



NUCLEUS
RESEARCH

CRM TECHNOLOGY VALUE MATRIX 2022

ANALYST

Trevor White, Cameron Marsh

THE BOTTOM LINE

It will be difficult to overlook the glaring omission from the Leader's quadrant in this year's CRM Value Matrix. For the first time in over a decade, Salesforce is not included. This year, the rebalancing of the matrix is driven by an industry-wide shift towards prioritizing usability over functionality, an undertaking Salesforce has yet to participate in. The gaps in functionality that once existed between vendors are shrinking, and top players are instead focusing on reducing overall complexity and providing a highly intuitive user experience. Previously revolutionary features like AI-enabled workflows or natural language processing are becoming ubiquitous, and vendors are now turning to usability to differentiate themselves from the competition.

CRM

Value Matrix | April 2022



NUCLEUS
RESEARCH



MARKET OVERVIEW

As CRM vendors continue to innovate and expand the capabilities enabled by their product offerings, the CRM space has evolved to include all customer touchpoints throughout the buying process. For this reason, organizational CRM strategies now encompass customer service and marketing initiatives in addition to salesforce enablement. For the scope of this

Matrix, CRM is defined as a solution for orchestrating the management of an organizations interactions with customers and prospects that encompass sales, service, and marketing.

Customer relationship management is among the most mature components of business technology, with CRM vendors seeking to differentiate themselves and deliver highly personalized experiences for their customers. With increasing demand from consumers to interact with organizations across multiple channels, top vendors have made significant investments to enhance the flexibility of their product offerings while providing a more customer-centric focus. Adoption was a heavily discussed aspect of CRM technology deployment throughout the latter stages of 2021, as organizations began to realize its impact on the ROI of their CRM solution. Through customer conversations, user interviews, and surveys, Nucleus has found that strong adoption is typically driven by high out-of-box functionality and usability.

The relationship between organizations and their customers has become increasingly complex, resulting in the need for CRM strategies that must span multiple channels and applications. Leading CRM vendors are able to cut through the noise and deliver low-friction, out-of-the-box functionality that maximizes efficiency. Vendors that invest in usability as much as functionality help organizations eliminate steep learning curves and significantly shorten time-to-value.

Vendors are positioned on this year's Value Matrix based on the relative usability and functionality of their solutions, informed by customer and user conversations, vendor participation, and Nucleus' year-round assessment of technology deployments. For further information on understanding the intent and methodology of this report, please refer to v76 – *Understanding the Value Matrix – April 2021*.

LEADERS

Leaders in this year's Value Matrix include Microsoft, Oracle, SugarCRM, and Zoho

MICROSOFT

Microsoft maintains its presence in the Leader quadrant in this year's edition of the Value Matrix. Microsoft Dynamics 365 is an end-to-end solution that unifies CRM and ERP to improve visibility into business performance and decision-making. Apps within the platform include Dynamics 365 Marketing, Dynamics 365 Sales, Dynamics 365 Customer Service, Dynamics 365 Commerce, and Dynamics 365 Customer Insights. AI and Power BI across apps enable users to leverage real-time data to enhance customer relationships and marketing campaigns. Recent investment has been focused on providing non-technical

users with the tools to improve decision-making and design and manage digital commerce experiences. In April 2021, the vendor launched several new capabilities across all Dynamics 365 apps, including customer journey orchestration capabilities for Dynamics 365 Marketing. The first wave of Microsoft's 2022 release is scheduled for April 1st, and will bring hundreds of new features across the Dynamics applications, highlighted by enhancements to marketing personalization and data integration enabling deeper customer insights.

ORACLE

Oracle's CRM suite is differentiated by the vendor's deep expertise in database technology. The Oracle CX platform is fully modular and built to manage the full range of customer-facing processes. Functionality spans sales, service, marketing, e-commerce, data management, and analytics. Additional processes covered include revenue management and lead-to-cash. Oracle's substantial aggregate of customer behavior data has helped it to maintain a strong market leader in analytics capabilities. The vendor's extensive third-party and enterprise data network also lends itself to the vendor's customer intelligence platform, CX Unity, which also leverages public record business information. Oracle offers solutions that cover the entire enterprise, with dedicated modules for ERP, BI and analytics, HCM, and supply chain and logistics management. The vendor's public cloud infrastructure and wide range of capabilities enables customers to run their business on Oracle without having to fill in functionality gaps with smaller, best-of-breed solutions. Oracle's longstanding leadership across business applications gives it a competitive edge in the business technology space, as more customers realize the value of adopting a full-suite approach.

Oracle is recognized for its enterprise-level scalability in a wide variety of use cases. Oracle's end-to-end enterprise technology presence and product maturity, paired with their customer's notably favorable experiences using the Oracle CX platform land Oracle in the Leader's quadrant in this year's Matrix.

SUGARCRM

SugarCRM is a California-based CRM vendor that provides a functionally complete customer experience management platform focused on the mid-market. Sugar services organizations in a variety of industries, including manufacturing, technology, software, insurance, and business and financial services. The platform has modules for sales, service, and marketing, each having data analytics and integration capabilities designed to reduce roadblocks, improve usability, and provide a more complete view of customers. SugarCRM places emphasis on the automation and acceleration of marketing, salesforce, and customer service efforts, and equips users with cross-platform services that feature in-house BI, sales intelligence, workflow automation, and predictive AI. SugarCRM's primary platform, Sugar Sell, is a sales automation platform that leverages customer data to create seamless sales

processes. Over the last year, Sugar continued to innovate and offer new capabilities to users with a focus on automating additional processes, improving user experiences, and providing better customer insights and predictions. New enhancements to Sugar Market and Sugar Sell integrations allow users to fine-tune the data being shared between the two solutions, optimizing collaboration and reducing the time needed for agents to access relevant customer information. To help service agents improve customer experiences, Sugar now provides a timeline view that aggregates customer interactions across the platform, informing users on the next best actions based on previous touchpoints.

Recent company announcements include:

- In July of 2021, Sugar announced that SugarPredict is now embedded within the company's SugarLive multichannel customer communications application. The SugarLive solution is designed to enable sales and service personnel to track the details of each customer interaction in real-time, and quick access to customer information across all touchpoints. The new SugarLive sentiment analysis complements a host of other AI-powered capabilities in SugarCRM's latest software releases across marketing, sales, and service.
- In February, Sugar announced a new third-party application marketplace, SugarOutfitters. This announcement follows the acquisition of Fanatical Labs platform and will grant users access to over 200 extensions and integrations to carry out industry-specific tasks. SugarOutfitters supports swift implementation and will reduce or eliminate an organization's need to maintain disparate applications.
- Also in February, Sugar announced the acquisition of Addoptify. This acquisition will equip users with an integrated "playbook" functionality for increased process automation and guided selling capabilities. This no-code toolset helps users to design, visualize, and automate sales, service, and marketing processes while significantly reducing the number of clicks required.

This is Sugar's second consecutive year placed in the Leader's quadrant, with momentum fueled by Sugar's proactive additions in out-of-box functionality to more closely compete with other industry leaders. Sugar also maintains its advantage in analytic capabilities compared to other vendors.

ZOHO

Zoho is a software company that offers more than 50 SaaS-based applications. The vendor's CRM application, Zoho CRM, is the most popular of these modules, with more than 250,000 organizations using the solution globally. The unified data model utilized across all Zoho applications enables strong integration and interoperability. Zoho CRM capabilities include salesforce automation, information management, lead and opportunity analysis and

management, calendar management, and dashboards and insights powered by the vendor's AI engine, Zia. Zoho manages its own private cloud infrastructure, making its solutions simple to scale while providing customers with ownership of their own data.

The Zoho CRM Analytics mobile app gives users access to analytics dashboards, KPI's and progress towards different sales objectives. The app also supports multiple sales pipelines and workflow automation to streamline repetitive sales outreach processes and enable different strategies. CommandCenter is the vendor's advanced automation tool, which enables users to chart and capture the entire customer experience through connected applications.

Recent updates and announcements:

- In August 2021, Zoho announced the launch of Canvas for Zoho CRM. The design studio solution enables customers to customize their own CRM interfaces based on the needs of different employee types without the need for extra IT or developer support.

Zoho earns the top spot in usability in the 2022 CRM Value Matrix, highlighted by its breadth of functionality, out-of-box customizability, and exceptionally intuitive UI. Over the last few years, Nucleus has continued to see Zoho move upmarket. Zoho is now a viable platform for organizations of all sizes, and its unified data model, private cloud approach, and rapid deployment capabilities present a strong value proposition for organizations looking to partner with Zoho.

FACILITATORS

Facilitators in this year's Value Matrix include Acumatica, HubSpot, Keap, and Zendesk.

ACUMATICA

While ERP-based solutions are the primary focus of Acumatica's expansion efforts, the inclusion of CRM as a supplementary feature notably improves the usability of the platform. Acumatica eliminates the need to install and maintain complex CRM and ERP systems, and provides a single interface across multiple functions, and enables easy up-to-date data access from a centralized database. Features including autonomous AP document creation from billing, access to recent records and data retrieval have enabled users to benefit from reduced expenses and time savings. With improving customer experience in mind, Acumatica offers a customer support portal that provides access to contracts, financial statements, support cases, and payments. Current Acumatica ERP customers are best positioned to realize the greatest ROI from Acumatica CRM implementation, leveraging a

simplified solution for frictionless customer management and financial solutions. Acumatica is recognized as a Facilitator for its easily deployed, highly intuitive offerings for organizations with less complex sales processes, and comes in at a notably lower cost than other enterprise-level solutions.

HUBSPOT

HubSpot is a provider of cloud-based solutions for sales, service, and marketing automation for small to mid-sized businesses across a variety of industries. By integrating advanced permissions, complex reporting, and configure-price-quote functionalities, HubSpot continues to expand upon its enterprise-level automation capabilities. In the last year, HubSpot has announced several new features that are designed to improve the customer experience and boost efficiency throughout the buying process. HubSpot's newest innovations in 2021 are highlighted by the launch of Operations Hub. Operations Hub enables users to further automate time-intensive processes, unify data as operations scale, and reduce friction for both internal teams and customers. Operations Hub syncs data bidirectionally across applications, eliminating the need for third-party integration tools, ensuring data accuracy and up-to-date customer information. Using AWS Lambda technology, operations teams can build workflows for customized task automation to drive additional efficiencies. For organizations in need of more advanced reporting capabilities, HubSpot released Operations Hub Enterprise in November of 2021. The enterprise-level hub provides users with datasets, a new business intelligence feature that enables users to curate data with pre-selected data fields and data calculations to build reports on. HubSpot also announced an all new sandbox design for enterprise customers, allowing them to test solutions before deploying any changes on a broader scale.

KEAP

Keap's integrated CRM platform includes functionality for salesforce and marketing automation, e-commerce, payment, and analytics. The vendor primarily serves SMB customers and continues to focus its investments on providing innovative, easy-to-use features. InfusionSoft Analytics is the vendor's analytics solution that delivers daily reports on metrics such as customer engagement, e-mail deliverability, payments, and revenue to maximize visibility into sales operations. Keap services can be accessed through a dedicated mobile app, enabling marketers to better manage campaigns. The vendor recently expanded its e-commerce capabilities in its Pro and Max editions, including checkout forms, a native Shopify integration, and premium payment processors, such as PayPal, Stripe, and WePay from within the app to help customers add reduce time spent toggling between different solutions. Nucleus expects the vendor to continue strong momentum through its

ability to provide small and mid-sized organizations with advanced AI and automation without the need for extra technical expertise.

ZENDESK

Recognized as a facilitator in this year's CRM Value Matrix, Zendesk is a California-based technology company that provides cloud-based customer service and sales force automation SaaS solutions designed to strengthen relationships between an organization and its customers. The platform brings together customer interactions across multiple channels, including phone, email, live chat, and social channels, enabling users to track and monitor the status of all incoming customer requests and interactions. Zendesk removes the friction of managing multiple channels by providing customer-facing teams with a unified customer view that ensures no context is lost when customers switch channels. Additionally, the unified workspace streamlines support tasks and includes automated workflows backed by AI to improve team member productivity and efficiency. Zendesk's solutions are designed to work right out of the box and provide the tools to help sales and service teams respond to customer requests more efficiently while enabling management to measure the effectiveness of individual reps, agents, or channel-specific teams more accurately. Zendesk also has a robust marketplace comprised of over 1200 applications and pre-built integrations highlighted by Shopify, Slack, Zoom, MS Teams, and Jira to expand the functionality of the platform. A unified agent workspace streamlines support tasks, and automated workflows backed by AI supports employees and boosts productivity. Zendesk also grants users access to over 1200 integrated apps and pre-built integrations to provide specific solutions to expand capabilities with low/no-code requirements. Throughout 2021 and into 2022, Zendesk released a series of improvements to increase customer communication and data integration. A new Zendesk Suite with messaging brings all service capabilities together, allowing agents to more easily provide continuous messaging across a variety of channels including text, online chat, and social media. An update to Zendesk Sell now enables users to adjust data integrations for specific needs with the introduction of custom objects.

EXPERTS

Experts in this year's Value Matrix include Creatio, NexJ, Salesforce, and SAP.

CREATIO

Creatio is a business process management company that focuses on improving operational efficiencies through automated processes. Creatio offers no-code, high-level customizations on its platform, something that continues to be a major selling point for customers. Over the last year, Creatio has delivered eight product releases centered around enhancing user experience and accelerating application development. Users can now create apps using reusable components, and access expanded application lifecycle management capabilities for increased transparency throughout concept, development, and maintenance. In February, Creatio announced its most recent platform update, 8 Atlas. Major additions to this update include a no-code designer, and a UI designer. The no-code enables users to consolidate application design tools, with a new framework for UI/UX configuration that allows no-code developers to create highly customizable interfaces. Creatio is recognized as an expert for its ability to be configured for virtually any use case.

NEXJ

NexJ provides customer management solutions for organizations in financial services industries including wealth management, private banking, and commercial and corporate banking. NexJ's verticalized solutions are designed with out-of-the-box functionality that can be customized to align with end user's specific processes and business model, and can be deployed on a private cloud or to infrastructure-based on-premises. On top of typical CRM capabilities, NexJ is recognized for its Nudge AI suite that is comprised of three digital assistants including Inform, Engage, and Insights. Inform assists advisors with establishing an individualized tone with customers or prospects through targeted content across the lifecycle. Engage supplies advisors with next best action recommendations to ensure compliance while delivering relevant, personalized experiences to clients. Insights uses natural language processing to automatically parse unstructured text stored in client emails, call reports, and notes to find new information and better understand the clients. Building off last year's release of Inform, the digital assistant is now available on Microsoft Dynamics 365 CRM in addition to NexJ CRM. NexJ further received validation to deploy its CRM on the IBM Cloud for Financial Services, providing enhanced data compliance, security, and resiliency and security for their cloud deployments. In April 2021, a new partnership with Bill Good Marketing and the release of Gorilla 5 extended NexJ's addressable market to include small and medium businesses, enabling users with new growth, retention, and practice management solutions to alleviate scaling hurdles.

NexJ is positioned as an expert in this year's matrix for its specialized AI capabilities and market niche as a vertical provider for financial services customers. NexJ is recognized for providing all industry-standard financial services tools, and for often appearing on shortlists for CRM buyers in the industry.

SALESFORCE

This year, Salesforce notably moved from the Leader quadrant to the Expert quadrant. This move is primarily due to Salesforce's strong focus on functionality over usability. While customers routinely cite Salesforce's expertise in delivering functionality, deployment is becoming increasingly expensive and complex. Compared to other top vendors, Salesforce is beginning to fall behind in out-of-box usability, a trend that Nucleus does not see changing in the near future.

Salesforce Customer 360 is a unified platform with applications that cover sales, service, marketing, commerce, and analytics. Customers can integrate various Salesforce applications into the platform to eliminate data silos and offer greater visibility into organizational operations. Salesforce initially helped define the CRM space, and continues to be amongst the most proactive organizations by recognizing the evolving functionality needs and requirements of end-users across multiple industries. Key to the vendor's steady momentum is its constant introduction of new features to tackle pressing business needs.

Customer 360 can be customized to the requirements of specific industries, with partner solutions through Salesforce AppExchange available to augment functionality when needed. Customers can further tailor the platform by using Salesforce Lightning to create low-code applications. Einstein is Salesforce's embedded AI solution, which helps users draw insights, predict future outcomes, and view in-context recommendations for action prioritization. The engine can also automate repetitive tasks and workflows.

Recent updates and announcements include:

- In July 2021, Salesforce announced its completed acquisition of Slack. The combination of the two vendors created a Slack-first Customer 360, giving organizations a more unified source of day-to-day operations and enhanced collaboration.
- In February 2022, the vendor launched Safety Cloud, a solution to help organizations respond to health and safety regulations while returning employees to in-person work.

One of the key attributes of Salesforce's longstanding success remains in the ability to enable high-level functionality with enterprise-grade solutions. Salesforce continues to be included in the buying conversation for organizations in all industries, delivering significant ROI and value by increasing efficiencies across highly customizable sales, service, marketing, and analytics operations.

SAP

The SAP C/4HANA suite provides users with cloud-based services including SAP Marketing Cloud, SAP Commerce Cloud, SAP Service Cloud, SAP Customer Data Cloud, SAP Sales Cloud, and the CallidusCloud portfolio. SAP's all-inclusive cloud platform is centered around optimizing both employee and organizational efficiency while simplifying the customer experience. SAP routinely releases quarterly software updates to its product offerings. New features and capabilities announced throughout 2021 and early 2022 include:

- **Object Integration:** SAP Sales Cloud can now be integrated with Microsoft Teams, supporting integration of objects including appointments, leads, opportunities, and tickets. Integration with Teams will also support outbound calling, shared workspaces, and deal rooms.
- **Intelligent Sales:** Sales reps can now access S/4HANA Customer 360 view to access expanded insights on sales scheduling agreements, open quotes, fulfillment issues, and customer returns.
- **Sales Acceleration:** Users can create and assign transcripts from customer calls to telephone directories so both sales and service agents have an additional resource to capture relevant customer information. The telephone directories now have the option to insert individual customers as participants in custom reporting, enabling sellers to better identify and isolate B2B scenarios. General UI improvements have also been completed to increase the usability of the tools.

SAP is recognized as an expert for its recent updates to expand insights across sales and integration capabilities, as well as its continued ability to support enterprise-level customers globally with end-to-end platform infrastructure.

CORE PROVIDERS

Core providers in this year's Value Matrix include Maximizer Software, Pegasystems, and X2CRM.

MAXIMIZER SOFTWARE

Maximizer Software is a provider of integrated sales and customer services solutions for small and mid-sized organizations. The vendor offers industry-specific solutions for CRM customers in financial services, higher education, manufacturing, logistics, and government. The vendor places an emphasis on customer support, with a 360 Customer Touch feature, which guides customers through the selection and implementation process. Customers

continue to note that the functionality of the solution is sophisticated, yet accessible for SMB users. The vendor announced a new interactions tab in late 2021, providing users with new tools to stay connected with customers and generate detailed touchpoint reports. MaximizerCRM remains a comprehensive product aimed at non-enterprise customers and is recognized as a Core Provider in this year's Value Matrix.

X2CRM

X2CRM is an integrated suite of enterprise-level modules for marketing automation, sales management, and customer service. Each module works against a single database, and integrated workflow engines enable organizations to automate numerous mundane tasks. X2CRM's ease of use and attractive pricing are commonly cited as major selling points of the solution for SMB customers. The most current version of X2CRM is 8.3, with 9.0 scheduled for a 2022 Q2 release. X2DocSign is a recent major addition to the solution, enabling clients to update their own data in the database through an X2DocSign document. Other additional capabilities recently added are geared towards enhancing the functionality of the solution for organizations in the real estate and financial services markets. X2 has also released a Rapid Prototyping program, where X2 collaborates with prospects to define their use case and help build a prototype to address the challenges being faced by the organization.

PEGASYSTEMS

Pegasystems provides CRM solutions spanning sales, marketing, and customer service with a focus on automation of complex business processes to sustain operations with less human involvement. With a series of new updates and offerings released in 2021, Pegasystems continues to move towards a more streamlined service offering with products that create a self-driven software model. In April, Pega Process AI was announced. Pega Process AI offers a new set of capabilities for the Pega Platform that enables users to optimize decision management with low-code automation software that reduces operational costs and simplifies both employee and customer experiences. Process AI can be applied to a variety of business processes, and leverages real-time AI, machine learning, natural language processing, and event stream processing to enable immediate access to data-driven decision making. In December, Next-Best-Action Customer Journeys was announced. This new AI-powered capability is designed to modernize customer interactions by supplying users with intelligent decision making and propensity modeling. This allows marketers to have a heightened sense of the unique customer needs so that outreach can be tailored to deliver more personalized messages on the customer's preferred channel.