

Partner Your Way to Success in Customer Experience Management

By: Connie Moore

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Executive Summary

Customer experience management (CEM) software is in high demand as businesses of all sizes, locations, and industries push to adopt commerce, customer analytics, customer relationship management (CRM) suites, marketing automation, and omnichannel customer experience (CX) tools, to name only a few CEM categories. Often, potential buyers get stymied when embarking on the CX path because they lack experienced staff with sufficient knowledge and insight to implement solutions. And that causes a problem for software vendors, because no matter how wide their reach, they can't close the gap between their own resources and customers' growing needs. Without a phalanx of highly trained partners around the globe — consulting firms, digital agencies, systems integrators and value added resellers (which, in aggregate, we refer to as service providers) — large CEM vendors are unable to tap into the full potential of this nascent and emerging, but vibrant market.

This report provides in-depth insights into CEM buyer expectations, behaviors and maturity levels to give service providers a broad understanding of buyer behavior patterns, specifically when it comes to acquiring and implementing CEM solutions. But Digital Clarity Group gained insight into these customer values and practices by conducting extensive primary research projects in North America and Europe in late 2014 and early 2015. We surveyed more than 200 senior decision makers for purchases of sales, service, marketing, and commerce software targeted at customer experience. In addition, we interviewed eight executives responsible for CEM engagements; eight service providers for CEM selections and implementations; and four independent thought leaders in CX expectations, CEM technology, and usage. By asking both broad and targeted questions, we formulated a comprehensive view of the CEM ecosystem, buyer requirements, and implementation issues to help guide service providers in capitalizing on the CEM market. (See our “Methodology” section at the end of this report for survey questions and breakdown of demographics.)

By analyzing participant responses, we uncovered ten key findings to inform and guide any service provider considering a partnership with a CEM software vendor. These responses also provide partners with insights they can use when selling to and supporting North American and European business and government buyers in enterprises and small/medium-sized businesses (SMBs).

Ten Key Findings in Customer Experience Management, 2015

1. **The CEM market is nascent** and will remain so for several years, during which time the need for services will remain high.
2. **IT executives are the primary decision-makers** for CEM software purchases and service provider selections.
3. **Executives with new CX-oriented job titles and roles within the line of business are increasingly part of the CEM decision-making process** for software and services.
4. **Buyers prefer large CEM vendors with integrated solutions** over smaller ones.
5. **Service provider usage for CEM is widespread and increasing.** Approximately 50% of companies expect to increase their services spending over 2015.
6. **Companies are most concerned about mitigating risk.** Firms using single service providers are most concerned with making CEM deployments easier, cheaper and less risky; those using multiple service providers are most concerned about lowering risk.
7. **Decision-makers most often select service providers first.** The service providers then help select the CEM vendors.
8. **Companies underestimate the value of service providers.** To overcome tight budgets, focus on performance-based pricing for services.
9. **Customer maturity varies greatly.** Overall maturity depends on the CX maturity of both IT and the business.
10. **Digital transformation sometimes expands beyond CX when the business or industry undergoes massive disruption.** These projects become business transformation projects driven by the CEO, COO, C-suite, and Board of Directors.

Partners Bridge Buyers' Gaps in Expertise and Experience

CEM is a nascent “uber-market” still in the process of forming. We call it an “uber-market” because it spans numerous technologies and discrete markets, not limited to campaign management, commerce servers, contact center software, content management systems, customer analytics, e-mail management, kiosks, marketing automation, mobile commerce, personalization, social media, wearable computing, web analytics – the list goes on and on. While market consolidation has occurred in more mature areas, like CRM, and there’s foreseeable consolidation in other markets, like digital asset management (DAM) and web content management (WCM), newer technologies, like wearable computing (think, Apple Watch and Apple Pay), keep popping up.

This uncertainty and change will continue to roil the business and technology waters for the next few years, presenting challenge after challenge to businesses and the public sector as they implement key elements of their ever-changing CEM strategies. (Figures 1 and 2 show the scope of CEM technologies by the survey respondents for sales, service, marketing and commerce.)

“ At our company, CEM includes CRM, commerce servers, marketing automation, WCM, DAM, social, and media management. We are investing in new products for CRM, WCM, commerce, and marketing. Our thinking is very multidisciplinary, we’re not divided into separate disciplines. We have a very integrated transformation team. ”

— A global manufacturer

“ We do a lot with analytics. It’s always been a focus. The key is to understand web patterns and know what customers want and do. It is a linchpin. Without analytics, CX isn’t actually the focus. Especially when the customer is driving the conversation. We need to anticipate changes in perceptions, mood, and expectations. Analytics should drive our behavior, and allow us to respond over time. ”

— A global hotel chain

Figure 1.

Technologies In Use For Sales, Service, Marketing and Commerce By Solution Type

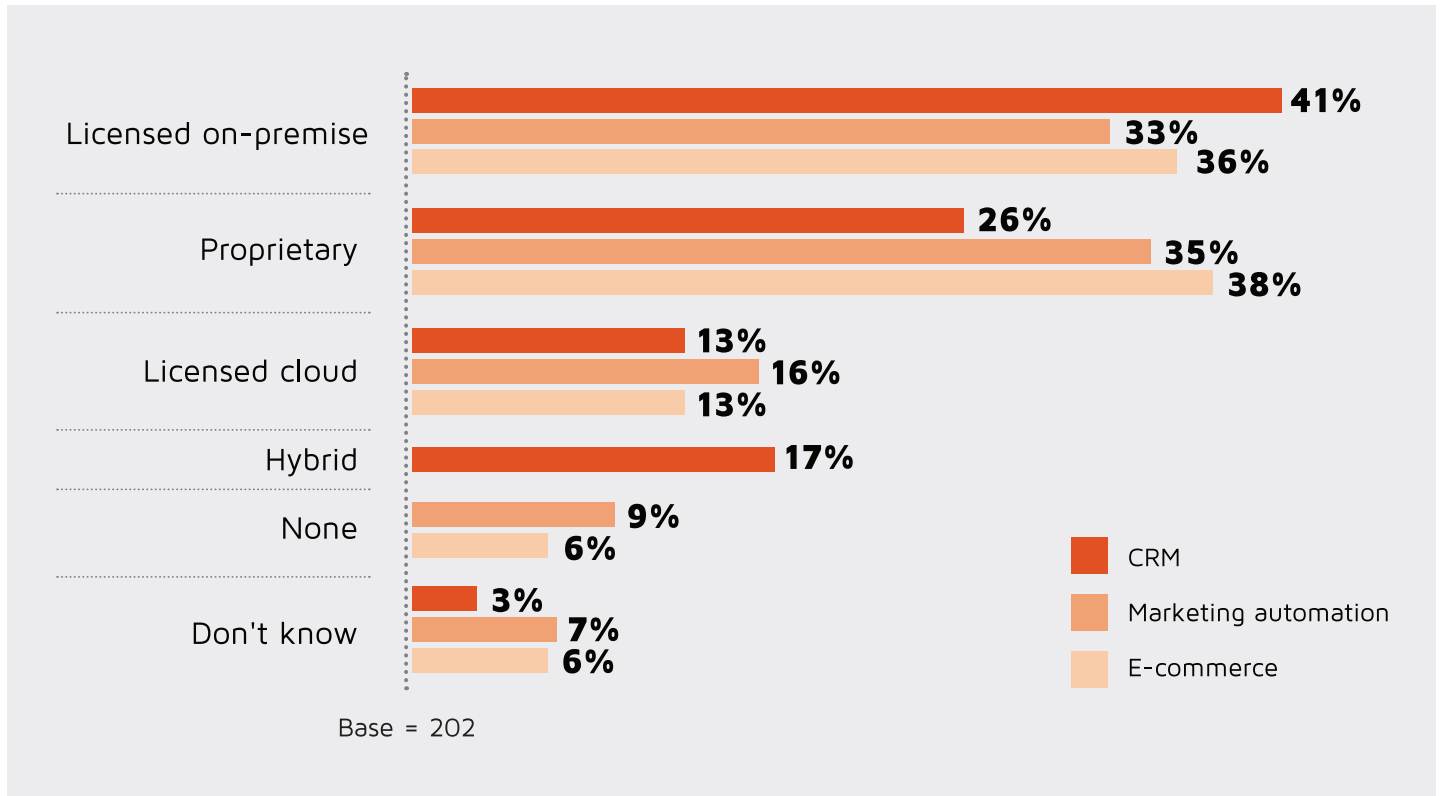
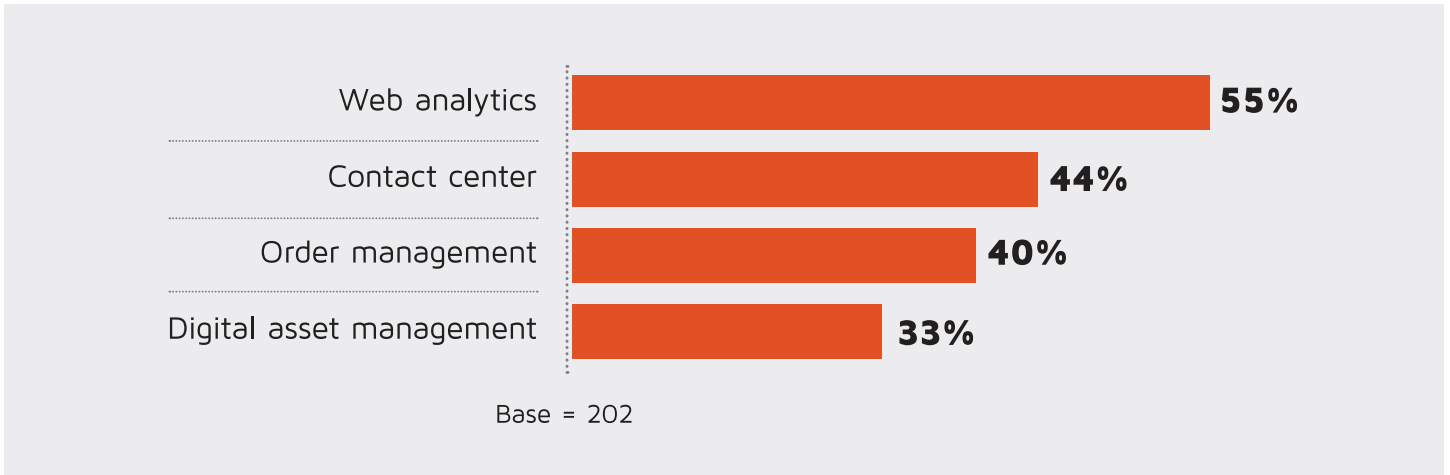



Figure 2.

Additional Technologies In Use For Sales, Service, Marketing and Commerce





Constant newness gives buyers a deep-seated fear of getting it wrong, but presents a major growth opportunity to service providers both skilled and experienced enough to help buyers navigate tricky waters. Yet, even service providers may feel swept away by these powerful forces. This research seeks to answer service providers' questions about how to grow and prosper, what technologies and customer markets to target, and whom to form alliances with. Because the CEM space will remain fragmented but highly strategic for several years, service providers should also grasp the opportunity to pursue interrelated areas, like business process management (BPM), business strategy, and business transformation.

Service providers are the missing link

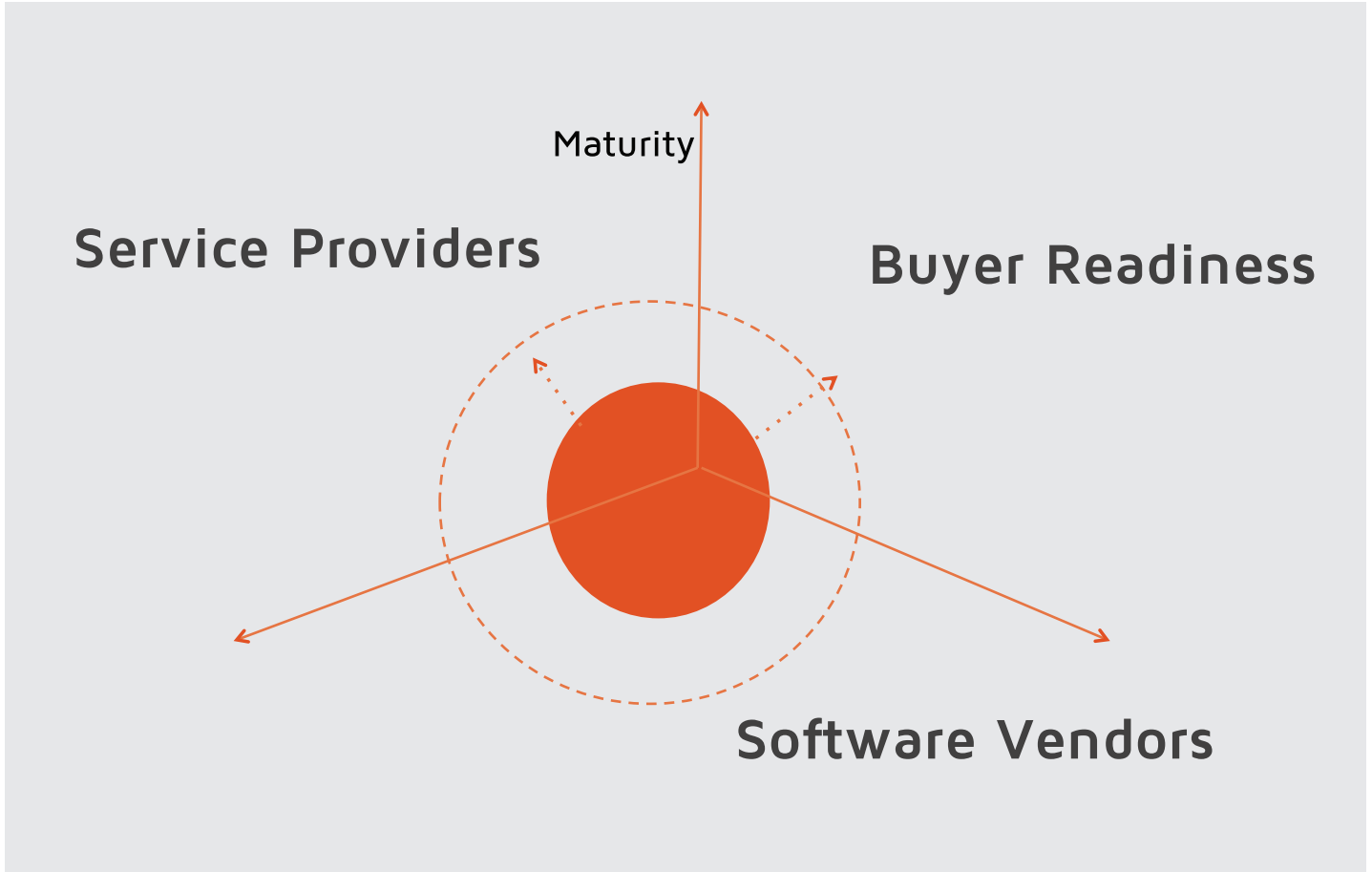
Three interlinked players are central to CEM adoptions: software vendors launching products to a steady drumbeat of change; buyers trying to make sense of new technology while not missing a beat; and service providers linking vendors and buyers. As the technology creators, software vendors understand new CEM technologies far better than their customers, who also are juggling budget challenges, organizational politics, competing priorities, change management, and technology constraints. No wonder software vendors believe buyers are perplexed about how to successfully deploy CEM software in their organizations. This gap in understanding means service providers must fulfill a powerful role of bridging the gap between new software and the buyer's ability to absorb and use new offerings.

“ We have various levels of integration. Some is duct tape and bubble gum. Some works very well. Some is manual. The goal is more integration in the future. The lack of integration gets in the way. ”

— A global hospitality brand

Figure 3.

Service Providers Are A Crucial Bridge Between Vendor Knowledge and Buyer Immaturity



CIOs, CTOs and CxOs Are Primary Influencers for Services

“Who is the buyer of CEM products and services?” is one of the most important questions that service providers ask. And contrary to popular opinion about the demise of the CIO’s decision-making authority, senior IT leaders were most often cited as the primary individuals for selecting CEM solutions (46% overall). This finding was true for both North America (49%) and Europe (42%), and for enterprises (42%) and SMBs (56%). Some possible reasons for the CIO’s importance in CEM could include: 1) the complexity and risk of CEM engagements, 2) the importance of IT project management to the overall success of the organization, 3) the criticality of integration with other enterprise solutions, and 4) the importance of IT infrastructure — like networking, cloud, and security.

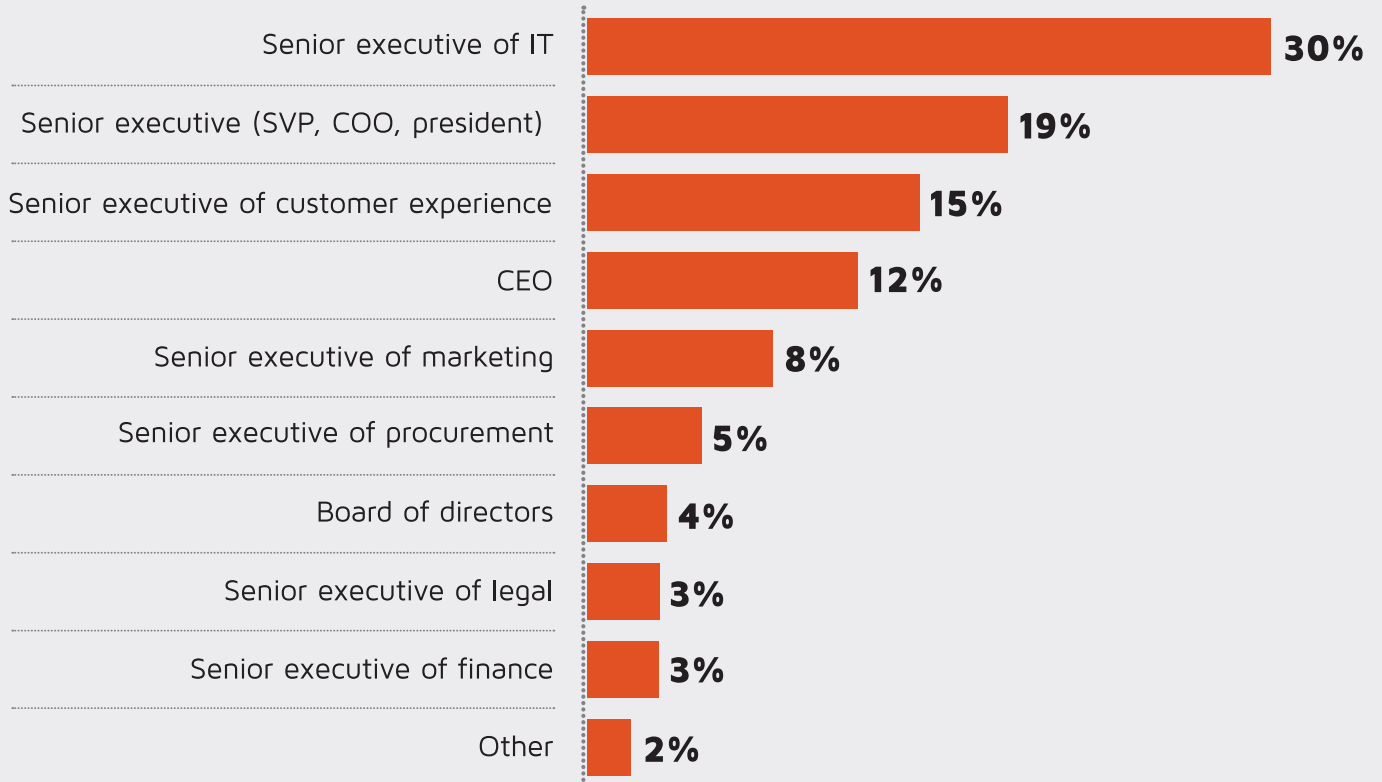
Other senior line of business (LOB) execs followed, with SVP, president, COO, and CEO, but survey results also highlighted an important new CxO role going by different names, including Chief Experience Officer, Chief Customer Officer, Director of Customer Experience, Director of Customer Engagement, and so on. This hybrid role — one that mixes LOB and customer knowledge — surfaced as an important CEM influencer in our research. It’s also striking to see how infrequently the CMO was the primary influencer for CEM purchases in both the survey results (less than 10%) and in the stakeholder interviews. (See Figure 4.) Taken altogether, this means that service providers need to stay close to CIOs and other senior IT executives as key decision makers, and closely follow the trend toward new customer-centric LOB execs.

“ Companies need to outsource software and move faster — be more nimble. IT is mired in keeping technology running. CX teams exist; usually in marketing, but are small. They can also come from other places. Product development might drive it, but not usually. CX teams aren’t innovative. It will either be a long, slow, slog or disrupted companies will move faster. Companies need a CEO or super senior exec to shake things up. They need an advocate at the top to clear the path or disruption in their industry. Otherwise, it is a long, slow, slog. ”

— A digital agency

Figure 4.

Final Decision Maker In Sales, Service, Marketing, and Commerce Vendors and Service Provider Selections



Base = 202 Note: respondents could select multiple choices

Buyers Know What They Want and Need, But Underestimate the Cost

Buyers have clear ideas about what they want from CEM vendors and solutions partners: industry expertise, large scale business, and risk mitigation. But, at the same time, they have unrealistic expectations about the cost of CEM services.

Buyers value industry expertise above all else

We also asked what buyers valued the most when buying CEM software (specifically for sales, service, marketing, and commerce), and when bringing in service providers. In both cases, 54% of the respondents said they most value industry expertise. (See Figures 5 and 6.)

This response is striking; common wisdom holds that the internet and the rapid pace of innovation have diminished the importance of a company's direct vertical competition. Kodak, for example, was not defeated by its industry competitors, Fuji Film and Ilford, but by the transition to digital cameras. (An industry which, in turn, is now being disrupted by the cameras in smartphones.) However, the value placed on industry expertise could also indicate that buyers are aware that supporting CX requires broad organizational transformation, not just a new marketing strategy. In that case, industry expertise could help a firm navigate the necessary transitions.

In any case, these findings uncover a unique advantage for service providers to team with enterprise software vendors that offer horizontal and industry-specific business applications in sales, service, marketing and commerce.

Figure 5.

Most Important Criteria For Vendor Selection

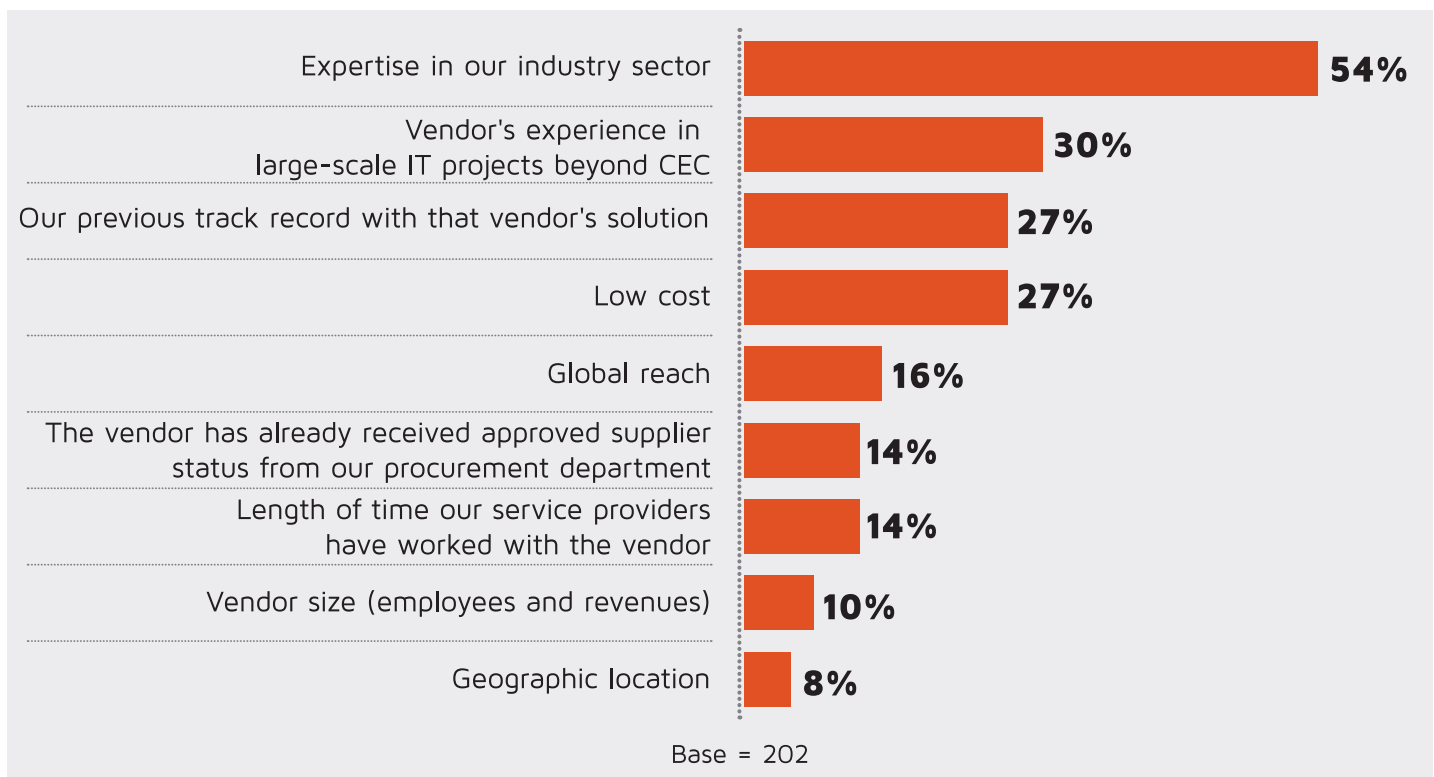
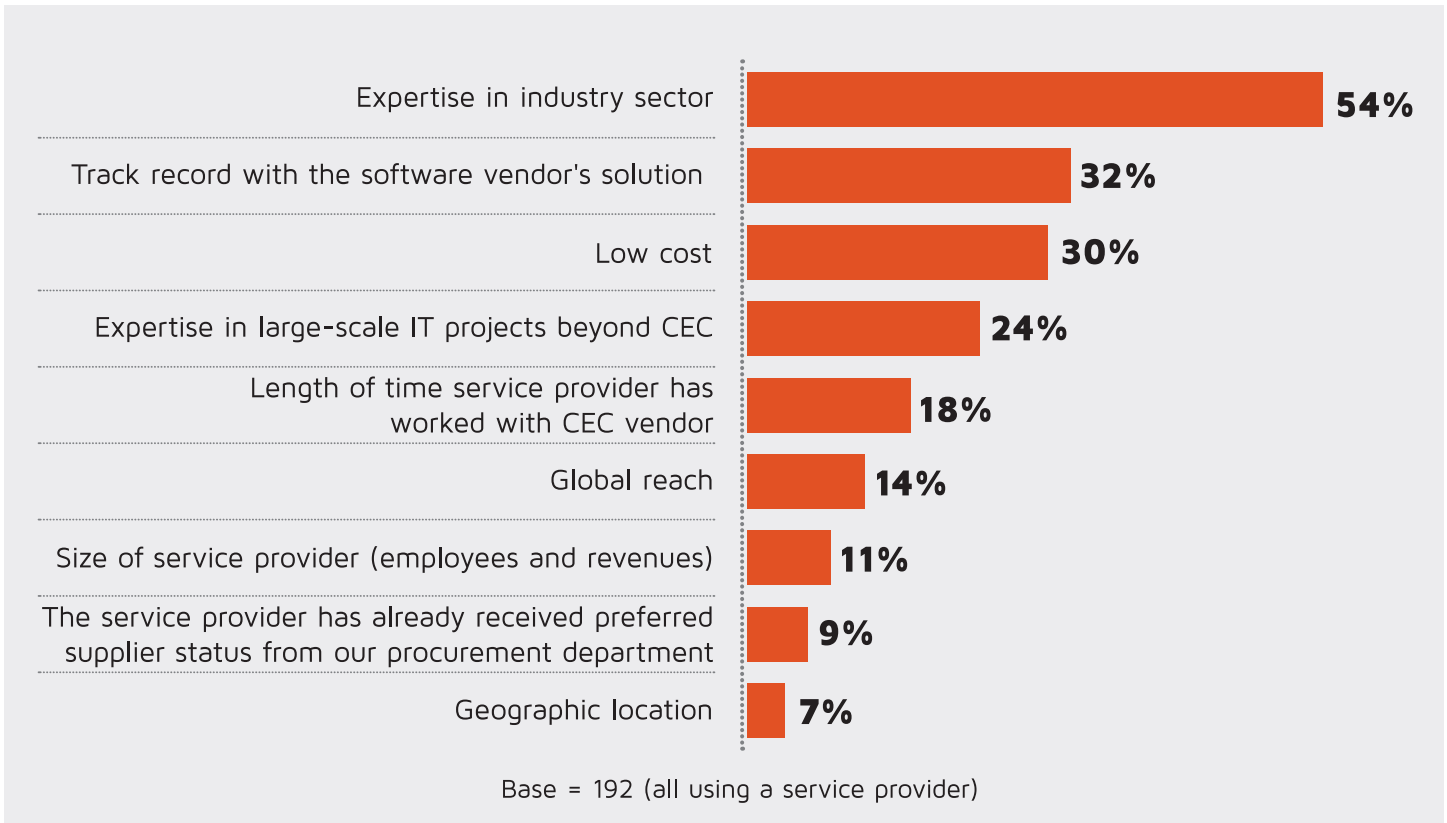


Figure 6.

Most Valued Criteria For Service Provider Selection

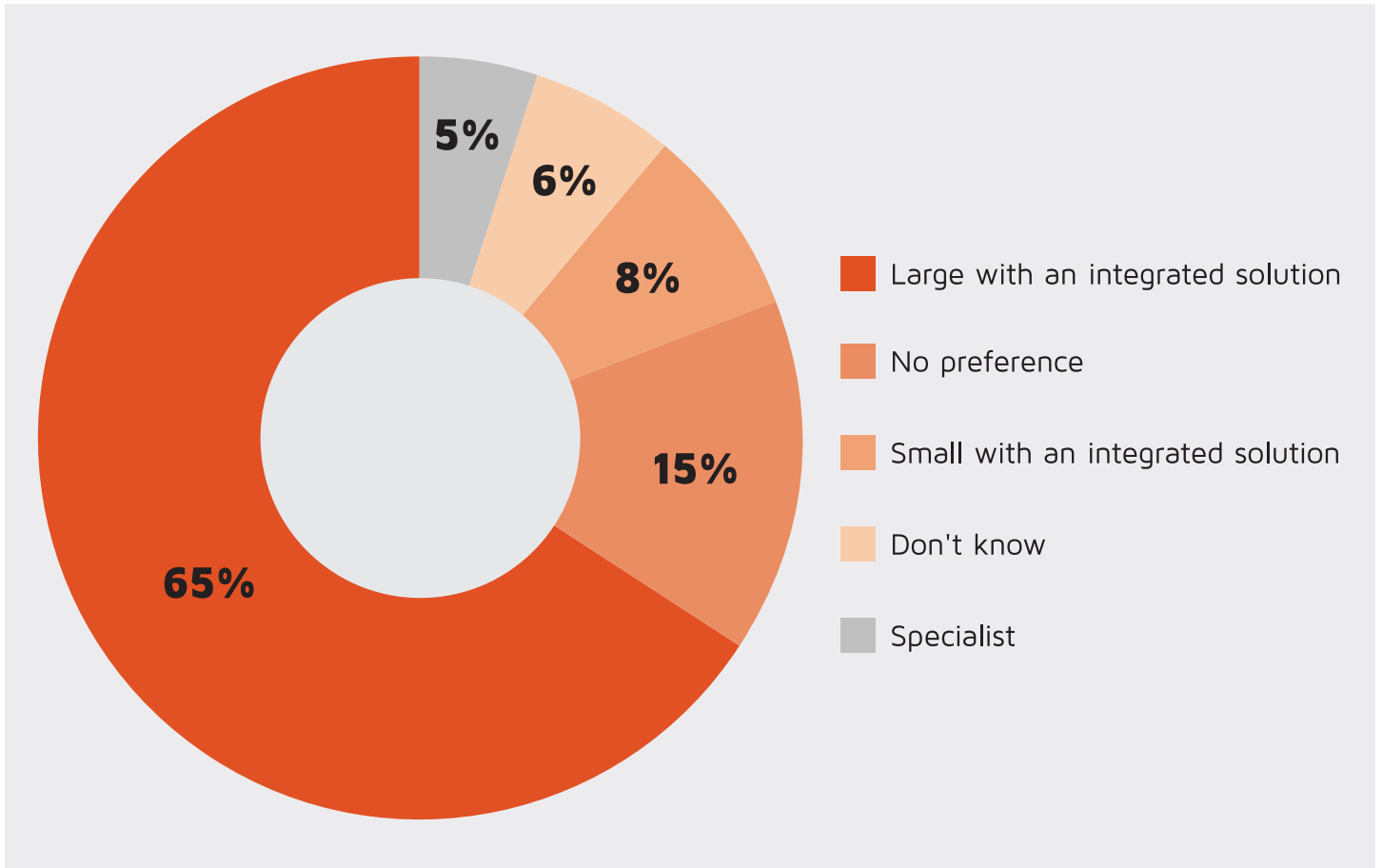


Prospective customers value large vendors over small

Buyers prefer large vendors (65%) over smaller ones (8%) when the large vendors offer integrated solutions. (See Figure 7) This buyer preference gives large CEM vendors that also offer enterprise business suites, an information management stack (like DBMS, big data technologies, data management platforms and analytics) and specialist products like commerce servers, BPMS and content management solutions a distinct advantage over smaller, niche players and start-up vendors. But the caveat is that buyers want these solutions to be integrated.

Figure 7.

Vendor Size and Type Preference



Buyers use partners to integrate solutions and manage projects, cost and risk

Respondents were almost evenly split when asked whether they preferred working with a single service provider (34%) or multiple service providers (38%). In both cases, growth in the use of service providers is anticipated at 4-5%. (See Figure 8). For the subset of respondents who served solely B2B or B2C channels (103 respondents), 7% growth is anticipated in both B2B and B2C.

Predictably, the top reasons stated for working with a single provider were that this makes it easier to manage projects (59%) and to control costs (44%). (See Figure 9.) The third most popular reason selected was that a single provider makes it easier to manage risks (41%).

Figure 8.

Service Provider Use and Preference

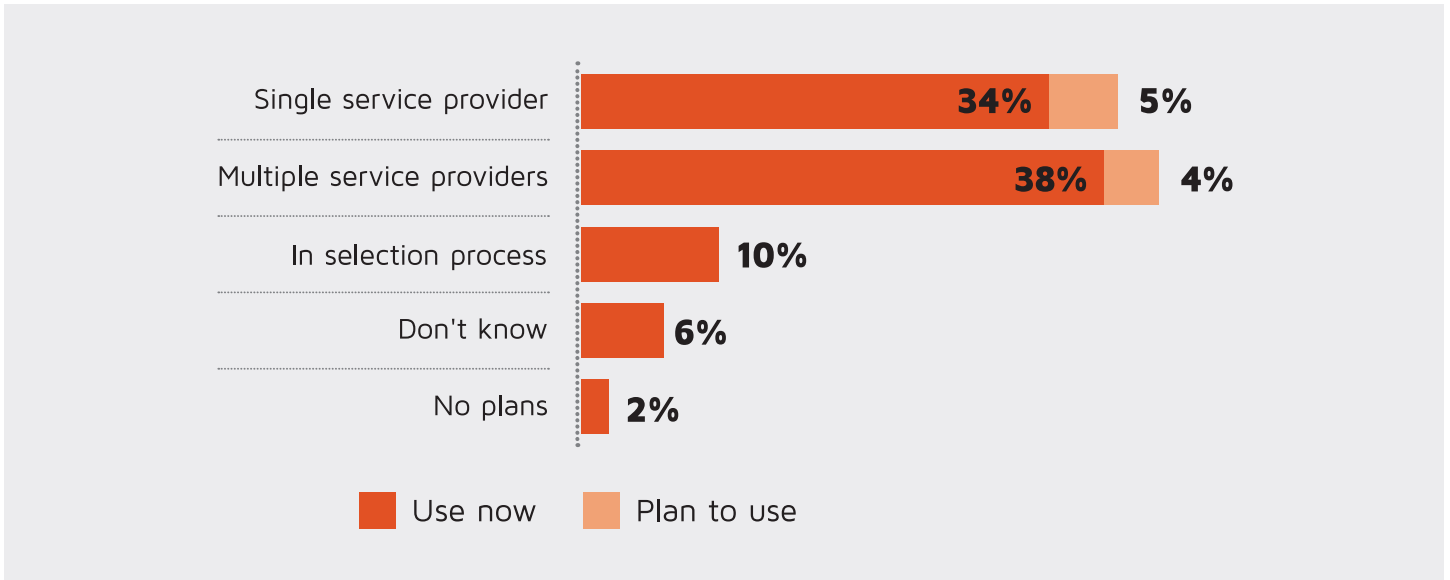


Figure 9.

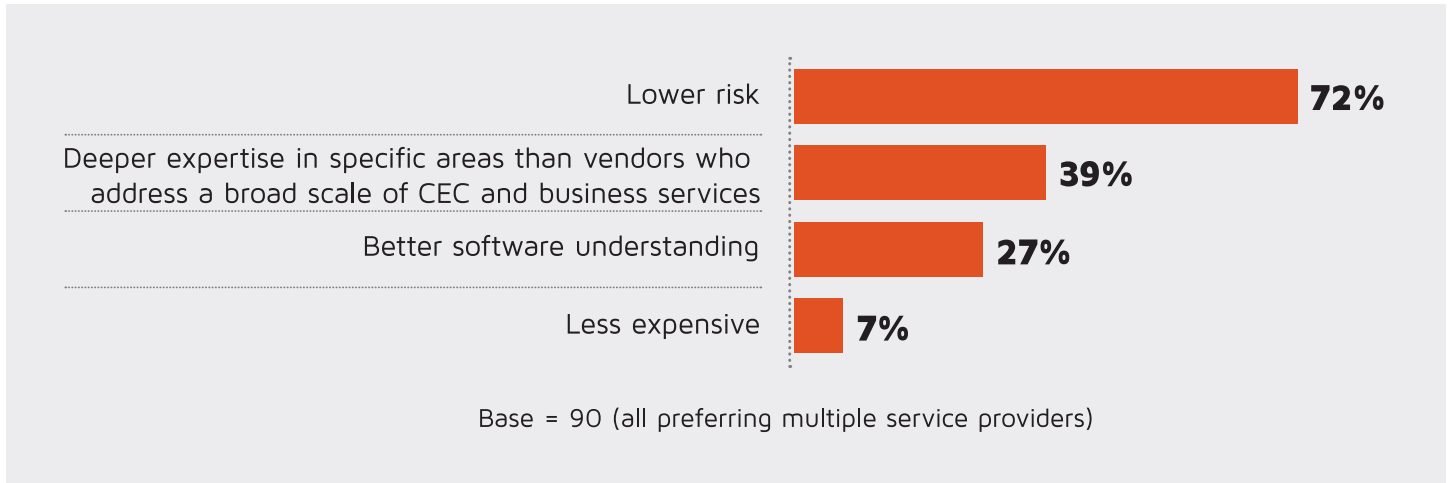
Lowering Risk Is The Top Reason For Using A Single Service Provider



Interestingly, risk management was also overwhelmingly the leading reason given for working with multiple service providers (72%). (See Figure 10.) In short, mitigating risk is a leading concern of all respondents, regardless of how many service providers they work with or their perceptions about service provider-related risks.

Figure 10.

Lowering Risk Is Also The Top Reason For Using Multiple Service Providers



These responses seem to conflict, but the bottom line is that service providers should always go into selling situations with a strong story about how they lower risk, whether they are going to be the sole provider or part of a provider network. But before telling that story prematurely, it's important to determine *what the buyer thinks* about the role of a service provider in lowering risk. The buyer may think it is vitally important to use a single service provider to lower risk, or, conversely, they may think multiple service providers hold the key to lowering risk.

Buyers prefer to retain the same service providers for new initiatives

Regardless of their buying pattern for single/multiple service providers, buyers expect to retain their existing service providers and hire them for new initiatives in the next year. (See Figure 11.) The most common areas of spending for service providers are: 1) to develop a customer engagement and commerce strategy (47%) and 2) to create a content strategy (43%). Data analysis was also important, particularly in North America (49%). These most sought after services were followed by technology expertise (38%), blending digital and analog worlds (36%), organizational change (34%) and user experience (30%). The North American demand outstripped European demand in most categories. (See Figure 12.)

Figure 11.

Retention Plans For Existing Service Provider Retention Over The Next Year

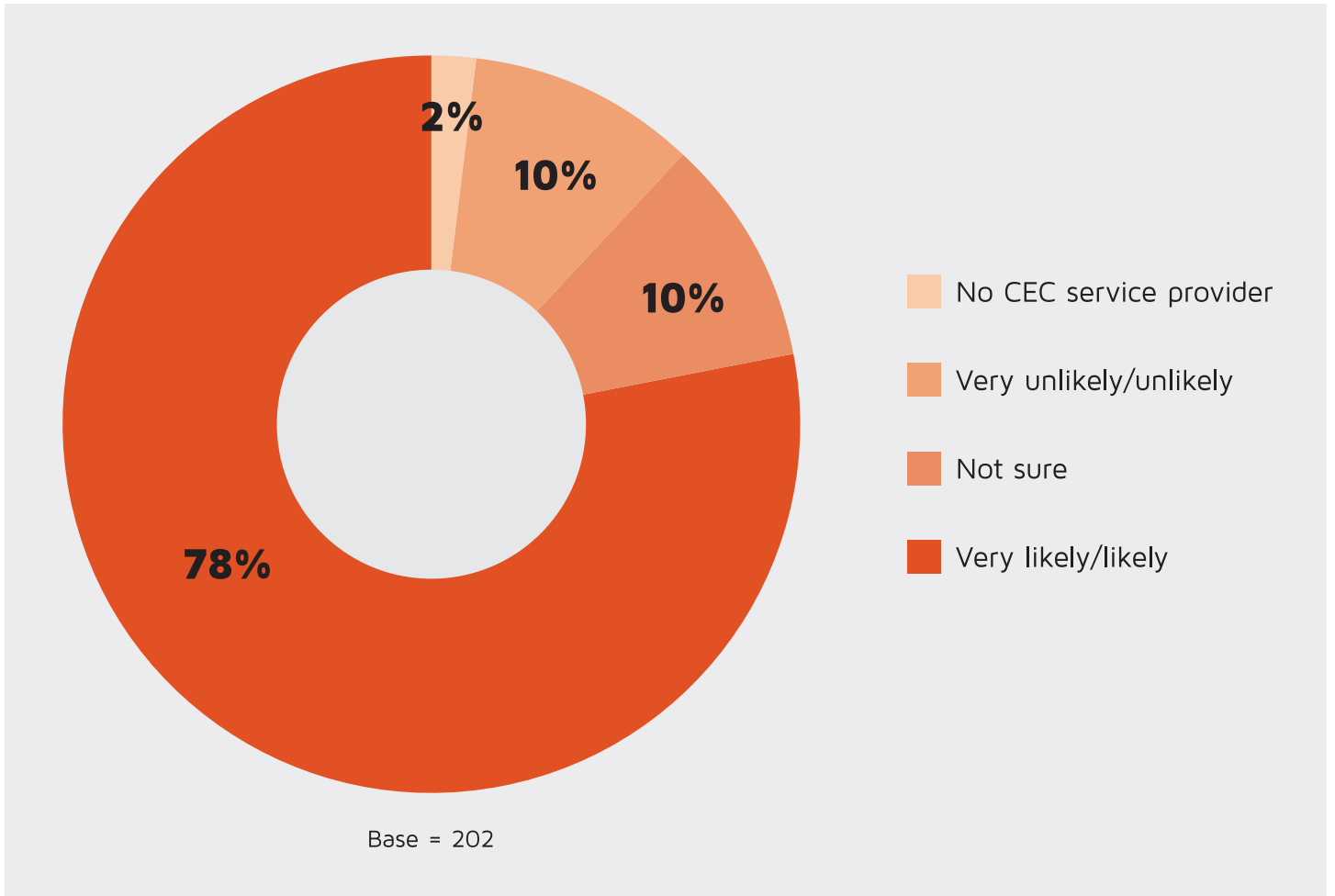


Figure 12.

Use of Service Provider For New Initiatives Over The Next Year By Region



“ You sell the vision to an exec, but the person they hand it over to doesn’t see the value of integration. Functional leaders don’t know how much to spend. They have very heads down projects and don’t look at the big picture. Managed services that combine the cost for software and services would help. We’re now getting contracts based on performance. One client has almost unlimited budget if the projects are performance based.”

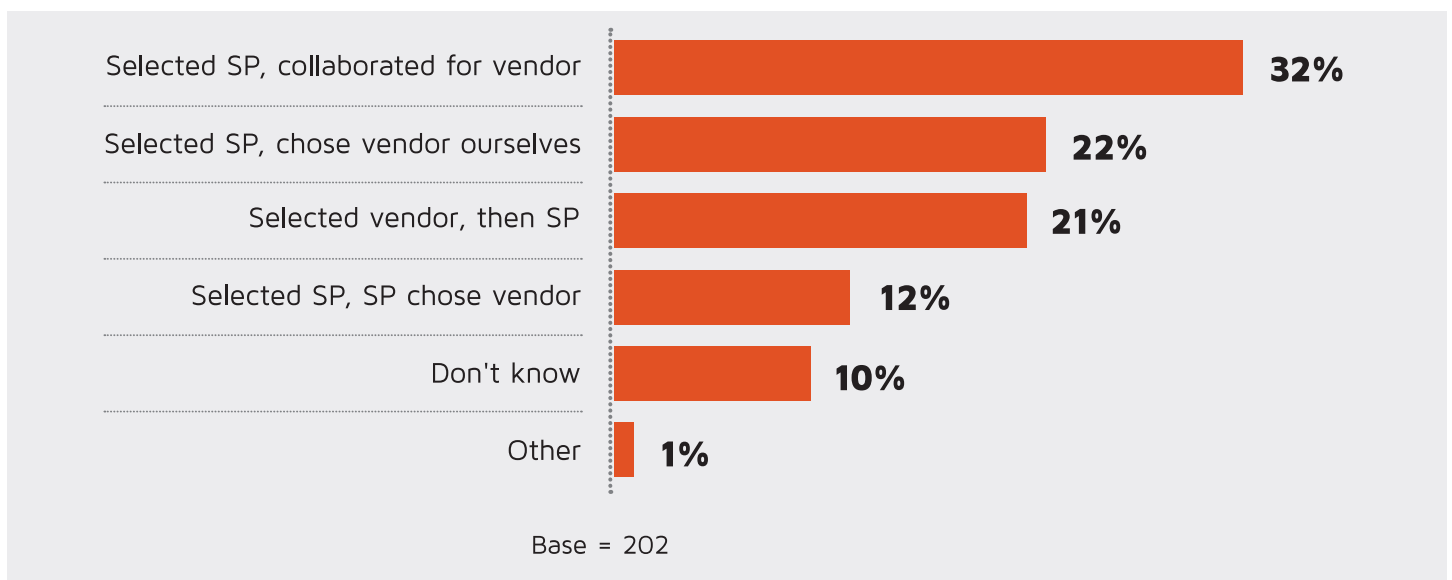
— A medium-sized systems integrator

Most buyers select partners before selecting CEM vendors

Most of the companies surveyed select their service providers prior to selecting technology vendors (64%). While some companies then collaborate with their service providers in vendor selections (32%), others either choose their vendor independently from the service provider (22%), or less commonly, delegate vendor choice entirely to the service provider (12%). About a third of B2C companies (31%) bring in a service provider first, but then select their vendors independently of the service provider. This could indicate that B2C companies have researched the vendors independently for some period of time and are more confident in selecting vendors. This same tendency showed up in some of the interviews.

Figure 13.

Use of Service Provider For New Initiatives Over The Next Year By Region Approach To Last Customer Experience Implementation



Buyers underestimate costs but will pay for performance

Although companies value using service providers for strong business reasons, we also determined that they are either naïve about the cost of services or have seriously under-budgeted. For example, typical CEM engagements (and other types of service engagements) often have a services to software ratio of 3:1 or 4:1, with service costs going even higher for complex projects that also include business transformation, business process re-engineering, organizational change management, and so forth. But our respondents anticipated costs in the 1:1 range, indicating a big mismatch between expectations and budgets. One way for service providers to overcome this budgeting shortfall is through performance-based pricing. One service provider told us that a client said they had a “virtually unlimited budget” for performance-based projects.

Business/IT Maturity Drives CEM Adoption

The maturity of buyers varies widely, making it challenging for service providers seeking to capitalize on CEM opportunities. One way to categorize buyer CEM maturity is by determining both how mature the business is in CEM adoption and how mature the IT organization is in deploying CEM technologies. The results show an interesting picture:

- **Companies with low business and IT maturity** are characterized by false starts and unsuccessful projects.
- **Firms with high business maturity but low IT maturity** usually move at breakneck speed, have many projects with multiple solutions, and lean toward point solutions.
- **Organizations with high IT maturity and low business maturity** tend to rely on their large IT organization and look more toward integrated solutions.
- **Companies with high business and IT maturity** to tackle large-scale CEM initiatives, sometimes move beyond digital transformation into wider-scoped business transformation initiatives. These firms like to move quickly, based on a long-term CEM plan and strategy, and focusing on the big picture – like how to capitalize on a strong data foundation, or how to provide omnichannel CX. (See Figure 14.)

Unfocused firms can't sustain CEM because of distractions

Companies with low CEM maturity in both the business and IT tend to be unfocused, uncommitted, and easily distracted by other priorities. While they appear keen to get started with CEM, these firms require many course corrections because they don't know what is required to implement CEM and they lack the skills to do the projects in-house. Many times these organizations are engaged in CEM activities because they fear falling behind or think CEM should be a priority, but don't have the training or experience to see projects through to completion and aren't willing to fund it sufficiently.

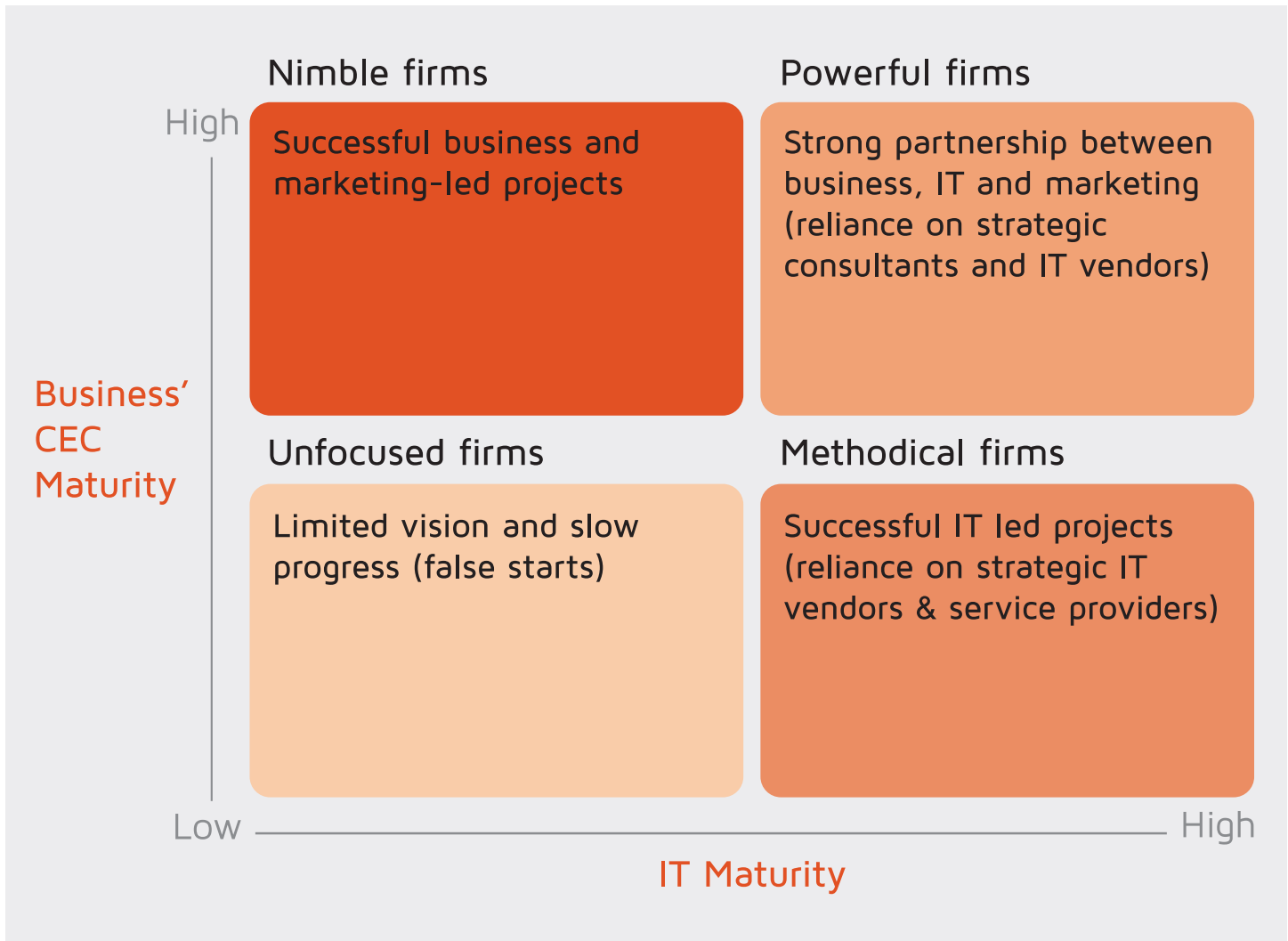
For example, one B2B and B2C manufacturing company we talked with was in the low/low maturity category. After working on a CEM project for over a year, the project was halted and restarted. The CIO did not have a good partnership with the CMO, which impacted the project's overall success. Plus, the project team didn't have experience in the technology or know what was required to successfully manage the project. Finally, the CIO was let go, the CMO became the new CIO, and the project team began anew with a stronger working relationship between IT and marketing.

“Historically, there's not been a lot of trust between marketing and IT at our firm. It's not been a good working relationship. The VP of marketing is now the VP of IT, so marketing and IT are collaborating quite well. Our vision is to make service, sales, and marketing more collaborative. Historically, each department was siloed. Everyone made decisions without talking to IT or considering the enterprise. This is slowly changing but people don't change overnight.”

— A B2B2C manufacturer

Figure 14.

The Overall Maturity Level For CEM Can Be Determined By Business and IT Maturity



“ There are three maturity levels: (a) basic digital marketing; (b) some integrated campaigns, using data and analytics; and (c) holistic customer understanding across the organization. The highest CEM maturity in Europe are the UK, followed by the Nordics and Northern Europe. But each area has large variations. We’re working with a German retailer that is successfully turning itself into a brand, in reaction to the branded goods that manufacturers are starting to sell directly to the customer. ”

— A medium-sized systems integrator

Nimble firms race to deploy CEM but could be at risk from going too fast

Companies with a high business CEM maturity, but low IT maturity move quickly, with a sense of urgency that CEM is absolutely, critically important to their digital success. Sometimes the business may race far enough ahead of IT that the technical solutions are not sound, robust, scalable, integrated, or from a reliable vendor. This tendency to move fast makes the organization nimble and adroit from a CEM positioning perspective, but vulnerable to project failures from a technology and a management perspective. For example, these organizations may have 20, 30, even 40 different point solutions as part of their CEM portfolio of products – many of which are selected and managed by the business, with IT on the sidelines. Often these companies employ executives with new job roles, like Vice President of Customer Experience or Chief Customer Officer.

A large retailer we interviewed typifies these fast moving companies. CEM was being driven by multiple new execs that reported to a range of regional and divisional execs. Consumer behavior was shifting rapidly from physical stores to online shopping, creating an internal sense of urgency that CEM needed to happen quickly. These new execs, with new CX titles, were selecting a large number of disparate, siloed, unintegrated technologies in a very short time frame. They were extremely confident in their ability to navigate the CEM waters without risk.


Methodical firms get the job done, but often plod along

Companies with low business maturity but high IT maturity usually have very strong project management, strategic planning, vendor management, and potentially even organizational change management skills and experience. This bodes well for large-scale CEM projects and for looking at CX through strategic eyes instead of a more narrow focus. But IT can also be seen as too slow and too hidebound, always deferring to their preferred IT vendors instead of the new startups that the more nimble companies tend to prefer.

We interviewed an SMB manufacturer that sells commercial equipment to businesses. This company has been a textbook example for how to excel in business process transformation, business process management (BPM), and organizational change management for many years, led by a remarkable CIO. Several years ago, they implemented a B2B order system to replace EDI, and are now deploying a commerce server. In addition,

“ Smaller service providers or ‘boutiques’ are the most advanced with CEM, while larger SPs and technology vendors tend to react to perceived market demands. The key to maturity is an organization-wide dedication to customer experience excellence. Every single person in the firm has to understand their relationship to the customer. Customer journey mapping and technologies such as enterprise feedback management play a critical role. ”

– CEM thought leader



the business was planning to arm the sales force with tablets so they would have up-to-the-minute information about customers before going into sales visits. These projects were accomplished through a strong partnership between the business and IT, were compatible with the BPM goals that senior management had set, and were performing well. However, the maturity balance is substantially weighted toward IT; at the time of our interview, the company was in the process of hiring its first ever marketing executive.

Powerful companies draw on business and IT leadership

The most evolved companies with the highest CEM maturity (in both the business and IT) are on a path to digital transformation, or even to business transformation. And while CEM is absolutely core to their strategy, it is only one of many pillars to the overall transformation plan. At the highest level, these CEM/business transformation initiatives are led by the senior most executives such as the COO, CEO, or even board members. At the next level down, several interrelated projects are led by members of the C-suite with all the line of business execs, the CMO, the CIO, and other leaders. Collectively, these projects change the CX landscape for the business, its stakeholders, and customers and may shift the organization into new business models or industries.

A European bank provides a great example of a powerful company with deep CEM maturity in both the business and IT. This company is two years into a five-year plan to embrace CEM throughout the business, including branches, the contact center, and across all departments and business units. An effort of this magnitude involves a refresh of many CEM technologies, including CRM, the customer platform, the mortgage platform, WCM, workflow, telephony, and data warehousing (which underpins everything else.) Service providers are also critically important; as one executive observed, “We work less directly with particular vendors, and more with their accredited partners.” This executive also commented on two key trends driving the project: 1) other banks they compete against are on similar paths, and 2) the process is highly collaborative inside the organization. She noted, “At the senior leadership team, it’s a collaboration of equals.”

“ We’re just starting to implement multichannel — we’re nowhere near omni, but that is our future. We use our content system to collect info on web, email, social usage. We can’t look at our requirements five years out and make all the investments now. Rather, we need to constantly build and advance a platform that can grow with our needs. As time goes by we continually reassess. ”

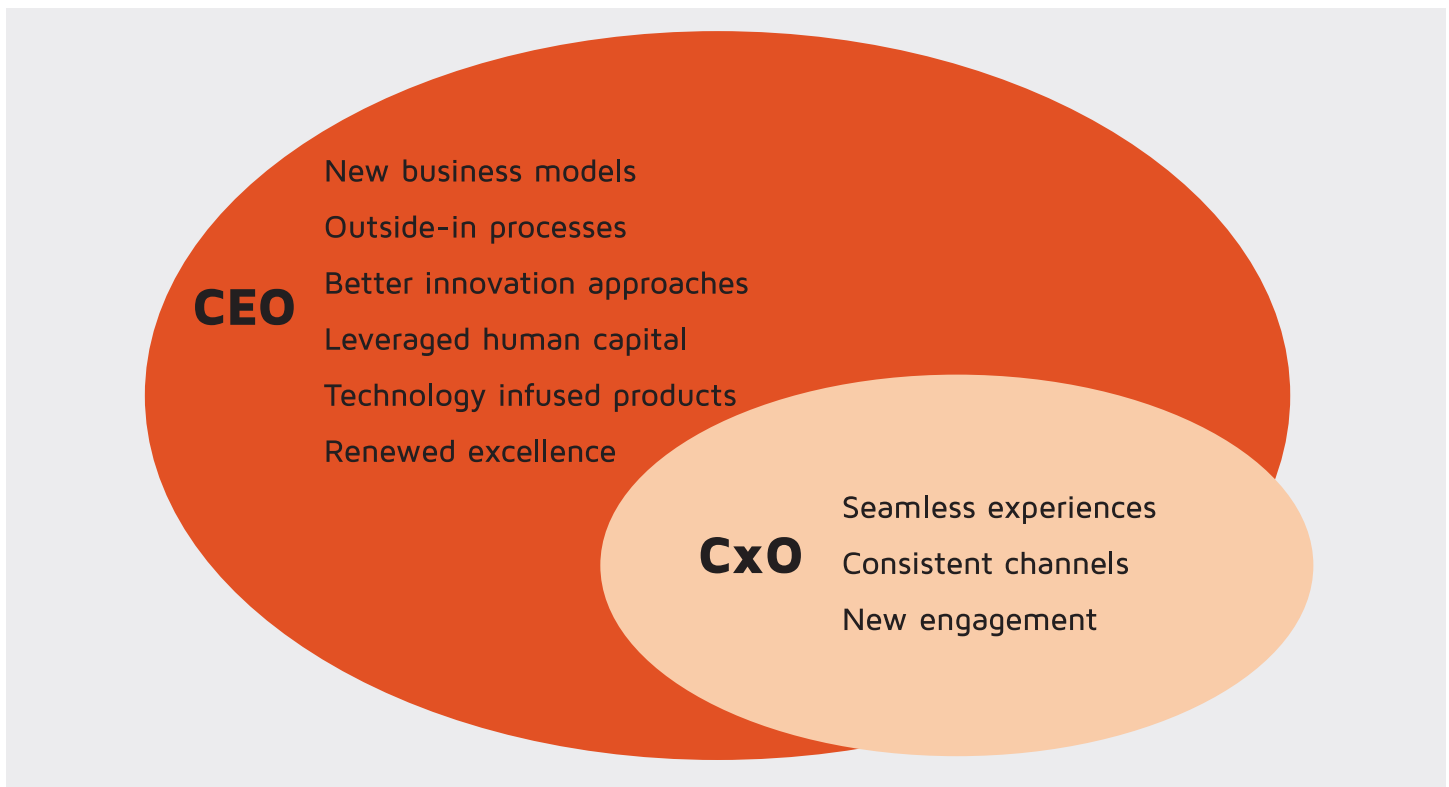
— A global CPG company

Powerful Firms Go Beyond Digital to Business Transformation

Digital disruption is the powerful force that’s knocking the customer-facing parts of the organization off-kilter. Organizations are scrambling to put together great customer experiences in the online and offline worlds, provide consistency across channels and anticipate customer needs before they surface. But business transformation is an even greater force, and often comes to the CEO’s attention as an absolute business imperative. When this happens, business transformation becomes the bigger strategic initiative and digital transformation, while vitally important, falls underneath the larger umbrella. (See Figure 15.)

Figure 15.

Senior Leaders Sometimes Expand Projects Beyond Digital Transformation to Business Transformation



“ Digital transformation is a giant buzzword. There’s a huge amount of business process re-engineering required to make processes work—plus the technology. It involves business transformation, marketing transformation and technology transformation. Here is where technology is shifting: CRM + content management + ecommerce. In the medium term, every vendor will have an integrated suite. In the longer term, everything will be SaaS. ”

— A medium sized systems integrator



The utilities industry is transforming globally around CX and new technologies

Take the power utility industry as an example of digital transformation and business transformation. For years, this was a sleepy industry throughout the world – highly regulated and largely unchanging. But the smart grid and new technologies like the Nest thermostat have turned the industry upside down, compelling the industry to become customer driven almost overnight. Power utilities’ web sites must now provide many different customer options and offer a lot of easily consumed technical information, whereas in the past, the website was essentially a place to pay bills and report outages. To turn those sites into the customer-centric hubs that consumers now expect, utilities must transform core business processes that reach far inside the organization. This is an example of how business transformation is remaking an industry from top to bottom, driven by CEOs and other C-suite execs. Similar forces are sweeping through other industries as well, as digital disruption sweeps through companies and industries alike.

A consumer electronics giant is transforming to support new business models

A consumer electronics manufacturer is also feeling the impact of digital disruption, as, in the words of one customer experience executive, “customer expectations have skyrocketed.” This global firm watched as customers gradually moved to the web as an alternative to shopping in stores, but wasn’t prepared for the sudden landslide when a large majority of customers began to abandon retail channels seemingly overnight. Given the sudden shift in consumer behavior, the senior most executive in one large region decided that digital transformation focused on omnichannel was insufficient – complete business transformation of the customer-facing business processes was needed instead. As the company now makes this shift, they believe that the digital and business transformation must be comprehensive and extend beyond technology. One CX executive told us, “Our digital journey must be expanded to embrace people, processes and content.” That kind of thinking is required to successfully tackle business transformation. And eventually, companies like this one could expand the customer experience into product development, as customers increasingly demand networked and intelligent devices. But for the time being, expanding into the Development executive’s area is a step too far, as the company focuses like a laser beam on business transformation.

“ Two years ago we started on a grid modernization program. Customers have many more devices, so we reorganized and launched a new focus on customer engagement. Customers no longer get a basic utility. Instead, customers can choose a la cart services. This long-term solution requires long-term strategies. It’s all about getting closer to the customer, using Big Data. The focus on customer orders and engagement spins out huge amounts of data. This industry has been slow to change, but now business transformation is taking shape. ”

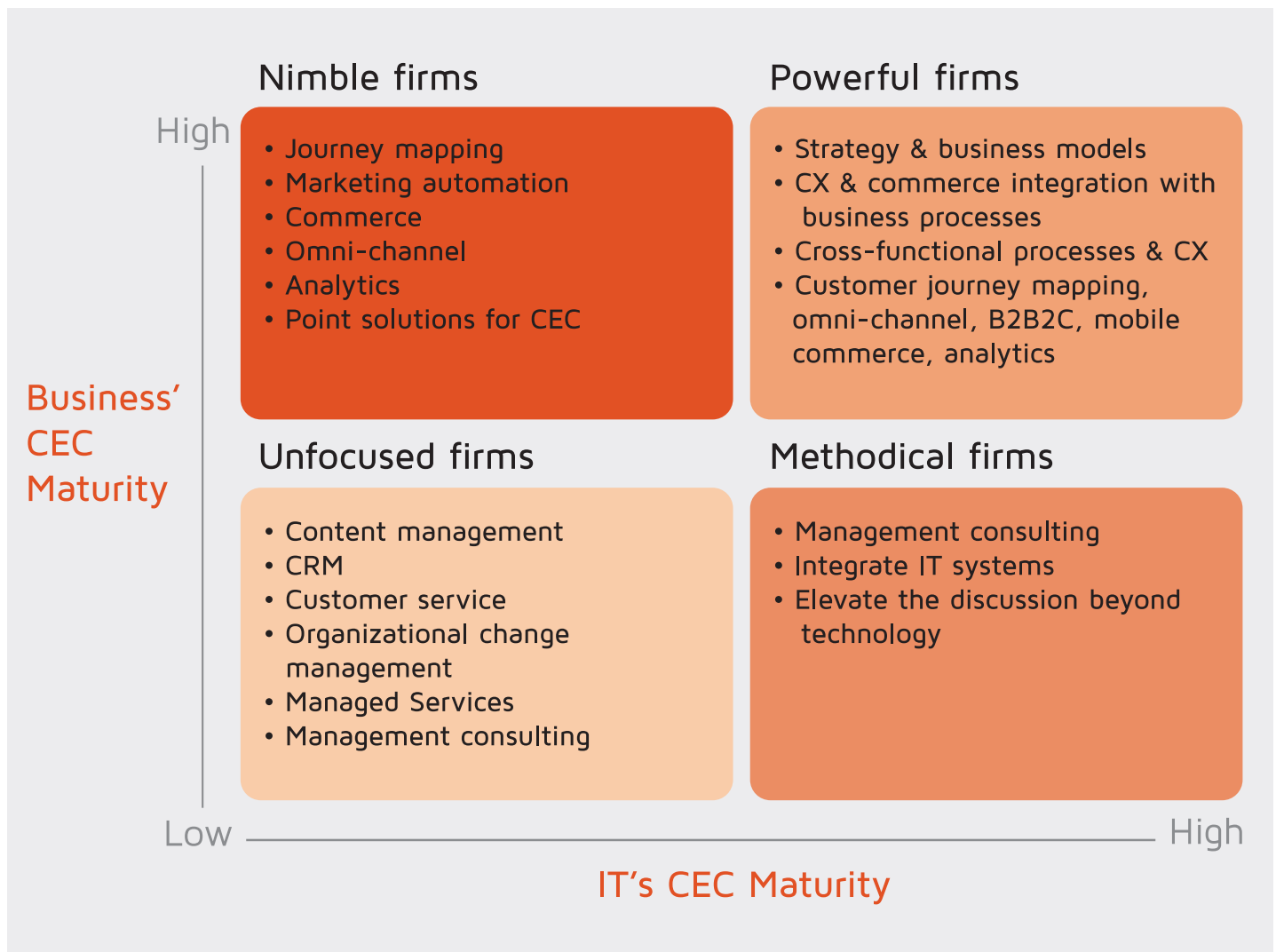
– A large power utility

A Call to Action for CEM Partners

Service providers can take decisive actions to influence CEM buyers, no matter where those companies are on the CX maturity level. Figure 16 offers an overview of what service providers can offer buyers based on the maturity levels defined above in Figure 14, followed by a more complete list of recommendations for partners.

Figure 16.

Service Providers Should Map Their Solutions To The Customer’s CEM Maturity





Recommendations derived from the survey and interview results include:

- **Stay close to the IT organization’s leadership and monitor the emergence of new customer engagement executive titles in the business.** Solutions partners also need to be mindful that the C-suite is often involved in CEM decision-making.
- **Overcome the budgeting shortfall through performance-based pricing.** One service provider told us that a client had “virtually unlimited budget” for performance-based projects.
- **Target unfocused companies by helping to install or update basic building blocks like content management or CRM suites.** Because of their low business maturity and low IT maturity these firms may need help deploying CEM technologies in the cloud or implementing organizational changes. Despite their lack of focus and limited experience, these companies still represent tactical opportunities for service providers, particularly if close attention is paid to project management.
- **Help fast-moving nimble firms integrate their various point solutions and build solutions on a strong data management baseline.** Helping them create a digital business strategy that pulls the point solutions together is another opportunity for service providers.
- **Target IT-centric, methodical organizations with application development, systems integration, and developing a business/IT strategy and roadmap.** These companies with high IT maturity but low business CEM maturity usually have large integrated suites and strong point solutions, as well as robust information management.
- **Expand assistance to methodical firms beyond customer engagement and commerce to also include management consulting, business process management, and organizational change management.** Despite their maturity, methodical organizations often need assistance with more business-oriented aspects of CEM.
- **Target companies with strong business and IT CEM maturity; they often realize the organization lacks the resources for large business transformation initiatives.** These organizations are often looking for one or more strategic partners that can take on the “soft” business skills in addition to the technology projects.



Methodology

Digital Clarity Group is a research-based advisory firm focused on the content, technologies, and practices that drive world-class customer experience. As many organizations implementing experience management operate internationally, DCG's coverage is similarly global in scope, with analysts based in the US, Canada, and Europe.

In late 2014 and early 2015, Digital Clarity Group conducted extensive primary research projects focused on customer experience management in North America and Europe. We surveyed more than 200 senior decision makers for purchases of sales, service, marketing, and commerce software targeted at customer experience. In addition, we interviewed eight executives responsible for CEM engagements; eight service providers focused on CEM selections and implementations; and four independent thought leaders in CX expectations, CEM technology, and usage.

Examples of questions from our survey and interviews:

- How has the shift to the customer centric era been felt in your company?
- What technology categories does CEM include at your company?
- How integrated is the CEM solution stack at your firm?
- How broadly installed throughout the company is your firm's CEM solutions stack?
- What is your company's partnering strategy and culture for IT solutions?
- Does your firm work with digital agencies, systems integrators, or other service providers on software implementations that are focused on your customers?
- Which service partners have you used for CEM projects in the past 2 years?
- What qualities do you most value in CEM service providers?
- Who is the final decision maker when selecting new CEM solutions and service partners?
- Does your company prefer to buy from a single software vendor that addresses all of marketing, sales, support and service, or does it prefer buying from vendors with specific expertise in one or more areas?
- What vendors does your firm use for CRM, commerce, and marketing software?
- What are the most important criteria to your firm when selecting a CEM software vendor?
- How are decisions made to buy CEM solutions?
- Does your company focus on B2C, B2B, or a combination?
- How advanced is your company's CEM strategy across and within marketing, sales, service and support?

Survey Demographics, Figures 1a - 1e

Figure 1a.

Survey Respondents By Country

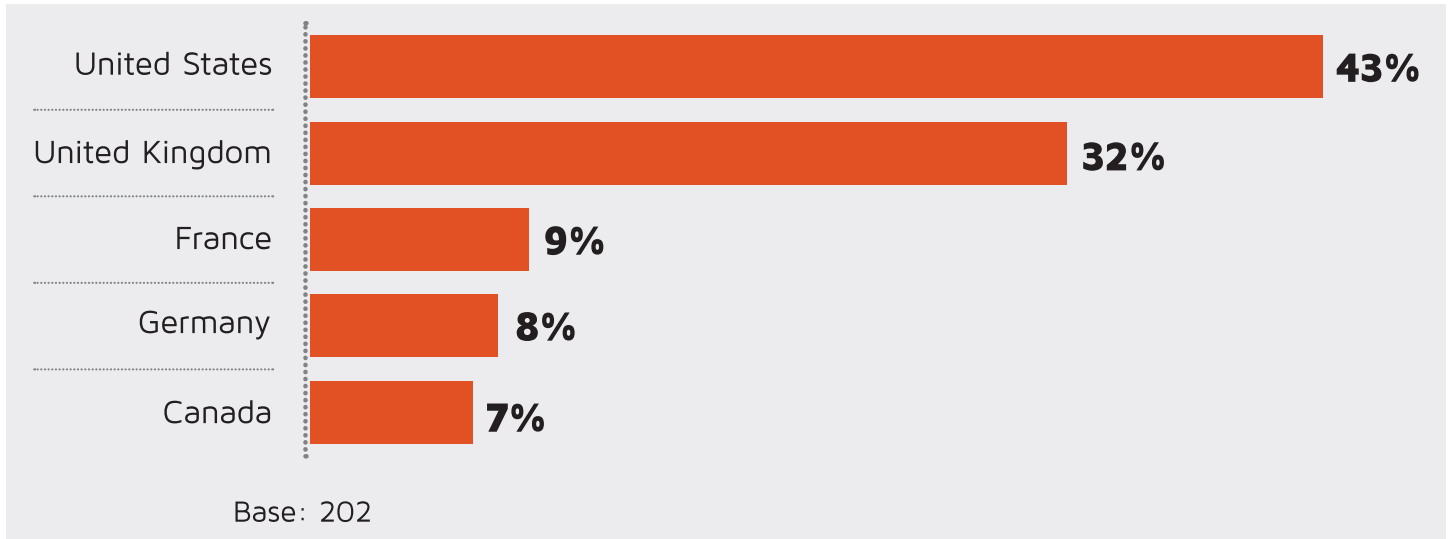


Figure 1b.

Survey Respondents By Annual Revenue

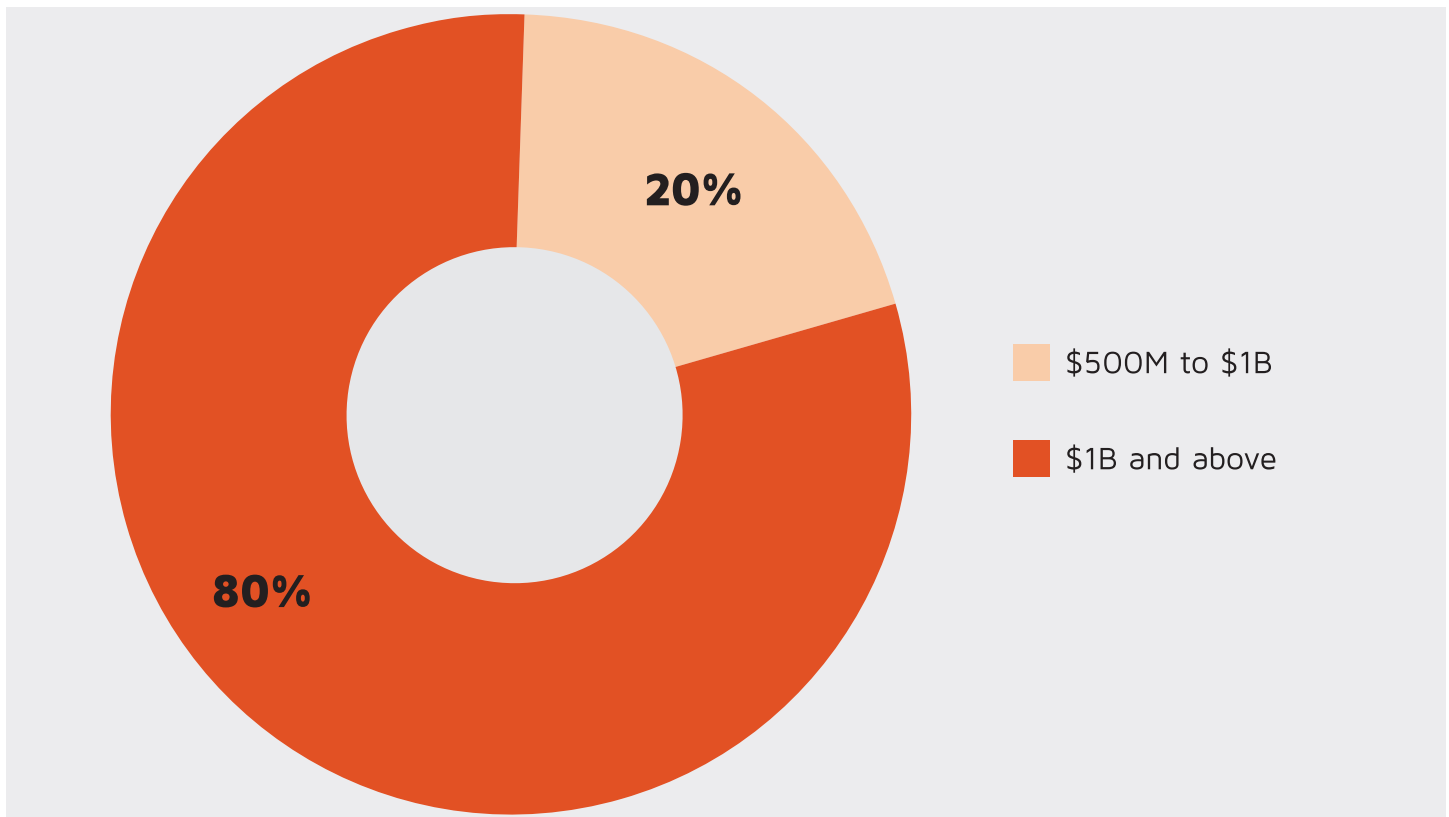


Figure 1c.

Survey Respondents By Organizational Position

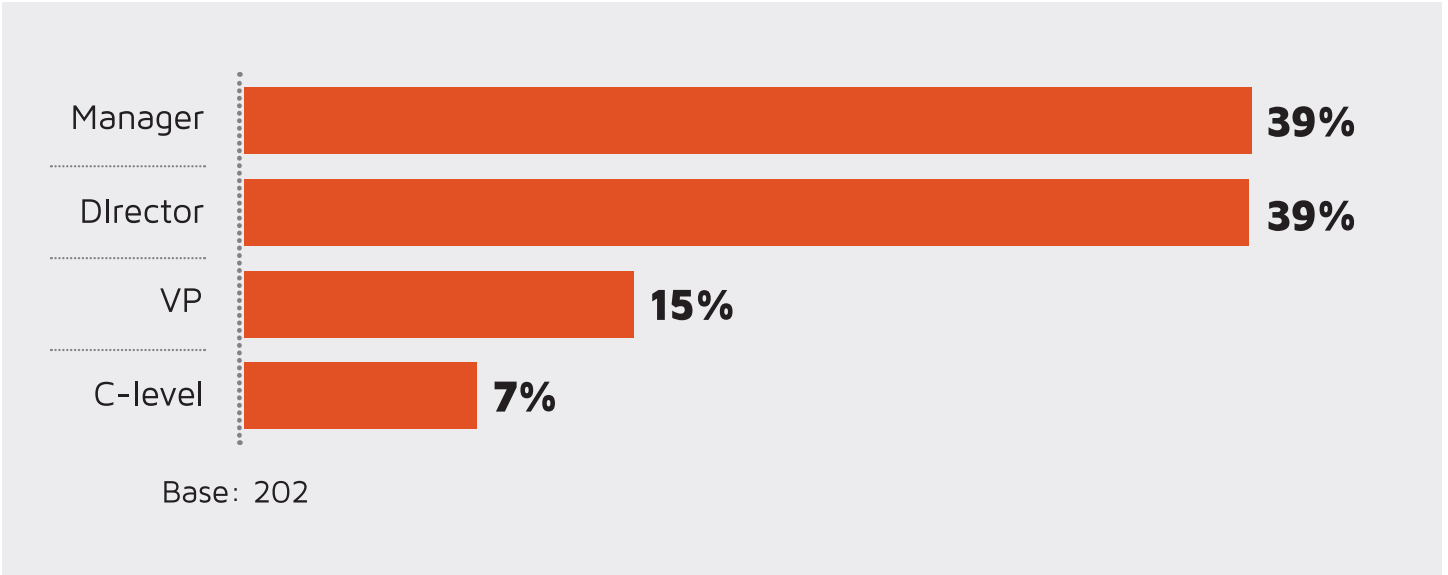


Figure 1d.

Survey Respondents By Customer Type

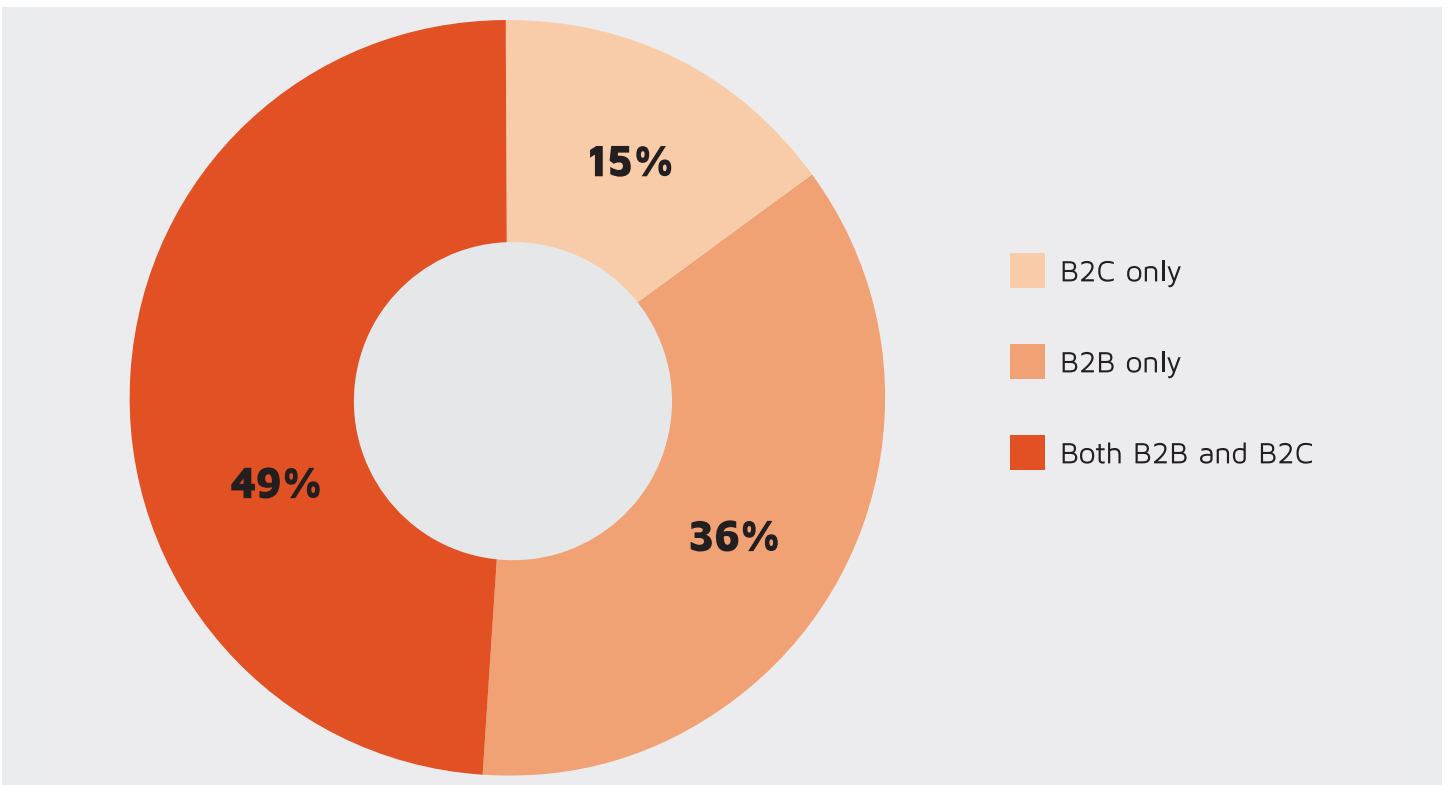
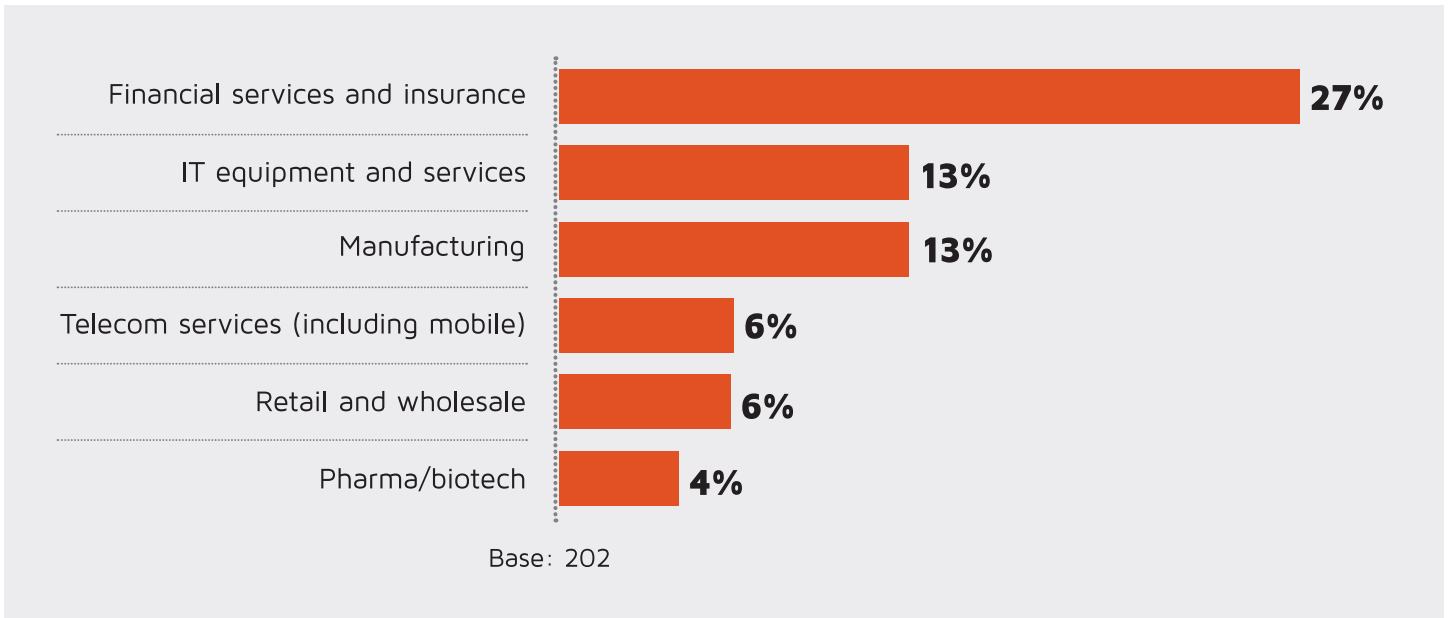


Figure 1e.

Top Six Most Common Vertical Sectors Of Survey Respondents





Endnotes

1. SMBs were defined as organizations with \$500M-\$1B revenues. Enterprises were defined as greater than \$1B in annual revenues.



About DCG

Digital Clarity Group

Digital Clarity Group is a research-based advisory firm focused on the content, technologies, and practices that drive world-class customer experience. Global organizations depend on our insight, reports, and consulting services to help them turn digital disruption into digital advantage. As analysts, we cover the customer experience management (CEM) footprint – those organizational capabilities and competencies that impact the experience delivered to customers and prospects. In our view, the CEM footprint overlays content management, marketing automation, e-commerce, social media management, collaboration, customer relationship management, localization, business process management, analytics, and search. As consultants, we believe that education and advice leading to successful CEM is only possible by actively engaging with all participants in the CEM solutions ecosystem. In keeping with this philosophy, we work with enterprise adopters of CEM solutions, technology vendors that develop and market CEM systems and tools, and service providers who implement solutions, including systems integrators and digital agencies. For more information about DCG, visit www.digitalclaritygroup.com or email info@digitalclaritygroup.com.

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