

# Magic Quadrant for CRM Lead Management

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CRM lead management matures amid strong user interest and a more complex vendor environment. IT application leaders should work with business leaders to define both core and emerging B2B marketing requirements in this technology segment.

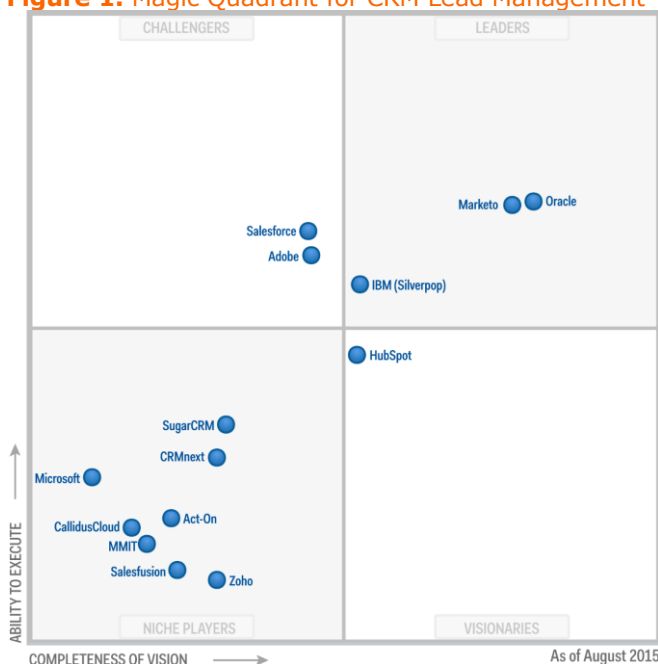
## Market Definition/Description

Lead management processes take in unqualified contacts and opportunities from a variety of sources, including Web registration pages and campaigns, direct mail campaigns, email marketing, multichannel campaigns, database marketing and third-party leased lists, social for CRM and social media, and tradeshows. The output of lead management processes — qualified, scored, nurtured, augmented and prioritized selling opportunities — are handed off to direct, indirect or e-commerce sales channels for action and closure. Lead management integrates business process and technology to close the loop between marketing and direct or indirect sales channels, and to drive higher-value opportunities through improved demand creation, execution and opportunity management. CRM lead management applications are primarily implemented to support the sale of considered purchases. A considered purchase is any product or service that represents a significant investment; that requires research or involves a complex product/service; or that has a strong emotional or business affinity for the prospect. These are primarily, but not exclusively, B2B or business-to-business-to-consumer (B2B2C) business models.

A lead management product can be delivered as a stand-alone lead management technology, or as a set of lead management functionalities that is part of a customer relationship management (CRM), sales force automation (SFA), multichannel campaign management (MCCM), integrated marketing management, marketing resource management (MRM), or email marketing application. Functionality can be provided as a SaaS service, or as an on-premises application.

## Magic Quadrant

**Figure 1.** Magic Quadrant for CRM Lead Management



## Vendor Strengths and Cautions

### Act-On

Act-On is a Niche Player and a new entrant in the 2015 Magic Quadrant. Act-On is a marketing automation product targeted at small or midsize businesses (SMBs), and primarily supports B2B and B2B2C business models. The company has closed several venture capital funding rounds, including approximately \$40 million in 2014; Gartner estimates 2014 revenue to be approximately \$30 million. Act-on has 85% of its customers in North America.

#### Strengths

- **Product functionality:** Act-On's customers gave the platform high scores in several categories, including ease of use, product features and functionality, and ease of deployment. Product functionality includes support for content marketing, search engine optimization (SEO)/search engine marketing, and email marketing. Content management system (CMS) integration supports Drupal, Joomla, WordPress.com and others.
- **Time to value:** References noted the relatively short time to value based on Act-On's implementation model and ease of deployment. Act-On may also be an appropriate choice for the department of a larger organization or for single business unit implementations.
- **Pricing:** Act-On's pricing model is based on active contacts only, as compared with the total number of contacts or size of the database used by several other vendors. This is an appealing model for customers that have high volumes of inactive contacts in their database and are looking to reactivate them through automated nurture programs.

#### Cautions

- **Market size limitations:** The majority of Act-On's customers are in the SMB or midmarket range, and Act-On may not be an appropriate choice for companies with enterprise or midsize enterprise requirements. The company's customers are primarily located in North America.
- **Single scoring models:** Lead scoring capabilities are relatively simplistic and based on a single scoring model. The ability to use multiple scoring models throughout the buying process was in beta at the time of research.
- **Limited enterprise functionality:** Act-On's emphasis on ease of use and simplified processes may not be appropriate for larger organizations, and may limit some customers that are looking to implement more complex, large-scale global deployments.

### Adobe

Adobe is a Challenger in this year's Magic Quadrant, based on Campaign's lead management functionality, global presence and partner ecosystem, B2B marketing capabilities, adjacent capabilities in campaign management and content management, and its strong position with marketing teams. Adobe Campaign is optimal for organizations that need to support both B2B and B2C business models, or that require lead management closely integrated with other Adobe assets.

#### Strengths

- **Technology and integration:** Adobe Campaign is one of several products in Adobe Marketing Cloud and can support multiple lead management campaigns, across countries and languages, on a single instance. The solution supports multiple online and offline channels, including email, Web landing pages, call center and direct mail, social, search, mobile and video. Campaign integrates with Adobe Experience Manager, Adobe Analytics, Adobe Target, and Adobe Marketing Cloud Core Services for Shared Assets and Profiles & Audiences. Campaign integrates with Microsoft Dynamics CRM, Salesforce and SugarCRM.
- **Global presence:** Adobe has a global presence, a broad partner ecosystem, and a strong base of users and partners in digital marketing. These assets are an important part of the Campaign value proposition, particularly with users that require integration with other Adobe assets. Campaign has an installed base of well-known brands in media, life sciences, financial services, high tech, communications and manufacturing, and in both B2B and B2C organizations.
- **Digital:** Lead management is increasingly integrating with B2C technologies and business models as the lines between B2B and B2C blur. Adobe has done a better job than most vendors in this segment in terms of integrating its multiple technologies with Campaign; roadmap plans for 2015 include deeper integration with Adobe Profiles, Audience Manager, Target and Media Optimizer.

Response Manager supports cross-channel revenue attribution leveraging transactional data flows from any system, including Adobe Analytics. Adobe Campaign can also share key performance indicators (KPIs) with Adobe Analytics, enabling Adobe Analytics to serve as the attribution solution.

#### **Cautions**

- B2C focus: The majority of Campaign implementations support multichannel campaign management and B2C and B2B2C business models. Companies with B2B requirements should evaluate Campaign's current and planned functionality against other vendor products in this Magic Quadrant.
- Complexity and support: Reference users cited a complex development environment and user interface with Campaign, and Campaign's ranking for ease of use lags when compared with the Leaders. Campaign also received lower-than-average scores for support and service, and for resource requirements.
- Analytics and attribution: References ranked Campaign lower than the Leaders on its ability to support predictive analytics for lead management, and for its ability to support multichannel revenue attribution.

### **CallidusCloud**

CallidusCloud is a Niche Player in this Magic Quadrant, providing basic lead management as part of CallidusCloud Lead to Money suite. CallidusCloud is known primarily for its Sales Performance Management (SPM) functionality. The vendor announced 2014 revenue of approximately \$136 million and 22% year-over-year growth.

#### **Strengths**

- SPM and sales focus: CallidusCloud's focus on SPM and sales enablement with its customers ties in well with its B2B lead management messaging. CallidusCloud Marketing Automation supports SEO and email marketing, campaign management, A/B testing and lead generation.
- Integrated functionality: Lead management is supported as part of CallidusCloud Marketing Automation, providing simpler implementation and eliminating the need for another product for CallidusCloud users. The product also integrates with Microsoft Dynamics CRM, Salesforce and SugarCRM.
- Partner management: CallidusCloud Marketing Automation supports lead management for indirect and channel sales models. Partners can access functionality including workflows, lead scoring, lead nurturing and the ability to create Web landing pages or run email campaigns.

#### **Cautions**

- Callidus-centric: The lead management capability is an integral set of features within the Marketing Automation product, and is more suitable for companies that have implemented additional CallidusCloud products.
- Complexity: Platform can be customized to support complex processes, but client inquiries indicate this often requires additional support from the vendor.
- Basic functionality: Clients with complex lead management functional requirements should evaluate other vendors in the Magic Quadrant and compare those capabilities against the ones provided by CallidusCloud.

### **CRMnext**

CRMnext is a Niche Player in the Magic Quadrant, supporting customers in India, Southeast Asia and the Middle East in financial services, banking, insurance, media and pharmaceuticals. CRMnext is privately held and has announced recent private equity investments. Gartner estimates 2014 revenue of approximately \$50 million; CRMnext has several large customers, with support for as many as 35,000 users each.

#### **Strengths**

- Scalability: CRMnext has several large customers that support an average of more than 1,500 active users on its implementations, and can be implemented on-premises or hosted. CRMnext supports both on-premises and SaaS implementations with the same codebase.
- Vertical industry expertise: CRMnext is implemented in several large financial services and banking organizations, and supports complex lead management functionality specific to those industries.

- Cost-effective: The CRMnext product provides cost-effective lead management for companies that have implemented the CRMnext solution and have functional lead management requirements that align with the core CRMnext product capabilities.

#### **Cautions**

- Industry- and CRMnext-centric: CRMnext's lead management capability is integrated with and dependent on the core CRMnext product; it is not a viable solution for companies that have not implemented CRMnext, or that have lead management requirements outside the scope of CRMnext's targeted industries.
- Limited reach: CRMnext is just beginning to build out sales and support coverage for North America and EMEA; its presence is currently limited to core markets in India, Southeast Asia and the Middle East.
- Partner ecosystem: CRMnext has historically lacked a strong technology and service provider ecosystem. During the past year, it has built out its partner resources and has several well-known partners that can provide services, but this offering is relatively new.

### **HubSpot**

HubSpot is a Visionary and a new entrant in the 2015 Magic Quadrant; its marketing automation platform is used primarily by SMBs, in B2B and B2B2C business models. HubSpot has more than 13,000 customers in 90 countries, across several vertical industries. Twenty-one percent of HubSpot's revenue is from customers outside the U.S.; HubSpot completed an initial public offering (IPO) in October 2014, and reported 2014 revenue of approximately \$115 million and 49% growth.

#### **Strengths**

- Customer base and partner network: HubSpot has a large customer base and more than 2,200 partners and value-added resellers in 65 countries. HubSpot also has a large social following and provides many forms of support for its customers, such as free knowledge bases and training classes. Reference customers gave HubSpot extremely high marks for support and service.
- Growth: HubSpot has experienced significant growth in revenue, customers and employees.
- Full-funnel solution: HubSpot is an integrated marketing automation solution that provides several additional features for generating leads, including functionality in the areas of blogs, landing pages, SEO and social media apps. These features allow HubSpot customers to extend the platform beyond just lead management. HubSpot may also be an appropriate choice for a department of a larger organization or for single business unit implementations.

#### **Cautions**

- SMB and midmarket focus: Enterprise companies should weigh HubSpot's company strategy and its focus on smaller organizations rather than on solutions that target the needs of the enterprise. Most product integrations are with other midmarket-focused products.
- Integration requirements: Native HubSpot connectors are available for Salesforce and HubSpot CRM, but integrations with Magento, Microsoft Dynamics CRM, Shopify, Sugar and others are provided by partners or third parties. Prospects should confirm that non-native integrations provide bidirectional integration with HubSpot and that support resources are available.
- Limited lead augmentation and predictive analytics: HubSpot plans to release new lead augmentation features, but does not currently offer predictive scoring capabilities. This functionality was planned for availability after research for this Magic Quadrant closed; clients should confirm this capability with HubSpot, or through references. Reference customers gave the vendor lower scores for predictive analytics and lead scoring, relative to other categories.

### **IBM (Silverpop)**

IBM (Silverpop) is a Leader in this Magic Quadrant for the first time, with a broad global presence and multiple marketing products that can support both lead management and campaign management requirements. IBM acquired Silverpop in 2014, which provides much of the core functionality used to address lead management requirements; additional marketing functionality can be provided through the IBM Marketing Solutions portfolio. Consider IBM's lead management capabilities when you have complex data management and data segmentation requirements, need to support lead management through multiple channels, or require broad global support for implementations.

#### **Strengths**

- Product breadth: IBM has multiple marketing assets it can bring to a client engagement, including IBM Leads and IBM Campaigns (based on the former Unica product), Tealeaf for marketing analytics, and WebSphere Commerce, in addition to its now core Silverpop product. Although these products represent a mix of technology stacks, deployment models and licensing models, companies prepared to integrate these solutions can augment Silverpop with other IBM technologies.
- Silverpop platform: Silverpop provides a robust email marketing hub, a marketing database, interactive analytics, and (based on integration with Tealeaf or Digital Analytics) behavioral analytics. References noted that tools such as Silverpop Engage — in combination with Digital Analytics — are powerful and usable by end users, and that IBM Campaign's segmentation capabilities can add functionality.
- References: References gave IBM higher-than-average scores for multichannel attribution, customer journey mapping, lead scoring and digital marketing hub capabilities.

#### **Cautions**

- Portfolio complexity: Gartner inquiries show that client companies are often confused about the feature/function overlap between IBM's marketing products and which products to invest in for a given set of requirements. Clients should evaluate functionality requirements to understand which specific products will be required and what integration is available across these multiple technology platforms.
- Mix of deployment and license models: Customers looking to deploy a lead management solution based on IBM products will, in most cases, have to deal with a mix of technology stacks, deployment models and licensing models. References gave IBM only average scores for ease of use and integration with other applications.
- Messaging and reorganization: Recent naming changes for products and product portfolios have created some confusion, although a recent IBM reorganization to bring marketing, commerce and analytics together under one business unit seems to be bringing more consistency to its go-to-market messaging.

### **Marketo**

Marketo is a Leader in this Magic Quadrant, with deep lead management functionality, short time to productivity and good customer growth. Marketo reported fiscal 2014 revenue of approximately \$150 million, year-over-year growth of 56%, and 3,800 customers. The vendor has customers in technology, business services, financial services, media, life sciences and education, with a mix of approximately 70% to 30% between SMB and enterprise companies.

#### **Strengths**

- Functionality/ease of use: Marketo references gave high marks to the vendor's ease of use, product features and functionality, ease of deployment and resource requirements, and to its product roadmap and vision. New functionality announced early in 2015, included: Marketo Mobile Engagement, supporting customer and consumer behavior over mobile devices; and Ad Bridge, linking Marketo behavioral data with social ads and targeted display ads.
- New markets and features: Marketo continues to be aggressive in adding new functionality, including new APIs for data exchange, SEO, predictive analytics and personalization. Marketo is also targeting and winning new B2C customers by adding campaign management functionality.
- Ecosystem and partners: Marketo has an ecosystem of integrators and digital agencies, including Accenture Digital, Deloitte Digital, DigitasLBI and others, and technology partnerships with Facebook, Google, LinkedIn, Microsoft, Salesforce and SAP Hybris. Technology solutions include data integration partnerships with Acxiom, D&B, Hootsuite, Cisco WebEx and others.

#### **Cautions**

- Competition: Marketo is one of the few pure-play lead management vendors left in the marketing automation market after multiple merger and acquisition (M&A) events in prior years. Gartner estimates that Salesforce users account for approximately 70% of Marketo's customer base, meaning that Marketo and Salesforce both cooperate and compete in the market. Marketo also competes with other large vendors that have acquired lead management companies or technologies.
- North American focus: More than 80% of Marketo's revenue comes from the U.S.; companies with global lead management requirements should examine Marketo's sales and support presence in regions where they have marketing requirements.

- Evolving focus on B2C: Although Marketo is addressing and winning opportunities in the B2C campaign market, its focus on B2C is relatively new. Companies with B2C requirements should examine Marketo's products and pricing specific to that business model, and examine its ability to scale and manage very large datasets compared with the capabilities provided by campaign management and database vendors.

## Microsoft

Part of the Microsoft Dynamics CRM product line, Microsoft Dynamics Marketing is a Niche Player in this market. A separate product from Dynamics CRM, Dynamics Marketing is SaaS-based with updates twice per year. Dynamics Marketing was announced as a stand-alone marketing product in 2014 and is based on the MarketingPilot acquisition by Microsoft.

### Strengths

- Microsoft's presence: Microsoft has a strong presence in CRM; Dynamics CRM has more than 40,000 customers and 4.4 million users, making it one of the most widely used products in the Magic Quadrant, and Dynamics CRM and Dynamics CRM Online were Leaders in the last published Magic Quadrant for SFA. Native connections between Dynamics CRM and Dynamics Marketing provide easy adoption for existing CRM customers.
- Ecosystem and partnerships: Microsoft offers a strong ecosystem of complementary products for companies that choose Dynamics Marketing, including solutions for MRM, social marketing, sales collaboration and marketing analytics. Microsoft Azure Machine Learning can provide big data analytics, and a partnership with Thunderhead enables Dynamics Marketing customers to generate customer journey maps.
- Competitive, transparent pricing: Microsoft offers a simple per-user, per-month price for all of Dynamics CRM. Microsoft's pricing represents good value for an enterprise-level tool.

### Cautions

- Limited adoption: Dynamics Marketing entered the lead management market late, compared with its competitors, and has struggled to gain market share. Integration outside Microsoft Dynamics CRM requires the use of a Microsoft-provided software development kit, including integration to Salesforce. Companies using products other than Dynamics CRM should evaluate the cost of custom integration. Reference customers gave Microsoft low scores for its ability to integrate with other applications.
- Language support: Dynamics Marketing currently provides support for 12 languages. Customers in the Asia/Pacific region should check support for their language and consider the cost of customization that may be needed for that support.
- On-premises Dynamics customers: Whereas Dynamics CRM is offered in both a SaaS and on-premises delivery model, Dynamics Marketing is SaaS-only. Dynamics CRM customers using the on-premises version for data security or other mandated reasons will need to consider any internal complexity caused by storing lead management data in the cloud.

## MMIT

MMIT is a Niche Player and a new entrant in the 2015 Magic Quadrant. Its 2Lead offering is primarily used by automotive importers and dealerships, which represent 95% of its customer base. Within the automotive space, 2Lead offers strong functionality and is widely used outside of North America — with approximately 70% of its customer base in Europe.

### Strengths

- Global reach: The 2Lead platform has been implemented in 34 languages. This results in not only a localized product for internal users, but also a higher quality of data cleansing when handling foreign addresses. 2Lead offers high-quality name cleansing and parsing for leads, with an understanding of regionalized naming conventions and address structures.
- Lower cost of ownership: Reference clients for 2Lead reported a lower cost of ownership, relative to other competitors in this market.
- Simplicity, functionality and support: 2Lead's customers gave it high ratings in nearly every category, including ease of use, ease of deployment, product features and functionality, and support and service. 2Lead also gives customers access to additional purchased leads and the ability to augment existing leads with third-party sources that provide data such as maintenance records and mileage information.

### Cautions

- Smaller scale: As a smaller company, relative to others in the Magic Quadrant, MMIT may face challenges in maintaining feature parity with larger competitors that have more development resources.
- Limited vertical exposure: 2Lead is highly targeted at the automotive industry. Of all the reference customers surveyed for other vendors in this Magic Quadrant, none mentioned MMIT as a considered vendor.
- Lead workflow functionality: With 2Lead, lead workflow processes require custom scripting as opposed to the drag-and-drop workflows offered in some other platforms.

## Oracle

Oracle is a Leader in this Magic Quadrant, based on Eloqua's rich lead management feature set, its global and broad ecosystem of partners and digital agencies, and its growing roster of customers. Part of Oracle's Marketing Cloud, Eloqua is broadening its target market to include B2C companies and integration with Oracle marketing assets.

### Strengths

- Product functionality: Eloqua provides a broad range of lead management functionality, including multichannel campaigns, lead scoring and analytics. References gave high grades for KPIs and dashboards, advanced analytics, multichannel attribution and marketing hub capabilities. New features include secure and centralized control of templated content for distributed marketing teams and business units, marketing project calendar capabilities, a mobile campaign manager capability and mobile access to prospect profile data.
- Marketing Cloud: Oracle's adjacent products in Marketing Cloud include Oracle Content Marketing, Oracle Social Relationship Management (SRM), Datalogix, Responsys and BlueKai. Oracle's vision for cross-channel marketing now extends beyond B2B lead management as it highlights its capabilities with data management and its ability to leverage Responsys and BlueKai for multichannel consumer campaigns.
- Global presence and ecosystem: Gartner estimates that more than 30% of Eloqua customers are outside of North America; Oracle is able to provide global sales and support. Oracle also has a strong ecosystem of partners (digital agencies and technology partners) that can provide services and technology add-ons for its Eloqua and Marketing Cloud products.

### Cautions

- Integration: Out-of-the-box integration of all of the Marketing Cloud products should not be assumed — references gave lower-than-average scores for integration with other applications. Customers requiring a marketing solution that will leverage functionality from products in the Marketing Cloud should evaluate the current and planned integration plans for products such as Responsys, BlueKai and Datalogix — as well as for commerce assets such as Oracle Commerce — with Eloqua.
- Deployment and license models: As with other vendors that have acquired multiple marketing assets, Oracle has a mix of deployment, architecture and license models in its portfolio. Prospective customers should therefore evaluate and understand the implications (to their organization) of each product's deployment/license model.
- Cost and contracts: Eloqua is a feature-rich lead management product and its license costs usually reflect that; organizations evaluating Eloqua should compare its costs with those of other feature-rich products in this Magic Quadrant — as well as with lower-cost, but simpler products — and then match costs to their requirements. References gave lower-than-average scores to the sales and contract negotiation process.

## Salesforce

Salesforce is a Challenger in the Magic Quadrant, based on Pardot's combination of functionality and ease of use, its integration with Salesforce, and its ability to provide a single-vendor solution based on the leading SFA tool in the industry. Pardot is sold separately from Salesforce, but can augment its lead management capabilities with adjacent Salesforce technologies including Marketing Cloud, Sales Cloud, and Data.com, as well as through the platform and the AppExchange.

### Strengths

- Market presence and depth: More than 150,000 organizations use Salesforce for sales and CRM application functionality, giving Pardot an advantage over competitors due to its tight integration

and ability to provide a single-vendor relationship. Pardot also has an advantage in competitive situations by virtue of it being the "in-house" solution, and Gartner client inquiries show a steady rise in the number of Pardot inquiries compared with its competitors.

- **Resources:** Salesforce can provide additional marketing automation functionality through integration with Sales Cloud, Data.com and Marketing Cloud, as well as a robust partner ecosystem through the Salesforce AppExchange. Pardot can provide unlimited API calls to Salesforce, eliminating a potential cost factor compared with other solutions. Today, Pardot is a separate product within Sales Cloud — with its own lead management database and hosting platform — but Gartner expects that Pardot will become an integral part of the Sales Cloud application by the end of 2015.
- **Salesforce Engage functionality:** Launched in April 2015, Salesforce Engage empowers sales reps to manage highly focused marketing campaigns, such as the ability to deploy campaigns from mobile devices. This functionality is beneficial to marketing departments, because it still allows for oversight through templates and permissions.

#### **Cautions**

- **Depth of advanced functionality:** Reference customers scored Pardot lower for product features and functionality, and for product vision and roadmap. While integration with other applications is a strength, especially within the Salesforce ecosystem, companies desiring advanced lead management functionality should compare the Pardot feature set against those of its leading competitors and also consider the functionality available from the Salesforce Marketing Cloud.
- **Integration with Marketing Cloud:** Salesforce continues to work on the integration of Pardot with the Salesforce platform and Marketing Cloud. Companies that have, or plan to implement, Marketing Cloud applications should evaluate the level of out-of-the-box integration available between Pardot and other Salesforce applications and evaluate the roadmap for integration of the product lines.
- **Workflow limitations:** Workflows and drip campaigns can be designed through a visual UI without code, but the ability to manage workflows and share them among business units is limited. Pardot workflows are not completely integrated into the CRM system and Salesforce has stated that further enhancement of its workflow capabilities is a 2015 roadmap item.

## **Salesfusion**

Salesfusion is a Niche Player and a new entrant in the 2015 Magic Quadrant. Salesfusion is one of the smaller companies included this year, both in terms of revenue and number of employees.

#### **Strengths**

- **CRM integration:** Salesfusion offers native, bidirectional integration with Salesforce, Microsoft Dynamics CRM, Infor CRM, SugarCRM, and Sage CRM.
- **Lead scoring and workflow functionality:** The Salesfusion platform goes beyond scoring leads and assigning leads to different segments by allowing users a simple way to drill down into a lead to see what a particular score is made up of. The workflow functionality is also intuitive and easy to use.
- **Value:** Salesfusion offers a full-featured platform for a simple base price per month, up to a certain number of contacts. The absence of additional maintenance or service fees makes the implementation costs easy to absorb. Reference customers gave Salesfusion high scores for the sales and contract processes associated with implementation.

#### **Cautions**

- **Technology advancement:** IT leaders should gauge Salesfusion's ability to improve its product functionality and scale with its lead management efforts. Reference customers gave the Salesfusion platform lower scores for its ease of use and product vision and roadmap.
- **International capabilities:** Salesfusion offers native translation in English and French, whereas competitors offer several additional languages. As such, roughly 85% of Salesfusion's revenue is from the U.S. and U.K.
- **Midmarket focus:** Companies with revenue of more than \$5 million are a good fit for Salesfusion's platform, but midsize to large and enterprise companies should measure existing functionality and scalability against larger competitors.

## **SugarCRM**



SugarCRM is a Niche Player in the market. The lead management functionality is an integrated part of the Sugar product. SugarCRM relies on internal resources and open source/partner development for product enhancement, and also partners with other lead management and marketing automation vendors.

#### **Strengths**

- Value: Customers across multiple industries choose Sugar because of its relatively low cost and simple pricing — with a per-user, per-month model. Customers that do not have complex lead management requirements and that require a lower-cost solution frequently choose to use Sugar's integrated lead management capability.
- Flexible deployment models: On-premises, SaaS and hosted versions of the platform are all available. This offers SugarCRM some sales advantages for organizations that are hesitant to host lead data in the cloud.
- International availability: Thirty-six percent of SugarCRM's revenue comes from EMEA-based clients and 13% comes from the Asia/Pacific region. The Sugar platform is fully supported in 27 different languages, with additional translation packs developed by the SugarCRM community for more than 80 more languages.

#### **Cautions**

- Basic functionality: Sugar offers basic lead management functionality; companies looking for more-advanced features should evaluate other vendors in this report. Some functionality requires integration with other systems or tools, such as lead acquisition through social channels, KPIs and scorecards, and deeper data analysis. Sugar offers a good set of APIs for integration, but limited native connections exist. Reference customers gave SugarCRM relatively low scores for lead management vision and product roadmap.
- Basic lead scoring and visual workflows: Sugar offers only basic forms of lead scoring, and the visual workflow functionality in Sugar requires an add-on module. Version 7.6 includes advanced workflow, with a visual workflow designer tool, and also enhances the scoring and routing/nurturing capabilities of the core Sugar Enterprise and Ultimate offerings. Because Sugar 7.6 was released after the research cut-off date for this Magic Quadrant, prospects should speak with reference users to confirm functionality.
- Midmarket and SMB focus: Most Sugar customers that use its lead management capability are in the SMB or midmarket space, and several of the integrations — such as those for CMSs — reflect that market segment. Companies with more complex lead management requirements should compare Sugar's lead management capabilities with other solutions evaluated in this report.

### **Zoho**

Zoho is a Niche Player with a lead management offering that is dependent on and integrated with Zoho CRM. Although its pricing model is attractive for some organizations, its lead management functionality is mostly appropriate for small organizations or for companies with limited financial resources. Gartner estimates Zoho's CRM revenue at less than \$50 million.

#### **Strengths**

- Value: Lead management is a feature set of Zoho CRM and provides basic but cost-effective functionality. Zoho's freemium pricing model is attractive for companies with limited budgets and provides a cost-competitive alternative for lead management.
- Integration: Zoho CRM integrates with several Zoho applications, as well as with Microsoft Outlook and Exchange, and Google apps.
- Global: Zoho CRM is supported in 15 languages and used by 35,000 companies, although these are predominantly companies with 10 or fewer users. Zoho claims 1,000 global channel partners that provide deployment and implementation services; Zoho provides free support for paid users; no-cost support is available for free users for an initial 30 days, with email support after that.

#### **Cautions**

- Business model: While Zoho's freemium pricing model is attractive for small companies, this also limits the vendor's ability to actively sell its product or develop its partner channels.
- SMB focus: Zoho continues to be a lead management option primarily for small organizations or for companies with limited financial resources.
- CRM-centric functionality: Zoho's lead management capabilities are dependent on and integrated with Zoho CRM. Companies that require bidirectional integration with CRM applications other than Zoho should examine offerings from other vendors covered in this Magic Quadrant.

## Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time. A vendor's appearance in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

It should be noted that some vendor or product names have been changed since the 2014 Magic Quadrant. This section will therefore reflect the vendors that have been added or dropped as well as those vendors or technologies acquired by another vendor or renamed.

### Added

- Act-On
- CRMnext
- HubSpot
- MMIT
- Salesfusion

### Dropped

- Silverpop was acquired by IBM in 2014, and appears in this Magic Quadrant as IBM (Silverpop)

### Other Vendors to Consider

Several vendors provide innovative or unique technology for marketing automation, digital marketing or CRM lead management, but do not meet the revenue criteria or the technology criteria for this year's Magic Quadrant. Those vendors that do not appear in this year's Magic Quadrant, but do provide some level of lead management capability, include (in alphabetical order) the following:

- BySide (Made to Work)
- Infor
- InsideView
- Lattice Engines
- Sage
- SAP
- SAS
- Teradata
- Treehouse Interactive
- Velocify

A broader list of marketing automation and digital marketing vendors can also be found in the "Gartner CRM Vendor Guide, 2015" and the "Gartner Digital Commerce Vendor Guide, 2015."

## Inclusion and Exclusion Criteria

### Inclusion Criteria: Company

To be included in this Magic Quadrant, a vendor must demonstrate that it has:

- Proven ability to deliver lead management application functionality as defined in the Inclusion Criteria: Technology section.
- A minimum of 12 customers that have deployed its lead management application in a production implementation during the past 12 months.
- A sales and customer support presence in a minimum of two of the following three regions: North America and Latin America, EMEA, Asia/Pacific.
- Demonstrated corporate business viability; for example, by generating a minimum of \$20 million in lead management revenue during the past year. Vendors that provide lead management as part of a feature within an application suite (such as CRM or MCCM) must generate a minimum of \$20 million from licensing of the application suite.

- An ecosystem of partners that can provide services or technology extensions such as system integration services, third-party applications, digital agency services or consulting and implementation services.

## Inclusion Criteria: Technology

These criteria need to be a standard part of the vendor's application and cannot depend on applications or functionality provided by partners, or on custom development or services (such as custom application development provided by the vendor's professional services organization or a system integrator).

- **Multichannel Lead Management.** The ability to provide lead management functionality for both inbound and outbound marketing initiatives. This includes, at a minimum, lead collection, analytics, augmentation, scoring, process management and nurturing across a minimum of three lead generation and lead management channels within a single campaign. Support of digital and nondigital channels within the same campaign is mandatory. Digital lead generation channels include websites, Web landing pages and microsites; e-commerce sites; email marketing; online webinar or conference services; video and interactive applications; and social sites. Traditional or offline lead management channels include presales or marketing qualification applications (such as inside sales or call and contact centers); print-on-demand services; direct mail marketing; tradeshow, seminars or events (in-person, physical events); and third-party database/lists.
- **Lead Aggregation/Lead Database.** The ability to collect, store, execute on, import/export, analyze and report on leads. Lead input capabilities need to support both online real-time/near-time processes and offline, batch input of data. The vendor does not need to provide a database, but the data model and the ability to collect/source data that will be stored in the database is required. This functionality includes the ability to collect, store, analyze, and segment unqualified leads from campaign management applications, digital marketing applications, Web and e-commerce sites, and database and data management applications, and to feed those unqualified leads into the lead management application. This category also includes the ability to collect and build demographic and behavioral history in the lead management database for individual unqualified leads as they mature through the lead management application.
- **Analytics, KPIs and Business Intelligence.** The ability to:
  - Leverage integration tools (such as APIs, XML and so on) to transfer data between applications — including both source applications (such as third-party data providers, referral systems and websites) and execution applications (such as SFA, contact center and email) — to use in closed-loop marketing analysis.
  - Generate operational and strategic KPIs sufficient to monitor and guide revenue generation, including the ability to provide revenue guidance and insight based on current lead volumes/quality.
  - Provide preconfigured reports, management and sales dashboards, metrics and KPIs as a standard (for example, not custom-designed) part of the application.
  - Monitor, access and report on data stored in the lead management application or in CRM/SFA applications to provide closed-loop marketing analytics.
  - Provide real-time graphical representation of data and metrics appropriate for marketing, sales and executive users.
  - Support or integrate with mobile devices used by customer-facing sales teams.
- The vendor, or a vendor's partner, must provide professional services and consulting that guide the user organization in the use of the analytics, KPIs and business intelligence that support continuous marketing improvement and lead management maturity.
- **Lead Process Management.** The ability to:
  - Create lead management workflows or business process management rules — using a graphical workflow or business process tool or a nongraphical scripting tool — to create a lead management application that dynamically routes leads through the lead scoring, qualification, augmentation and distribution processes based on execution criteria (such as geography, estimated value and the status of prior process steps)
  - Dynamically pass leads to a sales execution system — such as SFA, partner relationship management (PRM), call/contact center application or digital commerce — on the basis of user-defined routing, scoring or qualification rules

- Execute multiple lead management processes and workflows simultaneously within a single instance of the product
- **Lead Nurturing.** The ability to:
  - Manage and control the lead life cycle from collection to conversion, including, at a minimum: maintenance (build a relationship for a longer-term sell); execution (sell to the client at appropriate later time); and removal of inactive leads from the database
  - Provide integration with Web content management systems (WCM) used to develop, store and maintain content within the context of lead-nurturing activities. Integration with WCM can be provided as an integral feature of the lead management product, or can be provided by a third-party vendor or partner.
- **Integration With Sales Applications.** The ability to:
  - Support bidirectional integration with CRM/SFA applications (examples of these applications include Microsoft Dynamics CRM/Dynamics CRM Online, Oracle Sales Cloud, Salesforce, SAP CRM, and SugarCRM)
  - Pass qualified leads to a channel sales organization (such as value-added reseller, distributor, agent, broker or reseller) as an automatic function of the lead management process, and track the status of that lead automatically through integration with a CRM, SFA or PRM application
  - Integrate with a digital commerce or e-commerce application to dynamically pass a qualified prospect to an e-commerce site (in lieu of a direct or indirect salesperson) for closure
  - Support integration with a minimum of two CRM, PRM or digital commerce applications as a standard, documented and supported capability provided by the vendor
- **Lead Augmentation.** The ability to:
  - Append missing or additional information to the lead from external, third-party sources (for example, missing email fields), and integrate and store this information into the lead management database and associate it with the appropriate lead or customer information
  - Provide integrated data cleansing capabilities to eliminate incomplete, redundant or duplicate lead information based on criteria set by the end-user organization
  - Augment or nurture a lead with additional collateral or value-added content — such as documents or PDFs, spreadsheets, videos or Web-based content — to increase the lead score and the probability to close. This capability can be provided as part of the product's native capability, or through integration with a third-party tool or service provider's product
- **Lead Scoring/Qualification.** The ability to:
  - Create multiple lead qualification and scoring processes — based on criteria such as a campaign, product type, customer segment, estimated customer value, opportunity value or seasonal criteria — to execute multiple lead qualification and scoring processes simultaneously
  - Dynamically route those leads meeting qualification or scoring criteria to the next appropriate part of the lead management process
- **Integration, APIs and Templates.** The ability to:
  - Integrate with third-party applications (for example, SFA, PRM, call/contact center applications and legacy applications) using published and supported APIs or integration interfaces
  - Integrate with social sites such as LinkedIn, Twitter or Facebook, as well as with major CRM, SFA, e-commerce, customer support, social, virtual event, marketing data, and customer management applications or services
  - Make packaged lead management templates available for line-of-business applications or for automation of cross-industry (horizontal) lead management functionality

## Evaluation Criteria

## Ability to Execute

**Product/Service** — Licensed or SaaS applications offered by the vendor that provide lead management functionality and integration with adjacent applications, data or services. This includes current product capabilities, feature sets, technology base, architecture and integration capabilities.

**Overall Viability (Business Unit, Financial, Strategy, Organization)** — The viability of the vendors overall financial strength, the financial and practical success of the business unit or company, and the likelihood of the business unit or company to continue selling, supporting and investing in the product, and to advance the state of the art in the company's product portfolio.

**Sales Execution/Pricing** — Vendor's sales and pricing, including all presales and sales activities. Responsiveness to customer or prospect requests for information, RFI/RFP activities and presales technical support. The ability of the vendor to marshal and coordinate required third-party resources, such as system integration or technology partnerships during presales and sales activities; the vendor's execution during contract negotiation, RFP or quote responses, pricing and negotiation activities; and the overall effectiveness of the direct and indirect sales and sales management organization. Cost and pricing competitiveness as they relate to competitors with comparable capabilities, including the published list price of the vendor's product (licensed or SaaS); any optional modules needed to meet the minimum product requirements defined above; annual maintenance fees, if any; and any required services, training, implementation fees, customization or related services.

**Market Responsiveness/Record** — The vendor's ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness. The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographic regions outside the headquarters' region, directly or through partners, channels and subsidiaries as appropriate for that geography and market.

**Marketing Execution** — The vendor's market awareness, market momentum, and market perception of leadership and innovation in lead management. The vendor's ability to execute its own tactical and strategic marketing campaigns that support a growing customer base, and to create and extend its own brand as a lead management vendor and visionary.

**Customer Experience** — The availability and viability of the vendor's internal customer service and support capabilities, including: support resources, systems, policy and global scope; external resources, including partnerships with global system integrators, consulting organizations and technology partnerships; and related internal or external resources such as third-party tools or consulting methodologies, customer-led social networking initiatives, and the availability of user groups and SLAs.

**Operations** — The vendor's ability to meet its goals and commitments. Factors include the quality of the organizational structure — including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Evaluation Criteria	Weighting
Product or Service	High
Overall Viability	Medium
Sales Execution/Pricing	Medium
Market Responsiveness/Record	High
Marketing Execution	High
Customer Experience	High
Operations	Medium

**Table 1. Ability to Execute Evaluation Criteria**

Source: Gartner (August 2015)

## Completeness of Vision

**Market Understanding** — Ability of the vendor to understand buyers' needs and translate these needs into products and services. Vendors that show the highest degree of vision listen and understand buyers' wants and needs and can shape or enhance those wants with their added vision.

**Marketing Strategy** — Ability of the vendor to develop and deliver a clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

**Sales Strategy** — Ability of the vendor to articulate and demonstrate the development of a selling strategy that leverages direct and/or indirect sales, marketing, customer support and service, or communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base. System integration, technology, application, strategy consulting and distribution partnerships are integral parts of the sales strategy.

**Offering (Product Strategy)** — A vendor strategy for product development and delivery that emphasizes market differentiation, functionality, methodology, time to market, competitive activity, technology and industry advances, as well as other relevant criteria that impact the customer experience and map to current and future requirements. Product strategy will also include: the company's business model, such as the soundness and logic of the vendor's underlying business proposition; its vertical or industry strategy, which will direct resources, skills and investment to meet the specific needs of individual market segments, users or vertical industry groups; and its global strategy, which will affect the ability of the company to meet the needs of a global customer base.

**Business Model** — The soundness and logic of the vendor's underlying business model. Product strategy should align with the company's business model and the value proposition it delivers to customers. The product license model (such as SaaS versus one-time license fee) should support the target market and use models that the vendor is targeting with its go-to-market strategy.

**Vertical/Industry Strategy** — The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical- or industry-specific markets, for its products. The vertical/industry strategy will direct resources, skills and investment to meet the specific needs of individual market segments, users or vertical industry groups; its global strategy will affect the ability of the company to meet the needs of a global customer base.

**Innovation** — Investment of financial, management and technology resources, expertise or capital in areas such as product development, sales and support infrastructure, third-party and partner relationships, or M&As. Such actions are intended to expand the scope, capabilities, or global presence of the company and its products for its customers.

**Geographic Strategy** — The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries, as appropriate for that geography and market.

Evaluation Criteria	Weighting
Market Understanding	Medium
Marketing Strategy	Medium
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	Medium
Vertical/Industry Strategy	Medium
Innovation	Medium
Geographic Strategy	Medium

## 2. Completeness of Vision Evaluation Criteria

Source: Gartner (August 2015)

## Quadrant Descriptions

### Leaders

Leaders in the CRM lead management market provide market-leading functionality that supports B2B, B2B2C and B2C lead management processes across multiple channels, and both outbound and inbound marketing processes. These vendors demonstrate market awareness and agility in their ability to develop and deploy support for new market and user requirements; examples include the development of industry-specific templates for lead management, or the ability to integrate with both digital channels (such as email marketing, social, or online webinars) and traditional or asynchronous marketing channels (such as in-person trade events and educational seminars, print-on-demand capabilities and third-party customer or list data). The Leaders have developed an ecosystem of technology partners and provide deep integration, including formal and documented technical support and customer support from both vendors, with key applications such as SFA, e-commerce, Web analytics or WCM solutions. They are able to provide in-depth professional services and consulting through both their own services organization and through the development of partnerships with leading solution providers, management service providers or consulting organizations; and have demonstrated their ability to sell and support enterprise-scale customers and deployments on a global basis. Leaders are able to show viability through revenue growth, organizational growth, financial stability and either profitability or the ability to attract outside investment. Leaders sell successfully in more than one vertical industry and customers show high levels of satisfaction and success with their implementations.

### Challengers

Challengers in CRM lead management offer breadth of functionality, but lack the depth of functionality of the Leaders. Challengers often provide lead management functionality that is dependent on or integrated with another product from the same vendor, so that the lead management functionality cannot be realized without implementing a broader set of application functionalities. Lead management capability is not best-of-breed, but Challengers provide market presence and adjacent technologies (such as email marketing, CRM, WCM, e-commerce or Web analytics) that are valuable to buyers requiring a single-vendor platform to fulfill multiple functional requirements. A key value proposition is integration with currently implemented technology or infrastructure. Challengers are often slower to react to changes in the market and lag behind the Leaders; they are often dependent on selling to their existing installed base of customers.

### Visionaries

Visionaries have a strong vision for a set of technologies that includes lead management, but they do not yet provide best-of-breed lead management that is both broad and functionally deep. Visionaries may be looking to capitalize on market momentum — by emphasizing their role as part of the ecosystem as they invest in internal R&D or M&A activity in a bid to increase their market presence and potentially move to either a Challenger or Leader position. Visionaries are thought leaders and innovators that have not yet gained broad market penetration and adoption. They often have a strong presence in a small set of vertical industries or within a limited geographic region. Visionaries can also come from an adjacent market sector and are looking to expand their total addressable market by moving into lead management. Visionaries may have a strong technology vision and roadmap, but lack the Ability to Execute demonstrated by Leaders.

### Niche Players

Niche Players provide a basic set of lead management features to a narrow segment of the potential market. Their markets are often defined by vertical industry expertise or by the dependency that their lead management capability has on their core product — such as a CRM suite with integrated lead management capability that cannot be realized without implementing that application. They meet the Magic Quadrant criteria and may attempt to extend their functionality and win customers through extensive professional services engagements. Niche Players may be limited in the geographic reach, partner relationships or scalability of their solution. These vendors are appealing to customers with limited budgets or constrained technology resources, or those that don't require the depth of functionality provided by Leaders or Challengers. Niche Players often lack vision, or are unable to deliver on the vision they articulate.

### Context

The CRM lead management market saw significant M&A activity from 2010 through 2014, involving several of the vendors in this Magic Quadrant: Adobe (Neolane), IBM (Silverpop), Microsoft (Marketing Pilot), Oracle (Eloqua), Salesforce (Pardot, via ExacTarget) and others. These acquisitions have enabled large enterprise application vendors to provide best-of-breed lead management functionality while building out their vision of an integrated set of marketing automation applications and looking to consolidate multiple point capabilities into an integrated marketing automation offering.

Additionally, several vendors have emerged that target either a specific vertical industry (MMIT, CRMnext) or a specific market segment (HubSpot, SugarCRM, Salesfusion, Zoho). IT application leaders therefore need to evaluate several aspects of their prospective lead management vendors, including the level of existing integration, the short-term roadmap for integration activities and the ability to cross verticals or market segments.

There is continued maturity among user organizations in their evaluation of lead management vendors. User organizations are asking increasingly complex questions and taking longer to make investment decisions regarding lead management applications. This is partly due to M&A events, which necessitate increased caution and due diligence, partly to a growing maturity and experience on the part of user organizations, and partly to the expanding range of lead management or marketing automation capabilities that vendors now offer and that necessitate additional due diligence on the part of IT professionals.

Client inquiries and reference user research point to: longer evaluation cycles; increased due diligence on the part of the buyer; more careful examination of vendor claims and references; and a closer examination of the vendor's lead management architecture, technology roadmap and ability to align with the user organization's enterprise applications, architecture and strategy. User organizations are also spending an increasing amount of time evaluating the ability of lead management applications to integrate with the customer's ever-expanding "marketing cloud" of applications — which enables customer understanding and engagement. Lead management applications add the most value when they support customer-facing applications such as SFA, digital commerce and customer engagement centers. IT leaders should take a leadership role in extending the value of lead management across multiple customer touchpoints.

Lead management investment decisions that were previously managed primarily by the marketing organization are now seeing increasing involvement from sales management and sales operations, senior management and IT. Lead management technologies are now being evaluated in the context of enterprise architecture and applications, rather than as a departmental or line-of-business application. Marketing and sales executives continue to be the primary decision makers, but IT application leaders should work closely with these teams to vet solutions, ensure consistency with adjacent technology investments, and provide guidance on integration and project management.

Predictive lead management technologies, big data analytics and other emerging technologies have promise, but are early on in the Hype Cycle (see "Hype Cycle for CRM Marketing Applications, 2015" for details). IT leaders should work with internal users on developing short-term and longer-term objectives and setting appropriate expectations.

## Market Overview

Gartner has noted several evolutions and changes during the past two years, including:

- A growing level of maturity and expertise in the user organizations, which in turn leads to longer vendor/product evaluations and a deeper examination of architecture and vendor fit
- Ongoing M&A activity that adds breadth and depth to vendor platforms, but that also raises questions around integration, architecture fit and the consistency of deployment/licensing models
- A blurring of the demarcation between B2B and B2C marketing, with lead management vendors adding SEO or digital marketing functionality
- Market awareness and acceptance of products focused on a subsegment of the market, such as SMBs or a specific industry
- A deeper end-user appreciation of the value of lead management processes, but also a higher level of expectation and quantifiable proof points that show revenue impact

CRM lead management can support B2B, B2B2C and B2C business models, although it is used primarily by companies selling "considered purchases" — that is, products that are complex, are associated with a significant financial investment, or that require substantial research.



CRM lead management applications continue to have a business process management orientation that enables user organizations to create and deploy a preferred customer workflow across multiple channels and content types. However, these applications now recognize that lead management needs to also integrate with search, personalization, Web analytics and related "ad tech" technologies formerly associated with pure B2C business models.

Some vendors are now consciously moving beyond B2B/B2B2C business models and targeting B2C business models and customers, which are in turn adopting business process management processes that resemble the B2B business model. However, the large scalability requirements of B2C, lead management license models (which are based on the size of the database or the number of contacts in the system), and the greater focus on digital marketing technologies that are less common in lead management will initially challenge some vendors.

Reference surveys indicate that lead management is making an important contribution to achieving company marketing and sales objectives. When asked how they would rate the impact of their company's lead management programs on its ability to achieve sales and revenue objectives, 77% rated their programs as high or very high. However, challenges continue to exist. Top challenges identified in our 2013 and 2014 research include: alignment of marketing, sales and other customer-facing departments; lack of sufficient resources or time in the marketing organization; measuring business impact via analytics, business intelligence or KPIs; and the integration of lead management with other applications or business processes.

#### ACRONYM KEY AND GLOSSARY TERMS

<b>B2C</b>	business to consumer
<b>CMS</b>	content management system
<b>IPO</b>	initial public offering
<b>KPI</b>	key performance indicator
<b>M&amp;A</b>	merger and acquisition
<b>MCCM</b>	multichannel campaign management
<b>MRM</b>	marketing resource management
<b>PRM</b>	partner relationship management
<b>SEO</b>	search engine optimization
<b>SFA</b>	sales force automation
<b>SMB</b>	small or midsize business
<b>WCM</b>	Web content management

#### EVIDENCE

This Magic Quadrant is based on several sources of research, including primary research conducted by Gartner. The reference user survey included 126 reference companies that completed the survey. The primary research is also based on inquiries conducted with Gartner clients evaluating, implementing or using CRM lead management technologies during the past three years. Gartner has also used secondary and publicly available information sources.

#### EVALUATION CRITERIA DEFINITIONS

##### Ability to Execute

**Product/Service:** Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

**Overall Viability:** Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

**Sales Execution/Pricing:** The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

**Market Responsiveness/Record:** Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

**Marketing Execution:** The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

**Customer Experience:** Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

**Operations:** The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

**Completeness of Vision**

**Market Understanding:** Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

**Marketing Strategy:** A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

**Sales Strategy:** The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

**Offering (Product) Strategy:** The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

**Business Model:** The soundness and logic of the vendor's underlying business proposition.

**Vertical/Industry Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

**Innovation:** Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

**Geographic Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

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