Editorial

I suppose I shall have to make a small apology for this editorial. The reason for my apology is that the question with which I am preoccupied at present is someone else's. A colleague in the direct marketing industry has been asked to comment on why customer relationship management (CRM) has not taken off in quite the way promised; to provide explanations for what hasn't happened to the one-to-one vision we were all promised a while back. He, in turn, has asked me for my two pennyworth.

It's a good question. I, as much as anybody in this industry, have been guilty of spreading the hype. I have presented to clients, telling them about the liberating power of data-based information. I have waxed lyrical about how ever more focused relationships with customers will deliver to the bottom line. I have developed models that prove this proposition! I have implemented systems that support it.

And yet ...

... many organisations seem further away than they were two decades ago. Over the last few years, my focus has also shifted, to look more at the customer experience dimension. Here, the news is dire. Customers are not having a good time. They complain about call centres. They complain about bureaucracy and red tape. They complain about process. They complain. And this is bad news for supplier organisations, because, along with the complaining, comes a far greater degree of rebelliousness: websites dedicated to showing customers how to get round call

centres; guidebooks on how to put a spoke in the wheels of the big corporates. Customers are feeling unloved and, just like spurned lovers, they are looking for ways to get their revenge.

This same train of thought did cross my mind as I looked at the CRM Business Information Awards. Clearly, a large number of companies are doing what they perceive to be CRM, but the perception of what CRM really means is unique almost to each individual organisation.

To my colleague, I suggested that there were a number of reasons why CRM was 'failing'.

The first, coming from two angles, lies in the budgeting process. Either the project becomes more about saving money for the organisation than delivering service (dressed up in terms of 'same service for less money'), or the aim is good, but the execution is sabotaged by mid-project budget cuts. So, although the rhetoric may reference 'customers' and the 'customer experience', the pressure is on, as the project moves to completion, to show how it has cut organisational costs. Sometimes, there will be genuine cost-savings, but all too often, the customer is squeezed out along the way. Hence the hated call centre, of which more later.

Second on the list are the promises of technophiles. Too much CRM has been hijacked by the package purveyors, who see it as being about delivering automated service as much as, or more

than, about delivering GOOD service. If a project is not over-run by the finance department, it will most certainly be colonised by IT. Something that is intended to 'be nice to customers', becomes an exercise in IT macho — with an emphasis on designing state-of-the-art functionality as much as or more than designing stuff that works or enhances the customer experience.

Third — and this emerges from my own review of the Business Intelligence Awards later in this issue — there appears to be a great deal of central imposition: the idea that an organisation can know what customers want without really looking at their experience, without either asking directly or by putting in place mechanisms to allow directors and managers to experience what customers experience.

In the awards, so many local councils were centralising functions in order to 'free up the back office' — yet it is not altogether clear that customers want this, or, if they do want it, whether the execution lives up to the promise.

The last point segues into a fourth issue. This is about organisations focusing on efficiency and therefore going for an emphasis on process over what customers want. How often does a call centre operator explain that YOU must comply with THEIR processes? This is because the efficiencies promised at the budget stage are not going to be deliverable if the communications channel allows for communication to be too free. The channel, then, becomes exactly that, channelling customers along a path that the organisation needs them to go down because it is more efficient and, moreover, because call centres are under-empowered to deal with issues beyond the most specific, yet are deliberately cut off from senior management. So now a customer can talk as much as they wish with someone

who cannot resolve their problems.

The Data Protection Act has also had a pernicious effect on service overall, leading some organisations to add lawyers to the already poisonous mix of Finance and IT trying to determine marketing policy.

Put it all together. An organisation sets out to deliver this nebulous thing called CRM. It promises to deliver satisfied and loyal customers and to do so at reduced costs. Finance pricks up its ears and hears the part about reducing costs. IT also enters the frame. This department is required to deliver the new systems and processes to support this customer-focused world — yet neither Finance nor IT is especially renowned for empathy or customer focus. The simplest and easiest way to deliver the tangible benefits is through automation, standardised process and a restriction of how customers can interact with the organisation. And, finally, because data is involved, so too are the lawyers.

The old maxim 'A camel is a horse designed by a committee' springs to mind. Although in the original formulation of this truism, one is permitted to imagine that all members of the committee were headed in approximately the same direction. Not so with the CRM committee, on which, I would suspect, a good two-thirds are headed in precisely the opposite direction to that hoped for by those who initiated the concept.

What is to be done?

There is no simple panacea. The ultimate issue lies within corporate culture. Study after study suggests that unless CRM comes from the very top of an organisation it is almost certainly doomed to failure. Along with senior management support is the need for organisations to focus on the customer experience.

There are formal mechanisms for capturing customer experience, such as

audits and mystery shopping. There are also less formal ones. 'Walk the walk', to use a somewhat jaded piece of management jargon.

All of which needs to go hand in hand with insight and information. Apart from the review of the Business Intelligence Awards, this issue of the *Journal of Database Marketing* looks, once more, at the thorny issue of how organisations make use of data. Key questions are whether organisations now understand the importance of information in providing excellent customer experience (Angus Jenkinson); how to foster insight discovery by getting the analytic focus right (Tim Cooper); and, continuing this theme, just

what is lacking in the information chain that links data to customer experience (Dominique Cri).

A counter-note is provided by Tony Coad, looking at the 'DIY customer future', whilst Merlin Stone and Matthew Nowell return to the fundamental question of how and where to recruit CRM specialists.

As always, we welcome feedback from you, our readers. We hope that this issue, which focuses to some degree on issues of data, information and experience, will also be helpful in tackling bigger questions about the execution of CRM.

JOHN OZIMEK
Managing Editor