



HFS Horizons Report

Digital Marketing and Sales Service Providers, 2023

May 2023

AUTHORS:

Melissa O'Brien, Executive Research Leader
Krupa K S, Senior Analyst

Excerpt for Tech Mahindra



As enterprises continue to redefine their strategies, refine their value proposition for target customers, and determine how to best engage customers to deliver value, there's a deep need for more customer-centricity and differentiated CX to profitably deliver growth.

Sales and marketing professionals are in dire need of support, especially to navigate the growing martech landscape, augment and supplement talent pools, and scale growing areas like ecommerce. They rely on their service providers to support and co-innovate for growth and data-driven strategies in an increasingly uncertain and disruptive competitive landscape.

Melissa O'Brien, Executive Research Leader

Contents

	Page
1 <u>Introduction and key findings</u>	4
2 <u>Research methodology</u>	14
3 <u>Client reference demographics and market dynamics</u>	18
4 <u>Horizons landscape: Digital Marketing and Sales Services, 2023</u>	21
5 <u>Tech Mahindra profile: Digital Marketing and Sales Service, 2023</u>	24
6 <u>HFS Research authors</u>	26

1

Introduction and key findings

Introduction

- Initial attempts to improve customer value chain processes—from marketing to customer service—have allowed business operations to run somewhat faster, cheaper, and even a bit better, but is the digital front office truly connected?
- The value proposition for digital marketing and sales services has matured well beyond cost reduction and productivity gains. HFS describes the value across three horizons:
 - **Horizon 1:** Driving business outcomes, cost reduction, and productivity improvements
 - **Horizon 2:** Horizon 1 + improving customer experience (CX) and employee experience (EX)
 - **Horizon 3:** Horizon 2 + unearthing new sources of value to drive growth and manage risks
- This HFS Horizons report for digital marketing and sales services examines the capabilities of 9 service providers and paints the supplier landscape across the three HFS Horizons. Inclusion was based upon digital marketing and sales revenue of at least a \$250M or 10% contribution to overall revenues, and an existing portfolio of services in line with our digital marketing and sales value chain.
- We assessed the service providers across a defined series of criteria
 - The Why: Value proposition
 - The What: Execution and innovation capabilities
 - The How: Go-to-market strategy
 - The So What: Market and client impact
- This report also includes detailed profiles of each service provider, outlining their placement, provider facts, and detailed strengths and opportunities.

Executive summary

1

Experience is the key differentiator for today's enterprises' competitive distinction. Customers and employees expect to be treated as individuals with unique needs and preferences. Service providers are building frameworks where they help their clients with detailed analytics and reporting to track their customers' engagement, enabling them to make the right decisions and optimize their marketing strategies.

2

The impact of changing consumer expectations and hyped-up channels like the metaverse means that digital marketing and sales professionals' need to support is significantly increasing because it revolutionizes how businesses approach these areas. These changing dynamics create fresh opportunities for businesses to provide customers with immersive and personalized experiences, acquire valuable data, and establish new revenue streams. As this technology continues to develop, companies that adopt it will gain a competitive edge in the digital market, but they rely on partners to scale, access talent, and innovate.

3

Service providers assert that an average of 81% of their digital marketing and sales services engagements successfully achieve digital transformation in line with the HFS OneOffice model. As business leaders strive to manage their customers' increasing demands and complexity, it is crucial to align the entire organizational mindset with digitalization, including developing relationships with internal (IT, in particular) and ecosystem partners (providers and technology providers).

4

Greater EX creates greater CX; for customer-centric services, it is important to provide customers with personalized experiences. Companies are empowering their employees with the right technology and data-driven insights to understand and anticipate customer needs and preferences. Marketing and sales strategies must address both employee and customer journeys and experiences to succeed.

5

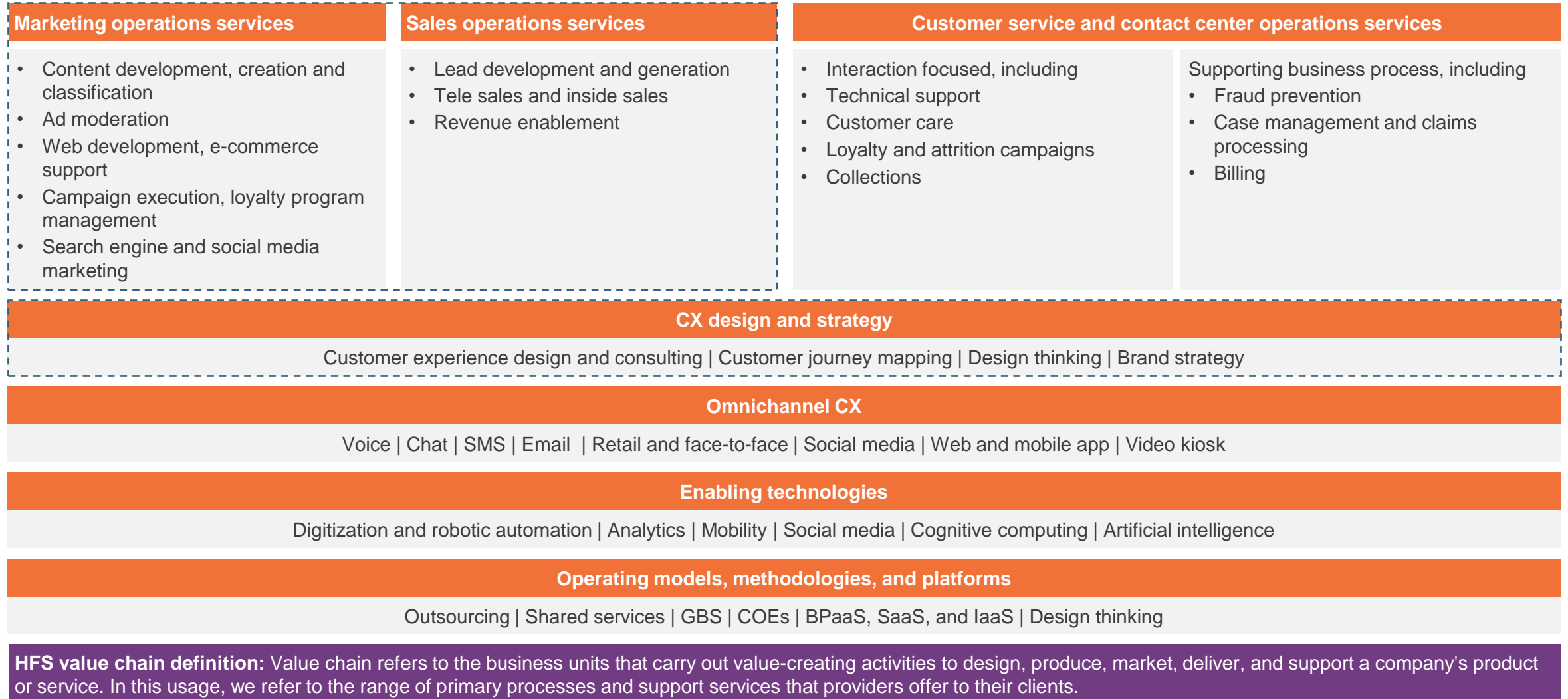
Input and output pricing models continue to be the most chosen pricing strategies. While cost is an increasingly important consideration for operations, a value proposition solely focused on cost may not be enough to attract and retain customers. We see that enterprises that co-innovate with providers achieve more business outcomes for greater value.

6

Data strategy and governance are keys to finding hidden value. Enterprise leaders seek ways to maximize the value of their data and use it as an asset to find new sources of value and create insights for decision making. As a result, there is a growing demand for the data service providers produce for use as data-as-an-asset to find new sources of value and create insights for decision making.

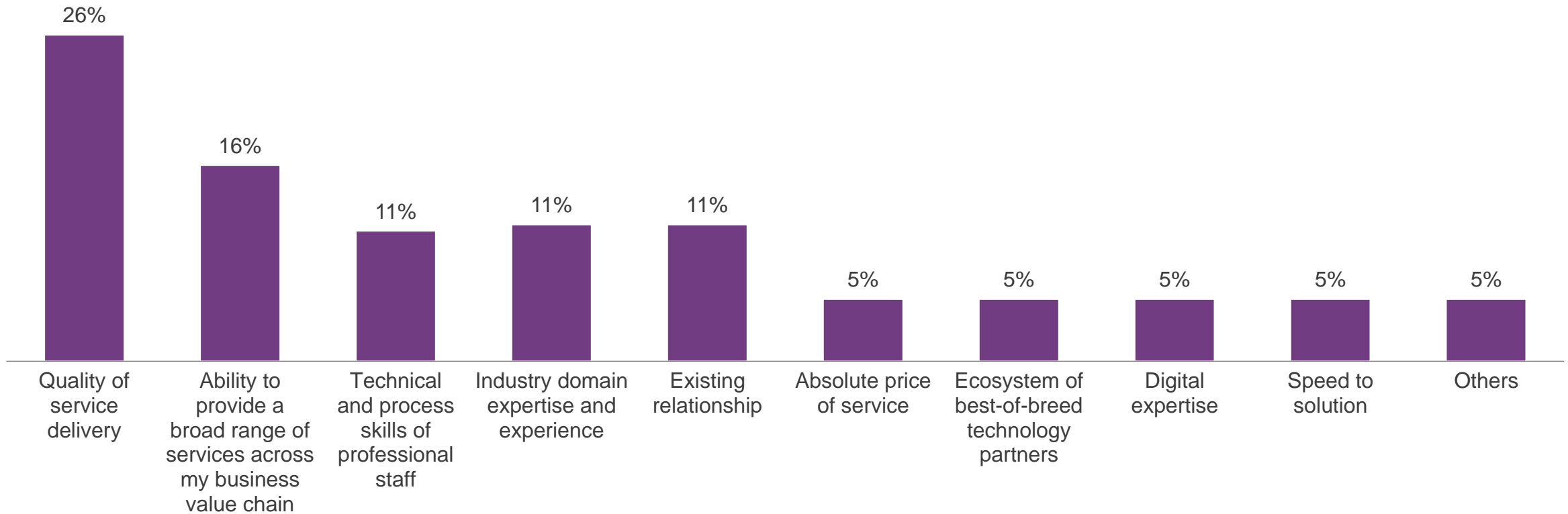
Our CX value chain aligns to CX design and strategy, bolstered by operations services

Digital Marketing, Sales and CX Design and Strategy are a key foundational market we cover at HFS



Enterprises seek quality and a broad range of digital marketing and sales service offerings from service providers

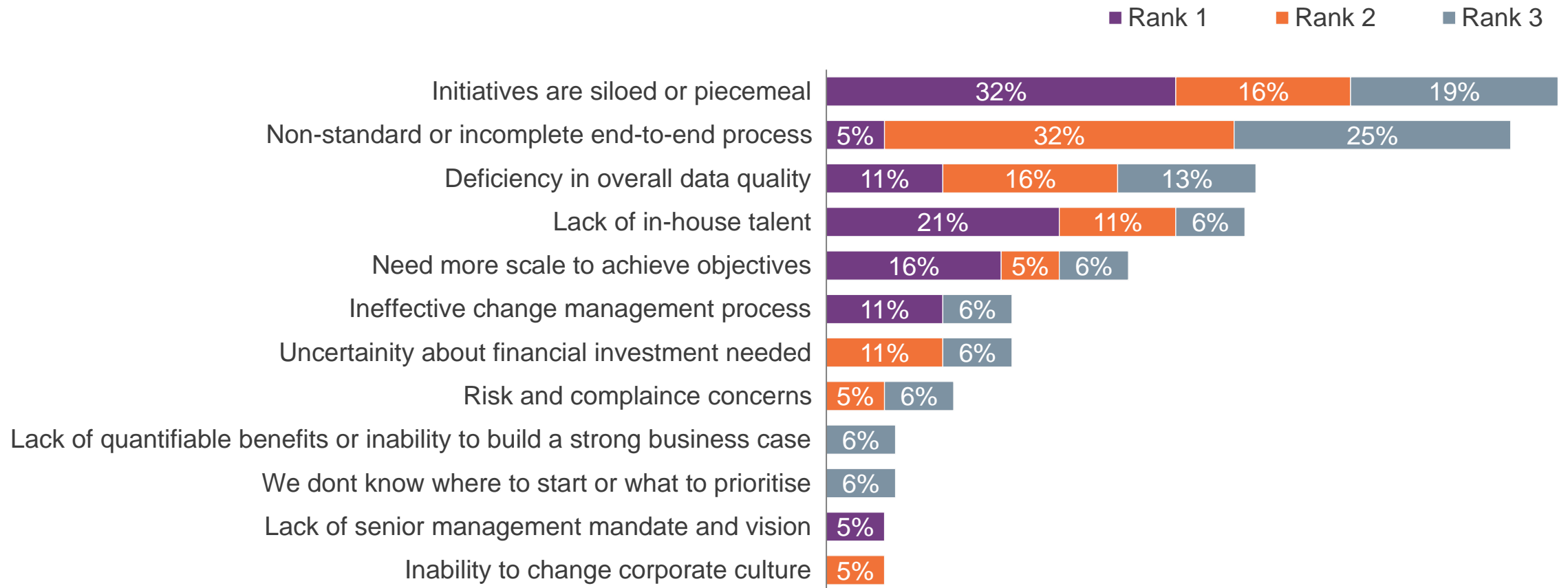
Which of the following options was the single most important when selecting this provider?
Percentage of responses



Sample: 19 enterprise leaders, Horizons reference survey
Source: HFS Research, 2023

Clearer roadmaps, standardized processes, and building in-house talent will help enterprises plan and execute their successful CX transformation

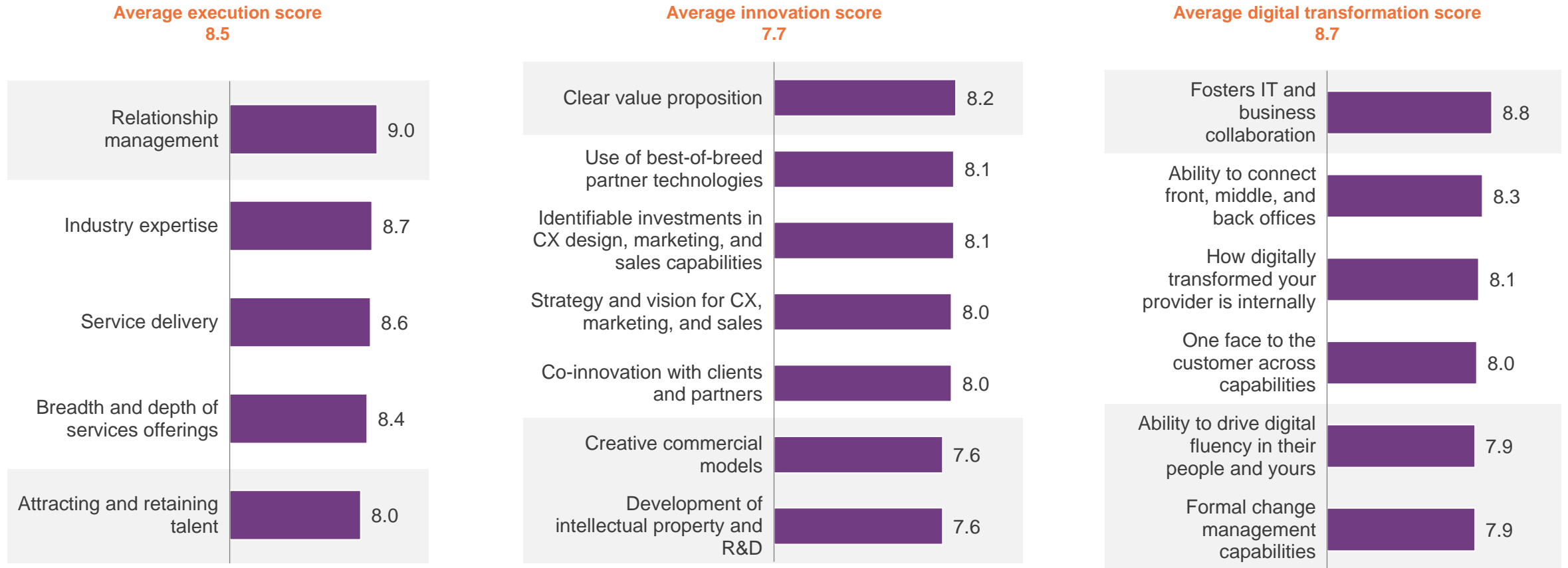
What are the top three inhibitors holding you back from achieving your CX transformation objectives?



Sample: 19 enterprise leaders, Horizons reference survey
Source: HFS Research, 2023

Enterprises expect service providers to be more pro active, provide innovative ideas, drive digital fluency, and help handle change management

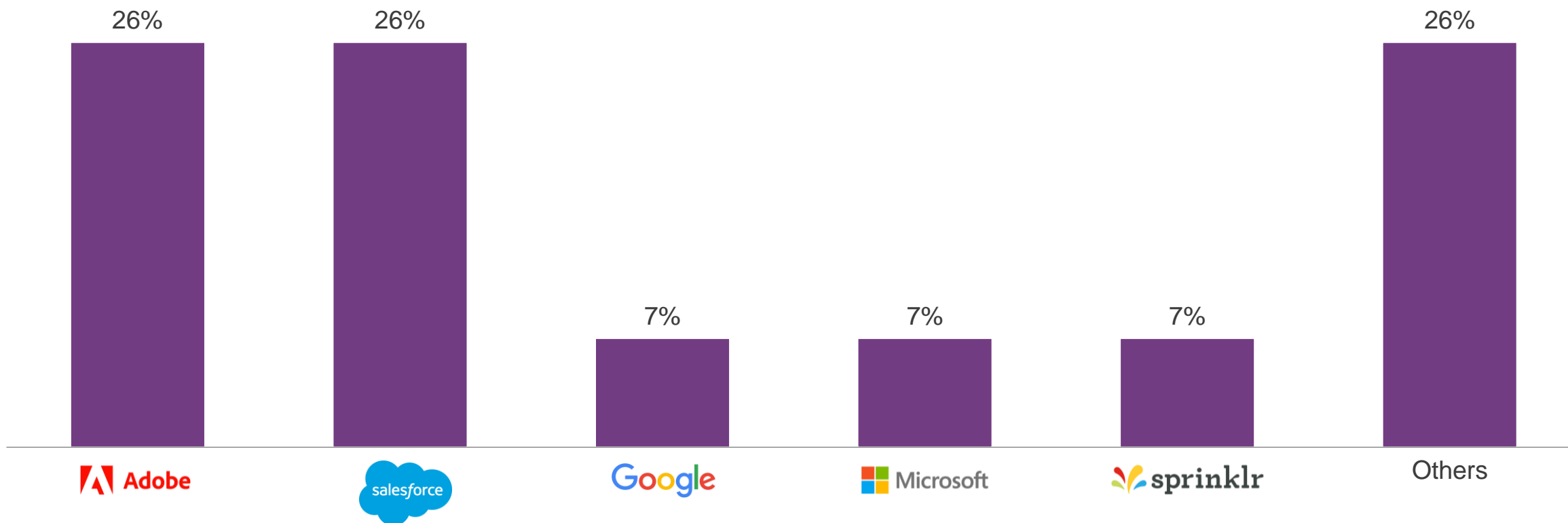
Based on your experience, please rate the provider across the following parameters, where 1 is poor and 10 is excellent.



Sample: 19 enterprise leaders, Horizons reference survey
Source: HFS Research, 2023

Service providers partner with market leaders to bring customized and personalized CX experiences to their clients

Of your key digital marketing and sales services partners, please specify the three most critical third-party partners.
Percentage of responses

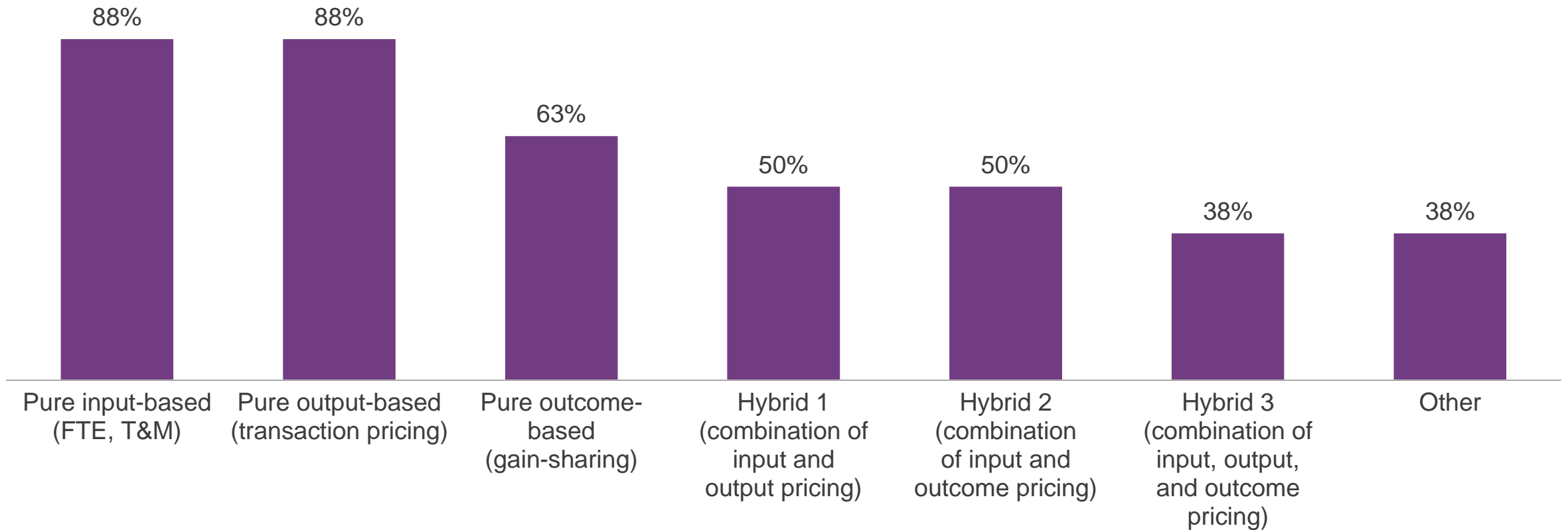


Sample: 9 service providers, 2023 Horizon RFIs
Source: HFS Research, 2023

Input-based and output-based pricing remain the favored pricing models, even after the pandemic

What pricing models do you use for digital marketing and sales services contracts?

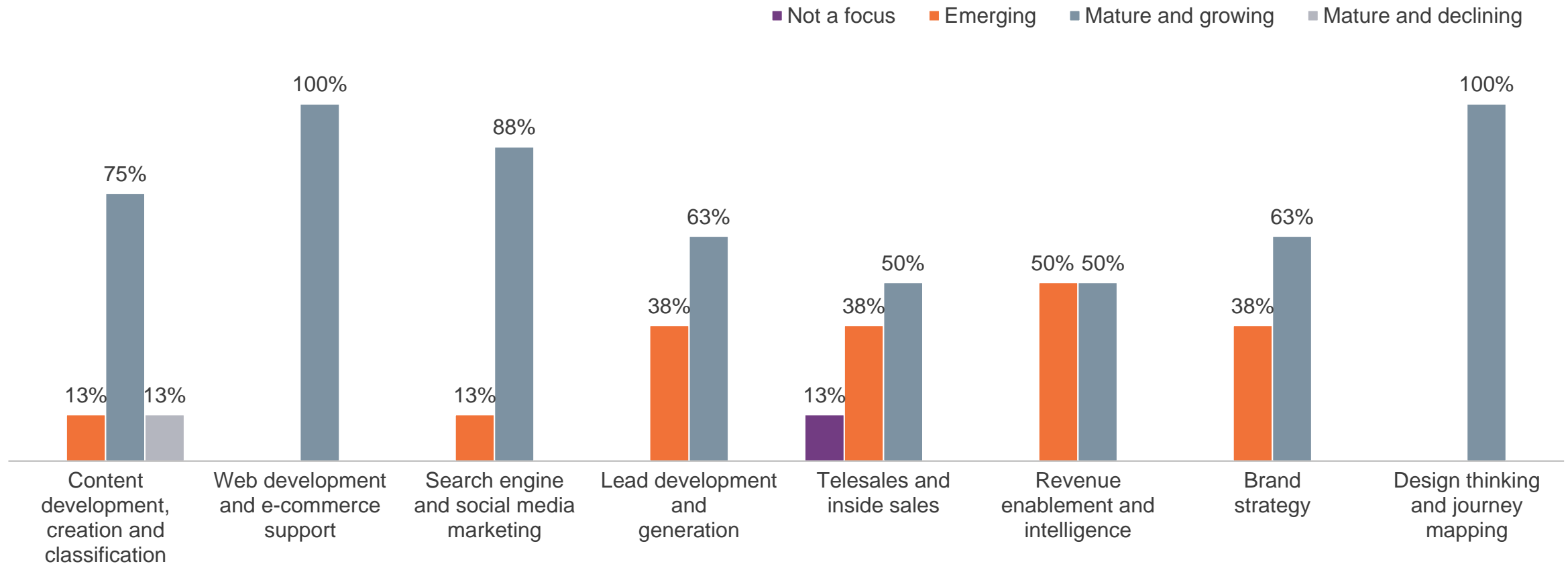
Percentage of responses



Sample: 9 service providers, 2023 Horizon RFIs
Source: HFS Research, 2023

E-commerce and design thinking are the most mature and growing aspects of the value chain

Please rate the maturity of your digital front office services, where 1 is not a focus, 2 is emerging, 3 is mature and growing, and 4 is mature and declining.



Sample: 9 service providers, 2023 Horizon RFIs
Source: HFS Research, 2023

2

Research methodology

Service providers covered in this report



Sources of data

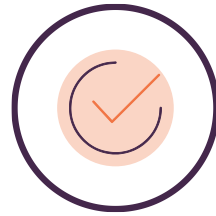
This report relied on myriad data sources to support our methodology and help HFS obtain a well-rounded perspective on the digital marketing and sales service capabilities of the providers covered in our study. Sources are as follows:



RFIs and briefings

Each participating vendor completed a detailed **RFI**.

HFS conducted **briefings** with executives from each vendor



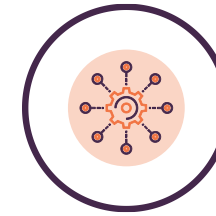
Reference checks

We conducted reference checks with 23 active clients of the study participants via phone-based interviews and/or detailed surveys.



HFS vendor ratings

Each year, HFS fields multiple demand-side surveys in which we include detailed vendor rating questions. For this study, we leveraged our fresh from the field HFS Pulse Study data featuring **600+ inputs** across Global 2000 enterprises.



Other data sources

Public information such as press releases and web sites.

Ongoing interactions, briefings, virtual events, etc., with in-scope vendors and their clients and partners.

Horizons assessment methodology for digital marketing and sales services

The HFS Horizons **Digital Marketing and Sales Service Providers, 2023** report evaluates the capabilities of service providers across a range of dimensions to understand the **Why, What, How, and So What** of their service offerings. The following illustrates how we assessed capabilities:

← Distinguishing supplier characteristics →

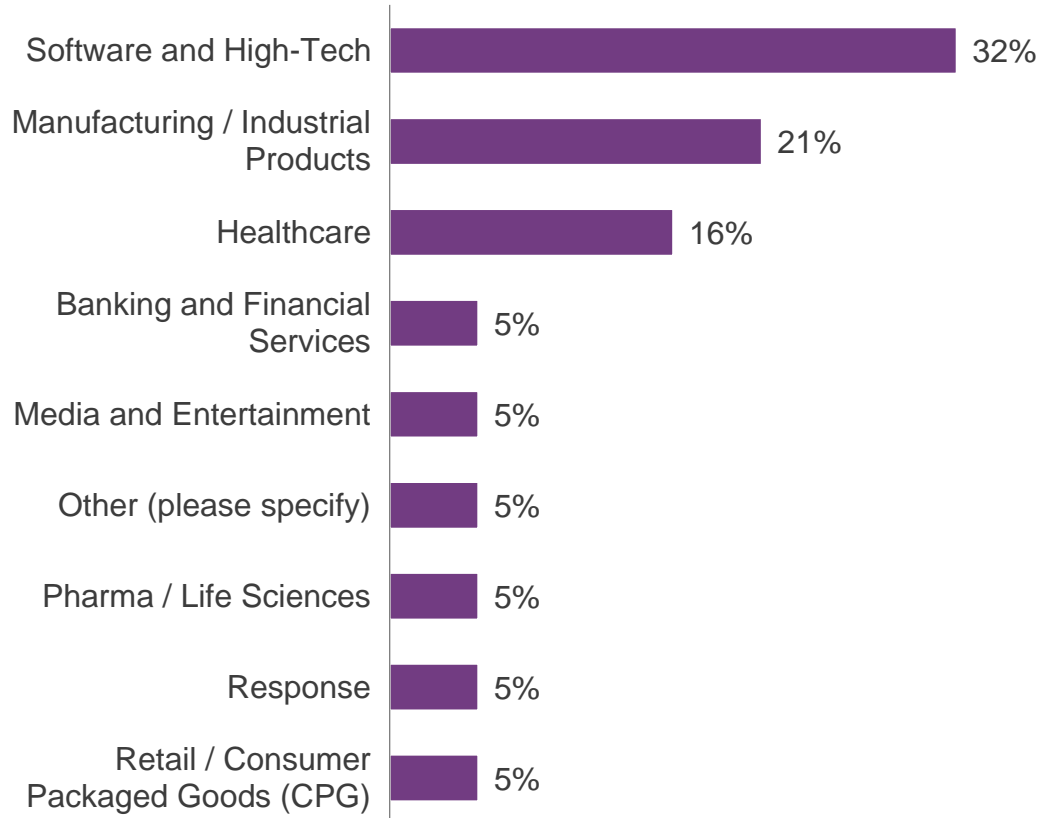
Assessment dimension	Assessment sub-dimension	Horizon 1 service providers	Horizon 2 service providers	Horizon 3 service providers
Value proposition: The Why? (25%)	Market vision and strategy	<ul style="list-style-type: none"> Ability to drive functional optimization outcomes through cost reduction, speed, and efficiency 	<ul style="list-style-type: none"> Horizon 1 + Enablement of the OneOffice model of digital marketing and sales services Driving unmatched stakeholder experience 	<ul style="list-style-type: none"> Horizon 2 + Ability to drive OneEcosystem synergy via collaboration across multiple organizations Driving completely new sources of value
	Competitive differentiators			
	Technology capabilities			
	Offering maturity			
Execution and innovation capabilities: The What? (25%)	Breadth and depth of marketing and sales services	<ul style="list-style-type: none"> Strong implementation capabilities Technology—specific talent focused on key process domains Focused partnerships and strong PX Limited industry-specific IP 	<ul style="list-style-type: none"> Horizon 1 + Consulting and advisory capabilities in addition to implementation services Investments in internal employee training and development Ability to drive business transformation Strong services-specific IP Broader and deeper partnerships with technology vendors 	<ul style="list-style-type: none"> Horizon 2 + Comprehensive coverage across the digital marketing and sales value chain and beyond Ability to drive IT + business transformation Differentiated IP and market-leading proprietary solutions Strong employee investments complemented with access to alternative talent pools Well-rounded ecosystem of technology vendors, start-ups, and technology vendors
	Strength of talent pool			
	Services specific proprietary tools and solution accelerators			
	Services specific patents and intellectual property			
	Strength of ecosystem			
Go-to-market strategy: The How? (25%)	Relevant acquisitions and other investments	<ul style="list-style-type: none"> Modest scale and size of digital marketing and sales investments Targeted industry and geography go-to-market 	<ul style="list-style-type: none"> Horizon 1 + Digital marketing and sales organic investments Ability to offer outcome-driven commercial models Ongoing investments in market education 	<ul style="list-style-type: none"> Horizon 2 + Front office-focused organic and inorganic investments Formalized approach to co-creation with clients and partners Ability to target broad industry and geographical coverage with specific solutions Purpose-driven client and partner relationships
	Co-innovation and collaboration approaches			
	Industry and geographic client portfolio			
	Creative commercial models			
	Thought leadership and market education			
Market impact: The So What? (25%)	Size and growth marketing and sales practice	<ul style="list-style-type: none"> Modest growth on a low base Strong client feedback on driving functional optimization Perceived as a credible vendor 	<ul style="list-style-type: none"> Strong growth on a sizeable book of business Strong client feedback on driving CX and EX Ability to target broad industry and geographical coverage Perceived as a strategic partner 	<ul style="list-style-type: none"> Market leading size and growth Strong client feedback on driving new sources of value Perceived as a market thought leader
	Proven outcomes showcasing nature of value delivered			
	Voice of the customer			

3

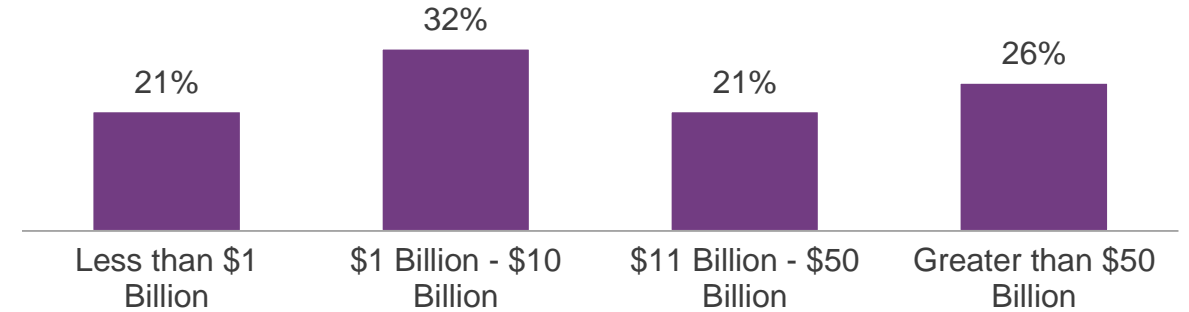
Client reference demographics and market dynamics

Client reference demographics

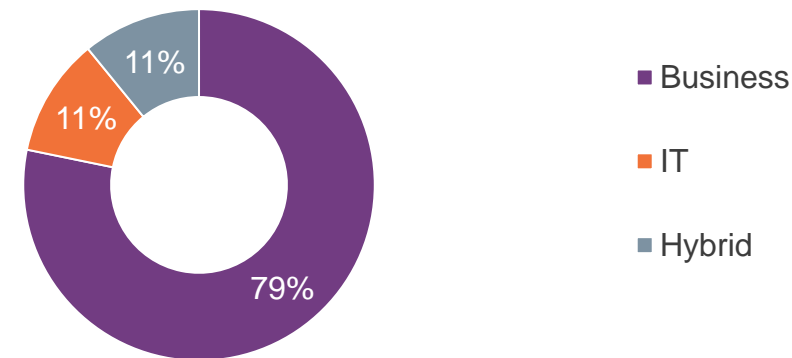
Client references by industry sector



Client references by revenue size



Organizational alignment of client references



Others*: Professional services
Sample: 19 client references
Source: HFS Research, 2023

Emerging themes and dynamics in digital marketing and sales services



Re-invention of the way sales works in a hybrid reality: remote selling requires new technology and techniques



Increased demand for design and consulting capabilities to outline the strategy: design thinking is mature and growing



Data-driven marketing is creating demand for new and upskilled talent, including data science and analytics



The technology partner ecosystem continues to grow and expand, from traditional CRM and Martech vendors to niche industry and AI providers



Brand responsibility across DEI and sustainability is top of mind for marketers, and they are leveraging partners to help improve customer trust

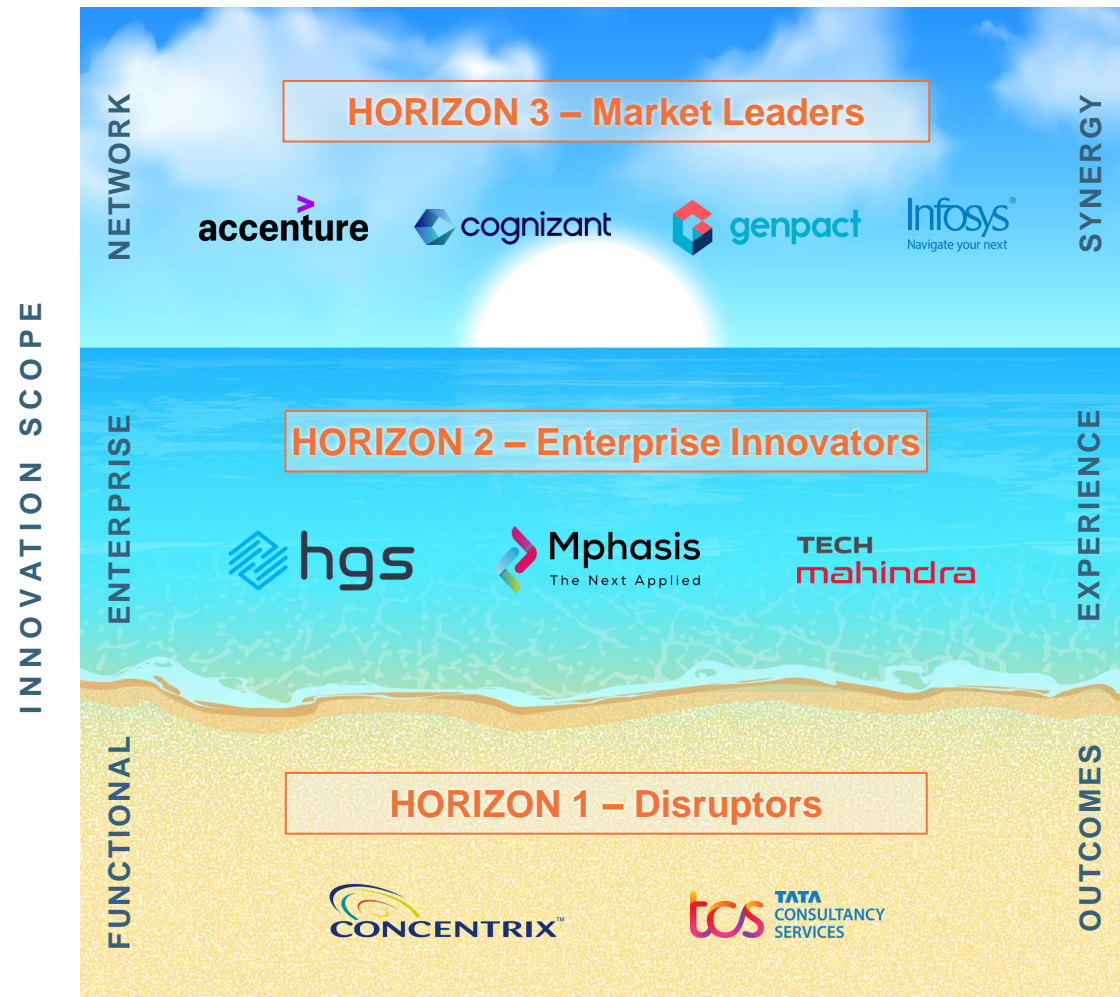
4

Horizons landscape: Digital marketing and sales services, 2023

HFS Horizons Digital Marketing and Sales Services - Summary of providers assessed in this report

Providers (alphabetical order)	HFS point of view
Accenture	Technology and design excellence provides a comprehensive approach to 'growth services'
Cognizant	Continued investment in CX bolsters robust operations capabilities
Concentrix	A CX leader with growing portfolio of capabilities
Genpact	A data-driven operators' lens for ecosystem innovation
HGS	A refreshed digital brand signals promise for full front-end services
Infosys	Driving Omnichannel strategies with Human centric approach
Mphasis	User experience expertise to drive personalized experiences
TCS	Scale and depth of tech expertise are the foundation for digital experiences
Tech Mahindra	Pushing the envelope with cutting edge services

HFS Horizons—Digital marketing and sales service providers



Horizon 3—New sources of value

Horizon 2 +

Ability to drive **OneEcosystem** synergy driving completely **new sources of value**

- Martech and sales technologies **integrated with other emerging technologies**
- Ability to **drive IT + business transformation** with differentiated IP and proprietary solutions
- Strong **employee investments** complemented with access to alternative talent pools
- **Well-rounded ecosystem** of technology vendors, start-ups, and technology vendors
- Formalized approach to **co-creation** with clients and partners
- **Purpose-driven** client and partner relationships
- Perceived as a market **thought leader**

Horizon 2—Improving stakeholder experience

Horizon 1 +

Enablement of the **OneOffice** model of enterprise-wide connected front office driving unmatched **stakeholder experience**

- **Consulting and advisory capabilities** in addition to implementation services
- Strong expertise across **all marketing and sales technologies**
- Ability to drive **business transformation** leveraging robust IP
- Investments in **internal employee training** and development
- Broader and **deeper partnerships** with technology vendors
- Ability to offer **outcome-driven** commercial models
- Strong client feedback on driving CX and EX and perceived as a **strategic partner**

Horizon 1—Driving business outcomes

- Ability to drive **functional optimization outcomes** through cost reduction, speed, and efficiency
- Strong **implementation** capabilities
- Strong expertise across some **martech and sales technologies**
- Partnerships with leading **technology vendors**
- **Modest scale and size** of digital and marketing services
- **Focused industry and geography** go-to-market
- Perceived as a **credible vendor**

Note: All service providers within a “Horizon” are listed alphabetically

5

Tech Mahindra profile: Digital marketing and sales services, 2023

Tech Mahindra: Pushing the envelope with cutting-edge services



Strengths	Development opportunities
<ul style="list-style-type: none"> • Approach to digital marketing and sales services: Tech Mahindra labels this market “Revenue Operations,” with the vision for providing a BPaaS solution to drive revenue growth for clients. The BPaaS solution encompasses operations management, people enablement, analytics, and technology solutions. • Key differentiators: Tech Mahindra made several targeted acquisitions, including creative agency BORN and niche packaging design firm Perigord, focused on life sciences and retail industries. Tech Mahindra also has one of the most aggressive and significant focuses on metaverse opportunities, with real-life outcomes-focused case studies. • Technology innovation: Tech Mahindra developed a metaverse platform, which has several clients. The Makers Lab at Tech Mahindra develops innovative solutions used either internally and by clients. CITO is a collaborative suite of tools delivering end-to-end marketing and editorial workflow solutions. • Customer kudos: Clients appreciate Tech Mahindra for its flexibility and overall execution abilities. 	<ul style="list-style-type: none"> • What to continue: Keep pushing the envelope on cutting edge services such as metaverse and trust and safety (content moderation). • Other next steps for development: Metaverse opportunities are real, but Tech Mahindra needs to manage hype and ensure conversations in thought leadership are value and outcome oriented. • Customer critiques: References indicate that communication from the Tech Mahindra team could use improvement.

Relevant M&A and partnerships	Key digital marketing and sales clients	Global operations and resources	Flagship internal IP related to digital marketing and sales
<p>Acquisitions (2019–2022)</p> <ul style="list-style-type: none"> • BORN: Consulting and delivery capabilities in marketing, CX operations, content creation, maintenance and hosting services and digital and social marketing services • Mad Pow: Strategic consulting and delivery capabilities in marketing, CX operations, content creation, maintenance and hosting services and digital and social marketing services • Allyis: Capabilities in digital experience solutions, learning & development, advertising and marketing services, instructional design, engineering: cloud and automation, BI & analytics and technical support services • We Make Websites Ltd (WMW): Capabilities in Experience Design pillar and help build an industry-leading Shopify Practice <p>Partnerships</p> <ul style="list-style-type: none"> • Adobe, Salesforce, Sprinklr, Shopify, IBM, Oracle, Microsoft, Mulesoft, Digital River, Drupal, Wordpress, Joomla, Lead 365, Vizolution 	<p>Number of digital marketing and sales clients</p> <ul style="list-style-type: none"> • Marketing: 80+ • Sales: 15+ <p>Key clients</p> <ul style="list-style-type: none"> • World's largest online retail company • World's top 10 Game Developer & Publisher • Leading American Insurance service provider • Large International Fine Arts Company • One of the top 10 global pharmaceutical headquartered in London • British telecommunications major placed among the top five telecoms in the UK 	<p>Digital marketing and sales headcount</p> <ul style="list-style-type: none"> • Marketing operations: ~8,000 • Sales operations: ~4,500 • CX design and consulting: ~750 <p>Locations</p> <ul style="list-style-type: none"> • 50+ locations • Apart from these delivery locations Tech Mahindra has Populii (formerly Datamime), a Crowdsourcing platform where Gig workforce from across the world (60+ countries) are virtually delivering services like Labelling, Annotation, User Studies, Data Collection, and other BPS micro tasks 	<ul style="list-style-type: none"> • Factoreal: Omni-channel marketing platform • Seer: End-to-end 360-degree customer insights platform • Blue Marble: Modular commerce, order management, customer care and partner management digital platform • MobiLytx: Reward-based promotional campaigns and loyalty programs platform • Cito: Automated workflow tool for content production that saves customers time and money while driving deeper engagement with audiences

6

HFS Research authors

HFS Research authors



Melissa O'Brien

Executive Research Leader

melissa.obrien@hfsresearch.com

Melissa O'Brien is Research Leader, Customer Engagement, Retail, and Travel Strategies at HFS Research. Melissa leads HFS' research initiatives for digital front office services, including customer engagement operations, digital marketing, cognitive agents and CX design and consulting, focusing on the trends and change agents that are driving customer experience across the enterprise.

In addition, her industry research focuses on key dynamics within retail, CPG, travel, and hospitality, with regard to customer-centric strategies, intelligent operations, and service delivery.



Krupa K S

Senior Analyst

krupa.ks@hfsresearch.com

Krupa is a Senior Analyst at HFS Research, and she is part of data products. She is responsible for ITO-BPO outsourcing contracts, merger and acquisition data collection and analysis for different service lines. She also works with practice leads with the focus around Business process services and digital technologies

She has over four years of experience in business research and analysis in Excellence4U Research Services and Futurecorp Consulting. She was the part of the market research team, where her responsibilities were performing secondary research for company profiling, industry analysis and competitive analysis. At Excellence4U, she worked with technology mapping team that helped to know the clients, the products that were used which would help them to understand the need of customers.



About HFS

Insight. Inspiration. Impact.

HFS is a unique analyst organization that combines deep visionary expertise with rapid demand-side analysis of the Global 2000. Its outlook for the future is admired across the global technology and business operations industries. Its analysts are respected for their no-nonsense insights based on demand-side data and engagements with industry practitioners.

HFS Research introduced the world to terms such as “RPA” (Robotic Process Automation) in 2012 and more recently, Digital OneOffice™ and OneEcosystem™. The HFS mission is to provide visionary insight into the major innovations impacting business operations such as Automation and Process Intelligence, Blockchain, the Metaverse and Web3. HFS has deep business practices across all key industries, IT and business services, sustainability and engineering.

www.hfsresearch.com



[@hfsresearch](https://www.linkedin.com/company/hfsresearch)



www.horsesforsources.com



Horizon 2 Enterprise Innovator

Enterprise-wide Value
Driving Stakeholder Experience



Digital Marketing and Sales Service Providers, 2023

“

Pushing the envelope
with cutting-edge
services



Approach to digital marketing and sales services: Tech Mahindra labels this market “Revenue Operations,” with the vision for providing a BPaaS solution to drive revenue growth for clients. The BPaaS solution encompasses operations management, people enablement, analytics, and technology solutions.

Key differentiators: Tech Mahindra made several targeted acquisitions, including creative agency BORN and niche packaging design firm Perigord, focused on life sciences and retail industries. Tech Mahindra also has one of the most aggressive and significant focuses on metaverse opportunities, with real-life outcomes-focused case studies.

Technology innovation: Tech Mahindra developed a metaverse platform, which has several clients. The Makers Lab at Tech Mahindra develops innovative solutions used either internally and by clients. CITO is a collaborative suite of tools delivering end-to-end marketing and editorial workflow solutions.

Customer kudos: Clients appreciate Tech Mahindra for its flexibility and overall execution abilities.



Access the report at www.hfsresearch.com



Tech Mahindra is demonstrating the ability to help drive revenue for clients,” said **Melissa O’Brien**, Executive Research Leader at HFS Research. “Tech Mahindra landed in our Horizon 2 as an Enterprise Innovator due to its focus and investment on its revenue operations capability and pushing the envelope in emerging spaces such as augmented human intelligence, metaverse, alongside smart analytics & automation. ”



**Digital Marketing and Sales
Service Providers, 2023**

Horizon 2 Enterprise Innovator

Enterprise-wide Value
Driving Stakeholder Experience

**TECH
mahindra**