Market Brief

# Zoho's Full–Stack AI Bet

From SaaS to Agentic-powered Platforms with Launch of Zia LLM, ASR Models, MCP Server, and Agent Marketplace

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Author: Navaneeth Ramesh

# Executive Summary

In this Market Brief, we examine Zoho's recent Agentic and AI announcements such as Zia LLM, Zia Agents, Zia Agent Studio, and a new Agent Marketplace.

AIM Research analysis places this move within a broader industry trend where SaaS vendors are steadily progressing from app centric models to agent-powered app ecosystems, leading to augmented efficiencies and productivity boost for employees.

Zoho is not the first SaaS vendor to explore this path and with this announcement, it places itself amongst the community of vendors envisioning to drive Agentic powered applications. Additionally, it could lead to significant potential revenue & customer value upside, banking on the benefits the solution aims to provide .

The market and tech buyers in general are estimated to steadily embrace the notion of "Digital Workers" or Agentic powered applications in the near-to-mid term future.

# Zoho augments its SaaS and AI Portfolio with the announcement to launch Zia LLM, Agent Studio, MCP Server, and the Agent Marketplace

- **Zia LLM:** This is Zoho's proprietary large language model suite which is built in–house using NVIDIA's AI acceleration platform. Available in 1.3B, 2.6B, and 7B parameter sizes, each model is tuned for specific business tasks like RAG, summarization, code generation, and structured data extraction. It will be deployed across Zoho's data centers in the US, India, and Europe. The model is currently in testing for internal use cases across Zoho's broad app portfolio and it will be available for customer use in coming months.

- **ASR (Automatic Speech Recognition) Models:** These are English and Hindi speech–to–text models that are optimized for low compute environments and perform up to 75% better than comparable models.

- **Zia AI Agents:** Over 25 native AI agents are now available, embedded across Zoho apps and tailored to business functions such as sales, support, and operations. Example: An upgraded 'Ask Zia' for BI tasks and a Customer Service Agent for intelligent ticket triage and response.

- **Zia Agent Studio & Marketplace:** A simplified, prompt–based no–code builder with access to 700+ Zoho app actions. Users can build, deploy, and govern agents as digital employees. The new Agent Marketplace hosts prebuilt agents and will soon allow third–party developers and ISVs to publish their own.

- **Interoperability with MCP:** Zoho now supports the Model Context Protocol (MCP) with its own server, exposing actions from 15+ Zoho apps for any MCP–compatible client. Through Zoho Flow, third–party tool integration is also possible. Zoho Analytics additionally supports MCP server connections, reinforcing modular agent orchestration across its stack.

## Highlights

Zia LLM: Enterprise grade LLM in 3 sizes (1.3B, 2.6B, 7B), optimized for business context

ASR Models: English and Hindi support; 75% better than standard benchmarks

25+ ready to depploy agents launched, including Candidate Screener, Revenue Growth Specialist; India–specific compliance agents

All AI workloads run on Zoho–managed servers and the agent behavior will be governed by existing user permission structures.

## References

Zoho's Press Release        Additional References

# Analyst Outlook

**Shift towards Agentic SaaS:**
- Zoho's Zia Agentic Stack reflects a broader industry shift from traditional SaaS to the agent–powered & augmented platforms. While the immediate integration is focused on Zoho's internal ecosystem, the adoption of MCP and external agent publishing hints at a more open and interoperable future.
- Zoho's approach, combining agentic architecture, voice native interfaces, and orchestration, points toward a future where SaaS becomes more contextual and adaptive. Rather than bundling features into apps, vendors may be pushed to offer modular capabilities that agents can directly use, blurring the line between software product and AI service.
- For 2025, this development positions Zoho among many other SaaS peers in terms of Agentic readiness. But Zoho's move is notable for being deeply integrated across its stack by including proprietary models (Zia LLM), MCP, and a planned Agent Marketplace which are all developed in–house.
- These solutions are likely to appeal esp. to mid–sized enterprises looking to scale automation without deep technical investments.

**Potential TCO (Total Cost of Ownership) Reduction for Zoho Customers:**
- Zoho's approach suggests that many Agentic features & Agents will be available within its existing ecosystem, potentially lowering the need for third–party tools or complex integrations.
- For organizations in general and mid–sized organizations in particular, this could help manage costs while still accessing next–gen automation, though the true impact will vary based on scale of usage and customization.

**Considerations for Tech Buyers**
- Embrace for an Agentic powered SaaS future. Map business processes, identify potential for automation, and match with Agentic solutions (read AI Agents) available in the market.

- Additionally, consider a portfolio of quick win and high–impact Agentic use cases depending on the business priorities in the near future.

- Connect with your existing SaaS vendors for any agent availability– this will be the fastest and probably the least friction laden approach towards Agentic adoption. Embedded Agentic solutions could lead to immediate quick–wins paving the path for enlarged enterprise adoption.

- Enquire about open standard, interoperability, and extensibility of Agents (Agentic solutions) of the SaaS vendors. This could be crucial, especially in enterprise settings with a myriad of application ecosystems, each vying for its own Agentic solution and standards for architecture/ops.

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India GCC Service Providers PeMa Quadrant 2025

# Analyst Profile



## Navaneeth R
### Lead Analyst– Analytics & AI

Navaneeth is a Lead Analyst at AIM Research, where he anchors research and advisory initiatives in the Data & AI services ecosystem. With over six years of experience in market research, vendor benchmarking, and trend analysis, he brings a cross–industry perspective to understanding how analytics and AI are reshaping enterprise strategies and technology adoption.

At AIM Research, Navaneeth leads efforts to evaluate and benchmark technology service providers, offering strategic insights to enterprises, tech vendors, and Global Capability Center (GCC) enablers. His work leverages proprietary research frameworks such as the PeMa Quadrant to assess market positioning, service differentiation, and innovation maturity, particularly in fast–moving areas like GenAI and Agentic AI. He plays a key role in supporting clients with forward–looking intelligence for strategic planning, vendor selection, and capability assessments.

linkedin.com/in/navaneeth–ramesh–88b6b18b

navaneeth@aimresearch.co