

# *The State of the US CRM Market 2019*

## AN SME PERSPECTIVE





We recently surveyed mid-sized organizations about their use of CRM platforms. This survey produced some interesting results, not only for those who have already begun their CRM journey but also for those who are yet to start.

It offers insight into what drives these mid-sized organizations to invest in CRM, what they look for in a platform, what benefits they have gained from their implementation and what they have learnt from the experience. In short, it's a look at the state of the market, but it's also a guide to getting it right from the people best placed to offer that advice.



This report explores the maturity of the CRM market in the US, with the majority of businesses already having a system in place, yet they would strongly consider switching to a lower cost option or one with greater ease of use. Evidently, organizations are also struggling to calculate the ROI of their investment – something which should be a wake-up call for all CRM providers.

*Dan Collins*

CEO,  
WORKBOOKS ONLINE INC.



## *Take-up rate* AND REASONS

The market adoption of CRM technology amongst mid-sized companies is high, with more than **96%** of respondents currently using a CRM, and those without a system planning to implement one in the next six months.

Nearly **40%** of respondents implemented their platform more than 5 years ago (**15.4%** 10 or more years ago, **23.1%** 6-10 years ago, **50%** 3-5 years ago, and **11.5%** within the last 2 years), suggesting that the value of using a CRM has been well recognized by firms for many years.

**48%** of respondents have already switched CRM platform, and did so largely because of cost or poor fit to business needs (**55%**) or due to the complexity of integration with other business applications (**36%**).

The key motivations for implementing a CRM platform were identified as improving productivity of customer facing staff, selling more to existing customers and attracting new customers.

CRM is a proven way to improve productivity; it is one of the first and clearest benefits firms gain. Where in the past customer-facing employees had to trawl through multiple spreadsheets or databases or even paper files to find a customer's details and history, with CRM they can simply pull it all up at the click of a button. This of course improves the customer experience.

A reduction in operational costs was also cited as an important motivating factor, and CRM certainly delivers that benefit by reducing waste, driving greater efficiency and increasing profitability.

## *Selection process* AND CRITERIA

Larger organizations tend to involve consultants in the selection of a CRM platform, however SMEs prefer to build requirements and choose a vendor themselves. Almost **80%** of our respondents made their decision without the services of a consultant.

**76%** of respondents were involved in defining requirements for their CRM system, confirming such decisions are made with input from various business functions including marketing, sales, finance, IT and top management.



Features and functions, contact management and integration with other business systems were the main considerations for respondents, more so than the cost of user licenses or support costs.

Interestingly, approximately **50%** of respondents said the reputation of the vendor influenced their decision. While reputation is important, organizations are wise to be cautious about it; a big reputation may be reflected in an equally large price tag, and choosing the right solution for your business is more important than simply picking the best-known vendor.

Artificial Intelligence functionality was mentioned by very few respondents. For now, perception seems to be that there is still a long way to go before CRM investment in AI bears fruit; it requires CRM implementation across an entire enterprise rather than in just one department and there has to be a corporate culture that understands that the days for data silos have passed. Organizations are clearly focused on getting those basics in place first.

Mid-sized businesses are clear about what they want from their CRM platform: it has to be easy to use. The days of inflexible, complex CRM platforms are long gone; today's CRM needs to be tailored to the organization and be as intuitive and simple to use as the consumer applications we use outside of work.

Integration with other apps is important. The ability to integrate with a marketing automation platform is a key priority. The benefits of the two combined are compelling and include better-qualified leads into the sales funnel, extended visibility in both directions, execution efficiency and far greater marketing and sales alignment.

Respondents cited quotes, order processing and finance as the second most critical integrations they were looking for.

## *Implementation*

The biggest obstacle encountered during implementation was user resistance to change, with **52%** of respondents citing it. One in three also highlighted a lack of guidance and support from their vendor.

Other concerns such as the availability of resources to get things done alongside the day job, or poor fit of the solution to business culture were mentioned but to a much smaller extent. Encouragingly, only **8%** cited a lack of buy-in from senior staff.



# Outcomes AND LEARNINGS

Respondents were confident that their current CRM platform was delivering value; when asked to rate their confidence level between one and ten, with ten being total confidence, **77%** rated seven or higher. This is a strong and positive indication of the perceived effectiveness of CRM.

However, only **15%** of respondents said they could calculate the return on investment (ROI) of their CRM initiative. Evidently, the value of CRM is clear to see but challenging to quantify.

Organizations would be wise to clearly define their outcomes at the beginning of their CRM journey so as to hold suppliers accountable and ensure their investment truly drives business success.

In terms of critical success factors, responses pointed to ease of use of the software, speed of implementation and adoption strategy to ensure people throughout the business use the tool to optimal effect.

On reflection, respondents cited that they would have taken more time to select their CRM system, found a less expensive solution, and ensured better remote access. They also said they wished they had spent longer planning around the people aspect of the implementation, including insisting on more training and support from the outset.

# Not if, BUT WHEN

For the few respondents that do not currently have a CRM platform (**3.7%**), all planned to implement one within the next six months.

Clearly the firms that have adopted CRM are reaping the benefits, and their peers who are yet to make the leap have noticed this and are making plans to follow suit. Indeed, for most it is not a matter of if but when.

