



THE CRM LEADER'S TOOL BOX:

**5 IDEAS FOR
PROGRAM
INNOVATION
+ A BONUS**

Today, we're no longer in the *Age of the Product*. Welcome to the *Age of the Customer*. They now set the tone for companies communications, how products are delivered, and how brands are portrayed.

According to Gartner, through 2020, businesses that deploy CRM technology that reflects empathy toward the customer are **three times more likely to fend off a digital disrupter**. In addition, “greater customer intimacy” is recognized as the top business driver for chief data officers.

The fastest-growing companies are focused on improving their customer relationships. With competitors just one click away, it's essential to build loyalty and trust with every customer interaction. When you consider that it costs *eight times* more to acquire new customers than to retain existing ones—the writing is on the wall (email, web, social and other channels). You've got to nurture your best customer relationships or pay the price.

To earn the lasting growth you want from CRM, you've got to focus on one word, *relationship*. In CRM, it's the key to better serving customers and earning their loyalty. Here are five principles that will help you build better relationships with the customers you have to keep.

01

FIND WHERE YOUR CUSTOMERS ARE IN YOUR CUSTOMER LIFE CYCLE.

This life cycle describes points in the continuum of the relationship where you:

- Claim someone's attention
- Begin influencing their decisions
- Convert them into paying customers
- Keep them as a customer
- Turn them into your brand advocate.

Depending on their business models, companies draw the lines between these stages differently. Does your company sell products and services? Does a typical sale take five minutes or five months? In a purely retail, B2C environment, these stages are more clear-cut than in a B2B setting.

For example, determining when a new customer becomes a retained customer at Crate and Barrel is relatively simple. They come back for more glasses. However in B2B, customer relationships are more complex. Let's say you sell

manufacturing equipment. Did you also get the maintenance contract? Will you be selected for the customer's next systems upgrade? It depends on where they are in the customer life cycle. Keep all this in mind when you draw up your own customer life cycle.

02

IDENTIFY THE MOMENTS THAT MATTER MOST TO YOUR CUSTOMERS.

In CRM, like everywhere else, *timing is everything*. To connect with customers at a more personal level, give them the information they need when they need it. In other words, *be nimble*. If your customers are browsing, reach out while they're shopping. Not after. When customers are considering a purchase, they're weighing everything from pricing to company reputation to store locations and so on. If you know when your customers are the most anxious, this creates opportunities for you to inform and guide them, earn their business, and gain their brand loyalty.

03

TALK DIRECTLY TO YOUR CUSTOMERS.

The idea is to listen to what is going on with them, identify problems they may be having with your company, and fix them, ASAP.

But here's a shocker... *most companies are not ready to listen to their customers*. Even though they proclaim themselves to be customer focused, they are, in fact, product-centric. Even worse, many companies think they know what their customers' want—and are either partially or completely incorrect of the true perceptions. If not addressed, both scenarios can drive cascading problems through every level of your brand and organization.

Once your organization is committed to listening, explore Voice of Customer (VoC) program options to get useful customer feedback. VoC can include manual methods such as customer interviews, focus groups, reference programs and VoC automation solutions, which continuously gather, and analyze customer feedback. Once you understand your program options, determine the objectives needed for capturing data that will help you delight your customers. Your VoC program must also integrate seamlessly with your CRM system. With the information you gather, you can make continuously make adjustments based on customer feedback, measure the results, and improve your most valuable relationships.

04

PERSONALIZE YOUR COMMUNICATIONS WITHOUT CROSSING THE LINE.

The challenge is to avoid that creepy “someone is watching me” feeling. Personalization must be relevant and create genuine value.” If you’re wondering how much personalization is enough, ask yourself this question. *Is the information that you’re providing relevant and timely enough to help the customer overlook their loss of privacy?*

A good example of helpful personalization would be to remind customers of something they browsed but didn’t purchase. You can also send them in-stock reminders of items they buy regularly, like a shampoo or beauty product. Another tactic: If someone wanted a specific shirt or blouse and their size was on back order, send them an email telling them it’s now in stock. Or, if the customer recently bought a pair of running shoes provide a complimentary product recommendation like a pair of running shorts or a pedometer. This positions your brand as helpful, considerate of the customers’ needs, and worthy of their loyalty.

05

GIVE VALUE ABOVE YOUR PRODUCT OR SERVICE.

Look at how your organization can provide answers and solve issues—*beyond selling*. This isn’t about supporting a loyalty plan that rewards members with points. While these programs help create sales and repeat customers, you want to offer more. You want your CRM program to delight, create, and retain loyal customers. This means solving customer problems and soothing pain points.

A good example of how to support your customers is to give them useful information they had not considered. A handy tool for doing this is the recommendation list. Just be sure the list is designed to compliment recent purchases and does NOT include items they’ve already purchased.


Many companies are also offering multi-functional lifestyle apps. Members can use them in many ways, such as to check the status of hotels and orders, search for relevant information, check the status of their rewards, and place orders. Walgreens and Starbucks offer apps that support their customers and their brands, while Amazon Prime takes it to another level. For \$99, their customers get exclusive programming, extra values, and free shipping. As a result, customers shop more. The better you know your customers, the stronger your profitable long-term relationships will become.

BONUS

SURPRISE AND DELIGHT YOUR CUSTOMERS.

Give your customers something unexpected — like a greeting card, email or small token — to demonstrate your appreciation. This is what surprise and delight marketing is all about. Maker's Mark Bourbon goes a step further with their Ambassador program. They surprise their ambassadors with welcome kits that include business cards, Barrel Dedication Certificates, and more. At the holidays, they even send out gifts which always surprise. In turn their ambassadors are active on social media, showing off their bourbon bling while singing Maker's Mark's praises. Your company's surprises don't always have to be gifts. They can also become events.

At the 2015 Oscars, dancers from Lego, the toy company, fanned out around the celebrity-packed audience to give away yellow Logo Oscars statuettes. Lego owned the night during the broadcast and parties with close to 47,000 social mentions on Twitter. What they did was **create a conversation about their brand**. Word of mouth is important to consumers and 61% of them tell friends and family about their experiences. Loyalty is a relationship. Don't take them for granted--surprise them!



Remember, every relationship, whether it's personal or business, can benefit from a little extra effort. Apply these tools to your CRM toolbox and they'll help you build stronger, more profitable relationships. For more strategies that will engage, involve and delight your best customers, contact Kern, an Omnicom Agency.



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