IDC MarketScape

IDC MarketScape: Worldwide Customer Communications Management 2020 Vendor Assessment

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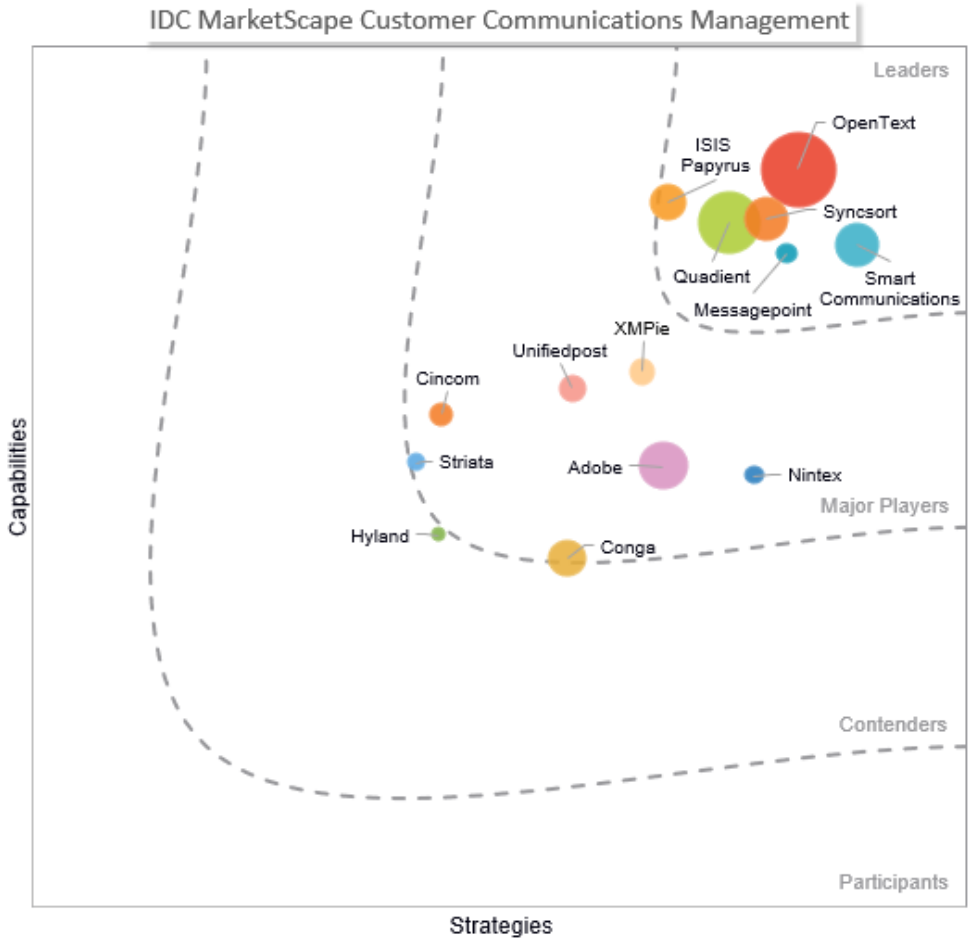
THIS IDC MARKETSCAPE EXCERPT FEATURES OPENTEXT

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Customer Communications Management Vendor Assessment



Source: IDC, 2020

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 Customer Communications Management 2020 Vendor Assessment by Marci Maddox (Doc #US45439320). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Advice for Technology Buyers, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

Digital Transformation in Communications

Digital transformation (DX) has had a major impact on the world of communications. The trend over the past 10 years has been to reduce costs associated with outbound communications and printed documents, such as statements or notices, largely with replacement by electronic delivery — but not completely. In a recent IDC survey, we found that while batch printing has gone down, on-demand printing has gone up; the onus is shifting from the company *sending* printed output to the customer *requesting* printed output. The demand for personalized and tailored communications to an individual's preferred channel is at an all-time high. IDC has seen increasing customer interest in on-demand correspondence and interactive conversations via social, web, and SMS channels. As such, the traditional automated document generation software used for structured batch document output is transitioning to autonomous intelligent communications agents that help organizations adopt more interactive digital conversations.

Modernizing the Architecture

The growing demand for dynamic, real-time communications and faster document generation has many customer communications management (CCM) vendors modernizing their architecture and shifting to the cloud. CCM vendors are introducing new technologies, such as artificial intelligence (AI), machine learning (ML), intelligent process automation (IPA), natural language processing (NLP), and conversational interfaces (e.g., Siri, Alexa, or Cortana) to support new business groups and their communication requirements across a variety of formats, file types, and devices. There are two primary architecture types observed in the CCM market that define how the solution is developed, packaged, and utilized. Some organizations use both types: one for composition and another for delivery. There are benefits and drawbacks to both approaches such that buyers need to understand which type of solution suits their needs:

- **All-in-one communications platform**: All-in-one communication platforms tend to be more expensive and difficult to implement due to the breadth of capabilities in the portfolio. Like other enterprise applications, CCM platforms require coordination within an organization's IT ecosystem or cloud strategy with oversight by IT for maintenance and upgrades. Communication platform vendors include Hyland, OpenText, ISIS Papyrus, Syncsort, Quadient, and Smart Communications.
- **API-first automated document generation** (ADG): These systems tend to be easier to implement and less expensive, offering more flexibility in purchased functionality and integration to existing systems. To leverage an API-first platform, organizations must have

adequate IT resources on hand to manage the integrations and configurations. Automated document generation applications, especially those that take an API-first approach, are the basis of headless and microservice architectures. Document generation vendors include Adobe, Cincom, Conga, Messagepoint Inc., Nintex, Striata, Unifiedpost, and XMPie Inc.

This IDC MarketScape includes vendors from both the platform and API-first model. We focused our evaluation on core capabilities of authoring, processing, delivering, and reporting. Applications that focus on particular industries (e.g., insurance) or business roles (e.g., sales and marketing) tend to have fewer features and capabilities compared with a CCM platform. Industry or role-based applications have a focused road map and specialization of features that accommodate their users' needs, which requires less customization than a more generalized ADG system. End users tend to prefer these specialized CCM applications for their ease of use and level of value received.

We also looked at the shift to cloud-based solutions. According to IDC's *Customer Communications Management Survey,* December 2019, 67% of respondents have already deployed or are actively implementing CCM in the cloud. A few vendors already offer SaaS- or cloud-based solutions, while the remaining vendors are actively rearchitecting for the cloud with containers and microservices for easier deployment.

Addressing Customer Engagement or Empowering Employees

Another characteristic of the CCM market is the business initiative by which the platform or application is measured. First is the focus on the customer experience (CX). IDC's *Customer Communications Management Survey* found that improving CX was the number 1 business goal of their CCM solution. In the survey, 27% of the respondents stated their CCM solution was used to ensure the customer experience is engaging, their brand is easily recognized, and access points and communications are standardized. 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, mobile QR codes, and much more. IDC estimates that by 2023, 65% of consumers will be using voice, images, and augmented reality for interacting with brands via their mobile device, extending the physical and digital experiences. CCM vendors that place emphasis on CX have heavily invested in features that help marketing teams to better engage their customers.

There is also shifting support in favor of empowering the employees with easy-to-use tools that upskill users without reliance on IT. Specialized applications tailor the user experience to generate documents and communications within the context of a task, use case, or business value stream. ADG vendors have invested in the salesperson's experience, making it easy to generate documents on demand directly from within Salesforce. Some CCM vendors bring subject matter expertise to their offering, such as honing the insurance agent experience to automatically generate quotes and correspondence at scale. Other CCM vendors are bringing the creative marketer into the fold, with interactive forms and communications in context of a campaign.

Organizations that seek to unify the communications stack in concert with business applications should consider a communication platform that provides packaged integrations, open standards, and regulatory compliance. Some vendors have invested in templates, processes, and content to support industry or vertical solutions, such as healthcare solutions, regulated business processes, and case management. Payment processing and identity authentication solutions require additional development as does automating secure digital document delivery from data supplied by custom or enterprise applications.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

The vendor inclusion list for this document was designed to accurately depict the vendors that are most representative of any given customer communications management or automated document generation buyer's selection list. Vendors were then surveyed and further investigated to ensure that the offerings qualified with both capabilities and strategies related to the CCM market, and the vendor had won recent CCM deals.

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

- Reported a minimum $10 million in combined on-premise license revenue and cloud-deployed annual recurring revenue
- Had customers in production for at least 12 months as of December 1, 2019
- Provides basic templates, authoring, workflow, delivery, and analytics capabilities for batch document output, on-demand communications, and interactive correspondence
- 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, and interoperability
- Customer reference surveys and interviews that rated the vendor on its support and product performance in usability, interoperability, customer service, strategy, and cloud provisioning

ADVICE FOR TECHNOLOGY BUYERS

CCM technology is evolving, in terms of both advance functionality and the inclusion of innovation accelerators such as AI and cloud deployments with microservice architectures. Legacy investments, limited budgets, business disruption, and fear of vendor lock-in lead many organizations to avoid going all in on a single communications hub, even though it may offer the most comprehensive set of capabilities to meet a variety of communication needs across business roles. CCM point solutions are designed to get business users up and running quickly and can be effective in streamlining operations, updating processes, and faster time to market.

For buyers with a cloud-first strategy, CCM applications in the cloud should provide a solid return on investment that benefits from cloud elasticity and scaled performance that align with business goals. The vendor 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 statements out in minutes with links to pay direct and avoid delay in payment processing), cost efficiencies, and productivity improvements, which give knowledge workers the ability to work faster and with fewer errors.

Organizations should ask the following questions:

- What file types does the vendor support for ingesting and exporting data and how well does it match the data interoperability needed to integrate to existing applications?
- What type of template and communication authoring design environment is supported? Is it a visual desktop, web browser, mobile interface, or embedded into another application?

- How easy is it for the application to import existing content to automatically create reusable and roles-based templates, content objects, or document types?
- Does the application include a library of industry-tailored templates, content types, and workflows to streamline the communication authoring and delivery activities?
- How well does the application handle 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 basic content approval workflows, advanced workflow with callout to third-party applications, such as eSignature, or progressive journey mapping or campaign activity? How easy is it to create, edit, and update the workflows?
- What level of volume throughput (e.g., pages, emails, or messages per hour) is benchmarked for structured/batch or ad hoc on-demand/interactive output?
- How many default reports 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?
- What is the vendor's current and future plans for cloud deployment types: public cloud, private cloud, hybrid, multitenant, or single tenant?
- How flexible is the pricing model to add more users, capacity, or new capabilities? Can I add new users, capacity, or capabilities on demand and instantly see the update?
- Which region-specific certifications has the vendor obtained for data, application, and cloud security? Are there business agreements in place to support regulatory requirements important to my industry?
- How well does the solution integrate with internal and external systems via packaged connectors (Salesforce, Guidewire, Workday, SAP, etc.)? What type of APIs does the solution support for custom integration development?
- How easy is it to provide a great mobile experience for my customers/end users? Does the system support responsive design, HTML5, 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 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.

For brevity of public cloud naming, refer to these terms: Amazon Web Services (AWS), Microsoft Azure (Azure), Google Cloud Platform (GCP), and IBM Cloud (IBM). Average implementation time is based on a basic out-of-the-box install and configuration of the software.

OpenText

OpenText is positioned in the Leaders category in this 2020 IDC MarketScape for the customer communications management market segment.

OpenText is a public company focusing its breadth of products on enterprise information management. OpenText was founded in 1991 and is headquartered in Waterloo, Ontario, Canada. Evaluated in this document is OpenText's CCM offering, OpenText Exstream, which is a key component of the new OpenText Experience Platform. OpenText Exstream enables organizations to create customer experiences through the roles-based design and delivery of personalized, consistent, compliant, omni-channel communications, delivered anytime, anywhere.

Quick facts about OpenText:

- **Employees:** 15,000
- **Global footprint:** Established customers across multiple continents
- **CCM industry focus:** Financial services, insurance, healthcare, telecommunications, utilities, and manufacturing
- **Ideal CCM customer size:** Large enterprises
- **Average implementation time:** 2-3 months
- **Public cloud:** Managed hosted in the OpenText Cloud and Google Cloud
- **Pricing model:** Transactional or user based
- **CCM partner ecosystem:** Global partner network

  Interesting fact: OpenText customers are using Exstream for a wide variety of consumer interactions – product shelf labels at a home improvement retail chain or the booking reservations, itineraries, and luggage tags for a major cruise ship line are generated using Exstream.

Strengths

OpenText Exstream is one of the longest-tenured CCM platforms in the market today. With the largest set of out-of-the-box deep integrations to enterprise business applications, such as SAP and Guidewire, and a broad partner ecosystem, Exstream can support a wide set of enterprise use cases. With a mature and broad set of capabilities, development on Exstream is now extending its customer and omni-channel capabilities to include a tie in to the new OpenText Experience Insights journey analytics product. OpenText has a long history of addressing the back-office and operational use cases and includes role-based interfaces to enable nontechnical users to design communication templates and author and edit live content. OpenText differentiates itself in regulated industries with support for compliance regulations at the business (the Americans with Disabilities Act), application (ISO 27001), and architecture (SOC 2) levels. Customer references gave positive reviews on Exstream's scalability and performance for high-volume processing. OpenText has also updated the user interface to the OpenText SmartUI standard, bringing consistency across the portfolio. With the move to microservices, Exstream can act as a cloud-based headless communications service to OpenText products or other enterprise applications.

Challenges

With a mature product comes challenges in pricing, implementation, and support. Exstream is too complex or technical for straight forward document generation needs and it can be a challenge to

justify the cost at a departmental level. Getting the right skill set of local implementers, sales, and support coverage in each of the global regions is imperative for OpenText to be successful, especially against newer cloud-based vendors. OpenText is rearchitecting Exstream as multitenant container-based services, which in turn opens opportunities for the departmental use case. Until that transition is complete, customers will need to accommodate the traditional on-premises licensing and upgrade model. OpenText has allocated significant development resources in Exstream's evolution to the cloud while trying to maintain an acceptable level of enhancements for its legacy CCM products. OpenText competitors are taking advantage of this shift to promote migration tools to this large customer base in hopes to sway Communications Center (legacy StreamServe) and xPression (acquired from Dell EMC) customers away from OpenText. OpenText merged its Communications Center capabilities into the Exstream Platform 16 and will continue to develop and support xPression standalone to align with existing customer requirements.

Consider OpenText When

OpenText is a good fit for large enterprises with a lot of customer-facing communications and business-critical documents in highly regulated industries such as financial services, insurance, and utilities. Organizations needing high-volume batch, interactive, and on-demand communications across a variety of business roles within a single solution should look at OpenText Exstream.

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 2018 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 *Worldwide Customer Communications Management Software Market Shares, 2018: Adding Intelligence to New Channels of Communication* (IDC #US45394119, August 2019).

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 solutions enable organizations to economically generate customized documents, communications, or notifications (in batch, interactively, or on demand) with timely, accurate, and relevant information that is tailored to the needs of a specific target audience/recipient and delivered in multiple output formats. The nature of customer communications management (CCM) solutions is to accommodate a wide range of data inputs, including integration to document management, archive, workflow, forms, business applications (ERP, CRM, SCM, HRM, etc.), and other adjacent technologies to facilitate communication composition and delivery. CCM's strength is generating a variety of output (e.g., documents, communications, messages, interactive tasks) to a range of delivery channels (e.g., print, email, SMS, voice, applications) in multiple formats (e.g., HTML, XML, CSV, PDF, AFP) tailored to any audience or recipient (e.g., customers, citizens, employees, partners, suppliers, chatbots, machines). Intelligent CCM solutions will take input from digital signals (e.g., internet of things [IoT] devices or video analysis) or NLP to learn or use knowledge to achieve its goal, whether to send a simple SMS notification or generate a more complex multipage document. In detail:

- **All-in-one communications platform.** A single communications platform provides broad functionality that can be used for many different communications scenarios and handles the full range of data ingestion, template design, content composition, and multiple output delivery. It will handle structured batch document generation, on-demand communications, and the more ad hoc dynamic and personalized interactive correspondence. The platform may be modular in design, offering buyers purchasing options or it can be a single system with configurable components. It also offers packaged integrations to other enterprise or industry business applications, capture, process, or analytics tools.
- **API-first automated document generation.** It includes streamlined applications for the purpose of fast composition and delivery of generated document output. Often taking an API-first approach to access native functionality or augment the system with third-party capabilities, these systems are highly tuned to the ingestion of data or preformatted documents for high volume delivery.
- **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 (e.g., terms and conditions).
- **Cloud native.** The software is designed and built to take full advantage of the cloud architecture often associated with microservices for large distributed networks such as cloud. Apps are containerized and actively orchestrated for increased agility and ease of maintenance of the application. Apps are paid for as you go via a subscription model.
- **Cloud enabled.** A traditional on-premises application is deployed into a cloud environment as a delivery model. The application has not been rearchitected for the cloud.
- **Company size segments.** The segments are small business, 10–100 employees; lower midmarket, 100–500 employees; upper midmarket, 500–1,000 employees; and enterprise, 1,000+ employees.

- **Document.** Document is defined as any container for business information. It can be paper or digital, and it can be structured like a form or unstructured like a report. In addition to any type of paper format, documents include email, text messages, instant messages, and web posts. Documents can be text or images — an x-ray or another medical image is a document. A web page may also be considered a document.
- **Capture.** Core functionality of capture includes the cleanup and preprocessing of scanned images, conversion of images to machine-readable text (optical character recognition [OCR], intelligent character recognition [ICR], etc.), document classification, categorization and indexing, and intelligent extraction.
- **Document and records management.** Document management functionality includes version and access control, metadata creation and management, and search. Records management functionality includes records declaration, creation and maintenance of file plans and retention schedules, automated enforcement of retention schedules, and support for regulatory compliance. Solutions typically include workflow engines (e.g., for document routing and task management) and may include case management frameworks.
- **Hybrid cloud.** A cloud computing environment uses a mix of private cloud and public cloud services with orchestration between the platforms, allowing data and applications/solutions to be shared between them.
- **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 (e.g., 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 are automatically generated dynamically 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.
- **Private cloud.** Private clouds are delivered on dedicated hardware (compute, storage, and network) that is not shared across multiple distinct customers. Dedicated hardware can be also virtualized or bare metal, but in either case, the entire system (physical compute and storage plus virtual private network) is used only by a single customer and cannot be reallocated to another customer in less than 1 hour.
- **Public cloud.** Utilizing shared infrastructure is virtualized hardware that is used concurrently by multiple customers as well as bare metal hardware, which can be quickly (<1 hour) reallocated to another customer.
- **Software as a service (SaaS).** Software is built for multitenancy and delivered and consumed as a service through a one-to-many model. The software is centrally managed and updated across all users, accessed by users remotely via the web, and offers self-service functionality. Apps are paid for as you go via subscription pricing.

LEARN MORE

Related Research

- *IDC's Worldwide Software Taxonomy, 2020* (IDC #US45718419, January 2020)
- *IDC FutureScape: Worldwide Customer Experience 2020 Predictions* (IDC #US45583819, October 2019)
- *Worldwide Customer Communications Management Software Forecast, 2019-2023* (IDC #US45394019, August 2019)
- *Worldwide Customer Communications Management Software Market Shares, 2018: Adding Intelligence to New Channels of Communication* (IDC #US45394119, August 2019)
- *Worldwide Semiannual Software Tracker Methodology, 2H18* (IDC #US44834819, April 2019)
- *IDC's Forecast Scenario Assumptions for the ICT Markets and Historical Market Values and Exchange Rates, 4Q18* (IDC #US43652019, April 2019)
- *IDC MaturityScape Benchmark: Customer Communications Management in the United States, 2019* (IDC #US42625018, March 2019)

Synopsis

This IDC study provides an assessment of the principal customer communications management applications and presents the criteria most important for companies to consider when selecting a customer communications software solution. This assessment discusses both quantitative and qualitative characteristics that explain success in automated document generation and the authoring and delivery of customer-related communications and correspondence. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to the criteria and one another. The study highlights the factors expected to be the most influential for success in the market during both the short term and the long term.

"Generating print output has given way to digital communications, where the customer experience has influenced how, when, and where the communication is received," says Marci Maddox, research director of IDC's Enterprise Content Strategies program. "Technology buyers should envision what they need in terms of customer communications in 5+ years and consider solutions that will scale and innovate in areas such as AI and cloud services. Whether you are looking to consolidate all communications through an intelligent communications agent or streamline document generation through a tailored application, the solution should support a modern framework for the years to come."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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