
White paper

Next-Gen Correspondence:

Developing More Meaningful and
Profitable Relationships with Customers

Kaspar Roos

July 2021

Will Morgan

Sponsored by



INTRODUCTION

Customer correspondence, such as claims (transactions) interaction, explanation of benefits, notifications, confirmations, and account servicing communications facilitate a vital function in the day-to-day operations of any organization, particularly for those in regulated B2C verticals. In the wake of the COVID-19 pandemic, customer correspondence is taking on an even more crucial role as consumers rapidly shift to digital experiences that they expect to be smooth and seamless while granting a greater measure of control over how providers communicate and interact with them. These expectations present significant challenges because the highly regulated nature of the healthcare, insurance, and financial services industries has historically favored static, print-based communications. Shifting these communications to digital mediums will require modern solutions that conform to stringent security, data privacy, and various regulatory requirements, as well as the ability to provide modern, omni-channel output that places the recipient in control of how, when, and where they receive their communications. In this whitepaper, we will assess the latest state of customer correspondence solutions and examine the steps enterprises should take to ensure they provide their customers with the best possible communications experience.

CUSTOMER CORRESPONDENCE

WHAT IS A CORRESPONDENCE MANAGEMENT SYSTEM?

Correspondence management solutions enable businesses to create, manage, process and fulfill customer communications across the organization while tracking all incoming and outgoing business correspondence. Depending on the definition and scope, we see two types of correspondence management solutions:

- **System-generated correspondence** are systems that are closely aligned or built on top of a CCM or document composition solution. They are intended to help contact centers, customer service representatives, sales



teams, agents or brokers (typically in claims correspondence) send out interactive, ad-hoc, semi-structured or confirmatory communications by providing a browser-based document editing experience or by integrating with Microsoft Word. Through integration with scanning/capture workflows or smart forms, they can also track and automate inbound communications. Many systems are closely aligned or can be integrated with Customer Relationship Management (CRM) systems such as Salesforce, Business Process Management (BPM), or Case Management systems. Some CCM vendors even include case management capabilities in their correspondence management solutions, allowing customers to manage (dynamic/adaptive) cases or set up (self-learning) workflows.

- Often called hybrid mail, **desktop-generated correspondence** works by installing a virtual print driver on a desktop. The business user can continue working in their preferred word processing solution, (such as Microsoft Word). Instead of sending the document to a local printer, this correspondence can be either sent to a centralized production facility, or it can be emailed out while still benefitting from centralized processing and tracking.

While hybrid mail has some clear and distinct benefits, including enabling organizations to save on desktop printing and mailing costs for remote workers, a system-generated CCM approach provides much wider functionality than hybrid mail. It scales better, supports different user roles, allows employees to work directly with data and content, and it supports template creation and management. Business users can create and manage correspondence templates for system-generated communications, while customer-facing employees can make changes on the fly. In short, a CCM approach provides for composition and delivery on multiple channels and enables processing, archiving, and all the associated workflows necessary to build a customer communications strategy and framework. In this whitepaper, we will therefore focus on system-generated customer correspondence solutions.

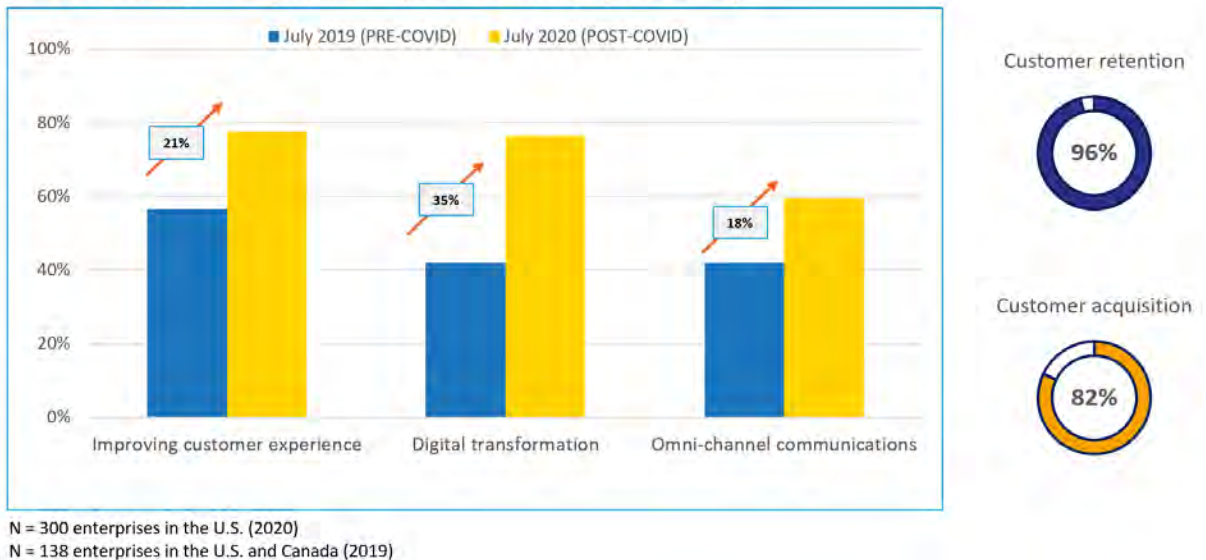


THE WIDER CONTEXT OF CUSTOMER CORRESPONDENCE MANAGEMENT

The disruption brought on by COVID-19 has forced many businesses to rethink their organization's communications strategies. In July 2019 and 2020, we asked enterprise survey respondents to select the strategic objectives for customer communications they deemed the most important. As the following figure illustrates, nearly all of the 300 American businesses who participated in the post-COVID survey in 2020 identified customer retention as their top priority. Customer acquisition, while still important, ranked considerably lower and toward the bottom of the overall list.

Figure 1: Strategic objectives emphasize digital communications in customer retention

Please indicate for the following CORPORATE strategic objectives if they have become more or less important as result of the COVID-19 pandemic. (Only Sum of "Important" and "Critically Important" shown.)



Source: *Understanding the New Digital Reality, Aspire 2020*

As this comparison between the results in 2019 and 2020 demonstrates, businesses were over 20% more likely to prioritize improving customer experience in the wake of the COVID-19 outbreak. Likewise, the reported priority of digital transformation shot up by 35% while omni-channel communications' priority climbed nearly 20%. Along with customer retention, digital transformation and improving customer experience now represent the

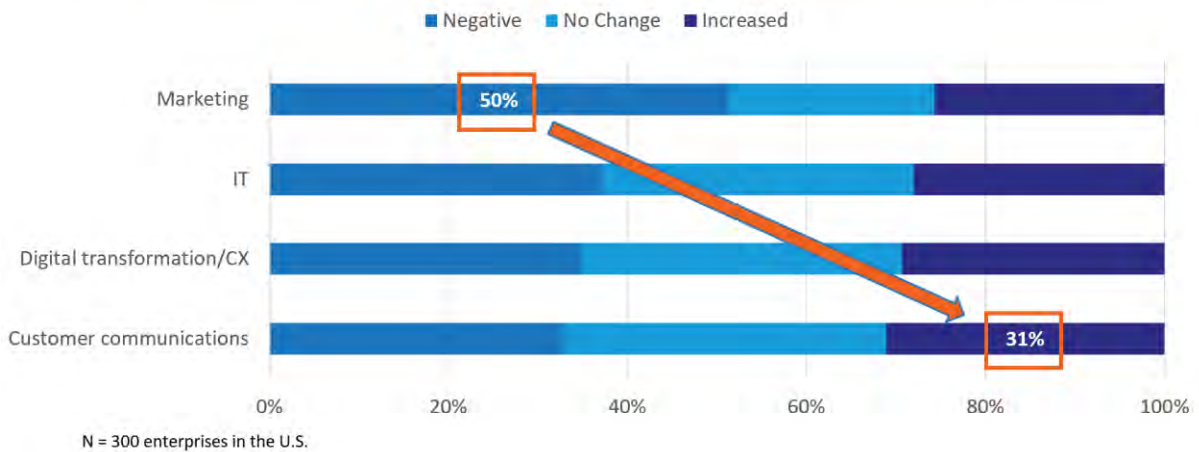


top customer communication priorities of enterprises in the U.S. market. In response to this global crisis and the resulting economic and cultural fallout, businesses have shifted their focus away from marketing so that they can prioritize holding onto the customers they have by leveraging superior digital interactions as a means of improving communications experience.

The pivot from customer acquisition to retention was reflected in budget reallocation from marketing to communications. Half of all surveyed business froze, canceled, or reduced the funds they had earmarked for marketing while around 30% increased their spending in digital transformation, customer experience, and customer communications.

Figure 2: Budgets are shifting from marketing to communications

What has been the impact of the COVID-19 pandemic on the following budgets in your organization?



Source: Understanding the New Digital Reality, Aspire 2020

We believe that businesses suspended their marketing campaigns in the early days of the pandemic because they wanted to ensure that their messaging was still appropriate. At the same time, many organizations sent communications to customers informing them of the ways in which the pandemic might impact their product and service offerings. In the following months, record unemployment and business closures reinforced the wisdom of an approach

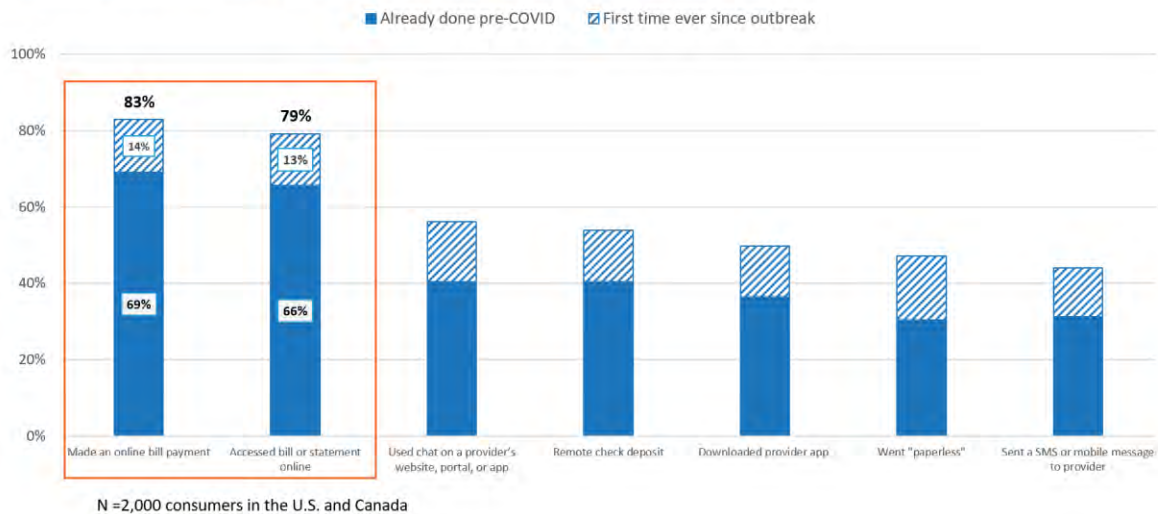


that seeks to retain customers by prioritizing honest, empathetic, and personalized communications.

The focus on digital interactions is in response to accelerated consumer digital adoption in the immediate aftermath of these events. Figure 3 illustrates how the vast majority of consumers have adopted digital communications with their providers, accelerating a transition that would have normally taken years to progress as far as it has in just a few months.

Figure 3: Consumer digital adoption is accelerating in the wake of COVID-19

Have you taken any of the following actions with one or more of your providers since February 1, 2020?



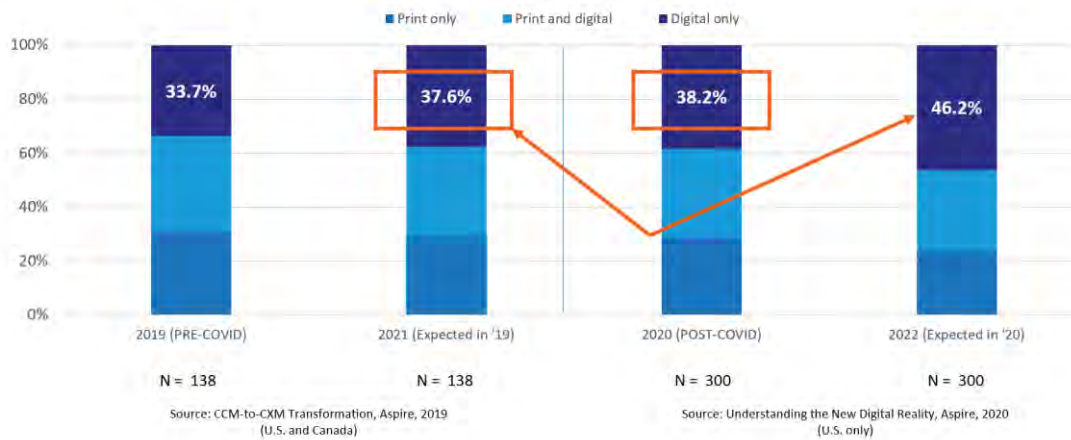
Source: *Understanding the New Digital Reality, Aspire 2020*

Around 80% of respondents in the U.S. and Canada accessed a bill or statement and made a payment online between February and August of 2020. Roughly 15% of them did so for the first time. Just under half of all North American consumers have downloaded a provider app or gone “paperless” since the pandemic, again with about 15% of them doing so for the first time. On the whole, consumers reported that half of their transactional communications are delivered digitally today and they predicted this exclusively digital share will rise to nearly two-thirds by 2022. In response to this surge in consumer digital adoption, businesses reported an unprecedented acceleration in the digitization



of their customer communications — one that already exceeds 2019’s respondents’ projections of where their digital distribution would be by 2021.

Figure 4: COVID-19 has initiated unprecedented digital acceleration



Source: CCM-to-CXM Transformation and Understanding the New Digital Reality, Aspire 2019 and 2020

In 2019, our enterprise survey respondents predicted that they would deliver 37.6% of their transactional communications by "digital only" means by 2021. But in our 2020 survey, respondents reported that their actual “digital only” volume currently stands at 38.2% — slightly above projections and a year ahead of schedule. This is particularly noteworthy because respondents have historically overestimated their digitization rate, often by a wide margin. Furthermore, there is a significant increase in expected adoption between respondents in 2019 and those who participated in this year’s survey. Those in 2019 projected 4% growth over two years while those in 2020 expect a nearly 10% increase over the same period.

One of the most lasting impacts of the pandemic may be the widespread shift toward telecommuting. Aspire's survey found that 38% of Americans worked from home at least part time by August of 2020. These consumers were significantly more likely to have taken steps toward adopting digital communications than those whose employment was affected by the pandemic in other ways, and they were among the most likely to report that their migration to digital messaging would be long lasting.



This transition to remote work is also leading businesses to rethink the way they manage customer communications. In the aftermath of COVID-19's initial wave, nearly 30% said that they are migrating CCM to the cloud while almost 40% reported that they are working to enable employees to manage communications remotely.

CUSTOMER CORRESPONDENCE MODERNIZATION

Organizations that want to benefit from next-generation customer correspondence solutions that allow them to meet the evolving omni-channel communication needs of their customers typically need to modernize their IT infrastructure. Here we ordinarily see two main approaches depending on how the organization currently manages its communications:

- Migration from legacy and/or home-grown solutions
- Upgrading an outdated CCM solution

Most enterprises today already have a customer correspondence management system in place. If they haven't bought a commercial solution, correspondence solutions are typically built on homegrown automation. For example, we often see Microsoft Word documents that are automated through VBA macros (Microsoft Office's scripting language). In this scenario, a call center agent or claims worker uses some sort of interface or self-developed application that calls the right Word document (template) and uses VBA to merge customer data with the template. Instead of Word, other rendering technologies such as PDF libraries can be used as well, but the principle remains the same.

There are significant drawbacks to this approach, including:

1. They are difficult to scale

Adding documents and users is painful and quickly leads to performance and template management issues.



2. Duplication of content

Content changes usually lead to the creation of a new template, thereby making it very difficult to create consistency between templates.

Unlike modern CCM solutions that manage content in fragments (or objects), homegrown customer correspondence solutions cannot easily show users if content already exists and what dependencies there may be

3. Inability to deliver modern, omni-channel communications

Today's consumers want to interact with brands on their terms. They want to decide how they receive communications, and if they opt for digital, they want to access communications anytime, anywhere in a manner and format optimized for their devices

4. Inability to send personalized and relevant communications

Communications are increasingly seen as a method to improve customer experience. It is therefore essential for organizations to send communications that are relevant to the consumer and consistent with their position in the customer journey. Connecting legacy or homegrown correspondence solutions with modern, cloud-based, real-time orchestration solutions can be exceedingly difficult.

5. Making changes is slow and costly

Modern, next-gen correspondence solutions can easily be adjusted or reconfigured if things (such as the underlying core systems) are changed. Homegrown solutions, on the other hand, are notoriously difficult and costly to modify.

6. Reliance on a single person or group who still understand the system

We often call this a "single point of failure", and it is a significant risk for organizations dealing with legacy systems. After multiple acquisitions and divestitures, a business may end up with a communications system that only a small team (or sometimes even no one at all) fully understands



anymore. This predicament puts the organization at risk for failures and outages.

7. Compliance breaches

Finding oneself out of compliance is a major risk factor for financial services, utilities, and other organizations operating in regulated industries. With evolving legislation, particularly around data privacy such as HIPAA, GDPR, and CCPA/NYPL, outdated correspondence systems may put a company at risk, particularly when employees begin accessing them remotely.

All of the challenges mentioned above are also applicable when using outdated CCM solutions, except perhaps for the first one as commercial CCM solutions have better template management capabilities than the typical homegrown solution. That said, we often find that enterprises have taken short-cuts in template development and found it easier to duplicate templates to make new versions than trying to define better content rules.

THE FUTURE OF CUSTOMER CORRESPONDENCE

To overcome all these challenges, CCM providers are developing next-gen correspondence systems that help enterprises develop more meaningful and profitable relationships with their customers.

Here are the classifications of the systems we see in the market today:

1. Can run stand-alone or as part of a business process

Modern customer correspondence systems can run as a stand-alone solution or they can easily be integrated within a claims management, CRM, or BPM solution. Typical packaged integrations include Salesforce, Guidewire, Duckcreek, and SAP.



2. When running stand-alone, customer correspondence systems can be tailored to support industry or customer-specific needs

- Several customer correspondence management solutions in the market are extensible, giving customers the ability to build their own workflows or even case management applications to ensure it can fully support the organization's needs.
- Some vendors create self-learning or adaptive workflows as well, enabling its software to analyze agents' behavior in relation to the cases they've been assigned. For example, the system can forward certain cases to better qualified agents or change sign-off limits based on feedback.

3. Can be made available as a containerized, micro-services-based platform

- In the current market, it is very important to be cloud native. Out-of-the-box integration is a particularly sought-after capability given how correspondence solutions typically integrate with core systems.
- Some vendors go very deep and provide highly granular APIs. If true headless CCM can be achieved, the CCM provider acts as a content service application (i.e., the front-end of a content services system).
- This requirement ties into the wider concept of "composable infrastructure". Many modern core banking and insurance platforms are built on a micro-services-based architecture that allows IT teams and integrators to build highly-tailored solutions apace.

4. Can support AI/ML for faster processing and higher quality output

- Content Intelligence is an important concept in customer correspondence. When the correspondence system is linked to a digital asset management (DAM) system, Content Intelligence enables software vendors to rely on AI/ML algorithms to optimize content and provide real-time feedback, helping users improve content and readability, establish the correct tone-of-voice, or add useful images.



- AI-based migration utilizes Artificial Intelligence to extract content from legacy and homegrown document templates. After classifying the content, it rationalizes it based on similarities in other templates and cleans it up to provide higher quality communications. Some systems also ingest style elements and recreate the document or communication template within the updated platform.
- Using inbound classification, AI/ML can classify incoming email or web form submissions, recognize the nature of the request, and route it automatically to the best agent or system. Some systems now provide self-help responses as well, or, when integrating with mobile networks, systems can interact using Facebook Messenger, WhatsApp, or other messaging services, including RCS (the successor to SMS).

5. Web ad-hoc content creation with structured personalization

CCM systems are traditionally based on structured, data-driven communications, while correspondence is more ad-hoc, or “one-off” in nature. Modern correspondence systems combine the ability to inject ad-hoc or semi-structured content directly into instances of communication templates. This grants business users control over certain parts of the communication while still relying on predefined personalization and business logic to create personalized correspondence at scale.

6. Modern, omni-channel output

- A modern CCM solution is all but required to support a wide variety of output channels. Print is still a given, particularly in many regulated industries, while digital output is typically achieved by generating a static PDF or HTML5 page which is then sent to a customer portal. Newer channels include mobile messaging, web chat, personalized video, and voice assistants (text-to-speech).
- Many solutions are beginning to use orchestration capabilities to determine the best follow-up to an interaction. For example, using these capabilities, a business might decide to pro-actively reach out to customers



if the system suspects they may want to contact the call center (if, for instance, their bill is higher than normal or if they have had an issue paying their bills in the past). Making correspondence systems more intelligent to reduce cost or improve loyalty through superior CX is fast becoming an imperative.

7. Tracking capabilities

- Customer correspondence solutions are facing an increasing need to track and store every interaction. While this has typically been a requirement for compliance or operational communications, there is now an evolving case for tracking service and promotional communications in a single repository.
- Regulatory compliance requires that any communication that contains personal identifiable information - including promotional messages - be tracked and stored.
- Modern, next-gen correspondence solutions can easily be integrated with customer data platforms or big data lakes.

8. Using contextual help and focusing on good UX

- A greater number of users, including many non-technical ones like call center agents, now have access to modern correspondence solutions, making ease of use paramount. Many correspondence management solutions have invested heavily in UX design, incorporating best design principles, or offering contextual help by partnering with companies such as WalkMe.

CONCLUSIONS

Aspire's 2020 research reveals that while young consumers were the most likely to take steps toward digital adoption in the wake of the COVID-19 pandemic, they were the least likely to positively rate their digital interactions and the least likely to report that they would continue to communicate with their providers in

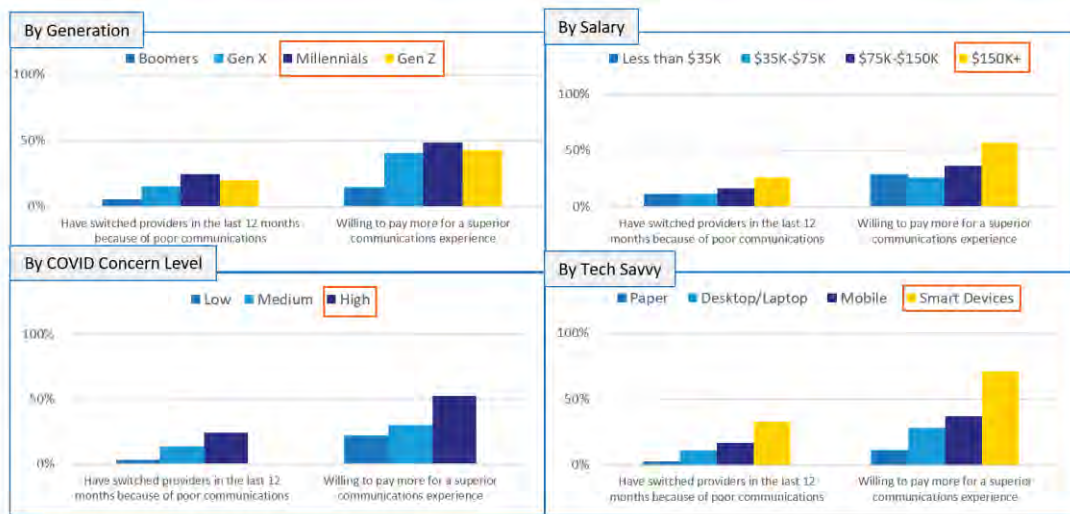


this way after the pandemic is over. Older consumers - particularly Baby Boomers (those age 56 and older) - on the other hand, were generally content with the digital status quo. Aspire believes this is because digital communications are currently designed for these older consumers.

Most digital communications today are merely electronic versions of static documents that trade print for pixels. Very few actually take advantage of digital's interactive elements, but younger consumers crave bi-directional interaction in real time.

Email is seen as a broken channel and won't be able to fulfill this need. Emerging mediums like rich communications services (RCS), WhatsApp, and Facebook Messenger do show promise, however, their lack of tracking and document management may make them less suitable. Increasing adoption of Artificial Intelligence and Machine Learning will power chatbots and other voice technology while portals may be supplemented by intelligent channels that allow customers to retrieve correspondence in easier ways.

Figure 5: The younger, the wealthy, and the tech savvy will do what it takes to secure better communications



N = 2,000 consumers in the U.S. and Canada

Source: Understanding the New Digital Reality, Aspire 2020



Throughout our 2020 survey, we noted similar responses from Millennials and Gen Z (consumers aged 18 to 39), consumers who live in households earning \$150,000 or more annually, consumers who expressed elevated levels of health or financial concern related to COVID-19, and those who exhibited advanced technological sophistication. These demographics wield incredible purchasing power, and, as Figure 5 illustrates, all of them share a history of switching providers because of poor communications and a willingness to pay more for superior communications.

While older consumers and the least technologically savvy are more likely to be troubled by insufficient data security, younger consumers and the technologically sophisticated are more likely to leave a provider if they do not offer relevance, personalization, channel choice, and a consistent experience across all of them. Nevertheless, while all consumers, regardless of age or technological savvy are increasingly turning to digital channels, older generations are still more comfortable with static communications and there is evidence that Gen Z is uniquely open to the dynamic use of personalized print.

Rather than signaling the need to throw print into the wastebin of history, these findings underscore the importance of providing seamless interactions across all channels — both emerging and traditional. Systems and solutions that enable users to produce customer communications in new and unique ways should not neglect a more traditional approach when it is the best fit for the consumer and their place on the customer journey. This is a lesson that will be particularly vital for new CCM start-ups to absorb as they rush to provide the interactive experiences the emerging market demands.

ABOUT THE SPONSORS

ELIXIR

Elixir is a U.S.-based CCM technology provider serving regulated markets across financial services, and the insurance, healthcare, and government industries. It has customers in the Americas, EMEA, China, and APAC. Founded in 1985, it has



a strong history in forms and developed its first server-based/client-side composition tool in the 1990s.

Elixir's flagship CCM platform, Elixir Tango, is an extensive platform built on modular architecture. The platform is built on open standards and is cloud-based/ "any-prem", enabling users to scale horizontally or vertically depending on their requirements. The platform has a browser design environment in which users can create, configure, and manage applications and define process-flows. Elixir Tango includes a full-feature enterprise portal framework and role-based access management to enable configuration of tailored user experiences and governance of content resources in alignment with business requirements and regulating authorities. Content, style, layouts, rules and other functions are all managed as reusable objects centrally through the platform, and its interactive tool offers WYSIWYG document editing capabilities as well as a drag-and-drop functionality to insert or revise content. Elixir Tango is equipped with a content management system with versioning and a repository for federating and managing assets, CMIS standards, API, and MS Word integrations. It is designed to encourage wide adoption by enabling nontechnical users and subject matter experts to create and manage content within a familiar interface.

Elixir developed Tango from the ground up to be hosted and managed in the cloud and delivered via a web browser. Since its general release in 2015, Elixir has focused on evolving Tango into a cloud-native platform with a micro-services/MESH architecture and containerized deployments in Kubernetes and Linux. In 2020, it introduced in-product/on-screen guided learning and support for end users through an integration with the WalkMe Platform, which improves user experience by providing contextual videos and other tutorials and documentation. The latest platform version—Elixir Tango 4.6, released in October 2020—delivers improvements in compliance, security, usability, agility, and control.

Elixir also recently launched its real-time correspondence module providing a low-code/no-code system for creating, managing, and iterating workflows for ad-hoc correspondence that enable frontline/customer-facing users to personalize and deliver omni-channel communications in real time. The



application also allows customers to quickly configure and deploy processes to support requirements for approval, change, and quality assurance that mitigate the risk of noncompliance and support first and fast resolution to improve the customer experience. Finally, it accommodates annotation and delivery workflows with operational data insights.

Elixir is a progressive software company that recognizes that the lines between CCM and CXM are becoming increasingly blurred. It understands that today's customers want a central solution that manages customer communications and offers consumers a choice in how they access their digital experiences. This is where Elixir's vision for Intelligent Engagement Hub comes in. Based on integration with Liferay DXP, it provides a single portal where customers can manage preferences and access their communications and digital experiences. It also provides SSO, API, and Data input/output capabilities designed to make it an integral part of the Digital Communication Hub ecosystem.

MESSAGEPOINT

Messagepoint is a pure cloud CCM vendor that offers micro-services, containerization, and a mix of on-premise, hybrid, and SaaS solutions. Messagepoint enables business users within organizations to manage content independently from the place of composition, giving them more control, agility, and flexibility. This is extremely relevant now that many enterprises are looking to maintain social distancing by managing communications remotely so they can provide more consistent, timely, relevant, and empathic messages to their customers in response to the COVID-19 pandemic.

Messagepoint does offer its own rendering solution (mainly for business correspondence) and partners with other providers for more demanding use-cases. It provides its customers with patented variation management and advanced content sharing capabilities that make it easy to drive sophisticated levels of relevance and personalization in customer communications. These capabilities also support the platform's interactive communications capabilities available in Messagepoint Connected, an add-on that enables customer-facing teams to generate hyper-personalized communications.



A key focus of Messagepoint's core development direction is in applying AI/ML to CCM use-cases, particularly around content optimization and AI-supported content migration. To this end, Messagepoint has launched MARCIE, an API-based AI engine for CCM that provides a set of capabilities that help identify duplicate documents and similarities in content. It also analyzes text based upon adherence to brand profiles, readability, jargon, and sentiment, and provides content migration capabilities as well. Those content migration capabilities are productized through Rationalizer, a product that helps organizations speed up content migration from legacy communications. Rationalizer is also available for service providers or other CCM solutions vendors that want to migrate legacy content from Messagepoint to another system.

For more information, please read or watch our analysis of Messagepoint or visit their website:

<https://www.aspireleaderboard.com/review-of-messagepoint>

<https://www.messagepoint.com>

ABOUT ASPIRE CUSTOMER COMMUNICATIONS SERVICES

Founded in 2015 by industry expert Kaspar Roos, Aspire is a leading consulting firm specializing in the Customer Communications Management and Customer Experience Management industries. Through deep market expertise and global insights, Aspire works with software vendors, service providers, enterprises, and investors to successfully transform their CCM into CXM.



ABOUT THE AUTHORS



Kaspar Roos

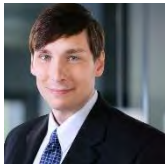
Founder and CEO

kaspar.roos@aspireccs.com

T. +44 1923-605-526

M. +44 79-619-30-752

Kaspar is a leading expert, consultant, and recognized thought-leader in the Customer Communications Management (CCM) industry. He is the CEO and founder of [Aspire](#), a boutique consulting firm specializing in the CCM and Customer Experience Management (CXM) industries. Kaspar is a regular speaker at industry conferences and events. He has worked with CCM technology vendors, services providers, and enterprise professionals to help them with strategy and business development.



Will Morgan

Senior Research Analyst

will.morgan@aspireccs.com

T. +1 800-969-8244

M. +1 719-355-4988

Will is an experienced industry analyst with expertise in the Customer Communications Services market. As [Aspire](#)'s Senior Research Analyst, he works alongside the wider team to provide advice, insight, and vital intelligence to the company's expanding customer base on both sides of the Atlantic. Before joining Aspire, Will worked with Keypoint Intelligence-InfoTrends' Customer Communications and Business Development Advisory Services.

