



The State of

CUSTOMER EXPERIENCE

Trends and predictions for CCM
and CXM in 2021 and beyond

quadi⁷ent
Because connections matter.

EXTERNAL CONTRIBUTORS



Marci Maddox,
Research Director-Digital
Experience Management,
IDC



Annette Franz,
Chief Experience Officer,
CX Journey, Inc



Allison Lloyd,
VP of Conference
Programming,
DOCUMENT Strategy
Forum & Former Editor



Jim Tincher,
CCXP, Founder &
Mapper-in-Chief,
Heart of the Customer



Jeanne Bliss,
CEO, Customer Bliss



Ingrid Lindberg,
CXO,
Chief Customer



Adam Firbank,
Journey Practice
Lead Customer
Communications, British Gas



Will Morgan,
Senior Research
Analyst, Aspire



James Dodkins,
Founder, Rockstar CX

INTERNAL CONTRIBUTORS



Jo Tyrer,
SVP - Customer
Transformation, Quadient



Chris Hartigan,
Chief Solution Officer-CXM,
Quadient



Avi Greenfield,
Senior Director of
Product Management,
Quadient



Andrea Tucker,
VP - Product Market-
ing, CXM, Quadient



INTRODUCTION

by Chris Hartigan

We last published a communications trends and predictions in 2019. Two short years later, we're amidst a communications space transformed by the rapid evolution of communications management (CCM) to comprehensive customer experience management (CXM).

In 2019, we asked what customer's demands will be five years from now. Since then, we've seen a decisive transfer of the balance of power from enterprise to customer. Not only has the pandemic spurred the acceleration of customer expectations and digital transformation by two, five, 10 years - it's created an intense urgency to meet and exceed customer expectations. The playing field has moved, and brands realize that customer experience (CX) is the most critical success factor. At the same time, the gap has widened for many enterprise's ability to deliver.

We've spoken with industry analysts, Quadient experts, and customers about the state of CX today and, in this eBook, we've compiled thoughtful perspectives on the trends, predictions, and solutions that will significantly impact your business in 2021 and beyond.

It's important to clarify - the trends we're seeing aren't novel. The insights contained in these pages should not be new concepts to your business. Some of these trends - such as digital agility and growing adoption of customer journey management and AI technology - are still at the forefront of CX. Much of the industry trajectory in 2019 remains strong in 2020; however, the need for implementation has greatly accelerated. That's a common theme you'll notice throughout as we discuss the state of CX in 2021: acceleration.

There is not necessarily a new demand for SaaS, digital or analytics - but these features have become the baseline. The adoption timeline has accelerated, leaving enterprises scrambling to address these demands with significantly more urgency than we predicted in 2019. What 2021 brings are enhanced solutions and strategies available to enterprises as they build a CXM foundation that intertwines customer experience, customer engagement and customer communications.

From culture to employee enablement to technologies, we're sharing the six trends that enterprises should examine for success beyond 2021 in this new CXM industry.



Chris Hartigan,
Chief Solution Officer-CXM,
Quadient

CHAPTERS



1.

The future of work is now

2.

Data drives exceptional experiences

3.

Customer-centric culture is key

4.

Employee experience drives customer experience

5.

The future of CX is empathetic

6.

2021 is the year for critical investments



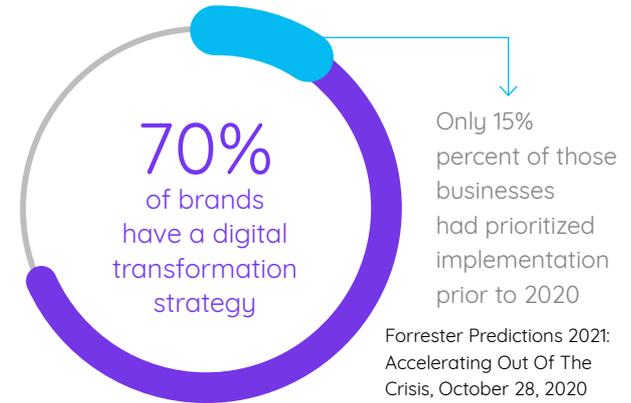
CHAPTER 1:

THE FUTURE OF WORK IS NOW

2020 levied an immediate, disruptive need for workplace transformation, bringing the workplace of the future to now. In a workplace whose evolution accelerated by five to 10 years, humanism, innovation and agility proved to be the core capabilities for success.

It was immediately apparent that digital transformation leaders – early adopters of daunting initiatives that transformed culture and operations holistically – have a tremendous advantage over digital laggards.

Digital-first organizations successfully transitioned employees to remote work and handled higher interaction volumes with distressed customers. They were able to automate processes, freeing up resources for high-value interactions demanded by shifting customer expectations. Their investments enabled empathetic conversations at scale. They were better equipped to adapt to drastically and continuously changing customer needs, creating frictionless employee and customer experiences.



“THE DISTRIBUTED WORKPLACE
OF THE FUTURE IS NOW.”

- Gartner, The Distributed Workplace of the Future is Now,
17 September 2020

Overnight, the anticipated workplace of the future became part of our everyday experience and expectations. And there is no going back. **The workplace of 2021 and beyond will champion humanism, integrating empathetic culture and technology that foster human-centricity in a distributed, digital world that is here to stay.**

What the experts say:

“ In a normal five- to-ten-year evolution to remote work, organizational practices and programs would have evolved at the same rate. Enterprise leaders must now rapidly address the challenge of adapting workplace policies, resource planning and management practices to catch up with the new distributed workplace.

—Gartner, The Distributed Workplace of the Future is Now, 17 September 2020

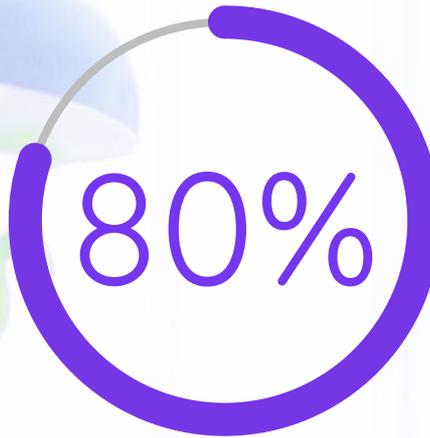
WORKPLACE OF THE FUTURE WILL DELIVER:

- ✓ AGILITY
- ✓ EMPATHY
- ✓ INTELLIGENCE
- ✓ RESILIENCY
- ✓ EMPOWERMENT



“As organizations take stock, regroup, and pull through the health crisis, the recovery process demands a new level of agility for many enterprises, including embracing the new “normal” of a hybrid, mutable workforce. The traditional work models aren’t nimble and adaptable nor are they scalable.”

— IDC, Future of Work: Strategies for the New Work Experience, Jan. 2020, #US47270619



80% of workers who have established that they can work from home during the COVID-19 crisis **expect to continue to do so in the future.**

82% OF COMPANY LEADERS INTEND TO ALLOW THEIR EMPLOYEES TO CONTINUE REMOTE WORKING AT LEAST SOME OF THE TIME INTO THE FORESEEABLE FUTURE.

By 2023, **fewer than one-third** of digital workers will select the corporate office as their preferred place to work.

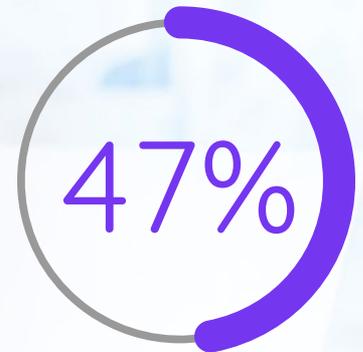
— Source: Gartner, The Distributed Workplace of the Future is Now, 17 September 2020

“Retiring the legacy remote work policy and replacing it with a new flexible work policy sends a clear signal across the enterprise, to management and workers, that the work environment is changing to accommodate new patterns and expectations. The purpose of a flexible work policy goes beyond simply sending a signal. Policies are needed to guide and direct decisions and planning, and to ensure consistency across functional areas.

— Gartner, The Distributed Workplace of the Future is Now, 17 September 2020

“COVID has accelerated digitization; now, the real work begins. COVID forced many firms to digitize processes quickly in response to remote worker scenarios. Many high-volume forms that had been manually processed were quickly digitized but often in one-off and disjointed ways. In 2021, firms will begin to clean up the environment by consolidating and optimizing form content, distribution, and processing.

— Doculabs



OF COMPANY LEADERS SAY THEY'LL ALLOW EMPLOYEES TO WORK REMOTELY FULL-TIME MOVING FORWARD

—Gartner Press Release, Gartner Survey Reveals 82% of Company Leaders Plan to Allow Employees to Work Remotely Some of the Time, July 14, 2020

START YOUR DIGITAL TRANSFORMATION STRATEGY WITH THESE KEY QUESTIONS

1. What technologies can help organizations manage a hybrid of remote and physical office workspaces?



2. What are the hybrid work applications and technologies helping employees collaborate seamlessly today?

3. Is an intranet still relevant, and what makes it modern and able to support a distributed workforce?



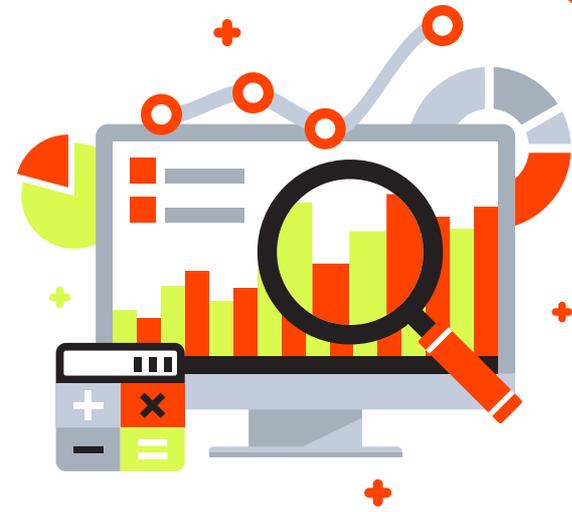
4. What are obstacles in achieving true digital parity?

“

Organizational and architectural agility is critical amid unprecedented disruption in an accelerated digital era. Organizations must support a composable business architecture via a digital workplace framework allowing for extended capabilities and continuous adaptability across internal and external facets of the organization.

—Gartner, Digital Workplace Applications Primer for 2021, 4 February 2021.

DATA DRIVES EXCEPTIONAL EXPERIENCES



There's a core trend buzzing throughout the CXM industry: data's personalization power is today's most significant differentiator. Specifically, experts emphasize data's power to shape hyper-personalized experiences—not just communications. At the same time, they note that while enterprises have caught on to the need for CXM strategy, they are still largely sitting on their most potent personalization tool: data strategy. In fact, it's estimated that up to 80 percent of an enterprise's data could be left dark. This is a massive lost opportunity.

Quadient's Jo Tyrer, SVP of Customer Transformation, notes that consumers have lost patience with experiences that fall short of their expectations. The last year taught the remote consumer to expect deeply personalized, automated omnichannel customer communications. They expect respect for the context of their individual situation, and any interruption to this can be seen as deliberately frustrating.



PERSONALIZATION: BRANDS ARE RECOGNIZING THAT THIS IS WHAT CUSTOMERS WANT – EXPERIENCES THAT ARE PERSONALIZED AND RELEVANT TO THEM.

Leveraging, and listening to, the unique perspectives and customer stories that data unlocks is crucial to meet these heightened expectations. Our capabilities for driving engagement via different communication channels with data-driven intelligence surpass those from just two years ago. Accelerated technology adoption of cloud, AI and 5G empowers enterprises to deliver deeply empathetic responses at scale. With these capabilities driving CX competition, brands no longer have leniency for failing to provide a frictionless experience across all interaction points with their customers.

What the experts say:

“Elevating the brand in the customer’s eye will consider data trust and responsiveness in outcome-based guided experiences and sentiment-based interactions. IDC predicts that by 2023, 65% of consumers will be using voice, images, and augmented reality for interacting with brands using their 5G-enabled mobile device, thus extending physical and digital experiences at scale. As 5G networks reduce latency times and support more complex data processing at the edge, organizations that can dynamically adapt tone, mood, and visual content, while collecting new streams of behavioral data that further contextualize the blended digital/physical experience, will lead in the next economy of intelligence.

— Marci Maddox, Research Director-Digital Experience Management, IDC



65%
of consumers will be
using **VOICE, IMAGES, AND
AUGMENTED REALITY** for
interacting with
brands
—IDC

“ Consumers will continue to use a complex set of emerging channels of engagement in a non-linear fashion, leaving businesses with the challenge of mapping customer journeys that are accurate, personalized, and increasingly predictive. This current landscape will force communication professionals to synthesize an enormous set of customer data, including all past interactions, demographics, preferences, interconnected behaviors and journeys, and potential future actions. This will require orchestration of data analytics, re-engineered business processes, user experience, information technology, market research, and a communication-driven compliance and privacy framework. For many (especially those in more conservative industry segments), transforming communication touchpoints in this manner will require out-of-the-box thinking. Communication experts will need to draw from smaller, more disruptive models popularized by digital start-ups and even from their fellow competitors to keep pace in this ever-evolving space.

—Allison Lloyd, VP of Conference Programming, DOCUMENT Strategy Forum & Former Editor of DOCUMENT Strategy

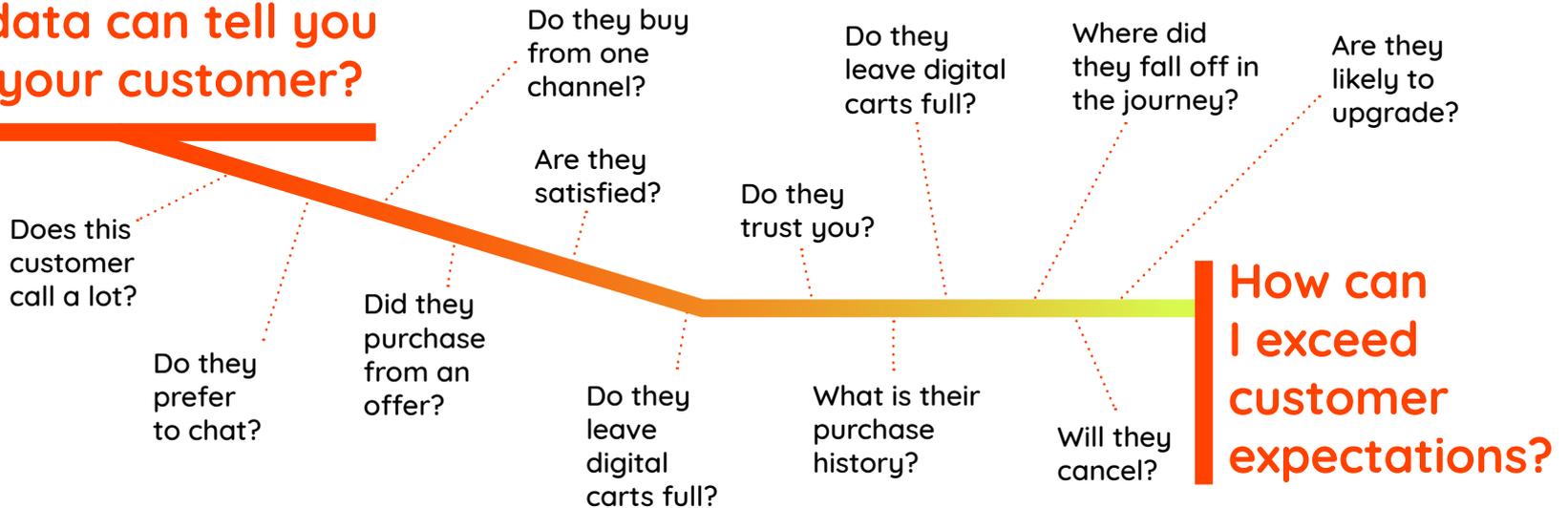
3 THINGS COMPANIES SHOULD DO IN 2021

- Implement data-driven strategies and roadmaps
- Formalize a data listening process for journey insights
- Use analytics, AI and machine learning to automate insights



The pandemic sped up the importance of emotionally intelligent customer experiences. Five and ten-year plans are 'now' plans. Success rests in incorporating tools that enable you to truly understand who your customers are at a deep level so that you can understand their needs, expectations and successful outcomes. Once you understand this, you can redesign experiences to deliver on those things, shifting as rapidly as they do. —James Dodkins, Rockstar CX

What data can tell you about your customer?



Process mining holds promise, and leading firms will begin to leverage process mining capabilities to optimize content creation and publishing processes across the organization. By simplifying and consolidating processes, firms will make huge improvements in both time to market and operational cost efficiency in their communications environments. —Doculabs

“ Communications delivered by CCM systems have become actual – and essential – touchpoints on every customer’s journey with your company. We’re seeing substantial value, appreciation, and recognition of communications being used to create touchpoints in a broader customer experience management (CXM) strategy. **This hyper-personalized approach gets the right connections, to the right customers, at the right time.** To ensure our customers’ success, we’re pioneering integrated technologies including AI and machine learning, data analytics and journey mapping capabilities to orchestrate data and trigger empathic actions and communications at every touchpoint. That’s the path forward, the total customer experience that will bring success in 2021 and beyond. —Chris Hartigan, Chief Solution Officer-CXM, Quadient





Organizations must become contextually aware by shifting the use of data from just segmentation and publishing dashboards to automating actions and delivering concise, contextually relevant responses at key customer moments

—IDC, Developing Contextual Awareness for Empathetic Conversations, Lawrence Cheek et al., Jan 2021. #AP46318521



Many Chief Marketing Officers (CMOs) are now finding themselves in the unique position of **GOING BEYOND COMMON MARKETING DEMAND GENERATION** experiences to leading the entire customer journey experience by leveraging data across the front office and back office—and this changes everything. —Andrea Tucker, VP - Product Marketing, CXM, Quadient

CHAPTER 3:

CUSTOMER-CENTRIC CULTURE IS KEY



Customer experience is a customers' holistic perception of their experience - across every interaction - with your business or brand. And, it's emerged as a powerful market differentiator. Customer-centric companies - those orchestrating sophisticated CX strategies measuring satisfaction at every touchpoint and providing personalized services for a customer-first experience - proved sustainable ROI as the balance of power definitively and permanently shifted to the customer.

The effect is profound. It's no longer enough for organizations to be customer-centric in practice. To realize growth potential, companies must accelerate their plans to integrate customer-centricity culturally to align and implement impactful CX strategies and practices and meet a new baseline of expectations in our transformed market.



“Experience leaders are the companies whose foundations are built upon understanding their customers' needs and expectations - it's these customer-centric cultures delivering winning experiences capable of meeting changing consumer demands.”

—James Dodkins, Rockstar CX

“Customer-centricity focuses on putting the customer at the heart of the business. This means that the culture must be deliberately designed to do just that. Incorporating this philosophy will serve everyone well in 2021.

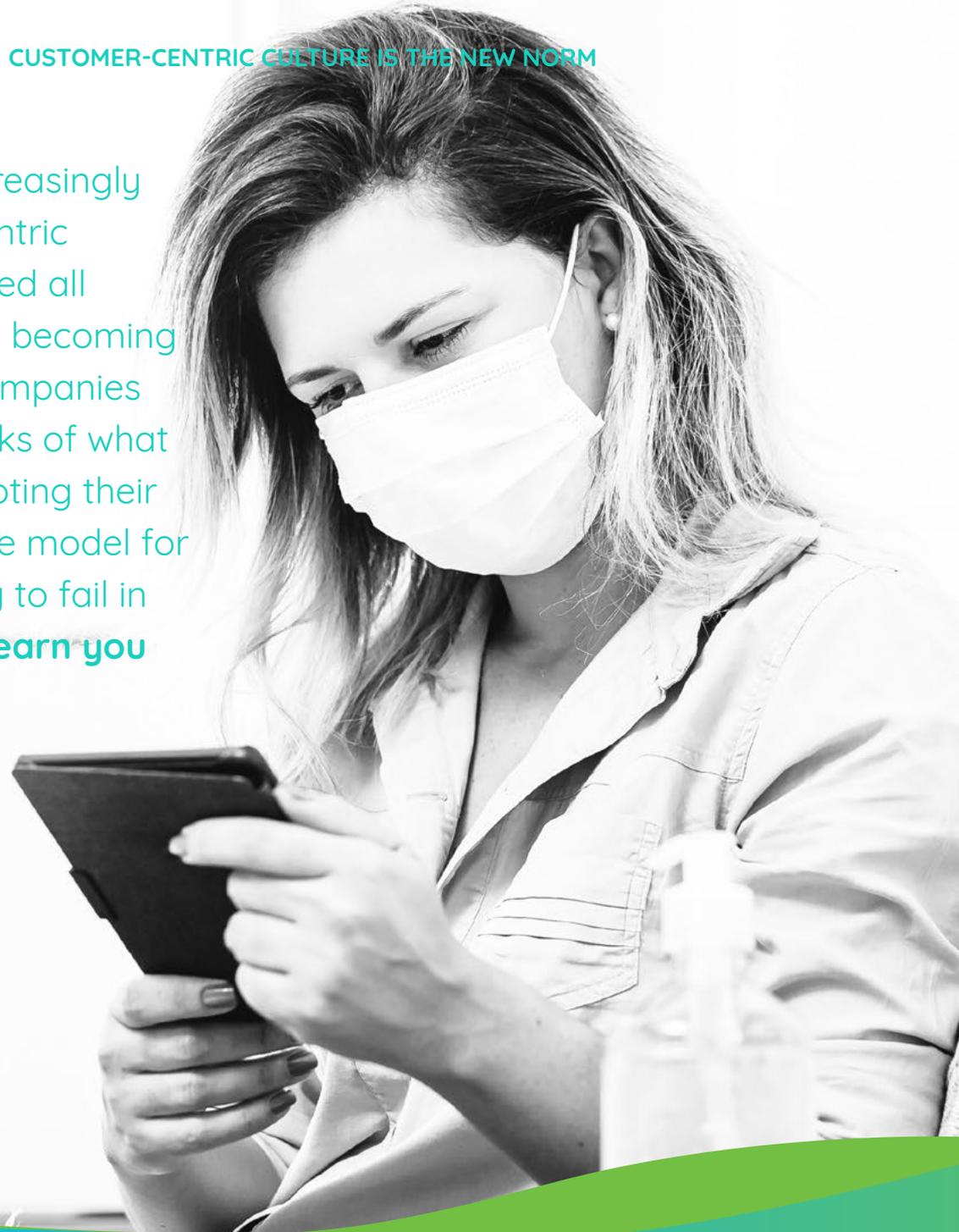
- Annette Franz,
Chief Experience Officer,
CX Journey, Inc





CX success had already been increasingly tied to an empathic, customer-centric mindset. The pandemic accelerated all aspects of CX with existing trends becoming table stakes overnight. A lot of companies responded by looking at playbooks of what was being done and similarly pivoting their strategy. But it is not a sustainable model for this new world, and they are likely to fail in 2021. **A winning playbook won't earn you the gold; it's the culture and mindset driving the playbook that matters.** You must copy the strategic mindset, leveraging tools in a way that is relevant for your company, employees and customers based on a deep understanding of the how and why.

— James Dodkins, Rockstar CX



“

Humanity is the new driver of CX success. You must pull the corporate veneer off how you are doing business. Growth will come to companies who behave admirably and enable their employees to work with that value set - this is the behavior that will help customers achieve their goals.”

— Jeanne Bliss, CEO, Customer Bliss

“

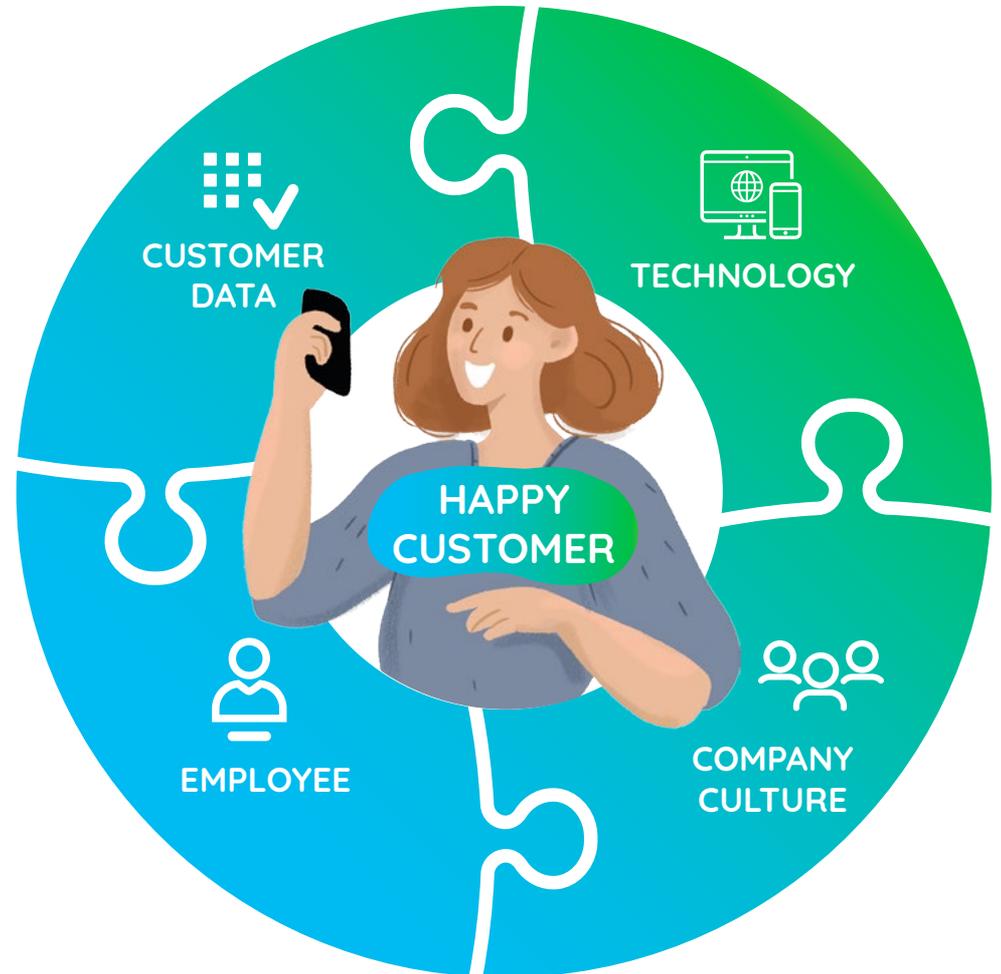
The trend is to humanize experiences as much as possible and create a channel-agnostic approach. So, in 2021, we must, more than ever, focus on customer needs and understand the lifecycle stage they are in and their vulnerability status. AI is not the quick answer! Technology is there as an enabler, not a savior. Never put technology in front of understanding human contact and the nuances of this. Understand the customer needs, map this and then choose the right technology to deliver this customer-centric approach.

—Adam Firbank, Journey Practice Lead Customer Communications, British Gas

“

B2C marketers strive to differentiate and add value to customer experiences through personalization. They often have a rough idea for how the final experience should materialize – but frequently fail to establish a customer obsession strategy that governs personalization investments. Marketers today must fully understand the value – and risks – of comprehensive personalization that aligns technology with defined business outcomes to deliver optimal customer experiences.

– Brendan Witcher, Forrester, Align Strategy and technology to deliver next-gen personalization, Sept. 2020



CHAPTER 4:

EMPLOYEE EXPERIENCE DRIVES CUSTOMER EXPERIENCE

As organizations race towards digital transformation to enhance the customer experience in 2021, 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 out-perform by up to 147 percent.

ONLY 17% OF CX LEADERS
HAVE ESTABLISHED THEIR
ENABLEMENT PRACTICES
BEYOND A BEGINNER LEVEL.

—Forrester, TJ Keitt,
Focus On Process,
Technology, And
Collaboration To
Enhance Employ-
ee Enablement,
Feb. 5, 2021



76%

76% OF EXECUTIVES AGREE THAT
ORGANIZATIONS NEED TO
**DRAMATICALLY REENGINEER THE
EXPERIENCES** THAT BRING
TECHNOLOGY AND PEOPLE
TOGETHER IN A MORE
HUMANCENTRIC MANNER.

— Accenture Technology Vision 2020

Successful customer experience strategies stem from empathetic, customer-centric cultures. Similarly, employee experience rooted in empathetic, human-centric organizational structures produces a more positive, productive and engaged workforce. Do they feel supported? Are they empowered with tools, solutions and processes to efficiently perform their work? What friction points are they experiencing? Do they feel that they bring value to the organization? Is there a better way to streamline operations, decrease redundancy and task employees with high-value tasks? The bottom line is that if your employees are not happy, your customer experience will suffer. Answering these questions and identifying gaps can generate significant ROI.

Additionally, there is unprecedented scrutiny on organizations to provide safe, stable, supportive work environments that protect overall health and financial well-being. A brands' internal employee policies and culture – how it treats, enables and even pays its employees – has increasingly become an external brand value that drives customer decisioning.

“EMPLOYEE EXPERIENCE: THE REALIZATION THAT EMPLOYEE EXPERIENCE DRIVES CUSTOMER EXPERIENCE WILL FINALLY HIT ITS STRIDE, PUSHED ALONG BECAUSE OF THE PANDEMIC AND THE NEED/REQUIREMENT TO WORK FROM HOME.

—Annette Franz, Chief Experience Officer, CX Journey, Inc.

**“EX DRIVES CX,
WHICH DRIVES
BUSINESS RESULTS.**

—Forrester, It's time for CMOs to pay more attention to employees

Powerful questions leaders can ask in 2021's workplace

How are you feeling?

Employees who feel supported are 67% more engaged

What's distracting you from being fully engaged?

Mitigate gaps in employee needs from a mental health day to a headset

How else can I support you?

Co-create solutions to problems

“ Employee experience drives customer experience.

2020 drove a shift in how and what we buy and lifted our awareness around how companies really treat their employees. We saw leaders jump in right away and send their teams home for safety. We saw other companies, seemingly oblivious to the fact that we're in the middle of a global pandemic, and they continued to put their employees at risk. And we saw incredible ingenuity at the store level and at the corporate level – driven mainly by people who were on the front lines – adapting ever so quickly. I believe that globally, we're paying more attention.

— Ingrid Lindberg, CXO, Chief Customer



THE MOST IMPORTANT INVESTMENT THAT BUSINESSES CAN MAKE IN 2021 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.

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)

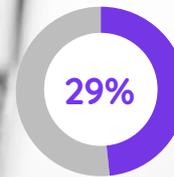
100% greater customer loyalty
for businesses in top EX quartile
vs bottom (MIT)



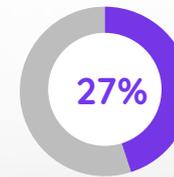
If you don't build a team that can adapt, competitors will leapfrog you. **Adaptability** isn't only important for humans, but the technology we use needs to be adaptable as well. Quick turnaround times, fewer bottlenecks, workflow automation and integration are mandatory.

—LanguageWire, Where next, CMO?
Today's top ten marketing challenges (2020)

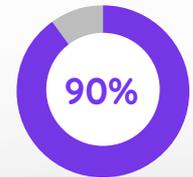
EMPLOYEE EXPERIENCES DRIVES CUSTOMER DECISIONING



29% say it's the primary decision in customer loyalty



27% say it's the primary decision for initial purchase



90% say it's the metric used when deciding to trust a brand

— Edelman Trust Barometer 2020



“Today's crises require brands to meaningfully engage employees even more. CMOs are uniquely poised to help organizations create a better employee experience working with CHROs. **EX DRIVES CX, WHICH DRIVES BUSINESS RESULTS.** Expect the lines between employee and customer experiences to blur.

— Forrester, It's time for CMOs to pay more attention to employees, July 27, 2020.

THE FUTURE OF CX IS EMPATHETIC

Empathy has long been a cornerstone of customer experience, and its significance saw prolific amplification in 2020. Consumer decisioning is emotional, not rational – never more so than in our permanently altered post-pandemic psyche. Customers in 2021 and beyond expect brands to be human, to create lasting emotional connections by demonstrating a deep understanding of their needs.

2020 accelerated the need to build strategies centered on customer needs and humanize experiences across every department and touchpoint. To remain competitive, brands must provide quality products and services and stability, security, and safety – all delivered conveniently and, in many cases, digitally.



**EMOTIONS DRIVE CONSUMER
DECISIONS MORE THAN
RATIONAL THOUGHT**



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

The market mandate is clear: brands must qualitatively measure the “why” versus quantitatively measuring the “what” of transactions and allow this data to foster empathetic conversations. And they need to do so at scale.

This need is driving a significant rise in human-machine collaboration, leveraging digital coworkers powered by automation and AI tools. Implemented strategically, these tools enhance an employee’s humanism thanks to reduced task redundancy, increased productivity and greater happiness scores. Empowered to focus on the right high-value interaction at the right time, employees’ own empathetic experience will drive CX excellence.



The future of customer experience is brands and enterprises being able to deliver empathy at scale to their customers - being able to put yourself into the customers place and see their perspective. How to do that is going to require a complete rethinking of the technologies, workflows, business processes, intelligence, and data that connect the customer to the company as new technologies like AI, computer vision, mobile platforms, and more respond to changes in culture, consumers, and market.

— IDC, Developing Contextual Awareness for Empathetic Conversations, Lawrence Cheek et al., Jan 2021. #AP46318521



“ In the next 5 years, organizations will shift to having more empathetic conversations with their customers in real-time ways not imagined before. From sales and marketing to support and executive staff, teams will learn how data can enrich the customer experience and provide contextual communications in accordance with the customer’s preference, permission, and psychological state.

- Marci Maddox, Research Director-Digital Experience Management, IDC

10% of budgets will go to emotion analytics, like sentiment analysis.

— Forrester, Predictions 2021: Customer Insights Practices Continue To Evolve

“ Enterprises will shift from esoteric ambitions to delight customers to practical plans **TO ENGAGE CUSTOMERS AND IMPROVE THEIR EXPERIENCE** with the brand by communicating in plain, understandable language and removing friction from interactions. Artificial intelligence will assist in those connections by automating the creation of highly personalized content based on the context of the interaction and an understanding of the relationship and stage of the customer journey.

—Avi Greenfield, Senior Director of Product Management, Quadient

“Aspire’s most recent research found that in the wake of COVID-19, enterprise focus shifted from customer acquisition through marketing toward IMPROVING CUSTOMER RETENTION by prioritizing digital communications and superior experience. Three-quarters of American businesses reported they are increasingly focused on digital transformation, so digitization alone will not be enough to differentiate from the competition. Furthermore, Aspire’s survey found that young consumers, the technologically savvy, and those living in households earning over \$150,000 annually are not satisfied with the digital status quo. To successfully stand out from the crowd, businesses must give these consumers what they want: personalization, true two-way interaction, channel choice, and a consistent experience across all mediums.

—Will Morgan, Senior Research Analyst, Aspire



66% of U.S. enterprises are planning CCM investments in response to market changes in 2020

— Aspire, Understanding the New Digital Reality, July 2020





HUMANIZING CUSTOMER JOURNEYS

Understanding which journeys have heightened emotive states for customers and being able to map human contact into these. 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

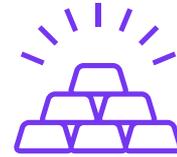
“

CMOs will drive customer obsession at their firms. CMOs will put the customer at the center of everything they do: leadership, strategy, and operations. If they haven't already, CMOs will integrate marketing and customer experience in the coming months. Spend on loyalty and retention marketing will increase by 30% as these CMOs assert control over the full customer lifecycle in 2021.

— Forrester, Press Release, October 15, 2020.

2021 IS THE YEAR FOR CRITICAL INVESTMENTS TO DRIVE GROWTH AND RETENTION

We will see investment across the board, though what type will depend on the organization's strategy to date. Every brand is different - spanning varying degrees of digital transformation, employee enablement, CCM maturity, and CXM strategy/adoption. 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 fully digital-first, customer-centric age in 2021 and beyond.



\$641B
IS EXPECTED TO
BE SPENT ON CX
TECHNOLOGIES
in 2022, **over \$130B more**
than in 2019.

—IDC

CUSTOMER JOURNEY MANAGEMENT TOOLS

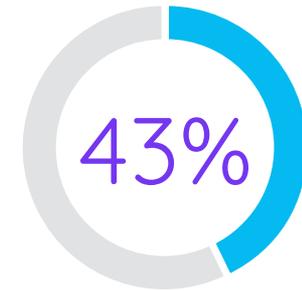
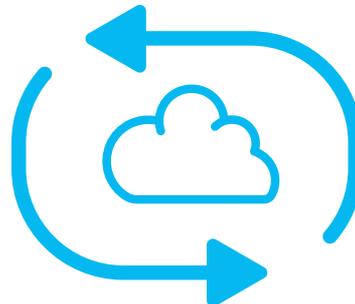
- Businesses have the data, but they aren't technologically equipped to let that data tell a story. Journey analytics is the critical investment to clear that hurdle, integrating AI and machine learning to translate data into a true understanding of a customer's expectations of outcomes. Quadient has 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 is a critical area 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 Customer Journey Mapping help cross-functional teams collaborate and break down silos so 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 2021.
— Jim Tincher, CCXP, Founder & Mapper-in-Chief, Heart of the Customer



There is enormous value in understanding and visualizing key journeys

CLOUD-BASED TECHNOLOGIES AND SaaS

- CX investments in 2021 will likely be primarily in technology investments for consolidation, retiring legacy platforms to drive cost savings and moving to cloud-ready or cloud agnostic platforms, managed service provision and SaaS as they seek to deliver a premium customer experience without the heavy overheads of infrastructure. International markets require deployment flexibility of solutions to meet their data privacy, security and data sovereignty requirements.
— Jo Tyrer, SVP - Customer Transformation, Quadient
- In 2021, 30% of firms will continue to accelerate their spend on cloud, security and risk, networks, and mobility — including struggling firms looking to leapfrog less wily competitors and gain advantage coming out of the pandemic. Leading CIOs will embrace cloud-first and platform strategies for speed and adaptiveness, eschewing stovepipes for end-to-end solutions.
—Forrester Predictions 2021: Accelerating Out Of The Crisis”, October 28, 2020



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-BASED TECHNOLOGIES AND SaaS

- We're past the era of replicating monolithic platforms in a SaaS environment. In 2021, there is a growing need to break services down into sub-components and delivering more of a microservice approach towards communication management and customer experiences in a cloud environment that reduces silos and increases agility for distributed teams. This area - CaaS or SaaS - is where Quadiant has invested to better support our clients' needs going into 2021 and beyond.

—Chris Hartigan, Chief Solution Officer-CXM, Quadiant

- Without cloud apps, tools, and services, businesses could not have sent millions of workers home, maintained global supply chains, or shifted entire industry business models in a matter of weeks. The rush to cloud during the pandemic also exposed stark contrasts between companies that embrace cloud technologies and those that have resisted or underfunded them. The aggressive move to cloud, already proceeding at a healthy clip before the pandemic, will spike in 2021, yielding even greater enterprise adoption, cloud provider revenue, and business value in

—Forrester Predictions 2021: Accelerating Out Of The Crisis", October 28, 2020



The global public cloud infrastructure market will grow 35% to \$120 billion in 2021.

—Forrester, Predictions 2021: Cloud Computing Powers Pandemic Recovery, October 19, 2020.

EMPLOYEE EXPERIENCE

- If you aren't listening, and I mean really listening, to both your employees and your customers, that 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 study 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

- While "digital first" prevails in every experience, 60% of enterprises will invest heavily in digitalizing employee experience in 2021, transforming the relationship between employers and employees.

—IDC, IDC FutureScape: Worldwide Digital Transformation 2021 Predictions, October 2020, #US46880818

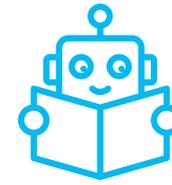


\$6.8 TRILLION
OF DIRECT DX
INVESTMENTS
BETWEEN
2020 AND
2023

—Source: IDC FutureScape: Worldwide Digital Transformation 2021 Predictions, October 2020, #US46880818

ADVANCED TECHNOLOGY STACKS— AI, MACHINE LEARNING AND AR

- In 2020, the impossible happened over and over. Faced with seemingly insurmountable challenges, companies succeeded by employing technical agility and deep customer understanding. That spirit will define 2021: Top companies will cultivate resiliency, creativity, customer-obsession, and adaptability. On the tech front, every company — not just the 15% of firms that were already digitally savvy — will double down on technology-fueled experiences, operations, products, and ecosystems.
—Forrester Predictions 2021: Accelerating Out Of The Crisis”, October 28, 2020
- 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, Predictions 2021, The time is now for AI to Shine

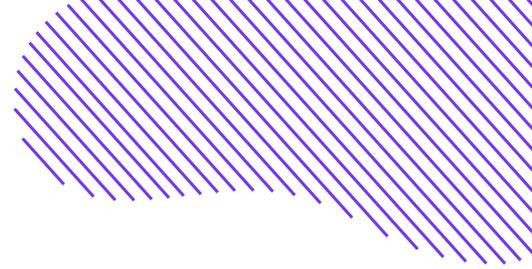


AI-DRIVEN
DYNAMIC
LEARNING
AND DIGITAL
ADOPTION
PLATFORMS
WILL INCREASE
PRODUCTIVITY
BY 20% BY 2023

—IDC, Future of Work: Strategies for the New Work Experience, Jan. 2020, #US47270619

ADVANCED TECHNOLOGY STACKS— AI, MACHINE LEARNING AND AUGMENTED REALITY

- Increasing customer expectations and new technologies have installed a one-to-one omnichannel personalization as marketing's Holy grail.
—Adam Firbank, Journey Practice Lead Customer Communications, British Gas
- By 2022, 45% of repetitive work tasks in large enterprises will be automated and/or augmented by using "digital coworkers" (powered by AI, robotics, and IPA), furthering human-machine collaboration.
—IDC FutureScape: Worldwide Future of Work 2021 Predictions, Doc # US46248920, October 2020
- 57% of B2B sales leaders told us they plan to make deeper investments in tools with AI and automation in the upcoming fiscal year. Sales tools that capture and automatically upload buyer and seller activity data to CRM systems will finally take sellers out of the data entry game. Relieved from endless administrivia, sellers will have the time and space to conduct deeper customer research, cull insights from data, and orchestrate more meaningful interactions with buyers. As the amount of buyer engagement data increases, AI can surface patterns, guide the seller to the next best action, and identify the buyer's preferred channel. In 2021, we predict that more than 60% of B2B sellers will be enabled by AI and automation. To up-level sellers and improve sales, arm your team with sales tools that have embedded AI and automation functionality.
—Forrester, Predictions 2021, Accelerating out of the Crisis



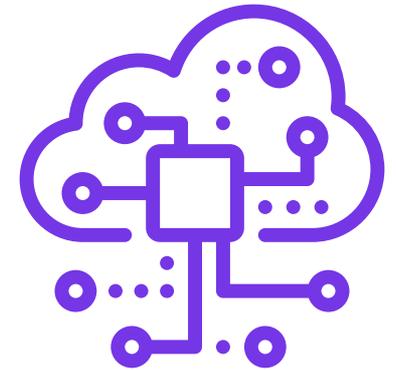
**35 % OF ADAPTIVE
AND GROWTH-MODE
FIRMS WILL INVEST
IN WORKPLACE AI
SOLUTIONS TO HELP
WORKERS DEAL
WITH DISRUPTION.**

—Source: Forrester, Predictions 2021, The time is now for AI to Shine.

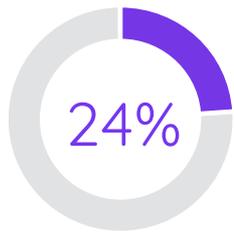
ADVANCED TECHNOLOGY STACKS— AI, MACHINE LEARNING AND AUGMENTED REALITY

- 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.

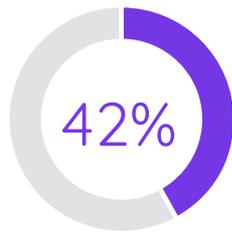
—Doculabs



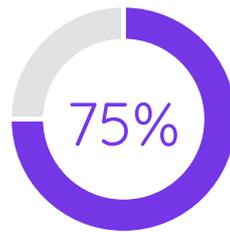
AN OCTOBER 2020 GARTNER SURVEY REVEALED THAT:



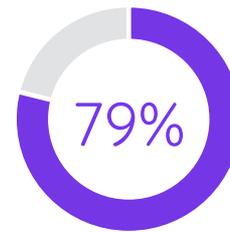
24% reported increased AI investment



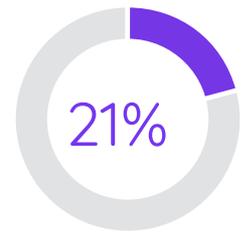
42% reported no change in AI investments since COVID



75% plan to continue or start new AI initiatives



79% are exploring AI initiatives

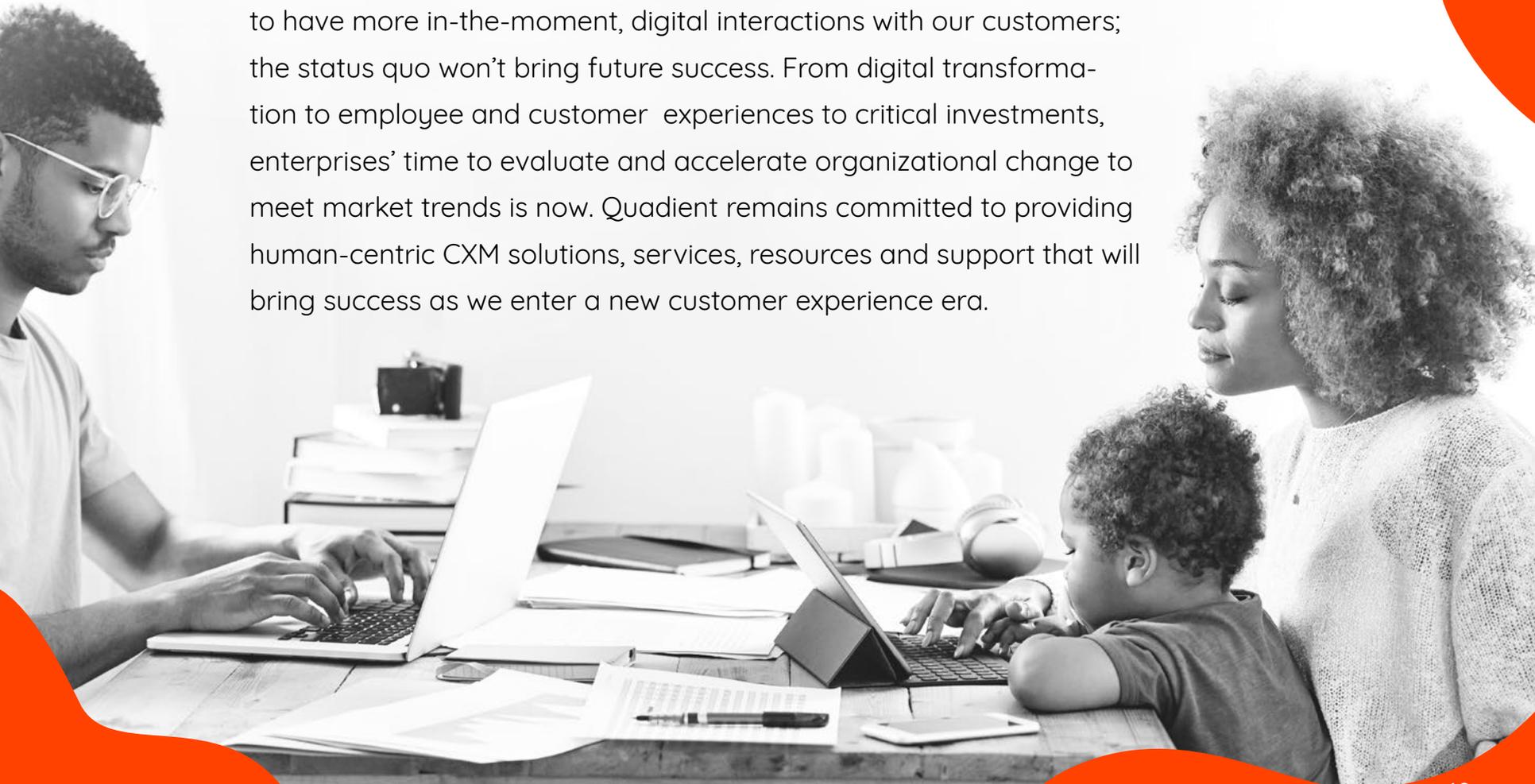


21% have AI initiatives in production

— Gartner Press Release, Gartner Survey Reveals 66% of Organizations Increased or Did Not Change AI Investments Since the Onset of COVID-19, 1 October 2020

CONCLUSION

The past two years have effectively transformed the state of CX. The pandemic brought 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 to critical investments, 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 as we enter a new customer experience era.



QUADIENT'S COMMITMENT TO OUR CUSTOMERS IN THE STATE OF CX, NOW AND IN THE FUTURE

To support enterprises in CXM in 2021 and beyond, we've invested heavily in total CXM solutions designed for integrating, analyzing and leveraging data. Journey orchestration uses AI, machine learning and data analytics to bring dark data to life, letting it tell the story of the customer's needs and triggering next best response action at every part in the journey for a seamless, excellent

customer experience. With the launch of Inspire Evolve, we've added CaaS capabilities and micro-services to speed digital transformation and CX design. Stay tuned to our channels as we release more features and resources in 2021.

— Chris Hartigan, Chief Solution Officer-CXM, Quadient



quadient
Because connections matter.

nirva
Smarter Customer Communications

About Quadient®

Quadient is the driving force behind the world's most meaningful customer experiences. By focusing on Intelligent Communication Automation, Parcel Locker Solutions and Mail-Related Solutions, Quadient helps hundreds of thousands of customers worldwide simplify the connection between people and what matters.

For more information about Quadient, please call us on +44 (0)20 7692 0616, email us at enquiries@nirvauk.com or visit nirvauk.com