to your function:

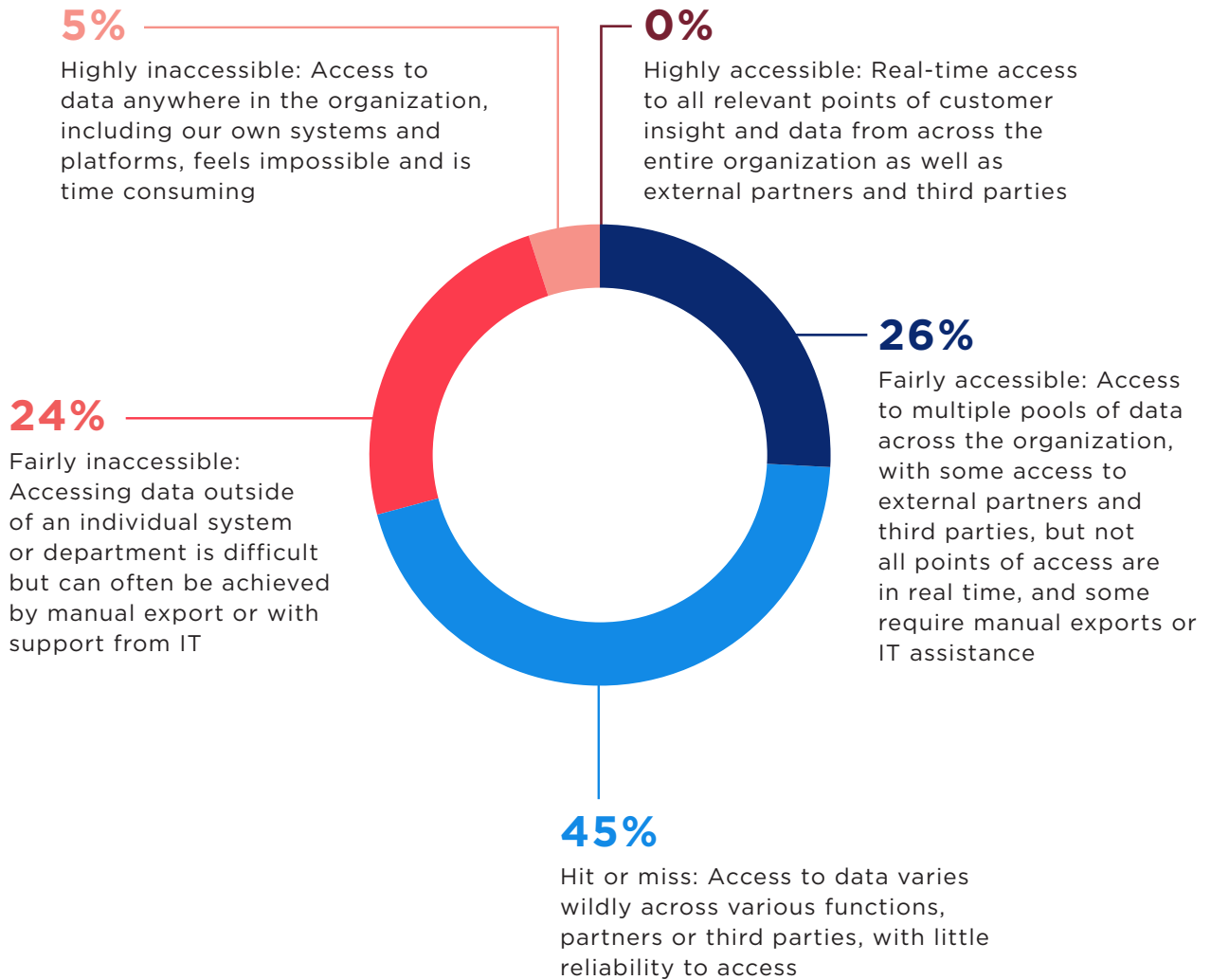
 **MARKETING**



Q4 - (Cont.)

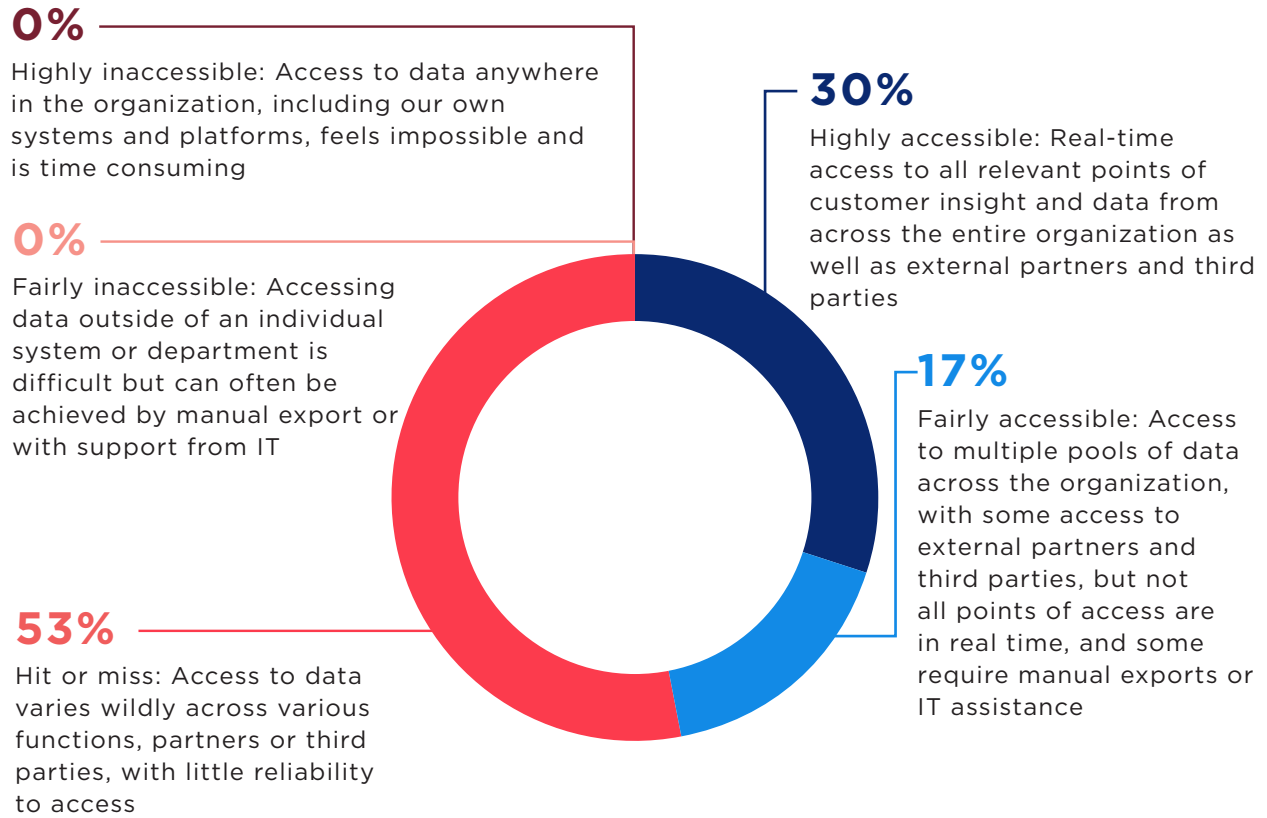


SUPPLY CHAIN & OPERATIONS

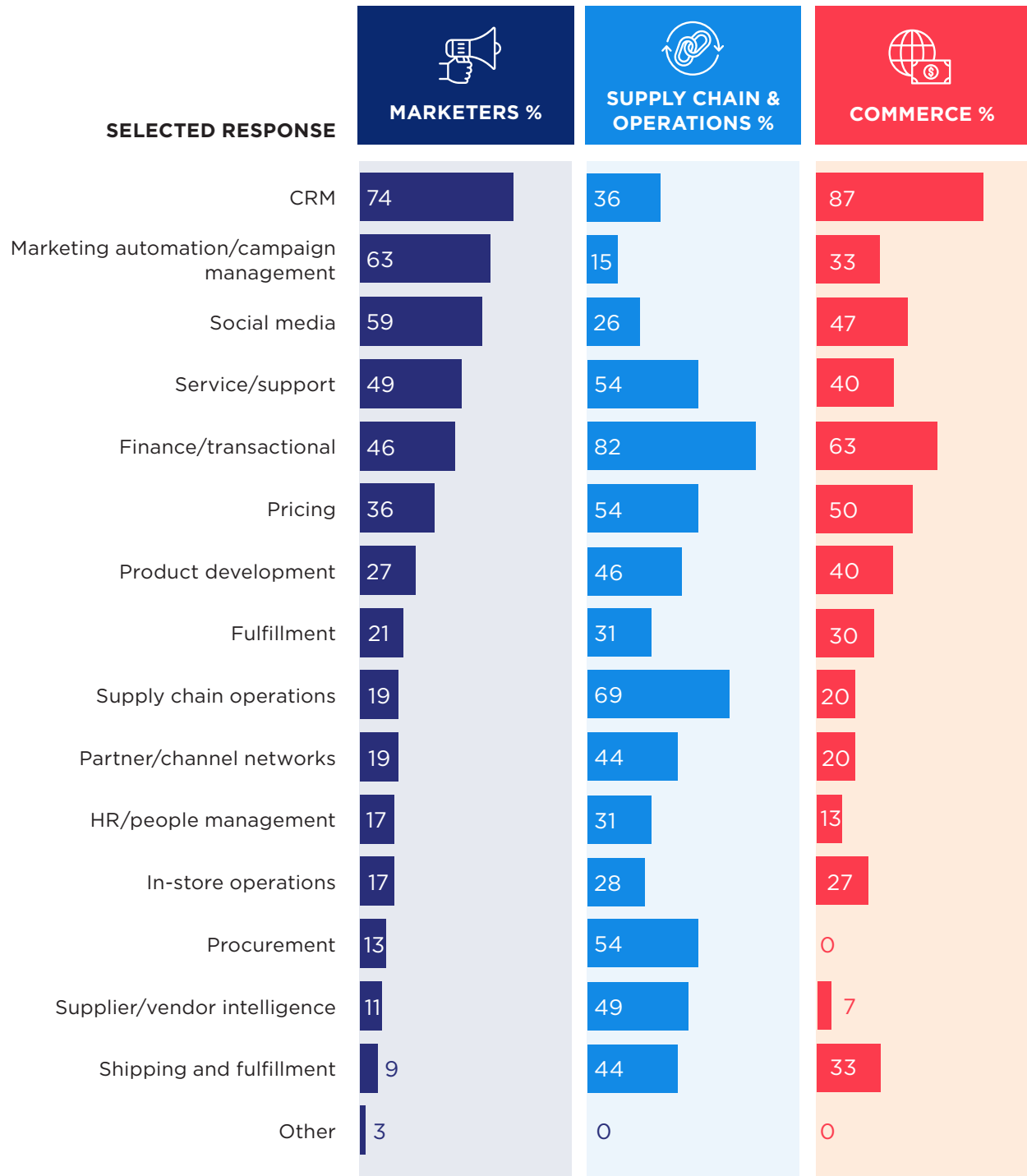


Q4 - (Cont.)

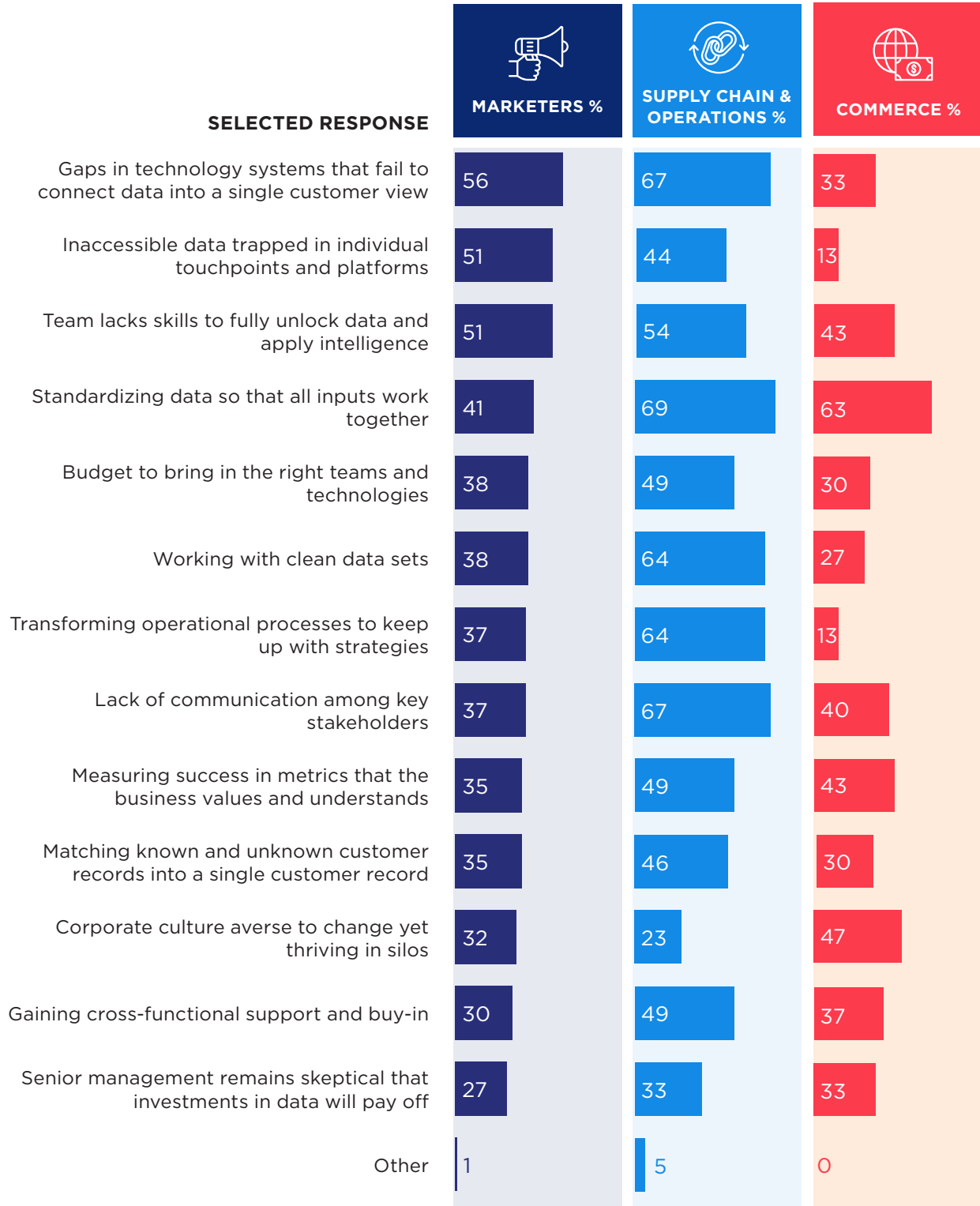
 **COMMERCE**



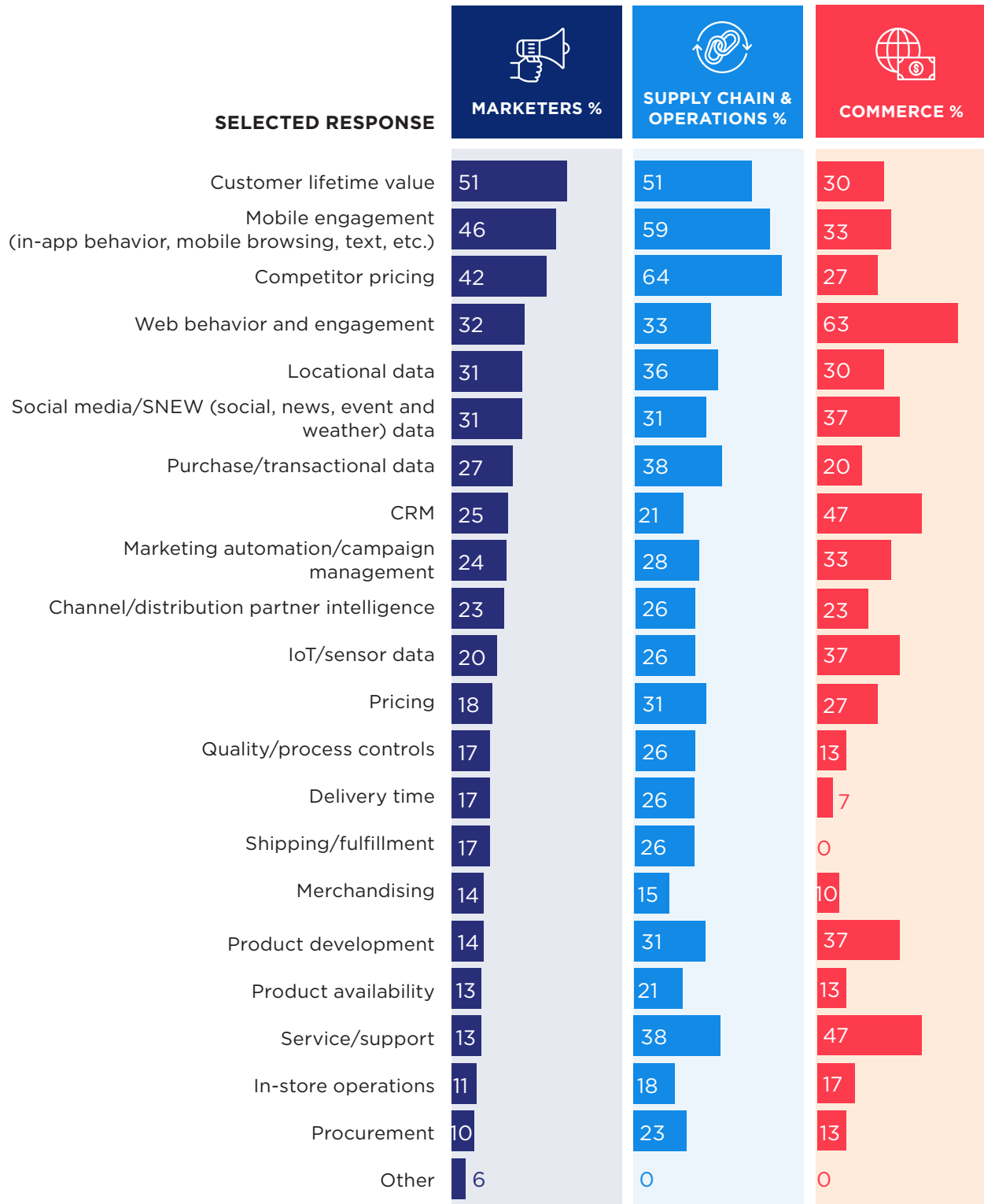
Q5 - Which of the following internal data sources are you able to put to work in order to extract important insights and intelligence? (Select all that apply.)



**Q6 - What are the biggest obstacles to realizing greater value from your internal data assets?
(Select all that apply.)**

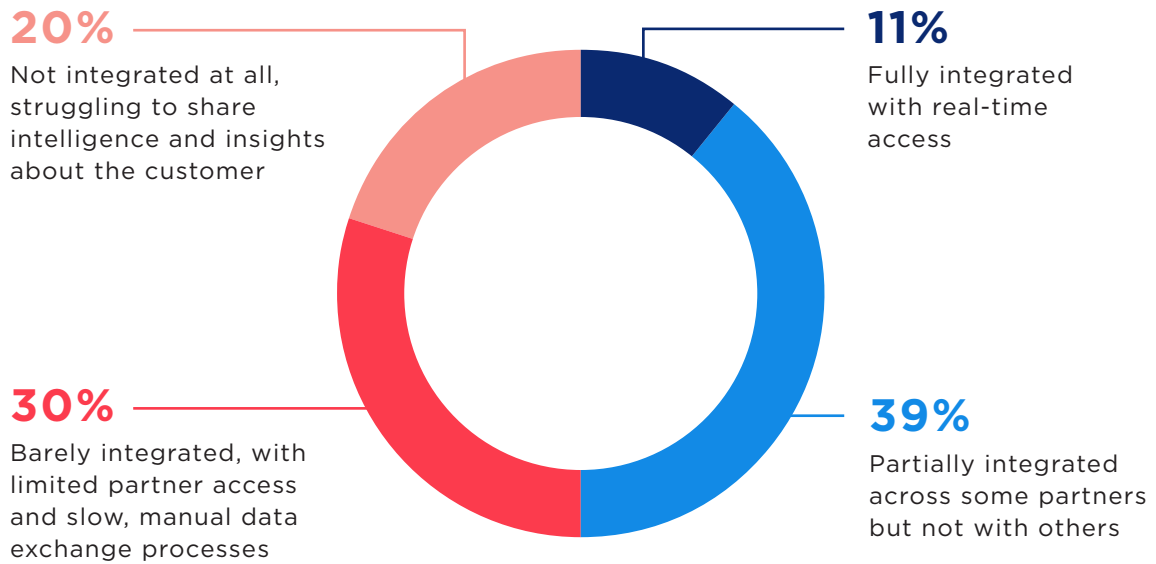


Q7 - What sources and types of data and information currently sit out of reach or are not readily analyzed by your current systems? (Select all that apply.)



Q8 - How are third-party, industry intelligence, operational and functional partner (channel, retail, etc.), and other external data sources integrated into engagement systems and data platforms?

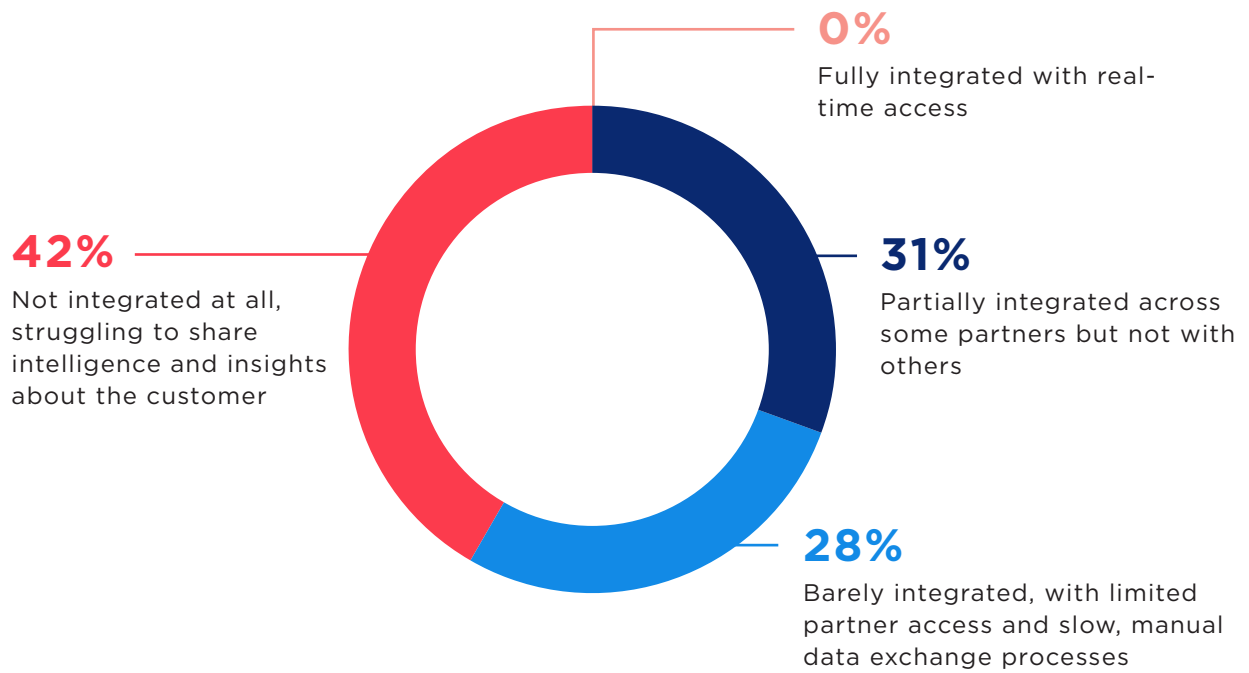
 **MARKETING**



Q8 - (Cont.)

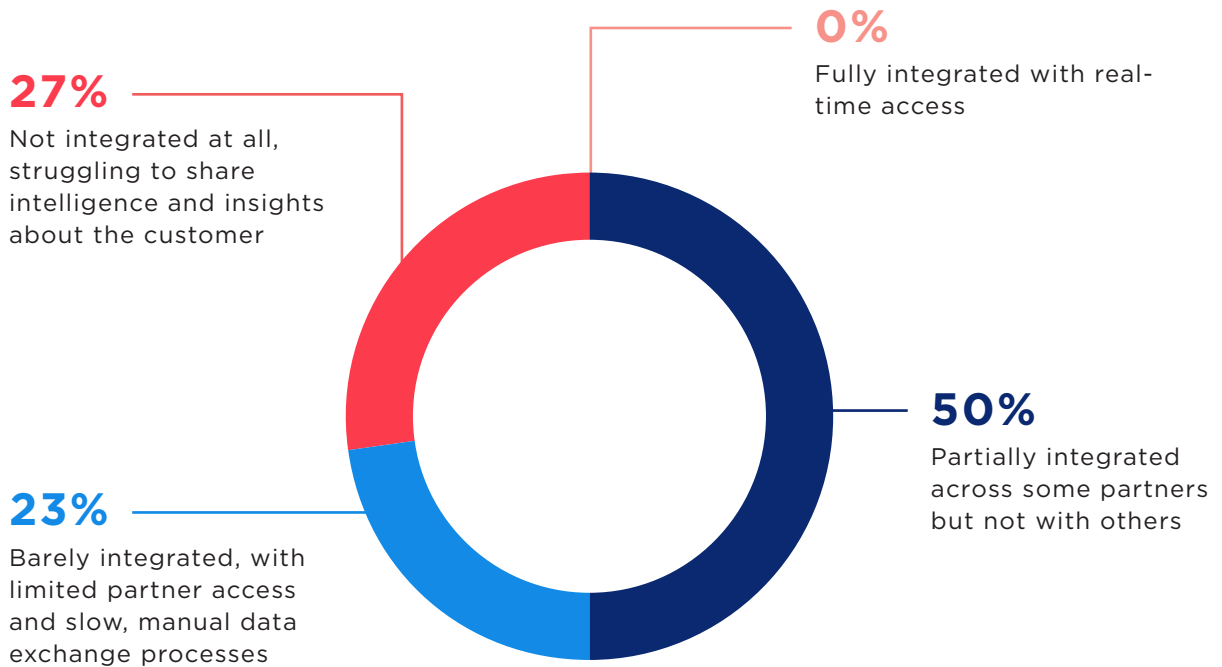


SUPPLY CHAIN & OPERATIONS

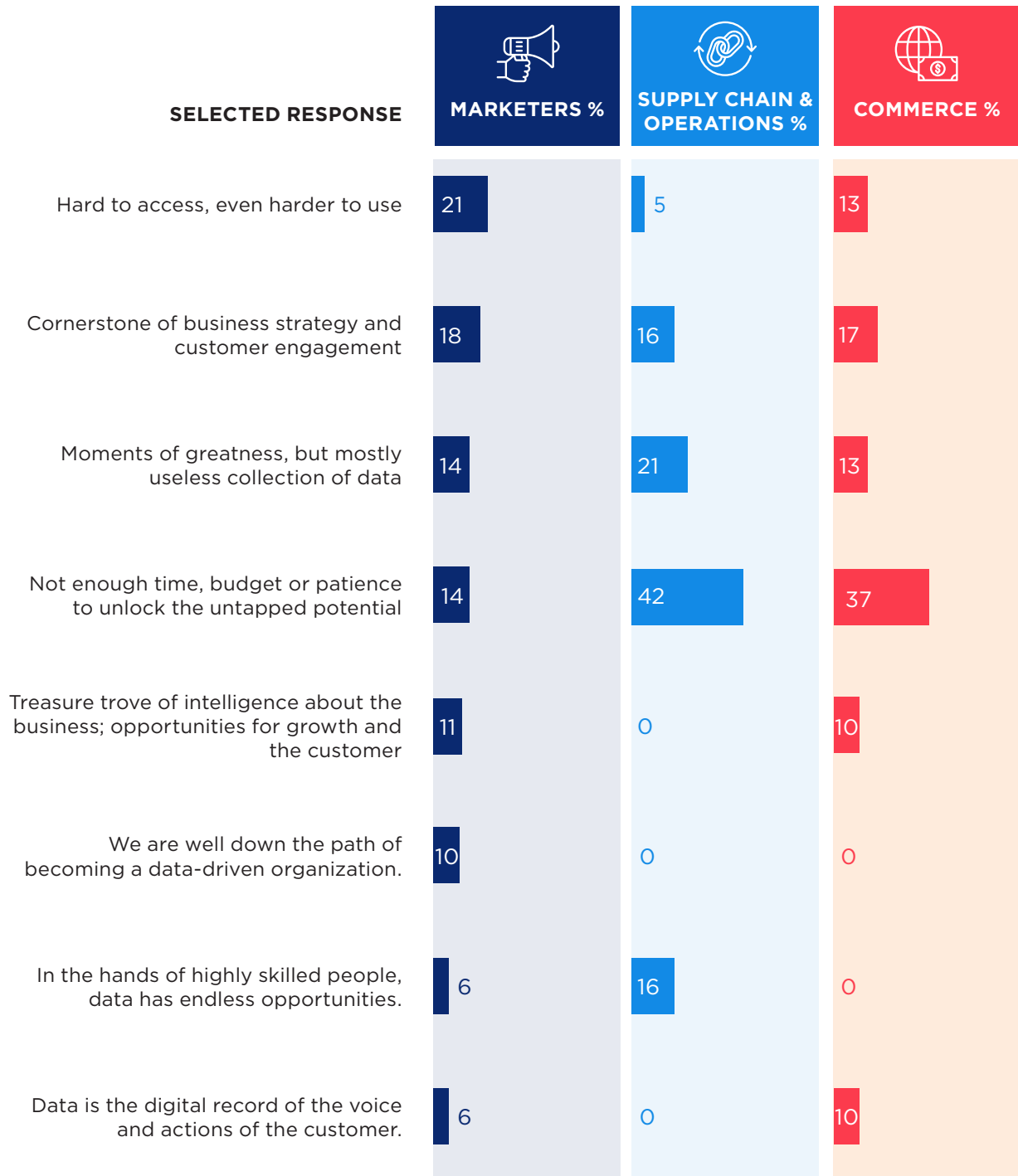


Q8 - (Cont.)

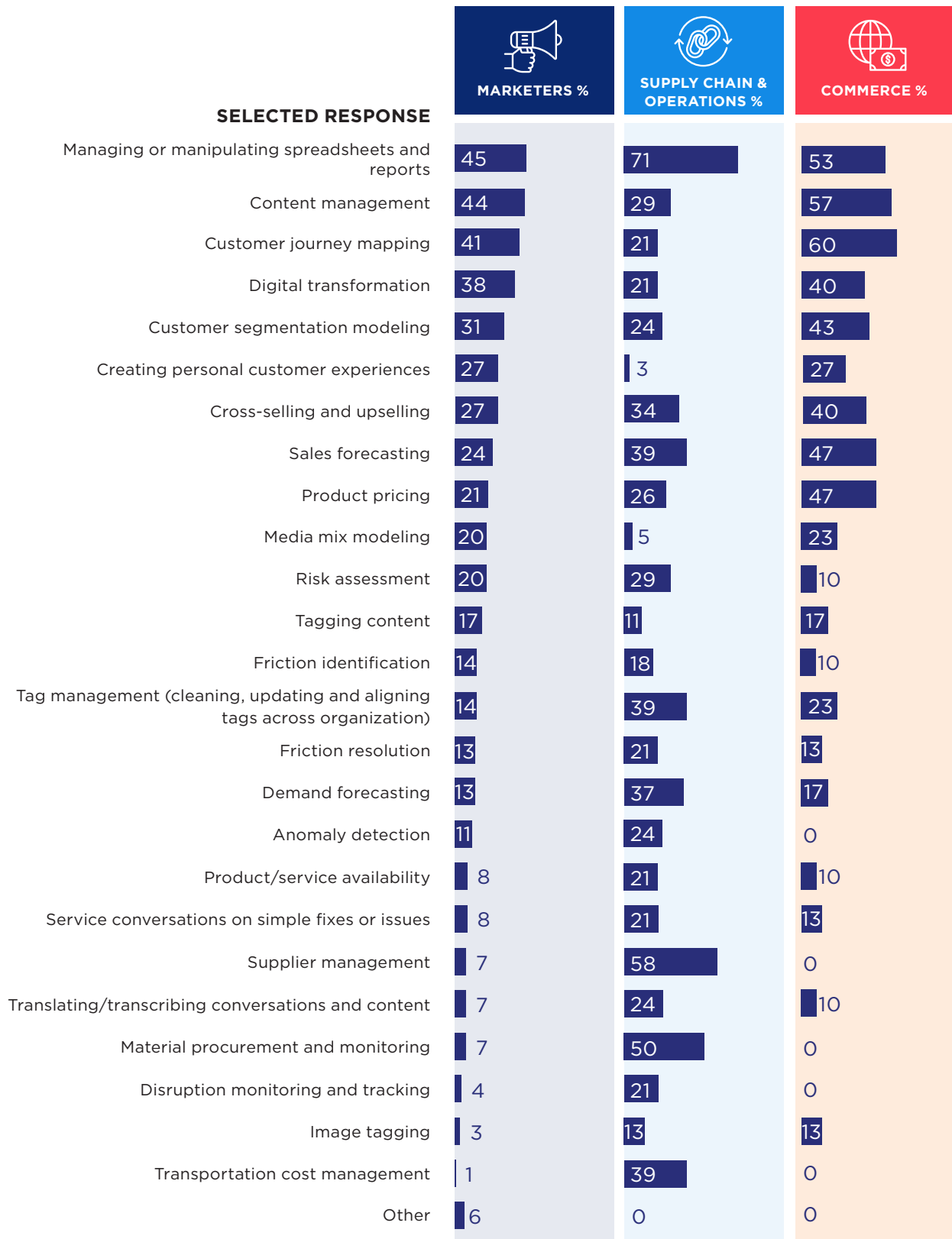
 **COMMERCE**



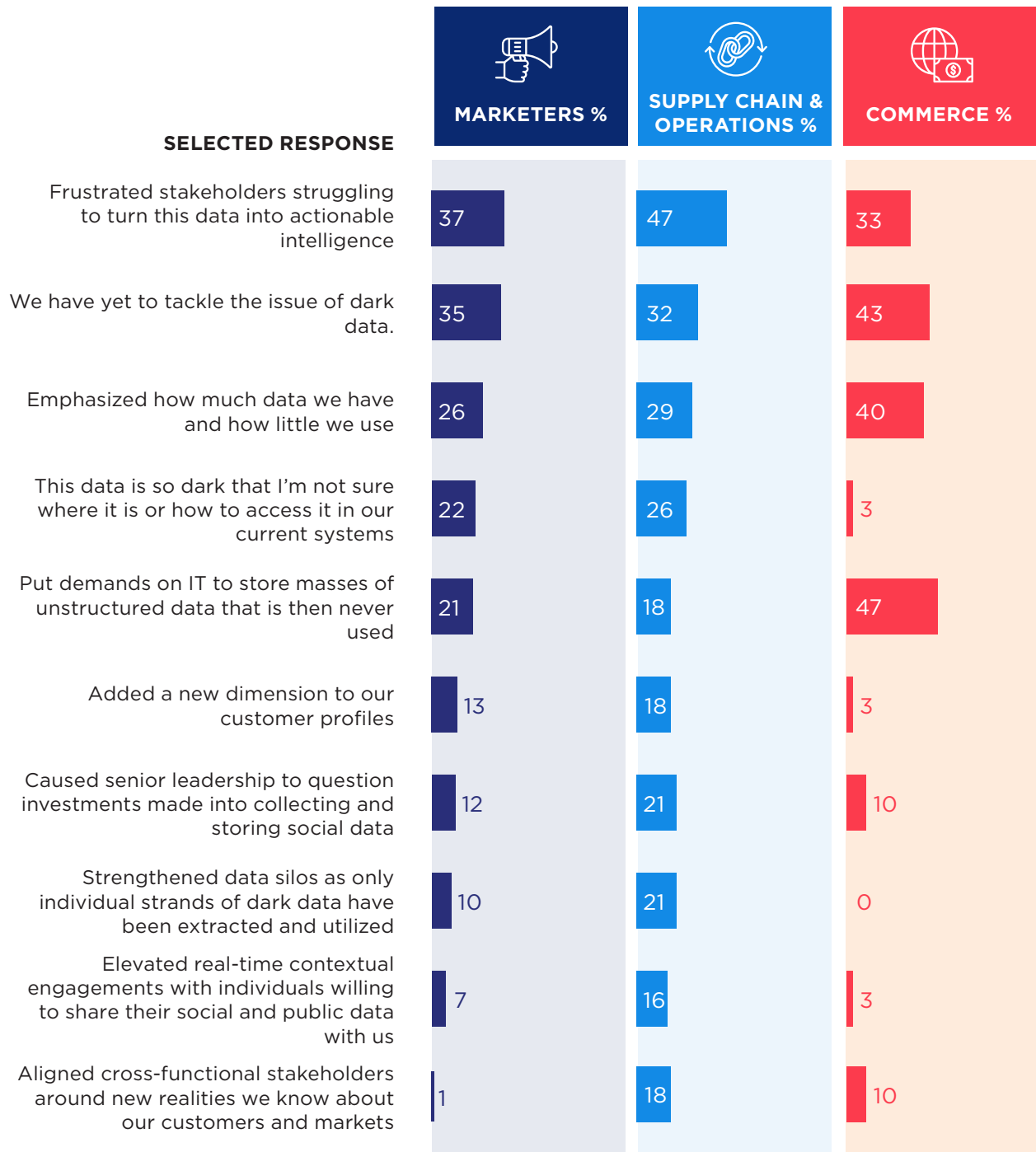
Q9 - What statement best describes the organization’s current attitudes about the data it has collected across the organization?



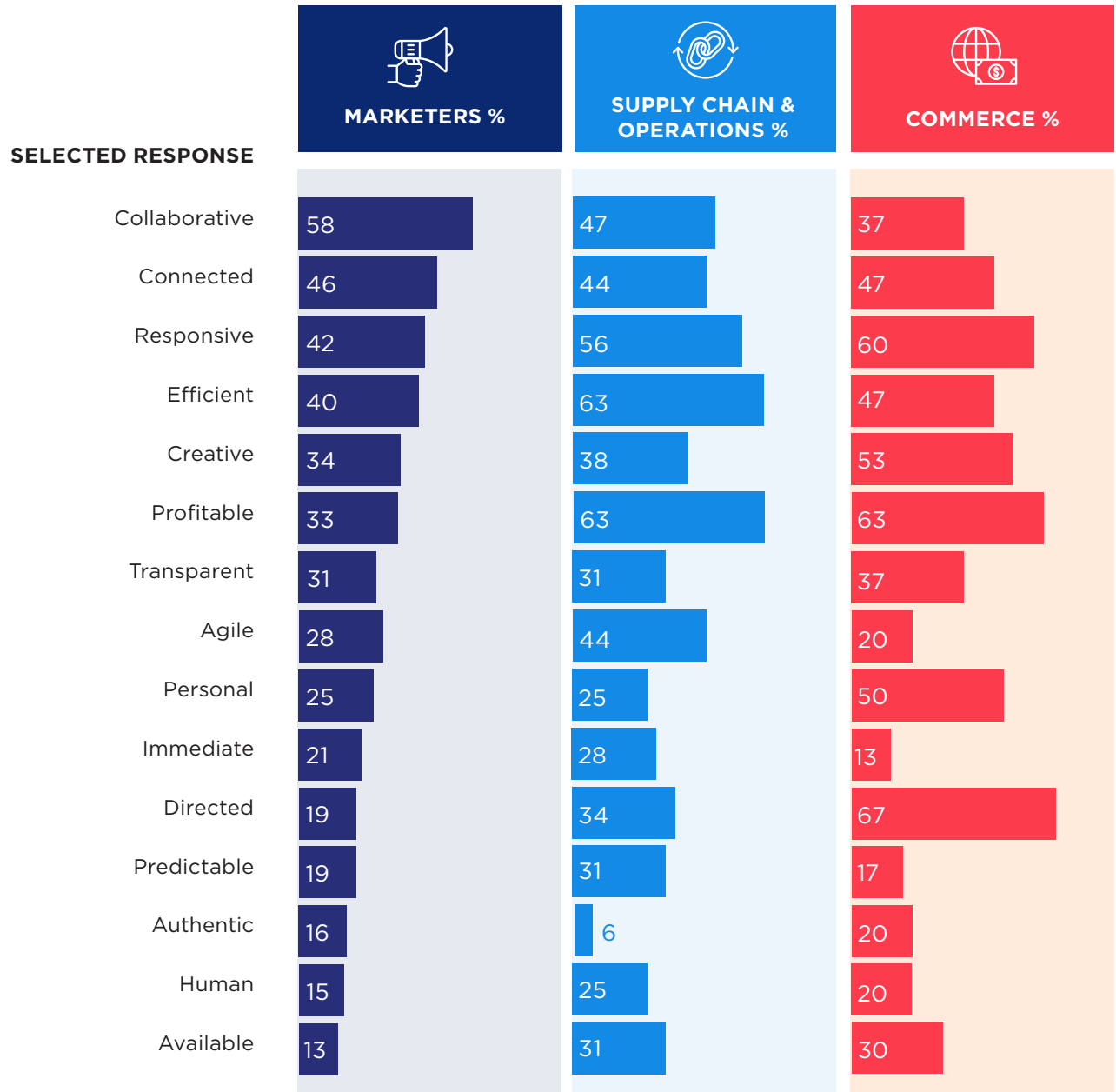
**Q10 - Of the tasks listed below, which occupies a significant portion of your team's time?
(Select all that apply.)**



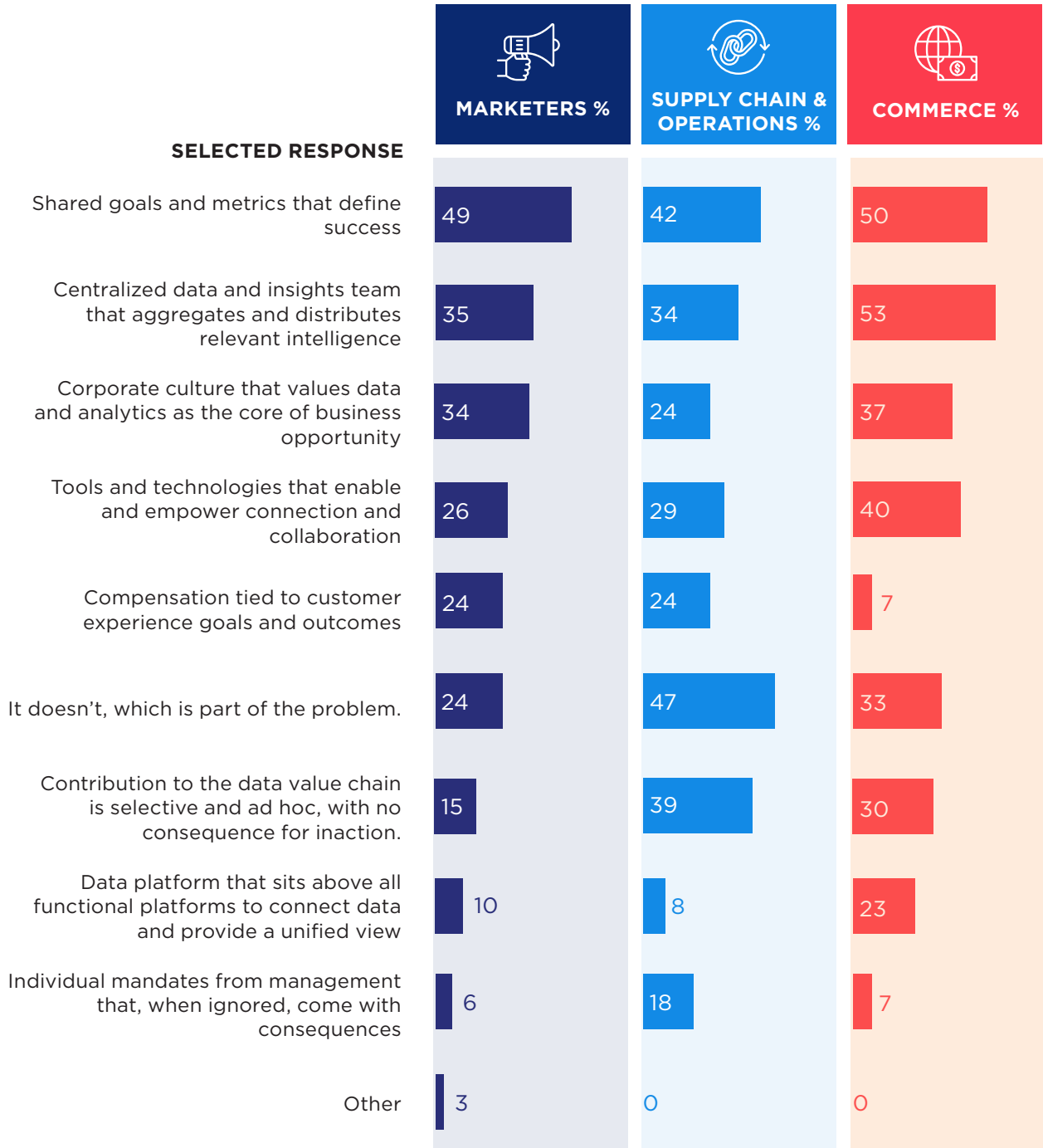
Q11 - Dark data is defined as a type of unstructured, untagged and untapped data that has typically not been analyzed or processed. How has dark data impacted your organization? (Select all that apply.)



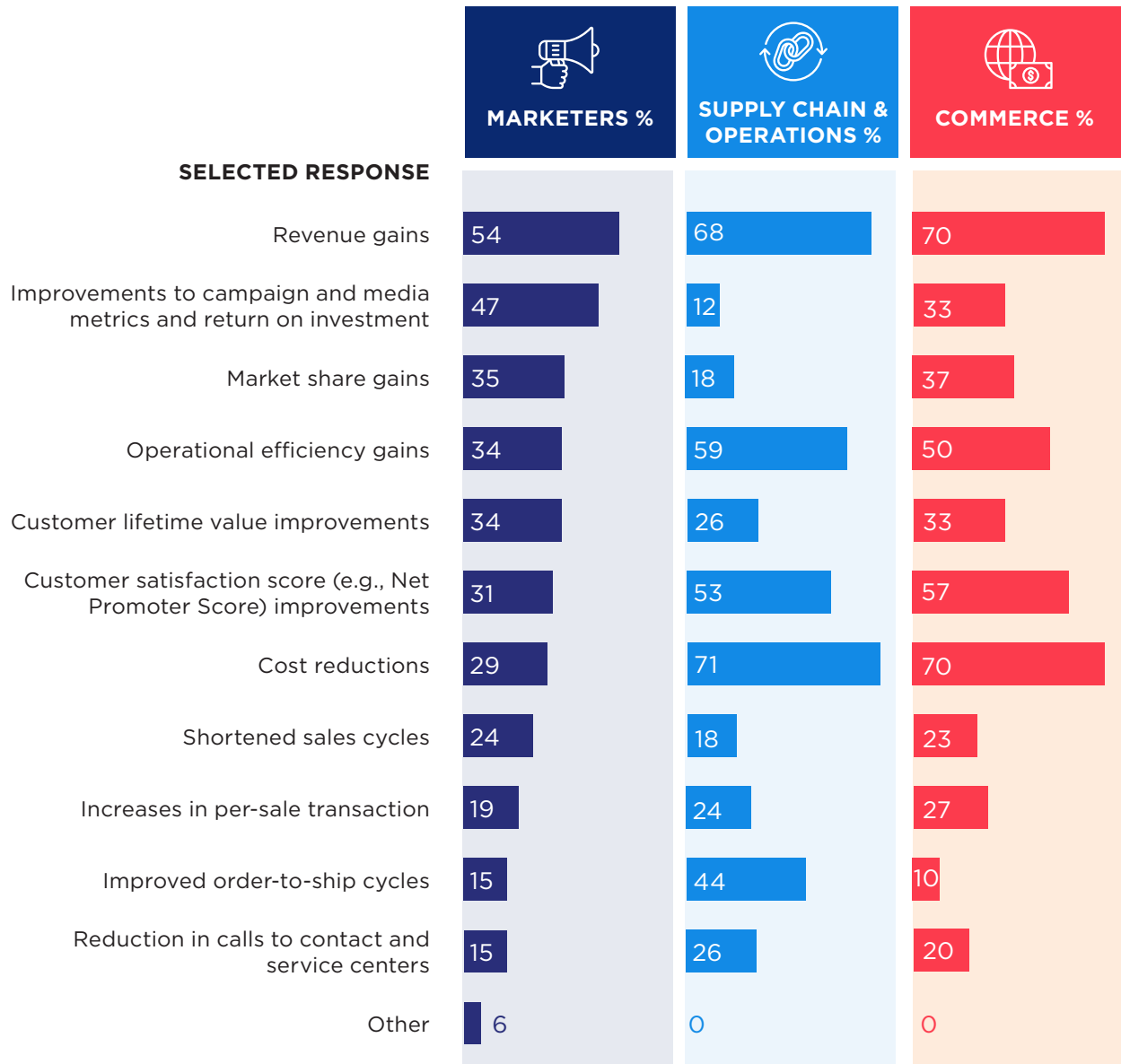
Q12 - Leveraging data has empowered the organization to be more: (Select all that apply.)



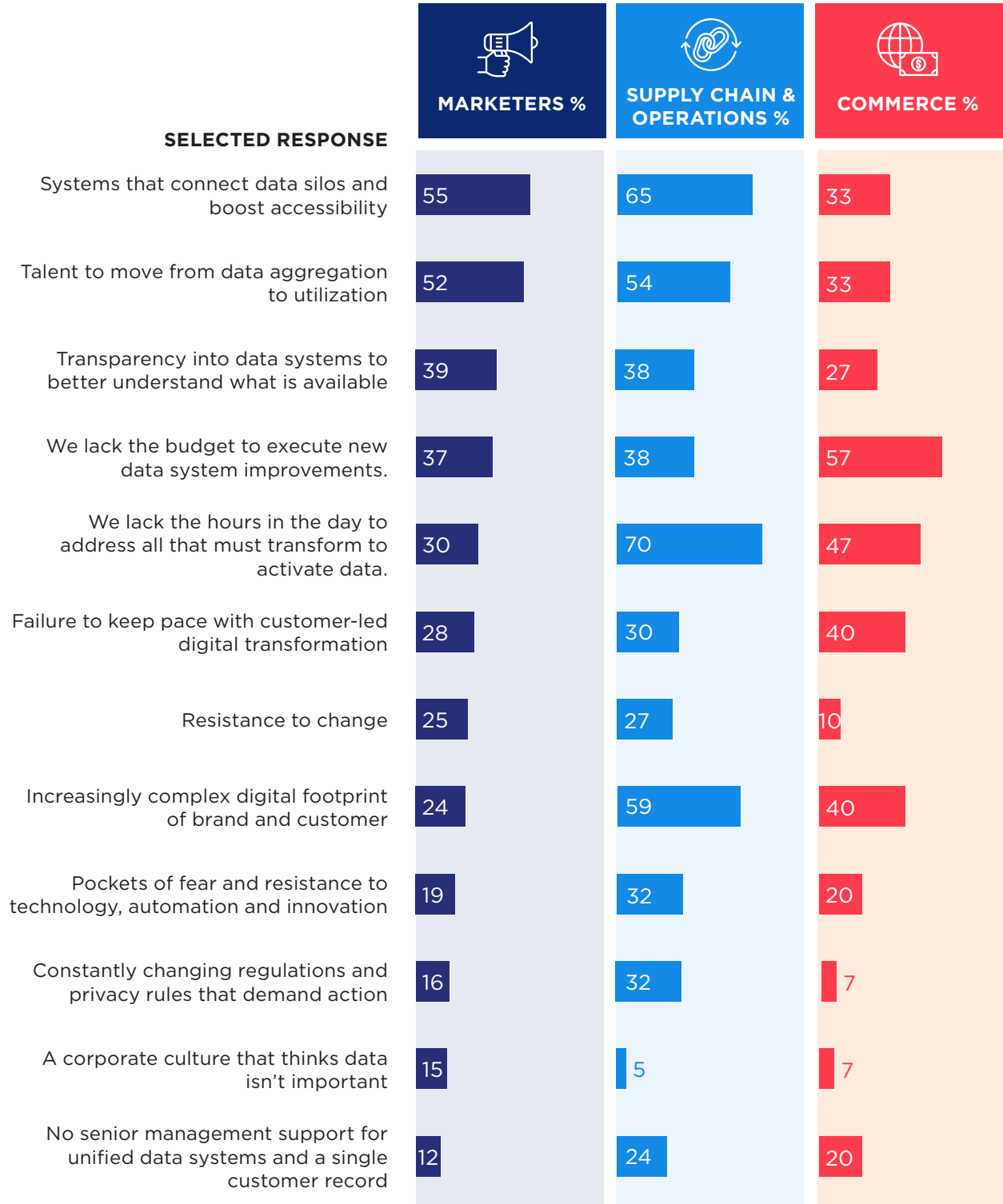
Q13 - How does the organization ensure cross-functional participation and contribution to the data value chain? (Select all that apply.)



**Q14 - How does the organization measure the impact of data application and utilization?
(Select all that apply.)**

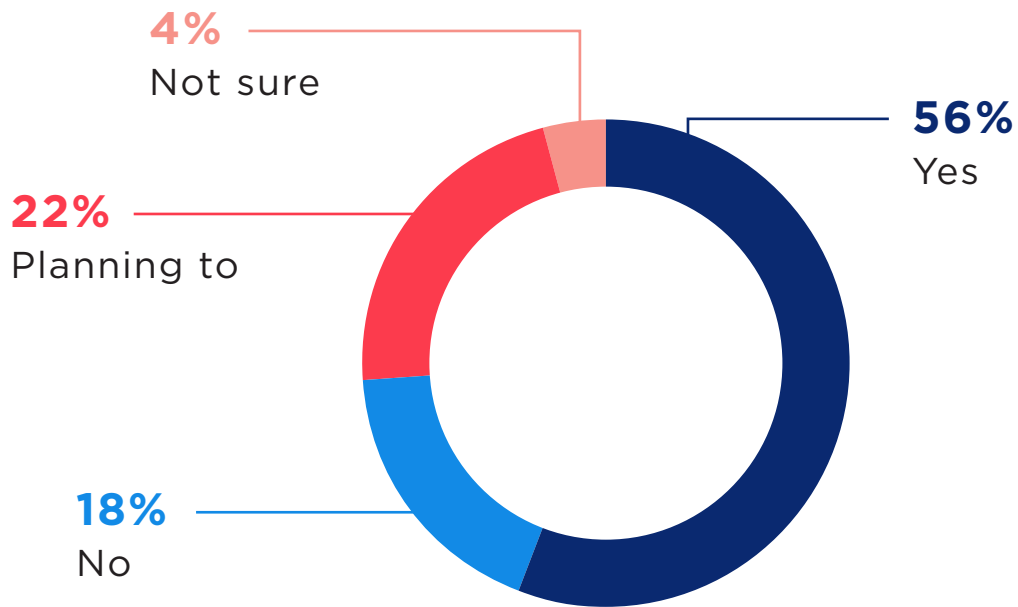


**Q15 - What is holding the organization back from realizing the full potential of data?
(Select all that apply.)**



Q16 - Has the organization deployed any new tools or technologies to specifically aggregate, manage or analyze data in the past 12-18 months?

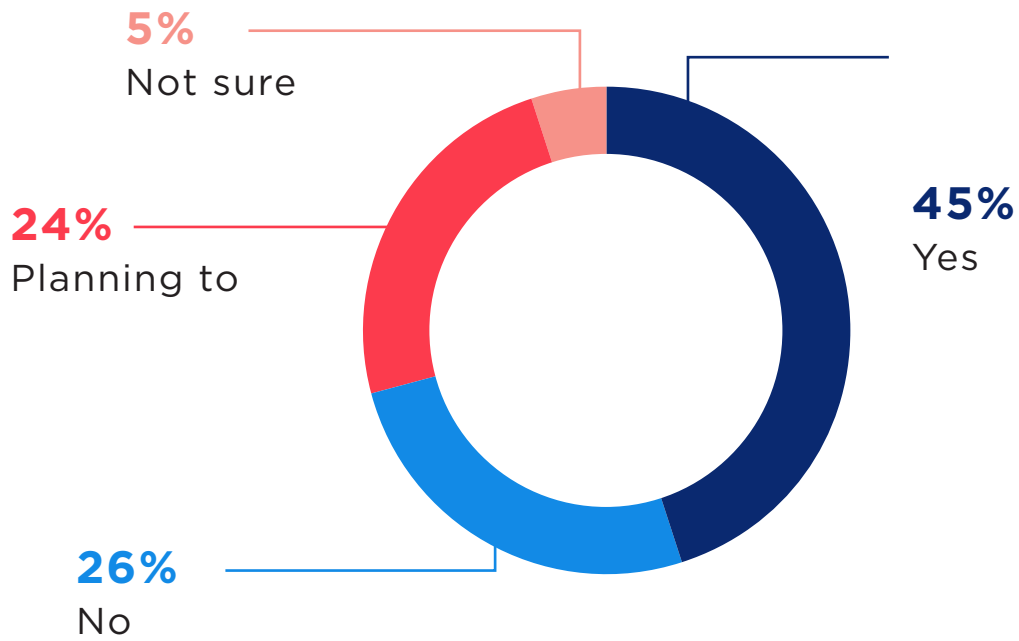
 **MARKETING**



Q16 - (Cont.)

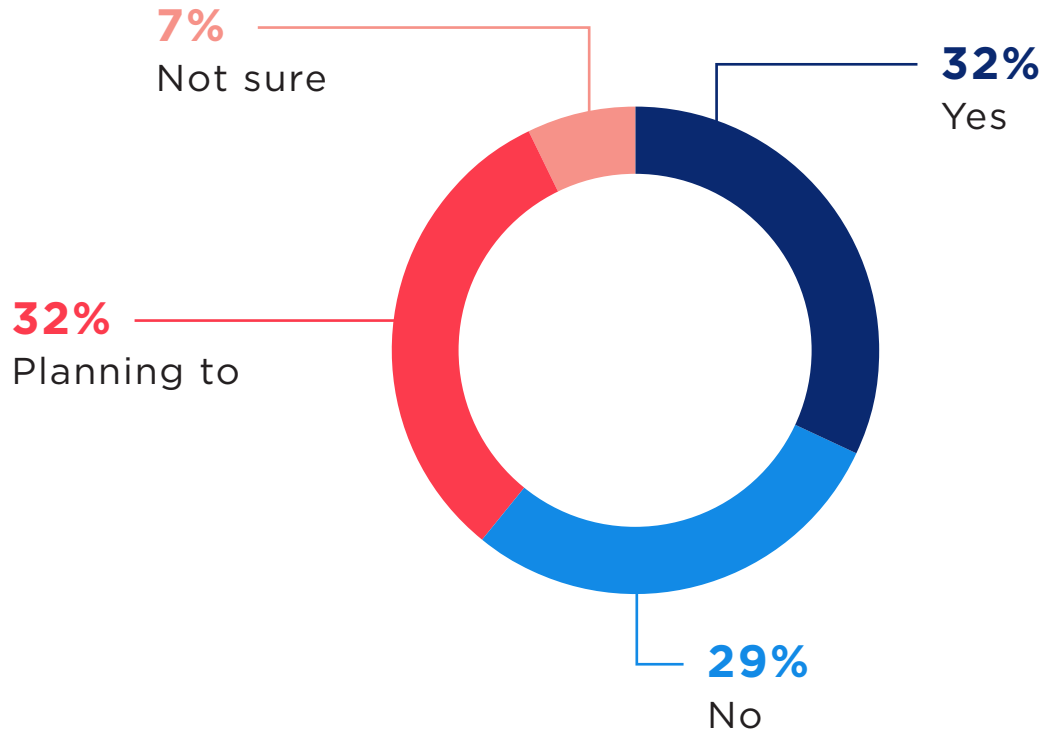


SUPPLY CHAIN & OPERATIONS



Q16 - (Cont.)

 **COMMERCE**



Q17 - Have technology investments met the expectations you and the organization had for their ability to aggregate, manage or analyze data?

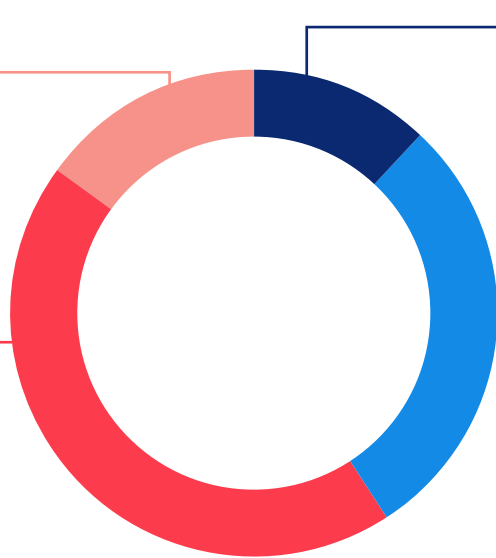
 **MARKETING**

15%

No, the new tool is an expensive experiment that had little impact on the business.

44%

Partially; there have been some wins, but we are doubtful that the tool will deliver on all of the promises made by the vendor in the end.



12%

Yes, we've already received great return on our investment.

29%

Mostly; we have seen some improvements but expected a bigger impact once the tools were deployed.

Q17 - (Cont.)



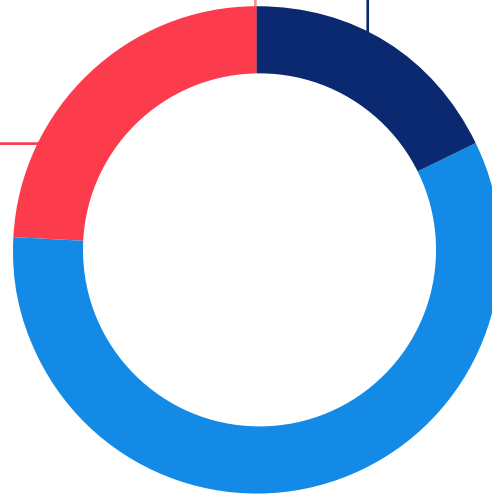
SUPPLY CHAIN & OPERATIONS

0%

Yes, we've already received great return on our investment.

24%

No, the new tool is an expensive experiment that had little impact on the business.



18%

Mostly; we have seen some improvements but expected a bigger impact once the tools were deployed.

58%

Partially; there have been some wins, but we are doubtful that the tool will deliver on all of the promises made by the vendor in the end.

Q17 - (Cont.)

 **COMMERCE**

7%

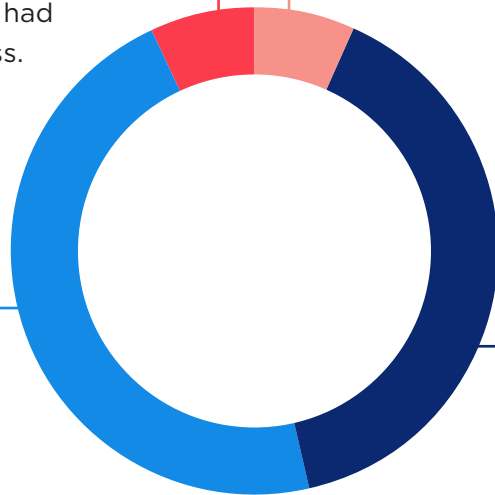
No, the new tool is an expensive experiment that had little impact on the business.

7%

Yes, we've already received great return on our investment.

47%

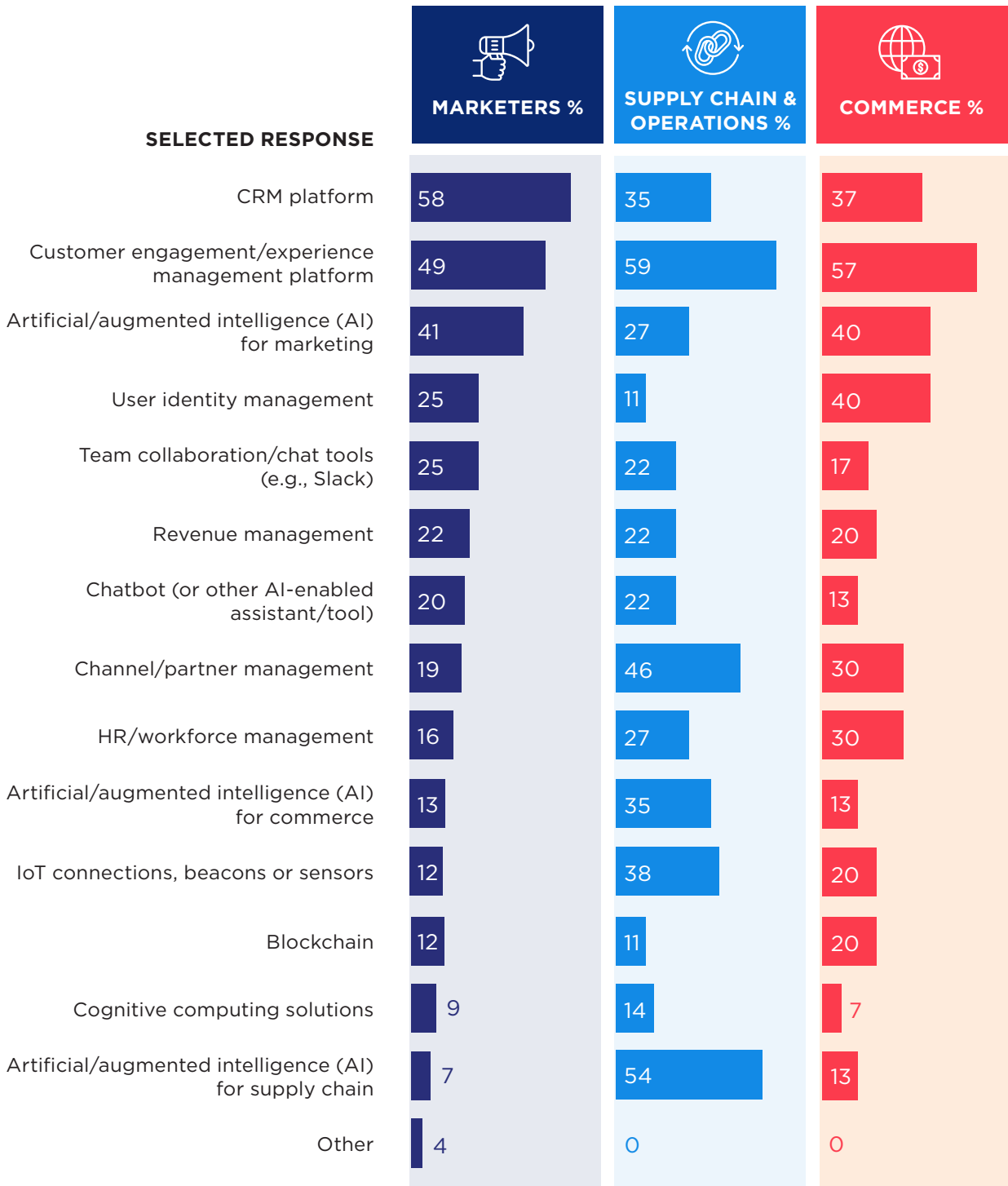
Partially; there have been some wins, but we are doubtful that the tool will deliver on all of the promises made by the vendor in the end.



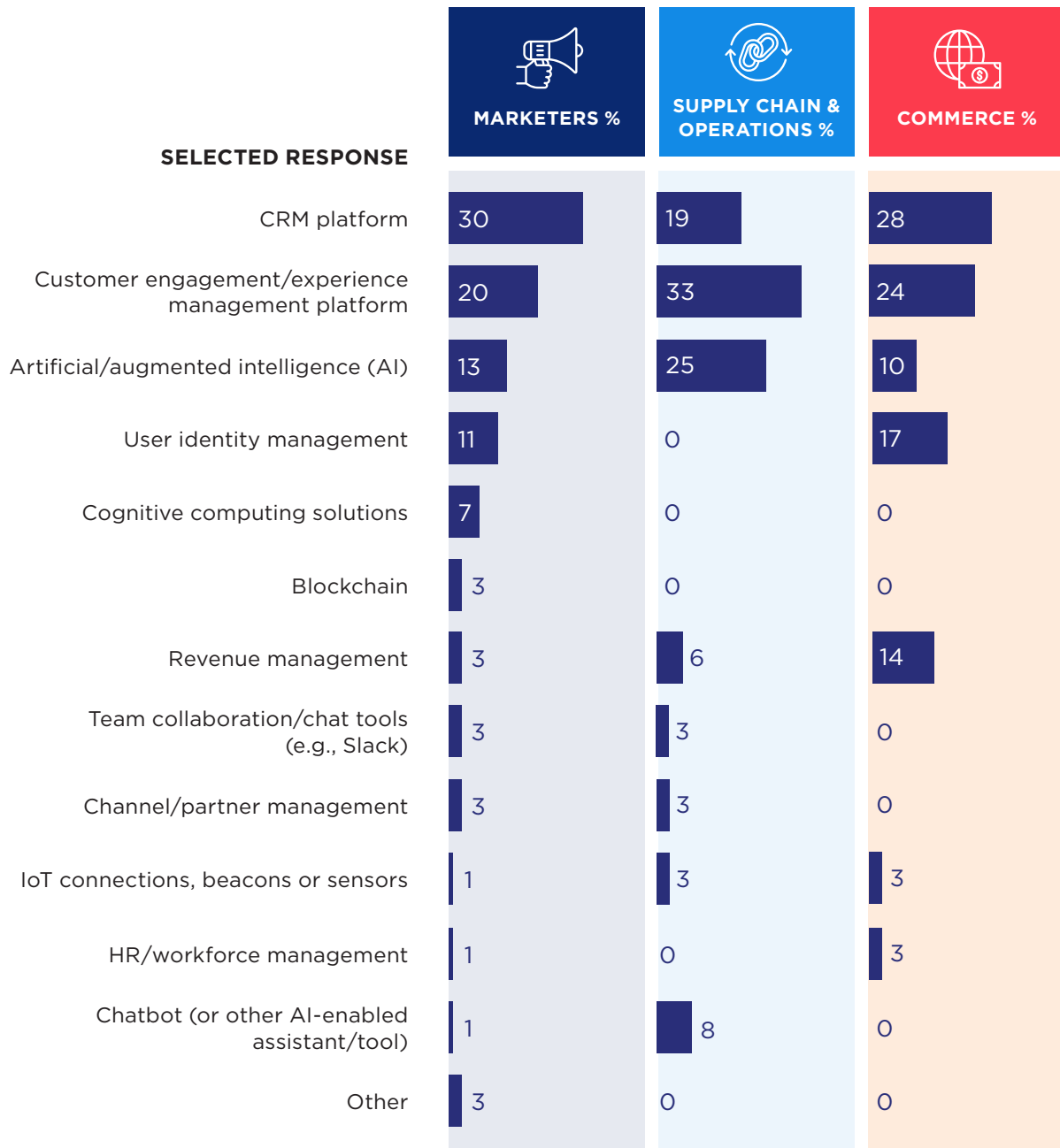
40%

Mostly; we have seen some improvements but expected a bigger impact once the tools were deployed.

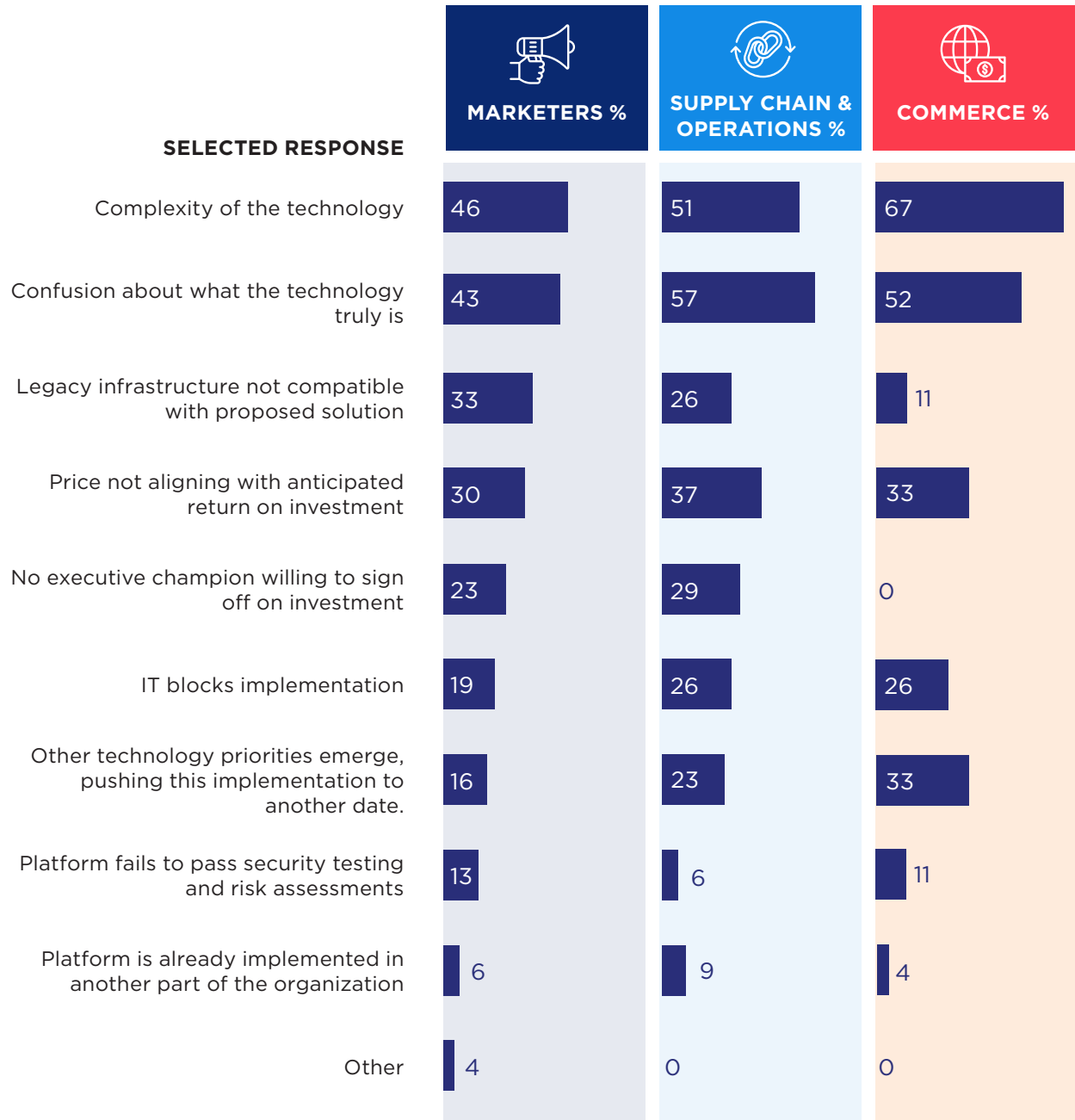
Q18 - Looking at your roadmap for technology deployments over the next year, which of the below are you likely to investigate or implement with specific intentions of improving data utilization and impact across the organization? (Select all that apply.)



Q19 - Of the technology platforms you selected, which do you believe will have the greatest impact on your operations and on the customer's experience? (Select one.)

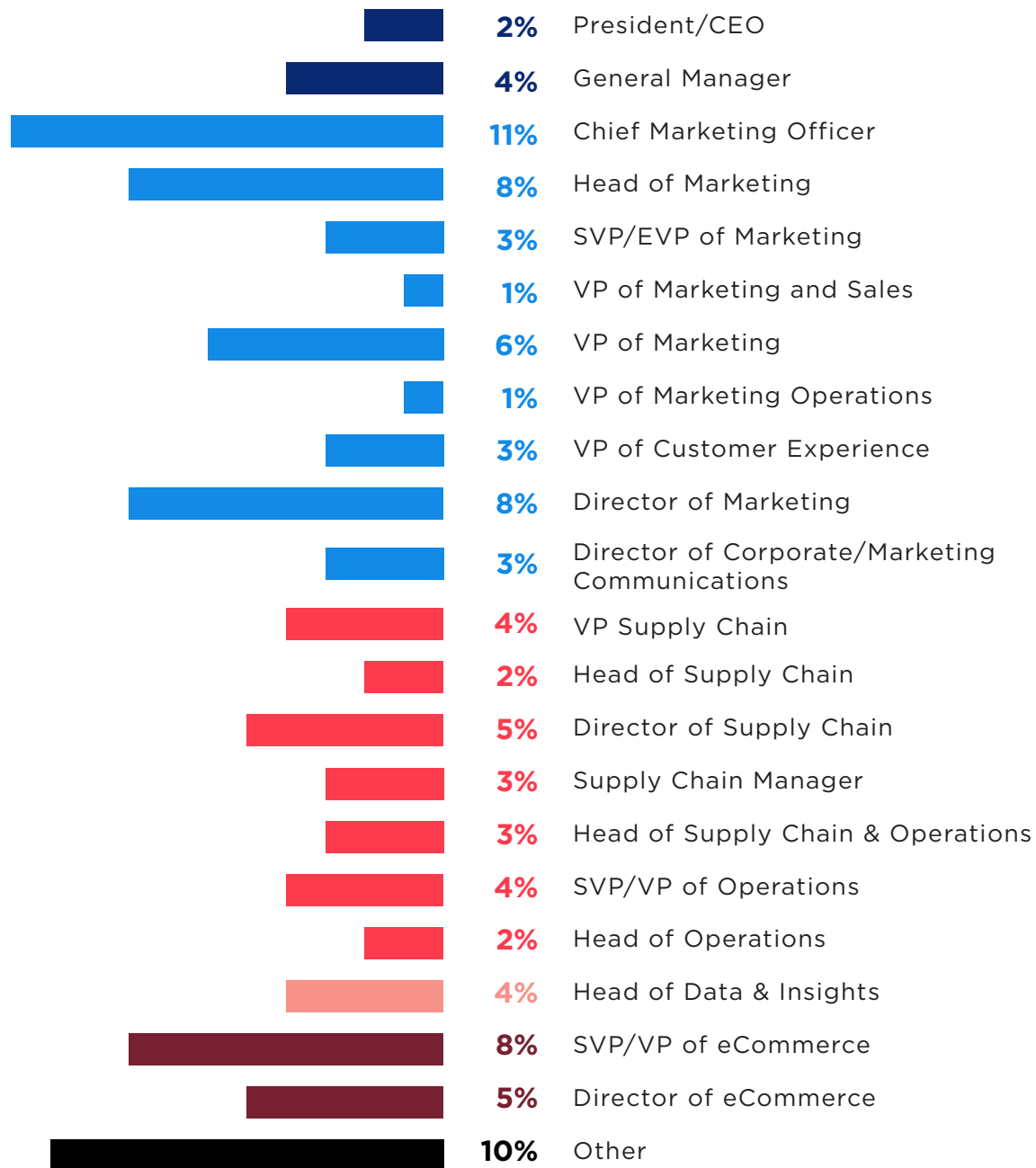


**Q20 - Which of the following could be a roadblock to on-boarding this platform/solution?
(Select all that apply.)**

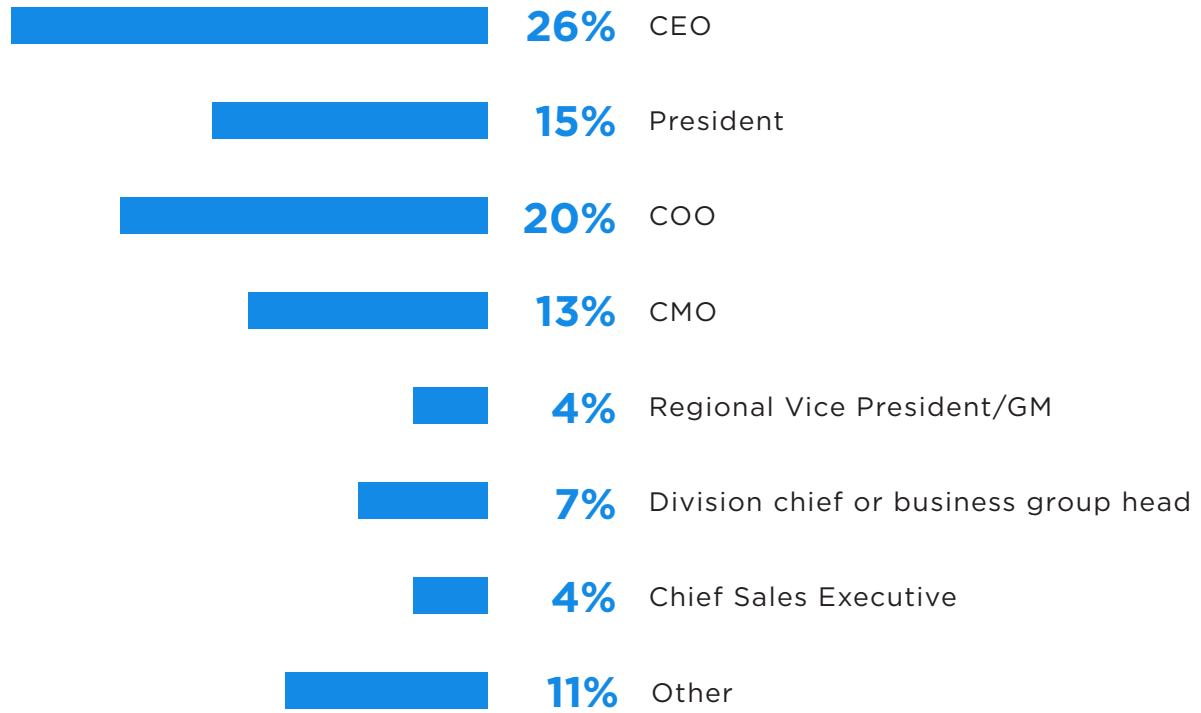


DEMOGRAPHICS

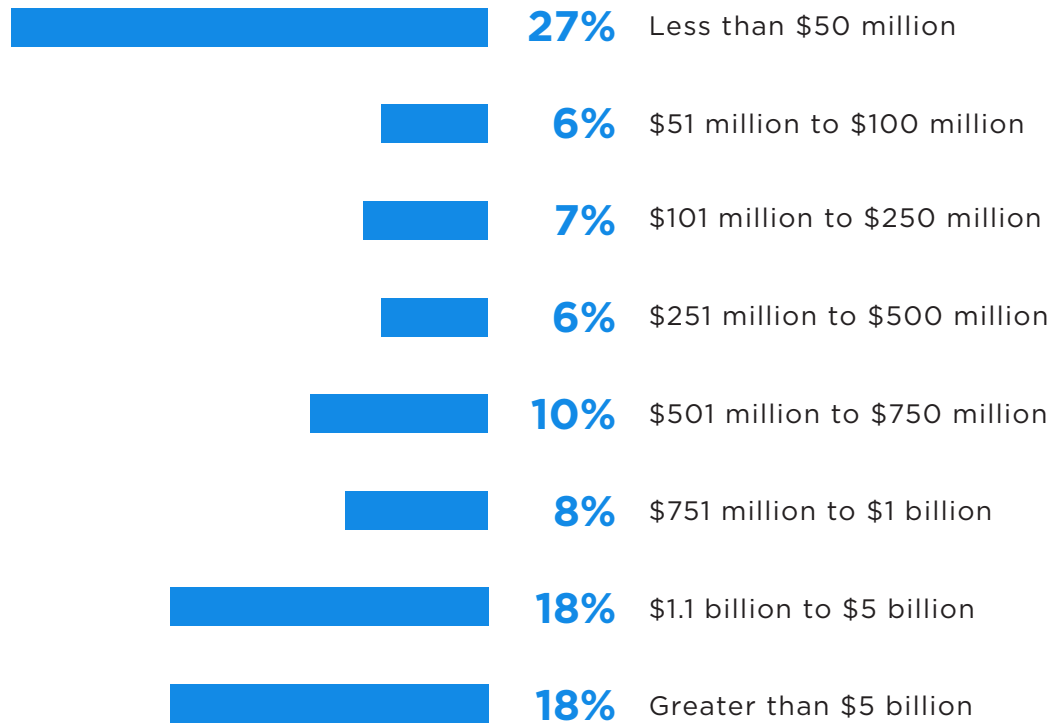
Q1 - What is your title?



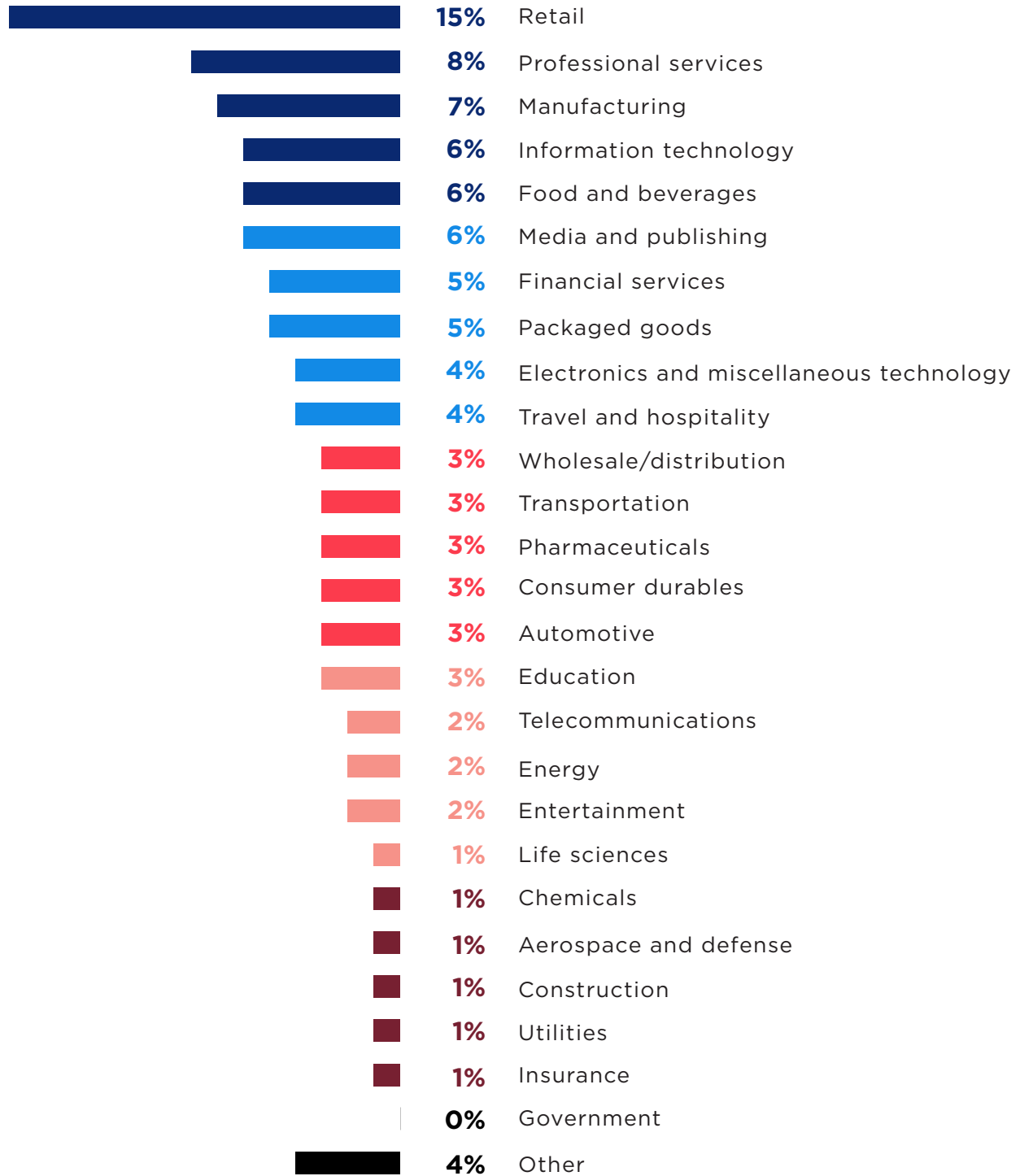
Q2 - To whom do you report?



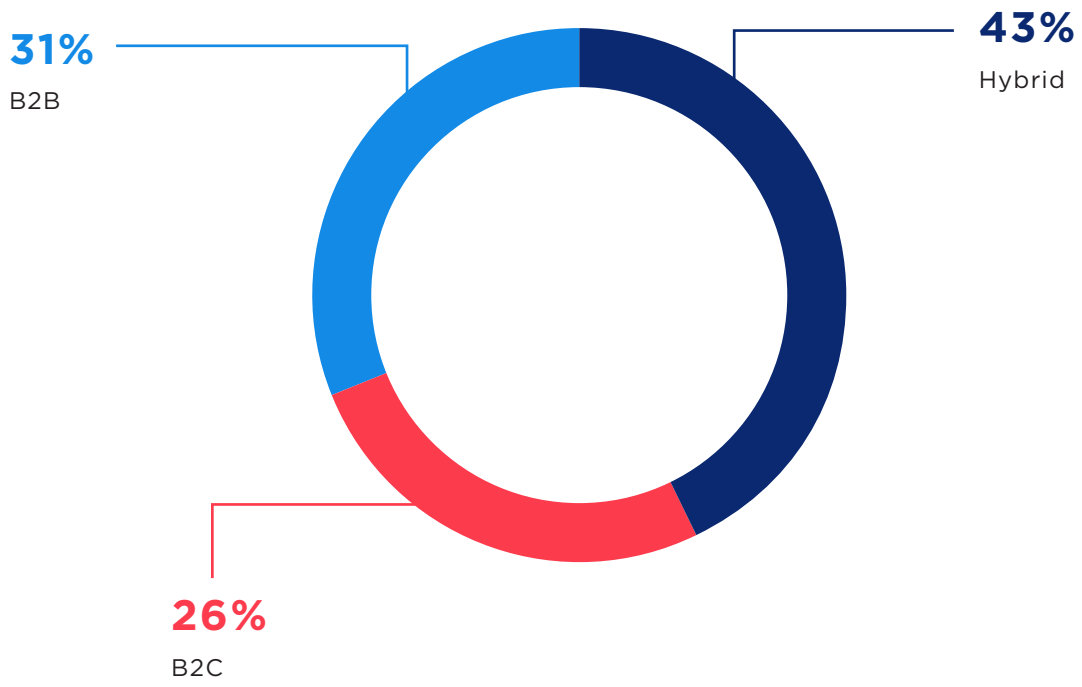
Q3 - How large is your company in USD Revenue?



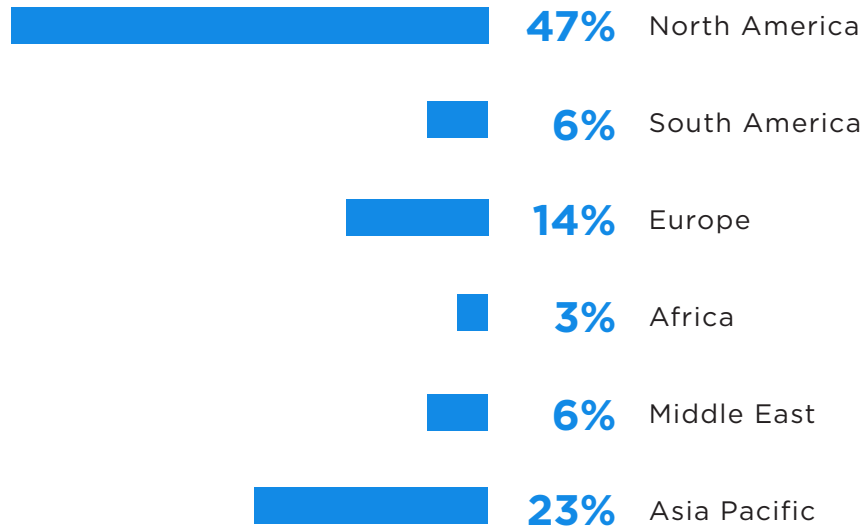
Q4 - What best describes your company's industry sector?



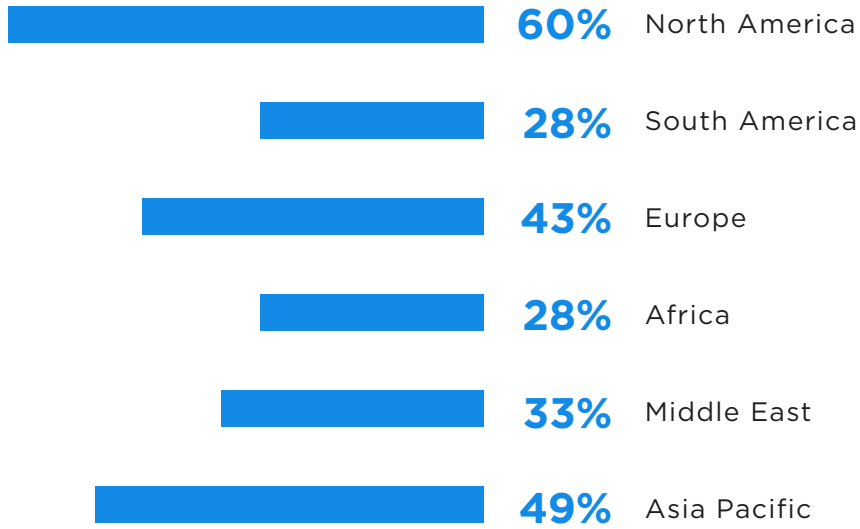
Q5 - What best describes your company's industry sector?



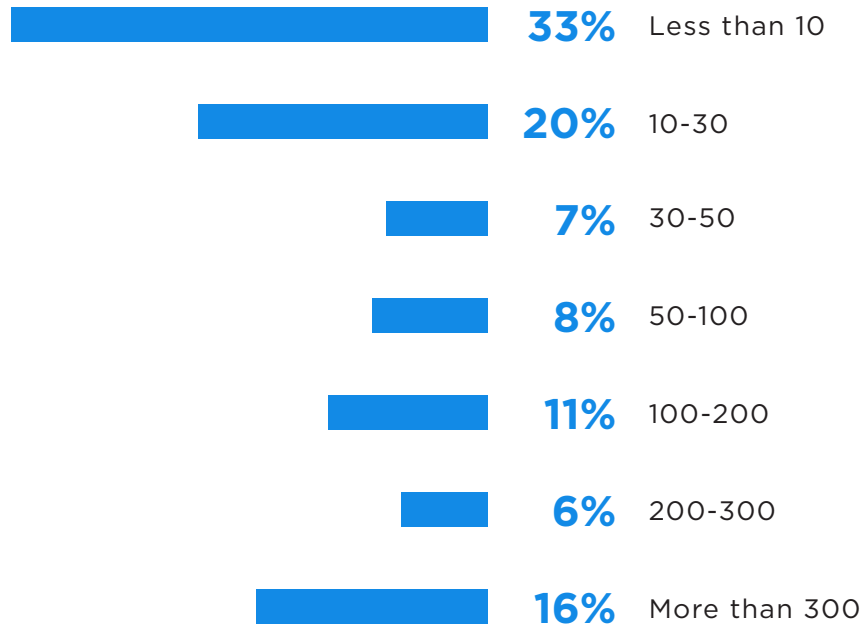
Q6 - In which region is your company headquartered?



Q7 - In which region(s) does your company operate?



Q8 - How large is your staff/team?



BEST-PRACTICE LEADERSHIP



MO KATIBEH
Chief Marketing Officer
AT&T Business



RICK BINGLE
Senior Vice President of
Supply Chain
REI



STEVE STINE
Chief Data Officer
AT&T Communications



GARY ALLEN
Vice President Supply Chain
Excellence
Ryder Supply Chain Solutions



RYAN COLDWELL
Senior Director of
eCommerce
Cabela's



CHARLIE COLE
Chief eCommerce Officer
Samsonite



JOHN WEINSTOCK
Former Senior Vice
President of Marketing-
North America
Electrolux



BETSEY CHUNG
Chief Marketing Officer
TD Bank



ANGELA HSU
Senior Vice President,
Marketing and eCommerce
Lamps Plus



CHRISTIAN NELISSEN
Chief Data Officer
TD Bank



JASON TRUSLEY
Vice President of Supply
Chain and Operations
Nordstrom



INDAR CHANICKA
Vice President of eCommerce,
Digital Marketing and CRM
The Body Shop

EXECUTIVE INTERVIEWS



MO KATIBEH
Chief Marketing Officer
AT&T Business



AT&T is leading the world in communications and technology, redefining how you engage with entertainment. Founded in 1879, the Fortune 10 company had consolidated revenues of \$160.5 billion in 2017, and has recorded 34 consecutive years of quarterly dividend growth. AT&T Business Solutions generated more than \$39 billion in revenue in 2017—more than 24% of the company's total revenue for the year. Mo Katibeh, Chief Marketing Officer, AT&T Business, leads AT&T's business marketing organization where he is responsible for marketing of both traditional telecom services as well as mobility and strategic services such as cybersecurity and cloud connectivity.

"My team and I run our product development organization, as well as our channel activation groups that work with both our direct and indirect sellers to bring our products to life," he says. "We also lead our traditional marketing and advertising functions for both our mobility product set and our strategic services. We serve millions of customers, from the smallest single-location business customers up to Fortune 1000 companies and government agencies."

He says that business customers are going through massive digital transformation, which means they are dealing with new levels of complexity.

"Businesses are more global, and workforces are more mobile," he says. "Businesses seek technologies that help them to drive revenue by creating new customer experiences that bring together the best of physical and digital channels. At AT&T Business, our mandate is to help our customers integrate their systems and processes from one edge of their business to another. We have heavily invested in the ability to enhance connectivity to serve all of our customers edge-to-edge, on premise and into the cloud, all wrapped in security."

He says that any consideration around data needs to be viewed through the lens of simplification and personalization.

"Any time we can use data to simplify the customer experience across the entire lifecycle is a huge advantage," he says. "Second to simplification is personalization. We need to think

about how to create personalized experiences based on what we learn over time about our customers. We take that knowledge and then use look-alike modeling to determine the next best solution or product we should offer them.”

Mo and his team use standard company data, along with their own data library and propensity-to-buy models—which are based on the history of millions of customers—to help create those personalized experiences.

“Over time, our customer segmentation has become quite sophisticated, and now we can see trends across various industries that allow us to market to each of those industries and the customers within them,” he explains.

In the last year, his team has analyzed all of the product combinations that have been sold to customers across different industries and markets based on the size of the customer, and they have helped to make those repeatable plays for sellers to take them to market.

“We have lined up our seller organizations with an industry-specific focus,” he says. “On top of that, we’ve changed our marketing organization and our channel marketing group to better align with sellers in each industry. This way, we have awareness of what is happening within each industry and can couple that with all of our data and internal models to drive the best outcomes and ensure we are offering the best solutions to meet individual customer needs.”

Customer feedback is the most vital consideration in driving business decisions. He says at the top of the funnel, they need to focus on continually meeting with customers to understand their needs. At the middle and bottom of the funnel, he says the focus is to ensure programs deliver awareness and affinity.

“In an ideal world, we would have real-time feedback on-demand from all of our customers. We get customer feedback in a number of ways, but that certainly does not represent the millions of customers we have, nor is it in real time. We still have to fill in the blanks to draw certain conclusions,” he says. “To do this, we need to ensure that we build as many sequential touchpoints as possible. We are focusing on a stronger digital mix to get closer to the real-time feedback of what our customers are looking for and what they are responding to. We have built fairly sophisticated models that can accurately show us our ROI on marketing investments. The shift away from traditional channels toward a digital-first media strategy has improved our ability to connect the funnel through various touchpoints.”

He says that the success of marketing depends on setting up metrics and benchmarks that inform marketing and media decisions over time.

“Every time we test anything new, we benchmark it against historical norms so that we can continue to extract incremental gains in volume and efficiency,” he says. “There is no end state in marketing; it’s about continuous improvement over time.”

He says they have also been leaning more heavily on media collaborators to help co-create branded content, thereby capitalizing on the equity of their brands and the technology they use to improve engagement and awareness of AT&T's strategic solutions.

"Digital has allowed us to measure the ongoing learning of our customers, which enables us to optimize by focusing on AB testing to determine what drives the strongest engagement and conversion rates," he says.

In the last year, they have taken that to the next level by implementing methods that allow them to auto-optimize and deliver learnings on which messages are driving the most engagement.

"Digital capabilities provide insights that allow us to become better marketers and truly refine our message," he says. "Today, we have a stronger environment, where we can utilize technology and targeting capabilities to follow prospects throughout their journey."

While the ultimate goal is to achieve a unified view of the customer, that is incredibly complex when it comes to business customers.

"There is no one persona at a business, especially as you scale from single-owner businesses to mid-market and large enterprise customers," he says. "We need to think about building our infrastructure and platforms to enable the use of data in line with the persona they need to interact with at a given moment in time."

He says the addition of the chief data officer role has been integral to their ability to properly capitalize on data insights and ensure a cohesive view across all functions in the business. This is especially important as data means different things for marketing than it does for commerce or supply chain.

"With the addition of the chief data officer role, we now have aggregated data in common data lakes with interfaces on top of them so that, subject to privacy rules, employees can extract the data they are interested in for their particular business purposes," he says.

"For commerce, data is transactional and should be on-demand to ensure that the right information is available to sales so they can properly apply that knowledge to the right product or service for a given customer. For supply chain, data is the driver that allows them to achieve the lowest unit cost."

In considering new technologies, he says they always look at the ability to create a cohesive data value chain across the organization.

"We always build solutions from the perspective of the overall business requirements," he says. "There is no one-size-fits-all approach with an organization as large as ours, so we use technologies that can work with one another to drive the outcomes we desire."

He adds that because the world is changing so quickly, it is important to note that data has a shelf life.

“The key is to expand our data models to take advantage of new data inputs rather than focusing on old data,” he says. “The challenge lies in building a system that allows for the integration of multiple data sources. We need to make sure that as new data comes in, our mechanisms can easily convert data into structured, valuable insights.”

He says they are now looking at ways to bring the promise of artificial intelligence to life, on top of the data analytics they have, in order to gain insights into which customer segments have needs at a given moment to ensure they create opportunities for sales to engage with them.

“We are looking holistically at lead generation, lead nurturing and lead activation into a sale as a closed-loop system,” he says. “We are experimenting with AI to help improve the process by simplifying it. The next step will be to use AI to help provide solutions to customers’ needs before they even know they have them.”

“Customers don’t care about your backend systems; they care about having a seamless experience in whatever way they choose to interact with you,” he says. “We need to ensure that we use transactional and interactional data to enable that seamless and effortless experience.”

**STEVE STINE**

Chief Data Officer

AT&T Communications

AT&T is a Fortune 10 company and world leader in communications, media and entertainment, and technology. AT&T Communications serves millions of US consumers with video, broadband and voice services, as well as millions of businesses globally with highly secure, smart solutions. Steve Stine, Chief Data Officer at AT&T Communications Chief Data Office, is responsible for bringing data-powered solutions to life and enabling self-service across the enterprise for analytics and automation. He leads three impactful functions: data supply chain, automation and big data. He explains that his mandate is to use data to drive business transformation, uncover data insights, develop technological advancements and evolve employee skillsets.

“My role is to ensure that the data supply chain is easily accessible and usable for our business units to meet their priorities, to improve the customer experience, and to streamline our structure,” he says. “We are the assemblers and stewards of the data. We provide insights around that data, which is powered by automated solutions, enhanced by AI and robotic platforms, and finally elevated by our data scientists, who run advanced data analytics.”

He explains that his role as the Chief Data Officer is especially significant given the enormity of data that AT&T carries, which exceeds 200 petabytes per day. His team must ensure that they are properly leveraging the right data to meet the priorities of the overall business as well as individual functions, all while maintaining stringent privacy policies.

“We incorporate privacy as a fundamental commitment to maintain customer integrity and confidence in how we leverage data,” he says. “In working with individual business units, we first seek to understand their goals and then provide them with the right data and analytics—with the appropriate privacy and security measures in place—to succeed in their initiatives.”

He says that creating an end-to-end data supply chain is a journey rather than a destination.

“Depending on the business need, we need to refresh and update how data is curated, accessed and leveraged,” he says. “We need the flexibility to respond to those needs while ensuring that we have systems set up to quickly and accurately funnel insights into the pipeline.”

He says that having a centralized organization that distributes data across the organization is fundamental to their success.

“Previously at AT&T, we treated data as a specific project and provided data sets based on individual requests,” he says. “We have since moved away from that to ensure that while we still look at functional needs, we are producing data that will act as a holistic solution for all business units.”

They are able to accomplish this through engagement leads from each business unit. Each business unit provides feedback about their specific daily requirements and brings that intelligence back to the business unit. Since they all sit within the core team, they can share with their business leaders what each of their counterparts is doing. By understanding the holistic journey, each business unit is better able to serve customers from a total value standpoint.

“We developed Data360, which is an application data search engine that allows our partners to easily see if the data they are seeking already exists,” he explains. “We start with that reuse or extensibility of data and continually search for ways to stitch that data together. Given the enormous amount of data, we must remain hyper-focused on what each of our partners is looking for and what they need to operate the business. That is our primary call to action.”

He says his team is in continual pursuit of ensuring functional alignment. His function leverages data not only to improve customer-facing programs, but to enhance internal operations overall.

“With the portfolio we manage, we are able to understand our networks and learn more about how to optimize critical elements that enable us to provide high and consistent levels of customer service,” he says.

To take operational effectiveness and efficiency to the next level, he says they have implemented a solution for an evergreen challenge, which is End-to-End Incident Management.

“Through the efforts of the CDO, we use machine learning to examine network issues,” he explains. “To support 200 petabytes of data, we operate robust, global networks 24/7. If anything were to go wrong, whether it be a natural disaster or a cut fiber cable, it could really disrupt the business. Through this program, we are able to analyze the likelihood of specific events before they occur and can immediately conduct network optimization or reroute cables, thereby avoiding impact or at least providing customers with advance notice.”

He explains that while they have been doing this type of proactive analysis for years, today they have the capabilities to bring together the equivalent of 10 million daily alarms.

“By using machine learning, the speed and accuracy of our response capabilities is greatly enhanced,” he says. “Now we look at our people to do higher value assessment on top of the machine learning.”

On the commercial side, he says they are using machine learning to analyze inventory of more than 2,000 stores to determine whether those stores carry the right inventory to serve the customers of each specific location.

“The types of accessories that enhance customer experience may differ by environment and demographics,” he explains. “Therefore, we analyze not only historical data, but also future trends to determine the right inventory and the right inventory levels so that we can satisfy our customers within a single visit to the store.”

He says with such enormous levels of data, there will always be some dark data.

“Not all data is created equal, so for us, when analyzing data, we always have to go back to the business needs,” he says. “The continuum from taking raw data and maturing that data to create something that is business-ready requires a deep understanding of business needs so that the work that is being done can produce real value. There is a cost associated with everything, so we need to be really thoughtful about how much value each data set will drive into the business.”

He says that every decision is considered from three angles: speed, cost and quality.

“Speed refers to how quickly we can get answers and solutions in hand that will improve the experience for our customers,” he explains. “Cost is about industrializing automation platforms that allow for reusability and scale and create great productivity so that we can get more research per data scientist. Quality is about ensuring we do things right the first time or ensuring quality metrics on refreshed data sets.”

The ultimate business goal is to ensure that all functions work together to create a unified view of the customer. For individual business functions, it is easy to get caught up with the daily challenges that exist in ensuring that products, services and customer care are delivered properly.

“The pressures that exist from moment to moment cannot allow us to lose focus of our ultimate goal: a unified view of the customer,” he says. “Each function must ensure that their decisions are powered by data-driven insights. They must stay focused on their day-to-day jobs while also keeping in mind longer-term tactics that are in place to deliver our strategy of data-powered initiatives.”

Business-critical transformation requires each function to leverage data to make the best decisions for customers, shareholders and employees.

“Data is not only fundamental to our success overall, but it is fundamental for the success of marketing, supply chain and commerce leaders,” he says. “The role of the Chief Data Officer is to enable easier accessibility, but this cannot be driven by the CDO alone. It must be prevalent throughout the business, which is why a culture change is so important.”

Today, the business functions understand the value that these greater computing capabilities provide them in their ability to derive and leverage insights, and thus there is a call to action to work on their analytics capabilities to ensure they are making the most out of the data at their disposal.

To empower functions to do the most with data, the CDO has created centers of excellence that enable self-service for the business.

“We put data in the hands of the business owners to allow them to couple our real-time data with their experience in analytics,” he says. “If they need additional help, we provide resources that will augment their needs to drive transformational success.”

**RYAN COLDWELL**

Senior Director of eCommerce
Cabela's

The Cabela's logo, featuring the brand name in a stylized, yellow, cursive font.

Cabela's is a retailer of hunting and fishing products, outdoor gear, camping equipment and other related merchandise within the U.S. and Canada. The company was founded in 1961, went public in 2004 and has been experiencing continual annual growth ever since. The company's recent acquisition by Bass Pro Shops ensures that all outdoor enthusiasts can experience the best shopping experience for their outdoor needs through one cohesive company. Ryan Coldwell, Senior Director of eCommerce, is responsible for leading operations for Cabelas.com and collaborating with cross-functional partners to manage all aspects of the digital business, including seasonal planning, promotional campaigns and functional enhancements to increase eCommerce sales and profitability.

“We use a triangulated approach to marketing intelligence, which includes an internal attribution model, A/B and hypothesis testing, and media mix modeling,” he says. “Because of this, our team has the necessary insights to re-allocate investments to maximize our return on marketing spend.”

Coldwell's team is particularly focused on leveraging customer data on the website to ensure that experiences can be dynamically adjusted based on known customer attributes. He explains that by leveraging customer browse behavior, along with website cart information and offline purchasing information, they have been able to enhance cross-sell and accessory product recommendations on the website.

“By leveraging customer propensity models, we are able to alter website content to reflect a customer's interests,” he says. “If known fishing customers visit the homepage, they will receive offers for fishing products and promotions. If a known CLUB Visa credit card customer visits the site, they might receive a message showing them how to earn additional points on their card for certain products.”

He says the most critical sources of data tied to the success of commerce include customer web behavior, location, omni-channel engagement and digital traffic sources.

“We analyze customer web behavior to better understand our customers' shopper journeys,” he says. “We leverage locational data in order to ensure we are as relevant as possible with our digital marketing communications. Lastly, we integrate online and offline information to form a more cohesive understanding of an omni-channel customer journey.”

He says the ability to aggregate these insights has been instrumental for success, but there is still more that can be done to truly enhance the actionable insights gained from data output.

“Our teams have done an incredible job of capturing information, standardizing it and creating a data architecture for accessibility across functions,” he says. “However, there is a gap in data engineering expertise that could truly take our programs to the next level.”

Additionally, while he feels the team has strong data across the customer journey leading to purchase, there is still an area of opportunity to further leverage post-purchase data to capture visibility and engagement with the brand.

“The post-purchase experience is a significant component of the overall journey, and we believe it has a strong influence on further purchase activity and recommendation,” he says. “Harnessing this data and providing the customer with more options and transparency post-purchase further strengthens our value proposition.”

Several years ago, data existed in silos within the organization whereas today, teams work to understand the compartmental interactions that the customer has with the business. This has been further enabled through the creation of a centralized data science team, which enables information sharing cross-functionally.

“The data science team aggregates customer data and integrates it for an overall view of how the customer engages with the brand,” he says. “The combined view is then utilized to target various marketing media based on a holistic view of activity. However, there is still potential to do more with the data at hand. Lack of data engineering and operations resources creates a roadblock when it comes to how far we could potentially go with data analytics.”

On the operations side, the enterprise analytics team has created optimization programs that allow the merchandising teams to understand price elasticity and expected unit volume. He points out that this exercise cannot be conducted in a vacuum.

“We have strong consideration for the complementary nature of marketing and how multiple channels can be responsible for the overall effect,” he says.

He notes that a strong relationship with the supply chain team is critical for the customer to have visibility into the purchase and post-purchase process. He also identifies several ways in which data is exchanged with those partners to create an improved customer experience.

“We share visibility around shipping latency and delivery windows,” he says. “We have an opportunity to bring this information to the front line, thereby creating a service advantage and instilling customer confidence. We also look at ship-to-store customer behavior to understand how long it takes an item to reach the store, how long it takes the customer to respond and what other in-store interactions the customer has in order to improve supply chain operations.”

He adds that any engagement strategy for direct-to-consumer must include the supply chain at the forefront of the conversation.

“One of the key components of information sharing is visibility into brick-and-mortar inventory for the customer who is utilizing digital access points,” he says. “The customer is provided with this information early in the product discovery process to help inform them of what is available.”

Cross-functional collaboration occurs continuously through regular business performance conversations and roadmap development. By finding areas of intersection, he says that teams more effectively rally around data collaboration. Still, there are challenges in unifying the view of the customer across functions.

“The greatest challenge is determining what enterprise reporting solution each business unit will trust to have a unified view of the customer,” he says. “Each team has its preferred method of consuming information and creating roadmaps based upon that information, but functions need to consider the full customer journey beyond their individual touchpoints.”

Overall, he says that having a centralized enterprise analytics function has made the biggest difference in how the organization manages, maintains and maximizes data output. However, due to the acquisition by Bass Pro Shops, many organizational efforts are centered around data integration projects that help to achieve efficiency in operations. The acquisition also raised the significant question of how to define the role of data and analytics moving forward.

“There are data components that are necessary for operational viability, yet the business utilization for predictive and prescriptive analytic applications—while strong—is still untapped,” he says. “Resolving questions around whether teams should focus on business intelligence or advanced data analytics will help empower teams to understand how to adjust plans to meet the needs of our customers.”



JOHN WEINSTOCK

Former Senior Vice President of
Marketing-North America

Electrolux



Electrolux is a leading global appliance company, consistently ranking among the world's largest appliance manufacturers by units sold and selling more than 60 million household and professional products in more than 150 markets every year. John Weinstock, Former Senior Vice President of Marketing for North America, was responsible for brand communication, digital marketing, merchandising, product marketing, consumer insights, customer marketing, in-store field marketing and strategic planning. He emphasizes that the ability to leverage data to make informed decisions is instrumental in driving sales.

“The durables category represents highly considered purchases in that consumers spend a lot of time thinking about what they will buy prior to making the purchase,” he says. “Given the significant activity that happens before a durables purchase, companies are able to go back and apply attribution models to their journey to understand what influences their decisions. By coupling that with data around historical impacts of pricing and promotional decisions, organizations can make much more informed and strategic decisions.”

He adds that as organizations better understand the consumer mindset, better decisions can be made around the information they are served.

“If someone’s appliance just broke, they are coming in with a very different mindset than someone who is browsing products for a remodel,” he says. “The former needs to get their appliance replaced and back to their home as quickly as possible whereas the latter needs to coordinate their decision along with the many other decisions. In these cases, consideration around timing, needs and the type of information they want are instrumental to their experience.”

He says that artificial intelligence presents a huge opportunity for highly considered product purchase categories.

“Consumers tend to have a lot of questions when considering a durable good, and they want to get those answers in their own time and through their preferred channel,” he says. “The ability to take what can often be difficult, unstructured questions and information requests and provide them with the right information in real time provides a ton of opportunity.”

The challenges around extracting insights from unstructured data means there is still dark data that, if leveraged, could provide a much better understanding of the consumer.

“Organizations have tons of historical product registration data, all of which must have been entered into a database at some point,” he says. “But historically, a lot of that information has gone untapped. Similarly, companies have millions of product inquiries over the years that have been recorded in some way, shape or form. These inquiries might contain questions about products, suggestions or even complaints. The ability to tap into that unstructured data creates a huge opportunity for future product development.”

He believes that IoT provides significant opportunity to leverage data insights.

“Smart appliances can allow manufacturers to analyze how products have been used, what is working and what is not, as well as usage patterns,” he says. “They can then feed that information into their product development pipeline to ensure they are continuing to deliver on consumer expectations.”

As a marketer, he says data provides a better and deeper understanding of which engagement tactics are working and what ultimately drives consumers to purchase. However, there is still an opportunity to gain more meaningful insights with more transparent and unified data analytics.

One of the trickiest areas to tackle is linking activity to the final purchase of goods. This is especially challenging because the vast majority of goods are sold through third-party retailers. However, he explains that one way to address this issue is by using registration data.

“We know that manufacturers get warranty information and product registration, which includes consumer data,” he says. “While people don’t always go home and immediately register their products, the ability to take the data and link their website visits, where they purchased and when they registered can be hugely beneficial in understanding attribution analytics.”

In addition to conversion data, he says improved data around consumer engagement with digital media would be beneficial.

“There are certainly more metrics today around digital media, but historically that information has been based solely on eyeballs rather than a true understanding of how people engage with an ad and the impact it has,” he says. “Having better data around that will enable marketers to better understand engagement, which will drive better decisions around the ultimate effectiveness of marketing and advertising activities.”

Ultimately, creating a unified view of data enables better operational decisions.

“Data around where consumers buy products and the types of products they buy can be used predictively in internal forecasting and inventory management,” he says. “Overall, having a better understanding of your consumer impacts operational decisions across the entire organization.”

To accomplish this, it is imperative for cross-functional teams to work together.

“A single view of the consumer must be considered across all different touchpoints that consumers use along their journey,” he says. “Creating a unified view allows organizations to be more predictive. By segmenting data by function, you can look backward to analyze trends, and that may be helpful for an individual tactic. But by aligning those views, organizations can look forward and create opportunities for increased consumer satisfaction.”

He says the greatest challenge to unifying functions is legacy systems.

“Oftentimes, companies use legacy databases that contain different views of consumers, but the more unified the perspective, the greater opportunity we have to succeed,” he says. “Today, most organizations are embracing the need to leverage more sophisticated technologies, but to create an infrastructure that provides a single view can be a huge undertaking and investment, so some companies are still lagging in execution.”

Getting the technology right is imperative, but even with the right technology, data-driven initiatives will not succeed unless organizations are able to create an organizational culture that embraces it.

“You need to make sure to pull in all of the key decision makers and ensure collaboration across the organization,” he says. “This will unleash huge opportunities that extend well beyond any single department.”

He believes this alignment must stem from an understanding that all groups are looking at data to make better business decisions. There is significant overlap in data priorities across marketing, commerce and supply chain, but even so, he says marketing is more focused on what the consumer is doing than other area of the organization, which present a significant opportunity to bring other voices to the table.

“I think there is tremendous opportunity to use data that cuts across the entire organization,” he says. “The trick is that there is a lot more data than there are insights. This is true of any organization, no matter how sophisticated their data analytics capabilities, so it is imperative to prioritize the types of insights that will make the most impact and then ensure there are enough resources to achieve those goals.”

**ANGELA HSU**

Senior Vice President,
Marketing and eCommerce

Lamps Plus

LAMPS PLUS

Founded in 1976, Lamps Plus is the nation's largest specialty lighting retailer. The Los Angeles-based, privately held family owned company maintains an eCommerce site and operates more than three dozen retail stores across the western United States. Angela Hsu, the Senior Vice President of Marketing and eCommerce, manages a team responsible for marketing, site strategy, PR and brand, creative services, innovation, marketplace and merchandising analytics. She describes how data and the implementation of AI-powered platforms have enabled Lamps Plus to better engage with their customers, ultimately cutting costs and improving customer experience.

As an online and offline retailer, she says Lamps Plus is acutely focused on leveraging data that will better meet consumer needs across channels. "Creating an omni-channel experience means understanding our users' behaviors on our website, in our stores and through our marketing efforts," she says. "Having a unified view of these activities enables us to personalize what we show our customers to better fit their wants and needs."

Insights into the offline-online relationship are keys to fully understanding each unique customer journey.

"We are taking a more holistic view of the customer by leveraging multi-touch attribution and integrating online and offline data," she explains. "Having a full understanding of all of the touchpoints (online, offline, channel and device) is one key to better serving our customers."

She adds that any data insights must be leveraged within the context of providing a superior experience, so ensuring compliance to customers' privacy rights and specific preferences is paramount.

"We need to ensure that we limit our data collection to areas that our users deem appropriate," she says. "The goal is to leverage the right data that makes them feel comfortable while still providing a personalized, superior experience."

In order to get the most out of the data at their disposal, Lamps Plus is continually adding new technologies that can better target consumers with relevant messaging.

"We have integrated third-party data sources to supplement what we know about our

consumers to ensure we are reaching them in the right way, at the right time and through the right channel,” she says.

She says that the insights gained in the digital realm have enabled a deep understanding of their customers.

“The data we gather from our customers’ website journeys allows us to customize our marketing specifically to them and their preferences, whether they continue their journey online or move toward in-store interactions,” she says. “Gone are the days of using only age and gender demographics. Improved technology and people’s willingness to share relevant information have allowed us to get a much better understanding of our customer.”

The company already leverages AI and machine learning across company initiatives to improve efficiency and effectiveness. They are also integrating other new technologies based on a constant evaluation of the organization’s needs. She says with any technology, the goal should be to ensure that the technology makes it easier to act upon new insights.

“Data is an essential tool for the modern marketing and commerce leader,” she says. “We are seeking new ways to ensure that our data can quickly and efficiently be turned into actionable insights.”

On the program side of the equation, she says that data has enabled better segmentation of customers, which helps them provide more relevant communications. Operationally, data enables efficient marketing spend.

“With marketing costs continually rising, we regularly refine our budget based on the performance of our marketing efforts,” she says. “Our customer focus has allowed us to maintain growth in an increasingly competitive market due to our heightened attention on personalization.”

With the increasing emphasis on data insights, she says the organization is working toward a streamlined data value chain.

“We capture hundreds of data points throughout our customers’ journeys,” she says. “As technology evolves and improves, we regularly find more ways and places to collect data and improve our understanding of customers.”

That understanding cannot be siloed; rather, she says it is imperative to have a multi-functional view of data.

“Having different teams tap into the same data to determine their own unique insights helps each team to look at the data differently,” she says. “By sharing this information cross-functionally, we can approach our own data sets differently. Additionally, we can better assess how our individual projects uniquely impact different teams.”

The combined data of the marketing, supply chain and commerce teams is substantial. By working together, they ensure that those insights are most appropriately leveraged given the unique needs of each function while always keeping the shared goals of the organization top of mind.

“There is no shortage of insights that our teams discover regularly,” she says. “Each function may have its own understanding of customers based on how they are trying to serve them, but it is through shared knowledge and working toward shared goals that we overcome obstacles around cross-functional collaboration.”



JASON TRUSLEY

Vice President of Supply
Chain and Operations

Nordstrom

NORDSTROM

Nordstrom is a leading fashion retailer, offering clothing, shoes and accessories for men, women and children. Founded in 1901, Nordstrom now has 373 stores in 40 US states and Canada including 122 full-line stores in the United States, Canada and Puerto Rico; 239 Nordstrom Rack stores; two Jeffrey boutiques; two clearance stores; six Trunk Club clubhouses; and its Nordstrom Local service concept. Additionally, customers are served online through Nordstrom.com, Nordstromrack.com, HauteLook and TrunkClub.com. Vice President of Supply Chain and Operations Jason Trusley works to design, deploy and optimize the end-to-end omni-channel supply chain for Nordstrom. His work aligns with the company's goals for growth, transformation through digitalization, and optimization of commerce platforms. Trusley discusses the ways in which Nordstrom extracts data to improve customer experiences both online and in retail locations.

“We have evolved our supply chain strategy to start from the perspective of our customers—the brands they buy, the way they access our products and services, and a finer segmentation of how they engage with each of our traditional selling channels,” he explains.

He says this customer-centric perspective changes the supply chain strategy in terms of how they develop capabilities, tactics and their transformation roadmap.

“While the supply chain was historically a step removed from the customer, today we continuously elevate how we use and consume information about customers and products to inform our strategies,” he says. “Our ability to meet customer need means that all of our inventory is available for our customers in whatever channels they prefer. Brick and mortar is visible to online customers, and online customers have many options for how, when and where they receive products.”

He adds that none of this is possible unless their data is reliable. They focus on data that will help deliver a superior experience through the alignment of service, speed and experience.

“From the very tactical to the very strategic, data is informing a new set of decisions across the supply chain,” he says. “Our success in the supply chain is about stitching together data that allows us to better forecast, plan and deploy against a constantly moving customer target. This makes it especially important to gain real-time insights. We’re continuously working to get smarter at where we stock products based on preferences and how we flow goods through the supply chain.”

“Understanding how to get returned products back on the shelf is also a priority. Shrinking selling windows requires that we know more about what customers want and where they will want it,” he continues. “By leveraging data that is closer to real-time, we help bridge flows both forward and backward, ultimately allowing for more opportunities to put the right product in front of the right customers.”

He says that the tighter the integration between the main players in the customer value chain—i.e., the customer, Nordstrom and brand partners—the more effective their decisions will be.

“In the past, we used new sources of data gleaned from Facebook, Instagram, influencers and our own internal selling data to accelerate the design and manufacturing of products,” he says. “Getting insights into what is trending is great, but getting insights from kids walking into our store about what will be trending is even better.”

He says data is the lifeblood of the organization, but there are still hurdles to overcome to truly make the most out of the data at their disposal.

“Data is the corporate bread,” he says. “Every day, we make decisions about how to flow and integrate demand and supply to drive both cost optimization and superior service and experience. To build this at a larger scale, we’re continuously looking for new talent as well as further align expectations and decision making.”

“We recognize the importance of delivering next-generation, AI-like capabilities, he continues. “In doing this, we also know that it requires experimentation, scaling learnings and changing the organizational structure to make operational optimization work.”

He says the supply chain team must be open to leveraging new sources of data as the organization and other functions evolve their data strategies.

“The marketing and commerce teams are elevating what our membership data means for our customers to make it easier for them to engage across channels and at every touchpoint along the shopper journey,” he says. “While we are not yet leveraging that type of data, I can envision using the same data points for our own unique purposes. We have to be open to untapped data to drive fundamental change in how we either optimize or drive strategic change in operations.”

Indeed, he admits that cross-functional collaboration is a relatively new domain for the supply chain.

“We are undertaking a huge project to define our future supply chain,” he says. “Our goal is to engage with our business and functional partners differently. I believe there is a lot of information we can unlock through increased cross-functional collaboration.”

He says one of the greatest opportunity lies within leveraging technologies that allow data to be easily understood and by creating a culture that encourages cross-functional alignment, frictions are reduced.

“Technical unification, enabled by new technologies, is easier now than it has ever been,” he says. “By viewing data through a unified lens, we are able to reduce friction, which ultimately enables us to better identify opportunities.”

He says they are working to achieve a more consistent view of the customer across all dimensions of the enterprise through the Nordstrom Four Box structure.

“When we have that integrated customer view along with a product view, we can really drive a different strategy from a supply chain and operations perspective,” he explains. “Our customers move across all boxes, even though some may bias one way or another. We have designed our operations to support siloed customer experiences rather than a unified understanding of how the customer really moves across our channel structure. For example, with Nordstrom Local, understanding how to better predict and anticipate customer needs is critical for deploying our supply chain assets against those experiences.”

He says they are starting to integrate technologies like machine learning (ML) and artificial intelligence (AI) in certain areas, but they still have not implemented these technologies at scale.

“We use a mix of ML, AI and more traditional tools on things like forecasting and planning, flow optimization and labor planning,” he says. “We have the imperative to envision the future and create the shadow of the future so that we can deliver the retail experiences and services that are expected. We’re continually looking for solutions to help us better serve our customers.”

He says that sponsorship and focus make the biggest difference in how the organization manages, maintains and maximizes the output of data.

“We have visionary leadership that drives data as a priority for the company, which gives the supply chain organization greater permission to explore the boundaries of what is possible,” he says. I have been fortunate to be part of visionary organizations that see the value of data to make better, faster decisions.”

**RICK BINGLE**

Senior Vice President of
Supply Chain

REI

Recreational Equipment Incorporated, known as REI, is a national outdoor retailer. Founded in 1938 by a group of Pacific Northwest mountaineers seeking quality equipment, REI operates retail stores nationwide, two online stores and an adventure travel company called REI Adventures. REI offers products from top brands for camping, climbing, cycling, fitness, hiking, paddling, snow sports and travel, including its own line of outdoor gear and apparel. Senior Vice President of Supply Chain Rick Bingle is responsible for managing and growing the distribution and logistics function in order to provide quality experiences for all REI members. He shares ways in which the company leverages data to ensure they are working effectively to complete business functions and satisfy consumer needs.

“Supply chains are defined differently across different organizations,” he says. “At REI, I am accountable for our omni-channel fulfillment strategy, which includes in-store fulfillment, buy online/pick up in store fulfillment and vendor inventory fulfillment. I am also responsible for overall international logistics—moving our private brand’s products to each of our supply chain distribution nodes and then to our end-user customers and stores. My responsibilities also include overseeing our call center and how we interact with our customers.”

He says his goal is to ensure that customers can have free-form access to the organization through their preferred method.

“The only way to meet our customers’ needs is to have a deep understanding of how they interact with operations,” he says. “We analyze where they like to purchase, the timing and what information they seek out as they go through the buy-and-receive cycle. The more information we have, the better prepared we are to fulfill their needs and preferences in each interaction.”

He says these data insights enable the supply chain team to make strategic operational decisions across the company about how and where to position inventory.

“All of the data about our customers—including how loyal they are, where they like to shop, how often they shop and whether they buy full-price items or look for promos—allows us to pull together a deployment strategy that fits our customers’ needs,” he says.

REI is a membership-driven organization, which provides a significant advantage in terms of gaining data insights.

“When a customer creates a member profile, we are able to see all of the data around that individual shopper and their history with us,” he says. “We can then pull that data and analyze it through different lenses. The marketing group can look at it in ways to create frequency, action and retention. In the supply chain, I seek out customer data that focuses on transaction fulfillment and timeliness.”

He says that transactional data connecting back to an individual member is instrumental in elevating the supply chain process.

“Every company has transactional data, but I am able to connect that data back to an individual member,” he says. “I can get down to the level of granularity that allows me to analyze, for example, how cyclists tend to buy at a certain time of year in a given location and whether or not I am meeting the needs of those cyclists in terms of inventory fulfillment.”

He says the challenge for his team is not the sources of data, but rather the inferences they are able to achieve from the data.

“Our challenge isn’t so much the absence of data but how quickly can we review the data and create inferences from it,” he says.

In retail, it is vital for supply chain and operations to listen to both marketing and merchandising. However, each team still uses its own unique tools, making collaboration more difficult.

“The idea of bringing all of the key voices together to create a unified conversation is a real challenge in any retail environment today,” he says. “Each department has its data streams, but we need to unify those streams to drive a conversation that keeps the entire organization working together toward a unified goal.”

In an ideal world, he says he could sit down with the divisional leads of marketing, merchandising, product, retail and operations and easily connect all of the disparate information from them to create a holistic understanding of how everything comes together. In the absence of a system that unifies them, he says they have collaborative, cross-divisional conversations that allow them to constantly tweak their alignment.

These conversations are held in the form of bi-weekly, cross-functional meetings in which the teams analyze sales trends in both a backward- and forward-looking way. The operating plan is set up through the lens of how to drive frequency and customer traffic, establish the product plan, lay out what will be on sale and when, and analyze customer communications through digital versus in-store.

“The merchandisers talk about the product plan, the marketing team talks about their engagement tactics, the retail team talks about strategy, and the operations team needs to ensure that we have the capacity to meet the expectations raised in the conversation,” he says.

REI differentiates itself as a company through the experiences they are able to create online and in stores.

“We are able to differentiate ourselves on the experience side, so part of what we ask is how we should differentiate ourselves in our operations,” he says. “If we believe our real differentiation is in the experience, then we need to ask ourselves about our own customer transactions and understand whether we are meeting market expectations.”

He says this drives a very different conversation relative to the data.

“We have set up call customer transaction models, and we analyze the individual transaction that the customer goes through from their point of view,” he says. “This is a real shift from how the supply chain tends to think about a ‘perfect order,’ which is one where we fulfill an order on time and with no errors. Our customer transaction model allows us not only to see the transaction, but also to marry it to customer expectations so that we can make a fundamental difference to our customers.”

He says there are hundreds of measures around how to look at logistics, but organizations that have superior supply chains focus on just a handful of data points that really change the outcome, whether for customers or financially. At REI, they look at four unique measurements.

“We measure expense percent, cost per unit, units per hour and our critical customer transaction models,” he says. “To move the needle in operations, we need to have robust measures around receiving processing, production, shipment and quality. By looking at the three financial components, as our product mix changes, we can understand how our team is optimizing the bottom line. By adding the customer component, we are able to connect our customer needs to our company needs.”

He says their data analysts have aggregated a number of tools that are helping to make this process far easier.

“We have been on a path for about two years to merge our product data and our customer data into one place,” he says. “This enables us to bring together our operations and customer data, and by having this data in one place, we are better able to create a unified perspective around the data.”

He says the biggest difference around data insights comes in hiring the right people.

“REI has made a conscious effort for the last several years to elevate the importance of analytics,” he says. “We have always been product-oriented; our goal is to get people into the outdoors through our products. However, we realize that it is not just about putting a great product on the shelf. It is also about our ability to meet customer expectations by analyzing what we see in the data.”

He says they started by bringing in analysts, which allowed them to begin identifying data gaps. Then, they sought out tools that could bridge those gaps. The next piece is to integrate artificial intelligence.

“We are not looking to replace our analysts with AI, but rather empower them with it,” he says. “AI enables us to address many more issues each day, and it accelerates the ability for our analysts to extract, communicate and potentially change strategies. Analysts now have tools to visualize data and bring it all together in one queue, thereby facilitating cross-functional collaboration. Now, organizations need to think about creating horsepower behind the scenes that accelerates the analyst.”

**GARY ALLEN**

Vice President Supply Chain
Excellence

Ryder Supply Chain Solutions



Ryder is a FORTUNE 500® commercial fleet management, dedicated transportation and supply chain solutions company. Ryder has been named among FORTUNE's World's Most Admired Companies and has been recognized for its industry-leading practices in third-party logistics, environmentally friendly fleet and supply chain solutions, and world-class safety and security programs. Gary Allen, Vice President of Supply Chain Excellence, brings more than 25 years of experience in supply chain management, logistics outsourcing and professional services. His three main areas of responsibility include product development in innovation, solution design and continuous improvement.

"We have grown our business based on our customers' needs," he says. "By leveraging new technologies and enhanced data analytics capabilities, we have been able to put the customer at the center of our decisions and ultimately tailor our products to them."

He says that one of the most important elements to their success is how they approach the use and development of products, which has been driven through an agile methodology.

"We have reshaped how we develop products by using an agile approach," he says. "The agile methodology places the customer and experience at the starting point, and from there we drive everything else. We prioritize our focus by determining the next function we want to tackle in terms of user experience, and we then build products that will improve that experience."

He says that when it comes to data analytics, Ryder needs to think about two sets of customers: internal customers, who become users of the dashboards but are not a part of the product teams, and external customers, who use the dashboards to analyze their business and supply chain.

"Whether an external or internal customer, we start any product by understanding their needs, expectations and behaviors," he says. "I view our analytics as an overall product, and we approach that product through co-creation with the customer, which enables us to prioritize our activities based on their needs."

He says that the agile methodology also helps different groups to stay aligned across the organization.

“The product owner works with product engineering from both a technical perspective and a user experience perspective,” he says. “In this way, Agile helps us to break down barriers. Everyone uses the same tools, which provides visibility across the organization in terms of what key stakeholders are working on.”

When it comes to providing data insights, he says that customers do not want details around the data, but rather a summary that shows them how well their supply chain is running.

“They want summarized dashboards and event anomaly highlights,” he says. “Along with the notifications of what is happening in their network, they want summarized data around whether products shipped on time, the inventory accuracy across the network and how well the supply chain is performing financially.”

That real-time operational and transactional data enables them to determine what is happening across the network to avoid disruptions.

“Transparency across the supply chain is improved by leveraging tools that allow us to provide necessary information in real time, with the long-term goal of being able to predict anomalies so we can be far more prescriptive across the supply chain,” he says. “By recognizing issues in real time, we can help manage expectations so that service levels are maintained and failures don’t occur.”

He says that the challenge around data is that oftentimes, he has to use customer systems, many of which do not align to internal Ryder systems. This challenge is further exacerbated by the ever-increasing amount of real-time data.

“The challenge when working with disparate platforms is to leverage information in real time to drive behaviors and insights to ultimately make our customers’ lives better by proactively optimizing and driving decisions,” he explains. “Real-time data is instrumental to our success in that area because latent data may be too late to improve our customers’ operations. As such, we need to figure out how to structure the data to proactively drive decisions that optimize our customers’ supply chains.”

Luckily, he says that new technology innovations are evolving how data is managed on behalf of customers.

“Improved tools and technologies—not only around data analytics, but also the internet of things (IoT), sensor technologies, real-time streaming data, click data and usage data—enable incredible levels of data insight,” he says. “For us, leveraging API (application programming interface) instead of EDI (electronic data exchange) has been fantastic in bringing more data to the fingertips of functional leaders.”

Still, he says that the real power to be unleashed by technology advancements must coincide with the right talent to interpret those insights.

“We have to grow and develop our data analytics resources regularly, and to do that properly, we need the right skill sets,” he says. “There are significant technologies out there that can create data lakes and predictive modeling, but we need the right talent to be able to harness the data and do something meaningful with it.”

He says that the data analytics team is aligned by business and by process. Within that, there are levels of data management.

“The first step is data management, which focuses on structuring the data,” he says. “The second focuses on taking the data and presenting it back to the business in a meaningful way. This usually consists of creating dashboards and visuals. The third dimension is pure data science, and it goes into more complex analytics around predictive and prescriptive modeling.”

He says there is a lot of untapped data available, so the challenge is often in deciding what data to tackle first.

“When it comes to data, our approach is focused on how it drives value for the customer,” he says. “Our decisions on the data sources we want to bring to the front always come back to what impact it will have for our customers.”

By leveraging this approach, Ryder has created a number of new apps that have further enhanced the customer experience. One such app, RyderShare™, offers customers access to real-time, self-serving dashboards.

“RyderShare provides visibility of where products are in transit all the way through a supply chain network,” he says. “We can get down to a level of granularity where we can show the truck’s location, the driver’s location, which driver is assigned to the truck and which truck is assigned to a given route. We now have the ability to track inventory relative to either shipments in motion or inventory in a warehouse.”

One of the key attributes of RyderShare is that it offers customers access to real-time, self-serving dashboards.

“Our customers can go in and customize the dashboards based on what they want to view,” he says. “They can customize based on look, feel, what data they want to see and what insights they want to derive from it. “

To continue to improve upon their data analytics capabilities and the products they can provide their customers, they are actively deploying new technologies like robotic process automation (RPA) and wearables and are testing others like AI, drone technology and machine learning.

“RPA tools are not only very successful, but they are also easy to implement, so we have already implemented those tools in our transportation business and we’re working on plans

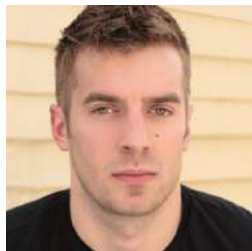
across Ryder,” he says. “We are actively deploying autonomous robots for material handling. We are using wearables to integrate into operational tasks. At the same time, we are testing things like drone technology to do inventory audits.”

He says they are still in the pilot stage with machine learning and AI because it can be tough to pick the right use cases and because they need to ensure the data is properly structured at the outset.

“If our data is not structured in the right way, it can be really hard to get the full value out of some of the more advanced technologies,” he says. “As we continue to hone in on our data analytics skills, these technologies will become more viable.”

Even with evolved skills, he says the rapid rate of technology evolution and lack of standards across platforms will continue to create challenges.

“If we could have standard data models around different solution sets across the entire supply chain, we could standardize our data canonicals,” he says. “The challenge is that these technologies are changing so rapidly that it is hard to keep up with how to properly structure the data.”

**CHARLIE COLE**

Chief eCommerce Officer

Samsonite

Samsonite is a worldwide leader in superior travel bags, luggage and accessories. For more than 100 years, the company has taken pride in combining notable style with the latest design technology and the utmost attention to quality and durability within their products. Samsonite has acquired multiple other brands, including TUMI®, American Tourister®, Hartmann®, High Sierra®, Gregory®, Speck®, Lipault® and Kimilant,® leading to a record-breaking year of sales in 2017. Chief eCommerce Officer Charlie Cole is responsible for managing the vast network of Samsonite's reach in the digital space and working with the regional presidents to identify opportunities that will enable Samsonite to become the leader in the digital space within their industry.

“Samsonite officially acquired TUMI in August of 2016, and it was then that they acquired me,” he says. “At the time, I was the Global Chief Digital Officer at TUMI. The business structures were vastly different; while TUMI centralized eCommerce, Samsonite’s eCommerce branches were decentralized by region. I fought to centralize the function, and now my job is to advance digital by enabling regions to work together while still reinforcing local leadership where appropriate.”

He says that digital enables incredible levels of data acquisition, which his team leverages to enhance the customer experience in three key areas: one-to-one messaging, on-site personalization and acquisition.

“Even customers at the bottom of the funnel provide us with enough data to create a playbook based on insights into their interests,” he says. “Where they browse, what they open or click, and how they participate in our social sphere can tell us a lot about their preferences. It is our job to listen to that information and ensure we then engage with them in the right way.”

That information is then leveraged to ensure one-to-one messaging. The significance of this personalization is heightened due to an internal goal that the average TUMI consumer should receive less than one email per week.

“This goal puts pressure on our team to ensure that each customer receives the most relevant email of the handful being deployed in a given week,” he says. “There’s an old adage in online marketing of ‘spray and pray,’ but if we are leveraging data effectively, spray and pray should

be dead. Data allows us to spend less money on marketing but be more effective. If we have a cohesive data set and the ability to run algorithms/machine learning/artificial intelligence on top of it, we can be incredibly efficient.”

Ongoing interactions create data repositories that are leveraged for on-site personalization, which ensures that each individual visitor to the website receives the most relevant experience on that site.

“The data we have creates personas, which allows us to break down people by demographics, psychology, sociology and geography,” he says. “We can then use various platforms to target them specifically and provide them with the most relevant experience based on what these factors tell us.”

He explains that personalization lies in preferences of interaction and channel, as well as the types of messages being delivered.

“We need to make sure we optimize for brick-and-mortar or online, depending on preferences,” he says. “We also need to understand that certain demographics prefer a phone call whereas others prefer email. We need to know not just what to talk about but how to talk about it. Customers give clues on what they want. You need to be able to take that data and offer them a personalized experience.”

He says it is important to start with first-party data and ensure that it demonstrates that customers feel comfortable browsing the site, purchasing products and interacting with customer service.

“There are a lot of second- and third-party data sources out there, but if you don’t understand your current customers, you won’t do any better by leveraging outside data sources,” he says. “Only once we felt we had a good understanding of our customers did we start to engage with third-party sources.”

When it comes to selecting the appropriate third-party data sources, he notes that the amount of data available can be fairly intimidating as far as sheer scale and detail. The hardest job for a marketer is to ascertain the most relevant data set.

“When leveraging third-party data, it is important to leverage data that is actually correlative with your business,” he says. “Sometimes you have to create a conjecture internally, test it and evaluate it unemotionally. Don’t try to justify your hypothesis; fail quickly and move on to a new method.”

Of all the sources of primary data, he says that data found in customer service is the most powerful. On the third-party side, travel data is the most relevant to their success in the acquisition channel. Still, some data is currently inaccessible that he believes could make a huge impact on campaign effectiveness.

“For a mono-brand like TUMI, it is really hard to connect people through multiple devices,” he says. “Customers don’t need a TUMI app on their phone as they do not interact with the brand too often. Cross-device data can create a single unifying ID behind the scenes and give a supreme level of data personalization and relevance across all devices. There is not yet a solution available for brands like ours.”

He says new technologies like machine learning take the guesswork out of marketing, but there are still technological limitations to achieving the most aspirational marketing goals.

“Google, with all of the data they gain through Google Analytics and Google Maps, could forecast our retail business within 1 percent for a seasonal product, which is something we could never do on our own,” he says. “We don’t have the unlimited data and trends on our own brand and competing brands that Google has. If we could have that, not only would we be more effective, but we would also have less waste.”

And while TUMI has been around for 30 years, they only have seven years’ worth of data currently in their systems.

“Those previous years of sales data could be actionable, but data from that long ago is far harder to access and would take a lot of work to analyze. It would be a question of the amount of effort versus the payoff,” he says.

He defines the most important data sets for each function by their mandate.

“Marketing and commerce are about timing and location, so data should help us to define that,” he says. “Supply chain is about speed and time to market. The marketer/retailer is limited and enabled by the supply chain; the supply chain is limited and enabled by the design team. They are really all tied together.”

In the retail world, the supply chain needs to be better looped into this collaborative process.

“If a marketer knows that a certain product will attract a lot of attention, but the supply chain is not involved in that decision, they will not be able to optimize the rollout strategy,” he says. “Brands and eCommerce operators need to do a better job of collaborating, and it is our job to bring supply chain into the process.”

He says that one of the larger challenges of bringing cross-functional stakeholders together is that different teams are using different back-end tools.

“Each function has their own silo of data, their own view of what’s important, and their own key performance indicators,” he says. “Because of that, having a truly unified view of what matters to the customer will always be skewed by the functional eyes defining that customer.”

But while differing perspectives are unavoidable, he says it is imperative to have at least one

system and one view that all functions can agree upon as a single source of truth to define the customer. Data has enabled them to gain a better understanding of who their customer is and, arguably more important, who their customer is not.

“Data allows us to evolve our thinking on the realities of the world as opposed to the internal beliefs we may have about our company or our customers,” he says.

The importance of data ultimately comes down to the relationship between the brand and the customer.

“We need to find ways to ensure that our customers truly benefit,” he says. “We want them to get back minutes of their life, buy less waste and get better products for their unique purposes. As brands, we need to think beyond serving them more apps. We need to move beyond the objectification of data to turn it into sales. We need to think about making our customers’ lives better through data.”


BETSEY CHUNG

Chief Marketing Officer

TD Bank


TD Bank Group (TD) is the sixth largest bank in North America by branches, serving approximately 25 million customers in a number of key financial centers around the globe. With 85,000 employees, Betsey Chung, Senior Vice President & CMO, Canadian Banking, TD Bank Group says the core mandate of TD is to deliver legendary customer experiences. In her role, she oversees all lines of business, including retail, commercial and wealth management. She is responsible for driving everything from gross strategies for the businesses to tactical elements like acquisition and deepening customer relationships.

“We are enabling superior customer relationships primarily through digital transformation,” she says. “This helps to ensure we are delivering consistent and seamless experiences through all of our channels – truly optimizing the omni-channel experience.”

Having spent her entire career in financial services, she says that TD goes above and beyond to ensure data privacy is respected.

“Here at TD, we are very customer-centric and place the utmost focus on compliance and respect for data privacy,” she says

Living up to strict regulatory obligations makes for quite a controlled environment from a marketing perspective, but that does not stop the team from creating compelling, personalized experiences.

“We utilize data to deliver connected, personalized experiences for our customers, while ensuring we respect and carefully consider their preferences in how they transact with us,” she says. “We strive to ensure that we are relevant for our customers, while also delivering financial confidence in all of the touchpoints we utilize.”

She says that marketing has changed drastically with the birth of the connected economy. While direct marketing (usually through direct mail) was previously the norm for financial institutions, the last couple of years have driven a significant increase in social networks, which has driven customers to expect 24/7 connectivity and responsiveness.

“The connected economy has changed the way that marketing is done across industries,” she says. “Marketers that have an eCommerce background are increasingly sought after because

that is the most sophisticated form of direct response. Second to that, data scientists as marketers are increasingly important. The move to digital and data-driven analytics allows marketers to use critical thinking through the power of data-driven insights and enables them to optimize experiences in real-time.”

Data privacy is even more important in the connected economy. Taking steps to ensure, delivering personalized experiences is balanced with adhering to customer data and information preferences becomes essential.

“While most marketers would love access to as much data as possible, we also need to think about what customers really want us to have access to and respect that,” she says.

Overall, she believes that marketers need to move toward analyzing the entire customer journey.

“By approaching marketing from the standpoint of the customer journey rather than looking at campaigns, we are thinking about how we meet customers’ needs at each stage in their journey,” she says. “From a data perspective, we need to analyze data in a way that allows us to deeply understand and respond to the customer journey.”

While there are plenty of tools for marketers to choose from, attribution tools top Chung’s list.

“As a marketer, it is imperative that I consider both efficiency and effectiveness of our programs,” she says. “If we only look at the last touchpoint for a customer, we are going to weigh that more heavily than all of the moments that led to that moment. A multi-touch attribution tool properly weighs all of those activities, thereby enabling marketers to make more informed decisions.”

She says knowing our customers is critical to creating the experiences that customers want.

“You can utilize existing customer information and, while respecting their preferences, deliver them highly personalized experiences,” she says. “The data we have within our walls is all information to which customers have granted us access. Our customers have placed their trust in us and that is an honor we respect and take very seriously.”

Furthermore, once marketers learn how to optimize data for their customers, they can then explore opportunities to join forces with partners to create unparalleled and truly integrated experiences.

“While information from other sources can elevate our capabilities to personalize for our customers, if you don’t fully understand your own data, secondary sources will not help you achieve your goals,” she explains.

When it comes to leveraging data for customer engagement, she highlights two key aspects to the approach.

“We think about acquisition of new customers and onboarding of existing customers, as well as retention efforts,” she says. “When it comes to acquisition, attribution is fundamental. When it comes to engaging current customers, we are deliberately focusing on a customer-centric model rather than a product-centric model. We need to consider the needs they have at the point of sale, as well as what needs they have throughout their relationship with us. We need to ensure we provide them both the right advice and the right content during their journey to provide optimal financial education.”

On the operations side, she says that data-driven insights have allowed all teams to become closer to the customer in terms of how the organization is set up.

“By setting up organizations to be responsive to the customer, you enable agile teams that are closer to the data and closer to customer signals,” she says. “Customers give off signals all the time, and listening to those signals in real-time has helped us to become nimbler and closer to the customer.”

At TD, she says the Head of Enterprise Data & Analytics, Chief Technology Officer, Chief Digital Officer and Global Chief Marketing Officer are fully interconnected. These leaders and their teams jointly focus on business challenges, outcomes and even share targets.

“Our relationships are vital for the success of the organization,” she says. “Sharing knowledge ensures that we have one source of truth. We are all working from the same system and tap into the same set of data.”

She says over the last 18 months they have been investing heavily in both people and tools - signifying a rallying call to focus on a unified view of the customer.

“I believe we have a huge competitive advantage in having these functions working in lockstep with one another,” she says. “The magic happens when you’re all rowing in the same direction, utilizing each other’s expertise toward a united goal.”

**CHRISTIAN NELISSEN**

Chief Data Officer

TD Bank

Toronto-Dominion Bank (TD) and its subsidiaries are collectively known as TD Bank Group. TD is the sixth largest bank in North America by branches and serves approximately 25 million customers in a number of locations in key financial centers around the globe. Christian Nelissen, as the Head of Enterprise Data & Analytics, explains how data and analytics are playing a larger role in the way banks work to provide positive customer experiences. He believes that data-driven engagements can restore the disconnect between companies and their customers.

Nelissen says that banking and insurance are the first data-driven businesses, going back hundreds of years.

“All banks and insurance companies manage data,” he says. “We deal with some physical notes, but especially recently, with everything moving to digital, our main focus is on managing data. For many companies, data is a byproduct of what they do; for us, data is what we do.”

Historically, banks thought of data as an operational process. Data was leveraged for the purpose of a specific function. Today, they are working on extracting increased value from those core operational systems.

“We’re good at making sure that when you write a check or use your card, the information flows through a very complex, robust system for data management and privacy,” he says. “Until recently, we have thought about data as a byproduct of operational processes. Now, we realize that data is not just the core of our business, but also a way to drive our business much more intelligently.”

Given the historical use of data, most of it still lives in operational systems.

“None of the data is lying around, but there is still a lot of data that lies in legacy systems and has yet to be extracted,” he says. “Operationally, the data we have enables us to accomplish our goals, but we are now working to properly leverage that data to gain customer insights, which requires more complex analysis of our data systems.”

To address this issue, they are building an enterprise approach to sourcing data and making it readily available.

“We’re working systemically through a long list of systems that hold the data that each function needs to leverage for better engagement,” he says. “We are taking that data from the dark to the light.”

As the Head of Enterprise Data & Analytics, Nelissen’s mandate is to streamline data across all relevant functions within the enterprise.

“It is a non-trivial challenge to do this at an enterprise scale, but people’s willingness to wait for an enterprise solution often does not last long enough for what we need to do at an enterprise level,” he says.

While he says this is a solvable problem, it can’t always be solved quickly enough for the pace at which the organization moves.

“Oftentimes, immediate needs force us to move away from enterprise solutions to identify local, tactical solutions,” he says. “In that environment, you tend to make a series of less optimized decisions in the short term that give you an immediate result, but you miss out on the long-term benefits.”

He emphasizes that one of the reasons why his job exists is to highlight the trade-offs that the organization is making for short-term gain.

“My mandate is to help the organization make a better set of long-term decisions at each of the points where we have an opportunity to use an easy, cheap, quick fix that provides a short-term solution,” he says.

For this to succeed, the organization must believe that long-term investments will pay off.

“Each tactical solution only solves a particular instance of a problem; long-term solutions solve many problems once and for all,” he says. “If you can hold out long enough to get the organization to a point where the problem can be solved strategically, then the unit cost of solving the problem goes down dramatically. The data is sorted, it’s in the right place, it’s readily available, and it’s understood.”

He says that access to data is not an issue for the organization as they have data for any potential business need. Rather, the focus is on getting faster, better, cheaper and smarter at solving these problems and getting people aligned around the value and importance of data.

“We are making the right investments into the platform that we need to continue to improve our capabilities,” he says. “However, what makes the biggest difference is to get teams to buy in and engage with the new data techniques. This is a shared problem that can only be solved across the entire enterprise when everyone is on the same page.”

He says they operate in a target-rich environment and have an abundance of opportunities to do more with data—both to run the business more effectively and to drive better customer interactions.

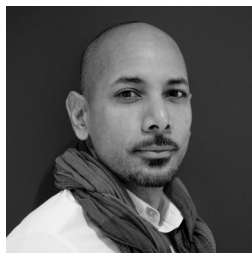
“In the early stages, it is all about aggregating data,” he says. “Once you have the data, you can do an enormous amount of work, even with simple tools and some basic analysis. After that, you reach a point where you need to squeeze more value from the data to drive true insights. It is then that it is important to utilize more advanced tools.”

He says they recently acquired Toronto-based AI company Layer 6 to address more complex issues within the business and boost their analytical capabilities to deliver greater data insights. Moving forward, his focus is to continue to centralize their customer intelligence.

“We have all of the data, but we are now working to establish a single place where we decide, within a given context, how to communicate with our customers,” he says. “Whether that is a sale, a service, an operational issue or a fraud issue, we should be able to immediately decipher those needs and connect customers to the right channel. This will differentiate us in the market because it will connect us with our customers in a way that drives long-term value.”

He says it is a mistake to think about leveraging data simply for sales. Rather, he says that organizations need to think about data to ensure that a customer’s immediate needs are met.

“Oftentimes companies only think about data in order to better target customers. However, if we can use data to understand a customer’s needs and then drive the right conversation with that customer, then we are bringing significantly more value to that individual,” he says. “There is tremendous power in understanding the customer, and each part of the organization must understand their own part of the customer experience. Our goal is to get to the point where we see customers the same way they see themselves.”



INDAR CHANICKA

Vice President of eCommerce,
Digital Marketing and CRM

The Body Shop



The Body Shop is the original natural and ethical beauty brand, selling products for skin care, bath and body, fragrance, makeup and hair care. Founded in 1976, today it has more than 3,000 stores in 68 countries. Indar Chanicka, Vice President of eCommerce, Digital Marketing and CRM in Canada, oversees all aspects of eCommerce, including strategic planning, commercial activity, product distribution, online merchandising, user experience and demand generation across all digital marketing channels. Within those digital marketing channels, he leverages data-driven strategies to drive upper- and lower-funnel performance, including brand awareness, new customer acquisition and online-to-offline activities.

He explains that there are several ways in which his team is leveraging customer data for business gain.

“We use data for recruitment by targeting customers who have an affinity for our brand values,” he says. “Once they become a member of our community, we then leverage data for retention. By understanding what our customers need after they have become a part of our community, we ensure that we don’t lose those customers that we have worked so hard to recruit.”

A huge aspect of retention lies in the realm of customer service. He says that the feedback they gain from the customer care team, product reviews and in-store teams impacts in-store and online engagement tactics and, in turn, how associates are trained. They also work to build out their loyalty program and ensure that they are providing all of the additional value that loyal customers expect. He says the robust data they have on loyal customers allows them to effectively personalize outreach.

“We are a customer-driven company, and we need to ensure that we provide the best possible service, whether they choose to shop online, in store or in a multi-channel environment,” he says. “If we know our loyal customers choose to shop with us in store, for example, then we create different experiences through email or advertising than we do for those who prefer to shop online.”

The next step is to improve the data analytics around customers who are part of the community but are not involved in the loyalty programs. By leveraging these insights, they can better personalize their experiences, thereby proving the value they provide and

triggering more customers to join the loyalty program.

He says that insights gained online are funneled to stores to improve program effectiveness.

“By running A/B testing online, we are able to determine the best way to interact with our customers,” he says. “For example, we discovered that new customers prefer lifestyle images whereas return customers prefer product images. We took this data and interpreted it for store posters. Stores could then gather insights about the number of returning or new customers in their particular store and then decide which poster would be most effective.”

He says there is increasing emphasis on cross-channel integration within The Body Shop and highlights that the ability to integrate the supply chain as well as the customer care team provides a huge benefit to their overall ability to create a superior customer experience.

“We have cross-functional monthly meetings and share daily and monthly reports so that we all understand how data that is being leveraged by one function could impact other teams,” he says.

Still, it can be challenging to force teams to look outside of their own objectives to a holistic picture.

“The objective of the commerce team is to drive sales while the supply chain team must get the product to the customers, and the marketing team must create targeted content,” he says. “Our challenge was to get these teams to focus on the point where these three functions align. Working together closely helps us to hone in on the impacts of each individual function’s decisions on every other business unit. Today, we all consider the impacts of our decisions on other businesses before moving forward. Even though we may have different goals, we can’t look at data in silos any longer. We need to ensure that everyone is aligned around a singular business objective.”

He says the realization of the significance of data insights for their brand mandate of being a customer-first organization has made the biggest difference overall in how they organize, manage and maintain data.

“Data reports have now become significant triggers to actionable steps to transform business initiatives,” he says. “There is so much information at hand, but we need to be able to select the right information to allow for meaningful engagement for individual teams, their counterparts and the business overall.”

He says the business is now looking at advanced tools that can enhance data analytics capabilities and, in turn, ensure a superior customer experience.

“We have our priorities, but our customers help us understand how those priorities should be adjusted,” he says. “By leveraging enhanced tools, we can quickly analyze data and adjust our tactics according to their preferences.”

To ensure cross-functional alignment, he says a tool that will consolidate all data flows across each area of the business would ensure more rapid cross-functional integration.

“Right now, it may take five or six reports to be able to create a consolidated report from which we can glean actionable insights,” he says. “If we had a tool to do this for us in real time, it would save us an enormous amount of time and resources and would allow us to identify opportunities much faster, helping us be more proactive as a result.”

Given the significance of ensuring a seamless experience in an omni-channel environment, he says the company is also exploring tools that will provide them with a singular view of their customers.

“Currently, we make the most of the data at our disposal through the use of multiple tools and by stitching together the relevant information provided by those tools,” he says. “But one of the biggest opportunities in ensuring an optimal experience would be to leverage one tool that provides a single view of the customer.”

Another tool that would be a game-changer is predictive modeling that could highlight indicators like propensity to buy.

“We already have insights into what our customers have purchased and the next-best campaign to provide them based on their interactions with us,” he says. “However, predictive modeling would be the next big step that could allow us to become even more proactive in our marketing campaigns, allowing us to help customers find potential solutions much faster.”

He says for the commerce function, data is analyzed from a customer-driven approach. Data insights enable them to improve customer experiences by analyzing how customers interact with them online or in store. For the supply chain, data allows them to understand how they can improve freight and shipments to customers. They are creating a benchmark on delivery and customer service to ensure products are arriving in the hands of customers faster.

He points out, however, that much of the information that the supply chain function needs stems from data gathered in a commerce capacity. Information around packaging and gift wrapping is significant to the supply chain function. It is through identifying these intersecting points of interest that collaboration increases, which ultimately leads to increased customer satisfaction.

Creating a seamless, omni-channel experience requires significant data-sharing, as well as the right data interpretation.

“True attribution allows us to understand where and how customers choose to shop with us,” he says. “Any business that is not using attribution is behind the curve. The use of this information is vital to truly personalize experiences and understand what actions have the most impact. Attribution helps you understand what customers are doing during their entire

interaction cycle. Through that, we are able to understand interactions from online to offline and vice versa.”

He says that businesses and functions also need to think beyond a singular dimension of data.

“You can slice and dice data in any way your mind can imagine,” he says. “By thinking through the lens of every aspect of your business and how each function can benefit from various data sets, we are better able to keep the customer top of mind.”

IBM EXPERT COMMENTARY



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WE HAVE THE RIGHT TOOLS FOR THE JOB AT HAND... NOW IT'S TIME TO RESOLVE THE BIG ISSUES

As a marketer, I am often confronted with the very same question that the marketing, supply chain and commerce leaders have raised in this study: **Do I have enough time in the day to accomplish all that the organization and our customers expect?** In reality, this question has more to do with meeting the expectations of our customer. The organization's expectations are a natural response to where our customer is making demands in exchange for their purchases.

What the CMO Council asked was what roadblocks the executives leading the charge to deliver exceptional customer engagements continued to encounter. What is important to note here is that no single "issue" emerged. In fact, it was a trio of challenges blocking the path to success: having access to the right tools and technology to advance and accelerate success, bringing on the right talent to execute in this new, data-enriched, connected omni-channel engagement world, and having the time to be able to execute and succeed while managing an ever-expanding list of priorities.

Technology. Talent. Time.

If I am being honest, time is the commodity I cannot naturally manufacture, hire or acquire. But, as we work to recapture these critical "T's" (time, talent and technology) impacting customer engagement, it is actually the three "A's" that may prove to be what will make both immediate and long-term term impact: Accessibility, Alignment and Artificial Intelligence.

As noted in the study, teams across the Customer Engagement value chain struggle to gain a true view of the customer across all of the touch points and engagements that matter most to the customer. Traditionally marketing, commerce and supply chain have only had limited, incomplete or incorrect views into each other's engagements with the customer, forcing each team to create their own view and interpretation of the customer, their expectations and behaviors.

This lack of accessibility has actually created deeper divisions and gaps between functions that many organizations work hard to bridge with strategy and alignment meetings. Reports, spreadsheets and plans are shared, discussed and even debated. But these “monthly meetings” or even daily reports do little to actually resolve the underlying issue: without data accessibility across functions, each team will continue to work from its own playbook, creating engagements within their own known silo and not knowing how these engagements align, compete or derail customer experiences and journeys.

Perhaps the best way to illustrate this is through my own experience as a customer. For those of you reading this who know me, I am an avid mountain climber. However, I am not a casual hiker or a camper. I climb mountains. For a brand like REI, that sells equipment and tools across all of these activities, it could be easy to suppose that it is not just mountains that I love, it is anything outdoors, opening me up to potentially purchase almost anything across their catalog of products. This is simply not true, but some time ago, this is exactly how REI communicated with me. I would receive emails with images of hikers and product selections for items “I might like” that were actually items completely inappropriate for mountain climbing but ideally suited for a stroll in the woods.

But, not too long ago there was a distinct and noticeable change...REI began to apply data to communications. In fact, I received a personalized invitation to come into a store and have a personal consultation about the right tools and equipment I might need for my next climb. Subsequent communications have centered around mountaineering. Gone are the hikers, kayakers and campers. Instead, my relationship with REI has become more focused and contextual...focused on the segment of me instead of the segment of products on sale.

This is why the interview with Rick Bingle, REI’s SVP of Supply Chain jumped out at me in this study. In his conversation with the CMO Council, he notes that data has empowered REI to not just understand what motivates and thrills a customer...it transformed how REI could develop a deployment strategy and connects promotions and engagements to drive a customer into a store or online and then connect that deployment to an inventory and availability strategy...all with the intention of satisfying the needs of that individual customer from the moment of discovery all the way through that moment of purchase and delivery.

REI’s story is not just one of optimized marketing, commerce or supply chain processes. It is a story that bridges the functional gaps that could separate and disrupt, instead prioritizing the customer and intentionally aligning internal teams by giving each group access to data. What was needed to bring this together was the right tool and to put that tool into the hands of the right people.

The tool, in this case, was AI.

As Rick points out in his interview, AI empowered teams to not just answer one question about the customer...but can answer 2...or even 20 in less time. AI accelerated the ability for

teams to think differently, even act and engage differently. AI, perhaps most importantly, gave teams the time to think, extract, communicate and change. He also notes that REI's success isn't just about tools...it really has come down to the team. REI has intentionally sought out inquisitive people...teams constantly looking to ask new questions of the data at hand...people who believe in REI's fundamental brand promise: "To inspire, educate and outfit for a lifetime of outdoor adventure and stewardship."

The right teams and the right tools can manufacture time...time to do more, build more and deliver more to the customer. People often ask me why I believe AI is the right tool today. The easiest way for me to answer this is by asking, if you needed to get from New York to Paris today, how would you do it? There are a multitude of tools that can get you there... you could swim... you could row a boat...or you could take an airplane. Looking out at the tools set today, that airplane is far and away the most efficient and effective tool. So, if I say, you need to do more with data, how would you do it? Again, there are any number of tools that can attack parts of that challenge...everything from importing and exporting spreadsheets (think of this like choosing to swim to Paris), automation tools (now you are rowing a boat to Paris), or artificial intelligence that can ingest, understand, learn and act in real time. AI is the airplane to Paris...a direct flight in my opinion.

Yes, this might be a simplification of AI, but in today's landscape of technology complexity, simple may be the most direct path to change. Here at IBM, we are lucky to have a front row seat to how AI, and in our case, how Watson is changing the world. IBM's CEO, Ginny Romeneti, said it best when she said that, "Some people call this artificial intelligence, but the reality is this technology will enhance us. So instead of artificial intelligence, I think we'll augment our intelligence."

This is the fundamental foundation of Watson: to augment. So for those marketing, supply chain and commerce leaders taking part in this study, and for those of you reading it now, I make this offer: Let us help you manufacture time. It is possible. It won't be possible with tools alone, but the right tools, in the right hands, can give you back the time you need to thrill, delight and engage with your most valuable commodity: your customers.

Dario Debarbieri serves as the CMO of Watson Customer Engagement for IBM North America.



ABOUT THE CMO COUNCIL

The Chief Marketing Officer (CMO) Council is dedicated to high-level knowledge exchange, thought leadership and personal relationship building among senior corporate marketing leaders and brand decision-makers across a wide-range of global industries. The CMO Council's 15,000+ members control more than \$500 billion in aggregated annual marketing expenditures and run complex, distributed marketing and sales operations worldwide. In total, the CMO Council and its strategic interest communities include over 65,000 global marketing and sales executives in over 110 countries covering multiple industries, segments and markets. Regional chapters and advisory boards are active in the Americas, Europe, Asia Pacific, Middle East and Africa. The Council's strategic interest groups include the Customer Experience Board, Digital Marketing Performance Center, Brand Inspiration Center, Marketing Supply Chain Institute, GeoBranding Center, and the Coalition to Leverage and Optimize Sales Effectiveness (CLOSE).



ABOUT IBM WATSON CUSTOMER ENGAGEMENT

IBM Watson Customer Engagement helps marketing, commerce and supply chain professionals unify their business around the customer. Watson's unique AI capabilities deliver insights from the right data at the right moment – across the entire value chain -- helping you do your best work to drive results. With Watson Customer Engagement, you have a 360 degree view of your business and the insights to drive growth and fuel business transformation as you deliver personalized and proactive customer experiences at scale. This is customer engagement to the power of IBM. Learn more at www.ibm.com/watson/customer-engagement

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ABOUT ADESTRA

Adestra is a trusted provider of First-Person Marketing solutions for global and growing brands. The company's industry-leading email platform provides a powerful infrastructure for one-to-one, contextual messaging and marketing automation, helping marketers communicate more effectively with their customers and subscribers. Robust reporting features allow marketers to efficiently evaluate and optimize their campaign results. The flexible structure and open integration architecture allow businesses to connect disparate technology platforms to create a seamless customer journey. Along with a best-of-breed platform that drives customer engagement and boosts ROI, Adestra was founded on the principle that marketing success takes more than technology, which is why customer service is at the heart of its business. For more information visit www.adestra.com.



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