

Meeting the expectations of the mobile customer

*Strategies for offering a consistent customer
experience across channels*



Contents

- 2 Introduction
- 2 The need for a consistent mobile customer experience
- 2 Mobile is now a crucial touch point for consumers
- 3 The need for a smooth mobile experience
- 4 Bill Loller's Top 5 Tips for meeting customer expectations on mobile
- 6 Conclusion
- 6 About IBM ExperienceOne

Introduction

In March 2013 IBM held a Customer Experience Management (CEM) Masterclass to explore customer experience in the omnichannel world. The CEM Masterclass, which took place in London, featured presentations by companies such as Forrester Research and LV= Insurance, in addition to IBM's mobile CEM expert, Bill Loller.

A range of topics were covered, including IBM Tealeaf CEM solutions for improving the customer experience, the need for business transformation to meet changing customer expectations, as well as the latest trends and practices in mobile.

The following whitepaper seeks to explore these topics further, while examining the mobile strategies behind three businesses, LV= Insurance, Santander UK and Rock Insurance, who each attended the CEM Masterclass and shared their differing approaches to creating a consistent customer experience, along with their plans for mobile in the year ahead.

The need for a consistent mobile customer experience

Businesses have never had so many consumer touch points. And business-consumer relationships have never been so digital. Whether a customer arrives via a website or through a mobile application, they expect a joined up experience and consistent quality of service.

Customers expect the same level of service on every channel, which means that businesses need to work harder than ever to ensure the online and mobile experiences they provide meet the standards expected by the modern customer.

Santander UK's Kirsty Wilson believes businesses should work cross-functionally to create a consistent customer experience. "Divisions that have traditionally been working in silos need to start working together, to ensure that the information provided to customers is consistent, regardless of the channel those customers have chosen to interact with. The light bulb has gone on and it is up to businesses to react to that in a timely fashion."

Mobile is now a crucial touch point for consumers

Mobile usage is increasing exponentially year-on-year, so much so that mobile web use is expected to surpass PC internet access by 2015¹. 87 percent of the world's population now owns a mobile phone, with 1.2 billion people (17 percent) using their device to access the internet². Mobile devices and tablets are now a crucial touch point for consumers, with customers both researching and purchasing products on mobile devices.

Many businesses have realized the need to develop a mobile presence and introduce fully mobile optimized websites and mobile apps. Econsultancy's 2012 report, Reducing Customer Struggle, found that nearly three-quarters (74 percent) of

companies surveyed last year have a mobile optimized site³, with over half (54 percent) developing an iPhone app and 29 percent building a tablet app⁴ to cater for the insatiable demand from mobile users.

Mobile can often be the first interaction a consumer has with a company and is often used to influence, and in many cases can result in, purchases. Mobile commerce is expected to account for 24.4 percent of all e-commerce revenue by the end of 2017 and 43 percent of companies have seen products being purchased directly via mobile devices⁵. This highlights the need for businesses to embrace mobile.

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- 74 percent of companies have a mobile optimized site
 - 24.4 percent of all e-commerce revenue expected to be from mobile by 2017
 - 43 percent of companies have seen products purchased directly via mobile devices
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The need for a smooth mobile experience

The rise of mobile has led to 37 percent of US consumers being categorized as the “always addressable customer”⁶. According to Martin Gill, a principal analyst at Forrester Research, these are the consumers who own and use at least three connected devices and go online multiple times a day in different locations.

The changing habits of users who can now access the web from multiple devices in various locations has led to the increase in customer expectations when using a mobile device. Businesses need to react to this, as a third of companies (33 percent) rate their understanding of the mobile user experience as “poor”⁷. This can have significant repercussions, as consumers now expect a near-perfect experience and the mobile journey to be as smooth as any other platform.

According to Bill Loller, Vice President Mobile, Tealeaf, IBM Software Group, consumers have high standards and expectations for mobile, with 85 percent of adults who have completed a mobile transaction in the past year expecting the mobile experience to be better than on a laptop or desktop computer⁸. “Convenience, ease of use and time savings” are the main priorities for consumers, with many expecting a smooth experience, no matter what device they are using.

For businesses that do not meet consumers’ expectations on mobile the ramifications are severe: 63 percent of all online adults would be less likely to buy from a company via other purchase channels if they experienced a problem conducting a mobile transaction⁹.

A negative mobile experience is no longer an option for businesses that want to retain customers. Customer expectation demands a consistent experience across all channels.

This whitepaper explores the mobile strategies behind LV=, Santander UK and Rock Insurance, to understand how they are meeting the customer expectation of a consistent and joined up mobile experience.

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- 85 percent of adults who have completed a mobile transaction in the past year expect the experience to be better than on a laptop or desktop computer.
 - 63 percent of online adults would be less likely to buy from a company via other purchase channels if they experienced a problem conducting a mobile transaction.
 - 83 percent of adults who said they had conducted a mobile transaction in the last year said they had experience a problem.
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“Divisions that have traditionally been working in silos need to start working together, to ensure that the information provided to customers is consistent, regardless of the channel that customer has chosen to interact with. The light bulb has gone on and it is up to businesses to react to that in a timely fashion.”

— Kirsty Wilson, Multi-Channel Usability (UX) Manager, Santander UK

Bill Loller's Top 5 Tips for meeting customer expectations on mobile

1. **Make mobile customer experience a priority**
Before developing a mobile site or app, consider how intuitive the interface is to navigate and use to conduct a transaction.
2. **Deploy an integrated mix of qualitative and quantitative mobile tracking metrics**
Review frequently; mobile optimization is an iterative process.
3. **Identify and prevent issues**
Work to understand where customers are struggling on your mobile channel; one bad experience with your brand via mobile can cause a customer to abandon the transaction entirely across all channels.
4. **Deliver what people need, not what they think they want**
Move from doing things because they are cool to doing things that help customers buy on mobile devices.
5. **Identify your business stakeholders and engage them**
Each area of your business needs to be invested in making the customer's mobile experience as smooth as possible and fully integrated with your online presence.

CEM Masterclass

Speaking at the CEM Masterclass, three businesses from the finance and insurance sectors talked about their approaches to mobile.

1. LV=

Annette Leeke, Head of Digital Marketing and Analytics, LV=

What impact has mobile had on your business in the last year?

We have seen significant growth in traffic through mobile devices in the last 18 months – this has accelerated in the last three months alone. As a result, we launched a responsive website at lv.com.

What are the biggest challenges in building a consistent customer experience?

The way people use digital to access products and services is constantly evolving. As new channels emerge and technology moves on, it can be difficult to keep ahead and pace of change is a big challenge. We strive to provide a top-class process for our customers, be that through desktop, mobile or contact center. We have very robust analytical and customer experience monitoring tools to allow us to keep a customer-centric approach.

What is the big focus for digital customer experience in 2014?

We are constantly developing our sites for mobile and providing the facility to offer our products at a time, place and on a device that our customers choose with a user experience that matches our other best performing processes.

2. Santander UK

Kirsty Wilson, Multi-Channel Usability (UX) Manager, Santander UK

What impact has mobile had on your business in the last year?

We know that people are accessing information on the go and the most common thing people do is check their balance to keep an eye on the state of their money. We launched an iPhone app a year ago, and the reaction we had was hugely positive. When we launched in Android later in the year, the feedback was not quite as great, because customer expectations were higher. It is quite a testament to how far mobile has progressed in that time as to the level of expectation that customers have and what they are expecting to see. We have found that customers will log into our app around 7/8 times a month, whereas it is about 2/3 times a month online as opposed to maybe once they will go into branch.

We would not want a customer who is applying for a product online to feel the need to go into a branch. I do not know why you would want to break up that customer journey. I think the biggest key for us is that if for whatever reason they have had to break that journey, no matter which channel they choose to pick that up again in, we do not start from scratch.

What are the biggest challenges in building a consistent customer experience?

Getting an understanding from your branch and contact center staff that the online mobile channel should not be seen as a competitor. The aim is to get all the different divisions that have traditionally been working in silos to start working together, that the information that we tell our customers is consistent, that no matter what the method in which they might be told the message will not differ. The information that we pass over needs to be consistent regardless of what channel they choose to interact with us in.

What is the big focus for digital customer experience in 2014?

Joining up the consumer journey. We are very definitely looking towards becoming much more of an omnichannel organization and allowing customers to cross over. Where possible we would like the customer to be able to start and finish the journey in the channel that they have chosen.

3. Rock Insurance

Mike Dear, Head of IT, Rock Insurance

What impact has mobile had on your business in the last year?

It has been pretty enormous, we have seen about 25-30 percent of our traffic coming across mobile. We capture mobile analytics and segment across different platforms looking at the conversion rate, comparing desktop to mobile to laptop. We have found that Android customers are more likely to purchase than an iPhone customer, purely based on demographics.

What are the biggest challenges in building a consistent customer experience?

We do not think it is so much a challenge as an opportunity. We can appreciate that it is just so diverse now and people are not just going to want to interact with a company, they are going to want to be able to purchase a service, they are going to want to be able to use a service, so we need to be able to deliver the information and the functionality for them to do that as and when they need it.

What is the big focus for digital customer experience in 2014?

We want to rebuild all our websites to give them more of a mobile-based design and layout, and that will really form the foundations of how we take the business forward, providing something that is very useable and very rebrandable in order to maximize on the platforms people are looking for us on.

Conclusion

Customer interaction via mobile devices is increasing. In the past 12 months alone mobile traffic has grown and frequency of usage has, in some instances, overtaken other touch points. Having a mobile presence is no longer a nice-to-have. A solid mobile strategy has become a necessity for businesses striving to keep up with the continual proliferation of customer expectations.

About IBM ExperienceOne

IBM ExperienceOne helps you attract, delight and grow the loyalty of customers by enriching the ways you engage each of them. IBM ExperienceOne provides a set of integrated customer engagement solutions that empower marketing, merchandising, commerce and customer service teams to identify the customers and moments that matter most, and to rapidly apply those insights to develop and deliver personally rewarding brand experiences.

IBM ExperienceOne ignites innovation by leveraging patterns of success from more than 8,000 client engagements, original industry research, and products consistently recognized as industry leaders in major analyst reports.

IBM ExperienceOne solutions are delivered in cloud, on premises, and in hybrid options.

For more information

To learn more about IBM ExperienceOne, please contact your IBM representative or IBM Business Partner, or visit the following website: ibm.com/experienceone.

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Software Group
Route 100
Somers, NY 10589

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