

Digital Experience Optimization

How to deliver the seamless digital experience your customers expect—and boost conversion while locking in loyalty



DIGITAL
Customer Experience



What makes a customer decide to give you their business? What is it that makes them loyal? Or to look at it another way, what is it that's making 67% of online shoppers on average turn away from a retailer or service provider site at some point, even mid-transaction?

The reality is huge amounts of revenue are lost by businesses every day, simply because of frustrating, substandard online customer experiences.

Today's customer is a tough audience. 'Service with a smile' is no longer enough. A great search experience, swift and easy payment, personalized recommendations, tailored offers and dependable, easy-to-access assistance are just the baseline of today's digital-savvy consumer's expectations. And here's the business challenge: how do you deliver all of this seamlessly and consistently, regardless of the channel?

Capgemini's Digital Experience Optimization (DXO) offer is designed to help you deliver the digital customer experiences your customers want. Through a continuous improvement approach to uncovering weaknesses in the digital experience and proven solutions to strengthen it, businesses can quickly uncover tangible business value with DXO.

Winning back the 67%

Revenue is lost every day as a result of poor digital customer experiences. Recent research with IBM's Coremetrics¹ uncovered an average cart abandonment rate of 67% among US online shoppers. What's more, a study from eConsultancy² revealed that around 55% of abandoned carts can be blamed on user technical difficulties, which resulted in a poor online experience. But, what if you could win back the 67% of shoppers who abandon their purchases, by delivering the digital experience they expect, time and time again? That's quite a prize for the taking.

Typically, businesses make significant investments in customer attraction strategies, allocating on average around 48% of marketing budget on acquisition, according to recent research from the Direct Marketing Association³. The same research revealed that an average of just 20% of marketing spend was allocated to customer retention. Yet customer loyalty—paramount to achieving retention—must be nurtured with equal intent to acquisition, if businesses are to see real returns.

And it's digital channels that are central to success, so long as they are used well. After all, with a smartphone in nearly every pocket, the business that can deliver reliable, seamless and engaging digital shopping experiences—regardless of time, channel or place—will win conversions, loyalty and powerful recommendations.

To do this, it's important to understand customers' true online experiences. Businesses must identify the issues that lead to customers abandoning their online shopping journey and in worst cases, staying away. It is only then that the right adjustments can be made, improving retention and boosting conversion.

Introducing Digital Experience Optimization from Capgemini

Building on our proven All-Channel Experience approach for retailers, we have developed an offering to tackle this increasingly pressing challenge for any organization dealing with digital customer interaction. Backed by leading solutions from the IBM® Smarter Commerce™ Suite, process best practice and our exceptional digital customer experience know-how, Digital Experience Optimization (DXO) from Capgemini allows you to make the right changes in a sustainable way. The DXO approach creates a cycle of continuous improvement, based on analyzing, improving and testing your customer's digital experience, keeping the customer at the center all the time.



1 Direct Marketing Association Customer Acquisition Barometer 2014 http://dma.org.uk/sites/default/files/toolkit_files/customer_aquisition_barometer_2014_report.pdf

2 <http://baymard.com/lists/cart-abandonment-rate>

3 <http://realbusiness.co.uk/article/25207-turning-cart-abandoners-into-high-value-purchasers>



Towards mature customer experience

The improvement that DXO can bring to the customer experience is measurable in terms of tangible, statistical evidence and can be translated directly to business value (such as turnover and cost reduction). We achieve this through a skilled yet pragmatic approach.

DXO follows a growth model – See Figure 1. Following the initial reactive quick fixes, we examine the quality and consistency of the customer experience across all digital channels. Based on our findings, we work together with our clients to define short and long term goals aimed at reaching the full potential of an optimized multi-channel customer experience.

We recognize that digital channels are ever-evolving entities, which must respond to new customer expectations, needs and behaviors, as well as market developments. For this reason, a continuous improvement process is the optimum way to guarantee sustainable business benefits.

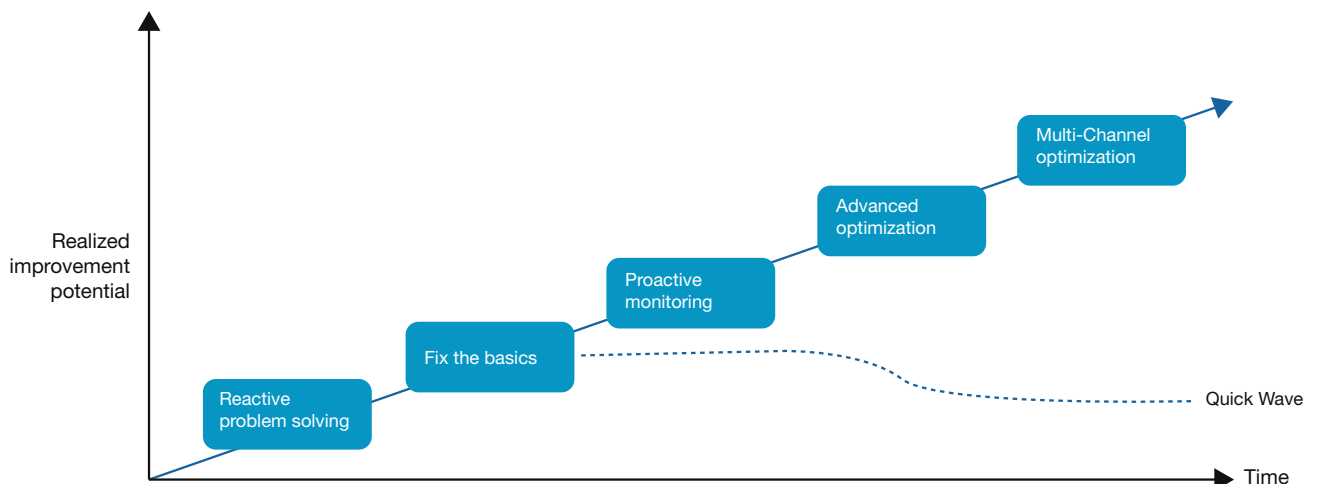
Clients who have benefitted from the DXO approach have seen impressive results, typically*:

- 3.5% increase in conversion rate
- 0.5% increase in order value
- 1% improvement in retention
- 10% reduction in incidents

*All figures are based on historical data and achieved over a three year period

Figure 1: DXO growth model

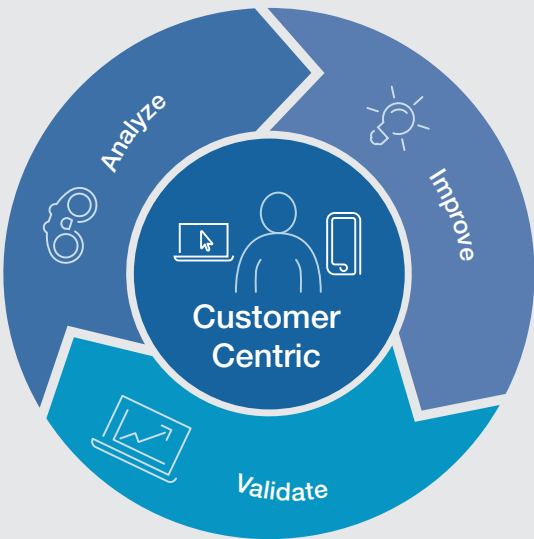
Capgemini's DXO growth model allows businesses to make immediate improvements to the digital customer experience, while putting in place longer-term measures to optimize the experience seamlessly across all channels



DXO: Proven methodology, a collaborative approach and right tooling

Proven methodology

DXO is based on Capgemini’s extensive knowledge and experience in business analytics, online customer behavior and User Experience (UX) design. We work in an agile way, following short, iterative cycles consisting of three phases:



1. Analyze

Analyzing statistical and qualitative customer data: we uncover problems occurring in any digital channel, looking at customer needs and behaviors, and assessing how these impact buying decisions. The goal of this phase is to identify improvements and attach tangible business value to them.

2. Improve

Applying the proposed improvements from the previous step to the digital channels: we focus on function, content, interaction, navigation and presentation.

3. Validate

Finally, validating whether the implemented improvements had the desired effect, and continue the process from step one, ensuring continuous improvement.

Collaborative approach

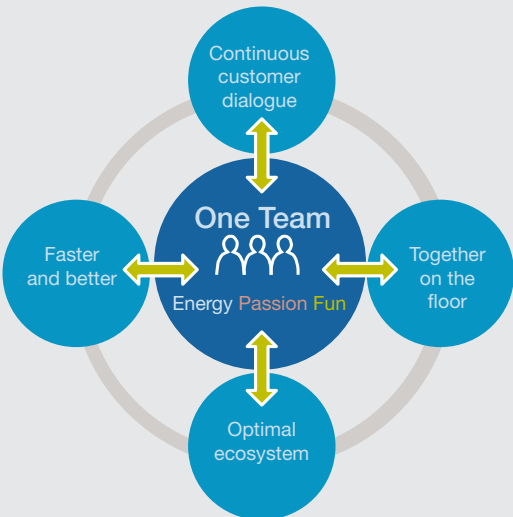
Capgemini’s One Team Approach means working together with your own specialists ‘on the floor’, maintaining a dialog with all stakeholders. A multi-disciplinary team executes the DXO methodology and maintains a joint focus on continuous improvement, results and team performance.



Right tooling

The DXO approach incorporates IBM Tealeaf®, part of the IBM Smarter Commerce Suite. Tealeaf transforms the rich customer experience dataset—captured in real time on different channels—into visually replayable and completely searchable customer sessions. It shows context (for example, what did customers see at a given point?), customer interactions and all possible error messages seen by customers. In addition, Tealeaf identifies groups of customers who were impacted by certain issues.

Capgemini is able to quickly configure the tooling to provide real-time information to most appropriate people, on the right processes—ensuring immediate action is taken where problems exist.





Case study:

Global Retailer

Capgemini has been instrumental in the digital transformation of a global retailer over a period of time. Over the last three years, the retailer's e-commerce revenue accounted for 10% of total revenue. With mobile traffic rapidly increasing from 20% to 30% of all online traffic, there is an expectation that mobile commerce will keep growing exponentially.

The client's overarching goal was to enhance customer experience by detecting technical and usability issues and implementing quick solutions. Conversion issues, unexpected customer behaviors, page performance and technical errors were the main areas of concern from business and IT departments respectively.

Capgemini delivered a Proof of Concept (PoC) with a carefully selected scope, covering installation and tuning of IBM's Tealeaf technology. Working as one team with the client, we determined business and IT KPIs, report definition, event and replay configuration, and supported our client to put a continuous improvement process in place.

The PoC uncovered some fundamental issues relating to funnel conversion (such as promo codes) and system errors. We were then able to dig deeper to quantify and establish the causes of these problems—and

suggest solutions to address them. For example, we identified a critical error in the online purchase process for customers using Internet Explorer 8. Our segment-to-conversion analysis revealed that this was costing our client significant revenue loss every month. The PoC also enabled us to explain unexpected customer behaviors, for which our UX experts immediately defined counter measures.

The benefits to be gained from DXO are numerous:

- Quantified insights are generated for all digital channels on where and why customers experience problems
- Concrete actions to improve online conversion are swiftly identified and implemented
- Insights are used as input for long-term goals towards a mature Customer Experience Management
- New and sustainable ways of working (relating to skills and process) and tool expertise become embedded in your organization
- Continuous conversion optimization becomes possible through our agile approach
- Knowledge sharing is prioritized; we show your team how we translate analytics outcomes to tangible business value
- DXO brings accelerated results – a proven methodology, collaborative approach and right tooling ensure faster delivery.

Make the first step

Embracing our Digital Experience Optimization approach to take the first steps to driving value for your customers and for your business is easier than you think. Together we define business and IT KPIs, followed by a 'no cure no pay' Proof of Concept in which we make sure that those KPIs are met. By building a positive business case as a key deliverable, the value of embedding continuous customer experience optimization through all digital channels is clear and understood.

Figure 2: First steps to Digital Experience Optimization (DXO) with Capgemini



Don't let revenue slip away

Lock in loyalty and lock out competition by delivering the digital experience your customers demand. Contact your Capgemini digital customer experience expert today to find out how we can help you optimize your digital channels to deliver a seamless online experience that keeps your customers coming back.



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About Capgemini

With more than 130,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2013 global revenues of EUR 10.1 billion.

Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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