SAS and SPSS are still the leading vendors in data mining, supporting the requirements of many CRM initiatives. However, KXEN and Portrait Software are emerging as visionaries.

WHAT YOU NEED TO KNOW
Most enterprises rely on a combination of vendors to enable customer data mining. SAS and SPSS offer broad solutions that will serve the requirements of many CRM initiatives. Angoss Software has broad data mining capabilities, but limited drill-down CRM expertise. KXEN and Portrait Software (the former Quadstone) offer solutions focused on increasing analyst productivity, while ThinkAnalytics focuses on embedding predictive analytics into multichannel deployments. Fair Isaac and Unica offer data mining solutions that are valuable complements to other applications in their portfolios.

MAGIC QUADRANT
Market Overview
Client discussions indicate a high degree of uncertainty regarding the best approach to deploying data mining in support of CRM. Traditional approaches have emphasized analytical accuracy and been provided by vendors of best-of-breed data mining tools. Although this approach can work well in environments with a relatively small number of models, or where taking the time to reach the right conclusion is feasible, it may not be the most suitable approach in the context of CRM. Many customer-related decisions must be made quickly (for example, assessing a customer’s likelihood to switch providers). In other cases, thousands of models could be built (for example, identifying the best target customers for thousands of products in a retail or consumer packaged goods environment).

Vendors are continually emerging with value propositions based on more than accuracy (for example, automated model building or real-time recommendations for customer interactions), offering the promise of new sources of competitive advantage, even for companies that are well-versed in data mining and CRM. Although the major vendors in the data mining market (Angoss, SAS and SPSS) all have solutions, many of the business application vendors (such as Microsoft and SAP) haven’t yet developed data mining solutions targeted at CRM users. This slow entrance into the market is probably the result of their emphasis on operational (sales and service) aspects of CRM, and their target audience of companies with business-to-business (B2B) CRM requirements, rather than the marketing-oriented capabilities required to succeed in business-to-consumer environments.

Market Definition/Description
Customer data mining is the application of descriptive and predictive analytics (such as clustering, segmentation, estimation, prediction and affinity analysis) to support the marketing, sales and service functions (however, the analysis of customer data in support of other business functions, such as credit risk analysis or fraud detection, is a related area, but isn’t
Customer data mining may occur as an integrated part of an operational application or as a stand-alone analytical application. Traditionally, organizations have used generic data mining tools to support marketing, sales and service analysis. However, the growing interest in deploying data mining capabilities beyond a narrow team of specialists, to users without an established background in data mining, is attracting attention to packaged applications, which provide more guidance as well as a process for business users to conduct customer data mining.

Inclusion and Exclusion Criteria

The focus of this “Magic Quadrant for Customer Data Mining, 2Q07” is on vendors that offer the most-relevant and compelling solutions in the market. We used the following criteria to assess vendors for inclusion. As the market evolves, these criteria may be adjusted to reflect changing user requirements and vendor capabilities.

Functionality

Vendors in this market should provide:

- Packaged applications to support common CRM decisions, such as cross-sell or customer-churn prevention, with data-mining-driven insights
- A user interface suitable for business users (such as campaign, segment, product, sales or service managers) to perform analyses
- The capability to access data from heterogeneous sources, particularly those with information about customer interactions and transactions (such as customer data warehouses, call centers, e-commerce or Web site tracking systems), as well as third-party data providers that supply customer-related information (such as demographic or market spending information)
- Robust data mining algorithms to provide reliable and scalable insights into different types and volumes of customer data
- The capability to make the results of the analysis available to the appropriate constituencies, such as senior executives, functional managers, salespeople or call center agents

Market Presence

- At least 15 referenceable customers using their data mining applications in support of CRM
- At least five new clients during the past 12 months

Figure 1. Magic Quadrant for Customer Data Mining, 2Q07

challengers

leaders

niches

visionaries

ability to execute

completeness of vision

SAS

SPSS

Angoss Software

Chordiant

KXEN

Unica

ThinkAnalytics

Fair Isaac

Infor CRM Epiphany

Portrait Software

New vendors added: Angoss Software and Infor

Dropped

Chordiant was included in the “Magic Quadrant for Customer Data Mining, 1Q06,” but has been dropped from the 2Q07 update because its focus on combining data mining with business rules (decision management) makes a misleading comparison between Chordiant’s solution and the solutions of other vendors in the market.

Teradata also was included in the “Magic Quadrant for Customer Data Mining, 1Q06,” but has been dropped from the 2Q07 update because of its emphasis on in-database data preparation and scoring aspects of the data mining process. This makes Teradata

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more complementary than competitive to data mining vendors that offer packaged applications targeted at CRM users.

Evaluation Criteria

Ability to Execute
Of the seven possible criteria for assessing the vendor’s ability to execute, product/service and market responsiveness and track record are the two most important. Three other criteria (viability, marketing success and the customer experience) are of secondary importance, while sales execution and vendor operations are of low importance.

Product/Service (high): The product’s capability to access customer data, guide the user in accurately analyzing typical business problems and share the results of the analysis with relevant decision makers.

Market Responsiveness and Track Record (high): Assessing the vendor’s success in creating and meeting consistent demand for its product, measured in new client wins and growing use in the installed base.

Overall Viability (Business Unit, Financial, Strategy, Organization) (standard): Assessing the vendor’s corporate viability, as well as its commitment to the ongoing development of its customer data mining product line and customer support.

Customer Experience (standard): Assessing the experience of being a vendor’s customer (separate from the user experience associated with the product). Successful vendors will ensure that their customers gain the full benefits of using their tools by providing appropriate consulting services, enabling customers to learn from one another and providing input regarding product direction.

Marketing Execution (low; was standard in 2006): Assessing the vendor’s perceived presence in the market. Although this remains a criterion, issues arising as a result of marketing execution (such as market responsiveness and track record) should be more important than marketing execution itself.

Sales Execution/Pricing (low): Assessing the efficiency and professionalism of the vendor’s sales processes in selling to the multiple buying centers that are usually involved in customer data mining selections; and assessing the appropriateness of the vendor’s pricing model. Although aggressive sales tactics and price gouging can bring the vendor near-term success, they’re also likely to alienate customers and prospects and jeopardize the vendor’s long-term capability to compete effectively.

Operations (low): Assessing the internal processes and skills required to be a successful customer data mining vendor. This involves having and developing the appropriate mix of marketing, sales, management, development and support personnel, as well as supporting processes such as new product testing (see Table 1).

Completeness of Vision
Of the eight possible criteria for assessing vendors’ completeness of vision in this market, the two most important are market understanding and offering (product) strategy. Three other criteria are of standard or low relevance, and the remaining three aren’t currently relevant to the market, or are covered within established criteria.

Offering (Product) Strategy (high): Assessing the vendor’s product portfolio and planned product enhancements to meet customers’ current and future needs.

Market Understanding (standard; was high in 2006): Assessing how well the vendor understands the current and emerging needs of user organizations in the market. Although this remains important, it’s critical for the vendor to translate this market understanding into other elements of its strategy, such as product, sales and marketing.

### Table 1. Ability to Execute Evaluation Criteria

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

Source: Gartner
Marketing Strategy (standard): Assessing the vendor’s capability to establish a value proposition that’s relevant to CRM and differentiated from those of other market vendors.

Sales Strategy (standard): Assessing the vendor’s strategy for using direct and partner channels.

Vertical/Industry Strategy (low): Assessing the vendor’s recognition that different industries have different customer data mining requirements; and assessing the vendor’s capability to build or customize solutions appropriate for specific industries. At the current stage of market maturity, organizations are willing to apply best practices from other industries. As the market matures and enterprises increasingly demand industry-specific solutions, the importance of this criterion is likely to rise.

Business Model (no rating): Vendors competing in this market are following the same general business model, so this isn’t an effective basis for differentiation. If vendors with different business models enter the market, then the importance of this criterion will rise.

Innovation (no rating): Although the vendor’s track record and desire to innovate are important criteria, they’re already included as components in other evaluation categories – particularly the offering (product) strategy criterion. Although innovation is important, it must be appropriately balanced with the rest of the vendor’s and product’s capabilities.

Geographic Strategy (no rating): Although regions are adopting customer data mining at different rates, we don’t believe geography will be a significant determinant in the overall market evolution, or in establishing user organizations’ selection criteria (see Table 2).

Leaders
Vendors whose performance excels in the customer data mining market segment. Not only are they suitable for most enterprises to consider, but they also have a significant effect on the market’s direction and growth.

Challengers
Vendors that have entered the customer data mining market primarily to provide a complementary offering to their established business applications. In doing so, they expect to leverage their installed client bases. They typically offer a good breadth of functionality, but their solutions are primarily tied to their own applications and technology.

Visionaries
Vendors that have a strong vision for the evolution of customer data mining. They’re influential innovators and demonstrate capabilities that mainstream vendors will eventually adopt. In the near term, visionary vendors may have to achieve sufficient scale, or else there may be concerns regarding their capability to grow and provide consistent execution.

Niche Players
Vendors that have targeted a specific market segment. They may be focused on a particular CRM function (such as marketing), industry (such as retail), geography (such as Europe, the Middle East and Africa) or business problem (such as churn). Niche players probably lack depth or breadth of functionality relative to broader customer data mining requirements, as well as the capability to compete in many geographies or industries.

Vendor Strengths and Cautions

Angoss Software

Strengths
- Angoss (www.angoss.com) is a data mining workbench provider and a traditional competitor to SPSS’ Clementine or SAS’ Enterprise Miner. Angoss has several customer sites, and many of its clients prefer specific elements of its solution (for example, the decision tree KnowledgeSeeker application). Clients seeking a low-cost alternative to other data mining workbench solutions should consider Angoss.
- Angoss has a strong orientation toward the financial services (banking, insurance and mutual funds) and telecommunication industries. Companies in these industries should consider Angoss for its domain expertise; clients in other industries should evaluate alternatives.
- Angoss offers the solution as either packaged software or an application service provider (ASP) solution. Companies seeking alternative deployment mechanisms directly from the vendor (that is, not delivered as an ASP offering through a partner) should evaluate Angoss.
- Customers revealed very high levels of satisfaction with Angoss’ service and support for implementation and ongoing use. Customers seeking a high level of support from their vendor should evaluate Angoss.

Cautions
- Angoss has recognized the trend toward packaged applications and developed several targeting specific industries (the most well-established are FundGuard and ClaimGuard for...

<table>
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<td>Marketing Strategy</td>
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<tr>
<td>Sales Strategy</td>
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<td>no rating</td>
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<tr>
<td>Geographic Strategy</td>
<td>no rating</td>
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</table>

Source: Gartner
the financial services industry). Angoss is only now beginning to add applications targeting the CRM market, such as BundleBuilder for the telecom industry. Enterprises seeking mature, packaged applications for standard CRM issues should consider alternatives; however, Angoss has developed more-unusual applications that enterprises may find useful in supporting other aspects of their customer strategies.

• Customers also indicated concerns regarding the reliability and scalability of Angoss’ solution, as well as the extent to which Angoss pays attention to its customers’ product development preferences. Angoss is best suited to companies with unexceptional data mining requirements. Companies seeking very specific or demanding requirements should consider alternatives.

**Fair Isaac**

**Strengths**

• Fair Isaac (www.fairisac.com/fic/en) is pursuing a broader strategy of enabling enterprise decision automation. The combination of its Blaze Advisor rule engine and analytical modeling tools can be used to create extremely sophisticated and complex automated decision processes for any business function. Enterprises considering an enterprise decision management strategy that calls for innovative data mining analysis to support automated decisions should evaluate Fair Isaac.

• Fair Isaac can leverage a strong service business to complement its analytical offerings, spanning the range of services from hosting, to implementation, to a pure software sale. Clients seeking a flexible deployment mechanism that enables a managed analytics or in-house software implementation should consider Fair Isaac.

• Fair Isaac will leverage its analytical domain expertise to support its traditional strengths in areas such as credit risk analysis; but in general, it’s more interested in pushing the limits of the analysis that can be fed into a business decision, rather than competing for "commodity" data mining applications, such as conventional propensity modeling. To that end, Fair Isaac has developed stand-alone analytical applications, such as the Peacock (Pairwise Co-occurrence Consistency) technology, for cross-sell recommendations based on market-basket analysis. Enterprises seeking (or willing to co-develop) packaged applications that aren’t provided by other data mining solutions should consider Fair Isaac.

• Analytic models developed with Fair Isaac’s Model Builder software can be deployed directly into the production environments, where they’ll be used via the company’s Blaze Advisor rule engine. Clients wanting to shorten the implementation and deployment cycle for analytic models supporting automated decisions, or that expect to change models frequently, should consider Fair Isaac.

**Cautions**

• Fair Isaac’s strategic direction is to emphasize the synergy of rules and analyses, with even more emphasis on competitive differentiation in the rules software space (where it’s a leader) than the analysis software space (where its services are widely used and more-broadly applicable than its packaged applications). Enterprises seeking a broad analytical software platform or set of applications targeting the CRM market should consider alternatives to Fair Isaac.

• Although Fair Isaac offers a "managed analytics" complement to its software, its strength comes from the analytical, rule management and IT integration aspects of the solution, rather than the strong business vision or strategy consulting. Enterprises seeking a flexible deployment mechanism, due to uncertainty regarding the role that analytics will play in their business strategies, should define the answer in conjunction with other consulting companies before engaging Fair Isaac.

• Customers indicated a lack of communication from Fair Isaac, poor implementation and support experiences, and a lack of clarity in the value proposition Fair Isaac delivers to its customers. Clients working with Fair Isaac should ensure that expectations regarding product direction and provision of services are clearly established early in the relationship.

**Infor CRM Epiphany**

**Strengths**

• Infor (go.infor.com/inforcrm/) has more experience than any vendor in the real-time data mining category of this market with its Interaction Advisor product line. Companies seeking a proven, best-of-breed solution for real-time data mining should evaluate Infor CRM Epiphany.

• The acquisition of Epiphany by SSA Global, and then by Infor, provided more development resources and an extensive sales channel. The product line has good viability within Infor (the company’s statement of direction includes major releases on a regular schedule) and development will continue - albeit gradually and without significant leaps in vision or product functionality. Companies should continue to evaluate Infor Inbound Marketing.

**Cautions**

• Although effective within its chosen niche, Infor has a limited scope of data mining capabilities compared with its competitors. Companies seeking a broad workbench to perform a variety of data mining activities - such as segmentation, clustering or affinity analysis - should evaluate alternatives to Infor.

• Infor’s traditional focus was toward B2B organizations with software requirements in the areas of corporate functions (HR and finance) and product manufacturing (ERP and supply chain). Although this emphasis has become broader with the acquisition of Epiphany and the creation of the Strategic Solutions Group (which is focused on the CRM market), the general perception of Infor remains broadly unchanged. Companies evaluating Infor Inbound Marketing should ensure that they’re comfortable with Infor’s understanding of and vision for the product within the requirements of their industries.

**KXEN**

**Strengths**

• KXEN (www.kxen.com) was founded with a vision of automating the rapid creation of large numbers of models, and building models in environments where there are thousands of potentially significant variables. As such, KXEN offers a significant amount of analytical differentiation from the established vendors as well as the other, smaller startups in the market. Companies with well-established data mining practices should still evaluate KXEN as a complement to their current solutions.
• Although several vendors (such as Advizor Solutions, Alterian and smartFocus) embed KXEN into their applications, KXEN’s focus has increasingly moved toward independent positioning as a best-of-breed data mining tool targeting the CRM space, rather than as a generic data mining toolset. This gives organizations more flexibility in their implementations and KXEN a broader range of potential partners. **KXEN will be an increasingly important component of the application portfolio of service providers, raising its visibility and providing wider implementation and support options.**

**Cautions**

• KXEN isn’t an analytic workbench and doesn’t provide a variety of “standard” algorithms that enterprises may expect. Planned product enhancements for 2007 include the addition of text mining and enterprise model management. **Enterprises seeking “traditional” data mining capabilities that can already be found in more-mature applications should evaluate tools other than KXEN.**

• Although KXEN has refined its messaging to target the CRM market, it currently lacks packaged applications to address typical CRM problems, such as customer-churn analysis or cross-sell. **Enterprises looking for packaged applications that leverage data mining, or seeking strong CRM domain expertise, should evaluate alternatives.**

• KXEN includes sufficient functionality in areas such as extraction, transformation and loading, or statistical analysis, to support the data mining process, but it wouldn’t be sufficient to support a broader business intelligence (BI) initiative. **Enterprises should consider KXEN as complementary to a BI platform solution, rather than a stand-alone data mining solution for an enterprise.**

**Portrait Software**

**Strengths**

• Portrait Software (www.portraitsoftware.com) has successfully capitalized on its acquisition of Quadstone from late 2005. Access to the Portrait sales channel and financial resources gives the Quadstone (now Interaction Optimizer) division greater viability and visibility. **Enterprises that previously evaluated Quadstone, but were deterred by corporate viability concerns, should consider these concerns to be at least partially resolved.**

• Successful sales of the Interaction Optimizer product line to the Portrait customer base should provide a reference base for the product line that most competitors lack. **Portrait customers seeking a best next offer solution should evaluate the Interaction Optimizer application. Non-Portrait customers should await more-proven references and market traction before evaluating.**

• Portrait has retained the analytical and marketing orientation that Quadstone had prior to the acquisition. This should enable the ongoing development of Portrait’s innovative applications, such as Uplift modeling (to distinguish offer-driven responders from those who would have responded anyway). **Enterprises with significant direct-marketing budgets should evaluate the Uplift modeling application.**

**Cautions**

• The underlying Portrait platform is a good analytical environment, but its real differentiation won’t emerge until Portrait completes its strategy of creating a model management environment to assist enterprises’ creation of data mining model factories. **Enterprises seeking a “neutral” environment in which to manage data mining models from a variety of data mining applications should evaluate Portrait’s model management application when it’s released in 2007.**

• Portrait has limited “mind share” in the U.S. market (a key data mining solutions market in which Quadstone had already established a presence). **U.S. companies that evaluated Quadstone prior to its acquisition should consider that acquisition to be relatively neutral in impact. More resources and (likely) European references will be forthcoming.**

**SAS**

**Strengths**

• SAS (www.sas.com) is the largest vendor in the overall data mining market. It has the most analysts, the most client experience and tends to be the standard tool with which data mining outsourcers and service providers must be familiar. As such, there’s an unmatched “ecosystem” of talent and experience for SAS in the marketplace. **Enterprises seeking to tap into an established talent pool and skill set to enable deployment and ongoing support (for example, a global deployment with local support capabilities) should evaluate SAS.**

• With the most-complete set of data preparation and analytical tools in the market, there are few problems that SAS technologies can’t solve. **Enterprises seeking a “one-stop shop” platform for all analysis (particularly data mining) and supporting capabilities should consider SAS.**

• SAS has transferred its credibility to the customer data mining space, which has an extensive track record of customer successes. Although much of SAS’ recognition in this space is due to the popularity of its wide set of tool-based capabilities, the company is also delivering packaged applications to support customer data mining. These solutions have contributed to the breadth of experience and sophistication in SAS’ customer base, providing plenty of best-practice examples of how to use SAS to support a customer analytics initiative. **Companies seeking multiple proof points across different purposes and industries should evaluate SAS.**

**Cautions**

• Customers indicated extensive dissatisfaction with SAS’ pricing structure (that is, they didn’t expect SAS to be low-cost, but they were dissatisfied with the unpredictability of its pricing, as well as the lack of alignment between the pricing and the value the company received). **Price-sensitive companies, or those requiring significant justification of the cost-effectiveness of one solution over another, should evaluate alternatives.**

• Despite several SAS programs to solicit input, customers generally felt that SAS didn’t discuss product direction with them. **Enterprises seeking considerable input regarding product development direction and prioritization should consider alternatives.**
More than any other vendor in this market, SAS sees itself as a complete solution to data mining requirements, and tends to operate as if it were the only analytical data solution that clients have in place. Although this attitude isn’t illogical, given SAS’ range of capabilities, it is untrue (most enterprises use other tools in conjunction with SAS). It places SAS at risk as companies increasingly try to combine different solutions to gain an optimal, overall solution that can meet a variety of user needs. Enterprises seeking a data mining tool to act as the “hub” for a network of heterogeneous tools (rather than a complete solution) should press SAS for references with similar ad hoc collections of data mining software.

SPSS

Strengths

- SPSS (www.spss.com) has the broadest vision of the analysis of all types of data (behavioral, demographic, survey and unstructured). Enterprises seeking to make full use of their data (particularly Web traffic, text and survey data) should evaluate SPSS.
- SPSS has one of the strongest visions for the emerging concept of the model management environment, which is a way of consolidating and managing the results of analyses from several data mining tools for subsequent deployment and evaluation. Enterprises seeking to manage many models (particularly from a heterogeneous set of tools) should evaluate SPSS.
- SPSS has spent the past several years acquiring analytical applications in the predictive (Clementine for data mining and DataDistilleries for real-time predictions) and nonpredictive (NetGenesis for Web site analytics, LexiQuest for text mining and Dimensions for customer surveys) markets. SPSS has combined these into a series of applications under the slogan, “Predictive Enterprise Services.” Enterprises with decentralized modeling environments (that is, many casual users supported by a few expert modelers) should consider SPSS.

Cautions

- Enterprises seeking to rationalize their portfolios of data mining tools (often as part of a move toward centralized analytical modeling) typically consider SPSS’ Clementine and SAS’ Enterprise Miner tools as overlapping. In these circumstances, SAS’ solution is generally preferred as the single standard. Enterprises seeking a broad data mining and BI platform, rather than a series of data mining applications, should consider alternatives.
- SPSS is big enough not to fail, but not big enough to form the nucleus of a broader analytical or business application suite. SPSS’ relatively conservative business strategy (fleshing out its mini-suite capabilities rather than expanding into adjacent markets) places it in a complementary position for several acquisitive companies. Enterprises seeking a vendor that’s more likely to be an acquirer than an acquiree should evaluate alternatives.

ThinkAnalytics

Strengths

- ThinkAnalytics’ (www.thinkanalytics.com) products are based on an open platform with an open library of extensible components that can be combined to perform a variety of analyses. The models are deployed in ThinkAnalytics’ Think Intelligent Enterprise Server, where they’re available for any application (usually targeted at customer-facing applications, such as the call center or Web site) for real-time scoring. Companies looking for embedded real-time data mining, or a framework that can be extended to include custom-built or proprietary models, should evaluate ThinkAnalytics.
- ThinkAnalytics focuses on operationalizing and embedding predictive analytics, and has also embedded a third-party rule engine to provide the capabilities of a real-time recommendation engine. Enterprises seeking a real-time recommendation engine for multichannel deployment should consider ThinkAnalytics.
- When surveyed, ThinkAnalytics’ customer base gave extremely favorable reviews of their experiences working with the vendor in all areas, from discussions about new product development, implementation and support to the pricing structure. Enterprises seeking a collaborative relationship with their data mining vendor should evaluate ThinkAnalytics.

Cautions

- Although profitable, ThinkAnalytics is still a small company with a low profile, a limited number of distribution partners and few direct salespeople. Enterprises seeking a vendor with global presence should consider alternatives.
- ThinkAnalytics has domain expertise in the telecom, media and banking industries, but limited presence in others. Companies looking for domain expertise in other industries should consider alternatives.

Unica

Strengths

- Unica’s (www.unica.com) origins in data mining left it with a tool that became a forerunner of today’s trend toward the rapid building and testing of models. Although the market has significantly moved on, Unica’s application is still a relatively straightforward way of achieving this basic analysis goal. Enterprises seeking a tool that will efficiently build models and enable easy comparisons of results should consider Unica.
- Unica has moved its development focus toward a series of markets adjacent to data mining. The result is that Unica now offers one of the broadest marketing suites in the market. Although the data mining module is a valuable component, beyond its mere existence, it doesn’t represent a competitive advantage for Unica. Enterprises using Unica for campaign management should evaluate the vendor’s data mining solution as a complement to customer segmentation analysis.
Cautions

• Data mining isn’t an important market for Unica. Although it will continue making marginal enhancements to the product, these improvements (such as the Production Modeling platform, which essentially is a workflow and model management environment using components from Affinium Plan) are ways of leveraging capabilities developed elsewhere in Unica’s solution, rather than investments in making Affinium Model into a solution that can compete on its own merits. Enterprises looking for a strong commitment to ongoing product development should consider alternatives.

Vendors Added or Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time. A vendor appearing in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. This may be a reflection of a change in the market and, therefore, changed evaluation criteria, or a change of focus by a vendor.
Evaluation Criteria Definitions

**Ability to Execute**

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

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

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

**Market Responsiveness and Track Record:** Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor’s history of responsiveness.

**Marketing Execution:** The clarity, quality, creativity and efficacy of programs designed to deliver the organization’s message in order to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This “mind share” can be driven by a combination of publicity, promotional, thought leadership, word-of-mouth and sales activities.

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

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

**Completeness of Vision**

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

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

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

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

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

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

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

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