

IDC MarketScape

IDC MarketScape: Worldwide Cloud Customer Communications Management Applications 2022 Vendor Assessment – Dynamic Delivery of Multichannel Personalized Experiences

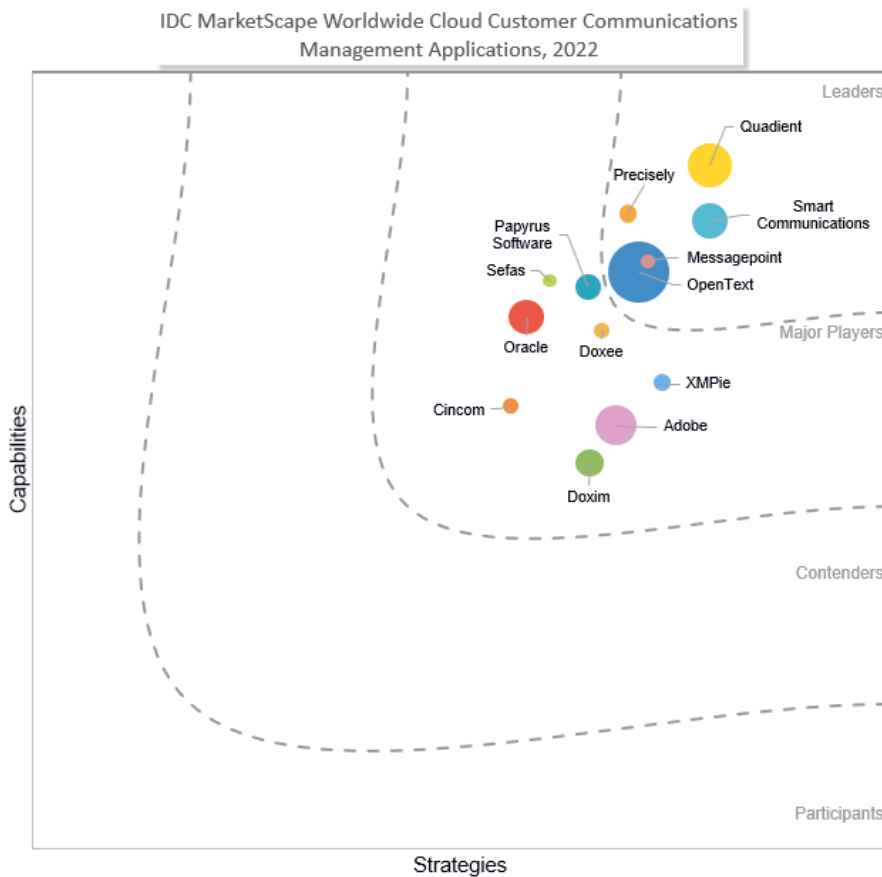
Marci Maddox

THIS IDC MARKETSCAPE EXCERPT FEATURES SMART COMMUNICATIONS

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Cloud Customer Communications Management Applications Vendor Assessment



Source: IDC, 2022

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Cloud Customer Communications Management Applications 2022 Vendor Assessment - Dynamic Delivery Multichannel Personalized Experiences (Doc # US48167722). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

Transformation in Customer Communications

The COVID-19 global pandemic had a major impact on the frequency, form, and channels that organizations used to communicate to their customers – the switch to digital was on. A March 2022 IDC survey found that 71% of organizations are implementing a digital-first strategy as a result of the ensuing business impacts. Historically, the role of customer communications management (CCM) applications was as an automated document generation tool to automate and reduce costs associated with generating printed (and eventually digital) documents, such as statements or notices. In a recent IDC communications survey, we found that the pandemic increased the volume of technology-generated customer communications and shifted them from a predominantly operational output type to a conversational and persuasive interaction across customer service (50%), sales (43%), and marketing (34%) teams. Vendors have advanced the document generation process to include elements of personalization by pre-populating communication workflows with data-driven rules based on transactional or operational data integrated directly from existing core applications and databases. This was the beginning of CCM's transition to dynamically delivering bidirectional and multichannel customer experiences that broke free of the boundaries of the *document*-based communication.

Focus on the Experience

Today, organizations are grappling with changing customer expectations and the explosion of technology designed to improve the customer experience (CX). In 2020, the focus was on establishing remote work, setting up systems in the cloud, and retaining customers. As companies moved into a more stable environment in 2021, the focus on the customer experience began to take hold and customer satisfaction was the most frequently cited top priority driving customer experience initiatives. By the end of 2021, IDC survey data shows that organizations cited a 26% improvement in customer satisfaction as a result of embracing digital transformation. Aligned to this improvement, customer satisfaction, customer self-service, and digital interactions were the top 3 new strategic communications goals for more than one-third of organizations in 2021. Organizations entered 2022 with a focus on using technology investments to boost the timely use of data for more personalized experiences and a plan to meet the customer on the journey of their choosing and on the channel of their choice.

The goal to provide a fluid and frictionless engagement with the customer requires every interaction to be connected across people, systems, and processes at each stage of the journey. In reality, few customer-oriented organizations have achieved this level of cohesion, in part due to business departments/teams having different priorities. In addition, many organizations are not utilizing a CCM application beyond the traditional print output legacy. There are opportunities to reduce the repeated requests made to customers for the same information and deliver more engaging, right-sized communications to the device and channel the customer wants to meet.

Making this shift is not without cost; however, IDC found in its *Future Enterprise Resiliency and Spending Survey* that the top 5 benefits of investing in improving the customer experience include better profit margins (34%), better customer loyalty (30%), improved internal processes (27%), positive impact on revenue (27%), and improved customer lifetime value (26%). The demand for personalized and tailored communications to an individual's preferred channel is central to a positive customer experience. CIOs and CMOs are eager to measure the success of the CX initiatives they sponsor using standard CX metrics (e.g., CSAT, NPS) against similar competitors in the market or beginning to measure how well the company delivered on the customer's expected outcome and tracking the level of customer effort to traverse the outcome-based journey.

The growing demand for dynamic communications and real-time interactions has CCM vendors modernizing their architecture and shifting to the cloud. CCM vendors are introducing innovative technologies, such as artificial intelligence (AI), machine learning (ML), natural language processing (NLP), and conversational interfaces (e.g., Siri, Alexa, or Cortana), to support new business groups and their communication requirements in expanded use cases such as event management, product recommendations, or click-and-collect commerce transactions. The transition from automated document generation to multichannel personalized experiences spans corporate policy, culture, processes, technology, and measurements. We understand that drawing a line between these definitions is not without its flaws. Table 1 provides a representative list of these evolving elements for consideration.

TABLE 1

Evolution of CCM Applications

Traditional Document Generation	Multichannel Personalized Experiences
Company-initiated correspondence	Customer- or company-initiated communication
Back-office operational use cases	Front-office conversational use cases
Access limited to template designers	Democratized access for all communicators
Prescribed document-based content	Data-driven personalization of real-time messages
Batch scheduled processes	Any time interactive or self-service options
Alignment to business process	Alignment to the customer journey
One-way correspondence	Bidirectional interactions
Rules-driven workflow	AI/ML-based automation
Print oriented	Interactive formats (SMS, digital wallets, AR, and conversational interfaces)
Manages regulatory compliance	Supports consistent brand and data privacy compliance
Reduce print costs	Improve customer satisfaction, loyalty, and renewal/upsell
Enterprise application integrations	Connects to commerce, social, and engagement systems
Business data	Customer preferences
Full-stack platform	Headless communication services
Delivery analysis	Sentiment analysis
On premises	Cloud

Source: IDC, 2022

Democratization of Communication Generation

Another characteristic of the CCM market is the business initiative by which the application is measured. The shift an organization makes to support CX includes mapping the customer journey to identify when to invoke personalized video, voice of the customer analysis, interactive conversations, animated promotions, click to pay links, ADA-compliant audio, personalized mobile microsites, and much more. *IDC FutureScape: Worldwide Future of Customer and Consumer 2022 Predictions* (IDC #US48297321, October 2021) estimates that by 2023, 60% of leading organizations will differentiate their brand and customer experiences by delivering trusted and memorable digital engagements that recreate physical experiences. CCM vendors that place emphasis on CX outcomes have heavily invested in features that help customer-facing teams to better engage with their customers digitally in real time and on a personal level.

There is also shifting plans to deliver innovative digital products and industry-specific services at a faster pace. For example, in the past two years, healthcare patients engaged with a chatbot symptom checker using conversational AI to enter their current symptoms and potential conditions were presented back to them. It was then up to the patient to engage with their health provider to seek treatment. In the future, wearables will passively collect vitals and the diagnosis will be based on real-time information comparable at a population level. Credentialed information would then be securely shared with a healthcare provider to automatically open a dialogue with a human or digital aid. Today, some vendors have invested in templates, processes, and content to support industry or vertical solutions, such as healthcare or financial services; others bring subject matter expertise with their offering to streamline the implementation and deliver on best practices. Other CCM vendors are bringing the creative marketer into the fold, with interactive forms and communications in context of a campaign.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

This IDC MarketScope includes vendors that provide core capabilities of authoring, processing, delivering, and reporting on customer experience-based communications, deployed as a managed hosted cloud service, PaaS, or SaaS cloud model. Applications that focus on particular industries (e.g., financial services including banking and insurance) or business roles (e.g., sales and marketing) tend to have fewer features and capabilities compared with a utilitarian CCM platform. Industry- or role-based applications will provide a focused road map and specialization of features that accommodate their client's needs, which requires less customization than a more generalized system. End users tend to prefer these specialized CCM applications for their ease of use and faster time to value.

The vendor inclusion list for this assessment was designed to accurately depict the vendors that are most representative of any given customer experience-focused customer communications management buyer's selection list. Vendors were surveyed and further investigated to ensure that the offerings qualified with both capabilities and strategies related to delivering communications tailored toward the customer experience and the vendor showed growth in cloud deployments in the last year.

Critical to this research effort was for the vendor to meet the inclusion criteria. Any vendor participating in this IDC MarketScope had to showcase that it met the following:

- Reported a minimum \$10 million in annual recurring revenue for the CCM product
- Had customers in production in the cloud as managed hosted private cloud or PaaS/SaaS for at least 12 months as of February 1, 2022
- Provides modern templates, authoring, workflow, delivery, and analytics capabilities for on-demand communications and interactive experiences in multiple delivery formats and languages

- Provides advanced capabilities to leverage 3rd Platform technologies (e.g., cloud, mobile, artificial intelligence, advanced analytics, and/or machine learning) in the following areas: user interface (UI), administration, security, authentication, authoring, delivery, and interoperability
- Supports interactive, two-way communications with the customer via support of multiple channels such as chat, SMS, conversational interfaces, web connection sessions, or responsive mobile apps
- Supports inclusion of personalized data/content natively or from an external system with dynamic delivery preferences
- Broad set of integrations with enterprise applications and customer engagement platforms
- Customer and partner reference interviews that rated the vendor on its support and product performance in usability, interoperability, customer service, strategy, and cloud provisioning
- Market presence and momentum based on IDC inquiry and positive revenue growth
- Targets and scales to meet the needs of upper midmarket to enterprise-size organizations supporting 1000+ employees with approximately 30% of customers in this range
- Has revenue attributed to at least two of the following regions: North America, Latin America, Europe, Middle East and Africa, Japan, China, and Asia/Pacific (APAC)

ADVICE FOR TECHNOLOGY BUYERS

Buyers should proactively consider an expansive set of use cases across customer-facing functions to fully leverage the value a CCM application can provide. Once in place, every communication should be designed to be aware of and potentially connected to every other communication by way of the data collected and shared along the whole customer journey. In very large organizations, it will be a multiyear effort to connect teams, systems, and data together for a cohesive communication process. Despite the level of change, planning should start immediately to outline a communication strategy focusing on the customer experience or risk falling behind customer expectations and the implications that has on customer loyalty, lifetime value, and profit margins for the business.

CCM technology is still evolving, in terms of both advanced functionalities to address evolving customer experience requirements and the inclusion of innovation accelerators such as AI and cloud deployments with microservice architectures. Legacy investments and fit-for-purpose customer-facing applications that already generate outbound customer emails may lead many organizations to avoid investing in a CCM solution, even though it may offer the most comprehensive set of capabilities to meet a variety of communication needs across business roles. CCM cloud-based solutions are designed to get business users up and running quickly and can be effective in streamlining operations, updating processes, and delivering more effective communication streams.

For buyers with a cloud-first strategy, CCM cloud applications will provide a solid return on investment with the benefits of cloud elasticity and scaled performance that align with smaller and more frequent interaction touch points, like SMS texts, and the heavier more immersive nature of personalized video. The vendor, or its designated partner, should provide the services and support to get you up and running quickly and continue to monitor your progress to success. Training and continuous education should be available as guided tutorials, hands-on training, and in-app new feature help. Key metrics to look for that measure success in the cloud include direct business revenue (e.g., the ability to send payment requests with click-to-pay options), cost efficiencies in moving to digital communications, and adding new channels of distribution.

Organizations should ask the following questions:

- What type of template and communication authoring design environment is supported? Is it a visual desktop, web browser, mobile interface, or headless as embedded into another application?

- Does the application include a library of industry-tailored templates, content types, and workflows to streamline the communication authoring and delivery activities?
- How does the application handle multichannel delivery output across print, email, social, IoT, and third-party applications?
- Does the system ensure delivery with prioritized failover options based on customer preference and reports to audit success?
- Does the application include content approval workflows with integrations to third-party applications, such as progressive journey mapping or digital wallets?
- What level of volume throughput (e.g., API calls, emails, or messages per hour) is benchmarked for ad hoc on-demand and interactive output?
- How many reports and dashboards are provided with the system and how easy is it to add new ones?
- Does the vendor provide a dedicated customer success resource to help design, configure, implement, and use the software?
- Does the vendor provide a dedicated cloud services team to manage and secure the application in the cloud?
- What is the vendor's preferred cloud deployment type: public cloud SaaS, private cloud, hybrid, multitenant, or single tenant?
- How flexible is the pricing model to add more users, capacity, or new capabilities?
- Which region-specific certifications has the vendor obtained for data, application, and cloud security?
- Are there business agreements in place to support customer data privacy and regulatory requirements important to my industry?
- How well does the solution integrate with internal and external systems via packaged connectors (Salesforce, Guidewire, Marketo, Shopify, etc.)?
- What type of APIs (REST API or GraphQL) does the solution support for custom integration development?
- Does the system support responsive design, personalized microsites, or native mobile applications?
- What is the guaranteed system uptime, allowing for minimal scheduled downtime, in the vendor's service-level agreement (SLA)?
- What is the release cadence and communication plan for new product updates?
- What does the vendor innovation strategy look like for the next three to five years? Will there be support for AI, conversational interfaces, personalized video, chatbots, NLP, or headless communications?

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Smart Communications

Smart Communications is positioned in the Leaders category in this 2022 IDC MarketScape for cloud customer communications management applications.

Smart Communications is a private company established in 2016 and is headquartered in London, England. Smart Communications offers a customer communications product under the name of SmartCOMM, which is part of its Conversation Cloud platform. Quick facts about Smart Communications are as follows:

- **Employees:** 400
- **Global footprint:** Customers in North America, Europe, and Asia/Pacific
- **Top industry areas:** Financial services, healthcare, insurance, and public sector
- **Ideal organization size:** Small to large enterprise
- **Cloud type:** Multitenant SaaS
- **Interesting fact:** Smart Communications acquired Assentis to extend its European presence and deep solutions for the financial services industry and extended its global presence with additional AWS deployments.

Strengths

- **Personalization and experience strategy:** Smart Communication offers an NLP plug-in for content analysis and a low-code orchestration flow builder to drive the customer journey next best interaction. Smart Communications also offers extended readability and sentiment and similarity analysis to improve content personalization in English and German languages. SmartIQ is instrumental in guided conversations that will extend into future immersive experiences.
- **Partner community:** Smart Communications has a deep technical partner ecosystem and a growing list of systems integrators as well. Partners can contribute code and solutions to Smart Communications' Conversation Cloud Marketplace, which offers a selection of prebuilt accelerators. New partnerships include OneSpan for esignature and Duck Creek for the insurance vertical.
- **Cloud strategy:** Smart Communications offers a native multitenant SaaS solution on AWS with blue-green deployment options, dynamic elasticity, and access to over 40 microservices and AI services in SmartCOMM. Customer references interviewed for this document stated that availability of the applications has been very good.

Challenges

- **Templates and previews:** Customers and partners interviewed for the evaluation noted room for improvement regarding template creation and drag and drop for ease of use in communication design. SmartCOMM does include a channel preview, however, it does not show in real time the content in context of the selected channel.
- **User interface update:** Customers and partners interviewed for the evaluation noted that Smart Communications has room for improvement regarding the look and feel of the user interface design. Its single, modern UI will support a common front door for SmartCOMM and SmartIQ access but could support more languages.
- **Journey mapping:** Smart Communications does not provide native journey mapping software to manage the personalization of communications at each stage individually or across an end-to-end experience. Smart Communications does provide communication orchestration capabilities for more discrete omni-channel conversation flows.

Consider Smart Communications When

For a midsize to large company in a highly regulated industry, such as insurance, healthcare, or financial services, that seeks a cloud-first strategy and business user controls may find Smart Communications a good fit.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed. For this IDC MarketScape, vendor size was determined by IDC's 2021 Software Tracker and validated by each vendor on their revenue in the CCM market. For details regarding the vendors and size of the CCM market, see IDC's *Worldwide Customer Communications Management Software Market Shares, 2020: 1H21 Update* (IDC #US48779522, January 2022).

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

CCM applications that focus on the customer experience enable organizations to economically generate customized communications with timely, accurate, and relevant information that is tailored to the customer's preferences and delivered in multiple output formats with a goal to improve customer engagement. The nature of CCM applications is to accommodate a wide range of data inputs, including integration of adjacent technologies to facilitate dynamic communication composition and delivery. CCM's strength is in generating a variety of output (e.g., guided forms, communications, messages, and interactive tasks) to a range of delivery channels (e.g., print, email, SMS, voice, digital wallet, and IoT) in multiple formats (e.g., HTML, XML, PDF, AFP, WEBM, and MP4) tailored to any audience or recipient (e.g., customers, citizens, partners, suppliers, chatbots, and machines). Intelligent CCM solutions will take input from digital signals (e.g., IoT devices or video analysis) or connected data to achieve its goal; whether to send a simple SMS notification or generate a more complex guided experience. In detail:

- **Batch communications.** Structured transactional output is typically scheduled for large volume processing and delivered primarily via print channels or digitally via PDF in email. Generally, these static formatted communications are run in scheduled batches to send service notices to customers such as invoices, statements, or compliance-related documents (terms and conditions).
- **Interactive communications.** These communications often have ad hoc digital requests requiring human interaction to initiate the generation of the correspondence. Output includes custom content with a preset structure that leverages templates, preselected or reusable content for personalized output via multiple channels (web, mobile, email, SMS, and chat) with bidirectional capabilities to enable interaction such as drill down charts, responsive data collection, or dynamic rendering of variable elements. Examples include welcome kits or delivery tracking notices.
- **On-demand communications.** These communications are automatically and dynamically generated upon request (on demand) from the customer, chatbot, or other application to deliver unscheduled communications based on variable data fields, templates, or conditional logic to present the user or application an individualized communication. These communications can be batched for distribution but are not typically scheduled or preset. Examples include online quotes or receipt requests.
- **Multitenant software-as-a-service applications (SaaS).** These are based on a service composition and delivery model made up of a utility computing environment in which unrelated customers share a common application and infrastructure resources that is managed by an independent software vendor (ISV) or a third-party service provider.
- **Platform as a service (PaaS).** These solutions are designed and offered as private cloud-ready solutions; IT assets are typically owned and managed by the customer and dedicated to a single customer. Whether designed for public or private cloud, all PaaS, at a minimum, must conform to IDC's eight basic cloud characteristics: solution packaged; shared/standard services; elastic resource scaling; self-service; elastic, term-based pricing (no perpetual license); ubiquitous (authorized) network access; standard user interface technologies; and published service interface/API.
- **Single-tenant managed hosted or private cloud software.** These can be deployed in either a public or private cloud where each instance is dedicated to the customer for an extended duration. Services are restricted to a single enterprise or an extended enterprise, with restrictions on access and level of resource dedication, and defined/controlled by the enterprise (e.g., vendor or partner dedicated cloud).

Market Analysis

In today's digitally transforming world, enterprises are capturing, storing, protecting, and analyzing more data than ever before to drive better business insights and in turn build better relationships with their customers. Buyers are evaluating the value and practicality of AI-enabled communications to drive recommendations to improve customer experiences and automation to respond to customers more quickly. Top drivers influencing

IT investment in customer communication technology over the next two years include moving to the cloud and improving security measures for customer data and personal transactions across all communications.

Marketing teams are traditionally not buyers of CCM solutions; however, as more customer journey mapping and orchestration capabilities make their way into the communication platforms, marketing is showing interest in the solution. Sales organizations continue to invest in sales force automation and CCM extensions that easily generate outbound correspondence. Service organizations and operations teams chartered with sustaining the customer relationship are influencing IT to modernize CCM in the cloud. IT buyers have an opportunity to position CCM applications as an essential component of a larger digital communication strategy that unites marketing, sales, and customer service in support of improving the customer experience, even in industries like retail or hospitality that have traditionally not been CCM buyers. Hybrid cloud deployments are strong in regulated industries where the adoption of cloud is used for processing the communication and leaves the data to remain on premises. Tying into digital transformation initiatives and investments in cloud and artificial intelligence for the purpose of improving the audience experience can help elevate the CCM value proposition.

The CCM market attained a total market value of \$1.3 billion in 2020 at a year-over-year (y/y) growth rate of 4.5%, which included both on-premises and cloud applications across batch, on-demand, and interactive use cases. The most common use cases for document generation applications are customer correspondence, statements and invoices, marketing materials, claims, and sales materials. CCM applications focused on the customer experience are shifting the possible use cases to interactive and on-demand requirements, including customer welcome kits, digital forms, and digital enrollment activities that can be initiated by the customer. Interactive cloud use cases grew from 41.6% in 2019 to 48.5% in 2020.

Other potential customer experience-related use cases and capabilities include:

- Assisted authoring and content recommendations for empathetic communications including acceptable word substitutions (e.g., using "natural disaster" versus "hurricane")
- Brand language controls to improve the recipient experience and reduce negative impact of possible offensive terms (e.g., enforce "inclusive language")
- AI/ML analysis to determine the most appropriate message based on customer preference and stage of the journey
- Moving from a text or audio conversational interface to an interactive visual digital human with visual facial cues and translated conversations in text and audio formats
- Audience personalization moves beyond customer segmentation – e.g., demographics (male/female) – to align with the organization's Inclusion Diversity Equity and Accessibility (IDEA) practices to individualize the communications
- Automated forms filled-in on the back end by a data wizard using internal and external sources
- Spam/phishing prevention to improve customer trust

CCM is assisting in a broader digital customer transformation – bringing convenience and transparency together to achieve desired customer outcomes. Growth in the CCM market in 2020 was predominantly fueled by:

- **Empathetic experiences:** Today's consumers want to engage with organizations in a meaningful and personal way across multiple channels (e.g., chat, social, mobile, and web). Print communication will remain relevant for years to come as business operations continue to depend on paper processing and consumers favor the paper medium. The COVID-19 pandemic was a major catalyst for empathetic digital communications to be delivered in a timely and personalized fashion. The shift to remote work

during the pandemic also emphasized the need for mobile-first and shorter, real-time communications for business activities from onboarding/offboarding to safety notices.

- **Communication services:** The role of a headless communications service (embedding the design and delivery engine behind another application's user interface) is new to CCM. The role of a communications service offers organizations a means to deliver all communications to the customer with consistent branding and up-to-date information. Buyers recognize the need for a communications service to not only reduce miscommunications but also ensure brand and regulatory compliance is in check. CX communications will integrate data from CRMs like Microsoft Dynamics, Salesforce Marketing Cloud, Hubspot, and BlueRush for video; interact with industry processes from Duck Creek and Guidewire; and manage journey orchestration like with CSG customer engagement with Kitewheel or commerce like Magento or Shopify. Despite understanding the positive impact that a central communications service would have on improving customer satisfaction and engagement, few companies have deployed one.
- **Smart personalization:** Content analysis, such as understanding the voice of the customer through tone and sentiment or identifying fields of an ingested document, can influence the layout, format (such as font size or color), actions (pay now buttons or marketing promotions), and many other characteristics in the final CCM output. CCM vendors are adding customer journey mapping and orchestration tools for just-in-time communications that are triggered based on recognition of specific actions or customer interactions. As AI becomes more pervasive, generating templates and content recommendations based on a few inputs will become the norm. This data-driven personalization quickly identifies the customer's reason for contact, the related issues, and the accurate projection of the customer's needs based on customer content, history, activity, and intention discovery.
- **Cloud options:** CCM vendors are modernizing architectures and introducing modularity with microservices and hybrid cloud support. Running CCM in the cloud is not a new concept, but for traditional print-heavy organizations, moving to the cloud will require learning about new pricing models, certifications, and security and managing data privacy and data sovereignty across regions. Some CCM vendors have already made the transition to the cloud and are able to accommodate these new sets of requirements across architecture, application, and user levels.

Strategies and Capabilities Criteria

The assessment criteria are divided into two primary categories of strategy and capabilities, as shown in Tables 2 and 3, for the success of the CCM evaluation. IDC analysts evaluate how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market. In the strategy category, IDC evaluates whether a supplier's strategies in various areas are aligned with customer requirements (and spending) over a defined future time period and their business and go-to-market plans. For key capabilities, IDC evaluated not only the native capabilities offered in the CCM application but also gave strong consideration to third-party and partner-extended capabilities that were natively connected and supported by the vendor. These extensions were either provided as native integration, modular add-ons, and configurable options in the administrative user interface or available for download and self-service install from the vendor's marketplace.

This IDC MarketScape evaluated the sophistication of tools for authoring, managing, and delivering customer communications across multiple channels, formats, and forms. Templates help business users to remain consistent in delivery and design for ad hoc interactive and on-demand communications. Multi-communication streams ensure guaranteed communications in the order of customer preference: if an email is undeliverable, or a digital wallet transaction failed, an SMS notification is sent. IDC also looked specifically at capabilities for dynamic personalization, the use of AI/ML for automation and insights, and connectivity to customer experience applications in marketing, sales, support, and operations. It was important that CCM solutions also provide the ability to handle regional regulations for data privacy and securely managing personal and transactional content in the cloud. The CCM architecture was evaluated for its ability to interface and utilize the

growth in adjacent customer experience technologies such as customer data platforms, journey orchestration, headless commerce, and creative tools. Reporting and analysis of work tasks, communication delivery, target segments, system status, and performance should be freely definable and visual in real-time dashboards. Core administration of access controls, integration connectors, implementation, and support services were also evaluated. More advanced support for new channels and content types, such as voice interfaces and personalized video, were considered as innovation accelerators taking CCM into expanded use cases beyond conventional back-office operations and into customer-led self-service and immersive experiences.

LEARN MORE

Related Research

- *Worldwide Customer Communications Management Software Forecast, 2022-2025: 1H21 Update* (IDC #US48779622, February 2022)
- *Worldwide Customer Communications Management Software Market Shares, 2020: 1H21 Update* (IDC #US48779522, January 2022)
- *A New Paradigm in Multimodal Communications: Connecting Asynchronous and Synchronous Methods for Engaging Digital Experiences* (IDC #US48408621, December 2021)
- *Digital Communications Update* (IDC #US48402621, November 2021)
- *IDC FutureScape: Worldwide Future of Customer and Consumer 2022 Predictions* (IDC #US48297321, October 2021)
- *IDC's Worldwide Software Taxonomy, 2021* (IDC #US47588620, April 2021)
- *IDC MarketScape: Worldwide Customer Communications Management 2020 Vendor Assessment* (IDC #US45439320, March 2020)

Synopsis

This IDC MarketScape provides an assessment of 13 cloud-based customer communications management application vendors that emphasize delivery of multichannel, personalized, and interactive communications to improve the customer experience. This assessment discusses the shift from traditional document generation to a more immersive customer-engaged form of communication. The evaluation is based on a rigorous framework that assesses vendors relative to the criteria and the market. The study highlights the factors expected to be the most influential for buyers to define a connected customer communication strategy and define a short list of vendors best suited for their industry, company size, and technology environment.

"Customer communications management applications are a diamond in the rough for providing connected and engaging customer experiences," says Marci Maddox, research director of IDC's Digital Experience Strategies program. "CCM cut its teeth on generating and delivering some of the most complex and highly regulated documents at scale – in both print and digital mediums to millions of people around the globe – long before the cloud was born. This market has quietly transitioned to a multichannel personalized communication powerhouse and is an untapped resource for many customer experience strategies. Technology buyers should consider the benefits that a CCM application can provide to deliver consistent, engaging, and highly interactive relationships their customers will appreciate and in turn boost loyalty, lifetime value, and profit margins to the business."

About IDC

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