

Changing Role of Customer Relationship Management (CRM) to Customer Experience Platform (CXP) – Customer Experience Transformation

November 2021



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Contents

1. Introduction and overview	4
• Research methodology	5
• Background of the research	6
• Key takeaways	7
2. Industry's shift toward customer-first approach	9
• CX – Top priority for life sciences enterprises	10
• CX driving the transformation of CRM platforms	12
3. Evolution of the CRM landscape	13
• Evolution of CRM to CXP	14
• Everest Group's view of a CXP	17
• Benefits of CXP	18
4. Supplier landscape	19
• Snapshot of CXP market	20
• Key CXP supplier landscape	21
• Future journey roadmap	22
• Roadblocks to superior customer experience	23
5. Appendix	24
• Glossary	25
• Research calendar	26

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01

Introduction and overview

- Research methodology
- Background of the research
- Key takeaways

Our research methodology is based on four pillars of strength to produce actionable and insightful research for the industry

01

Robust definitions and frameworks

PEAK Matrix®, market maturity, best-in-class CRM

02

Primary sources of information

Annual contractual and operational RFIs, service provider briefings and buyer interviews, web-based surveys

03

Diverse set of market touchpoints

Ongoing interactions across key stakeholders, input from a mix of perspectives and interests, supports both data analysis and thought leadership

04

Fact-based research

Data-driven analysis with expert perspectives, trend-analysis across market adoption, contracting, and service providers

Proprietary contractual database of life sciences IT services (ITS) contracts (updated annually)

Year-round tracking of all major life sciences IT service providers

Dedicated team for life sciences outsourcing research, spread over three continents

Over 30 years of experience advising clients on strategic IT, business services, engineering services, and sourcing

Executive-level relationships with buyers, service providers, technology providers, and industry associations

Background and scope of research

The COVID-19 pandemic, coupled with other industry drivers (increased preference for digital engagement, consumerism, etc.), influenced the shift in investment priorities of life sciences enterprises toward Customer Experience (CX). Given that traditional Customer Relationship Management (CRM) platforms are not positioned to deliver a true hyper-personalized customer experience, this necessitates the transformation of CRM to Customer Experience Platform (CXP). Moving towards a CXP allows life sciences enterprises to not only ensure an optimal experience across all customer touchpoints but also unlock both business and operational benefits (customer loyalty, access to real-time customer insights, etc.). CRM platform vendors, both cross-industry and life sciences-specific are looking to address this shift by developing end-to-end CXP functionalities with a focus on delivering superior experience.

This report highlights:

- Industry's shift towards customer-first approach
- Transformation of CRM to CXP
- Supplier landscape

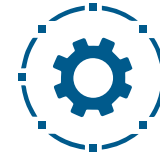
Scope of this report:



Geography
Global

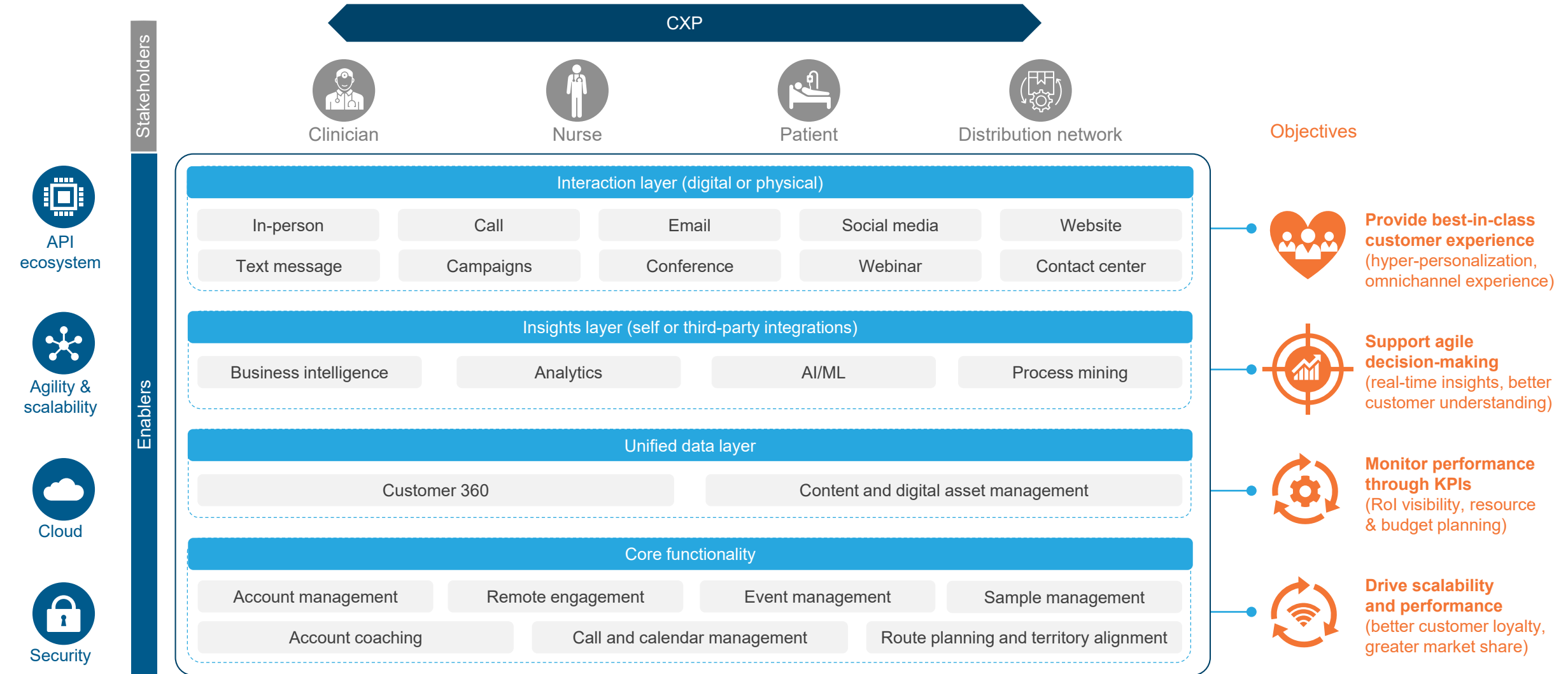


Industry
Life sciences
(biopharmaceuticals, medical
devices, and Contract Research
Organizations (CROs))



Services
CX, CRM and CXP

Everest Group’s view of a holistic customer experience platform



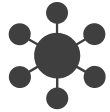
Key takeaways



COVID-19 influenced the shift in life sciences enterprises' business priorities – **customer experience tops the investment priority list**



Most of the CX-related investments trigger the **transformation of traditional CRM to CXP**



CXPs enable life sciences enterprises to **deliver a true hyper-personalized omnichannel customer experience**



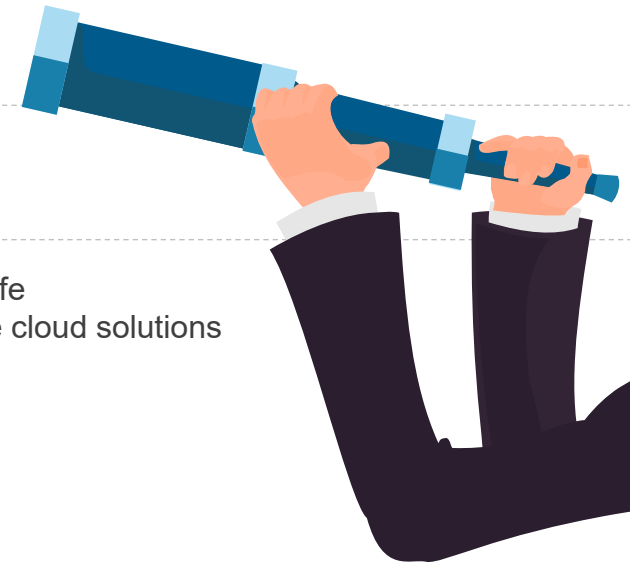
Life sciences CRM market is estimated to grow at a **CAGR of 11-13%** from 2017-21



Verticalized CXP vendors capture a larger pie of the overall life sciences CRM market



CXP vendors are **evolving their offerings to support the customer-first approach** of the life sciences industry. While life sciences-specific vendors offer a single cloud solution, cross-industry vendors address this opportunity by offering multiple cloud solutions



02

Industry's shift toward customer-first approach

- CX – Top priority for life sciences enterprises
- CX driving the transformation of CRM platforms

CX is a top business priority for life sciences enterprises

Post-pandemic, customer experience moved up from fourth to first in the business priority ranking

Key life sciences enterprises' business priorities



Source: Harvard Business Review Analytic Services Survey (2020)

Enterprises are defining multiple customer-centric roles. Irrespective of the designation, the focus is to drive customer experience



Chief Customer Experience Officer

Julien Dureisseix, Chief Customer Experience Officer, October 2020



Customer Engagement Lead

Andre Grandt, Customer Experience Chapter Lead, October 2019



Chief Customer Officer

Nancy Oaks, SVP Customer Engagement, January 2020



Majority of CX investments are tied to the transformation of traditional CRM platforms

Top CX investment priorities of life sciences enterprises

57% Access customer data from different functions

56% Leverage CX data to improve decision making

52% Customer data integration with other systems

47% Deploy automation/AI in customer interactions

47% Modernization of legacy systems



More is expected from traditional CRM platforms

With the explosion of multiple digital channels, customers are expecting personalized content and consistent omnichannel experiences, which the traditional CRMs are not designed to support.

- **65%** of pharma executives state that their CRM needs to improve the method and quality of data collection
- **70%** say that they need better customer insights from various channels into CRMs
- **47%** state that their current CRM data cannot support a complete virtual HealthCare Professional (HCP) engagement



Source: Harvard Business Review Analytic Services Survey (2020); Reuters and Omnipresence survey of 1,363 senior pharma professionals (2020)

03

Evolution of the CRM landscape

- Evolution of CRM to CXP
- Everest Group's view of a CXP
- Benefits of CXP

Life sciences enterprises are moving beyond traditional CRM and focusing on CXP as they look at customer experience as a competitive edge

Traditional CRM

CXP

Essentially a system of record of customer interactions to monitor and analyze sales and marketing activity, through transactional reports and dashboards



Functionality

Provides a distinctive omnichannel customer experience by synchronizing efforts across all customer touchpoints

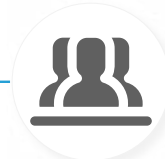
Streamline and automate sales & marketing operations, monitor sales performance and productivity, customer acquisition



Outcomes

Personalized content, consistent customer experience, better HCP engagement, greater market share, customer loyalty and retention

Incomplete, disjointed, and fragmented view of the customer based on historical sales & marketing personnel interactions



Customer persona

Customer 360 view including personal preferences, social media presence, past interactions, response rate, webinar activity, etc.

Healthcare providers and distribution networks



Stakeholders

Patients, healthcare providers, and distribution networks

With similarities in some basic functionalities, CXP helps enterprises take a customer-centric approach and deliver a true omnichannel customer experience

CXP

Traditional CRM

Account management	Call and calendar management	Sales reporting	Sample management
Snapshot of the account profile, plans & objectives, and past interactions	Call planning, scheduling, recording, and reporting, and calendar integration	Reports and dashboard for sales force performance, forecasting, and Business Intelligence (BI) tools	Sample shipment record, inventory management, and e-signature








Account coaching	Route planning and territory alignment	Customer preference management	Product detailing visuals
Field evaluation reports, best practices, and feedback for sales representatives	Manage field time-off, field coverage, and review account progress	Overview of customer preferences – content, channel and time	Product videos – IFUs, clinical benefits, economic benefits, etc.

Customer 360	Omnichannel engagement	Real-time analytics & insights	Remote engagement
Holistic and real-time view of the customer – past interactions, blogs, social media, etc.	In-person, email, call, website, social media, and contact centers	Provides actionable customer insights for agile decisions	F2F interactions via virtual meetings and webinars

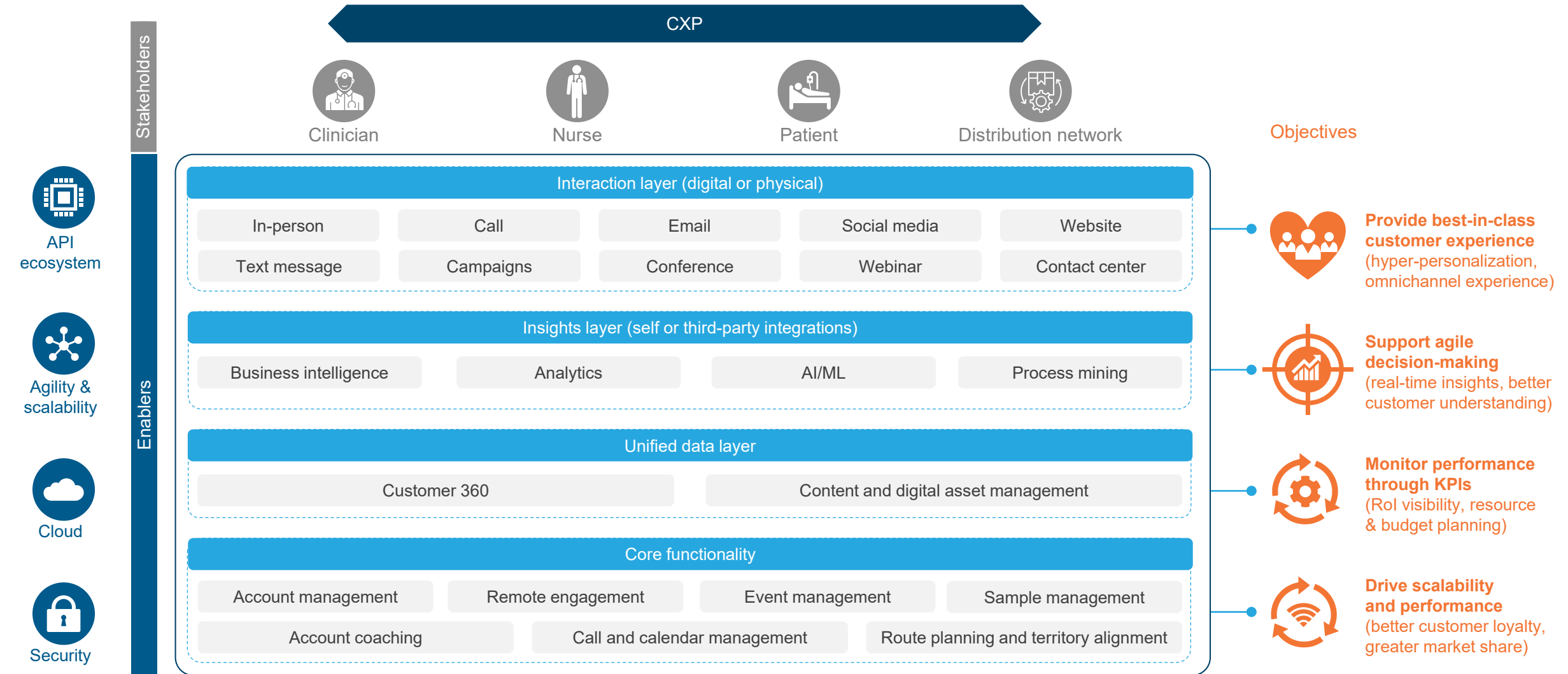
Event management	Content and digital asset management	Conversational UI-based BI
Plan, execute, and manage HCP conferences, webinars, symposiums, etc.	Create and manage compliant content and digital assets	Finding the right information quickly, efficient navigation through sales applications

Current state of CXP adoption in life sciences industry – while remote engagement is normalized in the industry, focusing on customer 360 to provide real-time insights will be key in the long run

Low Medium High

	Current adoption	Demand driver		Impact		
		COVID-19	Focus on CX	Business	Operational	Cost
 Customer 360	Medium	Medium	High	High	High	Medium
 Omnichannel engagement	High	High	High	High	High	Medium
 Real-time analytics & insights	Medium	Medium	High	High	High	Medium
 Remote engagement	High	High	Medium	Medium	High	Medium
 Event management	Medium	Medium	Medium	Medium	Medium	Medium
 Content and digital asset management	Medium	Medium	High	High	High	Medium
 Conversational UI-based BI	Medium	Medium	High	High	High	Medium

Everest Group's view of a holistic customer experience platform



Adopting a CXP can help enterprises unlock both business and operational benefits



Business benefits

Hyper-personalized omnichannel customer experience

Capturing a 360-degree view of customers across all touchpoints helps in developing a deeper understanding of customer needs, which in turn will help drive highly relevant personalized experiences.

Customer loyalty and retention

Building connected customer journeys will ensure that the customer is not overwhelmed with repetitive information. It will help share the right content at the right time through the right channel, thereby developing deeper and long-lasting customer relationships.

Operational benefits

One-stop platform for all needs

Traditional CRM platforms are not equipped to support the complete digital HCP engagement journey, necessitating them to evolve to CXPs that cater to the end-to-end customer journey.

Better customer and sales insights

Churning large volumes of customer and sales data from various channels provides access to real-time insights that can help enterprises develop a more informed and customer-centric sales & marketing strategy.

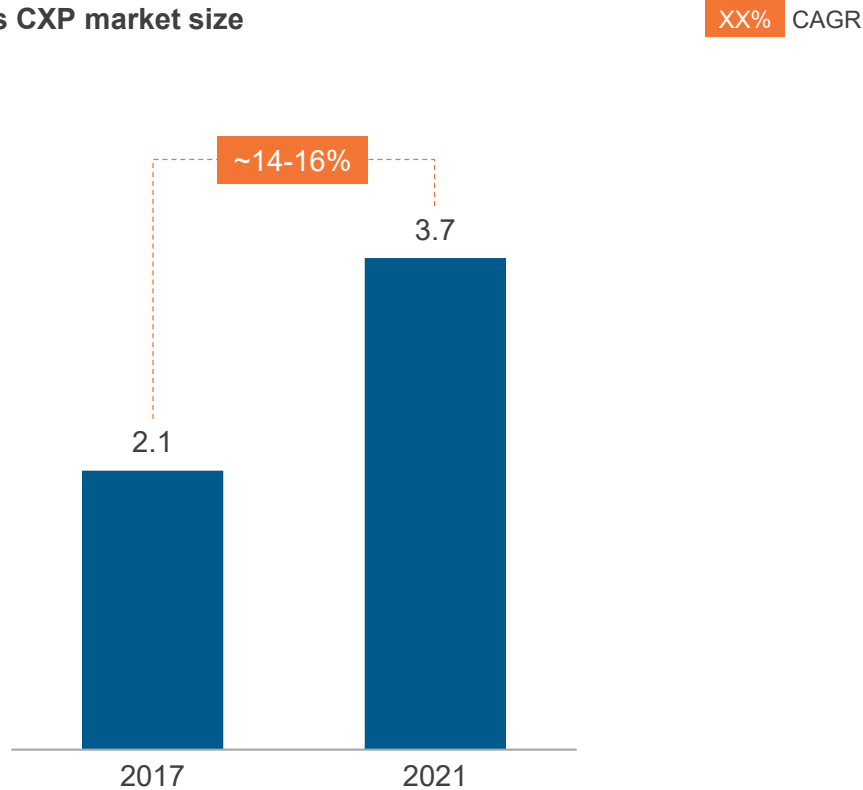
04

Supplier landscape

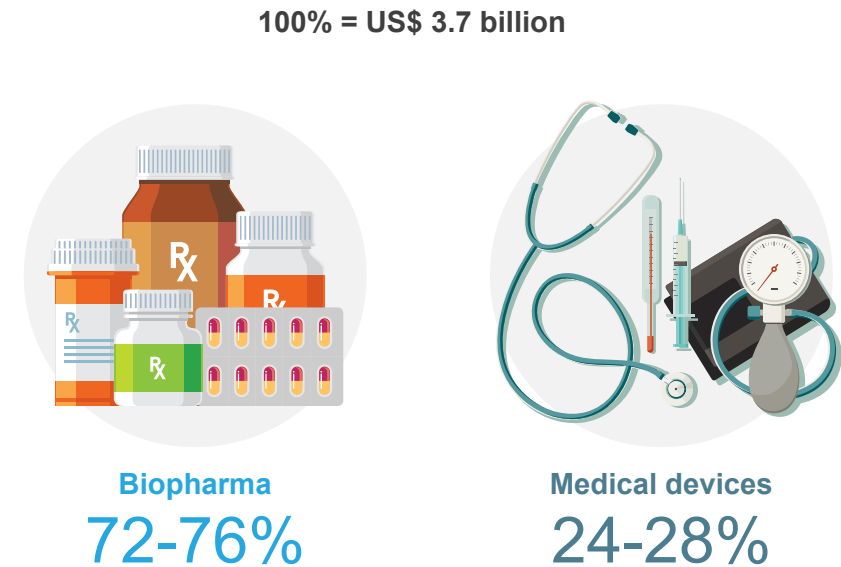
- Snapshot of CXP market
- Key CXP supplier landscape
- Future journey roadmap
- Roadblocks to superior customer experience

Life sciences CXP market is expected to grow by 15% each year, given the industry's focus on customer experience

Estimated life sciences CXP market size
2017-2021, US\$ billion

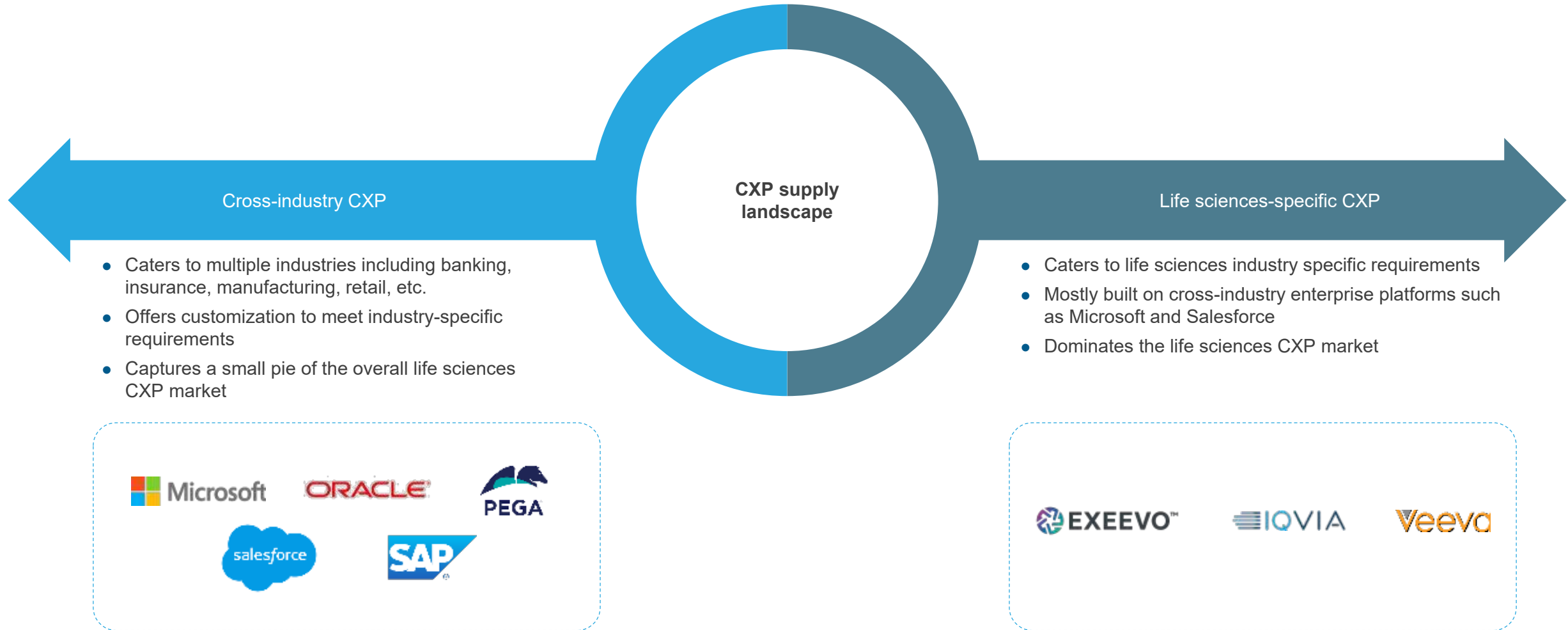


Estimated life sciences CXP market by industry segment
2021; percentage of total



- Growth in the life sciences CXP market is estimated at a CAGR of 14-16% from 2017 to 2021 primarily driven by the shift in life sciences enterprises business priorities towards customer experience
- Nearly 76% of the life sciences CXP market is contributed by the biopharma industry followed by the medical devices industry

Industry-specific CXPs dominate the overall life sciences CXP market



Both cross-industry and life-sciences platform vendors are looking to develop end-to-end CXP functionalities with a focus on delivering superior customer experience

Cross-industry platform vendors

Present

- Cross-industry platform vendors have individual cloud solutions for sales, marketing, services, etc.
- Need to integrate multiple cloud solutions to unlock the end-to-end CXP functionality

To-be

- Developing a unified, end-to-end cloud platform that addresses the needs of all internal stakeholders – sales, marketing, business, etc.
- One stop-platform for all needs

Life sciences-specific platform vendors

Present

Most life sciences-specific platform vendors have a single cloud/platform solution to address the needs of multiple stakeholders

To-be

Augmenting their platform with data offerings, commercial analytics to support the customer-first approach of life sciences enterprises

Platform vendors
roadmap

Lack of rich data and adequate CRM functionalities are limiting the industry's move toward a customer-first approach

Fragmented data landscape

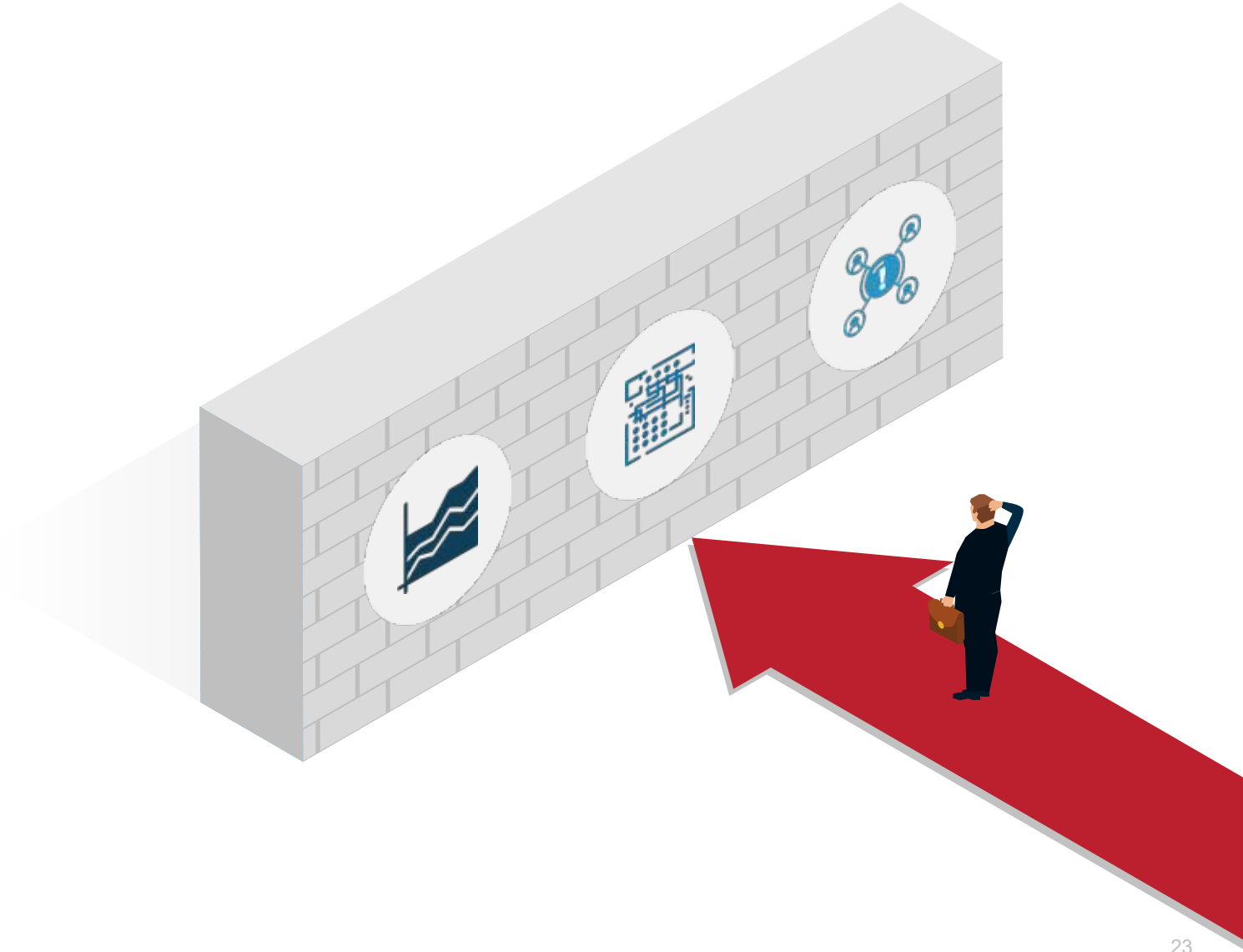
Enormous amount of unstructured customer data is available in multiple formats from different sources – call recordings, emails, text messages, social media, etc. A unified data layer bringing together both structured and unstructured data from various sources is needed to deliver real-time insights and hyper-personalized omnichannel customer experience.

Inadequate adoption of technology

Most traditional CRMs possess limited features, requiring plug and play of multiple external tools for the much-needed features such as marketing automation, real-time insights, etc. This necessitates training and handling of multiple tools by commercial teams, translating into low commercial effectiveness. Hence, despite significant technology investments, there is a lack of adoption of technology by life sciences commercial teams.

Limited functionality of traditional CRMs

Evolving customer expectations and behaviors indicate that HCPs will prefer to continue with virtual engagement even after the pandemic regulations subside. However, traditional CRMs are not designed to support a complete virtual HCP engagement, highlighting the need for CRM transformation.



05

Appendix

- Glossary
 - Research calendar
-

Glossary of key terms used in this report

AI	Artificial Intelligence is the simulation of human intelligence and decision-making capability by machines
API	Application Programming Interface is a set of protocols, routines, functions, and/or commands that programmers use to develop software or facilitate interaction between distinct systems
CRM	Customer Relationship Management refers to practices and technologies that firms employ to manage customer interactions and analyze customer data
CXP	Customer Experience Platform refers to practices and technologies that firms employ to manage customer experience
IoT	Internet of Things refers to a system or a network and, connected devices such as computers and sensors, that can interact through data exchange and use analytics algorithms to make decisions
ITS	Information Technology Services is the transfer of ownership of some or all information technology processes or functions to a service provider. This could include core, administrative, delivery, or management-related processes or functions
LS	Life Sciences – Everest Group defines the life sciences industry to include organizations in the fields of pharmaceuticals, biotechnology, and medical devices
Service provider	A company/entity that supplies outsourcing services to another company/entity

Research calendar

Life Sciences IT Services

■ Published
 ■ Planned
 ■ Current release

Flagship reports

Release date

Life Sciences Digital Services – Service Provider Landscape with PEAK Matrix® Assessment 2021	December 2020
Life Sciences Digital Services – Service Provider Profiles Compendium	February 2021
Veeva Services PEAK Matrix® Assessment 2021	March 2021
Veeva Services – Service Provider Profiles Compendium	May 2021
Veeva Services Market Overview	July 2021
Decentralized Clinical Trial Products PEAK Matrix® Assessment 2021	July 2021
Decentralized Clinical Trial Products – Vendor Provider Profiles Compendium	August 2021
Life Sciences Commercial Services Specialists – Service Provider Landscape with PEAK Matrix® Assessment 2022	Q4 2021

Thematic reports

Release date

Effective Value-Based Contracting in Life Sciences	February 2020
Regulatory Overhaul of the EU Medical Device Market	April 2020
Future Readiness of Life Sciences Enterprise Supply Chains	June 2020
Connecting Life Sciences Manufacturing Using Industrial IoT	March 2021
Changing Role of Customer Relationship Management (CRM) to Customer Experience Platform (CXP) – Customer Experience Transformation	November 2021
Reaping Success From the End-to-end Clinical Development Platform Landscape	Q4 2021

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