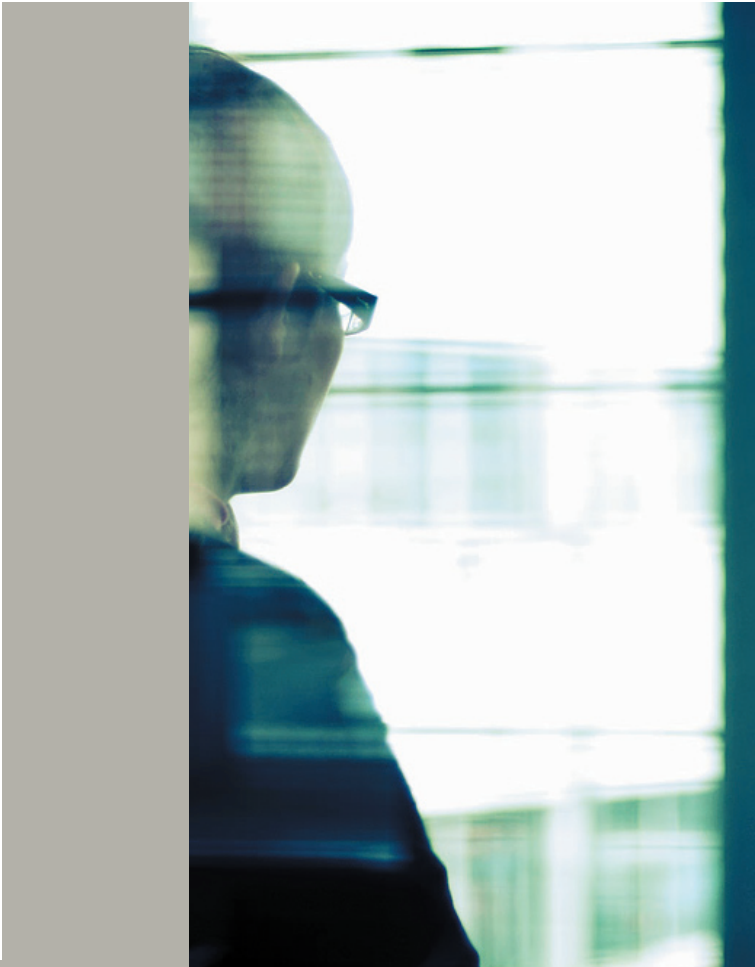


CRM White paper

IT'S TIME TO FACE FACTS.
CRM just isn't getting the job done.

It's all the talk on websites, at conferences, in nervous boardrooms—CRM isn't driving top-line results. And everyone's getting worried, from the companies who have sunk millions into buying the software, to the software providers themselves, to the IT services companies who see CRM as their best chance for post-dot-bomb survival.

One problem is that CRM can offer some deceptive short-term success. Implement the sales force automation (SFA) elements of CRM, and you're likely to see a bump in sales thanks to newfound process efficiencies. But, like changing tires at the Indy 500, it's not enough to win you the race—just enough to keep you from getting lapped by your competition. Outside of SFA, most companies struggle to determine how to monitor and track interactions and messaging across all customer touch-points—and, from there, actually make some money.





If you're currently considering or running a CRM system, you need to ask yourself two hard questions:

1. How do you use all of your customer touch-points to SELL MORE STUFF?
2. How does your CRM solution track each customer message used and its effectiveness by customer touch-point so that you can improve your answer to #1?

You'll note that we used the "s" word—SELL—in #1. That might lead you to believe that this issue belongs in the Sales arena. Wrong—we're talking Marketing, pure and simple.

Marketing is all about closing the sale before the deal even takes place. It's about selling more stuff, to more people, more often, for more money, more efficiently. And it's not a province where IT can give you the best answers for your money.

So it's up to you in Marketing to do some homework and figure out how to maximize your CRM return.

■ Your first step is to develop a penetrating understanding of your brand's value proposition—what we call the **brand architecture**—and the messages that drive purchase intent. Put more simply—know what your brand means, and know how to communicate that meaning to your customers. If you aren't doing this, you're just throwing away money or making things up as you go along.

■ Next, you need to leverage this understanding to develop the specific content, functionality, or messages that are delivered at each customer touch-point. The idea is to develop a **relationship** between your brand and your customer. This **Brand Relationship** addresses all aspects of how your company interacts with your customer, including downstream, post-purchase interactions on how to use or service what you sell.

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Again, we're talking about taking advantage of opportunities outside the traditional domain of Marketing to deliver proven brand messages. The concept of Brand Relationship bridges the gap between Marketing's traditional brand domain and the emerging focus on Customer Relationship Management.

We're not talking about radical repositioning of your marketing efforts—we're just talking about taking a new look at what you've already got. Let's demonstrate with a little historical perspective.

Before the age of CRM, Marketing invested all of its time and money trying to land current and potential customers when they weren't interacting with the company—watching television, reading magazines, strolling through airports, and so forth. Once the company located its target customers, they would zero in with messaging that would supposedly sink in far enough to help them make the “right” purchasing decisions when the time came.

But now, with CRM, it's as if Marketing has a powerful weapon it doesn't even think to use. CRM systems give marketers the tools to catch and communicate to customers at any and all times they interact with your company, whether you're running a lemonade stand or a multinational corporation with websites, retail stores, distributors, and call centers. A marketer's central dream is having

the opportunity to fish where the fish are. But it seems no one has told the marketers where the pond is located.

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Even worse, we've found some companies continue to invest in CRM efforts even though they've been unable to make a clear connection between their company's brand promise and CRM. This is like driving faster when you're lost, and it can lead you to all sorts of strange places.

True story: one company we recently visited actually forbade us from implying that they SELL to their customers. They preferred to believe that if they only created a great “relationship” with their customers, then the dollars would magically flow in.

Nonsense. Create customer “relationships” all you want—but if they're not leading to sales, they're not worth the paper they're printed on. This airy foolishness about the value of relationships



is why CRM investments don't pay out. It's already difficult enough to sell more every month, every quarter, and every year...and it's that much harder if you're just tossing your brand name to the winds, hoping it will connect with some customer somewhere.

However, if you've built a brand relationship, you've created a marketing asset that can be used over and over again. In other words, if Marketing can teach your customers to associate distinction, quality, and reliability with your brand, then you've got something to build on.

The whole world is enjoying the CRM feeding frenzy. Trouble is, most companies are going at CRM not like sharks, but like minnows, watching tentatively to see what their equally fishy competitors are doing, and then going about CRM work exactly the same way.

The hard truth is that there is no one right way to use CRM effectively—each company's take on CRM must be driven by its brand positioning. If a company's use of CRM is simply to change technology and processes, then that company has done nothing to build a defensible asset that drives benefits for customers while keeping competitors at bay.

One day soon, all the minnows are going to look around and realize that since everyone now has CRM, nobody has a technology advantage. And if you're not putting your brand to work to differentiate yourself and sell across all touch-points, you're never going to outrun the sharks. ■