Mail Metrics

Between Vision and Constraint

Decision maker insights from the sharp end of regulated CCM

Contents

Methodology

Mail Metrics commissioned independent market research specialist Vanson Bourne to conduct the research on which this report is based. A total of 250 senior decision-makers were interviewed in September 2025. All respondents had influence over, or responsibility for, their organisation's Customer Communication Management (CCM).

Respondents were based in the UK and the Republic of Ireland, and all worked at organisations with at least 250 global employees. Participants represented a range of sectors, including Banking, Financial Services, Insurance, Utilities, and the Public Sector.

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Introduction

Digital transformation has become one of the most overused – and ambiguous – phrases in modern business. Nowhere is this truer than in regulated markets, where customer communications management (CCM) sits at the intersection of compliance, customer experience (CX), and technology change. This survey sets out to explore how decision-makers in this arena are navigating the push for digital progress while balancing the realities of legacy systems, regulatory obligations, and constrained budgets. The resulting first-hand evidence serves as a real marker, identifying the challenges of today and the expectations and ambitions for the future.

Clear themes emerge. Customers and citizens now expect seamless, personalised interactions across every channel. Yet delivering this consistent, connected experience is complex when communication processes are fragmented across multiple systems, departments, and compliance workflows. The result is often duplication, delay, and a lack of visibility into what's being sent, when, and why.

That all costs money. We explore some of the hurdles and frustrations that are holding back progress.

Regulatory compliance compounds this complexity. These rules, while essential for protecting customers and citizens, often slow down innovation and make digital transformation feel like a risk rather than an opportunity. Indeed, our survey shows how the rules can often be confusing – hardly the basis for continuous improvement. There is seemingly little room for experimentation and certainly no room for error.

Many respondents to our survey described a growing awareness that their legacy communication platforms are no longer fit for purpose. What once provided stability now creates friction, limiting agility and making it difficult to adapt to new customer expectations or emerging technologies. The inability to unify data and reporting across communication channels means leaders lack the analytic oversight needed to measure, govern, and improve CCM operations.

Against this backdrop, artificial intelligence has captured the imagination of many – although it remains an uncertain frontier. AI promises so much, yet directing its power – and estimating its cost – still feels like something of a guessing game. For now, it sits on the horizon – an exciting but as-yet unrealised element of the digital transformation journey.

This report reveals the lived reality behind the buzzwords: the practical challenges, cultural barriers, and cautious optimism that define the state of digital transformation in regulated customer communications today.
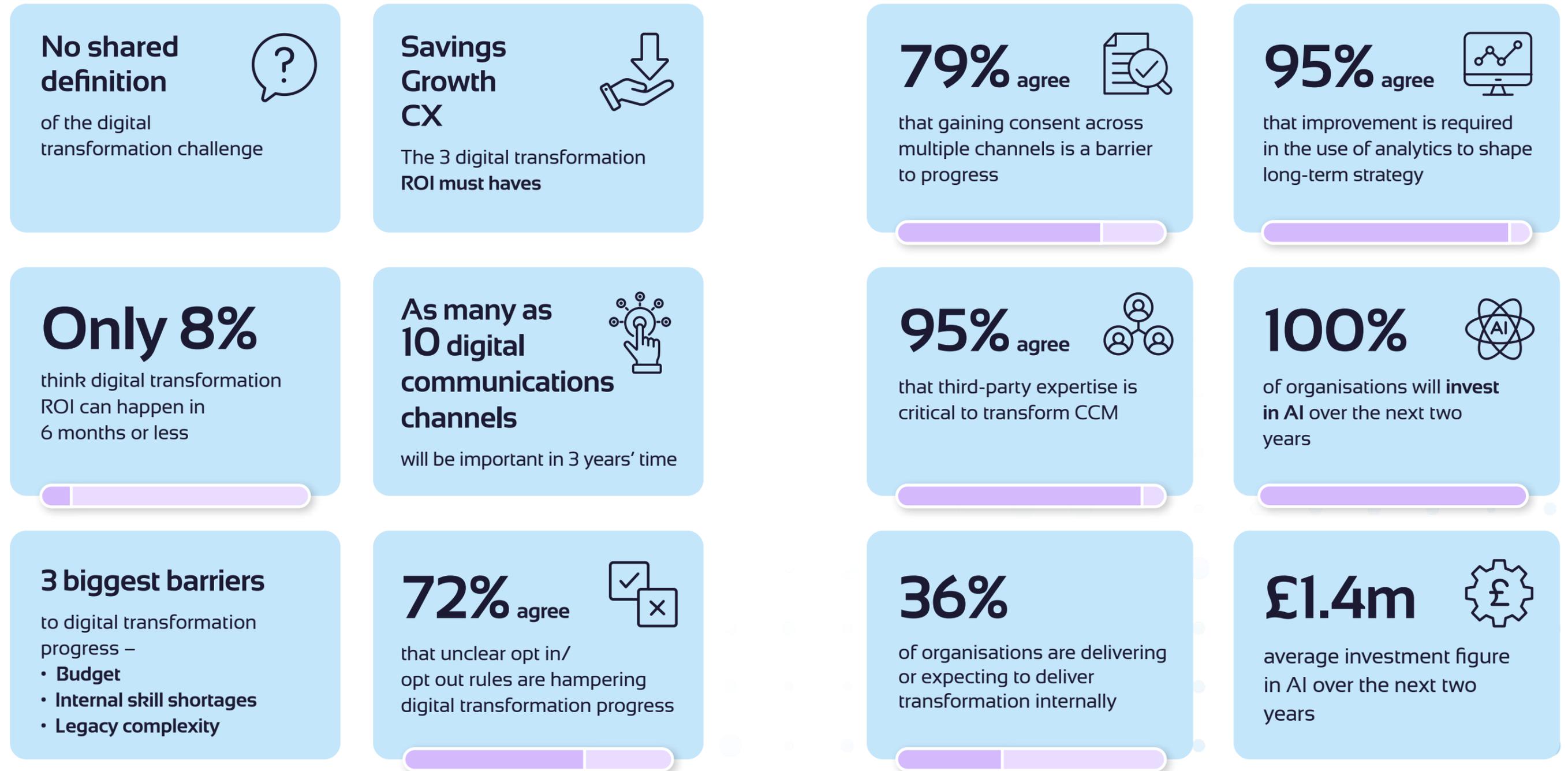
We hope the findings and analysis help to spark your own discussions and act as a catalyst for further communication excellence within your own organisations.

Enjoy the read,

Nick Keegan
CEO

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Key findings

No shared definition

of the digital transformation challenge

**Savings
Growth
CX**

The 3 digital transformation ROI must haves

79% agree

that gaining consent across multiple channels is a barrier to progress

95% agree

that improvement is required in the use of analytics to shape long-term strategy

Only 8%

think digital transformation ROI can happen in 6 months or less

As many as 10 digital communications channels

will be important in 3 years' time

95% agree

that third-party expertise is critical to transform CCM

100%

of organisations will **invest in AI** over the next two years

3 biggest barriers

to digital transformation progress –
- **Budget**
- **Internal skill shortages**
- **Legacy complexity**

72% agree

that unclear opt in/ opt out rules are hampering digital transformation progress

36%

of organisations are delivering or expecting to deliver transformation internally

£1.4m

average investment figure in AI over the next two years

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Defining the scale of the challenge

Which best describes your organisation's current understanding of digital transformation?

38%

Going paperless for efficiency and CX

34%

Internal operational efficiency

28%

Enterprise-wide reinvention

The survey results reveal a telling fragmentation in how regulated-market organisations understand digital transformation. When asked to define what the term means for their organisation, just over a quarter of respondents (28%) viewed it as enterprise-wide reinvention – the kind of strategic, organisation-spanning change that reshapes how a company operates and delivers value. The majority, however, saw digital transformation through a narrower lens: 34% equated it with inward-looking internal operational efficiency, while the largest group (38%) defined it as going paperless to boost efficiency and improve the customer experience*.

This spread of interpretation illustrates one of the core challenges of transformation efforts: lack of a shared definition. When "digital transformation" can mean everything from scanning documents to re-engineering entire business models, it becomes difficult to build consensus, prioritise investments, or measure success. Confusion at the top can easily translate into stasis on the ground – teams unsure where to begin, initiatives competing for attention, and progress slowing under the weight of ambiguity.

"Confusion at the top can easily translate to stasis on the ground."

The danger lies in treating digital transformation as a destination rather than a journey. Without a unified vision, there is a risk of departments pursuing isolated improvements that fail to connect across the organisation, diluting overall impact. Moreover, in highly regulated sectors, this lack of clarity heightens risk aversion – decision-makers hesitate to act for fear of non-compliance or misalignment with broader strategy.

Ultimately, these findings suggest that progress will depend on reframing digital transformation as a pragmatic, phased process: one that balances ambition with achievable milestones, connects operational improvements to customer outcomes, and builds momentum over time.

For Mail Metrics, "going paperless" (reducing the reliance on legacy) most closely aligns with the approach we take with clients. Of course, getting this element correct can play a huge role in both "reinventing the enterprise" and boosting "internal operational efficiency".

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Respondents were told that it was this definition – 'Going paperless to boost efficiency and improve the customer experience' – that was intended whenever digital transformation was subsequently mentioned in the survey.

Low expectation for fast ROI

Only 8% of respondents expect a digital transformation project to deliver ROI within six months. This strikingly low figure highlights a significant misconception about the nature and pace of CCM transformation. Many respondents appear to associate "digital transformation" exclusively with large-scale, multi-year initiatives – overlooking the fact that incremental, focused projects can generate measurable value far more quickly.

By contrast, 57% anticipate waiting one to three years, suggesting a mindset anchored in long-term, enterprise-wide overhauls. While strategic, these views miss a key opportunity: small, well-scoped projects – such as automating a single high-volume communication process, digitising document templates, or improving customer data integration – can be implemented within weeks or months and deliver immediate operational and customer experience benefits.

This focus on the big picture rather than low-hanging fruit may be slowing momentum and reducing confidence in transformation overall. Quick wins not only prove the business case for

investment but also build internal support, demonstrate agility, and reduce risk. In highly regulated sectors, where change is often complex and cautious, adopting an iterative, ROI-focused approach allows organisations to modernise effectively without disrupting compliance or stability.

Ultimately, the survey results reveal more than expectations – they expose an opportunity gap. Organisations that shift their mindset toward rapid, modular improvements in CCM can unlock faster ROI, sustain stakeholder confidence, and build a stronger foundation for long-term digital success.

"Quick wins not only prove the business case for investment but also build internal support, demonstrate agility, and reduce risk."

How quickly would you expect a digital transformation project at your organisation to deliver ROI?

		40%			
8%	27%		17%	7%	1%
Less than 6 months	6-12 months	1-2 years	2-3 years	3-5 years	5+ years

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What signifies success?

Which of the following do you consider the most important measures of ROI for digital transformation in your organisation?

Measure	%
Cost savings or operational efficiency	48%
Improved customer satisfaction	45%
Increased revenue or sales growth	38%
Improved employee productivity or engagement	36%
Improved data quality and insights	33%
Faster time to market for products/services	29%
Enhanced compliance or risk mitigation	28%
Greater agility or ability to respond to market changes	27%
Reduction in inbound customer queries or service volumes	17%
We have no measures of ROI for digital transformation	0%

Respondents asked to pick top 3. Percentage shows number of respondents placing the measure in their top 3.

The broad spread of ROI measures for digital transformation in CCM reflect the diverse goals and pressures faced by regulated organisations. The top three priorities – cost savings or operational efficiency (48%), improved customer satisfaction (45%), and increased revenue or sales growth (38%) – highlight the tension between financial imperatives and customer-centric objectives.

The focus on cost and efficiency suggests many organisations still view digital transformation primarily as a means of streamlining operations and reducing overheads, particularly in heavily regulated environments where compliance costs and legacy system maintenance remain high. Revenue growth, the second most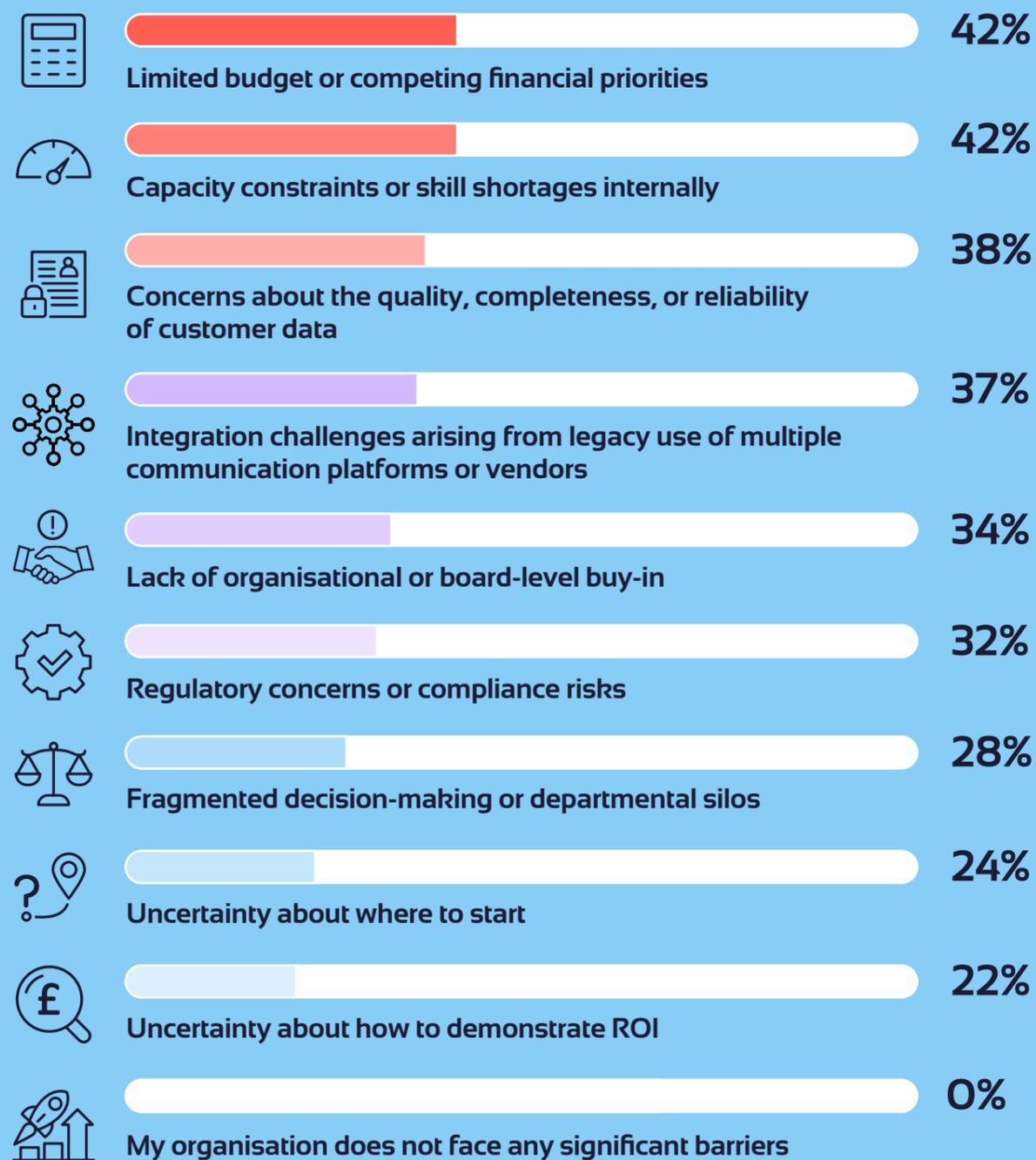 cited measure, points to a growing recognition that digital transformation can also be a driver of business expansion through better customer engagement and faster go-to-market capabilities. Meanwhile, the strong showing for customer satisfaction underscores the importance of experience as a differentiator – especially in markets where products and pricing are tightly controlled.

The wide distribution of responses across all categories likely reflects varying stages of digital maturity and differing internal priorities between departments (e.g., IT, compliance, marketing). It also highlights a lack of consensus on how to quantify digital value in complex, regulated ecosystems. Many are still searching for a coherent framework that links digital outcomes directly to strategic business impact.

"The top three priorities – cost savings or operational efficiency (48%), improved customer satisfaction (45%), and increased revenue or sales growth (38%) – highlight the tension between financial imperatives and customer-centric objectives."

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The barriers to progress

What are the most significant barriers your organisation faces in progressing digital transformation initiatives?

Limited budget or competing financial priorities — 42%

Capacity constraints or skill shortages internally — 42%

Concerns about the quality, completeness, or reliability of customer data — 38%

Integration challenges arising from legacy use of multiple communication platforms or vendors — 37%

Lack of organisational or board-level buy-in — 34%

Regulatory concerns or compliance risks — 32%

Fragmented decision-making or departmental silos — 28%

Uncertainty about where to start — 24%

Uncertainty about how to demonstrate ROI — 22%

My organisation does not face any significant barriers — 0%

Respondents asked to select top 3 barriers. Percentage shows number of respondents placing the barrier in their top 3.

A complex and interlinked set of barriers are slowing digital transformation progress in CCM. Challenges are spread relatively evenly across financial, operational, and structural factors, reinforcing the sense that transformation is constrained on multiple fronts rather than by one defining issue.

It is no surprise to find 'limited budgets or competing financial priorities' (42%) at the very top of the pile. This – in conjunction with internal capacity or skill shortages (also 42%) – points to organisations battling to balance day-to-day demands with investment in long-term digital modernisation. Equally significant are data-related concerns (38%) and integration challenges arising from legacy multi-vendor environments (37%). Many organisations are burdened by a tangle of overlapping systems and suppliers built up over years, making it difficult to modernise without disrupting established workflows or risking compliance breaches. This legacy complexity is often compounded by fragmented ownership of customer communications across departments, further slowing unified progress.

Regulatory and compliance worries (32%) remain a persistent undercurrent – understandable in sectors where the cost of getting things wrong is so high. This naturally fuels caution and a tendency to stick with the known, even when existing systems are less than optimum.

"Many organisations are burdened by a tangle of overlapping systems and suppliers built up over years..."

While strategic intent exists, execution is hindered by legacy complexity, resource limitations, and fear of regulatory missteps. Incremental, well-governed pilots – focused on improving integration, data quality, or automation within defined compliance boundaries – could offer a practical way to build confidence and momentum for broader transformation.

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Perfecting the digital cocktail

Key to the success of any transformation project is the built-in agility to flex to future communication demands. So, what might the digital channel mix look like in 3 years' time?

The survey reveals expectations of continued digital channel proliferation, with high importance attached to almost every channel listed. Email (82%) remains dominant, but channels such as WhatsApp (75%), chatbots (76%), and live chat (75%) follow closely. Even emerging formats like RCS (70%) and voice assistants (69%) rank surprisingly high – perhaps indicating optimism rather than actual readiness. In regulated sectors, widespread use of voice-driven interfaces like Alexa may be overstated, as data privacy, authentication, and compliance concerns make such channels difficult to implement securely. But equally, three years is a very long time in terms of technological development – ruling any option out seems shortsighted.

The broader takeaway is that organisations expect to communicate across an expanding array of touchpoints. Managing this omnichannel environment – ensuring consistent, compliant, and relevant messaging across email, chat, mobile apps, and social media – will demand significant operational agility. Legacy infrastructures, manual processes, and siloed teams will struggle to meet expectations for integrated, real-time customer engagement.

"Managing this omnichannel environment – ensuring consistent, compliant, and relevant messaging across email, chat, mobile apps, and social media – will demand significant operational agility."

For regulated sectors, practical use cases lie in controlled environments where compliance can be maintained. Examples include proactive service updates via SMS or WhatsApp, secure in-app messaging for account or policy information, and AI-assisted live chat for customer support – each balancing convenience with traceability and data protection.
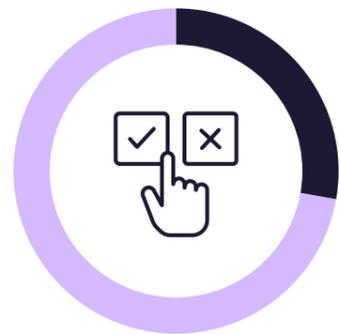
Success in this multi-channel future won't come from adopting every platform, but from intelligently orchestrating communications. Regulated organisations will need scalable CCM platforms capable of adapting quickly as customer preferences and compliance requirements evolve.

This channel will be 'very important' to our organisation in 3 years' time (% agree)

- 82% Email
- 76% Chatbots / Automated Assistants
- 75% WhatsApp
- 75% Website Live chat
- 74% Mobile app (your own app)
- 71% Social Media
- 70% RCS
- 69% Voice Assistant (e.g. Alexa)
- 68% 3rd party app
- 67% SMS/Text

Percentage seen as very important in 3 years

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The Opt in / Opt out fog

72% agree

Unclear opt in/opt out rules are hampering digital transformation progress

79% agree

Gaining consent across multiple channels is a barrier to progress

A clear frustration exists within regulated sectors, where ambiguity around regulatory expectations is slowing the shift from paper-based to digital communications.

In the UK, the Financial Conduct Authority's (FCA) Consumer Duty places an obligation on firms to deliver "good outcomes" for customers, including clarity, fairness, and accessibility in communications. Similarly, the Central Bank of Ireland emphasises transparency and informed consent in consumer interactions.

In the public sector and non-financial regulated markets, parallel principles apply under UK GDPR and ePrivacy rules – organisations must demonstrate that digital delivery supports transparency, accessibility, and inclusion.

The difficulties arise in the grey areas – the interpretive space that exists around terms and stipulations such as 'soft opt-in', 'durable media', and a multitude of others. This is also a continually shifting picture, requiring organisations to devote expensive

time and resource to staying on top of new rules and amendments. Two such examples of regulatory developments making noise at the moment include the FCA's targeted support proposals – an entirely new proposition – and Ireland's Consumer Protection Code 2025, which updates and modernises earlier rules.

Against this complex backdrop, many organisations remain cautious, fearing breaches of regulatory expectations or customer rights. As a result, digital adoption stalls, undermining efficiency and sustainability goals. Clearer, harmonised regulatory guidance on digital consent mechanisms would empower organisations to modernise

> **"This is also a continually shifting picture, requiring organisation to devote expensive time and resource to staying on top of new rules and amendments."**

confidently while upholding consumer and citizen protection principles. Greater alignment between the FCA, the Central Bank of Ireland, and EU digital communication frameworks could accelerate safe, compliant digital transformation.

For now, the onus is on organisations – and individuals within organisations – to keep abreast of this continually shifting regulatory landscape. That's an involved task, and one that third-party suppliers might look to assist with.

In a related finding, 79% of respondents agree that gaining consent across multiple channels is a barrier to progress. Businesses are reporting a year-on-year increase in data generation, and we've seen elsewhere in this report how the proliferation of available digital channels and touchpoints will add further complexity. AI seems an obvious answer here, with its ability to process vast amounts of data at speed. However, while the actual and potential benefits of AI are immense, they don't come without their own complex challenges to data privacy compliance.

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Bridging the expertise gap
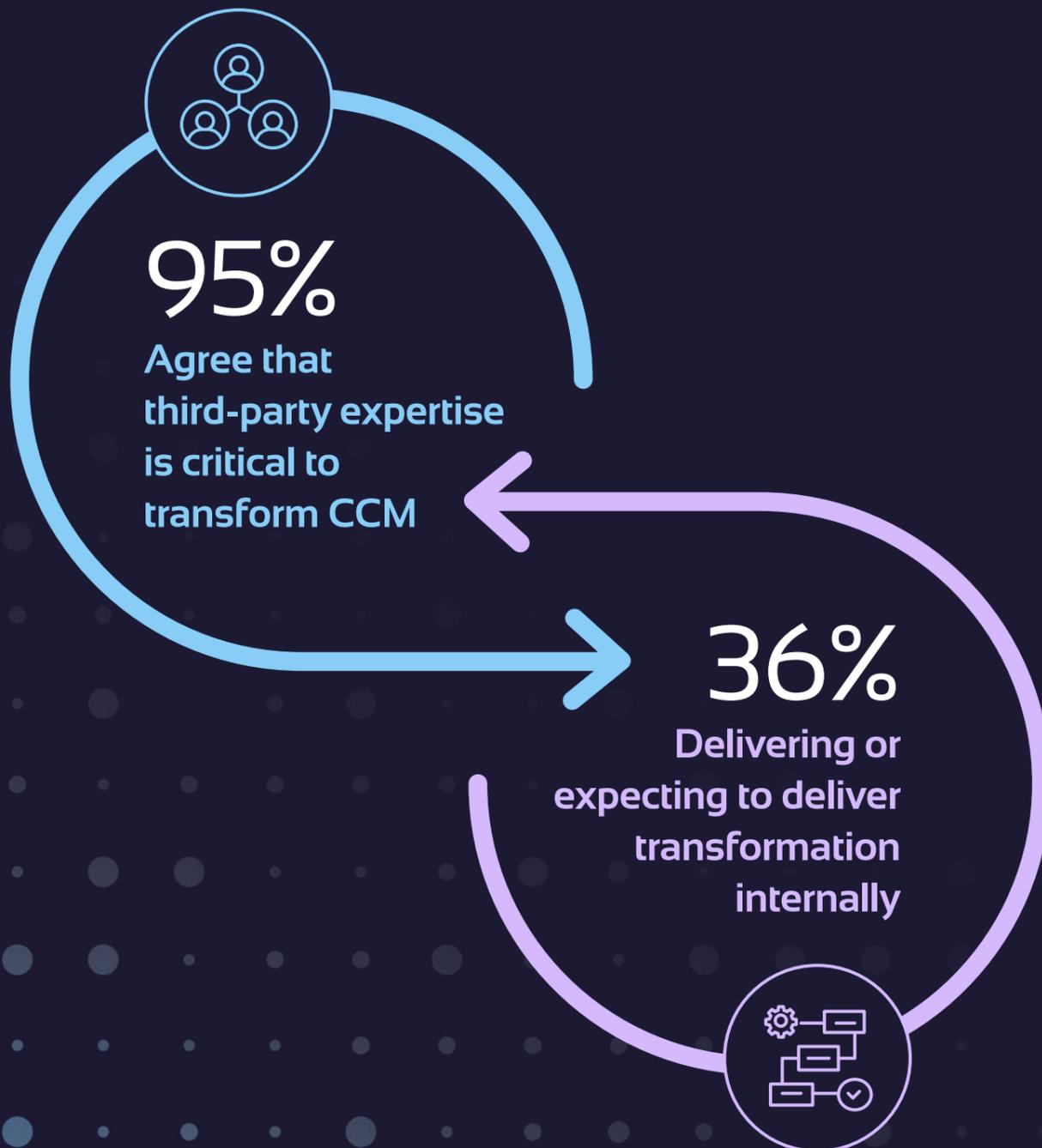
"At present, there is a mismatch between what decision makers know is needed and what's actually being resourced."

95%
Agree that third-party expertise is critical to transform CCM

36%
Delivering or expecting to deliver transformation internally

The data reveals a clear disconnect between digital transformation ambition and execution. While an overwhelming 95% of respondents agree that third-party expertise is critical to successfully transforming CCM, over a third (36%) say their organisation is delivering or expects to deliver transformation internally.

Many firms recognise the value of external specialists – particularly for complex, regulated digital transitions – but remain constrained by internal strategies, budgets, or risk appetites that prioritise in-house delivery. Internal IT and compliance teams may not have the depth of expertise in emerging CCM technologies, omnichannel design, or data-driven personalisation that external partners bring. Resourced correctly, this third-party expertise can bring scalability, agility and innovation – and all without placing additional demands on over-stretched internal operations.

At present, there is a mismatch between what decision makers know is needed and what's actually being resourced. In regulated markets, where compliance, technology integration, and customer experience all intersect, this gap can slow transformation and limit innovation.

Bridging it will require firms to align internal capabilities with external partnerships, ensuring that strategic intent to modernise CCM is matched by the practical means to deliver sustainable, compliant digital change.

Justifying third-party expenditure may well require decision-makers to identify low-scale opportunities for transformation that can serve as successful proof-points for more ambitious projects further down the line.

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Analyse this

95% agree

Our organisation needs to improve when it comes to using analytics to shape our long-term CCM strategy.

86% agree

Perceived market trends have more influence on our CCM decisions than hard data

84% agree

We are better equipped to determine the open rates for printed communications than for digital communications

A notable 95% of respondents agree that improvement is needed in the way their organisation uses analytics to shape long-term communication strategy. This consensus highlights that while data is plentiful, its strategic value often remains underutilised.

Many organisations struggle to extract actionable insights due to fragmented data environments, legacy systems, and siloed operations. Older platforms may not integrate easily with modern analytics tools, limiting visibility across customer touchpoints.

Often, barriers arise due to the continued separation of print and digital communication streams. Each channel generates its own datasets, with differing formats, ownership, and performance metrics. Without unified analytics, organisations can't fully understand how customers move between physical and digital experiences, losing opportunities for personalisation and optimisation.

This lack of analytical data leaves organisations at risk of missteps. Indeed, 86% of respondents say perceived market trends influence CCM decisions more than hard data. Reacting to competitive pressures or hype rather than grounding investments in measurable customer insights or performance metrics is a fast-track to inefficient spending and sub-optimal outcomes.

Additionally, the challenge of obtaining and maintaining customer consent is compounded by weak analytics capabilities. We've already seen how gaining consent across multiple channels is regarded as a barrier to progress by 79% of respondents. Without clear visibility into customer preferences and engagement behaviours, organisations risk over- or under-communicating, eroding trust and compliance.

At present, 84% of respondents say they are better equipped to determine open rates for printed communications compared to digital. This is a consequence of legacy operations, and there is a challenge ahead for many to gain a holistic overview of their entire communication landscape.

"Without unified analytics, organisations can't fully understand how customers move between physical and digital experiences, losing opportunities for personalisation and optimisation."

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Pinpointing the AI opportunity and related spend

Approximately, what level of spend is your organisation planning to make in CCM-related AI technologies in the next 24 months?

£1.4m

Average spend prediction
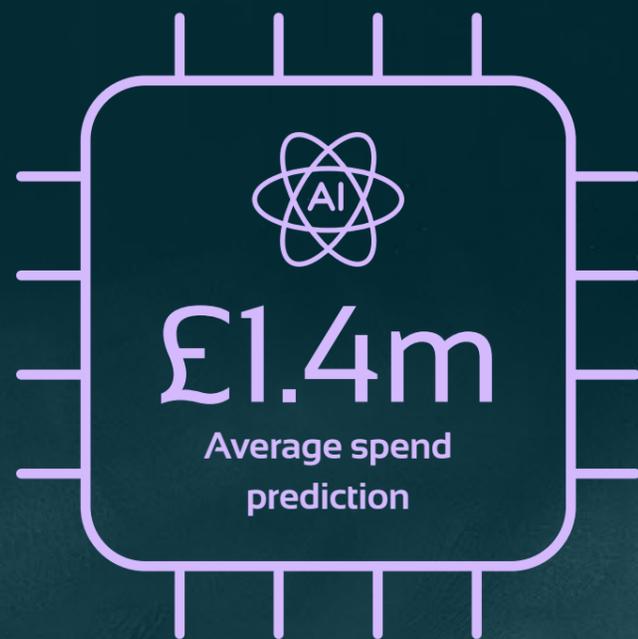
At first glance, an average spend of £1.4 million on CCM-related AI technologies over the next 24 months may seem disproportionately high – a figure that reflects ambition and the hype of surround-noise rather than concrete planning. For some respondents that will certainly be the case, with conversations around this emerging technology only now beginning.
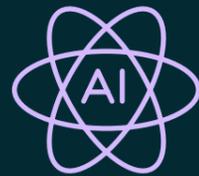
But is the figure so wildly out of line? When seen against macro trends, it starts to look more reasonable. According to UBS, global AI spend is expected to hit USD $360 billion in 2025, climbing to about $480 billion in 2026. This figure is corroborated when looking specifically at growth in customer-facing and CCM-related spend. Grand View Research reports that the 'AI for Customer Service' market is forecast to rise from USD $13 billion (2024) to nearly USD $84 billion by 2033, with a compound annual growth rate (CAGR) of 23%. That includes chatbots, virtual assistants, sentiment analysis, self-service, agent assist, etc – all areas tightly tied to CCM.

For large, regulated organisations, £1.4m is not a material sum when the stakes are so high. Many such organisations will have already hired dedicated resource, run consultancy projects, formed a strategy and built a budget for AI. This will almost certainly be in excess of £1.4m.
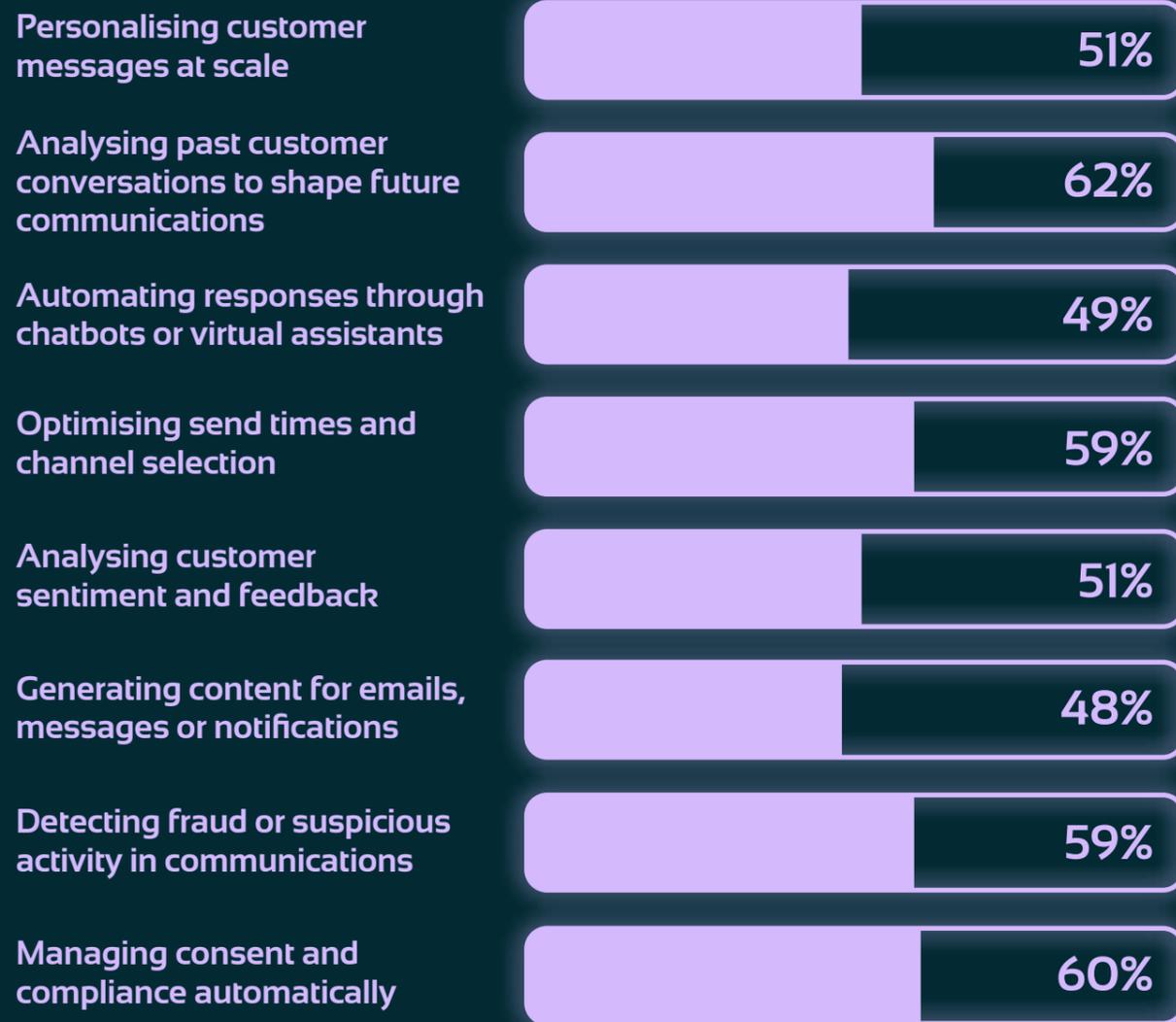
Where to direct the power?

Understanding how to harness and direct the power of AI represents another core challenge. Again, much media attention is being given to future usage. Gartner, for example, has predicted that agentic AI (systems that can autonomously make decisions and take actions) will resolve 80 percent of common customer service issues without human intervention by 2029. According to the research firm, this will lead to a 30 percent reduction in operational costs.

Our own survey results point to a balanced distribution of views on future use.

UBS - Beyond the Big 4 in AI - April, 2025
Grand View Research - AI for Customer Service Market Size (2025 - 2033) - 2025

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In which areas (CCM-related) is your organisation planning to use AI in the next two years or more?

Personalising customer messages at scale — 51%

Analysing past customer conversations to shape future communications — 62%

Automating responses through chatbots or virtual assistants — 49%

Optimising send times and channel selection — 59%

Analysing customer sentiment and feedback — 51%

Generating content for emails, messages or notifications — 48%

Detecting fraud or suspicious activity in communications — 59%

Managing consent and compliance automatically — 60%

Across eight key AI functionalities, predicted adoption ranges narrowly from 48% to 62%, indicating no clear priority or dominant area of focus. This even spread suggests that many organisations remain uncertain about where AI can deliver the most value – or lack the confidence, expertise, or clarity to commit strongly to specific use cases.

The top responses – analysing past conversations (62%), managing consent and compliance (60%), and detecting fraud (59%) – point to a cautious, compliance-driven interest in AI that aligns with the operational realities of organisations within regulated sectors.. Heightened scrutiny around data use and communications makes AI adoption more complex. Meanwhile, lower figures for content generation (48%) and chatbot automation (49%) suggest hesitance toward customer-facing applications that may carry higher reputational or compliance risks.

Overall, this pattern reflects an audience intrigued by AI's potential but constrained by governance, risk, and capability challenges.

The appetite is certainly there – indeed, ALL respondents indicate that they will invest in AI over the next two years.

100%

are currently planning to use AI in the next two years

To move forward confidently, organisations should consider a "test and scale" approach – starting small with low-risk, high-impact opportunities. Examples might include pilot projects for message optimisation, sentiment analysis, or compliance automation. Demonstrating value in these controlled environments can build internal confidence, support regulatory alignment, and provide the foundation for broader AI integration across the CCM ecosystem.

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Respondents could tick all that apply

Conclusion: Progress within reach, if legacy can let go

This research reveals that highly regulated organisations are operating in the difficult mid-ground between vision and constraint.
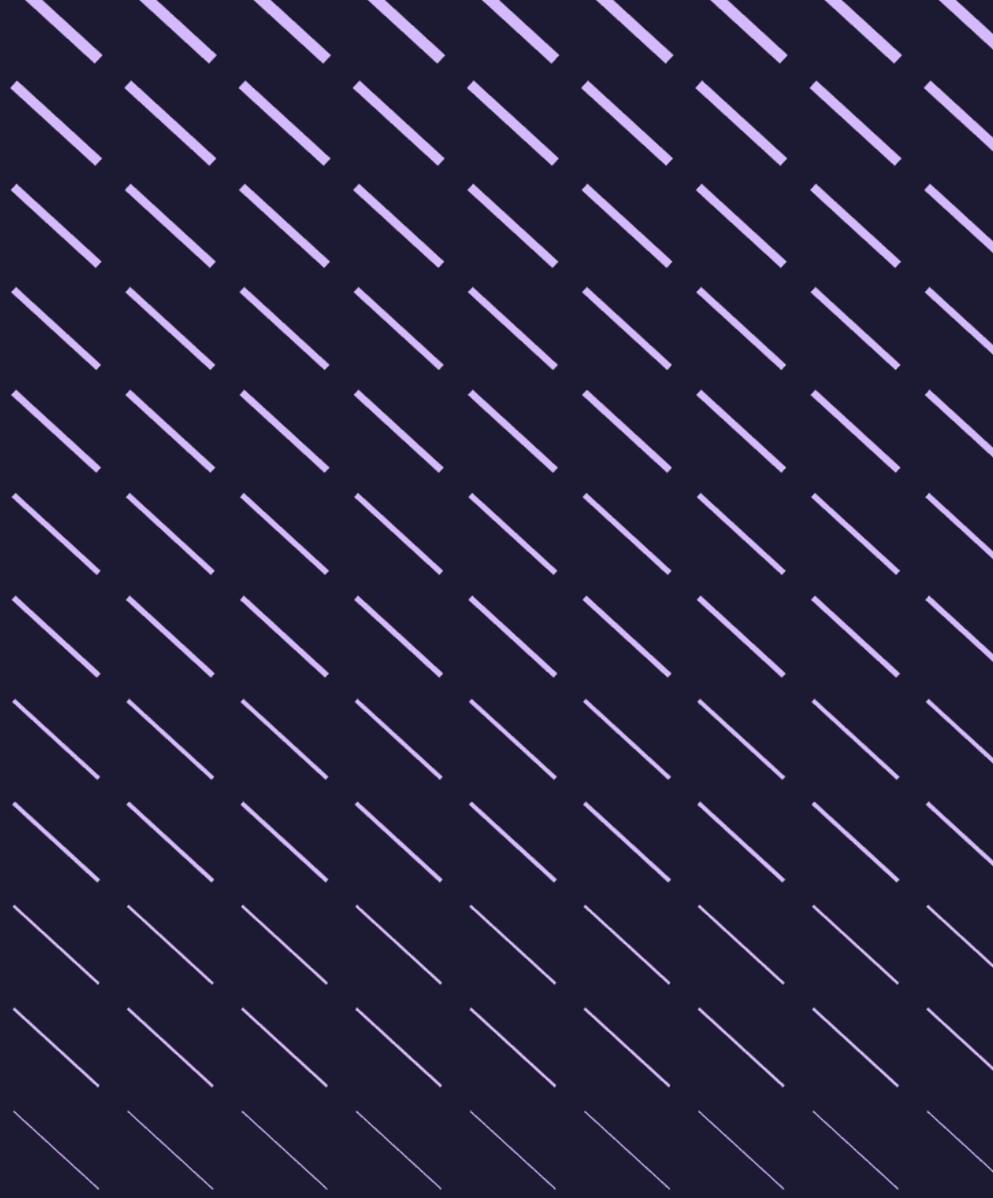
The transformative potential of modern CCM is understood, yet legacy systems, fragmented processes, and cautious compliance cultures continue to slow progress.

Decision-makers see what needs to change – unified channels, data-driven insights, and the integration of AI – but execution remains hindered by outdated infrastructure and uncertainty around regulatory interpretation.

The findings on opt-in and opt-out rules exemplify this challenge. Ambiguity in consent and communication requirements has created hesitation where confidence is needed. When regulatory grey areas make digital transformation feel like a compliance risk rather than an innovation opportunity, even well-intentioned initiatives can stall. Clearer, harmonised guidance on digital consent would remove a major barrier to progress.

Despite these constraints, optimism persists. The intent to invest – particularly in AI and automation – is universal. The next phase demands alignment: between internal capability and external expertise, between compliance and customer-centricity, and between ambition and delivery. True transformation will come not from sweeping overhaul, but from steadily dismantling legacy constraints and building the regulatory and operational clarity needed to let innovation thrive.

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