



Harness Digital Insights to Grow Your Entire Enterprise

A digital customer experience strategy is imperative

By 2020, customers will manage an estimated 85 percent of brand interactions without speaking to a human. The prevalence and richness of digital touchpoints means that companies are accumulating an unheard-of volume of measurable information about their customers, including behavioral analytics, ratings, and reviews. It also means that companies everywhere—including those that built their success through high-quality, in-person interactions—are talking about digital transformation.

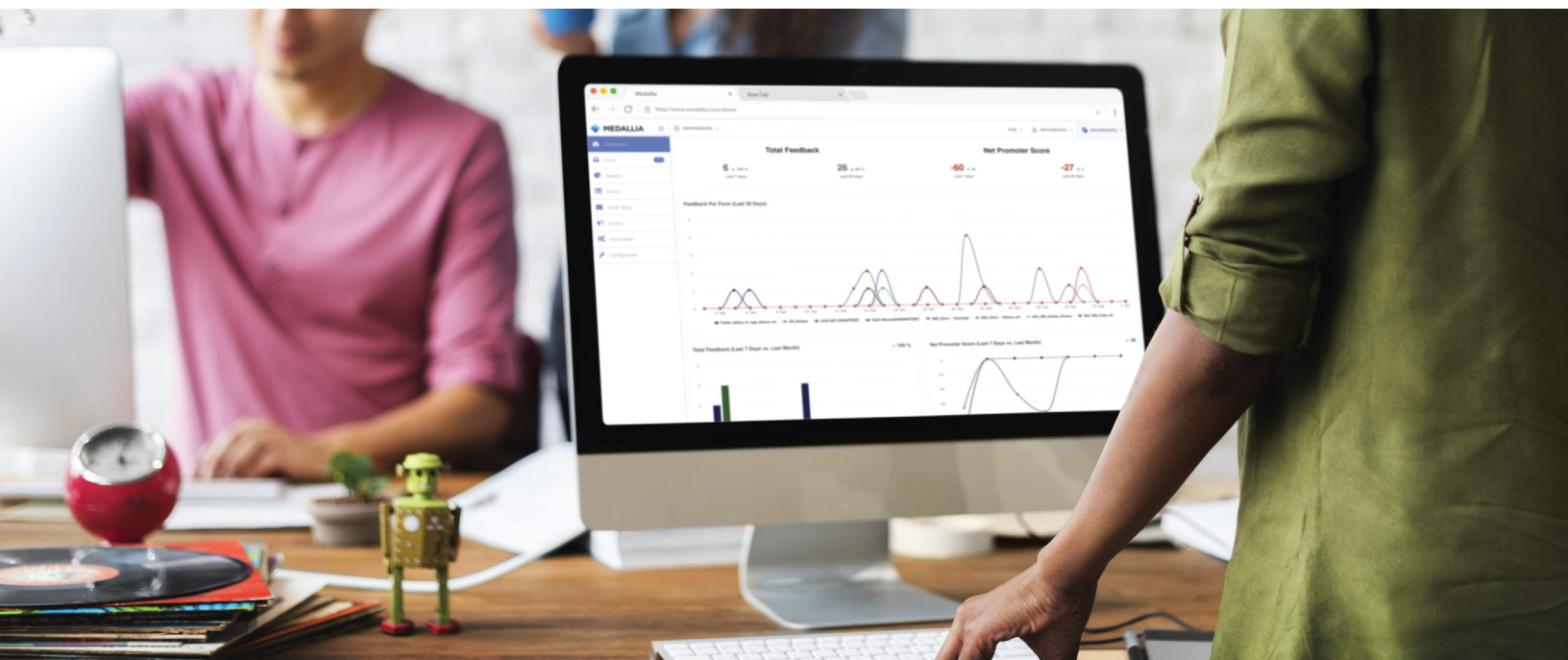
Even if you're not competing directly with a digital disruptor, chances are your customers have been served by one, and those experiences are shaping their expectations. Digital transformation is not just about the technology; it's about new ways to learn from customers and provide outstanding experiences, and you need a digital customer experience (CX) strategy to get there.

A company's digital CX strategy is the way it understands and adapts customer interactions with digital touchpoints (website, mobile applications, chatbots) throughout the customer journey, which may also include brick-and-mortar stores, call centers, and other non-digital channels. The quality of the digital experience now affects that entire journey. The good news is that those same digital touchpoints support a continuous dialogue with customers, which unlocks the ability to positively impact experiences across channels.

Medallia for Digital embeds targeted feedback surveys into digital touchpoints, helping companies connect with customers to understand in-the-moment experiences and tell a more complete story about what happens before and after customers transact. Leading companies do more than capture data

online: they rely on integrated data streams, text analytics, and customized dashboards to cut through the noise and build a deeper shared understanding of customers.

Leading companies then unite those insights with the wisdom of the crowd. Enabling employees across the business with visibility into customer experience data from all channels provides alignment and consistency and can lead to transformational change. A successful digital CX strategy drives action, helping companies provide new value to customers (i.e., innovate) and understand which innovations have impact. Companies that stay close to their customers and respond rapidly to changing expectations can get ahead of—and even create—trends, rather than constantly struggling to keep up.



The 5 elements of a winning digital CX strategy

Enrich behavioral data with customer feedback

A digital CX strategy brings together customer behavior and feedback to surface insights and drives business impact: higher conversion rates, retention, and spend. Insight into how customers interact with a digital touchpoint (e.g., data from Google Analytics) allows companies to better understand the behavioral context for each customer at the moment they provide feedback. The feedback itself helps companies uncover why customers act the way they do. When companies hear the story behind the numbers, they gain a deeper understanding of the overall customer experiences they deliver. Combining the “what” and the “why” unlocks powerful insights that lead to action.

For example, Western Union, a financial services company that helps people send and receive money around the world, asks customers for feedback when they begin a transaction but then leave the website without completing it. The team at Western Union designed this intercept survey when they noticed geographical differences in abandonment rates that they couldn't fully explain. Understanding the reason underlying this behavior—discovering the story behind an abandonment metric—allows the company to solve for problems it previously didn't know customers were having and to support them in successfully completing a transfer.

Customer feedback (e.g., surveys and online reviews) includes both scores and comments, and capturing the value in those comments is essential. This means companies must leverage big data tools like machine learning algorithms and text analytics to interpret at scale. Research shows that companies using customer comments to surface and test new ideas outperform their competitors by an average of 10 points in the eyes of customers (measured using Net Promoter Score®, a metric widely used to evaluate customer satisfaction, on a scale from -100 to 100).

“Harness the full range of data sources to learn from as many customers—and future customers—as possible.”

The combination of behavioral analytics and feedback gives companies another advantage: the ability to learn from both the silent majority (all consumers who interact with the brand, whether or not they make a purchase or provide direct feedback) and the vocal minority (customers who give feedback, whether they are already loyal to the brand or simply willing to share their experience in more detail). Companies that harness the full range of data sources available from digital touchpoints build rich feedback loops that help them learn from as many customers—and future customers—as possible. They listen effectively to create deeper, more actionable understanding that is greater than the sum of its parts.

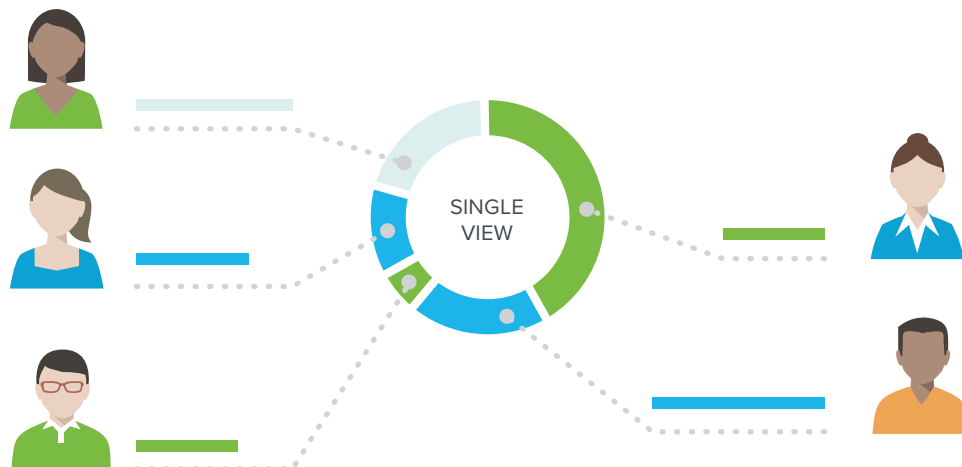
Integrate data across channels for a single view of the customer

Leading companies also recognize the power in an omnichannel approach to learning from their customers; they build a single comprehensive view by linking data from across the customer journey (bridging online and offline experiences across websites, mobile apps, brick-and-mortar stores, call centers, and more) and visualizing it all in one place.

By integrating customer data across channels, companies surface insights that would otherwise be trapped in organizational silos and enable teams to take coordinated action. For example, Frontier Airlines determined that paying baggage fees on its website was too complicated. Nearly a third of customers did not know how to do it, which meant this was also the most common reason customers called the contact center. Instead of relying on agents to deal with the issue

by processing baggage fees for each customer, the digital team was able to identify the scale of the problem and solve it upstream. A focused website redesign reduced luggage-related comments on the website by 70 percent and dramatically cut calls to the contact center, saving operational costs and making everyone's lives easier.

In retail, the challenge is in providing seamless, frictionless experiences as customers switch back and forth between digital and in-person channels. Starbucks, the Seattle-based coffee giant, is well known for connecting experiences across its physical stores and mobile app. When a customer places an order, the app offers a list of the nearest stores and the estimated wait times. Once a store is selected, the app can provide directions and can also serve as a payment tool. When companies define the customer experience broadly—starting with the very first contact and continuing through each interaction at every touchpoint—they find more opportunities for improvement and innovation.



Linking data across the customer journey—from online and offline, experiences across websites, mobile apps, call centers and more



Companies that engage with users at the right place and right time, designing digital experiences that respond to context, are able to optimize the experience and drive meaningful results

Enable personalized customer experiences

Delivering personalized experiences enables companies to meet a diverse range of customer needs and ever-changing expectations. Companies that engage with users at the right place and right time, designing digital experiences that respond to context, are able to optimize the customer experience and drive meaningful results: personalization strategies have been shown to lift revenue by up to 15 percent.

Personalized experiences can be embedded in the digital feedback experience itself. For example, Eurostar, a high-speed rail service between the UK and the rest of Europe, designed a targeted intercept survey to understand which unique selling points resonated best with visitors to its website. This not only led to a website redesign that highlights the information customers value most, but will also allow the company to segment new visitors to the site and personalize the information those customers see in real time, driving higher conversion rates as a result. Asking for context-specific, in-the-moment

Personalization strategies have been shown to cut acquisition costs in half and lift revenue by up to

15%

feedback means that customers are more willing to give their opinions; at the same time, feedback collected in this way is more actionable for the company doing the asking.

Personalized experiences can also be delivered in the form of enhanced in-person interactions that leverage data from digital touchpoints. For example, the online clothing retailer and styling service Stitch Fix is experimenting with machine learning techniques to “supercharge the productivity and effectiveness of workers in unprecedented ways.” And Morgan Stanley recently launched an “enhanced human advising process” that combines machine learning with the human expertise that already exists within the business. By integrating data about investment possibilities, client preferences, and in-the-moment events (specific to the client or across financial markets), Morgan Stanley gives employees the context they need to enhance in-person interactions, empowering financial advisors to offer the best of both worlds—human and machine.

Empower employees to take action

The power of technology that connects customers and brands at scale is massive. Seventy-one percent of business leaders cite "ensuring staff has access to the customer data and analysis it needs to deliver a superior customer experience" as an essential capability. Companies that free the data share customer feedback in relevant, role-specific ways with their employees and offer visibility across the entire customer journey. This essentially makes all employees customer-facing; after all, they are ultimately the ones delivering exceptional customer experiences, whether through in-person transactions or by designing the digital content and products that customers interact with every day.

Employees who are empowered with the specific data they need—while still safeguarding customer privacy—can take more powerful actions that optimize the customer experience

and speed the pace of innovation. For example, Western Union launched an ad hoc survey that asks specific customers to help prioritize new features on the website; this helps focus the company's investment on the things customers truly want. Companies that see gathering and distributing customer feedback as critical for collaboration implemented nine times more new innovations in a single year than companies that don't.¹

Often customers are the first to notice website errors that slipped past quality checks. Getting customer feedback in real time helps companies fix those problems faster. For example, Amazon customer service agents have all of the data they need at their fingertips, in one unified view. If an agent is alerted to a website problem (e.g., a faulty product), he or she is able to pull it off the virtual shelves until the issue is resolved. The agent takes responsibility for the fix, including the decision to put the product back online. When employees are empowered with data, they have both the expertise and the means for fast, effective problem solving.

1. 2017 Accenture-Medallia panel study

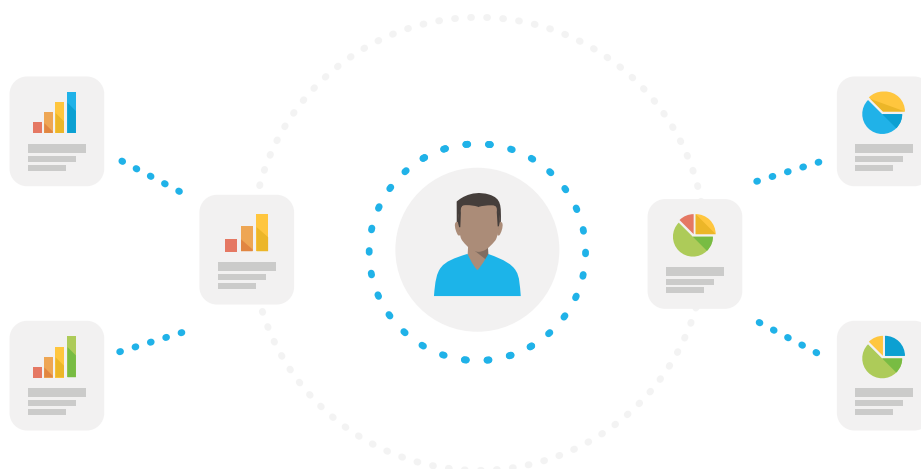


Power innovation through advanced analytics

A well-designed digital CX strategy incorporates advanced analytics, including [text analytics](#) as well as [predictive](#) and [prescriptive](#) methods that help companies identify their next move. Optus, a large telecommunications company in Australia, [uses prescriptive analytics](#) to send customized feedback surveys to its customers in real time, taking into account their preferred channel and the context of a specific new purchase, event, or relationship milestone. Companies that power innovation with advanced analytics are able to stay ahead of trends not only by optimizing their customer feedback loops, but also by dynamically adjusting their product and service offerings. Companies that do this well first lay the foundation by integrating behavioral data, structured and unstructured feedback, and employee input. They then use text analytics to mine unstructured text for insights, learning from a wide range of data sources while reducing

survey length and increasing response rates to targeted questions. Leading companies rely on predictive modeling to see around corners, using patterns of past behavior to understand what will likely happen next. And they use prescriptive analytics to take action based on these insights; for example, proactively reaching out to customers who are at risk of churning.

As [Bain](#) puts it, “Advanced analytics applied in the right ways can foster even deeper customer intimacy in an increasingly digital world, using exploding volumes of digital interaction data to remember, interpret and enhance each customer’s experience at every point of contact, digital or personal.” A digital CX strategy designed not only to build a deeper understanding of customers but also to trigger powerful actions is the key to driving customer experience innovation.



See around corners and build new offerings that delight customers by incorporating advanced analytics, including predictive and prescriptive methods, on top of a strong foundation of data, customer feedback and employee input.

Conclusion

Consumers use technology in every part of their lives to make things easier. They expect frictionless experiences and demand more personalized, context-relevant interactions. We exist in a multiscreen world where each new device—mobile, tablet, smart watch—has unique characteristics with implications for gathering feedback and providing engaging experiences.

“Open up a two-way dialogue between customers and brands, leveraging technology to make human connections.”

This means companies must devise strategies to understand their customers at a deeper level and adapt quickly. A digital CX strategy opens up a two-way dialogue between customers and brands, leveraging technology to make human connections. Capturing feedback in real time is like having your customers whisper into your ear as they navigate your website or use your digital products. The most impactful digital CX strategies balance human and machine solutions to continuously provide great experiences and drive business outcomes.

Go beyond a single channel to impact the entire business through targeted moments of customer engagement, enriched reporting that helps employees understand and prioritize, and powerful actions that improve the customer experience and speed the pace of innovation. Grow your entire enterprise by harnessing digital insights that enable your organization to rally around the customer—and thrive.

Learn More About Medallia for Digital

Our solution gracefully integrates into your digital technology stack, is optimized for in-the-moment experiences and performance, and can be used by anyone on your team. From web and mobile to deeper integration into your broader CX strategy, we've got you covered.

Learn more at www.medallia.com/digital.

About Medallia

Medallia's mission is simple: to create a world where companies are loved by customers and employees alike. Hundreds of the world's best-loved brands trust Medallia's Software-as-a-Service application to help them capture customer feedback everywhere the customer is (on the phone, in-store, online, mobile), understand it in real-time, and deliver insights and action everywhere — from the C-suite to the frontline — to improve their performance. Founded in 2001, Medallia has offices in Silicon Valley, New York, London, Paris, Sydney, Buenos Aires, and Tel Aviv. Learn more at www.medallia.com.

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