



5 KEY TRENDS

**Transforming Customer
Conversations in 2021**



FOREWORD

Adapt to Thrive in a New Era of Customer Conversations

As I reflect on the extraordinary events that unfolded in 2020, what amazes me most is the resilience shown by people and businesses from around the world. In the face of a global health crisis, remote work, virtual learning, shutdowns and more, the human spirit persevered and adapted to a new normal.

If the past year has taught us anything, it's that the only constant is change. The implications of the global pandemic fundamentally changed the way people live and work – and these are changes that will carry over into the months and years ahead.

For businesses in particular, these changes ushered in a new way of engaging with customers. The contact-less interactions that customers now expect accelerated many businesses' digital transformation initiatives, with 65% identifying digital-first approaches they could implement quickly as a result of COVID-19.

At Smart Communications, we believe customers' expectations for a digital-first approach will only increase in the months ahead. The status quo is no longer sufficient, and organizations must continue to adapt to succeed.

It's time to rethink customer engagement, shifting away from one-way, transactional communications to two-way customer conversations. The best way for companies to succeed in both the near- and long-term is to invest in cloud-based solutions that optimize the end-to-end customer experience. Most importantly, business processes and technology must continue to evolve and scale as customers' needs change over time.

In 5 Key Trends Transforming Customer Conversations in 2021, Smart Communications collected insight from industry thought leaders to uncover the major trends that will impact businesses in the months and years to come. Topics range from the increasing importance of the employee experience to business leaders' investment priorities. Contributors include:

Marc Andrews

Vice President, Financial Services
at Pegasystems

Tom King

Director – Insurance
at Salesforce

Seth Rachlin, Ph. D

Executive Vice President, Chief
Innovation Officer at Capgemini

Brian Vannoni

Director, Market Insights
at Guidewire Software

Vikramjeet Singh

CCM Competency Lead
at Cognizant

Jim Lundy

CEO and Lead Analyst
at Aragon Research

Marci Maddox

Research Director, Enterprise
Content Strategies at IDC

Will Morgan

Senior Research Analyst
at Aspire

Neil Greathead

Chief Customer Officer at Smart
Communications

Nick Smith

Vice President and General
Manager, Asia Pacific at Smart
Communications

Simon Tindal

Chief Technology Officer at
Smart Communications

Each of these individuals offers a unique perspective on the road ahead for business leaders. And while the future can feel daunting, there is a great opportunity for businesses to be industry leaders and choose to make investments that will launch them to success – the timing has never been better for companies that want to adapt to be a part of that future.

I hope you join me as we change the way businesses approach their customer conversations and achieve new levels of success together.

James Brown
CEO, Smart Communications





The 5 Key Trends Transforming Customer Conversations in 2021 Include:

1

Employee experience and agility will be top priorities for business leaders.

2

The customer will have more control than ever as expectations continue to increase.

3

Failure to automate business processes will pose significant risk to businesses.

4

Connecting data from existing systems will be the linchpin to improving the customer experience.

5

Technology will be the foundation to orchestrate a true omnichannel customer journey.

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Employee Experience and Agility Will Be Top Priorities for Business Leaders

For several years now, when business leaders have discussed the employee experience, they oftentimes reference complimentary meals, standing desks and in-office game rooms. But in a post-pandemic world, these perks simply aren't as relevant.

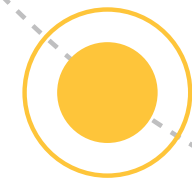
Above all else, people around the world experienced stress about the severity of the health crisis and how to protect themselves and their loved ones from illness. In fact, 96.6% of U.S. residents surveyed in April 2020 indicated "reading or hearing about the severity and contagiousness of COVID-19" was their primary stressor related to the pandemic.

On top of an already stressful situation, the seismic and sudden shift to remote work fundamentally changed the employee experience. Social distancing kept employees home, unable to access systems or perform standard processes like handling mail, support requests or producing documents. But with companies like Google, Uber, Microsoft, Salesforce and more extending work from home policies either well into 2021 or indefinitely, remote work will be the norm for some time forward.

Business leaders need to focus on the employee experience as much as they focus on the customer experience. Everything an employee needs to be successful should be readily available and working when needed. Simon Tindal, CTO at Smart Communications, indicated, "Business leaders need to ensure their employees have access to all tools from within a browser to allow individuals to work anywhere at any time."

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In 2021 and beyond, business leaders must ensure they make the remote work experience as seamless and efficient as possible, and employees must be able to collaborate across systems and teams while ensuring security and compliance standards. This means continuing to implement processes that allow employees to be successful from home and investing in the necessary technology to support a digital-first approach.

Investing in technology has the added benefit of removing existing silos within organizations. “2020 also really shone a light on how siloed teams have become,” added Marc Andrews, Vice President, Financial Services at Pegasystems. “Business leaders need to enable the ability to more easily distribute work among teams. This entails reducing reliance on manual processes and ensuring shared resources can take on broader requests.”

Ultimately, empowering employees with the technology and resources they need to be successful will not only create happier and more efficient employees, it will also have a lasting, positive impact on the customer experience.



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More from the Experts:

“As we move into 2021, it is essential to revisit plans and align them to the new business landscape that we are living in. The best way for organizations to respond to this new normal is to acknowledge the known and unknown changes and begin with empathy. Specifically, using empathy at scale and applying technology in understanding another’s emotional state.” – **Vikramjeet Singh, CCM Competency Lead at Cognizant**

“Executives that were operating at the 100,000 feet level were all of the sudden on the same level as everyone else, and this accelerated the understanding that employees need the right tools and processes to be successful.” – **Nick Smith, Vice President and General Manager, Asia Pacific, Smart Communications**

“Aspire’s most recent survey found that over a third of employees in the U.S. now work from home at least part time. Our physical isolation in the wake of COVID-19 has greatly accelerated the market’s digital transformation and popularized cloud distribution of CCM software. Nearly 40% of enterprises report that they are now working to enable their employees to manage customer communications remotely.” – **Will Morgan, Senior Research Analyst, Aspire**



The ways people shop, dine, gather, celebrate and more are often contact-less and digital.

The Customer Will Have More Control Than Ever as Expectations Continue to Increase

It's no secret that customer expectations have been increasing for some time. However, the implications of COVID-19 have fundamentally changed the way customers interact with companies. The ways people shop, dine, gather, celebrate and more are often contact-less and digital – and these same expectations are carrying into industries like insurance, financial services and healthcare.

"The uncertainty and anxiety that came with the COVID-19 pandemic had a significant impact on the customer experience," said Smart Communications' Simon Tindal. "Customers expected – and continue to expect – an undisrupted experience where information is accessible on demand, responses are quick and communications are digital. In today's day and age, customers expect follow-up to be immediate – they can't wait for things to be printed, posted and delivered. They want to see it in their email inbox or receive a text."

Now more than ever, customers want simplified processes and increased personalization. Tom King, Director – Insurance at Salesforce, added "Insurers specifically will be measured by how well they know their customers. Experiences need to be tailored to the individual, and for this to happen the business needs to have better visibility into the customer."



So, how can businesses achieve this at scale?

Organizations must ensure they are delivering an amazing customer experience from acquisition to onboarding and servicing – and this starts with how data is collected. A cumbersome form – whether it’s paper-based or a static PDF – leaves much to be desired. One way to enhance the customer experience, however, is through smart, guided, interactive interviews.

Investing in forms transformation allows businesses to tailor questions to each individual to keep customers engaged. Ultimately data collected in one interaction should be used to inform subsequent engagements. And, customers should be able to switch between devices while maintaining the same, consistent experience they expect. The only way to achieve this is to invest in a digital-first approach. As Seth Rachlin, Ph. D., Executive Vice President, Chief Innovation Officer at Capgemini, indicated, “There will be leaders and laggards that come out of COVID-19. The leaders will be the ones that successfully pivot to digital.”



“ More from the Experts:

“In the insurance industry, when you buy a policy, you are a ‘policyholder.’ When you make a claim, you are a ‘claimant.’ You are never a ‘customer.’ The language we use reflects a mindset, and this mindset needs to shift to be more customer-centered.”
– **Seth Rachlin, Ph. D., Executive Vice President, Chief Innovation Officer at Capgemini**

“Most customer interactions have been segment-based or very focused on cross-sell opportunities. In today’s climate, however, customer engagement needs to be more empathetic and focused on the customer’s individual needs.” – **Marc Andrews, Vice President, Financial Services at Pegasystems**

“COVID-19 has introduced an increase in the amount and types of communication channels, formats and technologies that add to the volume, complexity, and demand for content. Changing user habits has created a need to provide differentiated and personalized experiences for the customer. To meet this, companies need to up their game and rapidly update applications and infrastructure to get employees working remotely to address changing customer expectations.” – **Vikramjeet Singh, CCM Competency Lead at Cognizant**

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Failure to Automate Business Processes Will Pose Significant Risk to Businesses

Today's customers expect their interactions with businesses to be relevant, timely and convey a level of empathy – something that is nearly impossible to achieve at scale without automating certain processes. In 2021 and beyond, automation will not just be a nice to have, it will be a need-to-have for success.

For many businesses, the shift to remote work environments exposed inefficiencies in existing processes. "In the insurance industry, for example, there are a tremendous amount of manual processes and workarounds. Employees want to do the right thing and as a result, have been able to get work done despite cumbersome systems. The pandemic has forced business leaders to look in the mirror and address these issues once and for all," said Tom King, Director – Insurance, at Salesforce.

Marc Andrews of Pegasystems, added, "Automation is about more than RPA (robotic process automation). Businesses need to be able to automate processes in an intelligent, auditable way. It's important to first identify where bottlenecks currently exist and automate in a more case-based approach."

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Based On Input From Contributors, Key Areas Ripe for Transformation Include:



Document Generation:

Enterprises are exploring how to manage documents coming both into and out of the organization, especially as many businesses move away from paper-based to digital communications.



Forms:

The way companies collect information from customers needs to move from static, paper-based or PDF forms to guided, interactive interviews.



Call Centers:

Many businesses will begin to transform their call center organizations. The customer increasingly prefers self-service options where they can get answers to their questions at any time and from any place.



Data Collection and Use:

With a focus on improving the customer experience and business processes, both humans and digital channels should have access to the same customer information. Actionable data allows businesses to ensure the customer experience is consistent across channels.



Payments:

As the world becomes more connected and interactions continue to be contactless, paper checks will become less frequent.

Before implementing any sort of automation, however, it's important to first ensure existing processes are examined and to rectify if they are broken or outdated.

Pegasystems' Marc Andrews added "Businesses need to be wary of 'making mistakes faster.' If organizations are doing things incorrectly currently, automation only speeds up mistakes."

It's also important to have a "crawl, walk, run" mindset. Organizations should identify a few key processes or functions that would benefit from automation, especially areas that rely heavily on manual steps or decisions. Once these processes are reengineered to reflect the demands of both employees and customers, automated processes ensure delivery, response and follow-up are seamlessly coordinated across channels. Taking these incremental steps will ultimately enhance both the customer and employee experience.



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More from the Experts:

“We’re detecting a flip in the paradigm of automation. In the past, automation has been focused on specific use cases, like auto glass repair, for example. Automation now applies nearly anywhere, and sometimes it might only be partial automation to augment and streamline human roles like data entry. This gives employees ‘superpowers’ to get them out of mundane tasks and focusing on more strategic initiatives that add value to both the customer and the company.” – **Brian Vannoni, Director, Market Insight at Guidewire Software**

“One of the biggest risks to businesses is doing nothing. So many companies are overwhelmed and don’t know where to start. I often hear about too much data or not enough data and it’s important to remember it’s not just about data collection, it’s about how you use the data.” – **Neil Greathead, Chief Customer Officer, Smart Communications**

“Transformation today requires adopting a new mindset. It’s not like in the past where ‘transformation’ meant installing a new system. Transformation today is about continuous incremental improvement over time to both optimize business processes and adapt to changing business strategy.” – **Tom King, Director – Insurance, Salesforce**



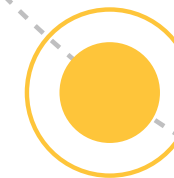
Siloed solutions create a disjointed customer experience and limit the ability to have a 360-degree view of the customer.

Connecting Data From Existing Systems Will Be the Linchpin to Improving the Customer Experience

“2020 saw a rapid adoption of cloud-based, purpose-driven technologies as the pandemic forced a response to business continuity. It also changed customer expectations on how they interact with businesses; they expect unprecedented ease, efficiency and personalization at every touchpoint. Achieving meaningful and tailored experiences at scale requires an integrated technology stack that gleans the most insight about the customer regardless of where the interaction begins or ends,” said Marci Maddox, IDC Research Director, Enterprise Content Strategies.

Siloed solutions create a disjointed customer experience and limit the ability of internal resources to have a 360-degree view of the customer. Using plug-and-play accelerators, systems can ‘talk’ to each other and trigger faster responses – providing insight into both inbound and outbound communications to enable companies to set themselves apart from the competition.

In order to collect information in the smartest way possible and dynamically generate communications, businesses should be able to connect data from across existing ERP, CRM and e-signature systems using Artificial Intelligence (AI) and other machine learning capabilities.



Previously, there has been hesitancy around adopting AI because of “broken processes and concerns over dirty data,” added Salesforce’s Tom King. “However, AI now allows for incremental data cleansing, which is transformative for businesses today.”

“AI is the latest evolution of process automation and where it’s most exciting is how it turns information into insight quickly, enabling businesses to make informed decisions. It’s important to remember, however, that with AI there won’t be a ‘big bang’ moment. It’s a constant process of improvement,” said Nick Smith, Vice President and General Manager, Asia Pacific at Smart Communications.

Smart Communications’ Simon Tindal added, “AI continues to evolve. It’s all about knowing your customer and using your customer’s data to provide best-in-class customer experience. The most important thing to focus on is making data scalable and actionable so customer conversations can be personalized.”

For business leaders to achieve the agility and flexibility that today’s market landscape requires, they need to move to a cloud model and leverage open APIs. This will allow data from core systems, third-party solutions and more to be incorporated into tailored, personalized customer experiences.



“ More from the Experts:

It's a slow march, but cloud and AI are inevitable. One of the barriers to adoption has been trust, and I think we are overcoming that with explainable AI. This is where we have a better understanding of what the machine is doing and why it's doing it. Understanding the how is critical to trust.” – **Seth Rachlin, Ph. D., Executive Vice President, Chief Innovation Officer at Capgemini**

“AI won't fix all of your problems at once. Focus on using it for one particular issue first. Start small, get some wins and gain an understanding of how it will impact your business. It doesn't have to be scary; it can be something you can grow into.” – **Tom King, Director – Insurance at Salesforce**

“In 2021, we will increasingly see closed loop analytics, which includes data from multiple sources that can be harnessed using AI and Machine Learning with insights fed back into a workflow, for a variety of use cases. These advanced capabilities empower employees to be more successful and provide a better experience to the customer.” – **Brian Vannoni, Director, Market Insights at Guidewire Software**

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Technology Will Be the Foundation to Orchestrate a True Omnichannel Customer Journey

To meet the needs of today's customers, enterprises must prioritize a digital-first, omnichannel customer journey. Jim Lundy, CEO and Lead Analyst at Aragon Research, indicated "Businesses need to ensure they can execute processes quickly to enhance productivity. This involves investing in technology that accelerates the rate at which information flows between enterprises, people and important business systems to shorten process cycle times and increase accuracy."

He continued, "Agility requires true cloud technologies, which meet demands without hefty hardware investments, provide real-time provisioning to meet changing internal needs, increase speed to production and scale to meet the complex needs of a business' centralized customer communications strategies."

Guidewire's Brian Vannoni added, "In 2020, the importance and necessity of cloud platforms became even clearer. Cloud-based solutions provide agility, flexibility and innovation that legacy, on-premise systems cannot. Many of these systems showed their age at a time of great stress. As we move beyond the pandemic to the 'next normal,' we cannot revert to how we used to do things."



Enterprises must prioritize a digital-first, omnichannel customer journey.



If they haven't done so already, business leaders need to be exploring and investing in multitenant, SaaS solutions. In 2021, making the necessary investments in technology is table stakes, as Smart Communications' Nick Smith shared "The great thing about technology, particularly the evolution of computing power, is the ability for companies to collect, analyze and use data. The cost barrier is gone because companies can now achieve their goals at a price point that makes sense. Data needs to be used – regardless of where it lives in the organization – to have an enterprise view of customers as individuals. The organizations that prioritize this will be the ones to succeed."

While extensive change can be overwhelming, especially for large organizations, it's important to keep in mind that enterprises don't need to have a "rip and replace" mentality, but instead "leverage and extend." IDC's Marci Maddox added, "aiming for 'rip and replace' creates roadblocks that slow things down and is not conducive to the responsive enterprise. To achieve true agility and future business resiliency, it is critical to extending the life of existing systems by layering the right technology in concert to the business need."

Technology ultimately allows businesses to deliver two-way, interactive conversations with their customers, creating consistencies and efficiencies, increasing ROI and reducing cost. Capgemini's Seth Rachlin added, "the ultimate benefit of technology is reducing friction. When a customer understands where things are – think of watching your Uber on a map while you wait for your driver to arrive – it makes the customer experience easier."



“ More from the Experts:

“Going into 2021, businesses must be focused on giving users powerful and intuitive tools that will allow them to craft relevant, personalized, omnichannel communications while working from home and virtually collaborating with team members. Organizations that successfully adapt, fashioning agile workflows that empower these remote teams to positively influence customer experience through superior digital interactions and content optimization, will be the best positioned to earn their customers’ trust and engender brand loyalty both now and in the future.” – **Will Morgan, Senior Research Analyst, Aspire**

“There will be a next normal for society and for insurance. It will include digital-first, omnichannel engagement, a remote work environment that requires internal digital processing and closed-loop analytics and a new way of engaging with customers and employees. The theme for 2021 should be ‘less friction, more flow.’” – **Brian Vannoni, Director, Market Insights at Guidewire Software**

“Technology is at the center of customer experience. It can bring order, simplification, structure, efficiency, scale, intelligence, speed and consistency.” – **Neil Greathead, Chief Customer Officer, Smart Communications**



Where Do Business Leaders Go from Here?

COVID-19 fundamentally changed the way the world lives, works and communicates. This, coupled with customers' already increasing expectations, is forcing businesses to go beyond traditional customer communications and start thinking about two-way conversations. The trends listed above feature insights from some of the industry's most knowledgeable experts, with one theme echoed across the board – businesses need to take a strategic approach to how they interact with customers, deploying a digital-first approach to engage with individuals on their preferred channels. Personalized and relevant customer conversations are critical to shaping the customer experience and the companies that equip their employees for success, adopt the best processes and invest in modern technology will ultimately be the ones to succeed.

To find out how Smart Communications enables organizations to transform the end-to-end customer experience, visit smartcommunications.com

About Smart Communications

Smart Communications™ is the only provider of a customer conversations management platform. More than 500 global brands rely on Smart Communications to deliver SMARTER conversations across the entire lifecycle—empowering them to succeed in today’s digital-focused, customer-driven world while also simplifying processes and operating more efficiently. This is what it means to scale the conversation. Smart Communications is headquartered in the UK and serves its customers from offices located across North America, Europe, and Asia Pacific. The Smart Communications platform includes the enterprise-scale customer communications management power of SmartCOMM™, forms transformation capabilities made possible by SmartIQ™ and the trade documentation expertise of SmartDX™. To learn more, visit [smartcommunications.com](https://www.smartcommunications.com).



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