



TenStep Supplemental Paper

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E-CRM

Customer relationship management (CRM), in its purest sense, describes the processes and applications used to manage customer dialogues at various touch points, including the call center, the Web, and via a sales force. The evolution of CRM to enterprise-wide customer relationship management (eCRM) has added a layer of complexity to an already diverse discipline.

With the proliferation of the Internet and advancements in touch point technologies, all customer dialogues now have the potential to add value to the total customer relationship through targeted messaging, product up-sell, and loyalty infusion.

In fact, every interaction with a customer should be viewed as an opportunity to instill loyalty, learn more about the individual customer, and present the customer with information, products, and services that leverage the information gained from each of these dialogues. However, the complexity of managing customer dialogues across touch points has increased exponentially. Customers have more channels to use for transactions than ever before. In fact, it is not at all unusual for a customer to have multiple interactions taking place at the same time over different channels. He or she may be a subscriber to a daily e-mail newsletter, make purchases online, and use the inbound call center to handle customer service issues. In addition, many customers who begin a dialogue over one channel may wish to continue that dialogue on a different channel. For example, if a customer is doing research on wireless rate plans on the Web, he or she may want to change the current plan via live interaction with a customer service representative.

Today's eCRM technologies have been very effective at managing interactions at a specific touch point. Call centers leverage new data retrieval and call scripting technologies; Web sites utilize the latest in content delivery tools to fill "slots" on Web pages; e-mail Masters use the latest in personalization and HTML to produce personalized e-mails; sales force automation (SFA) tools can now connect disparate sales forces via wireless and mobile client/server systems. Each system is built with a strong technology layer that utilizes databases, rules engines, and data capture mechanisms and is designed to manage interactions within its specific environment.

The evolution of these touch point-specific technologies has led to the creation of "channel silos." Silos, independent departments and customer views, occur when companies organize around a specific facet of the business. For example, it is not uncommon for a large organization to have separate marketing departments responsible for customer communications on the Web, e-mail, call center, direct mail, etc. Since these silos exist, companies are unable to obtain a complete channel-view of the customer. The implications affect both the customer and the organization:

The customer experience, which consists of all customer-to-business interactions, becomes inconsistent with regard to quality from one channel to another. In addition,



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disparate eCRM strategies at each channel lead to highly disjointed customer experiences, as dialogues or transactions that begin on one channel cannot be immediately continued on another.

For the organization, the frustration lies in the inability to centralize its rules of customer engagement, to view the holistic customer relationship, and to deliver consistent, customer-centric communications across channels.

Managing context

The loss of "context" in a customer conversation is a side effect of this channel-silo phenomenon. "Context" in the CRM space is defined as using all relevant facets of the historical customer relationship within the current customer interaction. For example, if a customer enters a retail outlet for the first time but is a frequent purchaser from the company's Web site, that customer should be treated as a high-value customer, not as a first time shopper. Keeping context within a conversation enables organizations to build on all past dialogues, thus preventing redundancy in messaging, increasing targeting efficiency for offers and messages, enabling a high degree of dialogue personalization, and providing a strong basis for managing priority and experience on total customer value.

There are four major tenets of keeping context within a customer conversation:

1. Customer conversations must be channel independent. For example, if a company wishes to survey its customers to better understand their needs and preferences, this survey should be delivered individually to each customer via either their preferred channel or their next channel of interaction. So, Customer A may be surveyed on the Web, while Customer B may be surveyed in the call center. In addition, once the customer has been surveyed on one channel, he or she should not be surveyed again if he or she immediately interacts through a different channel.
2. Customer conversations must be departmentally independent. For example, if a customer calls into an inbound customer service center for questions about his or her account, the call center representative needs to be empowered to put on a sales hat and provide offers for new services that may be of interest to the customer.
3. Customer conversations must be continuous across channels and departments. For example, if the customer service center uncovers insight into a customer's next most likely purchase, the Web site should use that information to provide dynamic offers that are relevant to that customer the next time he/she logs into their account.
4. Customer conversations should be managed based on customer needs, preferences, and value. For example, high-value customers should be immediately routed to highly experienced, live customer service representatives when they use inbound, live channels. However, low-value customers seeking help or information that is easily administered in a self-service environment should be routed to an Interactive Voice Response (IVR) system or the Web.



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Building an eCRM infrastructure

The key to maintaining context within a customer conversation lies in a company's eCRM technology infrastructure. Companies who adhere to the basic tenets of a "context-based" environment will achieve the following:

- They will successfully achieve separation of their rules engine from their touch point applications.
- They will develop a customer object model.
- They will leverage best of breed CRM tools at all touch points.

Separating rules engines from touch point applications

Each touch point uniquely manages customer interactions and requires highly specialized tools to facilitate customer dialogues. Each touch point-specific tool leverages an application-specific database and (in most cases) a rules engine. Having separate rules engines at each touch point increases the risk of delivering redundant or conflicting messaging when a customer interacts over more than one channel.

Companies looking to incorporate "context" into their customer dialogues must centralize their eCRM business rules and provide each touch point with real time accessibility to them (vs. physically storing them at each touch point). This way, every touch point has access to the same set of rules, providing a consistent and continuous customer experience from one touch point to the next.

Building an object model

The ideal of one-to-one marketing has yet to be achieved as technology has only permitted the structuring of communications around segments of customers. However, the latest advancements in object technology are breaking down these barriers and enabling true one-to-one customer conversations and experiences.

Using object-based programming, such as Java, it is possible to create customer objects that completely model the customer and his/her relationship with an organization. These object models not only contain all information about a customer, but also are able to store and execute business rules, thus enabling eCRM strategies to take place across channels in real-time. In addition, these customer objects can live anywhere. The major benefits of object languages include their ability to:

- Exist on any database
- Be distributed across databases and processes
- Update their customer profile in real-time (creating a "virtual data mart")

In addition, customer objects only require the presence of a W network, and they can interact, through open APIs, with other applications.

Touch point applications



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The current leaders in CRM have developed powerful applications for managing customer dialogues at a specific touch point. Many of these vendors are augmenting their offerings by building tools outside of their focus touch point and packaging these applications as full eCRM product suites. The benefits to this solution include, in many cases, an integrated product suite that can share information across applications and provide a similar look and feel across applications. Another benefit is the management of a single vendor for all CRM needs.

However, there is risk in using the single-vendor approach. As each touch point is specialized in how it manages customer interactions, it is critical to choose applications that best meet the channel-specific business objectives. It is difficult for a single vendor to offer applications for every touch point that provide the level of CRM sophistication that is competitive with the best single touch point tool providers.

The obvious question then is "how do I integrate best-of-breed touch point applications that come from multiple vendors and have them work as a singular product suite?" Platforms exist today that integrate disparate CRM systems and enable them to work as a cohesive eCRM infrastructure. Using a library of touch point adapters (simple plug-ins that tie customer facing touch point applications to the main platform) leverages the investment made in the current CRM infrastructure and enables the seamless introduction of new CRM packages to the mix.

Summary

Managing context within customer conversations is the emerging challenge facing companies as they develop their eCRM strategies. As competition increases and consumers become more demanding about recognition, the ability to maintain consistent and continuous dialogues across channels becomes a critical component to maintaining customer loyalty and increasing profitability.