



Everest Group Digital Interactive Experience (IX) Services PEAK Matrix® Assessment 2023 – Europe

Focus on Merkle
December 2023



Introduction

European enterprises are rapidly embracing user experience design, prioritizing seamless interactions across customer, employee, and partner domains. Their dedication to excellence is grounded in a commitment to sustainability and ethical practices, extending to the development of holistic stakeholder experiences for the eco-conscious European consumer base. Concurrently, these enterprises are actively investing in cutting-edge technologies such as Generative AI, Blockchain, and the Metaverse, reinforcing their leadership in design innovation.

In the realm of creative design services, Global System Integrators (GSIs) are emerging as formidable competitors to native design agencies in the region, reflecting a comprehensive and forward-thinking approach. By blending technology, sustainability, and superior design, European enterprises are strategically positioned at the forefront of this dynamic business landscape, where creativity converges with technological advancements to shape the future of user experiences..

In this research, we present an assessment of 21 service providers featured on the [Digital Interactive Experience \(IX\) Services PEAK Matrix® Assessment 2023 – Europe](#), a comprehensive matrix that evaluates and categorizes service providers in terms of their capabilities in the space.

The assessment is based on Everest Group’s annual Request for Information (RFI) process for the calendar year 2023, interactions with leading IX service providers, client reference checks, and an ongoing analysis of the IX services market.

Scope of this report



Geography
Europe



Digital IX providers
21



Services
Digital Interactive
Experience (IX) services

Digital IX Services PEAK Matrix® – Europe | characteristics

Leaders

Accenture Song, Capgemini, Deloitte Digital, Merkle, Publicis Sapient, and Wunderman Thompson

- Leaders display a strong ability to deliver end-to-end experience transformation engagements with robust offerings and market proof points across design, strategy, and technology services in the European region
- Have made strong investments in carving out a well-defined internal strategy, which is also reflected in external branding to enhance permission to play in the experience ecosystem
- Strong narrative around stakeholder experience that includes customers, employees, partners, and society
- Strong value proposition messaging centered around designing sustainable, responsible, and ethical experiences
- Have a mature play in high-growth segments of IX that include commerce services, data-driven marketing, campaigns, and emerging segments of media services
- Strong focus on next-generation technologies such as AI, edge computing, blockchain, IoT, computer vision, and AR/VR to deliver enhanced experience services
- Strong client orientation with innovative pricing models, outcome-based approach, and a strong ability to measure impact and RoI
- Strong global Delivery footprint supplemented by a well-distributed network of design studios
- Leaders have a strong focus on delivering society experiences in the European region through a sharp productization and partnership strategy

Major Contenders

Atos, Cognizant Digital Experience, HCLTech, IBM iX, Infosys, IPG, LTIMindtree, Omnicom Group, Tech Mahindra, TCS Interactive, and Wipro

- Major Contenders have a strong narrative around the underlying role of technology and platforms to orchestrate scalable experiences across the segments of CX and EX in the IX value chain in the European region
- Strong investments in frameworks and solutions to enable faster value realization for their clients
- Strong partnership ecosystem with leading DXP providers such as Adobe, Salesforce, Oracle, and SAP
- Well-defined narrative on the role of data in powering end customer experiences including a mature play with respect to CDPs and orchestration of first-party data
- Focus on investment in innovation hubs and design studios to enhance Delivery footprint
- High focus on investments in the next-generation technologies such as AI, edge computing, blockchain, IoT, computer vision, and AR/VR to deliver enhanced experience services

Aspirants

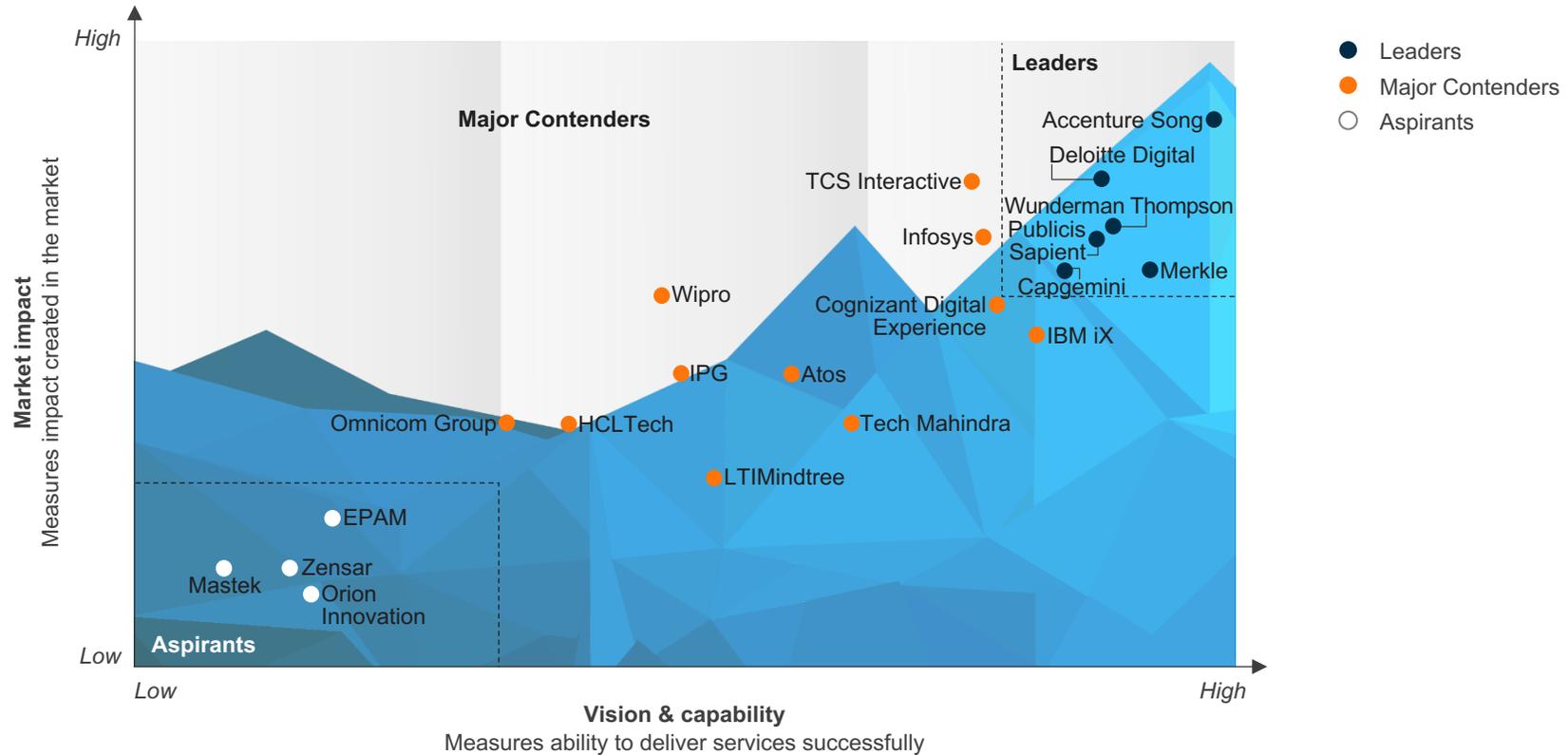
EPAM, Mastek, Orion Innovation, and Zensar

- Aspirants are focused on specific industries, service areas, or markets and are primarily focused on providing CX services in the European region
- Have technical capabilities and talent to serve as a technology enabler in the experience transformation journey of enterprises

Everest Group PEAK Matrix®

Digital Interactive Experience (IX) Services PEAK Matrix® Assessment 2023 – Europe | Merkle is positioned as a Leader

Everest Group Digital Interactive Experience (IX) Services PEAK Matrix® Assessment 2023 – Europe¹



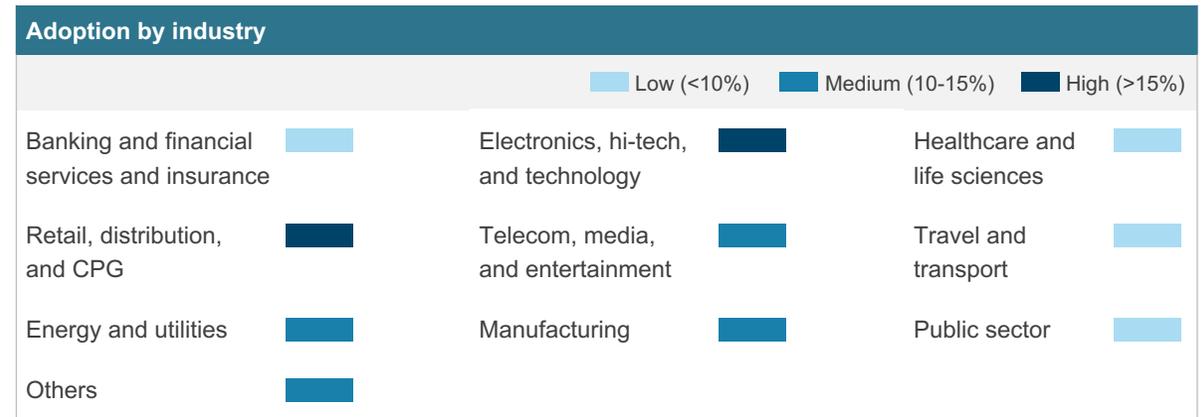
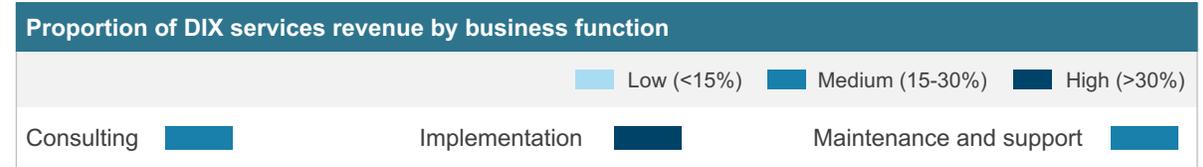
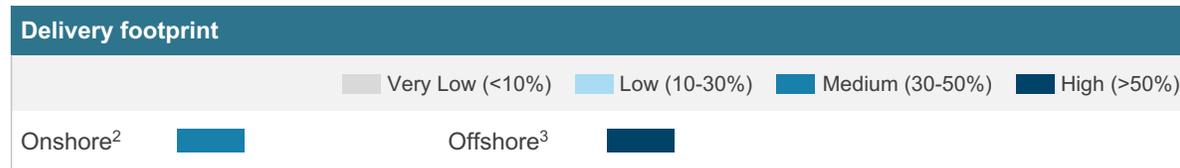
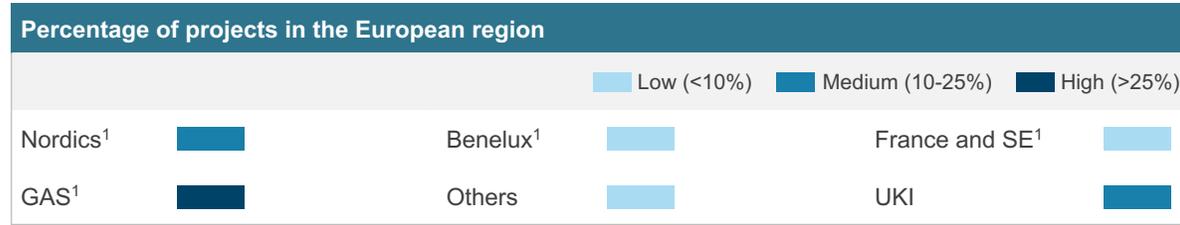
¹ Assessments for Accenture Song, IBM iX, IPG, Omnicom Group, Atos, Deloitte Digital, EPAM, HCLTech, Tech Mahindra, Cappgemini, Publicis Sapient, and Wunderman Thompson exclude service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with IX services buyers
Source: Everest Group (2023)

Merkle profile (page 1 of 5)

Overview

Vision for DIX services

Merkle's vision is to support companies in developing personal and transformative customer experiences by connecting, creating, and curating intelligent experiences.



1 Nordics – Norway, Sweden, Finland, and Denmark; Benelux – Belgium, Netherlands, and Luxembourg; SE – Southern Europe (Spain, Italy, and Portugal); GAS – Germany, Austria, and Switzerland
 2 Onshore – Nordics, Benelux, SE, and GAS
 3 Offshore – India and the Philippines

Merkle profile (page 2 of 5)

Case studies

Case study 1

Delivered an audience-first roadmap for a consumer goods company

Business challenge

The client wanted to drive awareness and increase promotions.

Solution

Merkle designed and delivered a custom audience-first roadmap for media optimization and messaging.

Impact

- Increased sales by 58%
- Reduced cost per acquisition by 36%

Case study 2

Designed an e-commerce website for a fashion retailer

Business challenge

The client wanted to redesign its e-commerce website to improve online sales.

Solution

Merkle partnered with the client and designed their digital experience, e-commerce, and order management in four months. It supported the client to expand across North America, Europe, and Asia by leveraging the Salesforce Commerce Cloud.

Impact

- Achieved US\$400 million in online annual revenue
- Received more than 7,000 daily orders

Merkle profile (page 3 of 5)

Solutions

Proprietary solutions (representative list)

Product	Details
Archie	This solution is a campaign analytics platform that supports marketers in gaining cross-channel media and marketing insights.
LoyaltyPlus	This solution is a cloud-based life cycle marketing suite that enables clients to design, deploy, and optimize omnichannel loyalty solutions.
Focus – Merkle Global Design System	This solution accelerates client projects and integrates composable accelerators with platforms such as Salesforce, Adobe, Contentful, Amplience, Magnolia, Umbraco, and Builder.io.
JARVIS	This solution facilitates businesses to implement advanced AI for personalization through a custom-built Graphical User Interface (GUI) and enables delivery teams to automate personalization and business processes with low-code/no-code capabilities.

Merkle profile (page 4 of 5)

Investments

Key investment (representative list)	
Investment theme	Details
Acquisition	<ul style="list-style-type: none"> Acquired Pexlify, a Salesforce consultancy in June 2022, to enhance its Salesforce capabilities and support its UK&I B2B and B2C clients Acquired Omega CRM Consulting, a Spanish marketing and CRM services company in February 2023, to enhance its CRM capabilities and Salesforce Cloud expertise Acquired Tag, an omnichannel digital marketing company in March 2023, to offer integrated client solutions and provide quality content for a creative, personalization engine for CXM and enhance its Dynamic Content Optimization (DCO) capabilities
Delivery footprint	Opened a new office in Serbia to support its European clientele
Partnerships	<ul style="list-style-type: none"> Partnered with Salesforce to offer AI expertise for businesses by leveraging Salesforce Einstein GPT, a generative AI solution to enhance CX Partnered with Google Cloud to utilize Vertex AI, a cloud-based ML platform, and Duet AI, a Google Workspace Enterprise add-on to enhance CX through generative AI Partnered with Clinch, an omnichannel campaign activation platform to enhance personalization and operational efficiencies by leveraging Clinch's Flight Control, a SaaS platform, and DCO, an advertising technology Partnered with Microsoft to provide enterprise-wide Azure OpenAI access to enhance CX, drive growth, and improve efficiency Partnered with 2021.AI, an AI development company to support companies in enhancing AI capabilities while ensuring governance and risk management
Service offerings	<ul style="list-style-type: none"> Launched Apricot to help brands in designing, developing, and hosting digital experiences as a JAMstack, a modern approach for delivering digital touchpoints using the MACH architecture Launched the New Stream Media service to offer sell-side media network development for retailers, travel, financial services, and automotive brands

Merkle profile (page 5 of 5)

Everest Group assessment – Leader

Measure of capability:  Low  High

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
								

Strengths

- It has a significant presence in the European market with a major focus on the DACH region, followed by UK&I and the Nordics, and provides a strong onshore delivery presence to its clients in Europe
- It continues to improve its focus on expanding its Salesforce offerings in Europe through the recent acquisition of Pexlify, a UK&I-based Salesforce consultancy, and OMEGA CRM, a leading Salesforce CRM agency in Spain, and further strengthens its Salesforce practice through recent strategic leadership hires
- It is also placing strong bets in the Adobe space by recently appointing strategic leaders to focus on refining the alliance-led GTM strategy in the region
- It continues to expand its expertise in the creative space through the recent acquisition of Tag, a London-based creative production and tech transformation company
- It has a strong focus on the retail, CPG, and technology verticals in the European region
- Clients applaud its account management capabilities

Limitations

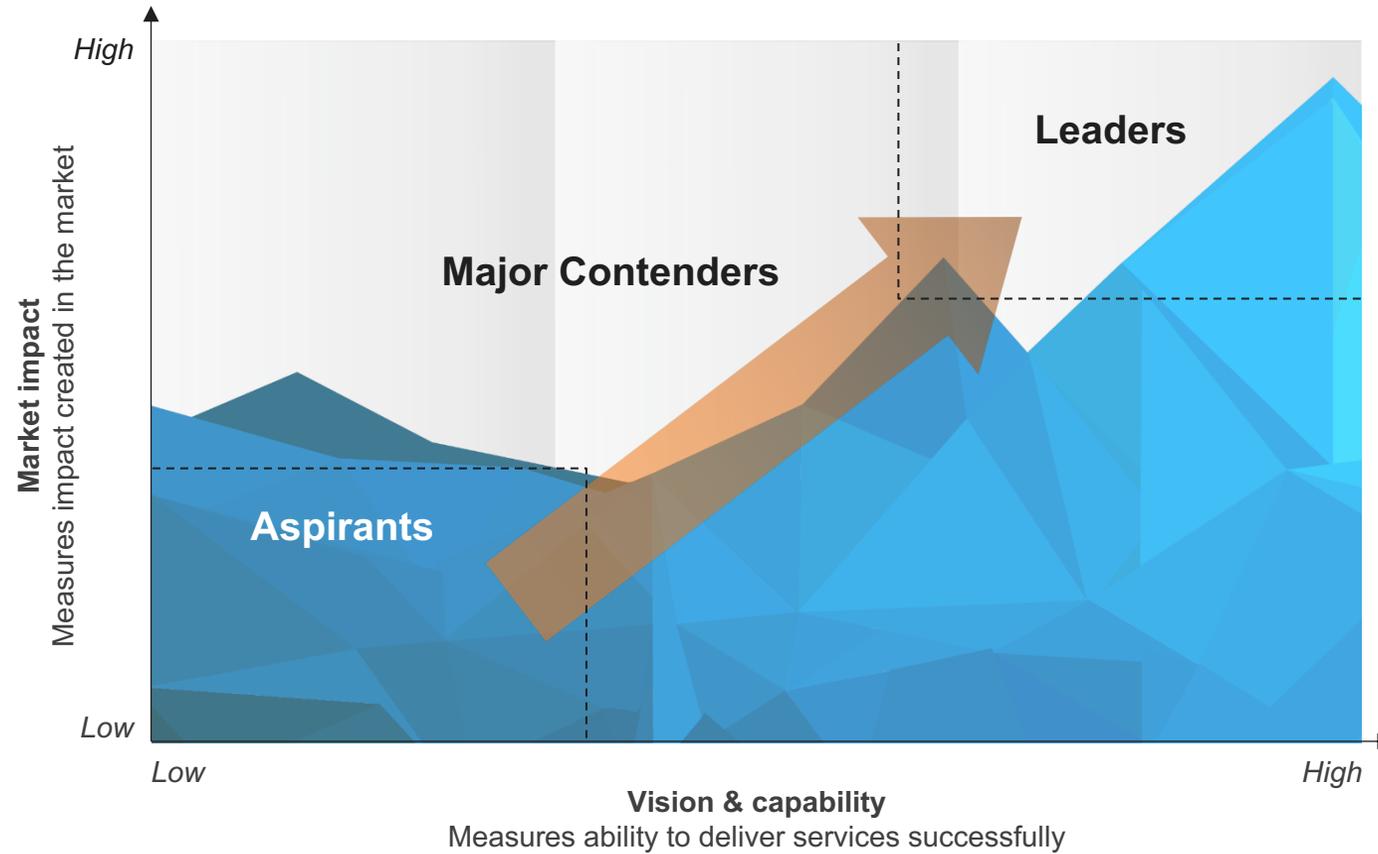
- Its offshoring and nearshoring capabilities have further room for improvement compared to its peers
- It needs to expand its engagements across the EX, PX, and SX segments of the experience services value chain; its current engagements are significantly skewed toward CX
- Clients recommend it to further enhance its innovation capabilities in its ongoing projects

Appendix

Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability



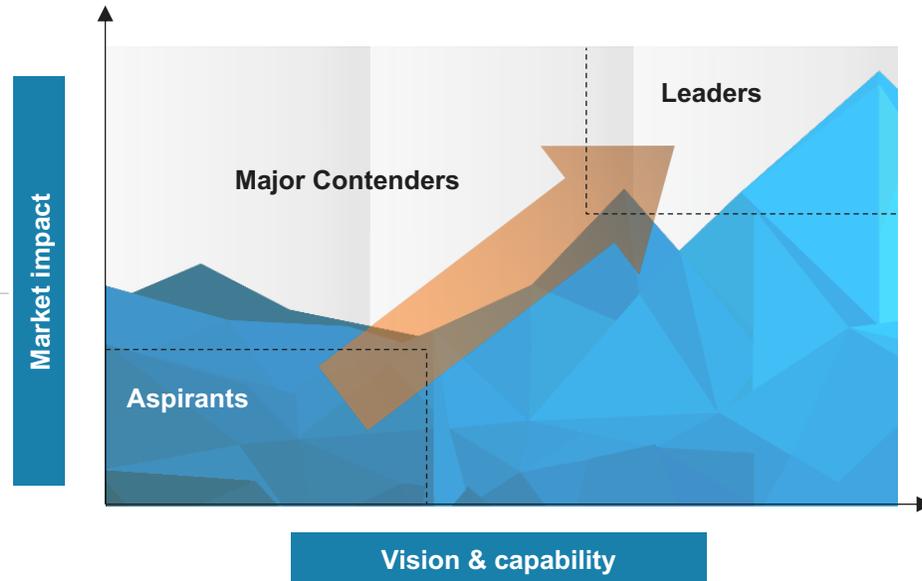
Everest Group PEAK Matrix



Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

- Market adoption**
Number of clients, revenue base, YoY growth, and deal value/volume
- Portfolio mix**
Diversity of client/revenue base across geographies and type of engagements
- Value delivered**
Value delivered to the client based on customer feedback and transformational impact



Measures ability to deliver services successfully. This is captured through four subdimensions

- Vision and strategy**
Vision for the client and itself; future roadmap and strategy
- Scope of services offered**
Depth and breadth of services portfolio across service subsegments/processes
- Innovation and investments**
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.
- Delivery footprint**
Delivery footprint and global sourcing mix

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?

Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results based on our market experience, buyer interaction, and provider/vendor briefings.

Is being a Major Contender or Aspirant on the PEAK Matrix, an unfavorable outcome?

No. The PEAK Matrix highlights and positions only the best-in-class providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition.

What other aspects of the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?

A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?

- Enterprise participants receive summary of key findings from the PEAK Matrix assessment
- For providers
 - The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries
 - In addition, it helps the provider/vendor organization gain brand visibility through being included in our research reports

What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?

- Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:
 - Issue a press release declaring positioning; see our [citation policies](#)
 - Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
 - Use PEAK Matrix badges for branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with Everest Group; please contact your CD or [contact us](#)

Does the PEAK Matrix evaluation criteria change over a period of time?

PEAK Matrix assessments are designed to serve enterprises' current and future needs. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality and to serve enterprises' future expectations.



Everest Group is a leading research firm helping business leaders make confident decisions. We guide clients through today's market challenges and strengthen their strategies by applying contextualized problem-solving to their unique situations. This drives maximized operational and financial performance and transformative experiences. Our deep expertise and tenacious research focused on technology, business processes, and engineering through the lenses of talent, sustainability, and sourcing delivers precise and action-oriented guidance. Find further details and in-depth content at www.everestgrp.com.

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