



## GLOBAL TRANSACTION ANALYTICS (GTA)

# CONSUMER INDUSTRY INSIGHTS

THE KEY TO BUSINESS GROWTH AND PROFITABILITY:  
CUSTOMER BEHAVIOR

*“Successful companies are leveraging data to uncover new insights about their customers, operational efficiencies and opportunities for growth.”*

### Part 1: The Key to Business Growth and Profitability: Customer Behavior

As companies transform to drive growth in changing markets with evolving channels and technologies, the center of such change is the customer. Amazon's Jeff Bezos is a famous champion of customer obsession, as he noted, “I would define Amazon by our big ideas, which are customer centricity, putting the customer at the center of everything we do.” Amazon does this by capturing customer data at every touchpoint and leveraging that data to drive engagement and value for the customer.

Amazon keeps the customer first to enhance its business.

- **Studies have shown** companies that apply the principles of customer centricity outperform their peers by 85 percent in sales growth and more than 25 percent in gross margin.
- At the same time, companies have new tools to leverage real time customer insights and data to drive business growth and profitability.
- Over 60 percent disclosed an increase to quarterly revenue in the first quarter of adoption, under the new rules versus the old rules.
- Yet, many companies give “lip service” to customer centricity while failing to make the actual changes required to adjust to rapid shifts in customer expectations.

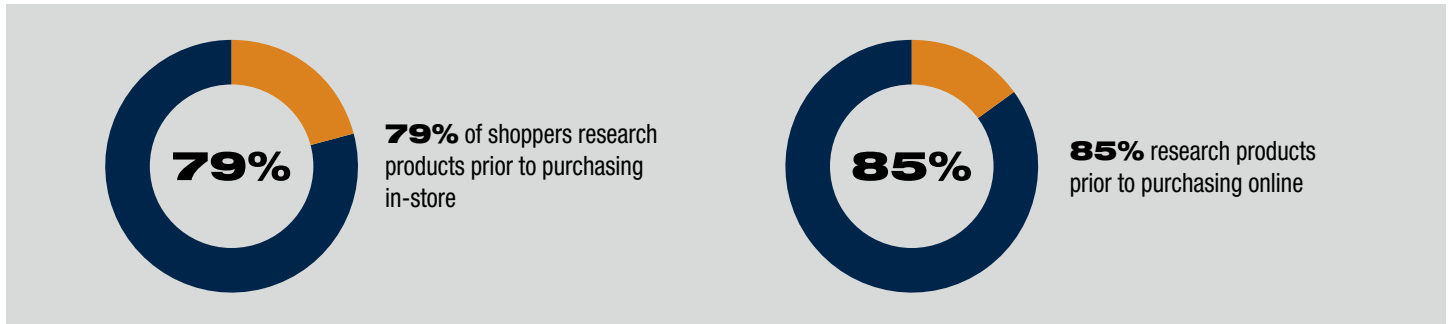
### Turning Data into Actionable Insights

Today, data is the backbone of every business. Over 95 percent of business records are now in electronic form, and the volume of data being created, stored and analyzed are growing at an exponential rate. While this data explosion may be a challenge for companies to manage, successful companies are leveraging the data to uncover new insights about their customers, operational efficiencies and opportunities for growth. Leading companies not only analyze internal company data, such as sales and purchasing data, but also look to a myriad of third party data that provide actionable insights. Such data include social media, demographics, credit card, economic market and customer purchasing behavioral data.

In this shifting landscape, companies need to adjust to ongoing changes in customer purchase behavior, including:

- The customer “Path to Purchase” which continues to evolve. The days when customers walked into a store, browsed the products on the shelf and bought one onsite are long gone. Now, consumers typically research options ahead of a purchase. They often assess choices across channels and they sometimes review choices physically in the store aisle. “In fact, **79 percent of shoppers** research products prior to purchasing in-store, and 85 percent research products prior to purchasing online.”

- The shift from e-commerce to m-commerce, or the electronic commerce conducted on mobile phones, has moved to emerging smart assistant commerce (Alexa, Echo, Google Home) and to automated replenishment based on input from the Internet of Things (IOT). These rapid changes underscore why Amazon, Google and Facebook (Portal) are all fighting to be on your kitchen counter.
- As purchase behaviors evolve, the underlying goal of growing businesses appears to be better meeting customers' seemingly endless desire for convenience and a frictionless experience, indicating that any improvements in these dimensions act as a key driver of success.



Ultimately, companies that leverage these touchpoints can provide their customers with the products, services and information they want before they even recognize that they want them.

Customer data is being generated more quickly than ever before, a trend that can be a goldmine for understanding customer purchase behavior. Brick and mortar stores can leverage new technologies to analyze foot-traffic, as well as to create customer heatmaps and to use loyalty card data to help create a 360-degree view of customers. Meanwhile, the shifts from in-store to e-commerce, and now e-commerce to m-commerce, are creating even more data that can provide insights on how customers shop. Customer shopping on e-commerce and m-commerce platforms provide the capability for companies to track customer-level metrics, such as length of time spent on each product page, competing products viewed before purchasing and time of day with highest purchase activity - all powerful insights which companies can utilize to influence customers' propensity to buy.

Customer purchase behavior is changing along with evolving sales channels and technologies, and understanding your customers is at the core of business growth and profitability. Companies must continue to adapt to the customer by analyzing the wealth of data about who they are and how they shop.

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