

## CX in 2021: A Look Back, a Look Forward



By:

Well, we didn't see last year coming, did we? On Planet Telco, just as we were starting to pack our bags for the annual week in Barcelona in early 2020, COVID-19 arrived with a vengeance. And everything changed, quickly—not least the face of customer engagement. In fact, the pandemic has driven unprecedented shifts in customer engagement, both in terms of consumer behavior and digital adoption.

A year later and here we are in early 2021 again planning for the future. The question for marketers now is how will customer engagement continue to evolve in 2021? And how will the trends and practices that emerged in 2020 inform effective strategies going forward? I believe that a bolder vision for customer engagement is now emerging, one that's different and that looks beyond the pandemic and realizes the increasingly relevant role of loyalty and retention, both as key growth drivers and brand-building engines.

We can see the truth of this assertion by considering five key questions. These are, first, post-COVID-19, has a 'new' customer emerged and if yes, what does he or she look like? Second, how important are personalization and experimentation in the changed landscape? (Why? They're at the core of the change.) Third, does there need to be a more holistic approach to loyalty than before? Fourth, is investment in data-led engagement now table stakes for future success? And finally, fifth, how are customer expectations evolving, particularly in the area of omnichannel experiences? Let's investigate the answers. As with everything in marketing (and with a nod to Proust), they lie in the remembrance of things passed.

### **Changing journeys, new behaviors**

COVID-19 has shaped a new consumer and the behavioral changes that characterize her will reshape consumer decision journeys. Companies need to accept and adapt to this reality fast. Why? Because the journeys of their customers are taking have changed rapidly, with 56 percent reporting new paths to research and purchase.

We can see this in the shake-up of the traditional media mix and the quickening shift to digital. Traditional marketing mainstays like out-of-home advertising and in-person engagement continue to

decline; TV's comeback in 2020 may only be temporary. Customers have stepped back from the standard needs-hierarchy pyramid: today they are more concerned about basic needs and personal fulfillment than they are about luxuries. Needs are increasingly anchored on physiological health, value, and safety.

These realities are reflected in the changing channel mix, increasingly tilted towards e-commerce. Buying decisions are more deliberate and prioritize different products. Post-COVID, there's been a reduction in personal activities like traveling, visiting malls, attending events, and out-of-home entertainment. All of this means new communication channels. By extension, needs and habits have emerged, for instance streaming, more TV, radio and new ways of using them. This is evident in the [35 percent of Netflix consumption](#) used for educational content.

Gaming's popularity is growing. Segments like digital fitness, learning, and well-being are booming. Telcos must jump onto the digital bandwagon and support it with special propositions (such as lending and installment of phones) without delay.

Analyst firm [Forrester](#) makes this point: "Spend on loyalty and retention marketing will increase by 30 percent as CMOs assert control over the full customer lifecycle. Marketers will reemphasize the value of their loyalty programs and will mature from frequency-based rewards programs to full-fledged loyalty programs. Already, media money is shifting into retention methods such as email, customer service, and to create products that drive growth. We predict that spend on loyalty and retention marketing will increase by 30 percent in 2021."

While the enterprise world will eventually return to a recognizable normal, 2020 cemented the reality that the new normal will be digital. With few exceptions, brands must now view their digital strategy not as a component of marketing, customer service, or product, but as the core driver of customer experience and business growth.

## Nothing personal?

With this in mind, personalization should now be a top priority for application leaders working on digital commerce and customer experience. An effective personalization strategy enhances customer experience, leading to reduced costs as well as increased revenue from greater satisfaction, loyalty and advocacy. In the middle of an unavoidable period of digital transformation, the methods of customer engagement have completely changed.

Today, if enterprises want to attract and retain their customers, they must first realize that they can no longer compete on products or price alone; it's too easy for customers to get the same or a similar product at similar prices from multiple suppliers. This means the new competitive battlefield is the customer experience offered, which translates into a requirement for providing a superior experience to that of your competitors. A crucial part of this—and of the overall customer lifecycle—is making the customer buying journey easier and more fulfilling. You can do this by recognizing customers across channels, knowing customers intimately and identifying their needs as early as possible in their journey. Sellers must provide experiences tailored to each individual customer by proactively identifying each customer's unique preferences, needs, context and motivations, in order to serve content that resonates not only in digital stores but also in other channels.



**Figure 1: Holistic Loyalty Building**  
[click to enlarge](#)

## Technology drives experience

How can this be done? First, by using customer data management technologies to deliver better customer experiences. Today's consumer expects a personalized experience wherever they engage with a brand, yet most organizations still cannot deliver one across all channels. Such organizations are often viewed as providing an inferior experience. Multiple ways exist to personalize a customer's experience in the physical and digital worlds and, as these two worlds converge, personalization becomes even more challenging at the same time that it becomes more desirable for customers. The reality is that most organizations have little knowledge or expertise on how to execute a successful digital personalization strategy. They struggle with identifying the right set of metrics to measure positive outcomes. All of this suggests that partnering with marketing, sales and customer service counterparts, application leaders responsible for supporting customer experience and digital commerce technologies now represents a critical step that should lead organizations towards

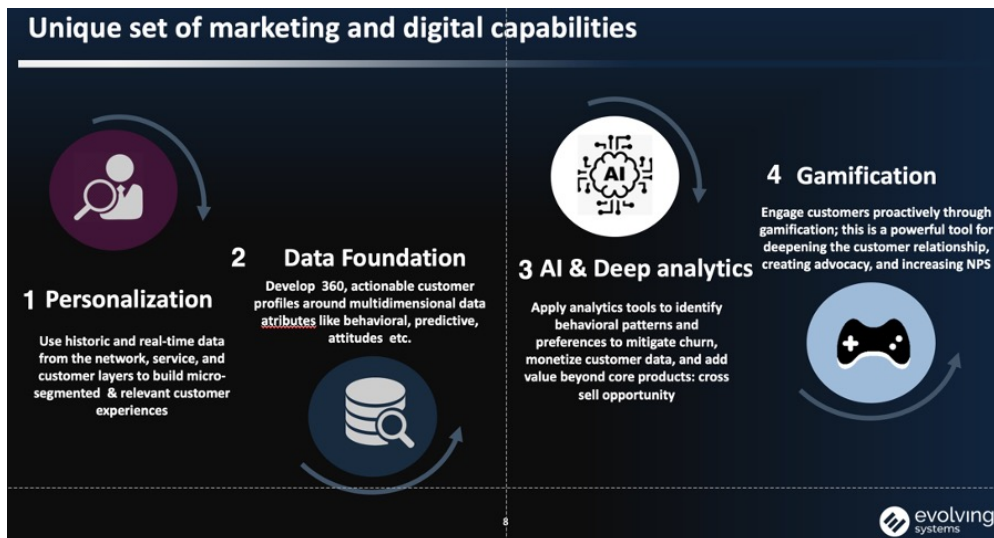
delivering more personalized experiences to customers. They must drive personalization across the different, appropriate channels; analyze and improve customer-facing processes and touchpoints to create a solid foundation for starting an organization's personalization journey; build or utilize a digital personalization engine for commerce to best personalize digital customer experiences, deploy and monitor metrics for personalization; and work to continually improve customers' experiences.

## The holistic approach

In part, all of this drives the need for a new, holistic approach to brand loyalty. Loyalty today means understanding your customers' worldview and motivations, so communications are effective rather than routine. The road to success is paved by four steps. (See Figure 1 on previous page).

First, compete on journeys via consistent, contextual, and real-time personalized experiences across a wide range of touchpoints. Second, be data-led, developing actionable customer profiles informed by multidimensional data points like behavioral, predictive, attitudinal, and needs-based wants. Third, make personalization meaningful, creating a more anticipatory experience that guides behavior based

on established interests. And fourth, listen and respond. Define planned and signal-based actions that respond to changing and complex individual customer needs. Dynamic customer engagement is, unavoidably, the new black.



**Figure 2: Unique mix of marketing and digital capabilities**  
[click to enlarge](#)

Data-driven customer engagement, however, requires a distinctive and unique set of capabilities (see figure 2). These lie in the area of personalization, fueled by the use of both historic and real-time data mined from the network, from services, and from customer layers to build micro-segmented and relevant experiences. A new data foundation is critical, delivering a 360-degree, actionable customer profile built around multidimensional data attributes including behavioral insights, predictive analytics, and more. Analytics tools that identify patterns and preferences are increasingly critical to mitigate churn, define monetization opportunities, and add value beyond the delivery of core products towards identifying cross-selling opportunities. And then there's gamification, a powerful tool that's increasingly proven to deepen customer relationships, improve advocacy and upgrade net promoter score.

## Hindsight is a wonderful thing

It's clear with the benefit of hindsight that the year 2020 became, however reluctantly, a watershed year for telco marketing strategy. A fundamental shift that will echo increasingly over the coming years. It's also clear as we move into 2021 that high performance in the digital era is reliant on a strong data foundation and the adoption of a lifecycle approach to customer engagement. The bywords for success and things to focus on now include prioritizing attractive onboarding, triggered campaigns, deep analytics, cross-channel selling, reactivation, and more. What are you doing in these areas? The answer to that question will define your future success.