2003

Integrating Islands of Information Through CRM

Katina Michael
University of Wollongong, katina@uow.edu.au

Follow this and additional works at: https://ro.uow.edu.au/infopapers

Part of the Computer Sciences Commons

Recommended Citation
https://ro.uow.edu.au/infopapers/708

Research Online is the open access institutional repository for the University of Wollongong. For further information contact the UOW Library: research-pubs@uow.edu.au
Integrating Islands of Information Through CRM

Abstract
It was not so long ago that one would pull up into a service station and be greeted by an attendant who would customarily ask whether or not to fill up the car with petrol. Of course, today things have changed. Petrol station attendants have been replaced by something called 'self-service'. The customer is empowered and has the responsibility to fill up their own car with as much petrol as they want. A little extra effort perhaps but no one seems to mind, apart from the countless number of people who lost their jobs as attendants. What is noticeable, however, is the human contact between the attendant and the driver which has been forgone. The local service station is no longer where people will get a chance to talk to Jack, but merely fill up their car with petrol to make sure they can reach their destination. To this end, driver loyalty has diminished; people will fill up their car with petrol at any service station convenient to them. The traditional customer care that has disappeared along with the role of the petrol station attendant has had to be replaced by a new relationship based on loyalty card schemes and the like. The key message here is how to engage existing and potential customers and how to retain them, given that the new relationship is managed on new terms of interaction. One can almost hear customers saying ‘if you want me to fill up my car here every week, you must give me something in return that I value or a good enough reason not to look elsewhere’.

Disciplines
Computer Sciences | Physical Sciences and Mathematics

Publication Details
This case study was originally published as Michael, K, Integrating Islands of Information Through CRM, in Lawrence, E, Lawrence, J, Newton, S, Dann, S, Corbitt, B & Thanasankit, T (eds), Internet Commerce: Digital Models for Business, John Wiley & Sons, Australia, 2003, pp. 176-179.

This book chapter is available at Research Online: https://ro.uow.edu.au/infopapers/708
SERVE YOURSELF

It was not so long ago that one would pull up into a service station and be greeted by an attendant who would customarily ask whether or not to fill up the car with petrol. Of course, today things have changed. Petrol station attendants have been replaced by something called ‘self-service’. The customer is empowered and has the responsibility to fill up their own car with as much petrol as they want. A little extra effort perhaps but no one seems to mind, apart from the countless number of people who lost their jobs as attendants. What is noticeable, however, is the human contact between the attendant and the driver which has been forgone. The local service station is no longer where people will get a chance to talk to Jack, but merely fill up their car with petrol to make sure they can reach their destination. To this end, driver loyalty has diminished; people will fill up their car with petrol at any service station convenient to them. The traditional customer care that has disappeared along with the role of the petrol station attendant has had to be replaced by a new relationship based on loyalty card schemes and the like. The key message here is how to engage existing and potential customers and how to retain them, given that the new relationship is managed on new terms of interaction. One can almost hear customers saying ‘if you want me to fill up my car here every week, you must give me something in return that I value or a good enough reason not to look elsewhere.’

MEETING THE BUYER IN CYBERSPACE

More than any other technology, the Internet has changed the rules of engagement between the buyer and the seller. In a physical store it is the salesperson that will approach the customer; in a virtual store it is the customer who will approach the seller. In a physical store the seller usually has minutes to convince the customer to shop further; in a virtual store the seller has seconds. Why? Because like using the telephone, the Internet allows the customer to shop around without exerting too much additional effort. A customer can make a decision based on quality, price, availability, aesthetic attributes and after-sales support, by comparing the different product or service offerings over the Web, in the privacy of their own home and at a time that suits them. Some traditional ‘bricks and mortar’ companies have been left dumbfounded by the changes the Internet has borne, opting to stay offline; others are barely coping with some form of Internet presence. However, there are a growing number of companies that have successfully implemented a parallel online business model to their existing operations.

ISLANDS OF INFORMATION

The term customer relationship management (CRM) is not new though its importance is only now being realised more completely. Before the Internet, CRM systems existed, albeit in a primitive form.
The most common implementations of CRM included using direct mail, the telephone or face-to-face communications to develop and maintain relationships, building a lead customer database, knowing the buying behaviours of existing customers, and getting customers to fill out product satisfaction surveys.

The problem with these traditional forms of CRM was that separate stand-alone software systems were used. For instance, buying behaviours were not linked to product satisfaction surveys and aggregate results from surveys were not fed back to product engineers who were responsible for creating the products. And even if they were linked, they provided little insight into strategies of how to best serve the customer and how to encourage a uniform approach to retaining them.

This led to untimely and misguided marketing campaigns that were sometimes more confusing for the customer than beneficial — a problem that very large organisations are still struggling to overcome, despite the technological advances that have taken place in the last decade. The larger the organisation it seems, the more difficult it becomes to know your customer and offer a personalised service where they feel valued. This is especially true for global companies that offer products through different channels in different countries. The same product or service is not transferable from market to market with exactly the same success, and customers in different geographies with different socio-cultural influences will react differently to one another. For instance, what may be a perfectly valid approach to customer relationship management in the United States may be considered offensive in China.

THE FACE OF CRM TODAY

Enter the need for an integrated and intelligent approach to online and offline customer relationship management. Whether a customer physically visits a store to shop, fills out a paper-based customer request form, rings a call centre seeking post-sales support, faxes through an order, emails a sales representative related to a product feature, visits the company web portal searching for a technical specification or makes an electronic payment, every single touch point should be recorded. The CRM system may be distributed in nature, but the information must be accessible by the people who need it, when they need it.

Take the example of a customer who has purchased a product over the Internet and is waiting for its arrival via post. At the time of purchase, the online catalogue indicated that the product was in stock, and the customer checkout screen provided a date of arrival. The product does not arrive when the customer expects. The disgruntled customer (who needed the product immediately) sends the company an email asking why the delay has occurred.

An automated response is sent to the customer indicating that a sales representative will attend to the matter and subsequently respond accordingly. Twenty-four hours lapse, the customer sends another email and receives yet another automated response with the same message.
By this stage the customer is so frustrated that they decide to pick up the phone to call a representative. After being put on hold for some twenty minutes, they finally talk to a representative who knows nothing about their situation: 'I'm sorry, we don't handle the email system, only incoming calls.' The customer realises that they must repeat themselves again, and is left with a negative impression of customer service even though their inquiry was eventually sorted out.

Perhaps the moral of the story is that the customer should be given the choice to engage the seller or be engaged through any medium they wish. If they prefer to send emails with queries rather than to speak with a sales representative, then they should have this option. The problems begin when a response to that specific email query is automated with either information that is too generic or wrong information; or even worse, when a reply to that email is never sent. The kind of impression projected forward to the customer in this instance is 'that company obviously does not want my business – I'll go somewhere else next time.'

THE CRM PHILOSOPHY

CRM has been touted the new philosophy that will empower not only the seller but the buyer as well. CRM is not just about customer care, it is a corporate philosophy; a strategy that encompasses the process of customer engagement, browsing and purchase. But it does not stop there. CRM is also concerned with post-sales follow-up support, evaluating the customer and placing them into an appropriate market segment, and introducing ways to retain the customer so that they continue to make purchases. At best, CRM is about making the customer feel so valued that they will not only make repeat purchases but also tell all their friends about how good your customer service was and subsequently how happy they are with the products they have purchased. Companies like Dell17 have been used time and time again as examples of good CRM (see figure C7.1). Dell gives customers who want to purchase computers the option of configuring computer hardware online in parallel to talking to a local sales representative, and also offers customers the capability to track their order from the point of manufacture to arrival. CRM vendors like Siebel Systems18 are offering businesses the capability of implementing such processes through their integrated call centre and web-centric solutions.

In the not too distant future, CRM will also be linked to granting sales and field service teams timely information, and offering resellers and channel partners access to up-to-date records. Salespeople, the automated back office, and account and/or product managers will be responsible for producing this integrated knowledge that will filter through to different parts of the business.

The necessity to see or speak to the seller is something that varies product by product and service offering by service offering. What may be feasible for one business may not work in another. With this in mind, companies must define the needs of their customers to help serve them better.
Today, there are several factors that are constraining CRM from being all that it can be. These factors are related to Internet penetration, limited broadband access, the infancy of credible IP-based applications, and security and privacy concerns. The future of CRM is being able to grant customers the ability to use the Web to shop while having the simultaneous option to click on either a voice button or multimedia conference button and hear or see the actual sales representative they are interacting with. Perhaps it is not so much about seeking to recreate what the physical world offers, but giving the customer the choice to shop and buy in an environment that they feel comfortable in.

**FIGURE C7.1:** Dell system configuration page

End notes

17. www.dell.com
18. www.siebel.com