

Enhancing the Customer Experience

UNDER A UNIFIED OMNICHANNEL STRATEGY

How do technology advances change the way companies interact with customers? To succeed in an omnichannel world, businesses must flip this question around, and ask how technology can help customers interact in ways that meet *their* needs.

Increasingly, that necessitates an omnichannel approach that provides the customer a consistent, engaging experience across all mediums. The many moving parts of an omnichannel strategy – from mobile apps to embedded store technology to point-of-sale (POS) systems to end-to-end supply chain – must work in harmony to deliver a seamless experience for customers, whether window shopping, comparing products, making purchases, or seeking post-sales support. Furthermore, retailers are struggling to efficiently manage back-end inventory on aging platforms that demand modernization.

A recent IDG Enterprise survey titled “Spotlight on Consumer Services: Delivering a Seamless Multichannel Experience” looked into best practices of consumer services organizations to understand how their current strategies and future plans for multichannel services are evolving. Some of those results are presented here.

» The Challenge of Too Many Channels

How do current and prospective customers want to interact with retailers they may patronize? The simple answer is, “it depends.” Some buyers are tactile - they want to see and feel products in the display case - while others prefer the convenience of ordering online. Thanks to the “app economy,” where there appears to be an app for everything, it’s increasingly common for many consumers to turn to their smartphones as the first point of contact when planning a purchase. Add websites, kiosks, and social media to the mix and the omnichannel nature of consumer services becomes apparent.

But achieving an omnichannel business can often put departments at odds rather than fostering collaboration. Many organizations have relied on “Shadow IT” – purchasing cloud-

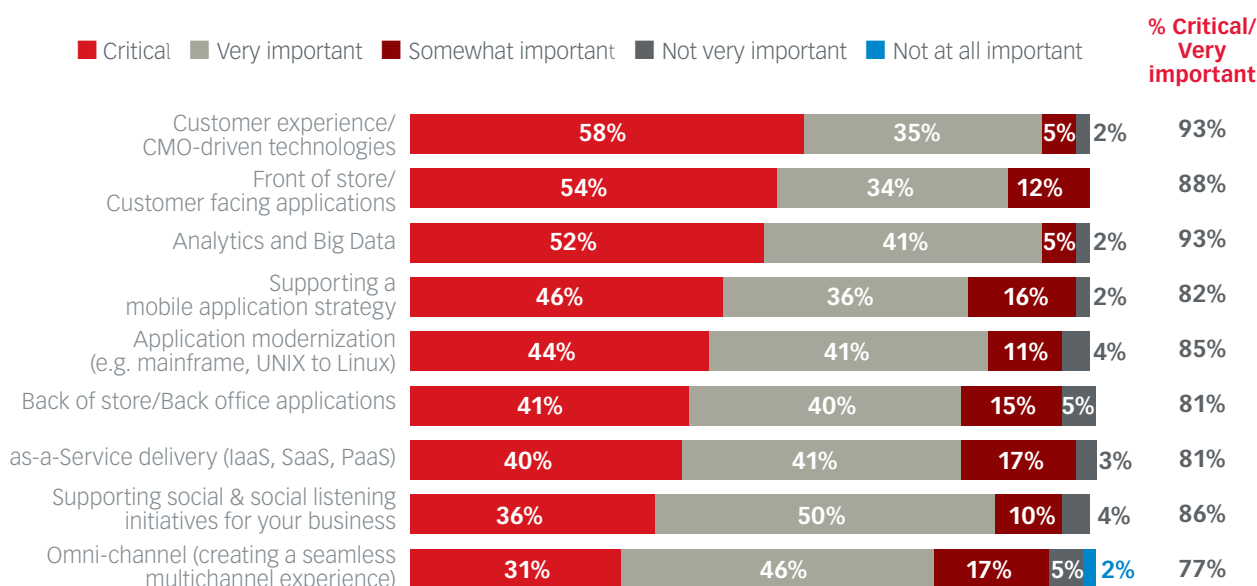


based services, devices, and any number of applications outside the aegis of the IT department – to promptly achieve a new function or mobile application, leading to integration issues that can outweigh the desired benefits. What has been consistent is that these organizations are working to put the customer at the center while trying to figure out how not put them through technology siloes that offer a disjointed customer experience. When consumers can smoothly switch between brick-and-mortar, mobile, or social channels, it enables them to utilize all avenues as one cohesive experience. A classic example is a prospective buyer reading product reviews on his or her phone while looking at physical products in the retail store - and receiving fluid, consistent information across both points.

Inertia can also be a major challenge, though, evidenced by over a third of survey respondents who cite change management or organizational culture as an inhibitor. Even though the



FIGURE 1. Top technology priorities



legendary Grace Hopper once said the most dangerous phrase ever uttered by an IT executive was, "It's always been done that way," many organizations fear the repercussions of changes to the status quo, not fully grasping the big picture - that omnichannel is a cultural evolution that consumers expect, not prefer.

It is a significant undertaking to synchronize all these parts of an organization alongside the technology choices already implemented, with the offices of the CIO and the CMO each playing a major role. The challenge for many business is to operationalize this omnichannel experience into one strategy to ensure front-end and back-end systems work together to enhance the customer experience and engender loyalty.

» Putting the Customer First

In an age where consumers can summon pizza delivery by tweeting an emoticon, it's clear that investments in a broad range of technology areas is important to achieving omnichannel excellence. Putting the customer in the center is key, with 93% of respondents placing the customer experience and CMO-driven technologies as critical or very important priorities in future technology initiatives.

With recent headlines reporting how retail clothing chains are "reeling," 88% of respondents cite front-of store and customer-facing applications as being critically or very important as well, highlighting the need to keep customers engaged even while they are on the retail premises. Rounding up the list of

top tech investments for the next year is support for social and social listening initiatives, with 86% of respondents seeing the need to further leverage investments in today's highly connected, socially enabled society. All these point to the need for businesses to take business intelligence and analytics from prescriptive – understanding what has happened and ascribing a solution - to predictive - using the various sources of information to help inform future trends and demands.

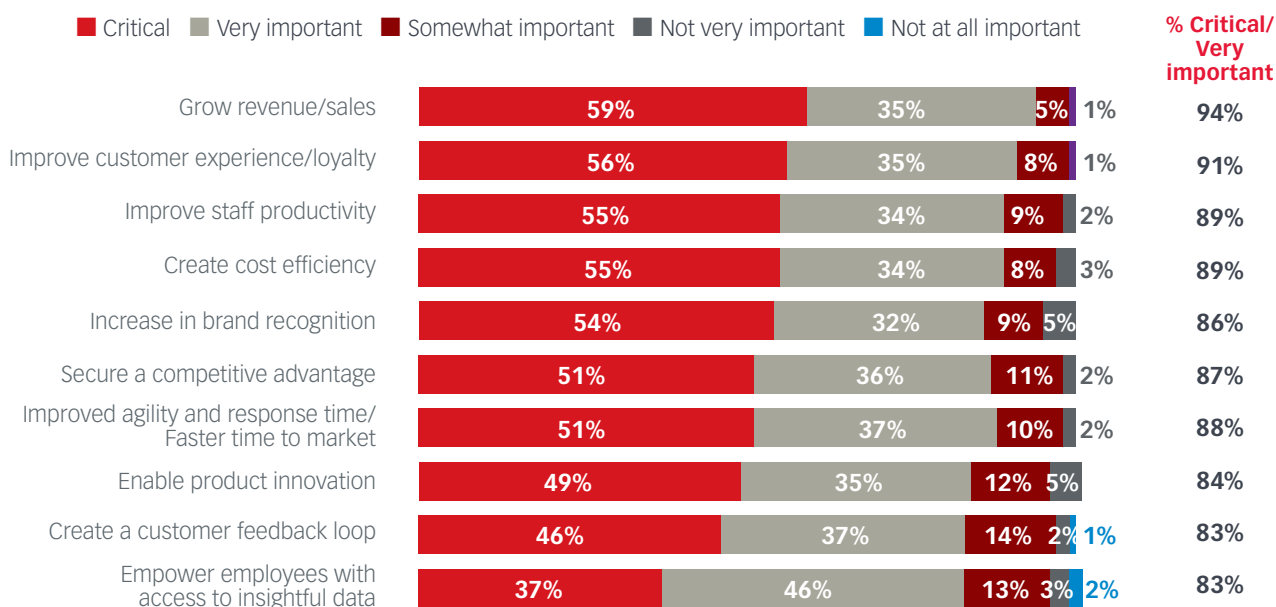
Depending on market segment and where businesses are on their journey to omnichannel, spending priorities can shift from year to year, highlighting how mobile, Web, kiosks, and social are having impacts. Two related areas projecting major growth are front-of-store/customer-facing applications and customer experience/CMO-driven technologies, which indicate a strengthening interest in deeper customer engagement across the board. This is also demonstrated by retailers eliminating the need for associates to leave the front of the store, instead having employees sign in and out and perform other administrative tasks from mobile devices, maximizing time spent on the sales floor interacting with customers.

» A Single Approach: Critical to Success

Although there are real challenges, they have not stopped most retailers from pursuing an omnichannel strategy. Three-quarters of respondents report that their organizations already have multiple projects deployed that enable an omnichannel experience for their customers.



FIGURE 2. Important drivers of investments in enabling a seamless multi-channel experience



However, having multiple projects does not mean they are all part of a cohesive strategy. Developing an omnichannel approach by definition has many moving parts, and they are all interrelated. But only half of respondents are currently coordinating their omnichannel approach under a single roadmap or strategy. Many initiatives begin as disjointed, disconnected efforts rather than as part of an overall, cohesive approach and/or strategy. Rather than each new channel benefiting the company, a disjointed approach or strategy can often have a negative impact on the customer experience, which can then lead to confusion between marketing and IT.

Having a single, unified approach is key to building an omnichannel presence that sustains and provides increasing benefits for the business. To achieve this, it is essential to allow learnings and data gathered from one channel to be automatically integrated into other channels. Social listening, mobile apps, and other omnichannel components can create a vast amount of new data, pointing to the importance of big data analytics as part of an omnichannel presence. Thus it is no surprise that analytics and big data also are cited as critical or very important upcoming investments by 93% of respondents.

In order to provide a seamless experience on the front end, retailers must have a unified strategy with all of these efforts coordinated behind the scenes. Then, for example, data from the website is instantly available to customers at a mall kiosk,

in the mobile app, and in-store. And that information is not only useful to consumers, it provides more fodder for improving the customer experience and gaining a better understanding of individual constituents and the buying audience at large. The result? Smoother back-end operations and better informed decision making.

The need for a coordinated, seamless experience is echoed within the organization as well. For an omnichannel strategy to be successful, every stakeholder must be invested in the transformation, and the executives involved must work in partnership to execute a unified strategy. Just as the CMO owns the customer relationship and experience that informs the company's goals, the CIO engineers the technology foundation that enables the company to achieve its omnichannel objectives. The cooperation of these two positions behind the scenes – in both broad strokes and nuts-and-bolts actions – is paramount to the success of any omnichannel initiative.

» What Customers See: Front-End Investments

Retailers are deploying a dizzying array of front-end projects to help engage customers and ensure their offerings are competitive, and these investments are accelerating rapidly. For example, 87% of respondents have or are in the midst of deploying projects that ensure their products and offerings are priced competitively, key to attracting new customers

and retaining existing ones. If you've done a Google search for a product and then been targeted with ads along those same lines, you'll understand why 84% of respondents are personalizing the customer experience with targeted promotions.

Sales and marketing lore holds that it's easier to garner repeat business than it is to acquire a new customer. To that end, providing the best post-sales experience, including superior service and support, is increasingly important. That is reinforced by respondents, 86% of whom report having deployed (or are in the process of deploying) projects that manage post-sales customer service and support.

In our increasingly mobile society, consumers can come from virtually anywhere at any time, including retail locations, home, work, or taxiing for takeoff. The move to a mobile-first philosophy for all app development and user engagement is shown in the number of mobility-related projects that respondents have under way. Nearly four out of five organizations are deploying mobile payment options, while more than two-thirds also utilize location-based services such as geofencing to tantalize prospective buyers based on where they are at any point in time. For customers, this enhances the omnipresent perception of the business and eliminates barriers to engagement.

As the world changes, so do front-end projects. More than 60% of respondents have or are about to deploy next-generation customer engagement tactics like augmented reality, combining information from the immediate physical proximity with digital offerings that can make the buyer's life better, easier, and more convenient.

» Unexpected Returns: More Benefits than Anticipated

Although growing revenue is the top driver for providing an omnichannel experience, retailers have seen a wide range of (often unexpected) benefits, including creating a customer feedback loop from sources like app store ratings, and empowering employees with new information, enabling faster response to issues without executive intervention. In all, nearly nine out of 10 respondents say that adoption of a multichannel approach has achieved the main goal of improving the customer experience and customer loyalty - the foundation for turning today's sales into future revenue.

So did this approach grow revenue and sales? For 85% of respondents, the answer was a resounding "yes," thanks to improved agility and response time, which translates to faster time to market for new offerings.

» Achieving the Highest Return from Your Omnichannel Strategy

That half of respondents have not yet delivered an omnichannel experience demonstrates that deploying a well-planned

and strategic omnichannel experience will grow customer satisfaction today and in the future. The fastest way to achieve those goals is to partner with an experienced end-to-end provider for omnichannel transformations who can accelerate your transition. Retailers are seeking insight - whether from existing on-premises databases or new cloud-based data sources - to power their decision making. Partners who can help avoid the "forklift upgrades" by integrating existing infrastructure investments with new solutions will be well received by consumer businesses seeking to achieve better customer engagement.

There is little doubt that adopting a company-wide omnichannel strategy for consumers will have a positive - and immediate - bottom-line impact for nearly every retailer that does so, while enhancing their competence with the myriad regulatory challenges they face every day.

» Why Dell

What is most important when choosing a partner to achieve omnichannel excellence? It's probably no surprise that superior customer service and support is respondents' top-rated criterion. Understanding business needs and how they translate into the omnichannel experience is critical to success. Other top-ranked criteria include the ability to deliver an end-to-end technology solution that addresses all the potential needs for the universe of potential customers today and into the future. Retailers are also looking for expertise in supply chain management and the ability to provide the connected device and mobile technology support that enables the anytime, anywhere access that customers and prospects demand today.

As a retailer itself, Dell faces the same challenges that you do, and has built a unified omnichannel approach to successfully address them. Dell offers a range of end-to-end supply chain management solutions derived from deep experience in deploying cohesive, overarching strategies to operationalize omnichannel transformations. Dell leverages Business Intelligence and analytics from its own retail strategies to help businesses enhance predictive buying and stay ahead of the competition. And Dell's experience with aging inventory platforms means modernizing back end systems is done effectively and efficiently.

Beyond hardware and software, Dell provides custom-fit service solutions by working with every stakeholder to ensure CMO, CIO, and CFO all contribute. Thanks to decades of partnerships and experience, Dell provides end-to-end solutions for everything from POS to mobile app development to migrating to the latest cloud and on-premises platforms - all while achieving the most efficient deployment possible.

If your business needs guidance developing a coordinated, strategic roadmap to bridge customer expectations and technology capabilities, contact Dell today.