

# CUSTOMER COMMUNICATIONS MANAGEMENT: MAXIMIZE CEM RESULTS WITH INTERACTIVE CONTENT

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## Report Highlights

**p3**

**Companies use an average of nine channels to interact with customers**

**p5**

**CCM users are 64% more likely to standardize the use of customer data**

**p7**

**CCM users are 70% more likely to ensure delivering consistent messages with channels partners**

**p11**

**CCM users are more than twice as likely to deploy a CEM platform to support their activities**

Customer expectations are evolving at a lightning pace. Buyers today expect organizations to provide them with timely and relevant messages targeted to address their most current needs. They also demand that this happens through their preferred channels of interaction. Companies are closely tracking these changes; however, personalizing conversations with a wide set of buyers across different channels is a daunting task – one that requires the use of technology to streamline such an effort. This report highlights how customer communications management (CCM) technology helps companies overcome this challenge by delivering immersive experiences via both physical and digital customer touch-points. It will also outline several key factors that companies must utilize to maximize the results of their CCM activities.

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**The ability to create interactive conversations holds the key to maximizing customer communications results.**

### Definition: Customer Communications Management (CCM)

Aberdeen defines CCM as an organizational program that enables the automation of processes used in creating, producing and delivering physical and digital documents to be used in customer interactions across various touch-points (e.g. mail, web and email).

CCM programs are utilized to manage buyer interactions directly as well as support channel sellers / partners in their activities to sell the company products / services.

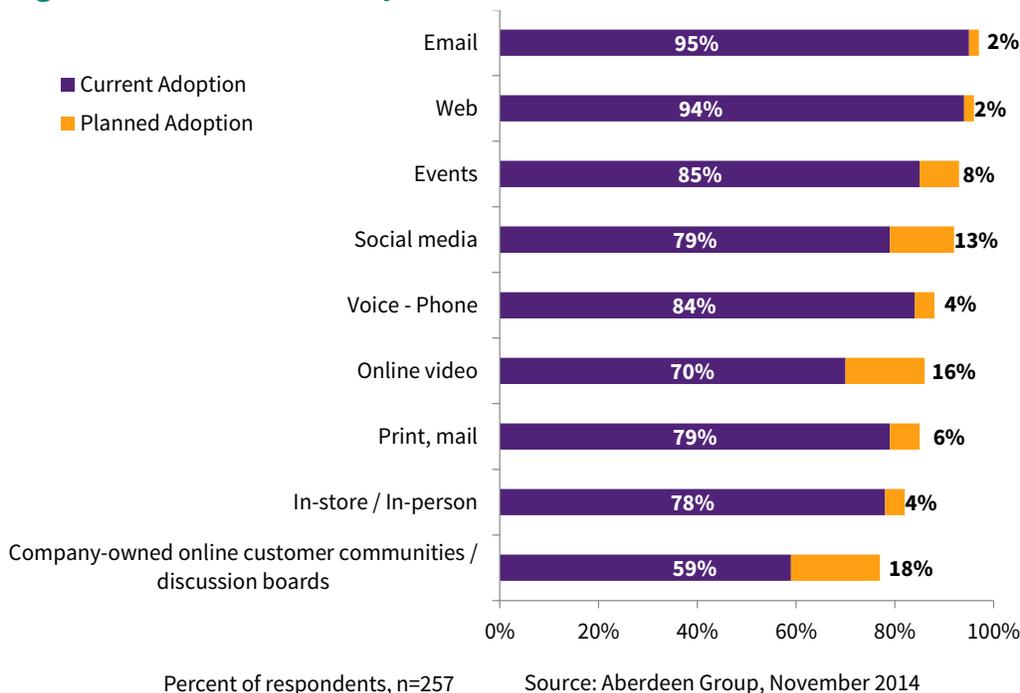
Organizations use CCM for a variety of activities, ranging from marketing promotions, export documents, contracts, payment reminders as well as product / service updates (e.g. vehicle recall notice).

### Multi-Channel is the New Normal: Are You Ready for It?

Customers today are empowered. Never before in commercial history have buyers had access to such a rich variety of technology tools and channels, which they can use to educate themselves on the different products and services that meet their needs.

The good news is that organizations are well aware of this change in customer behavior, and evolve their business activities accordingly. Indeed, findings from Aberdeen's March 2014 *State of the CEM Market 2014: It's All About Better Use of Customer Data* study shows that 99% of companies are using at least two channels to interact with their buyers. Data from this study indicates that 34% of businesses deploy a formal CCM program (see sidebar) to manage the customer conversations taking place across numerous channels. Figure 1 shows the customer interaction channel-mix of CCM users.

**Figure 1: 2014 Channel Adoption Trends - Current & Planned**

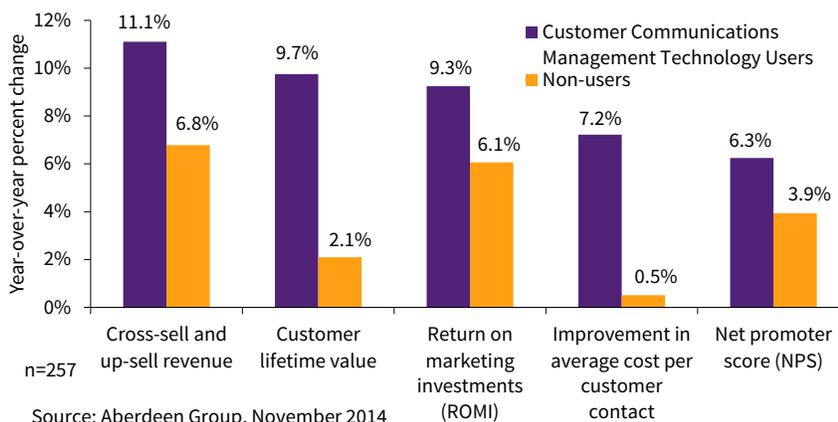


As illustrated above, CCM users interact with their current and potential customers via both physical (e.g. mail and events) and digital (web, customer communities and video) touch-points. With an average business (including those with and without CCM programs) using nine touch-points (e.g. email, web, phone, mail, events, in-store, social media, online video and online customer communities), according to *State of the CEM Market 2014* study, the question, then, is how do CCM users execute their activities across so many channels without confusion?

### *The Business Impact of CCM in Driving Interactive Experiences*

Let's start by understanding why companies turn to CCM in the first place. Data from Aberdeen's *State of the CEM Market 2014* study shows that the top reason is the organizational goal to interact with customers through channels of their choice. However, equally important is the need to ensure personalization and consistency of the messages delivered through multiple touch-points. Companies that accomplish both objectives are the ones that truly differentiate themselves against competitors by being able to establish two-way conversations with customers through both print and digital interactions. To this point, Figure 2 shows the year-over-year performance gains CCM users enjoy in comparison to non-users.

**Figure 2: CCM Users Enjoy Greater Customer Spend**




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**Thirty-four percent (34%) of organizations have a formal CCM program in place.**

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**An average business uses nine different touch-points to interact with customers.**

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**Differentiation in this environment is driven by using the existing channels more effectively, not by throwing in more channels to the customer interaction channel-mix.**

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## 4

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**Definitions**


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Aberdeen defines:

**Net Promoter Score (NPS)** as an industry term used to gauge customer loyalty - influenced by satisfaction from previous interactions.

This metric is calculated by using a scale of 0 to 10, and asking customers their likelihood of recommending an organization to others. Based on their responses, customers are placed in three categories. Promoters (loyal enthusiasts) are those that respond with 9 or 10. Passives (impartial buyers) are those that respond with 7 or 8, and Detractors (unhappy clients) are those that respond with 0 to 6.

The calculation is done by subtracting the percentage of customers categorized as Detractors from the percentage of customers categorized as Promoters.

**Return on marketing investments (ROMI)** as the incremental revenue that the business is able to associate with marketing campaigns.

Before observing the performance gains of CCM users, it's important to recall our definition of CCM. It refers to a formal system that enables organizations to automatically manage enterprise documents (e.g. marketing materials and billing statements) to be delivered across multiple touch-points while ensuring their timeliness and personalization. Building this capability yields numerous important results. First, better personalization in customer messaging facilitates improvements in buyer satisfaction. This is reflected by CCM users achieving a 59% greater annual increase in net promoter score (NPS – see sidebar), compared to non-users.

Another important benefit CCM users realize is in increased revenue. By ensuring the relevancy of customer communications content, these organizations increase the likelihood of client spend; hence improving metrics such as cross-sell and up-sell revenue as well as return on marketing investments (ROMI – see sidebar). Considering marketing's key role in customer engagement programs, these findings signal that marketers should pay close attention to CCM, as it helps them improve their ability to demonstrate the quantifiable impact that marketing has on company results; helping them increase the likelihood of receiving more budget for future programs.

Yet another crucial benefit highlighted above is the cost per customer contact. Improving customer experiences does not necessarily require additional costs. Indeed, in addition to increasing customer satisfaction, CCM users also enjoy a 7.2% annual improvement (decrease) in cost per customer contact. This is enabled by their ability to target the right buyer with the right messages, hence decreasing the communication costs incurred by sending wrong or outdated documents to clients, or sending the right ones but using content that yields minimal or no results.

## How to Succeed in CCM

Still, driving a more interactive experience between the company and its customers is not an activity that's simply enabled by adopting a CCM program. It also requires firms to put the right building blocks (processes and technology enablers) in place in order to maximize the benefits of CCM.

### *Using the Right Processes is what Makes CCM Work*

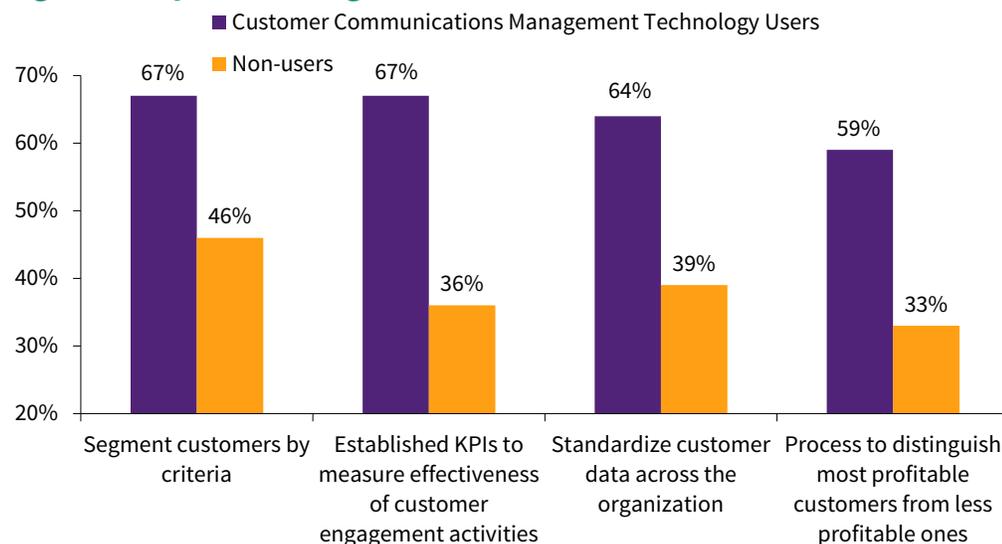
Figure 3 shows the first of the three sets of process capabilities that CCM users deploy to support their activities. The ability to personalize customer conversations first requires firms to streamline the flow of customer and operational data across numerous enterprise systems. As organizations expand the number of channels through which they interact with customers, it's critical that the data captured across all of the systems, used as part of these interactions, is integrated. CCM users are 64% more likely (64% vs. 39%) than non-users to standardize customer data within their business, helping them build a single view of the customer interactions across different systems.

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**Establishing a single view of the customer is critical to enable personalization of customer conversations across all touch-points.**

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**Figure 3: Key Data Management Activities Facilitate Personalization of Customer Conversations**



Percent of respondents, n=257

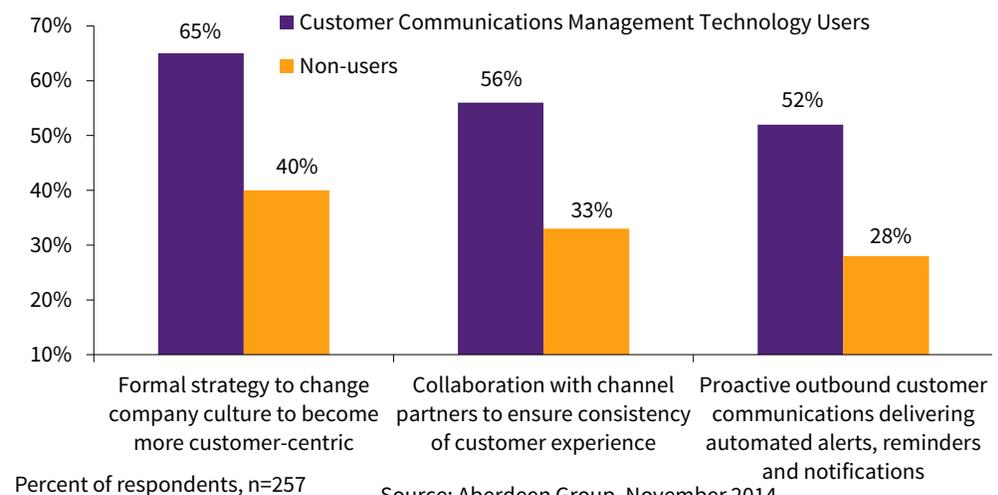
Source: Aberdeen Group, November 2014

## 6

Once they provide all key stakeholders with a timely and single view of the account data, CCM users also segment customers by different criteria (e.g. demographics and previous purchases). Segmentation enables them to analyze historical data by determining which audiences respond better to different types of messages. As a result, the company is able to personalize the content that will be delivered as part of future communications based on what best resonates with target segments. To this point, account profitability is a key segmentation criteria utilized 79% more widely (59% vs. 33%) by CCM users, compared to non-users. This allows companies to tailor the documents they deliver to high-value clients, increasing the likelihood of retaining these valuable accounts and growing their spend.

The second set of processes (Figure 4) is related to incorporating customer-centricity within all direct and indirect buyer touch-points. Specifically, it refers to tailoring existing ways of doing business in a way that is more aligned with the changing needs and wants of customers.

**Figure 4: Customer-Centricity Should Permeate All Communication Processes**



**CCM users are 79% more likely to use account profitability as a customer segmentation criteria, compared to non-users.**

As highlighted above, CCM users are 63% more likely (65% vs. 40%) to indicate that they have a formal strategy aimed at better aligning the business with its customers. For example, the buyers of an organization might have increasingly started using mobile applications as part of their purchase activities. If the business monitors its customers' needs, then it's highly likely to determine this change in customer demand, and therefore build a mobile application enabling buyers to interact with the business through this touch-point. Considering that CCM users are 63% more likely (65% vs. 40%) than non-users to incorporate customer-centricity as a formal organizational strategy, it can then be stated that they are also more likely than non-users to understand and respond to customer demands.

It's important to note that this key concept around customer-centricity must go beyond direct interactions between a company and its customers. It should also include indirect interactions where the business sells its products or services via a channel partner (reseller or dealer). Data from Aberdeen's *State of the CEM Market 2014* study shows that CCM users are 70% more likely (56% vs. 33%) than non-users to collaborate with their channel partners to ensure that buyers' interactions with a channel partner are consistent with those when interacting with the company directly. This is enabled through numerous activities such as providing templates of communication materials to partners, to streamlining the flow of data between the company and its channel partners.

Performance management activities make up the third set of processes that help CCM users succeed. These activities, illustrated in Figure 5, help organizations with visibility into the effectiveness of current customer interactions. To establish this visibility, companies must first determine the top metrics they must use to assess their ability to attain their customer experience management (CEM) objectives. Once these are

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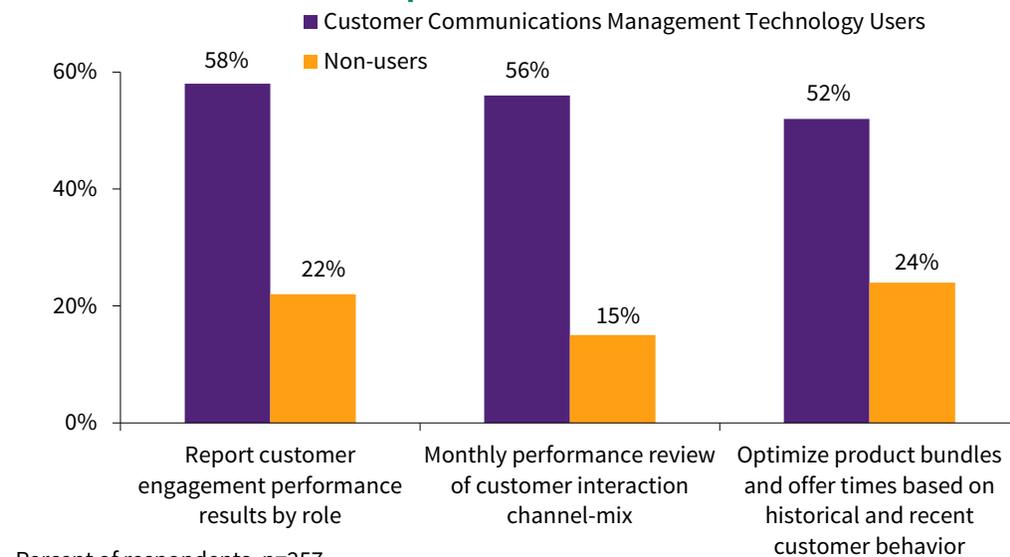
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→ [Read the full report, "Customer Engagement Analytics: How to Use Data to Create \(and Keep\) Happy Customers"](#)

→ [Related Research "Voice of the Customer: Big Data as a Strategic Advantage"](#)

determined, then reporting and analytical tools (to be discussed in further in the next section) must be utilized in order to understand how content used across different channels contributes in driving the desired results. The findings from this process help organizations better target buyers in future interactions by optimizing the content and timing of each message based on its target audiences - an activity deployed far more widely (52% vs. 24%) by CCM users, compared to non-users.

**Figure 5: Regular Measurement and Reporting Enables Continuous Performance Improvements**



Source: Aberdeen Group, November 2014

Companies optimize the content of customer messages delivered in numerous ways. In addition to using customer data for personalization, the format within which these messages are delivered is important. To this point, providing immersive experiences via rich-media content (delivering images or videos that involve a certain degree of user interaction) is an important capability, as the customer interaction with content signals engagement. The ability to create engaged customers via rich media content means that companies are more likely to elicit

desired behavior (e.g. response rates). Data shows that CCM users are far more likely (40% vs. 17%) than non-users to utilize rich-media content to deliver immersive experiences that unlock customer engagement across all of the touch-points.

Earlier, we noted that an average business uses nine channels to interact with its customers. Data shows that CCM users are far more likely (56% vs. 15%) than their peers to assess how different channels impact their key performance indicators (KPIs), such as return on marketing investments and customer contact costs. By doing so they reduce the likelihood of using channels that yield minimal or no results, and rather, use the ones that are preferred by their buyers, hence provide better results. In addition to the benefits of using the right channels, assessing the effectiveness of the customer engagement channel-mix at least on a monthly basis also helps firms better determine fluctuations in customer interaction results related to specific channels. This allows companies to determine and address any inefficiency in utilizing specific channels in building interactive customer experiences.

### *Technology Streamlines Process Execution*

The good news for both CCM users as well as those that are looking to incorporate it within their business activities is that the aforementioned processes don't need to be executed manually. Figure 6 shows that CCM users build and maintain a rich technology toolbox to support executing these activities.

Among the technologies deployed by CCM users are customer relationship management (CRM - 86%) and enterprise resource planning (ERP - 53%). Both of these systems provide organizations with a system of record to store customer and operational data captured across different touch-points. Companies use a wide set of analytical tools (see sidebar) to

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### Adoption of Analytical Tools

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Research shows us that in addition to deploying the technology enablers in Figure 6, CCM users also utilize a rich-set of analytical tools to analyze historical and real-time customer and operational data.

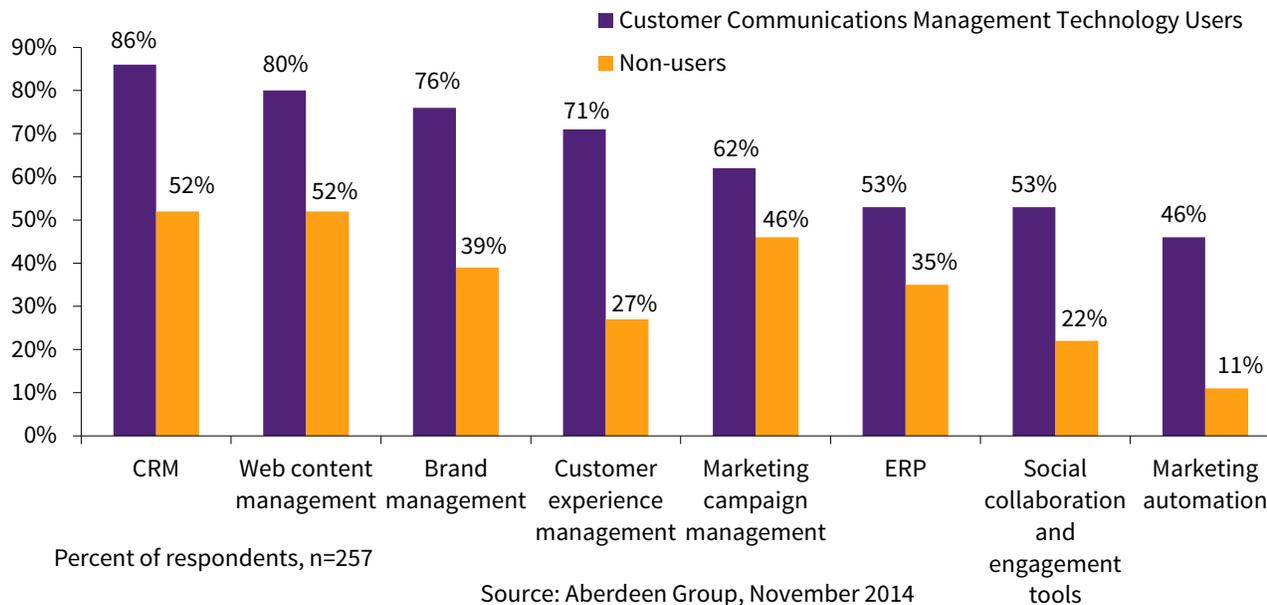
These tools include:

- **Web reporting & analytics:** CCM users: 73% vs. Non-users: 48%
- **Business intelligence:** CCM users: 65% vs. Non-users: 49%
- **Database management:** CCM users: 58% vs. Non-users: 27%
- **Real-time reporting and alerting:** CCM users: 58% vs. Non-users: 23%

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analyze the data stored within systems such as CRM and ERP. Among them are [web analytics](#) and [business intelligence](#).

**Figure 6: CCM Users Build and Maintain a Rich Technology Toolbox**



**Companies have a rich set of analytical tools they can use to analyze historical interaction data in order to tailor future customer conversations based on what works.**

There are numerous ways to utilize the insights gleaned through the analytical tools depicted above. One of them is real-time unified customer engagement (RUCE). This refers to an organization's ability to utilize historical and real-time insights to address buyer needs on a real-time basis. Doing so helps companies improve overall customer responsiveness and, as a result, drive greater revenue. Please read Aberdeen's June 2013 [Real-time Unified Customer Engagement: How to Delight Empowered Customers](#) study to learn more about RUCE.

One of the technology tools that companies use to capture real-time and historical customer data is web analytics. It helps companies analyze the web visitation data captured when customers visit a specific website. Business intelligence (BI) tools provide the ability to analyze historical customer data captured from a broader set of channels, including but not limited to the

web. The use of both solutions provides organizations with insights on the trends and correlations that shed light on how the use of specific content impacts customer experiences. These findings in turn are leveraged to design more interactive web experiences that facilitate a two-way conversation between the company and its customers. More interactive web experiences refers to an organization's ability to deliver the right web content to the right buyer as they are interacting with a business website.

While the web is a predominant channel used by 93% of firms to interact with their customers, it's not the only channel companies use to have two-way conversations with their buyers. The ability to build such interactive conversations, across all customer touch-points, is critical as it helps companies position themselves as a trusted advisor to its potential and current clients. Thus, customers are more likely to buy the products / services as well as become loyal clients.

It's crucial that companies instill the mindset and capabilities of driving interactive experiences across all the customer touch-points. Utilizing a customer experience management technology platform helps organizations accomplish this objective by enabling firms to manage their multi-channel interactions through a centralized system – enabling consistency of messaging as well as the company brand. To this point, CCM users are far more likely to utilize a centralized CEM platform as well as brand management technology, compared to non-users.

Additional technologies deployed by CCM users include marketing automation and marketing campaign management. The former refers to technology tools that help companies automate the entire lifecycle of marketing activities, from A / B testing (see sidebar), list generation, customer segmentation to campaign management. Marketing campaign management specifically focuses on using existing customer data stored in

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#### Definition: A / B Testing

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Aberdeen defines A/B testing as an activity used typically in marketing programs to test the effectiveness of a particular content (e.g. image, email title) in driving desired response rates.

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**The average number of channels companies use to interact with customers has increased from five in 2012 to nine in 2014.**

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systems such as CRM and ERP to deliver more personalized and timely marketing campaigns to target audiences.

It's important to note that not all CCM users deploy all of the technologies above. For example, a company utilizing marketing automation is highly unlikely to also use a separate tool for marketing campaign management. Therefore, we recommend that companies consider the technology enablers noted above from the perspective of their internal needs and priorities. It is, however, crucial that the existing or planned technology enablers provide firms with these functionalities, even though some of them might be provided through a broader system (e.g. web content management provided as part of a customer experience management platform).

### *Deliver Interactive Customer Communications, Drive Results*

Empowered users have changed the very nature of customer purchase and loyalty decisions. Particularly important is their increasing adoption and use of digital touch-points, including social media portals and online customer communities. Mobile devices such as smartphones and tablets enable the empowered customer with easier access to many of these digital touch-points.

As buyers change the way they interact with businesses, companies take note and adapt to these changes. In fact, trend analysis within our *[State of the CEM Market 2014](#)* study shows that the average number of channels companies use to interact with customers has increased from five in 2012 to nine in 2014. This means that gone are the days where companies used to be customer-friendly by simply adopting more channels within their channel-mix. Businesses must now differentiate based on their ability to deliver personalized and timely interactive messages to clients – while ensuring that these messages remain consistent

across different touch-points. Those are the top reasons why 34% of businesses have already invested in a CCM program and another 33% are currently assessing implementing one to support their customer interaction activities. The interactive messages delivered by CCM users go beyond marketing campaigns or billing statements, and include other enterprise communications such as product catalogs, negotiated documents, welcome kits and organizational policies.

It's important, however, to keep in mind that simply deploying technology isn't enough to drive interactive experiences that lead to better performance. It should be supported with the key foundational elements below to ensure continued success in metrics such as customer lifetime value, ROMI and NPS:

- ➔ **Empower your employees with timely and consistent views of the customer.** The ability to deliver seamless messages across multiple touch-points begins with the ability to provide employees across different departments (sales, marketing, service and back-office) with the same view of the account information. Once this is in place, employees across the business are well-positioned to ensure that the documents they will deliver to different customer segments reflect consistent messages – even though they might be delivered by different business units or through different channels. This is a key ingredient of [RUCE](#) – a key differentiator of organizations that succeed in creating and nurturing immersive customer experiences via timely and relevant content.
- ➔ **Make your customer conversations more interactive.** We're living in an increasingly social world. Both business-to-business (B2B) and business-to-consumer (B2C) buyers today are able to use social media as part of their buying decisions. Therefore, it's crucial that the

content you deliver to customers enables interaction and facilitates a two-way conversation between you and your customers. This will ultimately increase their likelihood to spend more with your business, reflected in improvements in measures such as ROMI. Just as importantly, however, it will position your business as a trusted advisor in the eyes of your customers since buyers will understand that you track their needs and respond to them in a personalized fashion. This helps convert happy buyers into customer advocates, driving further awareness and positive influence for your products / services across relevant social media portals.

- **Ensure that your CCM program evolves with your clients.** Put your customers at the driver's seat of your CCM activities. We've noted the importance of customer-centricity earlier in this document. Becoming and remaining a customer-centric business means that you regularly monitor changes in customer behavior and feedback, specifically drilling-down into each buyer segment. Once captured these insights should be incorporated within your business decisions. Without this last mile of incorporating customer demands within your business decisions, you run the risk of establishing a stagnant CCM program. This means that you might risk not having visibility if your customers prefer using an emerging channel as part of their buying activities. With lack of such visibility and appropriate response you risk not being able to differentiate your business in the eyes of your customers.

For more information on CCM and other related customer experience management topics, please visit

<http://aberdeen.com/aberdeen/contact-center/CMAV/practice.aspx>.

#### Related Research

[\*Customer Analytics: Making Big Data Work for the Marketer\*](#); August 2014

[\*Customer Engagement Analytics: How to Use Data to Create \(and Keep\) Happy Customers\*](#); May 2014

[\*Responsive Design Boosts Customer Engagement Results\*](#); April 2014

[\*Voice of the Customer: Big Data as a Strategic Advantage\*](#); April 2014

[\*Real-time Unified Customer Engagement: How to Delight Empowered Customers\*](#); June 2013

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