



FUTURISTIC TRENDS DRIVING CUSTOMER EXPERIENCE MANAGEMENT IN A DIGITAL WORLD

Abstract

The customer experience management (CXM) industry is growing rapidly and changing continuously. From a mere back office email and campaign based customer relationship management, it is now shifting to customer experience management at all engagement points - across the channels. With digital transformation, CXM brings in transformational technologies to harness information that helps businesses understand their customers, their needs and to engage with them more effectively. Hence it is imperative for businesses to understand the key drivers and enablers to embark on their CXM journey.



- Is your cash reserve being spent on procuring materials, customers have most complaints about?
- Are you facing dwindling inventory turnover ratios due to weak sales?
- Is your customer churn high in spite of rolling out several campaigns to lure them?

Well, it's time to invest in Customer Experience Management (CXM) to find a solution of all such business problems!

In order to deliver the best customer experience in this 'Social Customer Era', it is very important to understand customer behavior and their needs. These insights and integrations with back end ERP systems can paint a holistic customer view and help align whole value chain to it. A focus on building effective sales and marketing strategy and providing contextualized customer service acts as a catalyst to customer satisfaction. This in turn results in better ROI for one's business. Hence, it won't be an exaggeration to say that having a good customer experience management strategy can result in a positive impact across the business.

With digital transformation, CXM brings in transformational technologies to harness information that helps businesses understand their customers and to engage with them more effectively. These healthier customer relationships and greater visibility into latent needs and customer demands percolate further into

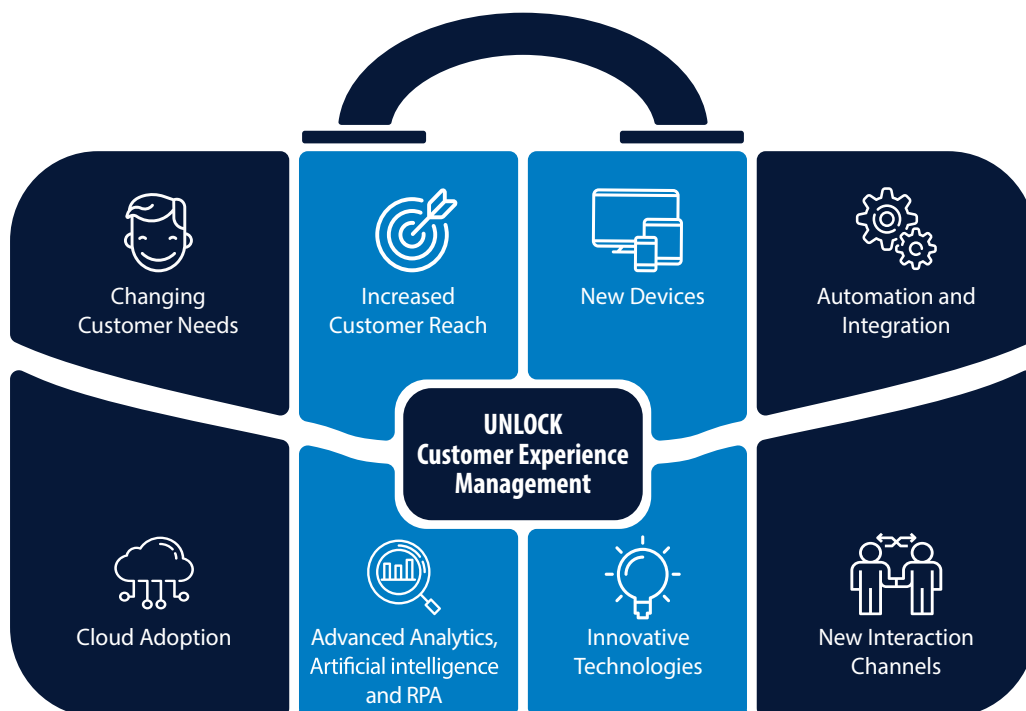
prudent decisions across the value chain of business.

CXM industry is growing rapidly and changing continuously. As per MarketsandMarkets research reports, the global customer experience management market was estimated to grow at a CAGR of 19.8% from 2012 to 2015. It is further expected to grow from USD 5.06 Billion in 2016 to USD 13.18 Billion by 2021, at a Compound Annual Growth Rate (CAGR) of 21.1% during 2016–2021.

From a mere back office email and campaign based customer relationship management, it is now shifting to customer experience management at all the engagement points across the channels.

Further, growing competition makes it inevitable to incentivize and reward customers. Due to the many choices available, risk of no repeat purchase or even customer churn has increased significantly.

This shift can be attributed to the key drivers depicted in the image below.



Changing Customer's Behavior & Needs

Onset of social media and online shopping, has been a key driver for customer relationship management evolving into customer experience management.

Social customers expect fast, real time, personalized and contextualized service offerings. They voice their opinions about their experience through various channels which can make or break a brand's image. They need their feedback and complaints to be listened to constantly and adopted into product evolution or enhanced service offerings. Customers look forward to more transparency across the transactions as well.

Further, Customer needs 'one-click-one-stop' service just like the finger print scanner on your phone which gives you access to all the phone features. This idea has led to a two pronged business strategy: firstly, offer multiple services on a single platform and Secondly, implement an integrated contact center approach. For instance, [Microsoft's unified Service Desk](#) coupled with smart contact centers allows customers to contact the customer support across multiple channels like social media, calls, chats, email etc. while aggregating data from various verticals and knowledge repository into one single platform to serve the customers with ease and swiftness like never before.

You've got to start with customer experience and work back towards the technology, not the other way around"
- Steve Jobs

Devices – Small is big

Work life has diminished the boundaries of back office desks to "on-the-go" environment for responding to customers. Similarly customers track, shop, read and review products on-the-go using mobile, tablets, phablets, laptops, digital wearable like smart watch etc.

This enhanced round-the-clock accessibility has made it possible to serve customers in near real-time.

Enhanced Customer's Reach

People talk! Yes, 'word of mouth' marketing strategy has been moved a notch up with increase in customer's reach on social media and improved KLOUT scores. Social media giants like [Facebook](#) and [Twitter](#) invest significantly in analyzing customer behavior and their reach, to help businesses identify influential consumers and target customer segments for campaigns and promotions. Customers have been empowered to express their opinions and experiences to a larger audience within minutes. As a result, a positive customer experience throughout the customer lifecycle on various channels like, in-store experience, emails, social media, blogs etc. have been deemed to be of utmost importance.

Eliminating Information Silos – Tight Integration

Earlier, information about various aspects of customer profile was distributed across multiple systems and departments.

Automated processes coupled with tighter integrations have made it possible to bring a 360 degree view of customers at one place and have a holistic view of customer data. Such connected ecosystems eliminate information silos between CXM and backend systems and bring whole value chain virtually on one platform revealing deeper and quicker customer insights. One can access details of a customer's health, expenditure patterns, assets, liabilities, dependents, travel, products bought, orders, and complaints, open opportunities, level of brand association and brand loyalty etc. for a customer. Based on these insights, one can create and maintain digital profiles of customers and leverage it to provide enriching experience.

Cloud Shift

"Gartner - By 2020 "Cloud Shift" Will Affect More Than \$1 Trillion in IT Spending"

In addition to well-known benefits of moving to cloud deployment like scalability, centralization of data and reduction in costs, it brings in a huge gamut of possibilities when it comes to CXM.

To cite an example, in a recent feedback call from [Hyundai](#), a set of questions were based on the number of websites

I reviewed and referred to, before the purchase. Why?

Today, in the retail industry, sales cycle starts even before customer makes first contact with the retailer and the cycle continues much after the actual sale. To tap this customer behavior and ensure customer conversion, one has to be aware of the right sources and mechanism to monitor the same. For instance, with the help of such information Hyundai can chart out marketing strategies to be present on most popular sources which customers refers to like [YouTube](#) comparison videos, [Carwale.com](#) etc. They can also update the content on their websites according to customer expectations and attract a larger customer base.

That's where the cloud and CXM marriage comes to rescue through a connected ecosystem. With all the data and devices connected on a single cloud, one can closely monitor a lead or customer's buying behavior, preferences, choices, expenditure patterns, preferred search engines and blogs etc. to facilitate target marketing and productive sales pitch to customers. It is very useful in retail scenarios like:

- Identifying potential leads
- Potential issues even before they are reported
- Potential customer churn
- Disconnect on messages/ communications across the channels
- Need for 24*7 Listening and support
- Need for damage control before it's too late!

Increasing Interaction Channels

There has been multifold increase in interaction channels which emphasizes the need for business to be omnipresent.

In addition to conventional channels like: Contact Centers (Emails, Phone, Fax, In-store experience), there has been many additions like: News, Blogs, Facebook, Twitter, YouTube, Instagram, Forums, IVR, Chat, Surveys, Mobile Apps, LinkedIn, Wikis etc.

Consumers are talking about your brand across these digital channels through images, videos and texts and this can be tapped for effective brand management.

Microservices based deployments

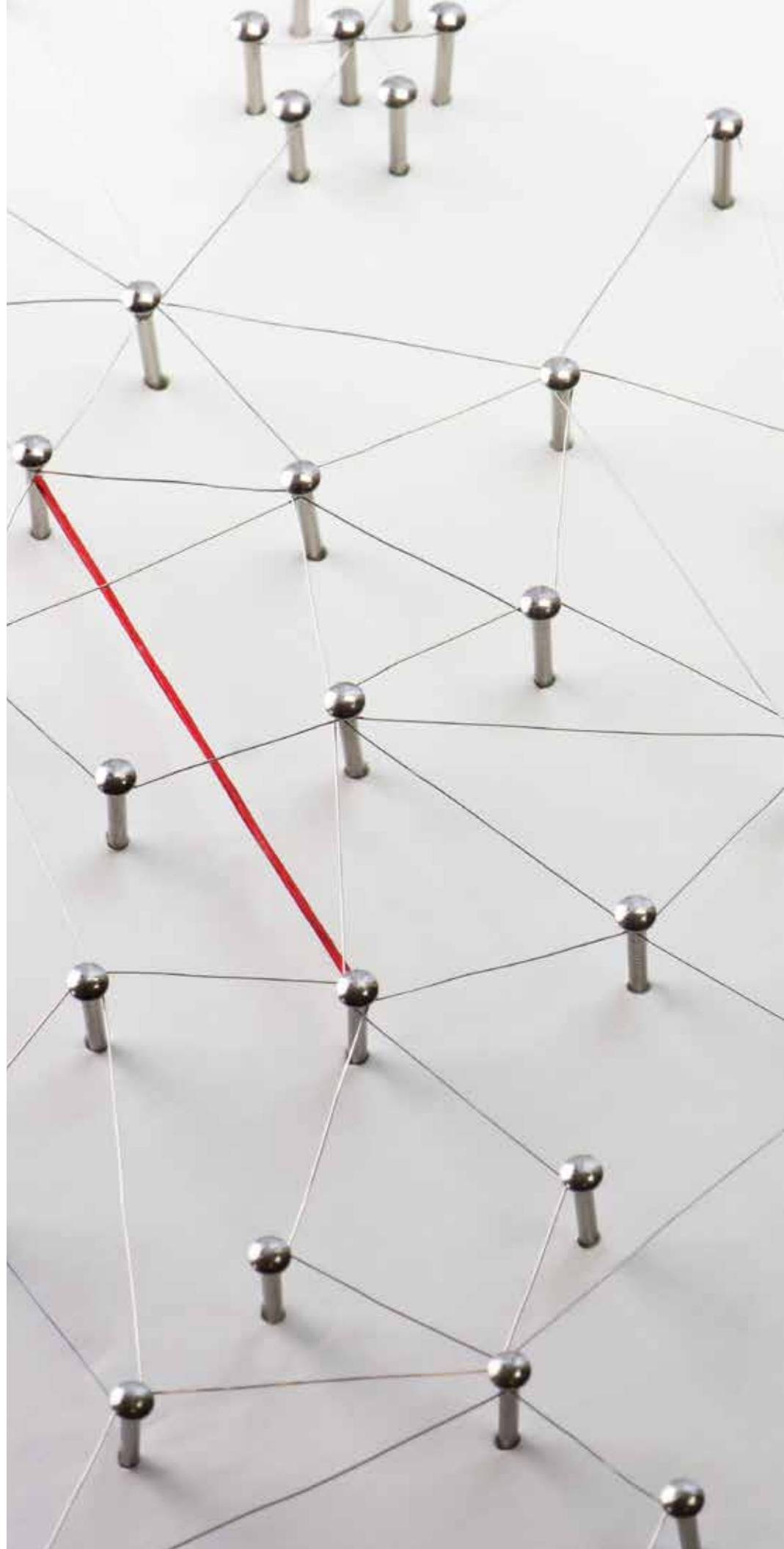
The basic nature of Microservices model allows the application to be developed in blocks and seamlessly append them together without compromising the integrity of the application. This ensures greater application scalability of individual blocks. It also aids in risk mitigation, early identification of issues, and early familiarization of end users with the application, resulting in increased user adoption. Microservices Architecture further helps in situations where the base product has been upgraded by the OEMs or business strategy has been changed during longer project cycle, as smaller manageable pieces of application can be upgraded/ scaled faster. It gives freedom to choose different languages and technologies for each block and create re-usables for the same. One can now integrate different blocks of application into 'n' number of combinations in order to come up with desired features for various devices. For instance, Spotify, which has millions of active users per month, adopted Microservices architecture to provide phenomenal user experience by deploying multiple independent teams for smaller blocks. Each block in turn had its own failures, fixes and scalability thus ensuring maximum availability of the system.

CXM applications can be deployed on per service or per module basis allowing faster time to market and lower project costs. Therefore CXM adoption has been increased for SMBs as well. One can align their business and IT strategies based on more realistic goals, building a strong CXM infrastructure on a need basis. CXM applications like [Microsoft Dynamics 365](#) or [Salesforce.com](#) offer individual modules like marketing, customer service, sales, and analytics as well as end to end packaged applications with varied licensing options. Choice is yours!

Innovative Technologies

Continuous creativity and innovation have led to the birth of groundbreaking technologies almost merging real and virtual worlds. These technologies are being used independently as well as in combinations to raise the bar.

Concepts like [Amazon-Go](#), [3D – printing](#), [X-box](#) are live examples.



With the help of these technologies, we are able to harness customer information from any number of channels and devices, seamlessly and hence enhance customer experience manifolds. A few of the trending technologies and concepts are:

Internet of things (IOT):

Bringing your products to life and making them talk in a network is now possible. Examples of successful IOT implementation are – sensing the health of electronic devices or any potential technical issues, identifying any potential health issues for a patient using digital health devices, products that a customer is looking at in stores etc.

Thus business can serve the customers better with pro- active service schedules before customers know it!

Now one can experience wonders of IoT like living in a 'Smart home' from companies like [Nest](#) or [Ecobee](#) - which can take care of themselves with robust security features, energy saving, guests recognition etc. Or, being driven in a connected car - which can automatically configure all its features based on pre-defined choices of the driver and sense the obstacles. Companies like [Tesla](#) and [BMW](#) are working on such cars.

Augmented Reality:

Augmented reality aims to provide real world experience online. [Abof's](#) 3D trial rooms, [Lenskart's](#) Try On, [IKEA](#) catalogue

for furniture, [Pokemon Go](#) etc. have been some of the successful implementations of augmented reality.

Soon, there might be a technology to feel the product build and material on the touch of your screen, boosting the sale of apparels and luxury goods OR a time travel experience to realize if the current investment/ insurance products are enough to achieve your goals in future!

Blockchain:

Blockchain is another trending technology bringing-in transfer of digital assets on a peer-to-peer network in a highly secured and transparent fashion. It is also being offered by [Microsoft- blockchain-as-a-service](#). This concept is going to be inducted in CXM industry in no time.

Scenarios like exchange of loyalty points, brand coalitions to provide a set of connected services, household accounts, availing services of one brand across the globe hassle-free and of course fast and transparent exchange of digital currency, are going to become reality soon and will be posing additional complexities and changes in CXM environment.

Gamification:

Undoubtedly, games and competition lead to higher productivity. CXM is using the same concept to redefine sales growth, performance enhancement and customer engagement.

The first and most visible use case is loyalty programs - comprising of points and rewards. Fitness App like [Pacer](#), [Salesforce Gamification App](#), Share trading app like [Moneycontrol.com](#), recruitment games etc. are some of the other early adopters of the concept.

Game-thinking has no boundaries and can be implemented in almost all the industries. Imagine children of age-group 10-20 learning the significance of insurance products just by using a simple game of monopoly tweaked to embed insurance concepts or tax benefit products thereby enabling them to make more informed decisions in the future! Not to mention this can increase the brand value of the insurance provider at the same time.

Beacon:

The geo-tagging capability by Beacon helps to generate targeted customer campaigns and suggest benefits on the fly, such as priority check-ins, offers & promotions contextualized for the customers when they are around a particular store.

It may also help sales persons to plan their routes better and have all the information about the prospects in any given area along with products that can be pitched to them.

Similarly, in a door to door service scenario, it brings in transparency, whether all delivery trucks are actually visiting customers or not and if any vehicle needs more inventory or replacement.



Robotic Process Automation (RPA):

Have you ever felt that your yesterday, today and tomorrow at office are just a replica of one another and you feel the urge to break this monotony? If yes, that is the very thought behind the inception of RPA. The objective is to develop intelligent software processes with cognitive abilities to perform simple to complex repetitive tasks. This helps to free up the bandwidth of our workforce who can then concentrate on providing more personalized and dedicated customer service. Therefore, it bolsters a work culture of productivity and innovation. These bots can recognize a pattern in

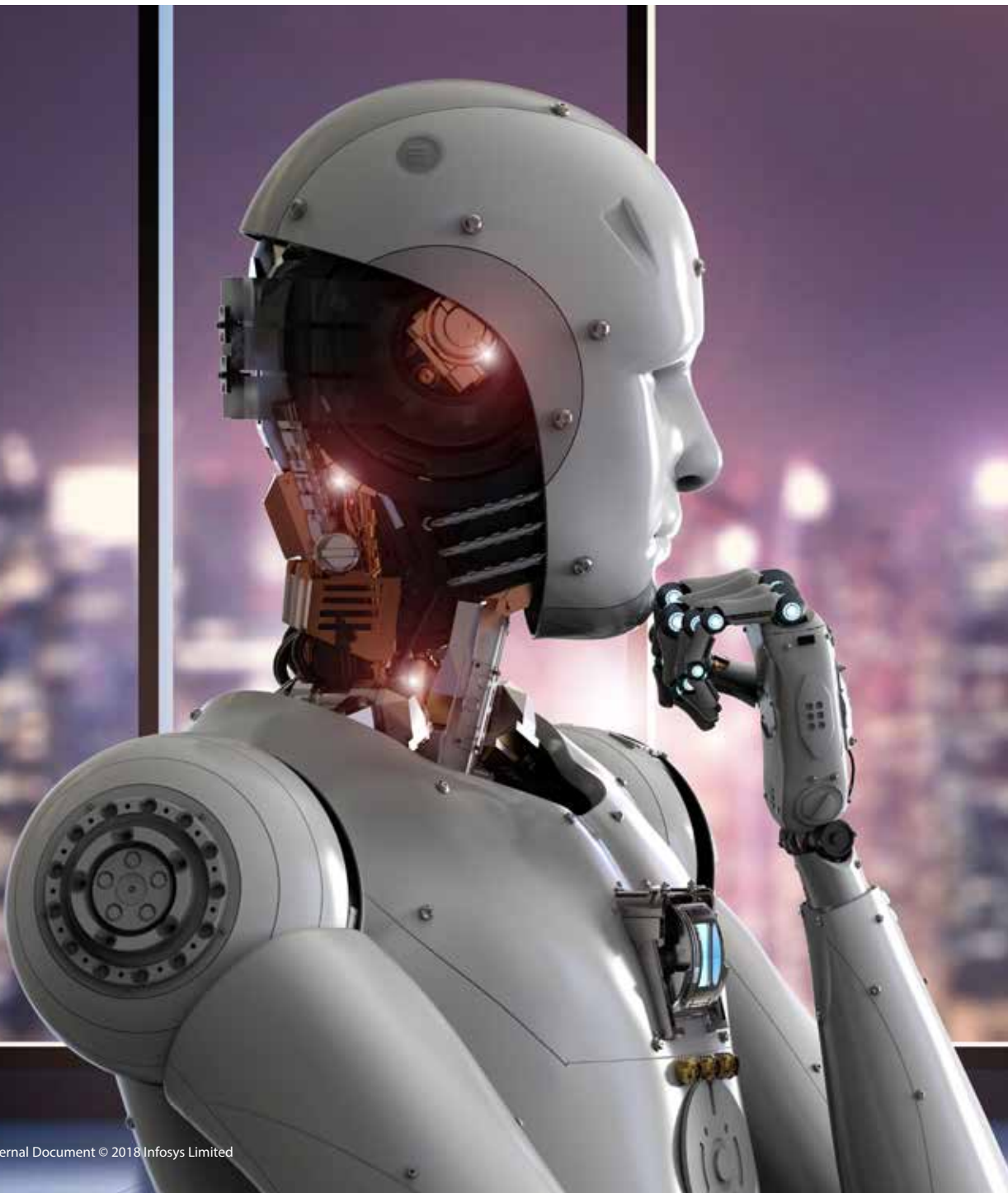
given inputs and based on that they can take decision on the output.

A wonder of such AI based Intelligent CXM components are chat bots. [Apple's Siri](#), [Microsoft's Cortana](#) and [Google's Allo](#) are the most familiar initial models of chat bots which not only thinks and engage into human like conversations but also take decisions on their own. Artificial intelligence has empowered chat bots to take intelligent decisions with zero errors and solve various problems. It can ask customers a set of questions and adapt the context based on their replies. Now users can simply tell chat bots what they want to shop for, the attributes that they

are looking for in the products, what is their budget etc. Chat bots can process qualitative and quantitative replies, analyze and present best products across the sites, or route you to the best suitable department representative.

"80% of businesses wants ChatBots by 2020"
– [Business Insider Report](#)

Other Bots can even place order, generate reports, generates invoice, schedule delivery appointments and follow up service calls etc. without any human intervention. While bots are doing day to day monotonous work, employees can focus on more important tasks, thus improving customer experience further.



Need for Real time -intelligent CXM

There is a saying that 'the world is changing even as you read this sentence'. With the given volume, velocity and variety of data being generated every second, there is an imperative need for real time analytics on the data to assess trends more accurately leading to pro-active decisions and services.

CXM has become smarter with Artificial intelligence, Machine Learning and real time analytics taking deep-dive into the customer data resulting in actionable insights. It reveals latent needs, buying behaviors, propensity of lead conversion, product enhancement suggestions, identifies products to kill, forecasts which product a customer will buy 4 years from now, which customer is going to switch

to another brand, best manufacturing process, so on and so forth. Hence resulting in continuous improvement, unleashing new opportunities, increasing customer base, devising better customer retention strategy, firming up business growth decisions and improving bottom line for business. This is the primary reason companies are now investing in big data analytics.

Future is already here:

All the key enablers mentioned above are leading to 'sensor fusion', innovative products, offerings & business models and capturing customer emotions, data & feedback like never before. This has opened up immense opportunities ready to be explored.

In the wake of customer era, good customer experience is the only differentiator. One should be upbeat about the future of CXM by embracing the above trends, implementing new and renewed processes and providing unprecedented customer experience. Invest in CRM today to achieve your Business goals in a smarter, faster and intelligent way!

The question is - "The industry is moving fast, are you?"



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Her projects spanning across the industries like Retail, Manufacturing, Finance and Minerals & Mining, gave her exposure to vast knowledge & understanding of key nuances in CRM Industry and helped in being well versed with Microsoft Dynamics platform capabilities.

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