



# Zoho Desk as an anchor of Zoho's service platform

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Zoho is a privately-owned technology company. It was founded in 1996 as Adventnet, Inc. and has quietly evolved into an ambitious global player that serves the SMB and enterprise markets with cloud applications. The company offers a suite of more than 50 business, collaboration and productivity applications. These include applications for CRM, project management, finance, human resource management, analytics and support.

The company's headquarters is in Chennai, India. It has offices in India, the United States, Brazil, Canada, Mexico, Australia, Japan, Singapore, China, Egypt, South Africa, the United Arab Emirates, Saudi Arabia, Germany, and the Netherlands. Offices in France are in preparation. Zoho has more than 12,000 employees as of November 2022. The company is present in more than 180 countries and its apps have more than 80 million users. Zoho counts more than five hundred thousand customers.

Zoho is led by its co-founder and CEO Sridhar Vembu. Being a privately held company, Zoho is not obliged to, and does not, publish detailed revenue or profit numbers. However, the company recently surpassed an annual revenue of \$1bn US and indicates a track record of profitable growth that is well in the double digits and has an annual revenue in excess of \$1bn. In contrast to other high growth industry players, the company is profitable.

The company manages its growth organically, i.e., without acquisitions. All applications are built by Zoho, using one single hard- and software stack. They are made available via Zoho owned data centers in the United States, Europe, India, China, Japan, and Australia. Following this unique approach, the company has built a solid platform with a unified data model that allows it to grow and deliver software at high speed.

Core values of Zoho include corporate self-determination, privacy as a principle, public responsibility, and a commitment to delivering high value.

## Zoho Desk

Zoho Desk is Zoho's omni-channel customer service solution. It is what one could call the anchor app of Zoho's customer service offerings, which also include Zoho FSM, Zoho Assist and Zoho Lens. The solution's primary goal is to make customer service easy at any scale by enabling simple-to-use customer self-service and by providing agents with the tools they need to provide efficient support across channels. These capabilities are supported by an automation and orchestration framework that helps agents concentrate on the right tickets and extensibility options that range from no-code to pro-code. The built-in analytics provides the insight that agents, managers, and corporate management need to control their business via reports and tailored dashboards.

Zoho targets companies with 250 to 5000 employees globally with Zoho Desk. The solution is used in industries as diverse as health care, retail, services industries, IT or manufacturing. It has large deployments with up to 9,500 seats across the globe.

With a CAGR of 45 percent over the past five years, Zoho Desk has significant traction. It now serves more than 100,000 customers globally. The majority of new Zoho Desk

customers are net new wins. The remaining customers are upsells from other Zoho solutions like Zoho CRM, Zoho Workplace, and other Zoho products.

Zoho offers plans for Zoho Desk that range from a free tier via a standard and a professional plan to an enterprise plan that unlocks all functionality. The Standard plan is priced at \$14/User/month while the Enterprise edition has a price point of \$40/User/month, if billed annually.

Zoho Desk supports ticket management from channels as diverse as e-mail, social media, live chat, telephony and web forms. It organizes the tickets in one single user interface. Zoho Desk can get integrated natively with messaging systems, including Facebook Messenger, WhatsApp, Telegram, WeChat, Instagram and Line. Additional messaging channels are on the roadmap or can get connected via Zoho Desk's API framework.

Being built on of the deeply integrated Zoho stack, Zoho Desk leverages the power of Zoho's AI assistant, Zia, and offers native integration into Zoho's applications, in particular Zoho CRM. Extensibility works via Zoho's low-code and pro-code environments and includes specialized no-code capabilities. These capabilities allow the customization of the system from basic building blocks like SLAs, priorities, status, escalations, business hours via simple workflows to automating complete business processes via what Zoho calls Blueprints. They are supported by a newly built Instant Messaging Framework Zoho IM and a conversation builder Zoho GC that Zoho positions as a self-service experience builder. At the development end are native integrations and custom functions that can be enabled and built.

Notably, the DIY self-service builder GC (guided conversations) allows business users to build and deploy self-service experiences that can be embedded in different channels and connected to a variety of business applications, including commerce, marketing, ERP.

Last, but not least, Zoho Desk got a UI overhaul under the name of Design Optimized Thinking that enables three topics. It makes all design elements and controls available for extensibility, it cleans up the UI so that users have a simpler and user interface that is also more state-of-the-art and that can get personalized using a good number of options. Thirdly, it enables as part of the personalization an inclusive experience for visually impaired users.

## Analysis

Zoho evolves Zoho Desk into an anchor application of its service platform for the era of the conversational CRM. It does this by strengthening its integration into messaging channels and adding a powerful yet simple ability to build conversations.

Zoho's further service applications include Zoho Assist, Zoho FSM, Zoho RouteIQ and Zoho Lens to create a consistent service platform, defined as a set of

functionalities that support customer service end to end. Zoho Desk itself is on a good growth trajectory with a five year CAGR of 45 percent.

The ability to create automated conversations once and to use them across multiple communications channels is paramount in a world that leans more and more towards messaging. However, the challenge with automated conversational support is that purely bot-enabled conversations for a variety of reasons are still quite clumsy. These reasons include suboptimal intent detection, an often rule-based conversation modelling and partly awkwardly implemented conversation flows. What is also often missing, is giving customer service agents the ability to hand a conversation back to a bot to wrap it up or to give the customer the possibility to continue with additional intentions. Instead, agents are regularly forced to do this wrap up themselves. The ability to hand a conversation back to a bot is something that helps agents become more productive. Zoho now offers it and allows businesses to balance workloads between human agents and bots even further by leveraging the respective strengths of man and machine.

One capability that the bot-to-human is missing at this time, though, is leveraging Zoho Desk's ability to route via skills etc. Instead, the handover uses the default queue. This should be good enough for smaller deployments. Support for intelligent routing is on the near-term roadmap.

The conversation builder Zoho GC allows for the easy building of conversations via drag and drop. This is supported by low-code abilities. Zoho GC can be dubbed a low-code self-service platform to create conversations. It has been in a private beta with some customers to ensure its maturity.

Zoho's instant messaging framework Zoho IM ensures the ability to reuse conversations built with Zoho GC across different conversation channels. It does this by providing a framework to connect to messaging systems. For a start it directly supports WhatsApp, Telegram, Line, WeChat, Instagram and FB Messenger. Zoho is working on adding additional messaging channels to this list.

It, notably, is even possible to switch from one conversation channel to another, given that the conversation started on a portal or an app, so that the existing user registration can be used to transfer the context.

The new UI is sleek and far more contemporary than the old one. It also focuses around the conversation and offers many options to adapt it to custom branding or user preferences. In particular, the tools to support visually impaired users are quite powerful and easily accessible. The power of customizing this UI will increase even more when Canvas is made available to Zoho Desk.

All in all, Zoho Desk moves firmly into the realm of conversational CRM with this upgrade that offers significant benefits to its users, already coming from a strong basis.

# SWOT

## Strengths

- Deep integration into Zoho's functional stack ensures maturity.
- Zoho Desk offers a strong feature set.
- Already existing large applications.
- Accessibility options.

## Weaknesses

- Instant messaging framework needs to mature further to avoid development efforts when connecting to messaging channels.
- Handover bot to agent does not yet use Zoho Desk's routing mechanisms but a default queue. The usage of Zoho Desk's routing mechanisms is on the roadmap.

## Opportunities

- Consolidation of the Zoho Desk no-code capabilities into the Zoho Creator set of tools to increase the consistency of tool sets.
- Leveraging of Canvas, Zoho's new UI framework.
- The new capabilities are so far specific to Zoho Desk. Making especially the Instant Messaging and Guided Conversations frameworks available to more service-type applications and across the Zoho stack would increase their usefulness.

## Threats

- With Zoho Desk being a strong customer service solution, it now becomes critical to fill in remaining gaps and to extend the customer service story to support all service scenarios to not be perceived as a niche player in this business area.

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