SMART COMMUNICATIONS™

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Perfect!

✓ GenAI

5 Trends
Shaping Customer Conversations in 2025

Building Resilience and Personalization with AI, Cloud, and Connected Ecosystems

FOREWORD

As we look ahead to 2025, it's clear that the landscape of customer conversations is rapidly evolving. New technologies, shifting customer expectations, and an increasingly complex regulatory environment are converging to create both challenges and opportunities for organizations across industries. We developed this report in collaboration with over 20 subject matter experts across multiple industries, including healthcare, financial services, and insurance. It aims to provide guidance that will help your organization meet the moment with modernized technology, data governance frameworks, and agile processes. In the report, we expand on these five pivotal trends that our experts identified:

Trend 1
Businesses will need enhanced data quality to support AI initiatives

Trend 2
Regulatory challenges and ethical considerations will precede AI implementation

Trend 3
Organizations will prioritize strategic modernization to overcome technical debt

Trend 4
Organizations will use data, AI to enhance CX and personalization

Trend 5
Companies that prioritize continuous improvement and innovation will increase market share

The world is changing, and the pace of transformation is only accelerating. By understanding and acting on these trends, you'll be positioned to thrive in a customer-first future. Regardless of your industry, the strategies outlined here will help you build resilience, enhance customer relationships, and ultimately drive growth. We are grateful for the contributors to this year's trends report and I hope it offers not only insights, but actionable strategies you can use today to navigate the evolving digital landscape of tomorrow.

Sincerely,

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Chief Executive Officer, Smart Communications

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Trend 1

Businesses Will Need Enhanced Data Quality to Support AI Initiatives

As AI continues to gain momentum, leaders across key sectors are prioritizing strong data governance frameworks and validation processes. High data quality is foundational to successfully implementing AI-based initiatives — and unlocking the potential benefits of AI and advanced analytics across key industries. This includes programs, processes, and policies pertaining to AI and machine learning (ML), data management, customer experience (CX), risk management, regulatory compliance, and marketing analytics.

## The Foundation of Reliable AI: Data Quality and Governance

Data is the key enabler and driver for accelerating digital transformation. For highly regulated industries, data quality and governance are essential to supporting corporate initiatives aimed at improving efficiency, accuracy, and CX quality. Effectively training the large language models (LLMs) used by generative AI (GenAI) requires top-quality input, as do the AI/ML-powered tools that facilitate self-service and personalization. Accurate, complete data is also central to maintaining the integrity and compliance of interactions those tools generate.

This applies to any industry or organization that relies on customer data not just for communications, but also for operations. Terry Buechner, Principal Insurance Specialist at AWS, explains, "Data quality is essential to insurance operations, particularly as the need for both more (and more granular) data grows; and, the number of available data sources explodes."

> **"For customer experience management and effective customer communications management, it's essential to have clean, consistent, and up-to-date data."**
>
> —Gautam Jit Kanwar, President, BelWo Inc.
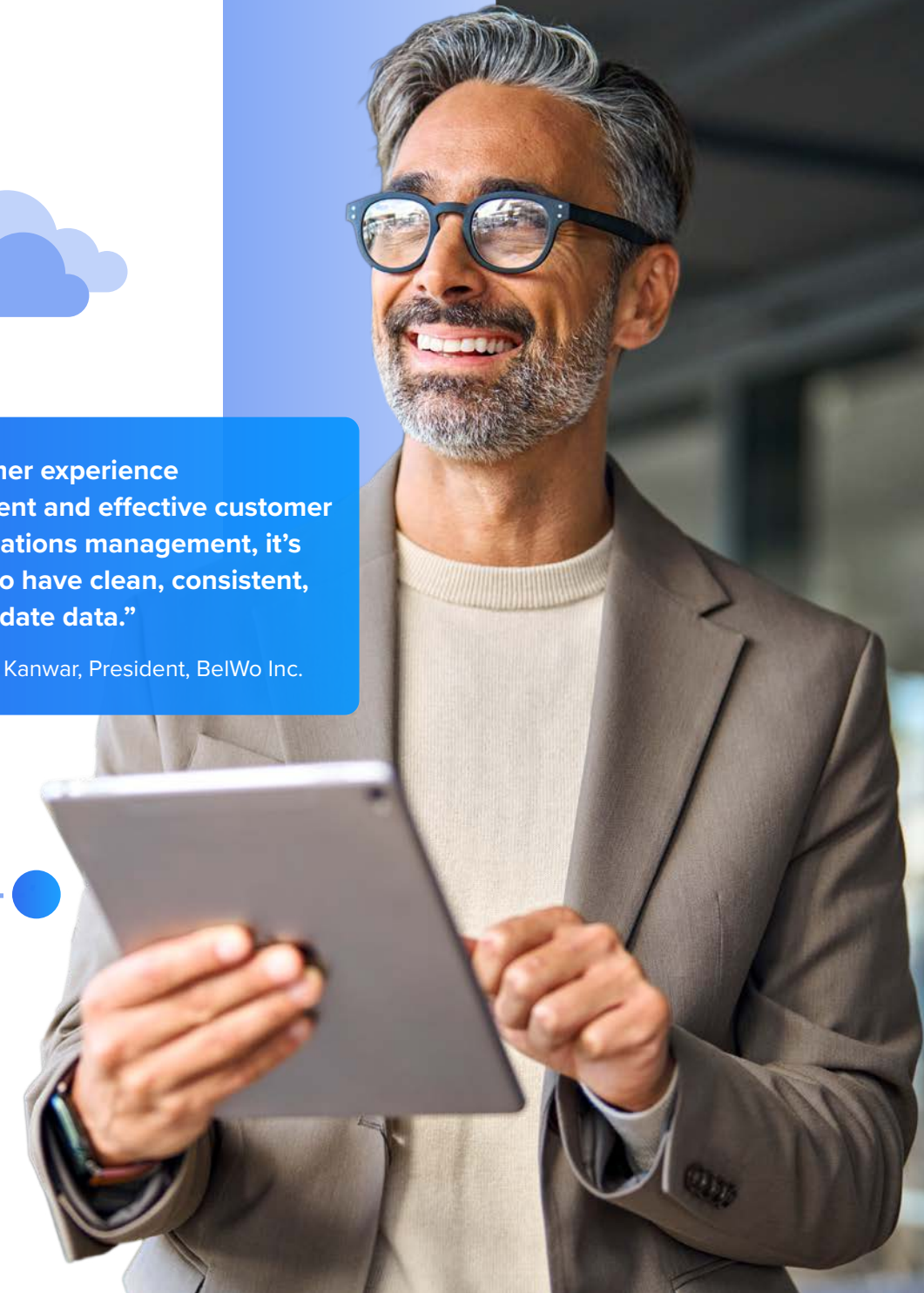
Robust data governance frameworks, automated validation processes, and AI-driven data management based on continuous feedback all help to ensure data is clean, standardized, and high-quality.
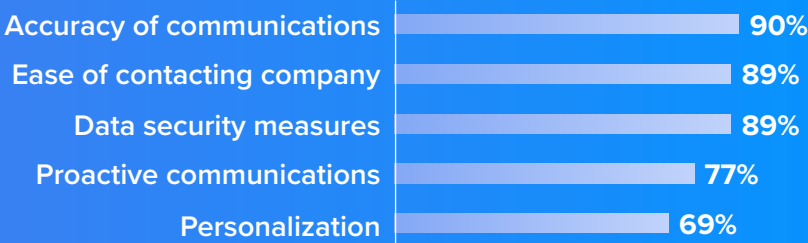
Conversely, lack of data governance can negatively impact data quality and stand in the way of digital transformation. According to Bob Meara, Principal Analyst at Celent, "For banks, our view is that the number one barrier to broadly leveraging AI rests with an inadequate data foundation and data governance."

The Link Between Consumer Trust and Data Accuracy

As the majority of the data that businesses rely on comes directly from the consumers they serve, trust is mission critical — after all, you're asking them to hand over their most sensitive personal information. It's important that the processes you use to capture client data ensure accuracy and completeness, flowing into a data lake or customer relationship management (CRM) system to create a single source of truth.

Smart Communications' 2024 Financial Services Global Benchmark Report highlighted the importance of clear and accurate communications in building customer trust, with consumers rating clarity and ease of understanding (71%) and accuracy (55%) as their top priorities in communications they receive from businesses. When it comes to data collection processes, security is always top of mind, as is ease.

How to establish customer trust

Accuracy of communications	90%
Ease of contacting company	89%
Data security measures	89%
Proactive communications	77%
Personalization	69%

— Smart Communications, "2024 Global Benchmark Report: The State of Insurance Customer Experience"

To ensure the information you're collecting from customers is accurate and complete, start with secure, simple processes and clear communications. Modernizing data collection with a single, centralized data collection solution that's smart and easy to use will help organizations build customer trust, boosting data quality and accuracy.

## Integrating Real-Time and Third-Party Data

Access to real-time data is essential for keeping customer interactions, especially outbound communications, accurate and timely. Whether you're sending batch documents, ad-hoc letters, or one-off communications triggered by a specific event, up-to-date information matters.

As an example, the Australian financial services provider AMP use SmartCOMM™ to pull in real-time data from multiple systems of record to deliver a wide range of outbound communications to its large customer base. Customers can choose to receive communications in multiple formats, with 70% opting for digital options.

"Accurate and complete data combined with AI will allow organizations to deliver personalized and consistent experiences across all channels, improving the product, services, and customer service."

—Will LaSala, Field CTO, OneSpan

Integrating both first- and third-party data, such as credit scores, purchase history, or property data, into key touch points can transform highly automated experiences into highly personalized experiences. For example, a financial services provider may be able to personalize product offerings based on a customer's credit score and purchase history. Insurers might use property or geospatial data to proactively assess risk.
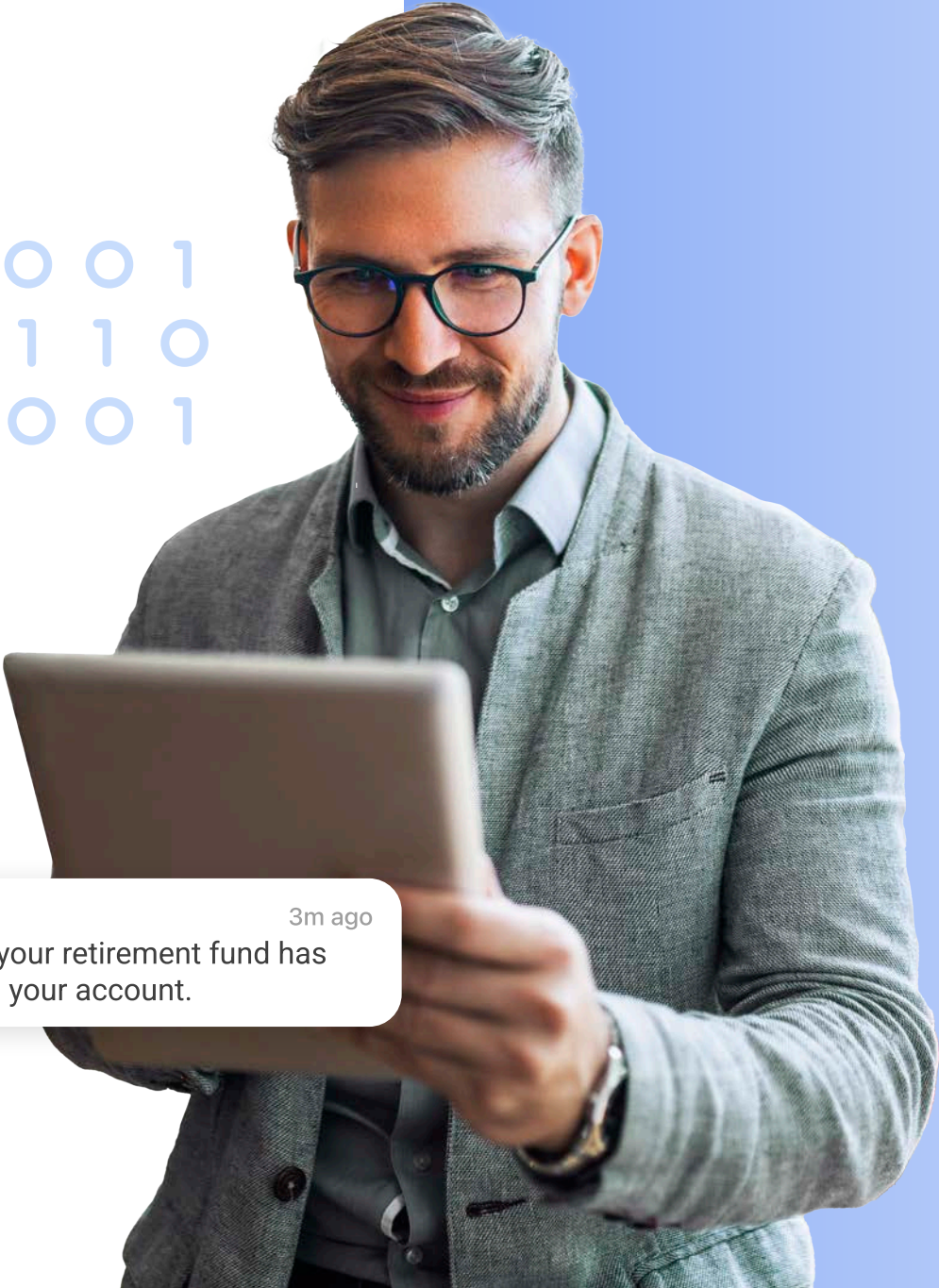
New Email 3m ago
A payment to your retirement fund has been added to your account.

Internal communications can also be enhanced by integrating third-party data. Sumit Uppal, Head of Digital Strategy & Technology – Financial Services and Insurance at Capgemini, says the increased focus on data-driven CX and 1:1 personalization makes data quality imperative to delivering best-in-class, frictionless experiences for both customers and employees. He explains, "Better CX and employee experience (EX) not only needs internal transactional data or process data but also third-party and behavioral data to drive predictable customer interactions."

Data Management Best Practices Across Industries

While strategies and best practices for managing vast quantities of data vary by industry, some best practices can be applied broadly across the enterprise. Sue Clarke, Associate Principal Analyst at Omdia, offers the following recommendations:

- **Deploy appropriate systems for data management, e.g., CCM for customer communications and content services platforms for internal content**

- **Put all data through extract, transform, load (ETL) processes to ensure quality**

- **Include data cleansing and identity resolution in any customer data platform (CDP)-type application to ensure quality and accuracy**

Eileen Potter, Vice President of Insurance Marketing at Smart Communications, says data management strategies for insurers should include strong governance, data audits, real-time validation, and continuous monitoring. Terry Buechner of AWS adds that building a modern data foundation will go a long way in helping insurers and regulators feel more comfortable rolling out new AI capabilities in a useful, secure manner

According to John Zimmerer, Vice President of Healthcare Marketing at Smart Communications, the growing need for governance frameworks, transparency, and accountability mechanisms is also critical to ensure responsible and ethical use of AI in healthcare. Strong data governance minimizes risk by protecting sensitive personal health information, as well as streamlining important processes, such as claims processing, by keeping data accurate and up to date.

In the increasingly digital and data-dependent banking sector, there's a growing need for robust data governance to manage increasing complexity. Bob Meara explains, "Not only is more data used in processing, but more data is collected and created by banks. Data and AI are also the building blocks for future banking products and services." However, Celent research shows that the excitement about AI has led to a realization that many banks may not "have their data houses in order." Now is the time to do so.

"Organizations can't wait for their data to be perfect to realize the value from AI, automation, and self-service. Changing the mindset regarding data quality and governance is a key success factor."

—Alan Katzman, Insurance Industry Principal, Pegasystems

💡 Key Takeaways

Effective data governance is fundamental for realizing the benefits of AI and advanced analytics across industries. Building foundational trust with end users is paramount to obtaining the data needed to train AI — and that starts with data collection processes, which also impact accuracy.

☑ **High-quality, integrated data will be essential for delivering hyper personalized customer experiences, particularly as AI models become more sophisticated.**

☑ **Strengthening data quality governance, with real-time validation and continuous monitoring, enables accurate customer profiles that drive actionable insights and personalized touchpoints.**

☑ **Reliable data improves customer trust, positioning your organization as a leader in customer-centric conversations and maintaining relevance in every customer interaction.**

Trend 2

Regulatory Challenges and Ethical Considerations Will Precede AI Implementation

Regulatory challenges are a major hurdle for AI adoption, especially in industries with strict oversight, where new regulations are rolling out at increasing speed — and with decreasing time to comply. At the same time, consumer hesitation and concerns surrounding the secure and ethical use of GenAI in particular pose another challenge to widespread implementation, despite the potential benefits. Adding the right technology solutions to your stack can help break down these barriers.

Regulatory Challenges in AI Implementation

According to industry experts, the speed and scope of regulatory changes are the number one barrier to AI implementation. In highly regulated industries such as insurance, healthcare, and financial services, this is a key consideration for any AI initiative — and one that will continue to play a central role as AI adoption scales.

In 2025, expect to see more changes as regulatory bodies take a more stringent look at how enterprises interact with customers and expectations around transparency rise. The Digital Operational Resilience Act (DORA) in Europe and Operational Resilience in the UK, for example, both have significant implementation milestones in 2025.

Strict regulations and data privacy concerns necessitate careful data handling. Non-compliance can lead to severe consequences, including hefty fines, legal actions, and reputational damage. Look for technology solutions that seamlessly integrate compliance with key regulations, including automatic updates to help you comply faster. Automation can also provide a clean audit trail by tracking and documenting changes. As regulators, associations, and alliances create new regulations, tracking AI usage at both the individual customer interaction level as well as the portfolio content level will be critical.

"Organizations that accurately track AI usage will be able to prove content provenance, respond to client AI disclosure requests, and pass regulatory AI audits."

—Scott Draeger, SVP Product and Vertical Communications, Smart Communications
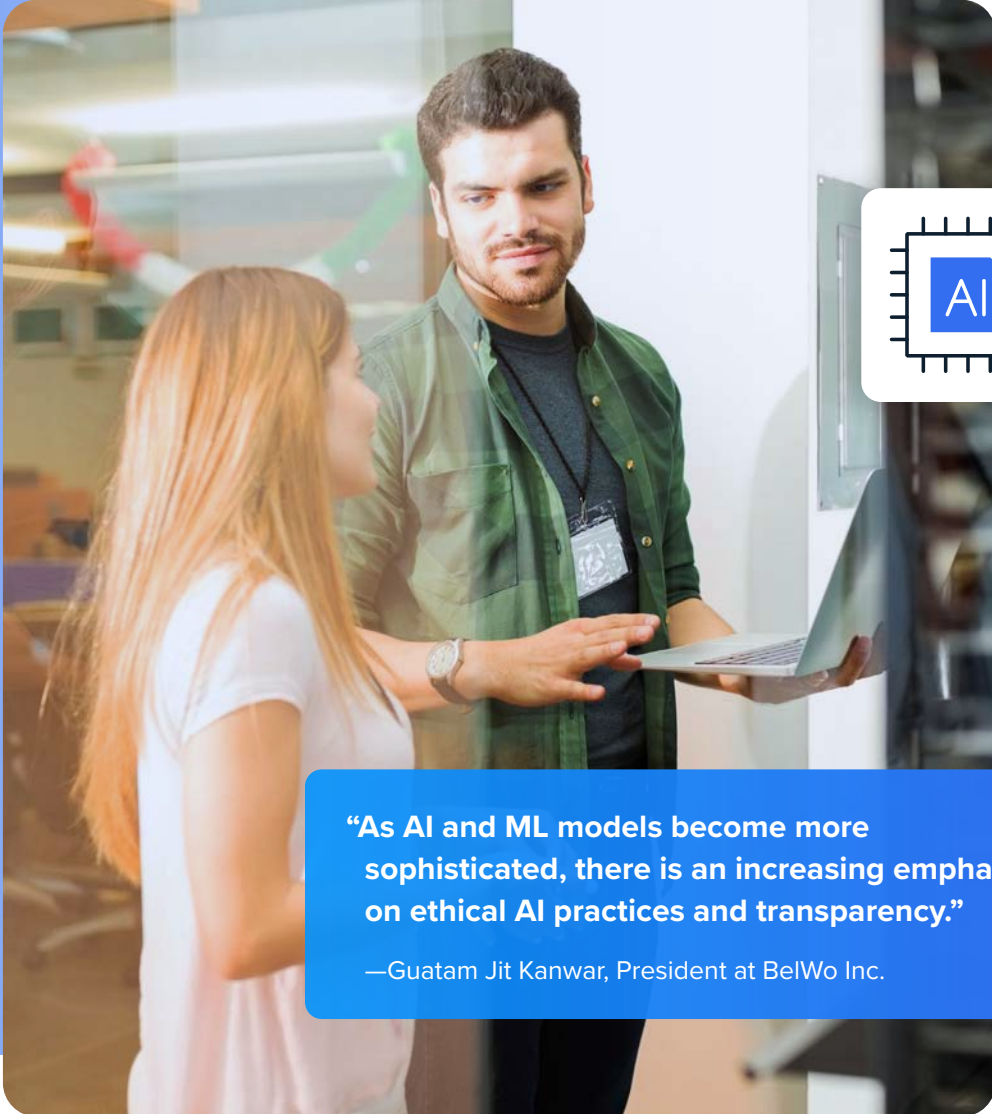
> **"As AI and ML models become more sophisticated, there is an increasing emphasis on ethical AI practices and transparency."**
>
> —Guatam Jit Kanwar, President at BeIWo Inc.

Alan Katzman, Insurance Industry Specialist at Pegasystems, says while the dynamic regulatory landscape and "the shadow of burdensome regulatory oversight" has slowed the adoption of AI, this will change when organizations know they have the same ability to remain compliant and successfully respond to market conduct examination for AI-driven processes as they do for human or traditional rules-based activity.

For the finance industry, rapid fluctuations in market conditions as well as regulations require radically different responses — both powered by the ability to quickly innovate, on the front- and back-ends respectively. Healthcare also must contend with widespread and rapidly evolving regulatory demands, particularly around data privacy but also concerning accessibility, including language translations, interoperability, and security. Establishing a strong data governance framework will enable organizations to create a clean audit trail for AI use, document provenance, and AI disclosure requests.

> "According to a recent study, only about 25% of payers and 15% of providers currently have an AI strategy, pointing to regulatory and legal considerations, costs, and accuracy as the main hurdles."
>
> —KLAS Research, Healthcare IT Spending 2024

The Question of Ethics and Accountability in AI

The top ethical considerations for organizations using AI and GenAI, whether for backend business processes or to enhance customer interactions, are data privacy, AI bias, and business transparency. In sensitive industries like finance and healthcare, lack of trust around AI can also impact the feasibility of full implementation. For organizations that deal with sensitive personal information, it's important to address what data to expose to AI models and the proper entitlements for doing so. To mitigate data privacy risks, implement strong accountability frameworks as well as regular internal AI audits. Externally, algorithmic transparency requirements vary by jurisdiction but the desire for transparency in AI use is widespread throughout markets and verticals.

The Smart Communications 2024 Healthcare Global Benchmark Report highlighted consumer hesitation around GenAI adoption, as did our reports for financial services and insurance. While 47% of consumers agree GenAI has the potential to improve the communications they receive, many are concerned about security and ethics. This highlights the need to safeguard the massive amount of sensitive data AI models require, which increases the potential for risk. How that data is used also raises concerns, particularly with the potential for GenAI "hallucinations," which are falsehoods provided with full confidence. The need for care and caution is clear.

Jamie Smith, Managing Director for Insurance at Accenture, says resistance to change and concerns over potential biases in AI models are common when adding AI to business processes. As the industry-wide push towards digital transformation continues to move insurance organizations to use AI, analytics, and automation, he says, "Balancing innovation with regulatory compliance and ensuring ethical use of AI will remain critical challenges."

Jake Sloan, Vice President of Global Insurance at Appian, highlights key challenges insurers face: "Regulatory compliance, data privacy risks, high implementation costs, and resource limitations are all barriers to AI integration. Insurers must navigate complex, jurisdiction-specific regulations, while also managing the vast amounts of customer data AI models require. The high costs of technology and specialized personnel add further complexity, especially for those without in-house expertise. Our approach helps enable scalability, allowing teams to focus on high-impact areas and creating opportunities for growth and innovation."

Two-thirds of consumers have concerns about businesses using AI in communications

66% are concerned about security

63% are concerned about ethical use

—Smart Communications, "2024 Global Benchmark Report: The State of Healthcare Customer Experience"

NOTIFICATION

A new device is using your account.

Transparency and Trust: Building Customer Confidence in AI-Driven Processes

Trust is a critical factor in every customer relationship, and AI adds complexity to this equation. When you're asking customers to provide sensitive data, they need to feel confident that the collection process is secure. As Simon Tindal, CTO at Smart Communications, says, "Trust is increasingly important for getting people to provide information. If you can't get the best quality input, you can't train AI models effectively."

"94% of consumers say security is the most important factor when filling out forms or providing personal data "

—Smart Communications, "2024 Global Benchmark Report: The State of Insurance Customer Experience"

It's also important to reassure customers about security, fairness, and how their data will be used. Jim Lundy, Founder and CEO at Aragon Research, recommends companies establish a well-defined AI policy to reassure customers that their data won't be misused. At the same time, this will help with organizing information so that technology can access the right data securely and provide a higher-quality customer experience.

Tindal also emphasizes the importance of data transparency in establishing trust, particularly for organizations focusing on hyper-personalization or using GenAI for customer service. This doesn't have to be complicated. For instance, when sending out communications, notifying the customer that part of the copy has been generated by AI could be as simple as adding footer text that says, "Part of this notification was written by AI."

💡 Key Takeaways

Proactive regulatory compliance and the ability to quickly react and adapt will be a competitive advantage in 2025. The ability to easily control, manage, and track or audit regulatory language and change history is also key. Ethical considerations will demand responsible AI implementation, balancing innovation with customer and regulatory expectations.

✅ **Preparing for evolving AI regulations means establishing transparent tracking capabilities for AI-driven interactions, helping you remain compliant while enhancing customer experiences.**

✅ **Developing ethical AI strategies — such as monitoring for bias and ensuring the explainability of AI outputs — builds trust with customers and minimizes regulatory risks.**

✅ **Staying ahead of regulatory trends with proactive, well-documented AI governance will serve as a competitive differentiator, allowing you to respond flexibly to changing compliance demands.**

Trend 3

Organizations Will Prioritize Strategic Modernization to Overcome Technical Debt

Digital transformation will remain a top priority for enterprise organizations in 2025. According to IDC, global spending in this area is expected to soar to nearly $3 trillion by 2027[1]. A recent Forrester report predicts that the overwhelming majority (91%) of global tech decision-makers expect to increase their IT budgets in 2025 to support ongoing transformation[2]. In fact, as organizations continue to embrace digitization, investments in digital transformation are projected to make up two-thirds of all information and communication technology (ITC) spend by 2027[3].

But there's still a long way to go. According to Gartner, 70% of enterprises are expected to adopt a cloud-first approach by 2027 — a massive jump from just 15% in 2023[4]. This makes cloud migration and consolidation one of the most significant trends in the CCM market. Why the urgency? Legacy systems currently consume 70-75% of the overall IT budget[5]. And 87% of CIOs say that the complexity of their existing systems prevents them from investing in the next generation of services[6].

In 2025, enterprises will increasingly adopt low-code platforms to reduce development complexity and costs, enabling greater speed and agility. By modernizing legacy systems incrementally and integrating automation and cloud technology, companies will rationalize the tech stack while making up for lost time. Investing in innovation will also enable a shift back to being proactive vs. reactive — which is often the case when the tech stack is severely aged.

> **"Global spending on digital transformation is expected to reach $3 trillion by 2027."**
>
> —IDC Worldwide Digital Transformation Spending Guide, 2024
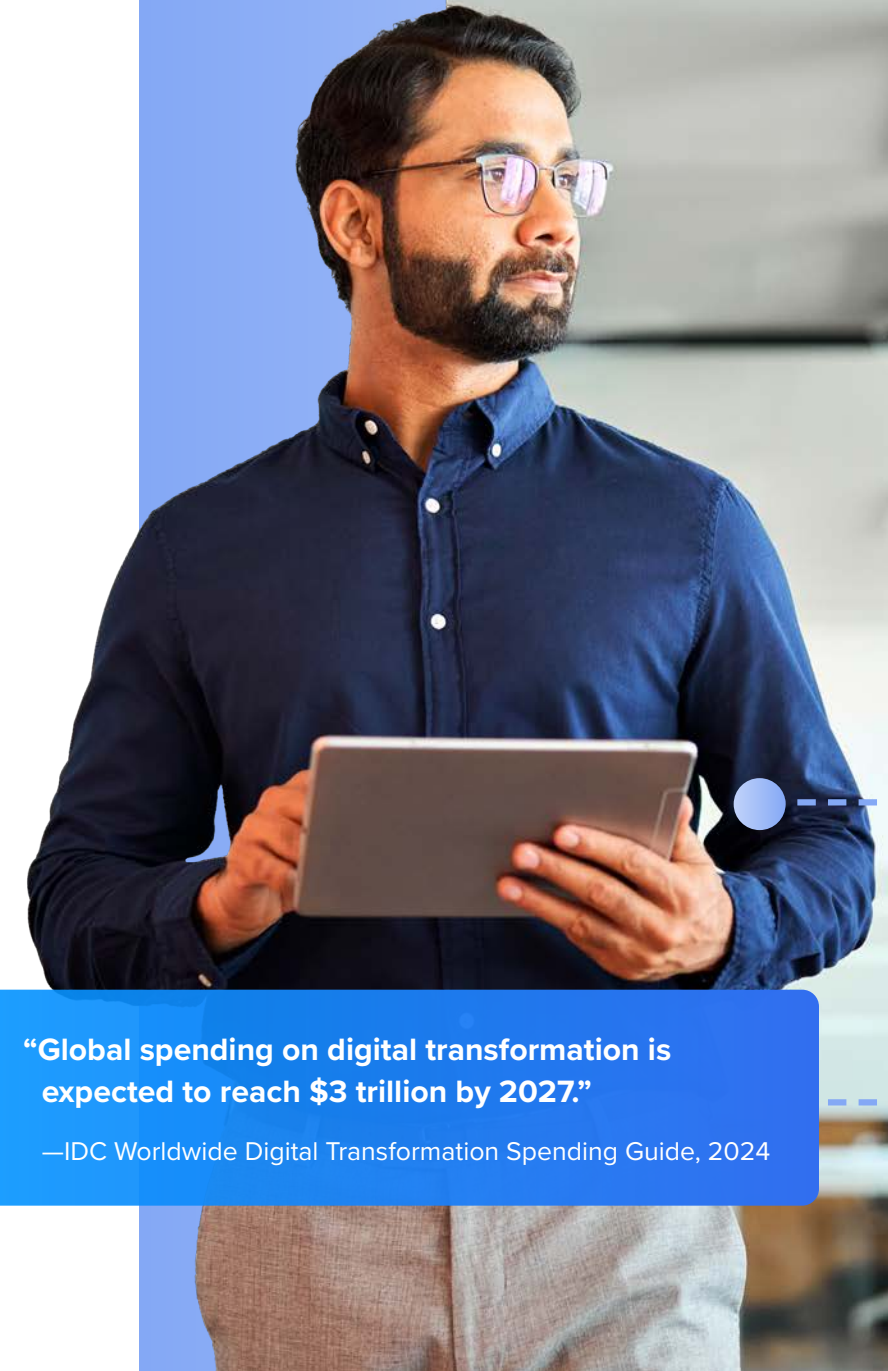
Cloud Migration and Tech Ecosystem Expansion

In many organizations, technical debt has accumulated for decades. But outdated systems lead to escalating costs and limitations, and the increasing complexity of regulations makes technical debt unsustainable. To this end, organizations are shifting to cloud-based, modular architectures that facilitate flexibility, reduce complexity, and accelerate feature adoption. The pace of change has quickened in the last year, making strategic technical investment an asset to catapult growth strategies.

> "To leapfrog over the legacy tech debt, many companies are exploring building out their tech ecosystem with targeted, real-time SaaS capabilities to provide data, tools, and other market or customer differentiators."
>
> —Christina Lucas, Global Head of Industry Advisory at Guidewire

According to Scott Draeger, SVP of Product Marketing and Vertical Solutions at Smart Communications, "This is an opportunity to consolidate systems with state-of-the-art technology to deliver better experiences, while reducing the cost to comply with a growing list of complex regulations."

For the majority of insurance, finance and healthcare organizations, deep technical debt keeps most of their IT budget and staff focused on maintenance rather than innovation. As a result, they often start their cloud journeys looking for straightforward cost savings — but quickly pivot to innovation projects once they've freed up some resources by moving to the cloud.

While historically the insurance industry has been cautious in moving away from legacy systems and processes, Jamie Smith says, "We're seeing a significant push towards digital transformation driven by evolving customer expectations, regulatory changes, and competitive pressures."

In the healthcare industry, analyst reports point to enterprise architecture consolidation as a key trend, adding that security, ease of integration, and rapid ROI are clear selection criteria. And for the financial services sector, poor technology choices can hinder a bank's ability to leverage data and AI effectively. The focus should be on resilience, modernization, and re-architecting to manage the data deluge created by digitization and support AI scale-out.

> **"There are a lot of routes that insurers can take to meet their modernization goals, but a big first step is simply that: getting started."**
>
> —Terry Buechner, Principal Insurance Specialist, AWS

According to Alan Katzman, new approaches to legacy modernization are allowing organizations to tackle older mainframe applications more incrementally and at a lower price point. He explains, "Leveraging synchronization of data in the cloud and low code/no code platforms to build applications better aligned with how business wants to operate today allows companies to deploy modern capabilities faster, cheaper, and without the long runway and complexity of a one-to-one, big bang replacement project."

In a recent global survey of bank IT investments and priorities, Celent found that legacy modernization is a top IT investment driver for midsize and large banks.

Source: Celent

NOTIFICATION
Your data has been migrated successfully

Real World Customer Communications Modernization Success

Priority Health replaced a hodgepodge of legacy customer communications systems with a modern SaaS platform and:

- ✓ **Reduced time-to-market from two weeks to 24 hours**
- ✓ **Automated tracking and documentation of changes, saving manual effort**
- ✓ **Saved $150,000 in outside vendor costs and repurposed two full-time employees**

Commonwealth Superannuation Corporation was operating around 30 disparate legacy tools, lacking a unified view of customers. By integrating a cloud-based CCM solution with Salesforce, the company:

- ✓ **Consolidated redundant Microsoft Word templates and created consistency**
- ✓ **Streamlined change management, reducing communication update times**
- ✓ **Improved customer experiences with personalized, efficient communications**

Aioi Nissay Dowa Insurance replaced a 20-year-old legacy system with a modern, flexible SaaS architecture, leading to:

- ✓ **99.8% document success rate**
- ✓ **Cost-effective, pure cloud deployment enabling ambitious growth plans**
- ✓ **Dynamic, engaging policyholder communications and improved document quality**

Transition to Agile and Collaborative Development Practices

Agile methodologies and collaboration between IT and business units further enhance modernization efforts, enabling you to respond to changing market conditions and customer needs faster. Agile development practices power faster iterations and development cycles, while closer collaboration between IT and business units keeps technology investments aligned with strategic business goals, strengthening transformation efforts.

In industries that have traditionally been slow-moving, the shift to agile ways of working is a game changer. Insurance firms, for example, have typically taken several months to launch new products as functional organizations work through a clunky process of proposals and approvals. As they shift toward agile development, insurers reduce complexity while making targeted investments in talent and tools to manage costs. With small, cross-functional teams working together, new digital products can be launched within weeks if not days and continually improved based on customer feedback. This approach provides the innovation and change traditional insurers need to thrive in the digital era.

> "As they organize for the next normal, it will be critical for insurers to get faster, leaner, and more effective. Agility helps on all three counts... As a result, [agile] ways of working typically lead to improved customer satisfaction and employee engagement."
>
> —McKinsey and Company, "Scaling agility: A new operating model for insurers"

In the fast-moving finance industry, organizations must keep up or be left behind. Banking has grown increasingly digital in recent years, with the pace of change accelerating rapidly. To overcome functional siloes and manage increasing complexity and regulatory oversight, you must be able to change priorities and operations at speed. An agile operating model allows banks to solve customer pain points as they arise and make changes (and deliver value) incrementally.

> "It's time to make sure your financial institutions can change at the speed of regulations, customer demands, and market conditions."
>
> —Scott Draeger, SVP Product and Vertical Communications, Smart Communications

The same applies to healthcare, where increasing digitization, fast-changing regulations, and evolving consumer expectations demand flexibility, innovation, and rapid response times. Agile methodologies can streamline processes, leading to better outcomes for patients and less stress for providers. The ability to develop and implement new care delivery models faster—and at greater scale—combined with a strong emphasis on continuous improvement benefits the entire healthcare ecosystem.

Investment in Automation and DevOps to Minimize Maintenance Burden

In companies with outdated systems and processes, most IT budgets typically go to "keeping the lights on," — which doesn't leave much room (or appetite) for new projects. By adopting agile development processes and modern systems, teams have the ability to innovate and continually add value. Automating key operational processes, such as data collection or communications generation, frees up significant resources to focus on moving the entire organization forward, one project at a time.

The bottom line is that in 2025, complacency is not an option. Technical debt and legacy ways of working pose real risks to compliance and other key business processes that have severe financial implications, such as underwriting for insurance. Changing customer preferences, increasing demands for control over CX, and the desire for a nimbler organization are nudging organizations across highly regulated sectors to step out of their comfort zone.

🔅 Key Takeaways

In today's fast-paced business environment, transitioning from on premise to SaaS applications is an important prerequisite for making progress. Reducing technical debt through modernization strategies enables organizations to integrate advanced technologies efficiently and stay agile in a competitive landscape.

✅ **Modernizing your IT architecture — whether by cloud migration, modular systems, or automation — will empower your organization to adapt quickly to market and customer demands.**

✅ **Addressing technical debt strategically, rather than with a one-time fix, can drive long-term value by lowering complexity and enhancing operational efficiency.**

✅ **By reducing technical debt, your company can achieve faster innovation cycles, lower costs, and a more adaptable digital ecosystem that aligns with your growth goals.**

Trend 4

Organizations Will Use Data, AI to Enhance CX and Personalization

Companies are leveraging data and AI to provide the kind of personalized and contextually aware experiences today's consumers expect, using tools like conversation history from SmartCOMM to enrich customer interactions. Healthcare providers aim to deliver insights-driven services, and the finance industry relies on SaaS solutions for rapid, customer-centric innovations.

## Creating Contextual and Tailored Experiences Using AI

Personalization remains a top priority in the evolving landscape of CXM and CCM. Companies today want solutions that don't just automate but truly enhance the quality of customer interactions while staying compliant and secure. Trends indicate a strong move towards AI-driven omnichannel engagement, where customers receive seamless, personalized interactions across platforms. To remain competitive, businesses need adaptable, scalable technology that aligns with both current and future digital transformation goals. Advances in AI, including the emergence of GenAI models—which use LLMs to generate content in response to user prompts rather than relying on predefined rules and algorithms— have made personalizing customer interactions possible at significantly greater scale, and with more efficiency. This includes generating new documents, translating communications into new languages, and maintaining empathy during stressful times such as filing a claim.

Ernie Crawford, CEO of Crawford Technologies, emphasizes the role of data quality in effective AI adoption: "In 2025, enterprises will recognize that high-quality data is the foundation of effective Customer Communications Management (CCM). AI-driven technologies are transforming customer experiences, but success hinges on usable data. Organizations must validate data at every stage—from creation to delivery—to ensure it is reliable, accurate, and compliant. This approach helps businesses harness AI's full potential to drive trusted, impactful customer interactions."
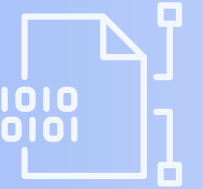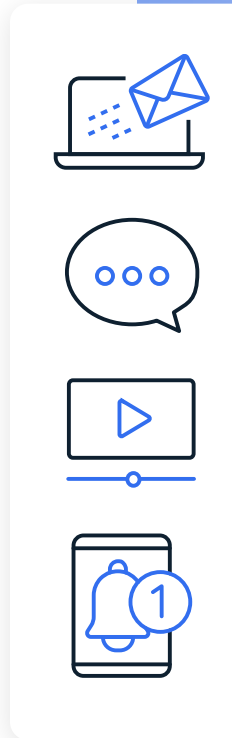
"High-quality data combined with AI-driven automation are the building blocks for personalized communications — starting with creating a unified, 360-degree view of customers."

—Strategic Advisor and Enterprise Solutions in Insurance (Sr. Director) at NTT Data
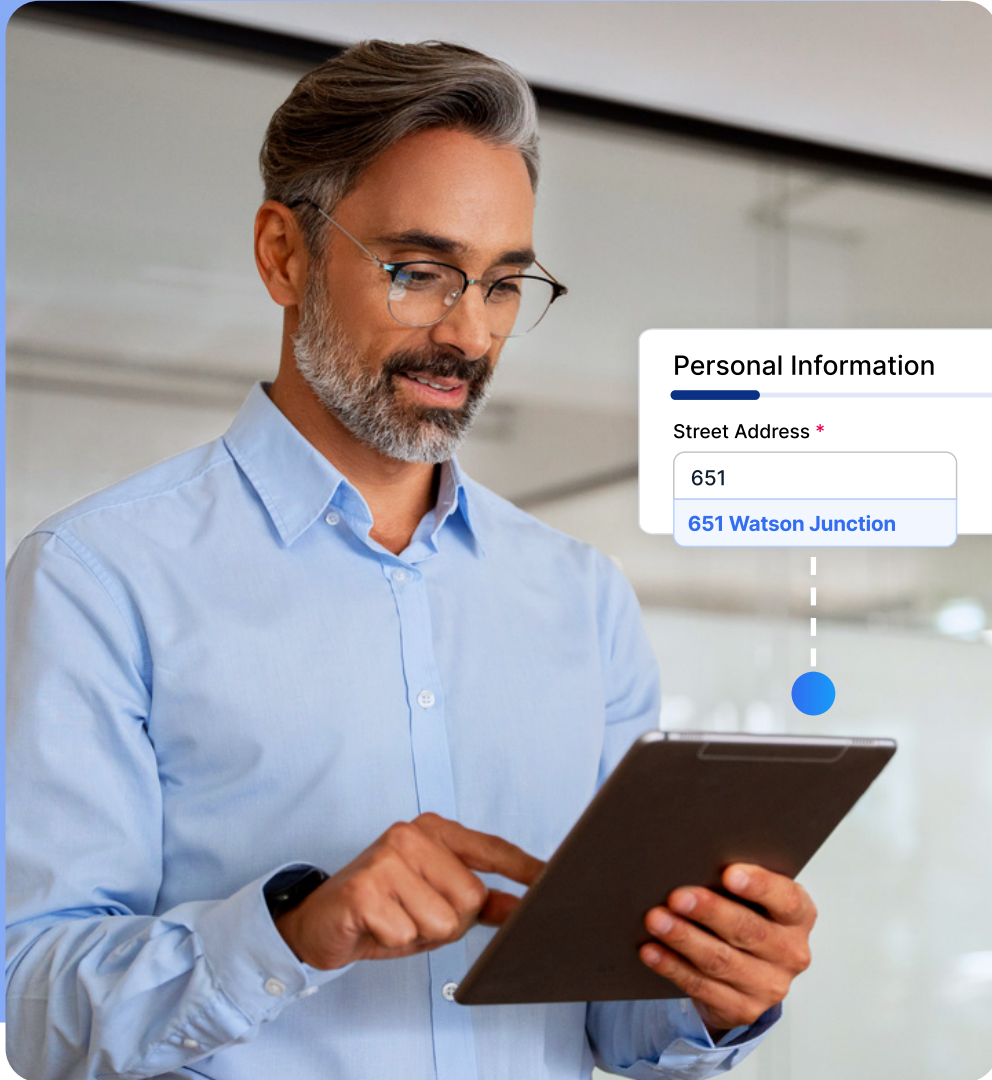
GenAI is poised to accelerate and transform personalization in forms and agreements, driving several key trends including improving user experience, enhancing efficiency, and tailoring interactions to individual needs. Examples include policy personalization in the insurance industry and personalized treatment or benefit plans in healthcare. CCM platforms are ideal for generating content and creating context-aware responses or prompts to improve overall customer satisfaction, as well as the ability to deliver dynamic personalization and self-service. One expert from a large global DTX firm explains, "Powerful insights mined from available data can drive personalization at scale and deliver superior, context-relevant experiences." This requires a coherent strategy and smooth orchestration, starting with data ingestion, management, and consumption. A platform-driven approach enabled by AI can help maintain the entire data management value chain and make hyper-personalization possible.

Rajesh Narayan, Vice President of Product & Underwriting at ValueMomentum, emphasizes the strategic focus needed to execute AI effectively: "The insurance industry is both data-rich and AI-ready but not able to double down on specific use cases due to lack of business feasible execution. Organizations that prioritize their AI use cases—focusing on data quality, modeling governance, and seamless integration with existing systems and processes—will reduce technical debt and operational costs, ultimately generating long-term business value."

Leveraging Conversational History and Data for Meaningful Engagements

The conversation history feature of AI-powered CCM solutions is the interaction repository and tracking solution that provides reporting and analytics on the metadata of all communications and other critical customer actions. This includes things like tracking offer acceptance and redemptions, sales, and e-delivery signups. Leveraging conversation history analytics enables you to better understand the impact of your customer communications and tap into important trends that will help make these interactions even more meaningful over time. By "listening" to all outbound conversations, often across multiple business units, conversation history records key metadata and stores them in a highly efficient and scalable repository. That data can be used to hyper personalize individual conversations or to uncover trends across the business. Ingesting third-party data deepens insights even further.

Personal Information

Street Address *

651

651 Watson Junction

"While organizations pursue a variety of AI strategies, it's important to understand customer context. Smart Communications clients who employ Conversation History are able to bring rich contextual data to their archive in a way that enriches LLM training."

—Scott Draeger, SVP Product and Vertical Marketing at Smart Communications

Innovating Through Usage-Based Models and Just-In-Time Solutions

Technology is also expediting the product innovation cycle, with first- and third-party data delivered through SaaS capabilities giving companies the opportunity to develop and launch products faster based on customer behaviors or preferences. "In effect, companies can offer just-in-time products priced at just the right level of usage, maximizing both the customer benefit and the company's growth strategy," explains Christina Lucas, Global Head for Industry Advisory at Guidewire.

With AI making it possible to analyze vast amounts of data, providers are offering personalized policies that lower costs and increase accuracy. For example, usage-based models for auto insurance calculate premiums based on actual driver behavior and risk analysis rather than factors like age, gender, and location. Varying degrees of personalization depend on the available data, which generally comes from a telematics device installed in a driver's vehicle. As this model gains popularity, new use cases emerge. First notification of risk (FNOR) solutions may help to prevent accidents by flagging unsafe behavior. Crash detection systems in telematics devices may help to accelerate claims processing. As the technology continues to advance, usage-based models will become more sophisticated — and more personalized.

In the financial services world, just-in-time solutions also leverage AI to personalize offerings and enhance efficiency. As an example, just-in-time funding solutions provide the amount of funding a customer needs to fulfill transactions, when they need it, as opposed to giving them a bulk payment upfront. Both sides benefit from increased efficiency thanks to data-driven precision.

"A TransUnion survey in February and March of 2022 found that 40% of respondents were offered a telematics program, up from 32% in November 2021. The percentage who opted in also rose from 49% to 65%.

—Forbes, "How Does Usage-Based Car Insurance Work?"

Key Takeaways

Personalizing interactions through data and AI improves customer satisfaction and loyalty, offering a distinct advantage in a competitive market.

- ✅ **Building a robust SaaS ecosystem allows you to leverage specialized tools and services, enhancing the speed and scale of your customer interactions.**

- ✅ **Integrating SaaS solutions offers cost-effective access to real-time data, insights, and tools, enabling your team to improve customer responsiveness and satisfaction.**

- ✅ **A SaaS-first strategy makes it easier to test and adopt new capabilities quickly, helping you deliver differentiated, value-driven customer experiences with minimal disruption.**

Scale Insurance — 3m ago
It looks like you qualify for a discounted rate based on your driving history.

Trend 5

Companies Will Increase Market Share by Prioritizing Continuous Improvement and Innovation

Adopting a culture of continuous improvement and innovation will help you stay competitive while keeping pace with rapid technological and regulatory change. McKinsey defines continuous improvement as "an ongoing effort to improve all elements of an organization [that] rests on the belief that a steady stream of improvements, diligently executed, will have transformational results."[8]
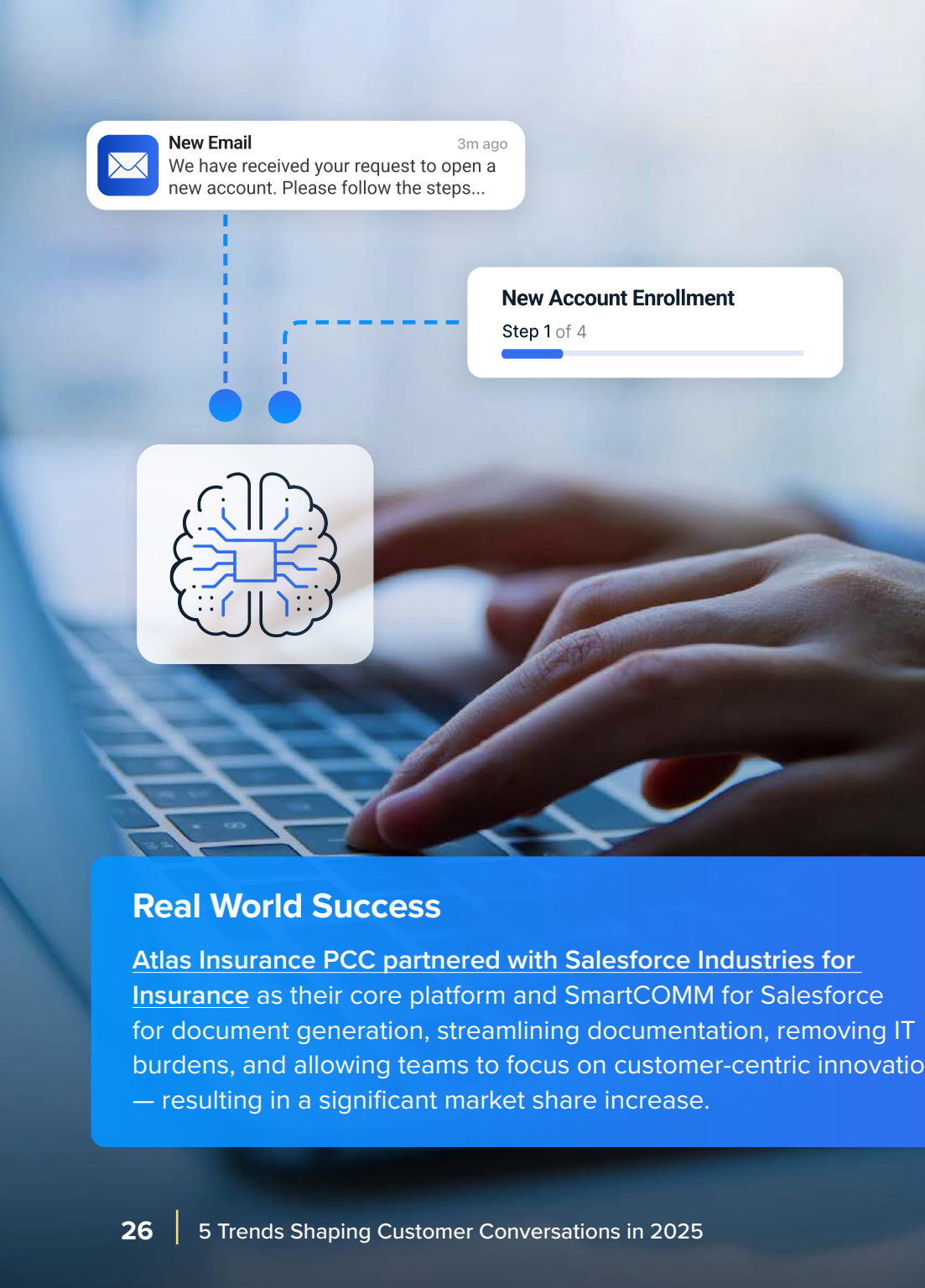
This includes consistently looking for ways to refine and enhance processes, products, and services. Key areas of focus include incremental ongoing change, employee involvement, knowledge sharing, data-driven decision making, and a strong customer focus. Leadership also plays a crucial role in setting goals and sustaining efforts. Transformations from fostering a culture of continuous improvement include retraining employees in new skills, collaboration across the organization, and adopting agile methodologies to enable innovation at speed. In the insurance sector, the emphasis is on iterative development, while healthcare and finance focus on agility to navigate dynamic environments.

Terry Buechner of Amazon Web Services (AWS) says that the key to not being bypassed by competitors is to get going – to start experimenting with new capabilities and technologies as soon as possible. He notes that while each insurer's situation is unique - competitive position, market, products, IT budgets, etc. – the critical first step is to identify what you are trying to achieve for your customers and work backwards from there. Buechner believes that insurance providers must be looking ahead, and acting now, if they want to thrive in the coming years.
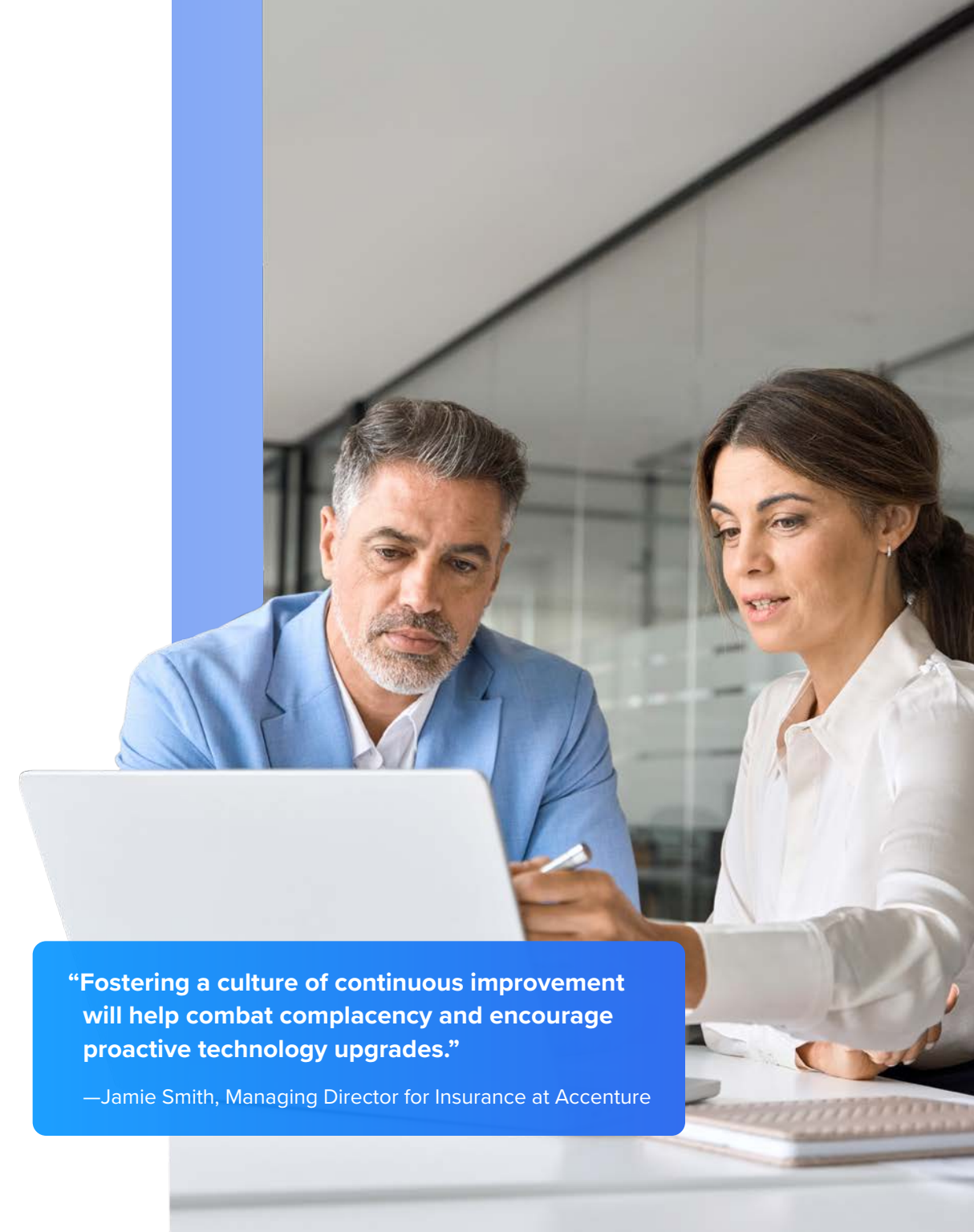
"Fostering a culture of continuous improvement will help combat complacency and encourage proactive technology upgrades."

—Jamie Smith, Managing Director for Insurance at Accenture

New Email   3m ago
We have received your request to open a new account. Please follow the steps...

New Account Enrollment
Step 1 of 4

Real World Success

Atlas Insurance PCC partnered with Salesforce Industries for Insurance as their core platform and SmartCOMM for Salesforce for document generation, streamlining documentation, removing IT burdens, and allowing teams to focus on customer-centric innovation — resulting in a significant market share increase.

"A modern digital insurer is customer obsessed, organized for value, encourages innovation through a test-and-learn culture, has a modern core, and strategically uses data," he says. A culture of improvement is essential to moving forward. "Data quality is essential to insurance operations, particularly as the demand grows for more data, at higher levels of granularity, while at the same time the number of available data sources explodes." Terry Buechner of AWS adds that building a modern data foundation will go a long way in helping insurers and regulators feel more comfortable in rolling out new AI capabilities in a useful, safe, and secure manner.

Partnering with Third-Party Providers to Enhance Capabilities

For many organizations, partnerships offer a cost efficient and effective way to scale AI into their operations without starting over from scratch. For those undertaking legacy migrations, a siloed approach not only escalates costs but can also lead to under exploitation of products and platforms. Systems integration partners can bring considerable efficiencies to the table.

Partners can also help you address technical debt more swiftly. According to Kaspar Roos, Founder and CEO at Aspire, "In areas like content automation and CCM, there's significant overlap and outdated infrastructure running on expensive, aging hardware. Partners can streamline migration, bring innovation, and make the process less painful so customers can modernize their systems without unnecessary disruption. With new developments such as agentic AI, we see system integrators starting to experiment with autonomous AI agents as powerful tools for automating complex migration workflows and decision-making processes. This convergence of partner expertise and AI capabilities creates a robust framework for tackling legacy system challenges in an efficient manner while staying ahead of technological innovations."

"A cost-effective and quick time-to-market approach is to partner with systems integrations partners and product vendors right from the beginning, and throughout the implementation journey."

—Delivery Manager, Large Global Digital Transformation Firm

Strategic AI partners can help you leverage and source high-quality data for key use cases including generating brand-oriented content for web/marketing channels and streamlined document extraction/automation. Sumit Uppal of Capgemini, a leading technology services partner, says insurers are deploying AI/ML applications in various operational areas with a focus on claims processing (70%), marketing (50%), and fraud detection (49%).

Key opportunities to scale AI applications through strategic partnerships can also be found across customer service, marketing, and sales. In addition to use cases that may still be in the pilot phase, such as personalized content generation, there's also significant interest in emerging applications like predictive agent coaching, video contact centers, and onboarding copilots.

In the healthcare industry, analyst reports point to enterprise architecture consolidation as a key trend, adding that security, ease of integration, and rapid ROI are clear selection criteria. And for the financial services sector, poor technology choices can hinder a bank's ability to leverage data and AI effectively. The focus should be on resilience, modernization, and re-architecting to manage the data deluge created by digitization and support AI scale-out.

Unified Customer and Marketing Communication for Consistent Branding

Traditionally, customer and marketing communications have been handled by separate business units using disparate, usually siloed systems. But in an increasingly digital, competitive market, managing both types of communications with a single, centralized system not only increases efficiency and agility, it also helps with brand recognition and building consumer trust and loyalty— two things that matter more than ever.

Select Channel Layout

☑ Single Column
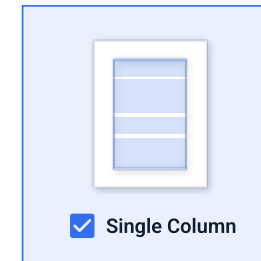
Real World Success

NLC Insurance Companies partnered with Guidewire InsuranceSuite and SmartCOMM to increase agility, including transitioning from 70+ document templates to a single template for easy branding and maintenance plus swift adaptation to industry changes.

AI-powered solutions can help to generate high-quality, branded content, with content review and validation workflows to reduce manual effort. As an example, a multinational healthcare organization had multiple business units using multiple solutions to manage content and generate communications. Not only was this inefficient and expensive, it resulted in a lack of visibility into content and versioning. By moving to a single, cloud-based CCM solution, the organization was able to create shared libraries to ensure content consistency across enrollment, onboarding, claims, pharmacy, explanation of benefits, and other documentation. Versioning is no longer an issue, production times plummeted, and a recent rebrand went smooth and fast.

As insurers continue to modernize, there will be increased focus on data-driven decision-making and ecosystem partnerships to stay competitive in a rapidly changing landscape.

—Jamie Smith, Managing Director for Insurance at Accenture

Integration with Industry Ecosystems for Broader Impact

No matter what stage of digital transformation your organization is at, the ability to integrate core systems with the leading solutions within your industry offers a unique opportunity to broaden your impact. This requires modern core systems that are flexible, scalable, and extensible — legacy on-premise solutions won't do. But if you've moved or are in the process of moving to a modern, cloud-based architecture, integrating your existing applications and processes will allow you to build seamless experiences for your customers.

With the move to the cloud, insurers, banks, and healthcare payers and providers will be better equipped to enhance operational efficiency, personalize CX, and manage risk more effectively. Increased focus on data-driven decision-making and ecosystem partnerships will help you stay ahead of the curve.

Building an open, best of breed technology infrastructure enables you to break down internal silos across disparate technologies, remove friction with connected processes and intuitive experiences, and build a more complete, contextual view of customers, partners, and employees. Look for solutions with a robust and modern API framework to build custom integration and workflows, and programmatically access entire platform capabilities. In financial services, for example, banks may partner with fintech firms to broaden their reach and increase market share by offering new digital products or processes. Healthcare providers may need to integrate with legacy payment systems while also looking to streamline and modernize member communications. Insurers could be looking to replace legacy communications tools with a modern solution that also integrates with core systems, such as Guidewire. Enterprise organizations in any business might look to integrate Salesforce CRM with specialized industry solutions to create a 360-view of customers. The goal should be to build out and up, not necessarily to rip and replace.

Case Study: The Pacific Financial Group

The Pacific Financial Group needed to simplify advisor forms processes across multiple customer touchpoints, including onboarding and loan servicing. By investing in a smart, cloud-based forms automation solution, the company was able to achieve a seamless integration across multiple core systems, including Orion and Salesforce.

- ✓ **Centralized and streamlined advisor experience with single sign-on**

- ✓ **Enhanced security across digital communications data**

- ✓ **Improved forms process efficiency while reducing errors**

Single sign-on enabled
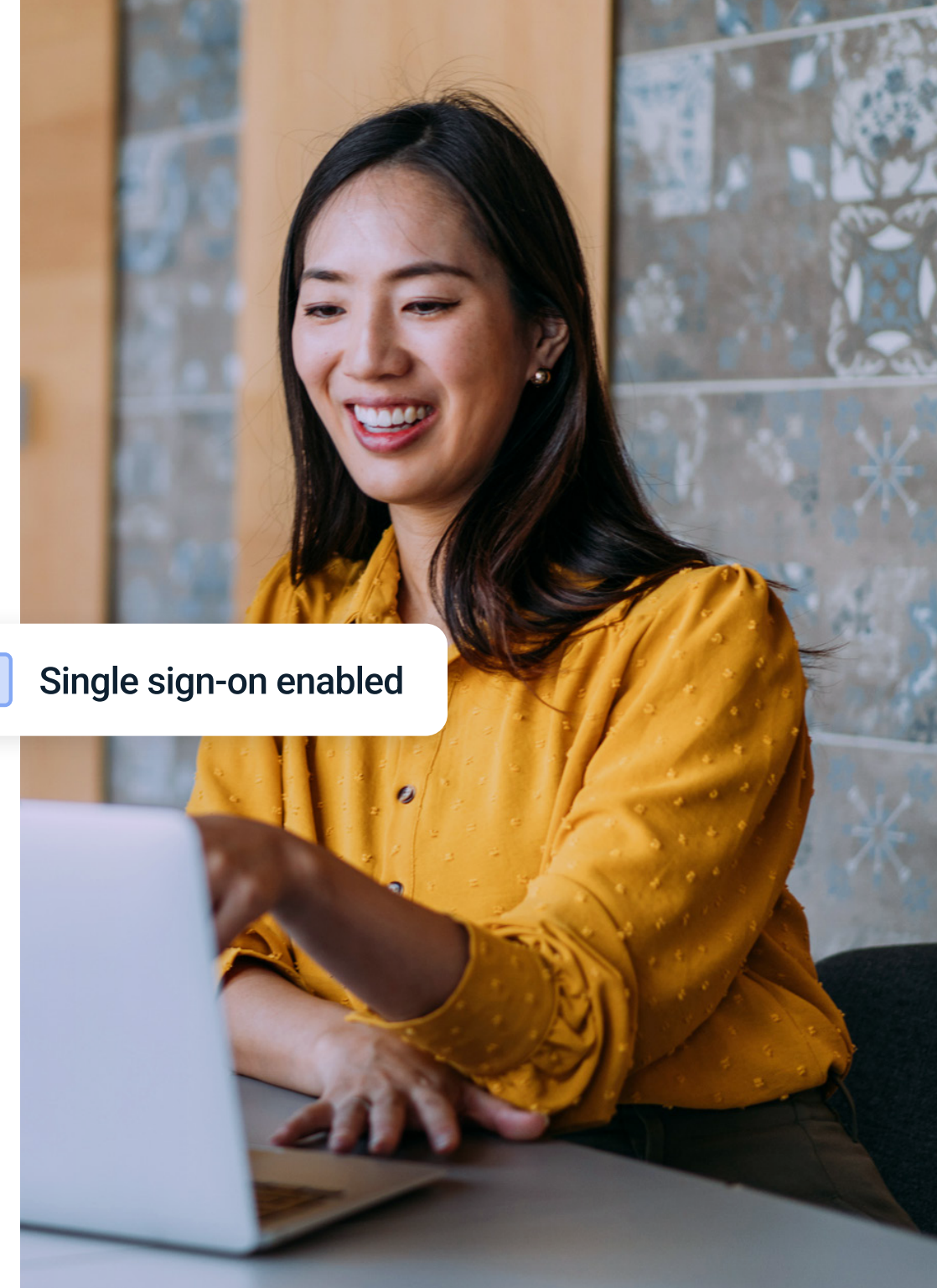
💡 Key Takeaways

A culture of agility and innovation empowers organizations to adapt effectively, manage risks, and consistently improve customer service, giving you a competitive edge in your industry.

- ✅ **Leveraging AI to create personalized experiences will help your organization build deeper connections with customers and increase long-term loyalty.**

- ✅ **AI-driven insights make it possible to anticipate customer needs, enhancing satisfaction while reducing friction in customer journeys.**

- ✅ **Investing in AI to power personalized interactions ensures that your business remains competitive, meeting evolving customer expectations with relevant, timely engagements.**

Conclusion

With AI continuing to shape customer interactions and business models in 2025, data is foundational to realizing the potential benefits. Prioritize data governance and quality to ensure accuracy and establish strong governance frameworks to keep up with fast-changing regulatory oversight, particularly around the use of AI. Automation can help with tracking, audits, and explainability, as well as enhancing CX quality and efficiency.

As digital transformation efforts continue, modernization strategies are the key to reducing technical debt and unlocking innovation. Adopting agile methodologies and building a modern tech architecture go hand in hand, including integration with leading industry solutions to create a seamless, superior tech ecosystem — and delivery of seamless, superior experiences. By tapping into all available data and the latest tools, you can gain a competitive edge in a tight market by providing personalized, contextual experiences at scale, improving customer satisfaction and loyalty. Creating a modern tech ecosystem that's interconnected, data-driven, and robust will help you unleash efficiency and personalization at speed and scale. Meet the moment by powering tailored and effective customer conversations on any channel with a cloud-first, end-to-end solution like the Smart Communications Conversation Cloud™.

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