

Transforming Communications: From Information Overload to Customer Engagement



Transforming Communications

Harnessing the Power of the Data Explosion

We live in a world transformed by data. The opportunities available to businesses and their customers for increased levels of engagement and understanding are exponential but at times overwhelming. Organizations struggling to harness this deluge of data can find themselves spending unnecessarily on duplicate mailings to the same household or missing opportunities to engage more cheaply and efficiently online. Customer experience may be hurt by brand inconsistency across channels and internal silos that impede resolution of service issues. And incremental revenue is often left on the table when cross-sell and upsell opportunities are either disconnected or poorly aimed.

For businesses operating in a regulated environment, the challenges of the data explosion are even more complex. Industries like financial services, telecommunications and healthcare must comply with ever increasing regulation, along with privacy and data protection laws that vary from one geography to the next. Disparate standalone databases and fragmented processes for creating and delivering content make managing compliance across a myriad of customer touchpoints both a significant and risky undertaking.

However, for progressive organizations, the pressures of regulatory compliance coupled with the challenges of today's data overload can actually be a springboard to more effective multichannel communications.

The same single customer view (SCV) with cross-channel integration that enables the operational control and accuracy essential for compliance is also the key to effective, data-driven marketing. The benefits for businesses that execute well can include lower cost, improved revenue and increased customer satisfaction. With increased regulation now mandating standard operating procedures for many companies, some have posed that the ability to deliver an outstanding customer experience within regulatory constraints can actually become an important differentiator.

This will certainly be true in healthcare, where a perfect storm of regulation, pressure to cut costs and the need to control prices is forcing health insurers to look for new ways to interact with their members. And for the telecom industry, where year-over-year churn can run as high as 30%, the ability to deliver a personalized experience across the consumer lifecycle—activation, billing, problem resolution—becomes critical to decreasing churn.

Achieving Compliance While Improving Operational Control

Better operational control is often the primary motivator for organizations to move toward cross-channel integration and an enterprise view of their customers. From a compliance standpoint, having a single command-and-control system enables archival recording of all customer communications, regardless of channel, and ensures permission-based access to customers as well as front-line customer service staff and operations. This powerful tool minimizes risk while at the same time dramatically increases organizational agility. A single repository for managing customer communications and preferences facilitates improved data hygiene and allows the organization to quickly and easily update business rules in response to market trends or changing industry regulations. And updates can be performed globally or by business unit, document, channel or customer through a single portal.

Leveraging Customer Preferences to Cut Costs

After operational control, cost reduction is likely to be the benefit most businesses will be focused on in today's economic climate. The greatest potential for savings in moving to a single customer view and cross-channel integration comes from improved operational efficiencies and the successful migration of customers from print to electronic communications. Madison Advisors reports that across all industries in the U.S., consumer adoption of eDelivery and eBilling is approximately 8–16%, with healthcare and banking on the low end of that scale.¹ Given that 75% of consumers are actively using the Internet and email in their daily lives, the potential for growth is real. On average, electronic communications are roughly 20% the cost of traditional direct mail. With banks and credit card companies currently mailing an estimated 78 million to 1.7 billion mail



packages annually according to Madison Advisors, even modest increases in online banking and bill pay represent significant potential cost reduction.²

It is important to note, however, that getting your eDelivery strategy right is even more important than selecting the right technology. If you want customers to use lower-cost and self-service channels, make it easy, make it beneficial and make it relevant. Eliminate barriers to adoption like multistep enrollment processes. Provide meaningful customer incentives and benefits for eMigration like overdraft alerts with the ability to link accounts in one click or cellular bills that guide customers to the right plan based on actual usage. Otherwise, customers will choose the path of least resistance; they'll do nothing. Without a clear strategy based on customer needs and preferences, companies will spend hundreds of millions of dollars on marketing their paperless solutions with no meaningful adoption and no ROI on the technology, resources or marketing investment to show for it.

Maximizing Engagement at Every Touchpoint

It has been demonstrated repeatedly that the cost of acquiring a new customer outstrips the cost of retaining an existing one. Yet rather than leveraging existing customer data for better targeted cross-selling and upselling, many companies focus their data mining on acquisition instead.

Ironically, the impetus for many businesses to increase marketing effectiveness may ultimately evolve out of regulatory requirements. For example, in 2010, the UK Financial Service Authority mandated an enterprise customer view for the firms under its jurisdiction. Within healthcare, reforms that create a dramatic influx of both newly insured individuals and existing customers faced with the need to shift their coverage are likely to move the industry from a B to B environment to one that feels much more like B to C. As a result, customer understanding along with expertise in target marketing will be essential to succeed in the future.

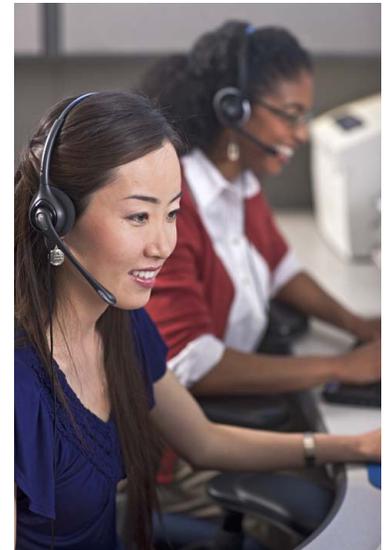
Today, multichannel is no longer a choice—it is an expectation—and the reality is that one small misstep or inconsistency can quickly erode consumer trust. A single view of the customer with integration of the touchpoints across channels opens the doors to deeper understanding of customer needs and preferences, and improves response to those needs. And possibly even more important in the long run, it establishes the means to capture the feedback necessary to develop services that move beyond transactional—into those that increase trust, loyalty and share of wallet.

Consider the telecom industry, where multiple mobile users within a single household—each with very different preferences and usage patterns—make targeting more difficult but also offer a rare opportunity to create cross-generational loyalty.

A “command and control” portal for managing customer communications enables automated placement of relevant, targeted marketing directly into the body of an email, can overlay or append actionable messaging to a policy or account statement, or transform an acknowledgement email into a cross-sell. The result is more meaningful traffic to your website, significant upsell and cross-sell revenue, and greater visibility into communication effectiveness.

Overcoming Barriers to Gain Competitive Advantage

Despite the clear benefits, it has been estimated that fewer than a third of global companies have an enterprise view of their customers. The most common barriers to SCV and cross-channel integration include lack of resources, lack of guidance and data-related issues. These challenges are especially acute in large organizations that have grown over the years through mergers and acquisitions and may be dealing with multiple legacy databases and IT platforms spread across channels, branches and lines of business. Organizational tensions around who “owns the data” or “owns the customer” can make the journey difficult and slow. Executive sponsorship and commitment to change management are critical, and often times, the best solution is to identify a strategic partner that can more easily cross business lines to identify shared pain points and gather consensus around the organization’s vision for the future.



Preparing for Your Journey

The journey from data overload to customer engagement will be different for every organization, and it's important to establish a clear understanding at the outset that you are engaging in a process that will involve organizational change over time. Once expectations are set, transformation should start with a broad and strategic view of where your communications challenges lie. Taking a systematic approach to documenting current state while envisioning your future state will ensure that your ultimate solution set gets you where you need to go.

For example, if your challenges are around visibility and control, reporting and audit tracking will be critical elements of any solution. If the design and production process itself strains your ability to comply, then you'll want to consider enhancing the automation and efficiencies of your workflows. A preference and response management system will ensure that you are addressing levels of engagement and satisfaction by communicating with customers when and how they prefer. And self-service capabilities around message management and multilevel business rules will enable your organization to provide custom, personalized messages on your statements and other transactional communication without taxing IT. Finally, if your mandate is to reduce the costs associated with your transactional communications, you'll want to consider a Lean Six Sigma approach to process improvement as an element of your journey.

One thing is clear. Regardless of how the project is tackled, your organization's ability to ultimately increase the effectiveness of communications while driving electronic migration and enabling operational efficiency will position you for competitive advantage in today's high-tech, high-touch world.

References

¹ Madison Advisors: Print Suppression Market Study, October 2009

² Madison Advisors: Multi-Channel Delivery Market Study 2nd Edition, August 2011

About the Author

As the Director of Customer Communications, Catrina Boisson focuses on driving communication and marketing solutions for our business-to-consumer clients, emphasizing the power of data to inform and fuel more relevant, effective communications.

Prior to joining Xerox, Ms. Boisson was the Vice President of Marketing for the New Jersey Performing Arts Center (NJPAC). As a member of the Center's executive team, she oversaw enterprise-level sales and customer service as well as all marketing and audience development activities. During her tenure, NJPAC was recognized nationally for its customer-focused, data-driven marketing.

Catrina brings extensive experience developing and managing direct response and multichannel marketing campaigns designed to drive both acquisition and customer loyalty. Prior to joining NJPAC, she led marketing and sales for the New York City Opera. She has also held key marketing positions with Festival Marketing, working with American Express on the Gold Card Events program, and the Brooklyn Academy of Music. She began her career in marketing as an Account Supervisor at Ziff Marketing.

Ms. Boisson attended Georgetown University, where she graduated Summa Cum Laude with a B.S. in Business Administration. Catrina is a resident of Lawrenceville, NJ, where she lives with her husband and two children.



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