

F R O S T & S U L L I V A N

CONTENTSQUARE

2022 COMPANY OF THE YEAR

*GLOBAL DIGITAL EXPERIENCE
ANALYTICS INDUSTRY*

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Contentsquare excels in many of the criteria in the digital experience analytics space.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

Digital Experience Becomes a Competitive Differentiator that Determines Market Leadership

The expansion of electronic commerce (e-commerce) and social media use, fueled by the proliferation of mobile devices and applications (apps), dramatically changed customers' shopping habits. In response

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- Federico Teveles, Industry Analyst

to this shift, companies deploy digital tools to enhance the customer experience (CX), thereby creating an opportunity to attain deeper, richer, and more complex information about customers, their brand perception, and the market. By capturing, aggregating, and analyzing customer data (e.g., the frequency of online purchases), businesses generate market intelligence that helps them gain a complete view of customer interactions across mobile

and web to create frictionless, enhanced digital journeys. Hence, the digital experience becomes a competitive differentiator that could determine which enterprises become market leaders.

In a recent research study, Frost & Sullivan highlights the business advantages of digital customer journey analytics¹:

- To gain insights on digital customer journeys by measuring and analyzing customer engagement through multiple touchpoints (i.e., behavioral data help businesses gain insight into what affects customers most and how to map out the following steps to achieve CX goals);
- To increase operational efficiency by optimizing digital data management, resulting in cost savings (i.e., utilizing self-service channels or providing engineers with information to help the organization eliminate system glitches proactively);
- To grow revenue by boosting the conversion of digital visitors to buyers (i.e., identifying high-priority opportunities, finding and removing digital sales friction, providing an early indication of purchase intent, and advancing the personalization of customer journeys);
- To measure the effectiveness of new CX initiatives by incorporating more suitable metrics, followed by the appropriate alignment with business goals; and
- To improve customer retention by reinforcing loyalty that translates into recurring sales (i.e., understanding user preferences better, identifying at-risk customers before they abandon a purchase, and revealing anxiety-inducing junctures across customer journeys to contribute to customer lifetime value).

Within this framework, Frost & Sullivan proposes five key areas that enable forward-looking vendors to capitalize on digital CX's considerable market potential:

Facilitate Integration Processes: As optimal analytics solutions break through silos and engage with every part of end-user organizations, analytics tools should integrate with all their existing systems (i.e., back-office systems, customer relationship management solutions, and websites, among others); therefore, vendors should expand integration capabilities.

Incorporate Quality Control Measures: While many vendors use artificial intelligence (AI) and advanced data management technologies for self-learning and efficiency improvement, vendors should design and introduce checks and balances to ensure that customers use the analytics tools appropriately to enhance their business intelligence.

Privacy and Data Protection: The examination and processing of information extracted from common data sources (such as websites, social media, or apps) can raise significant privacy and data management concerns; therefore, vendors must have robust compliance and privacy management frameworks and policies in place.

Best-in-Class Support and Customization: Vendors must understand their customer's business challenges and be prepared to help them grow, both through constant platform advancements and bespoke support services. As such, high customization capabilities are paramount to maximizing the platform's impact and value.

¹ *Digital Customer Journey Analytics Provide a Hyper Personalized Customer Experience* (Frost & Sullivan, October 2021)

Automation, Discovery, and Visualization Capabilities: Despite the extensive offering of analytics tools in the market, only a few vendors provide advanced decision systems. Optimal visualization and discovery capabilities are essential to understanding end customers and creating valuable insights.

For this reason, businesses prefer automated workflows that provide near real-time information for daily decision-making.

Visionary Innovation and Customer Impact of Contentsquare

Founded in 2012, Contentsquare provides a cloud-based digital experience analytics platform that delivers intelligence on customer behavior by analyzing trillions of web, mobile, and app interactions daily. This France-based company scrutinizes a wide-ranging set of consumer interactions not found in traditional systems, such as swipe rate, scroll rate, mouse movements and trajectory, attractiveness, exposure, friction, frustration, hesitation time, content engagement rate, visibility, and time spent, revenue and conversion, among others. By integrating CX data across content, user experience (UX), merchandising, pricing, and performance, Contentsquare translates and prioritizes this information into intelligent and actionable recommendations that increase user conversion, revenue, and engagement to drive business growth. With a workforce of more than 1,000 employees from 60 nationalities across 11 offices (in Paris, London, New York, San Francisco, Tel Aviv, Munich, Tokyo, Singapore, and Barcelona), Contentsquare serves more than 750 customers in 25 countries across various verticals (including retail, hospitality and travel, media and entertainment, financial services, telecommunications, and manufacturing). Frost & Sullivan lauds Contentsquare for transforming itself into a truly global company and outshining competitors with its stellar performance of 120% year-on-year growth. Moreover, the company aspires to create 1,500 new positions in the next three years to strengthen its capabilities in product innovation and support accelerated growth.

Contentsquare Offers Advanced Decision Systems and Unparalleled Data Privacy Features

“Although Contentsquare is a technologically complex platform, it is easy to deploy, use, manage, and understand for non-tech users across e-commerce, marketing, operations, analytics, product management, UX, and other teams. Everyone in the organization can access and act on prioritized recommendations to improve the customer experience.”

- Riana Barnard, Best Practice Research Analyst

Brands must deliver a consistent and delightful customer experience through all touchpoints to create a loyal relationship with end-users. The COVID-19 pandemic has accelerated the digital shift, which has become critical to a brand’s strategy and customer interactions. For instance, a multi-billion-dollar Contentsquare client reported that its digital revenue rocketed from 6% to more than 30% within two weeks. Notably, Contentsquare’s customer analytics solution purposefully addresses these challenges by helping brands to drive consistency and generate positive

emotions. Its service offering focuses on behavior that lies between the clicks. By leveraging experience metrics (i.e., assessing frustration, confusion, friction, attractiveness, hesitation, and goal attainment) and performance metrics (i.e., evaluating network and cloud page loads, tags, and app and server errors), Contentsquare conveys a unique and comprehensive view of customer interactions across

mobile and web. Differentiating itself, the company offers a complete solution that captures, aggregates, and analyzes insights from all customer journey stages, from the top of the funnel to the bottom. Typically, only 5% to 7% of visitors enter the cart and check-out phase; therefore, phase 4 and 5 (i.e., check-out/apply and convert) presents the scope for a competitive approach.

Frost & Sullivan recognizes that Contentsquare presents one of the most extensive sets of use cases in this industry segment. For instance, key capabilities (such as customer journey analytics, zone-based heatmaps, retroactive insights and merchandising analysis) determine which content elements help and which placements are most suitable to improve content return on investment, accelerate acquisition journeys, and optimize placements and pricing. Furthermore, advanced features (such as struggle/error analysis, session replay, Voice of Customer integrations, and form analysis) support customer feedback contextualization and provide operational insights (e.g., which content elements help or hurt, which placements are the best, and page load times).

Essentially, Contentsquare's value proposition combines performance, product merchandising, and UX to infer why a customer is having a good or a bad experience. However, for this forward-looking company, data is not the end goal. It strives to connect brands and users and increase empathy between them to create an exceptional experience. Three specific elements underlie this approach:

- **Automatization**, i.e., feeding customers with the most critical insights to improve customer interaction;
- **Personalization** based on what the customer is experiencing (and not on demographic data);
- **Data privacy** by providing customers the option to turn off first and third-party cookies, which complies with the strictest data management regulations. This capability empowers the brand to secure its reputation by protecting the customer (i.e., never using intrusive data).

Enhancing Innovation through Acquisitions and a Robust Partner Ecosystem

Contentsquare raised over \$810 million in the last years, enabling the company to accelerate its technological capabilities in AI and predictive analysis and expand its innovation leadership via its native start-up incubator Atomic Labs. Most importantly, the company improved its platform capacity through the acquisition of Clicktale and Pricing Assistant (2019), Adapt my Web and Dareboost (2020), and Hotjar and Upstride (2021), thereby adding advanced features (including competitor and error analysis, merchandising and pricing, accessibility, speed and performance monitoring, product experience insights for small and midsize businesses, and AI/Deep Learning capabilities). Lastly, Contentsquare also has a robust ecosystem of more than 100 technology and solution partners comprised of leading system integrators and consulting agencies to drive growth through agility, best practices implementation, and innovation.

The Pillar of Success: User Empowerment Amplified by Best-in-class Support

Although Contentsquare is a technologically complex platform, it is easy to deploy, use, manage, and understand for non-tech users across e-commerce, marketing, operations, analytics, product management, UX, and other teams. Everyone in the organization can access and act on prioritized recommendations to improve the customer experience. Key features include:

- Easy access to customer insights through browser overlay
- Clear prioritization of information based on business impact
- Powerful visuals allow users to quickly understand the root cause and speed up time to decision-making
- Freedom from tagging enables the team to act without information technology support

Contentsquare has a strong services team that delivers a prescriptive, best-practices model to speed up customer go-live and growth, called the Client Success Program (CSP), comprised of implementation, enablement, customer success, education, and support. Contentsquare includes the CSP at no cost to all customers. The company designed its customer success offering to ensure that every customer has a great onboarding experience, implements the technology promptly, and realizes the value as quickly as possible. Self-sufficiency is an important aim, ensuring that customers know how to make improvements and capitalize on its rich set of services. Success managers drive the customer success methodology by connecting with strategic executives to ensure insight into each company's business objectives. Along with defining a tactical plan early in the engagement, clear metrics help bring the desired goals to life and capture the projected value.

Owing to its strategy execution, Contentsquare reports an impressive net retention rate of 120%. The company is also very focused on its monthly net promoter score, consistently achieving values above 50. As Contentsquare welcomes feedback, it pulls together a community where customers and like-minded people in various industries share experiences. In addition, the company also introduced industry reference points to drive more value for its customers. Frost & Sullivan lauds Contentsquare for providing sophisticated solutions and services that enhance customer's business intelligence:

"With Contentsquare, we can bring together content and data to empower all of our teams. Without spending a lot of time or having a lot of training, we can easily access insights and results far more quickly than we had been able to before."

Jaxon Black, Web Communications Manager, IKEA

Conclusion

Digital activities are easier to record, capture, and measure than face-to-face, physical interactions, creating an opportunity for organizations to attain deeper, richer, and more complex information about customers, their brand perception, and the market. Contentsquare offers a complete solution that provides customer insights from all customer journey stages, from the top of the funnel to the bottom. By integrating customer experience data across content, user experience, merchandising, pricing, and performance, Contentsquare translates and prioritizes information into intelligent and actionable recommendations that increase user conversion, revenue, and engagement to drive business growth. With a robust ecosystem of solution partners and a strong services team that delivers a prescriptive, best-practices model, Contentsquare transformed itself into a truly global company that helps organizations become digital market leaders. Outshining competitors with its stellar financial performance, underpinned by its commitment to innovation and excellence and propelled by a passionate workforce, Contentsquare earns Frost & Sullivan's 2022 Global Company of the Year Award in the digital experience analytics industry.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends:

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

