

The Battle for Customer Loyalty is Getting Serious in Asia Pacific

BUSINESSES ARE SHARPENING THEIR FOCUS ON DIGITAL EXPERIENCE

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Overview



The landscape has changed completely. Businesses across Asia Pacific (APAC) are now embracing digital transformation and building easy, effective, and memorable customer experiences.

Every customer experience (CX) leader is looking for innovative ways to deepen customer engagement. Most businesses had started building digital customer experiences, but the pandemic helped them understand just how much work their digital experience really needed!

The Ecosystem-Sitecore State of Digital Brand Study aims to explore how businesses are improving their customers' digital and brand experiences in key APAC markets - Australia, Hong Kong, Indonesia, Singapore, and Thailand. Ecosystem interviewed 615 organisations between February and April 2022, to better understand their business, customer, and digital priorities.

This whitepaper presents the key findings from the study and provides guidance on best practices in creating a memorable digital experience for your customers.



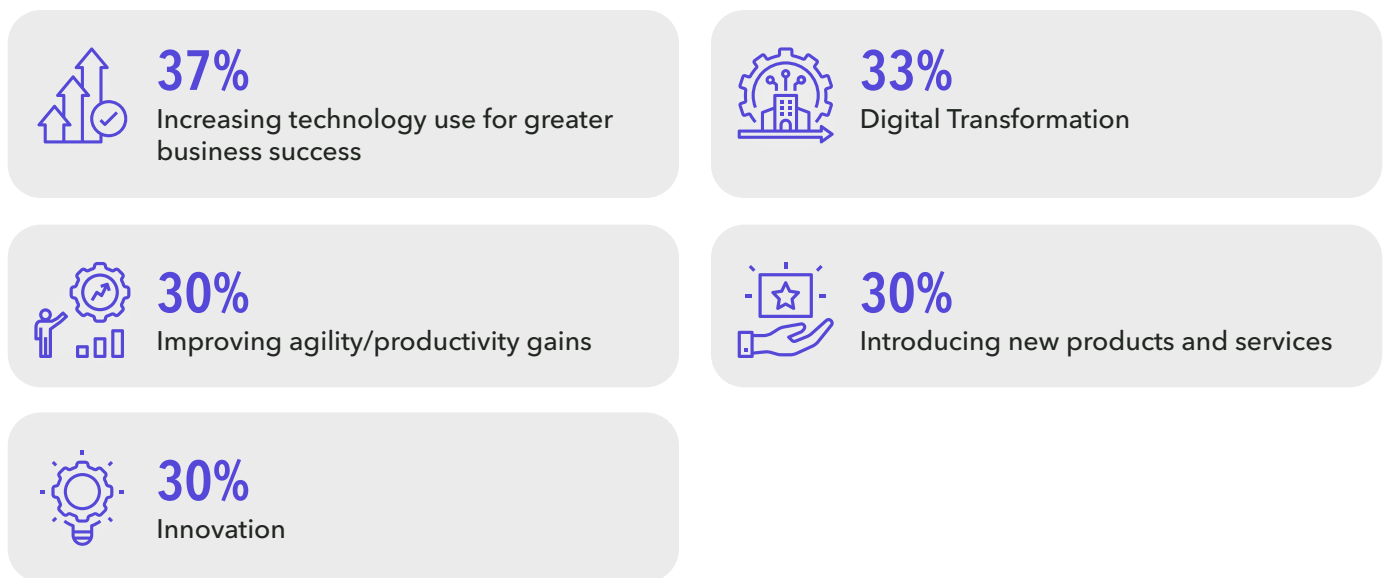
Businesses in Asia Pacific are Stepping Up their Digital Experience Focus



Businesses in APAC are focused on building agile businesses which can respond to market threats and disruptions.

They are increasing their innovation, digital transformation and technology spend (Figure 1).

FIGURE 1
Key Priorities for Asia Pacific Organisations in 2022



Q: WHAT ARE YOUR ORGANISATION'S TOP 3 BUSINESS GOALS IN THE NEXT 12 MONTHS?



A major focus of their technology spend and innovation is on creating the right customer experiences (Figure 2). Smart businesses understand that revenue growth is an outcome of building great customer experiences. If you do that better than your competitors, the business will succeed.

FIGURE 2

Innovation and Digital Transformation are Core to Company Success in 2022 and Beyond

49%



Offering an improved customer experience

46%



Getting/Staying ahead of competition

45%



Responding faster to market threats

41%



Saving money in delivering customer experiences

41%



Winning/Retaining customers

40%

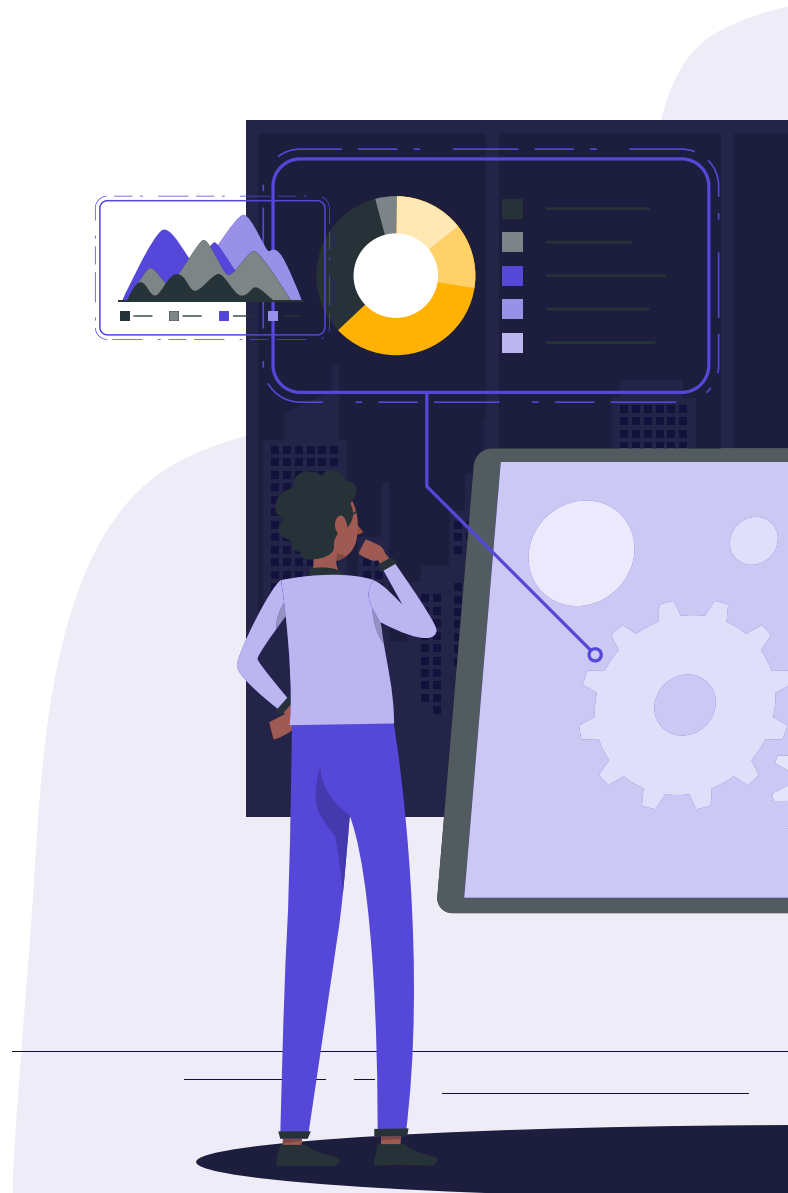


Improving the employee experience

38%



Catching up with competition

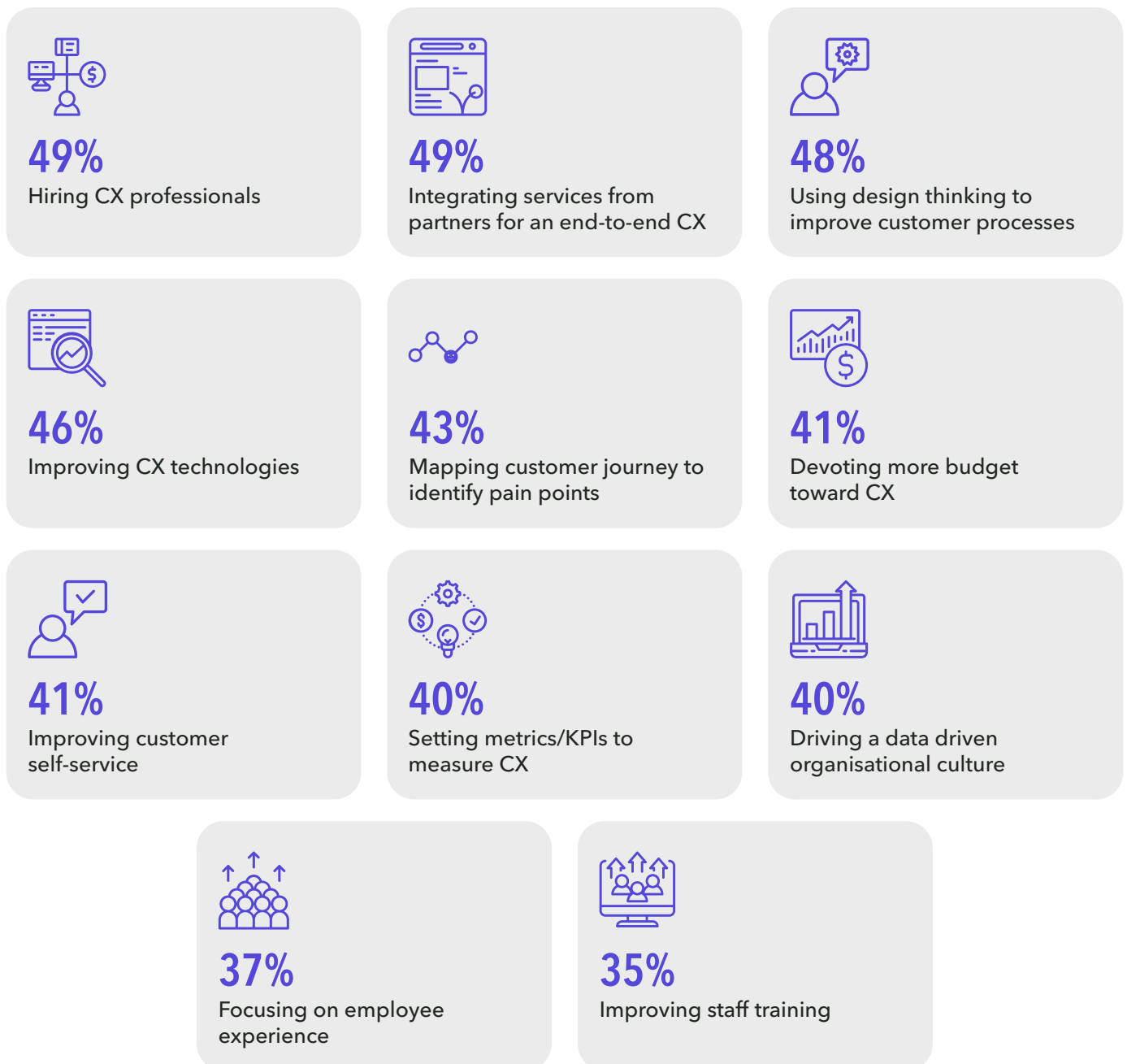


Q: WHAT ARE THE TOP 3 EXPECTED OUTCOMES OF INNOVATION AND DIGITAL TRANSFORMATION IN YOUR ORGANISATION?

There are many ways for an organisation to improve customer experience. And nearly every business – whether they are CX leaders or laggards – is investing in CX technologies, initiatives, and skills (Figure 3).

FIGURE 3

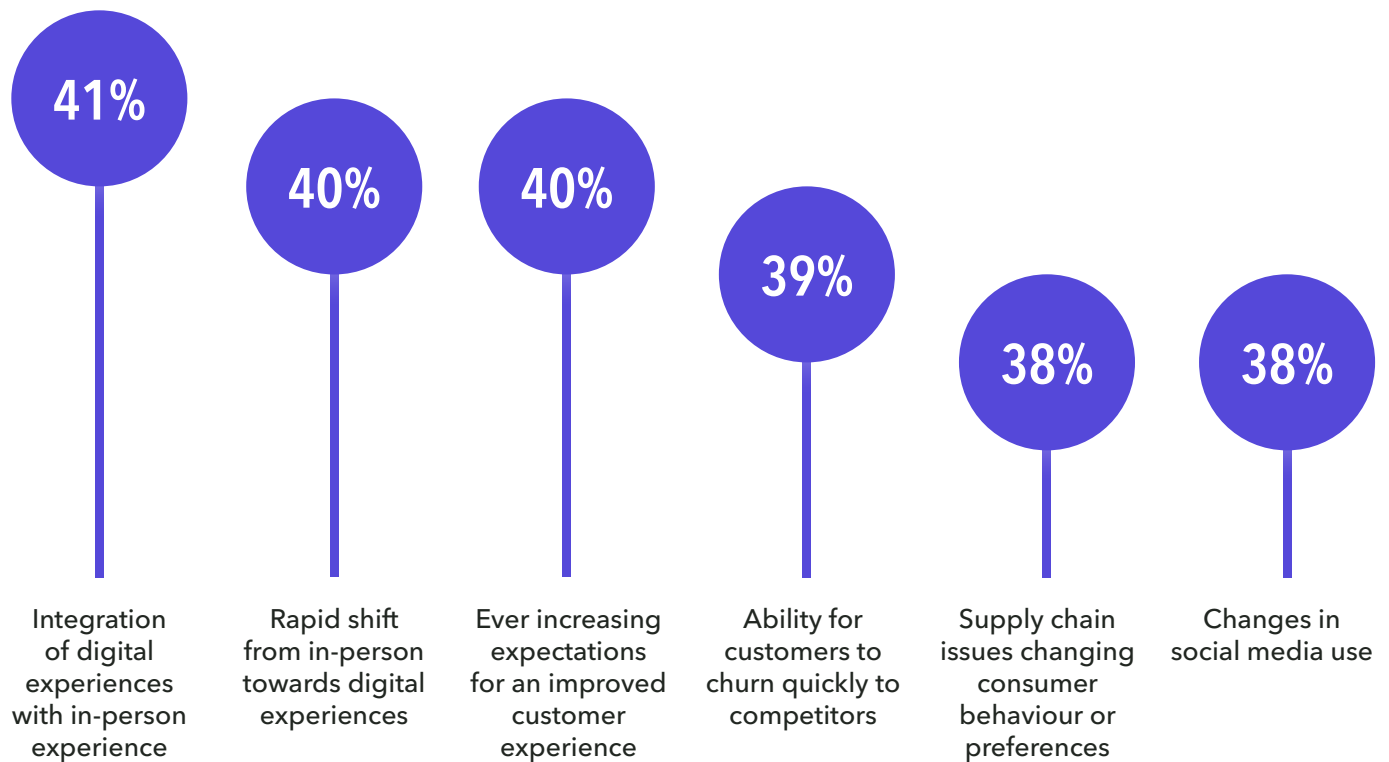
Organisations' Key CX Initiatives



Digital and Physical Experiences are Merging

Organisations today realise that most customers expect a great digital experience (Figure 4). Many customers also expect a consistency between in-person and digital experiences – some even want digital services to enhance the physical experience, or vice versa. As the Metaverse and Web 3.0 become a reality, customers will expect brands or services to be available in an ever-increasing number of channels.

FIGURE 4
Businesses Ensuring their Digital and CX Strategies Meet Changing Customer Needs



Q: WHAT CHANGES IN CUSTOMER BEHAVIOUR HAVE A SIGNIFICANT IMPACT ON YOUR CX/DIGITAL STRATEGY?

With this in mind, the integration of physical and digital experiences is now the top CX priority for businesses in Asia Pacific. They are looking for opportunities to enhance physical products and services with digital experiences, such as online food ordering in stadiums, endless aisle solutions in retail stores and digital guides and assistants in Art Galleries, Universities and other physical settings. Physical infrastructure, such as roads, waterways and buildings are getting smarter, and digital services are enhancing real-world experiences to drive better, safer, faster, more enjoyable and more memorable customer journeys. The groundwork they are laying today to integrate experiences, will prepare businesses for the customer experience changes and challenges that Web 3.0 and the Metaverse will bring.

AN INDUSTRY VIEW

Changes in Customer Behaviour that Impact Customer/Digital Strategy the Most

In Financial Services

The shift from in-person towards digital experiences affects the ability of brands to deliver services to customers. The change in social media is also creating challenges for marketing and CX teams looking to engage with customers.

40%

Rapid shift from in-person towards digital experiences

40%

Changes in social media use

39%

Integration of digital experiences with in-person experience

39%

Ever increasing expectations for an improved CX

38%

Supply chain issues changing consumer behaviour or preferences

In Manufacturing

The need to integrate physical and digital experiences is creating challenges for businesses. Digital services have also made it easier for customers to churn from one brand to another, with little consideration for loyalty.

48%

Integration of digital experiences with in-person experience

45%

Ability for customers to churn quickly to competitors

45%

Ever increasing expectations for an improved CX

44%

Rapid shift from in-person towards digital experiences

40%

The shift from products to services

In Media

Businesses are still dealing with the move from traditional media consumption on TVs, newspapers, and PCs, towards mobile devices – and some even struggle with the constantly changing use of these mobile devices.

48%

Changing usage of mobile devices

45%

Integration of digital experiences with in-person experience

41%

Omnichannel expectations

40%

The shift from products to services

40%

Rapid shift from in-person towards digital experiences



In Retail

It comes as no surprise that the recent and ongoing supply chain disruptions are changing customer behaviour. But on top of this, many retailers are struggling with the various regulatory and privacy requirements – particularly as they globalise their businesses.

42%

Supply chain issues changing consumer behaviour or preferences

41%

Changes in legislation, e.g., GDPR, PDPA, etc

40%

Changes in social media use

38%

Ability for customers to churn quickly to competitors

37%

Ever increasing expectations for an improved CX



Considerations to Build Exceptional Digital Experiences

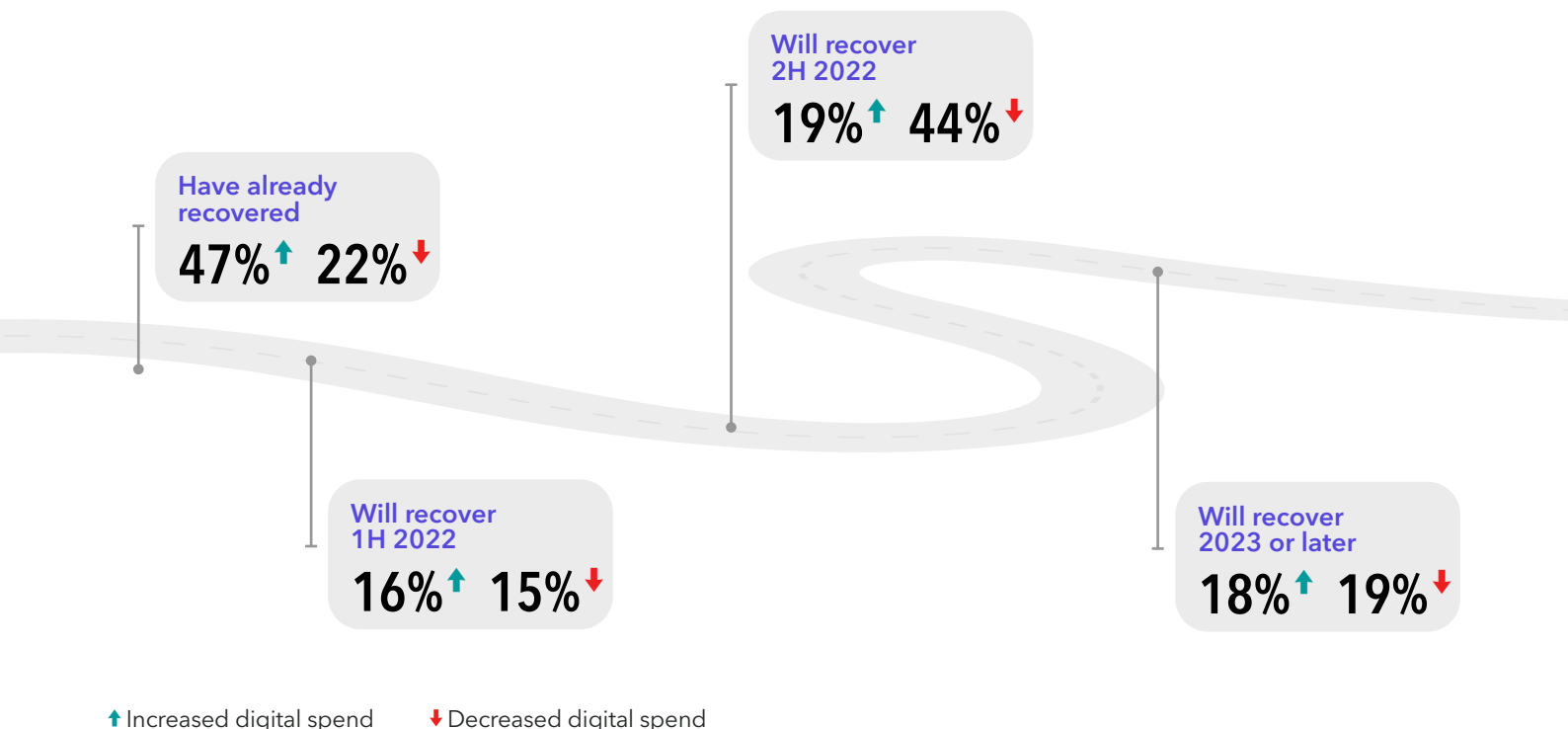
#1 Businesses Decreasing Digital CX Spend Will Find It Harder to Compete in 2022 and Beyond

Despite the challenging economic conditions of the past few years, the spend on Digital CX continues to accelerate - and for most businesses, will increase further in 2022. 32% of businesses in APAC found the money to increase their spend by over 25% - and another 29% have increased by up to 25%. These types of increases in technology spend are nearly unheard of, but show the significant focus that businesses are placing on digital and the big bets they are making to be successful both today and in the future.

There is a correlation between those businesses decreasing their spend on Digital CX and their business success. **Nearly half of the businesses decreasing their spend don't expect to recover to pre-pandemic levels until later in 2022.** Many will see their recovery further delayed, as their digitally savvy competitors continue to improve their digital and customer experiences, create deeper brand loyalty, and increase revenue and profits.

FIGURE 5

Those Who are Not Investing in Digital CX are Seeing Slowing Recoveries from the Pandemic



Q: WHEN DO YOU EXPECT YOUR BUSINESS TO RECOVER TO PRE-COVID-19 PERFORMANCE LEVELS? SPLIT BY SPENDING ON DIGITAL CX.

#2 Customers Expect Consistent, Integrated Experiences Across All Touchpoints

BUSINESSES MUST CREATE MEMORABLE EXPERIENCES ACROSS A GROWING NUMBER OF CHANNELS

As businesses in APAC deepen their investments in digital services, the number and type of channels and touchpoints are expanding (Figure 6) - on an average, they use more than 6 channels to serve their customers. Nearly every business in APAC is investing in improving the customer experience across many new and existing customer touchpoints.

FIGURE 6
Organisations Focusing on Channels their Customers Engage On



Q: WHICH CHANNELS WILL BE MORE IMPORTANT IN THE NEXT 12 MONTHS?

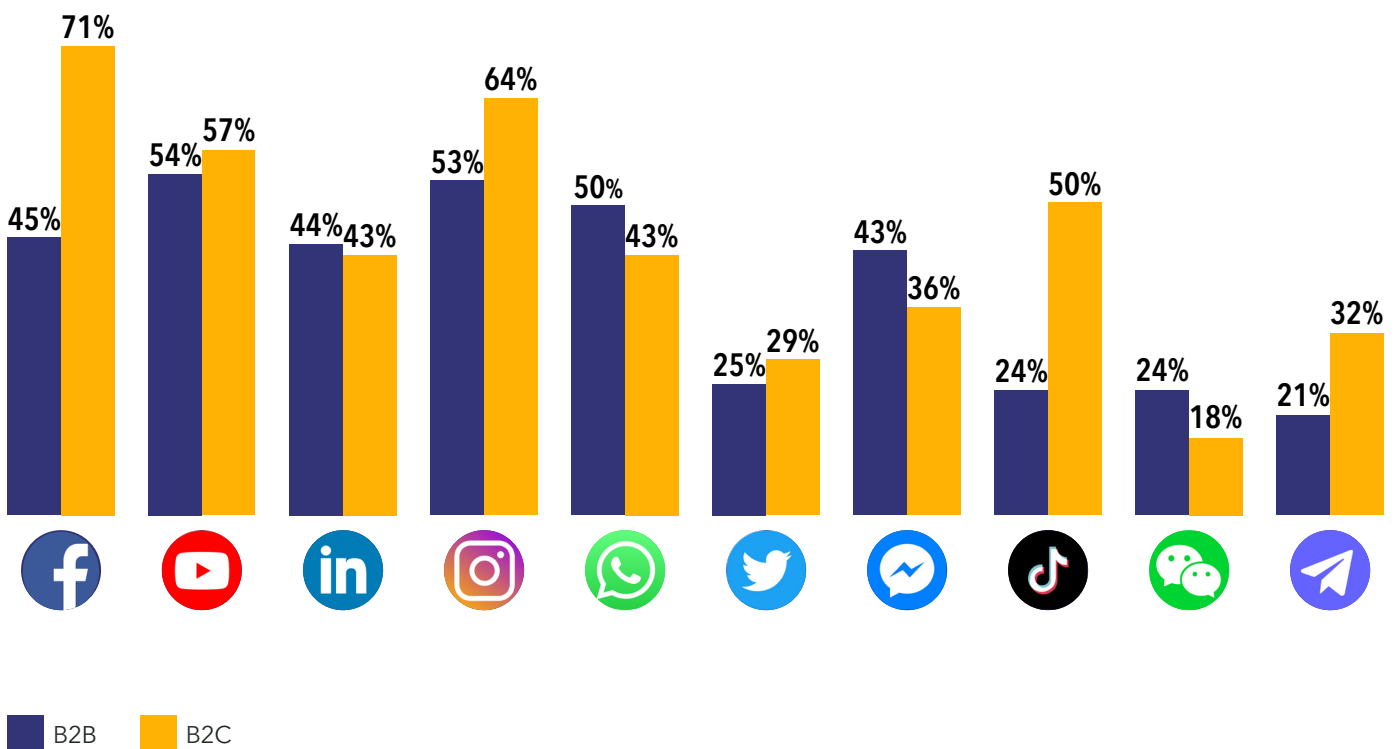
SOCIAL MEDIA PLATFORMS DEMAND BUSINESS FOCUS

Most customers today are using an increasing number of different social media platforms. As soon as organisations think that they have their social platform strategy, many customers have moved to the next hot platform - be it TikTok, Telegram or Discord. Customers expect to find the brands they use on the platform of their choice to consume content or to communicate with customer service. There is also the desire to transact on some platforms.

The use of social media by businesses across APAC is broad and varied - with many businesses willing to jump on to new platforms and services to provide content to customers and serve their needs (Figure 7). Over 50% of businesses who just sell to consumers already use TikTok.

FIGURE 7

Businesses in Asia Pacific are Significant Users of Social Media to Engage Customers



Q: WHICH SOCIAL MEDIA PLATFORMS DOES YOUR COMPANY USE TO ENGAGE CUSTOMERS?

Having an ability to manage interactions across multiple platforms - and to move to new platforms as they become popular in your target audience will be key to your success in engaging with platforms across a continuously evolving social media landscape.

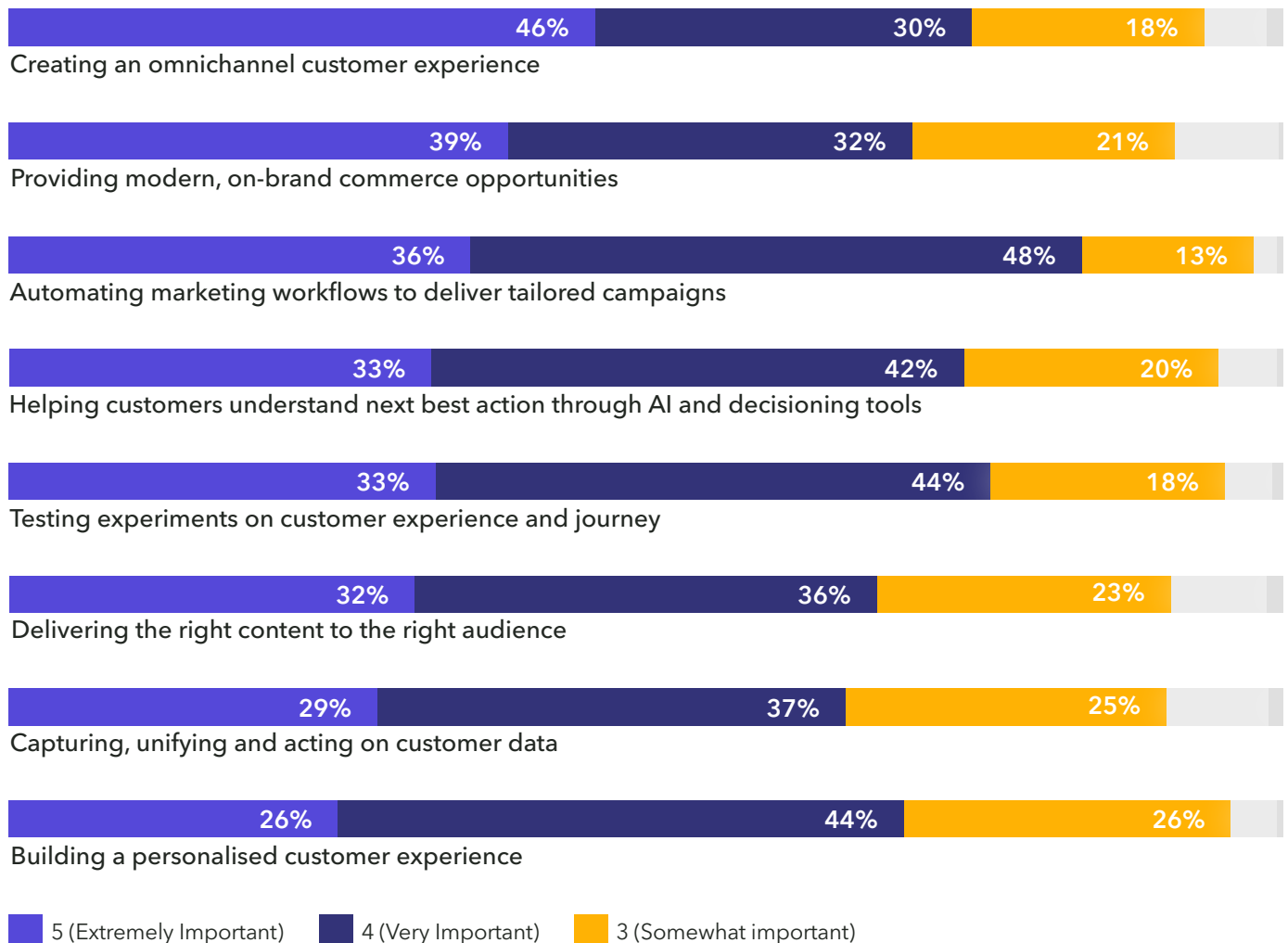
#3 To Deliver Great Customer Outcomes, Brand and CX Need to Work Together

THE CUSTOMER EXPERIENCE SHOULD MATCH THE BRAND EXPERIENCE

Marketing and customer teams run several initiatives to improve outcomes for customers and their businesses. Automating marketing workflows is a base requirement for any business looking to drive personalised omnichannel experiences; and testing and experimentation is emerging as an important aspect for businesses in APAC (Figure 8).

FIGURE 8

Businesses in Asia Pacific Want to Offer Personalised, Automated and Omnichannel Experiences



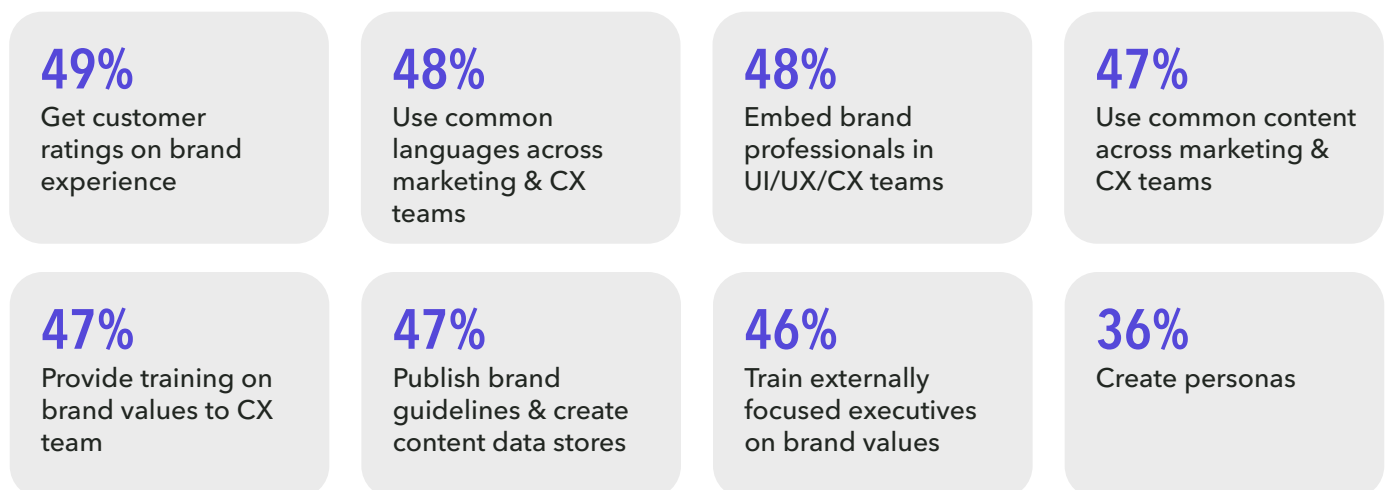
Q: ON A SCALE OF 1-5 HOW DO YOU SCORE THE IMPORTANCE OF THESE CX INITIATIVES? (WHERE 5 IS 'EXTREMELY IMPORTANT')

As businesses deepen their focus on providing great customer experiences, they need to make sure that marketing and customer teams remain connected and aligned on the outcomes they are driving. **There are too many businesses that focus heavily on CX; without acknowledging that CX doesn't fully represent the stated brand experience.**

To ensure this alignment, businesses across APAC are using many tools and methods to keep the two teams focused on the same outcomes. Asking customers to rate the entire brand experience to evaluate whether it aligns with expectations, is the top initiative (Figure 9) - this goes beyond measuring the customer experience at specific points in the journey (to determine the specific pain points).

FIGURE 9

It is Important that the Brand and Customer Experiences are Integrated



Q: HOW DOES YOUR BUSINESS ENSURE THAT THE BRAND EXPERIENCE IS INTEGRATED WITHIN CUSTOMER EXPERIENCE?

COMMERCE IS A KEY ENABLER OF THE CUSTOMER AND BRAND EXPERIENCE

Commerce engines often sit separately from the digital experience - some businesses consider commerce part of the sales process - and marketers sometimes distance themselves from sales. But businesses quickly learn that a great commerce experience can power a company and a brand - it will improve loyalty, increase basket value and uplift revenue. A poor commerce experience can reduce basket value and drive potential customers from your brand.

Smart businesses are creating a consistent, easy, and effective digital customer experience - from discovery through to purchase, post-sale service and the entire customer lifecycle.

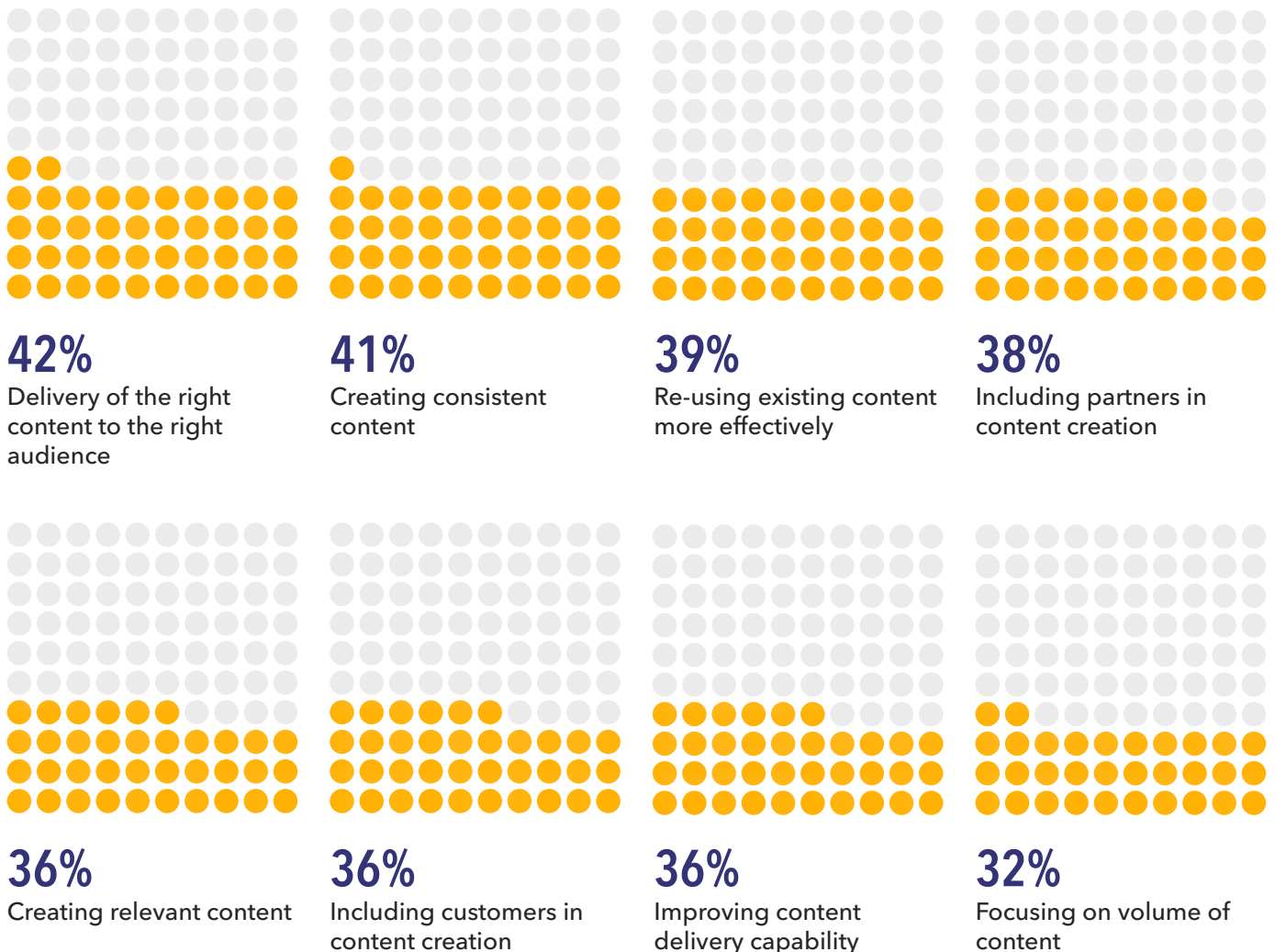
Modern digital experience platforms (DXPs) integrate commerce into the platform to ensure the marketing, IT, digital, customer and sales teams can all work together to create the right outcome for the customer and the business.

CONTENT IS STILL KING WHEN DELIVERING AN ON-BRAND CUSTOMER EXPERIENCE

Businesses in APAC understand their customers want relevant, informative, entertaining, and educational content. They are working to improve their content creation, management, and delivery. Less than a third of businesses in APAC are focusing on the volume of content delivery, and more on quality than quantity (Figure 10). **Today, most businesses focus on delivering the right content to the right audience, ensuring that content is consistent, and are looking to reuse content where relevant and possible.** Some are even bringing their partners' content into the customer journey to enrich the experience and better serve customers.

FIGURE 10

Delivering Consistent Content to the Right Audience is a Leading Challenge



Q: WHAT ARE THE TOP 3 MEASURES TO IMPROVE CONTENT STRATEGY?

#4 Customers Want Personalised Experiences

MOST BUSINESSES ARE ALREADY DEEPENING INVESTMENTS IN PERSONALISATION

The vision of delivering personalised digital experiences to customers is already happening – it may be at an audience or persona level or simply rules-based personalisation. Even this is an important start as businesses continue to make their digital experiences smarter. Once on the journey, businesses will put in processes and learn important lessons on how to make personalisation more meaningful for customers and impactful for the business.

As personalisation gained traction over the past five years, the premise was that a personalised customer journey would drive greater customer satisfaction and loyalty, which would improve spend, reduce costs, and increase revenue and margins. And the evidence is that businesses that have embraced personalised experiences are seeing these benefits (Figure 11). They report overall improved customer experiences with increased customer loyalty, greater customer revenue in the short term and also across the entire customer lifecycle.

FIGURE 11

Personalisation Drives Improved CX and Customer Loyalty

49%

Improved overall customer experience

49%

Increased customer loyalty

44%

Increased revenue

40%

Increased customer lifetime value

40%

Increased profit

40%

Improved time-to-value for customers

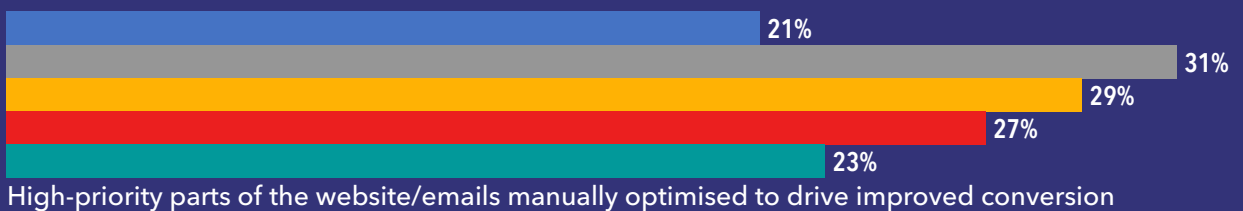
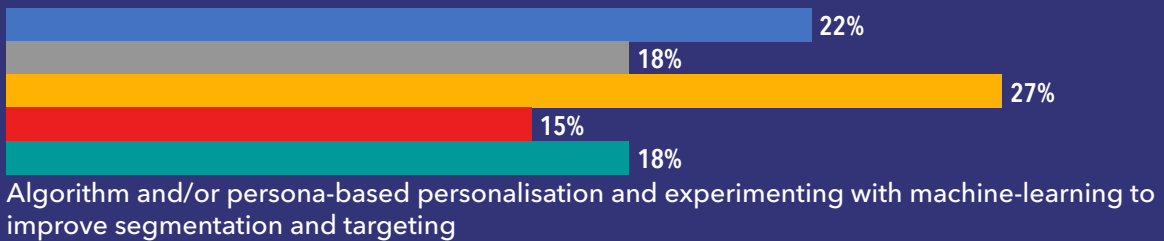
38%

Increased customer advocacy

WHAT ARE THE TOP 3 ORGANISATIONAL BENEFITS OF A PERSONALISATION STRATEGY?

A COUNTRY VIEW

Personalisation Maturity Varies Across Countries



■ Australia
 ■ Hong Kong
 ■ Indonesia
 ■ Singapore
 ■ Thailand

Business drivers for innovation and digital transformation, channel strategies and personalisation initiatives vary across countries:



Businesses in **Australia** are more likely to be focused on the customer and employee experiences - knowing that happy employees lead to happy customers. They are more likely than those in other countries to invest in SMS and in-person experiences. However, they have the lowest engagement between Brand and CX - while they have many initiatives to drive this alignment, most organisations are at levels below their peers across the region.



In **Hong Kong**, the focus is on getting and staying ahead of the competition and reducing the cost of the customer experiences. Businesses are more likely to invest in extending word-of-mouth marketing. They are good at providing training on brand values to the CX team and to external executives.



Businesses in **Indonesia** are equally focused on improving their CX and increasing their agility to better respond to market threats and changing conditions. The channel focus is primarily on mobile apps and traditional advertising. They are also looking at getting customers to rate their entire brand experience and on using common content across both marketing and CX.



In **Singapore**, the business focus is evenly spread across all initiatives, including improving the CX, responding faster to market disruptions, and winning and retaining customers. Organisations are deepening their investments in many of the digital channels and touchpoints; and on embedding brand professionals into UI/UX/CX teams.



Businesses in **Thailand** appear to want to use digital transformation to catch up with, and hopefully get and stay ahead of the competition. They are deepening their web investments; and focusing on using common language and content across the CX and marketing teams.

TESTING AND EXPERIMENTING THE CX HELPS ORGANISATIONS STAY AHEAD OF COMPETITION

Testing and experimentation of the customer experience and journey is now being used extensively by nearly 80% of businesses in APAC – the rest use it occasionally. This is another sign of the growing maturity and capability of customer and brand experience teams, as their digital experience strategy pays dividends for customers.

It is not all smooth sailing. It is important to be aware of the key challenges of testing and experimentation, in order to mitigate them:

No resources to design the tests

Businesses need to design tests that can be easily executed, make sense, are on-brand and will deliver a business benefit. Not every business has the people or tools to help with this process.

The lack of tools to create and deliver the tests

Testing and experimentation using manual processes is possible – it is just very costly, slow, and inefficient.

Lack of tools to analyse test results

Running tests is important – but analysing the results in an objective manner is what will impact your business. Some businesses don't have the right platform or tools to drive actionable data from their testing and experimentation in the customer journey.

Lack of tools to automate the outcomes of the tests

It is great to have tests and experiments running, but results mean businesses have to do something different. Not having the tools to automate the outcomes means a lot of extra work for business analysts, many change requests and constantly managing changing processes.



#5 Great Technology Drives Great Customer and Brand Experiences

INCREASING DATA VOLUME AND COMPLEX TOOLS INHIBIT THE ABILITY TO BUILD GREAT BRAND AND CUSTOMER EXPERIENCES

The past few years have seen many marketing, customer and digital teams move at breakneck speed to fix and improve their digital, customer and brand experiences. Some business leaders moved into solution/fix-mode - with a lesser focus on integration and consistency - and focused more on getting capabilities to market. The number of digital experience and marketing tools have exploded in businesses, driving complex architectures and systems that are slow to change, and hard to manage and improve. On an average, businesses in APAC use 10 tools or platforms to deliver their digital experiences.

To overcome the integration nightmares, 90% of businesses are embracing APIs to ensure applications work together seamlessly - after many years of message from the technology vendors and IT teams, the API message has finally taken hold.

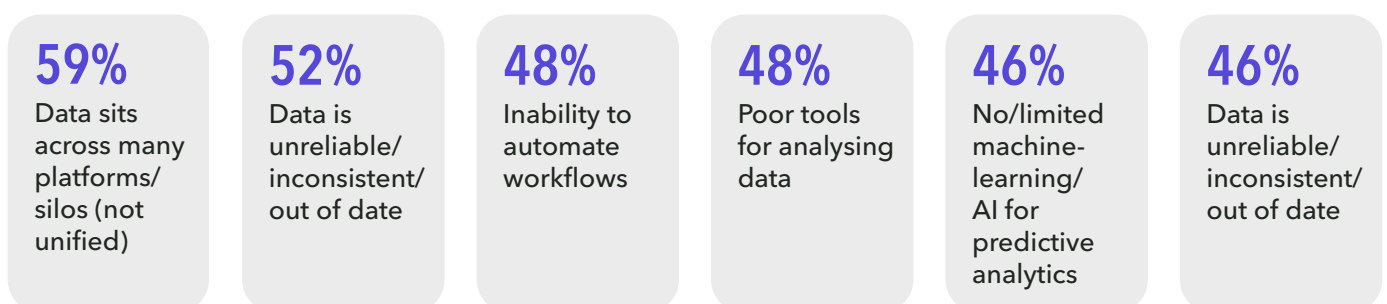
There isn't a business in Asia Pacific that isn't interested in driving greater customer and business value from their customer data. They want:

- Customers to have a consistent experience across touchpoints and channels.
- To provide customised and personalised experiences for customers based on their wants and needs.
- Intelligent systems that learn and improve to help customers make better decisions.
- Automated processes that use data and insights to drive better customer and business outcomes.

But the complexity of finding, cleaning, trusting, and managing data inhibits these outcomes (Figure 12). And many businesses do not have the tools they need to automate the new, data-driven workflows, or even to collect and analyse data.

FIGURE 12

Collecting and Using Customer Data Is Harder than it Should Be



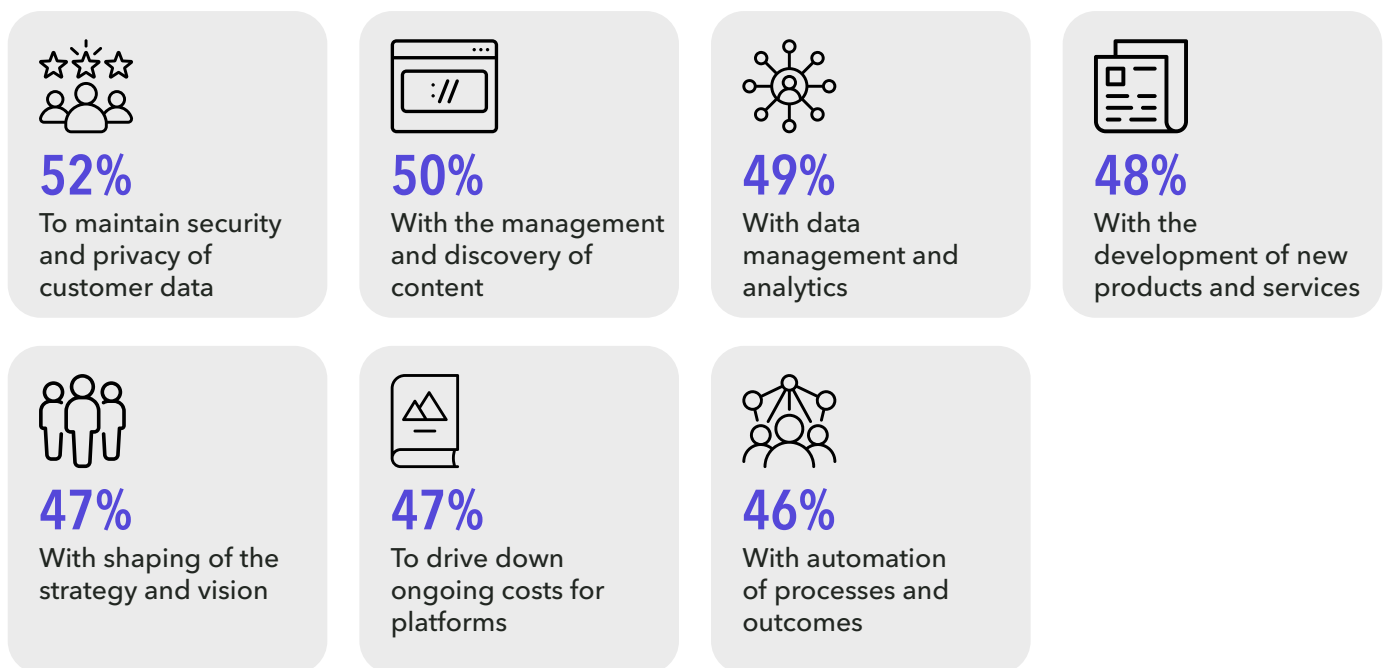
Q: WHAT ARE YOUR ORGANISATION'S TOP 3 CHALLENGES IN COLLECTING AND USING CUSTOMER DATA?

BEHIND EVERY GREAT MARKETING OR CX TEAM IS A GREAT IT TEAM

The choice of a DXP dictates an organisation's ability to grow, thrive, adapt, and innovate - today and in the future. But equally important to business success is the IT team/s - they have an essential role to play in ensuring that the digital experience is not only easy, effective, and intelligent, but is also safe and secure, and helps customers maintain their desired level of privacy (Figure 13).

FIGURE 13

IT Supports Marketing to Develop and Improve Customer and Brand Experience



Q: IN WHICH OF THESE AREAS DO THE IT/DIGITAL TEAMS SUPPORT MARKETING?



Involvement of the IT team will help your business:

Secure and protect customer data

Customers expect a base level of privacy and security - without this, they might not be comfortable dealing with your brand. The IT team can help you deliver on these privacy promises.

In data management and analytics

Customer data is exploding. Your business will need to find, store, cleanse, secure and analyse this data, and IT has many years of experience in effective data management and analytics.

Discover and manage content

Traditional content management systems cannot keep up with the need for content to be discovered, managed, and served across existing and new touchpoints. The IT team can help you modernise your approach to content discovery, management, and delivery.

Drive down costs of systems

Through better management, re-platforming, simplification of processes and the removal of duplicate systems, the IT team can help to reduce the ongoing costs of managing your Digital Experience Platform. This will release funds to reinvest in new capabilities, and in the modernisation of existing ones.

Build a digital customer strategy and develop new products and services

Today, many physical products have a digital component - either as a connected product or through a digital content or product service strategy. Your IT team should be involved with strategy and product development to help marketers and CX professionals understand what capabilities are available with existing systems today, and what might be possible in the future (along with the cost/effort to build these capabilities).

Improve the automation of processes

Over the past five years, IT teams have focused on making systems faster, simpler and more agile through the use of automation tools. The removal of humans from customer processes where they don't add value will drive down the cost of processes and improve customer satisfaction by shortening the time-to-value.

Building a Great Brand and Customer Experience Takes a Village

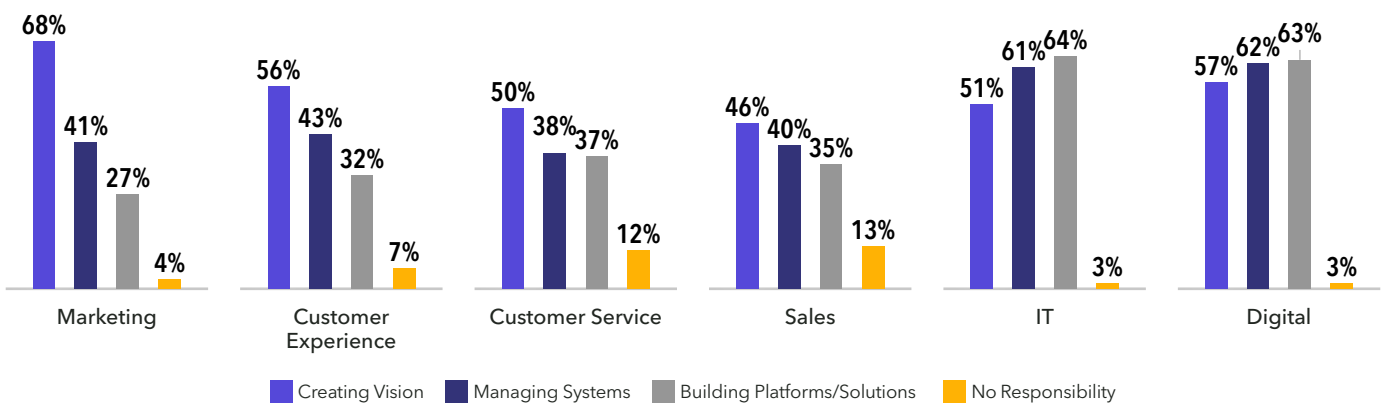


The success of the brand and CX strategy - and therefore the success of the entire organisation - rests on the ability of the different teams to work together to bring their unique skills and capabilities to the table.

- Marketing should be primarily responsible for building the strategy and vision. While they should not do it alone, they should lead these initiatives.
- The digital and IT teams should be responsible for building the platforms and solutions and their ongoing management and improvement. While some marketing and CX teams have been acquiring their own software and technology over the last few years, best practice is to let the IT and digital experts do what they do best.
- Digital and CX should be heavily involved in the customer strategy and vision. They provide the extra insight and vision to help businesses catch up with or get ahead of their competitors.

FIGURE 14

CX Responsibility Lies with Multiple Individuals and Teams Across Your Business



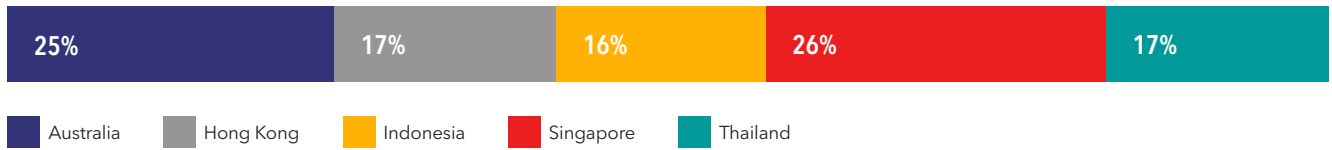
Q: WHICH TEAMS ARE INVOLVED IN DELIVERING ON YOUR BRAND PROMISE AND EXPERIENCE?

The responsibility for creating your customer and brand vision, executing on it, and managing and continuously improving the vision and capability sits with the entire business. From the CEO down, every individual helps deliver the customer and brand vision. Even the key teams - marketing and the customer/CX team do not operate in isolation - the IT team, digital and even sales can have a share of responsibility for creating and delivering the brand and customer strategy and vision.

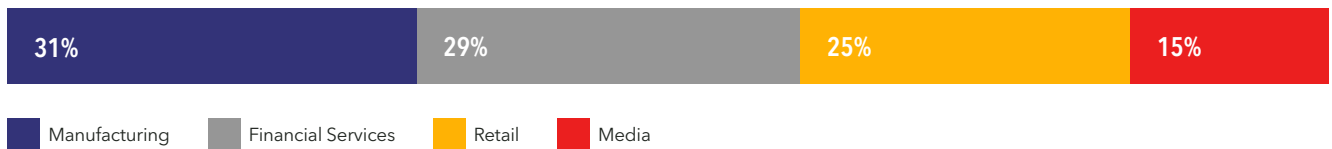
About the Study

Between February and April 2022, the Ecosystem-Sitecore State of Digital Brand Study conducted interviews with key stakeholders in 615 organisations in Asia Pacific to explore how businesses are improving their customers' digital and brand experiences.

Country



Industries



Job Roles



This whitepaper is sponsored by Sitecore. The data presented is based on the findings of the Ecosystem-Sitecore State of Digital Brand Study conducted by Ecosystem on behalf of Sitecore. The paper is also based on the analyst's subject matter expertise in the area of coverage in addition to specific research based on interactions with technology buyers from multiple industries and technology vendors, industry events, and secondary research.

About the Author



Tim Sheedy

Principal Advisor, Ecosystem

Tim brings more than 20 years of experience in designing and implementing Cloud, AI, CX and Automation strategies to the Ecosystem network, to support businesses in their IT decisions.

In his previous role, Tim spent 12 years at Forrester Research, most recently as a Principal Analyst, helping IT leaders improve their digital capabilities. Prior to this, he was Research Director for IT Solutions at IDC in Australia, where he assisted IT vendors in designing solutions to better fit market requirements and IT buyers in improving the effectiveness of their IT functions.

Beyond the office, Tim boasts an international reputation as an entertaining and informative public speaker on the key trends in the IT market.

Tim graduated from the University of Technology Sydney with a BA majoring in Marketing and Research. In his free time, Tim enjoys playing football (badly!) and tennis and watching rugby. But while he may enjoy that, he spends most of his time driving his two children to various sporting and social activities.

About Sitecore

Sitecore is the leading provider of end-to-end digital experience software. Unifying data, content, commerce, and experiences, our SaaS-enabled, composable platform empowers brands like L’Oreal, Microsoft, United Airlines, and PUMA to deliver unforgettable interactions across every touchpoint. Our solution provides the cutting-edge tools brands need to build stronger connections with customers, while creating content efficiencies to stand out as transformation and innovation leaders. Experience more at [Sitecore.com](https://www.sitecore.com).

About Ecosystem

[Ecosystem](#) is a Digital Research and Advisory Company with its global headquarters in Singapore. We bring together tech buyers, tech vendors and analysts onto one integrated platform to enable the best decision-making in the evolving digital economy. Ecosystem has moved away from the highly inefficient business models of traditional research firms and instead focuses on research democratisation, with an emphasis on accessibility, transparency, and autonomy.

Ecosystem’s research originates from its proprietary “Peer-2-Peer” platform which allows Tech Buyers to benchmark their organisation in “real-time” against their industry or market peers. Ecosystem’s broad portfolio of advisory services is provided by a team of Analysts from a variety of backgrounds that include career analysts, CIOs and business leaders, and domain experts with decades of experience in their field.