

Magic Quadrant for Multichannel Campaign Management, 2008

Adam Sarner

Unica, SAS, Teradata and Oracle (Siebel) remain leading vendors in the multichannel campaign management market. Aprimo's momentum and coverage of functionality gaps through partnerships moves it toward leadership. Market2Lead, Neolane and Responsys enter as niche players.

WHAT YOU NEED TO KNOW

The leading campaign management vendors provide breadth and depth in support of multichannel campaigns but will face continued pressure from the niche players that are increasing their capabilities and focus on addressable, two-way interaction channels, such as mobile devices and the Web, in an on-demand environment. New multichannel campaign management vendors are coming from the online space, such as e-mail marketing and Web analytics, and have "mind share" in the area. In addition, emerging niche players that are focused on the business-to-business (B2B) market with specific processes, such as lead management, are growing. Marketers need to evaluate products and make trade-offs based on their key requirements and campaign management processes to be automated, because vendors offer strengths in different areas (for example, channels, industries or campaign type).

MAGIC QUADRANT

Figure 1. Magic Quadrant for Multichannel Campaign Management, 2008



Source: Gartner (April 2008)

Market Overview

The multichannel campaign management market continues to show strong growth. Marketing automation is the fastest-growing CRM investment area, with approximately 14.7% compound annual growth rate from 2007 through 2012. This healthy growth reflects a likely temporary

economic slowdown (see "Market Trends: Customer Relationship Management Software, Worldwide, 2007-2012"). Fueling growth were marketers who continue to shift investments from mass-marketed, one-channel, one-way, company-driven campaigns to multichannel, measurable interaction-driven campaigns. Vendors are providing more-advanced campaign execution, and marketers continue to build on inbound and outbound strategies for targeted, improved response rates.

Progress in the campaign management market focused on needed user interface (UI) improvements and filling functionality gaps in areas such as advanced analytics. Expect these trends to continue as B2B business-to-consumer (B2C) and midmarket marketers demand accessible, multichannel campaign management functionality for marketing analysts, not the IT department.

More specifically, multichannel management market changes last year included:

- A focus on ease of use and point-and-click graphical representations/visualization of segmentation and campaign creation, rather than "webitized" rows and columns of cell data.
- A focus on inbound marketing and offer management tools, with vendors acquiring, partnering or building capabilities in those areas.
- A moderate shift in focus from direct mail to more e-channels, such as the Web, mobile, Really Simple Syndication (RSS) and e-mail marketing.
- New vendors targeted midmarket, multichannel campaign management by focusing on e-channels and delivering an on-demand model for B2C and B2B-specific functionality, such as event management and lead management.

Market Definition/Description

Multichannel campaign management processes enable companies to communicate offers to customer segments across a multichannel environment, such as direct mail, call centers, Web sites, 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 event triggering and real-time recommendations in inbound and outbound environments. E-marketing functionality, which is increasingly becoming integrated with campaign management, includes Web analytics, community marketing and search marketing. Vendors in this Magic Quadrant are assessed on their ability to support each type of functionality.

Inclusion and Exclusion Criteria

For inclusion in the Magic Quadrant for Multichannel Campaign Management, 2008, 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
- Proved 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 e-marketing functionality, such as Web analytics and community and search marketing (see "World-Class Building Blocks for Multichannel Campaign Management" and "Campaign Management Needs E-Marketing Functionality").

Market Presence and Momentum

- 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

- Enough cash to fund a year of operation at its current rate of cash depletion

Added

- Market2Lead
- Neolane
- Responsys

Dropped

- Chordiant did not meet minimum criteria for new customers in 2007 to be included in the 2008 update.

Evaluation Criteria

Ability to Execute

The criteria and weightings for ability to execute remained the same for 2008 as in 2007.

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 multichannel campaign management Magic Quadrant. Subcriteria include basic campaign and advanced campaign management functionality (45%), and basic and advanced analytics (45%), while functionality for e-marketing is given the remaining weighting (10%).

Overall Viability (Business Unit, Financial, Strategy and Organization): The overall health of the vendor, including the line of business offering campaign management solutions. Viability consideration includes the vendor's history, and commitment to the continued success and development of world-class multichannel campaign management. 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, 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.

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
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

Completeness of Vision

The criteria and weightings for completeness of vision remained the same for 2008 as in 2007.

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 low rating.

Geographic Strategy: See "Business Model" criteria. This is given a standard rating.

Table 2. Completeness of Vision Evaluation Criteria

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

Source: Gartner

Leaders

Leaders consistently do considerably better in overall campaign management performance for basic and advanced campaign management, 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 competency. 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 e-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 departments. 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

Strengths

- Alterian is a U.K.-based company that entered the multichannel campaign management Magic Quadrant during 2007 as a niche player. It has raised its execution and vision as a result of strong sales, improved visibility and a positive financial track record.
- The company has a campaign management execution tool built on top of a high-performing analytics engine. References consistently noted strong capabilities for quick access to complex criteria, and quick selection of data and flexibility in the database structure for adding new fields and new data sources. Alterian's products are largely hosted campaign management solutions.
- During 2007, Alterian improved support for multiwave execution, integrated support for marketing resource management (MRM) and acquired a contact optimization application, which has been integrated and released. Other improvements included published application programming interfaces to support third-party access to other applications, and a dedicated drag-and-drop type list management application. Alterian has partnered with Omniture for Web analytics.
- Its road map includes increasing support for on-premises solutions and expanding channel relationships to include system integrators and agencies. Functionality will include light analysis Web-based dashboarding, configurable levels of control for different marketing needs, and a fully Web-based application with a unified UI by 2009. This should appeal to the end-user market.

- A large number of channel partners host the solution, including Acxiom, The Allant Group, Donnelley Marketing, Epsilon, Experian, Targetbase, KnowledgeBase Marketing and Merkle.
- Clients looking for hosted campaign management with strong analytical tools should consider Alterian for midmarket campaign management.

Cautions

- References said Alterian needs improvement in scheduling the workflow of multistep/multiwave campaigns and in troubleshooting if something does not go as planned.
- The channel partner, not the marketing department, usually selects Alterian. In addition, management service providers (MSPs) tend to view Alterian as a lower cost, operationally focused alternative to larger campaign management vendors. This should change as Alterian continues targeting on-premises solutions with its growing marketing automation suite environment.

Aprimo

Strengths

- Aprimo, known for its MRM leadership, continues to add to its campaign management installed base, and we expect further traction in its campaign management offerings. Aprimo provides B2B and B2C multichannel campaign management to a range of industries, notably in the financial industry, retail/consumer packaged goods and life sciences.
- Aprimo provides basic and advanced campaign management execution, including lead management and event-triggered marketing, and has partnered with SPSS for advanced analytics to incorporate prebuilt models for in-line scoring during the segmentation process.
- The vendor delivered on Aprimo Enterprise Campaign Management 8.0 with improvements, most notably to the UI, and new contact optimization with greater prioritization of multichannel campaigns, improved support for the database marketer, such as advanced views for free-form Structured Query Language (SQL) code, and the capability to incorporate rented or external lists into a segmentation activity.
- Aprimo recently partnered with eglue for inbound marketing in a contact center or on the Web, and has secured a partnership with WebTrends for Web analytics.
- References site an easy-to-use interface for campaign management and good functionality for basic and advanced campaign management.
- Aprimo's solution is based on a service-oriented .NET platform and provides a workbench for integration with other applications, such as those based on Java Platform, Enterprise Edition (Java EE).
- Companies with a focus on broad MRM strengths, in conjunction with multichannel campaign management, should consider adding Aprimo to their shortlists for multichannel campaign management.

Cautions

- Aprimo's market recognition comes from the accountability and measurement of marketing. Gartner sees e-marketing as a key place for attribution metrics, and Aprimo should be leading the vision in this area.
- Aprimo has chosen to partner with other companies to fill more visionary areas, such as advanced analytics and e-marketing, in its products. If relationships change, then Aprimo will be forced to change partners in advanced areas of campaign management.
- References cited that multilingual Web landing pages and forms required separate pages for each language. Support for surveying, such as branching and layout options, can be improved.
- Although its basic and advanced campaign offerings continue to improve, Aprimo's leading vision comes from its MRM capability.

Art Technology Group

Strengths

- Art Technology Group (ATG) continues to close new deals for B2C e-commerce, which includes campaign management in an online environment. ATG's revenue grew by 33% in 2007. Revenue reached more than \$130 million in 2007.
- ATG is a visionary provider for the realization, deployment and online approach toward campaign management functionality. ATG has basic and advanced campaign management, such as event-triggered marketing, cross-selling and upselling, A/B testing, e-mail marketing and an in-line search marketing/online segmentation strategy (called "Searchindising") in an online environment.
- ATG partners with community marketing vendors, such as Bazaarvoice and PowerReviews, to help move customers toward purchases. Community marketing is a growing area in campaign management, which Gartner considers a visionary functionality.
- In February 2008, ATG acquired CleverSet, a recommendation engine for next-best offer. ATG can use this to complement its rule-based recommendations.
- Marketers in the online B2C retail and high-tech environments seeking e-marketing-specific campaign management and e-service can should place ATG on their evaluation shortlists.

Cautions

- ATG was not profitable in 2007. However, this came from a restatement of deferred revenue for offering software as a service (SaaS).
- ATG is online-focused primarily for Web selling, which includes online campaigns. Its main value proposition is supporting e-commerce. Clients looking for campaign management through other channels, such as the call center or direct mail, should consider alternatives.
- References cite the need for more-robust content management capabilities that are easier to incorporate with their processes.

Eloqua

Strengths

- Eloqua is a small, but growing, niche lead management provider in the campaign management space, offering an on-demand solution for B2B, or B2B in consumer markets, where "large, considered" purchases require a sales agent.
- The company's products support lead management as a business process. This includes lead scoring, nurturing and routing designed with the channels for generation and execution (such as online and e-mail), as well as for integration points (such as sales and events). Its main execution channel is e-mail marketing, but it also provides data collection reporting and analysis from e-mail landing pages, direct mail (on demand) Web sites, Web events, surveys and online registration forms.
- Eloqua provides basic campaign management execution — such as segmentation, execution and workflow — geared toward generating leads, including event-triggering and e-mail marketing execution capability in an on-demand environment.
- During 2007, Eloqua moved from an a la carte selection of functionality to more tier-type offerings to match functionality requirements for customers in different generations of lead management. This was a justified move and should help Eloqua more easily express and accommodate the growing levels of complexity in lead management environments.
- Its road map for 2008 includes more focus on campaign analytics, marketing revenue attribution and light budgeting. It is adding event reminders through Short Message Service (SMS), text-to-speech capability and RSS for content syndication.
- References report that Eloqua scores well in e-mail execution (editing, testing and sending), lead nurturing, Web forms and building complex programs for lead management. References also note that its workflow and integration with salesforce.com ranks above average. They reported above-average professional service support.
- Partners include, a substantial relationship with salesforce.com, along with growing partnerships with Microsoft for the Dynamics CRM product, NetSuite, SalesLogics and Oracle (Siebel).
- Midmarket, B2B-oriented clients or those with sales agents working on large considered purchases (for example, wealth management and major sports clubs) looking for on-demand campaign management specifically focused on lead management should consider Eloqua.

Cautions

- References report improvement is needed in project hierarchy in more-advanced campaigns where marketers need to "slice and dice" results by a large amount of activities, countries and campaigns.
- Eloqua should accelerate its plans around e-marketing capabilities, such as search engine optimization and search marketing, which are more-visionary functions.
- References cite that, although Eloqua has good reporting and improved dashboarding, it lacks advanced analytics. Expect more work in this area, particularly concerning modeling attribution of revenue around campaigns.

Infor CRM Epiphany

Strengths

- Infor CRM Epiphany continues to have momentum for B2C campaign management in a company that mostly sells software to B2B manufacturing environments. Infor CRM Epiphany consistently appears on client shortlists and remains a challenger in the multichannel campaign management market.
- Infor CRM Epiphany's strength is in B2C service industries, and it is targeting retail banking, telecommunications, insurance, retail, travel and leisure. It is beginning to target the healthcare industry and large manufacturers. Campaign management functionality includes basic and advanced campaign management execution, and basic and advanced analytics.
- Inbound Marketing is still a draw for prospects and is sold separately. As Gartner predicted, Infor CRM Epiphany has licensed its Infor CRM Inbound Marketing to Teradata, and Teradata customers are showing interest in buying Inbound Marketing as a result of this deal.
- In January 2008, Infor CRM Epiphany released Infor Outbound Marketing and Insight, which included a new module for event-based triggers, an option to schedule entire campaigns or portions of campaigns separately, the ability to apply a saved segmented list to a campaign, and time-based scheduling of campaigns and reports. It improved its e-mail marketing module, updating to a Java-based architecture.
- Infor CRM Epiphany's road map includes a significant update to Inbound Marketing for 3Q08; and a UI that connects inbound with outbound campaign management, and more options for external data access, for 2009.
- References consistently mentioned easy system setup, front-end flexibility and following the "train of thought" of marketing users, rather than for IT organizations. References also cited good reporting metrics, such as measuring the success of a campaign, and a good query/data mining selection tool for business analysts.
- Companies seeking campaign management should evaluate Infor CRM Epiphany's strategy for using the Infor CRM Epiphany product as a CRM suite, and should understand Infor CRM Epiphany's R&D investments, as well as its focus on campaign management development.

Cautions

- Customers gave mixed reviews about support. Those on later versions tended to give better scores. Infor CRM Epiphany has noted the support issues, citing that support backlog has dropped more than 50% from December 2006 to December 2007. It has added technical support analysts and created a customer advocate group.
- There were a significant number of bugs pre-v.7.1, with references citing that Infor CRM Epiphany released 7.0 "too soon."
- Clients consistently mentioned weakness in advanced data mining to support campaign management.

Market2Lead

Strengths

- Market2Lead enters the multichannel campaign management Magic Quadrant as a niche player, but a highly visible provider of B2B lead management products for B2B organizations in the midmarket. Market2Lead provides basic campaign management functionality, specifically in lead management in an on-demand-only offering. Functionality includes lead management to process and score leads, as well as to create microsites/online form registrations and call scripting for telemarketing. It has reporting capabilities for executed campaigns, such as Web site tracking and dashboard reporting. Market2Lead has live lead management campaigns in 42 languages and operates global campaigns for multinational companies.
- Market2Lead partners with e-mail service providers, such as ExactTarget and Premier Global Services, to send e-mail.
- B2B clients should consider Market2Lead as a basic provider of lead management tools that enable marketers to start automating the leads process.

Cautions

- Market2Lead is seen as offering a less-complex, lower-cost solution compared with other lead management competitors, rather than on the strength of its capabilities.
- A large percentage of Market2Lead business comes through salesforce.com. Market2Lead should not become reliant on this partnership, because Eloqua, in particular, has more traction there. In addition, salesforce.com could decide to add capability in its lead management offerings.
- Market2Lead has resources in the U.S. and Asia/Pacific, but has customers only in the U.S.

Neolane

Strengths

- Neolane, based in France, enters the multichannel campaign management Magic Quadrant as a niche player, targeting the U.S. market. It continues to move from being an e-mail marketing-focused execution provider toward midmarket multichannel campaign management.
- Neolane provides basic and advanced campaign management, surveying tools and partners for more-advanced analytic capabilities. Main channels include e-mail and Wireless Application Protocol/SMS for mobile marketing execution. Neolane also offers print mail (print on demand).
- Neolane partners with SPSS and KXEN for predictive analytic capabilities, and with vendors such as Omniture for Web analytics.
- References consistently reported above-average professional service support and generally give a positive overall rating for Neolane's products, including ease of use and online content personalization.
- Neolane has on-premises and on-demand deployment options. In addition, the products can host the full or distributed aspects of the license. For example, this can be used if

the client wants its database behind its firewall or does not want to replicate operational data across the network.

- B2C midmarket clients should consider Neolane, particularly if e-mail and mobile marketing are major channels for their management campaigns.

Cautions

- Neolane entered the U.S. market during 2007, but has somewhat limited resources there compared with Europe, the Middle East and Africa. Neolane should continue to increase resources in the U.S.
- References cited reporting tools as not flexible enough.
- Neolane should leverage its capability and vision in mobile marketing to differentiate itself in the growing midmarket multichannel campaign management space. However, the U.S., in particular, is still a tough market for a mobile marketing strategy.

Oracle (E-Business Suite)

Strengths

- Oracle's campaign management solution uses Oracle Database and is integrated with the vendor's broader CRM suite. It remains a niche player.
- With Applications Unlimited, Oracle has committed to developing the Oracle E-Business Suite (EBS) product line indefinitely, while providing a lifetime support policy for the product.
- The focus of Oracle EBS is on high tech, manufacturing and B2B companies with EBS back-office systems; it is appropriate as part of the B2B sales process, for the casual marketing user or a sales representative.
- Oracle's 12.1 release of EBS is slated for 2008 and will include improvements to list-splitting performance, enhanced marketing data, source administration, enhanced calendaring and Gantt Chart view, enhanced list import organization and contact address validation. EBS r.12.1 also will have enhanced marketing activity copy to include tasks.
- Companies should consider Oracle EBS when looking for basic campaign management functionality as part of an Oracle suite to support the sales process.

Cautions

- Although Oracle's Applications Unlimited strategy supports continued investment in EBS, Gartner does not believe there will be major investment in EBS in the campaign management area. Clients should ensure that the current solution meets their short-term, as well as long-term, requirements. If it does not, then seek alternatives, including Siebel.
- There is no optimization, and few customers have deployed Oracle Marketing's predictive analytic capabilities, which are powered by Oracle Data Mining.
- References cited difficulty with workflow configuration and a lack of major functionality additions for their growing needs. Some of this should have been addressed in r.12.0, but Gartner has not spoken with references beyond r.11.5.

Oracle (PeopleSoft)

Strengths

- With the Applications Unlimited announcement, Oracle continues to support and develop the PeopleSoft CRM product line. Oracle (PeopleSoft) is in the Niche Players quadrant.
- Oracle will sell PeopleSoft Marketing primarily as an extension of PeopleSoft CRM in higher education, communication, financial services and professional services to its installed base. PeopleSoft Marketing's value proposition is integration into PeopleSoft's financial products, service and sales.
- Basic campaign management functionality includes an easy-to-use dialogue manager provided by an acquired e-mail marketing company for tab-style campaign workflow, viewable performance of campaigns while they are running, and a marketing calendar for planning.
- Improvements to the product since PeopleSoft CRM 9.0 include better data quality management for resolving duplicate customer and transaction data, and the capability to bring in third-party content, such as Dun and Bradstreet.
- PeopleSoft provides basic analytics capabilities, including embedded analytics, business activity monitoring and the Enterprise Performance Management suite of analytics.
- Clients that invested in PeopleSoft CRM should consider campaign management functionality as part of their PeopleSoft CRM solutions with PeopleSoft's Campus Solution products, where it has received more traction.

Cautions

- There is no multistep, multiwave campaign management; there are only basic, single-step campaigns for e-mail marketing.
- No advanced analytics exist, although there are plans to bring in Oracle (Siebel) analytic capability.
- Although PeopleSoft CRM will continue to be supported, Gartner does not believe there will be a major investment in the campaign management area. Clients should ensure that the current solution meets their short-term, as well as long-term, requirements. In addition, only PeopleSoft customers in targeted industries should consider PeopleSoft CRM. Other prospects should consider alternatives, including Oracle (Siebel).

Oracle (Siebel)

Strengths

- Siebel's consistent appearance on shortlists and clear marketing positioning in the Oracle environment keeps Siebel in the Leaders quadrant. Gartner estimates its campaign management revenue grew 15% in 2007.
- B2B companies are still a "sweet spot" for Siebel Marketing, with B2B-specific functionality, such as lead management capabilities and integration with trade promotion. But substantial demand is increasing for B2C, with significant deals from its loyalty management module giving Siebel more deals in areas such as travel and retail organizations.

- Siebel Marketing offers good breadth of functionality for basic and advanced campaign management, as well as for basic and advanced analytics. Siebel is taking the lead on loyalty management, while other campaign management vendors are just speculating about adding loyalty modules in their road maps.
- Siebel's road map includes Siebel CRM r.8.1 during 2008, which most notably will include improved lead management, improved usability testing and integrated landing pages for e-mail marketing and an in-store loyalty application. An upgrade to Real Time Decision 3.0 also is included in Siebel's road map.
- References reported robust segmentation ability, reusable segments, ease of use for creating campaign workflows and informative dashboard capability. References noted good integration with the loyalty module.
- B2B and B2C marketers should add Siebel Marketing to their campaign management shortlist, particularly where integration between marketing and sales can be leveraged.

Cautions

- 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.
- Siebel Marketing has more leading functionality, such as real-time offers and loyalty marketing. To keep its leadership differentiation, Siebel must continue to show that new customers are deploying the solutions and are achieving solid results. The number of live deployments for loyalty management are increasing in 2008 for Siebel Loyalty Management, and we should have more insight into results.
- References report somewhat sporadic support from Siebel and that they needed more hand-holding on more-complex activities. Turnaround time for support issues can be improved.

Responsys

Strengths

- Responsys enters the multichannel campaign management Magic Quadrant as a niche player, continuing to move from a pure e-mail marketing execution provider toward midmarket multichannel campaign management.
- Responsys provides basic B2C and B2B campaign management and some advanced analytic and e-marketing capabilities in an on-demand environment. Channels include e-mail, SMS, the Web and direct mail (print on demand).
- Responsys' current version, Response Interact 6.0, includes Interact Campaign for campaign management, Interact Program for dialogue and event-based marketing, Interact Team for marketing process management, and Interact Insight for predictive analytics and contact optimization.
- Responsys has partnered with Offermatica for online offer management; Bazaarvoice for community management; and Omniture, Coremetrics and WebTrends for Web analytics.
- B2C marketers seeking a midmarket, on-demand-only campaign management tool, whose main channels are e-mail and the Web, should consider Responsys.

Cautions

- Responsys needs increased visibility from MSPs, although Responsys has good presence among some interactive marketing agencies.
- Although there were some multichannel advanced users, many references reported use of e-mail and Web landing pages as their main channel, rather than multichannel. Responsys must show more multichannel use as it makes the transition from pure-play e-mail marketing to multichannel campaign management.
- 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.

RightNow Technologies

Strengths

- RightNow Technologies (RightNow) grew its recurring revenue 34% in 2007, and gained momentum for its marketing solution as part of the CRM offerings. It remains a niche player in this year's Magic Quadrant.
- RightNow provides on-demand CRM capability for sales, marketing and customer service, with emphasis on high tech, retail, consumer goods, higher education, government and telecom. RightNow focuses on B2C-oriented businesses, which are better-suited to RightNow's campaign management offerings and its installed base of service-based call centers.
- RightNow has basic campaign management capabilities, such as dialogue management, basic event triggering, lead management and segmentation, which are realized primarily through e-mail marketing. RightNow also has an offer management tool in its contact center solution that is defined by the marketer and automatically presents the most relevant offer through the call center.
- RightNow has entered into a partnership with Demandware, an on-demand e-commerce provider. This should appeal to those who market and sell to customers in an online environment. It also has partnered with Lithium Technologies, a provider of forums and other social-networking tools that can be used for community marketing.
- The road map for campaign management in 2008 includes access to external data for customer segmentation, and real-time offer management for the call center and the Web, SMS and e-mail marketing delivery partnerships. RightNow is planning to target larger companies, because it is seeing a greater percentage of new deals upmarket.
- Marketers should consider RightNow marketing when it is important to complement basic campaign management with the capability to leverage customer service knowledge and activities in an on-demand delivery model.

Cautions

- RightNow was not profitable in 2007, primarily because it removed perpetual licenses from its offerings.
- There are no predictive analytics or advanced data-mining capabilities available.

- Consider alternatives when integrated marketing and service solutions are not needed. Evaluate specific campaign management needs against RightNow's overall offerings.

smartFOCUS

Strengths

- During 2007, SmartFOCUS continued to grow revenue by more than 25%, adding to its license base predominantly in the midmarket. It is in the Niche Players quadrant.
- smartFOCUS offers tools for data integration, descriptive and predictive analysis, reporting, campaign planning and management, and digital execution channels.
- The company targets the U.K. with licensed software and services, and usually helps clients build a marketing database (predominantly SQL) in the process. More than 60 marketing service partners deliver software solutions internationally. During 2007, smartFOCUS opened new territories in Asia/Pacific with a few new clients.
- Improvements during 2007 most notably included the 64-bit Analysis Data Server to address data and user scalability.
- The company partners with KXEN for advanced predictive analytics, which can be deployed in smartFOCUS's marketing platform. It also partners with Omniture for Web analytics, and plans to add more partners.
- Modular solutions from smartFOCUS offer flexibility for deployment options, including on-premises, hosted and on-demand selections.
- Midmarket clients should consider smartFOCUS when seeking solid campaign management capability with multiple deployment options.

Cautions

- Although smartFOCUS has marketing service partnerships for selling in the U.S., it continues to lack visibility among U.S. marketing departments. The company intends to have a direct operation in U.S. markets during 2008, but will need resources and more deals through MSPs to compete successfully in the U.S. market.
- The company continues to miss its integration deadlines. Data integration of the campaign planning and management module planned for 2007 was delayed. Expect data integration and an integrated e-mail platform from smartFOCUS's e-mail marketing acquisition and one UI in 2008. References have reported some frustration with lack of commitment to a specific date, although integration is now scheduled for 2Q08.

SAP

Strengths

- Strong company viability, the number of new clients and the overall value proposition of marketing as an integrated solution keep SAP a challenger in the campaign management market. Gartner estimates that more than 50% of the CRM 2007 product deals included marketing customers.
- SAP provides basic campaign management execution. In December 2007, as part of the CRM 2007 release, SAP released Trade Promotion Management, main distribution frame capabilities enabling comarketing with channel partners, and SAP Real-Time

Offer Management, adding more-advanced real-time decisioning capability to the product.

- With the CRM 2007 release came significant improvements to the marketing UI, providing more customizable, mashable desktop views, corporate-specific skins and, notably, an easier-to-use visual approach for segmentation selection. This was a welcome improvement and should address some references' concerns around ease of use and complexity from prior versions. SAP's road map includes investing in loyalty management, and addressing scalability issues for large numbers of customer records found in B2C environments.
- On-demand offerings are properly positioned as a ramp-up for larger, longer-term licensed SAP implementations; however, there has not been much demand for the delivery model.
- Marketing departments in an SAP environment should evaluate SAP campaign management to see if it meets most of their requirements before seeking best-of-breed solutions elsewhere.

Cautions

- UI improvements were needed and were delivered with CRM 2007, but there are still scalability issues for customer records of more than 5 million. SAP will not address this during in 2008, but there are plans to address it in the next release.
- The real-time offer management tool, promised for 2Q07, was integrated with CRM 2007 at the end of 4Q07.
- Some references cited a high learning curve, modifications, custom development and work-arounds for getting something as simple as deploying e-mail. Gartner believes the CRM 2007 release has fixed some of the usability issues, but this has not yet been validated by references/clients.

SAS

Strengths

- With continued high visibility and strong growth in core campaign management revenue (almost 50% growth during 2007) and substantial campaign management wins with a strong analytic vision toward campaign management, SAS remains in the Leaders quadrant.
- SAS has good basic and advanced functionality for campaign management, as well as strong advanced analytics capabilities, such as predictive analytics, and cross-campaign optimization.
- SAS Customer Intelligence 5.1, released in September 2007, included a major release of its customer intelligence suite, updates to marketing optimization (which included multithreaded optimization solvers and contact policy enforcement), incremental releases for campaign management and a new module of inbound marketing called Real-Time Decision Manager.
- SAS plans a major release of Web Analytics during 2008. SAS's initial Web Analytics product, WebHound, was released in 2001 and needed to be rewritten. Web Analytics will be fully integrated with SAS customer intelligence, have an analytical scorecard and dashboard, business objective monitor and goal-seeking capability, and a search engine

bid manager. SAS partners with SpeedTrap, a U.K.-based company providing online behavioral analytics. We expect growing demand for SAS's new product.

- A more-visionary item on the SAS road map is to apply its strengths in analytics to mine social networks, which could become a strong differentiator when integrated in multichannel campaign management. Its acquisition of Teragram can be used to support social networks, but do not expect a product until 2009.
- References report that SAS Campaign Management performs above average for displaying/exposing the underlying data structures, and allows for adequate control of cells and extracts. Scheduling and automation of campaigns are described as robust and stable.
- SAS should be on shortlists of analytic-intensive marketing departments that want tight integration between basic and advanced multichannel campaign management.

Cautions

- SAS needs to accelerate its road map in more-advanced analytic areas of campaign management, leveraging its analytical strengths, as its vision is there. It has been slow to update its inbound marketing solution, its Web analytics offering, and its approach to e-marketing and emerging areas, such as community marketing.
- References report difficulty reloading customer lists processed at a third party and tagging them as a campaign for tracking. SAS reports that this process was made easier in its current release.
- References report that campaign scheduling workflow can be improved; some references noted that scheduling takes too much time or work.

Teradata

Strengths

- The successful release of Teradata Relationship Manager (TRM) 6.0, new business and revenue in 2007, continuing ability to execute, and overall approach to campaign management keep Teradata in the Leaders quadrant.
- Teradata's value proposition is its data warehouse, which offers integration with TRM, which includes B2C campaign management capabilities. Although competitors claim to enable data to be accessed wherever it is located, many clients end up building a marketing data mart. Teradata provides this with tight integration and quick access to customer data records.
- TRM 6.0 was released in December 2007 and has two beta clients. It includes a complete rewrite of Java EE, a new Web-based UI, multiple selection methods for a variety of companies to use warehouse data, and improvements to multistep dialogue management.
- Teradata has partnered with Infor CRM Epiphany to add inbound marketing to Teradata's offerings. Infor CRM Epiphany's CRM Inbound Marketing will be branded, sold and installed as "Teradata Interaction Advisor, powered by Infor." Teradata has partnered with NCR for e-mail marketing.
- References consistently give TRM high marks for scalability, and the ability to run large amounts of segments and campaigns.

- TRM 6.0 references that have bought or evaluated the product mention significantly improved ease of use, improved workflow and the reuse of objects.
- Large companies, and companies that have large amounts of data with complex datasets for segmentation and targeting, and where data latency is a concern, should consider Teradata. Companies uninterested in running campaign management from Teradata Warehouse should consider alternatives.

Cautions

- TRM is not a separate solution. Companies must invest in Teradata Warehouse as part of TRM, which adds significant cost to the application.
- Although references report that TRM 6.0 is more-intuitive than previous versions and they welcome the re-signed interface, Teradata TRM is not built for the casual user and requires substantial skill to use fully.
- Although it offers Warehouse Miner for data mining, Teradata has focused on the Analytical Data Set Generator component and positions this for data preparation and scoring aspects for any data-mining application.

Unica

Strengths

- Unica's revenue growth, number of new customers, overall value proposition, and top mind share toward the multichannel campaign management market keeps Unica in the leadership position.
- Unica provides clients in many industries with the broadest range of campaign management capabilities, depending on users' current and growing needs. Unica also is meeting the needs of campaign management departments for augmentation of campaign management with MRM.
- Unica has leading capabilities for basic and advanced functionality for campaign management, and good advanced analytic capabilities, such as predictive analytics and cross-campaign optimization.
- Since the 7.0 release of Affinium, Unica has added cross-channel analytics and marketing performance management analytics with Affinium Insight (this has been leveraged from the acquisition of Sane Solutions' Web analytics), field execution of marketing campaigns, updates to the MRM product and improvements to e-mail marketing with, most notably, scalability and performance enhancements.
- Unica's references consistently point to high scores for advanced campaign management, complex segmentation capability and flexibility for external data sources. They noted good organization of campaigns, such as the capability to clearly define criteria for projects and to create definitions for success for control over campaigns. References generally reported high-quality experiences and execution from Unica's professional service group and integration partners, as well as good support from Unica's support team.
- Marketing departments should consider Unica when multichannel campaign management is a significant strategic requirement.

Cautions

- As a leader in this market, Unica must continue to provide vision as a multichannel campaign management vendor, particularly online, as it has begun to do by integrating Web analytics into its Affinium suite. Unica tends to make investments when the market is ready, but does not create new areas that customers and the market will follow.
- Unica will see increased pressure from the on-demand, midmarket players in campaign management. Although it targets midmarket solutions, Unica will need to show more viability for the midmarket, where its products are viewed as a large (and more-expensive) enterprise solution. Unica should target e-marketing and differentiated B2B functionality in this area. For example, Unica could leverage the on-demand platform it acquired with MarketingCentral to develop a midmarket, on-demand campaign management solution for B2B.
- Unica must show continued growth as the multichannel campaign management market becomes saturated. This will require Unica to continue to enter new markets and to expand its offerings for MRM and the growing market for enterprise marketing management, looking outside the area of database marketing.

RECOMMENDED READING

"Five Steps to Successful Event-Triggered Marketing"

"E-Marketing Is the Fastest-Growing Area in Marketing Automation"

"Magic Quadrant for Marketing Resource Management, 1Q08"

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

Acronym Key and Glossary Terms

ATG	Art Technology Group
B2B	business-to-business
B2C	business-to-consumer
EBS	E-Business Suite
Java EE	Java Platform, Enterprise Edition
MRM	marketing resource management
MSP	management service provider
RSS	Really Simple Syndication
SaaS	software as a service
SMS	Short Message Service
SQL	Structured Query Language
TRM	Teradata Relationship Manager
UI	user interface

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 Web site, 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