



BECOMING CUSTOMER-CENTRIC

PART III: The Realities of Operating an Omnichannel Environment

By: Dan Izzo & Bill Valasek

A company's omnichannel environment is an ever-changing landscape constantly evolving to adapt to shifting conditions. As customer expectations shift and new experiences occur, the dynamic omnichannel ecosystem must be continually evaluated and optimized. With a customer-centric operating model and tightly-integrated system, the business and IT functions need to operate in concert.

While IT functions must ensure system uptime and high performance so as to avoid friction for the customer the organization needs to continually optimize processes and improve technology-enabled capabilities that enhance the customer experience through speed, choice, and convenience.

Delivering Choice, Convenience, and Speed in a Way that is Differentiated

In the “right now economy,” time is a key driver to influence consumer buying decisions. From one-hour delivery to website load time, consumers are forcing the boundaries of acceptable wait time. To address these accelerated customer expectations companies must present customers with choices in order to offer the most optimal buying experience. Choice is the essential omnichannel principle that puts the customer in the driver seat weighing the value of

speed and convenience based on individual circumstance. For example, if satisfying a customer's immediate demand for a product is more important than free next-day shipping, customers who go to the store must be rewarded with a differentiated experience which offers time savings, convenience, and less friction.

Milliseconds Matter

As it pertains to online speed and performance, milliseconds matter. With ever-improving bandwidth and faster networks, load-time tolerance is at an all-time low. Additionally, with Google's decision to add page speed as a ranking factor, latency and suboptimal digital performance will have a material impact on organic traffic. There are key opportunities to accelerate content delivery that squeeze out milliseconds of processing time. Key optimization areas for performance include:

- **Enabling a Content Distribution Network (CDN).** CDNs provide a force-multiplier effect by expanding the network of resources available to support a company's digital presence. Edge servers minimize the distance the web request must travel by routing the request to the geographically closest web server in the extended network. CDNs allow companies to serve up content more efficiently to load pages faster and provide customers with content in less time. Solution providers, such as Akamai or Amazon AWS, offer a plug-and-play solution, robust monitoring capabilities, and easy to configure control panels. Additionally, image compression tools complement the CDN services as they optimize the size of media files, which can be large and adversely affect page speed scores.
- **Code Inefficiencies:** Companies need to keep frequent tabs on long-running and high-frequency queries that may cause longer processing times, consume resources, and accumulate open network connections; the effect may not be immediate but can snowball to the point where systems become paralyzed. Application monitoring tools are essential to determine where fine-tuning is required in the code. Companies also need to continually scrutinize CPU-intensive methods in the code, database queries, and API calls to ensure the code is lean and optimized for performance.

Omnichannel Technology Monitoring: Who's on Anchor Watch?

Integrating applications via APIs are beneficial and critical pieces of the omnichannel technology ecosystem. It does, however, introduce additional fail points which require careful monitoring. The more connected the ecosystem, the more interdependent the cogs are for sending or receiving information. Complexity is further exacerbated with numerous cloud-hosted and on-premise applications. To ensure the ecosystem is healthy, it is paramount that companies implement robust application, database, infrastructure, and network monitoring

tools and procedures.

Health checks must be more than superficial up-time pings that let the IT function know connections are live. It is imperative that they be comprehensive, ensuring all parts of the application stack are operating properly. Outages and downtime can lead to lost revenue as dissatisfied customers attrite and shop elsewhere. IT must provide visibility into the health of the ecosystem and "sounds an alarm" when an issue is detected so that it can be resolved expeditiously. Standard infrastructure monitoring services alone are not enough because by the time the infrastructure has exceeded its alerting threshold, it's too late to resolve the issue before customers are disrupted.

For example, when CPU or memory hit their limits, the root cause is usually tied to an issue somewhere in the application stack where inefficient code consumes more and more infrastructure resources until the point of failure.

Pairing infrastructure monitoring with the use of an application logging aggregation solution like Splunk is key to proactively discovering issues that impact uptime, page response times, integration failures, and other application errors. Solutions like these allow organizations to identify keywords and/or error codes and e-mail a distribution list if they occur frequently over a predetermined period of time and position IT to get ahead of catastrophic issues that eventually exhaust system resources and impact customers.

Defining and Executing a Data-Driven Optimization Plan

Companies need to have robust A/B test plans that are based on data and analytics. Such test plans need to consider customer behavior to drive refinements to the overall experience. Small optimizations to the user interface, workflow, and funnel based on learning from consumer behavior can have a big impact on the omnichannel experience.

It is important to leverage a broad set of tools and analytics to drive decisions to introduce new experiences or improve existing capabilities. Leveraging analytics, heatmaps, and user session recordings can provide invaluable insights that drive the optimization plan. Data-driven optimization plans position companies to make targeted, measurable refinements in the journey by tracking the effectiveness of optimizations through consumer satisfaction, such as net promoter score, and business-specific key performance indicators (KPIs) including, e.g. traffic, conversion, and sales growth.

technology architecture, and a culture focused on ongoing observation and consumer-driven improvement, businesses can set the standard for consumer experiences and lead their categories in the “right now economy.”

Operating in an Omnichannel Environment

An omnichannel environment that is dynamic, integrated, and continuous will enhance the customer experience and deliver corporate value.

By vigilantly paying attention to detail, hearing and acting on user feedback, and carefully monitoring technology performance, customers will be treated to a differentiated experience. With a customer-centric operating model, a mature and integrated underlying



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