InfoGrow

Executive Insights

gianfagna strategic marketing

CRM Best Practices:

Using Your CRM System for Smarter Marketing

Your customer data is your most valuable marketing asset.

A versatile, robust CRM system is the best way to store, manage, and use customer data for sales and marketing. But many marketers who invest in a CRM system fail to capitalize on its marketing value.

This report explains the best practices of using a CRM system in a B2B marketing strategy, the reasons why a well-managed CRM system is essential for effective sales and marketing, and how to avoid common mistakes marketers make with CRM.

WHY EVERY MARKETER NEEDS A CRM SYSTEM

The value of a CRM system can be summed up in one simple phrase: One view, one truth.

There is no other system within the organization that provides one view of the customer relationship:

- The ERP or accounting system contains sales information and contact data for the person who pays the invoice, but not for the customer who makes the decision to purchase;
- The CEO's or account manager's Outlook contains their view of the relationship, but not the views of every other person in the organization that touches the customer from service, marketing, or sales.

With an effective CRM system, you will have a repository of the all the data important to the customer relationship – one truth – with numerous Excel files as reference points. This eliminates multiple truths or alternative facts. Instead of spending time debating data, your business can focus on using data to make better decisions to drive growth.

LEARNING OBJECTIVES

- **The importance of CRM to a successful business**
- **Why "one view, one truth" is essential for effective sales and marketing**
- **How to avoid the most common CRM mistakes**
- **The best practices of using CRM in marketing**
- **The value of data integrity**
- **How to use email in data-driven customer communication**
- **Who should drive enterprise CRM**

COMMON CRM MISTAKES

If a CRM system is so valuable, why do so many marketers struggle to get a measurable return on their investment in CRM? In our experience, marketers tend to make three common mistakes:

1. Failing to Define Expected Business Value & Measure the Process

The biggest mistake organizations make when deploying a CRM system is failing to take the time to define all of the benefits the business expects to gain from the system and the quantitative expected business value, and establish and measure a systematic process for achieving that value.

Businesses often deploy a CRM system with a written list of benefits like “more interaction with customers” or “increased cross-selling opportunities.” But a detailed plan that measures what “more interaction” means or the sales numbers associated with “increasing cross-selling” creates an environment where goals are known by all and processes are adjusted to meet the goals.

The goals and measurement must be accepted and endorsed by the company’s management to achieve success. Without buy-in across the enterprise, deployment is incomplete and training is inadequate. After about six months, the users of the system forget why the system benefits them and stop using it.

2. Focusing on Technology instead of Behavior and Processes

The second common pitfall is failing to recognize that CRM is not about the technology: It’s about aligning people’s behaviors and processes.

Getting the CRM installed and working is the easy part. However, most systems are installed to change behaviors. Those behaviors need to be defined and discussed and training needs to support the changes expected. Your time investment in CRM should be 20% for technology, 40% for behavior alignment, and 40% for process development.

In addition, if your marketing, sales, or service processes can’t be mapped on a flowchart, you shouldn’t expect the installation of a computer system to correct a process. A CRM system will just let you know, much faster, that your processes are incomplete or not working.

3. Seeing CRM as a One-time Investment

Finally, a CRM effort should be approached as a journey and not a destination. Your CRM system must change as marketing, sales, and service needs change in reaction to buyers and shifts in customer needs.

Instead of trying to work around your CRM system, recognize that a good CRM system is a living tool that can and should change so your business can react to market and competitive changes and be proactive.

10 BEST PRACTICES FOR USING CRM IN MARKETING

There are many proven principles for using CRM for effective marketing. Here are 10 best practices from our experience providing CRM systems and developing data-driven marketing strategies for B2B marketers:

1. Data Cleanup & Standardization

A CRM system gives you the structure and parameters for creating proper data records and establishes protocols for adding data to customer and prospect files. This standardization creates cleaner files and richer data you can access for more relevant and accurate messaging. Everyone in the organization must be responsible for data integrity.

2. Data Appending

Besides contact fields and transaction information, you can create and populate fields you'll need for marketing, like NAICS codes, employee size, headquarters v. regional office, etc. This data also can be appended to your files via commercial data sources to create more robust customer profiles.

In addition, appending ERP summary information should be considered so you have quarter-to-date and year-to-date data that can easily be compared to the previous year.

3. Customer Segmentation for Targeted Marketing

Data on your CRM system can help you classify customers into groups by many different criteria, such as title, industry, size, or location.

Once you've grouped customers into defined segments with shared characteristics, you can develop communications and marketing plans tailored to each segment and create customized communication and marketing queues. This enables you to deliver relevant, high-value content targeted to the interests of each segment.

The Critical Value of Data Integrity

In the next 60 minutes in the U.S. alone, 148 companies will open for business, 86 companies will move to a new address, and 170 people will assume a new C-level role, with 60% of people's titles changing annually.[1] You must create a mindset that customer data is just as valuable an asset to the organization as a machine on the shop floor: It is everyone's responsibility to update customer information.

4. Data Analysis to Determine Customer Value

An important step every marketer should take is using their CRM data to gain a better understanding of the value of each customer.

Start with determining basic Customer Lifetime Value (CLV). This can help you rank customers by their importance to your business and sort customers into groups by value, such as best customers, mid-level customers, and least-best customers.

Knowing customer value enables you to lavish sales and service attention on customers who warrant it based on their current behavior.

You also can determine which customers are underperforming, which helps you avoid wasting sales and marketing resources on least-best customers who buy rarely or in low volume. Conversely, it can help you identify mid-level customers that should be buying more based on their industry, size, or similarity to the best customer profile.

5. Cross-selling and Upselling

Create a sales and marketing plan to upsell and cross-sell products and services to existing customers based on their profiles, behavior, or interests.

Segmented data that identifies your best customers using CLV and appended ERP sales data gives you the ability to know what products a customer is not purchasing and what their expected wallet share for a product should be. You can use your CRM system to determine and display the expected customer goal for each product. This information can empower your sales team to take action.

6. Behavior-based Marketing

With an effective CRM system, you can track customer behavior, such as opened emails or website visits, and send highly relevant marketing messages triggered by or related to an action, such as a white paper or invitation to a webinar.

This extremely focused, real-time approach often yields higher response. These behaviors can be scored and when a total score hits your desired interest level, a phone call activity can be created in CRM to let the account manager know it’s time to contact the customer.

7. Customer Retention

Your CRM system can play an important role in retaining customers. You can use data to personalize and enhance the customer relationship, such as acknowledging key events or dates in the customer relationship.

You also can use data to spot trends or aberrations in customer behavior, so you can alert your sales team to reach out to customers who are less engaged than in the past.

8. Prospecting

Use your data to find prospects that match your best customer profile on commercial databases. You also can append business demographic information to your prospect file to determine which prospects look just like your best customers.

9. Lead Nurturing

Add new leads to your CRM system, flag them for the proper communication queue, and track contact, follow-up, and account activity.

10. Market Share & Sales Territories Value

By knowing the demographics associated with your customers and prospects, you also can know your market share and the expected value of each sales territory. This enables you to determine sales goals that more accurately reflect a territory's value and potential and avoid leaving money on the table.

CONCLUSION

Your CRM system is your data repository for keeping track of customer relationships and your company's entire customer communications effort. There is no other tool that provides the critical one view of the customer relationship across all departments within the organization and the one truth of accurate, complete customer data.

To maximize its value to your business, treat CRM as a vital, living entity that needs ongoing investment and attention.

[1]Dun&Bradstreet Partner Blog, Be the First to Know with Real-Time Data Monitoring. http://www.dnbpartner.com/real-time-data-monitoring/

5 WAYS TO USE EMAIL FOR DATA-DRIVEN CUSTOMER COMMUNICATION

Many marketers develop a systematic program of email communication to capitalize on the communications and marketing value of their CRM system. Here are five proven ideas for using data-driven email effectively in CRM:

1. Create a regular e-newsletter to establish consistency in communication.

2. Treat your e-newsletter like a publication with an editorial focus, point of view, publication calendar, regular content categories, and professional design.

3. Create email templates that integrate with your e-newsletter to build recognition and get attention.

4. Vary the type of content and e-messaging you send to customers to keep communication fresh and interesting.

5. Mix high-value content with limited promotion. A good rule of thumb is that every fifth email should be promotional, but tied to the customer's interests, such as a webinar invitation on a topic you know they're interested in based on their demographic data or behavior.

WHO SHOULD DRIVE ENTERPRISE CRM?

Other than the CEO, marketing is the one department within your organization responsible for lead generation, tracking lead sources through sales, and retaining customers. Since meeting these critical responsibilities is impossible without complete information, marketing should be the driver of the enterprise CRM system.

ABOUT THE AUTHORS

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Bob is an active speaker in numerous sales and marketing professional organizations and he has held various board and officer positions. He has also written articles and spoken at various regional and national meetings on subjects related to one-to-one marketing, customer relationship management, data management, market analysis, mapping, and hosted sales and marketing applications. Bob earned both his undergraduate and graduate degrees from Kent State University and his Doctorate in Education from the University of Akron.

ABOUT GIANFAGNA STRATEGIC MARKETING

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Gianfagna Strategic Marketing, Inc. is a marketing strategy, consulting, and creative services firm in Cleveland, Ohio that helps great organizations do great marketing. Gianfagna has a 25-year track record of success helping organizations communicate more effectively with their most important audiences. The firm's services include marketing strategy, branding, CRM and data-driven marketing, content and inbound marketing, and marketing campaign development.

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ABOUT INFOGROW

InfoGrow

InfoGrow has a 27-year proven track record of helping companies accelerate customer engagement effectiveness and boost profitability. Using CRM as a competitive advantage, InfoGrow is a strategic resource for improving lead management, cultivating business intelligence, and visualizing CRM data through mapping. InfoGrow helps clients identify their best prospects, discover missed opportunities, focus account reps on the most profitable accounts, and reduce marketing waste. InfoGrow is a Microsoft Partner, is certified on Dynamics 365, ADX Portal, and Bing Maps application development, and is an Act-On marketing automation partner.

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