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Leveraging CPaaS to Deliver Superior Customer Experience

The COVID-19 pandemic of 2020 turbocharged digital transformation initiatives across enterprises worldwide. Even heavily regulated sectors like healthcare, government, and banking embraced digital communication tools such as mobile apps, video, messaging services, and chatbots.

The shift has also transformed customer behavior. Customers now expect businesses to be 'always on' and available on their platform of choice. The trend is especially true for Gen Z – a generation that relies on digital solutions (chat, messaging platforms, digital payments, and more) for everything.

The pandemic exposed the shortcomings of human-capital-intensive customer care or call centers. As enterprises digitized their customer support within weeks, they also realized the value of digital media and enriched mobile experiences. The world won't go back to the way it was before 2020, and as such, enterprises must step up their customer engagement game.

As a result, communication service providers (CSPs) have an opportunity. They can offer communications platform-as-a-service (CPaaS) solutions for enterprises across sectors to build customer-centric experiences and boost engagement.

The rise of CPaaS

CPaaS solutions are cloud-based and let businesses add modern communication channels to their applications via APIs. These include foundational channels like SMS, A2P, voice, and emerging channels like video, messaging apps (WhatsApp, Viber, Telegram, WeChat, Apple Business chat, etc.), biometric security, and digital payments.



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Retail brands can send notifications about recent purchases, delivery status, abandoned carts, and more with an SMS or email. Ride-share apps can let customers book cabs, call the drivers within the app to guide them, and pay for the trip using payment methods integrated with the app. In an increasingly digital world, the demand for such CPaaS applications will continue to surge.

According to IDC, the CPaaS market is expected to grow from \$4.2 billion in 2019 to \$17.7 billion by 2024, revolutionizing enterprise customer engagement strategies over the next few years. Upstart CPaaS providers and aggregators are leading the way, offering stiff competition to CSPs as they're simple, affordable, and easy-to-scale.

To differentiate themselves, CSPs must:

- Embrace a digital-first approach
- Offer unified CPaaS solutions
- Choose to integrate right digital channels

Let's explore each of these differentiating factors.

How a CPaaS-driven digital transformation can improve engagement

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also realized the value of digital media and enriched mobile experiences. The world won't go back to the way it was before 2020, and as such, enterprises must step up their customer engagement game.

CPaaS provides the flexibility to switch between multiple channels to provide a true omni-channel customer experience.

How a centralized communications platform can streamline communication

Sewing together a motley group of communication channels might make it easier for businesses to stay in touch with their customers. However, they can lead to incoherent messaging.

For example, a retail brand can end up sending the same messages via SMS and email, irritating the customer and leading to higher attrition rates. CPaaS allows integration of disparate digital communication channels, thus, building a coherent system that helps send customized and coordinated notifications according to customer segment or buyer journey stage.

How focusing on customer's preferred digital channels can give CSPs an edge

Different customer demographics across the world prefer different digital channels. Before building a CPaaS solution, CSPs must map the right channel for each

customer segment. While Gen X prefers email, SMS and Facebook Messenger, millennials and Gen Z might prefer WhatsApp, Signal, or Telegram. As more channels of communication emerge, these preferences are bound to change and evolve.

Similarly, the preferred communication channels across geographies might vary. For instance, if the target demographic is in North America, CSPs should focus on Facebook Messenger, whereas for customers in South America, the priority should be WhatsApp.

That's why a CPaaS shouldn't tie itself to a single digital channel. Instead, it should opt for the channels where its target demographic is the most active.

The way forward for CSPs

In an experience-first economy, enriching customer interactions to build loyalty and improve retention will be crucial for any business to thrive.

With CPaaS, enterprises can personalize customer journeys and build an end-to-end interface that handles all customer interactions from sales to support. In addition to generating new revenue streams, CPaaS solutions provide CSPs with an edge to serve the digital natives with superior customer experience. 📌