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EXPERIENCE
CLOUD

Shift to integrated customer experience platforms

About this whitepaper

European businesses are looking for better ways to **connect with their customers** and deliver a seamlessly integrated offline and online customer experience. Arguably the most future-proof solution to this challenge can be found in **digital experience platforms**. Put simply: an open, connected platform that **provides customer lifetime value and cuts both customer acquisition costs and marginal costs**.

Challenges

Mid-sized businesses are looking to shift towards an open, platform-based digital approach to make their business truly digital and to connect their channels, 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 them to excel at **customer service**.

Key Findings

Open digital experience platforms (DXPs) provide the most future-proof solution to this challenge, thanks to the following features:

- 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 who use an open digital experience platform combine their business strengths and the potential of their digital platform to:

- Cultivate **Customer Lifetime Value** (CLV),
- Decrease their **Customer Acquisition Cost** (CAC),
- Minimise **Marginal Costs** (MC).

Is this guide for you?

This whitepaper is designed to inspire and provide insight to organisations who are:

- In the process of **strategic digital transformation**,
- Looking to find new ways to connect their **existing digital experiences**,
- Curious as to how strong businesses across Europe are exploring ways to provide the best possible digital customer experience and **increase customer lifetime value**.

About Dropsolid

Dropsolid is the Digital Business Company. We provide businesses with a state-of-the-art digital experience platform built on open-source Drupal technology. We help organisations to deliver their best possible customer experience and to increase customer value in today's digital-first era. We combine our cutting-edge platform with strategic expertise and local market knowledge

In this whitepaper

Introduction by Dominque De Cooman, Dropsolid CEO

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Businesses no longer only compete on the familiar battlegrounds of pricing, product, marketing or organisational efficiency. They are increasingly shifting towards **digital customer experiences** as their main differentiator. This way, they are able to delight customers, create customer lifetime value and decrease costs.

Organisations across the European continent are reaping the benefits of **digital experience platforms** to deliver this value. Companies that have managed to execute on their digital vision are thriving. As a result, they are generating considerable **competitive advantage**. The aim of this whitepaper is to show you **how** they do it, **why** they do it, and how **your organisation** can use the same techniques and platforms to generate results.

Nearly all customer experiences in today's world rely 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 and online helpdesk, they all require a flexible, future-proof approach. An **open platform** is what makes this possible. It provides both short and long-term returns, as this whitepaper will show.

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

Digital experiences are the best way forward for mid-sized businesses. The strategic approach and roadmap for their implementation, 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, so you should seek to roll out a digital experience that fits your needs and, above all, is future-proof. I hope this whitepaper will inspire you to find new ways to increase customer value through digitalisation.

Why integrated customer experiences matter more than ever before

Why integrated customer experiences matter more than ever before

Digital business models have matured tremendously over the past decade and organisations are increasingly shifting towards a digital-first approach for almost any aspect of their business. Digital tools are now a **core element** to most organisations.

Many corporate digital transformation cases at high-profile European companies are well-documented - e.g. ERA Real Estate, Kinepolis or Lotus Bakeries. The advantages are often even more substantial for mid-market players looking to optimise costs and tailor their services and products to their customers.

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

As innovative companies have embraced this digital change across all organisational levels, they are increasingly focused on **generating more return on their investment**. 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.

Integrated customer experiences didn't suddenly emerge out of thin air as the next big thing in value creation. They are merely 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.

Your end users...

→ Do not think in terms of online or offline,

→ 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: the key differentiator in today's business

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 Platform first saw the light of day. It was the genesis 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.
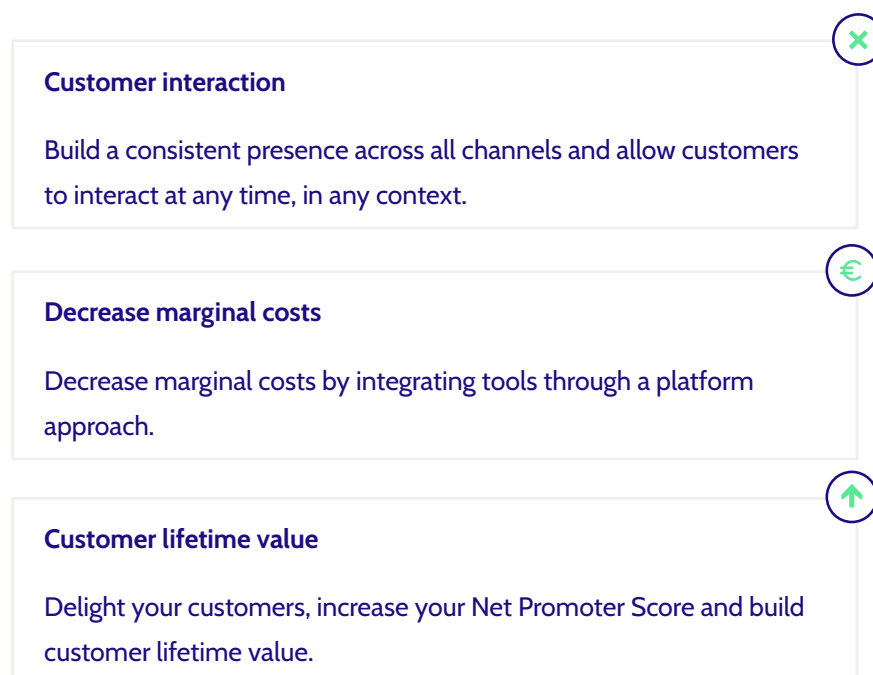
As an illustration of the impermanence of such questions: experts at the time were agreed on the importance and future rise of mobile browsing, but were less convinced on whether to bet on Google+ or Twitter as the go-to medium for two-way client conversations. A number of important technical evolutions, 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** - though perhaps not in the way you might expect. In fact, **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 too far for the reasons for this rapid change. Product-based companies are increasingly subject to inevitable commoditization of their products. Today, the power of influencing 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 an abundance of different social media channels. The same goes for many B2B sales cycles, where a similar transition has occurred. Flawless customer experience adds to the overall image and often proves to be a decisive factor in winning business deals and improving existing relationships.

Key benefits of an integrated customer experience platform approach:

Customer interaction

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

Decrease 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

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 a 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, as well as the metrics they use to define the success of said project or platform.

> **"The key question is: what are different types of stakeholders looking to achieve with a digital customer experience?"**

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

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

CMO and CDO concerns

Marketing-oriented decision-makers, by nature of their job role and duties, tend to place their greatest interest in the customer side of digital experiences. The focus of CDOs is quite often rather 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:

- To deliver a digital experience that **engages and delights end users** and that is as wide-ranging as technology and the business permits.
- To enable a **faster time-to-market**, driven by the need to adapt to changing customer wants and needs.
- To generate a smart digital customer experience that increases **Time to Value (TtV)**.

Explained: Time to Value in a digital context

Time to Value or TtV measures the length of time necessary to deliver upon the implementation of a digital component and realise business value from that component. It is similar to Return on Investment or ROI, but 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.

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:

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

Key points:

- Different stakeholders have different business objectives and technology needs.
- The best open platforms are able to meet those expectations and combine them on a platform that starts generating results from day one.

DXP as a sure-fire market opportunity

When executed well, a seamless digital experience has a profound effect on the decision-making processes of both existing and prospective customers. 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 and guaranteed return of investment. The same Gartner survey showed that over 80% of large international players expect to compete mainly on Customer Experience or 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

In larger enterprises, customer experiences are becoming a focus on all company levels. Nearly three quarters of large international organisations that were surveyed by Gartner in 2018, have a dedicated customer experience team. However, our own findings in the European SMB market show that mid-sized companies are still at the early stages of fully integrated DXP approaches. This, in consequence, 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 heavily favour directly measurable ROI. Put simply: the pie is still getting larger, and large slices of it haven't been digitally flavoured yet. Examples from the Benelux market:

- **Accent Jobs** used its position as a challenger company to its advantage and built 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 the same Gartner research, customer analytics is considered the most critical technology investment for customer experience improvement projects in large companies. Investments in this area as a first connected layer of a digital experience platform is within reach of many mid-sized enterprises as well.

Whilst full-scale personalised customer journey projects might take a while 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, or, further down the road, to expand your digital experience platform and the optimal 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 relevant data.
- **Progressive digital investments** can provide tremendous returns in a growing SME and mid-sized company market.

The case for a platform approach

The case for a platform approach

From CMS to DXP

Key challenge: components of a digital experience platform are ever-changing

As we mentioned earlier, 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:

- Organisations are evidently founded on different business models that require **specific components** and different approaches for internal and external communications and product or service delivery.
- Those best-of-breed components, tools and channels are perpetually **changing** 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. That 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.

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.

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 may even be able to take content management one or two steps further and provide multi-channel management or a certain degree of personalisation. However, the inherent limitations of a CMS imply that needs for advanced marketing capabilities will need to be filled with other software, which adds to the number of pieces to your technology stack.

DXP: the next level

Digital Experience Platforms take their name seriously. They have grown out of the structural, narrowly defined limitations of a CMS and enable organisations to deliver the widest range of 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 the key challenge mentioned at the top of this chapter: **key components in the digital landscape are ever-changing.** Digital Experience Platforms are 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 application that connects all your digital tools and allows you to grow your business.

How to make your platform future proof?

Businesses are increasingly looking for guidance regarding what *channels* to go to and which *components* to implement to connect internally and with customers. Common recurring themes are the never-ending 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 core components:

- Open technology
- Flexible components
- The possibility to integrate with other tools

"True flexibility and digital strategy go beyond guesswork on what will be the next big tool or channel."

Executing on the DXP opportunity

Executing on the DXP opportunity

Case study: the Dropsolid Digital Experience Platform

Once we have established the ideal core features of a digital experience platform, let us put things into practice. As an example, we will explore all relevant elements using the **Dropsolid Digital Experience Platform.** This is the leading Drupal-based platform that fits all of our digital experience criteria. It is the driving force behind hundreds of digital experiences for organisations operating in different markets, ranging from Kinepolis and Lotus Bakeries to Beobank and Gezinsbond. We take an objective approach that highlights the platform's core features, identifies potential pitfalls of digital experience implementation and explores the links between technical set-up and business objectives. Below is an overview of the platform's architecture:
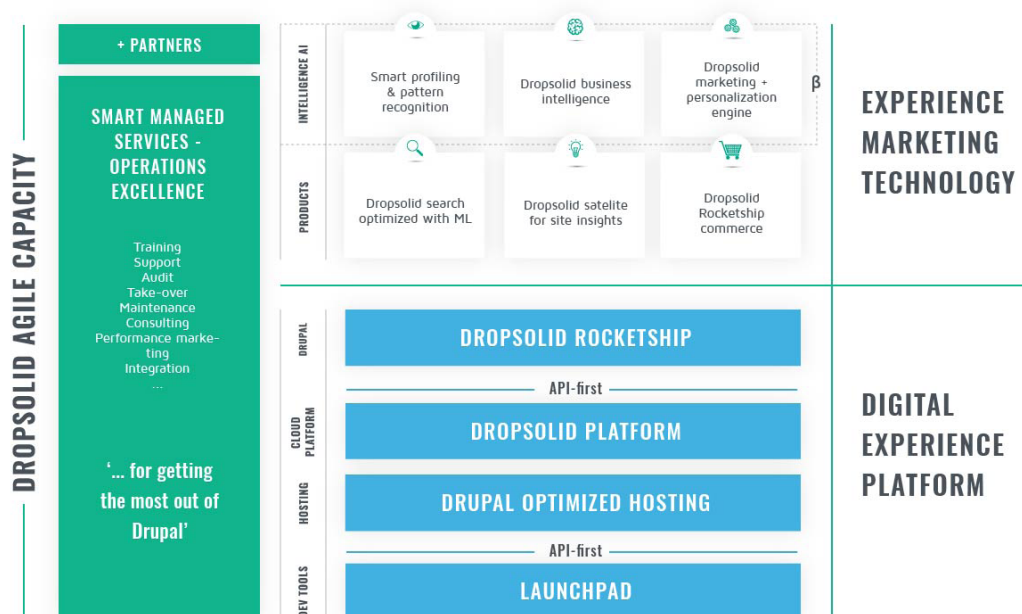
The entire Dropsolid customer experience platform stack

Under the bonnet: key technical components explained

Base layer: Drupal-based cloud platform

At its core, the platform consists of a technical base layer. This foundation uses the **Drupal CMS** through a technical installer (the **Dropsolid Rocketship**) and a set of popular **building blocks**, which can be configured to form the foundation of a Digital Experience Platform. On a technical level, this approach allows for faster deployment, avoiding long development times for basic features. This system of building block-based features can prove particularly useful in a **multisite** context as well. If new websites are rolled out, they can use existing features from other websites. This smart use of the accumulated feature backlog ensures that new websites can put to good use any features that were developed for other websites. Reusing components allows for faster, more cost-effective and therefore sustainable web development. Multisite projects of up to 1000 subsites are no exception: that is exactly what the Dropsolid DXP did for Gezinsbond.

Tools for deployment, maintenance and testing also form an integral part of the platform. This tooling allows us to be faster and more cost effective with Drupal, and users of the platform have access to its features through an open SaaS/PaaS environment. This is a key requirement for any business looking to take ownership of its digitale experience.Platform-specific hosting

Key points:

Faster go-to market

"Smart digital experience platforms are a means to an end. They are able to take on the required shape or form to meet business demands."

Platform-specific hosting

Even the most feature-rich digital experience will fall flat if customers spend most of their time waiting for their content to load. That is why platform-optimised hosting is an often overlooked yet key requirement for any digital experience. In the case of the Dropsolid Platform, Drupal-specific hosting solutions generate the best results.

Key points:

Increased customer delight

Practical benefits

Running a digital experience through a centralised platform at its core, allows you to offer your digital experience **across multiple channels**. At the same time, this centralised approach allows organisations to deploy new sites quickly, with minimal (or zero, depending on their complexity) intervention from IT teams.

Key points:

Centralised access results in easier overview, governance, security and scalability

Secondary layers

As the above visual summarises, the platform layer is a foundation for a wide range of other tools and services, which all communicate back and forth with the platform. New **tools** and **channels** can be slotted into the platform approach at will: this property perfectly characterises the flexibility of a true versatile platform. Smart digital experience platforms act as a catalyst for **creating customer lifetime value**. They are a **means to an end** and are able to take on the required shape or form to meet business demands.

Marketing tools are a prime example of this approach. Best-of-breed software can be connected effortlessly to solid digital experience platforms, thanks to open communications and an API-first approach. Other tools, including business intelligence and search, are equally easily added to or removed from the stack, again depending on the best way forward to achieve organisational results.

The service section in the left sidebar is a particular point of attention that is entirely **partner-specific**. The best digital experience platforms give their users the freedom to select the most appropriate partner to ensure operational excellence.

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Conclusion

Taking action: questions for reflection

Organisations are focused on generating ROI for their digital customer experience projects. Smart digital experience platforms provide the right approach to deliver on these demands through improvements in the following areas:

- Governance
- Security
- Cooperation
- Time-to-market and time-to-value
- Freedom to choose technology and tools

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 a digital experience platform. Ultimately, strategy will be key to building a strong customer experience that generates long-term customer value.

Guiding principles

Key points

- Growth-oriented organisations use a Digital Experience Platform to connect their channels and put the customer at the heart of their experience.
- Open platforms, such as the Dropsolid DXP, provide the most flexible and future-proof digital investment in the long term.