SCALING CUSTOMER COMMUNICATIONS

UNDERSTANDING CCM IN AGILE BUSINESS ENVIRONMENTS

NOVEMBER 2017

Foreword

We're pleased to present the findings of Keypoint Intelligence – InfoTrends research. Smart Communications, the innovator in customer and business communications, sponsored this research to shed light on aspects of customer communications management (CCM) that have not been widely addressed. Working with Keypoint Intelligence - InfoTrends, one of the leading analysts of the customer communications management market, Smart Communications aimed to better understand how financial sector and healthcare companies thought about customer communications in three areas:

- Do customer communications systems have a role in helping to protect brand?

- Are enterprises creating different and specific strategies to communicate with Millennials?

- How satisfied are enterprises with current state of customer communications?

In this third report on scaling customer communications, the researchers asked a simple question – how satisfied are you with your customer communications systems? The answer they provided, as you'll see, was not surprising but when compared how respondents actually felt about what each system could do in practice, they indicated the systems had limitations and shortcomings that impacted overall efficiencies. Over three-quarters of respondents (79%) report being satisfied with their current CCM system. Although enterprises report a high level of satisfaction with their current CCM systems, our research reveals serious limitations from a functional and business perspective. We believe that the study showed, in the financial services and healthcare sectors in the US and the UK, how big of a fluency gap there is between what legacy CCM systems need to do and what they can actually do as implemented. We at Smart Communications have recognized this fluency gap and it has driven how we developed our cloud-enabled CCM solutions going forward.

I invite you to review this report and other reports in this series and engage in a conversation with Smart Communications about your views and thoughts on the research. To learn more about the Smart Communications suite of cloud-enabled solutions, visit us here.
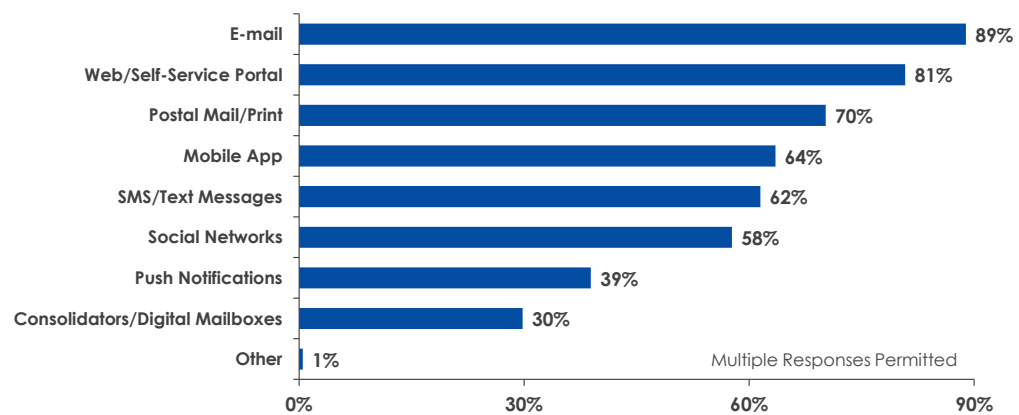
George Wright

CEO

Smart Communications

Most CCM Systems Hinder The Scaling of Communications!

According to a Keypoint Intelligence – InfoTrends (InfoTrends) study commissioned by Smart Communications, today's enterprises are generally complacent with their current Customer Communications Management (CCM) systems. Unfortunately, this complacency comes at a cost—scalability is limited and these systems are less adaptable to the ever-changing requirements of customer communications.

Digital and Print Channels Contribute to Today's Communication Mix

When enterprise respondents were asked which channels they are using to deliver outbound customer communications, e-mail and portals were the top responses. Postal mail/print rounded out the top three, showing that printed communications remain a key component of the channel mix. Even in today's age of digitization, the share of enterprises that are using printed media to communicate with customers is quite high.

Figure 1: Which of the following channels do you currently use for the delivery of outbound customer communications?
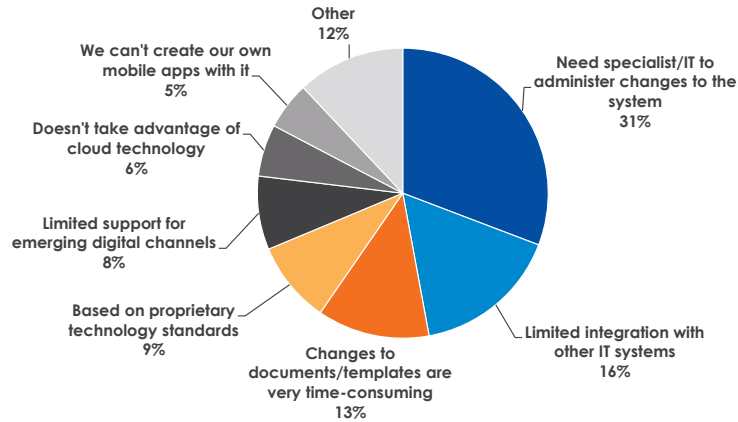
Channel	Percentage
E-mail	89%
Web/Self-Service Portal	81%
Postal Mail/Print	70%
Mobile App	64%
SMS/Text Messages	62%
Social Networks	58%
Push Notifications	39%
Consolidators/Digital Mailboxes	30%
Other	1%

Multiple Responses Permitted

N = 208 Respondents

Despite Satisfaction, High Costs and Inefficiencies Remain

Over three-quarters of respondents (79%) report being satisfied with their current CCM system. Despite this high level of satisfaction, respondents also reported a number of limitations and shortcomings with their current systems. From a functional perspective, the top issues are mostly IT-related. Respondents mentioned that their CCM system requires IT specialists to be administrated and maintained properly. Also, limited integration possibilities are creating the need for IT work-arounds and hindering a coherent IT infrastructure. All of this results in time-consuming changes to documents/templates.
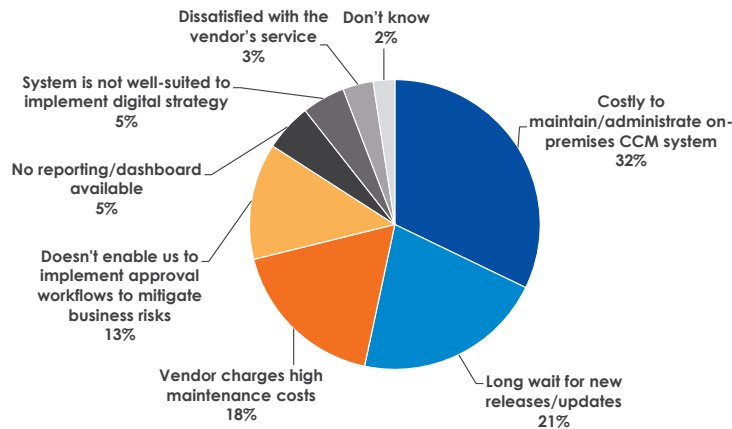
Figure 2: From a FUNCTIONAL perspective, what is the primary limitation of your current CCM system?

Other
12%

We can't create our own mobile apps with it
5%

Doesn't take advantage of cloud technology
6%

Limited support for emerging digital channels
8%

Based on proprietary technology standards
9%

Changes to documents/templates are very time-consuming
13%

Need specialist/IT to administer changes to the system
31%

Limited integration with other IT systems
16%

N = 208 Respondents

From a business standpoint, the top shortcomings included the high cost of maintaining an on-premises system, long waits for new software releases, and high maintenance charges by the vendor. These are all factors that negatively influence the return on investment of such CCM systems.

Figure 3: From a BUSINESS perspective, what is the primary limitation of your current CCM system?

Dissatisfied with the vendor's service
3%

Don't know
2%

System is not well-suited to implement digital strategy
5%

No reporting/dashboard available
5%

Doesn't enable us to implement approval workflows to mitigate business risks
13%

Vendor charges high maintenance costs
18%

Costly to maintain/administrate on-premises CCM system
32%

Long wait for new releases/updates
21%

N = 208 Respondents

When exploring the efficiency of implementing changes in communications, enterprise respondents who stated that changes to their CCM systems were time-consuming reported that the **average time to implement changes to a template was 3.5 months**. Meanwhile, those respondents who reported long wait times for new software releases and updates from vendors cited an average wait time of **more than 8 months** for availability.
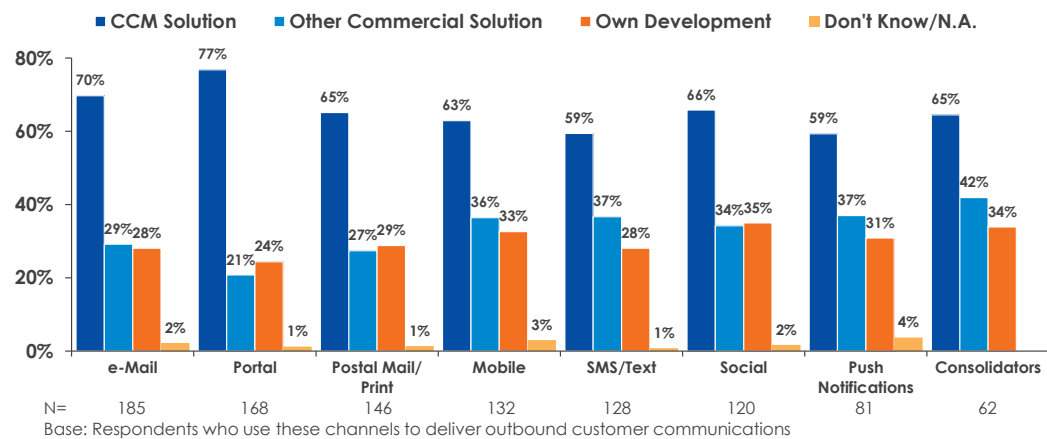
These long time windows make it difficult for enterprises to keep pace with the velocity of multiple areas affecting today's CCM market, including compliance and regulations, technological innovations, and customer expectations.

The Landscape for Outbound Communications is Fragmented

As shown in the Figure below, the technological landscape for creating, managing, and delivering outbound communications is quite fragmented among the enterprises we surveyed. Although over half of respondents were using a dedicated CCM solution, other commercial solutions and home-grown developments were also quite popular. Unfortunately, a fragmented system landscape does not contribute to a coherent and maintainable IT infrastructure.

Figure 4: Which systems/solutions does your company use to create, manage, and deliver outbound communications through the following channels?

N=
e-Mail 185, Portal 168, Postal Mail/Print 146, Mobile 132, SMS/Text 128, Social 120, Push Notifications 81, Consolidators 62

Base: Respondents who use these channels to deliver outbound customer communications
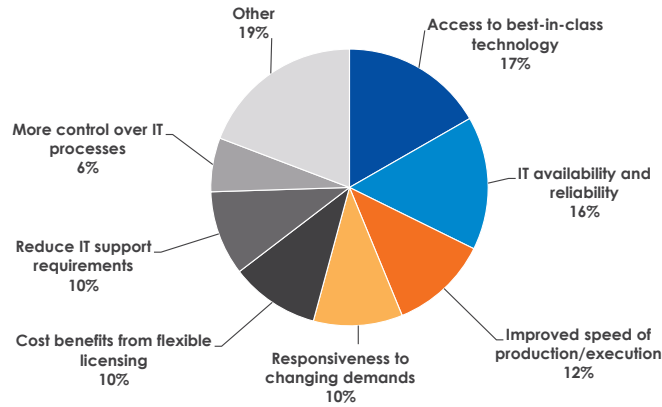
The Cloud Can Help Address the Limitations of Current CCM Systems

The bad news is that the previously-described limitations of CCM systems inhibit enterprises from quickly scaling their communications. The channel mix is changing all the time, and enterprises must keep up with today's communication challenges. Fortunately, there is good news too—today's cloud-based CCM technologies can alleviate most of this burden. When enterprise respondents were asked to specify the primary reason that they were using (or planning to use) a cloud-based solution for customer communications, the top responses included access to best-in-class technology, IT availability and reliability, and speed of production/execution.

Figure 5: What is your primary reason for using or planning to use a cloud-based solution for your customer communications?

Other 19%
Access to best-in-class technology 17%
More control over IT processes 6%
IT availability and reliability 16%
Reduce IT support requirements 10%
Cost benefits from flexible licensing 10%
Responsiveness to changing demands 10%
Improved speed of production/execution 12%

N = 192 Respondents who are using or planning to use cloud-based solutions

As shown in the Table below, cloud-based solutions can address a number of the limitations with existing CCM systems.

Table 1: Cloud-Based Solutions Address CCM Limitations

Primary Reason for Using Cloud-Based Solution	Limitation(s) Addressed
Access to best-in-class technology	• Long wait for new releases/updates • Limited integration with other IT systems
IT availability and reliability	• Doesn't enable us to implement approval workflows/ mitigate business risks • No reporting/dashboard available
Improved speed of production/ execution	• Need specialist/IT to administer changes to the system • Changes to documents/templates are time-consuming
Responsiveness to changing demands	• Based on proprietary technology standards • Limited support for emerging digital channels
Cost benefits from flexible licensing	• Costly to maintain/administrate on-premises CCM system • Vendor charges high maintenance costs

opinion

InfoTrends' Opinion: The Cloud Helps Scale Customer Communications

Despite the high level of complacency that respondents report with their current CCM systems, some functional and business limitations remain. This makes it difficult for enterprises to scale their customer communications in a way that keeps pace with today's communication changes. Fortunately, overcoming these scaling issues does not need to be a complex task. Using a cloud-based solution for customer communications will alleviate many problems, including high maintenance costs and long wait times for updates. Enterprises that are experiencing issues with their current CCM systems will likely find that a cloud-based solution can streamline and improve their customer communication processes.

Recommendations

Here are our recommendations related to customer communications systems going forward:

- **Focus on integration to avoid fragmentation.** To prevent a fragmented communications technology landscape, enterprises should ensure that their CCM solutions can work across a variety of business platforms with easy integration.

- **Don't forget about print, but place an equal focus on interactive and digital capabilities!** Even in today's age of digitization, the share of enterprises that are using printed media to communicate with customers is quite high. Having a CCM system that is able to support the mix of print and digital channels will ensure that your customers' communication preferences are met today and into the future.

- **CCM solutions must save your time.** Enterprise respondents claim that template changes to their CCM systems are time-consuming and also report waiting a long time for new software releases from CCM vendors. Make sure that any CCM solution you're considering is proven when it comes to implementing any changes quickly and effectively.

- **Cloud-enabled CCM holds the best prospect to addressing CCM limitations.** Although enterprises report a high level of satisfaction with their current CCM systems, our research reveals serious limitations from a functional and business perspective. The good news is that today's cloud-based solutions address nearly all of the concerns that go along with legacy on-premises systems, so ensure that you are well-informed about how today's cloud-enabled solutions can improve your CCM capabilities to bring great experiences to your customers.

Be sure to read our other two articles, which focus on brand protection in communications and the role that CCM solutions play when communicating with Millennials!

appendix

Appendix

Research Background

Keypoint Intelligence – InfoTrends recently conducted a structured web-based survey among 208 enterprise respondents in the United States (N=128) and United Kingdom (N=80) focused on three highly-regulated industries: Financial Services, Insurance, and Healthcare payers.

This independent research was sponsored by Smart Communications, which is dedicated to evolving the CCM market by sharing knowledge, insights, and best practices. In conducting this research, InfoTrends' key objective was to understand the role of customer communications in helping enterprises and provide recommendations about CCM requirements for agile business environments. This involves scaling/improving customer communications while also developing the ability to deliver meaningful and purpose-driven messaging.

Our research focused on addressing three key questions:

1. How are enterprises using communications to protect/promote their brands?
2. How do CCM solutions factor into efforts to communicate with Millennials?
3. What is the state of play with peoples' current CCM systems?

This document is the last in a series of three analysis reports and focusses on the ability of current CCM systems to scale communications. The other two questions are addressed in separate reports.

Demographics

As noted earlier, this survey targeted enterprise respondents. The greatest percentage of these respondents (39%) reported working in operations (e.g., claims/investment management). Marketing respondents were terminated from participation. Other key demographic details are as follows:

- About 58% of respondents worked for small (500 to 999 employees) or mid-sized (1,000 to 4,999 employees) organizations. The remaining 42% came from large enterprises with 5,000+ employees.

- Most enterprises (64%) considered themselves to be leaders in terms of technology adoption. In addition, over three-quarters were familiar with the term CCM.

- Respondents are largely complacent with their current CCM systems.

authors

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