

## Customers grade CRM vendors

By Jon Panker, SearchCRM.com News Editor

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New research released exclusively to SearchCRM.com shows users of midmarket CRM software are generally more satisfied than those working with enterprise-grade applications.

On a customer satisfaction scale of 1-100, mid-tier providers got an average rating of 70.04, compared to 61.73 for vendors catering to larger companies and 66.79 for makers of small-market software. Best Software Inc.'s SalesLogix applications posted the highest overall score (73.51) and biggest gains (+7.52) over a similar survey done two years ago.

Ratings by software	<p>The report's author, CRM consultant Dick Lee, credited midmarket players with offering CRM capabilities that measure up to companies' individual requirements. Enterprise vendors, he said, feature too many bells and whistles that complicate deployments.</p> <p>"In a sense, they've got so much technology that it's getting in the way," said Lee.</p> <p>Lee's HYM Press, St. Paul, Minn., collaborated with Mangen Research Associates Inc., Minneapolis, Minn., on the online survey of more than 1,000 CRM users and consultants. Researchers verified all respondents' e-mail addresses to prevent vendors from participating. The research was conducted this spring.</p> <p>Overall, the scores improved since 2001, Lee said. Enterprise market leader Siebel Systems Inc., however, dropped 1.59 points. Customers gave the San Mateo, Calif.-based vendor the highest possible scores for CRM functionality but graded it the lowest marks possible for customer focus, price and implementation difficulty.</p> <p>"You can never screen out emotion [in surveys]," Lee said. "There's a view that [Siebel's] customer satisfaction claims are incorrect and fudged. And the press has been on Siebel for corporate hubris, and that affects customer satisfaction ratings."</p> <p>The customer satisfaction index was based on a total of eight factors, including corporate stability, functionality, vertical expertise, support and price.</p>
<p><i>Here's a look at each software's customer satisfaction index score and a comparison to its 2001 score. (NA=The software was not included in the 2001 report.)</i></p>	
<b>Enterprise software:</b>	
PeopleSoft -- 65.60, +2.64	
SAP -- 62.2, +3.63	
Siebel -- 61.01, -1.59	
Oracle -- 60.26, +2.19	
Clarify -- 60.13, NA	
<b>Midmarket software:</b>	
SalesLogix -- 73.51, +7.52	
Onyx -- 68.13, +2.59	
Pivotal -- 67.25, +1.74	
<b>Small-market software:</b>	
Microsoft -- 72.31, NA	
Salesforce.com -- 71.71, NA	
ACT -- 63.83, NA	
GoldMine -- 63.28, +3.62	

Given the recent trend toward industry-specific functionality, the major enterprise vendors may be surprised to learn that vertical software had no impact on customer satisfaction. Lee said that customers clearly "don't want generic vertical solutions."

The research also flies in the face of some other widely held beliefs. For instance, it found small and midmarket businesses are not deploying CRM in droves, as many had anticipated.

It also revealed that hosted CRM hasn't caught on with larger companies, and is used more to help divisions and smaller companies get started with CRM. Lee said those results bode well for Siebel's newly unveiled plan to integrate hosted and on-premise CRM deployments.

On the small market front, the study found "a major changeover" underway in vendors. Hosted provider Salesforce.com and newcomer Microsoft outscored entrenched software like FrontRange Solutions Inc.'s GoldMine and Best Software's ACT in terms of functionality and overall satisfaction rates.

"This is the beginning of the end for the contact manager," Lee said. "It's being replaced by true CRM systems that are now affordable."

Vendors like ACCPAC International Inc. and NetSuite Inc. also scored well, though Lee said he didn't have enough data to include them in the final ratings report.