

# FAST AND FURIOUS:

DIGITAL CUSTOMER  
EXPERIENCE IN OVERDRIVE

# 1 Fast and Furious: Digital Customer Experience in Overdrive

Breathtaking speed. Continuous, hard-to-predict evolutions in customer behavior. Customers controlling your brand reputation. Unfathomably large datasets capturing customers' every interaction. And did we mention the breathtaking speed?

**Challenge:** *Support marketing's migration to 100% "digital first" strategies.*

**At stake:** *Four digital technologies — mobile, social, big data and cloud — are rapidly driving change from "make and sell" business models to new digital-era models in which companies must "sense and respond" to changing customer behavior.*

**Solution:** *Sense customer behavior changes across all customer touch points, especially mobile and social — and turbo-charge deployment and evolution of digital customer experience technologies with the speed and agility of cloud and managed services.*

"No CIO can succeed today without developing antennae sensitive to customer behavior," notes CIO.com's [State of the CIO 2014](#) research report.

"It's not enough to be an operational back-office CIO running the systems," says Ed Steinike, Vice President and CIO of The Coca-Cola Company, in a recent [McKinsey interview](#). "It's also not enough to be a process CIO reinventing the supply chain and transforming support functions. Important as those two roles are, they need to be complemented by what I call the revenue-generator CIO or business-level CIO."

Welcome to the brave new world of digital customer experience. Senior marketers from around the globe are acting fast — with or without their IT partners — in the face of digital transformations sweeping through industry after industry.

But wait. Hasn't the customer always been king — or, at least, "right"? In truth, customers' voices have been somewhat muffled in the past — filtered through layers of focus groups, departmental agendas, time and space — compared to what's possible today.

Four digital-era technologies have changed the customer experience game: smart mobility, social networks, big data analytics and cloud computing:

- Smart mobile devices empower customers with "wherever" instant information — while also making them always accessible to marketers.
- Social networks empower customers to influence brand reputation, and provide marketers with a lightning-fast channel for message delivery.

- Big data analytics offer the opportunity to make sense of (and act on) all these digital customer interactions.
- And cloud services provide the agile IT infrastructure — from corporate marketing and eCommerce website hosting to big data services — that brands need to nimbly and confidently evolve at the speed of customer behavior.

The big winners in the digital customer experience era will be those companies that can tap into all four of these technologies to help them “sense and respond” to rapidly changing customer

behaviors. But moving from traditional “make and sell” models to an approach that requires instantaneous measurement of, and reaction to, multiple customer touch points is no mean feat.

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And therein lies the rub for IT leaders. While most enterprises and their CMOs recognize that technology makes the difference between anticipating and meeting customer needs and failing to do so, they don’t all partner with IT. When options to work around IT present themselves — such as with social and cloud services, which are easy to buy and use — they often do.

The good news is that many of the most successful CMOs and CIOs do work closely together, particularly to integrate legacy customer systems with new mobile and social customer-facing technology, to provide holistic customer views — and insights. IT departments are being called on to rapidly evolve and scale technology for both expected and unexpected workloads, and for the development know-how and resources to integrate back-end systems and to create apps on-demand.

### **IT — the Core Enabler of a “Digital First” Vision**

Companies that are leading digital customer experience transformations say they have already re-engineered their marketing plans — and budgets — to be 100 percent “digital first.”

For example, “We have put a digital shift first and foremost on all of our marketing efforts, rather than taking an in-store or print-first approach,” says Lucille DeHart, CMO of Maidenform

Brands.<sup>1</sup> And at Marriott, “the marketing spend is pretty much 100 percent digital,” notes Wendy Hoekwater, Vice President, Marketing and eCommerce.<sup>2</sup>

But if CIOs have not adopted a “digital first” mantra, CMOs cannot activate their digital customer experience visions.

“Coke is spending hundreds of millions of dollars a year on digital marketing, and that number will, no doubt, continue to rise,” says Coke’s Steinike. “Today, digital marketing is a joint activity in our company, with marketing in many cases looking directly to us for better ways to reach our customers.”

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**“IT becomes pivotal to achieving leadership in customer experience. Without IT, customer experience professionals resort to tinkering at the edges.”**

**Nigel Fenwick** | Vice President & Principal Analyst Serving CIOs | *Forrester*

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“IT becomes pivotal to achieving leadership in customer experience,” [agrees Forrester’s Nigel Fenwick](#), Vice President and Principal Analyst Serving CIOs. “Without IT, customer experience professionals resort to tinkering at the edges. ... Our research suggests CIOs and IT leaders are critical players in winning the customer experience game. But to win, IT can’t simply pay lip service to customer experience. IT leaders must consider it a very real business discipline and see it as one of the most important roles of the technology team,” Fenwick continues.

CIOs are challenged to enable front- and back-office systems that can do the job of meeting customers where they are and where they want to go. But they also need to be thinking about a third kind of office system — the “out-of-office” system.

“Going beyond the transaction is a significant challenge for customer and product centers of the business, but it calls for a quantum leap by enterprise IT to a new horizon, out of office,” according to [PwC](#). “Out-of-office systems power post-transaction services and put the

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<sup>1</sup> Lucille DeHart interview Courtesy of Argyle Journal, November 26, 2013. [Click here for the complete interview.](#)

<sup>2</sup> Wendy Hoekwater interview Courtesy of Argyle Journal, February 11, 2014. [Click here for the complete interview.](#)

customer consumption value proposition front and center. Out-of-office systems serve the customers by augmenting their experiences and helping them achieve personal goals.”

These out-of-office systems often include social networks or mobile apps. They may require API-based development to connect with your internal systems so that the data generated from them can be captured and analyzed. They come and they grow according to customer preference, and sometimes they come and they go — requiring platforms that can grow or go, accordingly.

Coke, for example, created mobile applications tailored for over 100 countries during the 2012 Summer Olympics, creating “a digital-marketing event around the globe that boosted our impact well beyond our traditional sponsorship and television advertising channels,” Steinike says. “The IT department built some of the applications and managed others created by external agencies or our consumers ... We’re now running content-management systems, digital-rights-management systems, digital-access-management systems, and mobile-distribution systems. Packaging content and distributing it around the world is a very big area for us right now.”

All of this requires a level of flexibility that IT departments may or may not have in-house. A priority for the CIO, therefore, is to determine what is possible using existing systems, and what needs to be built to support future initiatives across mobile, social, cloud and big data.

### **Mobile Means Always-On, Always-Connected, Always-Relevant**

A smartphone in every pocket and ubiquitous wireless have combined to change the way consumers do pretty much everything — from researching to shopping to buying to communicating about the entire experience in the moment, and over time.

According to [an article in the McKinsey Quarterly](#), mobile devices add a “wherever” dimension to the digital environment that has empowered consumers. “Executives encounter this empowerment daily when, for example, cable customers push for video programming on any device at any time or travelers expect a few taps on a smartphone app to deliver a full complement of airline services,” say article authors Peter Dahlström and David Edelman.

CIOs, therefore, need to keep mobile top-of-mind when developing and evolving customer-facing systems.

The challenge for IT is in developing engagement opportunities that make sense on the mobile platform, and that can generate information optimized for refining both the customer experience, and companies' offerings, on an ongoing basis. It's a feat easier said than done.

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"Users expect the mobile experience to be a little bit different, but they're getting less and less patient with those differences — especially when a smartphone or tablet is likely the first device they will use to interact with a company's website," notes Becky Carr, CMO at CenturyLink Technology Solutions, a global provider of managed services on virtual, dedicated and colocation platforms.

To combat the issue Carr raises, some companies pursue a "mobile first" digital customer experience strategy. Says Maidenform's DeHart: "We make sure that

any of the microsites and content that we put out in the market are adaptable and optimized for all [mobile] devices."

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**"Are we going to create a mobile version of our website using responsive design? Or will we develop a mobile app, to deliver a very different user experience? How will we incorporate the in-store experience? What about integration with location services to increase relevance of messages?"**

**Becky Carr** | CMO | *CenturyLink Technology Solutions*

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"Companies recognize that they need a mobile solution, but that brings many more issues to decide," notes Carr. "Are we going to create a mobile version of our website using responsive design? Or will we develop a mobile app, to deliver a very different user experience? How will we incorporate the in-store experience? What about integration with location services to increase relevance of messages?"

Yet another challenge for IT is integrating that message across channels.

For example, Maidenform knows that products in its Shapewear category tend to be particularly confusing due to the large variety of options for women of different sizes and shapes. DeHart describes an omni-channel, mobile-led approach the company took to try to streamline the shopping and buying experience for its customers.

“To resolve that, we’ve developed a navigational system that exists on our physical tags with a subtle color code. More importantly, we know that upwards of 60 percent of consumers, particularly in our department and chain stores, are shopping with a smartphone, so we’ve created a microsite where customers can scan and interface for product information. The microsite shows all of the different types of silhouettes and control levels; it functions almost like a shopping escort to help customers navigate our assortment of options,” DeHart explains.

But this level of mobile integration and sophistication doesn’t just happen. Marketers must be able to effectively communicate their strategy to the development and IT teams, and tech staff, in turn, needs to leverage existing platforms and/or build new ones to support that strategy. Mobile is further complicated by security, privacy and regulatory concerns — not to mention IT staff stretched thin by, among other things, all of these new initiatives.

“IT is bogged down with so many other things, such as day-to-day management and maintenance of the company’s websites as well as other existing IT systems used to run the business, that they just don’t have the bandwidth to develop and integrate new digital apps, mobile experiences or innovative services,” notes Darnell Fatigati, Senior Marketer for Digital Customer Experience at CenturyLink.

### **Social: Listen to the Customer — and Respond in Real-Time**

If mobile is the technology at the heart of the digital customer experience, social is the bullhorn through which the customer’s voice is heard. Companies are using social technologies to:

- Invite customers into their innovation processes
- Engage customers
- Spread influence
- Manage reputation
- Improve customer service

“With a proliferation of social technologies, people are increasingly providing inputs into the innovation process in a more spontaneous, real-time, and participatory way,” Hatkesh Nagar, a Capgemini analyst, notes in [this post](#). “Successful innovative companies are actively involving their customers to facilitate the ideas and embrace them in implementing open innovation strategies,” according to Nagar.

Nagar notes the example of Ford, whose [FordSocial Your Ideas website](#) invites people to submit ideas on how to make Ford and its vehicles better. Others can then vote on the ideas. And at General Electric, social media has led to innovation in customer service. “Our appliances business ... can pinpoint where there are product discussions taking place, where there are selling opportunities and where a problem needs to be solved. So the appliance team has done a good job of using social to solve a business problem, which is improving customer service,” explains Andrew Markowitz, Director, Global Digital Strategy for GE.

At Maidenform, DeHart is thinking about how to merge social sites, eCommerce and digital marketing. “We need to be at the forefront of identifying how to merge those platforms. Our IT and marketing teams have to respond quickly both internally and externally to what consumers are telling us. Even though we’re already embracing technology, we need to embrace it in a way that makes us smarter, faster, and better across traditional platforms,” she says.

This is a prime example of the way in which IT and business leaders have to work hand-in-hand — while running at breakneck speeds — to stay ahead of customer demand.

Consequently, a major area of IT concern regarding social (and mobile, as well) is integration with legacy systems. Notes Marriott’s Hoekwater, “We have some older systems, and it is extremely important that we make sure that the new technology is in alignment with what we need to do to digitalize consumers’ stay. It’s not that easy to put those older systems aside because they drive the company’s day-to-day operations. We need to figure out how the new technology can work within those systems.”

### **Big Data Brings Big Opportunities**

Of all the technologies explored in this report, big data is the newest, the least understood — and may be the most important differentiator.

Big data can come from anywhere: a CRM system, chatter on social networks, the location of a mobile user when she buys a product, the temperature fluctuations on a thermostat. It



combines structured and unstructured data, and therefore requires fairly sophisticated and robust data processing and storage systems — not to mention data scientists — to effectively make use of it. It also requires a data-driven company culture (See our related report, [Big Data Culture Clash: Unlock The Promise of Data — Before It's Too Late!](#))

Big data, properly mined, can provide huge competitive advantage. The connection between big data and business success apparently drove health insurance provider WellPoint to hire a new data-savvy CIO, Thomas Miller. As reported in [The Wall Street Journal](#): “WellPoint Inc.’s decision to hire its new CIO from Coca-Cola Co. hints at the health insurer’s desire to sharpen its focus on consumer technology and leverage insight from customer data as it manages an influx of new members.” At Coca-Cola, Miller was responsible for consumer initiatives in digital marketing, social media, and loyalty programs.

“Companies are challenged by the fact that they have a lot of disparate systems gathering data that aren’t integrated together,” says Kevin Conway, Global Director of eCommerce and Content Management Solutions at CenturyLink. “Companies have 30 or 40 places that they have data stored in today, and they need to figure out a way to correlate all of that data. It’s a massive consolidation effort, and it’s not just a matter of bringing in data but bringing in the right, most relevant data.”

“Our IT team is really focused on using a combination of wholesale as well as retail data, which would give us a new, consolidated view across those two different channels,” says DeHart. “That will be critical for brands, particularly ones that sell across a variety of different retail partners.”

Maidenform’s ultimate goal is a 360-degree profile of customers. “If you have the ability to connect to someone through Facebook or partner with them somehow through content like Instagram, and you know that they’re shopping your brand across various channels, then you have that Holy Grail of a holistic view of the customer,” DeHart says.

### **Cloud Computing: Digital Customer Experience Game-Changer**

When it comes to digital customer experience, cloud computing can be a game-changer — literally, and metaphorically. IT leaders are tasked with determining when it makes sense to put applications and infrastructure in the cloud.

“The cloud opens up a lot of really good possibilities for flexibility and scalability,” says CenturyLink’s Fatigati. “Companies are struggling to figure out what are the most appropriate workloads to be putting on public clouds versus private clouds versus hybrid clouds. Parts that need to scale suddenly can do so, but more sensitive areas can be put behind more security. These are difficult decisions, and you really have to understand the pros and cons of each.”

The example for which cloud was a literal game-changer comes from the videogame industry. According to EY’s [Sustaining Digital Leadership](#) report, “Game developers ... are diminishing reliance on shrink-wrapped products tied to specific consoles, or no longer sell them; instead, they’re using the cloud to provide anywhere/anytime access to users via smartphones and tablets, along with PCs.”

The same report quotes Michael Parlapiano, Thomson Reuters’ Global Head of Strategy & Business Development, Financial, saying, “Our goal is to move as much as possible of our infrastructure into our cloud, so that we can create a continuous experience across users’ devices.”<sup>3</sup>

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**Michael Parlapiano** | Global Head of Strategy & Business Development, Financial | *Thomson Reuters*

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Another significant cloud benefit is that as more and more customer interactions come to be mediated by IT systems, cloud technology puts responsibility for uptime into the hands of professionals who focus on nothing else. “Whether it’s your website, a mobile shopping app, customer support or predictive analytics, brands are now reliant on information technology in a way that they weren’t before,” notes CenturyLink’s Carr. “With that comes an expectation of 100 percent uptime of those systems, great performance of those systems, and security of those systems.”

When your company’s IT pros don’t have to think about figuratively keeping the IT lights on, they can dedicate their energy and thinking to more strategic — and customer-focused — endeavors.

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<sup>3</sup> *Sustaining digital leadership: Agile technology strategies for growth, business models and customer engagement*, EY, © 2014 EYGM Limited

#### **FOUR KEY DIGITAL CUSTOMER EXPERIENCE TECHNOLOGY USE CASES:**

- **Use mobile:** to enhance online and in-store shopping experiences, and deliver engaging content.
- **Use social:** to engage and influence customers, manage brand reputation, improve customer service, and crowd-source innovation.
- **Use big data:** to build 360-degree customer profiles to propel insights that drive continuous digital customer experience innovation.
- **Use cloud:** to “turbo-charge” the IT infrastructure agility you need to drive continuous evolution of the digital customer experience.

#### **Conclusion: Even Faster and More Furious**

IT leaders must help marketers accelerate their pivot toward digital customer experience, as digital transformation continues to sweep away old customer interaction paradigms in all industries. As that happens, brands are becoming more reliant on IT systems as, more and more, those systems become the mediators of all customer interaction. Consequently, marketers and their IT partners are striving to master the four key digital experience technologies: mobile, social, big data and cloud.

Of the four, one stands out. Cloud and related managed services have the potential to turbo-charge the speed and agility with which an organization can deploy and evolve the other three technologies — thus turbo-charging digital customer experience itself. Managed services, in particular, do this not only by enabling greater IT agility for such things as quick spin-up of websites and eCommerce sites, but also by freeing IT talent to partner with marketing on more strategic, higher-level

capabilities — which continue advancing at breakneck speed. Further, the right provider can reduce new risks that digital technologies introduce or exacerbate, keeping websites and other digital instances up, secure, and high-performing, even under the most challenging conditions. Finally, managed service providers offer specialized expertise to support digital marketing initiatives that companies may lack in house.

# DIGITAL CUSTOMER EXPERIENCE: KEY ISSUES & ACTIONS

- Mobile, social, big data and cloud technologies are igniting digital transformations across all industries.
- To succeed, companies must embrace “sense and respond” business models, eschewing the old “make and sell” paradigm.
- That means developing new IT skill sets and processes to do so.
- Success demands a 100 percent “digital first” customer engagement strategy, and speed and timing are of essence.
- CIOs need to consider systems — such as smartphones and public social networks — that lie outside their own front- and back-office systems.
- Integrating “digital first”-focused technology platforms with legacy systems is a significant challenge for IT leaders.
- But another challenge for IT leaders is deciding which workloads, applications and services benefit most by a transformation to the cloud — a decision that must be re-assessed continually.

## About Digital Customer Experience Solutions from CenturyLink Technology Solutions

CenturyLink's website hosting, content management system (CMS), and eCommerce solutions are built for global enterprise performance and agile marketing innovation. We accommodate a broad range of website deployments. These include simple, self-managed sites utilizing on-demand cloud infrastructure for short-term campaigns, microsites or development efforts, as well as fully managed production websites that may include CMS and eCommerce platforms hosted on dedicated or hybrid cloud platforms. We host mission-critical, high-traffic consumer-facing websites and eCommerce sites, including for 30 percent of the Fortune 100. We create the agile, high-performance digital consumer experience that marketers and eCommerce teams seek, with the control, stability, security, and predictable cost that IT teams demand.

## About CenturyLink Technology Solutions

CenturyLink Technology Solutions delivers innovative managed services for global businesses on virtual, dedicated and colocation platforms. It is a global leader in cloud infrastructure and hosted IT solutions for enterprise customers. Parent company CenturyLink, Inc. is the third-largest telecommunications company in the United States, and empowers CenturyLink Technology Solutions with its high-quality advanced fiber optic network. Headquartered in Monroe, LA, CenturyLink is an S&P 500 company and is included among the Fortune 500 list of America's largest corporations.

For more information, visit [www.centurylink.com/technology](http://www.centurylink.com/technology).

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