G00226555

Magic Quadrant for Marketing Resource Management

Published: 30 January 2012

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The MRM market continues to mature, with BrandMaker, Orbis Global and SAP becoming Leaders alongside IBM (Unica), SAS and Teradata (Aprimo). New entrants on the MRM Magic Quadrant include CDC Software (Pivotal), Code Worldwide and PTI Marketing Technologies (MarcomCentral).

Market Definition/Description

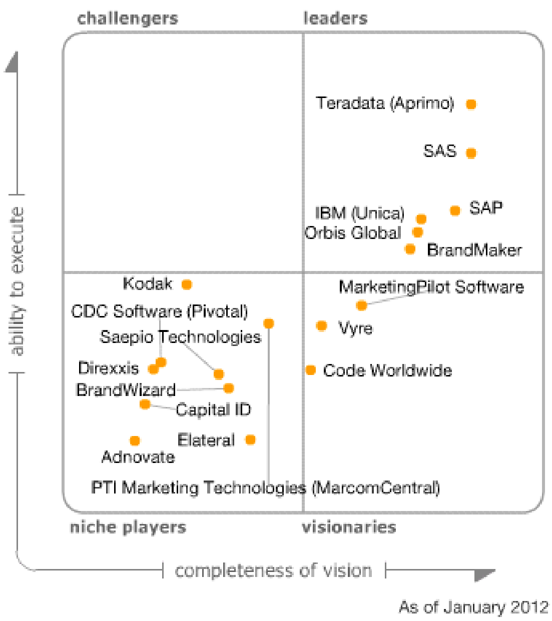
Marketing resource management (MRM) is a set of processes and capabilities designed to enhance a company's ability to orchestrate and optimize internal and external marketing resources (see "The Five Competencies of MRM 'Re-' Defined"— Note: This document has been archived; some of its content may not reflect current conditions.). MRM applications enable companies to:

- Plan and budget for marketing activities and programs (strategic planning and financial management).
- Create and develop marketing programs and content (creative production management).
- Collect and manage content and knowledge (digital asset, content and knowledge management).
- Fulfill and distribute marketing assets, content and collateral (marketing fulfillment).
- Measure, analyze and optimize marketing performance (MRM analytics).

Vendors in the MRM Magic Quadrant (see Figure 1) are assessed on their ability to support each of these five MRM competency areas.

Magic Quadrant

Figure 1. Magic Quadrant for Marketing Resource Management



Source: Gartner (January 2012)

Vendor Strengths and Cautions

Adnovate

Adnovate, headquartered in the Netherlands, is a Niche Player for its predominately European presence, as well as its primary focus on marketing asset management and fulfillment. Consider Adnovate if you are a European-based company looking for a marketing asset management and fulfillment solution.

Strengths

- **Growth:** Adnovate continues to grow, albeit at a smaller rate compared with comparable MRM vendors. Adnovate reports approximately 6% growth for MRM from 2010 to 2011 and more than 110 clients. Approximately 85% of its revenue is MRM-related. Gartner estimates 2011 revenue to be between $8 million and $10 million. It added 13 net-new MRM customers this past year, with additional cross-sells in the existing client base.
- **Asset management and fulfillment:** Although Adnovate provides a broad set of MRM capabilities, its core competency and focus remain on supporting brand management and the end-to-end process marketing supply chain, with emphasis on marketing asset management and fulfillment. Adnovate supports a variety of media and content formats, including print, direct

marketing artwork, video, brochures and leaflets, press kits, newsletters, presentations, online advertising, catalogues, point of sale (POS) and PDF.

- **R&D:** In 2011, Adnovate upgraded its creative workflow to a new module, developed a new solution for video management (e.g., compose, publish and distribute video), added a multichannel publisher module and a multichannel content export module, developed e-commerce integrations with Personal Information Management Monitor (PIMM) and digital asset management (DAM) solutions, new capabilities for promotion planning for assortments and displays in retail (digital signage is on the company's road map), new Brochure Builder solution with drag-and-drop templates for creating brochures, and enhanced POS capabilities.
- **Deployment options:** Adnovate supports both the on-demand software as a service (SaaS) multitenant model and on-premises solutions. The on-demand platform is based on Oracle and Java Platform, Enterprise Edition (Java EE). Most clients currently use the SaaS option.

Cautions

- **Financial management:** Although Adnovate has some capabilities for budgeting (e.g., costing) and market development funds, it does not provide as robust a set of financial management capabilities compared with leading MRM vendors. Clients looking for more of a financial management tool for corporate marketing should assess Adnovate's capabilities compared with their requirements before buying.
- **Increased competition in Europe:** Industry consolidation has brought new, large and viable global players to the MRM market. Adnovate will be increasingly challenged in its European markets, as the integrated marketing management (IMM) vendors (such as IBM, SAS and Teradata) develop a strong MRM client base in Europe, and larger vendors (such as SAP) mature their MRM interfaces and functionality. We are also seeing many new European MRM vendors attempt to enter the market at the local level.
- **Geographical strategy and growth:** MRM market growth has been somewhat slower in Europe than in other parts of the world, particularly North America. Other non-U.S. vendors with a stronger geographical presence in North America have fared better and grown faster in the market because of their ability to transfer resources to and focus on North America, while the European markets are struggling. Emerging markets, such as the Asia/Pacific region and South America, are starting to invest in MRM. Adnovate will need to develop a stronger presence in North America and these emerging geographies to grow faster over the next few years and compete with the vendors establishing a more global presence. It can be difficult for a European vendor to expand into North America, and Adnovate will need to compete with vendors such as BrandMaker, Elateral and Orbis Global, which are establishing a physical presence and growing client base in North America.
- **Small vendor:** Adnovate is a small vendor, with less than $10 million in revenue in 2011, and it is susceptible to strong fluctuations in the market. It could be an attractive acquisition target for companies wanting to augment their MRM capabilities for marketing asset management and fulfillment, or expand into Europe. Clients should carefully weigh the risks of doing business with a small vendor versus the business benefits they can gain from using its software.

BrandMaker

BrandMaker is an MRM provider headquartered in Germany, with a growing presence in North America. BrandMaker is a Leader for its broad and robust MRM solution and strong business model for growth via geographical expansion and partners. Consider BrandMaker for its broad set of MRM capabilities, as well as its brand management focus.

Strengths

- **Growth and geographical expansion:** BrandMaker is one of the fastest growing MRM vendors worldwide. It grew from 664 to over 929 customers this past year (223 new SaaS customers and 42 new on-premises, enterprise customers). It reports that its revenue is up 47% from 2010 to 2011. Gartner estimates MRM revenue for 2011 was between $9 million and $11 million. Average deal size and average number of users per client continue to increase. BrandMaker is solidifying its presence in North America and creating a self-sufficient model in the U.S. that generates its own opportunities. Approximately 10% of its revenue in 2011 originated in North America, with a growing pipeline for 2012. It has added new senior management positions for functions such as sales, marketing and professional services at the vice presidential level. BrandMaker has $8.8 million in investment funding to focus on growth and acquisitions.
- **Partner ecosystem:** BrandMaker has created a growing partner ecosystem across a variety of partner types to help with reselling and support, as well as to extend functionality. It has consulting partners (MRMLogiq, MarketingHub and BIP), agency partners (wirDesign, Jung von Matt and Corporate Brand Solutions), sales partners (gateB, Arizona, BrandMaker Russia and MediaBuilder), implementation and fulfillment partners (arvato) and technology partners (IBM, Akamai, Qontext, Magnolia and Across). It has also selected the chief marketing officers (CMOs) of several clients to participate in its Customer Advisory Board, making customers partners in its strategy.
- **R&D investment:** BrandMaker provides a broad set of MRM capabilities for financial management, creative production management, marketing asset management and marketing fulfillment. BrandMaker had over 95 programmers working on the solution in 2011, making over 2,300 software enhancements. Major product investments in 2011 included improvements to financial management and integration to ERP systems for invoicing, improvements in Web-to-Publish (drag-and-drop templates for the creation of content, banner ads and flyers with Flash capabilities). It enhanced integration of the PIM module, product content management workflows, creative development (including review and template design processes), integration of Virtual Media Agency, and integration of campaign workflows (Shop as central hub for workflow distribution). It also improved handling of local marketing with "easy mode" for local users. Reporting has been improved with integration to JasperReports, which enables clients to configure their reports and pivot tables using drag-and-drop features. A new module, Corporate Design Scanner, allows local marketers to conform to brand guidelines and standards. A new Intelligent Media Allocation module enables clients to determine where to invest their media marketing budgets.
- **Deployment models:** BrandMaker offers three solutions based on a Java EE architecture. (1) BrandMaker Enterprise (for large clients) can be deployed on-premises or hosted by BrandMaker. (2) BrandMaker Marketing Planner SaaS is a lighter version of the Enterprise

Marketing Planner Module for small or midsize businesses (SMBs). (3) BrandMaker Print & Agency provides creative agencies and prepress/printing providers with an on-demand solution, which includes the BrandMaker Enterprise modules Media Pool and Media Management. In 2011, BrandMaker increased its cloud and private cloud deployments for Enterprise customers.

Cautions

- **Market visibility:** BrandMaker does not yet have the market visibility of the other MRM leaders. It will need to work more aggressively to raise its visibility globally, particularly in new markets such as North America. It is known more for its brand and asset management capabilities than for its broad set of MRM capabilities, which also includes planning and financial management.
- **Competition:** Market consolidation has created larger, global MRM vendors. BrandMaker will be increasingly challenged in its European markets, as IMM vendors (such as IBM, SAS and Teradata) develop strong MRM client bases in Europe, and larger vendors (such as SAP) mature their MRM interfaces and functionality. Its expansion into North America was timely, as investment in MRM increased significantly in North America this past year. It will need to continue to grow, make acquisitions and develop partnerships to extend its geographical reach to compete on a global scale.
- **Potential acquisition target:** BrandMaker is a small vendor, with less than $15 million in revenue. With its broad MRM solution and expanding vision for products and geographies, it could be an attractive acquisition target for large companies wanting to provide MRM capabilities. Gartner believes that consolidation in the MRM market will continue to increase over the next two to three years.

BrandWizard

BrandWizard is a Niche Player for its creative development processes for brand management. Although it continues to have a strong vision in this area of MRM, it has not expanded its vision to other areas of MRM. We have moved it from the Visionaries quadrant to the Niche Players quadrant, because, as the market matures, end users are putting more emphasis on an integrated solution. Companies looking for brand management solutions for creative production management and marketing fulfillment should consider BrandWizard.

Strengths

- **Growth and viability:** BrandWizard reported approximately 6% growth in 2011, which is not as strong as some of the other MRM vendors of comparable size. However, it added 14 net-new MRM clients in 2011, with more than 20 additional cross-sells to existing customers. BrandWizard is based in North America, but has a presence in Europe and Asia/Pacific. By leveraging its parent company, Interbrand, which is a subsidiary of Omnicom Group, BrandWizard should continue to grow. BrandWizard is more viable than other companies its size due to its connection to a large agency. Approximately 50% of its clients are also Interbrand clients.

- **Brand management vision:** BrandWizard's solutions focus on automating brand management, including creative production management, marketing asset management and marketing fulfillment. It provides some basic budgeting and reporting capabilities for creative projects. The architecture is based on Microsoft .NET, and integrates tightly with Adobe InDesign CS3 Server and above. BrandWizard also has the ability to tap into the insights of Interbrand's clients and consultants.
- **New prepackaged solution:** BrandWizard has taken its experience of building MRM applications for clients over the past 13 years, along with the cumulative set of product features and functions, and rebuilt them on a new platform to provide a prepackaged solution. The new Wizard solution provides a full set of functionality, while the new mini Brand Toolkit provides a template for configuring a simple application according to the organization's requirements. New prospects can select one of the two prepackaged solutions or choose to have a solution custom built.
- **Deployment options:** BrandWizard supports on-premises and hosted deployment options. It can support a multitenant, SaaS deployment model with its hosted solutions. Few companies are using the solution on-premises or in a SaaS model. Most customers (80% of the active base) choose the hosted solution. Pricing with the new Wizard solution can be either an upfront fee followed by monthly hosting fees or a pay-as-you-go model per month. Price is essentially the same, regardless of the method chosen.

Cautions

- **Strategic planning and financial management:** Although BrandWizard has some basic planning (team setting) and budgeting capabilities for creative projects and can store/market funds, it does not provide a prepackaged solution for strategic planning and financial management at the corporate level. Clients can customize capabilities in these areas. Companies looking for prepackaged enterprise marketing planning, budgeting and automated financial management should consider alternative MRM providers.
- **Market visibility and scalability:** BrandWizard must continue to gain broader visibility to grow faster. It is one of the smaller vendors in terms of MRM revenue and clients evaluated in this Magic Quadrant, and is not growing as fast as its competitors of similar size. It does not have the market recognition that other marketing asset management vendors have and, therefore, places a strong reliance on its relationship with Omnicom and Interbrand to grow.
- **Balancing customized and prepackaged solutions:** The new prepackaged solutions should enable BrandWizard to improve its market positioning and selling. However, it is still supporting clients with heavily customized solutions, and selling such solutions to clients who prefer a custom-made solution. Balancing both types of solutions can be difficult, as customized solutions place more emphasis on services and service resources, whereas prepackaged solutions place emphasis on R&D resources to add new features and functionality and improve the product architecture. As a small company, it will be difficult to balance both. As new features and functions are added to the prepackaged solution, clients with customized solutions will want to upgrade their solutions more easily and faster than they are able to do on the proprietary system.

- **Increased competition:** As other MRM vendors broaden their offerings to areas such as planning and financial management, BrandWizard will face increasing competition and will need to look to partnerships and acquisitions, or to build capabilities in these areas. Consolidation will also likely continue in the market, creating larger players. Companies seeking to regain control over agencies and agency spending will likely separate creative work from technology investments, and move toward more pure-play software companies for MRM investment. Therefore, BrandWizard will need to develop a more direct sales approach and rely less on the Interbrand relationship.

Capital ID

Capital ID is a Niche Player for its regional penetration of clients in Europe (particularly Northern Europe) and strong focus on brand management aspects of MRM. European-based companies interested in brand management and media planning should consider Capital ID.

Strengths

- **Growth:** In 2011, Capital ID reported growth of approximately 22%. Gartner estimates Capital ID generated between $8 million and $9 million in revenue in 2010. Capital ID has over 60 customers, adding 14 new clients in 2011. It is increasing its focus on add-on consulting services at the operational, tactical and strategic level to develop deeper relationships with customers and grow revenue in the European market.
- **Brand management:** Capital ID's MRM solution focuses primarily on brand management components, including creative production management (configurable workflow and project management), content management (media/image repository), marketing fulfillment (including procurement, purchasing and inventory functionality) and media planning (budgeting and project management).
- **R&D investment:** In 2011, Capital ID launched ID Manager 3 and upgraded almost all its clients to the new architecture. The new architecture supports a more configurable solution, which lessens the need for customization. It is also configurable based on role and location, and allows for decentralized maintenance and administration of the solution from different sites. ID Manager 3 is HTML 5 compliant; therefore, it supports mobile access to the application and enables the creation of microsites for a new marketing communications site, for example, and to support event management. Clients can now jumpstart new implementations by exporting configurations and importing them to the new instance (e.g., geography, product/brand) using XML. The solution also automates the ability to generate numerous outputs (e.g., Flash, PDF files, newsletters, images, Microsoft Word documents and presentation files) with one set of data.
- **Deployment options:** ID Manager is available as an on-premises, hosted or SaaS solution. Rackspace provides third-party hosting. Although it offers a SaaS solution, it has few clients using that deployment model and is not aggressively pushing SaaS deployments in the market.

Cautions

- **Financial management:** Although Capital ID provides planning, budgeting and financial management capabilities, these are not as robust as some of the leading MRM vendors' solutions and are used primarily for creative projects and marketing content. References rated the functionality for planning, financial management and calendaring as average (four out of seven). Clients should carefully evaluate these capabilities against their requirements, and should seek references using the solution at the corporate marketing level.
- **Geographical strategy and growth:** Although Capital ID continues to grow, much of its revenue focus lies with existing customers and providing additional consulting services. The market has been somewhat slower in Europe than in other parts of the world, particularly North America. Other non-U.S. vendors with a stronger geographical presence in North America have fared better and grown faster because of their ability to transfer resources and focus to North America, while the European markets are struggling. Also, emerging markets, such as Asia/Pacific and South America, are starting to invest in MRM. Capital ID will need to develop a stronger presence in North America and these emerging geographies to grow faster over the next few years, and to compete with the vendors establishing a more global presence.
- **Increased competition in Europe:** Consolidation in the marketing applications market is creating larger players in the MRM space. Capital ID will be increasingly challenged in its European markets, as larger IMM vendors (such as IBM, SAP, SAS and Teradata) develop strong MRM client bases in Europe. As vendors such as BrandMaker and Orbis Global expand into other geographies, such as North America, increasing pressure will be put on Capital ID to enter new markets and win global MRM deals. We also see many small, new companies entering the MRM markets in Europe, which will put more pressure on existing vendors to expand globally.
- **Potential acquisition candidate:** As a small vendor, with less than $10 million in revenue in 2011, Capital ID is susceptible to strong fluctuations in the market. It could be an attractive acquisition target for companies wanting to augment their MRM capabilities, particularly those for brand management, or expand into or across Europe. Gartner expects increased consolidation in the market over the next three years, particularly in Europe, where many small vendors are headquartered. Clients should carefully weigh the risks of doing business with a small vendor versus the business benefits they can gain from using its software.

CDC Software (Pivotal)

CDC Software (Pivotal) is a Niche Player for its use of basic MRM capabilities as part of the campaign and lead management process. Contact management prospects looking to augment campaign or lead management capabilities or manage basic projects should consider CDC as part of a broader marketing or CRM solution.

Strengths

- **Growth:** CDC Software (Pivotal) reports 33% growth from 2010 to 2011 in marketing and MRM software. Gartner estimates revenue for MRM to be around $8 million. CDC Software (Pivotal) added 18 MRM customers during 2011.
- **Planning and budgeting:** Pivotal provides basic MRM capabilities for planning, budgeting and project management for campaigns, leads, contacts and programs. Marketing content can be sent as attachments in email or downloaded from the vendor's Web portal.
- **New platform:** CDC has rewritten its marketing capabilities from its old, client/server marketing solution to the new open CRM architecture based on Microsoft .NET. This not only allows for improved integration with other CRM capabilities, but also supports improved configuration capabilities and can support a multitenant, SaaS deployment option. The new platform provides a robust workflow tool across its CRM solution. Pivotal in the cloud (on demand) is scheduled to be launched in 2012. Currently, MRM capabilities are available on-premises or hosted. Most clients currently deploy it on-premises.

Cautions

- **Part of suite solution:** Although MRM is sold as the base module for marketing, most clients use the MRM capabilities to augment contact, campaign and lead management. Gartner does not see CDC (Pivotal) in stand-alone MRM competing head to head against the MRM leaders. Clients must purchase the base CRM solution for contact management before they can buy marketing modules as add-ons.
- **Brand management:** CDC (Pivotal) does not provide an extensive set of advanced MRM capabilities that support brand managers and creative marketing staff. The solution does not provide prepackaged capabilities for reviews and approvals, online annotations and mark-up, use of templates for creative projects, procurement of marketing content and collateral, or print on demand. It can manage any type of file that can be attached or assessed through a URL. It does not manage digital, video and audio assets. Most of the capabilities in this area are used by clients to support email marketing content, contact center scripts or sending content via email.
- **Bankruptcy filing and delisting on Nasdaq:** CDC Corporation, which owns CDC Software that sells the Pivotal CRM solutions, filed for bankruptcy in October 2011. CDC Corporation had $377.4 million in revenue and $250.2 million in debt when it filed for Chapter 11 in October. CDC Software was delisted on Nasdaq in 4Q11 due to failure to file its Annual Report in a timely manner. Clients should carefully evaluate CDC's financial situation, its potential impact on Pivotal CRM solutions and future plans for company restructuring.

Code Worldwide

Code Worldwide is a visionary for its focus on the end-to-end process for planning, managing, executing and measuring creative advertising campaigns and promotions. Consider Code if you are focused on automating the creative advertising and branding process.

Strengths

- **Viability:** Code Worldwide is a wholly owned subsidiary of Omnicom Group, which provides financial backing, access to clients and solution reselling to its client base. Code reports revenue growth of 17% from 2010 to 2011.
- **Vision for creative advertising and branding:** The adZU solution from Code places emphasis on the end-to-end and closed-loop process for creative advertising campaigns and promotions. It supports planning, budgeting, creative production, asset management, fulfillment, and measurement and reporting as part of this process. The cohesiveness of its process enables Code to provide robust reporting and dashboards for ROI of the advertising campaigns, enabling clients to determine the optimal media mix. Media supported, which can be purchased in separate modules, includes print, TV/video, radio, digital display, direct mail, email and Web. Additional modules for purchase include media planning, budget planning and multilanguage support.
- **Architecture and innovation:** The adZU solution is built on Microsoft .NET with a Microsoft SQL database. The platform leverages Adobe InDesign, Flash and Flex technologies. The core adZU solution includes asset and content management, templates, workflow, administration of companies/users and integration services. The solution is available on-premises or hosted. New areas of innovation include marketing intelligence and data visualization, and adZU Social with an API for Facebook and YouTube. Code is establishing a partnership with Adobe Omniture for integrating adZU Flash Builder with Adobe Test and Target for optimizing online advertising campaigns. Code is also creating Agency adZU, a lighter weight, multitenant, cloud-based application for agencies and smaller clients.
- **Engagement model:** Code emphasizes high-touch consulting services pre- and postimplementation for business definition, training and derivation of business value. However, it does not sacrifice software at the expense of service, or provide services as part of a heavily customized solution. The Microsoft .NET architecture provides a productized platform that requires low customization and utilizes configuration. Its software-to-services ratio is healthier than most of the other small MRM vendors with the ratio for Code at 75% software to 25% services. Its ability to configure, rather than customize, enables other higher value and more strategic consulting services.

Cautions

- **Reliance on Omnicom Group:** Companies are increasingly turning toward software vendors with unbiased agency views. Although Code supports multiple agencies within its solution and has a commitment to unbiased agency views and privacy of agency information, recommendations or reselling by Omnicom Group could present at least a perceived bias to potential clients and prospects of Code. Therefore, Code will need to continue to develop its direct selling model and rely less on the Omnicom relationship. However, Code reports that the non-Omnicom client base typically represents 35% to 45% of its total customer base. Many of these non-Omnicom clients are either direct client relationships or come through agencies outside Omnicom Group.

- **Financial management:** Although Code provides more advanced capabilities for budgeting and planning, compared with other brand-management-focused vendors, these are tightly tied to creative advertising and media promotion campaigns, rather than supporting all types of marketing campaigns and programs at the enterprise marketing level. The solution provides some planning and budgeting details around the campaigns and media, but lacks the granularity of more detailed spend components and tasks, compared with some of the more robust planning and financial management solutions.
- **Workflow:** There is no visual drag-and-drop workflow tool for routing, reviews, approvals and markup. Processes are automated by configuration of the application and brand, and compliance controls are established through the use of templates that control the creative aspects of the ads and promotions that can be changed.
- **Increasing competition:** As other MRM vendors develop more-robust capabilities for creative advertising and fulfillment, Code will face increasing competition. Consolidation will likely continue in the market, creating larger and more viable players. Companies seeking to regain control over agencies and agency spending will be more likely to separate creative work from technology investments, and to move toward more pure-play software companies for MRM investment.

Direxxis

Direxxis, based in the U.S., is a Niche Player for its focus on MRM capabilities around asset management and fulfillment as part of a distributed marketing process, primarily in the North American market. Consider Direxxis if you are a North American-based company looking for asset management and fulfillment capabilities to support a decentralized field force.

Strengths

- **Growth:** Direxxis reports approximately 54% revenue growth in MRM from 2010 to 2011, with 14 net-new clients. Gartner estimates Direxxis generated between $12 million and $14 million in revenue in 2011.
- **Marketing asset management and fulfillment:** Key product enhancements for 2011 included improvements to the digital asset library (check box functionality, set properties and thresholds for content usage, improved filter and search capabilities), one-to-one messaging using variable content, dynamic document/asset resizing with minimums and maximums for inches and pixels, local media reimbursement for revenue approval and financial reimbursement, improved user communication module for collaboration and knowledge sharing, FedEx office integration for local printing of materials at FedEx stores, Hallmark Cards integration for personalized greetings, full support of video formats and video preview, QR code generator and improvements in administration tools and reporting.

  Plans for 2012 include a social media module, integration to OpenText for content management, integration to MultiAd Kwikee for integration of product content and information, dynamic intelligent personalization and customization of content, automation of the addition of new fulfillment and to deliver vendor integrations, mass bulk content creation and delivery solution, and usability improvements for search.

- **MRM R&D and road map:** Direxxis is expanding its MRM capabilities beyond its core value proposition of marketing asset management and fulfillment into creative production management. It released an Approval Module for reviews and approvals with expanded design tool adapters (e.g., QuarkXPress, InDesign, HTML, Text, Word, PowerPoint, Photoshop) and outputs (e.g., PDF, JPG, GIFF, Flash, Word, PowerPoint and Text). Other improvements include a user communication module for collaboration and knowledge sharing, product internationalization (English, Chinese, German, Spanish and French), customization controls and enhancements to administration tools, usability and reporting. Plans for 2011 included dynamic document resizing, My Marketing Plan Module, marketing calendar, social marketing integration and continued internationalization.
- **Solution options, SaaS and pricing:** Direxxis has four solution options, called Editions: Group Edition, Professional Edition, Enterprise Edition and Unlimited Edition, as part of its dmEDGE 4.0 solution. dmEDGE features a multitenant data architecture. The dmEDGE servers and computing resources are shared between all dmEDGE clients on a server, but each client has its own set of data that remains logically isolated from data that belongs to all other tenants. Data is isolated by storing each client's (tenant) data in separate databases. Each client has its own dedicated set of application server instances. Pricing is straightforward for the different Editions, so clients can select the one that's most appropriate for their requirements. The pricing model uses a user-based SaaS model, with a monthly fee structure based on the number of dmEDGE modules and users required per client.

Cautions

- **Creative production management:** Although Direxxis has added an approval module, it has historically not provided robust MRM capabilities via workflow and project management for managing the creative review and production processes. It does not offer a visual drag-and-drop workflow tool, calendaring or project management capabilities.
- **Financial management:** dmEDGE does not currently have financial management capabilities for budgeting and tracking marketing spending. Nor does it provide procurement or agency/vendor management capabilities. It does allow companies to check accounts and balances in the Marketing Fulfillment and Delivery Module.
- **On-premises deployment option:** On-premises deployment is not a standard option. Direxxis is a marketing service provider, as well as a technology provider, and prefers to host its dmEDGE solution in its SaaS model. However, on-premises is a custom option.
- **Competition and acquisition target:** Direxxis will face increased competition as European brand management and marketing fulfillment vendors (e.g., BrandMaker, Elateral, Vyre) enter the North American market. Direxxis will need to market itself more broadly in North America to compete. As consolidation continues, Gartner expects that large global MRM players will also acquire stronger marketing fulfillment capabilities. As marketing fulfillment and distributed marketing management become stronger parts of MRM requirements, Direxxis could be an attractive acquisition target for vendors looking to expand their solutions in those areas, or for

European vendors looking to expand into the North American market. Direxxis will also need to expand into other regions, such as Europe and eventually the Asia/Pacific region, to compete on a more global level.

Elateral

Elateral is a Niche Player for its focus on marketing fulfillment. Although it continues to have a strong focus in this area of MRM, it has not expanded its vision to other areas of MRM. Vendors with broader visions are improving their capabilities in marketing fulfillment, moving Elateral from a market Visionary to a Niche Player as the market matures and puts more emphasis on an integrated solution. Consider Elateral for its strong global marketing fulfillment solution and expanding asset management capabilities with its ability to manage the brand globally, while providing capabilities and rules for localization.

Strengths

- **New application architecture:** Elateral has invested heavily in rewriting its entire MRM application on a new cloud-based architecture, called Marketing Services Cloud. It is written on one code base with increased configuration and less need for customization. The new architecture should reduce the time to implement and improve client satisfaction with prepackaged functionality. The new architecture and application have shifted the software-to-services ratio from 50%-to-50%, to 60% software and 40% services over the past year.
- **New pricing structure:** Elateral has introduced a new pricing model and structure that is more straightforward and transparent than previously. The new pricing model, combined with the new application architecture, should reduce sales cycle time and implementation time, increasing the capacity for Elateral to scale its customer base.
- **Stronger North American focus:** Elateral has established an office of about 12 people in Chicago, and is looking to appoint a senior executive in North America. Currently, 80% of its revenue is driven through the U.S. market. Given that most Global 500 companies are headquartered and/or drive corporate marketing out of the U.S., this is an important step for Elateral to solidify its North American presence. Elateral recently appointed a new senior executive, Perry Kamel from Accenture, for Elateral in North America.
- **Marketing fulfillment and asset management:** Elateral specializes in the marketing fulfillment capabilities of MRM, where it continues to set the visionary pace for the market and supports over 202 countries with a diverse set of languages, including double-byte, Unicode, right-left reading, and Arabic and Thai scripts. It has extended its content and asset management capabilities, adding Flash capabilities and more video and digital capabilities. It added unique capabilities for consumer packaged goods (CPG) companies with packaging, labeling and retail display and advertising.

Cautions

- **Growth:** Elateral reports about 8% lower revenue for 2011 compared with 2010, despite increased implementations of the solution. We expect that part of the decline is due to the new pricing model and less focus on selling services as part of the customization project for the solution. Elateral has been challenged to scale as quickly as some of the other small MRM vendors due to its heavily customized solution, former pricing and project management approach. The new architecture and pricing model should enable Elateral to scale its client execution.
- **Lack of planning, financial management and project management capabilities:** The vendor lacks MRM capabilities beyond those related to fulfillment and asset management, particularly for planning and financial management. It has a new Marketing Planner capability, which is used by at least one client. It lacks a robust workflow tool for managing creative projects and generating reviews and approvals. Clients looking for planning and financial management capabilities or production management capabilities should carefully evaluate references and consider alternatives.
- **Advanced MRM analytics:** Elateral does not provide advanced capabilities for simulation, optimization and cross-marketing performance management.
- **Long-term viability:** Elateral's predominate and visionary focus on marketing fulfillment could make it an attractive acquisition candidate for vendors that are adding greater marketing fulfillment capabilities to their MRM solutions. This is a noted area of weakness for several MRM vendors. As this area of MRM matures, Gartner expects other MRM vendors to build or acquire these capabilities to round out their MRM solutions. Consolidation of marketing and MRM capabilities is increasing, and Gartner predicts that acquisition of marketing fulfillment capabilities will be part of the next wave of MRM consolidation. Although Elateral has some of the most recognized brand names in the world, net-new customers remained quite low in 2011.

IBM (Unica)

IBM (Unica) is a Leader in MRM for its broad MRM solution and growing traction. Consider the Unica product for its planning, budgeting and production management capabilities, particularly if your MRM requirements include integration with campaign management.

Strengths

- **Viability and growth:** IBM is a large, global company with $106.9 billion in revenue in 2011, making it one of the more viable vendors in this market. IBM (Unica) reported 21.7% growth for its Enterprise Marketing Management group from 2010 to 2011. It added more than 35 MRM customers in 2011. The acquisition of Unica by IBM is expanding Unica's reach into new markets, particularly those in the Asia/Pacific region and Latin America.
- **R&D investment:** New MRM capabilities in IBM Unica Marketing Operations (Enterprise) 8.5, released in April 2011, include life cycle management to create, modify, approve, deploy and retire offers within the marketing operations work space; rule-based routing of approvals of budgets and invoices; "in context" task workflow for viewing, editing and managing workflow

tasks in a separate popup window; Adobe markup enhancements to improve history tracking and asset management associated with annotations; IBM "blue-washing" of the marketing application suite and localization into nine new languages (e.g., Italian, Japanese, Korean, Simplified Chinese).

Planned features for 2012 include workflow improvements with a one-stop task portal, advanced offer management with library management and dynamic offer sets and advanced alert management to manage teams, users and project owners. For the later part of 2012, new capabilities likely will include advanced annotations, advanced DAM, mobile MRM, visual workflow management and a new module for performance optimization. IBM Unica Marketing Operations OnDemand enhancements focused on improvements with email forms, job status updates, and the new "queue administrator" security role for accessing and managing the job queue. New features for 2012 include an updated graphical user interface (GUI), job queue enhancements and archiving or project schedules. The acquisition of DemandTec will bring more vertical capabilities to retail and CPG clients for pricing, promotion management, trade planning, assortment planning and supplier/seller collaboration.

- **Marketing performance vision:** IBM (Unica) has greatly improved its vision for MRM over the past year. It has one of the best visions for marketing performance management, with a broad view across paid, earned and owned media. The vision includes a bottom-up approach with measurement that leads to more-sophisticated scenario planning and marketing mix optimization in a phased road map. IBM (Unica) will be able to leverage capabilities from other IBM acquisitions (e.g., Cognos and SPSS) to develop capabilities in this area over the next two years.
- **Deployment options:** IBM (Unica) offers IBM Unica Marketing Operations (Enterprise) as an on-premises solution and as a hosted solution through third-party vendors (Accenture, Acxiom and Epsilon). IBM Unica Marketing Operations OnDemand is its on-demand, multitenant SaaS solution.

Cautions

- **SaaS:** Although IBM has publicly stated that it is fully committed to SaaS solutions for marketing organizations, its OnDemand MRM customers have raised questions about the direction of the solution and current investments. Gartner is aware of some clients that are considering alternatives. While IBM reports that investment in OnDemand R&D has grown 20% since IBM acquired the company, Gartner believes that a greater percentage of the MRM R&D investment is being made in the on-premises, enterprise solution versus its OnDemand MRM solution. Any SaaS solution will likely become part of the IBM cloud, and clients on OnDemand will eventually be migrated to the new SaaS architecture from IBM once MRM capabilities become available. SaaS clients could benefit from such a move, but no date for migration of MRM functionality has been communicated. Clients interested in the OnDemand solution should carefully evaluate product road maps and the SaaS direction before buying, as well as consider other SaaS vendors.
- **Marketing fulfillment:** IBM (Unica) does not offer a robust marketing fulfillment solution as part of its marketing suite. It has a partnership with Saepio Technologies for collateral customization

and localized marketing capabilities, but we have seen little traction to date with this partnership. As requirements for marketing fulfillment as part of an MRM or brand management solution increase, IBM (Unica) will need to build or buy in this area to compete.

- **Robustness of MRM functionality:** Although IBM (Unica) provides a broad solution and has growing market momentum, prospects cite a lack of robust MRM functionality as one of the main reasons for not selecting it for MRM. Compared with other MRM leaders, IBM (Unica) scores lower with its references on functionality ratings, with average scores on satisfaction (four out of seven) for planning, financial management, creative production management, content management, reporting and dashboards. Calendaring received a low satisfaction rating, with an average of three out of seven.
- **B2B clients:** Although IBM (Unica) has obtained some large enterprise, B2B clients, B2B prospects of IBM (Unica) have told Gartner that IBM does not do well in initial sales discussions, and does not demonstrate an understanding of B2B marketing and its requirements. Gartner has seen some of its B2B clients drop IBM (Unica) from the list of vendors for consideration after the first sales conversation with IBM. IBM (Unica) will need to develop a better sales approach with B2B clients to compete more broadly in MRM.

Kodak

Kodak has moved from a Challenger to a Niche Player due to its more limited growth in 2011 and financial concerns facing the larger entity. Clients looking to automate creative production management, marketing fulfillment or packaging as part of MRM should consider Kodak.

Strengths

- **Creative production management and marketing asset management:** Kodak's strengths lie in creative production management and marketing asset management. It is one of the few MRM solutions to support packaging and labeling, particularly for pharmaceutical and CPG companies. New features enable clients to compare multiple versions of marketing content and collateral, and the system automatically flags differences between the versions. Enhancements include the ability to repurpose marketing content, collateral and assets across multiple channels and media, further extending its marketing fulfillment capabilities.
- **New platform and improved workflow:** Kodak has rearchitected its MRM solution on a new architecture, Design2Launch Brand Manager. The new architecture is based on Java EE and built for Web services integrations (SOAP-XML). The user interface has been improved with new technologies, such as Ajax and JavaScript Object Notation (JSON), to improve usability. Significant improvements were also made to the workflow tool in the Brand Manager solution with more of a visual, drag-and-drop features and support for both parallel and sequential routing. The tool can support more complex workflows (some clients have more than 450 process steps in their workflows) and is flexible to meet changing process requirements. The new service-based architecture supports an API Toolkit utility.
- **Advanced reporting:** The new architecture also supports more-advanced reporting capabilities. Basic reporting for project status and dashboards are available directly in the MRM

solution. For more-advanced reporting and trending, clients can now plug in the business intelligence tool of their choice.

- **Deployment options:** Kodak's MRM solutions are available for deployment on-premises or hosted (separate instance). Kodak offers its own hosting services, or customers may use other hosting providers. Kodak does not currently support a multitenant SaaS deployment model.

Cautions

- **Growth:** Kodak's growth over the past year has been lower than some of its MRM competitors. However, this was largely a conscious decision by Kodak to focus on rearchitecting the solution rather than adding new clients to the old architecture. Plans for 2012 call for a more aggressive marketing and sales push with new prospects for its rearchitected Design2Launch Brand Manager solution.
- **Chapter 11 and viability concerns:** On 19 January 2012, Eastman Kodak Company and its U.S.-based subsidiaries filed voluntary petitions for Chapter 11 business reorganization. Restructuring is expected to be completed during 2013. Kodak (and its subsidiaries) intend to continue normal business operations during the reorganization and have secured financing to continue customer programs and meet their obligations. Its MRM solution could be a growth opportunity for Kodak to drive new business, and its Business Solutions division could be spun off separately if the larger entity continues to struggle.
- **Version 6 migration:** At some point, Design2Launch version 6 customers will need to migrate to Design2Launch Brand Manager. To date, not all the features and functions of version 6 are available in Brand Manager, but are expected to be by mid-2012. However, Gartner expects that new features and functions will be added to Brand Manager and not to version 6, placing version 6 in more of a maintenance mode and not one for future investment. Gartner does not expect version 6 clients will be forced to migrate prior to 2014, but does expect customers will want to migrate to the new Brand Manager solution for future enhancements starting in 2012. Given that Brand Manager is based on a different architecture from version 6, some level of reimplementation should be expected. Version 6 migration does not affect new customers, as all new customers will be deployed on Brand Manager.
- **Strategic planning and financial management:** Although Kodak provides some basic budgeting capabilities associated with creative projects and new campaign planning capabilities, it does not offer a robust financial management solution or strategic planning for enterprise marketing. Kodak is considering adding more advanced features in these areas. In the meantime, clients looking for capabilities in this area will need to consider alternatives.
- **Marketing fulfillment:** Clients cite concerns with the marketing fulfillment functionality, which is built largely around print. References rated the marketing fulfillment functionality low on satisfaction (two out of seven). As already mentioned, Kodak is expanding its capabilities in this area.

MarketingPilot Software

MarketingPilot Software is a visionary for its broad MRM vision and capabilities, but its predominate geographical focus is North America. North American clients looking for a broad MRM solution with good functionality at a lower price point should consider MarketingPilot.

Strengths

- **Continued growth and geographical expansion:** MarketingPilot reports that new license revenue was up approximately 33%, and new subscription revenue (cloud) was up 89% during 2011. MarketingPilot has over 175 customers, adding 25 net-new clients in 2011. MarketingPilot, a private company, does not report revenue, but Gartner estimates its revenue is between $8 million and $10 million. Although many of its clients remain in the midmarket, larger enterprise clients are increasingly considering MarketingPilot, bringing the vendor into more-direct competition with Teradata (Aprimo) and IBM (Unica).
- **R&D investment:** The vendor provides a broad set of MRM capabilities for planning, budgeting, procurement, project management, content/asset management, media buying and performance management. However, its capabilities are not as deep or complex as some of the market leaders. New capabilities include improvements to workflow/project management (e.g., task reassignment, program management, Silverlight-based routing and approvals, enhanced approval scheduling, brand management/cost allocation, enhancements to timekeeping and event management), DAM (e.g., major refresh using Silverlight technology, enhancements to file markup, routing and approvals), media buying (e.g., enhanced digital media support, advanced media planning, Strata integration and broadcast verification) and financial management (e.g., improvements to core transaction usability and productivity via a new editable grid for financial transaction items; updates to Journal Entries leveraging Silverlight technology). The 2012 road map calls for product enhancements in project management with a Silverlight calendar update; DAM with enhancements for archiving, video, thumbnailing and Flash markup; new social operations capabilities with third-party integration to Facebook, Twitter and other social networking sites; advertising integration with Google Adwords, Yahoo-Bing, Strata and SmartPlus; and broadcast and digital media planning.
- **Deployment options and customization:** MarketingPilot supports on-premises and hosted versions of its application. It does the hosting for its solutions. It supports a multitenant SaaS option with Akela Marketing Cloud.
- **Fast Start implementation:** MarketingPilot has introduced Fast Start services to enable customers to implement faster than they had, and cut implementation costs.

Cautions

- **Marketing fulfillment:** Although MarketingPilot offers some capabilities in this area, it does not provide print, procurement and localization capabilities. R&D investment in this area has not been as high as it has in areas of planning, financial management and creative production management. Clients with robust fulfillment requirements will need to consider alternatives or plan to integrate a third-party application with MarketingPilot.

- **Global clients:** Although approximately 25% of its sales are outside the U.S., MarketingPilot predominately sells into the North American market, with few personnel located outside the U.S. market. Global prospects should carefully assess the capabilities of the vendor to support multiple regions. Local support in regions outside the U.S. are not established. While consulting services are available globally, technical support is provided from a single U.S. facility.
- **Increased competition:** MarketingPilot faces increasing competition in its key geography from vendors such as BrandMaker and Orbis Global entering the North American market.
- **Potential acquisition candidate:** As MarketingPilot gains increased visibility and traction, improves its marketing functionality, expands internationally and moves up market, it will be an attractive acquisition target for a larger company looking to enter the MRM or marketing automation market.

Orbis Global

Orbis Global is a Leader for its broad MRM vision and capabilities, and its growing expansion and market traction in North America. Clients looking for an MRM vendor with a broad set of MRM capabilities should consider Orbis Global.

Strengths

- **Market traction and geographical expansion:** Orbis Global reported growth in 2011 with record customer acquisition and cross-sells to existing clients. It has essentially moved its headquarters to North America from Australia, including the CEO now residing in California. It has grown its North American staff and established an inside sales organization in California. Its pipeline and traction are increasing in the North American market, more than doubling its customer base in 4Q11. It has increased its marketing capabilities with its Web strategy and established a global reseller agreement with Infor (see Note 1), which includes implementation and support.
- **R&D:** Orbis Global offers a broad MRM solution across all five MRM competency areas. It doubled its R&D resources in 2011, and plans to expand them again in 2012. Plans for 2012 include a new user interface to improve usability, more capacity management and optimization features, functionality improvements across the suite (financials, task and activity management, template customization for local marketing and planning utilizing calendars). Embedded business intelligence tools will be used to improve reporting and mobile management of information. New capabilities for social media management and integration with social CRM will also be considered in 2012. Further integration with salesforce.com and Infor are also planned.
- **Deployment models:** Orbis Global supports both multitenant and separate instance hosted models, but will support on-premises, particularly for large deals in the U.S. It introduced its rapid implementation program in 2011, which enables midmarket clients to implement the application in as little as a few days, and enterprise clients in as little as a month.
- **Solution Editions:** Orbis Global introduced four Solution Editions in 2011 to simplify its product and pricing structure. The Base Edition includes administration, reporting and dashboard, with

base MRM functionality for collaboration and workflow management, marketing calendar/planner, resource and activity planner, approvals management, creative showroom and digital asset library. The three other editions all include these features. The Advanced Financials Edition includes the Base plus the Marketing Financials module. The Advanced Production Edition includes the Base features plus Artbuild/Dynamic Asset Creation. The Premium Edition includes the Base features plus Marketing Financials and Artbuild.

Cautions

- **On-premises solution:** Orbis Global will offer an on-premises MRM solution for clients that request this deployment model. Its preferred method, however, is a hosted SaaS model, and its commercial model favors this deployment model. Clients looking for an on-premises solution will need to evaluate implementation and ongoing support for on-premises.
- **Small vendor:** Orbis Global is a small vendor, with less than $10 million in revenue for 2011, and is susceptible to strong fluctuations in the market, so it could be an attractive acquisition target for companies wanting to augment their MRM capabilities. Clients should carefully weigh the risks of doing business with a small vendor versus the business benefits that can come from using its software. Gartner expects increased consolidation in the MRM market over the next three years.
- **Increased competition:** Consolidation in the market has created larger global players. Orbis Global will face strong competition from IBM, SAP, SAS and Teradata as it expands globally. It will also face tougher competition from MRM vendors such as BrandMaker expanding into North America.
- **Market visibility:** Orbis Global does not yet have the market visibility of the other MRM leaders. It will need to work more aggressively to raise its visibility globally, particularly in new markets, such as North America.

PTI Marketing Technologies (MarcomCentral)

PTI Marketing Technologies (MarcomCentral), a U.S.-based company, is a Niche Player for its focus on marketing asset management, fulfillment and distribution within the broader MRM context. Clients looking for robust marketing fulfillment capabilities as part of an MRM solution should consider PTI.

Strengths

- **Growth:** Although a new entrant to the MRM Magic Quadrant, PTI Marketing Technologies (MarcomCentral) is gaining market visibility in North America and expanding into Europe with an employee in Belgium and a reseller relationship in the Netherlands. PTI (MarcomCentral) reports MRM growth of around 22% from 2010 to 2011. Gartner estimates its 2011 revenue is between $10 and $12 million.
- **Marketing fulfillment**: The MarcomCentral solution provides robust capabilities for marketing fulfillment with budgeting, workflow and asset management used to enhance the marketing fulfillment process and capabilities. The emphasis of MarcomCentral is on asset management,

asset customization, workflow automation and asset distribution to consumers/vendors. The solution enables clients to order, purchase, customize and distribute marketing collateral and content. It also enables clients to produce catalogs along with almost any other type of media.

- **Product road map:** PTI (MarcomCentral) plans to extend its MRM capabilities into a broader solution for financial management and collaboration for creative production reviews and approvals with the ability to make notes regarding content and collateral. PTI also plans further internationalization of the product and enhancements to its reporting and dashboard capabilities. It has PowerPoint output capabilities planned, with the ability to customize PowerPoint decks using marketing templates planned to be launched in February 2012.
- **Partners:** PTI (MarcomCentral) is developing integrations with software vendors in application domains such as sales force automation. Currently, these include ExactTarget, Oracle, salesforce.com, SAP and USA Data with Eloqua, among others, planned for 2012.
- **Customer experience:** The PTI (MarcomCentral) solution is intuitive and easy to use.

Cautions

- **Financial management:** Although the PTI (MarcomCentral) solution has some capabilities for budgeting for content and collateral, it does not provide a robust financial management and planning solution for the entire marketing organization and mix.
- **Workflow:** The workflow is tied primarily to the customization and fulfillment of marketing content and has not been prepackaged for creative reviews. It provides more of a pull-down list selection for work. It is simple to use, but not as flexible as the visual drag-and-drop workflow that other MRM vendors provide.
- **Global clients:** Although PTI (MarcomCentral) has a sales presence in Europe, it predominately sells into the North American market, with few nonsalespersonnel located outside the U.S. market. Global prospects should carefully assess the capabilities of the vendor to support multiple regions. Local support in regions outside the U.S. are not well established. It provides some local European support via its partner in the Netherlands.
- **Potential acquisition target:** PTI (MarcomCentral) provides some capabilities that can augment other marketing and MRM solutions, and enable sales. As consolidation in the MRM market continues and MRM requirements for marketing fulfillment solutions increase, PTI's specialty and innovative focus could make it an attractive vendor for acquisition. Some of its partners (e.g., Oracle and SAP) have MRM capabilities but lack strength in marketing fulfillment. However, PTI (MarcomCentral) could also decide to make an acquisition to expand MRM functionality or expand into other geographical markets. As PTI (MarcomCentral) expands its MRM capabilities, it will meet increasing competition with the larger providers that offer a broader set of MRM functionality.

Saepio Technologies

Saepio Technologies is a Niche Player focused mainly on marketing asset management and fulfillment, predominately in North America. North American prospects interested in managing marketing assets from idea to fulfillment should consider Saepio.

Strengths

- **Growth and partner strategy:** Saepio added 12 new customers in 2011. Gartner estimates Saepio's revenue is between $8 million and $10 million. It has developed partnerships for software (SAS) and services (Accenture and Acxiom), and is working on partnerships with digital agencies for its customer engagement platform.
- **Local market enablement vision:** The hallmark of Saepio's Marketing Asset Manager is its focus on sales enablement and brand management in local markets. Saepio's distributed marketing solution provides planning, budgeting, creative production management, asset management and reporting capabilities focused on making assets available for use in local markets. Saepio enables customers to resize ads. It also provides a shopping cart for local markets, field sales and partners to procure collateral. Therefore, the marketing fulfillment capabilities are quite robust, with the other MRM areas built around the value proposition for local markets.
- **Product enhancements:** Saepio continued to develop its MarketPort platform in 2011, and to innovate new capabilities for distributed and local marketing. It expanded its campaign execution management functionality for distributed marketing between corporate and local entities, enhanced its marketing fulfillment automation, and developed prestrorefront workflow for reviews and approvals for the use of marketing content in the field. MarketPort Fulfillment now supports many media, including email (HTML), landing pages, print ads, social media, banner ads (Flash) and mobile through a single content creation platform.
- **Deployment models:** Saepio offers on-premises, hosted and managed (client-hardware-hosted and managed-by-Saepio) options. However, Saepio primarily serves clients through its SaaS model. Multitenant is standard, but single tenant is available.

Cautions

- **Flat revenue growth:** Despite adding new customers, Saepio saw its revenue remain flat in 2011, due to client attrition and loss of recurring revenue. There were a variety of reasons for attrition, from loss of budget to partners pulling clients. Saepio reports its pipeline is strong, with a 300% year-over-year increase in leads for 2012.
- **Financial management:** Saepio has a Budget Manager module with some basic financial management capabilities, but they are not as robust or complex as the leading MRM vendors in the market. This was not an area of strong R&D focus last year. Clients should carefully evaluate whether these capabilities meet their requirements.
- **Geographical coverage and increased competition:** Although Saepio, based in the U.S., supports international divisions of clients, most clients are headquartered in North America. Clients outside North America should assess resources for implementation, as well as those for

ongoing support. Each customer has a dedicated account manager and access to a phone-based customer support center; standard support hours are 7 a.m. to 6 p.m. U.S. Central time, Monday to Friday. There is 24/7, multilingual phone support available for an additional fee. Saepio will face increased competition from European vendors, such as BrandMaker and Elateral, that are establishing a strong presence in the North American market, as well as new entrants like Code Worldwide and PTI Marketing Technologies.

- **Potential acquisition target:** Saepio provides some interesting capabilities that can augment other marketing and MRM solutions, and enable sales. As consolidation in the MRM market increases, Saepio's specialty and innovative focus could make it an attractive vendor for acquisition. Gartner believes that marketing fulfillment vendors will be part of a second wave of MRM consolidation over the next two years.

SAP

SAP is a Leader for its broad and robust set of MRM capabilities and improved execution. SAP customers and prospects looking for MRM capabilities should consider SAP CRM.

Strengths

- **Market momentum:** Gartner estimates that approximately 50% of SAP CRM sales include marketing licenses, with MRM capabilities being utilized by the majority of marketing clients. SAP has had more than seven recent marketing-application-driven wins from companies that were not SAP ERP clients. Momentum in marketing has increased the marketing solution's visibility and investment resources. Gartner believes that marketing could be the No. 1 CRM application sold by SAP in 2012.
- **MRM R&D and innovation:** SAP provides MRM capabilities for marketing planning, budgeting, program/project management, analytics and collaboration. SAP Digital Asset Management by OpenText provides DAM and marketing fulfillment capabilities. CRM 7.0 EhP1, launched in 2Q11, represents SAP's largest investment in MRM to date. Areas of enhancement included the marketing calendar, budgeting and spend tracking, program management (templates and task management), DAM and analytics. SAP Digital Asset Management by OpenText, now integrated with SAP CRM, supports media life cycle management and marketing fulfillment. In addition, SAP DAM Media Portals support distributed access and procurement of marketing content. Integration with Catalog Management (CatMan) and SAP Product Lifecycle Management (SAP PLM) supports catalog generation. The road map contains key areas of innovation around data, analytics and support for advertisers.

  The SAP marketing solution will use SAP HANA (in-memory technology) and some partners to take control of "big data," including data from internal and external sources, and embed key insights for CMOs into its marketing application. The Marketing Factory road map powered by SAP HANA includes real-time customer analytics, real-time planning and optimization, and real-time marketing automation. Key areas of focus for MRM will be annual planning for key performance indicators (KPIs)/goals definition, budgeting and periodic plan revisions and marketing mix optimization to determine optimal spend, programs and campaigns with advanced simulation capabilities. SAP is working on partnerships with leading vendors in marketing mix optimization and cross-media analytics, such as MarketShare. SAP provides a consulting package for collaborative marketing that leverages SAP StreamWork, and is planning to deliver out-of-the box integration with SAP CRM in 2012. Plans also include a solution for marketing advertisers that will support collaboration between corporate marketing and agencies, help compile media performance data and measure outcomes, and ultimately support media mix optimization and procurement.

- **Rapid Deployment option:** Its CRM Rapid Deployment Solution provides preconfigured software with SAP's industry best practices and delivery services in as little as six weeks with SAP Consulting's methodology. Pricing for this solution has three options: (1) per-user per-month subscription; (2) per-user per-perpetual license; or (3) per-user per-month for the hosted option.
- **CMO council and customer advisory board:** SAP continues to transform its MRM vision and products by listening to its customers and actively leveraging its CMO Community, a professional community of CMOs, to provide feedback into product enhancements, as well as to craft its vision based on CMO requirements. This community has over 100 members and has annual face-to-face meetings. SAP also has a Marketing Customer Advisory Council to provide feedback and input into the marketing solution.

Cautions

- **On demand:** SAP does not have a multitenant SaaS option for its broad set of MRM functionality. SAP CRM for marketing can be deployed on-premises or as a hosted, single-tenant solution. However, SAP provides collaboration capabilities on demand via SAP StreamWork, and some MRM functionality is available in its SAP Business ByDesign solution. Clients seeking an on-demand MRM solution with a broad set of functionality should consider alternatives.
- **Production management:** Business rules and workflow remain less flexible than those of the more-mainstream MRM vendors. Some clients cite this as one difficulty with the SAP MRM application.
- **Partner risk:** SAP relies on OpenText integration for DAM and marketing fulfillment capabilities There is always the risk that OpenText could be acquired by a competitor that would put the partnership at risk, as well as customers that are using the functionality. Gartner has witnessed that clients prefer to have the vendor fully own the MRM functionality, rather than rely on partnerships. However, the partnership with OpenText is strong, with technical integration and reseller agreements not only for the DAM scenario, but also across other SAP enterprise solution scenarios.

SAS

SAS is a Leader in MRM for its broad and robust set of MRM capabilities across the five competencies and its vision for next-generation MRM capabilities. Clients looking for a global MRM solution should consider SAS.

Strengths

- **Viability and growth:** SAS is a large, privately owned company with approximately $2.43 billion in revenue in 2010. MRM growth has accelerated with the Assetlink acquisition, with SAS adding more than 50 MRM customers. Gartner projects that MRM revenue grew between 20% and 25% from 2010 to 2011. It is aggressively hiring in the MRM solution area, with plans to increase staffing (R&D, hosting, product management and marketing) by 50% to support the Assetlink solution. It has trained more than 350 SAS employees (sales and consulting) on the Marketing Operations Management solution. Sales will be measured specifically on SAS Marketing Operations Management in 2012.
- **MRM solution expansion with Assetlink Acquisition:** SAS's acquisition of Assetlink greatly expanded its MRM capabilities with a robust MRM solution from a leader in the market. It also provided SaaS capabilities for MRM, which were largely lacking from SAS prior to the acquisition. The combined SAS and Assetlink solution provides a strong set of capabilities in planning, financial management, creative production management, marketing asset management, marketing performance management and marketing mix optimization. SAS is one of the few MRM vendors that provides advanced capabilities for performance management and marketing mix optimization.
- **R&D investment:** Key new features in SAS Marketing Operations Management (Assetlink solution) release R12 include a new visual, drag-and-drop marketing workflow tool, a media annotations tool to make in-line comments on PDF files and images, and executive dashboards for budget and spend information. It has improved the performance and scalability of the solution, enabling faster clicks and display of screens. It now provides support for browsers Internet Explorer 8 (IE8) and Firefox 5, Microsoft Office 2010, Windows 2008, and testing and validation of Adobe Reader X and Adobe Acrobat X. SAS has made a significant investment in integrating the MRM solution from Assetlink with its Marketing Automation solution.
- **MRM vision:** SAS demonstrates a strong understanding of CMO and marketing challenges, and is able to translate these into processes and enabling technologies with a strong focus on how MRM provides the backbone or foundation for IMM. SAS's product strategy includes many next-generation MRM capabilities. Marketing performance management and marketing optimization remain strong parts of SAS's MRM strategy. New areas of investment for 2012 include next-generation MRM capabilities and industry innovations, such as promotional and space/display planning for retail customers, resource planning, daily time sheets and approvals, and regulatory claims management for labeling (e.g., food and beverage). Capabilities beyond 2012 put emphasis on human capital management of marketing resources, asset effectiveness ratings, flexible planning periods and continued internationalization of the solution.

Cautions

- **Marketing fulfillment:** Although SAS acquired more marketing fulfillment capabilities with the Assetlink acquisition, the pace of change for requirements in this area is quite rapid as marketing organizations seek to reuse their assets and content across a diverse set of channels, media and devices. Most of the broad MRM vendors, including SAS, are falling behind in this area, which is currently being dominated by vendors such as Elateral, Saepio and Thunderhead. SAS has a partnership with Saepio. SAS will need to invest further in building out capabilities from its Marketing Operations Management solution or acquire another vendor in this space to close the gaps.

- **Product integration:** The complete set of MRM capabilities from SAS currently sits across three main solutions: Marketing Operations Management (Assetlink), Marketing Automation (Campaign Management) and Media Mix Advisor. Although integration is already established between Marketing Operations Management and Marketing Automation, SAS's road map calls for work in this area into 2013.
- **SaaS:** Marketing Operations Management is available as an on-premises, hosted or SaaS solution. However, Marketing Automation is primarily on-premises or hosted, and Media Mix Advisor is only hosted. A complete set of its MRM capabilities to date is not available via a multitenant SaaS model. Clients interested in only SaaS MRM models should carefully assess which capabilities are available on demand.
- **Market perception**: SAS is predominately known as an analytics company. It is known more for its customer analytics and campaign management solutions in direct marketing, and less well-known for its MRM capabilities and support of operational marketing processes. SAS will need to continue to promote its marketing capabilities beyond its core competency in advanced analytics.

Teradata (Aprimo)

Teradata (Aprimo) is a Leader for its broad and deep solution, MRM experience, client maturity and continued market traction postacquisition. Consider Aprimo for the breadth and depth of its MRM solution and its experience in this market.

Strengths

- **Viability and growth:** Teradata is a large, global company with $1.689 billion in revenue through 3Q11. Overall revenue was up 22% from 2010 and 19% for product revenue. Teradata (Aprimo) continued its momentum in MRM during 2011, adding more than 30 MRM customers and expanding its software subscriptions with an additional 70-plus customers. Teradata's acquisition of Aprimo is expanding Aprimo's reach into new markets, particularly those in the Asia/Pacific region and Latin America.
- **Broad and deep solution with mature implementations:** The Teradata (Aprimo) solution provides a broad set of MRM functionality, with capabilities in each of the five competency areas, including deep functionality in planning, budgeting and creative production management. The vendor offers two products: Aprimo Marketing Studio On Demand (a multitenant SaaS architecture) and Aprimo Marketing Studio (a single-tenant architecture that can be hosted by Aprimo, Aprimo's partners or on-premises by the customer or in some hybrid combination). Aprimo continues to have some of the most-advanced MRM clients.
- **Continued investment and innovation:** Most of the investment in 2011 was spent on integrations between Aprimo Marketing Studio and Aprimo Relationship Manager (the former

Teradata Relationship Manager, campaign management solution). Other investments were made in mobile access and the ability to update tasks. It also developed integrations with North Plains for more robust DAM capabilities. R&D plans and innovations for 2012 are extensive for Aprimo Marketing Studio and Aprimo Marketing Studio On Demand.

Aprimo Marketing Studio On Demand enhancements and innovations include marketing spend (e.g., improved management of purchase orders and invoices and advanced budget management capabilities), workflow (e.g., improved user experience for project managers, improved task management and role management, and more advanced administrative capabilities), assets (e.g., improved user experience for asset consumers, including nonusers and more advanced comparisons of asset versions) and mobile (e.g., advanced user interface and reporting experience).

Aprimo Marketing Studio enhancements and innovations include marketing spend (e.g., improved management of purchase orders and invoices, and advanced budget management capabilities), workflow (e.g., improved capabilities with reviews and advanced workflow administration capabilities), platform (e.g., advance support for attributes and globalization support), reports (e.g., improved parameter management), assets (e.g., improved asset usability, including paging capability on annotations and tracking email sends) and Job Starter improvements (e.g., ability to better manage and set up requests). Teradata is formulating its vision for marketing performance management by leveraging its big data and analytical capabilities.

- **Deployment options:** Teradata (Aprimo) offers on-premises, hosted and SaaS options. Aprimo Marketing Studio may be deployed on-premises, hosted or hybrid. Aprimo Marketing Studio On Demand is multitenant.

Cautions

- **Marketing fulfillment:** Teradata (Aprimo) has put less emphasis in R&D on the marketing fulfillment part of its solution, compared with financial management and creative production management areas, over the past few years. Marketing fulfillment is increasingly becoming a requirement for companies interested in marketing asset management and managing assets from idea to fulfillment. Teradata will face increasing competition from vendors such as BrandMaker and Vyre, which are putting more emphasis in this area while expanding into broader MRM players. Teradata (Aprimo) will need to invest more in this area over the next few years, or acquire one of the technology providers in this space.
- **Increased competition:** Aprimo has been a long-term leader in the MRM Magic Quadrant; but, as the market matures, it will find itself being increasingly challenged to maintain a commanding lead. Competition is increasing in the MRM market for stand-alone MRM deals, with the expansion of MRM vendors from other geographies into North America (e.g., BrandMaker, Elateral, Orbis Global), the broadening and deepening of MRM requirements from smaller vendors (e.g., BrandMaker, Orbis Global and Vyre) and acquisitions bringing larger players to the market with robust MRM solutions (e.g., IBM and SAS).

- **Solution complexity and market flux:** Gartner is seeing some long-term MRM users re-evaluate their purchase decisions, and a few companies replaced Aprimo this past year. Most of these replacements fell into two areas: (1) only using a portion or small percentage of Aprimo Marketing Studio, or (2) having built overly complex processes using Aprimo. Clients switching often cite the need for a simpler solution or for fewer features than they initially thought they needed. Aprimo Marketing Studio is a very robust solution with many features, and requires a staged road map to implementation to achieve complete user adoption. It also requires governance on the workflow processes being built. Clients should carefully compare their requirements with the complexity supported by any solution to determine the best fit. Simpler requirements might better be served with Aprimo Marketing Studio On Demand or other vendors' solutions. We saw clients that underestimated their long-term requirements switch to Aprimo solutions for greater complexity this past year.
- **Pricing and statement of work (SOW):** Some clients and prospects have complained about pricing being high or the lack of transparency with pricing and in the negotiation process. The SOWs for services have been particularly troublesome from some clients' perspectives, mainly those that require ongoing customizations for the solution in terms of workflow and reporting. These have increased the long-term total cost of ownership (TCO) for these clients with few discounts from the vendor, even for those clients with long-term relationships and significant investments in Teradata (Aprimo). To lower customization costs for workflow, clients and prospects should implement the visual drag-and-drop workflow tool, which provides greater flexibility for the client to make changes without relying on Teradata (Aprimo).

Vyre

Vyre, based in the U.K., is a Visionary for its expanding MRM vision across the five competencies. European clients interested in a broad set of MRM capabilities with a focus on brand management should consider Vyre.

Strengths

- **Growth:** Vyre reports around 19% growth in MRM from 2010 to 2011. Gartner estimates revenue for 2010 between $8 million and $9 million. Vyre added 14 MRM customers in 2011. It reports that it is profitable and has a business model for continued growth and profitability over the next three years.
- **Broadening MRM vision and capabilities:** Vyre has broadened its MRM vision to be a broader MRM supplier across the five competencies of MRM, including planning, budgeting and analytical capabilities. New capabilities released in 2011 focused on four key areas: assets (media library, enterprise search and article builder), guidelines (watchlists and notifications), workflow (operational control, statistics, graphs and usage reports) and reports (budgeting, estimation, multiproject management and task management). The focus for the first half of 2012 will be on print (ads and posters, banners, print on demand and localization) and campaign (project management, flexible workflow, proofing and annotation). Other plans for 2012 include Adobe creative suite integration, budgeting/costs management improvements, resource planning Gantt charts, drag-and-drop capabilities for creative production, a new workflow module, SharePoint integration, Kodak SRS integration and full iPad support.

- **Development of prepackaged solution:** In 2011, Vyre launched its out-of-the-box solution, OnBrand. The development of a prepackaged solution that is more scalable, more configurable, easier to implement and upgrade will improve its long-term success in the market. Vyre is seeing growing momentum and interest in the OnBrand solution. The software-to-services ratio for this new solution is 90% software to 10% services.
- **Deployment options:** Vyre offers its custom-made MRM solutions as an on-premises license option. Vyre's OnBrand is based on the SaaS model and can be hosted (single-tenant model) or on demand (multitenant model).

Cautions

- **Geographical coverage:** Most of Vyre's MRM customers are based in the U.K., where its professional services and implementation capabilities are strong. Companies outside the U.K. should evaluate Vyre's capabilities to provide service and ongoing support. Vyre acquired new clients in the U.S. and other parts of Europe in 2011. It plans to enter new markets via agency partnerships, which is a good short-term strategy but poses long-term risk to recurring revenue if an agency partner decides to move to a preferred vendor or develop its own solutions. Long term, Vyre will need to establish a physical presence in key regions, such as North America.
- **Financial management:** Although Vyre has planning and budgeting capabilities, these do not offer the same set of complexity and advanced features compared with the MRM leaders in this area. Enhancements in this area are planned for release in 2012. Carefully evaluate your requirements against Vyre's capabilities and road map. Seek references that are using these capabilities.
- **Competition:** Market consolidation has created some large, global MRM providers. Vyre will be increasingly challenged in its European markets as the large, IMM vendors (such as IBM, SAS and Teradata) develop a strong MRM client base in Europe, and vendors such as SAP mature their MRM interfaces and functionality. It can be difficult for a European vendor to expand into North America without a physical presence. Vyre will face increasing competition from companies like BrandMaker, Elateral and Orbis Global, which are establishing a presence in North America.
- **Small vendor:** Vyre is a small vendor, with less than $10 million in revenue for 2011, and it is susceptible to strong fluctuations in the market. As it gains traction in Europe and develops more prepackaged MRM solutions, it could be an attractive acquisition target for companies wanting to augment their asset management capabilities or expand into Europe. Clients should carefully weigh the risks of doing business with a small vendor versus the business benefits they can gain from using its 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.

Added

- CDC Software (Pivotal)
- Code Worldwide
- PTI Marketing Technologies (MarcomCentral)

Dropped

- Alterian did not meet the minimum criteria for inclusion to be evaluated in this MRM Magic Quadrant update.
- Assetlink
- Oracle-Siebel did not meet all of the minimum criteria for inclusion to be evaluated in this update.

Inclusion and Exclusion Criteria

To be included in the 2012 MRM Magic Quadrant, a vendor must demonstrate:

Market Traction and Momentum:

- Vendor has at least 25 production customers for MRM functionality, each with at least an average of 25 weekly users.
- Vendor has at least 12 new customers for MRM in the past four quarters.
- Vendor has generated at least $8 million in revenue for MRM in the past four quarters.
- Vendor supports clients across three or more countries in two or more major geographies (North America, Asia/Pacific, South America, Central America and EMEA).

MRM Product Capabilities:

- Vendor provides a prepackaged software solution targeted to MRM buyers, and supports ongoing R&D of its software. Software (as opposed to consulting services) must account for 50% or more of the solution.
- Vendor must support MRM functionality for at least three of the five outlined components: (1) strategic planning and financial management, (2) creative production management, (3) digital asset, content knowledge management, (4) marketing fulfillment and (5) MRM analytics and optimization.

Short-Term Viability:

- Vendor has sufficient professional services to fulfill customer demand during the next 12 months.
- Vendor has at least enough cash to fund a year of operations at its current burn rate.

Evaluation Criteria

Ability to Execute

Product/Service (High): Product and service remains one of the key differentiators in vendor capabilities, and it is an important criterion for vendor selection among leading companies looking for a competitive advantage. Therefore, this capability has the highest weighting, compared with other criteria. Subcriteria include specific functionality and solution capabilities for planning and financial management (20%); creative production management (25%); marketing asset and content management (10%); marketing fulfillment (20%); measurement, reporting, dashboards, analysis and optimization (15%); and architecture (10%) — for example, openness, flexibility, usability and workflow.

Overall Viability (Business Unit, Financial, Strategy, Organization) (High): In a market where there are many small vendors, viability is an important criterion, and it gets a high weighting. Subcriteria include overall financials (50%), MRM-related revenue (40%) and partner strategy (10%).

Sales Execution/Pricing (Standard): This refers to the ability of the vendor to provide global sales and distribution coverage of its MRM solution directly and/or through partnerships. Vendors must have experience selling MRM to the appropriate buying center (marketing and IT), and offer consistent and transparent pricing models and structures. Pricing structures that support large enterprises and SMBs, and both in-house and SaaS-based deployments, are also important. Although less important than product capability or the overall viability of the vendor, other criteria, such as the flexibility of deployment models (on-premises, hosted and on demand) and pricing, are important client considerations. Subcriteria include flexibility in deployment models (75%) and pricing models (25%).

Market Responsiveness and Track Record (High): This is the assessment of the desire, expertise and organizational flexibility needed to address evolving customer requirements and articulate that insight back to the market, as well as create future MRM products in line with this change. The key evaluation criteria are the responsiveness of the vendor to the market, as well as of the market to a vendor and its solution, and the customer's experience working with that solution in its geography and industry. These criteria are given the third-highest weighting, along with the customer experience.

Marketing Execution (Standard): This is the ability of the vendor to consistently generate market demand and awareness of its MRM solution through marketing programs and press visibility. The clarity, quality and creativity that go into this are just as important as the revenue assigned to generate new leads and reinforce/increase brand awareness. This evaluates the vendor's marketing strategy and execution to build recognition for the MRM solution in ways that gain traction for the MRM solution across geographies and industries. This criterion receives a standard weighting.

Customer Experience (High): Assessment of the aspects is related to ensuring that each customer has ongoing success with its MRM deployment. Aspects considered include implementation services and partners, global technical support (direct and via partners), account management, user groups/panels and customer communities. Each vendor must provide a sufficient number of recent references to prove the ongoing viability and acceptance of its product in the marketplace. This evaluation criterion takes into account customer ratings, reviews and evaluations of the company, its MRM solution (functionality, architecture, usability), implementation services, account management and ongoing customer support. This criterion receives the third-highest rating, along with market responsiveness and track record.

Operations (Standard): This criterion explores each vendor's ability to meet its goals and commitments. Factors include the quality of the organizational structure, such as skills, experiences, programs, systems and other vehicles, which enables the vendor to operate effectively and efficiently. This includes management experience and track record, and the depth of staff experience, specifically in the MRM market. The vendor must have sufficient professional services (in-house or through third-party business consultants and system integrators [SIs]) to meet evolving customer requirements. Implementation and support are also relevant considerations during vendor evaluation, although they are less important than product capability and viability. This criterion receives the same weighting as sales execution/pricing. Subcriteria include customer service and support (50%), and professional services (50%; 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	high
Marketing Execution	standard
Customer Experience	high
Operations	standard

Source: Gartner (January 2012)

Completeness of Vision

Market Understanding (High): The vendor's understanding of the MRM market and its specific value proposition to marketing personnel are critical when selecting a vendor with a vision that meets your needs. Therefore, this criterion receives one of the highest weightings.

Marketing Strategy (Standard): The company's marketing strategy is critical to its ability to gain broader recognition for its MRM solutions. We assess the strategy's consistency, clarity and degree of associated differentiation in regard to the positioning of MRM internally and externally to the company, and in line with the company's overall vision and brand values. This criterion receives a standard weighting.

Sales Strategy (Standard): The company's sales strategy is critical to market penetration and global expansion. We assess the go-to-market approach for selling the MRM product and services, both directly and through partnership networks globally. A diverse range of aspects, spanning strategic account management to industry expertise/targeting, is assessed. This criterion receives a standard weighting.

Offering (Product) Strategy (High): Innovation and vision across the breadth and depth of product capabilities are critical to continue to meet the needs of a maturing market in the five competency areas of MRM. Therefore, this criterion also receives the highest weighting. Subcriteria include specific functionality and solution capabilities for planning and financial management (25%); creative production management (15%); marketing asset and content management (5%); marketing fulfillment (20%); measurement, reporting, dashboards, analysis and optimization (25%); and architecture (10%) — for example, openness, flexibility, usability and workflow.

Business Model (Standard): The business model for how a vendor aligns marketing and sales strategies for particular industries and geographies to deliver on its MRM value proposition is an important component of its vision, although less so than market understanding and product capability. It includes an evaluation of how well the vendor mobilizes resources and leverages partners to go to market and successfully execute.

Vertical/Industry Strategy (Standard): Here, we evaluate the vendor's go-to-market strategy for industries, solution capabilities (product verticalization), industry templates and packaging, and plans for vertical industries. This criterion receives a standard weighting.

Innovation (High): Here, we assess the vendor's innovation in new and emerging areas of MRM, such as knowledge management, social networking, mobile connectivity, marketing mix optimization, scenario planning/forecasting and order management. This criterion receives a high weighting.

Geographic Strategy (Standard): This criterion assesses the vendor's global understanding of MRM requirements and its strategy and plans for geographical expansion, including marketing, sales, implementation and customer support. This criterion receives a standard weighting (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	standard
Innovation	high
Geographic Strategy	standard

Source: Gartner (January 2012)

Quadrant Descriptions

Leaders

Leaders in the MRM market demonstrate exemplary performance. They deliver breadth and depth of integrated MRM functionality on large, enterprisewide and global implementations that extend MRM across the marketing organization. Leaders successfully articulate business propositions that resonate with buyers.

Challengers

Challengers have entered the MRM market primarily to provide offerings that complement their established business applications. In doing so, they expect to leverage their large installed bases. They typically offer breadth of functionality, although often at the expense of depth and innovation. They provide value in terms of ease of integration with their enterprise applications, but have a limited understanding of market trends and marketing buyers. Challengers are unable to consistently and effectively articulate their visions, or they have not mobilized their resources to excel in the market segment.

Visionaries

Visionaries have a strong vision for applying technology to MRM-related issues, but have not yet mobilized resources or developed a robust business model for global expansion on a large scale. A Visionary vendor is a market thought leader and an innovator across most of the five competency areas of MRM. Visionaries will need to grow more to achieve sufficient scale in the MRM market, and to provide more-consistent execution, to become leaders.

Niche Players

Niche Players perform well in a small segment of the MRM market. They have a limited ability to innovate or outperform other vendors. They are focused on a specific geography or industry, or they focus only on a portion of the MRM competencies and functionality. Niche Players have limited implementations and support services for MRM, and may not have achieved the necessary scale to solidify their market positions.

Context

The market is maturing with continued consolidation and increased end-user sophistication. SAS acquired leader Assetlink earlier in 2011. Prior acquisitions include Teradata's acquisition of leader Aprimo, and IBM's acquisition of leader Unica. Gartner expects a second wave of acquisitions in 2012 and 2013. The second wave is likely to include acquisitions in the marketing fulfillment area of MRM in 2013 and 2014. Clients are evolving their sophistication and are more astute about their requirements. First-time buyers are looking across a broader set of MRM competencies and at the global impact of the initiatives, whereas MRM veterans are looking to expand functionality, as well as globally, while consolidating prior purchases. We also see early buyers re-evaluating their choices as the market matures.

The market is becoming somewhat polarized, with megavendors like IBM, SAP, SAS and Teradata becoming major players, and larger latecomers like Kodak and CDC Software applying more resources. However, most of the other vendors have less than $15 million in total revenue. Therefore, buyers will have to make trade-offs between overall vendor viability, breadth and depth of functionality based on requirements and the relationships the vendor brings to clients' issues.

Buyers should carefully evaluate their deployment options (on-premises, hosted and on demand), because options are expanding, thus impacting the value propositions of different product lines. We expect to continue to see new entrants in the MRM market, but expect the pace of consolidation to increase over the next two years. Vendors, particularly those with less than $15 million in revenue, may not survive and are increasingly likely to be acquired by larger players. We expect about half of these smaller players to be acquired or go out of business over the next three years.

There are a number of changes in this particular MRM Magic Quadrant in terms of vendor positions. These positions cannot be compared with last year's positions. The changes are due to the following:

- Three vendors (Alterian, Assetlink and Oracle-Siebel) were dropped, resetting the parameters for all vendors on this Magic Quadrant.
- Three new vendors — CDC Software, Code Worldwide and PTI Marketing Technologies (MarcomCentral) — were added, changing the shape of the market.

- Vendors with a presence or focus on North America fared better in general than those focused or based predominately in Europe, where the economic and financial climate has been less certain.
- As the MRM market matures, emphasis for Completeness of Vision is placed on the breadth of an integrated MRM solution. Vendors with a specialty focus are now more likely to appear as a Niche Player in the market for their focus on fewer MRM competencies, whereas they might have been a Visionary for that area in the past.
- Execution varied greatly, with some vendors showing decreasing or flat revenue and signs of attrition, others continuing their steady growth, and some displaying strong growth and greatly improved business models.

Market Overview

MRM is starting to mature with expanding business requirements across the five MRM competencies, requests for next-generation functionality and more global implementations. MRM investments continued to grow in 2011, particularly in North America. We are seeing the beginning of interest in the Asia/Pacific region and Latin America. Europe continued to grow, but at a slower pace. Most vendors continued to grow revenue. A few were flat in terms of growth, and a few had slightly declining revenue. Three vendors failed to meet the inclusion criteria, but three new vendors were added this year. Based on the vendors that Gartner tracks, we estimate there are more than 3,700 MRM implementations in midsize and large companies worldwide, up 26% from an estimated 3,000 in 2010. In 2010, there were more than 650 new MRM implementations. Gartner sees MRM expanding within organizations in three ways: (1) global expansion, (2) increase in number of users within a region and (3) broadening MRM capabilities across the five areas of MRM competency. Gartner also sees MRM moving more firmly into the midmarket, with more midmarket organizations adopting MRM, particularly the SaaS and hosted deployment options.

Gartner expects consolidation of the MRM market to increase over the next two years, with at least two to three more large vendors entering the market or increasing their product strength via acquisition. Consolidation is driven predominately by two factors: (1) the need to expand MRM capabilities to meet client requirements and (2) the growing interest and investment in MRM among larger application vendors. New entrants are still expected in the MRM market, but the window of opportunity is closing for small vendor entrants as consolidation increases among larger players. Large players that could enter this market include Adobe, EMC, HP, Microsoft and Xerox. Eloqua, Marketo and Neolane are other likely entrants that have some MRM functionality already but don't sell a prepackaged MRM solution.

The most important drivers influencing vendor selection were that MRM functionality met the organization's requirements (58%), pricing (TCO; 39%), the vendor had an understanding of marketing's business requirements (31%) and good quality of response to RFP/presentation of capabilities by the vendor (28%). Of the vendor references surveyed for this Magic Quadrant, 48% were using a solution hosted by a third party, 28% used an on-demand/SaaS solution and 24% had deployed an on-premises solution. In terms of implementation (time to full production deployment), 45% stated it took less than six months, 31% said six to 12 months, 16% said 12 to 18 months, and 8% said more than 18 months. Sixty-four percent stated the implementation time was about what was expected, with 24% reporting it as longer and 12% reporting it as shorter than expected. Eighty-five percent of references used their internal staff for implementation, 63% used professional services from the vendor, and 9% used one or more external system integrators. Fifty-two percent stated that the solution required both configuration and customization, 22% said configuration only (no custom writing of code) and 11% said customization (writing of code) only. Fifteen percent reported using the solution out of the box with no configuration or customization. The range of customization varied from less than 10% to 100%. Fifty-one percent reported that they achieved their expected business results, and 36% stated that their results were better than expected, with only 13% stating they were worse than expected.

To help further evaluate MRM vendors based on your requirements, see "Toolkit: How to Create a Marketing Resource Management Application RFP" — Note: This document has been archived; some of its content may not reflect current conditions.

Recommended Reading

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

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

"Toolkit: How to Create a Marketing Resource Management Application RFP"

"Assetlink Buy Moves SAS Into Software as a Service and Mainstream MRM"

"Cut Waste, Not Marketing Programs, Using MRM"

"The Five Competencies of MRM 'Re-' Defined"

Note 1 Infor Disclaimer

We believe that Infor currently carries at least $4.5 billion in debt, used primarily to fund acquisitions (Infor has indicated that this figure is materially overstated, but has not provided additional information). This is a highly leveraged company by enterprise application software vendor standards. Gartner suggests that users bear this in mind in discussions with Infor, and seek assurance that the company has the wherewithal to execute on the components of its strategy that are relevant to users' specific strategic requirements.

Ability to Execute

Product/Service: Core goods and services offered by the vendor that compete in/serve the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, 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 presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness 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 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.

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