

Salesforce should build on its strategy to grow in the SMB market by addressing specific concerns

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Demand for customer relationship management (CRM) solutions among small and medium-sized businesses (SMBs) is growing; SMBs' total spending on cloud CRM applications worldwide is expected to increase at a CAGR of 9.2% from USD28.3 billion in 2022 to USD40.0 billion in 2027, according to Analysys Mason. Salesforce, which [claims to have 22.9% of the global CRM software market share](#), aims to capitalise on this spending growth and has built an SMB-specific sales strategy that promotes automation and cost efficiencies.

Salesforce's strategy to expand its customer base represents a timely revenue opportunity for Salesforce, especially given the slowdown in its revenue its core market – large businesses – due to a wider challenging economic backdrop and the disruption that the company faces.¹ SMBs have not been a focus of Salesforce's marketing strategy in recent years, and so moving in this direction might build new prospects. Salesforce must optimise its strategy to attract the SMB market, by addressing concerns about cost, implementation and security.

Salesforce is targeting SMBs by promoting the benefits of automation

Salesforce's strategy to target SMBs promotes [the benefits of automated processes](#). At the [Salesforce Live UK and Ireland 2022](#) event in 4Q 2022, during a session directed at SMBs, Salesforce declared that "businesses can achieve 27% faster business process automation with Salesforce solutions" according to [its recent survey](#). Salesforce is taking steps to raise awareness of the importance of automation and why SMBs should adopt CRM software. The reasons include: time and cost savings; better visibility of key processes; fewer spreadsheets; scalability; improved employee experience; and rising customer expectations.

Salesforce is also working to increase its share of SMB spending on CRM solutions by launching new products such as [Salesforce Easy in August 2022](#), which complements Salesforce Essentials, by creating more content geared towards SMBs through its [resource centre](#), and [SMB-focused reports](#). It also offers [monthly pricing schemes](#) in order to assuage cost concerns. These initiatives are all signs that Salesforce is increasing its attention on the SMB market.

Salesforce may find it difficult to convince SMBs that more automation is better

Many SMBs are uncertain as to how CRM automation can help their businesses. Salesforce will need to improve their solution offerings. SMBs have many automated tools to choose from to remove inefficient processes, which can complicate IT spending decisions. SMBs are mainly concerned that tools are simple to use,

¹ Recent disruption at Salesforce includes the multibillion dollar investment by activist investor Elliott Management Corp. Inc, the exit of co-CEO Ben Taylor, alongside Tableau and Slack CEOs, and imminent restructuring of employees and offices expected to cost USD1.4 billion to USD2.1 billion in charges.

minimise additional expenses, do not have high maintenance costs and can address cyber- and data security fears.

In addition, Salesforce has advertised advances in CRM technology that might not appeal to SMB customers and will increase their reluctance to use Salesforce. Salesforce is moving towards offering a composable platform with tools that allow for greater customisation of applications and infrastructure to meet an individual enterprise's needs.

For example, Salesforce is promoting its recent roll out of Genie, which integrates customer data in real time across Salesforce's full suite of solutions. This type of offering is more suited to large businesses, which are more likely to be using multiple products from Salesforce. Adding sophisticated tools is important for Salesforce to continue to grow within the large enterprise space.

However, it needs to reinforce messaging to smaller customers that its SMB products are simple to use. SMBs typically have simple databases and will not require such sophisticated CRM features. Integration of such all-inclusive software can be viewed as too complicated for SMBs, which will find it difficult to justify the cost or time it takes to implement, train staff in order to use it and maintain. Smaller CRM providers such as HubSpot and Zoho that focus on simple solutions may find it easier to attract SMBs.

Salesforce and other CRM vendors should take a targeted approach to capture the SMB market

Salesforce has taken steps to raise awareness of the importance of automation, but it will need to do more to attract SMBs. The company can increase efforts to address concerns about the cost of implementation, the complications of additional tools and uncertainty about cyber-security breaches and data protection. Alongside a comprehensive marketing campaign, Salesforce should:

- provide simple messaging around how automated solutions can help to boost efficiency and growth through targeted advertisements, webinars and thought leadership content
- help SMBs to be more confident that they can spend less time integrating and managing CRM tools by promoting a greater simplicity of implementation
- use case studies to illustrate the positive ROI, to address concerns about the high cost of adopting an automated CRM solution
- build its SMB base by focusing on key verticals, such as manufacturing and professional services, and [channel strategies](#), such as MSPs, as demonstrated in [Analysys Mason's SMB Technology Forecaster](#).

Salesforce's aims to focus more on SMBs are likely to yield results given the forecast growth in SMBs' spending on cloud CRM solutions. It is crucial for Salesforce to maintain its presence in the SMB market. It has an opportunity to simplify its offerings and use targeted messaging to gain a share in the SMB space.