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WHITE PAPER

Market Pulse

Customer Communications: Building a Successful Omnichannel Solution

CONSOLIDATING PROVIDERS STREAMLINES PROCESSES AND CUTS COSTS

Customer communication is a vital element of business strategy. Organizations of all sizes across all industries recognize the essential nature of staying in touch with their customers to increase loyalty and stimulate repeat sales. Every month, companies send each customer an average of 22 customer communications. But times are changing. In the era of digital business, companies are transitioning from traditional print-based channels and transactional exchanges to electronic communications. A new IDG Research MarketPulse survey of 102 IT decision-makers tracks that evolution, finding that consolidating communications channels on a single provider is a highly effective way to support a successful omnichannel customer communications strategy.

The electronic imperative

In taking the pulse of organizations' strategies, the survey discovered that although companies rely on multiple methods to reach customers, email is by far the form of communication on which organizations most heavily depend—81% of the respondents said they rely on email to a great extent, and companies send 6.4 customer emails per month on average. Use of other channels such as voice, print, SMS, and digital fax is also widespread among many companies.

However, not all channels are growing at the same rate. Email, SMS, and voice have grown significantly in the past 24 months and will grow strongly in the next 24 months *(Fig. 1)*. In contrast, print and digital fax have been steady for the past 24 months and will remain steady for the next 24 months.

When asked which communication format their customers prefer, 75% expressed the opinion that their customers favor electronic communications. Specifically,

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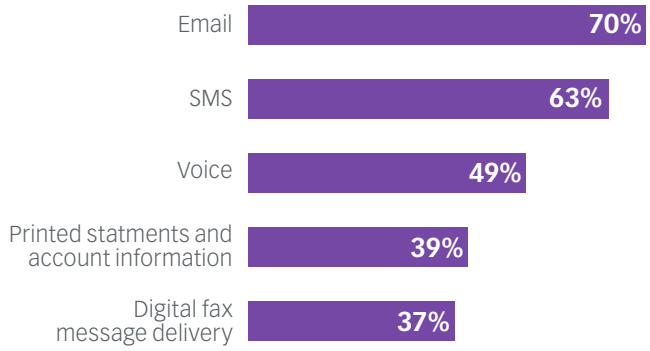
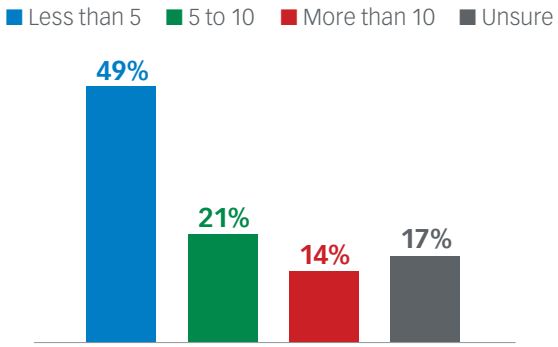
Fig. 1 **Organizations predicting growth across the various communication channels in the next 24 months**



SOURCE: IDG, OCTOBER 2019

Fig. 2 **Number of electronic communications vendors across all channels**



SOURCE: IDG, OCTOBER 2019

38% said their customers prefer, and 37% said their customers strongly prefer, electronic communications. The companies themselves, meanwhile, overwhelmingly (86%) prefer to use electronic communications to reach their customers: 43% prefer and 43% strongly prefer contacting customers by electronic means. The comments of survey respondents are telling:

> "It is much easier and quicker to send out electronic communication."
>
> "Electronic is seamless in comparison—much more efficient."
>
> *—Survey respondents*

"It is much easier and quicker to send out electronic communication," said one respondent. Another offered, "Electronic is seamless in comparison—much more efficient." Other respondents noted that electronic messages are highly reliable, easy to forward to other parties, and simply "more modern."

Even though overall momentum clearly favors electronic communications, paper mailings occupy a persistent legacy niche, particularly in certain industries such as government and healthcare. However, print is costly. Survey respondents said that although print represents 31% of their customer communications efforts, it absorbs 44% of their customer communications budgets. In contrast, electronic communications represent 69% of customer communications while representing only 56% of customer communications costs.

The multivendor conundrum

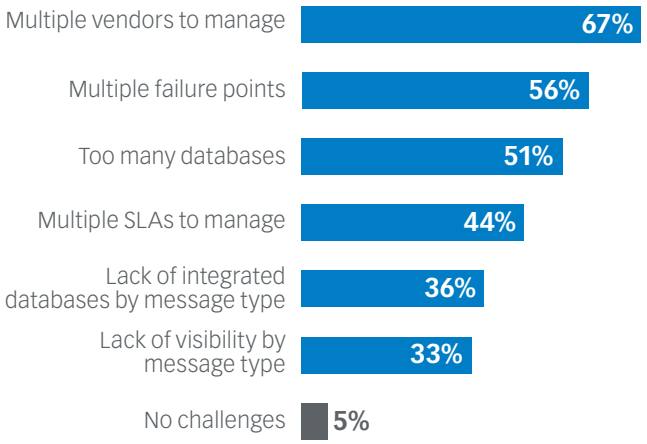
The survey tracked respondents' use of multiple vendors to communicate with their customers. On average, companies use four vendors, although 21% use 5 to 10 vendors and another 14% use more than 10 vendors *(Fig. 2)*. Why so many? Because companies want to reach customers across different channels, they have called on providers that specialize in each channel. Over the years, relationships with those providers have developed, and simple inertia may play a role in retaining them. And, it should be noted, very few vendors can meet an organization's needs across all channels.

A significant number of respondents said having multiple electronic communication providers creates challenges, foremost among them (67%) is the task of managing those vendors. Keeping track of each vendor, including signing, renewing, or canceling contracts; reviewing performance; and paying bills requires the expenditure of time, attention, and money.

And with multiple vendors comes the possibility of multiple failure points, which 56% identify as a challenge. Because it is difficult to manage multiple vendors, when one or more fall short of performance expectations, it might not be easy to spot and remedy the failure. Unchecked, problems can spiral out of control.

What's more, when multiple vendors are used, each might work with its own version of the customer database.

Fig. 3 **Challenge of managing multiple electronic communications vendors**



SOURCE: IDG, OCTOBER 2019

The existence of too many databases is a challenge cited by 51% of the respondents. Keeping a single database current, with scrubbed data, is no easy task; maintaining multiple databases in a clean and current state is even more difficult.

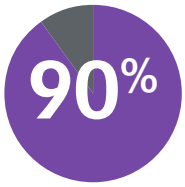
> "With the hiring of a single message provider, we can reduce the renouncement to zero or as close [to it] as possible."
>
> *—Survey respondent*

A related finding is the lack of integrated databases by message type (36%). Different databases contain information about different communication channels, and failure to integrate these databases means that a company will be unable to get a unified view of customer communications across all message types. In addition, companies say the use of multiple vendors leads to a lack of visibility by message type (33%). In other words, companies are unable to track the performance of messages across the different vendors' communication channels, which can lead to redundant efforts and waste of money. The customer, meanwhile, is likely to become confused by the seemingly random array of messages.

Finally, each vendor promises to deliver service at an agreed-upon level through a service-level agreement (SLA). With multiple vendors, each might offer an SLA with terms, conditions, and time frames that differ from the others. Understanding and managing a different SLA for each vendor is yet another management headache that can lead to wasted time and unneeded expense.

The single-vendor solution

With so many challenges that stem from having multiple vendors for customer communications, it's no surprise that 90% said that having a single vendor that integrates email, SMS, voice, and digital fax is valuable. "With the hiring of a single message provider, we can reduce the renouncement to zero or as close [to it] as possible," said one respondent.



said that having a single vendor that integrates email, SMS, voice, and digital fax is valuable.

Respondents who see value in having a single vendor cited many specific benefits. First among them is to reduce costs (66%), followed closely by simplicity (65%). These findings reflect the most significant challenge of having multiple vendors: the difficulty of managing all the different partners. Keeping track of multiple contracts, performance, and SLAs is time-consuming and costly. Consolidating on a single provider eliminates the duplication of multiple management tasks for each vendor.

The benefits of working with a single vendor fall into two major groupings:

1. **Management** – characteristics that make things easier, more efficient, and more cost-effective for companies to communicate their messages to customers
2. **Customer experience** – characteristics that enable customers to interact in a way that is fast, efficient, and agreeable

Strong performance in both areas is critical to success overall. More-efficient management lowers costs, going directly to a company's bottom line; improving the customer experience

The OpenText Omnichannel Communications Solution

You won't keep pace with changing business models and shifting customer demands by using separate services for voice, email, SMS, and fax communications. OpenText™ Notifications is a cloud-based omnichannel communications platform that will enable you to create and deliver highly targeted, time-sensitive, and personalized messaging via the recipient's communications channel of choice.

OpenText Notifications brings messaging channels together for a single, unified approach to reaching consumers and stakeholders via email, SMS, voice and digital fax in a single solution. It enables you to enhance communication across a wide range of business operations, including customer acquisition and experience, digital marketing, new-product launches, employee management, product and service delivery, support and maintenance, and supply chain management.

- **Simplify with multiple channels in a single platform** – Voice, email, SMS, and fax messages can be personalized to individuals and delivered via their preferred channel, allowing for change as preferences evolve.
- **Increase visibility with operational analytics** – OpenText Notifications Analytics provides performance intelligence to increase the accuracy of message targeting, improve efficiencies, and lower costs.
- **Increase customer engagement and loyalty** – Prebuilt integration with OpenText Exstream includes bidirectional communication and 360-degree visibility between the solutions.
- **Improve efficiency with prebuilt integrations** – Robust APIs enable seamless integration with business processes and enterprise applications, including CRM, marketing automation, and ERP.

Fig. 4 **Benefits of having a single vendor to integrate electronic communications**

SOURCE: IDG, OCTOBER 2019

helps achieve the most important goals of customer interactions: increasing loyalty and encouraging repeat sales.

Conclusion

In the Digital Age, effective customer communications are an increasingly important requirement for any successful business. As electronic communications gain momentum, consolidating customer contact channels on a single vendor delivers several significant benefits to companies as well as their customers that can add up to a clear business edge.

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