

Creating Real Motivation For CRM

[Robert Richardson](#) - June 05, 2001

Down To It

You can't help but wonder if corporations ever really bought into the dreamier side of CRM, the part in which the corporation so obsesses on your future lifetime spending potential that it almost dismisses the current transaction. And where, to embrace the dark side of the dream, you were supposed to be found out and gracefully eliminated if you weren't likely to be a good enough customer pretty darned soon. All this relationship talk - it was hokey when you were trying to score in college, and it's still hokey now.

Not that we're bashing CRM as a category. Sure, it's possible to be a bit cynical about CRM right now. Big companies like Pivotal remain stubbornly unprofitable. Quintus simply flipped belly up (and Quintus won't be the only one) and was bought out by Avaya in a kind of corporate mercy killing. The field is narrowing amid a spate of mergers and acquisitions. To make sure their offerings can handle multiple channels, companies are merging to combine their strengths.

Needless to say, in a soft economy, there are Darwinian forces at work as well. Data mining specialist DigiMine bought Co-Relation, Broadbase Software merged with Kana, configurator builder Firepond bought Brightware. Plus, skeptics were handed a bone when a Gartner study early in the year revealed that more than half of CRM implementations fail.

On the other hand, recent Hurwitz Group research says companies are planning to devote fully one-half of their IT budgets to CRM implementations. If both Gartner and Hurwitz are right, then we're faced with the daunting thought that a quarter of the world's IT budget is frittered away, wasted on a pipe dream.

What's actually going on? CRM is getting real.

Our sense is that when IT managers look at their contact centers, they don't think about developing relationships through ongoing customer interaction. Rather, they're thinking it would be nice if they could hire fewer people to handle the phones, pay them less, and figure out how to deal with turnover so that fresh faces don't represent the company badly. IT managers don't want to be so efficient that the customer has a terrible experience, of course (though that's certainly the result sometimes). But they've got to be hard nosed about what it costs to deal with customers. They're looking both to corporate strategy and to technology to help them strike a reasonable balance between "your call is very important to us, please hold" and "no problem, we'll take care of that right away."

Increasingly, managers want to accommodate whatever medium the customer chooses. In particular, they want to handle customer email with aplomb, rather than losing inbound messages and never replying. By the end of next year, nearly a third of customer contacts will be made using something other than the telephone, according to a META Group estimate, so the email and IM angles are increasingly important.

Furthermore, several of the people interviewed for this story expressed a similar sentiment: The idea used to be just to make it possible for a customer to reach you using something besides the telephone. Adding point solutions to enable other channels, though, merely created the expectation among customers that the company would actually handle all the channels in a coordinated way.

It's a problem similar to the abandoned shopping cart. Call it the abandoned confessional. Because it's not quite a shopping cart, not yet - the customer hasn't put his or her finger on any particular product yet. It's just the part where the customer has handed over some piece of his soul, their identity, their preferences, their profile. Maybe she's requested a white paper and filled in some basic info as the price of admission. Maybe he's worked partway through a guide to help him select a video camera, and he's come face to face with the question of whether price or functionality matters more to him.

Now he or she requests an agent callback on the telephone. The question is, will all these spilt beans be remembered when the agent places the call? Or will the agent have to say, in effect, "I have no idea who you are, you're just another faceless customer I've been paid to call, can we start with your mailing address?"

Enterprises that buy CRM (and they really are buying - \$23 billion worth last year, according to Gartner research, and headed for \$76 billion in 2005) want their contact centers to actually work, to not make the company look heartless or inept, and they want customers to feel like they've been treated decently, maybe even with a little flair. If an agent can upsell a customer, fine, but mostly enterprises will be happy for now if they just manage not to bungle a basic contact scenario and annoy.