



Asia-Pacific welcomes the Age of Data: a customer-centric approach to data

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Every day, a staggering 2.5 quintillion bytes of data is generated globally.¹ Driven by the rapid digitalisation of entire industries, data has become a cornerstone of economic growth, supporting companies as they pivot and adapt strategies to an ever-changing business landscape. Today, companies are not only able to *collect* more data than ever before, but also *do more* with it.

“Before this, companies were in a more formative exploratory stage when it came to data, more focused on finance,” says Varun Verma, the Asia-Pacific Head of Data & Analytics at the Heineken Company. “In the last few years, we’ve seen a change in approach that looks at data in terms of insights that can sharpen company strategy.”

This transition can be further explained by the growing importance of non-financial data points, such as Net Promoter Scores (NPS) and customer satisfaction indicators, in strategy.

“The addition of these specific measurements really tells a company how it is doing outside of its top-line and bottom-line,” says Mr Verma. “The more a company engages with its customer, the more important it is to leverage data that tells them what is driving usage and satisfaction.”

The NPS, in particular, has risen in prominence because of how it’s able to demonstrate customer engagement with a company, and how

likely they are to share their experience with their wider networks.²

The emergence of these new data points signals a change in attitude among businesses towards a more “customer centric” approach, one that emphasises the importance of great experiences.

Customer centricity acknowledges that a one-size-fits-all experience is not as beneficial to companies in the long term, especially in an age where the internet has made it easy for customers to access more information, channels and choices. Data unlocks companies’ ability to take a customer centric approach by equipping teams with information on what their customers’ needs are, and how their strategies can be refined to encourage long-term growth.

The kinds of customer-centric strategies vary by company, with a myriad of examples in the Asia-Pacific region. For example, KFC in China uses facial recognition and

1 <https://cloudtweaks.com/2015/03/how-much-data-is-produced-every-day/>

2 <https://www.questback.com/blog/a-brief-history-of-the-net-promoter-score/>

artificial intelligence to target customers with personalised services.³ Companies utilising a strong customer-centric approach may benefit from increased revenues or loyalty, as Agoda did when its loyalty-driven sales increased 100% thanks to a slew of personalised promotions.⁴ In another example, Alibaba's Tmall has been using integrated VR to allow brands on its platforms to provide customers with a near-real in-store experience.⁵

The next generation of data tools

Over the past few years, the emergence of a new generation of innovations has enhanced companies' ability to better leverage their data collection.

Social media companies like Facebook and TikTok have spearheaded the development of sophisticated data collection technologies, but key innovations have also come from practitioners of advanced analytics and artificial intelligence such as DataRobot (automated machine learning that can help solve problems faster) and Salford Systems (advanced analytics and datamining software).

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Mr Verma explains that the "wide landscape" of data tools has become more complex over the years, with specific sub-segments emerging to meet companies' specific needs.

"At different stages, you see different tools being used because if you want the best operational efficiency from the data, you need a large suite of products that can work together in order to build a cohesive network," he says.

These might include tools used by companies to manage and track large quantities of data, such as those which enable companies to easily combine data lakes and data warehouses in order to extract useful insights. Data visualisation tools are also enabling decision-making activities by simplifying data into easily digestible images.

Data literacy is a missing ingredient

Despite its growing importance to a business's overall strategy, there is a persistent perception that data should only be handled by data teams, a belief that has dampened organisations' efforts to truly scale the potential of data-driven insights throughout the company.

"These days, data analytics isn't the job of the data analytics function—it's everyone's job," Mr Verma says. "But the biggest barrier every organisation faces in their data analytics journey is in change and culture management."

While data collection provides the foundation for data-driven strategy, data literacy skills are the crucial catalysts that enable teams to not only glean insights but communicate them effectively. However, various surveys have shown that there is a persistent feeling among employees that they lack data literacy skills. One survey points to only 21% expressing confidence in their data literacy skills,⁶ while another revealing that just 11% of employees globally are fully confident in all data literacy skills.⁷

3 <https://www.cxnetwork.com/cx-experience/articles/customer-relationship-management-apac>

4 <https://www.marketing-interactive.com/how-agoda-leveraged-data-to-personalise-offers-and-drive-sales-and-loyalty>

5 <https://www.luxurydaily.com/tmall-employs-vr-to-bridge-bricks-and-mortar-online/>

6 <https://www.accenture.com/us-en/insights/technology/human-impact-data-literacy>

7 <https://www.qlik.com/us/-/media/files/resource-library/global-us/direct/datasheets/ds-data-literacy-the-upskilling-evolution-en.pdf>

Having a data literate workforce is key to helping companies become more customer centric, especially as more processes become digitalised. Teams need data literacy to be able to understand what raw datasets are conveying to them, and translate those insights into effective growth strategies. Studies have shown that data literate employees were found to make better and faster decisions, inevitably leading to improvements in customer experiences.⁸

Many companies are already taking the initiative to integrate data literacy in their employee upskilling programmes. For example, Traveloka has been heavily investing in programmes to build a digital-first internal culture and equip its workers to interpret raw data.⁹

Mr Verma shares that Heineken's strategy includes the appointment of "analytics translators" across every business function who are responsible for driving digital literacy by "infusing analytics techniques and a data-driven way of working". This also enables greater collaboration between different business functions.

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Preparing for a data-driven future

With the rise of data, there have also been growing concerns around issues of privacy and consumer protection. Regulators have stepped

up to the plate in order to address these issues, leading to a trend of increasing regulation in Asia-Pacific. Broadly speaking, governments in Asia-Pacific have taken a principle-based approach to privacy and data laws, falling in line with the standards set by the EU's General Data Protection Regulations (GDPR).¹⁰

However, there are signs that new data regulations in the region could have a restrictive effect on businesses. For example, Vietnam's draft Personal Data Protection regulations would force business to receive state approval of their data collection and usage, leading to higher operational costs.¹¹ Most recently, the Indian government has enacted a restrictive legal framework to protect personal data that has threatened to severely limit tech firms' data usage.¹²

That said, most data regulations tend to exert a bigger impact on companies in the financial or medical industry where sensitive personal information is highly protected. Mr Verma shares that, in comparison, the FMCG industry comes under less scrutiny from a data-perspective as it collects data that is less sensitive in nature. However, as a company from Europe, the firm adheres to GDPR rules.

Mr Verma suggests that companies looking to leverage data analytics can take a more proactive attitude towards implementing their own internal regulations on how data is used. In doing so, companies can get in front of potential, future restrictions and better adapt to customer preferences.

8 https://www.tableau.com/sites/default/files/2022-03/Forrester_Building_Data_Literacy_Tableau_Mar2022.pdf

9 <https://www.itnews.asia/news/traveloka-uses-data-literacy-uplift-to-build-internal-culture-585169>

10 <https://www.csoonline.com/article/3655968/the-state-of-privacy-regulations-across-asia.html>

11 <https://kr-asia.com/big-tech-warns-vietnam-data-rules-risk-damage-to-digital-economy>

12 https://www.business-standard.com/article/economy-policy/india-s-new-rules-for-data-privacy-may-be-more-like-china-s-than-europe-s-122080900115_1.html

“We practice some things around AI ethics because we are running models for customer product recommendations,” he shares.

“By infusing all the right protocols that are used in the industry today, we can ensure we’re being secure when it comes to sharing or exchanging data.”

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Varun Verma, Asia-Pacific Head of Data & Analytics at Heineken Company.

A strong stance on privacy and ethical data management will be crucial for companies as customers demand better standards on these issues. Studies have shown that customer concerns over data usage are pervasive among a majority of Asia-Pacific customers, and a majority will stop purchasing from brands who fail in this regard.¹³

Looking ahead, companies can no longer afford to ignore the importance of customer-centricity informed by data, says Mr Verma, especially as these issues become a “question of survival” in an increasingly competitive environment.

“Over the last 150 years, we’ve been trying to create a one-size-fits-all for customers—that’s a thing of the past, because back then customers didn’t have specific demands,” he concludes.

“Now, they have options, so understanding them and giving them what they want is driving a whole spectrum of data analytics activities.”

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¹³ <https://securitybrief.asia/story/apac-consumers-worried-about-how-brands-use-personal-data-adobe>