User Experience, Web Design & CRO

Session 1

Customer Experience in the digital Age: UX & Design Strategies

CONTENTS

Contents:

1. The Experience Economy and the new empowered Customer: Brands are Experiences and Software

2. Design with lower-case "d": Definitions of UxD, UI, IxD and Information Architecture

3. Design with capital "D": Becoming a Design Company: Design as a strategic lever. Critical Success Factors. Design leaders across industries

Session 1

Customer Experience in the Digital Age: UX & Design Strategies

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Short readings
Session 1 – Customer Experience in the Digital Age: UX & Design Strategies

Other complementary readings are reflected in each slide of the session.

PDFs and other materials are uploaded in the Campus

1. Welcome to the Experience Economy. Joseph Pyne II, James H. Gilmore. Harvard Business Review. July-August 1998 (pdf)

2. Brand is the Experience in the Digital Age (Nielsen & Norman Group)

   https://www.nngroup.com/articles/brand-experience-ux/

3. The Business Value of Design. McKinsey Quarterly. October 2018 (pdf)

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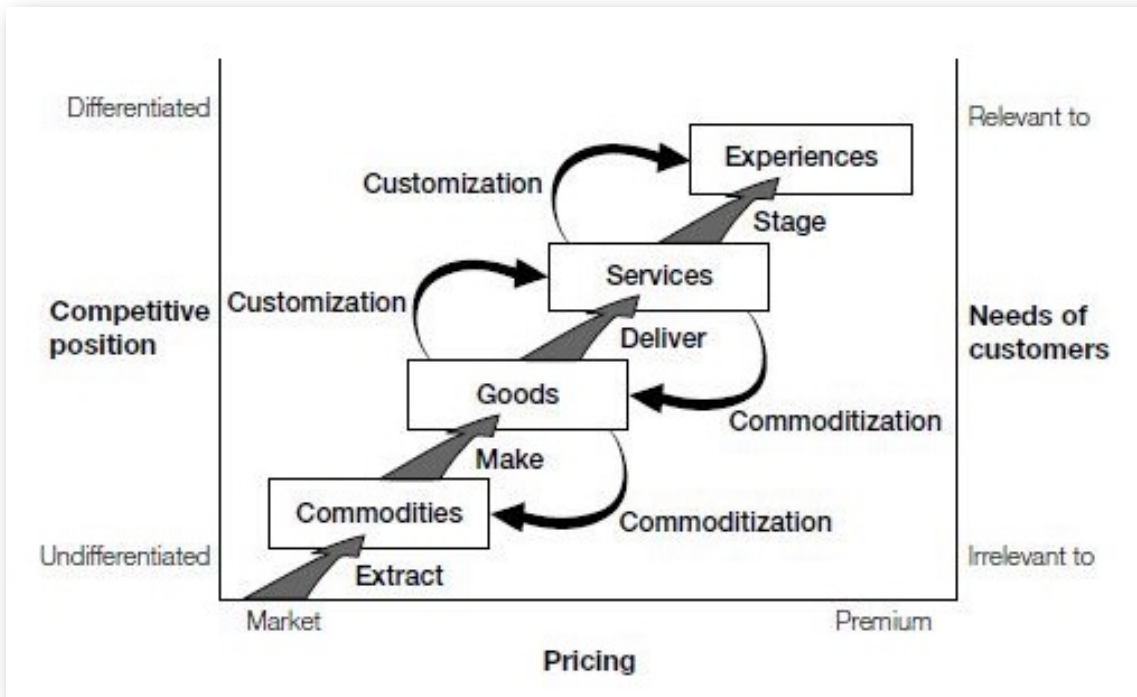
The Experience Economy
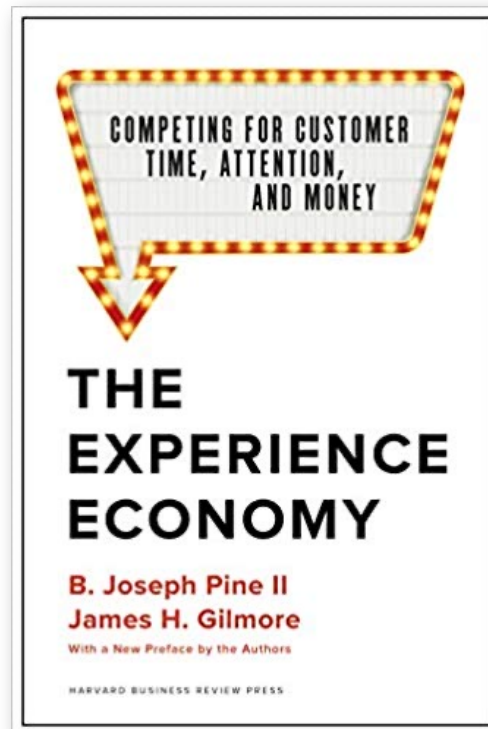
Video - Joseph Pine – The Experience Economy
https://www.youtube.com/watch?v=pXv3cfvJ9F8

The Experience Economy

- As in Theatre customer perceives value through unique experiences

- Better <mark>Competitive position</mark> and <mark>Differentiation</mark>: more difficult to replicate
- Allows "<mark>Premium price</mark>"

- Services: <mark>"Time well-saved"</mark>
- Experiences: <mark>"Time well-spent"</mark>

"The Experience Economy is All About Time Well-Spent: Joe Pine"
Podcast: https://soundcloud.com/voices-of-cx-by-worthix/joe-pine

BRANDS are ==EXPERIENCES== in the Digital Age

- Definition of Brand: a tool for ==INFLUENCING CHOICE==

- ==More Digital Channels and more Interactions==: EXPERIENCES have become the key elements in representing BRANDS

- ==CX is key as BRAND DIFFERENTIATOR==: most people cant differentiate how they feel about a Brand and how the feel about the experience they have

Experiences → Emotions → Memories → Emotional links →Action

People don't talk about "Digital" they talk about their "Experiences"

Zero Moment of Truth: Stimulus

1st. Moment of Truth: Purchase

2nd. Moment of Truth: Recommendation

Reading: "Brand is the Experience in the Digital Age" Nielsen/Norman
https://www.nngroup.com/articles/brand-experience-ux/

Source: Dynamics That Will Shape The Future In The Age Of The Customer. Forrester (2016)

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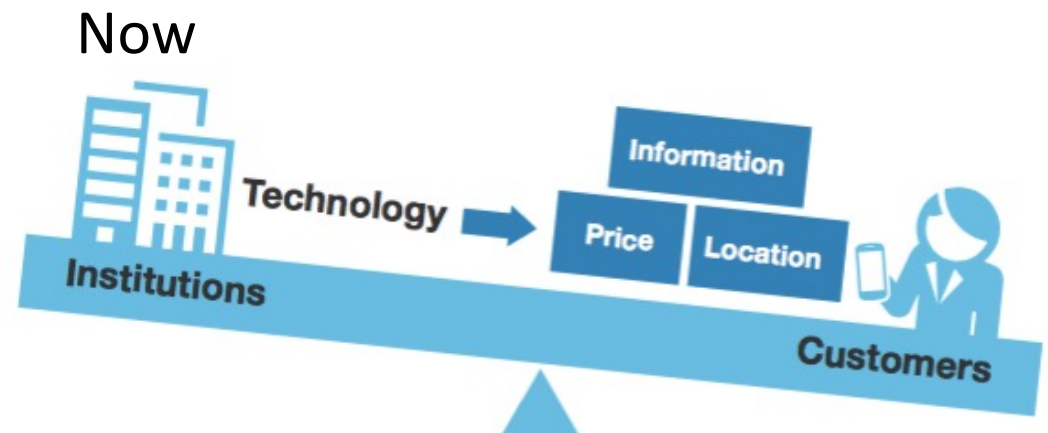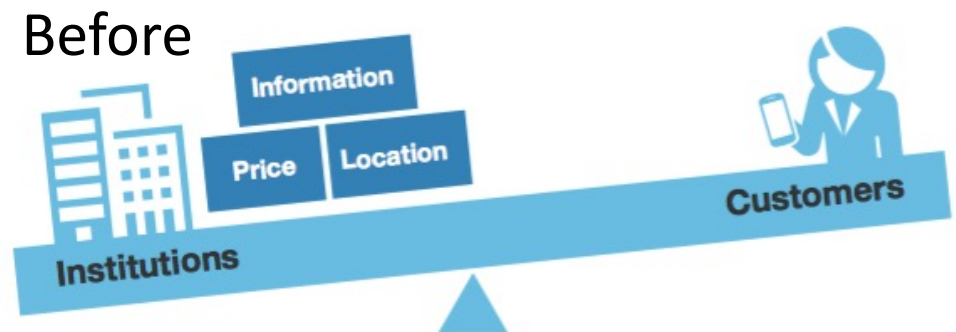& TECHNOLOGY

BRANDS are SOFTWARE in the Digital Age

New channels, devices, apps and voice technology create more opportunities than ever before for Brands to engage with customers but it is more difficult to be relevant and consistent

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BRANDS are ==SOFTWARE== in the Digital Age

Once Technology favored companies, now It ==empowers Customers==

Reading:
CMO Blueprint for Strategy in the Age of the Customer (pdf)

FORRESTER

COMPLIMENTARY COPY

NEW RESEARCH FOR CMOs

The CMO's Blueprint For Strategy In The Age Of The Customer

Four Imperatives To Establish New Competitive Advantage

September 2014

By Kyle McNabb, Josh Bernoff
with Cliff Condon, Carlton A. Doty, Sharyn Leaver, Moira Dorsey,
Carrie Johnson, Laura Koetzle, Elizabeth Ryckewaert

Before

Now

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BRANDS are SOFTWARE in the Digital Age

BRANDS = SOFTWARE

|	BACK OFFICE		BT (BUSINESS TECHNOLOGY)	
Who		Employees *Policy coerces practice*		Customers *Value entices engagement*
What		Business processes *Defined by legal conventions*		Customer patterns *Driven by customer data*
Where		End-to-end control *An emphasis on security*		Open connections *API-based services*
How		Risk reduction *Waterfall methods limit exposure*		Value generation and speed *Agile methods co-create options*
When		Asset-based business model *Governance by fiat*		Services-oriented business model *Governance by outcomes*

Reading: CIOs the new Chief Enablers of Digital Transformation (Accenture, Adobe, Intuit panel)
https://blog.adobe.com/en/publish/2019/04/15/cios-the-new-chief-enablers-of-digital-transformation.html#gs.pg0jw3

Source: Forrester Research, Inc.

The empowered customer: x3 super-powers

- **Information power**
  - Through Access to rich and unlimited information on products and Brands

- **Social influence power**
  - Customers influence Brands through dialogues on products and services impacting reputation
  - Customers spread their experiences (good or bad) with Brands

- **Context of use ubiquity and mobility**
  - Multiscreen
  - Omnichannel
  - 24/7

Empowerment through information

Empowerment through Social influence

Empowerment through ubiquity and mobility
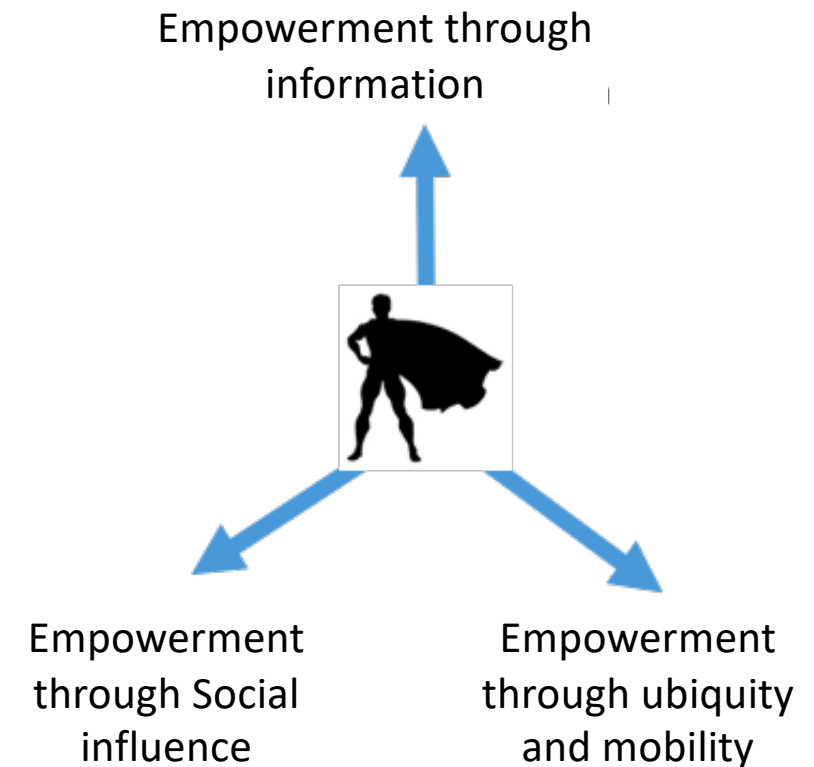
DIGITALIZATION and CUSTOMER EMPOWERMENT leads to…

BRANDS = EXPERIENCE = SOFTWARE

THE WALL STREET JOURNAL.
Why Software Is Eating The World

By Marc Andreessen
August 20, 2011

Artículo original: https://a16z.com/2011/08/20/why-software-is-eating-the-world/

Reading: Software is your competitive advantage. Jeff Lawson (Co-founder of Twilio). HBR.2021
https://hbr.org/2021/01/in-the-digital-economy-your-software-is-your-competitive-advantage

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'We want to be a tech company with a banking license' – Ralph Hamers

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User Experience (UX)

Don Norman – About the term UX

https://www.nngroup.com/articles/definition-user-experience/
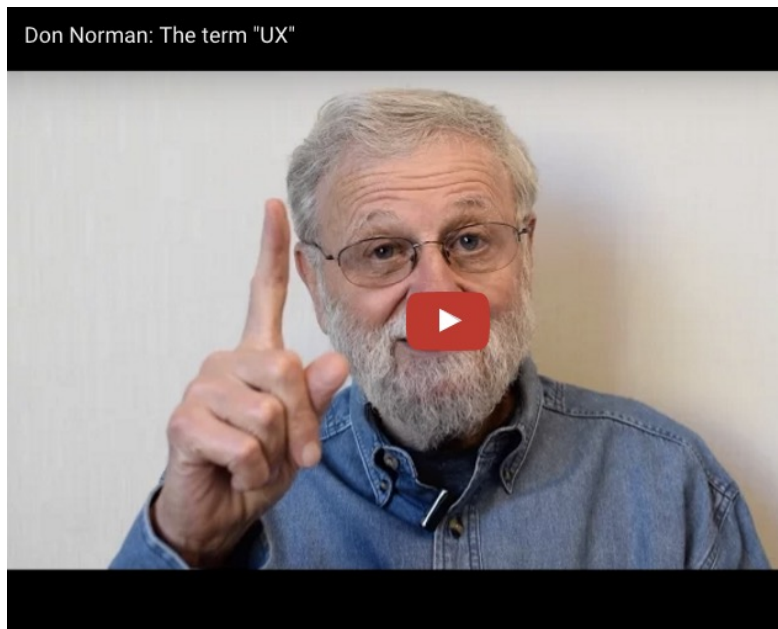
UX is a broader term covering the "end2end" user experience

The DESIGN of UX is becoming a key capability in most organizations

Steve jobs about Customer Experience:
https://www.youtube.com/watch?v=r2O5qKZlI50&feature=youtu.beç

What is ==DESIGN== in the world of business?

- Connect Human Needs with Technology *(Don Norman)*

- Do the "==RIGHT THINGS==" and do them "==RIGHT=="

- Design critical mission is to change customer behaviour towards a better situation for THEM with a positive impact in the BUSINESS

- Tactical design "d" vs. Strategic DESIGN "D"

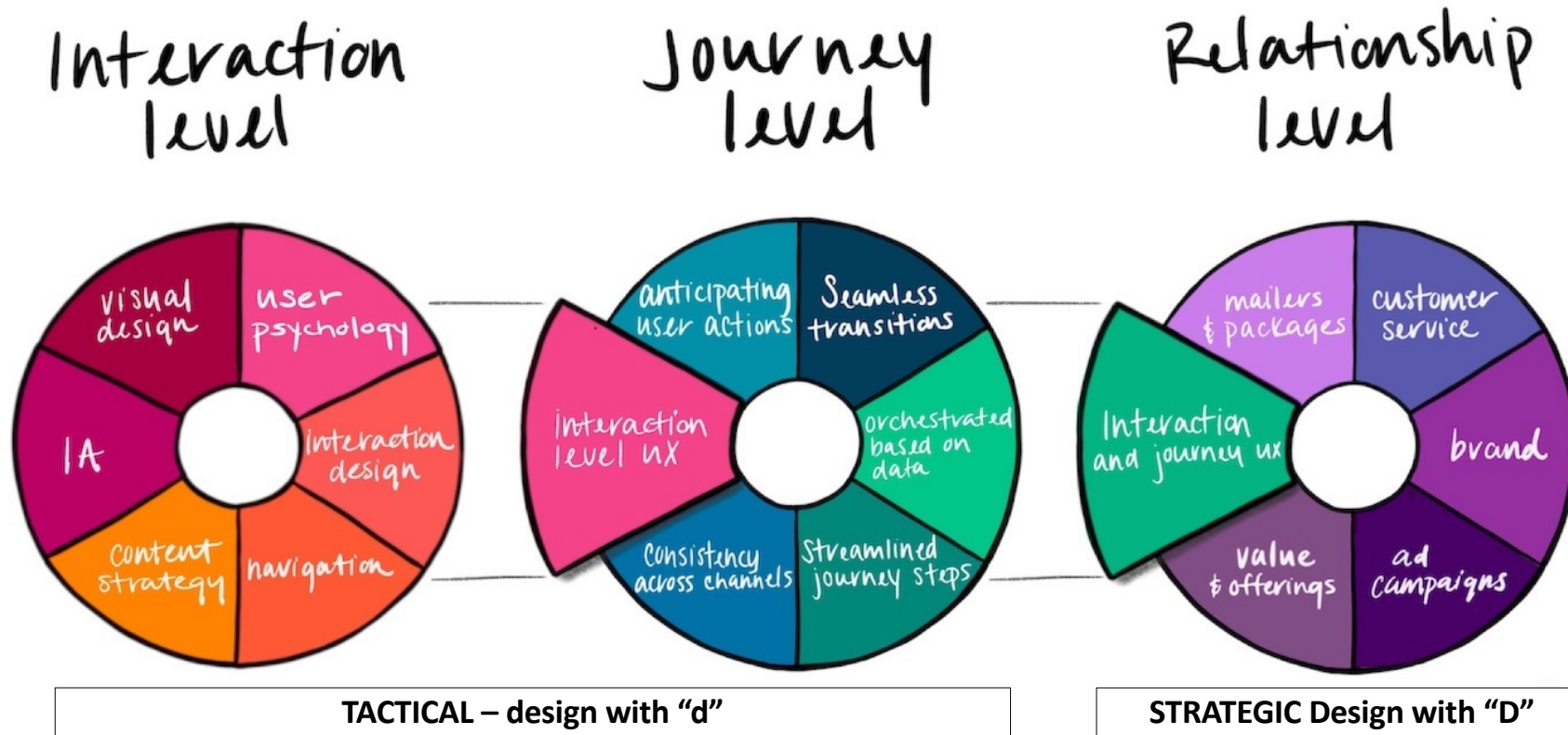# What is ==DESIGN== in the world of business?

What is design?

Like "strategy" and "analytics," "design" is a term that suffers from misuse. Design is not just about making objects pretty. Design is the process of understanding customer needs and then creating a product or service—physical, digital, or both—that addresses their unmet needs. It sounds simple, but it's actually a high bar: the design must simultaneously achieve functional utility, emotional connection, and ease of use, while fitting into customers' broader experience.

User Experience vs. Customer Experience

Interaction level

- visual design
- user psychology
- IA
- interaction design
- content strategy
- navigation

Journey level

- anticipating user actions
- Seamless transitions
- interaction level UX
- orchestrated based on data
- Consistency across channels
- Streamlined journey steps

Relationship level

- mailers & packages
- customer service
- Interaction and journey UX
- brand
- value & offerings
- ad campaigns

TACTICAL – design with "d"	STRATEGIC Design with "D"

User Experience vs. Customer Experience: What's The Difference?
Video: https://www.nngroup.com/videos/cx-vs-ux/ **Reading:** https://www.nngroup.com/articles/ux-vs-cx/

User Experience (UX)

- UX: User Experience
- UI: User Interface: usability
- UXD: User Experience Design
- IxD: Interaction Design
- IA: Information Architecture
- Visual Design
- UX Research: User Experience Research
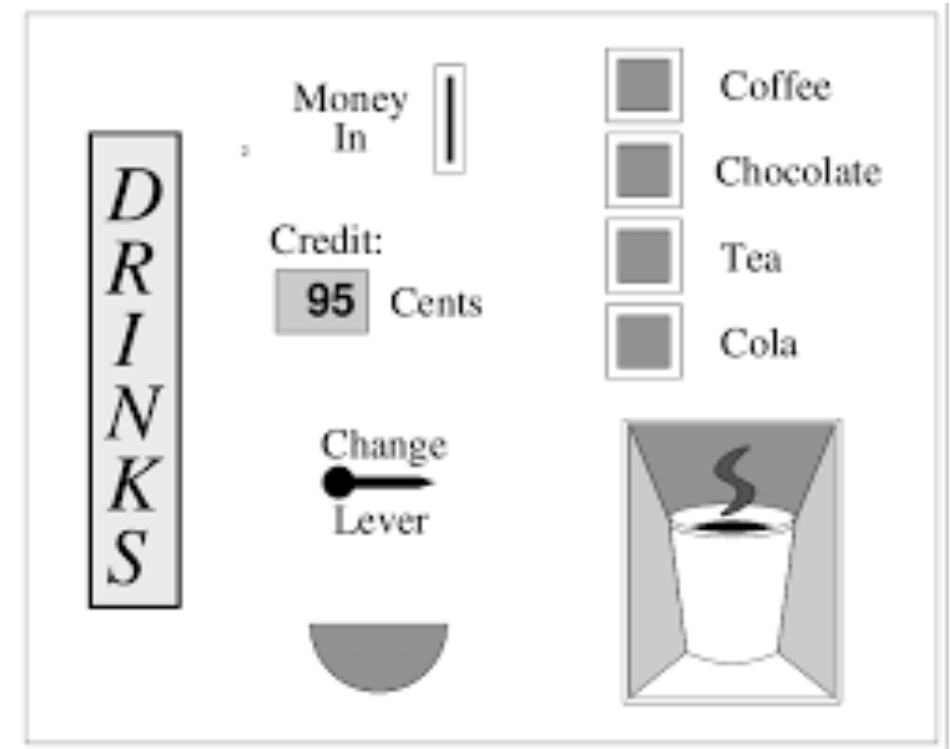
Human-Centred Design Process (UxD) (User Xperience Design)

Methodologies and techniques to:

1- **Understand** the needs, limitations, behaviour and traits (<mark>**Mental Model**</mark>) of the digital user

2- Involve the user in the **designing process** for a digital product or service

3- **Develop** a digital product / service from concept to final deliverable

Reading: What is a Customer Mental Model: https://econsultancy.com/blog/69021-what-is-a-customer-mental-model/

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Design becoming Strategic

Since 2004 **+100** Design agencies have been acquired by big Brands or Consulting firms

>60% acquired since 2015

Source: Design in Tech Report 2019 - John Maeda 2019 **https://designintech.report/**

Design becoming Strategic

There were 19 new acquisitions noted in the last 12 months.

100 🔴

Since 2004 over 100 design-related companies have been acquired, with > 60% of them acquired since 2015.

1. **Citizen** acquired by EY
2. **Brandfirst** acquired by Deloitte
3. **Moment** acquired by Verizon
4. **Tonic Design** acquired by Printfly
   Tonic is a regional example of the phenomenon played out four years ago in Silicon Valley.
5. **W12** acquired by Tata Consulting
6. **General Assembly** acquired by Adecco
7. **Designation** acquired by WeWork
   WeWork acquires a for-profit design education school and Adecco acquires a coding and UX school as unexpected outliers.
8. **Sayspring** acquired by Adobe
9. **Wake** acquired by InVision
10. **FRWD** acquired by Bain & Co
    Bain is an example of the private equity space's interest in creative capabilities.

11. **designaffairs** acquired by Accenture
12. **Adaptive Lab** acquired by Capgemini
13. **Universal Design Studio** acquired by AKQA
14. **Map Project Office** acquired by AKQA
15. **CHIEF** acquired by ByteCubed
    ByteCubed is an example of a regional IT consulting firm adding to its creative capabilities.
16. **We are Vista** acquired by ICF
17. **Argo Design** acquired by DXC Technology
18. **Kolle Rebbe** acquired by Accenture
19. **Periscope** acquired by Quad/Graphics
    Quad/Graphics is an example of a printing company seeking to integrate creative capabilities.

Source: Design in Tech Report 2019 - John Maeda 2019 **https://designintech.report/**

Becoming a "Design Company": x3 levers

Design Company

1- Requires C-level support to break silos

2- Requires DATA as the new OIL

3- Requires Design integrated in Business

+ Technology as Enabler

"Relevancy of Design in BBVA" – Rob Brown
https://www.bbva.com/en/design-relevant-large-organization/
"How IBM is re-establishing itself as a design-centered company"
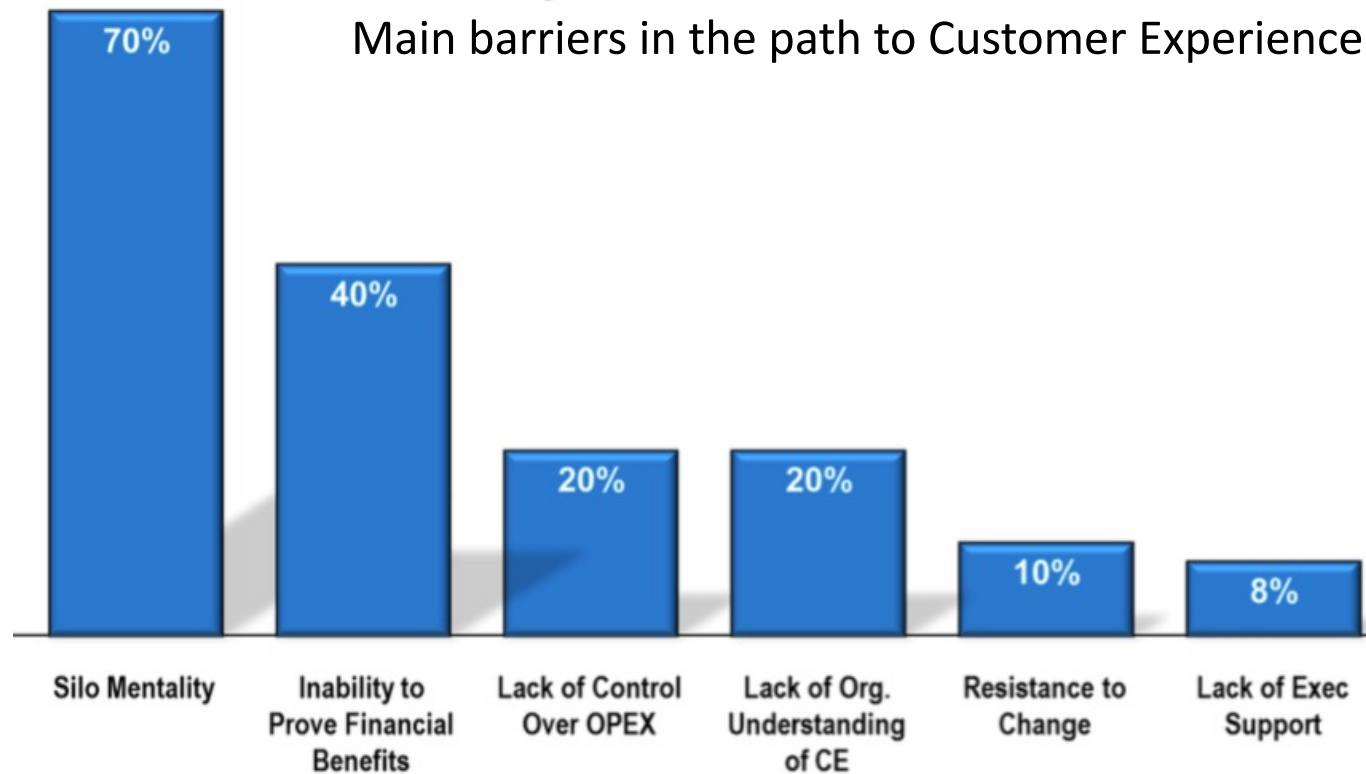https://www.skuid.com/blog/ibm-re-establishing-design-centered-company/

BBVA acquires agency Spring Studio (video)
https://www.bbva.com/en/bbva-acquires-leading-user-experience-firm-spring-studio/

1- C-level initiative: breaking Silos

Design Company
1- Requires C-level support to break silos
2- Requires DATA as the new OIL
3- Requires Design integrated in Business

Main barriers in the path to Customer Experience

| Silo Mentality	Inability to Prove Financial Benefits	Lack of Control Over OPEX	Lack of Org. Understanding of CE	Resistance to Change	Lack of Exec Support
70%	40%	20%	20%	10%	8%

Source: Jeffrey & Bryan Eisenberg

1- C-level initiative: breaking Silos

Design Company

1- Soporte "C-level" para romper silos
2- DATA
3- Diseño integrado en negocio (Business driven Design)
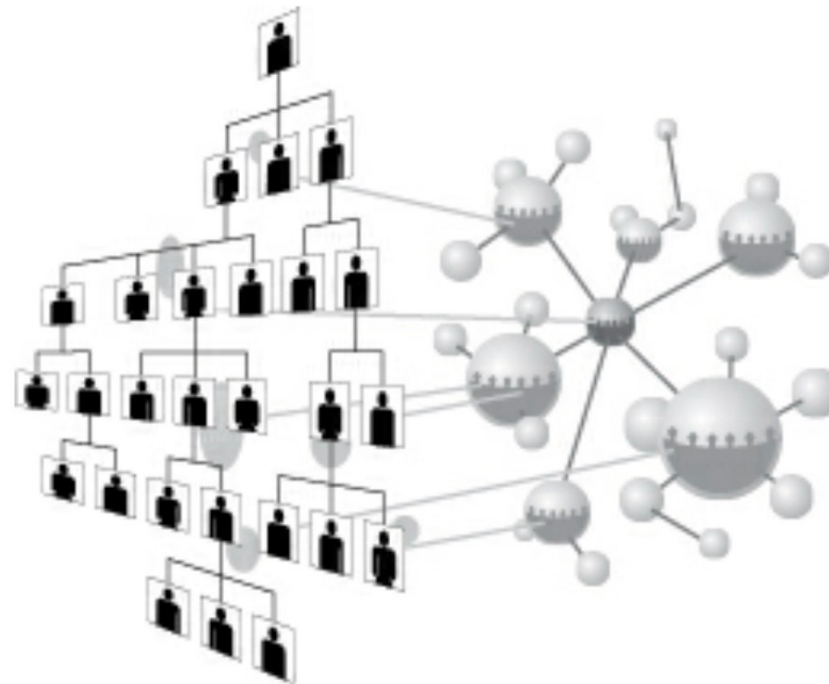
Listening the **customer signals**
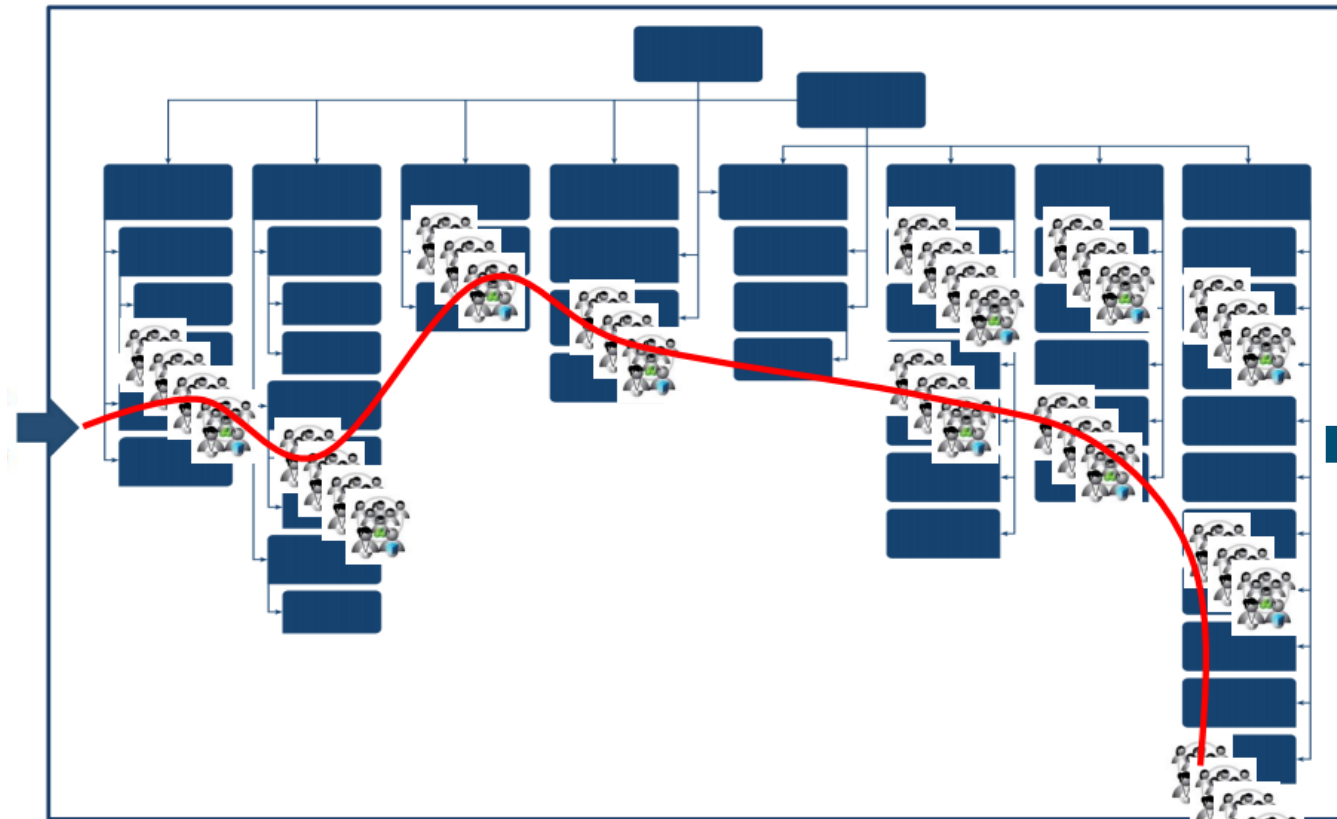
Delivering value to customers requires an **E2E organization**

1- C-level initiative: breaking Silos: The Networked Organization

Design Company

1- Soporte "C-level" para romper silos
2- DATA
3- Diseño integrado en negocio (Business driven Design)

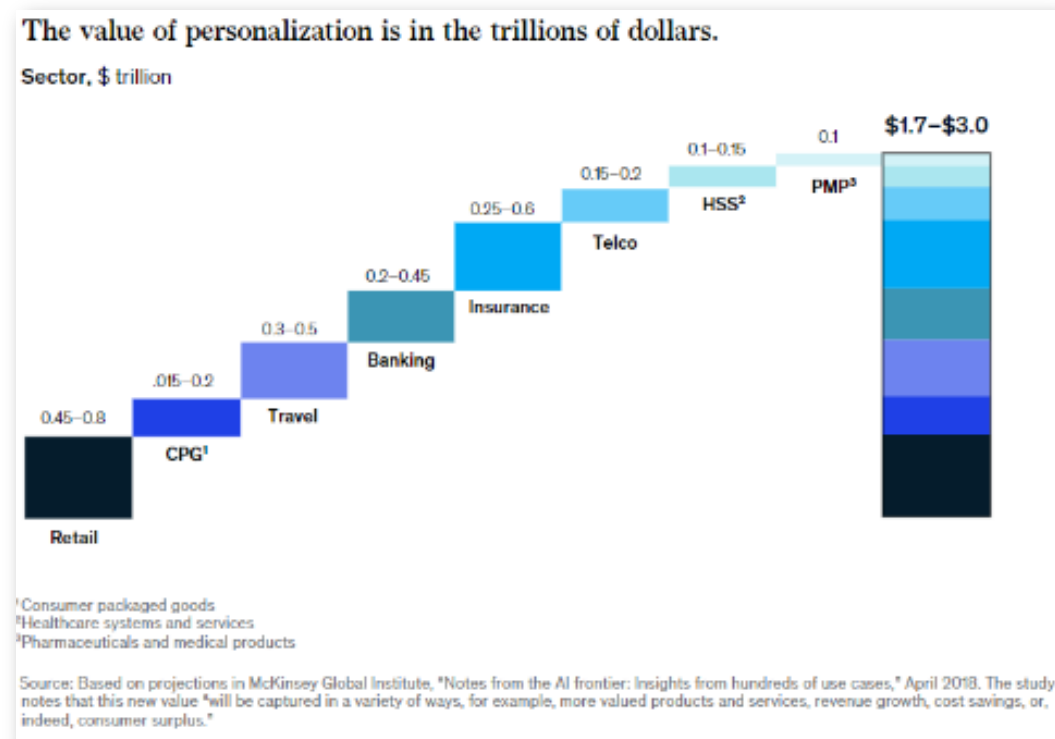From: XLR8 – Jhon P. Kotter – Harvard Business Review Press 2014

Reading: Accelerate. John P. Kotter. Harvard Business Review. 2012
https://hbr.org/2012/11/accelerate

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2- DATA is the new oil

Design
Company

1- Requires C-level support to break silos
2- Requires DATA as the new OIL
3- Requires Design integrated in Business

"Data is he new oil" – The Economist frontpage May 2017
https://www.economist.com/news/leaders/21721656-data-economy-demands-new-approach-antitrust-rules-worlds-most-valuable-resource

Source: McKinsey. 2019 (pdf)

2- Data is the new oil

Design Company

1- Requires C-level support to break silos
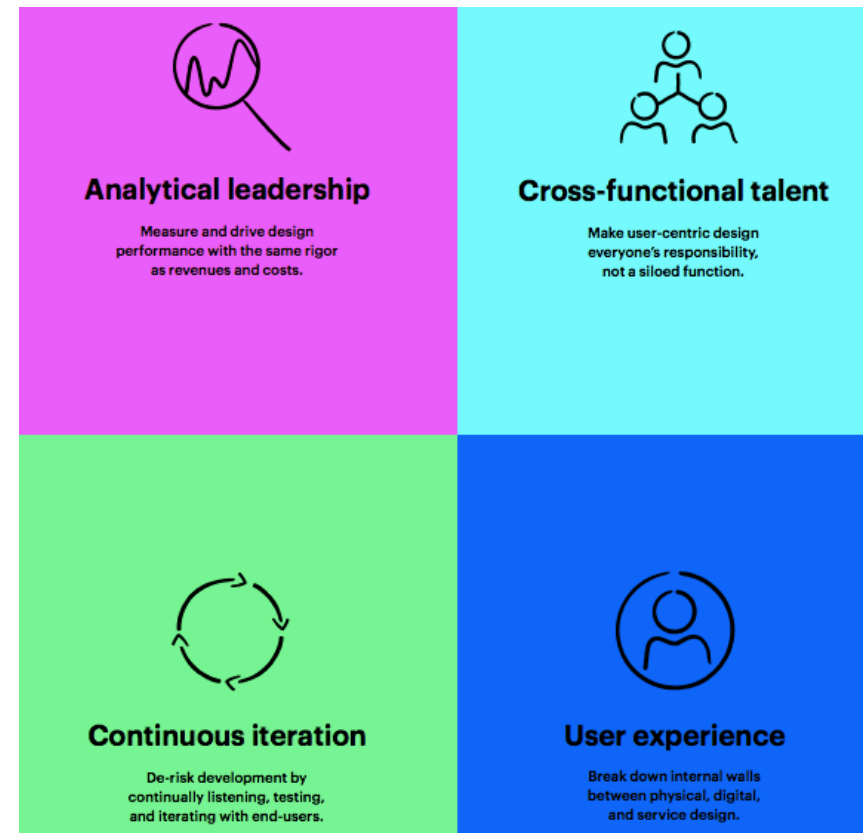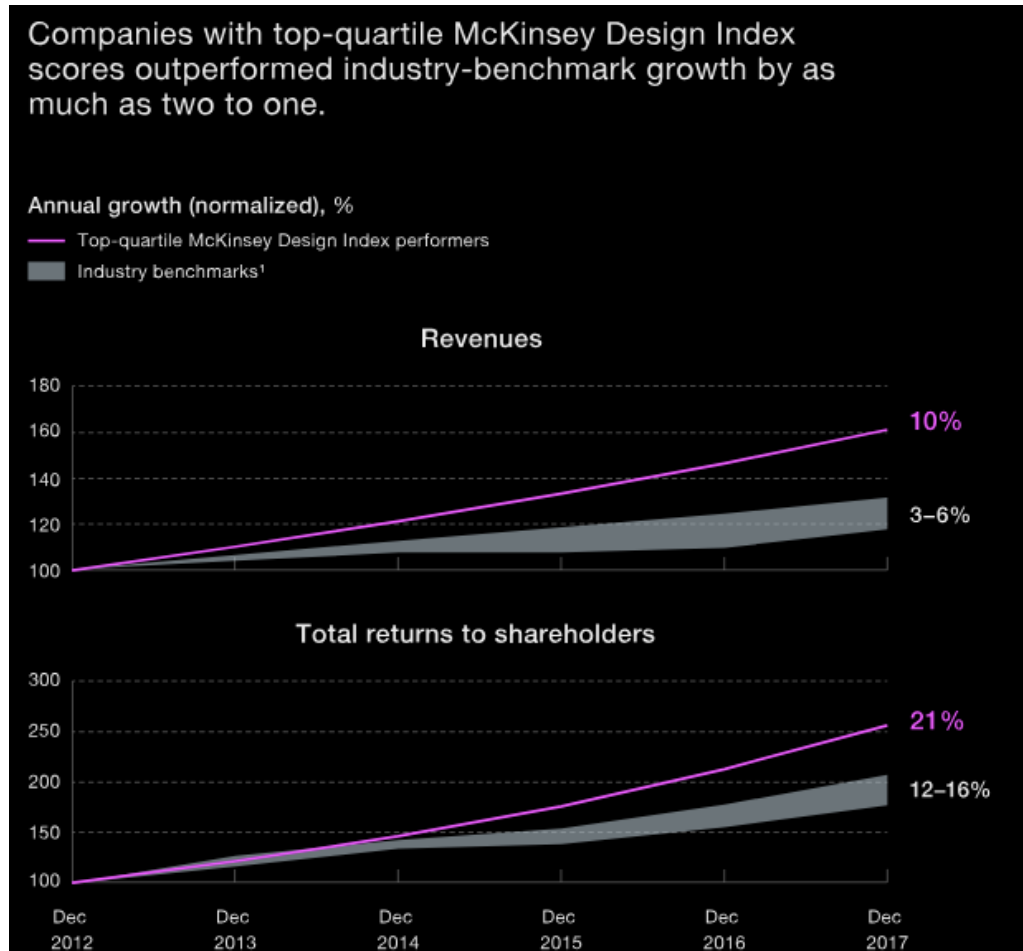2- Requires DATA as the new OIL
3- Requires Design integrated in Business

"The aim of marketing is to know and understand the customer so well the product or service fits him and sells"

Peter Drucker

3- Business Focus: the Business Value of Design

Design Company
1- Requires C-level support to break silos
2- Requires DATA as the new OIL
3- Requires Design integrated in Business

Companies with top-quartile McKinsey Design Index scores outperformed industry-benchmark growth by as much as two to one.

Source: The Business Value of Design – Mckinsey – 2018

Key Takeaways from Session 1

1. Brands are Experiences because the Experience is the Product

2. Brands are also SOFTWARE because of the Digitization of the Experience and the Empowered Customer who connects with Brands through digital touchpoints

3. The Customer is empowered through Information, Social Influence, Ubiquity and Mobility

4. Therefore → BRANDS = EXPERIENCE = SOFTWARE

5. Design with lower-case "d". Definitions of UxD, UI, IxD and Information Architecture

6. Design with upper-case "D". Becoming a Design Company Brands need to develop:

    - C-level support to break organizational silos
    - Requires DATA as the new OIL
    - Requires Design integrated in Business