

ICXI-POST newsbriefing

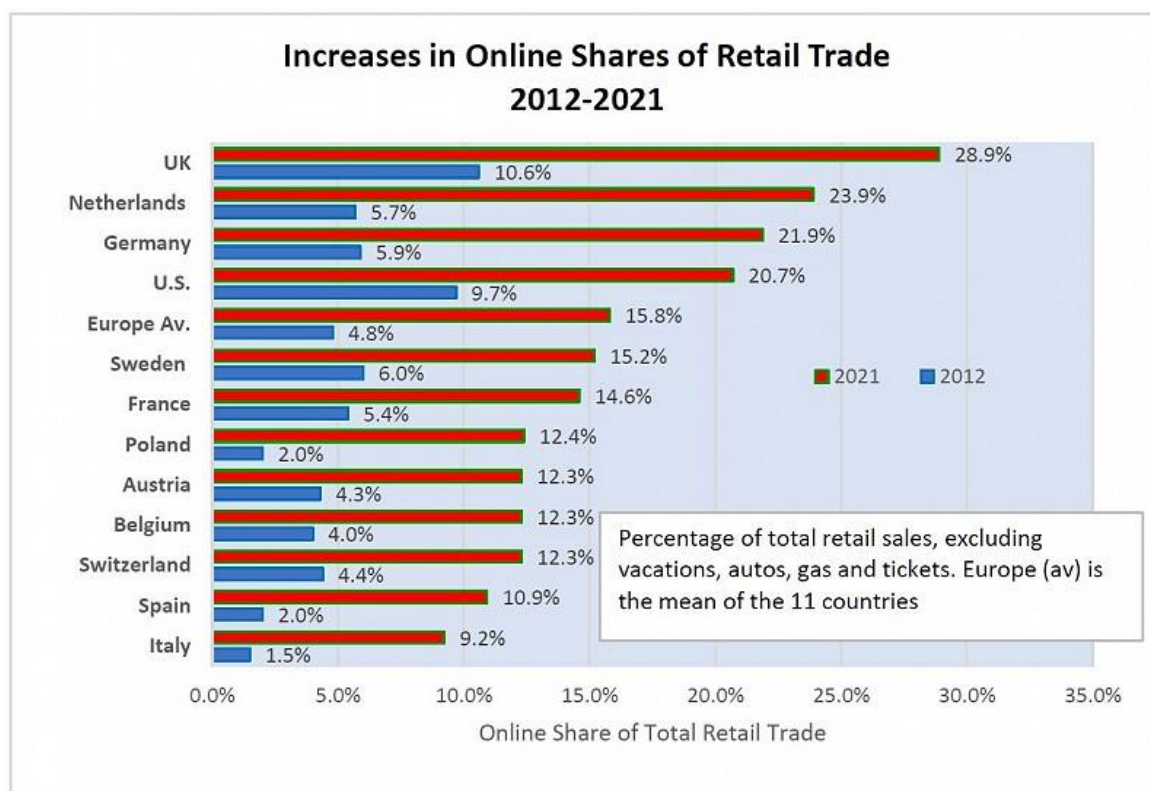
Vol 1 – Issue9 . Feb 2022

Introduction From The President

The term “Digitalisation” is seen with ever increasing frequency in the world of Customer Experience (CX) Management.

There is no shortage of available information. Whether it is introducing the latest thinking on the use of blockchain technology in the operation of Digitally Autonomous Organisations, or from one of the many organisations offering products that provide better solutions in the growing world of online or the consulting and academic institutions analysing the benefits and pitfalls of technology led solutions.

In the field of available digital products there appears to be a strong bias towards contact centre solutions supporting online trading and much less emphasis on how digitalisation can help in the traditional world of face to face service which is globally still the largest interface where retail customers part with their money. So while online is growing rapidly , and in some sectors like finance, is increasingly preferred it still only accounts for 30% at best of retail trade.



So What Should Bricks and Mortar Retail Do?

According to a report by MIT Sloan Management Review “Automation and sensors promise a better customer experience — and fuel for improved analytics. Retail stores are being challenged like never before. Not only are consumers buying more goods online (a trend accelerated by the pandemic), but digital-first companies like Amazon are attacking brick-and-mortar retailers’ home turf by opening their own physical stores that combine online and offline attributes. To stay competitive, traditional retailers need to consider how adopting digital technology can improve the in-store customer experience, provide access to more data on customer preferences and habits, and potentially improve omnichannel operations.

The so-called frictionless store has become the new gold standard in the retail world. However, the term is a bit of a misnomer. The goal is to use digital technology to meet consumer expectations of flexibility, instant gratification, convenience, immersive shopping, safety, and speed. But early adopters aren’t removing all points of friction. Rather, their strategies vary substantially depending on which friction points they want to remove.

Adopting digital technologies that remove friction model can produce several advantages.

1. The first is an improved customer experience. Customers today expect the same speed and convenience in person that they get online. Stores that can deliver that experience will strengthen customer loyalty,
2. Second, digitizing gives retailers a chance to collect and analyze more — and more granular — data on customer preferences and behavior, leveling the playing field with online sellers and enabling personalized recommendations and promotions. In addition, physical retailers can capture what customers do in stores: the paths they traverse, which products they pick up and put back down, and even how long they hesitate while trying to choose between two products.
3. Finally, stores can make better use of human capital: By automating routine work like stocking shelves, companies free their employees to do the higher-value work of helping customers. This human touch can provide a competitive advantage over e-commerce.

However, the frictionless store is not without potential pitfalls and risks.

- a. Privacy . Consumers are concerned about how retailers might track them, as well as how much and what kind of data companies collect.
- b. Similar reputational damage might come if automation displaces large numbers of a retailer’s employees.
- c. Finally, adopting and deploying digital technology is expensive and time-consuming, and it won’t necessarily work as promised.

At the least, large retailers need to consider frictionless stores simply as a defensive strategy

Stagfox

One interesting product that could help traditional retailers of all sizes access some of the benefits of the frictionless store and overcome some of the barriers, including the price barrier to entry, is Stagfox a product designed to link the physical and digital worlds in the retail sector with the unashamed aim of increasing value to both the customer and the organisation.



StagFox is newly established technology designed to collect and aggregate customer experience, demographics, journey and behaviour data to monitor and improve customer experience in real-time. In addition to this, the device is not only about collecting the feedback but analysing data, solving problems and gaps rapidly and reporting in order to retain customers and generate revenue through loyalty and advocacy. StagFox enables integration of all our existing software solutions into a single application and it can be utilized at many spots, such as retail stores, shopping malls, kiosks, vending machines, payment terminals, airports, museums, parks, etc.

<https://www.linkedin.com/company/stagfox/>

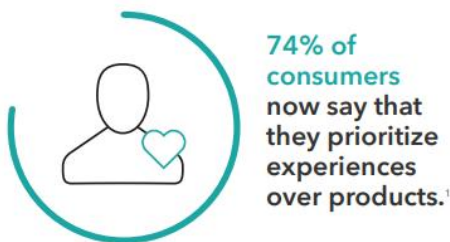
Emotional Connections

One of the unspoken benefits of a product like StagFox is that in connecting with the customer it automatically creates an emotional connection. The degree to which the message is positively or negatively received depends on the skill of the retailer in the way it is used but as digitalisation moves relentlessly forward it is increasingly important that the emotional connection is neither ignored or overlooked but becomes a key decision in both the kind of technology that is selected and the way it is applied.

Many of the extant technologies in use in the customer's interface areas of organisations both large and small have rightly attracted a reputation for creating higher levels of annoyance and irritation than they do of providing a positive experience. If the Covid experience has illustrated one thing it is that very many of these technologies are not fit for purpose. The emotional response from customers towards them goes beyond dissatisfaction and extends into wondering about the degree to which the leaders of these organisations really care about their customers.³

In their report “**3 ways Emotional Connections Can Power CX**” Sitecore highlights the imperative of creating the right emotional connections with customers.

“Customers are human and need to connect on a human level. Yes, we can reach them easily and gather data on them but that’s not enough. Genuinely understanding customers and their cares and needs can form emotional bonds between brands and consumers. These emotional connections drive buyer behavior. They create and enhance the customer experiences that consumers crave and brands are struggling to provide.



Businesses across sectors have latched onto this. They understand that a competitive advantage no longer comes from lower price points and higher product quality, but from the entire experience that surrounds a product or service. It becomes a story to share and a memory we anticipate reliving.

So, with every company now competing on experience, it’s more important than ever to stand out by interacting and connecting with customers in ways that make them feel that their interests are being considered.

In an attempt to do so, digital transformation and a wealth of data have driven personalization. But while it seems that personalization is now at the forefront of every marketer’s mind, many are stumbling out of the gate. A lot of time and effort is put into personalization but it doesn’t seem to be paying off.

In far too many cases, personalization efforts are thinly veiled attempts to deliver information the brand cares about rather than offering an experience tailored to what the individual needs, wants, or cares about.

By 2025, 80% of marketers will abandon their personalization efforts due to either lack of ROI, or the complexities of customer data management – or both.³

Real connections speak louder than words

Using technology and collecting huge amounts of data will only get them so far. Personalization is much more than this. The clue is in the name — it’s about the person. Customers need to be at the center of our strategies. Right now, they don’t feel like they are – and with some justification.

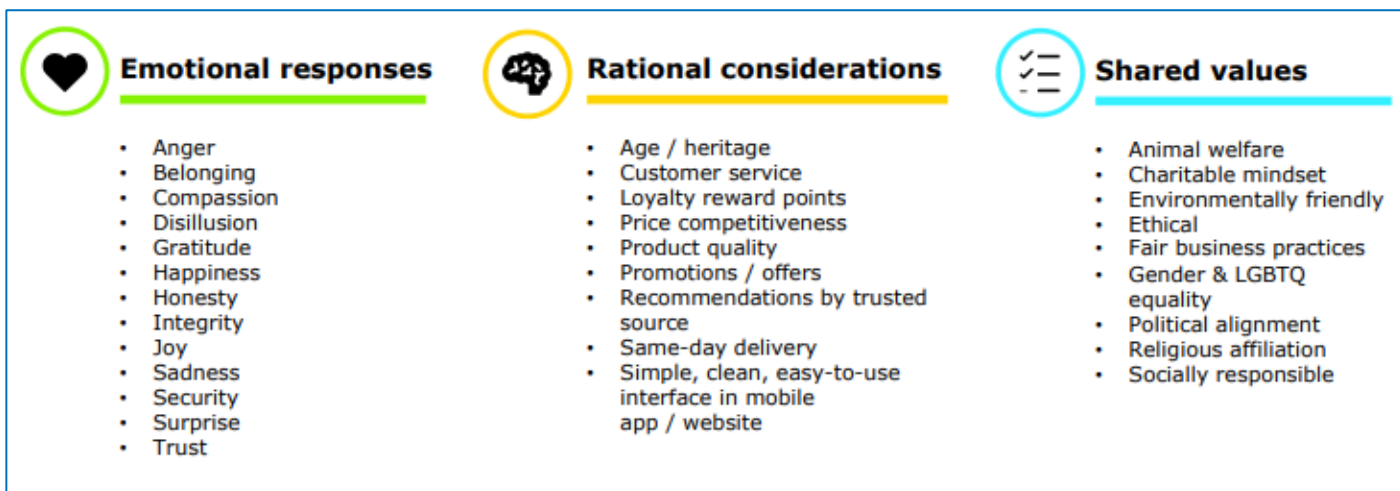
More than 4 out of 10 companies don’t bother to ask their customers for feedback. It may have contributed to a measly 12% of customers that believe a company when it says it puts them first. People want to be connected and they want to be connected with brands. Brands have a huge opportunity to tap into this through the experiences they create, the content they produce, and the stories they tell. Doing so will enable them to build trusted relationships and connect with customers on an emotional, human level. Listen to them. Show them that you know not just who they are, but what they really care about. Talk to them as real people, in a language everyone understands.”



<https://www.sitecore.com/landing/corp/cmo-thought-leadership/3-ways-emotional-connections-can-power-cx/data/confirmation>

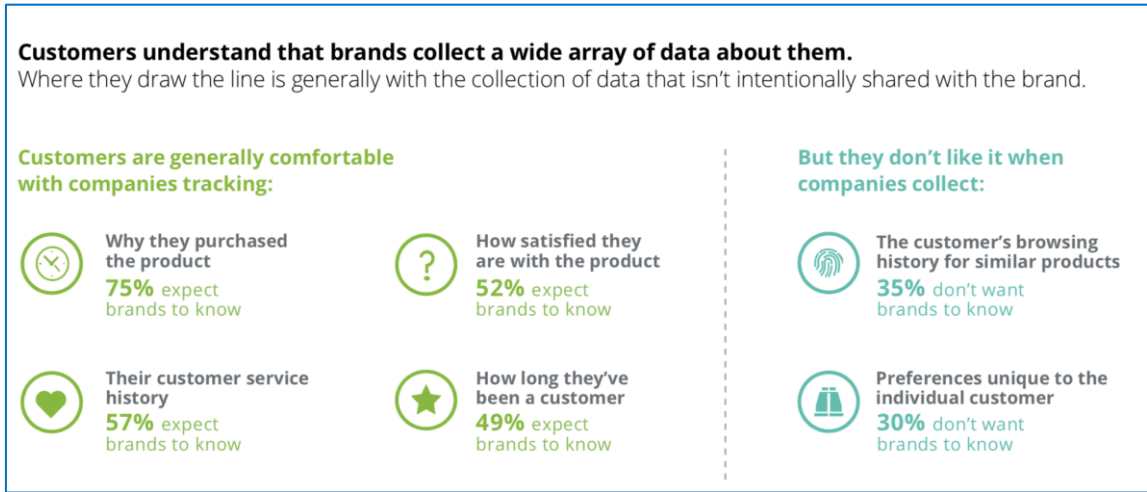
All of this data is supported by a piece of Deloitte research **Exploring the Value of Emotion-Driven Engagement** that among other things states

1. When consumers first engage with brands, it is rational considerations that dominate—think price, promotions, or loyalty programs.
2. Factors that drive emotional responses, are key to almost everything that lies between the beginning and end of a consumer's relationship with a brand.
3. While shared values like being environmentally friendly or socially focused are important, they are more of a base need that's satiated at the outset of the brand relationship



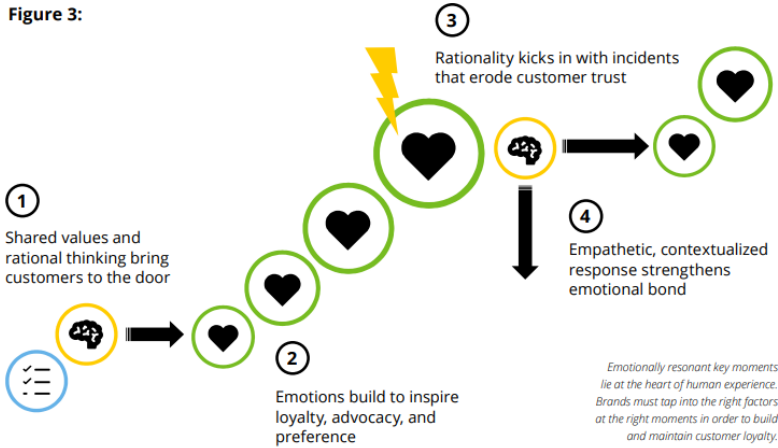
At the same time that consumers expect brands to listen and respond to their needs, they also have strong feelings about the types of information brands should know about them and how that information should be used. **Trust** is the most identified emotional metric that consumers say influences their connection to a favorite brand. Unfortunately, trust can be broken more easily than it can be established.

Trustworthiness (83%), integrity (79%), and honesty(77%) are the emotional factors that consumers feel most align with their favorite brands.



Given the sheer quantity of touch points between customers and brands—online and offline—the challenge of collecting, reading, and reacting to every emotional cue in appropriate ways is enormous and growing. But it's clear that customers don't care whether it's difficult or expensive to humanize relationships at scale. Companies that aren't focused on building emotional bonds risk losing customers to competitors that are figuring it out—and it's hard to win back old friends once you've lost them.

Most organizations already have a wealth of data about customers that can help jump start this process. It's gathering and using that data—at the right time, in the right way, at scale—that will distinguish tomorrow's most beloved brands.



Where to start?

The answer is going to be very different for each stakeholder in an organization, and obviously the needs of each organization vary.

The key is, simply, to start.

<https://www.deloittedigital.com/content/dam/deloittedigital/us/documents/offerings/offerings-20190521-exploring-the-value-of-emotion-driven-engagement-2.pdf>

Is The Experience More Important Than Trust?

The previous section touched upon the issue of trust and how the collection and application of digital data is viewed by customers. The imperative of delivering the ultimate customer experience may be perceived to be a holy grail which subordinates all other customer concerns. It transpires that the issue of the trust that customers are prepared to place in organisations based upon the customer data they collect and use to deliver that experience may have a significant bearing on the customer's loyalty to the brand. The fact that organisations state they conform to data regulatory law like the European Union's General Data Protection Regulations (GDPR) may not be enough if the customer still perceives that is not enough to satisfy their key emotional need - trust.

Customer Experience Magazine report in their article

“Digital Marketers Should Take a Bigger Role in Ethical Oversight of AI.

Digital marketing leaders are looking to use artificial intelligence (AI) and machine learning (ML) to achieve a 360-degree view of customers, since deeper personalisation is in a tight position due to consumers' concerns about how their data is used to target them. As well as the corresponding oversight required by legislation and regulators customers demand a nuanced approach to the technologies and practices relied on to leverage customer data.

When it comes to their data,

- 1. 79% of consumers say they want more control of the personal information they give companies and the way the data is used*
- 2. 53% of consumers say they want companies to be more proactive in educating them about online data privacy.*
- 3. 55% of consumers would rather give up relevant and personalised experiences instead of having their digital behaviours tracked.*

Although compliance and regulatory violations are a concern, an existential threat is posed by not honouring these expectations. This causes a loss in momentum to achieve a 360-degree view and deeper personalisation.

[Digital marketers should take a bigger role in ethical oversight of AI - Customer Experience Magazine \(cxm.co.uk\)](https://cxm.co.uk)



Source: Andy Byrne

So What Do Companies Do With Customer Data?

A recent survey by the UK Government showed some interesting data about what kind of organisations collect and use their customers' data. While this is a UK based survey the fact that many businesses share and receive data internationally may be indicative of it being similar on an international basis.

Official Statistics UK Business Data Survey 2020: Updated 14 December 2021

Key Findings

Most businesses with 10 or more employees collect some form of digitised data.

Excluding data collected from employees, 65% of UK businesses collect personal data and 50% collect non-personal data.

Among businesses that collect digitised data:

12% either send data internationally or receive data from outside of the UK (equivalent to 10% of all UK Businesses).

65% have heard of the Information Commissioner's Office (ICO).

Among businesses that collect digitised personal or employee data:

18% say they share personal data to businesses outside of their organisation

17% collect data classified as 'Special Category' data

64% have a privacy management framework or data protection strategy in place

58% agreed that the introduction of GDPR had led to increased awareness of data protection at a senior level

Among businesses that transfer data internationally:

47% have either a great deal or a fair amount of knowledge about the legal compliance necessarily to transfer personal data outside of the UK

51% transfer both personal data and non-personal data

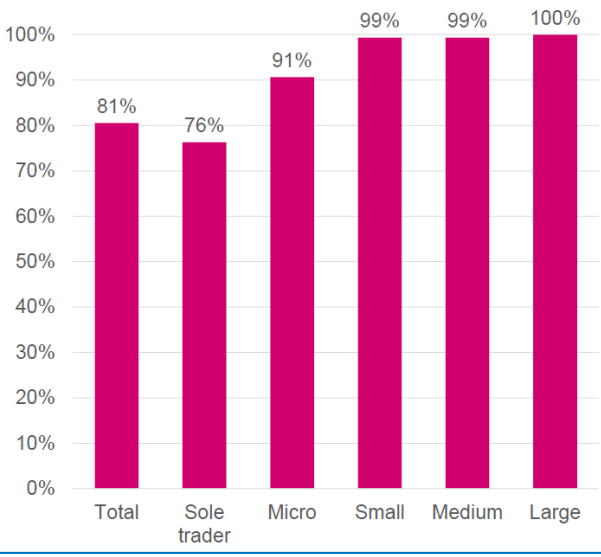
76% transfer data to Europe, and 62% transfer to North America

These definitions apply in In the following charts

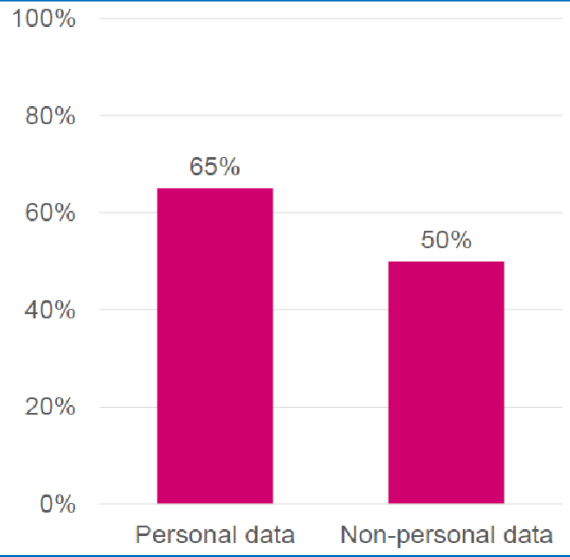
For businesses, analysis by size splits the population into:

- sole traders (0 employees)*
- micro businesses (1 to 9 employees)*
- small businesses (10 to 49 employees)*
- medium businesses (50 to 249 employees)*
- large businesses (250 employees or more)*

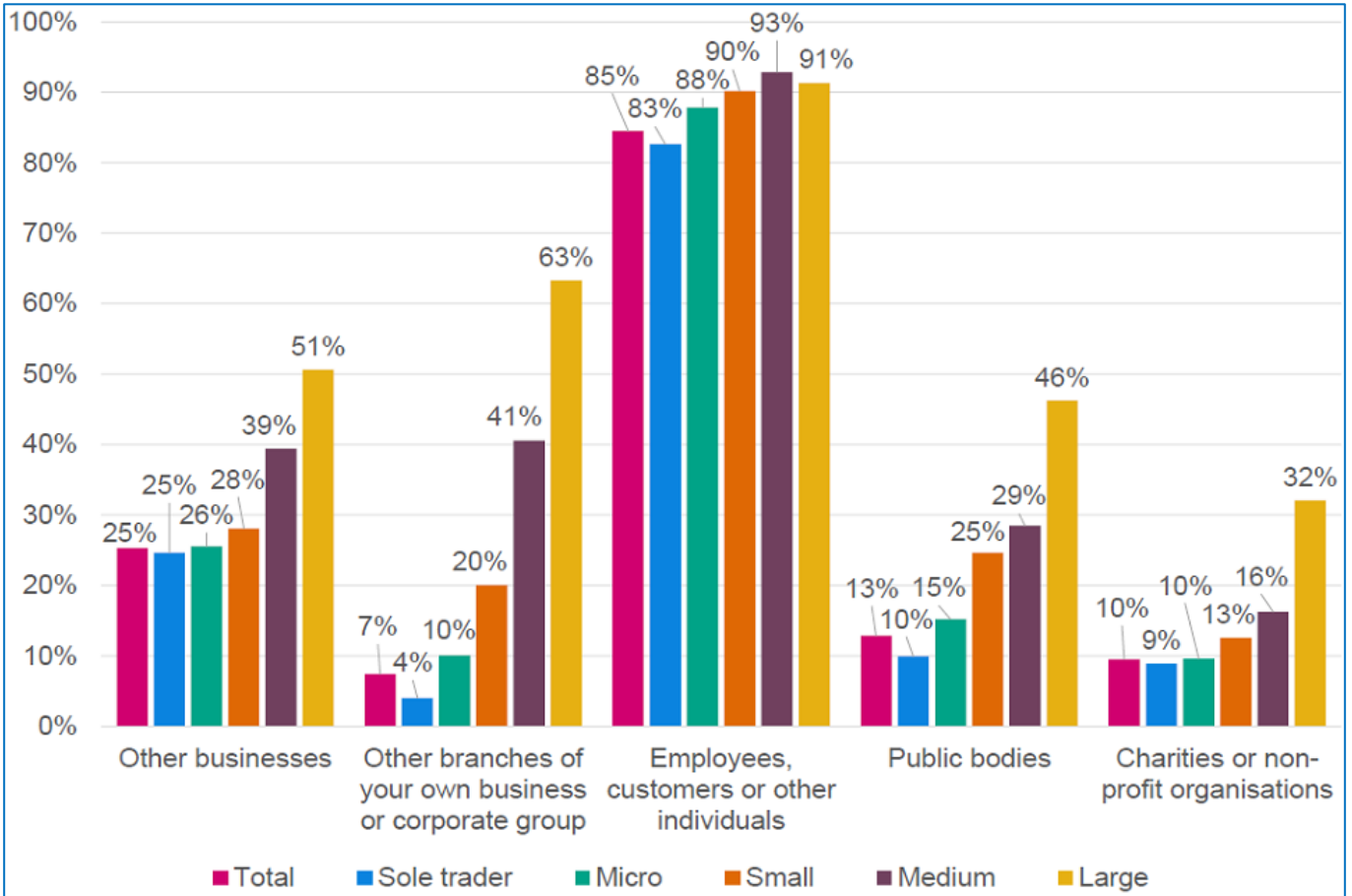
Percentage of handle any form of digitised data



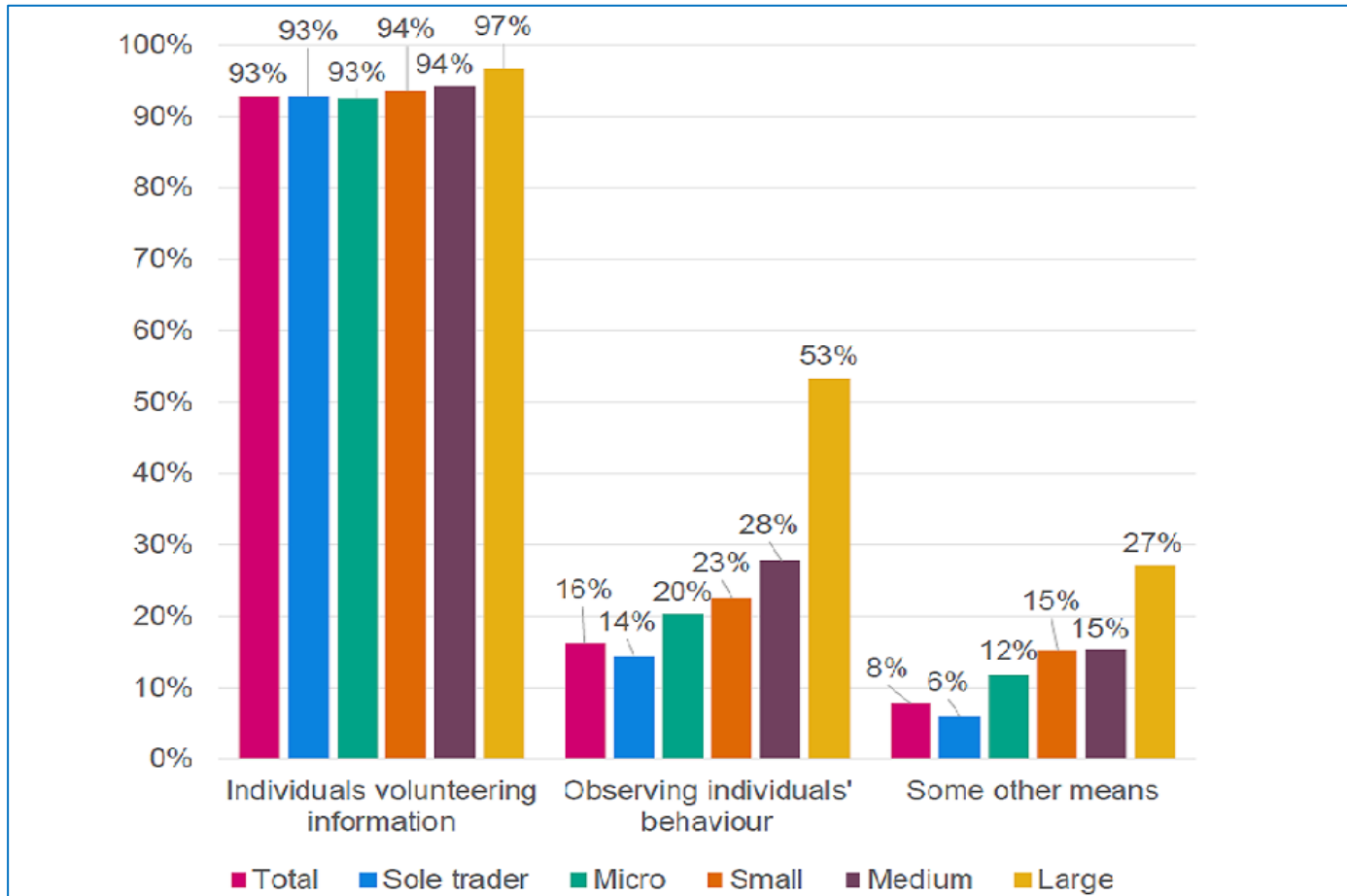
Types of data collected by UK businesses from sources other than employees



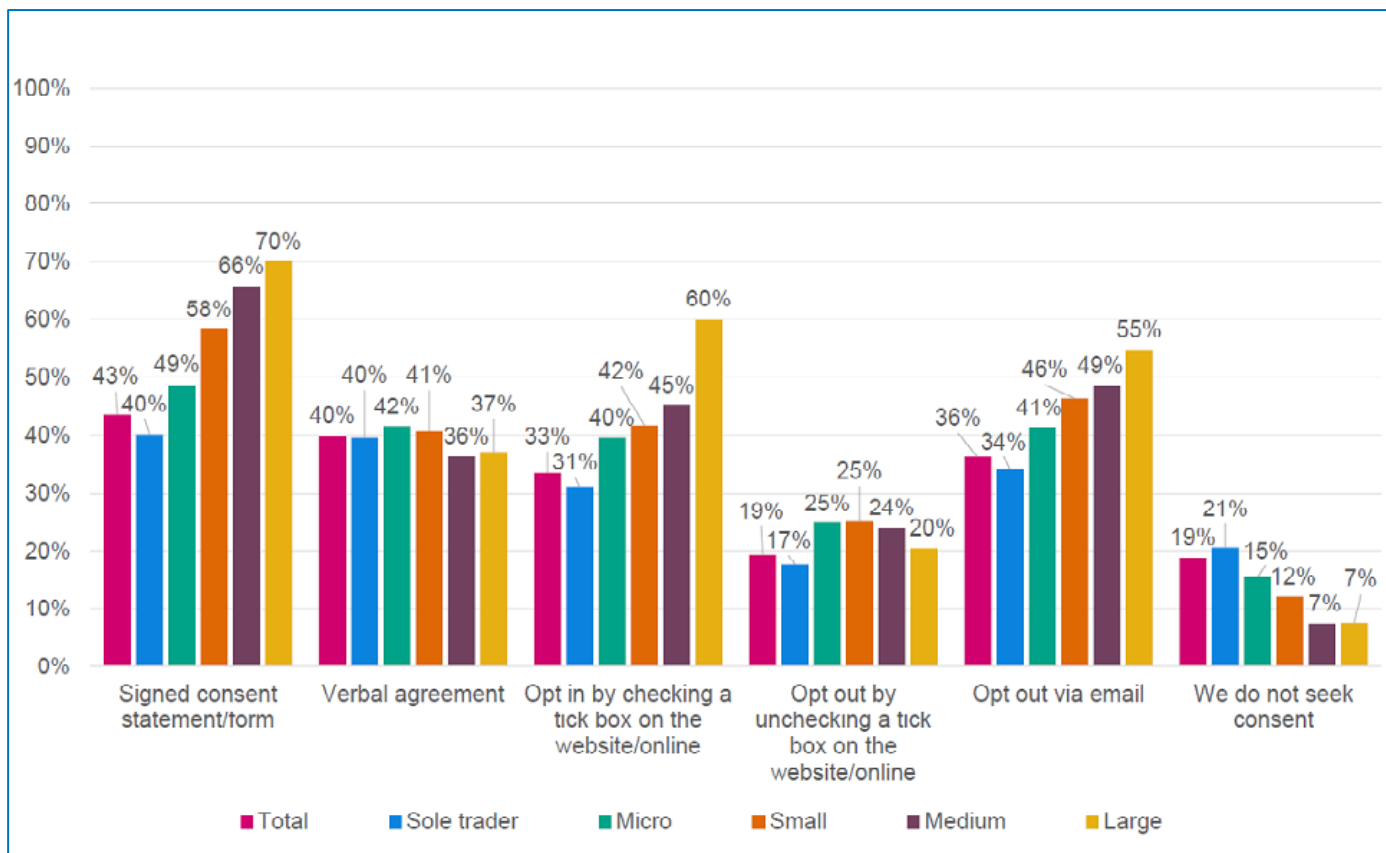
Sources from which businesses receive personal data



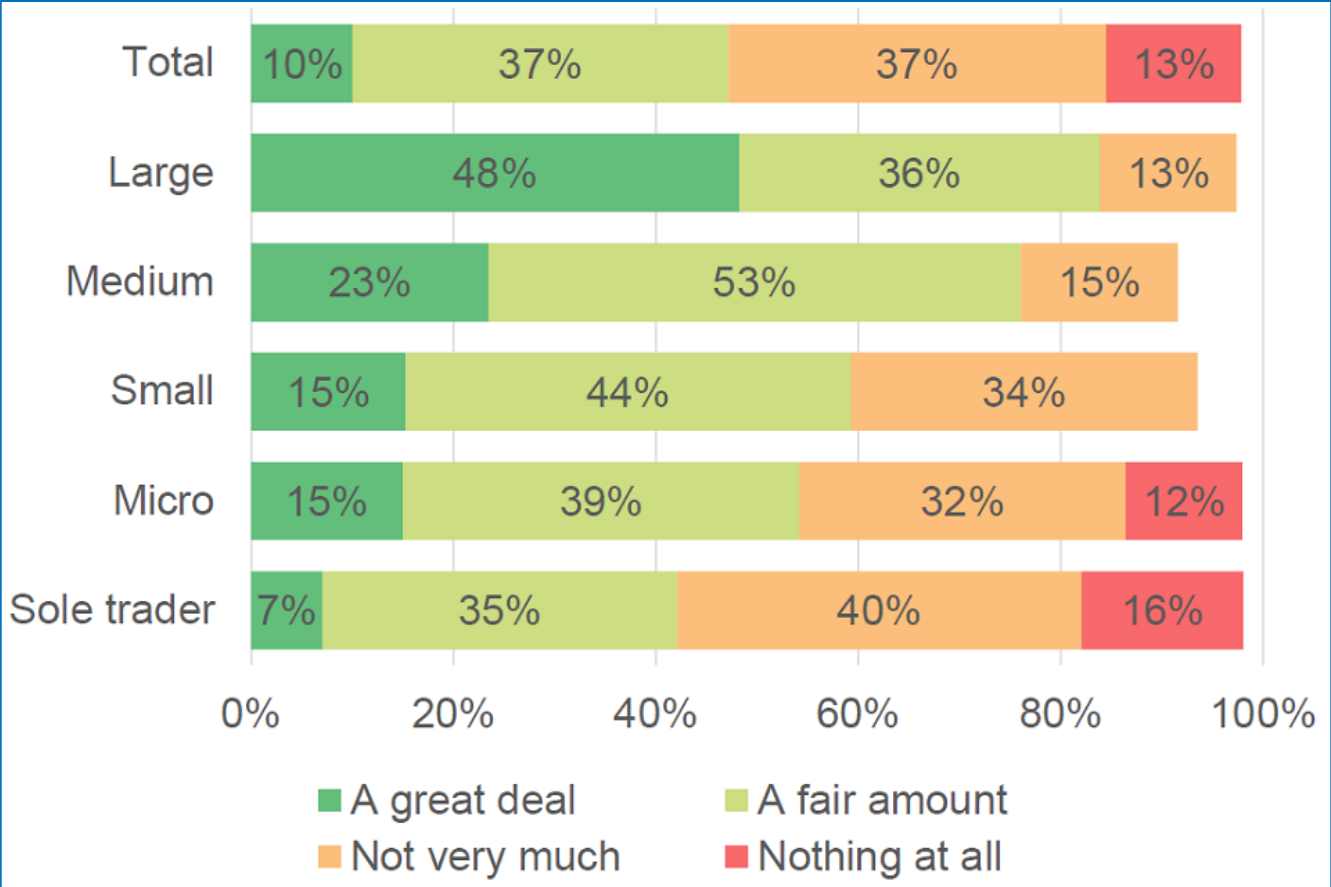
Acquisition of personal data



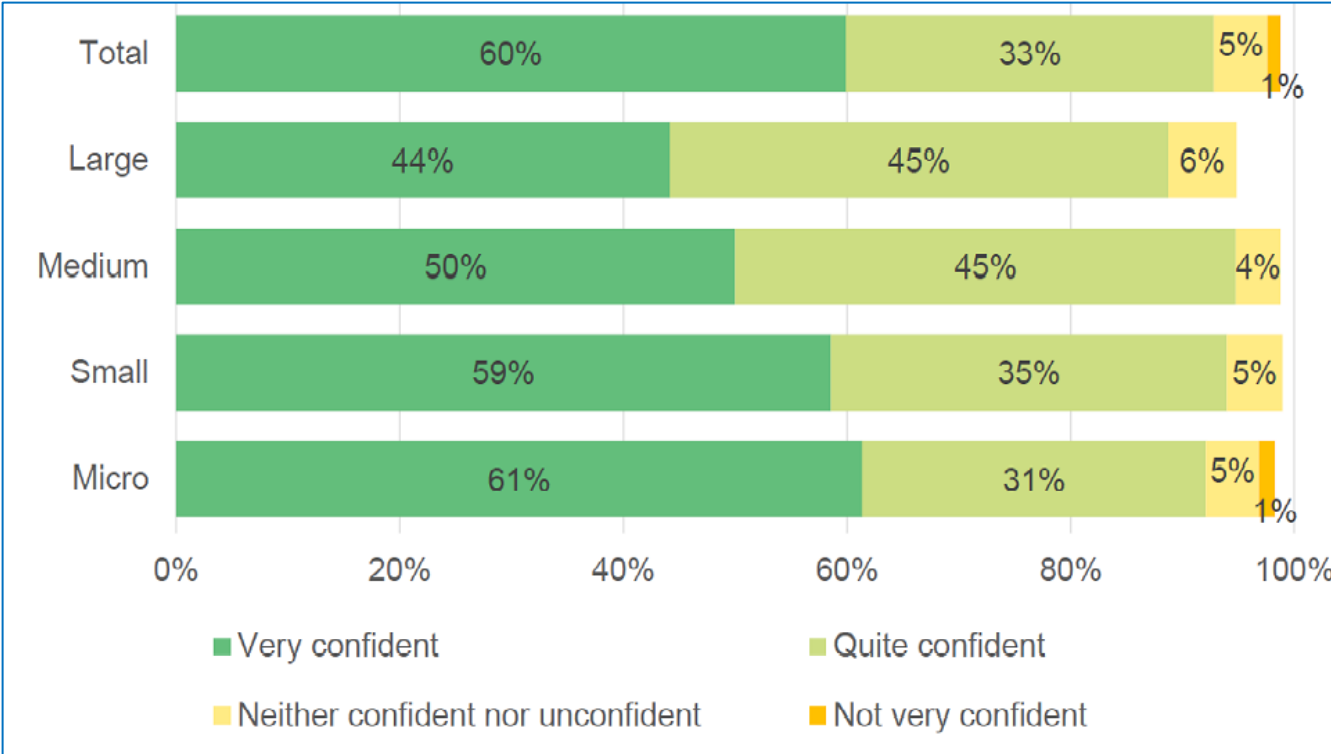
Types of consent sought from customers to collect, store or share personal data externally with third parties



Businesses knowledge about the legal compliance necessary to transfer personal data with organisations or people based outside of the UK



Businesses' confidence that their employees are proficient in handling personal data by business size



<https://www.gov.uk/government/statistics/uk-business-data-survey-2020/uk-business-data-survey-2020-detailed-findings>

Policies	<p>Are the organisation's policies clear out how the organisation is/has planned the use and application of data to improve customer experience for the longer term benefit of customers and the organisation?</p> <p>Are the organisation's data management policies compatible with building/maintaining a positive emotional relationship with its customer base?</p>
Products /Services	<p>Are the existing customer engagement products/services working to the satisfaction of customers or are they capable of enhancement for the customer via the application of technology?</p>
Places	<p>Are the places through which customers interface with the organisation using digitisation to provide a operated to create a frictionless customer experience?</p>
Processes	<p>Digitisation has the potential to impact the processes with which the organisation interfaces with its customers more than any other operational area.</p> <p>Is the collection of customer data helping or harming the organisation's relationship with its customers?</p> <p>Are innovative or updated processes checked to ensure that they interface effectively with all legacy systems and processes in all customer channels ?</p> <p>Is the supply chain up and down stream engaged in the development and application of new technology that impacts the organisations delivery of a satisfactory customer experience?</p>
People	<p>How are leader's, manager's and employees' skills developed to manage any technological innovations?</p> <p>How is the impact on the customers' emotional engagement to be measured, managed and monitored?</p> <p>How are employees' concerns regarding the impact of new technology on their jobs being addressed?</p>
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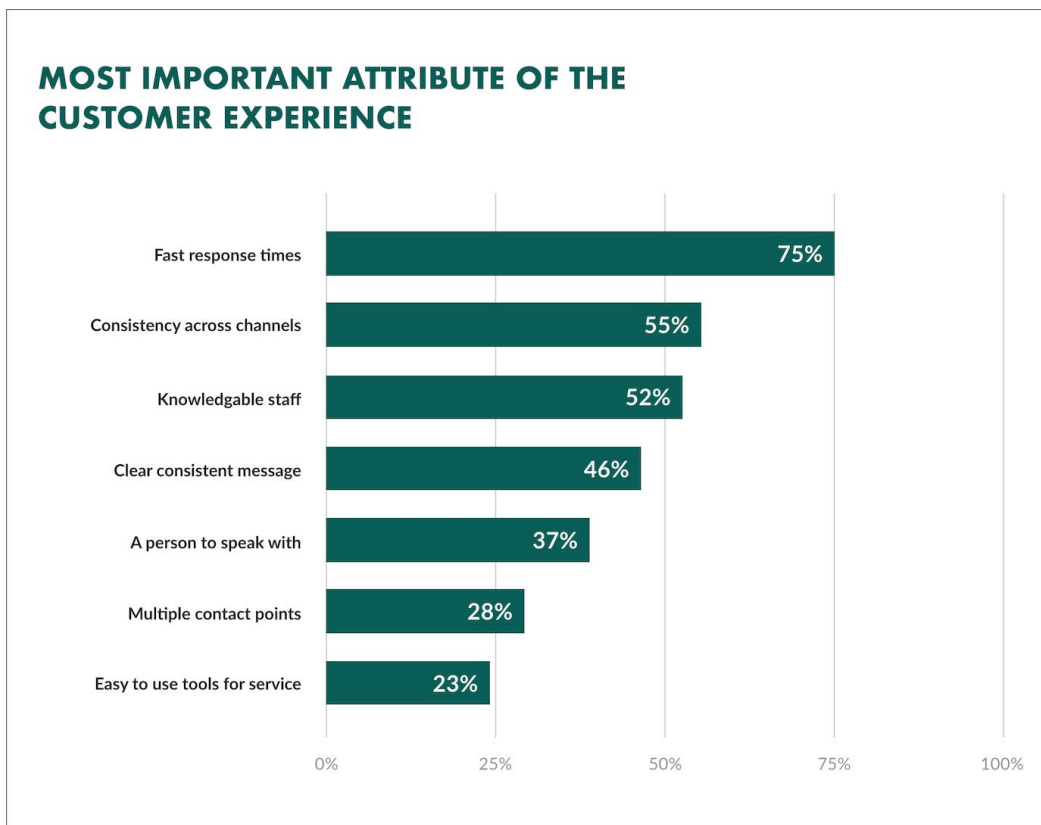
Digitisation and Customer Self Service

Customer self service has come a long and perhaps a very different way since the first supermarkets used the idea of giving their customers a basket and letting them help themselves from the shelves. In the online world it is a means of letting them complete a transaction, discover information, resolve an issue, get assistance all without any human involvement. In some sectors, like finance, it is the preferred means of engagement.

According to Super Office *-Self-service is Becoming the First Choice*

Long gone are the days when a phone call was the only option to reach a support team. In fact, 40% of consumers now prefer self-service over human contact.

And a study conducted by Dimension Data found that 73% of customers prefer to use a company's website, instead of using social media, SMS and live chat for support.



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<https://www.superoffice.com/blog/customer-self-service/>

Self Service is extremely attractive to both customer and organisation until its goes wrong, or a transaction requiring a higher level of process is required or there is high demand for a product or service which the existing technology cannot manage. When its technological limitations are exposed it has the means to negatively, disproportionately impact the customer experience and potentially their loyalty to the organisation.

Customers have an ever expanding number of channels through which to contact the organisation but are more and more channels the answer?

Is it best to have as many channels as possible or as many channels as are needed to ensure a consistently high customer experience is delivered?

Gartner states that *Only 9% of customers report resolving their issues completely via self-service, according to Gartner, Inc. Many companies create more channels for customer service, but this creates complex customer resolution journeys, as customers switch frequently between channels.*

“The idea behind providing customers with more channels in order to give them what they ‘want’ and in an attempt to offer more choice in their service experience sounds like a great idea, but In fact, it has unintentionally made things worse for customers, said Rick DeLisi, vice president in Gartner’s Customer Service & Support practice. This approach of ‘more and better channels’ isn’t living up to the promise of reduced live call volume and is only leading to more complex and costly customer interactions to manage. That becomes a ‘lose-lose’ for customers and the companies that are trying to serve them.”

Customer service and support leaders must consider the following four imperatives to move to a more self-service dominant approach:

- 1. Establish a self-service strategy that prioritizes resolution, not channel choice: Ensure that dedicated leadership capacity is allocated to self-service channels to oversee each channel’s purpose and performance.*
- 2. Manage self-service capabilities like a product, not an IT project: Service organizations should manage self-service channels and capabilities like products with measurable ROI goals tied to volume reduction and customer experience.*
- 3. Prevent self-service abandonment through confidence-building design: Channels that provide clear and actionable information, confirmation that resolution steps are underway, and indications that information is credible foster a sense of confidence in the customer, which in turn empowers them to continue utilizing self-service channels rather than reaching out to a live rep.*
- 4. Evolve talent management practices for a self-service dominant strategy: Service leaders should manage live talent as a precious resource, skewing focus to the retention of top talent and training them to take control of customer interactions.*

<https://www.gartner.com/en/newsroom/press-releases>

IDCXS –The Global Standard for The Digital Age

Whether an organisation is purely digital or a hybrid using traditional and digital technologies it is important to know that the customer interface technology both effectively and efficiently meets the mutual needs of customers and organisations. Designed specifically to address this issue is the

International Customer Experience Institute's (ICXS.com) - International Digital Customer Experience Standard



The first global digital standard for all size organisations in all public and private sectors.

For organisations operating in a digital world through digital media the key competitive differentiator is more often the delivery of a consistent, highly reliable, robust, and simple service. Because of the impersonal interface in such transactions the processes driving them need to provide consistently an excellent customer experience responsive to and consistent with their customers'/ citizens' digital needs.

The outcome of a customer's digital experience, is made up of a mixture of emotional, objective, and social media attributes and heavily influences customer loyalty. Therefore, it is essential for an organisation to understand:

- The customer's end to end journey through every service channel.
- How the actual experience is created and the key elements in the customer digital journey that are most important to the customer.
- The level of performance of the organisation in delivering those key elements
- How the organisation can positively improve the customer's digital experience.

The IDCXS standard is built on the platform of The 5 P's Model. The original 5P's Service Excellence Model was created by the co-founder of the Institute and developed as part of a study at Brunel University in the UK to determine and identify all elements within an organisation impacting service quality. The model rationalises all key factors that impact service excellence into a number of component elements (The 5P's – Policy, Place, Product or Service, Process, People) to provide an easy to understand yet powerful tool for analysing the high-level key drivers that shape the customer digital experience while enabling organisations to drill down to almost forensic levels of detail to better understand where improvement can be achieved. The experience proven model has been successfully applied internationally for over 30 years.

The model structure has been retained in the case of IDCXS2021 and developed to reflect the needs of the Digital/Smart world, and to the potential of the 'Internet of Things' when creating the customer's digital journey. Independently certificated by global standards organisations IDCXS offers the opportunity to manage successfully the delivery of a high quality customer experience in the increasingly complex omni channel digital world. ¹⁵

The Last Word

This newsletter set off to understand better the importance of digitalisation in the area of customer experience management. It is clear that while it has its greatest application and opportunity in the growing online sector for providing speed in many self-service applications it is not the silver bullet that will automatically get an organisation to the top of the customer experience management league. It has highlighted the growing importance of building and maintaining emotional relationships with customers as a key imperative in delivering a satisfactory experience to customers and sustaining and increasing customer value to the organisation particularly in the collection and use of personal data. The stories about how customers engage and experience the brand are more powerful than the features and benefits of the product or service. For example, an organisation may have all the latest technology kit but if customers consistently have bad experiences it will fail.

For customers - Its not about the kit, its all about the trip

Looking to the future and the emergence of Digitally Autonomous Organisations those planning their customer journeys have the key task of ensuring that unique benefits of blockchain technology are widely understood

Recommended Reading

https://www.google.com/search?q=digital+autonomous+organization&rlz=1C1CHBD_en-GBGB889GB889&sxsrf

<https://www.publicissapient.com/insights/blockchain-now-a-reality>

<https://thedigitallifeindex.publicissapient.com/?gclid=>

<https://sloanreview.mit.edu/article/how-in-store-tech-will-transform-retail/>

<https://www.linkedin.com/company/stagfox/>

<https://www.sitecore.com/landing/corp/cmo-thought-leadership/3-ways-emotional-connections-can-power-cx/data/confirmation>

<https://www.deloittedigital.com/content/dam/deloittedigital/us/documents/offerings/offerings-20190521-exploring-the-value-of-emotion-driven-engagement-2.pdf>

[Digital marketers should take a bigger role in ethical oversight of AI - Customer Experience Magazine \(cxm.co.uk\)](https://www.cxm.co.uk/digital-marketers-should-take-a-bigger-role-in-ethical-oversight-of-ai)

<https://www.gov.uk/government/statistics/uk-business-data-survey-2020/uk-business-data-survey-2020-detailed-findings>

<https://www.gartner.com/en/newsroom/press-releases>

<https://www.superoffice.com/blog/customer-self-service/>

The ICXI One Question Quiz

Do you actually really know what customers feel about your interface technologies? YES
If “No” how will you understand if it is fit for purpose? NO