

The Forrester Wave™: Customer Service Solutions For Enterprise Organizations, Q2 2017

Intelligence And Omnichannel Engagement Are Fueling Adoption Of Customer Service Solutions

by Kate Leggett and Ian Jacobs

June 28, 2017

Why Read This Report

In our 35-criteria evaluation of customer service solution vendors for enterprise organizations, we identified the nine most significant ones — eGain, Microsoft, Oracle, Pegasystems, Salesforce, SAP Hybris, ServiceNow, SugarCRM, and Verint Systems — and researched, analyzed, and scored them. This report details our findings in order to help application development and delivery (AD&D) professionals supporting CRM operations select the right partner for their customer engagement initiatives.

Key Takeaways

Salesforce And Oracle Lead The Pack

Forrester uncovered a market in which Salesforce and Oracle lead the pack. Microsoft, SAP Hybris, Verint Systems, and Pegasystems offer competitive options with their breadth of capabilities and mature business practices. eGain, ServiceNow, and SugarCRM lag behind. Yet, change in this space will continue as vendors broaden their footprint in areas adjacent to core customer service capabilities.

Enterprise Customer Service Pros Look To Provide Differentiated Experiences More Easily

Enterprise customer service pros must integrate three complex technology categories to deliver service at scale: queuing and routing, customer service agent desktop, and workforce management. Vendors today are including more of these capabilities to make service delivery easier.

Intelligence And Omnichannel Interactions Rise To The Top

Enterprise organizations are heavily investing in intelligence and breadth of omnichannel engagement — from self-service to deploying a field tech — to provide differentiated service. Leading vendors offer prescriptive advice to help organizations uncover insights and recommend the best action to take over the totality of channels.

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Modern Customer Service Solutions Aim To Democratize Service

In the age of the customer, consumers have more information, more choices, more access, and more power. But they don't have more time. That's why the companies that win, serve, and retain customers focus on delivering the tenets of great experiences: ease, effectiveness, and emotion. These experiences fuel sustainable top-line growth. It's no wonder that customer engagement technologies — and especially customer service technology — are high on the list of investment priorities this year.¹

Enterprise customer service organizations are stymied by the current state of customer service technology, which prevents them from delivering differentiated customer service. This is because enterprise organizations leverage three technology categories to support their operations: queuing-and-routing technologies to capture and route incidents to the right agent pool; a CRM or customer service agent desktop to capture customer and case details; and workforce management technologies to monitor the quality of service delivered and manage agent staffing, productivity, and forecasting.

This legacy technology ecosystem is cumbersome, unintegrated, and expensive for enterprises. In the past three years, vendors have started to make cross-category acquisitions to try to simplify the ecosystem. These moves have the potential to democratize customer service technologies — making them simpler, smarter, and prepackaged — to allow enterprises to offer differentiated service. The vendors we included in this Forrester Wave evaluation are all embarking on this journey.

Enterprise Customer Service Innovation Goes Broader And Deeper

The nine vendors we included in this Forrester Wave evaluation reported a total of about 20,000 customers, with strong penetration in very large enterprises. We see that the shift to software-as-a-service (SaaS) is well underway. Forrester Data shows that a third of enterprises are using SaaS customer service solutions, and another third complement their existing solutions with SaaS. We expect SaaS to become the primary deployment model for customer service, and that newer SaaS solutions will replace most on-premises enterprise installations in the next five years.² In addition to SaaS, technology innovation in the customer service vendor landscape is evolving along several other vectors:

- › **Intelligence takes center stage.** Enterprises that manage huge volumes of data struggle to effectively route work to the right agent, surface the one right action, or pinpoint the next-best actions and steps for customer engagement. They increasingly use analytics and intelligence to uncover insight and prescribe the right action for the customer or agent to take.
- › **Omnichannel interactions become table stakes.** Customers increasingly demand that their time be valued, and they are turning to the channels that make sense to them to get their questions answered or problems solved quickly and effectively. Customer service vendors are broadening their omnichannel footprints. They now offer self-service via knowledge management and virtual agents as well as digital, social, and messaging channels. They have added visual engagement and even human engagement via field service.

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- › **Customer success rises to the top.** In a mature market, you have to dig deep to find real differences between vendor offerings. Customer service success depends on the right choice of consulting partners to implement and integrate your solution. Vendors are maturing their consulting services, deeply investing in growing regional and global strategic services partners, and spending on customer success to properly onboard customers and actively manage customer relationships.

Bigger Does Not Always Equal Better In A Mature Market

Customer service technology buyers must remember that more is not necessarily better; often, more is just more. In fact, when you don't need or can't use extra features, more is sometimes worse.

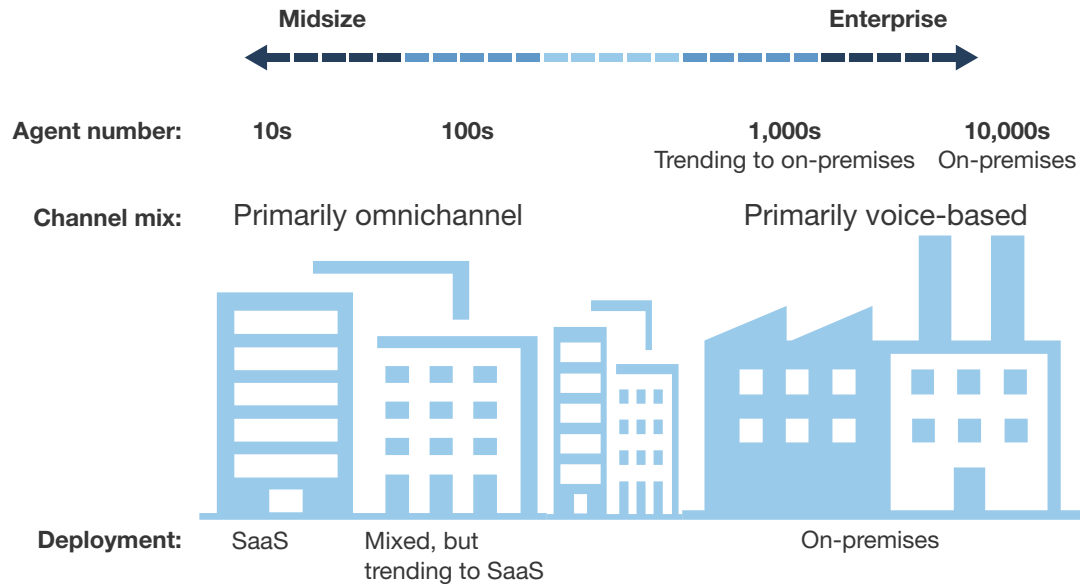
Customer service solutions fall into two primary groups to choose from (see Figure 1):

- › **Customer service solutions for enterprise organizations.** Customer service vendors focused on large organizations — that typically have 1,000 or more primarily phone-based agents — offer robust case management capabilities. Their products have historically been deployed on-premises. Organizations are now increasingly deploying private or public cloud options. Many vendors offer vertical solutions and have pre- and postsale resources dedicated to their support. Some also target midsize organizations, with prepackaged versions at more affordable price tags. The leading vendors in this category are highlighted in this report.
- › **Customer service solutions for midsize teams.** Vendors primarily target these solutions at teams with hundreds (or fewer) of customer service agents who support inquiries over a breadth of voice, digital, and social communication channels. Other vendors in this group target their solutions at divisions of customer service organizations that have dedicated teams for digital customer service within a larger contact center.

These solutions are highly usable and have a broad and deep set of omnichannel customer service capabilities. They are predominately SaaS solutions, offering a rapid time-to-value. Some vendors in this category have upgraded their solutions to be more suitable for enterprise-class buyers and are gaining acceptance in that segment. The leading vendors in this category are highlighted in the [“The Forrester Wave™: Customer Service Solutions For Midsize Teams, Q2 2017”](#) Forrester report.

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FIGURE 1 Customer Service Solutions Fall Into Two Distinct Categories

Factor Size And Complexity Into Your Customer Service Solution Decision

B2B companies do not have the same customer service needs as B2C companies. Likewise, the needs of a phone-based customer service agent are not the same as those of a customer service agent supporting digital operations. As you refine your vendor selection, carefully evaluate our Forrester Wave criteria to pick a solution that is the right size for your needs. In many cases, too many features can be overkill for an enterprise organization with lightweight requirements. Consider a number of capabilities to rightsize for strategy (see Figure 2).

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FIGURE 2 Rightsize Your Customer Service Solution For Your Needs

| Category | Consider your requirement to support |
|------------------------|--|
| Case management | <ul style="list-style-type: none"> • Incident management • Complex process guidance for agents • Next-best action • Agent collaboration |
| Native telephony | <ul style="list-style-type: none"> • Session initiation protocol (SIP) session management • Screen pop • Call recording • Softphone |
| Workforce management | <ul style="list-style-type: none"> • Agent utilization by channel • Agent scheduling • Forecasting |
| Quality management | <ul style="list-style-type: none"> • Contact recording • Agent performance dashboards |
| Omnichannel management | <ul style="list-style-type: none"> • Omnichannel routing • Digital, social, and messaging channels • Visual engagement • Virtual agents/chatbots • Feedback management • Outbound communications |
| Field service | <ul style="list-style-type: none"> • Dispatch, scheduling, and route management • Customer self-service and communication • Account service order management • Parts and inventory management • Service-level agreement and warranty management |

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FIGURE 2 Rightsize Your Customer Service Solution For Your Needs (Cont.)

| Category | Consider your requirement to support |
|---------------------------|---|
| Knowledge and content | <ul style="list-style-type: none"> • Customer-facing and agent knowledge base • Configurable knowledge authoring and publishing processes • Forums |
| Business intelligence | <ul style="list-style-type: none"> • Reports and dashboards • Analytics and prescriptive advice |
| Architecture and platform | <ul style="list-style-type: none"> • Business process management tooling • Embeddable toolkits • Mobile support • APIs |

Customer Service Solutions Evaluation Overview

By examining past research and through conversations and inquiries with customer service professionals and vendors, we developed a comprehensive set of 35 evaluation criteria. Combined, these criteria provide a detailed look at breadth of capability, strategy, and market presence for nine enterprise customer service solutions. We grouped the criteria into three high-level buckets:

- › **Current offering.** Each vendor's position on the vertical axis of the Forrester Wave graphic indicates the strength of its current product offering. We looked at the strength of each vendor's product across a spectrum of customer service capabilities, including case management, native telephony, workforce management, quality management, omnichannel communications, field service, knowledge and content, business intelligence, and architecture and platform. We also surveyed reference customers to evaluate the success that they have had in using each evaluated solution.
- › **Strategy.** A vendor's position on the horizontal axis indicates our assessment of its strategy. We assessed the strength of each vendor's product vision, go-to-market approach, supporting services, third-party ecosystem, deployment size, and pricing transparency.
- › **Market presence.** The size of each vendor's bubble on the chart indicates its market presence. We gauged the size of each vendor's customer base in terms of the number of live installations and number of users.

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Evaluated Vendors And Inclusion Criteria

We included nine vendors in our assessment of enterprise customer service solutions: eGain, Microsoft, Oracle, Pegasystems, Salesforce, SAP Hybris, ServiceNow, SugarCRM, and Verint Systems.

We did not include: 1) solutions that specialize in one set, or a narrow set, of customer service functionality, such as knowledge management vendors, chat vendors, or social customer service vendors; 2) vendors focused on a single industry; 3) portfolio solutions from evaluated vendors that have capabilities that complement or extend functionality in the evaluated products; and 4) customer service vendors that are suited for midsize to small customer service organizations. Leading vendors in this category are covered in our Forrester Wave for customer service solutions for midsize teams.³

Each vendor included in this Forrester Wave (see Figure 3):

- › **Offers a multifunctional customer service application.** Each vendor we included in this Forrester Wave has functionality in the following customer service subdisciplines: case management, knowledge management, omnichannel management, and business intelligence. Products promoted primarily as best-of-breed solutions for a single functional area are not included.
- › **Has omnichannel self-service and agent-assisted customer service capabilities.** The vendors and products in the evaluation can support a minimum of four of the following customer interaction channels: phone, web self-service, email, chat, cobrowse, customer service via social and messaging channels (e.g., Facebook, Facebook Messenger, Twitter, and WhatsApp), and virtual agents/chatbots.
- › **Has a strong presence in the customer service solutions market.** Each of the evaluated vendors has hundreds, if not thousands, of customers and over \$10 million in revenue from customer service licenses in 2016.
- › **Has a product now in general release and in use by customers.** The solutions we included have a specific release that was generally available at the time of data collection for this evaluation with references available for contact.

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FIGURE 3 Evaluated Vendors: Product Information And Selection Criteria

| Vendor | Product evaluated | Product version evaluated |
|----------------|-----------------------------------|---------------------------|
| eGain | Solve Suite | 17 |
| Microsoft | Dynamics 365 for Customer Service | 2 |
| Oracle | Service Cloud | August 2016 |
| Pegasystems | Pega Customer Service | 7.2.2 |
| Salesforce | Service Cloud | Spring '17 |
| SAP Hybris | Service Cloud | 1702 |
| ServiceNow | Customer Service Management | 16 |
| SugarCRM | Sugar | 7.9 |
| Verint Systems | Engagement Management | 15R1 SP3 |

Vendor inclusion criteria

Each vendor we evaluated:

- Offers a multifunctional customer service application.
- Has omnichannel self-service and agent-assisted customer service capabilities.
- Has a strong presence in the customer service solutions market.
- Has a product now in general release and in use by customers.

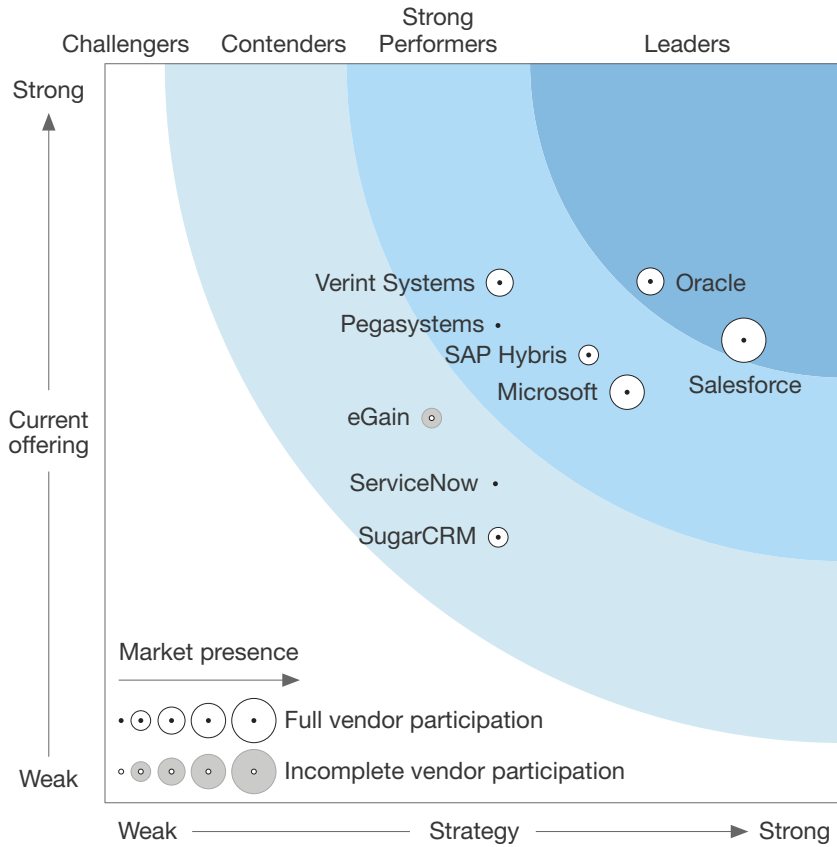
Vendor Profiles

This evaluation of the customer service market is intended to be a starting point only. We encourage clients to view detailed product evaluations and adapt criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool (see Figure 4).

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FIGURE 4 Forrester Wave™: Customer Service Solutions For Enterprise Organizations, Q2 '17



FORRESTER RESEARCH
 The Forrester Wave™
 Go to Forrester.com to download the Forrester Wave tool for more detailed product evaluations, feature comparisons, and customizable rankings.

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FIGURE 4 Forrester Wave™: Customer Service Solutions For Enterprise Organizations, Q2 '17 (Cont.)

| | Forrester's weighting | Microsoft | Oracle | Pegasystems | Salesforce | SAP Hybris | ServiceNow | SugarCRM | Verint Systems |
|--|-----------------------|-----------|--------|-------------|------------|------------|------------|----------|----------------|
| Current Offering | 50% | 2.78 | 3.53 | 3.23 | 3.13 | 3.03 | 2.16 | 1.80 | 3.52 |
| Case management | 20% | 3.80 | 2.70 | 4.40 | 3.60 | 3.00 | 3.90 | 2.40 | 3.90 |
| Native telephony | 1% | 5.00 | 3.00 | 1.00 | 1.00 | 5.00 | 1.00 | 1.00 | 1.00 |
| Workforce management | 3% | 3.00 | 5.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 5.00 |
| Quality management | 3% | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 1.00 | 1.00 | 5.00 |
| Omnichannel capabilities | 40% | 2.02 | 4.22 | 3.30 | 2.42 | 2.93 | 1.33 | 0.85 | 4.00 |
| Field service | 4% | 1.00 | 1.00 | 3.00 | 3.00 | 5.00 | 5.00 | 1.00 | 1.00 |
| Knowledge and content | 13% | 4.40 | 4.40 | 3.00 | 3.10 | 2.30 | 1.70 | 2.40 | 3.80 |
| Business intelligence | 2% | 4.00 | 3.00 | 3.00 | 3.00 | 5.00 | 3.00 | 1.00 | 2.00 |
| Architecture and platform | 4% | 4.67 | 4.00 | 4.32 | 4.34 | 3.33 | 3.34 | 4.33 | 3.98 |
| Reference customer assessment | 10% | 1.00 | 2.00 | 1.00 | 5.00 | 3.00 | 1.00 | 3.00 | 1.00 |
| Strategy | 50% | 3.53 | 3.69 | 2.66 | 4.32 | 3.27 | 2.64 | 2.66 | 2.67 |
| Product vision | 25% | 4.00 | 4.00 | 3.00 | 5.00 | 4.00 | 2.00 | 2.00 | 3.00 |
| Go-to-market approach | 15% | 2.50 | 3.00 | 1.00 | 4.00 | 4.00 | 2.50 | 1.50 | 0.00 |
| Supporting services | 30% | 4.00 | 4.00 | 2.30 | 4.00 | 3.30 | 3.30 | 4.30 | 4.00 |
| Third-party ecosystem | 17% | 2.99 | 4.00 | 2.99 | 5.00 | 2.67 | 2.02 | 2.34 | 1.32 |
| Deployment size | 10% | 3.00 | 3.00 | 5.00 | 3.00 | 2.00 | 4.00 | 1.00 | 5.00 |
| Pricing transparency | 3% | 5.00 | 2.00 | 2.00 | 4.00 | 1.00 | 1.00 | 5.00 | 0.00 |
| Market Presence | 0% | 3.40 | 2.30 | 1.00 | 4.70 | 2.00 | 0.70 | 1.60 | 2.70 |
| Number of live installations | 30% | 2.00 | 3.00 | 1.00 | 4.00 | 2.00 | 0.00 | 3.00 | 2.00 |
| Number of users (customer service agents) | 70% | 4.00 | 2.00 | 1.00 | 5.00 | 2.00 | 1.00 | 1.00 | 3.00 |

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

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Salesforce And Oracle Are Leaders

- › **Salesforce leads with a broad — but not always deep — feature set and vision.** San Francisco-based Salesforce is a Leader in the evaluation with its continued momentum in making large, complex customer service deals with its “customer success platform,” which can “connect customers and companies together in a whole new way.” Its compelling vision, storytelling art, and ability to transform operations with a combination of product and strategic consulting resources have allowed it to penetrate over 5,000 enterprises with its SaaS-only customer service product.

The product offers strong across-the-board capabilities: It has fair incident management capabilities and offers reports for agent utilization and workload, although it has no native telephony and lacks full workforce management and quality monitoring. It offers a breadth — but not depth — of omnichannel capabilities: Basic omnichannel routing can be extended via partnerships. Its field service capabilities focus on empowering field techs to deliver differentiated experiences. Knowledge management is solid and extended via forums provided via Community Cloud. The product’s reporting is augmented by analytics, data discovery, and prescriptive advice scenarios provided via the Analytics Cloud and Einstein Data Discovery.

Salesforce offers industry-specific clouds for financial services, healthcare, and government and has targets in a handful of other industries (nonprofit, retail, media, manufacturing, and transportation). It offers broad consulting services, complemented by its certified system integrator network, which it treats as an extension of company resources. It cultivates a developer network and has the most exhaustive application marketplace. Customer references were positive about their ability to execute, yet complaints about the product’s expense continue. This product best suits enterprises that are willing to invest in a strategic transformation of customer service operations.

- › **Oracle excels at knowledge-infused omnichannel service.** Redwood Shores, California-based Oracle aims to deliver unique, knowledge-driven service experiences across channels, touchpoints, and devices that are automated wherever possible. Its vision aims to enable organizations to deploy any combination of channels dynamically, regardless of what new channel combinations may arise in the future — giving enterprises the ability to future-proof their investments. The SaaS Service Cloud is part of the Oracle CX Cloud Suite portfolio, and Forrester estimates that it has over 3,000 customers.

The product offers voice natively and via partners. It has reports to forecast agent workloads and monitor agent performance. It delivers knowledge-infused omnichannel interactions across a broad and deep mix of channels. It has excellent email, chat, visual engagement, feedback, and outbound communications capabilities as well as fair social management that is extended via Oracle’s Social Cloud. In addition, Oracle’s Field Service Cloud provides best-of-breed field service capabilities.

Oracle Service Cloud is a horizontal product. It has traction in industries such as retail, consumer packaged goods, high tech, manufacturing, telecommunications, financial services, the public sector, and higher education. Oracle offers deep consulting services, and it has a growing

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developer ecosystem and application marketplace. Customer references are happy with the channel capabilities and solid performance of the product, but they voiced some concerns over account management and customer service practices. Oracle Service Cloud best suits companies with high-volume B2C interactions that also need robust self-service.

Microsoft, SAP Hybris, Verint Systems, And Pegasystems Are Strong Performers

- › **Microsoft offers a flexible, cost-effective solution with notable omnichannel gaps.** Redmond, Washington-based Microsoft offers a customer service solution built on the Dynamics 365 platform that allows customers to add other functions such as field service and procurement, all using common administration and data services. A role-driven, intuitive interface makes this product appealing to companies looking for rapid speed-to-proficiency. While many existing customers continue to use the on-premises version of the product, most new enterprise deployments opt for cloud. Microsoft has grown its customer service agent user base into the millions.

Microsoft Dynamics 365 for Customer Service features an elegant case and incident management system. The product takes great advantage of the Microsoft stack; for example, for companies using Skype for Business, outbound telephony requires just a click on a customer's phone number. Although Microsoft does not offer native chat and visual engagement functionality, it has tightly integrated products from CaféX; customers can use the same provisioning platform for both Dynamics 365 for Customer Service and CaféX. Microsoft also offers its own bot framework for developing customer service chatbots — an approach that many developers have taken to extend their self-service functionality.

While Dynamics 365 for Customer Service is a horizontal product, Microsoft has some key vertical focus areas, including financial services and education. A large cadre of partners and a broad developer ecosystem help customers with deploying, servicing, customizing, and extending the product. The company's app store feels sparse with around 200 connectors and vertical apps. Customer references had decidedly mixed feedback on the skills of the company's professional services organization. Microsoft best suits larger enterprises already invested in, and looking to capitalize on, the Microsoft technology stack.

- › **SAP Hybris arms enterprises with business insight but falls down on knowledge.** Walldorf, Germany-based SAP's vision for customer engagement — one where companies deliver consistent yet relevant experiences throughout the customer journey — is aligned with Forrester's age of the customer theme, yet it lacks true differentiation from the standard vision of customer service vendors. This product delivers pre- and postpurchase customer service across self-service, digital, and human touchpoints. It is available via a public and private cloud, and it has over 700 customers.

The product is built on the SAP Cloud Platform and includes real-time analytics, data visualizations, predefined key performance indicators, and reports to optimize service operations. It offers fair incident management capabilities. Native telephony capabilities, acquired from Wicom Communications, are now part of the product. It has robust omnichannel routing but simple channel

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management capabilities lacking the depth of the Leaders in this Wave. Its rudimentary knowledge base is augmented via SAP Knowledge Central by MindTouch. The product has robust field service, onsite service execution, and parts management capabilities, which are augmented by integrations with other SAP solutions such as SAP S/4HANA and SAP Supply Chain Management.

The product has broad vertical offerings in target SAP industries such as utilities, industrial machinery, travel, automotive, and wholesale. SAP offers a range of consulting services, including quick-start, fixed-fee packages. SAP has a small developer ecosystem certified on the product and a nascent application marketplace. Customer references were positive about the product's capabilities, but some commented on it being "young but rapidly evolving" and on difficulties with integration with other call center products. SAP Hybris Service Cloud best suits companies that are committed to SAP, have field service requirements, or are augmenting the capabilities of SAP CRM or SAP S/4HANA.

- › **Verint Systems' omnichannel engagement lacks a success ecosystem.** Melville, New York-based Verint Systems offers workforce optimization, security and compliance, and analytics solutions in addition to its customer service product. The company's vision is to unify customer service, agent utilization, and performance management for a higher quality of service — a vision that is in line with the Forrester tenet of ecosystem consolidation for customer service. The customer service product targets enterprises with complex process flows that interact with customers over a range of channels. The solution is available via private, public, and hybrid cloud as well as on-premises deployments. It has hundreds of customers with very large deployments.

The product provides mature channel management capabilities coupled with agent process guidance. Although the product lacks native voice capabilities, it offers strong omnichannel routing and reporting, voice call recording, agent performance dashboards, and analytics to optimize utilization and predict workflow by channel. It also features robust knowledge management but offers nascent field service. It comes with comprehensive reporting to manage service operations but lacks embedded prescriptive advice scenarios to optimize business outcomes.

Verint Systems does not have vertical editions; instead, it relies on partners to verticalize its solution. It does, however, target insurance, financial services, utilities, government, telecommunications, and retail — all of which benefit from process-driven customer service. The company offers a broad range of consulting services and has a nascent partner ecosystem and developer community, yet it has no application marketplace. Customer references were neutral about the product's capabilities, and they commented on the difficulty of securing trained partner resources. Verint Systems' Engagement Management best suits high-volume, process-driven B2C companies with self-service needs.

- › **Pegasystems embeds heavyweight process management into customer service.** Cambridge, Massachusetts-based Pegasystems grounds its customer service strategy in its strengths in business process and case management to orchestrate the end-to-end customer journey in real

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time, across communication channels, and with predictive analytics for next-best-action capabilities. Its product is available via on-premises or private, hybrid, public, or managed cloud deployments, and it has an installed base of around 500 customers — many of which have multiple deployments.

The product supports strong core customer service capabilities, including case management and agent collaboration. It offers a breadth, but not depth, of omnichannel capabilities and knowledge management. The product can record digital interactions for quality management and offers insights into agent utilization, but it lacks telephony capabilities. It also offers fair field service support. Pegasystems' strengths lie in its Customer Decision Hub, which models and predicts customer behavior and fuels a service agent's next-best action. However, its process-driven approach is too heavyweight for organizations with simple needs.

Pegasystems offers verticalized solutions for process-driven industries: media and communications, healthcare, insurance, financial services, and life sciences. The company offers a broad range of consulting services, has a growing partner ecosystem, and features an application exchange of about 50 curated extensions. Customer references indicated difficulty in finding resources available to maintain and extend the solution. Pega Customer Service best suits large enterprise buyers that want to predict and personalize interactions across the front and back offices.

eGain, ServiceNow, And SugarCRM Are Contenders

- › **eGain's time-to-value focus pulls it further from product modernization.** Sunnyvale, California-based eGain has long been a player in the knowledge management and digital channels world. But rather than swinging for the fences and trying to improve its stagnant product set, its recent approach marries incremental product enhancements with programs and services designed to provide faster utility and ROI for customers. A try-and-buy program allows prospective customers to experiment with the product for several weeks with no obligation to purchase. eGain has completed a move to the cloud — clearly a boon for midsize customers — new direct sales are cloud only.

eGain provides a customer engagement hub: omnichannel capabilities accessing a common knowledge base and a common case management framework. Over the past three years, it has also built out a customer service journey analytics tool to evaluate the flow between channels. While eGain was early to the virtual agent market, its simple system works best for uncomplicated use cases, such as page push in response to a search query, which are typically too simplistic for enterprises. Additionally, eGain lacks intelligence-driven prescriptive advice scenarios. eGain's user interface has started to show its age; the dated look and feel lag products from digital-native competitors.

Although it provides a horizontal application, eGain has templates for many verticals, including telecom, retail, insurance, utilities, and healthcare. eGain's premier relationship is with Cisco, which OEMs eGain's digital channel products for its Unified Contact Center Enterprise offering.

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The company recently built out a customer success program to help larger accounts derive the greatest value from its products. eGain remains best suited for B2C buyers who need robust digital engagement solutions with advanced knowledge capabilities.

Note that eGain did not participate in the research for this report. Forrester based its findings on previous briefings, customer conversations, and public information.

- › **ServiceNow makes a promising customer service debut but lacks maturity.** Santa Clara, California-based ServiceNow, long a powerhouse in the IT services management world, keenly identified a new opportunity and entered the enterprise customer service and support market in May 2016. Built on the company's existing stable platform, the 100% multi-instance SaaS customer service solution focuses not just on resolving customer issues but also on routing work from customer service to other teams such as field service or engineering. ServiceNow Customer Service Management has already attracted more than 200 customers, including dozens of \$1 billion-plus accounts.

Coming from the IT service management world, ServiceNow has a firm handle on how to track and report on incident close reasons, including following the incident through full resolution such as a product fix. Because the underlying platform predates the customer service product, customers have access to well-documented and publicly available APIs. ServiceNow's history also gives it a leg up in field service, where it already has a robust set of tools. Despite those strengths, the product does show its immaturity in several areas: no proactive chat capabilities, a next-best-action engine driven only by business rules, and the lack of native cobrowse and video chat functions.

ServiceNow offers a horizontal solution but has a strong presence in technology services. It also has a small set of global system integrator partners building vertical solutions atop its product set. Given its relative youth, the ServiceNow Store has an impressive total of more than 250 apps. To catch up to the competition, the company has an expansive road map. ServiceNow best suits large B2B customers in process-heavy, product-centric industries that need to track product or services fixes through their eventual resolution in addition to just customer service cases. It's also a good fit for customers already using ServiceNow for IT, security, or HR service and operations management.

- › **SugarCRM is solid on process but fails to offer deep omnichannel capabilities.** Cupertino, California-based SugarCRM offers a process-driven tool set that helps enterprises deliver personalized interactions. But it has never truly committed to the service market. SugarCRM built its applications and platform atop open source components — still unique among customer service vendors we evaluated — letting organizations extend the solution with either internal developers or through a large third-party developer community. SugarCRM's more than 2,000 customers can deploy the product on-premises or via private, public, and partner cloud deployments.

SugarCRM has strong architecture, business process and workflow tools, and user experience, but it has a weak story in the digital realm, including relying on partners for native chat, cobrowse, and feedback management functionality. The tool also falls down in the area of predictive advice,

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such as next-best action. Its knowledge management support has shown improvement, including a novel approach to autocategorization. SugarCRM has beefed up its mobile functionality and features a well-documented and robust API program. A visual drag-and-drop designer allows line-of-business users to create workflows with no IT involvement.

SugarCRM provides a horizontal solution, yet it targets process-driven industries such as financial services and professional services. The company's broad regional partners do provide some vertical applications. SugarCRM has solid consulting resources and services of its own. Through the SugarExchange, customers have access to hundreds of applications and extensions. Customer references were lukewarm about the product's dashboarding and reporting. SugarCRM best suits organizations that need phone-based customer support, that have unique business processes, and would like deep customization flexibility.

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Supplemental Material

Online Resource

The online version of Figure 4 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 several data sources to assess the strengths and weaknesses of each solution:

- › **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls and briefings where necessary to gather details of vendor qualifications.
- › **Customer reference surveys.** To validate product and vendor qualifications, Forrester also conducted a survey of some vendors' current customers.

The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria for evaluation in this market. From that initial pool of vendors, we 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 evaluation — and then score the vendors based on a clearly defined scale. We intend these default weightings to serve only as a starting point and 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. For more information on the methodology that every Forrester Wave follows, please visit [The Forrester Wave™ Methodology Guide](#) on our website.

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Integrity Policy

We conduct all our research, including Forrester Wave evaluations, in accordance with the [Integrity Policy](#) posted on our website.

Endnotes

- ¹ When asked which departments or business groups their firms are focusing on as they consider their software strategy and investments, 47% of global software decision makers said IT/technology, 27% said information security, 19% said sales, and 18% said customer service. Source: Forrester Data Global Business Technographics® Software Survey, 2016.
- ² See the Forrester report "[Application Adoption Trends 2016: SaaS Expands Across The Enterprise And Across The Globe.](#)"
- ³ Forrester evaluated 10 vendors suitable for midsize and small customer service organizations. See the Forrester report "[The Forrester Wave™: Customer Service Solutions For Midsize Teams, Q2 2017.](#)"

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