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Now Tech: Digital Experience Platforms, Q2 2021

Tools and Technology: The Digital Experience Delivery Playbook

by Joe Cicman

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Why Read This Report

You can use digital experience (DX) platforms to create coherent customer experiences, enable developer and practitioner agility, and fuel insights-led optimization and automation. But to realize these benefits, you'll first have to select from a diverse set of vendors that vary by size, functionality, geography, and vertical market focus. Digital experience leaders should use this report to understand the value they can expect from a DX platform provider and to select one based on size and functionality.

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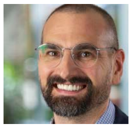

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Improve Agility And Scale With Digital Experience Platforms

Digital leaders from a variety of backgrounds — commerce, content, marketing, and data — must embrace the pivot toward being part of one experience architecture, even as they explore the benefits of mixing and matching API-first, cloud-native services. The clarity provided by COVID-19 on the importance of being able to quickly reconfigure key business concepts and bring new levels of emotion and engagement into omnichannel experiences has highlighted platforms and services that allow developers and practitioners to work in harmony. This architectural view is increasingly important to rationalizing investments and clearing out tech debt.

Today, pragmatic organizations focus on "owned" channels and pulling in creative thinking — even while looking to ensure that the systems powering online experiences are adaptive to new channels and are resilient. Successful digital teams are executing against this core mandate for their web, mobile, and messaging and leveraging (out of necessity) looser orchestration of third-party channel experiences like social media and retail marketplaces. An architectural perspective provides this flexibility.

Forrester defines a digital experience platform (DXP) as:

> *A platform that provides the architectural foundation and modular services for developers and practitioners to create, orchestrate, and optimize digital journeys at scale — to drive loyalty and new commerce outcomes across owned and third-party channels.*

Digital leaders and other decision-makers are investing in these solutions to better:

- **Create coherent customer experiences.** Enterprises must orchestrate campaigns and personalization initiatives that provide consistent, contextual experiences. The practitioner tools for marketing, merchandising, and customer service need capabilities to enable the next-best experience while remaining compliant with customer privacy rules.

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- **Enable developer and practitioner agility through modern infrastructure.** Firms often ask developers to support more and more channels and brands. When they leverage a common architecture and platform-as-a-service foundations, they gain agility and velocity. When coupled with the right tools and insights, practitioners can operate consistently across channels with less effort.
- **Fuel insights-led optimization and automation.** Enterprises can learn more from their data by standardizing core platform services for customer data, content, and transactions. Increasingly, DXP solutions democratize customer data and advanced analytics, employing automated machine learning to generate insights like propensity scores and customer segments for nontechnical practitioners and triggering next-best experience and automation workflows.

Select Vendors Based On Size And Functionality

We've based our analysis of the digital experience platform market on two factors: market presence and functionality.

Digital Experience Platform Market Presence Segments

We segmented the vendors in this market into three categories, based on digital experience platform revenue: large established players (more than $200 million in digital experience platform revenue), midsize players ($40 million to $200 million in revenue), and smaller players (less than $40 million in revenue) (see Figure 1).

FIGURE1 Now Tech Market Presence Segments: Digital Experience Platforms, Q2 2021

NOW TECH

Digital Experience Platforms

Q2 2021

LARGE >$200M in annual category revenue

Acquia
Adobe
Optimizely (Episerver)
Oracle*
Salesforce*
SAP*
Sitecore
Sprinklr*
WordPress VIP

MIDSIZE $40M to $200M in annual category revenue

Bloomreach
Contentful
HCL Software
Liferay
Microsoft*
Progress
Quadient

SMALL <$40M in annual category revenue

Altis DXP
Amplience
Contentstack*
CoreMedia*
Crownpeak
e-Spirit
GraphCMS
Ibexa
Jahia Solutions
Kentico Software
Magnolia
Pimcore

*Forrester estimate

Digital Experience Platform Functionality Segments

To explore how various segments are converging on our architectural vision, we need to understand functionality at a deeper level, so we broke the digital experience platform market into four segments, each with varying capabilities around a central role:

- **Content is the soul of experience.** If emotion is key to building your brand, then creating emotional connections starts with the right content — and an understanding of how it performs. As content management (in the broadest sense) evolves into a core platform service, more agile approaches and headless functionality are top of mind. As content evolves to better leverage consistent metadata and taxonomy models, these solutions will be better suited to tailor content to customer context. That intersection of content and context forms the initial experience. Therefore, the solutions included in this report solve for content first.

- **Commerce concretes the business value of experience.** Traditional e-commerce carries a connotation of selling traditional goods via a web shop, but this represents only a fragment of the real opportunity. Transactions between customers and back-end systems are where the rubber (DX) meets the road (business value). As many brands embrace direct-to-consumer models, third-party marketplaces (e.g., Amazon), embedded commerce (e.g., an Alexa skill), and subscription business models, DX platforms must access and expose core transactional capabilities via an API with the ability to understand and respond to the customer's context.

- **Data is the fuel that drives experience relevance.** Driven by continued investment in areas like social listening and marketing mix modeling and the recent spike in platform providers adding customer data platforms, data remains the fuel for tying context to content delivery and commerce outcomes. As advertising and anonymous personalization decline due to regulation (e.g., the General Data Protection Regulation), privacy concerns (e.g., the cookieless future), or diminished business viability, it's time to broaden the view of what data is needed in the DX stack — both as a bridge across existing data sources (e.g., transaction or profile) and environment for testing, targeting, and optimizing experiences.

- **Marketing is the orchestration of a journey — in service of experience outcomes.** Marketing technology, or "martech," has been viewed as a mega category unto itself, anchored by marketing automation technologies focused on email and landing page campaigns. That status is fading. Increasingly, marketing must orchestrate brand experiences across a wide swath of channels, both inbound and outbound. This orchestration varies widely based on customer journey types. However, the trajectory aligns more closely with customer loyalty (and "success") rather than only brand awareness or campaign management.

Align Individual Vendor Solutions To Your Organization’s Needs

The following tables provide an overview of vendors with details on functionality category, geography, and vertical market focus (see Figure 2, see Figure 3, and see Figure 4).

FIGURE 2 Now Tech Large Vendors: Digital Experience Platforms, Q2 2021

LARGE >$200M in annual category revenue

	Primary functionality segments	Geographic presence (by revenue %)	Vertical market focus (by revenue)	Sample customers
Acquia	Content; data; marketing	NA 70%; LATAM 3%; EMEA 20%; APAC 7%	Financial services; healthcare/pharma; retail	AT&T; Edward Jones; Pfizer
Adobe	Content; commerce; data; marketing	NA 56%; LATAM 2%; EMEA 26%; APAC 16%	High-tech; manufacturing/ consumer goods; retail	Helly Hansen; Swisscom; Walgreens Boots Alliance
Optimizely (Episerver)	Content; commerce; data; marketing	NA 55%; EMEA 35%; APAC 10%	Manufacturing and distribution; retail; technology	D'Addario; Dolby; Living Spaces
Oracle	Content; commerce; data; marketing	NA 65%; LATAM 10%; EMEA 20%; APAC 5%	Automotive; financial services; high-tech and industrial manufacturing; retail and consumer goods	Motorola; Panasonic UK; WebContinental
Salesforce	Content; commerce; data; marketing	NA 60%; LATAM 11%; EMEA 19%; APAC 10%*	High-tech; manufacturing; financial services	Mascoma Bank; Volvo; Zenovate
SAP	Content; commerce; data; marketing	NA 33%; LATAM 6%; EMEA 53%; APAC 8%	Consumer products; industry machinery and components; retail	doTERRA; Tetra Pak; Yell
Sitecore	Content; commerce; data; marketing	NA 49%; EMEA 35%; APAC 16%	Financial services; manufacturing; professional or technical services	Caleres; DP World; Triumph Motorcycles
Sprinklr	Data; marketing	NA 70%; other 30%*	Consumer products; retail and consumer goods; financial services	Heartland Dental; Moen; Sonos
WordPress VIP	Content; data; marketing	NA 67%; LATAM 2%; EMEA 24%; APAC 6%; other 1%	Finance; media; technology	Capgemini; Merck; Salesforce

*The vendor did not provide information for this cell; this is Forrester's estimate.

FIGURE 3 Now Tech Midsize Vendors: Digital Experience Platforms, Q2 2021

MIDSIZE $40M to $200M in annual category revenue

	Primary functionality segments	Geographic presence (by revenue %)	Vertical market focus (by revenue)	Sample customers
Bloomreach	Content; data; marketing	NA 49%; EMEA 51%	Distributors; data; marketing	Albertsons; Desigual; MSC Direct
Contentful	Content	NA 52%; LATAM 1%; EMEA 43%; APAC 4%	Consumer goods and retail; financial services; technology	BP; PayPal; Peloton
HCL Software	Content; commerce; data; marketing	NA 50%; LATAM 10%; EMEA 32%; APAC 8%	Financial services; banking and insurance; government; healthcare	Freedom Mortgage; PennVet; State of Ohio
Liferay	Content; commerce; marketing	NA 32%; LATAM 9%; EMEA 49%; APAC 10%	Banking and securities; government; insurance	Excellus BlueCross BlueShield; Tag; Vodafone
Microsoft	Content; commerce; data; marketing	NA 50%; other 50%	Financial services; media and entertainment; retail	Chipotle; Columbia Sportswear; Trugreen
Progress	Content; marketing	NA 67%; LATAM 2%; EMEA 22%; APAC 9%	Financial services; banking and insurance; manufacturing; nonprofits/association	Best Western GB; Legal & General America; Nova Scotia Power
Quadient	Content; data; marketing	NA 48%; LATAM 5%; EMEA 39%; APAC 8%	Financial services; insurance; telco and utility	British Gas; Lincoln Financial; Santander UK

FIGURE 4 Now Tech Small Vendors: Digital Experience Platforms, Q2 2021

SMALL <$40M in annual category revenue

	Primary functionality segments	Geographic presence (by revenue %)	Vertical market focus (by revenue)	Sample customers
Altis DXP	Content; marketing	NA 24%; EMEA 28%; APAC 48%	Banking; media; entertainment	FujiTV; Red Bull Media House; Snopes
Amplience	Content	NA 35%; EMEA 60%; APAC 5%	B2B e-commerce; manufacturing; retail e-commerce	Crate and Barrel; Gap; ULTA Beauty
Contentstack	Content	NA 55%; LATAM 7%; EMEA 35%; APAC 3%	Finance; media and entertainment; retail	Chase; Riot Games; Sephora
CoreMedia	Content; data	NA 13%; EMEA 83%; APAC 4%	B2B manufacturing; communications/ media; retail/ consumer brands	Deckers Brands; Deutsche Telekom; Emerson Electric
Crownpeak	Content; marketing	NA 76%; EMEA 24%	Finance and insurance; high-tech; pharma/life sciences	Associated Press; Freddie Mac; Healthgrades
e-Spirit	Content; data; marketing	NA 30%; EMEA 65%; APAC 5%	Banking; finance and insurance; manufacturing; retail	Asics; Bosch; Canada Life Insurance
GraphCMS	Content; data; marketing	NA 40%; LATAM 10%; EMEA 45%; APAC 5%	Financial services (banking and insurance); government; telecom	Biocentury; Prym; Telenor ASA
Ibexa	Content; commerce; marketing	NA 11%; LATAM 1%; EMEA 87%; APAC 1%	Finance and insurance; media; retail and consumer brands	COMECO; Groupe Atlantic; Pierre Fabre

FIGURE 4 Now Tech Small Vendors: Digital Experience Platforms, Q2 2021 (Cont.)

SMALL <$40M in annual category revenue

	Primary functionality segments	Geographic presence (by revenue %)	Vertical market focus (by revenue)	Sample customers
Jahia Solutions	Content; data; marketing	NA 30%; EMEA 65%; APAC 5%	B2B; finance; insurance	AllianceRx; European Parliament; Marriott Vacation Worldwide
Kentico Software	Content; commerce; data; marketing	NA 51%; LATAM 1%; EMEA 32%; APAC 16%	Finance; manufacturing; professional services	Konica Minolta; PPG; REWE Group
Magnolia	Content; commerce; marketing	NA 23%; EMEA 71%; APAC 6%	Banking and securities; retail; tourism and hospitality	JetBlue; Sainsbury's; Toshiba
Pimcore	Content; commerce; data	NA 40%; EMEA 58%; APAC 2%*	Automotive; manufacturing; retail*	Audi; OETKER Group; Peugeot Motorcycles

*The vendor did not provide information for this cell; this is Forrester's estimate.

Treat Experiences As The Foundation For Commerce Outcomes

While some teams saw DX delivery as the opportunity to "bring everything onto a common platform," we now know this doesn't scale. The new vision is to "align against a common operating model built on shared services." Data and automation — which make relevant content experiences at scale possible — are core reasons for taking an architectural approach to your DX stack. With goals that are both pragmatic and lofty, digital experience leaders should take four ambitions to heart:

- **Choose the vendor whose content vision fits your engagement strategy.** Vendors offer content capabilities that serve different practitioners within different business models. Marketers creating brand experiences for luxury apparel consumers are different from sales reps creating digital proposals for buyers of industrial equipment. To create effective digital experiences for customers and partners, you must understand how content serves your engagement strategy across channels and across the customer lifecycle.
- **Pick an ecosystem, not just a vendor.** Innovation through ecosystems helps organizations — both brands and their vendors — gain speed, agility, and resilience. Single-product vendors like commercetools, Lucidworks, and Tealium have strategic partnerships with DXP vendors to provide

best-in-class third-party capabilities that integrate as seamlessly as first-party capabilities. Digital experience and commerce agencies can also orchestrate "collections" of technology, services, and DXP building blocks into semicustom platforms for specific markets or subverticals.

- **Look to gain flexibility and agility across the platform.** All too often, DX architecture grows inconsistently, adding untenable friction to teams trying to deliver consistent customer experiences. Rationalizing your portfolio of digital experience tools helps you gain agility. Business units, brands, or teams that work off a common foundation can frictionlessly share assets, workflows, and data. Standardized products and services (delivered as platforms) combined with lighter-weight practices that make it easier to get all contributors focused on the same goals are key to reducing time-to-value and clearing out tech debt.
- **Always aim for data standards even if automation and scale aren't today's concerns.** Even if AI- and machine learning-based automations seem far-fetched, consider that data interoperability will improve your processes, whether they're manual or automated. The data fabric that underpins your architecture should be a priority for the entire organization. That's because it can reduce process friction and enable better customer experiences. And soon — if it hasn't already — it might unlock new insights, automation, and scale that have the power to change everything from your experience operations to your core business models.

Supplemental Material

Market Presence Methodology

We defined market presence in Figure 1 based on the vendors' annual DX platform revenue.

To complete our review, Forrester requested information from vendors. If vendors did not share this information with us, we made estimates based on available secondary information. We've marked companies with an asterisk if we estimated revenues or information related to geography or industries. Forrester fact-checked this report with vendors before publishing.

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