Deliver happiness
Engage, convert and fulfill your way to a differentiated customer experience – again and again
You’re smart about customer experience.

You’ve proved it through years of success. But you thought you were invincible. You believed you’d earned customer loyalty that was so solid and enduring that your customers would just keep coming back.

Then something started to change. All the signs were there: an unexpected increase in order returns, a complaint on your social channels, decreasing revenue. Just when you thought you had marketing all figured out, the four traditional P’s of product, price, place, and promotion have been eclipsed by the most commanding P of all: people.

Welcome to the economy of emotion, in which customers are accustomed to an emotional brand connection before they’ll make a purchase. They expect every touchpoint with you to bring them happiness – from the very first touchpoint until long after the sale is completed. You need to win customers over by differentiating your brand promise. And each brand promise you make needs to be fulfilled – profitably. That’s not easy with all of the forces threatening your ability to create great customer experiences today.

Every customer touchpoint is an opportunity – or a threat

Digital disruption may have created an existential crisis for incumbent brands, but it’s actually a growth opportunity for the businesses who embrace it. In an economy powered by people, your continued success is only an emotion away. Each time a customer interacts with you – every ad, every tweet, every visit to your...
location – you need to direct positive energy against nurturing that happy relationship. The good will you create encourages your customers to tell others about you. And that advocacy can bring you new customers with reduced acquisition costs and higher profits.

But happiness is different things to different people. To your sister, it’s knowing she can buy those gorgeous shoes online, then return them to her local store if the color isn’t exactly right. To your father, it’s knowing he can complete a financial transaction with one simple click – in bed on his smartphone at 3 AM. To your mom, it’s knowing that the corporations she buys from support the causes that are important to her. To your brother who hates the mall, it’s making online shopping an uneventful process with product recommendations, easy deliveries and returns.

Unfortunately, all of these moments of happiness are fleeting. They can be wiped out by a single unpleasant incident: a site crash, inconsistent imagery, a late delivery or even a data breach. So once you’ve established your customers’ initial happiness, you need to take steps to sustain it. You need to eliminate obstacles and reduce the buying friction whether your customers are connecting online, speaking with representatives or conducting transactions face to face. Because if they’re the least bit disappointed, they’ll be vulnerable to the onslaught of offers designed to lure them away. And then they’ll be buying from your competitor.

**Overcome the challenge of change**

You’re marketing to a far more complex individual, with expectations you wouldn’t have imagined a decade ago. It’s a virtuous commerce cycle where competitive advantage and revenue growth are achieved through the positive customer emotions you create. Loyal customers have tremendous value because they’ll keep coming back to you, and eventually become advocates who influence others’ purchase decisions.

So, how will you be able to consistently deliver happiness to your customers? By integrating all your data and applications so you can respond quickly to changing markets. New processes and technologies such as AI enable you to analyze customer behaviors so you better understand personal preferences and can continuously deliver relevant content and offers. Innovative management tools provide you with the agility you need to maintain a personalized experience throughout the customer relationship. This powerful combination of AI and agility can help you lower acquisition costs and increase customer lifetime value.

Let’s examine the three key phases of the customer experience, and how you can win by harnessing the innovation needed to sustain their happiness and loyalty:

- **Fulfill expectations**: We begin with the very heart of the relationship: customer fulfillment. Compelling fulfillment promises are what now compel customers to regularly choose you over the competition.
- **Engage prospects**: Continuously stimulate their interest and meet their needs through personalized offers and content, at the right time, through the right channel at scale.
- **Convert to customers**: Remove any friction from the buying process with experience-driven commerce that helps drives revenue.
Fulfill
You might believe that customer relationships begin with engagement.

And you’d be right in terms of the initial interaction. But at the heart of every customer experience is fulfillment. It’s not until the order is actually in their hands and they’re happy with the entire process – from beginning to end – that the essential emotional aspect of the transaction is fulfilled.

It’s a pivotal point in the relationship between you and your consumer: if you disappoint them, it could be the last time you’ll ever see them. However, if you make them happy, you’ve established the foundation that builds loyalty and keeps them automatically coming back to you again and again over the competition.

If you’re smart you’ll take immediate action to sustain the happy relationship. You’ll follow up on the experience to ensure everything went as expected. If it didn’t, you’ll take immediate remedial action to ensure your customer is satisfied. Then, with frequent contact to create a differentiated personal connection, you can win their loyalty so they choose you over your competitors and get committed to your brand. With continued nurture, you can create a high-value, long-term customer who could evangelize your brand to others.

Fortunately, management of this complex customer fulfillment process doesn’t have to be difficult. AI and a modern technology stack with microservices can provide the tools you need to implement programs that can help satisfy customer expectations and monetize your business faster.

Brands like Yoox Net-a-Porter Group are already taking advantage of these tools. “We know that getting delivery right is just one important part of a bigger picture when it comes to online shopping,” says Alex Alexander, CIO, Yoox Net-a-Porter Group. “This is why we also wanted to improve customer insight, using cognitive capabilities to gain a better understanding of customers, their purchasing habits and preferences. This allows us to shape more relevant recommendations, offers and promotions that build loyalty and encourage our customers to buy.”1
Exceptional fulfillment provides exceptional results

While all industries have been affected by fierce competition and high expectations, the retail market has been particularly impacted by disruption in the area of fulfillment. Think about it. How long are you yourself willing to wait for a product you ordered today? A few days? A few hours? As new, faster and more accurate delivery methods are being introduced, customers are becoming more demanding, and their expectations far more challenging to meet. Customers don’t want a two-to five-day day window for their items to arrive, they want it on Tuesday, or possibly within the next four hours. And they don’t just want it delivered to a doorstep, they might want it at work, at a hotel, or somewhere they can pick it up on the way home. The point is, they want options; they want to be able to choose where and when they get their delivery. A recent Forbes Insights study revealed that order fulfillment is so important to the customer experience that 82 percent of the organizations who responded have either already installed AI to improve it or are currently making plans to do so.²

“Whether they engage online, in-store or over the phone, consumers expect a seamless shopping experience. But for retailers, knitting together these channels behind the scenes can be a tough challenge.”³

Keir McIntyre
Director of Direct to Consumer Technology
Eileen Fisher

Fortunately, the need for increased order efficiency is being answered with a modern order management solution – one that influences critical KPIs and improves bottom-line performance.

AI-enhanced fulfillment delivers control and flexibility

Global inventory visibility

- **Real-time inventory**: Ability to view accurate, real-time global inventory while browsing from any channel
- **Return analysis**: Ability to identify root causes of returned service packages

Order orchestration

- **Profitable order optimization**: Finding the right fulfillment option and best inventory source for the client and for the vendor
- **Order tracking**: Provide fast, accurate, on-time delivery with the ability to track status and get updates from any channel

Customer service

- **Empowering the store associate/CSR**: Store associate/CSR can find the right inventory quickly and get it delivered to their customer
- **Fast-fulfillment stores**: Offering customers choices of pick up in store, return to store or faster delivery from local stores
- **Appointment/delivery scheduling**: Schedule delivery or appointment at time of order and coordinating goods and services offerings
Big new ideas and the promise of accurate, more satisfying fulfillment are emerging every day. By minimizing the risk of disappointment and delivering orders on time, you make customers happy. And those organizations that harness this innovation can start to build a greater customer relationship and realize reduced customer acquisition costs, increased revenue and a lower cost of fulfillment.

Learn more about how order management and fulfillment can boost loyalty and revenue.

Read the POV
Engage
Your customers are being inundated with marketing messages – online and offline – every waking hour.

To cut through the clutter, drive your pipeline and build loyalty, you need to approach them at precisely the right time with the right content through the right channel. You can create this personal relevancy only when you deeply understand your customers – what they want, where they want to get information, and how to motivate them throughout the customer journey. But customer understanding is only learned by transforming vast quantities of data into actionable insights.

Armed with those insights, you can strategically plan a customer relationship through highly integrated omnichannel interactions, not just in your initial exchanges but throughout their whole experience. You’ll be better equipped to design touchpoints based on their preferences and relationship with your brand, predict their behaviors, and guide them happily across all channels including mobile, kiosks, IoT and any new technologies that come along.

Jyske Bank was determined to provide a simple, differentiated experience by developing consistent touchpoints that resonated with their customers. When they analyzed preferences and behaviors they learned that mobile interaction should be the starting point for the customer journey. “We realized that content was king and that the best approach for deployment on the widest variety of devices was to design for the small content space first,” says Ole Møller, Technology and Self-Service Department Head, Jyske Bank.⁴

Their integrated content management system now automatically adapts content to whatever device their customer prefers. The bank also reuses their content multiple times to get the most value out of it and provide a consistent experience with relevant content at the appropriate time and place in the customer journey.

This kind of experience is now the norm. One study indicated that 56 percent of online retail shoppers expect consistency across all channels.⁵ So if a retail customer puts an item in their online shopping basket on Tuesday, they expect you to know what they’re seeking when they enter your store on Wednesday.

It’s a huge expectation, but the impact it has on your business makes it well worth your efforts. You’ll build better relationships, create a stronger pipeline, and capture more high value customers who generate more revenue. And innovative AI technology can help you do it all.

**AI mines data to deliver insights you can act on**

Customers have always been unpredictable, but with modern AI technology organizations can apply analytics to better discover what kind of message and content might resonate with each individual across all channels, every time.

Although the rewards are substantial and the systems may be complex, the process for the implementation of AI can be simplified into three manageable steps.

**1. Consolidate and know your content:** By analyzing your content, you can start to predict which audiences
will be responsive and when they might be most likely to take action. To do this, you’ll want to connect your siloes to create a central repository. Then you and your team can quickly locate content, images, and data more quickly to develop relevant offers.

2. Personalize content across all channels: Not surprisingly, personalized content can perform far better than the mass appeal approach. It makes your customers’ browsing – and their decisions – easier and more relevant for them. You’ll strengthen the relationship and stimulate greater response when you better understand what they need based on their role, location and history with your company.

UnipolSai Assicurazioni S.p.A, an insurance company based in Italy, had the foresight to move quickly when a change in government regulations enabled them to offer their customers and agents direct access to their accounts. The company swiftly deployed a new portal that engaged customers and agents through personalized experiences based on user profiles. “The more we learn about our clients, the better positioned we are to funnel opportunities to our agents,” said Franco Rigamonti, manager of innovation and software architecture at UnipolSai. The program has been so successful that Unipol plans to expand self-service capabilities and add real-time marketing and content analytics capabilities.

3. Monetize content: If you blog, tweet or post on Facebook, providing a link to an appropriate product can drive customers to your commerce page. You can also add value to your product pages by giving links to information related to the product they’re exploring to help inspire and justify their purchase.

For example, Soccer.com used AI to develop compelling content for soccer players and enthusiasts. They aren’t just a shopping site, but an engaging sports experience with information about soccer clubs, players, and even videos to help customers improve their own skills. Soccer.com was redesigned to cleverly integrate product information with educational and entertaining content, and to enable immediate purchase without even leaving the page.

“We want to unleash the power and creativity of our entire company, says Colby Walker, Senior Manager of Soccer.com Digital Experience. “We were able to come up with some really innovative solutions to bring content and commerce together in a very short amount of time.”

When you use AI to better engage your customers, you save time developing your acquisition programs. Freed from the monotonous task of analyzing reams of data, your team will have far more time for strategic creativity and can unlock the full potential of your organization to strengthen and grow performance. Additionally, you can help improve profitability by creating new and better revenue streams with the potential of winning new, loyal customers.

See how well you’re engaging customers with a personalized omnichannel digital experience.
Convert
So you’ve successfully engaged the customer and have them on your site.

Now you need to keep building trust and loyalty by showing relevant products and services. You can define each customer’s traits and habits using information from multiple sources, such as the devices your customer uses, what they browsed, what they added to their favorites or put in their cart but didn’t buy yet, in-store activities, and even merchandise returns. Using this information, you can create a truly individualized customer journey with personalized recommendations and offers, page re-sequencing based on recognized preferences, and intelligent pop-ups and banners. A great example of creating real-time personalization using on-site behavior is a well-known international music store. When a visitor lands on their site, they see guitars and guitar accessories but as they browse to pianos and keyboards the offers and content dynamically adjust to this new information and remembers it for the future.

This type of intelligent merchandising, now made possible by AI, also lets you offer personalized pricing and promotions. Every customer buys differently, whether they’re willing to pay full price or only buy bargain basement, or how they react to a simple price reduction. Conversions can be increased by knowing this and dynamically changing prices triggered by a variety of forces such as social media, news, weather, events, customer behaviors, competitors, economy and trends. Supplier actions can also drive higher conversions.

With a personalized journey, your customer will more quickly find the product and pricing they want. Now they need to know if the item is in stock. If it’s not available a recent study indicated that when an item is out of stock, 33 percent of shoppers will take their business to another online store.

The transparency that real-time inventory systems can give has become so important that 80 percent of respondents in a recent Forbes Insights study indicated that their organizations currently have or will soon have AI-enhanced inventory management in place.

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<th>Your customers prefer a personalized relationship</th>
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<td><strong>67 percent</strong> enjoy personalized email reminders including personalized offers, or highlighting previously viewed products.</td>
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<td><strong>67 percent</strong> are willing to give more information in exchange for a more personal experience.</td>
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Inventory management is critical when a product suddenly goes viral. You want to be able to see an increase in demand as it’s emerging so you can be better able to promote it to your customers on the front end while replenishing your stock on the back end. One prominent clothing manufacturer learned how important this is. “Before Interstellar was released, the jacket that Matthew McConaughey was wearing wasn’t one of our bestselling items — but as soon as people started seeing the movie, the look blew up,” Anna Cole, Director of E-Commerce at Carhartt, explains. “It took us a week to identify that trend, and we knew we’d missed out on a significant opportunity. To help us get in front of fast-changing customer preferences, we looked for a way
to accelerate and enhance our analytics processes.” The company now uses AI-powered products that can detect trends, alert them to the anomaly, and recommend the right action to take. “These insights are enabling us to make adjustments that help lift conversion — for example, by moving popular products to more prominent positions to capture customers’ attention. We measured record-breaking conversion rates during the holiday period.”

Ideally, real-time inventory information, plus a variety of delivery options, should be presented right on the page so your customer knows immediately whether or not they should make the purchase. Otherwise, they may need to make adjustments to their order later in the process.

If the customer still hasn’t placed an order despite the personalized experience and transparent fulfillment details, site visits can be followed up with personalized emails to remind them something was left in their cart or point them back to an item they were looking at.

Creating experience-driven commerce at every step

After you’ve completed the monumental task of convincing customers to buy, you need to ensure there are no barriers to purchase. You can’t wait for an end-of-the-week report to learn that your shopping baskets weren’t capturing data or your checkout process was timing out. An AI-enhanced platform is designed to detect why shopping carts may be abandoned and communicate those kinds of issues to you more quickly. One of those ways is through search, one of the most effective personalization tools you have since it’s where your customer is literally telling you what they want. Research shows that 71 percent of buyers start with a search mechanism, so a fast, accurate tool that delivers relevant results is a tremendous opportunity to drive conversions. Conversely, if your search capability provides unsatisfying results (or none at all), many of your visitors will never return to your site. This may be especially true of the mobile customer who can’t navigate as effectively.

That’s why innovative organizations are now using AI to expand their search capabilities. AI can help you boost or bury recommendations based on inventory levels, relevancy, popularity and personal taste.

A fulfilling, differentiated journey is not just about the actual buying process, though. It’s about a consistent experience, across every channel. Your customers expect you to know who they are and what they want, and also where they’re located. The stats prove the importance of this: 72 percent of customers indicated they’re more likely to buy products or services in their own language and 85 percent said they won’t purchase a product at all if the information is not in their own tongue. Regional sites with localized language and messaging will give you a far greater chance of global success. And location-specific offers and promotions can help drive increased conversions as the silos between online and offline erode.

If your customers are using a mobile device to access your site, those interactions should be consistent, convenient and easy. If they’re at your location, you want your representatives to know those customers and what their preferences might be. Representatives who have immediate access to customer profiles, shopping carts and online viewing history are able to better serve and satisfy their desires.

This is what constitutes true experience-driven commerce. Using a headless, modern architecture, you achieve the agility you need to bring innovation to life. You can respond quickly to your customers’ issues and needs and be better armed to convert casual customers into loyal advocates who have a greater lifetime value.
Regardless of whether you leverage the customer’s shopping history or profile or enhance their experience in real-time using on-site behavior, your goal is to correctly identify your customers’ triggers to deliver the right products and content. By consistently using personalized, in-the-moment methods you can start to drive differentiated experiences that help increase conversions and create lasting customer loyalty.

Learn more about how to convert interested consumers into happy customers in our informative guide, *Disrupt or be disrupted.*
Take the next steps

Like every other business today, you’ve got a ton of challenges. But improving the customer experience is likely the biggest one you’re facing right now. To win the battle for brand dominance and market share, organizations need to profitably deliver happiness via differentiated customer experiences – before, during, and after the sale.

That’s why you want a partner like IBM who can provide you with a full range of products in an open, protected, AI-powered customer experience solution.

With the power of AI, you can integrate and manage data across your ecosystem of vendors and clouds. You can break down siloes and rebuild processes to simplify and automate how you access, govern and analyze data. Your marketers, merchandisers, content managers and fulfillment directors will be equipped to make more informed decisions that help maximize engagement at the top of the funnel, optimize conversions and deliver compelling brand promises. This way they can start to create the trust that transforms transactions into repeat customers and advocates.

Our platform offers the speed and simplicity of SaaS with a modernized microservices architecture. So you can build, modernize and migrate without being locked in, and without a prohibitive investment. Whether you’re targeting B2B or B2C (or both), our pre-integrated omnichannel capabilities help you serve your channels and markets in one place.

With time-saving tools, your team can focus more on market-facing innovation and less on managing their platform. Make AI-powered customer experiences part of your culture and talent strategy and deliver happiness to each of your customers and your bottom line again and again.
Get the power of AI-infused customer experiences

Sources

IBM products are warranted according to the terms and conditions of the agreements under which they are provided.

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