

The State Of CRM

How Organizations Are Meeting The Future
Of Work With The Next Generation Of CRM



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Executive Summary

The business impact of good customer experience (CX) has been proven repeatedly: For every 1-point gain in Forrester's 100-point CX Index, businesses experience 1.3% higher retention, 1% higher enrichment, and 1.3% higher advocacy.¹ In turn, a comprehensive approach to customer relationship management (CRM) is a critical driver of good CX to ensure that organizations provide consistent experiences across touchpoints and appear as one unified front to their customers.

Research shows that when all teams across an organization use a shared CRM system, they are 14% more likely to provide exceptional CX to their customers. Modern, flexible CRM systems also allow for employees to navigate the future of work, where they may be working with colleagues scattered across homes and offices, which builds resiliency into the business.

In May 2021, Salesforce commissioned Forrester Consulting to evaluate the current and future state of CRM system adoption, uses, and experience. Forrester conducted two global studies to explore this topic: one focused on 795 executives and one focused on 1,476 employees. The executive survey is a trend survey, originally fielded in 2019. We found that although CRM systems are vitally important to nearly all organizations, the companies that prioritize better training, artificial intelligence (AI)-powered automation, and consistent usage across teams and customer touchpoints are maximizing the power of CRM systems for enhanced market differentiation and business resiliency. To meet the future of work and ever-evolving customer expectations, these companies are tapping into a new generation of CRM use and strategy that connects data across all departments to automate processes, drive personalization, and support anytime, anywhere productivity.

Key Findings →



Key Findings

Broad CRM system adoption is critical for business resiliency.

Fifty-seven percent of executives report struggling to maintain good CX with the shift to remote work because their CRM systems were not well-integrated and accessible. Companies that do not have unified and widely used CRM tools will be unable to weather future uncertainty and maintain good CX.

Embedding shared CRM systems into all teams improves data quality and accessibility, helps employees create more value, and creates better CX.

When all teams across an organization use a shared CRM, they are 14% more likely to provide exceptional CX to their customers. Sixty-two percent of employees noted it would help them create more value for their organizations. By embedding CRM systems across all departments and processes, teams have actionable data upon which to build memorable CX.

Executives and employees value a single source of truth about their customers but don't have this today. Only 32% of executives and 27% of employees believe their CRM system provides a complete, single view of customer information, but 90% of executives and a whopping 94% of employees find value in having this single source of truth.

AI-powered automation is the leading CRM system use case planned for the next two years. CRM systems must be more than just repositories for customer account information and power a more productive, proactive workforce. By 2023, 79% of organizations will be using AI-powered automation to enable customer/prospect automation, and 78% will be using AI-powered automation to relieve employees of day-to-day processes.

Create Business Resiliency Through CRM Systems

CRM systems are the foundation for business resiliency in this ever-changing world. When well-integrated, accessible CRM systems are the central tool in an employee's toolkit, they are better able to navigate a remote or flexible workplace while continuing to create great CX for customers. With enhanced workforce resiliency, executives can more easily adapt go-to-market strategies to pivot during times of change or uncertainty. However, the reality is that many organizations today are struggling on this front.

- **The future of work means higher customer expectations, more channels.** The COVID-19 pandemic may be receding in many parts of the world, but its impact on customers, employees, and executives alike will be felt for years to come. In fact, nearly a third of executives indicated that COVID-19 has required them to adapt their go-to-market strategy as customers become more digitally savvy. This is further underscored by the fact that the majority of executives noted that customers are using more channels than before throughout their purchase journey. Executives want to be seen as leading brands with exceptional customer experiences. These changes require a unified CX strategy across an organization and unified CRM systems to execute that strategy.
- **More than half of executives struggled to maintain good CX during the shift to remote work.** A resounding 57% of executives noted that they were unable to maintain their customer engagement levels during the shift to remote work because their CRM systems were not well-integrated and accessible (see Figure 1). This means that 57% of organizations are struggling to maintain good CX, and therefore, maintain their business growth as businesses continue to employ flexible workplace policies.



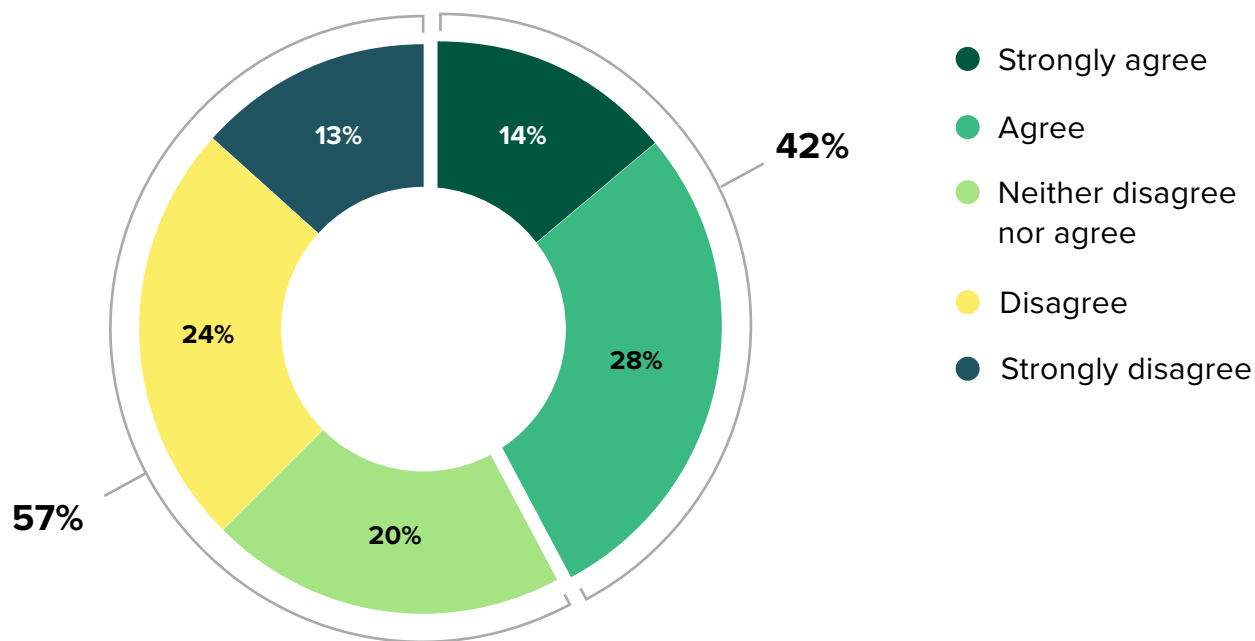
57%

Of executives were unable to maintain their customer engagement levels during the shift to remote work because their CRM systems were not well-integrated and accessible.

Figure 1

“Please indicate your level of agreement with the following statement:”

We were easily able to shift to working remotely (i.e., WFH) and maintain our customer engagement levels when the pandemic began because our CRM system(s) was/were well-integrated and accessible.



Base: 795 global director-level and above IT and LOB decision-makers with responsibility for technology investments at their organizations

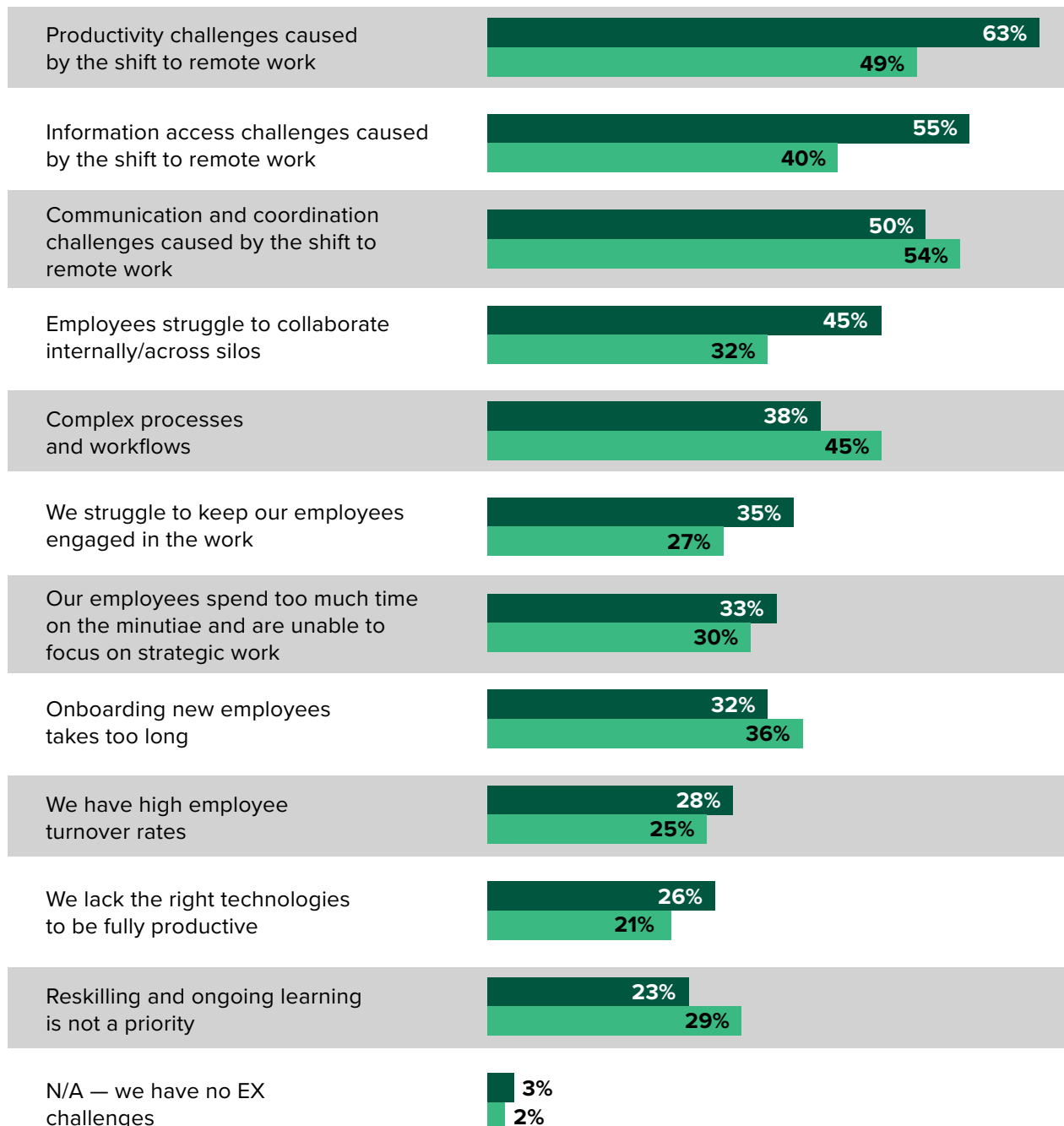
Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, May 2021

- **Shift to remote work has created productivity, access, and communication challenges.** Executives and employees alike noted that their top employee experience (EX) challenges are productivity, information access, and communication and coordination issues caused by the shift to remote work (see Figure 2). Additionally, nearly half of all employees noted that their processes and workflows are too complex, causing productivity challenges. With a cohesive CRM system built to support the full customer lifecycle, business resiliency will be baked into the employee experience. This means that regardless of where employees are working, they'll be able to create exceptional CX for your customers.

Figure 2

“What are your organizations’ biggest employee experience (EX) challenges?”

● Executives ● Employees



Executives base: 795 global director-level and above IT and LOB decision-makers with responsibility for technology investments at their organizations

Employees base: 1,476 full-time employees at global companies that work with CRM systems daily

Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, May 2021

Embed Shared CRM Systems Into All Departments, Teams, And Processes

Compared to two years ago, CRM system usage remains largely the same: In 2019, the top two use cases for CRM systems were: 1) marketing and engaging with their customers directly and 2) collecting basic account and contact information — the bread and butter of CRM systems. In 2021, the top two use cases were collecting basic account information and using a digital-first approach for sales, service, and marketing. In essence, the needle hasn't moved dramatically since 2019: Most organizations are still using CRM systems for fundamental processes, rather than embedding their CRM system throughout the customer lifecycle to make it a critical component of all teams' processes. When shared CRM systems are used across all teams in an organization, they are 14% more likely to provide exceptional CX (scoring 8 or higher on a 10-point scale) than organizations where only some teams use CRM systems (see Figure 3).

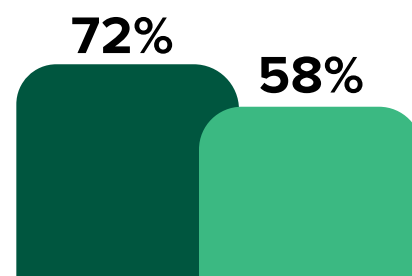
- **Today, CRM system usage is still largely scattered.** During the early stages of the customer lifecycle — discover, explore, and buy — CRM systems are used by many teams. However, when it comes to later stages — use, ask, and engage — CRM system usage drops off precipitously (see Figure 4). In fact, fewer than half of all executives noted that their CRM system is able to completely support the customer lifecycle, from discovery to engagement and retention. And only 35% of employees noted the same. The fragmentation of CRM system usage has made it exceptionally difficult for executives and employees alike to see their CRM system supporting the entire customer lifecycle, which in turn makes it difficult to

Figure 3

“On a scale from 1 to 10, how would you rate the overall experience your company provides to its customers?”

(8 or higher)

● All teams use CRM ● Some teams use CRM



Base: 790 global director-level and above LOB and IT decision-makers with responsibility for technology investments at their organization

Note: Teams surveyed were finance, IT, marketing, sales, commerce, and customer service/support teams. All teams means each team used CRM during the customer lifecycle. Some teams means just some teams used CRM during the customer lifecycle.

Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, May 2021

Figure 4

“During which stage of the customer lifecycle do the following departments use your CRM system(s)?”

	Discover	Explore	Buy	Use	Ask	Engage
Finance teams	40%	51%	47%	34%	21%	25%
IT teams	46%	54%	29%	48%	18%	27%
Marketing teams	37%	34%	20%	47%	25%	41%
Sales teams	35%	26%	24%	56%	18%	47%
Commerce teams	38%	42%	12%	46%	23%	19%
Customer service/support teams	36%	42%	23%	46%	39%	32%

Base: 795 global director-level and above IT and LOB decision-makers with responsibility for technology investments at their organizations

Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, May 2021

provide customers with personal and relevant experiences in line with their expectations.

- **Because CRM system usage is fragmented, many struggle to make sense of the data they do have.** Seventy percent of executives agree that their customer/prospect and account data comes from too many sources to easily make sense of it; nearly two-thirds of executives also agree that the lack of an enterprise view of customers and prospects is a problem (see Figure 5). This is further underscored by the fact that only 32% of executives and 27% of employees feel that their CRM system provides a single source of truth today. However, 90% of executives and a whopping 94% of employees note that a single source of truth would create value for their organization, with a quarter of executives and employees alike noting that it would create indispensable value for their organization. Without this complete picture of a customer across all departments and inputs, creating great CX is nearly impossible.

Figure 5

“Please indicate your level of agreement with the following statements.”

● Agree/Strongly agree



Base: 795 global director-level and above IT and LOB decision-makers with responsibility for technology investments at their organizations

Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, May 2021

- **Engaging customers with speed and relevance is the top CX challenge organizations face today.** Without that single source of truth, organizations struggle to understand their customers in order to meet them quickly and with relevant materials. Additionally, nearly half of executives note that they struggle to manage data quality and that data-driven decisioning for client actions can be difficult. Because CRM systems are not embedded into all departments, teams, and processes, the data that CRM systems do hold is incomplete, rendering it less useful and making it harder for front-office personnel to deliver experiences that keep customers engaged and loyal.
- **Employees echo these same sentiments, hindering their ability to deliver on great CX.** In fact, nearly 50% of employees noted that since

not all departments use the same CRM system, they cannot share information easily across teams. The top challenges that employees described are poorly integrated tools across teams and difficulty sharing information across teams. Disjointed internal teams create disjointed external CX: To execute on the promise of delivering superior CX across all channels of engagement, businesses must embed CRM systems across all departments, teams, and processes.

Future Success Relies On Better Training, AI-Powered Automation, And Cross-Team Adoption Of CRM Systems

CRM systems are as vital as ever for the future success of businesses — in fact, 81% of executives noted that they expect CRM system use to expand beyond sales and service/support over the next three to five years; 81% also noted that their CRM system is instrumental in their organization's ability to deliver seamless customer experiences. CRM systems are the key to good customer experience and, in turn, business growth. But success relies on better training, more automation, and cross-team adoption. In fact, when CRM systems are used across all teams, they are 16% more likely to feel that their CRM system supports the full customer lifecycle (83% all teams compared to 67% of some teams). On top of that, they are 17% more likely to feel that their CRM system provides a single source of truth (76% all teams compared to 59% of some teams) — critical underpinnings of exceptional CX delivery.

- **CRM systems are a critical component in supporting top CX priorities.** Looking ahead two years, executives noted their top CX priorities are improving customer service/support, improving products and services, and differentiation in the market (see Figure 6). They're also looking to train their employees to be more customer-centric and investing in new technologies/capabilities to improve CX. Well over three-quarters of executives noted that their CRM system is very important or important in supporting each of these priorities: 84% noted that their CRM system is an important component in improving their differentiation in the market; 83% said that it's important to invest in new technologies/capabilities to improve their CX; and interestingly, 79% noted that CRM systems are a critical piece of their goal to train their employees to be more customer-centric.

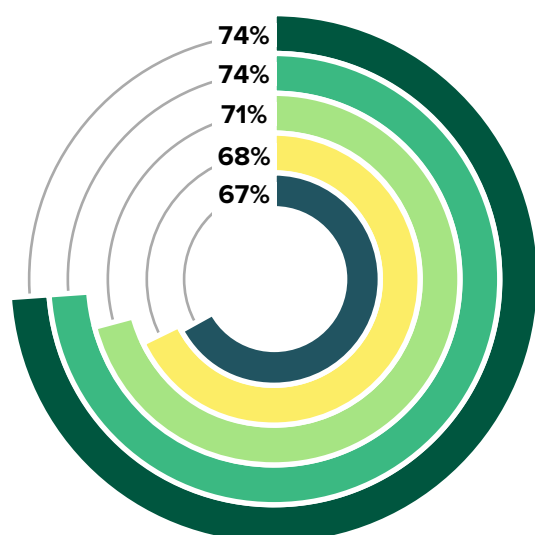


When all teams use CRM, they are **16%** more likely to feel it supports the full customer lifecycle.

Figure 6

“Looking ahead, what are the **top customer experience (CX) priorities** for your organization over the next 2 years?”

(Showing critical and high-priority)



Improve our customer service/support

Improve our product/services

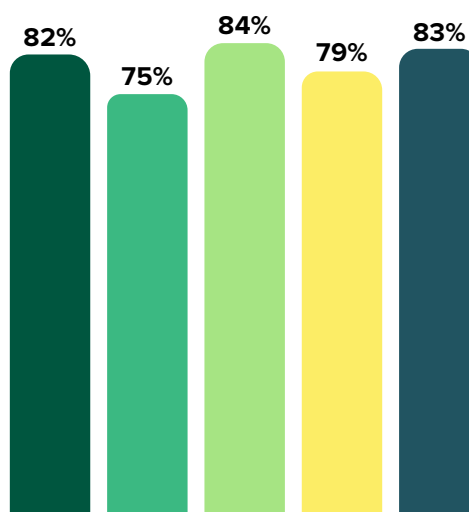
Improve our differentiation in the market

Train our employees to be more customer-centric

Invest in new technologies/capabilities to improve customer experience

“How important do you feel your CRM system(s) is in supporting your organization’s customer experience priorities?”

(Showing very important/important)



Base: 795 global director-level and above IT and LOB decision-makers with responsibility for technology investments at their organizations

Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, May 2021

- **Top EX initiatives are also supported by CRM systems.** Over the next 12 months, more than two-thirds of executives note that their top EX initiatives are improving the use of automation to focus employees on work that matters and making it easier for employees to search and find the information they need to do their jobs effectively.
- **CRM systems empower employees to be more data-driven.** Nearly three quarters (72%) of executives noted that their organization’s top

employee-focused initiative for the next 12 months is to improve the data skills of customer-focused employees. As companies become more data-driven, CRM systems, as the single source of truth, are key to empowering customer teams with the right insights and data-driven approaches to customer relationships.

- **Employees and executives alike note that more effective CRM systems allow them to create more value for the organization.** Employees noted the top benefit a more effective CRM system would have on their role is helping them create more value for their organizations, including higher volume or higher-value sales, improved customer satisfaction, improved customer loyalty, and more effective cross-sell and upsell opportunities. As employees are more empowered to make data-driven decisions on customer engagement, they can drive greater impact for their organizations. Additionally, nearly 60% noted that a more effective CRM system would allow them to have better interactions with customers that improve their satisfaction, and 50% indicated that a more effective CRM system would allow them to be more productive. Executives similarly anticipate higher customer satisfaction and faster time-to-value for employees with more effective CRM systems.
- **To make CRM systems more effective, employees are clamoring for better training, automation, and adoption.** Employees noted that better onboarding and training on how to use their CRM system would be the most impactful initiative that leaders could undertake to make their CRM system more effective (see Figure 7). Similarly, employees have noted that better cross-team adoption of CRM systems, and therefore better data availability, is a critical part of making their CRM systems more effective. Additionally, proactive recommendations powered by AI will help them gain deeper insight into the data they do have.

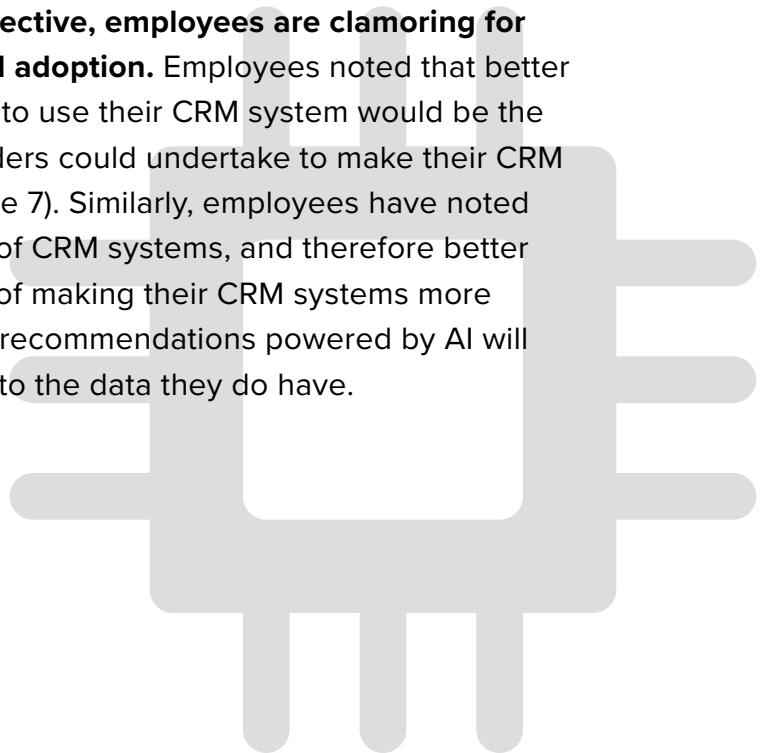
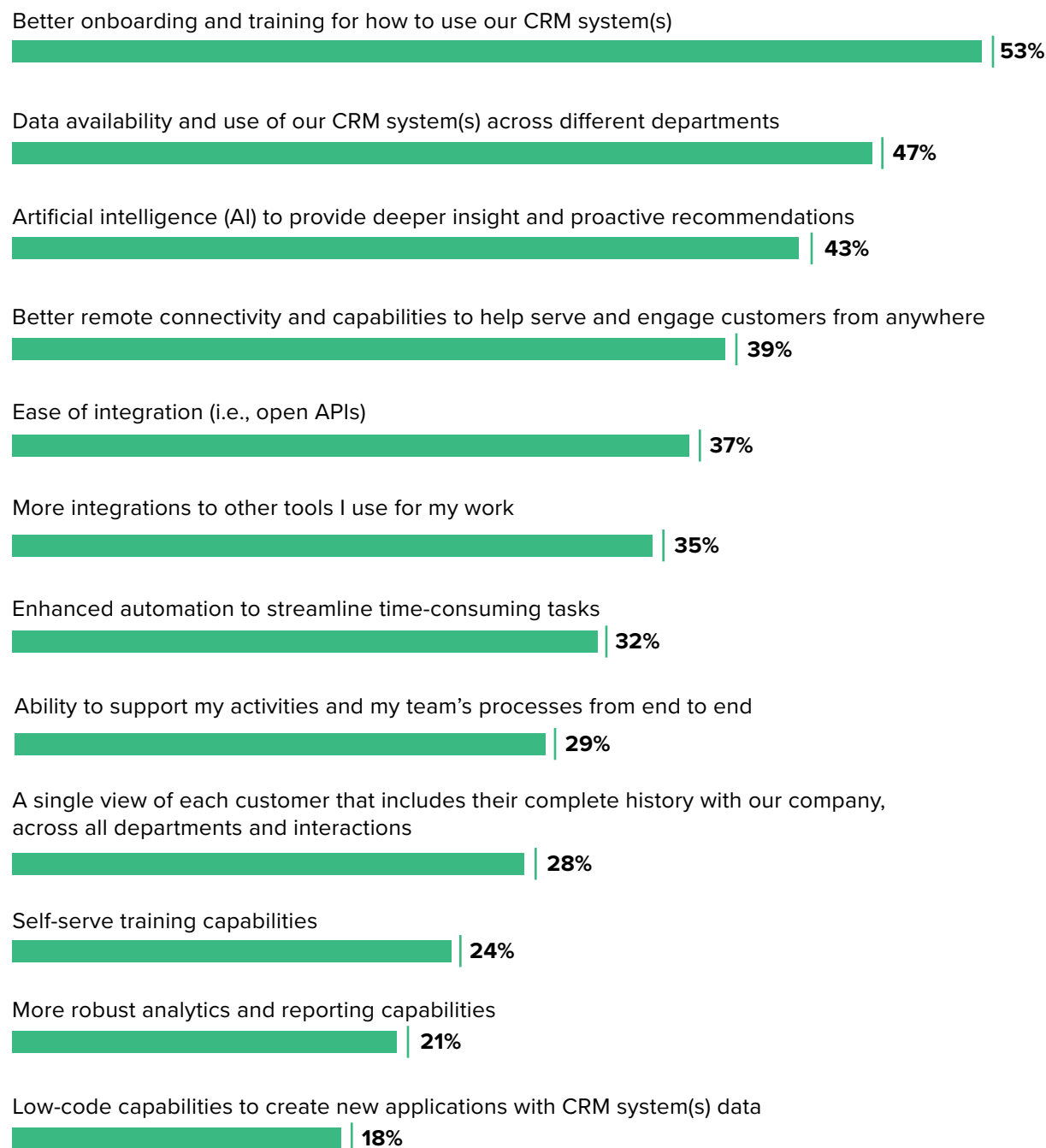


Figure 7

“What would make your CRM system(s) more effective?”



Base: 1,476 full-time employees at global companies that work with CRM systems daily

Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, May 2021

- **Executives value security, flexibility, and automation as the most important criteria for CRM systems today.** While trust and security are the top criteria that executives use when evaluating CRM systems, work-from-anywhere connectivity (i.e., built-in business resiliency) and advanced capabilities such as AI insights and automation are close behind as the second- and third-most important criteria used to evaluate CRM systems (see Figure 8). This is a big change from 2019, when ease of integration and setup and low total cost of ownership were the most important criteria — pointing to changing market conditions and maturity of the CRM system marketplace.
- **Executives are prioritizing AI-powered automation as the top CRM system use case for the next 24 months.** Nearly 50% of executives noted that the top CRM use case they plan to invest in is AI-powered recommendations that help employees with their day-to-day processes. On top of that, 46% of executives plan to additionally invest in AI to automate customer/prospect outreach. By 2023, 79% of organizations will be using AI-powered automation to enable easier customer/prospect engagement, and 78% will be using AI-powered automation to relieve employees of day-to-day processes. In fact, 69% of executives noted that they are concentrating on improving the use of automation to focus employees on the work that matters, rather than the minutiae.

79%

of organizations will be using AI-powered automation to enable easier customer/prospect engagement by 2023.

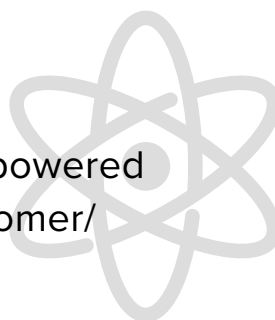


Figure 8

“When evaluating CRM system(s), which of the following criteria are most important to your organization?”

● 2021 ● 2019



2019 base: 484 director-level and above decision-makers with responsibility for CRM strategy and technology investments
2021 base: 795 global director-level and above IT and LOB decision-makers with responsibility for technology investments at their organizations

Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, May 2021

Key Recommendations →

Key Recommendations

Build customer trust to improve resiliency and sustainability.

The best competitive strategy for companies is one that puts the customer at the center of engagement. To do this, companies must leverage modern CRM to support customers through their end-to-end engagement journeys across channels and touchpoints. Companies must empower front-office personnel with a unified view of customer data, no matter where they work, so customers receive consistent and personalized engagement. Easy access to this customer view ensures that businesses can sustain operations, preserve their brand, and do the right thing for their customers when faced with disruptions to standard business operations. Consistent and highly personal engagement builds trust and loyalty, which manifests as increased customer retention and revenue.

Use an integrated CRM system to support customers throughout their journey.

Customers expect highly personal interactions. They expect any company employee with whom they interact to have a full understanding of who they are, their value to the organization, and where they are in their journey. CRM users on the frontlines can't serve modern customers using CRM applications that are disjointed or only support part of the customer lifecycle. Unify CRM applications, and support role-based views to ensure that customers receive the experiences that they expect. Enrich customer profiles with data from second- and third-party sources to build out a more holistic picture of each customer. Also, look to extend CRM with marketplace applications to support the customer's full journey. Marketplaces contain an ecosystem of point solutions such as e-signature capture, automated data capture, dialers, and schedulers — to name a few — that extend and enhance the power of core CRM.

Use modern CRM to best support and level up all customer-facing employees.

Great customer experiences rest on great employee experiences. Leverage new technologies infused in CRM to elevate employee experiences. These include automation to offload repetitive actions and focus employees on the most impactful conversations and customer interactions; AI to guide CRM users through the best actions and conversations; journey analytics and customer intelligence to improve customer understanding to drive the best actions; visual technologies and mixed reality to enable more effective customer engagement; collaboration tools to facilitate group work; and cloud platforms to provide extreme scalability — to name a few.

Invest in a robust change management program to optimize CRM adoption and ongoing innovation.

CRM deployments often fail to deliver expected results because employees don't use the CRM. They don't understand the value that CRM can impart to their jobs. They also often don't know how to use the CRM features because of inadequate training. Invest at the start of your CRM initiative in a communications program to explain the value of CRM to every employee who will be impacted by this change. Recruit users who will give you feedback on usability and features throughout your project. Build out robust training and onboarding programs for your users. Remember that CRM success does not end at rollout. Gather user feedback and incorporate it into new releases to best support all users and continually innovate.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 795 global director-level and above IT and LOB decision-makers with responsibility for technology investments at their organizations and 1,476 full-time employees at global companies that work with CRM systems daily. In this report, we also reference data from a study conducted in 2019 of 484 director-level and above decision-makers with responsibility for CRM strategy and technology investments. Respondents were offered a small incentive as a thank-you for time spent on the survey. The 2021 study began in May 2021 and was completed in June 2021.

Appendix B: Demographics

EXECUTIVES' GEOGRAPHY

Africa/Middle East (Israel, South Africa, United Arab Emirates)	19%
Asia (Australia/New Zealand, India, Japan, Singapore)	27%
Europe (France, Germany, Netherlands, Poland, UK)	35%
North America (US)	13%
South America (Brazil)	6%

EXECUTIVES' INDUSTRY

Manufacturing	11%
Retail	9%
Financial services	9%
Consumer product goods	8%
Technology	7%
Professional/business services	7%
Life sciences or biotechnology	7%
Communications	7%
Healthcare	6%
All other	29%

EXECUTIVES' COMPANY SIZE

100 to 499 employees	18%
500 to 999 employees	31%
1,000 to 4,999 employees	20%
5,000 to 19,999 employees	19%
20,000 or more employees	12%

EXECUTIVES' TITLE

C-level executive	14%
Vice president	38%
Director	47%

EXECUTIVES' BUSINESS MODEL

B2C	37%
B2B2C	25%
B2B	24%
Combination	14%

EMPLOYEES' COMPANY SIZE

100 to 499 employees	19%
500 to 999 employees	30%
1,000 to 4,999 employees	23%
5,000 to 19,999 employees	19%
20,000 or more employees	9%

EMPLOYEES' GEOGRAPHY	
Africa/Middle East (Israel, South Africa, United Arab Emirates)	21%
Asia (Australia/New Zealand, India, Japan, Singapore)	29%
Europe (France, Germany, Netherlands, Poland, UK)	35%
North America (US)	8%
South America (Brazil)	7%

EMPLOYEES' TITLE	
Manager	57%
Full-time practitioner	43%

EMPLOYEES' BUSINESS MODEL	
B2C	41%
B2B2C	24%
B2B	20%
Combination	15%

EMPLOYEES' INDUSTRY	
Retail	12%
Manufacturing	13%
Consumer product goods	10%
Technology	9%
Professional/business services	9%
Healthcare	8%
Architecture, engineering, or construction	7%
Financial services	6%
Automotive	6%
All other	21%

Appendix C: Endnotes

¹ June 8, 2021, "It Takes Hard Data And Soft Power To Ensure CX Success," CX North America.

A group of people are working in a modern office environment. In the foreground, a man with dark hair and a beard, wearing a dark t-shirt and headphones, is seen from behind, sitting at a wooden desk and working on a laptop. To his left, another person's hands are visible typing on a laptop. In the background, a man with glasses and a beard, wearing an orange hoodie, is sitting at a desk, looking at a laptop. To his right, another person with curly hair is partially visible, also working on a laptop. The desk is cluttered with various items, including a water bottle, a small potted plant, and a smartphone. A modern, multi-bulb pendant light hangs above the desk. The overall atmosphere is professional and collaborative.

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