RADAR

Salesforce-Related Services in Europe: The Communications & Media View

SITSI® I Vendor Analysis I PAC RADAR

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PAC RADAR
IT SUPPLIER ASSESSMENT FROM PAC
SALESFORCE SERVICES IN EUROPE
Communications & Media
BEST IN CLASS
MERKLE
2024

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INTRODUCTION

Salesforce's European business has been out-growing its North American division in recent quarters. Revenue from Europe reached $7.2bn in the vendor's most recently reported fiscal year, driven by the expansion of its core portfolio and customers adopting its propositions to support increasingly critical areas of their business.

Salesforce is planning to invest to drive further momentum in the region. The vendor unveiled plans to invest $4bn in its UK business alone over the next five years. This will be channelled into "innovation, customer success and growth," and helping customers harness the company's increasingly AI-centric approach. Similar funding initiatives are expected in other key European markets, including France and Germany. Some of this investment will also help to reinforce Salesforce's partner ecosystem , which continues to play a hugely important role in driving Salesforce's client success in the region. PAC research

This has created a major opportunity for its partner ecosystem, which incorporates more than 500 advisory, implementation and development partners in the region. PAC expects European businesses to increase their spending on Salesforce-related consulting and systems integration from €8bn in 2023 to €13bn in 2027.

Salesforce relies on services partners to accelerate its customers' time to value and to help them harness the vendor's growing importance at the heart of their business.

But a key part of the role of Salesforce partners is to help join the dots between the platform and the specific needs of the client and the industry in which they operate. As business become more digital-centric, they need assistance in building platforms and services that support and enhance the critical moving parts of their organization.

PAC estimates that more than 50% of major Salesforce projects now require the services provider to have industry domain-specific knowledge or experience or in working their vertical market. This is because customers are increasingly using Salesforce's expanding platform to support critical aspects of their digital-centric operations.

Salesforce has responded to this through the introduction and expansion of the Salesforce Industries and industry cloud propositions, as well as the launch of an advisory board for its EMEA operation that included executives with experience of leading market-leading organizations including Aegon, Beiersdorf, BMW, Publicis SNCF and Siemens.

This study aims to provide enterprise buyers across Europe with the insights they need to shortlist the right partners for their Salesforce investments, with analysis focusing on the overall capabilities of major providers in the region. In addition, the study will present analysis of the differentiators and specific capability of leading firms in the market, in line with shifting enterprise priorities and the evolution of new buyer groups. In particular, the research will examine a provider's ability to deliver services that cater to the unique demands of specific industry sectors

SALESFORCE IN EUROPEN COMMS & MEDIA

The pace of change is accelerating in Europe's telecoms and media sector.

Over two thirds of the region's operators have now deployed 5G, with more than half having rolled out 5G networks. This is encouraging many communications service providers (CSPs) to change their positioning from connectivity providers to providers of connected experiences enabled by 5G.

At the same time, incumbents such as BT and Telecom Italia have undertaken far-reaching transformation programmes to simplify and automate operations in order to give them the agile core they need to speed time-to-market and improve the customer experience.

In the streaming age, the lines between telecoms and media organizations have never been more blurred, as competition in the lucrative digital content market intensifies. Many of the region's media organizations have experienced a challenging time due to fluctuating advertising spend, and with further volatility on the horizon, many are striving for greater flexibility.

Communications and media has become one of Salesforce's strongest industry sectors in Europe, as businesses from all areas of the market adopted its customer-facing propositions to build a level of insight that their legacy CRM systems could not deliver.

But Salesforce is also getting deeper into its clients' core industry processes. In the telecoms space for example, many companies are rethinking their wider Business Support Systems (BSS) strategy which covers not just CRM but order capture and billing as well.

The ongoing wave of operator consolidation is often a major trigger for a change in direction, and Salesforce, and its wider partner ecosystem, are positioning to support these modernization initiatives.

In this report, we map out those IT services organizations that combine the deep industry domain knowledge and expertise with experience in supporting Salesforce's expanding portfolio in the European communications and media sector.

Selected Key Salesforce Accounts in the European Communications & Media Sector

PAC INNOVATION RADAR "SALESFORCE-RELATED SERVICES IN EUROPE 2024"

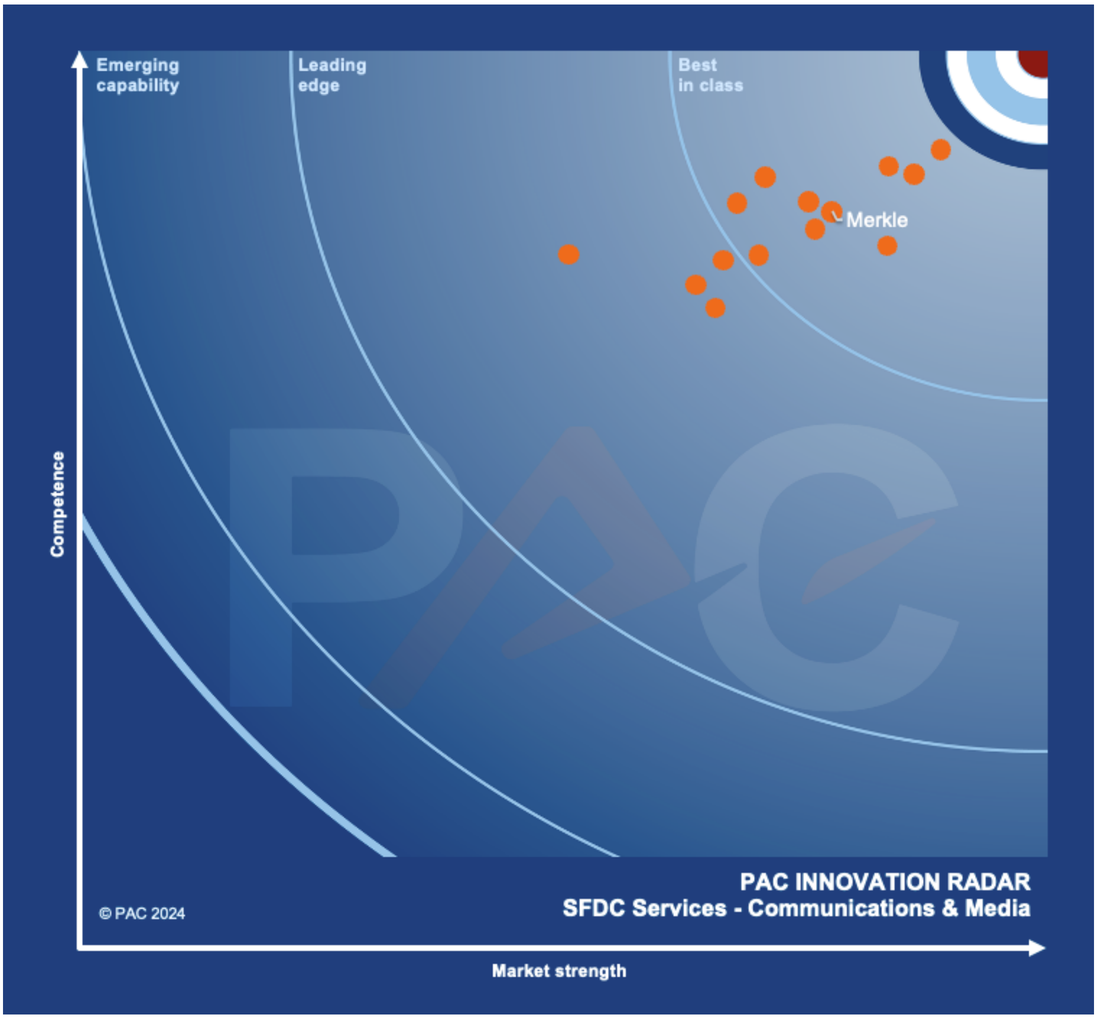

Fig. 1: PAC INNOVATION RADAR "Salesforce-related Services in Europe"

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 INNOVATION RADAR – Salesforce Services in Europe 2024

The Communications & Media View

Key Strengths (Industry Specific)

- **Domain B2B Experience**. Merkle has deep experience in harnessing Salesforce to enhance B2B engagement in the telecoms and media space. This is spearheaded by Merkle B2B, a specialist B2B agency within Merkle that was built up through acquisitions including gyro, B2B International, and DWA. This helps to ensure that the Salesforce technology solutions it implements in this sector are done so with a clear understanding of the needs of both customers and users.
- **Transforming B2B Engagement in Media.** Merkle has a wealth of experience in managing complex Salesforce implementations in the media segment, including its experience in supporting parent group Dentsu. This has recently involved the deployment of the Net Zero Cloud platform, one of the first to be deployed at scale in this sector. Merkle also supports the B2B strategies of external media clients, helping them leverage data to better inform media strategy and buying. One of Merkle's key references in this sector is a major European media organization, for whom it has implemented and supported Service and Sales Clouds.
- **Delivering Scale & Complexity in Telecoms**. Merkle has experience in delivering complex data-centric projects with large European mobile operators, including one project to build out Salesforce Marketing Cloud and move the data to Salesforce Data Cloud to drive personalisation at scale. Another key engagement saw it help one of Europe's largest operators migrate from a legacy marketing platform to Salesforce Pardot, which helped the client boost lead generation and achieve a higher conversion rate. One key focus area in the telecoms sector for Merkle is to help clients harness Pega decisioning in combination with Salesforce to enhance agent performance and customer engagement.
- **Harnessing AI**. One growing area of activity for Merkle's Salesforce practice is to help clients harness ethical AI/decisioning to provide a consistent customer experience across multiple service channels while reducing the cost to serve. It is also using AI in combination with Salesforce to help telecoms and media companies to reduce their cost of sale while growing market share.

Key Strengths (General)

- **Depth and Scale.** Merkle is part of Dentsu Group, one of the world's largest marketing and advertising agencies, with 72,000 employees working across more than 140 markets. Merkle (and the wider Dentsu group) has one of the world's largest Salesforce practices. PAC ranked Merkle/Dentsu as one of the 15 largest Salesforce-related services providers at a worldwide level. Merkle/Dentsu currently has >2,300 Salesforce-certified experts and >8,200 Salesforce certifications worldwide. The company's core positioning is to help clients to harness Salesforce B2B Commerce, Sales, and Service Cloud capabilities in a way that drives positive business outcomes.

Key Strengths (General)
• **Client and Data Focus.** Merkle's background is in helping businesses build a clear understanding of customer behaviour and preferences, and to develop the strategies and platforms to drive success. Harnessing the right data sets is critical to success, and the company is able to leverage global teams that support executives in creating the right analytics and reporting approaches and tools, in order to convert data into valuable insight. • **Dentsu Synergy.** An important differentiator and strength of Merkle is how it is able to work in partnership with other parts of its parent organization. On many of the company's larger engagements, it works with creative teams from within Dentsu to help clients design and develop the most effective sales and marketing campaigns and strategies, with the best supporting operating models and technology platforms. • **Salesforce recognition.** The company has close to 20 years-experience as a Salesforce partner (it now has Summit Partner status), with more than 2,000 implementations under its belt. It ranks as Salesforce's largest global agency partners and has won multiple awards from Salesforce in recent years at both a local market and international level. It is the only three-time Marketing Cloud Partner of the Year and winner of five overall Partner of the Year awards. • **Growth and momentum.** The Salesforce practice has been bolstered by a string of acquisitions in recent years, including: OmegaCRM (Spain, 550 employees, 2023); Shift 7 Digital (US, 2022); Aware Services (Australia, 115 employees, 2022); Pexlify (UK, 150 employees, 2022); Extentia (India, 800 employees; 2022); and Davanti Consulting (New Zealand, 2019). Merkle's EMEA business has experienced rapid growth in the last five years, and it now incorporates a headcount of >5,000 employees in the region, centered around major operations in the DACH region, UK, France and Spain, with delivery teams in Portugal and Serbia.

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.

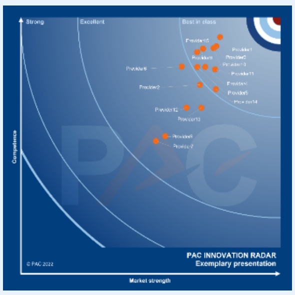

Fig. 2: PAC INNOVATION RADAR graph (exemplary presentation)

RADAR by PAC

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.

RADAR by PAC

Considered providers by segment

Communications & Media	Energy & Utilities	Financial Services	Manufacturing	Public Sector	Retail
• Accenture	• Accenture	• Accenture	• Accenture	• Accenture	• Accenture
• Bearing Point	• Bearing Point	• BearingPoint	• BearingPoint	• BearingPoint	• Capgemini
• Capgemini	• Capgemini	• Capgemini	• Capgemini	• Capgemini	• CGI
• CGI	• CGI	• CGI	• CGI	• CGI	• Deloitte
• Deloitte	• Deloitte	• Deloitte	• Deloitte	• Deloitte	• IBM
• Eviden	• Eviden	• Eviden	• Eviden	• Eviden	• Merkle
• IBM	• IBM	• IBM	• IBM	• IBM	• Nextview
• Infosys	• Infosys	• Infosys	• Infosys	• NTT Data	• NTT Data
• Merkle	• Nextview	• Merkle	• Merkle	• PwC	• Publicis Sapient
• NTT Data	• NTT Data	• Nextview	• NTT Data	• Repy	• PwC
• Reply	• Publicis Sapient	• NTT Data	• Nextview		• Reply
• TCS	• PwC	• Publicis Sapient	• Publicis Sapient		• TCS
• Telekom MMS	• Reply	• PwC	• PwC		• Telekom MMS
• Wipro	• TCS	• Reply	• Reply		• Tietoevry
	• Telekom MMS	• TCS	• TCS		• Wipro
	• Wipro	• Telekom MMS	• Telekom MMS		
		• Wipro	• Tietoevry		
			• Wipro		

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.

PAC RADAR REPORT LICENSE

PAC RADAR "Salesforce-related Services in Europe 2024"

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ABOUT THE PAC RADAR

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.

The contents of the PAC RADAR have been created with utmost diligence and care. However, PAC cannot be held responsible for any errors or omissions.

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ABOUT PAC

We are a content-based company with a consulting DNA. PAC is the leading European consulting and analyst firm supporting software & IT service vendors worldwide. Since 1976, we have helped our clients to understand market dynamics, grow their revenue and raise their profile. Our unrivalled understanding of European markets, and deep research coverage help key market players to define their strategy, optimize their go-to-market and increase market share. PAC is an analyst-led consultancy with a team of over 100 experts across Europe. We provide market research and analysis on more than 30 countries worldwide, delivered through our portfolio pillars, Guidance, Insights, and Visibility, and our renowned SITSI® research platform.

More on www.pacanalyst.com.