The Executive's Guide To Life After Digital Transformation

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After navigating a global pandemic that resulted in a decade's worth of digital transformation across industries, senior leaders face a daunting new reality: an uncertain future.

They've now witnessed firsthand what the long-feared black swan event could mean to the world economy and their companies. Before the pandemic, in January 2020, the International Monetary Fund forecasted the global economy would grow 3.3% during the year. Just one year later, IMF estimated the economy contracted 3.5% in 2020.

The same report projected 5.5% growth in 2021, but also noted "exceptional uncertainty." Leaders realize that uncertainty is now the forever forecast. Beyond concerns over what another major global event could bring, life after a consumer-led digital transformation means there's no such thing as long-term forecasts anymore.

From healthcare to hospitality, high tech to manufacturing, retail to the public sector and across almost every industry, the customer and employee journey has been forever altered. Digital is now at the heart of almost every brand, and there's no going back to the way things were.

Consumers today are in the driver's seat, and their behavior is changing faster than ever. To get — and to stay — ahead in this digital-first world, organizations must continually transform, adapting and innovating to overcome unpredictable market conditions and rising consumer expectations.

By putting people first, and engaging and listening to your customers and employees, you can continually learn and be ready for what's next. It's the only way to stay ahead of your customers — and the competition.

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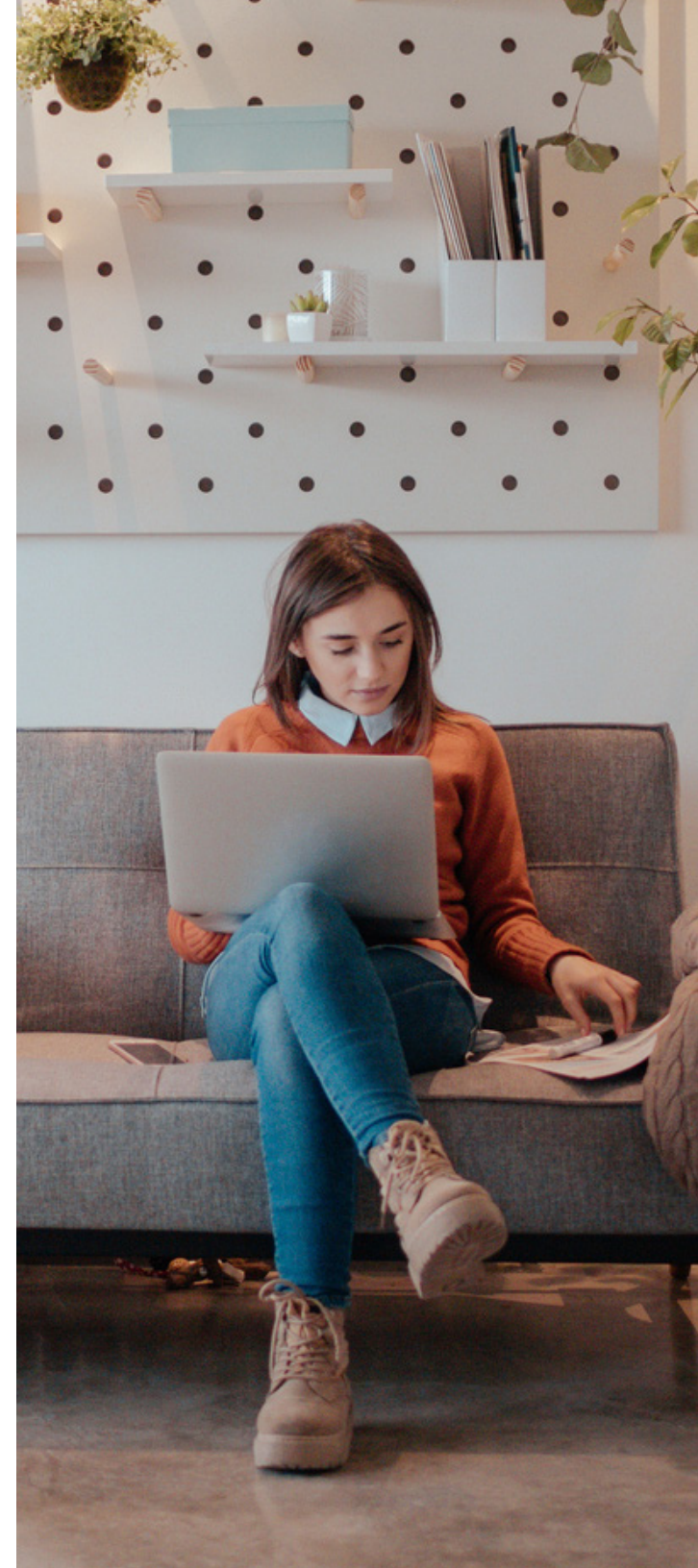
Digital is here to stay

Digital transformation over the past year happened faster than most leaders could have ever predicted. As McKinsey puts it, 10 years worth of ecommerce acceleration happened within just three months.[1]

"Digital transformation has been happening for a long time, but it was accelerated and organizations weren't quite ready," said Michael Mallett, Medallia's Solution Principal for Digital, who has spent his career working with hundreds of enterprise companies to help transform their businesses. "Organizations didn't realize how important it was to make it possible and seamlessly easy for all activities to be online, without help, for all customers. Unfortunately, most organizations weren't ready to adapt to an online-only world, and customers realized that the hard way under the most difficult of circumstances."

The pandemic shocked customer loyalty to its core, with 76% of consumers changing stores, brands or the way they shop.[2] And, in a digital-first world, behavior will only continue to change as consumer expectations rise. Consumers have realized that it's far easier to switch brands online than drive across town to a different bank or grocery store, for example.

3 digital-first learnings

Act across channels: With digital now the heart of your brand, you need to learn from online experiences to not only improve and optimize there, but also across all channels. For example, a retailer might notice that an upsell offered at checkout is thriving on its app or website. That insight could inform the retailer to try offering the same product in the store on the counter at checkout, or vice versa.

Spread the knowledge: Gone are the days when organizations could survive working in silos. Digital needs to be integrated across the org. One way to do this is by having digital team members work cross-functionally, or even serve stints or fill full-time roles on other teams. Their analytical backgrounds can bring new perspectives and add tremendous value to other teams. Savvy leaders are encouraging this and looking for digital experience when hiring on teams outside of just digital.

Personalize experiences: Digital first doesn't mean you should take the human aspect out of the equation. The keys to success are identifying specific customers and segments and understanding their behavior across digital channels. By uncovering precise areas of interest or where customers experience friction, you can deliver more personalized offers and interactions and drive more positive outcomes — for your customers and your business.

That means brands need to keep up with their customers' wants and needs to retain loyalty. Today's consumer is smarter, more connected, and expects more than ever, with 75% of consumers saying they want consistent experiences across multiple channels (web, mobile, in-person, social) and 73% likely to switch brands if they don't get it.[3]

"While convenience has always been critical to customer experiences, customers today have redefined what convenience means," said Zack Hamilton, Medallia's Solution Principal for Retail, who previously spent over 10 years leading customer experience strategy, customer service operations and sales strategy for a North American retailer. "Ease and speed coupled with authentic human interactions is the winning recipe for the future."
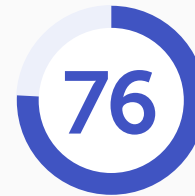
76
76% of consumers have changed stores, brands or the way they shop

75
75% of consumers say they want consistent experiences across multiple channels (web, mobile, in-person, social)

73
73% of consumers are likely to switch brands if they don't get consistent experiences across channels

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Engaging customers in a digital-first world

While leaders know the digital experience is a crucial component, 78% wouldn't rate their strategies as being very effective[4] and only 30% of digital transformation efforts have met expectations.[5] That means the vast majority of attempts to transform the digital experience have fallen short.

But, how do you build connections with customers when human interactions are less common? It's critical to remember that great customer experiences don't just happen face to face or only on digital; the two need to complement each other.

Look to the healthcare industry as an obvious example. "How do healthcare organizations find the balance between telehealth and in-person visits?" said Kristi Roe, Head of Experiences, Healthcare, Medallia, who has over 20 years of experience in healthcare and has held strategic patient experience roles at top health organizations. "What are the criteria and factors influencing the decision for a virtual appointment, and, in turn, how does that impact outcomes? What are the patient preferences? What are provider preferences? What are the implications for payers and for reimbursements? There are so many variables that need to be taken into account that at times work against patients' preferences."

Similar conversations are happening across industries today, from B2C and B2B. The only way to answer them is by engaging and learning from your customers across all the ways they interact with you. That includes from your app, chat services, social media, contact centers, email — even via drive-through or curbside services at physical locations. Make sure customers have the ability to provide feedback across multiple channels and their entire customer journey. Think of the customer experience in terms of a relationship, rather than a transaction. Your customers want to engage with you, so give them the tools to do so across multiple channels, both digitally and in person.

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But don't just ask for feedback. Look for and listen to all the signals customers are sending you. Experience signals are the key to understanding your customers on a deeper level. While surveys may have been enough in the past, today they alone cannot provide fast enough insights.

Capture all the signals your customers are sending you in real time across their entire journey, from both direct and indirect feedback, operational data and observed behavior. These insights can act as early warning signals that can help you identify issues that need resolved right away and opportunities that enable you to quickly adapt and innovate to stay ahead of the competition.

Capturing signals from everywhere

Reviews

Mystery Shop Data

Digital

Product Reviews

Account Management

Forum Data

Support Notes

Employee Ideas

Agent Notes

Email

Social listening

Call Transcriptions

Proactive Surveys

Chat transcripts

Video

Speech Analytics

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Put customers at the center of your innovation

Despite challenges brought on by the pandemic, organizations found ways to adapt, innovate and even thrive. When conditions change quickly, businesses that can respond the fastest have the greatest chance to meet the needs of consumers and stay ahead of the competition.

Retail: Brands that were able to quickly improve or launch their digital offerings, including buy online and pickup in store or curbside options, maintained, and in some cases, grew revenue. COVID-19-related shifts in buying behavior translated into an additional $41.54 billion in digital revenue for retailers November through December in 2020.[6]

Financial Services: Like retail, banks were forced to adjust when health concerns closed or limited in-person banking. As digital transactions increased, so did sales. Several major institutions were able to launch new self-service options and virtual payment relief programs that helped customers and increased organizational efficiency.[7]

Tap into the employee experience

A customer-first mentality is a business imperative today, but you cannot separate your company's customer experience from its employee experience. Smart leaders will apply the same line of thinking about customer feedback to their people. Every day, employees run into obstacles that get in the way of them performing their best work, but these often go unnoticed by the organization, thus leading to disengagement, low performance, high turnover and unsatisfied customers. Employees hold untapped power, with the ability to help improve their companies with insights from their everyday organic thoughts, ideas and suggestions. It's up to leadership to continuously capture, understand and respond to them.

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Employees can be early indicators or have early ideas of what's coming and what's going to affect your customers, your product or your service. It's important to get not only feedback from them, but also ideas and suggestions. Many are hearing directly from customers, so companies that tap into employee insights have a major advantage over those who ignore it.

Melissa Arronte, Ph.D.,
Solution Principal, Employee Experience, Medallia, who has more than 20 years of experience in senior HR roles

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Healthcare: Organizations that made telehealth easy and personal for patients saw satisfaction scores increase. In one study, patient satisfaction scores were significantly higher in the COVID-19 period when compared to the pre-COVID-19 period and patient satisfaction with video was significantly higher than in-person visits.[8]

B2B: Companies in technology, manufacturing, insurance, financial services, life sciences and consumer packaged goods that quickly adapted and refined virtual selling approaches[9] were able to stay connected to their customers and prospects and win more deals than competitors slower to respond.

Hospitality: Even some hotel companies, from one of the hardest hit industries during the pandemic, found ways to innovate by pivoting quickly to focus on staycations and drive-in markets, while others launched day spaces for remote work.[10]

Building a deep connection with customers provides organizations a real-time window into who they are and what they want. By going beyond surveys and listening to and learning from all experience signals, organizations can understand their customers in real time and begin predicting — and preparing for — what's next.

CEO + CIO = Digital's Dynamic Duo

Disconnected technology can cause friction for customers and limit brands from personalizing experiences. It can also make it extremely difficult for organizations to have a single source of customer truth. Senior leaders must work with their IT counterparts to ensure core systems are integrated and the data can be consolidated into a holistic view that drives value across all systems and teams throughout the enterprise.

Sophisticated platforms using artificial intelligence can analyze structured and unstructured data, providing predictive insights into problems before they happen and opportunities to personalize offers and interactions at scale that can drive loyalty and revenue.

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The relationship between the CIO and the CEO has strengthened as a result of the pandemic. The goodwill built between the CIO and the rest of the C-suite encourages IT to move from supporting great employee experiences to working with the different business stakeholders to drive digital transformation and accelerate revenue growth.

Ashwin Ballal
Executive Vice President & Chief Information Officer, Medallia

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CONCLUSION

There's no putting the genie back into the bottle. Digital is here to stay, and organizations today must be ready to adapt and innovate quickly. As we learned in 2020, there's no predicting the future anymore. Beyond unforeseen global events, consumers today have more control than ever before and have discovered digital can meet most of their needs. And when it can't, they'll quickly shift to another channel, or worse, another brand, that can.

How can you future proof your business? The only way to stay ahead of tomorrow is to focus on your customers today. They will tell you what they want and signal to you what's coming, but you have to listen to continually learn.

[1] https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/ five-fifty-the-quickening

[2] https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/ survey-us-consumer-sentiment-during-the-coronavirus-crisis

[3] https://www.salesforce.com/research/customer-expectations/?bc=DB

[4] https://hbr.org/resources/pdfs/comm/DriveBusinessSuccess.pdf

[5] https://www.bcg.com/publications/2020/increasing-odds-of-success-in-digital-transformation

[6] https://www.digitalcommerce360.com/article/coronavirus-impact-online-retail/

[7] https://www.ft.com/content/3eb18287-35b7-4d3f-9f91-38bc11796e8a

[8] https://www.jmir.org/2020/9/e20786/

[9] https://www.mckinsey.com/industries/advanced-electronics/our-insights/ a-post-covid-19-commercial-recovery-strategy-for-b2b-companies

[10] https://www.costar.com/article/179932308

About Medallia

Medallia is the pioneer and market leader in Experience Management. Medallia's award-winning SaaS platform, the Medallia Experience Cloud, leads the market in the understanding and management of experience for customers, employees and citizens. Medallia captures experience signals created on daily journeys in person, digital and IoT interactions and applies proprietary AI technology to reveal personalized and predictive insights that can drive action with tremendous business results. Using Medallia Experience Cloud, customers can reduce churn, turn detractors into promoters and buyers and create in-the-moment cross-sell and up-sell opportunities, providing clear and potent returns on investment. www.medallia.com

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