WHITE PAPER


# TAPPING INTO THE HEART OF CRM

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For close to three decades now, CRM as a product has evolved from being a mere issue resolution application to a full-fledged Customer Data Management application.

However, CRM has a greater potential in providing Deep Analytics and if used right, it is capable of greatly influencing and easing the Customer Decision Making Journey.

While there are several routes already being explored in the market to achieve this, the paper looks at the yet untapped dimension of CRM to achieve this.

It explores how enterprises can better leverage CRM data to deliver relevant and powerful customer experiences.

It also proposes opening up of the CRM Data for turning on/off, Add, remove by the Customer directly and that the Customer get the predictive guidance on a direct basis rather than through the CRM User.

## Enabling customer driven data,

## Taking predictive guidance to the customer directly

## The face of crm today

A decade back, CRM was hailed as 'The One Stop Customer Data Management System' that could merge Sales, Marketing and Services to present a single customer view to the business user. This was considered a 'wow' factor back then. But with the changing technology landscape today, clients are no longer impressed by a mere centralized Customer Relationship Management system.

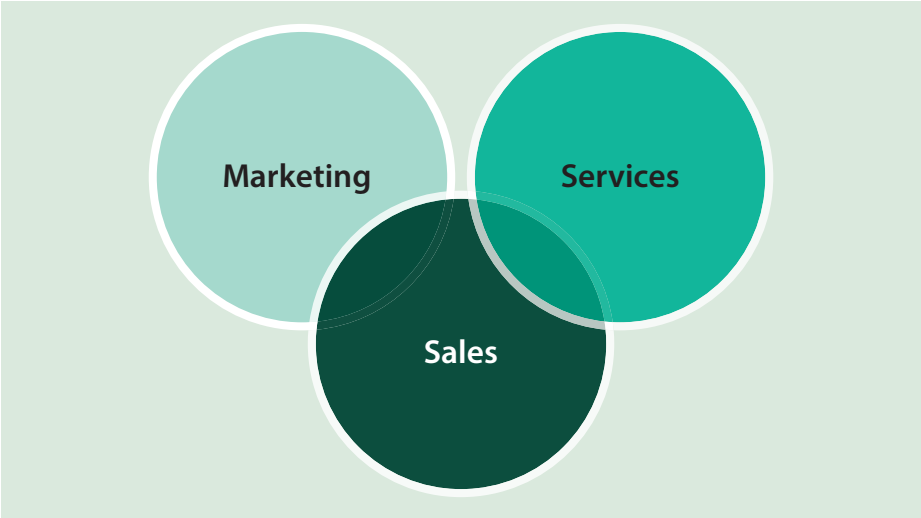


Figure 1 The pillars of CRM as we know it currently

So far, CRMs have been positioned and leveraged as tools that help customer representatives serve customers better, improve sales and analyze trends. However, over time, CRM systems have lost the edge that they earlier claimed to provide, for a bevy of reasons,

### Challenges Faced by Organizations due to poor management of CRM data

Though Organizations have the CRM data or aggregated data (even in the absence a CRM system), they are facing challenges in the below areas -

- Customer Retention is becoming a challenge. Although enterprises have vast amount of data available on hand, many tend to leverage it poorly, leading to redundancy and inaccuracy in targeting and product relevance.
- Lead conversion rates are dipping, despite growing lead databases. Once again, this dip in conversion can be attributed to poorly targeted offers and zero analytics-based study of the lead's preferences – the root cause of which may again be poor handling of Data
- Many companies which deploy CRM applications are using them as mere collaboration and reporting tools. This could be because enterprises are not equipped to effectively leverage the vast amounts of data that reside within CRMs.

## What Organizations can do instead

Today, Organizations need a deeply analytical, interactive and intelligent system along with the Core Customer Relationship Management platform. This would use the vast amount of Customer and Transaction Data residing within the CRM and when this data is combined with AI and analytical tools, alongside emerging customer experience technologies, it can help consistently deliver high levels of customer delight.

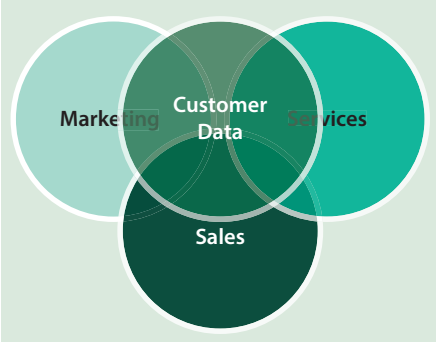


Figure 2 The heart of CRM - Customer Data

This paper attempts to explore the potential to use customer data that is often ignored or is used in a dormant capacity by CRM users.

In doing this, we hope to derive the below benefits to the CRM adopter

- Increase customer retention
- Provide meaningful customer experience (CX) recommendations thereby increasing the percentage of delighted customers
- Reduce effort from the customer during their decision making journey
- Co-create and collaborate with customers themselves, to produce meaningful, relevant, and valued products and services for every target market.

We also explore certain business scenarios that could best leverage the proposed model.

## The modern CRM

Of late, CRM providers have realized the potential of dormant data and are incorporating AI-powered analytics tools directly into the CRM application.

Despite these developments, most CRM adopters either limit their focus to the core business functions that CRM offers, or are ignorant of the analytics features.

Furthermore, the expense involved in unlocking CRM-based insights modules deters many adopters from using what they see as a non-essential feature. However, their concerns may not be baseless.

On the Other hand, Companies that have already invested into AI to analyze CRM data cite many benefits and improvement in margins, including better lead generation and qualification, reduced customer support costs, higher converting advertising campaigns, optimal product and partnership pricing, and superior fraud detection and loss reduction.

## Data Analysis Challenges in the Modern CRM

Despite the benefits that companies are realizing, by investing in AI + CRM, there are significant downsides to the built-in analytics tools.

- Analysis is largely limited to the data that resides within the CRM system.
- In many cases the rate of CRM data capture does not keep pace with rapidly changing customer preferences.
- Cross-selling and up-selling recommendations are only shared with CRM users i.e. the CSR or the salesperson, and often not directly with the customer.
- The effective usage of insights lies primarily in the ability of the CSR/ Salesperson to interpret the data, read the recommendations right, and quickly guide the customer on the decision-making journey. If the CSR/salesperson is poorly trained in this regard, the insights become ineffective.

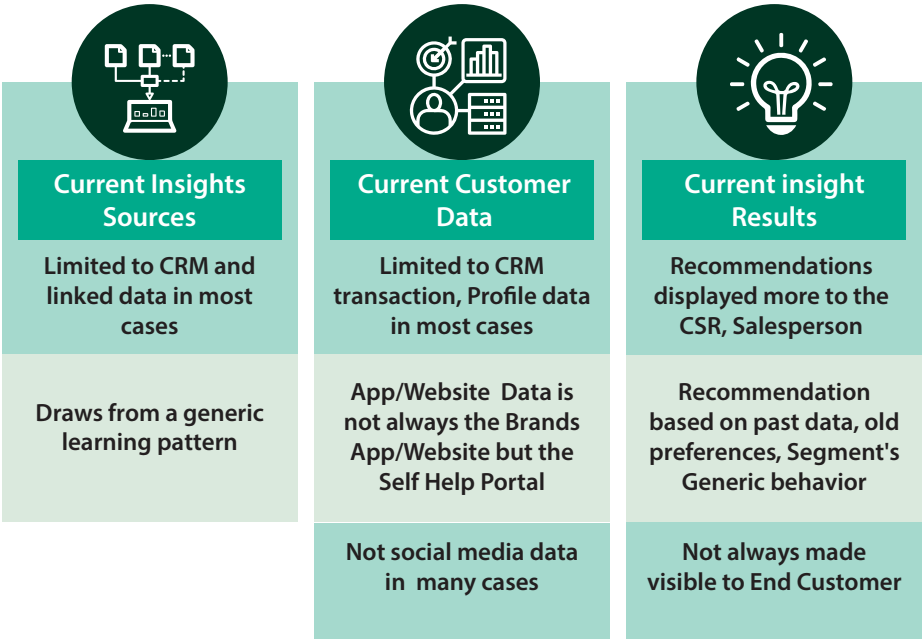


Figure 3 Current Model and usage of Insights in CRM

## How CRM insights can be used more effectively

If the insights module can be set up to include data from a wider range of customer transactions, instead of just the CRM-based data, it would deliver a more relevant perspective of the customer behavior and preferences. To be able to do this, CRM users need to include the broad-level, customer-specific footprint from various social media platforms and applications in the Landscape, such as Loyalty Platforms, Financial Transaction footprint, Returned Orders (for ex- in an ecommerce platform), etc.

Additionally,

- Customers can also be encouraged to provide their data; for example, many contact tracing apps rely on the end user declaring data. This model could be highly relevant to retail scenarios, and companies should consider offering effective incentives for end users who provide accurate data.
- The customer's footprint on the brand's website, kiosks and mobile apps would also help accurately define customer preferences (as opposed to the CRM's current limitation of restricting itself to self-help portals which are linked to CRMs).
- Insights, once derived, could also be opened up to the end user, helping them understand their own preferences better, and thereby, easing their shopping journey.

| Futuristic - Data sources for Insights | Probable Enhancements and Benefits |
|---|---|
| **CRM Data** | Be made available to the CRM End User |
| **Customer's Social data** | Encourage User to define better custom services/products - Co create/Collaborate |
| **Kiosk Feedback Data** | To be based majorly on the Customer's self data and the Segments behavioral data minorly |
| **Brand's Website, App Data used by the Customer** | Predictive Guidance being given to both the CRM rep and the End User |
| **Encourage/incentivise Customer to enter Data - For ex - Product Review data** | |

Figure 4 Proposed Model for Insight Analysis and Usage

## Getting customers to drive their own wagon

Companies could open up portions of the Customer's data, for use, editing, adding on – all handled by and for the customers themselves. Instead of a sales rep analyzing and recommending smart options and predictive decision making inputs, customers would get to pick and choose what suits them best and define how it should serve their requirement and The guided suggestions can be given directly to the Customer themselves rather than route it through the CRM representative.

This way companies would get more value for the money they spend on CRMs and their customers would be very satisfied in having control over the manner in which they are being serviced individually.

Let's take a look at a few scenarios where CRM data can be leveraged to drive better customer experiences across different domains. -

### 1.The Retail Customer – Providing Meaningful recommendations

A customer walks into a clothing store and tries to find products that might suit him. In case of non-familiarity, strategically placed voice assistants can help them choose a desired product. The voice assistant can also recommend add-ons and accessories that fit both, the product and customer profile.

In a case where multiple customers might be present at a given counter, instead of the Voice Assistant catering to all of them, customers can use interactive mirrors with voice capability or digital avatars that are created dynamically, in real time, to browse and receive suggestions based on their previous choices.

In the case of a new customer, the AI interactive mirror and voice assistant/ digital avatar could quickly ask them a few questions to gauge their preferences and then recommend suggestions. AI can also remind the customer of an unsatisfied experience in the past, when they might try to choose a similar product.

Interactive displays or mirrors could also show the customer recent purchases by other buyers, alongside customer reviews, to help them make an informed decision.

Post the transaction, sending in-store interaction data back to the CRM, enriches its repository of customer data, and derives insights more accurately from in-built CRM analytics modules. However, this requires multiple in-store systems be connected to the CRM, rather than having separate POS solutions, separate integrations, and added AI layers for each.

### 2.The Banking Customer - Reduce effort from Customer in the Decision Making Journey

A customer plans to apply for a home loan, but is confused on what type of loan and payment schedule would best suit his needs. Additionally, he needs information about the interest charges and other details.

Instead of travelling to the bank and collecting information from the relationship officer, he visits their interactive website or even a nearby kiosk where a virtual assistant asks a few questions and provides recommendations based on their past transaction (existing Customer) data, credit rating of the Customer, risk appetite, repayment ability, social footprint sentiments, etc., (all of which is present in the CRM database).

Once the customer narrows down his options, the CRM data can help him evaluate potential purchases based on what other customers preferred and what kind of trouble tickets were associated with each of those loan products. After the customer comes to a decision, the approval process is initiated within the core banking system.

The entire process is enabled via a few button clicks, and includes comparison and analysis based on real time insights made available to the customer.

### 3.Hi-Tech & Automotive Customers– Customer Retention.

Based on existing Customer information and usage patterns within the CRM system of an Automotive Company, Customers can be sent custom offers and discounts.

These leads can then be nurtured via interactive experiences at a kiosk or on the brand's website, enabling a firsthand experience and comparison of the latest products and features.

The CRM data captured this way, can be utilized to create effective Marketing Campaigns, and highly personalized offers that would aid customer retention.

## Challenges in leveraging crm data analytics

While the above use cases offer value for the time and resources spent on CRM data analytics, they also come with their own set of challenges –

### 1.Growing Data Security and Privacy Consciousness

Consumers are increasingly becoming sensitive to data privacy concerns and demand that their data is used in compliance with international and regional laws. Companies adopting AI to perform CRM data analytics would have to provide data usage transparency in line with legislation like the GDPR.

### 2. Allowing users to be in control of their data.

To help build confidence in the Customers that their data is not being misused, Companies would have to allow the End User to control the depth to which their Data can be used. They can allow the Customer to turn Off or On the AI capabilities in Data Analysis as well. But if the Customers choose to turn of Critical Data, the data analysis might not be fully effective for that particular customer.

### 3. Navigating through vast amounts of data

There is always a danger of collecting too much information and then being unable to use it. Companies need to be very sure of what data would help them strategize, and collect and analyze this data alone.

### 4. Ensure that CRM data is indeed 3600

Often, CRM systems may have limited integrations to contain data that can streamline only the sales, marketing or customer service functions. For example, transactions data, including rewards, payments, invoices, credit limits, etc., may not fall within the boundaries of CRM data collection and analysis. For the aforementioned model to be effective, CRM systems must have access to every data entry and exit point - only in the way will they be able to deliver a truly relevant recommendation to the end user.

## The way forward

From the above scenarios, it's easy to see the vast potential that CRM data analytics can have on enriching the customer experience. That said, enterprises looking to deploy CRM-based insights to improve business outcomes should also invest in-

1. **Integrations -** Tight coupling between CRM, AI, technological infrastructure and strong security setup to permit customers to view only the desired information. A lot also depends on how well the CRM is able to absorb customer-specific data from the various sources and digital footprints – **Microsoft Dynamics CRM** is a good option to recommend for a CRM which is capable of pulling in data from major touchpoints and has inbuilt AI capabilities.
2. **Common Data Model Restrictions -** CRM providers would need to expand their product to absorb and include a wider range of data, overcoming the common data model restriction issues that might arise as a result of aggregating data from various digital platforms. Here again, – **Microsoft Dynamics CRM** and all the MS stack products are now on a Common Data Model, thereby reducing Data Processing requirements.
3. **Enhanced AI algorithms and NLP base –** CRM Providers would need to include realistic scenarios and expand the scenarios that can be covered rather than providing a plastic virtual assistant.
4. **Cost vs Return –** Finally the onus lies on the CRM adopter to invest in these futuristic technologies by wisely balancing the costs and the returns achieved via improved customer retention and delight.

## About the Author

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Mary has 10 years of experience in the Infosys Microsoft CRM practice and has worked predominantly in the Presales wing of the Practice. She has a flair for analyzing the Product fitment and drawing up intuitive solutions across domains, based on Dynamics 365 CE. She has worked on MSCRM 2011 onwards and her interests are centered around providing Insightful CRM solutions through Dynamics 365 CE while leveraging the Microsoft Stack products.

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