

MARKET NOTE

Google Cloud: Delivering Ongoing Customer Value with a Deliberate Customer Success Strategy

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EXECUTIVE SNAPSHOT

FIGURE 1

Executive Snapshot: Google Cloud – Delivering Customer Value with a Deliberate Customer Success Strategy

This IDC Market Note offers a perspective from the future of customer experience (CX) standpoint on updates from the Google Cloud analyst roundtable held on May 5, 2022. The leadership team shared updates about how they're continuing to build maturity in their customer success strategy by outlining priorities across products, delivery and customer success, support, and their partner ecosystem. Google Cloud has seen strong business results over the course of 2021; this next stage of growth appears promising with a strong investment in a customer-centered approach, with the aim to deliver value for its customers.

Key Takeaways

- Google Cloud's go-to-market approach is contextualized by persona, business function, market segment, and engagement life cycle. Purpose-built, industry-specific solutions address customers' core business, and implementation (including partners), customer success, and support teams offer deep sector-specific advisory expertise.
- Global enterprises should find it easier to partner with Google Cloud with the expansion and restructuring of professional services into regions with a practice-based model aligned by skill. A dedicated delivery management function, planned expansion of global delivery centers, and an expansive partner ecosystem should offer customers scale along with quality implementations.
- Four new executive briefing centers around the globe will offer enterprises sector-specific leading practices while functioning as an enhanced listening platform to gather customer sentiment for experience improvement. A clear engagement model with Google/Alphabet also brings consumer-oriented solutions to enterprise customers to improve the CX they deliver to their end users.
- 2021 netted technology vendors strong growth underpinned by the rush of investments from organizations looking to shore up digital-first capabilities. The next year or so will see enterprises shift to extract value from their investments. The next stage of growth will require vendors to focus on experience differentiation by offering greater value for customers. Google Cloud appears poised to be able to address this successfully.

Source: IDC, 2022

IN THIS MARKET NOTE

Google Cloud held an analyst roundtable in May 2022 where the senior leadership team shared updates on Google Cloud's approach to the customer journey, and how that supports the success of its customers and partners. The discussion covered the top priorities for the product, go-to-market initiatives, and maintaining post-sales customer momentum through customer-aware support and an expansive partner ecosystem.

IDC'S POINT OF VIEW

As we move into the age of experiences, the relationship between customers and brands continues to evolve. Customer experience (CX) reigns as the number 1 influencer of buying decisions. Indeed, IDC's research shows that 80% of B2B buyers agree that their overall customer experience with a vendor will have a strong influence in purchasing from that vendor. In addition, many more customers are controlling the engagement they have with companies in the manner that best suits them. Next-generation customer experience will require organizations to elevate their customer context for emotionally intelligent engagement; deliver fluid, omni-channel experiences; and deliver value for the customer in the micro-moments and the whole journey, with a focus on empathetic customer outcomes.

IDC sees this as the future of customer experience – defined as – "an empathetic relationship between customers and brands built on what the customer wants and how they want to be treated through the technology lens of awareness, engaging, learning, and measuring." This is further illustrated by IDC's future of customer experience framework (see Figure 2).

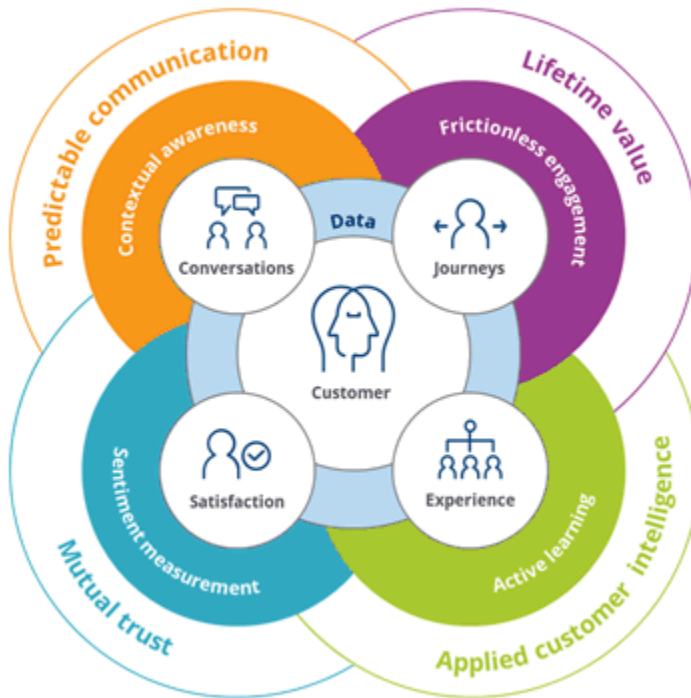
The framework begins with:

- The first layer is *customer* at the center, their expectations, and the data associated with the customer (i.e., data that the customer creates or that is created about the customer and the data that the organization puts out about itself).
- The second layer is the *technology* lens through which the engagement occurs. These are technologies that deliver real-time *contextual awareness*, provide a consistent and *frictionless engagement*, support emotionally intelligent (*actively learned*) interactions, and enable the organization to act in accordance with *customer sentiment*.
- The third and final layer is *business outcomes* that tie back to reasons why businesses engage with customers. Outcomes are mapped to the technologies and the customer expectations to demonstrate that there is a flexible alignment between the customer journey and business outcomes.

With purchase of new CX-related software and platforms expected to dip across the market over the next year or so, companies are shifting their focus to extract greater value from their investments in digital technology made over the past two years. This creates an opportunity for technology suppliers and services providers to focus on experience differentiation by offering greater value for customers and succeed at achieving customer-centric future growth.

FIGURE 2

Future of Customer Experience Framework



Source: IDC, 2022

Helping Enterprises Capture Value from Their Transformation

Google Cloud's approach to customer success aims to provide unique experiences that deliver empathetic and trusted outcomes for their customers. IDC noted three key areas where Google Cloud's approach aligns with IDC's future of customer experience framework.

Frictionless Whole Journey Experiences at Scale

Global enterprises should find it easier to partner with Google with the release of new products and configurations that address special customer needs at the regional/local level (e.g., sovereign cloud offerings in Europe). Scaled solution delivery and implementation is enabled through the professional services organization (PSO), which is positioned as fundamental to Google Cloud's customer success strategy. The PSO has been structured into regions with a practice-based model aligned by skill. Investments have also been made to help customers scale their Google Cloud implementations – a delivery management function for each region and expansions to the Global Delivery Center (currently in Argentina, Poland, and India, with plans to expand to Mexico and Portugal) to get customers up and running quickly on the Google Cloud Platform (GCP). Finally, the alignment of its customer success and Google's Cloud Customer Experience (CCE) teams at a regional level is aimed at fostering customer-centered outcomes.

Google Cloud has also matured its support offerings corresponding to product capabilities. Customers have a choice between three tiers of support – standard, enhanced, and premium, with the choice to

layer on additional value-added services (e.g., mission-critical support for edge/hosted cloud solutions, assured support that restricts support to specific geolocations/personnel conditions). Migration tools for a variety of platforms (e.g., mainframe, Unix, VMware) make it easy for enterprises to migrate existing enterprise workloads to Google Cloud. The company is also investing in embedding within the product, guided, context-driven service flows powered by machine learning, which will offer customers a digital-first self-service journey. Finally, Google Cloud's partner-led service model offers customers an array of experience outcomes such as accelerated customer onboarding and deployments to Google Cloud Platform, product/solution specializations based on customer need (e.g., partners that bring deep technical know-how on artificial intelligence solutions), disciplined enterprise transformation with organizational change management or process redesign enabled by global systems integrators (SI), and complementary products from a network of independent software vendors (ISV) (e.g., Palo Alto Networks, Fortinet, Splunk).

Context-Aware Customer Engagement

An emotionally intelligent engagement is key to differentiating with the future customer. In IDC's 2021 *B2B Technology Buyer Survey*, 85% of millennials and 82% baby boomers report that contextualized, personalized engagement from vendors demonstrates empathy. To this end, Google Cloud has a go-to-market approach that is contextualized by buyer persona with tailored value outcomes to each persona (e.g., IT leaders, LOB leaders, CISOs, CEOs), product/business function (e.g., data and analytics, security), market segment (e.g., digital native versus traditional companies that may require more complete/E2E transformation), and the engagement life cycle (e.g., early-stage engagement, implementation ramp-up).

Contextual, purpose-built cloud solutions that are specific to a customer's sector needs are key enablers in transformation programs. Google Cloud is making a deliberate effort to understand its customers in the context of its industry with tailored industry solutions and support offerings that address the challenges of the customer's core business. Google Cloud's industry solutions span the portfolio across data, security, infrastructure, and productivity/collaboration. Product specialists and customer-aware support engineers with deep technical knowledge within each of these sectors offer industry-specific advice. Customer success teams bring deep business advisory expertise, and the top Google Cloud customers are supported by dedicated customer experience leads in their transformation journey. Advanced diagnostic capabilities enable proactive, early detection of outages and customers also receive a personalized service dashboard.

Customer Satisfaction

With customer experience now anchored by two-way conversational engagement, not only do customers want prescriptive experiences but they also want the brand to know how they feel – the level of satisfaction. Customer satisfaction isn't just about meeting customer requested needs; it is about enterprises using the knowledge about the customer's whole relationship with the brand to improve business outcomes and provide greater value. A virtuous cycle of value-based outcomes leads to mutual trust between the company and the customer. To shore up customer advocacy, this year, Google Cloud is launching four new executive briefing centers in London, Paris, Munich, and Singapore set on Google Cloud campuses. The objective is to share Google Cloud's experience with contextual, industry-specific leading practices to the regions where customers are present. These centers will also offer an enhanced listening platform for Google Cloud to gather customer feedback and sentiment to continually improve the customer experience. Investments in multicloud environments (e.g., sovereign cloud offering) offer customers digital sovereignty options to navigate

the regulatory landscape. This eventually results in enterprise customers being able to deliver trusted outcomes to their end users while remaining compliant.

Customers can expect to achieve business outcomes with an end-to-end, complete, transformation solution – activated through a network of services partners and ISVs, who can avail of specialized training and skills enablement (e.g., role-based skill badges, courses, and certifications). Google Cloud's event management support is structured to deliver enhanced customer value for high peak demand events (e.g., uptime during events that matter such as Black Friday, Cyber Monday, Super Bowl). This happens through support in performance testing, architecture reviews, and 24 x 7 war rooms, to name a few. Finally, Google Cloud's engagement model with Google/Alphabet brings consumer-oriented solutions to enterprise customers. In addition, by creating a portfolio of repeatable solutions, Google Cloud can expedite its customers' transformation while expanding its customers' risk capacity, which encourages experience innovation without damaging enterprise reliability.

Conclusion

IDC has long believed that a deliberate focus on customer experience across the organization, when done right, can indeed deliver non-zero-sum outcomes for the company as well as the customer (in terms of experience value and business outcomes). Google Cloud has made efforts to extend customer experience throughout the relationship from decision to partner, solution delivery/implementation, and relationship expansion, with investments to offer scale along with quality. IDC believes that with a continued focus on customer experience and value outcomes, Google Cloud should be able to sustain customer momentum in the market.

LEARN MORE

Related Research

- *Looking Ahead at 2022: Enterprise Priorities for Customer Experience Initiatives and Investments* (IDC #US49013922, April 2022)
- *Future of Customer Experience: Create a Better Value Exchange by Thoughtfully Managing Friction During Customer Engagements* (IDC #US47436621, March 2022)
- *How Does Organizational CX Strategy Impact Success in CX Transformation?* (IDC #US48870322, February 2022)
- *Yes Marketers, B2B Buyers Are Digital First, Digital Always* (IDC #US46331421, November 2021)
- *The Future of Customers and Consumers: Defined* (IDC #US46159920, April 2020)

Synopsis

This IDC Market Note offers a perspective from the future of customer experience (CX) standpoint on updates from the Google Cloud analyst roundtable held on May 5, 2022. During the roundtable, Google Cloud's leadership team shared updates about how they're continuing to build maturity in their customer success strategy by outlining priorities across products, delivery and customer success, support, and their partner ecosystem. These updates align with IDC's perspective on the future of customer experience and signal Google Cloud's commitment to delivering value and achieving business outcomes for its customers.

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