

A Layered Approach to Building Next-Gen Customer Experience Management Platform

Abstract

As consumer preferences, interactions, and expectations evolve, enterprises are shifting their focus from customer relationship management (CRM) solutions toward building holistic customer experience management (CEM) platforms. For some time now, CRM has acted as a repository for customer interactions data, and as a tool for sales enablement and service management. However, companies must also be able to draw insights from customer demography, behavioral patterns, and relationship profiles. This will allow them to extensively customize offerings and position these in a manner that meaningfully aligns to individual lifestyles.

This paper highlights the various aspects that must be considered for conceptualizing and building such a platform, and chalks out a roadmap for integrating CEM—depending on the enterprise's maturity level.

As CEM becomes almost a necessity across industries, enterprises must leverage real-time analytics to track and manage not just the customer's journey but also their experience across myriad sales channels. Ideally, the modern CEM platform must include—an engagement platform comprising a customer portal and digital marketing platform, a CRM solution, master data management, analytics capabilities, and integration with social media, computer telephony integration (CTI) and line of business (LoB) applications. With this, enterprises can gain a single view of the customer, unify engagement and operations, reduce OPEX, ensure effective customer lifecycle management (CLM), deliver tailored products, and gain real-time insights across channels.

Realizing the full potential of such a platform will require enterprises to transform their processes through comprehensive operational change management.

Envisioning the Platform Architecture

As the first step, enterprises need to conceptualize an integrated platform that cover all aspects of the customer experience (see Figure 1).

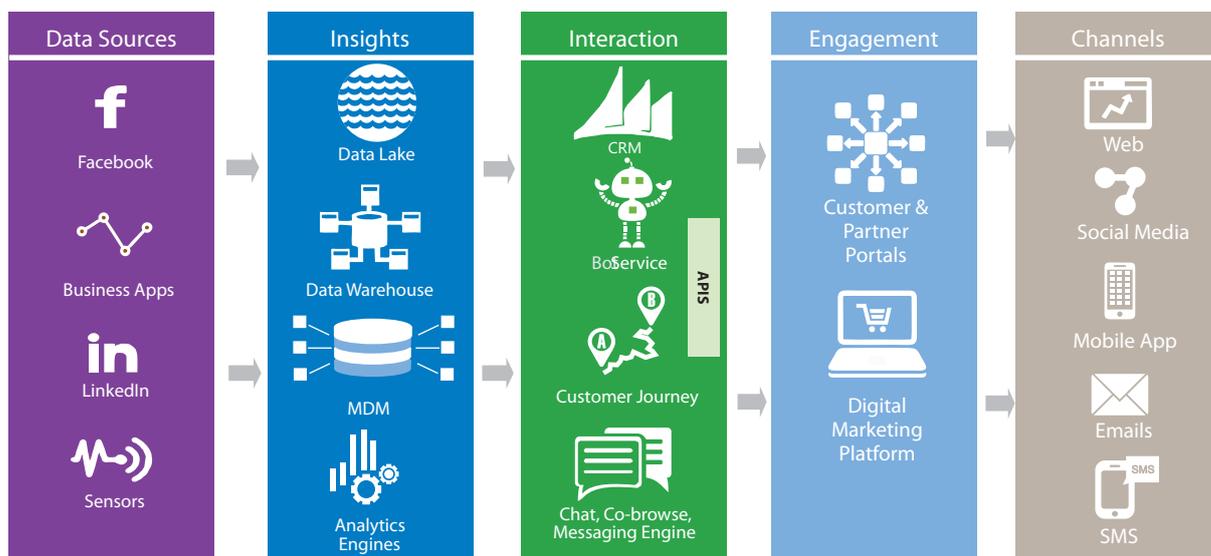


Figure 1: Customer Experience Management Platform – Conceptual Architecture

Such a platform should be able to:

- Create enterprise-wide view of the customer— aggregating data from across channels and products
- Target segments with the right products in their preferred delivery channels
- Calculate customer lifetime value by analyzing household and individual behavior, allowing enterprises to gain a thorough understanding of the entire customer family and develop crosssell strategies
- Personalize engagement by offering focussed and tailored services
- Monitor, measure, and maximize customer profitability
- Manage retention strategies based on models that identify critical customer segments
- Formulate incentives and performance metrics to reward customer-focused behavior
- Build and execute effective campaigns that improve marketing ROI

- Leverage social media to comprehend and meet customer expectations effectively
- Analyze authentic and clean customer data to proactively position specific products and services

Layering the CEM Roadmap

This platform must be built in a manner wherein each layer will provide a distinct set of capabilities:

Customer Engagement Layer—consisting of a digital management platform that offers content and marketing delivery services. In addition, business applications (such as customer and partner portals) will be integrated with this platform, enabling users to carry out business transactions and self-service functions. While the decision to build such a platform over buying a commercial off-the-shelf version depends on organizational needs and priorities, a digital management platform will accelerate the customer experience management platform implementation process.

Interactions Layer—tracking customer interactions across various channels, such as social, web, and mobile, and not just limited to the traditional ones, using CEM's advanced sales and marketing capabilities. With this layer's unified collaboration and communication capabilities, enterprises can establish peer-to-peer communications and enable cross-channel collaboration among employees, customers, and vendors. This can be done through emails, text and video chat, SMS, collaboration and content sites, and so on.

CRM Layer—providing sales, customer service, and marketing capabilities. As this layer stores customer interaction history, enterprises will be able to gain a 360-degree view of the customer. In turn, the sales team can identify and evaluate leads, converting them into opportunities. The platform also provides workflows for assigning and addressing of customer service requests and includes a clear escalation matrix within the pre-defined SLAs. It can even define and orchestrate marketing campaigns and track ROI metrics.

Insights Layer—helping enterprises glean through the data stored in the CRM, and other internal and external data sources to understand and address customer needs proactively. This not only enhances customer experience but builds a positive brand perception.

Analytics Engine Layer—providing descriptive, predictive, and prescriptive analytics capabilities. Descriptive helps enterprises gain insights into sales, services, and marketing activities. Predictive provides the models for churn, product propensity, and customer segmentation. Prescriptive recommends an optimum action plan per customer segment for the sales and service agents. Enterprises can therefore build:

- Product propensity models to predict which customers are likely to purchase
- Classification models to segment transactional behavior as well as estimated and current customer value
- Rule-based models to recommend the next course of action for sales and support

Customer Journey Map Layer—putting the customer at the center and depicting every interaction with the enterprise (from initial contact till date), and including critical, life-changing events in the form of a time series. This helps analyze how customer sentiments change in response to an interaction, as illustrated through an example from the insurance domain in Figure 2.

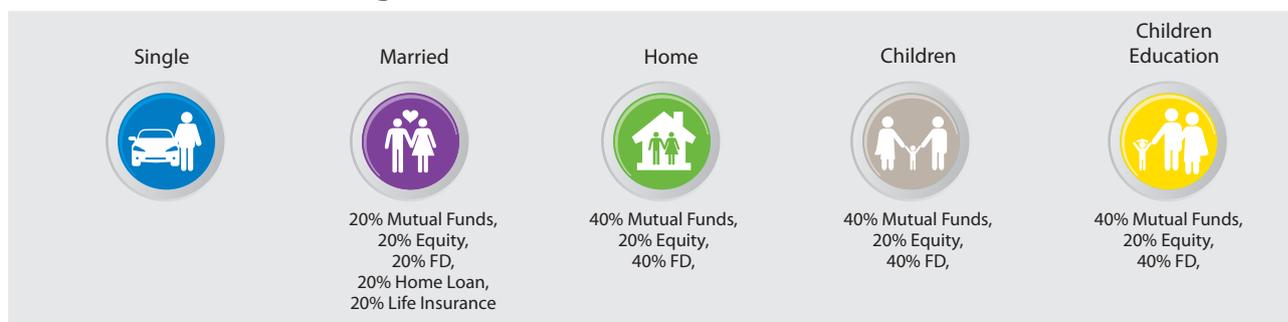


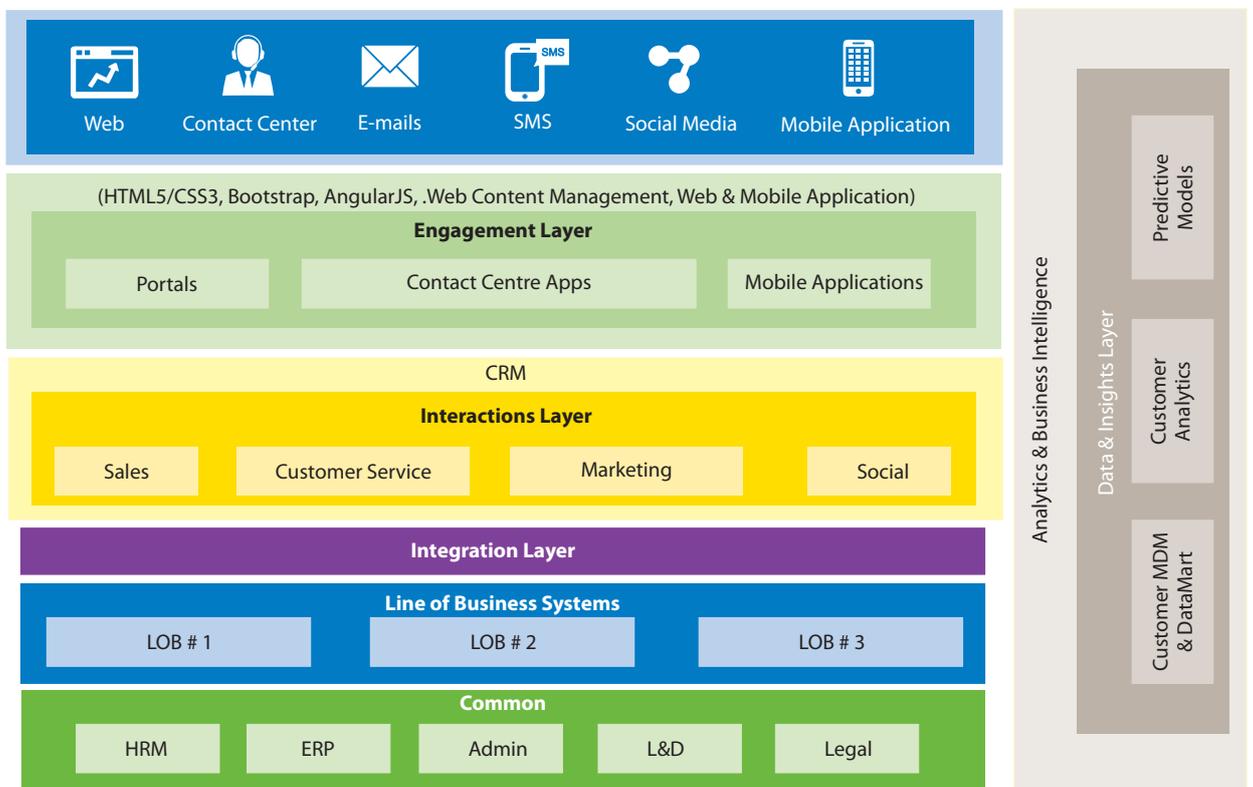
Figure 2: A Customer's Journey Map in Insurance

Master Data Management (MDM) Layer—aggregating customer data from various sources and creating a single version of truth. This helps enterprise understand customer needs better, improve customer experience, and optimize customer-facing processes across marketing, sales, and servicing channels. Ultimately, this will lead to increased productivity, better response time, and an individualized customer service approach. With built-in data quality, data governance processes, this layer enhances the value of CRM implementation, helping companies build the most accurate 360-degree view of the customer. MDM also ensures reduced

costs through minimized data quality issues, and more revenue through efficient sales processes, and improved customer retention. In terms of reporting too, enterprises will experience improved risk management and compliance. Besides reacting to new opportunities quickly, companies will be far more flexible in handling process, model, and data changes both internally and in cases of mergers and acquisitions (M&As).

Cloud Services Layer—simplifying the infrastructure, cost, and complexity associated with setting up Big Data analytics and digital marketing platforms by partnering with leading service providers. Not only are these services continuously updated, they enable enterprises to consolidate data from different sources and perform analytics, integrate with a complimentary Software as a Service (SaaS) offering—creating a robust foundation for implementing the customer experience management platform. It also effectively reduces the risk, operational complexity, and cost typically associated with on-premise deployment of advanced analytics solutions.

Figure 2 showcases what implementing CEM platform will look like:



Assessing Maturity

Figure 3 highlights a maturity model that can be leveraged to assess the current state of a CEM platform, and plan a future roadmap accordingly. For instance, if your enterprise is currently at Level 4, there will be a number of CEM process improvement initiatives running across multiple business units. As you progress to the next level, these initiatives will have an enterprise-wide impact and can be continuously measured. To reach Level 5, however, CEM, CRM, MDM, and customer analytics need to be leveraged effectively, and CEM metrics must be periodically reviewed to create plans for future improvements.

MATURITY LEVEL 5	Optimizing	<p>Vision – CEM is used as a strategic enabler to drive sales and retain customers</p> <p>Strategy – Continuous investment in improving the CEM initiative enterprise wide</p> <p>Measurement – CEM metrics are reviewed periodically and improvements are planned out</p> <p>Organization – Central CEM organization</p> <p>Processes – Continuous measurement of process metrics and enterprise wide optimization initiatives</p> <p>Technology – CEM, CRM, MDM and Customer Analytics is leveraged</p>
MATURITY LEVEL 4	Managed	<p>Vision – Buy-in for CEM from Top management as well as ground level staff</p> <p>Strategy – Proactive CEM initiative driven centrally across all units</p> <p>Measurement – A common set of CEM metrics are leveraged across organization</p> <p>Organization – Central CEM organization</p> <p>Processes – Customer experience process improvement initiatives seen across all units</p> <p>Technology – CEM, CRM and Customer Analytics is leveraged</p>
MATURITY LEVEL 3	Defined	<p>Vision – Top management driven vision for CEM, limited buy-in in org.</p> <p>Strategy – Proactive CEM initiatives seen in certain units</p> <p>Measurement – A set of CEM metrics leveraged in certain units</p> <p>Organization – CS team looking CEM across all units</p> <p>Processes – CS process improvement initiatives seen in certain units</p> <p>Technology – CEM and CRM is leveraged across all units</p>
MATURITY LEVEL 2	Developing	<p>Vision – Value of CEM understood in silos</p> <p>Strategy – only to stem loss of sales & customers</p> <p>Measurement – Only CSI is leveraged as CEM metric</p> <p>Organization – CS teams looking after CEM in certain units</p> <p>Processes – CEM processes are defined</p> <p>Technology – CRM is leveraged in certain units</p>
MATURITY LEVEL 1	Initial	<p>Vision – Non existent</p> <p>Strategy – Non existent Strategy</p> <p>Measurement – CSI leveraged in silos</p> <p>Organization – No dedicated CEM team</p> <p>Processes – No well defined customer experience management processes</p> <p>Technology – No CEM Technology exists</p>

Figure 3: Assessing CEM Maturity

The Road Ahead for Customer Experience

As CEM's implementation is part of a larger, enterprise-wide transformation initiative, it's necessary to support and augment this with change management, business process improvement, loyalty management, branding, and strong governance. For this, employees must rethink customer service, thoroughly reviewing the existing sales and marketing processes. This would typically entail reorganizing product portfolios, incentives and compensation structures, and adapting to evolving market needs in an agile manner. For instance, loyal customers could be incentivized based on the value of the portfolio and length of relationship. Enterprises must also measure the impact of their engagement initiatives with continuous governance, making adjustments as and when necessary.

References:

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About The Author

Girish Phadke

Girish Phadke is the Technology Head for the Microsoft and Cloud Platforms group within TCS' Alliances and Technology Unit. He has more than 25 years of experience in architecting enterprise solutions for diverse industries such as banking, insurance, telecom, healthcare, and consumer products.

In his current role, Phadke leads the development of technology assets, solution accelerators and frameworks and competency for the entire range of Microsoft Technologies (Office 365, Dynamics 365 and Cortana Data Platform) and Cloud Platforms such as Azure, AWS and Google. He works with TCS' global clients in areas of consulting, roadmap definition, solution anchoring, and deployment strategy definition for Microsoft and Cloud technologies.

Siddhartha Ghosal

Siddhartha Ghosal is an Enterprise Architect with TCS' Alliances and Technology Unit.

He has 22 years of experience in building complex and disparate systems using a variety of OSS and commercial software. In his current role, Ghosal is the Lead for Microsoft Platform Architecture & Microsoft Azure and works for TCS' clients the world over.

Satish Chaudhari

Satish Chaudhari is a Business Development Manager with TCS' Alliances and Technology unit. He brings in 25 years of experience in business IT applications across front-office and back-office systems on the Oracle platform, helping customers across industries, specifically in the manufacturing domain. In his current role, Chaudhari is primarily responsible for Oracle platforms. He is certified by APICS (CPIM) in production and inventory management.

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