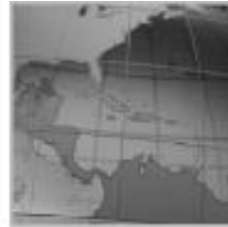# White Paper

Production Printing & Media

Embracing Centralized Customer Communications in a Digital Age

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Introduction

The customer communications market continues to evolve. Marketers are increasingly interested in gaining control of transactional communications; consumers are demanding seamless messaging across print, web, mobile, and social channels; and IT and Operations are tasked with integration of new channels and changes to legacy communications templates– often using antiquated tools and limited resources. The evolution of customer communications will directly impact all major organizational stakeholders. The question is: how will your organization respond?

Key Findings

- Dramatic changes in consumer behavior, explosive growth in data usage, and the evolution of new services to deliver communications to end users are driving changes in the way consumers interact with businesses.

- It is critical for corporations to embrace a centralized digital document strategy as part of the foundation for creating customer communications.

- Centralized digital document delivery services will increase business agility and drastically reduce the time and cost for implementing global changes within your enterprise.

Recommendations

- Accept that consumer communication preferences have evolved beyond your current capabilities and devise a plan to regain control on this front.

- Embrace a centralized digital document strategy that acts as service-oriented architecture to prepare all customer communications for delivery, regardless of the distribution channel.

- Address the data requirements to present a single view of the customer through a unified messaging strategy that integrates customer transactional data from various lines of business applications, personalized marketing content, and consumer delivery preferences.

The Evolution of Customer Communications

Communicating critical information with customers used to be easy. The only delivery option was print-based. When electronic delivery emerged it was sparsely used, so the need for businesses to support electronic channels was minimal. There were also clear divisional lines between marketing-centric communications and high-volume transactional documents. Marketing controlled the web and direct mail promotional processes, while Business IT, Production Operations, and Finance controlled the transactional bills, statements, and other consumer-facing communications. Historically, the use of color (due to cost) and consumer-pleasing document design in transactional communications was unheard of—leaving everyone's bills and statements looking comparably poor!

Needless to say, the customer communications landscape, along with end user expectations on how they will interact with a corporation, has evolved. Consumer preferences, increased access to content, personalized marketing, automated and colorized print production, and centralized IT trends are all driving the requirements and way forward for our industry.
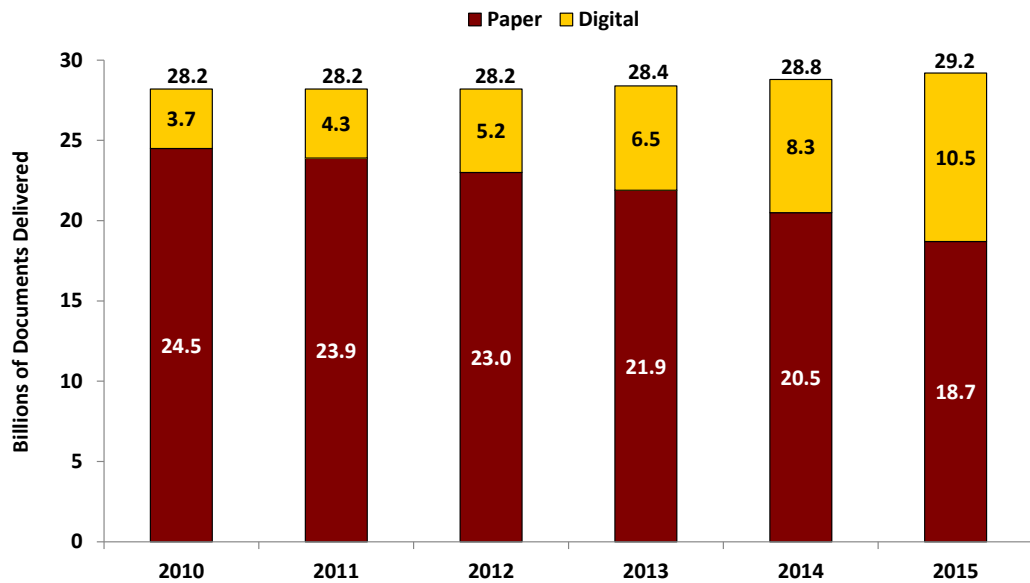
Consumer Trends

Consider the consumer landscape:

- Consumers expect concurrent and constant access to content via multiple distribution channels.

- They are becoming increasingly tech savvy and mobile-enabled! Apple has sold over 120 million iPads and its app store has seen 40 billion downloads.

- Transactional communications are being reviewed (and paid) via business websites, consolidators, e-mail, digital mailboxes, SMS, and mobile apps.

- Over 75% of U.S. consumers access at least one bill online today.

While 15%-18% of transactional communications in the U.S. are paperless today, this figure could have been higher if more businesses had embraced and implemented digital document strategies. InfoTrends estimates that 36% will be paperless by 2015.

Figure 1: Transactional Document Migration in the U.S., 2010-2015

Source: The Emergence of Digital Mailbox Services, InfoTrends, 2011

Consumers are clearly embracing digital channels, but paper-based communications remain a component of the mix and should not be overlooked. InfoTrends research shows that over 95% of bills and statements received by mail are opened and read, with the average recipient spending 3-4 minutes reviewing them! As a result, marketers are

increasingly focusing on these documents and seeking to improve readability, add color, drive multi-channel interactions, as well as create room for tailored promotional and educational messaging on the documents—an approach sometimes referred to as "TransPromo" or statement-based marketing.

The fact is that while digital is growing in importance, businesses are not abandoning print. Instead, they are increasingly taking a channel-agnostic approach to document communications and centralizing document development to optimize design and delivery (while minimizing cost and maintenance).

IT and Print Production Trends

Part of what is enabling businesses to improve the quality of transactional documents centers on access to data and content, advancements in the print production and IT space, and the establishment of centralized digital document delivery services:

- **Delivering relevant, preference-based communications.** Personalized consumer data can be blended with transactional data to increase the value of the communication to reach customers with the right message at the right time via the preferred media.

- **The rise of centralized computing**. Centralized and service-oriented architecture approaches are increasingly viable options for managing transactional document processes. This includes the introduction of service "hubs," where internal service organizations or external providers can easily manage content and messaging across multiple line-of-business and multiple delivery channels within the enterprise.

- **Repurposing of legacy content for modern multi-channel delivery.** Output from legacy business and reporting systems in print-centric formats—such as AFP, Metacode, PCL, PostScript—are being normalized, enhanced, and re-rendered to modern formats, via post composition, with no impact to upstream business systems.

- **Growing use of color.** As digital color print costs continue to decrease, more firms are opting to enhance transactional document designs to incorporate color to amplify brand value, highlight critical content, and create seamless and consistent formatting regardless of the delivery channel.

- **Evolution of Document Output Management.** Digital document strategies are required to manage content, format, and preferences. Document output management services provide the control and automation to ensure consistency; coordinate delivery across multi-channels; and enable cost savings through production automation, digital presorting, and consolidation, as well as householding across multiple applications.

Implications on the Enterprise

While the CCM evolution may be exciting from a consumer and marketer's perspective, implementing the technology to facilitate personalized communications can be a daunting task for IT and Operations professionals.

Some of the common challenges include:

- Lack of skills and resources; companies have drastically downsized staff and funding in this area. This, coupled with the lack of internal knowledge and skill sets to support modern tools, is greatly impacting their ability to deliver the desired state.

- Managing complex business systems across multiple lines of business—each with disparate and decentralized data silos and transactional and marketing processes—has made the remediation of legacy applications near impossible.

- Working with numerous business applications that produce output in a variety of formats—many of which are not suited for the newer, modern delivery channels.

- Incorporating modern communication techniques such as pURLs, QR codes, and text message commands using current antiquated tool sets.

- Ensuring regulatory requirements are met across the enterprise and now across multiple distribution channels.

- Lack of a centralized view and application of the consumer delivery preference across multiple business lines and delivery channels.

- Lack of business agility—large organizations struggle to implement the necessary global changes to keep pace with rapid advancements in technology and consumer trends.

While these challenges are not insubstantial, they are also not insurmountable. Businesses must recognize these challenges as enterprise issues and take strategic action to overcome them. Those that do not proactively develop a comprehensive customer communication strategy that includes a digital document strategy to normalize, repurpose, and deliver content across multiple channels will continue to struggle to evolve technology within the enterprise, delay the time to market for new business applications and marketing campaigns, as well as fall short of the consumers' expectations to communicate on their preferred channel—all negatively impacting businesses' competitive advantage.

Embracing Multi-channel Customer Communications

So how do businesses evolve their customer communications?

- **Align stakeholders and empower business users.** Customer communications decisions today require a variety of stakeholders. It is especially important to bring marketing and IT into the discussion early to outline the mission critical objectives and develop a shared vision on the enterprise CCM strategy to enable business users to centrally manage content, messaging preferences, and delivery to multiple channels in near real time.

- **Centralize services to globally manage customer communications.** Provide enterprise workflow automation to ensure integrity and guide delivery, combine with re-engineering tools to manage and personalize content after composition, and apply delivery preferences to enable quick go-to-market agility with maximal control and flexibility.

- **Consider service-oriented IT infrastructure.** Evolving IT paradigms (e.g., internal or external cloud services, service-oriented architecture) give enterprise organizations the ability leverage centralized services to easily deploy global changes, efficiently implement new delivery channels, and leverage combined enterprise volumes to realize operational labor and postal savings.

Putting a digital document strategy in place can help get businesses on the right track for meeting the increasing consumer demands for multi-channel communications.

Benefits of a Digital Document Strategy

One of the most common customer communication challenges that we witness within enterprise organizations is the management of legacy business applications. Operations is often paralyzed by having to manage and evolve its services and reduce costs with no control over the size, format, or timing of the incoming workload, and with minimal influence over business IT resources to make even the simplest of modifications. This is being compounded by new requirements to evolve digital document delivery methods, while reducing operating expenses and staff! Seemingly minor adjustments to document layouts for regulatory and compliance or operational reasons result in complex and prolonged programming efforts.

Due to other business-driven IT priorities and the perceived headaches associated with "opening up" legacy applications, business IT groups often simply avoid or defer cosmetic improvements to transactional correspondences–leaving the marketing department with paper-based inserts as their primary messaging alternative within transactional communications. It is no surprise that this whole process can be very frustrating for the person in charge of branding and customer experience.

If this sounds like a problem within your organization as well, you would be wise to consider a digital document strategy that enables the insertion of marketing and coaching content within transactional communications.

The concept of a digital document strategy centers on enhancing and preparing customer communications before they are rendered in their final distribution format. This is accomplished by increasing access to personalized and market-driven content through composition or post-composition solutions. These tools are a critical component to enable organizations to cost-effectively modify legacy documents and embrace multi-channel customer communications. Establishing a centralized service to modify the myriad of business applications post-composition can help bypass often-painful overhauls of legacy systems by creating a small number of centralized utility programs that can service the distribution needs of multiple legacy applications—saving time to market and costly remediation efforts. For instance, you can use these tools to add color and personalized messaging, as well as index and render documents for electronic delivery. The concept is to take legacy output from various business systems, apply the necessary business, operations, and marketing changes, then render the communications in the consumer's preferred format.

Figure 2: Workflow Automation

Implementing a digital document strategy centered on post composition solutions and controlled by automated workflow is a cost-effective way of implementing global changes and reducing the burden on business IT organizations. Fixing business applications that are out of compliance with operational standards, inserting integrity barcodes, and converting legacy documents for online presentment are just a few of the many service capabilities enabled by digital document services supported via post-composition solutions. Post-composition solutions are fast becoming a critical component of the customer communication delivery strategy for many organizations.

InfoTrends' Opinion

Organizations should acknowledge that their consumers' communication requirements have evolved beyond their current capabilities, and that they need to devise a plan to regain ground on this front. This includes embracing a digital document strategy that will prepare customer communications for delivery across all distribution channels. In addition, it is critical to address the need to gain a single view of the customer by integrating disparate transactional data from various lines of business, marketing content and rules, as well as the delivery preference for the end consumer.

In making the transition to digital delivery and gaining a single view of the consumer, organizations should consider implementing a centralized customer communication distribution service to apply the required application changes, to prepare documents with increased personalized content, and to be distributed through alternative delivery methods.

While post-composition tools will help bridge the gap for legacy applications, this should be viewed as a first step of a broader document evolution strategy that recognizes that modern documents will require increased content and will need to be able to be rendered in any distribution format. Moving forward, organizations must establish a digital document strategy that addresses the needs of new and legacy business applications to meet the rising consumer demands to communicate across all channels.