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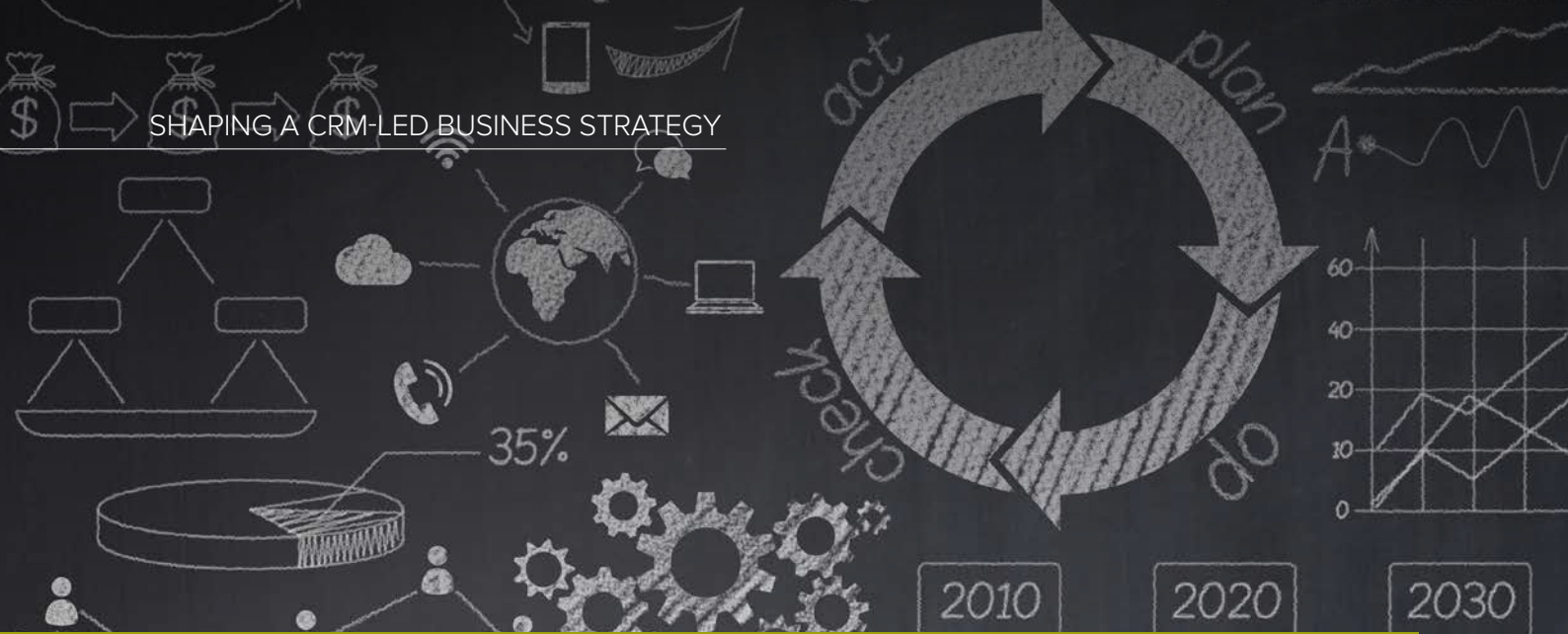
How to truly put the customer first in 2018: Shaping a CRM-led business strategy

In a world where personalisation, content and automation are key, Oaklin's James Naish identifies seven factors to consider when shaping a business strategy in order to meet the demands of twenty-first-century consumers.





At Oaklin, we believe that CRM shouldn't be – and never should have been – considered an IT-led solution. Rather, CRM is a business strategy in its own right which places profitable customer relationships and interactions at the heart of any organisation.

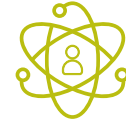


CRM is strategy; strategy is CRM

Put simply, customer relationship management or CRM is a strategy which puts profitable customer relationships at the heart of an organisation.

CRM was synonymous with specialist IT systems built by Siebel Systems, Gartner, IBM and others in the late 1990s, and was typically owned by IT departments. In the mid-2000s, attention turned to developing more strategic, business-centric CRM systems which gave a 'single view of the customer', integrating marketing, sales and service components. This created huge volumes of customer data which were ripe for mining and analysis.

Because of these developments and the exponential growth of systems providers such as Oracle, SAP and Salesforce, CRM has maintained a strong technology link. Unfortunately, although adopting these systems indicates a *leaning* towards customer-centricity, it doesn't



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necessarily mean that processes, training and messaging are consumer-orientated.

Indeed, the reality is that most organisations are still not customer-centric enough. CRM *is* strategy and strategy *is* CRM; and any organisation that fails to align the two is unlikely to keep pace with consumer demands.

So how, in 2018, can you truly put customers first and shape an integrated, CRM-led business strategy?

1. Foster the right mindset

Unfortunately, no CRM approach or system – no matter how great – will transform your business unless you have senior support. Effective CRM needs a combination of

top level buy-in, a creative and innovative team, and clearly-defined objectives. Without these, you won't be able to successfully launch a fresh, forward-thinking business strategy.

To overcome these barriers, organisations need to think of CRM less in terms of output (i.e. a system or a particular campaign) and more in terms of a mindset or approach. To help, some organisations have appointed Chief Customer Officers (CCOs) in addition to, or even in place of, Chief Marketing Officers (CMOs).

Once you've found the right team, work quickly but efficiently to (re)define and test your business strategy. Don't be afraid to prioritise speed over perfection. As long as your outputs address a handful

of known customer painpoints, users are likely to provide positive and *potentially helpful feedback* which can, in turn, be fed back into product or service development and testing. Failing fast and being agile is acceptable. Failing slowly and being clumsy is not.

While determining your future business strategy, we strongly recommend assessing the implications of the General Data Protection Regulation (GDPR). All business processes and systems must be GDPR compliant by May 2018 which presents serious challenges for customer-rich organisations with complex, multi-layered legacy systems. For further advice on becoming GDPR compliant, please contact us – we are more than happy to share our expertise in this area.

2. Pursue end-to-end integration steadily but relentlessly

Another topic that should be high on the agenda of forward-thinking C-suite executives is the transition towards fully-integrated, end-to-end IT systems. Historically, business functions have operated in silos and commissioned separate systems for operations, sales, marketing, CRM and other areas. In addition to being expensive, this arrangement no longer satisfies today's customers who expect anybody within an organisation to be able to handle their enquiry, at any time of the day, via a channel of their choosing.



With the average adult connected to the Internet by 4.5 devices¹, omni-channel communication is almost unavoidable. For organisations to offer a truly seamless customer experience, they need to invest in the removal of system-induced barriers and pursue end-to-end integration. Whilst most CMOs, CCOs and CIOs would agree with this perspective, true omni-channel delivery is still rare with static, unresponsive CRM systems limiting engagement opportunities.²

At Oaklin, we strongly recommend the adoption of dynamic, personalised CRM systems which facilitate cross-channel data sharing. Interaction between mobile and digital platforms is particularly important given customers are using both platforms in greater numbers than ever before. It is also important to consider Internet of Things (IoT) devices such as wearables and cars. IoT data offers unique insights into customer behaviours *but only when fully integrated with existing customer insights*. IoT integration should, therefore, be a key consideration in any redefined business strategy.

3. Simplify, simplify, simplify (your systems)

Another important focus for 2018 and beyond is system simplification. This is because most legacy CRM systems are unwieldy, with solutions having been expanded and modified over time. Irrelevant data collection, overengineered processes and poor onboarding experiences are far too common and prevent employees from offering the helpful, user-friendly experience that customers expect.

C-suite executives, therefore, need to work together to simplify existing internal frameworks, removing traditional departmental barriers in the process. Reduced complexity should, in turn, encourage both internal and external adoption.

Indeed, the provision of a holistic customer experience requires both users *and* employees to be able to cross channels seamlessly. The latter can no longer be expected to switch between screens and applications without annoying consumers. Companies, on average, use 20 different types of software at any one time which is highly problematic for users.³ Developing simplified operating systems and procedures should, we believe, be a central part of any future CRM-led business strategy.

4. Understand and embrace the AI revolution

If you were somewhat perplexed by the ‘big data’ phenomenon, don’t panic: you weren’t alone. But while redefining your business strategy, take the time to understand and embrace its natural successor: artificial intelligence (AI).

Previously, although CRM professionals were happy having lots of data at their fingertips, they weren’t always sure what to do with it. Now, using a range of criteria from geo-location and purchase history to customer lifetime value, AI tools can read and analyse huge volumes of data before suggesting a ‘best next step’ or ‘best next action’ for individual customers.

“Software is going to get smarter, allowing employees to focus on doing the things that they are really good at, which is connecting with customers.”⁴

- Jim Sinai, Salesforce Einstein

This is critical. It means AI will increasingly remove thinking and guesswork from the marketing equation with next steps and offers being automatically generated, and subsequently executed, by bots rather than people. In fact, in some situations, AI-led automation will remove the need for human interaction altogether with computers able to suggest suitable purchases quicker and more effectively than any sales assistant.

³ <https://www.crmbuyer.com/story/New-Search-Tool-Helps-Firms-Find-the-Best-B2B-Software-Fit-84912.html>

⁴ <https://www.technologyreview.com/s/608294/customer-data-meets-ai/>

Another key trend to consider in this area involves bringing AI 'in-house' to identify repetitive and inefficient marketing, sales and service tasks that can be automated and adjusted for efficiency. This is known as workflow automation and offers strong cost-saving potential.

A related trend facilitated by AI is predictive analytics (PA). PA helps to project future customer behaviours, spend and long-term customer value, and is becoming increasingly accurate. Oaklin has strong data analytics credentials, and can help to integrate AI-led activities and analytics into a CRM-led business strategy where needed.

5. It's time to get personal

The next area for the C-suite to actively consider is effective personalisation.

Today's customers expect their individual needs and profiles to be actively considered in *all* marketing dialogue. According to Gartner, businesses who fail to implement the right customer interaction strategy will miss out on potential new revenue of up to 25%.⁵ It is important, therefore, for all businesses to optimise CRM campaigns wherever possible and engage audiences across their preferred channels and devices with tailored messages. 'Standard' or 'off the shelf' approaches to marketing will, in the future, struggle to maintain traction. Content generation is key here.

To prevent customers from swiping past ads, businesses need to develop innovative and helpful content to gain attention and, critically, trust. Videos, product catalogues, blogs and other media all have a role to play in convincing consumers that your business is different and worthy of long-term loyalty. This translates to employee relations as well: while training and job expectations are at an all-time high, tolerance of generic management strategies is at an all-time low.⁵ Whether dealing with departments, teams or individuals, employers must personalise and reflect the diversity of the workforce.

“According to Gallup’s recent State of the Global Workplace report, 85% of employees are not engaged or actively disengaged at work.”

State of the Global Workplace – report, GALLUP News

Other popular forms of user personalisation are dynamic landing pages and interfaces which respond to the customer's known preferences. Another is geo-location technology which allows push messages to be sent to consumers near certain stores or locations. A third is account-based marketing which advocates intense engagement and tailored communication at the individual 'account' or customer level, especially in the B2B space.

One of the obvious benefits of user personalisation is increased adoption. Coupled with gamification strategies which

tap into innate human desires to be social, to achieve, to learn and to be rewarded, content-driven user personalisation can help to win and maintain the attention of consumers. At a time when customers are bombarded with more marketing messages than ever before, the benefits of personalisation shouldn't be underestimated.



6. Be even more social. And mobile

A sixth point to consider is social CRM which one commentator has described as the “next frontier in customer relationship management”.⁷ While many businesses happily engage with customers via social media, they struggle to incorporate social commentary and data *back* into the organisation and its decision-making processes. This is essential if businesses are to develop a truly holistic view of their customers.

Social CRM can also help businesses to anticipate and monitor customer needs, and identify conversations and opinions which may or may not be favourable to the organisation. Tracking activity of this nature can easily be done by bots rather

than humans, and they can respond with appropriate messaging and offers as part of retention strategies which have historically relied too heavily on traditional service channels (e.g. telephony). Much more could be done in social channels to limit customer attrition. Forward-thinking businesses also need to place sharper focus on social influence and sentiment analysis. These have, to date, been largely neglected as indicators of consumer engagement and satisfaction.

In terms of offers, shared experiences are a good way of building brand loyalty while simultaneously attracting new customers. Shared offers for two or more friends are becoming increasingly common, as are gamified apps which encourage sharing, uploading and competition. Dominos, for example, reached \$1 billion in online sales after the introduction of a ‘Pizza Hero’ app which allowed customers to design and order bespoke pizzas online.⁸

It should also be noted here that mobile is now the preeminent social channel. Mobile not only needs to integrate seamlessly with digital, it also needs to integrate seamlessly with social channels. In fact, in a customer-centric environment, CRM systems and user experiences should be designed for mobile users *first*, and other user groups second. This represents a significant change to the technical landscape of most businesses and organisations.

⁷ <https://medium.com/@SoftClouds/4-trends-for-crm-in-2018-be3163af4ef8>

⁸ <https://www.forbes.com/sites/scottdavis/2012/06/21/getting-apps-right-how-dominos-is-beating-the-odds/>

7. Be creative (again) and experiment with alternative user experiences

Finally, to differentiate from a raft of competitors, we strongly encourage CMOs, CIOs and other C-suite executives to experiment and develop so-called 'alternative user experiences'. By this, we mean the development of innovative interaction tools outside conventional social, mobile and digital channels.

One of the better-known examples is the chatbot which has successfully been deployed by Apple (Siri) and Amazon (Alexa) among others to transform CRM relationships. While chatbot responsiveness remains somewhat limited, for simple tasks such as retrieving and recording information, chatbots offer a new and exciting way for customers to engage with businesses. Chatbots could also be effectively deployed across non-digital channels (e.g. telephony) if they are effectively integrated with backend systems for omni-channel and data-tracking purposes.

Advanced customer-centric companies are also experimenting with virtual reality (VR) and other emerging technologies to engage consumers. Popular interactive apps such as Pokémon Go and Google Cardboard have enjoyed significant engagement, and both VR and augmented reality (AR) threaten to radically transform customer relationships and expectations.

Although CRM-led business strategies don't have to include alternative user experiences, early-adopters are already making moves into this largely-unchartered terrain.

Conclusion

At Oaklin, we believe that, when implemented properly, CRM is a business strategy that puts the customer at the heart of an organisation and offers significant long-term value to clients. It should not be – and never should have been – viewed purely through an IT lens.

Rather, with the demand for user personalisation at an all-time high, C-suite executives need to be bold and implement a fully-integrated, cross-organisation, CRM-led business strategy which is engaging, rewarding and fun for customers.

In an age where marketing messages are increasingly diluted and struggle to penetrate the social ether, creative ideas have never been more needed. Customer-centric innovation needs to be present in every business function from the top to the bottom and, if it isn't already, CRM should be adopted as your core business-wide strategy. This is the only way that organisations can successfully meet the rapidly-evolving needs of modern consumers.





Get in touch

Please contact James Naish at Oaklin, if you would like to discuss the issues raised in this Insight, or how Oaklin could partner with your business to develop a CRM-led business strategy and put the customer first in 2018.

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