Why You Should be Delivering a Continuous Connected Digital Experience

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Most customers are engaged with brands through a variety of digital means. The digital world is driving a disrupt-or-die transformation. Allied with these trends is an increasing shift for as many physical and virtual assets in the value chain to become digitized and intelligent and incorporated into the end-to-end business process. One way to address this need to transform is to look across the organization for opportunities to infuse great digital experiences into mission critical processes.

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Introduction

For the first time, digital business truly puts people at the center of the activity. Digital business permits users to get what they need when, where, and how they need it.[1]

The traditional model of finding a new customer, selling to them, and then moving on to the next opportunity has changed. Research has consistently shown that it costs less to sell to an existing customer than to find a new one, and that customers who feel engaged with a brand or product will spend more on repeat business through the lifetime of ownership.

Today's world is an increasingly digital one, and most customers are engaged with brands through a variety of digital means. Digital business is blurring the distinction between the digital and physical worlds and creating digital transformation that leverages the integration of process, people, and things. At the center of this transformation is the customer.

Customers are increasingly in control, with multiple channels with which to be heard, they are dictating how business should be communicating. As a result, Customer Experience is becoming the battlefield for digital business transformation. It is now a mission critical objective and a competitive differentiator.

What is the Connected Digital Experience?

In today's business world, digitally sophisticated customers and partners increasingly research products, make purchases, track orders, and manage their accounts or subscriptions online. Customers increasingly expect these transactions to seamlessly transition from one digital platform to another while retaining a consistent personalized experience, with data, information, and assets moving seamlessly from one environment to another. To stay competitive in today's environment companies need to reinvent themselves as fundamentally digital organizations, treat the customer experience as a mission-critical deliverable, and create superior digital experiences to win, serve, and retain these increasingly powerful customers. The continuous connected digital experience takes things to the next step by delivering a multi-stage, multi-iteration journey for the customer by bridging your systems of engagement with your existing systems of record and elevating the Better Way to Work.

It has become critical to incorporate secure, personalized, and fully integrated self-service capabilities into every digital interaction. Every department has the chance to participate.

In practice, this means to foster long-term engagement and loyalty you must bring the same quality a customer may experience from a public facing touch point, such as a marketing site, to a follow-up logged-in experience, such as a secure, self-service portal.

By investing in a continuous digital experience, customers and partners will get a personalized content-rich experience while working in a secure environment they trust. The benefits for revenue, retention, and lifetime loyalty will fund the initiative. But firms may also find unexpected benefits, such as better departmental coordination, cost savings, faster invoice paying, and fewer customer service calls.

Serving your customers across a continuous digital experience journey maximizes Customer Lifecycle Value and increases revenue potential

[1] Use Business Moments to Identify Hidden Value Opportunities for Your Enterprise – Gartner Inc – 2015

Recent research[2] shows that for the majority of companies the top five business objectives in investing in new customer focused technology solutions are:

- Improving the customer experience
- Increasing customer loyalty.
- Gaining a better understanding of customer behavior
- Reducing customer churn
- Upselling and reselling to existing customers

In short, Customer Engagement has overtaken cost and risk reduction as the primary business objective.

Customer engagement technology is now connecting organizations with the customer journey by providing relevant, personalized, and timely information in each point of interaction.

CUSTOMER EXPERIENCE
is the perception that customers have of all of their (previous) interactions with an organization.

CUSTOMER ENGAGEMENT
is how a business engages with its customers. By engaging, the business provides an experience and builds relationships.
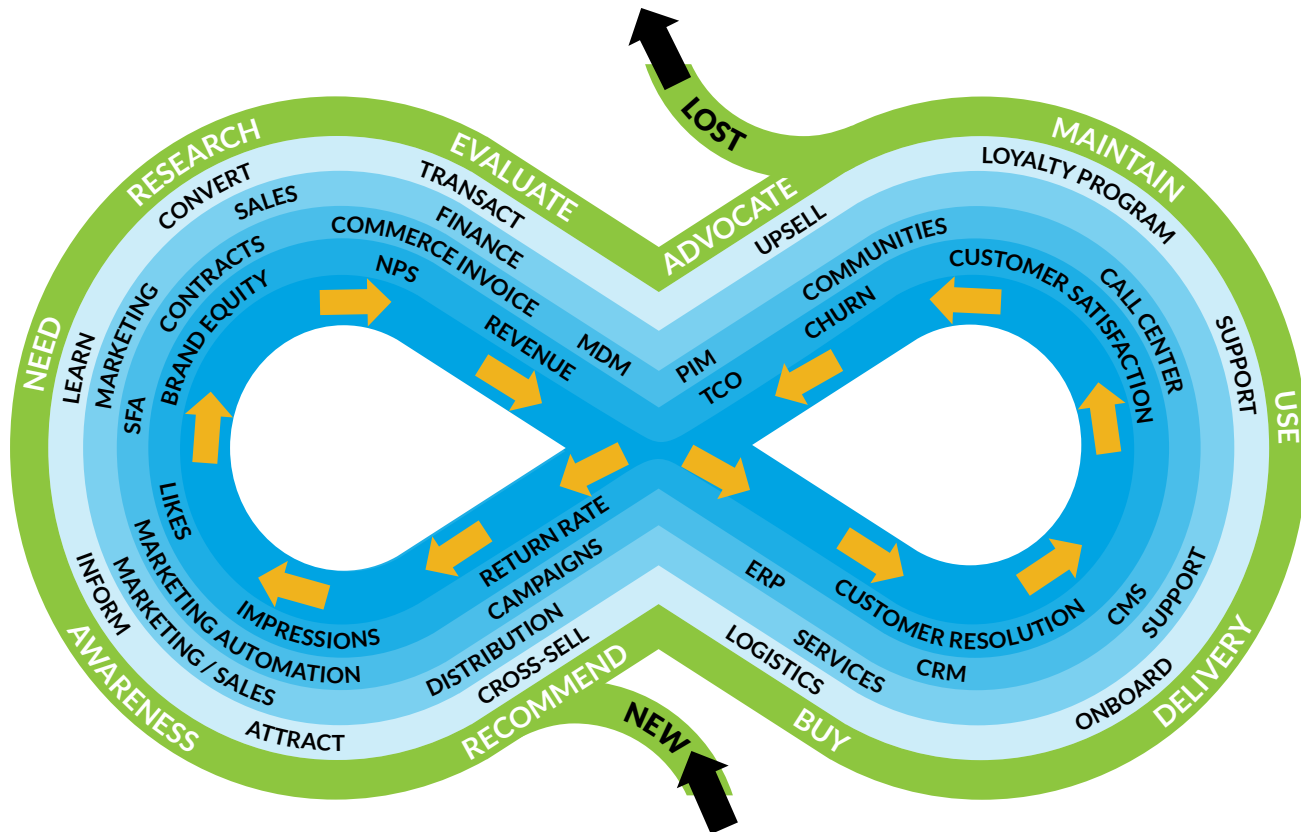
The Customer Journey

The customer is at the center of every business transaction and keeping the customer engaged has never been more vital than it is now in a digital world.

Traditionally, a new customer initiates a relationship at the recommend or awareness stage and cycles through defining a need, researching a product, evaluation, making a purchase, taking delivery, using and maintaining a product. More and more of this type of behavior and interaction is happening online with the customer only choosing to engage with a business late in the sales cycle, if at all. If the customer has had little, or no follow-up from the company they purchased from, or have had a bad customer experience they will generally move on to a new supplier for any subsequent purchase and the opportunity for additional revenue has been lost.

[2] Customer Engagement: The Next Decade Competitive Battlefield – InfoTrends - 2016

Investment in a strong customer engagement strategy and technology will result in a customer becoming a brand and product advocate who will recommend the product or brand to others, as well as wishing to continue to build on the existing relationship through additional purchases and interactions. Instead of leaving the sales cycle, the engaged customer loops back into it. The traditional linear sales funnel model is replaced by a potential infinite loop of continuous engagement that drives increased interaction, brand loyalty and revenue growth (See below).

The outer layer of the above diagram highlights the customer's journey from a prospect who has brand awareness matched to a business need. This is followed by research, evaluation all on the left hand side of the model. At the point of purchase, the customer crosses into the support and nurture phase where they take delivery and use and maintain the product. With strong engagement, a customer will stay on model and become and advocate that crosses back and enters the recommendation phase and moves back into sales cycle. This sort of model is only feasible with a continuous connected digital experience that works across the organization.

The second layer maps the customer's activities to those of the organization as it attracts the customer, informs, teaches, and converts the customer so that they will partake in a commercial transaction that needs to be followed up by logistical operations, onboarding and ongoing support. Winning organizations also use engagement assets like loyalty programs to up-sell and cross-sell to the existing customer, thereby generating revenue at a lower costs of sales.

A full breakdown and analysis of this "infinity diagram' model will be covered in an upcoming OpenText whitepaper.

FIGURE 1

A potential infinite loop of continuous engagement that drives increased interaction, brand loyalty and revenue growth with existing customers

How to Orchestrate an Exceptional Digital Experience

Positive customer experience is all about removing the friction from the process. The easier something is to do, the better the experience. As mentioned earlier, customers increasingly expect these transactions to seamlessly transition from one digital platform to another while retaining a consistent personalized experience, with data, information, and assets moving seamlessly from one environment to another.

It is tempting to try to address this by breaking down as many operational and siloed business and technology platforms as possible. This is often an impractical approach that leads to mismanaged expectations, delays, and higher than expected costs. It is better to bridge the silos in a way that allows data to flow between them and to build on a suite that can work with established Business Process Management (BMP) tools. Instead of trying to break down silos, bridge them into irrelevancy by delivering a Customer Experience Management solution that focuses on delivering high impact content (usually visual), strong transactional integration, interactive customer communications, and allows you to conduct meaningful analytical analysis to continuously refine the experience.

With an exceptional digital experience in place, it is not only the customer, but also your supply chain, distributors, and even employees who can benefit as well.

Calculating Customer Lifecycle Value (CLV)

If you invest in your customers they will invest in you with their time, information, brand loyalty, recommendations, and ongoing sales. Investment in customer experience means delivering a continuous connected digital experience that will increase a customer's lifetime value to you as a business. Managing on a measurable Customer Lifecycle Value (CLV) will drive sustainable growth.

The CMO Council[3] recently looked at how marketing executives quantify customer engagement success. More than a third of respondents said that revenue metrics, like Customer Lifecycle Value (CLV), revenues per customer, and overall revenue increases were the primary type of metric they used to measure consumer engagement.

Traditional measurements like Net Promoter Scores or Customer Satisfaction scores are reactive, descriptive, and sentiment-based, while what is needed is something that is predictive and performance based – a measurement of the CLV to the business. CLV focuses on the future financial impact. Mathematical models have shown that changes as small as a 5 percent increase in customer retention can bring increases as high as 80 percent or more in a CLV.

Maximizing Customer Life Cycle Value can be expressed as

$$CLV = \sum_{}^{\#Dept} \frac{DX\ Investment}{\#Customers}\ (Customer\ Interest\ Rate)$$

The more other departments invest and buy in to the overall direction, the greater the experience, the greater the customer's investment.

See an upcoming OpenText whitepaper for more on the CLV mathematical model.

Customer Lifecycle Value drives sustainable growth. Managing on CLV will drive sustainable growth.

[3] http://www.cmocouncil.org/

The OpenText™ Experience Suite Platform

OpenText Experience Suite is a comprehensive, integrated Customer Experience Management solution helping to foster engagement and maximize Customer Lifecycle Value. Companies using Experience Suite have transformed how they reach their customers, how they work with their partner and supplier ecosystem, and how they empower their employees.

Experience Suite 16 and Experience Cloud 16 are modern platforms to create, curate and manage media, web, communications, social media and any other digital engagement with an audience. Solutions can be rapidly built on the Experience Suite platform to address the entire customer lifecycle from digital marketing, customer self-service, business communications and loyalty initiatives. The platform accelerates an organization's ability to adapt information and orchestrate secure, consistent, and compelling interactions across multiple devices and channels.

OpenText Experience Suite is the only enterprise solution that can meet the broad set of content presentation and interaction needs from managing libraries of media assets to formatting print communication or digital self-service portals. For IT, there is also a broad spectrum of development options for custom business apps that leverage the content management capabilities within the Experience Suite. OpenText is uniquely designed to facilitate the digital relationship between an organization and its users by intelligently activating the right channel for the user from a number of available systems, apps or output channels.

Enterprises juggle many priorities, but at the end of the day, top initiatives are about increasing revenue by fostering customer loyalty and lifetime value. It's a pretty simple concept: create great experiences that inspire people to buy more, again and again.

Operational Benefits of Experience Suite

Operational benefits come from focusing on systems of engagement that leverage your existing systems of record (ERP, CRM or SFA systems). Combining these with the customer profile needed to deliver a secure, contextual experience, with content and transactions drawn from existing systems. Integration with your core systems is the key to delivering a continuous connected digital experience. Have you considered all the systems of record that need to feed in to your customer's digital experience?

Experience Suite and Experience Cloud enable better creation, management and publication of secure, personalized and authenticated digital experiences to ensure that each user gets the best possible experience at every point of interaction – whether physical or digital on any device – in every phase of the lifecycle. Experience Suite helps organizations maximize the customer lifetime value and deliver a better way to work; addressing better engagement, better insight and better innovation across customers, partners, and employees while improving digital operations and control associated with managing information across the enterprise.

About OpenText

OpenText enables the digital world, creating a better way for organizations to work with information, on premises or in the cloud. For more information about OpenText (NASDAQ: OTEX, TSX: OTC) visit opentext.com.

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