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The Forrester Wave™: Community Platforms, Q4 2010

by Melissa Parrish
for Interactive Marketing Professionals



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Lithium And Jive Lead The Way, With KickApps Close Behind

by **Melissa Parrish**

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EXECUTIVE SUMMARY

In Forrester's 60-criteria evaluation of community platform vendors, we found that Lithium Technologies and Jive Software led the pack because of their mature tool sets and depth of services offered. KickApps, Telligent Systems, and Mzinga each offer capable technology solutions, best-suited for specific marketers who need extremely quick and light deployments, have technical resources at their disposal, or who are easing their way into social business tools. All five of these vendors are mature offerings, with a significant lead on the rest of the vendors in this rather crowded space.

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Forrester conducted product evaluations in August 2010 and interviewed five vendor and user companies: Jive Software, KickApps, Lithium Technologies, Mzinga, and Telligent Systems.

Related Research Documents

"Midyear Planning: Predictions For 2011"
July 29, 2010

"Community Management Checklist"
June 29, 2010

MARKETERS REQUIRE SPECIALIZED COMMUNITY PLATFORMS

Forrester's research shows that 24% of interactive marketing executives of companies with \$500 million or more in revenue are currently implementing or piloting a program using a community platform.¹ An additional 31% plan to pilot a consumer-facing community program in the next 12 months.² With this kind of momentum building, it's no surprise that marketers are increasingly requiring community platforms that address their specific needs — and the vendor market is responding.

This Wave is focused on the factors that matter most to Interactive Marketers as they evaluate vendors to support their consumer-facing community initiatives. While we're in the midst of a turning point in which more and more departments within an enterprise are using social media to engage their consumers — and colleagues — and meet their own business objectives, it is our goal to address the specific needs of interactive marketers including:

- **Ease of deployment.** Marketers are looking for community platforms that allow them to configure, deploy, and manage communities in the most efficient and effective way possible, with minimal ongoing reliance on internal technical support. The ability to iterate on and replicate their community successes on their own timelines is important as marketers' community initiatives mature. To achieve efficient deployment, marketers will sometimes even trade robustness and complexity for fewer features and simplicity of management interfaces and processes.
- **Matching community results to business goals.** Marketers understand that a key step in preparing to launch any social program, including branded communities, is identifying the specific groundswell objectives they most want to achieve. Thus, marketers are looking for vendors that offer not only analytics tools but also strategic services to help marketers understand which of the platform's functionalities will best help them achieve their goals and analysis services to help discover the progress they've made toward them.
- **Keeping the community healthy.** Thirty-seven percent of interactive marketing executives are measuring customer engagement in some way, but getting at this measurement isn't always as simple as metrics — especially in communities.³ Marketers are increasingly relying on the community management expertise and services of their platform vendors to help them keep their customers engaged, the communities vibrant, and misbehavior to a minimum.

Technology Vendors Differentiated By Nontechnical Offerings

The last time we evaluated community vendors, there were more than 90 players in the space.⁴ Today there's even more competition as the market has continued to expand rapidly. With such a crowded market and such large interest from marketers, core social features have become standard requirements and other factors are what differentiate vendors from one another. As a result, the way we've evaluated vendors in this space has changed too:

- **Core features are now table stakes.** We've created a list of standard features in key areas that every community platform vendor should offer to even be considered in the space (see Figure 1). Vendors that offer something particularly special *in addition* to these features begin to stand out from the crowd.
- **Services matter even more.** Marketers increasingly look to platform vendors to provide key strategic advice and ongoing analysis to assess the health of their community programs. The services that matter most are strategic planning, rebranding and integration, and community management.
- **A marketing-focused vision is key.** Since marketers' needs are specific — including ease of deployment, user-friendly interfaces, and community management and moderation — vendors who focus on them most directly are likely to be the best match for interactive marketers launching consumer-facing communities. Therefore, vendors score higher for their vision if it's clearly focused on the needs of marketers.

Figure 1 Community Platform Standard Features

Core administration features

Administer permissioning
Member permissioning
Member moderation
Customization of look and feel via WYSIWYG
Customization of look and feel via CSS
Feature selection
Member status and loyalty specifications
Automated email administration
Ability to create new communities

Core analytics features

Traffic across all content types
Registrations and user activity
Customizable report templates
Access to data warehouse for custom manual reports
Most popular content
Most popular members
Influencer identification

Core content management, syndication, and import features

RSS feeds of all community content
Share this button
Facebook integration (SSO + users can post to Facebook from within community)
Twitter integration (SSO + users can post to Twitter from within community)
Ability to create widgets to pull content from external social Web to community
Ability to create widgets to syndicate content from community to external social Web

Core moderation features

Automated moderation based on defined keywords
UGC moderation
Ability to choose pre- or post-moderation
Ability to hide all content by an abusive member
Ability to remove a member
Ability to enable member-reported abuse (i.e., flaggings)
Ability to establish rules for autohiding content based on member reporting

Core functionality

Member profiles
Social networking
Blogs
Wikis
Discussion boards
Polls
Groups
Private messaging
Ratings
Reviews
Photo galleries
Video upload/embed
Badges/reputation system
Commenting
Share this/social bookmarking
Search
Custom pages

COMMUNITY PLATFORM EVALUATION OVERVIEW

To assess the state of the community platform market, Forrester evaluated the strengths and weaknesses of five of the top six community platform vendors, who all have a significant lead on other vendors in the space according to our qualification criteria.⁵

Criteria Focuses On Services, Leadership, And Viability

After examining past research, user need assessments, and vendor and expert interviews, we developed a comprehensive set of evaluation criteria. We evaluated vendors against 60 criteria, which we grouped into three high-level buckets:

- **Current offering.** These criteria focus on the features and functionality of the platform, strategic and technical services available through the vendor, the usability of the tools, and the depth of integrations possible between the community platform and other systems.
- **Strategy.** These criteria are used to evaluate the overall positioning and vision of the company and its ability to meet the immediate and long-term needs of marketers launching consumer-facing communities. Included in these criteria are the vendor's mission, road map, partners, employee base, and leadership team.
- **Market presence.** This section includes standard criteria like revenue growth, number of clients, customer retention rate, and enterprise client base, as well as marketer-specific criteria like the vendor's focus on marketing and large-scale communities.

Vendors Have Experience Launching Marketing Communities For Large Companies

Forrester included five vendors in the assessment: Lithium, Jive, KickApps, Telligent, and Mzinga (see Figure 2). Each of these vendors has:

- **A large client base of interactive marketers with consumer-facing communities.** Each of the vendors has a strong track record of launching external communities for marketing purposes and with the needs of interactive marketers in mind.
- **Experience working with enterprise-level companies.** All of the vendors have experience working with customers whose companies earn \$1 billion or more, which represent at least 20% of their customer bases.
- **Experience supporting multiple large communities.** Each company currently hosts several communities with at least 250,000 members.
- **Healthy revenue and growth.** The vendors have shared either publicly or privately their revenue and customer acquisition numbers, which indicate solid financials and healthy growth.

- **Solid customer bases and retention rates.** All of the vendors have shared the number of customers they serve and their customer turnover rates, which indicate stable customer bases.

Figure 2 Evaluated Vendors: Product Information And Selection Criteria

| Vendor | Product evaluated | Product version evaluated | Version release date |
|----------------------|-----------------------|---------------------------|----------------------|
| Jive Software | Jive Engage | 4.5 | June 2010 |
| KickApps | Social Media Platform | 5.0 | July 2010 |
| Lithium Technologies | Social Customer Suite | 9.12 | August 2010 |
| Mzinga | OmniSocial 2010 | 2.0 | June 2010 |
| Telligent Systems | Telligent Community | 5.5 | February 2010 |

Vendor qualification criteria

| |
|--|
| More than 10 consumer-facing communities with 250,000 members or more |
| At least 20% of their clients earn \$1 billion or more in annual revenue. |
| At least 50% of their clients deploy the platform for customer-facing communities. |
| Client demand from inquiries |

57521

Source: Forrester Research, Inc.

COMPETITION AMONG VENDORS GIVES MARKETERS SEVERAL STRONG CHOICES

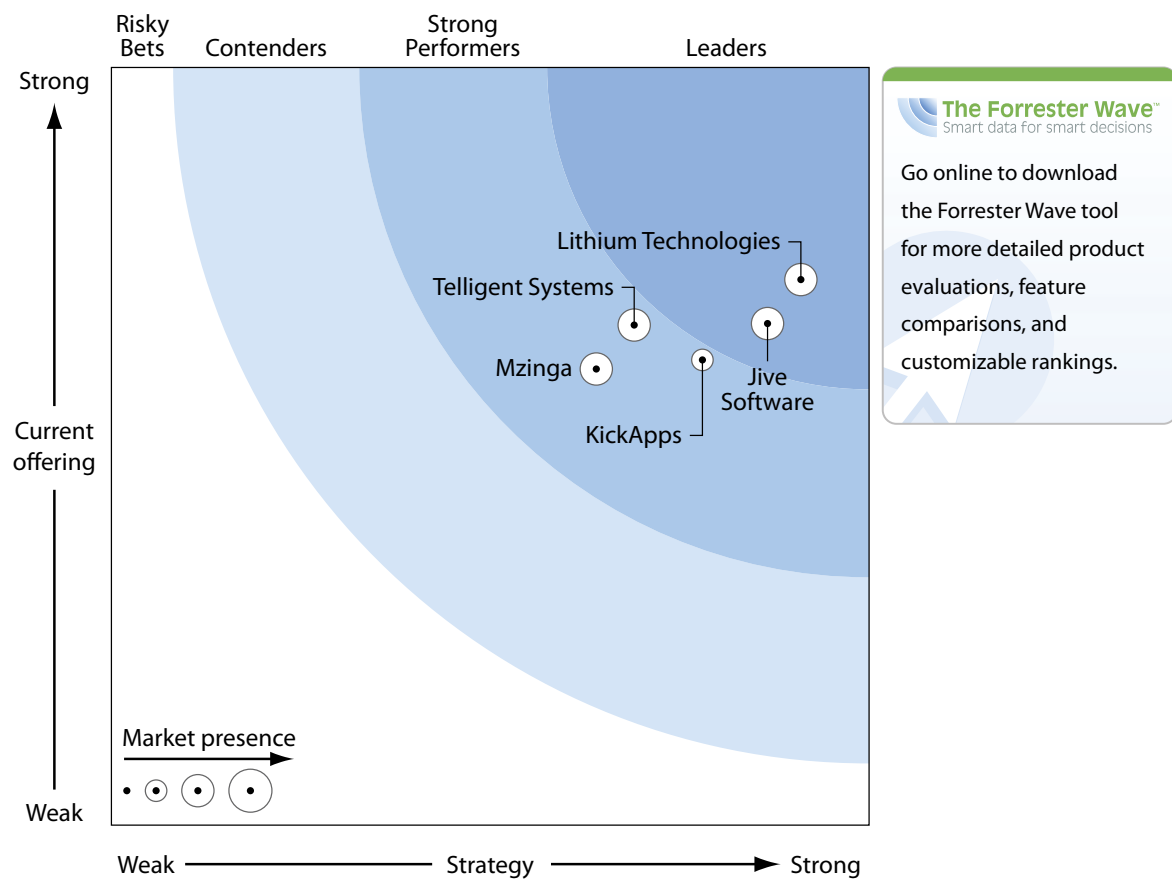
The evaluation uncovered a market in which (see Figure 3):

- **Lithium and Jive lead the pack.** With strong technology backbones, richness of features, and a wide variety of service offerings, Lithium and Jive are best-positioned to serve the greatest number of marketers. Lithium offers particular expertise in community management for interactive marketers whose business objective is to maximize engagement with their consumers through an external community. Jive offers comprehensive tools to integrate the customer community with internal, employee-facing collaboration platforms, allowing the interactive marketer’s customer-facing community to become a key piece of a company’s overall social business initiatives.
- **KickApps, Telligent, and Mzinga offer competitive options.** As Strong Performers, each is able to cater to marketers’ basic technical needs and each has a distinctive aspect that makes it appropriate for specific kinds of marketers. What primarily distinguishes them from the Leaders is their room to grow in the services area, the unique features they offer, and their overall

strategies. KickApps has deep and intuitive self-service tools that make it possible to launch a community in mere hours. Mzinga offers a marketer-friendly administrative console and live online event tools. Telligent enables marketers to integrate with many existing business systems and to create their own innovative features on top of Telligent’s stable platform.

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

Figure 3 Forrester Wave™: Community Platforms, Q4 2010



Source: Forrester Research, Inc.

Figure 3 Forrester Wave™: Community Platforms, Q4 2010 (Cont.)

| | Forrester's Weighting | Jive Software | KickApps | Lithium Technologies | Mzinga | Telligent Systems |
|---------------------|-----------------------|---------------|----------|----------------------|--------|-------------------|
| CURRENT OFFERING | 50% | 3.31 | 3.07 | 3.60 | 3.01 | 3.30 |
| Breadth of offering | 100% | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Platform | 30% | 4.00 | 3.55 | 4.00 | 2.95 | 3.60 |
| Data | 10% | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Integration | 10% | 3.80 | 3.40 | 3.10 | 3.00 | 3.80 |
| Usability | 10% | 1.40 | 3.00 | 3.00 | 3.00 | 3.00 |
| Services | 25% | 2.65 | 2.20 | 3.15 | 2.75 | 2.45 |
| Features | 15% | 4.20 | 3.45 | 4.65 | 3.60 | 4.20 |
| Pricing | 0% | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| STRATEGY | 50% | 4.33 | 3.90 | 4.55 | 3.20 | 3.45 |
| Leadership | 90% | 4.25 | 4.00 | 4.50 | 3.00 | 3.50 |
| Internal resources | 10% | 5.00 | 3.00 | 5.00 | 5.00 | 3.00 |
| MARKET PRESENCE | 0% | 3.48 | 2.95 | 3.40 | 3.45 | 3.60 |
| Financial viability | 50% | 3.75 | 2.50 | 3.00 | 3.50 | 3.70 |
| Clients | 50% | 3.20 | 3.40 | 3.80 | 3.40 | 3.50 |

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

57521

Source: Forrester Research, Inc.

VENDOR PROFILES

Leaders: Fully Featured Platforms With Strategic Expertise

- **Lithium zeroes in on the marketer.** With a fully featured community suite, a comprehensive listening platform, and a robust and dedicated moderation tool set, Lithium has considered the three most important needs of marketers: tools that consumers can use to interact with the marketer and each other; the ability to know what consumers think about their company, brands, or services; and the ability to keep their communities healthy, thriving, and trouble-free. The platform is intended to be deployed by nontechnical customers, and the drag-and-drop configuration tools and an experienced strategic services team speak to that focus.

There are two key differentiators that most distinguish Lithium: First is its expertise in community management, which includes a full-service community management and moderation team, led by the company's chief community officer, and the basic services of which are included with every deployment of its platform. Second is its strategy, which focuses on the marketer with laser-target exactness and which aims to provide tools and services to meet marketers' needs as they engage with their social consumers.

To continue to lead in the space, Lithium will need to continue to develop seamless integrations with other systems like content management system (CMS) tools and ad serving platforms. Adding more large companies to its customer base — and more quickly than it has previously — will also be key. This will mean finding the sweet spot between offering a deep level of service to each customer and efficiently handling the workload.

- **Jive serves the enterprise.** Of all the companies we evaluated, Jive works with the largest base of enterprise-level customers, and its 360-degree social business solution is built to serve them. With easily the most robust set of technology offerings, Jive courts not just the marketer, but the whole enterprise, seeking to usher in the era of social collaboration inside the enterprise, outside with customers, and everywhere in between. Thus, its platform is built for richness of applications and deep integration within an organization.

Its recent closing of a \$30 million Series-C round of funding shows that investors believe in Jive's vision too. And what most distinguishes it from Lithium is this vision: While it includes the interactive marketers' needs in a meaningful way, Jive is not singularly focused on the interactive marketer the way Lithium is.

The best way Jive can ensure that it continues to attract marketing customers is by continuing to evolve the consumer-facing community tools and services as its own product. There is room to simplify the dashboards and make the language more marketer-friendly; to make the platform easier for nontechnical users to deploy; and to ramp up in-house community management expertise. Enhancements like this would make Jive even more appealing to marketers without having to focus on the internal collaboration tool set — which is not necessarily relevant for the interactive marketer who just needs to launch an external community with the least amount of technical hassle. Complexity can add utility, but it can also overwhelm.

Strong Performers: Solid Choices, Each With Room To Grow

- **KickApps cuts out the middleman.** KickApps has, without a doubt, the most complete and mature set of self-service tools for launching and extending community functionality. Its App Studio enables a nontechnical user to create completely custom widgets and applications to extend KickApps' standard functionality to a more comprehensive degree than any other custom tool out there.

KickApps' opportunities for improvement come primarily from two areas: unique off-the-shelf tools and services offerings. The App Studio is a great tool for marketers to create custom applications, but continuing to develop unique functionality as part of the core platform will keep KickApps competitive in this growing market where more and more features are becoming standard. For example, most of the other vendors we've evaluated have tools that allow marketers to monitor and respond to conversations about their brands that are happening in social networks off the hosted platform. Though there is an application template in the App

Studio that will allow a marketer to create a listening dashboard of his or her own, this is one area where KickApps could concentrate some development resources and which would make its stable of features more complete.

Services are another area of growth on which KickApps has been concentrating as of late, adding design and integration services and adding Alan Wolk to the team as the managing director of its new Social Media Strategy division. Continuing to bring more of those strategic services in-house will make KickApps even more competitive in the vendor landscape.

- **Telligent fosters companies' own innovation.** Telligent's approach is to focus on the true platform nature of its technology. It is most successful when a customer comes to it with a clear strategy, an innovative idea for a piece of functionality to build on top of Telligent's platform, and the resources to implement. When all those elements come together, new social and community experiences can be created that can really wow a marketer's consumer.

However, not all marketers work within an organization where deep collaboration with their own developers or development partners is desirable or possible. For those marketers, Telligent does offer a complete set of tools in its user-friendly, off-the-shelf software, but Telligent's focus is on providing technical solutions — rather than services — to address marketers' needs like moderation and analysis. Ultimately, Telligent's true differentiator is its platform's ability to be integrated and extended by smart technical companies, which makes it an excellent choice for some marketers but doesn't hold as broad an appeal as the Leaders' offerings.

- **Mzinga offers strong services.** Mzinga has a history of offering strategic and community services to its customers. With the current release of OmniSocial 2010, which offers a combined suite of tools for bridging internal and external communities, services continue to be an area of strength for Mzinga as it has added more offerings to support its long-term vision. However, OmniSocial 2010 is in its early stages and has room to improve with future releases.

OmniSocial has the standard features and functionality covered, but to continue to grow, Mzinga will need to add unique tools to make OmniSocial stand out, such as tools that improve marketers' ability to communicate outside of the hosted community, to manage the flow of content, and to inspire community members to become loyalists and evangelists. Adding more official partners to the mix will help Mzinga iterate more quickly. Additionally, customers still on legacy technology from former acquisitions need to have a plan for being migrated to the more robust tools and deeper analytics the OmniSocial product offers.

SUPPLEMENTAL MATERIAL

Online Resource

The online version of Figure 3 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

Data Sources Used In This Forrester Wave

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

- **Product demos.** We asked vendors to conduct demonstrations of their products' functionality. We used findings from these product demos to validate details of each vendor's product capabilities.
- **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with three of each vendor's current customers.

The Forrester Wave Methodology

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

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

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and we encourage readers to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve.

Methodology

Forrester fielded its May 2010 US Interactive Marketing Online Survey to 309 interactive marketing professionals. For quality assurance, panelists are required to provide contact information and answer basic questions about their firms' revenue and budgets.

Forrester fielded the survey in May 2010. Exact sample sizes are provided in this report on a question-by-question basis. Panels are not guaranteed to be representative of the population. Unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes.

If you're interested in joining one of Forrester's research panels, you may visit us at <http://Forrester.com/Panel>.

ENDNOTES

- ¹ By asking, "Thinking specifically about your social marketing initiatives, please indicate which you are currently using, piloting, or expect to pilot in the next 12 months." Twenty-four percent of the 67 companies with \$500 million or more in revenue stated that they are currently implementing or piloting community platforms like Jive Software or Lithium Technologies to track customer interactions. Source: May 2010 US Interactive Marketing Online Survey.
- ² Forrester's Interactive Marketing Online Survey finds that 31% of the 67 companies with \$500 million or more in revenue plan to pilot community platforms like Jive Software or Lithium Technologies to track customer interaction when asked, "Thinking specifically about your social marketing initiatives, please indicate which you are currently using, piloting, or expect to pilot in the next 12 months." Source: May 2010 US Interactive Marketing Online Survey.
- ³ In our Interactive Marketing Online Survey, we asked, "How do you measure social marketing initiatives" and found that 37% of the 67 marketing executives in companies with at least \$500 million in revenue are measuring their efforts through a standard cross-company process, through departmental processes, or through one siloed team that tracks all social marketing initiatives. Source: May 2010 US Interactive Marketing Online Survey.
- ⁴ In 2009, we evaluated nine of the 90-plus vendors that were active in the community platforms market. See the January 9, 2009, "[The Forrester Wave™: Community Platforms, Q1 2009](#)" report.
- ⁵ Demand Media also met the initial requirements for inclusion in this Wave for its Pluck product. However, having filed an S1, it is currently under the SEC-mandated quiet period and therefore cannot be included in this evaluation.

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