



Using Digital Technologies to Deliver Personalised Customer Experience

S. Soh

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Summary

Issue/Analytical Summary

Customer experience is now a key priority for organisations from businesses to government agencies. This is becoming a battleground for companies particularly those in industry sectors (e.g., services, retail and hospitality) that are being disrupted by new business models. Providing solid customer experience is crucial in retaining customers, reducing customer acquisition cost and increasing market share through customer advocacy. Emerging digital technologies are also triggering the urgency to relook at how customer experience is being managed.

Whilst companies have been looking at providing customer support through multiple channels, many have failed to manage tightly customer interactions across different channels. It is often not just about having the technology. Companies need to look at customer experience more

holistically and this will need to start with existing corporate culture and processes. Technologies are opening new opportunities for companies to better understand their customer and to offer more personalised products and services. Companies that are adept at tapping into these opportunities will stand out in the marketplace.

This report looks at the importance of improving customer experience amongst Australian businesses. It includes an analysis of the role of digital technology in helping organisations achieve better customer experience; and how companies should be measuring success.

Key Takeways

Australian businesses are in the midst of transforming their businesses with digital and customer experience is a key part.

Technologies enable new customer engagement models and customer sentiment will be propagated quickly through social media.

Customer experience needs to be part of the company vision and the culture and processes need to be aligned to support the vision.

Data-driven, personalized services are new areas of opportunities.

Perspective

Current perspective

Customer Experience is part of the Digital Journey

Australian organisations are going digital. The government has also been pushing its digital agenda and it has set up the Digital Transformation Agency to make it easy for people to deal with the government – transforming services to be

simple, clear and fast. Businesses are also looking at how they can use technology to transform business operations. One key aspect to this is to deliver enhanced customer experience by embedding technology into processes.

Companies Striving to Understand Customers and Deliver Differentiated Services

Companies understand the importance of good customer experience and how it can be a strong differentiation in the market, resulting in increased customer loyalty. But in this time and age, poor customer service can quickly spread around through social media resulting in tarnished brand image and customer churn. As a result, Australian firms that target the consumer market (retailers, banks, insurance companies, airlines, telecommunications providers, car makers, hotel chains, etc.) now boast of “putting customer at the centre their business”.

The good news for companies is that there are many touch points that they can effectively engage their customers and provide personalised service. Gone are the days when consumers can only contact companies through the

call centre or by walking into a retail outlet. Mobile apps, webchat, social media and other digital channels now allow consumers different ways to look for product/service information, make transaction, get help and also lodge a complaint. The flip side to this is that customers are also becoming more demanding in expecting a response from companies they deal with and are becoming more open to share their experience over social media platforms. The challenge for companies lies in its ability to leverage technology to connect the frontline support teams with backend support teams to deliver a seamless experience. More importantly, companies need to develop customer-centricity culture, empower customer support teams and train staff to engage customers through different channels.

Culture and Processes Need to Support Change

Whilst companies want to deliver superior customer experience, achieving the desired outcome is often a different story. Large enterprises that have been around for many years invariably find it harder to transform their customer experience. Firstly, there needs to be a change in the corporate culture and some company structures remain too complex to effectively encourage collaboration among functional units to deliver better customer outcomes. Secondly, there are many processes in place over the years (some partly for compliance and governance requirements) which slow down a company’s ability to respond to customer quickly. Changes can be reactive, triggered by competition and other external factors resulting in threats to the business.

A company cannot be successful if its people are not motivated to look after their customers or do not believe that they play a part. Some employees see achieving revenue

growth more crucial than having happier customers. The company leadership team therefore needs to spearhead the customer experience transformation first by focusing on changing the corporate culture. However, many companies do not have an overall strategy built around enhancing customer experience and a vision statement that underscores the importance of customers.

The processes and systems also need to be better streamlined to ensure faster response time and give customers a more seamless experience. If the management of products and services are siloed there is a tendency for companies to face difficulties in providing and supporting customers buying multiple products. There are also advantages in integrating different platforms (e.g., social media listening, online, mobile contact centre and CRM) which will allow companies to better understand their customers through the different touch points.

Data-led Approach towards Personalised Service

Through the use of technology, companies can use data-driven insights to provide more personalised service. This is an area that is gaining a lot of interests with many examples showing the use of analytics can indeed help companies to better understand customer behaviour. The key is to apply analytics to convert the data into insights which can then be used to determine the best course of actions. This can be extended for identifying different customer segments that have different preference or spending habits. It can also help to prioritise efforts in targeting customers that are more likely to spend and stay loyal to the company. This will ultimately help to improve resource utilisation and bottom line.

Companies already collect huge amount of customer data which could include personal information when they sign up

for a service. There are also information that can be gathered through video, social media and contact centre. The use of WiFi access at retail outlets and shopping malls for example are enabling location-based analytics to provide insights on footfall, customer conversion, queue management, shopper engagement, etc. Insurers are also actively looking at how they can better analyse customer data (e.g. health, and driving habits) to offer tailored policies.

Going forward, there will be greater use of artificial intelligence solutions to automate processes (service bots) and predict customer needs for targeted ads and recommendations. There will be privacy issues and other regulatory considerations when companies deal with customer information so they need to tread carefully.

Measuring Success

Fundamentally, the transformation of customer experience is aimed at improving customer satisfaction/loyalty and resulting in higher wallet share. There are different ways of measuring success of customer experience transformation. Some metrics include online sales level, number of complaints, customer retention/churn, customer acquisition, and time to resolution. Many larger organisations have

also adopted Net Promoter Score or customer satisfaction (C-SAT) to gauge the success of the program. Metrics such as NPS and C-SAT are also becoming marketing tools for companies to show their emphasis on customer well-being and give customers greater confidence when buying from them.

Recommended Actions

Buyer Actions

Delivering good customer experience is not just the role of the customer service team but involves sales, service delivery, technical support as well as complaint handling. Both customer-facing and backend support staff need to be motivated to look after their customers. Organisations falling behind competitors in customer experience need to investigate the culture and internal processes first. The customer experience transformation journey needs a strong vision from the senior leadership team and their commitment to remove barriers within the organisation to improve processes.

By gathering customer data more effectively, companies can start to analyse the data to better understand their customers. This is crucial since the data can often tell companies many things they don't know about their customers. From the insights, companies can improve their customer retention strategy, develop new market segments and offer more personalized services. However, many companies still struggle to link customer interactions through different channels to offer a seamless experience. This should be a key priority.

Customer experience is also about responding faster to customer needs. The use of technology can help to automate processes and providing more self-service capabilities. There should also be a common collaboration platform between customer service personnel and subject-matter experts so that customer enquiries can be dealt with more rapidly. Since transformation of customer experience is closely associated with the technology enabling it, there is a need for CIOs to be working closely with various business units to ensure success.



Basingstoke

4th Floor, Northern Cross
Basing View, Basingstoke,
Hampshire, RG21 4EB,
UK
+44 (0) 1256 394224

Beijing

Room 2301 Building 4
Wanda Plaza, No 93 Jianguo Road
Chaoyang District
Beijing 100026, PR China
+86 10 6581 1794
+86 10 5820 4077

Boston

179 South St, Suite 200,
Boston, MA 02111
USA
+1 617 747 4100

Buenos Aires

Basavibaso 1328, 2nd Floor
Off 206, Buenos Aires, 1006
Argentina
+54 11 4311 5874

Dubai

Dubai Media City
Building 7, Floor 3, Office 308
PO Box 502635
Dubai
United Arab Emirates
+971 (0) 4391 3049

Hong Kong

1008 Shalin Galleria
18-24 Shan Mei Street
Fo Tan, New Territories
Hong Kong S.A.R
+852 2690 5200
+852 2690 5230

Hull

GlobalData PLC
Shirethorn House
37-43 Prospect Street
Hull
HU2 8PX

Hyderabad

2nd Floor, NSL Centrum,
Plot No-S1, Phase 1 & 2
KPHB Colony, Near: BSNL Office
Hyderabad-500072
Andhra Pradesh
+91-40-30706700

London

John Carpenter House
7 Carmelite Street
London
EC4Y 0BS
+44 (0) 207 936 6400

Madrid

C/Jesusa Lara, 29 - Atico J,
28250 Torreloaones Madrid,
Spain
+34 91859 4886

Melbourne

Suite 1608
Exchange Tower
Business Centre
530 Little Collins Street
Melbourne
3000, Victoria, Australia
+61 (0)3 9909 7757
+61 (0)3 9909 7759

New York

441 Lexington Avenue,
New York, NY 10017
USA
+1 646 395 5460

San Francisco

Progressive Digital Media Inc
425 California Street
Suite 1300
San Francisco
CA
94104
USA
+1 415 800 0336

Seoul

Global Intelligence & Media Korea Limited
11th Floor, West Wing,
POSCO Center Building,
892, Daechi-4Dong,
Gangnam-Gu, Seoul 135-777
Republic Of Korea (South)
+82 2 559 0635
+82 2 559 0637

Shanghai

Room 408, Jing'an China
Tower No: 1701,
West Beijing Road
Jing'an District, 200040,
Shanghai, PR China
+86 (0)21 5157 2275(6)

Singapore

1 Finlayson Green
#09-10
049246
Singapore
+65 6383 4688
+65 6383 5433USA
+1 415 800 0336

Sydney

Level 2
63 York Street
Sydney
NSW 2000
Australia
+61 (0)2 8076 8800

Tokyo

Global Intelligence & Media Japan Tokoyo
Level 3,
Sanno Park Tower,
2-11-1 Nagata-cho, Chiyoda-ku,
Tokyo, 100-6162
Japan
+81 3 6205 3511
+81-3-6205-3521

Toronto

229 Yonge Street
Suite 400
Toronto
Ontario
M5S8 1N9
Canada

Washington

21335 Signal Hill Plaza,
Suite 200, Sterling,
VA, 20164
+1 703 404 9200
877 787 8947 (Toll Free)