NEW
WORLDS
IN CUSTOMER
UNDERSTANDING

The world is changing – and with it, our needs and demands. In the digital age, customers mainly expect transparency, simple processes and close dialog. So far, so challenging for companies. But the world being in a state of change also offers decision-makers unprecedented opportunities to gain high-profile customers over the long term and improve a company's own sales performance. The doorway to this world is known as *digital customer experience management.*

An ideal product experience across all sales channels is essential in the digital world.

The "special something" makes the difference. In times of digital transformation, it is no longer sufficient to meet customer expectations; one has to exceed them. This requirement is made more difficult as the number of contact points where customers and companies come together continues to increase. The objective for the company is to know and recognize all of these touchpoints and to serve them with consistently high quality content.

Digital customer experience management (DCXM) offers a comprehensive approach for managing the customer experience – with a clear focus on the digital world. Companies can use it to identify, classify and actively adapt to customer needs and expectations. Client retention should be reinforced over the long term; satisfied customers should become loyal clients. At the same time, this creates enthusiastic and authentic ambassadors for the brand and its products.
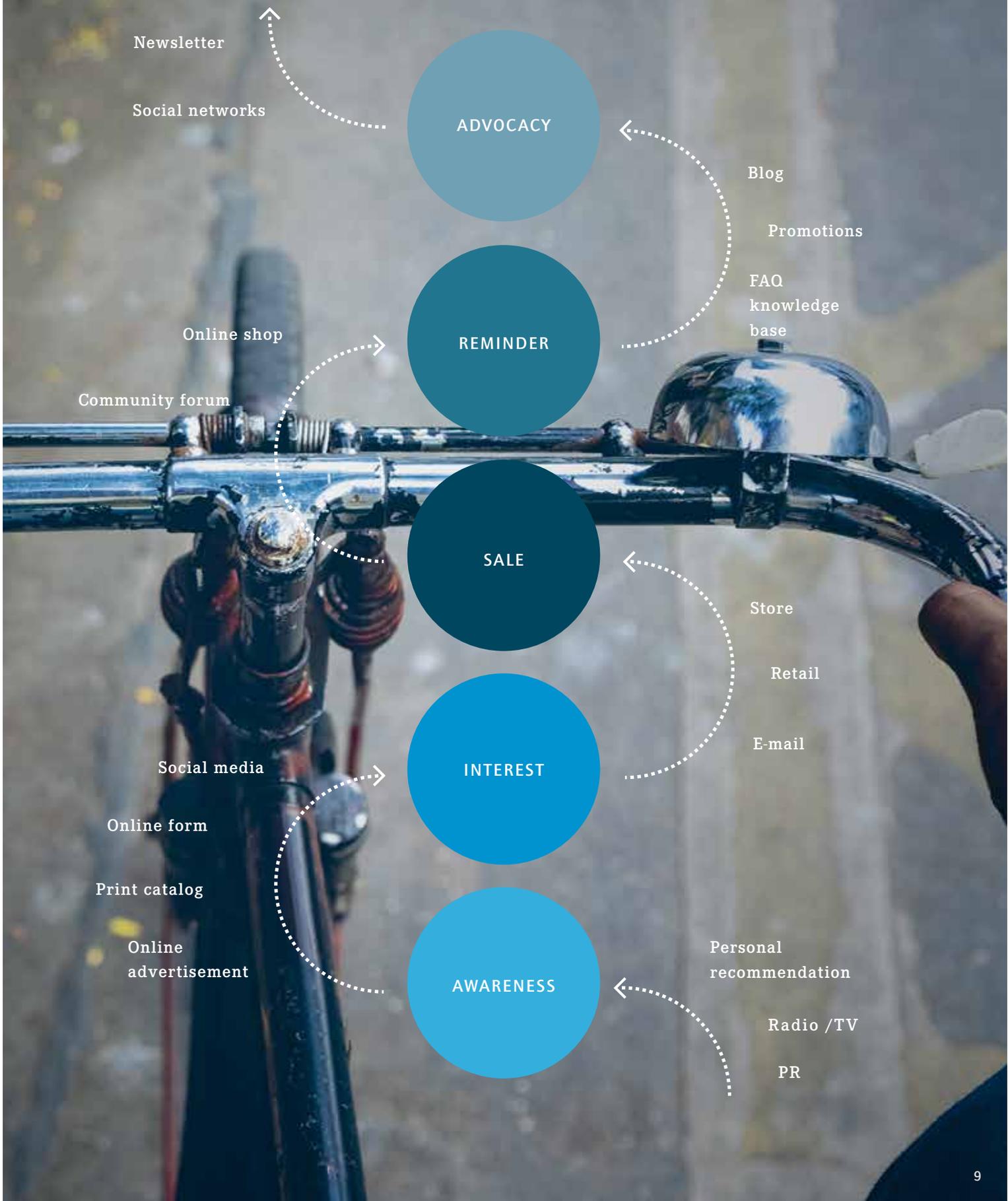
TOP SPOT ON THE DIGITAL AGENDA

DCXM has tremendous strategic significance for companies, because the knowledge surrounding customer needs and predictions about their behaviors creates the basis for customized product and service offerings and effective marketing campaigns. It therefore currently holds the top spot on the digital agenda of most companies. E-commerce in all its facets, digital customer tracking – also with regard to the use of digital platforms – through to customer relationship management (CRM), is permanently changing sales strategies and structures. With the assistance of digitally determined values about certain experiences, products and services are holistically coordinated with each other, emotionally charged and then presented on Internet sites, where the customer is searching for, expects, or is led to this content. Although customer experience often also includes offline experiences, customers are significantly influenced by what they experience in the digital landscape, because they are constantly online with mobile devices. The tracking methods used to analyze their desires and expectations are becoming increasingly sophisticated. "Transparency in digital media forces companies to adopt a critical approach to their own subjects and products," says Prof. Dr. Robert Daubner, sales expert at Horváth & Partners. "This brings them closer to customers. Those who successfully create a feeling of emotional connection between consumers and products through authentic communication, lend a high degree of authenticity and credibility to their customer relationships."

FOUR CORE PROJECTS FOR TODAY
AND THE FUTURE

In practice, digital customer experience management comprises four elements: the digital customer journey, the digital user experience, digital touchpoint management and omni-channel management (see the article on page 16). All companies that sell products and services will make these elements their core projects today and in the coming years, if they want to be future-oriented and use digitization to

TYPICAL STAGES ALONG THE CUSTOMER JOURNEY

Newsletter

Social networks

ADVOCACY

Blog

Promotions

FAQ knowledge base

Online shop

REMINDER

Community forum

SALE

Store

Retail

E-mail

Social media

INTEREST

Online form

Print catalog

Online advertisement

Personal recommendation

AWARENESS

Radio /TV

PR

The way content is handled and distributed needs to be defined as part of the sales strategy.

interaction with customers, which was limited to one touchpoint. Rather, all information will flow through all sales channels to a central office in the sales organization." Content and customer interactions will be evaluated according to recency and touchpoint; customers will be automatically redirected and given additional content. From the customer perspective, the transitions between different sales channels are no longer visible; instead customers are presented with a holistic customer experience.

TAILORED TO USER NEEDS

The user experience is not based on a company's marketing and PR strategies, but rather on the customer's information needs. These needs are critical to answering the question of which content needs to be provided on what channels and in which formats. A constant real-time dialog with customers and the correct tools for evaluating customer interests with continuous adjustment of marketing and PR communication – those are the key factors for sales. E-commerce companies provide orientation during the search for the right content strategy. They have identified the key to an optimal digital user experience: Storytelling with composition, channel, design and language content elements that are so coordinated with each other that the stories told evoke genuine emotions.

It has now become imperative for companies in every industry to develop content strategies and to ensure that the digital content is organized, coordinated to meet the needs of the user and appropriately aligned with business objectives. The focus of such strategies is on website content, in particular that on landing pages. These offer the highest degree of interaction and thus rank among the most important touchpoints. In the course of mass distribution of mobile devices, the significance of a professional content strategy continues to increase. Since Google recently began favoring the mobile version of a website, sales must learn which content influences the ranking, how the content appears on mobile devices, which business objectives are being pursued and how production and publication plans for content work. A good content strategy creates a high conversion rate and transforms as many landing page visitors as possible into buyers. The prerequisite: A perfect user experience.

WHERE ARE THE TOUCHPOINTS?

Digital touchpoint management includes the coordination of all digital content activities that are intended to give customers an outstanding experience at each interaction point on the

develop further. Successful sales organizations are taking matters into their own hands and organizing a customer journey from the perspective of the customer. The journey precisely defines which channels are used at the different touchpoints between customers and companies and when proactive signals from the company are to be employed. Focusing customers' digital habits and applying new digital opportunities in a targeted manner have long since become mandatory sales tasks. Those who are familiar with the path of the customer to the product can use this data to increase sales performance.

Monitoring tools plot and evaluate the behavior of individual customers and entire target groups. "These insights offer companies the opportunity to continually adjust the customer journey and even to predict it," emphasizes Thorsten Lips, Head of the Sales consulting segment at Horváth & Partners. "Sales excellence in the future will include far more than traditional

02
DIGITAL USER EXPERIENCE

All content on the web that customers come into contact with in connection with a brand or product

03
DIGITAL TOUCHPOINT MANAGEMENT

The organization of customer touchpoints with the products and brand on the customer journey
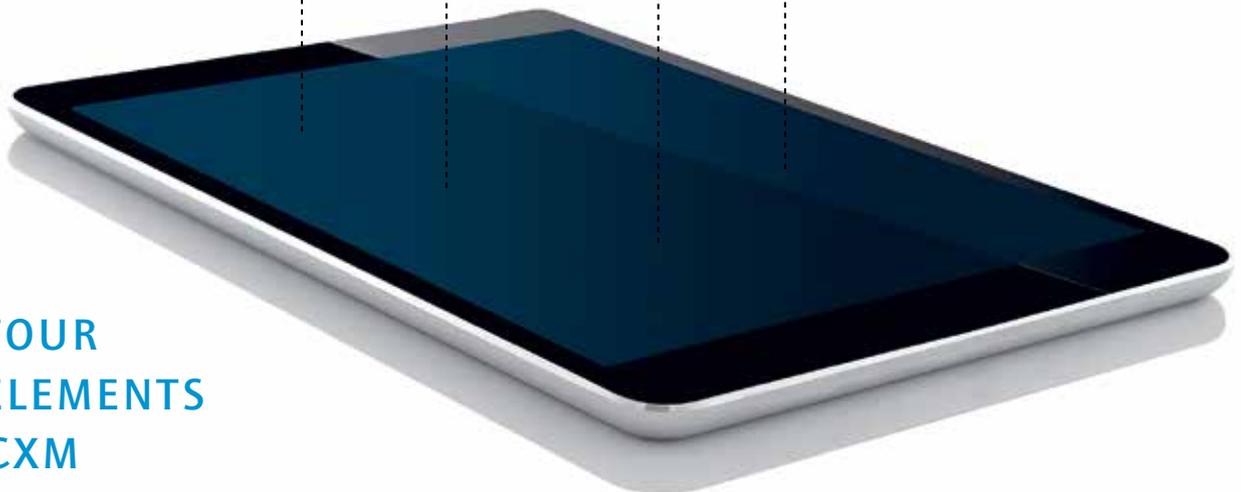
01
DIGITAL CUSTOMER JOURNEY

The entirety of digital channels that customers use to search and find information about products and services

04
OMNI-CHANNEL MANAGEMENT

The bundling of all sales and communication channels to optimize the customer experience and the company's success

THE FOUR KEY ELEMENTS OF DCXM

customer journey. A key objective for sales consists of constantly optimizing the customer experience at individual contact points. Existing customer relationships can be solidified in this way; new business can be generated in customer-to-customer dialog. "The analysis of all interactions at the touchpoints provides information about which touchpoints are most important for a company's turnover and enable corresponding prioritization of the future content strategy," Thorsten Lips explains.

To serve multiple sales channels, dynamic markets and heterogeneous target groups require new strategies and access to customers. Networking the diverse communication channels and serving all target groups simultaneously is an important task for companies. The customer does not attach importance to the sales channel, but rather values an ideal product experience. Omni-channel management combines all sales and communication channels or uses them in parallel in a network. The prerequisite for ensuring that sales works across all channels is efficient CRM technologies and consistent data. Uniform CRM should be provided with a dialog interface that sales can use to administer content and incorporate information from interaction with customers as well.

DETERMINING THE RIGHT TOUCHPOINTS

Horváth & Partners supports companies from diverse industries as they implement DCXM. With innovative methods from digital marketing and the analysis of customer flows, marketing experts

Efficient CRM technologies and consistent data are prerequisites for linking all sales channels.

provide the strategic context that companies can use as a basis for mastering the massive upheaval and new challenges resulting from digitization. "One of our most recent tasks for a customer in the insurance industry was to identify relevant touchpoints," explained Robert Daubner. "Until now, they did not have a tool to find out which of more than 100 identified touchpoints were significant for the target groups. More than a year had already been dedicated to the search for the essential customer journeys so far." Horváth & Partners determined the three most important customer journeys and also the key influencers for four to five insurance products. The key influencers are highly respected among the customers that are to be mobilized and are digitally very well networked within the target groups.

A paradigm shift will need to take place in many industries to successfully use DCXM. "The insurance industry is not the only one that tends to want to define touchpoints themselves," said Mr. Daubner. "But in reality, the point of view has to be the perspective of the customer. Because the customer decides how he or she would like to contact the company. For companies, this means the inverse: They have to provide appropriate content at all touchpoints, if possible." The concept of DCXM may have originated in the B2C sector, but its mechanisms also apply to B2B business.

STRUCTURAL CONSEQUENCES

DCXM impacts the overall corporate structure and culture. It means introducing completely new and sometimes unfamiliar processes. Possible repositioning of products and content requires agile process methods, editorial content planning, orchestration of all sales channels, and high tolerance for errors in management.

DCXM is an important transformation step for sustainable growth for any company. How content is handled and placed becomes the core task in the context of the sales strategy. In many companies, digital sales performance can be significantly increased by implementing important individual subjects like omni-channel management without immediately triggering restructuring of the group – however, this must be done with foresight in such a way that the concept also fits within future company-wide realignment. Organizing the digital customer experience is not a one-off process – rather, it is subject to constant change and adjustment. ∎

// *Thorsten Lips*
  TLips@horvath-partners.com
  Tel. +49 211 577908-1327