



PWC ACCELERATES SAAS STRATEGY AS LATEST ROUND OF SOLUTIONS AIM TO SOLVE MARKETERS' BUSINESS CHALLENGES

Authors: Bozhidar Hristov (bozhidar.hristov@tbri.com), Principal Analyst
Patrick Heffernan (patrick.heffernan@tbri.com), Practice Manager and Principal Analyst
Kelly Lesiczka (kelly.lesiczka@tbri.com), Senior Analyst

July 12, 2021

In a series of conversations with PwC leaders during the past quarter, TBR learned more about the company's growing products portfolio, including PwC Customer Link and PwC Media Intelligence, in addition to receiving an update on PwC's CMO advisory practice. TBR spoke with Brian Morris, Customer Analytics and Marketing lead overseeing PwC Customer Link, and Derek Baker, CMO Advisory lead overseeing PwC Media Intelligence. While each capability serves a specific client need, a common approach and business models suggest PwC is accelerating its portfolio transformation without losing sight of the need to deliver outcomes.

► PRODUCTIZING KNOWLEDGE WHILE RELYING ON TRUST EXPANDS PWC'S ADDRESSABLE MARKET OPPORTUNITIES WITH THE MARKETING DEPARTMENT AND BEYOND

As PwC continues to evolve its business model, the firm's push into selling products not only expands PwC's addressable market opportunities but also elevates its brand, compelling software incumbents to pay closer attention. Both the PwC Customer Link and PwC Media Intelligence solutions are part of the PwC Products catalog and support the firm's goal of driving SaaS and managed services sales. While both products enable marketing departments' transformation discussions, each also bolsters PwC's value proposition with noncore buyers, including chief digital officers and chief data officers, as well as internal audit departments in the case of PwC Media Intelligence.

Relying heavily on its PwC CMO Advisory practice, as well as other areas of the firm, such as its network of Experience Centers, as the medium to introduce these offerings helps PwC drive conversations for cross-selling and upselling services. Solving complex issues around managing customer data is an ever-challenging task for clients. Productizing knowledge through the development of pointed solutions helps PwC address client pain points and close business technology gaps. As PwC continues to build client use cases by selling, deploying and managing these solutions, we expect the firm to continue to approach clients through its fundamental lens: helping marketers solve business challenges.

► SOLUTION OVERVIEW

PwC Customer Link differentiates on its ability to not only connect offline and online data but also to integrate third-party data and provide analytics around it, as the solution uses various data depositories. Key features include Data Manager that handles first-party and all digital data; Insights Manager that allows PwC to perform better analytics segmentation down to the audience level; and Orchestration Manager that supports buyers' omnichannel campaigns. Additional features include PwC's ability to work through a technology-agnostic lens and offer supplemental capabilities with cloud data providers such as Salesforce and Adobe.



To ensure consistent quality, PwC also offers support services — what the firm terms “Sherpa hours” — which helped the firm elevate the value of the solution, increase client stickiness, and generate additional insights that can then be used as part of the feedback loop for sales and the product development lifecycle. While all three features are necessary for customers to take full advantage of the platform, we see Orchestration Manager as the go-to lever enabling the firm to retain and cross-sell services. Additionally, we view PwC Customer Link as more than just a marketing solution. The platform includes the ability to ingest and manage first-party data through prebuilt target data models and ETL recipes, append third-party data from a prebuilt data fabric of over 50,000 attributes from dozens of proprietary and third-party data sources, and use this combination of first- and third- party data to develop predictive and prescriptive models and insight. This all-encompassing analytics offering allows clients to develop rich, actionable insights about their customers, prospects and business locations.

PwC Customer Link is currently deployed on Microsoft Azure and is largely available in the U.S., with PwC working toward scaling sales globally using its network of Experience Centers, among other business development channels, to succeed.

PwC Media Intelligence is a singular platform helping brands drive greater efficiencies, effectiveness and transparency around marketing and advertising spend. With the depreciation of third-party cookies — the tracking mechanisms around audience analytics set by companies like Google (Nasdaq: GOOGL), Apple (Nasdaq: AAPL) and Mozilla — becoming more prevalent in the industry, PwC Media Intelligence enables PwC to not only address issues such as lack of transparency in the digital ecosystem but also to serve buyers beyond the CMO office.

Like PwC Customer Link, PwC Media Intelligence has three main features. Inventory Analytics essentially acts as a programmatic supply chain module, enabling PwC to stitch together data sources from common link so an agency can track activities, including audit trails and potential fraudulent inventory. The detailed log-level data from demand-side platforms elevates PwC’s value proposition, as it enables the firm to provide analytics around supply-side optimization. Campaign Analytics provides a channel for KPI integrations from across data sources, including social, search, traditional TV data, and media planning, which enables PwC to build different models and provide macro-level analytics for future media planning. Audience Analytics, which is where we see the connection with PwC Customer Link, merges clients’ first-party data and brings it all together around a common identity, enabling PwC to use personally identifiable information (PII) as a targeting mechanism to offer pseudo-anonymous analytics that have direct connections to addressable media. As PwC has made it clear that the firm does not want to manage media, PwC Media Intelligence offers media planning in a box, which will help the firm drive both SaaS and managed services sales with clients able to purchase each module individually or the entire stack.

We see PwC’s ability to offer these three capabilities holistically as a differentiator compared to traditional agencies, which typically offer only one of the modules (e.g., Publicis Groupe, through the purchase of Epsilon, gained capabilities similar to those of Audience Analytics). Additionally, Inventory Analytics expands PwC’s client reach. As sales of PwC Media Intelligence gain traction across various stakeholders, including marketers (who see the value of the solution as being always on), internal auditors (who benefit from moment-in-time data for audits) and finance departments (who gain the ability to track media spend), some of the early success stories come from more sophisticated media buyers within the consumer packaged goods, retail and financial services industries.

CMO ADVISORY SUPPORTS PWC’S HOLISTIC APPROACH TO SELLING MARTECH SOLUTIONS

As PwC collapses the silos within its organizational structure, evidenced by the firm’s recently announced New Equation strategy ([contact TBR’s Professional Services team](#) for additional takeaways on the announcement), it is clear the firm understands the value of delivering services through integrated scale. PwC’s CMO Advisory practice is a



solid example of this strategy. As part of the transformation pillar that brings functional and consulting experts together, the CMO Advisory practice enables PwC to pursue data-driven marketing transformation discussions backed by proven consulting frameworks and solution offerings such as PwC Customer Link and PwC Medial Intelligence. With PwC's CMO practice spanning offerings in digital commerce, marketing, consumer personalization, loyalty and customer analytics, PwC has a crystal-clear vision about the future of the unit: continue to approach clients through its fundamental lens, helping marketers solve business challenges, rather than trying to play in the creative strategy and development space or in the campaign running domain.

➤ **ADDING ANOTHER \$1B IN DIGITAL MARKETING SERVICES SALES WILL DEPEND ON PwC'S ABILITY TO SCALE SAAS SALES THROUGH COLLABORATIVE CULTURE**

According to TBR's *February 2021 Digital Transformation: Digital Marketing Services Benchmark*, "The battle for marketing budgets continues to revolve around vendors' ability to integrate cross-departmental data, fueled by the advent of multiple data sources and largely enabled by cloud to improve customer experience." PwC's investments in PwC Customer Link and PwC Media Intelligence, amplified through the holistic approach of PwC's CMO Advisory practice, strengthen the firm's opportunities in the digital marketing services space.

TBR estimates PwC generated \$1.6 billion in digital marketing services revenue in 2020, well above legacy agencies such as Ogilvy, Digitas, AKQA and R/GA. We expect the firm to add close to another \$1 billion in incremental sales in the next four years, especially as the digital marketing services market recovers and accelerates following a choppy 2020 due to the COVID-19 pandemic. We expect a new wave of opportunities stemming from the emergence of new common enterprise frameworks, including sustainability, diversity and inclusion, to offer a growth channel, provided vendors are able to balance portfolio transformation largely geared toward cloud with developing use cases in these areas to build trust.

We believe PwC's consulting-led, use-case-backed approach, as well as the recent splashy announcement that the firm plans to invest \$12 billion over the next five years, including in sustainability, will help PwC drive new conversations. In addition to the incremental revenue, we believe increasing SaaS sales will also help PwC maintain and/or expand its profitability in the domain, providing cash flow for re-investments. PwC's success will largely depend on the firm's ability to maintain its entrepreneurial and collaborative culture as well as scale sales outside its core U.S. market.

TBR will continue to track PwC's evolving business model, portfolio and investments and publish analysis across its broader Professional Services and Digital research streams. TBR will update PwC's digital marketing services performance in the August 2021 iteration of our Digital Transformation: Digital Marketing Services Benchmark.

For content reuse and media usage guidelines, please see [TBR terms of use](#).

Technology Business Research, Inc. is a leading independent market, competitive and strategic intelligence firm specializing in the business and financial analyses of hardware, software, professional services, and telecom vendors and operators. Serving a global clientele, TBR provides timely and actionable market research and business intelligence in a format that is uniquely tailored to clients' needs. Our analysts are available to address client-specific issues further or information needs on an inquiry or proprietary consulting basis.

TBR has been empowering corporate decision makers since 1996. For more information, visit www.tbri.com.

©2021 Technology Business Research, Inc. This report is based on information made available to the public by the vendor and other public sources. No representation is made that this information is accurate or complete. Technology Business Research will not be held liable or responsible for any decisions that are made based on this information. The information contained in this report and all other TBR products is not and should not be construed to be investment advice. TBR does not make any recommendations or provide any advice regarding the value, purchase, sale or retention of securities. This report is copyright-protected and supplied for the sole use of the recipient. Contact Technology Business Research, Inc. for permission to reproduce.