

23 February 2022

# TRACK's Andy Bell: How the second wave of digital transformation starts and ends with the customer

*3 minute read*

Businesses have undergone staggering changes since the start of the Covid-19 pandemic, with consumers now accustomed to living their lives online – from online shopping and the rise of click-and-collect, to virtual doctor's appointments and meetings.

As a result, we're now in the midst of a second wave of digital transformation with investment in data and technology now a top three priority for CEO's globally. In fact, 83% of CEOs surveyed by Gartner in 2021<sup>i</sup> indicated they intended to increase investment in digital capability, while research by McKinsey<sup>ii</sup> also shows the pandemic has accelerated the adoption of digital technologies by between 3-7 years.

The resulting changes are rapid and far reaching, and the adoption, changing expectations and habits formed are likely to be sustained. The landscape has changed and for businesses slow to respond and transform, this could well represent an existential threat.

But while there is much written about this second wave of digital transformation, there is a glaring lack of commentary about what underlies it this time around. It is certainly enabled by data and technology but focus your attention there and you miss the real change that is taking place:

*This wave of digital transformation starts and ends with the customer.*

Those who grasp this will place more emphasis on understanding how people's needs and expectations are changing. They will transform their businesses digitally in order to become more customer centric and put the customer at the centre of the organisation.

As someone who works with organisations to help them become more customer centric I know how much of a shift this requires. On the surface it seems straight forward but while it is very easy to talk about being customer centric, it is immensely challenging to actually do and sustain. At its heart it requires a flip from "doing things to customers" to "doing things for customers".

Delivering on this also requires us to think differently about how we use the raw material that is fuelling the change. While transforming around the customer requires a cultural shift, making it real for customers is an almost entirely data enabled exercise.

Which poses a challenge: trust is an important component of the exchange but customers don't always trust us with their data and many companies don't understand, or actively manage, the quid pro quo in the value exchange when they ask customers to share their data.

Here's a question to ponder:

*In your own organisation is data being used primarily to sell to customers, or to understand them and make their lives easier?*

If you're experiencing a sinking feeling at this point, you're not alone. Most of what we do with our data from a marketing perspective is one dimensional and, frankly, pretty boring. And you can't bore a customer into changing their behaviour.

Instead we need to look at how we deepen relationships with customers.

How do we use the data and technology at our disposal to create more personal experiences (personalised), be proactive on their behalf (predictive), meet them where they are (contextually relevant) and adapt as their needs, behaviour and circumstances change (responsive)?

Only when we design experiences like this are we truly delivering on the promise of personalisation that this new wave of digital transformation makes possible.

If you are committed to making more of shift to customer intimacy in 2022 here are five areas you might like to consider to help get your own second wave underway:

1. **Make a commitment.** Customer centric transformation is companywide endeavour. Give your team something to believe in, like TWG's vision, that they can buy into and which you can return to in order to sustain momentum behind the change.
2. **Provide value in exchange for customer data.** Design this in from the outset. There are many ways to achieve this from actual monetary value, like exclusive personalised offers, to providing enhanced experiences and utility, like saving customers' favourite orders to make reordering easy. Whichever route you choose make sure that you also design-in transparency and trust building.
3. **Make many small plays.** This lets you get underway quickly and proves out the value of delivering more personalised experiences. It enables more people to be exposed to the change you are seeking to drive, supports building momentum and confidence and loosens the organisation up to enable it to pivot more readily when needed.
4. **Invest in customer understanding.** Ensure your digital transformation efforts include building a wider customer intelligence ecosystem.

5. **Think hybrid.** In the process of undertaking digital transformation, identify the moments where human-to-human interactions are most valuable, necessary and needed. Embrace the potential of these as they may be source of differentiation.

If you have yet to start the journey, there is still time to begin. If the pandemic has taught us anything it is how quickly our organisations can pivot when they have to and the amazing capacity of our teams to collaborate, adapt and endure. While that is true of your competitors and industry disruptors, it is also true of you.

Transforming your business to centre on the customer starts with a commitment. The time to make it is now.

**Written by: Andy Bell**  
Managing Director

#### *Sources*

---

<sup>1</sup> <https://www.gartner.com/smarterwithgartner/ceos-see-growth-in-2021-marked-by-3-shifts>

<sup>2</sup> <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-covid-19-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever>