



NUCLEUS  
RESEARCH

# WHY MIDMARKET USERS ARE SWITCHING TO ZOHO FROM SALESFORCE

ANALYST

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## THE BOTTOM LINE

Nucleus interviewed mid-market customers that made the switch to Zoho from Salesforce to quantify the value of the transition. On average, users reported benefits including a 38 percent improvement in reporting efficiency, a 63 percent reduction in manual data entry, and a 42 percent reduction in total cost of ownership (TCO). These organizations highlighted Zoho's ability to adapt to their growing needs through features like advanced data analytics, process automation, and AI assistance without extensive additional costs or IT involvement.

## OVERVIEW

Mid-market and enterprise organizations often have distinct challenges that necessitate a CRM platform offering more advanced features than basic solutions while enabling easy customization without extensive IT involvement. The primary challenge lies in finding a CRM system that balances having advanced functionality, combined with ease of use and low total cost of ownership (TCO). Organizations frequently grapple with scalability issues, particularly when using platforms like Salesforce, where escalating costs and complex customization can hinder growth and operational efficiency. This often leads to a strain on resources as organizations struggle to adapt the CRM to evolving needs without extensive IT support and financial overhead.

**Switching from  
Salesforce to Zoho  
reduces TCO by an  
average of 42%**

Zoho addresses these scalability challenges by offering advanced features like data analytics, process automation, and AI assistance at a significantly lower TCO. Zoho's platform stands out for its flexibility and value, making it a suitable choice for mid-market and enterprise organizations that require a CRM system capable of scaling with their growth. By providing an intuitive interface and customizable modules that don't require heavy IT involvement, Zoho ensures that organizations can expand their CRM capabilities as their business needs develop and helps organizations avoid the challenges and costs often associated with scaling more rigid platforms like Salesforce.

## ZOHO

Zoho offers several cloud-based applications serving a wide range of industries such as retail, technology, and healthcare. Zoho CRM is designed to meet the needs of SMB's and expanding mid-market organizations, and is often recognized for its ease of customization and usability. Zoho CRM is also a part of Zoho One, an integrated suite of more than 40 applications that provide organizations with a unified ecosystem to improve connectivity and data consistency across all business functions. Recent enhancements in Zoho CRM focus on advanced AI capabilities and deeper integration with Zoho One applications, further solidifying its position as a comprehensive, cost-effective solution for business challenges.

## KEY BENEFIT AREAS

Nucleus interviewed Zoho customers that left Salesforce in favor of Zoho applications and found key benefit areas including improved reporting capabilities, increased user productivity, and decreased TCO.

- **Improved reporting capabilities.** Zoho Analytics enhances reporting capabilities for organizations by enabling easier access to large quantities of data to help users make data-driven decisions more efficiently. Nucleus found that organizations transitioning from manual reporting processes to automated, real-time dashboard reporting improved reporting efficiency by an average of 38 percent. This addition of Zoho Analytics also provides deeper insights into customer behaviors and business trends, enabling one organization to uncover additional sales opportunities which contributed to a seven percent increase in annual revenue.
- **Increased user productivity.** Nucleus found that organizations using Zoho increased user productivity across several different teams. For example, Zoho's automated workflows and streamlined communication channels enables users to reduce time spent on manual data entry by 63 percent on average. In addition, the platform's integration with tools such email, phone services, and Zoho Cliq ensures that all communication is centralized, reducing the time users spend managing information across multiple platforms. With Zoho One, one user decreased the labor hours required for customer onboarding processes by 76 percent, saving the organization more than \$600,000 in annual labor costs.
- **Reduced TCO.** In comparison to other CRM vendors offering similar functionality, Zoho offers a notably lower total cost of ownership (TCO). Lower licensing costs and the ability to customize and manage the platform without extensive IT and administrative headcount was found to reduce TCO by an average of 42 percent. The combination of strong out-of-the-box features, ease of customization, and scalable solutions enables organizations to expand CRM functionalities as they scale without significant additional investments.

## CUSTOMER EXPERIENCES

Nucleus conducted two in-depth interviews with Zoho One users to better understand the impact of the solution in the retail and technology industries.

## RETAIL

This retail organization, operating across various sectors such as fashion, electronics, and home goods, sought a CRM solution that could scale alongside their expanding operations. After consideration of Salesforce and Zoho One, the organization chose Zoho for its flexibility, ease of use, and cost-effectiveness, recognizing its potential as a long-term platform solution. A key objective of implementing Zoho was to enhance the capability of sales agents to effectively monitor sales opportunities throughout the pipeline, offering tailored views for both internal sales agents and external partners. As the organization grew, the need to manage customer data efficiently and produce actionable reports for retail operations became critical. Previously reliant on manual processes for report generation, the adoption of Zoho introduced automated report creation using customizable data fields, saving the organization more than 50 labor hours per week. Throughout implementation, conversion rates were closely monitored as a key performance indicator. The integration of customer insights from Zoho Campaign and Zoho Social led to a 22 percent increase in conversion rates, significantly enhancing sales effectiveness and confirming Zoho as a scalable solution for the organization's evolving needs.

## TECHNOLOGY PROVIDER

This provider of retail technology solutions supports approximately 30,000 customers with services including point-of-sale systems, customer care ticketing, and analytics designed to streamline operations and enhance customer engagement. Transitioning from Salesforce due to high customization costs and complexity, the organization selected Zoho for its ease of use and ability to be rapidly deployed across multiple countries. Implementing Zoho Desk first, followed by Zoho CRM and Zoho Analytics, the organization enhanced customer support efficiency by automating ticket creation and saving more than \$70,000 annually in labor costs. Additionally, Zoho streamlined the client onboarding process, reducing the time required by 20 percent and saving more than \$300,000 annually in labor, while the deployment of Zoho Analytics improved data management, increasing reporting efficiency by 52 percent.

## LOOKING AHEAD

As the CRM market evolves, vendors now match Salesforce in terms of functionality, prompting customers to explore alternatives that offer similar capabilities but with greater flexibility and cost-efficiency. In this shifting landscape, Zoho is a strong contender, as it continues to expand its product offerings to address a comprehensive range of business needs and requirements. Zoho's strategy focuses on developing into a holistic platform that

supports not just CRM but also integrates with other critical business functions, from finance and human resources to customer support and marketing. For users, Nucleus expects the benefits of choosing Zoho to include a more unified business management experience, and a reduction in complexity and costs associated with managing multiple disparate systems.