A Custom Technology Adoption Profile Commissioned By IBM | November 2016

Digital Experience Changes Everything

Firms Must Align Technology And Culture To Serve Customers

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Drive Unified Customer Experiences With Technology And Culture

Marketing and technology partners must collaborate as never before in order to delight and engage customers "in the moment." Previously stove-piped functions are starting to work together to take a holistic approach to create great digital experiences at enterprise scale, but organizations see the need for more work to create relevant, integrated digital customer experiences in real time.

IBM commissioned Forrester Consulting to discover how developers and marketers are working together to provide customers exceptional digital experiences reliably, quickly, and seamlessly.

The study found that while the mandate to collaborate has been heard, there is still work to be done to move to the next level and put in place technology, processes, and culture to create digital customer experience in real time.

The age of the customer

Great customer experiences start with empowered employees listening and responding to customers to feed engagement, innovation, and the bottom line.
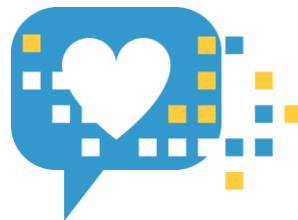
Digital CX: pervasive and vital

Customers now experience a firm's products and services via mobile, web, and social media. Of firms that are improving customer experience, 53% are improving *online* experiences.

Customer-focused content

Great content serves what customers want, when and where they want it. Forrester's Business Technographics® finds 85% of firms are investing in content management tools.

A business-critical obligation

Digital experience requires a holistic view across touchpoints, content, and analytics. This calls for unified strategies and a collaborative culture. How are companies doing in this effort?

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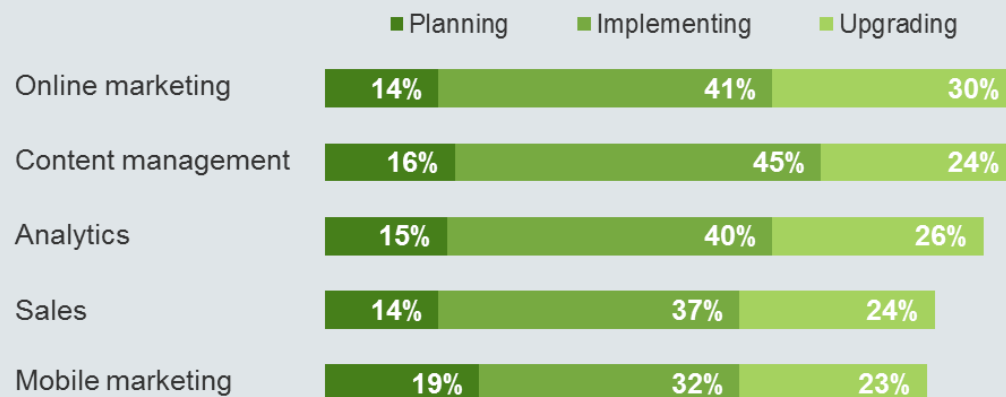**OVERVIEW**   **SITUATION**   **CHALLENGES**   **OPPORTUNITY**   **CONCLUSIONS**

1 2 3

Customer Experience Goes Digital

Improving customer experience is the No. 2 priority of business leaders in 2016, second only to growing revenue, and they are investing in digital channels and technologies to engage with their customers. Online marketing, content management, and analytics are the top investments as firms seek to connect directly with customers, provide relevant content, and measure the results.

Digital experience demands an enterprisewide initiative that changes the way technology and people work together. Firms are seeing the opportunity to engage customers where they are and investing in a number of technologies and services, as seen in the chart to the left.

What are your organization's plans to adopt the following technologies and services in marketing automation?

■ Planning   ■ Implementing   ■ Upgrading

Technology	Planning	Implementing	Upgrading
Online marketing	14%	41%	30%
Content management	16%	45%	24%
Analytics	15%	40%	26%
Sales	14%	37%	24%
Mobile marketing	19%	32%	23%

Base: 412 US marketing and marketing technology professionals
Source: Forrester's Global Business Technographics® Marketing Survey, 2015

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OVERVIEW **SITUATION** **CHALLENGES** **OPPORTUNITY** **CONCLUSIONS**

1 2 3

Transforming For Exceptional Digital Customer Experience

Digital experience is a multichannel, multiplatform, multifunctional effort. In our survey, many respondents reported they are working on technologies, tools, processes, and experiences in all categories, from technology improvements and data analytics to cultural change across the organization.

How far along are you in working on the following digital experience experiences, technologies, tools, or processes? ("Implementing," "implemented," and "expanding" responses shown)

91%
Improving website experiences and flow

87%
Adding or improving mobile customer experiences

87%
Transforming our culture to be more customer-centric

86%
Collecting and analyzing data on customers' digital experiences to improve future interactions

Base: 100 full-time IT and marketing professionals working in US enterprises with customer-facing mobile applications
Source: A commissioned study conducted by Forrester Consulting on behalf of IBM, September 2016

- *How are you creating exceptional digital experiences?*

- *As complexity and customer demands grow, how are you managing the processes, technologies, and tools?*

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Firms Must Move At The Speed Of The Customer

While most organizations are just now laying the cornerstones of digital customer experience, some are moving ahead and planning their next moves. The chart below shows that digital experience leaders already have plans to invest in capabilities that allow them to keep pace with their customers' ever-increasing demands and up the ante for their competitors.

Forrester believes customer-obsessed firms must manage six levers of their operating model in service of world-class customer experience. Digital experience integration and improvement efforts require careful management of all six levers.

How far along are you in working on the following digital experience experiences, technologies, tools, or processes?
("Planning to implement in the next 12 months" responses shown)

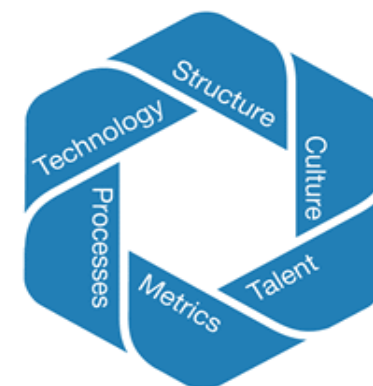|	
Integrating digital channel experiences for consistency	28%
Implementing personalized content consistently across channels	25%
Investing in cognitive and artificial intelligence capabilities	23%
Adopting experience design practices	21%

Base: 100 full-time IT and marketing professionals working in US enterprises with customer-facing mobile applications
Source: A commissioned study conducted by Forrester Consulting on behalf of IBM, September 2016

Technology • Structure • Culture • Talent • Metrics • Processes

1 2 3

Functions Must Have Skin In The Game

Developers and marketers still have a tenuous working relationship. Only 47% of technology developers reported that their relationship with marketing is good, and 40% reported it as neutral or poor.

THE PROOF IS IN THE FUNDING

Shared funding is shared responsibility and accountability, but less than a third of development activity and funding for mobile apps is shared by both IT and the business. In addition, the top barriers respondents anticipate as they integrate digital experience technologies and practices include competing priorities, available budget, and organizational silos.

There is no clear lead in funding the development for customer-facing mobile apps, and less than one third reported their funding is shared between the business and IT.

How would you rate the working relationship your team's developers have with other parts of your company?
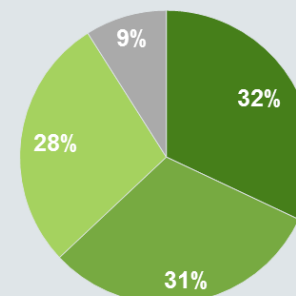
- Good
- Neutral
- Poor

12%
47%
28%
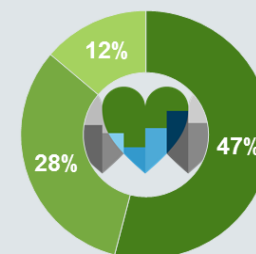
Base: 238 US Developers who work for a software company or for internal IT
Source: Business Technographics Developer Survey, 2015

Results do not add to 100%; don't know/does not apply results not shown

How is funding of the development of customer facing mobile apps shared between business units and IT?

- Shared
- Business
- IT
- Don't know

9%
32%
28%
31%

Base: 1212 US Mobile decision-makers of firms with 20+ employees
Source: Business Technographics Priorities and Journey Survey, 2015

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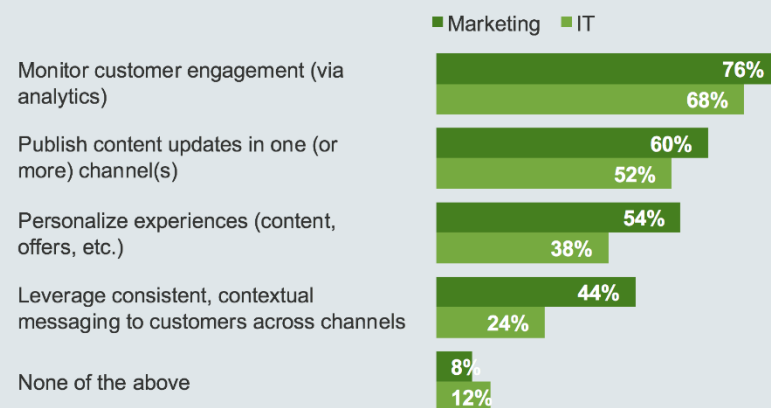
1   2   3

Gaps In Trust

We asked survey takers how each function feels about whether marketing teams can support a customer's digital experience independent of tech support. Marketers felt they could do a lot, but technology professionals weren't so sure, especially for more complex digital experience tasks like personalizing experiences and driving them consistently across channels. Is this gap due to a gap in perception, or is the technical and business complexity real? Either way, the gap must be bridged so marketers can serve the customer in real time and developers can focus on innovation and new digital challenges.

"When the trust level gets high enough, people transcend apparent limits, discovering new and awesome abilities of which they were previously unaware."

— David Armistead, Writer

In what areas are your company's marketing/business teams able to support digital experience apps, independent of your technology teams?

■ Marketing   ■ IT

	Marketing	IT
Monitor customer engagement (via analytics)	76%	68%
Publish content updates in one (or more) channel(s)	60%	52%
Personalize experiences (content, offers, etc.)	54%	38%
Leverage consistent, contextual messaging to customers across channels	44%	24%
None of the above	8%	12%

Base: 100 full-time IT & marketing professionals in US enterprises with customer-facing mobile applications.
Source: Commissioned study conducted by Forrester Consulting for IBM, September 2016

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Needing To Build On The Basics

Survey respondents reported that they have the best working relationship with colleagues on day-to-day requests and when collaborating on technology strategy. The two areas respondents ranked lowest were: 1) collaboration on new ideas to improve digital experience and 2) customer experience (CX) strategy. While a basic level of communication is a start, if companies want to truly begin innovating digital experiences and driving customer experience forward, they must improve the working relationship between business and technology.

As early as 2012, 89% of executives saw a significant opportunity for digital tools and experiences to change the industry they served, but only 32% thought they had the business practices to adapt to digital-driven change.

— June 2012 Global Digital Disruption Readiness Assessment Online Survey, Forrester Research, Inc.
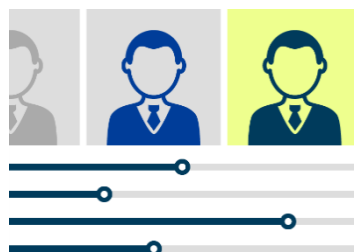
Please characterize your working relationship with your colleagues on the following areas *(rate 1-5, with 1 being poor and 5 being exceptional):* **Respondents rank as 4 or 5**

Area	%
Operational exchanges; day-to-day requests	58%
Technology strategy for Digital Experience	56%
Creating common goals and working to them	56%
Developing metrics for success and measuring against them	55%
Collaboration for new ideas to improve Digital Experience	47%
Customer Experience (CX) strategy	42%

Base: 100 full-time IT & marketing professionals working in US enterprises with customer-facing mobile applications.
Source: Commissioned study conducted by Forrester Consulting for IBM, September 2016

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Firms See Opportunities In Integrating Digital Experience

In spite of the challenges and complexity, respondents saw the benefits of integrating their digital customer experience technologies and practices. Paramount was the ability to deliver relevant, personalized digital experiences to their customers.

Other opportunities include:

- *Data integration improves use and speed across channels.*

- *Firms are better prepared for future innovations.*

- *An integrated environment is easier and less costly to manage.*

- *The operational costs to deliver experiences decrease.*

What do you thing the benefits of integrating digital experience technologies and practices? (Select all that apply)

Enabling delivery of relevant, personalized digital experiences	60%
Increasing customer engagement	52%
Creating consistent experience across channels	51%
Increasing revenue	48%
Keeping pace with our customers	45%

Base:100 full-time IT & marketing professionals working in US firms with customer-facing mobile applications
Source: Commissioned study conducted by Forrester Consulting for IBM, September 2016
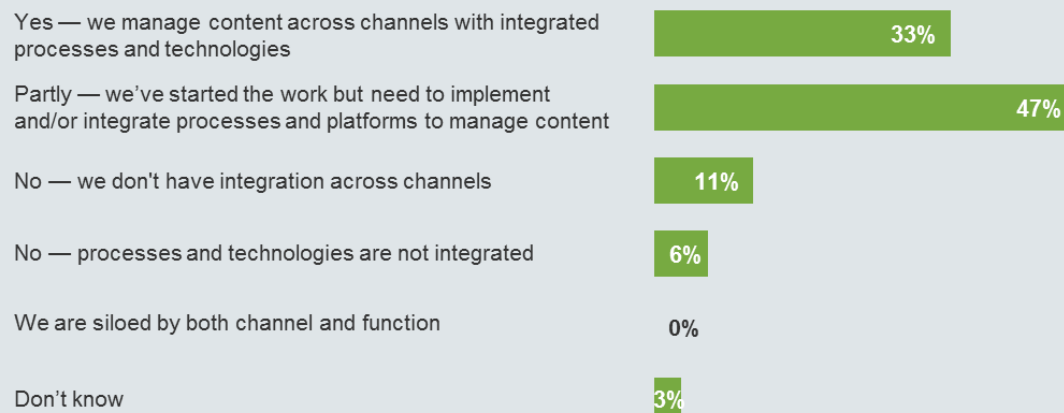
1 2

Firms Starting To Manage Content Across Channels

One leading indicator of customer-focused collaboration is how content is managed and delivered across channels to the customer. A third of of respondents said they already manage content in an integrated way; another 47% have started the work. Both marketers and technology professionals know they need to work together to create relevant content that serves the customer in real time.

Firms are hard at work investing in content tools for digital customer experience to serve their customers in the moment.

Do you have a formal tool and/or process to manage digital content across your digital channels?

Yes — we manage content across channels with integrated processes and technologies	33%
Partly — we've started the work but need to implement and/or integrate processes and platforms to manage content	47%
No — we don't have integration across channels	11%
No — processes and technologies are not integrated	6%
We are siloed by both channel and function	0%
Don't know	3%

Base: 100 full-time practitioner+ IT and marketing professionals working in US enterprises with customer-facing mobile applications

Source: A commissioned study conducted by Forrester Consulting on behalf of IBM, September 2016

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Building Better Digital Experiences

As the need to deliver relevant, effective and real-time content and experiences to customers continues to grow, companies are investing in their digital experience capabilities. To do this, they are focusing on collaboration and integration of both business and technology. Marketers and developers work together through streamlined communication, improved technology, and more intelligent use of data. This will lead to a greater ability to increase revenue, improve customer engagement, better target buyers, and provide powerful digital experiences to serve customers in their moment of need. The result? Success in the age of the customer.

Key Takeaways

› Firms are aware of the need to create exceptional digital customer experiences, but only a minority are actively investing in leadership capabilities like integration across channels, personalized content, and cognitive response.

› Marketing and technology functions within firms still have work to do to build trust, tighten collaboration, and create customer-centric cultures.

› Integrated, real-time content is seen as a key element of great digital experience, but only a third of firms surveyed currently integrate processes and technologies for content across channels.

Start Over

Finish

METHODOLOGY

› This Technology Adoption Profile was commissioned by IBM.

› To create this profile, Forrester Consulting used data from Forrester's Global Business Technographics Marketing Survey, 2015; Forrester's Business Technographics Global Developer Survey, 2015; and Forrester's Business Technographics Global Priorities And Journey Survey, 2015

› To supplement the data, Forrester Consulting conducted an auxiliary custom survey of 100 technology and marketing professionals who create, implement, and run digital customer experience initiatives and technologies in large enterprises (1,000-plus employees) in the US. The auxiliary custom study was completed in September 2016. For more information on Forrester's data panel and Tech Industry Consulting services, visit forrester.com.

› Additionally, the following Forrester Research reports were referenced:

"Organizing For Digital Disruption: Where And How To Ignite The Disruption You Need," October 31, 2013
"Vendor Landscape: Digital Experience Platforms," May 16, 2013
"Drive Unified Digital Customer Experiences With Better Technology Strategies," January 22, 2016

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