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How the effective use of web-based platforms and CRM systems can drive ROI in current challenging economic environments

 Zoho CRM for
Enterprise

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INTRODUCTION

Around the world, the current economic environment is posing significant challenges for businesses, compelling them to reassess their strategies and find new ways to provide ongoing support and reduce operating costs.

CRM tools bring together a suite of functions that provide greater visibility and streamlined processes, enabling cost-savings and delivering better outcomes for enterprises and their end users. However, against the backdrop of varied use cases, businesses face the challenge of sourcing suitable partners that can deliver the core functionality required of a modern CRM while adding value to keep them ahead of the competition.

Looking ahead, CRM platforms are becoming more intuitive and offering predictive analytics capabilities that enable personalized and targeted marketing campaigns. The future appears promising with the rapid growth and evolution of Artificial Intelligence, Machine Learning and data analytics that are revolutionizing the way companies interact with customers.

CRM

A decorative graphic in the bottom right corner featuring a blue grid background with various icons. A large, glowing blue circle contains the text 'CRM'. Other icons include a lightbulb, a checkmark, and a bar chart.



SURVEY OVERVIEW

To find out more, we surveyed C-level executives at large enterprises in the United States (US) about their technology purchasing habits by exploring what factors are driving investment and how organizations plan to prioritize and invest in web-based platforms and CRM systems.

Through this survey, our purpose was to discover:

- 🔗 The challenges organizations face with CRM systems and their general technology purchasing habits
- 🔗 How organizations prioritize and plan for future investment, adoption and value-adding considerations when selecting the correct CRM solution

KEY FINDINGS

- A total of 51% of respondents say their organization currently uses an on-premises CRM, while 49% use a cloud CRM system
- More than 69% of organizations currently experience challenges related to the performance and functionality of their CRM
- Cloud and on-premise (13%) and Total Cost of Ownership (13%) are the top two drivers that influence organizations to invest in a CRM
- Operating costs (47%) and personnel costs (34%) are the biggest determining components for organizations to purchase a CRM
- Nearly one-third (32%) of respondents reported their estimated monthly expenditure for their current CRM is US\$400–US\$1000
- Nearly one-third (32%) of respondents reported their estimated monthly expenditure for their current CRM is US\$400–US\$1000.
- A total of 41% of respondents conduct a dedicated functionality review each time a new CRM is adopted
- Only 11% of respondents cite that their organization is getting the ROI they expect
- When considering a CRM system, reduced cost of sales (16%) tops the list of the way organizations measure added value
- Nearly half of respondents (45%) are considering investment in a CRM solution within the next 6-12 months

PART 1 CHALLENGES WITH CRM SYSTEMS AND GENERAL TECHNOLOGY PURCHASING HABITS

CRM systems, like any other technology solutions, come with their own set of challenges, from integration to user adoption, data quality, cost and customization. In this section, we explore these challenges and how they shape an organization's choice and decision to invest in a CRM or web-based platform.

WHICH CRM SYSTEM ARE YOU CURRENTLY USING?



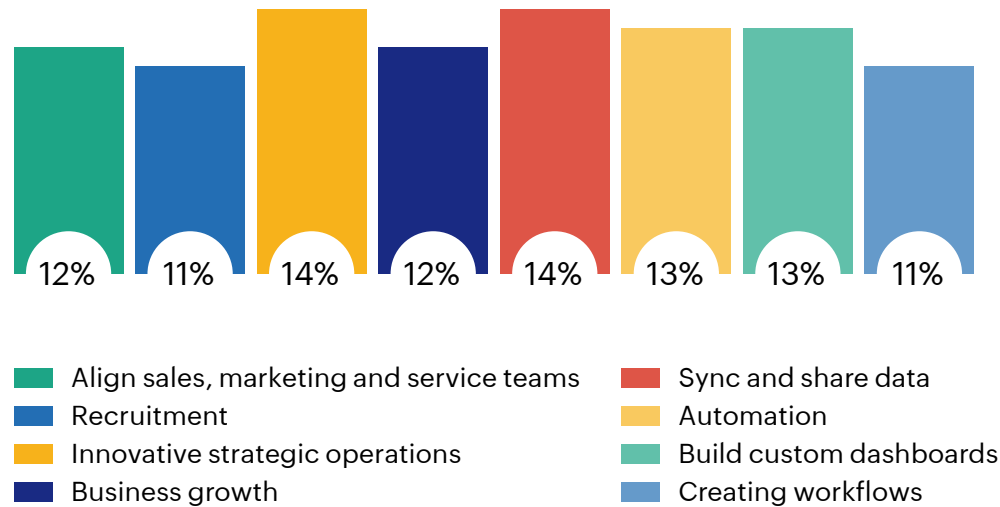
KEY TAKEAWAY

Over 51% of respondents reported using an on-premise CRM system, while 49% indicated using a cloud CRM system. This indicates that there is no clear preference among those surveyed and suggests that both deployment models are equally sought-after in the market.



PART 1 CHALLENGES WITH CRM SYSTEMS AND GENERAL TECHNOLOGY PURCHASING HABITS

WHAT ARE THE MOST COMMON USES OF CRM SYSTEMS IN YOUR ORGANIZATION? PLEASE SELECT TWO



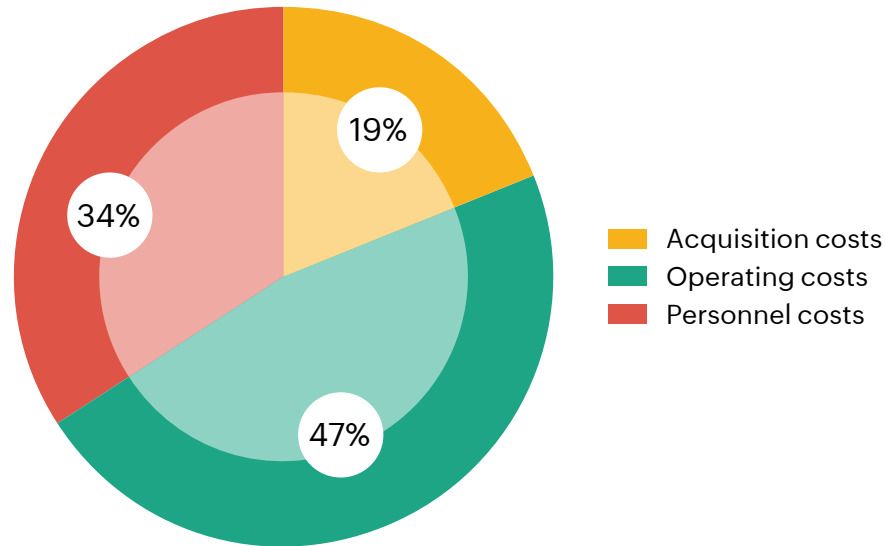
KEY TAKEAWAY

Innovative strategic operations (14%) and sync and share data (14%) are two common uses of CRM systems within an organization. However, the findings show a split among all available answers. This highlights the value that C-Level executives place on a CRM system providing broad functionality and versatility, against the backdrop of multiple competing business demands. A platform of choice needs to win on all fronts to meet the varied requirements.



PART 1 CHALLENGES WITH CRM SYSTEMS AND GENERAL TECHNOLOGY PURCHASING HABITS

WHEN CONSIDERING PURCHASING A CRM, WHICH COMPONENTS OF TOTAL COST OF OWNERSHIP ARE MOST IMPORTANT TO YOUR ENTERPRISE?



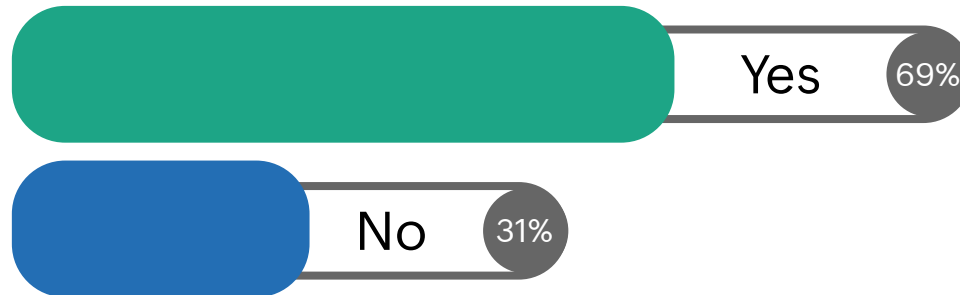
KEY TAKEAWAY

Most respondents consider operating costs (47%) as the most important component of the Total Cost of Ownership when considering a CRM. This is closely followed by personnel costs (34%) and acquisition costs (19%), highlighting that when organizations evaluate CRM solutions, they primarily focus on the long-term operational expenses associated with the system. Contrarily, the smaller vote on acquisition costs (19%) may be an indication that enterprises are willing to invest more upfront to secure a CRM solution that can deliver efficient and cost-effective operations in the long run. In addition, ongoing support requirements and ease of use should aid operating costs.

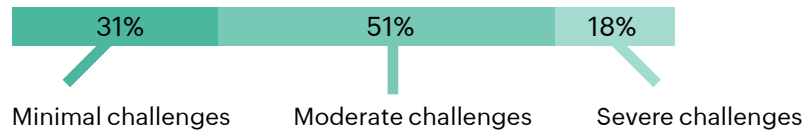


PART 1 CHALLENGES WITH CRM SYSTEMS AND GENERAL TECHNOLOGY PURCHASING HABITS

IS YOUR ORGANIZATION EXPERIENCING CHALLENGES RELATED TO THE PERFORMANCE AND FUNCTIONALITY OF YOUR CRM?



If YES answered, give further options:



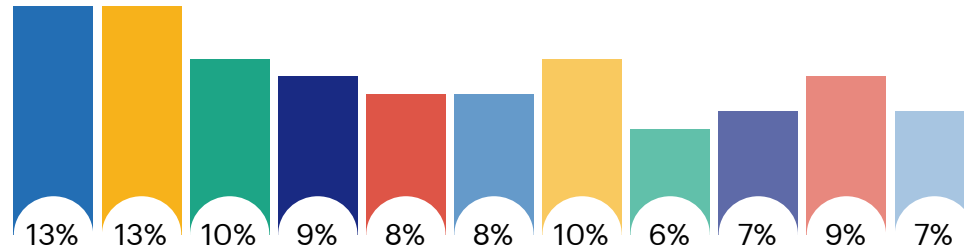
KEY TAKEAWAY

Most respondents (69%) stated that their organization is indeed facing challenges related to CRM functionality. Among those who answered yes, 31% reported minimal challenges, 51% reported moderate challenges and 18% reported severe challenges. Conversely, 31% of respondents said their organization is not experiencing such challenges. Overall, a significant majority of respondents stated their enterprises face performance and functionality challenges, indicating a struggle to optimize CRM systems to meet specific needs and requirements. The underlying revelation is the existence of a gap between the functionality offered by CRM solutions and the actual demands – which findings from this survey indicate are broad – of organizations. There is a need for further potential improvements in CRM technology to address these challenges effectively and account for the versatility required by modern businesses.



PART 1 CHALLENGES WITH CRM SYSTEMS AND GENERAL TECHNOLOGY PURCHASING HABITS

WHAT ARE THE KEY DRIVERS IN YOUR DECISION TO INVEST IN CRMS? PLEASE SELECT TWO



- Cloud and on-premise
- Total Cost of Ownership
- Augmentation of AI
- Improved marketing
- Increasing user adoption
- Ease of use
- Higher return on investment
- Business process Integration
- More detailed data and lead tracking
- Licensing cost
- Increased functionality

KEY TAKEAWAY

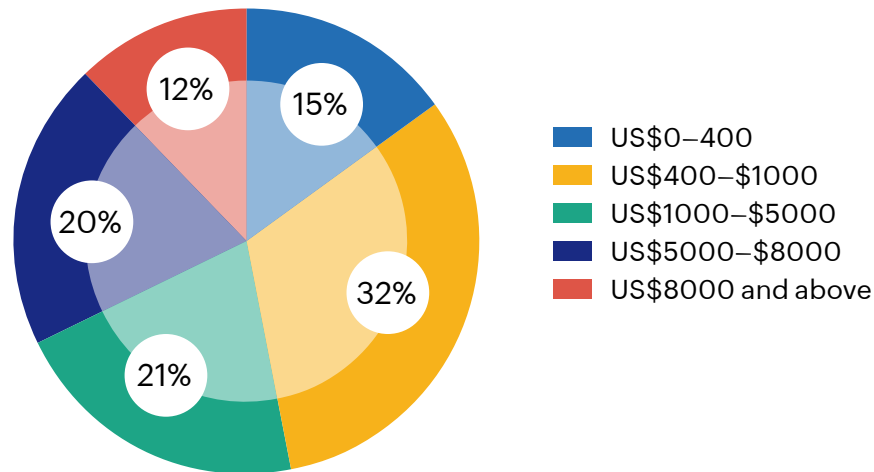
On key drivers influencing investment decisions in CRM systems, cloud and on-premise (13%) and Total Cost of Ownership (13%) top the list within most organizations. This suggests that organizations will often prioritize the flexibility and affordability of a CRM solution. Factors like technology infrastructure, cost and integration capabilities are key drivers for making CRM investment decisions.



PART 2 PRIORITIES AND PLANS FOR FUTURE INVESTMENT, ADOPTION AND VALUE ADDING

Investment, adoption and value-adding when selecting the correct CRM solution are critical as companies look to maximize their ROI. In this section, we look at the top considerations for organizations in the coming year and what their key priorities look like.

WHAT IS YOUR ESTIMATED MONTHLY EXPENDITURE FOR YOUR CURRENT CRM?



KEY TAKEAWAY

Nearly one-third (32%) of respondents reported their estimated monthly expenditure for their current CRM is US\$400 - US\$1000. This was followed by US\$1,000- US\$5,000 (21%) then US\$5,000-US\$8,000 (20%). This is a clear indication that budget spends have flexibility and scope to deliver ROI, although most of the allocation is at the lower end of the bracket. With fewer larger organizations (12%) spending US\$8,000 and above, it reaffirms the current economic climate where budgets have been constricted and the timely need for CRM solution providers to create functionality-added offerings which reduce operating costs.

PART 2 PRIORITIES AND PLANS FOR FUTURE INVESTMENT, ADOPTION AND VALUE ADDING

HOW IMPORTANT IS FUNCTIONALITY WHEN CONSIDERING A NEW CRM?



We don't consider it important



We may consider functionality, but view it as optional in most scenarios



We consider it important, but in most cases just trust our existing CRM without additional review



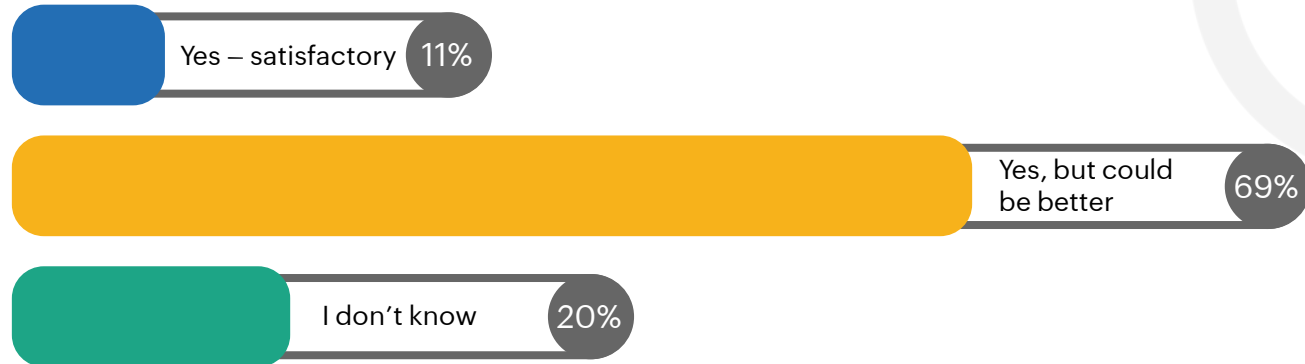
We always conduct a dedicated functionality review each time a new CRM is adopted

KEY TAKEAWAY

With 40% of respondents conducting a dedicated functionality review each time a new CRM is adopted, it is a strong indication that companies want reliability of core features. Nearly one-third of respondents (31%) consider functionality important when considering a new CRM, but in most cases just trust their existing CRM without additional review. CRM solution providers who can maximize functionality and dependability for organizations will be real winners here.

PART 2 PRIORITIES AND PLANS FOR FUTURE INVESTMENT, ADOPTION AND VALUE ADDING

IS YOUR ORGANIZATION GETTING THE ROI THEY EXPECT?



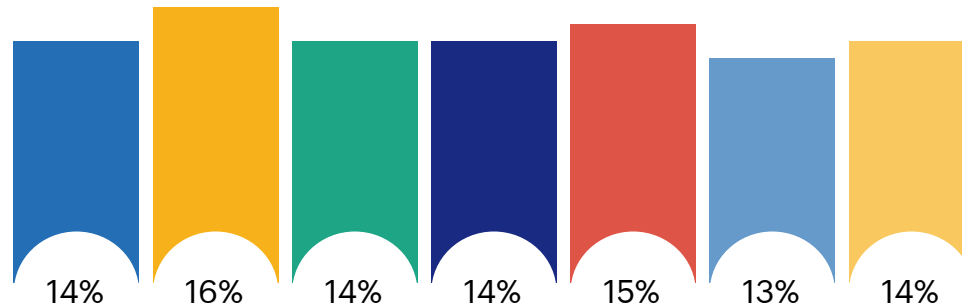
KEY TAKEAWAY

With only 11% of respondents citing that their organization is getting the ROI they expect, there is a huge opportunity for CRM providers to offer value-added solutions which increase lead conversion rates and decrease marketing costs. Almost two-thirds of respondents (69%) said that although they are getting the ROI they expect, it could be better. Providers should focus their efforts on offering functionality-led solutions which facilitates stronger acquisition, engagement and retention.



PART 2 PRIORITIES AND PLANS FOR FUTURE INVESTMENT, ADOPTION AND VALUE ADDING

HOW DOES YOUR ORGANIZATION MEASURE ADDED VALUE WHEN CONSIDERING A CRM SYSTEM? PLEASE SELECT TWO



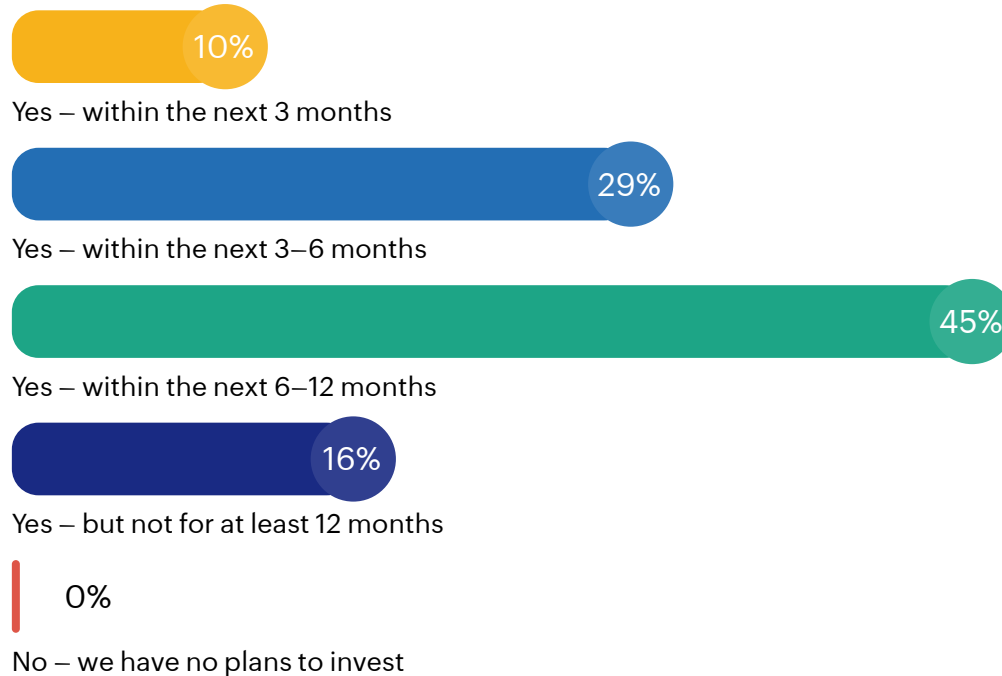
- Increased efficiency and employee productivity
- Reduced cost of sales
- Improved forecasting
- More detailed data and tracking
- Deeper customer engagement and retention
- Personalized marketing
- Greater team collaboration

KEY TAKEAWAY

When considering a CRM system, reduced cost of sales (16%) tops the list of the way organizations measure added value. This is closely followed by deeper customer engagement and retention (15%). However, the findings highlight that businesses measure added value in a variety of ways, with a similar number of votes given to each option available to respondents. In summary, organizations should consider multiple options for reducing costs and improving outcomes.

PART 2 PRIORITIES AND PLANS FOR FUTURE INVESTMENT, ADOPTION AND VALUE ADDING

IS YOUR ORGANIZATION CONSIDERING INVESTMENT IN A CRM SOLUTION?



KEY TAKEAWAY

All respondents said their organization was considering investment in a CRM solution within the next 12 months, highlighting the strategic importance of such tools for today's customer-focused businesses. Nearly half of respondents (45%) are considering investment in a CRM solution within the next 6-12 months. This will be a profitable step forward for organizations if they invest in CRM solution providers who can extract the maximum benefit from their CRM systems while respecting budget constraints.

CONCLUSION

With all respondents citing that they are considering investment in a CRM solution, there is no better time to invest in CRM partners that specialize in value-adding, optimizing functionality and delivering ROI. The consequences of not selecting a trusted CRM partner could result in missed opportunities, higher acquisition costs and loss of revenue.

Furthermore, as organizations are experiencing challenges related to the performance and functionality of their CRM, providers must be mindful to offer personalized solutions that are easy to use and rich in analytics. The fact that respondents consider operating costs the most important when purchasing a new CRM, and with budgets capped at mid-levels, providers need to create comfortable price points enabling enterprises to customize, upscale and deploy with ease. Businesses today are prioritizing customer experience but also watching the bottom line – good CRM solutions (and vendor partners) can help them achieve this.

The data obtained through this survey presents a recurring theme – responses were split, sometimes almost equally, across a range of options. It is clear that enterprises value CRM tools, with many looking to invest in the technology in the near future, but with a broad range of use cases there are numerous ways of measuring value which vary from business to business. CRM solution providers who can take a cost-conscious view of Total Cost of Ownership, improve user adoption and maximize functionality will lead the pack here.

BUSINESSES ARE SEEKING FLEXIBILITY AND STRONG CORE FUNCTIONALITY, WHILE ALSO RETHINKING THEIR SOFTWARE SPENDING. THE ERA OF SPENDING MORE FOR SOFTWARE THAT DOESN'T DELIVER REAL VALUE IS COMING TO AN END.



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