

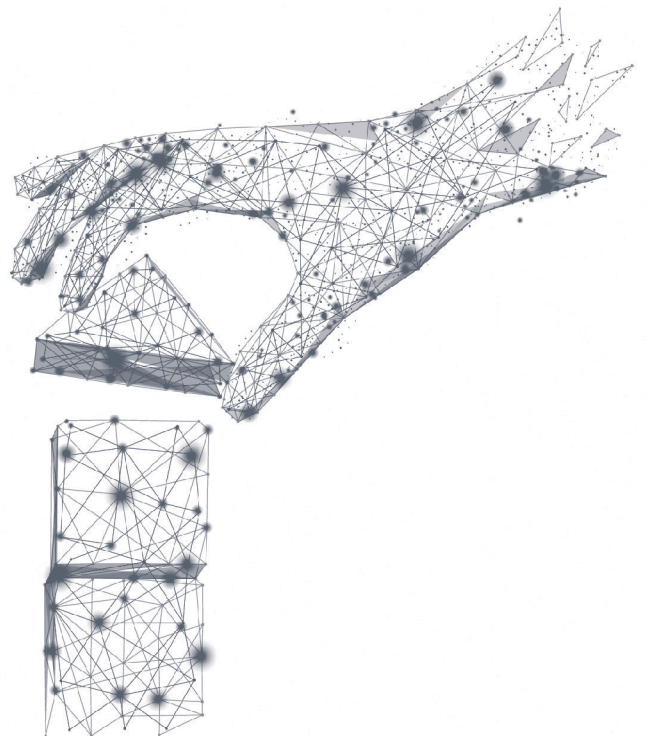
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# Digital Experience Platforms: Buyer Trends, Preferences, and Strategies

By: Connie Moore

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A DCG RESEARCH REPORT





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# Executive Summary

Digital disruption and business transformation are unstoppable forces propelling the strategies, business models, and priorities of business and government leaders worldwide. No industry, region, or business size is exempt. This trend pushes business, IT, and marketing leaders to develop unique, effective solutions that deliver exceptional customer experiences through digital experience platforms.

In organization after organization, the C-suite and board of directors drive decisions about digital experience strategy and technologies. This may seem like overkill, but it's not. Why?

- Digital experience (DX) technologies are often the primary or only way customers engage with the organization.
- Consistently delivering and linking great experiences to operational systems that execute in a fail-safe, customer-centric fashion can make the difference between market leadership, middle-of-the pack status, and significant market share losses.

Because an organization's DX strategy, architecture, and platform are so crucial to its business plan and business model, in early 2018 Digital Clarity Group (DCG) undertook a seminal research project examining the trends, preferences, and strategies for digital experience platforms (DXPs).

To gain deep insights into strategies for implementing DXPs that support transformational business models, we surveyed 300 business and IT leaders in North America and Europe. We also interviewed 22 business and technology leaders in North America, Europe, and Latin America to understand their strategic approaches for implementing DX experiences, platforms, and technologies; and executives and managers from nine providers of DX technologies and services.

## Our research: Key questions and findings

Our primary research addresses why organizations invest in DXPs, how they choose their approach and vendor partners, how buyers define DXPs, and what systems and tools are most important for driving lasting business transformation.

The findings from our executive interviews and online survey provide rich business and technical insight into how organizations approach DX architectures and platforms, including: 1) DX channels and tools being tackled first, 2) emerging technologies that hold the greatest strategic interest, and 3) factors influencing their selection of vendors and implementation partners.

The results are tantalizing, insightful, and impactful for any organization on the path toward business transformation, DX strategy, and DXP implementation. Key findings are summarized on the next page.

## Definition

A digital experience platform (DXP) is the collection of technologies for creating, orchestrating, and managing the digital experience delivered to customers, prospects, employees, and other stakeholders. The platform delivers digital experiences across the life cycle of the customer relationship, from marketing to sales through service.

A DXP comprises technical capabilities (e.g., products, applications, suites) that drive the delivery of experiences (such as content management systems) and orchestrate and support that delivery (such as analytics, personalization, and customer data management). A DXP can be purchased from a single vendor (“homogeneous” in this report) or assembled from multiple vendor components (“heterogeneous” in this report). Heterogeneous DXPs can be constituted from best-of-breed components, built from a suite that’s augmented by best-of-breed components, or developed in-house.<sup>1</sup>



# Key Findings

- 1 New business models fuel DXP demand and investments.
- 2 The C-suite and IT, not marketing, lead DX technology decisions and strategies.
- 3 The current DXP landscape models a federated architecture for platform assembly and a services layer for integration.
- 4 Nearly 70% of buyers take heterogeneous approaches to their DXPs.
- 5 Most buyers are skeptical about homogeneous approaches to DXPs.
- 6 Customer data technologies are the linchpin for DXPs.
- 7 Buyers choose DX vendors based on near-term concerns.

## DXP approaches: Multi-vendor vs. single-vendor

Current DXP approaches vary based on a slew of factors including the organization's strategy; new or evolving business models; company size and locations; industry practices; competitive positioning; type of customers served (e.g., B2B, B2C, G2B); existing IT partnerships; existing enterprise architecture; and skill sets within business, marketing, and IT.

Clearly, no single "correct" DXP approach applies equally to all organizations. However, our top-line survey data shows a majority of business and IT leaders (66% of 300 respondents) prefer a heterogeneous approach for implementing DXPs rather than a homogeneous approach. Of these respondents, the data shows the following results:

- 33% prefer "best-of-breed" vendors for DX technology point solutions.
- 22% prefer working with a single vendor, but also plan to supplement their needs with DX point solutions from other vendors.
- 11% plan to buy open-source software that internal IT and technology services partners can customize for their needs.

31% intend to work with a single vendor, and even they expect their DXP will comprise multiple technology products.<sup>2</sup>

## Design factors and the big picture

One overriding message is that DXP strategies, architectures, and implementation approaches are key building blocks for an organization's business transformation strategy and business model.

Regardless of what DXP approach an organization chooses, it's important to keep these design factors in mind:

- **Drive the strategy from the top down.** The more senior the ownership, the wider the purview for transformational, end-to-end, customer-centric processes and the greater the employee acceptance.<sup>3</sup>
- **Use voice-of-the-customer and customer journey maps.** Virtually every organization we interviewed had either already embarked on these initiatives or was planning to get first-hand customer insights, inputs, and information.
- **Focus on customer data** for differentiated customer experiences, and as a crucial starting point for implementing technologies such as predictive analytics, contextual profiles, artificial intelligence, and machine learning.
- **Tackle digital channels systematically, one or two at a time.** Customer demand for channels can be overwhelming (e.g., text, social, mobile apps, kiosks) and the business case is usually urgent. But, most organizations we interviewed are implementing one digital channel at a time, building on each success – and usually starting with email.

- **Focus on well-integrated solutions and don't assume single-vendor DX suites are seamlessly integrated or refer to the same customer data.** In reality, some vendor solutions may be cobbled together from several acquisitions. A single-vendor approach is possible, but the components must be well integrated (especially at the customer data level) and have a consistent look-and-feel.

It's also crucial to underscore three big-picture issues that many DX leaders pointed out as essential for true business transformation:

- 1. Comprehensive culture change** must put the customer at the center of all business interactions.
- 2. Long-lasting organizational changes** must reinforce the customer-centric culture change.<sup>4</sup>
- 3. Transformed end-to-end business processes** should span the organization's digital outside and inside to deliver great digital experiences from anywhere in the organization.<sup>5</sup>

## About this report

This report provides guidance to leaders who are developing or advancing their organization's DX strategy, architecture, and implementation approach. The research and insights are tailored for executives and managers in the C-suite or in e-business, IT, marketing, brands, lines of business, customer service, or another part of the organization. Our primary research and in-depth analysis spans businesses and government agencies focused on consumers (B2C, D2C, G2C), businesses (B2B, G2B), or both (B2B2C), in North America, Europe, and Latin America.

The report will also guide technology vendors and services firms selling products and services in DX markets, and will help shape products and services, roadmaps, messaging, and go-to-market strategies based on real-world input from companies doing DX work today.

We sincerely appreciate the many time-strapped, insightful, and experienced DX executives we interviewed and surveyed for this research. These leaders' inputs are grounded in pragmatic experience combined with deep understanding of how technology is disrupting and re-making their industries. Above all, they have a strong conviction that the customer is at the center of their business – from start to finish.

We also thank the sponsors of this research, including Adobe, Authentic, censhare, CoreMedia, Episerver, Lytics, SAP Hybris, SDL, and Sitecore. This research would not have been possible without their support.

# DX Strategies and Approaches: Key Findings from Business, Marketing, and IT Leaders

Leaders responsible for DX strategies and implementations, and the enterprises they serve, are under constant pressure as they move forward with DX initiatives. For example, customer expectations continue to soar; technologies morph while more tools emerge; new business models continue to remake industry after industry; and organizations often experience internal conflict over who leads DX initiatives, and how.

There's also the question of what DXP approach best meets an organization's needs: best-of-breed tools from the strongest vendors; a combination of a strategic vendor plus best-of-breed tools; in-house with or without components from vendors; or a single, strategic suite vendor?

Keeping these pressures and options in mind, our research addressed six key questions (see Table 1).

## Key findings span strategy, technology, leadership, and vision

Seven strategic findings surfaced from the survey and our interviews with senior business, IT, and marketing leaders. Table 2 and the following pages discuss the findings in detail.

Table 1  
**Six Questions That Challenge DX Leaders**

1	<b>What are the key business drivers for investments in DXPs?</b>
2	<b>How and why do organizations choose between single-vendor/homogeneous and multi-vendor/heterogeneous approaches?</b>
3	<b>How do buyers define their DXPs? What technologies (systems and tools) make up the DXP?</b>
4	<b>What DX systems and tools do buyers identify as most important for driving lasting business transformation?</b>
5	<b>What strategic factors drive buyers to partner with specific vendors?</b>
6	<b>How do firms choose DX vendors, and what drives selections?</b>



Table 2  
**Key Findings for DXP Strategy, Approaches, and Implementations**

1	<b>New business models fuel DXP demand and investments.</b>	These business models empower organizations to compete in ongoing – and sometimes wrenching – digital disruption, serving customers through a mix of high-touch physical and digital channels.
2	<b>The C-suite and IT, not marketing, lead DX technology decisions and strategies.</b>	Organizations realize that DX goes far beyond the initial stages of attracting and converting prospects, marketing’s typical focus. DX teams directed by the C-suite involve all business units that engage with customers throughout the relationship cycle.
3	<b>The current DXP landscape models a federated architecture for platform assembly and a services layer for integration.</b>	Buyers constitute their DXPs from six functional sets of capabilities – contextual customer profile, e-commerce, content, cognitive, engagement, and digital business process – with shared data sources and services as the hub.
4	<b>Nearly 70% of buyers take heterogeneous approaches to their DXPs.</b>	Preferences for the next twelve months are for: 1) best-of-breed vendors and point solutions, 2) a single vendor supplemented with best-of-breed point solutions when necessary, or 3) open-source solutions customized by in-house IT and partners. Buyers choose a heterogeneous approach because they lack confidence that a single vendor can keep pace with DX demands and deliver quality solutions.
5	<b>Most buyers are skeptical about homogeneous approaches to DXPs.</b>	Most buyers think the scope of DX is too broad for an end-to-end DXP from a single vendor. Some would prefer to acquire a solution from a single vendor but believe this approach is aspirational. Buyers preferring a homogeneous approach believe that their vendor develops high-quality DX products that will ultimately integrate well within a suite. (IT buyers are less confident in the prospects of vendor product integration.)
6	<b>Customer data technologies are the linchpin for DXPs.</b>	Customer relationship management (CRM), analytics, business intelligence, and reporting are most important to a company’s DX strategy, ahead of e-commerce, content management, digital asset management, and product information management. Organizations have bought into “customer first,” building DXPs around leveraging customer information. Data-centric DXPs are meeting high-priority demands for better personalization now and will aid omnichannel <sup>6</sup> orchestration in the future. Enterprises also realize that customer data holds the key to future success with artificial intelligence and machine learning.
7	<b>Buyers choose DX vendors based on near-term concerns.</b>	Factors with longer-term implications are less important considerations. Availability of technical support, solution quality, and ease of integration outweigh the vendor’s product roadmap and vision. Partner networks and partner expertise outweigh price considerations.

## 1

## New business models fuel DXP demand and investments

Enterprises did not simply dream up the need to invest in DX technology. Instead, new business models fuel a significant increase in DX investments (see Figure 1). *New business models are the missing link between digital disruption/transformation and implementing DX technology.* Before any organization creates a DX plan to deliver incredible digital experiences, it must start by asking these questions: What do customers expect? What will delight customers? How are competitors responding to disruptive forces? What new technologies are on the horizon that will raise customer expectations even higher?

Three disruptive forces surfaced in our interviews with business, marketing, and technology leaders:

- **Empowered consumers everywhere expect high-tech and high-touch.** Increasingly, customers expect all software to work as well as the mobile apps they're used to, and they expect all interactions to be as easy as those with customer-centric giants such as Amazon, Apple, Costco, Publix, Southwest Airlines, and USAA.<sup>7</sup> This sets an exceedingly high bar. Businesses are now working hard to turn impersonal transactions into customer-pleasing experiences. For example,

a medical device manufacturer of diabetes pumps is shifting its focus from impersonally transacting the first sale and flooding the customer with information to instead providing the patient with “just in time” information that helps to manage her disease and lifestyle for her lifetime.<sup>8</sup>

- **Digital natives demand greater DX tooling as the workforce turns over a generation of workers.** Enterprises are experiencing massive generational change as boomers retire at a fast clip<sup>9</sup> while millennials enter the workforce (and consumer market) with radical expectations. Catering to digital natives will strain businesses even further than digital disruption already has. For example, retiring insurance brokers have no one left to replace them because a millennial can't relate to a business model involving intermediaries.<sup>10</sup> Manufacturers, utilities, and governments now face unfilled positions to replace highly trained, experienced boomers; this trend echoes throughout many industries.
- **Smart devices are creating an avalanche of data.** Everywhere we look, there's a device being made smarter. Cars are the next IT platform, as are soft drink dispensers, refrigerators, and water softeners. A lawn mower manufacturer now builds a smart device into the machine to monitor parts usage and report the need for servicing.

An airline plans for smart seats that automatically recognize the passenger and recommend entertainment options based on past experience and preferences. Hotels are transforming room entertainment systems into communication hubs for inside and outside the hotel.

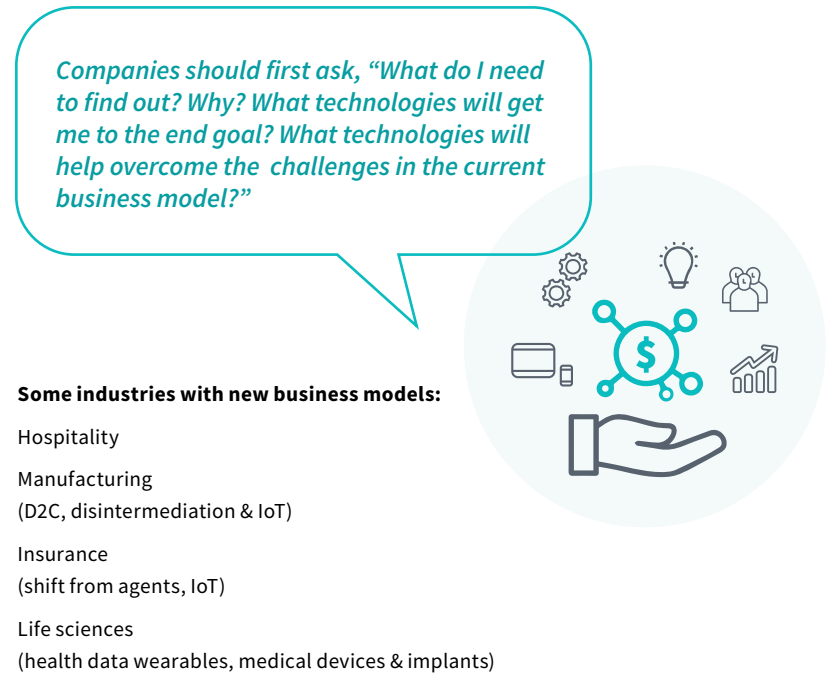
Savvy DX professionals know that nailing the new business models is crucial before embarking on DXP projects. As one European Chief Customer Officer says, “Companies should first ask, ‘What do I need to find out? Why? What technologies will get me to the end goal? What technologies will help overcome the challenges in the current business model?’”

## 2

### The C-suite and IT, not marketing, lead DX technology decisions and strategies

For at least five years, we’ve heard a persistent assertion that marketing owns and drives all things customer-experience-related. We’ve heard how CIOs have taken a backseat in customer experience (CX) technology purchases and deployments as CMOs picked up greater responsibility. We’ve also heard of executives with new customer-related titles, such as Chief Customer Officer or Chief Experience Officer. While these new titles do surface, and CMOs in some organizations are in the DX driver’s seat, our data shows the conventional wisdom is simply not true for most organizations.<sup>11</sup>

Figure 1  
New Business Models Now Drive DXP Investments



Instead, our survey identified the C-suite and IT as the dominant decision-makers for purchasing DX technology. The C-suite’s role is both encouraging and impressive, with 40% of the respondents saying the C-suite drives the DX strategy while involving all business units (see Figure 2). 31% of respondents say DX technology is primarily an IT issue, and 16% say IT and marketing should jointly lead projects. *Only 10% of the respondents said marketing is the primary group responsible for DX technology, consistent with the 9% who said this in our 2015 survey.*<sup>12</sup> This data is promising because it shows that senior-most executives are taking responsibility for setting the firm’s DX strategy, while IT is central to setting the strategic direction for DXPs, keeping projects on track, and minimizing risk.

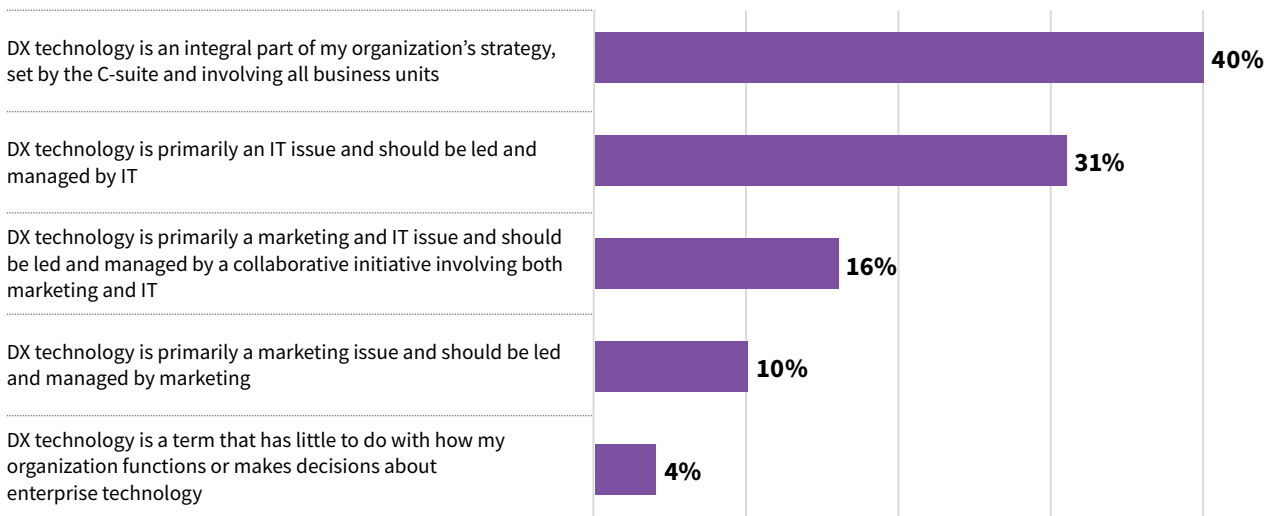
The CIO (or CTO) is central to enterprise-wide DXP initiatives while CMOs are far less prevalent, for two significant reasons:

- **The CIO’s scope is enterprise-wide.** The CIO not only understands the marketing funnel, but also understands sales, customer support, service, delivery, operations, and all the other key functions within the organization. This gives the CIO insight into end-to-end processes that support customers across the enterprise. CIOs also have significant experience managing time-critical, large-scale, big-budget projects, making them well suited to strategic DXP initiatives.

- **The CMO’s vantage is typically marketing-specific.** CX and DX have always been much bigger than the marketer’s purview, which is to help brand the company and bring prospects into the marketing funnel. While it’s true that the marketer’s CX scope has expanded, when done right, CX and DX span the entire organization, supporting customers on their journeys throughout the customer life cycle.

Figure 2  
**C-suite and IT Are Dominant Decision-Makers for DX Technology**

“Which statement best describes your organization’s current attitude toward purchasing DX technology?”



n=300  
 Due to rounding, percentages may not total exactly 100.

# 3

## The current DXP landscape models a federated architecture

Most organizations expressed skepticism that a single vendor could develop a fully functional end-to-end DXP that they would want to use. It would have to be a well-integrated, well-designed suite of tools developed by a strategic vendor they already worked with, and most organizations were reluctant to believe this was possible.

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### Most DX leaders we interviewed believe a federated approach will surface

The most likely DX approach, depicted in Figure 3, consolidates related DX tools into platforms that, in a federated architecture, will deliver the full spectrum of DX functionality, both now and as future technologies emerge. For example, there will be engagement, cognitive, e-commerce, and contextual platforms, as well as others that collectively support DX. Some vendors will bundle

certain functionality, such as personalization or social, into multiple platforms. But eventually, organizations will move toward the architecture depicted in Figure 4 and reduce the duplication in tooling. These federated platforms will reflect a services architecture, making it easier for organizations to switch out technologies when needed.

As one digital marketing leader explained, “We need our technologies to be technology agnostic – to integrate with other technologies/vendors. We expect our solutions to connect to different systems. Sometimes a great tool is too limited on connectivity, which takes it out of consideration. Technologies need to be able to connect with everything else.”

*A US-based multinational financial services company serves customers across physical and digital channels in multiple languages. Because of the scope and complexity of its business, managing processes for creating and delivering content is as important as the content itself when it comes to delivering satisfying customer experiences. This institution takes a heterogeneous approach to its DXP, putting content management at the center and adding best-of-breed components to extend the reach of its content.*

Figure 3  
**DX Architectural Strategies Are Evolving into a Federated Approach**

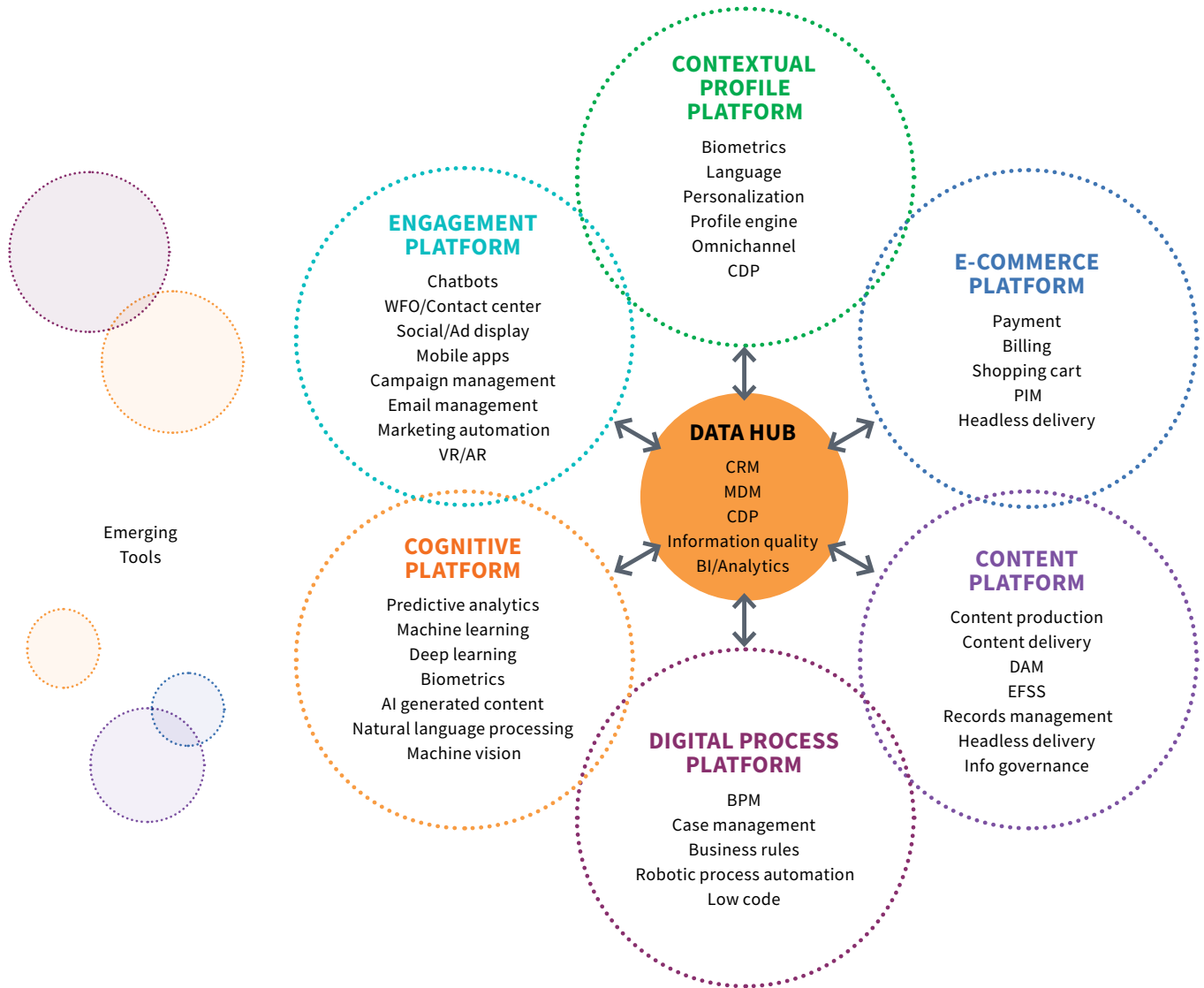
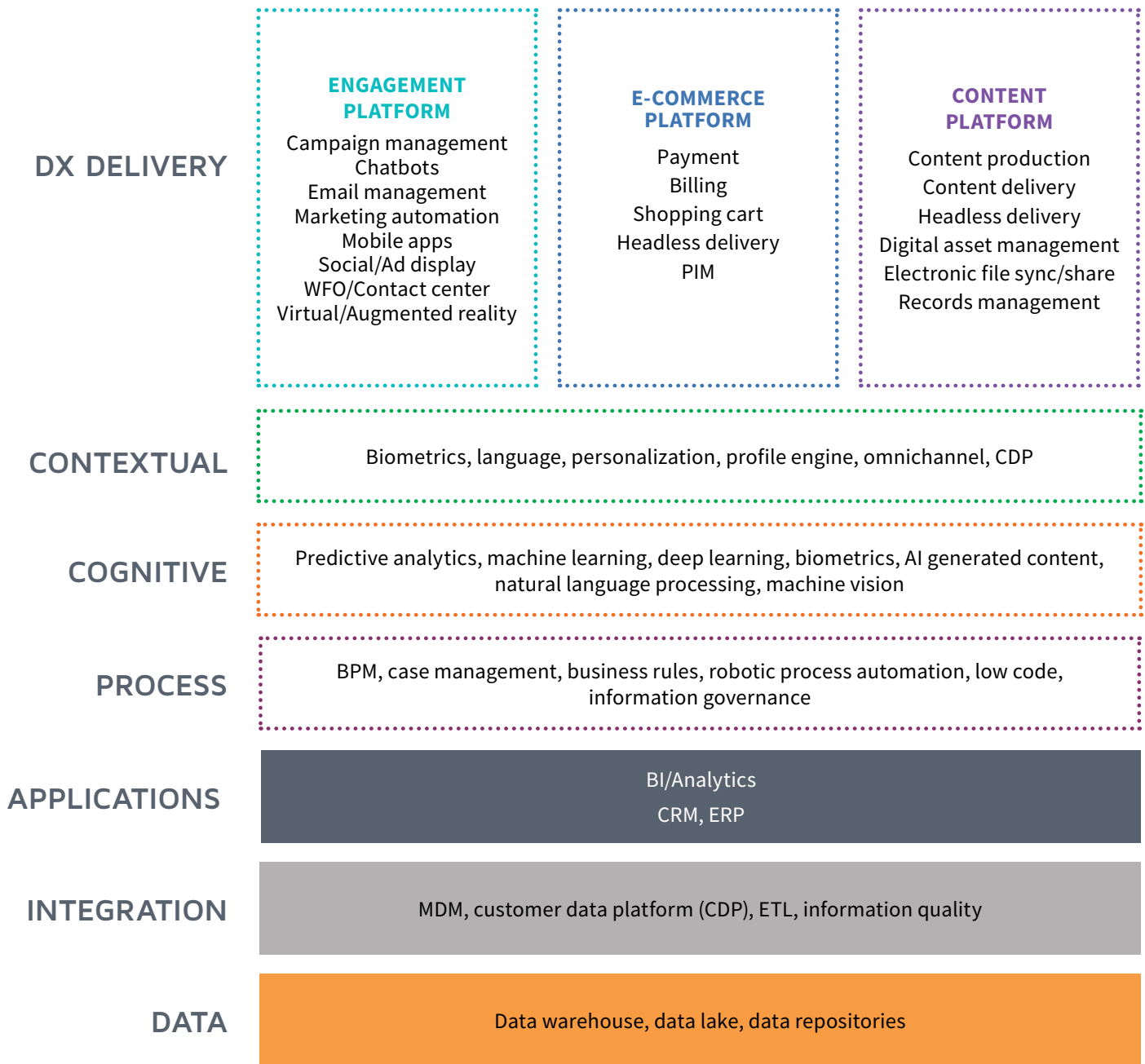


Figure 4  
**A Services Architecture for DXP Will Emerge**



## 4

## Nearly 70% of buyers take heterogeneous approaches to their DXPs

An overwhelming number of business, customer experience, IT, and marketing leaders eschewed the notion of a single-vendor end-to-end DXP in interviews (see Figure 5). In fact, only one company and one government agency agreed with the desirability of acquiring their DXP from a single vendor. Ironically, that private sector company currently relies on two DX vendors because its strategic DXP vendor did not offer web content management. The public sector agency is deploying large-scale systems that support hundreds of thousands of internal users and countless businesses. Their high-risk/high-impact projects are moving at a pace that coincides with their strategic vendor's timetable. But, as they noted, even organizations wishing to pursue a single-vendor platform approach find it hard to implement this strategy without augmenting their solutions from best-of-breed DX product vendors.

*Eason Ltd. is Ireland's largest book retailer, with an online store, Easons.com, and 60 brick-and-mortar stores. Eason aims to deliver the best possible experience to customers no matter where they touch the company, using technology to support seamless engagement across channels. The company takes a heterogeneous approach to its DXP, using a single preferred vendor as the backbone and adding best-of-breed components from a second vendor when those capabilities align with Eason's business goals and objectives.*

Figure 5  
**Most Organizations Are Highly Skeptical of a Single-Platform Approach**

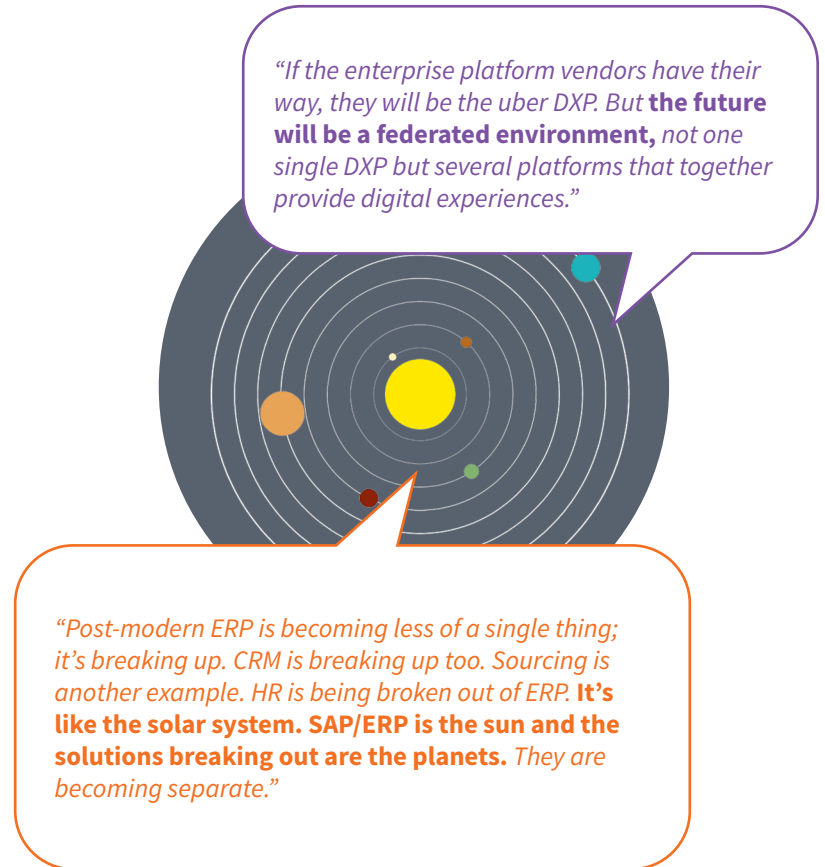




## One point of view: Enterprise suites are slowly breaking up

One CIO from a B2B manufacturer offered insights into the state of IT suites in general, and DXPs in particular. The company is strategically aligned with an ERP vendor, but not necessarily by design. Instead, the firm has an uncanny track record for buying products, such as business intelligence and e-commerce, that its primary vendor ultimately acquired. Although the firm leans toward a single vendor unless a best-of-breed product is appreciably better, the CIO believes that software suites are trending toward decoupling and a federated model (see Figure 6). Undoubtedly, most companies we interviewed would agree with this world view as it applies to DXPs.

Figure 6  
One CIO Equates Software Suites to the Solar System



## Reasons for Skepticism About Prospects for a Single-Vendor DXP

- Disbelief that a single-vendor suite can manage all the DX technologies in play
- Concern that some parts of a single-vendor suite will be sub-optimal, leaving the buyer with few options for replacing it
- Skepticism that vendors can keep up with the constant barrage of new DX technologies that surface
- Conviction that the path to DX differentiation, particularly in specialized industries, is through custom development and integration coupled with a services architecture and open-source tools
- Belief that single-vendor suites will likely be a loose collection of poorly integrated tools developed through acquisition
- Realization that early adopters can't wait for vendors to catch up with their DX plans
- Doubt that a DXP based on a single-vendor suite can scale

# 5

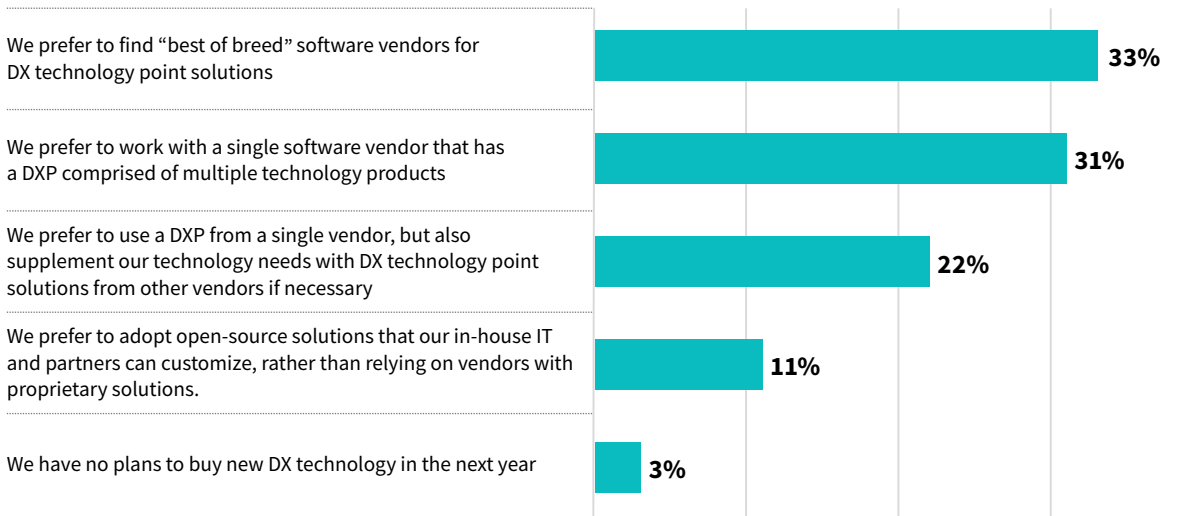
## Most buyers are skeptical about homogeneous approaches to DXPs

Our research sought to identify whether organizations plan to execute their DX initiatives using a single-vendor platform or by combining products from multiple vendors. The answer is clear: nearly seven out of ten business and IT leaders disagree with a single-vendor approach to DX. As Figure 7 shows, 33% prefer best-of-breed DX solutions, and 22% plan to supplement their primary vendor’s capabilities with other point solutions. This latter group likes the idea of a

single-vendor platform but believes it’s not realistic. 11% want to combine open-source and custom development. 31% of respondents plan to work with a single-vendor end-to-end suite comprising multiple DX products. The remainder (3%) have no plans to buy DX technology in the next year.

Figure 7  
Plans for Buying DX Technology in the Next Year

“Considering the existing DX technologies your organization has installed, as well as your organization’s strategic plans, which situation best describes your organization’s plans for buying new DX technology in the next year?”



n=300

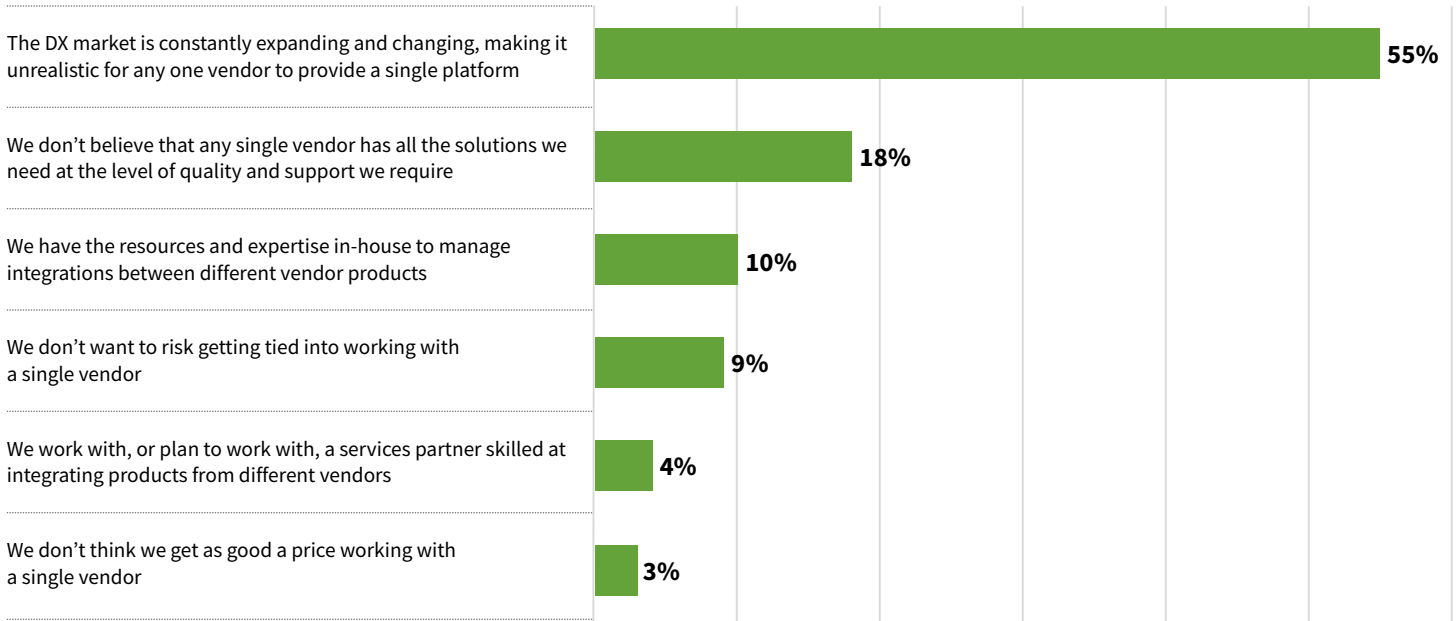
### Buyers taking a multi-vendor approach respond to a dynamic DX market

Buyers who prefer a heterogeneous approach exhibit a healthy dose of pragmatism and risk-avoidance. Figure 8 shows the primary reason cited by the ninety-eight survey respondents who indicated a preference for best-of-breed vendors

for point solutions. More than half (55%) believe that, given the dynamic and volatile nature of the DX market, it is unrealistic for any one vendor to provide a single platform. The second most cited reason, at 18%, surfaces skeptical attitudes about quality and support across the full breadth of offerings from a single vendor.

Figure 8  
**Primary Reason Buyers Prefer Heterogeneous Approach**

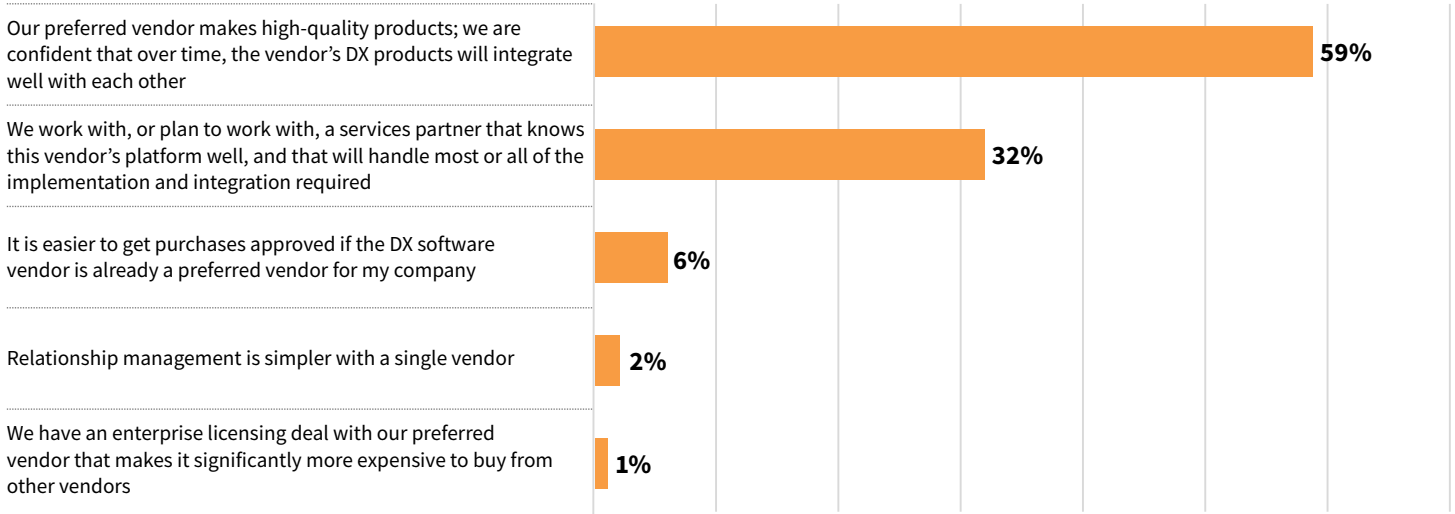
“What is the PRIMARY reason that you prefer to work with ‘best-of-breed’ software vendors for DX technology point solutions whenever possible?”



n=98 (all preferring best-of-breed vendors only, does not include those supplementing single w/best-of-breed)  
 Due to rounding, percentages may not total exactly 100.

Figure 9  
**Primary Reason Buyers Prefer Homogeneous Approach**

“What is the PRIMARY reason you prefer to work with a single vendor with a DXP comprised of multiple technology products?”



n = 94 (all preferring to use a single vendor; does not include those preferring single but supplementing)  
 Due to rounding, percentages may not total exactly 100.

**Buyers taking a single-vendor approach still anticipate needing multiple tools**

Some organizations we surveyed (ninety-four respondents) are pursuing a single-vendor approach (see Figure 9). These organizations realize that multiple products, even from the same vendor, are required to deliver all their DX functionality.

**Understandably, IT leaders are more skeptical of vendor claims than marketing leaders**

Looking at the respondents by role surfaces an interesting divergence in how IT and non-IT leaders view a single-vendor approach (see Figure 10). While 62% of the non-IT leaders have high confidence in their vendor’s ability to integrate multiple product offerings, only 55% of IT leaders have similar confidence. The interviews shed light on the difference: IT leaders have seen so-called single-vendor platforms cobbled together by acquisitions, and they know that claims of integration are often overstated. (See Figure 11 for quotes from the interviews.)

Figure 10  
**Primary Reason Buyers Prefer Homogeneous Approach by Role**

“What is the PRIMARY reason you prefer to work with a single vendor with a DXP comprised of multiple technology products?”

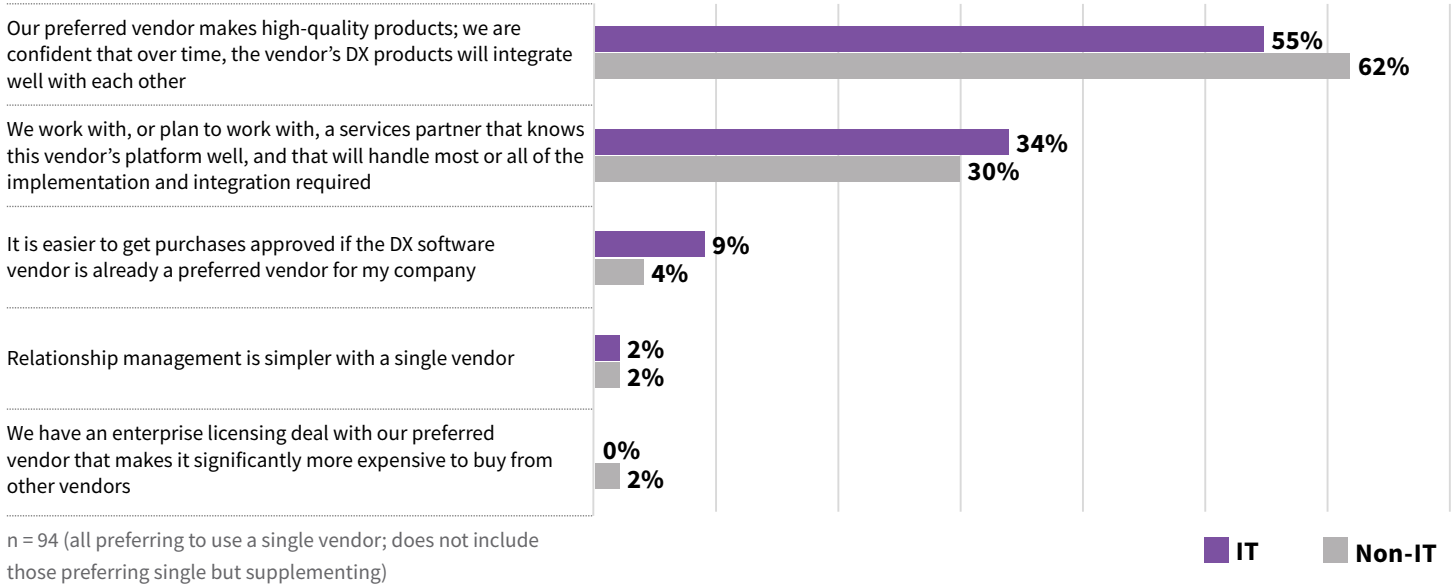


Figure 11  
**Reasons Why Some Firms Select a Single-Vendor Platform**



### Some firms will chart their own path with open-source, bespoke development, and integration

Some of the most advanced thinkers in DX implementations rely on custom development, systems integration, open-source software, and public platforms (e.g., Amazon, industry exchanges, Facebook) to build DX solutions, according to our interviews (see Figure 12). These organizations do not believe they can differentiate solely based on commercial-off-the-shelf (COTS) products. In some instances, they will buy COTS or open-source software but add more DX functionality through custom development. Others are pursuing custom development and systems integration with existing infrastructure (such as ERP, CRM, and data warehouses). The reasons are straightforward: these companies are working to create highly differentiated solutions for their industries. Examples include an airline, a global hospitality company, and a global B2B construction company.

Figure 12  
In-House DX Tools for Differentiation or Unique Industry Needs



*A Fortune 1000 education and technology company provides products and services to hundreds of thousands of teachers and students. The company’s DX challenge is to continually optimize an engaging digital learning environment while managing a highly customized and complex technology infrastructure. Its heterogeneous DXP approach tightly integrates best-of-breed DX software components with existing and highly customized commercial and bespoke systems.*

## 6

### Customer data technologies are the linchpin for DXPs

It's a data-driven world, and digital experience is no exception. Without comprehensive, accessible customer data, it's impossible to deliver on the DX promises of personalization, predictive analytics, and machine learning. For example:

- Organizations not only want to customize content for a customer persona, *they want to deliver exactly the right content to the individual customer.*
- Organizations not only want to provide a great experience when agents talk with customers, *they want to know the next best action to guide the conversation in real time.*
- Organizations not only want to pitch products on the website, *they envision using machine learning to assemble content fragments in real time, closely matched to the customer's individual lifestyle and preferences.*

None of this is possible without a laser focus on data, making customer data management technologies the center of gravity for many organizations on the DX path.

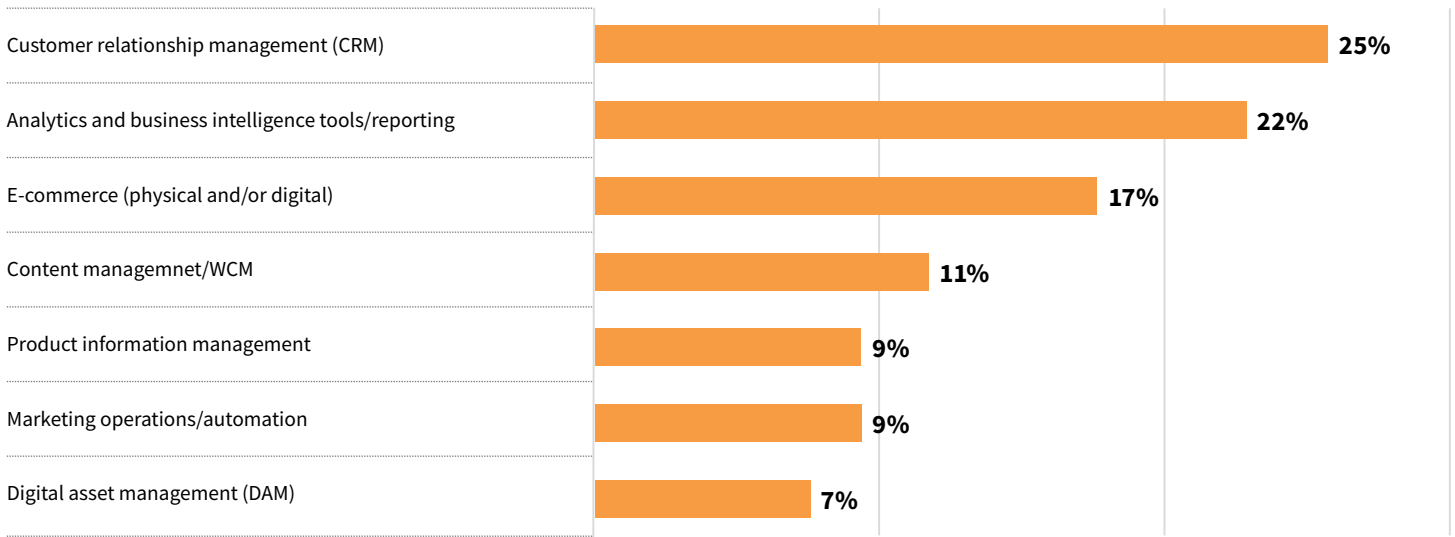
Some organizations, just starting out, lack the data sets needed for predictive analytics or machine learning. Others are drowning in data, but it is in silos and inaccessible. Depending on the organization's situation, the DX teams may double down on CRM – the key customer data repository – as well as ERP, data lakes, customer data platforms, data warehouses, data integration, data quality software, and master data management..

25% of the companies we surveyed identified CRM as the highest-priority DX technology, followed by 22% that selected analytics and business intelligence (see Figure 13). Managing unstructured content using digital asset management (DAM) and content management systems (CMS) were in the lower half of the pack, with 11% selecting CMS as most important to their DXP strategy and 7% selecting DAM. 17% said e-commerce is central to their DXPs.

*Heineken N.V. produces 250 international, regional, local, and specialty beers and ciders at 165 breweries in more than 70 countries. The company's DX strategies combine offline and online consumer engagement, shaped by alcohol industry regulations controlling marketing and advertising. Heineken takes a best-of-breed approach to its DXP, building around two systems for managing consumer data as the foundation.*

Figure 13  
**Technologies Ranked As Most Important for DX**

“Considering your existing DX technology infrastructure, covered in earlier sections of this survey, please rank each of the the following technologies on a scale of 1 to 7, in order of importance to your company’s customer experience strategy, with 1 being the most important and 7 being the least important.”



n = 300

We probed this content and e-commerce finding with the organizations we interviewed because all of them pointed to websites as crucial for delivering great digital experiences. However, most of these organizations have already implemented content and e-commerce solutions and are deriving benefits. Unlike CRM systems, which are often being upgraded and updated, most content solutions currently in use are stable and not scheduled for changes.

*YOOX NET-A-PORTER GROUP (YNAP) is the world’s leading online luxury retailer. In 2017 YNAP fulfilled 9.5 million orders for more than three million active customers in over 180 countries around the world. The company’s DX opportunity is attracting and retaining luxury customers who expect an unparalleled retail experience from click to delivery. YNAP has a heterogeneous platform comprising best-of-breed components for personalized content and commerce.*



# 7

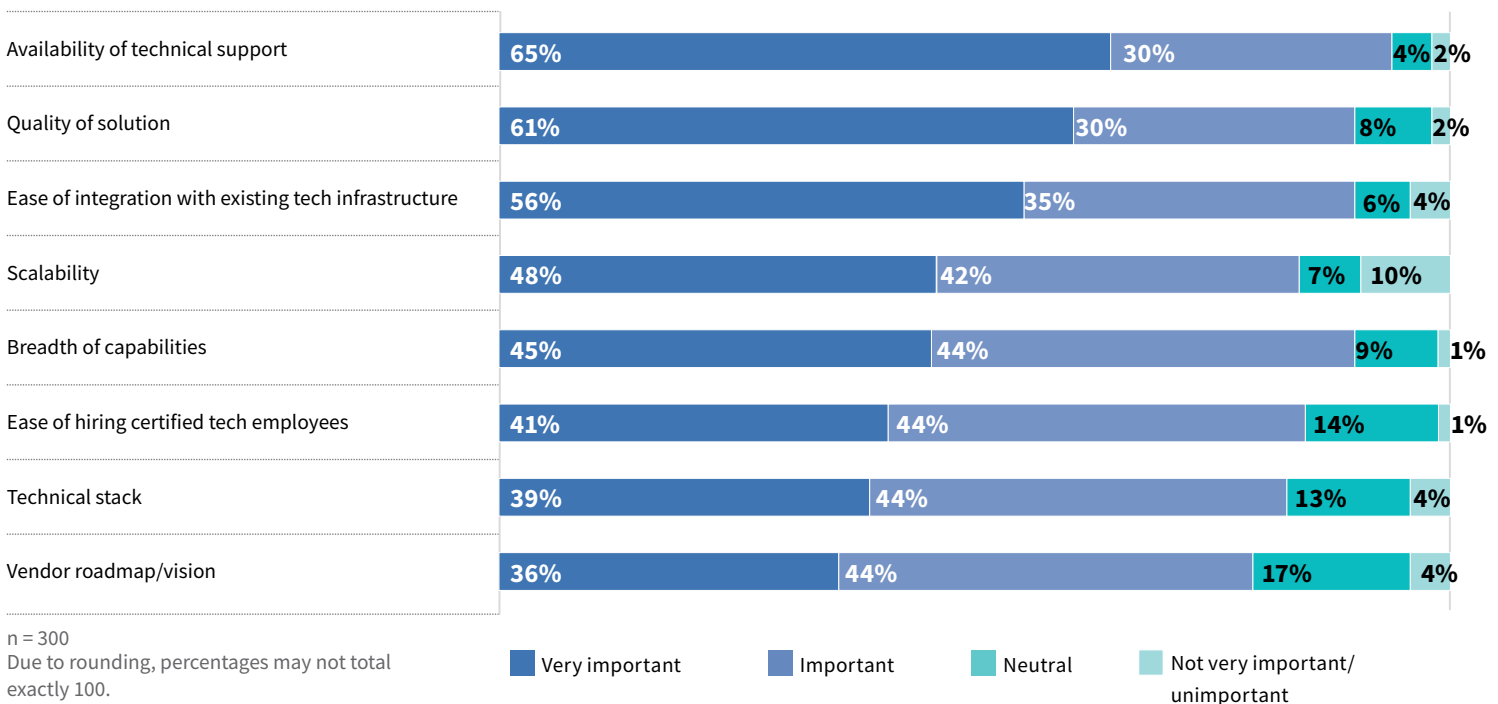
## Buyers choose DX vendors based on near-term concerns

When it comes to DXP vendor selection, pragmatism drives the thinking process. 65% of 300 DX leaders identified the availability of technical support as a very important technology-related factor influencing their choice of DXP vendor. This surpasses the vendor’s DX technology stack (39%) and trumps the vendor’s roadmap and vision (36%) by a factor of nearly two.

Clearly, DXP buyers show a healthy propensity to avoid risks that could jeopardize their projects. Avoiding technical risk also shows up with the 56% of business and IT respondents who identified ease of integration with existing technologies as a very important technology factor influencing their choice of DX vendors (See Figure 14).

Figure 14  
**Technology-Related Factors Influencing Choice of DX Software Vendor**

“Please choose the level of importance of each of the following technology-related characteristics to your choice of a DX software vendor.”

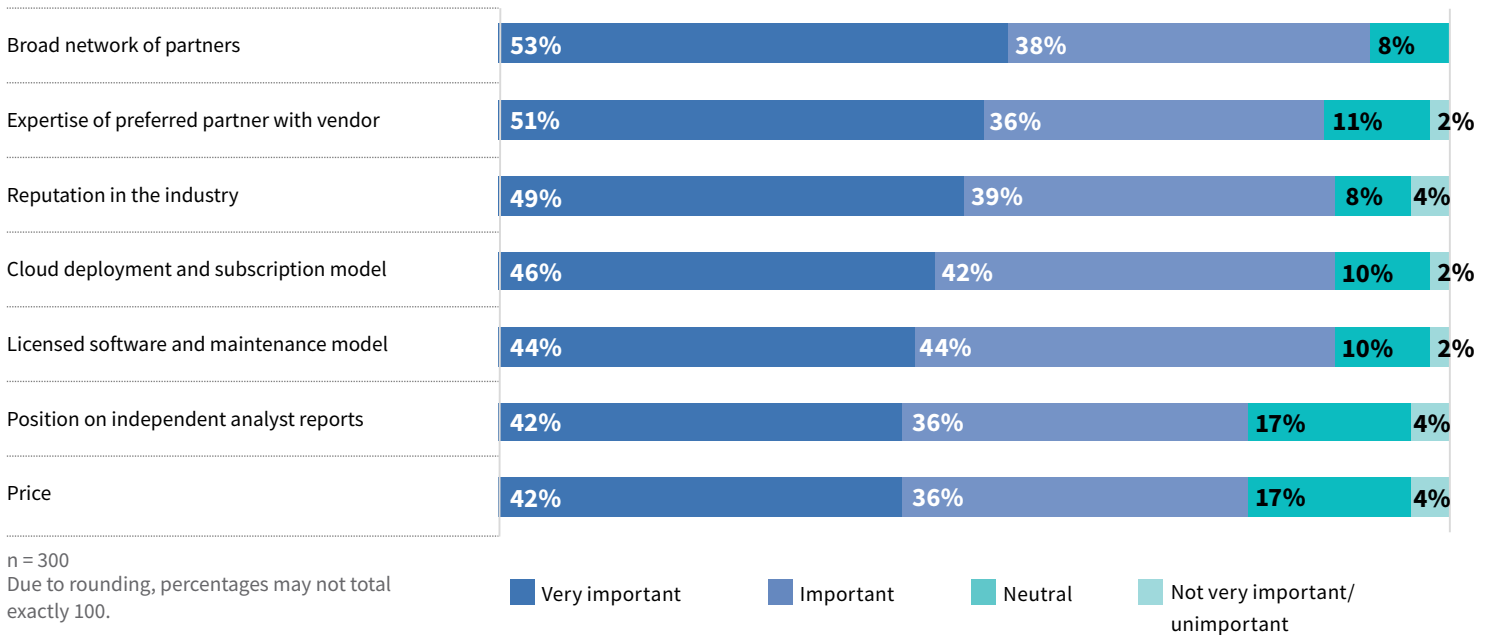


The importance of partners also comes to the forefront among business-related factors influencing DX vendor choice (see Figure 15). 53% of 300 leaders identified a broad network of partners as a very important selection criterion, closely followed by 51% who identified the preferred partner’s expertise with the DX vendor. Price and the vendor’s positioning with independent research firms, while important, were each identified as very important by only 42% of the respondents, the lowest among the options.

*National Bank of Canada is one of the six systematically important Banks in Canada. The Bank’s core objective for digital experience is delivering personalized experience to retail and commercial customers across channels – at scale. The Bank takes a heterogeneous approach to its DXP, forging partnerships with key vendors for foundational capabilities.*

Figure 15  
**Business-Related Factors Influencing Choice of DX Software Vendor**

“Please choose the level of importance of each of the following additional characteristics to your choice of a DX software vendor.”



# A Current-State View of DX Technologies and Practices

Beyond answering the six questions that framed the research, our analysis also paints a clear picture of the current state of DX technologies and practices. For example, what are the key channels in use? Which channels are the starting points?

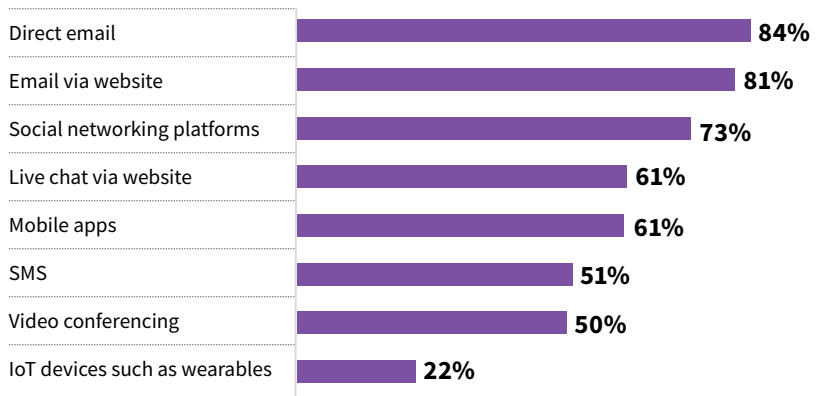
## Companies are still transitioning to digital channels

Many organizations we interviewed have high expectations for developing customer-facing digital experiences across all customer journeys, but have not yet arrived at their DX maturity. Often, these organizations are still conducting customer focus groups, journey-mapping their customer interactions and touchpoints, and building customer data sets, and are not ready to implement new solutions. Most organizations we interviewed have started their DX deployments by launching email channels. For their second DX channel, most are planning or have already launched social, usually via Facebook and Twitter. Mobile apps are important but further down the priority list. In most cases, these organizations plan to launch the channels they can most quickly deliver.

Our survey corroborated the interview findings: direct email is the leading digital channel for most firms, at 84%, followed by email through the organization’s website, at 81% (see Figure 16). Social networking platforms are next, at 73%. Live chat via the website and mobile apps are both cited by 61% of the organizations, followed by SMS messaging (51%) and video conferencing (50%). The internet of things (IoT) is higher than expected, at 22%.

Figure 16  
**Email Is the Primary Digital Channel**

“Which of the following digital channels do you use to communicate with your customers?”



n = 300

We also interviewed DX leaders about their success delivering true omnichannel experiences – e.g., those automatically orchestrated by a collection of technologies that makes the experience seamless across channels. Most organizations had not yet reached true omnichannel support, particularly since many had only recently embarked on new digital channels that go beyond websites, e-commerce, and CRM. Generally, these companies plan to orchestrate their experiences in an omnichannel fashion, but it is not on their immediate horizon.

One company’s marketing executive told us they have plans for omnichannel and are looking for solutions:

“Omnichannel will enable us to really orchestrate the channels. We currently

have some technologies in place, but we're revising the tools because they are aging. We are looking at a technology refresh. Within eighteen months we will have more sophisticated tools and move into omnichannel."

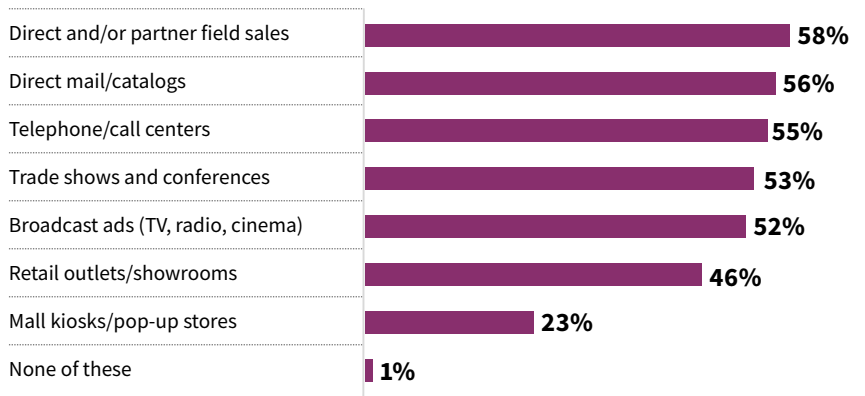
### Traditional channels are still important

Our survey shows that companies still rely on face-to-face and telephone channels, even as they push into digital channel deployments (see Figure 17). Direct sales (58%), direct mail/catalogs (56%), telephone/call centers (55%), trade shows and conferences (53%), and traditional broadcast/ads (52%) not only are still in use but continue to play a significant role. Many organizations we interviewed will keep these channels and add digital channels. Retail outlets and showrooms (46%) and mall kiosks/pop-up stores (23%) were lower than other face-to-face channels, possibly because we fielded this survey question to all 300 respondents across five industries, some of which are not retail-focused (e.g., insurance, manufacturing).

Similarly, many organizations use physical channels alongside digital when delivering products and services (see Figure 18). 36% of the enterprises we surveyed identify a mixture of physical and online for their delivery modes. 24% of the survey respondents predominately use digital delivery modes, with a few physical locations. Only 11% of the organizations support online delivery only.

Figure 17  
**Traditional/Physical Channels Used to Communicate**

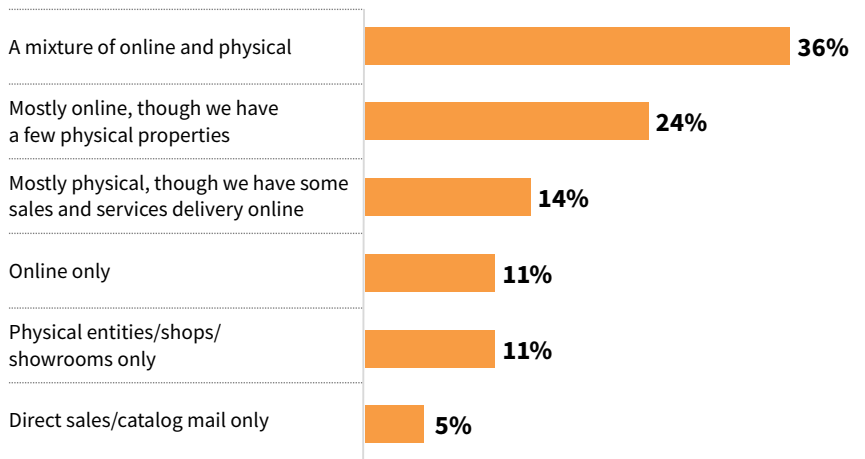
"Which of the following traditional/physical channels do you use to communicate with your customers?"



n = 300

Figure 18  
**Product and Service Delivery Relies on Online and Physical Channels**

"Which channels do you use to deliver products and services to your customers?"



n = 300

Due to rounding, percentages may not total exactly 100.

# Six Key Recommendations for Successful DXP Initiatives

Digital experience initiatives do not take place in a vacuum. Instead, there's a direct line from digital disruption to DX strategies and platforms. This direct line isn't necessarily an easy path, as transformation mandates outside-in thinking, listening to customers, creating customer journey maps<sup>13</sup> and envisioning a new customer-centric business model that is often very different from business as usual (see Figure 19). Successful transformation also requires a strategic commitment to internal organizational changes<sup>14</sup> and overcoming structural stovepipes that impede end-to-end processes.<sup>15</sup>

DX leaders must skillfully guide the C-suite, line-of-business managers, and the organization at large through digital disruption and heightened customer expectations to create a well-articulated, differentiated DX strategy. But how? *Leaders must interweave the organization's DX strategy and the assembly of its DXP into this big picture – otherwise, the DX initiative risks becoming yet another IT project that may produce business value but will not be transformational.*

To move the needle on business transformation, we believe that DX leaders must double down on six recommendations (see Figure 20).

Figure 19  
**DXP Projects Must Link to Digital Disruption and Business Transformation, Driven by the C-suite**

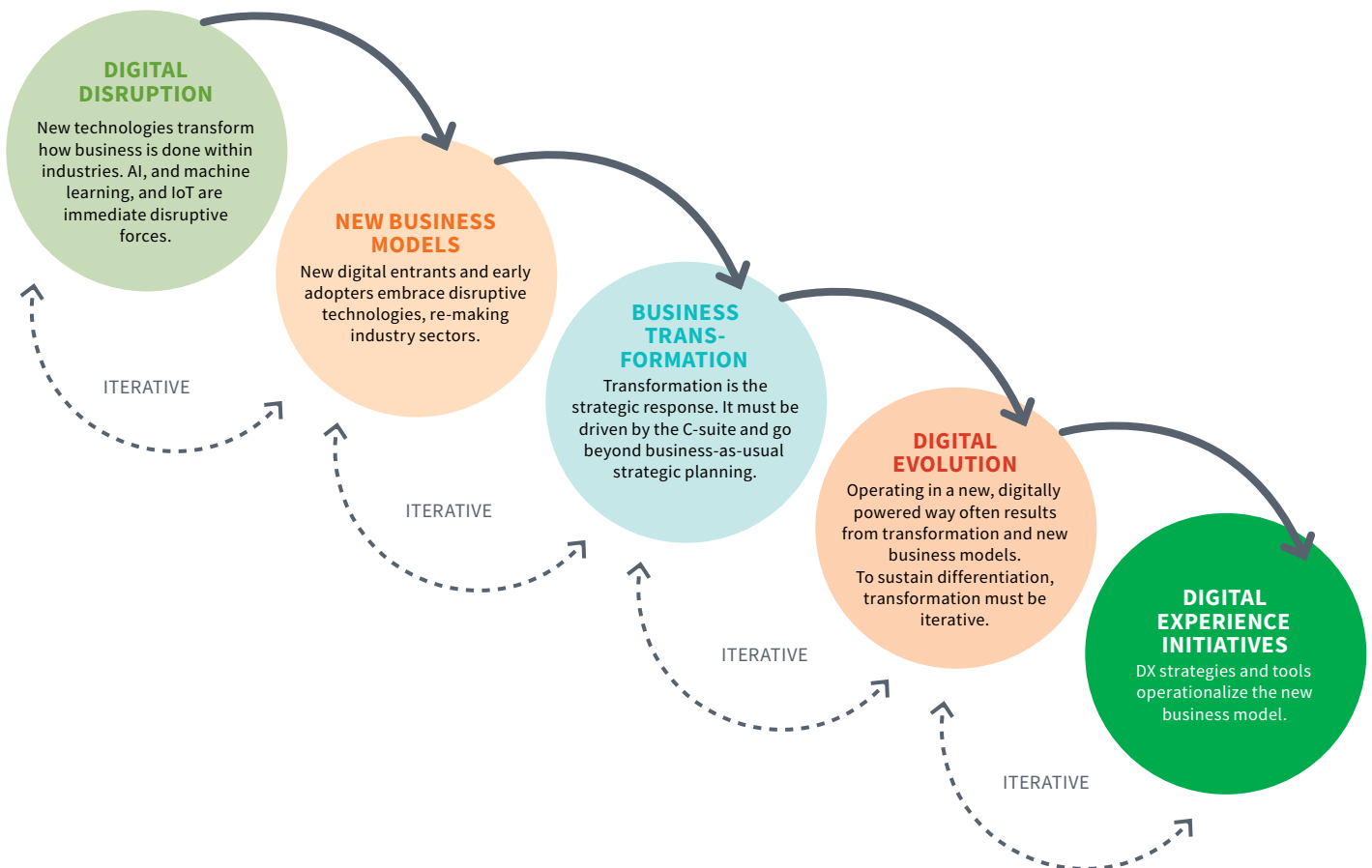
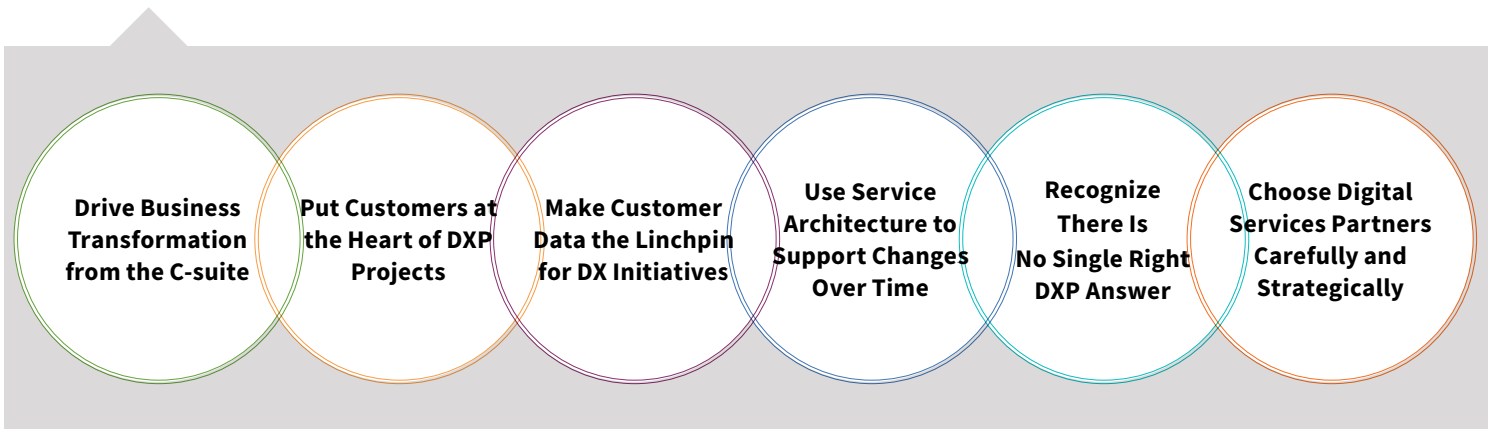


Figure 20  
**Build DXP Strategies into the Business Transformation Plan**

**SIX KEY RECOMMENDATIONS  
FOR DIGITAL EXPERIENCE INITIATIVE SUCCESS**



# 1

## Drive business transformation from the C-suite

Many enterprises tap the C-suite to drive transformation, develop new business model(s), create DX strategies, and champion the assembly of their DXPs. In many organizations, if the C-suite does not lead the DX initiative, then either the CIO/CTO leads it, or marketing and technology leaders co-manage it.

*There's a reason for this. CMOs are busy reinventing marketing and putting it on a digital footing with new solutions for campaign management, marketing automation, creative content, analytics, attribution, and many other efforts. Their advocacy for the customer is critical to success, but CMOs in isolation don't see the full end-to-end*

processes that start and end with customers. In contrast, C-suite executives have an enterprise-wide purview when collaborating, as do CMOs and CIOs working in tandem. CIOs often lead DX initiatives because they have an enterprise-wide view of business processes and are experienced in managing high-risk, big-budget, multi-phase projects with tight deadlines.

DX initiatives led by the C-suite have an added advantage of driving organizational change at the executive level and having the clout to implement end-to-end customer-centric processes. By putting the right leadership team in place, the DX strategy stands a much higher chance of differentiating the enterprise in a continuously disrupted digital economy.

## 2

### Put customers at the heart of DXP projects

DXP implementations are not just about technologies and channels. Without customer feedback sessions that look at the business with an outside-in perspective, DX technologies may only deliver marginal value and minimal differentiation. DX initiatives must start with the customer and never lose that focus. As we noted in our report, “The Customer Experience Imperative”:

“As a business discipline, customer experience management is certainly not a software solution that can be purchased, plugged in, and turned on.”<sup>16</sup>

Successful DXP dictates a deep, company-wide commitment to understanding and serving the needs and expectations of customers.

## 3

### Make customer data the linchpin for DX initiatives

Customer data is clearly the most critical technical component to nail when implementing DX, according to all the organizations we interviewed and surveyed. The need to collect, aggregate, manage, and access customer data involves many business units and departments, and touches diverse technologies. Customer data drives

personalization, predictive analytics, next best action, customer insight, and more futuristic technologies such as biometrics, omnichannel, artificial intelligence, machine learning, and deep learning. Enterprises are doubling down on implementing up-to-date CRM solutions, data lakes, data warehousing, customer data management platforms, business intelligence, predictive analytics, and master data management software.

However, DX isn't only about new technologies and techniques for customer data. Many organizations already have data repositories but often find their data is locked away in silos, with different formats and standards and questionable quality. *Yet, customer data is so important that if data isn't at the center of the strategy, DX leaders should temporarily postpone the DX initiative, understand the data issues, and stop business practices and technical approaches that perpetuate silos.* Moving ahead too quickly before addressing issues will compound the problem, leading to duplicative data and multiple sources of truth. Organizations will never achieve a “360-degree view” of the customer without proper planning at the outset to guide the assembly of an organization's DXP.

Importantly, DX leaders and data experts cannot forget about information governance, new regulatory requirements for information privacy, the risk of data breaches, and the backlash against disclosure of private information to third parties.<sup>17</sup> DX leaders must attend to information management best practices while continuing to create corporate-wide actionable data.

## 4

### Use service architecture to support changes over time

Several of the DX leaders we talked with who are driving large-scale DX deployments that rely on custom development are basing their solutions on a service-oriented architecture (SOA). With a services approach, organizations can swap out specific point solutions easier, faster, and less expensively as technology changes and new products come to the market. This architecture also gives organizations more strategic flexibility if the business changes (e.g., acquires other companies, revamps its distribution system, or moves aggressively into new geographic areas). The ideal services architecture is standards-based and independent of vendors, products, and technologies, providing greater technical and strategic flexibility as DX changes over time.

## 5

### Recognize there is no single right DXP answer

Most organizations we contacted prefer a heterogeneous approach for architecting their DX solution and selecting the DXP products. Leaders see this approach as the most flexible way to incorporate breakthroughs without disrupting existing infrastructure. A few organizations are happy with their vendor's R&D pace, the products' functionality, and the market leadership their strategic vendor provides, and plan on implementing DXP solutions from a single vendor.

All of these enterprises have carefully considered their options and, based upon factors such as risk profile, technical skills, staffing, existing vendor and partner relationships, business strategy, organizational resistance, and budget, they have selected the best DXP approach for their business. Even though these companies may use different approaches when assembling their DXPs, each has valid reasons for their decisions. This drives home the point that there is no right or wrong approach.



## 6

### Choose digital services partners carefully and strategically

Organizations put so much effort into developing a DX strategy, researching customers, and selecting DXP products that they often leave the digital partner selection as an afterthought. This is a big mistake. Typically, organizations spend three to five times more on professional services to implement the DXP than they do to buy the products themselves. If the implementation involves significant organizational change, business process redesign, and end-to-end implementation, the price tag could even reach six to eight times the cost of the technology. When organizations minimize due diligence on their digital partner(s) yet pay significant amounts of money to the partner(s), this often results in disappointment, missing customer expectations with the DXP, or a rocky implementation. The lesson learned: don't make DXP partner selection an afterthought. As one organization observed, "We've got to trust our partners, because we've got to spend our time on banking – our core mission."

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#### Much of DX Remains Aspirational, But We Are Optimistic

When we consider where companies are positioned relative to DXP deployment, it's easy to see that much of DX is still aspirational, with

large gaps in technology usage and practices to be closed. Most organizations are only starting to develop essential competencies in customer data management, and replacing last-generation technologies with new systems tuned for experience delivery, such as headless systems. Digital channel strategies are still firmly grounded in marketing as usual – e.g., email. Organizational change management – an absolute requirement for business transformation – remains a major challenge.

Yet, we are optimistic. Our research confirms that organizations across sectors are starting to put customers at the center of the business. Albeit slowly, this shift changes everything. It drives innovation, with new capabilities that create new value. It drives sustainable competitive advantage, with customer relationships built on trust and delight.<sup>18</sup> It separates the winners from the losers in the digital era.

Our advice to organizations is to get started now, based on the recommendations and the findings in this report. Implementing these insights will help leaders narrow the gap between where they are and where they want to be. As always, the future looks distant, but as companies think hard about next-generation DX, build strong data architectures and customer data, do the work to really know the customer, and forge relationships with value-add partners, much of what's aspirational today will become reality sooner than we think.

# Insights from Case Studies

This collection of case studies examines the DXP strategies and approaches at six organizations representing a variety of industries.

- A Fortune 1000 education and technology company deploys a heterogeneous DXP that tightly integrates best-of-breed DX software components with existing and highly customized commercial and bespoke systems.
- A US-based Fortune 500 multinational financial services company deploys a heterogeneous DXP grounded by a content management system and adding best-of-breed components to extend content reach.
- Eason Ltd., Ireland's largest book retailer, deploys a heterogeneous DXP integrating ERP and CMS technologies from two preferred vendors, with CRM coming in 2018.
- Heineken N.V., the Dutch beverage producer, deploys a heterogeneous DXP with best-of-breed components from vendors that enable agility and have proven track records.
- National Bank of Canada, one of six systematically important Banks in Canada, deploys a heterogeneous DXP with best-of-breed components including two customer data systems supporting its retail and commercial businesses.
- YOOX Net-a-Porter Group, an online luxury retailer, deploys a heterogeneous DXP with best-of-breed content management as the foundation for rich personalized engagement.

## Fortune 1000 Education and Technology Company

This Fortune 1000 education and technology company provides products and services to hundreds of thousands of teachers and students. Its DXP investments are driven by a commitment to optimizing an immersive digital experience for a large user base that has both direct and indirect relationships to the company and its products. Institutions and instructors purchase the company's content and services and then bring their students into a digital learning environment. Investments in the digital learning experience are crucial because the company can lose the instructors if the students are not doing their learning there.

The company takes a heterogeneous approach to its DXP. Its current DXP is in transition from a heavy emphasis on home-grown systems to a more practical approach combining in-house and commercial software. CRM and authentication systems are developed internally, while marketing automation, web content management, commerce, and product information management are commercial products. Even then, those products are highly customized. Tight integration among all the components creates a DXP that's specifically tailored to the company's business.

"We are always aware of the risk of leaving a customer stranded during a journey. Digital is the way that we connect the whole workflow for them. Every point of integration has to work every time," according to the company's Director of Web Strategy. To meet this objective, the team places high importance on ease of integration with the commercial and custom solutions in its ecosystem when evaluating new capabilities and the potential fit of technologies to enable them.

The company views the investments in custom systems as necessary due to the idiosyncratic nature of its business, but the team also knows that their competitors must make the same investments. This means that successful execution is a key to success. The company therefore treats its DX partnerships as strategic. It has developed strong working relationships with select vendors, digital agencies, and integrators who understand their business and also know how to extend and customize the platform in ways that help the company be agile within the systems.

Going forward, the team sees the company's DXP strategy moving away from wholesale custom development in favor of integrating more best-of-breed components. Recent experiments introducing commercial systems for

marketing automation and web content management have been successful. A strong desire for agility is one force behind this shift in mindset – not just agile software development but the agile manner in which the marketing team specifically, and the organization in general, can develop and deliver content and applications that extend and enhance the user experience. Content agility was one of the factors that influenced the company's recent decision to implement a commercial web content management solution. Much more could be done faster than with any system the company could develop in-house for a reasonable cost, even considering the customizations done by the company's digital partner.

Looking forward, the web strategy team expects to expand its DXP capabilities for contextualizing digital experiences – presenting content that seems natural rather than promoting products and services. "Customers believe that digital can do it," says the Director of Web Strategy. With technology getting better, the web strategy team knows it is on them to deliver on those expectations.

*"We're committed to the best technology for the digital experience we strive to deliver. Our DXP isn't like a three-in-one printer, with each capability sufficient but not best-in-class. As technology improves, commercial best-of-breed components can complement our strategic in-house systems."*

– Director of Web Strategy

## US-based Fortune 500 Multinational Financial Services Company

A US Fortune 500 multinational financial services company has a portfolio of diversified businesses including, but not limited to, community and commercial banking, wholesale banking, and wealth management. To cover this scope of business, the company operates a centralized, cross-functional business technology organization that supports multiple initiatives related to digital experience. Managing projects and priorities can be challenging for this group's leadership team, and emphasizing process plus technology provides some common threads among the various efforts.

The company's DXP is heterogeneous with best-of-breed components that are integrated and "play nicely together," in the words of the Vice President who oversees the CMS technology and practices. The technology leaders don't believe that an "all-inclusive vendor" can manage the entire portfolio. They recognize that a single-vendor approach may have some advantages, but they prefer to avoid the risks of locking into one supplier. The center of gravity for the DXP is the combination of web content management

tools coupled with language translation technology. Current DX initiatives include a focus on CRM that will replace an old system with modern customer data management capabilities. Also underway is the acquisition and integration of a number of technologies for targeting and personalization.

The content management team is changing its mindset from "digital" to "virtual" content, an evolution in line with its goal of extending the reach of the institution's content. This shift reflects the company's desire to move beyond the website to engage customers in multiple languages and across channels including the web, email, social, and apps. Processes for production, creation, approval, governance, and traceability are essential to meet the company's goals – not only to fulfill the industry's regulatory requirements but also to make multilingual content creation and management as efficient as possible. "We manage the tools and processes around virtual assets, creating structures, building the right design and methodologies," noted the Vice President. "These efforts make it easier to deploy new capabilities faster.

With our decoupled CMS architecture, we can take steps to ensure that we're nimble."

The content management team knows that its DX strategies and initiatives will be most successful when they are enabled not just by process and technology, but also by people. "We want our business users to become effective contributors to virtual content," said the Vice President. "It's an ongoing effort to help them understand digital principles."

*"For us, DX is about much more than technology. Processes are essential to a large company like ours. They are the keys to rising above the noise of many different projects and programs happening at once, all with the same level of importance."*

– Vice President, Content Management Capabilities Manager

## Eason Ltd.

Eason Ltd. is the largest book retailer in Ireland, with an online store, Easons.com, and 60 brick-and-mortar locations. Founded in 1819 as Johnson & Co., the company has weathered many transformative eras. Today, Eason’s business strategies are aimed at ensuring that the company is vital and relevant as digital commerce introduces massive change across retail sectors. Its focus is on innovative ways to draw customers into its physical and digital stores with products, services, and events for increasingly contextualized engagement.

Eason’s DXP is heterogeneous, with a preferred vendor as the backbone and components from one other vendor whose solutions align with the needs of the business. The company is executing its DXP strategy across three phases:

- ERP. Eason’s approach evolved from the back end, with a decision to use an ERP system to centralize service to all Eason channels, online and offline. The objective was “single set-up” across all Eason businesses – set up a product or campaign once. Eason chose Microsoft Dynamics AX for this core capability. The solution was upgraded in 2016.

- CMS. In 2017 Eason furthered its omnichannel strategy with new software for managing customer-facing interactions. The company sought a CMS that could snap into the ERP system. After evaluating Microsoft’s products and other options, Eason implemented a best-fit CMS, campaign management, personalization engine, and commerce platform from Episerver.

- CRM. In 2018, Eason plans to add an omnichannel CRM system to enhance experience delivery by leveraging customer data.

“We look at the offerings of our preferred vendor first,” says Michael Robinson, Information Technology Manager. “If our due diligence surfaces a better fit for our customer strategy, then we consider the level of effort to integrate. We’re taken away from working on other elements of the digital experience if integration is too exhaustive.” Episerver offered substantial pre-built integrations with Eason’s Microsoft components. With shared support for the Microsoft developer environment and tools, Episerver became the best-fit choice.

Eason’s DXP combining ERP, CMS, and commerce enables its “click and collect” capability in 26 Eason locations. Customers can shop online and then pick up their purchases in a brick-and-mortar store. In this scenario, the customer determines if inventory is available at her local store and then buys the item online. Inside the store, an employee makes the purchase available for pickup and can alert the customer by email and text that it is ready. The customer has sales verification tied to her account, and Eason customer support can help her after the purchase if necessary. Finally, the verified purchase contributes to ongoing marketing efforts if the customer has opted in.

With the 2018 implementation of a CRM system, Eason will further enhance their customers’ ability to move between channels. Eason can then target customers based on history and preference, inviting them into stores. “The CRM will better enable everything for us by placing the customer at the center of everything we do, including customer service,” said Robinson. The combination of the CRM and the Episerver components will help Eason deliver more engaging and satisfying experiences through more personalized marketing.

*“We’ve chosen the two horses we’re jumping on when it comes to digital experience technologies. We’re confident that focusing our platform on two vendors, Microsoft and Episerver, whose solutions integrate seamlessly together is the best path to the experience we want to deliver to our customers.”*

– Michael Robinson, Information Technology Manager

## Heineken

Heineken N.V. produces 250 international, regional, local, and specialty beers and ciders at 165 breweries in more than 70 countries. Heineken operates as a B2B company, using a vast distributor network to fulfill consumer demand for its products. Industry regulations in many countries stipulate that producers cannot sell directly to consumers. Marketing and advertising are heavily regulated; producers' websites, for example, require that visitors enter a birthdate prior to accessing the site to show they can legally consume alcohol. Operating in a regulated industry is not a challenge for Heineken but simply business as usual – and good business at that. The company consistently places in top-ten lists of best-selling beer brands worldwide.

Heineken takes a best-of-breed approach to its DXP. The alcohol industry is in earlier stages of developing and executing the robust digital capabilities that define many other consumer-oriented sectors. Heineken looks at what has worked in similar industries and at the vendors with proven track records solving core DX problems. The company chooses best-in-class components that enable agility. Two customer data systems are the foundation of Heineken's DX stack: a data management platform (DMP) from Salesforce, and a customer data platform (CDP) from Lytics that includes analytics and is integrated with email management and marketing automation systems.

The business drivers behind Heineken's DX investments are aimed at better consumer engagement and optimized operations as digital takes hold within the alcohol industry. Heineken seeks to balance efficiencies with effectiveness, to generate cost savings while increasing impact. For example, the investment in customer data helps drive customer experience but also gives Heineken greater insight into consumers. Information and insight can be pulled from customer databases, thereby saving on third-party consumer research. In a similar way, marketing automation and web technologies deliver savings on media spending while enabling better and more frequent targeting of consumers. In the end, Heineken gains improved understanding of its audiences and better means to activate brand and create experiences that drive awareness, consideration, and ultimately conversion.

"You can still bring an experience to life direct to consumer that doesn't involve a sale. That can be online or offline, and that's what we focus on," said Bram Reukers, Director of eCommerce. The last mile of engagement – the actual purchase – occurs in a retail location or drinking establishment. Heineken wants the customer's experience, however, to be connected from initial awareness to first sip. This is the heart of Heineken's focus on building expertise in customer data. "If we really understand the consumer, then we

can really target. We know what experience to offer them. It's all about the data. Of course, we collect it with the consumer's consent and treat it with utmost care. We make sure to have the best partners and systems in place to safely collect and store the data," Mr. Reukers noted.

Components comprising Heineken's best-of-breed DXP are integrated by a combination of external partners and its own internal technology team. Heineken relies on the vendors for implementation of the individual components, recognizing that some of these technologies are early in their overall development within the DX technology stack. "You want the person who built the car to teach you how to drive it," Mr. Reukers says. Vendor implementation also makes it easier to address problems, as there is less confusion about whether the vendor or the integrator is responsible.

Looking ahead, Mr. Reukers is excited about the ability to capture "international learnings" from all the regions in which Heineken is available. "It is super interesting," he says, "to gather best practices and then activate the Heineken brand around the world."

*"What is the most important digital experience capability in our ecosystem? The answer is not a technology category. It is about consumer information. That is the engine for everything else Heineken is building."*

– Bram Reukers, Director of e-Commerce

## National Bank of Canada

For the National Bank of Canada, one of the six systematically important Banks in Canada, competitive advantage lies in meeting customer expectations for omnichannel engagement. Retail banking is a sector in which those expectations are particularly high. Customers want to conduct business online, at physical locations, by phone with service representatives, and through multiple digital channels, including mobile, SMS, and email. Even direct mail delivered by postal services plays a role in forging customer relationships.

With a focus on customer engagement, systems for capturing, aggregating, and leveraging data are keystones for the Bank's heterogeneous DXP. Over time and across the breadth of its retail and commercial businesses, the Bank has made investments in CRM systems from two different enterprise software vendors. In an effort to open up these data sources, the Bank is developing a data lake based on Hadoop, the open-source programs and procedures for large-scale data analytics. This centralized data resource will enable 360-degree views of customers. For front-end experience delivery, the Bank has implemented Adobe products as core DX services, an approach that has proven successful as more of its customers move online. These include Adobe Experience

Manager for content management, Adobe Target, Adobe Analytics, and Adobe Audience Manager for marketing automation, audience acquisition, site optimization, advertising, A/B testing, and other digital marketing elements.

"Today we are focused on delivering personalized experiences to audiences throughout our channels while we work towards our ultimate goal of orchestrating omnichannel engagement," says Eboni Boicel, Digital Marketing Practice Lead at the Bank. Scalability is critical to achieving this goal. Measurability and transparency are important considerations, too, enabling the Bank to test and refine experiences and to deliver more satisfying engagement while decreasing the cost of acquisition.

The Bank's DXP development philosophy is oriented towards strong relationships with technology vendors and digital service providers. "We don't want to be in the business of technology development," says Mr. Boicel. Trust in its key technology partners is important – trust that as market leaders, their solutions will continue to evolve to meet the needs of customers who increasingly push the boundaries of digital experience. When evaluating providers of important DX capabilities, the Bank looks for highly functional, best-fit components that are technology-agnostic so they can

integrate fairly easily with key systems and vendors. Different partners build out the DXP, including the software vendors themselves, who bring expertise in their own platform and have a vested interest in solution success, the Bank's digital agency, and a large systems integrator. The Bank's own technical and transformation teams are also heavily involved, bringing deep use-case knowledge to the development effort.

Looking towards the not-too-distant future, artificial intelligence and machine learning will be game-changing DX technologies for the Bank. Vendors are developing technologies and models for every platform – those in use at the Bank today and those it might adopt in the future. These capabilities will change the way the Bank approaches its DX strategies. Manual activities to optimize experience are not scalable and are limited by human ability to gather insights from data. The current effort to centralize its data will position the Bank for rapid adoption of AI-based capabilities as they become embedded in DX systems and tools.

*"We look at our digital experience infrastructure more as an ecosystem than a platform, comprising a multitude of technologies. When making decisions about a tool, first we ask if it enables the best user experience. Beyond that, connectivity, data availability, and the ability to make that data actionable are factors that drive our decisions."*

– Eboni Boicel, Digital Marketing Practice Lead

## YOOX NET-A-PORTER GROUP

YOOX NET-A-PORTER GROUP (YNAP) is the world's leading online luxury retailer.

The Group has an unrivalled offering covering all luxury fashion customer segments, through its multi-brand in-season online stores NET-A-PORTER, MR PORTER; its multi-brand off-season online stores YOOX and THE OUTNET; and its numerous ONLINE FLAGSHIP STORES "Powered by YNAP."

In 2017 YNAP fulfilled 9.5 million orders for more than three million active customers in over 180 countries around the world.

A large part of giving luxury customers an unparalleled online retail experience is about delivering amazing content. This is a particular focus for the in-season online stores that have a large amount of high-value product and can therefore invest in storytelling.

For this reason, YNAP's in-season DXP has been content-centric from day one. At the heart of the DXP is a CoreMedia content management system (CMS) for web and mobile delivery, integrated with commerce technology from IBM.

Content artifacts for digital catalogues are managed within the CMS, while digital asset management on the back end provides rights management and storage for video.

YNAP is currently developing its centralized customer data management and is also deploying a data lake. Surrounding these core systems are tools for specific capabilities such as analytics and social media. YNAP develops both mobile websites and native mobile apps. Although not a part of the current DXP, translation technologies and services are used to localize some of the global brand sites.

"For our customers, the experience is everything. Our DX solutions have to deliver the stories we need to tell as part of that high-end experience, and we have to be able to create stores with very polished and sophisticated design," says Roger Mitchell, Group Director of Platform and Product, YOOX NET-A-PORTER GROUP.

The investments in customer data management, combined with the robust capabilities of the content management system, are the foundations for rich, personalized engagement. With a strong presence across the European Union, YNAP is dedicated to supporting privacy initiatives such as the General Data Protection Regulation (GDPR), a major focus leading up to the May 2018 compliance deadline.

YNAP's DXP is designed to enable the retailer to react rapidly to customer demands. Online retailing is changing fast, customer expectations rise even faster, and new digital channels emerge quickly. The nature of its industry is a primary factor leading YNAP to adopt a best-of-breed strategy for its DXP. It is too hard, the company believes, for one vendor to keep pace. Solutions from one supplier do not outperform others across all the capabilities YNAP requires. The company chooses its vendors not just for their feature set but also for their capacity to scale and work in a software development model that supports rapid development and deployment.

YNAP's best-of-breed DXP approach ensures that the company is ready for rapidly changing customer expectations. The aim is to continually adapt and innovate with new technology – launching new products and brands, supporting new markets and languages, and rolling out new features.

*"The luxury customer craves a high-touch, high-end experience that reflects their luxury lifestyle. That is why DX technologies are essential to us."*

– Roger Mitchell, Group Director of Platform and Product, YOOX NET-A-PORTER GROUP



# Appendix: Research Methodology

The data and analysis presented in this report are based on primary research conducted from January through March 2018. Our analysis and recommendations were also informed by our work as analysts covering the markets for customer experience technologies and practices, and as consultants helping organizations choose technologies and implementation partners for their digital initiatives.

The primary research comprised a mix of quantitative and qualitative inputs.

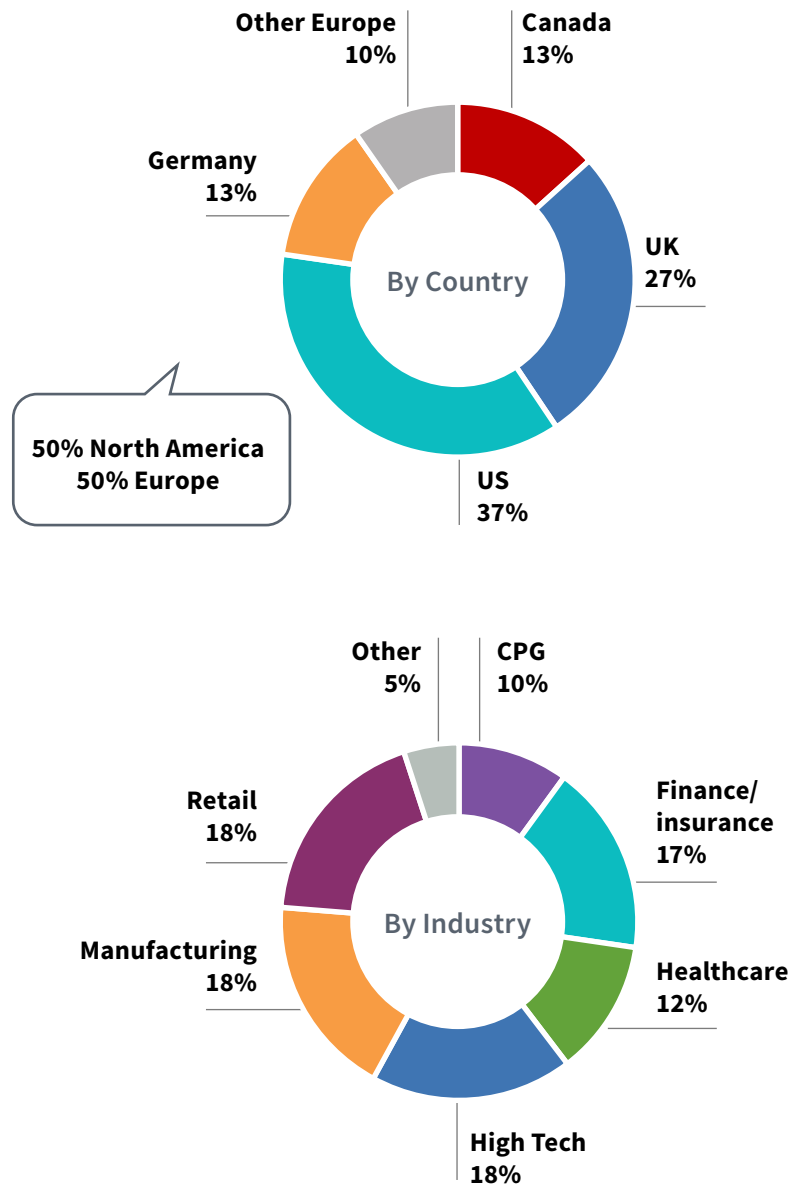
Quantitative input was gathered with an online survey of 300 respondents qualified on the basis of familiarity with the software their organizations use to deliver digital experiences to customers. Respondents were managerial level and above, and all were active participants in choosing technology as part of larger DX or digital transformation initiatives. Breakouts by country, industry, function, role, and company revenue are shown in Figures 21 and 22.

Qualitative input was drawn from two sets of interviews.

DCG interviewed 22 enterprise leaders and managers responsible for some aspect of digital and/or customer strategy at global companies across a variety of operating models (e.g., B2B, B2C) and industries. The interviews were distributed nearly evenly across roles in IT (35%), marketing (32%), and line-of-business (33%). While many of these organizations have worldwide operations, interviewees were based in North America, the UK, Europe, and South America.

Figure 21  
**Survey Population by Country and Industry**

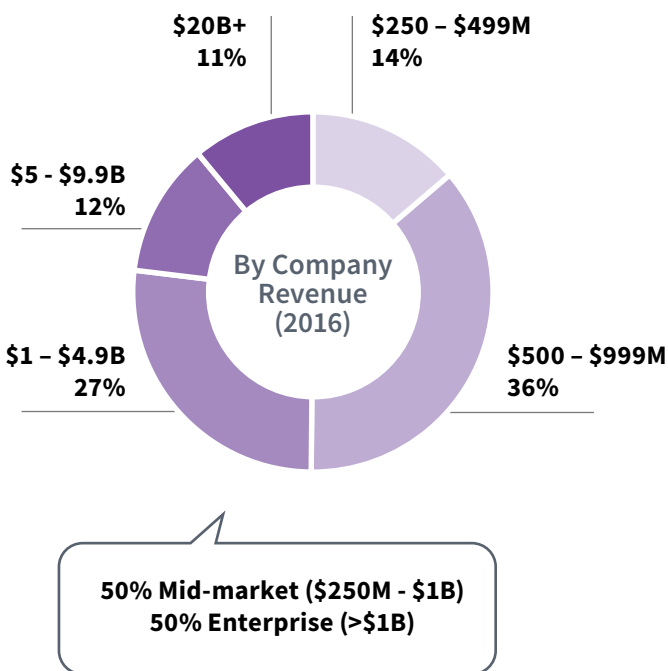
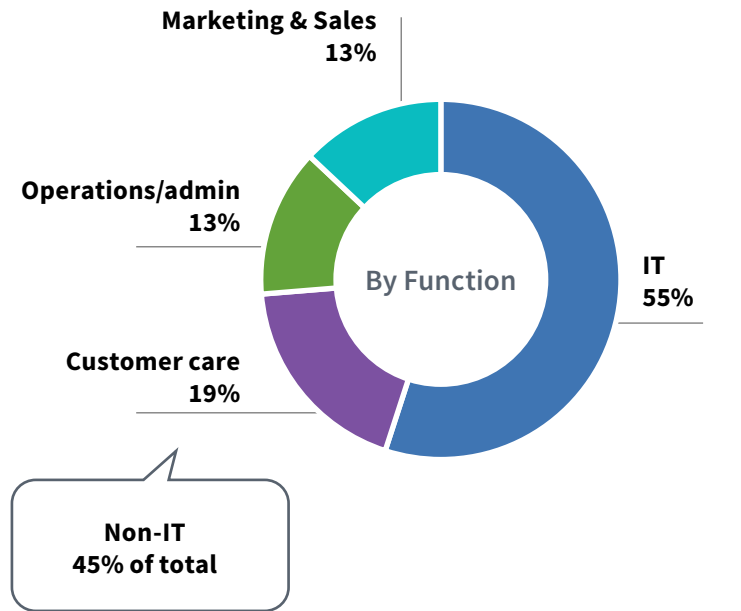
- 300 total respondents
- All familiar with/use software used to deliver digital experiences to customers
- All with managerial responsibility
- All active participants in choosing technology as part of a larger digital experience or digital transformation initiative



Sample titles include Digital Transformations and Strategic Initiatives Leader (marketing), Vice President Customer Journey Technology and Delivery (IT), Head of Digital Innovation and Strategy (IT), Chief Customer Office (business), Director of Web Strategy (marketing), and Head of eBusiness Content (business).

DCG also interviewed executives and managers at nine providers of technology and services for delivering digital experiences. More than twenty representatives from eight vendors and one digital agency shared their views on the DX landscape and their experiences working with customers and prospects on their approaches to deploying DXPs.

Figure 22  
**Survey Population by Function, Organizational Level, and Company Revenue**



# Appendix: About the Sponsors

We sincerely thank our sponsors, without whom this research would not have been possible.

## Platinum Sponsors



**Adobe**

Adobe is a recognized leader for Digital Experience Platforms and provides everyone from emerging artists to global brands everything they need to design and deliver exceptional experiences. The Adobe Experience Cloud includes solutions for well-designed, personal and consistent customer experiences including Advertising Cloud, Analytics Cloud and Marketing Cloud. Adobe helps companies know and serve customers better through analytics and audiences; create, store and manage content through experience management; deliver the right message, using the right channel, to the right person at the right time with omnichannel campaign management; and personalize customer journeys in ways that are relevant and build long-term value through testing, targeting and optimization. <http://adobe.com>

## authentic.

Authentic is an award-winning digital agency that combines strategy, creative and technology to craft authentic experiences for clients and their customers. In bringing together marketers who understand technology and technologists who understand marketing, Authentic is able to craft more impactful enterprise solutions for each customer. With offices in Richmond, VA, Washington, DC, New York, NY, and Lima, Peru, Authentic serves a global portfolio of clients across industries—and prides itself on bringing not only experience and industry-leading expertise, but also the vision needed to drive successful digital transformation. <http://beauthentic.digital>



Lytics enables you to know your customers and have meaningful conversations, in the channels they prefer, using the tools you already have. With Lytics, marketers can focus on strategy, planning and tactics instead of execution details. Rather than relying on complex rules and segments to determine what should go to which people, Lytics automates decisioning for who should get what, when and where through machine learning powered behavioral analysis and content affinity. Robust customer profiles are kept up to date in real-time through live connections to all your existing marketing tools. <http://lytics.com>



As market leader in enterprise application software, SAP helps companies of all sizes and industries run better. From back office to boardroom, warehouse to storefront, desktop to mobile device – SAP empowers people and organizations to work together more efficiently and use business insight more effectively to stay ahead of the competition. SAP applications and services enable more than 378,000 business and public sector customers to operate profitably, adapt continuously, and grow sustainably. <http://sap.com>

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SDL is the global leader and innovator in content management technology and language solutions. With more than 25 years of experience, SDL creates transformative business results for its enterprise customers through maturing their content supply chain from ad-hoc to autonomous as they align people, processes, and technology. Our technology has been tested and proven by hundreds of global customers who differentiate themselves by delivering a superior customer experience through integrated web content management for global digital experiences; structured content management for effective, high quality product information; and language technology for the highest quality human and machine translations available. <http://sdl.com>



Sitecore is the global leader in experience management software that combines content management, commerce, and customer insights. The Sitecore Experience Cloud™ empowers marketers to deliver personalized content in real time and at scale across every channel—before, during, and after a sale. More than 5,200 brands—including American Express, Carnival Cruise Lines, Dow Chemical, and L'Oréal—have trusted Sitecore to deliver the personalized interactions that delight audiences, build loyalty, and drive revenue. <http://sitecore.net>

Gold Sponsors



censhare provides content and marketing solutions that solve the digital experience challenges of collaboration and relevant, real-time communication for global brands such as Dyson, Jaguar Land Rover, IKEA, Kohl's and Hearst Media Group (who publish Cosmopolitan magazine). Brands choose censhare as our universal, smart content management platform gives them the freedom to realize agility and efficiency gains. Using advanced semantic database technology, they are able to consolidate the traditional content silos, manage data, content, digital assets and product information in a single platform and deliver this relevant and real-time to multiple channels, in multiple languages on a very large scale. <http://censhare.com>



CoreMedia is the complete content experience platform. We provide the smart, omnichannel approach to content management, advanced asset management, and eCommerce integrations. Our platform features an intuitive editorial interface, unbeatable flexibility, plus robust scalability and extensibility. We provide a wide range of cloud-based, on premises, or hybrid deployment offerings. And we offer the industry's deepest, validated, out-of-the box integrations for all major commerce systems. Our proven ability to deliver results for the world's biggest retail brands – including Luxottica, Calvin Klein, and YOOX Net-a-Porter – has helped us achieve an exceptional record of success. We are the best CMS for eCommerce. <http://coremedia.com>

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Episerver connects digital commerce and marketing to help organizations create unique digital experiences for their customers, with measurable business results. The Episerver Digital Experience Cloud™ combines content, commerce, multi-channel marketing and predictive analytics in a single platform to work full-circle for businesses online with unprecedented ease-of-use. Episerver attracts innovating customers like American Express, Buffalo Wild Wings, Mazda, Yamaha and Walmart, and a partner network of more than 880 creative agencies and system integrators. Episerver's mission to make it easy for customers to create effective digital experiences for their customers – in any channel on any device – is being realized worldwide, daily. <http://episerver.com>

# Endnotes

- 1 In this report, we treat in-house systems as an instance of a heterogeneous approach to DXPs because they are constituted from multiple components, even if they are not coming from vendors.
- 2 These findings are based on a comprehensive research initiative launched by Digital Clarity Group in early 2018. It includes a survey of DX leaders in 300 companies in North America and Europe, and 22 interviews with DX leaders in North America, Europe, and Latin America.
- 3 See “Organizational Change Management: An (Emerging) Core Competency for Customer Experience,” Digital Clarity Group, <http://www.digitalclaritygroup.com/change-management-competency/>
- 4 Ibid.
- 5 For more information on the role of digital inside and digital outside in DX initiatives see “Transform Customer Experience and Operational Excellence By Going Digital Outside and Inside,” Digital Clarity Group, <http://www.digitalclaritygroup.com/transform-customer-experience-and-operational-excellence-by-going-digital-outside-and-inside/>
- 6 In this report, “omnichannel” refers to capabilities for managing the seamless shift from channel to channel whenever the customer is connected, while maintaining data persistence.
- 7 For a list of companies that get high customer experience ratings from customers, see <https://pjmedia.com/lifestyle/2017/05/29/the-best-and-worst-companies-for-customer-service/> and <https://www.forbes.com/sites/nextavenue/2014/07/23/best-and-worst-customer-service-in-america/#e3b03d175e79>
- 8 See “Pharma Marketing: Get Started on Creating Great Customer Experience with Journey Strategies,” Digital Clarity Group, <http://www.digitalclaritygroup.com/pharma-customer-journey/>
- 9 “As workplace demographics continue to shift, employers struggle to meet the varying needs of a multi-generational workforce. As the use of the Internet and mobile devices grows, the pace of change continues to accelerate. These changes are further exacerbated by ongoing demands to increase productivity and cut costs, making it harder for employees to meet market expectations. Together, these trends are reshaping the work environment.” “The Digital Workplace,” [https://www2.deloitte.com/content/dam/Deloitte/mx/Documents/human-capital/The\\_digital\\_workplace.pdf](https://www2.deloitte.com/content/dam/Deloitte/mx/Documents/human-capital/The_digital_workplace.pdf) Also see “Do 10,000 baby boomers retire every day?” <https://www.washingtonpost.com/news/fact-checker/wp/2014/07/24/do-10000-baby-boomers-retire-every-day/>
- 10 “Insurance Industry Rethinking Recruitment Strategies,” <https://www.insurancejournal.com/news/national/2017/01/27/440212.htm>
- 11 We found similar results in a 2015 survey of 200 customer experience leaders. Those findings closely mirror the state of play today and are worth repeating: “The complexity, criticality, and cost of customer experience initiatives make it almost mandatory for CIOs to lead the charge, at least until other executives gain skills and experience in managing complex, large-scale, and high-risk projects. CIOs will influence technology solutions for marketing, sales, service, and support because many of the old-school, hardwired CIOs of yesterday are being replaced by business technology executives who focus on new challenges, like embedding high tech in products and deploying technology to gain, delight, service, and keep customers. Sometimes these next-gen CIOs have run sales, marketing, or other customer-centric business units. Or, they may have been seconded from IT to the business to expand their horizons and customer-facing roles. The bottom line? The demise of the CIO isn’t true.”
- 12 See “Who Drives Customer Experience: The CIO, The CMO, or Fill-In-The-Blank?” Digital Clarity Group, <http://www.digitalclaritygroup.com/customer-experience-cio-cmo/>
- 13 See our reports about customer journey strategies: “Get Started on Creating Great Customer Experiences with Journey Strategies” <http://www.digitalclaritygroup.com/journey-strategies-and-customer-experience/> “Pharma Marketing: Get Started on Creating Great Customer Experience with Journey Strategies” <http://www.digitalclaritygroup.com/pharma-customer-journey/> “Retail Marketing: Get Started on Creating Great Customer Experiences with Journey Strategies” <http://www.digitalclaritygroup.com/retail-marketing-customer-experiences-journey-strategies/>



## Endnotes

14 See endnote 3.

15 See endnote 5.

16 See our report, “The CEM Imperative: Customer Experience in the Age of the Empowered Consumer,” <http://www.digitalclaritygroup.com/the-cem-imperative-customer-experience-in-the-age-of-the-empowered-consumer/>

17 See DCG reports “How to Survive and Thrive Under the GDPR: An Essential Guide for Marketers,” <http://www.digitalclaritygroup.com/survive-thrive-gdpr-guide-marketers/> and “What Customer Experience Leaders Need to Know Now About Cybersecurity,” <http://www.digitalclaritygroup.com/customer-experience-leaders-need-know-cybersecurity/> and “Equifax’s egregious response to a hacking breach—it’s past time to take precautions,” <http://www.digitalclaritygroup.com/equifax-egregious-response-breach/>

18 See DCG reports “Handle with care: customer trust can be fragile,” <http://www.digitalclaritygroup.com/handle-care-customer-trust-can-fragile/> and “CMOs, cybersecurity and the criticality of customer trust,” <http://www.digitalclaritygroup.com/cmos-cybersecurity-criticality-customer-trust/> and “What Customer Experience Leaders Need to Know Now About Cybersecurity,” <http://www.digitalclaritygroup.com/customer-experience-leaders-need-know-cybersecurity/>

# About Digital Clarity Group



Digital Clarity Group (DCG) is a research and advisory firm that helps organizations deliver world-class customer experience through partnerships with best-fit technology vendors and digital partners. DCG enables client success by bringing unprecedented transparency to selecting, engaging, and optimizing those relationships. Its guidance draws on its proprietary data about agency and integrator partner performance, its deep experience with vendor and digital partner selections, and the market expertise of its industry analysts who cover technologies for managing customer experiences. DCG delivers on its mission through its [VOCalis](#) customer satisfaction assessment program, its vendor and digital partner selection services, and [Partner Finder](#), a free resource that buyers use to identify qualified digital partners based on key criteria.

Digital Clarity Group serves clients across the ecosystem for customer experience solutions. DCG helps enterprise buyers of services and technologies engage with the optimal set of partners for their digital transformation and customer experience initiatives. DCG helps digital agencies and integrators align their client portfolios with their strongest capabilities and competencies, leading to higher levels of customer satisfaction, repeat business, and performance-based differentiation. DCG helps technology vendors optimize their channel partner programs for successful implementations that deliver sustainable value to customers.

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