



VITALY



A Customer Success Leader's Guide to CRMs, PLG CRMs, and CSPs

Not sure which tool is right for your organization? You're not alone. In this guide, we'll explain the purpose of each tool, which teams they serve, and which platform is best suited for your needs.

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The SaaS Tool Landscape

Over Two Decades Ago...

The first Customer Relationship Management (CRM) platform made its mark on the software world: Salesforce. In the years since then, organizations adopting a Software-as-a-Service (SaaS) business model have become the norm.

As the SaaS space continued to mature and consumer expectations began to shift, companies found themselves fighting against revenue-impacting customer behavior, such as churn. At the same time, the role of Customer Success was quickly becoming more critical to organizations, with the need for teams to become more data-driven and efficient.

The Birth of the CSP

Unfortunately for these teams, their options were limited as platforms like CRMs were made more for traditional enterprise Sales teams that focused on initial pipeline generation. The need increasingly grew for a dedicated piece of software that could help manage and grow customer relationships after they signed. As a result, the first Customer Success Platform (CSP) was born in 2009. In the years that followed, CSPs continued to gain traction in the space and now there are CSPs that cater to a wide range of needs and Customer Success models.



The logos pictured are examples of various CRMs, PLG CRMs, and CSPs.

You, Me, and PLG

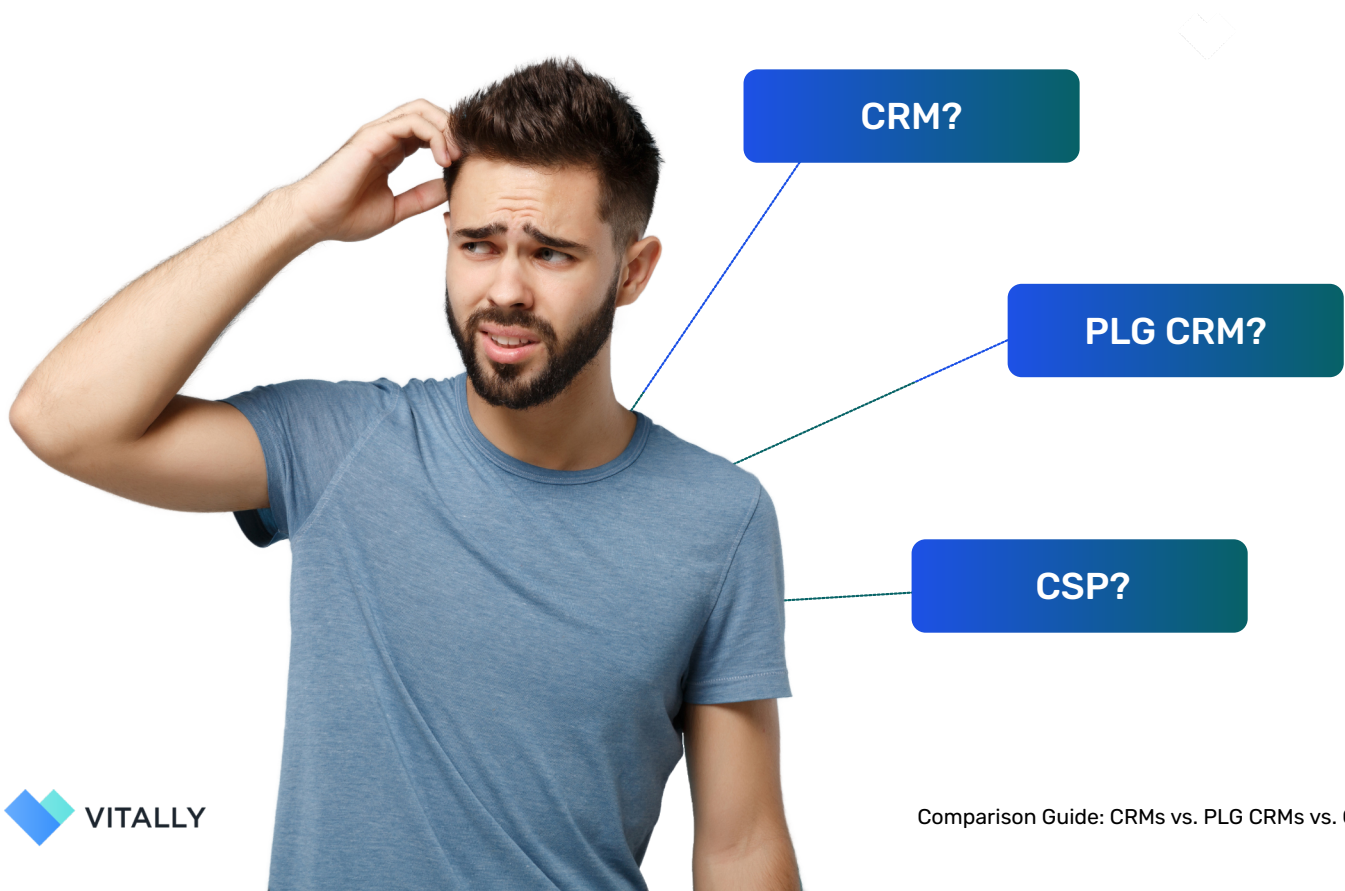
In tandem, a new go-to-market strategy began to emerge. It catered more towards the “end user rather than the executive buyer¹” and provided a way for users to test out software products without ever needing to purchase them. The appeal? Software organizations could expand their user base, provide a faster time to value, and propel more cost-effective growth than ever before. This new strategy was later coined “Product-Led Growth (PLG)” and has been successfully adopted by names like Zapier, Hotjar, and Calendly.

Organizations further realized that product usage played a huge role in Customer Success and customer stickiness and shifted away from the traditional Sales-Led approach towards PLG. In turn, this sparked another need in the SaaS tool market, which led to an evolution of the CRM into what is now called the PLG CRM.

What You’ll Learn

Choosing the right tool in today's software landscape can be challenging, especially when they all appear to serve similar needs on the surface. This e-book is designed to help you learn more about CRMs, PLG CRMs, and CSPs, the advantages and disadvantages of each tool, and how to choose the right one for your organization.

Let’s get to it!



Customer Relationship Management (CRM)

In this section, we'll define what traditional CRMs are and the benefits for a team who adopts a CRM.

What is a CRM?

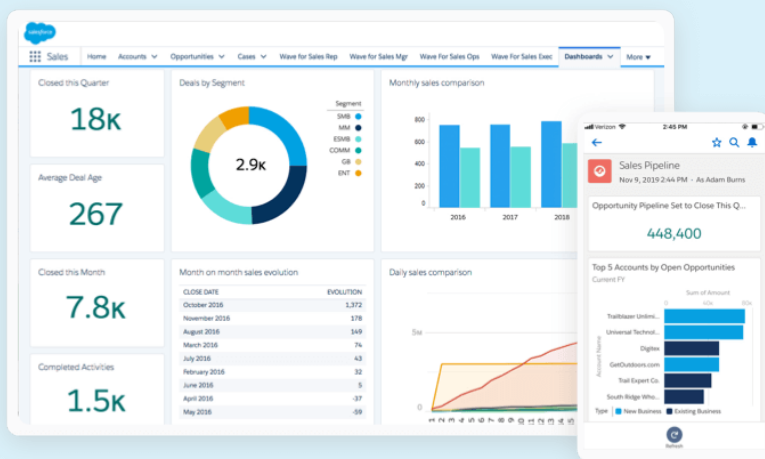
Customer Relationship Management (CRM) systems such as Salesforce, HubSpot, and Pipedrive are designed for revenue teams whose main focus is to bring in and convert leads.

Features such as contact and account management, pipeline and opportunity tracking, and workflow automation make up the framework of a standard CRM. If you're reading this guide, it's likely that you already have a CRM in place whether that's one of the products we've mentioned above or another project management or spreadsheet-type tool.

Why use a CRM

CRMs provide revenue teams with a centralized way to manage a large database of prospects and customers. Having customer data accessible in a CRM allows for more efficient sales processes, improved customer experience, and smoother collaboration between Sales and Marketing. In addition, many CRMs offer reporting and forecasting abilities to help organizations optimize and track their pipelines (e.g., conversion rates, deals closed won, etc.).

Image Source: Software Advice Salesforce Profile



Product-Led Growth (PLG) CRM

In this section, we'll define what purpose PLG CRMs serve and the uses for a team who adopts a PLG CRM.

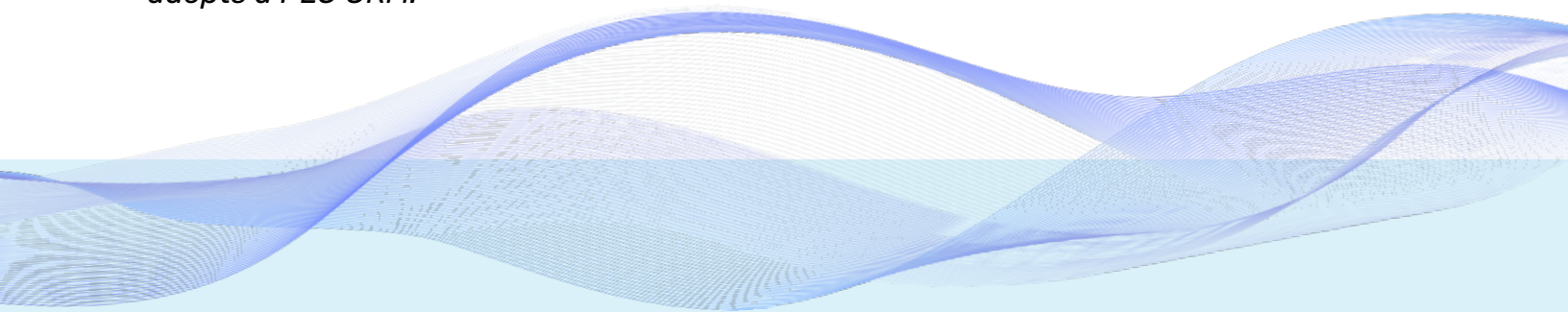


Image Source: Calixa G2

Email	Account	Signup	Usage	% Growth
anite.kunze@zieme.com	Zieme	25 days ago	20,039	↑ 290%
amparo.orn@billio.com	Billio	17 days ago	19,103	↓ 8%
lisa@acme.com	Acme	3 days ago	15,464	↑ 134%
stanbert@tplex.io	Gitplex	24 days ago	11,938	↑ 49%
baptista@finament.ly	Finamently	12 days ago	9,093	↑ 103%
troy@courier.com	Courier	10 days ago	8,743	↑ 60%
riley.gusik@paystar.io	PayStar	9 days ago	8,225	↓ 5%
tucker@tessaread.com	Tessaread	4 days ago	6,314	↓ 16%
orio.jaku@verify.xyz	Verify	5 days ago	2,324	↑ 22%
jessica@commandz.com	Commandz	Yesterday	1,241	↑ 5%

What is a PLG CRM?

PLG CRMs act as an added layer on top of traditional CRMs. These are products like Correlated, Topylne, and Endgame which identify user signals based on product analytics (i.e., what a user does in your product). Once certain leads have been identified, or 'scored', with high buyer intent, you are then able to segment your accounts and trigger simple automated actions such as an email follow-up or task creation.

Why use a PLG CRM

While traditional CRMs are great for hosting all of your prospect and customer details, the amount of information fed into these systems over time can lead to a cluttered and unmanageable set of data. You might even need to add additional headcount in the form of an Operations team in order to help you manage sales processes within a CRM. This is where PLG CRMs (and CSPs) come in.

PLG CRMs allow you to segment leads, identify the ones that have a high chance of converting, and create more efficient and effective sales processes. Compared to traditional CRMs, PLG CRMs also have greater integration capabilities that are simpler to implement.

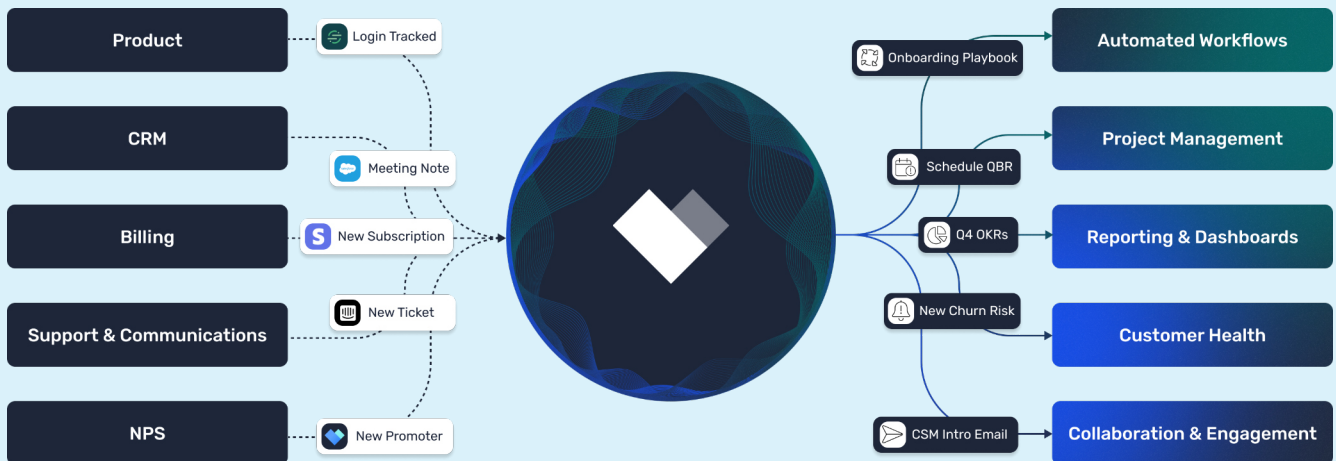
Customer Success Platform (CSP)

In this section, we'll define what a CSP is and the benefits for a team who adopts one.

What is a CSP?

Once your high-intent leads turn into paying customers, it's the job of Customer Success to ensure they receive the most value from your product and renew year after year. Because the goals of Sales and Customer Success vary, CS teams require different tools and insights (such as health scores, product usage, lifecycle tracking, etc.) to ensure the right type of interaction is provided.

As a Customer Success professional, your main goals are to retain customers, increase revenue, and foster a successful long-term partnership with your clients. This is where a dedicated CSP comes into play - such as Gainsight, Catalyt, and Vitally to name a few.



Similarities and Differences

There are several similarities between CSPs and PLG CRMs. For instance, both platforms bring together product insights in an easy-to-understand format, where teams can quickly slice and dice the information for their needs. A CSP, very much like a PLG CRM, is meant to enhance your existing tech stack and ingest data from across your CRMs, subscription platforms, communication tools, and more.

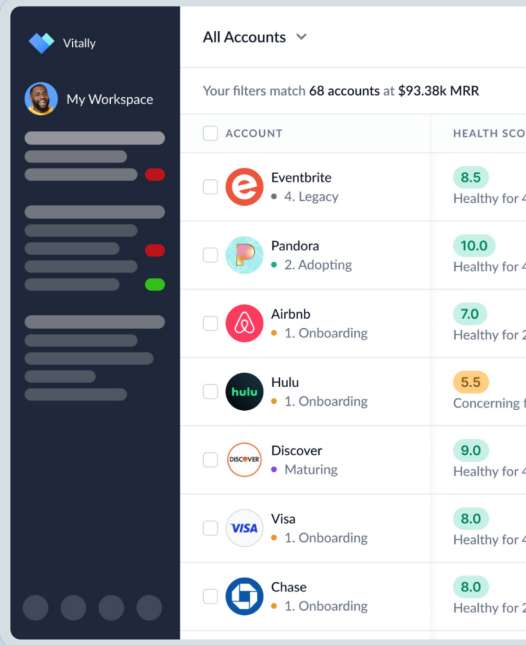
There are also differences in the types of integrations you might find with a CSP vs. a PLG CRM. Because customer experience is a key component of Customer Success, a CSP might have an integration with a Net Promoter Score (NPS) tool like SimpleSat, whereas a PLG CRM might have an integration with a sales engagement platform like Outreach.

Where these tools differ is in the comprehensiveness of their feature sets, the teams they're built for, and the maturity of the product itself. CSPs have been around for over a decade now which has allowed the products in the space to mature and extensively build out all of the features that a Customer Success team would ever need. On the other hand, PLG CRMs have only appeared within the last few years, so their products are still at the introduction and growth stages.

Why use a CSP

Often, CSPs and traditional CRMs will work in tandem. You'll typically need to feed customer data from a CRM (or data warehouse) into a CSP. Whereas PLG CRMs may try to tackle the jobs of both platforms. If you're in Customer Success, a CSP is an excellent choice for teams who want to effectively manage customer relationships, become more productive and proactive, and automate CS workflows at scale.

As we investigate these tools further, you can use this information to help select the best tool for your organization.



The screenshot shows the Vitally interface with a sidebar on the left containing navigation options like 'My Workspace' and a main panel on the right displaying a table of accounts. The table includes columns for 'ACCOUNT', 'HEALTH SCORE', and 'HEALTHY FOR'. The accounts listed are Eventbrite (8.5), Pandora (10.0), Airbnb (7.0), Hulu (5.5), Discover (9.0), Visa (8.0), and Chase (8.0).

ACCOUNT	HEALTH SCORE	HEALTHY FOR
Eventbrite • 4. Legacy	8.5	Healthy for 4
Pandora • 2. Adopting	10.0	Healthy for 4
Airbnb • 1. Onboarding	7.0	Healthy for 2
Hulu • 1. Onboarding	5.5	Concerning for 4
Discover • Maturing	9.0	Healthy for 4
Visa • 1. Onboarding	8.0	Healthy for 4
Chase • 1. Onboarding	8.0	Healthy for 2

Feature Breakdown

There are many similarities and differences between each of the three tools you are exploring. Below, you'll find a high-level breakdown of each tool's feature set so you can make the most informed decision for your team.

Features	CRM	PLG CRM	CSP
Customer Data	Requires additional work in order to import and surface insights like product usage and event data	Easily view and take action on product usage and event data within the platform	Easily view and take action on product usage and event data within the platform
Integrations	Wide variety of integrations to support Sales and Marketing efforts, but missing key integrations specific for Customer Success needs	Variety of integrations (typically only one-way) with tools like CRMs, Data Warehouses, Product Analytics, and more	Flexible bi-directional integrations (the ability to sync data both ways) with tools like CRMs, Data Warehouses, Product Analytics, and more
Automation	Robust automations that power communication (i.e. email sequences) at scale, automated task management, and more	Automation capabilities are typically minimal, triggering simple actions such as creating a task or sending an email	Robust automations that power communication (i.e. email sequences) at scale, automated task management, dynamic CSM assignment, and more
Project Management	May need additional integrations to manage Tasks, Projects, and Conversations within the platform	Manage Tasks natively within the platform	Manage Tasks, Projects, and Conversations natively within the platform
Health Scoring	No native health scoring capabilities and typically requires additional development work via integrations and technical resources. Can DIY a health scoring model but can't be customized per segment	Score leads based on product usage and account activity, typically static and one-dimensional (e.g., leads are either marked as a low, medium, or high fit)	Set weighted, dynamic health scores that change based on where customers are at in their journey (e.g., Dunder Mifflin was 'healthy' during the onboarding phase but is now 'concerning' during adoption)

**The functionality of CRMs, PLG CRMs, and CSPs vary across different products. If you'd like to learn more about what Vitally's Customer Success Platform has to offer, [click here](#) to schedule a demo.*

Choosing the Right Tool

Why not stick with the status quo?

In some cases, Customer Success teams may try to stick with the tools they already have and attempt to build a CSP on top of a CRM. While this may seem like a logical solution, this typically requires ongoing dedicated Ops and Dev teams along with even more precious resources like costs and time.

While CRMs are excellent for managing pre-sales activities, they lack the tools and features needed to manage post-sales activities. CRMs are also limited in the integration and data ingestion capabilities that you would find in a CSP. Think product insights (e.g., the % of active users using your product) and dynamic health scoring (e.g., customizing the health of your enterprise customers from onboarding to adoption).

Consider a dedicated platform

Regular Salesforce users tend to agree that the platform is not built for easy and detailed surfacing of customer insights. In addition, many CRMs center around Sales and Marketing activities such as pipeline and campaign management rather than customer lifecycle management.

A Customer Success Platform can make it easy for non-technical teams to gain a bird's eye view of where customers stand no matter where they are in their journey. With plug-and-play integrations that flow customer data into the right places, a CSP can ensure that teams receive real-time visibility into their customer's health and activity as they continue to scale. Things to note:

- *With a CSP*, CS teams are empowered and equipped with all of the customer data they need to do their job efficiently.
- *Without a CSP*, you might need to contact Dev teams or CRM admins whenever you want to build health scores, dashboards, etc.
- CS teams may need to “hack” CRMs to make it work for them. Depending on your CRM's functionality, you may need to add on an additional project management tool in order to keep track of customer onboarding progress and other important items. This might work for simpler, High-Touch CS models in the short-term, but can pose a challenge as your team scales.



Foleon Upgrades their CRM to a CSP



Sam Brown, VP of Sales & Customer Success @ Foleon

About Foleon

Foleon is a content creation platform that targets B2B companies like Deloitte, KPMG, Philips, and Zendesk.

Prior to implementing a dedicated CSP, Foleon's Customer Success team relied on many different systems to house customer data—including their own product, CRM, and beyond. Because of this, their Customer Success Managers spent a lot of time researching and fact-checking customer data and putting out fires.

Before the CSP

In order to meet their needs in the short-term, Foleon leveraged Hubspot, their CRM, to stand in as their CS tool—but there was no shortage of limitations.

"We had a lot of struggles with integrating our own application into HubSpot," said Sam Brown, VP of Sales & Customer Success. "They don't think about things like product analytics and NPS—they're not focused on that."

After the CSP

Once Foleon decoupled their Customer Success activities from their CRM by using a dedicated Customer Success tool built for the task, they achieved the following positive outcomes:

- Nearly instant access to deeper customer insights
- A clear 360-degree view of the customer journey
- A 25% increase in customer retention
- A 50% increase in upsells
- Increases in both customer health scores and NPS

See the full story on Foleon:



Visit [Vitally.io/customers](https://vitally.io/customers)

When to Choose Each Tool

CRMs, PLG CRMs, and CSPs (try saying that five times fast) all serve the needs of different teams. In addition, you may be wondering when an appropriate time would be to bring on any of these tools. Questions like, “how will this tool translate into business value for the next 2-3 years?” and “will this platform help my team become more efficient, productive, and scale with us as we grow?” are important to consider. You’ll also want to have a clear understanding of all the teams that will be affected by this new tool.

The following guidelines can help you gauge your readiness for a new platform:

A CRM may be for you if...

- You’re quickly growing your Sales & Marketing departments
- You want to organize and take action on a large set of customer data
- You want to gain more visibility into your Sales activities and processes

A PLG CRM may be for you if...

- You’re quickly growing your Sales departments
- You want to bring together disparate data sources across your tech stack (CRMs, product analytics, etc.)
- You want to gain more visibility into free/trial users who are ready to convert

A CSP may be for you if...

- You’re quickly growing your Customer Success department and/or your customer base
- You want to bring together disparate data sources across your tech stack (CRMs, product analytics, etc.)
- You want to gain more visibility into trial users and the health of your existing customers
- You want to automate and scale CS processes such as onboarding, success planning, QBR prep, etc.

Benefits for Each Team

As we've uncovered, each platform has its own set of features that make it valuable for certain teams. Below, we've outlined examples of what Sales, Marketing, and Customer Success can glean from each tool.

	Sales	Marketing	Customer Success
Customer Relationship Management (CRM)	Manage leads, deals, and interactions with prospects	Organize customer marketing lists and manage campaigns	Access customer information like contacts, accounts, and billing
Product-Led Growth (PLG) CRM	Access lead scoring and buying signals in order to close deals faster	Narrow down audience behavior for remarketing campaigns	Uncover expansion opportunities and churn risks
Customer Success Platform (CSP)	Manage the health and conversion of Trial customers along with expansion opportunities	Identify healthy accounts for case studies and reference/referral programs	Uncover expansion opportunities, churn risks, and manage activities across the entire customer journey

Choosing the right tool for Customer Success

The functionality of CRMs and PLG CRMs are typically tailored more for revenue (Sales and Marketing) teams who employ a short-term transaction-focused approach. The goal is to get prospects in and convert them into paying customers.

For ikas, one of the biggest benefits of Vitally is the ability to have multiple teams work in coordination within a single platform, resulting in huge cost savings.

"Almost all of the teams can benefit from one software, which is a great thing," said Mustafa. "The value for money is definitely huge."



Mustafa Namoğlu, CEO of ikas

[Watch the full case study](#)

CSPs, on the other hand, are tailored more for Customer Success teams who need to be more relationship-focused over a long period of time. This is why many CSPs have project management capabilities, robust workflow builders, and other features to support and collaborate with customers throughout their journey.

At the end of the day, if you're a Customer Success team, you should be starting and ending your search with a dedicated CSP.

Jared McCoskey, Director of Customer Success at CompanyCam

On the Value of Customer Health Scores



“We were guessing which accounts needed our time, and we were spending a lot of time in places that we didn't need to spend our time.”

“So to get a feel for the health of an account, we were going based off of gut in a lot of ways, and waiting for something to happen before we would act on it.”

Learn how Jared and team solved for customer health:



Natalie Onions, VP of Customers at Customer.io

On the Importance of Unifying Customer Data

“We came from a place of trying to piecemeal a bunch of other tools together—that were made for different capabilities on different teams—and make them work for Customer Success.”

“Using a lot of different tools in a lot of different places was very overwhelming, not to mention a big time suck.”

See how Natalie and team saved time unifying data:



Conclusion

Congrats!

You've made it to the end of our comparison guide. We hope you now have a better understanding of CSPs, CRMs, and PLG CRMs along with the teams they serve.

Although every organization is at a different stage of growth with varying processes, many CS teams (even teams of one) find immense value in a dedicated Customer Success Platform. Now that we've clarified the pros and cons of each tool, the choice is up to you.

If you have any questions about the topics we've covered here, please reach out to sales@vitally.io. We're always happy to help and share our thoughts around best practices and the future of Customer Success.

About Vitally

Vitally helps Customer Success teams of every size deliver world-class customer experiences, meet unexpected challenges, operate more efficiently, and grow their business's bottom line.

Unify all your customer-facing data across your tech stack with bi-directional, real-time integrations. Easily analyze account and user status, including Health Scores for every customer segment and lifecycle. Standardize Customer Success processes with project management tailor-made for CS. Scale operations with automated Notifications and Playbooks. Create dedicated workspaces to collaborate on with customers using Docs. Surface Customer Success wins with beautiful, actionable Reports and Dashboards.

The fastest-growing B2B SaaS companies use Vitally to proactively address churn risks and expansion opportunities in real-time.

Visit vitally.io/demo-request to schedule a personal demo and see for yourself why more industry leaders are switching to Vitally.

Additional Resources

1 CSP Buyer's Guide

Learn how to evaluate a Customer Success Platform, vendor questions to ask, how to get stakeholder buy-in, and much more.

2 Blog Post on CRMs vs. CSPs

Read about the differences between a CRM and a CSP and the benefits of getting a dedicated tool for Customer Success.

3 The Customer Success Newsletter

Stay up-to-date on the latest content across the Customer Success industry, delivered straight to your inbox once a week.

4 Customer Success Maturity Assessment (2022)

Gartner Peer Insights and Vitally surveyed 100 CS leaders to understand the varying maturity levels of automation and standardization of CS and support teams across different companies. Read more in this report!