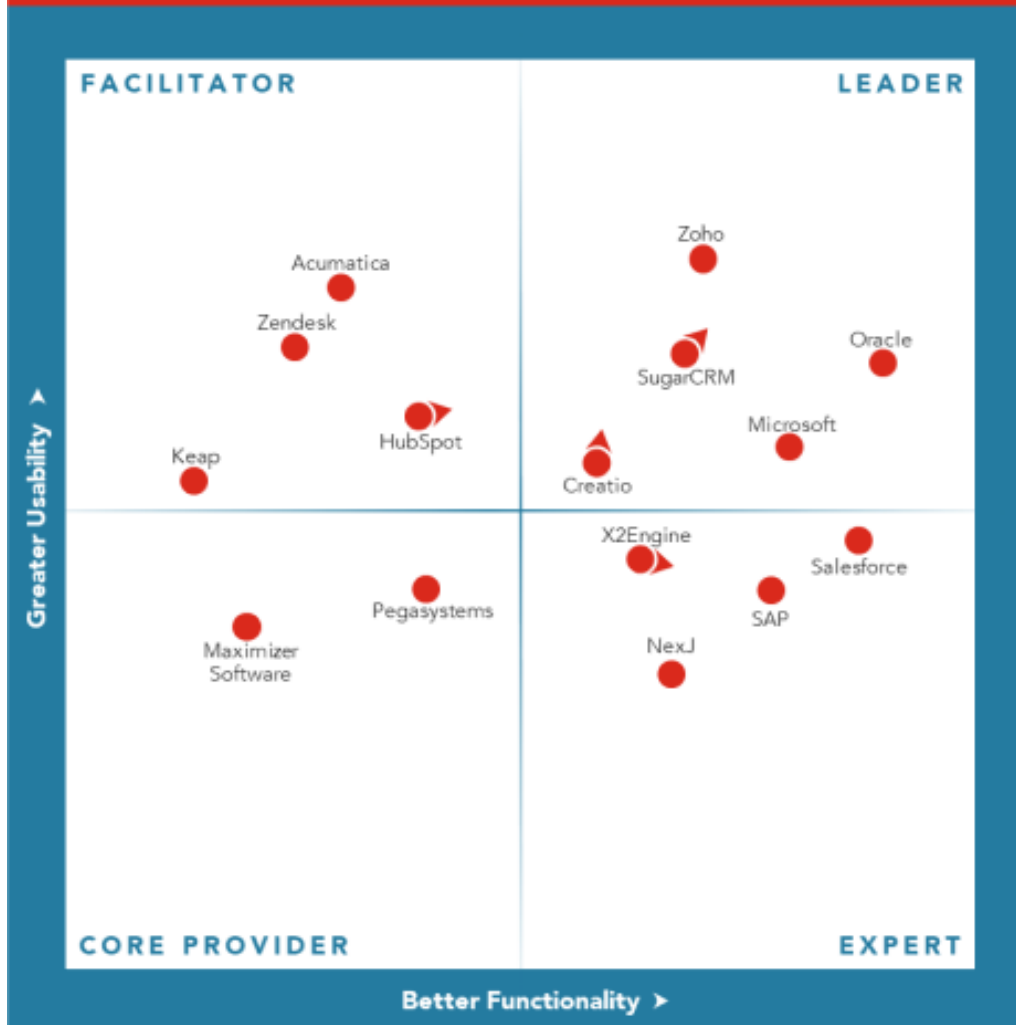**NUCLEUS RESEARCH**

CRM TECHNOLOGY VALUE MATRIX 2023

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THE BOTTOM LINE

The CRM space is evolving, and technology once reserved for large organizations with high volume or complex sales strategies is now more accessible than ever for organizations of all sizes. Although CRM is among the most mature components of business technology, vendors are still competing to differentiate themselves and provide users with the tools to deliver elevated customer experiences. Over the last year, Nucleus monitored the trend of organizations across all industries looking to extend the functionality of their CRM technology with verticalized capabilities. The market has reflected this, as vendors made significant investments in lowering the barrier to entry for customers looking to customize a solution to specific needs.

CRM
Value Matrix | April 2023

NUCLEUS RESEARCH

FACILITATOR   LEADER

Greater Usability ▲

Acumatica
Zendesk
                                        Zoho
                                        Oracle
                    HubSpot   SugarCRM
Keap   Microsoft
                                        Creatio
                                X2Engine
                                                    Salesforce
            Pegasystems   SAP
Maximizer   NexJ
Software

CORE PROVIDER   EXPERT

Better Functionality ▶

MARKET OVERVIEW

As vendors continue to innovate and broaden the functionality provided by their respective product offerings, the CRM domain has grown to encompass all customer interactions throughout the buying journey. Consequently, organizational CRM approaches now integrate customer service and marketing efforts alongside sales enablement. Within the context of this Value Matrix, CRM solutions are defined as software tools that orchestrate the management of an organization's engagement with customers and prospects across sales, service, and marketing.

Customer relationship management is one of the most well-established elements of business technology, with CRM vendors striving to differentiate themselves by equipping users with the toolset to provide elevated experiences for their customers. In response to the growing consumer demand for industry and use-case specific capabilities, leading vendors have made substantial investments in heightening the adaptability of their solutions. The gaps in functionality that used to create differentiation amongst players in the space have weakened, as organizations now have access to several methods to customize their CRM technology deployments. With the availability of low and no-code app development tools, growing third-party ecosystems, and purpose-built CRM offerings, a solution's ease of extensibility has become a notable factor driving an organization's selection process. Adoption was a prominent topic throughout 2022, as organizations recognized the impact a solution's ease of use has on the ROI of the implementation.

As consumers continue to demonstrate signs of decreased patience and brand loyalty, the relationship between organizations and their customers has grown increasingly intricate. CRM providers that enable users to sift through the clutter and offer low-friction, out-of-the-box functionality have been shown to optimize operational efficiency. Vendors that prioritize usability alongside functionality assist organizations in eliminating steep learning curves and substantially accelerating time-to-value.

For this Value Matrix, Nucleus evaluated CRM providers based on the relative usability and functionality of their solutions, analyzing the value achieved through the use of the product's capabilities *(Nucleus Research V67 – Understanding the Value Matrix – April 2021.)* The report is intended to serve as a snapshot of the CRM technology market, inform customers about the specific ways vendors are delivering value, and take stock of what can be expected in the future based on current solution updates and releases.

LEADERS

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

CREATIO

Creatio is recognized as a leader in the 2023 edition of the CRM Value Matrix. Creatio is a cloud-based CRM solution that offers advanced automation tools for sales, marketing, and service teams. Creatio provides a single platform for customer data management and business process automation, making it easier for organizations to streamline workflows and drive operational efficiency. Creatio is highly customizable, with leading no-code capabilities enabling businesses to tailor the solution to their unique needs, and is compatible with both

desktop and mobile devices. Creatio provides intelligent lead management capabilities that enable users to leverage advanced lead scoring and nurturing to prioritize and qualify leads more effectively. The platform also provides insights into each customer's journey, including their preferences, interactions, and buying behavior. This helps businesses identify cross-selling and upselling opportunities and deliver personalized experiences that drive customer loyalty.

Over the past 12 months, Creatio has introduced a number of innovations to its no-code platform and CRM products. Updates are highlighted by a unique composable architecture, new composable CRM components and applications, Freedom UI, and an updated no-code designer, the Application Hub.

MICROSOFT

Microsoft maintained its position in the Leader quadrant for the 2023 edition of the CRM Value Matrix. Microsoft Dynamics 365 is a comprehensive solution that integrates CRM and ERP, allowing for enhanced visibility into business performance and informed decision-making. The platform offers a variety of applications, such as Dynamics 365 Marketing, Dynamics 365 Sales, Dynamics 365 Customer Service, Dynamics 365 Commerce, Dynamics 365 Customer Insights, Dynamics 365 Field Service, and Microsoft Viva Sales. By incorporating AI and Power BI across the applications, users can capitalize on real-time data to improve customer relationships and marketing campaigns. Microsoft has recently directed its investments towards equipping non-technical users with the tools necessary to enhance decision-making and manage digital commerce experiences effectively.

ORACLE

Oracle's CRM suite is distinguished by its extensive knowledge of database technology. The Oracle CX platform is fully modular and designed to handle all customer-facing processes, including sales, service, marketing, e-commerce, data management, and analytics. The platform also covers additional processes such as revenue management and lead-to-cash. Oracle's vast repository of customer behavior data has helped it maintain a strong position in the market for analytics capabilities. The vendor's extensive third-party and enterprise data network also contributes to the CX Unity customer intelligence platform, which leverages public record business information. Oracle offers solutions that span the entire enterprise, with dedicated modules for ERP, BI and analytics, HCM, and supply chain and logistics management. Its public cloud infrastructure and extensive range of capabilities enable customers to operate their businesses on Oracle without having to fill in any functionality gaps with smaller, best-of-breed solutions. Oracle's long-standing leadership in business applications provides it with a competitive edge in the business technology landscape, as more customers realize the benefits of adopting a full-suite approach.

Oracle's scalability in a broad range of use cases has been recognized, and its customers routinely tout the vendor's extensibility. Oracle's end-to-end enterprise technology presence and product maturity, combined with its customer-centric approach, has landed Oracle in the Leader's quadrant in this year's Matrix.

SUGARCRM

SugarCRM cloud-based CRM vendor that provides organizations provides organizations with a range of sales, marketing, and service automation tools. Sugar's product suite includes SugarSell, SugarMarket, and SugarServe. The applications work as standalone offerings, or can be seamlessly integrated to provide organizations of all sizes with the ability to manage and engage with their customers in a personalized, intelligent way. Their comprehensive platform includes features such as account and contact management, lead management, opportunity management, forecasting, reporting, marketing automation, and customer support. Sugar services organizations in a variety of industries, including manufacturing, technology, software, insurance, and business and financial services. The platform's modules for sales, service, and marketing each have data analytics and integration capabilities designed to reduce roadblocks, improve usability, and provide a more complete view of customers. SugarCRM offers flexible pricing and deployment options, allowing businesses to choose from a range of subscription plans and deployment models, including cloud-based, on-premise, and hybrid options. Sugar customers also have access to SugarOutfitters, a third-party marketplace comprised of over 240 extensions and integrations to carry out industry-specific tasks.

SugarCRM's commitment to providing its customers with flexibility, customization, and comprehensive functionality has earned it a spot in the Leader's Quadrant of the CRM Value Matrix.

ZOHO

Zoho is a software company that provides more than 50 SaaS applications. Its CRM application, Zoho CRM, is the most widely used module, with over 250,000 organizations around the world relying on the solution. Zoho's unified data model facilitates strong integration and interoperability across all of its applications. Zoho CRM offers a variety of capabilities, including salesforce automation, information management, lead and opportunity analysis, document management, calendar management, and dashboards and insights powered by Zia, its AI engine.

Zoho manages its own private cloud infrastructure, allowing its solutions to be easily scalable while giving customers ownership of their data. The Zoho CRM Analytics mobile app provides users with access to analytics dashboards, KPIs, and progress toward various

sales objectives. The app also supports multiple sales pipelines and workflow automation to streamline repetitive sales outreach processes and enable different strategies. CommandCenter is Zoho's advanced automation tool, which enables users to map and capture the entire customer experience through connected applications. Zoho's ability to provide a comprehensive suite of solutions that can be tailored to meet the specific needs of different organizations has helped to cement its position as a leader in the CRM software space. Its out-of-box customizability and intuitive UI make it easy for users to get started, while its broad range of capabilities allows it to cater to the needs of businesses across various industries. Overall, Zoho's strong value proposition and commitment to enhancing its product offering have made it a preferred choice for organizations seeking to improve their CRM capabilities.

Zoho has been awarded the highest score for usability in the 2023 CRM Value Matrix, recognized for its extensive range of functionality, customizable features, and notably user-friendly interface. In recent years, Zoho has shifted its focus to cater to larger organizations, and this shift has not gone unnoticed by Nucleus. Today, Zoho is a feasible option for organizations of all sizes. The platform's unified data model, use of private cloud infrastructure, and quick deployment options make it an attractive choice for businesses seeking to partner with Zoho.

EXPERTS

Experts in this year's Value Matrix include NexJ, Salesforce, SAP, and X2CRM.

NEXJ

NexJ offers tailored CRM solutions for financial service organizations spanning wealth management, private banking, and commercial and corporate banking. NexJ's solutions are highly customizable and come with out-of-the-box functionality that can be easily adapted to align with an orgnaization's unique processes and business model. NexJ's solutions can be deployed on-premises or through private cloud infrastructure.

In addition to standard CRM features, NexJ has gained recognition for its advanced Nudge AI suite. The Nudge AI suite consists of three digital assistants Inform, Engage, and Insights. Inform helps advisors establish personalized communication with customers through targeted content across the customer lifecycle. Engage offers next-best-action recommendations for advisors to ensure compliance while delivering personalized experiences to clients. Insights uses natural language processing to automatically parse

unstructured text stored in emails, call reports, and notes to uncover new insights and better understand clients.

NexJ has expanded its capabilities by making Inform available on Microsoft Dynamics 365 CRM, in addition to their own CRM, and by partnering with Bill Good Marketing to offer Gorilla 5, a growth and retention solution for small and medium businesses. NexJ has also received validation to deploy its CRM on the IBM Cloud for Financial Services, providing enhanced data compliance, security, and resiliency for cloud deployments.

SALESFORCE

Salesforce's Customer 360 is a comprehensive and fully integrated platform that covers various aspects of business operations such as sales, service, marketing, commerce, and analytics. By leveraging Salesforce's unified cloud platform, customers can integrate various Salesforce applications to break down data silos, simplify data storage and management, and streamline the customer experience application stack. Salesforce has a large pool of administrators and developers who can be trained and certified in-house through its free online learning platform, Trailhead. Salesforce's active user community in online forums for sharing ideas, best practices, and other resources also adds significant value to its customers and is an attractive part of the Salesforce value proposition.

Salesforce's Customer 360 is a flexible and customizable platform that caters to specific business and industry needs. Partner solutions are readily available via AppExchange, and customers can further enhance the platform's capabilities by developing custom low-code applications with Salesforce Lightning. Salesforce's embedded AI solution, Einstein, automates repeated workflows and tasks like activity capture, while providing relevant insights, predicting future outcomes, and offering in-context recommendations for next-best action and activity prioritization. Developers can also build custom applications that leverage Einstein with clicks or code, aligning with Salesforce's mission to offer a fully customizable platform to meet customer needs.

SAP

SAP's C/4HANA suite is a comprehensive cloud-based solution that offers users a range services including SAP Marketing Cloud, SAP Commerce Cloud, SAP Service Cloud, SAP Customer Data Cloud, SAP Sales Cloud, and the CallidusCloud portfolio. SAP's suite is designed to help organizations optimize both employee and organizational efficiency while delivering a simplified and seamless customer experience. With its extensive suite of services, SAP's C/4HANA is a unified solution for businesses looking to streamline their operations and drive growth. One of the key features of SAP's C/4HANA suite is its focus on improving the customer experience. The solution offers advanced customer data

management tools that enable businesses to gain a deeper understanding of their customers' needs and preferences. With this data, businesses can deliver personalized experiences across all touchpoints. Additionally, SAP's C/4HANA suite provides businesses with powerful sales and marketing automation tools that enable them to automate their workflows, track leads and prospects, and measure the success of their campaigns.

SAP's C/4HANA suite is constantly evolving, with quarterly software updates that ensure the solution is always up-to-date. With its comprehensive suite of services, advanced customer data management tools, and focus on delivering a superior customer experience, SAP's C/4HANA is well suited for enterprise customers seeking to partner with a vendor that can provide an end-to-end platform infrastructure.

X2ENGINE

X2Engine is a new kind of software company. It offers a comprehensive suite of enterprise-level solutions that contain a customizable CRM, rapid prototyping capabilities, and more. X2Engine's core product offering, X2CRM, includes marketing automation, sales management, and customer service tools that operate on a single database, allowing for a seamless integration between a wide variety of industry specific product modules. With an integrated workflow, businesses can automate tedious tasks, saving time and resources while gaining much needed efficiencies. X2Engine's products when used collectively create a truly transformational business solution capable of genuine end-to-end automation. Over the last 12 months, X2Engine has released it latest version of X2DocSign, a seamless PDF document product that is fully integrated into the CRM, as well as a new user interface that allows for multiple types of UIs in a single system.

FACILITATORS

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

ACUMATICA

Acumatica traditionally focuses on ERP solutions, but the vendor's addition of CRM features differentiates it from competitors in both spaces. The combination of ERP and CRM also increases the overall usability of the Acumatica platform, as it eliminates the need to deploy and maintain complex, disparate solutions and provides a single interface and database across functions and departments. This helps finance, shipping, and field service operations work seamlessly with sales and support teams. Acumatica's cloud-based approach allows users to access the platform from anywhere, at any time, and from any device. This level of

accessibility, combined with Acumatica's robust analytics and reporting capabilities, enables users to gain insights into their customers' behavior and preferences, helping to identify new opportunities and drive revenue growth. CRM functionality within the solution include access to recent records, AI and machine learning capabilities, and data retrieval which can reduce costs and result in time savings for sales teams. The vendor also offers a customer support portal, with built-in access to contracts, financial statements, support cases, and payments. Existing Acumatica ERP customers remain the most likely to take advantage of the strong ROI of Acumatica CRM deployment, due to its ability to simplify technology infrastructure and streamline customer management and financial processes. Acumatica is positioned as a Facilitator in this year's Value Matrix for its high levels of usability, ability to connect ERP and CRM data, and attractive price point relative to competitors.

HUBSPOT

HubSpot is a cloud-based provider with solutions designed to help organizations streamline sales, marketing, and customer service processes. HubSpot offers a range of powerful tools that enable organizations manage customer interactions across the entire customer lifecycle, from lead generation to customer retention. HubSpot is highly customizable and can be tailored to meet the unique needs of businesses of all sizes. By integrating advanced permissions, complex reporting, and configure-price-quote functionalities, HubSpot continues to expand upon its enterprise-level automation capabilities. 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. Additionally, HubSpot CRM provides advanced analytics and reporting tools that allow organizations to track and measure marketing performance, identify trends, and make data-driven decisions.

KEAP

Keap offers organizations an integrated CRM platform that includes functionality for sales and marketing automation, e-commerce, payment, and analytics. The vendor continues to focus on SMB customers, as evidenced by its investments in product innovation that is easy for end-users to adopt. The vendor's analytics solution, InfusionSoft Analytics, provides users with daily reporting on metrics including e-mail deliverability, payments, revenue, and customer engagement to increase sales visibility and improve the allocation of efforts. The vendor also has Pro and Max versions of its e-commerce tool, which have expanded to include checkout forms, native integration with Shopify, as well as payment processors

including PayPal, Stripe, and WePay. Keap capabilities can be accessed within a dedicated mobile app, enabling users to minimize time spent toggling between different systems. Nucleus expects the vendor to secure its positioning through its ability to provide smaller customers with enterprise-grade functionality for AI and automation that can be used by less technically-proficient teams. Keap's updates over the last year are highlighted by its acquisition of the Factory, a former implementation partner of the vendor. The Factory will be added to Keap's existing service offerings to help small and midsized businesses quickly deploy Keap and accelerate benefit realization.

ZENDESK

Zendesk is recognized as a facilitator in this year's CRM Value Matrix. Zendesk offers a cloud-based customer service and sales force automation SaaS solution that helps organizations strengthen relationships with customers. The platform is designed to bring together customer interactions across multiple channels such as phone, email, live chat, and social media. Zendesk provides customer-facing teams with a unified view of customer interactions that helps them track and monitor the status of incoming requests. The platform also streamlines support tasks, and its automated workflows backed by AI significantly improve team member productivity and efficiency. Zendesk's intuitive applications help agents respond to customer requests more efficiently while enabling management to measure the effectiveness of individual reps, agents, or channel-specific teams more accurately. Zendesk's AI-powered automated workflows streamline tasks, and its unified agent workspace significantly boosts productivity. Zendesk also has a robust marketplace that features over 1200 applications and pre-built integrations that expand the functionality of the platform. Some of the highlighted applications include Shopify, Slack, Zoom, MS Teams, and Jira.

Throughout 2022 and into 2023, Zendesk released a series of improvements to enhance customer communication and data integration. Updates are highlighted by improvements to messaging capabilities, routing and intelligent operations, pre-built integration services, and privacy enhancements. A new bot-building experience enables teams to create bots more efficiently and at scale, with a simplified flow-building experience for users. Now, bots can be deployed across more service channels, and are atomically trained to identify more accurate responses to common questions. Businesses can now integrate Zendesk to external systems such as Shopify, Slack, and MailChimp. Zendesk now offers a flexible integration engine for automating workflows across systems with event-driven API orchestration and custom business logic.

CORE PROVIDERS

Core Providers in this year's Value Matrix include Maximizer Software and Pegasystems.

MAXIMIZER SOFTWARE

Maximizer Software provides integrated sales and customer services solutions built for the needs of small and mid-sized businesses. The vendor takes a verticalized approach to CRM, with preconfigured, industry-specific solutions for financial services, higher education, manufacturing, logistics, and government. Customer support continues to be a key focus for Maximizer, which offers a 360 Customer Touch feature that guides prospects through the selection and implementation processes. Customers Nucleus interviewed noted that the vendor offers broad, sophisticated functionality with low barriers to adoption for end-users. Maximizer's focus on providing core capabilities to SMB customers rank it as a Core Provider in this year's Value Matrix.

PEGASYSTEMS

Pegasystems provides a low-code CRM platform that focuses on automation of complex business processes across sales, marketing, and customer service. With Pega, users can leverage AI-powered tools and workflow automations to solve business challenges and streamline operations. With Pega's next best action designer, users can configure and control all decision making strategies to ensure tailored customer experiences and consistent messages in real time. Other notable capabilities provided by the Pega platform include BPM and case management, chatbots and virtual assistants, robotic process automation, workforce intelligence, and a low-code UX designer for custom development. Over the last year, Pega announced several expansions to its AI capabilities. These announcements were highlighted by an update to the Pega Infinity software suite in October of 2022 to help organizations deploy apps more efficiently, create smarter workflows, and deliver better experiences for both users and customers. In March of 2023, Pega announced plans to further extend the use of AI in its platform with a new set of generative AI models to help users complete tasks using natural langue prompts.