

CRM Service Buyers Guide

Software Provider and Product Assessment



EXECUTIVE
SUMMARY

***ISG** Research™



CRM Service

Customer relationship management (CRM) allows enterprises to support customers with purchased products or services. Customer service is a critical component of any CRM suite. These service applications should provide a unified approach to managing and tracking interactions and support customer service agent operations digitally or in the field.

ISG defines CRM Service as the set of applications that support leaders, managers and agents as they interact with customers, resolve requests and provide information about products and services. Customer service is a required component of CRM, ensuring effective interactions and resolution for customers. Integrating service within CRM allows enterprises to manage and enhance post-sales interactions with customers by using existing tools to address customer inquiries, resolve issues and ensure overall customer satisfaction. Effective service is crucial for building long-term customer relationships and driving repeat business.

CRM service is about more than case tracking and trouble tickets. Many enterprises view service as an opportunity to solidify a positive customer relationship and perhaps enhance the loyalty and value of the customer. That has propelled interest in the emphasis on



CRM with service facilitates efficient handling of customer support tickets that allows enterprises to accurately respond to inquiries and issues in a timely manner.

workflows and automation, particularly when it comes to managing self-service and field service, and the ability to provide agents with contextually relevant information during interactions.

Service within CRM facilitates efficient handling of customer support tickets so enterprises can accurately respond to inquiries and issues in a timely manner. Automated workflows and case management features help route issues to the appropriate support agents, streamlining the resolution process. Integrated knowledge bases within CRM platforms provide agents and customers with access to helpful resources such as FAQs and troubleshooting guides. This self-service approach enables customers to find solutions independently which then reduces the overall volume of support tickets.

Multichannel support can also be improved with CRM systems. Consistent and unified communication across email, phone, live chat and social media ensures a seamless customer experience. CRM service can also gain customer feedback through surveys and forms. This feedback helps identify areas for improvement and enables proactive measures to enhance service quality.



Managing and monitoring consumption and usage with Service Level Agreements (SLAs) ensures that support teams meet predefined response and resolution times, adherence to which builds customer trust and satisfaction. For industries requiring on-site service, field service management capabilities allow enterprises to schedule and dispatch service technicians. Real-time tracking and updates ensure efficient service delivery and improved customer satisfaction.

At its core, CRM service requires an agent desktop or mobile service where customer service is engaged and tracked. The agent desktop is similar to what is provided in contact center systems with additional support for digital channels and agent scheduling and can be more directly managed to performance targets. Supporting customer service agents with training and appropriate learning opportunities is critical and should be integrated with CRM and service systems.



Integrating service with CRM brings various benefits, including improved customer satisfaction through efficient and timely resolution of issues.

Integrating service with CRM brings various benefits, including improved customer satisfaction through efficient and timely resolution of issues, increased efficiency through automated workflows, ticket routing and knowledge management, and enhanced insights through the analysis of support data and customer feedback. These insights enable proactive problem-solving over multiple channels through consistent and unified communication across all customer touchpoints. CRM tools also enable a proactive service approach through predictive analytics, allowing businesses to anticipate and address potential issues before they escalate.

Significant advancement in the use of AI to support customer service has evolved in recent years to more intelligently guide customer service agents to provide answers in a more immediate manner. By 2027, improvements in AI-based agent guidance will enable lower-skilled agents to handle harder problems, reducing overall labor costs. The evolution of customer self-service through generative AI (GenAI) and increased use of use natural language interactions with customers has already been made available by software providers.

The ISG Buyers Guide™ for CRM Service evaluates software providers and products in key areas for customer interactions including defining and tracking interactions and supporting tickets across any channel of interactions, and the need to manage customer data in a secure and governed manner that can be access by customer service agents and their desktops that help resolve issues. CRM service should support business collaboration across enterprise, roles and preference needs, with analytics on interactions and agents available through dashboards and metrics. It should also support the analysis on the evolving use of AI and



machine learning. The evaluation includes investments by the software provider in resources and improvements across product and customer experiences.

This research evaluates the following software providers that offer products that address key elements of CRM service as we define it: HubSpot, Microsoft, NetSuite, Oracle, Sage, Salesforce, SAP, SugarCRM, Zendesk and Zoho.



Buyers Guide Overview

For over two decades, ISG Research has conducted market research in a spectrum of areas across business applications, tools and technologies. We have designed the Buyers Guide to provide a balanced perspective of software providers and products that is rooted in an understanding of the business requirements in any enterprise. Utilization of our research



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methodology and decades of experience enables our Buyers Guide to be an effective method to assess and select software providers and products. The findings of this research undertaking contribute to our comprehensive approach to rating software providers in a manner that is based on the assessments completed by an enterprise.

The ISG Buyers Guide™ for CRM Service is the distillation of over a year of market and product research efforts. It is an assessment of how well software providers' offerings address enterprises' requirements for CRM service software. The index is structured to support a request for information (RFI) that could be used in the request for proposal (RFP) process by incorporating all criteria needed to evaluate, select, utilize and maintain relationships with software providers. An effective product and customer experience with a provider can ensure the best long-term relationship and value achieved from a resource and financial investment.

In this Buyers Guide, ISG Research evaluates the software in seven key categories that are weighted to reflect buyers' needs based on our expertise and research. Five are product-experience related: Adaptability, Capability, Manageability, Reliability, and Usability. In addition, we consider two customer-experience categories: Validation, and Total Cost of Ownership/Return on Investment (TCO/ROI). To assess functionality, one of the components of Capability, we applied the ISG Research Value Index methodology and blueprint, which links the personas and processes for CRM service to an enterprise's requirements.

The structure of the research reflects our understanding that the effective evaluation of software providers and products involves far more than just examining product features, potential revenue or customers generated from a provider's marketing and sales efforts. We believe it is important to take a comprehensive, research-based approach, since making the wrong choice of CRM service technology can raise the total cost of ownership, lower the return on investment and hamper an enterprise's ability to reach its full performance potential. In addition, this approach can reduce the project's development and deployment time and eliminate the risk of relying on a short list of software providers that does not represent a best fit for your enterprise.



ISG Research believes that an objective review of software providers and products is a critical business strategy for the adoption and implementation of CRM service software and applications. An enterprise's review should include a thorough analysis of both what is possible and what is relevant. We urge enterprises to do a thorough job of evaluating CRM service systems and tools and offer this Buyers Guide as both the results of our in-depth analysis of these providers and as an evaluation methodology.



How To Use This Buyers Guide

Evaluating Software Providers: The Process

We recommend using the Buyers Guide to assess and evaluate new or existing software providers for your enterprise. The market research can be used as an evaluation framework to establish a formal request for information from providers on products and customer experience and will shorten the cycle time when creating an RFI. The steps listed below provide a process that can facilitate best possible outcomes.

1. Define the business case and goals.
Define the mission and business case for investment and the expected outcomes from your organizational and technological efforts.
2. Specify the business needs.
Defining the business requirements helps identify what specific capabilities are required with respect to people, processes, information and technology.
3. Assess the required roles and responsibilities.
Identify the individuals required for success at every level of the enterprise from executives to frontline workers and determine the needs of each.
4. Outline the project's critical path.
What needs to be done, in what order and who will do it? This outline should make clear the prior dependencies at each step of the project plan.
5. Ascertain the technology approach.
Determine the business and technology approach that most closely aligns to your enterprise's requirements.
6. Establish software provider evaluation criteria.
Utilize the product experience: Adaptability, Capability, Manageability, Reliability and Usability, and the customer experience in TCO/ROI and Validation.
7. Evaluate and select the technology properly.
Weight the categories in the technology evaluation criteria to reflect your enterprise's priorities to determine the short list of software providers and products.
8. Establish the business initiative team to start the project.
Identify who will lead the project and the members of the team needed to plan and execute it with timelines, priorities and resources.



The Findings

All of the products we evaluated are feature-rich, but not all the capabilities offered by a software provider are equally valuable to types of workers or support everything needed to manage products on a continuous basis. Moreover, the existence of too many capabilities may be a negative factor for an enterprise if it introduces unnecessary complexity. Nonetheless, you may decide that a larger number of features in the product is a plus, especially if some of them match your enterprise’s established practices or support an initiative that is driving the purchase of new software.

Factors beyond features and functions or software provider assessments may become a deciding factor. For example, an enterprise may face budget constraints such that the TCO evaluation can tip the balance to one provider or another. This is where the Value Index methodology and the appropriate category weighting can be applied to determine the best fit of software providers and products to your specific needs.

Overall Scoring of Software Providers Across Categories

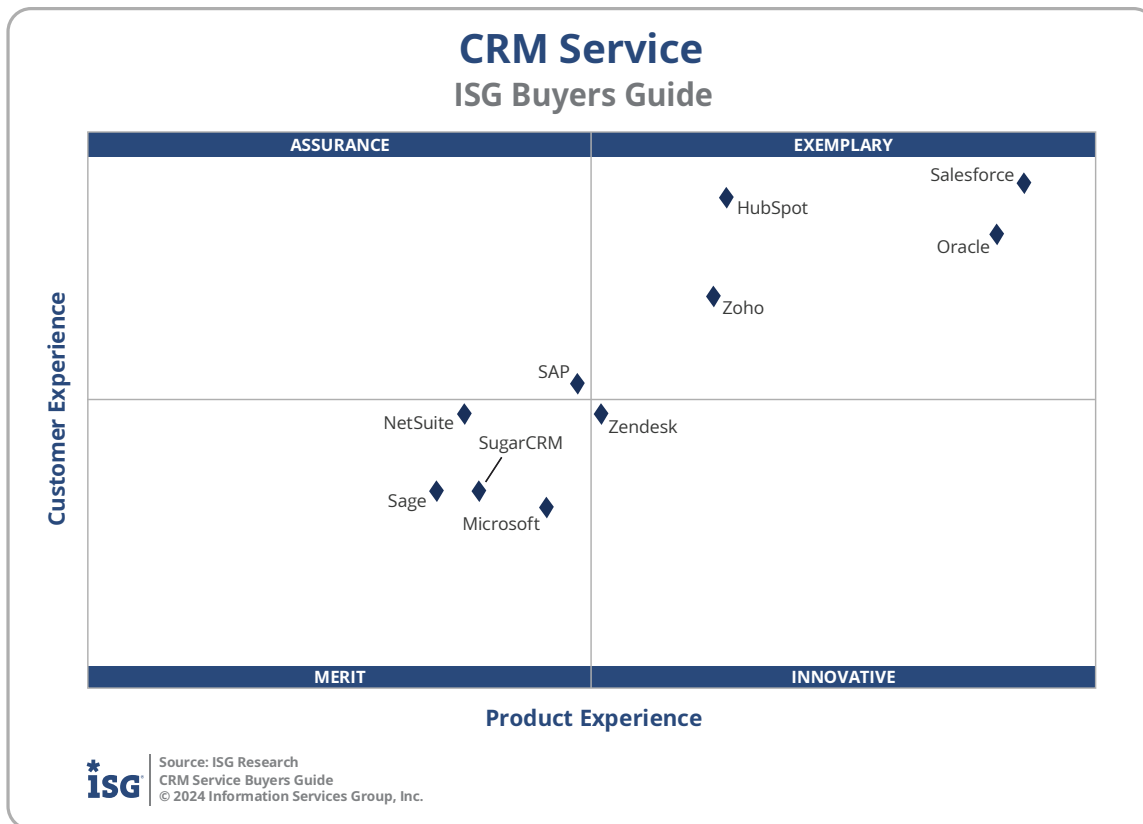
The research finds Salesforce atop the list, followed by Oracle and HubSpot. Companies that place in the top three of a category earn the designation of Leader. Salesforce has done so in seven categories; Oracle in six; HubSpot in five; SAP in two and Zoho in one category.

The overall representation of the research below places the rating of the Product Experience and Customer Experience on the x and y axes, respectively, to provide a visual representation and classification of the software providers. Those providers whose Product Experience have a higher weighted performance to the axis in aggregate of the five product categories place farther to the right, while the performance and weighting for the two Customer Experience categories determines placement on the vertical axis. In short, software providers that place closer to the upper-right on this chart performed better than those closer to the lower-left.

CRM Service Overall			
Providers	Grade	Performance	
Salesforce	A-	Leader	82.4%
Oracle	A-	Leader	81.3%
HubSpot	B++	Leader	77.5%
Zoho	B+		74.9%
SAP	B+		69.5%
Zendesk	B+		68.8%
NetSuite	B		66.8%
Microsoft	B		66.7%
SugarCRM	B		64.0%
Sage	B		62.8%

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The research places software providers into one of four overall categories: Assurance, Exemplary, Merit or Innovative. This representation classifies providers’ overall weighted performance.



Exemplary: The categorization and placement of software providers in Exemplary (upper right) represent those that performed the best in meeting the overall Product and Customer Experience requirements. The providers rated Exemplary are: HubSpot, Oracle, Salesforce and Zoho.

Innovative: The categorization and placement of software providers in Innovative (lower right) represent those that performed the best in meeting the overall Product Experience requirements but did not achieve the highest levels of requirements in Customer Experience. The provider rated Innovative is: Zendesk.

Assurance: The categorization and placement of software providers in Assurance (upper left) represent those that achieved the highest levels in the overall Customer Experience requirements but did not achieve the highest levels of Product Experience. The provider rated Assurance is: SAP.

Merit: The categorization of software providers in Merit (lower left) represents those that did not exceed the median of performance in Customer or Product Experience or surpass the threshold for the other three categories. The providers rated Merit are: Microsoft, NetSuite, Sage and SugarCRM.



We warn that close provider placement proximity should not be taken to imply that the packages evaluated are functionally identical or equally well suited for use by every enterprise or for a specific process. Although there is a high degree of commonality in how enterprises handle CRM service, there are many idiosyncrasies and differences in how they do these functions that can make one software provider's offering a better fit than another's for a particular enterprise's needs.

We advise enterprises to assess and evaluate software providers based on organizational requirements and use this research as a supplement to internal evaluation of a provider and products.



Product Experience


The process of researching products to address an enterprise’s needs should be comprehensive. Our Value Index methodology examines Product Experience and how it aligns with an enterprise’s life cycle of onboarding, configuration, operations, usage and maintenance. Too often, software providers are not evaluated for the entirety of the product; instead, they are evaluated on market execution and vision of the future, which are flawed since they do not represent an enterprise’s requirements but how the provider operates. As more software providers orient to a complete product experience, evaluations will be more robust.

The research results in Product Experience are ranked at 80%, or four-fifths, of the overall rating using the specific underlying weighted category performance. Importance was placed on the categories as follows: Usability (20%), Capability (20%), Reliability (15%), Adaptability (15%) and Manageability (10%). This weighting impacted the resulting overall ratings in this research.

Salesforce, Oracle and HubSpot were designated Product Experience Leaders. While not a Leader, Zoho was also found to meet a broad range of enterprise product experience requirements.

CRM Service
Product Experience

Providers	Grade	Performance
Salesforce	B++	Leader 63.9%
Oracle	B++	Leader 63.4%
HubSpot	B+	Leader 58.8%
Zoho	B+	58.3%
Zendesk	B	54.4%
SAP	B	54.1%
Microsoft	B	53.1%
SugarCRM	B	51.1%
NetSuite	B	50.9%
Sage	B	50.0%

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Customer Experience

The importance of a customer relationship with a software provider is essential to the actual success of the products and technology. The advancement of the Customer Experience and the entire life cycle an enterprise has with its software provider is critical for ensuring satisfaction in working with that provider. Technology providers that have chief customer officers are more likely to have greater investments in the customer relationship and focus more on their success. These leaders also need to take responsibility for ensuring this commitment is made abundantly clear on the website and in the buying process and customer journey.

The research results in Customer Experience are ranked at 20%, or one-fifth, using the specific underlying weighted category performance as it relates to the framework of commitment and value to the software provider-customer relationship. The two evaluation categories are Validation (10%) and TCO/ROI (10%), which are weighted to represent their importance to the overall research.

The software providers that evaluated the highest overall in the aggregated and weighted Customer Experience categories are Salesforce, HubSpot and Oracle. These category leaders best communicate commitment and dedication to customer needs.

Software providers that did not perform well in this category were unable to provide sufficient customer case studies to demonstrate success or articulate their commitment to customer experience and an enterprise’s journey. The selection of a software provider means a continuous investment by the enterprise, so a holistic evaluation must include examination of how they support their customer experience.

CRM Service
Customer Experience

Providers	Grade	Performance
Salesforce	A	Leader 17.6%
HubSpot	A-	Leader 17.4%
Oracle	A-	Leader 16.8%
Zoho	B++	15.9%
SAP	B+	14.4%
NetSuite	B+	14.2%
Zendesk	B+	14.2%
Sage	B	13.0%
SugarCRM	B	13.0%
Microsoft	B	12.7%

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Appendix: Software Provider Inclusion

For inclusion in the ISG Buyers Guide™ for CRM Service in 2024, a software provider must be in good standing financially and ethically, have at least \$25 million in annual or projected revenue verified using independent sources, sell products and provide support on at least two continents, and have at least 100 customers. The principal source of the relevant business unit's revenue must be software-related and there must have been at least one major software release in the last 12 months.

For inclusion, a software provider must include customer service capabilities that support customer and agent desktop interactions for creating and managing tickets, business collaboration across an enterprise, interaction-handling analytics and specific roles and preference needs.

The research is designed to be independent of the specifics of software provider packaging and pricing. To represent the real-world environment in which businesses operate, we include providers that offer suites or packages of products that may include relevant individual modules or applications. If a software provider is actively marketing, selling and developing a product for the general market and it is reflected on the provider's website that the product is within the scope of the research, that provider is automatically evaluated for inclusion.

All software providers that offer relevant CRM service products and meet the inclusion requirements were invited to participate in the evaluation process at no cost to them.

Software providers that meet our inclusion criteria but did not completely participate in our Buyers Guide were assessed solely on publicly available information. As this could have a significant impact on classification and ratings, we recommend additional scrutiny when evaluating those providers.



Products Evaluated

Provider	Product Names	Version	Release Month/Year
HubSpot	HubSpot Service Hub	n/a	August 2024
Microsoft	Microsoft Dynamics 365 Service	2024 release wave 1	August 2024
NetSuite	NetSuite CRM	2024.2	September 2024
Oracle	Oracle CX Service	24C	August 2024
Sage	Sage CRM	2024 R1	May 2024
Salesforce	Salesforce Service Cloud	Summer '24	August 2024
SAP	SAP Service Cloud	2408	August 2024
SugarCRM	SugarCRM	14.0	August 2024
Zendesk	Zendesk	n/a	August 2024
Zoho	Zoho CRM, Zoho One	n/a	August 2024



Providers of Promise

We did not include software providers that, as a result of our research and analysis, did not satisfy the criteria for inclusion in this Buyers Guide. These are listed below as “Providers of Promise.”

Provider	Product	Product Support	Revenue	Customers	# Continents
Creatio	Creatio CRM	No	Yes	Yes	Yes
Freshworks	Freshdesk, Freshservice	No	Yes	Yes	Yes
Monday.com	monday CRM	No	Yes	Yes	Yes
Pipedrive	Pipedrive	No	Yes	Yes	Yes



About ISG Software Research

ISG Software Research provides authoritative market research and coverage on the business and IT aspects of the software industry. We distribute research and insights daily through our [community](#), and we provide a portfolio of consulting, advisory, research and education services for enterprises, software and service providers, and investment firms. Our premier service, ISG Software Research On-Demand, provides structured education and advisory support with subject-matter expertise and experience in the software industry. ISG Research Buyers Guides support the RFI/RFP process and help enterprises assess, evaluate and select software providers through tailored [Assessment Services](#) and our Value Index methodology. Visit www.ventanaresearch.com to sign up for free community membership with access to our research and insights.

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