



PRE-READING ASSIGNMENT NO. 2 (4 pages)

WEEK 2 SYLLABUS: CUSTOMER VALUE CREATION

(The Essence of Digital Transformation)

DIGITAL CUSTOMER EXPERIENCE AND DIGITAL TOUCHPOINTS

Is there such a thing as a digital customer experience? We can look at the overall customer experience in the context of digital touchpoints. We can look at individual experiences across digital touchpoints and interactions. Yet, at the same time, it's important to remember that the customer is not just a digital customer.

Separating **digital** customer experience from customer experience overall, in a world where digital and physical merge, would be meaningless if we look at it as a “real” separation. The customer is one, regardless of channels and devices. Nevertheless, there are many good reasons to take a deeper dive into what has become known as the **digital customer experience**. One of those reasons: the increasing role technology has in the lives of customers and the ways we conduct business in the broadest sense, what digital transformation is largely about.

The bad news for those who think that “digital” and “big data” is the answer to everything when it boils down to digital customer experience or DCX: forget it. There is no one-size-fits-all answer and the perception of experiences is as complex and diverse as human emotions are. More bad news: in order to create the conditions for improved customer experiences, culture is at least as important as strategy and the ability to work through, across and above long-standing corporate silos and personal agendas is crucial.

The good news: there are several ways to connect improved customer experience and business value with digitized processes and digital “tools”. And there is quite some low-hanging fruit, especially if you chose the path of gradual and prioritized optimization and turning insights, data and feedback into action, and if you connect digital customer experience with digital operational excellence.



Importance of Digital Customer Experience

As people – customers, consumers, prospects – use ever more digital channels and devices in their interactions with brands and organizations, there is an exponential attention for digital customer experience. It's well-known that the customer experience in an end-to-end context (as the sum of all experiences across the customer life cycle) is essential for both the future growth and the current bottom-line of any organization. The end-to-end customer experience is essential for customer retention, customer loyalty, word of mouth, acquisition and so much more. The exact same thing goes for the digital customer experience.

At the same time we can't ignore the importance of single customer experiences – also in a digital context. Depending on the customer's context, intent and expectations a single customer experience can make or break a business relationship. Nevertheless, as we see it everywhere, the end-to-end customer experience is what matters most in the end. The growing attention for digital customer experience is related with several evolutions:

- The rapidly growing use of digital channels, touch points and tools/devices by an increasingly “digital customer”
- The sharply heightened customer expectations that are driven by the real-time and digital experiences they enjoy in various industries and expect everywhere
- The increasingly complex and multi-channel behavior of today's customer who uses multiple channels, often at the same time.

Digital Customer Experience In The Eyes of The Customer

The customer doesn't really care about digital customer experiences, he cares about **experiences and digital**. So, the question remains: Is that attention for the digital customer experience necessary? In the end, the lines between offline and online are blurring. Although digital interactions become so much more important in the overall customer journey and customer experience, is there such a thing as the digital customer experience? And shouldn't we simply look at the customer experience as such?



The only way to look at it (remembering that the customer doesn't care about the difference between digital and non-digital) is seeing the digital customer experience or DCX as an end-to-end given as well. It's the sum of all customer experiences a customer has with your brand, company, services, offering etc. across all possible digital touch points and contact moments.

Dissecting The Digital Customer Experience

Dissecting it, just as is the case with customer experience, is crucial to improve it. The definition of the digital customer experience is one thing, the reality behind it another. And that reality is about to change even more dramatically than it already has in these days of digital pervasiveness. One term in that regard: the Internet of Things. There are several domains where **“customer experience”** and **“digital”** meet:

- The customer expectations of a digital-savvy customer who uses more digital technologies and channels
- The customer experiences across various digital touch points
- The digital technologies organizations can deploy to enable customer interactions (the front-end) and to improve the customer experience (the back-end)
- The experience regarding digital services and products as such

This is one area where the Internet of Things comes into play: smart digital devices that are: (1) built by brands and thus influence the perceptions of those brands, (2) come with an entirely different type of experience and (3) offer opportunities to improve customer experiences within the device or based on data regarding the usage of the device. It's clear that the digital customer experience is about more than what meets the eye today.

Understanding The Digital Customer

Of particular interest is the **“digital customer”**, someone who really uses digital channels a lot for all kinds of purposes.



This digital customer is changing as well. Just as the customer doesn't really think about the digital customer experience (he cares about the experiences), he doesn't care whether he's a digital customer or not.

However, he sure cares about ***“digital”*** channels, tools and of course experiences. The availability of digital channels to interact with brands, seek customer service and so on has even become a key decision factor to do business with an organization. And that is probably the most essential reason to look at the digital customer experience and at the *“digital customer”*.

Digital Customer Experience and Digital Transformation

Digital transformation and digital customer experience in most cases go hand in hand. However, we shouldn't make the mistake to reduce digital transformation to just the digital customer experience. Nevertheless, de facto there is a very strong relationship.

It's impossible to have great customer experience without digital transformation in the Age of The Customer. Most of us think first about the front-end experience when challenged with improving digital customer experience. We naturally gravitate toward the direct human interface: web features and functionality, design, native mobile apps vs mobile web and more. This is the glitz of digital customer experience and there is no relaxing here because your competitors and peers continue to raise the bar.

The challenge is not to overlook the essence and understand the contextual dimension of digital experiences: what makes customers tick on and off the Web, the crucial role of digital in today's customer journey and how data alone doesn't cut it. What works is a holistic perspective that goes beyond the limits of channels, devices, and tactics, but at the same time looks deeper into the atomic particles of the multitude of each digital customer experience.
