ACQUIA
EXPERIENCE DIGITAL FREEDOM

VMLY&R

CLOSING THE GAP ON CUSTOMER EXPERIENCE

Staying Out Ahead in the New Battleground

Brands Compete on Customer Experience

In a recent survey of more than 5,000 customers and 500 marketers across the United States, Australia, France, Germany and the United Kingdom, Acquia found that 78% of consumers report that they are more inclined to be loyal to brands that understand them and what they are looking to achieve through interactions — or their ongoing experience — with a company.

However, more than 60% of consumers polled feel that brands do not do a good job of using their personal preferences to predict their needs and 55% of consumers agree that brands are behind the times with how they interact with customers, both online and offline.

As a result, 61% of consumers feel that the brands that should know some basic things about them, such as purchase history and personal preference, simply don't.

There is a gap between marketers and consumers as it relates to Customer Experience.

Although 87% of marketers are confident that they are delivering on customer expectations, nearly half (49%) of consumers say brands they engage with don't meet their expectations for a good experience; and 2 out of 3 consumers can't recall the last time a brand exceeded expectations.

Today, this is no longer just a marketer's challenge but a C-Suite mandate and the topic of board level discussions: **How do we compete effectively on customer experience?**

The CX Gap is Real — and Likely to Get Worse

Customer expectations for a personalized experience will only increase, especially as demographics shift. GenZ will represent 40% of all consumers by 2020. As GenZ's buying power increases, brands need to take into consideration the experiences this group has come to expect:

- The most connected generation in history and the first generation raised on digital, they expect seamless, personalized experiences across digital and physical channels

- These consumers shift rapidly between devices and expect brands to be everywhere they are with anytime, anywhere access to content and commerce

- They expect transparency and authentic content and will validate it, yet they have short attention spans, don't sit through ads or read lengthy content and prefer fast, efficient and transparent communications

- Communal in nature, they value meaningful interactions, look to what others are doing, and favor brands that prioritize a memorable experience

Marketing To GenZ

Authentic content that is transparent, meaningful, engaging, helpful, intelligent

Delivered in snippets and soundbytes, as they assess the value of information quickly

On preferred platforms like YouTube, Instagram, SnapChat

For a seamless personalized experience across physical and digital channels

Technology Drivers Will Enable Hyper-Personalization

No matter what demographic you are targeting, meeting the consumer where they are with a "hyper-personalization" strategy will lead to increased engagement and long term loyalty.

5G wireless will soon be the fabric that connects IOT devices and a sea of new sensors. Machine learning and AI will process the resulting data in real-time, delivering hyper-personalized experiences on the fly.

What is Hyper-Personalization?

Personalization is the incorporation of personal and transactional information like name, title, organization, and purchase history into your communication. Hyper-personalization goes one step further and utilizes behavioral and real-time data to create highly contextual communication that is relevant to the user.[1]

Example: Analysis of a consumer's online browsing behavior shows interest in a particular product, but after 10 minutes of searching on that specific product, there is no purchase. By analyzing data such as purchase history for that particular brand or product, time of year or time of day purchases generally occur, and other behavioral data, a retailer can push an email offer or retargeting ad to that consumer about a sale on that particular product at a time when the buyer is known to usually shop online.

Best Practices for Closing the CX Gap

As with any traditional personalization strategy, it all starts with an in-depth knowledge of your consumer and their buying habits, mapping the right high-value content to each stage of their journey and leveraging technology to deliver personalization at scale. Below we highlight some best practices for doing this with real-world examples of brands putting these in action.

1 Know your consumer and recognize shifting demographics

2 Develop engaging content and deliver on the channels that are attractive to the target demographics

3 Know your true competition, new entrants and new business models will continue to disrupt

4 Leverage Machine Learning to identify and deliver meaningful and relevant content

5 Deploy a robust, scalable, open digital experience platform and a personalization tool that leverages Machine Learning

6 Choose a partner with deep market expertise to assure customer success

CASE STUDY:
Shifting Demographics; Authentic Transparent Content

The U.S. Navy needed to educate the public in order to attract and inspire the next generation of recruits, and dispel myths and preconceived ideas about life in the Navy.

VMLY&R worked with them to develop authentic content for the preferred channels of consumption of this demographic: YouTube, which is popular for validation, and podcasts, as 18-29 year-olds listen to 21 million podcasts every day.

The "Faces of the Fleet" video campaign highlighted real people and their stories of life before the Navy, why they joined, and the career potential they now see. The "SeaStory" podcast series offered a true glimpse into Navy life at sea told by the sailors themselves for a true and authentic perspective.

CASE STUDY:
Shifting Demographics and Consumer Preferences

The Tennessee Department of Tourism recognized shifting demographics toward a younger, more sophisticated and tech-savvy traveler and realized that a one-size-fits-all approach to the wide range of diverse offerings that the State of Tennessee had to offer would no longer serve their visitors. As well, the landscape of tourism is changing, with 70% of travelers with smartphones now preferring to search for travel online.

In partnership with VMLY&R, Acquia helped the Tennessee Department of Tourism build a digital platform that delivers targeted and meaningful content to site visitors based on their personal preferences and behaviors on mobile and other devices, resulting in:

— **Average session duration: Up 29%**
— **Average page per session: Up 9%**
— **Average time on page: Up 8%**
— **Bounce rate: Down 19%**

CASE STUDY:
Seamless, Personalized Digital and Physical Experience

Wendy's has a strong and active brand, and had set the customer experience bar so high with their award-winning social experiences and marketing campaigns that their website was lacking by comparison. They had millions of unique online visitors, but struggled to emulate the experience a customer would have in store and get the right messages to the right audiences at scale.

To develop a truly personalized experience, it was critical to understand customer browsing behavior and patterns, not just their demographic profiles. In partnership with Acquia, VMLY&R helped Wendy's to deliver personalized, entertaining online experiences suggesting menu items based on actual individual customer preferences, resulting in:

— **$35M increase in system sale**
— **$2M gained in efficiencies**
— **140x reduction in content lead times**
— **20% YoY increase in organic users**
— **137% improvement in site speed**

Additional Resources

Closing the CX Gap: Customer Experience Trends Report 2019

The results of an Acquia-commissioned global survey, "Closing the CX Gap: Customer Experience Trends Report 2019," present a huge opportunity for a course correction for marketers. More than 5,000 customers and 500 marketers were surveyed.

Read it now ➔

The State of Personalization Today

No matter the industry, every organization wants to deliver a better experience for their customers. In order to address the customer experience challenge, organizations are turning to technology.

Personalization tools in particular help improve CX by using the power of data to customize digital experiences based on audiences' real preferences.

Read it now ➔

FINDING THE WAY: HOW ACQUIA AND VMLY&R CAN HELP

About Acquia

Acquia is the open source digital experience company. We provide the world's most ambitious brands with technology that allows them to embrace innovation and create customer moments that matter. At Acquia, we believe in the power of community — giving our customers the freedom to build tomorrow on their terms.

About VMLY&R

Across six continents with many languages and diverse cultures, VMLY&R is united by the power of human connection. As a global brand and customer experience agency, we harness creativity, technology, and culture to create connected brands that impact the world. VMLY&R creates work with clients and community partners that connects with people on an emotional level, drives value for clients and delivers remarkable results across the entire connected consumer experience.

CONTACT

VMLY&R
www.vmlyr.com

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