

## Is Your Digital Strategy Ready?

*Map out your digital future now—your competitors are*

**I**MAGINE A WORLD where you have detailed, near-real-time knowledge about how each customer uses your product or service and where you can proactively provide each one with the right support to optimize their experience. Welcome to 2020!

My January column (“Why Amazon’s and Uber’s Digital Strategies Excel”) noted that a digital strategy should leverage your knowledge of each customer’s requirements and preferences and use digital tools to customize their experience. Now, let’s describe what you need to do to prepare your company for the digital future—arriving sooner than you think.

### ARE YOU READY FOR 2020?

Companies poised to succeed in the coming years will have a comprehensive three- to five-year digital strategy that describes which customer segments use which channels and identifies the technological footprint of each customer segment to determine their digital capabilities. A digital strategy road map—which includes a description of digital enhancements to your current product offering, a program to promote your strategy to both personnel and partners and customers, and a milestone-based implementation timeline—will be a necessary part of it.

Crucially, you’ll need to assess these two areas:

**Your cost-to-serve for each channel.** Since you know (or should) which channels each identified customer segment prefers, your company can then maximize contribution margin by configuring your digitized offering based on channel optimization. The goal: to secure the highest level of customer satisfaction while encouraging customers to use your lowest cost-to-serve channels.

**Your digital technology options.** How will you ensure customers have outstanding customer experiences regardless of channel? What will be your mobile strategy; what kind of customer apps will you offer? What will be your Web site and portal strategy? Will you create branded communities? What role will the Internet of Things (IoT) play? To determine your options, revisit the “hub and spoke” model I introduced in my January column.

### THE FOUR PILLARS OF AN EFFECTIVE DIGITAL STRATEGY

Your digital strategy will rest on these four pillars, with your CRM system at the base:

**E-commerce.** The heart of an effective digital strategy. All e-commerce activities should drive customers to the

sale and make it easy for them to buy from you. E-commerce typically includes customer journey mapping, next best offer, and the infamous shopping cart.

**Social media.** More B2B, B2C, and B2B2C customers are joining public (Facebook, Twitter) and branded (invitation-only) social media communities. These communities, where expert advice can be found and peer-to-peer exchange can thrive, foster customer advocacy and subsequent sales. Social insight from community discussions also provides valuable intelligence on why customers enjoy doing business with you.

**Mobile apps.** PricewaterhouseCooper’s 2015 Global CEO Survey found that 81 percent of CEOs see mobile technology as one of their most important investments and critical to customer engagement. While enhanced versions of smartphones will remain the go-to devices for most, tablets and laptops will still be in use.

**Customer experience.** Digital customers live in real time; your company needs to respond accordingly. For example, data from IoT sensors can let your company monitor how and when customers use your products. This data helps your company to proactively reach out to customers to ensure they have an excellent customer experience—contacting a customer, for example, when an IoT sensor sends a signal that a product is about to malfunction.

Underlying everything is your CRM system, which contains the enterprise customer profiles used to drive engagement. Information flows into these profiles from a variety of sources—field sales and service personnel, self-service options, e-commerce, social media, mobile apps, IoT devices, and more. Enhanced CRM modules analyze this data in near real time and provide meaningful recommendations (next best offer, the need for service, etc.) directly to the customer, to your partners, or to your sales, marketing, and customer service reps.

A comprehensive digital strategy is essential to retain and grow your business. Readyng your company for digital success requires discipline as well as appropriate financial and personnel resources. Before you know it, 2020 will be here—and your competition isn’t standing still. 



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