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## **Gartner Says Number of Mobile CRM Apps Downloadable on App Stores to Grow to Over 1,200 by 2014**

***Analysts to Discuss Future Trends in CRM at Gartner Customer Strategies & Technologies Summit 2013, 5-6 June in London, UK and the Gartner Customer 360 Summit 2013, 1-3 May in Orlando***

Egham, UK, 11 April, 2013 — Significant shifts will occur in the customer relationship management (CRM) market in the next two years. Gartner, Inc. predicts mobile CRM apps available for download on app stores will grow to over 1,200 by 2014 from over 200 in 2012. More than 50 per cent of total CRM software revenue for certain types of applications will be delivered as software as a service (SaaS) during 2016, and Gartner predicts salesforce.com will remain the largest CRM vendor by revenue in 2013.

"CRM continues to be high on the CIO's agenda," said Ed Thompson, vice president and distinguished analyst at Gartner. "According to Gartner's Executive Program survey of 2,053 CIOs in 2013, attracting and retaining new customers was ranked the No. 4 business priority for 2013. Customer experience management is emerging as a business discipline for marketing, sales and customer service leaders. Every day, these leaders are incorporating more new technology into their projects to achieve their organisational goals."

From a vendor perspective, salesforce.com surpassed SAP to become the No. 1 CRM vendor by revenue in 2012. Salesforce.com reached \$2.5 billion CRM revenue in 2012, a 26 per cent increase from 2011, while SAP grew 0.1 per cent year-on-year and totalled \$2.3 billion in CRM revenue.

"As salesforce.com has achieved this milestone it will gain more support from Tier 1 system integrators (such as Accenture, IBM, Deloitte and Capgemini), which already conduct 16 per cent of their CRM project work with salesforce.com. Additionally, salesforce.com will attract more interest from buyers in the many geographies where it does not hold the No. 1 spot," said Mr Thompson.

Gartner's latest predictions for the CRM market include:

### **By 2014, the Number of Mobile CRM Apps Available for Download from App Stores Will Have Grown by 500 Per Cent**

"Many organisations want to extend their customer service to the mobile platform market. However, the reality is that not all good applications make a good mobile application," said Johan Jacobs, research director at Gartner.

To develop a successful mobile application's strategy IT leaders need to consider four areas, which are *demand* — what customers want and what the business needs; *supply* — what staff and skills are needed to manage external partners; *control* — who owns and manages the strategy, and *risks* — what could derail the strategy and the other factors that will affect it.

CRM application vendors will be forced to decide which types of mobile CRM to support, as well as assessing their functionality as suitable to be broken up into bite-size chunks and adopted as apps. The shift to apps will create a competitive advantage for some CRM vendors, but, they will need to decide whether to provide apps free of charge, in paid versions or both.

In the short term, if there is a rapid rise in demand for CRM apps, there will be a shortage of development skills. "IT leaders should weigh the benefits of accessibility with usability — the choice will depend on corporate policies for smartphones and tablets. Besides, they should focus first on getting the performance right, as it's critical for users and ensure that the page design and the content does not get crowded with rich media that takes a long time to load," said Mr Jacobs.

### **During 2016, More Than 50 Per Cent of Total CRM Software Revenue Will Be Delivered as SaaS**

In 2012, almost 39 per cent of the CRM software market revenue was delivered by SaaS. Gartner forecasts the market to increase 42 per cent by the end of 2013. During 2016, more than 50 per cent of the CRM software revenue will be delivered by SaaS.

The worldwide CRM software market forecast, which includes both SaaS and on-premises, is on pace to grow 9.7 per cent in 2013, while SaaS-delivered CRM will increase almost 18 per cent during the same period.

Depending on the type of CRM application, there is a huge variance in the proportion that is delivered via SaaS. It varies from less than 5 per cent for some types of CRM application to over 98 per cent for others.

While the perceived benefits for CRM SaaS are well accepted by most organisations, SaaS is not suited to all aspects of CRM functionality. "Almost all large organisations will use a mix of SaaS and non-SaaS CRM applications for the next decade, which will require IT organisations to develop the skills needed to integrate SaaS and non-SaaS deployments," said Joanne Correia, research vice president at Gartner.

More detailed analysis is available in the report "Predicts 2013: CRM Goes More Cloud, Becomes an App, Has a New Leader and Changes Name" available on Gartner's web site at <http://www.gartner.com/resId=2264615>.

Gartner analysts will share additional information on CRM trends at the Gartner Customer Strategies & Technologies Summit 2013, on 5-6 June, in London. For more information on this Summit, please visit [europe.gartner.com/crm](http://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).

CRM trends will also be discussed at the Gartner Customer 360 Summit 2013 in Orlando being held 1-3 May at the Manchester Grand Hyatt in San Diego, CA. Additional information is available at [www.gartner.com/us/crm](http://www.gartner.com/us/crm). Members of the media can register by contacting Christy Pettey at [christy.pettey@gartner.com](mailto:christy.pettey@gartner.com).

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

### **About Gartner Customer Strategies & Technologies Summit 2013**

The ways in which customers want to engage with organisations are evolving. New channels, greater expectations and a shift in power are forcing organisations to rethink how they manage customer relationships. At the Summit, Gartner analysts will explore how social, mobile, data and cloud-related forces will reshape the way organisations manage customer relationships. They will also help delegates

plan for, build and improve the customer experience, with the goal of creating lifelong customer relationships.

**About Gartner**

Gartner, Inc. (NYSE: IT) is the world's leading information technology research and advisory company. Gartner delivers the technology-related insight necessary for its clients to make the right decisions, every day. From CIOs and senior IT leaders in corporations and government agencies, to business leaders in high-tech and telecom enterprises and professional services firms, to technology investors, Gartner is a valuable partner in 12,400 distinct organizations. Through the resources of Gartner Research, Gartner Executive Programs, Gartner Consulting and Gartner Events, Gartner works with every client to research, analyze and interpret the business of IT within the context of their individual role. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, USA, and has 5,300 associates, including 1,390 research analysts and consultants, and clients in 85 countries. For more information, visit [www.gartner.com](http://www.gartner.com).

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