

Allegiance Buys Inquisite to Strengthen Focus on EFM

Jim Davies

Enterprise feedback management solution provider Allegiance has purchased a complementary competitor, Inquisite. This is part of Allegiance's strategic push in this crowded market.

NEWS ANALYSIS

Event

On 14 July 2009, Allegiance, a provider of enterprise feedback management (EFM) solutions, announced that it has acquired Inquisite, a provider of a strong market research survey technology with a growing customer base of Fortune 500 companies.

Analysis

This deal brings together two of the top 20 vendors in the maturing feedback management market, which Gartner believes contains about 300 vendors, of which 40 can claim to provide a full set of EFM functions. Consolidation will be a natural event during the next two years. We expect more deals to follow, especially as CRM vendors increase their interest in this market.

The acquisition marks a strategic push by Allegiance into EFM via acquisition. In June 2009, Allegiance sold its SilentWhistle offering, which focused on ethics reporting, so that it could focus exclusively on voice-of-the-customer and EFM activities. Allegiance expects the deal to provide cross-sell and up-sell opportunities with Inquisite's installed base and views this as an opportunity to lead the U.S. EFM market.

Key improvements will stem from Inquisite's stronger survey design, creation, management and sampling capabilities and its enhanced security and role-based access. Allegiance plans to build new capabilities, such as text and data mining, support for social media insight and enhanced workflow capabilities during 2H10, when it finishes the bulk of the functional migration. There is potential for a strong, rounded EFM offering when this is complete.

Both companies use .NET architectures, which will simplify product unification. Allegiance plans to spend the next nine months porting the majority of Inquisite's enhanced features into the Allegiance offering in three stages. Allegiance customers, all of which use its software-as-a-service (SaaS) offering, will have the option to buy these new features. A large R&D team of more than 30 staff, including 20 contractors in India, will work on this rapid unification.

Historically, Inquisite has supported both SaaS and on-premises deployment models, whereas Allegiance is SaaS-only. Allegiance has stated that it will now support both models, but its commitment to the on-premises model requires monitoring for evidence of new on-premises deployments.

RECOMMENDATIONS

Allegiance customers

- Prepare for the new features that will be coming online rapidly via the SaaS version upgrades. Speak to your Allegiance account manager if you have concerns about the product road map.

Inquisite SaaS customers

- Consider porting to the Allegiance solution and data center in 3Q10, once the bulk of unification and enhancement is complete. Expect continued support for your current offering, for now.

Inquisite in-house customers

- Assess the Allegiance offering for your long-term in-house EFM platform. Any upgrade will require some technology refresh.

RECOMMENDED READING

- "How to Choose a Feedback Management Vendor" — Feedback management can enhance business performance and customer relationships, but choosing from among the three types of feedback tools complicates the adoption process. **By Jim Davies and Ed Thompson**
- "Case Study: Cisco WebEx Uses EFM to Increase Customer Retention" — Many organizations fail to use customer survey data effectively, but this study shows how Cisco WebEx uses EFM to enhance its business processes and increase customer retention. **By Jim Davies**

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