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Introduction

Customer relationship management is making a comeback since moving to the foreground of sales and marketing strategy a few years ago. Behind surveys and reports that CRM initiatives were failing to yield tangible results, many organizations decided what began in the early 1980s was no longer valid for the changing dynamics of the business-customer relationship. Implementation results left much to be desired, in part because organizations treated CRM as an ad hoc operation instead of a formally constructed corporate initiative.

With its new lease on life concerning interactions with customers, how can organizations use CRM effectively? How can you, as a sales or marketing professional, manage expectations and create a strategy and vision that is organized around the customer to win contracts and sales leads? The answer goes beyond the imagination to the execution of best practices to understand the customer and improve profitability.

This white paper is written to help find the answers and apply solutions to your organization's sales and marketing strategies for the coming year. Overall, the outlook is positive for CRM as technologies enable targeted customer interactions through multi-channel environments. Digital initiatives will remain a major part of most marketing and sales campaigns to enhance the customer experience. Increased demand for customer relationships infused with modern technology is a primary driver for the refreshed usage of CRM software and strategies.

CRM Makes a Mobile Connection

By the end of 2014, smartphones, tablets and mobile apps are expected to exceed PC users in accessing the Internet. Already, smartphones are more commonly used for social networks than the computer by people in most countries. Bring your own device policies are becoming prominent within companies around the globe requiring IT support.

Mobile devices have enhanced how and when people access data. Functionality of these devices is on a continuous update to make the devices easier to use by enhancing user experience. Mobile technology is on the verge of consuming our everyday lives in personal and professional arenas. This rise in mobile use will affect customer relationship management through the proliferation of apps.

In general, apps are easily accessible and useful within the business world. Prediction by market researchers show that the use of CRM apps will increase by as much as 500 percent during 2014 alone. Currently, there are approximately 200 customer relationship apps available for use. By the end of 2014, expect that number to grow to 1,200 or more.

The app craze is holding its position as the fastest growing trend in customer relationship management initiatives. This will impact traditional approaches to CRM for sales and marketing departments. With fewer PC shipments each year, it is time that your organization engages customers with a customized app for their mobile devices. If you already have one, make sure it stays up-to-date and user-friendly with prompt bug fixes.

Connected with CRM and mobile devices is the BYOD concept, which holds the top IT prediction to take over in 2014. Essentially, BYOD is where employees are allowed to use non-company mobile devices for company business. The predicted success of BYOD is not surprising when you consider the number of mobile devices employees bring into the workplace. Not only are organizations engaging customers through their mobile devices, but employees use personally owned devices to perform work tasks.

What are some ways that you can take advantage of more people using their mobile devices? For starters, customers and prospects are available 24/7/365. Not only can you market products and/or services, but you can also create an app for customers to use. Make allowances so that customers can handle tasks wherever or whenever it is convenient.

Technically, your business goes wherever the customers are located instead of them coming to your business. Through mobile tools, customers can access information that is important for their lives. Additionally, employees can also stay on top of daily tasks and collaborate with team members.

CRM Will Live in the Cloud

A cost-effective, low maintenance solution that gives customers the access they want and need is no longer a business dream. The cloud offers exactly that and it is expected to expand during 2014. Currently, the SaaS approach to managing CRM accounts is 40 percent of the market share. That percentage is expected to increase by as much as 46 percent by 2019, as many businesses enjoy the benefits of collaborating and accessing information in the cloud. Integration of different operational aspects through the cloud is an improvement from working behind a firewall.

Nevertheless, skepticism still exists within some businesses regarding migration and work processes in the cloud. Some of the top barriers to migrating to this technological trend include data security, slow performance and service outage. While these are valid concerns, there are ways to avoid the issues by evaluating the different cloud-based CRM offerings before transitioning to a new environment.

Data security is very important as hackers continue to make their way into business servers. Moving trade secrets and processes to an offsite data center requires a high level of trust. Therefore, it is important that you fully understand how the data center keeps your data secure. Find out if it uses a backup data center and whether you have physical access to the data.

Another concern with data security is the possibility of the provider going out of business. This will have a direct impact on your CRM processes. Lost data might be the end result if you are unaware of the legalities of who owns the information stored in the cloud.

Having an escrow agreement in place will establish the terms of ownership and use. Due diligence is important, but not enough to forego moving your CRM processes to the cloud. Thoroughly bet your options and realize the full benefits of cloud CRM collaboration and accessibility.

The rise of application service providers is not new to customer relationship management. It started in the late 1990s and continued to become widely available. Previous limitations are now considered low-hanging fruit for cloud adoption. Any remaining areas of functionality to support CRM might become harder to adopt.

In the past, data was hosted on a server along with other companies across the globe. Today, more options are available for companies to store data in close proximity of your company's physical location. Many providers also offer a dedicated server to host multiple business applications.

What has changed significantly since that time is a growing acceptance that the cloud can benefit everyday business processes, including CRM. The unease of having business data hosted online is giving way to more successes than failure of utilizing cloud CRM.

Social CRM Will Grow

The use of social media to engage with customers was inevitable, with the average American spending 37 minutes daily on a social media site. Current utilization of social CRM is expected to grow 28 percent annually as sales people and marketers have access to key prospect segments and current customers.

You can harness and organize social media resources with CRM practices by storing data from multiple social media networks into a single database. This will be a pivotal force as you engage customers and prospects with innovative marketing strategies.

There is gold in social CRM as enhancements to integration tools allow these networks to become more accessible to businesses. A variety of applications are available that allows you to plan social communication in advance. Match customers to social medial profiles for more targeted outreach activities and meet your customers right where they are most comfortable.

The hard work of tracking customers and prospects' social media behavior will get easier in 2014 and beyond. Automated software capabilities will make this possible so you can easily find new customers or upsell opportunities to current ones.

More organizations plan to adopt marketing automation software to integrate with CRM. The goal is to increase productivity by having a significant number of working hours. There are comprehensive marketing automation applications that can integrate easily with your CRM system. This allows you the freedom to plan social media activities, record prospect behaviors online and measure the effectiveness of different strategies. Score prospects based on their responses and alert the sales team when it is time to initiate contact.

More Investments in CRM

Another trend to watch for is how much is allocated in the budget for customer relationship management activities. Typically, CRM was the domain of the chief information officer, but it is now the responsibility of the chief marketing officer because of the marketing functionality of the systems in linking business with customers. While approximately 50 percent of IT expenditures currently come from other departments, there is an expected increase for CRM marketing software. As much as 80 percent of the IT budget could be allocated to the system to cover the increase in marketing controls for the coming years.

Why You Should Expect More Marketing Investments

Engagement has gained prominence on the Internet and has improved ways for marketers to get the job done. Gaining new customers and retaining current ones is not the only advantage; flexible application programming interfaces – commonly known as APIs – are capable of being customized to CRM software within organizations.

From online and CRM, you can produce detailed metrics and analysis on prospects and customers. This level of documentation justifies investments when there is a direct link to an improved bottom line. Financial decision-makers cannot resist compelling results of a healthy ROI from CRM software. Look to maximize your CRM system as a centralized information hub that consolidates data from external marketing automation software that tracks usage and responses.

Sales professionals can also benefit from this type of automation through a vast range of tasks. They can also communicate with different audiences using this marketing tool. More people are using social media for customer service support. From the teen years to retirement age, more people frequently turn to the Internet to find solutions to various issues. When you are tracking this online behavior, the sales support staff is alerted to the issues. Support documentation to resolve the issues – some even before they occur – can bring up the data in the CRM and send automated messages for a service call follow-up.

By investing in a sales automation provision that gives users the right content when needed, you are giving customers the opportunity to learn more about your products and/or services. Direct inquiries to the sales team are reduced as more people feel empowered to find the answers alone.

The level of marketing automation software will not place limits on how much is spent. There will be an increased share that aligns with the growth potential of the online medium. Social media presence, video media, online PR activities and controlling content on your company website represents a few examples of why online activities will continue to be important. Since these fall under marketing, a good portion of the budget will support these tasks.

User Ability of CRM Increases

High rates of failure surrounding customer relationship management of the past caused many to lose faith. By some standards, failures of some systems averaged 50 percent for most projects. However, the main cause for such high rate of failure is not because software malfunctioned or did not perform well. Rather, the human factor takes center stage as user adoption failed to measure up to the performance level of CRM software.

Yes, CRM software is a technology tool designed to win new customers, retain old ones, increase profitability and improve the overall business-customer relationship. Content management and better customer self-service customers is standard and expected by most people. At the same time, process and people issues share intimate responsibilities that can only be achieved through user adoption.

To ensure user adoption is not overlooked with the resurgence of CRM importance, many systems now have a 'gamification' approach to engage users in solving customer problems. Using a ranking system of current user ability, this new approach is designed to increase use and motivate adoption of CRM for daily functions. To achieve this, providers of CRM software will try more flexible and customized approaches to integrating the software and engaging users with tangible benefits.

Flexibility – you can use CRM via mobile apps will help to boost user adoption by empowering people.

Customization – finding workarounds for standard systems is the main inhibiting factor to CRM adoption. More options to customize software at an organization-wide and single user level will ensure your CRM system works as it should for all users.

Integration – more APIs gives users more power to consolidate their work with one online system. One login for one controlled data source eliminates the dependence on multiple online tools and applications.

Strategies for Long-Term CRM Success

Consider incorporating some or all of the strategies below to get the most out of your customer relationship management system.

1. Get sponsorship from senior management. If top brass is not a believer in your CRM approach, the latest trends will not matter. Employees will follow leadership unless you implement a CRM strategy across organizational boundaries. You will never accomplish what CRM has to offer your organization in a silo. In many cases, the difference between a failed CRM effort and a successful strategy is backing from the senior team.

2. Build a solid team. Before you begin developing a CRM strategy, or even select CRM software, build a team of representatives from each department to ensure needs and concerns of frontline employees are addressed. Neglecting to include stakeholders is a common mistake and leads to automatic failure of an otherwise good initiative. Pick members of the team who are willing to own the customer experience. People, processes and technologies will be affected by the decisions.

3. Define business objectives for incorporating a CRM strategy. Keep customers and overall business objectives in mind as you and the team construct a strategy.

4. Identify the customer. Everyone should agree on the definition of customer. For example, if you work in the marketing department of a national dealer, your customer is probably the dealer. However, someone from the call center might consider the driver as their customer. It is possible to identify the customer across multiple touch points. Reach a consensus on all key definitions.

Conclusion

Since the customer relationship management term was first introduced into the public domain via an IT company, most executives do not make the human connection. They consider CRM principally as an IT function, which could explain why so many efforts have failed over the years. If you try to correct a faulty business strategy with technology, your organization will organization will become efficient at doing the wrong thing.

If, however, you get the core business strategy correct, then you can apply any of the new trends for CRM and achieve much success. You can view CRM as a strategy rather than a process and make decisions about which customers or segments are best to target. From that point, develop a sensible customer acquisition plan that includes retention and development processes. Once you get these things right, apply CRM software accordingly.

Put customers at the heart of your business and develop solid relationships. Glean from data collected through online sources to determine what customers need. Great customer service is not enough to foster better relationships. You must pay attention to customers and know their preferences. Listen to what they say and follow what they are doing on social media and with mobile apps.

Some sales and marketing professionals try to piece combinations of data together to create segmentation strategies without harnessing the full benefits of a CRM strategy. Lead scoring and other tools used for automation can drive better business results with the help of the right CRM software.

For the coming years, CRM systems will get smarter when it comes to analyzing data. This removes all of the guess work and improves productivity. Use of the technological advances and latest trends will help your organization hone in on the data that is most important. The result will be multiple successful marketing campaigns.

Use of data-cleansing tools will help to ensure that you always have fresh information to make the best decisions. With more investments in cleaning up useless data, you can remove a major weakness to having an effective CRM strategy. Just imagine how large amounts of duplicate or incorrect data can impact processes. Cycles of work are added to different departments such as call centers and sales associates. The result becomes a big mess of errors and missed opportunities.

While data cleansing seems like a challenging and time-consuming task, you will save more time in the long-term. Choosing the right CRM software application introduces a more powerful and cost-effective method that will encourage stakeholders to commit to the process.

The implementation of workflows within an organization with a greater interest in CRM automation is an opportunity to write your own rules. How you choose to apply CRM to sales, marketing and support tasks depends on the goals and objectives of your organization. What works best for one company may not fit in another.

That is the beauty of customizing CRM systems. You can get the right information – alerts, emails, etc. – to the right people, at the right time. A more efficient CRM leads to a more efficient marketing campaign, sales generation and organization benefits.

Customer loyalty will remain a key driver of your organization's profitability. As an integral part of your CRM strategy, customer loyalty requires understanding what they require – information that you get from implementing social marketing and a smarter CRM integration.

In addition, keep in mind that the latest trends in CRM are good, but CRM is not good unless the customer's experience is affected positively. CRM efforts are strategies, not projects, which should have a positive impact on your organization's market position. Typically, you want CRM to improve ROI; the software is a means, not an end to issues that may exist in a flawed strategy.

With this in mind, expect CRM to remain a central focus of digital initiatives since this area of business is crucial to staying competitive.