LIQUID × Avasta

Challenger Index

Edition 1: **B2B Products 2023**

Business Intelligence

MYRIOUS GROUP

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Category: Business Intelligence

Business Intelligence: A forward-looking analysis

The evolving landscape of BI

The business intelligence (BI) sector is undergoing a significant transformation, with the convergence of traditional BI and B2B artificial intelligence (AI). This integration, spearheaded by major players like Salesforce, Microsoft and IBM, is shifting the industry toward more predictive and AI-driven insights. The next five years are poised to see this trend redefine how businesses harness data for strategic decision-making, moving away from traditional data analysis.

Adaptation among industry stalwarts

In response to these industry shifts, established BI giants SAP, Oracle and SAS are reorienting their strategies. SAP is leveraging its S/4HANA transition to focus on real-time analytics and predictive insights. Oracle is enhancing its Analytics Cloud with AI and machine learning to bolster decision-making and data governance. Meanwhile, SAS is confronting brand momentum challenges by transitioning to a cloud-native platform and integrating AI, aiming to maintain relevance amid evolving market demands.

Challengers pushing boundaries

Salesforce and Microsoft are at the forefront of the new wave of challengers reshaping the BI landscape. Salesforce's Tableau acquisition has broadened its analytics capabilities, creating a more integrated customer experience within its CRM platform. Microsoft is also making strides with Power BI, capitalizing on its integration with Microsoft Office and advancements in AI. Meanwhile, Qlik's customer-centric approach and the strategic acquisition of Talend exemplify the independent innovation driving the sector forward.

Competitive dynamics and technological advancements

The BI market is characterized by both competition and strategic partnerships, reflecting its diversity and the varied needs it addresses. Technological advancements are central to this landscape, with cloud data integration, machine learning and mobile analytics gaining prominence. New pricing models like capacity-based pricing are aligning costs more closely with customer usage, particularly benefiting OEM partners.

Realigning brand strategies

Despite high performance scores, some BI brands face challenges in brand and marketing performance, highlighting a disconnect between market perception and presence. This gap necessitates a reassessment of marketing strategies to better align with evolving market expectations and customer preferences.

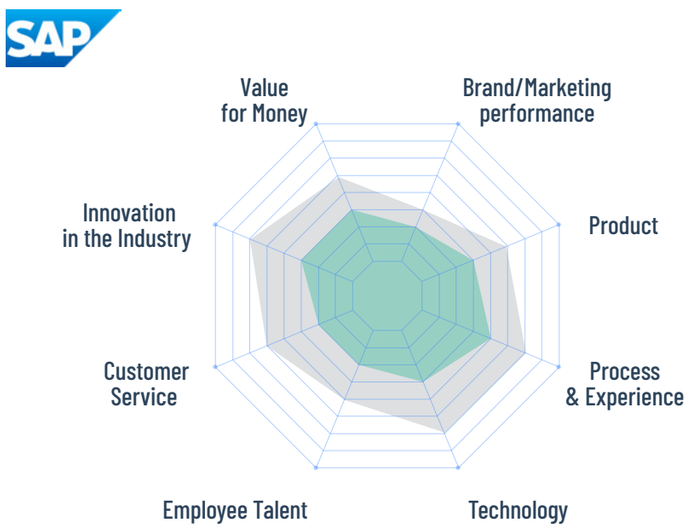
Expanding market opportunities

The BI market is expanding beyond traditional analytics, with a growing emphasis on AI integration and cloud-based solutions. This expansion opens new opportunities for companies to innovate and offer more comprehensive data solutions. The potential for IPOs and evolving customer preferences underline the industry's dynamic nature, requiring companies to balance legacy strengths with new, AI-driven approaches.

The future of BI

As BI evolves into a more integrated and AI-focused domain, companies are navigating a landscape marked by technological advancements, shifting brand perceptions and evolving market needs. The future of BI will be characterized by its ability to offer predictive and proactive solutions, blending traditional data analysis with advanced AI capabilities to meet the growing demands of a data-driven business world.

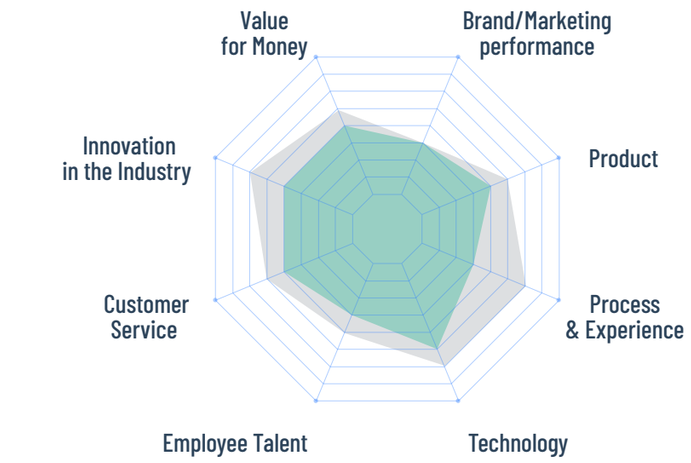
Business Intelligence: incumbents leading the category



SAP: Leading BI's future transition

SAP, reigning supreme in the business intelligence category, is poised to maintain its top position amid industry shifts. As B2B AI looms on the horizon, SAP's slow yet deliberate adaptation—typical of B2B evolution—may well secure its stronghold. With a strategy entrenched in real-time analytics and decision-making support during the S/4HANA transition, SAP is streamlining operational reporting and infusing predictive insights, signifying a strategic pivot from historical data analysis to forward-thinking business intelligence.

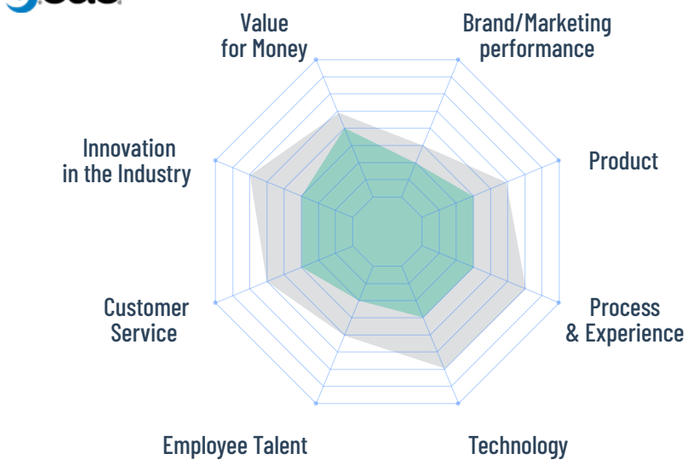
TTM Total Revenue	€34.31B (+7.72% YoY)
Market Cap	$181.19B (+40.40% YoY)
Target Price	€145.00
Entity Type	Public
Employee Size	105,380
HQ	Walldorf, Germany



Oracle: Defending against challengers

Oracle, firmly established yet facing challengers, must use its extensive scale and distribution networks to turn around negative brand and brand momentum scores. To counter competitors outscoring it on at least two to three of the performance measures tested, Oracle is refining its BI strategy. Its focus on leveraging advanced innovations within its Analytics Cloud—such as cognitive AI and Auto ML—will help enhance decision-making capabilities and fortify data governance, ensuring its vast install base remains a competitive asset rather than a legacy fallback.

TTM Total Revenue	$50.96B (+15.41 YoY)
Market Cap	$319.06B (+43.06% YoY)
Target Price	135.00
Entity Type	Public
Employee Size	210,322
HQ	Austin, TX, USA

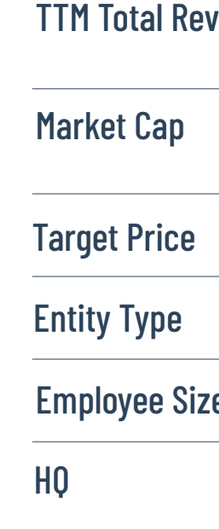


SAS: Struggling to hang on

SAS faces a critical juncture—marked as the weakest incumbent across all six B2B product categories tested—with negative brand momentum and low likelihood of future purchase. Despite not facing immediate obsolescence, SAS's growth prospects appear bleak and it is ripe to be toppled as a BI incumbent. As it gears up for a 2025 IPO, concerns loom over its ability to secure a robust market debut, despite transitioning toward a cloud-native BI platform and integrating AI innovations to realign with current industry standards.

TTM Total Revenue	$3B+ (2022)
Market Cap	N/A
Target Price	N/A
Entity Type	Public
Employee Size	12,000
HQ	Cary, NC, USA

Business Intelligence Challenger Profile: Salesforce



Summary:
Salesforce, "the customer company," was founded in 1994. It has since been a provider of enterprise software for CRM and other client needs, including support for and in the cloud. All of its products emphasize unity across these areas, along with marketing and app development, so its clients can be customer companies too.

TTM Total Revenue	$33.07B (+12.79 YoY)
Market Cap	$218.72B (+42.63% YoY)
Target Price	255.00
Entity Type	Public
Employee Size	79,390
HQ	San Francisco, CA, USA

Leading the analytics revolution

Salesforce's strategic edge in analytics
Salesforce, a dominant player in CRM, has significantly amplified its presence in the analytics domain through the strategic acquisition of Tableau. This move has enhanced Salesforce's analytics offerings, combining Tableau's capabilities with Salesforce's robust data management. Tableau's assimilation has not only retained its strong brand qualities but also bolstered Salesforce's momentum in the analytics sector.

Seamless integration for enhanced customer experience
The integration of Tableau into Salesforce's CRM platform has created a unified and efficient analytics tool, significantly improving the customer experience. Highlighted in events like Dreamforce, this synergy between Salesforce and Tableau's products has led to increased functionality and efficiency, showcasing a successful blend of technologies.

Emphasizing innovation and AI integration
At the Tableau Conference 2023, Salesforce demonstrated its commitment to innovation, particularly with AI and headless BI. Key developments, including Tableau GPT and VizQL Data Service, align with the industry's move toward sophisticated data analytics, underlining Salesforce's ambition to lead in integrated cloud analytics.

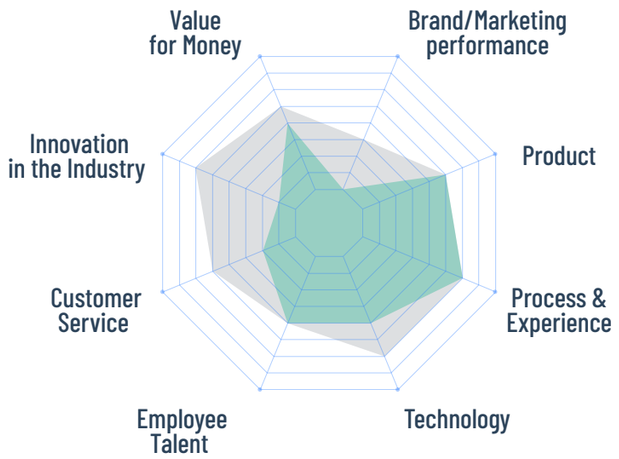
Cultural integration and empathetic leadership
The merger of Salesforce and Tableau in 2019 highlighted effective cultural integration, with Salesforce maintaining Tableau's unique identity and fostering collaborative decision-making. This empathetic approach facilitated a smooth transition and established Salesforce's proficiency in managing complex organizational integrations.

Evolving brand identity
Post-acquisition, Tableau's branding is progressively aligning with Salesforce's identity, signifying a strategic evolution in their market approach. This gradual merging of brands is a deliberate strategy by Salesforce, indicating a significant shift in the marketing analytics landscape.

Conclusion: Salesforce's transformative analytics strategy
Salesforce's integration of Tableau on its CRM foundation has fortified its challenger brand status and reshaped the analytics and CRM landscape. Through strategic acquisitions, innovative AI integration and empathetic cultural mergers, Salesforce continues to lead in providing advanced, user-centric analytics solutions.

Business Intelligence Challenger Profile: Microsoft

Microsoft



Summary:
Founded in 1975, Microsoft is one of the largest and most recognizable brands in the world across all industries. Best known for its operating systems and productivity suite, for both personal and business use, Microsoft occupies a strong position in many enterprise software niches—including database management.

TTM Total Revenue	$218.31B (+7.50% YoY)
Market Cap	$2.81Tn (+52.52% YoY)
Target Price	413.00
Entity Type	Public
Employee Size	221,000
HQ	Redmond, WA, USA

Steadily building momentum

Growing brand momentum

In the last five years, Microsoft's brand momentum has significantly increased, especially in the business intelligence (BI) realm. The company's strategic growth, leveraging its vast ecosystem, positions Power BI as an increasingly dominant choice in the competitive BI market. Despite some inherent weaknesses, Microsoft's approach of bundling its BI offerings with other services demonstrates a clever tactic to expand market share.

User-centric design and seamless integration

Central to Microsoft's strategy is its focus on user-friendly design, particularly for business analysts and casual users. Power BI's tighter integration with Office simplifies data analysis, allowing users to seamlessly transition from data collection to analytics. This design philosophy, harmonized with Excel's functionalities, represents Microsoft's commitment to democratizing data analytics.

Future-forward with AI and enhanced collaboration

Looking ahead, Microsoft aims to revolutionize Power BI with advanced AI and machine learning, promising improved analytics, predictive capabilities and expanded data integration. Enhanced collaboration features through Microsoft Teams and a focus on mobile analytics are set to elevate Power BI's functionality. Microsoft's ongoing commitment to security, customization and Azure cloud integration fortifies its position as a BI leader.

Strategic vision and industry recognition

Forrester's acknowledgment of Microsoft as a leader in augmented BI platforms underscores its impactful BI strategy. Microsoft's success lies in its strategic vision and innovation, complemented by a robust partner ecosystem and flexible pricing models.

In-house development driving widespread adoption

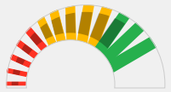
Microsoft's dedication to BI innovation is exemplified by Power BI's in-house development since 2006. This commitment has led to its adoption by 97% of Fortune 500 companies, a testament to Power BI's effectiveness and popularity.

Conclusion: Microsoft's market-changing strategy

Microsoft is actively redefining the BI market with its ecosystem-centric approach, user-friendly tools and AI innovations. Power BI's in-house development and growing global adoption spotlight Microsoft's potential to continue shaping the future of BI.

Business Intelligence Challenger Profile: Qlik

Overall brand perception: 2.3

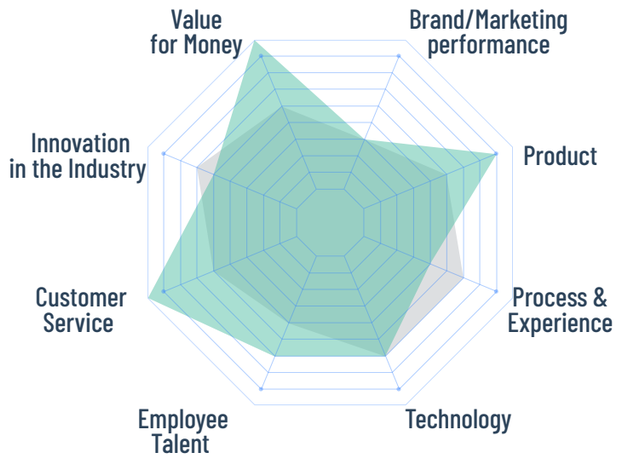


Industry Averages for Brand Perception: 2.1

Likelihood of becoming a category leader

Future Momentum

4	5
Rank 5 years ago	Rank 5 years from now



Summary:

Qlik, formerly Qliktech, was founded in 1993. It's a private company that provides business analytics and intelligence solutions, such as data discovery and visualization tools, primarily to SMB clients. Today, Qlik serves more than 40,000 customers globally. In 2022, Qlik announced its intention to commence an IPO.

TTM Total Revenue	$500M - $999M (2016)
Market Cap	N/A
Target Price	N/A
Entity Type	Private Company
Employee Size	3,600
HQ	King of Prussia, PA, USA

Independent challenger in data analytics

Positive brand momentum despite marketing challenges

Qlik, the only independent challenger brand in the data analytics market, stands out with strong brand momentum and performance. Interestingly, its overall positive brand perception contrasts with its weaker brand and marketing performance, suggesting a disconnect between its historical marketing activities and the favorable views it holds in the industry.

Customer-driven innovation and strategic acquisitions

"Qlik Ahead," the company's 2023 direction, emphasizes customer-centric innovation in data integration, analytics and foundational services. Qlik is enhancing cloud data integration, bolstering analytics and machine learning capabilities, and improving enterprise reporting. Its strategic acquisition of Talend and the implementation of capacity-model pricing further align costs with customer usage, boosting its appeal, especially among OEM partners.

Talend acquisition: Comprehensive data solutions

The acquisition of Talend marks a significant step in enhancing Qlik's data integration and analytics capabilities. This move is aimed at offering more comprehensive solutions, reducing dependencies on multiple vendors and providing a competitive edge. It simplifies complex data processes and opens new opportunities for both partners and customers.

Market position and competitive landscape

Consistently recognized as a leader in Gartner's Magic Quadrant, Qlik faces reduced competition from Tableau and effectively co-exists with Microsoft. By focusing on complex data scenarios, Qlik differentiates itself in the $140 billion data integration analytics market, offering solutions that surpass simpler analytics tools.

IPO plans and future outlook

Despite initial plans signaled in January 2022, Qlik's IPO remains on hold amid uncertain market conditions. The company is currently focused on optimizing its business through the Talend integration, remaining open to revisiting the IPO when market conditions improve.

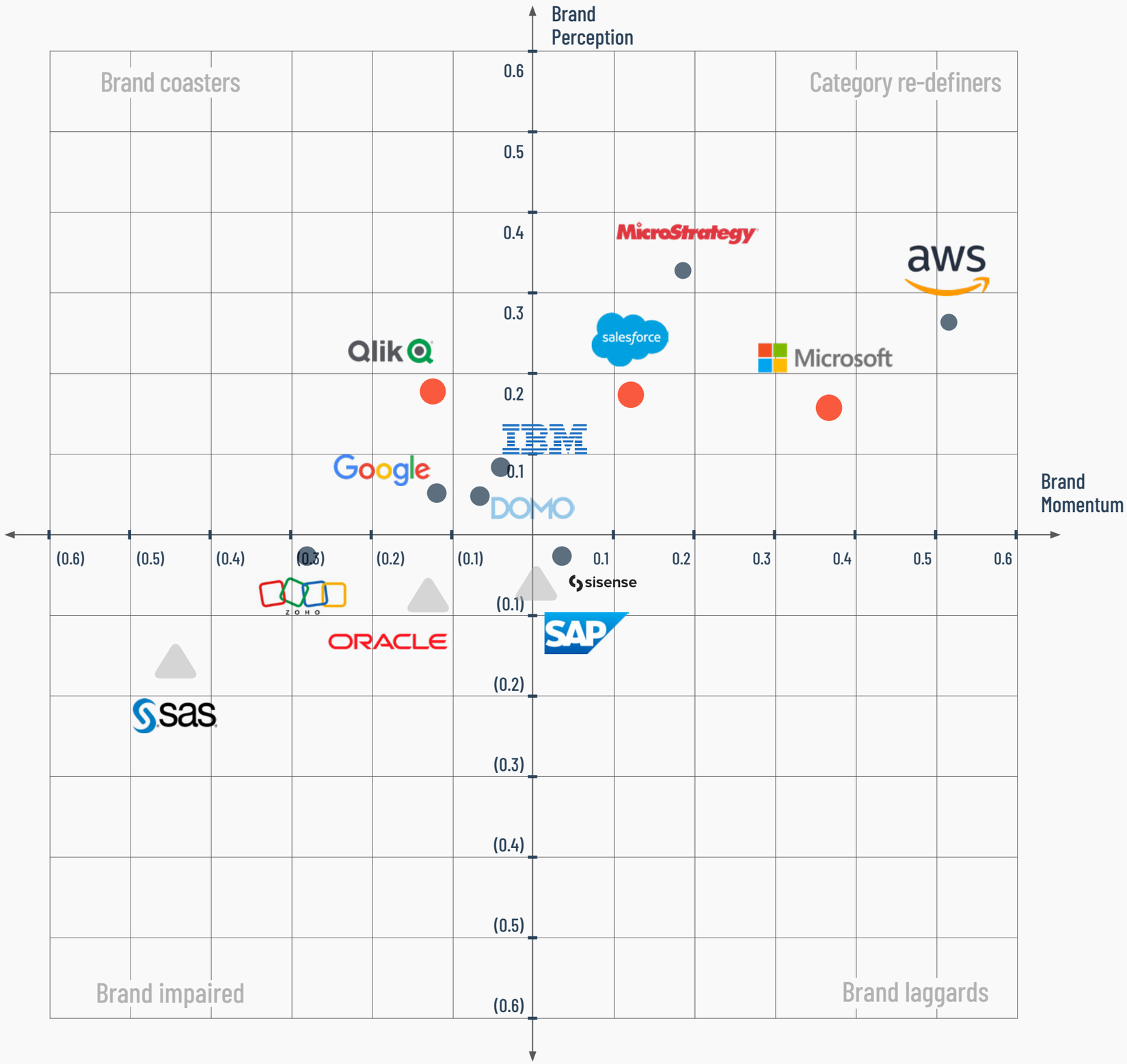
Conclusion: Qlik's strategic path forward

Qlik's strong brand momentum, coupled with strategic acquisitions and customer-focused innovations, positions it as a formidable player in the data analytics space. Despite economic uncertainties, Qlik's focus on complex data solutions and ongoing integration with Talend sets it on a path of continued growth and competitive distinction in the analytics market.

Business Intelligence Challenger Honorable mentions

IBM	**Opportunity:** IBM maintains a steady presence in the BI market, expected to hold its ground without challenging leadership.	**Risk:** Its consistent position could lead to stagnation, lacking the dynamic push needed for market leadership.
DOMO	**Opportunity:** Domo, with strong product and innovation, is on the verge of significant market impact.	**Risk:** Despite its potential, Domo risks peaking early and needs to differentiate its brand narrative to compete with stronger players like Qlik.
aws	**Opportunity:** AWS is rapidly evolving as a BI contender, significantly enhancing its BI capabilities on its servers.	**Risk:** The challenge lies in maintaining momentum and innovating in ways that redefine BI tool deployment and usage.
Google	**Opportunity:** Google's size grants it a notable presence in BI, with potential growth through Google Workspace and Google Cloud.	**Risk:** The need for more focused BI differentiation is crucial, as Google's current standing in BI benefits mainly from its success in other verticals.
MicroStrategy	**Opportunity:** MicroStrategy shows strong potential, earning high scores from those recognizing it as a challenger.	**Risk:** The positive perceptions are not proportionately translating into actual buying intent for the foreseeable future.
sisense	**Opportunity:** Sisense is gaining traction within its niche, driven by customer experience and value.	**Risk:** Low brand and marketing scores could limit its growth and broader market relevance.
ZOHO	**Opportunity:** Zoho is making notable strides by expanding beyond CRM and marketing automation to offer complementary BI tools.	**Risk:** To significantly improve its market position, Zoho must enhance its brand score to boost overall momentum.

Business Intelligence: Future performance



Category re-definers
Long term will win share: the brand and market demand are in sync; brand is supporting purchase intent.

Brand coasters
Long term has permission to correct for shortfalls in drivers of category demand: the brand has a positive reputation but declining share of future demand.

Brand impaired
Long term will lose share: brand is declining in reputation and company is increasingly declining in growth and retention.

Brand laggards
Long term will miss out on maximum potential share: the brand is not effective at conveying the competitive advantages that meet future demand.

Incumbent
Challenger
Honorable Mentions

Liquid x Avasta Challenger Index: Assessing brand dynamics

The Challenger Index stands as an essential instrument for both B2B and B2C sectors, offering a strategic perspective to evaluate brand strength, market alignment and potential for growth. With its neutral, outside-in assessment approach, the Challenger Index highlights the multi-dimensional nature of brand dynamics—financial, technological and behavioral—to inform and shape robust business strategies.

About the study authors

Liquid Agency
www.liquidagency.com
Liquid Agency is a brand consulting and activation company that orchestrates brand, employee and customer experiences to fuel a company's growth. For over 21 years, Liquid Agency has shaped powerful B2B and B2C brands such as: GE, Hitachi, HP, Intel, Nike, Nordstrom and Walmart. Liquid Agency helps organizations build belief in who they are, what they do and where they're going. The results are lasting bonds with employees and customers that power organizational performance, create value and capture ROI.

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