

CRITICAL CUSTOMER EXPERIENCE INVESTMENTS IN 2023

Exploring the most
important tools to meet
consumer CX demands
in a human-centric era

quadi^{ent}
Because connections matter.





Employee experience	5
Advanced IT technologies.....	9
Customer journey management	13
Omnichannel solutions.....	18
Digital transformation	21
RFP and investing guidelines.....	26



INTRODUCTION

Investing in customer experience (CX) technology has been an ever-increasing business priority since 2015, but in seven years, a lot has changed. Innovators have digitized the customer's world – giving them access to anything, anytime. These digital-first businesses are successfully listening to their customers' needs and are building ecosystems to support positive individual journeys. Their efforts have transformed the playing field. Today's customers universally expect and demand better experiences than ever. The cost of not delivering is high. 85 percent of customers are willing to pay significantly more for a competitor's experience that meets expectation. Creating a connected, personalized, transparent experience how and when a customer wishes is key to acquiring and, most importantly, retaining your customers. The ROI is proving significant, with CX leaders outperforming in value. According to Forbes, businesses who have invested in customer experience are realizing 80 percent increases in revenue.

Omdia, a global leader in technology markets research, estimates that 73 percent of enterprises struggle to meet heightened customer expectations. Customer journeys are no longer linear. They span marketing, onboarding, omnichannel customer communications, customer journey management, voice-of-the-customer, customer service, and digital capabilities, like forms, signatures, payments, and more. From a holistic view, and at any given point, there are myriad hurdles facing CX

leaders. Some common pain points preventing company-wide CX transformation are:

- **Implementing CX across siloed organizations**
- **Inability to measure the ROI in alignment with business goals**
- **Integrating a human-centric culture that drives employee and customer experience**
- **Leveraging customer data in real-time across business-wide operations**

In Quadient's *State of Customer Experience* report, experts predicted that after years of delaying digital transformation and CX initiatives, we will see large scale investment across the board. As customer expectations rapidly advance, so does CX technology. Today's solutions are capable of robust, comprehensive, customer-first experience orchestration that wins, and keeps, customers.

Triggered by the agility that 2020 and 2021 spurred, the number of communications, customer experience, and digital experience modernization projects getting green-lit for evaluation in 2023 has increased. What type depends on the organization's strategy. Every brand is different – spanning varying degrees of digital transformation, employee enablement, CCM strategy/adoption, but make no mistake, 2023 is the year for critical CX investments.

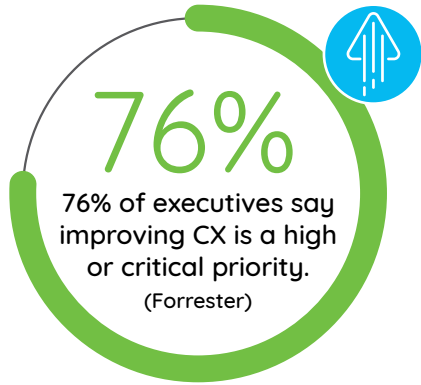
“...Companies will make the grand pivot from reactionary to revolutionary – designing long-term solutions that right-size their CX projects and investments, and leveraging the now chronic disruption as a catalyst to reinvent and reinforce experiences that delight customers and empower employees.”

— Forrester, *Predictions 2022: Customer Experience CX Pivots from Reactionary to Revolutionary*; October 27, 2021.



Customer experience by the numbers

Two-thirds of companies **compete on customer experience**, up from 36% in 2010. (Gartner)



95% of leading organizations cite CX job roles as important to achieving business growth—the highest of any job role. (Econsultancy)



have a dedicated CX team, with most formed in the last one to two years.
(Usersnap)

The size of the U.S. CX industry is expected to **GROW 15% ANNUALLY** from 2021 to 2028.



James Dodkins, of Rockstar CX, summed up critical investments best: successful companies are investing, and the common denominator is that the word “customer” will be involved. It might be a chief customer officer, enabling a customer-facing team, or investing in customer-centric technology, but smart investments are critical to bringing value, growth, and retention as companies make mandatory transitions to a digital-first, customer-centric age in 2023 and beyond.

As you forge ahead in a new customer experience era, here are insights to help you make the right investments in 2023.

EMPLOYEE EXPERIENCE

We are starting exactly where businesses should: employee experience. As organizations race towards digital transformation to enhance the customer experience in 2023, it's crucial to assess where experience starts – with employees. Overwhelming research supports that enhancing employee experience directly enhances customer experience, with studies showing that companies with highly engaged employees outperform by up to 147 percent.

“If your employee’s experience is disconnected and poor, then your customers’ experience will be as well. By building personalized, omnichannel customer experiences, you end up doing the same for your employees; and literally everyone wins.” – Scott Draeger, VP – Customer Transformation, Quadient

Disruptively great customer experience doesn’t result from one siloed CX team – it requires putting the customer at the heart of your business. The best way to achieve this is cultural transformation. If your culture does not center upon the humans within it, — your employees, you cannot execute a customer-first strategy externally.

If you want to stay ahead of the CX curve, you’ll need to heavily invest in your employee experience in 2023.



TODAY, JUST 48% OF LARGE ORGANIZATIONS IN THE US HAVE A DEDICATED PROGRAM FOR EX. THAT NUMBER WILL RISE TO 65%, AS MORE EXECUTIVES WATCHING THEIR MONTHLY QUIT RATES GO AS HIGH AS 2% WILL SUDDENLY BECOME EX ADVOCATES OF THE HIGHEST ORDER.

Forrester blogs; James L. McQuivery, Predictions 2022: 2022 will go down as the year executives were forced to care about EX; Nov. 3, 2021.

BENEFITS OF A HIGHLY-ENGAGED WORKFORCE

122% outperformance rate
for highly-engaged workforce (Accenture)

19.2% growth rate
in annual operating income (Accenture)

21% more profitable
than companies with poor
engagement numbers (Accenture)

25% more profitable
than non-EX focused companies (IBM)

100% greater customer loyalty
for businesses in top EX quartile
vs bottom (MIT)

Consider CX investments that can:

- Automate intelligence (AI) tools to automate workflows and data processing, relieving pressure on overworked humans
- Enable cross-functional hybrid teams with cloud-based solutions
- Offer better pay and productivity tools
- Reduce the mundane and foster creativity
- Unlock creative processes
- Create a human-centric culture built on trust and empathy
- Empower employees with low-tech solutions



EXPERT INSIGHTS

- Workplace AI will boost automation and augmentation needs. In 2021, more than a third of companies in adaptive and growth mode will look to AI to help with workplace disruption for both location-based, physical, or human-touch workers and knowledge workers working from home. This will include applying AI for intelligent document extraction, customer service agent augmentation, return-to-work health tracking, or semiautonomous robots for social separation.

—Forrester blogs; Srividya Sridharan; Predictions 2021: The Time is Now for AI to Shine; October 22, 2020

- Listening, and I mean really listening, to both your employees and your customers, is the most critical investment you can make for success. And I'm not talking about NPS, or CES – or any other single question. I'm not even talking about post interaction surveys, or trust surveys. I'm talking about longitudinal studies of both your employees and your customers. We're going to come out of this COVID era, and people are going to have an entirely different set of wants and needs. And if you aren't talking, asking and listening now, you're going to completely miss the shift that is about to occur.

—Ingrid Lindberg, CXO, Chief Customer

“ If you aren't talking, asking and listening now, you're going to completely miss the shift that is about to occur. ”



- **By 2025, 70% of new applications developed by organizations will use low-code or no-code technologies, up from less than 25% in 2020. The rise of low-code application platforms (LCAPs) is driving the increase of citizen development, and notably the function of business technologists who report outside of IT departments and create technology or analytics capabilities for internal or external business use.**
— Gartner press release; Gartner says cloud will be the centerpiece of new digital experiences; November 10, 2021.
- **Successful companies will secure their data and applications for ease of use for remote workers using cloud-native applications and keep their operations running even with higher risks of downtime, according to GlobalData.**
— Williams, Lara. Investment Monitor. Ten technology investment areas to watch in 2022. December 16, 2021.
- **“THE MOST IMPORTANT INVESTMENT THAT BUSINESSES CAN MAKE IN 2023 AND BEYOND IS IN THEIR EMPLOYEES. Putting employees first is critical to success. We learned last year that customers prefer to buy from brands that prioritize employee health and safety. This will not go away; instead, it must, and it will, become the new normal. Employees must be a priority and must be taken care of.”**
—Annette Franz, Chief Experience Officer, CX Journey, Inc.

FUTURE-FIT FIRMS WILL RELIEVE SOME OF THE PRESSURE BY USING CLOUD-FIRST AND PLATFORM-BASED ARCHITECTURES AND ADOPTING LOW-CODE/NO-CODE SOLUTIONS TO REDUCE THEIR NEED FOR THE MOST ADVANCED TECHNICAL SKILLS.

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THE MOST
IMPORTANT
INVESTMENT THAT
BUSINESSES CAN
MAKE IN 2023
AND BEYOND IS IN
THEIR EMPLOYEES.



- Leading firms will unlock the creativity of their employees and surround them with intelligent technologies such as automation and prediction engines that focus on outcomes, not just financial results. This shift will establish a new era of transformation, one comprising human-centered tech initiatives that form a tight link between CX and EX, drive competitive advantage and deliver a 3% to 5% net gain in productivity.

—Forrester; Predictions 2022: Guide

- By 2023, 70% of connected workers in task-based roles will use intelligence embedded in adaptive digital workspaces from anywhere to engage clients/colleagues and drive enterprise productivity.

—IDC FutureScape: Worldwide Future of Work 2022 Predictions, Doc # US47290521, October 2021.

- By 2023, digital transformation and business volatility will drive 70% of G2000 organizations to deploy remote or hybrid-first work models, redefining work processes and engaging diverse talent pools.

—IDC FutureScape: Worldwide Future of Work 2022 Predictions, Doc # US47290521, October 2021.

- EX budgets will go up, yes, but so will investments in automation and robotics designed to complement the human workforce — so much so that we predict a large company will even announce that it's capping its human workforce at its current levels and instead aiming to expand its capacity through automation and robotics. Such a bold move, rather than signaling the dehumanization of the workforce, will represent a commitment to those who already work there, giving them enhanced roles as automation confers upon them the equivalent of work-ready superpowers.

—Forrester blogs, James L. McQuiverry, Predictions 2022: 2022 will go down as the year executives were forced to care about EX; Nov. 3, 2021.



ADVANCED IT TECHNOLOGIES

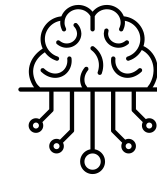
Artificial intelligence (AI), machine learning (ML), data analytics, and natural language processing — once futuristic, science fiction concepts, have come a long way in the space of a decade. Increasingly, IT leaders across all industries have accelerated the incorporation of these advanced technologies into their stacks for all functional areas of business.

AI tech stacks are a group of different technologies working together to enable machines to sense, comprehend, act, and learn with human-like intelligence. AI-powered solutions are nimble and self-optimizing as business needs evolve. These technologies empower enterprises to do more with less, to do it accurately, and to enrich outcomes with deep data, which is key to personalizing customer experiences. According to the Motley Fool, 90% of the world's data has been created in just the past two years, and the amount of data that is being generated today is expected to double in two years. This rapid increase in data requires companies to build capabilities to analyze and process their growing amounts of data. This is an area where AI can shine.

TECH STACKS THAT LEVERAGE DATA AND AI TO ORCHESTRATE HUMAN-CENTRIC CUSTOMER EXPERIENCES WILL DRIVE SUCCESS IN OUR POST-PANDEMIC ERA.

Not only can AI tech give your employees unparalleled insights to make data-driven decisions, but it will free up their time so that they can focus on high priority, deeply personalized human touch. Further, when combined, AI-based template migration, data management, and integration are powerful accelerants for digital transformation projects, letting you implement months, even years, sooner.

And their powers, benefits and potential ROI continues to grow with gusto—getting better each year.



GLOBAL ARTIFICIAL INTELLIGENCE (AI) SPENDING WILL GROW FROM USD 58.3 BILLION IN 2021 TO USD 309.6 BILLION BY 2026.

—MARKETSANDMARKETS



- Respondents for the CX Network's 2021 Global State of CX Report identified AI as their strongest investment priority.
- According to a 2021 McKinsey study for the State of AI in 2021, two-thirds of respondents say their companies' AI investments will continue to increase over the next three years.
- 64% of business leaders say that AI and ML initiatives' priorities have increased relative to other IT priorities in the last twelve months.
—Forbes
- 3 out of 4 C-suite executives believe that if they don't scale artificial intelligence in the next five years, they risk going out of business entirely.
—Accenture

“

AI WILL ADD
\$13 TRILLION TO GLOBAL
ECONOMIC OUTPUT BY 2030.

—MCKINSEY

Benefits of AI:



- Automates work processes
- Reduces overhead and operating expenses
- Minimizes tedious, manual tasks
- Drives continuous improvement
- Automates data processing and analysis
- Supports self-resolving service desks
- Automates content visualization comprehension
- Enhances data security
- Optimizes server performance
- Increases efficiency and productivity
- And more



EXPERT INSIGHTS

- Migrating off legacy compositions systems remains expensive. Firms continue to struggle rationalizing and migrating the thousands of documents trapped in legacy publishing systems. Content analysis, rationalization, and automation technologies have emerged that hold promise for accelerating this effort. Doculabs believes that firms will start to realize the benefits of these new capabilities in the coming years to simplify customer communications.

—Doculabs

- Year 2023 will be seen as the year when organizations will bring AI into the framework to make the process of automation easy, fast and extremely lively and more flexible than ever before.

—Techfunnel, Top 8 Automation Trends in 2022 to know; Menon, Anirudh; December 16, 2021

- AI template migration—the process of transferring your existing data and documents into your CCM ether—directly impacts your ability to leverage your most powerful asset: data. If your CCM lacks strong AI template migration capabilities, you cannot truly achieve omni-channel, customer-first, digital transformation. This is particularly true for legacy enterprises. Because AI-based template migration optimizes old content and quickly migrates to new environments, it can drastically decrease the time spent analyzing legacy templates.

—Scott Draeger, VP Customer Transformation, Quadient


- AI has emerged as the next major wave of innovation. AI solutions are currently focused on business process problems and range from human augmentation to process improvement to planning and forecasting, empowering superior decisioning and outcomes. Advancements in language, voice and vision technologies, and multi-modal AI solutions are revolutionizing human efficiencies. Overall, AI plus human ingenuity is the differentiator for enterprises to scale and thrive in the era of compressed digital transformation.

—Press release; IDC: IDC forecasts companies to increase spend on AI solutions by 19.6% in 2022; Feb. 15, 2022.



EXPERT INSIGHTS

- The AI market will be worth \$190bn in 2025, up from \$67bn in 2021. Businesses should already be investing in one or all aspects of AI, including machine learning, data science, conversational platforms, computer vision AI chips, smart robots and context-aware computing. Banking, healthcare and technology sectors lead implementation, but most businesses will face some disruption from some or all of these technologies. —Investment Monitor
- “A quarter of the companies participating in our latest AI survey report widespread adoption of AI, up from 18% last year. Another 54% are heading there fast. And they’ve moved way beyond just laying the foundation. Many are reaping rewards from AI right now, in part because it proved to be a highly effective response to the challenges brought about by the COVID-19 crisis. In fact, most of the companies that have fully embraced AI already report seeing major benefits.” —PWC. Navigating the top five AI trends facing your business this year. Anand Rao, Scott Likens and Michael Shehab; March 9, 2021.
- Because of the proliferation of data and the maturity of other innovations in cloud processing and computing power, AI adoption is growing faster than ever. Companies now have access to an unprecedented amount of data, including dark data they didn’t even realize they had until now. These treasure troves are a boon to the growth of AI. —Accenture

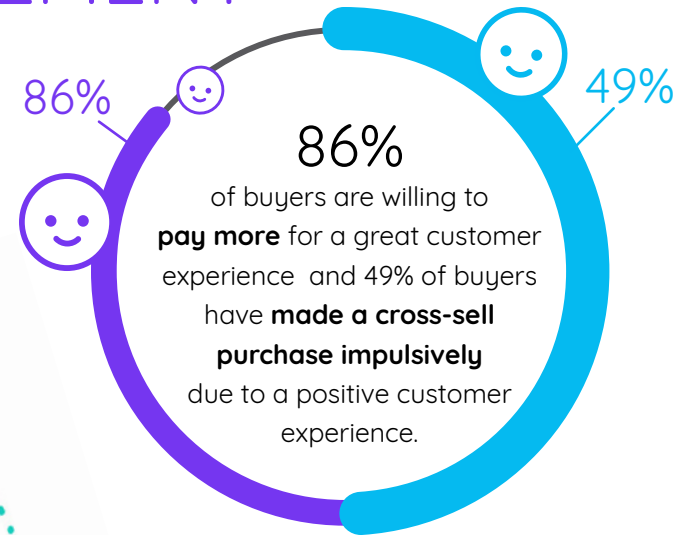


Worldwide IT spending
is projected to total
\$4.5 TRILLION
in 2023, an increase
of 5.1% from 2021.

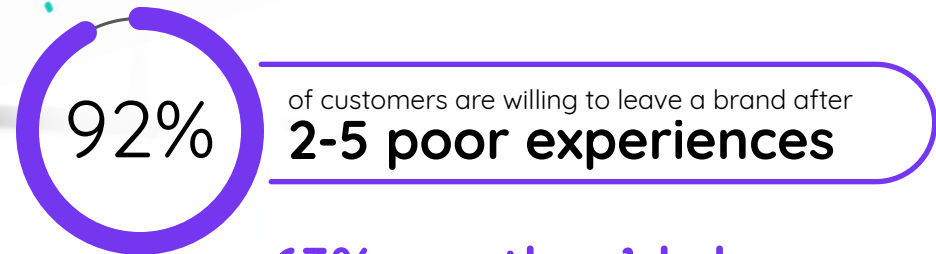
—Gartner press release; Gartner Forecasts Worldwide
IT Spending to Grow 5.1% in 2022; January 18, 2022.

CUSTOMER JOURNEY MANAGEMENT

Gone are the days when one-size-fits-all customer journeys drive value. CX-obsessed companies have raised the standard. Now, **every** interaction a customer has with your organization is an opportunity to delight or disappoint. Your customers are adding complexity to your processes as their collection of devices, accounts and channels grow. This increases the likelihood of a disjointed, frustrating experience. But today, a single point of friction in the customer experience can end a customer relationship for good.



1 in 3 customers will walk away after **one poor experience**



63% say they'd share more data with a company offering a great experience

Source: PWC

WHAT SUPERPOWERS CAN JOURNEY MANAGEMENT GIVE YOUR TEAMS?

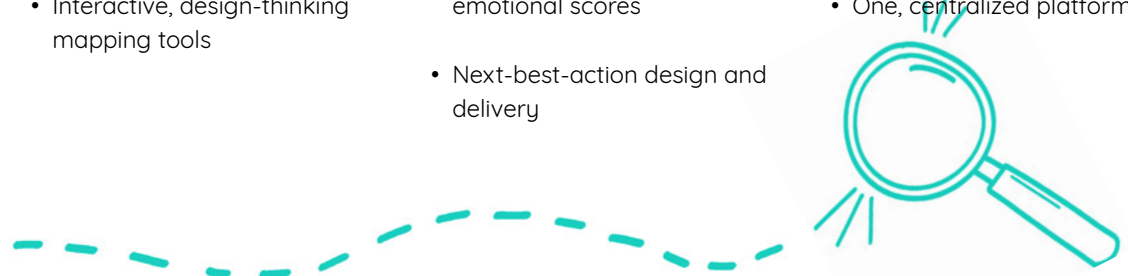
Journey management tools let you visualize a journey through the customer lens, delivering transformative insights via dynamic digital maps. They leverage data, adding science and emotional scoring for powerful, factual personalization. They leverage AI to prioritize the tasks and projects that will have the greatest impact, instantly enhancing the customer experience at every touchpoint. AI also orchestrates next-best actions, letting you make rapid changes to communications, regardless of channel. When integrated with omnichannel CCM and best-in-class design capabilities, this technology makes for a transformative customer experience that optimizes value and ROI across every customer lifecycle.

To drive (and retain) value, enterprises must meet the new threshold of empathetic, hyper-personal, omnichannel experiences by engineering human-centric experiences within the context of every individual's unique journey. **This takes more than customer journey mapping—it takes customer journey management.**

Sophisticated journey management solutions go far beyond mapping. Leveraging AI and data analysis, modern journey management solutions identify and implement real-time opportunities for enhanced personalization and omnichannel orchestration. **At-scale.** Holistic visualization empowers CX advocates with a deep, enterprise-wide understanding of the business impacts tied to each customer interaction along their lifecycle and orchestrates exceptional experiences that jump-start the path to total CX transformation. If creating a customer-first culture is your priority (and it should be), then you need to be looking at solutions that integrate journey management with customer communications management.

Features to look for in customer journey management tools:

- Intuitive mapping
- Global map linking
- Dynamic, living dashboards
- Interactive, design-thinking mapping tools
- Remote collaboration and orchestration tools
- Third-party data integration
- Dynamic tracking of KPI and emotional scores
- Next-best-action design and delivery
- Friendly CCM and omnichannel integration
- Multi-format export capabilities
- One, centralized platform





EXPERT INSIGHTS

Today's communications leaders approach content design from a process completion perspective, understanding that it often takes several interactions across multiple channels to complete a process. Think about it in action. You send a policy update to a customer's preferred email address. Maybe you've landed in their spam folder and need to try an alternate channel. Perhaps you need to send a reminder to activate a languishing approval. Maybe a customer already has your app, and you need to send them a push notification to complete a regulatory process. Here's the power of journey management: it can inform you on what, when and how content should be delivered to your customer and orchestrate the next best actions—even on digital channels. It brings design and delivery teams together on one platform that allows them to understand and adapt to each customer's changing context and channel mix.

—Andrew Stevens, Quadient

INDUSTRY INSIGHTS



INSURANCE

According to the Forrester report, The US Health Insurers Customer Experience Index, 2021, 34 percent of health insurance customers with the ability to choose, will switch their insurance provider over dissatisfactory customer experience.



BANKING

By 2023, 25% of global banks will use AI-based sentiment analysis to improve customer experience on current and future products and services.

—IDC FutureScape: Worldwide Future of Customer and Consumer 2022 Predictions, Doc # US48297321, October 2021



- Businesses have the data, but they aren't technologically equipped to let that data tell a story. Journey analytics is the critical investment to clear that hurdle, integrating AI and machine learning to translate data into a true understanding of a customer's expectations of outcomes. Quadient has invested significantly to position our customers to successfully leverage their data in powerful ways, ultimately orchestrating a more efficient internal process, higher employee enablement and excellent CX. —Chris Hartigan, Chief Solution Officer-CXM, Quadient
- Customer journey mapping and analytics are critical areas that organizations should invest in this year. There is enormous value in understanding and visualizing key journeys like onboarding and customer support, along with the specific interactions and communications at each step. Solutions like Inspire Journey help cross-functional teams collaborate and break down silos so that they can understand the connection between communications and customer emotions, and how those can impact outcomes like increasing customer satisfaction and retention and reducing cost to serve. —Avi Greenfield, Senior Director of Product Management, Quadient
- Everyone has voice-of-customer software. Some have adopted journey mapping software, but they are missing the element that ties everything together – the orchestration tech stack capable of understanding and triggering emotion in your customers. From our customer-centric perspective, that's the most critical investment for businesses in 2023. —Jim Tincher, CCXP, Founder & Mapper-in-Chief, Heart of the Customer

There is enormous value in understanding and visualizing key journeys



- With the latest development in its customer journey mapping, as well as its integrations with companies like Kitewheel, Quadient has taken journey orchestration to a new level. Not only does it offer design-thinking collaboration that improves experience planning, which is a unique capability in the CCM space, it now also has next-best-action automation capabilities to orchestrate true omnichannel communications at-scale. —Kaspar Roos, Aspire

- In 2023, brands will be investing heavily in ways to recognize and leverage micro moments, finding the right time to send a personalized offer that will help solve whatever problem is facing the potential customer at that time. This is about being able to reach the right customer at the right time — a cutting-edge marketing challenge, but one that's increasingly solvable thanks to the technology solutions at our fingertips today. —Forbes, Bernard Marr, The 5 Biggest Customer Experience (CX) Trends In 2022, Nov 17, 2021.

- The human elements are actually even more important than before Covid-19. Personal feelings and emotional linkages are something that can't be neglected during day-to-day operations. Smiles, empathies, recognition and appreciations should be integrated into each touchpoint. And along the whole journey, brands should embrace customers' joy or anger, surprise or disappointment, and engage with them wisely.

—Anna Wang, customer service manager, Bose:

The Global State of Customer Experience 2021, CX Network.



OMNICHANNEL COMMUNICATIONS TECHNOLOGY IS VITAL TO DESIGNING GREAT CUSTOMER EXPERIENCES

Customers expect interactions that are relevant and delivered in-context with their current stage of the buying journey, regardless of the contact channel used. They have a “brand is a brand” mentality and they expect not only a choice of, but consistency across, every channel available from competitors. They do not extend patience for the hurdles that this expectation presents for internal operations or reward a fragmented journey.

Visualizing a holistic customer journey helps you truly understand their needs, but how far does that take you? Each communication your organization sends has a specific business purpose. But today’s customers engage on multiple channels — typically choosing between two to four on which to engage at any given moment. The challenge is differentiating your organization by creating a way for customers to self-select how they want to interact with you and meeting them there. Curating this seamless, positive experience means that you need to not only predict the customer’s demands, but also ensure that the communication at each interaction is capable of being designed *and* delivered. You need omnichannel design and delivery technology. After all, what good is all the work you’ve put into journey mapping if your communications aren’t designed efficiently or ultimately delivered?

An omnichannel approach blends together connections between all channels, creating a seamless customer experience across every interaction. This strategy should not be confused with a multichannel approach, where brands are simply available to their customers across multiple channels that operate in silos.

—The CX Network, Omnichannel CX, October 2021.



35% of customers expect to reach the same customer service agent regardless of channel.

—Zendesk

“COMPANIES WITH WELL-DEFINED OMNICHANNEL CUSTOMER EXPERIENCE MANAGEMENT ACHIEVE A 91% HIGHER YEAR-OVER-YEAR INCREASE IN CUSTOMER RETENTION RATE, COMPARED TO COMPANIES WITHOUT OMNICHANNEL PROGRAMS.”

—Aberdeen Group, “25 Amazing Omnichannel Statistics every Marketer Should Know” blog, Jan 9, 2021

When combined with customer-centric journey management tools, omnichannel CCM capabilities let you anticipate customer needs and interact on any channel, in real-time. Let’s see it in action. A customer starts an interaction on the phone and finishes it online, or via SMS. Journey management lets you predict the channel switch. Omnichannel design lets any department quickly design and personalize the content that is optimized for that channel. Then, failover orchestration ensures that if delivery fails on one channel, the communication is automatically generated and delivered on an alternate channel, driving engagement.

Great omnichannel integrations do this without silo-ing channels, saving you cost and time while increasing customer engagement, strengthening loyalty and optimizing positive experience sentiments that drive value.

TODAY’S CUSTOMERS ENGAGE ON MULTIPLE CHANNELS-TYPICALLY CHOOSING BETWEEN TWO TO FOUR AT ANY GIVEN MOMENT.





EXPERT INSIGHTS

OMNICHANNEL TIPS FROM NETFLIX

- In the mission of being accessible to customers and creating a channel-rich environment for interactions, brands can fall into the trap of excessively launching new channels.
- The top things to avoid are expanding channels blindly for the sake of “being omnichannel” or “needing to show brand presence” and creating unnecessary silos by segmenting or grouping support agents per channel.
- Saki Takeda, Netflix
- It’s important to think about data more holistically and prioritize investments in building strong data infrastructures that will surface 360-degree customer views and provide end-to-end visibility of customer journeys and experiences.

—The CX Network, Omnichannel CX, October 2021.

- Increasing customer expectations and new technologies have installed one-to-one omnichannel personalization as marketing’s holy grail.
—Adam Firbank, Journey Practice Lead Customer Communications, British Gas
- By 2024, 30% of Fortune 2000 companies will deploy next-best actions across their omnichannel environment, driving demand for CDPs, omnichannel management, and customer service solutions.
—IDC FutureScape: Worldwide Future of Customer and Consumer 2022 Predictions, Doc # US48297321, October 2021
- Companies investing in omnichannel customer engagement can increase their closure rates by 25% and enjoy a 10% increase in growth rate. For this reason, the number of companies investing in omnichannel experience for customers has increased significantly from 20% to 80%.
—Adobe
- Understanding which journeys have heightened emotive states for customers and being able to map human contact into these is critical, but this must be off-set with greater use of customers being able to self-serve, be it online, app-based, IVR or chatbot (AI) channels, to free up human interactions when needed.
—Adam Firbank, Journey Practice Lead Customer Communications, British Gas
- Over the years, many organizations assembled a large collection of channel and project-specific technologies that operate in silos. In many cases, this creates a tangled mess of technologies struggling to integrate and communicate with each other. Implementing omnichannel capabilities requires the integration of all channel technologies (both new and legacy systems), as well as advanced inventory management requirements.
—The CX Network, Omnichannel CX, October 2021.

DIGITAL TRANSFORMATION

COVID-19 forced digital transformation laggards to pivot their strategy overnight. In response, many organizations hastily adopted a hodgepodge of digital capabilities and got by. As the post-COVID landscape continues to take shape and new customer demands arise, businesses need to overhaul and execute their digital CX strategy.

It is easy to believe that simply having digital channels for customers is enough; in reality, it barely meets the standard expectation. Both existing and prospective customers expect their virtual experiences to not just continue, but improve. As customers continue to embrace digital interactions in more areas of their lives, it's paramount for businesses to provide a digital-first, customer-first experience. Now is the time to invest in and deploy human-centric technologies, services, and strategies that drive customer engagement and experience in a digital world. In fact, according to the IDC, global digital transformation spending will exceed \$10 trillion in the next five years, with investments accelerating in 2023.

CUSTOMER COMMUNICATIONS MANAGEMENT (CCM) IS THE BACKBONE OF CX

Customer communications management solutions are critical to digital transformation. Solutions that kept you on par five, six, or seven years ago might not position you for success today or in the future. As you evaluate customer communication platforms capable of driving value via frictionless customer experience, there are several key factors to consider.



DX spending will have a compound annual growth rate (CAGR) of 16.4% over the 2021-2025 forecast period as organizations pursue a holistic digital strategy for people, processes, technology, data, and governance.

—Press release: IDC: New IDC Spending Guide Shows Continued Growth for Digital Transformation as Organizations Focus on Strategic Priorities; Nov. 9, 21.

“Beyond operational DX investments, customer experience is garnering some of the largest DX technology investments from consumer-oriented industries, such as securities and investment services, banking, and retail.”

—Press release: IDC: New IDC Spending Guide Shows Continued Growth for Digital Transformation as Organizations Focus on Strategic Priorities; Nov. 9, 21.

When it comes to enterprise CCM deployments, a ‘one-size-fits-all’ approach is not pragmatic. Every organization has unique needs and holds its own space on the spectrum of digital transformation. No matter where you are in your CCM adoption, CCM is even more powerful when combined with CX tools like customer journey management and omnichannel orchestration. (By the way, this is what we call CXM—the powerful intersection of CX tools and CCM solutions to drive exceptional customer experience.) If you are looking for customer-first digital transformation that drives value, you need to invest in a CCM platform that incorporates or integrates seamlessly with these tools. The priority in 2023 is future-fitting your organization with human-centric transformations built strategically for a demanding digital world. Here’s the tech stack that you need to procure:



YOU NEED SOLUTIONS THAT:

- INTEGRATE EASILY WITH ADVANCED TECHNOLOGIES
- REDUCE IT WORKLOADS, EMPOWERING EMPLOYEES WITH LOW-CODE AND DIRECT USE CAPABILITIES
- FLEXIBLY EVOLVE WITH YOUR BUSINESS NEEDS
- ITERATE AS TECHNOLOGY, SAFETY CONCERNS AND COMPLIANCE CONTINUALLY CHANGE

SEE THE POWER OF ANY-PREM CCM



Let's say you implement a SaaS-only solution. A year later your vendor changes their SLA terms. Or maybe your CCM IP auditing requirements change. Or the requirements for data custody change. In any of these scenarios, you'll likely need to quickly migrate work to a private cloud, HMS, or on-prem solution that may, but likely will not, be offered by your SaaS-only vendor. Similarly, opting for hosted managed services to initiate implementation and reduce IT strain might make sense at first. But eventually you can successfully manage these capabilities in-house. Can you pivot for sustained success? With any-premise CCM, you can.

Any-premise software is a gamechanger in driving value today, tomorrow, and two decades from now. Its power is that it is uniquely designed to handle ANY project thrown at it; it enables growth at every stage, letting you scale up or down to meet your changing needs. Quadient offers the only any-premise CCM solution suite on the planet. Deployable on-premise, in the private cloud, as a hybrid, or as a hosted managed service—it's designed to solve your customer communications needs with unmatched flexibility, portability, speed, and scalability at every stage of your growth.



DX-related IT skills shortages will affect 90% of organizations by 2025, **costing over \$6.5 trillion globally** through 2025 due to delayed product releases, reduced customer satisfaction, and loss of business.

—IDC FutureScape: Worldwide Future of Work 2022 Predictions, Doc # US47290521, October 2021

MAXIMIZE INVESTMENT, MINIMIZE TIME-TO-VALUE WITH MANAGED SERVICES

As businesses race towards digital transformation, there is perhaps no better way to do more with less than opting for hosted managed services solutions. These tailored services enhance CX by powering interactive and compliant experiences at-scale for web, mobile and digital – without the hassle of managing the application or its hosted infrastructure. Deploying hosted managed services reduces strain on your IT teams, who are freed to focus on other business initiatives, maximizing your investment while minimizing time-to-value. Quadient's Jo Tyrer, SVP Customer Transformation, says that CX investments in 2023 will primarily be in technology that supports consolidation, retiring of legacy platforms, and migration to cloud-ready or cloud-agnostic platforms. Technology that offers managed services and SaaS will also be key areas of investment focus, as businesses seek to deliver a premium customer experience without the heavy overheads of infrastructure.



Gartner forecasts that the IT services segment – which includes consulting and managed services – is expected to have **the second highest spending growth in 2023, reaching \$1.3 trillion, up 7.9% from 2021.**

—Gartner press release; Gartner forecasts worldwide IT spending to grow 5.1 percent in 2022; January 18, 2022.

THE FUTURE-FIT POWER OF ANY-PREMISE CCM TECHNOLOGY

As you look to update systems and optimize digital experiences in 2023, your real task is to design an integrated system that accommodates people in 2034. But how can you without knowing how demands will shift in the meantime? For year-over-year success, you need to design your system with flexibility to ensure that it will run on the platforms of the future. Regulations, technology, and business requirements will certainly change in the coming 10-15 years.

CLOUD AND SAAS TECHNOLOGIES

We're past the era of replicating monolithic platforms in a SaaS environment. Cloud, security and risk, networks, and mobility needs have accelerated. 2021 brought a growing need to break services down into sub-components and deliver more of a microservice approach towards communications management and customer experiences in a cloud environment that reduces silos and increases agility for distributed teams. International markets require solutions with flexible deployment s to meet their data privacy, security and data sovereignty requirements. Cloud reduces deployment time from months to just days or even hours and updates software quickly and remotely, increasing productivity.

End-to-end, cloud-based solutions better enable a remote workforce with the speed, control, and adaptiveness needed to drive quick digital transformation. According to industry experts like Gartner, investments in cloud native technologies will continue increasing beyond 2023, becoming the centerpiece of digital experiences. By the end of 2021, annual spending on as-a-Service cloud resources will reach \$394 billion, with another \$313 billion spent on the hardware, software, and services used to design, build, secure, and operate all these cloud environments (both public and private).

- **By 2025, total worldwide spending on cloud services, the hardware and software components underpinning the cloud supply chain, and the professional and managed services opportunities around cloud services will surpass \$1.3 trillion.** —IDC: Whole Cloud Forecast 2001-2005: The path ahead for cloud in a digital world; Sept. 2021; #US47397521
- **By 2023, over 75% of all customer communication management implementations will be cloud or hybrid solutions.** —Gartner Market Guide for Customer Communication Management, 9 June 2021 - ID G00746723 - By Tim Nelms, Gene Phifer
- **43% of new corporate buyers in marketing and customer experience expect to switch to subscription-based pricing in the years ahead.** —Aspire, The State of CCM-to-CXM Transformation, 2019
- **Cloud-delivered secure access service edge (SASE) presents the fastest growth opportunity in the networking and network security market. As most traffic from branches and edge computing locations will not go to an enterprise data center, CIOs and IT leaders will increasingly use SASE to secure the anywhere and anytime access needs from users and devices. Gartner estimates that in 2023, end-user spending on SASE will total \$6.8 billion, up from \$4.8 billion in 2021.** —Gartner press release; Gartner says cloud will be the centerpiece of new digital experiences; November 10, 2021.
- **Global Cloud Revenue to Total \$474 Billion in 2023, Up from \$408 Billion in 2021** —Gartner press release; Gartner says cloud will be the centerpiece of new digital experiences; November 10, 2021.



INDUSTRY INSIGHTS: HEALTHCARE

For healthcare, this means improving (or switching) to virtual modalities of care, such as telehealth, to meet a 66% rise in demand percent, according to McKinsey. Cloud solutions can also support overhead reduction by reducing the costs of in-house IT demands while improving patient care. Additionally, they can unify digital experiences, drive member engagement and present opportunities to bring new products to market.

INDUSTRY INSIGHTS: INSURANCE

Insurers will need to build digital ecosystems capable of processing virtual assessments, product offerings, payments, and claims in a secure, timely, compliant, omnichannel manner. To make a successful shift towards a flexible ecosystem that generates value, insurers have to invest in their technical and organisational capabilities. Investment in partner-management capabilities, digital support service, and an agile team is vital to drive change. On the technology side, insurers need a flexible, API-driven IT architecture to support fast integration and offer a seamless customer experience. API-driven platforms help insurers improve performance and lay a solid foundation for generating value through a digital ecosystem.

—Insurtechnews

RFP AND INVESTING GUIDELINES

Every enterprise in the world is—or should be—amidst transformation. In the post-pandemic age, exceptional customer experience is the number one differentiator for businesses.

Today's customers are savvy and more demanding than ever before. The lowest price no longer earns loyalty. Their entire journey with you must be seamless, and aligned with their interests and preferences at every touchpoint. Despite being more—or even completely—digital, the customer journey also needs to be highly personalized.

THE RACE TO ORCHESTRATE THE GREATEST CUSTOMER EXPERIENCE (CX) IS ON

So, how do you get race-ready and position yourself to win? Implement the most intelligent customer communications management (CCM), customer experience management (CXM) solutions, and processes that will accommodate your unique needs.

Here's the thing you need to know as you start shopping for vendors: demos and fine print don't always tell the whole truth. Unless you have a colleague in the CCM business or have been through the wringer with a different vendor, there are success-determining questions that you may not know to ask.

And that is why we've created the **APEX GUIDE TO CUSTOMER COMMUNICATIONS SHOPPING** – to give you insights into the questions vendors might not have answers for.

From budget to customer success, rendering engine capacity to scalability, this eBook offers questions crafted by CCM experts that can help you make the most informed, intelligent solution purchase.



The past two years have dramatically transformed the state of CX. The pandemic propelled us into the future overnight. As businesses, we need to have more in-the-moment, digital interactions with our customers; the status quo won't bring future success. From digital transformation to employee and customer experiences, enterprises' time to evaluate and accelerate organizational change to meet market trends is now. Quadient remains committed to providing human-centric CXM solutions, services, resources, and support that will bring success in a new customer experience era.



About Quadient®

Quadient is the driving force behind the world's most meaningful customer experiences. By focusing on three key solution areas, including Intelligent Communication Automation, Parcel Locker Solutions and Mail-Related Solutions, Quadient helps simplify the connection between people and what matters. Quadient supports hundreds of thousands of customers worldwide in their quest to create relevant, personalized connections and achieve customer experience excellence. Quadient is listed in compartment B of Euronext Paris (QDT) and is part of the CAC® Mid & Small and EnterNext® Tech 40 indices.

For more information about Quadient, visit [quadient.com](https://www.quadient.com).

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