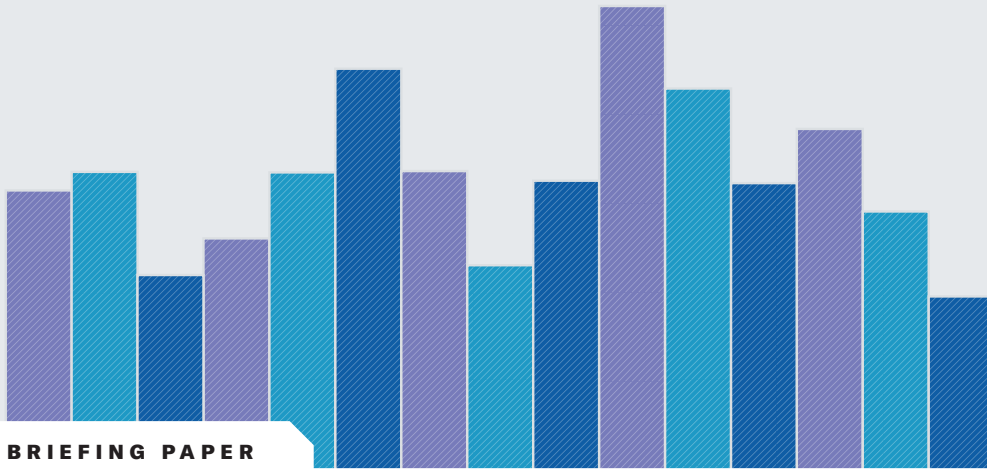




**Harvard  
Business  
Review**

ANALYTIC SERVICES



**BRIEFING PAPER**

# Staying Connected with Customers in the Contactless Economy



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## SPONSOR PERSPECTIVE

What are your customers doing right now? How are you meeting their needs today? What are you doing that will guarantee their loyalty tomorrow?

We are experiencing a paradigm shift that is forcing businesses to fundamentally reexamine the customer experience. However, based on research conducted by Harvard Business Review Analytic Services, only 13% of business leaders say that they are “very effective” in delivering personalized and seamless customer experiences today.

Now, more than ever, we need to not just know our customers, but partner with them along every step of their customer journeys. Creating a dynamic and data-driven view of your customers is how you deliver exceptional service, create superior products, and ultimately differentiate from your competition to grow your business. That requires a single view of the customer—a Customer 360—to accelerate insights and actions. If the last year has taught us anything, it is that you have to put your customer at the center of everything you do if you are going to survive. Companies can no longer kick the can down the road.

So now what?

We have partnered with Harvard Business Review Analytic Services to get you started. This report outlines key organizational strategies for unlocking the next phase of your business’s growth. The report uncovers real-world insights from successful business-to-consumer brands, including e.l.f. Cosmetics and clothing retailer Roots, that have created connected and highly personalized customer journeys across both digital and brick-and-mortar channels. The report also explores the importance of empowering your employees to create personalized customer interactions at scale.

The work it takes to become a truly customer-centric organization can seem intimidating. Read on to find out *how* to begin building a unified view of your customer.

For more resources and action plans, visit our [Transforming the Customer Experience Guide](#).



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# Staying Connected with Customers in the Contactless Economy

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In a short period of time, Covid-19 has completely transformed the way organizations connect with customers. Face-to-face interactions have given way to curbside pickup and personal shopping services while innovative technologies, like digital experience platforms and mobile apps, are providing a faster, safer in-store experience.

Together, these initiatives are reshaping customer expectations and the ways in which companies satisfy them. Catering to consumer demands has long been a priority for customer-centric businesses, but the stakes are higher than ever, challenging all organizations to deliver connected experiences across multiple channels to achieve growth and success in a contactless world.

In fact, 88% of businesses say delivering a high-quality, personalized, and seamless customer experience across all channels, business lines, and products is important to their company's overall business performance, according to a May 2020 survey of 256 respondents by Harvard Business Review Analytic Services.

"The global pandemic is a catalyst for stronger customer experiences and presents an opportunity for companies to build relationships that will last far beyond the Covid-19 crisis," says Blake Morgan, customer experience consultant and author of *The Customer of the Future: 10 Guiding Principles for Winning Tomorrow's Business*.

But building relationships with customers can only happen if companies design strategies and use tools that emphasize the importance of a customer-centric culture, meaningful messaging, empathetic engagement, and organizational agility. It's a tall order, given shifting business priorities and changes in consumer behavior, but one that promises to pay dividends in long-term customer loyalty, competitive differentiation, increased innovation, and growth for those that succeed.

## HIGHLIGHTS

The **right technologies** can help organizations better understand consumer behavior, build engagement, accelerate response times, and achieve growth.

Creating relevant customer experiences means reaching individuals at the **right moment, with the right product, and on the right platform** while staying sensitive to changing circumstances.

To **quickly scale and adapt to customer expectations and employee needs**, service delivery must be personal, intelligent, and distinctly human.

This report delves into some of these key strategies, the variables that comprise a superior customer experience in a contactless economy, and the role employees play in delivering them.

## The New Customer Experience Mandate

Most organizations agree that customer experience is a key competitive differentiator. There is also widespread consensus among executive and management teams on how to approach customer experience. Over the years, organizations have invested heavily in data analytics solutions that increase visibility into the customer journey, omnichannel platforms for consistent engagement, and unique in-store experiences. Canadian clothing and leather goods retailer Roots, for example, has built its heritage brand on stores featuring reclaimed wood and Ontario cedar, that feel more like camp cabins standard than brick-and-mortar locations.

“Historically, we’ve really encouraged consumers to dwell as long as they wanted in our stores,” says James Connell, chief customer experience officer for Roots. “Customers have often told us that they see our stores as an escape from the mall.”

But that’s changing as primarily brick-and-mortar businesses like Roots are being asked to pivot, or at least evolve, to accommodate a sharp rise in online shopping and an increased demand for always-connected customer journeys and personalized experiences. Many of these businesses have their work cut out for them: A mere 13%

of respondents say they are “very effective” in delivering a personalized and seamless customer experience. **FIGURE 1**

Bridging this gap requires viewing present-day circumstances as opportunities not only to readdress customer needs, but also to create experiences that will outlast the current crisis. Today’s industry experts and executives cite a number of key strategies for delivering superior, connected customer experiences, including data-driven personalization, relevant messaging, frictionless e-commerce transactions, scalable service, empowered employees, and enterprise-wide agility.

## Embracing Transformation to Deliver Personalized Experiences

Technology is at the core of every customer interaction. But now, more than ever, it promises to help organizations better understand consumer behavior, build engagement, accelerate response times, and achieve growth. “It’s a pivotal moment for the entire world and for the use of technology,” says author and consultant Morgan. Pivotal because the consumer landscape is evolving, challenging organizations to find new and exciting uses for technology. Digital experience platforms, for example, combined with data analytics and customer relationship management (CRM) capabilities, can consolidate data from disparate sources and make this information available to a wide array of teams, empowering them to create relevant customer experiences across multiple channels.

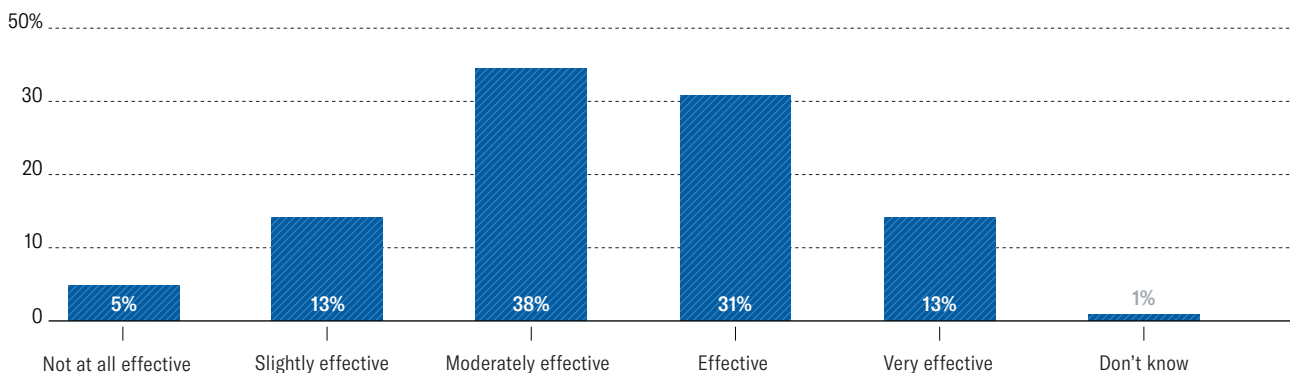
Consider, for example, e.l.f. Cosmetics. According to Ekta Chopra, head of digital at e.l.f., by “really understanding customers’ purchase behavior, regardless of channel or

FIGURE 1

### Customer Experience in Practice

Few companies have mastered the discipline of delivering superior customer experiences

How effective would you say your business is in delivering a personalized and seamless customer experience today?



Source: Harvard Business Review Analytic Services Survey, May 2020



device,” the cosmetics brand can better “keep consumers engaged” with relevant content, meaningful messaging, and personalized service.

Yet customer journeys are becoming increasingly unwieldy as companies pivot to new business models and consumer demands fluctuate. Fortunately, data analytics can minimize uncertainty by parsing vast volumes of information for predictive insights—a much sought-after outcome among 51% of respondents. **FIGURE 2**

Roots, for example, hopes examining the migration path of customers from offline to online channels will help the company better anticipate future buying patterns, product trends, and service needs. These insights inform the physical layout of Roots’ brick-and-mortar stores in order to achieve greater marketing efficiency.

Employees can also benefit from embracing digital transformation in a contactless economy. Today’s service agents are inundated with customer queries. Self-service tools, like customer portals, artificial intelligence-powered chatbots, live chat apps, and short message service (SMS) texting, can ease this burden. Together, these technologies significantly accelerate resolution times for customer queries while enabling employees to focus on core competencies.

Just as customer expectations are evolving, so, too, are consumer attitudes and sensitivities. As a result, many companies are relying on social media monitoring tools to tap into real-time customer sentiment and create messaging that resonates with the times. Says Roots’ Connell: “We’ve started listening much more aggressively to our social media channels to better understand what consumers are looking for from a marketing messaging and product focus standpoint.” These findings have precipitated a shift in

Roots’ marketing strategy from strong product pushes to more user-generated content.

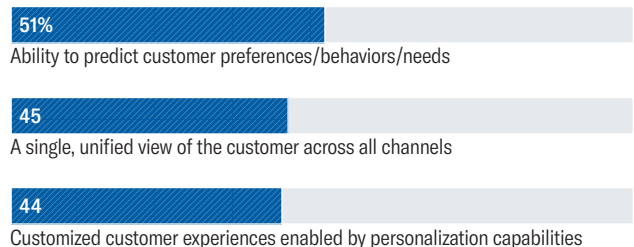
Even disruptive technologies, such as augmented reality (AR), are finding a place in the consumer journey, as customers make their way from discovering a brand’s website to finalizing the payment process. For instance, e.l.f. Cosmetics recently launched Virtual Try On, an AR-enabled app that lets customers try on products virtually. According to e.l.f.’s Chopra, conversion rates among Virtual Try On users are nearly three times greater than non-app users.

FIGURE 2


### Customer Experience Technology Must-Haves

Predictive and personalization capabilities top the list of customer experience goals.

What outcomes does your organization most aim to achieve from its investments in tools and technologies for developing customer-facing apps and services?



Source: Harvard Business Review Analytic Services Survey, May 2020



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## Maintaining Relevancy in a Highly Volatile Market

Creating relevant customer experiences has long revolved around reaching individuals at the right moment, with the right product, and on the right platform. But in today's highly volatile market, staying relevant also requires being sensitive to the financial fallout and personal toll of Covid-19.

“Right now, consumers aren't looking for overproduced, inauthentic marketing campaigns,” warns Connell. “They're looking for relatable marketing acknowledging their circumstances and making them feel good.”

In response, Roots launched a series of Instagram posts featuring small business owners for a more “human, personable voice.” In one Instagram Live session, Dan Cheung, owner of NourishVan, and his wife and children teach viewers how to make a kid-friendly meal—all wearing Roots clothing.

By leveraging social media to forge an emotional connection with consumers, Connell says Roots not only delivered unique user-generated content, but also developed a platform where Roots could promote numerous small businesses and their owners at a challenging economic time.

Another way Roots remains relevant is by creating personalized online experiences that serve as extensions of in-store interactions. The clothing retailer is known for its high-quality leather products and comfy fleece apparel—goods that retail consumers are encouraged to touch. To simulate this sensory experience for its online shoppers, Connell says Roots revised its website to include more detailed product descriptions and close-up, high-resolution images of the company's fleece fabrics.

Social activism can also lead to experiences that resonate with consumers and reflect current cultural mores. Indeed, Denise Lee Yohn, brand leadership expert and author of *What Great Brands Do*, says that “responsible citizenry and more proactive support of community” are now an “expectation” of many consumers. Fundraising and give-back initiatives empower consumers, making them feel as if their purchasing decisions and connection with a brand can have a real-world impact on public health and wellness.

## Put People First with Superior Service

Disruptions to traditional business models have prompted a significant demand for service teams to quickly scale and adapt to customer expectations and employee needs. Meeting these new standards requires service delivery that is personal, intelligent, and distinctly human.

Increasingly, organizations are counting on CRM and digital platforms to provide a single view of the customer and to personalize service and treat customers like individuals, not numbers, across multiple touchpoints. By accessing information on everything from past purchases to previous



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service issues, agents can put the customer at the center of the experience with pointed questions, customized product offers, and personal touches that speak to individual needs.

Even in a contactless economy, customers yearn for a human touch. Roots' personal shopping service, Roots Advisor, for example, lets customers virtually connect with a sales associate through video chat. Services such as these, with a distinctly human element, not only ensure that customers find what they're looking for, but also help build brand loyalty. “We've started to become incredibly creative about how we use technology” to improve service, innovate with product, and extend access to inventory, says Connell.

## Empower Employees for Better Customer Experiences

When it comes to formulating customer experiences, employees are often left out of the equation. That's a mistake, according to Yohn. “Companies need to be designing and managing employee experiences with the same rigor and discipline they apply to customer experiences.”

It's easy to understand why. Customers are increasingly turning to sales and service teams for clarity on issues ranging from safety protocols to return policies. As a result, says Yohn, these frontline workers are now important “conduits to customers,” with access to real-time customer feedback and insights.

This more vital customer service role is all the more reason to empower agents to share and access critical consumer data. For example, by integrating data across its commerce and service platforms, e.l.f. provides agents with a single view of a customer, along with tracking data, past site behaviors, and conversation history, to drive purchasing decisions. The result: a more informed agent and faster resolution time.

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Examples range from teaching in-store sales associates to better manage customer relationships remotely to educating product managers and IT leaders on the value of active listening and empathy.

Involving employees in critical decision making can also improve the employee experience. Indeed, a 2019 Gallup survey<sup>1</sup> found that 52% of workers are “not engaged” in their work, meaning they are psychologically unattached to their work and therefore more likely to leave for a competitor. However, actively tapping into a workforce’s brain trust could not only lead to new product innovations and service offerings, but could also make employees feel as if they have a stake in the business and greater accountability for its success.

Technology, training, and accountability are of little value, however, if employees lack the flexibility to meet customer needs. For sales teams, this may entail offering consumers a wide array of purchasing options, like curbside pickup and mobile shopping. Roots, for example, allows service agents to reroute products originally destined for its warehouses to consumers’ homes for faster delivery.

Service agents in particular are reaping the rewards of greater flexibility. The availability of self-service portals, chatbots, and customer communities not only accelerates response times to customer queries but also allows agents to work anywhere, anytime, while freeing them to focus on more mission-critical tasks.

### Break Down Silos for Organizational Agility

Agility is the lifeblood of companies, enabling rapid-fire reaction to emerging market realities. For this reason, Yohn says, today agility “must be baked into organizations’ processes so that they can pivot or shift to meet changing customer expectations.”

But it takes breaking down silos to achieve long-lasting organizational agility. Unfortunately, a sprawling IT environment and legacy systems can prevent organizations from forming a unified view of their customers. However, by

gathering data from disparate systems and integrating this information into a single source of truth, organizations can gain visibility into each step of a customer’s journey for a more personalized experience and, ultimately, achieve growth.

Another way companies can increase organizational agility is by adjusting the way employees collaborate. A 360-degree view allows various teams, from supply chain and inventory management to marketing and sales, to view progress toward common goals and anticipate obstacles. Marketing teams can see the progress of a project or sales funnel while employees across the enterprise can determine the current status of milestones to better coordinate cross-departmental efforts.

Culture also plays a critical part in increasing corporate nimbleness. “Organizations have to be willing to depart from the legacy of what they’ve done before,” says Morgan. Increased transparency through online, cloud-based tools can help by encouraging honest conversation, providing clarity around project deliverables, and creating alignment around shared goals—all opportunities to build trust.

### Conclusion


A contactless economy challenges organizations to create a unified view of the customer, forge meaningful connections, and invest in customer-facing employees. It’s not easy for many companies, especially those that have resisted technological change. Even companies far along the digital transformation maturity curve are being “pressed to move faster,” says Morgan.

However, those organizations that view these challenges as an opportunity to innovate are most likely to realize a lasting impact on both growth and revenue. Embracing digital experience platforms and using tools to deliver personalized experiences can ensure organizations stay relevant in the midst of sweeping economic and cultural changes. At the same time, infusing everyday service interactions with intelligence and a distinctly human touch, trusting employees to make the right decisions, and uniting silos—both data and departmental—can enable companies to grow, outlast competitors, and keep pace with customers’ ever-evolving expectations of customer experience.

Just as the world will never be the same again, customer expectations will not spring back to their original form. Stretching to reach these new boundaries will take more than technology; it demands growth—and courage. Above all, says Chopra: “Don’t be afraid to learn and take risks. Digital is about constantly adapting and changing.”

1 Harter, Jim, “4 Factors Driving Record-High Employee Engagement in U.S.,” Gallup, February 4, 2020, <https://www.gallup.com/workplace/284180/factors-driving-record-high-employee-engagement.aspx>.





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**Blake Morgan, customer experience consultant and author**



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