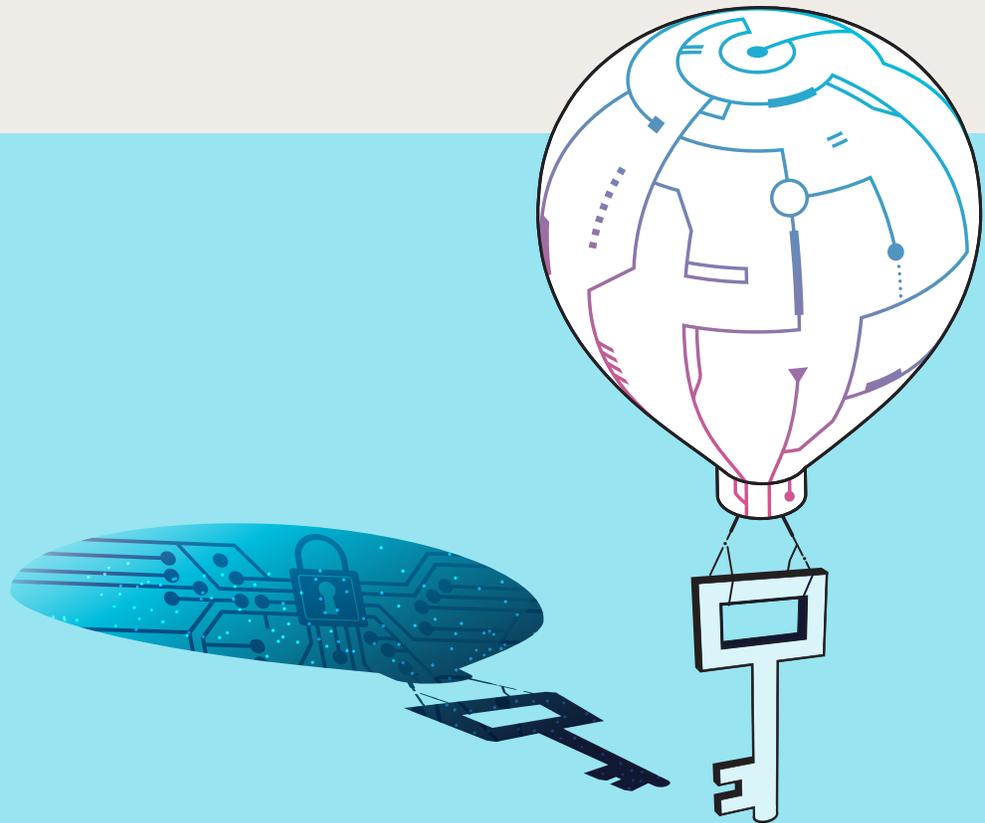


WHITEPAPER

Customer-Focused Digital Transformation

WHY CONTENT IS THE KEY TO LONG-TERM
DIGITAL BUSINESS SUCCESS



IT is tempting to think that the digital transformation of business began in the mid 1990s with the launch of web browsers like Netscape and Internet Explorer. Over the next few years, businesses rallied furiously around the need to transform before the Y2K "bug" would devastate their business – and purchased more hardware, software and consulting services than they ever needed.

BUT IN REALITY

the "transformation" over the last decades has, primarily, been a reaction rather than a purposeful strategy. Only recently have enterprises truly taken a step back and begun the fundamental transformation into the digital, customer-driven world in which we now operate. According to a study by Forrester Consulting:

"The past five years have marked the beginning of the "age of the customer," in which technology and economic forces have put customers in control of their interactions with businesses. These businesses hoping to understand and serve customers in a global and digital economy, are almost universally undergoing digital transformation, which involves re-aligning and investing in new technology and business models with a specific focus on the customer experience."

But what does a "digital transformation" really mean? As marketers, digital practitioners and technology professionals all get together and ask "how will we transform our marketing to digital", or "how will we transform into a digital go-to-market strategy", or "how will we become a 'digital-first' company", what lies at the foundation? Certainly the word "transformation" suggests that the business wants to evolve. But what, really, is at the heart of that evolution?

In this paper, we will suggest that content, and the choice of tools used to build the experience around it, is truly at the heart of a customer and content focused "digital transformation". If the digital experience truly is a top priority for businesses in terms of where they are allocating resources, then content is at the heart of that priority. And if content is the top priority for the creation of optimal digital experiences, the agile, intelligent and scalable management of it becomes the heart of the digital transformation.

The Digital Experience Mandate

Creating and optimizing the customer experience is, arguably, the single most dominant agenda item for the C-suite today. And, at its core, this is what the digital opportunity offers. Sure, digital technology offers a more efficient way of doing business, or a less expensive way of conducting a transaction, or a more effective way to manage the operations of a business. But this capability is available to everyone. The differentiating opportunity that is much more complex is how to use digital to create better customer experiences than the competitor. As Forrester points out:

*"Your success demands that you understand your customer's personal value ecosystem and become a part of it. Your company's ability to create value for its customers will depend on how easily you can digitally augment your core capabilities and realign them to deliver the outcomes your customers really desire, rather than the products or services you've traditionally sold. Let your understanding of your customer's personal value ecosystem shape your future business strategy."*ⁱⁱ

In fact, a study released late last year, found that "Improving customer experience and growing revenue are top strategic priorities." When the researchers asked about what the business would prioritize over the next year, "improving differentiation" was among the top choices.ⁱⁱⁱ

However, as many businesses have unfortunately discovered, simply making it a priority doesn't bring this differentiation to fruition. As Tim Walters, Co-Founder and Principal Analyst at Digital Clarity Group noted in a recent paper:

Improving customer experience and growing revenue are top strategic priorities



"Despite the furious expenditure of time, money, and expertise, improvements remain elusive. In fact, according to consumers – and, in the age of the customer, no other perspective really matters – companies and brands are getting worse, not better, at meeting their expectations for superior experiences."

As Walters concludes, if businesses truly want to have a "real impact on the customer's experience" they must design "an end-to-end value chain that includes not only the software components, but also the processes, people, skills, and services that are needed to support it."^{iv}

Put in simple terms, if creating these differentiating customer experiences is the biggest priority, it goes to argue that this experience mandate is really at the heart of a business undergoing a digital transformation. And the key to actually enabling these experiences is to put in an end-to-end system that enables talented people and processes to flourish in creating them.

Improving differentiation in the age of the hyper-connected customer requires an agile, flexible, and scalable means of engaging each customer consistently across every interaction. This means delivering an experience that's both personal and on brand. This level of engagement requires a blend of intelligent technology, which constantly learns and adapts the experience to customer needs, and the human creativity (and industry knowledge) that adds the "special sauce" of unique competitive advantage. It requires a solution that enables humans and machines to each do what they do best to bring each individual customer a personal experience. An agile, intelligent and scalable means of experience management is the foundation of this transformation.

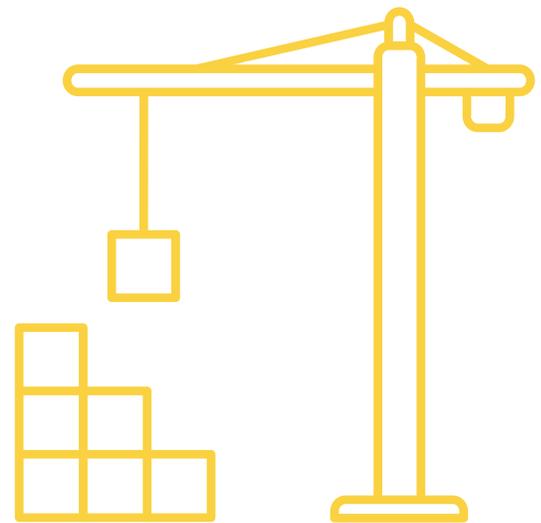
Engaging Content – The Foundation Of The Customer's Experience

Engaging content is growing in importance to become the cornerstone of customer engagement. The platform through which the content is managed enables every department that touches the customer journey to do so in an optimized, results-oriented manner. As we consider the growing importance of content management and delivery, we start to see the implications of this emerge in the market:

In a post entitled "WCM: The Favorite of All Marketing Courtesans", another Founding Partner of analyst firm Digital Clarity Group, Cathy McKnight, writes:

"The new drive for Customer Experience has driven content beyond just a "nice way to market across a digital channel" and into perhaps the only differentiator that remains. This dependency on content, and WCM as the primary system of engagement (SOE), has propelled the power of WCM as king, widening the gap between it and its courtesans."^{vi}

Certainly one of the reasons for the ascension of this "king" is, of course, the complexities around the integrations of other technologies. Take Marketing Automation for example. While Marketing Automation Platforms remain one of the hottest technology priorities for marketers in terms of buzz, they actually have extremely low adoption rates. In fact, according to one survey, only 3% of non-technology companies have implemented a Marketing Automation Solution.^{vii} Similarly, social content suites have faced challenges around measurement and data. While these tools can help a business optimize and create content for a multitude of social channels, they fail at providing a linkage between that content and actual ROI.



As a recent article on CIO recently commented:

"Social tools don't benefit from integration with other social tools anyway. Just because social ads, Facebook pages, and branded communities are all called 'social' doesn't mean they have much in common. Each targets different users on different sites with different messages to drive different behaviors."^{viii}

Thus, it seems if the old adage is true and content is really still "king", then it must rule over multiple channels, platforms and formats. This is the foundation by which marketing automation, social, mobile and every digital customer experience is created.

But do we really care? Do we really care that web content management (or at a higher level, the entire digital experience management) is at the heart of the digital transformation? Yes, we do. The reason it's so important is that it places a new priority on ensuring that businesses don't default to multiple siloed solutions that fragment the customer experience, but focus on centralizing and sharing content and data seamlessly across all touchpoints and systems. If the customer experience is truly the heart of a digital transformation, then the selection of the platform that controls, measures, and optimizes the digital experience may be the most important purchase and implementation a company will make as part of this transformation.

The Need For Speed, And Agility, And Stability

Organizations succeeding in digital transformation are choosing their platform a bit differently. Instead of looking for a tool that will simply "make it easy" for contributors to push content around the enterprise, these companies require a system that can anchor itself within the entire company's ability to create, measure, optimize, and scale excellent customer experiences.

These companies are:

1 Test driving products and designing new ways of operating in marketing and communications.

These companies understand that actually experiencing the product themselves, in either a proof of concept or other kind of deployment, demonstrates how agile the product is. This informs the team as to how they might optimize and transform their processes in order to take advantage of that agility. This also helps to force the organization to think through ALL of the requirements that will be necessary to bring the integrations to light, as well as to prioritize and separate the real features needed vs. the sexy demo features that look great but are impractical.

3 Connecting digital experiences.

Rather than looking to deploy one mammoth marketing "suite" to rule them all, these forward-thinking companies are turning to open platforms that can connect diverse brand touchpoints and business solutions through one central method of managing the content and the data to deliver the right experience at the right time. This is contrary to what you will hear from some of the "suite" vendors who will say that marketing needs a "software suite". This suggests that marketing and customer experiences are like every other department in a large enterprise. And, at its surface, this sounds like a good idea. Why wouldn't the enterprise want one, holistic, suite-based application? But let's answer this question with another question. Does anyone believe that modern marketing behaves this way?

If experiences are the heart of the digital transformation, and content is at the heart of experiences, then the business will absolutely need the ability to plug in, deploy, integrate and optimize multiple solutions into an ecosystem of ever-changing platforms.

2 Looking to move to a continuous content development cycle.

The companies we see truly evolving are moving beyond the standard "release" of content in publishing batches. They are, rather, in a continuous deployment and delivery cycle to optimize customer experiences in real or near-real time by adapting to real customer behaviors, as well as responding to quickly changing customer needs and interests. As Forrester research concluded in their Digital Customer Experience playbook "today's customers expect meaningful and relevant experiences in the moment. They want to be able to interact with brands through their channel of choice. When firms fail to deliver on digital customer experience (CX), they risk missed opportunities for reducing costs and retaining customers."^{ix}

4 Incorporating intelligent personalization.

Customers compare every brand experience with the highest quality experience they have. They expect their search to be intuitive, the content to be personally relevant, and the brand to continuously learn and improve the more they interact with it. Organizations leading the personalization game are the ones experimenting with intelligent technologies, such as using machine learning for highly scalable "wisdom of the crowd" (or semantic) understanding in search, and blending it with the unique human insights they have to drive segmentation, targeting, and 1:1 personalization.

These personalization efforts don't tend to happen all at once, but organizations with digital as a priority are making decisions now that allow intelligent personalization to be gradually incorporated into the experience. They are doing this by choosing a platform and tools that have the intelligent algorithms built in, with the openness to incorporate 3rd party data into personalization decisions, and the ability to control personalization efforts from one central hub.



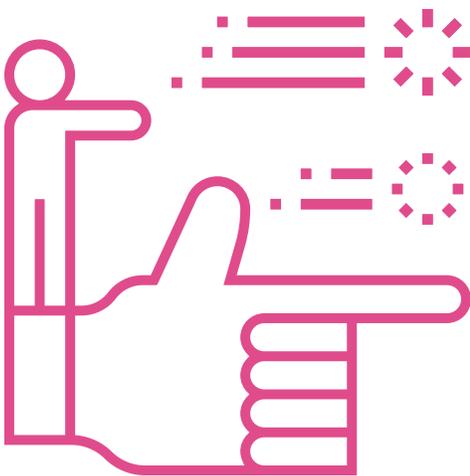
The Digital Transformation Will Be Managed

Ultimately, the leaders in businesses that are successfully navigating a digital transformation will bring a systematic and well-governed process to their digital transformation. Of course this means agile, exible processes – but these abilities are rooted in a strategic approach.

Leaders that create differentiating customer experiences will bring new approaches to acquiring their digital experience tools – tools that look at new methods of transforming not just a web site or an Intranet, but the entire business. As a recent Harvard Business Review study concluded:

"Leaders across the business must learn about and stay abreast of digital trends. They must know why it's important and how to use it. The payoff for such effort is compelling: Digital Leaders are expanding into more new markets, growing faster, and increasing their profit margins over their competitors."^x

As the Accenture study found, having "a clear vision for the end state is absolutely critical to make sure that everyone in your organization is moving in the same direction. "...Standardizing on a core set of technologies that the business can build around is a great way to accelerate change..."^{xi} Ultimately, the platform you choose to manage your enterprise experience isn't just a tool to update your website. It has the opportunity to be the heart of a business's complete digital transformation. But in order to achieve that – businesses must look at the acquisition of that tool with that lofty goal in mind.



A clear vision for the end state is absolutely critical to make sure that everyone in your organization is moving in the same direction.

ABOUT BLOOMREACH

BloomReach is a Silicon Valley firm that brings businesses the first open and intelligent Digital Experience Platform (DXP). BloomReach drives customer experience to accelerate the path to conversion, increase revenue, and generate customer loyalty. In 2016, BloomReach acquired the Amsterdam-based content management software company Hippo.

With applications for content management, site search, page management, SEO optimization and role-based analytics, BloomReach is a central location for all players who manage customer experience to come together and intelligently drive business outcomes. BloomReach's Web Relevance Engine (WRE) algorithmically understands content and users, matching demand and intent data from across the web. BloomReach's industry-leading tools unlock the powerful creativity of humans to improve omnichannel customer experiences at scale. Together, our users and our intelligent tools generate millions of dollars of proven incremental sales.

BloomReach's portfolio of customers include: Neiman Marcus, Staples, REI, Mailchimp, and Autodesk. Created in 2009, BloomReach is headquartered in Mountain View, CA with offices worldwide and is backed by investment firms Bain Capital Ventures, Battery Ventures, NEA, Salesforce Ventures and Lightspeed Ventures.



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