451 Research®

Embracing Digital Transformation to Drive Unique Experience
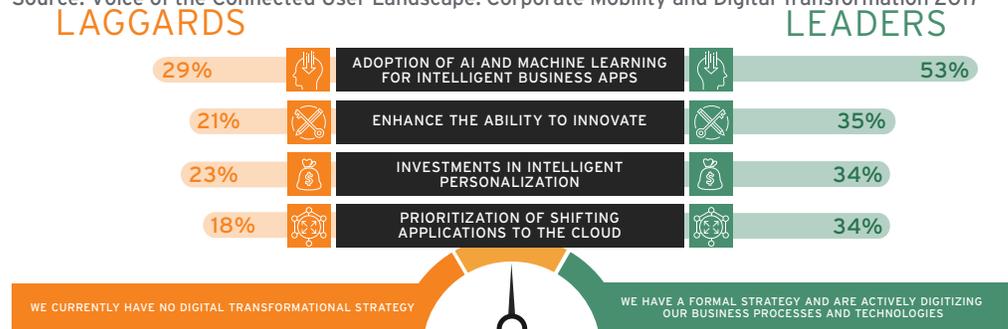
The 451 Take

Technology is quickly becoming the catalyst for one of the most profound changes ever to occur in the relationship between individuals and the world around them. Customer experience is now a top catalyst in many digital transformation projects as businesses invest in new technologies and processes to more effectively engage customers, partners and employees. Digital leaders are embracing new approaches to best attract, win, retain and support customers by leveraging the latest applications, analytics and cloud platforms to deliver a differentiated experience that is not a luxury, but a necessity for survival.

The increased use of customer data to deliver contextualized experiences, empowered by technologies such as cloud, machine learning and intelligent personalization, will create a significant gap between digital leaders and laggards when it comes to using technologies for strategic innovation. By embracing a modern digital platform in a transformative way, organizations can ensure that data and insights connect people with information and processes that ultimately lead to a better experience for customers. Experience, not products, will be the battleground of the future. Since emotion is the currency of experience, businesses will strive to drive spending by harnessing the power of human decision-making behavior to brand loyalty.

451 Research's Voice of the Connected User Landscape (VoCUL): Corporate Mobility and Digital Transformation 2H 2017 survey shows that digital leaders are more likely to embrace new technologies to enhance their ability to innovate. The figure below illustrates the growing gap between digital leaders and laggards to embrace disruptive technologies for competitive differentiation.

Digital Leaders Prioritize AI, Intelligent Personalization
Source: Voice of the Connected User Landscape: Corporate Mobility and Digital Transformation 2017

LAGGARDS / LEADERS

	LAGGARDS	LEADERS
ADOPTION OF AI AND MACHINE LEARNING FOR INTELLIGENT BUSINESS APPS	29%	53%
ENHANCE THE ABILITY TO INNOVATE	21%	35%
INVESTMENTS IN INTELLIGENT PERSONALIZATION	23%	34%
PRIORITIZATION OF SHIFTING APPLICATIONS TO THE CLOUD	18%	34%

WE CURRENTLY HAVE NO DIGITAL TRANSFORMATIONAL STRATEGY

WE HAVE A FORMAL STRATEGY AND ARE ACTIVELY DIGITIZING OUR BUSINESS PROCESSES AND TECHNOLOGIES

The adoption of AI and machine learning to power intelligent business applications is driving the largest (24-point) differential between digital leaders and their lagging counterparts. The ability to prioritize shifting applications to the cloud and embrace intelligent personalization will help businesses adjust to the age of empowered customers and their changing expectations.

It is important to realize that digital transformation is more than just an IT strategy. It is a well-planned business, data and technology innovation strategy with the goal of aligning around a digital culture, which drives investments in new approaches to remain relevant in the eyes of customers.

Business Impact

CREATE A UNIFIED CUSTOMER PROFILE TO DELIVER EXCEPTIONAL EXPERIENCES. According to our VoCUL data, improving the customer experience is the top driver for organizations' software investments over the next 12 months. Every engaging experience must start with a complete view of the customer. The abundant growth of data has shifted the landscape for creating a single source of truth about customer preferences away from just managing transactional data toward embracing an open platform that can incorporate unstructured data from content, IoT sensors, social data, behavioral data, location data and even third-party data to ensure systems of engagement are more intelligent. The ultimate goal is to ensure the right insights can be systematically presented to trigger the right actions, at the right time for every customer interaction and experience.

USE THE POWER OF CONTEXTUAL CONTENT, INTELLIGENT AUTOMATION AND PRE-SCRIPTIVE INSIGHT. By combining these key capabilities, businesses can create immersive experiences that adapt to users' changing context anywhere on any device. According to data from 451 Research's VoCUL study, 82% of organizations say that machine learning for automated contextual recommendations is important for creating personalized customer experiences. Businesses will prioritize investments in more intelligent digital platforms and applications to optimize the customer journey, build deeper connections and create more contextually driven interactions, and provide exceptional experiences to customers. Digitize sales process to eliminate paper-based processes with digital signatures. Use intelligent document, content and process automation to reduce customer friction points.

DON'T GET LEAPFROGGED. Considering that 70% of the market is still formulating digital transformation plans, the industry has a long way to go to ensure vision meets reality. It's virtually impossible to plan for all potential customer journeys because each essentially consists of non-linear, self-directed interactions, or 'micro-moments' across a customer's channels of choice – not just digital interactions, but also physical interactions such as in-store, contact center or sales meetings. Technology is central to how individuals experience the world around them, from digitizing the sales-engagement process to improving workforce productivity. Catering to each customer's preferred means of consuming information, en-gaging with brands and providing customer service are becoming critical parts of a businesses' strategic value proposition and competitive differentiation.

Looking Ahead

Most businesses have only partially automated processes; every day, customers still fill out forms manually, restate the obvious on a call or embark on redundant data entry. It is possible to automate the majority of business processes through a combination of data, content and intelligent processes, but it can only happen if businesses embrace digital platforms and applications that are more agile and operate in real time. Businesses must operationalize workflows, automate process steps, and digitize content and data to deliver unique experiences.

The explosion in connectivity, intelligent devices and the applications running on them is increasing exponentially. This combination makes it ever more possible to use real-time context and user preferences to personalize application experiences. Individuals expect to be more self-directed and, consequently, to own or influence more of the technologies mediating their experience of the world. Yesterday's world was about one-way customer interactions. The future is about two-way engagement anywhere, any time on any device.

We've partnered with Microsoft to help organizations embrace digital transformation and realize the value of technology and data to keep up with — and even lead — the competition. Through our shared vision of digital transformation, we're aligning critical data sources and implementing integrated technology solutions, so organizations can deliver personalized, engaging, and interactive experiences across any touchpoint and become digital leaders in any industry.