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Finding CRM's Hidden Benefits

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When embarking on a customer relationship management strategy, every organization sets lofty expectations.

To secure funding for CRM projects, marketing and advertising department vice presidents everywhere promise dramatic return on company investments. For most organizations these promises include such elevated goals as greater customer loyalty or improved response rates to e-mail promotions or more targeted campaigns directed at their best customers.

Each of these business objectives appears fundamental and essential to doing business in the new age of marketing. Therefore, seldom are these soft benefits challenged before project funding.

In reality, it is difficult to develop a plan to execute against these goals and quantify the benefits in terms of bottom-line effect. Despite the lack of a solid business case to support the newly developed CRM strategy, organizations are spending large sums of money chasing these elusive goals.

Having directed a large CRM project with the goal of changing my company's focus from product-driven to customer-centric, my advice is to look for project interest and business support in areas of the company that are not obvious to everyone else. Find support in out-of-the-way places.

After all, CRM is much more than direct marketing or e-mail marketing. You need to analyze all parts of your business that interface with the customers. To truly be a customer-centric organization, you need to find all of the places within your company where you can improve the customers' experience. If you can make that customer experience easier or more effective or more efficient, you stand a much better chance of winning with your customers.

Your marketing and advertising departments can easily discover a multitude of obvious applications for CRM. So can your competitors. Therefore, to differentiate your CRM effort, you need innovative solutions. By involving as many internal business customers as possible, you maximize project awareness and potential support. To do this you must stimulate thinking within the organization. You need everyone thinking about what is possible for his department. If your information systems department has any credibility within your organization, you will be surprised at how easy it is to get everyone visualizing CRM. With an undertaking as exciting and significant as CRM, everyone will want to be part of the action. Each department will strategize to determine how CRM can give it a competitive edge.

In marketing your project internally, it is important to keep momentum while the organization waits for information services to deliver CRM paradise. Because this may take six to nine months, you must identify quick hits that deliver business value in the short term. Simple deliverables that provide value are very important.

The information services project team and the internal customers should brainstorm for applications of customer data. It is from these sessions that many unconventional customer applications will be identified. Often, many projects that are on the internal customers' wish list are never requested for fear that they are too complex and time-consuming. The projects that have medium to high value in the internal customers' eyes and are low cost are your quick hits. Those valuable, low-cost projects usually turn out to be your rare finds. Now is the time to build the all-inclusive CRM wish list. For an organization accustomed to a wealth of product and sales data but limited customer data, this will be particularly exciting.

Start by involving customer-facing departments like customer relations, service and store operations. Talk to the front-line personnel who interact with your customers. They will undoubtedly provide you with myriad ideas and opportunities. The following are examples of some "customer wins" that are relatively easy to implement and inexpensive to develop.

- Customer relations workers may tell you that if they just knew for sure whether the person on the phone was one of your best customers, they could interact more effectively with her. Imagine how impressed that customer would be if you could tell her the model number or serial number of the product she is calling about, saving her the effort of finding it herself. In phase one of your CRM project, you do not have to be able to instantly order the part she is requesting online for her. Providing the convenience of finding the model number or serial number of her product is worth a lot to many consumers.
- Your delivery business is an excellent place to find unconventional CRM applications and quick hits. By building a simple customer look-up function and rudimentary customer rating system, you can prioritize and schedule deliveries. For your best customer, you schedule the delivery at 8 a.m. and tell him why he received the priority delivery time. For your other customers, you schedule the delivery between 8 a.m. and noon.
- A simple application that determines if the product brought in for service is under the manufacturer's warranty (based upon purchase date) is as valuable to your customer as it is to your service department. The customer feels as if you are an advocate for him with the manufacturer, and the manufacturer pays for the repair. In future applications, you can use service and repair information to target new or replacement product promotions to your customers.

These are examples of relatively low-cost and high-value solutions. More complex solutions found in unconventional parts of your organization include electronic product registration, self-service digital receipt maintenance and personal shopper concierge service for top customers.

These solutions extend beyond the traditional CRM challenges. They broaden scope of your CRM endeavor and involve more parts of your organization. Arguably, they provide more value than traditional data mining and campaign management ventures.

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