Magic Quadrant for CRM Lead Management

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Summary

The market for CRM lead management applications continues to grow, evolve and mature. This Magic Quadrant evaluates 17 providers to help IT leaders find the right choice for their company, in collaboration with marketing, sales and digital commerce leaders.

Market Definition/Description

Customer relationship management (CRM) lead management processes take in unqualified contacts and opportunities from a variety of sources. These include web registration pages and campaigns, direct-mail campaigns, email marketing campaigns, multichannel campaigns, database marketing and third-party leased lists, social media for CRM, other social media, and tradeshows.

The outputs of these processes are qualified, scored, nurtured, augmented and prioritized selling opportunities. These are handed to direct, indirect or digital commerce sales channels for them to act on.
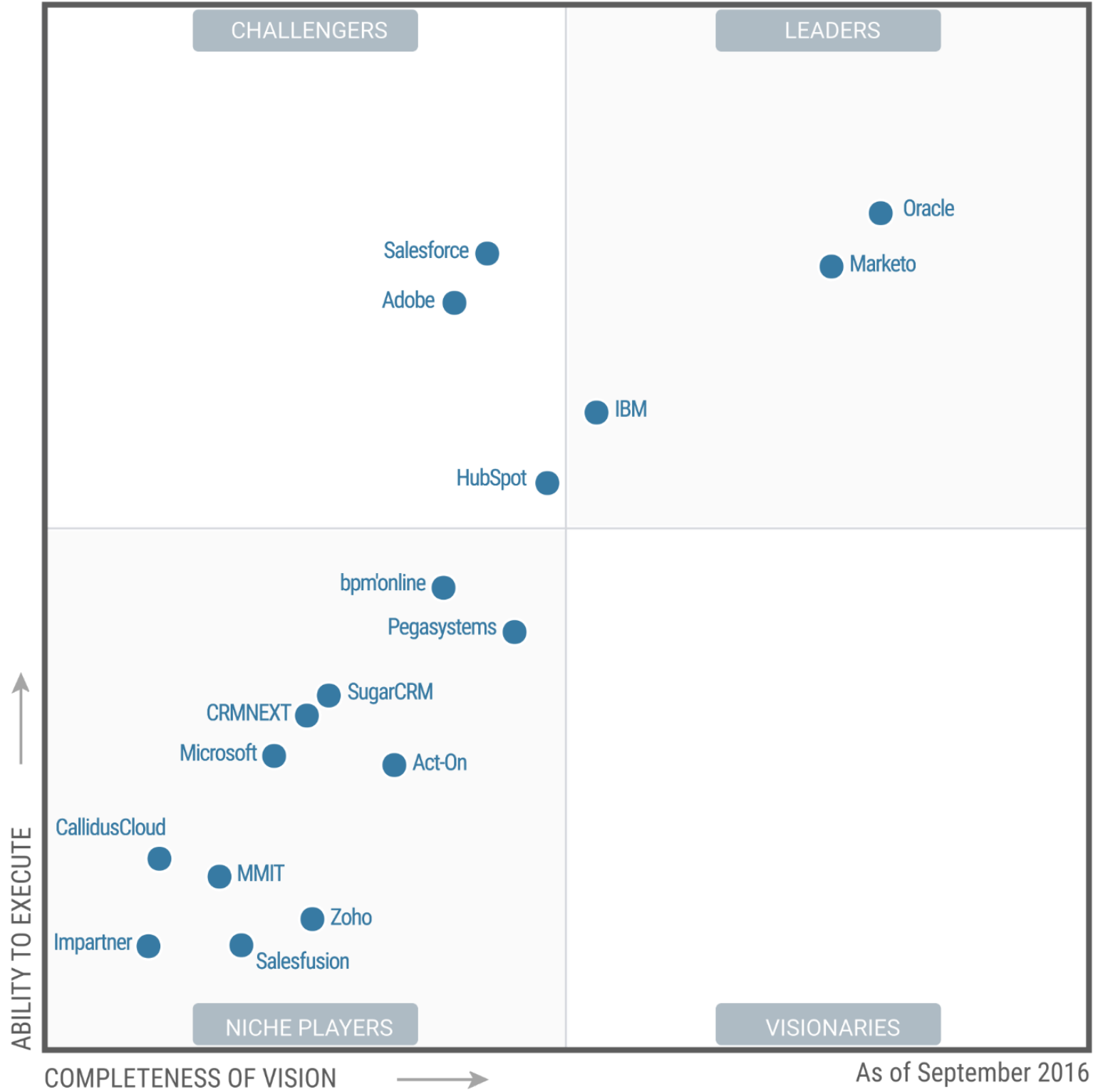
CRM lead management integrates business process and technology to close the loop between marketing and sales channels, and to drive higher-value opportunities through improved demand creation, execution and opportunity management.

Organizations implement CRM lead management applications primarily to support the sale of "considered purchases." A considered purchase is any product or service that represents a significant investment by the customer; that requires research by the customer or involves a complex product or service; or with which a customer has a strong emotional or business connection. These sales are made primarily using business to business (B2B) and business to business to consumer (B2B2C) models.

A CRM lead management product can be delivered as a stand-alone technology offering. Alternatively, a set of lead management functions can form part of a broader CRM, sales force automation (SFA), multichannel campaign management, integrated marketing management, marketing resource management or email marketing application. Offerings can be provided as multitenant SaaS, single-tenant SaaS or on-premises applications.

Magic Quadrant

Figure 1. Magic Quadrant for CRM Lead Management

CHALLENGERS | LEADERS

- Oracle
- Marketo
- Salesforce
- Adobe
- IBM
- HubSpot

- bpm'online
- Pegasystems
- SugarCRM
- CRMNEXT
- Microsoft
- Act-On
- CallidusCloud
- MMIT
- Impartner
- Zoho
- Salesfusion

NICHE PLAYERS | VISIONARIES

ABILITY TO EXECUTE

COMPLETENESS OF VISION

As of September 2016

Source: Gartner (September 2016)

Vendor Strengths and Cautions

Act-On

Act-On is a Niche Player that aims its B2B and B2B2C Act-On Marketing Automation product at small or midsize businesses (SMBs) and departments within large enterprises. Act-On has reported external investment of more than $70 million. It has approximately 4,800 customers. Gartner estimates that its 2015 revenue was approximately $40 million. Its headquarters is in Portland, Oregon, U.S.

STRENGTHS

Functionality for SMBs: Act-On provides marketing automation functionality, including email marketing, search engine optimization, content marketing, social media, funnel analytics and account-based marketing support, that is appropriate for its target markets. Its product is built on a NoSQL database. Reference customers gave Act-On higher-than-average scores for ease of deployment and resource requirements.

Integration: Act-On offers SFA integration with Microsoft (Dynamics CRM), NetSuite, Salesforce, SugarCRM and Zoho. Content management systems supported include Drupal, Joomla and WordPress. For online meetings and virtual events, Act-On's offering integrates with Cisco's WebEx, Citrix's GoToMeeting and ON24. Act-On uses Microsoft's Power BI for analytics and reporting capabilities, and integrates with retargeting vendors, direct mail vendors and content recommendation engines.

Management: Act-On has a new and experienced management team, brought in as part of its focus on moving "upmarket." This team is focusing on winning business from large, fast-growing companies, as well as securing longer contract terms.

CAUTIONS

Enterprise-readiness: Act-On has historically focused on SMBs, and on providing a cost-effective, easily implemented lead management solution. Although its focus is evolving to include departments of large enterprises, it currently has only a limited number of global deployments in large enterprises.

Roadmap: Some advanced lead management functionality, such as predictive business intelligence (BI) and predictive lead management, is not yet generally available from Act-On, although the company has this functionality on its product roadmap. Act-On received lower-than-average scores from reference customers for its product features and functionality.

Organizational change: Act-On has changed some of its senior management team. Although the new directions it has identified are positive, prospective clients should evaluate the company's progress.

Adobe

Adobe is a Challenger, based on Gartner's assessment of its broad, global presence in the field of marketing automation, the advanced functionality of its Adobe Campaign offering in several areas, and this solution's ability to work with other products from the Adobe Marketing Cloud and Creative Cloud. Adobe Campaign is best-suited to organizations that need to support both B2B and business to consumer (B2C) models, or that require lead management functions that are closely integrated with other Adobe solutions. Adobe's headquarters is in San Jose, California, U.S.

STRENGTHS

Product breadth: Adobe Campaign provides multidimensional segmentation, campaign creation and orchestration, real-time interaction, and reporting capabilities. It also offers campaign orchestration for online channels, such as email, the web, display advertising and mobile devices, as well as offline channels, such as direct mail and call centers. Adobe Campaign can be implemented as a managed service, as SaaS or deployed on-premises.

Global presence and partners: Adobe has a global sales and support presence. It has partnerships with service providers with B2B practices, including Celerity and Merkle; with digital agencies such as Cognizant, Deloitte Digital, Omnicom, Rosetta, SapientNitro and WPP; and with global service providers and marketing service providers including Accenture, Epsilon and Software Computing. Adobe also provides its own professional services, including strategic and consulting services.

Advanced functionality: Product enhancements include improved cross-channel campaign support and product recommendations; improved email marketing scalability; expanded "out of the box" reporting; and repackaging into three distinct editions. Adobe Campaign integrates with other Adobe Marketing Cloud solutions, including Analytics, Audience Manager, Experience Manager, Target and Core Services. Reference customers gave Adobe higher-than-average scores for its big data and advanced analytics, and for its predictive analytics for lead scoring.

CAUTIONS

B2C focus: Gartner estimates that approximately 25% of Adobe Campaign implementations support B2B marketing tactics, including lead management functionality. Adobe Campaign is best-suited to companies that require a combination of campaign management and lead management functionality, or

that require integration with other Adobe Marketing Cloud components. Reference customers gave Adobe lower-than-average scores for vision and product roadmap specifically in relation to lead management and B2B marketing.

Ease of use: Reference customers gave Adobe Campaign lower-than-average scores for ease of deployment and ease of use. They also noted that integration with some Adobe functionality outside Adobe Campaign requires a service engagement.

Cost: Adobe Campaign is a functionally rich but premium-priced product. In addition, reference customers gave Adobe low scores for the sales and contract negotiation process. Adobe Campaign may not be suitable for small organizations that are looking for a more basic, low-cost solution.

bpm'online

Bpm´online, a Niche Player, is a new entrant to this Magic Quadrant. It provides process-model-driven lead management capabilities by combining customer data with business process management tools. Currently, 2,450 customers use bpm'online's lead management functionality. Key industries for bpm'online include professional services, technology and financial services. Its headquarters is in Boston, Massachusetts, U.S.

STRENGTHS

Usability: Reference customers praise the usability of bpm'online marketing, the company's offering for lead management, which can serve as an entry point into bpm'online's CRM software. Bpm'online marketing enables expansion into other technologies offered by bpm'online, such as those for SFA and customer services and engagement.

Functionality: Reference customers value bpm'online's support for a variety of mobile phone, tablet and desktop devices. Bpm'online received high scores from reference customers for its ease of use and its product's features and functionality for lead management.

Platform: Bpm'online provides advanced business process model management capabilities and a dynamic case management platform, combined with a customer-centric business approach. Bpm'online has the ability to adapt quickly to rapid changes in buying behavior. Its delivery model supports both cloud and on-premises deployment.

CAUTIONS

Customer base: Bpm'online targets midsize companies and most of its customers (about 60%) are in Europe. Bpm'online has offices in the U.K., the U.S., Australia, Singapore and Eastern Europe, but it is mainly known in central Europe and the U.K. Clients with requirements outside bpm'online's core markets should assess the availability of sales and support resources at a local level.

Deployment: Some reference customers expected fewer resources to be needed to deploy bpm'online's software. This is partly due to bpm'online's support for the unique or complex sales processes that its customers use.

Languages: Bpm'online offers support in the following 10 languages: Czech, English, French, German, Hebrew, Italian, Portuguese, Romanian, Russian and Spanish. Companies requiring support in other languages should check whether bpm'online plans to meet their needs.

CallidusCloud

CallidusCloud is a Niche Player, based on Gartner's assessment of the lead management functionality native to its Lead to Money platform. CallidusCloud reported FY15 earnings of $173 million. Its headquarters is in Dublin, California, U.S.

STRENGTHS

Complementary sales tools: CallidusCloud offers a suite of sales tools for purposes including territory and quota management, configure, price and quote, sales enablement, incentive compensation, and contract life cycle management. Companies that have standardized on its sales performance management software can add lead management capability as an option.

Value and ease of use: Reference customers reported that CallidusCloud requires the least investment of all the vendors in this Magic Quadrant. They also gave above-average scores for its sales and contract negotiation process, ease of deployment, and resource requirements.

Customer identification and journey focus: CallidusCloud places emphasis on identifying unknown prospects — for example, via reverse IP address lookups and a partnership with Dun & Bradstreet NetProspex. CallidusCloud offers a retroactive matching feature for anonymous visitors; demographic and behavioral history is saved, and leads are created as prospective customers interact with the system (for example, by opening emails, visiting websites or submitting forms).

CAUTIONS

Focus on existing customers: CallidusCloud does not often sell its lead management functionality as a stand-alone module to new customers. Most of its lead management customers also use other parts of the CallidusCloud platform.

Basic functionality: Clients with complex lead management requirements should evaluate other vendors in this Magic Quadrant. CallidusCloud functionality, such as advanced lead scoring, requires customization. Reference customers gave CallidusCloud below-average scores for product features and functionality, ease of use, and lead management vision and product roadmap.

North American focus: Three-quarters of CallidusCloud's customers are in the U.S., although CallidusCloud does have some large customers in EMEA.

CRMNEXT

CRMNEXT, a division of Acidaes Solutions, is a Niche Player. It offers lead management capabilities to customers primarily in the banking, financial services and insurance industries. CRMNEXT's lead management system is provided as an integrated component of its core CRM product. CRMNEXT has headquarters in Noida, India.

STRENGTHS

Delivery models: CRMNEXT supports both the SaaS-based cloud model and on-premises deployment.

Scalability: CRMNEXT has several large customers, and in total supports over 140 clients. It can demonstrate success with some of the world's largest implementations (several have over 50,000 users), mainly for sales and service in banking environments.

Integration: Reference customers scored CRMNEXT highly for product features and functionality. Its Autonoma Integration platform enables integration of disparate applications. This capability can be valuable for large customers that need to integrate CRMNEXT's lead management capabilities with complex IT environments.

CAUTIONS

Limited reach: CRMNEXT's main market is India, where 65% of its customers are located; other regions supported include EMEA (20%) and Southeast Asia (10%). Organizations with requirements for support elsewhere should assess the availability of CRMNEXT's support for local data centers and delivery capabilities.

Languages: CRMNEXT supports the following languages: Arabic, Dutch, English, Malay, Spanish and several Indian languages. Global organizations requiring support in other languages should investigate when, or if, such support will be available.

Implementation: CRMNEXT received low scores from reference customers for the resources it requires for implementation. In particular, significant support from services is needed, which entails considerable investment.

HubSpot

HubSpot is a Challenger. Its lead management and marketing automation product is aimed primarily at SMBs, but it is also deployed by business units and departments of large organizations. HubSpot reported approximately $180 million in revenue and 18,000 customers as of our close-of-research date. Its headquarters is in Cambridge, Massachusetts, U.S.

STRENGTHS

Functionality: HubSpot provides a combination of email and social media marketing and content management functionality, along with integration with over 40 third-party applications, including Google Calendar, Salesforce Sales Cloud, SurveyMonkey and Zendesk. Functionality introduced in 2015 included predictive lead scoring, HubSpot CRM, the HubSpot Ads Add-on (for Google AdWords and LinkedIn Sponsored Update management), and an enhanced HubSpot Reporting Add-on.

Partners: HubSpot has almost 3,100 digital and marketing agencies that resell its offerings or provide associated services in 69 countries. HubSpot Connect, which is used by more than 60% of HubSpot customers, provides a central site from which to access both certified integrations supported by HubSpot and its partners, and partner-provided applications, integrations and add-ons.

Ease of use and value: Partly due to its SMB roots, HubSpot received higher-than-average scores from reference customers for its product features and functionality, support and service, ease of deployment and use, and resource requirements. HubSpot's license and deployment costs are also generally lower than many of the enterprise-scale lead management alternatives of competing vendors.

CAUTIONS

Focus on SMBs: Because HubSpot's solution is designed primarily for the needs of SMBs, it is not appropriate for large and global companies that require a highly scalable solution.

Limited predictive lead capability: HubSpot released its predictive lead scoring functionality in 2016. HubSpot claims that over 2,000 companies are using it, but reference customers awarded lower-than-average scores to HubSpot's capabilities for predictive analytics and lead scoring.

Missing integrations: Integration with some CRM applications, including Microsoft Dynamics CRM and SugarCRM, is not native to HubSpot but provided by a partner. However, HubSpot does provide a standard interface, HubSpot Connect, which is used by partners for integration with these and other applications.

IBM

IBM is a Leader. It delivers lead management functionality through a combination of components from the IBM Marketing Cloud and IBM Marketing Software, including IBM Silverpop Engage (IBM acquired Silverpop in 2014). The IBM Marketing Cloud was built on the foundation of Silverpop Engage, which provides much of the core functionality used for lead management, and includes other IBM marketing applications, which may be used to build a complete solution. IBM's headquarters is in Armonk, New York, U.S.

STRENGTHS

Product depth: IBM has several valuable components for marketing and sales departments, including IBM Campaign (based on the former Unica Campaign product), IBM Interact, IBM Tealeaf for marketing analytics, and IBM WebSphere Commerce, in addition to the IBM Marketing Cloud. Companies can use the IBM Marketing Cloud as their lead management tool and can broaden its functionality by integrating additional solutions.

Support for complex needs: IBM's lead management capabilities suit complex functional requirements and business needs. Customers should consider IBM if they have complex data management and data segmentation needs, require broad global support for implementations, or have unique requirements not met by other solutions.

Analytics: IBM has a strong portfolio of analytics solutions, which can be used in lead management efforts (they include functionality gained via acquisitions, such as those of Coremetrics and Tealeaf Technology). Further, IBM has invested in its Customer Experience Analytics portfolio of products, which includes IBM Tealeaf and IBM Journey Analytics. Additionally, IBM Universal Behavior Exchange enables marketers to act on data from a wide variety of channels.

CAUTIONS

Portfolio complexity: Customers examining IBM's diverse marketing products are often confused about which ones they need, based on their functional requirements — a complete lead management solution from IBM may require multiple applications. This confusion is reflected in the below-average scores that reference customers gave IBM for its lead management vision and product roadmap. Customers should understand the degree of integration between specific IBM products as they attempt to match their functional requirements to IBM's offerings.

Disparate deployment models: IBM offers some marketing products through its multitenant SaaS IBM Marketing Cloud and others under the umbrella of IBM Marketing Software, which can include both on-premises and hosted deployment models. The mix of deployment models and different editions is more complex than with other leading vendors. It requires prospective customers to deal with multiple technology stacks when choosing products from different solution sets, although reference customers did give IBM above-average scores for ease of deployment.

Marketing execution: Gartner sees IBM less frequently on shortlists for lead management software than other Leaders.

Impartner

Impartner, a new entrant to this Magic Quadrant, is a Niche Player, based on Gartner's assessment of its ability to integrate lead management functionality with its partner relationship management (PRM) applications. Impartner was founded in 1997 and has headquarters in South Jordan, Utah, U.S. It was acquired by Kennet Partners in March 2015.

STRENGTHS

Growth: Impartner doubled its customer base in the first quarter of 2016, compared with 2014. Following its acquisition by Kennet Partners, Impartner doubled its revenue in 2015. It is continuously enhancing its product depth.

PRM functionality: For customers that require PRM and lead management capabilities, Impartner offers an integrated toolset for lead generation, support for marketing development fund management, and seamless CRM integration of leads and campaigns.

Enhancements: Impartner has released product enhancements including a workflow builder that supports business process design capabilities as part of lead management operations. Impartner has enhanced its content management system to make it easier to use by nontechnical users in particular. It has also enhanced the interface of its mobile portal.

CAUTIONS

Functionality: Impartner primarily serves indirect sales channel markets that typically have simple marketing demands. Consequently, Impartner currently offers only basic lead-scoring functionality as part of its overall PRM solution, although it plans to enhance this in 2017.

Global delivery: Impartner's customers are mainly U.S.-based, though Impartner does operate globally through an international network of sales partners. Impartner has yet to report any large implementations outside the U.S., so prospective customers should evaluate its service and support resources in their regions.

Implementation: Impartner provides professional services for full implementation support, and does not typically engage service providers or partners for services. Although this approach is a differentiator for Impartner and appropriate for companies looking for a simpler PRM and lead management solution, customers that require extensive consulting or implementation resources for their lead management programs should compare Impartner's capabilities with those of other providers in this Magic Quadrant.

Marketo

Marketo is a Leader, based on Gartner's assessment of its B2B/B2B2C marketing automation and lead management functionality, revenue growth, market vision and roadmap. For 2015, Marketo reported revenue of over $200 million, 4,500 customers and implementations in several industries, such as high tech, business services, financial services, telecom, retail and media. Marketo's headquarters is in San Mateo, California, U.S. In August 2016, Vista Equity Partners finalized its acquisition of Marketo, which was previously a publicly traded company.

STRENGTHS

Functionality: Marketo continues to expand its marketing automation features in order to enter new vertical markets and provide a competitive combination of feature-richness, ease of use and short time to productivity. Reference customers gave Marketo above-average scores for its lead management vision and roadmap, integration with other applications, multichannel attribution, and digital marketing hub functionality.

Partners and ecosystem: Marketo has over 500 technology solutions in its LaunchPoint solution portal, which provide functionality to assist with advertising technology, analytics, content marketing and events, among other things. Its technology partners include Acxiom, Box, Citrix, Dun & Bradstreet, Lattice Engines and SAP Hybris. Marketo supports its own bidirectional integration with Facebook, LinkedIn, Microsoft (Dynamics CRM), Salesforce and Twitter. Partner-provided integrations support NetSuite and SugarCRM, among others. Marketo also supports third-party integration platforms, including those of Informatica, MuleSoft and TIBCO Software.

New markets: Marketo continues to enter new vertical markets — for example, several customers now use its software for B2C campaign management. Our interactions with users of Gartner's client inquiry service also indicate that Marketo is moving steadily upmarket by selling larger implementations to large, global customers.

CAUTIONS

Acquisition: The impact of the acquisition by a private equity firm on Marketo, its product roadmap and its current customers has yet to be determined. Companies evaluating Marketo should ask for details about its future direction.

Competition: Marketo competes against large vendors that have competitive lead management or marketing offerings — Adobe, IBM, Oracle and Salesforce, for example. Gartner believes that most of Marketo's customers also use Salesforce's Sales Cloud, although Marketo has expanded its base of customers that use Microsoft Dynamics CRM and Microsoft Dynamics CRM Online.

North American focus: Gartner believes that over 85% of Marketo's customers are located in North America. Although Marketo has recently made some progress in securing new customers in Europe and Asia, companies with a global presence should check Marketo's sales and support presence in regions where they have marketing operations.

Microsoft

Microsoft is a Niche Player, based on Gartner's assessment of its Dynamics Marketing product. Dynamics Marketing has bidirectional integration with Microsoft's two CRM products — Dynamics CRM Online (SaaS) and Dynamics CRM (on-premises) — which have over 4 million users globally. Dynamics Marketing is a SaaS product with monthly updates. Microsoft's headquarters is in Redmond, Washington, U.S.

STRENGTHS

CRM ecosystem: Microsoft's CRM products have grown solidly. With its prebuilt bidirectional integrations, Dynamics Marketing is a good choice for companies that have implemented other Microsoft CRM products or that want integration with other Microsoft products, such as Office, Exchange, SharePoint, SQL Server and Skype for Business.

Value: Microsoft offers a per-user license for Dynamics Marketing at $125 per user, per month. It also offers an Enterprise Edition, which includes Dynamics CRM, for $200 per user, per month, which is less expensive than several competing products. The per-user model is a good choice for companies with large lead databases that do not want to pay for a solution on the basis of a high number of inactive leads.

Product improvements: After entering the lead management market later than some of its competitors, Microsoft has added several new capabilities to Dynamics Marketing. These include an integrated marketing calendar, integration with Microsoft Power BI tools (to build custom reports and visualizations), lead scoring, and a gamification tool for sales teams. Microsoft also offers Social Engagement, a product that can be used as a social listening tool to automatically create leads based on social activity.

CAUTIONS

Mixed deployment models: Some organizations use Microsoft Dynamics CRM on-premises to capitalize on their existing investments in the on-premises Microsoft technology stack or to maintain control of data security. Although Microsoft facilitates integration between these on-premises solutions and Dynamics Marketing with an Azure-based integration, customers should consider the resource requirements needed to maintain this integration.

Integration requirements: Customers with non-Microsoft products will need to create custom integrations via APIs, which requires additional resources. Reference customers gave Microsoft below-average scores for the resources required to run lead management initiatives.

Product visibility: Despite product improvements, Gartner sees Microsoft Dynamics Marketing considered in very few lead management deals, and the ones in which it does appear are using Dynamics CRM or Dynamics CRM Online.

MMIT

MMIT is a Niche Player. It offers a lead management capability, 2Lead, which it sells primarily to large, global automobile manufacturers, importers and dealerships, and to related industries. MMIT's software has been implemented in more than 50 countries, and its customers include several well-known automotive brands. MMIT is a privately held company with headquarters in Amsterdam, Netherlands.

STRENGTHS

Manufacturing industry functionality: MMIT's 2Lead offers a set of lead management functions relevant to global automotive manufacturing and distribution businesses. It offers the ability to manage and analyze data from multiple sources (such as sell-through information and maintenance records) and to allocate leads to dealer groups and subdealers based on multiple allocation criteria.

Features and functionality: Reference customers gave higher-than-average scores to MMIT for its product features and functionality, ease of deployment, lead management vision and product roadmap.

Support for global, complex selling: MMIT sells 2Lead primarily to global automotive manufacturers and dealers. It supports over 30 languages; it can manage country-specific data norms, such as unique or unusual address formats; and it can allocate leads through multiple tiers of dealer or using various lead allocation and tracking methodologies.

CAUTIONS

Scope: MMIT is a relatively small, privately owned company that lacks the development, sales and marketing resources of the large vendors. It should, however, be noted that MMIT does sell to, and support, several large and global automotive manufacturing organizations.

Limited industry focus: MMIT focuses on manufacturers, dealers and importers in the automotive industry.

Partner ecosystem: MMIT's partner ecosystem is relatively small. MMIT handles much of its professional services business itself.

Oracle

Oracle is a Leader, based on Gartner's assessment of Oracle Eloqua's breadth of features for lead management and B2B marketing, its extensive ecosystem of technology and service providers, and its ability to draw on other assets in the Oracle Marketing Cloud portfolio. The Oracle Marketing Cloud addresses the needs of both B2C and B2B marketers. Oracle, which is headquartered in Redwood Shores, California, U.S., has acquired a number of companies, including BlueKai, Datalogix, Eloqua and Responsys.

STRENGTHS

Functionality: Oracle Eloqua provides a wide range of features and functions required for global B2B marketing and multichannel campaigns, including key performance indicators (KPIs) and analytics. Oracle Marketing Cloud products can also be used to build audience profiles (Oracle BlueKai), manage marketing and prospect data (Datalogix), and manage advertising spending (AddThis). Oracle provides several offerings for B2B marketing in industries including financial services, life sciences, insurance and manufacturing. Oracle Eloqua offers bidirectional integration with Oracle Sales Cloud, as well as with Microsoft (Dynamics CRM), NetSuite, Salesforce and SugarCRM offerings, among others.

Ecosystem: Oracle has a large global presence, a broad marketing application portfolio, and over 400 technology and service partners that add value to the Oracle Marketing Cloud. There is also an ecosystem of digital agencies with experience of Eloqua implementation. The Oracle Marketing AppCloud provides over 700 partner-provided integrations between Oracle Marketing Cloud assets and third-party technologies. Eloqua is integrated with the Oracle Data Management Platform, Oracle WebCenter Sites and Oracle Service Cloud, among other offerings.

Breadth: Oracle is building a portfolio of products in the Oracle Marketing Cloud that address the needs of both B2B and B2C marketers. Most of the functions that lead management/B2B marketers require are based on the Oracle Eloqua product. However, B2B marketing processes are increasingly taking on aspects of B2C, advertising technology marketing. As B2B marketers increasingly turn to advertising spending management, prospect and customer profile data, and to analytics to increase marketing effectiveness as an integral part of lead management, adjacent technologies from the Oracle Marketing Cloud can strengthen or extend Oracle Eloqua's functionality.

CAUTIONS

Integration: Oracle Eloqua integrates with several CRM applications and with its own ecosystem of partner technologies. Although Oracle Marketing Cloud has several integrations within its portfolio, Eloqua is not yet fully integrated with every product in the Oracle Marketing Cloud. Prospective customers should examine their current and future requirements in light of Oracle's technology roadmap, and be aware that additional professional services may be required for interoperability.

Complexity: Partly due to the scope and scale of enterprise implementations of Oracle Eloqua, reference customers noted the product's complexity and gave Oracle lower-than average scores for ease of deployment, resource requirements and integration with other applications.

Vision and cost: Reference customers gave Oracle below-average scores for its lead management vision and product roadmap. Users of Gartner's client inquiry service have expressed a desire for more clarity from Oracle in these areas.

Pegasystems

Pegasystems, a new entrant to this Magic Quadrant, is a Niche Player, based on Gartner's assessment of its integrated sales, marketing and BPM capabilities, which support B2B and B2B2C business models. The company's core product, Pega 7, is implemented primarily by enterprise organizations in the insurance, telecom, banking and healthcare industries. It enables lead management processes as an integrated feature of its core sales, support and marketing capability. Pegasystems reported 2015 revenue of approximately $680 million. It is headquartered in Cambridge, Massachusetts, U.S.

STRENGTHS

Functionality: Pegasystems provides an integrated set of BPM, sales, customer service and marketing functions in Pega 7. It enables lead management processes based on deep insight into customer behavior, customer data, and previous buying and investment patterns. All customer data and interactions are managed through Pegasystems' Customer Decision Hub (CDH), which enables predictive lead management capabilities, such as the ability for a salesperson or agent to make an optimal product recommendation, or the prioritization of multiple opportunities within the customer portfolio. Lead management capability is based on Pegasystems' CDH, CRM, SFA and multichannel campaign modules.

Industry expertise: Pegasystems' business is concentrated in the insurance, telecom, banking and healthcare sectors, for which it provides a deep level of industry-specific functionality and expertise.

Scope of product capabilities: Reference customers gave Pegasystems strong scores for PRM functionality and lead management. They also commended its ability to align lead process steps and status values with customers' selling processes. Additionally, Pegasystems' ability to convert leads into accounts, contacts and opportunities received high scores.

CAUTIONS

Platform dependence: Pegasystems' lead management functionality is dependent on implementation of Pega 7, as well as its CDH, SFA and marketing modules. Pegasystems is therefore not a lead management option for companies that are not standardizing on the broader Pegasystems portfolio for customer interactions.

Narrow product focus: The majority of Pegasystems' customers are large, global organizations. Pegasystems is not a realistic option for smaller, fast-growing organizations. Pegasystems has traditionally focused on a fairly small number of relatively large industries, and has only begun to serve the midmarket in the past couple of years.

Installed base: Only a small number of customers use Pega 7 for lead management, and some of its capabilities — including predictive lead management — are in the earlier stages of development.

Salesforce

Salesforce is a Challenger, based on Gartner's assessment of its Pardot product's functionality and ease of use, and its ability to benefit from Salesforce's large presence in the CRM and SFA markets. Pardot is sold separately from Salesforce Sales Cloud, but can augment its lead management capabilities with adjacent Salesforce technologies, including Marketing Cloud, Sales Cloud and Data.com, and with applications on the extensive Salesforce AppExchange. Salesforce's headquarters is in San Francisco, California, U.S.

STRENGTHS

Growth potential: Salesforce has a large installed base to work from — over 150,000 organizations use its software, and 35% of the reference customers surveyed for this Magic Quadrant were already using other Salesforce software. Gartner clients show steady interest in Pardot. Furthermore, Salesforce Engage, which enables sales teams to perform some aspects of lead management, gives Salesforce the opportunity to sell Pardot to sales organizations, in addition to marketing organizations. Pardot has a strong presence outside North America — Gartner estimates that approximately 30% of Pardot customers are located outside this region.

Complementary applications: Pardot customers can draw on additional marketing applications via other Salesforce solutions, such as Salesforce Sales Cloud, Data.com and Marketing Cloud. Additional applications can be integrated from the Salesforce AppExchange. Additionally, unlike other lead management applications, which may incur fees for API calls to Salesforce products, Pardot offers unlimited API calls when connecting to other Salesforce products.

Product improvements and ease of use: Recent Salesforce product improvements include connectors to Gmail and Microsoft Outlook, availability of multiple scoring models, and a new UI aimed at improving usability. This is reflected in reference customers' survey responses, which gave Pardot above-average scores for ease of use and number of resources required to run. In addition, Salesforce has added industry-specific workbooks in an effort to reduce implementation times.

CAUTIONS

Limited advanced functionality: Customers undertaking large, complex installations should seek reference customers with similarly sized lead databases, functional requirements or global deployment needs to determine whether Salesforce Pardot will meet their needs. Reference customers gave Pardot below-average scores for product features and functionality. Although Pardot content can be created in any language, the Pardot UI is available in English only.

Lightning and Wave: Support for the Salesforce Lightning UI/user experience and for Salesforce Wave Analytics, as well as for predictive lead scoring, was not available in the Spring 2016 release evaluated for this Magic Quadrant. However, support for Lightning and Wave is planned for the Winter 2017 release.

Non-Salesforce CRM customer support: As Pardot is sold almost exclusively to companies using Sales Cloud, customers running Microsoft Dynamics or other CRM solutions should evaluate Salesforce's focus on supporting integration with their systems.

Salesfusion

Salesfusion is a Niche Player. It is one of the smaller companies in this Magic Quadrant, having approximately 400 customers and revenue of about $5.5 million. Its headquarters is in Atlanta, Georgia, U.S.

STRENGTHS

CRM-agnostic: Salesfusion offers bidirectional, native integration with several CRM platforms, including those of Infor, Microsoft (Dynamics CRM), NetSuite, Sage, Salesforce and SugarCRM.

Simplified pricing: Salesfusion offers a single pricing package for unlimited users, unlimited sending of email, and out-of-the-box CRM integrations, with a one-time onboarding fee.

Advanced lead scoring: Contact- and account-based scoring are supported by Salesfusion, along with the ability to have multiple lead-scoring models.

CAUTIONS

SMB/midmarket focus: Three-quarters of Salesfusion's customers have revenue of between $1 million and $100 million. Clients with larger contact databases and complex requirements should evaluate Salesfusion's functionality and scalability against larger competitors. Reference customers gave Salesfusion below-average scores for product features and functionality, and for lead management vision and product roadmap.

North American focus: A large majority (87%) of Salesfusion customers are in the U.S. and Canada. Its platform is available only in English and French.

Integration with third-party applications: Clients with requirements for integration with non-CRM applications should check Salesfusion's integration capabilities. Reference customers gave Salesfusion low scores for ease of use and integration with other applications.

SugarCRM

SugarCRM is a Niche Player, based on Gartner's assessment of the lead management functionality that is a core component of its CRM offering. Most of SugarCRM's customers use some of its lead management capabilities. SugarCRM issues one or two major releases per year; the current version is Sugar 7.7. The company's headquarters is in Cupertino, California, U.S.

STRENGTHS

Flexibility: SugarCRM offers three different editions (Professional, Enterprise and Ultimate) and three different deployment models for each edition: SaaS, on-premises and hosted. SugarCRM's software is based on the open-source LAMP stack.

Value: SugarCRM offers a competitive price with a simple per-user, per-month model, which makes it suitable for companies that require a low-cost solution. In addition, reference customers gave SugarCRM above-average scores for its sales and contract negotiation process.

Growth and improved delivery network: SugarCRM has achieved consistent year-over-year growth in revenue and customers. It has expanded its implementation capabilities through partnerships with solution integrators including IBM, Infosys and Wipro.

CAUTIONS

Basic functionality: Customers with complex requirements should compare SugarCRM's more basic functionality with that of other vendors in this Magic Quadrant. Reference customers gave SugarCRM below-average scores for product features and functionality, and for lead management vision and product roadmap. However, Enterprise Edition 7.7 has advanced workflow functionality that most reference customers would not yet have implemented.

Integration requirements: Some of SugarCRM's functionality requires integration with other systems or tools. Examples are lead acquisition through social channels, advanced lead scoring, advanced lead nurturing, KPIs and scorecards.

Enterprise targeting: SugarCRM is trying to penetrate the large-enterprise market and de-emphasizing sales to smaller companies. SMBs considering SugarCRM should check that its long-term roadmap meets their needs for ease of use and low resource requirements.

Zoho

Zoho is a Niche Player with a lead management offering that is part of its CRM solution, Zoho CRM. Gartner estimates that Zoho's annual CRM revenue is less than $50 million and derived mostly (about 65%) from U.S.-based customers. Zoho's headquarters is in Pleasanton, California, U.S.

STRENGTHS

Pricing: Zoho CRM is a cost-effective solution for SMBs. Zoho allows customers to sign up for a monthly fee and to cancel at any time. It also offers annual incentives and multiyear license options.

Multichannel functionality: Once a lead has been entered into Zoho CRM, Zoho's multichannel communication management feature provides marketers and sales representatives with a single platform from which to communicate with prospective customers across multiple channels. The channels included are email, phone, chat, social and in-person. By setting up automatic workflow processes, the product enables a seamless transition from marketing to sales teams.

Value: Zoho SalesIQ is a feature that uses website visitor data to maximize sales data. Organizations can score their leads based on predefined criteria, and use this data to identify which deals are most likely to close next.

CAUTIONS

Lack of advanced features: Some of Zoho's advanced lead management features are available only in its Professional and Enterprise editions. Customers requiring functions such as workflow automation, call center connectors, web form lead owner notification, web hooks, time-based actions, assignment rules and lead capture from social media channel functionality will need one of these editions.

Integration: Reference customers gave Zoho's lead management CRM software low scores for integration with other applications. Organizations that require integration with applications other than those provided by Zoho should evaluate Zoho against other lead management and CRM vendors.

Product depth: Zoho sells primarily to small organizations requiring basic, cost-effective functionality. One reason why global organizations are probably not attracted by Zoho CRM is its ability to handle only 10 currencies, at most. In addition, reference customers indicate that the product's expandability is rather limited.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant 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.

Added

bpm'online

Impartner

Pegasystems

Dropped

None.

Inclusion and Exclusion Criteria

Inclusion Criteria: Company

To be included in this Magic Quadrant, each vendor had to demonstrate that it had:

Proven ability to deliver CRM lead management application functionality, as defined in the Inclusion Criteria: Technology section below.

A minimum of 12 customers that had deployed its CRM lead management application in a production implementation in the previous 12 months.

A sales and customer support presence in at least two of the following three regions: Asia/Pacific, EMEA and North America/Latin America.

Corporate business viability, by, for example, generating a minimum of $20 million in CRM lead management revenue in the past year. Vendors that provide lead management as part of a feature within an application suite (such as a CRM or multichannel campaign management suite) had to have generated at least $20 million from licensing of that suite.

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

Inclusion Criteria: Technology

To be included in this Magic Quadrant, each vendor also had to fulfill the following criteria with a standard part of its application — it could not 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 minimum, lead collection, analytics, augmentation, scoring, process management and nurturing across at least three lead generation and lead management channels within a single campaign.

Support digital and nondigital lead management channels within the same campaign:

Digital lead generation channels include websites, web landing pages and microsites; e-commerce sites; email marketing; online webinar and conference services; video and interactive applications; and social sites.

Traditional or nondigital lead management channels include presales or marketing qualification applications (such as inside sales channels and call/contact centers); print-on-demand services; direct mail marketing; tradeshows, seminars and other in-person events; and third-party databases/lists.

Lead aggregation/lead database — the ability to:

Collect, store, execute on, import/export, analyze and report on leads.

Lead input capabilities must support both online real-time/near-real-time processes and offline, batch input of data.

The vendor does not need to provide a database, but a data model and an ability to collect/source data that will be stored in a database are required.

This criterion 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 leads into the lead management application.

Collect and build demographic and behavioral history in a lead management database for individual unqualified leads as they mature through the lead management application.

Analytics, KPIs and BI — the ability to:

Use integration tools (such as APIs and XML tools) to transfer data between applications, including both source applications (such as those of third-party data providers, referral systems and websites) and execution applications (such as SFA, contact center and email applications) for 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 and quality.

Provide preconfigured reports, management and sales dashboards, metrics and KPIs as a standard part of the application (rather than, for example, as a customization).

Monitor, access and report on data stored in the lead management application or in CRM/SFA applications to enable closed-loop marketing analytics.

Provide real-time graphical representations of data and metrics appropriate for marketing, sales and executive users.

Support or integrate with mobile devices used by customer-facing sales teams.

Provide, either by itself or through a partner, professional services and consulting that guide user organizations in the use of analytics, KPIs and BI to 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, in order to create a lead management application that dynamically routes leads through lead-scoring, qualification, augmentation and distribution processes based on execution criteria (such as geography, estimated value and the status of prior process steps).

Pass leads dynamically to a sales execution system (such as an SFA, PRM, call/contact center or digital commerce system) 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 minimum, maintenance (building relationships with a view to longer-term selling), execution (selling to clients at appropriate times) and removal of inactive leads from the database.

Integrate with web content management (WCM) systems used to develop, store and maintain content in the context of lead-nurturing activities. Integration with WCM systems can be provided as an integral feature of the lead management product or via a third-party vendor or partner.

Integration with sales applications — the ability to:

Support bidirectional integration with CRM/SFA applications (such as Microsoft Dynamics CRM/Dynamics CRM Online, Oracle Sales Cloud, SAP CRM, and offerings from Salesforce and SugarCRM).

Pass qualified leads to a channel sales organization (such as a value-added reseller, distributor, agent, broker or reseller) as an automatic function of the lead management process, and to track the status of those leads automatically through integration with a CRM, SFA or PRM application.

Integrate with a digital commerce or e-commerce application to dynamically pass qualified prospects on 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.

Lead augmentation — the ability to:

Append missing or additional information (such as missing email fields) to leads from external, third-party sources, and to integrate with, and store this information in, a 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 leads with additional collateral or value-added content, such as documents, spreadsheets, videos and web-based content, to increase the lead score and the probability of closure. This ability can be provided as a native feature of the product 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 campaign, product type, customer segment, estimated customer value and opportunity value, to execute multiple lead qualification and scoring processes simultaneously.

Dynamically route leads that meet the 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 Facebook, LinkedIn and Twitter, as well as with major CRM, SFA, e-commerce, customer support, social, virtual-event, marketing data, and customer management applications and 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

Table 1. Ability to Execute Evaluation Criteria

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

Source: Gartner (September 2016)

Completeness of Vision

Table 2. Completeness of Vision Evaluation Criteria

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

Source: Gartner (September 2016)

Quadrant Descriptions

Leaders

Leaders 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, and the ability to integrate with both digital channels (such as email marketing, social channels and online webinars) and traditional or nondigital marketing channels (such as in-person trade events and educational seminars, print-on-demand capabilities, and third-party customer or list data).

Leaders have developed an ecosystem of technology partners and provide deep integration, including formal and documented technical support and customer support with key applications that support CRM/SFA, predictive analytics, BI and analytics, social CRM, online meetings and events, and WCM.

Leaders can provide in-depth professional services and consulting through their own services organization and partnerships with leading solution providers, management service providers or consulting organizations.

Leaders have demonstrated an ability to sell and support enterprise-scale customers and deployments on a global basis.

Leaders 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 industry and their customers show high levels of satisfaction and success with their implementations.

Challengers

Challengers offer a breadth of functionality, but lack the depth of functionality of Leaders.

Challengers often provide CRM 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.

Challengers' lead management capabilities are not "best of breed," but these vendors have a highly visible market presence and provide adjacent applications or integration with CRM/SFA, predictive analytics, BI and analytics, social, online meetings and events, or WCM capabilities.

A key value proposition for Challengers is integration with currently implemented technology or infrastructure.

Challengers are often slower to react to changes in the market than Leaders and lag behind them.

Challengers often depend on sales to their existing customers.

Visionaries

Visionaries have a strong vision for a set of technologies that includes CRM 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 the market's momentum by emphasizing their role in the ecosystem as they invest in research and development or acquisitions to increase their market presence and potentially become Challengers or Leaders.

Visionaries are thought leaders and innovators that have yet to achieve broad market penetration and adoption. They often have a strong presence in a small number of industries or a limited geographic region.

Visionaries may come from an adjacent market sector and be looking to expand their total addressable market by moving into CRM lead management.

Visionaries may have a strong vision and roadmap for technology, but they lack the Ability to Execute demonstrated by Leaders.

Niche Players

Niche Players provide a basic set of CRM lead management features to a narrow segment of the market.

Niche Players' target markets are often defined by their industry expertise or the dependency of their lead management capability on their core product, such as a CRM suite with an integrated lead management capability that cannot be accessed without implementing that suite.

Niche Players may attempt to extend their functionality and win customers through extensive professional services engagements.

Niche Players may be limited in their geographic reach, partner relationships and the scalability of their solution. They appeal to customers with limited budgets or constrained technology resources, or those that do not require the depth of functionality provided by Leaders or Challengers.

Niche Players often lack vision, or are unable to deliver on their vision.

Context

This is the fifth consecutive year in which Gartner has published a Magic Quadrant on CRM lead management. During that time we have seen this market steadily grow, evolve and mature as vendors' offerings have become broader and functionally richer and as user organizations have come to understand the value of these applications. This market has also benefited from users' interest in the broader marketing automation sector, and from large vendors' acquisitions of smaller marketing vendors in the past three years.

Although investment in CRM lead management applications continues to grow, the associated evaluation cycle — in vendors' terms, the selling cycle — has gradually lengthened and grown more complex. This is partly due to the broadening of the marketing application product portfolios of many of the large vendors, mainly as a result of acquisitions. It is also partly a reflection of the need for CRM lead management applications to integrate not only with SFA applications, but also with other corporate applications, systems of record, and databases adjacent to lead management.

Major market trends in the past 12 months include:

Continued investment in CRM lead management applications.

Growing maturity on the part of user organizations, and longer product evaluation and sales cycles. This is driven in part by the need for lead management technologies to integrate with existing CRM, customer experience and digital commerce technologies. It is also driven by the growing product portfolios of several of the major vendors in the marketing automation segment, which necessitates deeper product and roadmap evaluations by prospective customers.

A slowing in the pace of the merger and acquisition activity of recent years.

Increased industry specialization either by vendors that have developed unique product configurations or service packages to meet industry requirements, or by vendors' partners that provide the industry knowledge, product configuration skills and professional services required to provide industry-specific solutions. As the market continues to mature, Gartner expects to see more industry-specific functionality developed. Several of the Niche Players exemplify this increasing industry focus.

A stronger focus on ease of use, redesigned UIs and integration with other applications, as opposed to new, complex lead management functionality (that may exist in only a few vendors' products).

Increased penetration of smaller companies that may not have considered CRM lead management products previously due to their perceived complexity or implementation resource requirements.

Emphasis on increasing collaboration between marketing and sales departments, fostered by functionality within CRM lead management products.

A growing range of new technologies and approaches to B2B marketing, such as predictive marketing analytics and lead management, and account-based marketing.

Market Overview

The CRM lead management market continues to attract customers' interest and investment as they increasingly recognize the value of marketing automation and look to maximize their investments in CRM and SFA platforms.

CRM lead management applications are used primarily by B2B organizations in industries such as high technology, business services and manufacturing, and by companies with B2B2C sales models, such as those in the insurance, wealth management and investment sectors.

Deployments typically focus on managing a relatively small number of high-value prospects or sales opportunities, with the aim of converting contacts into scored, sales-ready leads. By contrast, B2C and campaign management applications typically manage large volumes of relatively low-value contacts with the aim of raising awareness of a company, its brands or its promotions.

CRM lead management applications are usually based largely on the number of leads in that database. Depending on the vendor and the application, the database might contain from 10,000 to 250,000 contacts, or even more. Additional functionality, such as sales-facing applications that integrate with the lead management platform, is licensed based on the number of users or seats.

Key findings from the 155 reference customers surveyed as part of our research for this Magic Quadrant include the following:

Marketing departments remain key sponsors of lead management projects in 51% of the reference customers' companies. The corresponding figures for other departments and for senior management are as follows: sales department, 18%; senior management, 12%; IT department, 11%. These figures are virtually unchanged from the 2015 survey results.

Lead management is recognized as making a significant contribution to the organization in most cases: 41% of the reference customers ranked the impact of lead management programs on the achievement of sales and revenue objectives as very high; 34% said it was high; and 20% said it had medium impact. Again, these results are highly consistent with the results of the 2015 survey.

The main challenges to lead management projects were identified as lack of alignment of marketing, sales and other customer-facing departments (58%); lack of sufficient resources or time within the marketing department (48%); integration of lead management with other applications or business processes (40%); and measurement of business impact via analytics, BI tools or KPIs (33%).

When asked which of the following technologies their organization intended to invest in during the coming months, the reference customers identified KPIs, dashboards and reporting (46%); predictive analytics for lead scoring (42%); big data and advanced analytics (40%); and customer journey mapping (32%).

Acronym Key and Glossary Terms

Marketing automation	A segment of CRM, marketing automation, as defined by Gartner, is a general term for several types of marketing functionality: analytics for CRM, CRM lead management, multichannel campaign management and marketing resource management

Evidence

This Magic Quadrant draws on several sources of information, including primary research conducted by Gartner.

We conducted a survey of 155 reference companies in May 2016.

We also drew on information gathered over the past five years from users of Gartner's client inquiry service who were evaluating, implementing or using CRM lead management technologies.

In addition, we used publicly available sources of information.

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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