

Developing Customer Experience Ecosystem – Driving Business Results by Integrating Multiple Touch Points

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Abstract. Customers interact with brands and products through digital touch points such as websites and mobile apps as well as physical touch points such as brick-and-mortar stores and print materials. However, user experience professionals tend to treat digital and physical touch points separately and only focus on the digital channel. This paper analyzes the negative impact of such separation and proposes ways to re-integrate the touch points to support an effective customer experience ecosystem that drives revenues and customer loyalty.

Keywords: Customer experience, user experience, multi-channel.

1 Introduction

Traditionally, we think of user experience as something relating to digital platforms, including Web, mobile, and electronics UI, but not relating to physical-world experience, such as shopping at a brick-and-mortar store and reading a magazine. As a result, user experience and interaction design professionals mostly work on digital user interface, spending much less time on non-digital product designs.

The separation of digital and non-digital spaces is a curious one. On the one hand, consumers interact with a brand or a product across multiple touch points, be it digital or physical in nature. We walk into an Apple store to play with Apple's digital products. We make purchases on lowes.com and then pick up the items at a Lowe's local store. We watch movie trailers online to do some research before walking into a theater. From a true user-centered perspective, there should not be such a separation.

Then, where did this separation come from? One reason could be historical in nature. User experience design can find its root in the field of human-computer interaction. Many pioneering work in the field is related to the study of usability [1], focusing on how to better support user tasks by designing more effective digital-product user interface. There was little emphasis on the design of physical space and media. Another reason could be attributed to complexity. Human-computer interactions are typically more complex than physical-world interactions. For example, it could be very challenging for many of us to operate a digital camera or use Enterprise software. On the other hand, physical interaction – such as shopping at a brick-and-mortar store and reading a print magazine – is rarely baffling.

It is worth noting that the lack of integration does not only exist between the digital and physical spaces. Even within the same space, the lack of integration is often observed. For instance, many companies' websites and mobile apps are not well integrated to support a seamless experience – they are developed by different teams, have different visual branding, and function as separate channels that do not talk to each other.

The separation between the digital and the physical is but an artificial one that can greatly undermine our ability to deliver great user experience. To eliminate such separation, the first thing I'd like to do is replacing the term "user experience" with the term "customer experience" in the ensuing discussion. The former is traditionally associated with only the digital UI whereas the latter is used in a wider context that includes all touch points between humans and the brands/products they interact with.

Let us examine two real-life examples of failed customer experience as a result of such separation.

2 Why Do We Need to Integrate Customer Touch Points?

2.1 Costco: Could Better Integrate Its Offline and Online Channels

Costco is a great example. It has a multi-channel distribution model – customers shop at Costco in their brick-and-mortar stores as well as through costco.com. Both channels provide great customer experience. The warehouses are well designed to give shoppers easy access to a huge inventory and a number of affiliated services such as one-hour photo and pharmacy. On the other side of the table, Costco.com has a robust UI: clean, visually pleasing, easy to navigate, straightforward information architecture, and streamlined checkout process.

However, in light of a multi-channel distribution model, the two channels collaboratively fail to deliver their full value. There is little reference to Costco warehouses when you shop online, nor is there any mention of continuing your shopping journey online when you are in a warehouse. Below are some suggestions to better integrate the two channels.

Many in-store shoppers are not aware of the fact that Costco.com has a different and sometimes more comprehensive inventory relative to the warehouses. For example, there is a larger selection of laptops and home decor items online than in store. Many shoppers will just go to a warehouse and subsequently get disappointed by the limited options available there. To address the problem, there could be some in-store messaging that points shoppers to the website to look for additional items.

What can we do on the website? To integrate the two channels better, the website can market items based on the customer's in-store shopping history. For example, for customers that recently purchased a TV, the website can promote home theatres, blue-ray players, and game consoles. Another way to integrate is letting customers make purchases online and then pick up the items at the store. This way, Costco provides extra convenience through online purchases, while still driving customers to the stores to increase foot traffic.

Of course, there might be unknown business reasons behind the poor channel integration. It's hard to propose a specific integration strategy without knowing the full business picture. That said, the message is clear here: User experience is not just about the Web experience, the mobile experience, and the store experience – it's about all of these, integrated as a *customer experience ecosystem* or CXE.

2.2 Netflix and Blockbuster: The Negative Impact of Failed CXE

Many of us still remember the Netflix's customer experience fiasco – the company first abruptly raised the fees of its DVD services by more than 60% and then tried to split the streaming and DVD services into two separate websites to further inconvenience subscribers. Instead of integrating customer touch points to support a streamlined customer experience, Netflix decided to separate the two services completely. As a result, the stock price plummeted from around \$300 to less than \$80 within just a few months.

Blockbuster, the chief rival of Netflix, at the moment had a good shot at taking advantage of the series of missteps of Netflix. But Blockbuster also failed to integrate its online and offline channels despite an apparent effort.

Seeing the Netflix crisis, Blockbuster enhanced its existing Total Access package, which already included online DVD exchange and in-store exchanges (users can exchange their online rentals in the stores for other DVDs for free), by including video streaming in the package, and named the enhanced version Blockbuster Movie Pass [2]. All of a sudden, with three customer touch points integrated in one service package, Blockbuster looked like a superior alternative to Netflix, which didn't have the physical-store touch point.

The concept was great as it promised great convenience to customers, and that's why I signed up for Blockbuster Movie Pass and cancelled my Netflix subscription at the time.

BlockBuster Customer Experience Ecosystem – The Ideal

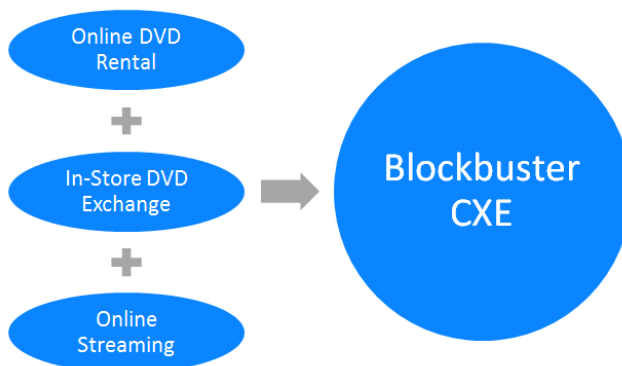


Fig. 1. Ideally, all three touch points should be well integrated in developing an effective CXE

Well, it turned out to be a far less satisfying experience due to the fact that Blockbuster had closed many of its stores in my neighborhood. That made in-store exchange a moot point. On the other hand, Blockbuster did have a few kiosks near my home, called Blockbuster Express. The kiosks work the same way as Redbox does – you can rent DVDs in a kiosk located in a local store - convenient to customers and less expensive for Blockbuster to own than a full store.

However, Blockbuster's Movie Pass package did not allow users to return DVDs rented online at those kiosks in exchange of other DVDs. Given that there're fewer Blockbuster stores around, not allowing users to take advantage of the kiosks as an alternative to the in-store DVD exchange was a big mistake.

BlockBuster Customer Experience Ecosystem – The Reality

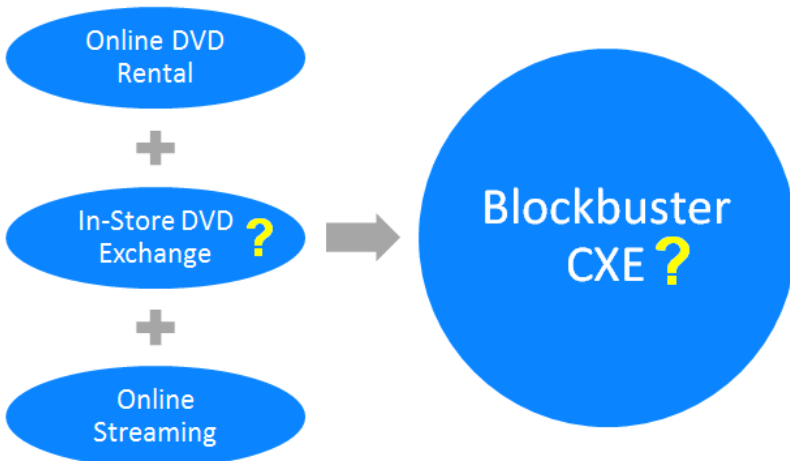


Fig. 2. In reality, the in-store touch point is poorly implemented, and the CXE breaks down as a result

This is yet another example of poorly managed CXEs. While the notion of those service packages is very promising, Blockbuster failed to provide a customer experience that truly bridges the online and physical worlds. A CXE failure like this will almost certainly further weaken the already failing business.

3 Improving CX Ecosystem: A Two-Step Process

Here is a two-step process that can be used to develop CXEs. Step 1: performing a thorough analysis of the current CXE to identify opportunities for improvement. Step 2: proposing solutions for those opportunities identified in Step 1. Figure 3 and 4 illustrated a hypothetical CXE developed based on the two-step process.

For this hypothetical business, there are three touch points, the website, the mobile app, and the sales reps. Depending on the business, additional customer touch points such as social media and physical stores can be easily integrated in the ecosystem.

3.1 Step 1 – Identifying Gaps

Let’s start with Step 1 – analyzing the current customer touch points and workflows. As we can see, the customer workflow starts at the very first stage of customers’ interaction with the company – a customer can learn of the company through venues such as marketing, friends and families, and search engines, before interacting with its websites and mobile apps.

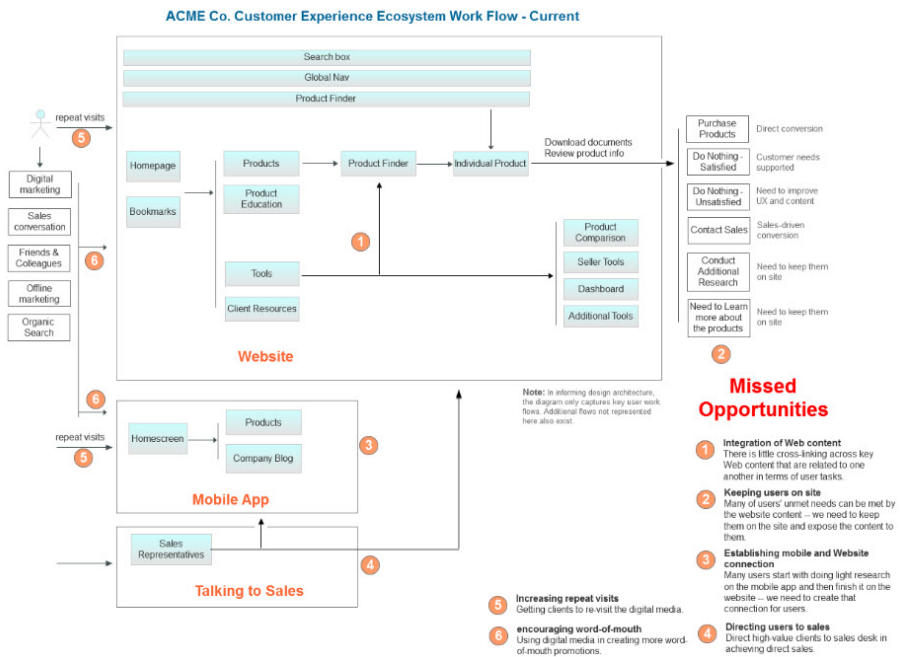


Fig. 3. Analyze the current customer ecosystem to identify missed opportunities

The ecosystem also does not end with customers leaving the touch points – instead, it ends with what they plan to do *next*, such as contacting the sales reps and conducting additional research before making a purchase decision.

Through a careful review of the diagram, coupled with a good understanding of the company’s business needs, we can identify a few key issues that undermine customer experience:

- The Web content and features are not integrated well
- The website does a poor job keeping users on the site
- There is little cross-talk between the website and the mobile app

- The website and the mobile device don't effectively direct users to talk to sales reps
- There is little incentive for users to re-visit the website
- The company needs to do something to encourage word-of-mouth as a marketing means to drive traffic

3.2 Step 2 – Proposing Solutions

Based on the gap analysis, we can propose solutions to those customer experience pain points, illustrated in the diagram below:

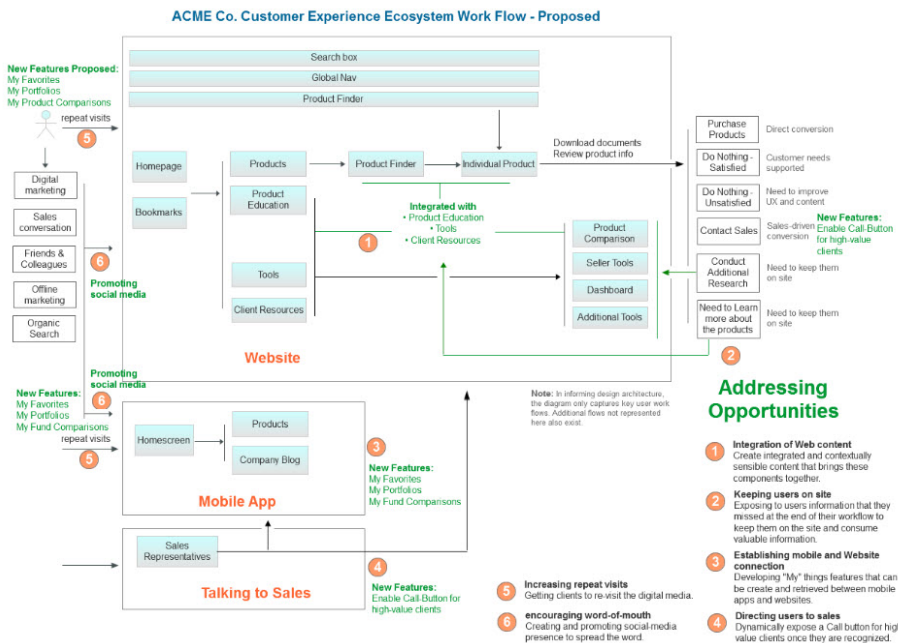


Fig. 4. Propose solutions to address the missed opportunities

Let me run down a few of those proposals:

To address Issue 1, the lack of content integration, we can redesign the website workflow and IA to combine multiple features in one module. To address Issue 4, the lack of support for sales conversation, we can propose to have a Call button implemented on the mobile app to send customers to the sales reps. To address Issue 5, encouraging repeat visits, we can propose to have a new feature suite that speaks to the personalization need of customers (e.g., my products, my product comparisons) that can bring users back to the site and the mobile app.

4 Leveraging CXE: A Case Study

Developing a robust CXE is key to driving revenues through customer engagement and loyalty. It is of great importance for a business to integrate CXE as part of its core strategy. This is especially true for start-ups in search of a profitable monetization model and mature companies that seek additional revenue growths. Let me talk about a healthcare start-up that I helped as a product strategy consultant, as a case study.

Before I start, here's some background about the company:

It is a commercial all-in-one remote health monitoring device and data integrator. Through remote data access and a digital client center that includes a website and a mobile app, it collects vital signs and full body composition biometrics and build online health and fitness communities based on the information collected. Patients and consumers of fitness and wellness services can engage in setting and tracking of health and fitness goals, playing online fitness/health games, and share information with friends, families, and support networks.

Here is a typical usage scenario:

Tom is clinically obese and has a slew of weight-related health problems such as high blood pressure, back pain, short of breath, and heart problems, which make him a frequent visitor to the doctor's office. He takes measurements of vital signs and full body composition biometrics through a Health Station manufactured by the company at his doctor's office, and he continues to track the measurements each time he visits his doctor. All of the data are remotely sent to the company's Digital Client Center, where he can share the information with friends and families, engage in fitness competition with like-minded individuals (e.g., those that also want to lose weight), and track his progress against a benchmark based on a target population that he wants to compare himself against.

Here is how the company builds a robust CXE into its business model.

4.1 Integrating Physical and Digital Customer Touch Points

In the medical-device industry, traditionally there is a lack of integration between measurements and digital records: The measurements, such as blood pressure, weight, and body mass composition, do not get pulled into digital records – caretakers or patients need to manually record the data. Fully aware of the issue, we made physical- and digital-space integration a key differentiator of the start-up:

Through remote access, the company's Health Station sends measurements to its Digital Client Center, where the customer can track and set goals based on the measurements as well as share such information with online health and fitness communities and friends and families. No manual data entry is needed. This saves time for end users as well as health professionals. By automatically feeding data into the Digital Client Center, customers will find it extremely easy to act upon the measurements and engage in health- and fitness-enhancing activities.

4.2 Integrating Web, Mobile, and Social-Media Touch Points

After discussing the integration of the physical and digital spaces, now let's take a closer look at the company's digital experience. In developing a digital CXE, we

designed the digital touch points, including Web, mobile, and social-media, in such way that we achieve seamless integration: Participants can retrieve and enter information on both the Web and mobile app interfaces, and the information can be shared through social-media sites as well as online health and fitness communities. This way, participants will use the company's Digital Client Center as an all-in-one platform to manage their health- and fitness-related goals and activities.

4.3 Summary

A big part of the business model of the start-up is about creating an all-inclusive CXE, leveraging a combination of hardware and digital product offerings. Whereas most players in the healthcare industry focus on a particular aspect of customer experience, the company's strategy is to integrate all aspects of the experience ecosystem to introduce stickiness and drive long-term loyalty.

5 Discussion

The user experience field went through multiple stages of evolution. At the very beginning, UX professionals go after usability refinement, helping companies develop products that are easy to use [1]. Later, the field realized that a big part of user experience management is about emotion and desirability [3], and therefore many of us expand our practice to improve digital marketing and visual identity. The progress made between the two states is a welcome one, as we expand our horizon and think of design in more holistic terms [4]. Still, user experience professionals are viewed as *digital-space* specialists that can only speak to Web and mobile UI design and marketing. That means we have much room to grow in terms of contributing to the overall business strategy.

Here is what I see as the next stage of the evolution. Starting from a place where the digital UI was the center of our practice, now we are ready to move forward – taking into consideration all the customer touch points as one holistic ecosystem and thus apply our expertise across the ecosystem to fundamentally shape customer experience and drive sustained business success.

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