CALLIDUSCLOUD PUTS ITS MONEY ON LEADROCKET

ANALYST

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THE BOTTOM LINE

CallidusCloud is using 2017 to expand LeadRocket's analytic capabilities and further improve its competitiveness in the marketing automation space. Nucleus found that LeadRocket customers are currently benefitting from the core capabilities within the product, and realizing productivity gains from five to 20 percent. The vendor's relatively recent analytics acquisition has yet to deliver returns, but we expect to see improved analytic capabilities by early 2018.

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CallidusCloud delivers several products for the sales and marketing space, with LeadRocket as their marketing automation solution. Nucleus found that customers select LeadRocket for its low cost and high degree of usability. The company is positioned as a Core Provider in the most recent Marketing Automation Value Matrix, and competes with Bridgeline Digital and Mautic. CallidusCloud purchased LeadFormix in 2012 and re-named it LeadRocket. The product has shown a moderate tempo of functionality and usability increases; however, with the acquisition of Thunderbridge as the analytics component, CallidusCloud has a renewed engineering focus on building LeadRocket as a more competitive solution. Nucleus talked to a dozen LeadRocket customers to understand the value they are getting out of the current solution, and the potential incremental value of new capabilities.

CURRENT BENEFITS

Nucleus spoke with customers, including those that are currently using LeadRocket and those that considered it, but ultimately chose other solutions for various reasons. Customers indicated the two benefits Nucleus found most common in marketing automation solutions: increased productivity and increased campaign effectiveness.

▪ Increased productivity of marketers. Customers noted that when using LeadRocket, they could perform marketing tasks more efficiently. In particular, customers pointed to LeadRocket's e-mail marketing capabilities as having the greatest productivity impact. When asked to quantify the value, customers reported increased overall productivity ranging from five to 20 percent.

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▪ Increased campaign effectiveness. Customers pointed to many features within LeadRocket that improved campaign effectiveness, including lead scoring and targeting. Ease of use was also indicated as a factor in allowing marketers to better implement targeted campaigns with a resulting increase in the number of leads generated per campaign. In addition, the same customers noted increased conversion rates of up to five percent.

FUTURE ROADMAP

Nucleus found that, while customers have benefitted from LeadRocket's core marketing functionality, they want to see increased functionality and support. This is not unusual for vendors in the Core Providers quadrant of the Value Matrix. Customers who select a lower cost, targeted solution often look for additional capabilities as they quickly master the capabilities of the current solution. This is a testament to products that are easy to deploy and adopt, as Nucleus found with LeadRocket. The two most commonly cited concerns were:

▪ More analytics. One customer noted that CallidusCloud's marketing analytics are *"good for daily reporting and specific things like reverse IP lookups"* but then noted a desire for more advanced capabilities, including complex workflows and analysis.

▪ Customer service. As customers explored more advanced features, they placed an increased demand on CallidusCloud's customer service team. A few

customers were looking for a level of personalized service and support that Nucleus has found is more common at the higher end of the market. Other customers noted satisfaction with the service and support capabilities from CallidusCloud. Still, CallidusCloud needs to recognize that as it expands in features and functionality, demands on service and support will increase.

THE TAKEAWAY

As we noted in the Marketing Automation Value Matrix, LeadRocket tends to be quick and easy to implement, with low barriers to adoption. Our recent conversations with customers continue to support these points. Although not as rapid a rollout as customers would hope, the planned addition of advanced analytics to LeadRocket will further increase the benefits realized by customers.

Nucleus expects 2017 to be a transition year for LeadRocket, while the product evolves with more advanced capabilities. Customers currently using LeadRocket or those considering purchasing an easy-to-use marketing automation product should plan for increased capabilities in LeadRocket over the next 12 months.