

Customer experience 2020
A Blue Door point of view

A balanced view in an unbalanced world

Considered customer experiences
in the 2020s and beyond

Telefónica

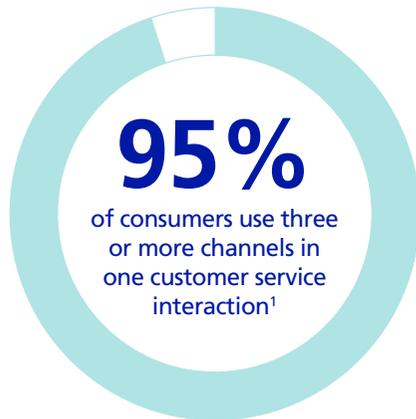
O₂
business

Keeping ahead of customer expectations

Of all the hot business topics, customer experience has recently been one of the most prominent. And with good reason.

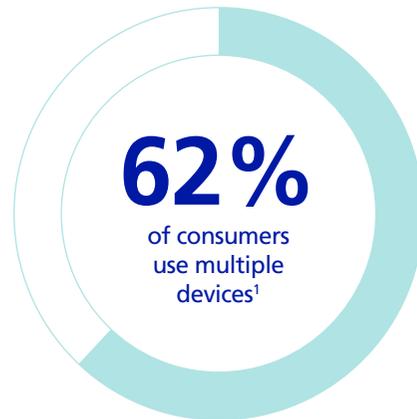
Because as the customer experience bar is seemingly ever rising, the task of delivering an exceptional customer experience is getting harder.

Forrester, for instance, highlight that:



It's a trend that'll get more and more pronounced as new tech, like 5G connectivity, hits home, bringing us all more accessibility and convenience.

But that won't change the fact that each customer has their favourite channels. This depends on factors like age, activity, location and what the customer actually wants to achieve, but there's also an element of personal preference and urgency, so it's never something you can predict with confidence.



Yet amongst this explosion of channels, customers still demand the exceptional.

A 'phygital' approach, where physical and digital come together to create one, uninterrupted, seamless experience.

So how do we create this phygital approach?
How do we make the most of this new technology, so we serve all the touchpoints without losing touch?

That's the key challenge.

Winning in the 'Empathy Economy'

This phygital approach is at the very heart of what Gartner calls the 'Empathy Economy', an economy driven by the need to stay close to customers with the right messages delivered in the right way, yet simultaneously respecting privacy.²

Having one, single view of the customer is vital here, but it's hard to achieve when you're juggling so many touchpoints.

So how do we create timely, targeted and tailored customer experiences? How do we make sure our customers' expectations are seamlessly met – even surpassed – every time we deal with them? And how do we keep our customers happy, not just today and tomorrow, but next week, next month or even next year?

The pressure is on to find the answers.

People want their interaction with a company to feel bespoke and organic, which makes the task of balancing tech with the human touch more important than ever.³

Given these pressures, it can be tempting to dive in and try to solve every issue overnight. Or take the opposite tack, become overwhelmed by the sheer size of the task and do nothing at all.

But it's important to remember that Rome wasn't built in a day. The sensible approach is a pragmatic one that involves small steps and balanced thinking.

84%

of customers say it's important for them to be treated as a person, not a number



One that balances the physical and digital world to create the phygital world. A customer nirvana.

Expectation driven by innovation and the 'Everything Customer'

We already know customer expectations never stay still. But what's driving these escalating demands? Why is the customer experience bar constantly being raised?



The simple answer is technology. The faster technology advances, the greater the weight of customer expectations upon us all.

This relentless drive for innovation – and the resulting pressures of customer expectations – will only grow. AI alone is setting new standards for service.

O₂'s work with Nokia, for instance, means they should soon be able to anticipate problems from any of their 32 million customers before anyone even knows they have a problem, thanks to a new AI-driven Service Operation Centre. Extrapolating this out, what's next?

Cars, fridges, laptops... if they could tell us when they're about to stop working, it would mean a fundamental change in meeting customer expectations.

And AI is improving the travel experience in Stockholm too. By assessing weather, usage levels and a host of other factors, passengers now get a highly accurate picture of how the railways are running and if there are likely to be delays. Looking forward, and applied across the network, it could herald the start of a new, super-efficient transport system that could make genuine inroads into understanding and managing traffic levels.

Multiexperience is about seamless, effortless interactions across physical and digital touchpoints, broadening engagements and promising a logical progression to every interaction.

So in light of these advances – and countless others – how do we keep up?

The solution lies in ‘multiexperience’. Multiexperience is about seamless, effortless interactions across physical and digital touchpoints, broadening engagements and promising a logical progression to every interaction. Every touchpoint relates to what’s happened before and supports the next.

Social media is integral here. The customer’s voice is heard like never before and that’s completely changed the communication dynamic. This shift is now driving innovation – which we’re seeing reflected both through technical solutions and the need for marketing innovation. Brand and customer are more intertwined than ever.

Customers – our new ‘Everything Customers’ – tend to be better informed than ever.

Information is accessed fast and that’s changed the terms of engagement. It means increased demand for personalisation, and predictive intelligence. Customers expect everything now. Our response is the O₂ RCS Business Messaging service, a two-way, real-time communications channel businesses can use to create real, lasting relationships with every customer.

And the ‘Everything Customer’ is going to become ever-more prevalent. To stay ahead, we need to keep the pressure on developments such as automated customer services, leaving AI to help with simple tasks so customer service agents can deal with more complex customer interactions. Because the ‘Everything Customer’ demands instant satisfaction, addressing these kinds of customer pain points is at the very core of our new Empathy Economy.⁴

This all sounds fine in theory. But how do we apply this new way of thinking to improve customer experience at the organisation level?

Get everyone on board to keep every customer happy

The good news is that there are some hard-and-fast steps you can take to keep the demanding 'Everything Customer' happy:

1

Think like a designer

Start with a digital design process to map out your customer journeys. For instance, Crown Equipment – a forklift manufacturer – employs artists and anthropologists as a new kind of talent to present experiences in a new way, to find fresh ways of being relevant.

2

Design for memories as well as experiences

Experiences are fleeting. Memories are permanent. We should design to create something long-lasting for people, rather than a short-lived sensation.

3

Design for demographics

Generation Z, the newest generation of customers with buying power, are now 24 years old. This generation values 'identity' and self-expression more highly than any other age group, which is why, here at O₂, we're creating more stores designed to attract these customers through, for example, streaming live gigs to the site.

4

Consider marketing directly to machines

There are more machines on the planet that can act like people (7.8 billion) than there are actual human customers (5.2 billion). HP are already ahead of the game, having created 'Instant Ink' – a digital service where internet-connected printers automatically order their ink when supplies run low.

5

Design across platforms

It's important for CIOs to create a multiexperience technology platform that brings well-designed experiences to life. These experiences need to be delivered across phones, web, clothes, watches, virtual assistants, even refrigerators.

Get everyone on board to keep every customer happy

Throughout all this, we need to remember that our success isn't just about throwing money at technology. Tech for the sake of tech is, after all, where many projects go wrong.

We need to make sure that we truly understand the challenges ahead, then combine the right technology with investment in people and processes, because only then can we create memorable experiences across channels and touchpoints.

It's also important to bear legacy systems in mind, to assess what we have, what needs to be changed and what can be kept. Just because you're creating new customer experiences, not every one of your existing systems needs to be replaced. Digital transformation doesn't necessarily mean wholesale changes.

A Blue Door point of view



Plus, a discussion needs to be held amongst stakeholders across the business, around bringing marketing, finance, sales and IT together and along for the journey – that way, you'll understand everyone's drivers and the benefits they can deliver.

And underpinning everything lies trialling. Now, that's difficult enough at the best of times, but in these days of truly personalised experiences when you're addressing so many different needs, it's harder than ever.

Test and learn is the answer. With so many changing expectations and fresh channels, we need to stay nimble, adaptable and fleet of foot. So experimenting with new approaches, quickly dropping them if they don't work, then moving on to the next option, is our best bet. It's a challenge, but in reality, it's the only way forward.

Adapt or die has never been more relevant.

Balancing building what we know, with what's coming

In today's hyper-connected world, it's common for consumers to move between channels and devices.



That makes planning and joining the dots hard right now. And the situation will only become more complex in the years to come as touchpoints, devices and networks proliferate.

But the data we use won't solve every problem – it's just another ingredient in your customer experience recipe.

Like social media. The voice of the unhappy customer can be broadcast to millions. Influencers on YouTube now have more impact than traditional marketing strategies. People trust people – and have far less faith in brands.

Our strategies need to adapt to this new realism – and we need to support this new thinking. That means finding value in some of the tactics of the

past as well as the technology of the future, then balancing how we use them to create the ultimate customer experience.

Take the City of Vienna. They're working towards becoming the world's first '5G safe city' with autonomy as a service. On a practical level, that means arming the fire service with a swarm of drones which fly ahead of the engines, pinpoint where the fire is and how best to tackle it before the engines have even arrived. It's certainly a major breakthrough for Smart Cities and 5G-enabled solutions that brings concrete benefits to citizens, but it's also symptomatic of the way cities are thinking ahead... finding new ways to provide safer, faster, more effective public services.

In the UK, we've prototyped a 'Smart Ambulance' at our Millbrook Proving Ground. Designed to revolutionise patient treatment and reduce hospital numbers, it's a standard ambulance equipped with state-of-the-art devices to simulate 5G connectivity, transforming the vehicle into a unique remote consultation room.

The immediate benefits are obvious – patients get expert treatment faster. But in the longer term, it could herald an era of more decentralised healthcare, of taking the treatment to the patient rather than the patient having to go to the treatment.

Outsourcing customer complaints and service needs to a third party is also becoming more common. Airhelp for instance, can scan email

inboxes for flight-related emails and offer its services to customers with delayed flights before executing refund demands with the airline. It's a concierge-style service delivered almost entirely by a machine.⁵ The implications are enormous. Contact centres will have to raise their game via technology and improved processes, since concierge services like this will drive increased volumes of complaints and inquiries.

These three examples demonstrate next-gen thinking. But not all exceptional customer experiences demand the latest technology – Arsenal FC now uses pagers to provide discreet information that helps improve safety and crowd control, for example.

There is a balance to be had between old and new techniques.

Now employee engagement can drive customer experience



Technology can deliver us two substantial benefits that can genuinely create better customer experiences.

It should certainly herald operational improvement. But it should also boost employee engagement – after all, staff are happier if they have the right tools for the job. And happy staff tend to present a better picture to customers. That was the thinking behind our ‘Live the Experience’ programme.

Demonstrating what our employees can expect from us at O₂, it contained a pledge to staff which included the expectation of a warm welcome to new recruits, confidence in the leadership, opportunities to progress and the ability to feed back through staff forums. It's brought us initiatives like 'Our Stars', a new peer-to-peer

recognition programme delivered via an employee community portal. And we like to think it's led to staff delivering better experiences to our customers.

Yet more generally, and at a time when companies are spending a trillion dollars a year trying to shape customer journeys, they're spending 1,000 times less understanding the journeys of the people they depend on most, their employees.

In fact, when asked, business leaders said they spent "less than 5%" of their time understanding what their employees do and why they do it.

That's not to say employers don't care about employees – most of them definitely do. But many attempts to engage them fail because they don't understand what drives behaviour. They're not using the same sophisticated tools, techniques and theories on their employees that they're using on customers.

And it's worth making the effort. MIT research shows that enterprises with a top-quartile employee experience achieve twice the innovation, double the customer satisfaction and 25% higher profits than organisations with a bottom-quartile employee experience.

However, only 9% of respondents were "very ready" to address the issue, making it a massive priority.⁶ It seems that there's an education task here – organisations need to appreciate that if they're going to improve and provide genuinely world-class service, they need to take their employees with them on the journey.

At a time when we're shaping customer experiences in the marketplace, why aren't we doing the same for employees in the workplace?

Gen Z, talent shortages and empowering employees

There's no doubt we'll see real talent shortages over the next decade... so we need to make sure that people are happy, healthy and fulfilled so organisations have the teams they need to deliver.

As Jacob Morgan noted in *Leading in the 2020s: 3 Emerging Workplace Trends*, "Employee experience is creating an organisation where people want to show up" – and it's influenced by variables ranging from physical office space and mental health to flexibility regarding where and when employees work.⁷



This emphasis on employee experience will grow even more relevant as Gen Z becomes a greater part of the workforce (an estimated 33% by 2030).

"Gen Zers are looking for leaders who are trusting, support their needs, and express care for them as humans – not just employees," Dan Schawbel, research director of Future Workplace, wrote. "Focusing on Gen Zers' human needs will be the best way to address their workplace needs."⁸

So in the interests of profits, performance and customer experience, it's worth empowering employees and helping them deliver, by giving them the latest tech tools. By making them proud of what they do and encouraging them to do more, service will improve.

Gen Z, talent shortages and empowering employees

Take AO for instance – the only physical touchpoint they have with their customers is when goods are delivered. To keep their drivers motivated, they decided to enhance their experience of delivering goods on the assumption that if their drivers are happy, this positivity will be reflected in their customer service.

So every day, AO trucks are cleaned out and goods stacked in the correct order for delivery. Bottles of fresh water are also placed in the cup holders with “A little bottle of happiness. Bottled by pixies in Crewe” written on them. The result? Drivers love the humour and feel valued. And when they feel valued, they pass that feeling on to customers.

Empowering employees means providing the right tools, as well as the right culture. We've partnered with Ericsson to conduct 5G trials with Northumbrian Water to tackle the challenge of supplying 1.1 billion litres of water a day. 5G-enabled augmented reality technology now allows technicians to remotely guide on-the-ground teams through complex tasks by relaying real-time data and instructions. They've created 'Remote Experts' through the addition of technology that's helped them to do a job that would previously have been well out of reach.



Good citizenship plus good business equals great CX

These days, many businesses are working hard to become socially responsible members of society.

It makes for great PR. But it's also an important element of the customer experience. We need to demonstrate to customers that we're thinking about them in practical terms, by treating them and their needs on an individual basis, rather than as just another number or faceless customer. By finding new ways to make them smile.

Because when we show we share the same values, that creates real empathy. Our customers walk away from a touchpoint with a sense of "They'll do right by me" and "Someone's got my back". And those customers appreciate the added value that comes from working with a business that works with society – take our project to build a greener network for example, with an ambitious commitment to be the first UK mobile network to reach net zero carbon emissions.



And our continuing journey to help everyone on O₂ reduce their impact on the environment through initiatives like paper bags, paperless bills and O₂ Recycle.

We believe it's about doing what's right for people, community and society. And when we demonstrate we're "doing what's right", we start earning respect. Customers feel they're with a provider who sees the world the same way they do, who is truly engaged with what matters to society.

And that makes everyone happy.



Get the balance right

At a time when customer and employee expectations have never been higher, when new companies are emerging as non-traditional competitors and yesterday's competitor isn't tomorrow's, pressures to create outstanding customer experiences are growing exponentially.

And that means creating a 'balanced' mindset. One where you balance the role of technology and humans, the emphasis we place on customers with the emphasis on employees, the mix we create of old and new.

But that balance shouldn't be at the expense of trying something new.

Such as empowering your employees as much as possible with tech as well as moral support. Or helping all parts of your organisation work together, whether they're a technology agnostic or an IT innovator.

It's certainly not simply about "trying a new bit of tech" because it promises the world and comes with assorted bells and whistles.

It's about working together towards our ultimate focus – providing exceptional people-focused, life-enhancing customer experiences.

To see how we can help you do just that, call us on **0800 955 5590**, email o2@o2business.co.uk or get in touch with your O₂ representative.

To read more about O₂ points of view, explore our [blog](#).

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