A Buyer's Guide to Digital Adoption Platforms (DAPs) – 2022

A Comprehensive Report Analyzing Survey Data from Real DAP Buyers

BY EVEREST GROUP

Words from the CEO

Empowering organizations for the future through digital adoption

In 2020, the average organization used 80 SaaS applications - up 16 in 2017, an over 500% increase. It's no doubt that COVID-19 played a hand in this rise, forcing companies to adopt new digital technologies to adapt to a remote working environment and new processes to accommodate that. But that doesn't reveal the full story.

Organizations from SMBs to Enterprises were already rapidly undergoing digital transformation before the pandemic. Looking back to 2016, 87% of executives said that digital technologies would soon disrupt their industry - with 51% of them saying it is critical for them to implement a digital transformation strategy in the coming year. In 2019 - right before the pandemic - a survey found that digital transformation was the #1 concern among directors, CEOs, and executives.

Enterprises understand that the future is now - calling digital transformation the fourth industrial revolution. Digital technologies that utilize AI, big data, IoT, virtual reality, and more are here, and already empowering companies to redefine organizational growth and success. However, the process of digital transformation is comprehensive, exhaustive, and expensive.

In 2019, over $1.3 trillion was spent on digital transformation initiatives - and 70% failed. It's estimated over $900 billion was wasted on failed digital transformation efforts. Why are organizations failing to implement new technologies and processes? It's not the fault of technologies -

technologies that are undeniably more efficient, personalized, and cost-effective.

Instead, these failures fall on the shoulders of organizational leadership teams, who through poor vision and strategic planning failure, forget about their individual employees who will be asked to radically change their daily-to-day. The individual workers are the ones who will be leveraging these new technologies. Without understanding their workforce's experiences, problems, workflows - and without addressing and recognizing those experiences when implementing a digital transformation strategy - it will be destined to fail.

"Looking back to 2016, 87% of executives said that digital technologies would soon disrupt their industry - with 51% of them saying it is critical for them to implement a digital transformation strategy in the coming year."

This is the value of a digital adoption platform (DAP), that allows organizations to find maximum ROI on their software investments and digital transformation effort by creating digital, in-app content to help facilitate the change management process - from onboarding, training, skill development, and ongoing performance support.

By leveraging a DAP throughout the change process, organizations are able to ensure that new technologies have high levels of adoption, ensure industry compliance, reduce the burden and cost on support and training teams, create intuitive employee experi-ences. A DAP ensures organizations are taking a people-first approach when rolling out their digital transformation initiatives - digitally empowering the individuals that make up their workforce, and ensuring the success and ROI of their transformation and change initiatives.

In this report, Evert Group - - analyzes survey-based research of DAP buyers to understand what key prob-lems organizations are solving with a DAP, what their objectives are, what the core features and organizational benefits are, and the results and satisfaction across these buyers.

> **In 2019, over $1.3 trillion was spent on digital transformation initiatives - and 70% failed. It's estimated over $900 billion was wasted on failed digital transformation efforts.**

Khadim Batti

CEO & Co - Founder, Whatfix

A Buyer's Guide to Digital Adoption Platforms (DAPs)

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Introduction

The Digital Adoption Platform (DAP) market is quickly gaining recognition due to the vast benefits it offers organizations. These benefits have also helped it capture the interest of senior executives from various departments – from IT to HR and product owners to customer support/success leaders. With DAP, organizations have realized higher Return on Investment (RoI) from software investments, with increased adoption levels and process compliance, lower support and training costs, and enhanced user experience, among other outcomes.

DAPs form an additional layer on top of an existing browser – a desktop- or mobile-based application – and offer on-demand support to employees and end-customers through step-by-step guidance and supplementary capabilities such as dynamic tooltips, surveys, analytics, automation, and chatbots.

As organizations undertake DAP deployments, it is essential for them to understand the various contours of the solution and service provider capabilities.

Scope of this viewpoint

This viewpoint shares the findings of a survey-based research project that Everest Group undertook to understand what buyers value as the most valuable capabilities of DAP and the RoI they have derived from this investment. We provide:

- An overview of the research methodology
- A deeper understanding of organizations' DAP objectives
- Top DAP capabilities
- Variations inf DAP benefits based on organization size and DAP implementation stage
- Buyers' satisfaction levels and returns achieved based on the number of DAP deployments

Buyers can use this report to assess how their peers have rated the various capabilities, the functionalities to look for when choosing a DAP, and how DAP can help achieve their business objectives.

Highlights from the study

Below are the key findings from the study:

Maturity of DAP initiatives and DAP awareness

- Out of the 90+ survey responses, 72% of the buyers had already implemented DAP, while 28% were currently in the planning stage
- When asked about their DAP awareness levels, more than half of the respondents mentioned their awareness level as "high." With higher understanding of DAP, organizations are becoming more programmatic in the way they approach DAP programs and vendor selection
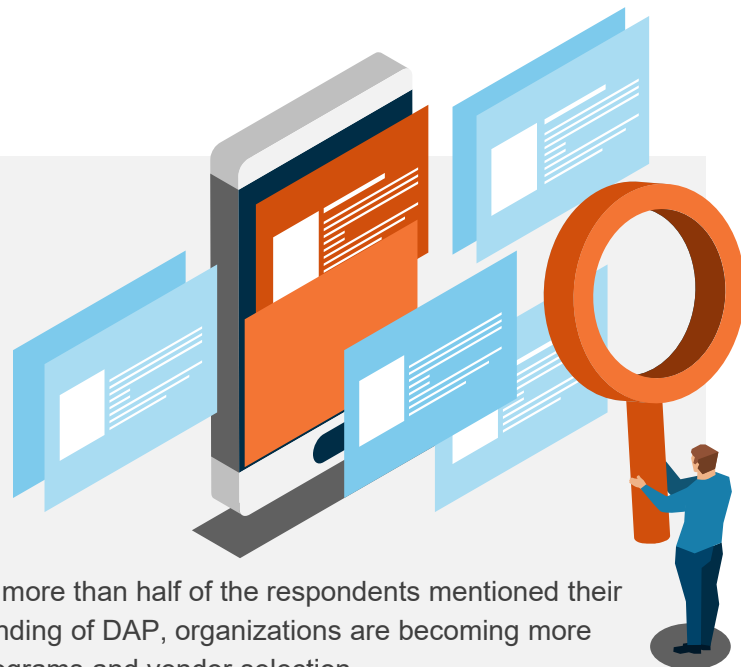
Top-rated capabilities

The top four rated capabilities in terms of importance are:

End-user functionality

Reporting and analytics

Vendor service and support

Security and compliance

Trends observed

- **The importance of vendor capabilities varies by buyer size**
  - The significance of end-user functionality increases as the size of the organization grows
  - For midsize and large organizations, security and compliance is a critical criterion
  - Reporting and analytics is as important as end user functionality for large organizations
  - For small and midsize buyers, the flexibility and availability of commercial models is an important decision-making criterion due to budgetary constraints
- **Vendor capabilities vary in importance as the DAP journey matures**
  - Respondents assigned the highest ranking to all capabilities, except the flexibility and availability of commercial models, in the scaling-up stage
  - For enterprises that are scaling up from pilots, reporting and analytics capabilities are a valuable aspect as they move forward in their DAP initiatives
  - Vendors' service and support have the same level of importance at all stages of the DAP journey
- **DAP projects fulfill buyer expectations:** All the respondents stated that their expectations were met, with more than 65% mentioning that their actual returns were significantly higher than they had initially expected
- **Largely, DAP has shown strong performance, but there is space to improve:** While DAP has shown strong performance, there is scope for improving capabilities such as reporting analytics and content creator / administrator functionality
- **RoI from DAP increases significantly with scale**
  - The RoI achieved is directly proportionate to the number of DAP deployments. 57% of respondents with 20+ DAP deployments derived more than US$1 million in returns
  - Almost 60% of the organizations that have deployed DAP for only one application have successfully registered returns higher than US$100,000

The research methodology

To study buyer objectives and considerations with respect to DAP vendors, Everest Group surveyed 90+ DAP executives from multiple organizations, 72% of which had already invested in DAP and 28% were in the planning stage. Organizations of all sizes and geographic presence were considered for the study. The geographic distribution, organization size, and industry split are represented in Exhibit 1. Exhibit 2 displays how the respondents rated the maturity of their DAP initiatives.

EXHIBIT 1
Respondents' profile
(Percentage of respondents)
Source: Everest Group (2021)

North America	30%
Asia Pacific	30%
Continental Europe	24%
United Kingdom	13%
Central & South America	3%

30%	48%	22%
Small buyers (<1,000 employees)	Midsize buyers (1,000-9,999 employees)	Large buyers (>9,999 employees)

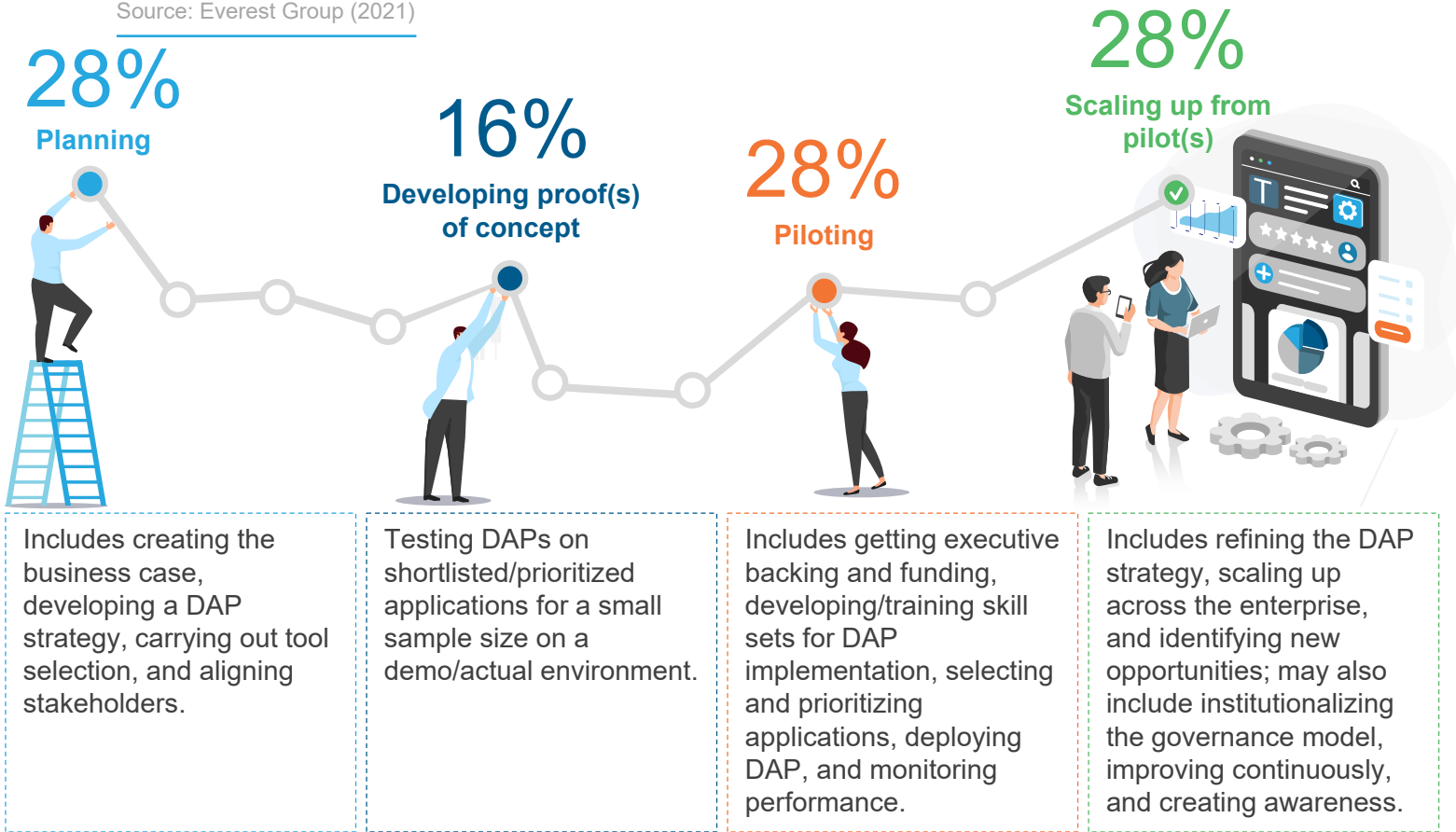|					
	Professional services[1]	19%		Healthcare, life sciences, and pharmaceuticals	8%
	Hi-tech	18%		Energy & utilities	5%
	Manufacturing (including automotive)	16%		Government & public sector	3%
	Banking, financial services, and insurance	13%		Telecommunication	2%
	CPG & retail	11%		Others[2]	4%

1   Professional services includes consulting, KPO/BPO, and marketing and advertising services
2   Others includes industries such as hospitality & tourism, logistics & transport, and real estate

EXHIBIT 2

Maturity of DAP initiatives
(Approximate share of enterprises at each maturity level)
Source: Everest Group (2021)

28%
Planning

16%
Developing proof(s) of concept

28%
Piloting

28%
Scaling up from pilot(s)

| Includes creating the business case, developing a DAP strategy, carrying out tool selection, and aligning stakeholders. | Testing DAPs on shortlisted/prioritized applications for a small sample size on a demo/actual environment. | Includes getting executive backing and funding, developing/training skill sets for DAP implementation, selecting and prioritizing applications, deploying DAP, and monitoring performance. | Includes refining the DAP strategy, scaling up across the enterprise, and identifying new opportunities; may also include institutionalizing the governance model, improving continuously, and creating awareness. |

It is important to note that the respondents' collective profile does not represent the global landscape of DAP buyers but only represents the sample considered for this study. The intent of the research was to understand the key capabilities that buyers expect from a DAP vendor. The qualitative and quantitative insights from the study were further combined with in-depth interviews with a number of the participating organizations, as well as Everest Group's ongoing research on DAP.

Notably, the level of DAP awareness is at a reasonable level (as illustrated in Exhibit 3) due to the efforts of the various market participants, coupled with the success stories of early adopters. With higher understanding of DAP, organizations are becoming more programmatic in the way they approach DAP programs and vendor selection.

EXHIBIT 3

Respondents' profile
(Percentage of respondents)
Source: Everest Group (2021)

Low	Medium	High
6%	42%	52%
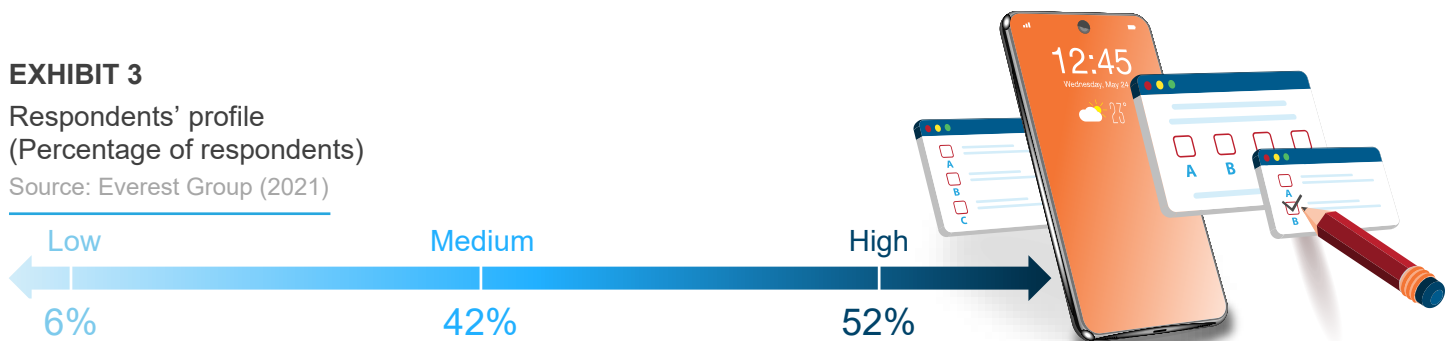
Understanding buyer objectives for DAP initiatives

DAP adoption has been on the rise as it offers varied benefits and can be used for employee- or customer-facing use cases – onboarding and training, change management and digital transformation, data and visibility, support and on-demand help, and improvement of product capabilities.
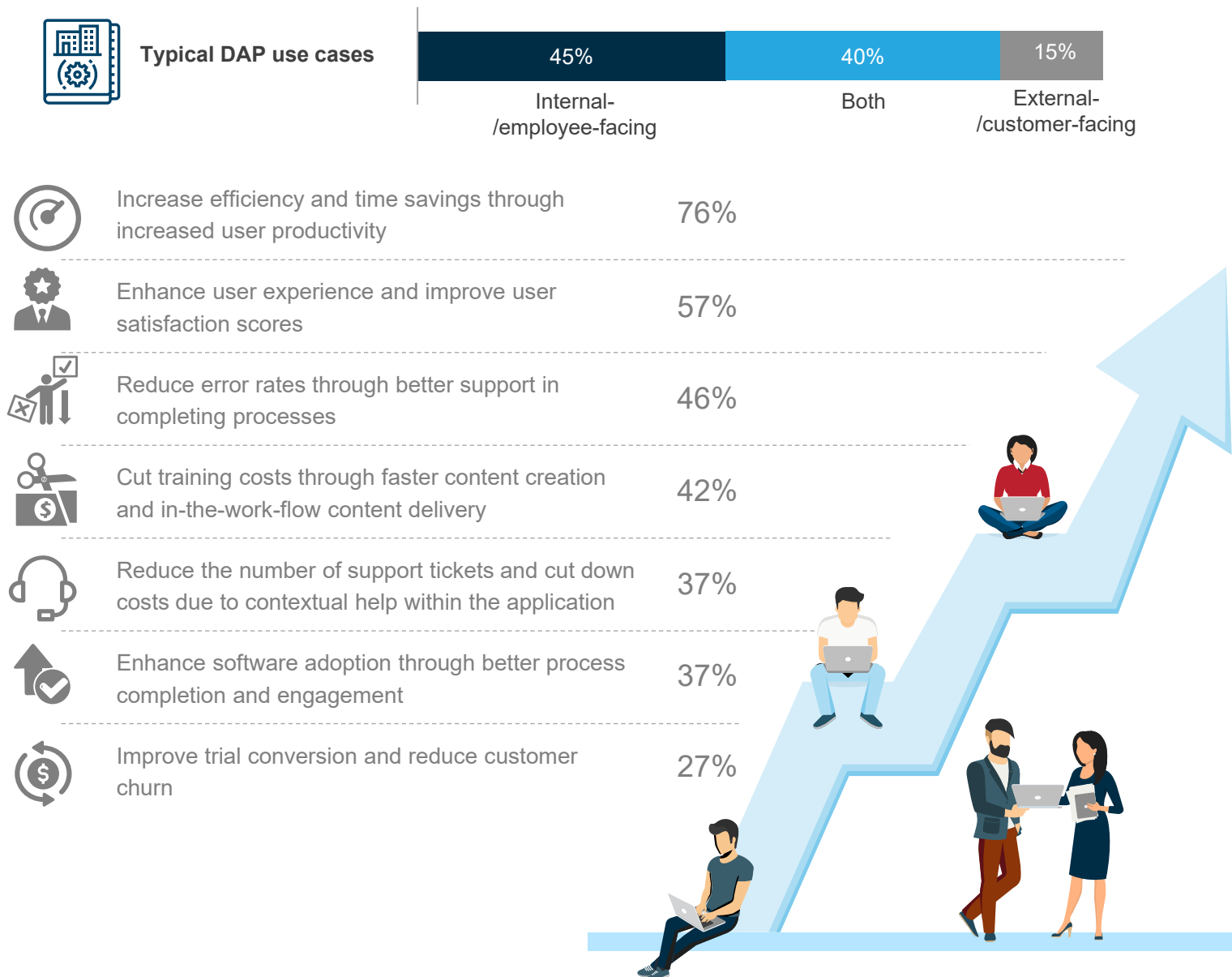
Efficiency and time savings through increased user productivity, enhanced user experience, and better data quality and completion of processes are cited as the top three objectives for opting for a DAP.

Exhibit 4 showcases the use cases and key objectives for which respondents have deployed DAP.

EXHIBIT 4
DAP use cases and key objectives[1]
(Percentage of respondents)
Source: Everest Group (2021)

Typical DAP use cases	45%	40%	15%
	Internal-/employee-facing	Both	External-/customer-facing

|	
Increase efficiency and time savings through increased user productivity	76%
Enhance user experience and improve user satisfaction scores	57%
Reduce error rates through better support in completing processes	46%
Cut training costs through faster content creation and in-the-work-flow content delivery	42%
Reduce the number of support tickets and cut down costs due to contextual help within the application	37%
Enhance software adoption through better process completion and engagement	37%
Improve trial conversion and reduce customer churn	27%

1   Respondents chose multiple objectives, and, hence, the sum may not add up to 100

DAPs enable organizations to harness the real power of digitalization by fully utilizing the software's potential. Exhibit 5 lists some of the benefits that respondents have reaped after adopting DAP across all use cases and implementation stages.

EXHIBIT 5

Top benefits experienced from DAP deployment
Source: Everest Group (2021)
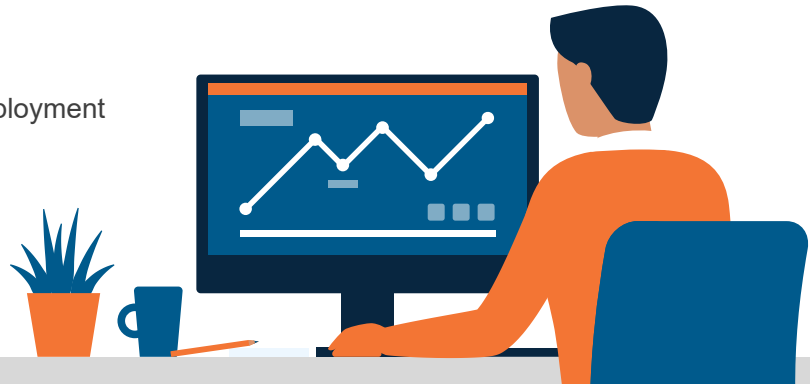
Business agility   Employee satisfaction

Cost efficiencies due to cost reduction

Enhanced process   Superior communication
quality   Lower customer churn   Data and reporting

Improved morale and retention

Easing of administrative burden   Accessibility

Core capabilities of a DAP vendor

To achieve the above benefits, enterprises are increasingly realizing the need to focus on specific vendor capabilities. In fact, our survey with enterprises revealed the following insights.

Top-rated capabilities

We asked the respondents to rate six key vendor capabilities on a scale of one to seven. The four capabilities below were rated the highest:

- End-user functionality
- Reporting and analytics
- Vendor service and support
- Security and compliance

Other important capabilities

While the capabilities above ranked higher, buyers should also consider the following capabilities when evaluating a DAP vendor, as success and RoI rely heavily on them:

- Flexibility and availability of commercial models
- Content creator and administrator functionality

Exhibit 6 depicts key DAP vendor capabilities and the percentage of respondents rating the capabilities as highly important

EXHIBIT 6

Top-rated vendor capabilities
(Percentage of respondents rating a capability as highly important)
Source: Everest Group (2021)

End-user functionality	Reporting and analytics	Vendor service and support	Security and compliance	Flexibility and availability of commercial models	Content creator / administrator functionality
76%	69%	69%	68%	66%	51%

We look at these capabilities in detail below.

A deep dive into key vendor capabilities

End-user functionality

This functionality is one of the primary reasons for deploying DAP, and it refers to the set of features that are available to the end user, including:

- **In-application guidance:** It includes features such as walkthroughs, pop-ups, checklists / task lists, and dynamic tooltips to provide interactive on-demand support to users on top of the underlying application
- **The ability to handle different interfaces and platforms:** This aspect includes DAP's ability to be application- and platform-agnostic (web-, desktop-, or mobile-based apps) and support different interfaces, such as responsive web apps, iframes, single-page applications, and applications that are developed using various User Interface (UI) languages, such as ReactNative and Cordova
- **Personalization:** DAPs offer a wide range of personalization options to change the look and feel of the overlay layer, while offering support for white-labeling the product. The platform can be personalized based on user group, location, language preference, etc.

- **Automation:** To further accelerate application adoption and assist users in their digital transformation journeys, DAPs can automate certain user processes, such as clicking on an element, pre-filling text into a field, selecting an element, or choosing a value from a list / dropdown menu

- **Other capabilities:** DAPs also support surveys to gather user feedback, feature an in-built search functionality for easy content exploration, and offer data validation for field entries

In-application guidance is a necessary and, hence, the top-most sub-dimension, followed by the ability to handle different interfaces and platforms, and personalization. However, with the list of use cases expanding and the market maturing, DAPs now leverage a combination of next-generation technologies, such as Artificial Intelligence (AI), Machine Learning (ML), automation, and analytics to maximize support to the end-user.

The exhibit below depicts how the sub-dimensions stack up against each other in terms of importance.

EXHIBIT 7

The importance of end-user functionality sub-dimensions
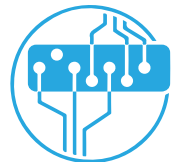
Source: Everest Group (2021)

77% of the total respondents assigned a **high rank to in-application guidance**

The ability to handle different interfaces and platforms was listed as the second highest priority

More than **60% of the respondents** realize the importance of **personalization**

While automation was given less importance than other parameters, **None** of the respondents assigned a low rating to this capability

> "
> The key reason for adopting DAP was the flexibility it offered to provide on-demand support, at the moment of need, with the help of walkthroughs and other capabilities.
>
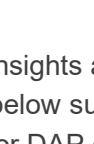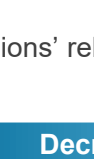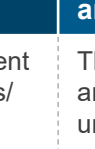> – Learning manager, a Fortune 500 health insurance company

Reporting and analytics

Digital adoption analytics provides insights and reports to ensure the success of organizations' digital transformation initiatives. Exhibit 8 below summarizes the importance of analytics sub-dimensions for buyers. Justifiably, the importance for DAP content analytics is the highest among all, followed by analytics segmentation. The demand and, hence, the ability to offer analytics for the underlying application and multi-application analytics continues to be on the rise and is expected to further increase in the coming years.

EXHIBIT 8

Reporting and analytics sub-dimensions' relative importance
Source: Everest Group (2021)

Decreasing importance

DAP content analytics	Analytics segmentation	Underlying product analytics	Multi-application analytics	Other analytics
Allows relevant stakeholders to track analytics related to the DAP content, such as walkthroughs, pop-ups, and tooltips; it measures parameters such as usage and completion rates of different walkthroughs, drop-offs, time spent, and trend analysis	The ability to segment and filter the reports/ dashboards by geography, time, user role, etc., to understand analytics for different user segments/groups	The ability to measure analytics for underlying applications; it can report various statistics – such as user behavior, user retention rates, feature adoption rates, product stickiness, and process funnels – and is relevant even without deploying any DAP content	Consolidated dashboards to compare key metrics for different applications on which a DAP has been deployed; it promises to ease data interpretation for senior stakeholders, who want to get visibility across the entire organization and understand the status of different initiatives	Include capabilities such as measuring completion rates without deploying walkthroughs, the ability to recognize process variations, goal-based analytics and Objective Key Results (OKRs), and user productivity rates

> To increase user adoption, we really need to understand how users perform the various workflows provided by the DAP. It is essential to view this information at a segmented level to deploy powerful and personalized guides.
>
> – IT manager, a global financial services firm

Vendor service and support

While the core DAP capabilities are regarded the most important, DAP vendors' services and support are also a key capability that buyers consider. The sub-dimensions include:

- **Professional services**: typically include services such as the ideation of DAP content, content creation and maintenance, and content language translation; DAP vendors also provide consulting support for organizations, such as developing a DAP strategy, setting up a Center of Excellence (CoE) for better governance, innovation, and sharing of best practices across the organization

- **Product training and onboarding:** initial training and onboarding support for administrators, content creators, and other organization staff through online/offline modes; vendors may partner with training vendors as well

- **Post-sales service support:** support services offered post-deployment, such as customer support and product maintenance and support

- **Implementation services**: implementation and deployment services of DAP on the cloud, on-premise, or hybrid environments

- **Partnership ecosystem:** vendor partnerships with System Integrators (SIs), resellers, and Independent Software Vendors (ISVs) for sales, implementation, and post-sales support. They also establish partnerships with technology vendors to enhance their product capabilities. Service partners offer various benefits to enterprises by:
  – Bringing expertise on the underlying application
  – Extending an integrated offering in case the partner is involved in deploying the underlying application
  – Supporting geographies where the DAP vendor does not have presence
  – Leveraging consultative services

> Our DAP vendor not only offers strong product capabilities, but also provides a professional services package. We highly appreciate its openness to our feedback and willingness to help us meet our objectives.
>
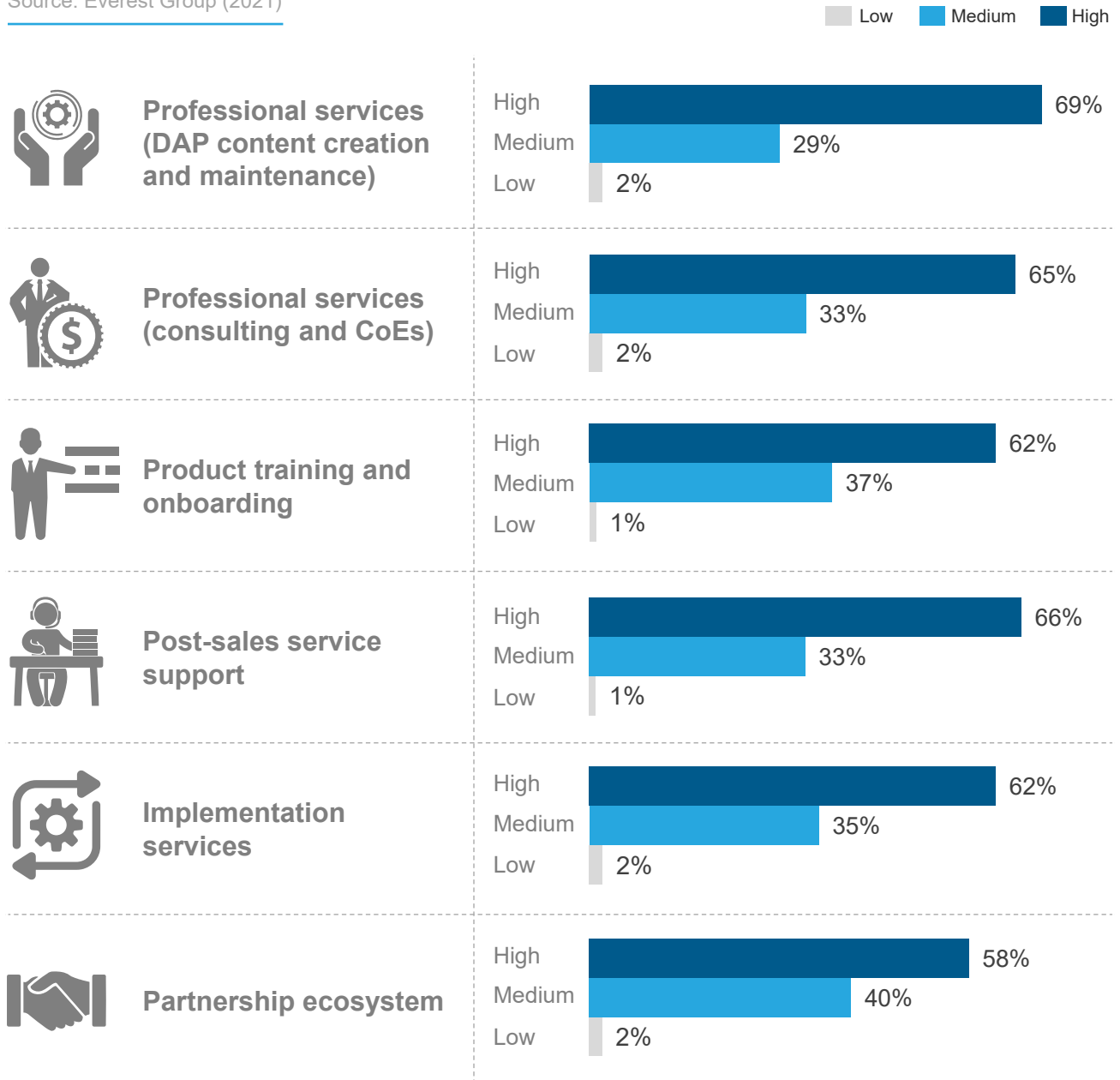> – HR systems administrator, a multinational energy and utilities company

The respondents' level of importance for each of the sub-dimensions is represented below.

EXHIBIT 9

Vendors' support and services sub-dimensions rankings
(Percentage of respondents ranking the sub-dimension as high, medium, and low)

Source: Everest Group (2021)

Low   Medium   High

Professional services (DAP content creation and maintenance)

High	69%
Medium	29%
Low	2%

Professional services (consulting and CoEs)

High	65%
Medium	33%
Low	2%

Product training and onboarding

High	62%
Medium	37%
Low	1%

Post-sales service support

High	66%
Medium	33%
Low	1%

Implementation services

High	62%
Medium	35%
Low	2%

Partnership ecosystem

High	58%
Medium	40%
Low	2%

Security and compliance

As DAPs are deployed on top of another application, there may be concerns around the security and privacy of user data, although these concerns may differ based on the industry and use case. To address this challenge, DAP vendors have developed capabilities to store sensitive data in an

encrypted manner or anonymize the collected data for buyers with strict Content Security Policy (CSP) rules and not capture any Personally Identifiable Information (PII). Many DAPs often comply with Europe's General Data Protection Regulation (GDPR) and the US' California Consumer Privacy Act (CCPA) and hold formal certifications such as ISO 27001 and SOC-2.

Additionally, buyers are increasingly considering compliance with the Web Content Accessibility Guidelines (WCAG) and the Americans with Disabilities Act (ADA) as a key criterion for choosing a DAP partner. In case a buyer wants to deploy DAP for an enterprise-facing application, it will also be important for providers to enable seamless integration with Learning Management Systems (LMSs) through the SCORM xAPI compliance.

> One of the key factors in choosing our current DAP vendor was cyber security and data privacy policies. The ability to store and transfer content data within the EU was of utmost importance.
>
> – IT project manager, a German multinational manufacturer

The flexibility and availability of commercial models

The flexibility and availability of commercial models is becoming more relevant for many buyers that are beginning their DAP journeys. These buyers expect vendors to offer innovative or different pricing models that can enable them to jump-start their DAP journeys. Typically, commercial models have two key components:

- **One-time fee,** which accounts for hosting and implementation charges, in addition to the training and onboarding cost and professional services for consultative and content creation activities

- **Subscription fee,** which is inclusive of the ongoing support and maintenance fee; there are three subscription fee models prevalent in the DAP market:
  - **User-based pricing:** The model is based on the total number of users using DAP and is priced on a monthly/annual basis. It may be charged per user or per-application per user
  - **Application-based pricing:** Here, the pricing is linked to the number of applications on which DAP has been deployed
  - **Usage-based pricing:** In this model, the buyer only pays for DAP usage, and is best suited for buyers whose requirements and workload volumes can vary significantly
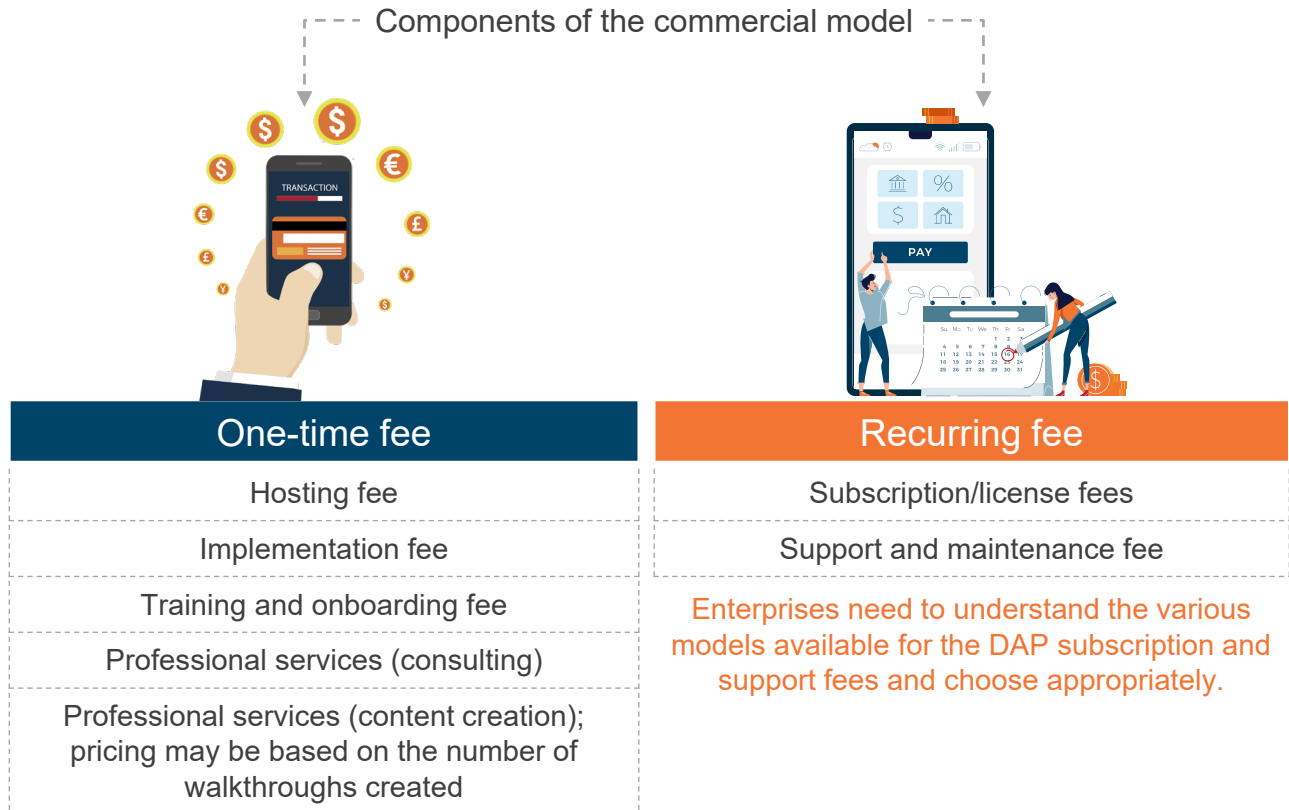
Recently, some buyers have also started exploring the enterprise-level pricing model as they continue to expand DAP deployments within their organizations. The model helps eliminate additional administrative efforts, saves costs, and streamline the process.

The exhibit below showcases the two key components of the commercial model.

EXHIBIT 10

Components of the commercial model

Source: Everest Group (2021)

Components of the commercial model

One-time fee	Recurring fee
Hosting fee	Subscription/license fees
Implementation fee	Support and maintenance fee
Training and onboarding fee	
Professional services (consulting)	
Professional services (content creation); pricing may be based on the number of walkthroughs created	

Enterprises need to understand the various models available for the DAP subscription and support fees and choose appropriately.

These components may also be bundled into the subscription fee. This depends on the vendor's offerings and the buyer's requirements.

Almost 66% of the survey respondents considered the flexibility and availability of commercial models to be an important factor for selecting a provider.

Content creator / administrator functionality

Sub-dimensions such as integration capabilities, content aggregation, content conversion to multiple formats, customization options, content maintenance, and content creation are relevant for content creators or authors and administrators who are responsible for creating, maintaining, and administering the content created.

Their functionalities and relative importance for DAP buyers are showcased in the exhibit below.

EXHIBIT 11

Content creator / administrator functionality sub-dimensions and their relative importance

Source: Everest Group (2021)

Increasing importance

Integration capabilities

Administrators and authors can also integrate DAP with other applications, such as other analytics tools, survey platforms, chatbots, support helpdesk, knowledge bases, and enterprise applications (HCMs, ERPs, etc.).

Content aggregation from existing resources

Traditionally, organizations have been leveraging knowledge bases to provide documented support to users. A DAP's ability to bring in content from existing repositories and display it contextually within the Help widget is gaining in importance.

Content conversion to multiple formats

DAPs can convert the step-by-step guides into videos, PDFs and other document formats and slideshows. This capability enables organizations to leverage the content at various places (e.g., LMS, knowledge base, email dissemination). It also eases the process of reviewing/approving the content for functional safety and improves the versioning and publishing process for administrators and authors.

Customization options

To ensure that the content is personalized for users, content creators have various customization options to tailor the varied DAP content for end users.

Content maintenance

Post content creation, it is necessary to regularly update and maintain the content. DAPs offer role-based control for administrators and authors to ensure privacy and delegation of responsibilities and maintenance, a built-in version control of the content and the product versions, and a diagnostic testing tool to run scheduled tests on different applications and platforms

Content creation

DAPs' value proposition is the ease and speed of content creation. It offers a code-free content creation process with a flow recorder and robust logic engines for audience segmentation and helps to build step-by-step guides for complex workflows requiring branching. Further, the content can be seamlessly translated into multiple languages.

Other capabilities

Other relevant features from a content creator perspective include the ability to embed external content such as content from knowledge bases, support documents, etc. as part of the in-application guidance offered to end users, automated alerts for sending error reports to the relevant stakeholder(s), and a unified platform to manage all the content created across an organization/application.

> " DAP helped reduce the content creation time and enabled us to deliver aggregated content to end users from a single location.
>
> – IT director, one of the world's leading educational institutions

Variations observed in survey responses

While we have discussed the relative importance of the six dimensions above, we observed certain variations in the responses related to the importance levels of various vendor capabilities. We capture these variations below.
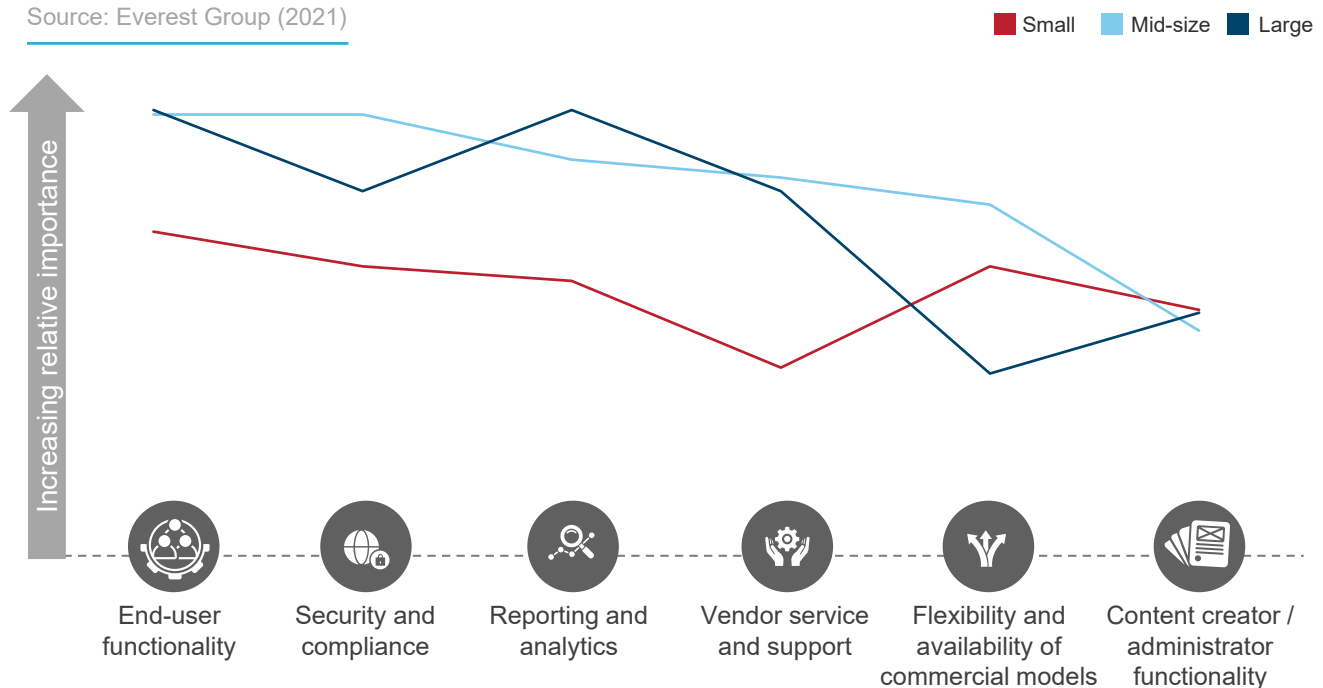
Variations by buyer size

The exhibit below represents the relative importance of the six key dimensions by buyer scale.

EXHIBIT 12

Variations in the importance of features by buyer size[1]

Source: Everest Group (2021)

■ Small   ■ Mid-size   ■ Large

Increasing relative importance

| End-user functionality | Security and compliance | Reporting and analytics | Vendor service and support | Flexibility and availability of commercial models | Content creator / administrator functionality |

The exhibit above makes evident that:

● End-user functionality is important to all organizations, as it is one of the primary reasons for employing a DAP solution. The importance increases with buyer size

Compared to smaller organizations, security and compliance is more important for midsize and large companies, as these organizations have either already deployed DAP on numerous applications or have expansion plans and, hence, ensuring security is vital. Notably, midsize buyers rated this capability higher than large buyers, as they have limited access to specialist IT security skills. Hence, evaluating the security features of a DAP is paramount

● Reporting and analytics is as important as end-user functionality for large organizations, as they typically invest more in the technology and want to keep a close watch on the performance of their investments. Smaller firms are more focused on other basic capabilities because, though they are aware of the functionality, there is a perceived lack of requirement and the talent that could perform these tasks regularly

1   Small: participants with less than 1,000 employees; Medium: participants with 1,000 to 9,999 employees; Large: participants with more than 9,999 employees

- Another important capability for small and midsize buyers is the flexibility and availability of commercial models, as such buyers have limited budgets and want a pricing model that fits their requirements and helps them start their DAP journeys
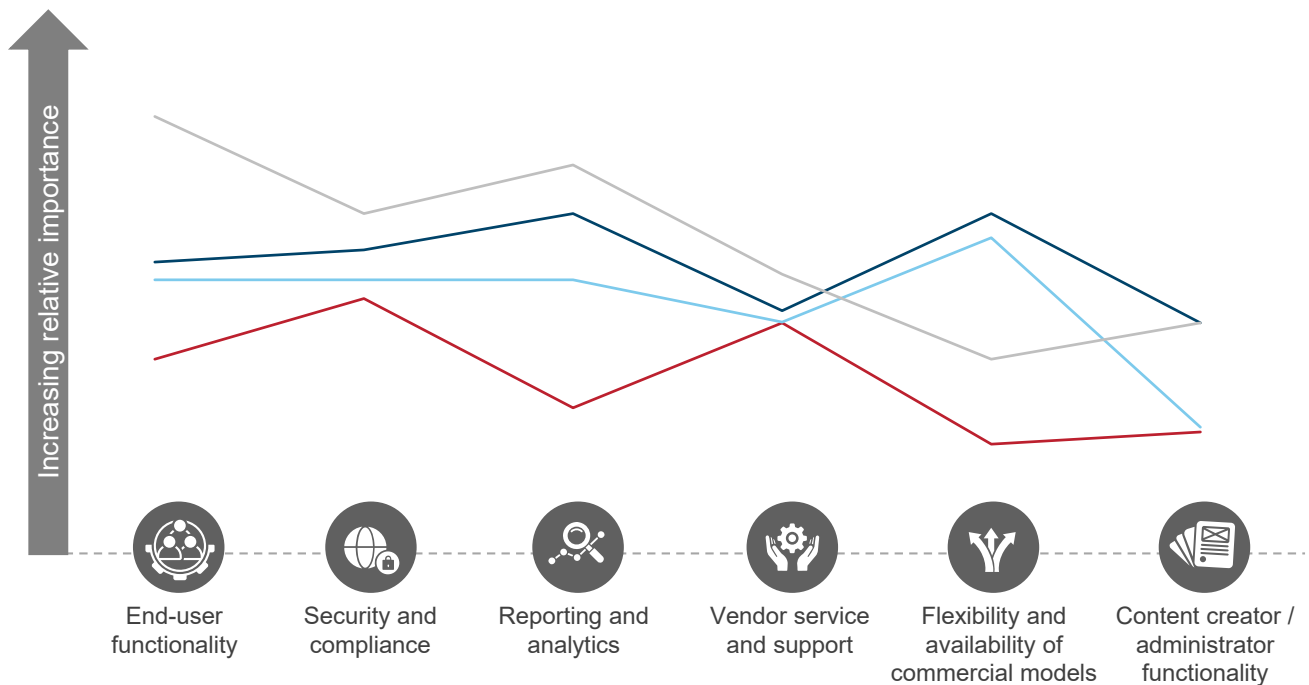
Variations by stage of DAP maturity

- Our study indicates that the relative importance of most of these capabilities is directly proportional to the DAP maturity stage – least important for those planning to jump on the DAP bandwagon and most important for those scaling-up
- The flexibility and availability of commercial models and content creator / administrator functionality do not follow the above trend
- For those that are scaling up from pilots, reporting and analytics is a valuable aspect as they move forward with their DAP initiatives. Consequently, it will be crucial for them to understand the key metrics and KPIs to track along the journey; it is also one of the many areas where they can leverage vendor support
- Notably, vendor service and support enjoy a similar level of importance at all stages of DAP implementation, emphasizing the fact that DAP vendors should continuously invest in strengthening this capability

EXHIBIT 13

Change in resource mix only: Impact on deal margin

Source: Everest Group (2021)

Legend: ■ Planning   ■ Developing PoC   ■ Piloting   ■ Scaling up from pilot(s)

Y-axis: Increasing relative importance

X-axis categories: End-user functionality | Security and compliance | Reporting and analytics | Vendor service and support | Flexibility and availability of commercial models | Content creator / administrator functionality
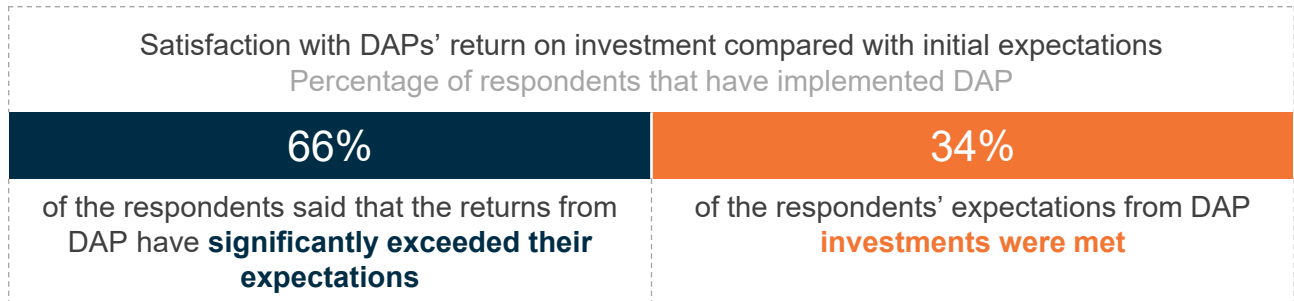
Observations about vendor performance and returns

Aligning respondents' expectations

The findings from the study are represented in the exhibit below.

EXHIBIT 14

Respondents' satisfaction levels compared with initial expectations

Source: Everest Group (2021)

Satisfaction with DAPs' return on investment compared with initial expectations	
Percentage of respondents that have implemented DAP	
66%	**34%**
of the respondents said that the returns from DAP have **significantly exceeded their expectations**	of the respondents' expectations from DAP **investments were met**

Unsurprisingly, all the respondents stated that their expectations were met, with more than 65% of them mentioning that their actual returns were significantly higher than they had initially expected.

Vendor performance

DAP vendors' strategies have been aimed at improving product capabilities as well as support services, and the outcomes of their efforts are evident from the performance ratings presented in the exhibit below.

EXHIBIT 15

Vendors' performance ratings
(On a scale of one to seven; one being the lowest and seven being the highest)
Source: Everest Group (2021)

Vendor capability	Average DAP performance rating	
End-user functionality	★ ★ ★ ★ ★ ★	6.05
Security and compliance	★ ★ ★ ★ ★ ★	5.96
Flexibility and availability of commercial models	★ ★ ★ ★ ★ ★	5.87
Vendor service and support	★ ★ ★ ★ ★ ★	5.87
Reporting and analytics	★ ★ ★ ★ ★ ★	5.85
Content creator / administrator functionality	★ ★ ★ ★ ★ ★	5.61

Our study also suggests that there is scope for improvement for capabilities such as reporting analytics and content creator / administrator functionality.

Variations in RoI by number of DAP deployments

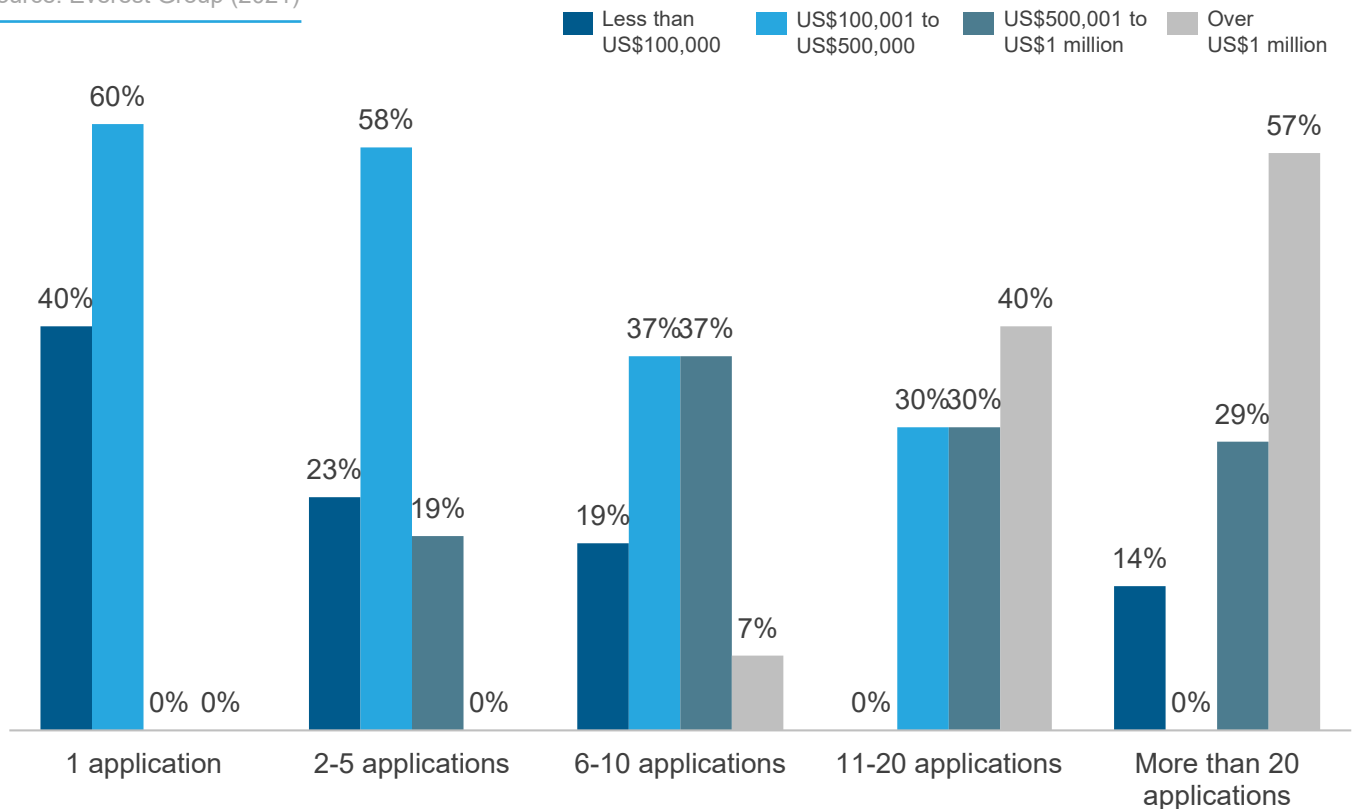Some of the key trends noticed with respect to RoI are:

- The RoI achieved is proportionate to the number of DAP deployments. More than half of the respondents that have deployed DAP on 20+ applications have already derived upward of US$1 million in returns. The premise that more DAP deployments offer higher benefits should be a strong message to risk-averse organizations that miss out on various opportunities that DAP can deliver

- Notably, close to 60% of the organizations that have deployed DAP for only one application have successfully registered returns higher than US$100,000, strengthening the case for DAP and its potential benefits

- Roughly 14% of those leveraging DAP for more than 20 applications have experienced limited returns. These buyers have rapidly expanded their DAP initiatives in a short span of time (for instance, 20 applications within 12 months) and are yet to realize the full return on their investments

Exhibit 16 shows how RoI measures against the number of DAP deployments.

EXHIBIT 16

Variation in returns based on the number of DAP deployments
(Percentage of respondents that have achieved different business benefits)

Source: Everest Group (2021)

Legend:
- Less than US$100,000
- US$100,001 to US$500,000
- US$500,001 to US$1 million
- Over US$1 million

Applications	Less than US$100,000	US$100,001 to US$500,000	US$500,001 to US$1 million	Over US$1 million
1 application	40%	60%	0%	0%
2-5 applications	23%	58%	19%	0%
6-10 applications	19%	37%	37%	7%
11-20 applications	0%	30%	30%	40%
More than 20 applications	14%	0%	29%	57%

Our findings reveal that close to **75%** of the respondents reached break-even within 24 months of DAP implementation.

Conclusion

Organizations are achieving strong returns from DAP, as our study reveals. This high satisfaction is fueling the demand and market growth for DAP implementations. As competition intensifies, DAP vendors can get ahead in this fast-paced market by providing the capabilities that have been rated highly by buyers in a secure and compliant environment. Other factors, such as vendors' service and support comprising of support for scaling up in the form of professional services such as developing a strategy for expansion and setting up CoEs were also considered to be a key aspect.

It is imperative for both sides of the DAP market – the buyers and the vendors – to work together to achieve their business objectives from DAP.

Action items for buyers:

- Buyers should identify relevant use cases (such as supporting a hybrid working model, improving customer experience, and enabling digital transformation) and ensure that the DAP partner has the right set of capabilities for the selected use cases

- They should devise a clear DAP strategy and plan their next steps to successfully scale up, keeping budgets, timelines, and relevant stakeholders in mind. They should track the benefits closely to build business cases for other applications while scaling up

- Buyers should realize that as they progress on their DAP journeys, they will need to assess their needs beyond in-application guidance to realize better benefits. It will also be crucial to discuss strategies with the DAP vendor to secure the budgets required for the next steps

- As DAP deployments expand, buyers should identify ways to integrate the existing applications' ecosystem and learning content alongside DAP to scale faster and more efficiently

Action items for DAP vendors:

- DAP vendors should examine their existing capabilities – feature set, support services, and flexibility in commercial models – and explore ways to improve to offer a best-in-class product to their clients

- Technology investments in areas such as automation, analytics, and AI/ML are expected to increase, along with the need to provide support for multiple platforms and applications. Thus, vendors should extend their R&D efforts in this direction to create competitive differentiation

- Providers should also invest in their professional services capabilities and develop a robust partner ecosystem that can complement their offerings to better serve their clients

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