

Capgemini 



CREATE YOUR OWN RAINBOW

UNLOCK TRUE DATA-POWERED CUSTOMER
EXPERIENCE IN RETAIL

The spectrum between personalization and privacy

Finding the balance between personalization and privacy can be a daunting task for consumer products and retail companies.

A spectrum is defined as a scale with two extremes or opposite end points. Like a rainbow, where colors clearly appear in an order, but where they overlap, the complexity increases. In a comparable way, companies and customers are on a spectrum, and the points in between represent a non-linear journey amid virtual and physical stores. How can consumer products and retail (CPR) companies sharpen their focus to close the gap and get on the same wavelength as their customers?



Neerav Vyas

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Naresh Khanduri

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Q *What are consumer products and retail companies facing when it comes to data?*



Dinand Tinholt:

In the consumer products and retail space, we have a deluge of data but a dearth of actionable insights – translating analytics into predictive insights that actually guide consumers to what’s the next best thing for them.



Neerav Vyas:

The rise of retail media networks provides an opportunity for consumer product brands to have a level of insight into their customers that never existed before. It also gives retailers new opportunities for data monetization and to deepen relationships with their consumer products (CP) partners. However, all of this requires brand teams to have the analytics maturity to turn these new data sources into insights that are actionable across the entirety of the customer lifecycle and across all relevant journeys.



Naresh Khanduri:

On the consumer products side of the industry, big brands and companies are creating products, but most of the time they’re selling through a retailer. Once a customer goes to that retailer – which might also be selling local brands or its own private label – will they

remain loyal to your brand in that buying space? The even bigger challenge is, who has more data about the consumer?

Q *There’s a lot of discussion about first- and third-party data.*



Naresh Khanduri:

Brands must find ways to reach the end consumer directly, especially with changes due to privacy and regulations. As third-party cookies are disappearing, it’s as if the CP never knew the customer. The people who were managing the advertising network did, but what if they didn’t share that data?

The industry advises to build your first-party data. But how do you build it? How do you store it? And on top of that, how do you still ensure that data is accessible? With Capgemini’s Data-driven Customer Experience (DDCX), we help clients on the tech side so they don’t need to rely on third-party cookies. The non-tech aspect addresses how companies can do more intelligent marketing.



Dinand Tinholt:

That starts at a high level, with building consumer/customer insight, personalizing first-party data as much as possible, bringing in that third-party data, and then

working with your ecosystem not just to understand customers but to anticipate their behavior.



Neerav Vyas:

First-party data becomes a critical differentiator for brands as the privacy landscape continues to get more complicated, especially as customer expectations for personalized interactions and offers continue to rise. Navigating in the new world to bridge first- and third-party data will increasingly require data collaboration frameworks and solutions like data clean rooms. This increases both the analytical and engineering burden that marketing teams need to operate with moving forward.

Q *So, how do you turn that data into intelligence to create the customer-centric experience?*



Neerav Vyas:

Organizations need to become more cross-functionally data driven. This requires a culture that supports and fosters constant experimentation and integration across the enterprise. It's not just about data engineers and data scientists. Cross-functional teams that include creative resources, experience designers, strategists, as well as technical resources are needed to take insights and deliver on improving new experiences and outcomes for customers. Experimentation without insights isn't thoughtful. Insights without experimentation aren't actionable.



Dinand Tinholt:

Companies already have space between them and the end consumer; the more intermediaries you place in there, the lower the fidelity of data you get. The focus is on how quickly companies can access that data in the cloud and stream it, harmonize it, and make sense of it to create a better experience for the consumer in the shortest interval possible.



Naresh Khanduri:

DDCX stitches all this data together. For example, using first-party data helps companies understand the customer's intent. Some marketers build the customer profile, but miss out on connecting that profile with the purchase and the product information. Even then, they still need to integrate the data marketing and the commerce feeds. Second is the human, psychological aspect. Personalization has to be built on associated intent, rather than rule-based, which doesn't work; then you end up losing the customer.

Q *Where does creating value for the end customer come into play?*



Dinand Tinholt:

Major brands can figure that out by listening to what consumers are saying. With social media, though, it's all about signal versus noise. Ideally, you've been listening to your consumer throughout their lifecycle, even before you develop new products. Second, there's a whole art and science around how to use external data by teaming up with channel partners to determine if marketing tactics, for example, actually drove the lifetime value up or down.



Neerav Vyas:

At every conceivable moment that you can. To quote Bezos, "Customers are always beautifully, wonderfully dissatisfied, even when they report being happy and business is great." Constantly working backwards from the pain points in customer experiences and relentlessly finding new ways to think through "how might we make this better" is one of the keys to driving successful innovation for brands. Yet, this can't happen in a vacuum absent of data. Designing new experiences and products augmented by intelligence from data and AI is the new frontier of competitive advantage for brands and their partners. The challenge is bringing the data together in a way that we understand customers in the context of their lives and what's going on in the world across all of their journeys.



Naresh Khanduri:

DDCX doesn't mean every challenge will be solved. The approach is to connect the data for your organization to give you a true picture of your customer, not only from a customer data perspective but from all other intelligence points to continue to build that customer relationship and loyalty through more meaningful interactions.

Taking an expansive view

When your perspective is limited, you only see part of the big picture, like how a rainbow appears to be an arc. But when you take an overall view, you see that arc is one segment of a circle. Capgemini can help companies use data more intelligently to gain a 360-degree perspective to put customers in focus.

Contact us to find out how a data-driven customer experience can help you use your data more intelligently.

[Data-driven Customer Experience by Capgemini](#)



About Capgemini

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of 360,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2022 global revenues of €22 billion.

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