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Magic Quadrant for Social CRM

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Hype continues to grow around social CRM, with analytics gaining visibility and adoption. Social CRM vendors will increasingly have to show examples of how their social data is used in core business processes, not just provide an API.

What You Need to Know

This document was revised on 26 July 2011. For more information, see the [Corrections](#) page.

Hype around social applications by sales, marketing and customer service departments has exploded during the past two years as companies implemented social applications mostly as experiments or for tactical purposes. Actual use cases are still diverse, narrow in scope and unevenly diffused across companies, with experimentation that, most times, forgoes measuring business benefits. Most vendors remain relatively small and unprofitable, although many grew 50% to 100% in 2010. Successful social CRM vendors will provide clear benefits for companies and communities, with multiple use cases for sales, marketing and customer service processes (see Figure 1).

Magic Quadrant

Figure 1. Magic Quadrant for Social CRM
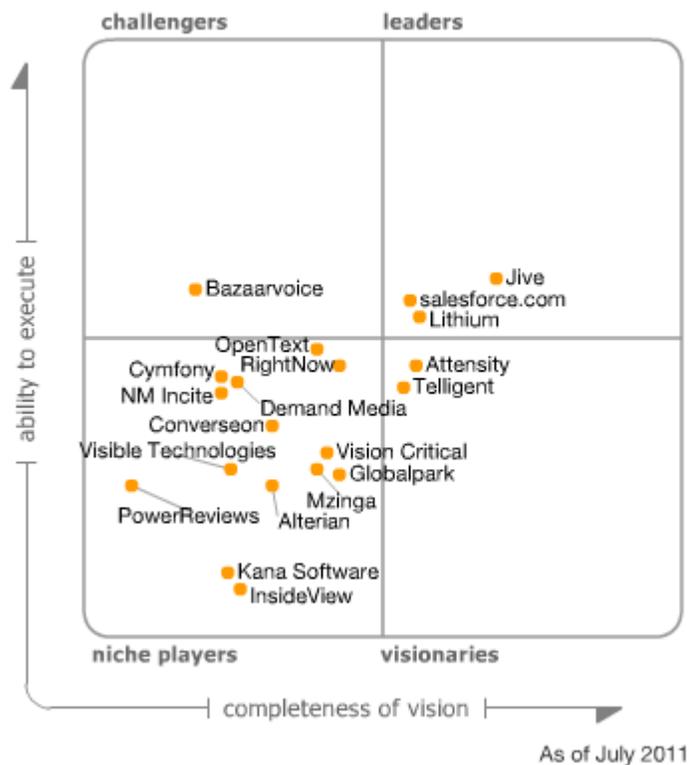
Source: Gartner (July 2011)

Market Overview

Even at nearly the peak of the Hype Cycle, many companies have treated social CRM as a series of experiments and tactical purchases. Few have a social CRM strategy or established metrics to measure its effect on hard business results. Different departments, employees and managers implement different types of applications for different purposes. This lack of consistency among buyers keeps the market fragmented into at least three segments (sales, marketing and customer service), with many small vendors taking various approaches to address one area, approach or use case. The majority of vendors that survive and thrive in the midterm will offer tools that can address multiple use cases in more than one department (i.e., customer service and marketing; see "Top Use Cases and Benefits for Successful Social CRM").

Spending by buyers on social software for marketing, customer service and sales increased by 40% in 2010, but social CRM remains less than 5% of the total CRM application market. Gartner expects the social CRM market to reach over $1 billion in revenue by year-end 2012, up from approximately $625 million in 2010. More than 100 vendors have social CRM offerings. Most are not profitable and generate annual revenue of less than $1 million.

Consumer use accounts for over 90% of spending on social CRM, but spending on business-to-business (B2B) use is growing faster and will account for 30% of total social CRM spending by 2015. The market will continue its rapid consolidation throughout 2011 (see "Predicts 2011: CRM Enters a Three-Year Shake-Up"). Previously, social vendors acquired each other. Now, business application vendors and outsourcers have started to add capabilities through acquisitions.

Today, vendors differentiate themselves on the basis of functions, process workflow, analytics and ease of use or superior experience delivered through professional services. The functions that social CRM vendors offer tend to reflect one of four typical starting points:

- Hosting and supporting a branded or private-label community, and providing the surrounding functions
- Monitoring, listening to, surveying and responding to private-label or independent social networks
- Facilitating the sharing of B2B or business-to-consumer (B2C) contacts through communities
- Establishing community product reviews largely to facilitate online sales

Vendors that can assemble a full set of social CRM functions, and make progress in two or more of these areas, will be best positioned for market success as the market matures. Over time, vendors will find it harder to gain an advantage by providing unique core functions for social CRM. Four other factors will then also differentiate vendors:

- Seamless interoperation between public social networks and internal collaborative communities
- Integration of processes with traditional, operational CRM applications, such as multichannel campaign management, a customer service knowledgebase or a sales lead application
- Application-specific analytics to help prove the ROI of the social CRM application
- Partnerships with global system integrators, or digital or interactive agencies and consultants, to promote and deploy the applications

In 2H11, social CRM R&D will center around five areas:

- Deeper integration with traditional CRM processes
- Tools to measure ROI
- Deeper integration with social-network services — particularly Facebook and Twitter
- Increased use of analytics
- New use cases for social CRM

The need for integration will favor more-traditional CRM vendors that add social capabilities. Integration did not matter much when enterprises were just experimenting with social CRM. However, companies are asking for the integration of social data with other customer data within sales, marketing and customer service processes, which means the integration of social CRM with applications such as a knowledgebase for customer service, multichannel campaign management, sales force automation or e-commerce, Web content and Web analytic

applications, master data management and even back-office applications (such as systems for core banking, telco billing, manufacturing ERP and insurance policy management).

Social CRM vendors will increasingly have to show examples of where social data was used in core business processes, not just provide an application programming interface (API). Traditional CRM vendors have had to show evidence of ROI. Successful social CRM vendors will need to show quantified business cases and, more importantly, repeatable social CRM processes that are not yet broadly available. The anecdotal stories of success in 2009 and 2010 will no longer suffice, and repeatable use cases with financial justification will be needed to succeed. However, the other three areas of investment, in many ways, favor the newcomers, who are more nimble and able to focus more quickly on new opportunities with Facebook and Twitter, are more adept at specialized analytics requirements and who evolve to support new use cases more rapidly.

We cover markets for externally facing social software and social software in the workplace in separate Magic Quadrants. The three social software markets attract different sets of vendors, and the dynamics differ because the needs of the three user groups differ. In such closely related markets, some vendors will naturally appear in two, or even all three, Magic Quadrants.

Market Definition/Description

Social CRM is a business strategy that generates opportunities for sales, marketing and customer service, while also benefiting cloud-based communities.

Differences Between Social and Traditional CRM

Social CRM applications need to be far more customer-centric than more-traditional CRM applications. Without benefits for the customer, communities and social networks die, resulting in no benefits to the organization using the social CRM applications. To be successful with social CRM, organizations need to be much less focused on how an organization can manage the customer, and much more focused on how the customer can manage the relationship (see "Applying the Eight Building Blocks of CRM to Social Media"). Therefore, social applications must incorporate a range of customer engagement levels, from low (customer and prospect voting mechanisms) to high (customer brand or product creation through rich media).

The applications that support a social CRM strategy may engage customers, prospects or partners, in any CRM process, such as:

- Codeveloping new products or services
- Generating brand awareness
- Aiding information gathering and evaluations
- Offering price comparisons
- Assisting the selling process
- Enabling peer-to-peer customer or marketing support after purchases

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All social CRM applications:

- Encourage many-to-many participation with customers, prospects, selling partners and internal staff.

- Capture and share user-generated data and content.

- Cede control to the community by providing varying levels of autonomy and engagement levels.

- Demonstrate a mutual, balanced purpose for company and community use.

Social CRM functions span:

- Message boards

- Blogs

- Rating systems (such as product reviews)

- Reputation management

- Social tagging

- Bookmarking

- Search

- Filtering

- Customer analytics

- Structured and unstructured data mining

Social CRM applications may have users inside and outside the enterprise. So far, social sales applications have mostly internal users; social customer service applications have mostly external users; and social marketing applications have a mix of internal and external users. Applications can be public or private, or outsourced or hosted. Social CRM can make connections to independent communities and social networks, such as patient groups or Facebook.

Other common characteristics of social CRM applications include open APIs, service-oriented design, and the ability to upload and share data and media.

Social CRM Must Benefit the Enterprise and the Community

Social CRM works only if users voluntarily participate in communities, and they will do so only if they receive benefits. At the same time, the enterprise needs to realize measurable benefits; otherwise, it makes no sense to expend resources on social CRM. For the enterprise, social CRM applications increase profitability or another measure of customer value by:

- Building trust

- Gaining customer insight

- Differentiating products or services

- Increasing sales

- Improving upselling or cross-selling

- Gaining word-of-mouth advocacy

- Improving the overall customer experience

- Lowering the cost of service

For customers, social CRM applications:

- Make them feel more involved in their own decisions (such as the buying process, which includes information gathering, evaluation and post-purchase access to competent customer support).

- Give them access to more and better information on products and services.

- Give them more control in their dealings with the enterprise, such as by managing their online persona and reputation, and deciding what personal information gets used.

- Improve their self-esteem, respect, belonging and friendship.

Inclusion and Exclusion Criteria

To appear on the Magic Quadrant, social CRM providers must meet the following minimum inclusion requirements:

- The primary use and marketing of the application must be toward sales, marketing and customer service support users and/or customers, prospects and partners of the organization.

- The vendor's social CRM product must have revenue above a minimum of $10 million.

- The vendor must have had a 30% revenue growth rate or higher in 2010.

- The vendor must have at least five client references from 2010 that Gartner can talk with that are in live production use of the product.

Added

The following vendors were added to the 2011 social CRM Magic Quadrant as having met at least the minimum criteria for inclusion:

- Alterian

- PowerReviews

- Cymfony

- Converseon

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- Attensity

- OpenText

- Vision Critical

Note that Nielsen BuzzMetrics was changed to NM Incite this year.

Several vendors, such as Artesian Solutions, Collective Intellect, Synthesio and Sysomos, were not included this year because they could not meet the minimum requirements (such as revenue), but they are still notable and will likely appear in the next year or two, due to their unique strengths. They will also be tracked and mentioned in our social CRM vendor guide. Future social CRM Magic Quadrants are also likely to see more large, traditional vendors (such as Adobe, Cisco, IBM, Oracle and SAS) added.

Dropped

The following vendors were dropped from the 2011 social CRM Magic Quadrant, because they did not meet the minimum requirements for inclusion:

- Thompson Reuters-Hubbard One

- Leverage Software

- Oracle CRM On Demand

- LiveWorld

- KickApps

- Vovici

Evaluation Criteria

Ability to Execute

Product/Service: The functions we look for include social-network analysis, wiki spreadsheets, social tagging, social bookmarking, social search, general analytics, expertise location, group formation based on common interests, content and people ratings, alerting mechanism, and people and content recommendations. Also, as part of the overall score, we took into account the maturity of the product (the number of versions released and how long it has been available) and any evidence of large-scale deployments.

Overall Viability (Business Unit, Financial, Strategy, Organization): Key aspects of this criterion are the vendor's financial health (including funding — who is investing in and backing its activities), profitability, overall size of the collaboration and social-software business (in particular, dedicated employee numbers), and the degree to which the vendor is committed to this part of its business.

Sales Execution/Pricing: The vendor must sell to large enterprises, have transparent pricing and a straightforward sales process, show consistent revenue growth over the last 12 to 24 months, and have an opportunity to convert existing customers to products with new or additional capabilities.

Market Responsiveness and Track Record: A vendor must be able to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. We look for evidence of this agility in the history of the product (acquisitions, development and updates, for example) and in the actions and comments of the product management team.

Marketing Execution: We look for evidence of "mind share," thought leadership and brand recognition, and for any specific marketing initiatives (white papers, events, microsites) that may have helped to promote the vendor. Senior executives must actively participate in ongoing online conversations via their blogs or comments. We also take into account the size of the marketing organization.

Customer Experience: We look for customer feedback from vendor-supplied references, Gartner inquiries and other customer-facing interactions, such as Gartner conferences. Customer experiences are rated based on the vendor's ability to help customers achieve positive business value, as well as sustained user adoption, quality implementations and ongoing support. We also take into account the percentage of users still under maintenance, the mix of customers (large, as well as smaller, enterprises), overall customer numbers and evidence of outstanding customer successes (see Table 1).

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	standard
Marketing Execution	standard
Customer Experience	high
Operations	no rating

Source: Gartner (July 2011)

Completeness Of Vision

Market Understanding: The vendor must demonstrate a strategic understanding of collaboration and social-software opportunities, such as an understanding of the business value of social interactions and related

capabilities (content, portal and communication services), an urgency to preintegrate them, a tolerance and acknowledgment of related technologies from other vendors, and an overall vision of the space that focuses more on supporting people-centric activities and less on a formal, process-centric view of collaboration.

Marketing Strategy: The vendor's marketing approach should align with emerging trends and the overall direction of the market. In particular, we look at the use cases promoted in the vendor's marketing messages, its online activities, and any programs for educating and priming the market around social interaction (for example, "try before you buy," open-source versions and hosted versions).

Sales Strategy: We look at the level of channel activity, and any strategy for converting large numbers of early adopters to high-end or broader deployments.

Offering (Product) Strategy: The vendor's product road map should reflect demand trends and opportunities to create demand in the market and fill current gaps or weaknesses. We also look at interoperability with communication services (email, instant messaging, presence, Web conferencing and IP telephony), mobile support, the neutrality of infrastructure dependencies (operating system, directory and security), and the alignment with related products from the same or other vendors (specifically for content management, portals and search).

Business Model: We look at the levels of investment needed to achieve profitability and revenue growth, the balance of service and license revenue, evidence of success with repeatable revenue (subscription licensing, for example), and low-cost distribution, development and support (for example, using open-source licensing).

Vertical/Industry Strategy: The vendor should emphasize industry-specific solutions and display industry expertise.

Innovation: The vendor must invest in R&D to develop its tools and demonstrate creative energy, such as by:

- A commitment to new browser-based client technologies, browser-based rich authoring, Web native formats and any work on microformats

- Adoption not just of a service-oriented architecture, but one with a strong Web-oriented architecture

- Offline support

- Movement toward full access to internal data via representational state transfer (REST) interfaces and XML data streams

- Social-network analysis

- Participation metrics and analysis

- Activity tracking

- Adaptive people and content recommendations

Geographic Strategy: The vendor's strategy must lead it to direct resources, skills and offerings to meet the specific needs of regions outside the corporate headquarters location, directly or through partners, channels and subsidiaries, as appropriate for that geography and market (see Table 2).

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	low
Innovation	high
Geographic Strategy	standard

Source: Gartner (July 2011)

Leaders

Leaders in the social CRM Magic Quadrant will exhibit two characteristics. First, their software must benefit both company and community. Leaders show benefits to enterprises by demonstrating ROI and supporting key performance indicators (KPIs), and Leaders' software convinces users that they will get something valuable by participating in a conversation or community. Second, Leaders' offerings demonstrate support for multiple CRM processes, not just one domain, and have substantial revenue coming specifically from their social CRM offerings.

Challengers

Challengers are vendors that offer solutions that are poised to move into a leadership position, but have not yet done so. They have strong products, as well as the market position and resources to become Leaders, but may not have either the same functional breadth, marketing strategy or rate of innovation as those in the Visionaries quadrant. Challengers have an established presence, credibility and viability, and once their products become "good enough," they will likely cross-sell to their customer base to leapfrog others into the Leaders quadrant at some point in the future.

Visionaries

Visionaries demonstrate a strong understanding of current and future market trends and directions, such as the importance of a flexible and transparent collaboration environment, as well as the value of mutual reinforcement between tools that encourage user contribution and tools that encourage bottom-up group and structure formation. Their products and product road maps exhibit innovation, especially in architecture and lightweight integration. The Visionaries in this market have not exhibited the scope of delivery of the Challengers, but have demonstrated vision across a range of capabilities.

Niche Players

Niche Players provide useful, focused technology, understand changing market dynamics and are working toward evolving their product capabilities. However, some can be held back by narrow functions, limited product road maps or a lack of an innovative growth strategy. Many of the smaller vendors may enjoy success relative to their size, but need to grow and establish their positions before their competitive differentiation erodes in 2011.

Vendor Strengths and Cautions

Alterian

Alterian SM2 enters the social CRM Magic Quadrant as a Niche Player, offering both self-service and professional services for social media monitoring. It focuses on market research for companies such as retail, consumer packaged goods (CPG), high tech, financial services and telcom. In 3Q10, Alterian purchased Intrepid (a social consultancy firm with approximately 40 employees), which focuses on market research.

Strengths

- **Vision:** Alterian's overall revenue was around $60 million (£37 million) in 2010. Gartner estimates specific social CRM revenue to be around $10 million. Alterian is taking a social marketing approach to social CRM by adding social monitoring to its current lineup of marketing applications, including campaign management and content management/publishing. Through integration, clients can leverage social insights to influence their multichannel campaign management strategies, both in terms of content and targeting when planning campaigns, as well as fine tuning and measurement during/after campaign execution.

- **Functions:** Alterian offers self-service and professional services to provide social insight, but its focus is on professional services. Alterian's SM2 monitors more than 200 million sites, with basic analysis and reports (including participation and popularity) in 60 languages and sentiment analysis in 25 languages. SM2's data warehouse has historical social data collected since 2007, and provides text mining capabilities (natural-language processing [NLP], manual keyword search and custom rules).

- **Marketing partners:** Alterian partners with agency and market research partners, including Edelman, Hanson, Wunderman, Ogilvy, McKinsey, Global Crossing and Media Watch. Marketing service providers (MSPs) include Rapp, Merkle, Acxiom, Epsilon and Carlson Marketing.

Cautions

- **Engagement:** References mentioned improvements needed for social engagement and the user experience, rather than more functional reporting.

- **Integration:** Alterian's vision now needs to match its execution of combining social data and insight into processes and applications for the company's marketing suite.

- **Direct selling:** Alterian's channel partner, not its marketing department, usually selects the Alterian suite, although SM2 and professional services for social CRM are also sold directly as stand-alone solutions separate from the marketing suite.

Attensity

Attensity enters the social CRM Magic Quadrant this year as a Visionary for its more-advanced social analytics and monitoring capabilities for customer service and marketing processes.

Strengths

- **Analytic depth:** Attensity is strong in text analytics, with a good NLP engine, good data analytics and configurable reporting dashboards to assist in pattern recognition.

- **Focus:** Attensity is utilizing social analytics and engagement for customer service processes. It can define business interactions, classification and routing rules for conversations. Attensity can analyze engagement outside of social media, such as in emails, text messages and chats. Attensity has released Attensity Respond 5.1, which automatically determines the routing and prioritization of customer engagements to call center agents and social media responders through integration with Facebook, Twitter and other social sources, and uses various influencer metrics such as the Klout score.

- **Integration with CRM:** Attensity integrates directly with CRM systems like Oracle (Siebel), SAP, salesforce.com and Microsoft CRM. It also brings in customer conversations that take place in places beyond social CRM — including enterprise feedback management (EFM) systems like Vovici, Confirmit and Allegiance.

Cautions

- **Functional breadth:** Attensity does not have a best-of-breed community software solution, nor does it act as the customer record, limiting future capabilities.

- **Competition:** As the market looks to vendors with a broader customer interaction footprint, Attensity will face the difficult choice of focusing on a narrow best-of-breed strategy versus the risk of acquiring its way into a more complete social CRM offering.

- **Market positioning:** Marketing and professional services reach are limited to North America and parts of Europe.

Bazaarvoice

Bazaarvoice is a Challenger in the social CRM Magic Quadrant for its strong revenue and ability to harness the community for social CRM, product reviews, marketing and selling.

Strengths

- **Viability:** Bazaarvoice has a strong customer base with over 1,000 brands. The company has an experienced management team and more than 490 employees distributed across six offices around the world.

- **Social strategy:** Bazaarvoice has recently extended is value proposition beyond facilitating product reviews to embrace a more holistic approach to online social consumer engagement. Its community product allows customers to engage in dialogue about products and services, post questions and contribute answers, and launch their own personal blogs. Although the core driver for this is to increase online commerce, the solution is also being deployed by organizations to assist with social marketing and customer service.

- **Structured data and analytics:** Bazaarvoice provides structure to the vast volumes of data associated with transactions, products, ratings and individual consumer profiles. This holistic view allows organizations to undertake a detailed analysis of their online performance and identify aspects, such as market trends and product issues.

Cautions

- **Market perception:** Since the 2010 social CRM Magic Quadrant, Bazaarvoice has extended its social vision and broadened its social CRM functionality. However, it is not yet perceived by the marketplace as a social CRM suite provider, due to its strong product review software heritage, dating back to the company's inception in 2005.

- **Functional maturity:** Further development is needed for it to be positioned as a leading social CRM suite provider. The text mining solution is not yet generally available, and Facebook profile integration is not due until 4Q11. In addition, Bazaarvoice does not have the means to extract consumer sentiment linked to its customers' products from outside its own product review and community environments.

- **Ongoing ownership:** References were pleased with the solution's technical prowess, but cited concerns with the vendor's support organization and sales process, highlighting that the high price and lack of license transparency were ongoing concerns.

Converseon

Converseon enters the Magic Quadrant as a niche vendor focusing on social monitoring and associated services. The company initially targeted public relations and communications, but in the last year has moved beyond marketing and expanded into customer service and sales departments.

Strengths

- **CRM understanding:** Converseon has a broad understanding of how to use social media monitoring and analysis to effect change across marketing, customer service and sales departments. The company knows

how to measure success and impact the key KPIs in those departments and how to tie into more traditional CRM transformation approaches. This is due to the CRM consulting and academic backgrounds of Converseon's executives and consultants, and their consulting-driven delivery model.

- **Partners:** Converseon has a stronger implementation partner model than most — not just working with interactive and research agencies, but also with global CRM consultancies and system integrators.

- **B2B:** The company has strength in B2B use of social media monitoring. It implements B2B and B2C projects in equal measure — as opposed to a market that is more 80:20 B2C to B2B. This gives Converseon an advantage over competitors in B2B.

Cautions

- **R&D:** The company's split focus between being both a consultancy and a software vendor means lower R&D funding and a less developed technology road map than its direct competitors. Converseon puts a greater emphasis on human resources, as opposed to technology, for analysis for error correction, and machine learning to improve its analytics. This gives superior quality of insight for customers, but Makes the product less scalable, and means comparatively less R&D investment.

- **Community platform:** Converseon has not developed a community platform and shows no signs of developing one — its consultants are happy to support or integrate Jive/Lithium and other community platforms with their own applications.

Cymfony

Cymfony is one of the most commonly used social media monitoring applications. It is used primarily by PR and marketing communications users, media planners, brand managers, consumer insight analysts, campaign planners and those in new product development to examine brand or consumer sentiment, influence, buzz and reputation, but it is starting to be used to help predict sales and for customer service.

Strengths

- **Viability:** Cymfony is part of Kantar Media, a subsidiary of WPP, and the second largest market research agency worldwide. It has one of the highest levels of viability on the Magic Quadrant.

- **Research services:** Cymfony's Maestro is most often sold as an application accompanied by research professional services, which provide actionable intelligence and advice on what actions to take based on the insight gained. Other research, design and branding agencies in the WPP group (such a Millward Brown), in effect, act as indirect channels for 30% of Cymfony sales, and have considerable influence with CMOs.

- **Geographic spread and scale:** Cymfony acquires content in 142 countries in 86 languages. Kantar partners have physical presence in over 100 countries today. Maestro can display the native-language content in any of the languages where it is acquiring content, and Cymfony Maestro is in the process of rolling out fully localized interfaces in its top six markets. Kantar also provides professional services using Maestro in over a dozen countries. Investment in R&D for 2011/2012 will increase scalability and internationalization further.

Cautions

- **Narrow vision:** While Kantar's execution is strong within social media monitoring, the vision for social CRM is narrow. The company's heavy focus on the marketing buyer has only recently started to widen, and its reliance on its contacts with marketing roles means it will likely remain with this focus.

- **Community platform:** Cymfony has not developed a community platform and shows no signs of developing one. It, therefore, will not enable the support of a branded community for many of the more common social CRM use cases.

- **Social analytics:** While Cymfony can handle multiple entities (such as brands or concepts, multiple categories and themes), and can identify speakers and use linguistic analysis to discover needs and attitudes, it is lacking the more sophisticated forms of semantic and text analytics.

Demand Media

Demand Media is an online media company focused on media, retail and consumer products. Demand Media's social CRM capabilities are based on its Pluck platform, which provides its clients with a range of external social services using both external social-software capabilities hosted by Demand Media and community development, promotion and moderation by Demand Media.

Strengths

- **Market presence:** Demand Media has acquired several well-known consumer companies and brands as customers, and provides the social-software tools that enable these brands to build and support external social communities. Demand Media also provides technologies and services that are outside the scope of social CRM.

- **Industry focus:** Demand Media focuses on a well-defined range of consumer-facing companies and brands, and has shown its ability to develop successful social CRM initiatives with its client companies.

- **Functionality:** Demand Media provides "white box" social CRM functionality that integrates with its clients' existing Web properties and that can leverage other products and services provided by Demand Media. Pluck is integrated with IBM WebSphere Commerce and with Web analytic tools, including Omniture, Coremetrics and Google Analytics. Pluck also provides six SDKs, including Java and .NET SDKs, to integrate with mobile and desktop applications.

Cautions

- **Viability:** Demand Media reported FY10 revenue of approximately $252 million, and a net loss of approximately $5 million; this follows on a net loss of approximately $22 million in FY09. However, the company did show revenue growth over the same periods, and issued an initial public offering (IPO) in 2011.

- **Vision:** Demand Media is focused on B2C interactions with external users and customers, and is not appropriate for B2B interactions or for internal CRM, sales or support collaboration.

- **Integration:** Demand Media does not provide packaged integration with most of the leading CRM and ERP platforms.

Globalpark

Globalpark is a Niche Player in the social CRM Magic Quadrant. It is one of the leading international EFM vendors and has a strong social vision fueled by its past experience of running large, panel-based communities.

Strengths

- **Experience:** Globalpark generated over $20 million in 2010 (Gartner estimate) and continues to grow in 2011. The company has approximately 400 community customers supporting 18 million members.

- **Functionality:** Globalpark's extensive panel management experience fuels the provision of a feature-rich social offering that can tailor member experiences based on a profile gleaned from a survey, Facebook or operation (e.g., CRM data). The company's Social Insight Connect offering allows organizations to establish an interactive, personalized social presence on Facebook, Twitter and LinkedIn, and recruit members to their communities. Being a technically oriented company, Globalpark focuses extensively on aspects such as scalability and data security, as well as pioneering research into emerging social feedback channels, such as mobile devices.

- **Vision:** Globalpark has a strong social CRM vision and commitment to delivering a solution suitable for deployment across sales marketing and customer service, in which customer feedback and guidance is a key influencing factor. Current customers are focused mainly on marketing-oriented objectives (the current deployment split is: 80% marketing, 15% sales and 5% customer service and support), but the company expects sales adoption to increase after the launch of a salesforce.com plugin (due 4Q11), and customer service adoption to increase through an advanced social media monitoring capability (due in the same time frame) that will automate a social service listen-and-respond capability.

Cautions

- **Social listening:** Globalpark only has a rudimentary social listen-and-respond capability. The company relies on Google for generic social search and connectors to the three main social sites for social comment extraction. A more advanced offering is planned for 3Q11.

- **Viability:** Compared with its peers, Globalpark has a very small sales and marketing function, restricting its global reach and potential market momentum. It is a desirable acquisition target due to its strong technology, mature customer base, European presence and the limited duplication of operational roles that would result.

- **References:** As with the 2010 social CRM Magic Quadrant, references cited their overall satisfaction with the technology and support, but some slight concerns were voiced about attention to details and the quality management (QM) process at the user experience level.

InsideView

Founded in 2005, InsideView is a Niche Player focused on capturing, aggregating and delivering sales contact, company, social and news information from the Web, combined with traditional editorial sources, to support salespeople with frontline research, prospecting and account monitoring.

Strengths

- **Viability:** InsideView is growing aggressively, generating over $10 million in annual revenue in 2010 (as estimated by Gartner). The number of users has risen from approximately 35,000 to 80,000 over the past year, albeit, in part, to the launch of a free version of its software. The vendor has gained a measure of mind share disproportionate to its size, with firms interested in software-as-a-service (SaaS)-based tools for helping sales improve effectiveness around managing leads, contacts and accounts.

- **Strategy:** InsideView distinguishes itself as one of the few vendors in social CRM focused on sales processes. With an emphasis on usability, the vendor has promoted a compelling vision for applying search and relationship mining technologies to aid salespeople with key informational needs around sourcing contacts and leads, as well as monitoring business events and personnel within accounts. InsideView remains platform-neutral and has integrated its technology with leading CRM systems like salesforce.com, Microsoft Dynamics, Oracle CRM On Demand and SAP, and comes out-of-the-box in SugarCRM, enabling the vendor to expand its addressable market.

- **Functions:** InsideView offers free and paid editions of its product of the same name. The company has acquired notable technical experience with compiling news, firmographic details, management profiles and social graph information from the Web, including identifying relationships among organizations, individuals, events, historical data, etc. The system is relatively easy to set up and personalize to specific needs (i.e., list building, lead generation, lead qualification, precall research in prospecting, account research, etc.). The Buzz Tab feature enables real-time intelligence from social networks like Twitter, LinkedIn and Facebook. InsideView enriches contact information with social profiles, and uses triangulation algorithms to ensure and enhance the accuracy of contact information that is available from traditional sources.

Cautions

- **Functions:** InsideView does not host communities or offer associated social moderation or social expertise location services.

- **Global presence:** InsideView's operations and client base are predominantly located in North America.

- **Lack of B2C focus:** InsideView primarily markets to the sales buying center, buying within B2B companies, with process support concentrated on providing information for lead management, list building, prospecting and account management.

Jive

A Leader in this year's social CRM Magic Quadrant, Jive continues to gain enterprise-scale customers, acquire substantial market visibility, broaden its technology vision and maintain revenue growth.

Strengths

- **Viability:** Jive's revenue grew to an estimated $70 million in 2010, up from $30 million in 2009 (Gartner estimates), and the company announced several notable board members and another round of venture capital (VC) funding.

- **Partnerships:** Jive has extended its focus beyond Jive-centric internal and external social collaboration and announced connectors for Facebook, LinkedIn and other public social sites. Jive has also addressed Gartner's concern in 2010 about the limited global system integration (GSI) and technology partnerships it had, and can now point to partnerships that include Accenture, CSC, Deloitte, Infosys and Logica. It has formed digital agency relationships with Dachis Group, Razorfish and Syncapse; and unified communications (UC) and analytics partnerships with Alcatel-Lucent, Google and SAP.

- **Vision:** Jive has bolstered its social software vision with several acquisitions, including Proximal Labs (identity management and analysis), Filtrbox and OffiSync (Microsoft Office integration). Jive has also become more pragmatic in terms of coexistence with enterprise and desktop applications and UC, realizing that Jive What Matters may not be the desktop of choice for all of its enterprise customers. Jive has the highest public profile of the social CRM vendors.

Cautions

- **Volatility:** Jive is an early stage, VC-funded company and is relatively small by the standards of enterprise software. In addition to the volatility inherent in the social CRM market, Jive may be impacted more than smaller "point solution" vendors if a major infrastructure software or hardware vendor enters the social software market.

- **Global presence:** Jive continues to be challenged in developing a European presence, with more than 80% of revenue coming from North America, and some European regions adopting social CRM much more slowly than others. Asia/Pacific revenue contributions remain small and may require local partnerships to be successful.

- **Applications and deployments:** Jive's Apps Market was delayed almost a year from its anticipated 3Q10 rollout, which, in turn, delays technology partnerships that are dependent on that channel. The time and resources required for enterprise-scale social CRM deployments may deflect some customers toward competitors with smaller point solutions that can show more immediate results, with smaller upfront investments.

Kana Software

Kana-Overtone is a Niche Player in this year's Magic Quadrant for its text mining analytic capability for categorizing, aggregating and routing social mentions and feedback. Overtone was acquired by Kana in March 2011. Consider Overtone when your marketing department, product management teams and customer service department seek text mining customer analytics for companies with strong brands.

Strengths

- **Viability:** Overtone was a $10 million company (Gartner estimate) in 2010, and it brings several large enterprise customers to Kana, while also gaining exposure to Kana's installed base of North American and European clients. Kana had approximately $70 million in revenue in 2010 (Gartner estimate), with reach into new prospects.

- **Functions:** Kana-Overtone takes sources from direct feedback channels (email, surveys, online chats, Web forms and SMS), as well as social media channels (communities, Facebook, Twitter, discussion boards and

blogs). The contextual data gathered moves beyond keyword sentiment, and instead focuses on natural language processing (NLP) and sentiment algorithms tuned to specific customer/industry lingo, and the ability to report sentiment by topic, author and source. Overtone can highlight statistically significant conversations and create business rules, thus enabling the reporting, notification and routing of records.

- **Strategy:** Kana-Overtone focuses on marketing departments and customer service domains seeking text mining customer analytics for companies with strong brands. References mentioned the ability to scrub text data from different sources as a key strength for Overtone.

Cautions

- **Competition:** Social-monitoring vendors and other text mining analysis vendors are competing in this important, but niche, area. Larger vendors, such as SAS, are also entering the market with offerings.

- **Market positioning:** Kana-Overtone must continue to differentiate and justify the expense over other social-monitoring vendors, which it says is due to the addition of analysis and insights based on a "statistically based NLP categorization engine."

- **Functional narrowness:** Overtone lacks a hosted community platform that possesses richer opportunities for customer engagement.

Lithium

Lithium is a Leader in the social CRM Magic Quadrant for 2011. Lithium provides a hosted community and associated applications primarily to host private-label social communities that target telecom, retail, hospitality and gaming.

Strengths

- **Viability:** Lithium continued to grow in 2010. Gartner estimates around a 60% growth rate in 2010, and about $25 million to $30 million in revenue.

- **Functional breadth:** Lithium provides hosted communities with advanced reputation/moderation functionality and social media monitoring for external social networks. Lithium includes launch and success managers who help establish goals and measure success factors for a social project. The company has a partnership with Ipsos for additional use cases in marketing research, as well as partnerships with Omniture and Eloqua. Lithium has integrated with customer-service-focused solutions such as Clarabridge, Vovici and Parature, as well as integration with salesforce.com. Its road map for 2011 includes, most notably, bringing reputation, influencer identification analytics and different engagement approaches (such as contests) to Facebook via a Facebook application suite.

- **Customer support:** References consistently referred to customer-focused and proactive communication as strengths for Lithium.

Cautions

- **Recommendations:** Lithium's analytics identify, report and alert influencers, but do not suggest prescriptive actions to take when things change, such as the engagement level of a "Superfan."

- **Marketing integration:** For a leader, Lithium should strengthen marketing use case vision outside of Facebook, including integration with marketing applications such as multichannel campaign management.

- **Product reviews:** Given the industries they are targeting, product reviews/rating functionality could be improved.

Mzinga

Mzinga is a Niche Player in the social CRM Magic Quadrant, providing a platform and applications needed to host and manage a community through internal- and external-facing communities, targeting sectors such as media/advertising and publishing, insurance and financial banking.

Strengths

- **Scale:** Mzinga is used by over 40 million users in 160 countries. Over 60% of its use cases are for sales, marketing and customer service roles.

- **Functional breadth:** Mzinga has a wider range of applications than similar providers. The applications include discussions, blogs, comments, ratings, polls, surveys, events, chat, social profiles, mobile support, video and event management. In April 2011, Mzinga launched its Customer Experience Solution, aimed at, most notably, customer service and support organizations.

- **Partners:** Mzinga partners with interactive agencies, such as Razorfish and Digital Influence Group. Technology partnerships include Kaltura for embedded video and media management, iLinc for Web conferencing and collaboration, Composica for team-based collaborative authoring and Terremark for cloud-based hosting services. Mzinga has also partnered with ORC International, a leading global research company, to deliver full-service market research online communities.

Cautions

- **Customer satisfaction:** Although customer retention is around 90%, Mzinga's overall satisfaction scores were lower than others. References mentioned a need for reporting and graphical user interface (GUI) improvements (which Mzinga has been working on and improving), as well as shortened timelines for new implementation support. References also mentioned that Mzinga is not keeping pace with competitors.

- **Growth:** Gartner estimates that Mzinga's total revenue was $30 million to $35 million for 2010, and Gartner estimates a 20% growth rate in 2010. This is below the average of its direct competitors (average growth rates for 2010 were 35% to 40%).

- **Social analytics:** Mzinga does not own external social monitoring/analytic capabilities, which many of its competitors already have. It offers a white-label version of Radian6.

NM Incite

NM Incite, formerly known as Nielsen BuzzMetrics, is the second most commonly cited social media monitoring vendor in customer shortlists. It is used mainly by marketing research departments and by other marketing roles, such as PR and marketing communications, for listening to comments about products, brands and competitors

in social networks. It is a Niche Player in the social CRM Magic Quadrant because of its narrow social CRM vision.

Strengths

- **Viability:** NM Incite is co-owned by Nielsen, the largest market research agency worldwide, and McKinsey, the largest management consultancy worldwide. It has one of the highest levels of viability on the Magic Quadrant.

- **Consulting services:** Its technology suite is an enabler of its advisory services, which leverage the executive-level relationships of McKinsey. NM Incite's social media consultants advise leaders across the enterprise in functions ranging from the C-suite, to marketing, to product Innovation, focusing on areas that make a measurable business impact.

- **Geographic spread and scale:** NM Incite has operations in 25 global markets. Its proprietary technology platform supports listening for 15 languages and has eight user interface languages.

Cautions

- **Self-service:** NM Incite's emphasis on the application, in combination with consulting and service offerings, will not appeal to enterprises seeking self-service use of an application or those that do their own analysis and actioning of change.

- **Community platform:** NM Incite has not developed a community platform, and has no plans to build one; therefore, it will not enable the support of a branded community for many of the more common social CRM use cases.

- **Narrow vision:** NM Incite's execution is strong within social media monitoring, but it has a narrow vision for social CRM as a whole. The company's heavy focus on marketing buyers has only recently started to widen toward customer service, and it will likely continue to sell its services to research and marketing roles.

OpenText

OpenText, a Niche Player, is an established and financially stable electronic content management (ECM) vendor with customers in financial services, government, utilities, media and healthcare. The company has expanded its product breadth with OpenText Social Communities and OpenText Social Workplace, which provide social software capabilities for internal associates and external customers and users.

Strengths

- **Viability:** OpenText generated over $900 million in revenue in 2010, is financially stable and profitable, and has an installed base of customers and revenue from which the company can expand its social software capabilities.

- **Existing functionality:** OpenText's ECM products can support social CRM applications, such as customer service or internal sales and marketing collaboration. This evolution also underscores the transformation of the ECM market toward higher-value services as part of vendors' core product offerings. OpenText's ability to provide governance, risk and compliance (GRC) support could be a differentiator for companies that operate in regulated industries, such as finance, utilities and healthcare.

- **Scalability:** The company has reference customers in industries such as government and utilities that support large populations of external users, and a CPU-tiered licensing model that encourages deployments to large user bases.

Cautions

- **Social CRM revenue:** Social software accounts for only 1% or 2% of OpenText's revenue, and the company's vision for its social CRM functionality may fall short of what more-sophisticated user organizations require.

- **Use case breadth:** OpenText's references for social CRM are ECM-centric, which may not be appropriate for companies that are building social CRM applications or business models that are not document- or content-centric.

- **Innovation:** OpenText has been slow to adopt emerging technologies that play a key role in social CRM. Several references stated that OpenText needed to innovate faster than it has done in the past, and that competition has been gaining on it.

PowerReviews

PowerReviews is positioned as a Niche Player in the 2011 social CRM Magic Quadrant. The company offers one of the market's leading product review and Q&A solutions, designed to complement an organization's Web presence and drive online revenue generation.

Strengths

- **Market momentum:** Although relatively small, PowerReviews is growing rapidly, doubling its number of employees and customer website deployments in 2010. Gartner estimates that the company is on target to double its revenue in 2011 and generate $20 million. The company has over 1,500 discrete customers and 5,500 website deployments.

- **Structured approach:** PowerReviews has extensive understanding of what attributes consumers evaluate products by, and structures its reviews around a set of relevant categories. This enables higher review volume and sales impact for its clients, as well as rapid, targeted filtering, concise insights and a superior mobile browsing experience for end users.

- **Facebook integration:** PowerReviews' Facebook Connect application enables consumers to post reviews and comments to their Facebook stream, which generates incremental traffic, sales and fans for the retailer, as well as tagging Facebook profiles to the reviews to add further relevance to consumer filtering. The next launch will extend this functionality further — for example, enabling consumers to follow specific reviewers and products. The company recently announced a strengthening of its partnership with Facebook through its selection as a Preferred Developer Consultant (PDC) partner.

Cautions

- **Social CRM breadth:** PowerReviews focuses primarily on the use of consumer reviews and Q&A to drive organizational revenue. This narrow perspective of the opportunity presented by social media limits the organization's appeal.

- **Acquisition likelihood:** PowerReviews is one of only two recognized vendors providing product review software. It is still a small vendor, but is doubling in size each year. It has a large customer base of respected brands and an appealing technology base. The combination of these factors makes PowerReviews an appealing value proposition for a larger social CRM vendor looking to round out its social suite.

- **Willingness versus ability:** References drew attention to a lack of solution maturity and functional omissions, but did highlight PowerReviews' strong willingness to listen and respond to individual requirements.

RightNow

RightNow is a Niche Player in the social CRM Magic Quadrant. The offering appeals to customer service organizations for community-based knowledge management and for marketing departments to extend brands and campaigns.

Strengths

- **Viability:** RightNow grew its overall revenue by 22% in 2010, up from 9% in 2009 when it transitioned to a new revenue model, and has $185.5 million in total revenue. Unlike the majority of social CRM vendors, RightNow is profitable. Gartner estimates its revenue from social CRM to be about $10 million in the four quarters, ending 2Q11.

- **Functions:** Social CRM functionality is packaged and deployed within the RightNow Customer Experience (CX) offering. For instance, Cloud Monitor (social monitoring) functionality is included with a purchase of certain classes of agent seats; discussion threads on the knowledgebase are included with social knowledgebase packages; and RightNow CX for Facebook is included with certain knowledge, Web self-service and community packages. RightNow has social CRM applications with tight process integration to its traditional, operational B2C CRM applications in customer service and marketing.

- **Strategy:** RightNow focuses on creating communities of consumers to extend brands and campaigns, and to gain product insight. It also focuses on monitoring and responding to consumers by integrating with social-networking sites. RightNow's background is in Web and contact center customer service and support. It is a leader in Web self-service. RightNow's customer wins have primarily come in community-based customer service.

Cautions

- **Innovation:** RightNow's differentiation is toward an integrated solution and capabilities for workflow, routing and escalation, as compared with competitors. However, competition is heating up, and best-of-breed vendors have been successfully outselling against RightNow's CRM suite integration approach.

- **Existing installed base:** RightNow's social business has grown (240 customers have social products, up from 150 in 2009), but only represents a small percent of total revenue for the company. To match competition, RightNow needs to have more salespeople giving more priority to social and social integration, and it needs to develop a broader range of use cases for integrating social for customer service and more-familiar customer service applications into its installed base.

- **Industry-specific focus:** RightNow needs industry-specific social solutions and workflows available. Clients are weighted in high tech, retail and entertainment; therefore, there is not much differentiation from competitors.

salesforce.com

Salesforce.com enters the Leaders quadrant in the social CRM Magic Quadrant by raising execution through the acquisition of Radian6, as well as aggressive promotion and pervasive distribution of Chatter.

Strengths

- **Viability:** Salesforce.com is the third-largest CRM vendor, with $1.65 billion in annual revenue. Salesforce.com social acquisitions include Jigsaw (Gartner estimates $20 million) and Radian6 (Gartner estimates around $40 million at the time of purchase). Salesforce.com possesses considerable mind share in the market, as well as highly effective sales and marketing operations.

- **Captive installed base:** Before the purchase of Radian6, salesforce.com was relying on the captive market of its CRM installed base and the aggressive promotion and distribution of Chatter. So far, this has been an internal collaborative tool for aiding communication and sharing (much like Facebook and Yammer), but embedded into salesforce.com's applications and CRM processes. Soon it will move out for external collaboration and show its potential for linking together customers, manufacturers, dealers, etc. Because Chatter is so accessible, embedded and easy to use, it seems more likely to be adopted than its social competitors.

- **Social CRM functionality:** Salesforce.com has integrated Jigsaw for social sourced sales contact information, and continues to develop Chatter for internal sales, customer service and constituent collaboration. Recently purchased Radian6 is the leading self-service-oriented social media monitoring tool. Social media monitoring represents approximately 75% of the social CRM market, so salesforce.com has now become the largest social CRM vendor, even though its market share is small. The Radian6 customer base is almost all in B2C organizations, and, more specifically, started in PR and communications departments, but it has spread to wider marketing use and has appeared in a few cases in customer service and operations departments.

Cautions

- **Vision cohesion:** Salesforce.com has social functions, but there is still a lack of cohesive vision for social CRM — the exuberance in buying companies isn't being matched by a road map and vision for social CRM as a suite of functionality. For example, salesforce.com does not yet show strong commitment to supporting B2C marketing requirements. To maximize its investment in Radian6, salesforce.com will have to learn to adapt Radian6 for B2B sales social media monitoring and engage its sales force, while, at the same time, building a specialist sales organization that targets marketing departments.

- **Hosted community:** Salesforce.com does not own a platform for managing communities yet. This is something the vendor will need for its customer service plans, so organizations can expect the vendor to build or buy one over the next 12 months.

- **Analytic depth:** Salesforce.com should add forms of more-advanced social analytics that Radian6 is missing, but that other vendors, such as Attensity, Collective Intellect and Jive, are already offering or are beginning to offer.

Telligent

Telligent enters the social CRM Magic Quadrant as a Visionary, focusing on social use cases in corporate communications, employee networking and collaboration, and customer support.

Strengths

- **Viability:** Gartner estimates that Telligent grew its revenue at 30%, to around $17 million overall in 2010.

- **Functionality:** Telligent includes a broad range of capabilities directed at externally facing communities and social CRM (Telligent Community), and at workforce implementations (Telligent Enterprise). Telligent has basic social monitoring capabilities for social media environments like Twitter, and two-way content sync, thus enabling participants in a Facebook community to receive notifications (and vice versa) of activities within the community.

- **Partners:** Telligent has notable value-added resellers, including Accenture Interactive, RDA and Booz Allen. Last year, Telligent launched application exchange, a marketplace for third-party applications available on the Telligent platform.

Cautions

- **Product development:** Although Telligent provides needed functionality for more innovative capabilities, such as recommendation/identity management and social monitoring for public networks, as well as building out its application exchange, it may not keep pace with competitors that are doing the same thing and have more funding.

- **CRM integration:** Telligent needs more integration with more CRM systems and processes, such as campaign management suites or a customer service suite. Telligent speaks about social engagement, but it needs more specific examples of ROI results.

- **Architecture:** The company has strong ties to Microsoft technologies, including Microsoft .NET and SQL Server. Many organizations are asking Telligent to integrate with Microsoft SharePoint. This may limit its appeal to organizations that do not rely on Microsoft architecture.

Visible Technologies

Visible Technologies is one of the largest social media monitoring and analytics vendors. It provides technology and services to enable organizations to monitor, build and manage their brands online by aggregating social conversations. It is in the Niche Players quadrant because it has a narrow social CRM vision and did not keep pace with market growth in 2010.

Strengths

- **Partners:** Visible does over 40% of its business via independent market research and advertising agencies. For support, it has added standard APIs to the application for social data for both agencies and other third-party partners, and has a partner sales team. Although WPP is an investor, it has nurtured this sales channel to a greater degree than competitors that either sell more direct or are owned by a single market research company.

- **R&D:** 2010 was a year of R&D investment for Visible. It invested more than its direct competitors and raised $6 million in VC funding, in part to enable it to keep up the pace. Most notably, it expanded R&D in global automated sentiment and its ROI calculator, and made investments in its proprietary relevance ranking. Some of these investments were to catch up with competitors, while others were to step ahead of the competition. Visible also migrated all but one of its customers from its legacy product truVoice onto Visible Intelligence.

- **Flexibility:** Customer references for Visible praise its ability to deliver highly customized solutions in terms of integration, extensibility of the product and analytics types, and its partial use of human sentiment scoring to get a good fit for its customers. References mentioned quick ramp up, with the ability to use prebuilt dashboard components to monitor and report findings quickly.

Cautions

- **Growth:** Gartner believes revenue was essentially flat, at approximately $15 million year over year in 2010. Visible does not release financial statements, but the company head count remained at around 100 employees as the company cut operating expenses by almost one-third. The cuts were planned and due to a switch from manual to automated scoring in its new product. The first half of 2011 saw revenue growth of 114%, which Visible attributes to its new offering, Visible Intelligence, launched at the end of October 2010. Orders doubled in 1H11 for Visible Intelligence, so it looks like Visible has turned a corner, but, overall, it did not keep pace with the market during 2010.

- **Limited user types:** Visible focuses on the marketing research buyer and on PR, communications and advertising roles; it has not expanded its sales teams or R&D to attract customer service or sales users, and instead has delivered capabilities in these areas through partnerships and technology alliances.

- **Functional narrowness:** Visible lacks a hosted community platform that possesses richer capabilities for customer engagement and analysis, and does not provide sales collaboration functions, thus limiting the number of social CRM use cases it can support. Visible's approach is to integrate with other systems that provide this functionality, and it has built APIs to support its customers' workflow preferences.

Vision Critical

Vision Critical is positioned as a Niche Player in the 2011 social CRM Magic Quadrant. It offers a feature-rich community panel designed for engaging large numbers of online customers for research purposes, ranging from idea/concept screening to brand perception and customer satisfaction.

Strengths

- **Viability:** Vision Critical is a viable organization with 500 employees distributed across 11 offices worldwide. The company is growing rapidly; its earnings before interest, taxes, depreciation and amortization (EBITDA) is positive; and it generated $65 million in 2010. It has 500 community panels across multiple countries, languages and verticals, including 30 in Fortune 100 companies.

- **Community and panel experience:** Vision Critical's market research background ensures that its solution has strong features to capture feedback from a community as a whole or from a small segment, filtered based on profile data gleaned from surveys and integration to operational systems. The company will launch a Facebook connector later this year.

- **Strong support:** References praised the company's ability to deliver good technology and provide the right amount of support and best-practice guidance on an ongoing basis to ensure it continues to capture the thoughts and opinions of an engaged social customer base.

Cautions

- **Social CRM vision:** Vision Critical understands the broader concept behind social CRM, but the company lacks a clear vision and development road map required to broaden its social capabilities beyond market research and into the broader marketing arena and other complementary departments, such as customer service. The company does have an EFM platform that will help it extend beyond market research, but this product is relatively new and will be formally launched in 4Q11.

- **Social media monitoring:** Vision Critical does not yet have a social media monitoring capability. It relies on loose technology partnerships for capturing the broader social perspective.

- **Complex survey design:** References cited various small technical and user (internal and customer) experience issues, but where happy overall with the software.

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 and skills, 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 that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all 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 to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word-of-mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

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

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

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