

**CONTACTS:**

Janessa Rivera  
 Gartner  
 + 1 408 468 8312  
[janessa.rivera@gartner.com](mailto:janessa.rivera@gartner.com)

Robert van der Meulen  
 Gartner  
 + 44 (0) 1784 267 738  
[rob.vandermeulen@gartner.com](mailto:rob.vandermeulen@gartner.com)

**Gartner Says Customer Relationship Management Software Market Grew 12.5 Per Cent in 2012**

***Analysts to Discuss the Future for CRM Mega Vendors at the Gartner Customer Strategies and Technologies Summit 2013, 5-6 June in London***

STAMFORD, Conn., April 29, 2013 — Salesforce.com passed SAP as the lead vendor in the worldwide customer relationship management (CRM) software market in 2012, according to Gartner, Inc. Total worldwide CRM software revenue totalled \$18 billion in 2012, up 12.5 per cent from \$16 billion in 2011.

"Competition among CRM software vendors really heated up in 2012, as major players continued to vie for broader market penetration internationally and more widespread adoption within midsize to large enterprises," said Joanne Correia, vice president at Gartner. "Market growth in 2012 was three times the average for all enterprise software, highlighting how CRM is at the eye of the Nexus of Forces storm."

Vendors benefited from strong demand for software as a service (SaaS), which represented nearly 40 per cent of CRM total software revenue in 2012, as organisations of all sizes sought easier-to-deploy alternatives to replace legacy systems, as net-new applications or to provide alternative complementary functionality.

The top five CRM vendors accounted for nearly 50 per cent of CRM software revenue in 2012. Salesforce.com replaced SAP as the largest vendor in the CRM market as its direct sales pushed its CRM revenue to more than \$2.5 billion (see Table 1). Second-place SAP's growth was less than one per cent in USD terms, largely because currency headwinds were stronger in 2012 and the euro was weak. While SAP was not the worldwide leader in CRM for 2012, it was still the largest vendor in terms of revenue in Western and Eastern Europe.

**Table 1**  
**CRM Software Spending by Vendor, Total Software Revenue Worldwide, 2012 (Millions of Dollars)**

Company	2012 Revenue	2012 Market Share (%)	2011 Revenue	2011-2012 Growth (%)
salesforce.com	2,525.6	14.0	2,004.6	26.0
SAP	2,327.1	12.9	2,325.1	0.1
Oracle	2,015.2	11.1	1,870.0	7.8
Microsoft	1,135.3	6.3	900.9	26.0
IBM	649.1	3.6	465.6	39.4
Others	9,437.7	52.1	8,513.7	10.7
<b>Total</b>	<b>18,090.0</b>	<b>100.0</b>	<b>16,079.9</b>	<b>12.5</b>

Source: Gartner (April 2013)

North America and Western Europe remained the largest regions for CRM, accounting for more than 80 per cent of total software revenue, but all regions saw growth. Western Europe's growth was less than one per cent, due in part to the strong dollar, which made overall comparisons with prior years difficult. Overall spending in the IT market in Western Europe has been muted because of economic reasons. Areas of growth continued to be in Eastern Europe, Eurasia, and the Middle East and Africa, which saw IT

spending for the modernisation of countries' infrastructure (utilities, telecommunications, banking and government).

In 2012, vendors continued to expand their offerings with new features and functionality, often through acquisition. The wave of consolidation activity that began flowing through the market in 2009 continued throughout 2012, with more than 50 acquisitions, resulting in increased competition at the top end of the market, with the real start of the global sales forces kicking in some sales. Marketing has been the focus for investment in the past couple of years, growing at more than four times the software industry forecast norm in 2012. Marketing was also the target area for acquisitions by IBM, Microsoft, Oracle and others as analytics, lead quality and multichannel support for social and mobile technologies continue to lead the list of requirements by line-of-business buyers.

"With corporate cash at all-time highs, many vendors are willing to pay high premiums to acquire specific technologies and expertise in an increasingly dynamic and competitive CRM market environment," said Ms Correia.

More detailed analysis is available in the report "Market Share Analysis: Customer Relationship Management Software, Worldwide, 2012." The report is available on Gartner's web site at <http://www.gartner.com/resId=2439515>.

CRM trends will also be discussed at the Gartner Customer Strategies & Technologies Summit 2013, on 5-6 June, in London. For more information on this Summit, please visit [www.europe.gartner.com/crm](http://www.europe.gartner.com/crm). Members of the press can register for the Summit by contacting Laurence Goasduff at [laurence.goasduff@gartner.com](mailto:laurence.goasduff@gartner.com).

Information from the Summit will be shared on Twitter at [http://twitter.com/Gartner\\_inc](http://twitter.com/Gartner_inc) using #GartnerCRM.

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