

EMPOWERING MARKETING VIA CUSTOMER MANAGEMENT

Giving Marketing Equal Access to Customer Management Systems Ensures Successful Campaigns that Fill the Pipeline with Leads and Enhance Overall Sales Effectiveness

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If sales and service are the core users and influencers of customer management systems at most companies – and they generally are – where does that leave the marketing team?

Too often, marketing's use of CRM tools lag far behind that of the sales and service organizations within the typical company. The reasons for this are many and varied, including business priorities that place sales operations or answering customer queries about product use and safety issues ahead of marketing campaign effectiveness.

Suffice it to say, however, that the majority of companies have focused their CRM efforts on enhancing sales and service capabilities at the expense of the marketing department's needs. In addition, the adversarial dynamic often seen between marketing and sales causes friction. In many organizations, sales regards marketing as a strategic function, and sales executives often believe that marketing cannot serve as a profit center. Marketing is considered less important, and is therefore less involved in the planning process for CRM initiatives, limiting marketing's use of the customer management tool.

As a result, marketing has not been given the opportunity or funding to take advantage of all of the sophisticated customer management capabilities available. That is a mistake, we believe. By allowing marketing to become more deeply involved within companies' CRM efforts, organizations better position marketing to contribute significant bottom-line value, not only for the sales organization specifically, but for the company as a whole.

When marketing is allowed to take a more aggressive role within CRM initiatives, and is more closely aligned with sales

VENDOR PROFILE

SAAS CRM Application

Salesforce.com, one of the world's largest CRM vendors – with more than 40,000 customers and over 1 million subscribers – offers its easy-to-use, eponymous application exclusively via SaaS. Originally designed to automate sales, marketing, service and call center practices of small and midsize organizations, Salesforce.com is now used by numerous large enterprises as well, which rely on it to increase customer satisfaction, productivity, revenue growth and business intelligence. Its streamlined customer relationship management functionality is accessible via multiple devices, including the BlackBerry and iPhone. The company also offers AppExchange, a repository of more than 800 compatible applications and add-ons, and IdeaExchange, a user-determined forum for selecting future software functionality.



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efforts, it is a winning situation for both sides. Sales increase as a result of marketing campaigns that are targeted to the right buyer at the right time, and marketing campaigns deliver greater return on investment (ROI). This then demonstrates to sales personnel, who are often skeptical about marketing's contributions to sales efforts, how marketing can positively enhance their results.

So why has marketing not taken advantage of CRM, and how can the typical organization remedy this situation? As is often the case, we have to delve into several layers to find the answer.

IMPROVED TARGETING

When Innoveer consultants engage with clients who want to more closely align their marketing functions with their sales efforts, we see several recurring themes. Most notably, both marketing and sales want tools that allow better customer segmenting and targeting. In addition, they want to better manage their marketing campaigns and accurately evaluate their success.

Marketing, in particular, wants to use CRM to identify exactly who the company's prospective customers are in order to reach them with offers they truly need or want and not merely distribute offers du jour. Segmentation is critical to sales organizations as well, as it allows personnel to spend the right amount of attention on the right type of customer. The key element in all of this: CRM is the tool that makes segmentation possible.

Customer management offers sales and marketing personnel the ability to find out who their customers are by collecting accurate data that then becomes available for analysis. Savvy sales and marketing organizations can then use this information to segment prospective customers into categories, each with its own set of targeted offers.

To work effectively, however, sales and marketing should rely on the same segmentation. By that, we mean that marketing efforts should be complementary to sales — integrating the two functions gives sales personnel the information that makes them more equipped to determine how much time or effort they should expend on particular customer segments.

ULTIMATE SUCCESS

The ultimate measure of successful targeting, of course, is whether an offer results in a sale, and this is another area where sales and marketing can work better together. For example, an organization that relies on marketing to make offers to prospects via some form of campaign would

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like prospects to indicate interest in the proffered product or service. Stating the obvious, that is a qualified lead, which marketing turns over to sales, helping to fill the sales pipeline in the process. It also serves as a connection between marketing and sales, and when marketing actually provides qualified leads, it shows a skeptical sales organization the true value of marketing.

When a marketing organization improves its segmentation capabilities, and therefore, its customer targeting and capture of information, its lead-management processes improve. This can help the sales organization improve its results and effectiveness and demonstrate marketing's ability to generate leads. Most importantly, it also improves the likelihood that marketing can help with their all-important "numbers" that deliver bottom-line value.

As noted, CRM can also help marketing better manage its campaigns. For one thing, it allows marketing to easily manage the end-to-end campaign process – compiling mailing lists, sending out direct mailers or e-mail offers, and managing potential customer responses. In fact, campaign management is probably the number one benefit that CRM offers to marketing organizations.

CRM also makes it easier to test marketing messages and campaigns with a smaller, controlled group of potential customers. It is the ideal tool for testing whether one variation of an offer draws more customer attention than another. That, in turn, can foretell whether the offer is likely to score with a larger audience – ensuring that marketing does not waste campaign dollars on making the wrong offer to the wrong customer. This capability is critical for ensuring the most return on marketing investments and the best use of marketing budgets.

Using CRM to evaluate the performance of marketing campaigns is critical for another reason. It not only helps manage the process of passing leads from marketing to sales, but it also makes it easier to determine whether those leads actually result in sales. That, too, has a two-pronged benefit to marketing, as it can show how successfully marketing is contributing to actual revenue dollars by tying sales back to marketing-generated leads.

MAKING IT WORK

Why are more companies' marketing functions not taking full advantage of CRM? In addition to the business priorities mentioned earlier, two other issues are at work here. One revolves around data quality, or rather, a lack thereof, and the other focuses on the maturity level of the marketing organization.

Let us examine the data issue first. When using CRM to enhance a company's marketing efforts,

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never has the “garbage in, garbage out” (GIGO) adage been more appropriate. If an organization’s marketing database is filled with duplicate entries and faulty customer-buying history, or relies on purchased mailing lists that have not been “scrubbed” for its particular market niche, data quality will be poor.

This means that how a company manages data is critical. Without “clean” data, it is impossible to analyze customer segments and deliver on-target messages to key buyers. Beyond that, it is crucial to consider marketing’s data quality needs in the beginning when developing a CRM initiative. The specifics of this vary from organization to organization, but the good news is that there are a wealth of tools available to manage data quality.

That said, there are a few key messages here. Customer-related data must be captured in a way that suits both marketing and sales, so that each functional group can mine the data it requires. It also means holding those who enter customer data into the system responsible, including customer service, and sales personnel – who are notorious for wanting to sell, sell, sell, and avoid administrative tasks such as data entry.

We have often seen marketing try to overcome data quality issues by developing and managing their own databases. This, in effect, severely limits marketing effectiveness because although marketing will have “clean” data that other groups within the company have not tampered with, it will not be complete. For instance, there will not be information on whether a contact is a current customer, what the customer has bought, if the customer has had difficulties, if it is a good customer or a bad customer, or if the customer is likely to become a better or worse customer.

This is a double-edged sword. For marketing to provide the most value, especially for sales, it must be integrated with the sales and customer service organizations, but if customer service and sales fail to enter customer-related information accurately, then marketing can not do its job.

THE MARKETING MATURITY INDEX

A major challenge facing marketing organizations as they begin to rely on CRM tools is their understanding of their companies’ business strategies and what the organization requires from the marketing group. This means that the success of a marketing organization’s use of CRM depends on its ability to match its capabilities to the company’s strategic business goals. Does it require a one-to-one approach or something less sophisticated? Does it need to merely ramp up its campaign management capabilities, or is it ahead of the game with tools far beyond the need of the organization?

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Understanding all of this will help determine the types of CRM tools marketing needs to facilitate its organization's overall strategic goals. No mistake about it: It makes no sense for marketing's abilities to forge ahead of company needs, and putting the right tools in place is key to the success of any marketing department's CRM initiatives.

That brings us to what Innoveer calls the "marketing maturity index." Where a company's marketing group fits within this model is critical to helping executives pinpoint exactly what level of service the marketing organization is equipped to provide. For instance, not every marketing organization is ready to use the one-to-one capabilities that can accurately predict when a particular customer is about to defect or is ready for a new product. That level of real-time transactional marketing is far beyond the ability of companies without large reservoirs of transactional customer data.

When Innoveer evaluates the maturity level of a marketing organization, it believes that it is absolutely vital to determine where it lies relative to four stages of organizational maturity. Relying on this index can help an organization determine the types of CRM tools it should deploy within its marketing organization, and it can also help predict whether sales personnel who help provide the data will actually use it – which is the first step.

At the next level – when marketing has finally convinced personnel to use the system regularly and consistently for entering customer details – it can introduce standardized procedures and policies. These ensure that everyone within sales and marketing enters and receives identical customer information and not just random numbers.

The third stage, integration, moves the organization one step further along in delivering that all-important 360-degree view of the customer. Here, customer and market information is shared equally by sales, customer service, and marketing and their connected systems. These business units are then able to make informed decisions based on accurate data collected from multiple enterprise applications, including the CRM platform, as well as the back-end applications, such as enterprise resource planning (ERP) and database software.

Finally, when an organization is sure that its information is accurate, it can begin using business intelligence to analyze and fine-tune its marketing, service, and sales strategies. For example, a company can forecast and measure how special promotions will impact sales in specific geographic regions, or it can precisely determine the results of how sales personnel present the company message to customers during onsite visits.

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A BRIGHTER FUTURE

Improving marketing's impact requires ensuring involvement from marketing early on in the sales cycle, and improving data quality to deliver effective targeted campaigns. It also demands discipline to make sure that customer-related data is captured and stored in a way that meets the needs of both marketing and sales. But the results – successful campaigns that fill the sales pipeline with leads and improve overall sales effectiveness and profitability – will increase any organization's business success.

ABOUT INNOVEER SOLUTIONS

INNOVEER SOLUTIONS, an award-winning customer strategy and solutions consultancy, provides advanced customer management services to healthcare and high-technology companies, among others, in the areas of planning and strategy, technology implementation, and optimization. The company's deep industry knowledge, broad technical skills, and Multishore methodology enable organizations to address their critical customer-facing issues and achieve an integrated view of all customer information. With an exclusive focus on customer management since 1998, Innoveer has worked with more than 300 organizations to increase their overall business growth, improve internal efficiency, and enhance the customer experience.