

## Using the Digital Agility Model to Improve Customer Experience

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### A Playbook for Digital Success

Organizations of all sizes and types need to evaluate where they stand in their Digital Agility. Since customers have minimal patience for companies with low Digital Agility, enterprises can turn to this report's **Crawl, Walk**, **Run** and **Fly** definitions to recognize where they are and what they need to do next. This report describes how to assess your Digital Agility and the strategies you can use to methodically move to the next level, in order to improve customer experiences and digital operations.

### **Key Findings**

### 1. Step up Digital Agility to survive and thrive

From Apple to Amazon, the world's largest technology companies are raising the bar for all organizations about how easy consumers expect online interactions to be. Smaller disruptors are also pushing businesses of every size, and across all industries, to improve their customer experience [CX].

### 2. Recognize it's still the early days of digital development for most

Despite pressure to operate a digitally connected business, most companies are low in Digital Agility. Identifying where an organization is in its Digital Agility can help them plan for where they aspire to be.

### 3. Use the Digital Agility Model to spark digital transformation

When web content management, digital commerce, campaign management and personalization work cohesively under the customer experience and operations umbrella, organizations can drive efficiency and growth by creating new sources of customer value<sup>1</sup>.

### 4. Be selective on what to improve now

While businesses looking to transform should have goals for digital operations and customer experiences, there's a risk that technology stacks can get bloated, departments siloed and data fragmented. To truly transform, companies should acknowledge where they are in the Digital Agility Model and select 2-3 areas to improve now, and 2-3 more once those initial areas are off the ground.

<sup>1</sup> https://www.forrester.com/report/Digital+Business+2018+Benchmark+Your+Digital+Journey/-/E-RES142491#dialog-1536857223199-dialog6 Boston Consulting Group

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### From Crawl to Fly with a DXP

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### Play Offense, Not Defense Against Disruption

Whether you are a B2C, B2B or even a B2B2C business, in retail, travel, finance manufacturing or another industry, one thing is certain: digital is the great disruptor. Time and again, disruptive companies within all industries account for digital business, first. They use updated business practices, combined with modern technology, to streamline operations and provide standout customer experiences - in a sea of the disconnected, irrelevant interactions people have with other brands.

Despite this, Gartner finds that only 20 percent of chief strategy officers believe they are highly prepared for sudden industry disruption, even though 93 percent believe technology will rapidly change the company's industry<sup>2</sup>. Rather than resting on a brand's laurels or customer base, organizations that make it to the 2020s and beyond will smartly be on offense recognizing where they are, what they want to be, who exactly they need to cater to, and what plays and players they need in place to win.

### Know Your Gen Y and Z

As technology increasingly permeates consumers' personal and professional lives, and Generation Y (born between 1977-1994) and Z (born between 1995-2012] become the new decision makers, companies are being pushed to be more competitive by maturing digitally<sup>3</sup>. These "digital natives" are forcing this

requirement by demanding a better experience whenever, wherever and however they interact with a brand. In fact, Generation Y accounts for the largest demographic alive today with 71 million members<sup>4</sup>. They will voice their frustration if departments they interact with (e.g. sales, customer service, chat bots, warehouse, marketing, product pages) do not have visibility into a channel they were just on, have done business with in the past or need information from.

Thanks to review sites and social media, their voice is amplified for others to hear how complicated it is to do business with an organization. For those silent consumers, they'll simply never return and bad mouth an organization to their family, friends and co-workers. In the case of B2B, it tends to be more complicated to stop doing business with a company suddenly, so they'll do their due diligence to create different partnerships or purchase other products or services that make their lives easier.

Members of Generations Y and Z are not alone with these demands, as seamless experiences provided by top brands reach every other demographic.

Despite this evolution in expectations, it is not feasible for organizations to go from rookie to pro without prioritizing what needs to change at each stage.

<sup>2</sup> https://www.gartner.com/imagesrv/books/digital-disruption/pdf/digital\_disruption\_ebook.pdf 3 http://socialmarketing.org/archives/generations-xy-z-and-the-others/

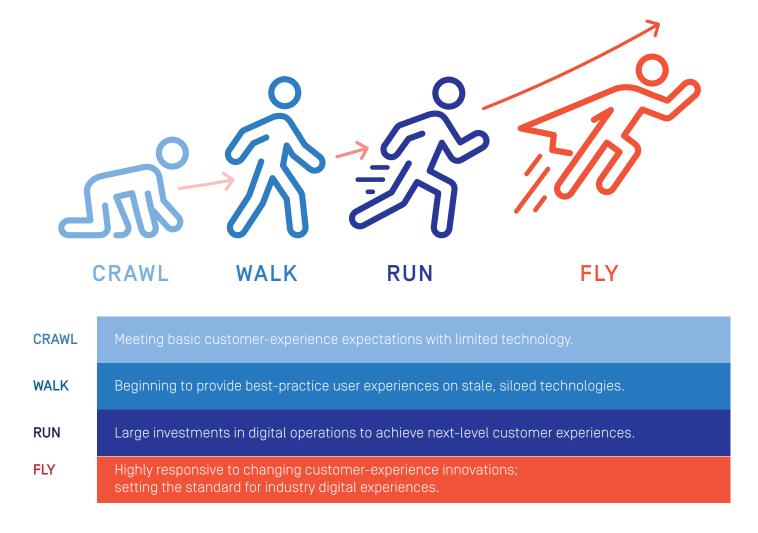
<sup>4</sup> http://socialmarketing.org/archives/generations-xy-z-and-the-others/

### **Take Score**

Episerver's Digital Agility Model focuses on the two areas of business that most negatively or positively impact a company's growth and greatness: [1] customer experience and [2] digital operations.

Among these broad categories, there are four technology investments that can help or hurt customer experience and digital operations: (1) web content management (WCM), (2) digital commerce, (3) campaign management and (4) personalization.

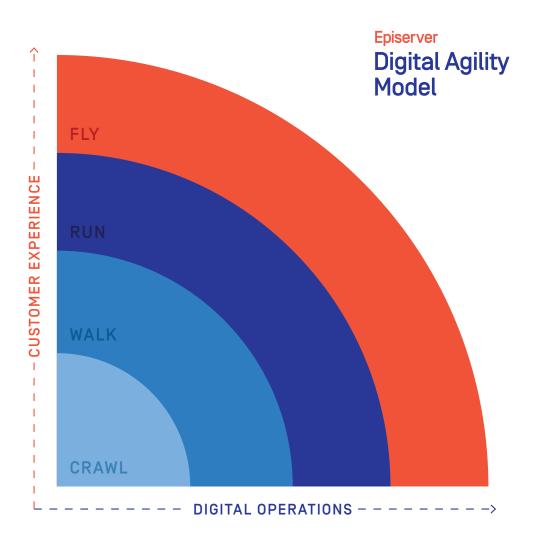
Organizations can turn to the Crawl, Walk, Run and Fly definitions to recognize the different stages of Digital Agility.



By evaluating themselves honestly, organizations can climb to a place where technologies are fully integrated, data is freely exchanged, interactions are entirely relevant, all devices are always accounted for, and internal and external stakeholders are completely empowered to accomplish their in-moment goals.

### The Winning Play: Digital Agility Digital Agility = Customer Experience + Digital Operations

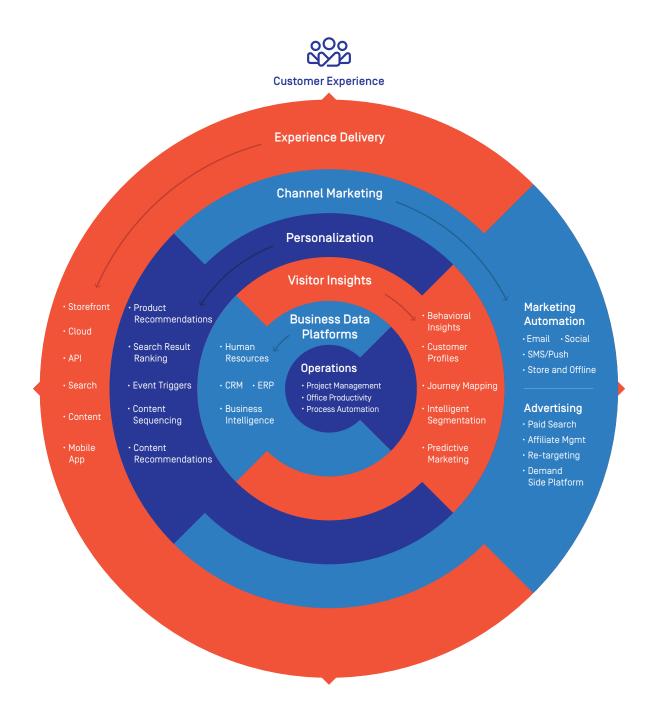
Organizations should prioritize improving the customer experience first before investing in new digital solutions or addressing operational inefficiencies. Eventually, however, operations and technology prevent the organization from improving the customer experience, which triggers investment in digital operations, software and improved processes. Business leaders can think of Digital Agility as a step-ladder approach, where organizations step up their customer experience, then step forward in their digital operations, and the cycle repeats.



### The Winning Line Up: CX Meets Digital Operations

The Digital Agility Model connects improved customer experiences to improved business outcomes, mapped to areas listed under two broad categories: (1) customer experience and (2) digital operations.

Companies that find themselves in the Walk to Run stages of development for most of the defined areas will have a marketing architecture that looks something like this:



Companies in the earlier stages will have some of this in place but will need to either add or further develop certain technologies to develop their agility in these areas. The implementation and successful operation of this technology stack is what drives the customer experience. The following sections detail how Episerver solutions address the different categories of customer experience and operations.

#### **Customer Experience meets Digital Operations**

Customer Experience
Digital Marketing Channels
Mobile Optimization
User Experience & Information Architecture
Omnichannel Fulfillment Experience
Content Marketing Strategy
Site Search
Best Practice Functionality
Personalization Strategy
Product Recommendations
Content Personalization

### **Digital Operations**

Responsibility & Agility of CX Design

Measurement

Optimization

Marketing Campaign Management

Analytics / BI

Experience Management

Application Development

Infrastructure & Development

Omnichannel Fulfillment

**Customer Service** 

### A Playbook for WCM, Digital Commerce, Campaign Management and Personalization

Below are examples of applying the Digital Agility Model to the various aspects of a Digital Experience Platform, including web content management, digital commerce, personalization and campaign management.

### 1. Web Content Management

Today, web content management includes a broad set of digital experiences, technologies, skill sets and processes to manage, author, and publish content to various web and mobile touchpoints. This includes delivering websites and portals for prospective customers, existing customers, partners, employees and investors. Digital marketers have been challenged to keep up with customers' evolving expectations when visiting their websites and portals. Luckily, the sophistication of WCM technologies has kept up, with powerful tools to empower marketers to personalize and scale their content marketing programs.

Resource constraints, competing priorities and quick market response times, however, often leave web properties stale, un-optimized and irrelevant to many of the target visitors. Perhaps there are two areas in which WCM has witnessed its own step up and over agility in personalizing customer experiences and eliminating complexities in experience management.

### Improving time-to-publish with experience management capabilities

One of the chief complaints about digital experience and ecommerce platforms is that they are "difficult to use" or that it "requires code." The velocity a marketing organization has to author and publish new experiences has a dramatic effect on its ability to deliver business results and satisfy customer needs. The transition from developer-led to marketer-led site changes typically requires investment in a new web content management system such as Episerver.

In the Crawl stage, marketers are frustrated with how limited their templates are and a simple site update could delay weeks or even months until IT gets to it. A new WCM can democratize experience management across the organization and make marketing teams faster. When marketers can make content, layout and device specific changes within the production environment and quickly publish the experience without needing a developer, they get much more creative and responsive to market needs. This moves an organization into Walk and Run stages.

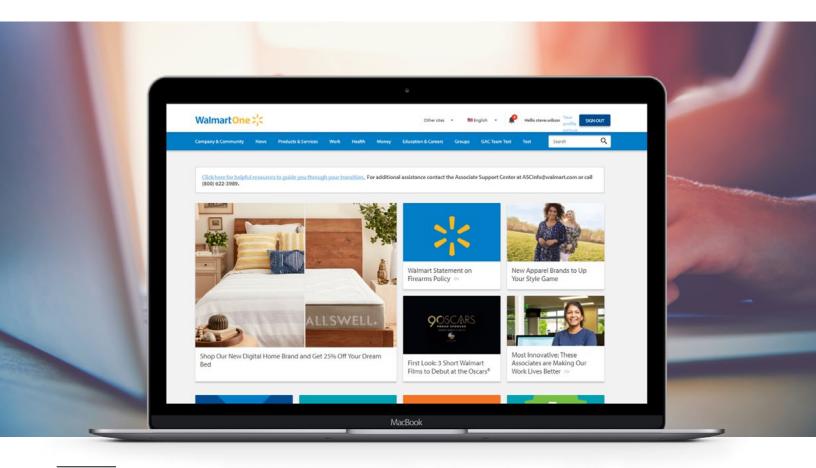
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### Run Don't Walk to Reduce Content Management Effort

Episerver allows creatives and content producers to build once, use multiple times. An independent study by Forrester states the effort required to produce new webpages is reduced by 50% at a minimum on Episerver. Download the report at <u>https://bit.ly/epitei18</u> At the heart of Walmart's 11,200 stores, and hundreds of billions of dollars in revenue, is their 2.2 million associates<sup>5</sup>. Each one of them has access to WalmartOne, the company's associate extranet that receives 1.3 million active users with over 20 million visits per month. One of the barriers to scaling their digital experiences for associates was requiring development for publishing new experiences. By leveraging an industry-leading web content management system, Walmart was able to launch experiences five times faster than their previous platform, which has freed up a small but critical communications team to focus on value-added features and activities instead of waiting for IT to publish new code or using an outdated tool.

### Key results include:

- Five times faster speed to launch experiences in Episerver over their previous platform.
- What took an hour per page now takes 12 minutes. Walmart can deliver more with the same team.
- Walmart associates can now notify their management teams that they will be absent or late for a shift instead of calling a shift manager, equaling 1 million submissions per month for absences or tardiness with 85 percent adoption rate of mobile.



5 http://s2.q4cdn.com/056532643/files/doc\_financials/2019/Q2/Q2FY19-Earnings-Release-Final.pdf

### Improving customer experience using rule-based personalization

According to Episerver data<sup>6</sup>, nearly two-thirds (59 percent) of shoppers are interested in personalization as a part of their online shopping experience, and 43 percent are open to personalized in-store experiences. Episerver research<sup>7</sup> also indicates that 87 percent are okay with companies knowing more about them if it means a better experience.

Despite consumers and B2B customers alike wanting more personalized experiences, many organizations struggle to deliver on this. This is often because organizations do not know where to begin with personalization or they lack foundational technology to deliver personalized content to specific segments or individuals.

- Where to start: Begin personalizing web experiences by providing contextual personalization, such as displaying a user's name or recent history on the website in the header or homepage. This creates more engagement but may not lead to measurable impact.
- Next steps: Further personalize the experience for various segments using implicit (browser session) data to target better content or offers. For example, personalizing the hero banner on a homepage to returning visitors can dramatically increase time-on-site and page views for those users coming back to the site a second or third time. One simple technique is to display content, products or banners from a category the user visited in a previous session.

Personalization rules can be configured within WCM platforms like Episerver in minutes. A/B testing can also be applied to validate the impact of personalizing this content.



<sup>6</sup> https://www.episerver.com/learn/resources/research--reports/experience-driven-commerce-2017/ 7 https://www.episerver.com/learn/resources/research--reports/online-consumer-behavior-2018/

#### All-Star Example: Pizza Hut

Pizza Hut provides connected and personalized experiences for pizza-hungry patrons. Pizza Hut's UK site displays personalized content and local restaurant information using IP-address and device location data – a best practice for digital marketing teams starting their personalization journey.



"The new website acts as our digital flagship restaurant, with a unique feel for our users, which supports our business needs."

Kathryn Austin, Marketing Director, Pizza Hut Restaurants



### 2. Digital Commerce

Regardless of what is being sold, digital commerce is expected everywhere by customers and is widely adopted by retailers, consumer brands, manufacturers and distributors. Organizations have achieved various levels of agility in this discipline, from establishing their first transactional ecommerce websites in manufacturing to fully integrated omnichannel solutions in retail.

### Evolve from responsive web design (RWD) to adaptive web design (AWD)

Fifty-two percent of website users are accessing websites via a mobile or tablet device<sup>8</sup>. This norm has magnified the importance of optimizing mobile experience. After a strong push from Google, the contemporary strategy has been to deliver responsively designed websites that change the site layout to fit the user's device. RWD has improved customer experience over previous solutions, which render the desktop site on mobile [the dreaded pinch and pull experience and fat-fingered missteps] and gave the search engines two separate sites to crawl and rank.

Responsive design sites, however, often run slower on mobile because they send all the same content and functionality to the mobile device that is rendered on the desktop, which can often lead to cluttered experiences on mobile with too many navigation elements. Adaptive web design provides the same benefits as responsive design [one code base, one set of content]. AWD is still search-engine friendly, but prioritizes features, content and navigation to each device for a better user experience.

When combined with a strong WCM, business users can control the mobile experience over time without going through lengthy development cycles.

<sup>8</sup> http://gs.statcounter.com/platform-market-share/desktop-mobile-tablet

### All-Star Example: A.O. Johansen

A Danish distributor of materials and supplies to building contractors and construction industry professionals, A.O. Johansen delivers different functionality and content to mobile visitors versus desktop visitors. Specifically, the distributor highlights store locations close to the user on the mobile device but features search and navigation on the desktop version for shopping purposes. They do this by delivering an AWD-developed website, which uses one code base and one set of content. Using Episerver's mobile editing tools, A.O. Johansen can restrict, prioritize and optimize mobile versus desktop experiences.



#### Provide something Amazon won't

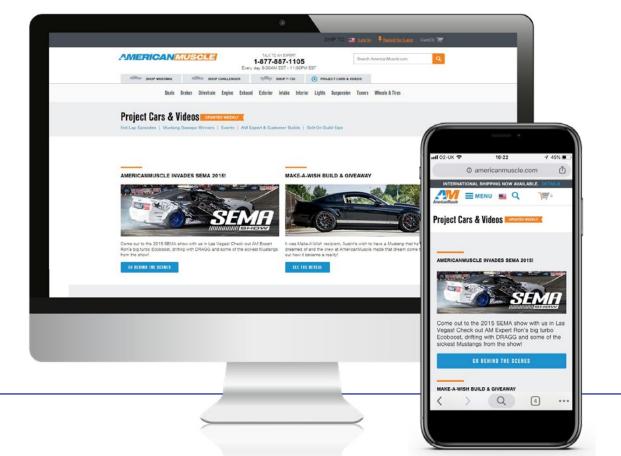
Content marketing is often a foreign concept for online retailers and brands. "You mean our blog?" is a common response heard from retailers, brands, B2B manufacturers and distributors alike when discussing content marketing strategy. Valuable content is, however, one of the most effective strategies to differentiate from competitors including Amazon, which does not inspire, educate and teach their customers about the hundreds of millions of products they sell.

Online sellers often Crawl with content marketing by occasionally publishing content experiences alongside their product experiences. During key selling periods, companies will sometimes integrate content such as how-to guides, product comparison tools or videos to increase engagement, which is a logical step to achieve higher levels of agility. When organizations adopt a holistic content marketing strategy into their marketing and merchandising, however, time-on-site, conversion rates and average order values all increase<sup>9</sup>.

9 https://contently.com/strategist/2014/12/03/the-state-of-content-marketing-heading-into-2015/

#### All-Star Example: AmericanMuscle.com

AmericanMuscle.com inspires performance gear-heads with their "Project Videos" section of their website. It educates and inspires consumers with a fully developed concept car that utilizes parts sold on the site, including exhaust, mufflers and flywheels. As a best practice, AmericanMuscle.com displays the products featured in the video on the same page such as image, price and product rating to encourage product discovery. They do it with Episerver, which empowers non-technical marketers and merchandisers to author commerce experiences that combine rich video, images and product quick-views using Episerver Experience Canvas.



### Fly with Increased Basket Size

Use of Episerver's artificial intelligence (AI) for personalization in digital commerce scenarios results in \$3.7 million extra revenue for customers as soon as the first year, according to an independent Forrester Total Economic Impact study commissioned by Episerver. Download the report at <a href="https://bit.ly/epitei18">https://bit.ly/epitei18</a>



### 3. Campaign Management

In today's omnichannel marketing landscape, campaign management is indispensable for marketers when reaching out to customers and prospects through different channels and with different content. With respect to campaign management, Digital Agility starts with very basic messaging (i.e. trying to gain momentum with mass communication), then moves to marketing automation campaigns (e.g. welcome campaigns, cross- and upselling). It ends with campaigns that automatically address the right person with the right message at the right time – using Albased technology and predictive means for the entire customer lifecycle.

So how can companies improve their Digital Agility for campaign management? Here we provide examples of how companies can move up stages for two of the defined areas of improvement.

### Individualize messaging and optimize send-time based on corporate templates

As soon as marketing teams start growing more professional and move up the Digital Agility model, it is essential that marketing messages move from being generic to personal. Thus, it is important that marketing technologies are used that enable content to be derived from user behavior within and – even more so – outside of the actual campaign management tool.

It is also critical that marketing teams implement AI-based modelling, since marketers can no longer manually handle personalization tasks themselves, given that the transition from Walk to Run demands a big data approach.

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### Fly with Incremental Revenue Growth

Organizations using Episerver Digital Experience Cloud can leverage AI-based personalization to cater content and messaging in a contextually relevant manner for specific customers. Over the course of three years, Forrester TEI research states the expected return for Episerver customers is \$4.6 million. Download the report https://bit.ly/epitei18

### All-Star Example: Coop Norway

Coop Norway runs 1,230 grocery stores and supermarkets in Norway, and over 120 hardware stores and online shops under different brands. Coop optimized their omnichannel customer experience and their back-end marketing operations by successfully migrating different mailings being sent out by several different parties, including marketing agencies and various chain brands.

To do this, Episerver supported Coop with technical development, creation of templates, mailing lists, security, consent, general data protection regulation compliance and personalization using segmentation. One minute and 50 seconds after pressing the send button for its Black Friday campaign in 2017, 150,000 emails were delivered, and they have since seen a 70 percent increase in mailing revenue.



I alle Obs-butikkene finner du mengder av Black Friday-tilbud hele uken! Se noen av høydepunktene under. NB: begrenset beholdning.



#### Consistent communication for web, email, mobile, SMS & beyond

Opening up new channels to communicate with a target audience is the next step in nurturing customers along their journey with a brand. Since the customer journey does not end at the first contact made (often the website), it is inevitable that brands apply a cross-channel approach to communicating with their customers. To avoid annoying them, however, mature brands know customer preferences of when and how they want to be communicated with, whether that is an email on the weekend, a push notification on a Monday morning or a targeted ad on their favorite social network.

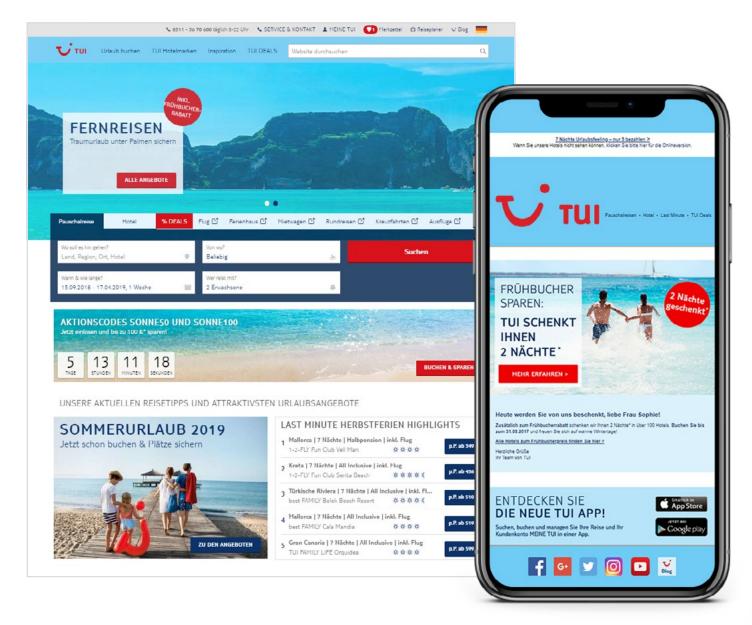
By making use of marketing automation technologies, cross-channel strategies can be set up very easily and revolve around always-on messaging processes. This means marketers can rely on their technology while having more time and resources for creativity.

When talking about cross-channel customer journey processes, it is critical for brands to consolidate these different touchpoints and interactions in a system that remembers each interaction and builds a picture of the entire customer journey. This historical data can then be used to make marketing decisions. A persistent data-driven approach across all touchpoints is thus an inevitable aspect of a successful Run program for campaign management.

#### All-Star Example: TUI

A multinational travel and tourism company, TUI.com successfully re-engages existing newsletter subscribers by implementing highly personalized and automated marketing campaigns. These campaigns target both existing and inactive customers in the customer lifecycle, over multiple channels.

TUI uses email and mobile to reach their customers on multiple touchpoints in the customer journey and has made good use of the built-in template builder to create an intuitive mobile experience. This enables easy handling of all travel documents – both online and on mobile devices. TUI optimizes their brand templates for marketing, campaign and transactional messages and uses marketing automation to individually trigger abandoned cart emails. This campaign resulted in an average open rate from non-buyers of 55 percent – well above industry averages.



### 4. Personalization

Personalization is the differentiating factor in all customer experiences today. It is how companies build trust with their consumers – that I as an organization understand you and deliver messaging and content that is relevant to you. So, how can companies improve their Digital Agility for personalization?

### Use Personalization Ubiquitously: Across channels and touchpoints.

Personalization should not start and end on the website. A user views a website as a piece of the puzzle and expects brands to know about them along all touchpoints in their experience. Since they view the portfolio as an integrated communication network, brands must integrate data between these parts, so the user is known throughout. Business leaders need to view their personalization story across all channels the digital marketing team reaches its target audience on, including both organic and paid advertising.

### All-Star Example: Lexmod

Fighting in a tough retail space like home décor, LexMod views the importance of knowing the customer to be paramount. A shopper turns to LexMod to be a reputable source to drive their purchasing needs, and the brand views every online session just like an instore session, with the website serving as their guide. The site delivers suggested content to the user depending on their shopping behavior to drive them down a path of best purchase, with the site's historical purchasing trends as the framework for these suggestions. LexMod also focuses their effort on paid advertising and other sales networks like Amazon to drive revenue and customers to their site. They need their systems (and data) to communicate with one another, and for messaging to grow more personalized as users move further down the funnel. This might start with custom landing pages from paid keywords, through the development of custom email messaging to prospective and active customers, finishing with an individualized site search experience - a move from Walk to Run in their Digital Agility.



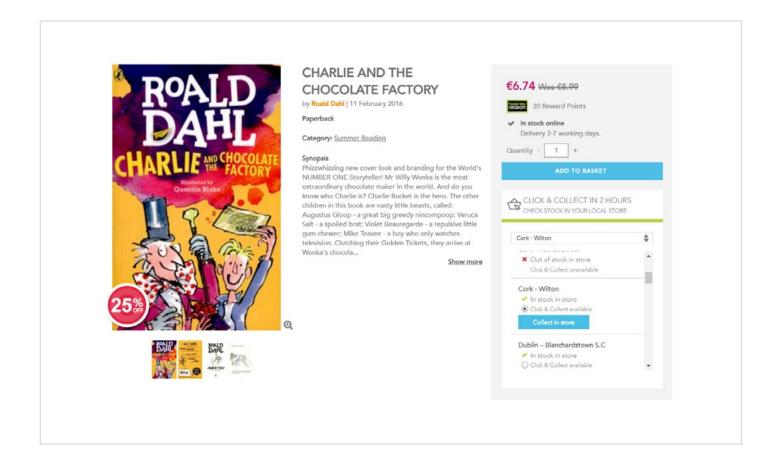
#### **Omnichannel fulfilment**

Shoppers choose to purchase products from a brand at any given touchpoint at any given time. As such, they will expect to be able to access their purchase history, including trends, at any time. They will also expect representatives of the brand to know about them and show information that is pertinent to buying and browsing history at any moment during this experience, making interactions that much more enriched as they decide to buy or look to learn more.

#### All-Star Example: Eason

A brand set on redefining their digital space from brick and mortar, Eason book stores quickly defined and prioritized the need for integrated data between all their touchpoints (e.g. kiosk, online, mobile, email). With this, they can access customer data as needed and deliver key messaging to users to help drive upsells and naturally increase revenue.

Eason started at a Crawl phase before growing their digital platform, and have moved straight toward the Fly phase with the use of Episerver Digital Experience Cloud<sup>™</sup>, aiming for customers to be able to buy their products anywhere in the digital channel and choose to fulfil anywhere they would need – including at their mobile kiosks.



# From Crawl to Fly with a Digital Experience Platform (DXP)

Industries are evolving, and the disruptors and leaders in those industries are more mature in their customer experience and digital operations. To survive, companies must strive to keep up and surpass their competitors by:

### • Putting the customer at the core of digital transformation initiatives

Companies can develop a customer-centric culture in their organization by allowing customer experience to be the primary catalyst for change, while looking at customer lifetime value as the major metric to measure the impact of those changes.

To do this, a position should be dedicated to coordinating CX as a business function, bringing in departments that can be at odds such as marketing, sales and IT. One of the first steps this CX leader should look to take is consolidating technologies to a digital experience platform (DXP) that serves all of these functions equally.

#### • Know the customer, and their journey

To truly understand a customer, companies need to build up a 360-degree view of them based on their behavior and interactions. To build a picture of the omnichannel journey, business leaders need to set up teams and tech to track the user on the web and across different touchpoints, while automatically serving up relevant content to them. • Optimize each moment at every touchpoint

The customer journey is made up of moments; when they are in different states of mind, making different decisions and possibly even using different devices within that journey.

Businesses can optimize each moment by presenting content and/or products in different ways to nurture uncommitted visitors into a paying [and even repeat] customer.

Marketers should start with simple segmentation to display relevant banners or text and work their way up to a full AI-driven personalization strategy that aims to deliver relevant products and/or inspirational content to customers, both onsite and in other channels. This will help them find a brand initially, create an emotional attachment next and make them feel more comfortable about doing business with that company, time and again.

At the core of this playbook is the need to evaluate where an organization stands in its Digital Agility. As the broad areas of customer experience and digital operations are broken down into the key technologies that help those areas run, there is a need to look at a company's WCM, digital commerce, campaign management and personalization technology. One area, however, is not independent of the other. When all four work together in a DXP, they can use information about the customer and the company's operations to act on and move through each step of Episerver's Digital Agility Model: Crawl, Walk, Run, Fly.

### 443% ROI

The best projects pay for themselves. See how combining content, commerce and marketing in the cloud with Episerver can generate a 443% return on investment for your business over three years, with the initial investment being recouped in less than 6 months: https://bit.ly/epitei18

For a complimentary assessment of your organization's Digital Agility, contact Episerver's Product Strategy team.

Email: <u>digitalagility@episerver.com</u>



### **About Episerver**

Episerver empowers digital leaders to easily create standout experiences for customers – everywhere they engage, and always with measurable business results. The Episerver Digital Experience Cloud™ unifies digital content, commerce and marketing in one platform, including omnichannel solutions for smart personalization and intelligent campaigns. Founded in 1994, Episerver has offices in the US, UK, Sweden, Australia, Germany, Denmark, Finland, Norway, Poland, the Netherlands, Spain, South Africa, Singapore, Vietnam and the UAE.

For more information, visit episerver.com.

