

IBM Study: Digital Disappointment - The Customer Experience Disconnect Between Companies and Consumers

Despite the investment to digitize customer experiences, many executives fail to fully understand what motivates consumers to adopt and engage in new experiences

ARMONK, N.Y., March 31, 2017 /[PRNewswire](#)/ -- Companies across all industries and sectors have launched digital initiatives aimed at improving customer experience (CX), but, according to a new study by IBM (NYSE: [IBM](#)), not all consumers are digital enthusiasts. Companies that launch new digital points of engagement and simply expect customers to flock to them are putting their investment at risk.

According to a new IBM Institute for Business Value (IBV) study "[The Experience Revolution: Digital Disappointment – Why Some Consumers Aren't Fans](#)," while executives believe customers want to try new digital CX initiatives because of their digital fluency, the desire to self-serve, and have more control over the experience, consumers are more concerned with getting quick, convenient, and affordable results. The study is based on survey responses from more than 600 executives worldwide from a wide range of industries all currently introducing new digital CX tools and services. Additionally, more than 6,000 consumers were surveyed about their attitudes and experiences. Consumers' answers were then compared to executives' answers to gauge the degree to which the two groups were aligned.

The study highlights the disconnect between what executives think consumers want and consumers' preferences, causing some consumers to be disappointed with companies' digital CX initiatives. In fact, roughly 70 percent of surveyed consumers who reported having tried to explore products using virtual reality, use interactive digital displays in a company's physical store, or interact with a device or computer via voice command to engage with a business felt the experiences were disappointing. As a result, they decided not to adopt these digital initiatives for regular use.

"Companies have an opportunity to win and lose customers solely based on the quality of the experience they provide," said Robert Schwartz, Global Leader, Strategy & Design, IBM iX. "It's not enough to adopt a one-size-fits-all approach. Companies need to provide personalized and individualized experiences in order to authentically build their brands. With customers of certain demographics, this already matters far more than branded communications."

The IBV found that executives are severely underestimating the role generational differences play in consumer adoption new digital experiences. When asked if customers' age would determine how quickly they'd adopt digital CX, only 38 percent of executives said they thought age would make a difference. The IBV then asked consumers a series of questions about specific types of digital CX initiatives being implemented by companies and found there were numerous instances when Millennials, Generation X, and Baby Boomers responded differently. For example, while 24 percent of Millennials regularly locate products with a company's mobile app while shopping, only 8 percent of Baby Boomers do so. And among the group of consumers who said they were familiar with companies' digital CX initiatives, but hadn't tried them, as many as 70 to 80 percent of Baby Boomers said it was because they weren't interested.

When it comes to implementing digital technologies that enhance customer experience, the IBV recommends the following to ensure a strategy is met with enthusiasm from consumers:

- **Design digital experiences to meet customer expectations, not your own**- Use this transformation as an opportunity to eliminate underlying customer pain points and reinvent CX – from the customers' point of view – making it faster, easier or more convenient than traditional channels to engage.
- **Analyze customers' root motivations, desires and pain points**– It is important to recognize the generational differences among consumers, but at the same time, not stereotype individuals simply based on their age. Having a

detailed and multidimensional understanding of customers is essential. By applying advanced analytics and cognitive technologies to comprehend both structured and unstructured customer data from a variety of sources, companies can build detailed customer profiles that will help determine the right digital CX initiatives to invest in and the best approach for customer adoption.

- **Make customer utility and simplicity the core values of digital CX transformation**—Customers have already formed ideas about how they engage or transacting digitally with businesses. Executives should conduct thorough research to understand what these expectations are and then iteratively test their digital experience with customers to make sure it is simple to use and gives customers the utility they want.
- **Design marketing strategies to address specific needs of your customer base** --When launching a digital CX initiatives, it is vital to clearly promote the benefits that customers value, such as time savings, convenience and faster results. Segmentation and personalization can also be used to attract those customers who aren't especially motivated to try digital CX by giving them additional communications, demonstrations or incentives to try it out.

This report is the fourth in the IBV's Experience Revolution study series. Access the full study findings [here](#).

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