

Smart Communications: How Leaders Drive Customer Experience

Part 1: How to Seize No-Cost Marketing Opportunities throughout the Customer Life Cycle

The logo for Greenhill Analysis features a green, wave-like graphic above the company name. The name is written in a blue, sans-serif font with wide letter spacing.

G r e e n h i l l A n a l y s i s

Smart People with Unrivalled Technology and Business Credentials

Prepared for StreamServe, Inc.

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Smart Communications: How Leaders Drive Customer Experience

Part 1: How to Seize No-Cost Marketing Opportunities throughout the Customer Life Cycle

Executive Summary

Top marketers today own the customer experience across the lifecycle, and use every interaction as an opportunity to reinforce brand messaging and promote the company's products and services. The documents your company sends from all its departments and systems constitute a dialog with your customers. How's your dialog? Is it coherent and consistent, or disjointed mumbling from all corners of the organization?

StreamServe's Persuasion for Customer Experience is an end-to-end communication solution for managing all your customer communications. It allows business people to take charge of all customer communications, creating compelling, personalized documents from multiple back- and front-office systems, and deliver them at the right time, via the right channel, anywhere in the world. Templates and business rules managed within marketing control the format, images, colors, messaging, offers, and recommendations that appear in every customer document.

The benefits to companies using Persuasion for Customer Experience are enhanced brand, reduced churn, higher revenues via cross-selling, ability to adjust promotions and messages daily in response to market conditions, reduction in call center events because documents are clearer, and reaching off-line audiences at no additional postage expense. In fact, using Persuasion will probably significantly reduce postal costs.

The benefits to your customers are in getting documents that are clear, which saves your customers time and inspires their confidence and trust; giving them control over the channel they receive their communications; and getting more value from the relationship because you are delivering targeted offers and suggestions.

The four steps to success with Persuasion for Customer Experience are getting immediate success and payback; updating your cross-channel communications strategy, which may involve many people and departments; defining your communications implementation plan; and executing and assessing the impact to perfect your execution.

There's a growing awareness across all industries—including utilities, insurance, banking, brokerage services, telecommunications, distribution, and manufacturing—that designing customer interactions to connect more effectively holds the potential for providing a real and sustainable competitive edge for companies around the world. And customers are beginning to see more compelling communications from their suppliers, and their expectations for the quality of all supplier communications continues to climb.

This report is the first in a three-part series.

Customer Communications: Trash or Treasure?

Marketers know that it's critical to deliver a customer experience consistent with your brand. That's why they pay close attention to packaging, Web sites, email campaigns, ads, and press releases. And it's why really smart marketers also take charge of invoices, statements, and other application-generated communications.

Why? Because all the effort marketing and sales pour into acquiring a customer can be jeopardized by a few poorly designed documents from backend systems. A confusing statement can turn a complacent customer into someone who thinks he's being suckered. In contrast, a personalized statement that includes relevant messaging and suggestions can turn a disaffected customer into a sneezer -- a fan who is broadcasting your message for you.

Today's successful marketing executives know more about the customer than anyone else in the organization, at a time when that knowledge is critical to every company's success. And the leaders are taking control of all the communications that reach the customer, and designing those communications as if they represented a dialog. After all, that's how the customer experiences them.

How's your company's dialog? Is it uncoordinated, abrupt, contradictory, confusing, and sometimes irrelevant, as departments throughout the company issue their process- and forms-driven print-outs, on their own peculiar schedule?

Is it time to take charge of the unrehearsed and unplanned dispatches erupting all across your company? Time to replace these aimless departmental outbursts and create a real conversation with your customers, one that reflects your brand, attracts customers, and cements loyalty?

Smart Communications: Effective Customer Experience

What your customers want is communications that are meaningful, coordinated, concise and clear; communications that help them have a successful relationship with your brand.

As a marketer, this is what you want them to have! If your company is in a carefully designed, ongoing dialog with customers, you're in a great position to grow revenue while you're cementing relationships.

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The tools to take charge of customer interactions, and measure the results, can now be in marketers hands. The marketing team can control – and personalize – the format, images, colors, messaging, offers, and recommendations in each communication. Routine documents become part of campaigns: they generate leads and revenue instead of costs.

Think about it: the marketing team would own the format and content of every piece of paper mailed to customers, and every electronic communication as well, from every front- and back-end system. An invoice is still an invoice, but it can be presented in a more beguiling way, with areas reserved to deliver special messages to customers.

Let's look at an example of customer-facing communications. As a customer, you are probably all-too-familiar with the appearance of the document on the left side of the illustration on the following page. It provides a primitive summary of account activities that is often difficult for the customer to understand. Does your company send statements like these? By Gartner's measures, these three documents cost \$18 to send to a customer.

In contrast, the document on the right was prepared by StreamServe Persuasion, and represents the ideal of what customer-facing communications can be. It presents a clear summary of the quarter, a graphic depiction of portfolio growth, and highlights of actions required by the customer. This single document costs only 1/3 as much to print and send, it helps the customer by calling attention to a required action, and it enhances the relationship by providing a visual summary of the information that matters most to the customer—his portfolio growth. Note that there is room on this statement to include a targeted offer; an offer the customer is most likely to be receptive to while he is immersed in his relationship with the company.

Taking this approach, routine, regular outputs from various systems become an opportunity to deepen the customer relationship, at no additional (and possibly less) mailing cost.

"[StreamServe allows us] to streamline the customer statement process, ensure that each statement reflects the individual customer's needs, and generate additional revenues by using our statements to market additional products." *Richard Cohen, CIO and Senior Vice President, Benco Dental*

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The image shows two versions of a utility invoice for Stuart Green. The left version is a standard, text-heavy invoice with overlapping information and a small 'Offer' callout. The right version is a modern, visually appealing invoice created with StreamServe's Persuasion software. It features a clear layout with sections for 'YOUR ENERGY ADVISOR' (Helen Smith), 'UTILITY CHARGES' for March 2010, and 'CUSTOMER INFORMATION' including usage graphs. A blue arrow points from the original to the new version. Callouts 'Offer' and 'Action' highlight key elements.

On the left is the original document sent to the customer, with overlapping and poorly presented information. On the right is an example of the same information presented succinctly and graphically, with recommended action highlighted and with room to include a relevant offer to this customer.

How many mailings go out to your customers today that could be building the relationship, but aren't part of your interaction design?

The only obstacle to customer interaction design, really, is the marketing executive's vision and commitment to owning the dialog. Today, customer communications are spawned all over the organization, a habit dating from the middle of the last century when computers first started streaming out printed forms. Customer interaction ownership demands that marketing take back those customer communications and use marketing tools to leverage the valuable moments of customer attention.

Adding StreamServe's Persuasion for Customer Experience gives marketers the interfaces to compose the communications that will be most effective for each customer segment. Persuasion for Customer Experience formats statements, invoices etc. according to segment-driven marketing rules, adding messages and offers appropriate to the audience. In conjunction with marketing suites, Persuasion can incorporate statements and invoices into marketing campaign design and tracking.

Benefits to Customers

If all communications—from order acknowledgements to invoices, statements to regulated notifications—were designed for the customer rather than pumped out by default by front and back office systems based on the workings of internal business processes, customers would be thrilled. Here are some of the benefits your company can offer by using StreamServe Persuasion for Customer Experience to deliver communications designed for customers:

- **Time-Saving Clarity:** Communications would be easy to understand, and could include graphics and cogent summaries. There would be fewer documents, and no content that doesn't apply to them. They would get tailored recommendations and suggestions.
- **Trust and Confidence:** Customers would see consistent information and brand representation across channels, which convinces them that their supplier is competent. Compare this to the all too common situation of seeing a great offer on an insert but hearing from the call center that you're "not eligible" for it. What should you believe?
- **More Control:** Customers could be allowed to choose their preferred touchpoint for receiving communications, as well as to choose among summary, consolidated or detail formats. All of these communications would be driven by the same data and process, so consistency is ensured.
- **Get More out of each Relationship:** By receiving relevant, targeted offers, customers learn about a supplier's range of services and can easily see new ways that their supplier can help them further.

Benefits to Companies

Persuasive, personalized, and consistent customer-facing communications can create more satisfied customers who stay longer, buy more, and call less often for help understanding confusing documents. Benefits to companies using StreamServe Persuasion for Customer Experience include:

- **Enhance Brand:** By delivering carefully designed customer communications with relevant offers, companies can present consistent brand image and messaging—the kind of brand expression that seems never to be part of invoice design. Companies also avoid the resentment that arises when customers think they've been wrongly billed because they can't decipher the invoice.
- **Reduce Churn:** Customer-centric communications drive three significant loyalty enhancers. First, by allowing customers to control how communications are delivered, customers become more bound to a relationship because it fits into their processes or lifestyle. Second, by making targeted offers more often, customers deepen their relationship and rely more and more on their supplier. And third, by providing

concise and consistent information, companies stop generating the confusion and frustration that forces customers to call. 3 Scandinavia's invoices include personalized information on how to make more effective use of the services each customer subscribes to, which customers say they appreciate.

- **Boost Revenues via More Cross-Selling:** By turning back office and front office documents into marketing and sales tools, you'll create more opportunities to sell and to shorten the sales cycle as customers act on offers made in post-purchase communications. Every document sent to customers is an opportunity to deliver a targeted offer. Integration with recommendation engines enable highly personalized offers based on recent behavior, not just past purchases. 3 Scandinavia's invoices contain a cross-sell and up-sell zone, which delivers personalized offers; customers love the information in their updated, full-color invoices and have responded.
- **Reach Your Offline Audience at No Additional Cost.** You Direct mail campaigns are expensive. But if your company is already mailing invoices and statements, you effectively have a pre-paid monthly direct mail campaign going on already – one that naturally grabs customer attention. If you used Persuasion to incorporate these repetitive mailings into your multi-channel campaign strategy, you could track offers and results through your marketing platform. Agis, one of the largest health insurance companies in Holland, uses StreamServe as a strategic marketing resource to create personalized direct mail campaigns, as well as to personalize interactions with messaging and offers specific to each customer.
- **Speed Time to Market:** By giving marketers direct control of the content of customer-facing communications, companies can react quickly to marketing opportunities, and increase the effectiveness of personalization. For example, the 3 Group 3 uses StreamServe in Sweden and Denmark to work dynamically with invoices as a communications channel for personalized special offers and marketing messages. In a toughly competitive sector, 3 can now rapidly change messages on invoices based on the current market situation and ongoing campaigns. "Invoicing is one of our primary points of contact with the customers," says Thomas Wandahl, customer loyalty director at 3 Scandinavia. "It's important for us to have control of the document process and to be able to include information about current special offers prior to each round of invoicing. By segmenting the customers and giving them personally adapted messages, customer campaigns are more successful, which is reflected in our revenues. StreamServe gives us the capability to rapidly change the messages on our invoices. At the same time, we can reduce postage costs by distributing mailings among several postal operators." (To view the full video interview, please visit: <http://www.streamserve.com/company/StreamServeTV/>).

- **Reduce Call Center Events:** By delivering consistent, understandable documents, and allowing customers to control format and delivery of their information, companies can reduce the confusion and frustration that drives customers to the phone. According to a 2005 study from Gartner and Avaya, on average, a call to customer service costs \$4.50. For example, The Electricity Supply Board, the leading utility in Ireland, uses StreamServe to convert 10 million bills prepared by the SAP system. StreamServe applies complex logic to create bills in English or Irish, to explain the new format of the statement, and file PDFs of each bill in the customer's file so that customer service representatives can see what the customer sees. The frequency and duration of customer service calls has improved dramatically.
- **Reduce Costs of Printing and Mailing:** By combining documents produced by multiple back office systems into a single document that makes sense to customers, and by allowing customers to receive communications electronically, companies reap significant savings in printing and mailing costs.

Smart Communications Series

This report is the first of a three-part series. The full series is as follows:

- Part 1: How to Seize No-Cost Marketing Opportunities throughout the Customer Life Cycle
- Part 2: How Leaders Use StreamServe Persuasion for Customer Experience™ to Increase Loyalty and Profit
- Part 3: Blue Print for Success in Seizing Marketing Opportunities throughout the Customer Life Cycle

In Part 2, learn how companies are using StreamServe Persuasion for Customer Experience; and the chief components of StreamServe Persuasion

In Part 3, learn how companies are using StreamServe Persuasion for Customer Experience; and the chief components of StreamServe Persuasion.

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