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The Forrester Wave™: CRM Suites For Large Organizations, Q1 2015

by Kate Leggett, March 25, 2015 | Updated: March 27, 2015

KEY TAKEAWAYS

CRM Provides The Cornerstone Of A Great Customer Experience

The only source of competitive advantage is an obsession with understanding, delighting, connecting with, and serving customers. CRM is crucial to this success, but can only be successful if the foundations for sales, marketing, and service processes and technology are solid.

The CRM Vendor Landscape Is Bloated, So Understand Core Focus Areas

The landscape of CRM solutions has matured and converged as a result of merger and acquisition activities. These vendors offer solutions replete with features and functions. Every vendor can just about tick every box. CRM leaders must understand the core focus areas and value proposition of each vendor to make the right buying choices.

Different Leaders Have Specific Strengths

Salesforce, SAP CRM, and Oracle Siebel battle for the lead, with Microsoft and Pegasystems hot on their heels due to their breadth of capabilities and mature business practices. Yet, change in this space will continue as vendors fill in gaps with acquisitions, or redefine their CRM portfolios.

The Forrester Wave™: CRM Suites For Large Organizations, Q1 2015

Salesforce, SAP, Oracle, And Microsoft Lead A Mature Field Of Vendors

by Kate Leggett
with Stephen Powers, Fraser Tibbetts, and Arelai Ephraim

WHY READ THIS REPORT

In this Forrester Wave evaluation of customer relationship management (CRM) suites for enterprise organizations, we identified the nine most significant CRM suites solutions — Infor CRM (formerly known as SalesLogix), Microsoft Dynamics CRM, NetSuite, Oracle Siebel CRM, Pegasystems, Salesforce, SAP CRM, SAP Cloud for Customer, and SugarCRM — and researched, analyzed, and scored them. This report details our findings in order to help application development and delivery (AD&D) professionals supporting CRM operations select the right partner for their customer engagement initiatives.

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Notes & Resources

Forrester conducted vendor survey evaluations in November 2014 and evaluated 10 CRM solutions worthy of consideration by large organizations. We also surveyed vendor customers.

Related Research Documents

Navigate The Future Of CRM In 2015
January 22, 2015

Transform Customer Processes And Systems To Improve Experiences
January 13, 2014

TechRadar™ For AD&D Pros: The Extended CRM Technology Ecosystem, Q1 2013
January 29, 2013

MODERN CRM SUPPORTS CUSTOMERS IN THEIR END-TO-END JOURNEYS

Forrester defines CRM as:

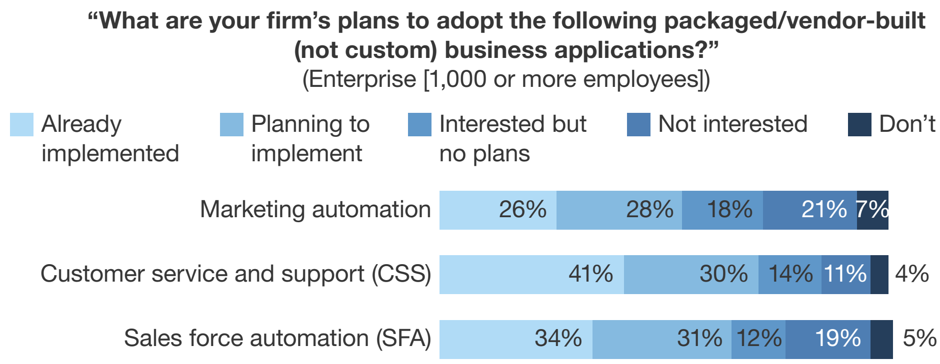
> *The business processes and supporting technologies that support the key activities of targeting, acquiring, retaining, understanding, and collaborating with customers.*

Companies leverage CRM to provide operational efficiencies for sales, marketing, and customer service organizations when interacting with customers — an "inside-out" approach. Users leverage CRM to aggregate and analyze opportunity and customer data, as well as automate workflows to optimize customer engagement processes. To quantify CRM's return on investment, companies examine operational metrics such as reduced marketing costs, increased revenues from salespeople, decreased sale cycle times, better pipeline visibility, decreased service resolution times, and more.

As a result, interest in deploying CRM technologies continues. Our data shows that almost two-thirds of technology decision-makers at enterprise organizations indicate that they have implemented a subset of CRM capabilities.[1] Specifically, 41% have already implemented a customer service and support (CSS) solution; 34% have implemented a sales force automation (SFA) application; and 26% have implemented marketing automation — and many are planning to upgrade their tool sets. An additional 30%, 31%, and 28% have plans to adopt a CSS, SFA, and marketing automation solution within the next few years, respectively (see Figure 1).

Today, forward-thinking companies build on these internal operational efficiencies and extend the power of CRM to better support customers through their end-to-end engagement journey. This garners their satisfaction and long-term loyalty. Good customer experiences correlate to customer loyalty, and loyal customers are more willing to consider another purchase from a company, are less likely to switch business to a competitor, and are more likely to recommend. Our models estimate that the revenue impact from a 10-percentage-point improvement in a company's performance, as measured by Forrester's Customer Experience Index (CX Index) score, could exceed $1 billion.[2]

Figure 1 Many Decision-Makers' Enterprises Have Already Implemented A CRM Solution



Base: 1,087 global technology decision-makers (1,000+ employees)

Source: Forrester's Business Technographics® Global Software Survey, 2014

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THE CRM MARKET IS ON THE CUSP OF SIGNIFICANT CHANGE

The CRM vendor space is mature. Yet there have been many changes in the last five years and more change is likely to continue. Two driving factors will accelerate these changes.

Big Fish Eat Little Fish, And Each Bite Broadens The Reach Of The Big Fish

The CRM market has consolidated in the last five years. For example, Oracle, focused on providing consistent end-to-end customer experiences across touchpoints, has made numerous acquisitions to round out its customer experience portfolio.[3] SAP, like Oracle, provides consistent end-to-end customer experiences via its breadth of products and has made a few key acquisitions to round out its capabilities.[4] Salesforce made a series of moves to round out the service cloud.[5] It has used this same tactic to broaden its CRM footprint with the notable acquisition of ExactTarget for business-to-company (B2C) marketing automation (2013).

Other acquisitions of note include: Microsoft's acquisition of Netbreeze (2013) for social listening and Parature (2014), which helps Microsoft Dynamics add knowledge management and chat capabilities; Pegasystems acquisition of Chordiant Software (2010) for process-centric CRM and Antenna Software (2013) for mobile development; and Infor's acquisition of SalesLogix (2014) from Swiftpage, which had acquired it from the Sage Group (2013).

Vendors Offering Point Solutions Go After The Enterprise Players

These large CRM vendors increasingly offer broader and deeper capabilities which bloat their footprint and increase their complexity with features that many users can't leverage. At the same time, new point solution vendors are popping up at an unprecedented rate and are delivering modern interfaces and mobile-first strategies that address specific business problems such as sales performance management, lead to revenue management, and digital customer experience. You just have to look at the entry list for the yearly CRM Idol competition to get a feel for the range of these offerings.[6] Of course, these vendors have a long way to go to prove their capabilities in an enterprise setting.

Compounding this is the reality that most companies make technology purchasing decisions in organizational silos — a trend accentuated by the rise of software-as-a-service (SaaS) CRM. This trend may herald the end of the bloated CRM category. Forrester predicts that CRM will fragment to better support end-to-end business processes.

We will see a deeper alignment between sales and marketing CRM to support lead-to-revenue management processes. Customer service CRM solutions will converge with workforce optimization, queuing, and routing technologies to better support the end customer and more effectively manage agent workloads.[7] Keep an eye on this space, and choose vendors carefully as the CRM landscape is ripe for change.

MORE IS NOT BETTER IN THE CRM MARKET — SOMETIMES IT IS WORSE

Each of the leading vendors in this mature market offers a checklist of features and functions. Remember that more is not better; many times more is just more. In fact, when you don't need or can't use extra features, more is sometimes worse. CRM buyers must understand the market segmentation in order focus in on the right category of vendor that is the right size for their needs.

Ask What Size Organization Each Vendor Targets

Even with market consolidation, CRM solutions fall into four primary groups to choose from, although the distinctions between these categories have become less pronounced over the past three years (see Figure 2):

- **CRM suites for large organizations.** CRM vendors focused on large organizations — organizations with 1,000 or more employees — typically offer a full range of functionality supporting multiple languages and geographies. Many vendors offer deeply vertical solutions, and have pre- and post-sale company resources dedicated to their support. Vendors in this category also target midsize organizations, offering prepackaged versions of their solutions with more affordable price tags. The leading vendors in this category are highlighted in this report.

- **CRM suites for midsize organizations.** Vendors primarily target these solutions at organizations or divisions of larger enterprises with 250 to 999 employees. They often have more-limited capabilities in specific areas and are simpler to use than solutions built for the enterprise market. Some vendors in this category have upgraded their solutions to be more suitable to enterprise-class buyers and are gaining acceptance in that segment as well. We highlight the leading vendors in this category in the upcoming Forrester Wave evaluation of CRM suites for midsize organizations.[8]

- **CRM solutions for small organizations.** These vendors primarily target organizations with up to 250 employees. Functionality is limited compared with what full CRM suite solutions offer and typically focuses on basic contact management (including social channel interactions) and email marketing capabilities for individuals or small teams.

- **CRM specialty tools.** This category comprises vendors that offer solutions with narrow functional breadth but deep specialty capabilities — such as marketing automation and customer service — for both large and midmarket organizations. This category also includes CRM vendors that specialize in specific industries such as financial services, life sciences, telecommunications, and the not-for-profit sector.

Figure 2 CRM Solutions Fall Into Four Distinct Categories

Examples of CRM suites for large organizations

CRM suites primarily designed for firms with 1,000 employees or more

- Infor CRM
- Microsoft Dynamics CRM*
- NetSuite
- Oracle Siebel CRM
- Pegasystems CRM
- Salesforce*
- SAP Cloud for Customer
- SAP CRM
- SugarCRM*

Examples of CRM suites for midsize organizations

CRM suites primarily designed for firms with 250 to 999 employees

- Aptean Pivotal CRM
- bpm'online
- Infor CRM
- Maximizer CRM
- Microsoft Dynamics CRM*
- NetSuite
- Sage CRM
- SAP Cloud for Customer
- Salesforce*
- SugarCRM*

Examples of CRM solutions for small organizations

- Capsule CRM
- GoldMine CRM
- Infusionsoft
- Nimble
- Swiftpage Act
- Zoho

Examples of CRM specialty solutions

Customer service solutions:

- Astute Solutions Customer Service Software
- eGain Software
- KANA Enterprise
- Oracle Service Cloud
- Parature Customer Service Software
- Spaces by Moxie
- Zendesk

Customer marketing automation solutions:

- Adobe Campaign
- IBM Campaign
- Infor Epiphany Marketing
- SAS Customer Intelligence Platform
- Teradata Integrated Marketing Cloud

Examples of industry specialist solutions:

- Amdocs CES Customer Relationship Management (telecommunications)
- Blackbaud (not-for-profits)
- Cegedim Group (life sciences)
- NexJ Systems (financial services)
- StayinFront (life sciences)
- Update Software AG (life sciences)
- Veeva Systems (life sciences)

*These vendors have a significant base of both enterprise and midmarket customers.

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Factor Size, Complexity, And Business Model Into Your CRM Decision

The CRM needs for a business-to-business (B2B) company are not the same as the needs for a B2C company. Likewise, the needs of a sales organization are not the same as that of a customer service organization. Carefully evaluate the CRM Forrester Wave criteria to pick a solution that is the right size for your needs. In many cases, too many features can be overkill for enterprise organization with lightweight needs. Consider a number of capabilities to right-size for strategy (see Figure 3):

Figure 3 Right-Size Your CRM For Your Needs

Category	Consider your requirements to support
Sales force automation	• Complex sales processes, including quote to cash, renewals • Complex team and territory management processes • Predictive analytics to increase sales productivity • Mobile requirements for traveling employees
Marketing automation	• Marketing resource management needs • Complex, multistage and recurring campaigns • Complex lead management workflows • Online and offline communication channels • Offer management, including analytics to optimize offers
Customer service	• CTI integration • Omnichannel communications • Agent guidance for scripted processes • Knowledge management for agents and customers • Feedback from customers
Field service	• Core field service needs (dispatch, scheduling, service order management) • Spare parts management • Warranty management • Mobile support for field employees
eCommerce	• Transactional features (shopping cart, search, promotions, personalization) • Order management • Returns/exchanges
Business intelligence	• Reports and dashboards • Advanced analytics capabilities, including predictive modeling, simulations, and statistical analysis
Usability and user experience	• Consistent, role- based, intuitive user interfaces across touchpoints (web, mobile, app, tablet) • Task-based user experiences • Easily customizable UIs

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CRM EVALUATION OVERVIEW

Forrester evaluated each vendor against 95-criteria, categorized into the following three areas:

- **Current offering.** Each vendor's position on the vertical axis of the Forrester Wave graphic indicates the strength of its current product offering. We looked at the strength of each vendor's products across a spectrum of CRM capabilities, including sales force automation, marketing automation, customer service, field service, eCommerce, business intelligence, customer data management, technology, and architecture.

- **Strategy.** A vendor's position on the horizontal axis indicates our assessment of its strategy. We assessed the strength of each vendor's product strategy and product vision. We assessed the application ownership experience, cost, and corporate strategy of each vendor.

- **Market presence.** The size of each vendor's bubble on the chart indicates its market presence. We gauged the size of each vendor's customer base and evaluated the depth of human and financial resources available to enhance its products and serve its customers.

Vendor Selection Criteria

We included nine solutions in our assessment of CRM suites for large organizations, including: Infor CRM, Microsoft Dynamic CRM, NetSuite, Oracle (Oracle Siebel CRM), Pegasystems, Salesforce, SAP (SAP Cloud for Customer and SAP CRM), and SugarCRM. We did not assess solutions focused on a single industry, nor on those that specialize in a subset of CRM functionalities, such as standalone sales force automation vendors, customer service vendors, or marketing automation vendors.

Each vendor included in this Forrester Wave evaluation (see Figure 4):

- **Sells a multifunctional CRM applications suite.** Each vendor included in this Forrester Wave evaluation has functionality in a minimum of three of the following CRM subdisciplines and tools: marketing, sales force automation, customer service, field service, eCommerce, customer analytics, and customer data management. Products promoted primarily as best-of-breed solutions for a single functional area were not included.

- **Offers a CRM application with common services.** Included vendor solutions must have common services for data management, authentication, administration, configuration, identity, and permissions management. Suites of vendor products that comprise a CRM bundle and do not share common services are not included in this evaluation.

- **Has a solution suitable for large organizations with complex requirements.** Vendors we included focus on, and have references from, large organizations with complex requirements. These requirements include the ability to scale on a global basis, manage end-to-end business processes, integrate into complex legacy environments, and manage large volumes of customer-related data.

- **Provides a solution targeted to multiple industries.** Evaluated vendors target buyers across a diverse range of industries and business models.
- **Has a product now in general release and in use by customers.** The solutions we included have a specific release that was generally available at the time of data collection for this evaluation with references available for contact.

We did not evaluate Oracle CX Cloud in this report because it is comprised of a diverse set of acquired point solutions that were built on different platforms and only offers common user experiences and common services across some of the products.

Figure 4 Evaluated Vendors: Product Information And Selection Criteria

Vendor	Product evaluated	Product version evaluated	Version release date
Infor	Infor CRM	8.1.05	January 2015
Microsoft	Mircrosoft Dynamics CRM	Microsoft Dynamics CRM 2013	June 2014
NetSuite	NetSuite	14.2	August 2014
Oracle	Oracle Siebel	8.x	2011 (latest innovation pack available Nov 2014)
Pegasystems	Pega CRM	7	June 2014
Salesforce	Sales Cloud, Service Cloud	Winter '15	August 21, 2014
SAP	SAP Cloud for Customer	SAP Cloud for Customer	August 2014
	SAP CRM	7.0 EHP3	September 2014
SugarCRM	Sugar Professional, Enterprise, Ultimate	7.5	November 2014

Vendor selection criteria
Offers multifunctional CRM applications suite
Offers a CRM application with common services
Offers a solution suitable for large organizations with complex requirements
Provides a solution targeted to multiple industries
Has a product now in general release and in use by customers

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THE RESULTS: SALESFORCE, SAP, ORACLE, AND MICROSOFT DOMINATE

The evaluation uncovered a market in which (see Figure 5):

- **Salesforce, SAP CRM, Oracle Siebel, and Microsoft battle for the lead.** Oracle Siebel CRM and SAP CRM are suited for CRM deployments that support very large teams, demand high levels of customization and integration, and have deep field service and industry-specific requirements. Salesforce and Microsoft Dynamics CRM deployments are typically smaller, have much less industry-specificity, and offer faster time-to-value with a greater ease of use. The market presence of these vendors reflects the maturity of their CRM capabilities, as well as company practices to make their customers successful.

- **Decisioning and analytics take center stage.** Large organizations that manage huge volumes of data struggle to pinpoint optimal offers, discount levels, product bundles, and next best steps for customer engagement. They increasingly turn to predictive analytics to uncover and act on these insights. At Pegasystem's core is a predictive decisioning engine that infuses every CRM action along the customer journey. Oracle Siebel leverages a real-time decisioning engine that programmatically learns over time and is able to maximize business value. SAP CRM offers prepackaged next-best action processes for sales and customer service interactions.

- **Three vendors offer breadth — but not depth — at lower price points.** NetSuite, Infor CRM, and SugarCRM have traditionally targeted the midsize and small organization, but they also find a home in smaller divisions of large enterprises. These vendors offer a breadth (although not depth) of CRM capability at lower price points than those of the market leaders that have traditionally focused primarily on the needs of large enterprises. SugarCRM, with its commercial open source development approach, is increasingly catching the interest of larger organizations in addition to its traditional base of smaller companies and individuals.

The CRM market is a mature market. The first products were introduced in the 1990s and leading vendors have had solutions in the market for well over a decade. This evaluation of the CRM market for enterprise organizations is intended to be a starting point only. We encourage clients to view detailed product evaluations and adapt criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool.

Figure 5 The Forrester Wave™: CRM Suites For Large Organizations, Q1 '15

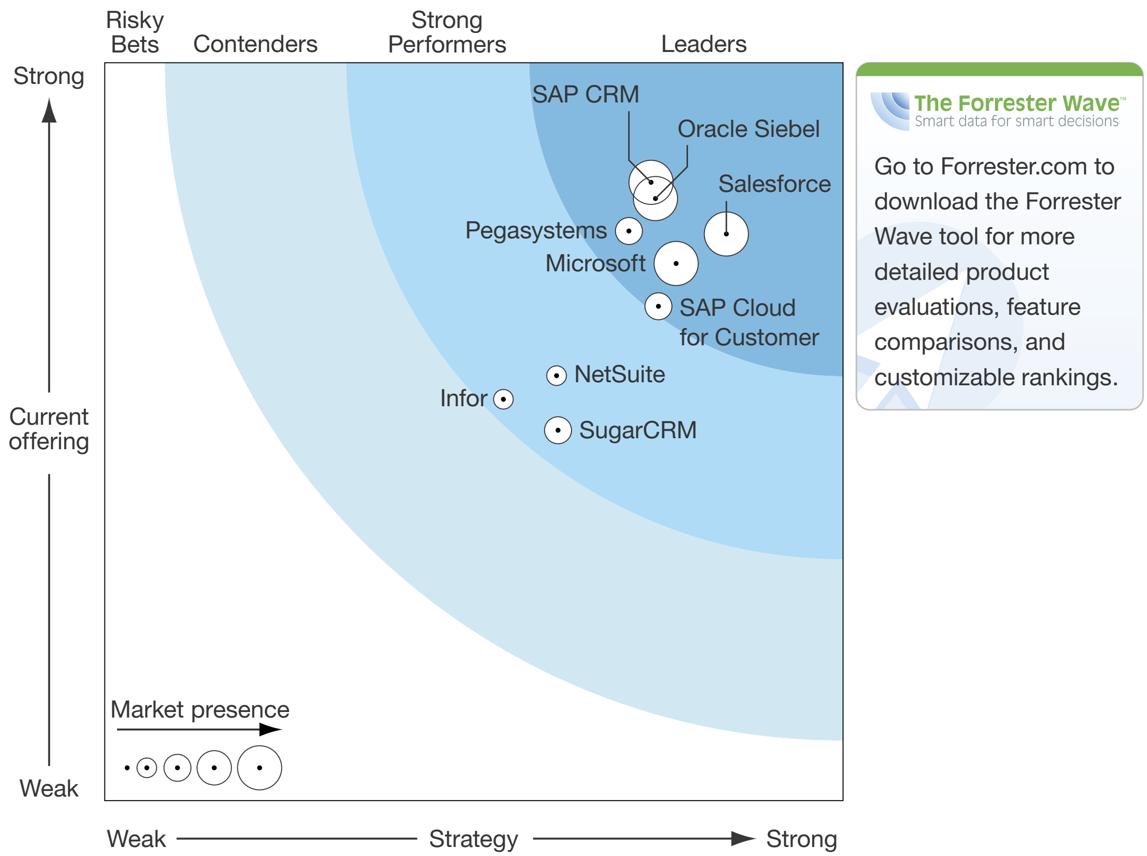

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Figure 5 The Forrester Wave™: CRM Suites For Large Organizations, Q1 '15 (Cont.)

	Forrester's Weighting	Infor	Microsoft	NetSuite	Oracle Siebel	Pegasystems	Salesforce	SAP Cloud for Customer	SAP CRM	SugarCRM
CURRENT OFFERING	50%	2.72	3.64	2.88	4.08	3.86	3.84	3.35	4.19	2.51
Sales force automation	17%	2.63	3.94	3.56	3.88	3.31	4.63	4.13	3.94	3.13
Marketing automation	17%	2.72	3.00	2.83	4.68	3.15	3.37	2.88	4.11	1.67
Customer service	17%	1.89	3.89	1.89	3.89	4.78	4.33	2.33	4.33	2.67
Field service	5%	1.40	0.00	2.60	5.00	1.80	1.00	1.80	4.20	0.40
eCommerce	5%	1.88	1.13	4.38	2.63	1.13	1.19	1.00	2.50	0.25
Business intelligence	12%	3.00	5.00	3.80	3.70	5.00	3.80	5.00	5.00	3.10
Customer data management	12%	4.00	4.50	2.67	4.50	4.50	4.50	4.25	4.50	2.42
Technology and architecture	15%	3.27	4.02	2.35	4.00	4.40	4.23	3.42	4.07	3.63
STRATEGY	50%	2.70	3.87	3.06	3.73	3.55	4.21	3.75	3.70	3.07
Product strategy	40%	2.50	3.50	3.00	3.50	3.50	3.50	3.50	3.50	2.50
Application ownership experience	20%	3.75	4.75	4.00	4.25	4.25	5.00	4.50	4.50	4.00
Corporate strategy	30%	2.30	3.80	2.80	3.80	3.10	5.00	3.80	3.80	3.30
Cost	5%	3.75	4.25	3.00	2.25	2.75	3.50	2.50	1.25	3.50
Deployment size and options	5%	1.40	3.40	1.40	4.60	4.60	2.60	3.60	4.00	2.00
MARKET PRESENCE	0%	1.52	4.85	1.20	4.80	2.04	4.50	2.14	4.70	2.15
Installed base	80%	1.40	5.00	1.00	5.00	1.80	5.00	1.80	5.00	2.00
Financial performance	10%	1.00	3.50	2.00	3.00	4.00	2.00	3.00	3.00	3.50

All scores are based on a scale of 0 (weak) to 5 (strong).

VENDOR PROFILES

Leaders

- **Salesforce reaches further into CRM success with a clear vision and sound execution.** The Salesforce vision is that of a "customer company" where effectively engaging with customers delivers success. To support this vision, Salesforce provides SaaS-only CRM, with robust mobile support and modern user experiences. Its strong customer-centric strategy, coupled with its compelling business vision and case studies has allowed it to penetrate an installed base of 150,000+ customers both large and small.

Salesforce provides very strong sales force automation and customer data management capabilities. It has strong customer service capabilities and sound marketing automation capabilities they extend via their weakly integrated Marketing Cloud. It has strong reporting, but very weak business analysis tools extended by their Analytics cloud. It also has very weak field service and eCommerce capabilities, relying on its AppExchange partners to complement their offering. Salesforce has strong support for B2B and B2C business models. This, coupled with its very strong technology and architecture, accounts for the increased penetration in B2C organizations and larger CRM deals.

Salesforce currently focuses on a handful of key verticals (financial services, media, government, healthcare, retail, and automotive) and relies on strategic partnerships for deeper verticalization. It has also segmented its sales and support functions into two business units — one dedicated to enterprise accounts and one to midsize and small accounts. Salesforce's strong application ownership, sound cost proposition, and differentiated vision and aggressive product road map have allowed it to rapidly increase its CRM footprint. Salesforce best suits organizations looking for a SaaS-based, rapidly deployable CRM application with strong social capabilities.

- **SAP CRM supports the end-to-end customer engagement and commerce experience.** SAP's vision for customer engagement is one of delivering consistent and relevant omnichannel experiences throughout the customer journey in real time — a vision that is aligned with Forrester's age of the customer theme.[9] Their products help companies engage and empower their customers at each step of their journey, blending physical and digital customer experiences. SAP's on-premises CRM is a core product in this end-to-end engagement suite. It is also available as a partner-hosted or hybrid solution.

  SAP CRM is a well-rounded CRM. Its platform and architecture are suitable for global deployments, and it offers a broad array of industry-specific solutions. It has strong marketing automation and customer service and field service capabilities, with deep native business management support, decisioning, and embedded next-best-action support as well as very strong reporting and analysis tools. SAP CRM has sound sales force automation capabilities. The product has weak native eCommerce and social capabilities — instead, customers can leverage the power of SAP's hybris commerce suite for eCommerce and SAP Jam for social collaboration.

  SAP CRM offers a large and broad set of industry-specific functionality and has a very strong application ownership experience and global strategy. CRM customers have told us that they perceive it as an expensive solution, with lengthy implementation times. In addition to their new Cloud for Customer offering, the vendor has tried to address this issue through a combined package of software and services that provide core CRM capabilities (SAP Rapid Development Solutions). SAP also offers connectors with other portfolio solutions to speed time-to-value. SAP CRM best suits global buyers committed to SAP and its ERP platform that support end-to-end industry processes.

- **Oracle Siebel CRM offers rich and proven CRM capabilities.** Oracle's strategy, like SAP's, is to deliver complete customer life-cycle solutions that help organizations create and manage great customer experiences across all channels, touchpoints, and devices — a sound vision but one that is difficult to execute due to the number of products that need to be integrated for success. Oracle Siebel CRM, Oracle's most fully featured CRM solution, is a key component of their customer experience portfolio. It is available as an on-premises solution or hosted in the cloud by a partner or by Oracle.

  Oracle Siebel CRM offers very strong support marketing automation, field service, reporting, and customer data management. It supports a broad range of decisioning scenarios to optimize sales, marketing, and customer service scenarios. It has sound sales force automation, customer service support, and analytics augmented by Oracle BI Answers. Its eCommerce capabilities are weak and are augmented by Oracle ATG. Social collaboration is provided by Oracle Social Network. Social listening is provided via integration with Oracle Social Network and Oracle Social Engagement and Monitoring solutions.

  Oracle Siebel has deep support for over 21 industry verticals. It has mature and rigorous implementation and user adoption practices to support Siebel customers. However, buyers view it as an expensive solution that requires lengthy deployment times — although they have been getting shorter. Oracle has a sound development road map for future enhancements, which it attests to a commitment to support the product in the long term. Oracle Siebel CRM is a good fit for global, high-volume B2C organizations that require need customizability and integration with other systems, or require functionality tailored to specific industries.

- **Microsoft offers a flexible, cost-effective CRM.** Microsoft offers devices and services for individuals and businesses that unites and empowers people at home, at work, and on the go. The strategy for Microsoft Dynamics CRM — a sound strategy that is well-aligned to Microsoft's core value proposition — is to empower these connections with real-time information and collaboration and enable organizations to manage their end-to-end business processes. The product focuses on delivering these results across a choice of deployment options (on-premises, cloud, partner-managed, or hybrid), payment options (license, subscription, or financing), and access points (mobile, Outlook client, browser, SharePoint site).

  Microsoft Dynamics CRM provides strong CRM capabilities with high marks for usability, delivered via a robust, scalable platform. The product offers very strong reporting, analytics, and customer data management capabilities. It has very strong opportunity management and sales productivity capabilities. Its marketing capabilities are sound and extended via integration with Dynamics Marketing. Its customer service capabilities are also sound, and are extended via integration with Parature. The product lacks native field service capabilities, which are provided via partners, and its eCommerce capabilities are provided via Microsoft Dynamics AX.

Microsoft offers 28 industry templates for vertical solutions for the public sector, retail, financial services, manufacturing, services, and healthcare that complement those available from their partners. They offer an attractively priced solution when compared to other vendors, especially when the solution is bundled with Microsoft Office, Power BI, and Parature. The product has a solid road map and vision for future enhancements. Microsoft Dynamics CRM is best suited for B2B companies that have made a commitment to the Microsoft technology stack and that require integration with other Microsoft solutions, such as Microsoft Office, SharePoint, and Lync.

- **Pegasystems empowers customer service organizations to predictively engage customers.** Pega CRM strategy is to leverage its strengths in business process management and case management to manage the end-to-end customer journey in real-time, across communication channels, with predictive analytics for next-best-action capabilities. This strategy, which is sound for process driven organizations, but heavyweight for ones with simpler needs, helps organizations deliver differentiated experiences while helping contain the cost of service, ensuring regulatory and policy compliance. It is available both on premises, as SaaS, or in a hybrid model.

  The product delivers a robust technology and architecture, customer data management, and customer service capabilities, which include the support for very complex process flows that can be modeled and changed by business users. It has sound sales force automation and marketing automation capabilities enhanced by usability from prior product versions as well as very strong reporting and business analysis tools and customer journey visualization used to optimize and personalize customer engagement. The product offers limited field service support for a handful of industries and does not offer broad eCommerce functions.

  Pegasystems focuses on and offers omnichannel verticalized solutions for industries that require complex, yet reproducible, processes such as healthcare, insurance, telecommunications, utilities, and financial services. Pegasystems has a solid road map centered on deeper use of analytics and decisioning to better optimize customer interactions. Forrester clients tell us that Pega CRM is viewed as an expensive solution, yet one that yields a quantifiable return on investment (ROI) based on process improvements and customer satisfaction. Pega CRM best suits enterprise buyers that want to predict and personalize customer interactions across the front and back office.

- **SAP Cloud for Customer offers a modern cloud solution customer engagement.** SAP Cloud for Customer, first released in 2012, is SAP's multitenant SaaS offering for Sales, Service, and Marketing. It is part of SAP's Customer Engagement & Commerce solution portfolio which also includes the SAP hybris Commerce suite and other products to support end-to-end customer engagement. SAP's vision for customer engagement is aligned to Forrester's age of the customer theme. SAP Cloud for Customer, built on the SAP Hana Cloud Platform, leverages its common application services, such as reporting and analytics, security, integration, and collaboration. SAP Cloud for Customer is positioned as a separate product, but it can also be used to complement and extend SAP CRM.

SAP Cloud for Customer has very strong customer data management and business intelligence, backed by a sound technology and architecture and offers modern user experiences and mobility support. It has strong sales force automation capabilities. It has weak marketing and customer service capabilities. Its native field service capabilities are very weak and are augmented by integrations to other SAP solutions such as SAP ERP and SAP Parts Management. SAP Cloud for Customer has no native eCommerce capabilities — instead, these are provided by SAP hybris Commerce Suite.

Despite its newness, SAP Cloud for Customer's installed base has grown rapidly in the last year in all geographies and in a wide range of industries — albeit primarily in the SAP customer base —and has an average deployment size of 500 users. The product benefits SAP's very strong application ownership experience and sound corporate strategy. SAP Cloud for Customer is best suited for companies that are committed to SAP, that are looking to modernize their user experiences and infuse predictive decisioning into their processes, or are looking to augment the capabilities of SAP CRM.

Strong Performers

- **NetSuite CRM differentiates with eCommerce capabilities.** NetSuite's SaaS unified business management suite helps its customers achieve a 360-degree customer view through its emphasis on front- and back-office integration. This sound strategy enables businesses to sell and service their customers more effectively as a result of consistent messaging across all touchpoints — website, contact center, and point-of-sale. Unlike other vendor solutions, NetSuite CRM's product's functionality is part of a suite that spans ERP, accounting, PSA, eCommerce, and CRM.

  NetSuite's CRM strengths include strong eCommerce capabilities, broad country and language support, reporting, and relatively fast time-to-value. It provides sound support for sales force automation and user experiences. However, the product has weak marketing automation, customer service, and field service capabilities.

  NetSuite targets its solution toward midsize organizations or divisions within enterprise organizations that are primarily in manufacturing, retail, distribution, hi-tech, professional services, advertising, nonprofit, and media. The product benefits from NetSuite's sound product strategy and strong application ownership strategy. NetSuite CRM best suits organizations that need an all-in-one SaaS business application that spans the front- and back-office functions of CRM, ERP, eCommerce, and financials.

- **SugarCRM offers the customization flexibility of an open source platform.** SugarCRM empowers business users to deliver highly personalized, yet consistent interactions throughout the customer life cycle that drive customer loyalty. SugarCRM's open source model, which is unique among evaluated CRM vendors, allows organizations to extend the CRM platform using their own technology management resources or add-on modules available through SugarCRM's partner and developer communities. The product has highly flexible deployment options and is available as an on-premises solution, via private, public, and partner cloud deployments.

  SugarCRM provides a sound sales force automation and business intelligence delivered via a sound technology and architecture and a rapid time-to-value with transparent pricing. It delivers very strong and consistent user experiences across all devices and has very strong internationalization capabilities. It has weak support for marketing automation and customer service. It does not offer field service and eCommerce capabilities but relies on its partner ecosystem to provide these capabilities.

  Unlike other vendors in this Forrester Wave evaluation, SugarCRM has no industry-specific business process support. However, SugarCRM has seen traction in manufacturing, business services, financial services/insurance, and technology — industries that require deeply custom processes for differentiation. Buyers with strong industry vertical requirements must build out functionality or leverage solutions via SugarCRM's partner network. SugarCRM has a strong road map, a strong application ownership experience, and a sound business vision. SugarCRM best suits organizations that have unique business processes and are seeking flexible pricing options with deep customization flexibility.

- **Infor CRM sets sights on the enterprise with a proven midmarket product.** Infor CRM, formerly known as SalesLogix, has recently seen a number of owners. Originally owned by the UK-based Sage Group, Swiftpage bought it in 2013, and Infor bought it in late 2014. Infor plans to invest heavily in this product, focusing on user experience, integrations into the greater Infor cloud product suite, and adding industry-specific functionality. Historically, the installed base has been comprised of midmarket and small organizations, yet Infor plans on taking it upmarket. Infor CRM is available both on-premises, in the cloud, and as a hybrid deployment, although not all on-premises capabilities are available in the cloud edition.

  Infor CRM offers very strong mobile and offline capabilities. It has strong core sales force automation capabilities, but lacks support for more advanced features such as renewals management or commissions management. The product also offers basic core marketing automation and core customer service capabilities, but lacks the depth and breadth of other enterprise CRM vendors. It offers strong customer data management capabilities, sound business intelligence, and technology and architecture. It has very weak support for field service and eCommerce. It currently does not offer industry-specific versions.

The Infor CRM product road map promises continued improvements for user experiences, mobility, support for advanced analytics with visualization, stronger cloud offerings, and deeper integrations to Infor back office products. It offers a strong price/cost proposition compared with other, more functionally complex CRM solutions, and leverages Infor's strong application ownership experience. Infor CRM is best suited for organizations that are focused on sales force automation, that value the solution's strong usability features and choice of deployment options, and that want deeper integration to other Infor products.

SUPPLEMENTAL MATERIAL

Online Resource

The online version of Figure 5 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

Data Sources Used In This Forrester Wave Evaluation

Forrester used a combination of several data sources to assess the strengths and weaknesses of each solution:

- **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls and briefings where necessary to gather details of vendor qualifications.

- **Customer reference survey.** To validate product and vendor qualifications, Forrester also conducted a survey of some vendors' current customers.

The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we then narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and we encourage readers to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve. For more information on the methodology that every Forrester Wave evaluation follows, go to http://www.forrester.com/marketing/policies/forrester-wave-methodology.html.

Survey Methodology

Forrester's Business Technographics® Global Software Survey, 2014 is a mixed methodology phone and online survey fielded in July through September 2014 to 3,308 business and technology decision-makers at companies with two or more employees.

Each calendar year, Forrester's Business Technographics fields business-to-business technology studies in 10 countries spanning North America, Latin America, Europe, and Asia Pacific. For quality control, we carefully screen respondents according to job title and function. Forrester's Business Technographics ensures that the final survey population contains only those with significant involvement in the planning, funding, and purchasing of business and technology products and services. Additionally, we set quotas for company size (number of employees) and industry as a means of controlling the data distribution and establishing alignment with IT spend calculated by Forrester analysts. Business Technographics uses only superior data sources and advanced data-cleaning techniques to ensure the highest data quality.

Integrity Policy

All of Forrester's research, including Forrester Wave evaluations, is conducted according to our integrity policy. For more information, go to http://www.forrester.com/marketing/policies/integrity-policy.html.

ENDNOTES

1. We define CRM capabilities here as sales force automation (SFA), customer service and support (CSS), and marketing automation packaged/vendor-built (not custom) business applications. Source: Forrester's Business Technographics Global Software Survey, 2014.

2. Years of Forrester data confirm the strong relationship between the quality of a firm's customer experience (as measured by Forrester's Customer Experience Index [CX Index]) and loyalty measures like willingness to consider the company for another purchase, likelihood to switch business, and likelihood to recommend.

We used that data to build simple models that show how changes in loyalty associated with higher CX Index scores can affect a company's yearly revenue. See the March 26, 2012, "The Business Impact Of Customer Experience, 2012" report.

3 Oracle uses its acquisitions to actualize its customer experience management suite. Notable acquisitions include Art Technology Group (ATG) for eCommerce (2011); RightNow Technologies for customer service (2011); Endeca for eCommerce Search; Eloqua for marketing automation (2012); Collective Intellect for social intelligence (2012); Vitrue for social marketing (2012); BigMachines for configure, price, and quote (2013); Responsys for marketing orchestration (2013); and TOA Technologies for eCommerce (2014).

4 SAP has made a few key strategic moves. It has made a few key acquisitions to round out its capabilities in this area, including: Sybase for its mobility platform (2010); Ariba for procurement (2012); Syclo for mobile asset management and field service; KXEN for predictive analytics (2013); KXEN for predictive decisioning (2013); and hybris for multichannel eCommerce (2013). In addition, SAP partnered with NetBase Solutions for social media analysis (2012); eGain (2010); and MindTouch (2013) for knowledge management.

5 Salesforce has made notable acquisitions to round out its customer service suite, including: InStranet for knowledge management (2007); Informavores for visual workflow (2009); Activa Live for chat (2010); Radian6 for social media monitoring and engagement (2011); GoInstant for cobrowsing (2012); and Prior Knowledge for predictive analytics (2013).

6 CRM Idol is a competition for emerging CRM vendors to showcase their products, strategy, and CRM vision. The winners of this competition receive publicity and coaching from CRM industry leaders.

7 The heart of the contact center is comprised of a set of complex technologies needed to deliver quality service and drive revenue. These technologies fall into three main software categories: queuing and routing, customer relationship management (CRM) customer service, and workforce optimization (WFO). Customer service leaders demand cloud-based, deeply integrated technology suites to deliver differentiated and lower-cost service to their customers. See the June 20, 2014, "Vendors Battle For the Heart Of The Contact Center" report.

8 Ten vendors suitable for midsize CRM organizations are evaluated in the following report. See the March 25, 2015, "The Forrester Wave™: CRM Suites For Midsize Organizations, Q1 2015" report.

9 Customers expect consistent experiences across their engagement journey with a company to garner their satisfaction and long term loyalty. And companies must pay attention to customer expectations as they control the conversation with businesses. In the age of the customer, companies must become customer obsessed. See the September 12, 2014, "The CIO's Blueprint For Strategy In The Age Of The Customer" report.

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