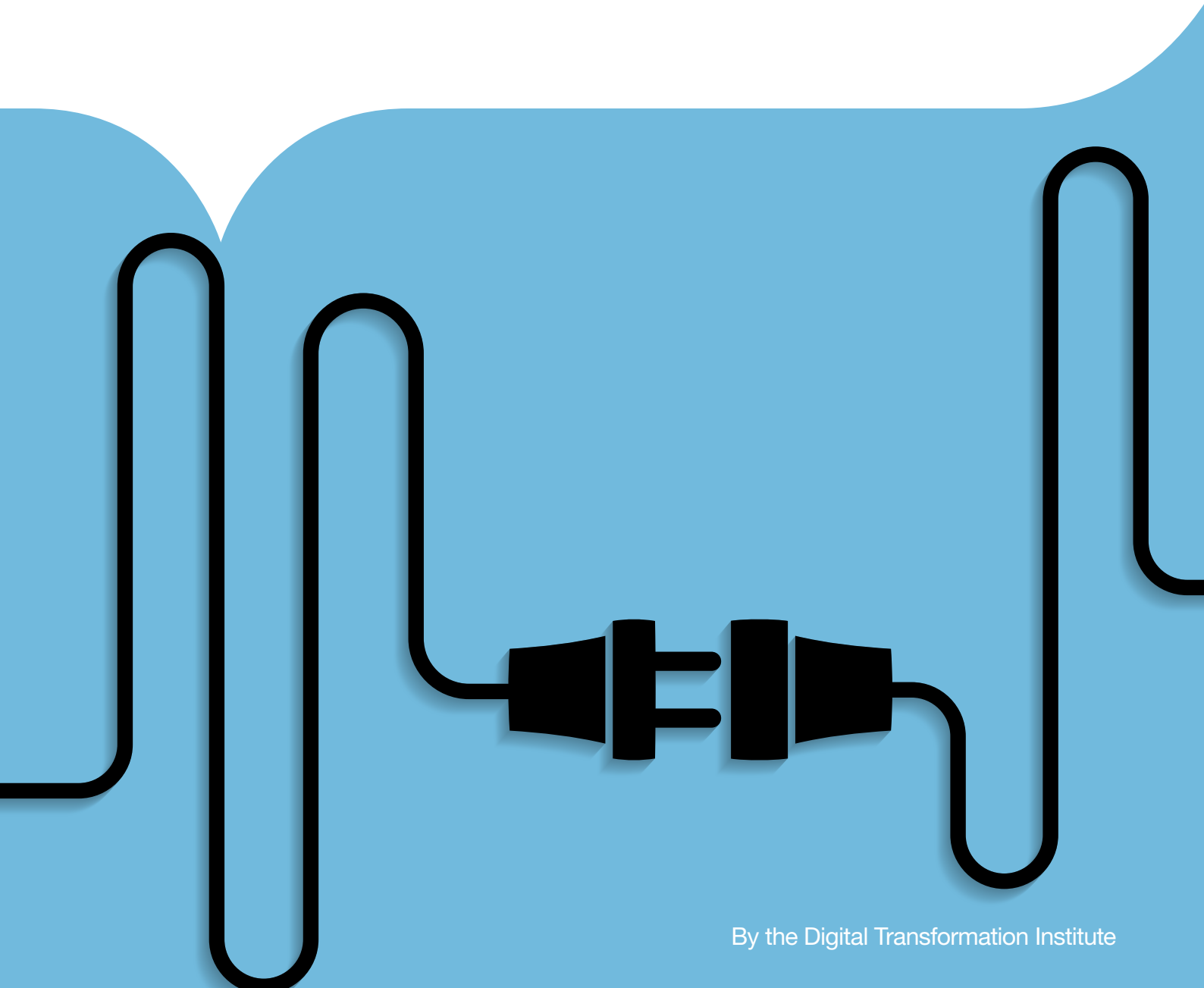


The Disconnected Customer:

What digital customer experience leaders teach us about reconnecting with customers



The rewards of a superior digital customer experience

Not many companies successfully deliver a great digital customer experience and enjoy the rewards. There are, however, some notable exceptions:

- 17 million customers use Starbucks' mobile app¹. Not only does it allow consumers to place and pay for an order before reaching a store and pick it up without waiting in line, it's also a platform where members can redeem loyalty rewards. Within eight months of its release in 2015, it was processing over seven million mobile orders a month.
- Nordstrom, the American luxury retailer, offers customers a host of digital services: mobile checkout, the ability to text salespeople, and a personalized digital clothing service. It reported e-commerce sales of over \$2.5 billion, representing nearly a quarter of its full-price sales for FY 2016².

What makes these leaders and other firms like them stand out in terms of the digital customer experience? What kind of gains can organizations expect to see when they prioritize the digital customer experience and execute on it?

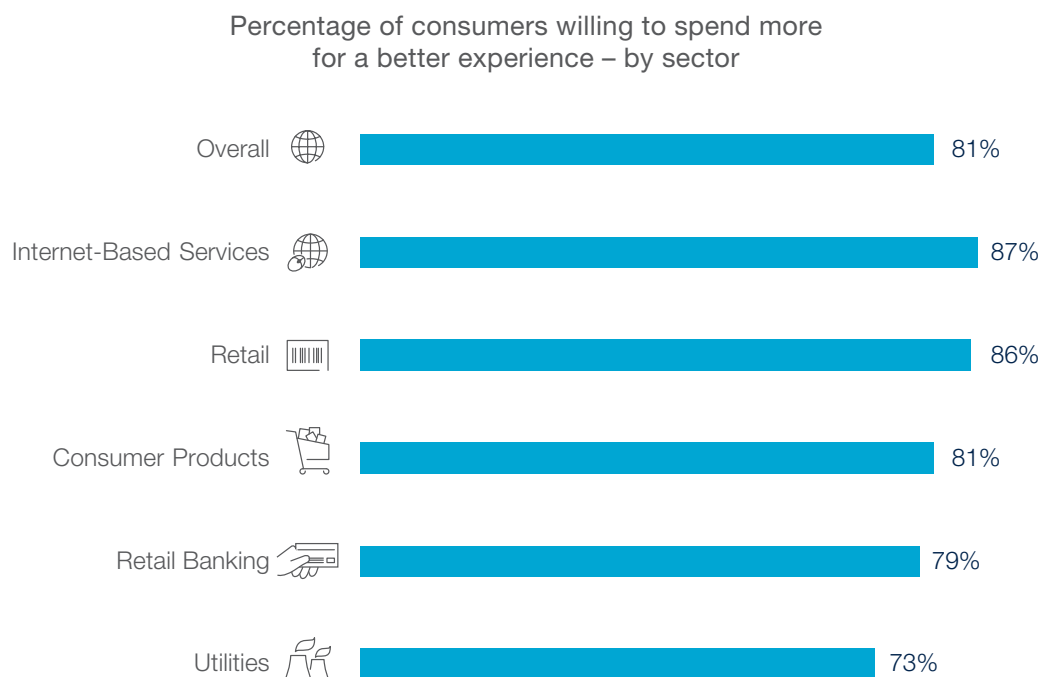
To find answers to these and other questions, we conducted a large research exercise, reaching out to 450 executives and 3,300 consumers in sectors that included Utilities, Consumer Products, Retail Banking, Retail and Internet-based services³. More details on our approach and research methodology are included at the end of this report.

81%
of consumers
are willing to
pay for a better
experience

Consumers are ready to reward better experiences with increased spending

Our research found that over 80% of consumers are willing to pay more for a better experience (see Figure 1). This holds true across sectors and countries, with around 1 in 10 consumers (9%) willing to increase their spending by more than half.

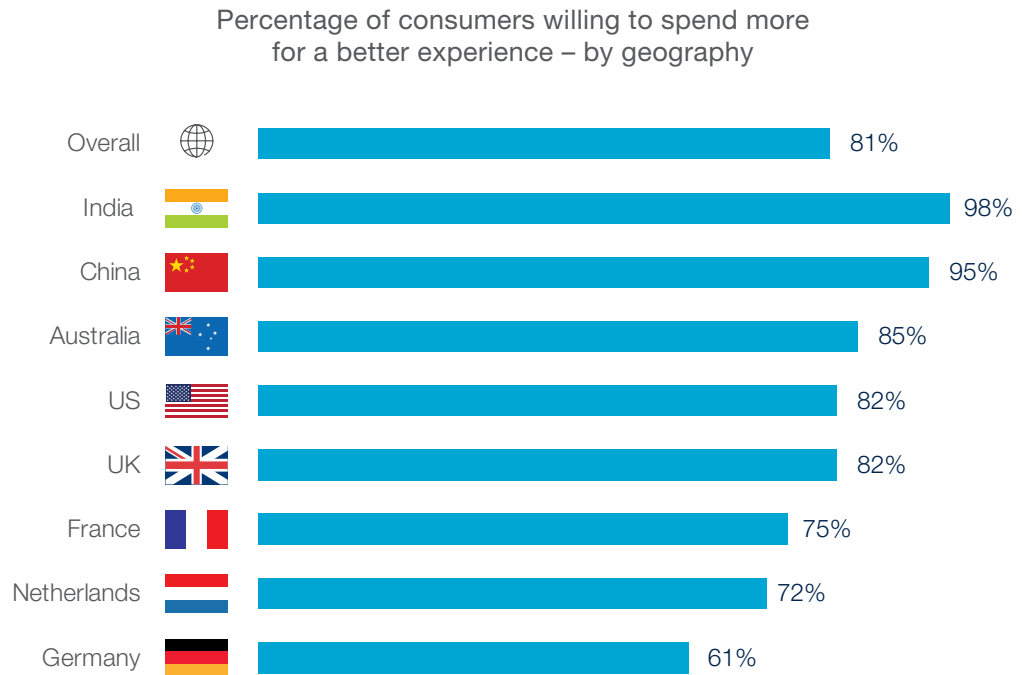
Figure 1: Consumers are willing to spend more for a better experience



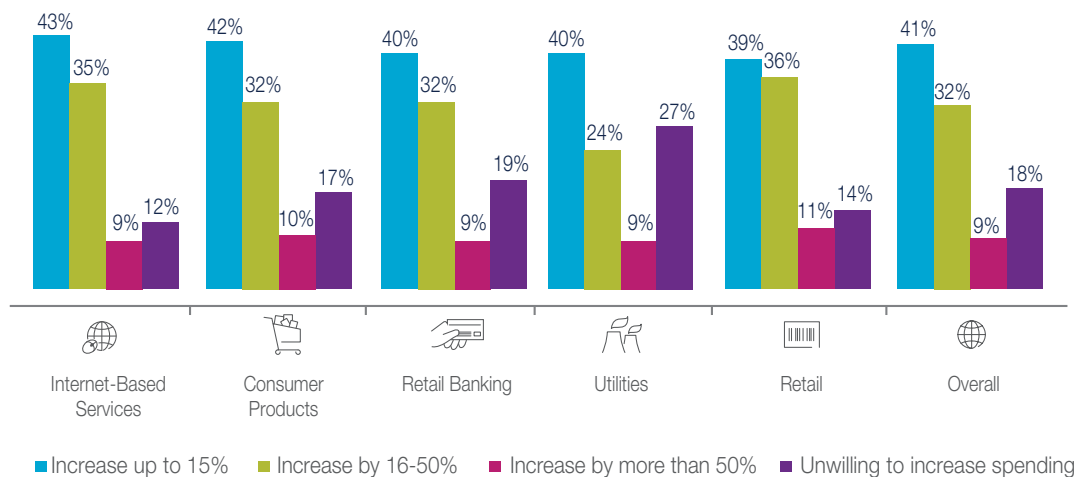
N=3372 consumers. Percentages may not total 100 due to rounding.

Source: Capgemini Digital Transformation Institute analysis; Capgemini digital customer experience executive survey February-March 2017, and consumer survey March 2017

Figure 1: Consumers are willing to spend more for a better experience (cont.)



Percentage of consumers who are willing to increase their spend for a better experience – by spend category



N=3372 consumers. Percentages may not total 100 due to rounding.

Source: Capgemini Digital Transformation Institute analysis; Capgemini digital customer experience executive survey February-March 2017, and consumer survey March 2017

Over 80

Number of DCX practices we analyzed in our DCX Index

Digital customer experience is linked with a firm's key performance indicators

To investigate the relationship between the organization's digital customer experience and the benefits that organizations can generate, we developed a Digital Customer Experience (DCX) Index. This essentially scores the maturity of an organization's digital customer experience. The more DCX practices an organization adopts, the higher the index (see the "DCX Index").

DCX Index

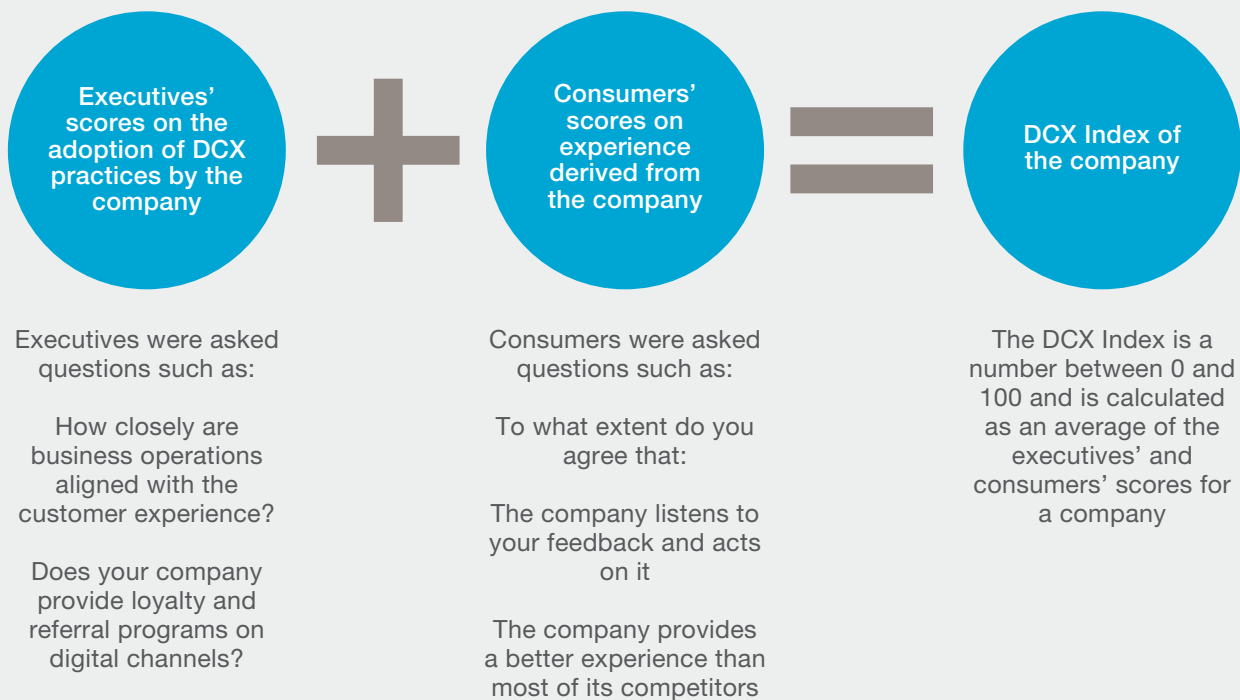
The DCX Index measures the range and extent of an organization's digital customer experience practices. In our survey, we asked company executives about the adoption of more than 80 practices that spanned the customer journey. For example:

- How closely do business operations align with an organization's customer experience?
- To what extent do your customers experience a seamless purchase process?
- Does your company provide real time, personalized offers and communication on digital channels?
- Does your company provide loyalty and referral programs on digital channels?
- What amount of customer service is provided via digital channels as a share of total service volume?

The greater the adoption of best practices, the higher the organization's DCX Index. In addition, we:

- Weighted practices based on their implementation difficulty, awarding more points to companies for mastering practices that are harder to implement.
- Took into account consumers' views on how well companies were adhering to these practices, with a composite of executive and consumer scores forming the company's index score.

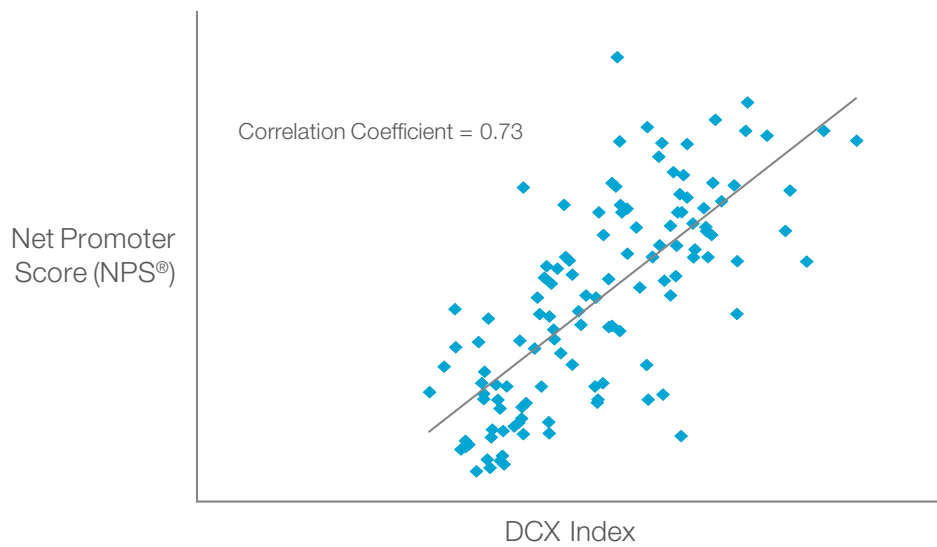
Figure: Calculation of DCX Index



The DCX Index is strongly related to the Net Promoter ScoreSM (NPS[®])⁴ of a company (see Figure 2). We also found that the top DCX Index companies outperformed the lowest-scoring ones by a factor of 2.7 in terms of growth in stock. The top ten companies with the highest DCX Index in our sample saw their share prices increase by 16% on average over the last five years. However, the bottom ten players increased their share prices by only about 6% on average.

Figure 2: DCX Index is strongly related with NPS[®] and growth in stock prices

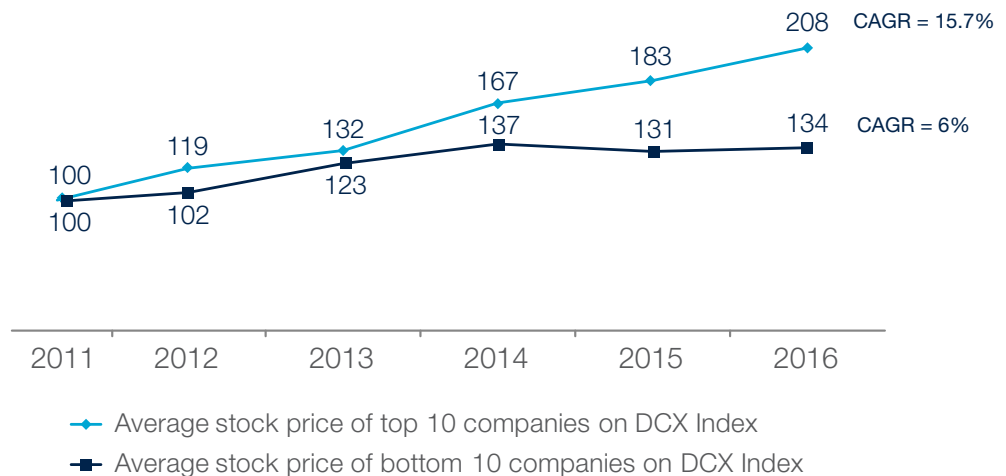
Correlation between Net Promoter Score (NPS[®]) and the DCX Index



N=122 companies. Each dot represents the DCX Index and NPS[®] of a company

16%
VS.
6%
Growth in stock prices of top ten companies in our DCX Index vs. bottom ten over the last five years

Growth in stock prices of DCX Index leaders and laggards (2011 price = 100)



Source: Capgemini Digital Transformation Institute analysis

⁴ Net Promoter, NPS[®], and the NPS[®]-related emoticons are registered service marks, and Net Promoter Score and Net Promoter System are service marks, of Bain & Company, Inc., Satmetrix Systems, Inc. and Fred Reichheld

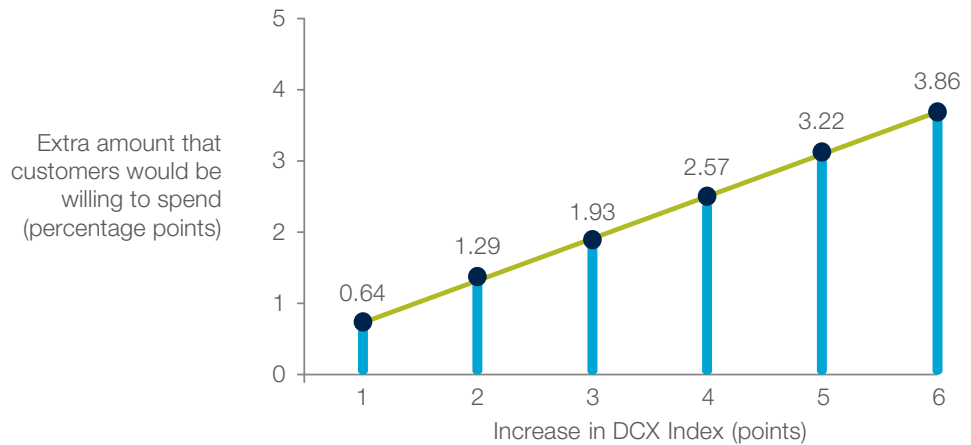
The digital customer experience drives customer satisfaction and spending

Our research shows a clear link between a better digital customer experience and value return (see Figure 3):

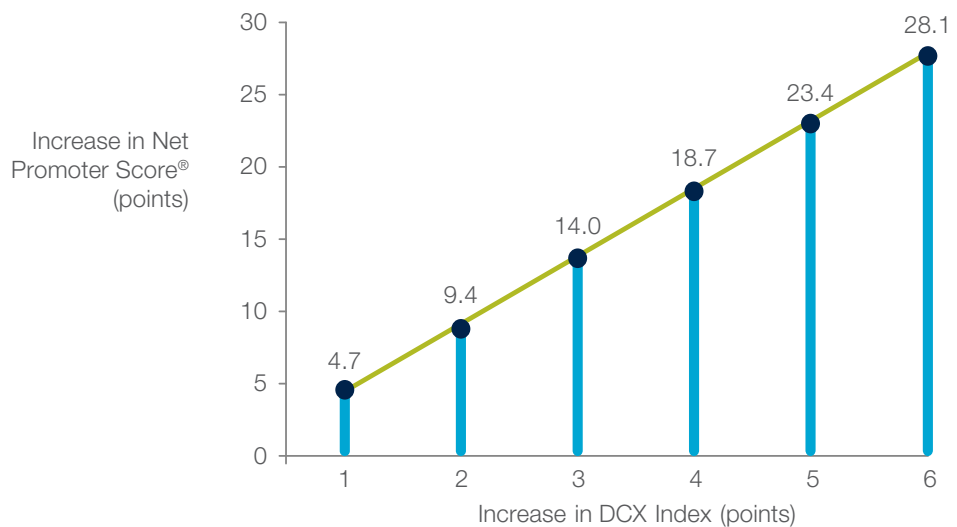
- A 1 point increase in the DCX Index corresponds to a nearly 0.6 percentage point increase in customer willingness to spend more. Put another way, customers would be willing to spend 0.6% extra on average if a company improved its DCX Index by 1 point⁵.
- A 1 point increase in DCX Index correlates to a 4.7 point increase in a company's NPS[®] on average (also see "NPS[®] leadership magnifies the advantage from an improved customer experience").

Figure 3: DCX Index is positively linked with customer satisfaction and willingness to spend

Relationship between increases in DCX Index and customers' willingness to spend



Relationship between increases in DCX Index and increase in NPS[®]



4.7 points
1 point increase
in our DCX
Index leads to
a 4.7 points
increase in NPS

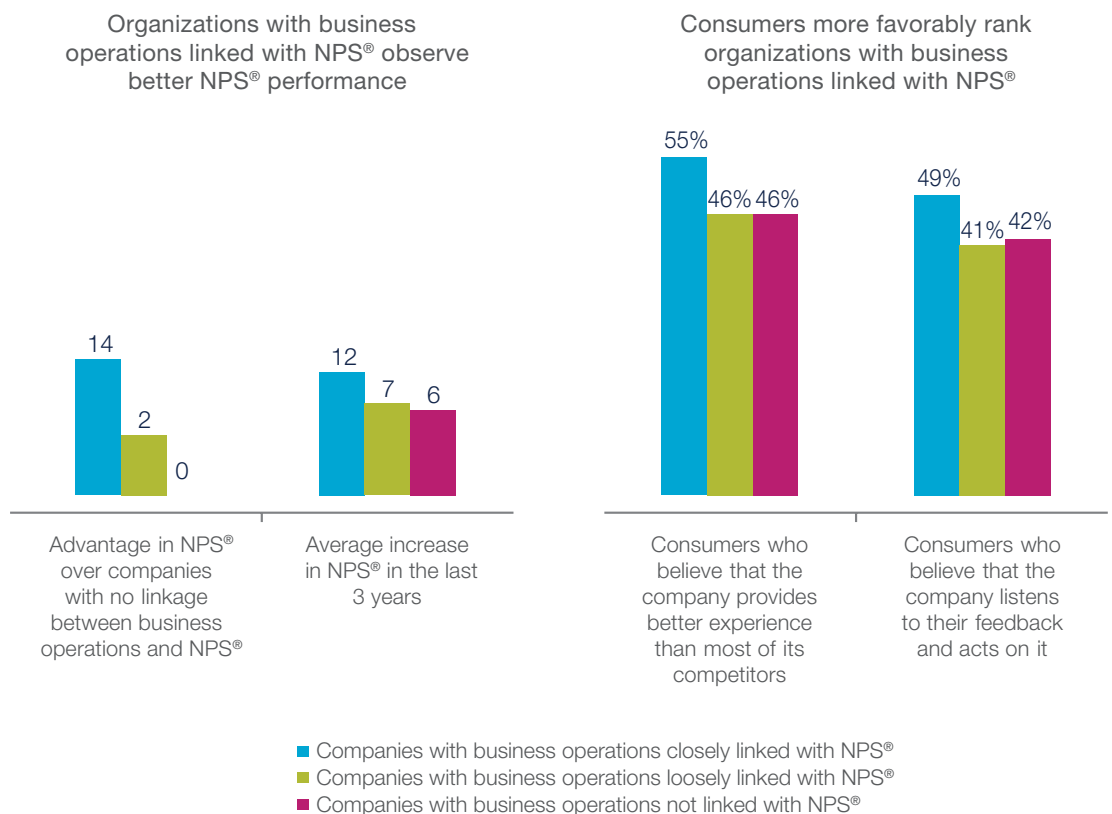
Source: Capgemini Digital Transformation Institute analysis; Capgemini digital customer experience executive survey February–March 2017, and consumer survey March 2017

Companies that closely tie business operations with customer experience enjoy greater benefits

Our analysis reveals that organizations that tightly link their business operations with the customer experience reap greater rewards in terms of NPS® and positive customer perceptions (see Figure 4). Organizations we surveyed fall under one of the following broad categories:

- **Companies with business operations closely linked with NPS® (6%):** These organizations monitor their NPS® or customer experience performance on a daily basis and share the information with managers. This creates a better alignment between business operations and NPS® performance.
- **Companies with business operations loosely linked with NPS® (61%):** At these firms, NPS® or customer experience is monitored on a regular basis. However, business operations are revisited only at fixed intervals, such as quarterly, half-yearly, or even less frequently.
- **Companies with business operations not linked with NPS® (33%):** These companies do not track NPS® or customer experience at regular intervals and these have no bearing on operations.

Figure 4: Organizations aligning operations with customer experience enjoy greater rewards



N=125 companies and their 3372 consumers

Source: Capgemini Digital Transformation Institute analysis; Capgemini digital customer experience executive survey February-March 2017, and consumer survey March 2017

In the section that follows, we examine whether or not organizations are prioritizing their digital customer experience and, crucially, what consumers think of their efforts. We also look at how organizations can seize the rewards of a positive digital customer experience.

14 points
NPS advantage
of companies
with business
operations
closely linked
with NPS

NPS® leadership magnifies the advantage from an improved customer experience

We have found a positive link between an organization's DCX Index and its NPS®. To understand the potential value of that link, we compared a group of high NPS® performers to those with less stellar results (see "Key characteristics of NPS® leaders vs. laggards" below). We found that leaders gain a 60% advantage over laggards in terms of increased customer willingness to spend.

- The NPS® leaders stand to gain nearly \$35 billion, or about 2.5% of their total annual revenue, in additional sales revenue by delivering an enhanced experience.
- NPS® laggards would only gain an additional \$1.2 billion or 1.5% of their total annual revenue.

Extra spending from consumers upon receiving a better customer experience	Total added revenue from increased consumer spending	Share of total annual revenue	Average added revenue per company
For 15 low NPS® companies	\$1.2 billion	1.5%	\$80 million
For 15 high NPS® companies	\$35.3 billion	2.4%	\$2.35 billion

Key characteristics of NPS® leaders vs. laggards

Key Characteristics	Top 15 High NPS® organizations	Bottom 15 Low NPS® organizations
Average NPS®	+9	-66
Average increase in NPS® in the last three years (according to consumers)	12 points	2 points
Average annual revenue	\$146 billion	\$18 billion
Business segment	Mostly large retail and consumer products firms	Mostly small and mid-size utilities

Source: Capgemini Digital Transformation Institute analysis

Organizations and consumers are miles apart on the customer experience

78%
Percentage of utilities believe they are customer-centric, but only 7% of consumers agree

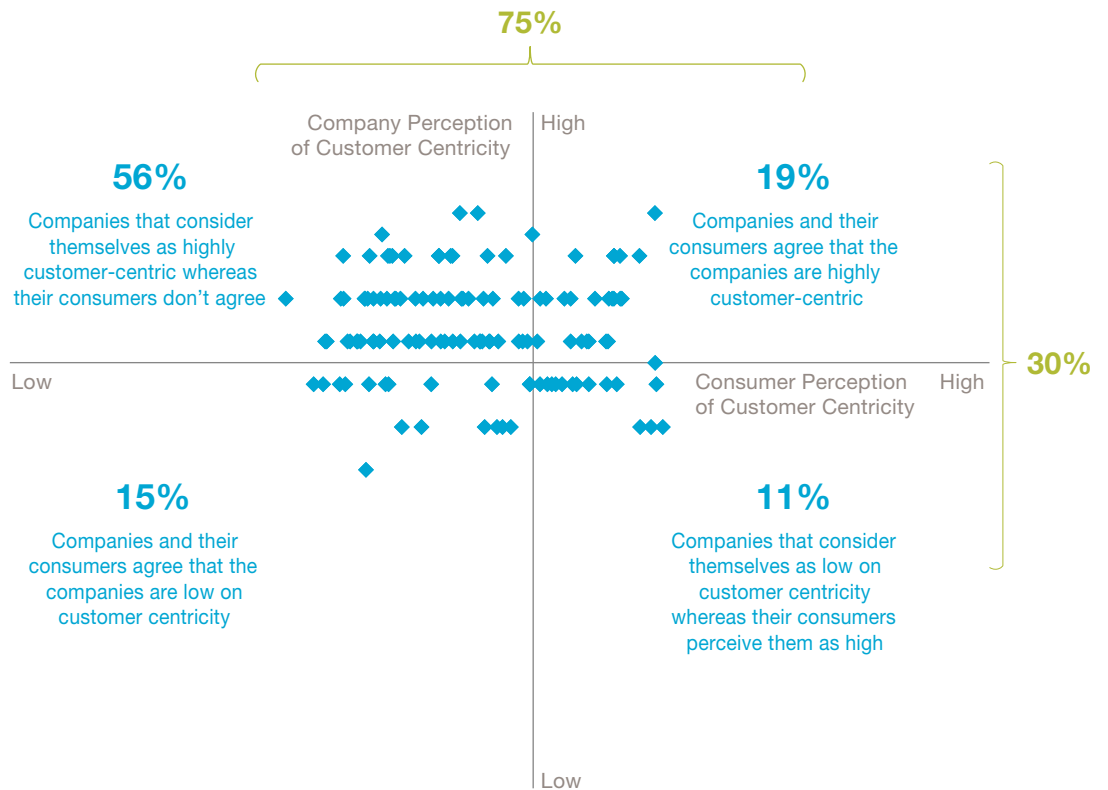
Companies and their consumers do not see eye-to-eye on the customer experience. Our research found:

1. A major gap between consumers and companies on customer centrality
2. A disconnect on NPS® in many sectors
3. A clear signal from consumers that they feel their voice is not heard and their loyalty is not rewarded.

A major gap between consumers and companies on customer centrality. We found that while three-quarters (75%) of organizations believe themselves to be customer-centric, only 30% of consumers believe this to be the case (see Figure 5).

Utilities are particularly out of sync. We found that 79% of utilities believe they are customer-centric, but only 7% of consumers agree. Regionally, only companies in Asia-Pacific can claim to be in tune with their consumers.

Figure 5: Consumer and company perception of customer centrality



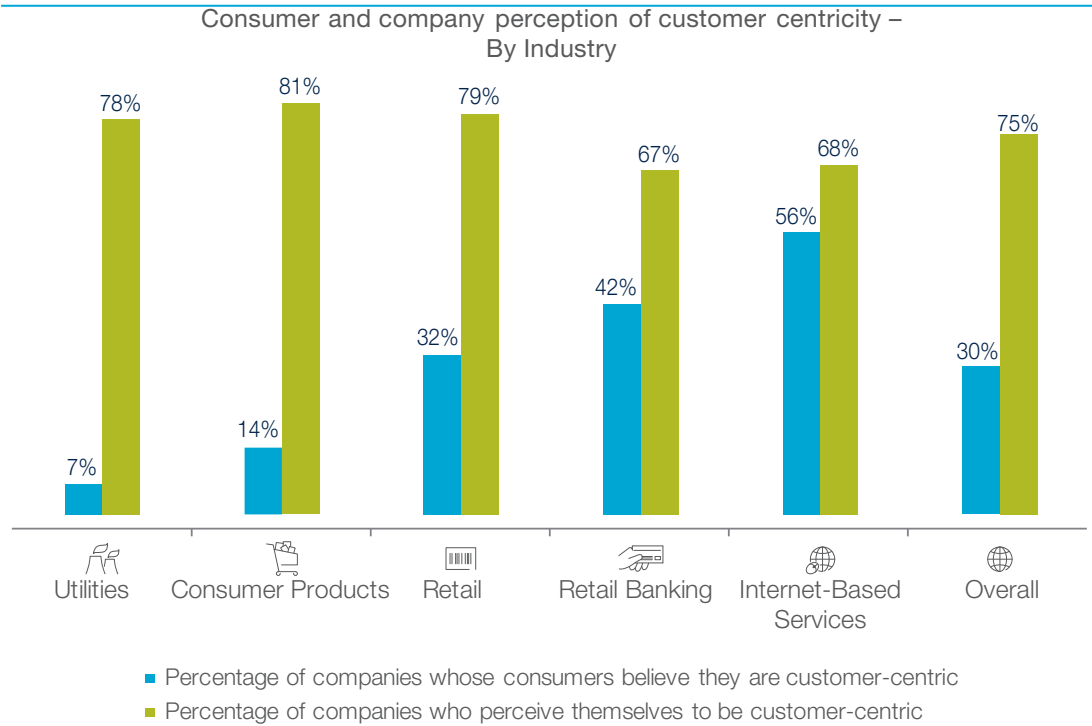
N=125 companies and their 3372 consumers. The vertical axis represents the average rating by company executives on whether they believe their company is customer centric. The horizontal axis represents the average rating of the consumers of the same company on the customer centrality of the company. Both questions had a scale of 1-7. Consumers or executives rating a company 4.5 or more were considered to be in favor of high customer centrality.

Key characteristics of customer centricity leaders vs. laggards

Key Characteristics	Top 15 customer-centric organizations	Bottom 15 customer-centric organizations
Average NPS®	+5	-64
Average increase in NPS® in the last three years (according to consumers)	13 points	2 points
Average reduction in spending by consumers for a negative customer experience	41%	53%
Business segment	Mostly large retail and retail banking firms	Mostly small and mid-size utilities

Source: Capgemini Digital Transformation Institute analysis

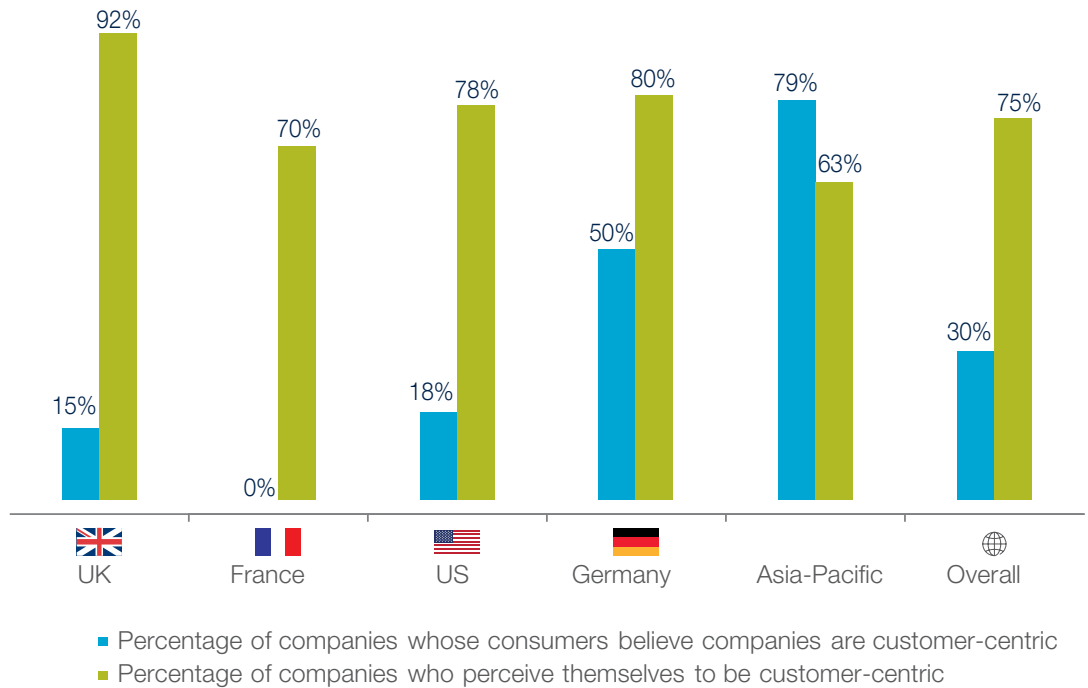
Figure 5 (continued): Consumer and company perception of customer centricity – by industry



N=125 companies and their 3372 consumers.

Source: Capgemini Digital Transformation Institute analysis; Capgemini digital customer experience executive survey February-March 2017, and consumer survey March 2017

Figure 5 (continued): Consumer and company perception of customer centricity – by geography



N=125 companies and their 3372 consumers. Asia-Pacific countries include: Australia, China and India.

Source: Capgemini Digital Transformation Institute analysis; Capgemini digital customer experience executive survey February-March 2017, and consumer survey March 2017

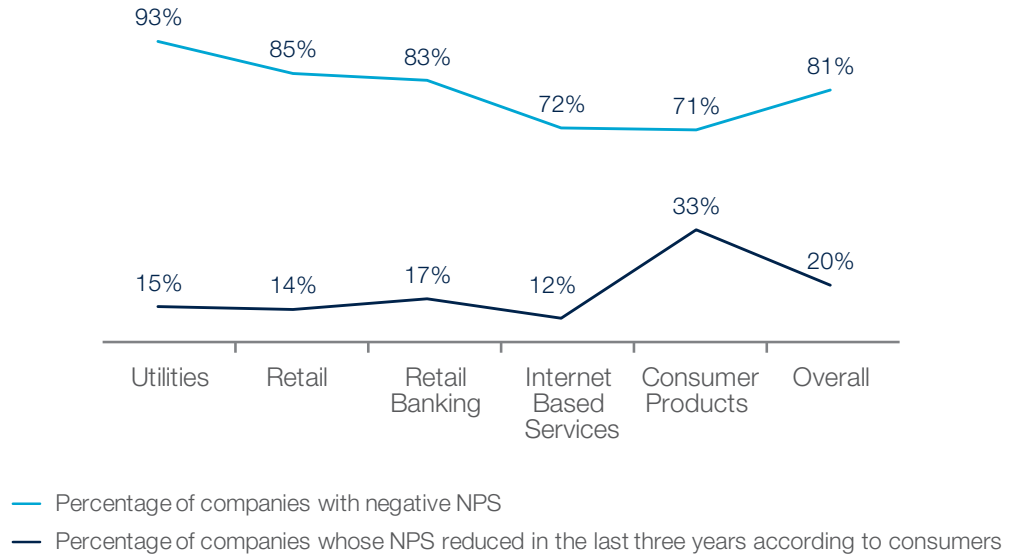
80%
Percentage of consumers who believe their Internet-based services company has improved its NPS by more than 5 points in the last three years

The UK, France and the US are most out of sync with their consumers. We found that this disconnect runs deeper than just on customer centricity. Customers in these countries also rank companies lower on several important issues. For instance, only 34% of US consumers believe that companies reward them for loyalty—the lowest across all surveyed countries. And only 26% of consumers in the UK believe that companies understand their needs.

A disconnect on NPS® in most sectors.

We can see a larger divide between consumers and companies when we analyze the NPS® data in detail. A large majority of companies—more than 8 out of 10 on average across sectors—derive a negative NPS® from their consumers. As Figure 6 shows, there are more detractors among consumers than there are promoters. For many companies, this unwelcome news will be tempered if they are committed to improving their score over time as part of a calculated and determined approach. However, it is clear that many companies are not making progress. In consumer goods, for example, a third of companies have actually seen their NPS® decrease over the last three years—the highest among all sectors⁶.

Figure 6: Over 80% of firms have a negative NPS® and nearly 20% have seen their NPS® decrease in the last three years



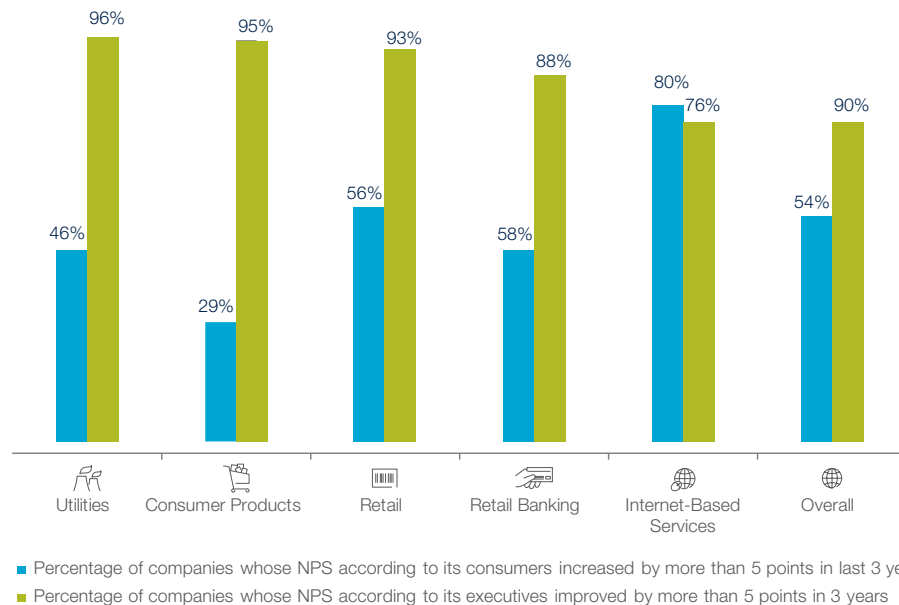
N=125 companies.

Source: Capgemini Digital Transformation Institute analysis; Capgemini digital customer experience executive survey February-March 2017, and consumer survey March 2017

33%
Consumer products firms that saw their NPS reduce over the last three years according to consumers

Many Internet-based services firms are in touch with consumers on how their NPS® has evolved. We found that 80% of consumers believe their Internet-based services company has improved its NPS® by more than five points in the last three years. As Figure 7 shows, this is close to the perceptions of executives (76%). However, in traditional industries—such as consumer products and utilities—the gap between organizations and consumers on this score is very pronounced. The concern is that firms may be under the incorrect impression that they are improving their customer experience when their customers think differently.

Figure 7: How consumers and companies believe their NPS® increased over the last three years



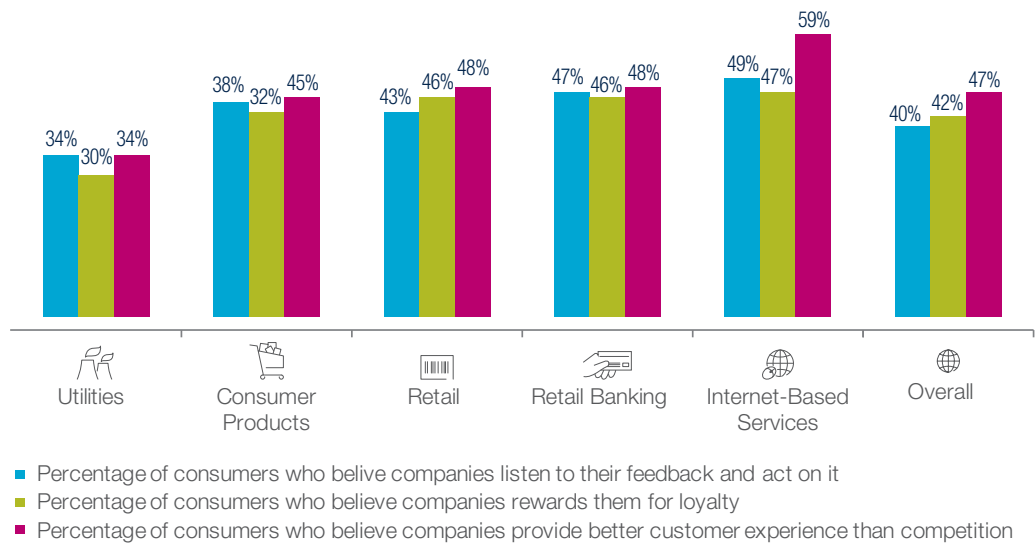
N=125 companies and their 3372 consumers.

Source: Capgemini Digital Transformation Institute analysis; Capgemini digital customer experience executive survey February-March 2017, and consumer survey March 2017

Consumers feel their voice remains unheard and their loyalty unrewarded.

Consumers do not want to be passive users—they want their voice heard and their loyalty rewarded. Yet, our research finds that many consumers are not receiving the attention they desire (see Figure 8). In addition, in most industries we surveyed, less than half of consumers believe their organization provides a better customer experience than the competition.

Figure 8: Consumer perception of companies on key customer considerations



N=3372 consumers.

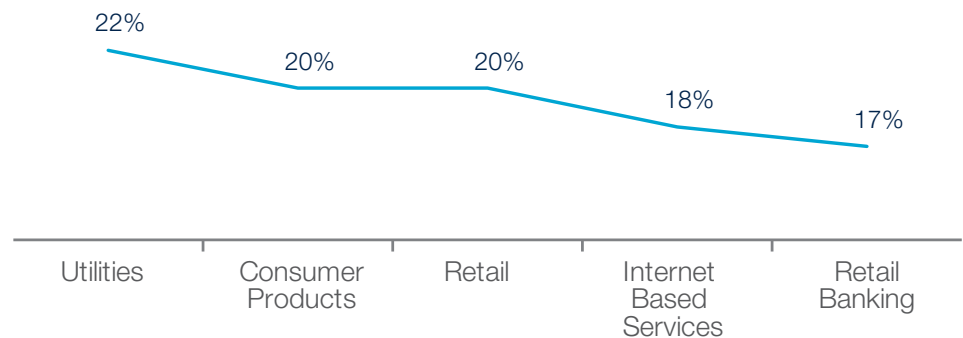
Source: Capgemini Digital Transformation Institute analysis; Capgemini digital customer experience executive survey February–March 2017, and consumer survey March 2017

This disconnect can prove to be costly.

Consumers can be fairly ruthless in their pursuit of the experience they want and vote with their wallets if their needs are not met. Our survey found that nearly one in five consumers stopped purchasing from a company altogether when it failed to provide a positive experience (see Figure 9).

Figure 9: How consumers vote with their wallet

Percentage of consumers who stopped purchasing from the company altogether upon having a negative experience



N=3372 consumers.

Source: Capgemini Digital Transformation Institute analysis; Capgemini digital customer experience executive survey February–March 2017, and consumer survey March 2017

1 in 5
consumers
stopped
purchasing
from a company
after a poor
experience

Even a perfunctory analysis shows that organizations with an inferior experience could concede about 10% of wallet share to their competitors. Even if a firm has been providing a decent level of customer experience, failing to drive further improvements leaves about 14% of extra value on the table.

Potential loss of wallet share to competitors annually		
Average reduction in spending by consumers upon receiving poor customer experience (all consumers)	39%	7% points (46%-39%) due to poorer experience compared to competition +
Average reduction in spending by consumers who rank companies serving them poorly on customer experience vis-à-vis competition	46%	~2% growth in personal consumption as per economic estimates = ~10% wallet share ceded to competition annually
Potential value left on the table by failing to provide a better customer experience		
Average expected increase in spending by consumers for a better customer experience (all consumers)	24%	12% points (=36%-24%) owing to customer's propensity to spend more for a better experience +
Average expected increase in spending for consumers who rank their companies favorably on customer experience vis-à-vis competition	36%	~2% owing to growth in personal consumption as per economic estimates = ~14% extra value left on the table by failing to provide a better customer experience

Note: In the U.S., personal consumption is expected to increase at 2.4% until 2024 while in Europe, private consumption is projected to average 1.6% in 2017 and 1.5% in 2018⁷

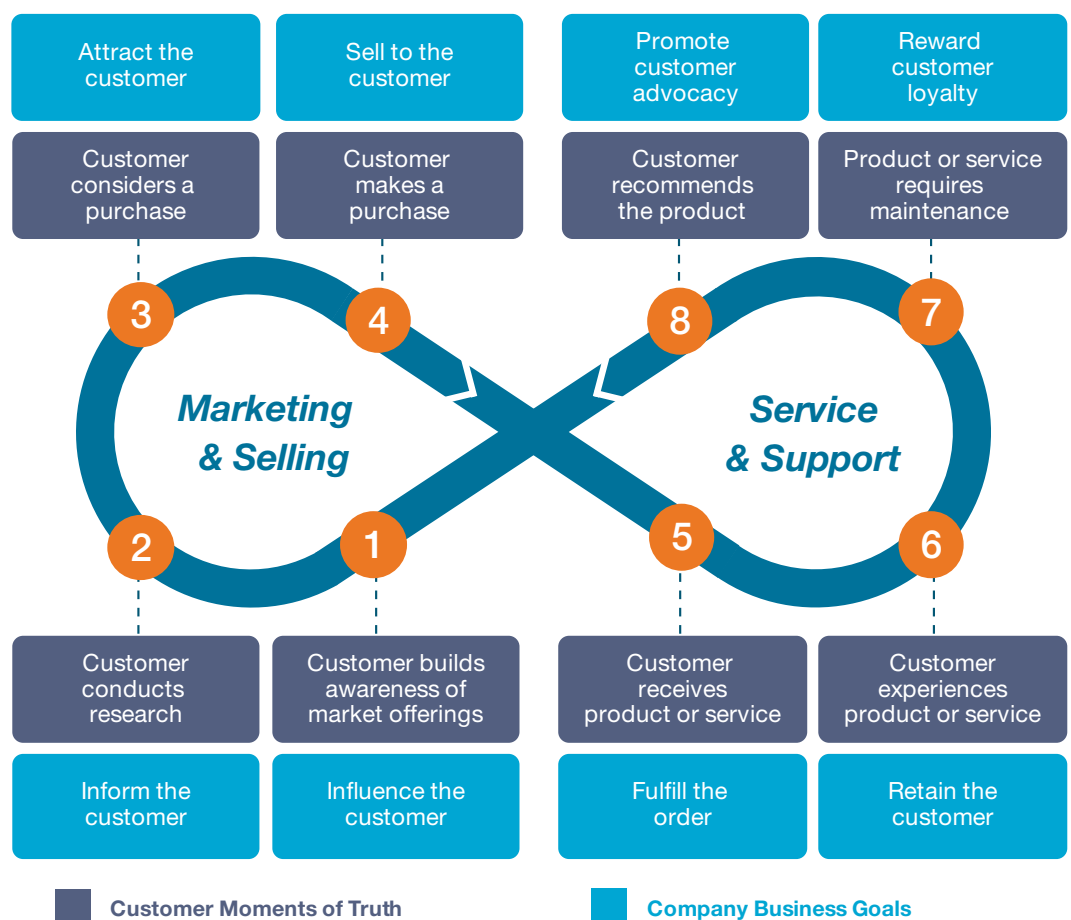
Source: Capgemini Digital Transformation Institute analysis; Capgemini digital customer experience executive survey February–March 2017, and consumer survey March 2017

In the following section, we examine what companies can do to mend this great rift with consumers. We take a closer look at what sets customer experience leaders apart from their peers, and how organizations can formulate a differentiated and coherent customer experience strategy.

Digital customer experience best practices

The key to a differentiated customer experience, and a higher DCX Index, is about mapping and connecting the goals of the customer and the brand at key points in the relationship lifecycle, from when the customer builds awareness of the market offer to when they are willing to recommend the product (see Figure 10). When practices and processes are in place at critical stages of the lifecycle, a consumer will advance from awareness and proceed, eventually, to advocacy.

Figure 10: How company business goals and customer journeys come together throughout the customer life cycle



Source: Capgemini Digital Transformation Institute analysis

We wanted to understand what digital practices were critical to the lifecycle. We analyzed over 80 digital practices ingrained in our DCX Index, drawing out the top three practices that distinguish the leader group and separate them from the laggards (see Figure 11). The good news is that these practices are not revolutionary in nature – they have been around for a while and accessible to all organizations. Yet, only a few organizations have implemented them so far. For instance, in retail banking, 50% of DCX Index leaders follow all top three best practices whereas only 7% of the rest of the companies do so. Similarly, more than half of DCX Index leaders in the retail industry (53%) have adopted all the top practices while only about a quarter of the other firms (25%) in the sector have done so.

Figure 11: Top three practices that distinguish DCX Index leaders, by sector

Best Practices	Example
Retail	
<ol style="list-style-type: none"> 1. Ability to personalize products and services online or on mobile 2. Using customer data to predict changes in consumer behaviour and tailor offerings 3. Launching new IT initiatives to improve customer experience on digital channels 	<p>As part of its omni-channel strategy, one of the world's largest DIY retailers and Capgemini client developed an app that includes information on over 500,000 products. This provides a better mobile experience and access to more services, including in-store services. It also allowed the company to build a contextual view of the consumer and their journey, increasing both app traffic and revenue.</p>
Consumer Products	
<ol style="list-style-type: none"> 1. Ability to personalize products and services online or on mobile 2. Providing loyalty points/incentives for customers to use digital channels 3. Providing users control over viewing, editing and removing their personal data 	<ul style="list-style-type: none"> • Olay, Procter & Gamble's skincare brand, recently launched an artificial intelligence-powered mobile platform that helps women better understand their skin and gives them a personalized regimen recommending products that are right for their skin type⁹. Since its launch in late 2016, the platform has already seen over a million visits. • Nestlé ensures that its consumers are fully informed about the data it collects about them online, how consumers can control that data and who can access that data⁹. This puts consumers in charge of their data and allays any potential concerns consumers may have about data security and privacy.
Retail Banking	
<ol style="list-style-type: none"> 1. Running marketing campaigns to encourage use of digital channels by customers 2. Providing targeted offers and incentives only on digital channels 3. Encouraging existing customers to refer new customers via digital channels 	<p>A personal finance department of a large multinational bank, that is also a Capgemini client, undertook a strategic program to define a new omni-channel and self-care service model. In a pilot conducted in three countries, the project increased customer satisfaction by 5% and reduced the cost to serve by 10%.</p>
Utilities	
<ol style="list-style-type: none"> 1. Improving customer experience for seamless cross-channel experience 2. Charging extra for using physical channels such as stores or call centers 3. Reassuring customers that online channels are secure 	<p>One of the world's largest electricity producers—a Capgemini client—wanted to strengthen its customer relationships by launching a new mobile app and website. Its revamped digital properties now allow consumers to manage their payments online. It also added a number of innovative features, such as allowing consumers to see how their electricity consumption has evolved over recent months.</p>

Source: Capgemini Digital Transformation Institute analysis; Capgemini digital customer experience executive survey February–March 2017

How incumbents across industries are pushing the boundaries of digital customer experience

Conversational Commerce. Domino's Pizza, the world's leading pizza restaurant chain, recently added a new channel for customers to place orders—Amazon Echo—the voice-driven technology that provides a virtual assistant answering to the name Alexa. This capability makes pizza ordering particularly easy. Upon linking their Domino's and Amazon accounts, customers can place a default order (an Easy Order) or repeat their most recent order. Dennis Maloney, Domino's vice president and chief digital officer said, "We want to continue making ordering pizza as convenient as possible, and this is no exception. Customers can order from anywhere they are, including from the comfort of their couch while watching Sunday's football game." As well as its traditional channels, Amazon Echo marks Domino's eighth ordering platform alongside other new ways of ordering such as - emoji, Twitter, text, and smart TV.

Voice authentication in customer care. Citi India, Citigroup's Indian subsidiary, launched a voice-based biometric authentication system for its customers earlier this year. The system can automatically identify a person based on the sound patterns created by his or her voice within 15 seconds. This cuts down the time required to authenticate a customer by at least 30 seconds from the 45 seconds it normally takes through existing authentication capabilities, which require PINs and answering verification questions. With this new method, Citi India hopes to save nearly 100,000 customer call hours annually.

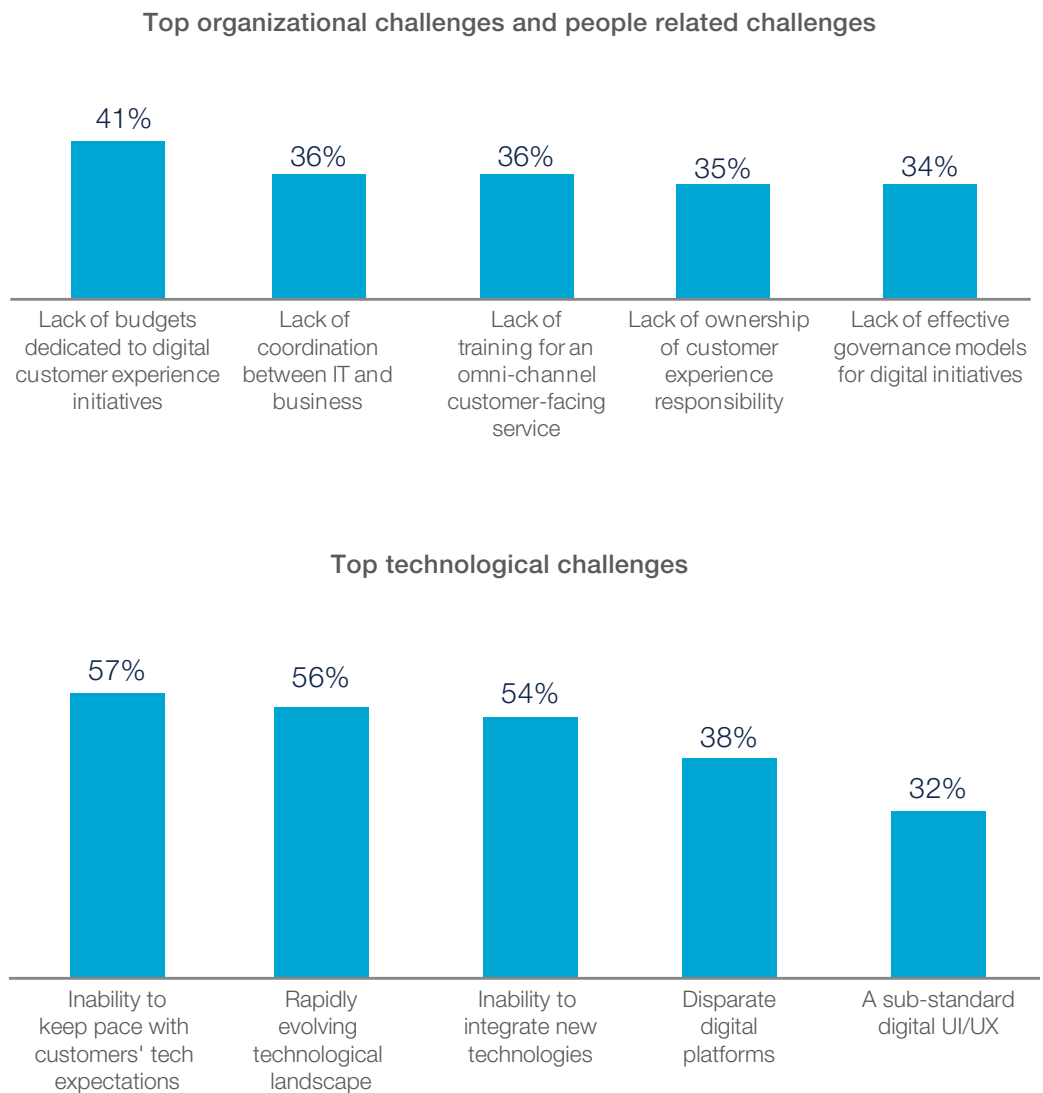
Virtual Reality Shopping Experience. Tommy Hilfiger, the American clothing label, made one of its fashion shows available to be experienced in virtual reality in select stores around the world. Shoppers received a Samsung GearVR headset to watch a 360-degree, three-dimensional experience of the show, giving them a virtual front-row seat to the action. Tommy Hilfiger said, "From the incredible set and music to exclusive backstage moments, consumers will be able to watch the clothes move and see the collection in the original show environment; it's a compelling and interesting elevation of the traditional shopping experience." Stores running this initiative also made the collection that consumers viewed in virtual reality available for purchase, instantly capturing customer interest and book sales orders.

Source: PR Newswire, "Domino's® Adds Amazon Echo Ordering Capability in Time for Big Game", February 2016; Economic Times, "Citibank launches voice password in India", January 2017; Forbes, "Hands-On With Tommy Hilfiger's In-Store Virtual Reality Catwalk Experience", October 2015

A roadmap to steer the digital customer experience strategy

Organizations face a range of challenges as they design and deliver a customer experience strategy, on both an organizational and technological level. As Figure 12 shows, organizations struggle to overcome a number of hurdles, from lack of financial resources to the pressure of trying to keep pace with customers' technology expectations.

Figure 12: Key challenges in formulating and executing customer experience strategy

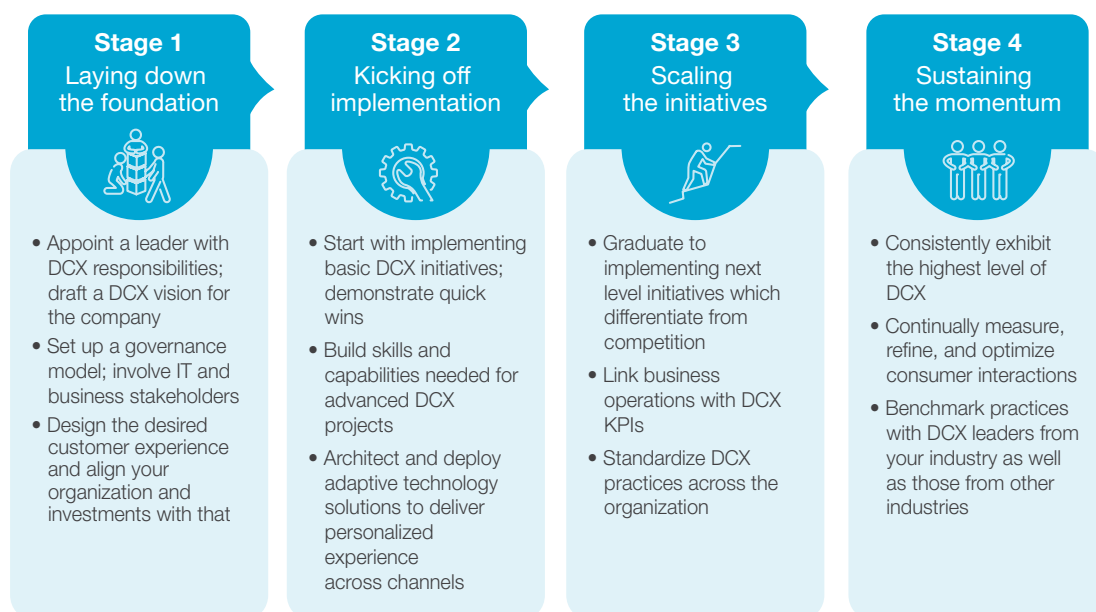


N = 150 companies. Percentages indicate share of organizations that rank an option as one of its top three challenges. Percentages do not total 100 due to multiple-choice selections.

Source: Capgemini Digital Transformation Institute analysis; Capgemini digital customer experience executive survey February–March 2017, and consumer survey March 2017

Drawing on our research, and our experience working with leading companies to establish best practices, we suggest that companies tackle these challenges through a measured step-by-step approach (see Figure 13).

Figure 13: A roadmap to steer the customer experience strategy



Source: Capgemini Digital Transformation Institute Analysis

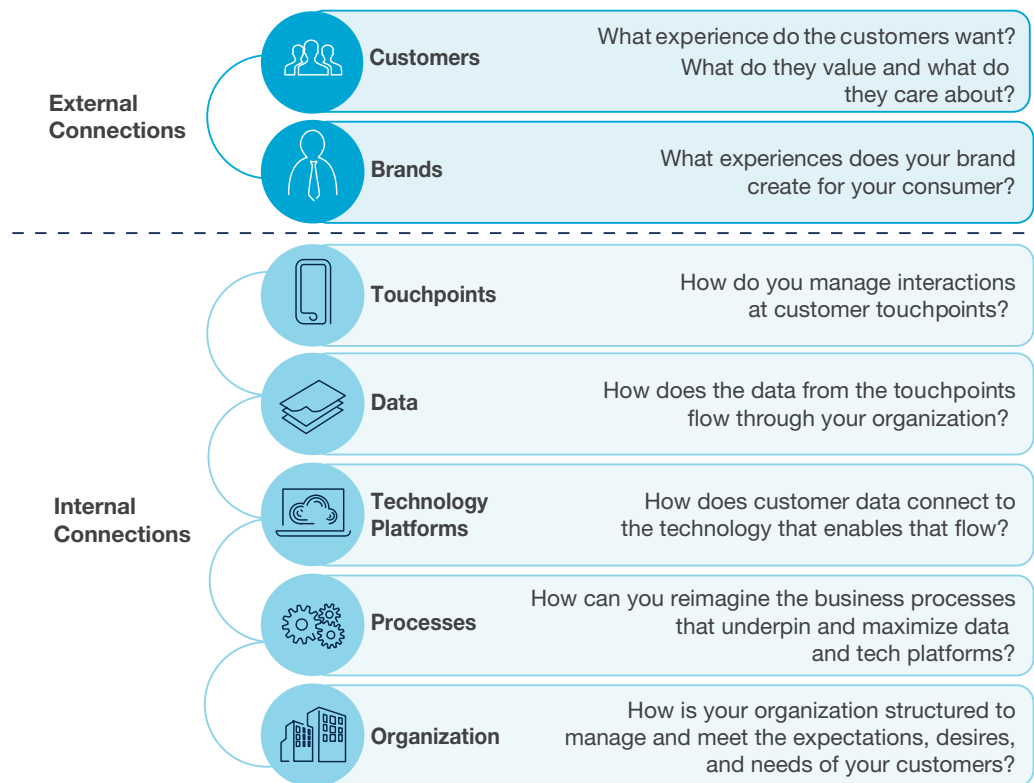
Lay down a foundation of leadership, vision, and governance

Sprint, one of the largest telecom companies in the US, had ambitious digital goals: boost sales three to five times, increase digital upgrades three to seven times and provide world-class digital care in three years¹⁰. The company appointed Renato Derraik as head of its digital transformation program in early 2016 and he spelled out the company’s ambition at an industry event: *“The traditional models we had to deliver customer satisfaction are turned on their heads. This is why we are fundamentally redesigning our digital experience.”* His vision for Sprint is to provide digital sales that match Amazon, create customer engagement that rivals Candy Crush, and provide digital care at the same level as Apple.

In just four months, Sprint saw a 150 percent growth in digital sales and a 180 percent increase in digital sales call volume through focused DCX initiatives. It streamlined upgrades, communications, and sales, so that processes require less “clicks” by the consumer. By building up its talent base in artificial intelligence and advanced analytics, it fully utilizes unstructured data and potentially untapped data sources such as social media comments or location data.

For leaders to succeed, they need to know which experiences matter and where to begin. We believe that the customer experience is about creating five key connections, as Figure 14 shows. These include both external connections (with the customer) and internal connections (with the various units and functions within the organization). As we saw earlier, organizations with stronger links between business operations and customer experience metrics enjoy greater benefits.

Figure 14: Making five crucial connections at the foundation of an all-round digital customer experience



Source: Capgemini Digital Transformation Institute Analysis

Kick-off implementation by examining quick wins and developing capabilities

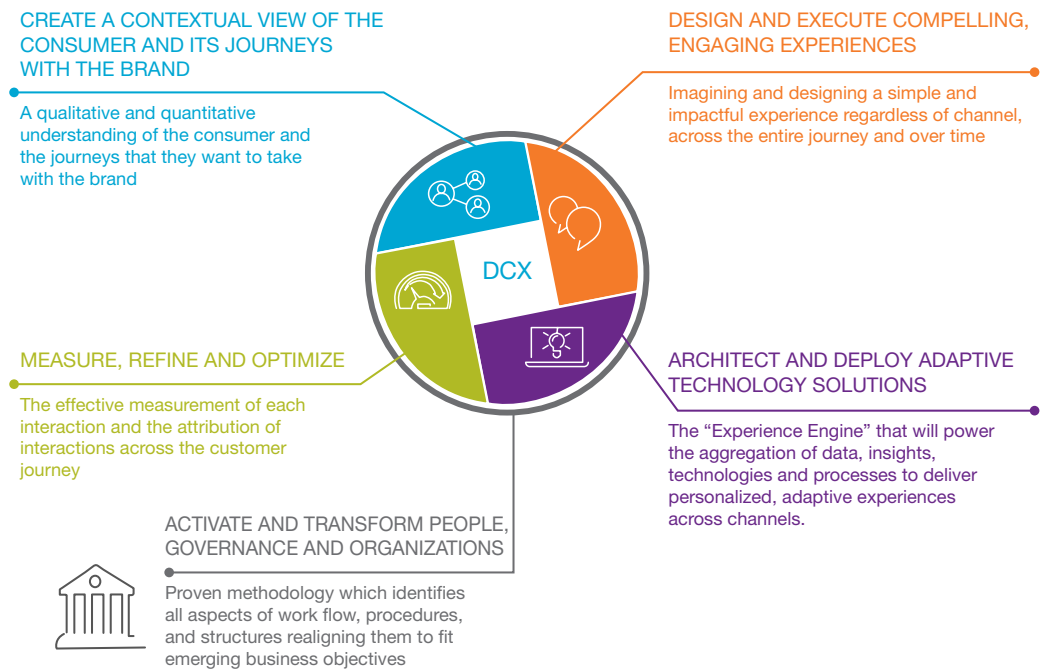
As a firm starts to implement these practices, it is crucial to build a digital talent pool. In our survey, we found that 21% of organizations cited a lack of digital talent as one of their biggest customer experience challenges. As Figure 15 shows, five capability areas are important.

Scale the initiatives to the organizational level

As digital customer experience initiatives start to take root, organizations need to ensure they can scale up and mature. This is critical to ensure that you not only benefit from the economies of scale, but also manage to create a unified brand experience. At this stage, the required DCX practices that must be implemented reach a higher level of complexity and effort. For example:

- Provide a truly omni-channel service that offers seamless execution across multiple physical and digital channels
- Integrate physical and digital channels and disparate data sources
- Fine-tune products or offerings based on customer feedback and usage behavior
- Ramp up investment in IT to both support the launch of a new digital brand and to improve customer service quality

Figure 15: Core capabilities for enabling digital customer experience



Source: Capgemini Digital Transformation Institute Analysis

- Become digital first: make digital the default channel for customer interaction and use physical channels either as backup or a way to resolve particularly contentious or complex issues
- Proactively communicate with customers throughout the customer journey

A leading North American quick service restaurant chain and Capgemini client provides a good illustration of this sort of program. Our client wanted to expand beyond traditional customer geographies and demographics by offering an engaging experience to millennials and Gen Z customers. The company sketched out buyers’ journeys and digital preferences, using in-store and online surveys. It then devised a customer experience strategy that tracked the buyer journey and offered them customized experiences across different touchpoints. This included relevant content on its website, social media, and other digital channels to encourage customer interaction. The restaurant chain then designed an engaging mobile app with intuitive customer loyalty features, such as quick ordering, personalized menus, and reward points. These initiatives helped the organization to better align with the millennial demographic, molding them into a loyal customer base.

Sustain the momentum to have a consistent edge over competitors

Customer expectations continue to change at frighteningly quick speed, with new, agile entrants emerging rapidly to target customer pain points. It’s critical, therefore, that organizations improve and maintain momentum. To continue setting the bar high, driving innovation and continuous improvement, organizations should link business operations with customer experience metrics and benchmark their initiatives against those of companies both inside and outside their sector with the following:

- Provide a seamless cross-channel experience, such as a completely seamless purchase process across digital and physical channels
- Use digital tools to manage and monitor customer journey in real-time
- Provide loyalty and referral programs on digital channels
- Ensure the highest level of customer data security and privacy practices. For example:
 - Give users control over viewing, editing, and removing their personal data
 - Be transparent about data privacy and security policies and any changes to them
 - Provide a fair value in return for customers sharing their personal data
 - Safeguard customer data from breaches and thefts

Conclusion

Consumers are ready to reward better experiences. This is a big opportunity for organizations that execute on their digital customer experience strategy. Our research points to a clear link between a firm's digital customer experience, its NPS and stock performance. Moreover, firms that closely tie business operations with customer experience will enjoy greater benefits. A careful examination of leading DCX best practices and a methodical approach to steer the digital customer experience strategy will place firms on a sure footing and yield big gains.

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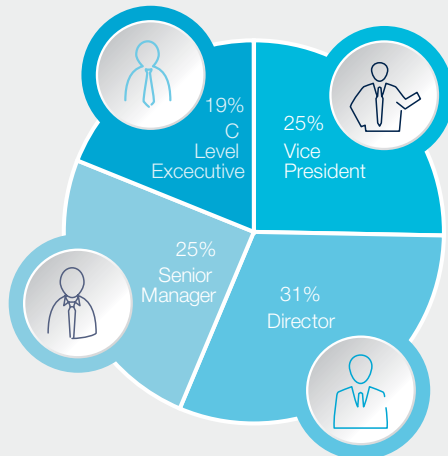
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 2. Nordstrom, "Nordstrom Fourth Quarter and Fiscal 2016 Earnings Exceeded Expectations", February 2017; Fortune, "Nordstrom's multi-billion dollar plan for e-commerce domination", February, 2015; Forbes, "Nordstrom Is Top Performer On Social Media, New Ranking Of U.S. Retailers Reveals", November 2015
 3. Internet-based services firms are leading pure-play online companies providing services such as: internet search, email, social networking, cab hailing, travel and hotel booking, e-commerce, and entertainment etc.
 4. Net Promoter Score (NPS[®]) is an industry-standard metric for measuring customer loyalty and satisfaction. It is calculated as a difference between a firm's percentage of promoters and its percentage of detractors. Promoters and detractors are ascertained based on their response to a single question: how likely is it that you would recommend [brand] to a friend or a colleague? Respondents are asked to rate the brand on a scale of 0-10, with 10 being "extremely likely" and 0 being "not at all likely". Respondents rating the brand a 9 or 10 are classified as promoters, whereas those rating from 0 to 6 are termed detractors. More info: <https://www.netpromoter.com/know/>
 5. The increase in NPS[®] and willingness to spend observed by companies upon increasing DCX Index assumes that all other factors remain constant. The actual increase will depend on company characteristics. The closer is the company to an average company in our sample in terms of its NPS[®] and DCX Index, the more likely it is to observe the stated gains and vice versa.
 6. For executives, we asked if their company's NPS[®] increased in the last three years and if yes, by how much. For consumers, we calculated the NPS[®] growth as follows: we asked each consumer the standard NPS question on whether they would refer a company to their friends or relatives. This led to the current NPS of the company upon aggregating the responses of all consumers of a company. We also asked consumers, what would they have rated the company on the same question three years ago. The difference in the current NPS and the NPS from the past rating helped us calculate NPS evolution of companies as per consumers.
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Research Methodology—Digital Customer Experience Executive Survey

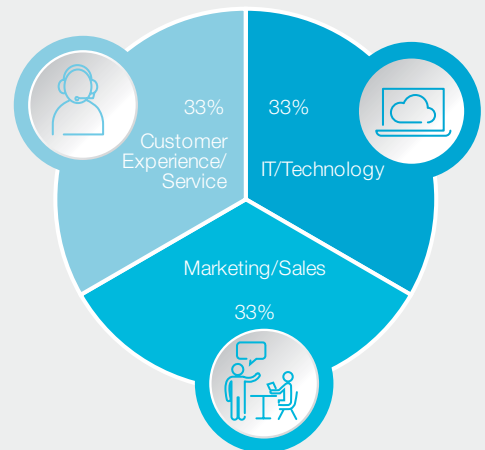
We surveyed executives from 150 companies:

- Executives belong to companies headquartered in: Australia, China, France, Germany, India, the Netherlands, the UK, the US.
- Five industries: Consumer Products, Utilities, Retail, Retail Banking and Internet-based companies.
- 450 executives (3 from each of the 150 companies): Senior executives (senior managers and above) from three key functions of each company:
 - Customer experience and service
 - IT and technology
 - Marketing and sales.

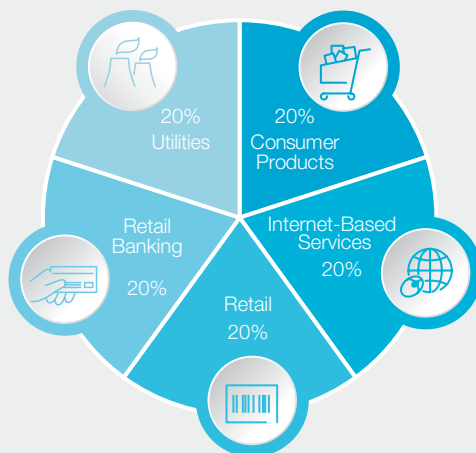
Designation



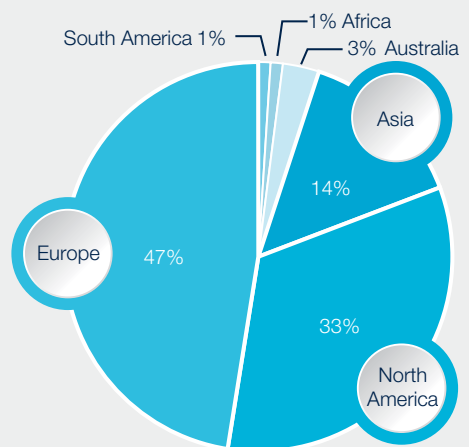
Function



Industry



Geography

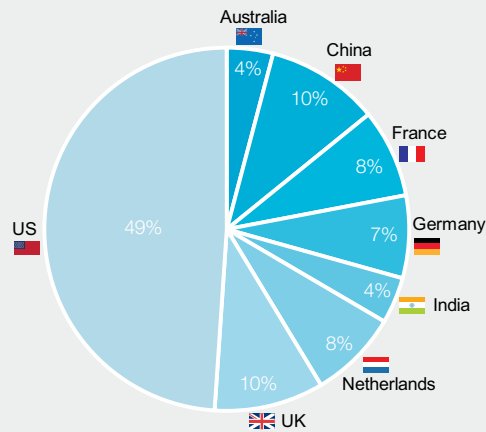


Research Methodology—Digital Customer Experience Consumer Survey

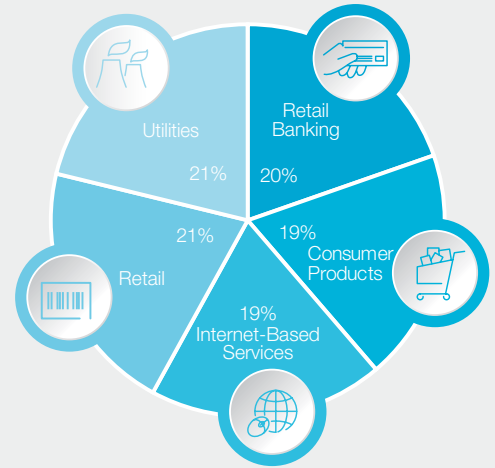
We surveyed 3372 consumers:

- These were customers, drawn from Utilities, Consumer Products, Retail, Retail Banking, and Internet-based services. This company sample was made up of organizations drawn from the executive survey detailed on the previous page.
- Geographically, they were drawn from Australia, China, France, Germany, India, the Netherlands, the UK, and the USA.

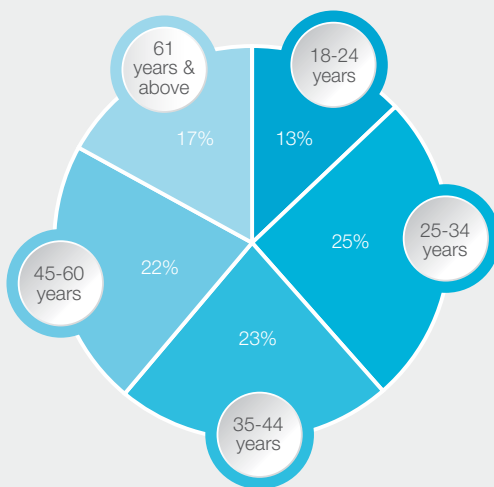
Geography



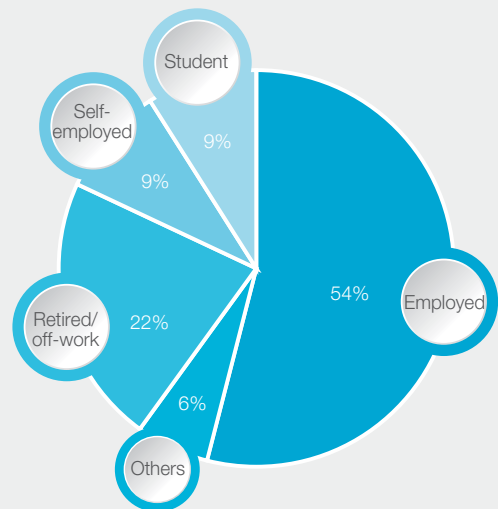
Consuming product/services from



Age Distribution



Employment Status



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[So Near Yet so Far: Why Utilities Need to Re-energize Their Digital Customer Experience](#)



[Disney: Making Magic Through Digital Innovation](#)

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The Digital Transformation Institute is Capgemini's in-house think tank on all things digital. The Institute publishes research on the impact of digital technologies on large traditional businesses. The team draws on the worldwide network of Capgemini experts and works closely with academic and technology partners. The Institute has dedicated research centers in the United Kingdom and India.

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Operating at the intersection of data, design and technology.

We understand what makes a great digital customer experience. It's why our proposition reaches both broadly into the customer environment and deeply into the enterprise.

Collaborating to deliver value for you and your customers.

We believe it is vital to work in collaboration with you to craft the right connections across the entirety of your organization and your partner ecosystem to deliver sustainable value for your customers and your business.

Rigorous methodologies and an adaptive process.

Our experience and expertise is underpinned by a suite of proven tools, accelerators and methodologies which, paired with our highly adaptive process, ensure we can meet the specific digital customer experience needs of your business.

Deep ecosystem relationships.

We have strategically aligned (and co-created with) class-leading partners to accelerate our collective impact.

Sector focus.

Our sector focus keeps us closely attuned to the industries we serve. We further believe that the real magic happens at the intersection of sector and discipline expertise.

A commitment to digital customer experience.

Our teams are broken down into tightly coupled capabilities to get the dual benefit of specialization and collaboration in the pursuit of sustainable competitive advantage for our clients.

Our connected capabilities solve whole problems.

CREATE A CONTEXTUAL VIEW OF THE CONSUMER AND ITS JOURNEYS WITH THE BRAND

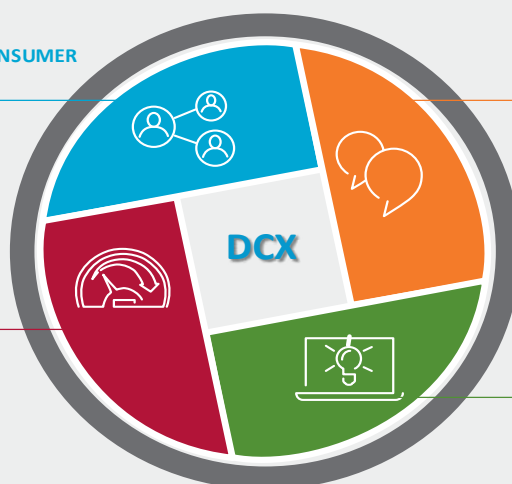
- Qualitative & Quantitative Research
- Ethnography
- Journey Mapping
- Persona Development
- Social media and sentiment Analysis
- Segmentation – personalization

MEASURE, REFINE AND OPTIMIZE

- Cross-channel attribution
- KPI development
- AB/Multivariate Testing
- Smart Processes Monitoring and Optimization

ACTIVATE AND TRANSFORM PEOPLE, GOVERNANCE AND ORGANIZATIONS

- Organizational Change Management
- Digital Operating Model
- Digitization Strategy
- Process reimagination
- Maturity Assessments



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- Omni-Channel Experience Strategy
- Omni-Channel Customer Interaction Design
- On and Offline User Experience Design
- Digital Content Strategy
- Digital Content Development
- Campaign Design

ARCHITECT AND DEPLOY ADAPTIVE TECHNOLOGY SOLUTIONS

- Customer Interactions Management
- Content and Knowledge Management
- Customer Management - Customer and Operations Monitoring
- Customer Process Management
- Digital commerce
- IT Digital Platform

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