

# The Digital Experience Revolution

## Preparing for a very different tomorrow

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## Customer Experience is becoming the next battleground...

**80%**

of CEOs think they deliver a superior customer experience...

"GAP"



**8%**

of their customers agree



**This is not a user experience**



This is an experience.....

Businesses are rebuilding around experiences





**...To be able to create memorable experiences...anywhere, anytime**

# The experience revolution: The game is on!

Four clear messages stand out....

1

Companies need to think more broadly about experience

2

The world will be radically different in 12 months

3

What you don't measure, you won't get

4

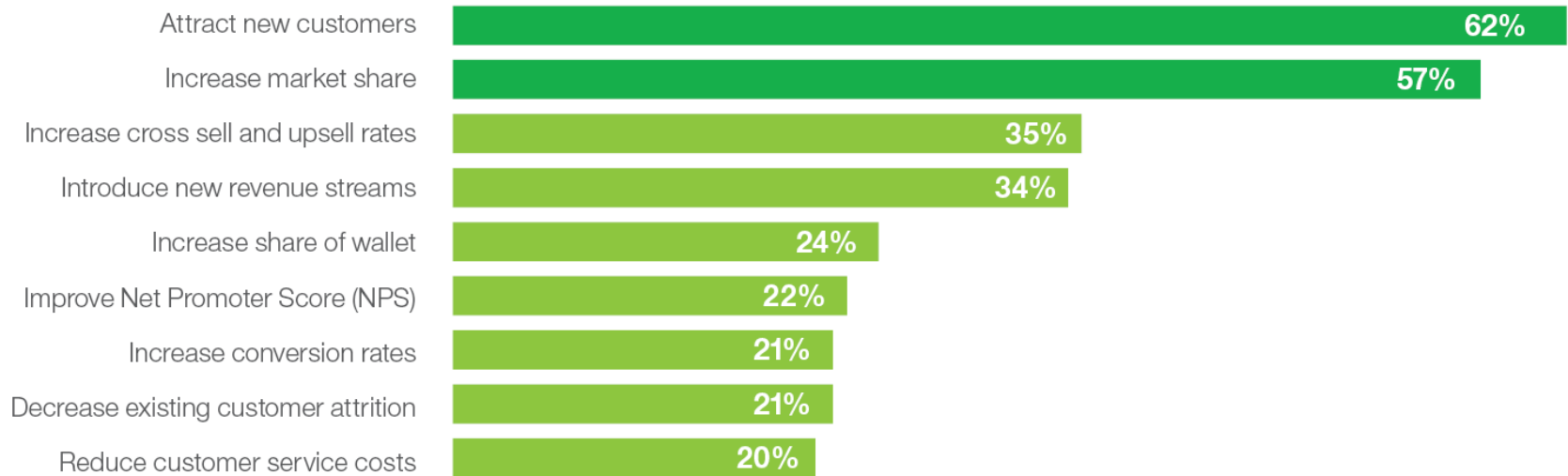
You need to build an ecosystem of talent



# 1. Companies need to think more broadly about experience

Respondents overwhelmingly cite the need to attract new customers and drive market share as the reasons for enhancing customer experience. Far fewer see the goal as cost reduction. But is this short sighted?

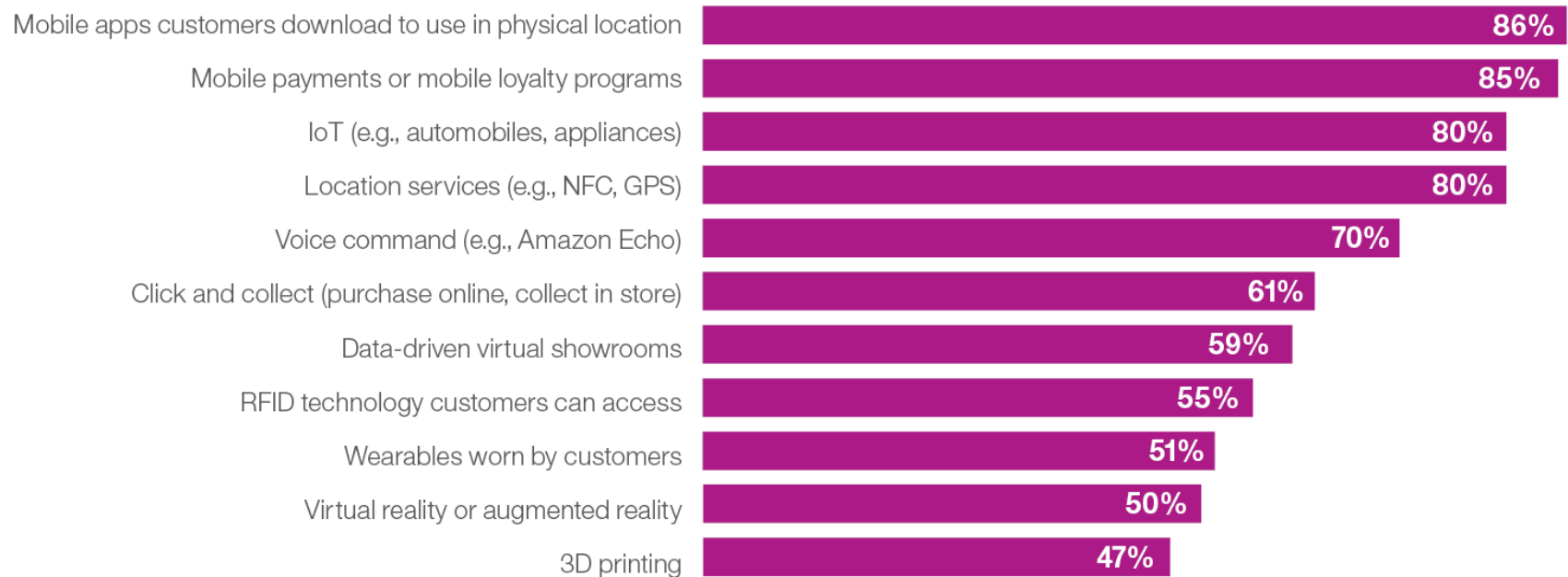
Metrics driving customer engagement strategy



## 2. The world will be radically different in 12 months

Companies are aggressively launching a multitude of digital initiatives to enhance their customer experience. But this digital activity needs to be coordinated across the enterprise to have the biggest impact.

Customer engagement initiatives that companies are implementing within the next 12 months

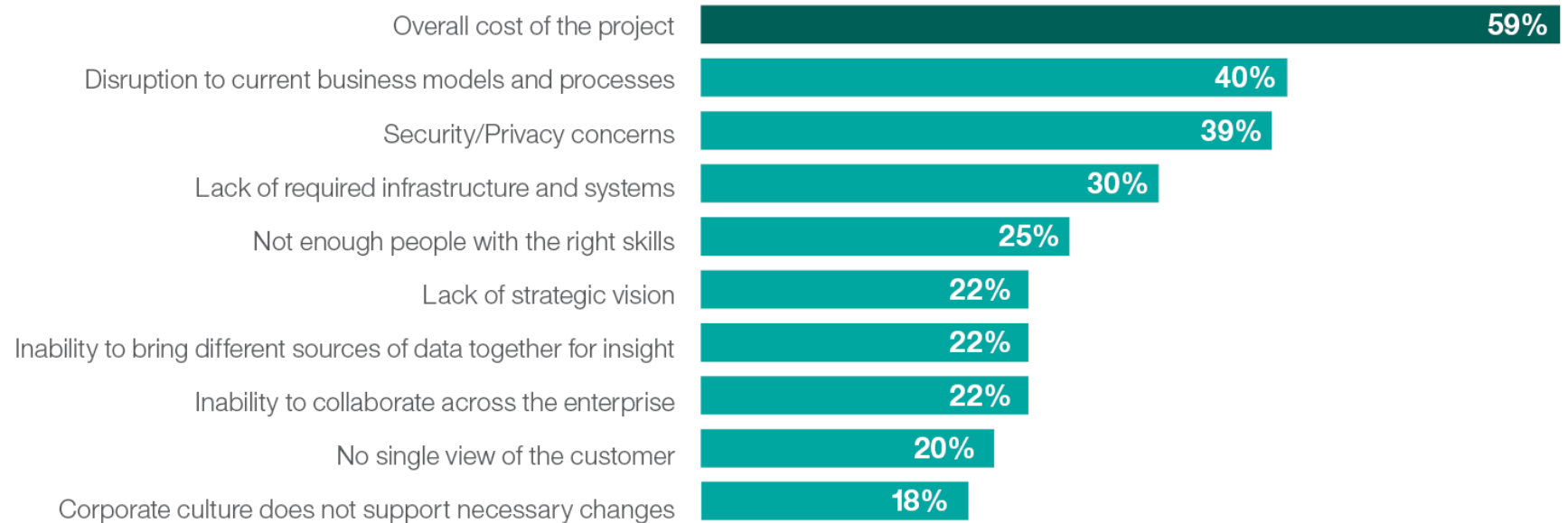




# 3. What you don't measure, you won't get

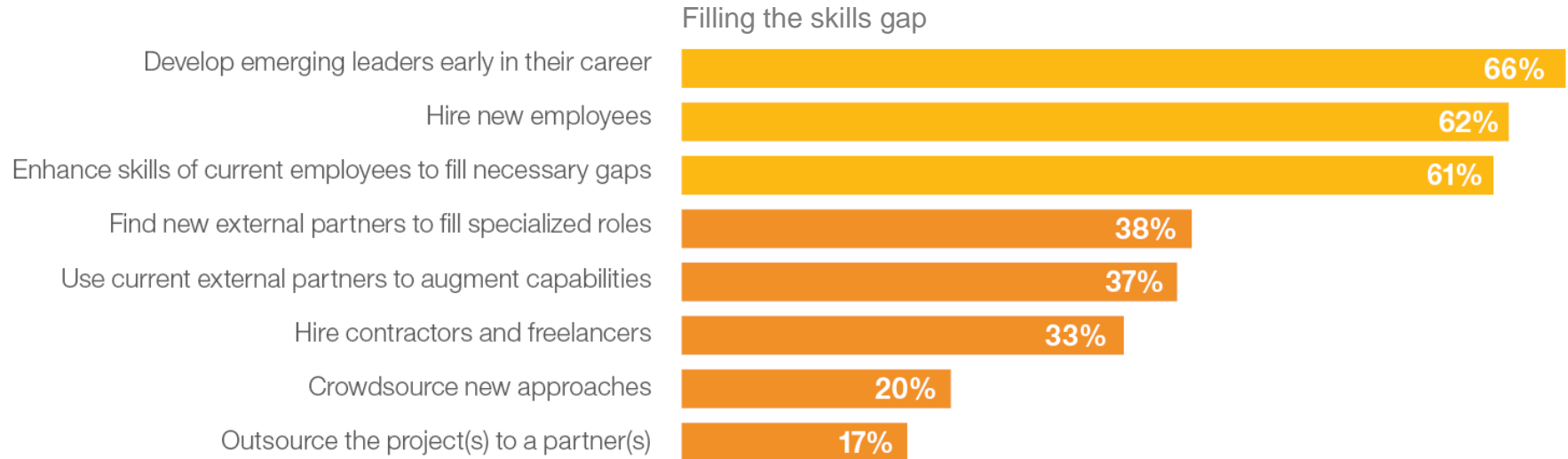
Integrating physical and digital experiences can be challenging, but respondents' number one concern is cost. Calculating measurable benefits are critical to justify initiatives, and doing nothing has a cost, too.

Companies' challenges integrating digital and physical customer experiences



# 4. Build your ecosystem of talent

The fight for talent continues to intensify. Respondents are more inclined to fill their skill gaps internally, but given the competition for talent, building an ecosystem to enhance expertise is vital.



# Redefining Boundaries

IBM Institute of Business Value



We interviewed:

**5,247** business leaders

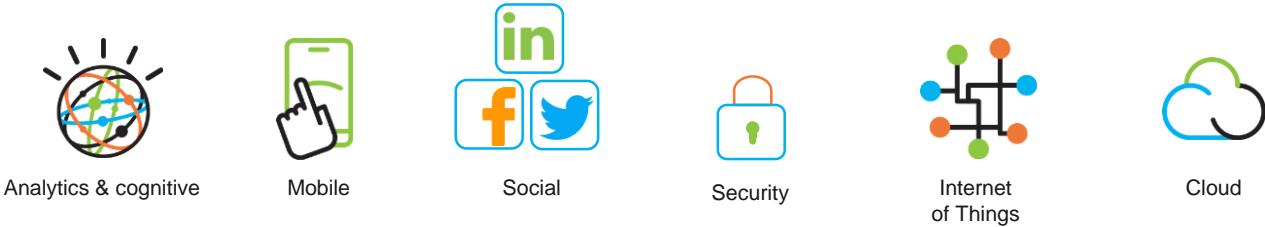
- 818** Chief Executive Officers (CEOs)
- 643** Chief Financial Officers (CFOs)
- 601** Chief Human Resources Officers (CHROs)
- 1,805** Chief Information Officers (CIOs)
- 723** Chief Marketing Officers (CMOs)
- 657** Chief Operating Officers (COOs)

“The ‘Uber syndrome’ – where a competitor with a completely different business model enters your industry and flattens you.”

**Judy Lemke**, CIO, Schneider, United States

# Transformation is driving the evolution and creation of new business models

Technology forces...



...are creating new experiences...



...and disrupting operational models.



# New business models disrupt legacy players

World's largest transportation company...

owns no vehicles

World's biggest media company...

creates no content

World's most valuable retailer...

has no inventory

World's largest accommodation provider...

owns no real estate

World's largest video conference company...

has no telco infrastructure



U B E R



Source: The Battle Is For The Customer Interface, Tom Goodwin, Havas Media

# CxOs expect to revolutionize business tomorrow are already in play today

Cloud computing and services

Mobile solutions

Internet of Things (IoT)

Cognitive computing

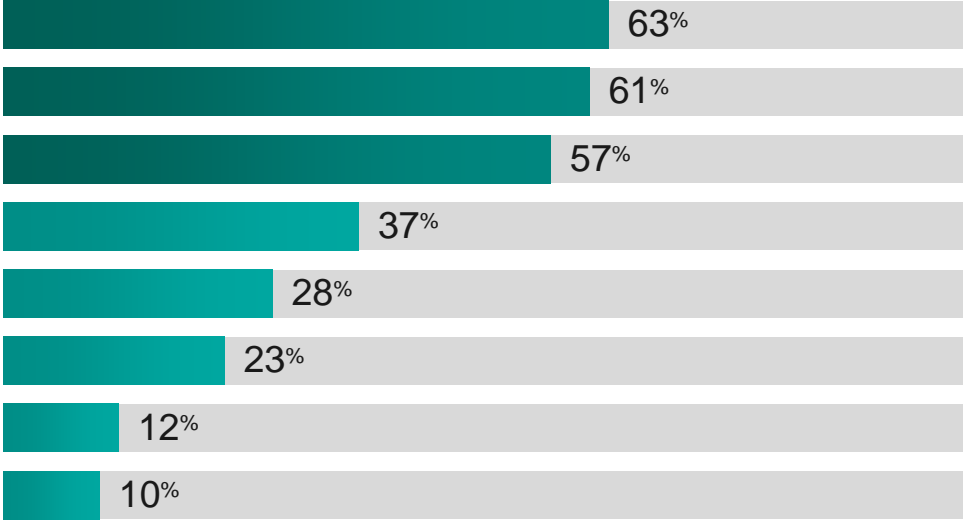
Advanced manufacturing technologies

New energy sources and solutions

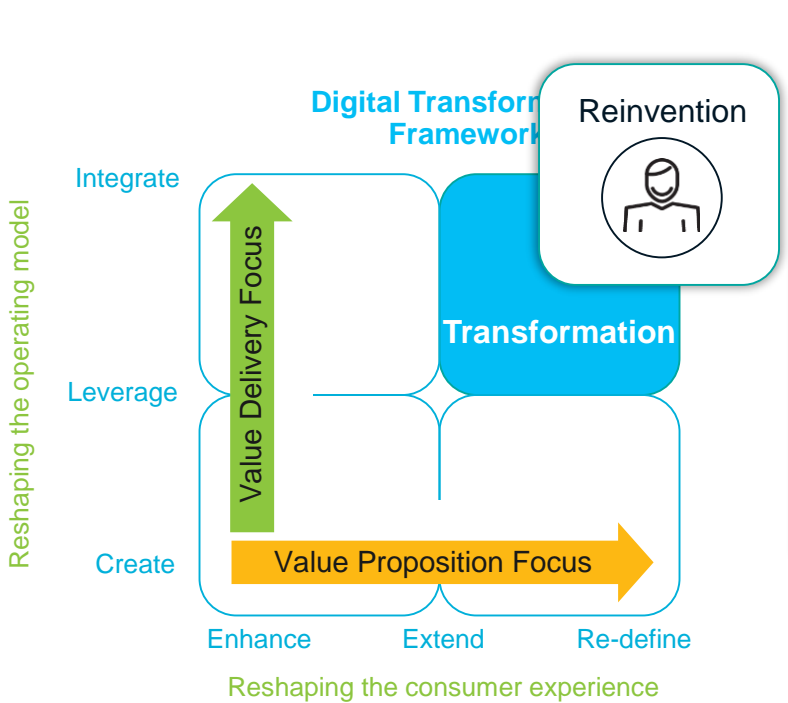
Bioengineering

Man-machine hybrids

Technologies revolutionizing business (in 3 to 5 years)



# Organizations transform user relationships by investing in digital capabilities



# What does a Digitally Reinvented firm look like?

## Strategy

- Begins with a focus on experience
- Embracing disruption
- Governs a unique business model and ecosystem

## Operations

- Continuously self-reinvents
- Fosters a culture that encourages iterative innovation
- Integrates physical with digital

## Technology

- Decapitalizes investments by sharing and renting
- Fluent in Agile, Analytics, Cognitive and Mobility
- Operates at the full potential of enabling technologies



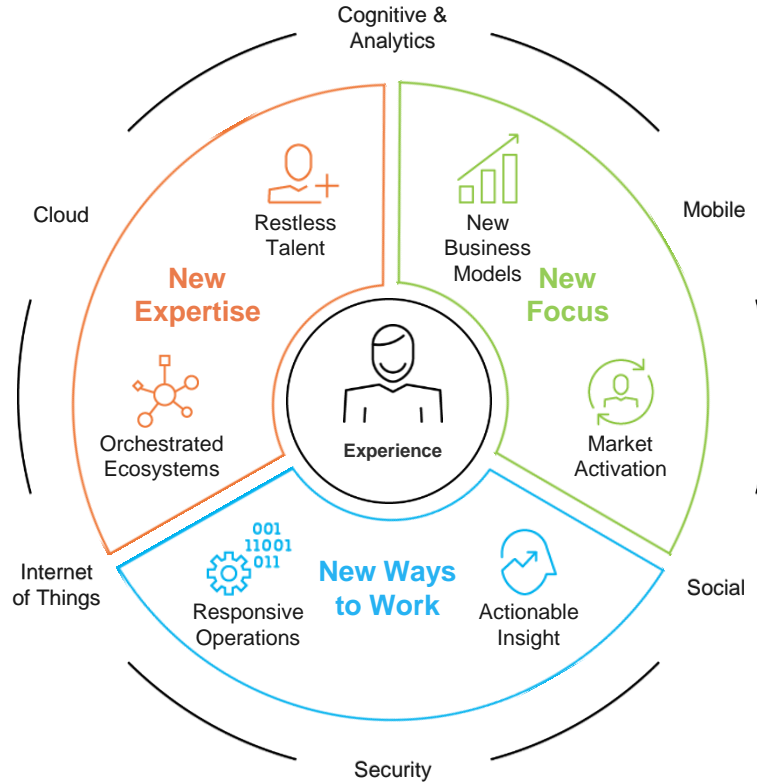




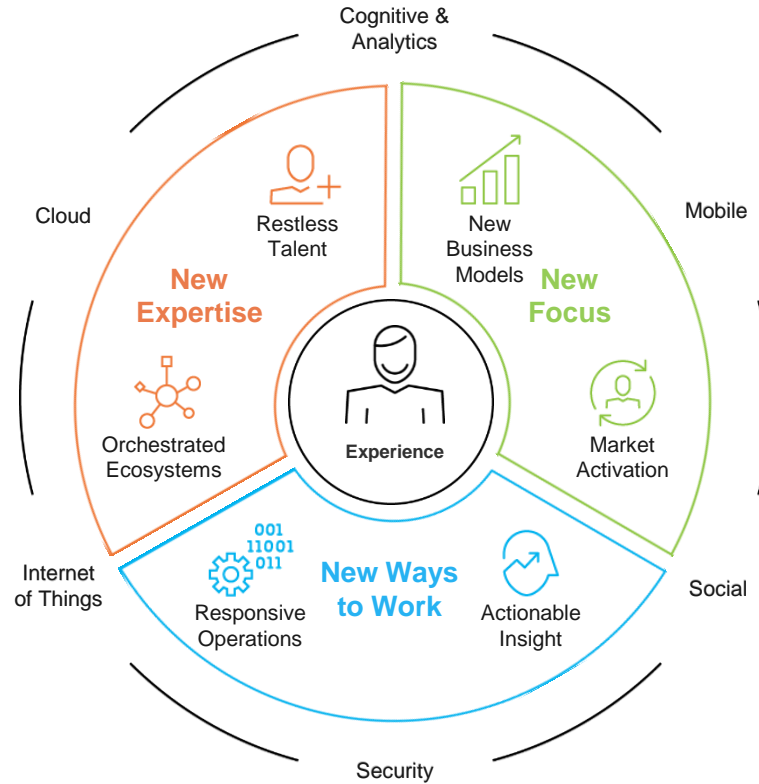
# Digital Reinvention Drivers

## Strategic Digital Business Models

- Redefining the digital business model to create new value propositions
- Expanding the digital business model to new markets
- Optimizing the digital business model for performance
- Enabling the digital business model to be more agile and responsive
- Leveraging digital technology (people, applications, and data) and advanced, connected things differentiation




# Digital Reinvention Drivers





Creating Unique Customer Experiences

A man with glasses and a scarf is looking at a smartphone. The image is dark and serves as a background for the text.

# 1. Beware of false choices

Create new digitally enhanced customer experiences to grow revenue and loyalty *and* build frictionless engagement for customers and employees.



2. Make customer experience an integral part of your business strategy

Take your customers' vantage point and ruthlessly assess and improve your end-to-end delivery model against customers' ever-rising expectations.

### 3. Start a new dialog on value

Create an integrated view on value creation from experience initiatives that covers revenue and cost efficiencies, with clear metrics for enhancements.

## 4. Manage the internal/external paradox

If you focus only on hiring internally, you'll miss the value of an ecosystem – access to the right skills and knowledge from multiple sources in an efficient, flexible way.





Where do we go from here....





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