

Digital Experience Technology And Delivery Priorities, 2016

Firms Aim To Invest In Personalization, People, And Platforms To Support Web And Mobile Experiences

by Anjali Yakkundi
May 17, 2016

Why Read This Report

Forrester recently surveyed 115 technology, marketing, and business professionals with decision-making roles in customer-facing web and mobile experience delivery to ask about their strategies in 2016. We found that organizations' investments revolve around implementing personalization initiatives, solving people challenges, and assembling digital experience platforms. This report dives into Forrester's Q1 2016 Digital Experience Delivery Online Survey to help application development and delivery professionals understand top 2016 priorities.

Key Takeaways

The Three Priorities Of 2016: Personalization, People, Platforms

Organizations strive to deliver experiences to an increasingly connected customer. To do so, they look to solve three major challenges: deliver personalized experiences to reach customers; solve organizational people challenges to operationalize delivery of experiences; and build platforms to reach customers at scale.

Content And Data Investment Are Critical For Personalized Experiences

Content and data topped the list for 2016 investments. Firms aimed to invest in web content management and customer analytics as core anchors of their digital experience portfolio. And content was king in personalization, as firms aimed to invest in content personalization above any other area of personalization.

Talent And Operational Challenges Remain Pesky Challenges

Software won't alone deliver digital customer experiences. Instead, firms look to invest in their organizational challenges by turning to new roles around design, data, and architecture and looking to solve their process challenges by removing technologists from critical digital publishing paths.

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May 17, 2016

Table Of Contents

- 2 The Three Priorities Of 2016:
Personalization, People, And Platforms
- 4 Personalized Experiences Are No Longer A
Nice-To-Have In 2016
- 6 Firms Prioritize People, Investing In Culture,
Process, And Skills
- 8 2016 Platform Investment Focuses On
Content, Data, And Integration

Recommendations

- 10 Use These Data Points To Support Your
Business Case
- 11 Supplemental Material

Notes & Resources

Forrester conducted an online survey of 115 technology, marketing, and business professionals with decision-making roles in customer-facing web and mobile experience delivery.

Related Research Documents

[Build Your Dream Team: Organizing To Deliver Exceptional Digital Experiences](#)

[The State Of Digital Experience Delivery, 2015](#)

[Take Two Technology Roads To Digital Experience Success](#)

[Your Digital Experience Technology Strategy Starts With A Customer Journey Map](#)

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The Three Priorities Of 2016: Personalization, People, And Platforms

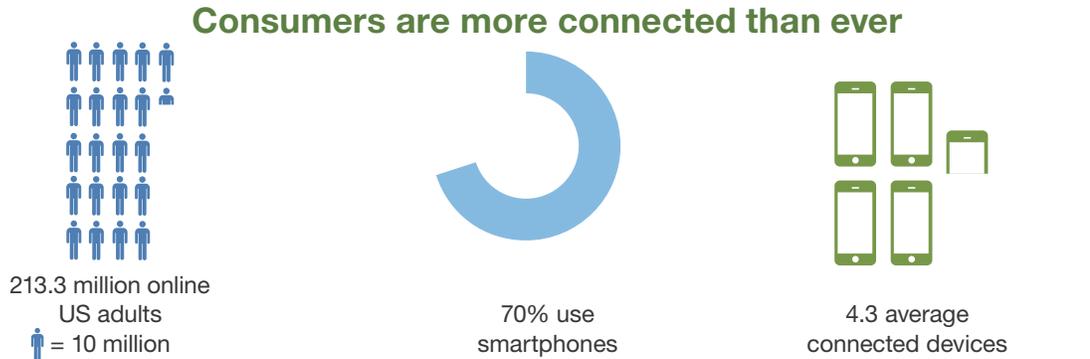
Forrester recently surveyed 115 digital experience technology decision-makers among our clients to help application development and delivery (AD&D) professionals understand top priorities for customer-facing web and mobile experiences in 2016. We found that firms face a consistent set of challenges and are making investments over the next 12 months to address them (see Figure 1):

- › **Firms strive to reach an increasingly connected customer.** As customers, citizens, patients, and employees, we rely on web and mobile experiences in our daily lives, for example, on average, US online adults have 4.3 connected devices and 70% use smartphones. The complexity that firms must deal with to support digital customer experiences is growing along with these customer expectations.
- › **Challenges abound around resources, software, and agility.** Despite investments in 2016, firms have a long journey ahead of them with major challenges around people and resources (76% reporting this as a barrier to success), technology (54% reporting this as a barrier to success), and agility and time to marketing (52% reporting this as a major barrier to success).
- › **Platform integration, resources, and contextual experiences drive 2016 investment.** Firms have aligned 2016 investment priorities to support these increasing expectations. Sixty-nine percent prioritize user experience, 68% prioritize personalized experiences, and 46% prioritize customer self-service. Additionally, many look to ramp up investment around technology and the people to support end user experiences: Nearly 40% of firms are prioritizing integrated technologies, and one in three are investing in agile development teams.

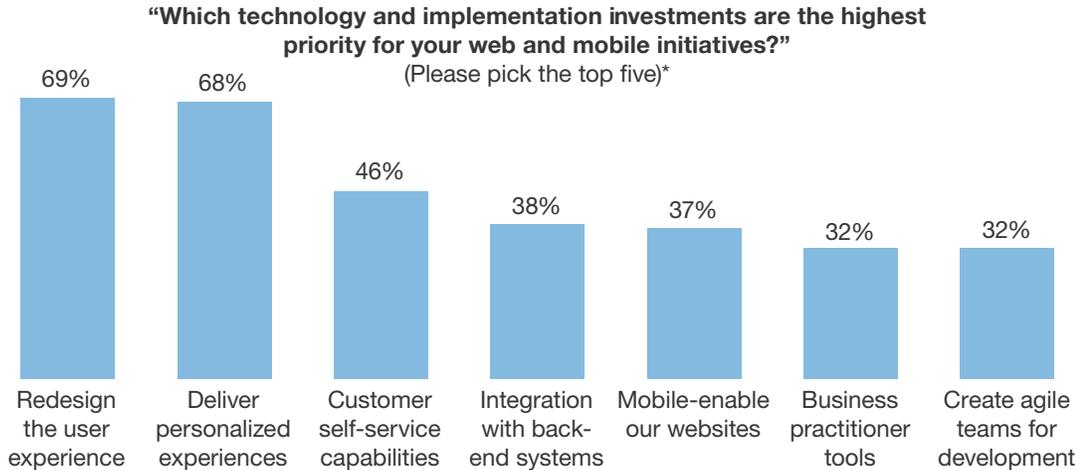
Digital Experience Technology And Delivery Priorities, 2016

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FIGURE 1 2016 Priorities Align To Support Increasingly Connected Customers

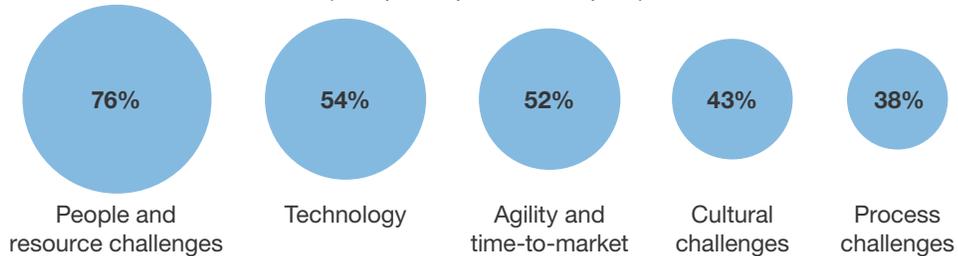


Firms align technology priorities to meet rising expectations . . .



. . . but most run into road blocks along the way

“What are your biggest barriers to success when delivering web and mobile experiences?”
 (Multiple responses accepted)*



Base: 61,216 to 61,222 US online adults (18+)

*Base: 114 to 115 digital experience delivery decision-makers

Source: Forrester’s North American Consumer Technographics® Online Benchmark Surveys (Part 1), 2014 and 2015; and Forrester’s Q1 2016 Digital Experience Delivery Online Survey

Digital Experience Technology And Delivery Priorities, 2016

Firms Aim To Invest In Personalization, People, And Platforms To Support Web And Mobile Experiences

Personalized Experiences Are No Longer A Nice-To-Have In 2016

The front-end experience is a critical priority for 2016, and of that front-end, personalization is the greatest investment in 2016. Personalization has been a buzzword organizations have fixated on for years. But today's personalization is more nuanced than the experiences of the past, and we're seeing increasing investment into personalization that's more focused on individualized experiences and context. As a result, in 2016 organizations plan to invest in multiple areas (see Figure 2):

- › **Firms prioritize integrated, personalized experiences across channels.** Surveyed firms looked to integrate personalization across channels. Strategy will be critical, as one in three firms feel like misaligned personalization strategy is a top barrier to personalization success. Investment is high, as nearly two in three firms today are personalizing their web and mobile experiences. The cross-device personalization is critical; for example, this year's survey showed that 87% of firms are investing in responsive design compared with closer to 66% in last year's survey.¹
- › **Content personalization takes center stage.** No surprise given the investment in content marketing today, marketing content to engage with customers is the most critical area that firms look to personalize: 75% of surveyed firms doing personalization aim to personalize content on their website.² This is higher than promotions and product offers (55%), product recommendations (49%), and reminders and alerts (44%). Interest in personalizing content for the mobile app (32%) and content layout (28%) remains low, but given the content focus, Forrester expects these to rise in the coming years.
- › **Web and email personalization top the list of software investment.** When it comes to software investment for personalization, content is still king. The most cited solution was web content management at 60%, followed by email marketing (53%) and tag management (51%). Despite the hype, only about one in four firms reported they use standalone personalization solutions. We expect technology investment to increase beyond 2016 since 53% believe technology is a top barrier to success.

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Firms Aim To Invest In Personalization, People, And Platforms To Support Web And Mobile Experiences

FIGURE 2 Integrated, Personalized Experiences Are A Top 2016 Investment Priority

Firms are on a journey to create integrated, personalized experiences



87% use responsive design approaches

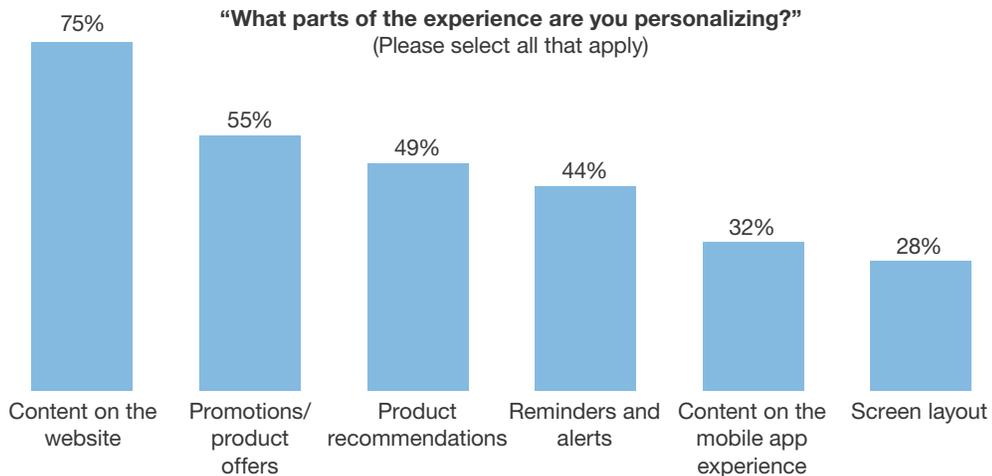
62% personalize web and mobile experiences



53% lack the right technology to personalize

1 in 3 are misaligned on their personalization strategy

Content-driven personalization is the priority . . . for now



Web and email are top personalization software investments

“Which technologies do you currently use to support your personalization goals?”
(Multiple responses accepted)



Base: 70 to 115 digital experience delivery decision-makers

Source: Forrester’s Q1 2016 Digital Experience Delivery Online Survey

Digital Experience Technology And Delivery Priorities, 2016

Firms Aim To Invest In Personalization, People, And Platforms To Support Web And Mobile Experiences

Firms Prioritize People, Investing In Culture, Process, And Skills

Given the amount of change an organization must go through to deliver digital experiences, it's no surprise that companies struggle to transform with their current resources. To address these challenges, organizations in 2016 look to focus on investments that (see Figure 3):

- › **Promote greater collaboration across the business to achieve delivery success.** Budget to support delivering digital experiences is shared almost equally among marketing, technology management, and business groups. But while budget is shared, about one in three firms face significant process challenges. To support this, firms aim to drive investment to promote greater collaboration across the organization.
- › **Eliminate process bottlenecks to deliver experiences with more agility.** Despite budget being shared among groups, technology management overwhelming owns critical digital publishing operations among our survey respondents. Technology management is also often a cause of bottlenecks, with 41% citing this as a critical process challenge. As a result, in 2016, firms aim to eliminate process bottlenecks within technology management organizations.
- › **Accelerate contextual delivery, leveraging new hires with data and front-end skills.** Delivering digital experiences places a new premium on talent around data, design, and enterprise architects skilled in digital platforms. Given the competition to find these roles, only 9% of firms say they have no difficulty finding roles and two in three firms must turn to services firms like digital agencies, consultancies, and systems integrators to fill the talent gap.³

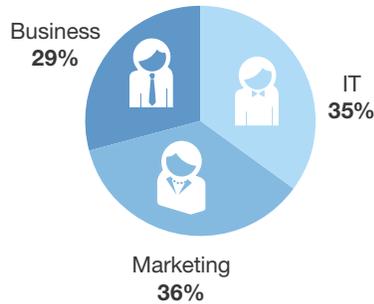
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Firms Aim To Invest In Personalization, People, And Platforms To Support Web And Mobile Experiences

FIGURE 3 Firms Aim To Bridge The Gaps Around Culture, Process, And Resources

Multiple stakeholders must work together to support web and mobile experiences

Digital experience budgets spread across IT, marketing, and business.



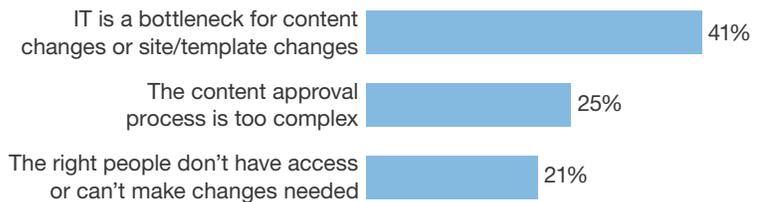
Groups work together to define:

- **What** the customer should be able to do.
- **How** they can deliver this experience at every digital customer touch point.
- **Who** can provide the technology and services necessary.

Firms look to solve process bottlenecks . . .

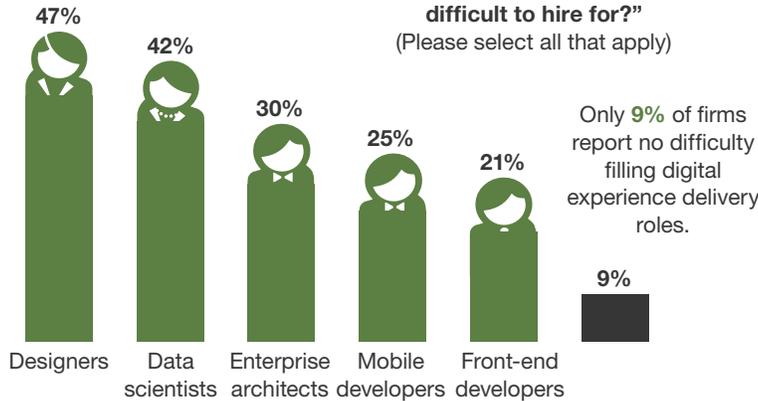
“What are your biggest challenges in managing your ongoing web and mobile operations?”
(Multiple responses accepted, top three challenges shown)

61% say IT owns web and mobile operations



. . . and hire new talent to compete

“When it comes to delivering digital customer experiences, which roles are the most difficult to hire for?”
(Please select all that apply)



2 in 3 firms use services firms to fill the gaps

Base: 113 to 115 digital experience delivery decision-makers

Source: Forrester's Q1 2016 Digital Experience Delivery Online Survey

Digital Experience Technology And Delivery Priorities, 2016

Firms Aim To Invest In Personalization, People, And Platforms To Support Web And Mobile Experiences

2016 Platform Investment Focuses On Content, Data, And Integration

Our survey demonstrates that firms embrace the need to assemble a full digital experience delivery platform — software to manage, deliver, and optimize experiences consistently across every digital touchpoint.⁴ In the next 12 months, firms will focus their investments on building these integrated platforms, as (see Figure 4):

- › **Data and content anchor platform investments.** Customer analytics and web content management (WCM) solutions top the list of investments for a second year in a row, although this year the data investment outpaces WCM.
- › **Firms aim for integrated applications rather than all-in-one suites.** When purchasing platform capabilities, few firms purchase those highly touted all-in-one suites. Instead, 55% prioritized integration capabilities and 45% prioritized best-of-breed capabilities. Only 7% prioritized getting all the components from one vendor. Despite this move, many firms will still have a critical software partner that anchors their portfolio investments, and our survey respondents' top three critical software partner are Adobe, Salesforce, and Oracle.
- › **Open source and cloud interest surges.** In 2016, we'll see more interest in open source and cloud solutions, with 51% reporting they use some open source and one in four saying cloud will be a critical investment in 2016. Open source brings major benefits, according to our survey respondents, like greater flexibility (63%) and more innovation (56%). Cloud brings a similar set of benefits, with firms saying it brings improved agility, time-to-market, and less resource constraints.

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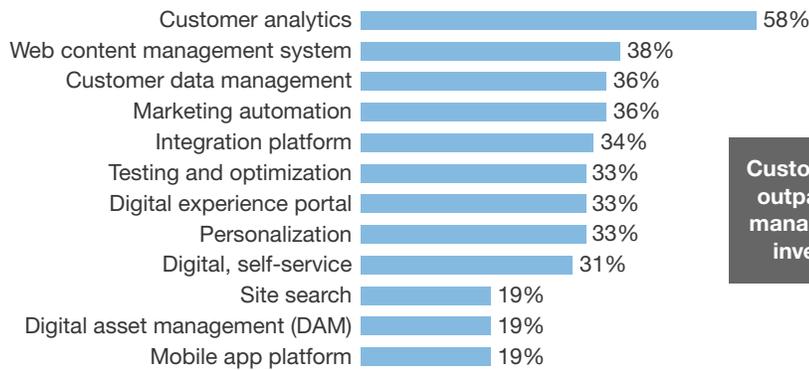
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FIGURE 4 Firms Prioritize Building Digital Experience Platforms In 2016

Firms invest in content and analytics software

“What software components are an investment priority (e.g., to upgrade, replace, or customize) in the next 12 months?”

(Multiple responses accepted, top 10 shown)

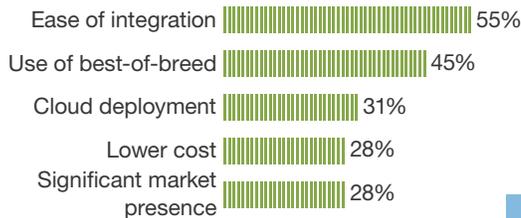


Customer analytics now outpaces web content management as the top investment priority.

Vendor investment

“Which are important when selecting a solution?”

(Multiple responses accepted, top five shown)

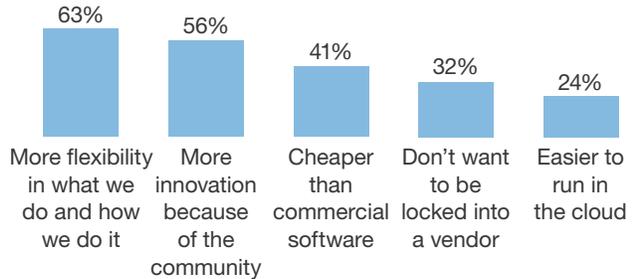


Adobe, Salesforce, and Oracle were the top three vendors cited as critical software partners.

Open source investment

51% use open source for web and mobile experiences

“Why do you use open source software for web and mobile experiences?”
(Multiple responses accepted)



Cloud investment

1 in 4 say cloud is a key investment in 2016

Cloud benefits cited: improved business agility, speed of implementation, free up of resources, and lower costs.*

Base: 59 to 115 digital experience delivery decision-makers

*Base: 3,530 business and technology decision-makers

Source: Forrester's Global Business Technographics® Software Survey, 2015 and Forrester's Q1 2016 Digital Experience Delivery Online Survey

Digital Experience Technology And Delivery Priorities, 2016

Firms Aim To Invest In Personalization, People, And Platforms To Support Web And Mobile Experiences

Recommendations

Use These Data Points To Support Your Business Case

AD&D professionals are always looking for ways to push their companies to deliver great digital experiences and to support them with great people, process, and technology. The data points referenced above can be a powerful tool to help you:

- › **Prioritize personalization that focuses on individualized, contextual experiences.** Too often, personalization becomes equated with offers or product recommendations. Use the data from this survey to push your organization further: Firms today aren't just investing in personalization of the past but are investing in greater content personalization and some even in areas like mobile and screen layout personalization to base experiences more on the individual customer in their moment of need.⁵ AD&D has the data and development skills to push this agenda to the top.
- › **Invest in your organization and talent.** Many of the biggest pain points are in the organization itself, including skills, staffing, process, and collaboration. Use the data in this report to justify investment not just in new software and platforms, but also in your people and partners. This may mean that you need to go out and look for new skills and new partners. One CPG firm we spoke with is actively investing in its talent strategy by placing big bets on new hiring programs, ongoing training, and even a new design studio space that promotes greater collaboration.
- › **Invest in integrated platforms, rather than one-size-fits-all solutions.** Many organizations today struggle with their software investment and priorities. The data from our survey regarding software investments across many solutions, but anchored by data and content, can help build the business case to put the right best-of-breed but integrated technology solutions in place to create a digital experience ecosystem. As organizations mature, they can use the survey data to help prioritize investment into modern, integrated architectures as well and not just point-solutions.

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Supplemental Material

Survey Methodology

Forrester conducted its Q1 2016 Digital Experience Delivery Online Survey among 115 digital experience professionals. Forrester fielded this survey in Q1 2016 to end users who are involved in digital experience technology decisions at their organizations. The sample consisted of organizations across industries and included third parties for relevant questions, as third parties become deeply entrenched partners for many digital experience initiatives.

Please note that there may be some sample bias. While Forrester fielded the survey to a global audience, the majority of respondents came from North America; they also came from an uneven distribution of industries and from companies of various sizes. This survey was not fielded to a random sample. The majority of the respondents came from readers of Forrester reports, which may have biased this sample. This survey is not guaranteed to be representative of the population. Unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes.

For its North American Consumer Technographics® Online Benchmark Survey (Part 1), 2015, Forrester conducted an online survey fielded in March 2015 of 61,222 US individuals and 6,642 Canadian individuals ages 18 to 88. For results based on a randomly chosen sample of this size (N = 61,222 in the US and N = 6,642 in Canada), there is 95% confidence that the results have a statistical precision

Digital Experience Technology And Delivery Priorities, 2016

Firms Aim To Invest In Personalization, People, And Platforms To Support Web And Mobile Experiences

of plus or minus 0.4% of what they would be if the entire population of US online adults (defined as those online weekly or more often) had been surveyed and plus or minus 1.2% of what they would be if the entire population of Canadian online adults had been surveyed. Forrester weighted the data by age, gender, income, broadband adoption, and region to demographically represent the adult US and Canadian online populations. The survey sample size, when weighted, was 61,222 in the US and 6,638 in Canada.

(Note: Weighted sample sizes can be different from the actual number of respondents to account for individuals generally underrepresented in online panels.) Please note that respondents who participate in online surveys generally have more experience with the internet and feel more comfortable transacting online.

We also drew from Forrester's North American Consumer Technographics Online Benchmark Survey (Part 1), 2014 fielded in March and April 2014 of 58,725 US individuals and 6,341 Canadian individuals ages 18 to 88. For results based on a randomly chosen sample of this size (N = 58,725 in the US and N = 6,341 in Canada), there is 95% confidence that the results have a statistical precision of plus or minus 0.4% of what they would be if the entire population of US adults who are online weekly or more often had been surveyed and plus or minus 1.2% of what they would be if the entire population of Canadian adults who are online weekly or more often had been surveyed. Forrester weighted the data by age, gender, income, broadband adoption, and region to demographically represent the adult US and Canadian online populations. The survey sample size, when weighted, was 58,583 in the US and 6,326 in Canada. (Note: Weighted sample sizes can be different from the actual number of respondents to account for individuals generally underrepresented in online panels.) Please note that respondents who participate in online surveys generally have more experience with the internet and feel more comfortable transacting online.

Endnotes

- ¹ Forrester recently surveyed 135 technology, marketing, and business professionals with decision-making roles in customer-facing web and mobile experience delivery to ask about their strategies for the coming 12 months. We found that organizations struggle to manage hundreds of digital properties, with complex challenges like modernizing and integrating disparate technologies, dividing roles and responsibilities among many stakeholders, and finding the staff and skills they need to succeed. This report dives into Forrester's Q1 2015 Digital Experience Delivery Online Survey to help application development and delivery professionals understand the challenges organizations face in delivering digital customer experiences and their priorities for the next 12 months. See the "[The State Of Digital Experience Delivery, 2015](#)" Forrester report.
- ² Eighty-nine percent of content marketing professionals Forrester surveyed reported the same or increased investment into content marketing initiatives. See the "[Brief: Marketing And Media Efficiency Outcomes Drive Content Marketing](#)" Forrester report.
- ³ Application development and delivery (AD&D) leaders are on the outside looking into their organizations' digital customer experience projects. Yet their role has great potential to expand as spending on customer-facing systems rises. Realizing this potential requires organizational transformation. This report charts the primary paths through this organizational transition with guidance around new organizational models, hiring new talent, and increasing

Digital Experience Technology And Delivery Priorities, 2016

Firms Aim To Invest In Personalization, People, And Platforms To Support Web And Mobile Experiences

collaboration with marketing. This is an update of a previously published report; Forrester reviews and updates it periodically for continued relevance and accuracy. See the [“Build Your Dream Team: Organizing To Deliver Exceptional Digital Experiences”](#) Forrester report.

- ⁴ Businesses need an array of software technology to support digital customer experiences, but they struggle to understand and leverage the tools necessary to create and manage unified, multichannel digital customer experiences across multiple touchpoints. Application development and delivery (AD&D) professionals must evaluate, implement, integrate and build front-end experiences on-top of this fragmented landscape. Technology vendors try to help by bringing more complete digital customer experience portfolios to the market, although hopes for a homogenous environment are unrealistic at this point. In this report, we define the emerging digital customer experience delivery platform, explore the vendors delivering these solutions, and provide insight into the approaches these vendors take to integrate with the technologies in which their customers have already invested. This report was originally published on November 26, 2013; Forrester reviews and updates it periodically for continued relevance and accuracy. See the [“Market Overview: Digital Customer Experience Delivery Platforms”](#) Forrester report.
- ⁵ Over the past decade, marketers have become adept at using customer data to personalize recommendations, offers, and messages. Now, customer experience (CX) pros are getting into the game by using customer data to personalize customer experiences. The result of these efforts is a new class of customer experiences called “individualized experiences” that reprioritize functionality, curate content, and systematize guidance for individual customers. This report explores the hallmarks of individualized experiences, how individualized experiences raise the bar on experience quality, and how CX pros can start creating individualized experiences. See the [“Personalization And The Rise Of Individualized Experiences”](#) Forrester report.

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