



Gartner Says Worldwide Customer Experience and Relationship Management Software Market Grew 15.6% in 2018

Analysts Discuss Technology Trends and Their Impact on Customer Experience at the Gartner Customer Experience & Technologies Summit in Sydney, June 17-18

SYDNEY, Australia, June 17, 2019 — Worldwide spending on customer experience and relationship management (CRM) software grew 15.6% to reach \$48.2 billion in 2018, according to research from Gartner, Inc. CRM remains both the largest and the fastest growing enterprise application software category. Worldwide enterprise application software revenue totaled more than \$193.6 billion in 2018, a 12.5% increase from 2017 revenue of \$172.1 billion. CRM made up almost a quarter of that revenue. Approximately 72.9% of CRM spending was on software as a service (SaaS) in 2018, which is expected to grow to 75% of total CRM software spending in 2019, with agility and flexibility being big drivers, along with the requirement for remote and mobile users. “Cloud growth has dropped slightly in 2018 but remains strong at 20% and significantly above the overall growth rate of 15.6% for CRM,” said Julian Poulter, senior director analyst at Gartner. “As an early mover to the cloud, CRM software is probably seeing a gradual reduction in cloud growth rates due to high adoption.” The top five CRM software vendors accounted for more than 40% of the total market in 2018 (see Table 1). The top five vendors had very little change in ranking compared with 2017, although Microsoft climbed into fifth position, narrowly displacing Genesys.

Table 1 CRM Software Spending by Vendor, Total Software Revenue Worldwide, 2018 (Millions of U.S. Dollars)										Company																			
2018 Revenue	2018 Market Share (%)	2017 Revenue	2017 Market Share (%)	2018 Revenue	2018 Market Share (%)	2017 Revenue	2017 Market Share (%)	2018 Revenue	2018 Market Share (%)	2017 Revenue	2017 Market Share (%)																		
SAP	4,012.2	8.3	3,474.4	8.3	Oracle	2,669.0	5.5	2,492.9	6.0	Adobe	2,454.8	5.1	2,017.2	4.8	Microsoft	1,302.0	2.7	1,132.1	2.7	Others	28,371.7	58.8	24,962.0	59.9	Total	48,230.2	100.0	41,726.7	100.0

Source: Gartner (June 2019) All subsegments of the CRM market grew by more than 13.7%, with marketing emerging as the fastest growing segment, increasing by 18.8% and representing more than 25% of the entire CRM market. Customer service and support retains its No. 1 position, contributing 35.7% of CRM market revenue. “To exploit the significant market opportunity, product managers in CRM application providers should double down on cloud deployments and consider adding functionality in the fast growing marketing segment,” said Mr. Poulter. Gartner clients can learn more in the report “Market Share: Customer Experience and Relationship Management, Worldwide, 2018.” Gartner Customer Experience & Technologies Summits Customer experience trends will be further discussed at the Gartner Customer Experience Summit 2019 taking place June 17-18 in Sydney. Follow news and updates from the event on Twitter at #GartnerCX. About Gartner Gartner, Inc. (NYSE: IT) is the world’s leading research and advisory company and a member of the S&P 500. We equip business leaders with indispensable insights, advice and tools to achieve their mission-critical priorities and build the successful organizations of tomorrow. Our unmatched combination of expert-led, practitioner-sourced and data-driven research steers clients toward the right decisions on the issues that matter most. We are a trusted advisor and objective resource for more than 15,000 organizations in more than 100 countries — across all major functions, in every industry and organization size. To learn more about how we help decision makers fuel the future of business, visit www.gartner.com. # # #

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