Ovum Decision Matrix: Selecting a Customer Relationship Management Solution, 2016–17

Publication Date: 29 Mar 2016 | Product code: IT0020-000184

Jeremy Cox

Summary

Catalyst

In the report *Ovum Decision Matrix: Selecting a Customer Relationship Management Solution, 2013–14* we concluded that customer relationship management (CRM) software was a maturing market. The leading CRM enterprise applications for large enterprises and SMEs had reached a high degree of feature and function parity with their competitors. With a few exceptions, this is still true of the more traditional CRM suite offerings. However, the needs of enterprises have changed substantially over the last three years as the battleground of competition has shifted toward delivering a differentiated and superior customer experience.

Forward-thinking CEOs in all sectors recognize that delivering a positive customer experience at every opportunity requires a much greater level of orchestration and cross-organizational coherence, focused on the customer. Enterprises need a fundamental shift in organizational orientation, from a focus on products and services to an absolute commitment to center all value creation and delivery activities on the customer.

As change accelerates and customer power and customer expectations increase, successful enterprises will put the customer at the center of their operations and deliver personalized, relevant interactions, and value, at scale. CRM must be a core component of a broader customer engagement strategy, not just an application for front-office employees. If enterprises are to remain persistently relevant, they must make the customer the trigger for continuous adaptation. They must become customer-adaptive – able to sense, anticipate, respond, and adapt at the right frequency to ensure persistent customer relevance. This is an enterprise-wide concern and requires visionary leadership and a high level of integration and organizational coherence.

Several leading CRM vendors have recognized this shift toward the customer and have broadened their offerings. They are moving from the traditional CRM suite to a platform approach incorporating e-commerce; field service; configure, price, quote (CPQ); enterprise social networking (ESN); social relationship management; customer communities; predictive analytics; cognitive computing; and the Internet of Things (IoT). These vendors are aiming to position themselves as the customer engagement platform that connects the enterprise, its employees, and its ecosystem of partners and suppliers to enable the enterprise to deliver a superior customer experience across any and all channels.

Some CRM vendors remain wedded to the traditional view of CRM. This approach is still adequate for small businesses, many of which simply need to keep up-to-date records on customers and prospects and value face-to-face relationships and personal referrals over marketing campaigns. However, many are turning to more integrated platforms and demonstrating an appetite to engage more effectively with their customers, whether they are other businesses or consumers. Vendors must address this or risk becoming irrelevant.

Ovum view

When selecting a CRM enterprise application, enterprises must take care to ensure that the application is a good fit with their strategic goals and customer-centered aspirations. This Ovum Decision Matrix compares 13 CRM enterprise applications from the top 10 global CRM vendors. The

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

individual vendor analyses also include other factors that are relevant in ensuring strategic fit, given the level of maturity and aspirations of an enterprise.

Ovum has highlighted the need for enterprises to rethink the role of CRM software. Several of the leading vendors have expanded their offerings beyond sales, marketing, and service to address the wider omnichannel customer engagement context. Given the overwhelming need to deliver a positive customer experience consistently at every opportunity, it is essential to understand what part CRM can play in the broader omnichannel landscape.

CRM is more than just recording contact and transactional details. The more advanced CRM platform vendors have recognized the need to deepen their core CRM components of sales, marketing and service. They need silo-busting interoperability, predictive analytics, and deeper integration with e-commerce, mobile, social networks, customer communities, ESN, and third-party data sources. Customer information recording is being augmented with customer engagement capabilities, often in real time through triggered automation.

The leading vendors are also making substantial progress with IoT integration. They have substantially improved the user experience with a more consumer-like interface and in-context analytics and guidance to make applications more useful and intuitive for the end user. They are also expanding their ecosystems to help enterprises meet the demands and increased expectations of customers.

The CRM investment decision is considerably more complex than simply finding a departmental solution for sales, service, or marketing. Selecting the right CRM platform as a critical component of a broader customer engagement capability has never had more profound implications or risk. A departmental free-for-all is not the way to select CRM or to generate desired customer outcomes. Features, functions, and price will always play a part in the decision, but enterprises must consider a range of critical aspects, not least strategic fit.

This Ovum Decision Matrix will help enterprises reduce the risk of selecting the wrong platform and improve their understanding of the potential fit of each of these CRM applications. The applications evaluated in this report have proven market capabilities and either have broad applicability across industries and sectors and different sizes of enterprise or fit best for particular segments of the market. For guidance on developing a customer engagement strategy please see the Ovum report *A Best Practice Guide to Selecting a CRM Platform*.

Key findings

- Six leaders are rapidly developing omnichannel customer engagement platforms.
- Four challengers are showing high potential as part of an omnichannel customer engagement platform.
- Three niche CRM vendor applications provide a good fit for their intended customers.

Vendor solution selection

Inclusion criteria

The customer relationship management market has many vendors that offer solutions to customers of all sizes. However, to be included in this report, vendors were required to offer solutions that span the

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

whole CRM lifecycle and provide the benefits of an integrated platform. Because this vendor solution market is relatively large, Ovum set guidelines to ensure that we assessed only those vendors that have achieved a measure of market presence.

- The vendor must provide the three essential CRM disciplines – sales force automation (SFA), basic marketing campaign management, and customer service and support.
- The solution's target market should include midsize to large enterprise customers, typically those with more than 1,000 employees.
- The vendor should have CRM license revenues of more than $25m or total CRM-related revenues of more than $50m, or it should have more than 200 individual current customer companies.

Exclusion criteria

Ovum has not included vendors that are strong in just one segment of CRM. For example, a number of vendors in this space specialize in customer service and support or marketing automation and will integrate and partner for the missing segments. However, this is insufficient for the vendor to be considered a CRM solution provider.

Methodology

Technology/service assessment

For this assessment dimension Ovum identified a series of features and functionality that would provide differentiation between the leading solutions in the marketplace. We included more than 300 features, making this one of the most comprehensive evaluations completed by any analyst firm. The criteria groups identified for CRM are as follows.

- Platform foundation – support for the basic CRM elements of SFA, service and case management, marketing resource management (MRM), quality of user experience, and omnichannel engagement support capabilities.
- SFA – level of sophistication, including territory planning, team-based selling, and compensation support.
- MRM – level of sophistication, from simple campaign management to more complex omnichannel capabilities.
- Customer service and case management – level of sophistication and adaptability, agent omnichannel support, and customer journey support.
- Process development and automation – visual tools, adaptability, and level of sophistication.
- Customer analytics – real-time, predictive analytics with level of sophistication, support for next best action, insight into customer intent, and behavioral analytics.
- Support for collaboration – via ESN, social communities, and social feeds.
- Mobility – mobile user experience, responsive design, and support for field sales and service.
- Integration and interoperability – interoperability across the suite or platform and ease of integration with back-office enterprise resource planning (ERP) systems and third-party productivity tools.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

- Commerce and app market support – using CRM to support both commerce and app extensions.

Execution

In this dimension, Ovum reviewed the capability of the solutions in the following key areas:

- Maturity – the stage that the product occupies in the maturity lifecycle, relating to the maturity of the overall technology area.
- Interoperability – how easily the solution/service can be integrated into the organization's operations, relative to the demand for integration for the project.
- Innovation – the value that an enterprise achieves from a software or services implementation.
- Deployment – a combination of assessed criteria and points of information, including time, industries, services, and support.
- Scalability – across different scenarios.
- Enterprise fit – the alignment of the solution and the potential ROI period.

Market impact

Ovum assessed the global market impact of the solutions is in this dimension. We measured market impact across five categories, each of which has a maximum score of 10.

- Revenues – Each solution's global technology revenues were calculated as a percentage of the market leader's. This percentage was then multiplied by a market maturity value and rounded to the nearest integer. Overall global revenue carries the highest weighting in the market impact dimension.
- Revenue growth – Each solution's revenue growth estimate for the next 12 months was calculated as a percentage of the growth rate of the fastest-growing solution in the market. The percentage was then multiplied by 10 and rounded to the nearest integer.
- Geographical penetration – Ovum determined each solution's revenues in three regions: the Americas; Europe, the Middle East, and Africa; and Asia-Pacific. These revenues were calculated as a percentage of the market-leading solution's revenues in each region, multiplied by 10, and then rounded to the nearest integer. The solution's overall geographical reach score is the average of these three values.
- Vertical penetration – Ovum determined each solution's revenues in the energy and utilities; financial services; healthcare; life sciences; manufacturing; media and entertainment; professional services; public sector; retail; wholesale and distribution; telecoms; travel, transportation, and logistics; and hospitality verticals. These revenues were calculated as a percentage of the market leader's revenues in each vertical, multiplied by 10, and then rounded to the nearest integer. The solution's overall vertical penetration score is the average of these three values.
- Size-band coverage – Ovum determined each solution's revenues in three company size bands: large enterprises (more than 5,000 employees), medium-sized enterprises (1,000–4,999 employees), and small enterprises (fewer than 1,000 employees). These revenues were calculated as a percentage of the revenues of the market leader in each region, multiplied by 10, and then rounded to the nearest integer. The vendor's overall company size-band score is the average of these three values.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Ovum ratings

- **Market leader:** Ovum believes that the solutions in this category are worthy of a place on most technology selection shortlists for large and upper-mid-market enterprises. The vendor has established a commanding market position with a product that is widely accepted as best-of-breed and has the potential to play a central role as part of an omnichannel customer engagement platform.
- **Market challenger:** The vendors in this category have good market positioning and are selling and marketing their solutions well. The products offer competitive functionality and a good price-performance proposition and should be considered as part of the technology selection.
- **Market niche player:** Solutions in this category are typically aimed at meeting the requirements of a particular kind of customer. As tier-one offerings, they should be explored as part of the technology selection.

Market and solution analysis

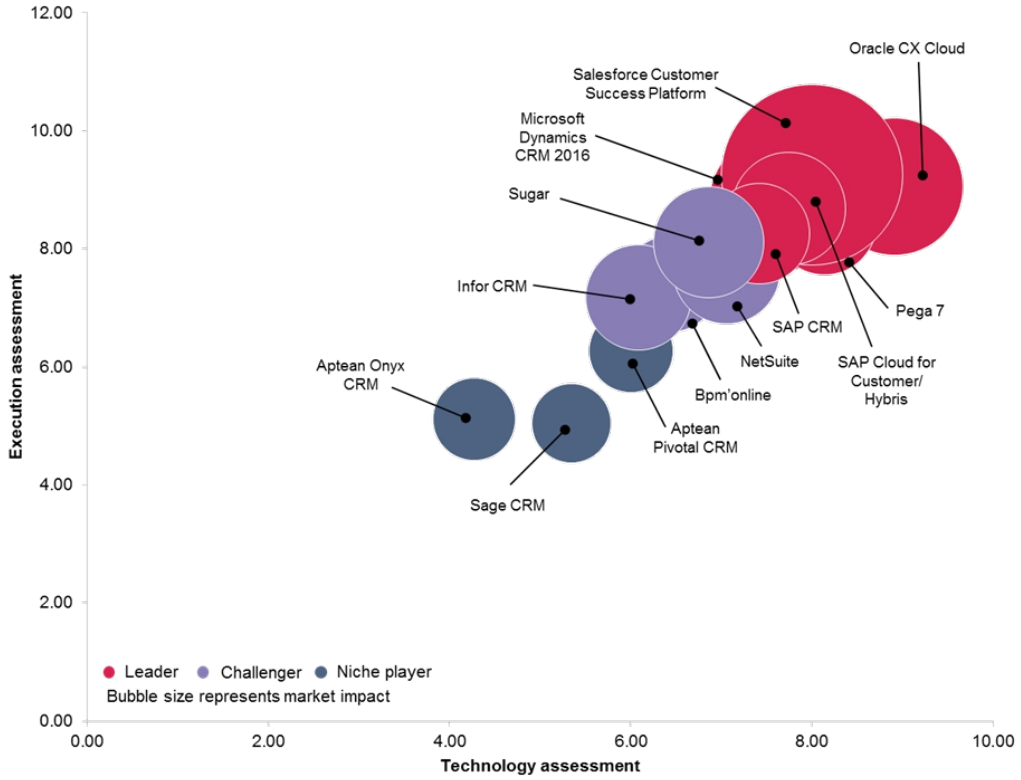
Ovum Decision Matrix: Selecting a Customer Relationship Management Solution, 2016–17

CRM technology uses software to automate and support sales, services, and marketing campaign processes. This Ovum Decision Matrix is limited to this narrow scope and does not cover the entire portfolio of applications that may be necessary to deliver the kind of omnichannel customer engagement strategy required for a consistently positive and seamless customer experience. In examining the CRM solutions provided by vendors, Ovum touches on their broader vision and capabilities, which may impact overall selection. This is therefore an analysis of the CRM software applications and their relative capabilities, with some additional information about each vendor, and will help Ovum clients make more informed decisions.

Figure 1 demonstrates the solutions clustered together in the full-scale Ovum Decision Matrix for technology (x-axis), execution (y-axis), and market impact (size of bubble). This shows the quality of the solutions reviewed, in that they are all highly efficient tier-one CRM solutions.

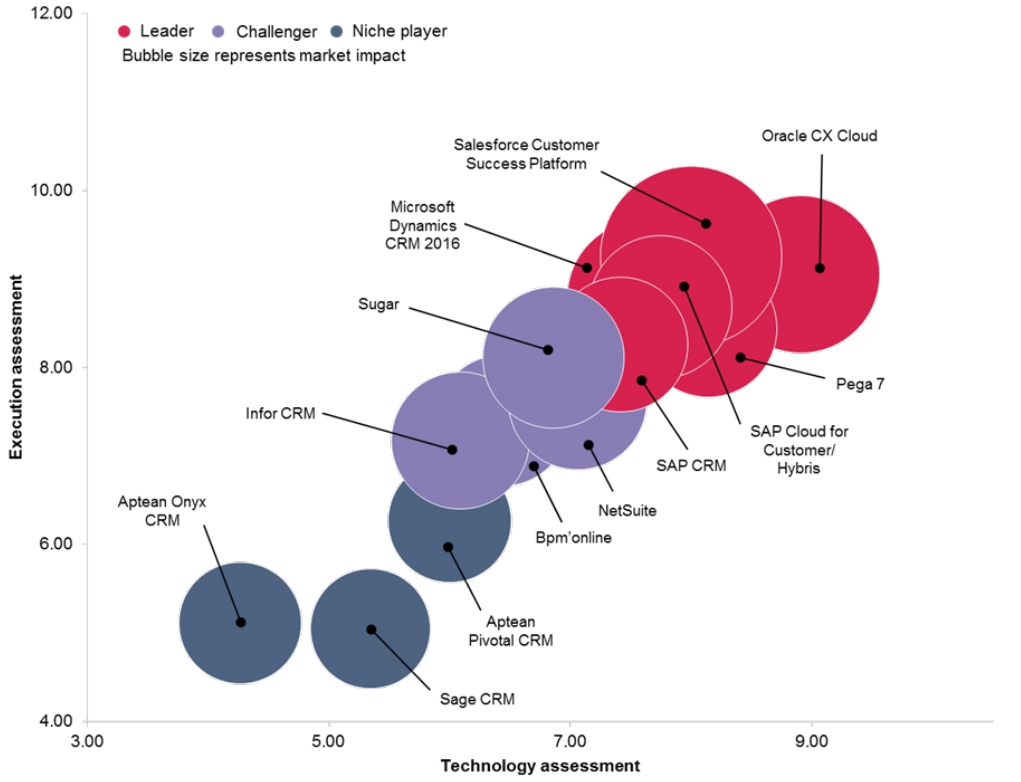
© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Figure 1: Ovum Decision Matrix: CRM, 2016–17



Source: Ovum

Figure 2: Expanded view of Ovum Decision Matrix: CRM, 2016–17



Source: Ovum

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Table 1: Ovum Decision Matrix: CRM, 2016–17

Market leaders	Market challengers	Market niche players
Microsoft Dynamics CRM 2016	Bpm'online	Aptean Onyx
Oracle CX Cloud	Infor CRM	Aptean Pivotal
Pega 7	NetSuite	Sage CRM
Salesforce Customer Success Platform	Sugar	
SAP Cloud for Customer/Hybris		
SAP CRM		

Source: Ovum

Market leaders: vendor solutions

The six leaders based on the technology assessment are Microsoft Dynamics CRM 2016, Oracle CX Cloud, Pega 7, Salesforce Customer Success Platform, SAP Cloud for Customer/Hybris Marketing, and SAP CRM. All provide a high degree of functionality and relevance to a broad spectrum of industries and can form the basis of an omnichannel customer engagement platform.

- Microsoft Dynamics CRM 2016 provides a good foundation for intelligent omnichannel customer engagement, particularly when leveraging Microsoft's productivity and intelligence tools on Windows 10. The firm continues to advance its tightly integrated intelligence tools to provide in-context, role-based support for the user.
- Oracle CX Cloud came top for its all-round omnichannel customer experience support capabilities. It has particular strengths in focusing on the customer's contextual needs by sourcing and integrating first-, second-, and third-party data, as well as identity management across multiple platforms and social networks.
- Pega 7 provides a highly adaptable platform for complex and demanding global enterprise environments. Its strong business process management (BPM) heritage and predictive analytics allow organizations to create highly adaptive processes that span the enterprise and prompt next best action.
- The Salesforce Customer Success Platform has been greatly modernized over the last 18 months and extended to provide a broader and richer omnichannel customer engagement platform. Salesforce Analytics Cloud and Wave Analytics have democratized business intelligence (BI) and made it intuitively digestible for all knowledge workers. Salesforce also has clear leadership in terms of market impact, the broadest reach, and the largest ecosystem of independent software vendors (ISVs).
- The SAP Cloud for Customer/Hybris combination provides a powerful and contextual engagement engine within the SAP Customer Engagement and Commerce platform, running on the SAP HANA in-memory platform. Although this solution is relatively new, SAP's strong CRM pedigree through the sister product SAP CRM, allied to SAP Hybris Marketing's real-time personalization capabilities, make this a worthy competitor to the more established leaders.
- SAP CRM provides an on-premise alternative as part of the collective SAP Customer Engagement and Commerce Platform. The application has a broad set of industry-specific options and Fiori provides a consumer-grade user experience.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

The six leaders all offer a consumer-grade user experience and real-time, predictive analytics to trigger the most appropriate response in support of the customer. They are adding customer engagement and context to what were previously systems of record; this makes them good candidates as foundation omnichannel customer engagement platforms.

Market challengers: vendor solutions

The market challengers, Bpm'online, Infor CRM, NetSuite CRM+, and Sugar, are also morphing from systems of record to broader customer engagement platforms.

- Bpm'online was not included in the 2013 CRM Ovum Decision Matrix, but it has grown rapidly and now has more than 6,000 customers worldwide, the majority of which are mid-market companies across a variety of industries. It takes a BPM approach to CRM to create a highly adaptive, process-centric capability.
- Infor CRM (formerly Saleslogix) is rapidly evolving into a broad customer experience platform. Infor has a clear vision, coupled with the strategies and technology partnerships needed to support an omnichannel customer engagement capability. It also has a portfolio of industry-specific and micro-vertical options to meet the demands of the larger mid-market enterprises across a range of sectors.
- NetSuite CRM+ is part of the integrated NetSuite OneWorld platform, which combines enterprise applications from the customer all the way back to supply, with a single database at its core. It provides a highly adaptive and unified environment for mid-market and many larger enterprises.
- Sugar provides a customer engagement platform that supports effective interactions across the entire customer journey. Its strategic partnerships with major systems integrators such as IBM, Infosys, T-Systems, and Wipro are propelling it into the larger enterprise space. IBM uses Sugar at the core of its own 40,000-strong Sales Connect platform.

Market niche: vendor solutions

The CRM vendors in this category, Aptean Onyx, Aptean Pivotal, and Sage CRM, provide an excellent fit for their target customer segments.

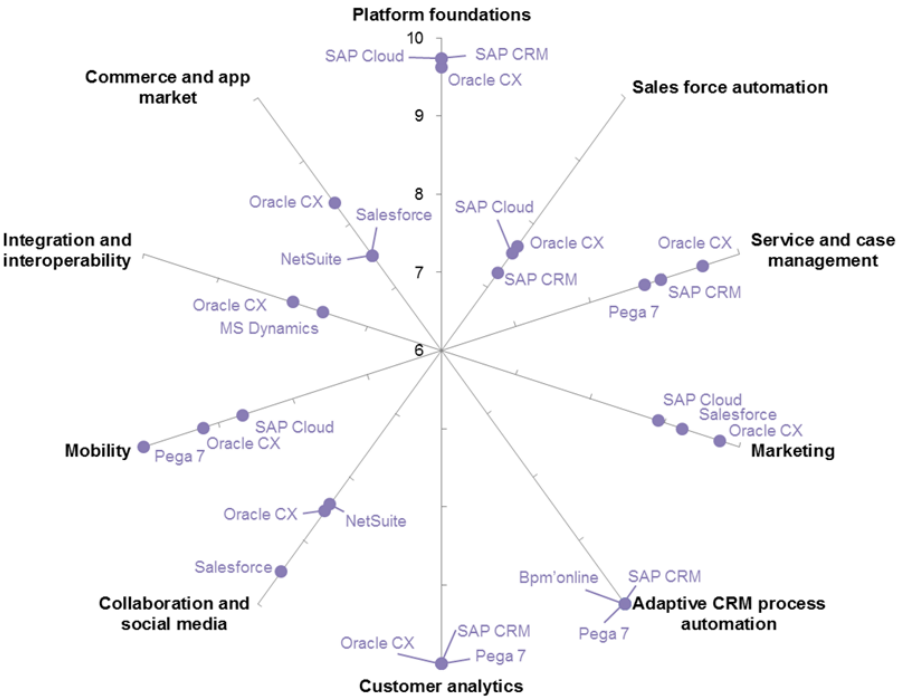
- Aptean Onyx CRM provides a good fit for mid-market enterprises, particularly in manufacturing and process industries. Onyx suits those with less complex and more predictable requirements that want to minimize customization. This will suit those with more traditional CRM needs. For omnichannel, Aptean Pivotal is a better option.
- Aptean Pivotal provides a highly elastic platform for (typically) mid-market enterprises seeking a close fit with their specific operational needs. Its partnership with QlikView's in-memory visual analytics supports the real-time analytic requirements necessary for an omnichannel customer engagement capability. Aptean has traditional strengths in manufacturing and process industries and offers a portfolio of enterprise applications, including its CRM applications.
- Sage CRM is focused purely on SMEs with traditional, uncomplicated CRM needs that use the Sage ERP and accounting solutions and are seeking a highly integrated business management environment allied to a common consumer-grade look and feel.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Market leaders

Market leaders: technology

Figure 3: Ovum Decision Matrix: CRM 2016–17 – market leaders – technology



Source: Ovum

All the market leaders scored highly across most of the 10 technology categories shown in Figure 3. Overall, Oracle CX Cloud came top as a leader across all categories, with particular strengths in SFA, service, marketing, and customer analytics. It was followed by Pega 7, Salesforce Customer Success Platform, and SAP Cloud for Customer.

Pega 7 and Bpm'online received the highest scores for their highly adaptive CRM process automation and Sugar also scored well, having significantly enhanced its customer journey process development capabilities.

Each of the industry leaders did well on mobility scores; Pega 7, Oracle CX Cloud, and SAP Cloud for Customer took the top three spots with marginal advantage. Now that mobility is a basic requirement for any CRM vendor – and particularly those with omnichannel customer engagement platform aspirations – all of the leaders have solid mobility capabilities to meet most requirements.

Microsoft Dynamics CRM 2016 was a strong performer in all categories and did particularly well in integration and interoperability.

Salesforce Customer Success Platform gained high scores in all categories and came top in collaboration and social media, helped by its Community Cloud component supporting peer-to-peer external and internal communities.

NetSuite CRM+ was one of the top scorers in the commerce and app market category, which is an area of focus for the firm. Salesforce also scored well here, supported by the largest app ecosystem,

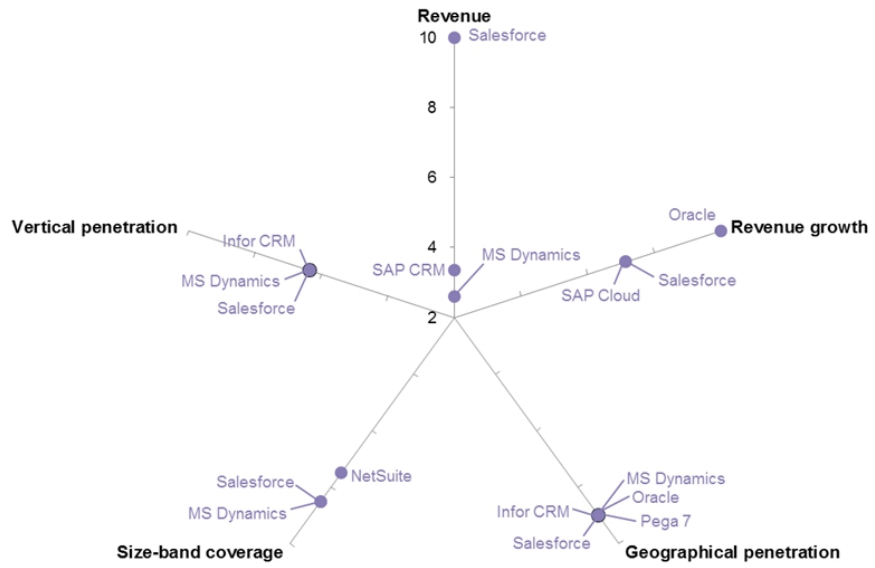
© Ovum. All rights reserved. Unauthorized reproduction prohibited.

the Salesforce AppExchange. Overall in the commerce and app category Oracle CX Cloud came top, supported by its commerce platform and growing app ecosystem.

Technology leadership is subject to tremendous volatility and a constant leap-frogging by one vendor over another, either by embedding a new acquisition to strengthen the overall portfolio or some innovative development. The leading CRM applications have the potential to form the foundations of an omnichannel customer engagement strategy.

Market leaders: market impact

Figure 4: Ovum Decision Matrix: CRM 2016–17 – market leaders – market impact



Source: Ovum

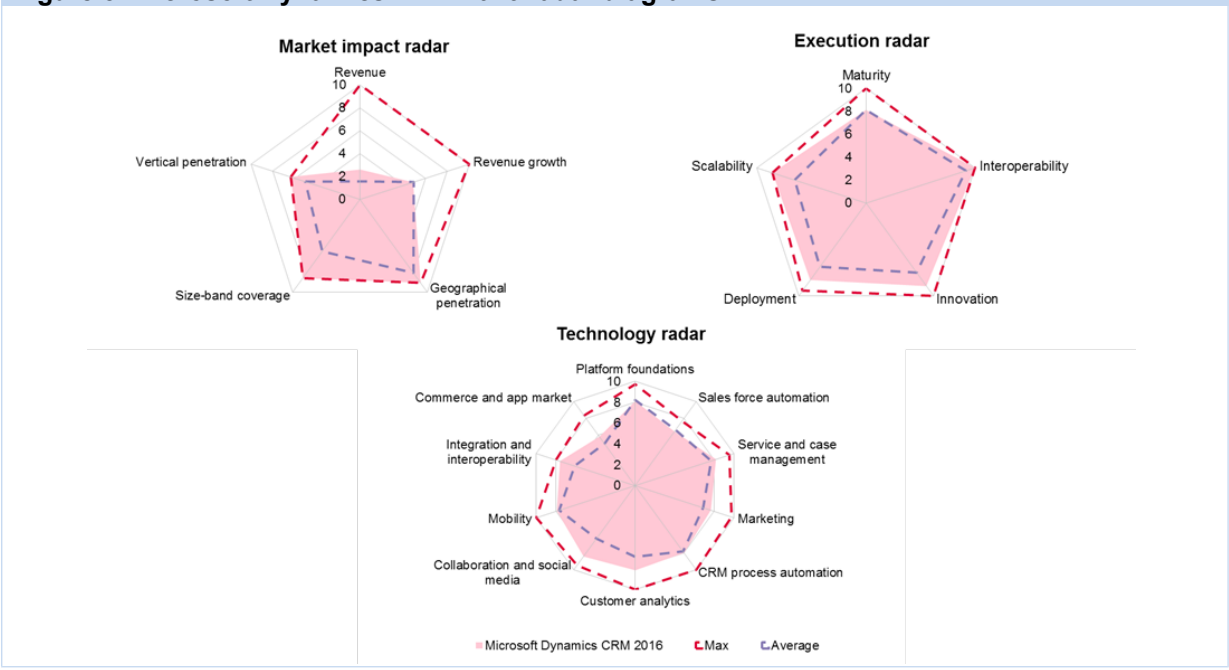
Salesforce continues to dominate the CRM market, with FY15 revenues of $5.37bn, up 32% year-on-year (YoY). It has FY16 revenue guidance of $6.60bn to $6.63bn and FY17 guidance of between $8.08bn and $8.12bn. Oracle, SAP, and Microsoft are building momentum with their cloud offerings. The CRM market is morphing into a customer engagement platform market and there is plenty of room for continued growth for all CRM vendors, particularly the leaders and challengers identified in this Ovum Decision Matrix.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Vendor analysis

Microsoft Dynamics CRM 2016 (Ovum recommendation: leader)

Figure 5: Microsoft Dynamics CRM 2016 radar diagrams



Source: Ovum

Microsoft Dynamics CRM 2016 context and strategy

The online and on-premise versions of Microsoft Dynamics CRM 2016 are suitable for mid-market and large enterprises, particularly when combined with Microsoft's stable of analytics, collaboration, and productivity tools. Traditionally strong in the mid-market, the firm is seeing growth among larger enterprises in the financial services, manufacturing, retail, services, and public sector markets.

Microsoft's vision is to provide "intelligent customer engagement" in support of the broader omnichannel customer engagement remit. It aims to provide personalized customer experiences throughout customer journeys and across any channel, supported by embedded predictive analytics through a combination of Cortana Analytics Suite and Dynamics CRM business rules, to prompt next best action or to trigger relevant information at the point of customer need. This can also be combined with external data to identify buying patterns and behaviors and to predict likely outcomes.

Dynamics CRM 2016 takes full advantage of recent acquisitions to boost capabilities

Since the 2013 Ovum Decision Matrix, Microsoft has substantially improved its entire product suite. The most obvious differences are as a result of its acquisitions of Marketing Pilot, which provides a complete marketing planning and automation system, and Parature, which moves Microsoft more fully into the contact center by providing a more sophisticated knowledge management capability, allied to more robust service, web-self-service, and assisted service capabilities. Both have now been completely integrated into Microsoft Dynamics. The acquisition of FieldOne, whose field service

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

offering was developed natively on the Dynamics xRM platform, extends service to field service personnel and includes planning and route optimization.

Productivity and intelligence enhancements

Microsoft's overarching mission, as outlined by CEO Satya Nadella, is to "empower every person and every organization on the planet to achieve more." Underlying this mission is a focus on productivity at the individual user level; to achieve this Dynamics CRM is deeply integrated with productivity tools such as Office 365. Users can take actions within Office 365 that are auto-populated into the CRM system, and vice versa – without having to leave the environment in which they are working. For example, an email can be converted into a lead or a case from Outlook; a user can Skype or collaborate via Yammer directly from within CRM; and SharePoint documents and Excel spreadsheets can be opened directly from within CRM and edited or updated, with data changes auto-populated into the CRM system. Dynamics CRM 2016 productivity enhancements include the use of Delve to surface trending documents across SharePoint, Office 365 Groups, and OneDrive for Business. Yammer, which is part of Office 365, provides an ESN platform to facilitate greater collaboration within and between teams and to make relevant expertise available where and when it is needed.

To achieve intelligent customer engagement, processes throughout sales, service, and marketing are supported with machine learning capabilities to deliver customer experiences that are personalized, proactive, and predictive.

Microsoft Social Engagement is also enhanced through machine learning to drive increased customer relevance.

Other enhancements to Dynamics CRM 2016 include:

- Marketing:
  - SMS added as an additional channel for marketing.
  - An opt-out and opt-in preferences database has been added to ensure that customers do not receive unwanted communications and that information is delivered via the customer's preferred channel.
- Sales:
  - CRM App for Outlook has been added to surface contextual information from Dynamics CRM within the inbox and to make it easier to track emails and update records without having to leave the inbox.
  - Users can perform analysis directly with Microsoft Dynamics CRM Online in Excel without having to leave the CRM application.
  - Cortana is embedded within sales activities, accounts, and opportunities to surface contextually relevant information across both personal and professional sources.
  - Task-based experiences ensure that information is presented in a coherent manner to help the sales person complete a specific task without the need to navigate multiple customer records.
- Service:
  - Unified Service Desk provides a single agent desktop that can access customer interaction data to gain a richer contextual view of the customer and their current journey, facilitating a more relevant and responsive agent-to-customer interaction.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

    - A new survey designer has been added to support voice of the customer initiatives. Rules in Dynamics CRM can trigger follow up actions so that issues can be resolved rapidly to improve customer retention.
- Machine learning:
    - Azure Machine Learning can also be used with Dynamics CRM 2016 to provide cross-sell recommendations and suggest knowledge articles based on text analytics to help both agents and customers via self-service.

Microsoft has some commerce capabilities through Dynamics AX for Retail and has integrated Dynamics CRM with several leading commerce platforms for B2B, as well as direct to consumer and B2C. CPQ is supported through integration with third-party ISVs such as Cincom.

Ovum SWOT assessment

Strengths

- Microsoft Dynamics CRM 2016 and Microsoft Dynamics Online 2016 have been considerably strengthened, especially in customer service, through both acquisition and development and are now better suited for large enterprises than was the case back in 2013.
- Dynamics CRM has been architected from the ground up with a tightly integrated platform that supports cross-team workflows in support of the customer.
- The seamless integration of Microsoft productivity and collaboration tools improves access to shared documents and supports cross-organizational collaboration – without the user having to switch applications.
- A consumer-grade user experience provides a contextually relevant, role-based user experience.
- Predictive analytics enabled by machine learning supports more intelligent customer engagement.

Weaknesses

- Microsoft lacks a class-leading commerce application, although Dynamics CRM can be integrated with third-party commerce platforms via industry-standard APIs.
- Microsoft Dynamics CRM 2016 lacks a native CPQ capability to support the entire lead-to-cash process for businesses with complex and configurable products. It does, however, integrate and partner with third-party products for this functionality

Opportunities

- Mid-market and large enterprises, particularly across the financial services, manufacturing, retail, services, and public sector verticals.
- Organizations that want a choice for deployment across all options – on-premise, private cloud, and public cloud.
- Small organizations that appreciate the usability that comes from products that have a familiar look and feel, such as Office 365.

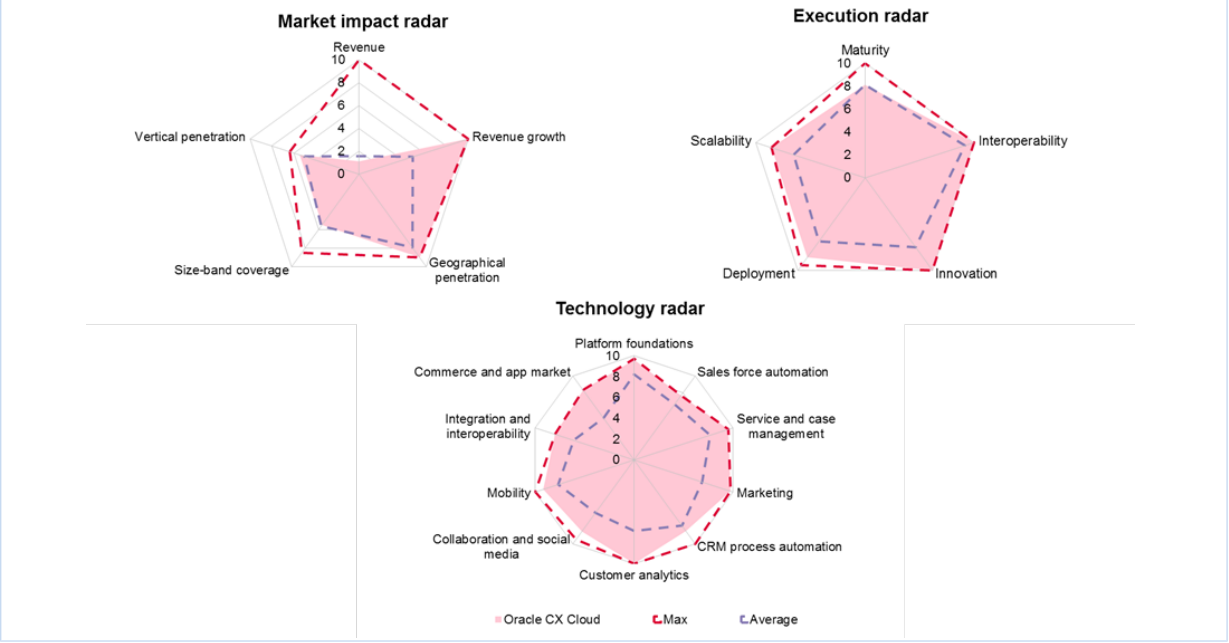
Threats

- The other leading CRM vendors identified in this report.
- Specialist vendors in customer service and commerce.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Oracle CX Cloud (Ovum recommendation: leader)

Figure 6: Oracle CX Cloud radar diagrams



Source: Ovum

Oracle CX Cloud context and strategy

Oracle CX Cloud SaaS, DaaS, and PaaS have evolved rapidly since 2012 through acquisition and development. The vendor aims to support a superior customer experience capability mapped to the customer journey across any and all channels through which a customer chooses to interact with a firm. As well as coming top of the technical assessment across the traditional CRM components of marketing, sales, and service, Oracle has a clear strategy to encompass all customer engagement interactions by providing a modular integrated customer engagement platform.

Oracle CX Cloud is a major departure from the more traditional CRM suite offerings. Beyond marketing, sales, and service, it extends to include CPQ for B2B and B2C organizations with configurable products or services, e-commerce, social relationship management, and marketplace support.

Over the last four years Oracle has made rapid progress in assembling and integrating a broad portfolio serving B2B, B2C, and B2B2C companies as well as public sector organizations.

The core CRM components have also been greatly enhanced through the acquisition of best-of-breed marketing providers (Eloqua B2B, Responsys B2C, Compendium, and Maxymiser) plus acquisitions in service, commerce, social, and DaaS.

Key industries and size of enterprises supported

Large and mid-market enterprises across all sectors can be supported with Oracle CX Cloud. It is also being used by smaller start-ups seeking to grow rapidly and standardize on a modern enterprise platform.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Ovum SWOT assessment

Strengths

- A comprehensive customer engagement platform that supports the entire customer journey across any and all channels of interaction.
- Cross-product integration and interoperability to support entire end-to-end processes, such as lead-to-cash (potentially across SRM, marketing, sales, CPQ, and commerce).
- Multi-solution integration to support hybrid environments, including Oracle's CX Cloud and on-premise solutions and third-party offerings.
- Predictive analytics, machine learning, and natural language processing to support next best action as well as community support.
- Comprehensive sales force territory planning, including guided selling to enhance skills and productivity and the optimization of expensive sales resources.
- The use of DaaS and the acquisitions of BlueKai, Datalogix, and AddThis to provide better targeting and more sophisticated segmentation and behavioral profiling to drive timely and relevant customer interactions across all channels, including offline
- Advanced marketing capabilities, including AB and multivariate testing, as well as audience generation for customer acquisition. The acquisition of Maxymiser optimizes more than 20 billion customer experiences per month for more than 250 prominent brands.
- Oracle Service Cloud, which is already a sophisticated customer service platform, continues to be enhanced through both acquisition and development to support rapid customer issue resolution. It offers co-browsing (LiveLook), federated search, community support, and field service (TOA Technologies). It can coordinate and manage activities between dispatchers, mobile employees, and their customers and offers policy automation to ensure compliance and manage customer entitlements.
- Alta UI provides a common, intuitive interface for the user to improve adoption. Designed for mobile-first, responsive design elements ensure that uncluttered visuals render correctly on any browser or any mobile device. The minimalist design provides a more engaging user experience.
- Secure data centers in all regions of the world ensure compliance with local privacy regulations.
- PaaS and BPM to support unique customization.

Weaknesses

- Oracle needs to amplify its omnichannel customer engagement platform marketing message and include speed to market as an additional advantage for enterprises seeking to expand their omnichannel/cross-channel customer engagement capabilities.
- Oracle must continue to extend its ecosystem of consulting partners to help ambitious enterprises navigate the complexity of omnichannel customer engagement.

Opportunities

- Large enterprises across all sectors, industries, and geographies
- Mid-market enterprises.
- High-growth start-ups.

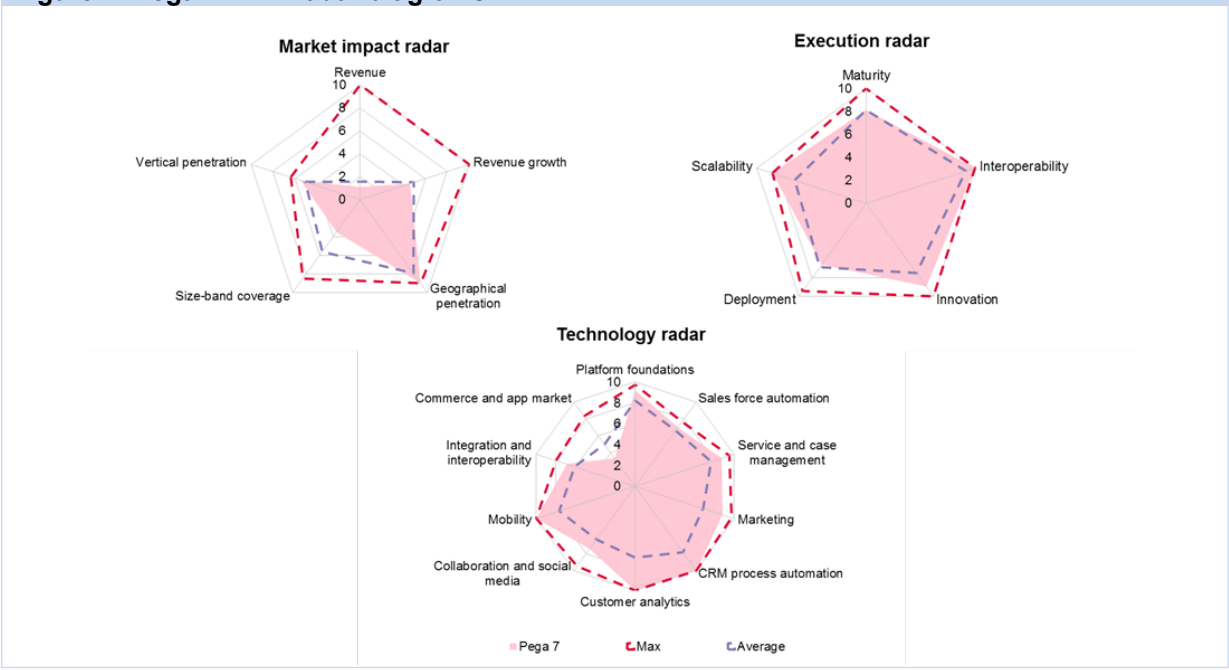
© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Threats

- Oracle has major competitors in all markets, particularly Salesforce, Microsoft, and SAP
- Its biggest threat in large and complex environments where a high degree of customization is essential comes from Pegasystems.
- Other mid-market CRM vendors identified in this report.

Pega 7 CRM (Ovum recommendation: leader)

Figure 7: Pega 7 CRM radar diagrams



Source: Ovum

Pega 7 context and strategy

Pega develops strategic enterprise applications spanning marketing, sales, service, and operations. It has traditionally targeted the top 2,000 leading global enterprises with typically complex cross-departmental needs and a desire to create a unified customer engagement platform to deliver a highly differentiated customer experience. The firm has a strong BPM and CRM heritage and provides a highly configurable customer engagement platform that is well suited to the omnichannel challenge.

Key industries and size of enterprises supported

Pega has grown at a CAGR of 21% since 2005 and aims to help leading enterprises develop omnichannel customer engagement capabilities. It has customers across the personal and corporate banking, capital markets, global telecoms, credit card, insurance, healthcare, pharmaceuticals, public sector, media and entertainment, consumer packaged goods, utilities, manufacturing, and oil and gas sectors. Today 84% of bookings are tied to either CRM or fulfillment of CRM customer needs in the back office, the latter being an essential element of a robust omnichannel customer engagement capability.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Creating a complete contextual view of the customer

Although the 360-degree view of the customer has been identified as one of the outcomes of implementing CRM, at best this provides little more than a transactional view of the customer – what the customer is worth. It fails to provide a complete picture of the customer and in particular their needs, behaviors, and intent during their buying or support journeys. Pegasystems deliberately takes a more longitudinal view of the customer to support the entire end-to-end customer journey. Pega enables firms to identify the customer, where they are on their journey, what their behavior implies, and therefore what the next best action should be. It therefore provides not just a 360-degree transactional view of the customer, but also 360-degree view of their intent and context.

A customer decision hub lies at the heart of the Pega CRM customer engagement platform, which unifies customer data from multiple sources and through interaction channels (including IoT) to create a complete contextual view of the customer in real time. Advanced predictive analytics and machine learning support next best actions to improve the value of each interaction with the customer. Pega's leading BPM capabilities support complete end-to-end processes to smooth the path of each interaction for each customer, even when integrated with third-party applications. The modular design also enables Pega's customers to harness existing investments in third-party applications and augment them with the most relevant CRM modules from Pega. The vendor's flexible and adaptive approach, which is supported by industry-specific CRM applications, appeals to large enterprises, especially those wishing to leverage existing assets in combination with Pega CRM to create a more advanced omnichannel customer engagement capability.

Key industries and size of enterprises supported

Pega has grown at a CAGR of 21% since 2005 and explicitly aims to help leading enterprises develop omnichannel customer engagement capabilities. Its customers include leading enterprises in the personal and corporate banking, capital markets, global telecoms, credit card, insurance, healthcare, pharmaceuticals, public sector, media and entertainment, consumer packaged goods, utilities, manufacturing, and oil and gas industries. Today 84% of its bookings are tied to either CRM or fulfillment of CRM customer needs in the back office, the latter being an essential element of a robust omnichannel customer engagement capability.

In 2015 Pega launched a dedicated sales force (initially only in the US, but to be extended globally) to cater to the needs of smaller mid-market organizations looking for rapidly deployed, cloud-based, out-of-the-box applications.

Ovum SWOT assessment

Strengths

- Pega offers complex case management and BPM to deliver a highly configured and differentiated customer engagement capability.
- Its clear vision supports advanced omnichannel customer engagement capabilities.
- Industry-specific applications and data models ensure rapid deployment.
- It can unify customer data, including transactional and contextual data, in real time, allied to predictive analytics to support next best actions.
- Many of its customers are acknowledged leaders in their industries in terms of their ability to deliver market-leading levels of customer satisfaction and retention.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Weaknesses

- Pegasystems currently lacks a partner ecosystem of ISVs developing value-added solutions on its platform that might appeal to mid-market enterprises.
- It is not suitable for enterprises with low levels of complexity.

Opportunities

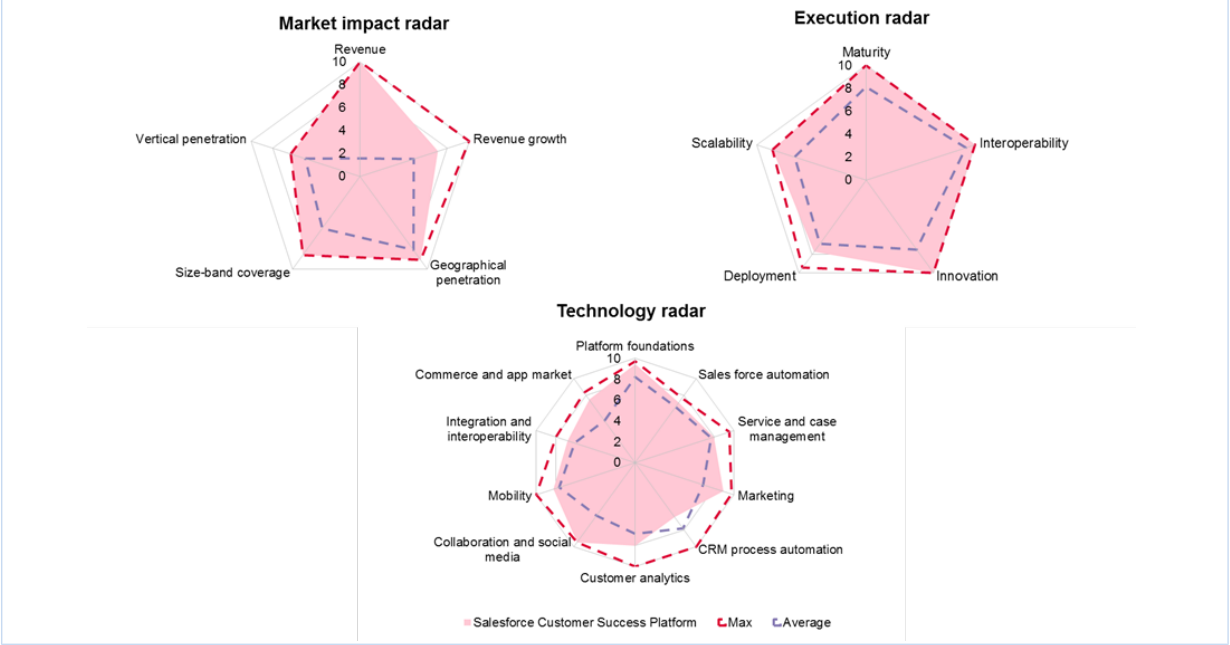
- Global 2000 enterprises with complex environments requiring a flexible and adaptive customer engagement platform.
- Potentially large enterprises outside the top 2,000 if Pega can expand its consulting and implementation partnerships.
- Mid-market enterprises with complex requirements globally, once Pegasystems has extended its mid-market sales team beyond the US.

Threats

- The other leading CRM vendors identified in this report.

Salesforce Customer Success Platform (Ovum recommendation: leader)

Figure 8: Salesforce Customer Success Platformradar diagrams



Source: Ovum

Salesforce Customer Success Platform context and strategy

Founded in 1999, Salesforce is the clear global CRM leader in terms of market execution. No other CRM suite or platform has reached such a level of ubiquity or grown as consistently quickly over such a long period. Its FY15 revenues were $5.37bn, a rise of 32% YoY; for FY16 its revenue guidance is $6.60bn to $6.63bn and for FY17 it is $8.08bn to $8.12bn.

Salesforce serves enterprises of all sizes and across all industries. Industry-specific variants are provided by partners, but all running on the standard Salesforce Customer Success Platform. The

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

vendor has evolved its CRM applications and now has a coherent, integrated portfolio of customer engagement applications on a single platform.

In addition to the core CRM applications of sales, marketing, and service, the vendor offers a range of services: Sales Cloud Lightning, Marketing Cloud, Service Cloud Lightning, Community Cloud, Analytics Cloud, Apps Cloud, and IoT Cloud.

For several years Salesforce has positioned itself as the customer engagement interface between an enterprise and its customers. This goes considerably further than the traditional CRM suite. In 2014 Salesforce added Community Cloud and Analytics Cloud. The former enables enterprises to provide social communities for customers, partners, and internal communities of interest; the latter offers customers advanced predictive analytics with easy-to-understand visualizations that can be annotated and shared with colleagues. This has made real-time analytics accessible by any knowledge worker without the need to refer to data scientists or expert analysts.

In 2015 Salesforce added IoT Cloud to the customer engagement mix, enabling enterprises to monitor the performance of any utility or product with appropriate sensors. They can add information from the sensors to CRM data and trigger specified actions in support of the customer or to preempt component failure. This service is still in its infancy, but Ovum expects many use cases to emerge in the coming year.

Salesforce Lightning Experience delivers an intuitive user experience using responsive design techniques to ensure that data is rendered in an appropriate and uncluttered manner on any mobile device. The Salesforce Lightning Component Framework enables developers to build dynamic web apps quickly for any device; the Lightning App Builder provides a selection of components that developers can use to create innovative enterprise solutions. In an environment of accelerating change, the Lightning App Builder will become increasingly valuable to developers.

Key industries and size of enterprises supported

Salesforce serves enterprises of all sizes and across all industries. Industry-specific variants are typically provided by partners, but all running on the standard Salesforce Customer Success Platform. In February 2016 Salesforce announced the general availability of Salesforce Health Cloud, which enables healthcare providers to build relationships with their patients and to collaborate across the entire care ecosystem. In March 2016 the vendor announced the general availability of Financial Services Cloud, which is supported by an ecosystem of some 20 ISVs and delivery partners covering account aggregation, document management, data aggregation, implementation services, portfolio management, prospecting, security, and compliance. Ovum expects more industry-specific Customer Success Platforms to emerge in the near future along similar ecosystem lines.

Ovum SWOT assessment

Strengths

- A clear leadership position by market share.
- An established presence – few shortlists for CRM will not include Salesforce.
- A policy of reinvesting for growth and continued platform development.
- A vastly improved user experience following the introduction of Lightning Design.
- A clear and compelling vision.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

- Salesforce continues to innovate at pace and has been recognized by Forbes as one of the most innovative companies over the last five years.
- Wave Analytics has emancipated BI for the workforce, making it unnecessary to seek the help of IT or data scientists. This greatly enhances the generation of insights that can help employees become more productive and improve decision-making.
- A focus on delivering successful outcomes for customers and a team of customer success managers to support larger customers.
- An extensive ecosystem of partners and ISVs developing add-ons and extensions to the Customer Success platform.
- Salesforce provides low-cost bundles for small businesses. For example, SalesforceIQ adds relationship intelligence tools to help businesses keep track of customer interactions and relationship history. Desk.com provides a low-cost customer service capability.
- IoT embedded in the customer engagement capabilities, including event triggers and workflows to increase proactive support for customers.

Weaknesses

- No native commerce platform.
- Until the announcements of February 2016 Salesforce's pricing policy was considered opaque. This is no longer the case and pricing has been greatly simplified.
- Enterprises demanding on-premise solutions to protect customer data or insisting that data centers must be in their own jurisdictions can be problematic for Salesforce. The vendor is gradually increasing the number of data centers it has around the globe to comply with local privacy regulations.

Opportunities

- Salesforce Customer Success Platform is applicable to enterprises of any size and in any industry.
- Industrial 4.0 will spawn new opportunities and Salesforce is well positioned to take advantage of them with IoT Cloud.

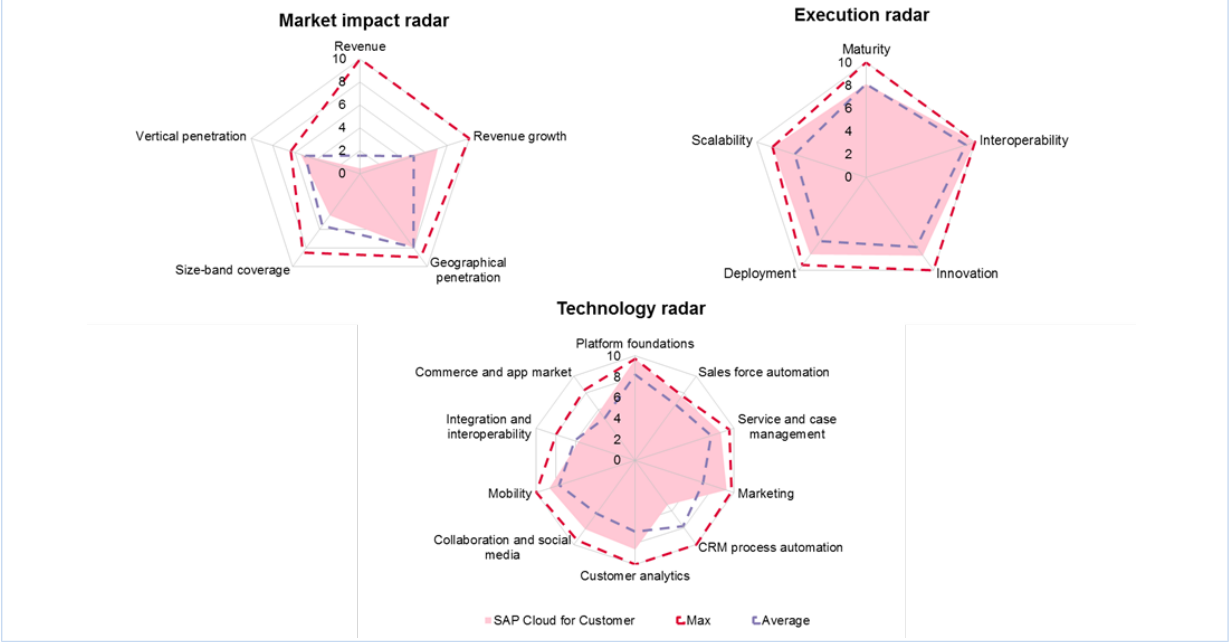
Threats

- Major threats are from the other leaders identified in this report.
- Specialist vendors in a particular area such as the contact center, e-commerce, or BPM.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

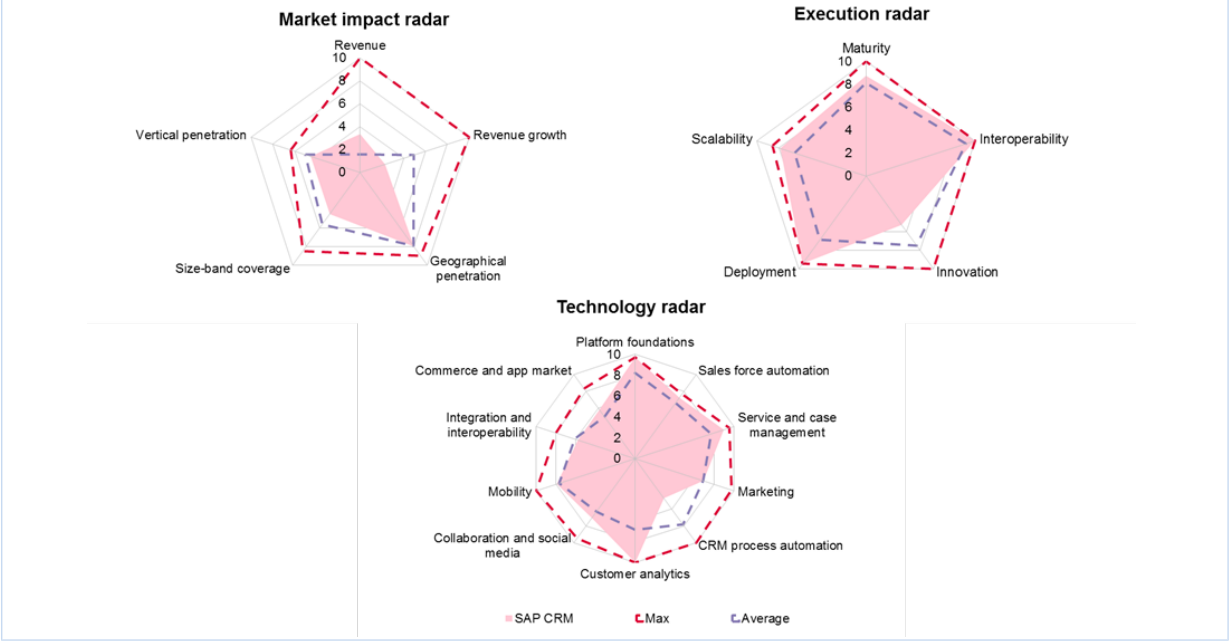
SAP Cloud for Customer and SAP CRM (Ovum recommendation: leader)

Figure 9: SAP Cloud for Customer/SAP Hybris radar diagrams



Source: Ovum

Figure 10: SAP CRM radar diagrams



Source: Ovum

SAP customer engagement and commerce context and strategy

SAP offers two main CRM offerings for large or large and mid-market sized enterprises:

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

- SAP CRM is SAP's traditional on-premise product for large enterprises and comes with industry-specific functionality for 25 industries.
- SAP Cloud for Customer is the vendor's cloud solution and an essential component of its strategy. This application is suitable for both large and mid-market enterprises.

SAP provides sales, marketing, and service, augmented through integration with SAP Hybris Commerce and SAP Hybris Marketing. It uses the SAP HANA in-memory platform to provide a fully integrated environment with any other application running on the HANA platform. This includes real-time analysis of customer data from any source running or connected to the HANA platform and supports SAP's broader vision of the real-time enterprise.

Like the other leading CRM vendors, SAP sees the limitations of the traditional sales, marketing, and service approach when considering the broader omnichannel customer engagement capabilities required to deliver a rewarding customer experience consistently across any combination of channels. The firm has repositioned SAP CRM (on-premise) and SAP Cloud for Customer under SAP Hybris, which encompasses all of its customer engagement and commerce capabilities. It also includes SAP Hybris Commerce, SAP Hybris Marketing, SAP Hybris Profile, and SAP Hybris Customer Experience.

SAP Hybris is the business unit of SAP running all customer engagement and commerce offerings. SAP's acquisition of Hybris, completed in August 2013, significantly strengthened the vendor's commerce capabilities. It also added considerable intellectual capital and deep insight into the level of performance required to deliver a rewarding customer experience. It has been a good move by SAP to put the founder and former president of Hybris, Carsten Thoma, in charge of the entire SAP Hybris portfolio. This has accelerated the shift from CRM as a system of customer record to an integral component of a much broader omnichannel customer engagement capability. SAP's aim is to provide the world's leading omnichannel customer engagement and commerce solution.

Enterprises that have already invested in SAP CRM may decide to opt for a hybrid approach to extend the value of their CRM investment, including adopting SAP Fiori to provide a modern, minimalist, and engaging user experience. Enterprises seeking to replace their existing CRM system or systems may opt for SAP Cloud for Customer for sales and service and SAP Hybris Marketing for its predictive analytics and personalization capabilities, as well as the broader omnichannel customer engagement and commerce portfolio.

The user experience has also been greatly improved and modernized through the application of Fiori design principles, creating a highly intuitive interface across mobile and desktop and excellent visualization of SAP's real-time and predictive analytics. This is natively available for SAP Cloud for Customer and can be used with SAP CRM to create a more modern user experience.

Key industries and size of enterprises supported

Large and mid-market enterprises across all sectors can be supported with a combination of integrated offerings from SAP.

Ovum SWOT assessment

Strengths

- A fully integrated customer engagement and commerce platform to support omnichannel customer engagement in any industry.
- SAP Fiori provides a modern, consumer-grade, intuitive user experience designed for mobile first. Excellent visualization and role-based push reports help field sales and service

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

personnel engage with their customers more easily with up-to-date information, including the progress of any orders.

- SAP CRM's on-premise application includes many industry-specific functions and SAP has guaranteed support until 2025 so that existing customers can migrate to SAP Cloud for Customer at a time of their choosing.
- SAP Cloud for Customer supports the core CRM components of sales and service and was designed from the outset to support mobile first and to include social CRM. It has been natively designed to run on the SAP HANA platform to take advantage of real-time, in-memory computing power.
- In combination with SAP Hybris Marketing, SAP Cloud for Customer provides a modern CRM platform. When combined with SAP Hybris Commerce it delivers an effective omnichannel customer engagement platform with advanced predictive analytics to support next best actions, understand customer intent, and trigger the most appropriate response.
- SAP CRM, combined with SAP Fiori and run on the SAP HANA platform, gives existing SAP CRM customers a path to real-time analytics and the broader omnichannel customer engagement portfolio.
- With SAP JAM, sales, service, and marketing teams can collaborate with each other or with other departments in support of more complex customer interactions.
- SAP Rapid Deployment Solutions enable enterprises to deploy SAP solutions quickly.

Weaknesses

- SAP is still viewed by many as master of the back office not the front office. However, the SAP Hybris portfolio and SAP's cloud capabilities, underpinned by the SAP HANA in-memory platform, provide a highly adaptive and agile platform for true omnichannel customer engagement. SAP needs to focus more on getting its messaging across to the C-suite and other line of business leaders
- SAP CRM is on-premise only and the clear trend toward running the entire front office in the cloud for greater agility and a more elastic and adaptive customer engagement environment, means that it is likely to be discounted as an option for new customers.
- SAP Cloud for Customer has robust support for consumer packaged manufacturers with retail execution and retail. The vendor has plans to develop more industry-specific variants, which SAP CRM can support today. Ovum expects more industry options to appear in 2016 as SAP harvests more of its IP from SAP CRM.

Opportunities

- SAP CRM is designed for large enterprises.
- SAP Cloud for Customer serves mid-market and large enterprises.
- The SAP Hybris portfolio provides a highly integrated and adaptable platform to support enterprises with omnichannel ambitions. Ovum's research indicates that fewer than 10% of enterprises have a robust and adaptable omnichannel customer engagement capability, although the quality of the customer experience is now top of the agenda for forward-thinking CEOs, so this is a growing opportunity.
- Opportunities will expand as SAP Cloud for Customer provides further industry-specific functionality.

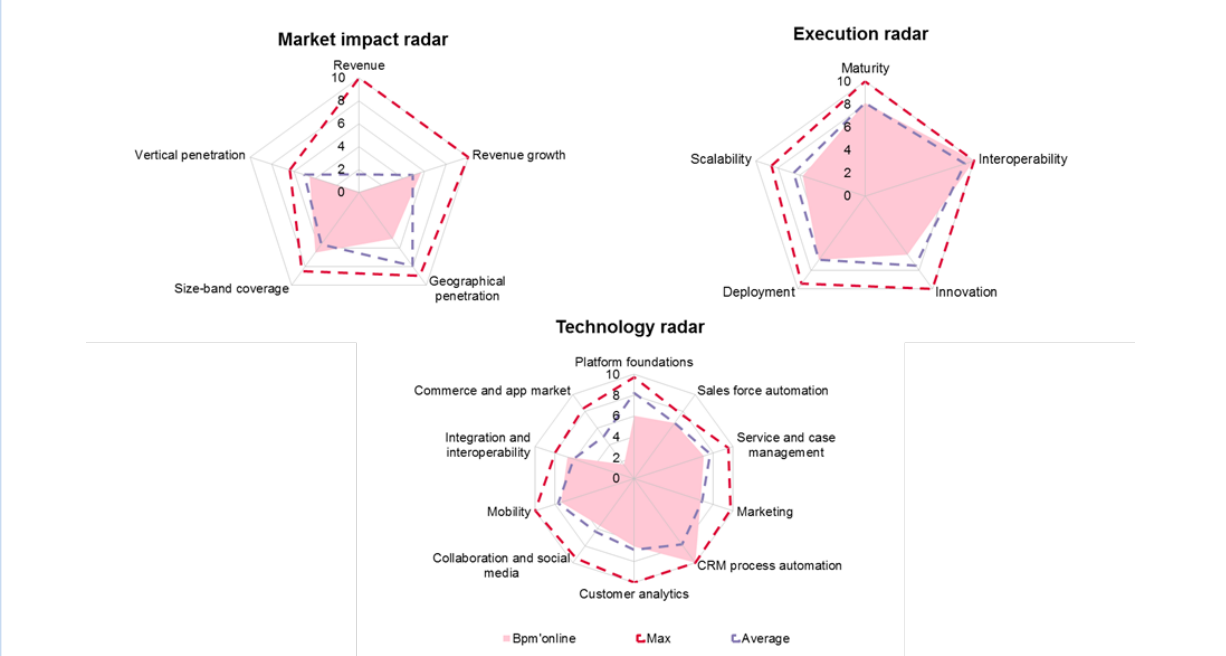
© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Threats

- The biggest threats to SAP will come from the other leaders in this report.
- Specialist vendors in specific areas, such as service and commerce.

Bpm'online (Ovum recommendation: challenger)

Figure 11: Bpm'online radar diagrams



Source: Ovum

Bpm'online context and strategy

Bpm'online was not included in the last CRM Ovum Decision Matrix in 2013 because it did not have the revenue and global market presence to qualify. It has since grown substantially; it has more than 6,000 customers worldwide and has won several industry awards. The firm, which was founded in Europe, now has its headquarters in Boston, US and local offices in the UK and Australia. It also has a growing ecosystem of resellers, consulting companies, and systems integrators.

As its name suggests, the firm takes a process-centric approach to CRM and provides a highly intuitive platform to support processes that span sales, marketing, and service. It offers out-of-the-box best-practice templates to help firms deploy Bpm'online rapidly and effectively.

Bpm'online is a fully customizable platform and provides a modern and highly intuitive user experience, including in-context guidance to speed the onboarding process for new hires. Responsive design ensures that information is rendered appropriately for different mobile and desktop devices and delivered based on the role of the user to ensure that the user experience is both relevant and consumer-grade.

Processes can be adapted rapidly to meet changing needs using highly visual tools to make it easy for the business analyst or business user without the need for technical expertise. This makes it a highly adaptive platform for the modern environment.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

In addition to sales, marketing, and service, Bpm'online incorporates its own ESN to enhance collaboration across teams and departments. It also offers good external social integration to support consumers across any digital channel of interaction.

Knowing the customer journey

In addition to providing a range of tools to keep customer data clean and up-to-date, Bpm'online automatically grades profile completeness to foster capture and updating of the most relevant information. This includes contextual information automatically imported to a customer record from the web behavior tracking capability once a customer has registered. This capability is built into the latest release (7.7).

CRM is usually considered a system of record, but by capturing behavioral and contextual information at the individual customer level Bpm'online supports more relevant customer engagement. Such behavioral data is imported to the customer record so that agents and sales and marketing staff can improve the relevance of subsequent interactions. The business process engine supports rules and triggers can be developed to ensure timely contact with customers throughout their purchase and post-purchase journeys. The firm explicitly supports the omnichannel customer engagement environment.

Good integration with social networks enables agents to respond directly by providing relevant links to knowledge articles via Twitter or Facebook, or to encourage the customer to interact via email or phone to resolve an issue. Web behavior tracking also supports campaigns triggered by a specific event such as cart abandonment. Timely and relevant offers can be made via email to avoid losing the opportunity.

Key industries and size of enterprises supported

Despite being a relative newcomer to the CRM market, Bpm'online is growing rapidly and appeals to mid-market and even global organizations that want to support customers across any digital channel or provide in-store support to sales assistants.

Industries where it has enjoyed success include financial services; professional services; retail; wholesale and distribution; manufacturing; travel, transportation, and logistics; and telecoms.

Ovum SWOT assessment

Strengths

- A BPM engine enables rapid process adaptation to meet new requirements.
- A consumer-grade user experience.
- Contextual information based on customer behavioral patterns.
- Omnichannel customer engagement support.
- Out-of-the-box best-practice templates for rapid deployment.
- An agile approach to R&D for rapid development, including prototyping and testing with customer community prior to launch.

Weaknesses

- A lack of native predictive analytics and machine learning to support real-time next best actions.
- Rudimentary field service capability.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Opportunities

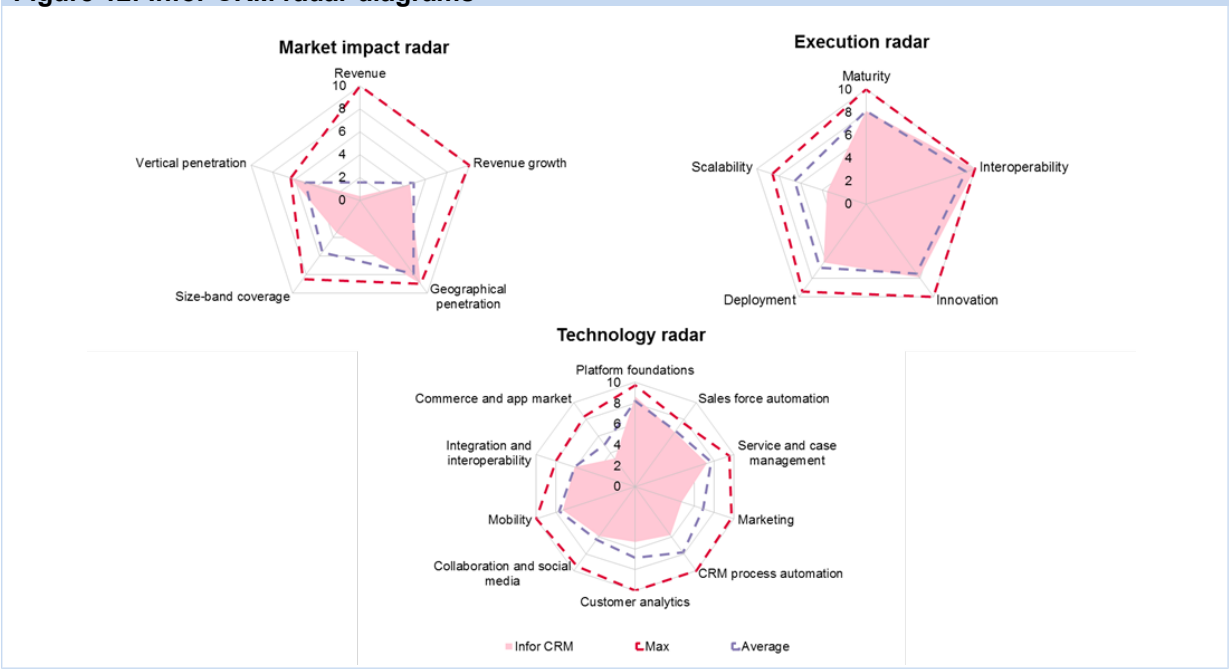
- Mid-market enterprises across most industries in B2B, B2B2C, and B2C.
- Large enterprises that do not need the greater sophistication delivered by some of the leading CRM omnichannel customer engagement vendors.

Threats

- Other mid-market vendors included in this report.
- Large enterprise vendors included in this report.

Infor CRM (Ovum recommendation: challenger)

Figure 12: Infor CRM radar diagrams



Source: Ovum

Infor CRM context and strategy

Infor was founded in 2002 under its previous name, Agilisys. Following the acquisition of German company Infor Business Solutions, the company changed its name to Infor Global Solutions.

Infor is headquartered in New York and has grown organically and through acquisitions. It provides a comprehensive range of integrated industry vertical and micro-vertical applications via its Infor CloudSuite running on Amazon Web Services. Infor CloudSuite currently supports more than 2,100 customers and more than 12 million users. It also provides on-premise applications and supports hybrid environments, depending on the needs of its customers.

With annual revenues approaching $3bn in 2015 and 2,400 employees, Infor has been referred to as one of the world's largest start-ups. It continues to demonstrate aggressive growth characteristics that warrant that label. Its most recent major acquisition was GT Nexus, a cloud-based collaborative commerce platform used to coordinate commerce between retailers and fashion and clothing manufacturers.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Key industries and size of enterprises supported

Infor supports a wide range of industries, including aerospace and defense, automotive, chemicals, distribution, food and beverage, financial services and insurance, healthcare, high-tech and electronics, hospitality, industrial manufacturing, public sector, and retail.

The majority of its customers are upper-mid-market and large enterprises. It aims to compete with SAP and Oracle by leveraging its industry-vertical solutions and its visionary omnichannel-capable customer experience platform.

Infor CRM (formerly Saleslogix) is a core component of Infor's customer experience platform

Infor acquired Saleslogix CRM in September 2014. After a period floundering under different ownership (initially Sage, then Swiftpage), the application has become part of Infor's customer experience vision.

The firm has four main aims:

- To deliver a consumer-grade user experience aimed at "delivering awe, moments of surprise and wonder." Infor has hired designers from the fashion and creative industries with a remit to develop engaging user experiences.
- To connect customers via any channel – digital and analog – to create an omnichannel experience.
- To connect teams through ESN for greater collaboration.
- To connect data from all systems to provide both transactional and contextual information to deliver real-time actionable insights that trigger relevant offers and information at the point of interaction by a customer.

Infor is determined to support an omnichannel engagement capability that can connect the entire enterprise and deliver value to the customers, citizens, or patients it serves. The personalized customer experience is delivered via Infor Rhythm, Infor's customer experience platform. To be successful with omnichannel it is critical to connect front- and back-office applications. Like several of the leaders identified in this report, Infor provides additional offerings, such as CPQ for complex product configurations in both B2B and B2C environments.

Enterprises working with third-party design agencies can also connect them via Infor Rhythm and the experience manager. It supports modern marketing methods, including coordination of digital and content assets, product information management and marketing, and audience analytics. Infor's Marketing Resource Management application provides a robust and modern marketing capability to augment Infor CRM.

Ovum SWOT assessment

Strengths

- A mature omnichannel vision to underpin product development.
- Rapid pace of innovation as Infor brings its customer experience vision to fruition.
- A consumer-grade user experience.
- Micro-vertical options in manufacturing.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Weaknesses

- Infor lacks predictive analytics and machine learning to generate next best actions.
- The market lacks visibility into Infor's advanced customer experience capabilities.

Opportunities

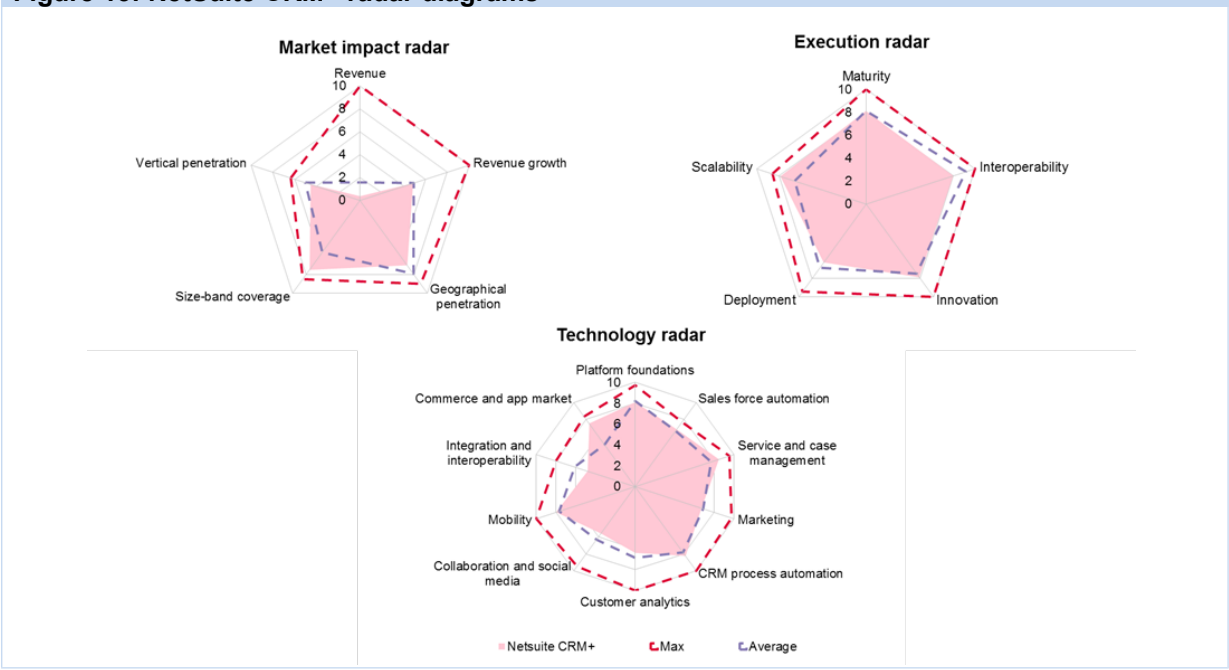
- Major opportunities with current customers to support omnichannel customer engagement capabilities.
- Further penetration of large enterprises as Infor's Rhythm Experience develops momentum.
- Micro-verticals supported by Infor CloudSuite.

Threats

- Leading vendors identified in this report
- Mid-market vendors identified in this report

NetSuite CRM+ (Ovum recommendation: challenger)

Figure 13: NetSuite CRM+ radar diagrams



Source: Ovum

NetSuite CRM+ context and strategy

Since its foundation in 1998, NetSuite's vision has been to help enterprises achieve their visions by providing a fully integrated, modular, and flexible SaaS platform to transform the entire business, with a single database at the core. Today the platform includes a variety of enterprise applications, including ERP, CRM, and e-commerce. NetSuite is focused on the broader omnichannel customer engagement challenge rather than the more traditional CRM elements of sales, marketing, and service. This will appeal to enterprises that have broader customer engagement and commerce ambitions and that recognize the critical importance of integrating front and back offices.

NetSuite's strategy is to focus on omnichannel commerce, to create more industry-specific options to enhance strategic fit and speed deployment, and to position NetSuite OneWorld as an attractive

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

option for larger global enterprises. It offers integration with corporate headquarters ERP systems from Oracle and SAP to provide a lower-cost alternative for subsidiaries and regional offices.

NetSuite's CRM has not advanced at the same rapid pace as its ERP and e-commerce offering. However, its recent acquisition of Bronto Software suggests that it is investing in its CRM offering.

The vendor has more than 10,000 companies running 30,000 subsidiaries across more than 100 countries. In FY15 it achieved revenue of $741m, a 33% increase on the previous year, and guidance for FY16 is between $950m and $970m.

Key industries and size of enterprises supported

NetSuite has had most success with mid-market enterprises across a wide variety of industries, including advertising, manufacturing, media/publishing, not-for-profit, retail, services, software, and wholesale distribution.

Ovum SWOT assessment

Strengths

- A highly integrated, enterprise-wide set of applications to support the entire enterprise.
- Particular strength in the mid-market arena.
- A clear omnichannel commerce vision.
- Lower cost than on-premise CRM applications.
- An expanding ecosystem of systems integrator partners and ISVs to provide additional applications.

Weaknesses

- NetSuite's priority in R&D has been in developing its ERP and commerce offerings, although the acquisition of Bronto confirms continued investment in CRM.
- The user experience is more cluttered than those of some of the leading CRM applications, but it does provide a good level of information to support the user's role.
- Lacks predictive analytics in support of next best action.

Opportunities

- Mid-market enterprises across a wide variety of industries, especially those seeking to consolidate enterprise applications on a single platform.
- Large enterprise's satellite regional offices or subsidiaries.

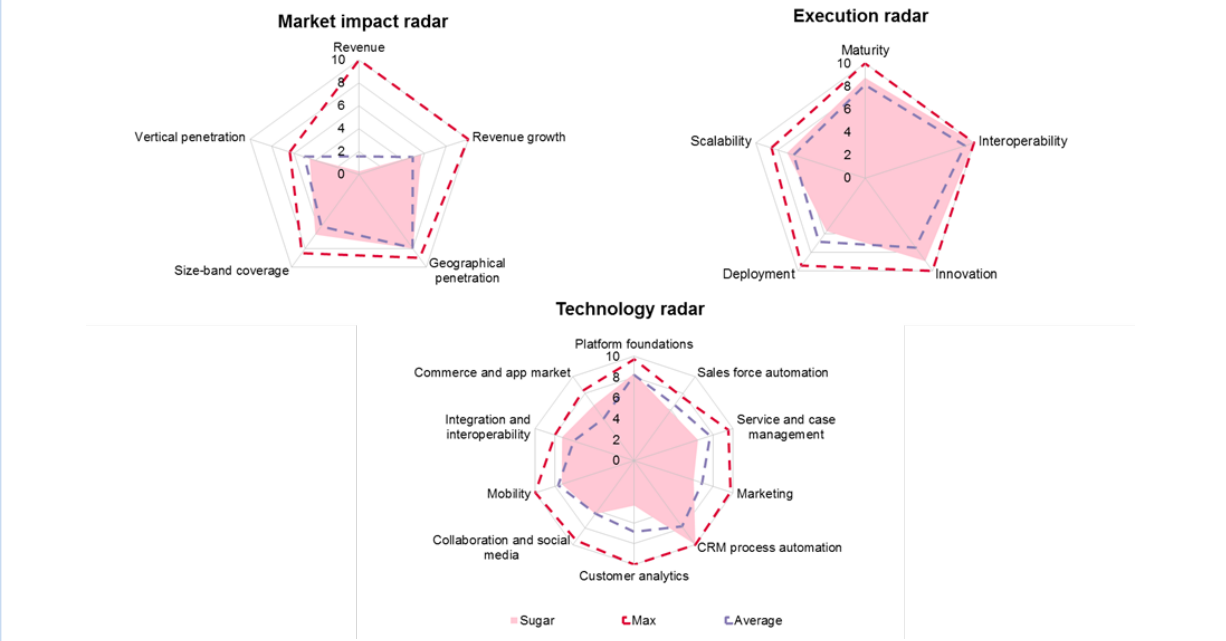
Threats

- The leading CRM vendors identified in this report, particularly in large enterprise environments.
- The mid-market CRM vendors identified in this report.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Sugar (Ovum recommendation: challenger)

Figure 14: Sugar radar diagrams



Source: Ovum

Sugar context and strategy

Since Sugar's foundation in 2004, its CEO, Larry Augustin, has consistently viewed CRM as an enterprise-wide concern, not just a tool or platform for sales, service, and marketing. This enterprise view sits well within the omnichannel customer engagement challenge. Sugar's growing list of major systems integrator partnerships and its own SugarExchange, populated by a growing number of ISVs, make SugarCRM a highly elastic platform. It can support enterprises with broad omnichannel customer engagement plans as well as those with more traditional CRM needs. The core components of sales, service, and basic campaign management are commonly augmented with e-commerce, more sophisticated marketing automation (such as IBM Silverpop or Unica), CPQ, and predictive analytics.

Over the last 18 months the product has continued to evolve at pace in support of this holistic view of CRM; it provides one of the most flexible and extensible platforms at an affordable price. Four pillars govern its design and evolution:

- Focus on the customer – Sugar provides end-to-end workflows in support of customer interactions.
- Understand the full customer journey – it supports collaboration across departments and helps to eliminate departmental silos.
- Operationalize the journey – it has an intuitive visual workflow designer to help teams from different departments orchestrate and work together in support of the customer at every touchpoint.
- Empower every individual employee – it ensures that relevant customer information is provided to support next best action for a more meaningful interaction with the customer.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Key industries and size of enterprises supported

Sugar is suitable for a broad spectrum of industries and sectors. SugarCRM has seen the most traction in education, financial services, insurance, manufacturing, healthcare, insurance, professional services, and the public sector.

The firm has traditionally focused its attention on mid-market organizations, but now it has close ties with IBM as a customer (a 40,000-seat SFA system; more than 65,000 total users) and strategic partnerships with Infosys, Wipro, and T-Systems. It has received a surge in interest from large enterprises. In 2015 the firm had a 175% YoY increase in the number of seats per customer and a 164% increase in average deal size, which reflects this growing interest.

Ovum SWOT assessment

Strengths

- High levels of interoperability between the core applications of sales, marketing, and service to support the customer journey.
- A modern and intuitive user experience with guided, contextual information to support the individual user.
- The ability to map processes to customer journeys to provide an outside-in view of the customer to optimize the customer experience.
- Growing strategic partnerships with major systems integrator firms such as IBM, Infosys, T-Systems, and Wipro have dramatically increased penetration of large enterprises.
- A flexible and open platform.
- Low cost of ownership.

Weaknesses

- Applications outside the core of sales, marketing, and service rely on third-party applications.
- No native predictive analytics. However, in March 2016 it acquired Stitch, an ISV that has developed a mobile personal assistant that improves individual productivity by making personalized recommendations to users based on integrated analysis of data in email, calendar, and CRM systems. Its partnerships also provide predictive analytics capabilities, most notably with IBM.
- No industry-specific templates or associated data models to support rapid deployment. These may, however, be provided by implementation partners.

Opportunities

- Large enterprises in industries such as education, financial services, healthcare, insurance, manufacturing, professional services, insurance, and public sector.
- Mid-market enterprises acrossthe same industries.

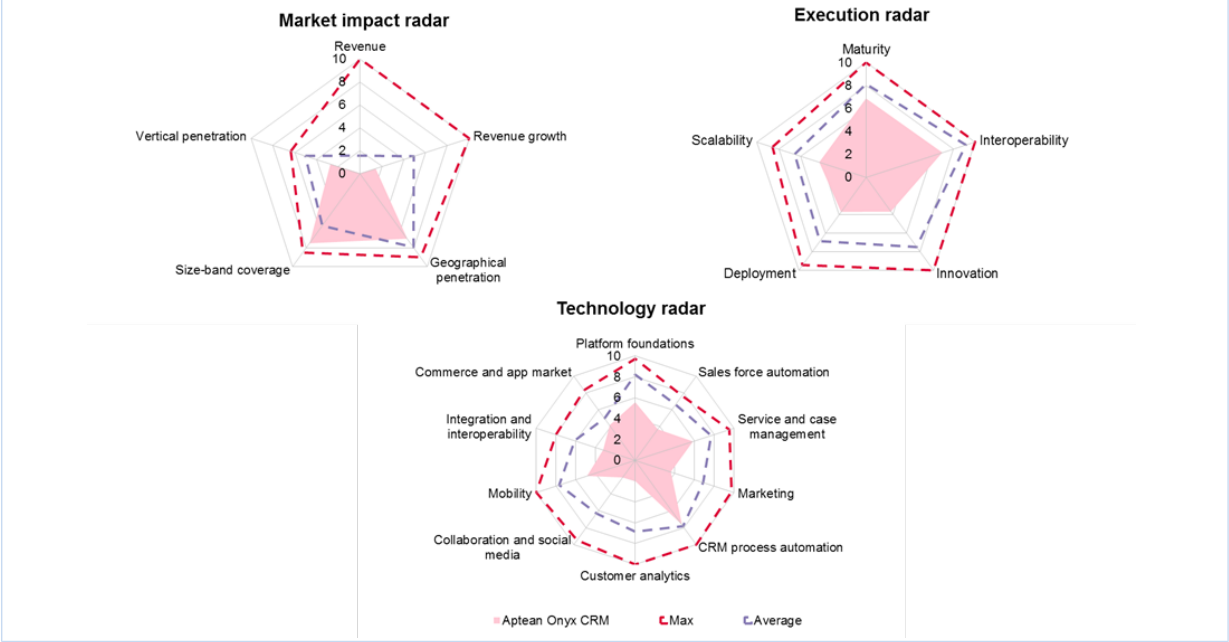
Threats

- The leading CRM vendors identified in this report.
- Mid-market competitors identified in this report.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

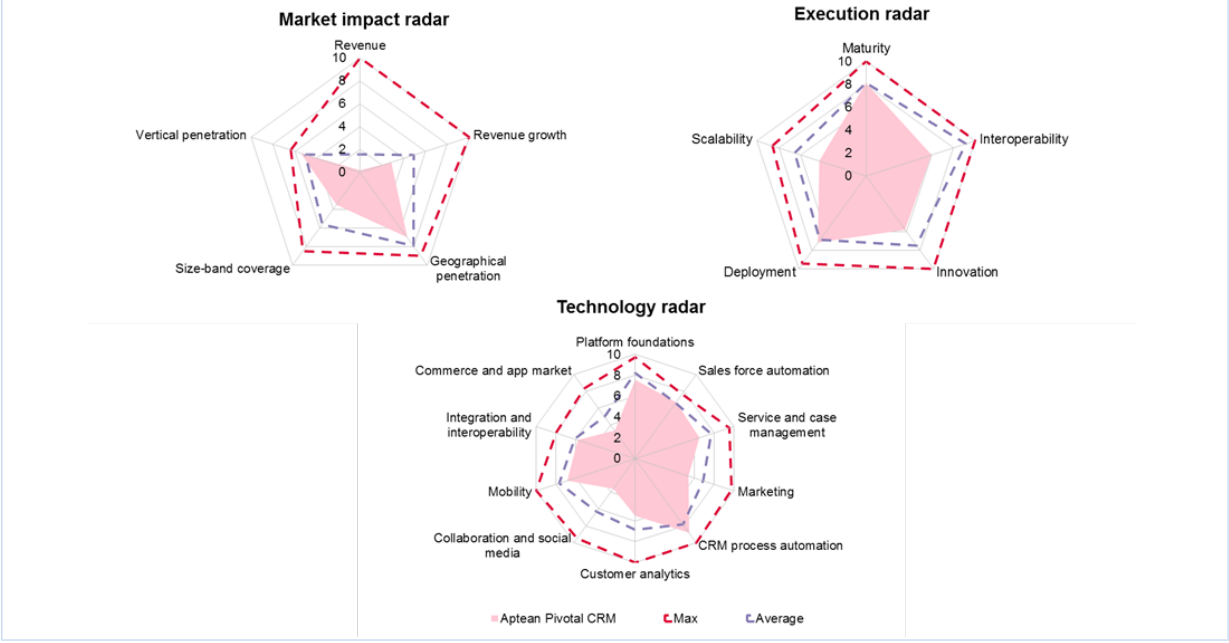
Aptean Onyx and Pivotal (Ovum recommendation: niche player)

Figure 15: Aptean Onyx CRM radar diagrams



Source: Ovum

Figure 16: Aptean Pivotal CRM radar diagrams



Source: Ovum

Aptean context and strategy

Aptean was formed in 2012 after the merger of CDC Software Corporation and Consona Corporation. It has a portfolio of ERP systems that serve different manufacturing and process industries: manufacturing execution systems (MES) and warehouse and order management for logistics

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

companies; e-commerce, knowledge management, mobile device management, and complaints and feedback management for banks; and several CRM systems, including Onyx, Pivotal, and Saratoga. Aptean has partnered with QlikView's in-memory visual discovery analytics to deliver its main BI platform. The company has a credible portfolio of offerings to span the needs of mid-market enterprises and can provide a platform for omnichannel customer engagement for enterprises with the ambition to develop these capabilities.

Aptean currently has more than 5,000 customers. These customers are mid-market and large enterprises, including financial services institutions, as well as a variety of manufacturing and logistics companies. It serves them through locations in the North America, Europe, Asia, and Australia. The firm sells directly and through a network of local and global resellers and systems integrators.

Key industries and size of enterprises supported

Aptean has particular strengths in manufacturing and financial services sectors. The majority of its customers are mid-market enterprises, but it also works with some larger organizations.

The choice of Onyx or Pivotal depends on the level of sophistication required

Where Onyx fits best

Onyx provides an end-to-end customer management solution that is a good fit for mid-market enterprises with relatively stable and repeatable transactions and processes that are seeking out-of-the-box CRM capabilities. It is 100% web-based, with a wide set of integration capabilities due to its underlying architecture. Onyx has good configuration tools to improve fit and to adapt to new business processes when needed.

Where Pivotal fits best

Pivotal provides a highly elastic CRM platform (on-premise and cloud with the same code) and is a good choice for firms that require a high degree of customization or that wish to build their own unique extensions. For example, one of Aptean's customers, which provides credit to the farming community, has built its entire end-to-end processes, including collections, on the Pivotal platform.

Extending Pivotal CRM to support omnichannel capabilities

Aptean's portfolio of enterprise applications can support mid-market enterprises with omnichannel customer engagement ambitions. It can integrate ERP, supply chain management, MES, e-commerce, ESN and social community networks, knowledge management, and analytics to deliver the increased sophistication and interoperability required. The vendor plans further integration of Office 365, Yammer, and customer portals as well as other industry options for 2016.

Pivotal's three-tier architecture built on .Net separates the foundation database layer from the middle-tier application server and the presentation user access tier. Aptean Pivotal provides a modern, consumer-grade user experience and further developments in 2016 will include tighter integration and interoperability with Microsoft Office 365, Yammer, Gmail and integration with other major ESN platforms in 2017.

Aptean has used its knowledge management offering, Knova, to augment Pivotal's service capabilities to ensure that the relevant information is provided at the point of need, whether that be through self-service, assisted service, social community support, or agent support. Knova uses natural language processing to increase the relevance of information, which can be curated from a wide variety of sources, both internal and external.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Ovum SWOT assessment

Strengths

- Deep industry knowledge in its target markets allied to out-of-the-box industry templates to support rapid deployment.
- A credible portfolio of applications that can be integrated with Pivotal CRM to support ambitious omnichannel strategies.
- A modern, consumer-grade user experience.
- A choice of CRM platform to support different degrees of sophistication, from the simple (Onyx) to the more complex (Pivotal).
- A technology partnership with QlikView that provides real-time predictive analytics that can support next best actions.

Weaknesses

- No native predictive analytics to support next best actions, although its technology partnership with QlikView provides this.
- A lack of global brand recognition.
- To date Aptean has not articulated any ambitions to support broader omnichannel capabilities; it should address this through customer case studies and a more proactive market messaging.

Opportunities

- Mid-market manufacturing and process industries.
- Mid-market financial services organizations.
- Potential for omnichannel in manufacturing and process industries in particular.

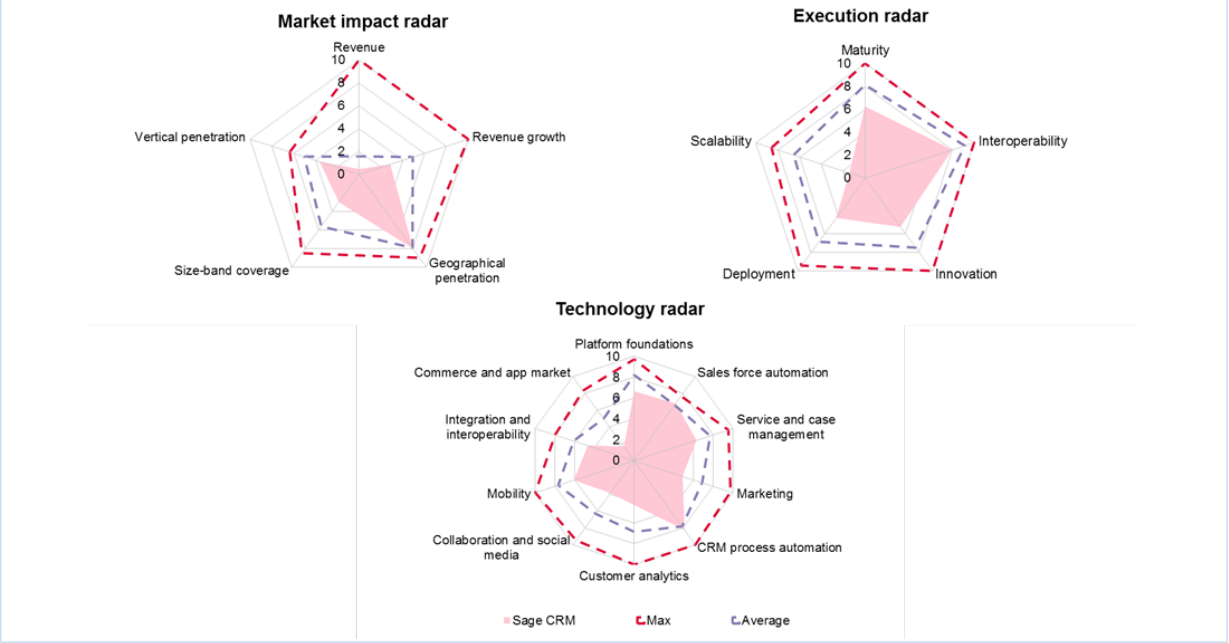
Threats

- Other mid-market CRM vendors identified in this report.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Sage CRM (Ovum recommendation: niche player)

Figure 17: Sage CRMradar diagrams



Source: Ovum

Sage CRM context and strategy

Sage is focused squarely on the SME market and has offices in 23 countries. In recent years the firm has completely modernized its portfolio of offerings, which has breathed new life into its growth. It offers choice of on-premise or cloud applications, with accounting and ERP providing the majority of its revenues. In 2015 growth in its subscription revenues jumped to 29%, a clear indication that its focus on SMEs and its modernization program are gaining traction. In 2013 Ovum stated that there is little to doubt in Sage CRM's applicability to its target market; this remains true.

Sage CRM supports sales, service, and basic marketing. This is appropriate for its target market, which generally does not require the omnichannel sophistication demanded by larger organizations. The aim is to provide SMEs with all the information they need to manage their businesses.

In 2015 Sage launched a strategic partnership with Salesforce and developed a business management application called Sage Live on the Salesforce platform. This application can thus be integrated with Salesforce's own CRM solution and is targeted at incremental new business from small enterprises. Sage CRM remains the primary offering for existing Sage customers.

A modern user experience and an integrated environment

Sage CRM offers a highly intuitive and modern user experience and integration with its portfolio of ERP products (now marketed as business management solutions). It provides insights into customer information, including order status and financial performance. It also provides a good mobile user experience and social functionality to support collaboration with colleagues

Key industries and size of enterprises supported

Sage is focused on supporting SMEs with basic business management needs. It meets the needs of this market very well.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Ovum SWOT assessment

Strengths

- A global partner network of more than 1,000 resellers.
- A global ecosystem of accountants to support small businesses.
- The ability to integrate with Sage ERP and accounting systems.
- A modern user experience that is easy to use and includes mobile.
- Simple pricing and affordable options for different sizes of business.

Weaknesses

- The launch of Sage Live on the Salesforce platform may suggest that Sage CRM is no longer a strategic product. However, the vendor has explicitly confirmed its commitment to Sage CRM and sees it as the primary offering for existing business management solutions customers. It must take care to ensure that this commitment is fully understood by existing customers.

Opportunities

- SMEs in most industries.
- Existing customers of Sage's business management solutions.

Threats

- Mid-market competitors identified in this report

Appendix

Methodology

This Ovum Decision Matrix is based on primary quantifiable research and interviews with CRM vendors and enterprise clients as well as secondary research sources. This provides a robust methodology to evaluate each vendor.

Further reading

A Best Practice Guide to Selecting a CRM Platform,IT0020-000185, (March 2016)

2016 Trends to Watch: CRM, IT0020-000168 (December 2015)

The Customer-Adaptive Imperative in Knowledge-Intensive Industries, IT0020-000166 (November 2015)

How to Develop an Omnichannel Customer Engagement Capability, IT0020-000108 (April 2015)

Ovum Decision Matrix: Selecting a Customer Relationship Management Solution, 2013–14, EI015-000010 (July 2013)

Author

Jeremy Cox, Principal Analyst, Customer Engagement Practice

jeremy.cox@ovum.com

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

Ovum Consulting

We hope that this analysis will help you make informed and imaginative business decisions. If you have further requirements, Ovum's consulting team may be able to help you. For more information about Ovum's consulting capabilities, please contact us directly at consulting@ovum.com.

Copyright notice and disclaimer

The contents of this product are protected by international copyright laws, database rights and other intellectual property rights. The owner of these rights is Informa Telecoms and Media Limited, our affiliates or other third party licensors. All product and company names and logos contained within or appearing on this product are the trademarks, service marks or trading names of their respective owners, including Informa Telecoms and Media Limited. This product may not be copied, reproduced, distributed or transmitted in any form or by any means without the prior permission of Informa Telecoms and Media Limited.

Whilst reasonable efforts have been made to ensure that the information and content of this product was correct as at the date of first publication, neither Informa Telecoms and Media Limited nor any person engaged or employed by Informa Telecoms and Media Limited accepts any liability for any errors, omissions or other inaccuracies. Readers should independently verify any facts and figures as no liability can be accepted in this regard – readers assume full responsibility and risk accordingly for their use of such information and content.

Any views and/or opinions expressed in this product by individual authors or contributors are their personal views and/or opinions and do not necessarily reflect the views and/or opinions of Informa Telecoms and Media Limited.

CONTACT US

www.ovum.com
analystsupport@ovum.com

INTERNATIONAL OFFICES

Beijing
Dubai
Hong Kong
Hyderabad
Johannesburg
London
Melbourne
New York
San Francisco
Sao Paulo
Tokyo

© Ovum. All rights reserved. Unauthorized reproduction prohibited.