Microchannels: Tiny Channels with Huge Customer Experience Impact

CAPTECH TRENDS PODCAST | EPISODE 27

Vinnie:

Welcome back to another CapTech Trends podcast. We're following up on our 2022 trends, we did one previous to this around productivity and bridging the gap between IT and business. But for those of you new to the trends, it's something we do every year. Myself and my team work with our clients, our partners, analysts, our account managers, our subject matter experts, and we come up with the trends that we think are going to be most impactful to our clients for the next year. And we recruit around that, we train around that, and we develop services around that. And of course, all these ideas are vetted through good engineering discipline and rigor. So we're not just following shiny objects, but we're leading it back to what we know to be true to our core foundations.

Vinnie:

The one today we're going to cover is microchannels. And to give you a little bit of a background on this, we all know what multichannel is from many, many years ago. An organization might reach out via television commercials, radio, print ad, websites, et cetera. Omnichannel, which followed is the idea that we understand that our customers and our employees and our business partners have more than one digital device and an experience has to span those devices. So when you design experiences, you design it for the full journey not a particular technology along the journey. So I start something on my website or company's website, and I pick up the mobile app and it knows where I am, it picks up where I left off. Those devices are specific to the task. So what I'm hit with on the mobile device is different than what I'm hit with on a website or a wearable because it knows where I am and what I'm doing and how I'm doing it. So it's very specific and personalized. The next phase that we're in now is what we're calling a microchannels. And what we're seeing is a proliferation of those channels, more and more and more ways to interact with people, more digital front doors into your organization. But they're more finely grained, they're more single purpose. And that provides a lot of opportunities but a lot of risks as well. So joining me today, Brian Hardwick, a director out of our Denver office. He specializes in agile coaching and has a lot of direct experience in implementing these types of projects. So wanted to bring Brian on to have a conversation about what he's seeing in the real world and some of the risks and challenges of this approach. So Brian, welcome.

Brian:

Thanks Vinnie, happy to be here.

Vinnie:

Kicking this off, I guess I would say given my summary, do you agree with that position? Is that something that you're seeing in the wild?

Brian:

Absolutely. I think when I started early on in my career, I still remember when we had to do mailers and placards. It was pretty much isolated to print radio and TV advertising. And just the maturation over the last 10, 15 years has been pretty exponential. What I'm seeing more current day is marketing departments have probably doubled or tripled over the course of the last 10 years, but there's still a lot

of inconsistency in what the overall experience looks like with a lot of solutions. What I'm seeing currently in the market is there's a lot of different directions that people are going with marketing but there's really not a lot of consistency and a lot of that has to do with some technology restraints that are pretty prevalent in the industry.

Vinnie:

Yeah. And it's not just marketing, it's also ... I think of the journey mapping that our CX group does in terms of the applications that are being developed and the experiences that employees and consumers have using those apps. And I think it came out of COVID, kind of when COVID hit. I say this, kind of a broken record on this, but people who had good architectures and good methodologies and empower teams responded much more quickly than those who didn't. And they did so by creating more channels that were more specific to tasks like paperless interactions, curbside pickup, those types of things.

Brian:

Yeah, I completely agree. What I noticed and I actually told a lot of people throughout the pandemic is the companies that had adopted an agile mindset were able to shift and pivot a lot quicker than those that have really aging architectures and aging methodologies within their organizations. I was thinking about this last night, and I remember when the pandemic first happened and everything shut down that Dove came out with a commercial that wasn't selling a product, they weren't doing anything. But it was within days of the whole nation shutting down that was just like, hey, we're all in this together, we know this is tough. But it was that level of speed that they came out with that messaging that I remember that commercial from beginning to end more than any other commercial during the pandemic.

Vinnie:

Yeah. And CapTech has some consumer research we do every year. And one of the interesting findings is what people identify with from a brand perspective is shifting. I guess it always does shift over time, it changes. But they value companies that take customer and employer health, inclusivity and accessibility very seriously and they're choosing those brands over others based on those factors. To kind of take it back to the point of this, you can gain or lose a lot in a very, very, very small channel based on the perception of your being inclusive, accessible, relevant, and safe. And one of the ones I think of, I think it's a really easy one to get your head around is a restaurant example where you can have a favorite restaurant, you love it, you love the service, you love the location, the atmosphere, maybe the bartender, maybe the owner. Whatever, you love this restaurant. And now there's a QR code for the menu, and it only has a subset of the items on the menu that are normally there because they have more than one location and not everything's available in both locations, and it's complicated to update the menu. And at the end of the night, you scan something else to pay, and that's a third party vendor. It's clumsy, difficult to use and a negative experience. Well, that little tiny outsourced channel is enough for someone to say, "That's a confusing experience that makes me feel stupid. I'm not going back there, I'm going to a different restaurant," even though 99% of everything else is on target.

Brian:

Yep, I 100% agree. I was actually talking with my daughter about this. And the one thing, because she's a college student, was time. Am I spending my time wisely with this company? And the biggest thing that she said is that, A, you need to make it easy for me to do business with you, whether that be through online, in-person or otherwise. But also you need to communicate to me in a medium by which I am actively using. So she brought up a really good example of how smart marketing is when a company

sends you coupons based on what you order. And if they don't hear from you or you didn't do business through their app for a while, they reach out and just say, "Hey, how are you doing? Why don't you come by for some free X, Y, Z product?"

Brian:

I had an experience last weekend where I went out to eat and they handed me a paper menu. And then there was a scannable menu to get the drinks on. And then they brought me a paper ticket and I went to hand them my credit card and they said, "Oh, you could pay through the QR code." And so I was confused throughout the whole process, do I use the paper menu, do I use the online menu? Do I pay the server, do I pay through this app that I don't know where that's going? So it kind of diluted the experience.

Vinnie:

And content is really difficult to manage across these additional channels. This all goes back to having good architecture. You shared something with me where it could take two days up to two weeks to get new content into some of these third party vendors. And that's not fast enough for someone who's changing things on a daily or even hourly basis from a content perspective. So when people think about these additional channels and outsourcing these additional channels, there's a huge requirement on integration and speed to market that can really limit the effectiveness of those channels.

Brian:

It's more important now than ever that not only are you communicating to customers through the appropriate medium, but it's also timely. A lot of times what we saw through the pandemic is it took some companies three to six months in order to even be functional within an online platform. And then others were doing it overnight, and they were marketing towards that platform almost instantaneously. A lot of those companies that were first to market with that mechanism far surpassed or even put some of these other organizations out of business.

Vinnie:

And it's not just the technology integration of the content, it's that unified brand experience. I feel like, like to your point, going back and forth between two or three different channels to try to order, enjoy, pay, whatever, is not seamless, it's not consistent, it's not branded, and that affects behavior. Switching it, there's some really positive things here too. I feel like we're doubling down on the risks and negative. But I had a government conversation the other day, and I was thinking about the Virginia DMV. And they do a good job of emailing me well ahead of time and reminding me that I have cars that have to be registered, otherwise I would forget. There's a direct link to the website, that's great, but it kind of stops there, it's not really personalized, I have to search for my record and remember my password and go in and find my vehicle and pay and all that kind of stuff. So I was having a wouldn't it be great moment where wouldn't it be great if I'm wearing an Apple watch and I just get bumped on the wrist reminded by the DMV and do I want the same two-year registration I had last year? Tap the screen and it's done. And because I've authenticated with my watch and with my phone, it's a trusted authentic ... I know it gets complicated, but it's those types of things that would be, that very small experience would change people's entire perception of a DMV experience. Are there other clients you're working with, either with that or augmented reality or wearables or IOT that you're seeing positive flows?

Brian:

A food distribution company that I was working at had done some experimentation with wearables and identifying exactly how far their customers, or I'm sorry, their employees were actually traveling in order to deliver product and taking that information to try and find better routes and better pathways into a business. But one area that they're starting to approach is to be more in touch with the customer experience in addition to the employee experience. So for example currently they don't have the ability to say, "Hey, your truck is 15 minutes late, it'll be on time," or, "tap here if you want to set up a different time," or, "hooray, your truck is going to be 15 minutes early so your food has arrived." The personalization of the experience to what you're talking about with the DMV, I think it expands to almost any industry to say, "Hey, you know me, you know how I do business. You know how I like to be communicated with, and we've accomplished something together."

Vinnie:

And the voice, I mean, there are examples. And what I mean by voice is are you super professional and buttoned up across all your communication? Are you kind of friendly, are you kind of comical? And the voice changes through different outsource channels and you lose that sense of brand. I mean, you had some good examples last time we chatted about, was it Planet Fitness or something and other companies that have that type of voice, are there examples you can give on that?

Brian:

Yeah. I mean, a big one is Planet Fitness is commonly heralded because of their consistent branding. And you go to their website, you walk into any one of their clubs, you look at any of their print marketing. And they always refer to themselves as the anti-fitness fitness club. And they make it a very big deal that it's a judgment free zone. You're here to get better for you, and the expectation is not that you're there to get better for somebody else. Even from their colors, which most people would think that purple and yellow is obnoxious in some branding context, but it works for them because it's the messaging around the branding and it's the inclusivity and the accessibility that allows for them to be successful with how they're doing business.

Vinnie:

So their challenge is as there are more and more ways to interact with them, providing that consistency. Well, accuracy in the content, timeliness in the content but also consistency in the presentation, branding, and voice. I got a question that kind of came out of that when you were talking about the distribution company, and it relates to data. Seems to me that the more channels we have the more types of data, more variety of data, volume of data we'll be getting from either our employees or partners or our customers. What concerns come up? Are we worried more about privacy? Where's the line between personalization and privacy? I'm just curious as channels proliferate how we manage that expectation.

Brian:

I think a lot of companies that I've worked with most recently, they may or may not have invested as much as they could have in terms of a data fabric. And understanding that your data persists everywhere throughout your entire organization, and it should be sourcable on demand in order to make better decisions in terms of how we are actually broadcasting our message to our customers. A big example of that is five, seven years ago, it was like, oh, Tableau can help us visualize everything and do everything. But the reality of it is that you probably have 5, 10, maybe even 20 third party integration systems that are actually controlling a piece of the marketing. So you're having communications come

out of this app to this customer. Well, is it branded? Is it consistent? And what data is it using in order to create that messaging? So I think really tying together how we're sourcing the data to target the right customers at the right time is where a lot of the focus should be placed this year.

Vinnie:

Got you. I also think about accessibility, web content accessibility guidelines. So as you go into multiple channels, whether it be a smart speaker, computer vision, a wearable, augmented reality. So we're providing all these additional experiences for people, we're going to have more and more areas in which we're excluding groups of people who have different capabilities and limitations, right? So what's the thought on the one hand increasing number of channels and two making sure that you're being as accessible and inclusive as possible?

Brian:

Well, I think over the last obviously five years accessibility has definitely become a trend in and of itself and with the guidelines of WCAG 2.0. I actually came across a website the other day, it was an online menu. And in the bottom corner of, it had a little accessible icon. And it allowed you to go in there and toggle language, zoom, colorblindness, make the font bigger. So I think that some areas are actually getting there in terms of accessibility, but it's one of those things to where creating an inclusive environment and making sure that you are actively, I don't want to say catering, but you're actively incorporating those principles into how you're actually delivering to a customer is incredibly important. Another nugget I got from my daughter was socially responsible companies that stand for something and they stand firm in that, whether it be accessibility, inclusivity, socioeconomic causes, whatever it is, if they stand firm in what they believe in, that is already more attractive than a company that's just doing business with you.

Vinnie:

Right. Tying that back to microchannels, how do you communicate that? Because again, the whole point of these microchannels is that they're smaller and they're doing less things. So you've really got to take into consideration. One, you want to be genuine and authentic, you don't want to be jamming this down people's throats. You want to have people realize this is who you are without shouting it. So that's easier to do when you control print media, it's easier to do in a commercial. It's more difficult to do when you've got 10 different ways, 10 digital front doors that they're operating with you.

Brian:

Yeah. From my standpoint and a lot of things that we coach teams on is how mature is your architecture, how mature is your methodology? And are you actually starting any type of opportunity to reach out to a customer with that accessibility and inclusivity in mind? So we should be making that a part of the whole optimize the whole philosophy. So yes, speed matters in getting out to customers. But if you're really fast at getting out to customers and your messaging is poor or it's not accessible, you've already lost a large contingent of the population. So I think if the investments made towards making sure that your architecture is sound, your infrastructure's in the right place and that your methodology is inclusive and accessible about how you're communicating to customers, I think that's going to make all the difference.

Vinnie:

Yeah. And I think it not only has to be available, it has to be visible. And what I mean by that is, to your

daughter's point, the majority of people accessing or using a site won't have those limitations, but they're making a brand decision based on those audiences being included in a genuine way. So not only do those services have to be available to those populations, they have to be visible to everybody so that people understand this from a brand perspective, this is something you care about and value.

Brian:

One of the statements that resonated with me as I was talking to some other people is that there's a fine line between promoting your good deeds or your ability to be accessible for customers and being grandiose about them. If you are actually communicating that, hey, here's something that we're doing for the community or, hey, this is accessible or, hey, we're being inclusive in the way that we're thinking about reaching our target audience. But when you take it too far and it becomes more of, hey, I'm patting myself on the back as opposed to what servant leadership is all about, then it becomes a turnoff especially for that target marketer audience, that 18 to 25 range.

Vinnie:

So I guess to tie this back to something tangible from a process perspective, a lot more of the clients that I'm working with now are doing full journey mapping. That was something that I didn't see as much a decade ago. And now I think it kind of came out of the agencies in traditional consulting and project delivery where you're not only looking at the experience of a customer across the phases of how they interact with your organization and devices. But now we're layering on top of that these consistent voices, brand messaging. I think it can, to your point, be overbearing when you overstate it in individual channels. You don't have to tell everybody your complete story in every single channel because now it's going to sound like it's way too much information coming in.

Vinnie:

You need to think of it across that journey map where those touchpoints are and dropping the relevant bits in where they should be so it's not overbearing and overstated. And the collective response of all those channels working together is a brand sense, a brand vibe that you wouldn't necessarily get in one channel. We have to recognize that very, very, very few people interact with a company through a single channel.

Brian:

Yeah, I think journey mapping is huge. And we do it at almost every level from a coaching standpoint. So whether you're building an app, whether you're building even just a messaging service, we are looking at the experience from an end to end standpoint. And this is the reason why I've noticed a lot more of our projects have CX people on them from the beginning. And sometimes we would want them even sooner before we come in and actually start coaching the teams to help lay out what that journey and that consistent look, feel, and branding and messaging looks like.

Vinnie:

I think it ties into the innovation strategy as well. So if you're looking out the next five years and where you want to innovate, are you going to be doing conversational technology? Are you going to be doing augmented reality? As you're journey mapping those, sure. But even before the as you're thinking about an innovation timeline, that's the time to start thinking about the messaging, the accessibility. All those things need to be considered more than just the shiny technical object. I guess, how would you react to augmented reality in an application or a service knowing that a percentage of the customer base is

visually impaired and can't use it? Do you consider it a progressive enhancement and not worry about it? Do you provide augmented content on a website? Do you do a voice version? If something is so obviously tied to a speaker, then hearing is required, or augmented reality and vision is required. How do we handle that from an accessibility standpoint?

Brian:

That's exactly where the innovation piece goes because we know that augment reality has a place in what we're doing but that obviously doesn't cater to 100% of the audience, it's not relevant to somebody who might be visually impaired or hearing impaired. I would like to see from the standpoint of using the data to better understand the requests that are coming in and pulling from that in order to provide some median to where either you have an e-reader, or you have even a braille screen that would automatically allow for you to understand what's happening. It would be nice if 100% of customers could use online chat. I mean, online chats exploded over the years but it's not relevant for everybody, especially due to some of those accessibility limitations.

Vinnie:

Yeah, that's a good point. I'm glad you brought it up because we were talking a lot about particular microchannels, but we really didn't get into the conversational technology too much. And I think it's important to note that chatbots, smart assistance, smart speaker technology is really being adopted now, people really are stepping into it. And one of the points I'd like to make on that, and I was talking about this yesterday, you don't have to be perfect in those technologies to get the technology out. Now, that doesn't mean the code could be sloppy. I mean, yes, it has to be very resilient, scalable code. Not perfect there from the standpoint of how good your chatbot is, how good your voice recognition is. Siri can still frustrate me, but it's still really good, and I still much prefer using my voice. And Apple is using that data every single day to improve the process. So one of the things I think that is important is as you look to microchannels, it should be a resilient, scalable, technical solution. It should be done really well, but it doesn't have to be perfect.

Brian:

And that's a lot of what we coach when we go into an organization is let's get to something which is functional, that's on brand that is providing an experience. And then let's leverage the data and the feedback, whether that be technological data or verbal data or customer feedback to actually validate the solution and then build on it from there. But I still feel as though that right now that we can do a better job of ensuring that we're building these things with 100% accessibility in mind.

Vinnie:

We're kind of asking traditional companies, financial institutions, retail, healthcare utilities to take on a tech company mindset where you do something small, you do it really well, you put it in the market, you test and learn, and you refine. A lot of the more traditional clients want to spend a lot of time making sure that it's perfect before it goes out. You can't react quickly enough to the demand if you take that approach.

Brian:

Yeah. And I think a lot of the big traps that some organizations that I've worked with have fallen into in the past is we're mapping things out for 12, 18, 24 months. And we become so heavily invested in some of these objectives and initiatives that in order to pivot it's going to cost you twice as much to pivot. We

look back when the pandemic happened, a lot of the companies that were able to pivot did really, really, really well. And the ones that were heavily invested in objectives that were long running, they struggled to adopt. But you're absolutely right is, let's really focus on getting a minimum viable product to market and letting the feedback and the data tell us the direction to take.

Vinnie:

I could wrap up with one thought, and that is sort of the integration of all these things. I often say that it's not about one particular technology, but the amplification you get when multiple technologies intersect. So if we think about some of the microchannels we discussed, whether it be in a virtual assistant or a chatbot or smart speaker or wearable or computer vision to the extent that you're integrating that with machine learning, with artificial intelligence, with personalization across those channels. And that's really the important thing, it's not to see these channels, these microchannels as individual objects, but how they're integrating with all the other microchannels. And you're backing data and you're backing machine learning to be proactive in your personalization and recommendations so that there's a surprise and delight aspect to the experience. And I think that gets missed as people chase individual technologies or individual channels. Are you seeing that as your clients as well or are they still in the process of trying individual channels to work before they see that larger picture?

Brian:

I think it's a steady mix of both. There's some of them that their messaging and their brand is so strong, and they've been doing it for so long that their brands are so recognizable that even a small slip up in one of those channels is likely not to have a huge impact. But the ones that are still growing their brand with their customers to create that more consistent and holistic experience across multiple channels, I find that they tend to be a little bit slower in releasing each channel mainly out of fear. Like if this doesn't go well, what are going to be the impacts to the organization?

Brian:

One of the big things I see that's starting to become prevalent with machine learning is, yes, we want to use as much data as we can responsibly in order to inform the decisions that we're making through our microchannels, but how do we eliminate bias within our datasets? So I know that there's a tool out there, AI Fairness 360 from IBM that's helping some of that of elimination of bias. But I do feel as though that companies right now that have a really strong brand recognition are moving a little bit quicker because it's easier for them to incorporate their brand. Ones that haven't matured their microchannels are a little bit slower to market when they're trying to pump out this multi-tiered approach.

Vinnie:

I'm glad you brought up bias, I should have brought that up but it was a miss on my part because, yes, as you introduce more channels, you introduce more opportunities for bias. And I think the scary thing is as you bring in third parties that you're outsourcing these micro channels too, you're potentially bringing their bias and their algorithms in as well. So you need to pay strong attention to that. Wrapping up, first, I want to thank you for joining me, it's been a great conversation. But I wanted to ask you for our audience, what should people be thinking about at the end of this conversation when they go back to the organizations? What are a couple key takeaways that they should be looking at in their projects moving forward?

Brian:

Couple things. The voice of the customer is obviously what drives the economy of a business. And a lot of things that I work with when I'm working with teams and organizations and executive leadership is if the messaging that you're trying to communicate to the customer doesn't hit you in the heart, it won't. There's no way that you can actually form fit or manufacture a response from a customer without getting their input. The incredible importance about building something, testing it quickly and getting rapid feedback into the product is going to result in a better product at the end of the day. If you're communicating through a variety of channels already currently, take the time just to make sure that the architecture and the technologies that are underneath it and any third party integrations that you might have are consistent. It's worth deploying a team to make sure that the messaging to our customers is consistent and palatable to an audience.

Vinnie:

The one thing I would leave them with is the smallest of the channels could have the biggest impact, either positive or negative. And don't look at the effort, the size or the cost of the channel, look at its possible impact to the overall user experience because a lot can be gained or lost on something very, very small. The entire Lord of the Rings was written about that. Again, thanks for joining, I appreciate it. And for those listening, we have a couple more trends coming up. We'll be talking about hyper automation and data productization, so stay tuned.

Brian:

Thanks Vinnie.