THE NEW CUSTOMER JOURNEY(S)

How will your business engage, serve and delight the customer of today and the customer of the future?

BCX

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INTRODUCTION: WHAT IS THE CUSTOMER JOURNEY?

Think about the last time you made an expensive purchase, such as a new laptop.

Did you walk into the first electronics store you saw, pick up a laptop, buy it and take it home? Probably not. You likely followed a multifaceted journey to your eventual purchase, one that involved a number of conscious and subconscious factors that ultimately influenced your buying decision. In this white paper, we will be discussing the ways in which today's customers approach their purchasing (and repurchasing) decisions.

The customers' experience from the moment they think about buying from your business to their purchase and after-sales service – this is what is known as the customer's end-to-end journey. This end-to-end experience – the sum total of all the touchpoints or individual interactions – is the best way to gauge a customer's overall satisfaction and likelihood to become a repeat customer.

The concept of the customer journey as we think of it today was first articulated in a 2009 article by McKinsey & Company titled The Consumer Decision Journey. The article explains that buying a product or service is not a singular event, but rather a process of multiple moments of engagement between the buyer and the brand. It is an ongoing relationship between the customer and the company, pre-purchase, mid-purchase and post-purchase.[1]

The traditional marketing funnel

In previous decades (and even years), the customer journey was conceptualised as a linear funnel. Although different organisations may have different names for each stage, the marketing funnel typically describes customer behaviour as follows:

1. Contemplating a purchase
2. Narrowing down a choice
3. Purchasing that choice
4. Experiencing post-purchase effects
5. Considering repurchasing

This linear progression sees people starting at the wide end of the funnel and making their way down through the various stages.

What makes today's customer journey different?

The most important distinction between the traditional marketing funnel and today's customer journey is that the new customer journey is infinite, rather than predetermined, linear or finite. The new customer journey describes the holistic customer experience and expectation across all channels and all departments, both online and offline.

These days, companies seeking to engage effectively can no longer talk 'at' the customer. Rather, they need to talk 'with' the customer, engaging in real-time, two-way dialogue.

Companies cannot expect that if they do 'x', the response from their consumers will be 'y'. They need to consider consumers as individuals.

The businesses that can master these interactive customer relationships will survive and thrive in the future.

[1]McKinsey & Company -The Consumer Decision Journey - 2009

FACT BOX:

McKinsey & Company researched four types of customer journeys:

- Those that are completely online.
- Those that start online and finish in a branch.
- Those that start in a branch and finish online.
- Those that take place fully in a branch.

They found that digital-first journeys led to higher customer-satisfaction scores and generated 10% to 20% more satisfaction than traditional journeys.

Source: McKinsey & Company - The Four Pillars of Distinctive Customer Journeys - 2016

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WHO IS THE CUSTOMER OF TODAY?

Do you find it frustrating when you need help with a product or service and the only way to get in touch is via the call centre?

Do you get annoyed when you log a query with the call centre and they tell you that you need to go to the store, but the store doesn't know anything about you or your query? If you feel that your blood is starting to boil, you are a customer of today.

They are powerful

Today's customers are empowered to the point that they can directly determine the means of engagement with the products and services they need. The customers decide how they would like to interact with the company, and when. They also have the power to craft that engagement process.

In the new digital reality, interactions with customers are no longer driven by the business. The interaction now occurs on the customer's terms, through the customer's channel of choice, at any time the customer wants.

They have high expectations

The baseline expectations for customers are speedy service and service excellence. If their expectations are not being met, they simply click away to the next service provider.

They are self-centric

The customers of today are selfish customers, demanding personalisation and for brands to meet their individual wants and needs. They quickly become annoyed with messages and interactions they deem irrelevant to them.

They want to be in the driving seat

The customers of today don't want their means of engagement and path to purchase to be dictated to them. They like to have options and expect to use the channel most convenient for them at a particular time.

They are overtly well informed and self-taught

Customers have an overwhelming amount of information available to them and increasingly prefer to navigate their own way around it, creating customer journeys on their own terms.

Because of this, customers of today are more likely to engage in 'self-education', using online tools to conduct thorough research into subjects of their choice.

They are social

With the rise of access to mobility, apps and social media, the customers now have the capability to produce and disseminate content in real time. They can express their (positive or negative) views anytime from anywhere, and directly or indirectly influence the buying patterns and perceptions of other consumers.

How did customers become so powerful?

Advancements in technology have self-empowered customers. Connectivity and the miniaturisation of technology have given customers a means with which to engage right from the palm of their hands, via their smartphones.

As a result, customer behaviours are increasingly inconsistent and harder to predict.

Today's customers are digital and therefore powerful. With the current customers firmly in the decision-making seat, what is your business doing to attract, delight and retain them?

The South African Customer

Although South Africa may be a few years behind the developed world when it comes to mobility and connectivity, mobile penetration and Internet access are growing at a rapid rate.

- In 2008, 9.1% of the South African population was using the Internet. By 2016, 52% of South Africans were Internet users.
- Mobile e-commerce spend is projected to increase by 123% by 2018.

Sources:
Internet World Stats
Fin24 - SA e-commerce growing by leaps and bounds - 2017

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ENGAGING THE CUSTOMER OF THE FUTURE: IS YOUR BUSINESS READY?

It is a reality that businesses unable to connect with the customer (in the ways the customer chooses) will not survive.

In a world of rapid technological innovation, it is imperative for brands to ensure that they keep pace, or run the risk of becoming irrelevant.

It is not enough for today's brands to be proactive. In the digital age, companies must be able to anticipate the customer's next move. But businesses can only do so if they seek to understand customers' needs more clearly. Companies need to become consumer-centric, harmonising all aspects of the business with the consumer journey and expectations. This will improve their chances of sales and allow them to move into the future.

Based on what we know about today's customer, how do today's brands provide an exceptional experience for the mobile, self-centric, digital customer?

Business ambitions
- Deliver new products/services
- Reach new customers
- Improve customer service and enhance customer experience
- Give the customer anywhere, anytime access to products/services
- Provide options for engagement
- Personalise the offering to the customer's specific needs
- Identify the stages of greatest potential and greatest danger
- Reduce costs
- Optimise processes

To attract and retain a customer's interest in their products and services, companies need to ensure that the customer's journey is:

- **Digital-first:** digital technology must be the foundation of its operations and customer touchpoints.
- **Customer-centric:** brands should strive to provide the best possible service to the customer at every point of interaction.
- **Omnichannel:** ensure that the customer enjoys a seamless journey between different channels and touchpoints.

New customer journey challenges
- The customer is becoming ever-more powerful and influential.
- The consumer is increasingly intolerant towards brands that get their engagement strategies wrong.
- The digital customer is embracing new technology faster than service providers.
- New technologies are emerging at a rapid rate — it's hard enough to keep up, never mind stay ahead.

Steps to optimise the customer journey
- Put customer service at the centre of the business.
- Identify and integrate all touchpoints.
- Build customer profiles to get a unified view of the customer.
- Consider how customers will navigate through the touchpoints and take what they want into account.
- Manage customer expectations.

The next logical question is: how?
Now that we know what businesses should strive for and some of the challenges they need to address, what strategies and solutions can they employ to facilitate this process?

The following strategies will be discussed in more detail in the upcoming chapters:

- Having a single view of the customer
- Omnichannel engagement
- Micro-segmentation
- Big data
- Platform business models

These strategies and capabilities interact and rely on one another to help the company understand their customers and optimise their customer journeys accordingly. Most importantly, everything above is made possible through the digitalisation of the business, which will also be discussed in this white paper.

Remember: The customer journey is not only focused on new acquisitions. Your existing customers deserve just as much attention.

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A SINGLE VIEW OF THE CUSTOMER

Customers of today need companies to have real-time insight into their individual profiles.

They expect businesses to know more than their phone numbers and demographics; rather, they expect a holistic view of their individual purchase history, company engagement history, needs, future needs and more. The onus is on the service provider to keep track of how to address individual customer needs.

Having a single view of each customer points to a customer-centric approach, in which all touchpoints are digitalised and shared with everyone in the organisation. Brands that invest in bridging the gaps will build customer trust, drive loyalty and improve revenue and profit.
In the following chapters, we will discuss ways in which a single view of the customer can be achieved.

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OMNICHANNEL ENGAGEMENT

As we have discussed, customers want to engage with brands using the channel that is most convenient for them.

Today, they are able to switch between different channels to complete a single transaction. Customers also view a company, product or brand as a single entity, rather than different departments operating separately.

For example, a customer could research a new pair of sneakers using social media, find them on the brand's app, go in-store to try them on, and then decide to purchase them online. Throughout the experience, the customer expects the mobile app will match the responsive design of the website, which, in turn, should thematically reflect the look and feel of the brick-and-mortar store. This is what omnichannel is all about — a brand having true continuity of experience, offering a consistent service across many platforms. It has become less about the platform in such a case and more about the experience being consistent so that the customer doesn't recognise the difference between transacting online versus in-store. This builds true brand equity.

Omnichannel solutions allow customers to interact with the business through their channel of choice and move seamlessly from one channel to another to complete their transactions.

They also enable companies to gain a single, unified view of customers and their pertinent data.

This means that companies need to be able to offer an experience that will allow customers to transact as they please, at any stage of their journey; and brands need to find ways to create personalised offerings that will encourage customer loyalty

Creating an Omnichannel Solution

Technology is a key driver enabling omnichannel solutions. Using outdated legacy systems and infrastructure to support omnichannel solutions can become problematic, which is why businesses looking to create an omnichannel solution need to ensure that their current infrastructure is fit-for-purpose.

- Businesses need to determine how to integrate all touchpoints and channel touchpoints.
- Front-end and back-end systems need to be integrated.
- Businesses need to reconsider data use and analytics to gain meaningful customer insights.
- Data collection (enabled through digital technology) is essential when it comes to developing a complete view of the customer.
- This data should be used to create dedicated customer profiles and the customer journey should be optimised accordingly.
- Companies also need to improve mobile capabilities and presence.

The brands that can best interpret omnichannel data and understand their customers are the clear winners. By providing the customer with a seamless journey between customer channels and touchpoints, an omnichannel company delights the customer and provides multiple opportunities for fulfilment.

FACT BOX

'Omni' comes from the word Latin word omnis, which can mean all or universal.

Source: CloudTags - What is Omnichannel?

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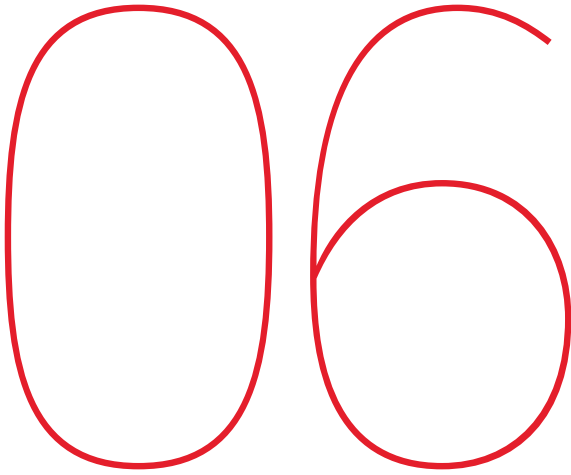
MOMENTS OF MICRO-SEGMENTATION

FACT BOX

- 91% of smartphone users look up information on their smartphones while in the middle of a task.
- 82% of smartphone users consult their phones while they're standing in a store, deciding which product to buy. One in 10 of those end up buying a different product than they had planned.
- 69% of online consumers agree that the quality, timing, or relevance of a company's message influences their perception of a brand.

Source: Google/Ipsos - Consumers in the Micro-Moment - 2015

What is micro-segmentation?

Instead of pre-planning the various journeys that a customer may take, the micro-segmentation approach focuses on dynamically segmenting similar customers into many small micro-segments, based on what is known as their 'behavioural DNA'.

"This approach focuses on using predictive behaviour modelling and customer data to identify the most important intervention points – and the best kinds of responses and activities for each – which the brand can utilise to maximise customer engagement and satisfaction." [2]

Micro-segmentation recognises that customers follow micro-journeys, rather than a linear progression from awareness to purchase. Micro-journeys are dynamic and data-driven, creating a broader awareness of how each individual is receiving, engaging and interacting with brand messages across multiple channels, along their truly unique consumer journey.

What are the benefits of micro-segmentation?

- Micro-segmentation allows brands to reach consumers during micro-moments, delivering the most relevant and appealing messages at the right point in that customer's journey.
- Although customers create their own unique journeys, the brand is always ready with the relevant offers that resonate at the right time.
- The dynamic nature of micro-segmentation means that it can continually be evolved and improved upon, as opposed to the pre-conceived paths typical of the traditionally linear customer journey.
- By analysing the needs of specific groups of customers, brands can more effectively allocate marketing resources and maximise opportunities.
- Micro-segmentation, therefore, provides more expansive and more accurate coverage of customers, with greater adaptability and flexibility.

Successful brands understand and recognise the value of pinpointing key moments along the individual customer journey, then acting upon these critical moments in a way that empowers and benefits the customer.

The more moments and opportunities a brand can address at the right time and in the right way, the greater its chances of generating a competitive advantage by catering and adding value to each customer's unique experience.

[2] .Optimove - Managing Infinite Customer Journeys - 2015
[3] OpenText - A Better Way to Engage - Redefining the Customer Journey for a Digital World - 2016

What is a micro-moment?

"Micro-moments occur when people reflexively turn to a device — increasingly a smartphone — to act on a need to learn something, do something, discover something, watch something, or buy something. They are intent-rich moments when decisions are made and preferences shaped. In these moments, consumers' expectations are higher than ever. The powerful computers we carry in our pockets have trained us to expect brands to immediately deliver exactly what we are looking for when we are looking. We want things right, and we want things right away."

Source: Think with Google - How Micro-Moments are Changing the Rules - 2015

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THE ROLE OF BIG DATA

Having a single view of the customer, omnichannel solutions and micro-segmentation are made possible by the application of big-data analytics.

Employing these strategies together helps to provide a consistent customer experience across multiple channels.

Big data is a term that describes the large volume of data – both structured, semi-structured and unstructured – that businesses are inundated with on a day-to-day basis. In an increasingly digitalised world, the volume and variety of consumer data available continue to grow. But it's not having the data that's important. It's how companies mine this information that matters.

By tracking, documenting and analysing customers' experiences across different channels throughout their journey, companies can gain valuable insights into how best to serve today's demanding customers. The result of this is the ability to make smarter, data-driven decisions on customer engagement, brand positioning, targeted special offers and other sales initiatives.

Big-data strategy and big-data analytics (across on- and offline data) have become vital enablers of customer engagement. To become a digital, customer-first business, brands need to successfully connect to different types of data — offline, online, structured, semi-structured, unstructured, known and unknown — and use this knowledge to the mutual benefit of the company and the customer.

How big data can be used to engage the customer

Big-data analytics uses small details to help companies form a bigger picture about customer journeys and provides invaluable insight into customer interactions and behaviour.

- Improves accuracy when predicting future consumer needs.
- Enables the business to make customer-centric decisions.
- Connects sensory data and knowledge data, which can help brands identify and respond to specific moments in the customers' lives.
- Helps companies react in an effective and desired way, thus forging a mutually beneficial relationship with the customer.
- Helps manage individual customer journeys to identify and respond to micro-moments in these multifaceted journeys.

Knowledge is power

The cliché rings true. When companies use big-data analytics to get to know and understand the individual consumer, they are in a better position to manage the customer experience and are able to create, identify and take advantage of the micro-moments along the customer journey across multiple channels and touchpoints.

Three things businesses need to do when approaching big data:

1. Understand the data you already have (research shows that the majority of service providers in South Africa do not use existing data to enhance interactions with existing customers).
2. Consolidate data from across all customer information sources to discover new data sets.
3. Identify what data is lacking and how and where it can be sourced.

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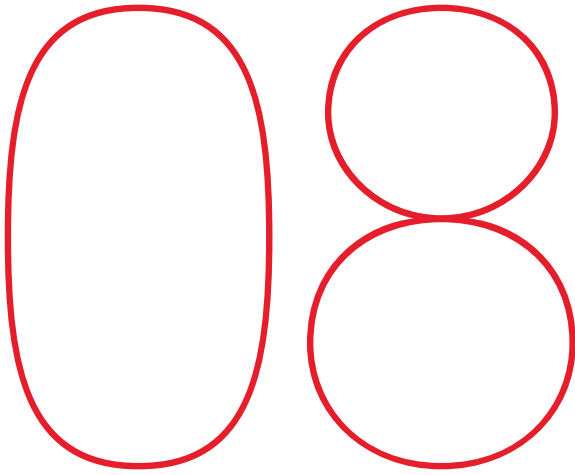
PLATFORM BUSINESS MODELS

"To compete, win and remain relevant in the digital era, organisations need to be able to "successfully interact and transact with digital savvy users and leverage the network effect to drive adoption". [4]

Platform business models enable interaction and create value by facilitating exchanges between two or more interdependent groups, usually consumers and producers. To make these exchanges happen, platforms create and harness large, scalable networks of resources and users that can be accessed on demand, creating communities with network effects that allow users to interact and transact.[5] Well-known examples of platforms include Uber, Airbnb and Facebook.

"The concept of a platform is common in the technology sector, designed to shield users from the complexities associated with managing multiple levels of underlying technologies and integration of such. Platforms also enable a higher level of abstraction, scalability, rapid delivery of new products or services, and the separation of information creation from information presentation." [6]

The mass-market power of these businesses lies in their ability to create value using resources that they don't own or control. This means that they aren't scaled from within, but create a network effect and shift the focus and limitations to outside the company — where limitations don't exist. And because their product offering is entirely digital, they are typically not constrained by geography but can have a global reach. Thus, they are able to grow on the base (or platform) of outsiders' assets.

These new, digital-first businesses have the potential to manage and create value for new customer journeys. This is because they are:

- scalable
- built from the ground up to provide a single digital solution
- purpose-built to be very fast and disruptive
- data-driven, with 24/7 collection of meaningful data from users, partners and third parties that interact and transact
- built to interpret analytics and algorithms
- meaningfully interacting with consumers and providing exceptional experiences
- attracting customers by placing customer service, value and transparency at the core of their offering
- attracting customers or subscribers in the hundreds of millions, thus enabling them to leverage customer insight to launch new products and services beyond their initial core businesses

Businesses looking to succeed into the future should consider incorporating elements of the platform business model and must embrace digitalisation as a way of addressing new customer journeys and keeping up with the fast pace of digital adoption of consumers.

[4] Applico - What is a Platform? - 2016
[5] Telkom - Digital Migration - 2016
[6] Tony de Sousa - DIGITAL Platforms and Ecosystems - 2015

Uber: a platform business success story

	Established	No. of employees	Market worth
BMW — Traditional	1916	101 124 796	$58 billion
Uber — Platform	2009	6 700	$70 billion

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STEP 1: BUSINESS DIGITALISATION

For many businesses, it may seem overwhelming to find ways of addressing the new, non-linear customer journey.

We have mentioned strategies and solutions, such as having a single view of the customer, omnichannel solutions, micro-segmentation, big data and platform business models, but how are these achieved?

The first step is to start from within, digitalising the business from the inside-out and focusing on the business needs rather than the technology itself.

What is digitalisation?

Digitalisation is a social and business phenomenon that is powered by the many incredible technologies that we have at our disposal today.

Today, the process of digitalisation doesn't lie in the depths of the IT department — it's moved into the C-suite and the boardroom. Digitalisation is not only about increasing adoption of digital technology within business processes. The essence of digitalisation lies in how a business adopts and incorporates these technologies to seamlessly weave together processes, systems, customers, partners and employees to become the ultimate connected business and interact more seamlessly with the new, digitally savvy consumer.

There's more to digitalisation than simply ensuring digital communication and connectivity. Businesses need to identify how technology can be used to change and improve the way the business operates. Digitalisation is the convergence point at the intersection of business and technology, and it's become business-critical.

What are the benefits of digitalisation?

Digitalising the business improves the way companies understand and engage with their customers and enables the business to harness customer journey management strategies, such as micro-segmentation and omnichannel solutions. It equips businesses with the necessary tools to meet the needs of current and future customers.

Two approaches to digitalisation

1. Digitalisation for the sole purpose of automating processes and reducing costs.
2. Digitalisation that will enable the organisation to become customer-centric, delighting the customer

Delighted customers = repeat business and investment. Therefore, it's clear that the second approach is the more desirable of the two.

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CONCLUSION

With rapid advancements in technology, today's consumers are now in a more powerful position than ever before and their interactions with a brand no longer follow linear patterns of engagement.

Rather, the new customer journey is defined by a series of micro-moments, which can occur at any time, at any place, across any channel.

We live in a digital world, rich in data that businesses can harness to address the needs and wants of individual customers along their unique customer journeys.

To survive and thrive, companies need to become customer-centric with a single view of the customer, serving the customer's needs in micro-moments of the new customer journey. They need to adopt an 'outside-in' approach, placing the digital customer at the core of their digital strategies. To do this, they need to integrate knowledge of their consumers' interactions enterprise-wide and act upon the key triggers off- and online.

Implementing a digital platform will enable seamless interaction with customers and partners and extend the business's current capabilities. It is the digitalisation of the business that enables the new strategies of engagement — omnichannel, micro-segmentation, big-data analytics and platform business models. These strategies and solutions do not work in isolation, but intersect, interact and depend on one another, allowing companies to form a better idea of who their customers are, what they want, when they want it and how they consume it.

This all hinges on having a digitalised infrastructure, able to cope with and make use of the mountains of data and communication tactics necessary to serve the customer of today. These digital strategies must be driven from the C-suite, as transformation will touch all aspects of the business.

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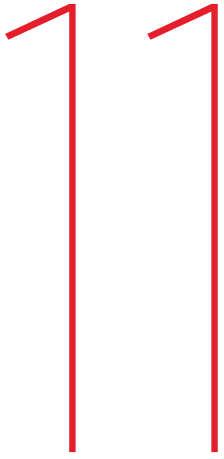
ENABLING A NEW ENGAGEMENT: BCX

BCX is ideally positioned to understand and determine the current and future needs of businesses looking to engage today's customers and can help develop the solutions to meet those needs.

How BCX approaches business digitalisation

BCX is ideally positioned to not only provide customers with key technology services, but to also understand and determine their current and future needs and to develop the solutions to meet these needs and stay relevant to the digital consumer.

Instead of approaching your business with a standard set of solutions in mind, BCX will first gain a better understanding of the specific business imperatives and priorities, which are then translated to business needs.

BCX will work together with your business to develop a detailed, digital road map covering everything that your business needs to execute digital transformation and enhance your ability to execute customer journey management strategies.

As an organisation whose core business focus is on the technology levers driving digitalisation, BCX can help you to:

- analyse your current digital technology
- understand your business imperatives
- translate business imperatives into business needs
- discover your digitalisation potential
- help map your digital journey
- create greater value and customer experience through new digital solutions

With BCX, your business will be able to build a foundation based on robust, fit-for-purpose technology offerings that will enable you to successfully develop a future business strategy designed to serve the customer of the future.

Contact us today to book a digital readiness assessment. Visit www.bcx.co.za/digitalisation

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THE BCX KEY DIFFERENTIATORS

Unmatched Footprint, Data Centre and Network Infrastructure

- Extensive service footprint across all market segments in South Africa.
- Given the strong and trusted relationships with the enterprise market, it can explore the scale of IT services to customers.
- Through Openserve, a Telkom Group company, BCX has access to over 149 000km of fibre.
- BCX has 3 Tier IV data centres (total of 12 in South Africa, 10 in rest of Africa) cumulatively amounting to over 16 000m2 of hosting space.
- In addition, BCX via the Telkom Group has national LTE/3G coverage either directly or through the MTN mobile roaming agreement for voice and mobile data services, as well as an extensive national Wi-Fi hotspot network.

Unrivalled ICT Solutions Set

- BCX has a diversified ICT product portfolio that includes access to national fixed and mobile networks, data centres (and related services) and IT services.
- A strong portfolio housed under a single brand that can be used to provide a wide range of services to the enterprise market.
- As an integrator, BCX has the advantage of being able to use multiple equipment and solution suppliers to create the optimal service solutions for its customers.
- BCX has proven ICT capabilities, with market leadership positions in both IT and telecommunication services.
- The integration of Telkom Business and Business Connexion under the BCX brand has enabled BCX to deliver a one-stop-shop for converged service delivery, and facilitate the end-to-end management of combined telecom services and IT services under a single service-level agreement.
- BCX has expanded its enterprise product and services offerings considerably and has the track record to exploit opportunities across the broader ICT industry space.

Industry-Vertical Leadership

- Market leader in retail, mining & manufacturing, banking & financial services and is a key solutions provider for the Public Sector.[1]
- As a result of its demonstrated track record of M&A, BCX has diversified into adjacent markets and in doing so, has enhanced its overall ICT product portfolio, thereby enhancing its enterprise customer value proposition.

Leader in Service Excellence

- BCX holds a Cisco Gold Partnership Certification.
- IT Service Management with an ITIL maturity rating of 4.25 – the highest on the African continent (Pink Elephant: 2014)

Unparalleled Geographical Reach

- Through its country offices and partnerships, BCX has an operational footprint in 38 African countries (7 remote/fly-in), 14 MPLS POPs configured as a fully meshed international IP network, providing integrated connectivity and telecommunications services to multinational corporate customers across Africa and the world, through uncompromising service and delivery. BCX is a business enabler in Africa for Africa and beyond, through distinguished and relevant ICT solutions.
- Has trained IT field engineers in multiple locations across Africa.

Strategic Vendor Relationships

- Has strong relationships with key technology vendors to ensure best technology solutions.

[1] Gartner

ABOUT BCX

BCX is changing the way business is done in South Africa. It delivers customer-driven solutions built through disruptive innovation. As a member of the Telkom Group, BCX currently provides technology and infrastructure solutions for the majority of JSE-listed companies, helping to move the economy forward.

To find out more about BCX, visit www.bcx.co.za.

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