The Future of Customer Relationship Management

Mobile Technology and Social Media
# Table of Contents

- **Introduction** .......................................................................................................................... 3
- **A CRM Solution Is Essential for Success** .......................................................................... 3
- **The Socialization of Customer Relationship Management** .............................................. 4
- **Social Media** .......................................................................................................................... 4
- **Mobile Technology** ................................................................................................................. 5
- **Summary** .................................................................................................................................. 5
Introduction

In this postrecession economy, businesses are finding it increasingly important to change the way they communicate with customers. Traditional ad campaigns and marketing channels are no longer enough to capture the hearts and minds of consumers. These new trends in technology and “always on” communications also work to magnify the problems that typically interfere with company success.

Without Customer Relationship Management (CRM), businesses often struggle with the inability to track customer interactions and have no central source of information. Customer data is critical to the organization in order to develop targeted and effective marketing campaigns and accurate forecasts and sales reports. In an ultracompetitive landscape, the companies that will achieve the biggest success will be those that can interact with customers frequently and meaningfully, leverage customer insights, and meet expectations.

During the recession, most industries combated economic instability with intense cost-cutting measures. CRM implementation initiatives were a target of these cost-cutting measures and during this period experienced negative and modest growth from 2001-2009. However, as organizations now look for new ways to grow and gain a competitive advantage, CRM application spending is once again on the rise.

The recession is not the only thing that has influenced the direction of CRM. With the rising popularity of smartphones and social networks, consumers are demanding more information through these channels. Additionally, businesses have found that marketing through new technologies can be cost-effective and give them greater access to customer information.

A CRM Solution Is Essential for Success

In order to efficiently and effectively manage customer relationships, it is imperative to have a CRM solution in place. CRM helps businesses manage a wealth of customer information and solidify customer loyalty. The editors of CRM Magazine also point out, “Once thought of as a type of software, CRM has evolved into a customer-centric philosophy that must permeate an entire organization. There are three key elements to a successful CRM initiative: people, process, and technology.”

CRM bridges information gaps among departments, partners, and customers. In fact, the top benefit of CRM reported in a study by TechWeb is the ability to easily access and share business information. And in today’s fast-paced, multilayered information age, businesses are finding it essential to adopt CRM in order to innovate and grow.

With the onset of new communication channels and a power-wielding consumer, businesses need to find new ways to respond. Reports by both the Gartner Group and Forrester emphasize the importance of bringing the web to the center of customer interactions and getting involved in mobile and social CRM.

“Marketing strategies are evolving to support improved customer communications across multiple channels, leveraging the web, social communities, and partner networks. New strategies also provide better visibility, increase marketing’s accountability, reduce marketing cycle times, and help build stronger brands.”

–Gartner Group

Benefits of CRM

With CRM, businesses are able to collect and analyze customer information and then use that data to meet—even exceed—expectations. CRM helps businesses:

• Increase productivity.
• Empower employees with the right information at the right time.
• Streamline business processes through automated workflow.
• Bridge information gaps between departments.
• Tie ERP information with CRM so customer-facing employees have a complete view of customers.
The Socialization of Customer Relationship Management

In today’s business world, timely and relevant communication is key. As the use of smartphones and mobile technology continues to rise, companies need to find new ways to support customer interactions across multiple channels. Customers expect it and businesses will benefit from better visibility into customer information and the ability to communicate more frequently.

When developing marketing and sales strategies that take advantage of CRM technologies, a Gartner report identified several actions companies should take:

- Find areas where they can enjoy the best return on investment and keep costs low.
- Define the strategy that’s best for your organization. You want to implement programs that speak to your customers.
- Streamline business processes to ensure resources are working together to improve customer experiences.
- Learn how to effectively analyze customer data so the company can capture more revenue opportunities.
- Discover how to leverage technology best practices.

“Developing the right marketing strategies can greatly reduce marketing costs, better align resources, and enable the organization to improve the customer experience and capture more revenue opportunities.”—Gartner Group

Social Media

How is CRM evolving to meet the new demands of consumers and the pervasiveness of mobile technology? Forrester Research discussed the business value of “social CRM” and found this to be a hot area. Forrester notes that “more than four in five U.S. online adults now participate socially,” and while only 21% of companies surveyed had established online interaction sites, an additional 42% are interested in establishing their own customer communities.

The social web has grown so quickly and dramatically that it has caught the attention of all types of businesses. It is no longer enough to maintain a two-way relationship with the customer; rather, “CRM is evolving from its traditional focus on optimizing customer-facing transactional processes to include the strategies and technologies to develop collaborative and social connections with customers, suppliers, and even competitors.”

Businesses can use a variety of social media to make it easier to communicate with customers—and for customers to interact with them. By setting up social feedback sites, businesses are able to poll customers directly about their likes/dislikes and wants/needs, maintain a dialogue, and act on this information faster than ever before. Comfortable with sites like Twitter and Facebook, customers are more willing to opt in and share information about their identities in exchange for a more relevant web experience and direct contact with their favorite businesses.
The collection of this data is important but data insight is now king. Industry experts such as Google's chief economist, Hal Varian, have pointed out that the ability to effectively analyze data in order to meet customer needs will help businesses gain a competitive edge. Increasingly, companies will lean on data collected from social media to define new products and make decisions about product strategy.7

"If you do not use your data to talk to your customers, others will. As such, the investment in data aggregation and the hiring of “sexy” statisticians is going to be a major trend in 2011."8

Mobile Technology

More and more businesses are encouraging the use of mobile solutions so that sales teams can have complete access to customer data anytime, anywhere. It helps the sales team access customer records, calendar, meeting notes, conversation history, and more from their mobile device so they can stay informed while out of the office. By providing an extraordinary customer experience, your sales team is helping to build consistency across all company touch points and ultimately increase customer loyalty.

There is also a lot of buzz and excitement about mobile marketing. Many analysts predict that mobile marketing revenues could reach $3-$5 billion by 2012 and $24 billion within five years.8 As consumers trade in their laptops and traditional wireless phones for cell phones, businesses are able to take advantage of a quick and low-cost way to share content with consumers. Mobile marketing can assist companies with the identification and cultivation of the customers who are most engaged and active through individual devices or user accounts.

Mobile marketing can help your company maximize marketing efforts with the ability to:

• Cross-promote your brand to increase response and awareness.
• Develop and send localized messages, also known as “geotargeting.”
• Offer personalized messages to customers.

In fact, CRMtrends.com named the ability to personalize and customize one of the top five CRM trends for 2011. It will not be enough to communicate; the companies that are most successful will need to use data insight to “talk, engage, and interact with their customer more often and more meaningfully in new and innovative ways.”9

Summary

As companies begin to adopt and implement CRM solutions again, it is important to focus on data analysis and to measure the effectiveness of social media. The companies that will achieve the most success are those that understand what is important to customers and capitalize on unmet expectations. Leverage your data to communicate to customers and make sure you offer a consistent experience across all channels.

In order to gain a competitive edge, it is essential for companies to implement CRM. Make investments in an infrastructure that supports knowledge sharing and smart communication. With the right solution in place and effective data analysis, businesses can successfully build a strong brand, demonstrate value, and create a personalized customer experience. The end result? Increased customer loyalty and profitability.

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7Top 5 CRM Trends for 2011,” www.crmtrends.com
9Top 5 CRM Trends for 2011,” www.crmtrends.com
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