

RADAR

Adobe-related Services in Europe 2024 - Telco

SITSI® | Vendor Analysis | PAC RADAR



MERKLE



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OVERVIEW

The importance of software ecosystems in Europe

As certain software companies become more dominant in a technology segment, their ongoing success creates a "wake" of opportunity for service provider companies to deliver consulting services that span strategy development to implementation and ongoing management services.

This leads to what is commonly referred to as a software and solutions service provider ecosystem forming around the dominant software company. PAC has seen this occur for many years across a range of technology segments and assessed several such ecosystems in RADAR reports. However, PAC has also witnessed said ecosystems typically being evaluated only at a global level, which does not provide enough insight and clarity for organisations operating in one or more European countries.

Given the complex and varied economic and cultural dynamics across Europe, this preference for assessing at a global level is understandable. For example, given the nature of many thriving ecosystems originating from American software companies, the typical pattern that PAC has observed over many years is for high-growth ecosystems to be led by success in the large American market first, and then subsequent regional growth occurs across Europe and Asia. So, from a global perspective, success in the American market can overshadow the opportunities and complexities of operating in Europe, with many service provider organisations driving success in Europe in part due to their relationships with large multinationals.

From PAC's experience for companies primarily based or operating a subsidiary within Europe, a global report is useful to a degree. However, a global report does not provide a specific understanding of a range of service providers that operate effectively in the highly diverse European market, given the economic, operating, and cultural differences across countries. This is why, when PAC assesses a software ecosystem, it is focused on the European market to support the demand for insight from European CxOs regarding which service providers within an ecosystem are best to engage within the region.

Despite a multitude of service providers operating across Europe for many years, PAC still frequently sees an unconscious bias towards a "one size fits all" global approach to market engagement in the region. European CxO's value reports that help

with initial discovery and comparison analysis to understand which service providers within an ecosystem are more engaged with industry dynamics across the region.

The Adobe Ecosystem in Europe

PAC recently performed a CxO survey to uncover how European companies adopt and update digital customer engagement (DCE) solutions and services; 46% of CxO respondents said they would increase their DCE budgets by up to 24% over the coming year, with 32% maintaining their DCE solutions budget over the same period. This is because the demands of DCE-style services delivered through B2C, B2B, B2B2C, G2C, and D2C channels continue to be in demand across Europe despite the economic and operating challenges faced across the region in recent years.

From PAC's perspective, the most vibrant software and services ecosystem at the heart of digital customer engagement (DCE) within Europe is **Adobe**. Solutions and services from Adobe are critical to a range of DCE workflows and provide essential adjacent integrations into areas like contact centre engagement. From PAC's market forecast analysis, EMEA accounts for 26% of Adobe's overall revenue and saw growth of 8% in FY21/22.

PAC considers that the ongoing growth of Adobe in the region can be attributed to how DCE can vary in maturity, sophistication, demand, and preference between industries and countries that operate within and across Europe. Across the region, the company has 591 partners that range from large multi-capability service providers, digital agencies, and system integrators to business consultancies. Of these, 44 provide Adobe-certified accredited and/or rapid deployment solutions across Europe.

Why is PAC assessing the European Adobe-related services ecosystem through a vertical lens?

From an ecosystem perspective, there continue to be significant European opportunities for Adobe and its partners. However, as Europe does not have a cultural landscape akin to the US there are often considerable variations in digital customer engagement (DCE) maturity and needs across the different countries. Demographic and cultural preferences can vary considerably per country, and the demands of industries can vary, too. PAC believes that the levels of variability and maturity across the DCE segment provide Adobe and its partners with ongoing growth opportunities across Europe. However, to continue expanding in the region, a thriving ecosystem of partners who, through depth and breadth of in-region

capabilities, can navigate and support specific industry needs is essential.

A regionally capable partner ecosystem supports companies through a combination of Adobe expertise and in-depth industry, regional, and country-specific expertise. European companies are pressured to deliver DCE services at greater detail, sophistication, integration, and pace across all channels. PAC is assessing the European Adobe partner ecosystem vertically because domain-specific demands in recent years are the differentiator for significant deals in this space.

Despite having a significant number of partners in the region, PAC often gets asked who the most relevant partners are in the European Adobe ecosystem overall and by industry verticals. Businesses want partners who can provide co-creation and co-innovation capabilities, help grow their brand, enhance their relationship with customers and clients, and transform their DCE workflows to operate more seamlessly and cost-effectively across their internal business functions and external business partners.

This study aims to provide enterprise buyers across Europe with the insights they need to shortlist the right partners for their Adobe investments, with an analysis focusing on the overall capabilities of significant providers in the European market. PAC performed a granular analysis of the differentiators and specific capabilities of leading firms in the market, in line with shifting enterprise priorities and the evolution of new buyer groups.

In particular, the research has examined a provider's ability to deliver services catering to the unique demands of specific industry sectors. Buyers seek a clearer understanding of the business vision, execution roadmap, and strategic innovation of service providers in the Adobe ecosystem to better understand their market strength and competence before committing to an investment.

THE TRENDS IN DETAIL

European Adobe-Related Services: An ever-growing hyper-competitive market anticipating strong growth

The European Adobe-related services market is a dynamic and growing landscape. A range of common trends emerged when assessing the companies for this report. Each firm navigates these trends, which have directly and indirectly indicated the competence and market strength amongst various assessment factors.

Demand for talent drives investment

The market for Adobe-certified talent, adjacent digital capabilities, and industry-specific expertise continues to intensify among European service providers. The widening gap between demand and available specialised supply has increased attrition rates despite attractive compensation packages extended by retention-focused companies. Resource churn has emerged as a risk firms foresee needing contingency buffers within budgeting plans and delivery approaches on long-term implementation engagements, particularly those involving complex industry-specific enterprise platform integrations or multi-country rollout considerations.

Practice sizes and expanding capabilities

Average European team sizes dedicated to the range of Adobe solutions have risen drastically from previous years across global system integrators and mid-sized niche players. Leading partners now have between 100 to 250 consultants supporting Adobe implementation initiatives regionally. Smaller boutique firms have similarly expanded the depth of certified teams, averaging 25 to 50 experts catering to very specific solution areas or country deployments. The growth extends beyond purely technical configuration roles to encompass customer-facing solution architects aligned to industry verticals for discovery, expansion into strategy, and ongoing marketing and engagement operations.

Near and offshoring delivery mix

While sustaining growth in the European-based practitioner count has proven challenging, most medium to large consultancies have focused on scaling near and offshore development skills for Adobe technology deployments. Eastern Europe and India have maintained growth as global delivery hubs for several partners who maintain a consistent onshore presence of customer-facing solution managers, architects and analysts while carrying out development, testing and instance

configuration by leveraging lower-cost resources. As prospects and clients probe delivery models balanced across onshore proximity, industry alignment and competitive price points, leading players aim for a hybrid consulting plus near and offshore execution approach.

The start of a maturing partner ecosystem

The regional partner ecosystem around Adobe Solutions has progressed in recent years from a more historic fragmented tool-specific expertise to more holistic providers equipped to serve entire experience management lifecycles. Large digital agencies with integrated strategy, technology and design capabilities offer end-to-end support from planning through activation and ongoing optimisation per brand needs. Mid-size system integrators provide specialised integration fluent in connecting front-end experience touchpoints with actual business processes across functions served by enterprise platforms like ERP, CRM and marketing automation systems. Niche boutique firms have similarly expanded beyond channel expertise to provide full lifecycle services - some bringing differentiated value in analytics, personalisation, and testing.

Co-selling and joint value propositions

The firms assessed have also focused on expanding the scope from reseller or implementation relationships to collaborative co-selling and joint value propositions harnessing Adobe's technology innovations and their industry specialisation or regional access advantages. Such joint go-to-market initiatives have been delivered through a trusted advisor lens, simplifying complex buying journeys for enterprises besieged with technology choices to progress their data-driven marketing. Such partnerships have also been fueled by closer alignment and embedding of partner teams within Adobe's customer success functions.

Vertical use cases and country-specific assets

The demand for industry-specific solutions continues to gain precedence as buyers look for relevant templates that provide headstarts, reduce risk, and customise Adobe capabilities to niche operational requirements. For instance, assets focused on dealer portal solutions, daily banking suite capabilities, or manufacturing shop floor analytics that blend IoT data flows are in high demand. Similarly, service providers are building accelerators catered towards industry, and country-specific compliance needs like consent management, access governance and data protection requirements across EU markets, which enterprises grapple with. Marketing asset development has also focused extensively on better-conveying business

transformation outcomes enabled by Adobe technology versus a pure platform features approach. Such vertical and regional assets anchored around priority digital customer engagement (DCE) challenges shorten sales cycles and improve win rates according to those assessed.

A high-potential market

Multiple trends within European industries continue influencing enterprise priorities and budget allocations for Adobe-driven modernisation initiatives. Key examples of these are:

- An ongoing mandate around delivering consistent omnichannel customer experiences that unify real-time data across systems vs channel-siloed views drives demand for customer intelligence, journey orchestration, and attribution analysis capabilities from Adobe suites.
- Continued focus on privacy regulation compliance and data transparency enhancing

governance needs as part of broader experience management initiatives.

- A relentless push towards better ROI measurement and achieving quicker time-to-value from complex marketing technology transformation programs.
- Expansion of buying groups to include broader digital organisation leaders paired with IT decision makers looking holistically across business priorities spanning marketing, analytics and operations.

Overall, the European Adobe-related services market continues to be an area of high potential and growth, if not one where providers still have significant challenges to overcome.

PAC INNOVATION RADAR “ADOBE-RELATED SERVICES IN EUROPE 2024 - TELCO”

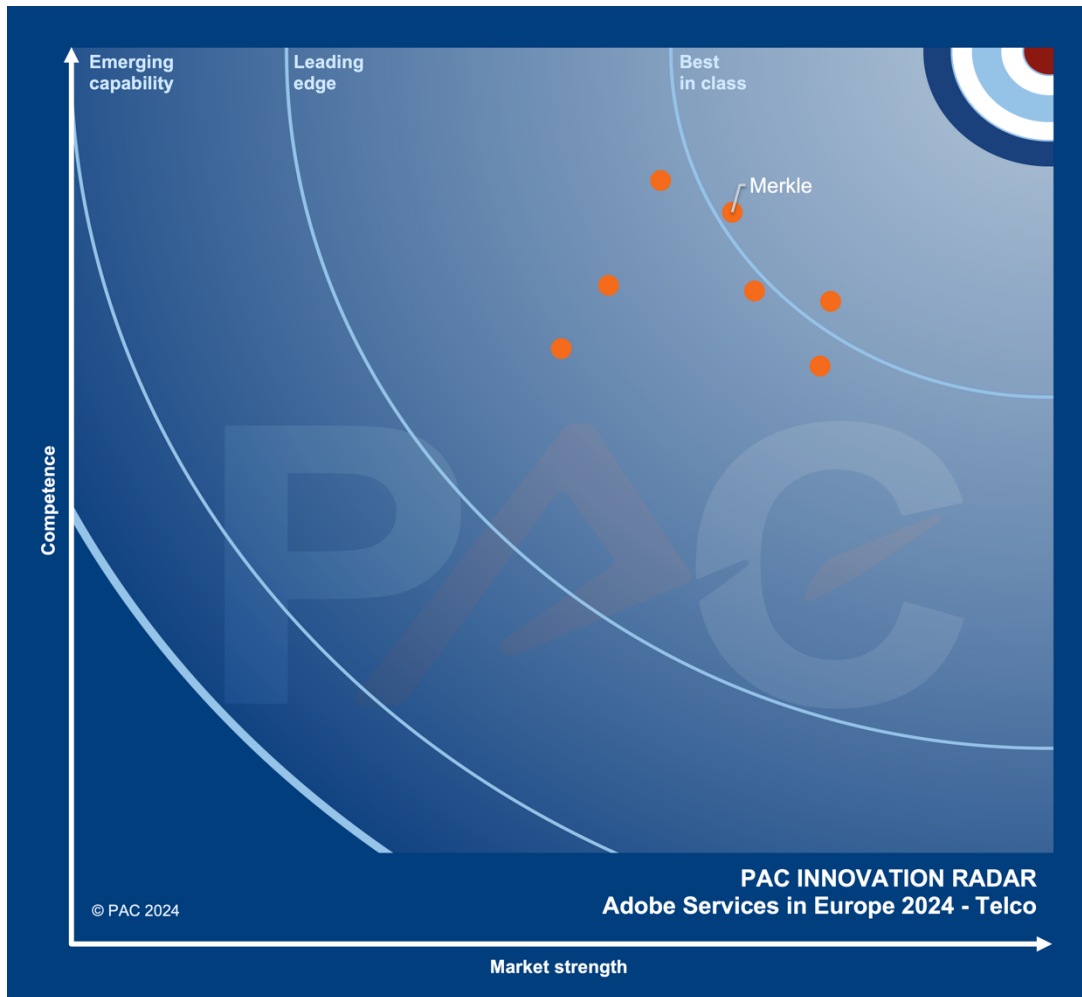


Fig. 1: PAC INNOVATION RADAR “Adobe-related Services in Europe 2024”

Based on the scores in competence and market strength, the overall score is calculated (calculation: competence score plus market strength score, divided by two). From the resulting overall score, each provider receives their characteristic positioning within the PAC RADAR.

Here, the following applies: The closer a company is to the upper right corner, the closer they are to meeting customers' requirements.

The classification of providers is based on the overall score:

“Best in Class”	1.0 – 1.9
“Leading edge”	2.0 – 2.9
“Emerging capability”	3.0 – 3.9

PAC RADAR “Adobe-related Services in Europe 2024”

Best in Class

Telco Industry-specific Strengths

- **Targeted subscriber engagement:** Merkle leverages Adobe Marketing Cloud to segment telco customers and deliver highly personalised campaigns based on real-time customer data and network usage patterns, boosting customer acquisition and retention across channels.
- **Frictionless customer service journeys:** Utilising Adobe Experience Cloud and Experience Manager, Merkle orchestrates seamless self-service experiences through apps and portals, empowering subscribers to manage accounts, troubleshoot issues, and access network information independently, reducing churn and maximizing customer satisfaction.
- **Data-driven network optimisation:** Merkle unlocks insights from Adobe Analytics and Experience Cloud to identify network usage trends and predict peak demand, enabling telcos to prioritise network investments, optimise coverage areas, and proactively address potential congestion issues, resulting in a superior customer experience.

Company Overview

Merkle was founded in 1971 and is a leading data-driven customer experience management company headquartered in Columbia, Maryland, United States, with over 14,000 employees across the globe. As part of Dentsu Inc., Merkle enables unique personalised customer experiences across platforms through technology, consulting, creative and, commerce services offerings.

Over the last decade, Merkle has steadily built up a commanding presence across numerous European industries as an elite digital consultancy guiding prominent brands in executing innovative and disruptive data-driven marketing technology strategies. Since debuting regional operations in 2012 from its London office, Merkle has moved decisively to scale its on-ground footprint spanning 13 strategic hubs from Stockholm to Madrid today.

Such expansive coverage and enduring investments into cultivating top-tier local talent have fast-tracked Merkle’s rise into one of Europe’s most prominent Adobe solutions implementation partners. With over 900+ accredited experts spread throughout the region carrying coveted Platinum or Specialist Adobe certifications in the latest capabilities, Merkle boasts enviable delivery muscle, qualifying the firm to spearhead intricate, mission-critical customer experience (CX) transformations for marquee retail, financial services and automotive players.

At its core, Merkle’s European backbone remains its outstanding talent base. Cross-disciplinary teams blending analytics rigour with intuitive creativity are instrumental in manifesting solutions personalised to customers’ most pressing industry-specific pain points. An ongoing prioritisation of expanding regional Digital Experience Centers, allowing clients to actively co-develop pioneering use cases

Company Overview

harnessing Adobe's future-facing capabilities, has solidified their trusted advisor status at executive tables.

Yet, for all of Merkle's strengths in delivering European Adobe deployments today, there remain pockets of opportunity to reinforce the foundations underlying its formidable market position to sustain engagements for years. While Merkle boasts expertise in integration across marquee platforms like Salesforce, SAP, or Microsoft Dynamics, the scope exists to deepen critical competencies around priority segments like order/inventory/fulfilment management systems prevailing in retail and specialised finance platforms common in banking.

Similarly, demonstrable success spearheading CX innovation programs for household brands creates viable adjacencies to expand their purview as an orchestrator managing intricate technology integrations to enable back-end transformations around supply chain or cross-border data harmonisation underlying unified commerce strategies growing in priority across the C-suite. Leaning harder on existing regional industry connections to broaden value impact beyond marketing realms alone is the key to Merkle's increasing influence to be seen as one of Europe's definitive guides around experience management practices.

OBJECTIVE OF THE PAC RADAR

What is the PAC RADAR?

The PAC RADAR is an effective tool for the holistic evaluation and visual positioning of software and ICT service providers on local markets. Numerous ICT and business decision-makers in user companies of all industries and company sizes rely on the PAC RADAR when selecting their partners and developing their sourcing strategies. With the help of predefined criteria, PAC evaluates and compares providers' strategies, development, and market position, in addition to their performance and competencies within specific market segments.

Each PAC RADAR focuses on a specific IT market segment. Up to 30 leading providers are evaluated per segment. Participation in the PAC RADAR is free of charge. All providers are evaluated using PAC's proven methodology, which is based on personal face-to-face interviews and a detailed self-disclosure from each provider.

PAC reserves to also evaluate and position relevant providers in the PAC RADAR that do not participate in the self-disclosure process. After the evaluation of the predefined criteria, each supplier's position is plotted in the PAC RADAR. The criteria are classified by clusters and can all be attributed to the "Competence" and "Market Strength" clusters. The provider evaluation, including a market description, is published as a report.

PAC RADAR graph

The PAC RADAR graph is a visual presentation of the results of the provider evaluation with regard to their market strength (horizontal axis) and competence (vertical axis) in the respective analyzed market segment.

The closer a company is to the center, the closer they are to meeting customers' requirements.



Fig. 1: PAC RADAR graph (exemplary presentation)

What is the PAC INNOVATION RADAR?

Concept and methodology of the PAC INNOVATION RADAR are similar to those of the traditional PAC RADAR.

While the traditional PAC RADAR focuses on mature market segments, the PAC INNOVATION RADAR, on the other hand, positions providers in new and innovative market segments, or in specific niche markets.

Thus, the focus of the evaluation is on the portfolio, vision, strategy, and early client engagements rather than on existing revenue numbers and resources

PAC INNOVATION RADAR graph

The PAC INNOVATION RADAR graph is a visual presentation of the results of the provider evaluation.

The closer a company is to the top right corner, the closer they are to meeting customers' requirements.

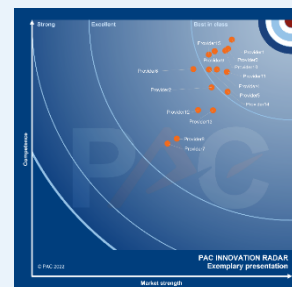


Fig. 2: PAC INNOVATION RADAR graph (exemplary presentation)

PAC RADAR EVALUATION METHOD

Provider selection & participation

Which providers are positioned in the PAC RADAR?

Providers are selected and invited according to the following criteria:

- **Size of revenues** in the segment to be analyzed in the specified region.
- **"Relevance"**: Even providers that do not belong to the top-selling providers in the segment to be analyzed are considered if PAC classifies them as relevant for potential customers, for instance due to an innovative offering, strong growth, or a focus on a specific customer group (e.g., SMBs).

There is no differentiation as to whether the providers are customers of PAC – neither in the selection of the providers to be positioned, nor in the actual evaluation.

What do providers have to do in order to be considered in a PAC RADAR analysis?

The decision as to which providers are considered in the PAC RADAR analysis is entirely up to PAC. Providers do not have any direct influence on this decision.

However, in the run-up to a PAC RADAR analysis, providers can make sure in an indirect way that

PAC can adequately evaluate their offerings and positioning – and thus their relevance – e.g., by means of regular analyst briefings, etc.

Why should providers accept the invitation to actively participate?

Whether or not a provider participates in the RADAR process does not actually affect their inclusion and positioning in the PAC RADAR, nor their assessment. However, there are a whole host of benefits associated with active participation:

- Participation ensures that PAC has access to the largest possible range of specific and up-to-date data as a basis for the assessment.
- Participating providers can set out their specific competencies, strengths, and weaknesses as well as their strategies and visions.
- The review process guarantees the accuracy of the assessed factors.
- Submitting customer assessments can have a positive impact on the overall score.
- The provider gets a neutral, comprehensive, and detailed view of their strengths and weaknesses as compared to the direct competition – related to a specific service in a local market.
- A positioning in the PAC RADAR gives the provider prominence amongst a broad readership as one of the leading players in the segment under consideration.

Considered providers by segment

Adobe-related Services -Overall-	Adobe-related Services -Retail-	Adobe-related Services -Financial Services-	Adobe-related Services -Telco-	Adobe-related Services -Manufacturing-
<ul style="list-style-type: none"> • Accenture • Capgemini • Cognizant Netcentric • IBM • Merkle • NTT Data • Publicis Sapient • Reply • TCS • Valtech 	<ul style="list-style-type: none"> • Accenture • Capgemini • Cognizant Netcentric • IBM • Merkle • NTT Data • Publicis Sapient • Reply • TCS • Valtech 	<ul style="list-style-type: none"> • Accenture • Capgemini • Cognizant Netcentric • IBM • Merkle • NTT Data • Publicis Sapient • Reply • TCS 	<ul style="list-style-type: none"> • Accenture • Capgemini • Cognizant Netcentric • Merkle • NTT Data • Publicis Sapient 	<ul style="list-style-type: none"> • Accenture • Capgemini • Cognizant Netcentric • IBM • Merkle • NTT Data • Publicis Sapient • Reply • TCS • Valtech

The concept

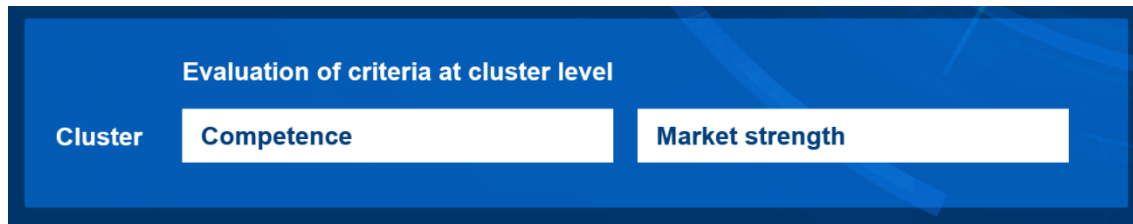


Fig. 3: PAC RADAR – evaluation method

PAC uses **predefined criteria** to assess and compare the providers within given service segments. The assessment is based on the report-card score within the peer group of the positioned providers.

This is based on:

- The provider's detailed self-disclosure about resources, distribution, delivery, portfolio, contract design, pricing, customer structure, customer references, investments, partnerships, certifications, etc.;
- An assessment of the provider by reference customers (to be obtained by the provider);
- If applicable, a poll among customers by PAC;
- The analysis of existing PAC databases;
- Secondary research;
- Dedicated face-to-face interviews as relevant.

The provider data is verified by PAC and any omissions are rectified based on estimates.

If the provider does not participate, the assessment is performed using the proven PAC methodology, mainly based on:

- Information obtained from face-to-face interviews with the provider's representatives, analyst briefings, etc.;
- An assessment of company presentations, company reports, etc.;
- An assessment of PAC databases;
- An assessment of earlier PAC RADARs in which the provider participated;
- A poll among the provider's customers (as required) on their experiences and satisfaction

What if no customer assessments, or fewer than required, are submitted?

The overall assessment has to include the number of customer assessments requested in the invitation. Any missing customer assessments are scored as "satisfied," i.e., they do not negatively affect the score. This produces an average score for criteria based on customer assessments

Reissue of published RADARs

The scores in the PAC RADAR represent an assessment of the providers within the given peer group in the year in which the respective PAC RADAR was published.

The evaluations may not be directly comparable with those of any previous version due to subsequent content modifications. In particular, they do not depict a development of individual providers over time.

Methodological and/or organizational modifications may be made due to changing market conditions and trends, and may include:

- A different peer group in the focus of the analysis;
- Modification of individual criteria within clusters and sub-clusters;
- Increased or altered expectations by user companies;
- Adjustment of the weighting of individual criteria.

General PAC research method

The following overview describes PAC's research method for market analysis and key differentiation features.

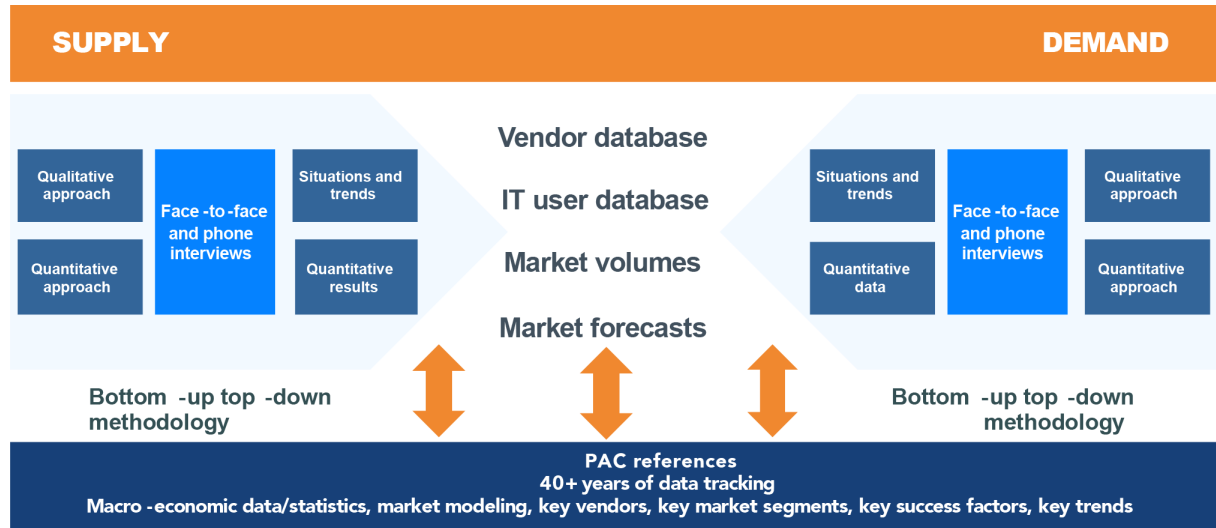


Fig. 1: Description of the PAC methodology

Local research and face-to-face communication are two core elements of PAC's methodology. In our market studies, we can draw on more than 40 years of experience in Europe.

Positioning within the PAC INNOVATION RADAR

Based on the scores in competence and market strength, the overall score is calculated (calculation: competence score plus market strength score, divided by two). From the resulting overall score, each provider receives their characteristic positioning within the PAC INNOVATION RADAR. Here, the following applies: The closer a provider is to the upper right corner, the closer they are to meeting customers' requirements for that segment.

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ABOUT THE PAC RADAR

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The PAC RADAR is a graphical representation and written analysis of the positioning of various IT providers within a defined market segment at a specific point in time. The positioning and characterization of selected companies within the PAC RADAR is conducted on the basis of an analytical assessment of criteria which PAC previously defined for this analysis.

The selection, positioning, and characterization of companies within the PAC RADAR is not subject to any vested interests whatsoever. PAC does not support any providers that are represented in the PAC RADAR, and does not give any recommendations to technology users. The PAC RADAR represents a result from market research only and must not be taken as a recommendation for action.

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ABOUT PAC

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