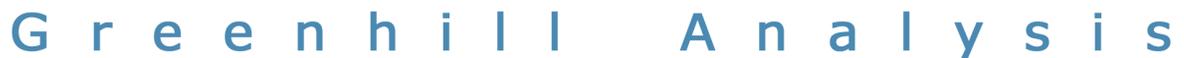# Smart Communications: How Leaders Drive Customer Experience

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

Part 3: Blue Print for Success in Seizing Marketing Opportunities throughout the Customer Life Cycle

## Greenhill Analysis
*Smart People with Unrivalled Technology and Business Credentials*

*Prepared for StreamServe, Inc.*

*By Sue Aldrich, Principal, Greenhill Analysis*

# Smart Communications: How Leaders Drive Customer Experience

## Part 3: Blue Print for Success in Seizing 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 is the final report in the three-part series.

## Blueprint for Success

The argument for deepening customer relationships via concise, targeted and meaningful communication strategies is compelling. The potential bottom line impact is significant and ROI can be achieved in as little as three months. So how do you take advantage of this opportunity? We identify four steps for you to take:

### 4 STEPS TO SUCCESS

1: Immediate Success and Payback

2: Update your Cross-Channel Communications Strategy

3: Define Your Communications Implementation Plan

4: Execute, Assess, Adjust

### Step 1. Immediate Success and Payback

While you will get the most out of StreamServe Persuasion for Customer Experience by making a holistic assessment of all customer communications, the most prudent approach to any new technology is to try it out on low hanging fruit. This gives you the opportunity to quickly recoup costs, learn how to apply the technology effectively, and gain organizational buy-in.

This is why 3 Scandinavia started with the invoice: it was fundamental to the customer relationship, it was the source of customer frustration, and it presented a big marketing opportunity.

### Step 2. Update Your Cross-Channel Communications Strategy

With immediate success and payback giving you confidence and credibility, take a step back and develop a strategy for customer-facing communications, and your process for managing the communications that have "belonged" to other departments.

As marketing executive, you own the customer experience. You should be able to snap your fingers and own all customer communications. But realistically, you're working with organizations that have been managing specific customer communications for years. You should engage their expertise and gain their buy in while you update the various deliverables.

With all the information that is produced for customers, and all the systems that produce it, this is how you develop a cohesive strategy that

meets your customer needs: review the current situation, and design the interactions that should be in place.

## Review the Gamut of Customer-Facing Communications

The first step is to get a clear picture of your current customer-facing communications. Your company currently sends statements, invoices, shipping notices, notices of pricing changes, marketing mailings, and regulatory information; and presents offers via email and Web pages, handles phone inquiries, and possibly makes scripted outbound sales calls. Assemble a team of people who interact with customers across the life cycle. Make sure you include some of the people who deal with customers' questions about the documents they receive. Put all the communications on the table—physically—and ask your team these questions:

- Does each communication clarify a transaction or condition that is meaningful to customers?

- Is there overlap of information among the communications that is confusing?

- Where are the biggest opportunities for enhancing our brand, messages, and marketing goals?

- Can we eliminate any of the communications, or consolidate some communications with others?

- Does the document, email or Web page describe offers that aren't actually available to the customer receiving the communication? Are there offers that would be relevant to the customer that aren't being described?

- How do customers say they want to receive this communication? Do they want it pushed to them, or do they want to pull it as needed? Do they want the information on paper or online?

## Brainstorming: Design the Ideal Customer-Facing Communications

Now think about the different types of customers that receive communications from your company. If your customers are businesses, you are likely to be communicating with purchasing, accounts payable departments, as well as the decision makers and users of your services. If your customers are consumers, they represent a variety of psychographic and demographic segments.

Design the ideal communications for each of these customers from their perspective, and then identify where brand and product messages or offers will enhance communications.

In designing for each of the types of customers you communicate with, consider the following:

- What information does this person need in order to *complete* his tasks?

- What information does this person need in order to *excel* at his task?

- What messages or offers would each type of customer *value* in the context of each of the communications we send? What types of offers does this person have the authority to accept?

- What additional information would each type of customer value? For example, would he value seeing what the bill would be had he chosen another plan, or how usage compares with other similar customers?

- Does this person need the structure of scheduled delivery of communications, or the flexibility to control the timing, format, and channel of the delivery? Do all customers want all detail in print, or would many prefer a summary with details available on line?

- What rules can you articulate that would control the format and timing of communications, and the offers that are included? You'll need to track these by segment and by communication.

- Identify new services or differentiation based on customized documents for customers.

- What is the most concise form that communications can take, within the constraints of contractual and regulatory obligations?

- Finally, identify must-have improvements stemming from regulatory changes, customer frustrations, customer expectations, and localization needs.

## Step 3. Define your Communications Implementation Plan

### Prioritize by Value

With your strategy defined and approved, it's time to get to work on your plan. In prioritizing the implementation of your customer communications plan, clearly you want to start by fixing your customers' greatest frustrations, and taking advantage of the biggest revenue opportunities.

By eliminating customer frustrations, you'll be eliminating customer service cost, increasing customer loyalty, and reducing customer churn. Once customers are receiving meaningful and streamlined communications, they will be far more receptive to a relevant offer.

Of course, you may have low-hanging fruit to pluck. That's fine, as long as you're sure there will be no substantive delay to achieving high value changes.

### Filling Your War Chest

Your justification for expending resources on improved communications shouldn't be difficult to measure. The table below presents justifications for cross-life-cycle customer communications design that are commonly applicable to a wide range of businesses.

### Phase by Customer Segments and Customer-Facing Communications

Now that you have your new customer-facing communications designed, you'll want to phase in the changes to communications, piloting each new communication with a subset of target customers to make sure that the new design is welcomed by them. You'll need a transition plan for each customer segment and each role that is affected if your customers are organizations rather than consumers. The transition plan will describe the sequence of each of the communications changes that will be rolled out, the pilot subset, the customer service training events, and the customer feedback mechanisms.

## STREAMSERVE PERSUASION FOR CUSTOMER EXPERIENCE JUSTIFICATION

| Cost Savings and Revenue Improvements | Your Bottom Line |
|---|---|
| How much would your company's annual revenues increase if you were able to make targeted offers in every customer-facing communication? (Context relevant offers drive 2-3X the conversion rate of generic offers) | |
| How much would your company's annual revenues increase if you were able to better differentiate your offerings via personalized services? (personalized interactions create loyalty, enhance lifetime value, increase conversion rates and order sizes) | |
| How much would your company's annual profit increase if you were able to improve customer loyalty and reduce churn by providing persuasive customer-facing communications? | |
| How much would your company's annual revenues increase if you had greater sales staff productivity, because they weren't spending time helping customers understand confusing communications? | |
| How much money could your company save annually by incorporating direct mail campaigns into regular communications? (direct mail campaigns conducted as onserts in regular communications; and/or eliminating annual spend on inserts) | |
| How much money could your company save annually in the cost of calls from customers who need communications explained to them (@ $4.50/call)? | |
| How much could your company save annually in printing and mailing costs by consolidating customer documents into fewer mailings? | |
| How much money could your company save annually in printing and mailing costs by allowing customers to elect online or as-needed delivery? (25% of customers X $6 per mailing X mailings/year) | |
| How much money could your company save annually by eliminating calls from customers who need a duplicate copy of a document? (U.S. average = $4.50 per call) | |
| How much time and money would your company save annually if it didn't have to make major changes in its IT structure to comply with new regulations or policies? | |

*Use this table to estimate the benefits of StreamServe Persuasion for Customer Experience.*

**Keep Everyone On Board**

You brought together a team to assess your current communications. You want to leverage that team during roll out of your strategy. These people can help organize the internal communications about your plan, and also figure out how their organizations will deal with changes to customer communications. For example, if you change your statement formats, customer service representatives will need to thoroughly understand the new electronic and paper documents; account managers will want to be prepared to explain the upcoming changes to customers.

**Technology Implementation Plan**

StreamServe Persuasion for Customer Experience has limited impact on IT systems and environments, and therefore its implementation is accomplished with modest resources. Because it uses information already created by existing applications, and because it does not change application data, it does not require the extensive integration and testing efforts that characterize much enterprise software. Customers have implemented StreamServe Persuasion for Customer Experience within a week.

Your IT architect will make the decisions on where StreamServe will fit in your company's IT architecture. Factors they will consider include what platforms it will run on, what scalability and data access will be required, and which systems (such as print subsystems, middleware, and business applications) must be integrated in order to support your customer-facing communications plan.

It's quite possible that StreamServe is already in place in your IT environment. If so, much of your technology planning is already accomplished.

## Step 4. Execute, Assess, and Adjust

There is a fairly simple cycle to executing the plan. You pilot the new customer-facing communication, assess results, and adjust your new communication and your full customer transition plan based on feedback. You complete the transition for each customer segment. Finally, you validate the effectiveness of the change from the customer's perspective, and validate your assumptions on cost and revenue improvements, returning to your justification assessment developed in Step 3.

The metrics to track are should reflect your goals for your customer interaction design. For example, if you expect to reduce customer complaints and increase uptake of offers, you might track the following:

| Segment: | | | |
|---|---|---|---|
| **Metric** | **Before** | **After** | **Trend** |
| % Customers responding to offers | | | |
| Contact center events/month related to documents | | | |
| Customer revenue/month | | | |
| Customer orders/month | | | |
| Printing and distribution costs for this segment per month | | | |

# Conclusion

How do your customer-facing communications look? 21st Century or mid-20th Century?
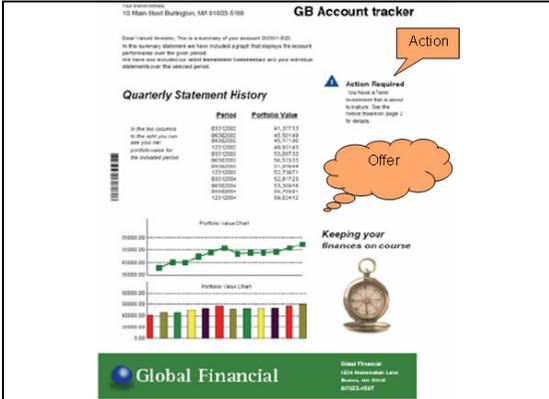
| **New School** | **Old School** |
|---|---|
| Are you creating communications that help your customers get the most value from their relationship with your brand? | Are you sending confusing and overlapping documents that make it harder and more costly for customers to do business with you? |
| Are you making attractive offers embedded in valued communications? | Are you adding a shower of generic inserts to an incomprehensible statement? |
| Are you making personalized offers? | Are your customers calling to accept offers that aren't in fact available to them? |
| Are you making relevant and compelling offers? | Are you spending millions of dollars sending out statements that generate a flood of calls to customer service? |

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.

How do your communications compare with your competitors, and how do they measure up to your customers' expectations?

## Lessons Learned

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. This is why really smart marketers take charge of invoices, statements, and other application-generated communications, using every interaction as an opportunity to reinforce brand messaging and promote the company's products and services.

StreamServe's Persuasion for Customer Experience$^{TM}$ is an end-to-end communication solution for managing all your customer communications. It allows business people to create 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.

PI Company used StreamServe Persuasion for Customer Experience$^{TM}$ to deliver customer reports, improving customer service so significantly that churn was reduced by 10% and customer satisfaction increased by 24%. Persuasion enabled 3 Scandinavia to create invoices that make sense to customers, causing a significant drop in customer support calls, and a significant boost to customer satisfaction.

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.

## Next Steps

Given the opportunities for increased revenues and reduced cost savings offered by actually designing your company's interactions with its customers, and the short payback period, we think you should take a close look at solutions such as StreamServe Persuasion for Customer Experience™. Rather than react to the impact of your competitors rolling out streamlined documents, statements, and integrated communications with personalized and persuasive offers, get there first.

# Smart Communications Series

This report is last in 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

Part 1 describes how leading marketers use front- and back-office communications as part of their marketing dialog; and identifies the benefits to customers and to companies of crafting a consistent and meaningful dialog to improve customer satisfaction, loyalty, and the bottom line.

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

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