

Become digitally intelligent, or go home

 By [Lauren Hartzenberg](#)

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If your business does not have digital intelligence at its core by 2020 you may as well go home. This is according to James McCormick, principal analyst: Customer Insights at Forrester, who spoke at the [eCommerce MoneyAfrica Confex](#) in Cape Town last week.



James McCormick

In his keynote, McCormick explained the necessity for businesses to become insights-led and data-driven in order to deliver the products and services their customers desire. “In the ‘age of the customer’, businesses have given consumers a multitude of ways to engage with their brand; and essentially what that’s done is put the power in their hands.” All that digital engagement translates into a wealth of customer data, ripe for analysis; but many organisations are struggling to keep up.

What they need is to become digitally intelligent. “Digital intelligence involves capturing and managing data insights to obtain a holistic understanding of our customers across a multitude of digital touchpoints. Then we use these insights to optimise our business decisions and customer experiences.”

Delivering a premium customer experience is the only way for enterprises and SMEs to gain a competitive edge and retain their market share in industries being disrupted by innovative startups. But McCormick asked, “How do we obsess about a customer that we don’t know or understand?” The answer is you can’t.

Insights-driven versus insight-influenced

To McCormick, a large contributing factor to the success of startups like Uber and Airbnb is that they’re insight-driven. This means that they use data and analytics at every opportunity to drive action and better business decision-making.

“The reality is that most organisations are insight-influenced, not insights-driven. Many are leveraging data and analytics to a certain extent to improve customer experience, but by no means are they doing that at every opportunity, at scale, and across the entire organisation.

“We all aspire to be data gurus, but most of us don’t actually know how to do it; we don’t know how to drive action using data. Digital analytics by itself is not valuable, the intelligence is.”

He warned that while digital intelligence is an opportunity now, it will be a necessity in a few short years.

Learn from the masters

McCormick advised that traditional companies learn from insights-driven businesses, which are masters at using data to drive action both internally and externally. According to a global Forrester study, these firms were generating a third of a trillion US dollars in 2015, and if their growth rate continues this total is expected to grow to \$1.3 trillion by 2020.

“Where is that revenue coming from? It’s coming from products and services that just aren’t possible unless you are insights-driven.”

“These startups don’t buy technology for marketing or to deliver products. They buy it with the view to engage the consumer

through the entire life-cycle of the brand, from the first time they discover the brand, to when they approach the company for products and services, to when they consume them.”



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How to become digitally intelligent and insights-driven

According to McCormick, digital intelligence needs to move from purely monitoring what customers are doing on websites to sitting at the heart of corporate strategy; and most importantly it needs to be present in the entire life-cycle of the business.

But how to do this in a business world with multiple digital touchpoints, and that has evolved passed standard data analytics systems?

Look at your digital intelligence architecture. “You need to tightly combine your systems of insights with your systems of engagement.”

“To bring them together you need to manage digital backup, have an insights-generation system for analytics, and you need to have an optimisation capability where systems of engagement are optimised to face all those insights. And importantly, you need to be able to link this together across multiple touchpoints, with multiple prototypes and with multiple insights-generation systems.”

McCormick said that the power doesn’t lie within the individual technologies, but rather the holistic management of them. “There are about 15 commonly used technologies today, including tag management, data warehousing and web analytics, but we’re using them in sporadic and isolated ways.

“Your core competency as an enterprise will have to be the ability to manage multiple different technologies, whether built in-house or bought from a third-party vendor; and you need to be good at bringing them together.”

“Use every customer interaction you have and learn from it; then innovate. Doing this continuously results in a competitive insights strategy, which is the only way to keep up with the customer.”

Where to begin

“Many companies are web-obsessed and while there is a lot of mobile activity happening, this engagement is not being measured. Start measuring it and link your customer understanding from web to mobile and you’ll automatically be ahead of the competition.

“Secondly, look at what portion of your digital interactions are optimised with data analytics, and how many interactions are

you having on a daily basis? Spread the analytics from just marketing or e-commerce to your products and services, and across the entire ecosystem.”

Wrapping up, McCormick urged businesses to ensure that digital intelligence filters down from those in charge.

“Being insights-driven comes from the top of the organisation. If your CEO doesn’t have it on his or her agenda, you’re going to lose out to the competition. Build it into your digital transformation and be willing to learn from your failures. Tech is not the big challenge... we need our business leaders to put insights at the heart of the business.”

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