FROST & SULLIVAN

act-on

2016 Global Marketing Automation Software Company of the Year Award

2016
BEST PRACTICES
AWARDS

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Targeting and making a stellar impression on consumers requires a well-thought-out marketing campaign strategy. Moreover, with current technology and common consumer behavior trends, marketing strategies have moved beyond print, email, and the web, to achieve a true cross-channel reach, including leveraging mobile, social media, display advertising, and search methods. As a result, a manual marketing approach that covers all channels for effectively sending messages out to consumers proves quite difficult. A manual marketing approach becomes a capital expenditure, as it requires more employmees and greater time and also increases the chance for errors that will hurt the sales process.

Automating marketing processes reduces the time spent on campaign management and transforms marketing into a low-cost operational expenditure. Frost & Sullivan notes that marketing automation software vendors must further integrate with newer channels and prompt businesses to hold marketing more accountable, improving lead quality and volume for even more sales success. Furthermore, in-line with the Big Data and analytics trends, marketers use the data gathered through this technology to make smarter and more effective marketing decisions.

Frost & Sullivan defines marketing automation software (MAS) as a suite of platforms enabling automated marketing and sales activities to drive revenue growth and empower organizations to make data-driven decisions[1]. These activities include campaign management, lead management, sales enablement, and marketing analytics and measurement. There are many MAS providers, but Frost & Sullivan predicts that market consolidation will be a large challenge for smaller providers, as large enterprise software companies swallow pure-play MAS technology vendors. Furthermore, pricing drives MAS vendors' differentiation and reduces marketing revenue - even as the market matures. Finally, convincing businesses, particularly smaller to mid-sized businesses (SMBs), to invest into MAS solutions still proves quite difficult, especially in cheaper labor regions that prefer to hire marketers instead of investing in software. Even with these challenges, Frost & Sullivan forecasts that the mass adoption of MAS within the SMB sector will lead to a high growth of $1.56 billion in revenue, particulary in North America and Western Europe. Although the large enterprise customer segment grows, it shows relatively slow adoption of MAS when compared to SMBs. Large enterprises need a lot of customization and most MAS solutions are typically modular, off-the-shelf solutions that appeal largely to SMBs. MAS vendors looking to cover both market segments (SMBs and enterprises) must allow customization options and full-fledged features to meet the the growing marketing needs of both segments.

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[1] See Frost & Sullivan's *Global Marketing Automation Software Market: Marketing Automation Evolves into a True Cross-Channel Marketing Suite* (NED1-01), April 2015

Visionary Innovation & Performance and Customer Impact

Through software intuitive modeled after popular consumer social media channel Facebook, Act-On Software (Act-On) empowers mid-sized marketing teams to augment their online marketing efforts easily. Act-On built its MAS on the cloud, sanctioning its user-friendly software architecture for the modern marketer. Frost & Sullivan recognized Act-On Software in 2013 and commends the company once more for its grand MAS offering and profound growth.

Comprehensive Platform with Key Marketing Abilities for All Customer Requirements

Purpose built for marketers, Act-On's MAS offering is a software-as-a-service solution for inbound and outbound marketing initiatives that follows the company's mantra for customers: Brand, Demand, and Expand. Act-On prices the solutions depending on edition, the number of marketers and sales personnel using the system, and active contacts. In addition, Frost & Sullivan independent analysis confirms that Act-On is the only MAS vendor making application programming interface standard on its platform, heightening its usability and clearly differentiating it from competitive MAS solutions. For more active and traveling marketers, Act-On launched its mobile application on the iPhone applications store and Google Play. Act-On's Professional model includes the majority of the tools required for success with marketing automation campaigns, such as outbound marketing, social media marketing, inbound and content marketing, automation, integrations, reporting, and customer support. The Enterprise level includes more features for advanced social engagement & analysis, account-based marketing and reporting. Act-On offers add-ons capabilities, e.g., advanced social media module, account-based marketing, multiple score sheets, and data studio.

In addition to emerging growth and mid-market companies, marketing agencies that handle multiple brands utilize Act-On's MAS solutions, as its Act-On for Agencies build upon the Enterprise model with Agency Dashboard for Multiple Client Account Management. All models focus on marketing return-on-investment (ROI), and Act-On encourages customers to discover their ROI potential with its ROI calculator located on company's pricing page. For even more value, Act-On extends professional services for marketers and offers discounts for non-profit organizations interested in purchasing the MAS solution. Based on Frost & Sullivan's competitive analysis for MAS vendors, Act-On's full featured models, depth and breadth of its product line, and enhanced value through an open ecosystem and optional professional services place it in a superlative position within the MAS market for small and mid-sized businesses.

Act-On's Capture of Market Verticals

Frost & Sullivan's ongoing investigation of the MAS market indicates that high technology and software, businesses services, financial services, and manufacturing all capture a substantial amount of revenue for MAS vendors. Act-On properly identifies high technology and software, manufacturing, higher education, and channel marketing services as the most prominent investors in its solutions. Frost & Sullivan and Act-On both recognize that the manufacturing vertical demands innovative customer relationship management (CRM) solutions, since the digital age empowers customers' awareness of product features and specifications instantly, pushing for more client engagement technologies with MAS benefits. Furthermore, higher education focuses largely on student and donor engagement with marketing campaigns, opening the vertical to smart MAS technology that can better assist marketers with these relationships.

The company identifies Microsoft Dynamics as a key partner and customer for its MAS solutions. Act-On's architecture works well with Microsoft products, and thus, the company developed a product with integrated business intelligence (Act-On for Microsoft) running on Microsoft Azure in 2016. The product enables connections with mainstream Microsoft products, such as Microsoft Outlook and Dynamics CRM itself. Through these abilities, tools marketers using Microsoft offerings operate the MAS, saving time and providing a single, easy-to-use dashboard for their campaign needs.

Open Ecosystem for Marketers to Build Campaign Arsenals

A recent Frost & Sullivan report on MAS concludes that key aspects of marketing software include powerful analytics, ease of use, cross-channel marketing capabilities, and tight CRM integration. Analytics is a crucial component of MAS software to launch relevant campaigns influenced by measurable metrics — e.g., customer profiles, behavior, and content — calibrated through CRM software. Furthermore, businesses expect marketers to be more Big Data-focused and tie in marketing features with sales opportunities — accomplished with CRM solutions. As such, Act-On's MAS offering focuses on the marketer and gives them tools for success based on native integrations with premier providers — such as Salesforce, SugarCRM, Microsoft Dynamics, and NetSuite — to strengthen the marketing-sales relationship and team initiative. The "Brand" component of Act-On's mantra supports this initiative by re-thinking the sales process and taking a more programmatic and predictive approach to both vital business processes.

Act-On's Growth in the MAS Market

Frost & Sullivan calculates that Act-On captured about 4% of the global revenue, seeing strong business in North America and Europe. The company opened two international offices in Reading, England, and Bangalore, India, as well as five offices in the United States. The company also recently partnered with a reseller of its solutions in Australia. From 2014 to 2015, Act-On grew to 400 employees and identifies a 380.2% global growth from 2012 to 2015. Act-On's significant growth and international presence, especially in North America and Europe, cinches the company's position in the market as a protuberant MAS vendor for mid-market and growing businesses seeking to enhance their brand, increase demand, and expand customer relationships.

Conclusion

Companies can no longer trust marketers to manually carry out complex and multi-channel campaigns by themselves and without powerful software. The marketing automation software market grows quite quickly as businesses of all sizes embrace these solutions. Previously recognized by Frost & Sullivan in 2013, Act-On Software continues its special run in the space, enabling medium and enterprise businesses to harness its mantra "Brand, Demand, and Expand" for their use and return on investment.

With its comprehensive platform and features designed for better marketing efforts by all companies, Act-On Software earns the 2016 Frost & Sullivan Global Company of the Year Award.

Significance of Company of the Year

To receive the Frost & Sullivan Global Company of the Year Award requires a market participant to demonstrate excellence in growth, innovation, and leadership. This kind of excellence typically translates into superior performance in three key areas: demand generation, brand development, and competitive positioning. These areas serve as the foundation of a company's future success and prepare it to deliver on the two criteria that define the Company of the Year Award (Visionary Innovation & Performance and Customer Impact).

Key Benchmarking Criteria

For the Global Company of the Year Award, Frost & Sullivan analysts independently evaluated two key factors — Visionary Innovation & Performance and Customer Impact — according to the criteria identified below.

Visionary Innovation & Performance

Criterion 1: Addressing Unmet Needs

Criterion 2: Visionary Scenarios through Mega Trends

Criterion 3: Implementation Best Practices

Criterion 4: Blue Ocean Strategy

Criterion 5: Financial Performance

Customer Impact

Criterion 1: Price/Performance Value

Criterion 2: Customer Purchase Experience

Criterion 3: Customer Ownership Experience

Criterion 4: Customer Service Experience

Criterion 5: Brand Equity

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often, companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry players and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS
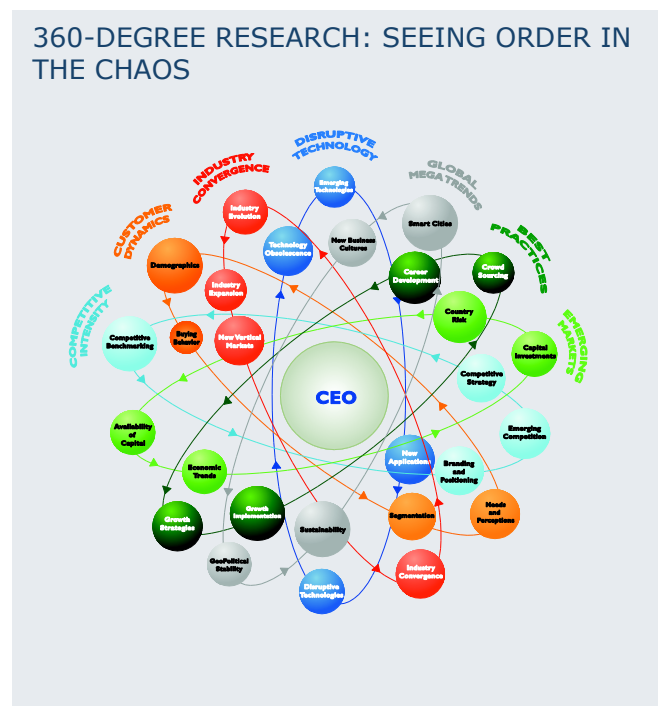
Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan Awards follow a 10-step process to evaluate Award candidates and assess their fit with select best practice criteria. The reputation and integrity of the Awards are based on close adherence to this process.

STEP		OBJECTIVE	KEY ACTIVITIES	OUTPUT
1	**Monitor, target, and screen**	Identify Award recipient candidates from around the globe	• Conduct in-depth industry research • Identify emerging sectors • Scan multiple geographies	Pipeline of candidates who potentially meet all best-practice criteria
2	**Perform 360-degree research**	Perform comprehensive, 360-degree research on all candidates in the pipeline	• Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice criteria • Rank all candidates	Matrix positioning all candidates' performance relative to one another
3	**Invite thought leadership in best practices**	Perform in-depth examination of all candidates	• Confirm best-practice criteria • Examine eligibility of all candidates • Identify any information gaps	Detailed profiles of all ranked candidates
4	**Initiate research director review**	Conduct an unbiased evaluation of all candidate profiles	• Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles	Final prioritization of all eligible candidates and companion best-practice positioning paper
5	**Assemble panel of industry experts**	Present findings to an expert panel of industry thought leaders	• Share findings • Strengthen cases for candidate eligibility • Prioritize candidates	Refined list of prioritized Award candidates
6	**Conduct global industry review**	Build consensus on Award candidates' eligibility	• Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates	Final list of eligible Award candidates, representing success stories worldwide
7	**Perform quality check**	Develop official Award consideration materials	• Perform final performance benchmarking activities • Write nominations • Perform quality review	High-quality, accurate, and creative presentation of nominees' successes
8	**Reconnect with panel of industry experts**	Finalize the selection of the best-practice Award recipient	• Review analysis with panel • Build consensus • Select winner	Decision on which company performs best against all best-practice criteria
9	**Communicate recognition**	Inform Award recipient of Award recognition	• Present Award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance	Announcement of Award and plan for how recipient can use the Award to enhance the brand
10	**Take strategic action**	Upon licensing, company may share Award news with stakeholders and customers	• Coordinate media outreach • Design a marketing plan • Assess Award's role in future strategic planning	Widespread awareness of recipient's Award status among investors, media personnel, and employees

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit http://www.frost.com.