

Digital Engagement and the New Consumer

In the “age of the customer,” technology-led disruption is eroding traditional competitive barriers such as manufacturing strength, distribution power, and information mastery. As barriers to entry dissolve, the power shifts from large firms to the customer. Today’s customers are empowered buyers. They have information at their fingertips to check a price, read a product review, or access peers for advice.¹ They are demanding more from the brands they love. No longer confined by time and location, brand experiences must be immediate, relevant, and seamless across all channels. Organizations that can deliver engaging brand experiences will dominate their markets now and into the future.

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Strategy for Customer Experience

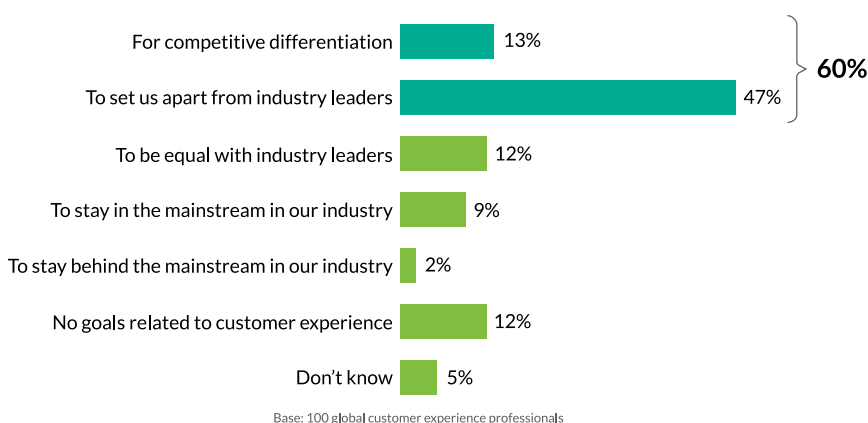


Figure 4.1: Digital Experience Is the Key Differentiator²

¹ Jean-Pierre Garbani with Doug Washburn, Elizabeth Langer, “Prepare for 2020 - Transform Your IT Infrastructure and Operations Practice,” Forrester Research, October 24, 2012.

² Rogowski, Ron, “The Unified Customer Experience Imperative,” Forrester Research, May 7, 2013.

In 2020, delivering digital experiences that exceed expectations will give organizations competitive advantage. The challenge will be to extract value from customer information, optimize and personalize the delivery of this information, and manage it securely. In a customer-centric era, brands must deliver compelling experiences created through the contextual understanding of their customers, while adhering to established information governance policies and standards.

The Empowered Digital Consumer

Customer experience is the sum of all experiences (from interaction to transaction) that occur over the duration of a relationship between a consumer and an organization. The ideal outcome is a consistent experience that delivers relevant content, products, and services across multiple touchpoints.

Customer experience has evolved into digital engagement, helping organizations capture consumer activity to improve interactions. Disruptive digital technologies have introduced new channels for distribution and consumption, including a complex landscape that gives customers instant access to data from websites, apps, mobile and wearable devices, sensors, and social networks.

Mobile devices, in particular, are revolutionizing the digital experience and pushing the limits of engagement. Mobile shoppers represent the shift toward a mobile-centric lifestyle. According to research, the number of mobile transactions is due to rise 65 percent between now and 2016.⁴ As mobile retail becomes commonplace, a digital marketplace will evolve to support technologies that support mobile transactions. Mobile payment and Mobile Financial Services (MFS) will become integral to the functions of financial institutions, banks, and global retailers. Digital banking cards will be embedded in mobile devices and used by 70 percent of physical bank-card users.⁵

In addition to card readers, QR codes and Near Field Communications (NFC) – a wireless communications technology that enables mobile devices to communicate based on proximity—will increasingly allow for payment using just a SIM card. In the future, NFC will expand to support other uses, including identification, transportation, and ticketing. Online payment options, such as PayPal® and Square®, will continue to rival traditional payment methods.

Mobile shoppers present a huge opportunity for marketers to support the complete customer journey—from initial interest to purchase and follow-on support. From consumers making price comparisons to making purchases on their handheld devices, rating their experiences, and joining an online community to share reviews, mobile commerce is empowering consumers and providing the enterprise with new ways to engage with their customers.

It's All About the Journey

In 2020, the digital enterprise will have to digitize the entire customer journey. Customer journeys document the experience customers have from initial desire through to fulfillment. This includes all points of engagement or the touchpoints that create the overall brand experience.

“Digital businesses understand that if they are to win in the age of the customer, customer experience is their only differentiator.”³

“Currently, only 25 percent of organizations have mapped out their customer journeys for a clear understanding of their experience across multiple touchpoints.”⁶

Customer journeys are based on data collected across various touchpoints, transactions, interactions, social media sites, and devices. Analyzing this data leads to customer insights—and these must be tied back to actions that drive automated, internal processes and the delivery of content and services. This should all happen in real time, in response to customer requirements to influence their decisions at the moment of need.

³ Nigel Fenwick and Martin Gill, “The Future of Business Is Digital,” Forrester Research, March 10, 2014.

⁴ “7 Ways the Mobile Consumer Changes Everything”, Bazaarvoice, 2014.

⁵ Garry Evans, “Disruptive Technologies: Winners and losers from game changing innovation”, HSBC Global Research, October 2013.

⁶ Solis, Brian et al., “The 2014 State of Digital Transformation”, Altimeter Group, 2014.

Effectively managing customer data is critical to optimizing the customer journey. If an organization can predict customer behavior, it has a better chance at delivering what a customer expects. This is called “contextualization” and it defines digital experiences that adapt to a consumer’s context.⁷

In contextualized experiences, the needs and buying behavior of each consumer are anticipated to offer personalized information and location-based products or services at the most opportune moments to buy. To deliver a contextual experience, organizations use tools that combine historical (buying behavior), situational (geo-location), and demographic (profile-based) data. Relevant content is delivered to consumers based on preference, past behavior, and the device they’re using, giving organizations opportunities to build brand loyalty and long-term relationships with customers.

Reaching today’s empowered consumer requires a complex, multifaceted approach across many channels. In 2020, the digital enterprise will focus on creating a compelling brand experience at every touchpoint through omni-channel delivery, responsive design, digitizing the customer journey, and consolidating “customer big data” across the enterprise.

A 360-Degree View of the Customer

In 2020, customer insight will be supported by designated teams, technologies, and budgets. The digital enterprise will look for data-literacy talents and skill sets that can be used to analyze and interpret data with integrated tools in place to support the entire buying process. Customer big data will be hoarded and protected as an asset as it grows to a key differentiator. To gain the coveted 360-degree view of the customer, the digital enterprise will need to manage the complete portfolio of its customer information securely in order to maximize its potential and minimize risk.

In order to deliver a seamless end-to-end experience across many touchpoints, the digital enterprise will need to integrate front- and back-office technologies and processes with a comprehensive Enterprise Information Management (EIM) approach that incorporates Customer Experience Management (CEM) technologies.

Customer Experience Management Drives Differentiation

As part of a comprehensive EIM strategy, a CEM solution helps business leaders turn unstructured data sources into levers of competitive advantage and profitability. While there are multiple definitions for CEM, they all converge on a similar idea: exceeding customer expectations to improve business results.



CEM Creates Value across the Customer Lifecycle

The key to sales and marketing success in 2020 will depend on an organization’s ability to leverage all available data and use it to better understand the customer to deliver compelling experiences. A CEM platform helps to create deeper digital engagement across devices and channels with software applications like content analytics, semantic analysis, web content management, social media, digital asset management, and customer communications. These technologies are combined to deliver a seamless experience, without sacrificing information governance and compliance. Using CEM, a digital enterprise can capture audience expectations, process requests, search for relevant content, curate user-generated content, assess consumer activities for analysis, and present actionable data to deliver exceptional digital experiences. Video, rich media, and personalized content can be created collaboratively, published seamlessly, and shared ubiquitously to surprise and delight customers at every turn.

In the following article in this series, we’ll take a look at how the digital customer and disruptive technologies are affecting the supply chain and how the digital enterprise can effectively respond with a complete overhaul of supply chain processes across the entire business network.

To learn more, you can visit our website and download the book, [Digital: Disrupt or Die](#).

7 Ron Rogowski, “Digital Customer Experience Trends to Watch, 2013”, Forrester Research, 2013.

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NORTH AMERICA +800 499 6544 • UNITED STATES +1 847 267 9330 • GERMANY +49 89 4629-0
 UNITED KINGDOM +44 (0) 1189 848 000 • AUSTRALIA +61 2 9026 3400