Magic Quadrant for Customer Success Management Platforms

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Customer success management is a crucial function for B2B organizations with recurring revenue streams. This Magic Quadrant evaluates vendors that offer a CSM platform that can guide customers to value, provide visibility into customer health and scale the customer success practice.

Market Definition/Description

Customer success management (CSM) platforms are SaaS solutions typically used by B2B organizations selling subscription-based solutions to guide life cycle interactions and provide visibility into account health. CSM platforms help customer success and account-facing teams to achieve customer retention and growth objectives. They provide the ability to define and execute playbooks, and automate customer outreach based on triggers or specific journey stages. Using data collected from customer success teams and ingested from other internal systems, these platforms can provide customer health alerts and can suggest or even automate next best actions.

Businesses that offer products and/or services sold through subscription models are using CSM programs to retain and grow revenue from existing accounts. Customer success management is the business discipline of guiding customers to realize value through product adoption or service utilization across the owning life cycle. It uses a data-driven approach to monitor customer health and engagement, and uncover insights that drive proactive and prescriptive action leading the customer to renew, expand and advocate. CSM platforms are necessary to scale the function, providing oversight and insight into hundreds or thousands of accounts at various stages of their life cycles.

CSM platforms provide capabilities to create a holistic view of the customer, guide customers through their onboarding and owning journey, and surface customer health indicators in a way that provides actionable insights to all stakeholders.

To provide more transparency and predictability in achieving customer renewal and growth targets, CSM platforms support the following use cases:

- **Self-contained customer success teams:** This scenario supports a small number of products and users.

- **Enterprise customer success functions:** This scenario is composed of large and distributed teams supporting a robust product portfolio.

- **Integrated customer success and service offerings:** This scenario is for monetized customer success offers which can be bundled with premium support, customer education and/or professional services.

Mandatory Capabilities

- **Customer data management.** Ability to integrate and use customer data from multiple sources, including but not limited to CRM, product analytics, customer data platforms (CDPs), data warehouses, ERP, learning management systems (LMSs), case management, marketing automation and voice of the customer (VoC) platforms.

- **Customer profile management.** Build profiles that provide a holistic view of the customer, inclusive of products and services purchased, interactions and where clients are in their life cycle journey for each solution.

- **Success plans and playbooks.** Ability to define, customize and track use of success plans, templated playbooks, automation and alerts to guide customers through their journey.

- **Customer adoption or health score.** Ability to define, customize and track at least one type of customer adoption or health score, which can trigger actions such as alerts or touchpoints to guide customer success managers.

- **Dashboards and analytics.** Ability to define dashboards that provide aggregate views and summaries of accounts at the segment, team and individual customer success manager level.

- **Application customization.** Tools or interfaces to permit ongoing refinement of the application (i.e., playbooks, automation, health scores, dashboards) to fit evolving best

practices and lessons learned.
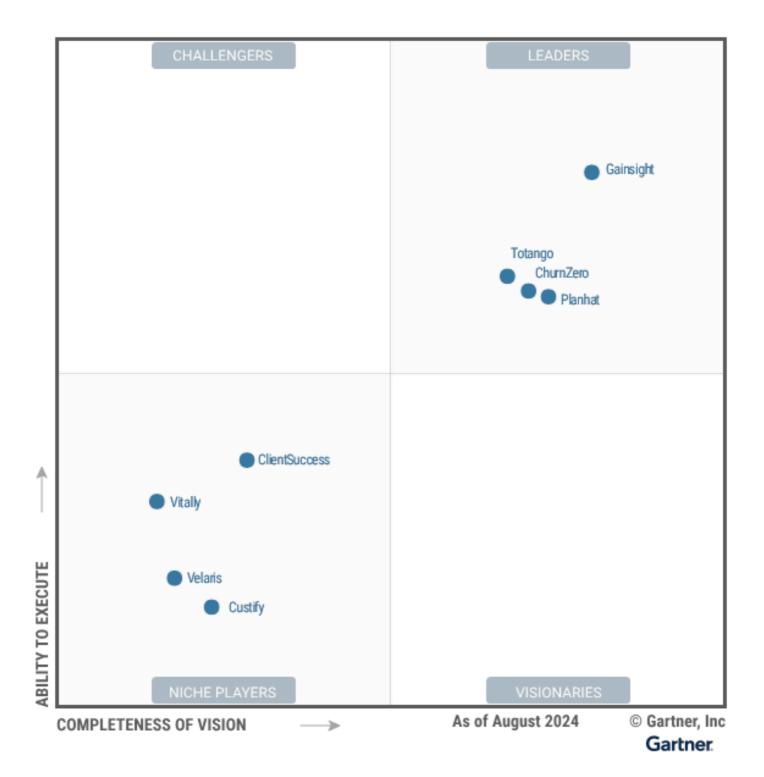
Common Capabilities

- **Onboarding checklists and workflows.** In-application onboarding, checklists and guided workflows for users.

- **Custom dashboards.** Interfaces or specialized dashboards for other enterprise stakeholders such as customer marketing or product teams.

- **Health and engagement analytics.** Ability to see health and engagement trends over time for individual accounts and segments.

- **In-app prompting.** Direct support for providing in-app user guidance as a means of outreach, either directly or through integration with a digital adoption solution.

- **CRM integration.** Provide bidirectional integration with CRM systems to permit updates from the CSM platform to be reflected back in the CRM view of customer opportunities.

- **Collaboration with internal and partner teams.** Ability to share and collaborate with other employees and partners on account insights and actions directly within the platform or through other channels such as Slack.

- **Forecasting.** Renewal and pipeline growth forecasting capabilities.

- **Meeting scheduling.** Automated meeting scheduling capabilities.

- **Collaborative spaces for customers.** Direct customer-facing collaborative spaces for sharing and updating customer success artifacts and plans.

- **Generative AI (GenAI) and account insights.** Use of GenAI to generate real time account insights, including summaries and recommended next steps.

- **GenAI and customer communications.** Use of GenAI to prepare customer communications that can be used to streamline customer success efforts.

- **GenAI and playbooks.** Use of GenAI to provide recommended adjustments to plans, playbooks and health scores based on correlation with actual performance.

- **GenAI conversational assistant.** Offer a GenAI conversational assistant to support platform users with answering questions and completing tasks.

- **Administration.** Dedicated systems administrator space, controls and sandbox/testing environment.

- **Value tracking.** Ability to track progression toward value targets by defining KPIs agreed upon with customers.

- **Customer community integration.** Integration with or direct support for a customer community.

- **Customer success performance.** CSM performance and compensation management tools and dashboards.

Magic Quadrant

Figure 1: Magic Quadrant for Customer Success Management Platforms

CHALLENGERS · LEADERS · NICHE PLAYERS · VISIONARIES

Gainsight

Totango
ChurnZero
Planhat

ClientSuccess

Vitally

Velaris

Custify

ABILITY TO EXECUTE

COMPLETENESS OF VISION

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Vendor Strengths and Cautions

ChurnZero

ChurnZero is a Leader in this Magic Quadrant. The ChurnZero CSM platform focuses on enabling customer success leaders and their teams to use SaaS solutions effectively. While it has a global presence, its customers are predominantly located in North America.

Recent ChurnZero updates include features such as its Customer Success AI assistant that allows users to ask questions about accounts to receive data-backed answers. Its roadmap includes AI capabilities such as Engagements AI to help users assess customer engagement to surface evolving sentiment and Meeting AI to automatically generate notes and task lists

and draft customer follow-up communication. It also plans to refresh its CSM workspaces to provide an all-in-one-place productivity hub.

Strengths

- **AI investments:** ChurnZero has made significant advancements in the application of AI to support a wide variety of tasks and use cases, such as its conversational AI assistant chatbot which can provide the organization with customer data and insights.

- **Market responsiveness:** ChurnZero continues to target and add capabilities to support larger and more complex customers that are applying customer success best practices across numerous products and solutions.

- **Market awareness:** ChurnZero leverages an expansive customer community, in-person events and private forums to deepen existing relationships and establish its presence in the industry.

Cautions

- **Product administration:** While ChurnZero's features are wide-ranging and highly effective, many peer reviews cite a steep-learning curve for the platform administrator.

- **Industry strategy:** ChurnZero's primary target of SaaS-based organizations may limit its platform growth in other market segments and industries.

- **Market understanding:** ChurnZero's vision is grounded in a traditional view of the role of customer success as driving retention and service. In comparison, other vendors in this Magic Quadrant see customer success evolving to play an important role in customer growth and CSM platforms being integrated into the broader revenue tech stack.

ClientSuccess

ClientSuccess is a Niche Player in this Magic Quadrant. The ClientSuccess CSM platform targets midmarket B2B SaaS organizations that want fundamental customer success capabilities "out of the box" that do not require full-time resources to administer. Its customers are primarily located in North America.

ClientSuccess acquired two companies, Status in November 2023 and Baton in June 2024, to strengthen its onboarding and implementation solutions. ClientSuccess sees the future of customer success being shaped by two factors — the era of AI and an increase in capability consolidation with CRM.

ClientSuccess did not fully respond to requests for supplemental information. Gartner's analysis, therefore, incorporates other credible sources.

Strengths

- **AI investments:** The company's SmartCS AI improves the effectiveness of customer success managers and leaders with data-driven insights, optimized workflows, prescriptive recommendations and intelligent actions.

- **Implementation and onboarding:** The new acquisitions improve project workflows, with the ability to invite co-workers across the organization and customers to engage with a project and view a detailed list of all assigned activities by phase and milestone.

- **Customer community:** Customers can leverage ClientSuccess's annual CS100 Summit conference for its teams to share, learn and explore the discipline of customer success. Additionally, it offers leadership boot camps to customers and prospects.

Cautions

- **Enterprise deployment:** Beyond midmarket customers (scaling to hundreds of users), ClientSuccess still needs to show the ability to scale for larger enterprise-class deployments.

- **Market awareness:** Compared with other established vendors in this Magic Quadrant, ClientSuccess lags in brand recognition, coming up less frequently in Gartner inquiries as a vendor for consideration.

- **Geographic strategy:** With most customers in North America and the remainder in EMEA, ClientSuccess resources may face challenges in directly supporting global accounts.

Custify

Custify is a Niche Player in this Magic Quadrant. Its CSM platform is targeted at organizations in the professional services, technology, business and consumer services industries and is offered through two product packages — base and custom plans. It has customers globally, but most of them are located in Europe and North America.

Recent updates include its customer portal to provide a new dashboard for customer health scores. Its product roadmap includes investments in AI and machine learning capabilities to automate time-consuming tasks for customer success managers, and improving customer

journey and activity tracking to provide users with more detailed insights of customer interactions.

Strengths

- **Product support for collaboration channels and workspaces capabilities:** Custify's customer portal allows users and their customers to collaborate on activities such as editing documents and building success plans.

- **Onboarding:** Custify provides personalized onboarding with the goal of enabling customers to go live and achieve ROI quickly.

- **Market understanding:** Custify has built core product features such as its Revenue Management Module that streamlines the process of creating new opportunities to enable customer success teams to focus on growth.

Cautions

- **AI investments:** Although Custify has planned AI capabilities on its roadmap, its innovation lags behind other vendors in this research that have delivered more capabilities that are being used today.

- **Geographic strategy:** Custify does not offer direct or partner support in all geographic locations, even though it has sales traction in global markets, including Asia/Pacific (APAC) and Latin America.

- **Customer community:** Custify does not provide in-person events or an online community for users to engage and learn from other customer success experts and peers.

Gainsight

Gainsight is a Leader in this Magic Quadrant. The Gainsight CSM platform combines customer success, product experience, communities and education in one solution. Gainsight's customers are B2B and B2B2C organizations based primarily in North America, with a growing presence in Europe.

The Gainsight acquisition of Northpass in July 2023 provides automation of learning paths and certifications. Gainsight also continues to invest in the shift to digital, as organizations look for ways to further leverage AI and scale the practice as the cost to serve grows. Its roadmap includes Human-First AI with a conversational aid spanning community and

education, as well as within the customer's application and additional support for integrating partners into customer success motions.

Strengths

- **Enterprise deployments:** Gainsight's solution has proven scalability for large-scale enterprise use cases, serving thousands of active users.

- **Early and continued investment in AI:** Gainsight's AI emphasizes "human-first" to make users more productive and effective using features of Gainsight AI such as cheat sheets, meeting assist and take-aways.

- **Market awareness:** Gainsight hosts the industry's largest conference on customer success, complemented by its online community, attracting members beyond its customers and increasing brand recognition.

Cautions

- **Time to value:** Gainsight has developed the Gainsight Essentials program, reducing the time to value to an average of four weeks. However, Gartner client inquiries reveal continued perceptions that deploying its solution requires significant investment, time and effort compared with other vendors in this Magic Quadrant.

- **Channel strategy:** Except for Japan, Gainsight has largely relied on its own sales and service teams, impacting global growth and deployments.

- **Pricing model:** Gartner inquiries with some existing and potential Gainsight customers indicate that, for large-scale deployments, Gainsight is considerably more expensive than that of competitors.

Planhat

Planhat is a Leader in this Magic Quadrant. Planhat's CSM platform is positioned to broadly support postsale revenue teams. Its customer base is mostly split between North America and Europe, with success in the B2B SaaS market and expanding into healthcare and managed service providers.

With its 2024 platform upgrade, Planhat updated its solution's user interface, further personalizing the experience for users through a tailored workspace and an autogenerated, end-customer portal experience, including a vanity URL. Supporting a vision to serve the

entire postsale life cycle, its roadmap includes CRM and professional services product modules, as well as increasing the number of AI assistants throughout the platform.

Strengths

- **Generative-AI-powered health score:** Planhat is the first in the market with a generative AI (GenAI)-powered health score that can pull customer data from Planhat, as well as incorporate data from the customer's preferred large language model (LLM).

- **Pricing model:** Supporting Planhat's aspiration to be a customer management platform for many functions, its pricing levers are based not on "users," but on the number of accounts managed. An estimated 30% of its users are not within the customer success team.

- **Geographic strategy:** Planhat localizes to meet customer needs with a direct sales presence in North America, Europe, Asia/Pacific and Latin America. It delivers CSM solutions in 12 countries with the ability to support customer interactions in eight languages.

Cautions

- **Professional services:** Planhat lacks the same level of professional services staffing compared with other major CSM platform providers that serve the large enterprise market.

- **Automated outreach:** Although Planhat offers native functionality for in-app surveys, customers must rely on integrations with digital adoption platforms (DAPs) to trigger in-app messaging and campaigns based on Planhat data.

- **Customer community:** Planhat does not provide an "always-on" digital community for customers to share experiences and evolve best practices, but does offer training webinars and certifications.

Totango

Totango is a Leader in this Magic Quadrant. The Totango and Catalyst merger resulted in a combined operating company, "Totango," in which Catalyst will be a product within the Totango brand and continue to be supported as such. Only the Totango solution was evaluated for this Magic Quadrant. It offers a scalable CSM platform for organizations

focused on both protecting and growing revenue. Totango serves the global market, with the majority of customers in North America and EMEA.

Recent updates integrate Totango's composable architecture and schemaless data structure with Catalyst's solutions to enable reporting and cross-object querying. The company roadmap continues to focus on AI, including customer sentiment extraction, account summary capability, and renewal account identification and renewal motions. The Totango solution can be procured through marketplaces, including HubSpot and Salesforce.

Strengths

- **Innovation:** The vendor's offering is based on modules called SuccessBLOCs. These building blocks allow organizations to start by focusing on the most important business outcomes and incrementally addressing additional stages of the journey or pivoting as their practice matures.

- **Time to value:** The vendor's Power-up self-service implementation program, tailored for flexibility and independence, includes orientation and data connection setup using worksheets and configuration of Totango for daily use.

- **Enterprise deployments:** The Totango solution has proven scalability for large-scale enterprise use cases, supporting thousands of active users.

Cautions

- **Market responsiveness:** The merger of Totango and Catalyst will require significant time and resources to provide an integrated go-to-market approach, which could limit the company's ability to respond to market and competitive changes.

- **Customer retention:** Discontinuation of its freemium model, challenges in the SaaS sector and the merger with Catalyst could keep the company focused on ensuring existing clients obtain value.

- **Dashboards and analytics:** Dashboard reporting is point in time, driven with limited advanced reporting features and support for time-series data.

Velaris

Velaris is a Niche Player in this Magic Quadrant. The Velaris CSM platform is focused mainly on customer success leaders and their teams, primarily in late Stage A or Growth Stage B2B

SaaS companies. A majority of its customers are in EMEA, followed by North America and APAC.

Over the past year, Velaris has added several new features. These include Connect, a customer portal widget to connect customers with customer success managers; a custom objects feature to store data points within the platform such as feature requests; and AI capabilities for customer sentiment analysis for support tickets and account summarization. The company's roadmap shows continued investment in a broad range of AI solutions across its portfolio, including health scoring, data and AI assistant capabilities.

Strengths

- **Onboarding and time to go live:** Velaris provides human-led onboarding for all of its clients, achieving one of the fastest go-live times among vendors in this research, at just four weeks.

- **Collaboration channels and workspaces:** The platform's customer portal widget eliminates the need for customers to log into separate systems to access mutual projects, making collaboration between the customer and customer success manager fast and seamless.

- **Market responsiveness:** To address the emerging use case of integrated services, Velaris includes specialized CRM features to enable customer success to track opportunities and utilization of add-on customer education and premium and professional services.

Cautions

- **Market awareness:** Velaris has lower awareness with Gartner clients based on search analytics and inquiries, and may need broader outreach via marketing approaches, such as events, to grow.

- **Geographic strategy:** Velaris has limited direct global coverage and lacks partners, with the majority of its customers located in Europe and the Middle East, which could impact support outside of those regions.

- **Customer support:** Velaris has a small number of employees for postsale support and professional services, limiting the amount and degree of postsale services it can provide.

Vitally

Vitally is a Niche Player in this Magic Quadrant. The Vitally CSM platform is targeted mainly to customer success leaders and their teams in midmarket SaaS and tech companies. Its customers are predominantly in North America, with a growing number in EMEA.

Recent updates include raising Series B funding in 2023 and an integration with Gong to incorporate recordings of customer meetings. Vitally's roadmap includes the introduction of AI to enhance data analytics and generative AI to assist with content creation, such as emails and documentation.

Strengths

- **User experience:** Vitally focuses on ease of use in its platform through in-app guidance and the "Hubs" feature, which provides personalized views for users and a customized experience for multiple customer success team strategies.

- **Onboarding and adoption:** Vitally assigns a dedicated customer success manager to facilitate onboarding. The "Success Network" offers a variety of in-person events and online resources, including webinars, a podcast and interactive tools to help develop KPIs and customer success team performance measurement.

- **Partner strategy:** Vitally is expanding its services' partner coverage to support customers across the U.S., U.K., France and Germany.

Cautions

- **Product roadmap:** Vitally's roadmap lacks significant platform innovations and AI capabilities (both traditional and generative AI) compared with other vendors in this research, although it plans to incorporate AI in the platform by the end of 2024.

- **Collaboration spaces:** Vitally lags behind other vendors in this Magic Quadrant on customer collaboration spaces. However, the Docs feature allows users to share projects, tasks, success plans and goals with their end customers through a "magic link" that does not require login credentials.

- **Enterprise deployments:** Gaps exist in the ability to effectively manage large customer success teams, such as team performance reporting, including support for workload balancing.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

As this is a new Magic Quadrant, no vendors were added.

Dropped

As this is a new Magic Quadrant, no vendors were dropped.

Inclusion and Exclusion Criteria

To be evaluated for the customer success management platform Magic Quadrant, the following criteria must be met:

- The product must be publicly marketed and sold in a manner that clearly aligns it to address a customer success business function and need, such as calling it a "customer success management platform"

- The provider must have at least 50 full-time total employees and have sales presence in at least two regions (North America, Latin America [LATAM], EMEA or APAC).

- The provider must have at least 100 total active paying customers or have added 40 new active paying customers over the course of the past 12 months.

- The CSM platform must have been in production use for at least one year.

- The CSM platform product version being evaluated must be generally available as of 1 June 2024.

- The product must meet Gartner's market definition for customer success management platform (as described at the beginning of this research).

Evaluation Criteria

Ability to Execute

Product or Service: This criterion assesses core goods and services that compete in and/or serve the defined market. It includes current product and service capabilities, quality, feature sets, skills, and so forth. They can be offered natively or through OEM agreements/partnerships, as defined in the market definition and detailed in the subcriteria.

We specifically look for the ability to:

- Integrate and leverage customer data to guide customers to value and provide ongoing insight into customer health

- Ability to extend to incorporate and collaborate directly with employees across the organization, partners and customers

- Provide a good cadence of ongoing updates with a methodical release process

Overall Viability: This criterion assesses the organization's overall financial health and practical success of the business. Viability views the likelihood of the organization to continue to offer and invest in the product as well as the product position in the current portfolio.

We specifically look for:

- Evidence of financial strength

- Evidence of customer growth and retention

- Evidence of other drivers of viability

Sales Execution/Pricing: This criterion evaluates the organization's capabilities in all presales activities and the structure that supports them. This includes pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

We specifically look for:

- Direct and indirect sales revenue and customer growth

- Pricing clarity, flexibility, affordability and value for the money spent

Market Responsiveness/Record: This criterion assesses the ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve, and market dynamics change. It also considers the provider's history of responsiveness to changing market demands.

We specifically look for:

- Mergers and acquisitions (M&A) in response to market demand

- R&D investment into new functionality making it easier for customers to implement and adopt

- Evidence of listening to, adapting to and aligning with customer needs and market trends

Marketing Execution: This criterion evaluates the clarity, quality, creativity and efficacy of programs designed to deliver the organization's message. These programs are intended to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotion, thought leadership, word of mouth and sales activities.

We specifically look for:

- Evidence of brand awareness, perception and strength

- Evidence of go-to-market differentiation

- Partner ecosystem, customer community, advocacy and customer success program strength

Customer Experience: This criterion assesses the products and services and/or programs that enable customers to achieve anticipated results with the products evaluated. Specifically, this includes quality supplier/buyer interactions, technical support or account support. It may also include ancillary tools, customer success programs, availability of user groups, service-level agreements, and so on.

We specifically look for:

- Evidence of high customer experience (CX) metrics

- Customer community, advocacy and customer success program strength

- Mature CX business capability

Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product or Service	High
Overall Viability	High
Sales Execution/Pricing	High
Market Responsiveness/Record	Medium
Marketing Execution	Low
Customer Experience	High
Operations	NotRated

Source: Gartner (October 2024)

Completeness of Vision

Market Understanding: This criterion assesses the ability to understand customer needs and translate them into products and services. Vendors with market understanding show a clear vision of their market.

We specifically look for ability to:

- Listen to current customer demands, understand how those needs will evolve in future and adapt their roadmap accordingly

- Grasp business and technology trends and their implications on customer experience initiatives

- Demonstrate a grasp of current and future competitors and any overlap with adjacent software markets

Marketing Strategy: This criterion evaluates clear, differentiated messaging consistently communicated internally and externalized through social media, advertising, customer programs and positioning statements.

We specifically look for clarity of:

- Differentiation (product, business practices, customer experience)

- Strong articulation of the ideal customer profile

- Positioning to meet the needs of current ideal customer profile and new customer target segments

Sales Strategy: This criterion assesses a sound strategy for selling that uses the appropriate networks, including direct and indirect sales, marketing, service and communication. The sales strategy includes partners that extend the scope and depth of market reach, expertise, technologies and services.

We specifically look for:

- A defined approach on routes to market, including channel partners, digital commerce and marketplaces

- A value-based selling strategy

Offering (Product) Strategy: This criterion assesses an approach to product development and delivery that emphasizes market differentiation, functionality, methodology and features as they map to current and future requirements.

We specifically look for:

- Roadmap investments that keep pace with customer expectations

- Investments intended to support simplifying the ability to implement, configure and maintain the solution

- Architecture, platform scalability and UI/user experience (UX) investments

Vertical/Industry Strategy: This criterion evaluates the strategy to direct resources (sales, product, development), skills and products to meet the specific needs of individual market segments, including verticals.

We specifically look for evidence of:

- Targeting and traction within sectors beyond the traditional SaaS sector

- Marketing, sales and partner investments to support vertical industry requirements and use cases

Innovation: This criterion assesses direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, or defensive or preemptive purposes.

We specifically look for evidence of:

- Product innovation into new forms of customer data collection, analysis and action taking

- Customer experience and operational innovation in new forms of training, education, events, licensing and organizational changes

- Innovation through working with new forms of software and service partners

Geographic Strategy: The provider's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries, as appropriate for that geography and market.

We specifically look for evidence of:

- Product R&D and professional services to align with local geographic needs

- Sales and marketing to support local geographic needs

- A partner ecosystem development program to support local geographic needs

Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	High

Evaluation Criteria	Weighting
Marketing Strategy	Medium
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	NotRated
Vertical/Industry Strategy	Medium
Innovation	High
Geographic Strategy	Medium

Source: Gartner (October 2024)

Quadrant Descriptions

Leaders

Leaders are established vendors that have the ability to execute their vision through customer success management products and services and demonstrate solid business results in the form of revenue and customer growth. Leaders have achieved successful customer deployments beyond a single industry sector, from small deployments to multiple examples of larger enterprise-class deployments. Leaders are often the vendors against which other providers measure themselves.

Challengers

Challengers are often more established than Niche Players and achieve higher volumes of new business. They have the size and product capabilities to compete in multiple regions, but they might not be able to provide a compelling vision.

Visionaries

Visionaries deliver innovative and potentially market-changing solutions, but they struggle to meet the needs of all organizations due to geographic limitations, company size constraints and/or specific product limitations. They have strong potential to influence the direction of the market, but are limited in terms of execution and/or track record.

Niche Players

Niche Players sometimes offer the best solutions for the needs of organizations of a particular size or industry, considering the price/value ratio of their solutions. But they may lack specific functionality or support for enterprise or industry requirements. They may offer complete portfolios, but limit their market focus to specific segments or regions.

Context

This Magic Quadrant is designed to help you with the decision-making process regarding a customer success management platform, providing details on the market and vendor capabilities that align to your business problems and technical concerns. Your shortlist should be determined by the complexity and scale of your requirements. This Magic Quadrant is not designed to be the only tool for creating a vendor shortlist. Use it as part of your due diligence, in conjunction with Gartner analyst discussions and other customer success management platform research, including the associated **Critical Capabilities for Customer Success Management Platforms** report.

Gartner clients shouldn't assume a vendor with a Leaders placement in customer success management platforms is always the best fit for all companies. Differences in product offerings, pricing and packaging, innovation and go-to-market strategies vary by vendor. Therefore, every provider in this Magic Quadrant, no matter its placement, may be a best fit for a client, and clients should explore how that diversity meets their business and CX needs. Gartner clients should follow a deliberate RFP process when selecting a platform vendor. The RFP process aligns the buying team around the value for the purchase, creates consensus for the selected vendor and helps ensure support for the implementation.

Gartner recommends evaluating the following factors when procuring and implementing a customer success management platform:

- **Use cases and requirements:** Customer success management platforms should enable the organization to apply its best practices for guiding customers to product and service

value. Use-case needs should support the intended business outcomes, which may extend from customer retention to growth, and from adoption to advocacy. Supporting those goals may require use-case needs that may differ across customer segments, regions and products or services.

- **Employee scope:** Determine which employees and functions will use the customer success management platform, whether it resides solely in the customer success function or incorporates other customer-facing employees and sales/service partners.

- **Implementation and deployment criteria:** Beyond functional considerations, also closely scrutinize the vendor's data architecture, administration layer, UX, associated analytics and professional services organization (both direct and partner). With an increase in the importance of adhering to data privacy regulations, it is paramount to understand how and where data will be stored, which team members will have access to it, and how it will be used.

- **Reference customers:** Always delve into the prospective vendor's customer base to explore exactly what is being delivered and the outcomes achieved. Look beyond the size of the deployment (number of users) to include the complexity of the customer and product portfolio being supported. Ask about client retention and tenure rates, along with efforts to improve the customer experience. Use Gartner's Peer Insights platform as a resource for ratings and reviews.

- **Roadmap and innovation:** Most vendors included in this Magic Quadrant have robust roadmap plans, including the use of generative AI. Ensure that the vendor's roadmap is consistent with the vision of how you want to incorporate customer data and insights into your plans and processes. Specifically for the use of generative AI, validate where and how it will operate within the platform, and ensure access to customer data by GenAI features is consistent with your corporate guidelines on the extent of its use.

Use a hierarchical, weighted vendor evaluation model. This analytical hierarchy process helps deliver an objective, comprehensive and transparent customer success management platform vendor and software evaluation process.

Magic Quadrant research reports are snapshots in time. To be impartial and to complete our analysis, we stop our data collection efforts at a specific time for all vendors. In this case, the product/service capabilities were required to be in production and generally available in June 2024 to be considered in our evaluation.

Market Overview

The customer success management platform market continues to grow and mature, and we have observed several important developments over recent years. These include:

- **Customer success management platform market size:** We estimate the market grew 14% in 2023, a slowdown after several higher-growth years due to overall cooling of demand in the tech industry and some retrenchment in the size of customer success teams. In 2023, the size of the CSM platform software market crossed over the $500 million threshold for the first time, growing to an estimated $532 million. These market sizes and growth rates are calculated based on the software revenue of vendors that are primarily marketed as customer success management platforms as defined in this Magic Quadrant. It does not include vendors whose solution capabilities could be configured to support and manage customer success teams (such as a CRM).

- **CSM platform market forecast:** Market revenue growth has averaged between 14% and 25% over the last few years. For 2024 and the next several years, the CSM market is expected to grow by 18% on average. Growth will come from new buyers who need technology to scale a growing customer success function, from existing customers primarily swapping vendors, and potentially from changes to pricing models with the introduction of generative AI. Higher growth rates will be driven mostly by smaller vendors capturing new (large and midsize) accounts that are maturing their customer success functions. Larger incumbents (those that have been in the market for a decade or more) are expected to perform at the lower end of that range.

- **Vendor revenue and market ownership:** Based on Gartner analysis of multiple data sources, one vendor in this Magic Quadrant is generating more than $200 million annually from the CSM platform solution. The midtier of providers range from $20 million to $40 million in revenue, and small providers typically generate less than $5 million in revenue. All vendors in this Magic Quadrant are privately held. Some vendors are held by private equity firms, and the others are financed by venture capital (VC) investors, with investment status ranging from seed to Series B financing rounds. Consequently, customers have far less visibility into the financial health and future viability of these firms due to the lack of public financial disclosures and the possibility of future events, such as market consolidation as private owners optimize their portfolio holdings.

- **Mergers and acquisitions:** Given the slowing pace of growth in the customer success platform market, vendors looked to expand revenue by adding adjacent capabilities (for example, onboarding and learning management systems) or shored up their market position through a merger. Notable activity included the Totango and Catalyst merger, with Catalyst being an emergent player and Totango being well-established. Gainsight acquired customer education solution Northpass in July 2023. ClientSuccess acquired two onboarding applications: Status (November 2023) and Baton (June 2024).

- **Vertical specialization:** In terms of the existing customer base, all vendors continue to see the largest concentration of customers in two or three sectors — namely, SaaS, technology and telecommunications. Some show pockets of traction within other B2B sectors, such as media and financial services. The ability for the market to substantially grow will depend on adoption within other industry sectors.

- **Regional growth:** Though most sales currently are predominantly still within North America and Western Europe, there are indicators of potential growth worldwide. Ability to fuel that potential growth will depend on the vendor's ability to establish local presence and support, either directly or through channel/service partners.

- **Partner ecosystem:** Only a few providers have built out an ecosystem of third-party service providers, including agency and consulting partnerships. All of the vendors profiled in this research provide implementation and onboarding services. The Leaders provide an in-house, dedicated customer success manager.

- **Overlapping capabilities between software markets:** Customer success management platforms provide functionality that overlaps with adjacent software markets, including:

  - CRM platforms for opportunity management and forecasting

  - B2B customer community platforms, learning management systems (LMSs)

  - Product analytics applications

  - Voice of the customer (VoC) platforms (e.g., for Net Promoter Score [NPS] surveys), and recurring revenue (billing) solutions

This overlap with other software markets has already resulted in some mergers and acquisitions. It also raises a question with buyers as to what solutions are necessary and where data will be stored.

- **Customer expansion use case:** Increased focus on driving revenue growth from existing customers, rather than solely on retention, potentially expands the scope of CSM platforms. This extends the potential reach of the solutions to additional roles and users within the organization. But it also creates overlap with other sales technologies and competition over which platform will serve as the customer data system of record.

- **Generative AI:** Similar to other application software markets, the major advancements in the customer success management platform space are based on the potential benefits that generative AI offers. Primary capabilities include automatic account status and interaction summaries. Additional capabilities include assistants for CSM workflows. Most are deploying third-party LLMs (especially OpenAI).

⊕ Evaluation Criteria Definitions