



IDC MarketScape

IDC MarketScape: Worldwide Enterprise Social Networks 2014 Vendor Assessment

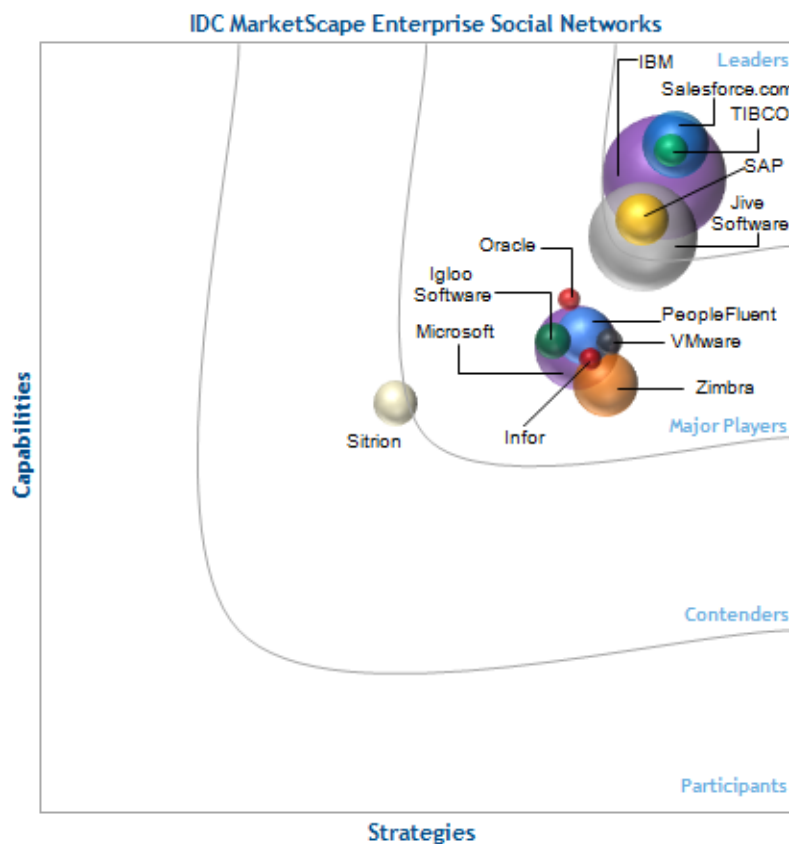
Vanessa Thompson

THIS IDC MARKETSCAPE EXCERPT FEATURES: SALESFORCE.COM

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Enterprise Social Networks Vendor Assessment



Source: IDC, 2014

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: IDC MarketScape: Worldwide Enterprise Social Networks 2014 Vendor Assessment (Doc #252332). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

Enabling a "digital business" is becoming an increasing priority for organizations; the transition to enabling a digital interaction model inside an organization is twofold. There are technologies that underpin interactions as well as the cultural and behavioral changes that support this transition. Enterprise social networks (ESNs), and more broadly, social workflow, can play a significant role in this particularly when thought of as both a platform and a social workflow embedded in business systems where users are getting work done. The market for enterprise social networks has changed dramatically since it was last discussed in *IDC MarketScape: Worldwide Enterprise Social Software 2012 Vendor Analysis* (IDC #237336, October 2012). A broad transition has occurred from a focus on standalone solutions to a situation where social workflow is becoming embedded across enterprise systems as well as productivity applications. This study examines this market transition and how it impacts the ability of leading vendors to increase their market share. Alongside this transition, it is not surprising that the qualities that will define the market share winners in the next few years are not necessarily the ones that brought success to today's leaders. This study identifies several key areas of market opportunity that lead to criteria by which vendors can be judged now and over the next three to five years. In addition:

- The handoff between technology solutions and organizational silos needs to be integrated while taking into account the need for dynamic, mobile, global, and elastic software deployment and usage. This isn't easy to execute from a process or a systems perspective.
- Open and extensible solutions can support a broader business transformation by enabling access to other business systems and content sources. Alongside the transparency of a solution, enterprise social networks are able to highlight where redundant business processes may start to occur.
- Enterprise social networks have a varied impact depending on how embedded business decisions become in the network itself. This impact is primarily influenced by industry, the level of automation in decision making that already exists, the complexity of the organization, and the number of ad hoc decisions that need to be made.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

This IDC MarketScape looks at enterprise social networks vendors. The criteria for inclusion of vendors in this IDC MarketScape analysis are as follows:

- Vendors must offer proprietary enterprise social networks, standalone or embedded. Any delivery model is acceptable (e.g., on-premises, software as a service [SaaS], and hosted).

- Annual revenue from ESN (or the application the ESN is embedded in) exceeds \$10 million in sales.
- Vendors must have a presence in the United States.

Enterprise social networks in this study were reviewed as they were in general availability as of July 2014.

ESSENTIAL BUYER GUIDANCE

To maximize value and minimize disruption, enterprise leaders must consider the following factors when evaluating enterprise social networks:

- A number of ESN providers, namely IBM, TIBCO (tibbr), and Igloo Software, are aggressively targeting an embedded platform approach where the core ESN is either embedded or white labeled within the host provider solution. This approach is akin to the platform strategy that is inherent to SAP, Oracle, Infor, and PeopleFluent where social capabilities are able to be surfaced from inside the core enterprise application. Microsoft also offers this from a productivity perspective, with Yammer surfaced in the ribbon in Office 365.
- Strategic partnerships will become critical as ESN platforms become more deeply embedded inside business processes. For standalone solution providers, strategic partnerships like that of tibbr and NetSuite, where tibbr's functionality is surfaced within the NetSuite interface, will become a good alternative to embedded solutions.
- Communities to engage customers, partners, and suppliers will continue to garner more mindshare. As organizations focus on communicating with customers, there is a greater need to align internal conversations, content, and decisions toward meeting customer needs. Communities offer a place to capture the broader influence of a customer and/or partner community and enable organizations to consolidate the customer experience through a single point of entry.
- Mobile messaging is an increasingly required capability for organizations to facilitate ad hoc work. There is a burgeoning adjacent market in mobile messaging, with providers like Cotap and Lua providing a stripped-down version of the ESN for specific processes that are less content driven. Look for some ESN providers to offer a standalone mobile, while other providers will partner or, ultimately, acquire in this space.
- The standalone file sync and share market is rapidly maturing, and sync capabilities are quickly being built into ESNs as well as other collaboration solutions. ESNs need to be able to consume a broad range of content types from various repositories, and openness from an integration/API perspective will be critical going forward.
- For many organizations, longer-term hybrid cloud is a reality. The impact of this is a scenario where some on-premises applications need to point to cloud-based applications. With much of the market for ESN being cloud based, organizations need to make strategic choices about business processes they connect to existing on-premises applications.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Salesforce.com

Salesforce.com (Chatter) is a Leader in this IDC MarketScape. Chatter aims to become the social fabric across all salesforce.com products and underpins the company's Salesforce1 strategy. The Chatter platform enables both internal and external collaboration communities through both core Chatter capabilities and Chatter Communities. This analysis covers Chatter only and not Chatter Communities. Chatter is offered free, and Chatter Plus is available for \$15 per user per month. Additional features included in Chatter Plus are the ability for customers to build 10 custom objects and 1 custom application within the Chatter interface as well as access to the Chatter app marketplace and over 75 Chatter-specific partner solutions.

The Chatter mobile experience is via Salesforce1 and is available natively on iOS and Android as well as via any mobile browser leveraging HTML5. Salesforce1 is a platform as well as being the mobile app that replaces all the other mobile ways to interact with the Salesforce CRM system, including Chatter. The platform is built atop the existing Force.com platform and provides an environment to the user that supports a catalog of APIs and provides an environment where organizations and partners can build highly responsive HTML5/hybrid apps using leading JavaScript frameworks and tools. Salesforce1 also operates as a mobile SDK where native apps can be developed using Objective-C (iOS) and Java (Android).

The Salesforce1 platform has become the primary interface to integrate with other major enterprise applications including SAP, Siebel Systems, Oracle, Infor, and Workday. Salesforce.com has built a strong set of integration partners that are able to utilize the suite of Chatter API services to support several patterns for integrating with packaged and custom enterprise applications. Salesforce.com also provides a series of import wizards and data loader to facilitate the import/export of data from third-party applications. Salesforce.com has a number of specific third-party analytics partners including GoodData and Indicee; these partners provide basic reports as well as customization capabilities to help customers analyze and maximize the value of social interactions.

Strengths

Salesforce1 acting as development environment as well as a mobile app management environment for customers and partners enables one-click deployment for mobile capabilities. With Chatter being embedded in the underlying platform, Chatter capabilities underpin all application experiences that are built upon the Salesforce1 platform. This offers two critical strengths – one is the ability to surface chatter conversations (as well as objects and information from the activity stream feed) from within other applications and the other is the ability to streamline enterprise access and security requirements via a single consolidated app experience.

Challenges

With the overarching notion of surfacing social workflow inside other applications, Chatter has an opportunity to become pervasive across new enterprise and mobile applications. Many organizations now focus on meeting the future potential touch points of customers, partners, and suppliers, which gives salesforce.com a clear opportunity to become the provider of choice to these companies looking to develop and deliver streamlined and specific user experiences as well as being flexible enough to meet rapidly changing customer strategies and user expectations.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis, or capabilities axis, reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

The market for enterprise social networks has changed dramatically over the past 18 months. The drastic shift in the enabling technologies, the availability of mobile applications and devices, and the ubiquity of cloud-based applications is one cause. Another cause is that users are more comfortable with transitioning their personal productivity behaviors into the work environment and how they interact with business applications. In parallel, enterprise application and productivity software vendors have embedded a more social workflow into their products. The confluence of all of these factors means that the standalone market for enterprise social networks has transitioned into a market where social capabilities are heavily embedded in other applications and strategic partnerships are critical.

In this analysis, future strategy is critical to product longevity in this market so the strategies portion of the analysis is weighted at 60% and the capabilities section is rated at 40%. Future strategy in key areas of integration through extensible/open platforms and APIs as well as looking toward future potential touch points in diversity and flexibility of mobile capabilities (primarily API/SDK driven) were critical.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

Enterprise social networks (ESNs) enable social collaboration capabilities to users that are either inside or outside an organization's firewall. Those users primarily in non-customer-facing roles are the focus of these solutions, but customer-facing interactions may also occur. Solution capabilities of enterprise social networks should include, but are not limited to, activity streams, wikis, microblogging, blogs, discussion forums, groups (public or private), ideas, profiles, recommendation engines (people, content, or objects), tagging, bookmarking, and secure communities. An ESN provides a social collaboration or relationship layer in a business that can be an independent or a standalone solution and/or a set of service-oriented APIs or integrated applications that coexist with other business and communications applications. Vendors tracked in the enterprise social networks market can offer discrete solutions supporting one type of social functionality (such as community management, ideation, or innovation management) or a broad-based platform that encompasses many functionality traits. A variety of deployment options (on-premises, software as a service [SaaS], hosted application management, or software appliance) are made available. The following are some of the representative vendors and products in the enterprise social networks market:

- IBM (IBM Connections)
- Jive Software
- Microsoft (Yammer)
- Salesforce.com (Chatter)

The ESN market also includes pure-play community solutions (Lithium Technologies) as well as innovation management solutions (Spigit). This analysis is focused on core ESN capability and does not assess the community capabilities of the Jive Software product Jive X, the salesforce.com Communities Cloud, or tibbr Communities.

LEARN MORE

Related Research

- *Worldwide Mobile Enterprise Applications 2014-2018 Forecast and Analysis* (IDC #251433, October 2014)
- *Worldwide Enterprise Social Networks 2014-2018 Forecast and 2013 Vendor Shares* (IDC #249846, July 2014)
- *The Des Moines Wastewater Reclamation Authority Goes Mobile and Social* (IDC #249456, June 2014)
- *IDC MaturityScape: Social Business* (IDC #248527, May 2014)
- *SharePoint Conference 2014: Working Like a Network* (IDC #lcUS24741514, March 2014)
- *Oracle on Oracle Social Network* (IDC #245993, January 2014)

Synopsis

This IDC study uses the IDC MarketScape model to provide an assessment of a number of vendors participating in the enterprise social networks market. The IDC MarketScape is an evaluation based on a comprehensive framework and a set of parameters that assess vendors relative to one another and to those factors expected to be most conducive to success in a given market during the short and long term.

"As social workflow becomes embedded in the way we work and the way we get things done, enterprise social networks have changed significantly," says Vanessa Thompson, research director, IDC's Enterprise Social Networks and Collaborative Technologies. "Connecting people, data, and information is critical to find experts and make business decisions, but those connections also require context from interactions in a reasonable time period to support a more streamlined escalation or decision-making process.

About IDC

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