dropsolid
DIGITAL AGENCY

Turn your website into a digital experience

Building an integrated digital platform to connect with customers

Successful businesses are always looking to improve the ways they connect with customers. Leading organisations tackle this challenge using **Digital Experience Platforms** (or in short 'DXPs') as their key initiative. A DXP provides customer lifetime value, cuts costs and frees up resources. This generates competitive advantage as a result. In this whitepaper, we will share the five key steps that innovative and successful businesses rely on to build an integrated, digital-first business. **The number one recommendation is clear: the time to start disrupting your market with your digital strategy and assets is now**.

About **Dropsolid**

Dropsolid is the Digital Experience Company. We provide businesses with the breakthrough Digital Experience Platform built on open-source Drupal technology. We help organisations to deliver their best possible digital customer experience, combining our platform with strategic excellence and local market knowledge.

## How do innovative businesses **connect with their customers** in 2020?

Forward-thinking organisations make their business truly digital by connecting all their channels through a DXP, which allows them to:

→ Put the customer at the heart of their experience,

→ Provide employees with the best tools for more meaningful and personalised engagement,

→ Capture data that enable their organisation to excel at customer service.

How do they do this?

Open Digital Experience Platforms provide the most future-proof solution to this challenge, thanks to the following characteristics:

→ An open core and connectivity with best-of-breed tools,

→ The ability for internal and external development teams to build new features and functionality together,

→ A long-term technology roadmap that allows for continuous improvement.
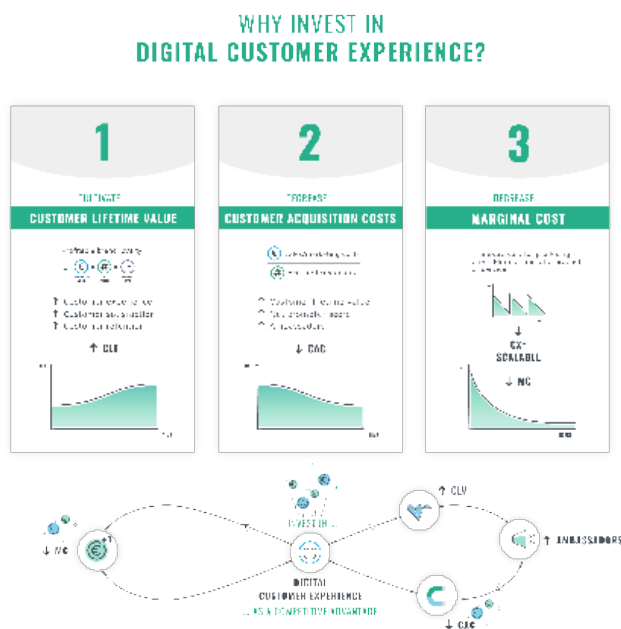
Organisations can leverage their strengths through a DXP to:

→ Cultivate Customer Lifetime Value (CLV),

→ Decrease Customer Acquisition Cost (CAC),

→ Minimise Marginal Costs (MC).

In this whitepaper, you will discover new insights about:

→ How successful businesses approach their strategic digital transformation,

→ New ways to connect your existing digital experiences,

→ How to provide the best possible digital customer experience and increase their customer lifetime value.

Contents

A word from our CEO

Innovative businesses have shifted towards digital customer experiences as their key differentiator. They enable organisations to connect to their audience, create customer lifetime value and manage costs.

Leading businesses are using Digital Experience Platforms to deliver on their promise of customer delight. Companies that have managed to execute on their digital vision are thriving. As a result, they are generating considerable competitive advantage. In this whitepaper, we will demonstrate how organisations deploy their digital experience approach to generate results.

In 2020, Digital Experience Platforms are still considered disruptive. Soon enough, they will be the norm in any organisation looking to move their business forward.

Nearly all customer experiences in today's world already depend on digital components to some degree. Whether you are using a combination of simple back-office tools and a customer-facing website or a fully automated e-commerce platform that relies on advanced integrations, all your digital assets require a flexible and future-proof approach. Open platforms are what makes this possible. As this whitepaper will show, open DXPs provide both short and long-term returns.

Digital experiences have already proven to be the best way forward. Customer experience leaders consistently outperform the market and the gap between innovative companies and digital experience laggards is set to widen even further.

"Spending time to establish definitive components for the ultimate customer experience is like trying to argue about the colour of a chameleon."

The strategic approach and roadmap for implementation of digital experiences, however, will be highly dependent on your organisation. Establishing the criteria and core components for the definitive customer experience set-up is like trying to argue the colour of a chameleon. There is no one-size-fits-all approach to successful introduction and expansion of Digital Experience Platforms. Evolutions are in constant flux and digital maturity levels vary across organisations, so businesses should seek to roll out a digital experience that fits their current and their future needs. That is why we have laid out the five keys steps for successful digital experience building in this whitepaper. I hope they will inspire you to find new ways to increase customer value through digitalisation.

Dominique De Cooman
Dropsolid CEO

Why integrated customer experiences matter more than ever

Why digital customer experiences matter more than ever

Digital business models have matured tremendously over the past decade. **Organisations are shifting towards a digital-first approach for almost any aspect of their business.** Digital tools are now a core element to most organisations. The time to invest in unified, connected digital experiences is now. If we take online shopping as an example, the statistics are staggering. According to Forrester, e-commerce transactions are expected to grow to $951 billion in revenue by 2023, compared to $550 in 2018. In-store purchases will stagnate or start falling.

Many digital transformation cases are well-documented - e.g. ERA Real Estate, Sleeplife, Soudal or Lotus Bakeries. The advantages are similar for enterprise and SME players alike. Cost optimisation and personalised experiences are achievable on any business level.

As innovative companies have embraced this digital change across all organisational levels, they are increasingly focused on **generating more return on their digital investments**. As recent research by Gartner demonstrates, board members are not only turning to directly measurable **financial ROI**, but also to **customer analytics metrics** - and rightly so.

"**The divide between online and offline experiences is fading.** Customers expect a smooth experience, regardless of channel or device."

Integrated customer experiences didn't suddenly emerge out of thin air as the next big thing in value creation. They are simply the inevitable result of a new reality. As consumers across all demographic categories have collectively shifted towards an online-first approach in their day-to-day lives, their service and product providers have followed suit. Integrated customer experiences are not a nice-to-have or a novelty to garner temporary attention for marketing purposes - instead, **they are the new normal**. Research by Kissmetrics has shown that customers expect to find what they are looking for within 8

seconds of landing on a website. At the same time, 80% of customers will immediately leave a site after a poor search experience. Customer experience leaders are consistently outperforming the market across the board.

Your **customers**...

→ do not distinguish between online and offline experiences,

→ expect a smooth customer experience, regardless of channel or device,

→ Want to be able to engage with your company in near real-time.

Customer experience means everything

Before we move forward, we'll take a look back at how customer experience has established itself as the key differentiator that it is today.

2013 was the year when the predecessor of our very own Dropsolid Experience Cloud first saw the light of day. It marked the start of what would later become a fully-fledged Digital Experience Platform or DXP, though the term hadn't caught on yet outside of a select group of technology and platform leaders. At the time, potential consequences and benefits of integrated digital experiences were not yet fully understood, much less appreciated.

Strategic trends report of the day were occupied with trying to predict what **channels** might become dominant for reaching customers and which **tools** would be the most future-proof for further business growth.

As an illustration of the impermanence of such questions: experts at the time were agreed on the importance and future rise of mobile browsing, but were less convinced on whether to bet on Google+ or Twitter as the go-to medium for two-way client conversations. A number of important technical evolutions, such as the adoption of cloud computing, were also slowly becoming accepted practice, as ROI benefits started to outweigh (perceived) security risks.

One of the more striking predictions for 2013 came from Walker. The US consulting firm boldly predicted that **by the year 2020, customer experience would overtake price and product as the key brand differentiator**. A mere four years later, the company released an updated progress report on its original study, announcing that **their forecast had been wrong**. As it turned out, **customer experience had already taken over to establish itself as the key brand differentiator by 2017,** three years earlier than expected.

We don't have to look far for the reasons behind this rapid change.Product-based companies are increasingly subject to inevitable **commoditisation** of their products. Today, the power has shifted to consumers. They have found an excellent means to

voice their opinions and to influence preferences and buying behaviour of others in the form of different social media channels. The same goes for many B2B sales cycles, where a similar transition has occurred. Providing a flawless customer experience often proves to be a decisive factor in winning business deals and improving existing relationships.

Key benefits of an **integrated customer experience platform**:

→ **Customer interaction**

Build a consistent presence across all channels and allow customers to interact at any time, in any context.

→ **Marginal costs**

Decrease marginal costs by integrating tools through a platform approach.

→ **Customer lifetime value**

Delight your customers, increase your Net Promoter Score and build customer lifetime value.

Stakeholder objectives for defining priorities

Key questions:

→ What does a successful customer experience mean to members of your organisation?

→ How does this view align with expectations of end users and customers?

Depending on your role within your company, focal points for digital experiences - and, more importantly, their desired outcomes - can vary greatly. Whilst these objectives do not necessarily have to be conflicting, it is worthwhile to take a closer look and see how the nature of the roles of different stakeholders impacts the key factors they look for in a digital customer experience, in addition to the metrics they use to define the success of said project or platform.

"What are different stakeholders looking to achieve with their _digital customer experience?_"

Boiled down to its essence, the question is simple: what are different stakeholders looking to achieve with a digital customer experience? And what is understood by this customer experience concept through the eyes of end users? Below, we have set out a few straightforward business objectives for mid-sized organisations. We have noticed that the nature of these goals is remarkably consistent with the stakeholders' respective roles.

Our own research and experiences with implementation of digital customer experiences suggests a few distinct areas of interest and objectives for the following stakeholder roles:

CMO and CDO objectives

Marketing-oriented decision-makers, by nature of their job role and duties, tend to place their attention on the customer side of digital experiences. The focus of CDOs is often quite similar: since their role is often strongly rooted in a marketing background, they also fully understand the deep connection that end users should be able to build with their companies' comprehensive digital experience. The most frequent objectives for CMOs and CDOs can be narrowed down to the following three goals:

1. To deliver a digital experience that engages and delights end users and that is as wide-ranging as technically possible.

2. To enable a faster time-to-market, driven by the need to adapt to changing customer wants and needs.

3. To generate a smart digital customer experience that increases Time to Value (TtV).

CIO objectives

Priorities and concerns for CIOs and other related decision-makers are usually more technically orientated. Their top-three objectives for digital customer experiences:

1. To give teams (marketing, HR, customer success,...) more **freedom to engage** with a wide range of stakeholders across multiple channels.

Explained: Time to Value in a digital context

Time to Value or TtV measures the time necessary to deliver on the implementation of a digital component and to generate business value from that component. It is similar to Return on Investment or ROI, but it measures the effectiveness of the implemented solution or software rather than (only) the financial benefit. Time to Value comes with one important caveat: contrary to the financial metrics used in ROI, the definition of 'value' is harder to define and has to be agreed upon in advance by all company stakeholders to facilitate discussions.

2. To **generate more ROI upon delivery**.

3. To **safeguard security and scalability** and to **increase transparency** and governance.

The responsibility of CIOs to deliver projects on tight budgets and timelines leads them to favour ROI over TtV as a key metric. Outside of this slight difference in approach, the above criteria are by no means mutually exclusive with typical areas of focus of CMOs and CDOs.

Customer wants and needs

Finally, we should briefly sum up the role of customers in the equation. We want to steer away from stale business clichés about putting the customer first and the customer is king - these inspirational words of conventional business wisdom might be better-suited to motivational posts on personal networking channels - , but as always, there is some truth in the phrase.

Organisational approaches that work customer-centric are often said to be in good company and less liable to diminishing returns. And the best way to meet this demand in a future-proof way, is through a Digital Experience Platform.

DXPs are the way forward

When executed well, seamless digital experiences can have a profound effect on a visitor's decision-making process. Digital customer experience projects provide the highest potential return on investment, as recent Gartner research shows. Projects that improve customer lifetime value are a safe bet for organisations looking to create value. The same Gartner survey showed that over 80% of large international players expect to compete mainly on Customer Experience (CX). Mid-sized and small businesses are following in the footsteps of these companies, as their digital objectives are equally important to their business.

Untapped potential

Customer experience is king. Nearly three quarters of large international organisations that were surveyed by Gartner in 2018 have a dedicated customer experience team. Our internal research into the European SMB market shows that mid-sized companies are still at the early stages of their digital experience roadmap. This, in turn, indicates a market opportunity: digital experiences are no matter of keeping up with the competition - as is the case in the even more digitally competitive US market, for example -, but instead still provide an opportunity to stand out amongst the crowd with relatively modest investments that deliver excellent ROI. Put simply: the pie is still expanding and large slices of it haven't been digitally flavoured yet.

Examples from the Benelux market:

→ **Accent Jobs** took advantage of its position as a challenger company to build a **digital-first approach**, which led to a turnover growth from 230 million to 1.7 billion in just seven years.

→ **ERA Real Estate** grew its business model through a multisite implementation, reinforcing its branch network.

Analytics as a first step

According to Gartner's research, customer analytics is considered the most critical technology investment for customer experience improvement projects in large companies. Investments in this area as part of a Digital Experience Platform is within reach of many mid-sized enterprises as well. You can find more on this in the section 'Five steps for building a long-lasting digital experience'.

Whilst full-scale personalised customer journey projects might take some time to get up to speed, data collection for basic customer need analysis and digital marketing analytics has proven time and time again to be one of the most worthwhile investments. As a first step, these data can be used to improve conversion funnels and build a better customer experience.

Key points

→ Leading organisations use **digital platform projects** to improve customer lifetime value and create both short and long-term return on investment.

→ **Customer analytics** are key for future customer experience improvements. It is never too early to start collecting data.

→ **Progressive digital investments** can provide tremendous returns in growing markets.

The case for an integrated platform approach

From CMS to unified digital experiences

Components of a Digital Experience Platform are ever-changing

It is difficult to define a particular set of must-haves for the ultimate digital customer experience set-up. This is primarily due to two factors:

→ Different business models require specific components and approaches for internal and external communications and product or service delivery.

→ These best-of-breed components, tools and channels are always in flux, as a result of continuous innovation.

Keeping up with the tooling rat race is no easy task: businesses often struggle to see the wood for the trees due to the plethora of digital tools available. This is where the philosophy of building a digital experience for customers enters the picture. In practice, this experience is based on and delivered through a Digital Experience Platform or DXP.

"What are different stakeholders looking to achieve with their digital customer experience?"

According to Gartner's definition, a Digital Experience Platform is "an integrated software framework for engaging a broad array of audiences across a broad array of digital touchpoints. Organisations use DXPs to build, deploy and continually improve websites, portals, mobile apps and other digital experiences."

In other words: a DXP enables businesses to deliver a true digital experience to their end customers.

This interpretation and the resulting practical implementation go far beyond the scope of a Content Management System (CMS), for which it sometimes gets mistaken.

What is a CMS?

A CMS serves a limited set of well-defined tasks. It helps organisations and their team members manage and create content, usually for a website and related applications. This content can take the form of different media types (e.g. text, video and images). Some content management systems are capable of taking content management a few steps further: they provide multi-channel management or even basic personalisation. However, the inherent limitations of a CMS mean that advanced marketing needs will have to be met by different software, which adds to the number of pieces in an organisation's technology stack.

What is a DXP?

Digital Experience Platforms take their name seriously. **They have grown out of the structural, narrowly defined limitations of a CMS and they enable organisations to deliver fully capable customer experiences**. Leading DXP providers usually have their roots in content management, but they go beyond on-the-fly integrations of additional software and they carry structural adaptability and future-proofness in their core.

This fact ties back neatly to one of the key facts mentioned earlier: key components in the digital landscape are ever-changing. Digital Experience Platforms are always ready to embrace new technology and tools that stem from new business requirements.

Key points

→ A **Content Management System** or **CMS** is the perfect **tool** to build and maintain a **basic website**.

→ A **Digital Experience Platform** or **DXP** is a **future-proof environment** that connects all your digital tools and allows you to grow your business.

Core components that shape a Digital Experience Platform

Businesses are increasingly looking for guidance regarding what channels to go to and which components best to implement to connect internally and with customers. Recurring topics are the quests for the best tools to use for digital advertisements, internal productivity tools and digital asset management. Whilst a good strategic partner will no doubt be able to guide you in this respect, the implementation process for a true digital customer experience demands more fundamental questions to be asked.

How is your business planning to connect with its customers and build long-lasting relationships? This goes beyond one-time tooling or channel choices and it calls for a platform that is fundamentally sound yet flexible enough to adapt for years to come. Successful Digital Experience Platforms consist of three key elements:

→   Open **technology**
→   Flexible **components**
→   The possibility to **integrate** with other tools

Five steps for building a long-lasting digital experience

Key steps for DXP execution

Successful digital experiences are built using five key steps, which are all equally crucial for long-term value creation. As we mentioned earlier, the execution of said steps can lead to vastly different outcomes for individual organisations, but the underlying framework for the creation of successful digital experiences is remarkably consistent. **Below are the five steps:**

1. Strategy
2. UX & Design
3. Implementation
4. Platform
5. Optimisation

1. Strategy

Every digital project starts with a powerful, profound strategy, based on foundational business frameworks for service design and marketing communications.

Throughout a series of advanced service design workshops, your team sits together with digital strategy experts to:

→ Discover how to **translate your offline services into a digital offering**,

→ Explore both your **short- and long-term growth opportunities**,

→ Find ways to **save on operational costs through your digital experiences**.

On a parallel track, marketing communications workshops are used as a discovery tool to establish how new customers or members can be attracted and retained through targeted website pages, campaigns and other digital efforts. User personas are a crucial device throughout this process. They help your business to establish key objectives

that can be translated into a digital service design. They often include concrete KPIs for increased site visits, more leads, an improved search experience, a decrease in service costs or revenue optimisation.

Design thinking

Effective strategy and subsequent digital experience design rely heavily on design thinking as a conceptual framework. Analysis of target groups and their needs leads to the creation of user personas, which are used as a guideline to create user-centered design. Design thinking is the basis of a powerful digital experience that is structured and scalable. In addition, well-executed design thinking tracks results in valuable new insights for all stakeholders, including internal business teams. The design thinking process consists of five stages:

→ **Empathise**

Empathy-based user need research and problem definition through WH-questions (who, what, when, why, where).

→ **Define**

Analysis of observations and definition of key problems in a user-centred way.

→ **Ideate**

Generation of actionable ideas for conversion-oriented and user-friendly design.

→ **Prototype**

Translation of ideas into a functional prototype.

→ **Test & Iterate**

Solution testing and processing of feedback.

Design thinking exercises in larger organisations typically consist of repeated cycles of the above five steps.

2. UX & Design

Design and user experience (UX) are crucial for digital interactions that provide impact. Effective user experiences are not only judged by their appearance, but also by their interactivity and their ability to **convert**. Based on the results of the design thinking process from step 1, the actual digital experience design becomes more effective. When implemented correctly, successful design thinking does not only generate the right stakeholder insights, but also improved digital experiences that increase brand value, lower service costs, and deliver on business KPIs.

3. Implementation

Teams that are able to implement the required solutions swiftly and efficiently are coveted human assets in a digital-first age. Successful implementation relies on four factors:

→ **Integrations**

These should be sustainable and scalable. Customer statistics, PIM and ERP data, formatting, update frequency,... Smart integrations take all relevant parameters into account.

→ **Platform openness**

An open platform saves implementation time, thanks to existing modules that connect and integrate your tools.

→ **Sustainability**

A sustainable digital platform can be gradually upgraded and avoids the need to replatform completely every few years. Open source technology is leading the way, thanks to its open philosophy of long-term upgrade paths.

→ **Support**

Who will be responsible for follow-up once the initial development stage has been completed? Do your organisation's internal teams possess the required resources and knowledge, or will you look at a partner company to train your employees or to take on maintenance and support tasks? This is largely a question of dependence.

4. Platform

As the previous chapter demonstrates, digital components work most efficiently if they run through a Digital Experience Platform. In addition to the advantages in terms of connectivity and upgrade lifecycle, there are considerable upsides for internal business teams:

→ **Developers**

Development on a DXP allows IT teams to automate routine jobs (e.g. security updates) and deploy new sites quickly. This way, developers have more time to focus on the creative coding work that generates a competitive advantage.

→ **Marketers**

New marketing tools can easily be added to a cloud-run DXP, thanks to easy integrations using an API-first approach. This provides marketing teams with the freedom they need to focus on customer lifetime value. Key components:

- Personalisation
- Artificial Intelligence
- Customer Data Platform

Explained: Customer Data Platforms

Customer Data Platforms or CDPs are a relatively new addition to the digital marketing stack, originating from the need to **bring data together**. Unified customer profiles, analytics and customer segment insights are combined to create actionable data that can be connected to all of your DXP's digital channels. Essentially, a customer data platform (CDP) creates a unified source of **customer intelligence**, accessible to other systems. The system processes customer data from multiple online and offline sources, regardless of the data's structure (be it an email or a tracking cookie). The data are then centralised so other tools in your DXP can analyse and use them for custom analytics, marketing campaigns, machine learning and other data-related business needs. This goes far beyond the capabilities of classic content management systems or marketing automation suites, which lack the ability to process and structure vast quantities of data in different formats.

5. Optimisation

Continuous optimisation of your digital experience is key. A digital experience is never finished, as customer needs evolve alongside the competitive market landscape.

Optimisation success depends largely on the right data funnels and structures through your customer data platform (CDP). **If you know your target audience well, you can tailor your digital experience to meet their needs**. Businesses need to be able to collect customer data from different channels to create unified customer profiles, which allows them to leverage this data across campaigns for a superior customer experience. This doesn't happen overnight: a solid foundation allows you to add more data and channels at later stages.

Intuitive and comprehensive **dashboarding** is a second crucial step in optimisation. Dashboards provide your teams with insights to help you make informed decisions. User base growth, effectiveness of campaigns with different customer groups, channel mapping, etc.: there are plenty of metrics that help you to take action and deliver tangible results. Further optimisation can be done through deployment of **artificial intelligence**. Advanced AI algorithms can discover hidden patterns that help you to make sense of your data. In addition, **keyword analysis** further improves your search strategies and helps you to attract more visitors to your sites.

Conclusion

Key points and questions for reflection

Key points and questions for reflection

As organisations are looking to find new ways to connect their existing digital experiences, they find themselves at different stages of their strategic transformation process. The guiding questions below can be of help for strategic teams to determine the course of action to be taken.

→ What is the **current level of digital maturity** within your organisation? And what level would be achievable in the short, medium and long term?

→ Do you have any **ongoing digital projects**, and if so, how do they fit your long-term strategy?

→ What does your **digital experience philosophy** look like? Do your current digital projects fit the bigger picture of your organisation's journey towards an **integrated** digital experience?

The answers to these questions will likely differ amongst members of different teams. The results can provide valuable insight to determine the current state of your digital business and to come up with a realistic approach and roadmap for successful implementation of your Digital Customer Experience. Ultimately, strategy will be key to building a strong customer experience that generates long-term customer value.

Bring your digital customer experience to the next level with Dropsolid, the Digital Experience Company.

Get in touch or see our case studies

dropsolid

DIGITAL AGENCY

Moutstraat 60
9000 Gent
België