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Customer Experiences that Engage and Convert

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Executive Overview

The way in which businesses engage with customers has fundamentally changed—in part because the predictability of interactions has vanished. Customers can now interact with brands from multiple touchpoints (Web, mobile, social, retail stores, kiosks); however, they cite cross-channel inconsistency as their #1 complaint.¹ To succeed in the multichannel world, businesses must shift from channel-centric organizations to customer-centric organizations. The best way to achieve this transformation is to connect internal data, teams, and technologies to drive cohesive personal experiences that increase engagement, sales, and loyalty across channels.

Introduction

Customers don't think in terms of channels; they simply want to interact with a brand in a consistent manner—wherever, whenever, and via whatever device they're using. Yet even as customers are turning to an ever-growing assortment of devices and touchpoints, businesses are struggling to solve new problems with legacy systems and team structures. This is because internal teams are siloed and held to channel-oriented goals; legacy technology is unable to scale; data and content are scattered throughout the enterprise; and no universal view of the customer lifecycle or cross-channel performance can be provided. Customers are looking for more—but instead the 105 million customers using multiple touchpoints find themselves exposed to internal business problems at the point of engagement.²

¹ 2012 Customer Experience Trends Survey, Endeca Technologies, May 2011

² “Welcome to the Multidevice, Multiconnected World,” Forrester Research, January 2011

Delivering a consistent experience is the new challenge. A 2010 Forrester Research survey found that retailers who had focused on multichannel integration experienced an average 48 percent increase in online sales and 36 percent increase in customer satisfaction, as well as a 28 percent reduction in operating costs and a 25 percent increase in profitability.³ But although 50 percent of the companies from the same survey say they support a vision for multichannel consistency, only 39 percent believe they have the ability to implement that vision. This will require dedication to an enterprisewide initiative, an execution strategy that understands engagement throughout the customer lifecycle, unlocking data to inform more-intelligent interactions, and synchronizing channels to deliver effective experiences.

To deliver customer experiences that drive engagement and conversions, companies need to

- Focus on and adapt to the customer
- Leave no data or content behind
- Provide constant guidance along the customer's path
- Optimize for every touchpoint

³ Global eBusiness and Channel Strategy Professional Online Survey, Forrester Research, November 2010

Consistency Counts

36 percent of consumers engage with three touchpoints to research or purchase a single item.

—Forrester Research, March 2011⁴

Focus on Customers, and Adapt to Them

Customers want to control their experiences and feel confident that they've made the best choices before they convert. However, you can no longer predict which path they might take or what will matter most to them each time they engage. The explosion in connectivity has put the customer in the driver's seat: 50 percent of customers engage with an average of two touchpoints to research or purchase products, and 36 percent engage with an average of three.⁵ This means that you need to give your customers the flexibility to engage via any combination of touchpoints and have a consistent, integrated experience waiting for them.

Assembly, Not Production

Within each channel, engage customers with adaptive experiences that allow them to follow any path they desire while always seeing only the content that's relevant to them. Technology that forces teams to predict customer goals and set up scenarios is unmanageable. What's more, it can't scale across the infinite number of customer paths and cross-channel combinations that exist today. Technology—not teams—should do the heavy lifting. Instead of focusing on production, focus on solutions that dynamically assemble experiences with every customer click or finger swipe. With this approach, customers can make any combination of selections in any channel, and continue to view only those products, content, and suggestions that are relevant to their interests. By automating content delivery and scaling it across every unpredictable customer path and channel, you can reduce the risk of irrelevant experiences leading to frustration and abandonment.

Think Across Touchpoints

Businesses have higher levels of engagement and success when customers engage with more touchpoints. Indeed, multichannel customers are worth five or six times more than single-channel customers.⁶ For this reason, you need to focus on more than creating an adaptive customer experience

⁴ "How Consumers Research, Buy, And Get Service," Adele Sage, Forrester Research, March 2011

⁵ 2012 Customer Experience Trends Survey, Endeca Technologies, May 2011

⁶ "Welcome to the Era of Agile Commerce," Brian K. Walker, Forrester Research, March 2011

within a single channel—instead, unlocking the benefits of cross-channel customer engagement to accelerate sales cycles and increase brand loyalty. Because customers cite consistency across touchpoints as the most important feature of multichannel experiences, you need to make certain that personal preferences translate across channels and that activity in one touchpoint is reflected across all others.⁷ You also need to make it possible to synchronize items researched online to mobile devices, and make it simple to find products featured in an e-mail campaign at a Facebook store. Allow wish lists, favorites, purchase history, and profile information to be easily accessible in any channel.

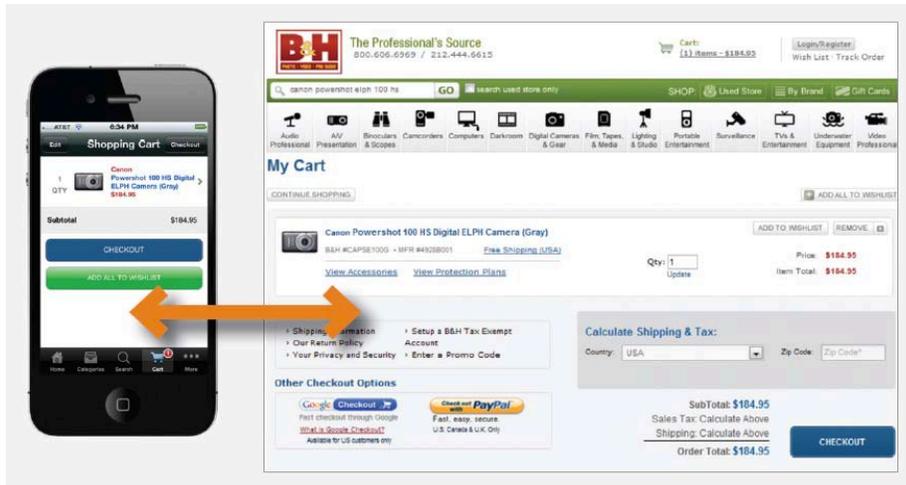


Figure 1. B&H Photo syncs cross-channel activity. The company provides an integrated multichannel experience, simultaneously syncing shopping cart, favorites, wish list items, and purchase history for easy access across channels.

Leave No Data or Content Behind

Customers want tailored experiences, but most businesses are unable to deliver such experiences at scale because they're only able to scratch the surface of their most valuable asset: customer data. Unlock the value in your data to synchronize targeting, promotions, and personalization so that you can provide tailored experiences for every customer.

Mine Your Data to Optimize the Experience

With the right data, the entire digital presentation can provide opportunities for personalization. You can increase customer engagement and conversions by combining profile data, click-stream data, sales data, and social content to further segment and automate targeted experiences. And you can connect to personal and segmentation data to inform how experiences are assembled—from the order in which

⁷ “How Consumers Research, Buy, And Get Service,” Adele Sage, Forrester Research, March 2011

search results are displayed to which brands or products are featured, what user reviews are returned first, which content is most likely to spur conversion, and more. Key to it all is investment in technology that's flexible enough to combine various datasources and scale personal experiences across every customer interaction.

Use Content in Context

When products are not tangible, related content (like buyer's guides, videos, and user reviews) gives the customer confidence to convert. While the volume of content has exploded in recent years, its value has not been fully tapped. Delivering content in context of every customer has been difficult because businesses have had to predetermine where static content will live along predicted customer paths. Because customer paths are unpredictable and growing every day, this approach does not guarantee that content will be in context of the customer, or used at all—leaving one-third of customers unsatisfied with digital content when researching a product or service.⁸

Without a centralized content repository and a single platform to automate how relevant content is used in context of customers, businesses are not getting the full value from their content investment. Having a platform to scale product content, merchandising content, user-generated content, and advertising in context of every user across channels must be a priority. Invest in technology and processes that support a long-term, multichannel approach. Allow your teams to combine content from across the enterprise; leverage it across channels; and allow business users to automate segmentation and content targeting so that it's always used in context.⁹

Content Is Crucial But Underused

One-third of consumers say they are unsatisfied with digital content when researching a product or service.

—Forrester Research, March 2011¹⁰

⁸ “How Consumers Research, Buy, And Get Service,” Adele Sage, Forrester Research, March 2011

⁹ “The E-Commerce Content Conundrum,” Brian K. Walker, Forrester Research, December 2010

¹⁰ Ibid.

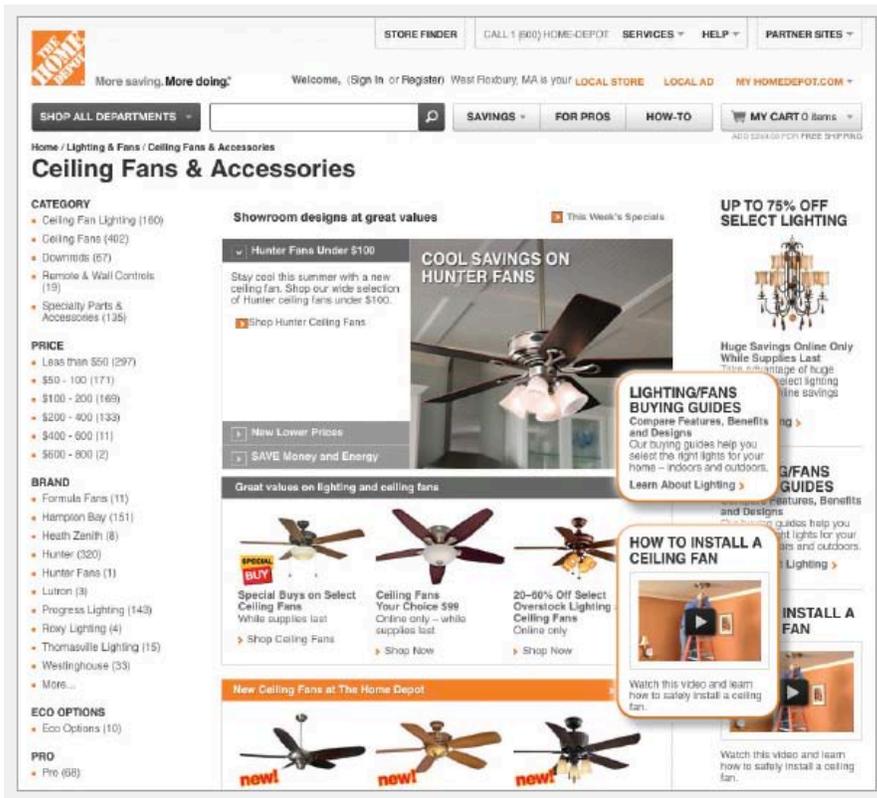


Figure 2. Home Depot uses content in context. Its Website, HomeDepot.com, surfaces relevant content like buyer's guides, how-to videos, promotions, and project checklists that are always in context of the customer.

Boost Confidence by Surfacing Content Early and Often

Bringing helpful, relevant content to the surface early in the customer journey will lead to more conversions. Empower your customers to search, sort, and filter based on attributes such as user ratings or products with how-to videos. Dynamically assemble associated content like buyer's guides, videos, user reviews, and rich images so that it's always in context, and feature content within search results so that customers don't have to drill down to detail pages or move to a separate microsite to access information. And don't just allow customers to interact with your content—let them contribute to it. Interacting with user-generated content plays a vital role—influencing confidence and increasing a browser's likelihood to buy by 70 percent.¹¹ Authenticate your brand with social and user-generated content reviews, blog posts, user-contributed videos, and discussions. Connect your digital storefront with Facebook OpenGraph to allow customers to view your storefront based on what their friends like, buy, or share.

¹¹ Econsultancy, 2010



Kiddicare.com allows customers to navigate using feedback from people like them, and view user-generated videos to see products in action.

Figure 3. Kiddicare.com builds confidence with user-generated content. The Website allows customers to navigate using feedback from people like them, and view user-generated videos to see products in action.

Provide Constant Guidance Along the Customer's Path

Customers want to be in control, but they also want you to provide guidance during their buying experience. Too often, experiences focus on what the business wants to promote rather than customers' needs and goals—a key point of frustration for customers.¹² Put the customer at the center of the experience and influence them along the way with targeted content, merchandising, and personalized features that are always in context. And provide business users with flexible tools to determine how much merchandising control they want, with agility in their technology and teams to get to market quickly and measure what's effective.

¹² 2012 Customer Experience Trends Survey, Endeca Technologies, May 2011

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- 16 - 18 (2907)
- 18 - 20 (115)
- Over 20 (25)

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Use global rules to automate merchandising

But allow merchandisers to override rules for higher-value opportunities

Figure 4. A balanced merchandising strategy means using global rules to automate merchandising as well as providing granular controls so that merchandisers can override rules for higher-value opportunities.

Offer Flexibility in Merchandising

With legacy technology, merchandising involved building scenarios around 5, 15, or even 20 customer segments, and then predetermining (or outsourcing) the featured content to be rendered for each segment. Today, however, it's impossible to predict and build perfect merchandising scenarios for every customer. Instead, organizations should invest in solutions that allow business users to automate always-relevant promotions and recommendations. For example, give merchandising teams the tools to automate featured products and content based on customers' real-time behavior (as well as any other influential data). You can also create global rules to feature the most relevant product or offer—for example, using sales data to “spotlight the highest converting product in the given subset of products” or reordering search results on the fly using ratings and reviews data to “promote the top-rated items first.” Scale rules to apply for every possible customer context so that experiences remain constantly relevant. Give business teams the opportunity to directly influence conversion rates and order values, with the flexibility to get to market quickly without engaging IT.

In certain instances, merchandisers will want to override rules to manually control featured products and content for higher-value opportunities (for example, a promotion for a sale or a more lucrative category). Be sure your technology allows merchandising teams to strike a balance. Offer enough flexibility that merchandisers can automate relevant merchandising at scale using global rules while still providing the manual control required to place promotions for higher-value interactions.

Close the Loop with Actionable Insight

Combine business and customer analytics into a single view to inform better experiences and business results.

Use Intelligence to Drive Better Experiences

How are merchandisers and marketers able to identify high-value opportunities and determine what's effective across an infinite number of customer paths and goals? One way is by investing in analytics; however, these typically report on a channel's performance but offer little actionable insight. As a result, most businesses operate in channel-centric silos and are unable to adapt to the changing customer environment in which a single sale may well result from multiple cross-channel touches, with each channel vying for credit.¹³ As customer behavior evolves and channels work in tandem to close sales, business teams need to better inform merchandising and campaigns across the customer lifecycle based on real-time intelligence.

One way that organizations can provide actionable insight is by combining business and customer analytics into a universal view of activity inside and across the enterprise. By aggregating in-store and digital analytics, customer profile data, campaign performance metrics, segmentation data, sentiment from social networks, and inventory data, organizations find infinite ways to gain insight and analyze performance across the enterprise. This kind of visibility enables merchandisers to quickly create winning e-mail campaigns based on what's selling in local stores, and to promote featured categories for mobile customers based on what's popular in social networks. With a universal view of fresh data, business users can track engagement throughout the customer lifecycle and measure the effectiveness of emerging channels such as social and mobile. Finally, organizations can close the loop by investing in tools that allow business users to quickly create and edit customer experiences, and enable them to connect to datasources that can automatically drive merchandising across channels.

Optimize for Every Touchpoint

Customers may not think in terms of channels, but they do expect the experience to be optimized for their view—whether that means engaging via mobile device, Facebook store, in-store kiosk, or Website. You can provide a consistent core experience across channels by centralizing data, content, and technology into one enterprisewide system; however, you must make sure that business users retain the ability to create nuanced experiences such as specialized layouts, features, and merchandising control for specific touchpoints.

¹³ "Retailers: Differentiate with Customer Intelligence," Fatemeh Khatibloo, Forrester Research, March 2011

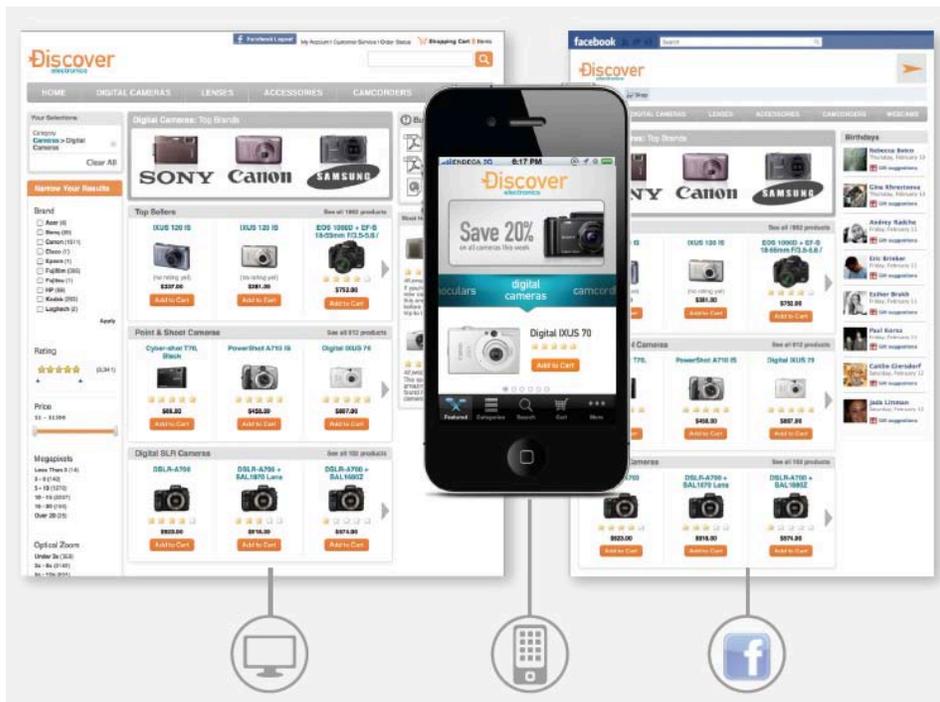


Figure 5. You can deliver a consistent core experience with features optimized for specific channels. Use the same data and content to drive the experience, but optimize layouts and features for each channel view.

Lower Total Cost of Ownership While Providing Consistency

Unify technology to deliver better experiences across touchpoints, and to reduce integration costs, manual IT builds, and time to market.

Unify Technology to Lower Costs and Barriers to Entry

By providing a unified technology platform to manage the customer experience, you not only deliver consistency; you also lower costs and make your organization more nimble. Invest in a core experience platform with reusable components to leverage costs across channels and touchpoints, and unify technologies to reduce integration cost, manual IT builds, and time to market.¹⁴ In addition, a flexible architecture will enable you to innovate quickly by simplifying what's required to test and expand into new channels.

¹⁴ “Welcome to the Era of Agile Commerce,” Brian K. Walker, Forrester Research, March 2011

Conclusion

To keep pace with customers, businesses need to fundamentally change the way they approach technology, processes, and internal organization. Begin with a defined vision of how your organization will deliver a consistent experience throughout the customer lifecycle and across touchpoints. With the right technology in place, you empower business users with the flexibility to scale optimized experiences for every unpredictable customer path, with access to real-time business and customer intelligence to inform customer experiences, campaigns, and automated merchandising.

Appendix: Recommended Reading

For more information on creating customer experiences that engage and convert, we recommend the following:

- “Welcome to the Era of Agile Commerce,” Brian K. Walker, Forrester Research, March 2011.
- “Key Issues for Retail, 2011,” Gale Daikoku, Mim Burt, Hung LeHong, Van L. Baker, John Davison, Gartner, February 2011.
- “2011 Customer Experience Predictions,” Kerry Bodine and Ron Rogowski, Forrester Research, January 2011.
- “U.S. Online Retail Forecast, 2010 to 2015,” Sucharita Mulpuru, Forrester Research, February 2011.
- “Context-Aware Computing Will Increase the Impact of Your Online Strategy,” Mick MacComascaigh, Bill Gassman, William Clark, Gene Alvarez, Gartner, September 2010.

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