SiriusDecisions

Research Brief

Three Steps to Determine the Right Digital Approach to Customer Engagement

High-performing organizations take a strategic view of the customer lifecycle, considering the goals and needs of the company and its customers

An optimized customer journey incorporates digital and non-digital interactions that are relevant to specific customer personas

Customer engagement leaders should apply a consistent methodology to identify the best interactions to support each phase of the lifecycle

The late humorist Erma Bombeck once described grocery shoppers as follows: "Shoppers are divided into two groups: those who have lists and those who don't. The former glide through the aisles as though they're on a mission to Bethlehem. … They are blind to the temptations of paperbacks, briquets, bubble bath and ice chests. Those of us who have no lists enter the front door and are immediately in a fluorescent trance."

B-to-b customer engagement leaders who wish to create scalable, reliable and customer-centric interactions must identify what customers need and want during each phase of the post-sale lifecycle. When digital and non-digital interactions aren't coordinated, customers may be confused by mixed messages, overcommunication and irrelevant interactions. In this brief, we define three sets of best practices for establishing a digital approach to customer engagement that aligns with customers' needs and expectations as well as the full range of customer interactions.

One: Understand the Customer

Data from the SiriusDecisions Command Center™ shows that high-performing organizations are almost twice as likely as average-performing organizations to have mapped the majority of their customer journeys (see the brief "Customer Journey Mapping for B-to-B Storytelling" and the Technology Perspective "Customer Journey Mapping Technology: A Sirius Perspective"). Before mapping the customer journey, an organization must first agree on and document the relevant profile and activity attributes of customers at the account and individual levels.

- **Customer/account segmentation.** Enterprise accounts may have different expectations and levels of interaction than mid-market accounts, and accounts in different regions may have different customer journeys. To create relevant interactions and allocate resources efficiently, organizations must start by agreeing on the customer account segments that an engagement approach must be developed for (see the brief "The SiriusDecisions Messaging Nautilus™: Customer Lifecycle"). Criteria for segmentation may include ownership of specific offering(s), vertical industry, region and organization size.

- **Customer personas.** Just as multiple buyer personas typically play a role in buying decisions, multiple customer personas are part of the customer experience. While the buyer's journey and customer lifecycle are part of a continuum, they are distinct from each other and must be planned

Digital Type Considerations

Offering

Custom or Differentiated — 5

4

3

2

Standard or Commodity — 1

Low ASP   Self-Service

High ASP   1   1   Sales Driven

2   2

3   3

Purchase Complexity   4   4   **Go-to-Market**

5   5

accordingly. Roles that were not involved in the buying decision may come into play when a new customer is onboarded. Each role has different touchpoints and needs and can be described by a set of attributes (see the brief "B-to-B Personas: Customer Role Attributes"). For example, the experience of a C-level executive who signed off on the buying decision differs from that of an end user who may not have been aware of the solution until it was purchased.

- **Customer lifecycle phases.** The SiriusDecisions Customer Lifecycle Framework provides structure for the customer journey, enabling practitioners to organize phases of that journey from the perspective of the company and the customer. For example, at the beginning of the customer journey, the company's objective is to ensure the customer has the tools necessary to start using the solution. At the same time, the customer wants to get started, validate the purchase decision and introduce the solution to users. Though the customer's experience isn't perfectly linear, the framework helps organizations focus on appropriate milestones and touchpoints while mitigating random acts of engagement (see the brief "The SiriusDecisions Customer Lifecycle Framework").

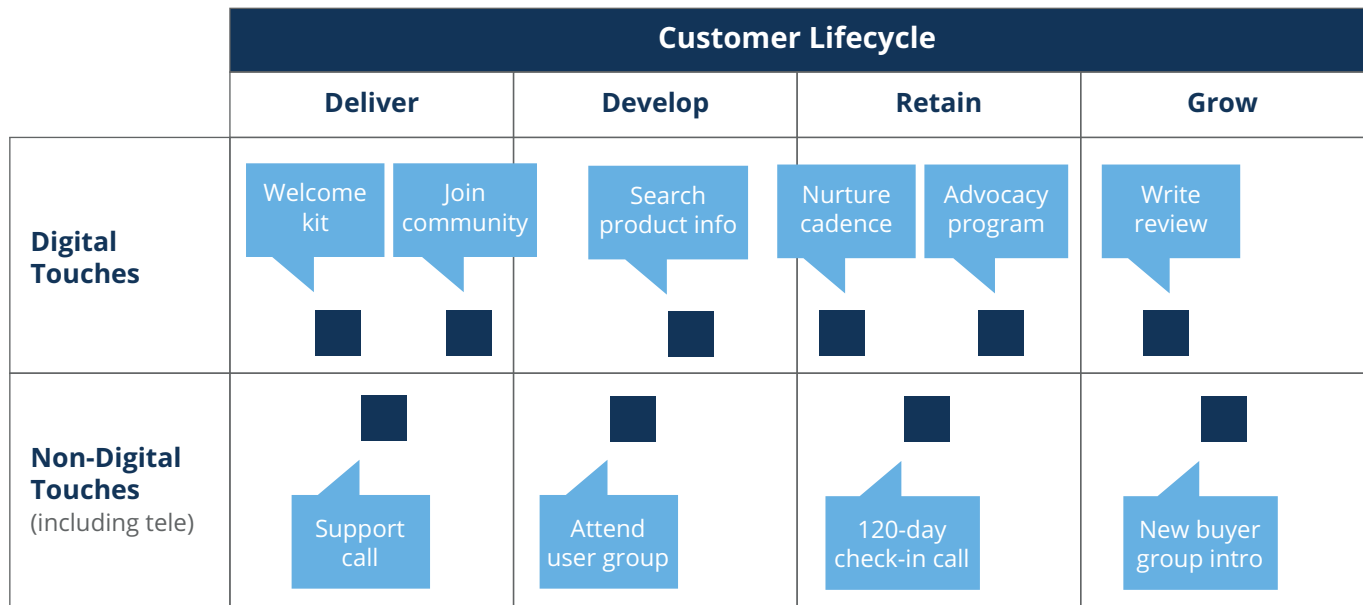- **Customer feedback and insights.** Organizations must gather feedback from customers and data about post-sale engagement, whether explicit (e.g. surveys) or implicit (e.g. information about what kinds of content customers are consuming). This feedback is used when making decisions about interactions and demonstrating their value. For example, the initial customer journey mapping process may show that onboarding activities are offered to each new customer, but survey feedback may indicate that customers end their onboarding with unanswered questions and confusion about where to go for support. The collection of customer insights should reveal disconnects, and the activation of those insights (e.g. revising the onboarding process) should fix them (see the brief "Customer Insights for Customer Success and Customer Marketing").

Two: Identify Digital and Non-Digital Interactions

Once an understanding of the customer has been established, organizations can turn their attention to supporting customers through digital interactions. Instead of starting with a consideration of individual digital tactics, processes or technologies, consider how digital the customer journey should be as a whole (see the Core Strategy Report "Building the Digital Organization"). Choose which of the following digital types is most appropriate, based on factors such as offering complexity, go-to-market complexity, and purchase and support complexity (see "The SiriusDecisions Digital Type Assessment Tool").

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Digital Journey Map: Digital First Example

Customer Lifecycle			
Deliver	**Develop**	**Retain**	**Grow**

Digital Touches: Welcome kit, Join community (Deliver); Search product info (Develop); Nurture cadence, Advocacy program (Retain); Write review (Grow)

Non-Digital Touches (including tele): Support call (Deliver); Attend user group (Develop); 120-day check-in call (Retain); New buyer group intro (Grow)

- **Digital First.** Organizations with a Digital First strategy rely primarily on digital interactions to provide the reach, scale and cost-effectiveness needed for a successful purchase and post-sale experience. These organizations tend to sell standardized goods at a low average selling price, mostly through self-guided interactions. In a Digital First journey, 65 percent or more of touchpoints are digital, and organizations benchmark themselves against the best online shopping experiences for customers.

- **Digital Support.** Digital Support organizations use digital to support sales by accelerating opportunities and engaging individuals throughout the buyer's journey and customer lifecycle. They rely on a sales-led, high-touch model with highly customized offers. In a Digital Support journey, less than 35 percent of sales and marketing touchpoints are digital, and organizations must equip sales, marketing and customer engagement teams to initiate digital tactics created by marketing.

- **Digital Hybrid.** Organizations that don't fit into the Digital First or Digital Support categories are considered Digital Hybrid. These organizations have digital models

designed around specific business needs. For example, they might combine high purchase complexity with self-service process, offer substantial customization even though the purchase complexity is low, or use a heavily sales-driven process even though the product itself is fairly standard.

On the basis of its digital type, the organization should create a digital journey map that overlays the customer journey map to identify and document the ideal mix of digital and non-digital buyer and customer interactions. This map should be documented for key customer personas and validated internally with customer-facing roles and externally with existing customers. This step may result in the discovery of gaps in the organization's ability to support its ideal digital strategy.

Three: Ensure Available, Accessible Data

A customer journey that includes scalable digital interactions must also include assurance of the relevant data's availability and accessibility to drive the interaction. For example, a welcome email for new customers can be effective only if sent to the right contacts at a new customer organization; this contact data should be available in a sales force automation

system. Similarly, a nurture stream designed to introduce a next-generation product makes sense only to those for whom the product is a fit and who don't already own it. Data must be available to drive the right communication to the right person at the right time.

The SiriusDecisions Data Articulation Model guides the identification of three classes of operational data needed to drive the digital interactions defined in the customer journey (see the brief "The SiriusDecisions Data Articulation Model").

- **Profile data describes the customer.** This data is typically demographic or firmographic (e.g. individual email addresses and job titles, length of time that the account has been a customer). In lead scoring algorithms, these data points may be referred to as "explicit" or "fit" attributes. Often captured early in the customer lifecycle, profile data also may include information such as products already owned and participation in various programs (e.g. customer advocacy, customer advisory boards).

- **Activity data shows the customer's behavior.** This data may include content the customer has engaged with, events the customer has attended and even the customer's number of failed login attempts. In lead scoring algorithms, these data points may be referred to as "implicit" or "behavior" attributes. This information is captured throughout the customer lifecycle.

- **Derived data is inferred from other data.** This data can be the output of an algorithm that shows what's likely to happen next or the next best step. For example, if a particular end user completes training in less time than the average end user, that end user is ready to progress to a second level of training – indicating that he or she is an early adopter and most likely to see value quickly.

Determining the necessary data to drive customer interactions is the first part of the two-part process for harnessing data for post-sale engagement; the second part is actually sourcing the data (see the Core Strategy Report "Harnessing Data for Post-Sale Customer Engagement").

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Whether digital interactions play a primary role in the customer lifecycle or a supporting role in a higher-touch engagement cadence, organizations must complete the three steps outlined in this brief to support an effective and efficient journey. Understanding customers' needs and expectations is an exercise that benefits from the participation of any function that interacts with the customer, including sales, customer success, portfolio marketing and brand communications. The optimal mix of digital vs. non-digital interactions should be determined on the basis of a strategic view of customer needs and the organization's resources. Data is the underpinning of scalable digital interaction, and organizations must agree on what data is required as well as where and how to access it to reliably execute customer interactions.