

Magic Quadrant for CRM Lead Management

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[VIEW SUMMARY](#)

Investment in lead management continues to be healthy, but market consolidation has lengthened evaluation and sales cycles. Leaders in marketing and IT need to assess vendors' visions of a single marketing automation suite against their own tactical and strategic business requirements.

Market Definition/Description

Lead management processes take in unqualified contacts and opportunities from a variety of sources, including Web registration pages and campaigns, direct mail campaigns, email marketing, multichannel campaigns, database marketing and third-party leased lists, social media, tradeshows, webinars and other events. The output of lead management processes — qualified, scored, nurtured, augmented and prioritized selling opportunities — is handed off to direct, indirect or e-commerce sales channels for action and closure. Lead management integrates business process and technology: to connect marketing with direct or indirect sales channels, and to identify and develop higher-value opportunities through improved demand creation, execution and opportunity management.

CRM lead management applications are primarily implemented to support the sale of considered purchases. A considered purchase is any product or service that represents a significant investment for the buyer, that requires research or involves a complex product/service, or that has a strong emotional or business affinity for the prospect. Companies that implement lead management processes are primarily B2B or business-to-business-to-consumer (B2B2C) business models, but business-to-consumer (B2C) organizations selling high-value, complex products — such as financial services, insurance, capital-intensive consumer products, and sports and entertainment — are also investing in and implementing lead management applications.

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Magic Quadrant

Figure 1. Magic Quadrant for CRM Lead Management



ACRONYM KEY AND GLOSSARY TERMS

B2C	business-to-consumer
BI	business intelligence
KPI	key performance indicator
M&A	merger and acquisition
MCCM	multichannel campaign management
MRM	marketing resource management
PRM	partner relationship management
SFA	sales force automation
SMB	small or midsize business
WCM	Web content management

EVIDENCE

This Magic Quadrant is based on several sources of research, including primary research conducted by Gartner that included: surveys conducted with vendors that provide CRM lead management technology or services; surveys conducted with reference end-user organizations that have deployed lead management solutions; and inquiries conducted with Gartner clients evaluating, implementing, or using CRM lead management technologies during the past three years. In addition, Gartner has used secondary and publicly available information sources.

NOTE 1

VENDOR HISTORY

Adobe — Acquired Neolane in July 2013; Neolane was included in the 2013 and 2012 Magic Quadrants
 Callidus — Included in the 2013 Magic Quadrant, as CallidusCloud
 IBM — Included in the 2013 and 2012 Magic Quadrants: as Unica in 2012; renamed as Enterprise Marketing Management and part of a broader suite in 2013; renamed as ExperienceOne in 2014, and broadened once again to a bundled product category.
 Marketo — Included in the 2013 and 2012 Magic Quadrants
 Microsoft — Included in the 2013 and 2012 Magic Quadrants. In 2012 and 2013 we evaluated features in Dynamics CRM; in 2014 we have evaluated features of its Dynamics Marketing product.
 Oracle — Specifically Eloqua this year, which was included in the 2013 Magic Quadrant.
 Oracle (Siebel) was also present in the 2013 and 2012 Magic Quadrants, but did not meet the criteria for this year.
 salesforce.com — Included in 2013 and 2012 Magic Quadrants, but this year we are particularly looking at Pardot, which was covered under ExactTarget in the 2013 Magic Quadrant. Pardot was acquired by ExactTarget in 2012, and ExactTarget was acquired by salesforce.com in July 2013.
 Silverpop — Included in the 2013 Magic Quadrant
 SugarCRM and Zoho are new to this Magic Quadrant

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,

Source: Gartner (June 2014)

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Vendor Strengths and Cautions

Adobe

Adobe Campaign (formerly Neolane) is a Challenger in this year's Magic Quadrant, based on its lead management capabilities, and integration with Adobe technologies and partner ecosystem. (Neolane was ranked as a Visionary in the 2013 Magic Quadrant.)

Strengths

Technology and integration: Adobe Campaign supports multiple lead management campaigns — across countries and languages — on a single instance, and integrates with Adobe Experience Manager and with Microsoft Dynamics CRM, salesforce.com and other CRM/sales force automation (SFA) applications.

Viability and ecosystem: The acquisition by Adobe provides financial viability and a strong technology partner and services ecosystem. Adobe Campaign supports clients in media, life sciences, financial services, high tech and telecommunications. The partner ecosystem includes several major digital agencies and service providers.

Analytics: Adobe Campaign leverages data and analytics from Adobe Analytics, Adobe Experience Manager and Omniture, and tags from Adobe Marketing Cloud.

Cautions

Multichannel campaign management (MCCM) focused: The majority of Campaign implementations support MCCM business models. Prospective customers should be aware that Adobe's focus is currently oriented primarily toward MCCM use models in B2C industries.

Field expertise and support: Adobe's sales teams have been trained on Campaign, but Adobe is relying on specialist sales teams for deeper levels of expertise. Prospective Campaign customers should evaluate the availability and ability of their team to support their needs both locally and globally.

Integration: Reference users gave Adobe Campaign lower-than-average scores on lead management vision and product road map direction, and on its ability to integrate with other applications.

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Callidus Software

Callidus is a Niche vendor, providing lead management as part of the CallidusCloud Marketing Automation product.

Strengths

Sales focus: CallidusCloud Marketing Automation supports complex B2B sales cycles, including lead management. Lead to Money Cloud provides additional functionality, such as configure, price and quote and territory management.

Integrated functionality: Lead management is supported as part of CallidusCloud Marketing Automation, providing simpler implementation and eliminating the need for another product for CallidusCloud users. Marketing Automation is also integrated with Microsoft Dynamics CRM, Oracle Sales Cloud, salesforce.com, SugarCRM and Zoho.

Partner management: CallidusCloud marketing automation supports lead management for indirect and channel sales models. Partners can access functionality including workflows, lead scoring, lead nurturing and the ability to create Web landing pages or run email campaigns.

Cautions

Callidus centric: The lead management capability is an integral set of features within the Marketing Automation product, and is implemented most frequently by companies that use, or plan to use, other CallidusCloud products.

Complex sales focus: CallidusCloud provides functionality that is appropriate for customers in the B2B space that employ a sales force to manage a complex sales process — where their lead management requirements may not be as complex as others.

Road map: Clients should evaluate CallidusCloud's long-term development and product road map, and evaluate its lead management capabilities as one set of features within a broader product line.

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IBM

IBM is a Challenger in this year's Magic Quadrant; the ExperienceOne product line is appropriate for companies with large, global or broad lead management requirements that also need marketing automation capabilities within the same platform. ExperienceOne includes the former Enterprise Marketing Management (EMM) product, WebSphere Commerce, and Customer Experience. This Magic Quadrant evaluated the IBM Leads product (formerly part of Unica).

Strengths

Product breadth: IBM Leads supports complex lead management capabilities, and is part of the ExperienceOne product line that includes Leads, Campaign, eMessage, SPSS Modeler Advantage, Tealeaf and several other products. In May 2014, IBM finalized its acquisition of Silverpop (a Niche lead management and email marketing vendor also covered in this Magic Quadrant). IBM Leads integrates with salesforce.com, Oracle Sales Cloud and others. IBM references gave high scores for features and functionality, and also for ease of use.

Scope: ExperienceOne is installed in approximately 3,000 companies worldwide, in the finance, telecommunications and high-technology industries. IBM reported 2013 revenue of

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.

\$99 billion; Gartner estimates its lead management revenue to be between \$30 million and \$40 million.

Focus: IBM is focused on marketing applications as a major area of investment. The company has restructured the Unica platform (that IBM Leads and Campaign are based on) to simplify the buying and implementation process. IBM has raised awareness of its marketing thought leadership through research initiatives such as its annual chief marketing officer (CMO) survey.

Cautions

Best for large organizations: IBM Leads is best for large, global organizations with complex lead management, data management and analytics requirements. Companies looking for focused lead management capability and a shorter time to productivity should evaluate ExperienceOne against the Leaders in this Magic Quadrant, and invest based on their business requirements.

Mix of on-premises and SaaS: A complete IBM lead management solution is likely to include both SaaS and on-premises technologies, which may complicate deployments and licensing terms. References gave IBM lower-than-average scores on its sales and contract negotiation process.

Implementation complexity: IBM's product portfolio provides breadth of functionality, but in most cases a complete solution involves implementation of multiple products and deployment models. Reference users gave IBM Leads lower-than-average scores for ease of deployment.

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Marketo

Marketo is once again a Leader in the Magic Quadrant. Marketo completed an initial public offering in 2013, reported 64% growth from 2012, and 2013 revenue of \$95 million. The company has about 3,000 customers, with 85% of its revenue coming from North America; industries include high technology, business services and healthcare.

Strengths

Time to productivity: Marketo continues to be popular with companies that need robust lead management capability combined with a short time to productivity, a relatively easy learning curve, and bidirectional integration with salesforce.com, Microsoft Dynamics CRM, SAP CRM, and SugarCRM. Reference companies praise Marketo for ease of use and depth of functionality. Marketo is popular with smaller organizations or with divisions/departments within larger organizations: 73% of Marketo customers have fewer than 1,500 employees, although the company added several large companies to its installed base during 2013.

Product development and agility: Marketo continues to react quickly to changes in the lead management market by adding: new functionality such as Solr support to manage large datasets; predictive algorithms to dynamically deliver content; and integration with Box for content storage. In 2013, Marketo added marketing resource management (MRM) capability for managing marketing budgets and programs; and in April 2014, announced Beta availability of its "cobalt" UI, which adds support for touch and the ability to create lead management campaigns using tablets running the iOS, Android or MS Surface operating systems.

Customer base and ecosystem: Marketo added several large customers during 2013, has more than 3,000 customers overall, and has over 250 solutions from its LaunchPoint partner program and Program Exchange — including Acquia, Box, Demandbase, HootSuite, Gigya and Magento.

Cautions

Competition: In the wake of several merger and acquisition (M&A) events during 2012 and 2013, Marketo is one of the few remaining independent lead management vendors and could be an acquisition target itself. Gartner estimates that 70% to 80% of Marketo users are integrated with salesforce.com, and that salesforce.com's own Marketing Cloud applications will pose an increasing competitive threat.

North America focus: 85% of Marketo's revenue comes from North America; however, it has expanded its offices in Europe, Australia and Japan and has recently closed licensing deals with several large global companies.

Future development: Marketo must continue to react quickly to the evolving marketing automation market. Several competitors now have access to Web content management (WCM), data segmentation tools, or mobile device support from their parent company's portfolio — albeit often not yet deeply integrated. Marketo will have to develop these capabilities organically or continue to extend its technology partnerships.

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Microsoft

Microsoft is a Niche vendor in this market. Dynamics Marketing, a renamed and enhanced version of MarketingPilot, was released in 2Q14.

Strengths

Microsoft: Microsoft has a strong presence in CRM, with Dynamics CRM and CRM Online as Leaders in the Magic Quadrant for Sales Force Automation. Dynamics Marketing provides deeper lead management functionality than the native functionality of Dynamics CRM. Common technology roots help to simplify implementations and integration.

Value: Dynamics Marketing is an appropriate add-on solution for companies that have standardized on Dynamics CRM and that require integration with other Microsoft technologies — such as Office, Exchange and SharePoint.

Broader marketing functionality: Dynamics Marketing is based on the MarketingPilot acquisition that was primarily MRM. Microsoft has extended and renamed this product to provide lead scoring, a campaign management console used to develop lead management workflows, an improved UI, and better analytics and business intelligence (BI) visualization. Dynamics Marketing's channel support includes email, Web landing pages and social lead

capture, as well as print on demand and event management.

Cautions

New release: Dynamics Marketing is a major extension to MarketingPilot and should be evaluated as a new product. Dynamics Marketing was released in 2Q14 and has few, if any, production implementations to reference.

Integration: Bidirectional integration with salesforce.com or other CRM products is not available without additional development. Companies that are using products other than Dynamics CRM should evaluate the integration and functionality of Dynamics Marketing against competitive products with a longer history of packaged and supported integration with those other products.

Late to market: Microsoft is late to the lead management market. Marketing automation and lead management have been key areas of investment and competitive activity during the past three to four years, and several large vendors are now established with well-known and well-respected products.

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Oracle

Oracle's Eloqua, part of the Oracle Marketing Cloud, continues to be a Leader in the Magic Quadrant based on product functionality, customer references and its ecosystem of partners and marketing service providers. Gartner estimates Oracle Eloqua revenue to have been over \$100 million in 2013.

Strengths

Functionality: Eloqua continues to be a Leader in lead management, based on broad lead management functionality such as: the ability to support multistep/multichannel campaigns; dynamic lead scoring; improved analytics that include closed loop, Web analytics, and campaign engagement reporting; new segmenting and targeting; an improved email campaign wizard; robust lead scoring; integration with Oracle Social Relationship Management (SRM); and bidirectional integration with Microsoft Dynamics CRM, Oracle CRM On Demand, Oracle Sales Cloud and salesforce.com.

Oracle ecosystem: Reference users' concerns about the acquisition of Eloqua by Oracle have subsided, based on the continued support of salesforce.com and Dynamics CRM integration, and Oracle is extending the sales and support profile of Eloqua globally by expanding sales, professional services and support resources. Oracle Eloqua AppCloud has more than 120 partners, including D&B, Jive, Microsoft, NetSuite and Sitecore. Improvements in developer tools include a bulk API, to import/export large volumes of data to external or third-party systems, and a REST API.

Marketing technology and industry templates: The Oracle Marketing Cloud application — including Compendium, Responsys and BlueKai — can bring additional functionality to lead management processes. Oracle introduced templates for vertical industry marketing requirements including Life Sciences, Wealth Management, Insurance, and Asset Management, although these templates provide functionality to the Oracle Marketing Cloud and not solely to Eloqua.

Cautions

Integration: Integration with adjacent products such as BlueKai, Compendium and Responsys is still under development. Clients should ask for road map specifics if they are considering implementing other Marketing Cloud products.

Competition: Gartner estimates that 60% of Eloqua's installed base is integrated with salesforce.com. Gartner anticipates that bidirectional integration with salesforce.com and with Dynamics CRM will continue to be supported and kept current, but clients using non-Oracle CRM products should ask for vendor commitments in line with their own multiproduct and multivendor environments.

Portfolio overlap: Oracle Marketing Cloud includes multiple marketing automation applications including Eloqua, BlueKai, Oracle Commerce, Oracle Sales Cloud, Oracle SRM, Responsys, Siebel and others. Evaluate feature function claims to understand which technologies are required.

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salesforce.com

Salesforce.com's Pardot is a Challenger in the 2014 Magic Quadrant. Salesforce.com has executed strongly and strengthened its lead management capabilities through the acquisition of ExactTarget and Pardot during 2013; however, changes in the technology criteria for this year's Magic Quadrant have affected its Completeness of Vision compared with other vendors.

Strengths

Short time to productivity: Pardot is appropriate for users that require a functionally simpler lead management solution with a short time to productivity. Work to put Pardot and Sales Cloud on the same database is progressing, although details on time frames and functionality were not available at the time of publication. References gave high grades to Pardot for ease of deployment and ease of use, as well as for overall vendor and product satisfaction.

Market presence: salesforce.com continues to have high market presence, which helps to drive prospects to Pardot — even in the presence of competitors with more mature and fully featured lead management applications. Salesforce.com's Marketing Cloud vision is appealing to companies looking for a single vendor with a broad CRM and marketing portfolio.

Resources: salesforce.com applications (such as Data.com and Radian6) and a broad AppExchange partner ecosystem can bring additional functionality to Pardot implementations. ExactTarget Fuel provides developer resources for adjacent digital marketing apps. Pardot can leverage development work done by salesforce.com, such as for the support of multiple mobile devices and operating systems. Workflow and business process management is currently done in the Pardot application, but over time will migrate to salesforce.com's workflow

environment.

Cautions

Functional breadth: Reference users comment that Pardot is a good but basic lead management tool, and that the product needs improvement in areas such as deep analytics and reporting capabilities.

Road map: Pardot is not yet native to Sales Cloud or Marketing Cloud applications, and requires its own database, user interface and license. References commented that more clarity is needed about salesforce.com's product road map and integration plans with Pardot, ExactTarget and other Marketing Cloud applications.

Partner competition: salesforce.com has developed a broad ecosystem of marketing and lead management partners, but the acquisition of ExactTarget and Pardot has raised questions about competitive positioning and whether, and when, its products will compete directly with vendors such as Marketo and Oracle's Eloqua.

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Silverpop

Silverpop is a Niche Player in the 2014 Magic Quadrant. Silverpop is privately held, and Gartner estimates its 2013 revenue at approximately \$85 million. IBM announced the completion of its acquisition of Silverpop in May 2014. Because the research for this report was completed prior to this acquisition being finalized, Silverpop is evaluated independently of its current IBM ownership and product line.

Strengths

Product platform: Silverpop has expanded its Silverpop Engage platform to include a marketing database, multichannel marketing and interactive analytics that can support highly tailored customer interactions. Predictive lead analytics, improved revenue analytics and UI enhancements have extended the product platform.

Viability: Silverpop has grown its customer base to approximately 2,000 corporate customers in retail, marketing services, business services, financial and travel. The IBM acquisition will provide global presence and access to IBM technology and partners.

Lead management and email marketing: Silverpop provides lead management, email marketing and digital marketing, and is appropriate for companies with a focus on email-based interactions that also need lead management capability.

Cautions

Not lead-management specific: The majority of Silverpop's revenue comes from email marketing. Prospective customers with complex lead management requirements, or those that are not email-centric, should evaluate Engage against the Leaders in this segment.

Acquisition: The IBM acquisition will result in short-term disruption for existing customers, and technology road map plans will be affected. IBM Leads, Campaign and other products overlap with Silverpop and may lead to rationalization of the product portfolio.

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SugarCRM

SugarCRM is a Niche vendor. It is privately owned, with an estimated revenue for 2013 of \$50 million.

Strengths

Price: SugarCRM hits the market at an attractive price point and is appealing to companies in the not-for-profit or government sectors, or those looking for value in a CRM and lead management application.

Integrated functionality: SugarCRM has both SFA and basic lead management capabilities as a native part of its CRM application, eliminating integration requirements when cost-effective and basic lead management is required.

Development: SugarCRM relies on internal resources and open source/partner development for product enhancement. SugarCRM is based on a LAMP (free/open-source software bundle) stack application using HTML5, REST, JavaScript and PHP. Database support includes MySQL, Oracle, SQL Server and IBM DB2.

Cautions

Basic lead management: SugarCRM provides basic lead management, but does not provide the depth or breadth of the Leaders. BI and analytics are dependent on third-party tools, and packaged key performance indicators (KPIs) are not a standard part of the application. Lead qualification and lead scoring provide only basic functionality.

Small and midsize business (SMB) focus: SugarCRM has most of its customers and success in the SMB and high-cost-sensitivity sectors, such as education or not-for-profit. While the company has a few large enterprise customers, companies with complex lead management requirements should evaluate SugarCRM against other vendors in the segment.

Ecosystem: Sugar CRM's partner ecosystem for its integrated lead management shows improvement but continues to lag behind large competitors, although several lead management competitors — including Act-On, HubSpot, Marketo, and salesforce.com's Pardot — integrate with SugarCRM.

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Zoho

Zoho is a Niche vendor with a product offering appropriate for SMBs and companies with limited budgets. Gartner estimates Zoho's revenue at \$56 million in 2013, with about \$33 million in CRM

revenue.

Strengths

Value: Lead management is a feature set of Zoho CRM and provides basic but cost-effective functionality. Zoho's freemium pricing model is attractive to companies with limited budgets and provides a cost-competitive alternative for lead management.

Integration: Zoho CRM integrates with several Zoho applications as well as with Microsoft Outlook, Exchange, and Google apps.

Global: Zoho CRM is supported in 15 languages and used by 35,000 companies, although these are predominantly companies with 10 or fewer users.

Cautions

Business model: While Zoho's freemium pricing model is attractive to small companies, it also limits Zoho's ability to actively sell its product or develop its partner channels. The company relies mostly on inbound selling, and its small sales and channels team limits its ability to expand.

Support: Zoho offers no-cost support, including email-based technical support, during the initial implementation period; however, customers must either rely on partners or pay for Zoho's 24/5 telephone support after that.

Visibility: Zoho is privately held and does not release financial results. Larger companies looking at Zoho for SFA and lead management should evaluate its limited sales and support presence against their own CRM resources and requirements.

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Vendors Added and Dropped

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

It should be noted that several vendor names or product names have been changed from the 2013 Magic Quadrant, due to multiple M&A events (see Note 1). This section will reflect both net Added or Dropped vendors, as well as vendors or technologies acquired by another vendor.

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Added

Adobe Campaign has been added to this year's Magic Quadrant. This product was covered in the 2013 Magic Quadrant as Neolane (which was acquired by Adobe in July 2013).

Pardot now appears as salesforce.com. Pardot was acquired by ExactTarget in 2012 (it was included in the 2013 Magic Quadrant as ExactTarget); and was subsequently acquired by salesforce.com in July 2014.

SugarCRM and Zoho are both included in this year's Magic Quadrant for the first time.

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Dropped

Oracle (Siebel) was dropped from this year's Magic Quadrant because it did not meet the criteria.

SAP was dropped from this year's Magic Quadrant because it did not meet the criteria.

Teradata was dropped from this year's Magic Quadrant because it did not meet the criteria.

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Other Vendors to Consider

Several vendors provide innovative or unique technology for CRM lead management, but do not meet either the revenue criteria or the technology criteria for this year's Magic Quadrant. Those vendors that do not appear in this year's Magic Quadrant but do provide some level of lead management capability include Act-On Software, HubSpot (which does appear in "Cool Vendors in CRM Marketing Applications, 2014"), Infor (Marketing Suite), Salesfusion, SAS and TreeHouse Interactive.

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Inclusion and Exclusion Criteria

To be included in the Magic Quadrant for CRM lead management, a vendor must meet all of the technical capabilities reviewed in this document (under the sections Inclusion Criteria: Technology, and Inclusion Criteria: Market Presence and Company Viability) as standard or optional components of its CRM lead management product.

Inclusion Criteria: Technology

All inclusion criteria functionality needs to be available as a standard or optional part of the application as provided by the vendor. This functionality cannot depend on applications or functionality provided by partners, or on custom development or services (such as custom application development provided by the vendor's professional services organization or a system integrator). The criteria from a technology perspective are as follows:

Multichannel Lead Management — The ability to provide lead management functionality for both inbound and outbound marketing initiatives. This includes (at a minimum) lead collection, analytics, augmentation, scoring, process management and nurturing, across a minimum of three lead generation and lead management channels within a single campaign. Support of digital and nondigital channels within the same campaign is mandatory. Digital lead generation channels include: websites, Web landing pages and microsites; e-commerce sites; email marketing; online webinar or conference services; video and interactive applications; and social sites. Traditional or offline lead management channels include: presales or marketing qualification applications (such as inside sales or call and contact centers); print-on-demand services; direct mail marketing; tradeshow, seminars or events (in-person, physical events); and third-party databases/lists.

Lead Aggregation/Lead Database — The ability to collect, store, execute on, import/export, analyze and report on leads. Lead input capabilities need to support both online real-time/near-time processes and offline, batch input of data. The vendor does not need to provide a database, but the data model and the ability to collect/source data that will be stored in the database is required. This functionality includes the ability to collect, store, analyze and segment unqualified leads from campaign management applications, digital marketing applications, Web and e-commerce sites, and database and data management applications — and feed those unqualified leads into the lead management application. This category also includes the ability to collect and build demographic and behavioral history in the lead management database for individual unqualified leads — as they mature through the lead management application.

Analytics, KPIs and BI — Have the ability to:

Leverage integration tools (such as APIs, XML and so on) to transfer data between applications, including both source applications (such as third-party data providers, referral systems and websites) and execution applications (such as SFA, contact center and email) to use in closed-loop marketing analysis

Generate operational and strategic KPIs sufficient to monitor and guide revenue generation, including the ability to provide revenue guidance and insight based on current lead volumes/quality

Provide preconfigured reports, management and sales dashboards, metrics and KPIs as a standard (for example, not custom-designed) part of the application

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

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

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

Provide professional services and consulting that guide the user organization in the use of analytics, KPIs and BI that support continuous marketing improvement and lead management maturity

Lead Augmentation — Has the ability to:

Append missing or additional information to the lead from external third-party sources (for example, missing email fields), integrate and store this information into the lead management database and associate it with the appropriate lead or customer information

Provide integrated data cleansing capabilities to eliminate incomplete, redundant or duplicate lead information based on criteria set by the end-user organization

Augment or nurture a lead with additional collateral or value-added content — such as documents (or PDFs), spreadsheets, videos or Web-based content — to increase the lead score and the probability to close

Lead Scoring/Qualification and Predictive Lead Scoring — Have the ability to:

Create multiple lead qualification and scoring processes, based on criteria such as a campaign, product type, customer segment, estimated customer value, opportunity value or seasonal criteria to execute multiple lead qualification and scoring processes simultaneously; and to dynamically route those leads meeting qualification or scoring criteria to the next appropriate part of the lead management process

Support predictive lead scoring, which leverages both internal and external data and data sources to identify a high probability of closing leads

Lead Process Management — Has the ability to:

Create lead management workflows or business process management rules, using a graphical workflow or business process tool, or a nongraphical scripting tool, to create a lead management application that dynamically routes leads through the lead scoring, qualification, augmentation and distribution processes based on execution criteria (such as geography, estimated value and the status of prior process steps)

Dynamically pass leads to a sales execution system (such as SFA, partner relationship management [PRM], call/contact center application and e-commerce) on the basis of user-defined routing, scoring or qualification rules

Execute multiple lead management processes and workflows simultaneously within a single instance of the product

Lead Nurturing — Has the ability to:

Manage and control the lead life cycle from collection to conversion, including, at a minimum: maintenance (build a relationship for a longer-term sell); execution (sell to the client at appropriate time, later); and removal of inactive leads from the database.

Provide integration with Web content management (WCM) systems used to develop, store and maintain content within the context of lead nurturing activities. Integration with WCM systems can be an integral feature of the lead management product, or can be provided by a third-party vendor or partner.

Integration With Sales Channels — Has the ability to:

Support bidirectional integration with CRM or SFA applications (such as Microsoft Dynamics CRM, Oracle Sales Cloud, salesforce.com and SAP CRM)

Pass qualified leads to a channel sales organization (such as value-added reseller, distributor, agent, broker or reseller) as an automatic function of the lead management

process, and track the status of that lead automatically through integration with a CRM, SFA or PRM application

Integrate with a digital commerce or e-commerce application to dynamically pass a qualified prospect to an e-commerce site (in lieu of a direct or indirect salesperson) for closure

Support integration with a minimum of two CRM, PRM or digital commerce applications as a standard, documented, supported capability provided by the lead management vendor

Integration, APIs and Templates — Have the ability to:

Integrate with third-party applications (for example, SFA, PRM, call/contact center applications and legacy applications) using published and supported APIs or integration interfaces

Integrate with social sites (such as LinkedIn, Twitter or Facebook) as well as with major CRM, SFA, e-commerce, customer support, social, virtual event, marketing data, and customer management applications or services

Make packaged lead management templates available for line-of-business applications or for automation of cross-industry (horizontal) lead management functionality

Inclusion Criteria: Market Presence and Company Viability

Vendor revenue from the lead management product (combination of product or service licenses, annual maintenance and professional services provided by the vendor) is a minimum of \$20 million over the past four quarters. If a company is privately held and chooses not to disclose revenue information, the company can provide instead the total number of installed customers, growth rates in 2012 and 2013, the total number of customers acquired in 2013 and 2012, and average annual customer spend on software and services. (Note: Gartner may estimate revenue for vendors that choose not to submit financial and revenue information.)

The lead management product is delivered as a stand-alone lead management technology, as lead management functionality integrated and sold as part of a CRM or SFA application; or as lead management functionality integrated with MCCM, integrated marketing management, digital marketing, email marketing or MRM applications. Functionality can be provided through licensed software, or as a hosted or SaaS service.

The lead management product has been available for license in the market for a minimum of one year, and is currently installed and providing lead management functionality (B2B, B2C or B2B2C) to enterprise and midenterprise customers (where a midenterprise is defined as a company with a revenue of more than \$250 million a year). The vendor must have a minimum of 20 production implementations worldwide across at least three industries (for example, high tech, financial services and manufacturing), with a minimum of 12 net new customers that have implemented the vendor's lead management technology during the previous 12 months.

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

The vendor has developed an ecosystem of partners that provide consulting, technology or services that extend the value of the lead management product. Examples of these partnerships include service providers, marketing service providers, third-party application developers, digital agencies, add-on applications or service providers, strategy or process consulting providers, or partners (VARs, distributors, OEMs and technology providers).

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Evaluation Criteria

Ability to Execute

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

Overall Viability — Viability of the organization's overall financial strength, the financial and practical success of the business unit or company, and the likelihood of the business unit or company to continue selling, supporting, and investing in the product, and to advance the state of the art in the company's product portfolio.

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

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.

The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographic regions outside the headquarters' region — directly or through partners, channels and subsidiaries as appropriate for that geography and market.

Marketing Execution — The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message in order 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, thought leadership, word-of-mouth and sales activities.

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

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.

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	Medium
Customer Experience	High
Operations	Medium

Source: Gartner (June 2014)

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Completeness of Vision

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

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

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

Offering (Product Strategy) — Vendor strategy for product development and delivery that emphasizes market differentiation, functionality, methodology, time to market, competitive activity, technology and industry advances, and other relevant criteria as they impact the customer experience and map to current and future requirements.

Business Model — The soundness and logic of the vendor's underlying business model. Product strategy will need to support the company's business model, such as the soundness and logic of the vendor's underlying business proposition. The product license model (for example, SaaS versus one-time license fee) should support the target market and use models the vendor is targeting with its go-to-market strategy.

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

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

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

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	High
Marketing Strategy	Medium
Sales Strategy	Medium

Offering (Product) Strategy	High
Business Model	Medium
Vertical/Industry Strategy	Medium
Innovation	Medium
Geographic Strategy	Medium

Source: Gartner (June 2014)

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Quadrant Descriptions

Leaders

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

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Challengers

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

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Visionaries

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

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Niche Players

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

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Context

In 2012 and 2013 the CRM lead management market was characterized by three primary subsegments. These included smaller and independent best-of-breed vendors that provided focused and deep lead management functionality (for example, Eloqua, Marketo and Neolane); vendors that provided more basic levels of lead management integrated with, or dependent on, a core CRM or email marketing application (for example, ExactTarget [Pardot], Microsoft, SAP, salesforce.com and Silverpop); and vendors that provided lead management capability within the context of a broader set of analytic or data segmentation applications (for example, IBM [Unica] and

Teradata [Aprimo]).

Beginning in 2012 and extending through 2014, the market has been transformed by multiple M&A events that have enabled large enterprise application and CRM vendors to provide best-of-breed lead management functionality — while building out their vision of an integrated set of marketing automation applications and looking to consolidate multiple point capabilities into an integrated marketing automation offering.

User organizations are asking increasingly complex questions and taking longer to make investment decisions regarding lead management applications. This is partly due to a much changed and rapidly evolving lead management marketplace, in which the many M&A events from 2012 and 2013 infuse some level of caution and due diligence on the part of the user organization, and partly to a growing maturity and experience on the part of user organizations.

The net result of this increasing maturity on the part of the user organization and of a wider and broader vision on the part of the vendor is predictable. Client inquiries and reference user research point to: longer evaluation cycles; increased due diligence on the part of the buyer; more careful examination of vendor claims and references; and a closer examination of the vendor's lead management architecture, technology road map and ability to align with the user organization's enterprise applications, architecture, and strategy. Lead management investment decisions that were previously managed primarily by the marketing organization are seeing increasing involvement from sales management and sales operations, senior management and IT.

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Market Overview

Expectations are rising in terms of the incremental functionality that user organizations expect from their lead management vendor. This year's criteria for the Magic Quadrant directly reflect user expectations for real-time reporting, predictive analytics and formal, vendor-supported integration with leading CRM and e-commerce platforms; criteria that, in some cases, prevented a vendor from meeting the criteria for inclusion in this Magic Quadrant. User organizations seem to be skeptical about, or are at least having challenges quantifying the value of, integrating social channels with their lead management processes — at least in the context of B2B and B2B2C business models. These same organizations put high value on integration with traditional channels, including in-person tradeshows, seminars and educational events.

CRM lead management is not used solely by B2B companies. It continues to be used primarily by companies selling "considered purchase" products and services. Considered purchases represent a sizable financial investment; are complex, and require research or product insight; or involve a longer, more complex selling cycle either due to the complexity of the decision process or because of a high emotional or organizational index. Lead management is sold primarily into B2B and B2B2C organizations, due to the ability of lead management to support the sale of these complex products. However, lead management is not solely a B2B construct, and many companies selling complex or considered products direct to the consumer have realized significant gains using lead management applications. B2C companies selling financial services, banking products, insurance or complex or expensive consumer products are investing in lead management — often to replace internally developed applications or processes currently in place — and can be among the more sophisticated users, with higher levels of maturity, in the lead management market.

Lead management is characterized by processes that have a complex workflow or business process management component, and the need for repeatable marketing processes: by the use of multichannel to engage with the prospect (although these channels will vary by vertical industry); through an increasing use of, and focus on, content; by tight integration with SFA applications and, increasingly, e-commerce; and by lower volumes of higher-value sales transactions.

User organizations are showing higher levels of lead management maturity, as evidenced by more complex inquiries with Gartner, broader corporate recognition of the value of marketing automation and lead management in particular, and longer evaluation and buying cycles. User organizations are looking for proof points of the ability of a vendor's product to integrate with, and support, a broader implementation of the lead management technology across multiple regions, business units, or product areas. However, organizations are also closely examining vendors' visions of a single marketing automation suite that will underpin all marketing requirements, and mapping that feature/function technology road map carefully against their own business requirements.

In the wake of several M&A events in 2012 and 2013, Gartner expects "co-opetition" between all of the lead management and CRM vendors to continue for the foreseeable future.

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

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