The Forrester Wave™: Customer Service Solutions For Midsize Teams, Q4 2015

Due Diligence Required: These Vendors Are Great At Supporting Midsize Teams

by Ian Jacobs and Kate Leggett
December 16, 2015

Why Read This Report

In Forrester's 36-criteria evaluation of customer service vendors for enterprise organizations, we identified the 11 most significant solution providers — Astute Solutions, eGain, Freshdesk, Microsoft Dynamics, Moxie, Oracle Service Cloud, Parature, Salesforce, Sap Service Cloud, SugarCRM, and Zendesk — in the category and researched, analyzed, and scored them. This report details our findings about how well each vendor fulfills our criteria and where they stand in relation to each other to help customer service professionals select the right partner for their customer service initiatives.

Key Takeaways

Customer Service Is The Cornerstone Of A Great Customer Experience
However, delivering good service is difficult. Organizations must navigate rapidly changing customer expectations and look for vendor solutions that enable the business capabilities necessary to deliver differentiated experiences.

The Customer Service Vendor Landscape Is Consolidating
The landscape of customer service solutions has matured and converged as a result of merger and acquisition activities. These vendors offer solutions replete with features and functions. Every vendor can just about tick every box. Customer service leaders must understand the core focus areas of each vendor to make the right buying choices.

Keep An Eye On This Space
Microsoft, Oracle Service Cloud, and Salesforce lead by driving productivity through ease-of-use and simple deployment models that appeal to midsize organizations. Yet, change in this space will continue: Up-and-coming vendors focusing on rapid-time-to-value will make heavy plays for rapid growth brands and the companies in the lower reaches of the enterprise market.

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by Ian Jacobs and Kate Leggett
with Stephen Powers, Danielle Geoffroy, and Tyler Thurston
December 16, 2015

Table Of Contents

Notes & Resources

Forrester conducted vendor survey evaluations in September 2015 and evaluated 11 customer service solutions worthy of consideration by large organizations. We also surveyed vendor customers.

Related Research Documents

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Good Customer Service Boosts Revenue, Poor Service Increases Costs

In the age of the customer, executives don't decide how customer-centric their companies are — customers do. And providing good customer service is a win-win for customers and companies. In fact, recent Forrester data shows that customer service technology investments is one of the top five most focused on investments that companies are making in 2015.[1] Why? Because good customer service boosts long-term loyalty.[2] Conversely, poor customer service leads to increased operational costs, customer defection and revenue loss.[3]

Good Customer Service Is Hard To Deliver

Customers expect easy and effective service interactions. Over half of US online consumers will abandon their online purchase if they cannot find a quick answer to their questions and 77% say that valuing their time is the most important thing a company can do to provide them with good service.[4] Customer service leaders must balance customer needs against cost of operations. They must offer omnichannel service, support customers through their entire journeys, and deliver personalized responses to keep customers satisfied.[5] At the same time, they must ensure that agents are efficiently scheduled, are productive and deliver consistent answers in line with company and regulatory policy.

The Customer Service Market Is On The Cusp Of Significant Change

The customer service vendor space is a mature space. Yet there have been many changes in the last five years and clearly more to come. Two driving factors will accelerate these changes:

› **Big fish eat little fish, and each bite broadens the reach of the big fish.** The customer service market has consolidated in the last five years. For example, Microsoft, Oracle, and Salesforce have made acquisitions to round out their core customer service broader CRM portfolios.[6] SAP has also made a few key acquisitions.[7] In addition, Kana has been acquired by Verint Systems, a company that has a vision to unify customer service, agent utilization, and performance capabilities for a higher quality of service delivered. This cross-category acquisition indicates the start of the consolidation of two mature software spaces.[8]

› **Vendors from adjacent markets emerge as competitors.** The most interesting disruptor to the current customer service market is coming from cloud contact center providers. They provide an end-to-end solution for customer service: a unified communications infrastructure, routing, and queuing engines for omnichannel interactions. Many offer integrated workforce optimization for agent quality management, scheduling, and forecasting.[9] They also have lighter-weight agent desktops that can be easily hardened or acquired. These vendors may well be candidates in the next update of this evaluation.

Bigger Does Not Always Equal Better In A Mature Market

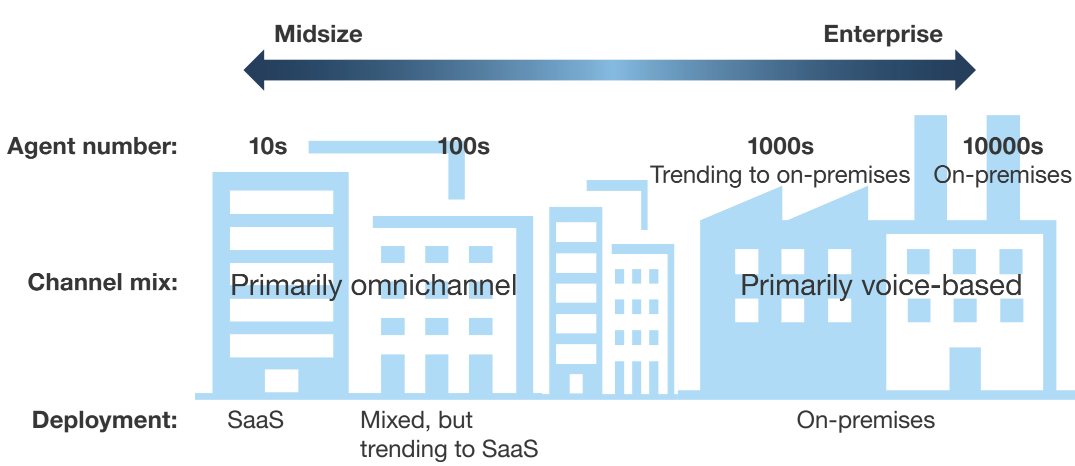
Customer service technology buyers must remember that more is not better; many times more is just more. In fact, when you don't need or can't use extra features, more is sometimes worse. Customer service solutions fall into two primary groups to choose from, although the distinctions between these categories have become less pronounced over the past three years (see Figure 1):

› **Customer service solutions for enterprise organizations.** Customer service vendors focused on large organizations with typically 1,000 or more primarily phone agents offer robust case management capabilities. Their products are primarily deployed on-premises, but vendors now also offer hosted or software-as-a-service (SaaS) options. Many vendors offer vertical solutions, and have pre- and post-sale 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 The Forrester Wave™: Customer Service Solutions For Enterprise Organizations, Q4 2015.

› **Customer service solutions for midsize organizations.** Vendors primarily target these solutions at teams with hundreds of customer service agents or fewer who support inquiries over a breadth of voice, digital, and social communication channels. Other vendors target their solutions at divisions of customer service organizations that have dedicated teams for digital and social customer service within a larger contact center.

  These solutions are highly usable and have a broad, deep set of multichannel 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 to enterprise-class buyers and are gaining acceptance in this segment. The leading vendors in this category are highlighted in this report.

FIGURE 1 Customer Service Solutions Fall Into Two Distinct Categories



Drill Into The Customer Service Functions That You Need To Be Successful

Business-to-business (B2B) companies do not have the same customer service needs as a business-to-consumer (B2C) company. Likewise, the needs of a phone customer service agent are not the same as that of a customer service agent supporting digital or social channels. As you refine your vendor selection, carefully evaluate the customer service 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 midsize organization with lighter-weight requirements than what is needed for an enterprise organization. Consider a number of capabilities to right-size for strategy (see Figure 2).

FIGURE 2 Right-Size Your Customer Service Solution For Your Needs

Category	Consider your requirement to support
Case management	• CTI integration • Incident management • Process guidance for agents • Next-best action
Omnichannel management	• Support for digital channels • Support for social channels • Feedback management
Knowledge and content	• Customer-facing and agent knowledge base • Configurable knowledge authoring and publishing processes • Forums • Virtual Agents
Business intelligence	• Reports and dashboards • Analysis tools such as statistical analysis, predictive modeling, simulations
Usability and cost	• Consistent role-based user experiences across touchpoints • Mobile support • Total cost of ownership

The Customer Service Vendor Evaluation Process Explained

By examining past research and through conversations and inquiries with customer service professionals and vendors, we developed a comprehensive set of 36 evaluation criteria. Combined, these criteria provide a detailed look at breadth of capability, strategy, and market presence of 11 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 products across a wide spectrum of customer service capabilities. These included case management, omnichannel capabilities, knowledge and content, business intelligence, architecture and platform, and deployment size.

› **Strategy.** A vendor's position on the horizontal axis indicates our assessment of its strategy. We assessed the strength of each vendor's product strategy, execution road map, and go-to-market approach. We assessed the vendor's supporting services, third-party ecosystem and commercial model. We used a combination of vendor evaluation responses, documentation, customer feedback, and vendor strategy briefings to complete this section.

› **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 number of live installations and number of users.

Eleven Vendor Solutions Offer A Diverse Range Of Capabilities

We included 11 solutions in our assessment of midsize customer service solutions, including: Astute Solutions, eGain, Freshdesk, Microsoft Dynamics, Moxie, Oracle Service Cloud, Parature, Salesforce, SAP Service Cloud, SugarCRM, and Zendesk.

We did not include in the assessment solutions that specialize in one set or a narrow set of customer service functionalities, such as knowledge management vendors, chat vendors, or social customer service vendors. Nor did we include vendors focused on a single industry. We also did not include customer service vendors that are suited for enterprise organizations. Leading vendors in this category are covered in our customer service solutions Forrester Wave for enterprise organizations.[10]

Each vendor included in the Forrester Wave (see Figure 3)

› **Offers a multifunctional customer service application.** Each vendor 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.

Additionally, for inclusion in this Forrester Wave, vendor solutions must have common services for data management, authentication, administration, configuration, identity, and permissions management. They must also enjoy a common UI and user experience. We did not include suites of vendor products that comprise a CRM bundle and do not share common services.

› **Provides 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 channels (e.g., Facebook and Twitter), and virtual agents.

› **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 2014.

› **Frequent interest from Forrester clients.** This interest exists in the form of questions about or mentions of a vendor in the context of inquiries about customer service solutions.

FIGURE 3 Evaluated Vendors: Product Information And Selection Criteria

Vendor	Product evaluated	Product version evaluated	Version release date
Astute Solutions	ePower Center	9.3	June 2015
eGain	eGain15	15	July 2015
Freshdesk	Freshdesk	August 2015 release	August 2015
Microsoft	Dynamics CRM Online	June 2015 release	June 2015
Moxie	Moxie Suite	9.4	June 2015
Oracle	Oracle Service Cloud	Oracle Service Cloud Summer Release	May 2015
Microsoft	Parature	Parature 15.2	April 2015
Salesforce	Salesforce Service Cloud	Service Cloud Summer'15	Summer 2015
SAP	SAP Cloud for Service	v1508	August 2015
SugarCRM	Sugar	Sugar 7.6	June 2015
Zendesk	Zendesk	August 2015 release	August 2015

Vendor selection criteria

Offers a multifunctional customer service application. Each vendor 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.

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The Results: Buyers Have Many Choices To Sift Through

The evaluation uncovered a market in which (see Figure 4):

- **Microsoft, Oracle Service Cloud, and Salesforce lead by driving productivity.** Oracle and Salesforce offer distinct, but compelling, visions for customer service. Oracle focuses on end-to-end cross-channel customer experiences; Salesforce focuses on connected customers that control the relationship that they have with companies. Both companies have the experience and resources to support their expanding customer bases. With its focus on an intuitive user experience, Microsoft has become a rising star and is developing into a real leader. The forthcoming integration of Parature's knowledge management features will help cement Microsoft's position.

- **eGain, Moxie, and Oracle Service Cloud deliver high-volume omnichannel service.** These vendors appeal to enterprises that handle large volumes of digital and social inquiries. These enterprises tend to have dedicated agent teams for these channels, with separate teams dedicated to the voice channel. eGain, Moxie, and Oracle Service Cloud support omnichannel customer service, and have a foundational layer of knowledge management to deliver channel-specific answers to customer inquiries. SAP Cloud for Service is a newer entrant in this space, with a subset of those overall capabilities.

- **Astute Solutions, Freshdesk, Parature, SugarCRM, and Zendesk power small teams.** These vendors offer the breadth, although not always the depth, of customer service capabilities. They have a broad range of packaging options, attractive to smaller teams that often find full-featured to mean bloated and too difficult to use and manage. Though primarily targeted at small teams, due to their sound architecture and focus on increased scalability, many of these solutions are also finding homes in smaller divisions of large enterprises.

- **SaaS customer service is here to stay.** Resource-strapped small and midsize teams looking for customer service solutions look to SaaS solutions to provide quick time-to-value. Forrester data shows that a third of companies are using SaaS customer service solutions, or complementing their existing solutions with SaaS. Every vendor in this Wave evaluation now offers a SaaS solution. SugarCRM has retooled its on-premises products for the cloud. In this market space, the SaaS model will be the norm going forward.

FIGURE 4 Forrester Wave™: Customer Service Solutions For Midsize Teams, Q4 '15

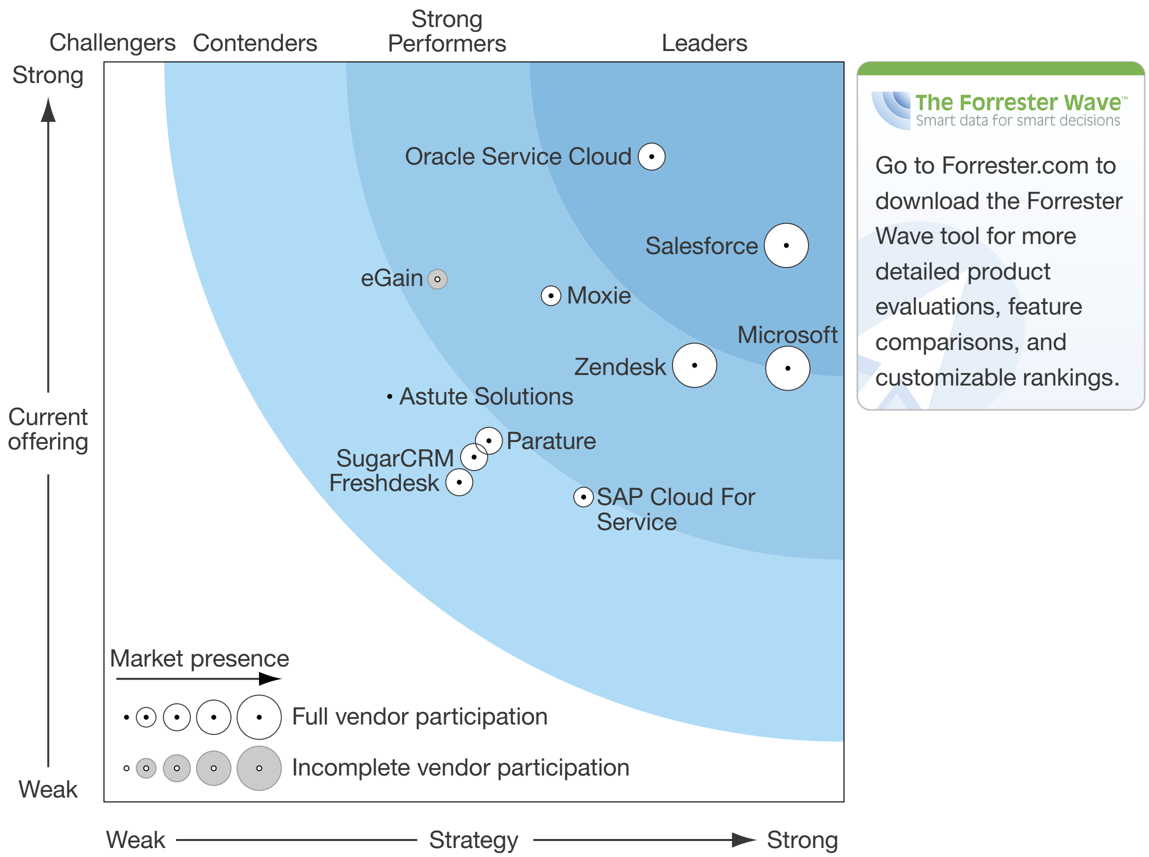

FIGURE 4 Forrester Wave™: Customer Service Solutions For Midsize Teams, Q4 '15

	Forrester's Weighting	Astute Solutions	Freshdesk	Microsoft	Moxie	Oracle Service Cloud	Parature	Salesforce	SAP Cloud For Service	SugarCRM	Zendesk
CURRENT OFFERING	50%	2.74	2.16	2.93	3.42	4.36	2.44	3.76	2.06	2.33	2.95
Case Management	26%	2.84	1.62	4.84	2.84	3.70	1.16	3.70	2.30	3.00	2.40
Omnichannel capabilities	26%	3.48	1.54	1.85	4.36	4.70	2.93	3.71	1.70	1.38	2.95
Knowledge and content	26%	2.56	2.94	1.00	3.20	4.96	3.09	3.95	1.18	2.04	2.94
Business intelligence	7%	1.00	2.80	2.60	4.20	4.60	2.60	2.80	3.40	2.40	4.60
Architecture and platform	10%	2.55	3.80	5.00	3.20	3.65	2.95	3.65	4.28	4.45	4.18
Deployment size	5%	2.00	0.00	5.00	2.00	4.00	2.00	5.00	1.00	1.00	1.00
STRATEGY	50%	1.93	2.40	4.62	3.02	3.70	2.60	4.61	3.24	2.50	3.99
Product strategy	33%	1.00	1.00	5.00	3.00	3.00	1.00	5.00	3.00	1.00	5.00
Execution road map	25%	3.00	3.00	4.00	4.00	4.00	3.00	5.00	3.00	3.00	4.00
Go-to-market approach	7%	2.15	2.55	5.00	1.85	4.40	3.55	4.70	4.70	3.40	3.40
Supporting services	10%	3.00	1.50	4.50	3.00	4.50	4.00	4.50	4.50	3.50	2.00
Third-party ecosystem	5%	0.70	1.50	5.00	1.70	3.90	3.80	5.00	4.00	3.00	2.80
Commercial model	20%	1.80	4.60	4.60	2.60	3.80	3.40	3.40	2.60	3.40	3.80
MARKET PRESENCE	0%	1.00	2.60	4.60	2.00	2.80	2.60	4.60	2.00	2.60	4.40
Number of live installations	80%	1.00	3.00	5.00	2.00	3.00	3.00	5.00	2.00	3.00	5.00
Number of users (customer service agents)	20%	1.00	1.00	3.00	2.00	2.00	1.00	3.00	2.00	1.00	2.00

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

The Results: Vendor Profiles

Leaders

› **Salesforce shines in customer service with a rich strategy and solid execution.** Salesforce's vision focuses on getting customers up and running in customer service quickly. It provides strong support for both B2B and B2C business models. Its SaaS-based service provides first-rate case management capabilities, as well as a robust omnichannel lineup that is especially strong in emerging channels such as social customer service and chat tools. The product's biggest gap: weak analytics tools — the company relies on its numerous AppExchange partners to complement this area.

Salesforce is adopting an increasingly vertical strategy, focusing on a handful of key verticals, including financial services, healthcare, telco, retail, and public sector. The company's services partner community has grown significantly, with companies such as Accenture and Deloitte more than doubling their number of certified consultants over the past year. Salesforce has built a differentiated vision and aggressive product road map, which now includes plans for lightweight field service tools and more intelligent routing. Salesforce best suits organizations looking for a SaaS-based, easy-to-use customer service application with strong omnichannel capabilities.

› **Oracle Service Cloud delivers heavy-duty support for B2C enterprises.** Oracle Service Cloud provides a flexible, easily configurable customer service solution that excels at delivering consistent cross-channel customer service experiences. The SaaS-based solution sports very strong omnichannel capabilities: cobrowse (bolstered by its 2014 LiveLOOK acquisition), multichannel reporting, chat, email response management, social customer service, and knowledge management. Customers use it as an enterprisewide solution, as a standalone solution for digital channels, or to extend the digital capabilities of an on-premises solution.

Oracle Service Cloud is a horizontal solution that customers can configure for industry needs. The product includes capabilities critical to certain industries, such as policy automation for public sector and financial services. The road map includes block-and-tackling improvements to the policy automation engine, advanced knowledge, as well as numerous user interface (UI) enhancements. The solution benefits from Oracle's mature practices for implementation, user adoption, and support. Oracle Service Cloud is best suited for B2C organizations that offer robust web self-service and omnichannel customer service and emphasize the value of customer experiences.

› **Microsoft offers a flexible, cost-effective customer service solution.** Microsoft Dynamics CRM provides a well-designed case management system to serve those requiring flexible customer service solutions. The role-driven, intuitive interface, in particular, makes this product appealing to companies looking for a highly usable system. Microsoft offers a choice of deployment options (on-premises, cloud, partner-managed, or hybrid). The product's biggest drawback: the reliance on integration with the Parature acquisition to provide full support for omnichannel customer service and knowledge.

Key vertical focus areas include financial services, public sector, retail, and — more recently — travel. Microsoft offers an attractively priced solution compared with other vendors, especially when the solution is bundled with the Microsoft Office suite. It also has a strong product road map for future enhancements, including directly incorporating functionality such as knowledge and some digital channel improvements from Parature. Dynamics CRM is best suited for B2B companies that have made a commitment to the Microsoft technology stack and that require integration with other Microsoft solutions, such as SharePoint and Skype for Business.

Strong Performers

- **Zendesk's mobile-first mindset delivers easy-to-use customer service solutions.** Zendesk targets its mobile-first customer service solution to customer service teams with between 10 and 300 agents, although it has started to win multi-thousand agent deals. The SaaS solution typically requires no implementation: small teams can configure the software themselves. While Zendesk has an immature case management system, it has a pioneering approach to embeddable technology, including integration into Facebook Messenger. In addition, Zendesk's benchmarking service allows users to compare their key performance indicators (KPIs) to their peers.

  While Zendesk remains a horizontal product, the company has been laying the foundations for a move into the federal government market. Its simplicity, usability, and application ownership has garnered it over 60,000 paid customers since its inception in 2007. Zendesk has an aggressive product road map around predictive analytics and rapid revenue growth. Although it has begun to move upmarket, Zendesk remains best suited for small and midsize customer service teams looking for a modern, mobile-first multichannel solution and a company to help them understand best practices for service.

- **Moxie increasingly focuses on pre-purchase service to boost conversion.** Moxie's vision spans the end-to-end customer journey to help customers drive conversion and to build loyalty. Its goal is to support engagement across devices and channels with a consistent contextual, measurable experience. Moxie, available on-premises and in the cloud, provides strong mobile-first, omnichannel, and knowledge capability, which allows it to focus on pre-purchase customer engagement. However, the product lacks strong case management capabilities, analysis tools, and the breadth of security credentials available from the larger players.

  Moxie is a horizontal solution. Key vertical focus areas include financial services, high-tech, retail, travel, telecom, and consumer goods. Customers often deploy only a subset of channels from Moxie in line with their digital engagement strategy. Moxie's product strategy and road map are well aligned to support the pre-purchase customer journey. The vendor has sound supporting services for customer success. However, it lacks a comprehensive network of global delivery, sales and support partners to extend its penetration much beyond North America. Moxie is best suited for customer service or sales buyers supporting high-volume digital B2C or B2B interactions.

- **eGain shines in high-volume, knowledge-powered omnichannel customer service.** eGain provides a customer engagement hub: omnichannel capabilities accessing a common knowledge base and a common case management framework. The company has also added a customer service journey analytics offer to its arsenal to evaluate the flow between channels. eGain offers both an on-premises and a cloud solution. One shortcoming: The product's user interface feels very dated, a challenge for customer service organizations looking to attract and retain younger agents.

While a horizontal application, eGain has templates for telecom, retail, insurance, and healthcare. Although it has many reseller partners, it also has a long-standing relationship with Cisco, which OEMs eGain's email and chat products for its Unified Contact Center Enterprise product. Cisco also resells the entire eGain solution, a growing channel for them. It has focused much attention on time-to-value and try-before-you-buy commercial programs, often to the detriment of a future-looking product road map and a strong vision. eGain remains best suited for B2C buyers who need robust digital engagement solutions with advanced knowledge capabilities.

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

Contenders

› **SAP Cloud for Service offers a modern cloud solution customer engagement.** SAP Cloud for Service is part of SAP's Customer Engagement and Commerce solution portfolio. It is built on the SAP Hana Cloud Platform, and leverages its common application services, such as reporting and analytics, security, integration, and collaboration. Customers typically deploy it standalone, or in conjunction with SAP CRM. It has a sound architecture, platform and business intelligence capabilities with a modern user interface. However, it lacks core customer service capabilities — namely omnichannel, knowledge, and business process management capabilities.

  SAP Cloud for Service is a newer product, with only 200 deployments to date, however deployments are large, typically over 1,000 agents. It is a horizontal product, and SAP is developing vertical capabilities for travel, public sector and manufacturing. The product's tactical vision is bolstered by SAP's strong vision for customer engagement. Yet, the core product road map centers around maturing core capabilities, integration, and field service. SAP Cloud for Service is best suited for companies that are committed to SAP, that need to rapidly deploy customer service solutions, or are looking to augment the capabilities of SAP CRM.

› **Parature supports simple service scenarios.** Microsoft acquired Parature in January 2014, and continues to offer Parature as a standalone product, as well as as a product to complement Microsoft Dynamics CRM. Microsoft targets the cloud-based Parature primarily for departmental teams who require simple, service experience that they can quickly deploy. Parature offers the breadth, but not the depth, of case management, omnichannel, and reporting capabilities fueled by a comprehensive knowledge base. It also lacks comprehensive mobile support. It offers a flexible portal structure to allow single teams of customer service agents to support separate brands.

  Parature is a horizontal product, but has penetration in the public sector, higher education, and software and technology verticals. It has a sound execution road map, and its product strategy focuses on tactical improvements to the core product. Microsoft offers Parature customers a strong geographic strategy, supporting services and a solid network of sales, implementation, and support partners. Parature is best suited for small teams looking to deploy an omnichannel solution with an emphasis on web self-service.

› **SugarCRM fails to offer deep customer service capabilities.** SugarCRM empowers business users to deliver personalized, yet consistent interactions throughout the customer life cycle that drive loyalty. The SugarCRM applications and platform are built upon open source components, unique among evaluated customer service vendors, which allow organizations to extend the solution using their own developer resources or add-on modules available through their partner communities. The product, available on-premises, via private, public, and partner cloud deployments, has a strong architecture, business process and workflow tools, user experience, but provides weak omnichannel and knowledge management support.

  SugarCRM is a horizontal solution. Buyers with strong industry requirements will need to build out functionality through custom development or leverage solutions via SugarCRM's broad regional partner network which is extended by a handful of global system integrators (SIs). SugarCRM has solid supporting services, and positive customer references. It has a sound execution road map, but lacks the vision to support next-generation customer service scenarios. SugarCRM best suits organizations that need phone-based customer support, that have unique business processes, and are seeking flexible pricing options with deep customization flexibility.

› **Astute Solutions delivers agent productivity with a focus on select industries.** Astute Solutions ePC offers basic case management capabilities, solid knowledge management, and support for some — but not all — communication channels. It lacks security credentials, feedback management, and agent guidance capabilities. The on-premises product does not have strong native reporting, instead relying on the capabilities provided by the Astute Insights solution. Astute has a small customer base, which it supports with sound supporting services. However, it lacks a broad ecosystem partners for product sales, implementation, and support.

  Astute targets its customer engagement products primarily for the consumer packaged goods, retail, restaurant, and airline industries. The company has a solid execution road map, but a weak product strategy for customer service that only focuses on tactical improvements in mobility, machine learning for knowledge automation, and agent productivity. Astute best suits midsize teams in consumer-focused companies, who increasingly need to support their customers in pre- and post-purchase journeys. Astute would be best fit for companies who have knowledge management needs, which can utilize the breadth of the Astute portfolio to complement core capabilities of its ePC solution.

› **Freshdesk concentrates on trouble ticketing for smaller service teams.** Freshdesk helps its customers offer streamlined, simple support, designed to scale with those companies as they grow. Freshdesk's SaaS service powers midsize teams with 'good enough' chat, social, and knowledge management tools. The product also has a modern and intuitive user experience. Freshdesk dove deeply into the embeddable game with mobile software development kits (SDKs) for embedding chat and knowledge into native apps. The product, however, lacks many tools required of a full omnichannel service suite, including co-browse, virtual agents, and analytics-driven next-best action.

Freshdesk takes a horizontal approach to the market, although education, ecommerce and technology are significant sectors. It has transparent — and low — pricing, often coming in at half the cost of the largest competitors. Freshdesk's limp product strategy, however, lacks much of the next-generation sheen around wearable devices and ambient knowledge that excites rapid growth companies. Its road map includes plans to launch an app marketplace and expand language and geographic support, as well as deepen its channel line-up. Freshdesk makes a good fit for small service teams with simple ticketing requirements and no deep vertical expertise.

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 Evaluation

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 survey.** 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 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. For more information on the methodology that every Forrester Wave evaluation follows, go to http://www.forrester.com/marketing/policies/forrester-wave-methodology.html.

Integrity Policy

All of Forrester's research, including Forrester Wave evaluations, is conducted according to our integrity policy. For more information, go to http://www.forrester.com/marketing/policies/integrity-policy.html.

Endnotes

1 The firms of 14% of software decision-makers are focusing their software strategy and investments on customer service, client service, or call center technologies. Respondents were limited to selecting up to three areas. Source: Forrester's Global Business Technographics® Software Survey, 2015.

2 Forrester data confirms the strong relationship between the quality of a firm's customer experience (as measured by Forrester's Customer Experience Index [CX Index™]) and loyalty measures, such as willingness to consider the company for another purchase, likelihood to switch business, and likelihood to recommend. See the "What Drives A Profitable Customer Experience" Forrester report.

3 When consumers switch from the Web to the phone, email, or chat, a company's cost to serve them goes up dramatically. Forrester built models to add up the unnecessary cost that a retailer might incur as a result of missed self-service opportunities. Calculations showed an extra $22,567,967 in sales and service costs that could have been avoided if the website had enabled users to complete their goals. See the "Websites That Don't Support Customers Waste Millions" Forrester report.

4 Over half of US online consumers will abandon their online purchase if they cannot find a quick answer to their questions, and three-quarters say that valuing their time is the most important thing a company can do to provide them with good service. Source: Forrester's North American Consumer Technographics Customer Life Cycle Survey 2, 2015.

For more data on the effects of customer experience, see the "Contact Centers Must Go Digital Or Die" Forrester report.

5 Customers expect consistent service over the touchpoint or channel of their choice. Customer service organizations must also support omnichannel customer journeys — journeys that start on one communication channel and move to another with a seamless handoff between channels so that customers do not have to restart the conversation. See the "Contact Centers Must Go Digital Or Die" Forrester report.

6 Microsoft acquired Netbreeze (2013) for social listening and Parature (2014), which helps Microsoft Dynamics add knowledge management and chat capabilities; Oracle uses its acquisitions to actualize its customer experience management suite. Notable acquisitions include Art Technology Group (ATG) for eCommerce (2011); RightNow Technologies for customer service (2011); Endeca for eCommerce Search; Eloqua for marketing automation (2012); Collective Intellect for social intelligence (2012); Vitrue for social marketing (2012); BigMachines for configure, price, and quote (2013); Responsys for marketing orchestration (2013); and TOA Technologies for eCommerce (2014). Salesforce has made notable acquisitions to round out its customer service suite, namely: InStranet for knowledge management (2007); Informavores for visual workflow (2009); Activa Live for chat (2010); Radian6 for social media monitoring and engagement (2011); GoInstant for cobrowsing (2012); and Prior Knowledge for predictive analytics (2013).

7 SAP has made a few key strategic moves. It has made a few key acquisitions to round out its capabilities in this area, including: Sybase for its mobility platform (2010); Ariba for procurement (2012); Syclo for mobile asset management and field service; KXEN for predictive analytics (2013); KXEN for predictive decisioning (2013); and hybris for multichannel eCommerce (2013). In addition, SAP partnered with NetBase Solutions for social media analysis (2012); eGain (2010); and MindTouch (2013) for knowledge management.

8 Today, the complexity of the technology ecosystem affects the quality of service that can be delivered. We believe that the combination of mature software categories in which vendors are struggling with growth opportunities, the rise of robust SaaS solutions in each category, and rising buyer frustration make for ripe conditions for further consolidation to happen in the workforce optimization, queueing and routing and customer service agent desktop space. See the "Trends 2015: The Future Of Customer Service" Forrester report.

9 As an example of this inorganic growth, in May, 2014, cloud-based contact center provider inContact acquired workforce optimization specialist Uptivity (formerly known as CallCopy). At the same time, inContact also maintains a partnership with workforce optimization giant Verint.

10 Eleven vendors suitable for midsize and small customer service organizations are evaluated in the following report. See the "The Forrester Wave™: Customer Service Solutions For Enterprise Organizations" Forrester report.

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