



WHITE PAPER

DOUBLING DOWN ON CCM

Countering Rising Costs and Mounting Uncertainty
Through Digital Transformation

by Kaspar Roos and Will Morgan

Introduction

In 2020 and 2021, unprecedented disruption on a global scale accelerated consumer digital adoption and ushered in a new digital reality in the customer communications market. Now, inflation and rising energy costs are fueling increases in both print production and distribution expenses. As labor shortages and unsettling economic and political indicators continue to point towards an uncertain future, Aspire's most recent research has revealed **that businesses worldwide are focused on fostering a digital culture and are leveraging digital transformation initiatives in an effort to improve the communications experience and boost customer acquisition and retention.** In this whitepaper sponsored by FIS, we will explain why **current market conditions should encourage businesses to double down on their communications investments** and highlight concrete insights that will help organizations choose the right partner to help them attain their desired digital communication future.

Readers can click [here](#) to access our full in-depth analysis of FIS and its Touch-CX™ portfolio on the Leaderboard, Aspire's CCM-CXM vendor comparison portal.



Current state of the communications market

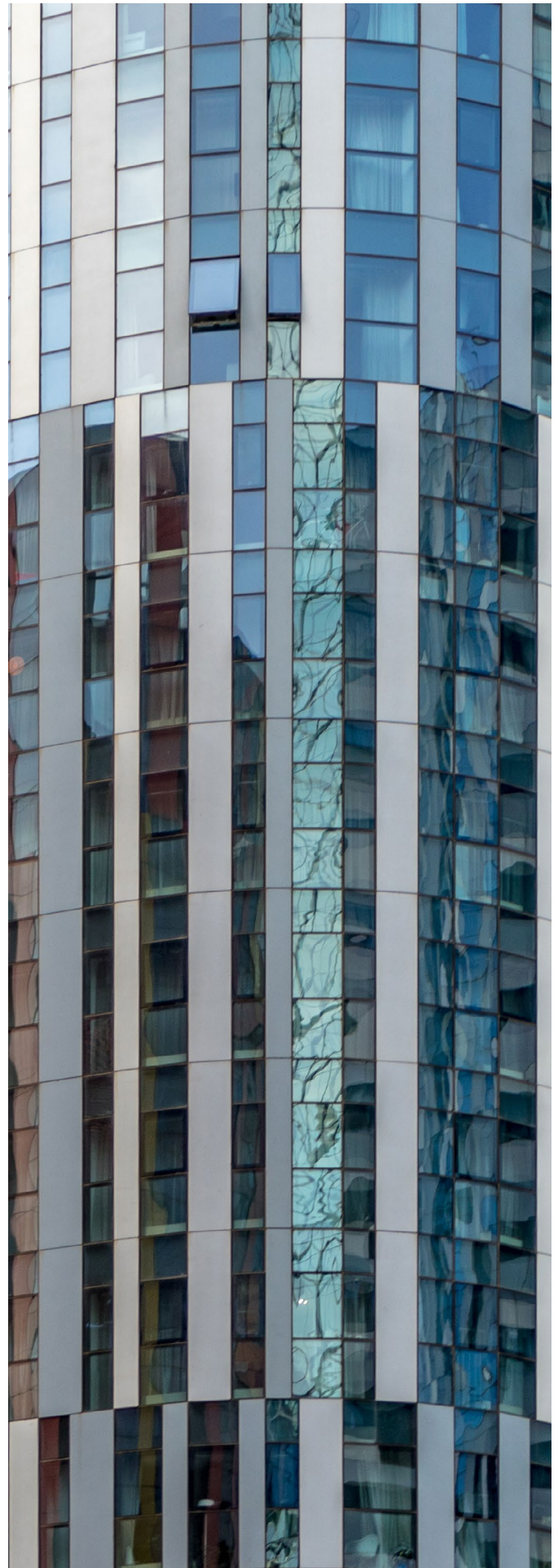
In recent years, enterprise communications priorities have shifted toward a focus on increasing business value through superior interactions.

Aspire defines customer communications management (CCM) as the creation, management, and fulfillment of data-driven, omnichannel transactional customer communications at scale. This market has undergone an increasingly radical metamorphosis as consumers' expectation of instant access to relevant, personalized information has made customer experience (CX) an increasingly important metric in business-to-consumer (B2C) communications. As a result, enterprise communication priorities have shifted toward a focus on increasing business value through superior interactions. To that end, many organizations hope to realize savings by eliminating infrastructure costs while leveraging an outsourcing partners' superior capabilities and expertise to improve customer experience.

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The overall market effect has been to transform CCM into Customer Experience Management (CXM), which Aspire defines as the practice of managing all **(including transactional)** interactions that a business conducts with its customers with the express goal of improving the perception that customers have about that business. In order to fulfill the ultimate promise of this evolution from CCM to CXM, businesses must transition from sending static messages triggered by regulatory obligations to carrying on a conversation with customers through bidirectional, omni-channel interactions that span the entire lifecycle, from sales to onboarding, service, billing, and renewal. While this evolution has been progressing for over a decade, the kind of once-in-a-century economic and cultural calamity we've witnessed in the last few of years has significantly accelerated the process. A spike in digital adoption and ongoing market disruption have brought the promise of CXM closer to reality and made customer communications more vital to an organization's overall success than ever before.

When Aspire conducted a survey in the aftermath of the first social distancing lockdowns, we found that 80% of American consumers had accessed a bill or made a payment online with around 15% of them doing so for the first time after February 2020. In response, businesses committed to an unprecedented acceleration in the digitization of their customer communications and actually managed to exceed their own eadoption projections for the first time.



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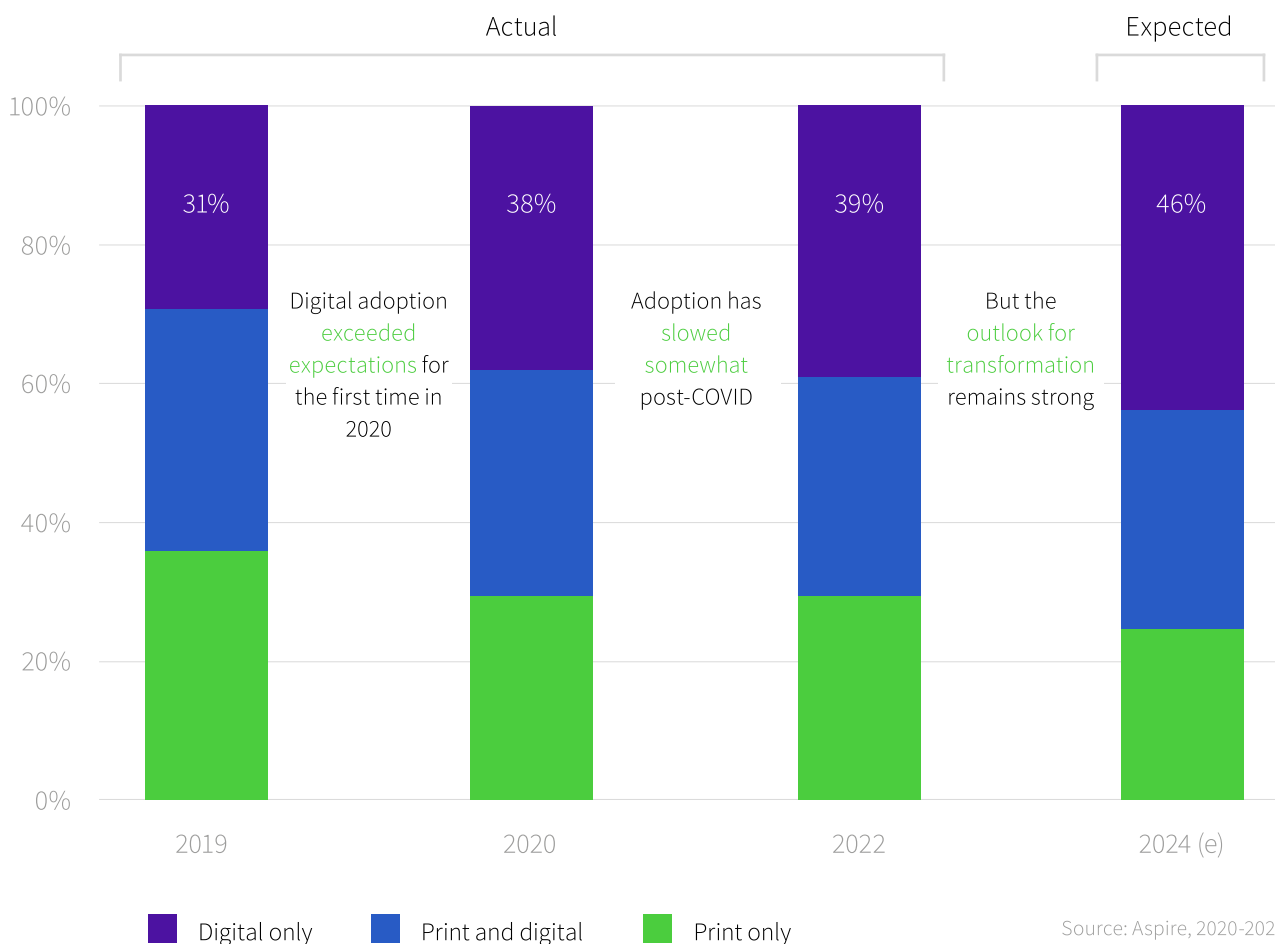
While our 2022 research confirms that digital adoption has slowed somewhat since this initial wave in 2020, Aspire believes ongoing conditions in the larger market will continue to push businesses to reduce print. For instance, rising ecommerce sales have driven paper manufacturing toward packaging and away from print. As a result, white paper production has dramatically declined, driving prices higher for the little that's left. At the same time, remote work continues to be a popular choice and the cultural phenomenon popularly known as "The Great Resignation" has led many to reconsider their employment. (In fact, one-quarter of employees across the globe responding to Aspire's 2022 enterprise research survey reported that they are likely to switch jobs in the coming year.) Labor shortages have persisted for months with the U.S. Bureau of Labor Statistics reporting that more than 11 million job openings

remain unfilled. Finally, inflation and skyrocketing energy prices have fueled increases in both print production and distribution costs.

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While print will continue to be used as one of many channels, when facing all these challenges, it is only natural that businesses will search for ways to offset rising costs and avoid service downgrades. **Many organizations have begun to outsource print production, generating savings they can then use to fuel digital transformation while, at the same time, eliminating the need to hire employees for high turnover positions that are often difficult to fill.**

Figure 1: Business response to consumer digital adoption



Enterprises worldwide expect to deliver nearly half of their transactional communications through exclusively digital means by 2024.

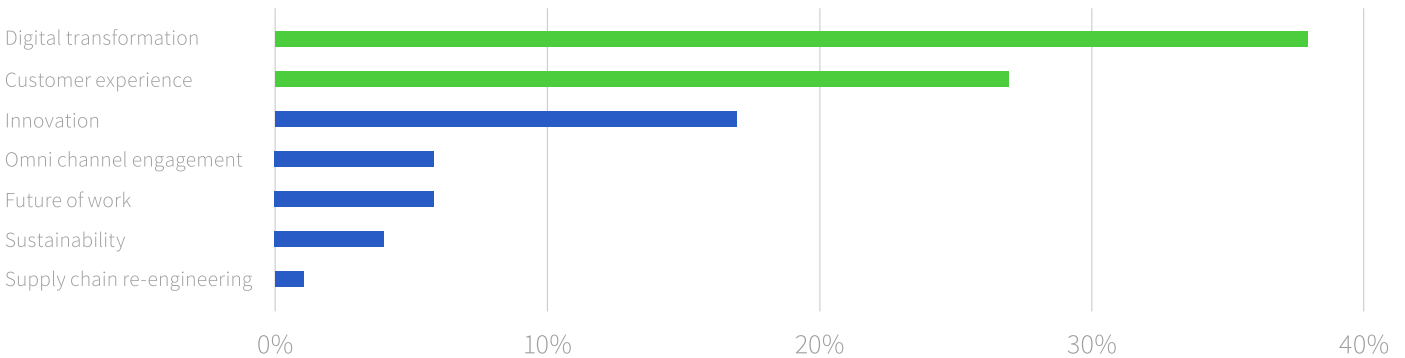
Figure 1 shows that enterprises worldwide now expect to deliver nearly half of their transactional communications exclusively through digital means by 2024. Furthermore, businesses responding to our new global survey on the state of customer communications reported that digital transformation and (to a lesser extent) customer experience were far and away their most important corporate priorities.

As Figure 2 illustrates, enterprise efforts to digitally transform their communications and improve customer experience are indelibly linked. In a follow up question, respondents selected “shifting customers to digital channels” as the top tactic they use to improve customer communications experience.

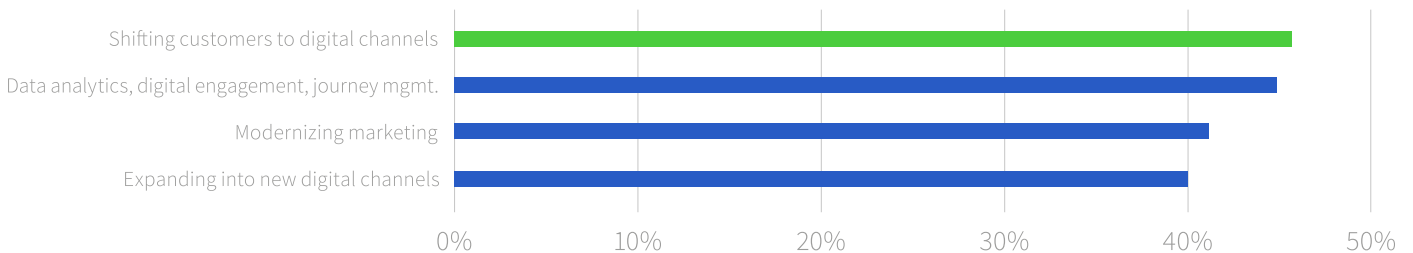


Figure 2: Digital transformation and efforts to improve CX go hand in hand

What are your organization's TOP 3 corporate priorities for 2022-2024?



How is your organization improving customer experience (CX)?



Source: State of the CCM-to-CXM Transformation, Aspire, 2022

Why enterprises must double down on their communications investments

Moving from print to digital will provide a quick win, but organizations can realize long term savings by finding the right partner to help them modernize their communications strategy so they don't have to invest resources into functions that aren't core to their businesses. Unfortunately, any effort to improve customer experience through digital interaction will be complicated by the fact that while younger consumers are open to digital communications, they are not content with their current state.

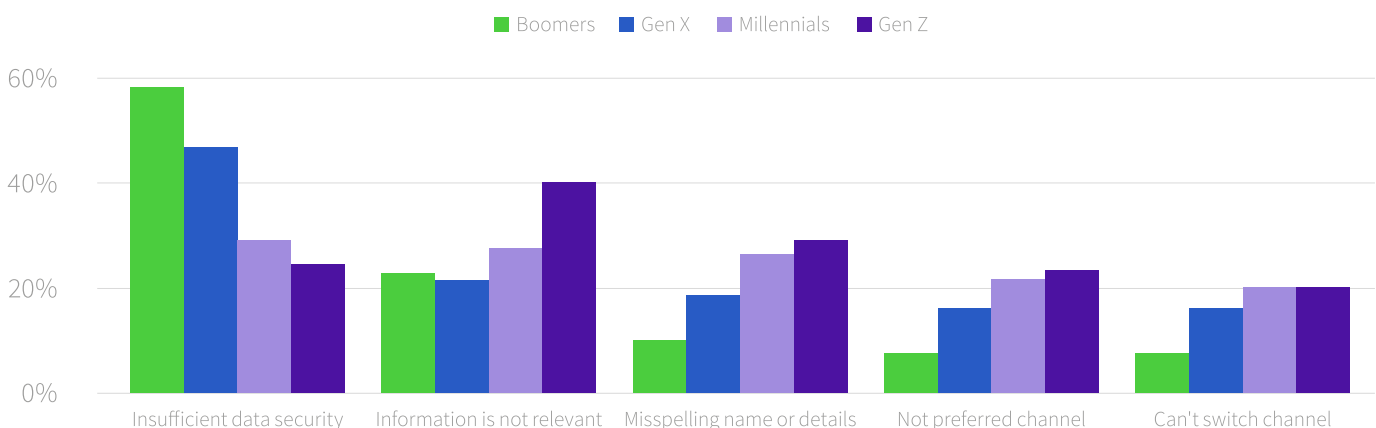
For many businesses, digitization simply means transforming a static print document into a PDF and password-protecting it behind an email link without giving any consideration to how the PDF might look on a mobile device or the hassle consumers must undertake to jump through hoops to access it. Other organizations might

redesign a printed document in HTML but fail to take advantage of any of the actual digital capabilities the medium offers, such as deep linking or interactive displays and charts. In short, digital communications are often designed to merely mimic print because businesses are trying to realize transformation using legacy platforms that were not built for this purpose and are not up to the task. All too often, enterprises cannot commit to the hefty capital expense it would take to modernize these systems, so they create communications that do not embrace the true interaction young consumers expect or that digital platforms make possible. Aspire's research shows that **consumer desire for personalized interaction and a seamless experience (especially among the young, wealthy, and tech savvy)** is at the root of their dissatisfaction with the current state of digital communications.

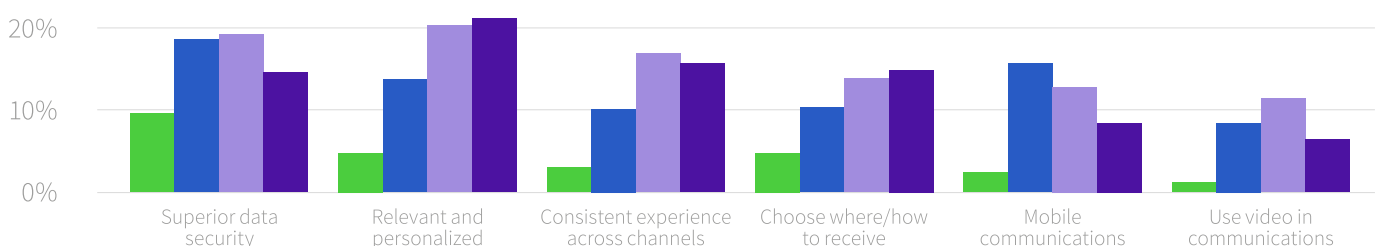
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Figure 3: What aspects of provider communications are the most vital?

Which of the following aspects of a poor communications experience would be the most likely to influence you to switch providers?



Which aspects of a positive communications experience would you be willing to pay more for to receive?



N = 2,000 consumers in the U.S. and Canada

Source: Understanding the New Digital Reality, Aspire, 2020

As Figure 3 illustrates, Millennials and Gen Z **place a premium on relevance and personalization**. They also want a **consistent experience across channels**, and they **want to choose how and where they receive communications**. Our research shows that the most technologically sophisticated consumers and those who live in the wealthiest households also **demand seamless interaction and an ongoing conversation** across their chosen communications channels. Moreover, **they have demonstrated a history of switching providers after a negative communications experience** and have **reported an increased willingness to pay a premium for superior interactions**. These demographics — vital to the future of any business — will do what it takes to secure better communications.

Demographics vital to the success of any business have demonstrated a willingness to do whatever it takes to secure superior communications experiences

Therefore, forward-looking organizations have no choice but to **double down on communications investments that will meet these consumers' expectations of superior digital interaction**. If they do not, they will run the risk of losing a competitive advantage and the promise of future earnings. Wise communications investment can both reduce cost and increase revenue by helping businesses create loyal customers. By effectively leveraging technology and consumer data, organizations can improve customer experience, boost retention, and ultimately drive better customer lifetime value.

The right technology and strategy will bring greater returns

As we have seen, heightened consumer demand for personalized omni-channel interaction has encouraged enterprises to evolve past a myopic focus on cost and risk reduction and instead make communications investments that will improve customer experience and lead to better business outcomes. Nevertheless, savvy investments in communications outsourcing can help businesses better control costs while, at the same time, empowering them to improve customer experience by making the most of every customer touchpoint.

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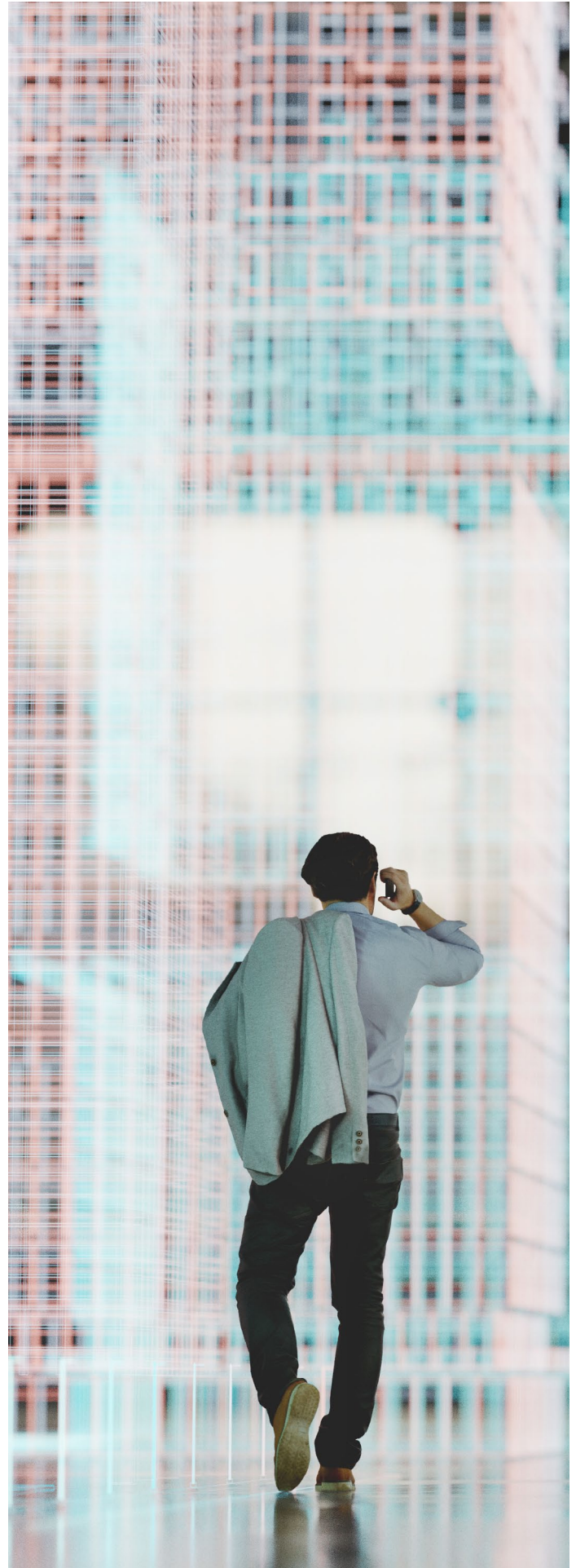
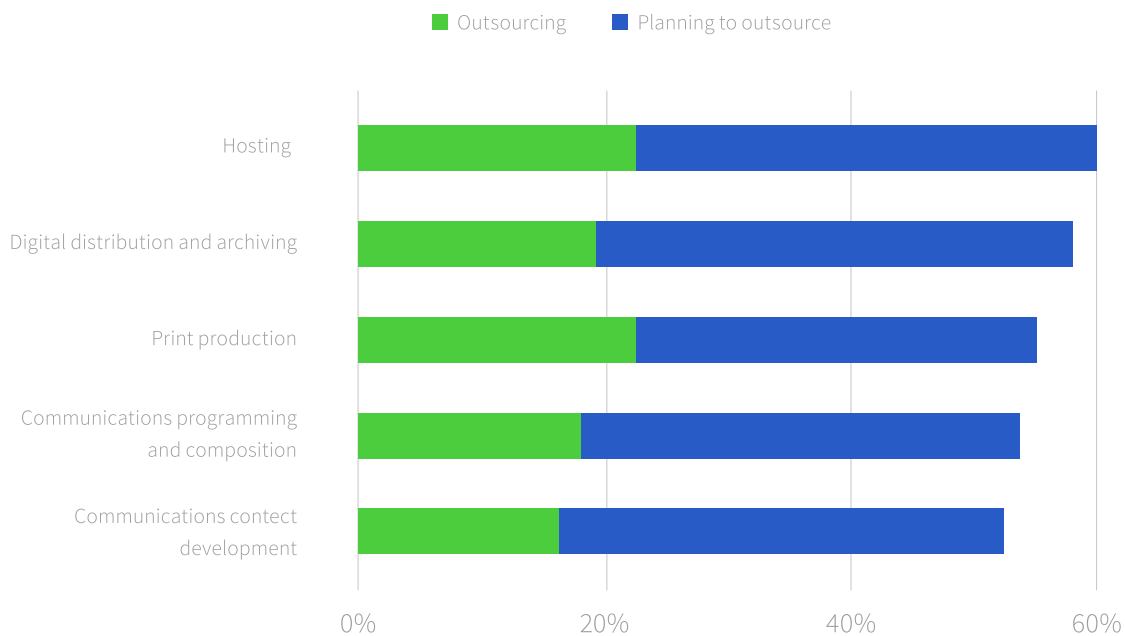


Figure 4: A growing percentage of businesses are outsourcing communications

Is your organization changing the way it creates, manages, produces, and fulfills TRANSACTIONAL communications over the next 12-24 months?



N = 756 enterprises worldwide

Source: State of the CCM-to-CXM Transformation, Aspire, 2022

The journey to digital transformation requires more than simple technological investment.

About one-third of enterprises worldwide reported that they plan to shift transactional print production (and all of the operations around it) from in-house facilities to outsourcing within the next 12 to 24 months. All told, between 50% and 60% of businesses are outsourcing or plan to outsource by 2024. By forgoing the expense of purchasing and maintaining communications software and print equipment, these organizations **will reduce costs by alleviating the onerous and growing burden of managing print facilities**. They will also free up employees to focus on more lucrative operations related to their **core competencies** and give themselves the opportunity to **redirect these savings so that they can send more communications and improve customer experience by investing in their digital future**.

Outsourcing these operations will also **shift the business' internal focus to digital**, leading to a change in culture. With the help of the right partner with the right technology, they **can transform what would be a simple cost cutting measure into an opportunity to leverage superior**

interactions to attract and retain customers. It is important to remember that the journey to digital transformation (and ultimately from CCM to CXM) requires more than simply technological investment. That investment must be coupled with a commitment to reforming the process and guided by the belief that better communications can deliver richer customer experience and ultimately drive more loyalty and profitability. Aspire's research shows that when businesses share data across their organization and develop a cohesive and seamless conversation with customers regardless of channel, they grow revenue 41% faster than those who continue to send disjointed static messages. Organizations with the highest Net Promoter Scores (a measurement of customer satisfaction) were more likely to shift customers to digital channels, prioritize data analytics that improve customer journeys, combine all communication types into a cohesive conversation, and focus on digital native experiences.

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Recommendations

How to choose the right communications partner

While more organizations are outsourcing, an even greater number are working to reinvent and reinvigorate their customer communications. Over 80% of the enterprises responding to our global 2022 survey have planned or initiated a transformation program designed to migrate legacy customer communications to a modern platform. Only 23% said that they will try to modernize CCM by themselves. Nearly three-quarters will outsource this transformation entirely or will modernize with help from a technology vendor or service provider.

Over 80% of enterprises worldwide are migrating away from legacy platforms and more than three-quarters of them will get help from a vendor or service provider

When looking for a communications outsourcing provider, particularly in this challenging and uncertain time, businesses should select those who have earned their client's confidence. Data and communications management have become more complex while the penalties for failures can easily drive organizations out of business. Therefore, it comes as no surprise that adequate security topped the list of qualifications service providers must meet with 86% of enterprise respondents citing it as crucial to their considerations. Regulatory compliance remains a top communications concern for nearly one-third of businesses worldwide, particularly for those still in the early stages of their CCM-to-CXM evolution. As we've established, when organizations mature, they place increasing focus on leveraging superior communications experience as a means of driving better business outcomes. Nevertheless, even at this more advanced stage, reliable data security and consistent compliance continues to be an essential element of long-term success, or indeed, even survival.

Even the most mature organizations cannot succeed – or even survive – without reliable data security, consistent regulatory compliance, and thorough continuity planning.

Business continuity planning is also an important consideration. Many disaster recovery plans failed during the COVID crisis, so enterprises should carefully consider the strength of any potential provider's contingencies. Those with a proven record offer prospects an invaluable peace of mind while their long history of success in the market will help buyers rest easy knowing that they will not have to search more than once in these complex times.

Perhaps even more importantly, however, communications buyers should search for a provider who can be a true partner in their digital transformation and CXM evolution.



These forward-looking partners will:

- **Have extensive knowledge and subject matter expertise.** Superior partners should have a solid handle on the trends shaping the customer communications market as well as an understanding of how they can leverage its latest innovations to help clients meet the unique needs of end customers in specific vertical industries.

- **Offer flexible and customizable solutions that will ensure clients can adapt to a rapidly changing market and everevolving customer needs.** For example, look for a partner who can accommodate deployment flexibility, allowing you to switch between licensing on-prem or in the cloud and a hosted solution without having to migrate the work you've already done.

- **Offer a quick access to a breadth of solutions across the CX landscape.** By enlisting the help of a service provider, organizations can secure advanced CCM/CXM capabilities much more rapidly than they could purchase and integrate individual point solutions on their own (and even test drive new capabilities before purchasing enterprise-wide solutions). Businesses that team up an innovative partner

can quickly leverage interactive technologies on emerging channels, enabling them to shorten their time to value by granting them a competitive edge that will set them apart in the eyes of demanding consumers.

- **Help businesses achieve their digital goals and support their journey across the CX spectrum.** A true partner — and certainly one interested in both its own long term success and that of its clients — will support and enable an organization's digital transformation and evolutionary progress toward CXM rather than simply focusing on the transitory and short-term rewards of perpetuating static print work that is disconnected from a larger communications strategy.

Look for a partner who has extensive knowledge of the market and its trends, offers flexible solutions that can be customized to your needs, provides quick access to a broad range of CX capabilities, and is committed to helping you realize your digital goals.

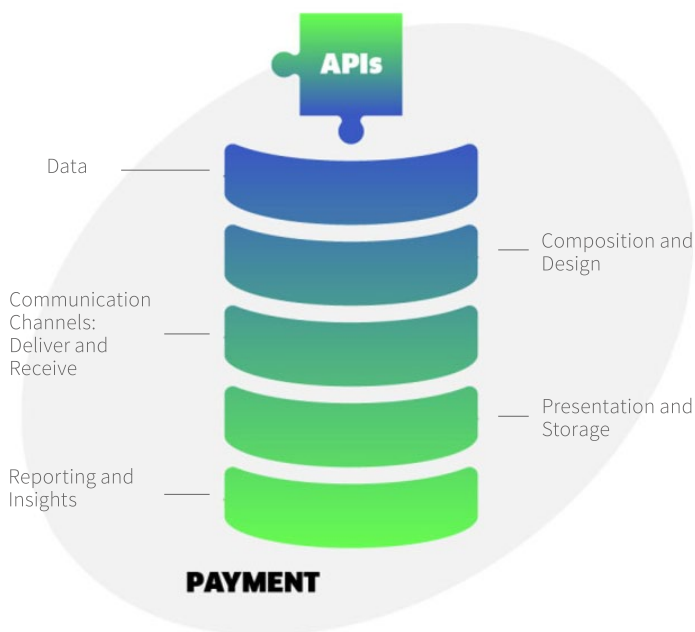


Why businesses should consider FIS Customer Communication Solutions

FIS is the largest technology provider in the financial services space. It specializes in banking, capital markets, merchant and payment services, and asset management technology. Its CCM/CX client base includes some of the world's best known financial services, insurance, and retail brands. FIS has adopted an integrated platform architectural approach with internal connectors between components **in order to incorporate multiple CCM capabilities into its Touch-CX™ Customer Communication Stack.**

The payment experience drives the largest part of a customer's overall impression of a brand. As a payment provider, FIS can offer clients the opportunity to reduce costs while improving customer experience through inbound and outbound payments.

Figure 5: This FIS Touch-CX™ Customer Communications Stack



Security | Tracking | Reconciliation | Disaster Recovery
Services | Consulting



These capabilities, some accumulated from a series of product acquisitions in the last decade and others organically grown within FIS itself or by its partners, have been designed to address an enterprise partner's transactional customer communication requirements while also incorporating the imperative for digital transformation. The provider's **keen focus on payment processing** coupled with its **emphasis on ensuring data security and compliance with financial service regulations makes it a strategic and trusted partner in the space**. FIS also began to shift its product set to the cloud relatively early. With most of its capabilities now available in either a licensed or a cloud offering, **FIS is in an excellent position to partner with clients eager to accelerate their digital transformation**.

While many of its competitors have built their CCM-CXM platform atop third-party composition solutions, FIS has taken a hybrid approach to Composition and Design. It can support its own well-established CSF Designer product and plug-in thirdparty solutions like OpenText Exstream to reduce migration efforts and leverage its customer experience with those tools where appropriate. CSF Designer is also available to global customers using both perpetual and SaaS licensing models, as well as through Value Added Resellers who have integrated it into their own solutions. Furthermore, businesses can **leverage the scope of FIS's historical financial strength, expansive footprint, and trusted, tested security**.

The Touch-CX™ Customer Communication Stack enables FIS to offer these established capabilities as a fully managed hosted platform to finance, insurance, utility, and healthcare customers looking to transition from traditional print to digital communications. Data normalization and integration using its Code Connect suite of discoverable APIs is core to the strength of the offering. Its Digital One integration layer also drives connections with output/delivery services and third-party providers. Touch-

CX™ consists of an integration layer supported by a common set of standard components. **FIS meets customers where they are, working closely with them to develop a customized solution to best addresses their specific needs and individual communications goals.** This approach enables customers to transition their existing applications to a managed service environment with significant cost benefits before progressing to their future digital communications state.

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A move to Touch-CX™ — complete with an extensive set of pre-defined templates and more agile 'white paper' printing capabilities — **grants customers greater flexibility than traditional print production methods optimized for large static volume runs**. This approach allows FIS to serve both large companies and smaller ones that may not be able to justify the investment in higher volume operations.

FIS's Data ring (as depicted in Figure 5) is also able to blend relevant third-party data with the customer's own using its Customer Engagement data analytics technology **in order to drive customer communication personalization through relevant data insights**. This practice is designed to enable customers to bridge transactional and marketing workflows and **build more actionable communications**. The solution is able to generate a complete feedback loop from alerts to trigger customer actions and can feed data on customer behavior back to insights. FIS's new artificial intelligence and machine learning (AI/ML) services in the platform will increase the automatic inclusion of messages and the identification of channels.

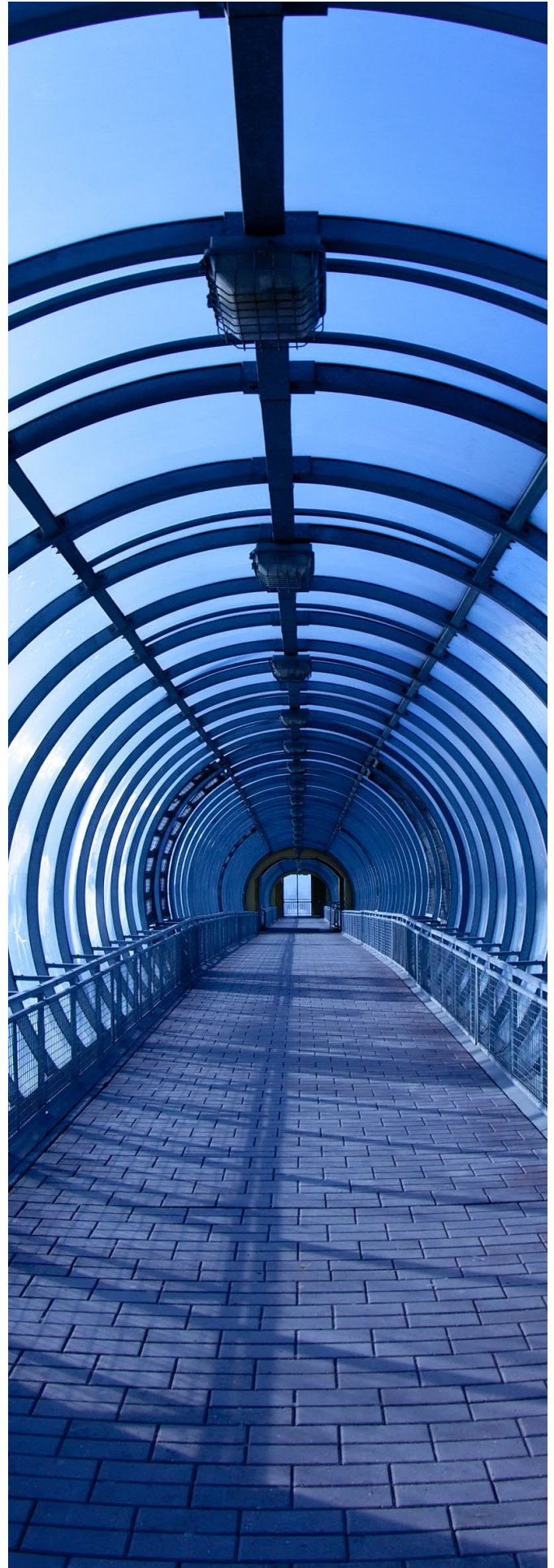


Conclusion

The continuing effects of accelerated digital adoption in 2020 and the market factors pushing businesses toward digital communications in 2021 and 2022 have encouraged them to work toward improving customer experience through superior digital interaction. Personalized, relevant communications and a seamless conversation across consumers' preferred channels are critical to improved satisfaction and if businesses meet these demands, it will boost loyalty, reduce churn, and improve customer lifetime value. That's why it's important to double down on communications investments even in the face of economic uncertainty.

FIS prides itself on its market history and institutional knowledge, its innovative solutions to contemporary challenges and its vision to help its partners actualize the future of customer communications. With its massive scale and its emphasis on data security, regulations, and payment processing all realized through a wide variety of software capabilities, FIS has all the components it needs to provide customers opportunities for growth. The provider is in a position to serve both its current customer base (who are working to move to managed services as a first step towards digital transformation), as well as new large and medium-sized enterprises who require a tailored approach to customer communications. FIS is in a good position to leverage its data analytics capabilities to enhance customer journey mapping and the determination of "next best action". FIS continues to unify its platform components as part of the Touch CX™ Customer Communication Stack and we expect FIS to extend the CX capabilities of its proposition. Enterprises and small businesses searching for a trusted, highly secure, and knowledgeable partner to manage communications in both print and digital formats should include FIS in their evaluation.

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About FIS



FIS is a global financial technology company, providing software and services in banking, payments, and capital markets. Headquartered in Jacksonville, Florida, it has global reach with a presence in 58 countries. Its Touch-CX™ ecosystem of CXM solutions has been designed to manage all aspects of communication related to the company's core banking, wealth management, lending, and insurance technology systems. FIS focuses on compliance-driven, highly regulated markets, including financial services, insurance, utilities, and healthcare.

About Aspire



Aspire is a global analyst and market research firm providing independent insight and trusted advice to the Customer Communications Management (CCM) and Customer Experience Management (CXM) industries. Aspire empowers Enterprises, CCM/CXM Software, Services and Solution providers, and Business Advisories and Private Equity Firms, with unbiased guidance and actionable insights delivered through a variety of highly specialized services.

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About FIS

FIS is a leading provider of technology solutions for merchants, banks and capital markets firms globally. Our more than 55,000 people are dedicated to advancing the way the world pays, banks and invests by applying our scale, deep expertise and data-driven insights. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a Fortune 500® company and is a member of Standard & Poor's 500® Index.



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