



IDC MarketScape

IDC MarketScape: Worldwide Manufacturing Customer Experience IT Strategic Consulting 2018 Vendor Assessment

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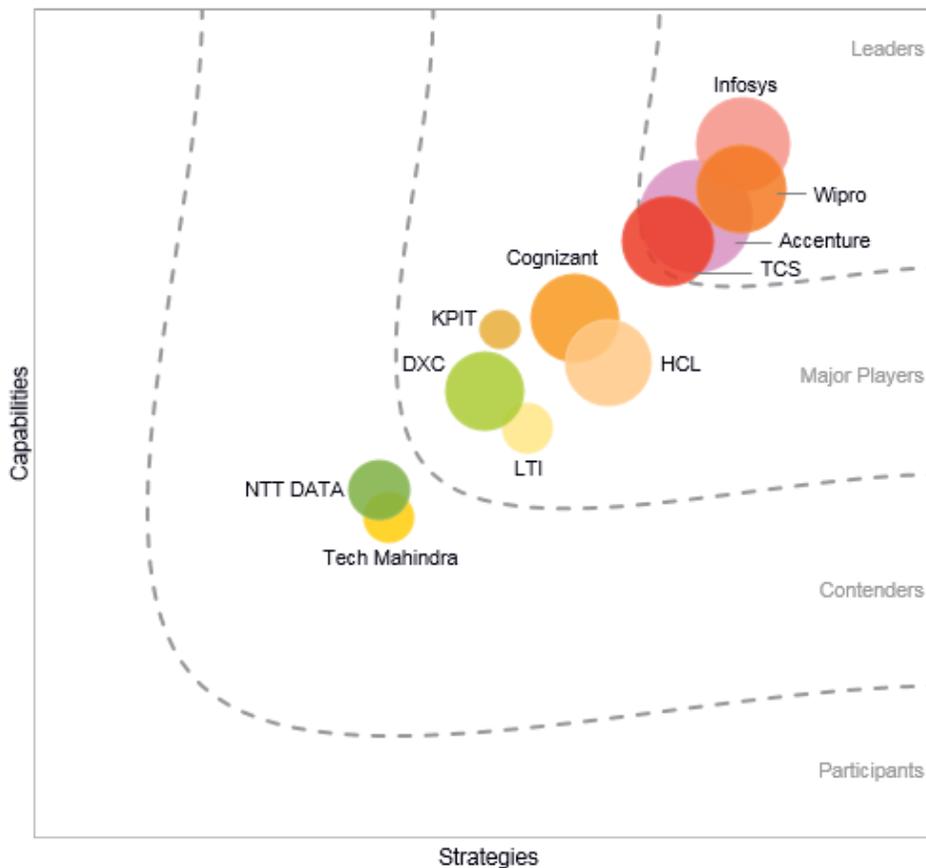
THIS IDC MARKETSCAPE EXCERPT FEATURES: INFOSYS

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Manufacturing Customer Experience IT Strategic Consulting Vendor Assessment

IDC MarketScape: Worldwide Manufacturing CX IT Strategic Consulting



Source: IDC, 2018

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Manufacturing Customer Experience IT Strategic Consulting 2018 Vendor Assessment (Doc # US42727917e). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study represents the vendor assessment model called IDC MarketScape. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the IT strategic consulting for customer experience (CX) in manufacturing marketplace and help assess current and anticipated performance in the marketplace. A companion to this document, *IDC MarketScape: Worldwide Manufacturing Customer Experience IT Services 2018 Vendor Assessment*, is publishing shortly. This study assesses the capability and business strategy of 11 of the prominent IT service providers for IT strategic consulting related to customer experience in the manufacturing industry. This evaluation is based on a comprehensive framework and set of parameters expected to be most conducive to success in providing strategic consulting services for CX in both the short term and the long term. Key findings include:

- Customer experience in manufacturing, as defined in this document, is one of the pillars of digital transformation (DX), and it is a strategic priority in IDC's worldwide digital transformation use case taxonomies for the manufacturing industry.
- While all 11 vendors included in this IDC MarketScape bring notable capability to the space, they offer varying approaches to CX and its subcategories.
- IT service providers that enable customer experience have invested in delivery centers on a global scale that are both specific to customer experience and user experience but also that incorporate many of the 3rd Platform and innovation accelerators as defined by IDC, including cloud, mobile, social, and big data analytics as well as augmented and virtual reality, artificial intelligence, robotics, Internet of Things, and cybersecurity.
- The criteria used in the IT strategic consulting vendors for CX in manufacturing IDC MarketScape (and the resulting position in Figure 1) are across dual dimensions of strategy (future plans and where the vendor is headed) and capability (where the vendor is today in terms of capabilities). Each of the elements within strategy and capability is then assigned a weighting based on the relative importance of each criterion in the opinion of IDC Manufacturing Insights and feedback from manufacturing customers.
- The results of this study reveal differences in experience by subindustry and delivery approach, and this information can be useful to manufacturers as they evaluate IT strategic consulting vendors for CX in manufacturing. How the vendor locates resources and what industries are most heavily represented in its customer list are two useful points of information.
- This IDC MarketScape is a starting point for manufacturers that are evaluating IT services vendors for help with strategic CX projects. It is a "short list," if you will – a way to initially winnow down the long list of providers that exist in the marketplace. It does not replace the

"due diligence" that companies must then complete to select the ultimate vendor for assistance in a customer experience initiative.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

Customer experience management is a broad topic and still evolving in maturity as an adopted practice by manufacturers worldwide. For the purposes of this IDC MarketScape, and any subsequent research on the topic from IDC Manufacturing Insights, we are defining customer experience to include a combination of services, applications and, in some instances, infrastructure to support the customer-facing business processes within an organization (e.g., sales, marketing, customer service, and contact center). Collectively, these applications serve to manage the entire life cycle of a customer (including the process of brand building, conversion of a prospect to a customer, and the servicing of a customer) and help an organization build and maintain successful relationships.

There are dozens of IT service providers that offer strategic consulting around the business processes that make up customer experience. For the purposes of this IDC MarketScape, we are focusing on the notable players with annual revenue of at least \$1 billion and manufacturing-specific revenue of \$500 million that offer strategic consulting for a portfolio of CX processes or are engaged to assist with a business transformation that has customer experience at its core.

It is important to note that not accepting inclusion in the IDC MarketScape does not imply a lack of capability; there are many reasons for not participating, including simply a lack of resources to complete the RFI or conduct a briefing. Those companies that accept our invitation to participate often do so because this technology area is of certain strength to them.

ADVICE FOR TECHNOLOGY BUYERS

- **Understand how the services providers structure their interactions and populate the project teams.** In countless interviews with manufacturers, there was consistent advice to ensure that the way the services firm balanced onshore needs with offshore resources matched what the manufacturer needed. This approach varies by services provider, and it is worth an extensive discussion up front to be certain the right expectations are established to support the initiative. Along the same lines, understanding the level of expertise and even identifying the key team members at the outset will support ultimate success.
- **Pay attention to industry-specific domain knowledge.** Within customer experience practices, services providers have built deep industry expertise across certain business processes, whether they are user experience design or customer journey mapping. This combination of industry-specific needs and deep process understanding enables them to identify and recommend "best practices" that are industry specific. Therefore, understanding how the services provider addresses the business process within your manufacturing segment, whether it is automotive or food and beverage, is essential.
- **Evaluate depth and experience within specific CX categories.** While all of the vendors in this IDC MarketScape exhibited very good to excellent breadth of experience across CX categories, across a given category, many of them have only completed a handful of projects in the past several years versus the gold standard of more than 20 in a given category. Manufacturers we interviewed cautioned prospective customers to understand the level of experience in a given category and avoid the dangers of "learning on the job" that can come with relative inexperience in a specific CX category. In these cases, consider how to work with

the services provider to craft an arrangement that reflects the learning curve. Gainshare and shared-IP models have both been favorable options. The exception to this suggestion is the IT services company that already provides systems integration services but may still be evolving their position as IT strategic consulting providers. The benefit of a known relationship that understands your unique IT landscape will overshadow any potential hesitation due to its relatively lower project volumes if it has IP for strategic CX projects.

- **Speak with customer references.** Because of the strategic nature of these types of projects, there is a need for a higher level of comfort and evaluation of the prospective service provider with regard to its approach to customer experience and the ways they engage with clients to facilitate a strategic engagement. This may also involve seeking feedback from references within your own company, as many may have had experiences with other IT services firms in prior jobs.
- **Understand the delivery infrastructure the services provider offers.** Given the global nature of most manufacturers' businesses, and the potential for many CX projects to span geographies, it is important to understand what resources services providers have located in each region, including delivery centers and domain-specific FTEs. In addition, a number of services providers have built centers of excellence (COEs) around various CX and innovation accelerator domains.
- **Use this IDC MarketScape for vendor evaluation.** Use this IDC MarketScape in contract negotiations and as a tool to not only short-list vendors for CX service bids but also evaluate vendors' proposals and oral presentations.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Infosys

Infosys Ltd. is positioned as a Leader in this IDC MarketScape on customer experience IT strategic consulting services in manufacturing.

Infosys is a multinational corporation that provides business consulting, information technology, and outsourcing services. Founded in 1982, Infosys has its headquarters in Bengaluru, India, and has been delivering services to clients in the manufacturing industry over the past 35 years. Infosys reported that approximately 28% of 2016 revenue came from manufacturing customers. The company has 198,553 employees, of which 52,942 are manufacturing focused and serve Infosys' 554 manufacturing clients. While Infosys delivers services across the industry, its clients are concentrated in automotive, aerospace, industrial manufacturing, high tech, and consumer products. Seventy percent of manufacturing client engagements are based in North America, followed by 20% in Western Europe, and the remainder in Asia/Pacific, Eastern Europe, and Latin/South America. For customer experience, Infosys applies Design Thinking and innovation to fulfill its clients' CX needs, including a strategy that involves emotional innovation, human-centered approach to innovation, process innovation, and experience innovation. Infosys has matured, strategic partnerships with all prominent customer experience software providers including SAP, Oracle, IBM, Demandware, Sitecore, Microsoft, and Adobe.

Strengths

Infosys has been successful at using Design Thinking to establish itself as a strategic partner for its manufacturing clients in the area of customer experience. In particular, its human-centric approach is a notable differentiator. Among the strengths that surfaced from this evaluation were Infosys' overall breadth of functionality, its range of related services, and its IP related to CX. The company has followed the shift from an application and integration approach to CX toward a focus on customer outcomes and experiences that drives the adoption of a strategy before identifying the applications, processes, and services that need to support the strategy. To expand its digital agency capabilities, Infosys recently acquired Brilliant Basics, a global design and product studio. This acquisition is part of the more than eight acquisitions that Infosys has made in the past three to five years in digital experience. Approximately 40% of Infosys' manufacturing revenue comes from CX or customer projects, and the company has completed more than 70 CX-related projects in IT strategic consulting for manufacturers in the past three years. Among the IP related to CX is Infosys' creation of a Customer Genome with more than 120 attributes that can be used to quickly identify and deliver end customers a customized experience. Infosys plans to open 40-50 customer experience hubs in the next three to five years, where they will work conjointly with customers to enhance customer experience for their end customers. The Infosys investment fund is a \$500 million venture fund that identifies and makes investments in innovative start-ups in key technology areas to keep apace with the rapid evolution of digital technology.

Challenges

Infosys has pulled together many of the essential components for helping manufacturing clients build out strategic approaches to customer experience, and it will need to further coalesce all of the pieces to be successful in this market.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

For the IDC MarketScape on manufacturing customer experience strategic consulting, because we are evaluating 11 vendors that are dominant in terms of market share and presence, all of the vendors ended up within either the Contenders, the Major Players, or the Leaders segment of the chart (refer

back to Figure 1). These 11 vendors have all demonstrated depth of experience with F1000 companies in this area. And while we have outlined some of the differences of offerings and strengths within the individual vendor profiles, IDC Manufacturing Insights would not hesitate to recommend any of them to a manufacturer evaluating this space.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Overview

IDC expects that the total manufacturing customer experience IT strategic consulting services market will continue to grow at an average CAGR of 3.3% over the next five years. The market for IT strategic consulting services related to customer experience in manufacturing is expected to outpace this growth rate, and IDC Manufacturing Insights estimates it to be close to \$35 billion in 2017.

Market Definition

Customer experience is a broad topic, and while the concept is widely understood in consumer-facing industries like retail, it is still evolving in maturity as an adopted strategic practice by manufacturers worldwide. For the purposes of this IDC MarketScape, and any subsequent research on the topic from IDC Manufacturing Insights, we are defining customer experience to include a combination of services, applications and, in some instances, infrastructure to support the customer-facing business processes within an organization (i.e., sales, marketing, customer service, and contact center). Collectively, these applications serve to manage the entire life cycle of a customer (including the process of brand building, conversion of a prospect to a customer, and the servicing of a customer) and help an organization build and maintain successful relationships.

At IDC, we see customer experience as part of omni-experience digital transformation, one of five key dimensions to digital transformation. IDC defines omni-experience as a multidimensional ecosystem approach for businesses to continually amplify experience excellence for their products and services. It includes the infinite combination of interactive experiences between digitally enabled manufacturers and their customers, partners, employees, and "things" that are transforming the way people communicate with each other and with the products and services that are increasingly created to meet unique and individualized demand. Manufacturers that are able to deliver an optimized omni-experience as part of their digital transformation journey should be able to continually attract and grow loyalty with customers, partners, and employees across the entire value chain and positively impact their business performance as a result. For more information, see *IDC MaturityScape: Omni-Experience Digital Transformation in Manufacturing 1.0* (IDC #US40542516, March 2016).

As this is an IDC MarketScape that evaluates IT service providers that offer strategic consulting services for customer experience engagements in the manufacturing industry, it is useful to understand how IDC defines the services market, specifically strategic consulting (additional information may be found in *IDC's Worldwide Services Taxonomy, 2017*, IDC #US42356617, March 2017):

- IT consulting is a professional services activity around information technology. It is the delivery of advice to customers aimed at managing their IT organization and at improving an organization's IT performance, infrastructure including IT security, and related processes. IT strategy consulting assists an organization with designing an IT vision and goals for the entire organization and then aligning resources accordingly. This includes IT strategic planning (including human resources, facilities, and financial planning), IT needs assessment, IT operations assessment, development of enterprise architectures, IT road map design, IT governance (including definition of IT processes), and IT strategies related to systems, enterprise applications, capacity planning, maintenance planning, and infrastructure.

The following are selected service capabilities/offerings for customer experience in manufacturing that vendors were evaluated against:

- Customer engagement
- Customer journey mapping
- Omni-channel engagement
- eCommerce strategy
- Dealer/channel optimization
- Customer/contract lifetime value analysis
- Contract management strategy
- Connected products for customer experience services
- Servitization (products as a service) strategy (e.g., selling usage, uptime, power by the hour)
- Digital transformation for customer experience
- Warranty optimization as it relates to customer experience
- Enterprise mobility for customer experience services
- Cloud strategy for customer experience services
- Knowledge/content management strategy for customer experience services
- Customer data management strategy
- Customer services analytics strategy

Among the considerations for engaging with an IT services firm is its experience in vertical markets and its presence in a given geography. Often the geographic presence indicates how well the provider can offer onshore resources to meet customer needs. While there is a concentration of customers in North America and Europe for most of the vendors, there is an increasing opportunity in emerging markets for these companies and we expect to see growth continue in these regions (see Table 1). Another consideration is the level of experience the vendor has within a certain vertical market. Table 2 highlights the vendor coverage by manufacturing segment.

TABLE 1**Vendor Coverage by Geography (% of Manufacturing Engagements)**

	North America	Europe	Middle East/ Africa	Asia/Pacific	Latin/South America	Rest of World
Accenture	30.0	53.0	1.0	12.0	3.0	1.0
Cognizant	75.0	15.0	*	10.0	*	*
DXC	30.0	25.0	5.0	25.0	15.0	0.0
HCL	59.0	27.0	3.0	9.0	2.0	0.0
Infosys	70.0	21.0	0.0	8.0	1.0	0.0
KPIT	60.0	15.0	5.0	15.0	5.0	0.0
LTI	68.5	22.9	0.9	7.7	*	*
NTT DATA	20.0	31.0	*	46.0	*	3.0
TCS	52.0	44.0	0.0	3.0	1.0	0.0
Tech Mahindra	58.0	32.0	*	10.0	*	*
Wipro	61.0	20.0	0.0	8.0	6.0	5.0

* NTT DATA reports Middle East/Africa as part of Asia/Pacific and Latin/South America as part of rest of world (ROW).

* For LTI, Latin/South America and ROW are merged with other regions.

* Cognizant numbers represent total revenue, and Middle East/Africa, Latin/South America, and ROW are included with Asia/Pacific number.

* Tech Mahindra includes Latin/South America in North America number and Middle East/Africa and ROW in Asia/Pacific number.

Note: Information was provided by vendors.

Source: IDC Manufacturing Insights, 2018

TABLE 2**Vendor Coverage by Manufacturing Segment (%)**

	Automotive	Farm, Construction, and Industrial Machinery	Aerospace and Defense	High Tech	Consumer Products	Process	Life Sciences	Other
DXC	30.0	10.0	25.0	10.0	15.0	5.0	5.0	0.0
HCL	7.0	13.0	6.0	42.0	12.0	8.0	12.0	0.0
Infosys	16.4	9.4	5.9	37.4	20.6	9.2	1.1	0.0
KPIT	20.0	15.0	2.0	15.0	15.0	15.0	15.0	3.0
LTI	21.8	*	*	11.0	8.0	11.7	*	47.5
NTT DATA	19.0	13.4	10.8	8.8	14.5	6.1	5.2	22.2
TCS	11.0	5.0	3.0	13.0	33.0	6.0	18.0	11.0
Tech Mahindra	41.0	13.0	9.0	3.0	6.0	13.0	7.0	8.0
Wipro	8.0	10.0	1.0	43.0	16.0	8.0	14.0	0.0

* LTI's automotive data includes aerospace and farm, construction, and industrial; consumer products include retail and life sciences; high tech includes media and entertainment; process includes energy; and "other" includes insurance, banking, and financial services.

Note: Information was provided by vendors.

Source: IDC Manufacturing Insights, 2018

LEARN MORE**Related Research**

- *IDC MarketScape: Worldwide Manufacturing Customer Experience Systems Integration 2018 Vendor Assessment* (IDC #US42727817, forthcoming)
- *IDC FutureScape: Worldwide Manufacturing Product and Service Innovation 2018 Predictions* (IDC #US43153217, October 2017)
- *DX Use Cases That Highlight the New Rules of Customer Engagement in Manufacturing* (IDC #US42964917, August 2017)
- *IDC Manufacturing Insights' 2017 Product and Service Innovation Survey Results* (IDC #US42727717, June 2017)
- *IDC MaturityScape: Omni-Experience Digital Transformation in Manufacturing 1.0* (IDC #US40542516, March 2016)

Synopsis

This IDC Manufacturing Insights study uses the IDC MarketScape model to provide an assessment of 11 service providers participating in the worldwide customer experience in manufacturing IT strategic consulting market. The IDC MarketScape is an evaluation based on a comprehensive framework and a set of parameters that assesses providers relative to one another and to those factors expected to be most conducive to success in a given market during both the short term and the long term.

"With the rise of customer centricity and the increasing urgency for manufacturers to deliver their customers, whether they are businesses or consumers, an engaging experience, manufacturers are increasingly seeking out IT service providers to help develop a strategy for transforming the customer relationship to increase loyalty, revenue, and customer retention. This is certainly a market where early movers will gain competitive advantage," says Heather Ashton, research manager for IDC Manufacturing Insights' Service Innovation and Connected Products Strategies Practice.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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