Progress®

Digital Experiences: Where the Industry Stands

A survey of 900+ decision-makers identified the digital experience wants and needs of app dev, web dev and business leaders, worldwide.

WHITEPAPER

Introduction

The importance of delivering digital experiences is well-established because today's customers, employees and partners expect nothing less than a consumer-grade experience. Being able to deliver is dependent on the ability to use complex technologies to deliver web, mobile, chat and IoT experiences that securely integrate with enterprise systems. Today's urgent business pace, demanding requirements and rapidly changing technological landscape makes this a substantial ongoing challenge.

To understand where the industry stands in meeting these challenges, Progress commissioned a first-of-its-kind global survey spanning digital experience, application development and business demands. The survey of more than 900 business leaders, web development leaders and application development leaders around the world was conducted by U.K.-based Insight Avenue, experts in research services for B2B and technology brands and agencies, using questions tailored for the roles and responsibilities of these leaders. For details of the demographics of the respondents and our methodology, please see the Appendix.

Progress is uniquely positioned to drive this undertaking due to our singular focus on tools, platforms and cloud services that bring together apps and content, while seamlessly and securely integrating enterprise data for consumer-grade digital experiences.

These survey results build on our 2016 survey and report, Are Businesses Really Digitally Transforming, or Living in Digital Denial.

Executive Summary

The sense of urgency around producing and delivering digital experiences is growing, with **48%** of respondents reporting that their organizations must make significant inroads toward improving digital experiences within the next 12 months—or face negative financial or competitive impact. Another **32%** gave themselves a little more time—one to two years.

The constituencies for digital experiences have expanded. While its roots in traditional B2C experiences remain strong with a high percentage of respondents focusing on the customer, a near equal number also identify employee and partners experiences as a priority.

Succeeding with digital experiences is a critical priority for most respondents. The synergy between application development and the business received high recognition, with the vast majority agreeing that focusing on digital experience and application development efforts can accelerate digital transformation, delivering outcomes identified as attracting new customers, delivering new products and services and providing a differentiated customer experience more quickly.

Respondents reveal progress in this space through increased coordination between digital marketing and application development, monitoring and measuring of results, and awareness of terms such as DXP (Digital Experience Platform) by Forrester and MXDP (Multiexperience Development Platform) by Gartner and their definitions.

Yet more than half say they struggle to deliver all the digital experience and app initiatives required by the business, and the majority have had cancelled or delayed digital experience or application development projects in the last 12 months. Among those, an average of 1 in 6 projects is affected. Key reasons cited are:

- Technical complexity issues (**45%**)
- Lack of budget and resources (**42%**)
- Reliance on IT (**42%**)

The Results

Successful Delivery Seen as Key to Business Advantage

79% of respondents indicated they have a mandate to use digital to achieve competitive advantage.

93% agree that focusing on digital experience and application development efforts can accelerate digital transformation, delivering outcomes more quickly, indicating a growing synergy between app development and the business.

Delivering traditional B2C experiences remains strong with **72%** of respondents identifying the customer as their target, **71%** also identify employee experiences as a priority with **65%** also concerned with delivering B2B experiences, which includes partners.

> The right tools, platforms and services can be invaluable in mitigating the risks presented by the urgency and scope of today's digital experience demands.

Progress is Being Made, Challenges Still Remain

On the Positive Side...

Respondents reveal progress in this space through increased coordination between digital marketing and application development, monitoring and measuring of results, and awareness of terms such as DXP/MXDP and their definitions.

82% measure benefit from digital experience and application development efforts in some way:

- **76%** monitor and measure user experience and engagement
- **60%** measure software development process efficiency
- **32%** measure and report on KPIs

In **46%** of cases, digital marketing and application development efforts are tightly coordinated. In **48%** of cases there is limited coordination, but this is improving. Typically, these groups are partly interlinked in terms of digital experience objectives, resources and activities.

65% are familiar with definitions like Gartner's DXP or MXDP but are still managing digital experience efforts using a traditional CMS/WCM approach for web experience, or PaaS/IaaS for application development. **25%** are very familiar with the DXP/MXDP concept and are adopting that approach to drive strategy. **14%** are unfamiliar with those terms.

The Challenges...

Delayed or cancelled projects are still prevalent, while more than half of respondents find they're struggling to meet the digital experience demands of the business.

A full **53%** are extremely confident in their organization's ability to execute on a digital experience strategy and app development to deliver these outcomes, while another **44%** say they're quite confident. **3%** report being not confident at all.

Reported Digital Experience Maturity

As areas get more specific, confidence fades—for example, only 33% say they have access to the right third parties and partners to support delivery and only 36% report having a defined, aligned and communicated digital experience strategy.

Basic Tech in place such as a static website, ERP/CRM systems with limited experimental use of digital experience initiatives	9%
Improving Understands the key role that a digital experience and app dev vision and strategy provides with commitment to improve digital culture and processes	25%
Advanced Digital experience and app dev driven by strategic plan, with some limitations due to different business and technology siloes	42%
Innovative Digital experience and app dev vision and plan tied to executive-driven corporate objectives where tech is used in innovative ways throughout the org	24%

- **52%** struggle to deliver all the digital experience and app initiatives required by the business
- **90%** have had cancelled or delayed digital experience or application development projects in the last 12 months. Among that **90%**, an average of 1 in 6 projects is affected.

Partnering with a company that takes a high-productivity approach to both digital experiences and application development and has a robust partner network can help meet LOB expectations.

Technical Complexity, Change Control and Governance Keep Business Dependent on IT

Project advocacy grows but skeptics remain

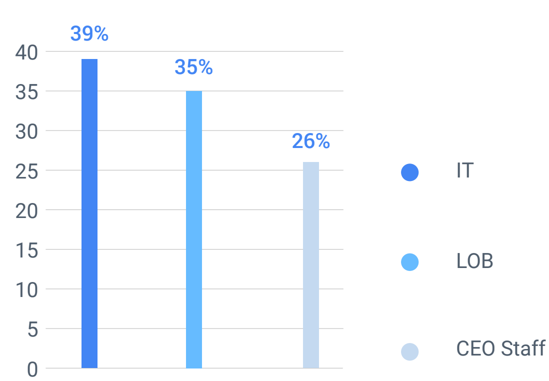
62% of marketers continue to be highly dependent on IT to manage web changes. Of that number:

- **35%** say it's because of change control and governance (internal processes)
- **27%** point to technological constraints (application challenges)

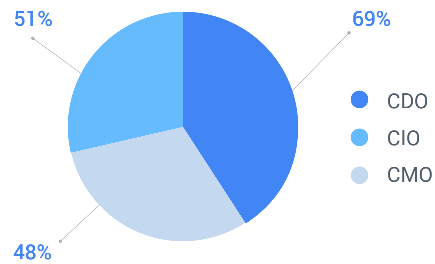
Only **5%** of marketers can make structural changes or personalize/optimize the customer journey without IT support.

Digital efforts are most likely to be driven by IT with help from lines of business (**45%**). IT drives **28%** of projects on its own while lines of business drive **23%**. Who has final say and holds the purse strings for digital projects is typically IT by a small margin:

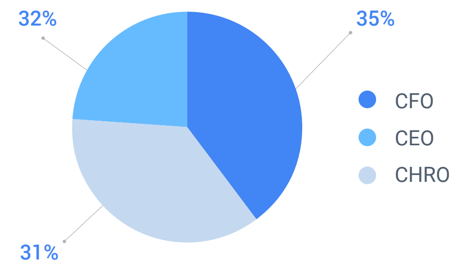
Digital Project Decisions and Budget
Who Calls the Shots?



Who are the Advocates for Digital Experience and Application Development Efforts?



Who Are the Skeptics?



It seems likely that the skeptics continue to have misgivings about demonstrable ROI or business benefits to justify any required investment.

While interest in DXP to support more sophisticated experiences is on the rise, organizations shouldn't forget about the basics—empowering marketing to act on their own to adopt agile content creation and deployment strategies, requiring minimal IT resources. That requires WCM/CMS capabilities focused on ease of use.

Preferred Trusted Advisors Vary by Role

Business leaders typically rely on paid subscriptions to sales and marketing research such as that from Gartner and Forrester, followed by vendor-supplied material.

Web development leaders rely on paid subscriptions to industry analyst research (**41%**) and vendor provided material (**41%**). Bringing up the rear are Internet-based research driven by relevant search terms (**38%**) and technology publications (**35%**).

In contrast, application development leaders rely more heavily on their professional networks, turning to vendor-provided material by **46%** and their peers by **41%**. Their third source is Internet-based research based on relevant search terms (**40%**).

Look for a vendor with a strong investment in technical content and developer advocates, who also give you access to digital experience thought leaders, thought leadership research and reports.

2016 vs. 2020—Survey to Survey Comparison and Analysis

While there was some overlap in questions from 2016 to 2020 and respondents for this survey bore similarities in title and function to the respondents in 2016, the questions for this survey are similar enough to allow for subjective interpretation.

- In the 2016 survey, **Digital Transformation** was characterized as, **"...a transformation of an entire organization to become more agile and deliver compelling customer experiences. Although this includes customer facing apps and websites, it is a top to bottom rethink of what it means to operate in a digital world, requiring changes to the way an organization operates—inside and out."**

- In the 2020 survey, **Digital Experiences** are defined as, **"...the interactions that you provide to your prospects, customers, partners and employees enabled by the innovative use of digital technology delivered via digital marketing and app development efforts."**

We transitioned the survey focus from digital transformation to digital experience to better reflect a changing market:

- Digital experience has emerged as a distinct topic and the scope, delivery and impact of digital experience projects is easier to identify and measure
- The notion of experiences is now front and center in the emerging DXP/MXDP markets that complement WCM/CMS and aPaaS/MADP

A sense of urgency is common to both surveys with the timeline to act virtually identical to 2016. That commonality points to a lack of activity or progress over the past few years.

Conversely, organizations appear more confident in their ability to drive success with digital experience and app development efforts than they were in driving digital transformation. This sense of confidence could be attributed to lessons learned and progression organizationally, plus maturing market offerings and support. An additional factor is enhanced team collaboration, with the combination of differing perspectives allowing teams to deliver more holistic, successful results.

This new confidence cuts across all similar factors that were included in both reports:

- Access to the right third-parties/partners to gain access to digital experience best practices and support delivery
- Appropriate technologies
- The best people in the right places in the organization
- Leadership buy-in
- Appropriate metrics and measurement

Coordination, Alignment and Collaboration Improved Over 2016: Business and IT Priorities Still Diverge

Where the Leaders Focus

In 2020, business leaders reported a slightly higher focus on new customers, markets and business agility, while their app dev counterparts more often thought in terms of innovation and new products/services, plus cost reduction, efficiency and governance/security/compliance.

Advocacy and Control

Business leaders were more likely to say that business-related job titles were the key digital experience and app development advocates, while app dev leaders said technology titles were more influential. Both camps also disagree on whether the business or IT is the final decision maker and budget holder. It's also interesting to note that the business identified the CIO as the second most senior rank after the CFO to be a digital experience or app dev skeptic.

App dev leaders valued differentiated customer experience higher than their business counterparts, but this could be due to the pressure they face to please end users.

Coordination between IT and LOB/marketing has shown dramatic improvement:

2016 77% said their IT and marketing teams **could be better aligned** on their digital transformation efforts

2020 77% feel that their business and technology leaders **are well aligned** and collaborate effectively

Better collaboration is also inferred from the **74%** who said that their application development and WCM/CMS efforts are well coordinated. Additionally, in 2016, **57%** of business leaders identified silos and lack of collaboration as impediments to success. In 2020, that number had dropped to **13%**.

Partnering with the right third party with relevant technologies and experience can help accelerate digital experience strategy outcomes.

IT's Role Remains Prominent

While the percentage of digital efforts that are IT driven has dropped from **34%** to **30%** since 2016, the percentage of IT driven with the help of the business has increased from **31%** to **41%**. That result could be influenced by the 2020 survey calling out marketing, sales, HR, etc., vs. 2016, which only indicated marketing.

It isn't possible to compare decision maker/budget since we widened the 2020 scope from marketing (**28%**) and IT (**72%**) to CEO staff (**26%**), LOB (**35**%) and IT (**39%**). With that caveat, it does appear that the trend is moving more toward the business.

At first glance it appears that the importance of customer experience has declined since its ranking as a priority dropped from **61%** in 2016 to **42%** in 2020. However, a closer look at the results reveals that the respondents top three priorities remain the same:

1. Attracting customers
2. Delivering new products and services
3. Customer experiences

And given the expansion from digital transformation, which was focused more on the marketing discipline vs. a broader digital experience/app development scope, it's not surprising that operational efficiency went from **29%** in 2016 to **40%** as a key priority in 2020.

Barriers to Digital Experiences—Then and Now

All barriers to the delivery of the customer experience, digital experience and app dev strategy have been significantly reduced since 2016, except for the perennial challenges of budget, skills and resources:

Barriers – 2016 vs. 2020

Barrier	2016	2020
Technical complexity and issues	57%	45%
Reliance on IT team to deliver on strategy	58%	42%
Lack of clarity about who owns digital experience efforts – IT/marketing or LOB	44%	34%
Lack of digital leadership and attention to define strategy	56%	29%
Cultural resistance/digital not widely embraced by the whole organization	58%	34%
Silo mentality/lack of collaboration between departments	57%	13%
Budget, skills, resources	45%	42%

Advocacy—The Ranks of Champions Are Growing

All business-related titles increased significantly as key advocates—except for the CEO, which declined from **49%** to **45%**. Of note is the CDO increasing from **38%** to **69%**, and Chief Experience Officer from **15%** to **42%**. That jump is likely due to an increase in organizations that staff these positions today, which is another indicator of the growing importance of digital.

Another positive development is that the level of skepticism has decreased significantly across the board:

- CEO from **48%** to **32%**
- CDO from **22%** to **7%**
- CMO from **37%** to **25%**

While the role of Chief Experience Officer has become more of an advocate, they appear to retain their skepticism, showing only a modest improvement from **28%** to **26%**. This shouldn't be taken as a like-to-like comparison, however, since the 2016 survey specified digital transformation vs. digital experience and app development, which is more clearly defined.

The skepticism of Chief Experience Officers may also reflect their more intimate understanding of the complexity involved in execution or their higher expectations for digital experience capabilities, or both.

Learning From The Leaders

How digital experience leaders see themselves, their priorities, strategies and execution

Market Leadership and Priorities

Overall, the digital experience leaders surveyed are convinced that a superior ability to deliver digital experiences contributes to market success.

- **78%** consider themselves market leaders, vs. **35%** overall. They identify their priorities as:
    - Innovation
    - Providing a differentiated customer experience
    - Attracting new customers
    - Improving business agility

71% of leaders are extremely confident in their organization's ability to execute on a digital experience strategy and that app development can deliver these outcomes, compared to **53%** overall. They're more confident in every aspect, particularly in having a defined, aligned and communicated strategy. **54%** are extremely confident here, compared to **36%** overall.

What Digital Leaders Do

Organizationally, digital experience leaders are the **24%** of companies where digital experience and app development vision and plan are tied to executive-driven corporate objectives, where technology is used in innovative ways throughout the organization and across audiences—customers, employees and partners—and across regions.

They're more likely to report that multiple constituencies are fully interlinked in terms of digital experience, resources and activities. They're also more likely to use multiple channels to deliver great digital and app experiences, and more likely to see digital marketing and app development as tightly coordinated—**63%** compared to **46%**.

Reliance on IT, Innovation and Advocacy

Digital leaders are more likely to have a CDO and see that individual as an advocate for improving digital experience and app development efforts—**77%** compared to **69%** overall.

They're slightly more likely to build and develop digital and app experiences using mostly off-the-shelf or packaged capabilities with minimal customization—**35%** versus **27%** overall, but deliver them primarily through internally developed, highly customized capabilities. This likely indicates that leaders routinely use off-the-shelf capabilities for the basics, freeing their technical talent to create experiences that provide the greatest business benefit.

DXP and MXDP are relatively new and adoption for digital experiences/app development is only starting to take hold. But adoption will only grow over traditional approaches as digital leaders make it the norm. To reduce their risk, visionaries need to partner with a vendor that can support both digital experience and multiexperience development platforms.

Conclusions

Digital Experience Platforms

Leaders are looking to the future, but work remains to be done on the basics.

This section examines the results of specific questions posed to business (marketing) and web development leaders who are more likely to be using WCM/CMS/DXP as the foundation for delivering digital experiences driven by content.

While business leaders are more likely to be familiar with DXP/MXDP, possibly as a result of their reliance on paid research from analysts that are defining these new categories...

- The fact that web development leaders who support the business leaders show little reluctance to using or considering the cloud indicates that the CMS/WCM/DXP audience is forward thinking in terms of technology adoption:
  - **50%** deploy in the cloud or on premises based on application workload
  - **47%** take a cloud-first approach.

- The **62%** of marketers still reliant on IT for basic CMS/WCM tasks shows more work on the basics is required

- Perhaps not surprisingly, organizations are all over the board in terms of their use of personalization:
  - **78%** have either done nothing, basic, or isolated personalization on their website
  - Only **12%** have applied personalization beyond the web to other digital channels

The Large Number of High Priority Activities Indicates Significant Effort is Required for Success

Each activity below was indicated to be important/extremely important as part of digital experience over the next 12 months:
- Build brand and awareness
- Lead generation and nurture
- Facilitate purchase process (digital commerce or other means)
- Post-sale support to ensure adoption/customer success
- Repeat purchase/up-sell/cross-sell

The positive aspect of this is that organizations realize the potential that digital experience has across the entire customer lifecycle. Another positive development is that every technology related to digital experience is either formally or programmatically in use, or there is occasional or experimental use based on **80%** or higher responses:

- Formal UX/Interaction Design
- Persona-based Modeling/Mapping
- Journey Mapping
- A/B and multivariate testing
- SEO (Search Engine Optimization) Specialist
- Social listening/analytics
- Sentiment Analysis

Market leaders (**38%**) were more likely to have marketer's dependent on IT for content changes due to technology limitations than fast followers (**16%**) or the mainstream (**25%**).

Even the leaders are more likely to manage digital experiences using traditional WCM/CMS (**66%**) vs. currently using or transitioning to DXP (**34%**), but they are moving to a DXP faster rate than the remainder of the audience, with less than **10%** thinking DXP.

As expected, market leaders are well ahead in terms of cloud first usage—**61%** contrasted with roughly **40%** or less for the other segments.

Multiexperience Development Platforms

Few app dev leaders have transitioned to MXDP; cloud deployment is now mainstream; AI/ML gaining traction.

These are the results of specific questions posed to app development leaders using MXDP/DXDP/PaaS as the foundation for delivering applications.

Overall, only **20%** of app development leaders say they have or are currently transitioning to managing app development efforts using principles of MXDP or DXDP (Digital Experience Development Platform – Forrester) while **80%** are still making decisions based on traditional IaaS, PaaS, SaaS market definitions.

There is very little reluctance to use the cloud as **97%** say that they are willing to use the cloud, and almost half say they take a cloud-first deployment approach to any new digital effort.

While the leaders are ahead of their counterparts in cloud-first adoption (**58%** to **47%**), the delta is not as significant as for their web development counterparts. This indicates that app development efforts lead web development efforts in cloud adoption.

Adoption of Agile and related methodologies have either been implemented or are planned in the next 12 months by vast majority of respondents. While this isn't surprising for formal agile adoption, DevOps, bi-modal development, it may surprise some to see that **both DesignOps and DevSecOps are on track to be used by 78% of organizations within the next 12 months**.

Organizations are taking a thoughtful approach to modernization as **80%** of organizations either take a strategic continuous approach or have abstracted legacy systems and data sources using integration capabilities.

Leaders are more likely to manage digital experiences using traditional IaaS/PaaS/SaaS (6%) vs. currently using or transitioning to MXDP/DXDP (35%), but they are moving to a MXDP/DXDP rate faster than the remainder of the audience, with less than 14% thinking MXDP/DXDP.

Except for DevSecOps adoption, which was similar across all segments, leaders were considerably ahead in adopting all the surveyed technologies and approaches:

- Formal Agile Development with Scrum teams
- Mix of traditional waterfall development for legacy and Agile for new development
- DevOps capabilities including Continuous (CI) Integration and/or Continuous Delivery (CD)
- DesignOps defined as processes that improve and automate collaboration between design and operational teams

Artificial Intelligence and Machine Learning

Use of AI and ML in this survey set appears ahead of the general market as:

- **36%** focus their efforts on customer and user experience
- **35%** are beginning to invest in data science efforts to drive experience with predictive results
- **22%** are well on their way to using ML/AI to become more autonomic

They also appear ahead of the market in terms of IoT and sensor-related experiences. A large majority of respondent's state that they are or will be using every option included in the survey within the next 12 months. From monitoring and improving customer experience, to asset management, to empowering employees, to improved personalization, to new product and service offerings; current or planned adoption is robust.

Make Digital Your Competitive Advantage

It's clear from the survey results that delivering consumer-grade digital experiences is front and center for digital leaders in order to stay competitive and deliver business results. Here are ten recommendations to consider as part of your strategy:

1. Take an agile approach to your strategic plan:
    - Use C-level business objectives to drive tech strategy
    - Take an inclusive, iterative approach to planning
    - A successful plan aligns business and tech
2. Think horizontal and vertical experience integration:
    - Deliver horizontally integrated omni-channel experiences
    - Support the entire customer journey with vertical integration of key SoRs
    - Extend integration across SoRs to BI and analytics
3. Extend digital experiences beyond customers:
    - Treat employees like highly valued customers
    - Engage employees effectively to avoid "shadow IT" risk
    - Apply marketing principles to your employee efforts
4. Coordinate web experience and application development efforts:
    - Design your approach beyond technology market definitions
    - Use enterprise architecture across web and app dev efforts
    - Build a "code-sharing" mentality with services
5. Adopt product management and marketing principles:
    - Manage your digital experiences as products
    - Use product marketing to enable change management
    - Run IT as a critical business unit
6. Consider modernization alongside cloud native:
    - Enable re-use with proper API-first abstraction
    - Refactor most-used features using a component approach
    - Rethink edge design to enable mobile, IoT
7. Devise self-service access to key performance metrics:
    - Enable Citizen Ops to create triggers and define actions
    - Prioritize critical business functions like marketing funnel
    - Extend network and app monitoring

8. **Add Design Ops and Development Security Ops to DevOps efforts:**
- Use design to {code} for design/dev collaboration
- Extend DevOps to include security
- Shift Left and Shift Right appropriately

9. **Monetize your data, analytics and application services:**
- Think beyond technical integration of apps and data
- Architect the proper level of internal and external APIs
- Create value with app, data and analytic services

10. **Build an investment strategy for innovation:**
- Introduce innovation lab and hackathon efforts
- Instigate both business and technical innovation
- Build innovation into your company culture

The Progress Advantage

At Progress, our singular focus is enabling you to deliver experiences powered by your apps, data and content, making digital your competitive advantage. As the core of our Digital Experience Platform, Sitefinity® makes it easy for marketers and developers to deliver compelling, multichannel user experiences.

**A DXP is vital to your digital strategy.
Learn why and how to get started.**

Methodology

Digital Experience vs. Digital Transformation

Leaders are looking to the future, but work remains to be done on the basics.

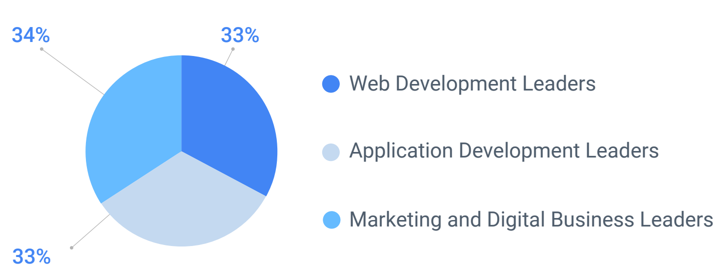
Our 2016 survey explored the state of digital transformation. While we factored in similar questions on some topics, the focus of the 2020 survey is on digital experience. We took this approach because:

- Digital experiences are a vital element of digital transformation with identifiable and measurable scope, delivery and impact
- The notion of experiences is now front and center in the emerging DXP/MXDP markets that are extensions of WCM/CMS and aPaaS/MADP
- While customer experiences are usually an organization's priority, employee engagement and partner optimization are becoming equally important digital experience objectives
- Since experience is at the center of these two efforts, digital experience has become the nexus that can drive coordination between both DXP and MXDP as well as between customer, employee and partner initiatives. Further, a focus on digital experience can help to accelerate broader transformation goals.

Respondent Profiles

Decision makers from nine countries whose companies had an employee base of at least 500 participated. 910 interviews were conducted.

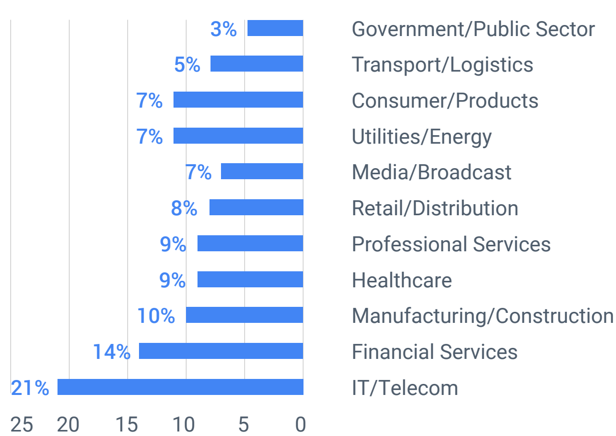
Roles



Job Titles

Business Focus

Industries



Company Size by Number of Employees