

2003 Frost & Sullivan Award for Competitive Strategy

RightNow Technologies

**RIGHT
NOW**
TECHNOLOGIES

Award Description

This award is presented each year to a company whose competitive strategy has yielded significant gains in market share during the research period. Often, the recognized company has taken advantage of recent market changes that facilitate the introduction of never-before seen methods of capturing and solidifying market presence. Alternatively, the award recipient may have executed an innovative strategy within the existing competitive landscape, empowering the company to overtake the competition. In either case, the company captures the attention of the competition, which quickly adjusts in order to protect its own market position. Frost & Sullivan analysts expect

such innovations to produce lasting, precedent-setting trends in the industry.

Research Methodology

In order to select the award recipient, analysts quantify several market factors for each market participant according to predetermined criteria. The research process includes interviews with industry experts, industry participants, and end-users, as well as extensive secondary data research. Formulated criteria determine industry rankings. The award recipient is ranked number one among all industry participants.

Measurement Criteria

In addition to the methodology described

above, specific criteria are used to determine the final rankings of industry competitors. The recipient of the award has excelled based on one or more of the following:

- Percent growth in revenue
- Degree of strategy innovation
- Successful alliances, mergers, and acquisitions
- Market share growth
- Mind share growth
- Correlation between revenues and investment
- Penetration rate of new markets
- Organizational restructuring

In 2002, a year when most vendors in the multichannel customer contact market posted a revenue decline, RightNow Technologies continued to add customers, gain revenues and experience rapid growth despite the downturn in the software market overall. In fact, from 2001 to 2002, the company experienced a revenue increase of 28 percent. This success can be attributed to both the strengths of the RightNow Service product and to a savvy business model that has allowed the company to penetrate accounts that otherwise would be reluctant to deploy Service technology in the current difficult economic environment.

Having initially targeted the mid-market, RightNow is strengthening its ability to penetrate larger accounts. A further source of strength for the company is the success of the company's hosted application delivery model, which eliminates infrastructure-related costs associated with in-house deployments of enterprise software. The hosted model has allowed RightNow to minimize the risks of technology deployment for their clients; this has in turn encouraged adoption in a time of tight capital expenditure budgets. RightNow's hosted solutions have proven to be very reliable, since the environment has built-in redundancy that would

normally not be found in a typical enterprise environment. The pricing structure of RightNow's hosted applications also makes the company's technology accessible to the under-served market for small and medium-sized businesses. In addition to its hosted offerings, RightNow also offers customers the option to host their own applications. This has resulted in rapid market share growth for RightNow. The company now has over 1,000 customers, and RightNow added more than 200 customers in 2002 alone.

Frost & Sullivan's recent analysis of the multimedia contact center markets documents a market share gain for RightNow Technologies in the area of email management. The success of this application is closely tied to the strength of the entire RightNow Technologies customer service suite, which also includes knowledge base, Web self-service, and agent-facing case management. The company also offers a live chat/collaboration and a metrics survey solution. The knowledge-base is a major differentiator for the company. By using shrink wrap methodology and a knowledge-base system that is "self learning", the content is built up gradually over time, enabling RightNow to offer its product at significantly lower price points than its competition. In terms of e-mail management, the knowledge-base functions both as a customer-facing application for self service and employee-facing application to assist in handling queries.

Finally, RightNow provides customers best practices for customer service consulting and a standard of business practice that makes the company accountable for achieving quantifiable business results as defined in conjunction with the customer. In combination with the strengths of the hosted model, these practices work to diminish end user risk and increase adoption, earning RightNow Technologies the 2003 Frost & Sullivan Award for Competitive Strategy.

