



Today's IT Leaders on Market Trends

Use IT to Deliver a Superior Customer Experience—and Beat the Competition

A compelling customer experience is essential to growing the business. By focusing on automation and self-service applications, CIOs will give their companies a competitive edge.

RETAINING CUSTOMERS AND ATTRACTING NEW ONES have always been critical to business survival, but never more so than today, given both the challenges of the global economy and the onslaught of technologies that give consumers more information—and power—than ever before. According to *CIO* magazine's "2010 State of the CIO" report, IT leaders are on a mission to lead initiatives that deliver a superior customer experience that differentiates their companies from their competitors.

A CIO of a major manufacturer explains it simply: "Our competitors can provide a common online experience for their customers, and we are unable to do that," due to an older, less flexible system. "We're looking at it systemically, from the lead all the way through to the cash process. For sure, we want to [provide] the best customer experience/customer interface in the industry."

Customer experience management—leveraging technology to improve customer engagement with products and services—is the key to gaining competitive advantage. By building a rich, intuitive, intelligent customer experience and mining the data gleaned from these interactions for critical insights into trends, CIOs can help transform their organizations into customer-driven businesses.

A recent IDG Research Services program, conducted on behalf of Adobe, surveyed 103 North America-based IT leaders at companies with more than 1,000 employees across all industries. They were asked what benefits and drivers they associated with a compelling customer experience. Among the findings:

- Competitive edge is seen as the primary benefit to supporting and improving customer interactions and processes.
- Providing easy access to information to increase customer satisfaction is the No. 1 driver in automating customer-facing business processes.



"We've also regained 4 percent market share from working on our interactions with customers."

— Director of Systems, Operations Planning and Storage for a financial services provider

About CIO2CIO:

This peer-based thought leadership program analyzes quantitative research and tests it via qualitative, one-on-one interviews with CIOs. The resulting executive insight is then disseminated via IDG Enterprise's multimedia assets.

- Companies plan to increase investments in online (61 percent) and mobile (45 percent) technologies to improve customer acquisition and retention.

Traditional Channels Can Be Costly

Not surprisingly, traditional customer service channels—including phone and face-to-face communication—are expensive, according to a June 2010 Forrester Research report. And although e-mail is slightly less expensive, Forrester WebTracks has found customer service responses to e-mail inquiries often take days, which only frustrates and alienates customers. In comparison, Web self-service options often cost \$1 or less per transaction, according to industry estimates, and lead to greater customer satisfaction. Unfortunately, many organizations still use costlier forms of customer communication:

- 74 percent of the IDG survey respondents say in-person support (through an agent, branch office or field representative) is a primary contact point for customers.
- 68 percent cite e-mail as a primary support tool.
- 52 percent still rely on conventional mail and fax as primary tools for customer contact.

Competitive organizations are embracing customer experience management and moving beyond these expensive and insufficient methods. Strategies that include Web and mobile functionality, automation and self-service applications drive down costs while providing benefits to the customer.

The Benefits of Automation

IDG survey respondents made it clear that their investments in improving the customer experience are aimed at gaining competitive edge, expanding customer access, reducing costs and increasing sales (see Figure 1 below).

“It’s a matter of knowing what’s out there, knowing what the competitors are doing, knowing what your business is looking for, and trying to match those solutions up with the business,” notes the senior IT operations manager for a food retailer and manufacturer.

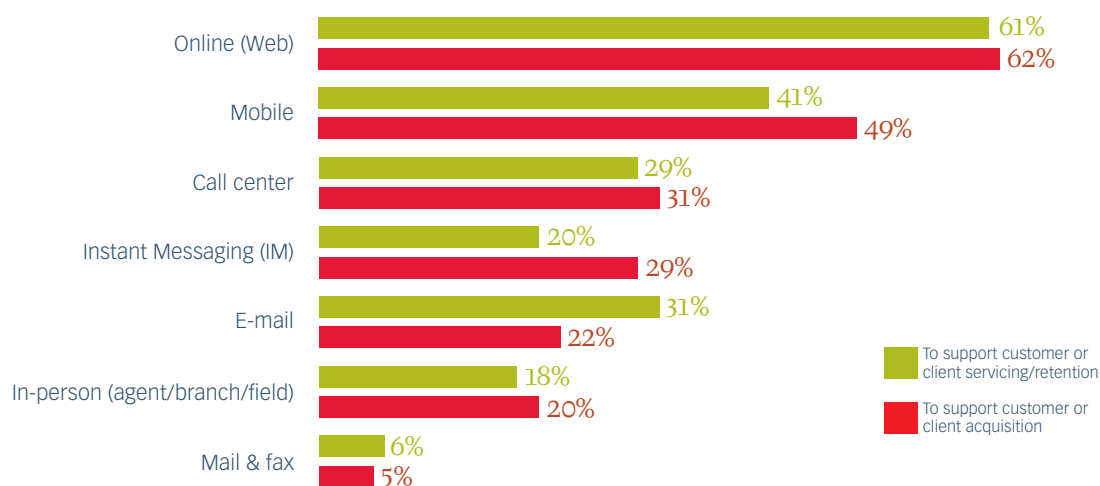
Many of these benefits have been achieved via business process automation of customer-facing services such as monthly statements, service requests and product selection. In fact, 69 percent of the CIOs surveyed have said that business process automation is one of their top-five objectives. They’re automating both customer acquisition and retention processes in equal measure, and are already reaping the benefits, including:

- Increased customer satisfaction (54 percent).
- Decreasing costs/improved profitability (48 percent).
- Delivering a consistent customer experience across delivery channels (45 percent).

Respondents to the IDG survey say their automation plans include CRM systems (40 percent), customer service requests (27 percent), and product and service selection (25 percent).



Companies are Increasing Investments in Communications Channels



Source: IDG Research Services, June 2010

The Benefits of Improving Functionality

Consumers today have unprecedented access to Internet self-service and smartphone applications that can provide quick answers or resolve problems, whenever and wherever they are. Indeed, self-service options are “what the customer wants,” says the CIO of a large insurance provider—and companies are shifting into overdrive to meet that demand. Sixty-two percent of the IDG survey respondents say their companies plan to increase investments in self-service applications in the coming year.

One of those is a large financial services firm whose IT leader says self-service is a priority that is seen as a competitive differentiator. “The idea is to enable our customers with self-service...[to be] able to do things themselves,” he explains, whether it’s requesting information or dealing with matters pertaining to their accounts.

Web and mobile channels are also garnering increased investment, with the goal of supporting acquisition and retention efforts (see Figure 2 above). Not only do these channels offer new ways to reach customers, but they are also less expensive.

The senior vice president of enterprise services for another large financial services firm says a rich, interactive, personalized Web experience ranks high among his customer-service priorities. “It’s very difficult to get new clients, and we want to make sure that the clients we have we don’t lose,” he says. The company plans to introduce a relationship manager portal to create a highly interactive Web presence. “A client would log on to the website, push

a button and chat” online with a customer service representative, he explains.

The company is also considering multimedia offerings and developing communication tools that can generate highly customized messages based on individual customers’ needs and histories. “We’re really looking at all the different touch points and making sure that the customers are getting a great experience,” he adds.

But it’s not just customers who benefit from such applications. One financial services provider revealed that recent investments in mobile applications, Web-based services and rich media campaigns have improved connection points and created a “stickier” environment—keeping customers engaged. “We’ve also regained 4 percent market share from working on our interactions with customers,” says the company’s director of systems, operations planning and storage.

Turning Information into Intelligence

Reaping these benefits hinges on creating an organized and committed IT effort. The best systems encompass multiple communications channels, provide visual tools that showcase products and services, guide users through services and support processes, and provide PDFs and other documents on demand.

Personalization is another critical factor in acquiring and retaining customers. And yet aside from in-person communications, companies are still struggling to personalize the customer experience.

It's difficult to find the right balance in personalization efforts, says the senior IT manager at a food retailer and manufacturing company. When trying to collect information to better personalize future marketing efforts, he says, some customers "are technologically savvy and really love it," while others "think we're trying to become like Big Brother."

Companies must take all the customer data they've collected and analyze it not just for key trends and better experiences, but also to develop detailed customer histories—in essence, turning information into intelligence. Robust collaborative applications that complement legacy systems can then deliver the right information to the right person when it's needed—enabling a consistent yet personalized customer experience.

With the right systems and processes in place, an enterprise can transform the nature of customer relationships to promote action and foster loyalty.

"You have to have a 360-degree view of the customer," notes the CIO of a manufacturing company. "[A customer] might be calling one of three customer service departments and complaining, [but] we don't have visibility to

that [information] when the sales guy is [trying] to sell them more. The customer might say we stink."

Optimizing Outcomes for Big Dividends

Customer experience management lets organizations tap into marketing and cross-selling opportunities that might otherwise go ignored. For instance, an interactive statement that provides billing and product information could also serve as a mechanism for up-selling and cross-selling. Most importantly, it allows companies to zero in on the most profitable customers and figure out ways to maximize their interactions with them.

The potential dividends are enormous. For example, the food retailer and manufacturer implemented technology that enables call center agents to view order histories, buying patterns and other information—all the way down to a specific customer's location. The company is now able to provide delivery schedules to customers—mostly stores and restaurants—through its website, text messages and mobile tools. The project is helping the company fulfill a mission to give customers "whatever they want, however they want it and wherever they want it," says its senior IT manager. "It's about being able to communicate so that those [customers] could go anywhere, be anywhere, get in touch with us, and we could get in touch with them. That is the top project for this year for us—trying to tie all that information together to give us a competitive advantage."

Ultimately, companies that transform customer data into knowledge are better positioned to uncover new sales and business-development opportunities. And within this model, the customer experience becomes the foundation of the business, rather than a goal.

When it comes to implementing customer-facing systems, "You can't just set it and forget it," says one financial services CIO. "You have to keep continually reaching out, improving it. It's an ongoing process."

Customers are increasingly willing to conduct business online and via mobile technology. CIOs must take a leading position in defining their companies' customer experience strategy or the competition will step ahead.

Discover how you can build a rich, interactive experience for your customers by visiting www.adobe.com/go/cio.



TOP FUNCTIONALITIES THAT IMPROVE THE CUSTOMER EXPERIENCE

CIOs must drive IT efforts that create engaging customer experiences across communications channels, including:

■ **Simpler interfaces with rich collaboration features.** The CTO of a large greeting cards company has enhanced online interactivity and Web application performance. "Our customers have the direct experience of seeing and feeling their cards come together."

■ **Self-service functionality.** "The idea is to enable our customers with self-service. We differentiate ourselves by providing services for our customers to support their own back-office operations," says the enterprise architect of a large financial services firm.

■ **Real-time agent support.** To create competitive advantage, the senior vice president of enterprise services for a large bank is deploying online chat functionality. "A client would log on and...be able to push a button and chat with [a relationship manager]," he says.

These IT leaders are deploying technology that creates a compelling customer experience. Find out how your IT organization can do the same by visiting www.adobe.com/go/cio.