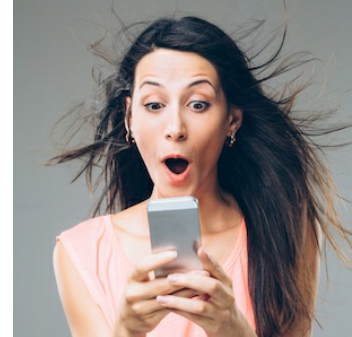


A Spotlight on Customer Experience Within the Subscription Economy

By: Rick Kapani

In today's competitive landscape, customer centricity is at the forefront of successful and thriving businesses. Organizations around the world—regardless of size or industry—are embracing major shifts in business models, strategies and mindset in order to strengthen customers' perceptions of their brand, better known as customer experience. Customers that receive a positive experience ignite a ripple effect for organizations, creating deeper brand loyalty and attracting new customers through word-of-mouth endorsements, which are profoundly more impactful than any advertising from a company website or other marketing channel. This ripple effect contributes to higher sales and ultimately higher revenue for companies that put the customer value above all.



While it's easy to imagine the benefits of customer experience, today's organizations are faced with constant disruption, which is both inspiring and challenging. The emergence of new technologies and competitors creates more choices for customers and, as a result, empowers them to demand more from their products and services. Convenience, ease of use, customer service, consistency and mobility are all major factors that drive customers to instantly switch from any service provider that falls short. Amazon Prime is a classic example of a subscription model that completely transformed the consumer mindset and, by extension, the business model for traditional brick and mortar stores predicated by the above factors. In addition, social media serves as a major outlet for customer experience to turn viral. With the ability to tweet, comment, post, like or live broadcast always at arm's length, customer reviews and social media posts can drastically benefit or cause harm to businesses depending on the type of experiences they deliver.

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A dark-themed advertisement for Pipeline Video Services. The title 'Pipeline Video Services' is at the top in white. Below it is a bulleted list: 'On-site Videos', 'User Interface Demonstrations', 'Editorial Interviews', and 'Animation and Whiteboard'. An orange button with 'GET STARTED >>' is below the list. On the right is a close-up of a professional video light. At the bottom left is the 'Pipeline' logo, and at the bottom center is the text 'Click this ad for more information' with a play button icon.

Looking at 2019 and beyond, [Forbes predicts five top-of-mind trends](#) that will shape how customer experience impacts businesses going forward. The first major notion is that customer experience does not belong to a single team or group of individuals within an organization. Organizations that wish to embrace a customer-centric mindset must involve all stakeholders from senior leadership to sales, marketing IT, product, and beyond. Next, businesses must be willing to abandon their complacency with antiquated business models and transform into a new business altogether. According to [Gartner](#), more than 66 percent of CEOs plan to embrace changes in their business model over the next three years. These shifts involve the adoption of new technologies, platforms and business strategies, which transitions to the third trend, digital transformation. While many businesses may perceive it as a one-and-done approach, digital transformation is a long-term

endeavor that requires continuous revolution within all aspects of the business. Like customer experience, digital transformation involves a holistic organizational shift, with support needed on every level of technology, operations, people and process.

Another major wave to impact customer experience involves the elimination of human monotony with the help of robotic process automation (RPA). More companies are relying on machines to automate routine tasks that normally bog down employees, resulting in faster response times, better customer services and increased efficiency. These changes also allow employees to refocus their efforts and skillsets on areas like strategy, creativity and innovation.

The last trend from Forbes identifies the urgency for companies to strengthen the security, integrity and ethical standards around customer data to maintain trust and loyalty. With policies like the General Data Protection Regulation (GDPR) giving EU citizens more control over who can access their data, the topics of data privacy and security are extending to organizations on a global scale.

With the above trends in mind, industry leaders are examining alternate strategies and business practices to radically change how their products and services are offered to achieve higher customer value. The subscription economy is one of significant relevance due to its strong focus on building and managing customer relationships. The subscription economy describes how companies are moving away from pay-per-product or service models and adopting subscription-based models. Many of us who have a Netflix subscription, for example, already take part in a subscription economy as one of its 139 million global subscribers, according to [CNN Business](#). The subscription model has captured widespread attention across enterprises and start-ups alike and is now implemented across a vast majority of industries such as retail, telecom, entertainment, software, consumer goods, manufacturing and more. A [2018 survey from McKinsey & Company](#) indicates that the subscription e-commerce marketplace has grown by more than 100 percent per year over the past five years. While the subscription economy possesses the versatility to extend across a diverse range of industries, its foundation contains one key commonality: a fundamental shift towards a customer-centric mindset.

One of the key drivers behind a thriving subscription model is the constant nurturing of subscriber relationships. This is done primarily through data-driven personalization and the continuous evolution of services to build long-term customer value and brand loyalty. Spotify, for instance, creates curated playlists and provides recommendations based on the subscriber's previous artist selections and genre preferences. Subscription boxes like Birchbox and Stitch Fix do the same by delivering items that are hand-picked for each customer based on his or her individual tastes gathered from direct input such as style quizzes, questionnaires and surveys. This personalization is built on the acceleration of data and direct visibility into customer behavior, giving organizations the ability to achieve a deeper understanding of each customer, collect user feedback to make services more intuitive and strengthen the overall relationship between subscriber and service. Additionally, since customer retention strongly impacts company revenue and stability, service providers are constantly evolving their services with new features and upgrades to incentivize customers to continue their business loyalty. Subscription-based models are also designed for omni-channel so that customers can enjoy a stable and consistent experience from their laptops, tablets and mobile devices. The result of this dynamic relationship ultimately benefits both parties. The organization thrives from continued innovation and customers benefit from the convenience of a service with a richer and more intuitive omni-channel experience.

Today's Internet-based companies like Facebook, Netflix, Amazon and Apple are pushing rival subscription-based companies, specifically Communication Service Providers (CSPs), to redefine their business practices based on customer experience. This disruption pressure includes initiatives to reexamine customer data using data algorithms and advanced analytics in order to draw insights and gain a better understanding of the customer journey across all touchpoints. These insights will allow CSPs to diagnose and resolve issues faster and offer more intuitive and personalized services in the form of increased self-service options, tailored recommendations and more. The movement towards automation within CSPs is also accelerating simple routine tasks and allowing employees to focus more effort towards complex, value-added work that requires a human touch. Convenience and ease of use are also driving CSPs to enhance user interfaces and integrate disjointed systems into a cohesive database for improved customer service.

Customer experience is deeply rooted in all industries and now affects every organization's ability to attract and retain its customer base. Businesses that seek to immerse themselves and emerge as customer-centric face a long road ahead of them. Senior executives must first adopt a new mindset—thinking about what's next for the customer rather than the fate of their organization—and embark accordingly on the path toward continuous evolution. New business models, emerging technology and automation are essential facilitators but certainly not the end-all-be-all. Changes in strategy, culture, employee mindset, process and practice will all play major roles in making an organization truly customer-centric.