

The Forrester Wave™: Lead-To-Revenue Management Platform Vendors, Q1 2014

by Lori Wizdo, January 21, 2014

KEY TAKEAWAYS

L2RM Automation Is Powering A B2B Marketing Transformation

Savvy B2B marketing leaders are going beyond revenue performance management to transform marketing into the architect of engagement across the customer life cycle. L2RM platform vendors are stepping up with tooling that enables customer-centric, multichannel, personalized marketing -- at scale.

The L2RM Platform Buyer Should Resist The Temptation Of A Quick Decision

The product portfolios of the L2RM platform vendors are replete with features and functions. Every vendor can tick just about every box. Yes, you can automate your marketing processes with each of the reviewed systems. But B2B marketing leaders need to inspire their teams to avoid making a quick decision: The differences are in the details.

Watch This Space . . .

Change in the B2B marketing automation market is likely to accelerate in 2014. New buyers from B2C and B2B2C marketers will redefine the functional table stakes. Acquisitions will continue as the mega enterprise software vendors plump up their marketing clouds. And the pace of innovation, driven by new tech startups, will remain high.



The Forrester Wave™: Lead-To-Revenue Management Platform Vendors, Q1 2014

Due Diligence Required: These Vendors Are Great At Marketing

by [Lori Wizdo](#)

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WHY READ THIS REPORT

In Forrester's 75-criteria evaluation of lead-to-revenue management (L2RM) platform vendors, we identified the nine most significant solution providers in the category — Act-On, Adobe, CallidusCloud, IBM, Marketo, Oracle, salesforce.com, Salesfusion, and Silverpop — and researched, analyzed, and scored them. This report details our findings about how well each vendor fulfills our criteria and where they stand in relation to each other, to help marketing leaders select the right partner for their lead-to-revenue initiatives.

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Forrester conducted product evaluations in July 2013 and interviewed nine vendor companies: Act-On, Adobe, CallidusCloud, IBM, Marketo, Oracle, salesforce.com, Salesfusion, and Silverpop.

Related Research Documents

[Develop Your Revenue Growth And Acceleration Strategy](#)

September 20, 2013

[The New Physics Of Lead-To-Revenue Management](#)

March 28, 2013

[Automating Your End-To-End Process](#)

November 20, 2012

L2RM AUTOMATION DRIVES B2B MARKETING MATURITY AND RESULTS

Initial lead-to-revenue management automation solutions were developed solely to bridge a gap between lead generation activities (e.g., trade shows, direct mail, telemarketing, and email campaigns) and selling activities that were managed by a customer relationship management (CRM) system (e.g., closing the deal). The opportunity to calibrate marketing spend to revenue generation was a significant driver of L2RM. In a recent survey of business-to-business (B2B) marketers, we found that slightly more than 50% of marketing organizations had implemented a system to manage the lead-to-revenue process.¹ Companies that have implemented an L2RM automation platform have seen results in both organizational maturity and business impact. Our survey results found that L2RM platform users:

- **Contribute more to the sales pipeline.** When we asked B2B marketers about their contribution to the sales pipeline, we found that firms that have implemented marketing automation contribute 44% of the sales pipeline via marketing programs versus the 34% contribution from firms that had not implemented marketing automation.²
- **Have higher levels of process maturity.** When we asked B2B marketers if their lead-to-revenue processes were defined, documented, and consistently followed, firms that have implemented an L2RM platform report significantly higher levels of maturity across six different L2RM processes (see Figure 1).
- **Measure results more holistically.** When we asked B2B marketers how they measure the effectiveness of their demand generation activities, we learned that firms that have implemented an L2RM platform are far more likely to have a multifaceted performance management system (see Figure 2).
- **Collaborate better with their sales colleagues.** Companies that have implemented an L2RM platform report higher levels of collaboration between sales and marketing, across a number of different dimensions. The marketing automation adopters have a 13% collaboration advantage (54% to 41%) in defining and executing field programs. Fifty-seven percent of the marketing automation adopters report strong collaboration in capturing insight from customers and prospects, compared with 41% of those that are not automated. The dimension of administering leads and lead pipelines posted a collaborative advantage of 12%.³

Figure 1 Lead-To-Revenue Management Platform Users Have Higher Levels Of Process Maturity



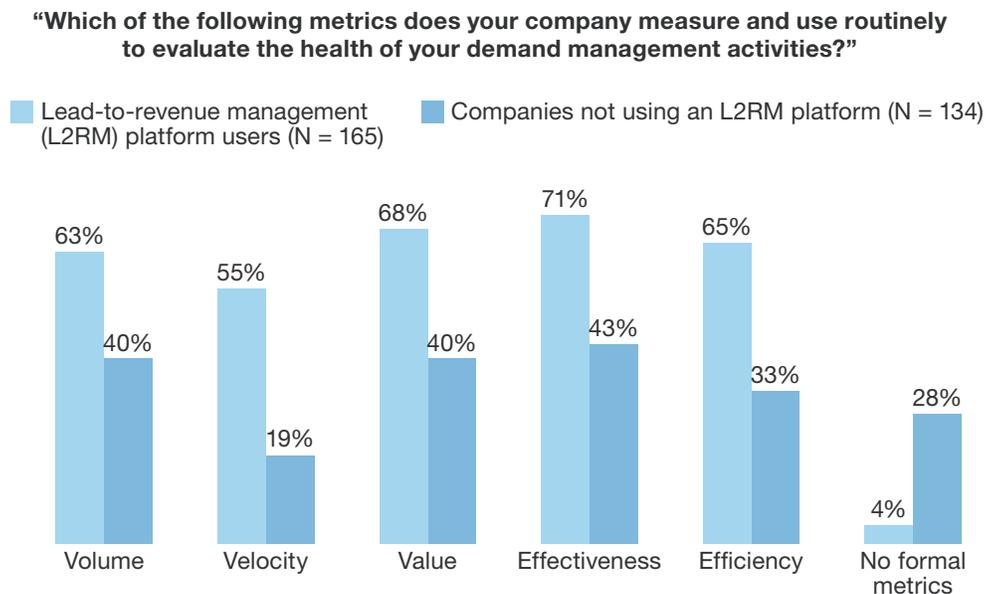
Base: US and European marketing decision-makers at B2B companies with 100 or more employees

Source: Q4 2012 US And Europe B2B Marketing Tactics And Benchmarks Online Survey

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Source: Forrester Research, Inc.

Figure 2 L2RM Platform Users Have A More Holistic Performance Management Regime



Base: US and European marketing decision-makers at B2B companies with 100 or more employees

Source: Q4 2012 US And Europe B2B Marketing Tactics And Benchmarks Online Survey

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Source: Forrester Research, Inc.

THE L2RM PLATFORM EVALUATION PROCESS EXPLAINED

To assess the state of the lead-to-revenue platform market — and see how the vendors stack up against each other — Forrester evaluated the strengths and weaknesses of the top L2RM platform vendors.

Evaluated Vendors Have Functional Depth And Proven B2B Marketing Success

In this Forrester Wave™ evaluation, Forrester's first of L2RM platform vendors, we looked at how vendors support traditional B2B lead management capabilities — lead capture, lead nurturing, lead scoring, and lead promotion — as well as meet the emerging needs of B2B marketers in cross-channel execution, social campaigns, and real-time, contextual triggers, optimization, and analytics. Forrester included nine vendors in the assessment: Act-On, Adobe, CallidusCloud, IBM, Marketo, Oracle, salesforce.com, Salesfusion, and Silverpop (see Figure 3). In addition, Teradata (Aprimo) and HubSpot were invited to participate, but declined. Each of the participating vendors has:

- **A multifunctional L2RM platform.** Each vendor included in this evaluation has sufficient functionality to operationalize the key stages of lead-to-revenue management (see Figure 4). Key functional criteria included: customer engagement management, lead data management, multichannel campaign design and management; lead capture and management; integration with customer relationship management platforms at the data, process and reporting levels, and reporting, analytics and alerting to measure marketing effectiveness.
- **A sustained presence in the B2B marketing automation market.** Vendors included in this evaluation target the B2B marketing automation market and have offered a product to the market for at least three years.
- **Evidence of marketplace appeal.** Included vendors must generate more than \$10 million in annual revenue from the reviewed product functionality or have at least 300 customers actively using the product.
- **Customer references.** Each of the vendors provided us with at least three reference customers that we interviewed to validate the utility of the product. All of the references provided were in organizations typical of the Forrester client base.
- **Mindshare within Forrester's client base.** Included vendors are frequently mentioned in Forrester client inquiries and other forms of client interaction.

Figure 3 Evaluated Vendors: Product Information And Selection Criteria

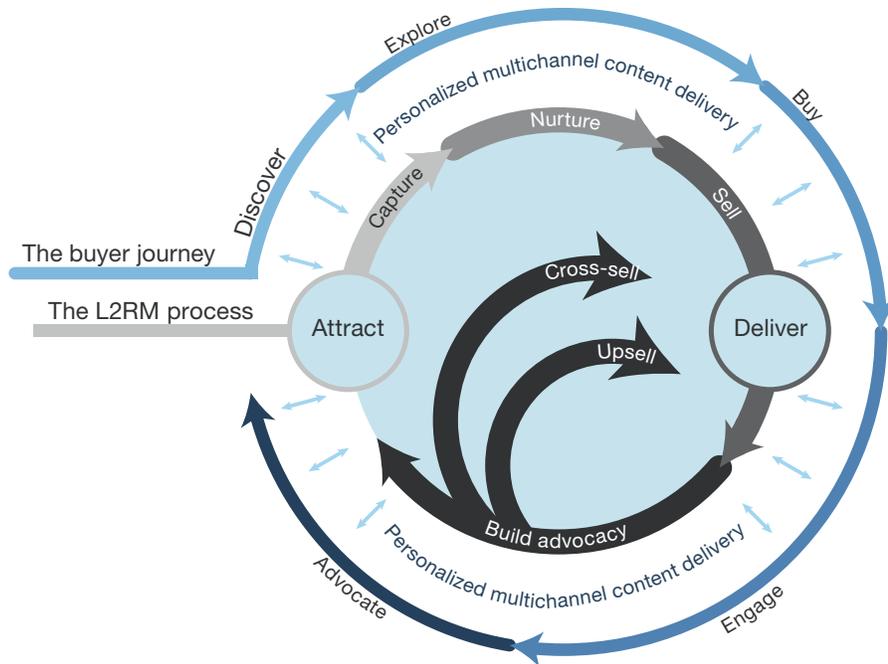
Vendor	Product(s) evaluated	Product version evaluated
Act-On	<ul style="list-style-type: none"> • Act-On Marketing Automation Platform • Act-On Inbound • Advanced Reporting 	Software-as-a-service (SaaS), 12/31/2013
Adobe	Adobe Campaign, formerly Neolane	SaaS, 12/31/2013
CallidusCloud	LeadFormix	SaaS, 12/31/2013
IBM	<ul style="list-style-type: none"> • Cross-channel marketing optimization solution • Digital marketing optimization solution • Marketing performance optimization solution 	SaaS, 12/31/2013, on-premises modules Version 9.0
Marketo	<ul style="list-style-type: none"> • Marketo Lead Management (MLM) • Marketo Social Marketing (MSM) • Marketo Sales Insight (MSI) • Marketo Revenue Cycle Analytics (RCA) 	SaaS, 12/31/2013
Oracle	<ul style="list-style-type: none"> • Oracle Eloqua Marketing Basic Cloud Service • Oracle Eloqua Marketing Standard Cloud Service • Oracle Eloqua Marketing Enterprise Cloud Service 	SaaS, 12/31/2013
salesforce.com	Pardot	SaaS, 12/31/2013
Salesfusion	Salesfusion	SaaS, 12/31/2013
Silverpop	Silverpop Engage	SaaS, 12/31/2013

Inclusion criteria

Vendors included in this Forrester Wave™ evaluation target the business-to-business (B2B) lead-to-revenue management (L2RM) platform business and have been actively delivering product for more than three years. The core products presented for evaluation must be in active use by more than 300 customers or generate more than \$10 million in annual revenue.

Source: Forrester Research, Inc.

Figure 4 The Key Stages Of The Lead-To-Revenue Management Process



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Source: Forrester Research, Inc.

Evaluation Criteria Are A Mix Of Current Product, Future Vision, And Company Strength

After examining past research and conducting interviews with marketing professionals, vendors, and marketing service providers, we developed a comprehensive set of 75 evaluation criteria. Combined, these criteria provide a detailed look at breadth of capability, enablement for both simple and complex marketing teams, customization and support options, time-to-value, and risk. We also evaluated the system's support for distributed marketing and multitiered sales channels. We grouped the criteria into three high-level buckets:

- **Current offering.** Each vendor's position on the vertical axis of the Forrester Wave graphic indicates the strength of its current product offering. Forrester used a combination of vendor evaluation responses, documentation, demonstration, pricing scenarios, client feedback, and customer references to complete this section.
- **Strategy.** A vendor's position on the horizontal axis indicates our assessment of its strategy. We compared the product and corporate strategies of each vendor in the context of Forrester's forward-looking vision for the L2RM platform market to assess how well each vendor is positioned for future success. We used a combination of vendor evaluation responses, documentation, and vendor strategy briefings to complete this section.

- **Market presence.** The size of each vendor's bubble on the chart indicates its market presence. Forrester evaluated market presence with a combination of criteria including the number of current customers, rate of new customer acquisition, revenue, and revenue growth rates. Forrester used vendor evaluation responses, publicly available financial statements, documentation, and vendor strategy briefings to complete this section. We considered only the revenue, clients, and staffs that are specifically related to the vendors' L2RM platform business.

BE DEEPLY DILIGENT TO FIND YOUR L2RM PLATFORM

This evaluation of the L2RM platform market is intended to be a starting point only. We encourage clients to view detailed product evaluations and adjust the criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool.

Buyers Should Fine-Tune The Criteria Weighting To Find The Right Strategic Fit

In our lead-to-revenue strategy matrix, Forrester has identified four L2RM strategic profiles to accommodate different types of buyers.⁴ These strategic profiles help the B2B marketer make many choices about the L2RM strategies and tactics that will drive desired outcomes. The differences in these strategy profiles drive the need for different capabilities in the L2RM platform solution:

- **Lead netting.** Lead netting is the strategy for buyers in mature markets who have a simple buying process. The marketing objective for lead netters is to generate highly qualified leads — with an active buying project — for late-stage sales engagement. Lead netters need to increase the weighting factors on support for inbound marketing, lead capture, and lead scoring. The quality of data, reporting, and process integration with the CRM system will also be critical. Less important are the criteria for lead management and nurturing.
- **Lead vetting.** Lead vetting is the strategy for buyers who make quick buy decisions in new or morphing markets. The marketing objective of lead vetters is to attract and capture targeted leads, quickly qualify to a detailed persona, and deliver early-stage opportunities to sales. Lead vetters need to increase the weighting factors on the criteria for inbound marketing, data appending, and predictive lead scoring. Less important are the criteria for customer engagement management and campaign decision pathing.
- **Lead stewarding.** Lead stewarding is needed for buyers facing a long decision in new or changing markets. The marketing objective of lead stewards is to attract and capture targeted leads for early-stage sales engagement. Lead stewards continue with a coordinated nurturing program designed to build brand credibility and trust, but a great deal of customer engagement is orchestrated by the sales team, so lead stewards need very strong integration with CRM systems at the process and reporting level. Customer engagement management capabilities are also critical to ensure a great customer experience during a long buying cycle.

- **Lead mentoring.** Lead mentoring is the strategy for buyers in mature markets with a complex buying process. Lead mentors need to attract and capture targeted traffic and use long-term nurturing to deliver late-stage opportunities to sales. Lead mentors need to increase the weighting on factors that help build and implement a robust content marketing strategy that will be delivered through a multichannel nurturing strategy.

Buyers Need To Right-Size Their L2RM Solution To Their Needs

The L2RM platform market is a relatively mature market. The first products were introduced in the early 2000s and the most recent entrants have been delivering solutions to customers for at least five years. Hundreds of millions of venture capital dollars have been put to good use generating features and functions — in addition to fueling marketing and sales. L2RM platform buyers need to remember that more is not better; more is simply more. In fact, when you don't need — or perhaps can't use — extra functionality, more is sometimes worse. Small businesses — and small marketing teams in larger enterprises — need to carefully evaluate the L2RM platform Forrester Wave criteria to pick a solution that is right-sized for their needs. Categories and criteria that should be closely evaluated include:

- **Ease of use.** Smaller marketing teams often don't have access to technical support, and they can't spare the headcount to dedicate marketing staff to maintaining the L2RM platform. So ease of productive use is paramount, and the weighting on criteria for maintaining data quality, creating marketing campaigns, and overall system manageability should be increased.
- **Marketing process management.** Smaller marketing teams have simpler processes and slimmer organizational hierarchies. Comprehensive project management and complex approval schemes are less important, so the weighting on these criteria should be decreased.
- **Functionality needs created by scale.** Smaller companies are typically building marketing programs for a smaller product portfolio and generating leads for a more singularly focused sales team than larger companies. Therefore, we recommend lowering the weighting for capabilities like multiple lead scores and nurturing program portfolio management.
- **CRM integration.** Smaller companies need out-of-the-box integration to their CRM system of choice. Vendors who have cut their teeth in larger enterprises have not always developed sufficiently complete integration, largely because enterprise CRM systems are often so customized that any vendor-delivered interfaces don't do the trick anyway. Smaller teams need to evaluate these criteria carefully, as they likely won't have access to technical support when the process breaks.
- **Capabilities to support global operations.** These include both criteria to execute programs in multiple geographies and criteria to support marketing users in those geographies.

- **Pricing and pricing models.** Smaller marketing teams have smaller budgets, yet they are often competing against goliath-sized competitors. These price-conscious buyers need price points, and operating costs, that don't break the budget.

EVALUATED VENDORS OFFER A POWERFUL MIX OF TOOLS AND SERVICES

We applied two sets of weightings to the 75 criteria of the L2RM platform Forrester Wave evaluation, in effect creating two models with different perspectives: one appropriate for large, enterprise-class organizations; and the other reflecting the priorities of smaller marketing teams, whether they reside in small businesses or in departments of larger organizations.

The Enterprise-Level Evaluation Rewards Functional Depth And Breadth

The enterprise evaluation uncovered a market rich in solution functionality that far outpaces the execution requirements of the majority of B2B marketers. For the enterprise L2RM platform buyer, our evaluation revealed five Leaders and four Strong Performers (see Figure 5). The evaluation uncovered a market in which:

- **Oracle (Eloqua) and Marketo lead the pack.** It's not surprising that Eloqua leads in features and functions. The company's products have been in the field the longest (since the early 2000s) and have been deployed by many larger enterprises with complex marketing program requirements. Marketo, which was launched in 2006, presented a product set to Forrester that indicates it has come up the functionality curve quite quickly vis-à-vis the competition.
- **Adobe is close behind.** Adobe's presence in the L2RM platform evaluation is a result of its acquisition of Neolane. Neolane has excellent multichannel campaign management capabilities, which were weighted highly in the enterprise view.
- **Act-On and salesforce.com (Pardot) also fall into the Leaders category.** Both Act-On and Pardot — which joined the salesforce.com family as a result of the acquisition of its parent, ExactTarget — focus on the small and medium-sized business (SMB) market. Both companies do an admirable job of delivering functionality for nearly every criterion in our evaluation.
- **Silverpop and IBM are on the cusp of leadership.** Both of these vendors have strong products that straddle the line between B2B and business-to-consumer (B2C) marketing. Until recently, other marketing automation vendors have treated the requirements of B2C and B2B marketers as two bifurcated sets. Recent acquisitions and market developments indicate some convergence in B2C and B2B marketing automation segments, which will probably serve to raise the relevance of both of these competitors.
- **CallidusCloud and Salesfusion are also Strong Performers.** Both CallidusCloud and Salesfusion have strong capabilities for managing the later stages of the lead-to-revenue funnel.

Figure 5 Forrester Wave™: L2RM Platform Vendors: For Large Enterprises, Q1 '14



Source: Forrester Research, Inc.

Figure 5 Forrester Wave™: L2RM Platform Vendors: For Large Enterprises, Q1 '14 (Cont.)

	Forrester's Weighting	Act-On	Adobe	CallidusCloud	IBM	Marketo	Oracle	salesforce.com	Salesfusion	Silverpop
CURRENT OFFERING	50%	3.56	4.03	3.30	3.57	4.31	4.46	3.64	3.31	3.85
Background info	0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Customer engagement management	5%	3.50	4.10	4.10	3.60	2.80	3.60	2.80	2.50	3.90
Lead data management (integration, analytics, extension)	5%	3.75	4.00	3.75	0.75	4.50	5.00	3.75	3.50	4.00
Campaign design, execution, management	10%	3.94	4.43	3.04	3.99	4.76	3.96	3.59	3.56	4.19
Cross-channel engagement management	5%	2.70	4.30	3.00	4.30	4.00	4.70	3.70	3.00	4.70
Content and asset management	5%	4.00	4.00	4.00	4.00	3.00	5.00	4.00	3.00	3.00
Inbound support	5%	5.00	3.00	3.00	4.00	3.00	3.00	2.00	3.00	3.00
Lead capture	10%	4.00	3.00	3.00	2.00	5.00	5.00	5.00	3.00	5.00
Lead management	10%	3.22	4.03	3.69	3.70	4.03	4.18	4.39	3.66	3.81
Sales tools and interaction	5%	3.20	4.10	3.90	4.50	4.90	4.50	4.00	3.30	3.80
Integration to CRM systems	5%	3.50	4.00	3.50	4.00	4.00	4.00	4.00	4.50	3.90
Reporting, analytics, and alerting	10%	2.32	3.64	2.28	4.72	5.00	4.92	2.28	2.08	3.88
Support for multitier sales channels	5%	3.00	4.00	4.00	1.00	3.00	4.00	3.00	4.00	2.00
Support for decentralized marketing operations	5%	4.60	5.00	3.00	3.00	5.00	5.00	3.00	3.00	3.40
Support for global marketing operations	5%	3.50	5.00	3.00	5.00	5.00	5.00	4.00	5.00	3.00
Technology and architecture	5%	3.00	3.90	3.70	3.50	5.00	4.30	4.10	3.30	4.60
Service and support	5%	4.50	5.00	3.00	5.00	4.50	5.00	4.00	3.50	4.00
STRATEGY	50%	3.56	3.44	2.30	3.28	3.86	4.14	3.72	2.56	3.00
Corporate strategy	30%	3.00	4.00	3.00	3.00	4.00	4.00	4.00	2.00	3.00
Product strategy	70%	3.80	3.20	2.00	3.40	3.80	4.20	3.60	2.80	3.00
Cost	0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MARKET PRESENCE	0%	2.34	3.19	2.17	3.09	3.86	4.78	2.38	1.79	3.24
Installed base	5%	3.00	1.00	2.60	1.00	3.00	2.40	3.80	1.60	3.00
Financials	95%	2.30	3.30	2.15	3.20	3.90	4.90	2.30	1.80	3.25

All scores are based on a scale of 0 (weak) to 5 (strong).

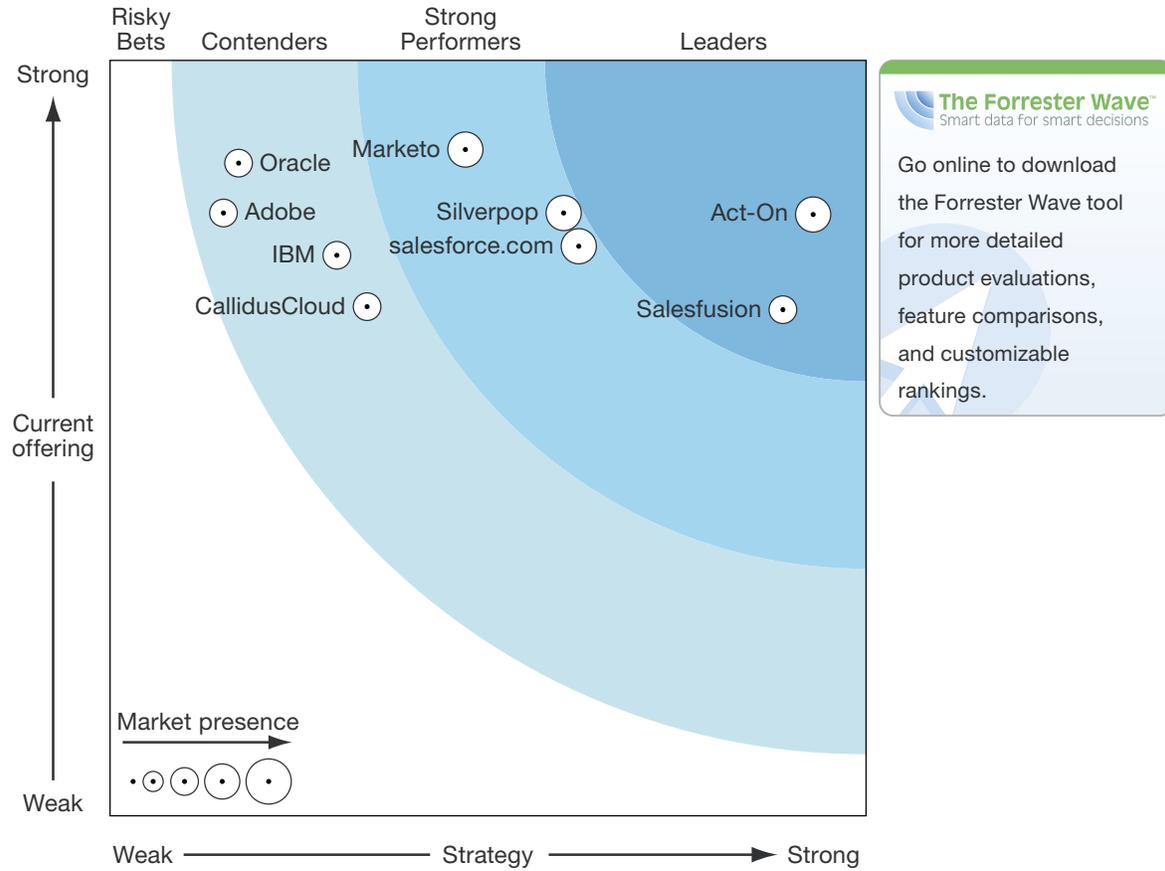
Source: Forrester Research, Inc.

The Small Marketing Teams Evaluation Highlights A Different Set Of Suitable Vendors

The vendors were more strongly differentiated for buyers evaluating L2RM platforms for smaller marketing teams, as the evaluation revealed two Leaders, three Strong Performers, and four Contenders — which are likely unsuitable for and uninterested in the SMB market (see Figure 6).⁵ The evaluation uncovered a market in which:

- **Act-On and Salesfusion are Leaders.** With our small marketing team lens, we placed more weighting value on providing a robust, but simple, set of capabilities at a low entry price point. These two vendors optimize to that set of variables.
- **Silverpop, salesforce.com, and Marketo are Strong Performers.** If you take price and a commitment to smaller marketing teams out of the equation, these vendors deserve an evaluation based on their strong functional performance.
- **Adobe, CallidusCloud, IBM, and Oracle are Contenders.** B2B marketers can get the job done with any of these solutions providers. Given the cost and complexity tradeoffs, it's likely that small marketing teams or SMBs will choose a different vendor, which will most likely be a satisfactory decision for the vendors.

Figure 6 Forrester Wave™: L2RM Platform Vendors: For Small Marketing Teams, Q1 '14



Source: Forrester Research, Inc.

Figure 6 Forrester Wave™: L2RM Platform Vendors: For Small Marketing Teams, Q1 '14 (Cont.)

	Forrester's Weighting	Act-On	Adobe	CallidusCloud	IBM	Marketo	Oracle	salesforce.com	Salesfusion	Silverpop
CURRENT OFFERING	50%	3.98	3.99	3.37	3.71	4.41	4.32	3.77	3.35	3.99
Background info	0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Customer engagement management	5%	4.40	5.00	4.40	4.20	3.40	3.60	2.80	2.80	3.60
Lead data management (Integration, analytics, extension)	5%	3.60	4.00	3.60	1.20	4.80	5.00	3.60	3.20	4.00
Campaign design, execution, management	15%	4.09	4.44	3.51	3.98	4.83	3.75	3.75	3.78	4.18
Cross-channel engagement management	0%	2.70	4.30	3.00	4.30	4.00	4.70	3.70	3.00	4.70
Content and asset management	5%	4.00	4.00	4.00	4.00	3.00	5.00	4.00	3.00	3.00
Inbound support	10%	5.00	3.00	3.00	4.00	3.00	3.00	2.00	3.00	3.00
Lead capture	15%	4.00	3.00	3.00	2.00	5.00	5.00	5.00	3.00	5.00
Lead management	10%	3.64	4.33	3.43	3.94	4.21	4.36	4.37	3.52	3.55
Sales tools and interaction	5%	3.20	4.10	3.90	4.50	4.90	4.50	4.00	3.30	3.80
Integration to CRM systems	5%	3.55	4.10	3.55	4.00	4.00	4.00	4.00	4.55	3.95
Reporting, analytics, and alerting	10%	2.91	4.33	2.90	4.91	5.00	4.91	3.08	3.08	4.64
Support for multitier sales channels	0%	3.00	4.00	4.00	1.00	3.00	4.00	3.00	4.00	2.00
Support for decentralized marketing operations	0%	4.60	5.00	3.00	3.00	5.00	5.00	3.00	3.00	3.40
Support for global marketing operations	0%	3.50	5.00	3.00	5.00	5.00	5.00	4.00	5.00	3.00
Technology and architecture	5%	3.50	3.05	3.05	2.65	5.00	3.45	4.25	3.85	4.70
Service and support	10%	5.00	5.00	3.40	5.00	4.60	5.00	3.80	3.40	3.40
STRATEGY	40%	4.65	0.75	1.70	1.50	2.35	0.85	3.10	4.45	3.00
Corporate strategy	10%	3.00	4.00	3.00	3.00	4.00	4.00	4.00	2.00	3.00
Product strategy	10%	3.50	3.50	2.00	4.00	3.50	4.50	3.00	2.50	3.00
Cost	80%	5.00	0.00	1.50	1.00	2.00	0.00	3.00	5.00	3.00
MARKET PRESENCE	10%	3.25	2.20	2.74	2.10	3.35	2.86	3.57	2.44	3.55
Installed base	60%	3.00	1.00	2.40	1.00	3.00	2.60	4.20	1.40	3.00
Financials	20%	3.25	4.00	2.50	3.50	3.75	4.50	3.25	4.00	3.75

All scores are based on a scale of 0 (weak) to 5 (strong).

Source: Forrester Research, Inc.

THE L2RM PLATFORM MARKET IS ON THE CUSP OF SIGNIFICANT CHANGE

The B2B marketing automation market has changed dramatically in the past 18 months, and more change is likely to come throughout 2014 and beyond. Four factors will accelerate these changes.

Consolidation Season Has Started

In our November 2012 report, “Automating Your End-To-End Process,” Forrester observed that the B2B marketing automation landscape was blessed with a cornucopia of tools: “Marketers have access to an overabundance of marketing tools, each of which automates just a portion of the end-to-end L2RM process. This forces them to build skills around each tool, integrate the data from each, and compile them into a cogent perspective about status and results to drive continuous process improvement.”⁶ We also observed that no one vendor has reached the goal of a fully integrated platform, and we advised B2B marketers who are automating their end-to-end L2RM process to take ownership for architecting their own L2RM business system. The past 18 months have seen some major acquisitions as vendors have moved closer to the vision of a fully integrated system: Oracle acquired Eloqua, Compendium, and Responsys; salesforce.com acquired ExactTarget, which had previously acquired Pardot; Adobe acquired Neolane. Marketo, which had a successful initial public offering (IPO) in May 2013, acquired Insightera. More acquisitions and IPOs are likely in the year ahead.

B2B Marketers Are Moving Beyond Revenue Performance Management

Savvy B2B marketing leaders are now going beyond simple automation of their existing demand generation process and revenue performance management. They are re-engineering their lead-to-revenue process to transform marketing — from a top-notch supplier of leads for the load-bearing sales channel to the architect of customer engagement across the entire customer life cycle. And they are demanding that their L2RM platforms support this, with capabilities like:

- **Customer insight to personalize the web experience.** In Forrester’s most recent survey of business decision-makers, 68% cited the vendor’s website as an important source of information when researching and evaluating technologies and services to purchase. Only 64% said the vendor’s salesperson was important.⁷ Considering the tremendous advantage even the worst salesperson has in delivering contextually relevant information to a prospect, B2B marketers are beginning to get very serious about making sure their websites can support personalized engagement with their prospects.
- **Improved capabilities for content creation, management, and especially delivery.** The B2B marketers we speak with in our research inquiries are struggling to produce sufficient engaging content.⁸ They need tools that monitor and analyze content consumption and provide basic analysis on which content is driving the most conversions and revenue so they can make smarter decisions about content investments. However, targeted delivery of the content is an even bigger

concern. In our recent survey of B2B marketers, the most pressing content marketing challenge was “getting the right people to view the right content.” One-third of respondents cited that challenge, compared with only 13% who were challenged with “producing engaging content” and 11% who were challenged with “developing a content strategy.”⁹

- **Seamless multichannel engagement capabilities.** B2B buyers seek their information from social, digital, and physical channels. Many B2B automation vendors will need to rethink their reliance on email as the primary mechanism for offer behavior or stay largely rooted in industry segments (like technology) where email is still a primary channel.
- **Better reporting and analytics, especially predictive analytics.** L2RM platforms generate a great deal of customer insight that has not been leveraged to any great degree by the current functionality of the platform vendors. There is great potential to take B2B marketing to the next level when that information is combined with data that can be mined from social and other digital channels and treated with the sort of modern analytics capabilities that B2C marketers have been using for years. Introduction of predictive analytics (for offer management, lead scoring, or segmentation) underscores the need for rich data and a centralized repository for explicit customer data and implicit customer insights. Vendors with technology to leverage data and behavioral insight aggregated from multiple sources will benefit from this need.

B2C And B2B2C Marketers Are Getting In The Game

The vendors reviewed in this report drive the majority of their revenue from companies that sell to other companies (B2B) rather than to companies that market to consumers (B2C). But an ever-increasing slice of revenue in this sector is coming from companies selling to consumers in segments where the purchases are highly considered (e.g., insurance) or highly relationship oriented (e.g., financial advisors) or loyalty driven — such as sports, entertainment, and other fan-centric businesses. In the past 12 months, Forrester has observed a significant uptick in inquiries from companies in the insurance, healthcare, and manufacturing industries. Since these companies often introduce the challenges of developing and distributing leads through multitiered sales channels, it makes sense for vendors of partner relationship management and distributed marketing management software to become relevant in the L2RM platform space. Don't be surprised if companies like Relayware, Treehouse Interactive, and Balihoo are considered in the next update of the L2RM platform Forrester Wave evaluation.

Vendors From Adjacent Markets Are Emerging As Competitors

New B2B point solution vendors (e.g., customer insight, predictive analytics, and content marketing) are popping up like mushrooms in springtime. But the most interesting disruptor to the L2RM platform space might be coming from another a completely different, and well established, category of marketing software — web content management (WCM). Given that vendor websites have become the most important source of influence for B2B buyers, it makes sense that the WCM vendors are moving beyond content management and toward customer experience management.¹⁰ Companies like Acquia, Ektron, and Sitecore may well be candidates in the next update of this evaluation as they add more sophisticated customer engagement capabilities to their products.

VENDOR PROFILES

Below are profiles of each of the included vendors, their platforms, and platform strategies. Vendors are presented in alphabetical order:

- **Act-On.** Since 2008, Act-On has offered marketing automation solutions for small and medium-sized businesses. The product and delivery models are right-sized for that market: The company offers an attractively low entry price, and the user interface is consistent and simple, with many tasks guided by wizards and templates. The product's L2RM platform capabilities more than meet the needs of companies with uncomplicated product portfolios, simple marketing campaigns, and straightforward channels to market. Act-On's prebuilt connectors — to sales force automation (SFA) platforms, webinar platforms, analytics packages, data services, and email deliverability testing — are sufficient for the average small business. Act-On also offers a number of native capabilities to help small marketing teams improve their digital marketing programs: search engine optimization (SEO) features to improve inbound traffic; a Twitter-prospecting tool to monitor relevant conversations between influencers, customers, and prospects; and a Google AdWords management console. The company is currently expanding to a more comprehensive L2RM platform suitable for departmental enterprise solutions, as well as SMBs. Recent investments in a library of RESTful application platform interfaces (APIs) into the Act-On platform, increased emphasis on building a more robust partner ecosystem, and a vertical industry go-to-market strategy are all part of the expanded enterprise focus.
- **Adobe.** Adobe's presence in this evaluation is a result of its acquisition of Neolane. Adobe has officially added Adobe Campaign (formerly Neolane) as its sixth solution within the Adobe Marketing Cloud. Prior to the acquisition, the Adobe's marketing portfolio was designed to support the inbound efforts of marketers. Neolane provides Adobe with technologies that enable better integration of inbound and outbound strategies into a cohesive L2RM strategy. Adobe Campaign is an enterprise marketing solution, focused on serving large, complex, and globally decentralized organizations. As always, there is a tradeoff between advanced features and level of complexity, so certain implementations could be costly in the long run. Adobe Campaign's built-in marketing resource management (MRM) software allows marketing

teams to create integrated marketing plans and calendars; assign budgets, resources, and tasks; and monitor progress to ensure all programs are executed on time and within budget. Adobe Campaign is an adaptable platform that can meet the needs of B2B, B2C, and B2B2C marketers. The B2C DNA shows up in some positive ways: The system offers strong multichannel marketing capabilities; the customer engagement management capabilities are extensive; and the product enables marketers to build sophisticated campaigns with very specific segmentation and targeting. The lack of B2B DNA shows up as well: The lead management, nurturing and scoring features are not as strong as the campaign management functionality. Adobe Campaign is one of the few L2RM platform solutions that can be deployed on-premises or hosted at the vendor's data center.

- **CallidusCloud.** CallidusCloud believes that the sales process has been very poorly served by technology, and it has assembled a strong portfolio for sales enablement and operations. The company offers solutions for more effective hiring, learning management, sales enablement, and sales opportunity creation and management. While the company has a longer history at the later stages of the funnel, it has recently invested in the marketing stages. In 2012, the company acquired LeadFormix as the cornerstone of its marketing cloud strategy. Prior to the acquisition, LeadFormix was focused on the SMB market, providing marketing automation solutions along with some functionality for identifying anonymous website visitors, SEO diagnostics and reporting, and basic social monitoring. As part of CallidusCloud, the LeadFormix functionality will need to expand to support large, global organizations with more complex product and solution portfolios and more complicated marketing programs. CallidusCloud shared with Forrester a LeadFormix road map that has a balance of changes in three categories: functionality and scalability necessary to compete in large enterprise deals; features to catch up to the market leaders in early multichannel engagement functionality; and increased support for the inside sales function.
- **IBM.** In this evaluation, we considered IBM's cross-channel marketing optimization, digital marketing optimization, and marketing performance optimization solutions. These solutions are delivered via a mix of software-as-a-service (SaaS) and on-premises components, but it would not be possible to acquire all the functional aspects of an L2RM platform via a SaaS delivery model. Additionally, some functionality is available only as a SaaS solution, thus mandating a hybrid deployment model. IBM's expertise and implementations are predominantly in B2C applications, and the company has long been recognized by Forrester as a leader in campaign planning and management for B2C applications. But the majority of L2RM platforms are being deployed in B2B and, increasingly, B2B2C applications. Still, there are a number of situations when B2B and B2B2C marketers should consider IBM's enterprise marketing solutions. For instance, when marketing resource management, integrated marketing management, or multichannel campaign management functionality is a big part of the overall requirement, IBM's portfolio strength will be an advantage. Also, since IBM's marketing software is designed to run on top of a preexisting customer data mart or data warehouse

environment, the product might be easier to implement when the customer data that will drive campaign targeting and decisions is fragmented across a number of operational systems. Marketers who turn to IBM in these situations may trade off some L2RM platform functionality that the leaders offer, but they will still find a strong performer.

- **Marketo.** Marketo was founded in 2006 and rapidly acquired customers and revenues, leading to a successful IPO in May 2013. While on that journey, Marketo also developed an L2RM platform with significant functional breadth. Key acquisitions have helped Marketo fill product gaps quickly. The company bought Crowd Factory in 2012 to jump start its social marketing capabilities and recently announced the intention to acquire Insightera to improve its personalization and behavioral marketing capabilities. Marketo users, especially those who have used other L2RM platforms, often remark that the product does not have functional depth in key areas like form and landing page creation and complex campaign development. For example, Marketo does not offer a Visio-like diagramming tool, so users are not able to view a complex program flow on a single screen. Despite the occasional complaint, Marketo consistently gets high marks from users on its usability and time-to-value. The company has struck a good balance between robust functionality and ease of use. One example is Marketo's Customer Engagement Engine, which makes it easy to scale a strategy of specific content marketing campaigns aimed at finely targeted segments. With the personalization and content recommendation capability that Marketo will acquire with Insightera, the company will enable its marketing users to scale highly personalized engagement. Although the vendor has been successful in implementing its solution for large enterprises with complex requirements, the majority of Marketo's customers are SMBs, so its enterprise-class viability remains to be proven.
- **Oracle.** In a straight evaluation of product feature and function, Oracle's Eloqua product led in our results (Oracle purchased Eloqua in December 2012). The product has strong capabilities to enable the complex, multistage campaigns that are required to support nurturing in B2B buying cycles. But that rich functionality seems to come at a cost. Eloqua users — especially those experienced with other products — consistently mention Eloqua's steep learning curve. As one of its advocates pointed out, "Once you've gotten used to it, the product is no harder to use than any other product." But some users still maintain that a higher level of technical savvy is needed to run the system. Eloqua10, the vendor's latest product, is based on HTML5 and provides a simpler and easier-to-use user interface than prior versions. For many B2B marketers, Eloqua's sophistication may not be required and lower-cost (and simpler) options may be a better choice. But Oracle is showing leadership in expanding the footprint (and potential business value) of L2RM platforms. Oracle's acquisition of Compendium is hopefully the start of integrating point solutions into a more complete L2RM platform. The announced intention to acquire Responsys is largely driven by Oracle's B2C ambitions, but it will no doubt strengthen the multichannel engagement capabilities of Eloqua. And Oracle/Eloqua is, by far, the most aggressive vendor in expanding B2B marketing automation outside of the early adopter technology industry. In 2012, Eloqua initiated a vertical (industry segment) strategic initiative. Since inception, vertical

solutions have been delivered in financial services (asset management and insurance), nonprofit, and entertainment. In the upcoming year, the company intends to continue this investment and expand offerings to additional vertical markets.

- **Salesforce.com.** Salesforce.com (SFDC) finds itself in this Forrester Wave evaluation via its 2013 acquisition of ExactTarget (which acquired Pardot, an L2RM platform vendor, in 2012). The Pardot functionality is now part of SFDC's Sales Cloud functionality stack, rather than SFDC's Marketing Cloud. It's very likely that with the acquisition of Pardot's functionality, SFDC will raise the bar on integration and interoperability between L2RM platforms and sales force automation platforms. For example, the company has announced that it will combine the Pardot and SFDC databases, which will eliminate the need for data integration and data synching that — even with near seamless integration tools — continues to be a minor headache for most marketing automation users. This will give SFDC a significant competitive differentiator with SMBs that don't have the IT staff or savvy to deal with data integration issues. Pardot's functionality is well suited for SMBs, as prior to all the acquisition activity the SMB market was Pardot's primary focus, and the company's development activities were largely driven by customer requests. The product has a straightforward user interface that makes it easy to design campaigns, build nurturing scripts, implement progressive profiling, and establish a lead scoring process. As part of salesforce.com, the Pardot functionality will need to expand to support large, global organizations with more complex product and solution portfolios and more complicated marketing programs. Leveraging ExactTarget's sophisticated multichannel campaign capabilities will accelerate SFDC's progress toward that goal.
- **Salesfusion.** Salesfusion has been marketing an L2RM platform since 2009. Prior to 2009, Salesfusion was sold as a white-label agency solution.¹¹ Salesfusion's vision is to provide a complete solution from the top of the funnel through opportunity management with emphasis on CRM integration. To that end, Salesfusion has native integration with more CRM solutions than any other L2RM platform vendor, including salesforce.com, SugarCRM, Microsoft Dynamics, Saleslogix, Sage CRM, and NetSuite. The product also has a native CRM solution, which many clients use as their primary CRM system. Salesfusion is a full-service email service provider (ESP) with strong email creation, test, and delivery tools. The company supports responsive templates, and rendering may be tested against a third-party tool that supports tests on more than 40 devices and clients. The system also offers the marketer a number of tools to manage marketing programs designed to drive inbound traffic, social publishing, and engagement options. Inclusion of a full marketing project management capability (i.e., the ability to support complex marketing program planning with work breakdown structures, task assignment, and project planning and tracking) is a plus. The marketing module allows for the management of budget and spend as well.
- **Silverpop.** Silverpop is not on the shortlist, all that often, when Forrester talks to clients who are evaluating marketing automation solutions. Looking at their results in the L2RM platform Forrester Wave evaluation, one has to wonder, "Why is that?" The vendor posted as a Strong

Performer in both the enterprise and the small marketing teams perspectives. Founded in 1999, Silverpop initially focused on the email market and operated as an ESP. Today, Silverpop Engage offers all of the expected L2RM platform capabilities, including cross-channel campaign automation, lead management, and CRM integrations (much of this functionality was gained through the vendor's acquisition of Vtrenz in 2007). Silverpop's ESP heritage has given the product a strong email development, testing, and delivery capability. The product can automatically select the winner of A/B tests between emails and optimize the send time to individual contacts to increase response rates. The vendor's B2C DNA has resulted in a product with strong multichannel engagement capabilities. Silverpop has been an early advocate for behavioral marketing. The product has a campaign workflow builder, coupled with a business rules engine — which can apply conditional logic to any program step — that makes it easy for marketers to build complex multichannel and behaviorally triggered nurture streams — which is a valuable capability for B2B marketers who are selling products that deliver various multiple outcomes to multiple stakeholders.

SUPPLEMENTAL MATERIAL

Online Resource

The online versions of Figure 5 and Figure 6 are Excel-based vendor comparison tools that provide detailed product evaluations and customizable rankings.

Data Sources Used In This Forrester Wave Evaluation

Forrester used a combination of three data sources to assess the strengths and weaknesses of each solution:

- **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls where necessary to gather details of vendor qualifications.
- **Product demos.** We asked vendors to conduct demonstrations of their product's functionality. We used findings from these product demos to validate details of each vendor's product capabilities.
- **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with three of each vendor's current customers.

The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we then narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and we encourage readers to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve. For more information on the methodology that every Forrester Wave evaluation follows, go to <http://www.forrester.com/marketing/policies/forrester-wave-methodology.html>.

Integrity Policy

All of Forrester's research, including Forrester Wave evaluations, is conducted according to our integrity policy. For more information, go to <http://www.forrester.com/marketing/policies/integrity-policy.html>.

Survey Methodology

Forrester's Q4 2012 US And Europe B2B Marketing Tactics And Benchmarks Online Survey was fielded to 328 B2B marketing executives located in the US, France, Germany, and the UK at SMB and enterprise companies with 100 or more employees. Research Now fielded this survey online in October 2012 on behalf of Forrester via its online panel and partner panels. Survey respondent incentives included gift certificates and research summaries. We have provided exact sample sizes in this report on a question-by-question basis.

In addition to sampling error, one should bear in mind that the practical difficulties in conducting surveys can introduce error or bias into the findings of opinion polls. Other possible sources of error in polls are probably more serious than theoretical calculations of sampling error. These other potential sources of error include question wording, question ordering, and nonresponse. As with all survey research, it is impossible to quantify the errors that may result from these factors without an experimental control group, so we strongly caution against using the words "margin of error" in reporting any survey data.

We have illustrated only a portion of survey results in this document. For more information about this data, please contact inquiry@forrester.com.

ENDNOTES

- ¹ Source: Q4 2012 US And Europe B2B Marketing Tactics And Benchmarks Online Survey.
- ² Source: Q4 2012 US And Europe B2B Marketing Tactics And Benchmarks Online Survey.
- ³ Forrester's Q4 2011 B2B Marketing Organizations And Investments Survey was fielded to 864 B2B marketing executives located in Canada, France, Germany, India, Singapore, the UK, and the US from SMB and enterprise companies with 100 or more employees, including 535 respondents in high-tech industries and 329 respondents in other industries. Source: Q4 2011 B2B Marketing Organizations And Investments Survey.
- ⁴ The L2RM strategy matrix uses two easily accessible contextual factors — market maturity and decision cycle complexity — that when mapped on a 2-by-2 lead-to-revenue management strategy matrix identify four different buyer zones onto which most B2B purchase decisions can be plotted. The L2RM strategy matrix can help marketers reliably make a great number of choices about the L2RM actions that drive L2RM outcomes. See the September 20, 2013, "[Develop Your Revenue Growth And Acceleration Strategy](#)" report.
- ⁵ For the purpose of this Forrester Wave evaluation, Forrester considers a small marketing team to have from one to five members. Small marketing teams are found in small businesses, divisions of larger enterprises, and field marketing teams.
- ⁶ A wealth of new marketing automation technologies has emerged in recent years to help marketers manage the L2RM process — or at least parts of the process. But no one vendor has reached the goal of a fully integrated platform. Therefore, B2B marketers who are automating their end-to-end L2RM process will still have to take ownership for architecting their own L2RM business system. See the November 20, 2012, "[Automating Your End-To-End Process](#)" report.
- ⁷ Source: Forrsights Business Decision-Makers Survey, Q4 2012.
- ⁸ In 2013, Forrester fielded over 500 inquiries from marketing practitioners about their lead-to-revenue practices.
- ⁹ Source: Q4 2012 US And Europe B2B Marketing Tactics And Benchmarks Online Survey.
- ¹⁰ In Forrester's most recent survey of business decision-makers, 68% cited the vendor's website as an important source of information when researching and evaluating technologies and services to purchase. Only 64% said the vendor's salesperson was important and only 42% said that company newsletters were important. Source: Forrsights Business Decision-Makers Survey, Q4 2012.
- ¹¹ A white-label solution refers to the use or onward sale of the Salesfusion product by marketing services agencies without reference to Salesfusion's brand name.

About Forrester

Global marketing and strategy leaders turn to Forrester to help them make the tough decisions necessary to capitalize on shifts in marketing, technology, and consumer behavior. We ensure your success by providing:

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