IDC MarketScape

IDC MarketScape: Worldwide Manufacturing Customer Experience Systems Integration 2018 Vendor Assessment

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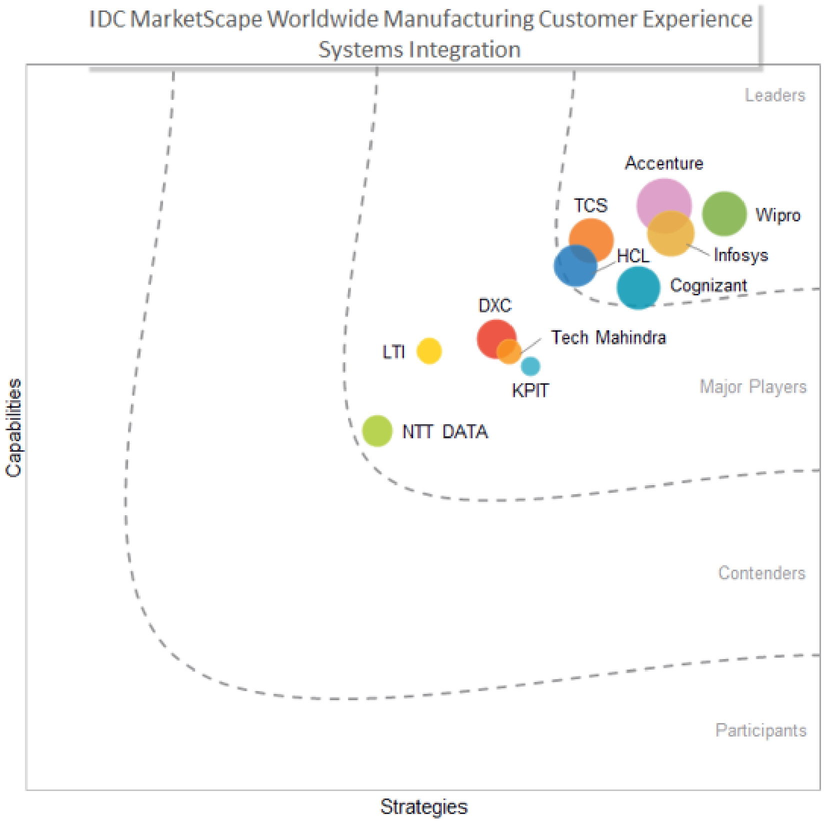
THIS IDC MARKETSCAPE EXCERPT FEATURES: INFOSYS

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Manufacturing Customer Experience Systems Integration Vendor Assessment



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 Systems Integration 2018 Vendor Assessment (Doc #US42727817). 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 systems integration for customer experience in manufacturing marketplace and help assess current and anticipated performance in the marketplace. A companion to this document is *IDC MarketScape: Worldwide Manufacturing Customer Experience IT Strategic Consulting 2018 Vendor Assessment* (IDC #US42727917, forthcoming). This study assesses the capability and business strategy of 11 of the prominent IT service providers for systems integration and other IT services related to customer experience (CX) 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 IT services for CX in both the short term and the long term. Key findings include:

- Customer experience in manufacturing, as defined in the Market Definition section, 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.
- Customer experience IT service providers have invested in delivery centers on a global scale that are specific to both customer experience and user experience (UX) and that incorporate many of the 3rd Platform and innovation accelerators as defined by IDC, including cloud, mobile, social, and big data and analytics as well as augmented reality (AR) and virtual reality (VR), artificial intelligence (AI), robotics, Internet of Things (IoT), and cybersecurity.
- The criteria used in the IT systems integration 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 service providers for systems integration and other services engagements that encompass customer experience. 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 implementation of 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 MARKETSCAPE 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 systems integration and implementation services around the business processes that comprise 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 IT services for a portfolio of CX processes and related applications.

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 service providers structure their interactions and populate the project teams.** In countless interviews with manufacturers, there was consistent advice to ensure that the way the service firms balanced onshore needs with offshore resources matched what the manufacturer needed. This approach varies by the service providers, 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, service 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 service providers addresses the business process within your industry segment 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 2-3 projects in the past several years versus the gold standard of more than 20 in a given category. Manufacturers IDC 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 service providers to craft an arrangement that reflects the learning curve. Gainshare and shared IP models have both been favorable options.

- **Understand the delivery infrastructure the service providers offer.** 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 service providers have located in each region, including delivery centers and domain-specific FTEs. In addition, a number of service 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 for worldwide manufacturing customer experience systems integration.

It is a multinational corporation that provides business consulting, information technology, and outsourcing services. Founded in 1982, with its headquarters in Bengaluru, India, Infosys 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. 70% 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 a mature and strategic partnership with all customer experience software providers including SAP, Oracle, IBM, Demandware, Sitecore, Microsoft, and Adobe, to name a few.

Strengths

Infosys delivers a broad range of IT systems integration capabilities for CX in manufacturing. The company has more than 90 delivery centers around the world, including the following centers of excellence that support CX engagements: UX COE, Mobility COE, Digital Factory COE, Commerce COE, SFDC/Oracle/SAP/IBM/Adobe/Sitecore COE, Data and Analytics COE, and Infosys Centre for Emerging Technologies. Over the past three years, Infosys had completed more than 130 systems integration projects in CX for manufacturers. Client delivery is a particular strength of Infosys, both in methodologies and quick-start capabilities geared toward CX projects. Infosys offers an Infosys CX Maturity Assessment Framework that assesses clients on multiple parameters related to CX and delivers recommendations to achieve their goals. The company also provides Rapid Implementation frameworks and Domain Solutions Groups that create industry-specific templates to be used across different product offerings. Infosys has undertaken the following representative projects related to CX and IDC's innovation accelerators:

- **Augmented/virtual reality:** Projects include building virtual automotive simulators, large-scale and stadium-size virtual experiences, and simulators for training and education in defense and aerospace industries. Plant.io is an open source, plant-growing platform that incorporates AR to transport the plant growth cycle into a mixed physical/virtual reality. Flight 360 uses VR to create immersive experiences for airline customers.
- **IoT:** Infosys is developing custom biometric software to provide safer driver experiences and prevent driver distraction. Infosys developed an IoT-based precision farming offering for a farm equipment manufacturer to offer prescription services to farmers for timely sowing and watering.
- **AI/natural interfaces:** Infosys Nia Chatbot provides conversational intelligence and an adaptive UX that enables customers to use a preferred channel for communication. An automotive manufacturer is using Infosys Nia Chatbot to automate the Live Agent Assist system in its high-end cars.

Challenges

Infosys has ambitious goals to expand its CX practice, including aggressive revenue growth and hiring resources for both sales and delivery. In this competitive market, the company may be challenged to complete these objectives. In addition, Infosys plans to expand its CX footprint through customer experience hubs, and this will be a cornerstone of the company's success in this competitive 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 this IDC MarketScape on manufacturing customer experience systems integration, 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 "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 a review board 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 the total manufacturing customer experience systems integration market to continue to grow at an average CAGR of 3.3% over the next five years. The market for systems integration 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 systems integration and other implementation services for customer experience engagements in the manufacturing industry, it is useful to understand how IDC defines the services market, specifically IT systems integration (additional information may be found in *IDC's Worldwide Services Taxonomy, 2017,* IDC #US42356617, March 2017):

- IDC defines systems integration (SI) as a process that includes the planning, design, implementation, and project management of a technical solution that addresses an organization's specific technical or business needs. When SI deals involve contracting for custom application development related to the systems integration, then those activities are included in the definition of SI. SI projects typically involve different platforms and technologies. The solution may include hardware, software, and services and is consumed on-premise, on demand, or in a cloud-based environment. An SI project is formalized by a contract that is constructed around solution specifications and often demands certain levels of performance against technical or business goals. The end result of an SI project is the delivery of a system that meets a stated objective and fulfills solution specifications.

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

- Customer support/call center/contact center transformation
- Community management
- Customer relationship management (including customer portals)
- Guided selling, sales enablement, configure, price, quote
- Renewals/cross-sell/upsell services
- eCommerce implementation
- Customer self-service implementation
- Dealer/channel management implementation (including dealer portals)
- Contract management systems
- Warranty registration management
- Enterprise mobility technology for customer experience
- Cloud technology for customer experience services
- Connected products for customer experience services
- Analytics for customer experience optimization (including sentiment, behavior, selling, marketing, etc.)

Among the considerations for engaging with an IT services firm is their experience in vertical markets and their 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 as a Percentage of Manufacturing Engagements by Region (%)

	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

TABLE 1

Vendor Coverage as a Percentage of Manufacturing Engagements by Region (%)

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

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

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

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

* Tech Mahindra includes Latin/South America in the North America number and includes Middle East/Africa and ROW in the 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
Accenture	7.0	14.0	NA	NA	30.0	18.0	30.0	_

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	–
HCL	7.0	13.0	6.0	42.0	12.0	8.0	12.0	–
Infosys	16.4	9.4	5.9	37.4	20.6	9.2	1.1	–
KPIT	20.0	15.0	2.0	15.0	15.0	15.0	15.0	3.0
LTI	22.0	*	*	11.0	8.0	12.0	*	47.0
NTT DATA	19.0	13.0	11.0	9.0	15.0	6.0	5.0	22.0
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	–

* LTI's automotive data includes aerospace and defense and farm, construction, and industrial machinery; consumer products data includes retail and life sciences; high tech data includes media and entertainment; process data includes energy; and "other" data 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 IT Strategic Consulting 2018 Vendor Assessment* (IDC #US42727917, 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 report uses the IDC MarketScape model to provide an assessment of 11 service providers participating in the worldwide customer experience in manufacturing IT systems integration market. This 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 transform their separate customer management systems and digital channels into holistic system for managing and optimizing the customer relationship. This is certainly a market in which 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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