



## CMOs & CIOs: Aligning Marketing & IT to Elevate the Customer Experience

In the digital world, customer expectations, as well as business models, continue to change. In this dynamic environment, IT and marketing executives are joining forces to ensure that systems, applications and services work in concert to deliver exceptional service at every touchpoint.

### Executive Summary

The process of checking in to a flight has changed dramatically over the past 15 years. For decades, airport counters were passengers' only option. Today, check-in can be completed online, at self-service kiosks or, more recently, through mobile devices and wearables.

As competition within the industry intensified, companies reacted quickly - developing digital solutions to remain competitive and keep customers loyal. Nonetheless, many airlines suffered endless technical and customer-related issues as they worked to simplify and streamline the process of selecting, booking and boarding flights.

While customers have increasingly high expectations for digitally-enabled services and applications, testing methodologies and development tools have not kept pace - often leading to poorly implemented systems and less than acceptable customer experiences.

As digital products and services go mainstream, there will be more opportunities for consumer-facing companies to improve the customer experience, grow profits and fortify their brand. But as with every technology disruption, early adopters are already facing challenges.

For example, Qantas Airlines, a pioneer in supporting applications for wearable devices, recently encountered problems with its new app, which allows passengers with an Apple Watch to download and scan their boarding pass without having to remove the watch from their wrist. Despite having passed through traditional QA within Qantas's testing cycle, the app failed when passengers' wrists couldn't fit through Qantas's fixed scanners at the gate.<sup>1</sup> (See Twitter exchange in Figure 1, next page). Passengers had to switch to their smartphones or, in some cases, leave the line, find a kiosk or wait at the gate counter to obtain a standard boarding pass. This clearly was not the level of service Qantas had in mind.

## Challenges for Early Adopters



Figure 1

Confronted with limited budgets, CIO organizations traditionally focus on the technical aspects of a project initiative, which are usually limited to functional and non-functional testing or, in the case of Agile development, short, “bite-size” user stories. However, as initial ideation passes through the development chain - from the business, to the analyst, to the developer and to quality assurance, context can be lost and new assumptions made.

If an application doesn't meet expectations after rollout, the provider must track down what happened during the development process - causing organizational lines to blur, especially in companies undertaking digital initiatives. The biggest change can be seen in the relationship between the CIO and CMO.<sup>2</sup>

In this paper, we explore how digital platforms and applications are changing the dynamics within IT and marketing organizations and positively impacting customer experiences.

### How Digital Drives Organizational Transformation

Improving the customer experience can increase customer satisfaction, conversion and retention - enabling companies to grow profits, build brand heat and attract and keep loyal customers. To support this way of thinking in the digital world, businesses are starting to make changes to their

organizational structure and operating model (see Figure 2, next page).

The best customer experiences begin on the ground floor, during application development. Traditionally, the IT organization would receive a request to build a new application or make changes to the existing software stack. These requests were usually generated by a business unit or marketing teams, reviewed at the executive level and, once approved, passed back to the IT organization to create an estimate of the cost and develop a project schedule based on available resources. Following approval of the budget and time frame, the IT department would begin the requirements-gathering phase. The process was mostly unidirectional, since the CIO organization was seen as a necessity, and often a cost center for the company.

### Digital & the Changing Roles of CIOs & CMOs

Digital platforms and applications are changing the CIO/CMO relationship as companies focus more on delivering outstanding customer experiences and less on managing the systems that support these efforts. As a result, CMO organizations will typically provide the requirements - and the budget - for customer-focused digital initiatives.

Likewise, the CIO organization is now encouraged, sometimes asked, to present ideas and recommendations to the marketing team. The goal is

## Evolving Operating Models



Figure 2

to develop a collaborative environment equipped to handle the demands of digital platforms and solutions. For more on this dynamic, please read [“Being Digital: How and Why CIOs are Reinventing Themselves for a New Age.”](#)

Since most companies are still in the early days of their digital journey, they will face challenges as they attempt to address and overcome cultural changes within the business. As these issues emerge, concerns related to quality and business assurance will have to be resolved (consider the Qantas Apple Watch application). For example, which organization - and which budget - should take responsibility for a successful rollout of a new app?

### Triaging Digital Assurance

The case for organizational change can be substantiated by looking at a simple scenario of triaging digital assurance. QA departments excel at prioritizing performance issues, but often struggle with interface and usability-related problems. Marketing teams are good at setting expectations for usability, and can often assist in resolving interface issues, but they wrestle with functional challenges. This underscores the value of sharing operability and usability responsibilities across CIO and CMO organizations (see Figure 3, next page). For more on this topic, please read [“Business Assurance: The Quality Implications of Digital Business Transformation.”](#)

### CMOs: The New Stakeholders

As stated earlier, in most customer-centered digital transformations, the CMO manages the budget. Historically, the CMO organization has been responsible for fulfilling the company's marketing requirements - either with in-house resources or by contracting with digital marketing agencies. Their work included application testing and/or validation involving usability, UX, A/B testing and beta user testing, for example. This resulted in “zombie” systems and a maintenance nightmare - not to mention the business challenges that come from attempting to create consistent, multichannel experiences when there is no master data record of customer transactions and interactions.

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Today, IT organizations are requesting access to budgets for validating customer experiences and including real-world users in the design, development and release of software.

Although IT organizations may not be responsible for activities such as customer-experience testing, some are taking on this task - either through in-house learning or by hiring specialty partners. The CIO can then offer this capability as a service to the marketing organization, and act as the latter's internal client. In other cases,

## Collaborating to Elevate the Customer Experience

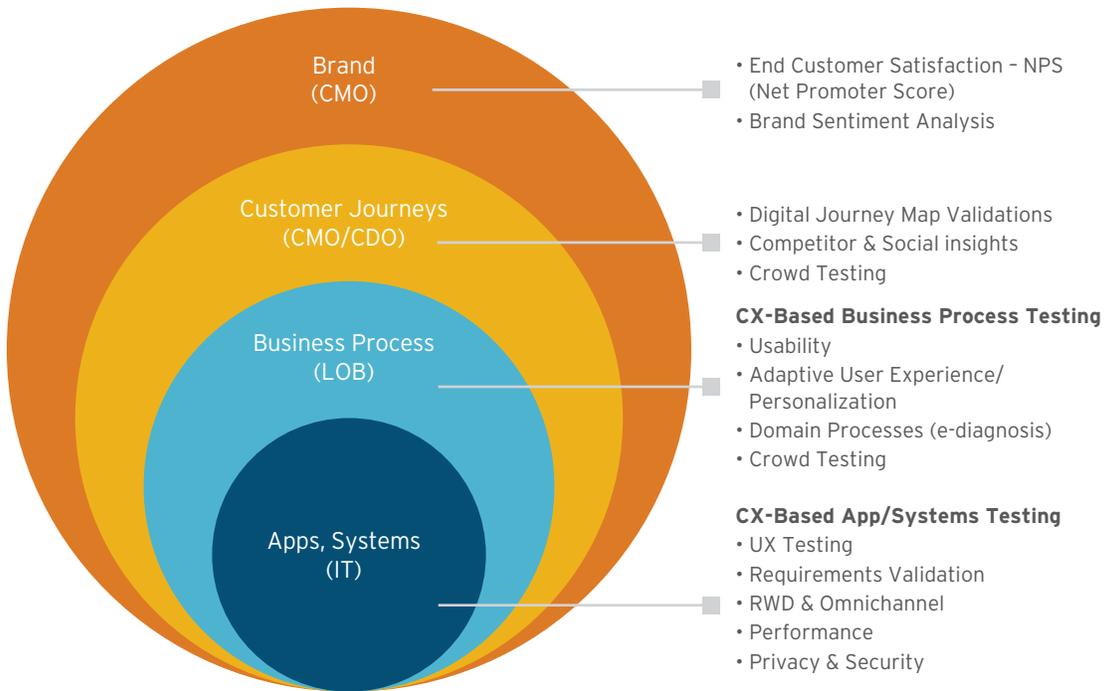


Figure 3

the IT organization simply refers specialists to their marketing counterparts. Either way, IT and marketing teams work together to close the loop on unexpected usability issues.

Regardless of the strategy, it has become clear to CIOs and CMOs that assuring an outstanding customer experience is a standard market expectation. Working together, they can look beyond quality assurance and focus on gratifying customers, increasing user adoption, and achieving overall business assurance.

### Looking Ahead

Just like Qantas, many companies are learning key lessons as they make the transformation to digital:

- **Test applications with real devices in a real-world environment before a formal release.** Testing on simulators, as Qantas did when developing its Apple Watch application, can be very effective in the early stages of the software development lifecycle (SDLC). However, as code is compiled and integrated, it will behave differently on actual devices.
- **If the application is to be used by customers (i.e., on their smartphone or wearable), the**

**company must test it “in-the-wild”.** This is critical to really understanding how the uncontrolled conditions of the real world will impact the application. After all, customers are brand ambassadors; one bad experience can not only disappoint the customer, but also damage the company brand and potentially cause it financial harm, depending on the criticality of the application.

- **Bring actual users into the testing cycle as early as possible to assess their experience.** Give real-world customers access to an application prior to roll-out. Companies can then know what to expect once the application “goes live,” and gain a degree of insight into overall user sentiment.
- **Select real-world users who represent the company’s target audience (i.e., personas).** For instance, in the airlines industry, an application should be made available to frequent flyers, business travelers, occasional travelers and tourists. Since the expectations of these groups will vary, the airline must understand and validate how the application will improve the customer experience for each persona type.

- **Analyze whether competitors have faced similar situations (if any) and how they addressed the challenges.** In today's world, businesses in virtually every industry aim to release applications early and fast - even if they are not fully "baked." This allows companies to learn about and accommodate their customers' interests. In other words, customers are beginning to drive application development, rather than simply influencing the business strategy.

These actions introduce a new market dynamic and an environment where competitors can learn from one another and share what works - and

doesn't - in the marketplace. This can save time and money on market research and application development. In the Qantas example, competing airlines that were considering an app for the Apple Watch were able to test and track their application throughout customers' journeys - digitally and in the real world - and meet or exceed passengers' expectations from day one.

In the digital sphere, customers' behavior and entire business models are rapidly changing. CIOs and CMOs must thus work in lockstep to collaborate and communicate, and do whatever it takes to deliver exceptional customer experiences.

## Footnotes

- <sup>1</sup> Sydney Morning Herald, "Qantas Suffers Apple Watch Fail," April 29, 2015. <http://www.smh.com.au/digital-life/wearables/qantas-suffers-apple-watch-fail-20150429-1mvrxx6.html>.
- <sup>2</sup> Some companies have created the roles of chief digital officer (CDO) and chief customer officer (CCO). Sometimes these positions are assumed by someone other than the CIO and CMO. However, we see many CMOs take on that additional responsibility as digital transformations begin. For simplicity, we only refer to the CMO in this paper.

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