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Proven Guidance for C-Suite Action



Working Across Functions to Design Digital Customer Experiences That Boost Loyalty

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Despite accelerated investment in the past year, digital experiences only allow buyers to follow through on decisions they've already made, instead of considering new possibilities that could lead to buying more or different products or boosting brand loyalty. Just 14% out of more than 3,000 B2B and B2C customers report actually doing something different after having a digital interaction with a company.¹

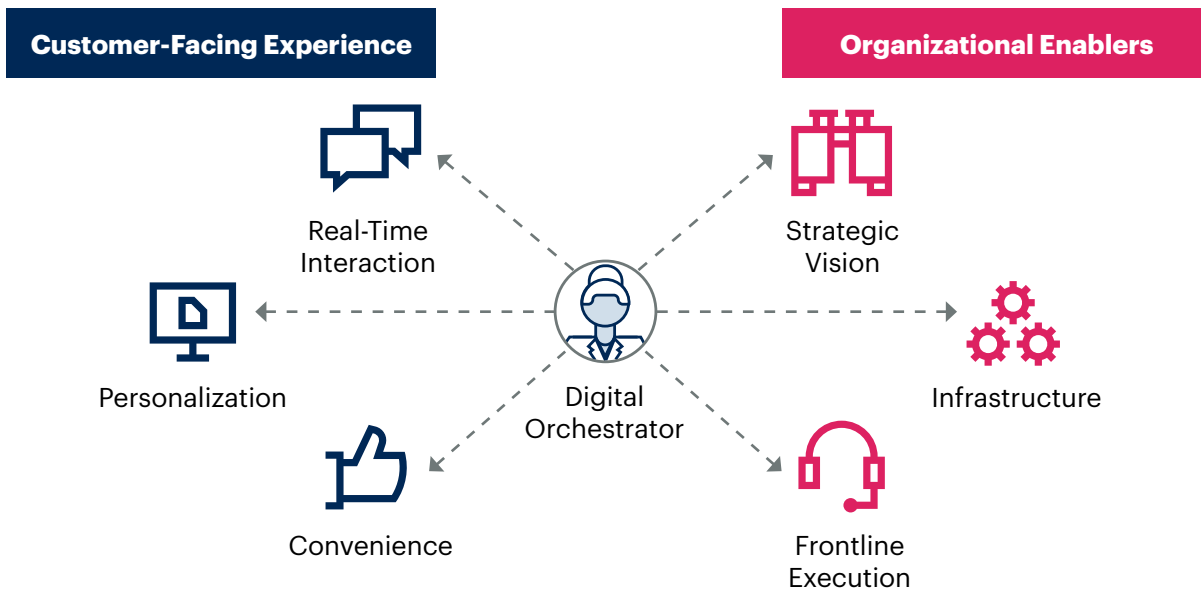
Digital differentiation will not come from a slick, intuitive user interface. What's needed instead are customer-facing digital experiences that shift behaviors and beliefs. To make that happen, companies need digital orchestrators — executives who innovate throughout the business by identifying new insights and influencing resource allocation (see Figure 1).

Orchestrators create digital experiences for customers, such as product recommendation tools, that cause them to pause, reflect and, ultimately, make a better decision to meet their needs. These course-changing digital experiences matter at least as much as the value of the product you sell, dramatically increasing brand preference and advocacy for a company (see Figure 2).²

Successful **digital orchestrators** coordinate customer-facing experiences and connect a range of organizational resources throughout different functions.

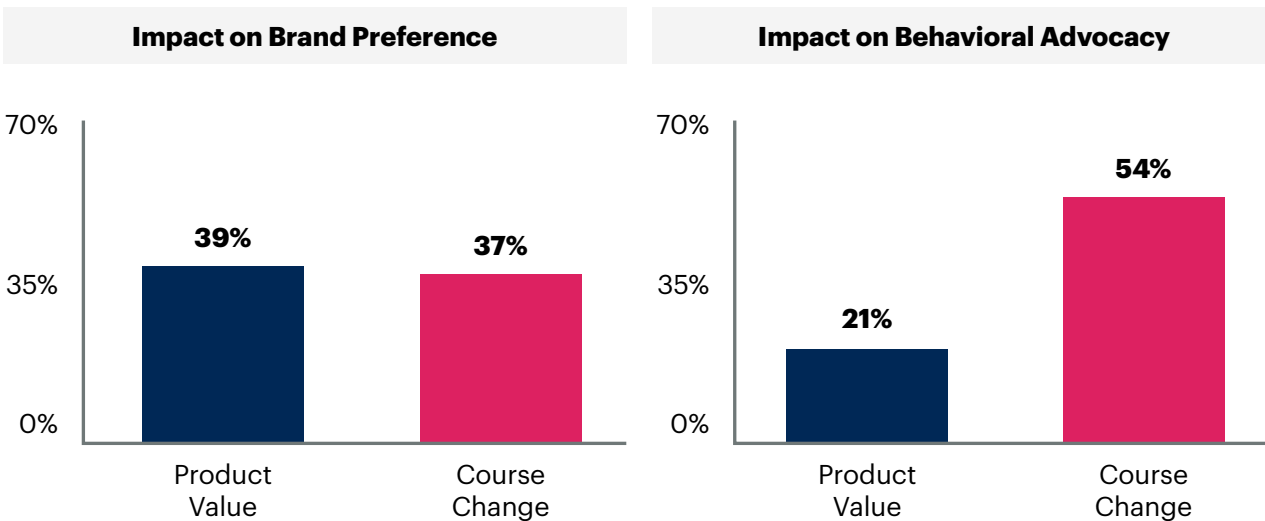
A **course-changing digital experience** leads a customer to shift their perspective or approach and begin taking confident steps toward their new goal.

Figure 1. Executive Leaders' Vision for the Digital Orchestrator Role



Source: Gartner

Figure 2. Impact of Customers' Course Changes on Brand Preference and Behavioral Advocacy After a Recent Digital Experience



n = 3,013 customers

Source: 2020 Gartner Digital Experience Customer Survey

Note: Multiple regression models with controls for respondent age, gender, country, brand industry/category experience with brand, purchase cost, urgency of purchase, number of recent digital experiences, availability of an in-person alternative, preference for routine. Bars represent proportion of variance explained and do not total to 100% due to additional variance attributed to control variables.

Digital orchestrators may emerge from one of several different functions, such as marketing, customer experience, product or IT. They persuade leaders from throughout the organization to work together to investigate how new digital experiences can solve critical customer problems. And, wherever they come from, they gain the credibility necessary to play this role by using their traditional spheres of influence beyond the boundaries of their function.

For example, many chief marketing officers (CMOs) already act as the “voice of the customer” within the C-suite, which earns them a seat at the table for strategic decisions about brand management and innovation.

Lessons from progressive CMOs chart a path for using their influence in new ways to lead digital experience innovations that shift customer behavior and beliefs. Digital orchestrators do this by:

- Finding opportunities for course change
- Pinpointing a narrow customer need
- Prioritizing company actions to meet that need

Three financial institutions illustrate exactly how to do that:

- Vanguard, an asset and wealth management company based in Valley Forge, Pennsylvania, U.S.

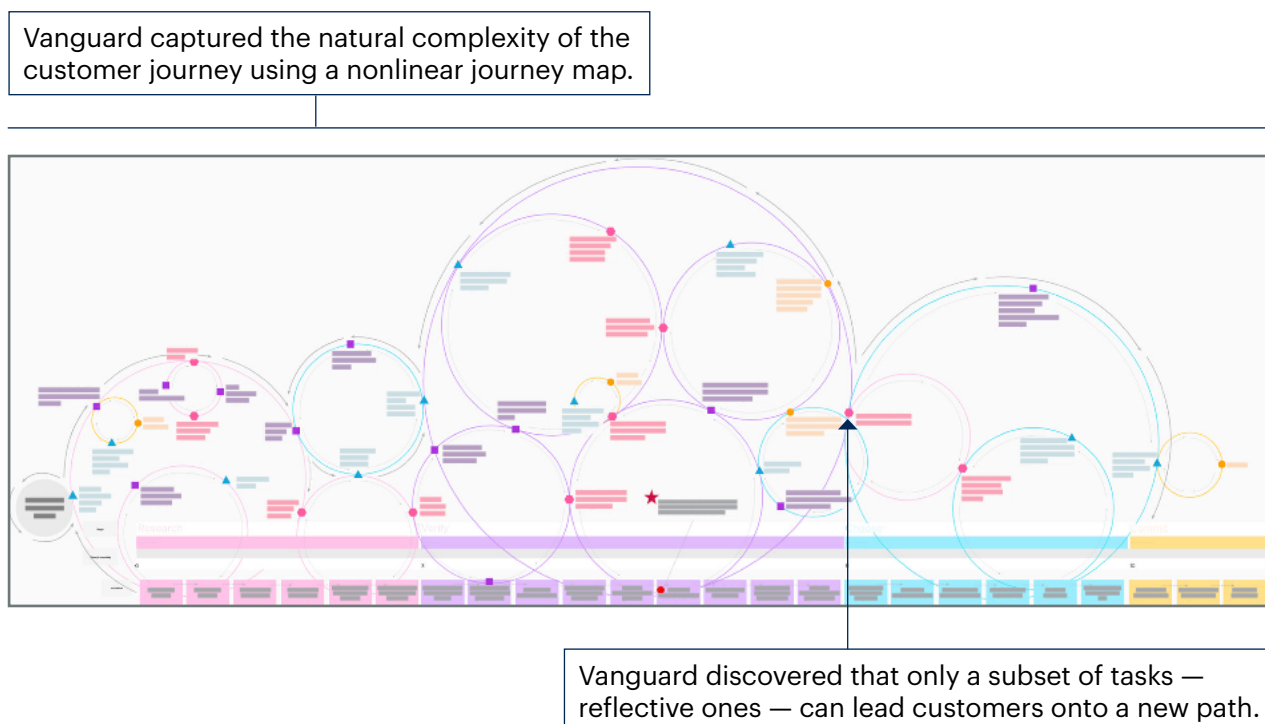
- TD, a retail and commercial bank based in Toronto, Canada
- Export Development Canada (EDC), a publicly funded trade agency based in Ottawa, Canada

Vanguard’s Customer Behavior Analysis Leads to Course Changes

Michael Roberts, the retail CMO at Vanguard, assembled a cross-functional team of marketers, data analysts and developers to gain better insight into customer behavior. The team led a study that revealed how its customers really make their decisions: They alternate between automatic tasks, such as checking an account balance, and reflective tasks, such as identifying financial concerns. When they stop to think, buyers make considered choices that could launch them onto a new path (see Figure 3).

As a result, Roberts’ team now focuses on moments where customers are naturally inclined to self-reflect. That’s when Vanguard offers guidance and encouragement that could change what they do next. For example, his team designed a personal advisor service quiz that helps users identify their needs and commit to next steps. Those who completed the quiz were 24% more likely to begin working with a financial advisor.

Figure 3. Vanguard’s Nonlinear Customer Journey Map



Source: Adapted From the Vanguard Group

TD Pressure-Tests Customer Needs and Solutions to Innovate

To push for more distinctive solutions to real customer problems, TD's digital orchestrator, Ravi Acharya, the head of enterprise innovation, implemented a cross-functional method to pressure-test digital initiatives.

First, TD's innovation team uses interviews and observation to explore general customer needs, such as "budgeting," before homing in on a more specific one, like "not wasting money." Next, they convene a diverse group of internal stakeholders — including marketing, sales, risk and product — to vet the customer needs and potential solutions.

During the discussion, Acharya listens for signals to validate the potential for different digital solutions and prioritize next steps.

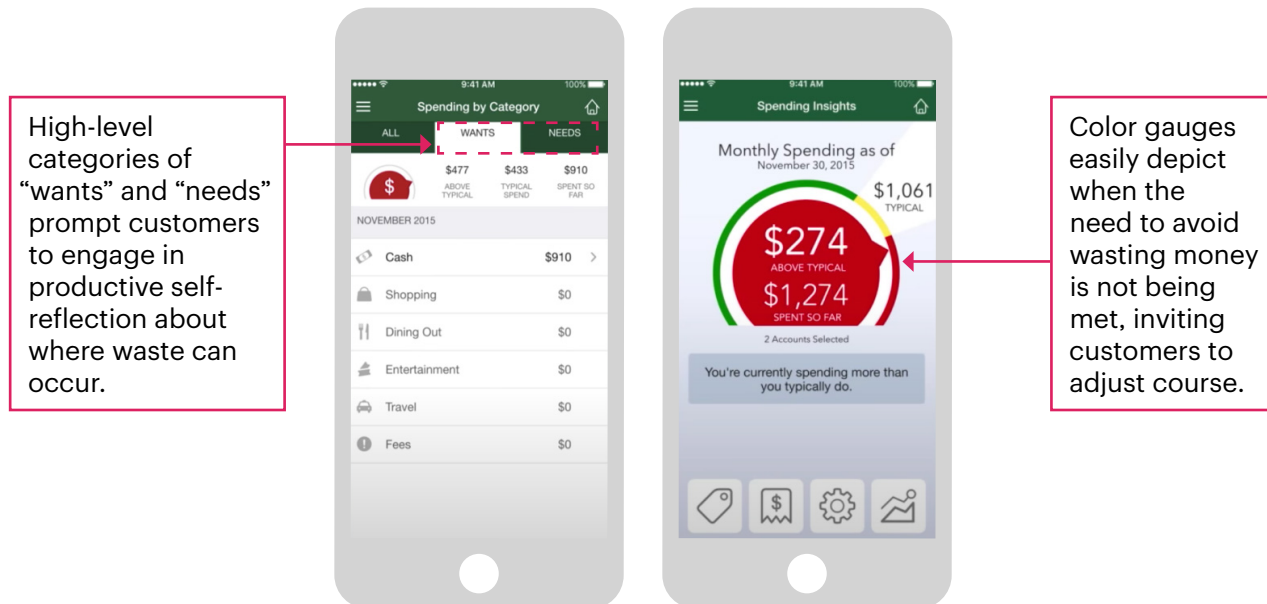
The best indicators of innovation tend to be counterintuitive:

- **Negative indicator** — Rapid agreement means an idea may not be innovative enough. When the team sees early consensus signals, they reevaluate the identified customer need to push it in a more disruptive direction.

- **Positive indicator** — Stakeholder pushback means an idea may be truly disruptive but only if the underlying rationale is sound. When the team encounters pushback, they move forward cautiously and collect additional evidence to evaluate the viability of the idea.

This close examination of customer needs allows TD to channel resources to digital experiences that are most likely to differentiate the brand and change behavior. For example, the innovation team built an app feature that helps customers "not waste money" by categorizing spending into "wants," such as restaurants and shopping, and "needs," such as rent and electricity. When customers are spending more than average in a given month, the gauge on the app turns red, prompting them to reflect. TD customers value how easy the app, which has been downloaded more than 2.5 million times, makes it for them to change course and make better spending decisions (see Figure 4).

Figure 4. TD's Mobile App Spending Insights Feature



Source: Adapted From TD Bank Group

EDC Uses Two Criteria to Select Course-Changing Digital Experiences

When EDC undertook a comprehensive digital transformation, Marc-André Roy, who was then the vice president of marketing, assumed a digital orchestration role. Roy needed to prioritize among many potential strategic investments and then coordinate actions across functions, so he convened monthly forums with business unit leaders. The process started with customer needs. To figure out which one to address, EDC's marketing team evaluated the needs by their business value and digital-specific potential.

First, Roy identified the needs through an analysis of customer behavior and third-party research. That revealed the following insight: Small exporters³ could benefit from one-to-one coaching and logistics advice, among other support services. Next, the marketing team created an opportunity matrix to find the needs that are profitable for the business and have digital-specific potential. The team evaluated digital potential based on whether digital capabilities are uniquely well-suited to helping customers (for example, processing large amounts of information).

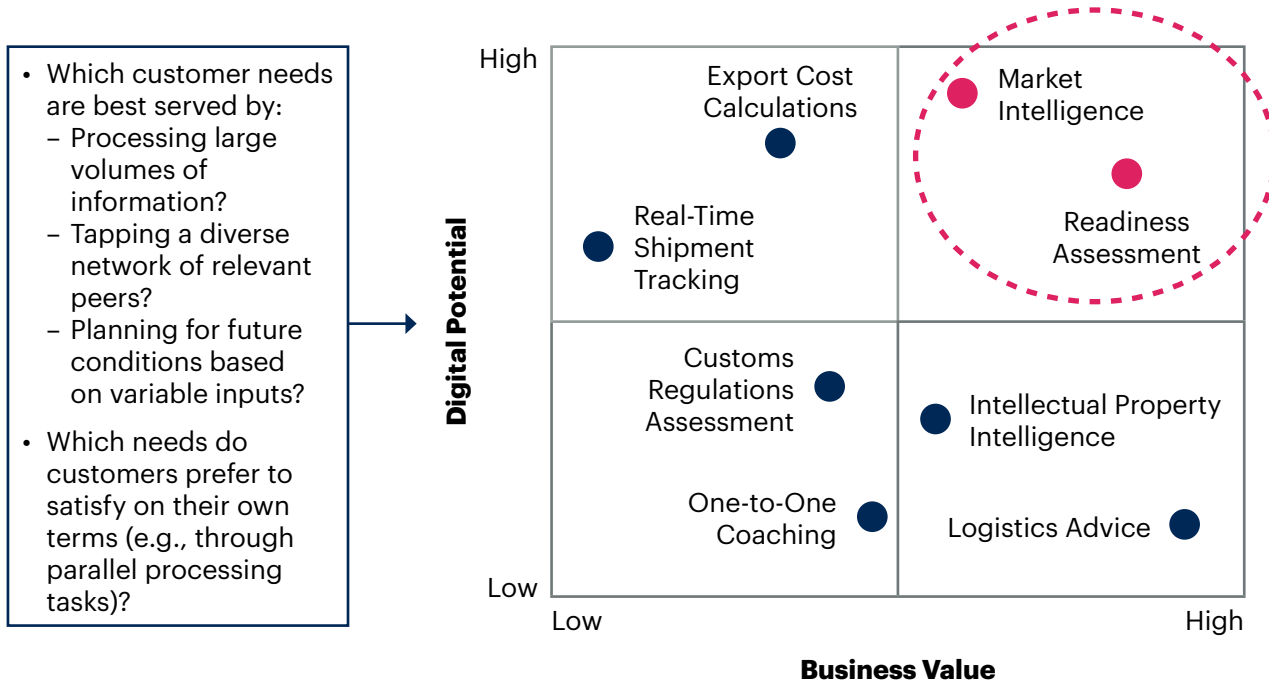
The team found small exporters most needed digital tools for gathering market intelligence and assessing their readiness to export (see Figure 5). As a result, Roy decided to create a knowledge hub containing these digital tools.

Finally, the marketing team outlined the cross-functional actions necessary to deliver on its chosen idea. The team members defined how they want customers to think and feel after engaging with the knowledge hub, the customer-facing functionalities necessary to deliver that experience and the internal changes necessary to make it happen. For example, they want customers to feel knowledgeable about foreign market conditions.

To create that feeling, EDC designed a digital feature that helps customers find reliable foreign partners. That service, in turn, requires back-end integration of multiple enterprise data sources. EDC's knowledge hub provides differentiated value because it encourages customer self-reflection and shares relevant resources to help them take the next step to a new goal (see Figure 6). The platform also provides digital-specific value by bringing together multiple data sources to make learning more efficient.

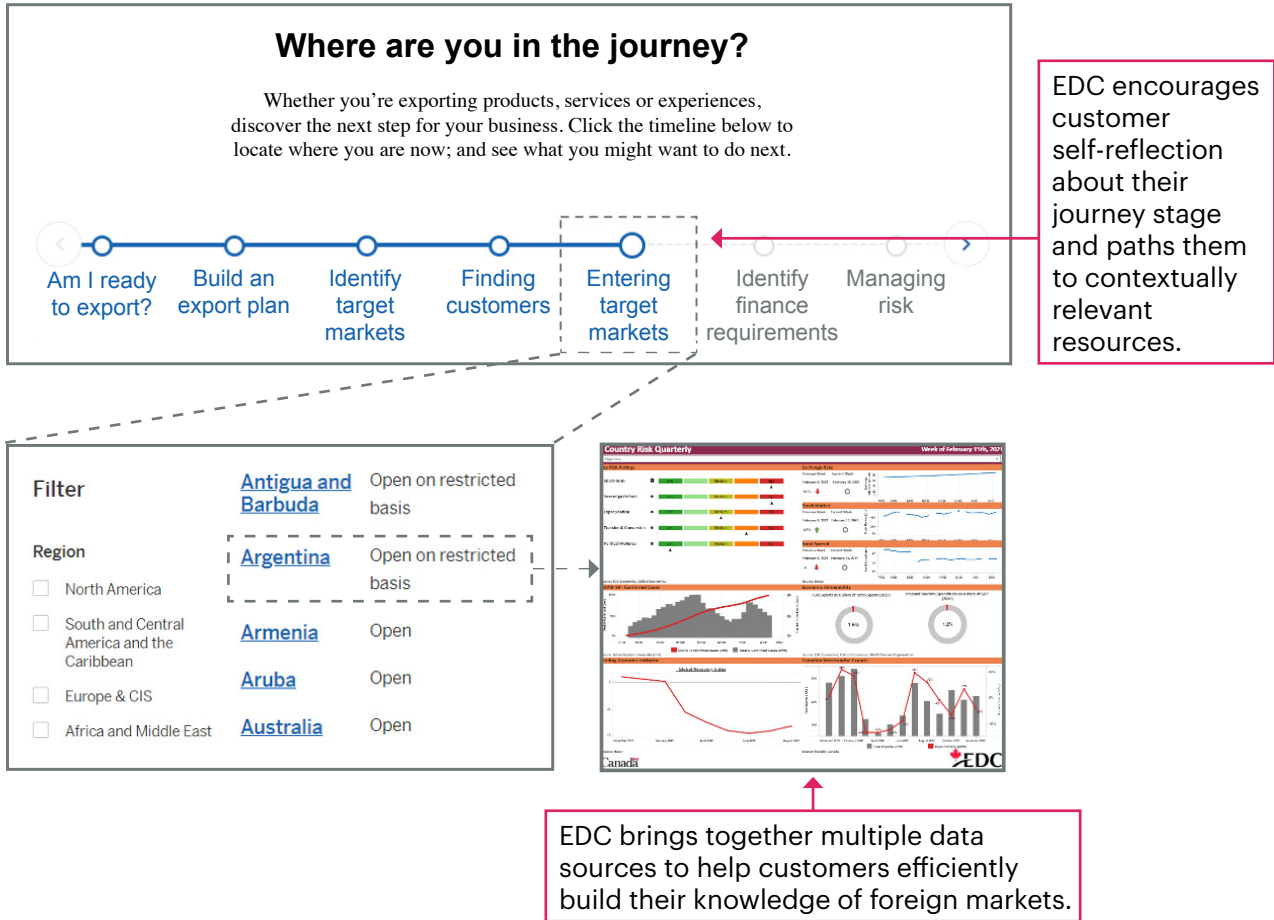
Figure 5. EDC's Digital Opportunity Analysis

Prioritization Matrix of Small Business Exporter Needs Based on Business Value and Digital Potential (Illustrative)



Source: Adapted From EDC

Figure 6. Sample Output From EDC's Knowledge Hub



Source: Adapted From EDC

Through this effort, EDC achieved rapid digital transformation and market penetration of the small exporter segment. EDC's client base increased from 7,150 in 2016 to 24,305 in 2020. Following this success, the marketing leader of the initiative took on an expanded role with oversight of digital strategy.

The rapid digital acceleration we have witnessed in the past year will not end with the COVID-19 pandemic. Customers are using digital channels more and more to inform their decisions. The executives who make these digital experiences impactful and lead across functional boundaries will claim an expanded role as drivers of growth in the digital business era.

¹ 2020 Gartner Digital Experience Customer Survey. This survey was conducted online in December 2020 and includes data from 3,013 B2B and B2C customers from the U.S., Canada, the U.K., Australia, New Zealand, Hong Kong, Singapore, the Philippines and India.

² **Course change** is measured as the customer's agreement that, after a recent digital experience, they changed their perspective about how to accomplish their goals, decided to do something different, took action to make positive changes, felt in control of their purchase decision and felt confident they were making the right choice. **Brand preference** is an index comprising brand favorability, willingness to pay a premium and share of in-category purchases. **Advocacy** is measured as the customer's reported frequency of sharing positive feedback and connecting others to the brand.

³ Businesses with fewer than 100 employees that sell products outside of Canada.

Disclaimer: Results of this study do not represent global findings or the market as a whole but reflect sentiment of the respondents and companies surveyed.

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