



PUBLICIS COMMERCE

**Connect CRM & Commerce To
Power Insights, Experiences,
& Lifetime Value**

A COMMISSIONED STUDY CONDUCTED BY
FORRESTER CONSULTING ON BEHALF OF
PUBLICIS GROUPE. JANUARY 2023

INDEPENDENT STUDY BY

FORRESTER[®]



Executive Summary

The rising cost of customer acquisition and growing constraints of data depreciation means creating and delivering the best and most effective customer experience possible is more difficult than ever.

The solution lies in combining CRM and commerce to address the end-to-end customer engagement. CRM and customer experience (CX) decision-makers know that finding new ways to combine CRM and commerce data is an essential step to achieve this and remain competitive.

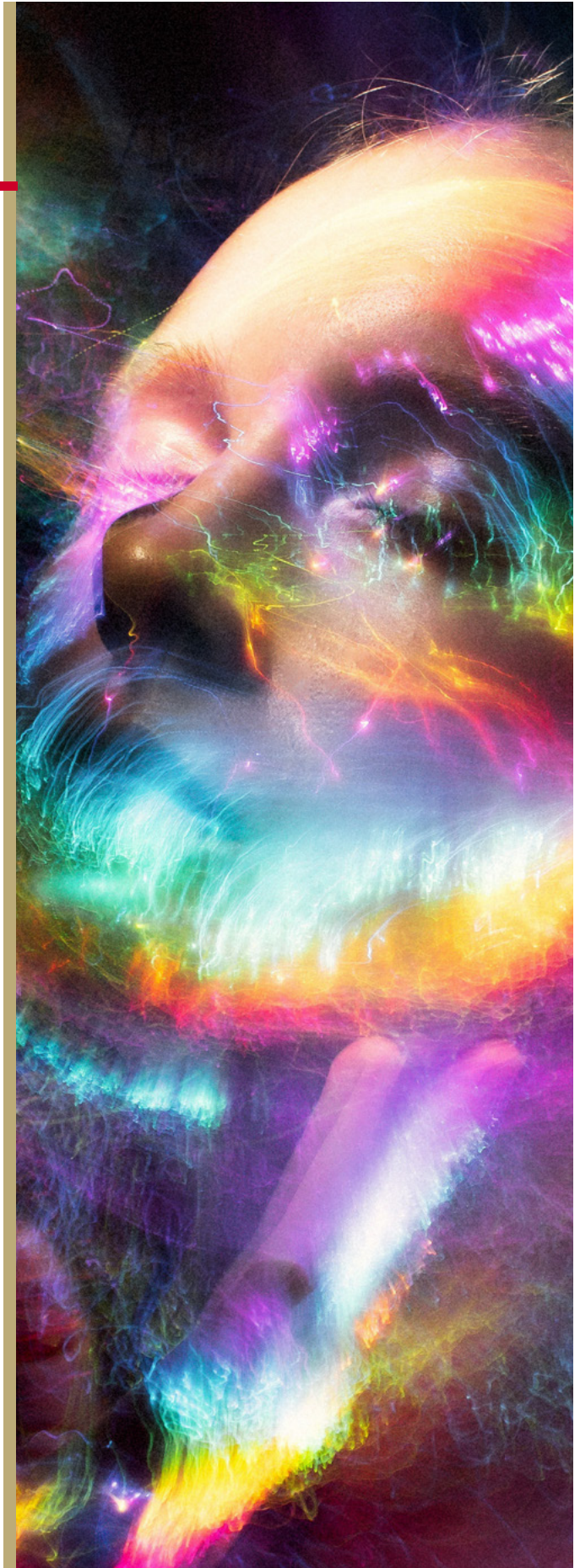
The Publicis Digital Experience commissioned Forrester Consulting to explore the challenges and opportunities brands face using CRM and commerce data to create great CX.

To do this, Forrester surveyed 673 decision-makers at the director level or higher in marketing, CX, IT, and CRM in North America and Europe.

Forrester found that brands face many challenges across the customer journey and overcoming them would unlock significant business benefits.

Brands see the most opportunity:

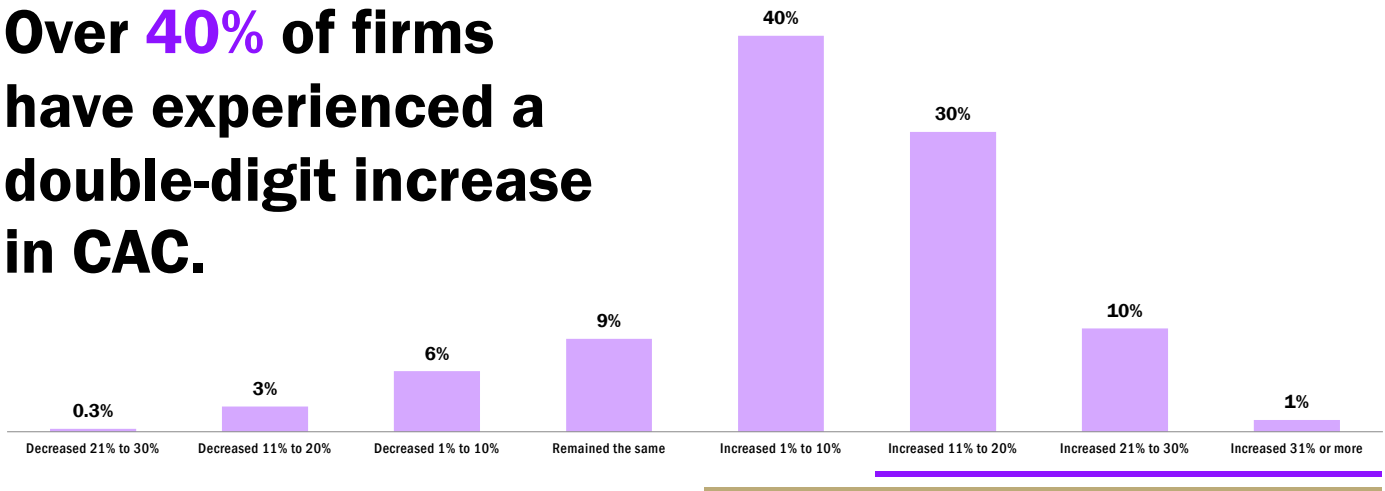
- » **Fusing CRM and commerce data to improve engagement.**
- » **Using customer lifetime value (CLV) as a common goal to align cross-functional efforts.**
- » **Utilizing data clean rooms to blend engagement and transaction data to unlock new insights.**



Acquiring Customers Has Become **More Expensive** For **81%** Of Respondents' Firms

The change in customer acquisition cost (CAC) over the last two years.

Over 40% of firms have experienced a double-digit increase in CAC.



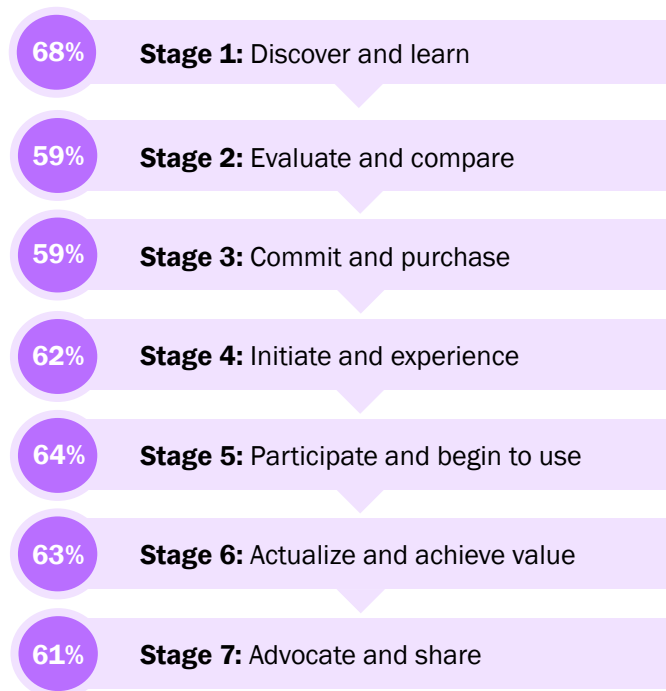
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SOURCE: A COMMISSIONED STUDY CONDUCTED BY FORRESTER CONSULTING ON BEHALF OF PUBLICIS GROUPE, SEPTEMBER 2022

Personalization Is Never Easy

As consumers learn to expect more personalized experiences, the combined effects of rising customer acquisition costs and data deprecation make marketers' jobs more difficult than ever. And while significant hurdles impede personalization across the entire customer journey, the initial stage of customer acquisition is the most challenging.

“How challenging is personalizing the customer experience for your company at each stage of the customer lifecycle?”

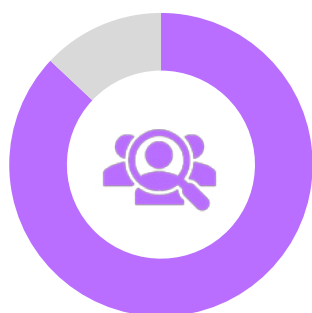
(Showing “Very challenging/Challenging”)



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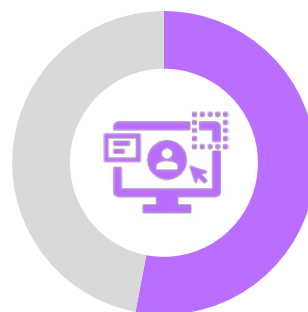
First-Party Data Is Critical To Personalizing CX, But Is Often Underutilized

First-party data, or data collected from customers through owned digital channels, is foundational to better understanding customers and, therefore, providing personalized experiences. But many firms aren't using it regularly. As data deprecation fundamentally shifts the nature of data collection, making personalization more difficult, effective first-party data strategies will define the most successful CX efforts.



87%

Agree that maximizing the value of first-party data is crucial to improving customer understanding.



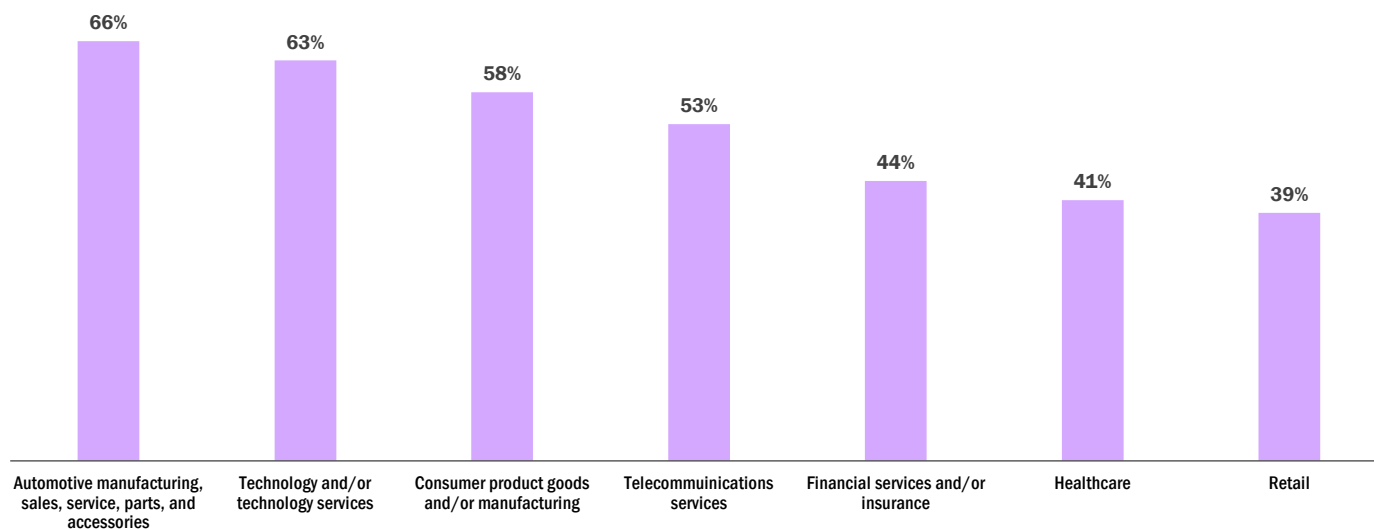
Only 53%

Report using first-party data on a regular basis to personalize customer experiences.

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Healthcare, Retail, & Financial Services Underutilize First-Party Data The Most

Percentage of respondents using first-party data on a regular basis to personalize CX.



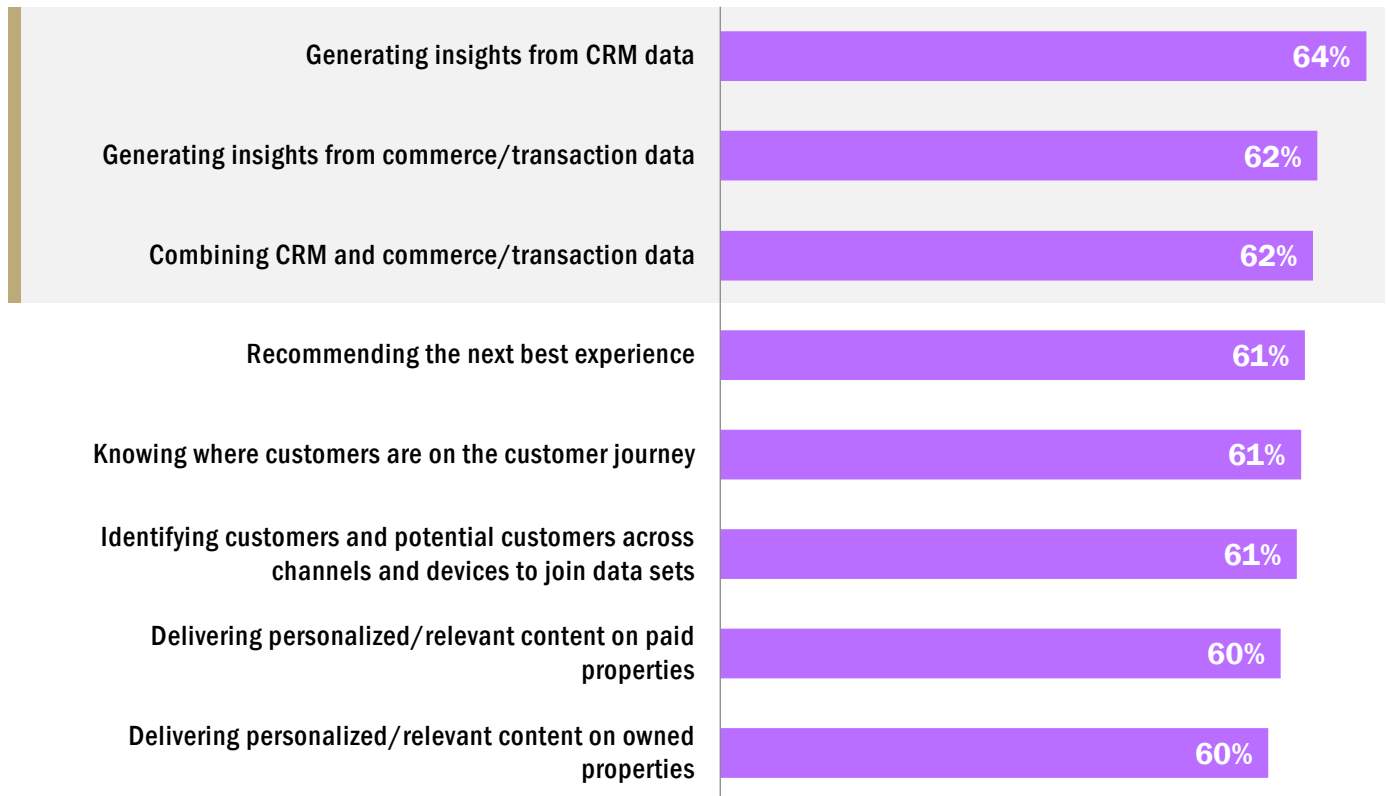
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Data Challenges Drive Personalization Struggles

Without the ability to generate actionable insights, firms drown in data and starve for insights. Brands know that data from CRM and commerce offer significant opportunity to improve personalization. But translating that data into insights is the top challenge in our study. Further, firms are held back by an inability to combine CRM and commerce data to uncover even more meaningful insight and generate the next best experience.

“How challenging is it for your company to achieve the following goals today?”

■ Very Challenging/Challenging



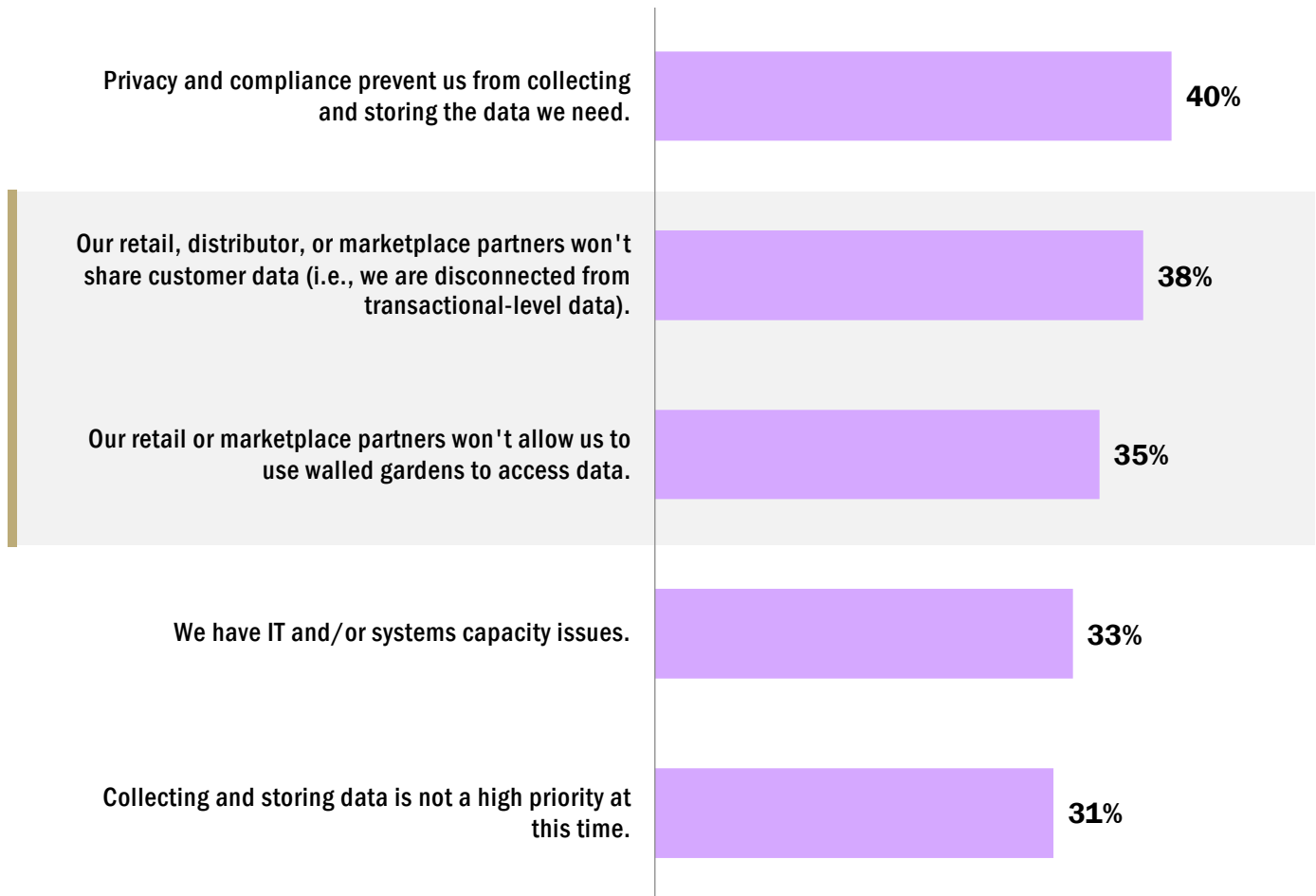
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External Commerce Data Is A Missing Link

Nearly all (95%) of respondents report their firms face specific challenges collecting and storing data needed to better personalize experiences. After privacy and compliance, **the most common barrier to acquiring needed customer data is the lack of access to commerce partner data.**

Top 5 Barriers To Collecting & Storing Customer Data

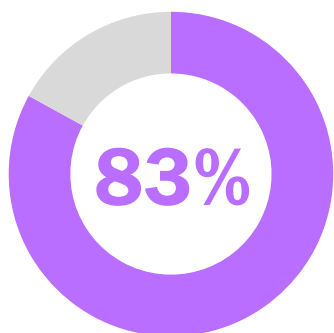


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Note: Showing top 5 responses



CRM And Commerce Operations **Are Too Siloed**

Interestingly, C-suite executives and VPs were **27% less likely** than director-level respondents to report siloed organizations as a problem.



Agree or strongly agree that CRM and commerce have historically operated as separate functions at their companies.

Top 5 **Barriers To Improved Personalization**

- 1** | **CRM and commerce** are seen as separate and do not collaborate often or at all (i.e., organization is siloed).
- 2** | Our **privacy and compliance** processes prevent us from using the data.
- 3** | We have **messy data** from different sources and don't have a strategy for data hygiene.
- 4** | We don't have an easy way to **match the identity** of an individual across all our data sets.
- 5** | Our **technology systems** don't support personalization well enough.

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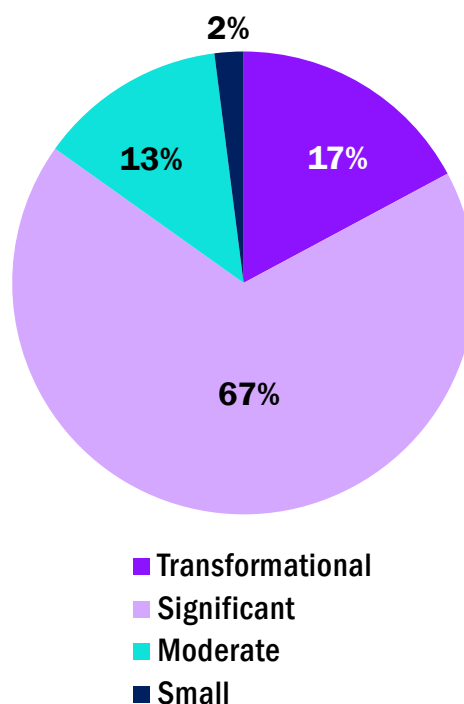
Most Firms See Significant Or Transformational Benefits From Combining CRM & Commerce

Anticipated benefit to customer insight from connecting CRM and commerce data more deeply.

84% of survey respondents anticipate a **significant or transformational benefit** to their brands' ability to generate customer insight if they had a greater connection between CRM and commerce data.

Alone, each data type is important. But by fusing CRM and commerce data into a unified analysis, brands can **unlock deeper insights that drive better, more personalized customer experiences.**

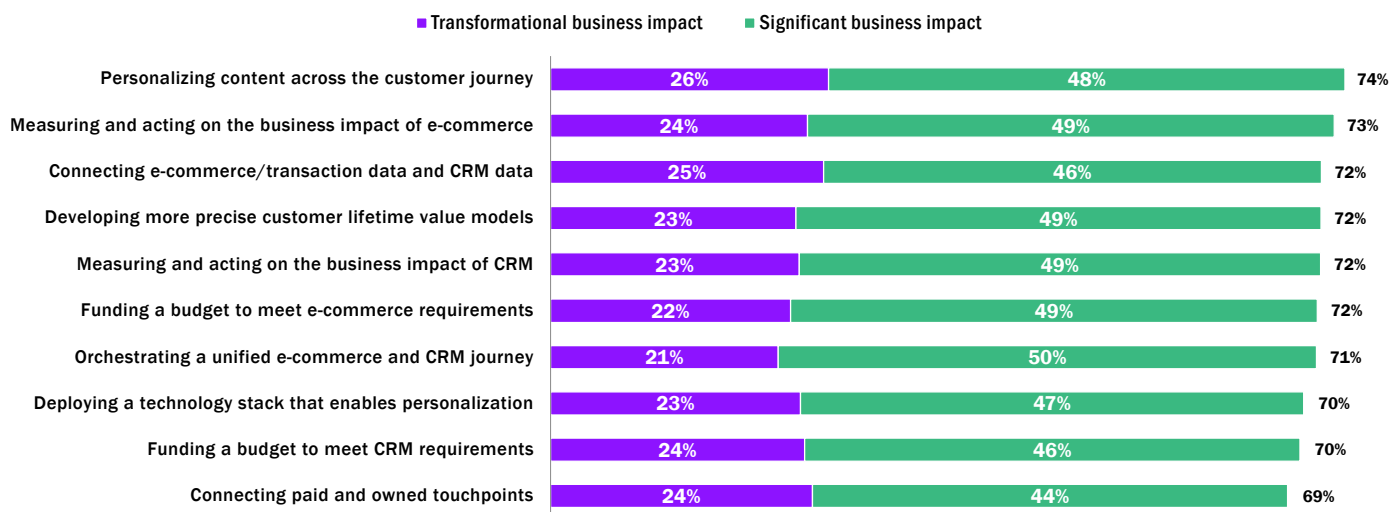
This new approach offers brands the opportunity to overcome many of the challenges to personalization and **realize significant business results.**



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Overcoming Personalization Challenges Would Dramatically Impact Business

Expected business impact from overcoming the challenges associated with each of the following goals.

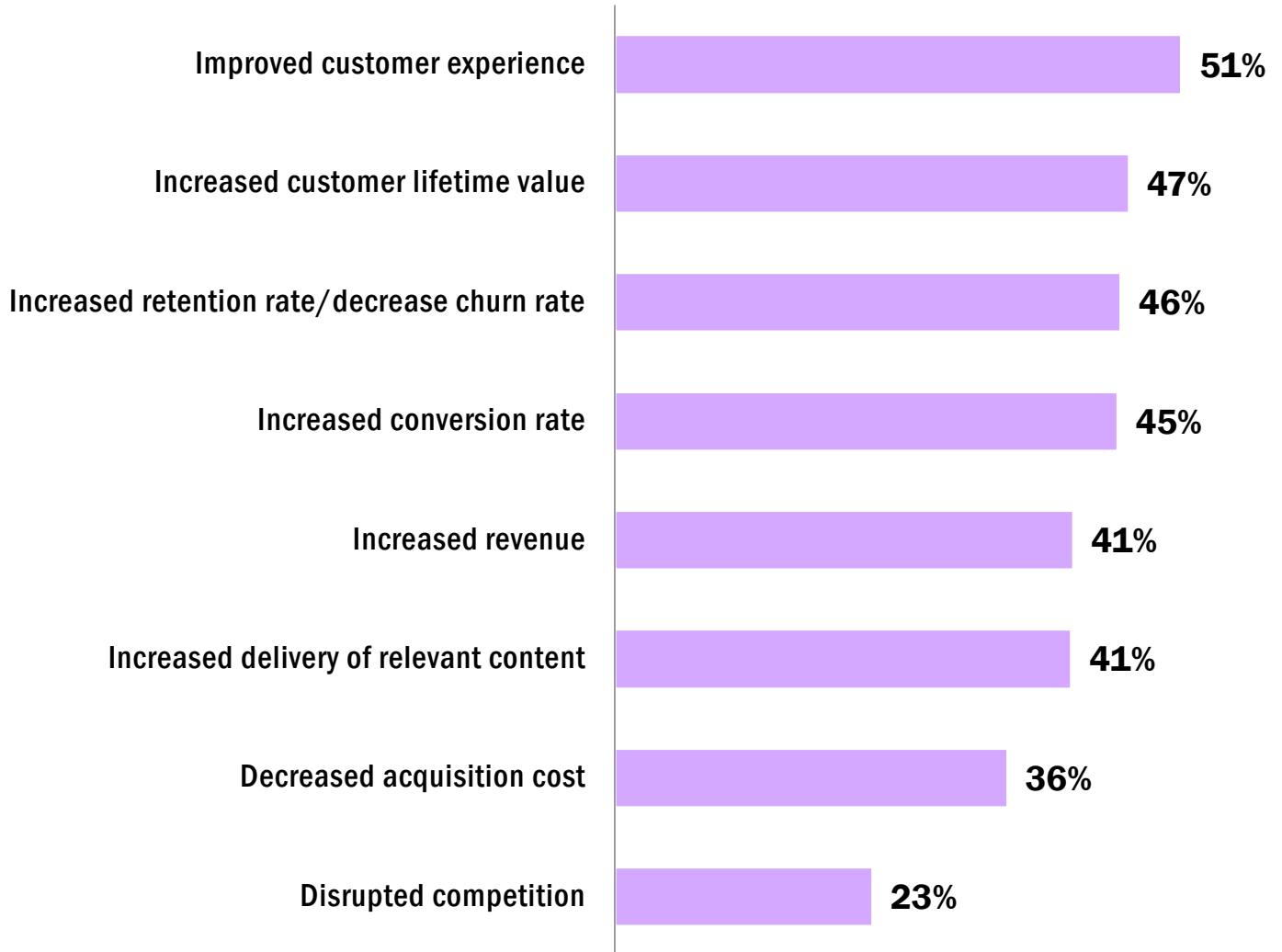


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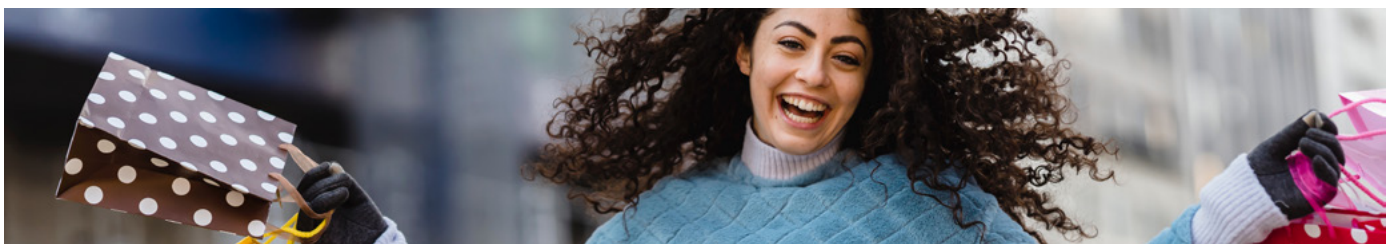
Unified CRM And Commerce Strategies Lead To Better CX & Improved Business Results

Beyond improving CX, fusing CRM and commerce increases CLV, retention, and conversion. This uplift correlates with increased revenue.

“What benefits has your company experienced or would you expect it to experience from fusing CRM and commerce data and operations?”



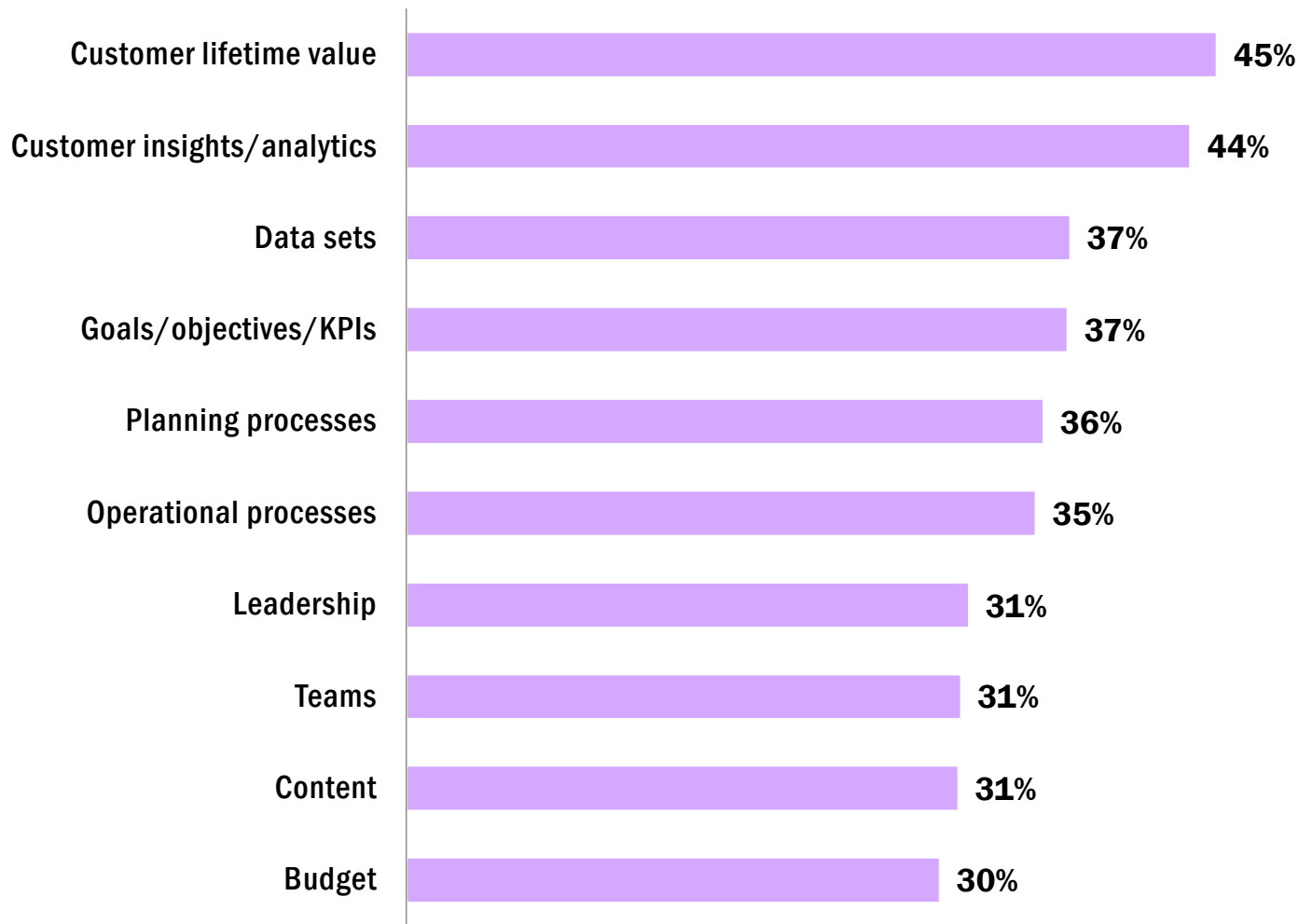
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Align CRM And Commerce To CLV To Maximize Collaboration

“CLV plays a highly strategic role in helping firms achieve organizational alignment, make important strategic business decisions, and pivot toward becoming customer-obsessed.”¹

Top Resources To Share Between CRM & Commerce Teams For Best Collaborative Environment

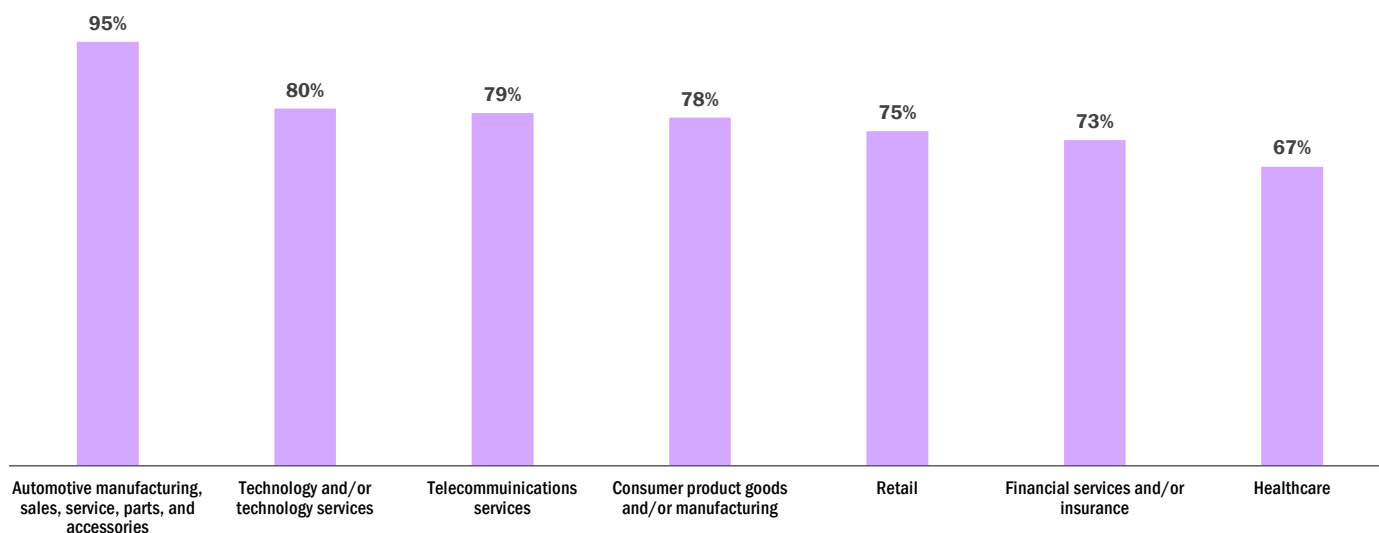


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Healthcare Uses CLV The Least

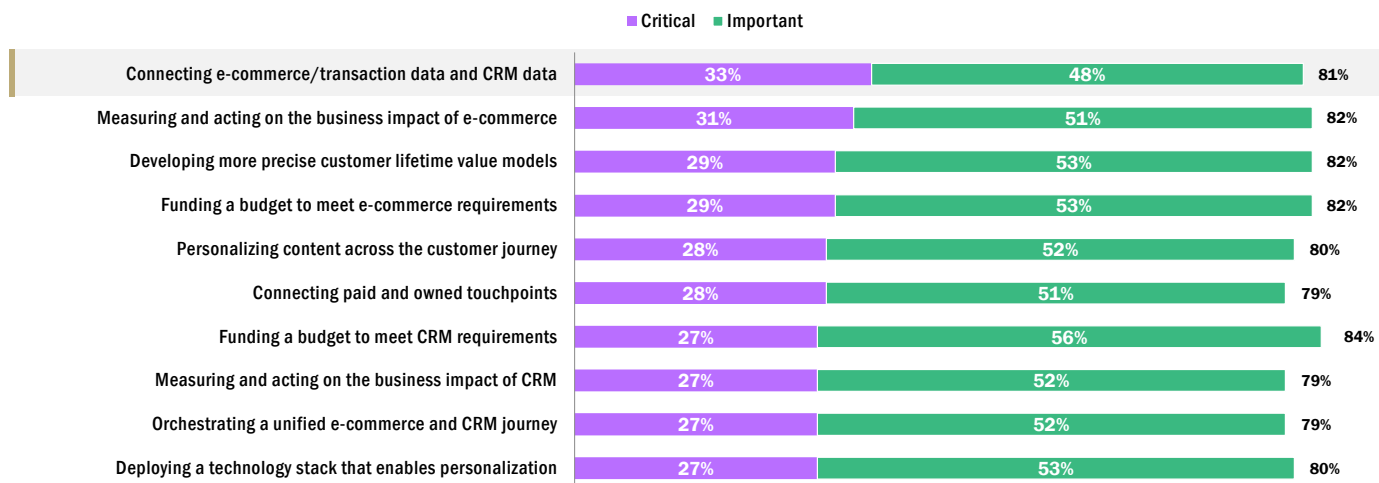
Percentage of respondents using CLV to personalize CX.



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Connecting E-Commerce/Transaction Data & CRM Data Most Critical Action To Achieving Customer Engagement Goals

Level of importance to achieving customer engagement goals.

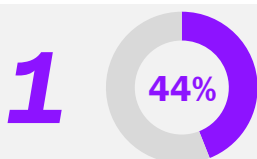


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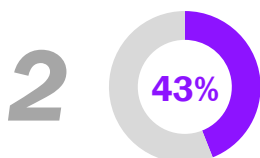
Using Data Clean Rooms Is The Most Important Step

Using data clean rooms to connect CRM and external commerce data is the most important step to overcoming the challenges of personalizing CX, according to our study. Data clean rooms allow brands to collaborate with commerce partners by sharing data in a safe and secure environment to uncover new, more meaningful insights that drive business results for both parties.

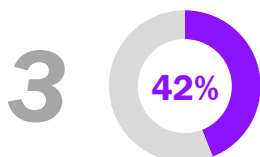
Top 5 Steps To Overcoming Challenges Personalizing CX



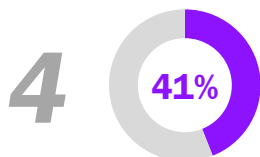
Connecting CRM and external commerce data in a safe, secure data environment (i.e., data clean rooms)



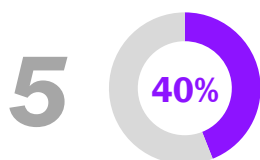
Improving our ability to predict CLV



Building a transformation roadmap to improve our CRM and commerce capability



Improving our ability to match identities across channels and devices



Knowing how competitors and beacons in the industry are solving these challenges

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Key Recommendations



Integrate CRM and commerce to improve experiences, revenue, and insights. Leaving these groups in disconnected siloes leads to higher acquisition costs and lower revenues and retention. Bringing them together into a fabric for analysis, decision-making, and execution brings in myriad benefits not available before.



Make customer lifetime value a top metric. This important metric plays a critical role in the benefit of integrating CRM and commerce. First, it establishes the business case for commitments to data integration, insights generation, and organizational commitment to personalization. Second, it's a key insight driving segmentation, marketing campaigns, and deepening understanding.



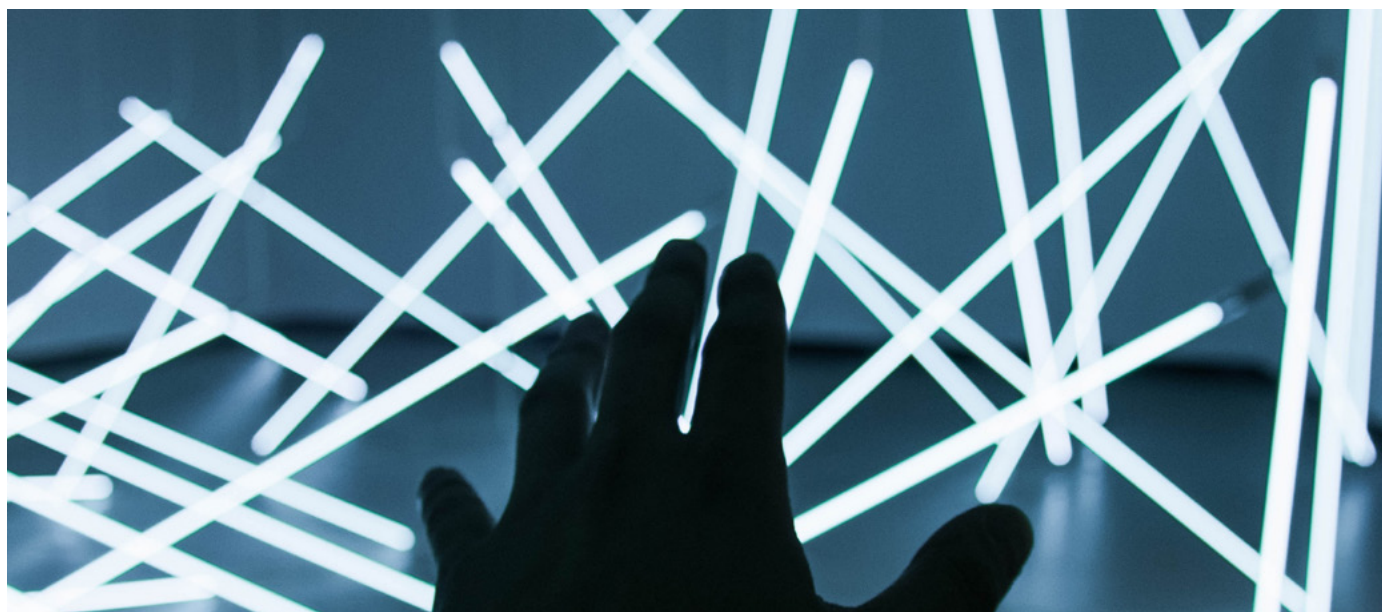
Put clean rooms on your priority list to merge external commerce data and internal customer data. To bring the critical success of marketplaces and retailers into your insights and execution, establish implicit data links between communications and transactions. Use the explicit links available in clean rooms to analyze the immediate impact of personalized approaches.

Methodology

In this study, Forrester conducted an online survey of 673 decision-makers at the director level or above in marketing, CX, IT, and CRM. These respondents needed to have influence/decision-making power in CX, CRM, and commerce and two-thirds were in North America, while one-third were in Europe. The study began and was completed in September 2022.

Endnotes

¹Source: "Make Customer Lifetime Value Your Polaris For Long-Term Growth," Forrester Research, Inc., August 2, 2021.





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For questions about this research
and to schedule a consultation to connect your
CRM and commerce initiatives please reach out to:

publiciscommerce@publicisgroupe.net