



NUCLEUS
RESEARCH

ANATOMY OF A DECISION

ZOHO CRM VS SALESFORCE

ANALYST

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THE BOTTOM LINE

Over the course of the last year, Nucleus independently assessed the experiences of Zoho CRM users to determine the factors that ultimately led to the selection of Zoho over other competitors in the CRM space. This assessment consisted of 27 SMB and enterprise users that opted for Zoho in lieu of Salesforce. These users cited Zoho's ease of use, strong out-of-box functionality, scalability, and ability to build custom applications with Zoho Creator as the primary components driving the selection. As compared to Salesforce, Zoho users reported shortened training times, accelerated implementation schedules, and an average ongoing cost that was 47 percent lower for comparable scopes of deployment.

OVERVIEW

While CRM technology has changed significantly over the last 20 years, one factor that has remained constant is the user's desire to customize and extend their platform with industry or use-case-specific applications. Today, customers typically have three options to create a tailored solution: custom application development, working with third-party partners, or working with a vendor that provides a wide variety of applications that encompass many desired use cases. Salesforce is regarded as the vendor that has traditionally led the space in its extensibility and innovation, providing strong options for each method of extending its base solution. However, for organizations with lean operations and limited access to IT personnel and dedicated administrators, building a highly customized Salesforce deployment can be an impractical undertaking. Additionally, one of the most common hurdles cited by Salesforce customers is the time and financial commitment required to scale the solution. Salesforce users routinely express frustrations about the need to pay for sought-after features locked away in higher-priced tiers.

Zoho CRM is a competitor that is well-suited for organizations seeking a solution that provides similar low and no-code extensibility that has been a longstanding value driver for Salesforce, but comes with comparatively stronger out-of-box functionality and lower ongoing costs.

Salesforce's subscription cost per user is 87% higher than Zoho for similar functionality delivered

WHY ZOHO

Over the last 12 months, Nucleus assessed the experience of 27 Zoho CRM customers and found customers typically choose Zoho over Salesforce for a number of the following reasons: overall ease of use, pre-configured functionality, the ability to build custom applications with Zoho Creator, and the scalability of the solution.

EASE OF USE

Based on customer testimonials, solution demos, and practical experiences with multiple CRM platforms, Zoho was recognized as having the highest levels of usability in the CRM Value Matrix for the last three years. When assessing the success of software implementations through an ROI-focused lens, usability and adoption are main value

drivers. With Zoho, customers routinely reference the intuitiveness of the applications, with one user mentioning that “after sitting through multiple demos, it was obvious that from a usability standpoint, Zoho was the clear choice.” Zoho users also noted efficient toggling between multiple custom homepage views, simplified yet powerful analytics tools, easily customizable dashboards, and seamless integration across multiple Zoho applications as key components that drove adoption. Nucleus found benefits tied to increased CRM adoption typically include improved reporting and forecasting accuracy, increased user productivity by at least 12 percent, shortened sales cycles by 10 to 30 percent, and an approximate 1.8 percent increase in revenue.

ZOHO CREATOR

Users in the CRM space have always sought solutions that closely align with their own industry-specific use cases, but the ability to deploy custom functionality is often limited by an organization’s technical prowess or budget constraints. Low and low-code application platforms offer an alternative to hiring or contracting developers, and allow users to implement custom functionality substantially

faster. Salesforce and Zoho both offer comparable low-code tools that enable non-technical users to easily build custom applications with Lightning and Creator respectively. Several Zoho customers interviewed noted that access to a low-code platform was a key component in vendor assessment, and the ability to leverage Creator in addition to the better alignment provided by Zoho is ultimately what drove their decision to opt for Zoho over Salesforce.

Nucleus found Zoho Creator cuts third-party app licensing fees by an average of 42 percent

PRECONFIGURED FUNCTIONALITY

Zoho’s breadth of functionality compared to its total ongoing cost was a commonly cited factor that influenced the project leader’s decision to select the vendor over other competitors, with one user saying, “I’ve used several different CRMs in my career, and you simply cannot match the value that Zoho provides out of the box.” This is key to organizations seeking a solution that requires minimal IT intervention, as it allows for accelerated deployments and faster time to value. Mid-market and enterprise users interviewed said that to achieve similar functionality with Salesforce, the per-user subscription cost would have increased by an average of 87 percent. Users reported that Zoho’s analytics and automation capabilities available in lower subscription tiers were more advanced, and marketing automation functionality was also more accessible.

SCALABILITY

A vendor's ability to manage its own growth strategy can be a strong indicator of how well it can support its customer's scalability. While Salesforce was initially built for larger enterprises, as it has worked its way down market, cracks have begun to show when smaller organizations attempt to scale their deployments. In addition, the budget required to scale a Salesforce solution isn't feasible for many organizations, as the ongoing cost of moving up in product tiers can be a significant jump. Zoho, comparatively, was designed with the SMB in mind but has expanded its enterprise product offerings in recent years. An organization's ability to pivot quickly is critical in today's business environment, and as organizations look to the future, carefully planning vendor partnerships to complement their growth strategy is critical. In addition, many customers referenced Zoho's support team as being an integral component of their ability to scale and pull additional value out of the platform. Zoho allows users to easily scale their deployments without the traditional administrative and operational costs typically associated with an enterprise deployment. Zoho CRM offers five pricing tiers, enabling a more cost-effective progression into extending functionality over time. In addition, the ability to seamlessly transition from Zoho CRM to Zoho One was another significant selection factor that drove smaller organizations' desire to partner with Zoho.

LOOKING AHEAD

Increased operational costs for organizations across all industries is creating a need for project leaders to reassess the value delivered by their investments in business technology. Informed by the testimonials of customers, Nucleus determined that compared to Salesforce, Zoho CRM is better suited to help organizations scale and presents a significantly lower ongoing solution cost. Looking ahead to the next 12 to 18 months, Nucleus expects Zoho's frequent and ongoing expansion of its product suite to be a critical component of its customer's ability to grow and to the vendor's continued momentum in the enterprise market.