Reap More Value From Digital Commerce Investments

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Initiatives:Executive Leadership; Digital Commerce; Supply Chain Leadership

Digital commerce provides far greater revenue, growth and transformation value than gross merchandise value, which is its most-used metric for assessment. Executive leaders must recognize a broad measure of value beyond GMV to accurately assess their digital commerce investments.

Additional Perspectives

- Summary Translation: Reap More Value From Digital Commerce Investments (11 November 2022)

More on This Topic

This is part of an in-depth collection of research. See the collection:

- Rethink Your Elusive Quest for Business Value

Overview

Key Findings

- Digital commerce executives often struggle to justify the expense of digital commerce technologies to boards and CEOs, who continue to question the value of technology spend.

- Digital commerce endeavors are complicated to assess due to their broad scope, the rising influence of individual stakeholder priorities and the significance of nonfinancial value.

- Key stakeholders of digital commerce have many objectives that align to those of digital commerce leaders which, if recognized, would increase the overall value of digital commerce.

- Traditional tools for calculating enterprise value of organization endeavors are often too narrowly scoped, leading to understated benefits, which are excluded from financial assessment.

Recommendations

Executives responsible for digital commerce endeavors should use the Gartner Enterprise Value Equation to:

- Identify the scope and priorities of digital commerce by recognizing all impacted stakeholders and their top strategic ambitions.

- Prudently invest in value enablers at the appropriate level by aligning digital commerce endeavors with stakeholders' priorities, strategic ambitions, outcomes and returns to the organization.

- Match investment to overall stakeholder outcomes by surfacing common expectations of success, compliance, optimization and transformation.

- Analyze the long-term, realized return to the organization by evaluating both financial and nonfinancial value for each common objective, and identifying KPIs and metrics for them.

Strategic Planning Assumptions

By 2024, 15% of B2B organizations will use digital commerce platforms to support both its customers and sales reps in all sales activities.

By 2025, organizations with distributive responsibilities for digital commerce endeavors will outperform those without by 25%.

Introduction

Executives need a new value equation for digital commerce to identify its full value potential to the organization, which goes beyond the gross merchandise value (GMV) revenue generated by the platform. Executives must consider the full set of stakeholders' expectations and accommodate a broader consideration of value that extends beyond traditional financial returns. Recognizing the full scope of digital commerce beneficiaries will, in turn, increase the overall value proposition of digital commerce. The Gartner Enterprise Value Equation can help executives justify the costs of digital commerce initiatives and overcome these challenges with its value recognition framework — using key stakeholder objectives, value enablers, stakeholder outcomes and realized return to the organization.

Gartner's Enterprise Value Equation is a multifactor and multistakeholder approach (see Figure 1). It takes into account the range of stakeholder concerns, value enablers and stakeholder impacts to identify the total return to the organization. It is a tool optimized for the "giving and getting" of value that should be balanced across enterprise stakeholders to continually assess and adjust the course of digital endeavors.

This research focuses on how executives can use Gartner's Enterprise Value Equation (see The Gartner Enterprise Value Equation: It's Time to Rethink Outdated Enterprise Value Formulas) to increase the value of digital commerce endeavors and improve digital commerce profitability. It takes a holistic and balanced approach to assessing digital commerce endeavors.

This research provides a how-to guide through the four steps in the Gartner Enterprise Value Equation, which focus on key stakeholders, their priorities, key value enablers for digital commerce and the return derived across the organization. The steps are:

1. Identify the priorities and concerns of key digital commerce stakeholders.

2. Match stakeholder priorities to key digital commerce initiatives and value enablers.

3. Establish commonality of stakeholder priorities across the organization to build the value story.

4. Evaluate both financial and nonfinancial value for a complete value story.

Figure 1. New Enterprise Value Equation for Digital Commerce

New Enterprise Value Equation for Digital Commerce
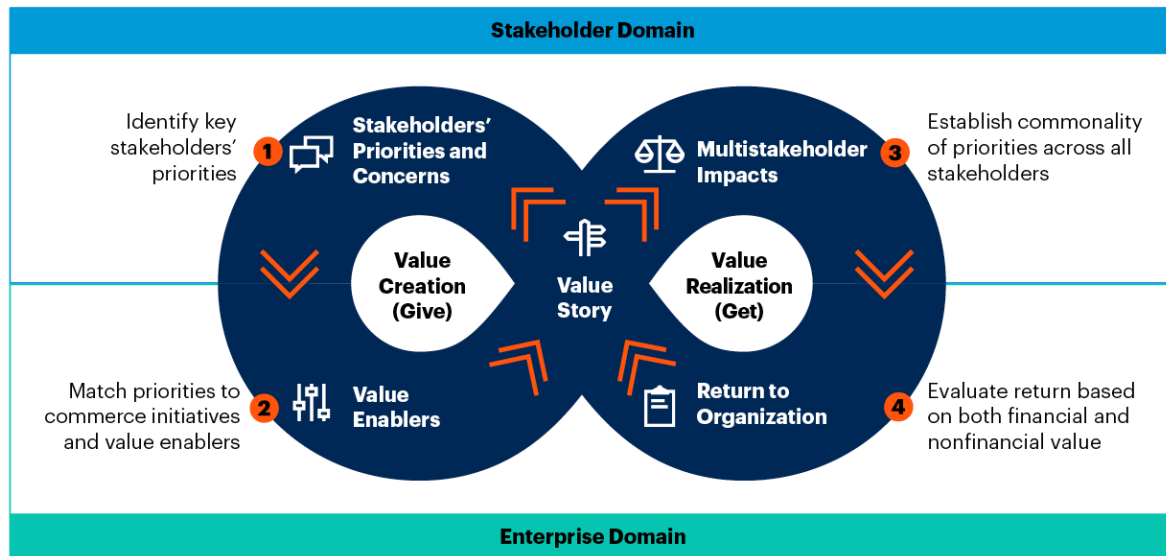
Source: Gartner
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Analysis

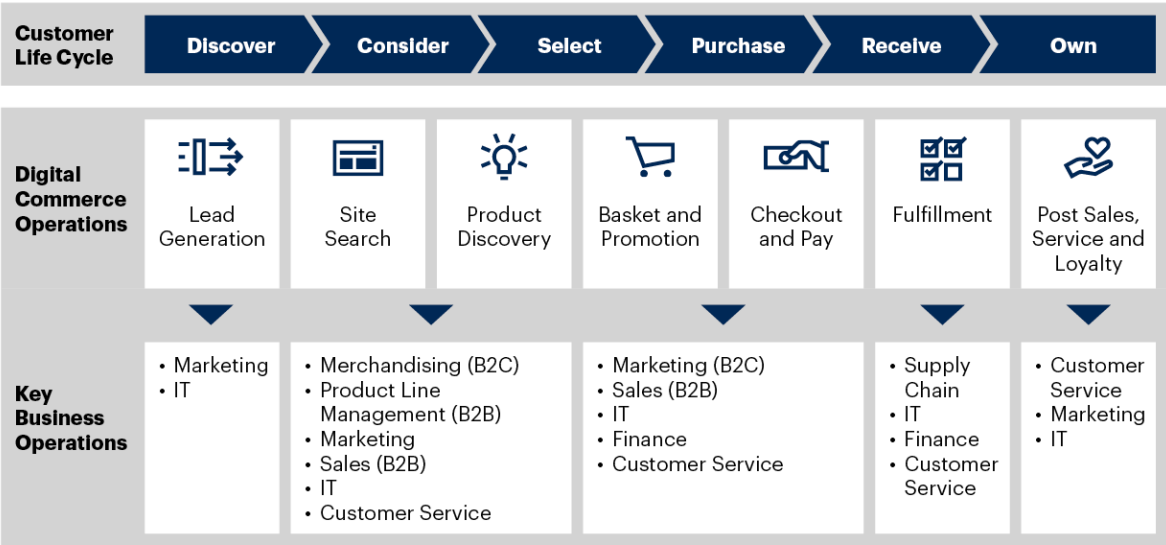## 1. Identify the Priorities and Concerns of Key Digital Commerce Stakeholders

According to Investopedia, a stakeholder is a party that has an interest in a company and can either affect or be affected by the business. The primary stakeholders in a typical corporation are its investors, employees, customers and suppliers. However, with the increasing attention on corporate social responsibility, the concept has been extended to include communities, governments and trade associations.

Identify the scope and priorities of digital commerce by recognizing all impacted stakeholders and their top strategic ambitions. In digital commerce, the list of internal stakeholders is surprisingly long, as digital commerce touches almost all aspects of an organization (see Figure 2). For organizations utilizing a marketplace model, it also includes a multitude of partners and suppliers. For organizations selling to consumers, there is the additional burden of data privacy compliance.

Figure 2. Digital Commerce Operations Aligned to Customer Experience

Digital Commerce Operations Aligned to Customer Experience

Customer Life Cycle	Discover	Consider	Select	Purchase	Receive	Own

Digital Commerce Operations	Lead Generation	Site Search	Product Discovery	Basket and Promotion	Checkout and Pay	Fulfillment	Post Sales, Service and Loyalty
Key Business Operations	• Marketing • IT	• Merchandising (B2C) • Product Line Management (B2B) • Marketing • Sales (B2B) • IT • Customer Service		• Marketing (B2C) • Sales (B2B) • IT • Finance • Customer Service		• Supply Chain • IT • Finance • Customer Service	• Customer Service • Marketing • IT

Source: Gartner
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Gartner

To be successful in digital commerce endeavors, collaboration must occur between all stakeholders. If not, employees will find conflicting priorities and customers will have disjointed experiences. To fairly represent the value of an organization's digital commerce endeavor, it must be identified across the enterprise and include not only customer value, but stakeholders' value — otherwise, costs are likely to be overstated and value will be underestimated. Leaders of digital commerce (which vary greatly across organizations; see Quick Answer: Who Owns Digital Commerce?) must forge relationships with all key executives to form a holistic view of digital commerce and make sure that digital commerce objectives align not only to their priorities, but to those of the board of directors (BoD) and CEO as well.

Identifying digital commerce value starts with understanding how digital commerce fits into the priorities and objectives of the organization's BoDs and CEO. The 2023 Gartner Board of Directors Survey on Business Strategy in an Uncertain World found that 89% of nonexecutive boards of directors see digital technologies as an implicit part of all business growth strategies (versus a separate strategy). The survey also found that 35% of BoDs have pivoted the focus of their digital acceleration initiatives to business transformation as opposed to just optimization, including the creation of a new digital economic architecture. The surveyed BoDs also plan to increase their risk appetite in 2023 and 2024 (64%), as well as spending in sustainability initiatives (80%) and investments in diversity, equity and inclusion (DEI) initiatives (75%). [1] These findings reinforce the need for a more holistic view of digital commerce — determining how it fits into the greater organization and blending it more into the organization at large. It also suggests that digital commerce strategies should stop focusing purely on online selling and shift to figuring out how digital commerce can be leveraged across an organization. This new strategy should include understanding the potential impact of customer fulfillment strategies on sustainability objectives and hiring policies on DEI initiatives.

The 2022 Gartner CEO and Senior Business Executive Survey found that the top three CEO strategic business priorities for 2022 and 2023 are related to growth, tech and workforce. While interest in both growth and tech diminished a bit from 2021 (down 8% and 5%, respectively), interest in workforce increased 32% from 2021. The pandemic highlighted to CEOs the value of remote working, online selling and other digital mechanisms. As a result, they will maintain this focus. When asked about their attitude toward digital change in 2022 and beyond, a large majority (88%) reported that they would either maintain a new digital pace or go for higher digital vision and ambition. The two technologies CEOs believed would most significantly impact their industries over the next three years were AI and digitalization (i.e., use of digital technologies to change a business model and provide new revenue- and value-producing opportunities). [2] The top priorities of respondents in the 2022 Gartner Tech CEO Survey were new customer acquisition (24%), revenue growth (23%), attracting talent (20%) and operational efficiency/optimization (19%). [3] These findings not only highlight the expansion of digital commerce in organizations and the expansion of digital into other areas of the organization, but the need to recognize the potential cost savings it can bring over time by enabling sales teams.

The key stakeholder executives supporting digital commerce are marketing, sales, IT, customer service, finance, and supply chain. Ideally, their top priorities would align to the priorities of digital commerce. While priorities may vary by organization, some of the most common ones reported in Gartner research for these key stakeholders can be found in Figure 3.

Figure 3. Digital Commerce Key Stakeholders' Objectives

Digital Commerce Key Stakeholders' Objectives

Marketing	Sales	IT

• Awareness
• Growth
  – Lead quality
  – Customer acquisition
• Personalized CX
	• Growth
	  – Improve pipeline generation
	  – Increase strategic account returns
	• Optimize customer buying experience
		• Digital acceleration
		• Modernization
		• Optimization
		• Stewardship

Customer Service	Finance	Supply Chain

• CX
  – Seamless
  – Assisted
  – Self-served
• Improve delivery
  – Content
  – Knowledge
• Optimize AI
	• Revenue growth
	• Net margin growth
	• Investments
	  – Information tech
	  – Digital capabilities
	  – AI
	  – Digitalization
		• Support
		  – New business models
		  – Value-added products
		• Improve customer service and/or engagement
		• Improve cost
		• Drive efficiency

Source:
2021 Gartner Digital Marketing Survey
2022 Gartner CSO Priorities Survey
2020 Gartner Office of the CIO (OCIO) Survey
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2021 Gartner Customer Service and Support (CSS) 2022 Priorities Poll
2022 Gartner CEO and Senior Business Executive Survey, Wave 2
2022 Gartner Digital Business Impact on the Supply Chain Survey

Gartner

For more detail on the information in Figure 3, please see the downloadable file below (PDF format):

Identifying the Priorities of Key Commerce Stakeholders

Further review of the key stakeholder objectives suggest a focus on organizational success (i.e., increased growth through revenue and profitability), along with some common approaches for accomplishment:

- Improving customer experiences

- Utilizing the most effective technology

- Optimizing cost and improving efficiencies

- Transforming and launching new business models

These can now be aligned to digital commerce objectives.

However, while working on gathering key stakeholders' objectives, executive leaders can add value to digital commerce endeavors by fixing things that are broken. Not only will this improve customer experience (CX) by removing friction, it is likely to have a direct relationship to customer satisfaction, loyalty and revenue by making CX easier and effortless. Gartner research shows that if a customer perceives an experience as "low effort," the customer is 94% more likely to repurchase and 88% more likely to increase spend. Organizations can start this task by analyzing website bounce rates and talking to top-performing frontline employees. [4] These employees can identify where they spend the majority of their time, which is typically dealing with customers who have encountered friction. Key questions to ask these employees for ferreting out friction can be found in Note 1.

2. Align Digital Commerce Initiatives and Value Enablers With Stakeholders' Priorities and Strategic Ambitions

Value enablers are items in which organizations invest that enable them to deliver the desired value they are seeking (give). Value enablers include such items as technology, ecosystems, talent, organizational culture, employee health, innovation, sustainability, society and the like.

Prudently invest in value enablers at the appropriate level by aligning digital commerce endeavors with stakeholders' priorities, strategic ambitions, outcomes and the returns to the organization. The most common digital commerce objectives reported by clients are twofold: increase digital commerce revenue and/or improve digital customer experiences. Fortunately, these objectives not only go hand in hand (since an improved digital experience tends to increase customer conversion and drive revenue), but also are in alignment with other key stakeholders' objectives.

To be fully in sync and to maximize value across the organization, additional stakeholder objectives of utilizing the most effective technology, optimizing cost and transforming/launching new business models should be considered, if not incorporated, into the digital commerce objectives. Fortunately, they are a natural fit. For example, some of the technology utilized in digital commerce is very effective at increasing revenue, such as personalization for CX, which drives engagement, conversion and increased order value. [5] Incorporating AI within personalization produces even greater revenue results. Incorporating business rules and AI into pricing is typically effective at increasing revenue and reducing cost. Moreover, by design, digital commerce is self-service, which alone can reduce the number of sales and customer support full-time equivalents, especially if friction in human sales processes is reduced or removed in the digital world. Digital commerce can be a stepping stone to transformation and serves as a foundation for modernizing sales, as the digital commerce technology is being used for both self-service by customers and for assisting customers by the sales team. It is also causing sales compensation to be rethought and modernized by basing it on factors other than revenue, such as coaching customers to use self-service, assisting customers, and increasing profit margin. In essence, digital commerce appears to support many stakeholders' priorities.

BoD Priorities: The results from the aforementioned 2022 Gartner Board of Directors Survey on Business Strategy in an Uncertain World, which showed an increased interest in digital transformation, reinforces the need for digital commerce leaders to have a holistic digital commerce strategy across the organization. It also suggests a shift from business as usual via a digital channel to one that is both more broad and innovative; in this manner, digital commerce might be able to serve as a foundation for business transformation. (See Use Rogue Thinking to Execute Business Transformation Ideas.)

CEO Priorities: Tech- and workforce-related objectives, which are typically important to CEOs, dovetail nicely with digital commerce outcomes. Digital commerce is driving the need for both employees and customers to have similar, if not identical experiences, which Gartner calls Total Experience (see Quick Answer: How Do I Get Started With Total Experience?). This need is being exemplified in two ways:

- Digital commerce, which has primarily been a self-service tool for customers, is starting to be used by the sales team, largely because of its customer-friendly interface and functionality that it offers.

- Configure, price and quote (CPQ), which has primarily been a self-service tool for sales, is starting to be used by customers, because many CPQ vendors have updated the employee experience to make it more customer-friendly.

Combining customer-facing and employee-facing experiences has forced improvements for employees, which in turn helps them better serve their customers. See Figure 4 for a consolidated list of key stakeholder priorities for digital commerce leaders.

Figure 4. Stakeholders' Priorities and Strategic Ambitions

Stakeholders' Priorities and Strategic Ambitions
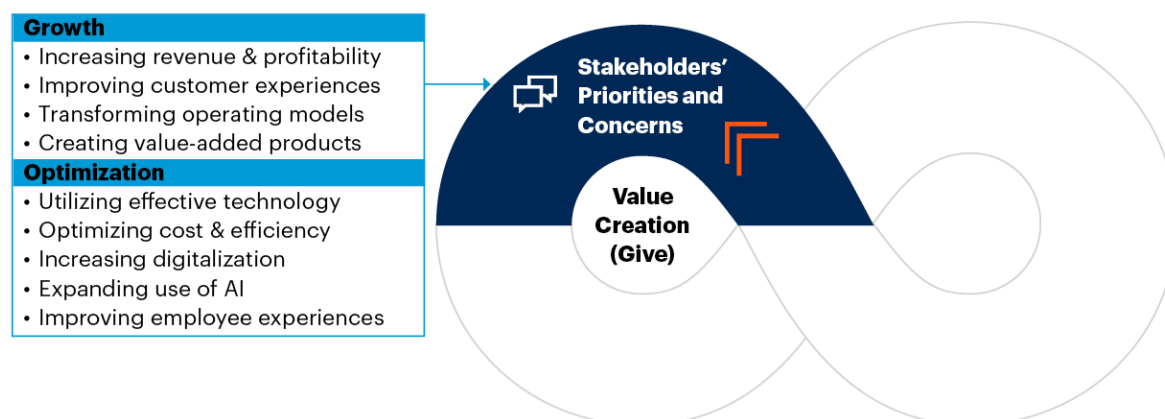
Source: Gartner
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Once common priorities have been established, the value enablers for achieving them can be identified. Keep in mind that multiple ways may exist to achieve value for the same priority. Value enablers can vary greatly, depending on an organization's digital commerce maturity level (see Maturity Model for Digital Commerce Applications) and sophistication in the departments of key stakeholders. Common examples of potential value enablers for the identified priorities of digital commerce can be found in Figure 5.

A review of the value enablers for digital commerce advancements indicate that the most common value enablers are acquiring and/or integrating technology, in conjunction with process efficiencies that positively impact customers and employees. (See Evolve Digital Commerce Portfolios by Leveraging the Application Ecosystem for the applications most commonly used in digital commerce and the integrations most commonly made.) Less common approaches to value enablers occur by making connections among different assets (e.g., people, processes, data), which increase customer value and drive transformation. (See Use Rogue Thinking to Make Connections That Drive Revenue for ideas on connections and what other companies have done.) See Table 2 for a list of specific digital commerce value enablers that support the earlier identified priorities.

Each value stakeholder's priority and value enablers must be assessed from the perspective of the other key stakeholders (i.e., what value does it provide to other areas).

Figure 5. Value Enablers

Value Enablers

Technology
- Digital commerce
- Product information management
- Search engine optimization
- Marketplace operations
- Subscriptions
- Personalization engine
- Site search
- Configure, price, quote
- Artificial intelligence
- Distributive Order Management

Process
- Real-time inventory
- Privacy self-service
- Sales compensation model
- Efficient order fulfillment
- Maintenance of product availability
- Search engine marketing
- Total experience

Value Creation (Give)
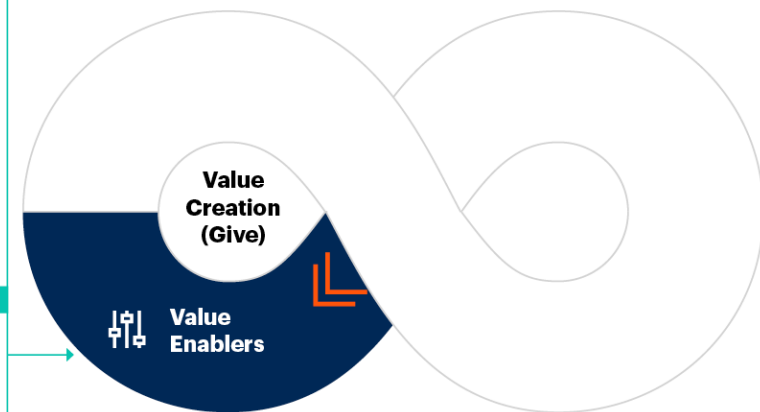
Value Enablers

Source: Gartner
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Gartner

For more detail on how the value enablers presented in Figure 5 were identified, please download the file below (PDF format):

Common Digital Commerce Priorities

3. Establish Commonality of Stakeholder Priorities and Results Across the Organization to Build the Value Story

Multistakeholder impacts are values or outcomes that cross the organization beyond digital commerce into other key stakeholder departments (get). The digital commerce story should express the value or benefits of all stakeholders in both financial and nonfinancial terms (KPIs).

In order to build the value story, executive leaders should match investment to overall stakeholder outcomes by surfacing common expectations of success, compliance, optimization and transformation. Multiple wins across the organization may be possible, depending on which value enablers are selected. Many of them are beneficial to multiple groups. For example, raising awareness through search engine optimization benefits not only digital commerce endeavors, but marketing as well. Likewise, adding subscriptions for digital commerce not only adds a new customer segment; it supports mutual goals of growth for marketing, sales, and finance, while also improving elements that positively impact cash flow. Providing transparency of inventory not only accelerates customers' buying decisions, but also makes employees more efficient, as they no longer receive calls regarding availability, while also improving supply chain planning and inventory positioning across the network. A summary set of key stakeholder values can be found in Figure 6.

Figure 6. Multistakeholder Impacts

Multistakeholder Impacts
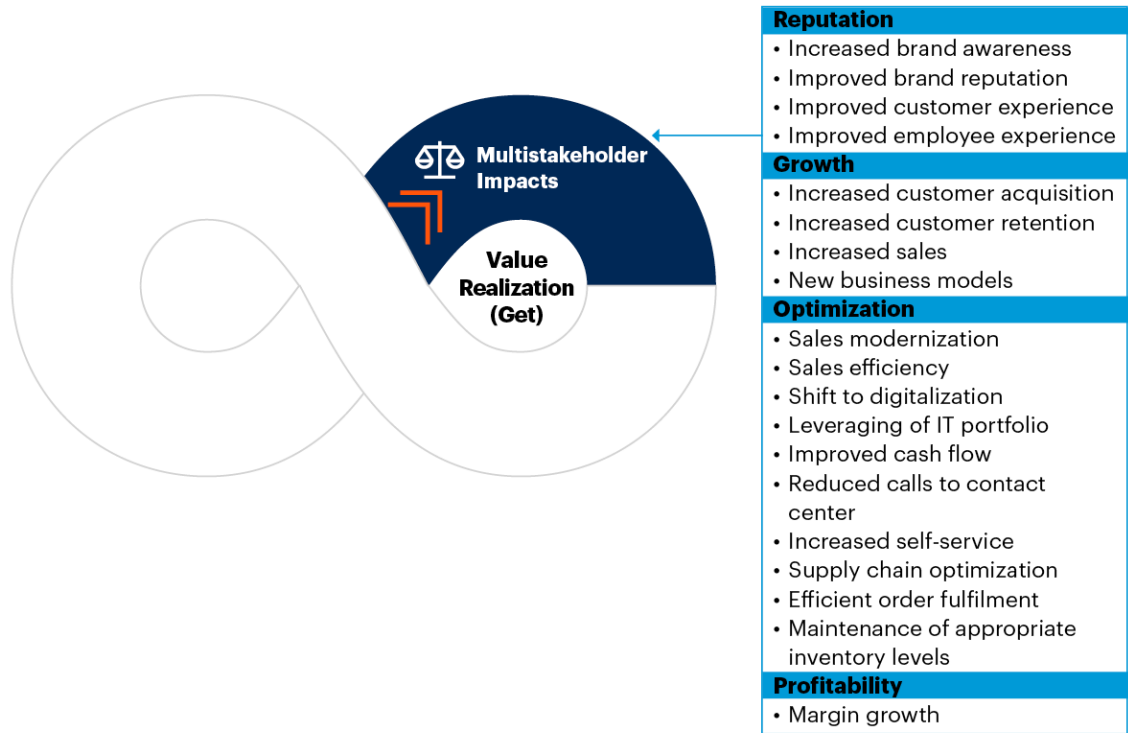
Source: Gartner
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For more detail on how the summarized values presented in Figure 6 were obtained, please download the file below (PDF format):

Only by evaluating all the benefits, costs, risks, interrelationships and trade-offs among the numerous priorities can you optimize multiple stakeholders' outcomes, build long-term enterprise value and maximize the value of capital.

4. Evaluate Financial and Nonfinancial Value for a Complete Value Story

Realized returns to the organization (get) are the benefits realized by the organization from delivering multistakeholder outcomes. This is the net result of all activities focused on reaching, communicating and convincing the stakeholder to exchange the business outcomes delivered to them for the benefit of the organization.

Analyze the long-term, realized return to the organization by evaluating both financial and non-financial value for each common objective, and identifying KPIs and metrics for them. Major value enablers often result in outcomes that are leading indicators of value, but can't immediately be expressed in financial terms. Therefore, using purely financial measures to make decisions and allocate resources is likely to result in underinvestment in options that deliver the highest long-term value. Organizations should measure the realized return to the organization by linking the multifactored stakeholder impacts to KPIs and outcome-driven metrics. This give/get equilibrium balances the value delivered to stakeholders with the value realized in return across multiple variables.

The benefits or outcomes delivered to stakeholders must be fully recognized by them and result in the expected realized return to the organization. Returns should be considered not only in terms of revenue and growth, but also impact to brand, reputation, influence, ability to attract talent, government support, profit, retention, productivity and higher valuation, among other factors. It must be assessed through a multidimensional stakeholder lens that takes into account both short-term financial implications and long-term impact on value. Once stakeholder impacts have been identified, the next step is to identify the KPIs and corresponding metrics for each objective and supporting value enabler.

KPIs and metrics are aggregated in Figure 7.

Figure 7. Aligning Digital Commerce Priorities With KPIs and Metrics

Aligning Digital Commerce Priorities With KPIs and Metrics
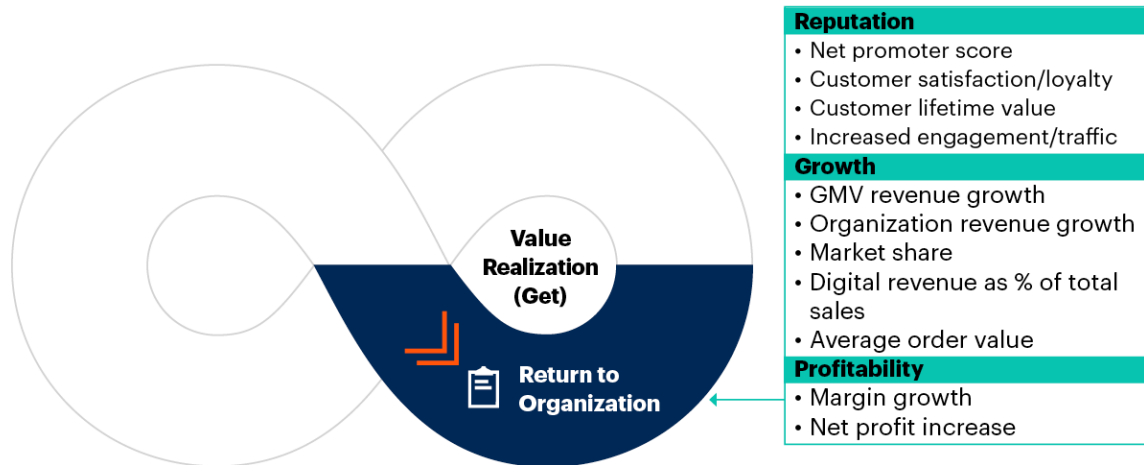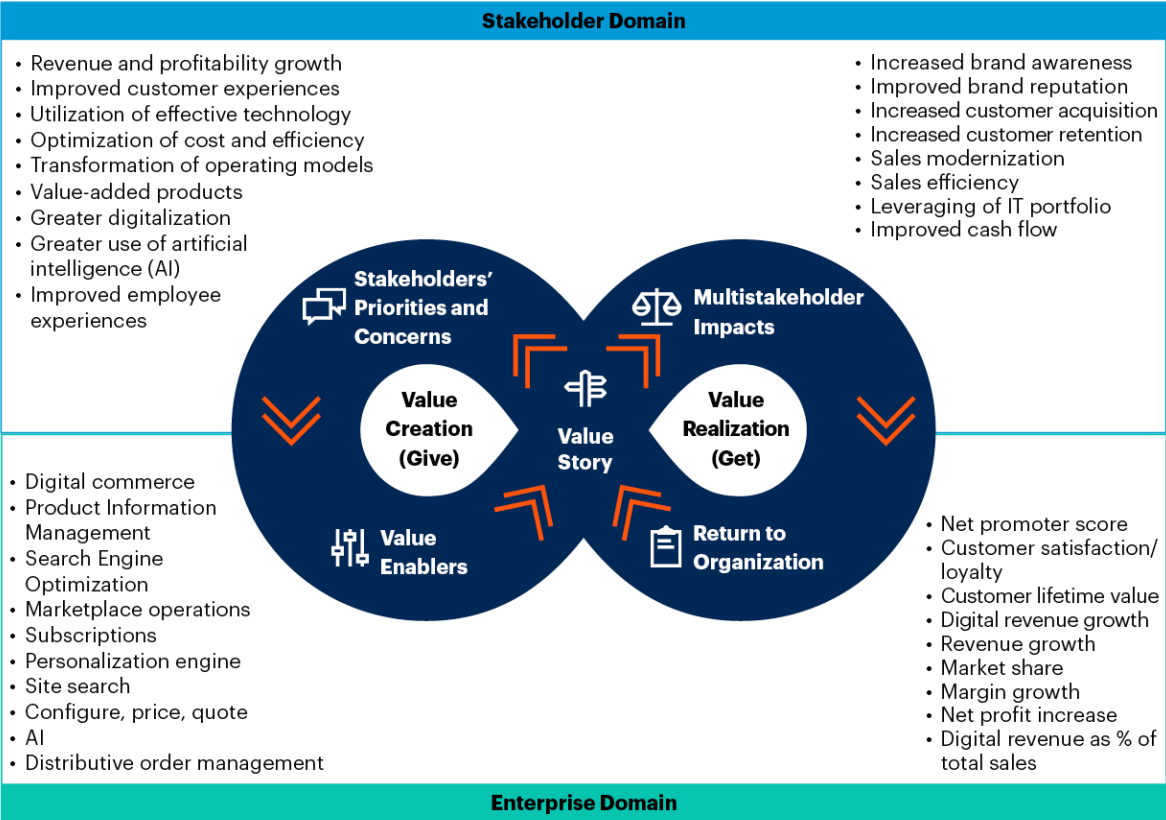
Source: Gartner
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For more detail on how KPIs and corresponding metrics for digital commerce objectives were identified and aggregated in Figure 7, please download the file below (PDF format):

Aligning Digital Commerce Priorities and Value Enablers to KPIs and Metrics
Digital commerce leaders must justify the expense of technology investments to boards and CEOs who continue to question the value of technology spend. This is largely due to a failure to link technology outcomes to business outcomes. Often the full scope of benefits, especially the nonfinancial ones that can be leading indicators of long-term enterprise value, are missed. As a result, the digital commerce give/get is not in equilibrium, due to projected outcomes that are not fully recognized by all key stakeholders. Using the Gartner Enterprise Value Equation can assist organizations in ferreting out the full value of digital commerce. (See Figure 8.)

Figure 8. The Gartner Enterprise Value Equation

The Gartner Enterprise Value Equation

Stakeholder Domain

- Revenue and profitability growth
- Improved customer experiences
- Utilization of effective technology
- Optimization of cost and efficiency
- Transformation of operating models
- Value-added products
- Greater digitalization
- Greater use of artificial intelligence (AI)
- Improved employee experiences

- Increased brand awareness
- Improved brand reputation
- Increased customer acquisition
- Increased customer retention
- Sales modernization
- Sales efficiency
- Leveraging of IT portfolio
- Improved cash flow

Stakeholders' Priorities and Concerns — Value Creation (Give) — Value Story — Value Realization (Get) — Multistakeholder Impacts — Value Enablers — Return to Organization

- Digital commerce
- Product Information Management
- Search Engine Optimization
- Marketplace operations
- Subscriptions
- Personalization engine
- Site search
- Configure, price, quote
- AI
- Distributive order management

- Net promoter score
- Customer satisfaction/ loyalty
- Customer lifetime value
- Digital revenue growth
- Revenue growth
- Market share
- Margin growth
- Net profit increase
- Digital revenue as % of total sales

Enterprise Domain

Source: Gartner
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To download all tables linked earlier in this document, please use the link below (PDF format):

Download All Tables

Evidence

[1] **2023 Gartner Board of Directors Survey on Business Strategy in an Uncertain World:** This survey was conducted to understand the new approaches adopted by nonexecutive boards of directors (BoDs) to drive growth in a rapidly changing business environment. The survey also sought to understand the BoDs' focus on investments in digital acceleration, sustainability, and diversity, equity and inclusion. The survey was conducted online from June through July 2022 among 281 respondents from North America, Latin America, Europe and Asia/Pacific. Respondents came from all industries, except governments, nonprofits, charities and NGOs, and from organizations with $50 million or more in annual revenue. Respondents were required to be a board director or a member of a corporate board of directors. If respondents served on multiple boards, they answered for the largest company, defined by its annual revenue, for which they are a board member. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

[2] **2022 Gartner CEO and Senior Business Executive Survey:** This survey was conducted to examine CEO and senior business executive views on current business issues, as well as some areas of technology agenda impact. The survey was conducted from July 2021 through December 2021, with questions about the period from 2021 through 2023. One-quarter of the survey sample was collected in July and August 2021, and three-quarters was collected in October through December 2021. In total, 410 actively employed CEOs, and other senior executive business leaders qualified and participated. The research was collected via 382 online surveys and 28 telephone interviews. The sample mix by role was CEOs (n = 253); CFOs (n = 88); COOs or other C-level executives (n = 19); and chairs, presidents or board directors (n = 50). The sample mix by location was North America (n = 176), Europe (n = 97), Asia/Pacific (n = 86), Latin America (n = 40), the Middle East (n = 4) and South Africa (n = 7). The sample mix by size was $50 million to less than $250 million (n = 58), $250 million to less than $1 billion (n = 81), $1 billion to less than $10 billion (n = 212) and $10 billion or more (n = 59). Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

[3] **2022 Gartner Tech CEO Survey:** Results presented are based on Gartner's annual survey to stay current on tech CEOs' mission-critical priorities to prioritize and steer research for the 2022 tech CEO research agenda. The primary research was conducted online from November through December 2021 among 284 respondents in North America (U.S. and Canada), Western Europe (Italy, France, Germany, Spain and the U.K.), Asia/Pacific (Australia, India, New Zealand and Singapore) and Latin America (Brazil). Eligible organizations have been founded in the past 25 years and operate in the high-tech industry (applications/software, cloud, business and technology services, communications services, hardware, IT services, and semiconductors), with anticipated annual revenue for FY22 of up to $250 million. All organizations focus on businesses (B2B, B2B2C, B2B2B) or government/nonprofits as their primary customers. Qualified respondents from these organizations have the title of CEO/managing director, founder/owner or COO/C-level executive of operations or equivalent. Disclaimer: Results of this study do not represent global findings or the market as a whole, but are averages of results for the targeted countries, industries and company size segments covered in this survey.

[4] **Gartner 2020 Loyalty Through Customer Service and Support Survey:** This survey drew responses from 6,004 customers in Australia, Canada, New Zealand, Singapore, the U.K. and the U.S. in December 2019.

[5] Quick Answer: How Can I Use Personalization Most Effectively in Digital Commerce?

Gartner 2021 Digital Marketing Survey: The purpose of this survey was to understand current and future digital marketing strategies. This includes where responsibilities lie, current/anticipated challenges and responsibilities, how digital marketing strategies were impacted by disruptive events, where marketers direct channel-specific investments and initiatives, and what techniques they use to support effective cross-channel and multichannel digital marketing strategies. This study was conducted online from November through December 2020, among 350 respondents from the U.S. (31%), Canada (10%), the U.K. (30%), Germany (14%) and France (14%) (percentages don't add up to 100% due to rounding). Ninety percent of respondents came from organizations with $1 billion or more in annual revenue. The respondents came from a variety of industries: financial services (40 respondents), tech products (39), manufacturing (41), consumer products (41), media (42), retail (39), healthcare providers (42), IT and business services (26), and travel and hospitality (40). Respondents were required to hold a leadership position in decisions related to digital marketing strategy. Disclaimer: Results of this survey do not represent global findings or the market as a whole but do reflect sentiments of the respondents and companies surveyed.

2022 Gartner CSO Priorities Survey: This survey of 43 organizations was conducted online from February through June 2022 to understand the current business challenges and top priorities of chief sales officers (CSOs) or equivalent leaders. The survey sampled CSOs, chief revenue officers, executive vice presidents and senior vice presidents in sales, and heads of sales from a variety of industries, including financial services, information technology, manufacturing, professional services, software, telecommunications and wholesale. Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

2020 Office of the CIO (OCIO) Survey: This survey was conducted online from August 2020 through October 2020 and recorded results from 58 heads of the OCIO and 23 CIOs.

2021 Gartner Customer Service and Support (CSS) 2022 Priorities Poll: This poll was conducted to understand strategic priorities for the CSS function and perspective on challenges expected in the coming year. The research was conducted online from 19 August 2021 through 27 September 2021 among 170 respondents globally. Respondents were clients and prospective clients within Gartner for Customer Service and Support Leaders. Industries represented include: banking, finance and insurance (13%); education (3%); energy and utilities (9%); government (16%); healthcare (15%); manufacturing (6%); media (1%); retail and hospitality (9%); services (5%); technology and telecom (hardware and services) (16%); technology and telecom (software) (13%); transportation (3%); and other (5%). Disclaimer: Results of this survey do not represent global findings or the market as a whole but do reflect the sentiments of the respondents and companies surveyed.

2022 Gartner Digital Business Impact on the Supply Chain Survey: This survey was conducted to assess companies' readiness to support the impending digital business transformation and to better understand awareness, competencies required and priorities of executive and functional leaders within the supply chain organization. The research was conducted online from 14 March through 15 April 2022. In total, 353 respondents were interviewed in their native language across North America (n = 119; the U.S. and Canada), Western Europe (n = 128; the U.K. and Germany) and Asia/Pacific (n = 106; Australia, New Zealand and Singapore). Qualifying organizations operated in the manufacturing, retail, wholesale trade and healthcare provider (U.S. only) industries and reported enterprisewide annual revenue for FY21 of at least $500 million (at least $1 billion in the U.S.) or equivalent. Qualified companies also reported having implemented a "digital business model" or digital supply chain initiatives in at least one function of the business, or having plans to within the next two years. Qualified participants had a role tied to a supply chain function and were in senior manager roles or above. All respondents were involved in their company's digital supply chain initiatives. Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

Note 1. Questions to Ferret Out Friction in the Sales and Service Processes

These questions may be used in lieu of primary customer research to identify friction that can be incorporated into a digital commerce strategy. They can help executive leaders gain additional insights from key employees, who often encounter friction in the sales and service processes daily. The solution for the identified friction in these processes can often be incorporated into the digital commerce platform, resulting in a big win for all.

These questions are generic and can be fine-tuned based on your industry, sales model, product(s) being sold and prospects/customers. Either survey or have a dialogue with your top five to seven sales or service associates regarding these questions. Once the friction has been identified, assess how to incorporate the solution into your digital commerce platform.

Questions to ask sales associates:

1. What are the top three issues or hurdles that you encounter when selling our products and services (e.g., brand awareness, product information, general sales process)?

2. What are the top questions that you get asked about our products or sales process (i.e., the recurring questions that prospects and clients ask that must be addressed to close the sale) during the sales process? For example:

   ▪ "Can you explain XYZ to me?"

   ▪ "What is the difference between X and Y?"

   ▪ "Why do I need to do Z?"

3. What functionality of a digital commerce application would most help you do your job better (in other words, if our digital commerce application could do X, would it make selling easier)?

4. What functionality of a digital commerce application would most help you be more productive?

5. What are the biggest customer complaints that you receive from customers regarding the sales cycle?

6. What are the biggest complaints that you receive from customers during the sales cycle?

7. What functionality would you most want to see in a digital commerce application, and why?

Questions to ask service associates:

1. What questions do you receive most often from noncustomers?

2. What questions do you receive most often from prospects or customers who are considering our product(s) prior to making a purchase?

3. What questions do you receive most often from prospects and customers during their purchase process?

4. What questions do you receive most often from prospects and customers after purchase?

5. What functionality of a digital commerce application would most help you do your job better (e.g., "If our digital commerce application could do X, it would enable me to do Y")?

5. What functionality of a digital commerce application would most help you do your job better (e.g., "If our digital commerce application could do X, it would enable me to do Y")?

6. What functionality of a digital commerce application would help you be more productive (e.g., "If our digital commerce application could do X, it would reduce the number of calls that I receive")?

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