

# The Need for Digital Transformation in Customer Communications Management

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## INTRODUCTION

Customer communications have moved far beyond mailed paper correspondence in the last decade. Today, the Internet is the virtual life force of communication and the screen is the new lens through which we interact with the world. As mobile connectivity expands, that lens is quickly taking new sizes and capabilities through smart phones, tablets, laptops, and other devices.

The expanding mobile environment has created a growing class of hyperconnected consumers. The hyperconnected state—arguably the norm throughout the developed world—has drastically impacted how consumers behave, how they interact, and even how they think. Customer expectations are soaring. Consumers expect instant gratification and round-the-clock service, not to mention personalized content, user-friendly design, and flawless functionality.

In a recent Pew Research Center study of smart phone users, 70 percent of respondents felt that their phone represented “freedom.”<sup>1</sup> For enterprise, the fundamental challenge is how to harness this newfound freedom into meaningful communication, particularly in light of heavy government regulations, constrained budgets, and intense competition.

Too many established companies are trudging along in the digital age with dated document automation systems designed for paper correspondence. They generate content most people find confusing or irrelevant. Aging infrastructure, coupled with increasing regulations in certain industries, makes rich customer engagement nearly impossible.

Meanwhile, rapid changes in technology and the convergence of social, mobile, cloud, and big data are fueling exponential growth. With those developments comes massive potential for new ways of strengthening customer communications, modernizing systems to be more dynamic and inviting. Advanced customer communications management (CCM) is the one of the most effective strategies to engage existing customers and

**“Enterprises are spending excessively on print as electronic adoption remains tepid. They have too many decentralized and ungoverned output systems and confuse customers with incomprehensible language crafted by lawyers for other lawyers to read.”**

*FORRESTER RESEARCH*

1 Aaron Smith, “U.S. Smartphone Use in 2015,” Pew Research Center, 1 April 2015, <http://www.pewinternet.org/2015/04/01/us-smartphone-use-in-2015/>

prospects. Consumers need an omnichannel experience—one that puts them at the center and gives them the freedom to engage using the device of their choice.

## MARKET DRIVERS TO A CUSTOMER-CENTRIC COMMUNICATIONS PLATFORM

### Explosive Growth of E-commerce

The need for businesses to offer online payments, transactions and customer support across all industries has become glaringly obvious. Since early 2014, the growth of e-commerce in the United States has been surpassing overall retail sales growth.<sup>2</sup> Worldwide, e-commerce sales are estimated to skyrocket from \$1.058 trillion in 2012 to \$2.357 trillion in 2017.<sup>3</sup> In a span of five years, e-commerce growth is expected to more than double.

Although most of those transactions are happening on computers, mobile transactions are expected to grow significantly and quickly. A recent public statement from Brian Monahan, Vice President of Marketing at Wal-mart captures the immensity of mobile: “On Black Friday, over half of our traffic came from mobile devices.”<sup>4</sup>

### The New Normal of Hyperconnectivity

Considering the recent finding that mobile users reach for their phone 150 times per day, hyperconnectivity undoubtedly has a pervasive impact.<sup>5</sup> Mobile devices essentially keep hyperconnected consumers in a constantly alert state with access to unlimited resources. Modern consumers may have always valued personal convenience, productivity and flexibility, however, hyperconnectivity empowers them to be more in control than at any other point in history.

The expanding population of smart phone users indicates there will be more widespread impacts on behavior and perception to come. Sixty-four percent of American adults own a smart phone, up from 35 percent in 2011.<sup>6</sup> As more consumers become hyperconnected, higher standards for customer service and real-time communications will become more widespread. Emerging startups will rise to the challenge and continue raising the bar for customer experience.

Across industries, consumers are growing accustomed to disruptive technology and never-before-seen business models providing extraordinary user experiences. Uber, DropBox, and AirBNB are just a few of the enabling technologies drawing in masses of loyal customers.

### Millennials: A Powerful Consumer Group with High Demands

As executives and enterprise architects strive to improve their customer communications, they must develop an intimate understanding of the population segment with the greatest potential to impact the economy: the millennials.

2 Cooper Smith, “U.S. E-Commerce Growth Is Now Far Outpacing Overall Retail Sales,” *Business Insider*, 2 April 2014, <http://www.businessinsider.com/us-e-commerce-growth-is-now-far-outpacing-overall-retail-sales-2014-4#ixzz3Y4I4Kw9V>

3 “Global B2C Ecommerce Sales to Hit \$1.5 Trillion This Year Driven by Growth in Emerging Markets,” eMarketer, 3 February 2014, <http://www.emarketer.com/Article/Global-B2C-Ecommerce-Sales-Hit-15-Trillion-This-Year-Driven-by-Growth-Emerging-Markets/1010575>

4 Cooper Smith, “U.S. E-Commerce Growth Is Now Far Outpacing Overall Retail Sales,” *Business Insider*, 2 April 2014, <http://www.businessinsider.com/us-e-commerce-growth-is-now-far-outpacing-overall-retail-sales-2014-4>

5 “2013 Internet Trends,” Kleiner Perkins Caufield & Byers, 29 May 2013, <http://www.kpcb.com/blog/2013-internet-trends>

6 Aaron Smith, “U.S. Smartphone Use in 2015,” Pew Research Center, 1 April 2015, <http://www.pewinternet.org/2015/04/01/us-smartphone-use-in-2015/>

These are the digital natives, born after 1980, who will make up 75 percent of the global workforce by 2025.<sup>7</sup> They already comprise the largest population segment ever in U.S. history and are expected to outnumber baby boomers for the first time in 2015.<sup>8</sup>

What makes the millennial generation such a powerful consumer group is the combination of their net worth—estimated to grow to \$7 trillion by 2018—and their unique perspectives that impact their consumption. Millennials are more likely to spend money on experiences over things and trust online search engines over advertisements.

There are three statements that capture the mindset of millennials: Know me. Empower me. Wow me.

In order to win and retain loyal millennial customers, companies must master all three.

- **Know me.** They expect their providers to know their preferences and offer the services and products that are relevant to them.
- **Empower me.** They want the option to interact, buy or make a transaction at any time, from wherever they happen to be, using their chosen device.
- **Wow me.** They expect excellent service, relevant products and on-point pricing every time. Providers must anticipate their customers' needs and deliver consistently.

### **The Shift to Customer-Driven Communications**

In many industries, particularly in banking and insurance, the communications approach was historically product-driven. An account would be activated for a product and a customer name would be attached to the account. Customers were perceived as less important than the product.

Today, with customer expectations at an all-time high, more companies are prioritizing the customer over the product. Gartner found that customer experience is the top innovation project for 2015. Even more telling, the same survey found that the highest marketing technology investment in 2014 was customer experience.<sup>9</sup>

In customer communications, more businesses are searching for ways to adapt their communications with the customer journey. As Forrester Research reports, mobile users will not be satisfied merely with bills in static PDF format, bank bill payments or even bill consolidation sites. More enterprises are adopting companywide initiatives to simplify the language, add more consistency in their branding elements, and improve the level of personalization.<sup>10</sup>

## **OBSTACLES TO EFFECTIVE DIGITAL TRANSFORMATION**

The extraordinarily high customer expectations in the last decade have led many companies to explore various strategies to thrive in the digital age. They assess internal processes and infrastructure then quickly discover major hurdles to digital transformation.

These are the three impediments companies must overcome when modernizing customer communications:

<sup>7</sup> "Big demands and high expectations: The Deloitte Millennial Survey," Deloitte, January 2014, <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-dttl-2014-millennial-survey-report.pdf>

<sup>8</sup> Richard Fry, "This year, Millennials will overtake Baby Boomers," Pew Research Center, 16 January 2015, <http://www.pewresearch.org/fact-tank/2015/01/16/this-year-millennials-will-overtake-baby-boomers/>

<sup>9</sup> "Presentation for CMO Spend Survey 2015: Eye on the Buyer," Gartner, <http://www.gartner.com/marketing/digital/research/digital-marketing-spend/cmo-spend-2015/>

<sup>10</sup> Craig Le Clair et al, "Brief: Ten Trends Will Reshape Customer Communications Management," Forrester Research, 5 March 2015

## Fractures in Leadership and Patchwork Legacy Systems

The combination of departmental silos and multiple document automation systems tend to hamper companywide efforts to overhaul customer communications. A common scenario is having dozens of systems within each department, each generating one particular type of correspondence. The idea of consolidating into one system suddenly seems a monstrous task.

Although more executives are attempting to improve customer communications, Forrester Research alludes to the silo mentality as the single leading factor keeping companies from converting their paper output systems to digital: “CCM implementations in enterprises today are not governed. They are decentralized and fragmented; they use scores of outside vendors and software platforms; and they are controlled at the department or business unit level.”<sup>11</sup>

## Increased Costs and Complexity

Without the proper solution in place, implementing a digital strategy for any enterprise demands more staff time, adds complexity and increases costs—particularly for mobile. The task of creating new mobile content becomes an extra step that not only slows down the entire process; it also puts the enterprise at risk for errors.

Employees responsible for generating documents typically turn to the IT staff or web development team to make content changes in the various output formats. Routine changes will typically land on a to-do list for the IT staffers, who then make each edit manually. The burdensome process delays communication with the customer, which further deteriorates the customer experience. Enterprises with multiple lines of business suffer through the same inefficiencies, however, on a larger scale.

## Government Regulations

Across the board, financial industries are struggling with the barrage of new government regulations established since the economic crisis. From Dodd–Frank to the many global rules set by the Basel Committee, the regulations are becoming burdensome and expensive for financial services, banking, capital markets, and insurance, according to a KPMG survey of 910 multinational corporations.<sup>12</sup>

State regulators and eight different federal regulatory agencies including the Securities and Exchange Commission, Federal Reserve System and Consumer Financial Protection Bureau routinely make new rules. In the third quarter of 2013 alone, there was an average of 110 global regulatory changes every day.<sup>13</sup> In customer communications, regulations are especially rigorous, mandating specific language, deadlines, and font sizes on customer notices and disclosures.

KPMG describes the impact on banks in the 2014 edition of *Evolving Banking Regulation*: “The regulatory environment is forcing banks to change their operating model, and undertake a fundamental examination of their overall strategy and structure... Moreover, the loss of confidence the industry suffered following the crisis, and the ongoing scrutiny the industry faces as a result, have created an environment of zero tolerance for error.”<sup>14</sup>

## CUSTOMER EXPERIENCE FIRST

The exploration that often begins with trying to meet the high expectations of hyperconnected consumers ultimately extends to resolving the internal problems of the enterprise. Companies that

11 Craig Le Clair et al, “Brief: Ten Trends Will Reshape Customer Communications Management,” Forrester Research, 5 March 2015

12 “From Burden to Competitive Advantage: Regulatory Change and Transformation in Financial Services,” KPMG, 28 October 2014, <http://www.kpmg-institutes.com/institutes/advisory-institute/articles/2014/10/burden-to-competitive-advantage-financial-services.html>

13 “Trust in Global Financial Institutions,” Thomson Reuters, 16 October 2013, <http://www.reuters.com/article/2013/10/16/idUSnHUGd1x+70+ONE20131016>

14 <https://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/evolving-banking-regulation/Documents/evolving-banking-regulation-amr-2014-fs.pdf>

have relied heavily on their core legacy systems for decades are hesitant to implement costly system overhauls, yet well aware of the need to modernize.

Essentially, consumers and enterprise are both seeking freedom: Consumers want freedom from the constraints of business hours, cash transactions, and even their own schedules and locations. Meanwhile, the enterprise world seeks a sense of freedom from aging infrastructure, skyrocketing costs, inefficiencies, delays, errors, and pains associated with oppressive regulatory requirements.

The solution is an enterprise document automation platform designed for dual purposes: (1) to deliver the ultimate digital experience for customers and (2) to serve the entire enterprise without requiring it to rip and replace core legacy systems.

Modern CCM systems of the digital age dynamically create, manage, and deliver adaptive communications. They're able to weave through web, mobile, and print seamlessly. As a result, customers are never exposed to the limitations of existing legacy core systems.

Modern document automation platforms offer a cost-effective way to address the design and production of a broad spectrum of documents such as financial statements, contracts, quotes, welcome kits, and more.

With a quality system, users are able to do all of the following:

- repurpose existing content
- generate personalized documents
- create multiple outputs
- deliver across multiple channels
- seamless integration with legacy back office and front office systems

The best document automation systems are able to support all business processes, including structured, on-demand, and interactive. For mature companies with multiple lines of business and multiple legacy systems in place, it's especially valuable for the document automation platform to integrate with existing systems.

## FIVE KEY BENEFITS TO A DIGITAL CUSTOMER COMMUNICATIONS MANAGEMENT STRATEGY

- **Improve customer satisfaction.** The cost of attracting and on-boarding new customers is four to six times the cost of retaining existing customers. Upgraded customer communications management systems present information in a way that's easier for the customer to understand. In the long run, customers are better informed, less likely to contact call centers and less likely to search for alternative providers.
- **Faster time to market.** Documents are the critical components to product launches, openings in new markets, and compliance to regulatory reforms. Often, the most serious cause for product launch delays is the buildup of documents that must be approved by regulators. Having a system that easily generates adaptive content to follow compliant language has a major impact on how quickly a company can take a prospect off the market.
- **Reduce risk.** In light of increased regulatory reforms since the financial crisis, companies are working toward greater transparency. Document automation systems have built-in features designed to reduce risk, including approval workflows, history tracking, data validation, and full audit

and log files for reporting.

- **Maximize effective customer engagement.** One of the inherent benefits of advanced document automation systems is the ability to create rich customer profiles complete with historical information. By providing the company with a 360 degree view of the overall customer relationship, the system empowers the company to engage customers, enforce customer affinity, and reduce customer churn.
- **Reduce costs.** Typically, large companies with multiple lines of business, markets across jurisdictions, and many products use multiple legacy systems maintained by multiple vendors. They often require redundant training and more involvement with the IT staff. Consolidating multiple vendor and homegrown document generation systems into a single customer communications management system significantly reduces costs immediately upon implementation. Not only does it slash application maintenance expenses, it enables changes to be done within minutes with a shared content concept. Additional cost savings result from decreased postage, reduced call center volume, faster processing times, and more.

## TOP CONSIDERATIONS FOR EFFECTIVE CUSTOMER COMMUNICATIONS MANAGEMENT

Enterprise architects exploring new technology resources in document automation are tasked with comparing the pros and cons of over a dozen leading systems on the market. They seek greater flexibility and additional functionality without the complications that come with coordinating multiple systems. Mobile capabilities are also a top priority. Amid increasing competition, limited budgets, and higher customer expectations, the decision maker will inevitably feel a daunting task ahead. How does one identify the ideal CCM system to serve as an entire enterprise's single document automation solution?

Here are the must-have features for the ideal CCM system of the digital age:

- **Adaptability to any publishing process.** The need for structured, on-demand, and interactive content output continues to grow in all industries. Online statements, custom quotes, and negotiated contracts are just a few examples of documents with variable content. The ideal CCM system allows the user to create and repurpose content once, then publish in multiple outputs.
- **Device-responsive output.** Regardless of the device your customers choose to view your content (i.e., smart phone, tablet, or other device), the content should shape to the proper size of the device and display the most optimal presentation. Your customers should be able to conduct transactions through any device.
- **Browser independent.** A web browser should never impact customer experience negatively. The ideal CCM system will display the best presentation regardless of the browser. Your customers should be able to view content, interact with your customer service agents, and conduct transactions through any browser.
- **User-friendly navigation.** Nontechnical staffers should be able to author and make changes to documents easily. CCM systems with non-intuitive interfaces are significantly more difficult and costly to implement throughout an enterprise for many reasons, including time-intensive training requirements. Your ideal CCM system will eliminate the need for redundant trainings and heavy reliance on IT staff.
- **Version control, data validation, tracking and auditing features.** Users should be able to lock down certain content—in particular, compliant language—and prevent others in the organization from modifying it. They should also be able to quickly find out who did what when. This reinforces

compliance and transparency, which reduces risk to the enterprise.

- **Approval workflows.** Users should be able to submit documents easily to another user or group for approval or to flag for publishing. Built-in workflows enable smooth document transfers and reduce confusion, error, and risk.
- **Integration with legacy systems.** Legacy systems are often one of the major roadblocks preventing companies from modernizing their technology. A CCM system that integrates with your core legacy systems will enable a pain-free implementation for the entire organization.
- **Ability to support design programs.** Users should be able to use whatever design programs or tools they prefer when creating templates. Regardless of whether you use Dreamweaver or Eclipse, your ideal CCM system should support your design program.

## POWERING ENTERPRISE DOCUMENT AUTOMATION FROM THE INSIDE OUT: ORACLE DOCUMAKER MOBILE

At Oracle, our best-in-class hardware and software products were designed to eliminate the complexity that stifles business innovation. They're engineered for speed, reliability, security, and manageability. They're designed to work together in the cloud or on premises, according to open industry standards.

In enterprise document automation, Oracle Documaker Enterprise Edition is the industry leading customer engagement platform for all customer communications across all touch points. Over 1,000 customers in insurance, financial services, public sector, and utilities around the world have implemented Oracle Documaker for high volume batch applications producing millions of documents a day, on-demand document requests, and interactive documents. Some customers have an active user base in excess of 50,000 users.

Unlike other CCM systems that have been implemented at the department level, Oracle Documaker has a strong track record of enterprise wide implementations. Hundreds of multinational companies use Oracle Documaker as their single source of truth for customer communications. The application has evolved over 20 years based, in part, on customer feedback in thousands of business use cases. As Gartner notes in a 2014 CCM market survey, "Oracle's global footprint and its extensive sales and services resources enable it to support Documaker implementations across the globe."<sup>15</sup>

The newest addition to the Oracle Documaker suite is Oracle Documaker Mobile, the critical mobile component that enables the ultimate customer experience in the digital age. Documaker Mobile offers the advantage adapting to any publishing process, including structured output, on-demand, and interactive documents.

Empower customers with the ability to engage from wherever they happen to be. With Oracle Documaker Mobile, you can drive customer inquiries from communications to live chat, VoIP or video chat with quicker response time and reduced telecommunications costs. Equip your customer service agents with co-browsing navigation, helping them to resolve customer disputes in real time. You can also enable mobile bill payment and present dynamic content to nurture meaningful relationships with your hyperconnected customers.

**"Oracle's global footprint and its extensive sales and services resources enable it to support Documaker implementations across the globe."**

*GARTNER*

<sup>15</sup> Karen M. Shegda, "Magic Quadrant for Customer Communications Management Software," Gartner, 25 November 2014, <http://www.gartner.com/technology/reprints.do?id=1-25FCRVX&ct=141202&st=sg>

## Highlights of Oracle Documaker Mobile

Documaker takes data from your core systems, merges it with your templates, and runs your business rules to produce personalized output in any of the supported output channels (including data formats like XML, web or mobile platforms, e-mail, and actual print). The end result is a rich digital experience for your audience throughout the customer journey.

Here are some key features:

- **Responsive output.** Customers receive content in a device-aware, responsive format concurrently with traditional delivery. The customer decides what device to use to view the content. Whether they decide to use a smart phone, tablet, or laptop, the content will always present itself in the format designed for the device.
- **Shared business rules.** Users are able to follow existing business rules for print-based content selection to control mobile content. With Oracle Documaker Enterprise Edition as the central repository for content and business rules, there is no need to set up different business rules and manage content in multiple locations for mobile content.
- **Managed content.** Users can easily reformat print-based content into a device-responsive document for mobile simply by adding a target style set for mobile as Documaker natively separates rules and content from style. Documaker is able to send documents to an interactive environment where the user can personalize the document even further.
- **Web standards.** Users can design and style mobile documents using existing web branding. The Documaker design studio allows users to create templates and set business rules.

To learn more about how Oracle Documaker Mobile can engage your hyperconnected customers, speed up document creation, and reduce costs, visit [oracle.com/goto/documakermobile](https://oracle.com/goto/documakermobile).

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## Integrated Cloud Applications & Platform Services

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