8 POST-PANDEMIC CUSTOMER EXPERIENCE PREDICTIONS

INDUSTRY EXPERTS FORECAST TOP COMMUNICATIONS TRENDS THAT ARE HERE TO STAY

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Introduction

It's virtually impossible to discuss macro trends in the Customer Experience Management market without looking through the lens of the global pandemic. COVID-19 has disrupted communications across all industry segments.

With so much uncertainty, planning for the future isn't easy.

In order to gain some clarity, we consulted with industry experts across finance, insurance, healthcare, utilities, and print service providers to predict which post-pandemic communications trends are here to stay.

In this eBook, we take a look at how each industry communicated with their customers pre-pandemic and what has changed as a result of the COVID-19 crisis. Most importantly, we examine the trends are likely to persist well beyond 2021 to help you prioritize and plan your digitization priorities and position your company for CX success.

PREDICTION #1:

The gap between laggards and innovators will continue to widen

Andi Dominguez –
Principal, Insurance & Healthcare, Quadient

“The pandemic has really pressed insurance to re-evaluate how they digitally serve customers. Historically, they’ve used self-service tools. But the mechanisms they use to communicate during what I refer to as a “steady state,” where everything is constant, are the same ones they used to notify customers about COVID. That hasn’t work well. In fact, it’s widened the customer experience gap between the laggards and the innovators.

Insurers have discovered that they still have a backlog of manual processes and forms that are not yet digitized or automated. For example, one insurer in the UK saw a 1,000-percent increase in customer inquiries, claims, and complaints related to one of their products during the pandemic because they did not have the digital infrastructure behind it to facilitate quicker responses.

Other insurers are struggling with paper-based processes, print, fax, and mail to manage critical aspects of the business, like billing. They’re sending employees into empty offices to collect checks. They are quickly realizing the need to speed up their digital transformation efforts; that what’s good for the business and what’s good for customers go hand-in-hand. Some insurers, like Bought By Many in the UK, ZhongAn in China, and GetSafe in Germany are actually experiencing growth - 20%, 30%, and in some cases 50% year-over-year during the pandemic. These increases are the result of their adoption of comprehensive, easy-to-use mobile tools and two-way digital communication capabilities.”

PREDICTION #2:
Quality digital experiences will reign supreme

Andrew Stevens – Principal, Financial Services, Quadient

“The banking and financial services world has seen that same sudden rise in digital communication. We’ve seen major banks starting to use it very publicly to justify existing plans.

There are examples like Credit Suisse, who say their online banking has increased by 40%. Citi says that mobile messaging has gone up by, I think, 180%. Institutions have finally realized that customers need their information quickly without all the extras that go into a traditional letter. There’s no need for an address at the top or signature at the bottom.

But there is also a realization that the money that’s been invested in digital platforms hasn’t always been invested well. We’ve seen banks struggle to personalize messages to any good effect. They have the infamous COVID page, all legalese and generic, and there are some digital forms, but they’re almost all basic and require a huge amount of manual processing.

For new digital customers, who haven’t necessarily matured digitally, their comfort boundaries are being stretched. Making things difficult for them to understand hasn’t helped. The digital financial platforms have been built by agile teams, but they haven’t been built to be agile. They’ve not allowed institutions to communicate effectively, which has led to a massive increase in call volumes.

We’re in this strange situation where most face-to-face contact has been banned. Customers have been forced to go digital. But if financial institutions want them to stay there in future, they’re going to need much higher digital satisfaction numbers than those.”

PREDICTION #3: **Customer empathy is here to stay**

John Hoggard – Principal, Utilities & Telco, Quadient

"The pandemic has obviously created challenges that have impacted utilities, too. They had to send all the call center agents' home, which posed a lot of challenges. This is an industry that is not used to working remotely whatsoever. And then there was a moratorium on shutoffs, which basically means that they have to stop shutting off customers that are not paying. These are challenges the industry has never faced before.

The pandemic has even changed the vocabulary that utilities use to communicate, for example, they've introduced the word empathy. I've never heard that word before in my industry—ever. We've never even thought about customers that way. As a matter of fact, when I started in the industry as an engineer, over 20 years ago, I'm embarrassed to say this, but we didn't even think of customers as customers. We called them rate payers. We didn't think in terms of individualized communications. Instead of billing people, we billed buildings and houses.

Clearly, utilities have had to change the way they communicate with people. They're finally moving towards being more customer-centric and becoming, frankly, customer obsessed. This new outlook changes how the industry views the financial losses being created by the pandemic. The shift towards customer-centricity is making utilities look for new, agile ways to communicate with customers. This is a great thing, because digitalization not only improves customer service, which is something we've needed for a long time, but it creates savings, which are really important, especially during this pandemic."

PREDICTION #4:

Enabling two-way interactions and offering real-time advice will be a top priority

Andrew Stevens – Principal, Financial Services, Quadient

"There's starting to be a bit of a sea change in my industries, focused on being more proactive with the customer experience in order to deepen relationships. Historically, there was a view that it was the customer's job to manage their financial affairs. If they had questions, they'd go to the branch, their wealth manager, their insurer, whoever it might be. But customers these days find that a much less acceptable experience. They expect the institutions that they bank with to proactively push suggestions to them. After all, they're the financial experts. That becomes much easier to do when the customer can receive those communications in real time, ideally to the mobile phone in their pocket.

There are two problems with that though, at opposite ends of the spectrum. The traditional players still have massive numbers of technology platforms. They've got huge amounts of data being duplicated. It's rarely synchronized across systems and they've got at least one communication platform per channel, so they're finding it really hard to bring the information together, to make decisions on it, and then get it out to the customer at a speed that would allow them to take action on it.

The other end of the spectrum are the neobanks (digital only) and the fintechs. They get their information out to you really quickly to keep themselves top of mind, all the time. The problem is that they're too proactive. They communicate because they want attention, rather than because they've got something interesting to say. It's always worth asking what the customer's going to get out of a communication. For instance, when they're standing in Starbucks with a debit card still in hand, it doesn't really help to be told they just spent seven Euros at Starbucks. Even the best neobanks, with critically acclaimed customer experience scores like Starling, are too proactive.

If they could start doing something like Revolut, where they provide real-time advice on stock movements for companies that the customer may have looked at a few times, but haven't bought, well, that's going to add value.

Financial organizations are becoming much more proactive; they just need to be careful they don't go over the top. Finding the right cadence, ensuring the communication provides value to the customer, is critical when working to improve the experience."

PREDICTION #5:

Companies will prioritize transformation efforts based on value delivery

Andi Dominguez –
Principal, Insurance & Healthcare, Quadient

"Insurance and payers have a lot of work ahead of them. They're looking to accelerate some of their efforts, but also to reprioritize to focus on the ones that bring the most value to the organization.

Typically, they're taking a two-pronged approach. They're looking outside-in and getting inspiration from retail, from insurtech to meet customers' demands. How can they serve them better, quicker? Many insurers aspire to achieve Lemonade's 90-second custom policy issuance.

Insurers look across the board to find ways to communicate and provide value beyond protection or a specific product; looking inside-out as well. There's a lot of work to be done internally; a lot of systems and platforms exist within their ecosystem. They're evaluating how technology and digital can help them accelerate how they deliver the brand promise.

A great example is a large US carrier who set out to redesign their claims experience and processes to reduce call center volumes. But in talking to their customer, they discovered that what claimants actually wanted was a single point of contact; someone who could access their case, information, communications, and help facilitate what usually is a pretty frustrating experience. Doing that improved their customer satisfaction by 50% and reduced follow-up, call center inquiries by 80 percent.

Insurers are looking across the business to identify where they need to optimize interactions beyond transactional ones. What can they do internally to make sure they're connecting to the customer and providing value?"

PREDICTION #6:
Regulations will continue to drive change

John Hoggard – Principal, Utilities & Telco, Quadient

“In utilities, as in many industries, the discussions are about how the Amazons and Googles have increased customer expectations. While I think that’s true, I don’t think they’re the main driving factor in my particular vertical. Whether a utility is operating in a highly regulated market, like a lot of them here in the United States where they’re still like monopolies, or they’re operating in major open markets globally, like in the UK where you’ve got major energy competition, it’s the regulators who are fostering the shift to digital. Regulators control the revenues for utilities and I think they’re fed up. Historically, regulators have been uber-focused (as they should be) on safety and outages, and utilities have been penalized for lapses in these areas. But we’ve seen a real shift recently, with penalties directly correlated to the lack of, or just plain bad, customer service.

I’ll give you a few examples:

- In the United States, just a couple months ago, a very small utility in Maryland on the East Coast was fined over $500,000 USD for poor customer service issues related to communications with their gas bills.
- The state-owned utility in Mexico City was given a significant fine for customer service and bill-related communications problems.
- In the UK, the Office of Gas and Electricity Markets is the regulator. They have some of the most stringent penalties for poor customer service. Just a few months ago an energy supplier was fined a couple of hundred thousand British pounds because they didn’t send out welcome packets.

As we move into 2021, I think you’re going to see regulators across the globe lose patience around these customer service KPIs, which will have direct impact on the financials for these utilities.

“A new report talked about the pandemic’s effect on customers in terms of those that can’t pay. In the US for example, the report said that one in almost four homes are going to be considered energy strugglers. That means, basically, that these people are paying a disproportionate amount of their income (or lack thereof) towards their utility bill, and they just can’t do it, because they have to choose between doing that or buying food.

“Situations like that require regulators to go even farther in terms of communications. They need to help the consumer markets save money, whether that be through weatherization or conservation programs. I think we’ll see a big shift next year towards utilities spending a lot of money on digital communications around enrollment for those kinds of programs for these struggling customers.”

PREDICTION #7:

Finding the right balance between human and technology will be crucial

Andi Dominguez –
Principal, Insurance & Healthcare, Quadient

“There are actually a lot of exciting things happening in insurance and for healthcare payers. The customer experience battleground is going to get more intense over the next couple of years. What I’m seeing is that it’s not a digital-only revolution. It’s about finding the balance between the tech-based and human, personalized touch. Every interaction requires empathy and personalization. I think what we’re going to see in the next couple of years is that the leaders will be those who can actually use and leverage customer data to engage in meaningful conversations that are valuable for the customer.”

PREDICTION #8:

Print Service Providers will transform into Communications Service Providers

Didier Rouillard - Digital NOW Team Leader

"When COVID hit, it caused a drop in retail business. Direct mail activities are typically linked to retail campaigns and without the B2C business, there is a big gap in service provider's production. Direct mail volumes have dropped 30%. Transactional communications dropped a bit less, because they're regulated, but we still saw some drop about six or seven percent.

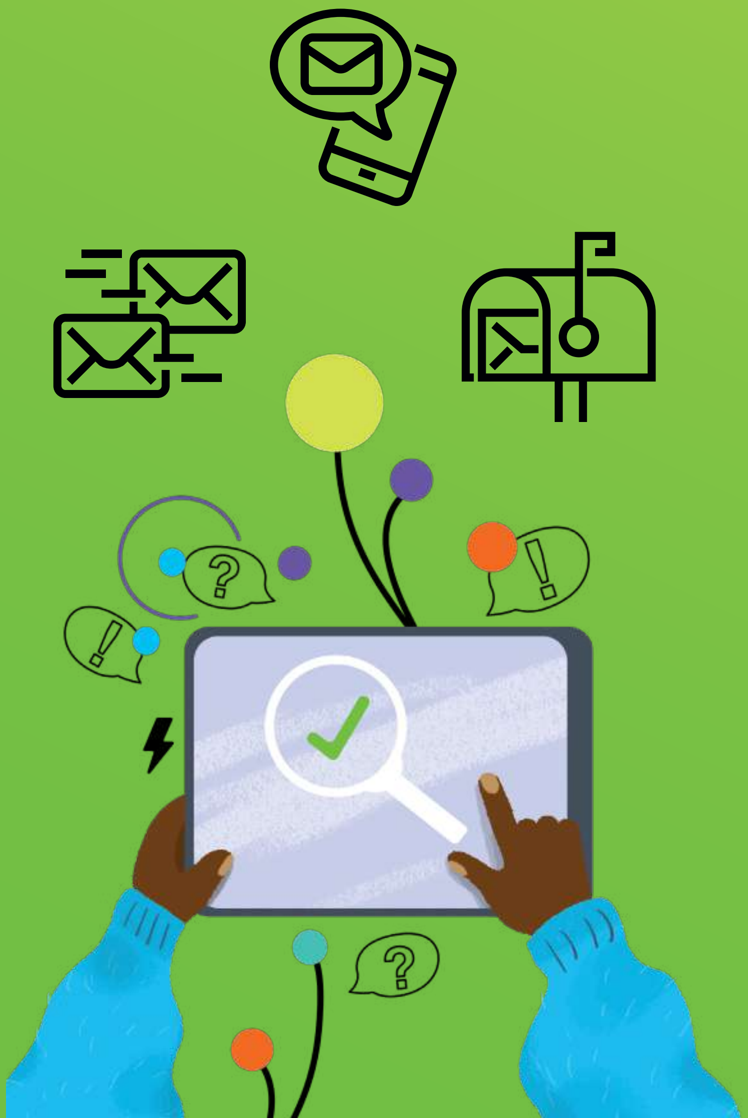
COVID caused more strategic thinking by PSPs. They had to question, am I a print specialist? Is my business about optimizing print output or is it about, more generally, helping enterprises to communicate with their customers?

If Service Providers want to stay in the print business, they can. But they need to consolidate, to automate, to be one of the strong players in the industry, which has shrunk and will not come back to 2019 volumes. Or, they can take a broader view of what they do as customer communication management, and take digital into consideration."

Two years ago, we put in place a program to help PSPs reposition part of their activity towards digital. During COVID, some of those companies were able to implement new digital services very quickly because they had already begun to transform.

One COVID-related application that was put in place quickly was by our customer Cadena in Colombia. They implemented a medical drug delivery program using digital forms, which helped pharmacies across the country. The digital form goes to the pharmacy and the order is delivered to the patients, who no longer have to go into the pharmacy thereby avoiding health risks. This solution helped with a national issue; it was on national TV!

"Another customer, Paragon, in France, was able to quickly implement an appointment system using digital channels. They were able to find opportunities with COVID and turn around their business because they were already up and running with digital."



The technology choices you make today should be considered in the light of the future of communication from many perspectives.

As you move forward into 2021 and beyond, some questions to consider include:

- Are you leveraging a unified communications platform to deliver a channel-agnostic experience?
- How will you facilitate customer dialogue across channels, organizational units, and technological boundaries?
- How will your technological and organizational infrastructure facilitate and support bi-directional communications?
- How will you link customer communications across the customer journey, analyze those experiences, and orchestrate next-best-actions?
- How will your organization adapt to new regulations as they relate to customer communications?
- How will you integrate digital and physical communications to foster an emotional connection with your customers?

Quadient believes communications are at the heart of customer experience. Having good control over customer communications enables businesses to have consistent, relevant, and bi-directional conversations with customers through their channels of choice, which is beneficial to serve them better, or to sell more. To create meaningful interactions that improve the customer experience, it is important to fully understand the customer, as well as the context in which the conversation takes place.

WE'RE HERE TO HELP – IN 2021 AND BEYOND.

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