

Accelerating recovery with digital transformation

Transforming the customer experience
with data, analytics and automation
following Covid-19

The **Covid-19 pandemic** created a seismic shift in the volume of online activity and experience

Over the past 12 months we've observed consumer demand for the digital channel increase at a rate that few could have predicted. Australian businesses have been working hard to rise to the challenge.

As of January 2021, **9 in 10 Australian businesses reported having a strategy in place related to the digital customer journey, with 70% putting this in place since Covid-19 began.**

However, many organisations experience at least one challenge with their digital transformation efforts, some of which include: lack of data or insight, lack of a clear strategy, lack of digital skills and more.

Experian is here to guide you on your journey to digital transformation.

Say hello to accelerated digital transformation in an era of data culture and mastering customer-centric experiences — for both digital natives and consumers who have only recently adopted digital services.

Say goodbye to traditional business models.



McKinsey estimated that in the early stage of the Covid-19 pandemic, we vaulted 5 years forward in consumer and business digital adoption in a matter of around 8 weeks.

Goodbye, traditional business model



57%

of Australian businesses are investing in advanced analytics or AI, and 61% are investing in fraud detection methods or software to reduce friction in the digital customer experience.

Working from home and telecommuting may (to some extent) be here to stay, but that isn't the only digital evolution. Machine learning, cloud computing, optimisation and robotic process automation are now becoming the new normal as companies try to navigate ways to be more efficient and productive while catering to their customers' wants and needs during volatile times. The business practices that make digital transformation have one thing in common: They rely on data about your customers and on continuous improvement of the customer experience.

For customers, this digital evolution means not only a heavier reliance on online retail and e-commerce, but also an expectation that even brick-and-mortar businesses know them well enough to create personalised experiences.

For business leaders, it means accelerating the adoption of a data culture that will enable your digital transformation.

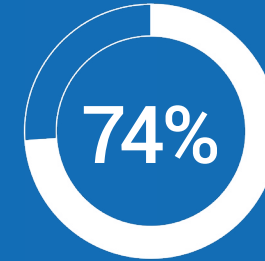
Using data to survive and thrive

Today's volatile environment requires faster decisions, calculated risks and the ability to pivot quickly.

Responding and recovering will be top of mind for all organisations that survive this volatile period. To thrive, they'll need a dynamic, holistic view of each customer.

Relying on your gut isn't enough to compete. Good data allows your organisation to make more consistent decisions and to act confidently on them. Weaving a culture of data into the fabric of your organisation allows for increased effectiveness and efficiency, while improving the customer experience.

Information derived from data provides the insight, speed and competitive advantage you need to meet customer expectations in this time of extreme uncertainty.



of organisations see data literacy as a core competency that all employees need to have in the next 5 years.

Using data to survive and thrive

However, data alone won't solve your business problems. You need effective analytics models to provide the insights needed for organisations to make optimal decisions and provide the best action for each customer.

Many organisations will find that the models they relied on prior to and even during Covid-19 are less effective.

In January 2021, Australian businesses reported the lowest levels of confidence in their existing analytical models since mid-2020.

Market fluctuations, increased unemployment, and changes in consumer spending habits and payment hierarchy may reduce your models' performance.

Luckily, there are new tools that allow models to be monitored more frequently and to be recalibrated when performance deteriorates or when your business strategies change.



The need for **more data and insight**

Data is the foundation of digital transformation.

Quality, reliable data is the key to understanding your customers.

Companies need to move toward a strategy to access customer data from a variety of channels in a cohesive ecosystem. As many organisations move their data infrastructure to the cloud, they're taking the opportunity to connect data lakes with data warehouses, greatly improving their ability to access data for analysis.

Depending on their needs, the data elements can also come from third-party data providers such as Experian®.

In addition to credit bureau data, many different types of data are available for a more comprehensive view of your customers.



Service through **personalisation**

Once the data is compiled, companies can achieve a more holistic and single view of their customer. This opens the door to personalisation — the opportunity to offer a wider variety of products and services at scale.

This ability to algorithmically treat each customer as a valued individual can help companies develop personal, trusting and lasting relationships with their customers.

Data and analytics are the only ways to get there.



Personalised service is your brand

- Differentiates your brand from competitors
- Fosters consumer loyalty
- Creates a pathway for success

Customer-centric experience

As even the last holdouts shift to online retail and e-commerce, customers have come to expect services that are faster, better, more comprehensive and more personalised.

Personalisation demands a digital, automated approach – knowing and providing the best action, service or offer for each and every customer – even after some of these consumers move away from digital channels.

Companies like Amazon and Netflix have revolutionised the way customers receive personalised recommendations.

Now, companies in every industry are finding they must meet these heightened customer expectations as they respond and recover.



Maximising customer satisfaction with limited resources



Predictive analytics

Statistical methods based on algorithms and machine learning used to identify trends in past (and possibly current) data to predict future behavior



Prescriptive analytics

A set of techniques, including mathematical optimisation, that generate recommendations and make decisions based on algorithmic models



Machine learning

A set of computer algorithms that permit a computer to perform tasks without explicit programming, based on statistics and artificial intelligence (AI)



Constrained optimisation

The mathematical optimisation techniques that maximise performance against business goals while considering resource limits

The key to an accelerated recovery is being able to meet your customers' expectations when they need it most, and it doesn't have to be jeopardised during tough times. A data-powered, digital transformation can help your organisation maintain a customer-first mindset and unlock greater insights that allow you to meet customers' expectations — despite having limited resources.

Once organisations have achieved a holistic view of their customers, they can choose the next best action using forecasting, customer response models, predictive and prescriptive analytics, including machine learning and constrained optimisation.

Implementing **robotic process automation** (RPA)

Many companies have found that robotic process automation (RPA) is a good first step in a digital transformation journey. In fact, Thomas Davenport, co-founder of the International Institute for Analytics, states that RPA “lays the groundwork for machine learning and more intelligent applications.”

For organisations with a significant investment in legacy systems, intelligent automation is a necessary component for digital transformation. RPA doesn't just allow you to automate your most routine processes — it empowers you to execute your data-driven strategies more quickly and accurately. In fact, industry research has shown that **RPA can drive 25%–50% cost savings, simply by automating repetitive tasks.**

And while those cost savings are important, your organisation will recognize even greater value from your digital transformation when you can deliver your analytics and machine learning models through decisioning software. Then, your human agents — and those robots — can consistently take the right actions for each customer.

“It's more important to do the right thing than to do things right.”

— Peter F. Drucker



Robotic Process Automation — a process of automating repetitive or deterministic tasks that would have been otherwise performed by human beings, using software processes known as “**robots.**”

The power of **machine learning**

Machine learning — with statistical algorithms such as regression or newer AI-based algorithms — permits your computer to perform tasks without being explicitly programmed. These tasks can include making the best predictions or decisions based on data inputs and patterns.

For financial services, machine learning can be used to uncover patterns and interactions in data for better modelling, credit decisions and fraud prevention.

As consumer behavior changes, either gradually or in response to a major event such as Covid-19, companies need to implement an effective model management and governance strategy. In order to continue meeting consumer needs and follow market fluctuations, organisations must be able to implement and automate rapid custom model development, rebuilding, recalibration and deployment.

Model management enables you to continually meet customer needs — especially during volatile times. Model health monitoring allows you to be confident that your models continue to predict accurately. Organisations should be able to run champion-challenger tests to know whether improved models can provide better business results. As you deploy models throughout your organisation, consider AI ethics. For example, explainable AI techniques enable you to document the logic behind your models and explain their output.



Explainable AI: Methods and techniques in AI that make the results of the solution understandable by human experts

Ethical AI: The European Commission defines ethical AI as AI that respects privacy, works reliably and without bias, considers human rights, and operates transparently

Utilising **digital assistants**



For customers, a digital transformation creates expectations for better and faster service. Now, following the implementation of robotic process automation, the next step to providing these excellent customer experiences involves digital assistants.

Implementing digital assistants, such as chatbots, not only makes your customer service organisation more efficient, it lets your customers receive faster and better support. Consumers appreciate the personalised and streamlined experiences made possible by data, advanced analytics and AI.

A **data-powered** experience



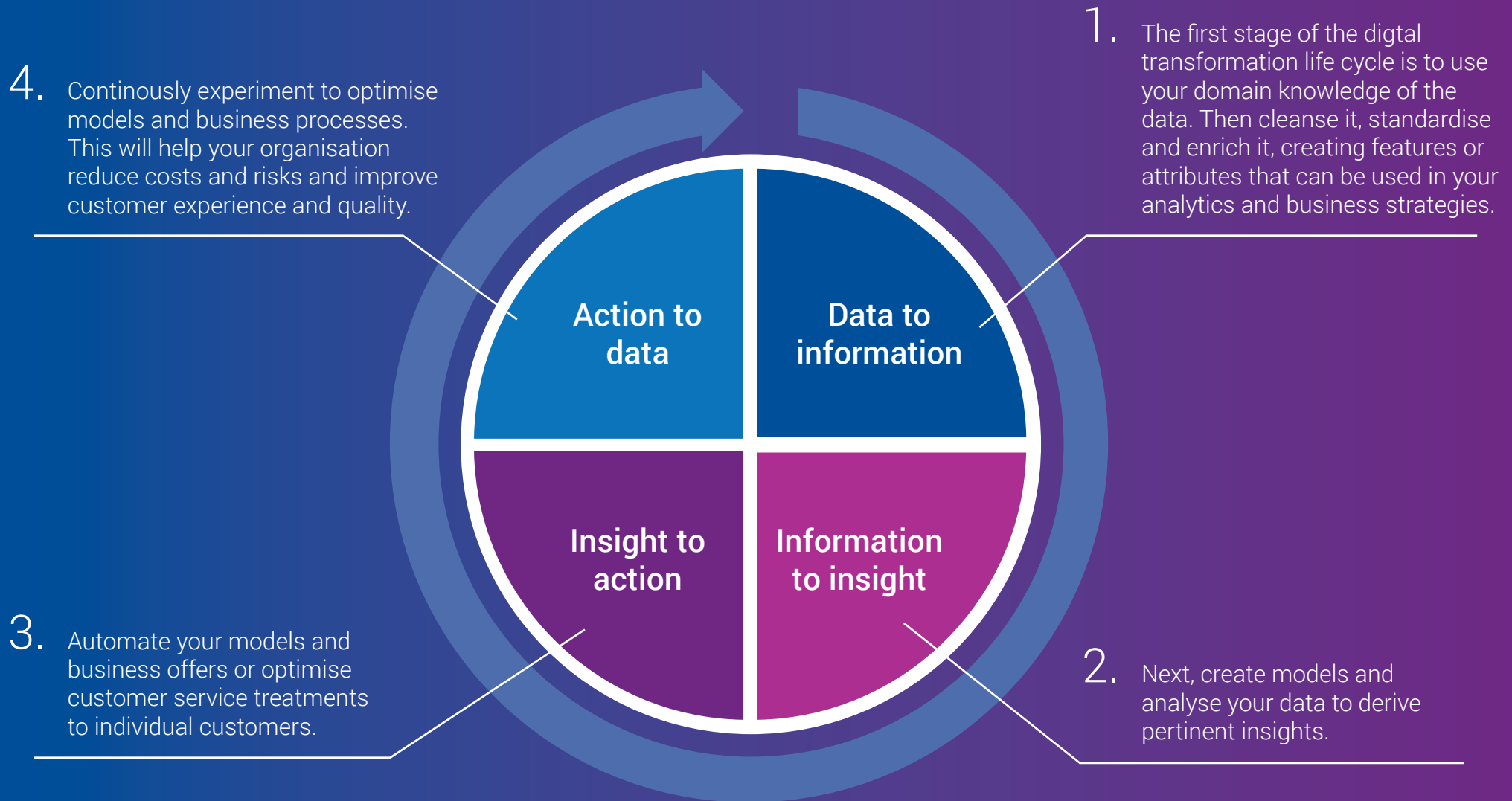
When fueled by data and analytics, a comprehensive view of the customer can enable a positive customer experience and improve overall profitability. Research shows that most businesses are willing to invest more in the tools and services needed to achieve this view.

Despite this, many businesses still lack a 360-degree view of the customer across online interactions on their own product lines.

This inconsistency indicates that, while the understanding is there, the quickness to act is lagging, perhaps because achieving a holistic consumer view is believed to be challenging.

Digital transformation life cycle

The never-ending story



Essentials as you **transform your business**



As you review your budgets, prioritise these strategic imperatives for digital transformation:



Create a winning analytics team.



Optimise and re-evaluate your business processes and strategies.



Develop alternative scenarios to pivot quickly.



Use AI and machine learning where appropriate.



Instill a data culture throughout your organisation.



Foster loyalty and value by improving the customer experience.

What are you using to **power your digital transformation** while on the road to recovery and beyond?

For many organisations, navigating and recovering from these volatile times will remain top priorities as they begin strategising for the future.

The digital business model is the new normal. Are you getting the insights from your data that you need so you can exceed your customers' expectations?

Every organisation must be prepared for a world where data, insights and automation are the necessity, not a luxury.

Digital transformation isn't the future. It's now. It's time to accelerate your transformation.

[>> Learn more](#)



Research methodologies: **Global Insights Report**



A longitudinal study conducted during June / July 2020, September 2020 and January 2021, Experian surveyed 3,000 consumers and 900 businesses across Australia and nine other countries to explore the major shifts in consumer behaviour and business strategy pre and post Covid-19.

The business leaders are from a range of representative industries including consumer technology, retail banks, e-commerce and telecommunications. They were surveyed about topics such as customer identity, fraud management, credit management, transparency and analytics. Consumers were surveyed about their online behaviour spending, financial wellbeing, online security, personal data and online identity.

The surveys have yielded a range of insights regarding the state of the economy as well as business challenges, operations and priorities.

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Research methodologies: 2021 Global Data Management Research

Experian conducted a survey to look at global trends in data management. This study looks at how data practitioners and data-driven business leaders are building data resilience to weather the Covid-19 pandemic.

Produced by Insight Avenue for Experian in November 2020, the study surveyed more than 700 people across 3 countries. Those surveyed include C-suite executives, directors and managers in departments like IT, data, operations, finance, customer service and more.

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