

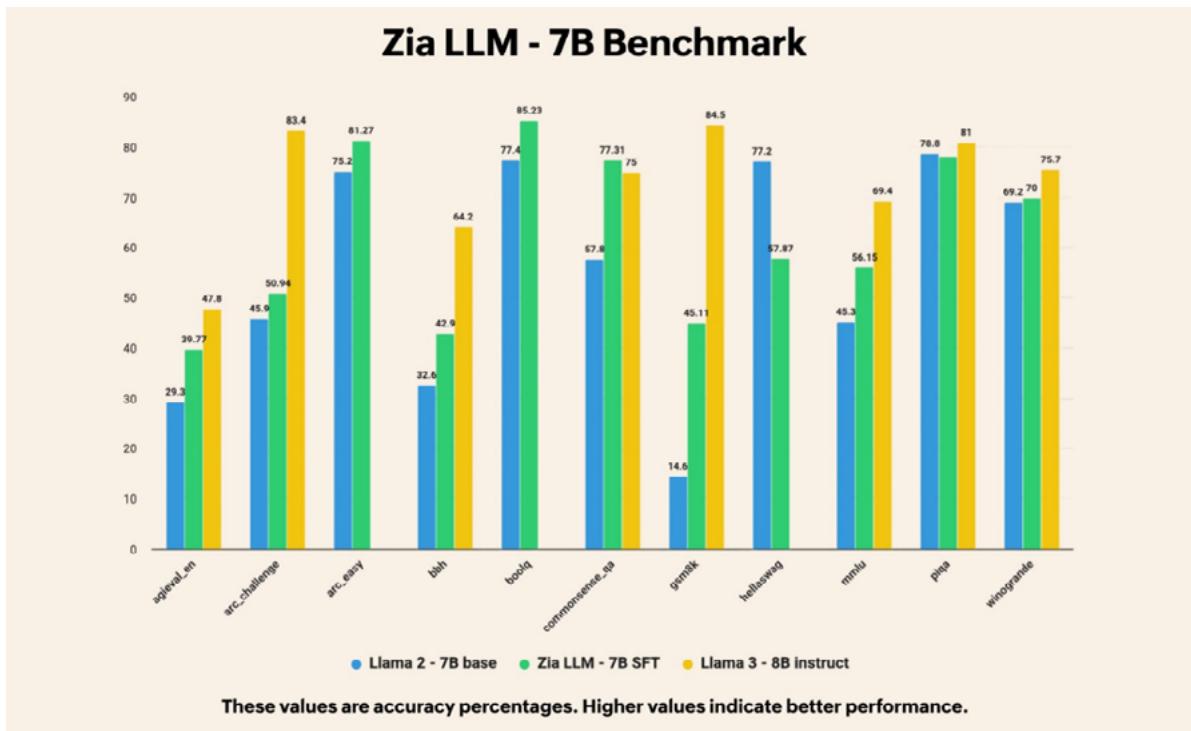
Zoho Joins Major AI Players by Launching Zia LLM, Providing a Competitive Advantage to Zoho Customers



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On July 17, 2025, Zoho introduced multiple advancements in artificial intelligence. The prime announcement is the launch of Zia LLM, which includes three proprietary large language models. In keeping with the core principle that Zoho follows, which is to own its code and infrastructure, Zia LLM models are homegrown using the NVIDIA AI Accelerated computing platform. Zoho now joins a select group of global companies that have truly proprietary, foundational LLMs developed from the ground up.



"LLM Performance Benchmarks," Zoho

Early returns on performance appear positive, with Zia's 7B LLM performing on par with Meta's 7B Llama 2 and similar to the 8B Llama 3 Instruct model. Zoho plans to release a 32B model in 2025, with further model expansion in their roadmap.

Zoho's Contextual AI Strategy: Cost-Effective, Targeted Intelligence for Business

The introduction of ChatGPT in 2022 started an AI competition focused on LLMs that did not distinguish between consumer and enterprise use. This meant that LLMs were using large amounts of computing power and processing huge amounts of training data to answer simple queries. As companies have realized, using large models for any query is not cost effective and has a higher chance of hallucinating in outputs.

Zoho's approach will be different, as described by Zoho's Chief Evangelist, Raju Vegesna. Zia LLM will be heavily focused on contextual AI. This means that depending on the task and its complexity, Zoho's AI will use narrow, small, medium, or large models to get results from specific data sources with higher accuracy. The models will not rely on training data from the entire internet but focus on targeted data for answers. Zoho also mentioned that their LLM is targeted more at B2B than B2C, which is a differentiator.

Zoho's customers will benefit from the introduction of Zia LLM, as Zoho will make the use of AI cost-effective in many ways, such as including Zia in the subscription to Zoho applications. Zoho continues to support other AI models using its AI bridge, which Zia LLM will be part of. Zoho stated that customer data will remain on Zoho servers and will not be transferred to the LLM.

Impact on Zoho's Customers

Zoho has been using AI and machine learning for over a decade to automate tasks within their solutions, like Zoho CRM, Mail, Desk, Books, Writer, Projects, etc. Now with Zia LLM, business users, data engineers, and analysts can use prebuilt agents, or Zoho can help them create their own agents.

Example applications that Zoho shared are:

- ▶ **Natural Language Queries of Databases:** Zoho's AI assistant Ask Zia now has new BI skills that even nontech users can use for analyzing data and creating reports and dashboards. Analysts and data scientists can build data pipelines without having to use complicated coding or queries.
- ▶ **Customer Service Agent:** The Zoho Desk Customer Service Agent efficiently handles customer requests by understanding context and either responding directly or routing to a human representative for quick resolutions.

Customers can build their own agents using the Zoho Agent Studio or the Marketplace with prebuilt agents like:

- ▶ **Revenue Growth Specialist:** Used to uncover opportunities when current customers are ready for expansion, analyze the signals, and suggest upsells. This helps increase company revenue and strengthens relationships with customers.
- ▶ **Deal Analyzer:** Analyzes deals and provides insights such as win probability, next best action, and follow-up suggestions. We have seen several providers launch this capability, and it's proving to be one of the best uses of AI in sales and marketing – a small percentage improvement in conversion will result in exponential revenue growth.
- ▶ **Candidate Screener:** HR teams can use this agent to identify and rank candidates for a specific job opening based on role requirements, skills, experience, and other relevant attributes.

Introducing an Innovative MCP Server

The model context protocol (MCP) is a relatively new way for organizations to connect LLMs and agents to data and information within your company. Zoho announced that it is offering its own MCP server with an action library. Instead of using coding

language you can use natural language prompts to make the connection.

The Zoho MCP server allows users to quickly create and expose data not only from Zoho applications but also from over 200 third-party applications, enabling MCP clients (like GitHub Copilot) to connect and access that data.

Essentially, the MCP use case is to give customers control over exposing their data from various applications (both Zoho and third party) to any MCP client for analysis, reporting, and other functionalities, thereby making their data accessible and actionable across different platforms.

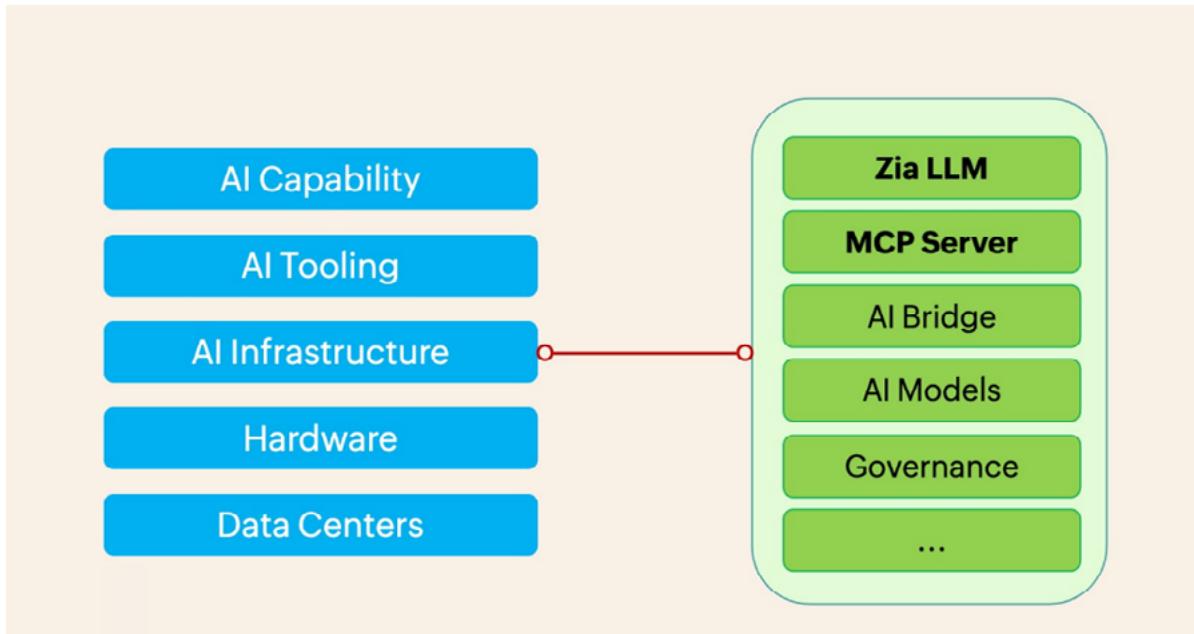
Zoho Launches Automatic Speech Recognition (ASR) models

In recent years, we have seen Zoho expanding its global footprint, in particular moving to the enterprise market. Benchmark comparisons of Zia ASR with other providers like Whisper, Jivi AI, and IndicConformer indicate that Zia ASR performs well in the evaluation metrics.

Zoho's introduction of Zia ASR models will help in language translation by being integrated into Zoho apps like Zoho Meeting, Cliq (a communication and collaboration tool), and Trainer Central (an online training course platform). Initial languages are English and Hindi, but Zoho will be expanding the languages offered.

Our Take

Zoho's launch of Zia LLM marks a significant milestone in the company's AI journey. Zoho's ownership and operation of its own data centers positions the company to robustly fulfill its privacy commitments, ensuring customer data protection, privacy, and security.



"Mission for Ownership of the AI Stack," Zoho

The introduction of Zia LLM is expected to provide significant benefits to Zoho's customers. By integrating AI capabilities into its existing suite of business applications, Zoho is making advanced AI accessible and affordable for its users.

Shashi Bellamkonda, Principal Research Director, Info-Tech Research Group

The ability to create custom agents using the Zoho Agent Studio or the Marketplace further enhances the value proposition for businesses. We see potential for the Zoho MCP server capability to augment its services, providing more value to customers. For example, connecting a website's conversational AI agent to authenticated customer history from a CRM database isn't just a feature; it's a powerful way to transform the customer experience and deliver tangible benefits.

In an AI landscape that is evolving at breakneck speed, Zoho's commitment to investing in top AI talent and infrastructure is both necessary and strategic. These advancements not only enhance the company's ability to serve its growing base of enterprise and midmarket clients but also reinforce its competitive position among

global AI leaders. Zoho's strategic focus on contextual AI, cost-effectiveness, and B2B applications, combined with their robust infrastructure and commitment to privacy, makes it a compelling choice for businesses looking to leverage AI for competitive advantage.