IDC

Business Reimagined: Delighting Customers in the Digital World

Why Customer Experience Is Even More Important in the Next Normal

The pandemic forced massive, rapid changes in customer behavior—away from brick-and-mortar stores and toward digital channels—requiring a pivot to an agile digital engagement strategy. Providing a hyper-personalized customer experience across every interaction point offers a strategic advantage for growing businesses as they strive to serve the customer's needs.

28% of midsize companies call **"augmenting customer acquisition" a key business priority** for increasing market share.

25% say **"improving the customer experience" is a top business priority** since the onset of the pandemic.

31% of digitally determined midsize businesses ranked **expanding customer reach via new channels as a top five business priority.**

Source: IDC *Worldwide Small and Medium Business Survey,* October 2020

Why It Matters

Midsize businesses are now more focused on certain aspects of customer experience due to the pandemic, according to IDC's research. Before COVID, organizations focused on marketing—customer acquisition for the sake of growth. Today, they see improving brand awareness, expanding reach, and augmenting customer acquisition processes as crucial to growing the business and adapting to new operating norms. Midsize businesses describing themselves as "thriving" focus more on the customer experience than their peers.

Poor service at any point in the customer journey impacts a business both today and tomorrow, costing customers and market share. Companies thus need to continually improve. What was a great experience five years ago might not be in line with current customer expectations, particularly expectations about the quality and utility of digital interactions. Fortunately, incremental and continual business improvements can help an organization retain long-time customers. Customers notice and share incremental improvements with peers, which helps to improve a midsize business' brand.

Recommendations

To deliver differentiated customer experience, midsize companies must invest in the right technology. They need agile cloud-based platforms that are interconnected and infused with intelligent capabilities. When organizations eliminate traditional system boundaries, they also break down the data silos often responsible for customer service issues. Access to quality data is critical for better customer experiences, so companies must capture a holistic view of customer activities from online to in-store and everywhere in between. Shared data gives employees that view at each visible or behind-the-scenes component of the customer journey. Examples of critical behind-the-scenes components include accurate inventory management data to ensure a customer's order will be fulfilled as promised at time of sale.

A strategy that unifies customer data from acquisition to activation and makes it easily available across channels is also crucial to growing the customer base of a midsize business. It creates the basis for employing personalization technology to offer meaningful and relevant customer experiences, such as receiving an upgrade based on purchase history or service requests. Personalization allows midsize businesses to give superior service even when dealing with a highly differentiated and growing clientele. With modern applications, shared data can be harnessed into self-learning models for next-level intelligent and automated personalization. Having shared data also makes it easier to quickly add new engagement channels.

Today's customers also expect privacy in real time, which puts new demands on marketing technology around issues of identity, consent, compliance, and governance. Modern business applications and marketing technology must support both personalization and privacy to meet the needs of customers.

21%
of midsize businesses say they "invest in technology that accelerates business goals and gives a competitive edge."

Message from the Sponsor

Listen to a follow-up conversation on this topic with IDC Analyst, Shari Lava, and SAP Global Innovation Evangelist, Timo Elliott.

Watch the video

SAP has a track record of helping more than 250,000 midsize companies adapt, accelerate, and innovate. To see how you can benefit, please contact your SAP partner.