



Market Insight Report Reprint

HCL Software modernizes its customer experience platform, unifying marketing, commerce and digital experience

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Introduction

With 57% of businesses stating that it is highly important to reevaluate new digital experience technologies to keep up with rising expectations, once-aspirational views of innovative and immersive digital experiences have quickly transitioned into requirements for employees, customers and partners. Since the customer experience (CX) is a catalyst in many digital transformation projects, businesses are making investments in new technologies to deliver differentiated and consistent CX. HCL Software has brought its digital experience (HCL DX), commerce and Unica offerings together to create a CX portfolio.

THE TAKE

As businesses increase their spending to create composable experiences, investment in modern technologies has emerged as the most prominent area of focus to improve business agility, reduce friction points, drive growth and manage risk. However, many businesses are burdened with legacy technology that is monolithic and rigid, inhibiting agility and innovation and resulting in IT struggling to keep up with line-of-business (LOB) demands. The human element is also becoming more important as business relationships become less transactional between people and more nuanced between people and the systems and devices that they use on a daily basis. This results in a heightened demand for context, collaboration and control across the enterprise and raises the importance of employee engagement on CX. The race for relevance means organizations must measure and align investments with the latest expectations for the CX. Many businesses embrace digital transformation to ensure greater organizational agility, employee autonomy and corporate alignment. While customer-facing employees crave more autonomy to improve business outcomes and customer success, that must be balanced by alignment with strategy, governance and security.

Context

HCL Software is a \$1.34 billion global enterprise software business with over 4,700 employees and over 15,000 customers. As part of a 15-year partnership between IBM Corp. and HCL Technologies Ltd., the latter paid an estimated \$1.8 billion to acquire multiple software products from IBM in July 2019. One major focus of HCL's acquisition was to modernize the offering through API enablement and cloud-native capabilities. The company has since delivered major releases of HCL DX, HCL Commerce, HCL Unica and added HCL Discover for deep behavioral insights and HCL Volt MX, its multi-experience low-code platform for professional developers. HCL focused on delivering a business-critical portfolio that meets the needs of IT, LOB and developers for creating seamless digital experiences for employees, partners, citizens, consumers and customers wherever they live digitally. The target customer profile is both business-to-business and business-to-consumer organizations with a strong emphasis on heavily regulated industries such as government, aerospace, pharmaceuticals, healthcare and financial services. It also has growth retail and other direct to consumer businesses.

Our research states that 2022 will be a year of IT execution as companies establish a new "business as usual" with fresh approaches to improving the CX. B2B organizations are also facing rising customer expectations for less friction and improved digital experiences, with 80% of businesses stating that they are likely to stop buying from a technology vendor because of a poor CX. This is accelerating digital transformation, including the need for more modern applications for frontline employees and customer self-service. The need for greater business agility is paramount as we move toward a reimagined data-driven digital future. Over the past year, businesses that allocated a larger portion of their overall IT budgets to digital transformation also accelerated the pace of strategic projects, such as cloud-native technologies and data analytics initiatives, which are needed to support more immersive digital experiences for customers, partners and employees. Our Voice of the Enterprise: Customer Experience & Commerce, Digital Maturity 2021 survey states that cloud deployments (52.0%), ability to easily integrate with existing enterprise software investments (49.8%), user experience (45.4%) and rapid innovation of new features (36.4%) are most important to an organization's future software investments.

Product

Keeping up with the sheer velocity of digital experiences amid growing consumer appetites is driving business interests toward a more flexible and iterative technology stack. We see this evolution largely following a microservices, API-first, cloud-native and headless (MACH) formula. Data also remains a core battleground for creating unified CXs. Businesses need these systems to not only capture and unify disparate sources of consumer data, but to effectively contextualize and orchestrate across channels and differing organizational stakeholder groups with a hand in shaping the commerce or overall digital journey. The HCL CX portfolio offers set of capabilities such as campaign management, commerce, content authoring and management, digital asset management, search and personalization and customer analytics. The HCL CX portfolio further offers embedded workflow and orchestration, design studio, multi-experience application development and API management. The portfolio supports digital experiences on any devices from web to wearables to mobile to IoT. The new representational state transfer APIs with industry JavaScript frameworks and codeless capabilities enable nontechnical users to build custom apps and support new digital channels headlessly. Progressive web application (PWA) supports the creation of omnichannel experiences (online or offline) that can be installed and used as if they were native applications on desktop and mobile. HCL also provides a low-code application platform for customers to accelerate their mobile and multi-experience innovation.

These assets are the backbone for managing CX. The CX portfolio goes beyond traditional web-only experiences to manage and contextualize digital content to use a wide variety of content assets to create immersive experiences required by customers and employees. The CX digital experience portfolio platform delivers primary use cases for B2C and B2B customer engagement, which allows business users, either IT or LOB, to manage assets across the content lifecycle, including automation, tagging and enrichment. It can be deployed across multiple cloud deployments that support the multichannel orchestration and experience delivery in either a headless or hybrid architecture. The evolution of headless to support immersive experience strategies can increase agility by decoupling the front end for managing multiple different sites, international geographies and touchpoints.

The HCL CX strategy meets enterprise demands for multicloud, practitioner-oriented development and embedded data privacy and security. Specifically, HCL DX provides granular security and compliance controls to define user roles and manage access rights. It integrates with a wide variety of identify providers, ensuring that customers can secure their business-critical experiences using single sign-on across services, data and applications. Additionally, it supports authentication via Oath and OpenID Connect protocol and login IDs used by popular social networking sites and can dynamically calculate roles using an attribute-based model to extend on traditional user- and group-based decisions.

HCL Software is also focused on improving the usability of the applications by employees with codeless technologies, embedded collaboration and easier-to-use analytics for LOB. For years, businesses have been affected by the pressure to “consumerize” the enterprise with easier-to-use tools and technologies. As businesses face mounting pressure to meet the speed and scale demanded of the digital experience economy, they need to decrease complexity in the technologies and processes used to deliver on their CX initiatives along the customer journey, which has accelerated this trend.

Competition

Many of the large incumbent CX technology vendors with broad DX suites – like Salesforce Inc., SAP SE, Oracle Corp. and Adobe Inc. – have begun to incorporate more modern architectural elements or composability into their CX offerings. In terms of the DXP market segment with HCL DX, Acquia, Episerver and Bloomreach have emerged as the closest competitors, with their headless/hybrid content and commerce, and personalization/experimentation capabilities and product offerings. Progress Sitefinity and Crownpeak also have B2C use cases, and are competitors for more B2B and employee experiences. While there is plenty of momentum in the headless vendor landscape, it potentially comes at higher cost and complexity.

SWOT Analysis

<p>STRENGTHS</p> <p>HCL is delivering on mission-critical development functionality required for modern digital experiences. The CX portfolio's content, marketing automation and commerce capabilities are highly scalable for immersive experiences using cloud-native scalability. HCL DX provides a rich, extensible and open set of capabilities to ensure security at scale and extending single sign-on and role filtering to all integrated data and applications.</p>	<p>WEAKNESSES</p> <p>While strong improvements have been made since the acquisitions in 2019, there is also the overall future state of the customer data management platform and to facilitate more real-time immersive experiences. While DX provides strong application development and integration capabilities, practitioners want a more packaged approach (via a marketplace) to integrate with their favorite enterprise systems and SaaS properties.</p>
<p>OPPORTUNITIES</p> <p>The company has many large customers with proven business outcomes. Codeless capabilities enable LOB capabilities to create experiences more easily by enabling quick execution of changes; advanced workflow enables tracking of content assets across experiences with embedded collaboration for review across teams. There is also strong demand for more modern cloud-native applications that also offer embedded privacy and security for larger enterprise requirements.</p>	<p>THREATS</p> <p>Heavy competition from both major enterprise players along with new headless startups create a very fragmented and crowded vendor landscape.</p>

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