Digital Interactive Experience (IX) Services PEAK Matrix™ Assessment and Market Trends 2019 – The New Battleground

Digital Services (DS)
Market Report – August 2019: Complimentary Abstract / Table of Contents

EGR-2019-33-CA-3312

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Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

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Background of the research

Background of the research

- Digital IX is becoming the new battleground and a key differentiator for enterprises to win in an age that is defined by rising customer expectations
- A significant part of digital investments is being directed toward enhancing Customer Experience (CX). Various ecosystem players (IT service partners, creative agencies, and traditional consulting firms) are competing to deliver on the experience agenda of enterprises
- While IT service partners were traditionally viewed as technology enablers, they now have a strong focus on acquiring creative capabilities. They are giving digital agencies a tough competition by coupling creative capabilities with strong technological know-how
- Moreover, agencies are also not far behind the game and are actively forming partnerships or acquiring companies to add technological enablement to their portfolio
- New-age technologies like Artificial Intelligence (AI), Machine Learning (ML), edge computing, Augmented/Virtual Reality (AR/VR), etc. are further changing the rules of the game, as it is not sufficient to merely be a creative powerhouse and run campaigns or design experiences. Strong execution capabilities are becoming paramount and a key expectation of companies from their service partners
- In this research, we present an assessment of 18 leading digital IX service partners plotted on the proprietary Everest Group PEAK Matrix, along with their detailed profiles. Each service partner profile comprises details of service capabilities, scale of operations, and domain investments
- The assessment is based on Everest Group's annual RFI process for the calendar year 2019, direct interactions with leading digital IX service providers, client reference checks, and an analysis of the digital IX services market

Scope of this report

- **Services:** Digital IX IT services
- **Geography:** Global
- **Service providers:** 18 leading digital IX service providers

This report includes the profiles of the following 18 service providers on the digital IX services PEAK Matrix:

- **Leaders:** Accenture, Cognizant, Deloitte, IBM, Isobar, and Publicis Sapient
- **Major Contenders**: Digitas, HCL, Ogilvy, PwC, TCS, UST Global, VMLY&R, Wipro, and Zensar
- **Aspirants:** Mphasis, NTT DATA, and Stefanini

Everest Group's digital IX scope (page 1 of 2)

Digital IX service providers help leading brands with strategy, marketing, creative & content, and technology to drive user-centric digital transformation. They act as strategic marketing partners to fulfill their clients' digital marketing needs using digital platforms and channels.

Criteria for inclusion in PEAK Matrix

- A digital IX service provider must have provided the following digital interactive services to their clients

Key focus areas		Exclusions
Core marketing	Strategy	Activities such as mobile and website maintenance
Creative and content	Technology	

- Number of employees involved in delivering core marketing, creative & content, and strategy services should be more than 300
- The service providers must have serviced clients globally in more than two regions

Everest Group's digital IX scope (page 2 of 2)

Digital IX services

Channels/interaction layer

- Website
- Mobile
- Email
- Touchscreen
- Chats
- Social media
- E-commerce

Strategy

Digital strategy, brand and media strategy, omnichannel marketing strategy, digital transformation consulting

Core marketing

Social media marketing, mobile marketing, loyalty marketing, email marketing, inbound marketing, performance marketing, SEO/SEM

Creative and content

UI/UX design and management, web/mobile design, e-commerce design, creative design (email, video, print), campaign development, content production and management

Technology

Web Development, Mobile Development, e-commerce Development, Marketing Automation, Multi-channel Analytics (Web, Social, Mobile), Data Visualization, Performance Management, Marketing Operations, Optimization Methodologies, Database Design and Management

Platforms & tools

- CRM
- Design tools
- Analytics tools
- Marketing automation
- User engagement tools
- CMS

Overview and abbreviated summary of key messages

This report examines the global Digital IX service provider landscape and its impact on the Digital IX market. It focuses on service provider position and growth in the Digital IX market, changing market dynamics and emerging service provider trends, assessment of service provider delivery capabilities, and key Digital IX service provider profiles. It also identifies the key implications of the research findings for buyers and service providers.

Some of the findings in this report, among others, are:

Digital IX market growth and drivers

- The Digital IX market is expected to grow by 20%-22% to reach 54-56 Billion by 2022
- BFSI and the retail sector are fueling investments in Digital IX, driven by the need to increase focus on hyper personalization and design new service delivery formats

Changing market dynamics

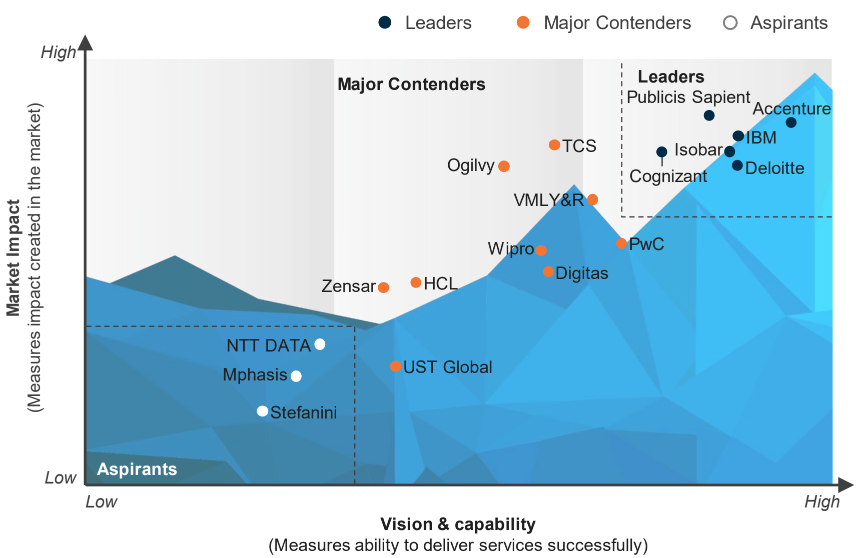
- Digital IX is dominated by but not limited to Customer Experience (CX) alone; it also includes Partner Experience (PX), Stakeholder Experience (SX), and Employee Experience (EX). EX will garner significant attention in the coming future
- Enterprises are now demanding service partners to have strong technology capabilities along with creative execution. This is paving the way for both IT Service Providers (IT SPs) and creative agencies to broaden their portfolio and expand their presence across the experience value chain

Emerging service provider trends

- Talent, obtained through acquisitions / lateral hiring, is becoming key to deliver on Digital IX projects. While reskilling may play a key role in areas such as technology enablement, design talent is niche, necessitating the need for higher investments

This study provides an assessment of the leading Digital IX service providers

Assessment of Digital Interactive Experience Service Providers



Note 1: Assessment for NTT DATA includes partial inputs from the service provider, and is based on Everest Group's estimates that leverages its proprietary data assets, service provider public disclosures, and interaction with buyers

Note 2: Assessments for Accenture, Isobar, Deloitte, Digitas, IBM, Publicis Sapient, PwC, Ogilvy, and VMLY&R excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with buyers

Capability assessment

Illustrative example

Measure of capability: High Low

Service provider	Market impact				Vision & capability				
	Market adoption	Portfolio mix	Value delivered	Overall	Vision & strategy	Scope of services	Innovation & Investment	Delivery footprint	Overall
Service provider 1									
Service provider 2									
Service provider 3									
Service provider 4									
Service provider 5									
Service provider 6									
Service provider 7									
Service provider 8									
Service provider 9									

Everest Group's remarks on service providers

Illustrative example

Measure of capability: High Low

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision & strategy	Scope of services	Innovation & Investment	Delivery footprint	Overall

Strengths

- Service provider 1, has a robust delivery presence in Asia Pacific with multiple delivery centers in India, Australia, and the Philippines, enabling it to service client requirements efficiently
- It has a good number of multi-country as well as single-country clients across the world

Areas of improvement

- Service provider 1 should increase offerings of value-added services such as employer branding, talent communities and workforce planning
- It should try to expand into larger multi-country deals and also scout for engagements in other Asia Pacific markets to strengthen its presence in the region

The Digital IX services PEAK Matrix assessment report has 18 service provider profiles

XXX | Digital IX services profile (page 1 of 3)
Overview

Strengths	Areas of improvement
• Strong capabilities in AR/VR; has leveraged AR/VR in a number of use cases to deliver immersive CX • Has started making inroads to deliver on creative aspects of projects through acquisitions	• Needs to make significant investment in acquiring niche design talent • Needs to drive significant client education and provide convincing market evidence of their capabilities

Scope of services: XXX has a dedicated service line for digital experience. It helps clients with their entire journey of creating user experiences starting from developing digital strategies, providing creatives services to ultimately implementing the project using the appropriate technological platforms. Apart from this, XX with different aspects of their marketing campaign validation, content management, and digital asset management

Revenue from digital experience

>US$251 million | US$151-US$251 million | US$50 million-US$150 billion

Revenue by geography High (>25%) Medium (10-25%) Low (<10%)

North America, Europe (excluding UK), South America, UK, Asia Pacific, Middle East & Africa

Revenue by service segment High (>40%) Medium (20-40%) Low (<20%)

Core marketing, Creative and content, Strategy, Technology, Others

Revenue by industry High (>20%) Medium (10-20

BFSI, Energy and utilities, Manufacturing, Public, Travel & transport, Electronics, hi-tech, and tec, Healthcare and life science, Retail, distribution, and CP, Telecom, media, and enter, Others

Revenue by buyer size High (>40%) Medium (20

Small (annual revenue < US$1 billion)
Medium (annual revenue = US$1-5 billion)
Large (annual revenue = US$5-10 billion)
Very large (annual revenue = US$10-20 billion)
Mega (annual revenue > US$20 billion)

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XXX | Digital IX services profile (page 2 of 3)
Case studies and solutions

Vision: XXX aims at creating impactful, differentiated experiences for brands, which turn prospects into customers and brand advocates. It wishes to help clients design products and services while managing CX across all touchpoints by leveraging its integrated approach to design, real time analytics, and technology.

Case study 1

Created a digital experience for one of the world's largest leisure travel companies

Business challenge	The client wanted to provide its customers with digital experiences onboard their ships via multiple touchpoints with multilingual capabilities
Solution and impact	XXX digitized the entire content on the ship by deploying a CMS for the client's ships with content authored from multiple sources. Delivered content via mobile apps and digital kiosks. This included content for passengers such as event updates, communication between crew and passengers, and content for commerce purposes such as booking breakfast

Case study 2

Developed AR/VR solution for a financial institution

Business challenge	The client wanted to build payment experiences in VR, AR, and Mixed Reality (MR) applications
Solution and impact	Developed an accelerator to build payment integration widgets and experiences with full AR, MR, and VR integration. As a result, it lowered the barrier of entry for developers of VR, AR, and MR applications for their customers

Proprietary solutions (representative list)

Solution name	Details
XXX	An AR/VR platform that helps in creating a new virtual landscape / hyper personalization with the capability to bring enhanced experiences to customers
XXX	A series of applications that manage the business workflow for the creation of a film. It is custom made for the entertainment industry with an integrated design freeing data flow, a single shared database, 360° view of projects, talent & contracts, executive dashboards, and mobile interface
XXX	A digital personal shopping assistant that serves shoppers with matching recommendations inspired by current fashion trends, derived from online media. The solution engages shoppers across all digital touchpoints including in-store, e-commerce, mobile apps, and desktop to provide a continuous and seamless shopping experience

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Research calendar – Digital Services

Published | Planned | Current release

Flagship Digital Services reports	Release date
Digital Services – Annual Report 2018: Future Operating Model to Scale Digital	July 2018
IoT Services Annual Report 2018	August 2018
IoT Services PEAK Matrix™ Assessment and Market Trends 2018	December 2018
Digital Services PEAK Matrix™ Assessment and Market Trends 2019	December 2018
Digital Interactive Experience (IX) Services PEAK Matrix™ Assessment and Market Trends 2019 – The New Battleground	**August 2019**
Blockchain Services PEAK Matrix™ Assessment and Market Trends 2019	Q4 2019
Connected Ecosystem Services PEAK Matrix™ Assessment and Market Trends 2019	Q4 2019

Thematic Digital Services reports	
Design Thinking: Innovation Catalyst for Digital Transformation	July 2017
Enterprise Bots Adoption	July 2017
BigTech Battle: Leading Internet of Things (IoT) Platforms Assessment – A Selection Guide	October 2018
Customer Experience Trailblazers – Experience Spearheading the Digital Economy	February 2019
BigTech Battle: Digital Experience Platforms Assessment – Rise of the Digital Experience Platform	June 2019
Emerging Technology Trailblazers	Q3 2019
AI masterclass	Q3 2019

Note: For a list of all of our published AS reports, please refer to our website page

Additional Digital Services research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details on the topic or complementary content that may be of interest

1. **Digital Services – Annual Report 2018: Future Operating Model to Scale Digital** (EGR-2018-33-R-2735): Most of the enterprises today fail to scale their digital transformation initiative and achieve the desired ROI on their digital investments due to misalignment between their digital strategy and operating model. In this report we have assessed the digital transformation success and failure cases of enterprises to arrive at the best practices that enterprises need to adopt for transforming their operating model into a digital operating model. The report also discusses the transformation roadmap for enterprises to achieve their target operating model

2. **BigTech Battle: Digital Experience Platforms (DXP) Assessment – Rise of the Digital Experience Platform** (EGR-2019-33-R-3201): Enterprises are investing in a range of solutions such as Customer Relationship management platform, campaign management tools, and data management platforms for enabling different aspects of DX. Taking this approach, they end up with a suite of fragmented solutions that are not interoperable. Enterprises should invest in Digital Experience Platform (DXP), which is a comprehensive suite of solutions enabling them to deliver a content-rich, seamless, and stakeholder-driven DX, encompassing all digital touch points

3. **Customer Experience Trailblazers – Experience Spearheading the Digital Economy** (EGR-2019-33-R-3075): In this uber-connected world, customers are more in contact with the enterprises than the enterprises realize. In fact, enterprises are now more accessible to customers than ever before. This has led to the rise of the experience economy with an increased focus on Customer Experience (CX). For an enterprise to deliver a superior customer experience, it needs to extend its CX strategy from its vision boards to their employees, their partners, and the brand as a whole. Keeping this in mind, enterprises need to revisit their CX strategy and take a more holistic and innovative approach

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