Focusing on the Customer, Cloud and Conversations: 7 Trends in Modern CCM

SMART COMMUNICATIONS™

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Customers have spoken loud and clear — they expect to be treated as individuals and to receive timely, relevant and helpful communications with the companies they do business with. What happens if businesses don't meet these needs? Customers will look elsewhere. Nearly two-thirds of consumers are likely to switch vendors if communications expectations are not met.[1] This is a powerful statistic. But are enterprises listening? We believe they are and the decisions they are making today reflect this.

What does this mean, specifically? Industry analysts and experts featured in this report highlight key trends including an increase in increase in the adoption of modern, cloud-based CCM platforms; a shift toward more business user driven tools that allow for greater efficiency and agility; an increased focus on analytics to fuel insight-driven personalization; an adoption of more outside-in communications strategies; and much more.

Are you aligned with the future of CCM? Here are seven trends revolutionizing customer communications.

[1]*Source: Smart Communications consumer survey, 2018*

The forecast looks very cloudy – and that's a good thing.

The View from the Clouds

James Brown, *CEO of Smart Communications*

Cloud adoption is more popular now than ever before. In 2016, IDC reported that 85% of enterprise decision makers felt they had a timeframe of just two years to make significant inroads on their digital transformation strategy before suffering financially and/or falling behind their competitors[2]. We have certainly seen tremendous progress toward that goal, but there is still far more to accomplish before many enterprises, especially those in highly regulated industries, are able to fully deliver on their customers' increasingly digital demands.

Why? Because we are at the perfect inflection point.

1) Customers are very clearly telling us that they expect to be communicated with in more meaningful ways, or they will switch providers. In fact, in a recent study we conducted, 65% indicated this would be the case.

2) Key decision makers within industries recognize that delivering these experiences is now a top priority, not a nice to have—with Forrester reporting that 72% of business leaders say that improving the customer experience is their top priority.

3) The cloud has officially come of age. Security fears have been eased and the benefits have been confirmed. According to Gartner, in 2018 the 60% of enterprises that implement appropriate cloud visibility and control tools will experience one-third fewer security failures. Cloud adopters will also experience reduced time to benefit, overall lower cost of ownership, and more agile, scalable and tightly-integrated technology stacks.

The time is right, and the time is now. Cloud-based customer communications management platforms allow personalized communications to be delivered quickly and at scale – meeting multiple critical needs. These tools put business users in control and also allow for multiple systems to be seamlessly integrated. This increases internal efficiency while also delivering a more consistent and rewarding experience for consumers. It's a win-win and we'll continue to see that these benefits are realized by a tremendous number of companies in the financial services, insurance and healthcare industries in particular. We can't wait!

Cloud-based customer communications management platforms allow personalized conversations to be delivered quickly – and at scale

[2]*Source: Progress, Are Businesses Really Digitally Transforming or Living in Digital Denial Report*

From Transformation to Automation

Kaspar Roos, *Founder and CEO of Aspire*

Looking back at the Customer Communications Management (CCM) market, we've seen a number of trends take firm hold, having been set in motion several years ago. We've also seen the emergence of new trends that have the potential to fundamentally shape the market of the future.

Let's start with a few observations from the last year that clarified existing trends. Firstly, the need for integration and cloud deployment continues to accelerate. The need for cloud is driven by the fact that communication solutions are increasingly sold to the line-of-business leaders, who prefer consumption-based pricing models and the faster time-to-market associated with Software-as-a-Service (SaaS). CCM software is converging with other forms of enterprise IT, all of which are becoming more customer-facing. As such, there is a growing need to plug a dedicated CCM solution into existing CRM, ECM, or WCM solutions. The concept of "embedded CCM" is taking hold within the industry, but in order to keep doing so it requires easy integration, online editing functionality, and cloud deployment options.

In terms of new trends, three areas in particular started to come to the fore in 2018, mainly as a result of advances in digital transformation initiatives, and I expect them to move even further. Firstly, enterprises will continue to take more control of digital communications from their services providers. They will do this either by investing in their own capabilities, or by forcing services providers to offer more hybrid models based on business-friendly template management, drag-and-drop design capabilities and cloud deployment. This enables business users to control every touchpoint, at significantly lower cost and cycle times. This change in the services provider landscape will of course have implications for technology vendors, who will need to operate much closer with their partners and start driving innovations through co-creation.

Technology solutions are being increasingly comprised of several component parts, causing the need for value modeling to rise. Here we are seeing a real distinction between vendors – many of them have only recently started to shift to consumption-based and seat pricing models and are wrestling with determining the true value of CCM within a wider CX context. With more and more CCM buyers coming from the business side, enterprises will look to work with vendors who can clearly articulate how a solution drives business value, especially when integrating with components from other vendors.

The final consequence of digital transformation is the need for further automation. There are two main areas to consider here: content automation and production automation. However, it is worth noting that the underlying technology driving forces here are big data analytics and machine learning capabilities, which will only work well when every interaction and conversation is tracked in a central database. Overcoming data siloes by using a standardized data model in conjunction with centralized tracking is another big trend for 2019. Once automation has been adequately addressed, new interactive capabilities can be defined such as chatbots, next-best action / recommendation engines, and even content rationalization solutions. Some vendors prefer to build these capabilities themselves, while others prefer to partner with best-in-class providers, but either way the shift to smart technology in order to support meaningful conversations has only just begun.

Expectations are high, and so are the opportunities that it will provide for CCM professionals to take their customer conversations to the next level. After all, 88% of businesses that invest in omni-channel strategies see an increase in customer profitability[3].

[3]*Source: Starfleet Marketing, 2016 benchmarking report*

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Trading Legacy for the Next Generation

Deviprasad Kuppuswamy, *Cognizant CCM Practice Lead*

2019 is a significant year for Customer Communications Management and enterprises are taking aggressive steps to shed their legacy communications platforms and instead sprout wings of customer experience and next-gen communications that make it easy to fly into the digital horizon. Thoughtful enterprises continue to focus on the following areas for success:

Transformation Enablers

Enterprises have been slowly realizing that in spite of multiple upgrades, CCM platforms of yore are unable to grow to meet digital communication demands. Easy-to-use, quick-to-deploy, rapid-results-realization migration enablers will be in demand to help in redefining the journey into digitally-enabled CCM platforms.

Insight Driven Personalization

Personalization emerged as a trendsetter last year. This year, a higher level of personalization that can enrich communications through analytics, by connecting each customer touchpoint and driving total customer reach, will be the key differentiator. Continuous behavioral profiling, predictive technology, and real-time analytics will help enterprises weave in personalized messages and recommend suitable product offerings/coupons/discounts to customers, thereby increasing engagement and sales conversions.

Experience Matters

Enterprises today vie with each other to provide better experiences to customers. Driving this across all tangible customer touchpoints becomes important, to understand how communications can be structured to bring in that experience and meet business objectives. Infusing customer journey mapping and feedback management tracks into communication has become imperative to providing more value for the customers, differentiating the business, and driving loyalty.

Driving Toward a CoE-enabling model

Enterprises urge toward building communications platforms that can be leveraged across business units through a CoE model. Rendering metrics on the production generated form count, channels and its distribution patterns will help enterprises to better model business operations and provide insights on business forms that can be rationalized across the enterprise.

Harness and Connect New Communication Channels & Business Platforms

The increased transitioning of enterprises to social channels is a clear indication that the communications platforms need to speed up to deliver notifications and messages, short and long through these channels. Connecting to marketing and CRM platforms will help communications platforms to provide better message visualizations to customers, enabling them to take quicker actions.

Embracing Unified Communications Architectures

Viswanath Maddali CPCU, *PgMP, Vice President, CCM LoB, ValueMomentum, Inc*

As customers' expectations from those they do business with continue to increase, enterprises are responding with re-imagined digital experiences. No longer will enterprises be able to get away solely with conventional communications such as print or email. They will increasingly infuse communications into new digital experiences that account for many factors – so that they can delight their customers and not just get by with meeting their expectations. Such factors could include:

- The stage of the customer lifecycle (eg, Is the customer a lead? Is the customer evaluating a product or service, or is (s)he in the process of being onboarded?)
- The customer's preferred channel for communications
- The context of the customer, as determined by understanding where the customer is located, whether they're on-the-go during the communication experience, or other factors often captured via high-probability assumptions

To enable these, enterprises will need a unified customer communications architecture that can continue to take care of conventional communications, but also seamlessly infuse relevant communications into these new digital experiences. Such a unified communications architecture ensures that digital workflows envisioned for various user personas are seamless across communication channels. Further, it can account for the customer's unique channel preferences, enable personalizing communications and also track and report against their preferences as a feedback loop to measure the effectiveness of the experiences. However, without instilling a unified communications architectural discipline, customers' digital experiences can be sub-optimal and can also create technical debt over time.

New digital experiences will undoubtedly be a focus for forward-looking enterprises, aided by journey mapping for each of the target user personas. These experiences will drive delightful "outside-in" perspectives, rather than the incumbent "inside-out" ones, especially prevalent in regulated industries such as insurance, banking & lending and healthcare. For instance, upon purchasing an insurance policy, an "inside-out" approach entailed a customer receiving an email confirmation with the insurance policy attached. An "outside-in" approach may entail a customer receiving, embedded within that same email communication, a personalized video driven by rules in the CCM platform. Such a video may address most commonly asked questions, while pulling in the data contained within the insurance policy, thereby satisfying the customer's need in a timely manner, while also reducing call center volumes.

A Shift in Healthcare Communications—Treating "Members" as Customers

Harry Merkin, *Vice President of Marketing at HealthEdge*

Consumers are taking on a more active role in the decisions and choices made for their healthcare. In the past, healthcare consumers were largely passive and relied on both providers and health insurers to deliver the best care and services. But with consumers paying substantially more for healthcare and expecting delightful experiences as they interact with service providers, consumers are now more engaged and readier to make decisions like never before. This translates to both a challenge and opportunity for health insurers, who traditionally thought about their customers as "members". **In a recent survey of health insurance executives by Survata, a San Francisco survey firm, and commissioned by HealthEdge**, when asked for their most important organizational priority, the most frequently cited response was "member satisfaction", ahead of lowering costs, adopting new business models and regulatory compliance. This represents a significant shift for health insurance executives, and one that is well-timed and necessary.

Millennials have become the largest age demographic in the United States, recently surpassing Baby Boomers. And while their buying power is not yet the most influential, it is growing by the day. In another survey conducted by HealthEdge in partnership with Survata, of more than 2500 consumers, 45 percent of Millennials and 37 percent of the general population (all age groups) surveyed "desire incentives for healthy behaviors directly from their health insurer." Despite the perception that Millennials think of themselves as invincible, they desire discounted gym memberships, lower premiums for health behaviors and other such incentives directly from their health insurer. Millennials also rank their health insurers very low in their "ability to communicate via social media and mobile apps," signifying they want more options through those channels. And in perhaps the biggest wake up call of all, 35 percent of Millennials assign the blame for the high cost of care to health insurers – more so than any other age group. A recent article published by Windham Professionals entitled "Millennials and Healthcare: 5 Trends You Can't Afford to Ignore", states, 'Millennial healthcare preferences focus on service and payment models that incentivize and reward quality care and experiences. Because Millennials are digital natives, appeasing them largely means having healthcare management at their fingertips. They crave mobile-friendly online health portals to view medical records and to schedule appointments. They want to chat with customer support instead of calling, and they want timely reminder texts and personalized health offers.'

But Millennials are not necessarily the major drivers of change in all areas. For example, according to the same HealthEdge survey, 49 percent of the general population, including all age groups, indicate that "tools or information to help me understand my benefits" is the top service that would most improve their current level of satisfaction with their health insurer. Health insurers should not ignore this statistic either.

Health insurers must continue to take significant steps to provide their customers – healthcare consumers, with the products, services and experiences delivered routinely by other industries. Those who do will enjoy a competitive advantage and commercial success in the very competitive health insurance marketplace.

A New Era of Customer Communications in Insurance

Mark Breading, *Partner, Strategy Meets Action*

The phrases "great customer experience" and "insurance industry" have not always fit together. Historically, people tended not to get excited about interacting with their insurance company – whether getting a policy in the mail, a letter from the claims department, communicating about changes to a policy, or other common insurance interactions. That was then, but things are different now. The digital world has changed the game, and insurers are intensely focused on improving the customer experience.[4] When you include the increasing frequency and variety of interactions with agents and policyholders, you have the potential for fundamental transformation in customer communications. In fact, there are now several converging factors that will result in heightened importance and activity related to customer communications management. And it's a very good idea to explore these factors and the implications for insurers and their customers.

- **Customer Expectations:** Insurance may not be exciting, but customers still expect the same types of interactions they experience every day with companies in other industries. This means that documents, correspondence, e-mails, and other communications must be timely, accurate, visually interesting, easily consumed, and informative. And new coverages designed for the connected world are more interesting and exciting. Insurance that is on-demand, focused on the sharing economy, or related to smart homes and connected vehicles starts to improve the customer interest level.

- **The UI Explosion:** The way the world communicates is radically different than it was ten years ago, and the options continue to increase. Mobile communications, messaging platforms, digital interactive documents, and other new user interface options are preferred modes of communicating for many individuals today. There are segments that still prefer a printed and mailed copy of their insurance document, but insurers must accommodate the entire, expanding range of options available to their customers.

- **Digital, Real-Time World:** Everything that insurance companies insure is becoming connected with the real-time data collection that is progressively increasing. Vehicles, buildings, and even people have smart devices of all manners that monitor their activities and the surrounding conditions. This creates a whole new set of opportunities for insurers to help customers manage risk. An important by-product is frequent communications that are increasingly real-time.

Add to these factors the digital transformation initiatives and the massive wave of core systems transformations underway at many insurers, and the result is an industry poised for significant changes in customer communications. Many recognize that a modern customer communications management platform is a mandatory element for successfully navigating the industry transformation in progress. Establishing an enterprise platform that manages the creation, management, and delivery of both digital and print communications to customers is vital to ensure that companies thrive in the digital age and succeed in this new era of customer communications.

So, what does all of this mean? For insurers it means moving from strategies and plans into execution. As the platforms get established and customer experience strategies firm up, there will be more investment, more projects, and ultimately more customer impact related to customer communications.

[4]Over 90% of insurers have strategic initiatives focused on improving the customer experience, according to recent SMA research.

Becoming More Digital to Become More Human

Greg Verdino, *Business Futurist & Leading Authority on Digital Transformation*

How will becoming a more digital business make you a more human business? Your answer to this question is likely to do more to shape your organization than any other decision you make all year because it will determine whether you remain relevant to your customers in the coming year and beyond.

Over the past few years, many businesses have mistaken technology for transformation, when in reality technology is table stakes, giving companies permission to play but rarely a right to win. It's true that going digital is a vital strategic business imperative. It's obvious that everything that can be digital will be digital, that everything that can be automated will be automated. But it's the things that aren't digital, that can't be automated (yet!), that will differentiate your organization from the others like yours, in the eyes of your customers. It's the things that make your business (and the people in your business) uniquely human – our creativity, our empathy, our ability to resonate, our ability to relate – that will make your business worth doing business with.

Don't get me wrong. I'm not saying technology is unimportant. Far from it. I'm saying it is necessary in that it often allows an organization to strip away the routine, mundane, ineffective and inefficient elements that stifle employees' humanity and weakens relationships with customers. In fact, when you look at companies that set the bar for customer excellence – companies like Airbnb, Uber, Zappos or Lemonade -- it's clear that every one of them is technology-enabled and data-driven, but ultimately human-centric. When they win, they win because they make things easier for the people who choose to do business with them (e.g., customers) and strive to make every interaction personal, meaningful, resonant and real.

And this is how you can win too. Becoming a more human business starts with conversation – the right conversation inside your company about what this means and how digital makes it happen, and the right conversations with your customers to reinforce the human-to-human relationships they demand of every business today.

It's going to be quite a year. The pressure is certainly on for enterprises to either dive headfirst into more modern, digital-focused and cloud-based customer communications strategies; complete migration projects already underway; or begin to reap the rewards of prior investments. Wherever you are on your digital transformation journey we can help! Visit us at www.smartcommunications.com to learn more about our products, orread more about how we are making digital transformation SMARTer.

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