

## Magic Quadrant for CRM Multichannel Campaign Management

Adam Sarner

IBM-Unica, SAS, Teradata-Aprimo and Oracle are Leaders in the multichannel campaign management market. All the vendors in this Magic Quadrant offer social and/or mobile options. The Niche Players that continue to be in high demand offer software as a service, and focus on specific areas of MCCM.

## WHAT YOU NEED TO KNOW

This year's leading multichannel campaign management (MCCM) vendors provide the breadth and depth of capabilities needed to support multichannel campaigns, while the niche vendors focus their efforts on software-as-a-service (SaaS) delivery and Internet Protocol (IP)-addressable areas, such as Web, mobile and social channels. None of the vendors is solely visionary. Despite a flurry of acquisitions, the vendors that appear in this year's and last year's Magic Quadrants show only modest changes. Expect accelerated digital marketing (including mobile and social) development and acquisitions in 2011.

## MAGIC QUADRANT

Figure 1. Magic Quadrant for CRM Multichannel Campaign Management



Source: Gartner (May 2011)

## Market Overview

Overall, the MCCM market showed positive growth in 2011. Marketers continued to shift investments from mass-marketed, one-channel, one-way, company-driven campaigns to multichannel, measurable, interaction-driven campaigns. In addition, most of the vendors in this Magic Quadrant showed double-digit growth in 2010 and were profitable.

During the past year, MCCM providers focused on ease of use and user interface (UI) updates, and kept overall product development modest in scope. Although the market absolutely needs innovative product development to grow, none of the vendors took a differentiated direction or

provided new, game-changing, thought-leading functionality that would elevate it to visionary status. For example, although social marketing and mobile marketing are very hot topics for clients, many MCCM vendors continued to offer first-generation, fundamental digital capabilities, such as the ability to send a campaign with a short URL to Twitter.

In 2011, marketers will need to enhance their customer databases with information that is much deeper than the demographic and history profile data typically gleaned from social networks. Marketers will also need to track psychographic behavior (attributes relating to personality, values, attitudes, interests and lifestyles) to prepare for the next wave of innovation in campaign management. By gathering a more holistic view of their customers' behaviors, marketers may be able to reduce the perception that their messages are "interrupting" their customers. Instead, savvy marketers would be able to reach prospects in a much more relevant, contextual way — at the precise moment when the customer is evaluating and making decisions about purchasing a product or solution.

Ideally, vendors will help marketers achieve this vision, but these vendors must first be skilled in managing data and applications — something the MCCM vendors will likely acquire only through acquisition. In this scenario, marketers should expect more acquisitions of this type as vendors seek to broaden their offerings and position themselves for more senior-level buyers, particularly chief marketing officers (CMOs).

We have already seen this trend gain traction via recent MCCM acquisitions, including:

- IBM bought Unica to provide larger-themed Smarter Commerce solutions.
- Teradata acquired Aprimo for marketing resource management (MRM) and business-application-focused solutions around MCCM.
- Oracle bought ATG to incorporate digital marketing capability into its offerings.
- Pitney Bowes purchased Portrait Software for its campaign management, and to offer management capabilities for its installed customer base and new markets.

In addition, smartFOCUS will likely be purchased by Emailvision to incorporate smartFOCUS' fast analytical engine for e-mail.

The themes for these acquisitions are somewhat varied, but they all point toward a stronger demand for overall digital marketing capability (see "Digital Marketing: The Critical Trek for Multichannel Campaign Management"). Indeed, each vendor is planning to introduce or has introduced mobile marketing and social marketing capabilities. Expect vendors to accelerate acquisitions in 2011, particularly when the acquisition will bring social marketing expertise to their offerings.

In addition, competitors from other markets are starting to step into the marketing arena. By 2014, customer service, Web analytics, content management and social CRM vendors will take more than 40% of the market share for campaign management (see "Predicts 2011: Investments in CRM Marketing Technology Are Rising").

## **Market Definition/Description**

MCCM processes enable companies to define, orchestrate and communicate offers to customer segments across a multichannel environment, such as direct mail, call centers, websites, e-mail and communities. This can include integrating marketing offers/leads with sales for execution. Basic campaign management includes functionality for segmentation, campaign execution and campaign workflow. Advanced analytic functionality includes predictive analytics and campaign optimization. Advanced execution functionality includes loyalty management, content

management, event triggering, and real-time decisioning/offer management in inbound and outbound environments. Digital marketing, which continues to be integrated with campaign management, includes addressable branding/advertising, contextual marketing and transactional marketing (see "Digital Marketing: The Critical Trek for Multichannel Campaign Management"). Digital marketing extends the marketing process through channels such as the Web, e-mail, video, mobile applications and social applications, point-of-sale terminals, interactive television, digital signage, and kiosks.

## **Inclusion and Exclusion Criteria**

For inclusion in this Magic Quadrant, we focused on vendors that offer the most-relevant and compelling solutions, and evaluated them against the following criteria. As the market evolves, these criteria may be adjusted to reflect changing user requirements and vendor capabilities.

### **Functionality**

Vendors must support all the following:

- The ability to create, execute and manage multichannel campaigns
- Proven campaign planning, tracking and reporting with role and approval capability
- A UI suitable for marketing users who create, execute and report on campaigns
- Specific, basic campaign management functionality, such as segmentation, campaign execution and campaign workflow

Vendors must support at least two of four functionality components:

- Advanced analytic functionality
  - Predictive analytics
  - Campaign optimization
- Advanced execution functionality
  - Event triggering
  - Real-time recommendations

We also considered evolving campaign management digital marketing functionality, such as Web analytics and community and search marketing (see "Marketing Framework: Essential Building Blocks for Multichannel Campaign Management Functionality").

### **Market Presence and Momentum**

For inclusion in this Magic Quadrant, we focused on vendors with:

- At least 20 customers using campaign management
- At least 15 new customer wins during the past 12 months
- Substantial appearances on Gartner client shortlists for campaign management evaluations
- At least eight accessible client references

### **Vendor Viability**

Vendors also need to have enough cash to fund a year of operations at the current rate of cash depletion.

## Added

No vendors were added to this Magic Quadrant.

## Dropped

ATG, Aprimo, Unica and Portrait Software were purchased, and are now evaluated as part of their acquiring entities.

## Evaluation Criteria

### Ability to Execute

The criteria and weightings for Ability to Execute remained the same as for 2010. We have adjusted the minimum and maximum percentages on the Magic Quadrant to accommodate more vendors over time, and this does not represent a change in the market as a whole.

- **Product/Service:** A key differentiator for vendor selection for companies trying to gain a competitive advantage. Therefore, product capabilities are given a high overall weighting for the MCCM Magic Quadrant. Subcriteria include basic campaign and advanced campaign management functionality (45%), and basic and advanced analytics (45%), while functionality for digital marketing is given the remaining weighting (10%).
- **Overall Viability (Business Unit, Financial, Strategy, Organization):** The overall health of the vendor, including the line of business offering campaign management solutions. Viability includes the vendor's history and its commitment to the continued success and development of world-class MCCM. This is given a high weighting.
- **Sales Execution/Pricing:** An assessment of the overall effectiveness of the sales channel, and how it deals with presales responsiveness, contract negotiations and pricing for campaign management. This is given a standard weighting.
- **Market Responsiveness and Track Record:** An assessment of the campaign management vendor's success in creating and meeting consistent demand for its product, measured in continuing client wins and use in its installed base. This is given a low rating.
- **Marketing Execution:** An assessment of the vendor's overall momentum and perceived campaign management focus and presence in the market. Vendors must show established and continued broad or specific (such as industry focus) credibility for campaign management in a multichannel environment. This is given a high weighting.
- **Customer Experience:** An evaluation of client relationships with campaign management vendors. Product support and responsiveness and access to best practices, such as user groups, are considered. An important component of the customer experience is ease of use for the tool. Gartner's campaign management clients see this as an important aspect of the overall customer experience. This is given a standard weighting.
- **Operations:** The ability of a vendor to meet goals and commitments. Factors include organizational structure (including skills, experience, systems and other vehicles) that enable the vendor to operate efficiently and effectively on an ongoing basis. This is given a low rating (see Table 1).

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

<b>Evaluation Criteria</b>	<b>Weighting</b>
Product/Service	high
Overall Viability (Business Unit, Financial, Strategy, Organization)	high
Sales Execution/Pricing	standard
Market Responsiveness and Track Record	low
Marketing Execution	high
Customer Experience	standard
Operations	low

Source: Gartner (May 2011)

## **Completeness of Vision**

The criteria for completeness of vision remained the same as for 2010. The Innovation weighting has moved from low to standard.

- **Market Understanding:** A vendor's ability to understand the campaign management space, its value proposition in the market and how effective it is at reaching the marketing buying center for companies purchasing campaign management solutions. Vendors will demonstrate campaign management solutions that fit the needs of the overall market. This is given a high weighting.
- **Marketing Strategy:** An assessment of how well a vendor can differentiate itself from its competition and functionality, and how it articulates continued visionary leadership in its overall campaign management vision. This is given a standard weighting.
- **Sales Strategy:** An assessment of a vendor's strategy using direct and indirect sales channels to sell campaign management solutions. This is given a standard weighting.
- **Offering (Product) Strategy:** An assessment of the campaign management feature set as it maps to functionality requirements in campaign management, particularly functionality that enables advanced capability in inbound and outbound environments. This is given a high weighting.
- **Business Model:** An assessment of the vendor's alignment of go-to-market and sales strategies for particular industries, geographies or delivery models. This is given a standard weighting.
- **Vertical/Industry Strategy:** A vendor is assessed on how well its solutions target its current market, as well as its ability to leverage best practices or capabilities for targeting new industries. This is given a standard weighting.
- **Innovation:** An assessment of the vendor's expertise or capital for investment for pre-emptive purposes in developing new areas of campaign management. This is given a standard weighting.
- **Geographic Strategy:** See the Business Model criterion. This is given a standard rating (see Table 2).

**Table 2. Completeness of Vision Evaluation Criteria**

<b>Evaluation Criteria</b>	<b>Weighting</b>
Market Understanding	high
Marketing Strategy	standard
Sales Strategy	standard
Offering (Product) Strategy	high
Business Model	standard
Vertical/Industry Strategy	standard
Innovation	standard
Geographic Strategy	standard

Source: Gartner (May 2011)

## **Leaders**

Leaders consistently do considerably better in overall campaign management performance for basic and advanced campaigns, as well as for integration with e-marketing. Leaders have high market visibility, high market penetration, strong market momentum and a strategic vision for growing the campaign management business.

## **Challengers**

Challengers see continued investments in campaign management solutions as complementary offerings to business applications that are their core competencies. Challengers have a developing understanding of the campaign management market and basic campaign management functionality. They see campaign management as an opportunity to increase revenue and retention in their installed bases, and they concentrate on established clients' needs for campaign management functionality and strategic direction, rather than on setting a visionary pace with potential requirements.

## **Visionaries**

Visionaries provide a strong vision for the campaign management market, or excel in advanced or emerging areas, such as inbound marketing and digital marketing. They can set strategic direction or demonstrate specific innovative capabilities in one or more functionality areas (such as advanced campaign functionality or e-marketing integration) in campaign management that the market will eventually adopt. Visionaries may have campaign management implementations from different buying centers, such as the call center or e-commerce department. Although Visionaries show promise in campaign management, they may lack execution capabilities, such as growth potential, resources or scalability, in the near term.

## **Niche Players**

Niche Players provide specific needs in the campaign management space. They may be focused on a specific functionality, process (for example, lead management), geography and/or industry. Niche campaign management vendors tend to lack a broader set of campaign management capabilities (such as advanced analytics) or execution potential (such as sufficient resources or a fully developed market strategy).

## Vendor Strengths and Cautions

### Alterian

Alterian, a U.K.-based company, is a Niche Player in the MCCM Magic Quadrant, providing campaign management execution built on top of a high-performing analytics engine. Clients looking for hosted campaign management with strong analytical tools should consider Alterian for midmarket campaign management. Consider alternatives when a lower-cost, more operationally focused MCCM solution offered as part of a marketing service provider (MSP) solution isn't the priority.

#### Strengths

- Revenue increased by 13% to £16.3 million from £14.4 million for 1H10. Alterian reported strong U.S. growth at 52%, the Asia/Pacific region up by 13% and U.K. revenue down by 18%.
- Notable additions in 2010 include updates to Campaign Manager and Selection Planner, SM2 (social media monitoring), and Content Manager — all with UI improvements. Alterian acquired Intrepid for social media consulting services for marketing.
- At the end of March 2011, the vendor released the capability to access Alterian from any Web browser, connections to external data sources (initially to Microsoft SQL Server), and in-line predictive analytics and templates to provide the reuse of content. Alterian's road map for 2011 includes predictive modeling, including integration with KXEN and native integration with Dynamic Messenger (its e-mail marketing offering). Alterian's developing Alchemy offering should offer much improved ease of use and workflow for campaigns, while focusing on its strengths in analytical reporting and including more-accessible, role-based functionality for different users.
- References pointed to the vendor as being a good value for the cost.

#### Cautions

- The vendor has flat profitability — operating costs increased by 17% in 1H10 (reflecting increasing costs from sales and marketing managed service offerings, as well as SaaS delivery infrastructure).
- Some of Alterian's products remain on separate architectures and are run from separate servers.
- The channel partner, not the marketing department, usually selects Alterian. In addition, MSPs tend to view Alterian as a lower-cost, operationally focused alternative to larger campaign management offerings.

### Eloqua

Eloqua is a growing, niche provider, with top mind share in lead management and a respected on-demand solution for B2B, or for B2B in consumer markets where "large, considered" purchases require a sales agent. Midmarket, B2B-oriented clients, and those with sales agents working on large, considered purchases, looking for on-demand campaign management specifically focused on lead management should consider Eloqua.



## Strengths

- Eloqua revenue grew by 30% in 2010, compared with 25% in 2009, to approximately \$51 million. The company has stated that it is cash-flow-positive.
- New products for 2010 included, most notably, Eloqua10, featuring a brand new (and needed) graphical UI that brings much improved visualization usability to areas such as campaign dialogue creation (campaign workflow), e-mail, form editing and reporting. In addition, the vendor released Eloqua Insight, a revenue analytics and reporting application. It also released Eloqua Discover for Salesforce.com, to help sales identify, prioritize, track and convert the most active and interested prospects and accounts.
- On the road map for 2011 is the release of Eloqua Revenue Suite, a suite of applications and analytics to optimize revenue cycle performance, and Eloqua Cloud Connectors, which enable customers to integrate Eloqua offerings with applications such as Radian6, Jive, Demandbase and others.
- References consistently mentioned professional services and support as a strength for Eloqua.

## Cautions

- Eloqua is perceived as costly, compared with the competition, even with its tier-type offerings. Some references mentioned that the vendor's pricing model needs to be more intuitive.
- Most Eloqua customers use salesforce.com. However, Eloqua should not become overly reliant on this partnership, because salesforce.com could decide to purchase or develop its own lead management offerings.
- Consider alternatives when lead management is not a priority.

## IBM-Unica

IBM-Unica's core competency and prevalent mind share in the MCCM market keep it in a leadership position (see "IBM Aims to Build CRM Marketing Automation With Unica"). Unica is a key part of IBM's broader plans for its Smarter Commerce initiative (involving Unica, Coremetrics, Sterling Commerce and other assets/companies). Marketing departments should consider the vendor when MCCM is a significant strategic requirement. Clients focused on B2B capabilities (specifically for small or midsize businesses) should consider alternatives.

## Strengths

- Overall revenue for Unica increased 11% in the first three quarters of 2010. It did not report full-year earnings due to the IBM acquisition, but Unica reports that 4Q10 was "the biggest revenue growth in its history." This was an improvement from a 17% revenue drop in fiscal 2009.
- Unica's product releases in 2010 included Unica 8.1 and 8.2, which included, most notably, website personalization for anonymous visitors, location-based targeting and landing page capability.
- The vendor's road map for 2011 includes rationalizing and combining NetInsight (Unica's Web analytics offering) with IBM's Coremetrics (IBM's other Web analytics acquisition). Unica has announced plans to release a next-generation Web analytics platform in 3Q11. The vendor plans a broader offering of Unica Interactive Marketing

OnDemand and Coremetrics Continuous Optimization Platform as a next-generation on-demand suite in early 2012.

- The vendor's references consistently pointed to high scores for advanced campaign management.

### **Cautions**

- The vendor must continue to provide a leading vision as an MCCM vendor, as it has recently with its push toward interactive marketing. Unica has the opportunity to fully leverage IBM, such as Coremetrics and WebSphere for e-commerce and digital marketing.
- References mentioned some support issues and some lack of attention since the IBM acquisition.
- IBM-Unica will see increased pressure from the on-demand, midmarket players in campaign management. Although it targets midmarket solutions, the vendor will need to demonstrate success with its on-demand interactive marketing solution as a whole, not distinct Web analytics offerings.

### **Marketo**

Marketo is a very visible niche provider offering lead management capabilities primarily for the midmarket; however, it has also made gains with larger organizations. B2B marketers should consider Marketo as a midmarket provider of SaaS lead management tools that enable them to automate the leads process. Consider alternatives if B2B lead management isn't a priority.

### **Strengths**

- Marketo is small, but it continues to grow quickly. The vendor reported more than 300% revenue growth in 2010, doubled its customer base and reports that it is adding about 60 new customers per month. Gartner estimates Marketo's 2010 revenue to be approximately \$15 million.
- In 2010, the company planned updates to Marketo Revenue Cycle, which visualizes the lead management process, showing funnel stages of leads and tracking compliance and service level at each stage. Also notable in 2010, Marketo Revenue Cycle Analytics began providing Google-analytics-like dashboards to track lead movement and conversion rates. This product also includes a UI for defining custom reports and dashboards.
- Plans for 2011 include in-person event management capabilities, social marketing capability, enhanced reporting, and new dashboards focusing on revenue attribution, comparison analyzers, program effectiveness, etc.
- References consistently point to setup and ease of use as strengths for Marketo, and continue to score Marketo as above average for the lead management product as a whole.

### **Cautions**

- The vast majority of Marketo's offerings integrate with salesforce.com. However, Marketo should not become overly reliant on this partnership, because salesforce.com could decide to purchase or develop its own lead management offerings.

- References noted that, although the product is easy to use, in some ways, the vendor is still learning what the industry best practices are for global implementations.
- Marketo is well-funded and growing quickly, but it is not yet profitable. The vendor has set its sights on 2012 as a break-even point.

## Microsoft Dynamics CRM

Microsoft Dynamics CRM is a niche MCRM provider for companies targeting all verticals. Marketers can consider Microsoft as part of a CRM suite (sales, customer service and marketing) that leverages the familiar native Outlook/Office experience for campaign management. Consider this vendor when midmarket B2B campaign management is a priority.

### Strengths

- Microsoft is a large, profitable software company that has the resources to invest in campaign management. Its ability to execute is high. Microsoft offers basic and advanced campaign management capabilities as part of its overall CRM product.
- The vendor utilizes standard Microsoft technologies, such as Microsoft .NET, Internet Information Services (IIS) and Microsoft SQL Server, and has full support for Web services. Microsoft Dynamics CRM offers its deployment options based on the same platform, architecture and code base. Microsoft Dynamics CRM Online, the vendor's SaaS offering, is now in 40 markets and in 41 languages.
- New for 2010 were, most notably, new dashboarding capabilities showing revenue by campaigns, lead by source, etc.; new in-line visual analytics, such as real-time charting of data as campaigns are selected; and conditional formatting rules to show the priority of leads.
- References mentioned training, ease of deployment and low maintenance as strong suits for Microsoft Dynamics CRM.

### Cautions

- References mentioned that the click-and-type data entry of certain information is time-consuming, and that customization changes (although easy) need automated deployment.
- There is no leading vision for MCRM. There is no functionality in the product, or on Microsoft's road map, that the competition will be pressed to duplicate to keep up with.
- Consider alternatives when a CRM suite inclusive of marketing, sales and customer service is not warranted.

## Neolane

Neolane is a small, but growing, Niche Player, with \$30 million in revenue in 2010. It continues to raise visibility and mind share in business-to-consumer (B2C) and B2B MCRM. Marketers should consider Neolane if e-mail, Web and mobile marketing are major channels for their campaigns.

### Strengths

- Neolane reported growth of approximately 40% in 2010. It has focused on the U.S., U.K., France and the Nordic market.

- In 2010, Neolane almost doubled the size of its development team, and added partners, such as Acxiom, KBM Group and Targetbase, to deliver its solution and added support for its lead management capabilities by simultaneously supporting CRM systems, such as salesforce.com, Microsoft Dynamics CRM and Oracle On Demand.
- New for 2011 is Neolane Social Marketing, with features including social sign-on, social user profile capture into the marketing database, and the ability to deliver personalized offers to Facebook and Twitter. Neolane also announced an updated Adobe Genesis connector, iPhone/iPad rendering and updates to Neolane Microsites.
- References consistently mention Neolane's easy UI and the ability to fully customize campaigns as top strengths.

### **Cautions**

- Several references mentioned the need for Neolane to continue to "recruit and upskill" appropriate resources to keep up with new customer growth.
- Neolane should leverage its capability and vision in areas of digital marketing such as Web campaign management, social marketing and search marketing, and should further develop marketing itself in the social space to differentiate itself in the growing and competitive campaign management space.
- Neolane offers B2C and B2B capabilities. The vendor should further develop its lead management thought leadership by leveraging not only B2C capabilities for B2B, but also specific B2B capabilities, such as event management, contract management and pricing optimization.

### **Oracle (Siebel)**

The overall viability, clear marketing positioning and functionality of Oracle (Siebel) keeps it in the Leaders quadrant. B2B and B2C marketers should add Siebel Marketing to their campaign management shortlists, particularly when marketers can leverage the integration of marketing and sales or loyalty program management. Consider alternatives when an overall CRM suite is not the main value proposition.

### **Strengths**

- Oracle reports that Siebel Marketing's licensed revenue and deal size continued to grow in 2010, with a Gartner-estimated 27% growth in marketing license revenue year over year for 1H11.
- In 2010, Oracle added Siebel Campaign Management and analytics solutions on Oracle Exadata Database Machines for performance improvements to data warehousing and query processing for segmentation and data mining scoring.
- The road map for 2011 includes the integration of recently acquired ATG and plans to start leveraging Siebel Marketing and Real-Time Decisions (RTD) integration for offer management/decision capability with integrated Web content.
- References consistently reported flexible and robust segmentation capability as the top strength for Siebel Marketing.

## Cautions

- Many references referred to the offerings being best-reserved for "power users," and that special attention should be given to training and user adoption.
- Siebel Marketing is achieving B2B and B2C momentum among marketing departments for campaign management capabilities, but integration with the broader CRM suite continues to be the primary value proposition.
- Most references reported choosing Oracle (Siebel) because of an existing relationship with the company, rather than because it is best of breed, except when loyalty management was the main driver.

## Pitney Bowes

Portrait Software, now owned by Pitney Bowes, is a niche vendor offering advanced analytics, basic and advanced outbound campaign management, and inbound campaign management (inbound/outbound fusion) to B2C financial services, telecommunications and some retail clients. Marketers should consider Pitney Bowes when they need to add inbound, interaction-based marketing in a call center and to other channels.

## Strengths

- Portrait Software reported an increase of 40% in 2010 from 2009 in MCCM-specific revenue. Gartner estimates that Portrait Software earned about \$10 million in revenue in campaign management in 2010. Pitney Bowes' revenue was \$5.4 billion in 2010.
- Portrait Software is more visionary than other vendors in MCCM, due to its uplift optimizer capability, which focuses offers based on customers likely to respond to your message, and identifies those that will buy anyway or that will never buy. In 2010, Portrait Software was purchased by Pitney Bowes, which should provide a much bigger market footprint, as well as additional resources (such as sales and engineering). The vendor has started to incorporate Pitney Bowes' location intelligence (GIS) data into Portrait Software's predictive modeling capabilities.
- The road map for Pitney Bowes in 2011 includes major version releases of the vendor's customer analytics and inbound interaction management solutions, including a Silverlight-based interface that provides a consistent user experience. Pitney Bowes expects to leverage its extended customer base, and to deliver integrated solutions for customer acquisition, onboarding, transpromo communications and a new digital mailbox service called Volley.
- Several references mention flexibility in data sources as a big strength for Pitney Bowes.

## Cautions

- The vendor's visibility and mind share for overall MCCM remains low.
- References mentioned that ease of use for marketing end users can be improved, and several references said Pitney Bowes' pricing model is difficult to decipher.
- Seek alternatives when a call center is not a part of your MCCM strategy.

## Responsys

Responsys continues its transition from being a purely e-mail marketing execution provider toward becoming an MCCM provider. B2C marketers can consider Responsys when seeking an on-demand-only campaign management tool that uses e-mail, social and the Web as its main channels. Clients seeking B2B functionality, such as lead management or event planning, or B2C clients seeking inbound marketing in the call center, should consider alternative providers.

### Strengths

- The company is profitable, with 42% growth in 2010. Responsys completed its initial public offering in April 2011, and is now a public company.
- Responsys provides basic B2C campaign management, and some advanced analytic and digital marketing capabilities, in a multitenant, on-demand environment. The vendor targets industries including (in order of priority) retail, financial services, travel and hospitality, and high technology. Channels include e-mail, mobile, external social campaign tracking and execution capability.
- Last year's additions to the Responsys offering included, most notably, functionality for social and mobile campaigns, prebuilt integrations with data warehouse systems, and display retargeting capabilities.
- The Responsys road map for 2011 includes expanding multichannel campaign scenario planning capability with testing for interactions such as timing, channel and frequency, as well as testing for different types of content. More social features will include multichannel promotions that are inclusive of Facebook and Twitter, with targeted personalized messages to fans and followers.
- References consistently pointed to Responsys as having met or exceeded expectations for the offering as a whole.

### Cautions

- Gartner estimates that more than 70% of Responsys' revenue comes from e-mail marketing. Many references still reported that they use e-mail and Web landing pages as their main channels.
- A few references mention somewhat slow support turnaround times and the need to improve its communication with customers as Responsys continues to grow.
- Responsys must continue to show more multichannel use as it makes the transition from a pure-play e-mail marketing to MCCM. Most references that chose Responsys had only evaluated pure e-mail marketing providers for their shortlists.

## RightNow

RightNow sells its campaign management offerings as part of a CRM suite. It is a growing Niche Player in this Magic Quadrant. Marketers should consider RightNow Marketing when they need to complement customer service knowledge and activities with basic campaign management capabilities in an on-demand delivery model.

### Strengths

- RightNow grew its revenue by 22% in 2010, up from 9% in 2009, and has \$185.5 million in total revenue. The vendor is profitable. It provides on-demand CRM capability, with

core strengths in customer service and complementary marketing and sales solutions, with an emphasis on high technology, retail, consumer goods, higher education, government and telecom. RightNow focuses on B2C-oriented businesses, which are better-suited to the vendor's campaign management offerings and its installed base of service-based call centers.

- In 2010, RightNow added a "contact engage" score that measures how engaged contacts are in a particular process, and administration tools to create new data objects, tables and attributes, and map to the RightNow database. Social additions included extending use of its acquisition of HiveLive and its social monitoring tool, including Facebook integration (RightNow CX for Facebook), Cloud Monitor for Facebook, Myspace, RSS and communities, as well as community topic monitoring. RightNow's acquisition of Q-go will bring virtual assistance, and natural language processing and semantic processing capabilities, to understand and guide customers' interactions.
- The road map for 2011 includes management capabilities, such as the addition social data to analytic offerings, and adding marketing content to service e-mails.
- References consistently list ease of use and integration as strengths for RightNow.

### **Cautions**

- References rated social marketing and Web analytics capability below RightNow's other capabilities.
- The vendor should continue to develop its digital marketing strategy (such as social and mobile marketing), and its intersection with customer service.
- Consider alternatives when integrated marketing and service solutions are not a priority.

### **smartFOCUS**

smartFOCUS is a U.K.-based campaign management vendor in the Niche Players quadrant that offers basic and advanced campaign management. Clients can consider smartFOCUS specifically when seeking campaign management for offline and online marketing capability in the midmarket.

### **Strengths**

- During 2010, smartFOCUS grew its revenue by around 17%, and earnings were up 78%, making inroads into its targeted verticals in retail, gaming and new media. In April 2011, Emailvision, an e-mail provider, announced its intention to purchase smartFOCUS for £25.3 million.
- The vendor offers basic and advanced campaign management tools for descriptive and predictive analysis, reporting, database integration, and campaign planning and management. Its platform supports outbound and inbound execution, with digital marketing channels that include e-mail, SMS, RSS and landing pages/microsites. The vendor rounds out functionality with partners; it partners with KXEN for predictive modeling algorithms, and with Omniture for Web analytics.
- New for 2010 were Target Builder, which makes for easier selection of new targets; calendar views showing multiple campaign projects; a Web front-end SaaS deployment of the vendor's offerings; and performance improvements.

- The road map for 2011 will likely include the integration of smartFOCUS with Emailvision. Emailvision will likely concentrate on smartFOCUS' capabilities in dynamic query and selection analytics capabilities, as well as concentrating more on a full SaaS platform for e-mail and digital marketing channels than offline channels.

### **Cautions**

- The purchase of smartFOCUS by Emailvision will most likely be completed. Current customers and prospects will need a road map for what the combined go-to-market strategy will be in terms of channel, industry and functionality focuses. An integrated smartFOCUS-Emailvision platform is targeted for 4Q11, and the vendor plans to continue to support the full product range.
- References mentioned that, although there is high performance in regard to the provider's solution architecture, some improvements are needed in administration and workflow.
- The vendor has continued to push back its plans for a unified UI. However, in February 2011, smartFOCUS released a beta for an integrated analysis and campaigning tool with a unified Web UI under Microsoft Silverlight.

### **SAP**

SAP's company strength and delivery of marketing as an integrated solution within a CRM suite keep it a strong Challenger in the campaign management market. Marketing departments in an SAP environment should evaluate SAP campaign management to see whether it meets their requirements before seeking best-of-breed solutions elsewhere.

### **Strengths**

- SAP provides basic campaign management execution, trade promotion management, lead management and loyalty management. The vendor reports that about 50% of its active CRM 7.0 customers use SAP Marketing.
- SAP Marketing's release in 2010 included real-time offer management in campaigns and object segmentation. On the loyalty side, loyalty analytics, partner participation B2B loyalty and point-of-service (POS) integration. SAP is one of only two MCCM vendors with loyalty accrual and self-service redemption capabilities.
- The road map for 2011 includes high-volume, in-memory, computing-based architecture for customer segmentation capability. Using SAP NetWeaver Business Warehouse Accelerator, SAP will have more eloquent drag-and-drop campaign creation capability for visual splits and waterfalls. The vendor will have on-the-fly creation of in-line graphs that guide and bring decision data into campaign creation.
- References mentioned that using one system that provides a single customer view with SAP as one of the vendor's strengths.

### **Cautions**

- Although SAP has high-volume segmentation that leverages in-memory computing, it has just a handful of references showing scalability for 50 million customer records or more.
- Several references mentioned somewhat limited e-mail functionality, but SAP has partnered with others as alternatives.



- Consider alternatives if SAP is not part of your current or planned environment. SAP NetWeaver and SAP CRM are required offerings to use SAP's campaign management capabilities.

## SAS

SAS continues its leadership positioning in the MCCM Magic Quadrant for its campaign management wins, with a strong analytics focus on campaign management. SAS should be on the shortlists of marketing departments that want advanced analytics within MCCM.

### Strengths

- SAS is a large, privately owned company that reports approximately \$300 million in campaign-management-specific revenue in 2010, up 15% from 2009.
- The vendor has good basic and advanced functionality for campaign management, as well as strong advanced analytics capabilities, such as analytics segmentation and optimization, that are integrated into the campaign process.
- Notable changes for SAS since our last MCCM Magic Quadrant include the purchase of Assetlink. For campaign management, this gives SAS some presence into the B2B market, as well as improved visibility in vertical markets such as the pharmaceutical and consumer goods industries.
- The SAS road map for 2011 includes the already available (as of February) SAS Customer Intelligence 5.4 release, which included improvements to the vendor's dynamic offer arbitration offering in Real-Time Decision Manager. Customer Intelligence Studio and Campaign Management enhancements included the visual selection of segments, cross-campaign prioritization capability and Assetlink integration.
- References reported that having an integrated data structure underneath MCCM is one of the most beneficial features of SAS products. References also mentioned that SAS delivered what was promised "without storytelling."

### Cautions

- References considered SAS for power-user-type work, using SAS' advanced analytics capability, rather than for its strengths in campaign management alone.
- The vendor needs to accelerate its digital marketing strategy, particularly around its Web analytics offerings. In addition, SAS has been slow to get adoption for its Real-Time Decision Manager (released in 2007). These should be highly visible core competencies for SAS, and should be leveraged as key differentiators in the MCCM space.
- Consider alternatives when marketing analytics is not an organizational priority.

## Teradata-Aprimo

Aprimo Relationship Manager (ARM), formerly known as Teradata Relationship Manager (TRM), and the Aprimo acquisition put this vendor in the Leaders quadrant. Companies with large amounts of data, or with complex datasets for segmentation and B2C targeting, should consider ARM. Consider Aprimo Campaign Management when MRM is a strong component for MCCM overall, or when a SaaS offering for B2B lead management is needed. Consider alternatives when some digital marketing capabilities (specifically transactional marketing) aren't a priority.

## Strengths

- Teradata and Aprimo have unified the branding of their campaign management offerings under the Aprimo brand. Aprimo will continue to develop, sell and support the existing offerings separately, depending on business issues, data strategy, deployment preference and complexity of campaigns. Teradata will now own leading MRM capability, instead of partnering for it. Aprimo will gain a bigger R&D budget, including more developers.
- Aprimo will have an expanded global sales team motivated to sell MCCM. Led by Aprimo executives, the company can better target CMOs with focused business applications, selling to marketing in addition to the IT buyer. Aprimo's expanded offerings will give Teradata an easier-to-use campaign management offering.
- The road map for 2011 includes full integration among Aprimo Marketing Studio (AMS), Marketing Resource Management and ARM, as well as between Aprimo's full-service e-mail offering and ARM.
- References consistently mentioned MRM as a strength for Aprimo, and noted Teradata's capacity to respond to customer support needs as a strength.

## Cautions

- Teradata-Aprimo expects a complete combined offering "at least three years down the road." References consistently mentioned usability as the biggest caution for TRM, which the vendor hopes to address with 2011 releases of ARM that incorporate a more intuitive UI.
- The vendor should continue to improve its MSP partnerships.
- Teradata-Aprimo should own inbound offer capability, rather than partnering for it.

## RECOMMENDED READING

---

*Some documents may not be available as part of your current Gartner subscription.*

"Magic Quadrants and MarketScopes: How Gartner Evaluates Vendors Within a Market"

"Digital Marketing: The Critical Trek for Multichannel Campaign Management"

"Top Use Cases and Benefits for Successful Social CRM"

"Cool Vendors in CRM Marketing, 2011"

"Marketing Framework: Essential Building Blocks for Multichannel Campaign Management Functionality"

## Vendors Added or 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 appearing 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. This may be a reflection of a change in the market and, therefore, changed evaluation criteria, or a change of focus by a vendor.

## Evaluation Criteria Definitions

### Ability to Execute

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

**Overall Viability (Business Unit, Financial, Strategy, Organization):** Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood of the individual business unit to continue investing in the product, to continue offering the product and to advance the state of the art within the organization's portfolio of products.

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

**Market Responsiveness and Track 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 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:** 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, etc.

**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 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 product 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 set 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 verticals.

**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.

## REGIONAL HEADQUARTERS

---

### Corporate Headquarters

56 Top Gallant Road  
Stamford, CT 06902-7700  
U.S.A.  
+1 203 964 0096

### European Headquarters

Tamesis  
The Glanty  
Egham  
Surrey, TW20 9AW  
UNITED KINGDOM  
+44 1784 431611

### Asia/Pacific Headquarters

Gartner Australasia Pty. Ltd.  
Level 9, 141 Walker Street  
North Sydney  
New South Wales 2060  
AUSTRALIA  
+61 2 9459 4600

### Japan Headquarters

Gartner Japan Ltd.  
Aobadai Hills, 6F  
7-7, Aobadai, 4-chome  
Meguro-ku, Tokyo 153-0042  
JAPAN  
+81 3 3481 3670

### Latin America Headquarters

Gartner do Brazil  
Av. das Nações Unidas, 12551  
9º andar—World Trade Center  
04578-903—São Paulo SP  
BRAZIL  
+55 11 3443 1509