

white paper

Best of Need or Best of Breed? The (Real) Road to Digital Maturity

How Sitecore helps marketers to maximize customer engagement
using a unified, single-platform approach

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I. What's Better? An Introduction

It's a scenario that has been played out in myriad corners of the enterprise computing world: What's better, an integrated, all-in-one software suite, or a best-of-breed environment that incorporates multiple point solutions?

In enterprise circles, customer engagement is today's hotbed of business growth — and the place where this classic argument takes a twist. Does a single-platform, fully integrated customer engagement suite provide “best-of-need” capabilities that optimally meet current requirements, while providing a clear path to “digital maturity?” Or does even a partial best-of-breed approach provide more flexibility toward achieving that goal?

This whitepaper looks at Sitecore's best-of-need approach — its Customer Engagement Platform (CEP) that “leads” organizations at all stages of digital maturity with optimal, integrated capabilities — in comparison to best-of-breed environments that require companies to “follow” due to ongoing custom integration of one or more point solutions. Commentary and real-world guidance are provided to answer questions that are top-of-mind within marketing organizations:

1. What's the reality check on digital maturity? What is it, and why is it important to my organization?
2. “Best of need” sounds stripped-down. How does Sitecore offer what I really need? Why do multi-vendor approaches overload my customer engagement environment with unnecessary functionality?
3. What are the specific benefits of choosing a complete digital marketing solution like the Sitecore Customer Engagement Platform?
4. What if I have existing point solutions that I absolutely must keep? Can I integrate them into Sitecore?
5. What happens when I replace specific capabilities in Sitecore CEP with third-party services or software?

This white paper draws on the experience of real-world practitioners, making the path to digital maturity both tangible and attainable.

II. Digital Maturity: Everyone Wants It, Few Companies Have It

In late 2011, Sitecore commissioned Forrester Consulting to research current and planned practices in multichannel marketing, “the approach that marketers have adopted to manage and optimize customer engagement across the burgeoning landscape of customer touchpoints.”¹

In the study, published in May 2012 and titled “The Multichannel Maturity Mandate,” Forrester found that “marketers who have adopted multichannel marketing practices have realized significant business benefits, ranging from improved campaign performance to higher return on marketing investment (ROMI).”² Specifically, companies that identified themselves as mature multichannel marketers have achieved significant benefits (see Figure 1):

- The biggest gain reported by respondents was in the dimension of reach, with 48% of respondents reporting more than 15% increase in impressions.

1. “The Multichannel Maturity Mandate,” a Forrester Consulting study published May 2012 and conducted on behalf of Sitecore.

2. *Ibid.*

- The second highest benefits were realized in customer satisfaction, with 43% of respondents reporting more improvements of more than 15%.
- Realized benefits extended beyond the marketing organization; 24% reported more than a 15% reduction in sales cycle times.³

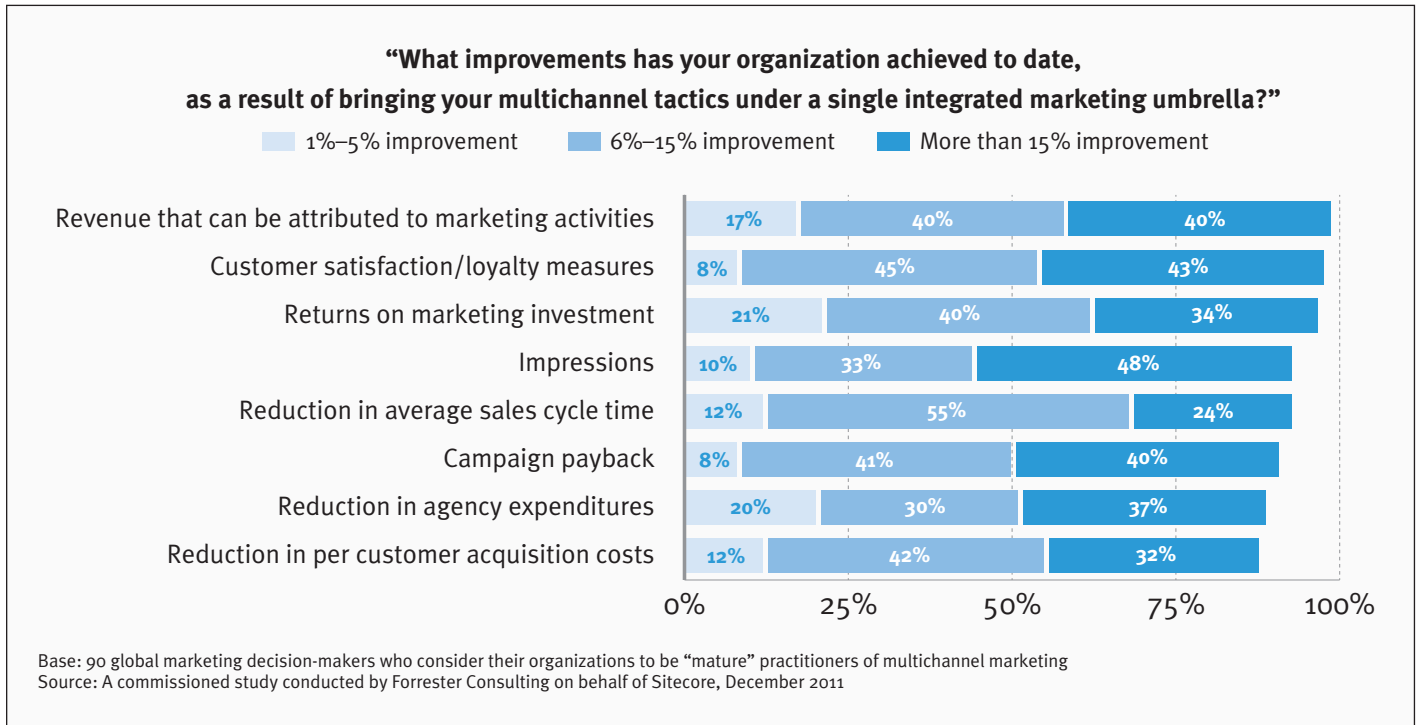


Figure 1: Mature multichannel practitioners reported significant business benefits.

For marketing organizations, digital maturity is one of today’s most pressing goals. “In the face of an increasingly dynamic and unpredictable marketplace, marketers everywhere should be asking themselves if their current approach to customer engagement will give them the speed, agility and scale they will require to win their digital future,” explains Justin Calvo, Global Digital Marketing Director at Avanade Inc.

“Now, more than ever,” he continues, “marketers need a clear digital roadmap, one that examines the tools, processes, and competencies necessary to engage customers across a growing number of connected channels in more personal and rewarding ways, *and* continues to deliver business value as the marketplace shifts.”

In fact, achieving digital maturity is something that most organizations find very hard to do — and they’ve been trying for years, already, to do just that. Specifically, Forrester points out:

“While companies have exercised multichannel strategies for years, even the most mature practitioners struggle to support integrated customer interactions across multiple channels.

3. Excerpted from “The Multichannel Maturity Mandate,” Forrester Consulting May 2012.

Our research indicates that there is a real opportunity to take multichannel marketing to the next level. Many issues in the practice still remain, such as:

....

Non-integrated point solutions dominate the technology landscape. Marketing teams are challenged when creating and managing customer experiences on their websites and other digitally enabled touchpoints because the ecosystem of solutions they use is siloed (see Figure 2). Email campaigns are designed and delivered with one system; social media campaigns with another; digital events with yet another. Marketing programs and customer engagement is planned with no insight into customer behavior on the website. These technology silos make it impossible to understand both the impact of campaigns, and the behavior of customers, across multiple channels.

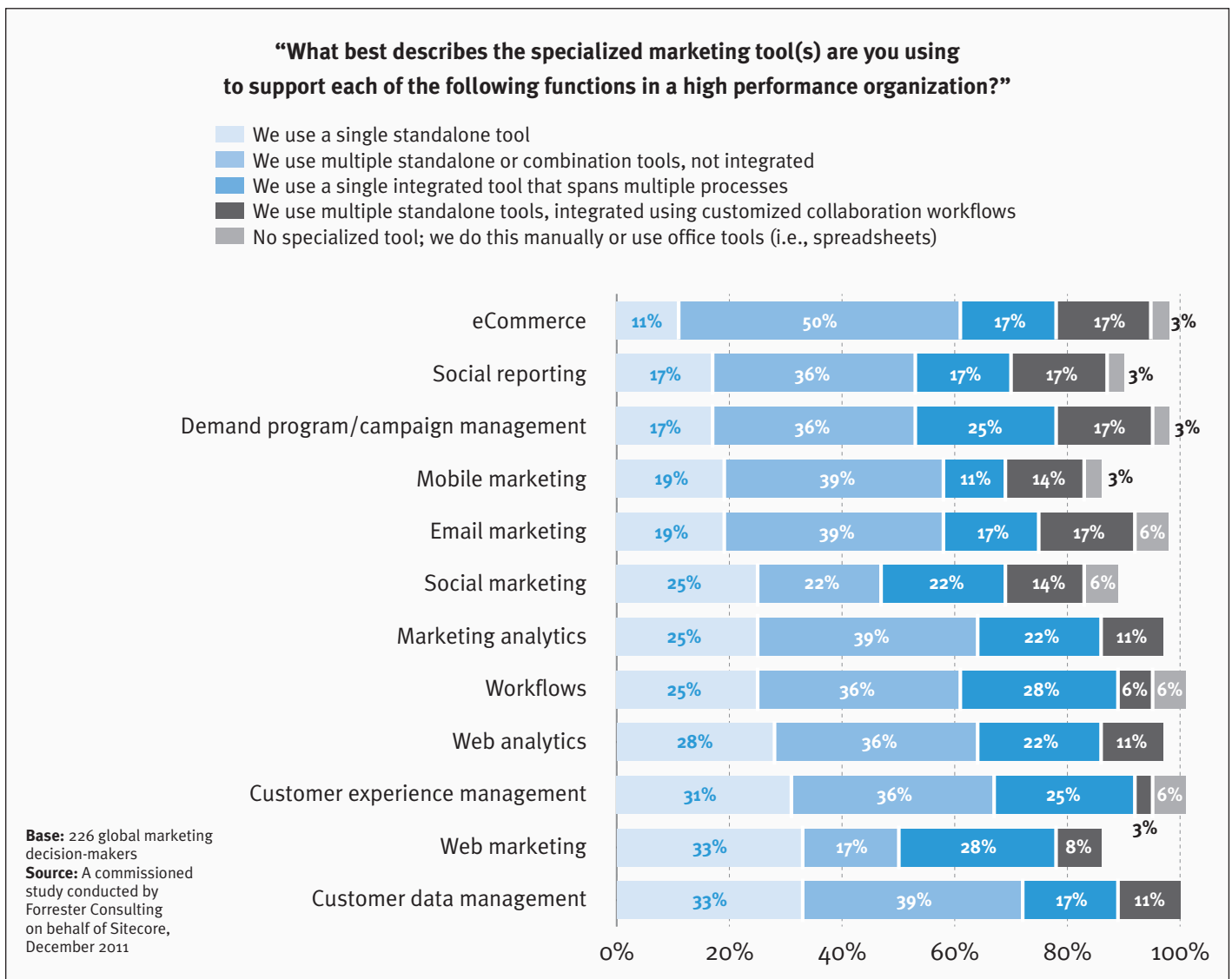


Figure 2: Standalone, non-integrated tools predominate in multichannel marketing.

Real Talk: The Best-of-Breed Myth

Companies that choose multi-vendor software environment typically do so thinking they need “every square inch” of every product. In this mode, it can be easy to rationalize swapping out just one or two modules — such as email, marketing automation or analytics — of an integrated digital marketing solution, believing that a specialized third-party application offers more, and more optimal, functionality.

The reality is that most companies use only five to 10% of the capabilities of all the software they buy, including solutions for digital marketing. They buy for what they need right now, and what they think will be needed five years into the future. This thinking, while pervasive, leads to enormous increases in the cost and complexity of using and managing the resulting multi-vendor environment, directly leading to low ROMI.

The high costs of a multi-vendor approach

However, the customer engagement and experience realm is evolving so rapidly that:

1. It is impossible for companies to keep a toehold on the curve, much less get ahead of it, with a multi-vendor approach. For example, between 2010 and 2012 mobile search grew by 500%⁴ — a key statistic in illustrating how important mobile is in the customer journey. How could the seismic shift to mobile have been factored into multi-vendor environments deployed in 2008, with a projected five-year lifespan?
2. Companies attempting to implement and integrate new functionality into multi-vendor environments will find it nearly impossible to do so, especially when two or more components of a unified platform are replaced with third-party applications. Deploying and upgrading multiple point solutions will keep companies scrambling in “perpetual upgrade mode.”

For example, it’s nearly impossible for companies with multi-vendor environments to analyze how a specific visitor’s mobile email opens result in mobile web visits, linking that data with the same visitor’s activity on the regular website — a critical capability in light of consumers’ pervasive use of mobile devices. This granular, integrated multichannel analysis is readily available within the core Sitecore Customer Engagement Platform.

3. The complexity of using and managing the multi-vendor patchwork of solutions quickly escalates. This presents a significant challenge for the marketers who need to plan, execute and refine campaigns rapidly and repeatedly.

As a result, companies with best-of-breed customer engagement environments will *always* lag behind in digital maturity.

4. Source: ww.econsultancy.com.

III. Why “Best-of-Need” is Better

As Forrester notes in the study, most companies still rely on non-integrated point solutions (i.e., multi-vendor environments), conducting single-channel marketing campaigns in a multichannel world. This persistence is an extension of a decades-old belief that best-of-breed environments allow companies to get precisely the functionality they want. Best-of-breed proponents further contend this approach avoids vendor lock-in.

However, thought-leading business service providers, like Avanade Inc., increasingly turn to best-of-need solutions to meet the needs of their global clients. Steve Yi, Avanade’s Senior Director for Application Development Product Line, Software and Cloud Services, says, “One of the things about Sitecore that really impressed

Avanade is, rather than taking an ivory tower, academic approach to digital marketing or web content management, Sitecore really took a bottom-up approach to building their Customer Engagement Platform.”

Yi continues, “Sitecore looked at what’s pragmatic, what provides value to the customer, and what’s sustainable from an operational and management perspective, long term, to evolve the platform to meet customer needs.”

A powerful successor

Supported by global service leaders like Avanade, unified customer engagement environments built with Sitecore CEP have quickly emerged as an optimal solution for today’s multichannel marketers. Sitecore offers fully integrated functionality that meets the market requirements visible within a six-to-twelve month window — which, given the fast pace of change of consumer technology adoption and preferences, is exactly what marketers *need*. No more, no less.

Specifically, Sitecore’s unified, single-platform approach gives marketers:

- *Integrated business processes* that are consistent with the way customers interact with the company, and the way marketers want to blend multichannel customer interaction data. In contrast, multi-vendor environments force marketers to use processes that are disjointed, complicated and time-consuming. (See the sidebar, “Real Talk: Process Integration.”)
- *Technology integration* that delivers full, seamless data exchange between the various components of the customer engagement environment, resulting in maximum information flow to marketers. Using a plumbing analogy, the diagram below illustrates the superior information flow the Sitecore CEP solution affords.

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— Steve Yi, Senior Director for Application Development Product Line, Software and Cloud Services, Avanade Inc.

Sitecore offers fully integrated functionality that meets the marketers’ requirements visible within a six-to-twelve month window — exactly what they *need*, no more, no less.

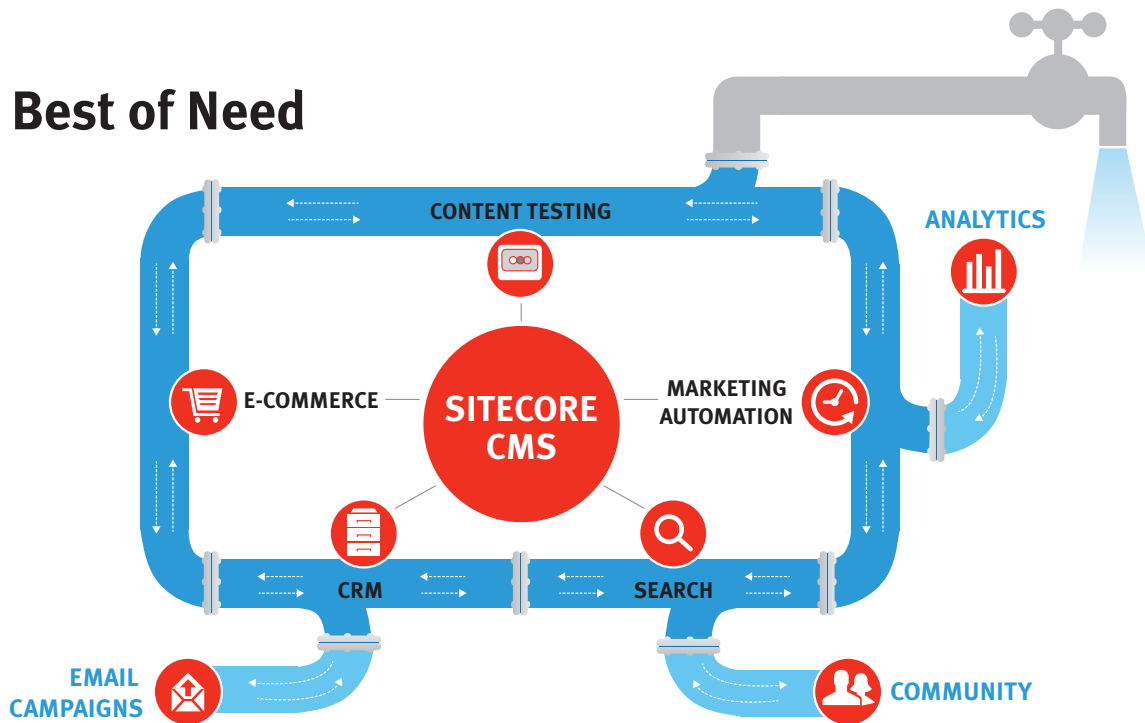


Figure 3: A pre-integrated unified solution, Sitecore delivers unrestricted information flow between every component of the customer engagement environment — and full, easy information flow to markers.

- *The option to easily integrate*, if necessary, third-party components into the Sitecore environment. While Sitecore delivers the integrated multichannel marketing capabilities required to drive marketing maturity forward, it may be necessary for some companies to use certain third-party applications.

Sitecore has invested significantly in software development that allows these point solutions to be easily integrated into the Sitecore CEP — an ideal strategy for adding new capabilities to supplement the core Sitecore unified platform.

However, as illustrated in Figure 4, it should be noted that data may not flow as readily in a Sitecore environment that has been altered to replace existing core CEP functionality (such as email, marketing automation or analytics) with third-party applications; the connections required to do so inherently reduce the fluidity with which information can be shared among all components of the digital marketing environment. Again, for an example, please see the section “Real Talk: Process Integration.”

Sitecore CEP, through its rich, native digital marketing modules and connector-based integration with popular CRM packages, can easily deliver sophisticated multichannel campaigns, integrating a wide range of data flows and functions.

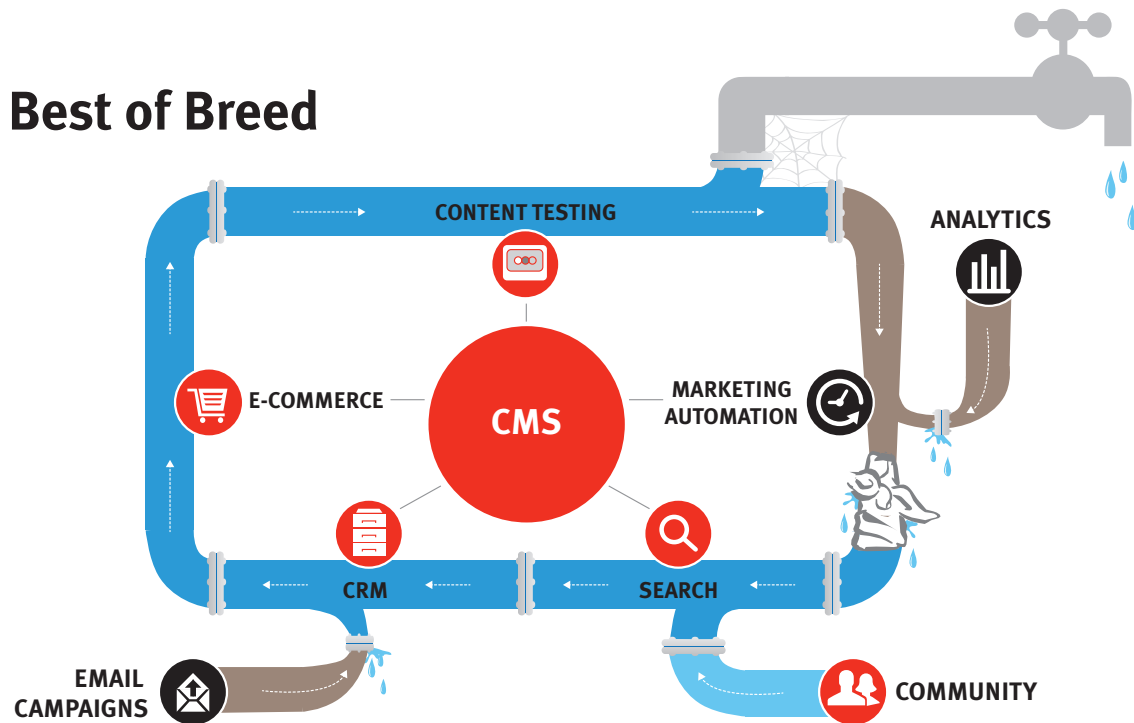


Figure 4: Sitecore CEP environments that replace key Sitecore components with third-party applications typically have reduced information flow, and hinder a company’s progress toward digital maturity.

Real Talk: Process Integration

One of the world’s favorite beer companies uses Microsoft Dynamics CRM, Sitecore Digital Marketing System and a third-party targeted email marketing system to execute its digital marketing campaigns. The beer company wanted to send a promotional email to a subset of its large customer database, retailers who had:

1. Visited five specific pages on the beer company’s website
2. Registered for “X” campaign in the CRM system, and
3. “Y” notes entered into the Dynamics CRM file by their sales representative.

The beer company wanted to use these criteria to filter the lists in their email marketing system — but couldn’t, because the mail system did not have any way to handle them. By the beer company’s design, the email targeting system had been integrated with Microsoft Dynamics, but not Sitecore. Because the triggering goal — the visit to the five web pages — had been set up in Sitecore, the only way to get the list of customers who’d achieved it into the email system was via manual data entry.

Sitecore CEP, through its native Email Marketing module and connector-based integration with Microsoft Dynamics, can easily deliver this type of targeted campaign, integrating a wide range of data flows and functions.

IV. How Sitecore Can Boost Digital Maturity

Sitecore's Customer Engagement Platform is a premier unified marketing solution that connects channels, engagement automation and engagement analytics, with external tools and databases. It is designed to meet both the needs of companies that are multichannel marketers today, and those that are striving to increase their digital maturity.

By adopting Sitecore, companies can take a giant step toward implementing three of Forrester's key recommendations. These recommendations, below, are stepping stones to Forrester's strategic benefits of multichannel maturity, which are described in Section I of this paper:

Stop thinking about campaigns and start thinking engagement.

Marketers who continue to build campaigns, and make offers, around products and product features will be perceived as “tone deaf”

to the multichannel customer. Customers will engage with marketers who meet their needs — their changing needs — for different information and options during the buying journey. Marketers who continue to “go to customer” with product centric campaigns and offers risk becoming irrelevant.

Transform your website into a pervasive customer engagement hub. Too many marketers have grown accustomed to thinking of their websites as a collection of pages. That thinking is obsolete when virtually all multichannel touches aim to drive customers to your website. Leverage highly dynamic websites to drive unique experiences for customers. Dynamically deliver content, messages, experiences, products, and offers from pools of content assets based upon knowledge of the customer's profile, behavior, and engagement history.

Get the full story on digital maturity

You can learn more from the May 2012 commissioned study conducted by Forrester Consulting on behalf of Sitecore, “The Multichannel Maturity Mandate: A Research Study Finds Proven Results, Significant Faults, And A Path To Higher Gains.” Scan the QR code at right or download the [whitepaper here](#).



Real Talk: R&D, Product Roadmap and More

With record revenues in fiscal year 2012, Sitecore achieved more than 40 percent growth worldwide over the previous fiscal year, for the third consecutive year. Continued investment in R&D drives product innovation and allows Sitecore to execute on an aggressive road map to enhance the award-winning Customer Engagement Platform. Fully 50% of Sitecore's worldwide staff is dedicated to R&D.

One of the ways that Sitecore's R&D investment manifests itself is the ability to integrate existing software applications into the Sitecore Customer Engagement Platform. Avanade's Yi says, “It is impressive how Sitecore thinks not just in terms of digital marketing and the customer experience. They also carefully consider how to extend existing investments and assets that an enterprise already has. Sitecore has made some smart choices that allow developers to easily extend those existing assets and incorporate them into the Sitecore platform. This is really impressive.”

Choose technology partners that can help you rack up short-term gains on the path to the full vision. The secret to selecting technology solutions for multichannel marketing is to partner with a vendor that can immediately help improve your current operations, and also has the strategy and road map to help you realize your long-term vision. Select on vision, but roll out on tactics. The selection of the right vendor will enable a short-term ROMI as well as the surest path to the grand strategy.⁵

V. Getting Started with Sitecore

For companies that have made the decision to move from a multi-vendor environment to Sitecore, “How do I do it?” is a natural question. A Sitecore valued partner, like Avanade or many others, worldwide, can provide essential assistance in plotting both a strategic and tactical course forward.

Start with KPIs

One of most logical ways of charting a migration course to Sitecore starts with identifying the marketing key performance indicators (KPIs) that matter most. This typically involves reaching agreement across different groups in the marketing department, such as email marketing, web content, mobile web and others. Once the KPIs and associated customer actions are identified, the systems that generate them can be named as top candidates for migration.

In the beer company example in Section III, the marketers’ goal was to determine the level of engagement, done by finding the cross-section of customers who met the criteria of three KPIs. These customers had:

1. Visited the five specific web pages
2. Registered for a specific campaign
3. Been identified by sales reps via specific notations in the beer company’s CRM system.

In this example, the web activity is the first KPI — and the first measurement of engagement. The web content contained the call to action, asking the visitor to register for a specific campaign. Therefore, the *web content management* application would be the top candidate to be migrated over to the Sitecore Customer Engagement Platform.

The second most important KPI in the beer company example is email campaign management — specifically, the campaign and customer data that the company’s third-party email system contains. This data can be ported to the Sitecore Email Manager, followed by the application that is tied to the beer company’s third KPI, its Microsoft Dynamics CRM system. This can be established by creating a bidirectional connection between Sitecore and the beer company’s CRM system, a straightforward task using Sitecore’s set of API connectors for Microsoft Dynamics and other popular CRM systems.

“With the rapid maturity of cloud computing, it’s easier than ever to get started with Sitecore.”

— Steve Yi, Senior Director for Application Development Product Line, Software and Cloud Services, Avanade Inc.

5. “The Multichannel Maturity Mandate,” Forrester Consulting, May 2012.

As seen in Figure 5, these three steps geometrically increase the universe of information available within Sitecore CEP, breaking down enterprise silos and establishing the foundation for true multichannel marketing.

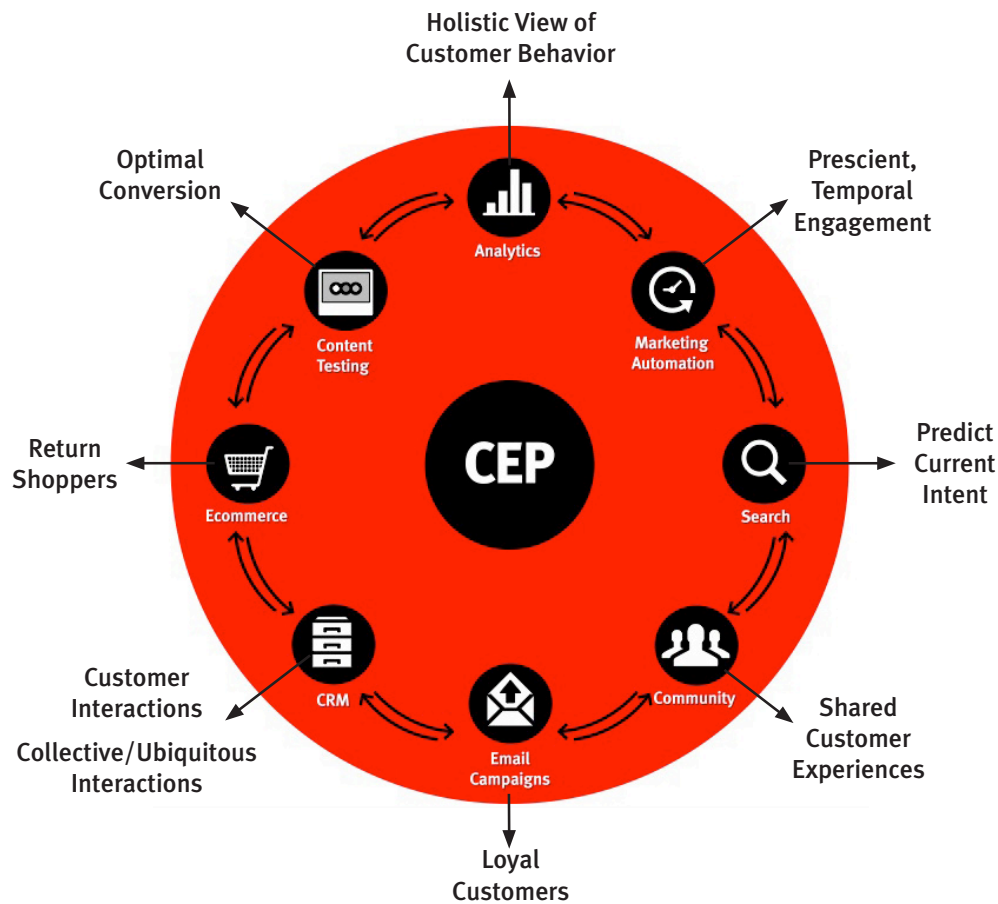


Figure 5: As the universe of data available within Sitecore CEP grows, functions as diverse as analytics and content testing – traditionally siloed applications in multi-vendor environments – will be able to draw from the same data pool.

Accelerating Digital Maturity

In Sitecore environments, Sitecore Engagement Analytics help companies to catalyze the benefits of multichannel marketing by measuring:

- KPI alignment across customer touch points
- Data integration for a unified view of the customer
- Adoption and achievement in mobile, personalization, testing and more.

Engagement Analytics are integrated functionality in both the Sitecore Digital Marketing System and Sitecore CEP.

Do it in the cloud

In terms of deploying new Sitecore environments, Avanade's Yi points to today's fastest-growing, most flexible computing platform: the cloud. "With the rapid maturity of cloud computing, it's easier than ever to get started with Sitecore," he says. Yi outlines two migration scenarios that are ideal for deploying Sitecore on the Microsoft Windows Azure cloud computing infrastructure.

- *Business agility:* "It's extremely easy to launch pilot Sitecore projects in the cloud," he says. "The Sitecore technology is not overly complex, it's designed to be integrated and, working with a service partner like Avanade, a proof-of-concept deployment can be accomplished very quickly. This allows companies to 'try out' Sitecore and determine if it's appropriate for the entire enterprise."
- *Time to market:* Yi continues, "Second, in the cloud, it's also much cheaper to not only create an operational prototype Sitecore environment when the installation goes live, but also to consider that the Sitecore environment can be dynamically expanded or contracted, based on the amount of visitors engaging with that environment. This all but eliminates the time required for the Sitecore solution to respond to rapidly changing market conditions and requirements."

Learn more about Sitecore in the cloud

Learn more about how to access the cloud for multichannel marketing by tapping into the power and flexibility of Sitecore Content Management System (CMS) for Azure edition. In this white paper, "Blue Sky Possibilities: Sitecore CMS for Azure," you'll learn:

- Specific benefits of the Sitecore and Azure integration
- How to deploy Sitecore to the cloud
- How MSN Sankei effortlessly managed a six-fold traffic spike of visitors searching for photos in the wake of the Great East Japan Earthquake of 2011.

Scan the QR code at right or download the [whitepaper here](#).



Real Talk: "Best-of-Need" Applies to Services, Too

Companies can spend an enormous amount of time deploying and managing the patchwork of point solutions that comprise multi-vendor environments — and the technology services firms they engage to help them do so.

Avanade's Calvo says, "If you think about what it takes to get marketing execution from an idea to delivery, and then manage and optimize it, a lot of partners are involved across that chain. With multi-vendor environments, the technology concepts we talk about also apply to service partners — it's a lot of work for a company to manage multiple partner relationships."

He continues, "The idea of 'best-of-need' really resonates with choosing the right implementation partners, so there's not a lot of hand-offs between different organizations along the way. It's better to choose a partner that can offer end-to-end, holistic capabilities, and not just those that perpetuate organizational silos."

VI. Conclusion

Driven by the substantial business benefits that digital maturity brings — greater campaign reach, improved customer satisfaction, reduction in cycle times and more — many marketing organizations are working hard to improve their multichannel marketing capabilities.

But for most of these organizations, an immovable roadblock remains: the siloed technology systems that, together, create their multi-vendor marketing technology environments.

The Sitecore Customer Engagement Platform presents a radical departure from antiquated best-of-breed approaches. As a provider of unified multichannel marketing solutions, Sitecore offers the fully integrated capabilities companies need now, and an ambitious road map that drives improvement not just in Sitecore technology, but the customer experience it delivers.

To learn more about the Sitecore Customer Engagement Platform, please visit www.sitecore.net.

About Avanade

Avanade provides business technology solutions and managed services that connect insight, innovation and expertise in Microsoft[®] technologies to help customers realize results. Our people have helped thousands of organizations in all industries improve business agility, employee productivity, and customer loyalty. Avanade combines the collective business, technical and industry expertise of its worldwide network of experts with the rigor of an industrialized delivery model to provide high quality solutions using proven and emerging technologies with flexible deployment models—on premises, cloud-based or outsourced. Avanade, which is majority owned by Accenture, was founded in 2000 by Accenture LLP and Microsoft Corporation and has 17,000 professionals in more than 20 countries. Additional information can be found at www.avanade.com.

About Sitecore

Sitecore is a global software company that creates products to deliver the most relevant experience and content to customers at any moment of interaction and via any communications channel – the web, email, mobile, social and offline. Our customer experience management platform combines proven web content management with customer intelligence to create a single view of a customer that drives meaningful interactions, increases conversions and builds lifetime customers. Global brands, including American Express, Carnival Cruise Lines, easyJet, Heineken, LEGO, Microsoft, and Nestle rely on Sitecore to get and keep loyal customers who engage more and drive revenue growth.