

# Meeting the Challenges of Marketing Communications Delivery



Email is the top channel for marketing firms delivering communications for their customers, with voice not far behind. But a third (33%) of firms still send faxes. And companies struggle most with staying efficient and managing costs while juggling the multiple systems and databases used for marketing campaigns.

These are some of the findings of a survey conducted by IDG with OpenText. The survey reveals the main objectives of marketing firms when they are delivering messages for their clients and also uncovers the biggest pain points. The results also point the way to solutions for running campaigns more efficiently and effectively.

## Email Is King

IDG and OpenText surveyed business and IT executives at ad agencies, marketing communications companies, customer engagement solutions providers, and other communications services firms. The companies ranged in size from 10 to 499 employees.

Everyone surveyed uses email to deliver communications on behalf of customers. Email also emerged as the top revenue driver, as reported by 54% of the respondents. That should come as no surprise, says Saurabh Jain, lead product manager for email

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notifications at OpenText. “Email is the cheapest way of interacting with your recipients,” he says. “And if you look at the ROI, it’s higher than other channels.”

But today’s marketing requires multiple forms of communication. More than three-quarters (77%) also use voice communications, and 55% send messages via SMS text. Print is still in the mix for 36% of the survey respondents, and nearly as many (33%) send faxes. Among the respondents, 13% cited fax-based communications as their top revenue driver, perhaps reflecting faxing’s staying power as a channel for secure business-critical information exchange.

“Fax is still growing in volume for us,” says Jose Rodriguez, lead product manager for OpenText notifications at OpenText. “It’s a more secure method of communication, so it’s used for situations where security and industry compliance are required.” One example transaction: insurance policy confirmations that require users to transmit personal information.

Perhaps unsurprisingly, given these results, 36% of the respondents cited boosting email engagement over the next 12 months as their top objective.

Other top objectives include:

- **31% – expand the number of channels**
- **31% – increase data security**
- **30% – improve users’ communications experience**
- **28% – expand services regionally and globally**
- **26% – integrate communications channels for a more unified approach**

With all of these objectives to meet, executives also expressed frustration at the limitations of the technology they use to drive engagement in whatever channels they use.

### **Firms Struggle to Corral Multiple Systems**

The top challenge communications firm executives face with their clients’ campaigns is keeping costs down while maintaining efficiency.

Nearly half (47%) of the survey respondents said they struggle with efficiency and cost management.

“Marketing service providers are sometimes sending millions of messages per day,” Rodriguez says.

“Anybody they outsource to is going to charge for that volume.”

According to Rodriguez, firms typically don’t pass on the direct cost of sending out all those emails. Instead, they charge based on conversion rates. And with millions of emails going out and industry-standard conversion rates in the 1% range, communications firms need to keep costs as low as possible to realize a good return. That may run counter to their need to meet all of their other objectives, forcing them into a precarious balancing act between adding capabilities and trying to keep costs down.

It stands to reason, then, that close behind the cost challenges reported by survey respondents is the challenge of managing multiple systems, including separate databases and more than one vendor (cited by 41% of the respondents).

“If you’re dealing with multiple vendors, that brings another level of complexity,” Jain explains. “When you’re dealing with different vendors for, let’s say, SMS, voice, and email — versus having just one vendor to deal with — you need more people and more integration points.” Which also contributes to rising costs, Jain points out.

### **Deliverability and Other Problems**

Also in the top three challenges: meeting customer expectations for email deliverability, open rates, and clicks (40% of the respondents). Another significant problem: limited operability or visibility across communications channels (24%).

A small number, only 14% of the respondents, reported relying solely on a shared IP address for delivering emails. About a third (36%) said they use both shared and dedicated IP addresses, depending on the circumstances.

Rodriguez points out that shared and dedicated IP addresses each have their pros and cons. On the one hand, shared IP addresses can help businesses with no history of sending large volumes of email stay within the parameters of behavior expected of a given domain, improving deliverability. On the other hand, a dedicated

IP address can insulate one marketer from the bad actions of another, such as one with a history of sending irrelevant emails that get flagged as spam.

Adding to their difficulties, respondents reported using an average of five channel solutions to send messages on behalf of clients. That’s a problem, since nearly three-quarters of the respondents (70%) said their technology integrations are insufficient for smooth operations. The added complexity is more than an annoyance; it impacts the bottom line. Nine out of 10 (92%) of the respondents reported that managing multiple channel solutions limits their work on more productive tasks.

Change is needed. And leaders from communications firms agreed that a single-vendor approach to omnichannel communications has the potential to offer real solutions for meeting internal and customer needs while keeping costs in line.

**Relief With an Omnichannel Approach**

Nine out of 10 (91%) of the communications firm executives surveyed said they’re considering moving to a single-solution approach for seamless communications on behalf of their clients. More than half (51%) said they’re very likely to make the move.

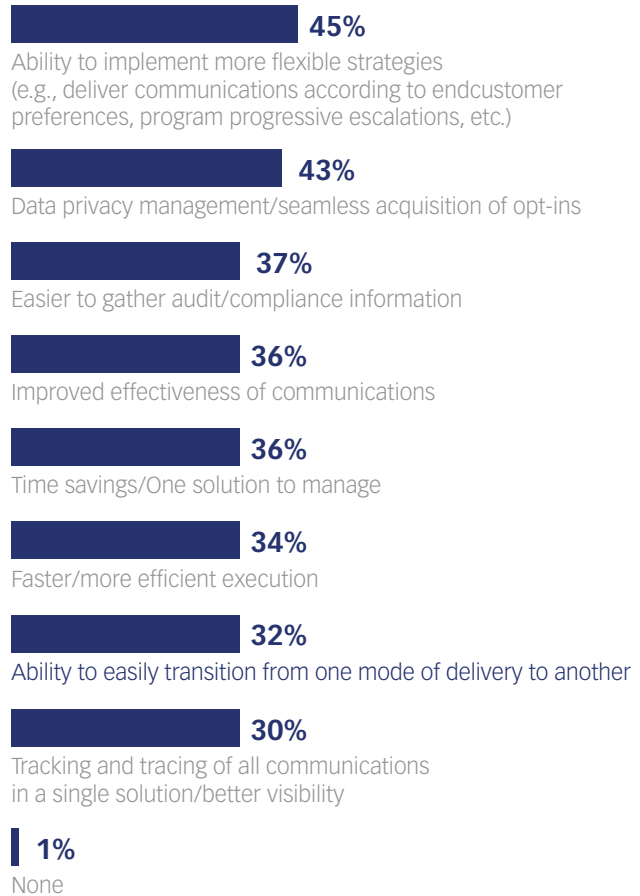
Critical to making it work, respondents agreed, is a single-vendor solution. Nearly half (45%) of the respondents cited campaign flexibility as a benefit of an omnichannel and single-vendor approach to communications, making it the top perceived benefit.

Coming in as a close-second top benefit, cited by 43% of the respondents, is data privacy management, including seamless acquisition of options. More than a third (37%) also cited easier gathering of audit and compliance information as a related benefit of the omnichannel approach. [Fig. 1.]

“I think the biggest benefit of using a single vendor is that there’s a degree of standardization across channels,” Rodriguez says. That’s because message recipients tend to expect message coordination between channels, he explains. “They expect it to be a seamless message.”



**Fig. 1 The Benefits of Omnichannel**



Source: IDG

Jain adds that costs can go down with a single-vendor approach. “It’s easier for a customer to negotiate prices, given the combined volume of messages spanning all the channels.”

But getting the right technology in place presents challenges of its own. Fortunately, the right solution partner can help ease the transition.

**Learn more more about how OpenText’s omnichannel approach to messaging campaigns can reduce costs and improve message effectiveness for communications firms and their clients.**

### Solutions From OpenText

Eight out of 10 (80%) of the surveyed communications firm executives — technical and business leaders alike — said it’s hard for their technology and business teams to communicate well with each other regarding technology needs.

The problem is particularly acute because the two groups typically work together to determine technology requirements and manage solutions after purchase. Especially in such cases, a trusted partner may provide the surest path to campaigns that are more effective and efficient and that return optimal results.

Technology and business leaders do agree on key capabilities they’re looking for in channel technology providers [Fig. 2].

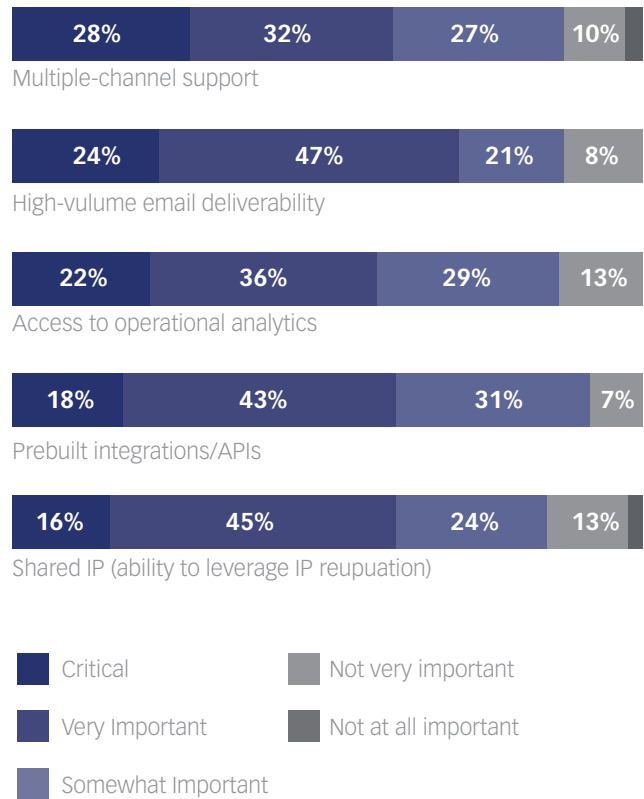
OpenText provides support for these functions and more, providing a clear path to omnichannel communications. OpenText capabilities include:

- System and application consolidation, lower costs, efficiency, productivity gains, and support for flexible strategies
- Enhanced email engagement and improved deliverability, thanks to the ability to provide shared IP addresses, which are monitored to ensure adherence to best practices by all users
- An application-programming interface (API) that supports tight integrations between applications and systems
- Increased visibility and easier reporting

“Our API is the same regardless of whether you’re doing email or SMS or voice,” Rodriguez says. “Our reporting is all very similar. So there’s a consistency in dealing with each channel.” Using one vendor also means there’s only one call to make if any issues come up, he says. And that can make all the difference for communications firms working hard to get the message out as efficiently and effectively as possible.



Fig. 2 Important Attributes for Channel Technology Partner



Source: IDG