

# The Future of Digital Experience in Manufacturing

Key Trends & Opportunities

 Liferay®



# Executive Summary

**Australia's manufacturing industry contributes around \$100 billion a year to the nation's economy<sup>1</sup>, with significant potential to grow the industry further and drive increased resilience.**

The announcement of the Modern Manufacturing Strategy by the Australian Government<sup>2</sup> in October 2020 reaffirmed the vision and commitment to become a globally recognised, high-quality, and sustainable manufacturing nation.

The COVID-19 pandemic proved to be a catalyst for change for many, accelerating digitalisation across entire industries before organisations were even ready. For Australia's manufacturing sector, we witnessed the start of a new era for transformation, with increased opportunities for business improvements as well as a new spotlight on the customer experience.

With digital transformation underway in production, extending this to the customer experience is now the next critical frontier to removing friction from the buying process, optimising processes, and positioning organisations as modern, forward-thinking partners.

As we navigate through this pivotal phase for growth, manufacturers need to understand how they can stay relevant and expand their digital capabilities to meet today's buyer expectations.

**This report will delve into the current market trends and challenges, as well as share insights from current success stories within the manufacturing sector, to highlight key considerations in driving your digital transformation journey forward.**

---

1 Australian Government - Department of Industry, Science, Energy and Resources, 'Australian Manufacturing Performance Report', May 2020

2 Australian Government, 'MAKE IT HAPPEN - The Australian Government's Modern Manufacturing Strategy', October 2020

# Navigating the New Landscape: Manufacturing Industry Trends

## Moving Beyond Efficiency

There is no denying that the industry is undergoing a dramatic transformation as Australian manufacturers look to diversify their attention beyond production and recognise that they **need to compete on value rather than cost**.

Whilst the digitalisation of customer experiences has been a global trend over the last 20 years for almost every B2C industry, it was fast-tracked into the limelight for many B2B sectors. Companies were forced to adapt to the new constraints brought on by the COVID-19 pandemic that prompted a digital-first approach.

The manufacturing industry has historically been heavily product- and operational-focused with maximum attention on driving cost and production efficiencies.

However, whilst driving profitability remains a key priority, the sector was not immune to the necessities of digital transformation. Over the last year, we have seen increased emphasis towards digitalising the front-end experience to meet today's buyer requirements, with the introduction of new digital channels, personalisation, and customer journey mapping.

A recent L.E.K. global study<sup>3</sup> in 2020 revealed that **83% of the industrial firms that have been most successful at increasing revenue, market share, or net promoter score (NPS) say they have made meaningful investments in digital customer experience.**

As manufacturing companies advance into the digital era, the term “servitisation” is being used to describe the industry’s shift away from purely focusing on product towards driving innovative services that run parallel.

Consequently, we are seeing the service delivery model evolve and the customer journey pre-sale, during sale, and post-sale being evaluated more closely.

Engaging customers, enabling self-service, and investing in post-sale interactions are now the new investment priorities on the agenda. This is fast becoming a critical strategy for manufacturing leaders looking to stay ahead and remain relevant in the new landscape.

---

<sup>3</sup> L.E.K., ‘COVID-19 and the Digital Call to Action for Industrial Companies’, April 2020

## Adapting to Today's Buyer Expectations

As buyers took gradual shifts towards online purchases, the pandemic and work-from-home environment took everyone online. This accelerated change has opened the doors for opportunity and innovation in the sector like never before.

The business buyer today wants to be in control. They want to be empowered with the right information on demand to be able to make informed decisions. These new expectations are pushing manufacturers to provide digital channels that allow customers to self-serve or that provide instant responses to service requests, as well as proactive maintenance and support through user-friendly interfaces.

By taking a customer-centric approach, manufacturers have the opportunity to move from the transactional product push approach and provide customers with the right products at the right time, as well as give them access to faster remote and digital self-service channels.

As manufacturers respond and adapt to the new needs of buyers with the introduction of digital, this is just the start of a new journey of continual assessment and evaluation of changes in buyer preferences.

This ongoing analysis will be a key consideration for manufacturers in their transformation journey as they look to advance their digital capabilities. This level of buyer insight will be enabled through the right digital investments and analysis of key data on a regular basis.

## Rising Competition & Increasing Resiliency

The manufacturing sector is fiercely competitive. Increasing globalisation has impacted Australian manufacturers significantly, with many finding it difficult to compete with offshore businesses and their lower manufacturing costs. Moreover, the emergence of B2B marketplaces and online retailers such as Alibaba and Amazon is placing immense pressure on local manufacturers to find new ways to compete and maintain market share.

With Industry 4.0 driving the opportunities of emerging technologies (such as AI, 3D printing, and automation) as solutions to lower production costs, another advantage that supplements this is attracting local customers through faster digital services.

For Australian manufacturers that are able to advance their digital transformation journey successfully, this presents two key advantages:

1. **Adaptability:** able to quickly respond to changes in demand and drive supply chain resiliency and operational efficiency through faster production
2. **Competitive differentiator:** digital channels provide on-demand, real-time insights and a superior customer experience to provide that essential edge over the competition

Digital customer experience investments are on the rise in self-service tools, automated service offerings, and personalised product catalogues. By providing a convenient, informed, and user-friendly experience that transcends beyond product delivery and into a personalised relationship, manufacturers have the opportunity to establish themselves as their customers' go-to provider.

## Total Experience

In Gartner's Top 5 Strategic Business Trends in Manufacturing Industries for 2021 report<sup>4</sup>, they predict that by 2025, 95% of the top 50 consumer goods manufacturers will have one or more of the following:

- A brand app using artificial intelligence (AI)
- Embedded technology in the product
- Use of digital assets (such as videos)
- Integrated innovation with their IT and R&D teams

The report recommends engagement with customer experience (CX), employee experience (EX), user experience (UX), and multi-experience (MX) leaders or centers of excellence across your organisation to form a total experience "fusion team" that crosses activity silos.

The paper goes on to project that by 2024, organisations providing a total experience will **outperform competitors by 25% in satisfaction metrics for both CX and EX.**

<sup>4</sup> Gartner, 'Top 5 Strategic Business Trends in Manufacturing Industries for 2021', June 2021

# Digitalisation of the Customer Journey

As we continue to evaluate what the “new normal” will look like post-pandemic, companies need to be prepared to adapt as buyer behaviour and preferences continue to shift. The ability to add value to the online customer experience through effortless and personalised experiences will become a key factor in the buyer selection process.

A critical aspect to digital customer experience lies in embedding a 360-degree approach to customer experience and understanding the customer journey. It can be hugely powerful for a manufacturer, bringing transparency, agility, and efficiency into the operating model, in addition to driving higher customer satisfaction. In this section, we will examine some of the key aspects for you to consider when developing your digital experience strategy.

## Data, Analytics, and Personalisation

A big piece in the digital puzzle is data. Understanding your customer behaviour and using this to derive insights into what your customers want from your digital offerings is the first big step to ensuring you are front of mind for business opportunities.

This can be particularly challenging in the manufacturing industry where buyer personas and their requirements can vary dramatically. This is where the role of personalisation comes in.

According to Accenture<sup>5</sup>, 75% of customers admit being more likely to buy from a company that do any of the following:



**Recognises them  
by their name**



**Knows their  
purchase history**



**Recommends products  
based on their past purchases**

The use of data and analytics to understand your customer personas and to position the right information at the right time in the right way is playing a key role in revenue generation for leading Australian manufacturers.

<sup>5</sup> Accenture, ‘Consumers Welcome Personalised Offerings but Businesses Are Struggling to Deliver, Finds Accenture Interactive Personalisation Research’, October 2016

As shared in a recent interview with IQPC, Jason Gow, Marketing & Communications Lead A/NZ at GE Healthcare, used data collected from customer transactions and enquiry submissions to build out content relevant to specific personas at key buying stages and created profile-specific content for each of those groups. This personalised approach generated higher quality leads for their sales teams to then approach potential customers and led to faster sales cycles from the first touchpoint.

#### 5 STEPS TO PERSONALISATION

1. Identify your key persona groups
2. Segment your data accordingly
3. Use analytics to profile the needs and behaviours of each segment
4. Create personalised content for each segment across all key buying stages
5. Continually evaluate your data to validate your understanding and assumptions of persona behaviour

## Self-Service: Empowering Your Customers

As manufacturers invest in their digital capabilities, self-service is emerging as one of the top channels to launch to give your customers access and control without agent support.

Customer portals, when developed correctly, can provide immense value to customers when reviewing or tracking their existing orders, as well as getting quick access to information or answers they need at their fingertips.

Here are some key factors to consider when developing your self-service portal:

- **Complex products, bundles, and pricing models:** ensure your self-service hub can accommodate any complexities you have in your product mix
- **Customer-centric user experience (UX) design:** driving seamless support and secure access requires an intuitive and easy-to-navigate interface – pilot this with a small set of customers and iron out any kinks before roll out
- **Optimise the buying and selling process:** ensure all the key information on your products or services is available to help drive purchasing decisions as well as create new opportunities for upselling

Customers want to be in control of their experience, so empowering them with real-time insights - whether it be about inventory levels, product details, order history, or price points – will be the advantage to winning and retaining customers in the future.

## Self-Service Case Study Insight: Mueller, Inc.

**How Mueller, Inc. transformed their website using Liferay Partner, XTIVIA, to create a self-service solution that guides and empowers customers along their journey**

What makes a great self-service offering for your customers? Why would your customers want self-service? These are the kinds of questions Mueller, Inc. was asking themselves when transforming their website into a self-service site. Mueller wanted a site that simplified purchasing processes for customers and put the power back in the customers' hands.

Mueller, Inc.<sup>6</sup> is a leading manufacturer of steel buildings and residential metal roofing in the US. Before investing in Liferay, Mueller needed an entirely interoperable platform which had the flexibility to operate cooperatively alongside their custom web applications and create an online experience for customers which simplified the process of "buying a metal building online".

Mueller, Inc. worked with XTIVIA, a Liferay Partner from the Liferay Partner Network, to create a website which provided customers with a personalised catalogue of products, captured the customer journey throughout each touchpoint, and digitalised sales processes beyond their traditional in-store sales processes. By leveraging Liferay Digital Experience Platform (DXP) and Liferay University, Mueller was able to create an experience which gave customers the autonomy to research their product offerings.

### RESULTS

Since the implementation and rollout of Mueller's new website, they have seen:



73% increase in quotes per month



Increase in website traffic by 250% - 400,000 to 1.4 million visits per month



54,000+ registered users

However, outside of the clear statistics, Mueller, Inc.'s sales process is shorter due to the added dimension of self-service. Self-service and a trackable customer journey has freed up time for sales teams to focus on nurturing and converting leads of bigger and more complex sales.

<sup>6</sup> Liferay, 'Leading Building Materials Manufacturer's New Self-Service Functionality Leads to a 73% Increase in Quotes', 2021



Mueller, Inc. recognised a need to optimise their customer experience, leveraging self-service capabilities to personalise and customise the customer journey across each touchpoint. Built on Liferay DXP, Mueller's self-service offering is interoperable with existing legacy systems and able to track customer journey and filter key information through to sales teams.

The introduction of digital platforms and online sales can create conflict with existing sales teams. It's important to get internal buy-in and introduce these platforms as critical elements to meeting the digital needs of today's buyer.

#### TOP TIPS ON GETTING BUY-IN FROM YOUR SALES TEAMS

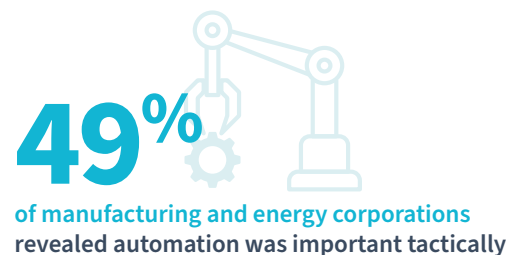
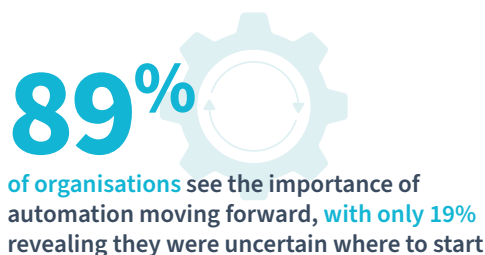
- Strong competitive advantages through streamlined processes and a modern digital operating environment
- Ability to nurture and generate higher quality sales opportunities through the sales funnel, as well as provide insights on these leads to help sales representatives
- Opportunity to drive increased customer loyalty and revenue growth due to higher customer satisfaction

## Driving Commercial Efficiencies: Automation in Focus

Automation has also been a hot topic of conversation throughout 2020, particularly for digital customer experience.

The opportunity for manufacturers to integrate automation into their digital platforms to resolve queries, automate repeat orders, as well as recommend relevant products presents a significant commercial opportunity in driving process efficiency as well as revenue.

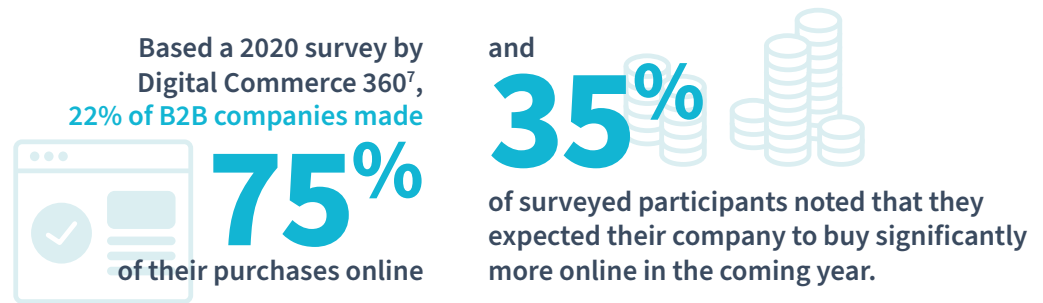
In a survey conducted by IQPC Australia in October 2020 with digital transformation and B2B customer experience professionals, the results showed a consensus that automation will play an increasing role in driving digital experiences, with the manufacturing sector seeing this as an important tactical advantage.



# Ecommerce in the B2B World

The selling model for manufacturers was also disrupted during the pandemic. With an urgent need to pivot sales and processing environments and create remote online purchasing options for customers, ecommerce platforms were introduced by a number of organisations.

Ecommerce represents a huge opportunity for manufacturers to provide personalised, effortless purchasing models and caters to the new online buying trends in the market.



This key trend in buyer behaviour towards digital channels highlights a growing opportunity for manufacturers to expand their digital capabilities and scale their online presence to capture online sales opportunities.

## Ecommerce Case Study Insight: GE Healthcare

In 2020, GE Healthcare established that there was demand for an ecommerce store due to this shift in buyer behaviour towards digital. Jason Gow at GE Healthcare comments that the emergence of ecommerce in the industry has pressured them to scale their manufacturing efforts and influenced the way they maintain market share during a time of changing buyer behaviour.

The pivot to prioritising their digital channels allowed them to scale their technology investments to streamline and digitise the order processes from the point of sale to product delivery, achieving a goal of a 5-day turnaround.

Given that they were able to speed up and deliver a more efficient transaction process for their customers, they have begun to leverage this customer satisfaction to drive further sales and demand for their handheld ultrasound devices.

<sup>7</sup> Liferay & Digital Commerce 360, 'A Coordinated Commerce Strategy for B2B Companies', 2020

For manufacturers who can provide a convenient and informative online buying experience for customers, there is a real opportunity to become the go-to supplier.

“

**Through digitalisation of our offerings, our ecommerce platform has streamlined our transaction processes - generating faster sales, boosting our customer experience, and led to us scaling our production efforts which has driven further revenue for the company.**

Jason Gow, Marketing & Communications Lead A/NZ, GE Healthcare

## Front-to-Back Office Integration: Paving the Way to Operational Resilience

For many manufacturers, process efficiency during operations has been high on the list of business improvement priorities for decades. The introduction and escalation of Industry 4.0 technologies to drive production efficiencies on the manufacturing floor is proving successful for a number of leaders in the market.

As organisations look to extend digital transformation to their front office delivery, it is essential to connect the dots and ensure end-to-end integration for a seamless experience across the value chain.

From enquiry to purchase, all the way through to production and delivery, manufacturers have recognised that they must move quickly to digitalise operations, integrate supply chain partners, and create an agile model that is resilient and can cope with changes in demand efficiently. Moreover, the ability to reduce delivery times creates a massive competitive advantage.

According to research by the World Economic Forum in collaboration with McKinsey<sup>8</sup>, the need for resiliency in operations starts with accelerating end-to-end digitalisation. Integration of digital technologies demonstrated an increase in productivity of up to 90% and lead time reduction of up to 80%.

---

<sup>8</sup> McKinsey & Company, 'The need for resiliency', 2021

# Total Experience: Beyond Technology Towards Business Strategy

According to Gartner<sup>9</sup>, total experience interlinks UX, EX, CX, and MX to increase both customer and employee lifetime value.

When striving to deliver great customer journeys, manufacturers may focus on using preferred devices for a better UX and more interaction types for MX. However, fewer manufacturers have focused on EX and linked that back into the total experience.

In the 2021 Gartner Digital Worker Experience Survey, 80% of respondents working in the manufacturing industry agreed with the statement “Digital technology is essential — I could not get any of my job done without it”<sup>10</sup>.

Organisations need to focus on using the right platform that will connect customers, partners, and employees.

In Gartner’s Top 5 Strategic Business Trends in Manufacturing for 2021 report, Coca-Cola is referenced as an example of total experience in action, specifically in relation to their Freestyle drink machines.

## **EXAMPLE: COCA-COLA FREESTYLE DRINK MACHINES**

- CX: Personalise beverages by selecting their beverage(s) and flavour(s)
- EX: Access data from kiosks to assess which combination flavours will most likely be successful as mass produced products
- UX: Design pathways to offer a manageable drink selection
- MX: Create a connected experience between the kiosk or the app to dispense a drink

The total experience strategy is an opportunity for manufacturers to identify critical gaps in customer and employee interactions to determine new business outcomes and opportunities through this holistic integrated approach.

---

<sup>9</sup> Gartner, ‘Top 5 Strategic Business Trends in Manufacturing Industries for 2021’, June 2021

<sup>10</sup> Gartner, ‘Top 5 Strategic Business Trends in Manufacturing Industries for 2021’, June 2021

# Conclusion & Final Takeaways

As the pandemic has forced buyers to become more comfortable with remote services in place of in-person experiences, manufacturers that resist and hold back with their investments in developing their digital experiences capabilities will likely struggle to compete in the long run.

Adopting a data-driven, customer-first mindset will empower companies to meet buyer requirements and service these opportunities in a way that is convenient, cost effective, and competitive.

This also creates an opportunity for manufacturers to differentiate at this critical time and reframe their brand offering in the mind of buyers towards a modern and trusted partner.

## FINAL CHECKLIST

- Analyse your customer journey and select digital tools that are best for your buyer needs. Map out the pre-sale, purchase, and post-sale experience and eliminate friction points to optimise the customer journey. Use digital solutions to reduce customer effort at key stages.
- Build out your ecommerce capabilities to drive online sales and meet buyers where they are to drive profitability.
- Develop your self-service portal that enables tracking, automation of repeat orders, and key product information to drive decision making.
- Assess the role of digital in your post-sales service through predictive maintenance and remote monitoring solutions to drive customer support.
- Optimise your operations through end-to-end digitalisation to ensure your operating model fully integrates with your digital channels and is agile enough to cope with demand changes.



Liferay makes software that helps companies create digital experiences on web, mobile and connected devices. Our platform is open source, which makes it more reliable, innovative and secure. We try to leave a positive mark on the world through business and technology. Hundreds of organizations in financial services, healthcare, government, insurance, retail, manufacturing and multiple other industries use Liferay. Visit us at [liferay.com](https://www.liferay.com).

© 2021 Liferay, Inc. All rights reserved.