

# Customer Experience Boosts Sales, but Data Silos Create Roadblocks for Manufacturers, According to New Google Cloud Study

Research of manufacturing leaders found that investments will increase in predictive analytics, personalization, and augmented reality to improve customer experiences

SUNNYVALE, Calif. and HANNOVER, Germany, April 13, 2023 /PRNewswire/ -- Ahead of [Hannover Messe](#), one of the largest manufacturing events in the world, Google Cloud announced today [new global research](#) that found that manufacturers who provide immersive and personalized customer experiences (CX) are outperforming their peers in terms of revenue, profits, and ecommerce sales. However, many manufacturers are facing challenges with data silos that stand in the way of creating the digital CX buyers are looking for today.

The research, titled *Digital Customer Journey for Manufacturers*<sup>1</sup>, was sponsored by Google Cloud and conducted by global analyst firm IDC. It was based on a global survey of more than 1,500 manufacturing leaders across nine countries and seven industries, including industrial machinery, automotive, electronics, consumer packaged goods, and more. The study examined the growing importance of CX in manufacturing for B2B and B2C buyers and the connection between the maturity level of manufacturers' digital customer journeys and their growth, investment in and deployment of technology, and challenges they face in digitally transforming CX.

## Robust customer journey boosts sales

According to the survey, manufacturers with the most mature digital customer journeys saw a 13.5% increase in revenue and a 14% increase in profit in the past 12 months. These manufacturers created personalized customer experiences that incorporated the latest cloud technologies, such as artificial intelligence (AI), augmented reality (AR), and integration with consumer applications like smart home devices, for example.

On the other hand, manufacturers identified the following challenges in transforming and improving the customer experience, such as:

- Different team priorities (31.1%)
- Lacking the talent needed (29.5%)
- Lacking the infrastructure needed (27%)
- Customer data is siloed and difficult to access (22.4%)

"Manufacturers are realizing that their current operating models need to evolve, and with growing competition and the commoditization of products, having a differentiated digital customer experience is a key component to staying competitive and driving revenue," said Simon Floyd, Director of Manufacturing and Transportation Industries at Google Cloud. "Successful manufacturers are breaking down the silos within their workforces and data systems to unlock new ways to attract, engage, and satisfy today's buyers who want smart recommendations and solutions so they can reduce the time spent researching, selecting, and ordering."

## Investment in predictive analytics, smart products, and AR will increase

The research also found that manufacturers' spending is expected to increase over the next 12 months on customer engagement applications in the following areas:

- 54.8% plan to invest in creating customer portals that include IoT sensors and predictive analytics.
- 43.3% plan to invest in developing integrated services that add value and open new revenue streams.
- 25.3% plan to invest in improving the omnichannel brand experience and providing personalized product configuration.

When it comes to creating personalized experiences, two thirds of the most mature manufacturers are utilizing a real-time inventory ledger that provides a holistic view of inventory across the network using pre-built, AI and machine learning (ML)-based demand planning technology— a capability that has only become more important as disruption has become a constant across the industry.

Manufacturers are also planning to invest in AR and virtual reality (VR) to stay connected in real-time with customers. 41.8% stated they have already implemented AR/VR, while another quarter (25.1 %) plan to

implement it within the next 12 months. Embedding rich 3D and AR directly into their search bars, websites, or mobile apps can help manufacturers improve search functionality by allowing search on-the-go using connected IoT devices—and incorporating inventory information with online searches.

## **CX and cloud maturity are strongly correlated**

The use of data, digital platforms, and technology is a hallmark of a manufacturers' customer experience. Increasingly, the amount of data that can be analyzed in the cloud is where value is being generated, as manufacturers can now analyze large data sets and drive improvements across the enterprise. According to the research, more than 50% of the most mature cloud users stated they are extremely effective at applying predictive analytics and data-driven insights to inform experiences and operations vs. only 11% of the least mature cloud users.

"The whitepaper reinforces what we've seen for the past three years, which is that customer experience and cloud maturity is strongly correlated," Floyd added. "As manufacturers become more market driven and better prepared to pivot, a connected data cloud platform that unlocks real-time intelligence, enables workplace collaboration, and creates an immersive, AI-driven personalized customer experience will become essential to long-term success."

**Resources:** [Digital Customer Journey for Manufacturers White Paper](#)

## **Methodology**

The survey was completed in September 2022 and included 1,514 manufacturing respondents that were the primary decision makers or part of a team for digital customer journey and commerce transformation for their organization. This includes reimagining customer engagement, better understanding customer requirements, improving product design and development, and/or better servicing products.

Key demographics include:

- Sub-Segments: Industrial Machinery (30%), Automotive (19%), F&B (18%), Electronics (16%), CPG (9%), Semiconductors (4%), Chemicals (4%)
- Regions: USA (46%), Japan (13%), Germany (10%), UK (8%), France (7%), Canada (5%), South Korea (4%), Spain (4%), Benelux (3%)
- Titles: C-Level (12%), VP (17%), Director (43%), Manager (28%)

## **About Google Cloud**

Google Cloud accelerates every organization's ability to digitally transform its business. We deliver enterprise-grade solutions that leverage Google's cutting-edge technology – all on the cleanest cloud in the industry. Customers in more than 200 countries and territories turn to Google Cloud as their trusted partner to enable growth and solve their most critical business problems.

<sup>1</sup> IDC White Paper, sponsored by Google, Digital Customer Journey for Manufacturers #US50419123, April 2023

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<https://www.googlecloudpresscorner.com/2023-04-13-Customer-Experience-Boosts-Sales,-but-Data-Silos-Create-Roadblocks-for-Manufacturers,-According-to-New-Google-Cloud-Study>