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The Forrester Wave™: Community Platforms, Q1 2009

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for Interactive Marketing Professionals



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Jive Software and Telligent Systems Lead An Emerging Market

by **Jeremiah K. Owyang**

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EXECUTIVE SUMMARY

Forrester evaluated nine of the 90-plus vendors in the exploding community platforms market. Jive Software and Telligent Systems lead the pack because of their strong administrative and platform features. Both Strong Performers, KickApps and Pluck enable large Web sites to quickly scale with social features. Also in the Strong Performer category, Awareness, Lithium Technologies, and Mzinga enable brands to build branded communities while LiveWorld offers brands agency-like services. Leverage Software is not on par with the others in the category, but it is a Contender with strong offerings for medium-sized businesses.

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Forrester conducted lab-based evaluations in November 2008 and interviewed nine vendors and user companies: Awareness, Jive Software, KickApps, Leverage Software, Lithium Technologies, LiveWorld, Mzinga, Pluck, and Telligent Systems.

Related Research Documents

[“How to Staff for Social Computing”](#)

February 28, 2008

[“Online Communities: Build Or Join”](#)

February 28, 2008

[“Online Community Best Practices”](#)

February 13, 2008

BRANDS LEAN ON COMMUNITIES FOR EFFECTIVE AND EFFICIENT MARKETING AND SUPPORT

With US online adults increasing their adoption of social networks and online communities from 25% in 2007 to 35% in 2008, more brands are paying attention to this growing trend.¹ At the same time, with the economy in a slump, brands see communities — and the word of mouth that they generate — as cost-effective ways of marketing their products as well as reducing support costs.²

Crowded Market View To Support Branded Communities

With more brands turning to communities for customer engagement, a staggering 90-plus vendors now offer community platforms and services. Brands seek the following characteristics in community platform vendors:

- **Full solution services.** Brands seek vendors that will not only provide a technical platform but also have experience branding in this new medium and deploying communities, strategy and education services, and community management services.
- **Integrating with other marketing systems.** Communities are more than just a chat room of vocal customers; they enable the consideration, buying, and customer support cycle. As a result, brands are seeking vendors that understand how communities tie to other marketing systems such as CRM, customer support, and marketing dashboards.
- **Long-term viability.** In the economic downturn, brands must be wary of vendors that may not survive — and thus cannot support, innovate, or serve customers for the long haul.

COMMUNITY PLATFORM EVALUATION OVERVIEW

To assess the state of the community platform market and see how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of nine top community platform vendors.

Criteria Targets Services, Leadership, And Viability

After examining past research, user need, and vendor and expert interviews, we developed a comprehensive set of evaluation criteria. We evaluated vendors against 48 criteria, which we grouped into three high-level buckets:

- **Current offering.** These criteria represent the features that allow brands to manage their communities, such as administration; data management; integration with existing Web sites and systems; social features; and, finally, the services needed to plan, deploy, and manage communities.
- **Strategy.** The criteria measured the vendor's ability to envision the future needs of the marketplace and the road map required to meet these needs. We also factored into the strategy evaluation the vendors' relationships with partners, their executive teams' experience, and their industry focuses.

- **Market presence.** In a market with many young startups, Forrester evaluated the revenue growth, number of clients, and enterprise client base to determine long-term viability.

Vendors Have Proven Track Record Of Marketing For Large Brands

Forrester included nine vendors in the assessment: Awareness, Jive, KickApps, Leverage, Lithium, LiveWorld, Mzinga, Pluck, and Telligent. Each of these vendors has (see Figure 1):

- **Healthy growth.** The vendors have disclosed either publicly or in confidence their 2007 and current 2008 revenue amounts, which demonstrate a growing customer base.
- **Experience serving large brands and companies.** Vendors must have a strong focus on and track record with companies that have more than 1,000 employees.
- **A focus on interactive marketers.** Interactive marketers are likely adopters for communication applications; as a result, we vetted players with a strong focus on serving the interactive marketer through support of public, brand-sponsored communities.
- **Strategy, implementation, and support services.** Although there are more than 90 vendors in this crowded space, Forrester filtered to only include vendors that offer some degree of services such as strategy, education, implementation, support, and analytics services to brands.

Figure 1 Evaluated Vendors: Product Information And Selection Criteria

Vendor	Product evaluated	Product version evaluated	Version release date
Awareness	Awareness	Summer 2008	June 2008
Jive Software	Clearspace Community	2.5	August 2008
KickApps	KickApps Platform and KickApps Widget Studio	3.1	September 2008
Leverage Software	CommunityConnect	6.3	September 2008
Lithium Technologies	Lithium InterActive	Summer 2008	July 2008
LiveWorld	Community Center	2.0	July 2008
Mzinga	Mzinga Social Media Suite	8.2	October 2008
Pluck	SiteLife	3.4	August 2008
Telligent Systems	Community Server	2008.5	September 2008

Vendor qualification criteria

- At least 40% of the vendor's clients have 1,000 employees or more.
- Vendor's 2007 revenues were greater than \$4 million.
- At least 50% of the vendor's client deployments are external communities.
- Vendor's average deal sizes are more than \$50,000.
- Vendors were selected based on client demand from inquiries and input from three analysts.

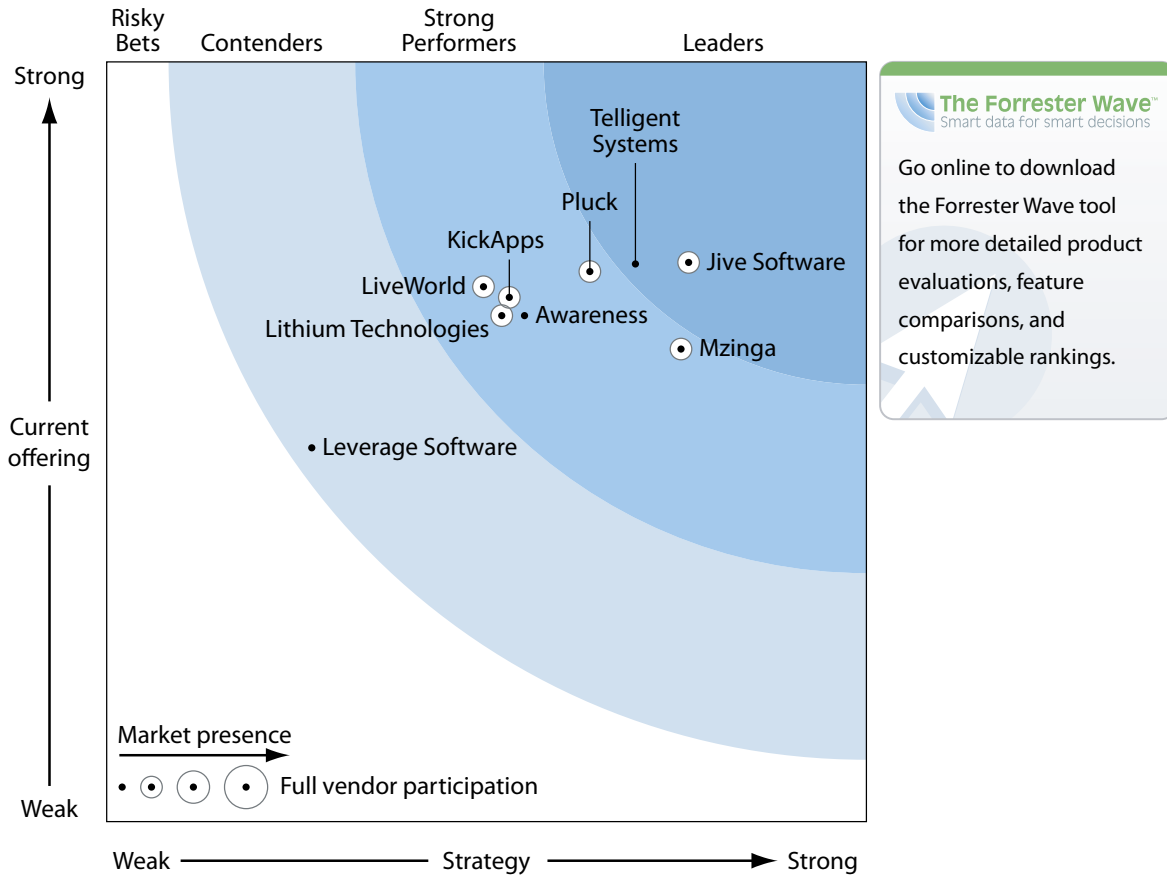
DEMAND FOR COMMUNITIES GIVES BUYERS A FEW STRONG CHOICES

To stand out in a young and flooded market, we found that community platform providers must do more than merely serve as a technology platform. The top providers in this space not only offer a strong technology platform but also provide services, support, and analytics offerings. The evaluation uncovered a market in which (see Figure 2):

- **Jive Software and Telligent vie for top honors.** These vendors lead the pack with platforms that are easy to deploy and use. Jive provides an intuitive user interface and Telligent's analytics features empower marketers to understand what's going on in their branded communities.
- **Pluck, Mzinga, KickApps, Awareness, Lithium, and LiveWorld offer competitive options.** These vendors are all Strong Performers offering capable solutions for managing communities. Pluck and KickApps both enable large Web sites — particularly content-rich media sites to quickly add social features. Awareness and Lithium both offer services to help brands to plan, brand, and launch a community; Mzinga offers a strong community management services team. For brands seeking handholding, LiveWorld's agency services offer experience and instructive support.
- **Leverage is suitable for midsized companies.** Leverage Software scores well overall but lacks staff and features to support large enterprise-class brands. When compared with peers, the most notable capability gaps include challenges managing content workflow and community content. Despite these shortcomings for larger and more elaborate social media programs, Leverage makes an ideal choice for the budget-conscious brand or medium-sized company.

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

Figure 2 Forrester Wave™: Community Platforms, Q1 '09



The Forrester Wave™
 Smart data for smart decisions

Go online to download the Forrester Wave tool for more detailed product evaluations, feature comparisons, and customizable rankings.

Source: Forrester Research, Inc.

Figure 2 Forrester Wave™: Community Platforms, Q1 '09 (Cont.)

	Forrester's Weighting	Awareness	Jive Software	KickApps	Leverage Software	Lithium Technologies	LiveWorld	Mzinga	Pluck	Telligent Systems
CURRENT OFFERING	50%	3.33	3.68	3.45	2.46	3.33	3.52	3.11	3.62	3.67
Breadth of offering	30%	3.60	5.00	4.10	2.20	3.80	4.40	3.20	5.00	4.40
Platform features	10%	2.00	3.75	3.50	1.75	3.25	3.25	3.00	3.25	3.25
Data	10%	5.00	3.00	3.00	3.00	3.00	3.00	5.00	3.00	5.00
Integration	10%	2.00	4.00	3.50	3.00	3.50	2.00	1.50	3.50	3.00
Services	20%	3.00	2.85	2.55	3.05	3.80	3.55	3.30	2.20	2.00
Social features	20%	3.75	2.65	3.55	2.05	2.25	3.30	2.70	3.50	4.10
Pricing	0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
STRATEGY	30%	2.75	3.83	2.65	1.35	2.60	2.48	3.78	3.18	3.48
Leadership	70%	3.50	3.75	2.50	1.50	2.00	2.25	3.25	3.25	3.25
Internal resources	30%	1.00	4.00	3.00	1.00	4.00	3.00	5.00	3.00	4.00
MARKET PRESENCE	20%	1.66	2.51	2.33	1.83	2.33	2.16	2.67	2.66	1.85
Financial viability	50%	1.00	2.00	1.00	1.00	1.00	1.00	2.00	2.00	1.00
Clients	50%	2.32	3.01	3.65	2.66	3.65	3.31	3.33	3.31	2.69

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

Source: Forrester Research, Inc.

VENDOR PROFILES

Leaders: Jive And Telligent Offer Robust Platforms

- **Enterprise-ready and mature, Jive Software offers a readymade platform.** Jive has earned a large customer base with more than 2,500 customers, including brands like Intel, Kraft Foods, and Nike. The vendor offers a true community platform for brands to use for external marketing and internally focused communities. Forged from a strong background in engineering, the platform allows customers to quickly launch communities with the easy-to-use software. Offering the most refined interface out of the pack, Jive's platform provides drag-and-drop configuration for community features.

Despite Jive's initial success, to truly be a solutions partner, it must increase its focus on service and support. It will need investments to enhance its client-facing analytics tools and to expand its services business to help clients during strategy, setup, integration, and ongoing management. Marketers shouldn't be concerned about Jive's recent layoffs, which were intended to maintain financial viability during an economic downturn.³

- **Telligent's software suite gives brands control and insight from reporting features.** Stemming from a background of enterprise software development and Microsoft engineering, Telligent offers on-premise community software that enables large brands like Cadence, Betty Crocker, and MySpace.com to quickly get internal and external communities deployed. In addition to the standard forums, blogs, and profiles, this suite of features also boasts wiki and widget solutions. Telligent's most impressive feature is its inclusive reporting dashboard, which gives community managers a plethora of graphs, data, and scorecards to track changes in customer attitudes and behaviors over time.

Despite the platform strengths of this four-year-old company, a true service solution is not available for clients; to offer one, Telligent needs to make considerable investments in support and strategic consultation. With recent funding of \$20 million from Intel Capital, this investment may be what it needs to truly be a solutions partner.

Strong Performers: Pluck, Mzinga, KickApps, LiveWorld, Lithium, And Awareness

- **Pluck's rapid deployment enables companies to quickly add social features to sites.** Bringing a strong solution set for large or media-rich sites like *USA Today*, Condé Nast, and the Dallas Cowboys, Pluck's widget-based strategy makes implementation speedy and offers effective methods for content management. Pluck's platform consists of components that allow brands to quickly mix and match different features for nearly limitless combinations of forums, blogs, comments, ratings, and rankings. The downside is that implementation resources are required to configure the many modules. For brands wanting to customize the experience further, they can — along with their IT partners — configure further by using the automatic programming interfaces (APIs).

Despite this flexible and rapid feature set, the platform lacks analytics and doesn't offer a Web-based dashboard. To glean intelligence, clients will have to filter through a spreadsheet of data, requiring users to import into other systems or conduct analysis using tools like Excel. In absence of strong analytics, the services team will guide clients and provide handholding and actionable recommendations. Brands with large content Web sites, such as media companies, should look at Pluck as a vendor to quickly add social features to existing content. Pluck, with 77 employees, is medium-sized in this space, but it has the backing of its parent company, Demand Media.

- **Mzinga's recent acquisition preps for complete community platform.** With a strong focus on community management features and services, Mzinga quickly helps large brands like Ford Motor Company, Martha Stewart Living Omnimedia, and AOL scale a thriving network. Its messages boards, live chat, and comment features are core strengths, with an administration tool set that can quickly scale large communities while still offering precise control to marketers.

Mzinga recently acquired Prospero, with the goal to cherry pick the best technologies of the platform. Despite the upsides for this merger, the integration process has left Mzinga behind in the product innovation cycle. Mzinga, which offers strong agency-like services, must be proactive and develop partnerships with brand monitoring firms and a strong product road map — both of which would enable an enterprise-worthy analytics dashboard.

- **KickApps offers brands rapid deployment and viral widgets.** Positioned as a platform for Web publishers, KickApps caters to media and entertainment vendors like Home Box Office (HBO), NPR, and Vibe Media — all of which seek fast deployment with their widget technology. One of KickApps' primary strengths is its ability to rapidly create these widgets using "Feed Builder" and "Widget Studio." These tools are designed to allow content to quickly spread from site to site. Although the blogging and forum applications are lightweight in features, the video and media elements enable brands to publish premium content, while also allowing members to easily upload their own.

Although KickApps has strengths with its widgets, it lacks strong social media strategy services or services to interpret or make recommendations based on the data. Where it lacks in services, it has partnerships with more than 20 digital agencies that can provide strategic recommendations. Although it provides strong Web site analytics — and a clean dashboard to match — it has substandard analysis around influencer management and community insight. KickApps, as a strong technology platform, will struggle in the future if it doesn't shore up its long-term vision to be a true solutions partner to the brands it serves.

- **LiveWorld is a premiere services firm that handholds brands.** Having honed its community skills since 1996, LiveWorld is one of the most experienced community partners in the space and touts a seasoned strategic services firm helping brands like Procter & Gamble, Sony Ericsson Mobile Communications, and Campbell Soup Company. With most of its services akin to a social media agency — and software as a secondary focus — it delivers strategic consultation, customized analysis, and specific recommendations.

LiveWorld's features set enables brands to talk with their customers through forums and blogs and helps brands to listen through ad hoc and qualitative reports and expert analysis. While there are new promising products on the horizon, LiveWorld's current product set is mediocre and in some cases inflexible, resulting in clients demanding faster development of products. Still, brands that are seeking premiere services — and prepared to pay top dollar for them — will benefit from LiveWorld's attentive staff and support.

- **Lithium's reputation features and analytics empower community support.** Stemming from the gaming industry, Lithium's *Kudos* reputation feature encourages members to support each other, especially in large communities like salesforce.com, Juniper Networks, and Sony Electronics' PlayStation. Coupled with their analytics reports and services, community

managers will be able to glean insights easily, as well as export data to partners such as Omniture and RightNow Technologies. The out-of-the-box setup is easy to deploy, yet the advanced features will overwhelm some administrators. Brands and their IT partners that are prepared to customize will find flexibility as the provided APIs support specialized changes.

Lithium provides a strong forum solution and a budding blogging suite. It recently started piloting its Idea feature, which will allow brands to glean innovation ideas from communities. Despite these tools, there is a lack of other social features such as wikis, video management, and widget solutions. Having recently raised significant capital — \$12 million — the company is situated for the long haul. Although Lithium has dedicated services to help brands with strategy and responsive customer support, it needs to develop a stronger long-term vision and product road map to become a strategic partner to brands.

- **Awareness' technology platform enables branded customer communities.** Stemming from a strong background in enterprise software, this full-service vendor touts “pixel perfect” community sites to premiere brands like JetBlue Airways, Marriott International, and McDonald's. While the implementation services are topnotch for brands, handholding companies seeking development flexibility may feel hindered and should rely on the API to customize specific components. Awareness' strategy services provide brands and agencies with a team of expert implementers, but to truly be a solutions partner, it will need to provide additional moderation services, as well as provide community insight and recommendations based upon collected community data.

In order to expand to the midmarket, Awareness must offer more self-service tools to allow brands — and their members — to quickly create new modules and share them with their networks. Once Awareness packages up its products and service offerings around business problems, it will be ready to be a community solutions partner to enterprises.

Contenders: Leverage Is Suitable For Budget-Conscious Or Medium-Sized Businesses

- **Economical Leverage Software helps brands quickly support their customers.** With 60% of its customer base made up of small- or medium-sized companies, Leverage offers a lower price point than most other vendors and offers useful technologies to allow members to connect to each other. Leverage's clients include Wells Fargo, Stanford University, and Hilton Hotels. Although the out-of-the-box software may appear less polished than other vendors, its easy-to-use drag-and-drop features allow quick customization of features. Leverage sports a unique feature called a PeopleMap, which allows community members to identify other members who have similar interests. Leverage has a partnership with salesforce.com that allows data to be shared between the two systems; this means that brands can use salesforce.com's customer tools to identify which customers are active in branded communities.

As a 40-person company, Leverage is in its adolescence and is currently seeking funding that will propel it further by helping it to grow its services group, hire key executives, and develop features that will make the vendor more attractive to large brands.

SUPPLEMENTAL MATERIAL

Online Resource

The online version of Figure 2 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 four data sources to assess the strengths and weaknesses of each solution:

- **Hands-on lab evaluations.** Vendors spent one day with an analyst and researchers who performed a hands-on evaluation of the product using a scenario-based testing methodology. We evaluated each product using the five scenarios ranging in implementation, rebranding, embedding widgets, analytics, and workflow management, creating a level playing field by evaluating every product on the same criteria.
- **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria through a vendor product catalog.⁴ Once we analyzed the completed vendor surveys, we conducted vendor calls when necessary to gather details of vendor qualifications.
- **Product demos.** We asked vendors to conduct demonstrations of their products' functionality. We used findings from these product demos to validate details of each vendor's product capabilities.
- **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with up to three of each vendor's current customers.

The Forrester Wave Methodology

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

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

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and we

encourage readers to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve.

ENDNOTES

- ¹ Adoption of social technologies increased from 2007 to 2008 in all behaviors. See the October 20, 2008, “[The Growth Of Social Technology Adoption](#)” report.
- ² Consumers trust a friend or acquaintance who has used a product or service above all other sources, suggesting that peer-to-peer communications are key for brands to succeed in today’s marketplace. Source: Josh Bernoff, “Data chart of the week: who do people trust?” *Groundswell*, April 28, 2008 (<http://blogs.forrester.com/groundswell/2008/04/data-chart-of-1.html>).
- ³ Large brands are leaning on smaller social media vendors; however, brands should approach them by ensuring that these vendors are focused on objectives and demonstrate long-term viability. See the June 9, 2008, “[Working With Web 2.0 Startups](#)” report.
- ⁴ Forrester has conducted a survey of the larger community platform space and has data from nearly 50 vendors. Source: Forrester’s Vendor Product Catalog: Community Platforms For The Interactive Marketer (<http://forrester.com/VPC/login?referer=%252Frb%252Fvpc%252Fcatalog.jsp%253FcatalogID%253D60>).

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