

Evolving the customer journey

Digitisation, omni-channel and technology trends

In association with





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Introduction

Not all that long ago, brands and their agencies could comfortably push their marketing messages through a limited number of established media channels, confident in the predictability of the customer's journey from each channel through to engaging and potentially purchasing from the brand.

Then the internet came along and completely changed the world in which we all live and work. In what seems like no time at all, the variety of channels available to consumers and marketers has exploded, offering all sorts of routes to market for brands, and myriad ways for customers to engage, try and buy. Suddenly, all the flow charts that we had trusted for so many years simply couldn't cope with the sheer breadth of journeys customers were now taking. As such, organisations began to overhaul operations to keep pace with their target markets' new-found control.

Today, marketers have a much better handle on the effectiveness of different touchpoints. As technology is constantly innovating, the customer journey continues to evolve, too. This joint report examines its changing shape, considering the views of more than 150 marketers we polled to understand their perspective, the challenges they face and the future of their organisations.

This report highlights a number of key aspects of customer journey planning that all businesses should consider. We've found that organisations have made great strides in recent years along the road to digitisation, which are resulting in better customer experiences. However, there are still internal barriers and a seeming lack of planning that may be frustrating further transformation.

There's also a big gap between brands' use of channels and their understanding of effectiveness and influence of different media. As we saw in the IDM's ['Professional skills census 2018'](#) report released earlier this year and within this survey, this may be due to a lack of performance analytics skills and the ability to implement these insights.

However, what's most important is that these challenges are all within an organisation's own power to resolve. This report offers a roadmap to help organisations advance their marketing strategies and deliver a more satisfying customer journey.

Customers should be at the heart of everything an organisation does and understanding the journeys they choose is key to offering the experiences they want. In an increasingly digital world, can any business afford to be left behind?

Rachel Aldighieri
MD of the DMA



Foreword - Williams Lea Tag

In an increasingly complex world of communication, consumers have almost infinite choice of user journeys, channels, touchpoints and technologies along their path to purchase. Potentially this can provide an agile ecosystem for brands and companies to build relevant personalised relationships and deliver seamless customer experiences.

But, back in the real world, the potential for mixed communication, loss of brand identity, misaligned price expectations and cultural misunderstanding is rife. Digital transformation has caused organisations to wake up to the awesome power of 1:1 communications, but it has also exposed some issues for organisations to consider:

- **No single source of truth** – having multiple-channel approaches across online and offline can lead to inconsistencies and loss of brand identity if not managed effectively
- **Global versus local paradigm shift** – to avoid cultural misunderstanding while maintaining international consistency, brands and organisations must be enabled in both global and local execution which most are not
- **Marketing ROI** – the need to deliver more content and relevant communication with lower budgets has made understanding channel effectiveness a high priority for marketers – and having that insight is vital for any organisation to succeed in the future

The power of digital transformation and digitisation is in connecting this complex omni-channel world and requires marketers and stakeholders to know their audience, craft personalised messaging and deliver in real-time across multiple touchpoints and markets.

The potential for organisations across every industry is to focus on:

- Working with partners who can help or have the experience to deliver business strategy or goals
- Ensuring they implement technology to measure marketing effectiveness and engagement, helping to make data-driven decisions
- Learning from other industries such as the public sector on how to future-proof their approach

Digitising customer journeys has become imperative in modern-day business management.

Organisations that don't participate in the digital transformation stand to lose their market share to more adaptable rivals. Customers' demands for seamless, cross-channel digital experiences are increasing, with a core focus of digital being a main focus of their journey to purchase products or services.

The influence of evolving customer journeys is paramount in the introduction of digital streamlining, and requires marketers to understand all of the customer touchpoints and markets. Customer satisfaction and retention relies on seamless user experience online and through various touchpoints.

Businesses can benefit from digital innovation but the main asset is delivering the evolving customer journey.

Jonathan Simpson-Dent
EMEA CEO, Williams Lea Tag



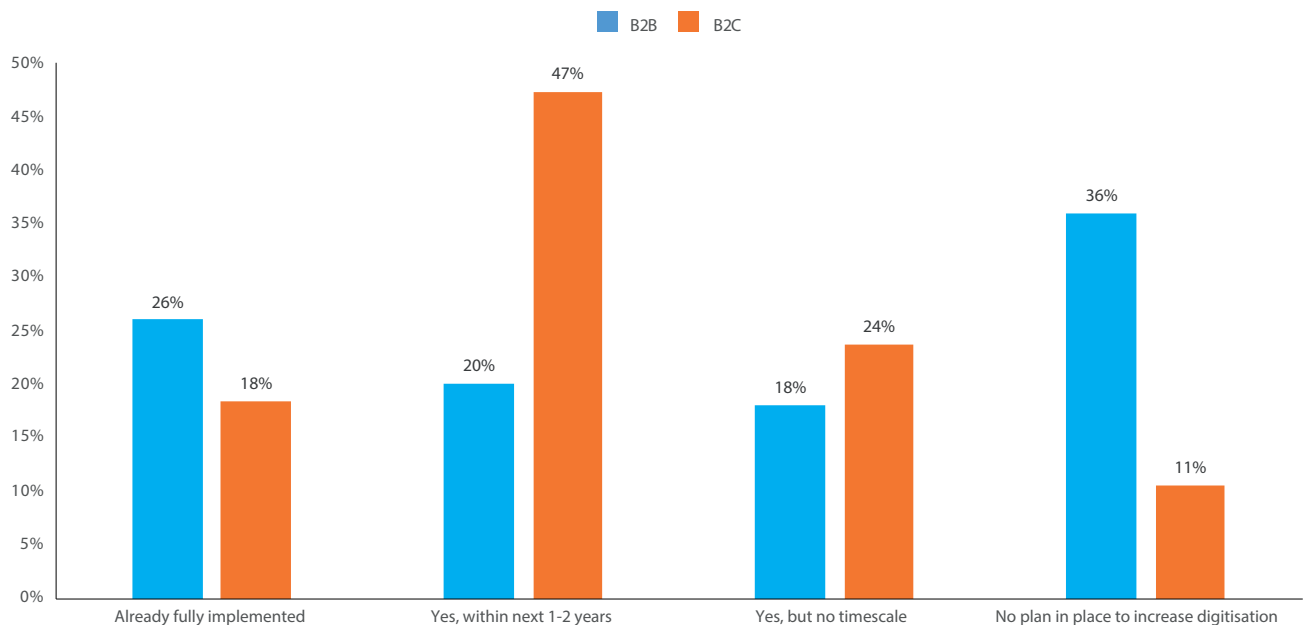
Hitting the road to digitisation

Digital communications and sales channels grow more influential every year. To stay ahead of the curve, the business community's drive to digital continues apace. Global research company IDC predicted that more than [\\$1.3tr would be spent worldwide](#) on new technology to underpin digitisation during 2018.

We wanted to know how marketers think their own organisations are faring at digitisation – including customer and prospect communications. Almost a quarter of respondents (23%) said their organisations had already digitised business-critical processes, but a similar proportion (26%) did not think their firm had any plans to do so. A further fifth revealed that while they thought digitisation would happen, it wasn't clear when the process might begin.

The planning vacuum was more keenly felt in B2B, where 36% weren't aware of a strategy, compared to 11% in B2C. Consumer-facing organisations may have recognised the need to digitise in order to engage audiences quicker than those involved in the traditional, one-to-one approach of B2B sales.

Does your organisation have a formal digitisation strategy in place?



Considering the upheaval needed to digitise existing processes, it's perhaps unsurprising many organisations appear behind the curve. Unless digital systems are baked in from the beginning, at firms like Amazon and Monzo for example, picking a path through transformation can seem treacherous and make inertia inevitable.



CASE STUDY: Marks & Spencer

An example of an organisation which overcame barriers to digitisation is the UK's 130-year-old retailer, Marks & Spencer. In 2010, M&S set out to position itself as an international multi-channel retailer, which required a huge digital transformation strategy. M&S had three objectives:

- Move platforms
- Recruit a new digital team
- Completely change its distribution channels

The digital transformation had to begin in the boardroom and was achieved by recruiting an ecommerce expert who was placed on the board, ensuring a digital focus in the non-executive team.

M&S also went on to build its own ecommerce site from scratch, ensuring that published content was at its heart.

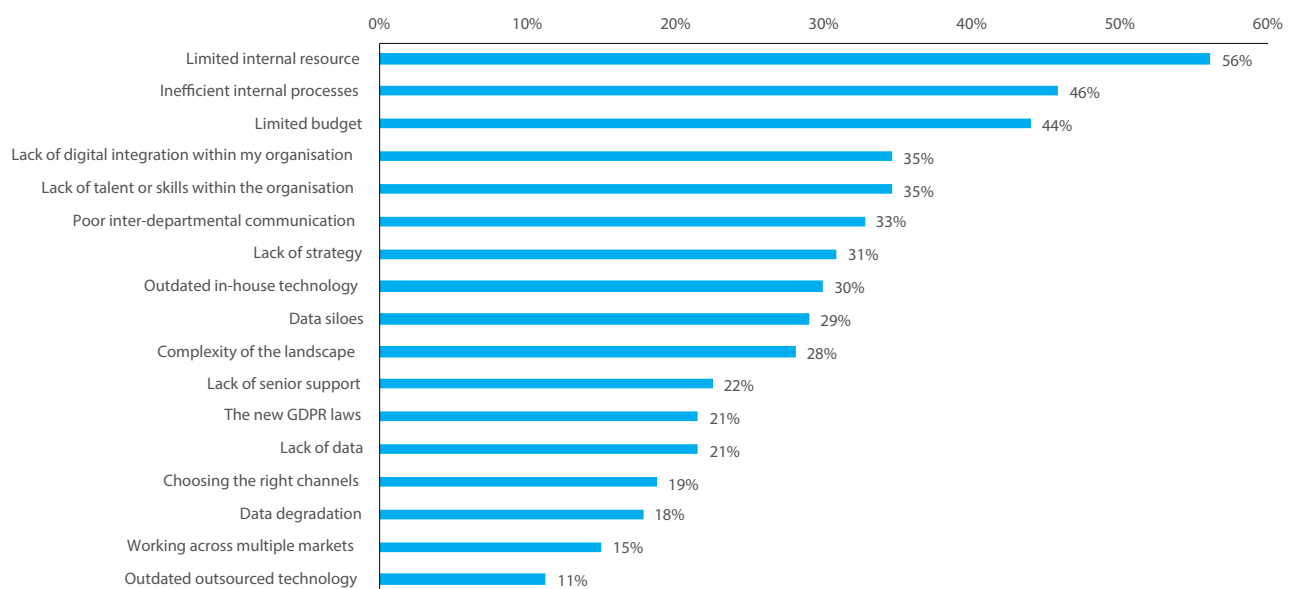
In ecommerce, logistics can be one of the biggest costs and providing an efficient centralised service will result in the best customer service and reduce unit costs. In 2013, M&S opened a new depot in Castle Donnington and now all of its ecommerce is completed through it.

On its first day of online trading in 1999, M&S took £1,200; fast forward to today and it makes that amount every few seconds.

(Source: [Econsultancy](#))

Barriers to digitisation are manifold. Respondents cited limited internal resource (56%), inefficient processes (46%), limited budget (44%), lack of internal digital integration (35%) and a dearth of relevant skills on their team (also 35%) as the main obstacles to their roles.

What are the biggest challenges you face in your role today?

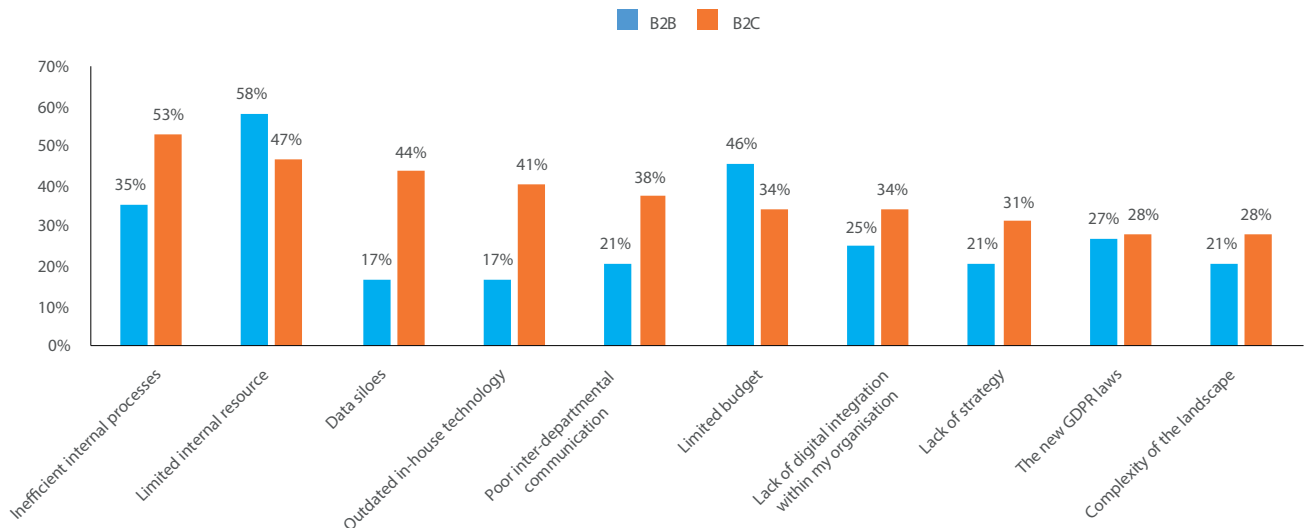


Other external factors abound: 76% of UK businesses report that Brexit has significantly impacted their ability to plan and invest in new technologies, according to a survey by Pure Storage. And size matters. According to DCMS, almost two thirds of SMEs simply aren't prioritising digitisation.

Tellingly, marketers in both B2C and B2B cite their organisations’ main barriers to digitisation as being similar to those preventing a slick customer experience. For B2C marketers, inefficient internal processes, lack of resource and data silos were the main gripes; in B2B they were limited resource, limited budget and internal processes.

As a result the main issues in both organisations can be resolved from the top down, but this requires education to be efficiently delivered.

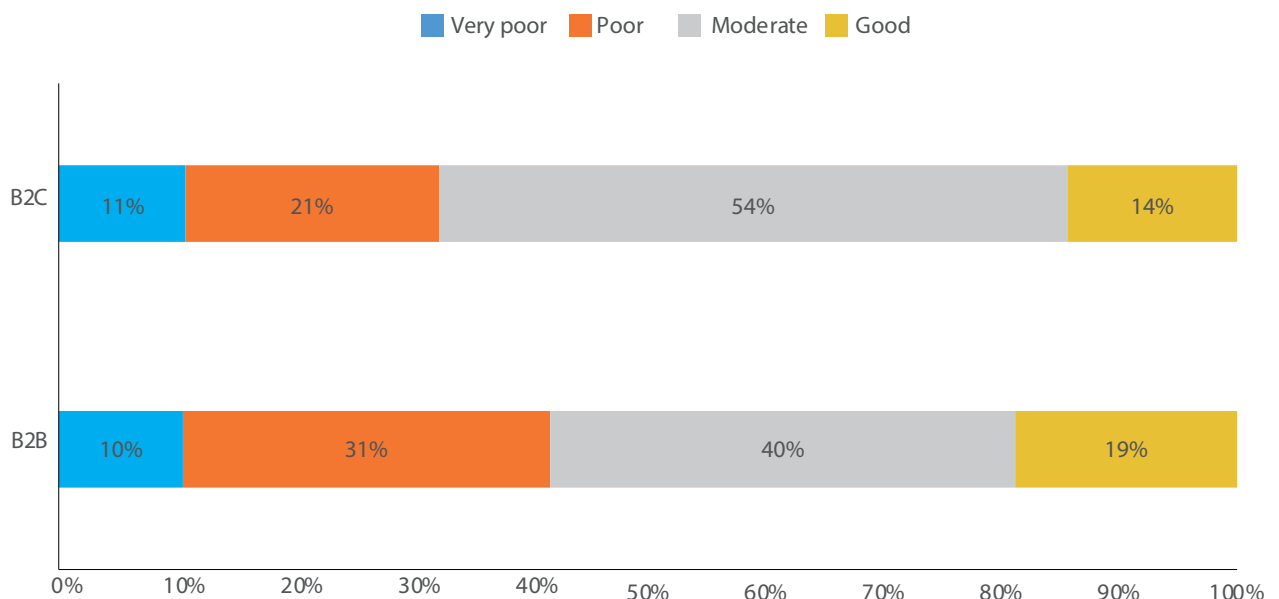
What are the biggest challenges you face in your role today? (B2B vs. B2C organisations)



A clouded view?

Many marketers also feel a lack of digitisation is clouding their ability to manage customers through a single customer view (SCV). Just 19% of B2B respondents and 14% in consumer marketing rated their organisation’s ability to create a SCV as good, while 43% overall said it was poor or very poor. Only two channels were used by more than two thirds of companies to build an SCV: email (90%) and phone (69%).

How would you rate your organisation’s ability to form a ‘single customer view’?



The GDPR is causing additional 'digital drag'. Some 47% of marketers believed the new data regulations have made it much more difficult to form an SCV, compared to 31% who said it's now easier to do so. The picture was slightly brighter in B2C, where 40% claimed creating a unified view had been made easier.

Meanwhile, more than a third of respondents (36%) felt the GDPR had slowed down their firm's digitisation. This was more pronounced for UK-only enterprises (45%) than multinationals (26%). In fact, the latter were more likely to say the new laws had sped up their digital strategy (32%). This is perhaps because businesses operating in multiple markets are already prepared to deal with variations in local laws and consequently find it easier to make changes necessary under the GDPR.

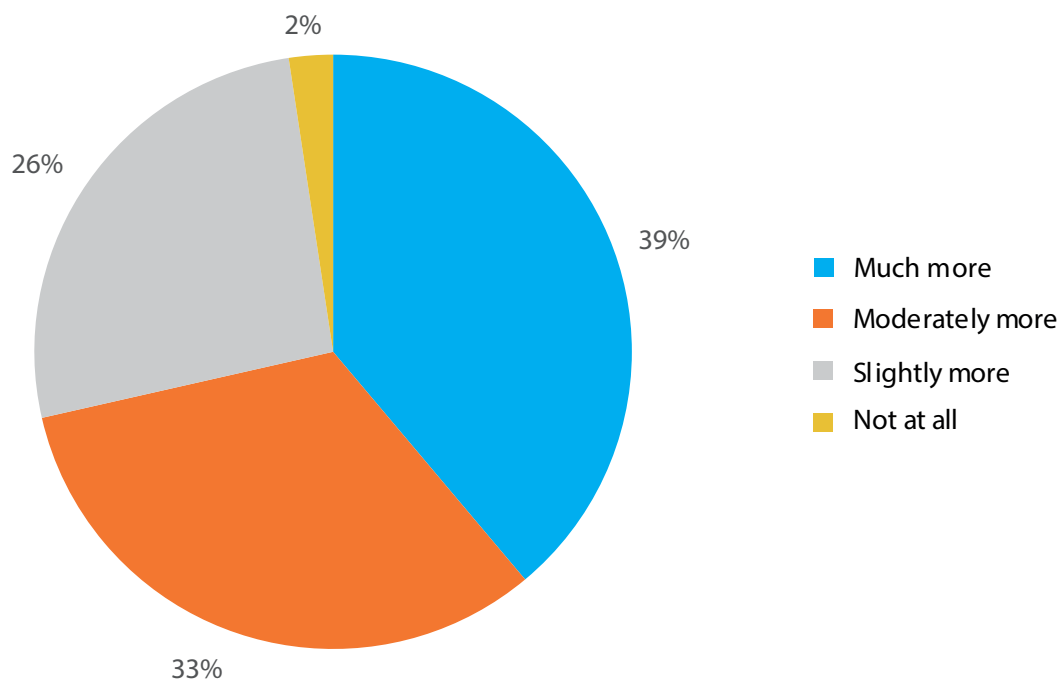
Despite all these challenges, the vast majority of marketers we polled believed their customer communications have become more digitised in the past few years. Some 72% said communications were either much or moderately more digital, and just 2% said there had been no digital advances. Consumer marketers were slightly more confident about improvements made to their customer communications, with 45% thinking they were much more digital compared to 38% of their B2B counterparts. This reflects the fact that most businesses have begun their journey to digitisation; however, more work needs to be completed to ensure seamless campaign execution.

SPOTLIGHT: Journeys across borders

The survey aimed to pinpoint the challenges of targeting customers in multiple countries. This was the case for around half of the respondents (48%). While the vast majority of marketers we polled were based in the UK, many of their organisations also operated in other territories. This was true of almost two thirds of B2B marketers (60%) and a third in consumer marketing (34%).

Cultural and language barriers were among the strongest challenges facing multi-market businesses, as well as the ability to tailor messages and make them relevant. It's also crucial to understand which channels are most effective in specific territories – as well, of course, as avoiding the pitfalls of local legal issues.

Over the past few years, to what extent has the way you communicate with customers become more digital?



Why digitise?

CASE STUDY: AO.com & Argos



Examples of great digitisation include: AO.com which has had success on social media, increasing its Facebook following from 2,500 to 1 million users in two years.

Argos has also digitally pioneered the industry, as its click & collect function now accounts for 42% of online sales & has even partnered with eBay, which brings in around half of Argos' referral traffic.

(Source: [Econsultancy](#))

True digitisation means embracing all of the opportunities technology offers by completely overhauling relevant processes. It's not enough, for example, for a marketing department to PDF hard-copy brochures and say it's digital marketing.

For us, digitisation is a paradigm shift. It requires specialist skills from the top down. More than a third (35%) of respondents claimed their firm was lacking the talent needed to transform, making it a key barrier to change.

Businesses that ignore the shift to digital, stand to lose share to more agile rivals. Customers demand a greater online interface, with digital a key part of their journey to purchasing products and services.

It's fair to say that not all organisations need to digitise; that depends on the product or service on offer and the audience demographic. But for firms operating in sectors where digitisation is imperative, the main benefit is obvious: competitive advantage. Ultimately, improved digital processes manifest themselves in a better customer journey – one that eases people seamlessly and without much fuss towards the checkout.

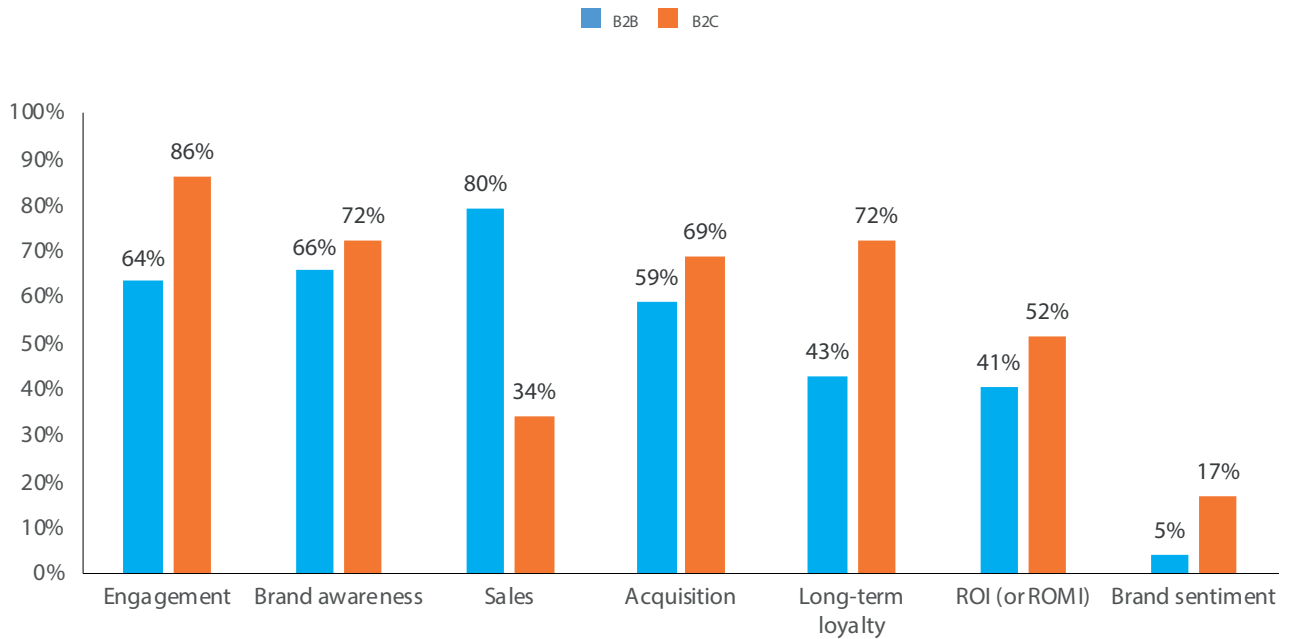
Williams Lea Tag Action points

- ✓ Agree as a business why digitisation is important for your business
- ✓ Work with partners who can help, or have experience to deliver your strategy or goals
- ✓ Learn from other industries such as the public sector about how to future-proof your innovations and

Why today's journey can be a bumpy ride

According to our survey, the main goals of most organisations' customer communications – the starting point for many customer journeys – are engagement (76%) and brand awareness (72%). These were followed by sales (66%), which was a much higher priority for B2B marketers than B2C respondents.

What are the goals of your organisation's customer communications campaigns and marketing strategies?

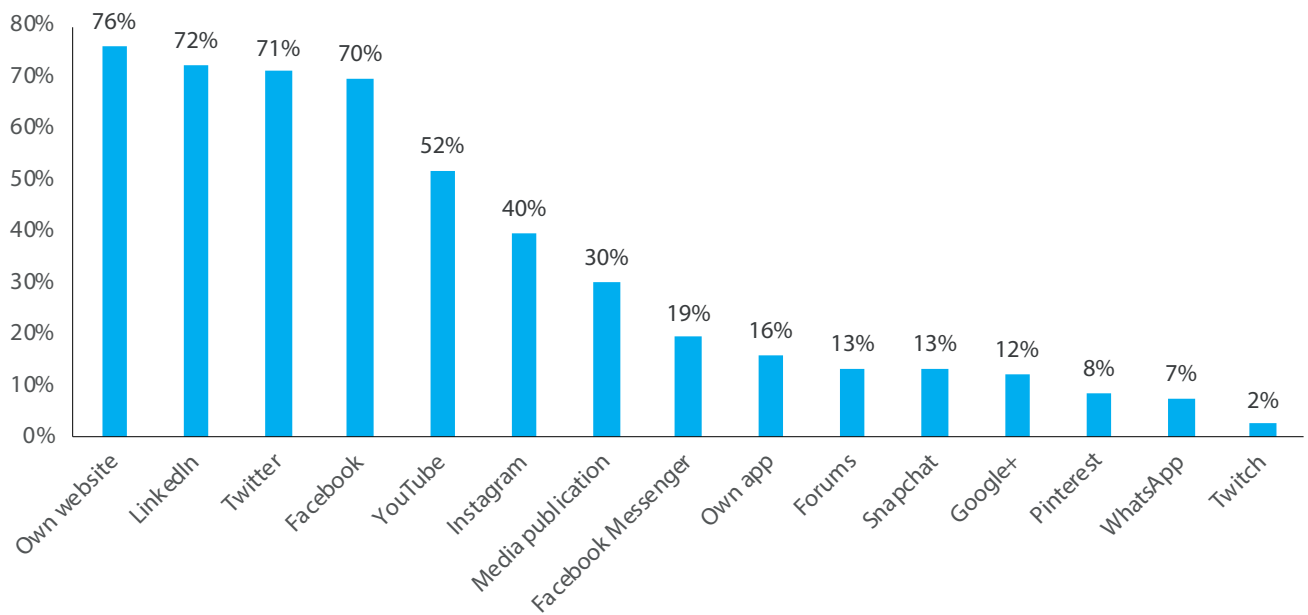


Facebook was cited as the main channel for driving brand awareness by 71% of marketers, with LinkedIn and own website (both 64%) and Twitter (58%) next. The use of Facebook and LinkedIn also fluctuated significantly for those working in B2B or B2C marketing, with 87% of B2B marketers using LinkedIn and 82% of consumer marketers using Facebook to activate brand awareness.

Respondents indicated a clearer focus on using an organisation's own website to communicate once someone became a customer. Just over three quarters (76%) named this as their customer channel of choice, followed closely by LinkedIn (72%), Twitter (71%) and Facebook (70%); with a similar shift between LinkedIn and Facebook depending on whether the respondent was focused on B2B or consumer marketing.

Fully integrated campaigns should be acknowledged and include all possible customer communication touchpoints, to ensure business goals and objectives are met accordingly.

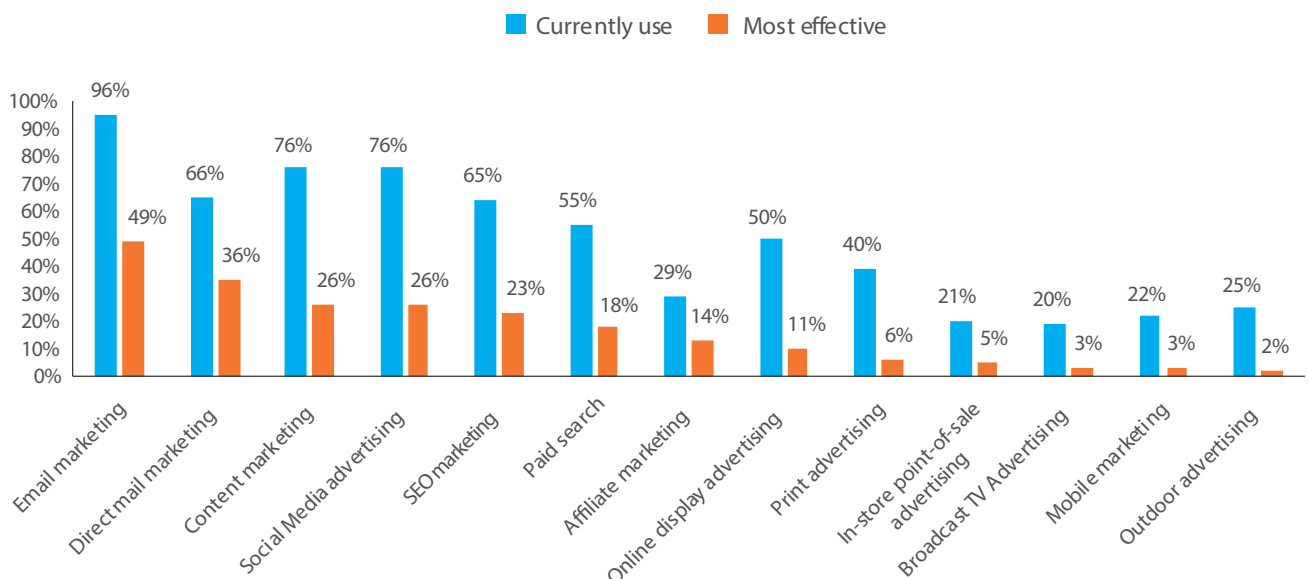
Do you communicate with customers through any of the following platforms?



The most commonly used customer marketing strategies were email (96%), content (76%), social media ads (76%), direct mail (66%) and SEO (65%). Respondents said effectiveness for generating revenue and ROI lagged well behind use across all channels. For example, just 49% said email was the most effective medium, and only a quarter praised content marketing (26%).

One major exception was direct mail, which scored 36% for effectiveness – closest to its use figure. As marketers increasingly turn to digital tactics, they haven’t forgotten the engaging, tactile, personalised experience that mail can provide.

Which of these brand and marketing strategies does your organisation currently use and which are most effective in generating revenue and ROI?



Mail was regarded as the most effective channel for revenue and ROI among consumer marketers (57%) ahead of email marketing (46%). However, mail didn’t feature in the top three for either use or effectiveness in B2B, where email marketing was the firm favourite: 98% use and 46% effectiveness.

According to research conducted by Kantar TNS on behalf of the new mail metrics provider JICMAIL, 60% of all addressed mail is opened immediately and a further 20% looked at later on. Furthermore, [21% of marketing mail compels commercial action from the recipient](#). Actions ranged from visiting the sender’s website to making a purchase by redeeming a voucher or code.

Williams Lea Tag Action points

- ✓ Map out your customer journey including all online and offline touchpoints
- ✓ Break down silos internally and work with your brand activation partners to execute campaigns seamlessly
- ✓ Ensure you implement technology to measure marketing effectiveness and engagement

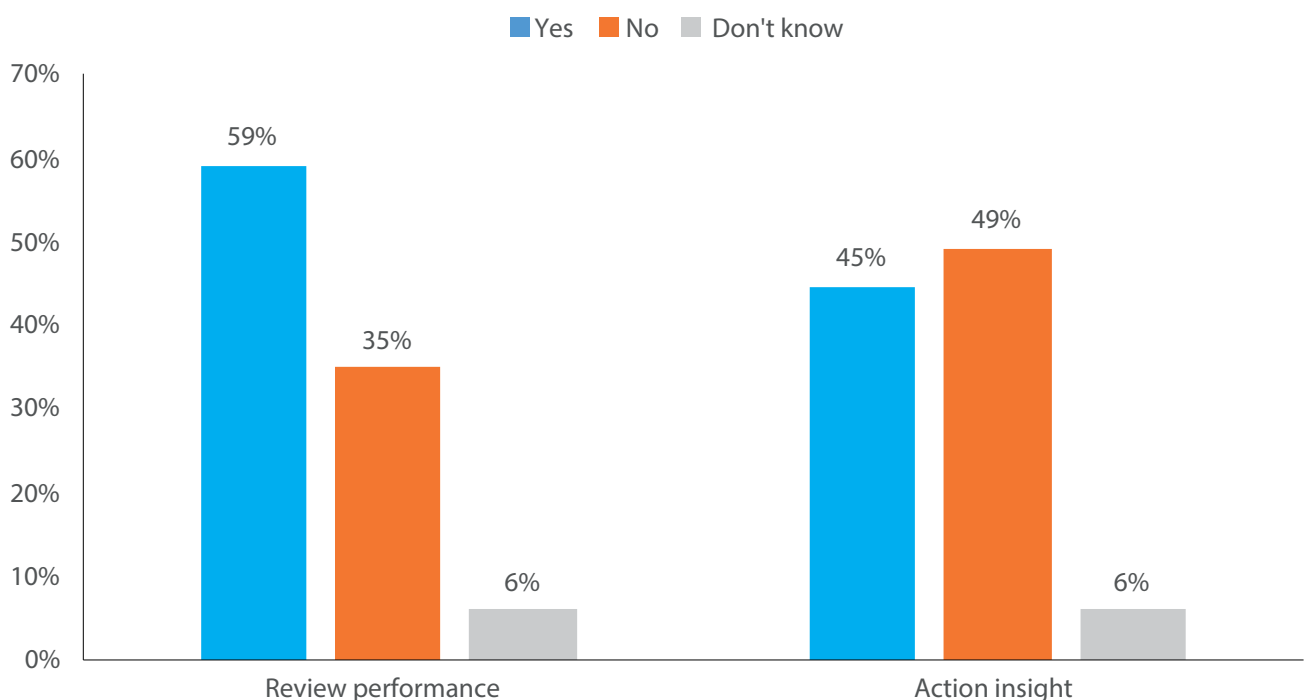
Marketing performance matters

With so many digital channels at their disposal, and so much data produced through responses to their communications, marketing departments should be awash with customer insights to help optimise campaigns. Indeed, approaching two thirds measured responses to review channel performance (59%). The ability to analyse performance was similar for B2B (68%) and B2C (63%).

However, that means almost a third of respondents in each category said their organisation’s systems weren’t set up to quickly capture and analyse performance data. Furthermore, almost half (49%) of respondents claimed their firm could not action any insights gleaned from channel performance analysis. This is key, because organisations that fail to optimise communications – whatever the objective and channel used – will struggle to consistently improve the customer journey.

This is key, because organisations that fail to optimise communications, with data-driven decisions – regardless of the objective and channel used – will struggle to consistently improve the customer journey.

Thinking about all the technologies you use to communicate with consumers, are you able to quickly review performance analytics and data and is your business able to action these insights swiftly?

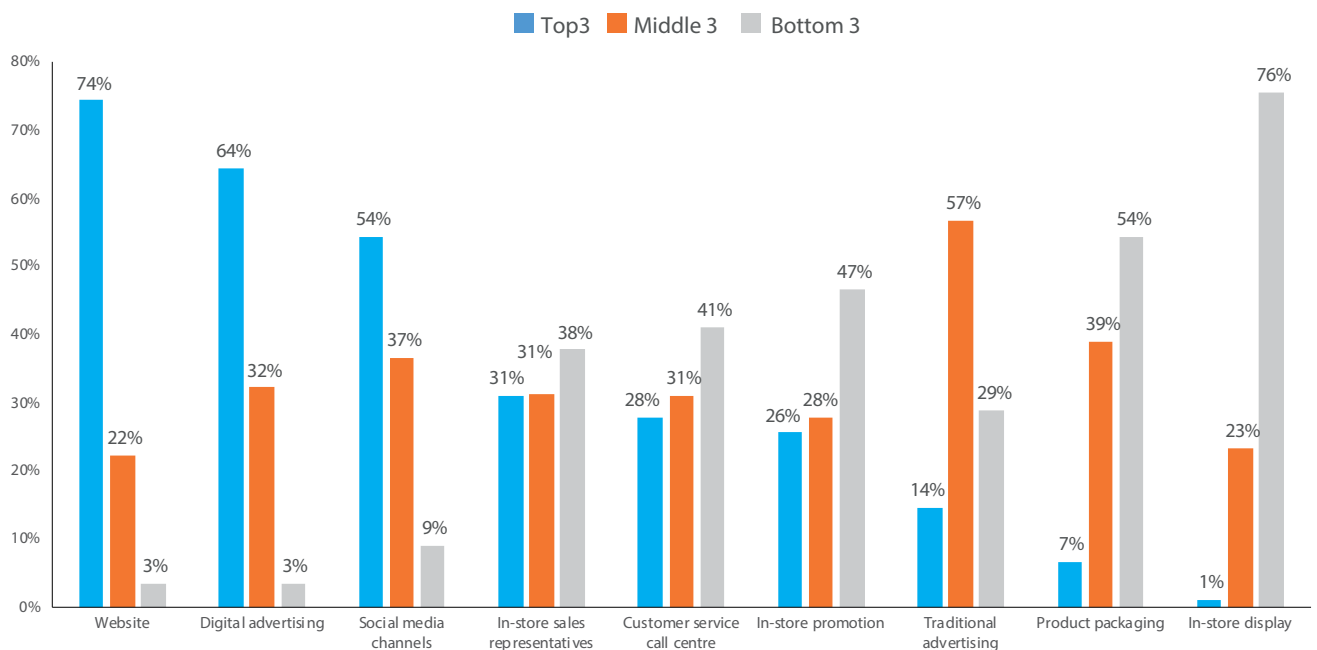


Digital marketing’s role in customer journeys

Both B2B and B2C marketers named their website, online ads and social platforms as the top three most influential channels for customer purchase decisions. This is also reflected in Williams Lea Tag & Retail Week’s [‘Transforming Customers Communications’](#) whitepaper.

Conversely, they believed traditional methods were faltering. In-store staff was placed in the top three by less than a third of marketers (31%); call centres and in-store promotions were only picked by around a quarter (28% and 26% respectively), and even advertising was cited by just 14% as having a strong influence on buying journeys. If marketers feel this way, and their customers agree, it’s no wonder retail focus is shifting online.

Which of the following do you believe have the most influence on the purchasing decision of your customers? (Rank from most to least important)



According to CapGemini IMRG eRetail Sales Index, [year-on-year UK online retail sales alone grew by almost 17% in the first half of 2018](#). Brands are adjusting accordingly. For example, a fashion retailer with a store estate knows in-store offers, displays and the human input offered by staff are important. But they’d also be mad not to act on opportunities for online revenue.

So attention, effort and resource are being poured into raising awareness and sales via improved websites, online ads and social presence. The website must be treated as a central touchpoint rather than a simple sales tool. Success grows from understanding how customers use it: to check ranges and stock; find out more about the brand and its backstory; compare prices and offers; return to store to try on what they found online, perhaps using click & collect. Marketers believe their site is where the journey can begin and end.

A third (36%) of marketers believe the complex customer journey landscape is the biggest barrier to delivering a consistently good customer experience; not all that far behind internal issues of resource (51%), budget (48%) and poor processes (44%). The number of available channels is causing as many problems as it solves.

Unpicking this complexity is the modern marketer’s key challenge. More touchpoints require a greater focus on customer journey planning, and knowledge of how to choose and integrate channels – and new technology – successfully.

Steering towards a better customer journey

How, then, can marketers map out a strategy to respond to the ever-changing customer journey? On the next page are some key areas to get right if organisations are to overcome obstacles outlined in this report, from lack of planning, resource and budget, to obsolete technology, siloed data and channel confusion.



CASE STUDY: Financial brands are set up for the journey

The financial services sector has made huge advances towards digitisation over the past two decades. Around 70% of us now bank online [ONS/Financial Times August 2018], and many customers log in using fingerprint, voice and facial recognition systems.

Paper statements have given way to accessible online versions, and bank branches are rethinking the branch role, to embrace consumers who prefer face-to-face approaches. An example of a bank rethinking their branch role, is Halifax (a subsidiary of Lloyds), who have opened a state-of-the-art flagship store in Oxford Street, London. It will employ 51 staff & open seven days a week, with extended hours. The new branch will defy modern banking convention with a new: Halifax home hub, travel zone and kids' saving zone.

In autumn 2018, Lloyds Banking Group unveiled a plan to hire thousands of people specifically to support its drive to digital.

This reflects our survey, which found more than 80% of financial marketers were focused on transforming IT systems, and two thirds (67%) were engaged in developing more digitally aware products and services. Marketers in this sector also recognised the power of digital communications: they named digital ads (89%), website (56%) and social channels (56%) as the top three media for influencing purchase decisions.

Of course, established players such as Lloyds must remain wary of fintechs with their promise of frictionless journeys and great customer service. It's likely we'll see consolidation in the sector as big brands aim to take advantage of the slick systems and customer interfaces challengers have built, rather than taking years to digitise their own legacy systems.

Top tips for marketers

1) Set bold but achievable goals:

When asked what organisations are doing now to tackle these problems, marketers said research and innovation were key to mitigating digital disruption. Over half of those surveyed revealed their firms were creating more digitally led products and services (58%), assessing the impact of digital on their customers (55%), transforming IT to become more agile (54%) and researching brand new digital initiatives (53%). It's a good start, but more needs to be done to prove the business case for digitisation that can deliver better and more profitable customer journeys. To take a step forward it's sometimes necessary to step back and see the bigger picture.

2) Keep the customer front and centre:

While self-reflection is a natural by-product of business transformation, it's critical to remember customers are the real reason to change. Treat them as the life-blood of your organisation, build products and services around them, use content and CRM to develop long-term relationships based on quality and trust, and highlight the value exchange in each interaction.

3) Choose channels wisely:

The rush to omni-channel, featuring all sorts of digital executions from banner ads to social content, has added to the confusion, 'all' doesn't always mean 'best'. Trying to do a few select channels well, rather than doing a lot badly, is always the best option. According to the DMA's ['Customer Engagement: Acquisition and the consumer mindset 2018'](#) report, most consumers prefer to receive marketing messages via email (73%), but their second favourite channel is through the post (40%); meaning the fifth of organisations (22%) not including mail in their marketing mix might do well to reconsider. Return regularly to the question of what you want to achieve and, based on that, what you want customers to do. Which channels are therefore right to use?

4) Deliver through digitisation:

The positive marketing outcomes from implementing digital processes, range from: from improving speed to market, joining up siloed customer data into a single customer view and keeping track of all touchpoints in an omni-channel approach, managing messages across multiple territories and ultimately, boosting ROI. As discussed earlier, the real benefit of a more agile business is a better customer journey – and that can only have a positive effect on the bottom line.

5) Have a proper plan for tech:

A common mistake made by big organisations, in particular, is to hand all responsibility for using new technology to the IT department. This stems from a lack of skills at the top – identified by the marketers we polled – and rarely works. Marketers must make the case for their organisation allowing them to use their deep audience understanding to harness tech for customer communications. Use tech badly and the customer experience can go very wrong. Use it wisely and rewards will be reaped.

6) Made to measure journeys:

Many of our respondents complained about a lack of requisite skills in their organisation that could harm the customer journey.

Where skills don't exist, a case should be made to hire the right people. Take performance analytics. It's not necessarily a simple task, but it is to the modern data scientist. Having the insights they can mine to help test and optimise communications should make the extra headcount more than pay for itself.

7) Focus on the future:

Digital channels will continue to develop and consumers will adopt new technology such as voice-based assistants in greater numbers. To reach them, marketers will have to find new ways of harnessing technology to optimise campaigns.

For example, consumer marketers are placing their bets on email for future communications; it was selected by 30% of respondents, more than any other channel.

Who knows what effect will GDPR and compliance cases have on email marketing databases? Meanwhile, many are pinning their hopes on content marketing – B2B marketers listed it as their top strategy going forward, consumer marketers their third.

As we've seen, however, not many currently think it's effective. Content needs to say something relevant, personal and engaging, not just push out sales messages.



Conclusion

Digital innovation isn't just altering the customer journey by placing more power in people's hands. It's also changing the way entire organisations go about their business on a day-to-day basis.

Where once the customer journey was reasonably linear, individuals can now take longer and more circuitous routes before they make a purchase, dipping into digital channels but still valuing traditional touchpoints being reactive such as in-store, offline and call centres.

Businesses now need to continually evolve customer journeys. Many are focused on developing smarter, more agile digital solutions and services to respond to market demand.

A majority are scrutinising the effect of digital marketing on customer experience.

A further group are involved in overhauling IT infrastructures and researching new digital ways of working. Marketers possess much of the knowledge needed to help organisations keep pace with restless customers.

They face many challenges making their case for modern processes and sufficient budget. But great strides can be made by sticking to a clear strategy, which will ultimately deliver excellent experiences, better ROI and make the case for greater investment in the modern customer journey.



Methodology

'Evolving the customer journey' is an initiative undertaken by the DMA in partnership with Williams Lea Tag.

The research was conducted in July/August 2018 via an online survey, promoted on the DMA homepage and via various other sources. DMA members found a link via a select number of weekly newsletters, social networks and websites.

The data were collated and analysed by the DMA Insight department. The report was written and designed by the DMA Insight department and in-house design team.

The survey consisted of a maximum of 31 questions. These questions were reviewed by the DMA and Williams Lea Tag to ensure relevance to the current state of the industry.

The survey had a total of 159 respondents. Respondents represented a range of department types, sectors and career levels.

Of those answering the relevant question, 44% worked in B2B marketing, 30% in B2C, and 26% worked in both B2B and B2C. In addition, 39% were from senior positions, 46% from mid-level and 16% junior roles.

If you have any questions about the methodology used in the report, you can contact the DMA's research team via email: research@dma.org.uk

About the DMA

A DMA membership will grow your business. Our network of more than 1,000 UK companies is privy to research, free legal advice, political lobbying and industry guidance. Our members connect at regular events that inspire creativity, innovation, responsible marketing and more. Most of them are free.

A DMA membership is a badge of accreditation. We give the industry best-practice guidelines, legal updates and a code that puts the customer at the heart. We represent a data-driven industry that's leading the business sector in creativity and innovation.

One-to-one-to-millions marketing attracts the brightest minds; individuals that will shape the future. By sharing our knowledge, together, we'll make it vibrant.

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About Williams Lea Tag

Williams Lea Tag is the leading independent marketing activation partner trusted by 40 of the top 100 global brands worldwide to turn creative ideas into reality.

The company works with clients to provide an end-to-end marketing execution service, powered by the latest innovations, advanced data analytics and deep digital expertise.

As the first creative production company to provide full transparency of production spend, they are leaders in outsourced procurement with a range of flexible and cost-efficient models to deliver solutions across any channel anywhere in the world.

Customer brands who work with their family include BP, Costa Coffee, Dell, Ford, Heineken, Honda, Ikea and Zurich.

With revenues of \$1.2billion and 10,000 employees worldwide, Williams Lea Tag operates in over 195 cities across 40 countries.

To find out more visit www.wlt.com





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