



DIGITAL TRANSFORMATION ISN'T HAVING A MOMENT. IT'S A MOVEMENT.

FROST & SULLIVAN VISUAL WHITEPAPER

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How Digital Transformation Is Reshaping the Customer Experience

In Frost & Sullivan's 2022 survey of more than 2,000 IT decision-makers, one thing stands out: Digital transformation is both a driver for IT investments and a top challenge for IT and business managers alike. Key priorities include adapting to new work models and customer expectations, increasing capacity to respond to higher demand (even in the face of declining resources), enhancing eCommerce and related marketing capabilities, managing security and compliance, and accelerating digital customer engagement.

The digital experience is itself changing, and companies need to accept and address that fact as they think about new initiatives, whether they are customer- or employee-facing. Deploying the right tools, in the right way, can help organizations succeed in an increasingly online, always-on multi-device world.

As we look at the next 12–24 months, and how digital transformation will continue to evolve, Frost & Sullivan recommends paying close attention to three key areas of interest:

- ▶ **Customer experience management (CXM)**, to ensure all customer interactions are contextual, personalized, and responsive to changing consumer demand
- ▶ **Marketing technology (martech)**, to empower marketing and sales teams with the data and insights they need when they need it to drive conversions and boost sales while scaling content creation and automating manual processes
- ▶ **Migrating to the cloud**, to speed adoption, manage and secure data, lower costs, and deliver modern business applications to the teams who need it

Key Digital Transformation Objectives for 2022



Customer Expectations Have Changed—Has Your Strategy Evolved?

Frost & Sullivan research reveals that almost one third of decision-makers list customer journey management as a top priority for their customer experience (CX) investments in the next year.

Customers want to be able to engage with a company on any channel, at any time, and on any device, all while getting a consistent, seamless experience. To stay competitive, companies must be ready to meet customer expectations even as they are continuously changing—and recognize that those expectations are shaped not only by prior interactions with your organization, but also by those they've had with any organization in the past few months. That raises the bar considerably.

Many businesses are turning to integrated communications tools and content management software to improve customer interactions. Frost & Sullivan research shows that investing in technology specifically designed to improve CX is a high priority for all organizations, and improving CX is the top driver for collaboration investments. Businesses are also integrating their contact centers with unified communications and collaboration tools to connect departments and improve the overall customer value chain.

Top 5 Customer Experience Priorities for 2022



Delivering excellent CX through mobile devices



Building brand equity/loyalty



Protection from security threats



Ensuring customer trust



Integrating digital/social channels

▶ Improving teamwork is a top-three UCC investment factor.

Deploy the Right MarTech Stack to Deliver Exceptional Outcomes

Today's best marketers know that data is their most valuable asset. There's really only one way to gain a deep understanding of the market and take advantage of new opportunities: Analyze information about your existing customers and prospects, as well as the competitive marketplace. By leveraging the data they already have in their enterprise systems, marketers can create campaigns based on identified customer needs and behaviors.

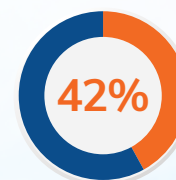
This does more than eliminate guesswork—it ensures that, by registering with customers on a personal level, the company's messaging will deliver targeted offers that are more likely to result in new or incremental revenue. It will also enable faster, better decision-making on the fly, and as part of well-defined business processes.

To do this, companies must get marketers the information they need when and where they need it. Automated systems can use data to help marketers identify the target audience for a particular campaign, export that information to the appropriate marketing software, create appropriate profiles and content, and then test and send emails and other messages as desired.

By connecting the company's customer resource management and contact center software with marketing tools, as well as the regular productivity applications employees use every day, companies steer marketers to their most valuable customer data.

Marketers can also leverage service and support tools to help them design campaigns based on customer pain points and needs, as well as overstocked inventory and seasonal deals. At the same time, agents will have access to up-to-date campaigns and offers for every customer interaction.

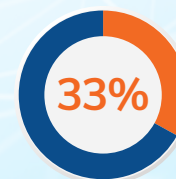
Top Marketing Automation Software Features



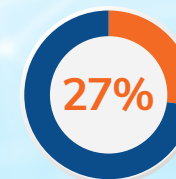
Data Security



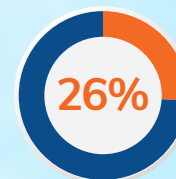
Price Performance



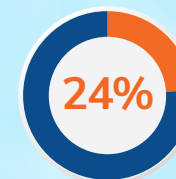
Analytics and Data Management



Intuitive User Interface



CRM Platform Integration



Lead Management

According to Frost & Sullivan research, **73%** of organizations currently use marketing automation software, and **69%** use an enterprise content management solution.

By tracking all customer contacts across the organization, marketers can develop a complete picture of the business's customers and devise targeted content and offers, making it more likely to convert interest into leads, and leads into sales.

Migrating to the Cloud Makes It All Possible

- ▶ **Ease of use:** Businesses need to give their employees access to advanced solutions without a lot of training and support. Cloud-based applications tend to be intuitive and simple to learn for agents, managers, and back-office users. And by outsourcing day-to-day management to the vendor, IT staff can focus on delivering business value across the organization.
 - ▶ **Access to advanced capabilities:** To meet today's customer expectations, companies must embrace an omnichannel contact center that provides seamless interactions on social and mobile channels, as well as artificial intelligence and advanced analytics. Cloud deployments make it easy to start with the basics and expand capabilities as needed.
 - ▶ **Reduced time to deployment:** With cloud-based solutions, adding new users is almost instantaneous, allowing companies to enter new markets and quickly add or remove employees as needed. They also guarantee that end users are always using the most up-to-date version of the software.
 - ▶ **Cost control:** Cloud-based solutions can significantly reduce system maintenance and management costs, and they don't require capital investment. And since companies pay only for the functionality they actually use, they know what they will be spending and can budget accordingly.
- ▶ In a recent Frost & Sullivan survey of more than 800 IT decision-makers with responsibility for their company's infrastructure and application management, **81%** list moving to the cloud as a key initiative for their company, with **38%** saying it is the top priority.
- ▶ **Advanced AI and analytics:** The right cloud-based solutions deliver leading-edge analytics, while letting companies store all their data offsite. Having access to information without the need for storage and the related management headaches helps companies handle security, privacy, and compliance. It also makes it easier for end users to leverage data to make better decisions without relying on data scientists.
 - ▶ **Flexibility and scalability:** Cloud-based contact solutions make it simple and cost-effective for companies to add or remove users, in any location and on any network or device. This enables seasonal staffing and makes it easier to respond to resource fluctuations. As a result, companies are better positioned to respond to new opportunities and quickly react to market changes.
 - ▶ **Support for the hybrid workplace:** Frost & Sullivan research shows that the hybrid workplace is here to stay. By supporting remote employees, companies can hire and retain the best talent from anywhere and serve new and existing markets without having to add infrastructure or facilities.

Walgreens Boots Alliance (WBA) Embraces Digital Transformation

The first Walgreens opened in 1901 as a single pharmacy on the South Side of Chicago. When it joined forces with Alliance Boots in 2014, the combined entity became the largest retail pharmacy across the United States and Europe. The company attributes its growth to a history of embracing new ideas that make the shopping experience convenient and more engaging.

The next goal is for each and every Walgreens and Boots shopper to have their needs anticipated and addressed faster. The company wants to deliver new retail and wellness experiences that expand access to innovative services while building on its reputation as a trusted resource in local communities. Core to this initiative is an ability to personalize experiences and offerings to more than 8 million customers that engage the brand daily, as well as to more than 100 million members in its loyalty program. No matter what the need, every interaction with the company should be made more relevant and engaging, with expertise from trusted staff.

To support this initiative, WBA selected Adobe Experience Cloud and Microsoft Cloud to power the next chapter of its digital transformation. The strategic partnership allows the company to harness insights to deliver more engaging and personalized experiences, while respecting and protecting the privacy choices of patients and customers. This can help increase users' access to key services within pharmacy and beauty, among other categories, while driving convenience and providing more options to address their daily needs. Data privacy and security are fundamental design principles in selecting the right digital experience technology, and they are underscored by Microsoft's trusted cloud platform.

With its digital strategy and new investments, WBA is joining a class of retailers that are changing how we shop. They have a technology foundation to drive success in customer experience management (CXM), a model that is creating leaders in every industry. At the same time, the company is fostering an internal culture that focuses on collaboration, where the marketing and IT teams work together to accelerate the pace of digital transformation. Having these pieces in place means the brand can move nimbly, delighting customers with shopping experiences that create new value and build loyalty.



“By building on top of our existing infrastructure investment with Microsoft Azure, our new partnership with Adobe Experience Cloud will help us activate data, drive mass personalization, and enable a more relevant shopping experience online and in-store.”

— Vineet Mehra, Global Chief Marketing Officer at Walgreens Boots Alliance

Microsoft Reimagines Its Online Store

Microsoft is reimagining its online storefront on microsoft.com with Adobe Experience Cloud, Microsoft Dynamics 365, and Microsoft Azure to create a more efficient content-management experience for developers and a more effective, accessible, and intuitive interface for customers. Microsoft recently replaced an internally developed, custom solution with a suite of Adobe products that integrate with Microsoft Dynamics 365 Commerce, hosted on Microsoft Azure. This strategic move will help adapt and grow Microsoft's digital storefronts to meet the changing needs of customers and businesses.

As part of its digital transformation efforts, Microsoft has established a marketing-technology strategy that emphasizes using a partner's best-in-class tools and minimizing custom tool development. This means replacing legacy and bespoke marketing technology with industry-leading software and services. Integrating Adobe Experience Cloud and Microsoft Dynamics, running on Azure, provides the functionality and scale necessary to unify operations with a common set of marketing-technology solutions across Microsoft.

To achieve their goals for a reimagined online storefront, Microsoft is using two powerful digital-business products. Adobe Experience Cloud provides the Microsoft Store digital storefront experience and melds seamlessly with the back-office capabilities of Dynamics 365 Commerce. Using Adobe Experience Cloud enables the creation of scalable, personalized, content-led experiences, including:



Core content management with Adobe Experience Manager Sites



Digital-asset management with Adobe Experience Manager Assets



Customer interaction and targeting with Adobe Target



Marketing campaign management with Adobe Campaign



Analytics and reporting with Adobe Analytics

“Adobe Experience Cloud’s extensibility was critical during implementation. Many of Microsoft’s business needs and the Microsoft Store digital storefront experiences required specific platform parameters and functionality. For those areas that required custom functionality to suit specific use cases, the flexibility of Adobe Experience Cloud allowed additional integration and customization.”

— Aaron Hartwell, Partner
Director of Product at
Microsoft

Frost & Sullivan Recommends—Best Practices for Digital Transformation Success

Frost & Sullivan recommends investing in an integrated set of solutions that will deliver crucial capabilities when and where you need them most. As you consider your priorities, look for vendor partnerships that enable seamless collaboration across devices, networks, and applications.

It should be easy for users to access the people and information they need from anywhere, on any screen. That means being able to launch communications with a single click—even from within the tools they use every day, like email and teaming software. But it's not enough to just reach out to colleagues and customers; users also want to be able to create content, actively collaborate on it, and then complete any necessary sign-offs in a secure, traceable way.



AUTOMATED WORKFLOWS

let employees and customers take the actions they need to move forward—whether that involves signing critical documents or authorizing contracts.



SECURITY, COMPLIANCE, AND CONTROL MECHANISMS

are a must for all businesses, but especially for those in regulated industries. Look for a solution that knows how to protect your data and your documents, without adding undue complexity or risk to the organization.



ADVANCED ANALYTICS AND VISUALIZATION

make it easy for end users to access and use the information stored in your company's applications—without needing a degree in data science. Giving everyone access to relevant insights lets them make better-informed decisions on everything from marketing campaigns to customer service and support interactions.

56% of companies prefer a tightly integrated set of solutions from multiple best-in-class vendors over single-vendor solutions (16%).

For more information on the Adobe x Microsoft partnership >
[Adobe Microsoft Partnership | Adobe](#)

To watch a video on the Walgreens Boot Alliance >
<https://www.microsoft.com/en-us/videoplayer/embed/RE4Vejc>

For additional details on the Microsoft case study >
[Building the future of retail with Adobe and Dynamics 365](#)

Growth is a journey. We are your guide.

For over six decades, Frost & Sullivan has provided actionable insights to corporations, governments and investors, resulting in a stream of innovative growth opportunities that allow them to maximize their economic potential, navigate emerging Mega Trends and shape a future based on sustainable growth.

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