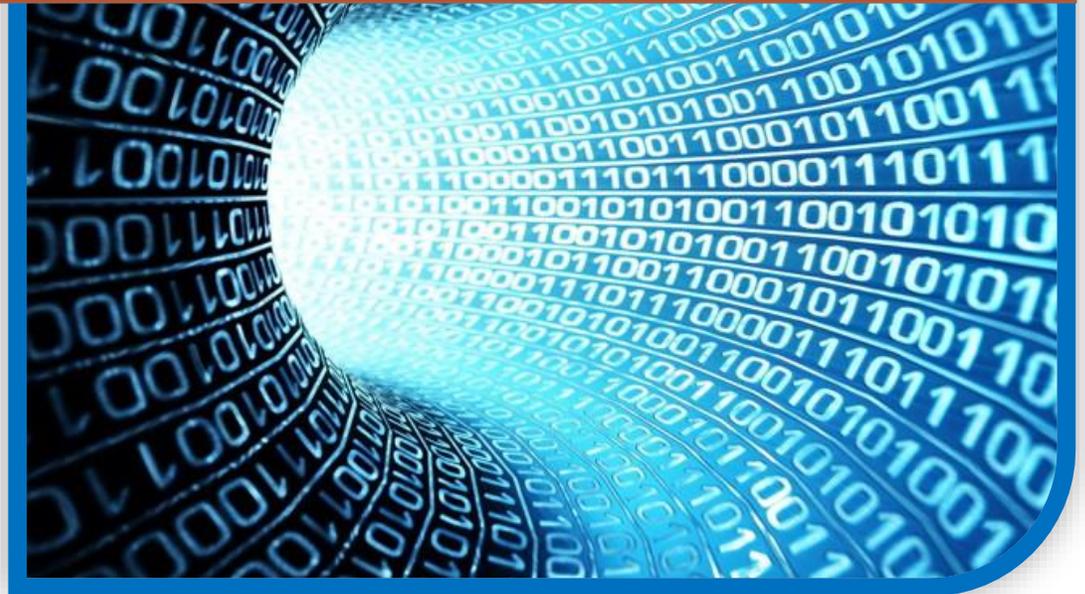


The Impact of Digital Transformation on Customer Experience



The Content Experts

(Technology + business process) x (Agility + Simplicity) = Digital Transformation

The influence of digital on businesses of all sizes isn't new. Canadian consumers are comfortable with online banking, e-filing their taxes, and online shopping. Simplicity is critical. In the workplace and at home, the same principles apply. Online shoppers want to find what they want quickly, press an "I Want It Now" button, and receive the right product quickly. Online retailers, and "Click and Mortar" stores want to captivate the user, and facilitate the buy-flow process as smoothly as possible.

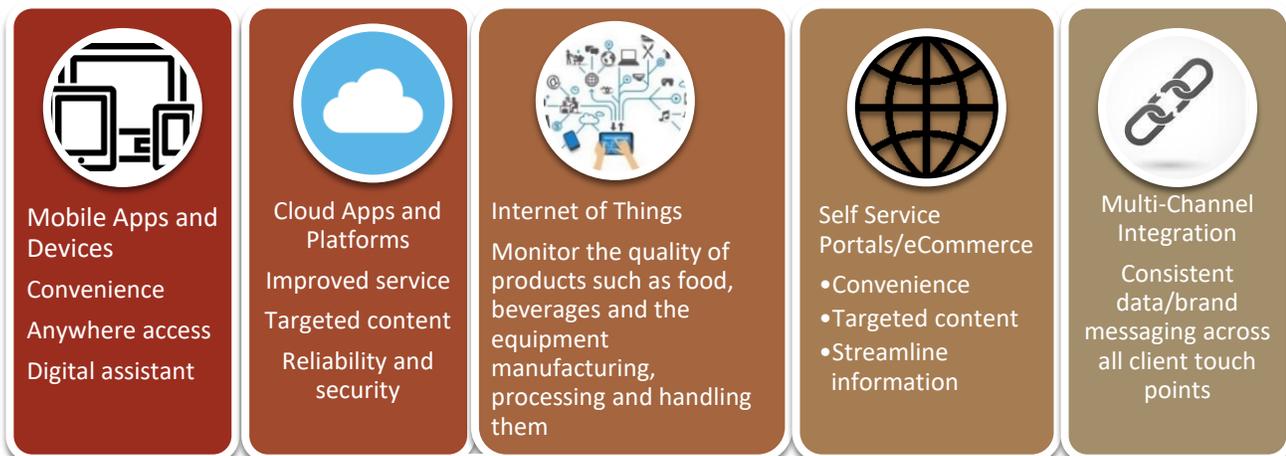


Montréal startup The Third Shelf is in the business of gathering vast amounts of POS data from its retail clients, and helping them deliver better email and SMS loyalty marketing campaigns. Their goal is to provide a "Boost My Sales" button which retailers can click to fill their carts, and optimize customer loyalty. Keeping the user's cursor away from the dreaded "Abandon Cart" button, and increasing online engagement is the digital marketer's ultimate goal.

There are many opportunities for niche "born digital" companies like TTS to leverage the cloud, mobile and IoT for new and innovative business models. Digital helps smaller companies "punch above their weight class" and compete with larger companies.

At a CIO Roundtable in Toronto, hosted by ITWC and Rogers Communications, technology executives from some of Canada's most successful companies from many industries discussed the influence of digital on their internal business processes, which inevitably influences how technology is used to better serve customers and prospects. There was representation around the table from the full spectrum of digital adoption including visionaries, pragmatists and those looking to choose the best path for their organization.

Elements of Digital Transformation



Small businesses like The Third Shelf are often nimbler than large enterprises, and adopting mobile devices, cloud applications, analytics and social media channels involves less risk. Yet large Canadian enterprises are leading the way in many aspects of weaving mobile devices, social media, the cloud and IoT into their day-to-day business practices.

Sales and Marketing Effectiveness with the Cloud

Canadian footwear retailer Aldo is another example of leveraging digital systems to improve the customer experience. CIO Lorne Martel and his team developed and deployed [marketing and sales](#) automation solutions on the Salesforce.com platform. The company has improved their understanding of its customers and prospects, and equipped Aldo sales reps with iPads to check inventory and pricing online and in the store.

Aldo has a hybrid technology environment of cloud and on-premises apps for financials, CRM, e-commerce and operations from vendors including SAP, IBM and Salesforce.com. Retail is an industry where data is an invaluable asset, and competing with disruptors like Amazon.com is a catalyst to innovation.

Embracing Digital Disruption Within Canadian Enterprises

If your company is concerned about the disruptive nature of digital, you aren't alone. Companies like Uber, Airbnb, Expedia and Netflix have drastically changed the personal transportation, hospitality, travel and entertainment industries. For example, Rogers and Shaw introduced Shomi to the marketplace, (though cancelled it a couple of years later) to counter "the Netflix effect". Rogers now sells Netflix as part of their bundled television services. General Motors tried to buy Lyft, and when their take-over bid was rejected, the two companies formed a partnership to develop self-driving vehicle technology.

One of the Roundtable attendees, the CIO of a leading home healthcare organization discussed how, (despite resistance from his peers in his company's executive team, and some older case workers) he led the implementation of a mobile device pilot to equip home care workers with tablets to document their patients' diagnoses and health status.

The mobile program eliminates many paper processes involved with traditional home care, and enables case workers to access historical case data with ease. This CIO, like many of his peers across Canada, is an early adopter among pragmatists, and he needed to champion digital transformation despite naysayers among both the user and management communities.

For many of Canada's largest companies, digital transformation isn't an option, it's a necessity to survive. IDC reports that two thirds of all companies will make digital transformation a core business strategy by 2020.

According to a recent [ITWC survey](#), about the same percentage of Canadian companies feel that digital transformation (DX) is a fad which will pass. Many more companies don't have the tools or expertise they need to see a transformation through. The good news is, many of these companies are either exploring how they can leverage DX in their business, or have their sleeves rolled up, and are working on implementing the necessary products and services.

Mobile Apps and Devices

Small screens are the window into the lives of a growing percentage of web browsers, social media readers, self-service interactions and online shoppers. We talked to an IT executive from an apparel manufacturing company which recognizes that a significant percentage of their clients are interacting with their company on tablets and smartphones.

He says it best:

“On the customer side, it’s important always think like a mobile customer, not someone who is immersed in technology. You need to remember the customer may be new to the experience, so it has to be engaging and initiative every time.

Mobility allows a superior customer service opportunity. We can be responsive and we can serve them anywhere they want to be. We can delight them with imaginative offerings, we can engage them in new and creative ways. We can speak to them like human beings. We can share the journey with them.”

Digital Transformation within Regulated Industries

Industries such as healthcare, financial services and the oil and gas are highly regulated. Yet the pressures from customers, younger employees and competitors drives research and development into technology like payments through mobile phones. Technology executives from one of Canada’s largest banks discussed the evolution of technology like Near Field Communications chips in phones, payment cards and wearables like the Apple Watch. Banks are facing disruption from many players, from tech companies like Apple and PayPal to cryptocurrency upstarts like Bitcoin and QuadrigaCX.



Some Canadian companies like Rogers and Loblaw’s are partnering with banks like CIBC to offer their own payment and branded banking services. These unique partnerships wouldn’t be possible without online banking services and secure ATM networks. Banks are also evolving with the influence of digital, including streamlined teller desks, shorter lineups, and cheque deposits from digital images. Canadian banking customers see these evolutions happening in other countries, and petition their bank to provide similar services. CIBC has seen sales increase by about eighteen percent from their mobile and online banking clients.

Many analysts from companies like McKinsey and [Cisco](#) feel that the oil and gas industry is ripe for digital disruption. Upstream oil companies are already using predictive analytics for discovery of new resources, and monitor connected oil wells for production, and maintenance requirements. Supply chain optimization and resource dispatching is another area where hardware and software are playing key roles.

Customer Online Self-Service and Social Media Support

Another one of our CIO Roundtable participants, the IT Director of a large chain of quick service restaurants, mentioned the influence their millennial “digital native” employees were having (or at least working to have) on his company’s internal policies on working from home. Social media promotions,

contests, and customer service are an increasingly important way for the restaurants to connect with their customers. Their Facebook following of over 14 thousand customers, has been a great way to connect with their loyal customers.

Rogers is a Canadian leader in the use of [social media channels](#) like Facebook Messenger and Twitter channels for 24x7 customer support. Apple, United Airlines and US telecommunications giant Sprint have been leaders in leveraging social media to support their customers. WestJet has been successful with YouTube campaigns, though they, [Air Canada and Metrolinx](#) have had ups and downs on Twitter and Facebook.

Self-service customer, partner and association portals are increasingly used as a primary support, sales and marketing channel for customers and prospects. Most companies embed their prospect's browsers with cookies to identify their preferences while they are on their site, and for remarketing purposes as they browsing elsewhere online.

Secure portal logins provide existing customers with access to role-specific information, personalized pricing and product/service offers, and targeted content. Integration with CRM and/or ERP systems creates a more cohesive experience.

ITWC CIO Jim Love, the moderator of the CIO Roundtable events, frequently speaks to Canadian CIO's about best practices in customer and/or [user experience](#). Jim said "Underestimating what's happening here would be a fundamental mistake...DX is more than an evolution, but how (organizations should now) conduct business"

Online self-service support, marketing and sales portals can reduce customer interaction transaction costs and improve customer satisfaction. Yet these benefits will only be realized if the website follows a set of rules for information discoverability, mobile responsive design, content targeting, and ease of navigation.

The Internet of Things

Though much discussion of the cloud, analytics and data visualization is about internal operations, effective use of the cloud. At the CIO Roundtable, we were joined by the CIO of the Canadian operations of a global electronics manufacturing company. He said his company is leveraging cloud services like Microsoft Azure and Cloudfoundry in IoT solutions they provide to their customers. His company's CEO has mandated that every employee learn how to write code, and appreciate what goes into developing the applications that monitor IoT sensors and devices.

They have also eliminated information silos within their global organization, and launched a new division to help companies with their digital transformation efforts.

Summary

Many companies are using technology for the sales, marketing, service aspects of their customer relationships. Making technology the foundation of your customer acquisition and retention strategies is what sets digital leaders apart from also-rans.

Analyst firm Altimeter advises companies to see digital transformation with a customer-centric focus. They define it as: “The realignment of, or new investment in, technology and business models to more effectively engage digital customers at every touchpoint in the customer experience lifecycle.”

The IT executives we’ve talked to at the CIO Roundtable, on [our webinars](#) and from across Canada are at different stages of their digital transformation journey, however they recognize the importance of the process as critical to remaining competitive, growing market share, increasing client loyalty and delivering customer value.

