



Putting the *relationship*
back into CRM

insightly

Introduction

Since its inception in the late 90s, the proponents of Customer Relationship Management (CRM) and its community, have been promising a new nirvana of customer centricity. They have been working hard to build software platforms and social technologies to engage customers, educate them, analyze their buying behaviors, entice them to purchase, and then support them in solving their problems post-sale.

But what has CRM really done to make the customer's experience better than ever. How has it helped businesses to grow by cultivating customer relationships over time?

In this report, we redefine customer relationships and share insights on how modern-day businesses can build long-lasting customer relationships and reach their sales and revenue goals.

Redefining the meaning of *customer relationships* in CRM

Gartner defines Customer Relationship Management as “the business strategy that optimizes revenue and profitability while promoting customer satisfaction and loyalty. CRM technologies enable strategy, and identify and manage customer relationships, in person or virtually. CRM software provides functionality to companies in four segments: sales, marketing, customer service and digital commerce.”

This definition of CRM does not place the ‘relationship’ at its core. While not inaccurate, it clearly considers the customers as *something* about which to strategize and optimize for profitability, rather than *someone* with whom to build a lifetime, personal relationship – arguably, the key to long-term business success.

“Unfortunately, Gartner’s clinical definition of CRM is the spirit in which most businesses to date have built their customer relationship management systems and processes, using technology as a substitute for the care and attention that every customer expects. Moving forward this will not be good enough,” says Tony Kavanagh, CMO of Insightly.

The reason why Gartner’s definition falls short is because it ignores the technological, social, and economic forces that have forever changed customer behavior and customer interactions with brands and businesses. Here are a couple of examples.

Subscriptions vs transactions. Customer relationships have evolved from transaction-based model to subscriptions (think Amazon, Netflix, Spotify, etc.), which means that businesses have to foster meaningful ongoing relationships with customers, versus just winning them over for a one-time deal. Keep in mind that customers today have more alternatives at their fingertips than they had ever before – which brings us to the next point.

Switching brands. With a myriad of options and easy access, customers today can switch their product and service providers at the drop of a hat when they feel that their specific needs and expectations are not being met. Thanks to technology and what it has made possible, customer expectations are constantly rising, and there's always a chance that someone else is offering a better, faster, more convenient, or cooler product or service. This shift in customer behavior means that you have to look beyond the obvious and understand customers and their needs at a granular level, anticipate their needs, and create highly personalized, meaningful moments with every interaction. And, in order to accomplish that, you need data.

Using data to build long-lasting customer relationships

Sales force automation technology does a great job of converting leads into sales. However, the availability of an ever-increasing number of higher quality alternatives and the ease with which to access them, are placing greater demands on enterprises to cultivate lasting relationships driven by *customer* needs rather than *commissions*. This means that the relationship part of CRM needs to address what happens after the money has been collected.

To fill this gap, use your CRM data to facilitate project delivery and improve customization. Project delivery involves tracking the customer engagement with products and services after the fact, i.e. after the sale is complete. In an enterprise sales context, this means looking at the timeline, customer satisfaction, trouble tickets, etc. and feed back into the sales cycle. This requires more than just a technology integration, but empowering sales staff with the processes and mindset to follow up after a commission check has been cut.

When future industrialist Henry Kaiser first came to Washington state in 1906, he offered to be a salesperson for one of the area's hardware stores. He was initially turned down when the manager said they had enough salespeople. Kaiser countered with an offer to focus on outside sales. He spent his days on construction sites and got to know the needs of the area's contractors, rather than selling products. Mostly, he just helped short staff project managers find plumbers, electricians, and carpenters they needed to finish buildings. In short order, he was outselling the rest of the sales people combined as these happy contractors ordered the parts needed for these jobs from him.

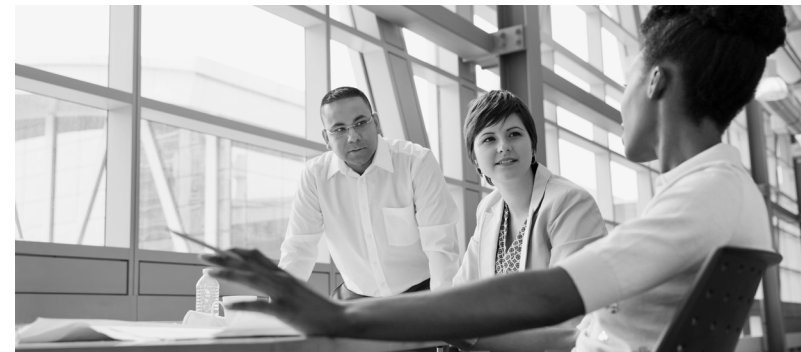
Bringing customer insight across channels

It can be challenging to create a highly personalized level of engagement across multiple touch-points in a customer relationship. The goal is to make every customer feel like they are the only one, whether there are tens or tens of thousands of them. But customer interactions tend to be orchestrated across multiple channels, such as sales calls, support requests, and project collaboration, via web, email, chat, text. Customers can get easily frustrated if they feel like they starting from scratch every time they engage with the brand.

Leading enterprises are starting to pursue a new style of engagement called *moment marketing* that engages customers across channels in a consistent and highly customized manner. The idea came from the mass consumer marketing space, but the concepts apply to enterprise engagements as well. The basic principle is to move from a predefined user journey or sales process to a style of engagement that matches a customer's needs.

"It starts by bringing these [marketing and sales] channels and data together where you can mine it with a single customer profile. You start to understand more about your customers. You understand how they have interacted and where they have interacted to personalize engagements and create more relevance for your customers across these channels."

-Joe Stanhope, Forrester Analyst



Making every relationship unique



Quick sales are great for the bottom line in the short run, but are easy targets for upstart competitors. Longer lasting relationships require developing a far deeper appreciation of customers as individuals that goes beyond the traditional views of firmographics, demographics, and purchase history.

Learn more about your customer, including:

- The complex organization hierarchies in which they work every day
- The business partnership(s) they have built
- Their professional affiliations and associations
- Personal preferences
- Opinions
- Other signals expressed on public forums and social media

“All these insights, together, help businesses paint a clearer picture of who their customers truly are, allowing them to tailor more effective communication with their customers over their lifetime, ultimately forging stronger relationships,” says Kavanagh.

This requires bringing in a more complete view of a contact’s communications history, key relationships, events and tasks, social profiles, sales opportunities, and project involvement. Enterprises can leverage this data to employ unique relationship graph engines and complex algorithms to automatically capture the links between contacts, organizations and the business relationships they share and use these insights to build detailed and multifaceted social profiles of their customers. In the long run, this kind of approach not only helps to build lasting business, but it also strengthens the bonds of professional engagement and nurtures customers for life.

Key takeaways to get you started on putting the *relationship* back into CRM

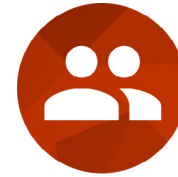
Rethinking your entire customer philosophy – and aligning your business model, people, and operations to it – is a huge undertaking. Here's a summary of our insights to get you started:

- As you revisit your customer philosophy and CRM expectations, resist the temptation to focus on quick sales, and instead start building a culture in which all your employees view your customers first and foremost as individuals and are able to connect at a human level.
- Establish a systematic way of applying data-driven customer insights (from your CRM and other sources) to personalize every interaction with your customers.
- Share customer information across your sales, marketing, and customer support teams, so that no matter where and how you connect with your customers, you are able to create a highly personalized, consistent, and memorable experience at every touch-point.
- Revisit your post-sale interactions with customers and make sure your sales team has a visibility into customer feedback and marketing interactions after the sale and uses that knowledge to follow up with customers for new opportunities, including upsell.
- Use a CRM that allows you to build lasting customer relationships and aligns with your business goals, core values, and brand vision. Your team should be able to easily adopt and customize a CRM, so that they spend less time on mundane tasks, like data entry, and more time on nurturing authentic and mutually-beneficial relationships with your customers.
- And, if you stay focused on the relationship part of CRM, you'll be able to differentiate yourself from your competitors, earn customer loyalty, and build lasting customer relationships.

About Insightly

Insightly provides customer relationship management (CRM) software for small, mid-size, and enterprise businesses across a range of industries such as manufacturing, consulting, health & wellness, media, and others. With more than 1.5 million users worldwide across 25,000 companies, Insightly is the world's most popular CRM software for Google Apps, Gmail, and Office 365 users.

Grow your business faster than ever before by building stronger customer relationships, accelerating sales, and managing projects at every stage of the customer lifecycle.



Over 1.5 million users



180 countries worldwide



67% made back their investment in 3 months

(source: TechValidate)