Most businesses, riding the new wave of digital revolution, are gearing up to become a digital-first enterprise in the next five years. An interesting question that should make us pause is – what exactly is becoming digital all about? A majority (87 percent) of companies worldwide see digital transformation more as a competitive opportunity and less as a customer facing requirement. This may be so perceived because technology and outcomes take prime places in most digital transformations.

Yet, in all transformational processes, customer experience has been a key driver. Today, we live in a hyper-connected world, where information is the commodity, Internet is the supply chain and Cloud is the warehouse. The move to digital actually involves a paradigm shift from the traditional product-centric strategy to one that focuses more on the customer. It stands to reason that digitization will bring in an era of highly evolved methods to innovate, engage and provide extra value to the customer.

**Product-Centricity vs. Customer-Centricity**

Till now, many companies have defined themselves by the products they make or the services they offer, while not so much by the problems they solve for their customers. A product-centric firm essentially concerns itself with product superiority - an approach that is driven more by research and technology.

A customer-centric company, on the other hand, focuses on the diagnostics of business problems and provides value through customized solutions. It is an 'outside in' approach driven by innovative service delivery experience to fulfill the customer’s emotional needs. The primary goal here is long term relationship, and it aims for the mind share of customers rather than market share. In terms of strategy, therefore, customer-centricity adopts a buyer-driven pull approach as against a sales-driven push approach. Mass media tools like TV, OOH billboards and print (to generate awareness about the product) thus give way to new age digital media tools such as influencers, experiential marketing and personalized customer journeys to generate user engagement. Apple is a great example of a product-centric company. In Steve Jobs’ words - "Customers don’t know what they want until you show it to them." This idea is at the core of Apple’s organizational and market structure that allows for the most effective and profitable delivery of their highly innovative products to their customers. There is lesser emphasis on individual customer feedback, and the same product features are available to all who can pay.

Amazon is at the opposite end of this spectrum. Jeff Bezos aptly summarizes the e-commerce giant’s philosophy – "If you’re competitor-focused, you have to wait until there is a competitor doing something. Being customer-focused allows you to be more pioneering." Everything that Amazon does revolves around customer delight. One can argue that they do not have a product to sell, but they have championed customer-centricity through their unique service delivery platform.

It is challenging to create a competitive edge in a saturated market that is brimming with multiple products and services. And so enters the importance of creating unique differentiators in competing for profits, and vying for volume and value share. Those that have a higher understanding of customer needs and problems will hold the competitive advantage. This calls for listening to customers, responding to them and ensuring their engagement, especially in the early stages. Monetization of any effort too soon into the customer experience journey can bring it to a premature end. Neither can businesses bucket all customers into one catch-all segment, and have the same broad-based communication, engagement, sales and CRM strategy for all of them.

As the Pareto principle implies, it is likely that 80 percent of a company’s revenues come from 20 percent of the customers. It will not work to place your customer at the center. Place your customer at the center if you want to create a competitive advantage.
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**Place Your Customer at the Center**

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Mapping the Customer Journey

The digital customer journey begins with answers to a simple set of questions.

- What defines my customers?
- In their customer journey, what are their touch points? How do they use them?
- What do they value and expect?
- Who or what influences them? Whom do they influence?

While it is true that technology does not define digital transformation, it is a sure means to better customer experiences. When technology and customer behavior come together, relevance to the customer is created. And this happens when business looks at the customer journey solely from the customer’s perspective.

This is what Starbucks has done so well. It looks at the customer journey from the customer’s perspective. This has led them to discover nine different areas of work stream that are connected because of the customer’s journey. Starbucks modified their inter-departmental workflow and collaboration processes accordingly.

To this end, customer lifetime value is an effective and critical measure of business sustainability. Paying attention to the cost of acquiring and retaining customers, and focusing on up-selling and cross-selling to them could bolster customer revenues and retention at optimized costs.

be fair to treat such high-value segments in the same manner as the casual, wandering or impulse buyers. Digital transformation makes it possible to attribute all factors on a customer’s path-to-purchase - awareness, leads, referrals and final purchase - to a channel or customer segment.
Understanding How Digital Enables Customer-centricity

Digital transformation, at its very core, is really about customers and their experiences. And the key to digital transformation is out there for all to leverage. Rich customer data is isolated and hidden in different silos across the organization. Tapping into this and integrating it for insights and contextual action can place customer experience in the center to make every touch point a relevant one. Let us look at the many ways of doing this.

Content Optimization and Channel Activation

In the modern-day marketing world, content is king. For the millennial or Gen Z consumer, optimizing content becomes all the more important. The ‘digital native’ has very little time to process advertisements and is mostly hooked to one or more digital devices. Highly qualified leads can be generated by rendering ads in a format that is native to the user’s device or with content of specific interest to this segment. Understanding the user’s online behavior holds the key.

Facebook curates content on the newsfeed by considering your past activity to maintain relevance. Click-stream analysis on news websites allows dynamic rendering of articles that are of interest to the user. Brands utilize users’ online behavior data through re-marketing platforms to position targeted ads to have a higher click-through rate. Platforms with vast amounts of user data, like Twitter, are able to share information with a variety of tools and software through a structured request-response ‘data pipes’ called APIs. Digital and social media platforms have certainly the
ability to track and share user behavior extensively for better content and channel activation strategy.

Kraft’s symbiotic partnership with Pinterest is another successful instance of content optimization. Kraft joined Pinterest as early as 2012 as they found that the service reached their desired audience with significant scale. With recipes being one of the most popular interests on Pinterest, it served Kraft’s objective of making it easy for people to discover and share everyday, achievable meals. Today Pinterest is a powerful tool for Kraft to gather real-time insights, mine data, and influence content creation and curation to drive customer experience.

Insights and Analytics

An obvious advantage of digital transformation is the wide range of data that businesses can have access to. Analyzing website visit data through hypothesis testing provides valuable insights into making your site content and navigation better. Similarly, most e-commerce companies enhance their visibility on purchase funnel performance, check-outs and transactions where data is updated on a real-time basis. This facilitates tactical decision-making and reduces thought-to-market time.

The US outdoor clothing, equipment and footwear company, The North Face, leverages artificial intelligence technology, to help online shoppers to find the right jacket choices among the thousands of SKUs on its website. This online experience allows customers to engage in a question-and-answer conversation to find the right jacket. They have created an experience close to one interacting with a human sales associate.

Crowd-sourcing initiatives involve customer opinion at every stage and facilitates product development. The US-based automobile company, Local Motors, is reinventing the way automobiles are designed and engineered. They source valuable insights from their online customer community.
Digitization thus enables a 360 degree unified view from multiple data sources (online, retail, sales, consumer brand tracking surveys and attitudinal studies) to arrive at well-defined customer segments and customize targeting strategies.

**Social Listening**

Social media not only provides data on awareness and engagement levels of your content but also gives an opportunity to listen to the voice of the consumer in an unrestricted environment. Of course, it comes with its own set of challenges such as content irrelevance, spam and ambiguous tonality. Highly evolved tools that process social media data through complex text mining algorithms can contextualize and assign sentiments (positive, negative or neutral) to the conversations. This opens pathways for scalable early warning systems, influencer outreach and customer response management.

WNS’s proprietary social media analytics platform, SocioSEER, enables clients’ brand to surpass its goals around brand equity, customer-centricity and topline revenue. Its NoSQL backend architecture and summarization engines allow scalability and speed. Leveraging advanced analytics and machine learning frameworks to achieve content classification and indexing, SocioSEER provides graphics-rich visualization at the frontend and makes it easy for brand marketers to accurately classify relevant social conversations and impressions. It helps gather data, information and social conversation around a brand and provides deeper split on what they actually mean.

**Bringing Human Stories to the Fore**

Riding on an increased global internet penetration and mobile usage, digital transformation has undeniably paved the way for a business strategy focused on providing enhanced value to the customer’s experience. It is a paradigm shift for sure – one that has enabled people to have a say and influence strategic decisions.

The truth is, digital transformation is not just a shift in technology investment. Around the world, we see businesses adopting digital roadmaps with the technology and resources that are available in the respective country-specific conditions. Ultimately, relevance is the all-critical qualifier for transformation, and this rests on

- Appreciation of how the digital consumer is evolving
- Clarity to visualize changing markets
- Leadership to seize the opportunities of evolving consumers and markets to lead a customer-centric change

Customer-centricity is the new normal of competitive advantage. Not costs. Not product differentiation. Customer intimacy helps organizations rise above the noise and clutter of competition. With digital and social having irretrievably disrupted the business landscape, the customer is the only route to success. Whether product-centric firms will continue to hold their own against a more powerful voice of customer, or will they move to a digitally-oriented customer-centric approach, is something that remains to be seen.
About WNS

WNS (Holdings) Limited (NYSE: WNS) is a leading global Business Process Management (BPM) company. WNS offers business value to 200+ global clients by combining operational excellence with deep domain expertise in key industry verticals, including banking and financial services, consulting and professional services, healthcare, insurance, manufacturing, media and entertainment, retail & consumer packaged goods, telecom and diversified businesses, shipping and logistics, travel and leisure, and utilities. WNS delivers an entire spectrum of business process management services such as customer care, finance and accounting, human resource solutions, research and analytics, technology solutions, and industry-specific back-office and front-office processes. WNS has delivery centers world-wide, including China, Costa Rica, India, the Philippines, Poland, Romania, South Africa, Sri Lanka, UK and US.

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