



RESEARCH REPORT

B2B PREDICTIVE ANALYTICS TECHNOLOGY REPORT

Best practices, tools, and vendor evaluations to help marketing and sales organizations adopt predictive analytics

Craig Rosenberg
Chief Analyst

July 2015

These materials have been prepared by TOPO for the exclusive and individual use of our clients. Unauthorized reproduction is strictly prohibited. These materials contain valuable confidential and proprietary information belonging to TOPO and they may not be shared with any third party without the prior approval of TOPO. To learn how you can become a TOPO client, visit www.topohq.com.

PREDICTIVE ANALYTICS TECHNOLOGY OVERVIEW

Key Takeaways	3
The Predictive Analytics Market	4
Market Trends and Analysis	5
The Predictive Analytics Framework	7
The Evaluation Framework	8
Introduction the Framework	9
Identify Your Initial Use Case	10
Requirements Analysis	11
Vendor Evaluation	13
Adoption Best Practices	14
Vendor Landscape and Analysis	15
Vendor Analysis	16
Evaluation Criteria	18
The Predictive Analytics Shortlist	19
6sense Profile	20
Everstring Profile	21
Fliptop Profile	22
Infer Profile	23
Lattice Engines Profile	24
Leadspace Profile	25
Mintigo Profile	26

EXECUTIVE SUMMARY

The TOPO B2B Predictive Analytics Technology Report Is designed to help marketing and sales organizations navigate how predictive analytics can help grow revenue. Early adopters are using predictive analytics to drive demonstrable gains in pipeline and revenue, but for many of our clients, the market seems confusing and cluttered. Based on in-depth interviews with production customers and leading vendors, the report analyzes key market trends, includes a vendor evaluation framework, and provides detailed profiles of the leading vendors in the space.

SALES DEVELOPMENT ANALYST

Craig Rosenberg is TOPO's Chief Analyst. He leads TOPO's analyst organization and is responsible for publishing seminal research pieces and advising strategic clients on a range of sales and marketing issues.

KEY TAKEAWAYS

36.8% of high growth companies plan to invest in predictive analytics over the next 12 months.

Predictive analytics is one of today's hottest B2B marketing technologies. Fueled by drivers such as big data, SaaS delivery models, and data-driven marketing and sales, predictive analytics garners a tremendous amount of attention, particularly given how few customers are in actual production. Even so, early adopters are realizing demonstrable ROI as they use statistical modeling, machine learning, and scoring technologies to identify and prioritize customer data at specific points in the marketing and sales funnel. As predictive analytics moves to mainstream adoption, buyers must use a framework for vendor evaluation and adoption, as well as prepare to "fail fast" with different use cases and data models.

Key Takeaways:

- ▶ **Predictive analytics for B2B marketing and sales is still a nascent market with less than a \$100M in aggregate vendor revenue.** The predictive analytics market for B2B is still in the early market stage of the technology adoption life cycle. Vendors are small, and most have been in business for only a few years. Most importantly, few customers are actually running in production.
- ▶ **We forecast rapid growth in the market, with 36.8% of high growth companies investing in predictive analytics over the next 12 months.** While it's still a nascent market, the promise of using predictive analytics to increase revenue growth is real. Early adopters have seen compelling, demonstrable ROI from their predictive analytics programs. These early adopter wins are spurring investment from a larger swath of the market, particularly among companies with demonstrated marketing automation success and high volume funnels.
- ▶ **As the market accelerates, buyers need a framework to reduce adoption risk and demonstrate ROI.** Given the number of vendors, conflicting messages, and use cases in this market, it's critical that buyers use a framework to: 1) identify priority use cases (start with lead scoring and ICP) and requirements; 2) shortlist and select a vendor; and 3) drive successful adoption in marketing and sales.
- ▶ **Buyers must also be prepared to iterate quickly and "fail fast" on various use cases and models.** Buyers should be ready to iterate quickly on different use cases and data models. With big data and machine learning, it's imperative that you quickly test different data models at specific points in the funnel. It's also imperative that buyers identify vendors that are committed to rapidly iterating alongside you.

THE PREDICTIVE ANALYTICS MARKET

Given how rapidly predictive analytics is evolving, buyers need to understand the key trends and dynamics that are shaping the market.

MARKET TRENDS AND ANALYSIS

Although the predictive analytics market has been dominated by vendor activity and end user adoption has lagged (our analysis indicates that B2B marketing and sales organizations spent less than \$100M on predictive analytics in 2014), we forecast that the market is about to enter a rapid growth phase. Demonstrable wins by early adopters (and vendor marketing) have created a groundswell of demand for predictive analytics.

As we enter this high growth phase, buyers must carefully manage vendor evaluation and adoption risks. While early adopters have shown that predictive analytics works, B2B marketing organizations in particular must identify a “starting point” use case and compare vendors against specific requirements associated with that use case. After proving success with this initial use case, buyers can expand to other points in the revenue chain.

Buyers need to identify high impact, marketing-controlled use cases where they can demonstrate early predictive analytics wins.

- ▶ **Thus far, the predictive analytics market has been dominated by vendor activity.** There’s a staggering amount of vendor marketing and corresponding noise in the market, with over 20 vendors and well over \$100M in invested capital chasing prospective customers. Contrast vendor activity with the fact that B2B marketing and sales spent far less than \$100M on predictive analytics in the most recent year.
- ▶ **The predictive analytics market is on the cusp of rapid growth.** Our recent survey of high growth companies’ technology priorities suggest that predictive analytics is about to enter a rapid growth phase. Over 36% of companies surveyed claim they will make an investment in the next 12 months. The upcoming growth phase is due in large part to the ROI wins that early adopters have experienced over the last 18 months and a growing dissatisfaction with traditional lead scoring models.
- ▶ **Organizations that have demonstrated success with marketing automation and large datasets are best suited to invest in predictive analytics.** As we transition from early to mainstream adoption, marketing teams that have successfully adopted marketing automation and historically used large datasets to inform marketing and sales decisions will be the most successful predictive analytics users.
- ▶ **Buyers must use a framework to manage vendor evaluation and adoption risk.** Buyers cite two main challenges when evaluating vendors. First, they struggle to differentiate vendors in material ways. Second, they need help understanding specific use cases where predictive analytics can impact revenue metrics. As such, buyers need to make sure they use a three point vendor evaluation framework to help them: identify a starting use case; compare vendors against specific requirements; and mitigate adoption risk.

MARKET TRENDS AND ANALYSIS

- ▶ **Before broadly adopting predictive analytics, demonstrate success at a specific point in the funnel, such as lead scoring or ICPs.** For most organizations, the best predictive analytics starting point is lead scoring and building ideal customer profiles (ICPs) for target account selection. We recommend demonstrating success in one of these two areas before moving to other areas in the revenue chain.
- ▶ **Compare vendors against your use case requirements and talk to customers that are in production in that specific area.** Marketing organizations should develop requirements against their starting point use case and evaluate vendors against those requirements. Buyers should also work with vendors to speak with customers that are in production on a use case that closely mirrors yours.
- ▶ **Marketing teams must be prepared for rapid iteration during the pilot and production phases.** Despite SaaS delivery models, predictive analytics does require implementation and adoption resources. The most successful early adopters rapidly iterate on data inputs and scoring models during the pilot. Marketing should be familiar with data modeling and scoring methodologies. Most importantly, they should be prepared to work iteratively with vendors on building and maintaining models.
- ▶ **Vendors are in a race to rapidly expand their data sources and applicability to different marketing and sales use cases.** The leading predictive analytics vendors are in an arms race to cover 1) new funnel use cases and 2) data sources. In fact, most vendors now cover at least three common applications or use cases in the funnel. And the race to include additional data sources has really ramped up over the last 18 months. In many cases the predictive accuracy of a particular product will speak for itself, but in others, buyers must perform granular analysis.
- ▶ **In 3-5 years, we anticipate rapid vendor consolidation so buyers must consider the long term viability of vendors during the evaluation process.** Over the next 3-5 years we expect to see market consolidation as products and datasets commoditize, larger marketing technology vendors get acquisitive and many predictive analytics vendors either pivot or go out of business. We anticipate that 2-3 market leaders will emerge. When selecting a vendor, buyers must be aware of long term issues such as contract length and model/data ownership.

THE PREDICTIVE ANALYTICS FRAMEWORK

To help marketing (and sales) organizations understand the market and how predictive analytics can impact revenue-critical metrics, TOPO developed a predictive analytics framework. The framework is designed to help identify specific points in the revenue chain that predictive analytics can impact. It identifies the key stages in the revenue chain, describes how predictive analytics impacts that stage, and provides a specific example for each stage.



Description	Ideal customer profile developed; key accounts and leads to target identified.	Generated leads are nurtured until lead score indicates they are ready to be passed to sales dev.	Sales development conducts outreach against leads, qualifies and passes to sales (or rejects lead).	Sales manages opportunity through sales process until opportunity is either won or lost.	Existing customers are monitored for additional revenue potential via up/cross-sell.
Predictive Analytics Impact	Analyzes existing customer data to validate the ideal customer/lead profiles and identify new target accounts.	Leads are analyzed and scored based on their propensity to convert to customers.	Leads are prioritized for SDR follow up who then manage their queue based on predictive analytics score.	Scores opportunities, indicating expected close rate, deal size, and close date.	Uses existing customer data to forecast which customers are most likely to purchase more from you.
Example	Predictive analytics analyzes 100s of variables and identifies that companies using Optimizely have the highest propensity to close. High scoring prospects are used to drive account based marketing program and refine target account lists.	Marketing analyzes 9 campaigns run over the last quarter and identifies which campaigns produced the highest percent of converted leads against the ideal customer profile. Spending is reallocated to high ROI campaigns.	Scoring prevents 3,000 + low value, freemium leads from entering SDR queues so that SDRs can conduct lead follow up with high value MQLs based on predictive score (as opposed to manual SDR research).	VP of Sales improves forecast accuracy by comparing total predicted revenue versus aggregate of opportunity values entered by account executives into CRM system.	Marketing identifies the most likely upsell candidates are customers with 5K+ employees, using EMC storage. Marketing runs cross-sell ABM awareness campaign. Sales executes customer outreach program.

PREDICTIVE ANALYTICS EVALUATION FRAMEWORK

A step-by-step process to help buyers identify requirements, evaluate vendors, and drive production adoption.

INTRODUCTION TO THE FRAMEWORK

Buyers should follow a prescriptive evaluation framework to compare and select a vendor given the number of dynamics that make predictive a particularly difficult technology to evaluate. Some of these dynamics include: the rapidly evolving nature of the market; vendors' inability to differentiate themselves from one another; and the large number of use cases available across marketing and sales.

TOPO's framework consists of four distinct stages designed to move you from status quo to production usage of predictive analytics:

Focus your evaluation on an initial use case that is controlled by marketing.

1. **Identify an initial use case in your revenue chain** – There are a number of areas in marketing and sales where you can apply predictive analytics. We recommend starting with a use case that is controlled by marketing such as defining ICPs, target accounts, and prospects. Lead scoring is another area to look for early wins. Try to show early pilot results in one of these two areas then move down-funnel from there. Your initial use case should also focus on identifying accounts and buyers for “fit” by analyzing demographic data. You can then move on to behavioral data that demonstrates intent.
2. **Develop a list of high priority requirements** – Depending on your starting use case, your requirements list can become quite extensive (there's an exhaustive sample requirements list contained in this section). To start, your requirements should focus on two primary areas. First, make sure that you identify the internal and external data sources that will serve as predictive signals for your use case. Second, your requirements should prioritize usability in areas such as model iteration and the delivery of scores and insights.
3. **Compare vendor capabilities against your requirements** – You should evaluate a shortlist of vendors using your requirements list as a baseline. This process should involve product evaluation tactics such as demos and requirements discovery, but also includes interviews with customer success and customer reference calls. Remember that an authentic reference call on a specific predictive use case is much more valuable than a demo.
4. **Drive adoption by starting with a pilot and iterating quickly** – The pilot concept is critical to the success of your predictive analytics initiative. Most rollouts require multiple model iterations and a 90 day pilot program is the best vehicle for this. Most importantly, make sure that your selected vendor is committed to supporting you on the pilot and performs the majority of the work associated with fine tuning your model.

IDENTIFY YOUR INITIAL USE CASE

To successfully adopt predictive analysts, you should identify a specific point in your revenue chain where predictive decision-making can help. Most companies should start by using predictive to either design Ideal Customer Profiles (ICPs) or score leads, although you can consider use cases across the stages listed below. For each stage, use the the question prompt to see if this applies to your organization and review the corresponding key indicators to see if predictive analytics can help you.

	Targeting	Lead Generation	Sales Development	Opportunity Management	Account Management
Basic Questions	Do you have clearly defined Ideal Customer Profiles (ICPs) that are supported by data?	Does your current lead scoring system predict which leads will close at the highest rate?	Are your SDRs hitting their activity metrics, but not delivering a sufficient number of qualified leads?	Does your bottoms up sales forecast consistently miss the mark by 10% of more?	Do you know which accounts to engage in order to prevent churn and increase revenue?
Key Indicators	<ul style="list-style-type: none"> Current ICPs based on gut instinct Basic data such as vertical industry and company size determine ICPs ICPs rely exclusively on internal data 	<ul style="list-style-type: none"> Traditional marketing automation lead scoring rules govern Limited visibility into downstream performance of campaigns 	<ul style="list-style-type: none"> MQL to SQL conversion rates below average Reps are dissatisfied with quality of leads scored by marketing automation Lead follow up time is slow (over 24 hours) 	<ul style="list-style-type: none"> Sales forecast is consistently off target Reps not focused on right opportunities Deal sizes and close dates are usually inaccurate 	<ul style="list-style-type: none"> Reps using gut to determine which accounts to focus on Reps lack capacity to touch all accounts Unable to identify specific upsell and cross-sell opportunities

REQUIREMENTS ANALYSIS

Once you've identified an initial use case, you should develop a requirements list that you can use to determine which vendors best meet your pilot program objectives. While the potential list of requirements can be numerous, make sure you pay particular attention to use case relevance, data coverage, usability, and outcome accuracy. Although this list is not exhaustive, it is a good starting point for the requirements analysis of most buyers.

Category	Requirement	Description
Use Cases	Targeting	Uses data to develop your Ideal customer profile (ICP) and identify key accounts and leads to target that fit that ICP.
	Lead Scoring	A major promise of predictive analytics is to use a large dataset and advanced modeling/machine learning to deliver more accurate lead scores than traditional marketing automation scoring models.
	Opportunity Management	Predictive can help sales manage opportunities more effectively by helping reps focus on the right accounts and bolstering forecasts. See the section on Adoption Best Practices to learn how to successfully work with sales on predictive.
	Account Management	Uses existing customer data to forecast which customers are most likely to purchase more from you via cross-sells and upsells.
Data Coverage	Internal Data	Data from your CRM, marketing automation platform, and website can be used by your predictive analytics solution to determine a leads propensity to close.
	External Data	Most vendors now capture hundreds of external data points such as website traffic, job listings, and current technology usage via web scraping. This data plays a crucial role in predicting high value accounts for marketing and sales to target.
	Demographic Data	Data such as location by zip code or technologies currently being used helps determine whether a buyer is a good demographic fit for you.
	Behavioral Data	Behavioral data tries to measure the level of "intent" that a buyer has and may be captured by analyzing variables such as website traffic. More recently, vendors have incorporated data from intent signals such as white paper downloads from third part sites/service such as Bombora, IDC, and TechTarget.

REQUIREMENTS ANALYSIS

Category	Requirement	Description
Data Coverage	Native Usability	The product should be usable across the predictive analytics lifecycle (from understanding and preparing data, to modeling, to using scores in day-to-day business operations, to reporting). Note that usability is an issue with many products and vendors throw customer success at these issues.
	CRM/MAP Usability	Integrates with your CRM and marketing automation systems so that scores are presented in a highly usable manner (this is particularly important for scores that will be consumed in your CRM).
Modeling	Modeling Techniques	While some argue that models have become a commodity in this market, it is important to identify basic requirements such as using machine learning as opposed to static program instructions.
	Model Flexibility	Model must be flexible enough to account for specific business requirements such as the nature of your target market, different product lines, and the economics of your business (e.g. CAC and LTV).
	Model Transparency	Vendors have different policies regarding how transparent they are with respect to how they calculate scores. It's best to work with vendors that expose score composition elements such as key signals and weights thereof.
	Model Turnaround	Most early adopters have worked directly with customer success teams at vendors to iterate on models. Look for 5-7 day SLAs on model turnarounds.
Outcomes	Accuracy	The product should deliver scores that accurately predict the downstream value of an account, lead, contact, opportunity, or customer. Note that no solution's outcomes are 100% accurate, so make sure you analyze results in aggregate (just as you would a portfolio).
	Timeliness	With certain predictive use cases, the time it takes to deliver a score can have a major impact on results. For example, the product should be able to score leads in less than 60 seconds in order to ensure proper lead follow up.
Integrations	CRM Integration	Integrates with your CRM in order to pull account, lead, contact, and opportunity data. Also passes predictive scores into your CRM. Leading predictive vendors are Salesforce.com certified. A limited number of vendors support other apps like Microsoft Dynamics.
	Marketing Automation Integration	Integrates with marketing automation systems like Marketo and Eloqua in order to pull activity history. Predictive analytics solution must also be able to deliver scores into your marketing automation application.

VENDOR EVALUATION

Evaluating vendors in the predictive analytics market is particularly challenging given the lack of perceived vendor differentiation.

Evaluating predictive analytics vendors can be challenging given the nascent nature of the market, as well as many vendors’ inability to successfully differentiate themselves from the competition. Your objective is to compare two to three vendors against each other using your requirements list as a base.

To do this effectively, you need a process to manage the evaluations. Based on data collected from successful early adopters, the TOPO vendor evaluation process will help you determine which vendor best meets your use case and requirements.

The Vendor Evaluation Process



Description	Compare features and functionality against your starting use case requirements list.	Receive demo on your use case and pay close attention to the usage lifecycle and user experience.	Evaluate customer success organization, process, and service levels to understand commitment.	Conduct 2-3 reference calls with customers that are in production with your use case.	Marketing runs 30 to 90 day production pilot program in collaboration with vendor.
Sample Evaluation Criteria	<ul style="list-style-type: none">• Supports initial use case scoring requirements.• Covers required data sources, particularly external ones.• Integrates with CRM and marketing automation.	<ul style="list-style-type: none">• Maps to existing lead management or sales process.• Self-service model iteration is intuitive.• Intuitive reporting interface.	<ul style="list-style-type: none">• Deep collaboration on pilot program.• 24x7 support available.• Model iterations delivered in <5 days.	<ul style="list-style-type: none">• Reference covers starting use case.• Customer is running solution in post-pilot production.• Scores are accurate and truly predictive.	<ul style="list-style-type: none">• See next section on Adoption Best Practices and running a successful pilot.

ADOPTION BEST PRACTICES

Once you've selected a vendor, make sure you use a set of proven best practices to ensure successful adoption. This is critical given how nascent the predictive analytics market is. TOPO's four-part adoption framework requires that marketing: focus exclusively on your initial use case, commit to a one to three month pilot program, collaborate with the vendor on data and modeling, and showcase results by making performance gains (or losses) visible.

The success of your pilot depends on the vendor's willingness to collaborate with you on modeling.

Element		Best Practice	Goal
1	Initial Use Case	Focus on one specific point in the revenue chain during the first six months of adoption. Successful early adopters select use cases that are controlled by marketing such as lead scoring.	Identify one specific use case, preferably related to your ICP or lead scoring.
2	Pilot Program	Once you've identified the starting use case, commit to a pilot program with a particular vendor. The pilot should last a minimum of 30 days and preferably 90 days. For an initial proof of concept, provide snapshotted data from the prior quarter; have the vendor score it; and compare to closed won opps.	Demonstrate downstream MQL to SQL conversion rate improvements.
3	Vendor Collaboration	Vendor collaboration is crucial to the success of the pilot. On reference calls, make sure that your selected vendor has a track record of collaboration during pilots, particularly as it relates to model iteration.	Vendor can turnaround model change requests in less than five days.
4	Demonstrate Results	Showcase results that demonstrate the success of the pilot. For example, demonstrate that leads scored using the predictive model have a 20% higher MQL to SQL conversion rate than those that don't.	Highlighted results allow you to apply predictive to other areas such as sales.

Predictive analytics in the sales organization

Our data reveals that there have been a number of failed projects when predictive analytics is applied to deeper funnel, sales use cases. When you're ready to push predictive into sales, make sure you run another small pilot and focus on results in the aggregate, as opposed to each individual lead or opportunity.

VENDOR LANDSCAPE AND ANALYSIS

Provides an overview of key vendor trends and dynamics, as well as detailed analysis of seven leading predictive analytics vendors.

VENDOR ANALYSIS

For prospective buyers, the predictive analytics vendor landscape can be confusing. A number of dynamics make understanding the overall landscape and specific vendor capabilities a challenge. First, a large number of vendors currently have a predictive offering. Second, marketing and sales can apply predictive to many different use cases. Third, very few vendors are able to articulate how they are different from the competition. Finally, the vendor landscape will undergo rapid change over the next five years. To better understand the vendor landscape, buyers need to be aware of the several key dynamics, detailed below.

Buyers should start their vendor analysis by identifying which vendors excel with their priority use cases.

► **There are a large number of predictive analytics vendors relative to the overall size of the B2B market.**

There are over 20 vendors actively targeting B2B marketing and sales organizations with predictive offerings. That's a staggering number of vendors, given that the market generates less than \$100M in aggregate vendor revenues.

► **Buyers identify “lack of differentiation” as one of the primary issues when evaluating vendors.** During our interviews with predictive analytics buyers, marketers identified “lack of differentiation” as a key issues during evaluations. While some vendors are differentiated, particularly when it comes to satisfying buyer requirements around specific use cases, most default to “we do it all” messaging. That's one reason buyers need to identify initial use case requirements against which they can evaluate vendors.

► **Certain vendors have demonstrated that they excel with specific use cases.**

Certain vendors do exhibit real strength in particular use cases. For example, Leadspace is best know for its ability to identify new contacts against specific demographic criteria. At the same time, well-funded vendors are rapidly investing in supporting additional use cases. This is in response to demands from large enterprise customers that are looking to adopt an enterprise-wide standard.

► **Vendors are in an arms race to cover more and more data sources.** Vendors already incorporate an extensive amount of internal marketing and sales data into their offerings. Now, vendors are in a race to cover external data sources via traditional web scraping techniques and third party licensing agreements. While a vendor may cover unique, differentiated data sources today, well-capitalized vendors are in a race to reach “data parity” with competitors.

VENDOR ANALYSIS

- ▶ **Usability (in a broad sense) will become a key differentiator for vendors.** Given that predictive algorithms are largely a commodity and vendors are driving to data parity, usability is an area where vendors will differentiate themselves. A buyer's evaluation of usability should obviously include product usability. In the case of predictive analytics, you should also evaluate how well the product integrates with CRM and marketing automation applications, as well as the vendor's customer success function.
- ▶ **The time it takes vendors to deliver results will become a crucial evaluation factor in the next five years.** Predictive analytics is poised to deliver results in a more real time manner. Today, production customers use predictive technology in more of a batch fashion, optimizing things like ICPs or lead scoring sporadically. We forecast that early adopters will start using predictive analytics in a more real time, continuous fashion in the next 3-5 years.
- ▶ **We expect the predictive analytics market to follow a classic software vendor consolidation pattern.** There simply isn't room for 20+ vendors in the B2B predictive analytics market. As such, we forecast that the market will consolidate over the next five years, with 2-3 leaders emerging. Commoditized products, acquisitive MAP and CRM vendors, and poor vendor execution will drive many predictive analytics vendors to either pivot, sell, or go out of business. That's why it's critical that buyers pay attention to long-term vendor viability issues such as contract length, model/data ownership, and financial viability.

VENDOR EVALUATION CRITERIA

In order to better understand the predictive analytics vendor landscape, TOPO interviewed production customers and vendors in an effort to evaluate vendors against a comprehensive list of 35 criteria. Designed to help buyers understand the impact that specific vendors will have on key marketing and sales metrics, these 35 criteria can be grouped into the following categories:

Use cases – Vendors need to have demonstrated success with your specific use case. While most vendors are expanding their use case coverage, some vendors still specialize in specific areas such as opportunity management. Look for vendors that meet your specific requirements and can provide production references for your use case.

Product – There are a number of criteria to evaluate when it comes to vendor products. First, the product must cover an extensive set of data sources that you believe are relevant to your use cases. Vendors should also have a roadmap and process for adding additional data. Second, usability across the “predictive lifecycle” is a key consideration. Pay particular attention to how scored results are consumed by marketing and sales via MAP and CRM systems. Third, most of the math behind vendor models is similar, but it's still worth evaluating the relative predictive outcomes of each vendor that you evaluate and pilot.

Customer success – Given how nascent the B2B predictive analytics market is, most end-user organizations have very little in-house expertise. Furthermore, model iteration is a critical factor in determining whether predictive will work for you. That's why it's critical that vendors surround their products with a high quality customer success function.

Production customers – The number of customers that a vendor has in production is an excellent indicator of that vendor's capabilities. Remember to look for customers that are in production in an area directly related your priority use case.

Pricing – Predictive analytics pricing varies, ranging from \$25,000 up to millions of dollars for some of the more expensive implementations. Most vendors now charge a base monthly fee with some type of consumption metric, such as number of leads scored, layered on top.

Viability – TOPO expects the vendor landscape to evolve significantly over the next five years, so make sure you evaluate the long-term viability of vendors. Look at signals such as: the amount and quality of capital raised; the number and quality of production customers; and the experience of the executive team at larger companies.

TOPO'S PREDICTIVE ANALYTICS SHORTLIST

Developing a vendor shortlist is critical to evaluating predictive analytics solutions. TOPO developed its shortlist of seven vendors using data collected from production customers. This data spans 35 different criteria that can be organized into the aforementioned evaluation criteria: use cases; product; customer success; production customers; pricing; and viability. *Note that this shortlist is meant to be a starting point and that buyers should modify their shortlists based on their specific requirements.*

Vendor	Description	Key Considerations
6sense	6sense has application across the B2B marketing and sales funnel, processes a large amount of data, and has used marketing to catch up to more established vendors.	<ul style="list-style-type: none">• Best suited for large enterprises• Product processes large amounts of data• Significant services required according to customers
EverString	Everstring makes the shortlist based on customer interviews where marketers were able to articulate results in areas like targeting (account scoring) and lead scoring.	<ul style="list-style-type: none">• Best used as account-based solution• Excels at customer success• Product covers extensive data sources
Fliptop	Fliptop has rapidly expanded beyond lead scoring into other use cases with useable “modules” that focus on areas such as account targeting and opportunity scoring.	<ul style="list-style-type: none">• Customers cite highly accurate scores as benefit• Also rate ease of use as strength• Company is committed to pilot program success
Infer	Infer has demonstrated ability to deliver ROI to sophisticated companies in areas such as conversion rates, average deal sizes, and sales cycle length.	<ul style="list-style-type: none">• Known as being easy to use product• Customers able to articulate compelling ROI• High marks for customer success organization
Lattice Engines	Originally a predictive analytics consulting firm, Lattice has since productized its offering and now serves over 100 customers primarily in the technology vertical.	<ul style="list-style-type: none">• One of the most comprehensive platforms on market• Must consider for complex, scaled scenarios• Can be services-heavy engagement
Leadspace	Leadspace is best known for its ability to help marketers identify contacts that meet demographic criteria specified via client-developed personas.	<ul style="list-style-type: none">• Excels at top of funnel sourcing new contacts• Models are flexible and open• Value in sourcing contacts that match personas
Mintigo	Company has expanded beyond its historical roots of helping marketers identify high value prospects using predictive scoring.	<ul style="list-style-type: none">• Now applicable to more than just targeting/prospecting• Covers extensive internal and external datasets• Free proof of concepts rate well with customers

6SENSE PROFILE

6sense has quickly become a market leader in B2B predictive analytics. Founded in 2013, 6sense already has broad application across the B2B marketing and sales funnel, processes a large amount of data (including “intent” data from third party sources), and has done an exceptional job of using marketing to catch up to more established vendors.

Key Considerations:

- ▶ **6sense is best suited for large enterprises.** We estimate that approximately 80% of 6sense’s customers are large enterprises with 5,000 or more employees. The product scales and with pricing starting at \$200,000 per year and running into the millions of dollars for its largest customers, this is not a solution built for smaller marketing and sales organizations.
- ▶ **The product processes large amounts of data, including “third party intent” data.** 6sense is processing 90 billion rows of data a month now. While those numbers are impressive, vendors are in a race to expand their data coverage rapidly. We expect the market to reach a state of “data parity” in the next few years and for data differentiation to be less of a factor than it is today. The company has also been on the forefront of using third party intent data in its models from sources such as B2B publisher Bombora. In theory, capturing intent data prior to buyer/vendor engagement is compelling. In practice, events like white paper downloads are weak, low quality signals.
- ▶ **6sense customers claim there is a significant services component required to roll the product out.** While 6sense states that they “don’t sell services”, customers claim that product implementations are services-heavy, with one customer stating that 6sense is “essentially a services company”.

Use cases:

Targeting, lead scoring, opportunity scoring, account management

Product:

Most applicable to large, enterprise deployments

Customer success:

Significant services component required for most rollouts

Customers:

Cisco, CSC, Dell, NetApp, VMware, Xactly

Pricing:

Starts at approximately \$200,000 annually and increases from there based on additional modules

Company viability:

\$36M in venture capital

EVERSTRING PROFILE

EverString makes the TOPO shortlist based on interviews conducted with the company's customers. These customers were able to articulate specific results in areas such as targeting (account scoring) and lead scoring. EverString's customer success organization also rated exceptionally well during interviews.

Key Considerations:

- ▶ **The product is designed to be an account-based solution.** The EverString product does well supporting account-based use cases in areas such as identifying ideal customer profiles (ICPs) and matching specific accounts to those ICPs. For marketers exploring programs such as account based marketing (ABM), EverString may be a good fit.
- ▶ **EverString truly excels at customer success.** Given the nascent nature of the predictive analytics market, customer success is much more important to successful rollouts than it is in other marketing and sales technology markets. Customers give glowing reviews to EverString's customer success organizations, citing service elements like sub one hour model turnarounds. One customer stated that "EverString customer success was just willing to do more for me than other vendors".
- ▶ **Like other vendors, the company markets its coverage of the funnel and extensive data sources.** EverString markets its ability to cover various marketing and sales use cases, as well as the product's data coverage. Remember that our data shows that all of the major vendors are investing heavily in use case and data coverage. We expect there to be little differentiation in these two areas over the next three to five years.

Use cases:

Targeting, lead scoring, opportunity scoring

Product:

Product is strongest in account-based marketing and sales scenarios

Customer success:

Customers rate solution consultants and data scientists exceptionally high

Customers:

8x8, Apttus, Comcast Business, Microsoft, Zenefits

Pricing:

Averages \$25,000 annually

Company funding:

\$12M in venture capital

FLIPTOP PROFILE

Fliptop released its predictive lead scoring product in 2013. Since then, the company has rapidly expanded into other applications and use cases with highly useable “modules” that focus on areas such as account targeting and opportunity scoring. The company now serves over 40 customers with its different predictive modules.

Key Considerations:

- ▶ **Production customers cite accuracy as one of Fliptop’s competitive differentiators.** One reason for this is the product’s ability to develop different models for client-specific use cases and requirements. For example, Fliptop models can account for variables such as whether your sales reps are receiving too many or too few leads and adjust the lead scoring threshold to optimize the number of leads sales receives.
- ▶ **Customers also rate ease of use as one of the product’s core strengths.** Fliptop customers cite ease of use as one of the product’s strengths. The product was highly usable in areas such as rapid set up (minutes to hours) and first model delivery (less than one week). That’s a key consideration for marketing organizations that often lack deep technical skills.
- ▶ **Fliptop takes customer success seriously and is committed to pilot success.** The company receives good reviews from customers across all phases of customer success. Fliptop received high marks for its general commitment to making customer pilot programs successful. Customers also noted the company’s high quality, enterprise grade training programs made their predictive analytics rollouts particularly successful in sales organizations.

Use cases:

Targeting, lead scoring, opportunity scoring, account management

Product:

The product is known for delivering highly accurate results and being easy to use

Customer success:

Receives high customer success ratings based on commitment to pilots

Customers:

Cornerstone On Demand, Intuit, InsideView, Blackbaud

Pricing:

Starts at \$24,000 annually and increases from there based on data volume and modules

Company funding:

\$8.5M in venture capital

INFER PROFILE

Infer makes the TOPO shortlist based on its ability to deliver demonstrable return on investment to sophisticated, high growth companies. TOPO collected data from Infer customers that showed quantum improvements in middle and bottom of the funnel conversion rates, average deal sizes, and sales cycle length.

Key Considerations:

- ▶ **Customer success plays a key role in the high ratings Infer receives from customers.** Unlike other vendors in the space, Infer does not shy away from the fact that “human intervention” plays a key role in what it delivers to customers, particularly when it comes to model accuracy and turnarounds. Infer’s customers have actually embraced this, citing it as one of the company’s key strengths.
- ▶ **The Infer product is one of the most usable solutions available and the company is easy to work with as well.** Infer customers rate the product as highly usable through the setup, pilot, and production phases. Furthermore, the company is easy to work with, providing attractive pilot terms, rapid model turnarounds, and excellent customer success overall.
- ▶ **Infer’s installed base of early adopters drives new business.** Infer has done a good job of acquiring leading SaaS companies like Zendesk, New Relic, and Hubspot as customers. These early adopters have acted as beacons for other SaaS and technology companies who are looking to make quick, pre-validated decisions. In fact, when asked why they chose Infer, numerous customers stated “if it’s good enough for X, then it’s good enough for us”.

Use cases:

Targeting, lead scoring, opportunity scoring

Product:

Product is highly usable and delivers demonstrable downstream ROI to production customers

Customer success:

Customer success rated as one of the company’s primary strengths by customers

Customers:

Box, Cloudera, Hubspot, New Relic, Tableau, Zendesk

Pricing:

Starts at \$25,000 and increases from there based on number of outcomes and model complexity

Company funding:

\$35M in venture capital

LATTICE ENGINES PROFILE

Lattice Engines is one of the market leaders in the B2B predictive analytics space. Originally a predictive analytics consulting firm, Lattice has since productized its offering and now serves over 100 customers primarily in the technology vertical. While the Lattice has a reputation for helping larger, enterprise clients, numerous mid-sized companies use the product as well.

Key Considerations:

► **Lattice provides one of the most comprehensive platforms on the market.**

Lattice's modules (Prospect Discovery, Account Prioritization, Lead Prioritization, and Cross-Sell/Up-Sell) provide customers with options for every stage in the revenue chain. Furthermore, the company has an extensive set of internal and external data, including sources such as SAP and Microsoft Dynamics.

► **Buyers must be prepared to iterate with Lattice during the pilot.** Customers note that collaboration with Lattice during the pilot phase is critical. Experienced marketing technologists have seen results in weeks, but some customers note that larger deployments may require multi-quarter pilots (up to one year in length) before they see positive results.

► **Expect a services-heavy deployment in some scenarios.** In complex, enterprise scenarios, buyers should anticipate a services-heavy engagement during initial setup and pilot phases. As such, it's critical that you make sure the pilot is able to demonstrate positive results according to your initial project plan.

Use cases:

Targeting, lead scoring, opportunity scoring, account management

Product:

The Lattice product is comprehensive, covering a range of applications and extensive data sources

Customer success:

Receives good customer success ratings based on responsiveness and available resources

Customers:

Citrix, Dell, DocuSign, Five9, PayPal, VMware

Pricing:

Starts at \$36,000 annually and increases based on factors such as number of modules and data sources

Company funding:

\$54.7M in venture capital

LEADSPACE PROFILE

Leadspace is best known for its ability to help marketers identify contacts that meet demographic criteria specified via client-developed personas. The company has expanded its offerings to cover deeper funnel applications, but its bread and butter business remains top of the funnel prospecting, where marketers continue to give the product high marks.

Key Considerations:

► Leadspace excels at the top of the funnel using powerful external datasets.

The company has distinguished itself at the top of the funnel by helping marketers identify high value contacts based on external, demographic data. The product has expanded into other applications, but the company continues to receive excellent reviews when it comes to identifying high value, net new contacts.

► The company's approach to modeling and scoring is flexible and open.

Leadspace takes a fairly open position when it comes to modeling and how scores are calculated. This isn't just an academic position – by opening up the inner workings of how scores are derived, the company allows marketers to satisfy specific requirements and use cases. For example, one customer has developed product specific nurturing campaigns based on Leadspace's ability to score new contacts against the company's specific product lines.

► Matching contacts to Ideal Customer Profiles and personas is Leadspace's strongest use case.

With most predictive analytics vendors, it can be challenging to identify a specific use case where the vendor truly excels. Interviews with Leadspace customers reveal that the company delivers exceptional results when it comes to identifying contacts based on persona-based demographic characteristics.

Use cases:

Targeting, lead scoring, account management (most customers use to match target prospects against ICP)

Product:

Best suited for top of the funnel marketing efforts like sourcing high quality, net new contacts

Customer success:

Receives good customer success ratings, particularly in top of funnel use cases

Customers:

Adobe, Autodesk, IBM, Oracle, Microsoft

Pricing:

Base pricing is \$36,000 annually

Company funding:

\$35M in venture capital

MINTIGO PROFILE

Mintigo is included on the shortlist based on the number of companies currently using one of the company's predictive solutions. Founded in 2009, the company has expanded beyond its historical roots of helping marketers identify high value prospects using predictive scoring.

Key Considerations:

- ▶ **Mintigo has expanded beyond its targeting roots.** While Mintigo is best known for its ability to help markets target new prospects, the company has expanded into other areas such as lead scoring, opportunity scoring, and customer upsell and cross-sell applications.
- ▶ **The company's dataset covers a large number of accounts and contacts.** Mintigo sources data on over 10M companies and 100M contacts. As such, the product can be especially useful for marketers targeting broad markets such as the small business market.
- ▶ **Mintigo offers free proof of concept pilots that typically last three to six weeks.** Interviewed customers cite Mintigo's free proofs of concept as highly valuable. In particular, customers gave high marks to the support and flexibility provided by Mintigo to marketers during these PoCs. Buyers should expect them to last from three to six weeks on average.

Use cases:

Lead scoring, opportunity management, account management

Product:

Customers rate Mintigo's extensive dataset (internal and external) as a product strength

Customer success:

Receives high ratings based on efficient setup and flexibility during pilot

Customers:

Raytheon, Redhat, Seagate, SolarWinds, Time Warner Cable

Pricing:

Base pricing is \$120,000 annually and increases based on number of leads scored

Company funding:

\$19M in venture capital

ABOUT TOPO

As a research and advisory firm, TOPO works with high growth companies to help them design, build, and manage scalable revenue functions. TOPO Analysts support clients in three areas: demand generation, sales development, and sales. Leading marketing and sales practitioners depend on our research, best practices and tools to make informed strategic decisions that drive revenue growth.

We do this by offering:

1. Data and benchmarks collected from the world's fastest growing companies across hundreds of key marketing and sales data points.
2. Research, best practices, and tools that make scalable revenue growth a reality by focusing on specific, actionable strategies, tactics, and plays.
3. Personalized advice and support from sales and marketing's best and brightest – TOPO Analysts and your peers from the world's fastest growing companies.
4. Events and peer networking with industry leading revenue practitioners to learn and share best practices that define success for top-performing marketing and sales teams.

About the Analyst

Craig Rosenberg is TOPO's Chief Analyst. He leads TOPO's analyst organization and is responsible for publishing seminal research reports and advising strategic clients on a range of sales and marketing issues.

FOR MORE INFORMATION

To find out how TOPO can help you grow revenue faster, contact us at:

Email:

hello@topohq.com

Web:

www.topohq.com

Blog:

blog.topohq.com

Analysts:

craig@topohq.com