Is your customer experience making an impact?

Or not?

When it's experience rather than product that sells, Avanade explains how to make compelling digital customer experiences a reality.

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Introduction

Today, most organizations have a customer experience strategy (96%), but recent Avanade research shows that only 14% are ahead of their customers' expectations. This means that 86% feel that they are behind the curve, the competition — and most importantly — their customers' expectations.[1]

The cost of failure is high — as much as 8% of yearly revenues.[1] Organizations that fail often lack understanding of **what** great customer experiences look like and **how** to get there.

Great customer experiences don't happen by accident. They require a vision and a plan to get there. We call this the CX Trek.

Developing "moment of truth" customer experiences requires a deep understanding of your customers, the tools needed to procure that knowledge, and the commitment to get the most from that information — constantly.

And that means needing a customer-centric vision supported by leadership, your culture, and an abundance of ongoing work.

According to recent Avanade and Sitecore research, the upside to this challenging adventure is deep business impact — a 3x return for every dollar spent and increased employee productivity, increased sales and revenue, various cost savings, internal process improvements, and increased loyalty.[1] We call this the "Customer Experience (CX) Trek" and have broken it into three phases which, with the right focus and applied insights, will yield greater returns along the way. These stages are:

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- Fostering Change Enablement
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[1] https://www.avanade.com/cxresults

Getting Started:
Digital Foundation

In a recent survey, 64% of companies cited competition as the main driver for focus on customer experience.

Customers are the lifeblood of your work — if you can't maintain their interest and stand out among other competing brands, you've failed them and your organization.

Building
Strategy & Vision

Applying
Data & Insights

Leveraging
Technology to Accelerate

Look around you. Are your top competitors retaining their key customers and attracting new ones? Is their brand attractive and enticing? If so, they likely have a strong CX strategy. The time for you to act and build a comprehensive customer-centric strategy is now. When companies are getting started and building their digital foundation, their CX strategy and actions are often reactive and mostly opportunistic.

Building Strategy & Vision

Do you have a vision?

A great customer experience strategy builds a view of the customer experience from a human-centered design approach. It's often aspirational, and should be inspirational. You may realize that when you articulate the vision, your organizational delivery falls short. These are all good markers for the effort you are going through. Your CX strategy should start with a vision of your

customer experience in the future, aiming to reduce customer pain and friction across the lifecycle. It becomes a guiding force for the organization and leadership on the vision, goals, priorities, and roadmap to improving customer experience, and ultimately, business results. Your strategy will most likely call upon other functions of the organization to get there — sales, marketing, service and support, supply chain, or operations, and should build towards a roadmap of key changes in the customer experience, internal processes, and milestones with quick wins that help energize the overall CX effort.

A major step in your roadmap may be modernizing your marketing platform, data, or sales systems. Today, a modern CX platform provides capabilities that go well beyond basic content management, with potential for personalization, options for testing, ecommerce, data capabilities, deep reporting, and more. Embracing these capabilities as you advance will lead to improved results and increased ROI. This is no small feat — it's huge. This is a good place to invest time early on, as it's a lot of work to implement after the fact.

To effectively land your CX vision and strategy, you also need a strong business case. The business case articulates impact and should be tied to both hard and soft metrics. Soft metrics could include things like brand awareness, mentions in AR and PR efforts, increase in Net Promoter Score, increase in search term rankings, and social sentiment. Hard metrics could include increases in opportunities and sales as well as savings, reductions in

costs, ROI, and tangible efficiencies like reduced supply chain expenses and reduced labor costs.

One element you may need to build a business case for is your CX platform. You will want to review past metrics and showcase improvements in your business case, which could include:

- Improved systems performance

- Improved content publishing timelines

- Increased savings of time, money, and resources

- Decreased spending on outside vendors

- Number of retired systems and associated time and dollars in upkeep

- Repeat clients and associated purchase information

- Improvements in channel-specific metrics

- Improved internal processes

- Realized cost savings

Your business case becomes proof that supports your investment and the impact of your CX strategy. Leaving your business case until after the work is done is a sure-fire way to sink your long-term CX agenda.

Applying Data & Insights

Are you suffering from too many data silos?

When you're building the Digital Foundation, harnessing data is crucial to inform your vision, strategy and roadmap. Unfortunately, this is often the time when many organizations realize they are limited by the many disparate data silos across the organization, and the inability to develop a unified view of the customer. The quicker you reconcile data silos and build bridges across divisional lines of data, the quicker you can derive insights and progress on your CX trek. Data is critical to developing a customer-first approach. Here are a few tips to leveraging your data and developing the insights you need to move the needle on CX.

Assess what data you have available

Identify what data you have available to better understand the customer perspective, even if it's in silos. Then, identify what you already measure and what you want to measure in the future, and ensure the right data is collected on a continuous, consistent, and comparable basis.

Build organizational allies

Being customer-driven also means being data-driven. Business units must be able to collaborate and share data. Bring your counterparts into the journey early to break down data silos and champion the customer experience vision. Get them to weigh in on what you are currently
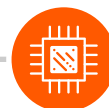
measuring and want to measure in the future. Involve data analysts to help with the details, while IT connects the dots on the organizational capabilities with data. Establishing an organizational view of data health is paramount to serve the customer experience and the employees who need to support it.

Start integrating data

The goal in the Digital Foundation phase is to reconcile your siloed systems and create a vision for a single, complete, and actionable view of your customers and prospects. This means creating real business questions, looking at your data, and understanding the current limitations of your data and related processes. At this point, you want to find the holes in your data so you can fix them. For example, one of our clients, **Nippon Paint**, is connecting their customers, the world of home decorators, and their sales people. They consolidated websites and connected data across the entire lifecycle to connect the estimation, design, and budgeting processes. Data is helping them improve retention rates, increase revenue streams, and makes them a great one-stop-shop for home design. Incidentally, they are a **2016 Sitecore Experience Award winner**. Don't waste your opportunities. Utilize the available data to discover new ways to interact and improve relationships with your customers.

Leveraging Technology for Acceleration

Is your CX platform helping you differentiate your brand?

A critical element to accelerating the initial connection with your customer is the customer experience platform that hosts your website and other CX capabilities. Modernizing legacy platforms often presents a challenge to creating a significant change in the customer experience. We are finding many organizations opting to accelerate by taking advantage of a managed services approach.

With managed services, you purchase a pre-defined marketing platform, ongoing management and updates, and integration with core business systems through the cloud. In short — you outsource the technology management side so you can be more agile in getting your message across to your customers. As with Avanade's Digital Marketing Managed Services, you can take advantage of pre-defined templates, accelerators, and quick-scale capabilities without having to bring them in-house. Several clients in the **2016 Sitecore Experience Awards** leverage Avanade Marketing Managed Services to gain scale, agility, and acceleration of their CX Trek.

Getting Started:
Digital Foundation

"With so many systems, data today is often siloed, and no one in marketing, IT, or sales can have a holistic view of how one customer is interacting with a brand. Don't let the technology define the terms but rather demand more from the stack in order to own the experience with your customers."

— **Scott Anderson, CMO, Sitecore**

Your checklist for progressing in your CX Trek

✅ Build your strategy and vision for CX

- Start with a Vision Workshop or CX Optimization Engagement

✅ Build your business case for business impact — include tangible and soft metrics

- Talk to our strategists to help you sort out the metrics you should leverage

✅ Arrange an Instant Insights or Successful Change workshop to start building your next great idea

- Build a data map aligned to your customer experience vision, goals, and metrics

- Identify what you have and what you need from others in terms of data and access

- Build alignment with key stakeholders on the data across the journey to ensure buy-in

- Work with appropriate data resources in IT or other areas to rationalize, consolidate, and unify your data views so you can begin to use your data and add to it when needed

Increasing Momentum:
Digital Empowerment

If you're evolving to this stage of your CX Trek, you're delving into the many layers of information that make your customers unique. That makes things increasingly interesting — and complicated.
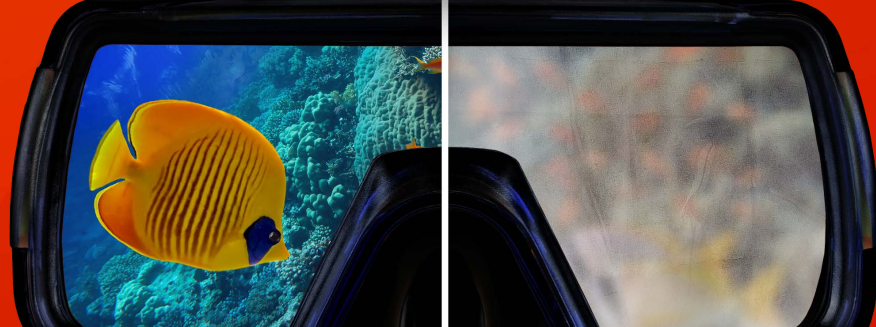
Increasing Momentum:
Digital Empowerment

In the Digital Empowerment stage, your data is most likely informing some significant decisions around your CX approaches, systems, and processes. You should be gathering and organizing information and data across the customer lifecycle. In many ways, you are becoming a strong performer in your industry and a market challenger to the status quo.

This is an exciting time in your CX Trek to reap incredible value from data and analytics. Your opportunity to leverage the advanced capabilities of your CX platform like multi-channel and multi-departmental analytics, A/B and multivariate testing, fuels further work around personalization, campaign management, and analyzing the multiple ways in which customers interact with your brand.

When companies are in the Digital Empowerment stage, their vision is in hand and they are increasing momentum, actively working towards strong performance and being market challengers.

Accelerating Data & Insights

Is your data accelerating your insights?

Building upon the baseline you established in the Digital Foundation phase, you should now be pulling data and insights across channels and getting a deeper view of your customer. Do you know what's driving them to your site, your content, and your brand? Do you know which solutions or products are gaining the most attention? Are you creating tailored, more personalized content for them? Using data to get to these kinds of answers often requires iterative testing and analytics. Simple in concept and design, testing is powerful and widely used to improve overall customer experiences by understanding behavior.

A/B testing runs test cycles over time to identify incremental changes and measure which variable is more successful. Multi-variant testing often uses a sample of data and requires more sophisticated analytics. It often requires time between test, trial, and production but is a powerful way to target re-design efforts and designing landing page campaigns. For example, you can test a customer survey and create versions that test the look and feel, the question set, and the process flow to see which one yields greater survey completions and then convert to the most effective version for full-scale roll-out.
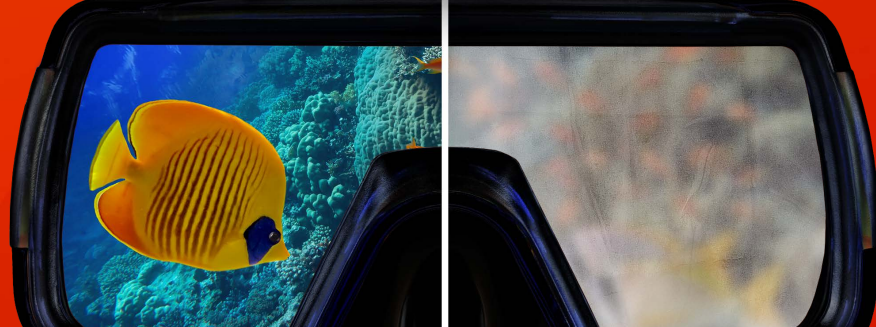
Here are some best practices for A/B and multi-variant testing to enhance the overall experience:

Start with a hypothesis

Before you ask your designers and copywriters to create dozens of different buttons or calls to action, start with a hypothesis you wish to test. Without at least some idea of the possible outcomes, A/B testing becomes A/B guessing. Without a hypothesis, discerning the true impact of design changes can be difficult and may lead to additional (and potentially unnecessary) testing, or missed opportunities.

Take a granular approach

Test one element at a time so you'll know for sure which change was responsible for which result. Once you've determined a winner, test another single change. Keep iterating until your conversion rate is consistent. A common mistake when performing A/B testing is comparing the results of landing page layouts that are too radically different from one another. Although it might be tempting to test the effectiveness of two completely different pages, doing so may not yield any actionable data.

Ensure statistical significance

Above all, ensure statistical significance. Economists and data scientists rely on this principle to identify and interpret the patterns behind the numbers. Statistical significance lies at the very heart of all testing best practices. Without it, you run the risk of making business decisions based on bad data. With the advent of machine learning, companies are now able to iterate and understand results of their hypothesis and testing more quickly than ever. Those using data science and machine learning are gaining a competitive advantage over those still yet to do so.

Even if you are in the early stages of embracing machine learning and data science, continue the effort. It will add to your depth and knowledge dramatically as you advance to the Digital Innovation stage.
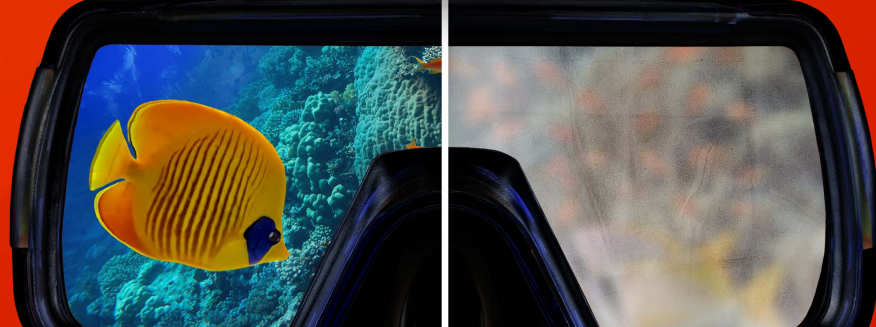
Infusing Experience Design

Is your design aligned with your customer experience ambitions?

A great concept is only as good as the time you put into the design. Designing for the human experience is known as design-thinking or a human-centered approach, and is often used at the inception of a new product or idea. Design-thinking helps create breakthroughs in CX innovation as organizations step out of siloed and internal thinking by stepping into the shoes and experience of their customer — they expand and refine concepts, experiences, products, and innovation. Combined with a modern CX platform, data, and testing, a design-thinking approach will help build or optimize your brand, and every single experience under it.

A good example of this is a large consumer electronics client with a vision of having the most personalized

customer experience in the world. After extensive design-thinking pre-work, they used advanced analytics to develop insights about their customers across online and offline channels.

Then, they adapted processes and systems to connect and even anticipate what a customer may ultimately need or want when walking into a retail location. They are connecting experiences across devices and channels, all the way to the showroom floor and beyond.

Building an Iterative Culture

The value of iterations — are you improving over time?

As you embrace A/B and multi-variant testing, you become more agile and attuned to iterating the customer experience. If your organization is becoming accustomed to iterations, it's a good sign that your organizational culture is becoming more customer-oriented through a constant series of tweaks over time. The key: never stop refining. Test your hypothesis, put your plans to action, analyze your results, and determine the best route to proceed — and then do it again and again.

Another form of iteration is the Proof of Concept. The Proof of Concept (POC) helps to continuously validate your strategy and provide proof points to your business case. POCs provide the quick hits of momentum needed

to continue the larger, longer-term effort. It is usually larger in scope than an A/B test and may include testing the impact of a significant decision against the larger customer experience initiative.

For example, an organization looking to understand the value of one offer over another may involve turning on a capability within your CX platform that you haven't used before. The POC can provide the proof to continue the go-forward plan, or identify alternate options. POCs provide proof, momentum, and value to the customer experience.
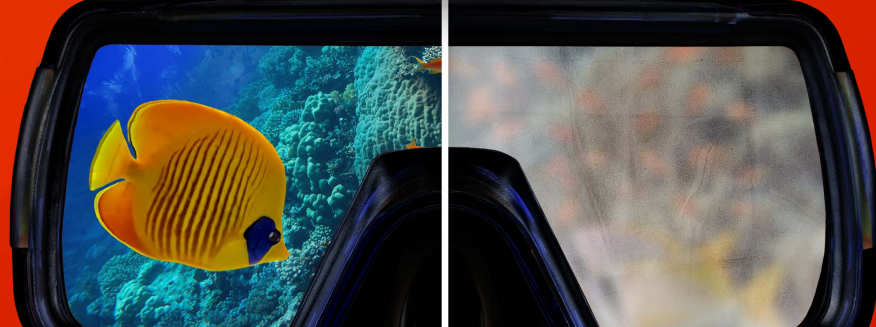
Connecting Channels & Content

Are your experiences modular, connected, and extended?

With data and analytics effectively arming your strategy, the importance of your content and channels now takes a greater seat at the table. Feeding the right content through the right channels to the right audience is all about data and testing. Are you seeing a pattern here yet? Most organizations start with a baseline of journey maps and personas for their target customers. These exercises can start as workshops or progress over time with your overall CX Trek.

To build the right content, the basic tenant in today's environment is to introduce modularity to your

Increasing Momentum:
Digital Empowerment

content to extend scale across channels and reach. Sometimes, the shape of your content is dictated by the channel you want to leverage. For example, producing ads to promote your content will require you to meet specifications of the channel or platform you want to advertise in. Modular approaches require a bit of forward thinking to the multiple use cases of your content, but enable you to solve for consistency of message across offers, campaigns, channels, and experiences.

Connected

Connecting channels is central to creating continuity across the customer lifecycle, and also build brand continuity over a lifetime of experiences. It requires data, content, connected systems, and the ability to optimize the processes surrounding them. It requires a real-time look and calibration of message, medium, and segmentations across channels. For example, let's take an organization like **Cricket Australia**. When Cricket looked at the experiences they were delivering to fans across channels, they realized they needed an overhaul. They discovered fans were looking for much more than they were serving. They then built a cohesive experience connecting fans, providing real-time information on matches, players, and stats and simplifying the ability for fans to embrace the momentum of the game no matter the location or device.

Extended

A single touch with your content might not be enough to break through the noise. Are you providing different means for your customers to hear your message? Are you leveraging the channels where your customers are naturally gathering to get exposure to your content? Content extension is another key component to connecting to your personas. This is a natural part of channel optimization and helps to give your content as long a life as possible.

Your checklist for progressing in your CX Trek

✅ Step into the shoes of your customer with a Design-Thinking Workshop

✅ Leverage an Insight Discovery workshop to continue your client experience evolution and embrace multiple testing techniques

✅ Conduct a Sitecore Optimization workshop with our strategists to identify areas of optimization and opportunity for refinement of your CX

Leading the Market:
Digital Innovation

Those who are in the Digital Innovation phase are industry leaders who look at the CX with an informed lens. They're not only breaking new ground, but they're iterating — constantly.

Leading the Market:
Digital Innovation

Advancing
Data & Insights

Fostering
Change Enablement

Driving
Innovation at Speed

Prediction and personalization are the holy grail. If you're driving Digital Innovation, you recognize that there will always be new ways to improve, push ahead of the pack, and adjust your ever-evolving customer experience.

You're using real-time feedback, analytics, testing, personas, segmentation, retention programs, campaigns, and driving loyalty. Most importantly, when you're a Digital Innovator, you understand that the process doesn't stop. "Great" is never "great enough" because our world is always evolving with new opportunities to reach customers and new customers to reach.

Think you're a market leader? Let's take a look.

Advancing Data & Insights

Leading and bleeding?

At this stage, your organization should have a handle on most or all of your data. You have unified it and know where your data is to support your efforts across the

customer lifecycle; you've enriched it, potentially with other data from within or the ecosystem at large; you are unlocking insights, taking action; and empowering your organization to use the insights to make changes to the customer experience.

You may be like **EdenRed**, an employee benefits management company, who leveraged extensive customer analytics to better connect with their members to make benefits, recommendations, and offers. Their efforts have resulted in a much greater cross-sell and up-sell to other core retirement products.

Today, with the advanced analytics platforms, cloud processing, machine learning, predictive capabilities and an abundance of data, organizations are now able to embrace predictive analytics to generate true personalization and find new business opportunities.

A good example of this is a client who provides sanitary and general cleaning supplies for public restrooms. They started with a hypothesis about their customers around a trigger moment. Then they consolidated and analyzed data through machine learning and predictive analytics. They made an astonishing discovery — their customers who ordered less of their products prior to an inspection often failed their next inspection (which cost them $50K in fees/fines). While the products they sell are simple, leveraging their own data enabled them to build a new offering for their customers and a new business opportunity for the company.

If you have data in hand, then take advantage of virtual reality (VR), artificial intelligence (AI), IoT (Internet of Things) and other technologies that can be used to expand and refine the customer experience — see **Avanade's Tech Vision** for more ideas. If this stage is still aspirational for your organization, look to the other elements within this guide to prepare a POC approach to prove the direction and continue to drive leading edge experiences. We have a number of examples where a POC becomes the proof point for the entire customer experience initiative.

Fostering Change Enablement

Is your organization ready to realize the vision for customer experience?

With your eye on your customer experience, it's easy to lose sight of the substantial changes required by the organization to support the vision. The most common reason that companies fail at achieving their 3x ROI on CX is due to under-investing in organizational change including stakeholder alignment, cultural constructs, internal capabilities, skills, agility, etc.

Even with substantial organizational changes, engaging employees as brand ambassadors and advocates at every step of the customer experience is often overlooked. It is a hallmark of CX differentiation. Are your leaders "walking the talk"? Do you understand all the specific "moments"

where your employees experiences meet or touch your customers? Do their interactions currently meet the standards you need to achieve your CX vision?

Take a deeper look at those employees who touch your customers. If you are like most organizations you have a diverse, multi-dimensional workforce. Think about the needs of your employees as they interact with their customers in various ways. Some slices of your employees may need practical, hands-on training, while others may be super savvy technically, but need more understanding of the customer experience. How close are they to realizing your vision? Look to document and smooth the internal employee processes that support your customers. In other words — manage the change to your internal teams to accelerate the impact with your customers.

Only 14% of companies are a step ahead of their customers' changing expectations[1]

[1] https://www.avanade.com/cxresults

Driving Innovation at Speed

Are you automating and scaling to leap to your next billion-dollar opportunity?

Companies who innovate at speed are connecting all the customer experience dots, realizing the full capacity of personalized relationships. Digital Innovation organizations are so deep into knowing their customers that they build new channels of revenue for the organization as a natural act of satisfying latent customer needs. They are out in front and not looking back.

New technologies like sensors, bots, IoT, and drones open new avenues to tailor the customer experience, drive interest, and gather new data and insights about your customers. Innovation connects the digital and the physical world. It anticipates and tees up unexpected delight for customers that make them fall in love with your brand — over and over again. For example, what if you could learn about a hidden need that affects a large percentage of your clients. You could expand your perspective through design-thinking, test, iterate, and create a new market opportunity. With your systems, people, processes, and technologies revving on full power, you no longer need to be Amazon to create these transformational experiences for customers.

This is innovation at speed.

Your checklist for progressing in your CX Trek

✓ Talk to us about your advanced analytics goals — we can help you get there with data science and platforms to support you

✓ Arrange an Instant Insight or Successful Change workshop to start building your next great idea

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Conclusion

No matter where you are in the CX Trek, the importance of customer-centricity, turning data into organizational gold, designing for culture change, and taking an iterative approach are keys to making the CX Trek a lucrative journey.

Delivering great customer experiences allows you to be market leading, regardless of changing conditions or competition.

Keep these 4 things in mind as you take your own CX Trek:

1. **Build a customer-centric culture**

   Creating and maintaining a customer-centric culture is one of the hardest things any organization can do, but it's also critical to developing exceptional customer experiences. It means connecting employees to the customer experience vision and empowering them to deliver on that vision every day. It also means supporting them through technology, data and processes that align with your vision for customer experience.

2. **Turn data into organizational gold**

   Empower your organization to become data-driven. Evaluate your data health aligned to your vision, and use it! Also, use data as a listening device to see and hear what customers might not be openly telling you. Don't just gather your data. Plug it back into the CX process to advance and leapfrog your competitors. Test and translate it into a deep understanding of your customers. Make decisions that turn into organizational gold.

3. **Listen and iterate on the CX**

   A big part of CX strategy is the willingness to change. Organizations who listen to their customers are willing to change their minds, their processes, and their results. Is your organization thinking from the inside-out or the outside-in? Staying connected to your customers will require constant iteration, and that's ok. No matter where you are in the CX Trek, it should be a never-ending, always-optimizing story.

4. **Create sustainable change for your organization**

   Building change into your systems, organization, and processes requires sustainable changes over time. Putting the customer first may require your organization to embrace new ways of thinking and encourage the right behaviors from a workforce not accustomed to such things. Change is inevitable — enabling your employees to embrace customers can help transform you to a Digital Innovator in your field.

Next Steps

Join Us!

Based on where many companies are in their customer experience journey, **Avanade created a series of workshops to help you achieve your CX objectives.** To get started, choose the workshop that works best for you based on your CX Trek phase!

Visit **www.avanade.com/cxworkshops** for more information.

Before we get started, take our **Maturity Assessment**: our strategists explore your vision, strategy and delivery across multiple pivots including business, technology, process, and people to indicate which capabilities need to be developed to evolve your customer experience in your industry.

Getting Started:
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Leading the Market:
Digital Innovation

Instant Insight

Successful Change

Sitecore Optimization

Insight Discovery

Instant Insight

Successful Change

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About Avanade

Avanade is the leading provider of innovative digital and cloud-enabling services, business solutions, and design-led experiences, delivered through the power of people and the Microsoft ecosystem. Majority owned by Accenture, Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation and has 29,000 professionals in 23 countries.

Visit us at **www.avanade.com**.

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