



Engineering Communications to Improve the Customer Experience

Best Practices for Optimizing Customer Communications

Communication Engineering

Documents are a critical but often over-looked component of the customer experience. Post-sale documents such as invoices and statements comprise the bulk of customer interaction, but companies often view them as a necessary evil rather than an opportunity to optimize the customer experience.

Confusing, poorly structured and filled with corporate messaging, post-sale documents do little to inspire customer loyalty. Rather than reinforcing the relationship between the brand and the customer, they frustrate customers and drive them to the contact center. The relationship is downgraded over what should be a straightforward interaction—and opportunity. There are, however, proven methods to make communications more effective, turning them into opportunities to achieve strategic business results.

Re-engineering documents to enhance readability and comprehension improves customer satisfaction and reduces calls to the contact center. In an interview with a regional telephone company, Forrester Research found that while the company was “hoping for a 10% reduction in bill-related call volume, [they] achieved a 30% reduction due to a bill redesign that clarified what customers owed and why. The new design also made it easier for call center reps to walk customers through their bill, which reduced call time and improved customers’ ability to answer their own future questions.”¹

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Successful organizations strive to make the customer experience a top priority in customer facing communications. By engineering their communications to better meet customer needs, companies can effectively increase customer satisfaction, retention and profitability.

Communication engineering is more than redesigning content and layout, however. It requires a structured process and buy-in across the organization to eliminate siloed inefficiencies. Forrester Research suggests that “Companies will be most successful in transforming their document approach if they sell the value of documents up and down the document creation food chain, bring the right skill sets to bear, and invest in a technology platform that allows for dynamic document creation.”²

This paper will discuss importance, challenges, best practices, and three common approaches to implementing a communication engineering solution.

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The Impact of Documents on the Customer Experience

Whether in paper or electronic format, documents play a critical role in the customer experience. Especially in account-based industries such as telecommunications, retail and travel services where the vast majority of customers still elect to receive hard copies of invoices and contracts.



Despite being such a critical touch point, firms often neglect the impact documents have on the customer experience.

Customer facing communications such as invoices and loyalty program statements have an intended message and outcome. If the message is confusing, companies experience unintended outcomes such as payment delays or increased support calls. A communication engineering team can help reduce these unintended consequences. Experts, trained in the structure of human behavior, use a scientific approach to re-engineer an invoice that will save companies time and money while improving the overall customer experience.

Transaction-based documents, such as invoices and contracts, are the most consistent touch point in many customer service relationships. Yet most companies mistakenly view these documents as a necessary evil, rather than an opportunity to optimize the customer experience.

Challenges

Flawed post-sale communications are often a key factor in costly customer dissatisfaction and churn. One of the top drivers of customer complaints is customers not understanding their invoice or not knowing what to do if they have a problem or question.

Ineffective Communications Fuel High Customer Support Costs

While pre-sale marketing documents are positive, easy-to-understand and create incentive, post-sale documents such as phone bills and account summaries are typically devoid of marketing influence and are often problematic. Confusion over these documents can cause a dramatic increase in calls to the contact center. In fact, some organizations report that 20-40% of customer support calls are stimulated by a communication sent by the company to the customer.³

Declining Customer Loyalty

Just as flawed communications increase customer support costs, they are also responsible for declining customer loyalty and revenue. A surprising number of loyalty and retention problems correlate directly to an organization's client communications. In one study, 63% of clients said their loyalty was affected by billing issues, while 41% blamed mis-communications.⁴

Organizations need a solid understanding of their customers and document needs before they can develop effective communications that meet customer expectations. Design processes that focus on spelling out legal requirements or disseminating corporate messages produce documents that frustrate customers rather than engage them.

Inefficient process for producing documentation

Standalone document production systems, siloed content and the use of multiple agencies all can fragment the product documentation lifecycle, adding complexity, cost and time.

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³ Post-sale client communications are undermining business success, Paul Lundy, Xerox, 2007
⁴ McKinsey Quarterly, 2004

Best Practices

In interviews with document design experts and firms that had recently changed their approach to customer communications, Forrester Research uncovered document redesign success stories. Benefits included decreased document-related call volume, improved comprehension and reduced production costs along with increased customer satisfaction — often far exceeding initial expectations.⁵

Develop a Communication Strategy

Developing a communication strategy begins with identifying customer touch points across an organization and determining their impact on the customer experience. A routine invoice may seem like an innocuous touch point, but it can have a significant impact on customer satisfaction—even more so when a call to the contact center fails to resolve the problem.

Once the touch points and impact are identified, the next step in the strategy is to determine which communications would improve the client experience the most. The strategy should address document design improvements as well as improvements to the CRM database to optimize each touch point impacting the overall customer experience.

Identify Communication Interdependencies

Involving key stakeholders in the organization to identify communication interdependencies, for instance, between marketing collateral and billing statements will help avoid unintended consequences from document re-engineering. Working across silos in the organization to gain a 360-degree view of the customer experience helps the organization better understand the requirements for their documents as well as the root cause of customer concerns and complaints.

Integrate Personalization and Color

Re-engineered documents make it much easier for customers to do business with the company by making critical information more intuitive to find and understand. Using personalization, customization and color tools, documents can be transformed into even more relevant and effective communications. In fact, transactional promotional (TransPromo) communications, as part of cross-sell and up-sell campaigns, can maximize client response rates and build revenue. Research shows that simply adding the name of a

customer to a color piece increases the response rate by 135%. When an organization incorporates relevant, colorful and personalized content into their communications, they can dramatically boost response rates by 500%.⁶

Engage CRM Analytics

CRM analytics is important to helping organizations understand the buying behavior and preferences of their target audience and identify gaps in the customer experience across the enterprise. A comprehensive solution will transcend departmental silos and collect customer feedback from all channels—from social media and the contact center to phone surveys. Organizations then can use CRM report data to improve customer satisfaction and profitability by delivering up-sell opportunities and promotion offers that better align with customer preferences and expectations.

CRM analysis reports can also identify which touch points are draining a company's profitability. For instance, the analysis can pinpoint the confusing invoice that drives calls to the contact center or identify the lackluster marketing promotion that fails to generate sales. Organizations can use this data to make more informed decisions when developing their communication strategy.

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⁵ Forrester Research, Three Ways to Drive Document Value, November 2, 2010
⁶ Transforming Post-Sale Client Communications to Improve Business Results, Paul Lundy, Xerox, 2007

Approach

The approach a company takes to re-engineering their customer-facing communications can mean the difference between creating a more colorful way to confuse your customers and developing a communication strategy to optimize the customer experience.

DIY (Do It Yourself)

Companies may elect to tackle communication engineering internally, but these initiatives often fail to make a significant, measurable impact. Resources with the right skills typically are located in IT and document management departments. These teams can do a good job of addressing problems with individual communications on an ad hoc basis, but not from an enterprise customer experience perspective.

IT and documentation teams rarely have the expertise and tools needed to assess cross-functional touch points and identify communication interdependencies. Fixing the layout and production cycle of a loyalty program statement is one thing, but working with the contact center to reduce statement issue calls and increase the success rate of up-sell campaigns is often beyond their realm of expertise.

Few internal departments have the expertise needed to identify the root cause of document-related customer experience issues. Nor do they have the specialized skill level and tools necessary to correct these gaps and improve the customer experience. Outsourcing to a service provider often proves to be more successful.

Outsourced Document Processing Service Provider

Many companies elect to bring in outside expertise to help them identify and eliminate sources of customer confusion and dissatisfaction in postsale documents such as billing statements. Service providers generally bring objectivity, technology platforms and skilled resources to the table.

Most service providers are skilled in resolving specific design issues to improve customer comprehension and readability, but they often don't consider how changes to individual documents affect the communication suite across the organization. They lack the deep expertise required to understand customer behavior and key relationship variables with the brand. This results in solutions which

are siloed, addressing departmental communication issues rather than the organizational strategy to improve customer satisfaction and profitability.

A better solution is to engage a strategic partner that provides an end-to-end analysis of the entire organization, co-developing a communication engineering solution that supports business strategy and optimizes the customer experience.

Strategic Partner

As a leading communications engineering service provider Xerox has the industry expertise, technology and proven best practices to transform customer-facing communications into profitable business drivers that succeed in optimizing the customer experience.

A structured approach is taken to assessing touch points across the enterprise and re-engineering communications so that a clear message is delivered to the right audience at the right time. Customized solutions improve customer satisfaction, reduce churn, and lower costs by deflecting calls to the contact center.

The team collects and analyzes pertinent data from every corner of the enterprise, up and downstream from the contact center. Communications strategies and touch point maps are co-developed with key stakeholders across the organization. Behavioral science experts and technical analysts then focus on maximizing the effectiveness of communications to support business strategy. The team re-engineers communications using a wide variety of personalization, color and design techniques to improve readability and customer comprehension.

With the help of a strategic communication engineering partner, companies will strengthen the value of their brand by optimizing the customer experience at this critical touch point.



Summary

Each statement, invoice, bill, or notification is a customer touch point. Anything that provides customers with an opportunity to interact with your company is a touch point, and these can directly affect how your customers perceive your brand and their overall customer experience. If the message is confusing or fails to engage the customer, the brand takes a hit. Negative outcomes run the gamut from payment delays and increased support calls to costly customer defection.

Communication engineering can help companies achieve strategic business goals by changing the way they view and use their client communications. By recognizing each customer-facing document as an important touch point with their brand, companies make the customer experience a top priority. The key to success in optimizing the customer experience is finding the right communications engineering partner. The right partner will help you unleash valuable opportunities in your communications, increasing customer satisfaction, retention and profitability.

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For investor information, visit www.xerox.com/investor.

Case Study – Major Retailer

The Challenge

- Ineffective and costly membership renewal program
 - 2.8M annual renewal notices
 - Generic letters and postcards
- Current vendor provided print/mail services only
- Looking for strategic partner

The Solution

- Comprehensive communication engineering strategy
- Relevant, personalized communication
- Digital content including email, SMS text messaging and personalized web pages
- Customer care team trained in the art of ‘selling and saves’
- Improved reporting and faster time to market with each campaign

The Results

- Digital offering adds sustainable value over low print pricing from incumbent
- Retained customer loyalty through membership renewals
- Improved success rate on contact center ‘selling and saves’
 - Customer receives membership renewal
 - Understands statement, but dissatisfied with membership costs
 - Agent looks at the customer’s buying behavior
 - Offers a lower cost membership that better fits their needs
- Optimizes customer experience across communication touch points

