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Integrating actionable insight into CRM implementations

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Too many companies don't use their CRM tools to gain a better understanding of customers or drive knowledge-based marketing and sales programs. They're missing a valuable opportunity with a high potential of increased sales and customer loyalty.

Convergence of online market research with CRM can help companies reap the full benefits of their investment in technology. If 80% of sales still come from 20% of a company's customers, the convergence of online research intelligence with CRM data can help identify and understand that crucial 20% customer segment.

Understanding the critical role of online research

Companies can reap valuable benefits from their CRM through the direct interactions they have with their key customers every day. These interactions present an enormous opportunity to better understand customers through the use of targeted, well-designed online research.

Online research can help companies fully capitalize on latent business opportunities and gain lasting customer relationships. Integrated, online research — which includes monitoring customer preferences expressed in online communities and blogs — can help businesses achieve insights that can be more broadly applied to their entire customer databases.

Many organizations using CRM technology already own much of the information and tools needed to bring online research and CRM together. Businesses can benefit from the fact that today's sophisticated consumers extensively use online resources to educate themselves and perform transactions. These online activities generate a wealth of information on customers' usage patterns and preferences. Some companies are already harvesting and analyzing this information. However, without a research perspective to provide the proper context, their findings are unlikely to be fully conclusive and actionable.

How would convergence of CRM and online research take place?

With the help of a research provider, a company conducts panel-based research to gain an understanding of its customers' brand loyalty, online and offline purchases, category usage, and responsiveness to promotional

programs. Several thousand consumers from the company's database opt in to participate in these research panels.

The company collaborates with the research vendor to define target segments representing highly profitable consumer relationships. The research organization determines which panel members are also members of the client's target segment and analyzes the online behavior patterns of these customers.

This analysis leads to a set of distinct characteristics of customers' online behavior, which is used to build a scoring algorithm. The algorithm is then applied to the client's entire customer database, making it possible to identify high-potential customers to whom the company should market directly with relevant promotional and advertising programs.

Creating new value from existing tools and information

Combining CRM and online research results in continuous feedback that rapidly demonstrates marketing yield. With this valuable information, a company can introduce improvements to drive better results with loyal customers, including significant increase in dollar purchasing by the targeted group, attraction of new brand purchasers and compelling ROI.

The process can also be used to identify and target customers at competitive risk. By identifying non-loyal customers, companies can develop targeted campaigns to connect more closely with them and motivate them to allocate more of their purchasing to the company and away from the competition.

Convergence of online research and CRM can transform a company's CRM system from a mostly technology-centric tool to a strategic business enabler. Companies can reap the full business value of information they already own and make effective use of online research to grow their business.

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