



IDC MarketScape

IDC MarketScape: Worldwide Marketing Cloud Platforms 2016 Vendor Assessment

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THIS IDC MARKETSCAPE EXCERPT FEATURES: ORACLE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Marketing Cloud Platforms Vendor Assessment



Source: IDC, 2016

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Marketing Cloud Platforms 2016 Vendor Assessment (Doc #US41025715). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study represents the vendor assessment research called IDC MarketScape. This specific research study assesses the capability and strategy of leading marketing cloud platforms. This evaluation is based on a comprehensive framework and a set of parameters expected to be most conducive to success in applying automation to core marketing capabilities. This evaluation includes buyers' perceptions on the importance of various capabilities to their marketing operations and the degree to which each vendor measured up against their expectations for each capability. Key findings include:

- Buyers put fairly equal importance on the diverse functionality they expect from marketing cloud platforms across interaction channels, collaboration, content, and analytics.
- There are trade-offs with every vendor. Each has stronger strengths in some areas than others, but the good news is there are few glaring weaknesses.
- The key to success is selecting a system that best fits your current and future marketing mission and overall business model.
- Buyers should give strong consideration to the ecosystem of technical and service partners each vendor can bring to the table as there are many niche capabilities that the primary vendors don't yet provide.
- Set expectations appropriately. Marketing cloud platforms will transform your marketing team, but impact on business performance is still subject to sales cycles. Metrics for success should be set up on an appropriate road map over time.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

To be included in this analysis, vendors needed to offer at least a dozen key pieces of cloud-based marketing functionality as represented on IDC's 2016 Marketing Technology Map (refer to Figure 2) with \$100 million in cumulative revenue run rate. Each vendor was required to complete an exhaustive (and exhausting) request for information detailing its capabilities in up to 200 attributes. The vendor also had to identify the functionality provided by each marketing cloud component and explicitly declare what relevant functionality is available (or not) via other solutions it offers, such as content production, data and analytics, and/or collaboration platforms. Each vendor was also required to provide two customer references. Each customer was required to assess its vendor's solution on 20 different capabilities and spend an hour with IDC explaining its ratings. All this research is further supplemented by IDC's many years of working with customers in a variety of industries to help assess requirements and optimize adoption and utilization of marketing solutions.

ESSENTIAL BUYER GUIDANCE

In general, it is a testament to the industry that such extraordinarily powerful technology is available to marketers today. There are many differences between the vendors we assessed in this study in terms of market focus, scale of business, and functionality. But these differences are relatively minor in the grand scheme of things. Certainly, when specific requirements are presented these differences matter, but overall, all of these vendors provide tremendous capabilities to modern marketers. In detail:

- **Business trumps technology.** Any reasonably educated buyer should immediately understand that no one evaluates all of these marketing cloud solutions as part of a single buying decision. These solutions are not designed for the same types of marketers. Buyers must first and foremost define the right type of solution for their needs based on key business drivers (for details, see *Transitioning to Marketing Cloud Platforms: A Key Piece of Your Customer-Facing IT Strategy*, IDC #US40693915, December 2015). These include:
 - **Company size and growth:** This drastically affects the number of solutions needed and how they will be provisioned, integrated, and operated. Be sure to consider future M&A activity and the need for a standard assimilation process for new marketing data, processes, and personnel.
 - **Revenue mix:** Current and expected future revenue models have a big effect on marketing. Key considerations include discrete sales versus subscription revenue, product and services mix, concentration of revenue by account, and new market entry.
 - **Go-to-market models and associated customer journeys:** Supporting retail, ecommerce, direct sales, and channel sales models puts function-specific requirements on your marketing infrastructure.
 - **Marketing mission:** Whether marketing is purely building brand awareness or generating leads or both will influence the capabilities you need.
 - **Operations:**
 - **Scale:** Number of transactions, emails, contacts, segmentations, and so forth
 - **Complexity:** Organizational (global), process (buyer's journey), and market (products)
 - **Maturity:** Marketing technology present in your infrastructure, the level of integration, strength of the related processes, rate of adoption, and skill levels
 - **Regulatory:** Compliance with local market private and public sector rules
 - **Financial:** Budget for subscriptions, services, staffing, training, and total cost of ownership over time.

There is a great deal of diversity in the technology needs of marketing organizations. Core functions clearly include email, social, mobile, and Web marketing; content management; data and analytics; and collaboration, budgeting, and reporting. However, there are so many different requirements across vertical markets, regions, company sizes, business models, and so forth that no single vendor can provide the whole infrastructure for every customer. In some cases, integration with an advertising platform is essential; in others, sales enablement is a priority, and in yet others, retail or ecommerce puts unique requirements on the marketing department. For the largest enterprises, all of these and more are present. Transaction volumes, budgets, marketing mission, business models, and regulatory compliance as well as existing back-end infrastructure can all be either major determining factors or irrelevant depending on circumstances.

- **Platforms versus best of breed.** Marketing cloud platforms are new. Many buyers today are still in best-of-breed purchase mode, which historically was the only way to deploy marketing technology. However, the largest and most experienced users are finding that having hundreds of different systems, each optimized for a specific activity or team or region, leads to a great deal of complexity at the corporate level, which in turn increases costs and time to market. It also introduces a host of other frustrations and inefficiencies. With the advent of marketing clouds, these customers can now evaluate the advantages of consolidating core functions with a single provider. (For more information on this, please see *Transitioning to Marketing Cloud Platforms: A Key Piece of Your Customer-Facing IT Strategy*, IDC #US40693915, December 2015.) IDC also expects rapid maturity of and integration between marketing cloud functionality, making a single-vendor strategy for core functions increasingly attractive over time.
- **Culture eats technology for breakfast.** Many marketing organizations do not feel they are using their marketing technology to its full potential, even if they have blown away previous capacity and performance measures. This is largely due to issues germane to the structure or competency of marketing organizations, not the technology. Issues such as having staff dispersed across business units, regions, or other organizational divides lower the adoption rate and collective level of mastery. The systems themselves have learning curves that require continual training, best practice communities, and knowledge sharing programs. Technology will not in and of itself break down organizational silos. It can help, but marketing executives should be proactive in developing highly collaborative, multidisciplinary staff via shared processes, metrics, communities, clear career paths, and even job swapping/sharing/shadowing programs.
- **Bang for the buck.** Marketing technology offers tremendous benefits relative to traditional marketing methods. It also can revolutionize the digital marketing capabilities of teams still relying exclusively on email. Customers are always on, are networked, and have ever-increasing expectations. They are fully aware of how much data brands have about them. It is obvious which brands use that data to help customers improve their personal and professional lives and which are just trying to get the next dollar out of their pocket. As a result, a well-orchestrated multichannel marketing capability is a de facto requirement of any modern marketing organization. Companies that choose to remain in email-only mode have only themselves to blame for poor market performance. That said, the solutions reviewed in this study are all transformative. They can enable remarkably small teams of marketers to conduct millions of customer touches over email, social, mobile, Web, and other channels.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Oracle

Oracle is positioned as a Leader in the IDC MarketScape on marketing cloud platforms. Oracle should be an especially strong consideration for medium-sized and large enterprises that need to connect data to deliver consistent, personalized cross-channel customer experiences.

Strengths

Oracle made the most audacious entrance into the marketing technology arena by spending nearly \$5 billion on Vitruve, Collective Intellect, Involver, Responsys, Datalogix, AddThis, Eloqua, BlueKai, Compendium, and Maxymiser in a span of five years. That's commitment, and it has been followed up by significant investment in unifying and integrating this powerful suite of capabilities. Oracle has assembled a star-studded portfolio of technologies and partnerships that will carry even the most advanced, complex, and high-volume marketers to new heights for many years. One of the great decisions Oracle made with respect to acquiring these marketing technology companies was the recognition that retaining their personnel, cultures, and customers to the extent possible was essential. In addition to its marketing technology, Oracle brings a host of back-end solutions to the table as well as vast customer information services and transaction histories. As companies increasingly move to integrate all of their customer-facing activities and IT, the ability to deliver the whole front end will grow in importance for large enterprises.

Challenges

Clearly, integration is a big challenge when so many separate solutions come under one roof so quickly. The integration job is multifaceted. Not only do the data sets and processes and customer IDs need to be standardized but so do user interfaces (UIs), documentation, training, collaboration, reporting, and many other aspects needed to facilitate the adoption and efficacy of these solutions. A remarkable amount of progress has been made. Oracle also has to overcome its historical lack of brand recognition with marketers, something the acquisition strategy helped with a great deal but there is more to do vis-à-vis some its competitors. While strong in customer interaction, data, and analytics, Oracle could bolster its collaboration and marketing resource management capabilities.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

A note on capabilities: IDC defines marketing technology requirements very broadly, and marketing technology does not exist in a vacuum. Therefore, each vendor was evaluated on its overall ability to deliver comprehensive solutions whether through a designated marketing cloud solution or other product lines. Highest weighting was given to functionality provided in a marketing cloud, second highest to other cloud solutions applicable to marketing, third to noncloud marketing solutions, and fourth to noncloud, nonmarketing solutions (e.g., general BI tools).

Second, IDC considered both the technical availability of marketing functions in these solutions and the market reality of customers. Delivering effective capabilities to market is really about overall competency of your users, not just product functionality. The key question is, How effectively have customers been enabled by the vendor to master how much of the technology's potential? Therefore, some vendors with broader product sets on paper may have lower capabilities scores than those

whose customers were able to articulate deeper competency across a wider set of marketing functions. Thus a customer only doing email marketing would provide less validation than one doing omnichannel marketing across all digital and analog channels.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three years.

A note on strategies: All the vendors in this study have made significant commitments to marketing technology by any measure. However, IDC expects over the next three years that an increasing number of customers across segments will be looking for greater coordination of all customer-facing functions including sales, finance, commerce, services, support, call center, and so forth. Therefore, vendors with the ability to provide customer-facing IT (CFIT) infrastructure receive generally higher strategy scores.

Second, the maturity of the broad set of solutions was taken into consideration. Strategies with long track records of success were weighted higher than those with less time in market or sustained market share and growth records.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

IDC takes a comprehensive view of the technology needed by marketing. It goes well beyond the latest marketing automation or social media. Our definition is intended to answer the question: If we audited every piece of software on every device, every server, and every cloud deployment, what would we find? Our answer is intended to be collectively exhaustive and mutually exclusive. However, the marketing technology market is nothing if not dynamic. Whole categories are converging and subsequently being consolidated into others. Innovation is still a factor in an ever-changing landscape as well. As a result, we expect categories and definitions to change over time. At the highest level, IDC breaks the marketing technology market into four broad categories, each with many subcategories, as follows:

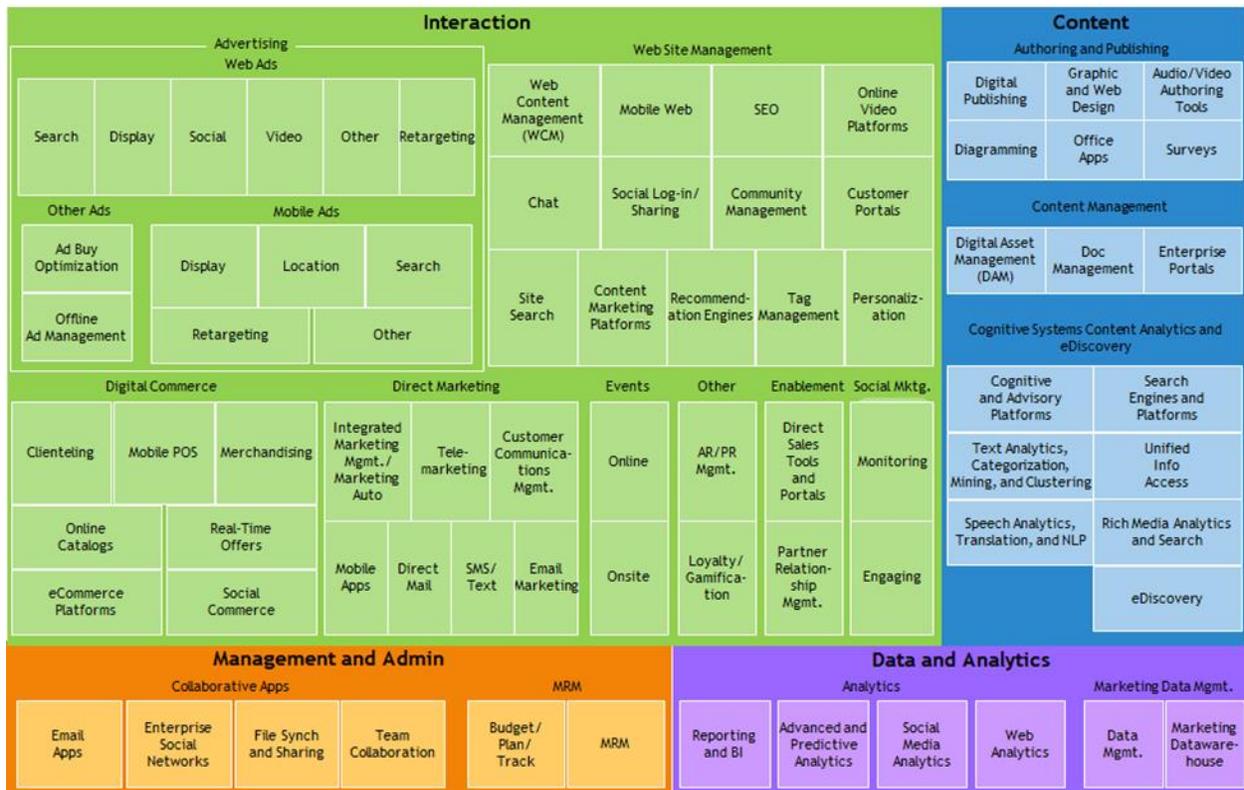
- **Interaction systems:** These are solutions whose primary use is to communicate to and/or with the market and conduct the digital dialog. They include the following subcategories:
 - **Advertising:** Solutions to manage and optimize Web, mobile, and offline ads, including display, social, search, video, and retargeting

- **Digital commerce:** Solutions such as ecommerce platforms, merchandising, mobile point of sale, catalogs, real-time offers, social commerce, and clienteling
- **Direct marketing:** Solutions such as marketing automation, content marketing, email marketing, telemarketing, direct mail, customer communications management (CCM), SMS/text marketing, and mobile app development
- **Web site:** Solutions such as Web content management, mobile Web, SEO, video, chat, social log-ins, communities, portals, search, recommendation engines, tag management, and personalization
- **Social monitoring and publishing:** Solutions for identifying and interacting with communities, influencers, competitors, partners, prospects, and customers on a wide array trending topics and social channels
- **Other:** Solutions such as social monitoring and publishing, AR/PR, online and offline events, loyalty/gamification, and sales and partner enablement platforms
- **Content production and management:** The primary function of these solutions is to facilitate the production and management of marketing content. They include authoring and publishing tools, content management systems (CMSs), digital asset management (DAM), document management, content analytics, and internal portals.
- **Data and analytics:** The primary function of these solutions is to store and produce insights from customer, operational, and financial data. The technologies in this category are standalone analytics solutions and are over and above the analytics embedded in nearly every interaction technology. These solutions can aggregate and analyze data from multiple sources throughout the enterprise. They include business intelligence (BI), predictive, social, and Web.
- **Management and administration:** The primary function of these solutions is to provide the internal communications, workflows, budgeting, and expense tracking infrastructures that CMOs need to manage marketing operations. They include marketing resource management (MRM), budgeting, collaboration, enterprise social networks, and project management.

These functional segments are depicted in Figure 2.

FIGURE 2

IDC's 2016 Marketing Technology Map



Source: IDC, 2016

In our analysis of marketing cloud solutions, we found they cover at most about two-third of the map. Only the smallest marketing teams with the simplest go-to-market models will find themselves able to operate on a single vendor platform. There is no definitive marketing cloud because there is so much diversity in the way companies do marketing. Ultimately, marketing systems must all work in concert not only with each other but with other customer-facing systems in sales, finance, service, and customer support. The true visionaries today are breaking down departmental walls and designing technology road maps inclusive of all customer-facing IT (CFIT). These new CFIT models will drive customer expectations for seamless interactions at every stage of the brand relationship. That will make it very difficult for companies that are still allowing their old school hierarchical models for budgeting, specification, deployment, and operation of customer-facing systems to be competitive.

LEARN MORE

Related Research

- *Transitioning to Marketing Cloud Platforms: A Key Piece of Your Customer-Facing IT Strategy* (IDC #US40693915, December 2015)

- *IDC FutureScape: Worldwide Chief Marketing Officer Advisory 2016 Predictions* (IDC #259649, November 2015)
- *Categorizing the Content Needs of Different Buyer Types: IDC's 2015 IT Buyer Experience Study* (IDC #258780, September 2015)
- *Audience Marketing: Death to the Product "Selfie"* (IDC #WC20150820, August 2015)
- *Audience Marketing: Replenishing Customer Context* (IDC #257372, July 2015)
- *Chief Digital Officers: Bridging the Innovation Gap Between the CIO and CMO* (IDC #256972, June 2015)
- *The Top 5 Trends in Programmatic Advertising* (IDC #WC20150625, June 2015)
- *IDC's Worldwide Marketing and Intelligence Taxonomy, 2015: Guidelines for Resource Allocation and Organization* (IDC #256345, May 2015)
- *Predictive Analytics Reveals Hidden Buyer Behavior* (IDC #256361, May 2015)
- *A Modern Marketer's Guide to Creating Innovative Customer Experiences* (IDC #256071, May 2015)
- *The IDC Customer Experience Loop: A New Framework for Marketing Investment and Execution* (IDC #256037, May 2015)
- *Evolution of the Virtual Sales Rep: Taking Buyer Experience to the Next Level* (IDC #255852, April 2015)
- *IDC's 2015 Cloud Marketing Barometer: Survey Results and Essential Guidance* (IDC #WC20150331, April 2015)
- *IDC MaturityScape: Marketing Technology* (IDC #252793, December 2014)
- *Centralize or Decentralize? Leaders Weigh in on Marketing Organizational Structures* (IDC #252728, December 2014)
- *What Is Content Marketing? IDC Defines One of Marketing's Most Critical New Competencies* (IDC #252415, November 2014)
- *Digital Marketing: The Future Role of Agencies* (IDC #252328, November 2014)

Synopsis

This IDC study represents the vendor assessment research called IDC MarketScape. This specific research study assesses the capability and strategy of leading marketing cloud platforms.

"Marketing cloud platforms offer marketers an increasingly well-integrated and efficient alternative to the old best-of-breed, do-it-yourself days of deploying marketing technology," said Gerry Murray, research manager with IDC's CMO Advisory. "After an extensive comparative analysis, it is clear that marketers of every stripe have powerful solutions to choose from. The key to success is getting the right fit between your marketing mission and your marketing infrastructure. There is a short list of mistakes buyers must avoid. Number 1 is doing nothing. Number 2 is buying technology for technology's sake. Number 3 is letting different marketing solutions sprout up like weeds all over the organization. Last, marketing tech is not a magic bullet; you have to transform your team into a digital marketing machine in order to make the most of these new capabilities. By avoiding these issues, buyers will find extremely good solutions that will dramatically improve the performance of their marketing."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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