

Four Ways Companies Can (Successfully) Digitize their Customers' Experiences

ARMONK, N.Y., May 5, 2017 /PRNewswire/ -- Many companies across various industries are launching digital initiatives with the goal of improving customers' experiences.

According to a new study from IBM (NYSE: [IBM](#)), however, not all consumers are enthusiastic about those digital transformations. Simply creating new digital ways to engage with consumers and expecting them to embrace them can put companies' investments at risk.

A new study from the IBM Institute for Business Value (IBV), "[The Experience Revolution - Digital Disappointment: Why Some Consumers Aren't Fans](#)," surveyed more than 600 executives worldwide from a variety of industries that are currently introducing new digital customer tools and services. The IBV also surveyed more than 6,000 consumers, whose answers were compared with the executives' responses to gauge their alignment.

The study found that while executives believe customers want to try new digital customer experience initiatives, consumers are more concerned with getting quick, convenient and affordable results. In other words, there's a disconnect between what executives *think* consumers want and what consumers actually want.

Of those survey respondents who said they tried to explore products by using virtual reality, using interactive digital displays in a company's physical store, or interacting with a device or computer via voice command, about 70 percent said they were disappointed. As a result, they decided not to use these digital initiatives regularly.

The IBV also found that executives are severely underestimating the role generational differences play in consumer adoption of new digital experiences.

When asked if customers' age would determine how quickly they'd adopt digital new customer experiences, only 38 percent of executives said they thought age would make a difference. The IBV then asked consumers a series of questions about specific types of digital customer experience initiatives being implemented by companies and found there were numerous instances when Millennials, Generation X, and Baby Boomers responded differently.

For example, while 24 percent of Millennials regularly locate products with a company's mobile app when shopping, only 8 percent of Baby Boomers do so. And among the group of consumers who said they were

familiar with companies' digital customer experience initiatives, but hadn't tried them, as many as 70 to 80 percent of Baby Boomers said it was because they weren't interested.

As a result of the study's findings, the IBV recommends four steps for companies to take when designing a new digital customer experience. They are:

1) Design digital experiences to meet customer expectations: Use a digital transformation as an opportunity to eliminate difficulties that customers have with the existing systems and reinvent the customer experience from the customers' points of view. In other words, enable consumers to engage with the brand in ways that are faster, easier or more convenient than traditional channels.

2) Analyze customers' motivations: While it is important to recognize generational differences among consumers, companies should not stereotype individuals simply based on their age. By applying advanced analytics and cognitive technologies to comprehend both structured and unstructured customer data from a variety of sources, companies can build detailed customer profiles that will help determine the most successful customer experience initiatives.

3) Make it easier for customers to interact with your brand: One of the core values of any digital customer experience transformation should be ease of use and simplicity. Customers have already formed ideas about and how easy it is to engage with and conduct transactions with individual businesses. Executives should conduct thorough research to understand what these expectations are and then test their new digital experience with customers to make sure it is simple to use and gives customers the flexibility they want.

4) Design marketing strategies to address specific needs of your customers: When launching a digital customer experience initiative, it is vital to clearly promote the benefits that customers value, such as time savings, convenience and faster results. Segmentation and personalization can also be used to attract those customers who aren't especially motivated to try a new digital customer experience by giving them additional incentives to try it out.

Re-imagining the experience, however, is only part of the solution. Companies also need to bring their innovations to market by clearly highlighting benefits that resonate with customers, which may require a roll-out strategy that includes plans for different customer segments. Otherwise they risk putting into jeopardy not only their investment in a new digital customer experience, but also their brand's image in the marketplace.

This report is the fourth in the IBV's Experience Revolution study series. Access the full study findings [here](#).

For more information about the IBM Institute for Business Value visit www.ibm.com/iibv

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