

# Magic Quadrant for Sales Force Automation

Published 28 July 2020 - ID G00436195 - 53 min read

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The sales force automation market grew 11.1% to an estimated \$7.8 billion in 2019. Vendors improved usability, forecasting and guided selling. Our evaluation of 15 vendors will help application leaders choose the solution that best meets their sales execution requirements.

## Market Definition/Description

Gartner defines sales force automation (SFA) as systems that support the automation of sales activities, processes and administrative responsibilities for organizations' sales professionals. Gartner considers SFA to be foundational technology, implemented to automate an organization's core sales processes.

The core capabilities of SFA systems include:

- Lead, account, contact and opportunity management
- Sales activity management
- Guided selling
- Sales pipeline and forecast management
- Mobile applications
- Reporting
- Partner relationship management (PRM)
- Platform capabilities

Optional capabilities include:

- Sales content management
- Configure, price and quote (CPQ)

## Magic Quadrant

**Figure 1. Magic Quadrant for Sales Force Automation**



Source: Gartner (July 2020)

## Vendor Strengths and Cautions

### Creatio

Creatio, previously named bpm'online, maintains a position in the Leaders quadrant based on product capabilities. Its SFA product, Sales Creatio, is suitable for midsize and large enterprises with B2B, B2C and indirect sales use cases. Creatio has moved beyond its origins as a business process management (BPM) platform and evolved into a CRM application vendor. It has a wide range of other CRM capabilities, including digital commerce, customer service and marketing. Creatio added new advanced order management, forecasting, predictive quotas and partner market development fund capabilities, which is relevant to complex B2B sales processes. The vendor's roadmap is notable for its focus on chatbots, AI-based guided selling and automated sales routing.

### Strengths

- **Native CRM capabilities:** Creatio's SFA product is distinctive among those of Leaders for being built on the same architecture as its process modeling, marketing, digital commerce and customer service products. This is an advantage for sales organizations with complex B2C processes, as well as those looking for a single-source vendor for all CRM capabilities.
- **Advanced capabilities:** For companies seeking a CRM application development platform, Creatio offers strong application development capabilities that extend the basic SFA system. It also has advanced platform options, including a low-code custom application development platform and custom AI process modeling capabilities.
- **Industry-specific offerings:** Creatio has a significant number of native vertical sales products. It offers add-on solutions for the financial services, professional services, real estate, pharmaceutical and logistics sectors.

### Cautions

- **System integrators:** Creatio has fewer relationships with global system integrators than other Leaders in this Magic Quadrant. This is a consideration for companies with worldwide SFA implementations or that have significant process transformation requirements.
- **Geographic strategy:** Creatio continues to have a comparatively small presence in regions beyond its home geography of EMEA. Less than 20% of its customers are located in North America. Creatio claims a smaller percentage of customers in Asia/Pacific than it did a year ago.
- **Sales execution:** Reference customers for Creatio gave it relatively low scores for its ability to understand prospects' needs and pricing flexibility, compared with some of the Leaders.

### CRMNEXT

CRMNEXT has improved its position in the Challengers quadrant, based on improved customer experience scores and a product vision for advanced SFA capabilities. The CRMNEXT SFA product is aimed at midsize to very large enterprises in the financial services, insurance and life sciences sectors, and is most suitable for complex B2C sales relationship use cases. In the past year, CRMNEXT has expanded the product with new banking connectors for Symitar, Silver Lake and Horizon. It has also added AI-based guided selling for the retail banking, corporate banking, wealth management, life insurance and insurance sectors. The product is available in an on-premises and private cloud delivery model.

### Strengths

- **Customer journey simulation:** CRMNEXT features customer journey workflows, an AI-based cross-sell modeling capability, and an AI-based performance modeling capability for baselining sellers' selling ability. Unique for vendors in this Magic Quadrant, it provides a customer journey simulator for sales processes. This capability helps sales reps identify and repair "broken" customer journeys.

- **Usability:** CRMNEXT received praise from its reference customers for its product's excellent usability. They found it user-friendly and easy to navigate and indicated that little time was needed to onboard new users.
- **Product features:** CRMNEXT comes with process designers and playbooks for the creation and deployment of relationship programs across the customer life cycle in order to speed up the sales cycle. Its Trinity Cross-Sell Modeler particularly supports sales in relation to cross-selling and upselling opportunities.

### Cautions

- **Marketplace:** CRMNEXT does not provide a marketplace for independent software vendor (ISV)-developed products such as add-ons, extensions and smaller applications that supplement its core products. Customers have to use the capabilities provided by CRMNEXT and must approach the vendor directly about any missing components.
- **Customer support:** CRMNEXT operates out of – and provides customer support from – India, and reference customers reported delays in the provision of technical support.
- **Industry-specific focus:** CRMNEXT specializes in meeting the needs of the financial services and insurance sectors. Prospective customers not operating in either of these industries should check how well CRMNEXT's capabilities suit their requirements.

### Freshworks

Freshworks remains a Niche Player but has improved its position for Ability to Execute, based on better sales execution. Its SFA product, Freshsales, is aimed at midsize organizations with over 250 employees. Freshsales' core SFA capabilities include account and contact management, opportunity management, pipeline management, and reporting. Freshsales has deployments worldwide. It is hosted on Amazon Web Services (AWS) infrastructure. Organizations will find Freshsales suitable for basic to moderately complex sales processes. Notable improvements to Freshsales include an AI-based sales assistant, deal stage probability assignments, mobile app enhancements and further Microsoft Outlook synchronization improvements.

### Strengths

- **Sales execution:** Freshworks is among the fastest-growing vendors in this Magic Quadrant, with more than a 200% year-over-year increase in 2019 versus 2018.
- **Product platform:** Freshworks' reference customers praised it for offering a high degree of customization and integration capability for its modules and for improved customer service and support. Gartner notes that it has a significant number of native product extensions, such as a computer telephony integration (CTI) solution.
- **Implementation partners:** Freshworks has considerably increased its number of implementation partners globally, which shows its commitment to expanding and supporting complex CRM implementations.

## Cautions

- **Product strategy:** Compared with the Leaders in the Magic Quadrant that maintain third-party application marketplaces, Freshworks has one of the lowest numbers of sales-specific ISV applications. This is a consideration for companies that need options for extending and customizing their sales processes beyond the native capabilities offered in Freshsales.
- **Reporting:** Reference customers for Freshworks highlighted a lack of robust reporting capabilities. For example, they reported limitations in terms of configurability and functionality.
- **Vertical product strategy:** Freshworks' vertical product strategy is limited compared with the strategies of Leaders in this Magic Quadrant. It lacks product extensions for verticals with complex vertical sales processes, such as financial services, life sciences or consumer packaged goods (CPG).

## Insightly

Insightly is again a Niche Player. Insightly CRM is aimed at small and midsize B2B sales organizations, particularly those in the professional services and manufacturing sectors. It includes capabilities for sales, lead management, project management and custom process design in a single SaaS offering. The project management module directly integrates with opportunity records – a function relevant for businesses that convert closed deals into implementation projects. Insightly offers freemium and enterprise SFA products. In the past year, Insightly has added new capabilities for viewing lead and contact interactions in an activity feed, and new CPQ capabilities. Notable planned improvements include AI-based lead scoring and campaign attribution analysis.

## Strengths

- **Product offering:** Having native lead management, opportunity management and platform capabilities, Insightly CRM is well-aligned with the needs of small and midsize selling organizations. Additionally, reference customers for Insightly praised the number of integrations, available via webhooks, with third-party applications.
- **Product enhancements:** Insightly has improved its product in the past year, with functions that now compare well with those of other SFA vendors. For example, the product now features a lead engagement scoring function. Converted leads are automatically added to active customer journey process flows.
- **Ease of use:** Reference customers surveyed for this Magic Quadrant and Gartner Peer Insights reviewers have praised Insightly for its usability and the quality of its user interface (UI). They highlighted functions such as its activity feeds and its attractive, intuitive UI.

## Cautions

- **Customer support:** Reference customers gave Insightly comparatively low scores for customer support. They identified issues with getting help outside the Pacific U.S. hours kept by the

vendor's home office, and with getting timely responses to product issues.

- **Market understanding and strategy:** Compared with the Leaders in this Magic Quadrant, Insightly lacks the sales resources and system integrators to support complex, worldwide implementations.
- **Product capabilities:** Insightly's product lacks the advanced forecasting, platform and guided selling capabilities that are common to the offerings of Leaders in this Magic Quadrant. Its product lacks a forecasting module for manager reporting and projected revenue overrides. Basic forecasting needs can be met only using custom objects and reports.

## Microsoft

Microsoft remains a Leader, but its position for Ability to Execute has slipped slightly on the basis of reference customer scores for its reporting, mobile and forecasting capabilities. Microsoft Dynamics 365 Sales is relevant to midsize, large and very large enterprise clients. It is applicable to B2B and B2C use cases, and both short- and long-cycle sales processes. Microsoft has made notable enhancements and innovations in the past year. It has improved its forecasting and pipeline inspection functions with embedded predictive capabilities, customizable guided selling insight cards and a softphone dialer. The new forecasting capabilities address a previously notable gap in the product.

## Strengths

- **Product strategy and vision:** Microsoft's value proposition rests on a unified data model for all Dynamics products and Microsoft-related systems such as Office and LinkedIn. Notable for vendors in this market, Microsoft's product vision focuses on helping clients build data-driven, optimized sales process with tools that span Dynamics, Office, LinkedIn and Power BI.
- **Platform capabilities:** Surveyed reference customers and Gartner Peer Insights reviewers praised the advantages of Microsoft's platform for integration and rapid deployment. Gartner recognizes the quality of the platform for building custom sales processes and comprehensive customer data profiles with Power Apps, Power Automate, Power BI and Power Virtual Agents.
- **Sales execution:** Microsoft sells to IT and business decision makers through a "One Microsoft" strategy and a Microsoft Catalyst program for digital transformation planning. Reference customers and Gartner Peer Insights reviewers gave Microsoft strong scores and ratings for its ability to understand buyers' needs and respond to buyers' questions. Microsoft is also one of the most frequently shortlisted vendors in this assessment, judging from shortlists seen by Gartner.

## Cautions

- **Reporting:** Some reference customers stated that Microsoft's reporting features are too hard to use, require a lot of building and are too simplistic. This requires them to implement Power BI

at additional cost. Microsoft also received comparatively low scores for reporting and dashboard capabilities from reference customers.

- **Product functionality:** Reference customers gave Microsoft's application comparatively low scores for core and noncore SFA capabilities. This included scores for account and contact management, opportunity management, mobile functionality, CPQ and lead management.
- **Pricing:** Microsoft changed its SFA pricing model in October 2019, with no tiered discounting applicable. For midsize and large enterprise clients, this means a \$95 per user per month SKU or Microsoft Relationship Sales at \$130 per user per month. This increases the cost of ownership considerably for midsize and large multiuser deployments, relative to the legacy pricing model.

## Oracle

Oracle remains a Leader. It has a notably strong SFA product vision, but its position for Ability to Execute has dropped slightly, due to less-effective sales execution and reduced market share. Oracle CX Sales Cloud is part of the Oracle CX suite. It is a SaaS-based solution for B2B, B2C and indirect sales, with sales performance management (SPM) included, and several relevant add-ons like Subscriptions Management and CPQ. The product is relevant to midsize and large enterprises with large sales teams and complex sales processes. In the past year, Oracle has improved the product with new forecasting, PRM knowledge management functions, and AI-based guided selling capabilities. The vendor's roadmap is notable because it includes a redesigned UI, improved predictive forecasting and new digital commerce functions.

## Strengths

- **Product strategy:** Oracle has a notable product vision for automating sales processes to improve seller effectiveness. Oracle CX Sales Cloud has a wide range of native capabilities, and a wide range of complementary add-on products integrate with this SFA product.
- **Vertical solutions:** Compared with other vendors in this Magic Quadrant, Oracle offers a broader range of industry-specific solutions, and it continues to expand existing offerings. In the past year, the vendor has expanded specific products for the communications, high-tech software, automotive and CPG sectors.
- **Innovation:** Oracle's AI-based predictive forecasting product stands out. It uses ERP transactional data, linking booked orders, invoices and order line items with open deals in a seller's pipeline. Additionally, through integration with Oracle CX Marketing, cold deals can be immediately fed to the marketing tool for use by automated remarketing processes.

## Cautions

- **Customer service and support:** Gartner Peer Insights reviewers place Oracle below most of the other vendors that appear in this Magic Quadrant for the quality of its customer service and support.

- **Usability:** Gartner Peer Insights reviewers have described Oracle's UI as dated and, in some cases, have reported that it is difficult to perform administrative tasks such as configuration or territory management.
- **Professional services:** Reference customers' scores for the quality of Oracle's professional services were below those of most of the Leaders in this Magic Quadrant.

## Pega

Pega has slightly improved its position as a Visionary, based on product and service enhancements that enhance its Ability to Execute. The SFA product, Pega Sales Automation, is aimed at large enterprises operating in complex B2C and B2B2C environments in the insurance, healthcare, financial services and telecommunications industries. In the past year, Pega has introduced marketing development funds (MDF) tracking, skills-based lead routing and a contact hierarchy widget. It has also enhanced its email synchronization, intelligent virtual assistant for emails, enhanced its next best action recommendations, and improved its data import performance. The vendor's roadmap includes a workflow process designer for building custom workflows.

## Strengths

- **Mobile app:** Pega has rebuilt its mobile app, adding advanced functions such as swipe gestures, daily activity optimization and voice data entry.
- **Guided selling:** Pega has a strong vision for providing improved revenue performance, based on intelligent guided sales processes and personalized offers for contacts and leads. Pega offers a business process modeling toolkit and an AI platform for building custom predictive algorithms, which makes it an option for companies with complex customer engagement processes. Reference customers for Pega gave it very high scores, relative to other vendors in this Magic Quadrant, for predictive guided selling and predictive opportunity scoring.
- **Automation and AI:** Pega supports the routing of leads to qualified sales reps, based on skill set, workload and availability. It can run multiple distribution rules simultaneously. Pega's email bot analyzes email text in real time and suggests tasks and email responses for sales reps. Based on customer- and lead-scoring functionalities, it prioritizes the next best actions for every email. It offers sentiment insights for all emails, based on natural language processing (NLP) capabilities.

## Cautions

- **Marketing execution:** Pega has yet to establish itself in relation to B2B sales use cases and lacks a marketing strategy for reaching B2B sales leaders. It is not yet fully recognized as an SFA vendor by prospective customers outside its current core industries.
- **Customer service:** Reference customers scored Pega below other SFA vendors of comparable size for its customer service. Its scores for providing timely and complete responses to product



questions were also comparatively low.

- **Marketplace:** Although Pega has a marketplace, it offers very few ISV components. This is a consideration for companies looking for multiple third-party options for specialized sales functions.

## Pipeliner

Pipeliner is once again a Niche Player. It has improved in product vision and scope of capabilities in the past year, resulting in improved Completeness of Vision position. Pipeliner is most often used in North America and Europe. Its SFA product, Pipeliner CRM, is best suited to small and midsize B2B sales organizations and has also been implemented in large sales organizations. The product provides most of the vendor's core SFA capabilities. It features a well-developed mobile app and web browser UI. In the past year, Pipeliner has added new capabilities for integration with emails sent from clients, email personalization and a Microsoft Office 365 plug-in. It has also updated its mobile app with new AI capabilities. In late 1Q20, the vendor released a workflow process designer for building custom workflows.

## Strengths

- **Sales strategy for small businesses:** Pipeliner has a strong strategy for selling to small businesses. It has a dedicated inbound sales team and uses independent full-time and part-time sellers, although it can nevertheless support midsize and large enterprises. It maintains a sales thought leadership site, which is helpful for companies looking to quickly implement sales best practices using Pipeliner CRM.
- **Usability:** Reference customers scored Pipeliner CRM highly for ease of use in general and for its easy-to-use visual interface in particular. Administrators can build custom API connections to third-party apps using the vendor's Automation Hub integration platform as a service (iPaaS) capability.
- **Predictive lead scoring:** Reference customers surveyed for this Magic Quadrant and Gartner Peer Insights reviewers praised Pipeliner CRM's predictive lead-scoring capabilities. The product includes AI capabilities at no additional cost.

## Cautions

- **Product offering:** Pipeliner CRM lacks the depth of core capabilities offered by the Leaders in this Magic Quadrant, including forecast management, PRM, application customization options, and a mobile SDK. These are all considerations for companies seeking the full span of capabilities from their SFA provider.
- **Product strategy for enterprises:** Pipeliner does not currently have prebuilt vertical-product functionality. At the time of Gartner's evaluation, the product lacked a workflow process designer that would allow customers to build custom processes to meet specific process requirements. The vendor also lacks a mobile SDK for building custom mobile processes that

integrate with the SFA application. All items are considerations for companies looking to build custom process.

- **Support for complex implementations:** Pipeliner has a limited number of professional service resources and a comparatively modest number of implementation partners. It also has a comparatively modest investment in customer success employees. This is a consideration for companies seeking help with either sales transformation projects or with improving adoption.

## Salesforce

Salesforce is a Leader for the fourteenth consecutive year, reflecting its sustained strength in terms of product vision, marketing execution and revenue growth. Its SFA offering is Salesforce Sales Cloud. Salesforce has a wide range of native functionality for all SFA core capabilities, particularly guided selling, forecasting and PRM. In the past year, Salesforce has introduced unique forecasting capabilities, with forecasting by product families, product schedules and territories, as well as quarterly predictive forecasting via Sales Cloud Einstein. Salesforce has also improved its sales acceleration add-on with new customer engagement notifications and cadence functionality. It has repackaged Salesforce Sales Cloud, adding AI functionality to the base product, including Einstein Opportunity Scoring and Einstein Voice.

## Strengths

- **Market strategy:** Salesforce has a notably strong market strategy. It offers products for different customer segments, from small and midsize businesses (SMBs) to global enterprises. It develops marketing messages and content for all decision-making roles. It has one of the largest implementation partner ecosystems, supporting deployments in all geographies. Additionally, it has expanded its vertical offerings in the past year, adding new products for CPG and industrial manufacturers.
- **Market responsiveness:** Salesforce delivers a comparatively high number of product enhancements to Sales Cloud. Also, reference customers gave it much higher scores for its vision for improving sales execution than were received by other Leaders in this Magic Quadrant.
- **Capabilities for complex sales processes:** Salesforce received praise for its ability to meet complex sales process requirements. Reference customers surveyed for this Magic Quadrant, together with Gartner Peer Insights reviewers, highlighted its scalability and flexibility to meet the needs of different sales teams. In addition, Gartner observes that Salesforce has a wide range of options for building guided selling processes, including capabilities like Path and Lightning Flow.

## Cautions

- **Product strategy:** Several of the most advanced functionalities are available only via add-on purchases. Specifically, companies that want off-the-shelf functionality for lead qualification must purchase Salesforce's sales acceleration product, High Velocity Sales. Companies that

require pipeline inspection functionality or predictive forecasting must purchase Sales Cloud Einstein.

- **Pricing:** Reference customers surveyed for this Magic Quadrant and Gartner Peer Insights reviewers identified issues with the price of Salesforce Sales Cloud, with contract flexibility, and with the overall contracting experience.
- **Product adoption:** Reference customers and Gartner Peer Insights reviewers expressed concerns about the learning curve associated with the complexity of Salesforce Sales Cloud. Several Gartner clients have made similar observations, stating that they will not consider Salesforce because of the complexity of its software, relative to the complexity of their sales process requirements.

## SAP

SAP remains a Leader based on the relative strength of its Completeness of Vision. SAP lost SFA market share in 2019, which has slightly weakened its Ability to Execute position. SAP offers a full CRM suite with five core cloud products, one of which is SAP Sales Cloud CRM. The SFA product has three core categories, namely sales automation, CPQ and SPM. SAP offers specialized products for the retail, high-tech, manufacturing, professional services and wholesale sectors. It has strong capabilities for B2C and B2B sales. Some customers have implemented SAP's software to support an indirect sales model, but these capabilities are not sold as a packaged product; they are included in some of SAP's vertical offerings.

### Strengths

- **Deployment options:** SAP Sales Cloud is a native multitenant cloud application that runs on SAP infrastructure. SAP hosts the application primarily in SAP-owned data centers. Currently, it is offered from data centers in the U.S., Germany, The Netherlands, Australia, Singapore, India, Japan, China and Russia (a partner's data center).
- **Native functionalities:** SAP delivers all core and almost all near-core SFA functionalities natively and packaged into its SFA product. Customers seeking a complete set of SFA functionalities have no need to choose from different sources to complement the core set of sales technologies acquired through SAP.
- **Testing environments:** All of SAP's Sales Cloud CRM product editions are eligible for one test tenant and one productive tenant. If required, additional test tenants can be purchased. Furthermore, all editions include 24/7 customer support.

### Cautions

- **Product roadmap and marketing strategy:** Reference customers surveyed for this Magic Quadrant gave SAP comparatively low scores for its ability to communicate its product roadmap. Additionally, SAP has relatively positive product vision, but it has not significantly updated its marketing messaging, nor has it articulated a plan to sell outside its installed base.

- **Implementation experience:** SAP's customer experience was scored comparatively low by its Magic Quadrant reference customers. They expressed caution with the process of getting started and quality of technical support. They also rated the vendor comparatively low for the quality of help and training resources.
- **Integrations:** SAP received comparatively low scores from reference customers for its integration capabilities, particularly for integration with third-party tools. They reported that integrations with reporting tools and document management systems are difficult.

## SugarCRM

SugarCRM remains a Visionary, SugarCRM's SFA product is suitable for organizations of all sizes, but is focused on midsize and larger sales organizations with 200 to 5,000 employees. It is aimed at organizations that want a value-priced CRM platform with mature sales, service and marketing capabilities. In the past year, SugarCRM has expanded its CRM offering with a marketing automation solution called Sugar Market and rearchitected the product for record change auditability and time-based data modeling. AI-based predictive opportunity scoring is available via the add-on product, Sugar Discover. Recent enhancements include improvements to the opportunity modules, a new platform for workflow and BPM, and renewal management capabilities. The product roadmap includes chatbot functions and AI-based lead conversion functions.

## Strengths

- **Capabilities:** Reference customers gave SugarCRM's application comparatively high scores for its core SFA capabilities. These include the core account and contact management, opportunity management and mobile capabilities.
- **Customer experience and customer support:** SugarCRM received some of the highest scores from reference customers for customer experience and customer support. They especially praised it for its software's ease of setup and SugarCRM's personalized help with unique configuration needs.
- **Viability:** SugarCRM has one of the highest revenue retention rates of vendors in this Magic Quadrant.

## Cautions

- **Vertical products:** Unlike the Leaders and some of the Challengers in this Magic Quadrant, SugarCRM does not offer packaged vertical solutions for the CPG, life sciences, insurance or financial services sectors. This is a consideration for customers looking for solutions with embedded functionality that reflects industry best practices.
- **Artificial intelligence:** Compared with the Leaders in this Magic Quadrant, SugarCRM's advanced, AI-based sales technology capabilities are modest in scope. For example, it does not have AI-based prescriptive next best actions and predictive engagement analytics.

- **Usability and user interface:** Reference customers surveyed for this Magic Quadrant and Peer Insights reviewers have expressed concerns about the product's UI, primarily the difficulty of navigating certain features.

## Vtiger

Vtiger is again a Niche Player. The product is built on Vtiger's open-source platform and support core features such as account and opportunity management, as well as pipeline and forecast management. The product is deployed in the cloud, in either a private or shared environment via AWS hosting services. It is well-suited to SMBs and is most relevant to long-cycle B2B use cases. In the past year, Vtiger has introduced data enrichment with Google Chrome extensions to LinkedIn, Twitter and Facebook. It has also released AI-based predictive opportunity health scoring with a predictive win score and a new UI for end users. The product roadmap is notable because it includes mobile voice commands and natural language queries for data retrieval.

## Strengths

- **Product strategy:** Vtiger offers a one-product approach that includes sales, marketing, invoice and project capabilities, which are commonly requested by SMBs.
- **Usability and customization:** Reference customers surveyed for this Magic Quadrant and Gartner Peer Insights reviewers praised Vtiger's product for having a high degree of usability. They also noted that the product has strong customization capabilities, both for updating its core SFA capabilities and extending them with custom sales processes.
- **Sales execution:** In 2019, Vtiger achieved a comparatively high year-over-year rate of new customer acquisition and a longer-than-average contract duration term.

## Cautions

- **Product execution:** Reference customers surveyed for this Magic Quadrant gave Vtiger average scores for SFA capabilities, particularly for its reporting and mobile capabilities. They expressed concerns about slow system performance and bugs in the UI, mobile app and data export process.
- **Market strategy:** Vtiger lacks vertical-specific products and an app marketplace, which Leaders offer in support of a broader range of industries. Vtiger offers no differentiation between its midmarket and enterprise sales strategies, and most of its customers are SMBs.
- **Implementation strategy:** Vtiger expects clients to self-implement with the help of its self-service tools (such as videos) and an answer bot, along with a four-hour onboarding. It has comparatively few implementation partners but offers remote for-fee implementation services for complex deployments. All of these factors are considerations for companies with complex sales processes that need help understanding how to apply Vtiger's SFA product to their sales processes.

## Xiaoshouyi

Xiaoshouyi remains a Niche Player. It still sells to China-based companies only. The SFA product, Sales Cloud is suited to B2B and B2C sales processes. Xiaoshouyi has had continued success acquiring customers in the manufacturing, high-tech/software, CPG and professional services industries. It offers deployments with AWS, Tencent and a private cloud. It has core SFA functionalities such as lead, opportunity and account management, as well as some near-core capabilities such as PRM, CPQ and relationship intelligence. Xiaoshouyi has a strong mobile app for iOS and Android, and communication with WeChat and WeChat Enterprise is natively embedded. Over the past year, it has released NLP and word cloud generation for sales activities, while also introducing an inside sales console.

### Strengths

- **Sales execution and viability:** For the period ending in 2019, Xiaoshouyi achieved one of the highest year-over-year revenue growth rates of all vendors in this Magic Quadrant.
- **Product:** Reference customers' scores for PRM, CPQ, relationship intelligence and ease of use put it in the top tier of vendors. Gartner Peer Insights reviewers have given its product notably high marks for overall product capabilities.
- **Innovation:** Xiaoshouyi has delivered meaningful product innovations in the past year, including a B2B2C commerce platform. It supports rebates and promotions, CPQ product pricing rules, multicurrency opportunity revenue pipelines, and collection of payments from orders.

### Cautions

- **Geographic strategy:** Xiaoshouyi focuses on the China market solely, whereas Leaders in this Magic Quadrant have a broad global strategy for serving customers.
- **Application marketplace:** Compared with the leading vendors in the Magic Quadrant maintaining third-party application marketplaces, Xiaoshouyi has very few sales-specific sales applications. It has 40 sales-specific apps that are developed by ISV partners.
- **Administrative functions:** Some reference customers for Xiaoshouyi remarked on complexity within the administrative function, and specifically in relation to roles and permissions.

## Zendesk

Zendesk is again a Visionary. The Zendesk Sell product for SFA features capabilities that are acceptable for small and midsize sales organizations, especially in high-tech sectors. It features product catalog and price book functionality, both of which are important for complex, multiproduct B2B sales processes. In the past year, Zendesk has migrated parts of the SFA product to its core Zendesk platform, Sunshine. With that replatforming work now complete, Zendesk now also offers a new product, Zendesk Sales Suite. It combines the core Zendesk Sell product telephony integration, lead enrichment and prospecting, and chat functionality inherited from the Zendesk Support product. The vendor has also added new role and permission

functionality, and has started offering Zendesk Sell plug-in applications on the Zendesk application marketplace.

## Strengths

- **Market understanding:** Compared with other vendors in this Magic Quadrant that also focus on small and midsize selling organizations, Zendesk has a notable vision for improving sales execution. Its emphasis on digital process optimization functionality, such as sales acceleration, web chat and multichannel engagement, makes it relevant to B2B sellers that have high lead volumes.
- **Product capabilities:** Reference customers surveyed for this Magic Quadrant gave Zendesk comparatively high scores for basic SFA capabilities, such as opportunity management and mobile capabilities. The product conducts sentiment analysis on inbound emails from customers, a function that is not common in other SFA applications for the midsize B2B market. It also has a native prospecting tool.
- **Usability:** Surveyed reference customers surveyed and Gartner Peer Insights reviewers praised the usability of Zendesk Sell. In particular, they praised the attractive, easy-to-use web interface and the high-quality mobile app. Zendesk Sell automates some sales activity functions, such as automated call logging. These attributes are important for selling organizations looking for an SFA product that their sellers will readily adopt.

## Cautions

- **Product offering and innovation:** In the past year, as a result of its replatforming work, Zendesk has made a fairly modest number of product enhancements to Zendesk Sell. Compared with the Leaders in this Magic Quadrant, Zendesk offers few native and add-on capabilities. Zendesk Sell lacks a native PRM module, which is important for indirect sales use cases.
- **Artificial intelligence:** Zendesk's vision for AI capabilities is fairly modest. It has released few AI-based functions, such as predictive opportunity scoring and predictive sales forecasting, that are commonly offered by the Leaders.
- **Integration and platform capabilities:** Reference customers gave Zendesk comparatively low scores for integration and deployment capabilities. They mentioned issues with integration with back-office systems and bulk upload functions. Zendesk started offering custom application development capabilities in Zendesk Sell in January 2020.

## Zoho

Zoho remains a Challenger. Zoho offers a SaaS-only suite of CRM applications spanning sales, marketing, service, commerce and customer experience. Its SFA product, which is a component of the Zoho CRM product suite, features a full set of SFA capabilities, including lead management and guided selling. It is suitable for most sales organizations looking for a flexible sales platform that will enable them to customize it as their sales processes mature. Uniquely for vendors in this

Magic Quadrant, Zoho offers a freemium product for small sales organizations. In the past year, it has enhanced Zoho CRM with a new marketing automation hub, a microservices layer for building custom applications, and integration with virtual meeting applications. The roadmap includes functions platform improvements with augmented reality and prediction modeling.

### Strengths

- **Complex B2C sales processes:** The product features a mature, native AI platform for optimizing multistage sales processes. With a business process modeling toolkit, AI optimization, telephony capabilities and native functionality for multichannel B2C customer engagement, Zoho CRM is relevant to sales organizations with complex B2C sales cycles.
- **Sales strategy:** Uniquely for vendors in this market, Zoho does not impose long-term contracts on customers. Additionally, it offers refunds to customers dissatisfied with its service.
- **Usability:** Gartner Peer Insights reviewers have praised the product's ease of use, referring to functions like record searchability and an attractive UI. Reference customers surveyed for this Magic Quadrant gave Zoho notably high scores for usability and the quality of its system administrator functions.

### Cautions

- **Sales execution with large enterprises:** Compared with the Leaders in this Magic Quadrant, Zoho has comparatively few global, very large customers for its SFA offering. Additionally, it has comparatively few relationships with global system implementers.
- **SFA product enhancements:** Zoho released comparatively few SFA-specific enhancements in the past year, and comparatively few enhancements requested by customers. Instead, Zoho has emphasized platform improvements and capabilities that are applicable to the entire CRM suite.
- **Product functionality:** Reference customers for Zoho identified several functional gaps, such as the functionality of the mobile app, the record filtering and limited report/dashboard functionality.

### Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

#### Added

No new vendors were added.

- bpm'online is now Creatio.



## Dropped

- Copper: The vendor did not respond to Gartner's 2020 Magic Quadrant solicitations.
- PipelineDeals: The vendor declined to participate in the 2020 Magic Quadrant vendor evaluation process, and Gartner lacked sufficient publicly available information about the vendor to complete an analysis of the vendor.
- Pipedrive: The vendor declined to participate in the 2020 Magic Quadrant vendor evaluation process, and Gartner lacked sufficient publicly available information about the vendor to complete an analysis of the vendor.
- X2Engine: The vendor declined to participate in the 2020 Magic Quadrant vendor evaluation process, and Gartner lacked sufficient publicly available information about the vendor to complete an analysis of the vendor.

## Inclusion and Exclusion Criteria

To qualify for inclusion in the 2020 Sales Force Automation Magic Quadrant, vendors had to satisfy seven of the following eight criteria:

- Serve as a system of record for account & contact management *and* sales activity management *and* opportunity management.
- Serve as a system of record for pipeline management.
- Serve as a system of record for forecast management.
- Serve as a system of record for lead management capabilities, which include functions for lead nurturing, lead conversion tracking and lead attribution analysis.
- Provide guided selling capabilities in the form of formal sales playbooks and workflow-based recommendations that align with sales playbooks, and/or AI-based prescriptive next best actions.
- Provide a platform for extending sales processes with custom user interfaces, custom data objects, custom data fields and custom workflows.
- Provide open APIs that allow the solution to integrate with third-party applications.
- Provide application mobile capabilities, whereby sellers and their managers can manage their primary daily sales from either a natively provided mobile application or from a low-code mobile application development SDK.

If the vendors met this initial tier of criteria, they then had to satisfy both of the following criteria to qualify:

- Have customers with live SFA implementations in at least two of the three use cases for sales execution platform capabilities: B2B sales, B2C sales, and indirect/relationship sales.
- Made at least two major CRM SFA releases with significant functional improvements during the 12 months from 1 March 2019 to 28 February 2020. A new or acquired offering from an established vendor in this market is also considered, if Gartner established that offering was being sold to customers.

If vendors met this second tier of criteria, they then had to satisfy at least four of the following five criteria:

- Provide native partner relationship management (PRM) capabilities. To qualify for this criterion, vendors must offer a portal-user license type, offer portal management capabilities for partners to manage leads and opportunities assigned to them, and offer partner life cycle management capabilities. All three criteria must be satisfied to qualify for this category of evaluation.
- Have at least 50 customers with live SFA implementations as of 1 February 1 2020, spanning at least four industries, in accordance with industry definitions established by Gartner.
- Have an average of 25 SFA paid users (not partner users or freemium users) per customer (not org/instance) as of 1 February 2020.
- Revenue from SFA software of at least \$13 million during the calendar year 2019.

## Honorable Mentions

Several vendors in the SFA market provide relevant capabilities but did not meet the inclusion criteria for this Magic Quadrant. The following may be worth considering:

- HubSpot
- Nimble
- Pipedrive
- PipelineDeals
- Tour de Force
- Vymo
- X2Engine

## Evaluation Criteria

### Ability to Execute

Different sales organizations require different levels of depth and complexity in terms of capabilities. Vendors that support a wide range of complexity have greater market potential, and are rated accordingly. As this is a cross-industry Magic Quadrant, evaluation of a provider's offering is focused on the ability to serve several broad industry sectors, not to provide industry-specific solutions.

### **Product or Service**

This criterion looks at core goods and services that compete in and/or serve the defined market.

Vendors are evaluated on the quality of their native SFA capabilities, including both the core capabilities as well as SFA extensions. Vendors are also evaluated on technical considerations such as ease of use and administrative functions. Gartner assesses information provided from the Magic Quadrant reference survey, from the Critical Capabilities research and from observations collected from Gartner inquiries.

### **Overall Viability**

This is an assessment of the organization's overall financial health, as well as the financial and practical success of the business unit. We consider the likelihood of the organization continuing to offer and invest in the product, as well as the product position in the current portfolio.

Vendors will be rated on additional factors such as customer retention rate, and ability to generate revenue specifically in the SFA market.

### **Sales Execution/Pricing**

This includes an organization's capabilities in all presales activities and the structure that supports them. It considers deal management, pricing and negotiation, presales support and the overall effectiveness of the sales channel.

The vendor must provide global sales and distribution coverage that aligns with its marketing messages. It must have specific experience and success selling SFA applications to sales buying centers (i.e., the VP of sales or sales operations) and to application leaders.

Among the many factors in this category, Gartner evaluates the number of new customers acquired, growth in SFA revenue, average SFA deal size, average contract duration and customer retention. Gartner also evaluates clients' satisfaction with contacting and negotiation processes.

### **Market Responsiveness and Track Record**

This criterion considers a vendor's ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. We also consider the vendor's history of responsiveness to changing market demands.

Gartner evaluates the quality and depth of the vendor's releases, and the ability to release functions requested by clients.

## Marketing Execution

The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message in order to influence the market, promote the brand, increase awareness of products and establish a positive identification in the minds of customers. This "mind share" can be driven by a combination of publicity, promotional, thought leadership, social media, referrals and sales activities.

Gartner will measure the frequency and quality of the vendor's marketing techniques, including but not limited to its use of publicity promotions, and thought leadership in social channels or print publications. Gartner will also evaluate the vendor's presence on the shortlists of Gartner's clients and the scope of available third-party solutions.

## Customer Experience

This criterion considers products and services and/or programs that enable customers to achieve anticipated results with the products evaluated – specifically, quality supplier/buyer interactions, technical support or account support. This may also include ancillary tools, customer support programs, availability of user groups, SLAs, and so on.

Feedback from active customers on generally available releases during the past 12 to 18 months is an important consideration. Sources of feedback include vendor-supplied references, Gartner client inquiries and other customer-facing interactions, such as at Gartner conferences. Customer experiences are evaluated based on the vendor's ability to help customers achieve positive business value, as well as sustained user adoption, quality implementation and ongoing support.

## Operations

The ability of the organization to meet goals and commitments.

**Table 1: Ability to Execute Evaluation Criteria**

Evaluation Criteria ↓	Weighting ↓
Product or Service	High
Overall Viability	Medium
Sales Execution/Pricing	Medium
Market Responsiveness/Record	High

Evaluation Criteria ↓	Weighting ↓
Marketing Execution	Medium
Customer Experience	High
Operations	Medium

Source: Gartner (July 2020)

## Completeness of Vision

Gartner evaluates vendors on their ability to convincingly articulate logical statements. This includes current and future market direction, innovation, customer needs and competitive forces, as well as how well these statements map to Gartner's view of the market.

## Market Understanding

This includes the ability to understand customer needs and translate them into products and services.

Vendors that show a clear vision for their market listen, understand customer demands, and can shape or enhance market changes with this.

Vendors must define how their SFA solutions improve clients' sales process execution and support sales effectiveness objectives. Vendors must also define their competitive differentiators, value proposition and the outcomes achieved by their clients.

Vendors are also evaluated on their articulated and demonstrated ability to align with clients' customer experience, digital business and sales execution optimization objectives.

## Marketing Strategy

In this category we look for clear, differentiated messaging that is consistently communicated internally and externalized through social media, advertising, partner programs, system integrators, customer programs and positioning statements.

Vendors are evaluated on their segmentation strategy and how their solution appeals to selling organizations in multiple verticals, as well as prospects with 50 or more sales sellers.

If the vendor gets a significant percentage of revenue from recurring revenue-based products, it must also have a customer retention strategy.

## Sales Strategy

In this category we primarily look for a sound strategy for selling that uses the appropriate direct and indirect sales strategy, as well as partners that extend the scope and depth of market reach,

expertise, technologies, services and customer base.

Vendors are evaluated on their ability to sell to both business and IT stakeholders, as well as to the segments defined in the marketing strategy.

### **Offering (Product) Strategy**

This category includes the vendor's approach to product development and delivery that emphasizes market differentiation, functionality, methodology and features, as they map to current and future requirements.

Gartner assesses the vendor's product and packaging offerings.

The vendor should not only demonstrate a product vision that accounts for core SFA functionality (as defined by the market's core capabilities), but that also offers new application functionality across the breadth and depth of product capabilities. The latter consideration is critical for meeting the needs of a maturing market.

Subcapabilities include, but are not limited to, the vendor's vision for:

- Sales enablement capabilities, such as content management, sales training and coaching
- B2B and B2C digital commerce
- Sales effectiveness capabilities, such as CPQ or order management
- Integration with third-party sales applications

### **Business Model**

In this category we look for how the design, logic and execution of the organization's business proposition helps it achieve continued success.

Vendors need to have clear business plans for how they will be successful in the SFA market. These business plans should include appropriate levels of investment to achieve profitability and healthy revenue growth during a three- to five-year period. Sales channel and partnership strategies are important components.

### **Vertical/Industry Strategy**

In this category we look for how the vendor deploys products to meet the specific needs of individual market segments, including verticals.

Vendors will be evaluated on the scope of native-built applications that automate industry-specific sales processes in verticals such as financial services and life sciences. Vendors will also be evaluated on the scope of third-party partnerships with ISVs that offer industry-specific capabilities.

## Innovation

This concerns direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or preemptive purposes.

Vendors are evaluated on the quality of their enhancements and product releases.

Vendors must show continued investment in improving core SFA capabilities. They must also show growth in new areas such as improving sales execution, analytics, social collaboration and SaaS; or new devices such as tablets and smartphones; or new technology directions such as digital business.

## Geographic Strategy

We look at the vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries, as appropriate for that geography and market.

Vendors will be evaluated on the percentage of employees allocated to the regions, as well as the depth and scope of partners available in those regions.

**Table 2: Completeness of Vision Evaluation Criteria**

Evaluation Criteria ↓	Weighting ↓
Market Understanding	High
Marketing Strategy	Medium
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	Low
Vertical/Industry Strategy	Low
Innovation	High
Geographic Strategy	Medium

Source: Gartner (July 2020)

## Quadrant Descriptions

## Leaders

Leaders have the ability to execute their vision through products, services and demonstrably solid business results, in the form of revenue and earnings. Leaders have significant successful worldwide customer deployments in a wide variety of industries, and with multiple proof points for deployments above 500 users. They demonstrate consistently above-average customer experience levels, product execution scores and sales execution scores. They demonstrate product leadership, delivering new enhancements and innovations on a consistent schedule. They also provide thought leadership, showing customers and prospects how their SFA solutions improve sales execution and sales processes.

## Challengers

Challengers are often larger than most (but not all) Niche Players, and demonstrate a higher volume of new business for SFA. They have the size to compete worldwide, but in some cases may not be able to execute equally well in all geographies. They often return strong customer experience satisfaction scores. They understand the evolving needs of a sales organization, yet may not lead customers into new functional areas with a strong functional vision.

Challengers tend to have a good technology vision for architecture and other IT organizational considerations, but have not won over the top sales executives and/or application leaders in the IT organization.

## Visionaries

Visionaries are ahead of most potential competitors in delivering innovative products and/or delivery models. They anticipate emerging and changing sales needs and move the market into fresh areas with solutions that improve sales execution.

Visionaries have strong potential to influence the direction of the SFA market, but are limited in terms of execution and/or track record.

## Niche Players

Niche Players offer products for SFA functionality, but may lack some functional components. They may not show the ability to consistently handle deployments of more than 500 users across multiple geographies, or they may lack strong business execution in the SFA market. These vendors may offer complete portfolios for a specific industry, but face challenges in one or more areas necessary to support cross-industry requirements, such as complex forecasting and sales effectiveness. They may have an inconsistent implementation track record, or they may lack the ability to support the requirements of large enterprises.

Niche Players often offer the best solutions for the needs of particular sales organizations, considering the price/value ratio of their solutions.

## Context

Given that there are more than 75 SFA vendors worldwide, the vendors in this research are a small part of the overall SFA vendor market. There are hundreds more vendors that provide basic



contact management software, which is a subset of SFA. And there are many dozens of vendors that have built vertical-specific SFA solutions.

Because it is not possible to review every SFA provider, this Magic Quadrant reviews SFA solutions that are broadly applicable to many differently sized sales organizations and verticals.

This Magic Quadrant places particular emphasis on vendors' core SFA capabilities, as described in the Market Definition/Description section. However, for the purpose of building as complete a picture as possible, we also evaluate their noncore SFA capabilities, such as content management.

## Sales Organization Types

SFA means different things to different types of sales organizations:

- *Product-driven, transactional sales organizations*, such as those with short-cycle B2B sales, value basic lead and opportunity management capabilities to reduce sales cycles and improve sales management visibility.
- *Product and service organizations selling enterprisewide deals*, such as long-cycle B2B sales organizations, will value account management and forecasting capabilities. These organizations often also value lead management, CPQ and sales content management systems. They often tie together proposals, bids, configurations and quotes with authorizations and order-capture systems. Organizations operating in this space require granular forecasting and pipeline management features.
- *Organizations engaged in relationship selling* require SFA tools to manage their customer and prospect data, but they also require sales enablement tools for content distribution and sales activity capture.
- *Organizations that sell via indirect sales channels* require PRM capabilities.

## Sales Organization Sizing

In this Magic Quadrant, Gartner refers to sales organization customer sizes or vendor target segments. We define these segments as follows:

- *Small business* – fewer than 50 sales users
- *MSE or midsize business* – 50 to 500 sales users
- *Large business* – 500 to 1,000 sales users
- *Enterprise-size* – more than 1,000 sales users

## About Gartner Magic Quadrants

Magic Quadrants are snapshots in time. To be impartial and to complete our analysis, we stop our data collection efforts at a consistent time across the board. In this case, the cutoff date was 28 February 2020. Although this means that some products' capabilities may have changed since then, the same is true for all vendors evaluated.

## Critical Capabilities for B2B and B2C Sales Organization Use Cases

To help clients make the right choice of vendor and product, Gartner also publishes "Critical Capabilities for Sales Force Automation." In it, Gartner scores each vendors' core SFA capabilities against three common sales use cases:

- B2B sales
- B2C sales
- Indirect or relationship sales

## Market Overview

*In 2019, the sales technology sales force automation (SFA) market grew by an estimated 11.1% to \$7.8 billion, with almost all the growth relating to cloud-based offerings. The SFA market grew by a slower rate than the year previous, which was an estimated 12.8%. And the SFA market is growing at a slower pace than the overall sales technology market, which grew by an estimated 13.7% in 2018.*

*SFA is the largest component of the larger sales technology market. Gartner estimates that SFA technology comprises approximately 55% of the overall sales technology market.*

*Gartner maintains market projections. For forecast estimates of revenue trends in the larger CRM sales technology market for years 2020-2024, see ["Forecast: Enterprise Application Software, Worldwide, 2018-2024, 2Q20 Update."](#)*

## Top Implications for Application Leaders

In the past year, Gartner analysts have spoken with hundreds of application leaders about the SFA market. Two trends have emerged from these conversations:

### 1. Sales leaders increasingly want and need to build data-driven sales organizations

Even before the COVID-19 pandemic impacted worldwide business and commerce, sales leaders were increasingly asking their IT partners for help. They wanted tools that would help them collect and standardize better data about their sales execution. These requests were not about the technology per se, but rather related to the following business questions:

- How do we better sense demand?
- How do we get to know our customers better?
- How do we determine which sales actions are the most effective?

While none of these questions are novel, the frequency of these requests does indicate that many sales organizations are moving away from traditional selling methods. And the pandemic has made these questions all the more urgent. Selling organizations can no longer operate as they did previously.

A data-driven sales organization cannot be created overnight. Sellers need tools that capture all sales interactions, with fidelity and consistency. They need tools that discern buyers intent, as well as tools that measure the prospects' level of commitment to deals.

Managers need tools that deliver automated insights, particularly leading indicators that are built from the data collected by sellers, or gleaned from external data sources. And managers need tools with simplified forecasting capabilities, useful for assessing pipeline health and future revenue from closed deals.

## 2. Achieving value from the SFA investment is a necessity

Definitions of the term "value" vary, but to application leaders it means getting advanced capabilities at the lowest possible price. Application leaders seek advanced SFA capabilities at the lowest possible price even if it means swapping providers or moving to alternative options like low-code platforms.

Gartner believes that this is a significant trend because it fits with the natural life cycle of enterprise technology. Mature technologies are commodities, and SFA technology is rapidly approaching commodity status. Multiple vendors have mature offerings, and even the smallest SFA vendors have strong capabilities that instill sales discipline and better pipeline management.

If these commodity capabilities come with premium prices, as is the case with the largest technology providers, then the movement toward finding value will continue for the next several years.

## Functionality Trends

As has been the case in the last two years, the top market trend is the expansion AI capabilities in SFA product suites. The majority of vendors in this Magic Quadrant now offer predictive analytics for at least one of the following use cases: opportunity scoring, lead scoring, account health scoring or natural language processing (NLP).

Prescriptive next best actions — an aspect of B2B guided selling capabilities — is still not a mature offering. Some SFA vendors offer it as an aspect of their AI platform combined with custom sales process modeling. But this capability is a long way from turnkey dynamic, AI-based next best action functionality.

A handful of vendors have started offering advanced customer engagement functionality, such as multichannel chatbots, robotic process automation (RPA) or conversational intelligence.

Looking at vendors' roadmaps, Gartner expects that vendors will move into data-driven sales coaching functions. This will allow sales managers to more quickly identify which sellers are

executing the expected sales processes. Gartner also expects that chatbots will become a valuable UI for end users. This will reduce the amount of manual data entry expected of sellers.

## Customer Insights

As part of the Magic Quadrant analysis process, Gartner collected survey input from over 100 vendor reference customers who use the SFA solutions reviewed in this Magic Quadrant. Based on the following questions posed, insights we gained from this survey include the following:

- “Why did you purchase the software or service?” (multiple responses allowed). The top three reasons selected were:
  - “Improve business process outcomes” (75%)
  - “Drive revenue growth” (69%)
  - “Improve business process agility” (69%)
- “What were the key factors that drove your decision to choose this vendor?” (multiple responses allowed). The top three reasons selected were:
  - “Product functionality and performance” (64%)
  - “Competitive costs” (62%)
  - “Strong customer focus” (52%)
- “To what degree is the SFA product in your organization being adopted?” (single response allowed):
  - Growing (44%): The SFA system is used regularly and most sales teams report that the tools drive better sales execution. If the SFA system were taken away, the sales organization would not be able to operate.
  - Optimized (29%): The processes in the SFA system directly correlate with revenue growth and customer retention. The data collected in the SFA system drives other corporate objectives like revenue management, customer experience monitoring or strategic business planning.
  - Average (19%): The SFA system is used regularly. Selected sales teams report that the system drives better sales execution. The SFA is critical to some sales processes.
  - Declining (4%): The SFA system is used regularly but does not drive better sales execution.
  - Low (5%): The SFA system is not used regularly and does not drive better sales execution.

- The top four capabilities that survey respondents plan to deploy in the next year (multiple responses allowed):
  - Advanced analytics/business intelligence platform (25%)
  - Chatbots (22%)
  - Configure, price and quote 21%
  - Predictive opportunity scoring (19%)

Gartner notes that B2B companies have increased their interest in B2B digital commerce for seller-side transactions. In the 2020 Magic Quadrant survey, 16% of respondents stated that they would deploy B2B digital commerce in the next 12 months.

Because the sample size and attributes of the respondents in the Magic Quadrant survey are not representative of the entire sales technology market, these results cannot be used to describe the current state of the market. However, they are helpful for directional guidance if you need data points to validate your technology selection and roadmap decisions.

## SFA Technology and the COVID-19 Pandemic

Gartner found that the COVID-19 outbreak caught many of its clients flat-footed. Selling organizations that rely heavily on human-to-human interactions were the most unprepared, and the disruption left them feeling uncertain about the impact on their sales processes and revenue.

This impact has had a knock-on effect on SFA technology. If selling organizations were not using their SFA systems in a consistent, disciplined manner before the pandemic, then they probably lack the discipline to optimize their odds of success on current deals.

SFA applications, being a foundational technology in any sales technology stack, have an important role to play both now and in the recovery period. SFA systems should be used to engender, cultivate and enforce consistent sales execution. To that end, Gartner recommends that all selling organizations examine their SFA implementations in 2020, looking for ways to make the tools more likely to support consistent sales execution.

They should also look for new ways to automate how interactions and buying signals are collected. Gartner believes that digital sales rooms, as described in [“Virtual Selling Emerges as a Priority for CRM Sales Technology Programs,”](#) will become an essential component of remote selling.

Other relevant technologies include conversational engagement analytics for sales, sales training and coaching tools, sales bots, and sales acceleration. Gartner defines these capabilities in [“Hype Cycle CRM Sales Technology, 2020.”](#)

Gartner also expects that sales organizations will increasingly turn to augmented reality (AR) and virtual reality (VR). AR/VR will replace the on-site selling and physical product demonstrations

that sellers and engineers perform. Gartner notes, however, that no SFA vendor offers native AR/VR capabilities for sales processes at this time.

Gartner notes that the SFA vendors need to adjust their product focus to account for the new ways that sellers have to engage with buyers. For over 20 years, SFA tools served as essentially static repositories of sales execution data. Sellers met with buyers, recorded the details of the meetings in the SFA system, and updated their open deals and pipelines accordingly. Vendors that continue to follow this paradigm, and by extension, only update their products with AI-based predictive and prescriptive functions that process the data entered by sellers, will increasingly lose relevance in the postpandemic world.

To substantiate this statement, we fielded several inquiries in late Q1 and early 2Q20 from application leaders about how to sell remotely. Some organizations, such as B2C insurance sales or B2C home improvement services, have no experience selling via telephone and virtual meetings. This is particularly acute for B2C direct sales that include physical products like kitchen upgrades. It is also acute for selling financial products, where the seller needs to read prospects' nonverbal, emotional indicators to ensure that they are addressing spoken and unspoken needs.

Gartner expects that SFA vendors need to update their product roadmaps to account for virtual selling. They need to account for conversational analytics, engagement analytics, digital commerce, visual configuration tools, and AR/VR to ensure that their products are relevant in the future.

Lastly, the pandemic has caused Gartner clients to question the financial viability of all software vendors. As part of the Magic Quadrant process, Gartner assesses vendor viability to the extent that we can. If you have questions about the viability of any vendor in this analysis, please contact Gartner.

## Evaluation Criteria Definitions

### Ability to Execute

**Product/Service:** Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

**Overall Viability:** Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

**Sales Execution/Pricing:** The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

**Market Responsiveness/Record:** Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

**Marketing Execution:** The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

**Customer Experience:** Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

**Operations:** The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

## Completeness of Vision

**Market Understanding:** Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

**Marketing Strategy:** A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

**Sales Strategy:** The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

**Offering (Product) Strategy:** The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

**Business Model:** The soundness and logic of the vendor's underlying business proposition.

**Vertical/Industry Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

**Innovation:** Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

**Geographic Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

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