

# VENDOR SELECTION MATRIX™ DIGITAL MARKETING SERVICE PROVIDERS

**ABRIDGED VERSION  
WITHOUT VENDOR SCORECARDS**

## THE TOP 20 GLOBAL VENDORS 2020

**Research In Action**

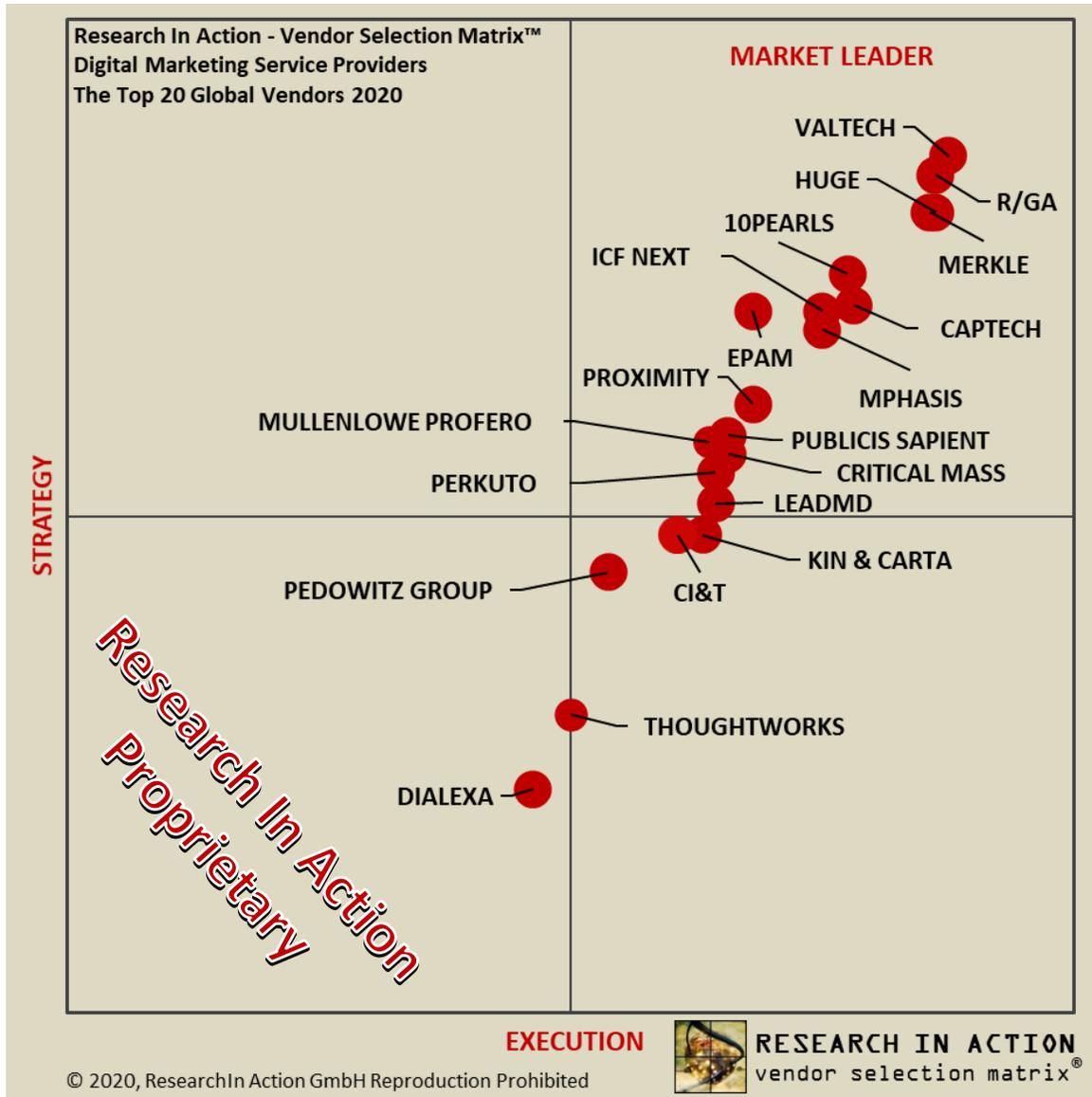
**August 2020**

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**RESEARCH IN ACTION**  
independent research & consulting

# VENDOR SELECTION MATRIX™ – DIGITAL MARKETING SERVICE PROVIDERS – GLOBAL



	STRATEGY	EXECUTION	TOTAL	
1.	VALTECH	4.73	4.75	9.48
2.	R/GA	4.69	4.73	9.41
3.	HUGE	4.61	4.73	9.34
4.	MERKLE	4.61	4.71	9.33
5.	10PEARLS	4.49	4.55	9.04
6.	CAPTECH	4.43	4.56	8.99
7.	ICF NEXT	4.41	4.50	8.91
8.	MPHISIS	4.38	4.50	8.88
9.	EPAM	4.41	4.36	8.78
10.	PROXIMITY	4.23	4.36	8.59
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13.	MULLENLOW PROFERO	4.15	4.28	8.43
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17.	CI&T	3.96	4.21	8.18
18.	PEDOWITZ GROUP	3.89	4.08	7.96
19.	THOUGHTWORKS	3.60	4.00	7.60
20.	DIALEXA	3.45	3.93	7.38

Note: Potential numerical deviations due to rounding.

# FOREWORD

Every year, Research In Action surveys 10,000+ enterprise IT and business decision makers in order to gain insights on strategy, investments and ongoing challenges of technology innovation in the IT and Marketing Automation realm. These surveys give us access to a wealth of direct and unfiltered feedback from the buyers. It also helps us to understand how buying decisions are made in today's business environment. The Vendor Selection Matrix™ is a primarily survey-based methodology for vendor evaluation where 60 % of the evaluation is based on a survey of enterprise IT or business decision makers and 40 % on the analyst's opinion. The analyst's input is fed by a combination of intensive interviews with software or services vendors and their clients, plus their informed, independent point-of-view as an analyst. All of this combines to make Research in Action Vendor Selection Matrix™ reports so unique. This approach is one of the key differentiators of Research In Action in market research. For this report we interviewed 1,500 business managers with budget responsibility in enterprises globally. We selected those vendors which achieved the best evaluations scores from the buyers but disregarded those with fewer than 15 evaluations.

For this project we wanted to ask marketing practitioners about the service providers they work with on their digital marketing automation projects. The first challenge when designing the survey was: What do we call this beast?

*Marketing Agency ... Marketing Consultant ... Marketing Systems Integrator (SI) ... Media Agency ... Full Service Agency ... Digital Agency ... Digital Experience Agency ...*

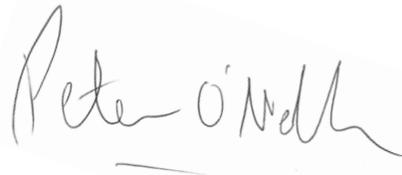
Then I remembered a project I did way back in 2011 (at Forrester) for a company I'd known for 15 years already, initially as a boring old HP Value-Add-Reseller. They'd noted they were doing more and more marketing software projects; decided to review their overall strategy/positioning with my help; and subsequently relaunched successfully as a "global digital agency focused on business transformation". And I used that work to publish a research report called "The Emergence of the Digital Marketing Service Provider (DMSP)". My Forrester colleagues didn't like the term, but it led to many new engagements with both creative marketing agencies, who wanted to add more IT skills to their offering, and traditional IT-centric SIs wanting to expand their creative offerings. So, that is the title I use in this project.

We showed the definition (see page five) to the 1,500 and asked them to name and rate those DMSPs they know well. We got more data back than normally as 33 % work with four or more DMSPs and most rated all. So, here is a "Global DMSP vendor landscape", those most named, and highly rated, in the survey. There is some overlap with the list of favorites selected by our analyst peers for their research reports, but also significant differences (we've included those lists for your information).

This report provides you with a useful guide to important Digital Marketing Service trends and will help you make an informed decision regarding which providers could best fit your requirements. This information can then be used for a more detailed evaluation.

Always keeping you informed

Peter O'Neill



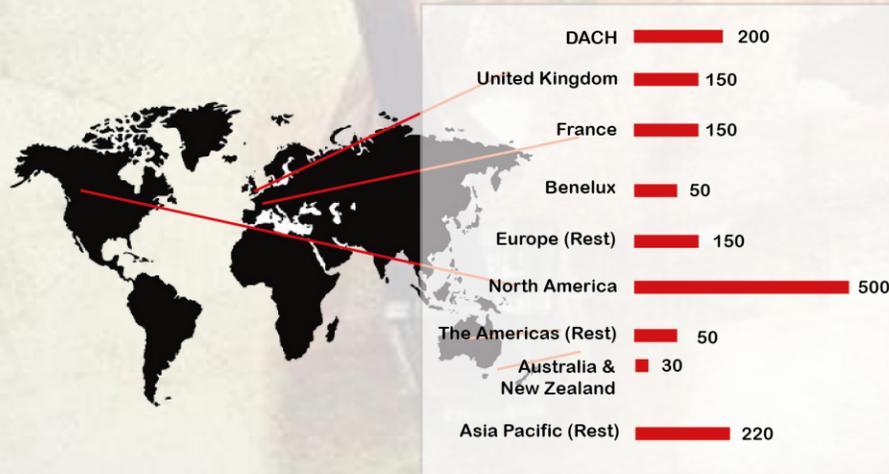
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# THE VENDOR SELECTION MATRIX™ METHODOLOGY

## COUNTRY BREAKDOWN



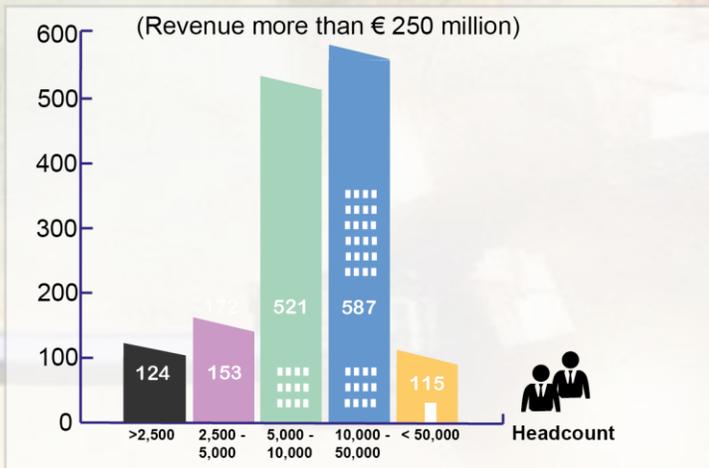
## INDUSTRY BREAKDOWN



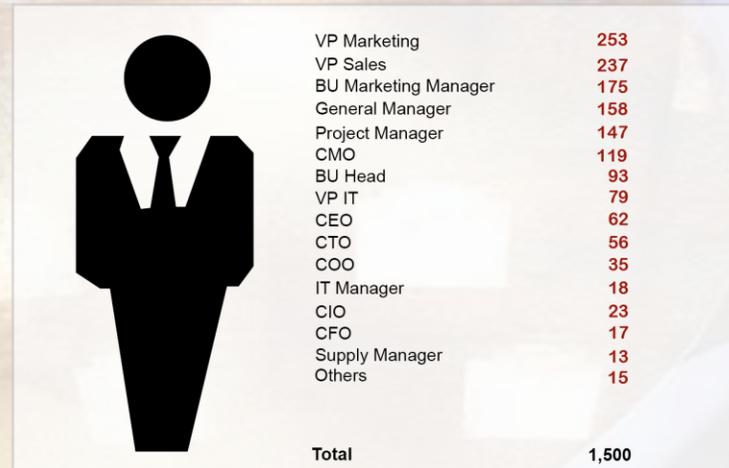
## RESEARCH FACTS



## COMPANY SIZE BREAKDOWN



## JOB TITLE BREAKDOWN



# WHAT TOOLS DO YOU USE TO CREATE THE VENDOR SHORTLIST?



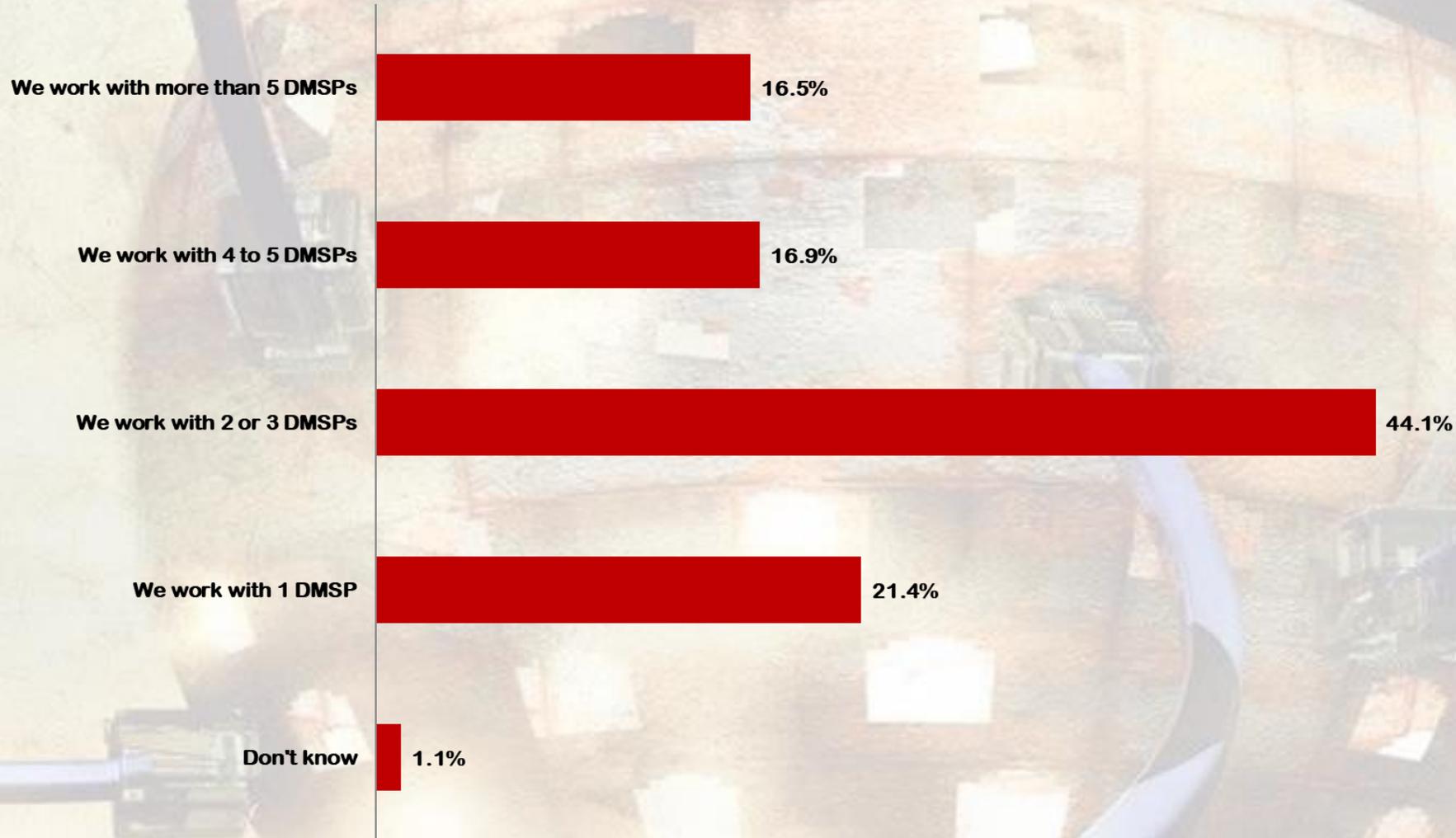
Decision Makers use a mix of traditional and online tools to create the vendor shortlists

N = 3,000 Business and IT Managers with budget responsibilities. (multiple surveys)

# WHAT IS A DIGITAL MARKETING SERVICE PROVIDER?

- **Digital Marketing Service Providers (DMSP) are organizations that provide consulting and project implementation services to marketing organizations around their digital marketing programs. These services could include one or more of the following:**
  - Customer experience strategy services
  - Experience design services
  - Content services
  - Customer data management services
  - Privacy and compliance services
  - Analytics services
  - Artificial Intelligence services
  - Marketing services
  - Commerce services.
  - Authenticated experience services
  - Emerging touchpoint services
  - Digital experience technology services
  - Program management services
  - Campaign and creative services
  - Demand Generation
  - Account-Based Marketing
  - Marketing Technology services.
- **DMSPs also describe themselves as marketing agencies, digital agencies or digital experience or even digital transformation service providers. Some marketing organizations work with several DMSPs while others concentrate on just one provider.**

# RESEARCH: HOW MANY DMSPS DO YOU CURRENTLY WORK WITH?



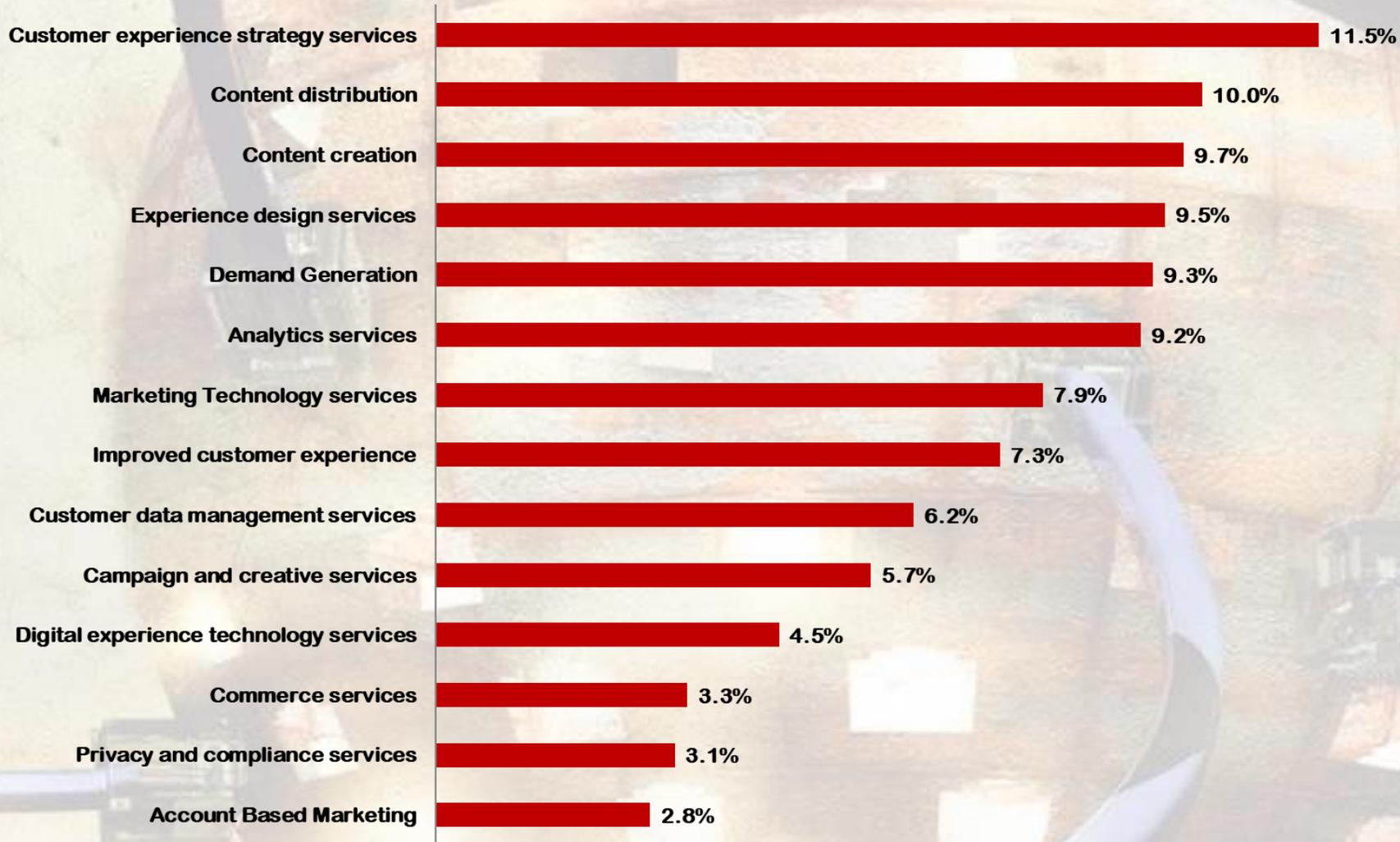
## Commentary:

- 78% of firms work with multiple DMSPs.
- 33% work with four or more DMSPs.
- Marketers are selecting the DMSP that is most suitable for each individual project or functionality.
- There is no apparent “Agency of Record” strategy for digital marketing services – probably a challenge for traditional agency sales approach.

N = 1,500 Enterprise Business Managers with budget responsibilities.



# RESEARCH: WHAT IS YOUR NUMBER ONE INVESTMENT AREA WITH YOUR DMSP(S) IN 2020?



## Commentary:

- CX is the leading strategic topic.
- Content marketing is the leading outsourced marketing service.
- Creative services are ranked lower than in an agency-only survey. Those agencies offering CX and content services should consider their positioning statements.

N = 1,500 Enterprise Business Managers with budget responsibilities.



# RESEARCH: WHAT ARE YOUR TOP THREE PRIORITIES WHEN PLANNING A NEW PROJECT WITH A DMSP IN 2020?



## Commentary:

- Marketers reveal cost-sensitivity with the high ratings of ROI and cost reduction.
- DMSPs are usually a supplementary source to cover for missing in-house resources. Also for projects that are short-term and not justifying recruiting.
- Consolidating the number of providers is at #5 and this may increase in importance in future years as CMOs begin to leverage strategic sourcing methods.

N = 1,500 Enterprise Business Managers with budget responsibilities.



# INSIGHTS: WHY DO MARKETERS NEED A DMSP?

- **To cover missing capabilities.** Clients may be seeking strategic guidance on a one-off basis; stretched to find specific skills or market-knowledge; or they need product-specific skills to operate their marketing-automation software. There may be cost advantages in deploying a DMSP instead of hiring your own staff to cover these needs.
- **To cover missing capacity.** Clients lack the personnel to staff a short/medium-term marketing initiative. Even if they do have resources, some marketing executives keep a DMSP involved to cover eventual staff fluctuation.
- **They provide an outside-in view.** External providers often bring a fresh perspective and a more customer-centric viewpoint, often a challenge for marketers entrenched in their business. DMSP associates are free from the constraints of how “things have always been done here” and can bring new ideas and input. Therefore, DMSPs are seen most-often in CX and customer-centric content projects. Similarly, they are also often involved in sales enablement projects, creating sales-ready content.
- **Need to replace a DMSP that has disappointed.** According to The Bedford Group<sup>1</sup>, the average client/DMSP relationship is under three years and the relationships end for a variety of reasons:
  - Staff turnover – new management on one or both sides
  - Lack of interest/understanding of client’s business
  - Strategy and creative linkage unhinged
  - The client has “outgrown” the agency
  - Understaffing and inexperienced personnel on the agency team
  - Research scores consistently below norms
  - Creative intransigence and arrogance
  - Mandated consolidation of suppliers
  - Loose attention to budgets.

<sup>1</sup> See <https://bedfordgroupconsulting.com/marketing-insights/agency-relationship-sustainability/>.



# INSIGHTS: TOP DMSP MARKET TRENDS 2020

- **The emergence of the Digital Experience service.** Marketers are becoming increasingly aware of the need to optimize the customer experience across all their channels, and this need defines most digital marketing projects. Each project requires a mix of creative talent, data scientists, subject matter experts, and vertical expertise. Not many marketing organizations have the right mix of right and left-brain talent required to deliver these experience services and so seek assistance from DMSPs who have built up these resources.
- **DMSPs are deployed more tactically than marketing agencies.** Many companies have been very vocal about their dissatisfaction with the traditional agency model where digital production is often de-coupled from strategy and creative work. They are taking marketing work back in-house and distributing project-based work to specialty providers, DMSPs.
- **The corporate Martech challenge is increasingly being outsourced.** Martech continues to grow exponentially and managing an increasingly complex stack is the norm at large enterprises. But companies struggle with the pace of change to manage and operate all their systems, many of which operate across a combination of business units. DMSPs are often favored over in-house organizations where everything is still structured and siloed within P&Is and therefore not organized to meet market requirements.
- **Business Consultancies are the new threat.** Consulting partners from the Big 4 (PwC, EY, Deloitte, and KPMG), with access to the boardroom, can argue that marketing is yet another business operation that could/should be outsourced. Each now has a DMSP division, usually based upon on one or more agency acquisitions, and they are invariably listed by analysts from Gartner, Forrester and others. They are not yet in the vendor landscape that we surveyed across 1,500 enterprises, but we expect a trend of supplier consolidation to change this in the future.



# INSIGHTS: SELECTING YOUR IDEAL DMSP PROFILE

- **The overall DMSP vendor landscape is bewildering.** Whether they call themselves a digital marketing agency, full-service marketing agency, or just marketing consultant, there are over 150,000 DMSPs in the United States alone. Each provider has its own capability set, industry expertise and focus, culture, and client list – but they are difficult to compare.
- **For historical reasons, the labels are confusing.** If you have made the decision to outsource an element of your marketing, it can be confusing to work out which type of vendor you need to appoint. There are many types of DMSP, each offering a different service (or are they the same?). While some DMSPs specialize in one area only, others seem to cover everything. The brands or names of agencies are also confusing, a mixture of local companies and local firms owned/managed by larger international brands, so that you do not know who will be delivering the project.
- **Most DMSPs do not value marketing themselves though.** DMSPs probably advise clients on providing a rich customer experience with an outside-in design and personalization; sprouting the “don’t make it all about you” mantra. But their own websites are not so. This applies particularly to the agency-centric ones: who prefer to tell their own story but with few words per webpage, large graphics, and sentences/statements that require several clicks to complete the narrative. The 2020 Agencies Benchmark<sup>1</sup> by the B2B Marketing community reports that the #1 source of business is referrals (by clients or external individuals<sup>2</sup>), followed by an RFP process and strategy pitches. Inbound marketing does not rank highly in their go-to-market model.
- **The ideal profile is a mix of capabilities and collaboration chemistry.** Most digital marketing projects require a mix of work done by the external organization and internally-produced output. At minimum, marketers on the client-side will leverage the content/data provided for their own work. This places the emphasis on the match of culture and even individual personalities to ensure effective and fruitful collaboration. That cannot be read in a proposal or even interpreted in a DMSP pitch – it must be tested in real-life.

<sup>1</sup> See <https://www.b2bmarketing.net/en-gb/resources/news/news-us-agencies-benchmarking-report-2020-out-now> (paid content).

<sup>2</sup> Such as this report.



# VENDOR SELECTION MATRIX™ – DMSP

## THE TOP 20 GLOBAL VENDORS 2020

NAME	Website	Offices Worldwide*			
		NA	EMEA	APAC	SA
10PEARLS	<a href="https://10pearls.com">https://10pearls.com</a>	2	2	1	1
CAPTECH	<a href="https://www.captechconsulting.com">https://www.captechconsulting.com</a>	8	0	0	0
KIN +CARTA	<a href="https://www.kinandcarta.com/en/">https://www.kinandcarta.com/en/</a>	4	6	1	1
CI&T	<a href="https://us.ciandt.com">https://us.ciandt.com</a>	10	3	3	3
CRITICAL MASS	<a href="https://www.criticalmass.com">https://www.criticalmass.com</a>	7	1	0	2
DIALEXA	<a href="https://www.dialexa.com">https://www.dialexa.com</a>	1	0	0	0
EPAM	<a href="https://www.epam.com">https://www.epam.com</a>	12	29	12	1
HUGE	<a href="https://www.hugeinc.com">https://www.hugeinc.com</a>	8	1	2	1
ICF NEXT	<a href="https://www.icf.com">https://www.icf.com</a>	58	8	3	
LEADMD	<a href="https://www.leadmd.com">https://www.leadmd.com</a>	1	0	0	0
MERKLE	<a href="https://www.merkleinc.com">https://www.merkleinc.com</a>	15	8	7	
MPHASIS	<a href="https://www.mphasis.com">https://www.mphasis.com</a>	15	19	20	0
MULLENLOWE PROFERO	<a href="https://www.mullenloweprofero.com">https://www.mullenloweprofero.com</a>	3	2	8	1
PERKUTO	<a href="https://perkuto.com">https://perkuto.com</a>	15	1	0	0
PROXIMITY	<a href="https://www.proximityworld.com">https://www.proximityworld.com</a>	3	11	7	3
PUBLICIS SAPIENT	<a href="https://www.publicissapient.com">https://www.publicissapient.com</a>	23	20	12	0
R/GA	<a href="https://www.rga.com">https://www.rga.com</a>	6	2	5	3
PEDOWITZ GROUP	<a href="https://www.pedowitzgroup.com">https://www.pedowitzgroup.com</a>	1	0	0	0
THOUGHTWORKS	<a href="https://www.thoughtworks.com">https://www.thoughtworks.com</a>	7	10	20	2
VALTECH	<a href="https://www.valtech.com">https://www.valtech.com</a>	6	28	5	4

\* NA – USA and Canada; EMEA – Europe, Middle East and Africa; APAC – Asia Pacific, SA – South America

This vendor landscape is a mix of large and mid-sized:

- Systems integrators for digital experience
- Systems integrators for digital transformation
- Marketing agencies
- Marketing Automation consultancies.

78% of firms work with multiple DMSPs, 33% with four or more.

R/GA, Huge and MullenLowe Profero are all part of the Interpublic Group.

Other Vendors were also named but placed outside of the Top 20, or had fewer than 15 evaluations:

- ACCENTURE INTERACTIVE
- COGNIZANT
- DELOITTE DIGITAL
- IBM iX
- PwC DIGITAL

# VENDOR SELECTION MATRIX™ – DMSPP

## THE TOP 20 GLOBAL VENDORS 2020 - QUICK FACTS

NAME	STAFF	REVENUE	GROWTH	RI*	GOOD TO KNOW (Major Impression Of Service Provider)
10PEARLS	450	< \$ 10 m	60% p.a.	98%	Partner for Custom Software Development, Enterprise Mobile, and Digital Experiences.
CAPTECH	1 k	< \$ 50 m	80% p.a.	97%	Consulting firm with system integration, mgmt. consulting and data management solutions.
KIN +CARTA	1.6 k	< \$ 200 m	20% p.a.	86%	Helps design and launch new digital products/services and unlock future innovation.
CI&T	2 k	< \$ 100 m	130% p.a.	89%	HQ'd in Brazil, provides lean product engineering, app-dev, big data & Cloud solutions.
CRITICAL MASS	950	< \$ 500 m	10% p.a.	94%	A digital marketing agency that offers strategic consulting services. HQ in Canada.
DIALEXA	110	< \$ 50 m	40% p.a.	83%	A technology research, design, and creation firm offering strategic consulting, sw & hw.
EPAM	30 k	< \$ 500 m	25% p.a.	98%	Global provider of digital platform engineering and software development services.
HUGE	1.6 k	< \$ 200 m	25% p.a.	97%	Provides branding, user experience design and inbound marketing services for businesses.
ICF NEXT	7 k	< \$ 500 m	50% p.a.	98%	Global company with business specialists, digital strategists, data scientists and creatives.
LEADMD	50	< \$ 50 m	30% p.a.	91%	Provides demand-gen, lead mgmt., SEO, PPC, campaign design & rev-modeling services.
MERKLE	9.6 k	> \$ 1 b	25% p.a.	97%	Marketing agency for CRM transformation, customer strategy and marketing optimization.
MPHASIS	18 k	< \$ 200 m	25% p.a.	95%	SI for Digital Transformation, Connected experiences through Cloud and Cognitive technologies.
MULLENLOWE PROFERO	700	< \$ 100 m	25% p.a.	95%	Helps businesses to transform their CX with "experience-led transformation" services.
PERKUTO	50	< \$ 50 m	25% p.a.	93%	Marketo partner orchestrating memorable CX through flawless marketing operations.
PROXIMITY	80	< \$ 50 m	25% p.a.	95%	Digital CRM network providing digital advertising, strategy planning & analytics solutions.
PUBLICIS SAPIENT	20 k	< \$ 1 b	50% p.a.	93%	Part of Publicis Group, offers digital product management, engineering and IT services.
R/GA	2 k	< \$ 500 m	10% p.a.	97%	Full-service digital ad. agency with communications, commerce and consulting solutions.
PEDOWITZ GROUP	75	< \$ 50 m	25% p.a.	87%	The Pedowitz Group offers demand generation, revenue marketing and consulting services.
THOUGHTWORKS	7 k	< \$ 200 m	20% p.a.	85%	A software development and digital transformation consulting agency.
VALTECH	3 k	< \$ 500 m	25% p.a.	97%	DMSPP with strategy consulting, design, and technology services for multichannel industries.

Note: Estimated revenue and growth rates are in the Digital Marketing Services market.

\* The Research In Action Recommendation Index (RI) is collected and calculated by asking the survey participants (see page three)

"Would you recommend this vendor in this market to your peers - Yes or No?"



# COMPARING LISTS

Vendor Selection Matrix™ 2020 - Global Digital Marketing Service Providers		Forrester Wave™ Q4 2019 Global Digital Experience Agencies		Gartner Magic Quadrant™, 03/2020 Global Marketing Agencies	
10PEARLS	MULLENLOWE PROFERO	ACCENTURE INTERACTIVE	VMLY&R	ACCENTURE INTERACTIVE	MRM/McCAIN
CAPTECH	PERKUTO	CAPGEMINI	WIPRO	AKQA	OGILVY
KIN&CARTA	PROXIMITY	COGNIZANT	WUNDERMAN THOMPSON	COGNIZANT	PwC DIGITAL
CI & T	PUBLICIS SAPIENT	DELOITTE		DELOITTE DIGITAL	RAPP
CRITICAL MASS	R/GA	EPAM		DIGITAS	R/GA
DIALEXA	PEDOWITZ GROUP	IBM		HAVAS	VMLY&R
EPAM	THOUGHTWORKS	ISOBAR		HUGE	WUNDERMANN THOMPSON
HUGE	VALTECH	MRM/McCAIN		IBM ix	
ICF NEXT		PUBLICIS SAPIENT		iCROSSING	
LEADM		PwC DIGITAL		ISOBAR	
MERKLE		TCS		MERKLE	

Note: The Forrester Wave™ and the Gartner Magic Quadrant™ lists are compiled by the research analysts for their clients. The Research In Action Vendor Selection Matrix™ list is the result of a survey of 1,500 enterprises globally.

# VENDOR SELECTION MATRIX™ – ENTERPRISE SERVICE MANAGEMENT SAAS AND SOFTWARE: EVALUATION CRITERIA

## STRATEGY

Vision And Go-To-Market	30%	Does the company have a coherent vision in line with the most probable future market scenarios? Does the go-to-market and sales strategy fit the target market and customers?
Innovation And Differentiation	30%	How innovative is the company in this market? Does the solution have a unique selling proposition and clear market differentiators?
Viability And Execution Capabilities	15%	How likely is the long-term survival of the company in this market? Does the company have the necessary resources to execute the strategy?
Recommendation Index	25%	Would customers recommend this vendor in this market to their peers?

## EXECUTION

Breadth And Depth Of Solution Offering	30%	Does the solution cover all necessary capabilities expected by customers?
Market Share And Growth	15%	How big is the company's market share and is it growing above the market rate?
Customer Satisfaction	25%	How satisfied are customers with the solution and the vendor?
Price Versus Value Ratio	30%	How do customers rate the relationship between the price and perceived value of the solution?

### NOTES:

62.5% of the evaluation is based on the survey results, 37.5% is based on the analysts' assessment.

• 40% of the evaluation is based on the survey results: (1) Recommendation Index, (2) Customer Satisfaction, (3) Price Versus Value.

• 15% of the evaluation is based on the analysts' assessment: (1) Viability And Execution Capabilities, (2) Market Share And Growth.

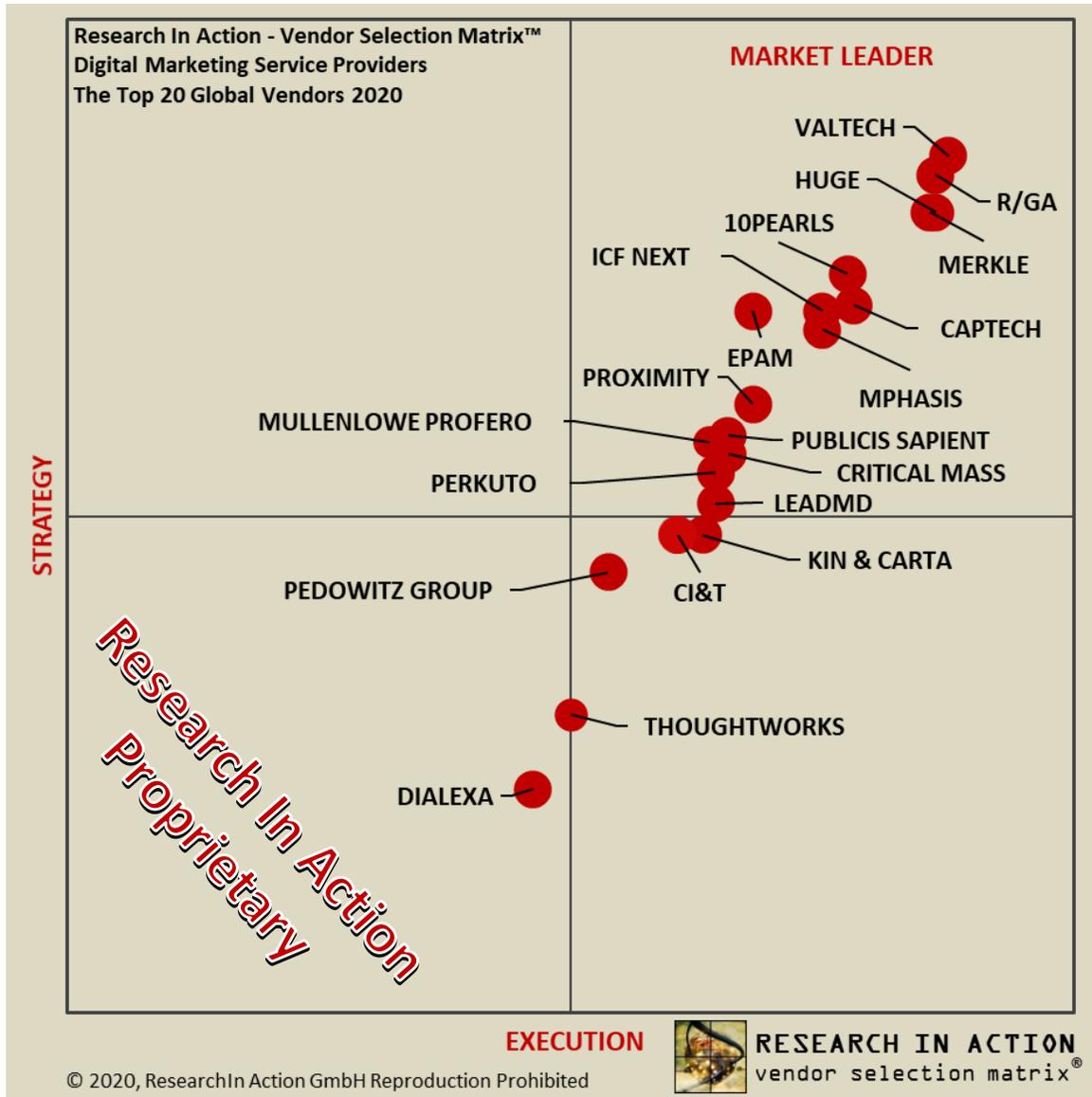
• 45% of the evaluation is based on a combination of survey results and analysts' assessment: (1) Vision And Go-To-Market (2) Innovation And Differentiation (3) Breadth And Depth Of Solution Offering.

The Research In Action Recommendation Index (RI) is collected and calculated by asking the survey participants (see page three)

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# THE RESEARCH IN ACTION GMBH VENDOR SELECTION MATRIX™ METHODOLOGY

## Vendor Selection Matrix™ Disclaimer:

The Vendor Selection Matrix™ is a primarily survey-based methodology for comparative vendor evaluation. Research In Action GmbH does not endorse any vendor, product or service depicted in our research publications, and does not advise technology users to select only those vendors with the highest ratings. The information contained in this research has been obtained from both enterprise as well as vendor sources believed to be reliable. Research In Action GmbH's research publications consist of the analysts' opinions and should not be considered as statements of fact. The opinions expressed are subject to change without further notice. Research In Action GmbH disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose. All trademarks are recognized as the property of the respective companies.

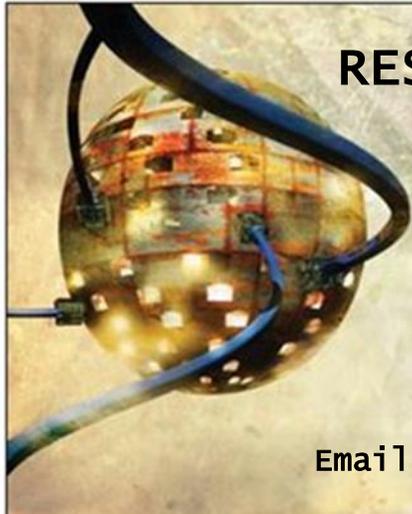
## About:

Research In Action GmbH is a leading independent information and communications technology research and consulting company. The company provides both forward-looking as well as practical advice to enterprise as well as vendor clients.

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