

Social CRM Market to Reach \$1 Billion

Written by Marco Attard
01 September 2011

Gartner predicts the WW social CRM market will reach over \$1 billion in revenue by 2012-- up from \$625M in 2010.



The analyst estimates 2011 social CRM earnings will total \$820M.

However social CRM amounts to just 5% of the total 2010 CRM application market-- when social software (for marketing), customer service and sales spending grow by 40% Y-o-Y in 2010.

The analyst says most of the 100 vendors with social CRM offerings remain small and non-profitable, generating average annual revenues of less than \$1M-- even if many show growth of 50-100% in 2010.

Customer account use accounts for over 90% of social CRM spending, but spending for business to business (B2B) use is growing faster-- and will make up 30% of total social CRM spending by 2015.

As the social CRM market is currently fragmented and inconsistent, vendors "need to provide clear benefits for companies and communities," Gartner says.

Doing this will involve focusing on one or more of the following starting points:

Social CRM Market to Reach \$1 Billion

Written by Marco Attard
01 September 2011

- Hosting and supporting a branded or private-label community, and providing the surrounding functions
- Monitoring, listening to, surveying and responding to private-label or independent social networks
- Facilitating the sharing of B2B or business to consumer (B2C) contacts through communities
- Establishing community product reviews largely to facilitate online sales

Vendors who manage to provide of full set of social CRM functions will be best equipped for success within a maturing market-- and as the market gets more mature, the harder it will be for vendors to gain advantage over the competition.

Go [Gartner: Magic Quadrant for Social CRM](#)