RESOLVE TO MAKE **CONVERSATIONS SVAAREER** In 2020



Scale the Conversation™

Nearly two-thirds of consumers say they are likely to switch vendors if their communications expectations aren't met¹. Customer loyalty and ultimately a company's success or failure is directly related to communications quality. To be successful in 2020, companies must become more digital-focused, while keeping the customer at the center of their digital transformation efforts. They must make customer conversations SMARTER. By doing so, enterprises can deepen customer relationships by building trust in a way that can only be achieved by engaging in two-way conversations that go beyond just distributing regulatory and compliance notifications and instead deliver exceptional experiences.

Do you have the right strategies in place to ensure you are delivering the best possible experience to your customers? Can you do so while being as efficient as possible?

To help you along your path to customer-centric digital transformation, we've assembled insight from communications experts, industry influencers and respected analysts and we've also highlighted several enterprises who have already made their conversations SMARTER.



Don't Underestimate the Key Role Conversations Play in the Overall Customer Experience

JAMES BROWN, CEO OF SMART COMMUNICATIONS

Sixty-two percent. This statistic is both sobering and exciting.

Sobering, because it highlights the power today's consumers have over the companies they do business with - but exciting because it also demonstrates the tremendous opportunity enterprises have to significantly impact the overall customer experience via the communications they deliver and, even more importantly, the conversations they are having with their customers. And it's these conversations that are so important. A communication is a message that is developed and delivered. A conversation is a two-way interaction. It is highly personalized, incredibly relevant and involves both give and take. And in today's world, it is also likely happening, at least partially, via a digital channel. From static to dynamic, from one-way to two-way, from print-focused to digital-first, from communications to conversations—clearly this is a time for evolution. And digital transformation is just that—an evolution. It is not a one-time process with an obvious finish line. As companies evolve, it is vitally important for them to keep the customer and the customer experience at the center. Focus on learning as much about them as possible, but even more importantly, use that data to inform the conversations you are having with them. Ensure that the conversation is consistent across every channel and throughout the entire customer lifecycle.

62% OF CONSUMERS WILL LEAVE A COMPANY THAT ISN'T DELIVERING ON THEIR COMMUNICATIONS EXPECTATIONS¹.

Personalizing Communications to Win and Engage Customers

VISWANATH MADDALI, VP CLIENT SERVICES AT VALUEMOMENTUM

In a digital world where customer experience is key to converting a customer and earning their loyalty, companies that provide not just the desired products and services, but also targeted messaging through preferred channels will be the companies that come out on top. That's why we think customer communications in 2020 and beyond will be a race toward personalization—and CCM is central to this strategy.

With the proliferation of data and the availability of modern technologies, personalizing communications at a level that would be high impact but low effort is becoming more and more possible. What does it take to make this happen? Two things: 1) understanding your customers and 2) having the tools to give them what they want, when they want it.

Tools to Improve Personalization

Some capabilities, tools, or platforms needed to support personalization include:

Data Discovery and Ingestion

to capture and store the data from customer interactions

Integration with data marts and data lake

to consume data in the time and format they are needed

Business authoring platform/tools

to allow business users to create ad-hoc documents

Integration

with chat bots, messaging apps, voice channels, and other applications

Understanding Your Customers

Document History

Basically a trail that records what has been sent and which channel it was sent through. Being able to view this document journey can help companies understand the interactions and relationship the customer has with the company, products, and services, including the start, progression and changes in the relationship.

Notes from Interactions

This includes when customers log in online, email, text, or call to buy a product, ask a question, pay a bill, file a claim, etc. Any point of interaction is an opportunity to collect more data. For example, when a customer unsubscribes from an email, asking them their reason for unsubscribing can give you a data point that can be used to improve communications with that customer in the future.

Document Tracking

This refers to tracking how the customers interact with the documents. Among other actions, this includes knowing if and when a document is opened, whether it is read or deleted, and whether it sent to spam. By tracking customers' interactions with communications, companies can create content that is relevant, timely, and optimally distributed through preferred channels. Native language voice recording is one example of how a company can leverage modern tools and data to personalize its communications. To meet the needs of its rural customers, one company sends a link to the statement and bills through text messages over WhatsApp. The link brings customers to a page that explains details within the document using a recording spoken in the customer's native language. This ensures that customers not only receive what they need through their preferred channel, but also that they understand what is being communicated by the company.

CCM platforms are increasingly evolving to enable digital workflows, provide flexibility and scale (i.e. cloud enablement, automation, chatbots), and support instant communication through a multitude of new channels. As companies move toward creating more personalized communications that better target their customers, the ability to capture, access and analyze data to create customer messages, as well as the ability to differentiate the formatting and distribution of these messages become increasingly valuable.

Customers are already demanding more personalization. Winning the business and loyalty of these digital consumers is now a race to see which company can provide the desired products and services, use personalized messaging for those products and services, and deliver the messages through the preferred channels of communications.

Reduce "Red Tape" BRENDAN DALTON, CHIEF INFORMATION OFFICER AT <u>CSIRO</u>

In 2020, line-of-business and skilled professionals will benefit from the use of online digital workflows that relieve many aspects of the administrative work which they find burdensome. Over time, these digital workflows will supplant the overuse of email and document sharing so that professionals can focus on their true value-add work.

Online digital workflows in 2020 have three core features:

#1: Fragments and reusable components. CCM solutions will make data available for reuse and to provide multiple benefits across a multitude of business processes. People will no longer miss the big issues by getting derailed with busy work, as they will have the information and transactions available online, anytime, anyplace via access to the specific content components and fragments they need to perform the task at hand.

#2: Ease of Use. Advanced CCM in 2020 does not require a lot of reskilling for either IT or non-technical professionals. Instead, CCM allows anyone, with minimal training, to work with fairly simple versions of a business process just by taking aspects of the information they need (fragments and reusable components) and turning them into digital technology. They can also easily integrate CCM's digital workflows and information fragments/components with many internal COTS products, such as CRM, ERP and numerous Microsoft tools without the need to build integration components.

#3: Digital Identification Enablement. When an organization can use CCM's ready access to specific information components for any purpose and in any combination, they can better and more easily service a workforce or anyone who has role-based access to internal systems and processes. For organizations following a digital ID strategy, CCM makes it useful by giving people access to the data they need. Imagine all the legacy business processes made better and faster via data that is available for reuse in multiple ways and formats.

At CSIRO, we estimate that we have redirected more than 110,000 hours of time to higher value activities using CCM.

In the end, 2020 will be the year of CCM bringing significant reduction in "red tape." Organizations will put their processes into flexible, online formats and combine those with workflows so that people can generate data, seek management approvals, share findings and focus on high-value work.

Digital strategy needs to make sense to the organization. One of the ways digital strategy makes sense within CSIRO is basically to have the information and the transactions available online so people can act on them any time, any place at their convenience.



Take an Outside-In Perspective MARK BREADING, PARTNER AT STRATEGY MEETS ACTION

One of the best ways to have smarter conversations is to take the outside-in perspective (prioritizing the customer and their experience). Understanding the needs and preferences of the customer or agent, where they are in their journey, and the nature of their relationship with the insurer is vital in crafting the appropriate communications. This is true, whether the communications from the insurer are responses to an inbound request, or outbound communications created by the insurer to provide information or solicit a customer response.

Too often, communications are designed with the inside-out perspective (prioritizing operational optimization), thinking in the context of a single transaction, and focusing on efficiency and compliance. Of course, these are important. Streamlined processes, cost efficiencies, and adherence to regulations are critical. However, these are areas that insurers are accustomed to focusing on, so insurers are now challenged to find the right balance between the outside-in and inside out perspectives.

How does this blended perspective inform communications and drive smarter conversations? To start with, it enables personalization. Including the standard types of personalization, such as basic information about the person and their policy or claim is today's table stakes. But, gaining a deeper understanding of the customer enables more context to influence the communication and will help to answer questions like: Where is this interaction in the overall conversation stream? Is the information we are requesting even relevant for a particular customer or prospect, or it is just part of a generic form? Should this interaction be done via text message, e-mail, or another e-delivery method? How sensitive is the communication?

These are the types of questions that can be answered if a proper analysis from the outside-in perspective is done. Taking this approach will enable insurers to create smarter communications that improve the customer experience and strengthen the bond they have with the insurer.

Optimize Touchpoints Across Every Communications Channel

WILL MORGAN, SENIOR RESEARCH ANALYST AT ASPIRE

Aspire's most recent enterprise research found that 35% of businesses embark on digital transformation projects primarily to reduce communications costs. But at a time when improving customer experience is paramount, organizations cannot afford to upgrade their systems with cost savings and risk reduction as their sole concerns. Businesses must generate richer consumer engagement by processing tremendous amounts of data and insights on customer journeys, but they can only achieve this through a digital transformation initiative that places Customer Experience teams and innovative technologies in a position to monitor and optimize each touchpoint across every communications channel. Such a comprehensive approach will enable enterprises to know more about their customers and allow them to deliver a more tailored experience.

In 2019, Smart Communications

was awarded a Leader position and a stellar strategic vision score in the Aspire Leaderboard based on its focus on CCM focus, ease of integration, and strong cloud proposition.

Specifically, Aspire noted the following as key differentiators:

- Smart Communications is 100% focused on CCM
- The company was first in the industry in shifting toward cloud-based technology, and now offers multiple deployment options, including via Amazon Web Services
- It takes a digital-first approach and enables two-way, omni-channel conversations across established and emerging channels
- Customers are able to easily navigate complex, interactive use-cases

Its unique Conversation Cloud Marketplace helps customers decrease time to market while making it easier to integrate or extend its functionality

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Make Forms Transformation a Strategic Imperative

NEAL KEENE, EVP OF STRATEGY AT <u>INTELLEDOX,</u> <u>A SMART COMMUNICATIONS COMPANY</u>

Removing friction is key to an exceptional customer experience across every stage in the customer journey, including acquisition, onboarding and servicing. With today's consumers more comfortable than ever conducting business digitally, and in many cases preferring digital interactions, you risk creating a significant disconnect if your interactions with them are not mobile-accessible and intuitive, or even worse still paper-based and static. In today's digital age, collecting information from your existing customers must be fast and seamless. It's not enough to just focus digital transformation efforts on customer acquisition. Today, too many enterprises (especially in industries such as financial services, insurance and healthcare) are still using legacy systems that can no longer live up to consumer demands. Collecting customer data via static forms is an important symptom of this problem. Transforming the forms process and shifting to more adaptive interview-like processes is going to be key to achieving customer experience success in 2020 and beyond. Asking today's digital-focused consumers to complete paper forms and scan, fax or email them back is unacceptable and simply providing a fillable PDF can also be a tedious and time-consuming process for all involved. Ideally, customers should be able to easily submit their information, track their progress and guickly pick up where they left off—especially since at some point in the process they will likely be using a mobile device. Consumers have lost their patience. They have become accustomed to instant gratification. They desire nearly instant responses to the information they share with companies. Today more than ever before, they are less likely to wait for you back-office staff to manually process forms and respond later. If this is still the approach you are taking, you risk losing customers in 2020.

Move Toward Smart Conversations to Build Correspondence Experience

ARINDAM CHAKRAVARTY, CONTENT PRACTICE LEAD AT COGNIZANT

Digital has opened new frontiers for communication. Today, communication is not about sending one-way customer correspondence; it is about creating an experience - an experience that unfolds when communication translates into conversations, engaging customers to express their views and opinions, creating positive personalized connections that contribute towards building stronger brand value.

Smart conversations can be made a reality by following the below guiding pillars:

- Mobile App: Smart phones can be immensely leveraged to build effective and closer connection with customers. Instant feedback, by judging customer emotions, will help in creating personalized communications.
- Al and Predictive Data Analytics: Analytics can help zero in on customer preferences how they want to view the communication, what they want to see and on what channels and will actually generate true delight in receiving your correspondence. These insights will contribute toward bringing contextualization and personalization, and in turn improve customer retention.
 - **IOT:** IOT has opened up new channels for viewing correspondence. Through CCM platform collaborations, data recorded from IOT can be leveraged to communicate stronger, personalized tips and messages.
 - **ChatBot:** Instant responses to customer requests through bots improves customer retention and resolution time. Historical chat can bring in process alteration through automation.
 - **Gamification through web forms:** Transforming plain electronic forms into gamification infused web pages improves UX and builds interactive conversations with customers.
- **Social media posts:** Correspondence that has sentimental analysis from social media posts bring in deeper impacts with customers.
- **Personalized video communication:** Sharing correspondence as personalized videos generates wider interest as compared to other traditional formats.
 - Wearables are becoming a key asset for customers to view correspondence. Creating wearable, adaptive correspondence will play a significant role in building continuous conversations.

Having an experience-driven correspondence platform is not a choice anymore, it is a critical necessity, one that enterprises can no longer ignore. Embedding correspondence in digital applications is the right way to drive enterprise-wide digital strategy and build stronger customer connections.

Insurers: Be Prepared for the Velocity of Change

<u>SABINE VANDERLINDEN</u> – BOARD MEMBER, INNOVATION ECOSYSTEM BUILDER, INSURTECH INFLUENCER, CO-EDITOR THE INSURTECH BOOK

In early 2015, critics considered insurance to be ripe for disruption and believed that new market entrants would transform the industry and take the place of incumbents. While this prediction has still some way to go, over 3,600 InsurTechs entered the insurance market since then and raised \$25Bn in funding. A few of these players - namely Oscar in health insurance, ZhongAn in non-life insurance and Singapore Life in Life insurance - are referred to as true disruptors with pure digital business models able to challenge the thinking of the most advanced incumbents. These businesses have only emerged 5 to 7 years ago. So, with this underlying wave of emerging insurance digital players, what do incumbents need to do to remain relevant?

1.Prepare for tomorrow's customers: Customer expectations are changing. Whether you think digital natives, small businesses or the elderly, many of these segments are currently underserved because of their lack of interest in insurance, low awareness of their specific insurance needs or their uncertain risk profile. With the emergence of new technologies able to combine new data sources with old ones to enhance decision making while delivering digitized engagements to a multitude of devices, new market entrants are tailoring unique propositions to satisfy the needs of the most demanding audiences. This entails mobile-first, digital friendly and friction-free interactions that benefit from the real-time usage of behavioral insight. Those insurers willing to learn from such trends will find some gem of customers to serve.

2.Engage customers intelligently from the beginning to the end: Technology is at the core of new customer engagement strategy, with artificial intelligence becoming a significant part of the fabric of every communication. Whether one thinks about:

Cognitive automation - the process of optimizing digital and physical tasks with intelligent robots,

Cognitive insights - the process of utilizing advanced algorithms to detect patterns from vast volumes of data, or

Cognitive engagement - the process of using natural language processing such as chatbots and intelligent agents to drive seamless conversations in real-time, future opportunities lie in maximizing the usage of all three cognitive capabilities to ensure the accuracy, speed and immediacy of the services delivered while augmenting existing human activities.

3.Build unique ecosystems that connect collaborative participants: Ecosystem

builders work to build, grow, support, and nurture myriads of digital economy participants that want to collaborate and thrive by combining, complementing and augmenting their core resources with those of others. Such participants are creating new opportunities and sources of value by ensuring the optimum relevance of the products and services offered to ecosystem participants. For insurers, understanding the important role of platform enablers and the solutions they provide will help increase the nature of the digital engagements provided within the ecosystem. Indeed, digital ecosystems deny commercially accepted paths to scale by ensuring first a certain level of transparency and trust among parties. They create and facilitate the dynamic distribution of value by connecting suppliers, users, and producers as one orchestrated or networked community. Such two-sided marketplaces reduce friction by aggregate supply or demand with high quality service level agreements.

What you need to pay attention to in 2020: Consider those underserved market segments that could yield significant value in 5 to 7 year-time from now. The young ventures that target those segments grew over a very short period of time. Also, identify the best way to accelerate your digital transformation by combining the most salient emerging technologies able to realize significant value for you and your customers.

Prepare for Change in the Customer Experience Space

BLAKE MORGAN, CUSTOMER EXPERIENCE FUTURIST AND CONTRIBUTOR TO THE FORBES CMO NETWORK

2020 will bring continued change to the customer experience space. Many trends that have started to grow in recent years will become incredibly powerful in 2020, so much so that they will separate companies that can innovate and adapt from companies that get disrupted and must react. These three trends will define customer experience in 2020.

1. Companies as advisors. Financial, insurance and healthcare companies can no longer only sell services. They must act as advisors to connect their customers with what works best for them. Much of what is offered in these spaces is becoming a commodity, which means service and overall experience becomes the defining trait. Customers can (and will) easily take their business elsewhere. The most successful companies will answer questions and make recommendations. They will build personal relationships with customers and step into an advisory role so that customers can be confident they are getting the best products and services for their individual needs. Employees at these companies will receive regular training to stay ahead of changing trends and offerings and must proactively make suggestions to customers.

2. Services over products. Modern customers, both in the B2C and B2B spaces, prefer access over products. Instead of buying a physical item, they want a service. Many customers don't want to buy a guide book when they can pay the same

amount or even less to get access to the most upto-date information online. Similarly, customers, especially younger generations, are turning away from buying movies or cars when they can stream an entire library of content or quickly get access to a shared vehicle. The on-demand economy will continue to see incredible growth, which means companies need to tailor their approaches to offer fast service and quick access. Customers want everything at their fingertips, which will mean more content and information on cloudbased applications for easy access.

3. Amazing personalization. Personalization has always been important to customers, but as technology and improved data allows for more accurate personalization, the gap between companies that excel and those that offer one-size-fits-all solutions will continue to grow until companies that don't prioritize personalization won't succeed. Customers want to be valued and feel like individuals. They want recommendations tailored to their needs and service they can use and understand.

Personalization is more than simply putting a customer's name at the top of an email—it is understanding their needs and preferences and recommending things they didn't even realize they needed. Personalization should make a customer's life easier and streamline the entire experience.

Utilize Artificial Intelligence to Efficiently Evolve to More Digital-First Processes

SIMON TINDAL, CTO OF SMART COMMUNICATIONS

The process of embracing and enacting digital transformation strategies is not easy, but it will certainly be worth the time and effort it takes to get it right. For enterprises to achieve success in today's customer-driven and digital-first world, they must begin to operate more efficiently. Repetitive and time-consuming processes must be automated as much as possible so that more time can be spent on developing and executing on strategic plans that are focused on enhancing the customer experience. While no technology can ever replace the unique value only human experience and emotion can deliver, companies who embrace artificial intelligence will be a step ahead of the competition.

Companies with chief data officers (CDOs) are already about 1.5 times more likely to use Artificial Intelligence, Machine Learning, and/or deep learning for their insights initiatives than those without CDOs².

Artificial intelligence can process information and identify patterns far quicker than humans can do on their own. As such, one important role AI can play in a company's customer communications evolution is speeding up the migration from legacy, printbased customer communications platforms to more modern, digital-first solutions.

Migration from legacy solutions is significantly accelerated by taking advantage of tools that can analyze existing legacy communications, identify paragraphs, common text, tables and variable data, extract this content along with the associated business rules, and create new editable templates. This empowers enterprises to improve their organizational agility and build frictionless automated processes that bring them one step closer to having smarter, omnichannel conversations that help customers feel valued – something that customers ranked as the leading contributor to overall customer experience in our own survey of consumers and business leaders.

According to Forrester Research, **53%** of global data and analytics decision makers say they have implemented, are in the process of implementing, or are expanding or upgrading their implementation of some form of artificial intelligence.

Hone Your 2020 Vision: Focus on the Journey

JIM TINCHER, <u>HEART OF THE CUSTOMER</u> FOUNDER & MAPPER-IN-CHIEF AND AUTHOR OF (HOW HARD IS IT TO BE YOUR CUSTOMER? USING JOURNEY MAPPING TO DRIVE CUSTOMER-FOCUSED CHANGE)

Some say 2019 was all about the cloud, but it's clear that 2020 is going to be all about optimizing the overall journey.

Why?

Traditional financial, insurance, and health care companies can no longer put off addressing their customers' need for seamless, friction-free experiences...because that need is now also an expectation.

Conventional and heritage companies have gotten pretty good at utilizing Six Sigma, Lean, and other process improvement methodologies to focus on and improve individual touchpoints. But more and more, customer expectations – both consumers' and agents' are set by digital-first brands, which provide a seamless end-to-end experience by design. In other words, they're born that way.

But traditional companies need to work a little harder to provide that kind of seamless journey. Luckily, technological advances are making it easier and more cost effective than ever to optimize and manage the journey. And the organizations that do will reap rewards that make it well worth the effort.

According to McKinsey & Co. consultants, maximizing journey satisfaction can provide a double-digit increase in customer loyalty and revenue, with a corresponding double-digit decrease in cost to serve.

Realigning your efforts around overall journey orchestration requires rethinking how you put the latest digital tools and technologies to work for you. It's crucial to make 2020 the year you do things because they work, not just because you can.

It's time to jettison outdated responses that don't meet customers' needs or improve the journey. In 2020, customers will want:

• Pricing transparency

But companies are still providing unexplained and increasingly complex pricing models (because they can).

• To keep tabs on banking, insurance, and health care accounts through animated online "trackers"

But companies are still responding by mailing them dry, complicated letters (because they always have).

• Real-time claims status.

But agents are just as much in the dark as their clients (because they have limited access to updates)

Rather than just fixing touchpoints, the most successful brands redesign their overall experience to create an emotional connection with customers. Those doing it best in the insurance and financial services sectors are also building transparency into their journeys to foster trust. Every day you fail to join them, you fall behind. The year ahead is going to be the tipping point for a lot of markets.

Today's actionable scientific research, specialized tools, and technological capabilities make it easier and more cost effective than ever for traditional companies to rise to the challenge and improve their ability to meet their customers' needs on an ongoing basis.

The most important step is to understand, define, and redesign your overall customer journey. From there, it's all about improving and orchestrating that journey.

This is the year to fix the friction and design for delight. You've kept your customers waiting long enough.

See How Conversations Have Already Become SMARTER

PHEAA (Pennsylvania Higher Education Assistance Agency)

Over the years, PHEAA had accumulated a tremendous number of templates, and keeping them updated was a time-consuming process. PHEAA needed a way to scale their communications – that's where Smart Communications came into play. In 2016 PHEAA launched its digital communication transformation journey with Smart Communications and has since successfully created an entirely new communications platform. Through careful collaboration between key stakeholders across PHEAA, its clients, and the Smart Communications Professional Services team, the team has reduced the total number of templates by 50 percent.

"Smart Communications' cloud-based solution has allowed us to scale our business at the level and agility we need, while lowering our cost of ownership and keeping sensitive data safely stored behind our firewall."

- Kate Pocalyko, Communications Platform Product Owner at PHEAA



Pekin Insurance

To kickstart their digital transformation journey and catch up with competitors, Pekin had to quickly pivot and change the DNA of their infrastructure. The team mapped out an aggressive 12-month rollout to design a scalable, cloud-based architecture utilizing the right tool stack for their needs, including Smart Communications to modernize their CCM capabilities and help lay the foundation for future digital optimization opportunities to enhance Pekin's overall customer experience. The company's releases are now three times quicker. Eleven months into its digital journey, Pekin launched two products in one state. Within the next six months, they successfully launched the same set of products across five states. Today, Pekin has reduced costs by 29 percent by migrating their on-premise solution to the cloud.

"Since implementing Smart Communications, we've seen nearly a 67 percent reduction in our document generation process. What used to take us nearly three weeks to produce a document can now be accomplished in one." – Subhasis Mukherjee, CIO of Pekin Insurance

Indiana Farm Bureau Insurance

With its customer base expanding to include all regions of the Hoosier state and pressure from the board to offer personalized communications to each individual, IFBI realized that change was needed. To maintain a competitive edge throughout their expansion, it was critical to implement the right customer communications management (CCM) solution.

For IFBI, the prospect of improving customer experience and retention in the Auto, Home and Life divisions more than justified the investment funding. SmartCOMM now handles all IFBI's customer communications across all channels - from policy summaries to invoices, letters and declarations. IFBI is producing an average of 9,000 to 10,000 communications daily, with peaks of 15,000 to 18,000. These volumes will increase significantly as the implementation moves to other lines of business. Once the full benefits are realized, the company expects to reduce template design upkeep by at least 50%.



Clearly these experts believe that developing and delivering static and transactional messages will not be enough to engage today's empowered consumer.

Follow their advice and shift your strategies to focus on highly personalized, incredibly relevant interactions that involve both give and take. Have conversations. **SMARTER** Conversations. We can help! Visit us at www.smartcommunications.com to learn more about our products, or read more about how we are already working with enterprises to help them improve customer experience and increase ROI.



Scale the Conversation™

www.smartcommunications.com

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1) Smart Communications Study: Are Customer Communications Getting SMARTer, 2019

2) Predictions 2020: Artificial Intelligence, Forrester Research, Oct. 2019