

The Forrester Wave™: CRM Suites For Enterprise Organizations, Q4 2016

Oracle And Salesforce Lead A Mature Field Of Vendors

by Kate Leggett

November 21, 2016

Why Read This Report

In our 36-criteria evaluation of CRM suites for enterprise organizations, we identified the nine most significant CRM suites from eight prominent vendors — Infor, Microsoft, NetSuite, Oracle, Pegasystems, Salesforce, SAP, 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.

Key Takeaways

Oracle, Salesforce, Microsoft, And Pegasystems Lead The Pack

Forrester's research uncovered a market in which Oracle, Salesforce, Microsoft, and Pegasystems lead the pack. SAP Hybris Cloud for Customer, SAP CRM, SugarCRM, and NetSuite offer competitive options. Infor lags behind. Yet, change in this space will continue as vendors fill in gaps with acquisitions or redefine their CRM portfolios.

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 it 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 activity. 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 propositions of each vendor to make the right buying choices.

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Forrester conducted vendor surveys in August and September 2016 and evaluated nine CRM solutions worthy of consideration by large organizations: Infor CRM, Microsoft Dynamics CRM, NetSuite CRM, Oracle CX Cloud Suite, Pega CRM, Salesforce, SAP CRM, SAP Hybris Cloud for Customer, and SugarCRM. We also interviewed vendor customers.

Related Research Documents

[Navigate The Future Of CRM In 2016](#)

[TechRadar™: The Extended CRM Technology Ecosystem, Q4 2015](#)

[Transform Customer Processes And Systems To Improve Experiences](#)

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Modern CRM Supports Customers In Their End-To-End Journeys

Forrester defines CRM as:

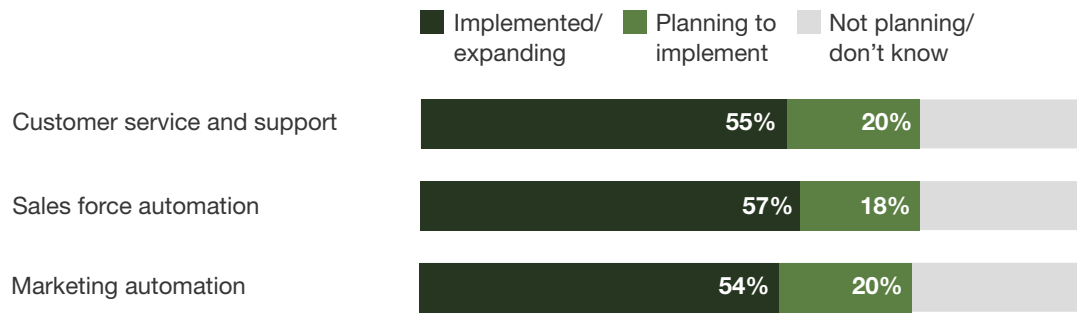
The business processes and supporting technologies that support the key activities of targeting, acquiring, retaining, understanding, and collaborating with customers.

Companies leverage CRM to provide operational efficiencies for sales, marketing, and customer service organizations when they interact with customers — an “inside-out” approach. They use it to 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 marketing costs, revenue from salespeople, sale cycle times, pipeline visibility, and service resolution times. Because of these operational successes, two-thirds of technology decision-makers at enterprise organizations have implemented a subset of CRM capabilities (see Figure 1).¹

Today, forward-thinking AD&D pros build on these internal operational efficiencies and extend the power of CRM to better support the end-to-end customer journey. Good customer experiences correlate to retention loyalty, enrichment loyalty, and advocacy loyalty. Our models estimate that the revenue impact of 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

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FIGURE 1 Many Enterprises Have Already Implemented A CRM Solution**Share of decision-makers who are planning, implementing, or have already implemented CRM subsets**

Base: 2,858 global software technology decision-makers and business decision-makers whose firms prioritize the specified technology solution

Source: Forrester's Global Business Technographics® Software Survey, 2015

The CRM Market Continues To Mature

The CRM market has consolidated in the past five years. Oracle has built its customer experience portfolio primarily by acquisition.³ SAP, like Oracle, aims to support end-to-end customer experiences and has made acquisitions — notably, Hybris in 2013 — to bolster its capabilities.⁴ Salesforce made a series of moves to strengthen the Service Cloud.⁵ It used this same tactic to broaden its CRM footprint with the acquisition of Demandware for eCommerce in 2016. Other notable acquisitions include Infor's acquisition of Saleslogix (2014) from Swiftpage and Microsoft's acquisitions of Parature (2014) for customer service and FieldOne (2015) for field service.

These acquisitions broaden and deepen the footprints of large vendors, but these vendors must spend time integrating acquired products, offering common user experiences as well as common business analyst and administrator tooling — priorities that can conflict with core feature development.

Point Solution Vendors Go After The Enterprise Players

Large CRM vendors increasingly offer broader and deeper capabilities that bloat their footprints and increase their complexity with features that many users can't leverage. At the same time, new point solution vendors are quickly popping up, and they deliver modern interfaces and mobile-first strategies that address specific business problems such as sales performance management, lead-to-revenue management, and digital customer experience. Of course, these vendors have a long way to go to prove their capabilities in an enterprise setting.

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Keep an eye on this space, and choose vendors carefully, as the CRM landscape is going through a lot of change.

CRM Innovations Go Deep And Broad

The nine vendor solutions we included in this Forrester Wave™ evaluation reported a total of about 200,000 customers, with strong penetration in large enterprises. We see that the shift to software-as-a-service (SaaS) is well underway. Forrester Data shows that a third of enterprises are using SaaS CRM, and another third complement their existing solutions with SaaS. We expect SaaS to become the primary deployment model for CRM and that newer SaaS solutions will replace most on-premises installations in the next five years.⁶ In addition to SaaS, technology innovation in the CRM vendor landscape is evolving along several other vectors:

- › **Intelligence takes 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 analytics to uncover insight and prescribe the right action for the business user to take. Today, leading vendors offer a range of packaged capabilities to infuse decisioning in customer-facing interactions.
- › **Vendors increasingly invest in vertical editions.** Horizontal CRM can only take you so far, as different industries have different requirements for engaging with customers. CRM vendors increasingly offer solutions — templates, common process flows, data model extensions, and UI labels — pertinent to specific industries. These solutions allow enterprises to focus on capabilities that differentiate them in the marketplace instead of on core industry capabilities that should be table stakes. In this Forrester Wave evaluation, we find that all vendors either offer a broad range of vertical solutions or have invested in deep domain expertise and a vertical go-to-market approach.
- › **Customer success rises to the top.** In a mature market, you have to dig deep to find real differences between vendor offerings. CRM success depends on the right choice of consulting partners to implement and integrate your solution. CRM vendors are maturing their consulting services, deeply investing in growing regional and global strategic services partners, and investing in customer success to properly onboard customers and actively manage customer relationships. This preserves a company's revenue stream by reducing churn, expands revenue by increasing customer lifetime value, and can influence new sales via customer advocacy efforts.

More Is Not Better In The CRM Market — Sometimes More Is Worse

Each of the leading vendors in this mature market offers a checklist of features and functions. Remember that more is not necessarily 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 to focus in on the right category of vendor that is the right size for their needs.

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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. They also offer vertical solutions and have company resources dedicated to their support and customer success. Vendors in this category also target midsize organizations, offering prepackaged, rapidly implemented 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 to 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 this Forrester Wave's companion evaluation of CRM suites for midsize organizations.⁷
- › **CRM suites 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 and account management, delivered via mobile-first user experiences; core marketing; and customer service capabilities for individuals or small teams.
- › **CRM specialty solutions.** 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.⁸

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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 CX
- Pegasystems CRM
- Salesforce*
- SAP CRM
- SAP Hybris Cloud for Customer
- SugarCRM*

Examples of CRM suites for midsize organizations**CRM suites primarily designed for firms with 250 to 999 employees**

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

Examples of CRM suites for small organizations

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

Examples of CRM specialty solutions**Customer service solutions**

- eGain
- Freshdesk
- Verint Systems
- Zendesk

Customer marketing automation solutions

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

Industry specialist solutions

- Amdocs CES Customer Relationship Management (telecommunications)
- Blackbaud (not-for-profits)
- IMS Health (life sciences)
- NexJ Systems (financial services)
- StayinFront (life sciences)
- Veeva Systems (life sciences)

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

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

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

FIGURE 3 Rightsize Your CRM For Your Needs

Category	Consider your requirements to support
Sales force automation	<ul style="list-style-type: none"> • Management of complex, parallel sales processes, including quote-to-order and renewals • Complex team, territory, and commissions management processes • Prescriptive advice to increase sales productivity
Marketing automation	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Computer telephony integration • Case management • Omnichannel communications • Agent guidance for scripted processes • Knowledge management for agents and customers
Field service	<ul style="list-style-type: none"> • Core field service needs (dispatch, scheduling, service order management) • Spare parts management • Warranty management • Mobile support for field employees
eCommerce	<ul style="list-style-type: none"> • Transactional features (shopping cart, search, promotions, personalization) • Order management • Returns/exchanges
Business intelligence	<ul style="list-style-type: none"> • Reports and dashboards • Advanced analytics capabilities, including predictive modeling, simulations, and statistical analysis

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Evaluate The Level Of Integration And Consistency Across The CRM Suite

Many CRM vendors have built up their current suites via acquisition. This has meant that CRM users face disconnected applications with differing user experiences, integrations, and processes. Many customers will accept some differences in order to reduce the number of vendor relationships that they manage. Yet, if CRM suites are to be truly successful, CRM must deliver consistent user experiences, business and administrator tooling, processes and workflows, security, permissions, and more across the suite. Consider these factors as you perform your evaluation.

CRM Suites For Enterprise Organizations Evaluation Overview

To assess the state of the enterprise CRM suite market and see how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of top CRM suites for enterprise organizations. After examining past research, user need assessments, and vendor and expert interviews, we developed a comprehensive set of evaluation criteria. Forrester evaluated each vendor against 36 criteria, which we 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: sales force automation, marketing automation, customer service, field service, eCommerce, business intelligence, and platform and architecture.
- › **Strategy.** A vendor's position on the horizontal axis of the Forrester Wave graphic indicates our assessment of its strategy. We assessed the strength of each vendor's product strategy, execution road map, go-to-market approach, supporting services, third-party ecosystem, and pricing transparency. We also interviewed customer references to evaluate the success that they have had using each suite we evaluated.
- › **Market presence.** The size of each vendor's bubble on the Forrester Wave graphic indicates its market presence. We gauged the size of each vendor's customer base in terms of the number of live installations and number of users.

Evaluated Vendors And Inclusion Criteria

We included nine solutions in our assessment of CRM suites for enterprise organizations: Infor CRM, Microsoft Dynamics CRM, NetSuite CRM, Oracle CX Cloud Suite, Pega CRM, Salesforce, SAP CRM, SAP Hybris Cloud for Customer, and SugarCRM. We did not assess solutions focused on a single industry or vendors that specialize in a subset of CRM functionalities, such as standalone sales force automation vendors, customer service vendors, or marketing automation vendors.

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

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- › **Offers a portfolio of strong products comprising a CRM suite.** Each CRM suite of applications we included in this Forrester Wave has functionality in a minimum of three of the following CRM subdisciplines and tools: marketing, sales force automation, customer service, field service, eCommerce, and customer analytics. We didn't include products promoted primarily as best-of-breed solutions for a single functional area.
- › **Offers prebuilt integration between products it owns.** Owned products must communicate. Each CRM suite of solutions has a minimum level of open standards support to enable integration with other applications.
- › **Offers a solution suitable for enterprise 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, including B2B, B2C, and B2B2C.
- › **Has customer references with at least \$250 million in revenue.** Each vendor must be able to provide customer references to attest to the platform's capabilities and viability.
- › **Has a product now in general release and in use by customers.** The solutions we included have a specific release that is generally available at the time of data collection for this evaluation with references available for contact.

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FIGURE 4 Evaluated Vendors: Product Information And Selection Criteria

Vendor	Product evaluated	Product version evaluated	Version release date
Infor	Infor CRM	CloudSuite CX	April 6, 2016
Microsoft	Microsoft Dynamics CRM	Dynamics CRM 2016/CRM Online	June 2016
NetSuite	NetSuite CRM	NetSuite 16.1	March 2016
Oracle	Oracle CX Cloud Suite	Oracle Commerce Cloud 16.3 Oracle CPQ Cloud 2015 R2 Oracle Data Cloud Oracle Field Service Cloud 16.2 Oracle Marketing Cloud Oracle Sales Cloud R11 Oracle Service Cloud 16.5 Oracle Social Cloud	June 2016 October 2015 May 2016 February 2016 May 2016 May 2016 May 2016 June 2016
Pegasystems	Pega CRM	7.21	April 14, 2016
Salesforce	Marketing Cloud, Sales Cloud, Service Cloud	Summer '16	June 13, 2016
SAP	SAP CRM	SAP CRM 7.0 Enhancement Package 4	May 2016
SAP	SAP Hybris Cloud for Customer	SAP Hybris Cloud for Customer SAP Hybris Commerce 6.1	May 2016 Summer 2016
SugarCRM	Sugar Enterprise, Sugar Professional, Sugar Ultimate	Sugar 7.7	April 1, 2016

Vendor inclusion criteria

Each vendor that we included in this Forrester Wave evaluation:

- Offers a portfolio of strong products comprising a CRM suite.
- Offers prebuilt integration between products it owns.
- Offers a solution suitable for enterprise organizations with complex requirements.
- Provides a solution targeted to multiple industries.
- Has customer references with at least \$250 million in revenue.
- Has a product now in general release and in use by customers.

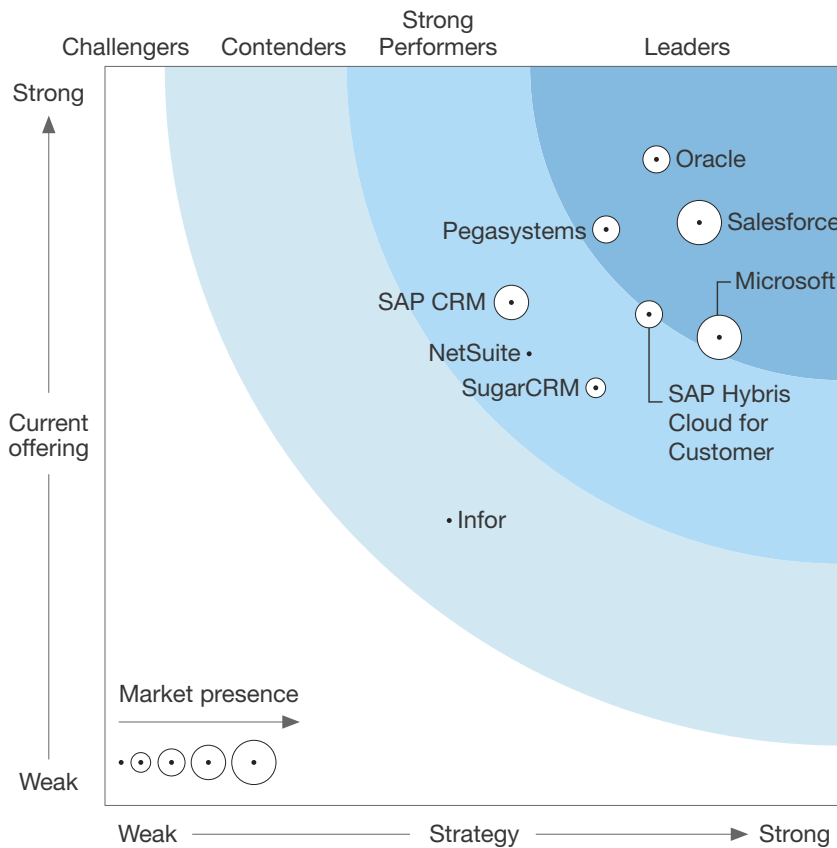
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Vendor Profiles

This evaluation of the market for CRM suites 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 (see Figure 5).

FIGURE 5 Forrester Wave™: CRM Suites For Enterprise Organizations, Q4 '16



FORRESTER RESEARCH
 The Forrester Wave™
 Go to Forrester.com to download the Forrester Wave tool for more detailed product evaluations, feature comparisons, and customizable rankings.

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FIGURE 5 Forrester Wave™: CRM Suites For Enterprise Organizations, Q4 '16 (Cont.)

	Forrester's weighting	Infor	Microsoft	NetSuite	Oracle	Pegasystems	Salesforce	SAP CRM	SAP Hybris Cloud for Customer	SugarCRM
Current offering	50%	1.92	3.16	3.04	4.35	3.88	3.92	3.39	3.31	2.81
Sales force automation	16%	3.68	3.34	4.00	4.34	3.67	4.00	4.00	3.67	3.67
Marketing automation	22%	2.00	1.00	2.00	5.00	4.00	5.00	2.00	3.00	2.00
Customer service	22%	1.00	5.00	2.00	5.00	5.00	5.00	4.00	4.00	3.00
Field service	5%	3.00	5.00	1.00	5.00	3.00	3.00	5.00	3.00	1.00
eCommerce	10%	0.00	0.00	4.00	5.00	0.00	1.00	1.00	1.00	0.00
Business intelligence	5%	2.00	5.00	3.00	3.00	4.00	4.00	5.00	5.00	2.00
Platform and architecture	20%	2.10	4.05	4.60	2.80	4.80	3.15	4.15	3.40	4.85
Strategy	50%	2.33	4.15	2.87	3.73	3.39	4.02	2.75	3.68	3.32
Product strategy	25%	2.00	5.00	2.00	5.00	3.00	5.00	2.00	4.00	3.00
Execution road map	20%	2.40	4.40	2.40	3.80	4.00	4.60	2.40	4.20	2.80
Go-to-market approach	10%	3.00	3.50	3.40	3.30	3.80	2.90	5.00	3.90	3.00
Supporting services	10%	2.00	2.50	4.00	4.00	3.50	3.50	4.00	3.50	4.00
Third-party ecosystem	10%	2.00	3.70	3.00	3.90	2.10	4.10	4.20	4.00	2.60
Pricing transparency	5%	1.00	5.00	1.00	4.00	2.00	4.00	1.00	2.00	5.00
Reference customer assessment	20%	3.00	4.00	4.00	2.00	4.00	3.00	2.00	3.00	4.00
Market presence	0%	1.00	5.00	1.00	3.00	2.40	5.00	3.60	2.30	2.00
Installed base	100%	1.00	5.00	1.00	3.00	2.40	5.00	3.60	2.30	2.00

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

Leaders

- › **Oracle's CX Cloud Suite slowly but surely matures.** Redwood Shores, California-based Oracle aims to deliver complete customer life-cycle solutions that support customer experiences across all channels, touchpoints, and devices. Oracle has primarily acquired best-in-class products

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to fulfill this vision, which has resulted in its cloud CX suite. This suite is comprised of separate cloud products — Commerce Cloud, CPQ Cloud, Data Cloud, Marketing Cloud, Sales Cloud, Service Cloud, and Social Cloud — and it's Oracle's primary CRM offering — complementing, and eventually replacing, Siebel. Although each product has thousands of customers, fewer than 500 of them own three or more products that are integrated together.

- › Oracle delivers leading capabilities across the board in terms of depth and breadth, although some customer references complain about Sales Cloud's performance and the inability to easily customize it. Oracle is now in the process of maturing cross-cloud integration and integrations with third-party cloud and on-premises solutions. It's also providing an integration framework as a service. Yet, customer references attest that the integrations are neither sufficiently broad nor deep. Oracle has a well-defined user experience, which it is rolling out across its cloud products. Business analyst tooling, administrator tooling, workflows, and processes remain separate.

Oracle has six packaged industry solutions with 16 additional lighter-weight ones. It has a breadth of consulting services aimed at modernizing implementations, including quick-start packages. Oracle has tactical road maps for each product, yet some of its efforts are unproven. For example, the Engagement Cloud ports available service functionality to the Sales Cloud. Historically an enterprise vendor, Oracle is now also pursuing the midmarket. Oracle CX Cloud Suite is a good fit for enterprise organizations that require the advanced capabilities of individual clouds and are willing to invest in resourcing to integrate clouds together.

- › **Salesforce reaches further into CRM success, yet loses some of its magic.** San Francisco-based Salesforce has a “customer company” vision, where effectively engaging with customers delivers success. Its talent for painting the “art of the possible” coupled with its strong customer-centric strategy and execution has allowed it to penetrate an installed base of more than 150,000 customers, both large and small, with its SaaS-only CRM.

Salesforce provides very strong marketing and customer service capabilities as well as sales force automation. It has built out its field service capabilities into a viable offering in the past year, and it rounded out its eCommerce pillar by acquiring Demandware earlier this year. Because of these acquisitions, Salesforce falls down in terms of empowering business users, analysts, and administrators with unified tooling across its suite.

Salesforce has rolled out three industry-specific cloud products — for financial services, healthcare, and government — and it invests in a handful of other industries (retail, media, and automotive). It has deepened its systems integrator relationships; cultivated its developer network; and has the broadest marketplace, via its AppExchange, of all the CRM vendors we evaluated — all of which increase its market penetration. It has a clear, well-communicated road map for each cloud product. Customer references comment that the product is expensive and that the vendor has lost its personal touch as it has grown. Salesforce best suits organizations looking for a partner to help realize customer engagement transformation goals.

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- › **Microsoft catches up in vision and execution.** Redmond, Washington-based Microsoft has a vision for CRM that rests on deep intelligence and prescriptive advice to deepen customer engagement while also making CRM users more productive. Microsoft aims to equip users with productivity tools surfaced in the context of processes and to use analytics to guide users to optimal business outcomes. Microsoft Dynamics CRM (now renamed Dynamics 365) focuses on actualizing this vision across a choice of deployment options (on-premises, cloud, partner-managed, or hybrid) and access points (mobile, Outlook client, browser, or SharePoint site). Microsoft's tens of thousands of customers have historically been in the midmarket, but the company is currently pursuing an aggressive strategy to move upmarket.

Microsoft Dynamics CRM provides strong CRM capabilities with high marks from customer references for usability delivered via a robust, scalable, and unified platform. The product offers very strong reporting and analytics with many prescriptive advice scenarios to optimize sales processes, marketing offers, and customer service agent activities. Its field service capabilities are new; it acquired them from FieldOne in 2015. The suite currently lacks native eCommerce capabilities.

Microsoft offers 32 industry templates for vertical solutions (for example, the public sector, retail, financial services, manufacturing, services, and healthcare) that complement those available from its partners. The company offers comprehensive onboarding and customer success programs as well as tooling geared toward streamlining implementation. The product has an exciting road map focused on intelligent and data-driven engagement, and it's fueled by courageous acquisitions such as the pending purchase of LinkedIn. However, its message and execution are diluted by its variable partner network. Microsoft is best suited for B2B companies that are committed to the Microsoft technology stack and leverage other Microsoft solutions.

- › **Pegasystems empowers organizations to predictively engage.** Cambridge, Massachusetts-based Pegasystems grounds its CRM strategy in its strengths in business process and case management to orchestrate the end-to-end customer journey in real time, across communication channels, and with predictive analytics for next-best-action capabilities. It is available on-premises, as SaaS, or in a hybrid model, and it has an installed base of around 500 customers.

The product delivers robust sales, marketing, and customer service capabilities, which include support for very complex process flows that can be modeled and changed by business users. It offers fair field service support but does not offer eCommerce functions. Its capabilities are available on a unified platform with consistent tooling. Pegasystems' strengths lie in its decisioning hub, which models and predicts customer behavior and fuels a service agent's next best action. However, its process-driven approach is too heavyweight for organizations with simple needs.

Pegasystems offers verticalized solutions for process-driven industries such as healthcare, insurance, telecommunications, utilities, and financial services. The vendor has a solid road map centered on deeper use of analytics and decisioning to better optimize customer interactions, contain costs, and ensure regulatory compliance. Customer references were delighted with Pegasystems' ability to uncover new revenue streams and to yield a real ROI, but they were

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hampered by the lack of trained resources and the developer ecosystem available to maintain and extend the solution. Pega CRM best suits large enterprise buyers that want to predict and personalize interactions across the front and back offices.

Strong Performers

- › **SAP Hybris Cloud for Customer supports engagement and commerce experience.** Munich-based SAP's vision for customer engagement — one where companies deliver consistent yet relevant experiences throughout the customer journey — is aligned to Forrester's age of the customer theme. SAP Hybris, first released in 2012, has gone through yet another architectural definition. SAP provides sales and service functionality via its SAP Hybris Cloud for Customer product, built on the SAP Hana Cloud Platform; marketing via SAP Hybris Marketing; and eCommerce via SAP Hybris Commerce. This cloud solution has over 1,000 large enterprise customers, and 35% of them use more than one product in the suite.

Customer references give sales automation functionality high marks, calling out its depth of capabilities. Customer service capabilities are fair, and native field service capabilities are augmented by integrations with other SAP solutions such as SAP ERP and SAP Supply Chain Management. SAP Hybris Commerce is currently only loosely integrated with the rest of the suite.

SAP Hybris has broad and deep vertical offerings in target SAP industries such as retail, manufacturing, utilities, and consumer packaged goods. It is a unified suite in the making, with a two-plus-year horizon for a comprehensive offering.⁹ SAP is investing in a third-party ecosystem to extend the suite and a nascent application marketplace. Customer references were positive about the product's user experience but commented on the variability of account management, implementation, and support services as well as the lack of integration between SAP portfolio products. SAP Hybris is best suited for companies that are committed to SAP and need to modernize their user experiences or augment the capabilities of SAP CRM.

- › **SAP CRM remains an industry pillar with a deep vertical focus.** Munich-based SAP's vision is centered on delivering consistent and relevant omnichannel experiences throughout the customer journey in real time. Its products help companies contextually engage their customers at each step of their journeys, blending physical and digital customer experiences. SAP's on-premises CRM offering, with its 6,000 customers, remains a sound, foundational product in this end-to-end engagement suite. It is also available as a partner-hosted or hybrid solution.

SAP CRM is a mature product with a 15-year history in the market, and it has a platform and architecture suitable for global deployments. It has strong sales, customer service, and field service capabilities with deep native business management support, decisioning, and embedded next-best-action capabilities as well as very strong reporting and analysis tools. The product's solid marketing capabilities are augmented by SAP Hybris Marketing, and customers can leverage the power of SAP's Hybris Commerce suite for eCommerce.

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SAP CRM offers a broad set of industry-specific functionality and has a very strong global strategy and supporting services. And it has mature implementation and customer success practices. The product also has a solid third-party ecosystem and a nascent application marketplace. SAP offers connectors with other portfolio solutions to speed time-to-value. Its road map focuses on leveraging Hana for internet-of-things and AI scenarios. However, customer references gave the product lower-than-average scores for usability, mobility, expense, and innovation. SAP CRM best suits global buyers committed to SAP and its enterprise resource planning (ERP) platform that need support for end-to-end industry processes.

- › **SugarCRM delivers personal experiences to nontraditional CRM users.** Cupertino, California-based SugarCRM's strategy is to empower every CRM user to deliver differentiated experiences throughout the customer life cycle. SugarCRM builds its products almost exclusively with open source components — unique among vendors we evaluated — which allows organizations to extend the platform through configuration, customization of core code, or add-on modules available through SugarCRM's partner and developer communities. The product has an installed base of over 6,000 customers. It has flexible deployment options and is available as an on-premises solution and via private, public, and partner cloud deployments.

SugarCRM provides a breadth of core sales, marketing, and customer service capabilities, available via user-grade experiences on a unified platform with consistent business and administrator tooling. Customers can easily extend its basic field service functionality via configuration, and the vendor relies on its partner ecosystem for eCommerce capabilities. It has solid dashboarding and reporting, but it lacks deep analytics capabilities, instead offering connectors to industry-leading business intelligence tools. It is also starting to leverage the 2016 acquisition of NLP Technologies for enhanced sales intelligence.¹⁰

SugarCRM has no canned vertical solutions, but it has domain expertise, partners, and code for traction in manufacturing, business services, financial services, and technology — industries that require custom processes for differentiation. SugarCRM's solid road map and growing global systems integrator and partner network help continue its upward momentum into enterprise accounts. Customer references overall were satisfied with SugarCRM, with the exception of its small application marketplace. SugarCRM best suits organizations that have unique business processes and are seeking flexible pricing options with customization flexibility.

- › **NetSuite delivers a true 360-degree view of customer data.** San Mateo, California-based NetSuite offers a unified cloud business management suite that delivers a 360-degree customer view through its emphasis on front- and back-office integration. Every customer reference we spoke with highlighted this key differentiator. It enables businesses to effectively sell to and service customers as a result of consistent messaging across all touchpoints — website, contact center, and point of sale. Unlike other vendor solutions, NetSuite CRM is part of a suite that also includes ERP, accounting, and professional services automation.

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NetSuite CRM's strength is the breadth of omnichannel capabilities it delivers on a single platform and data model with unified business and administrator tooling and a modern user experience. The suite has strong eCommerce capabilities, sound sales and marketing capabilities, solid reporting, and relatively fast time-to-value. It provides reliable support for role-based sales automation. NetSuite's 2015 acquisition of retail, commerce, and marketing automation company Bronto Software extends its core marketing functions. However, customer service and field service capabilities are weak.

NetSuite targets midsize organizations or divisions of enterprise organizations primarily in the manufacturing, retail, distribution, high-tech, professional services, advertising, media, and, more recently, nonprofit sectors. Its developer ecosystem and application marketplace extend the reach of its robust consulting organization and partners. Its road map centers on the 360-degree customer view and intelligent order orchestration delivered via modern experiences. Customer references are satisfied with the product functionality but voice some concerns about the quality of customer service. NetSuite CRM best suits organizations that need a unified solution for front- and back-office functions of CRM, ERP, eCommerce, and financials.

Contenders

- › **Infor's CRM is a foundational element of its CX suite in the making.** New York-based Infor positions its CRM offering as a key component of its CloudSuite CX, which includes marketing, sales, and service applications — and in the future, commerce. CloudSuite CX is delivered via SaaS, but the CRM solution is available in the cloud and on-premises. Infor purchased the CRM product from Swiftpage in 2014, which purchased it from Saleslogix in 2013. Infor has a large installed base of more than 5,000 customers, which are primarily midmarket, although the company has plans to take it upmarket.

Infor CRM is built from legacy Infor products and acquisitions. Today, it is a suite in the making, with variable user experiences and depth of integration across products — and with business user, administrator, and developer tooling not completely consolidated. It offers sound sales automation capabilities with quoting and contracting, basic core marketing, and core customer service functionality, but it lacks the depth and breadth of other enterprise CRM vendors. It has basic reporting and analytics, but it's missing the ability to prescribe advice to CRM users. It doesn't currently have eCommerce capabilities, but customers can leverage Infor Rhythm for this purpose.

Infor CRM offers industry editions for manufacturing, distribution, retail, healthcare, and hospitality. The product road map promises improvements to user experiences, advanced analytics, stronger cloud offerings, and deeper integrations with Infor back-office products. The vendor leverages a broad partner network but lacks a developer ecosystem and an application marketplace. Customers are satisfied with vendor account management practices but less enthusiastic about the level of product integration and core product functionality. Infor CRM is best suited for organizations within Infor's key verticals that focus on sales force automation and want packaged integration with other Infor products.

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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

Forrester used a combination of two data sources to assess the strengths and weaknesses of each solution. We evaluated the vendors participating in this Forrester Wave, in part, using materials that they provided to us by June 30, 2016.

- › **Product demos.** We asked vendors to conduct demonstrations of their products' functionality. We used findings from these product demos to validate details of each vendor's product capabilities.

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- › **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with three of each vendor's 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 evaluation — and then score the vendors based on a clearly defined scale. We intend these default weightings to serve only as a starting point and 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 follows, go to <http://www.forrester.com/marketing/policies/forrester-wave-methodology.html>.

Survey Methodology

Forrester's Global Business Technographics® Software Survey, 2015, was fielded to 3,651 business and technology decision-makers located in Australia, Brazil, Canada, China, France, Germany, India, New Zealand, the UK, and the US from companies with two or more employees. This survey is part of Forrester's Business Technographics and was fielded from July 2015 to August 2015. Research Now fielded this survey on behalf of Forrester. Survey respondent incentives include points redeemable for gift certificates. We have provided exact sample sizes in this report on a question-by-question basis.

Forrester's Business Technographics provides demand-side insight into the priorities, investments, and customer journeys of business and technology decision-makers and the workforce across the globe. Forrester collects data insights from qualified respondents in 10 countries spanning the Americas, Europe, and Asia. Business Technographics uses only superior data sources and advanced data-cleaning techniques to ensure the highest data quality.

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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, customer service and support, and packaged or vendor-built (not custom) marketing automation business applications. Source: Forrester's Global Business Technographics Software Survey, 2015.
- ² Years of Forrester Data confirm the strong relationship between the quality of a firm's customer experience (as measured by Forrester's 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 following Forrester report "[The Business Impact Of Customer Experience, 2012.](#)"
- ³ Oracle uses its acquisitions to actualize its customer experience management suite. Notable acquisitions include Art Technology Group for eCommerce (2011); Endeca for eCommerce search (2011); RightNow Technologies for customer service (2011); Collective Intellect for social intelligence (2012); Eloqua for marketing automation (2012); Vitruve 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 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 (2012); Hybris for multichannel eCommerce (2013); and KXEN for predictive analytics and predictive decisioning (2013). In addition, SAP partnered with eGain for personalized customer experiences across interaction channels (2010); NetBase Solutions for social media analysis (2012); and MindTouch for knowledge management (2013).
- 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); Golnstant for cobrowsing (2012); and Prior Knowledge for predictive analytics (2013).
- ⁶ SaaS adoption continues to be strong in customer-related categories like eCommerce, sales, customer service, and marketing. For more information, see the following Forrester report "[Application Adoption Trends 2016: SaaS Expands Across The Enterprise And Across The Globe.](#)"
- ⁷ We've evaluated 11 CRM solutions suitable for midsize organizations in the following report. See the following Forrester report "[The Forrester Wave™: CRM Suites For Midsize Organizations, Q4 2016.](#)"
- ⁸ CRM vendors offer a range of vertical market software applications for specific industries. These solutions support industry-specific workflows, data models, and user experiences tailored to specific verticals. See the following Forrester report "[Vendor Landscape: The Growing Demand For Vertical CRM Solutions.](#)"
- ⁹ SAP's road map includes SAP- and partner-built front-office microservices (SAP Hybris-as-a-service [YaaS]) on the Hana Cloud Platform as well as greater verticalization.
- ¹⁰ SugarCRM purchased the mobile startup Stitch in 2016. Source: Ingrid Lunden, "Confirmed: SugarCRM Buys Mobile Startup Stitch, Shuts It Down," TechCrunch, March 8, 2015 (<https://techcrunch.com/2015/03/08/sugarcrm-buys-mobile-startup-stitch-shuts-it-down/>).

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