

Three Steps to Enrich the Customer Experience With Contextualized Communications

Published: 26 August 2016

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Personalized and contextually relevant communications improve organizations' relationships with customers and constituents. IT application leaders who deploy customer communications management and web content management solutions synergistically can deepen customers' engagement and loyalty.

Key Challenges

- Contextually relevant customer communications help to improve customer acquisition and retention. Yet many organizations take a fragmented, and therefore ineffective, approach to customer communications and interactions.
- Customer communications management (CCM) tools and strategies are evolving from a focus on static, printed output and a unidirectional, broadcast model, to a more dynamic, interactive model in which communications are delivered on demand via multiple channels. This evolution is changing the context of CCM projects and increasing the complexity of the required solutions.
- Customers and constituents want personalized, relevant and contextual communications — they expect organizations to know them and communications to be tailored to their specific context. CCM tools, however, lack the ability to "listen" and understand customers' behavior.

Recommendations

IT application leaders responsible for procuring and supporting customer-facing applications:

- Shift your communications initiative from a tactical, "push" perspective to a strategic focus on the customer's perspective inward. Emphasize consistent and relevant customer communications across all channels and the customer's life time journey. Identify the various new ways in which CCM and WCM solutions can be deployed for different parts of this journey.
- Move from single-channel to multichannel distribution, and from multichannel to cross-channel communication. Optimize customer communications for digital channels.

- Orchestrate communications solution components, instead of relying on a single monolithic system. Include adjacent technologies, such as WCM solutions and portals, in your tool selection process to support more contextualized communications and enable self-service.

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Strategic Planning Assumption

By the end of 2018, three in every four customer communications will be contextualized and consumed in digital channels.

Introduction

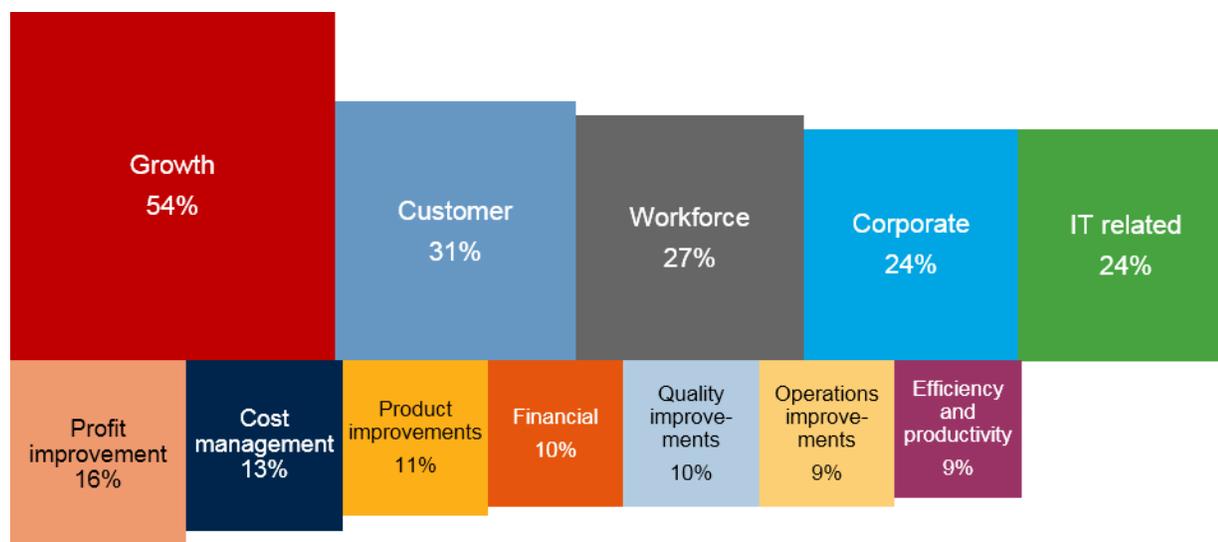
Continuous customer engagement is central to the success of a digital business strategy. This fact is influencing decisions about key solution components, such as CCM and WCM software, and how such offerings are combined holistically. Customer-centric thinking is essential to achieve organizational goals. This thinking leads to an understanding of the customer that steadily increases in accuracy, and all interactions reflect this understanding.

CEOs are therefore keen to improve customer service, the customer relationship and customer satisfaction levels (see "2016 CEO Survey: The Year of Digital Tenacity"). As Figure 1 shows, 31% of the CEOs and senior business executives surveyed by Gartner between September and December

2015 view "the customer" as one of their top strategic priorities for 2016 and 2017 (up from 21% just a year earlier).

IT application leaders responsible for procuring and supporting customer-facing applications must heed their CEO's emphasis on customer service and customer satisfaction. To enable a strategic focus on both, they should use technologies such as CCM and WCM solutions together.

Figure 1. Surveyed CEOs' Top-Three Strategic Business Priorities for 2016 and 2017



Question: Please tell us about your organization's top-five strategic business priorities for the next two years (2016 and 2017).
n = 396

Source: Gartner (August 2016)

Successful nurturing of customer relationships requires insightful, relevant and timely communications across multiple channels (such as the web, email, social media and SMS) and over a host of traditional and new devices. This diversity will increase, thanks to new in-home computing platforms like Amazon Echo and Google Nest. Customers expect organizations to know them and communications to be tailored to their specific context through whichever channel and on whichever device they are using at the time. Yet organizations typically take a fragmented approach to customer communications — separate groups (marketing, customer service, sales and so on) share responsibility for specific types of customer interaction, but no group manages the channels in a cohesive way.

Furthermore, interactions with customers have tended to either:

- Take historical information and use it to push messages to recipients

or:

- Use information from mobile devices to communicate on the basis of the present context

It is critical to do *both* — to unify what is known about customers across usually separate (offline and digital) channels in order to gain a greater understanding of them and deliver engaging experiences based on that understanding.

Engaging and satisfying customers requires richer and more personalized communications and experiences, delivered dynamically. CCM software manages the creation and push delivery of information; WCM software supports contextual communications and experiences (for definitions, see Note 1). In other words, neither CCM nor WCM software alone provides a unified view of the customer.

In the past, CCM was just about disseminating information, in print format, for example, or by attaching a .pdf file to an email with an address such as noreply@<whatever>.com. Today, given the increasing and long-awaited focus on customer satisfaction and other tangible, higher-level business outcomes, such email communications are being replaced by interactive communications. Similarly, broadcast messages are being replaced by conversations, and generic templates by truly contextualized and engaging experiences. In addition, the print channel is being augmented, and sometimes supplanted, by digital channels. As the CCM market evolves, up-to-date, unified insights will be developed before each communication, enabling a more holistic and accurate understanding of the customer and what the customer wants — indeed, expects — from you at that moment. Such intelligence can be explicit — recorded in a database — or it can be understood from the customer's behavior on a site in real time (see "Reanimate Your Content Strategy for the Best Next Customer Experience").

Presentation of a combination of information, functionality and services in the form of engaging experiences is based on such an understanding of individual customers. IT application leaders are therefore tying their CCM capabilities more deeply to their WCM applications. They are seeking to connect with target audiences, to engage them with highly contextualized, cross-channel experiences. By including WCM applications in the mix of solutions, they are looking to achieve their ambitions for customer satisfaction and digital commerce. Further, combining CCM and WCM software with search and analytics functionality enables IT application leaders to develop and implement more effective strategies for customer experience management and digital marketing.

Key components for creating new and more interactive experiences include:

- Analytics for data quality and data analysis
- Engagement analytics to ascertain customers' behavior and engagement with communications by analyzing clicks, log files and so on
- Cross-channel and multichannel access and delivery
- Interactive and/or personalized customer communications
- Digital content (managed as part of the organization's assets)
- Mobility extensions

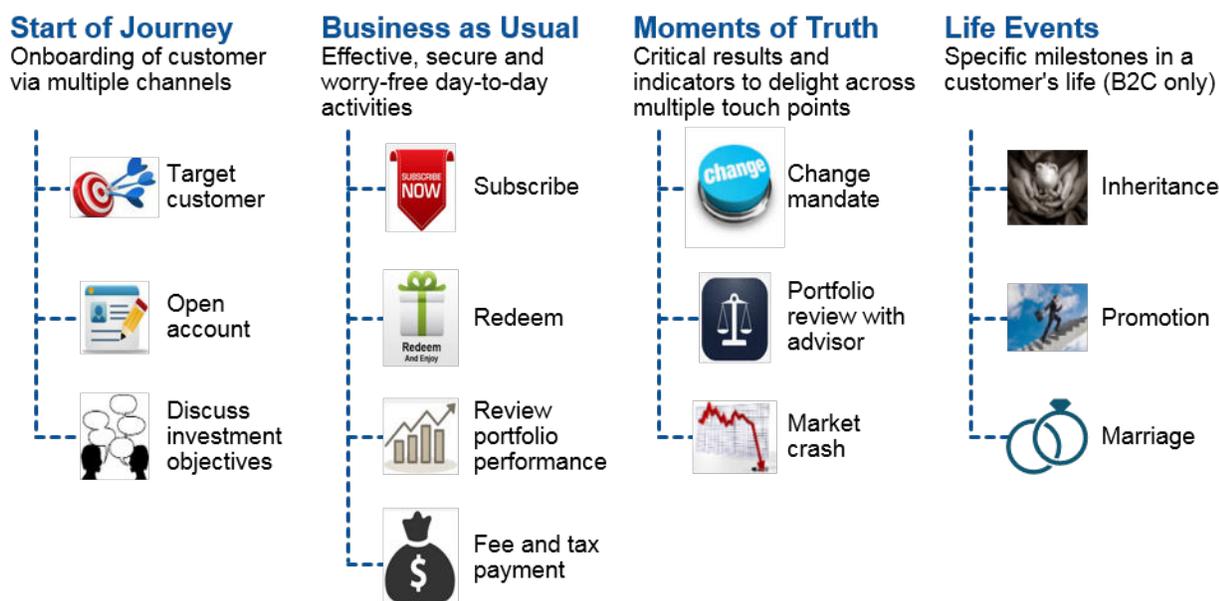
This document recommends that IT application leaders responsible for procuring and supporting customer-facing applications take the three steps described in the Analysis section below to achieve their goal of enriching the overall experience for their customers or constituents.

Analysis

Step 1. Shift Your Communications Initiative From a Tactical, "Push" Perspective to a Strategic Focus on the Customer's Perspective Inward

Organizations must shift from a tactical focus on cost reduction or print suppression to a strategic focus on improving the effectiveness of communications with members of different target audiences as those people begin or continue their customer journeys (see Figure 1 for a profile of an investment customer's journey). Broad knowledge of existing or prospective customers at the moment of interaction is critical to providing targeted, personalized and highly relevant communications that will result in sales or improved client retention.

Figure 2. Example of a Customer Journey in the Investment Sector



Source: Gartner (August 2016)

To achieve this more holistic perspective, IT application leaders should start by redefining the idea of the "customer." Traditionally, a person starts being regarded as a customer when he or she buys a product or service, and stops being one when the warranty period or subscription expires. This needs to change. The relationship with a "customer" should begin when there is a reasonable probability of that person being interested in one's brand and offerings. Thereafter, one should think in terms of maximizing the customer's lifetime value, albeit in the knowledge that it will not be

possible to derive significant value from every customer (which means one should not worry about losing customers who generate little or no value).

Secondly, IT application leaders should model the different phases of the overall relationship — that is, the life cycle — between their organization and the customer. These can be phases of attraction, education, nurturing, persuasion, service, satisfaction, loyalty and advocacy. CCM and WCM software, especially when used in combination, has a role to play in these phases and in the associated customer interactions.

Thirdly, IT application leaders should identify the different systems needed to assess the customer's context at every phase. Contextualization confers the ability to use historical information, as well as up-to-the-minute information (presence or activity information, for example) to improve the nature and quality of interactions.

After that, IT application leaders should consider integrating or combining WCM and CCM technologies to ensure rich, engaging and deep communications during each phase. WCM (and portal) technologies enable customer service and self-service initiatives that confer the unique ability to integrate, aggregate, secure, and contextualize content and applications that exist in many places. CCM platforms are suited to situations in which content is single-sourced and pushed to customers. The combination of WCM and CCM technologies can enrich customer experiences with contextualized communications.

IT application leaders should consider, too, the types of content and communication that need to be generated, delivered and, more importantly, personalized, in the different phases of the customer journey. For example, acquiring and onboarding customers requires contracts, welcome kits and other correspondence. CCM plays a huge part in customer service, upselling and cross-selling. Many CCM solutions support dynamic composition, which enables a business user — a marketing manager, perhaps — to modify content to include different promotional offers aimed at specific recipients.

It is also important for IT application leaders to envision the customer's (or constituent's) experience with the communications, and to consider that when designing communications and ascertaining the technological capabilities required. For example, giving a customer the ability to drill down and analyze his or her electricity or gas consumption and to manipulate that data on a mobile device is a more powerful proposition than simply sending a printed statement. Incorporating a video to explain how to read a bill or how to understand certain benefits often improves the recipient's understanding of what is being communicated and improves the overall experience, thus engendering greater loyalty.

Further recommendations:

- Understand and model the customer life cycle and the different journeys of customers.
- Map the full customer journey to visualize interactions; identify communication touchpoints and types of communication.
- Use WCM and CCM tools to determine personalization and targeting based on recipients' contexts and behavior.

Step 2. Move From Single-Channel to Multichannel Distribution, and From Multichannel to Cross-Channel Communication

Print communications will never disappear completely, nor should they. However, our discussions with thousands of Gartner clients over the past few years indicate that most organizations are putting more communications online. Moving from offline to digital channels is a key strategy for many organizations as they look to become truly digital businesses. Customers increasingly interact with organizations via a variety of channels and devices, and they expect content to be consistent across those channels. Increasingly, organizations want to create that content once and deliver it to any channel consistently.

Organizations have an opportunity to provide contextualized content for mobile devices and meet multichannel requirements, while still offering printed content to customers who want or need it. Success with this step requires a granular assessment of the required business outcomes, as well as of existing and prospective customers' access to, and use of, various channels. After that, it is necessary to develop an idea of how different mixes of communications channel will help to bring about those outcomes.

One way to do this is to combine the asking of questions with the undertaking of actions:

- Will promotional messages on transaction documents be more effective for the targeted persona if incorporated into an electronic interaction, rather than simply appearing on a printed statement?
- Identify typical customer service phone and face-to-face queries, and assess whether a more effective, engaging and easy-to-navigate website might reduce such costly offline interactions by encouraging self-service.
- Would the readership of your newsletter (for example) increase and, more importantly, would sales grow and client retention improve if content were optimized for electronic devices such as tablets and smartphones?
- Consider using rich media, especially video, as means of communication. For example, a customer may well see more value in an email that links to a video describing his bundled home telecom services and bill than he would in a lengthy textual document. Or a homeowner might well find it easier to understand what her house insurance policy covers by viewing a short, personalized video, rather than reading a policy document full of legal terms and jargon.
- Conduct surveys with target audiences to learn their preferences explicitly. Also use other techniques such as personalization, multivariant testing, log analysis and behavioral analysis of digital interactions. Then begin "migrating" customers from their current communications channels to the channels they explicitly prefer.

Another approach is to take the customer's perspective into consideration, as outlined in these examples from different sectors:

- *Utilities sector:* You detect that a customer is using a lot of electricity and you want to help that person conserve energy or save money, so the customer experience you deliver should incorporate informational and persuasive elements to promote new behavior.
- *Telecom sector:* The customer's use of a phone or internet service has changed, so you might want to offer an alternative option.
- *Insurance/financial services sector:* You have additional services that a customer might be interested in, so make your communications highly personalized. For example, a health insurer that knows a U.S. customer is approaching the age of eligibility for Medicare could provide targeted communications about its Medicare supplement plans.

Further recommendations:

- Identify and assemble the range of content generation and analytics capabilities needed to understand customer interactions.
- Model your future mode of delivery for cross-channel customer experiences. Customers' preferences are shifting away from speaking to representatives on the phone (during business hours) toward self-service (for example, receiving seamless, easy-to-use services at any time, through their digital channel of choice).

Step 3. Orchestrate Communications Solution Components, Instead of Relying on a Single Monolithic System

IT and application leaders in charge of digital experiences are looking for tools to communicate with and engage customers (and constituents) in a more holistic fashion in order to increase personalization and two-way communication. To support a digital business environment, they should look to CCM providers that enable software to go beyond known customer information by incorporating information from the web and mobile devices into instantaneous, context-enriched communications.

The problem is that although CCM providers are beginning to enable contextualization, only a few are seriously investing in this capability. Equally, mobile device and service providers and digital experiences driven by WCM technologies can invoke some contextual elements, but they cannot draw on historical information. IT application leaders should therefore favor providers that understand the synergies between CCM and WCM and have built interoperability into their roadmaps.

As CCM providers focus on the goal of delivering more interactive, on-demand and contextual communications, they are increasingly looking to offer tools that enable two-way interactions and glean contextual information from recipients. Therefore, CCM technology increasingly both overlaps, and requires a high degree of interoperability with, adjacent technologies such as WCM, digital asset management, CRM, customer engagement center, sales force automation, campaign management and web analytics tools. Obvious synergies can arise when deploying CCM and WCM tools in conjunction with one another — for example, the ability to mine user demographics and behaviors or buying patterns from a website to understand more about customers (or constituents) and thereby deliver more relevant information.

This does not dictate the use of a single comprehensive, monolithic system. Rather, we advise orchestrating CCM and WCM components according to the desired outcomes.

Five areas require consideration when deciding whether to combine/consolidate, integrate or just interoperate CCM and WCM technologies:

1. **Customer records.** Both CCM and WCM solutions will typically draw on CRM applications (such as those used for customer engagement, sales force automation and campaign management) for customer data, including communications preferences and opt-in/opt-out details.
2. **Business processes and workflows.** Both CCM and WCM technologies have workflows for reviewing and approving the content they generate and publish. CCM tools are often integrated more deeply into business processes such as case management or into financial processes.
3. **Personalization (rules, algorithms).** The ease with which content can be tailored to targeted individuals and personas. Some CCM tools are adding customer preference management capabilities. WCM software can often support A/B testing for targeting. WCM tools can also feature engagement analytics, which support the provision or in-context surfacing of analysis relating to the effectiveness of digital channels of interest.
4. **Content.** Content remains a highly important facet of both CCM and WCM technologies (see "Reanimate Your Content Strategy for the Best Next Customer Experience"). CCM is about generating the content that gets communicated, but this content has historically been transactional and static. WCM tools now support user-generated content and more context-aware content. Some current, and all future, solutions will regard such content as a subset of the user experience, delivered to engage audiences and influence behavior.
5. **Presentation.** Both CCM and WCM technologies enable separation of content from its presentation. With CCM, this is more about the same content being presented to different output channels and devices, or, in some cases, about the styling of templates based on rules. WCM tools have long supported templates that enable content to be generated once and published in many places; today, the focus is often on enabling brand management.

Further recommendations:

- Identify the processes that will need to interoperate effectively and the best tools for the job.
- Take an iterative, incremental and experimental approach to building a solution.
- Assess prospective tools for their ability to orchestrate multiple, adjacent technologies, as part of your selection process. Look for tools with prebuilt connectors to web and social media platforms and CRM applications.

Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"Digitalization Is Shaping the Future of Web Content Management"

"Reanimate Your Content Strategy for the Best Next Customer Experience"

"Magic Quadrant for Customer Communications Management Software"

"Magic Quadrant for Web Content Management"

"2016 CEO Survey: The Year of Digital Tenacity"

"Four Steps for Utilities to Increase Digital Customer Engagement"

"The Eight Building Blocks of CRM: Customer Experience"

Evidence

This document draws on interactions with Gartner clients developing strategies and selecting tools for customer communications and the customer experience. It also draws on discussions of product strategies and roadmaps with CCM and WCM technology vendors.

Note 1 Definitions

Customer communications management (CCM) software applications enable the creation, delivery, storage and retrieval, and analysis of outbound and interactive communications. They focus on composition, personalization, formatting, and distribution of communications between an enterprise and its customers, prospective customers and business partners. CCM software enables customer communications through a wide range of media, including mobile, email, SMS, web pages and print. The CCM market evolved from the convergence of document generation/composition and output management technologies. CCM solutions now include the core elements of a design tool, a composition engine, a workflow/rule engine and multichannel output management. Analytics, dynamic composition and integration with adjacent technologies such as WCM, marketing campaign management and CRM tools are key features.

Web content management (WCM) is the process of controlling content to be consumed over multiple digital channels through the use of specific management tools based on a core repository. These may be procured as commercial products, open-source tools or hosted service offerings.

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