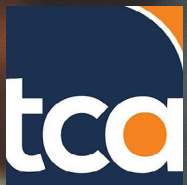


WHITE PAPER

# DXP essentials for building a passionate customer base

Moving beyond acquisition to increasing customer lifetime value

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**Customers now expect their journeys to be engaging, highly personalized, and omnichannel.** To meet this evolving challenge, there is a new frontier in marketing technology: the Digital Experience Platform (DXP). This paper explains what a DXP is and what it can do for you.

**Customer expectations for the organizations they do business with are evolving. They now expect their interactions along the customer journey to be intuitive, effortless, personalized, and engaging. They also want to be able to communicate with businesses in whatever manner suits them at a given moment – in other words: an omnichannel experience.**

In order to meet this challenge, organizations are looking to move beyond content management systems (CMS) into deploying more powerful Digital Experience Platforms (DXP), with functions that reach beyond content into every facet of the customer journey.

A proper DXP can unify disparate solutions into a more unified martek stack, informed by analytics and AI technology, to streamline the production of these personalized experiences at scale. Customer communications management, CMS, digital asset management (DAM), CRM, and more working in harmony give customers what they want without overwhelming staff.

Selecting the right DXP for your organization is a multi-step process that benefits from close attention. First, evaluate your exact needs, then assess what's available on the market and what these options would require to implement. Identify potential partners based on your highest priority needs, hold interviews with them prior to RFPs to get a more refined response, then finish with a paid proof-of-concept to make sure what you're getting will do what you need.

In the peer-to-peer review and social media age...getting customers to go to bat for you is priceless. Key to achieving that is making their experiences feel like your organization understands and directly addresses their wants and needs. Deploying a DXP can deliver tremendous dividends in not just acquiring new customers, but retaining them and turning them into advocates as well.





Today Digital Experience Platforms (DXPs) are doing for content channels and customer touchpoints — including brick-and-mortar outlets — what content management systems (CMS) started doing for printed marketing material and websites more than two decades ago. Despite that similarity, the difference between DXP and CMS is massive.

DXP takes things beyond CMS to deliver a differentiated customer decision journey (CDJ) and help companies stand out from the exponentially increasing competition they face on all fronts. Unlike CMS, DXP focuses on delivering the best possible customer experience through understanding, and trying to anticipate, what customers are looking for.

DXPs are evolving at a far faster rate than ever seen in martech before to better meet marketers' needs. Staying ahead of the curve requires having the ability to speak with, gather data from, and listen to audiences to develop the perfect pitch to engage a prospect, then turn them into customers and fans.

With the proliferation of channels and content, as well as the increasing ease of spinning up new digital outlets, audience acquisition and retention is increasingly difficult and expensive. A recent ProfitWell study<sup>1</sup> shared some revealing data on why having the right DXP model is so important:

- Customer acquisition cost (CAC) has increased by nearly 50% over the past five years for both B2B and B2C companies.
- Content quality is increasing, but content effectiveness is dropping with the average number of shares per post falling by nearly 90% compared to two years ago.
- Offers have less tenacity. Measured through lead velocity, offers' effectiveness was once typically six months, but today that effectiveness has decreased to less than three.

Perhaps these numbers are why so many marketers (and DXP vendors) spend a disproportionate amount of time and effort focused on addressing customer acquisition, and re-acquisition, to their detriment. According to Marketing Metrics, the probability of selling to an existing customer is 60-70%, as opposed to 5-20% for new prospects.

Organizations need to look further along the CDJ to cultivate deeper relationships with audiences and customers already aware of what the brand has to offer. In an era when customers are being bombarded with messaging seeking to entice them away, cultivating loyalty is essential.

To do this, companies need to move beyond a CMS-centered martech stack serving up a prescribed customer journey that talks at customers. Far more effective is one built on a DXP-architected ecosystem with integrated data, automation, and experience layers. This enables strategic, relevant, and compelling conversations with targeted audiences throughout their journey with the brand.

<sup>1</sup> <https://www.profitwell.com/recur/all/content-marketing-customer-acquisition-cost>

## **The complexity of today's marketing ecosystem**

Today's digital-dominated world creates and relies on ever-increasingly complex environments of technologies, processes, and teams to deliver the customer designed journey. Rather than being a mostly-marketers mandate, teams from across the organization play a crucial role in successful audience engagement and the delivery of customer satisfaction.

Reliant on content-driven digital experiences, these medleys of touchpoints are managed and fed by both controlled and uncontrolled content from the likes of influencers, executives, marketing, sales, customer service managers, and even other customers. These contributors are adding their insights and assets through different processes and technologies, resulting in a myriad of distinct digital experiences. Yet to the targeted audiences, these experiences are intrinsically connected, and directly reflect (well or poorly) on the business's ability to create cohesive, integrated value.

Meeting the challenge of creating fans through the marketing and sales journey must be done at the enterprise level, with an enterprise-ready ecosystem of teams, processes, and technology.

Today, many marketing organizations seem stuck chasing the technological needs of internal content/experience silos, then trying to enable them with approaches that optimize each separate layer of the customer's journey. It is common to see multiple technology solutions managing data, activating content, and measuring the consumption of siloed experiences at disparate parts of the journey.

The barrier to delivering the right content to the right audience at the right time through the right channel is not a shortage of technology. On the contrary, in many cases, there are too many technologies involved.

A CMI Content Management and Strategy study<sup>2</sup> found that half of all marketers surveyed named "too much technology" as their top frustration, followed closely by the challenge of "integrating the technologies" (49%). The study also revealed that 73% of marketers still say they either have not acquired the right technology for customer experience or are not making optimal use of the technology they have.

After decades of research and millions of vendor-invested dollars, most organizations still approach digital marketing strategy with siloed engines that power separate, channel-specific experiences. This is becoming ever more unsustainable. The way forward is a self-learning, connected network that can optimize and provide a unified view of the customer's journey. That's the promise of today's DXPs.

2 [https://contentmarketinginstitute.com/wp-content/uploads/2019/10/2020\\_B2B\\_Research\\_Final.pdf](https://contentmarketinginstitute.com/wp-content/uploads/2019/10/2020_B2B_Research_Final.pdf)



## What a DXP is and isn't

There are many schools of thought on what constitutes a DXP. The common thread is that a DXP enables the end-to-end management – from creative conception to asset archive - and optimization of contextualized digital experiences across multi-step customer journeys. The area of disagreement is whether this can be achieved in a single source solution, or requires a framework of best-of-breed integrated technologies that work together.

The evolution of today's DXP has been driven over decades by companies' increasing need to:

- Differentiate from their competition
- Stand out in the midst of an explosion of digital channels (social media, streaming, etc.) competing for consumers' attention
- Drive more customer engagement, and ultimately more revenue
- Deliver more contextual and aligned real-time experiences across multiple channels

While DXPs are the next iteration of marketing technology that started with content management, they are not a glorified CMS. This new vein (or more so, artery) feeding the customer journey leverages core elements of less mature technologies like content management systems (CMS), web experience management, marketing automation, and early commerce solutions.

<b>CMS</b>	<ul style="list-style-type: none"> <li>• Basic content management</li> <li>• User segmentation</li> <li>• Data analytics</li> </ul>
<b>WEM</b>	<ul style="list-style-type: none"> <li>• Multi-channel delivery</li> <li>• Advanced content management</li> <li>• Easy-to-use user interface</li> </ul>
<b>Marketing Automation</b>	<ul style="list-style-type: none"> <li>• Campaign management</li> <li>• Post-sale customer engagement</li> <li>• Personal data collection</li> <li>• Behavioral data collection</li> </ul>
<b>Commerce</b>	<ul style="list-style-type: none"> <li>• Personalization</li> <li>• Shopping cart</li> <li>• Check-out</li> <li>• Payment processing</li> </ul>

Figure 1: Evolution of DXP capabilities

There are as many opinions and vendors as there are possible features and functional aspects of a DXP. Which elements are most important depends on your business needs, goals, and maturity – both technological and of customer experience.

A comprehensive list of important DXP functionality could include:

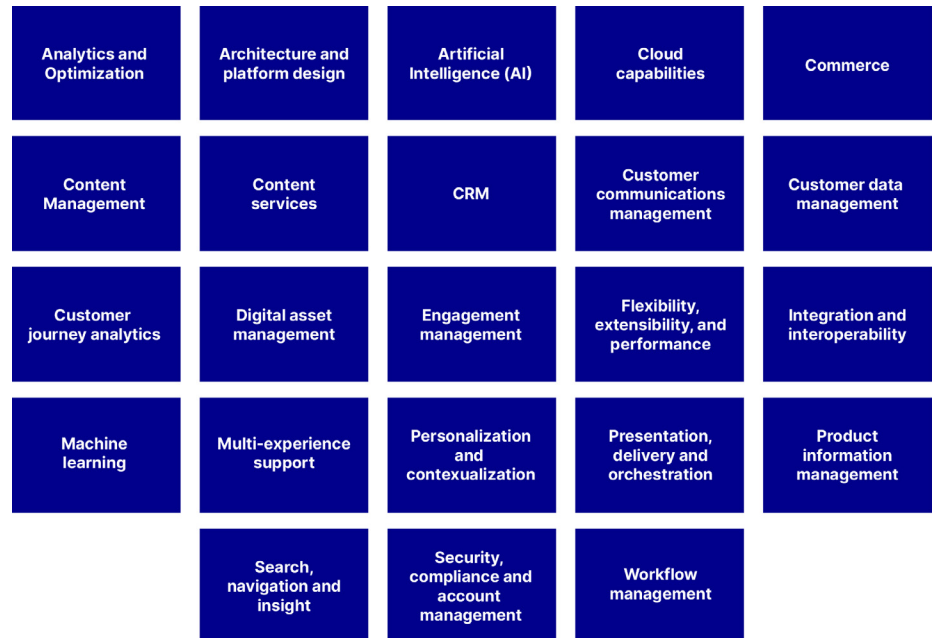


Figure 2: Foundational DXP Capabilities

The benefits of a DXP with this depth of functionality are abundant, but even at its most basic level, a DXP gives organizations the ability to deliver the connected and consistent experiences critical to building customer satisfaction and loyalty.

There are a few core DXP functions that are essential to delivering on that promise:

### 1. Inclusive customer data management and analytics

Customer analytics provide the necessary insight for "aha" moments and help direct where effort should be spent to improve customer experience, resolve roadblocks on the journey, and create content that will be most effective.

### 2. Repurposing and contextualizing content for delivery & continuity of the journey

Delivering consistent and relevant content to touchpoints across online and in-person platforms is essential for a positive customer experience. DXPs enable brand experience consistency across the continually expanding channels customers are engaging through.

### 3. Open and flexible architecture and platform design

Flexibility and agility are at the core of an effective DXP. Architecture supporting this is built around a collection of services, typically organized around business capabilities, that are easily maintained and independently deployable.

#### 4. Intuitive personalization and context awareness

Contextual personalization helps businesses target the right shoppers at the right time in the customer life cycle. This mechanism digests every audience interaction and then leverages those insights to automatically improve the next customer experience, regardless of touchpoint.

#### 5. Integrated and easy to use artificial intelligence and machine learning

Perhaps most importantly, but often least understood and leveraged, artificial intelligence built into DXPs provides brands with actionable insights across the entire digital customer experience. AI fuels engagement and advocacy by making it easier for audiences to find the information they want when they want it.

Enabling an intentional cycle of audience satisfaction beyond acquisition yields happier customers. That in turn can deliver higher dividends over time in the form of repeat purchases, referrals, and building a positive brand reputation.

### Helping existing customers to be better customers

Rather than simply driving revenue by flooding the top of the funnel with potential new customers, DXPs can also enable revenue growth by keeping existing customers happy through two-way communications in the channel of their choice throughout their journey with the brand.

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According to the Gartner Group, 80 percent of your future profits will come from just 20 percent of your existing customers.

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Getting this right takes time, patience, the right partners, and the right DXP.



## Selecting a DXP to help beyond audience acquisition

Companies often look at new marketing-enabling technology through a lens of customer acquisition – “how will this <DAM, CMS, MAP, DXP, etc.> help us get more customers, sell more, etc.”. Whereas to successfully provide the experiences customers need to become and stay fans, this needs to shift to a lens of customer retention “how will this DXP help us deliver the right experiences to delight our audience?”

The following five steps will help you find the best fit DXP technology vendor and implementation partners.

### Step 1: Evaluate the need

When considering an investment in a DXP, your initial questions should be:

- Do we need a new/another technology solution, or do we have what we need already?
- Should we update, rather than replace, our existing technology?
- Could we solve our problem by improving our content, assets, and/or adjusting our processes?
- Will this new technology enable and accelerate our strategy’s time to market and help achieve organizational objectives?

Taking the time to consider your organization’s unique customer satisfaction needs is a critical first step. Implementing new technology or migrating from one solution to another is incredibly disruptive and time-consuming. It can take a company up to two full years to select, implement, and migrate content onto a new platform, even before the challenge of user adoption and training begins.

#### Checklist:

- Evaluate current customer experience related technology
- Consider existing strategies and processes
- Identify related business challenges
- Identify key technology shortcomings
- Confirm the need for new technology

### Step 2: Compile DXP and implementation partner requirements

When gathering these requirements many important questions need to be answered.

- What systems will the DXP need to integrate with?
- What types of content are being managed, and what channels do they support at the different stages of the customer journey?
- How long will the DXP take to deploy?
- Who will implement the technology?

Gathering requirements at the outset takes time and effort but is well worth it. Be sure to interview or run group sessions with representatives from all impacted stakeholder groups. Include representation from management, lines of business, marketers, and IT.

Understand what success looks like to each stakeholder. Ask them what they hope for, or are trying to achieve, with the new DXP. Don't forget to gather their current pain points with delivering the best customer experience. Providing some insights into what a DXP can and can't do, such as the list of DXP capabilities listed earlier in this paper, can help stakeholders think beyond their current pain points into the realm of what is possible.

The next step is to distill the details of wants and must-haves down. Identify up to ten priority needs for each DXP vendor and potential implementation partner.

#### **Checklist:**

- Identify key stakeholders
- Gather requirements
- Review and consolidate all requirements collected
- Identify trends and common themes from requirements
- Identify 5 to 10 priority needs
- Validate the identified priority needs with key stakeholders

#### **Step 3: Use your priority needs to identify qualified partners**

With the priority needs identified, it is time to compile a list of potential vendors that can meet them. This is one of the most difficult steps, as vendors often look similar in what their DXP solution can do. To narrow the list, look beyond what the DXPs commonly share, and find the differentiators that matter to you.

- Need customer journey mapping? – does the DXP offer that tool?
- Is your company moving to all SaaS solutions? – what are the available “installation” options?
- Are you looking for a one-throat-to-choke or a best-of-breed approach to functionality?
- What is your budget? – What is the DXP's total cost of ownership?
- What is the total time to market?

Vendors often go to market with similar lists of capabilities, so make sure to dig into how those features function and the processes that they support to determine which might be the best fit for your needs. Ideally, your shortlist will include three technology vendors.

Once your shortlist of technology vendors is complete, you can buy direct, if possible, or define a parallel list of potential agencies. Ask each of the short-listed vendors to recommend two or three potential implementation/channel partners. Investigate each partner's methodology, size, capabilities, vertical experience, and culture, as well as their ability to meet your prioritized needs. It is essential to speak with reference customers about their experience working with them.



#### Checklist:

- Determine the most relevant technology framework
- Confirm your available budget for technology licensing and support as well as service provider integration, strategy, and support costs
- Assess your current implementation team's (internal or external) strengths

#### Do they meet your needs? If not:

- Consider if you prefer/require a local partner
- What skillset gaps do they need to fill for your team?
- Do you want a partner to teach the team along the way?
- Does your organization have any additional requirements, such as insurance, certifications, or classifications to be considered?

#### Step 4: Get to know potential partners outside of the typical RFP process

With a shortlist of vendors and partners in hand, you can now forgo the canned vendor demonstrations. Instead, consider holding on-site information exchanges with your potential partners. These provide you with time to share your requirements, budget, timeline, pain-points, and other concerns in detail and with more context, so prospective partners can then provide a more thorough and tailored RFP response afterwards.

The RFP process is an initial step in what will hopefully be a long, mutually beneficial partnership. Avoid the checklist approach by writing this essential document based on user scenarios and what you learned during the face-to-face information exchange sessions. While this takes more time (and the Procurement Team may not like it) the added effort will garner more meaningful responses and create a collaborative environment for you and your prospective partners.

Making the right choice for your organization up front can lead to huge savings in terms of implementation, staff time, training, etc. Picking the wrong one can lock in a miserable, expensive march to a solution that's ultimately not up to your needs. It's worth taking some extra time now to avoid that.

#### Checklist:

- Define scenarios for potential partners to demonstrate during the information exchange
- Include participants for the information exchange session from all of your key stakeholder groups. Provide them with a ranking score sheet to evaluate and capture notes for each session
- Avoid RFP templates with requirements that aren't relevant to your organization
- Create a scenario-based RFP to enable respondents to provide context for their capabilities, rather than a checklist
- Allow ample (at least three weeks) RFP response time
- Host a call to allow potential partners to ask questions
- Include all data from information exchanges and RFP responses in your final evaluation process

## Step 5: Hold a paid proof-of-concept

Today's industry-leading DXP solutions offer far more functionality than ever before. This expanded scope, combined with the need for it to integrate with other enterprise applications, further increases their overall value to the organization. However, this complexity also increases the risk of a failed implementation.

To help avoid this, schedule an on-site proof-of-concept to ensure the selected technology works in your environment as completely as it did during early demonstrations. Do this by having your preferred vendor and implementation partner demonstrate how the DXP will satisfy one or more of your specific customer journey engagement requirements.

This small investment of time and money will allow you to assess the additional qualities of your new partner and provide it with an opportunity to gather additional knowledge to predict the scope of your engagement more accurately. Upon completion, it is appropriate to request a refined proposal.

### Checklist:

- Choose only one technology vendor and one implementation partner to participate
- Define the scope of work to be executed by the implementation
- Identify which integrations will be tested
- Ensure the proof-of-concept team is made up of the individuals who will be assigned to your project

## DXP: Empowering the entire customer journey and cultivating advocacy

The successful organizations of tomorrow will create connected networks of highly specific, interactive content experiences across paid, owned, and earned media throughout a customer's journey. These businesses will grow based on their ability to create deepening trust with long-term audiences, rather than simply managing siloed transactions at individual steps along the buyer's journey.

Successful organizations consistently deliver content-driven experiences across customers' journeys based on their passions, questions, needs, and wants. DXP infrastructure can be leveraged to develop better and more personalized experiences for those individuals, transforming them into committed, passionate fans and advocates.

## About TCA

Founded in 2010, TCA is the leading content strategy consulting, research, advisory and education company. TCA helps Marketing Leaders map new paths, and evolve content and communications strategies. Visit: [contentadvisory.net](https://contentadvisory.net).

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