

BEYOND DATA GATHERING

Implications of CRM systems to market research

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The authors of this paper argue that the rise of new technologies such as databases and the Internet offer both new challenges and opportunities to the market research industry. At a time when CRM is reported to have grown more than 30% a year with projected total revenues of \$12.1 billion by the end of 2001, it is noteworthy that few traditional market research firms have seized the opportunity. Despite embracing the Internet for data collection, few research companies have been able to translate research technology and talent to take advantage of this huge business opportunity.

Although data collection is a key benefit of the Internet, a bigger potential benefit is the delivery of information and insights to decisions makers via the Internet. The emerging CRM industry makes this a central goal and is reaping the benefits. The paper presents both theoretical and case study findings that offer a new way to relate to market research that can potentially bring the research industry to the top of executives' priority list.

INTRODUCTION

Over the last few years a new industry and ‘buzzword’ have emerged. CRM or Customer Relationship Management has an annual growth rate of over 30%, and according to IDC will reach up to \$12.1 billion by 2001. The technology analyst firm Gartner is even more bullish and recently stated that the market will be \$15 billion in 2001. Whatever the source, the projections show CRM surpassing the global revenue of the entire market research industry within the next five years. In our analysis, it becomes clear that a new multibillion industry has emerged, with the purpose of allowing companies to better measure, understand and manage customers. Is this mission not at the core of market research?

Although market researchers are quite familiar with the notion of measuring, understanding and managing customers and prospects, few if any, stand as the vanguard of CRM. Talk to market research leaders and ask them who their competitors are and precious few mention CRM companies. The CRM industry is, after all, dominated by companies that have emerged from technology and Internet industries specifically to provide Fortune 500 companies with systems that allow tracking of all their customer points of contact. Names such as Siebel, Epiphany, Kana, Atg Dynamo, etc. aren’t research companies are they? An aspect of the mission statement of these CRM companies is to transform data into insights. Sound like a familiar mission? CRM companies are now encroaching on what marketing Research companies believe to be their turf. Many of the CRM companies initially built technology to track customer contact/correspondence and behavior. These CRM companies are integrating customer intelligence tools into their systems that will help their clients better measure, understand and act on their customer knowledge base.

Meanwhile, as the CRM companies build analytic expertise, we fear that traditional research companies have been watching without moving – or even worse the majority of them are not even aware of the implications of the emerging CRM industry to their long term survival.

Are market research companies missing the CRM opportunity? We think so. We believe that the main reason for this is that market research companies did not fully appreciate and leverage the opportunity offered by Internet related technology. Although the so-called online research industry is largely growing by replacing traditional data collection means such as telephone and face-to-face interviewing, we think that the greater value for marketers resides not only in the ability to better collect data, but most importantly in the ability to transform data into insights and distribute this knowledge in new ways through the Internet. As Tom Miller (2000) put it in a recent article, “most research

companies should think about themselves as being in the information industry rather than in the marketing research industry”. Or as Barbara Hisiger, CEO of Lightspeed put it,

“There is a world of difference between a Market Research company that uses the Internet and an Internet company that does Market Research. It’s been near impossible to the sleeping giants of the Research industry to wake up to get the challenge.”

How can traditional market research companies leverage the Internet as a means to transform process and value creation? To provide more than data? To provide information when decision-makers need it and make it instantly available and insightful?

In the next few paragraphs, we will define CRM, discuss five common characteristics of CRM systems, and then illustrate how market researchers can leverage CRM technologies to offer new products that will allow them to move higher on the decision makers priority list.

DEFINITION AND IMPLICATIONS OF CRM FOR MARKET RESEARCH

Defining CRM

Literally, CRM means Customer Relationship Management. At its core, CRM is a simple notion. It acknowledges that a fundamental change has taken place that puts the customers at the center of business management. It implies that systems must be developed to support meeting customers needs. For businesses to succeed and profit, according to CRM proponents, companies have no choice but to learn from, and actively respond to their customer needs. Businesses armed with an understanding of what their customers want, and how and when they want it, can make informed decisions to drive business strategy, build brand awareness, and attract and retain their most profitable customers. This in turn drives the market valuation, as Morgan Stanley put it:

“... the value of a company will be directly tied to its knowledge, retention and monetization of its customer base”.

CRM typically encompasses the following three major disciplines:

1. Call Center and Customer Support;
 2. Sales Force Automation;
 3. Marketing Insight and Automation.
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This division is a popular one because the companies and the products thus far have tended to focus on one of these three areas. However, that is changing as companies merge and new products that span these disciplines emerge.

Figure 1
DISCIPLINES AND EXAMPLE COMPANIES

<i>Discipline</i>	<i>Example Companies</i>
Call Center and Customer Support	Remedy, Webtone, Clarify
Sales Force Automation	Seibel, Vantive, Sales Logix
Marketing Insight and Automation	Epiphany, Active Decisions, Cyber Dialogue

Clearly the third area seems the most natural fit for the market research industry. If a market research company wanted to make a play for CRM, then Marketing Insight and Automation might be a good focus area.

The trend toward enterprise-wide solutions that integrate all the pieces within one offering merits some discussion. The trend has been toward enterprise solutions and merging competitors from across disciplines. The implication to a market research company that only offers Marketing Insight and Automation is that they may become subsumed or squeezed out of the market by a more complete solution to CRM needs. That said, the enterprise-wide solution is not an easy road, and may be a ways off, thus leaving a window of opportunity for market research companies to grow enough to play a meaningful role in the CRM space. According to Forrester Research, these large enterprise-wide installations often fail. In fact, after a multimillion dollar investment to build a CRM solution, there is only a 25% chance of success. Pretty grim estimate. Forrester's pessimism is not shared by all analysts. AMR research reports, in a recent study, that 68% of companies that have implemented some portion of a CRM strategy saw a positive ROI or are on track to see one. Regardless of where the truth lies, given the tougher financial times Meta Group's estimate that 90% of its clients are re-examining the financial justification for CRM is instructive. Whether the conclusion of this re-examination is to pare down and focus on a specific high leverage aspect of CRM or to continue with the whole enchilada and build an enterprise-wide solution will differ from company to company. The need for CRM is not likely to go away and the market research industry just might want to take advantage of the fact that many companies are stopping to catch their breath and are open to suggestions on how to approach CRM.

But, what is CRM? We have provided a definition and dissected CRM into three disciplines, yet, there is more to CRM than Call Center Management, Sales Force and Automation and Marketing Insight.

Expanding on the definition, here are five characteristics that seem to be common across the three disciplines of CRM:

1. always on and accessible;
2. linked customer information;
3. integrated product and business information;
4. immediately actionable;
5. trackable value.

By examining these five characteristics of CRM systems, we can better understand how marketing research products need to evolve to compete in the CRM space.

Always on and accessible

First is the idea of always on and accessible. This is, perhaps, the most defining characteristic of CRM systems. For example, take Sales Force Automation. The idea here is that a sales person can tap into all the customer and product information from any place at any time (often from multiple devices). Customer support has the same core concept at work. Whether it is a help desk staff, or customers serving themselves through a web interface or telephone Interactive Voice Response (IVR) system, the relevant information to resolve the customer need is always on and accessible.

This is a relatively new concept for marketing research companies. While it has existed here and there before the Internet, the push for real-time marketing research data owes its beginning to executives wanting to know how their multimillion-dollar web sites were doing. One of the authors was fortunate enough to be in the right place at the right time and created one of the first near real-time online marketing research systems in 1995. At the stroke of midnight, the day's data was gathered, crunched, formatted and spit out in email and webpage form so that top executives and employees company-wide knew which sections of the site were hot and which were not. They knew the profile of the new customers within hours of user registration. Summaries of focus groups, quantitative segmentation studies, new product forecasts, customer satisfaction and so forth were widely distributed. When the company raised capital and wrote up its prospectus to go public, this system for gathering and distributing information was listed as one of its four key competitive advantages. It was displayed as a crown jewel of a new economy information company. And more than just eye candy, it changed the way

decisions were made. As HotWired Producer Chip Bayers said, “The system told us things we would have never guessed and we made decisions based on it... It changed our thinking on what market research was. It went from results to a survey that came out after we had already made a decision to a tool to explore and develop new products and solutions.”

Companies like Amazon use data in this continuous, always on fashion. Unfortunately, this type of usage is atypical for most market research. Instead, marketing research is typically distributed in lengthy reports and data tables and once reviewed in a presentation form, the information languishes on bookshelves.

Linked customer information

Linked customer information means that customer data can be combined across information silos providing one view of the customer. This has been a challenge for each aspect of CRM. Customer Support data banks is often separated from Sales Force Automation data banks and Marketing Insight information measuring such things as customer profitability is often not provided to the customer support of Sales Force Automation applications. The trend to link all of these systems into a single view of the customer has become an important imperative.

A single view of customer information can translate directly into more profitable business practices. For example, as E*TRADE analyzed their customer base, they discovered that a certain segment were unprofitable. Furthermore, they discovered that a small percentage of the customer base represented a majority of the profit. By linking the customer profitability information into the customer service call center, E*TRADE was able to have highly profitable customers jump to the very front of the call center queue while unprofitable customers are offered much less expensive automated IVR systems to address their needs. Furthermore, this linking of information is helping E*TRADE break down the traditional ways of thinking where products are managed to a new vision of business management where customer segments are now managed.

Linking information is important. The underlying philosophy of thinking of the customer at the center of the universe rather than the products is really the key to unlocking the value of linking customer information into a single customer view. As Judy Kinkaid, Director of Customer Relationship Management at Hewlett-Packard put it:

“While many companies are seeking new ways to leverage customer relationships, a major hurdle remains, and it has to do with point of view. Many companies view customers from the inside out (Who are the

customers who own my products?) instead of from the outside in (How do customers experience their relationship with my entire company?). To truly understand and manage relationships with your customers, you must understand their total experience with your company — not just their experience with one of your products.”

Integrated product and business information

The third characteristic of CRM systems is the push to streamline the product information, increase the number of access points, and distribute the power to alter business rules to better serve customers. The idea here is to reduce the friction associated with entering in information multiple times into multiple systems and to provide better service to the customer by ensuring that product and service information and decision making power is in all the relevant customer tracking points. The friction created by systems that are not integrated often results in missed opportunities, sloppy communication with the customer and longer timelags to address customer needs. The customer should be able to use any touch-point with a company to get their need satisfied. Ever been told by an employee of a company to call a different number or talk to another department? Did you feel frustrated by the experience? The CRM goal of integrating the relevant information systems together aims to solve this problem.

Besides reducing customer angst, integrating systems together has marketing benefits. Consider a prime example in the telecommunications sector where days would pass between a customer calling into a customer service representative to disconnect service, and when the marketing department learned of the customer attrition. Because the systems were not integrated, it was nearly impossible for marketing to access the customer profitability and usage pattern to tailor a win-back offer to retain the customers business. CRM systems have helped fix this critical disconnect.

According to Donovan Gow and Bill Hills of the Aberdeen Group,

“What is needed is an overarching customer relationship nerve center, which continually manages and applies the rules that a company defines for applying resources to customer interactions. This amounts to a business rules and workflow engine that spans a company’s entire CRM operation, including communications channels, applications, and business functions. Further, in order to adapt to the quickly changing requirements of an e-commerce customer environment, the business rules engine must be easily modifiable by the personnel closest to the various processes.”

Immediately actionable

The fourth characteristic is the idea that CRM systems are immediately actionable. In other words, each piece of information that is gathered, each analysis, each technology to streamline a process is evaluated against the question “what will this do for my business?” If it is not actionable, if it cannot be applied to solve a business problem, if it does not deliver greater profit, it is not worth gathering and integrating into the central nervous system of the business. According to David McNamara, Vice President of Marketing at Neteos, “What we encourage people to do is take their top three concerns in Sales, Marketing and Support, prioritize these within the organization, prioritize them across the company, and understand where you can actually drive return”. The focus then is on these immediately actionable items. CRM systems tend to be extremely tactical in their application. The development of systems, analysis, and marketing programs typically takes place within the context of clearly defined goals such as increase customer profitability of a certain segment by 5%; lower attrition by 10%; shorten cycle time to resolve customer service tickets by six hours, etc. The data and insight that marketing research brings to the table therefore must be actionable – not just nice to know.

Trackable value

The fifth and final element is trackable value. While some are broadening the definition of what constitutes return-on-investment, there is a lot of effort made to track the value of each program developed with a CRM system. Many systems are in essence designed to measure themselves. CRM systems are meant to be accountable. If you invest in linking customer information so that the customer service representative can cross-sell product offerings, as American Express has, then the CRM system tracks the value of these cross selling efforts and provides a return-on-investment against the CRM investment. Besides allowing management to track the value of their CRM efforts, the philosophy of measuring the value of business efforts is important.

In this list of five characteristics, you may notice that the focus has not been on the technology per se. Yes, the technology involved in CRM is generally different from the systems market researchers are used to. The databases, the OLAP tools, the application interface protocols, the data cubes, marts and warehouse are worth consideration. But the issue really is not technology, but rather what companies do with the technology. So the question to you, as an executive of a marketing research company, is are you providing information that is transformed into tactical insights? Have you created a service that is integrated into the heart of how decisions are made? Here is a quick list of questions to ask:

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- *Always on and accessible* – Is your data translated into insight that is regularly accessed by your clients to make daily decisions?
 - *Linked customer information* – Is your data linked or fused to customer profile data so that the company can make better decisions guided by your input?
 - *Integrated product and business information* – Do you require the company to reenter your data or do you link your information into their data warehouse?
 - *Immediately actionable* – Is your research actionable? Not just at a strategic level but on a tactical level as well?
 - *Trackable value* – How much is your information worth to your customer? Are you helping them track the ROI?

By no means are these the only questions you should be asking – but they are a good starting point and a basis for discussion.

IMPLICATIONS OF CRM

Let us turn to an example of a CRM system that relies heavily on core marketing research principles but is CRM in architecture. The goals of CRM should sound like a welcome call to market research companies to participate. After all, market research companies have long rallied for a customer-centric view of business. However, many CRM leaders suggest that market research companies are ill equipped to meet the CRM needs. If you believe Accenture's John Nash, market research companies will have to change in order to participate in the CRM space. In the article entitled "Know thy customer – From Customer Knowledge to Customer insight" Mr. Nash writes:

While traditional Marketing skills focusing on brand continue to be important, companies will need to encompass the "new world" that is virtual, multichannel and increasingly customer-driven. The one-time use of customer research to drive just strategic decisions needs to be replaced by a continuous, real-time use to drive both strategic and tactical decisions. (Emphasis added)

Read on and it becomes clear the Mr. Nash does not believe that the market research industry is up to the task just yet of producing this continuous, real-time information and insight stream. Instead, he implies clients should be working with consulting firms like his. Mr. Nash's answer to the checklist above would likely state that market research firms are not immediately actionable, are not linked into customer databases, are difficult to access relevant information on a tactical level and therefore, if you tracked the ROI, you would be underwhelmed by the results. Is this a fair assessment?

Figure 2
IMPACT OF MOVING FROM AVERAGE TO HIGH PERFORMANCE



(\$M for a \$18 company)

A study by Accenture stated that a typical \$1 billion (US) business unit could add \$40 - \$50 million in profit (\$120 to \$140 million in pretax profit) by enhancing the top 21 CRM capabilities by 10%. One of the top three capabilities is “turning customer information into insight”. It is worth \$12 million to the organization that pursues this area.

Bill Gates, founder of Microsoft, shows the road to success for companies in his book *Business @ the Speed of Thought* and suggests a huge business opportunity for ‘modern’ market researchers.

“Companies that invest early in digital nervous systems to capture, analyze, and capitalize on consumer input will differentiate themselves from competition. You should examine customer complaints more often than company financials. And your digital systems should help you convert bad news to improved products and service.”

As the statement shows, this digital system relies on three major steps: capture, analyze, and capitalize on consumer input. When reviewing the typical workflow of a market researcher, one can easily conclude that although researchers have great abilities to gather, and analyze, they may need to focus on capitalizing on consumer input. To this end, technology and digital systems, as pointed out by Bill Gates are key.

The Internet’s impact on market research over the last five to six years was primarily felt in data capture. Speed and cost efficiencies were the main

benefits. Today, although the online data collection market is progressing at a double-digit rate annually, little progress has been made in terms of leveraging the Internet to analyze and capitalize consumer input. This is the promise of CRM systems and is also the challenge for market researchers: transform from data gathering to knowledge production and management. In the next few paragraphs we will lay down the basic implementation steps of an analytical CRM system, and show in a practical case study how these steps can be leveraged by a new generation of ‘digital’ research products that capture, analyze and capitalize on consumer input.

GUIDELINES AND KEY STEPS TO IMPLEMENT A CRM SYSTEM

The most critical feature of any CRM solution is the ability to transform customer data, collected from a wide variety of sources, into the type of detailed customer information around which a company can organize its enterprise and build its customer relationships. Although this remains key, the underlying driving force of this process must be the existence of a fundamental philosophy of customer value and customer equity. Thus, the first step of any initiative is to determine and define customer value. What makes customers valuable and profitable? What are the key metrics to measure this?

What do we need to understand and measure for each of our potential points of contact? Once you know what potentially creates customer value, the next question is to manage all customer points of contact (store, telephone customer support, website, etc.) accordingly. When an organization is able to answer these fundamental questions, it will then be able to focus on the customer, the only source of present and future profitability.

1. First define a simple objective, then organize customer data accordingly (Collect and integrate information)

As pointed out earlier, the most critical feature of any CRM solution is to transform customer data, collected from a wide variety of sources, into the type of detailed customer information around which a company can organize its enterprise and build its customer relationships. This is very important if an organization did not define upfront a simple business objective or fundamental rule (or philosophy as mentioned previously). CRM initiatives are often implemented with too many business objectives in mind and managed by departments with different priorities and conflicting politics. In many instances, budgets are exceeded by millions and solutions become impossible to deploy.

Once the objective is set, only then can customer data be collected, cleaned, and stored in a format that makes it easily accessible for analysis so that meaningful information regarding customer behavior, trends and attitudes can be extracted. It is this ability to transform raw data into actionable customer understanding that defines Analytical CRM, making the process indispensable to marketers in developing targeted initiatives and to management needing near-term payback. The challenge does not lie so much in the collection of enough customer information, but more in the organization of that data into a format that makes useful analysis possible.

The right approach is to integrate the customer data into a decision support system that is designed to enable marketing professionals to run reports, build models, and derive targeted actions. Only then can business really communicate with their customers and demonstrate that they are attempting to understand them better. Later, we show an example of building such a decision support system for website customer retention. We will see how both behavioral and attitudinal data can be integrated to drive better website management.

2. Second, analyze data to understand customers, and create customer knowledge.

Many times systems are put in place without much thought given to ‘what are we going to be doing with the data?’ This is an opportunity and challenge for market researchers.

Until this point, the CRM companies and their technology arsenal have been able to build the system to track customer data. Now the infrastructure needs to deliver on its ability to better understand customers and better serve them. Analysis is central. This is where the research companies can work to use their expertise in tackling business problems and packaging insights into an automated delivery solution. Research companies will not only regain momentum but also transform their delivery process to move to digital customer insight delivery. The analytical capabilities of research companies seem to be lacking when it comes to analysis. In fact, according to the Meta Group,

“A CRM initiative lacking the analytical component will fail to provide a panoramic customer view long term ... in 100 % of the CRM projects we’ve seen that lack CRM analysis, there was a total and complete inability to effect change in the customer relationship and improve the return on customer relationship”.

Quality analysis is what defines added value for research buyers. CRM providers relying too much on technology with no leverage of analysis will fail. Researchers have a tremendous chance to compete here only if they are

ready to adapt their process to include technology for better data organization and insight delivery automation. Companies need more than just historical data informing them on what happened, they need the reasons for these customer behaviors. Furthermore they need the answer to ‘what will happen in response to these marketing activities?’ Marketers indeed need technology and services that can predict customers’ likely behavior, turn that prediction into ‘code’ (such as algorithms) customized to their business and then deploy that code to drive customer interactions across the enterprise.

Since the accuracy of the analysis and resulting models determine the success and ROI of a company’s marketing efforts, it is essential that CRM solutions employ statistical analysis. From this standpoint, the ‘one fits all solution’ that certain packages offer are often limited since they are looking only at a small set of customer data, not enough to provide a holistic view of the customer. Additionally, the limitations of certain automated modeling techniques can further damage the final value of the CRM system. In other words, it is worth the money to develop a more customized model rather than to rely on pre-built solutions, since millions may have been spent to build the ideal data architecture. Do take the time to get the most out by using the best predictive models. This is where market researchers’ knowledge and experience comes into play: to offer a broader perspective of the customer by integrating attitudinal data into behavioral data, for example, and also by providing advanced modeling capabilities able to truly leverage the power that can be found in the data.

3. Act on customer knowledge, and continuously improve knowledge (tracking, control, learning, action ...)

The analytical process of segmenting and modeling enables marketers to implement targeted marketing actions to defined, valuable audiences. For instance, marketers are able to decide which customers in a marketing campaign will receive what product offers, what e-mail content, and at what frequency, achieving the goal of one-to-one customer communication. The knowledge gained from this process enables marketers to take actions to create loyal customers, acquire valuable prospects and develop an ongoing business strategy to interact with customers via targeted messages.

Action based on customer knowledge is key to any long-term customer relationship and profitability. Successful CRM implementation requires a constant reevaluation of a company’s relationship with its customers. By learning from and interacting with customers, a company can devise measures to initiate cross-sell and up sell campaigns, build relationships and personalize customer experience to increase long-term customer loyalty and value.

The next section includes a case study applying these thoughts and learnings to solve a marketing business problem by applying well-rounded research process, knowledge and technology to better understand, measure and manage customer retention on a website.

CASE STUDY: LEVERAGING CRM TECHNOLOGY AND BEST RESEARCH PRACTICE TO BUILD A WEBSITE CUSTOMER RETENTION SYSTEM

The following paragraphs¹⁾ will highlight the key steps in building a CRM system starting with definition of the business problem, problem analysis, organization of the data solution and digital automation of insight delivery.

1. Define the business problem, set a simple objective, and then organize data infrastructure

Many companies have spent significant amounts of money building an Internet presence, but marketers are often wondering if their website delivers on their customers' expectations. Although usability tests may have taken place, these tests do not provide an ongoing read on website performance and its ability to attract and retain customers. In this case, CRM companies are offering technology solutions to track consumer behavior on the site. From this tracking they usually provide an ability to personalize offers, messages and thus provide a more consumer centric orientation to the company business. This is really valuable as the customer experience with the site is key to the site success. It is therefore essential to get an ongoing read of visitors' perception of the site's ability to meet their needs in an optimal fashion. From this standpoint, asking visitors what they think is essential. This is where sound market research comes into place: to answer the marketer's needs to better manage his/her website. Furthermore, asking the right questions to deliver the needed insights is key to this process. We think that overall these questions should be used to understand:

- Who is coming to the site? Why? Where from?
 - What is the value of the visitor experience with the site, in general and on key dimensions of the site?
 - What are the connections between the value of this customer experience, satisfaction, and retention/loyalty?
 - What are the key drivers of retention?
 - And finally, if the site supports a non e-commerce site, how does it impact brand equity?
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These questions are simple enough to define the overall objective of a website retention system. Of course, nothing of what we said so far is really new. The newness and value is in how we are going to build and integrate the system into the existing behavioral CRM system, and how insights are going to be digitally delivered to the marketer. This is where we think that value resides, in our ability to package sensible information for updates to the marketer as needed for decision making.

Integration within an existing CRM system (such as Atg Dynamo, Kana) relies on our ability to dynamically collect attitudinal data from visitors and link these to existing behavioral data. The result is a set of closed loop systems able to provide a 360° view of the customer experience with the site. By really knowing what consumers continuously think and do, the marketer has the ability to optimize site experience ‘on the fly’ for better ROI.

The challenge is to build this data infrastructure and the ‘digital marketing story’ so decision-makers can easily understand and take action. This is where marketing sense is needed, and where market researchers can surpass traditional technology CRM companies that tend to be mainly driven by technology rather by merging technology with marketing to drive decision making.

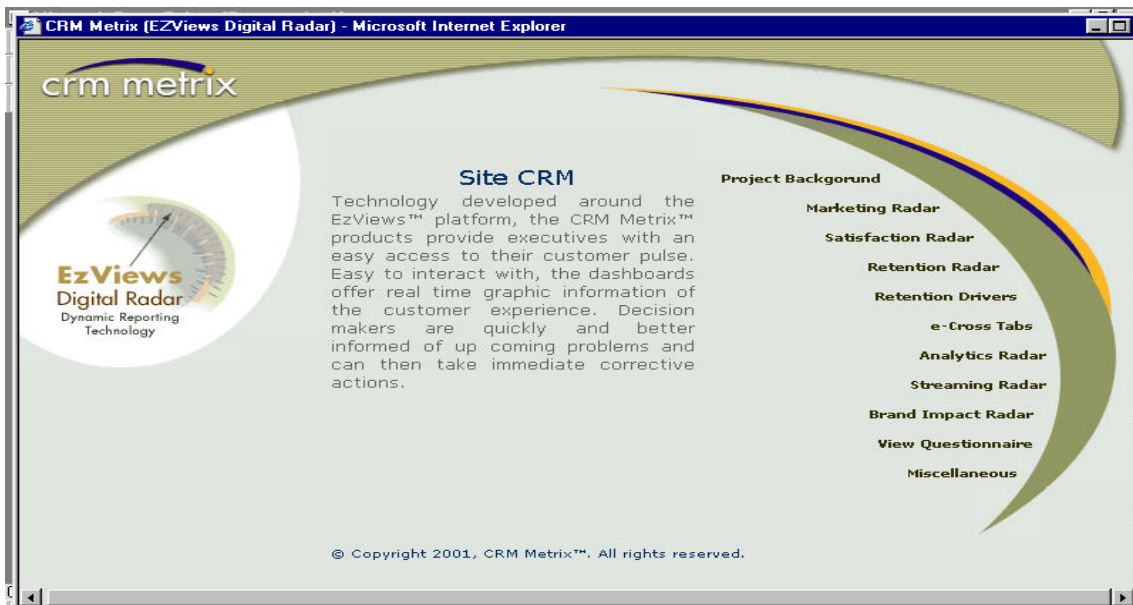
Thus, rather than just delivering data, the effort needs to be put on delivering insights. In our example, insights are related to our ability to easily answer questions and organize their delivery in a way that we call the ‘marketing story’ of the website. This marketing story is delivered through an electronic dashboard where the end user can find all necessary information to better manage customer relation on a website. This information is organized around key areas answering our initial questions. We deliver these answers around what we call ‘Digital Radars’:

- Marketing Radar: provides customer profile (who?), motivation profile (why?), media mix profile (how?).
 - Satisfaction Radar: translates customer experience into general site satisfaction and satisfaction towards key site dimensions (content, navigation, appearance, etc.)
 - Retention Radar: provides a metric of the site retention, going beyond satisfaction and providing a ‘customer relationship’ metric for the site.
 - Retention Drivers Radar: provides analytical insights on key site retention drivers.
 - Brand Impact Radar: provides insights on the site ability to build and expand brand equity/perception.
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- Simulation Radar: a predictive modeling radar that allows marketers to simulate potential impact of marketing/redesign actions on the site performance.

All radars are available online and are dynamically updated with information as data is collected. Marketers access their personalized dashboards online through a password-protected portal. All infrastructure is available through an ASP model (Application Service Provider) thus allowing connection to the site users pulse from anywhere anytime. Figure 3 provides an example of the introduction menu that the marketer sees when he/she logs in:

Figure 3
DIGITAL ACCESS TO INFORMATION (THE 'EZVIEWS' DASHBOARD)



From this simple and intuitive menu the marketer can investigate the general health of his/her website.

2. Second, analyze data to understand customers, and create customer knowledge

Once the data infrastructure has been built to suit the business objective, then comes the time to mine data for action. As shown in our example, if specific effort and attention have been put in place upfront to organize and automatically deliver a digital 'marketing story', the customer knowledge process is then greatly enhanced. Rather than searching, the marketer is guided from start to finish, and the platform can then allow him/her to further investigate by providing the necessary tools to do so. The fundamental

promise of intelligent marketing systems provides insights, warns about upcoming problems, and proactively suggests improvements.

This represents a major step in helping the decision process. Suddenly market researchers can move beyond their simple data provider role to become marketing solution providers. Researchers can then reposition themselves on the priority list of top management.

Our recent experience fully confirms this. In our example of a website customer retention system, thanks to the ability of the system to fit both managers needs for quick top line information as well as researchers needs for wider data analysis, the system is an appealing proposition for marketers at all levels. By building systems with the ability to serve all these needs from the same delivery platform, flexibility to be integrated within other existing customer systems, and customizable to answer each specific user need, the system really offers an attractive business proposition.

In our example, as the user gets on the platform, he can then access the menu of interest to understand his/her business problem. In our example, let us assume for a moment that a recent site redesign has been launched and that the marketer wants to track its impact on customer satisfaction.

As figure 4 shows, as the user selects the Satisfaction Radar, he is then able to know what is happening in real time since information is delivered as the data is collected and integrated.

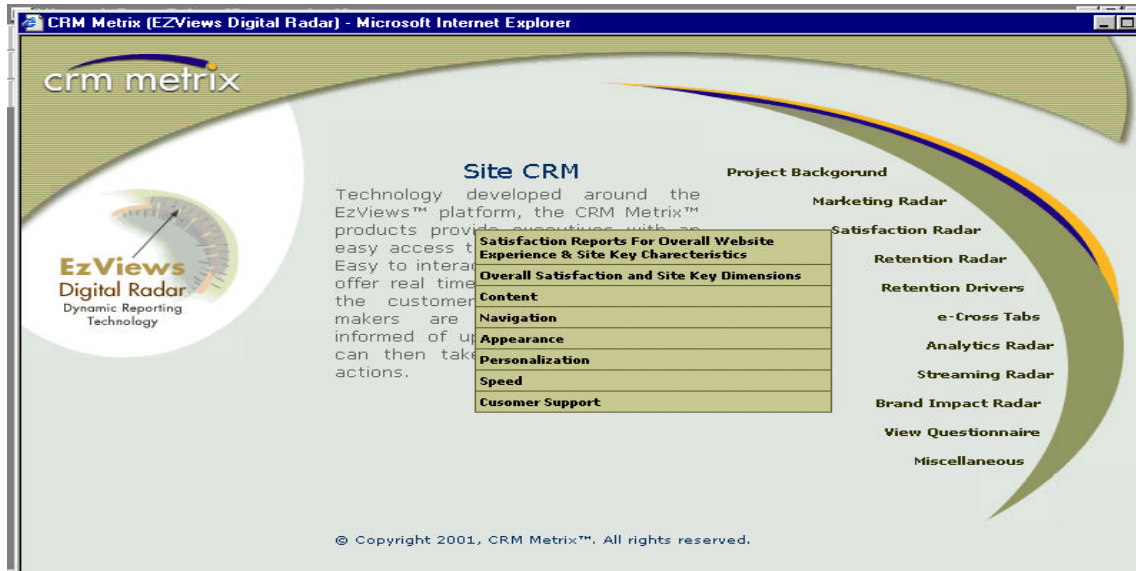
Once a selection has been made, the user arrives on a personalized electronic dashboard that reports the relative 'temperature' of site visitor satisfaction. The closer to green the better the satisfaction level, the closer to red the worse satisfaction is. Quickly the user understands what is happening.

Furthermore, by scrolling down on his/her screen more details are then provided on the specific satisfaction towards key site dimensions. From there, he/she can immediately pinpoint that site appearance has a low level of satisfaction. He can then prioritize actions based on the findings. Furthermore, data comparisons to norms are also possible from the initial selection menu as well as specific reading among key variables: Customer Value and Visit Type. Rather than providing a ton of options, the user is guided to start looking at things that really matter in order to get top line information for action! Obviously, as data intelligence is built around sound, valid and reliable analytics, specific investment has been put in place for user convenience and easiness when accessing these electronic dashboards.

In our example, the user immediately located the potential area for improvement, and is able to communicate the necessary changes to his group and web agency, for example, by emailing the information, chatting with users

currently on the platform, printing the document and/or saving the information for later use with PowerPoint.

Figure 4
ACCESSING THE SATISFACTION RADAR



The system also provides a metric of ROI called the Customer Retention Index or CRI. This index is built by taking into account the site specific objectives and business model and provides managers with an ongoing read on their site performance. As figure 5 shows, using the same user-friendly platform the marketer can immediately understand its customer retention and evaluate the size of its loyal customer base. The more advocates the site has, the better its effectiveness. In our example, we see that retention is weak although satisfaction was average. The site clearly is weak at making visitors loyal, since only about a third are either Favorables or Advocates of the site.

When retention has been measured, the key for a site manager becomes to understand the drivers of the website retention. This is directly available through the platform analytic menu. As the data is collected, the retention driver model is automatically refit to provide constantly updated insights. Figure 6 shows an example of this capability.

Quite clearly, from this driver analysis, in order to boost retention the site managers need to prioritize action on the value of the site content, speed of download and customer support. Interestingly, we see here that although satisfaction metrics were providing guidance on the importance of appearance to customers satisfaction level, the CRI (site retention metric), suggests here

that loyalty is first and foremost driven by content, speed and value of customer service. Although satisfaction with site appearance must be improved this must be in accordance with the priority of building quality content and customer support delivered at the right speed of download.

Figure 5
INVESTIGATING CUSTOMER RETENTION

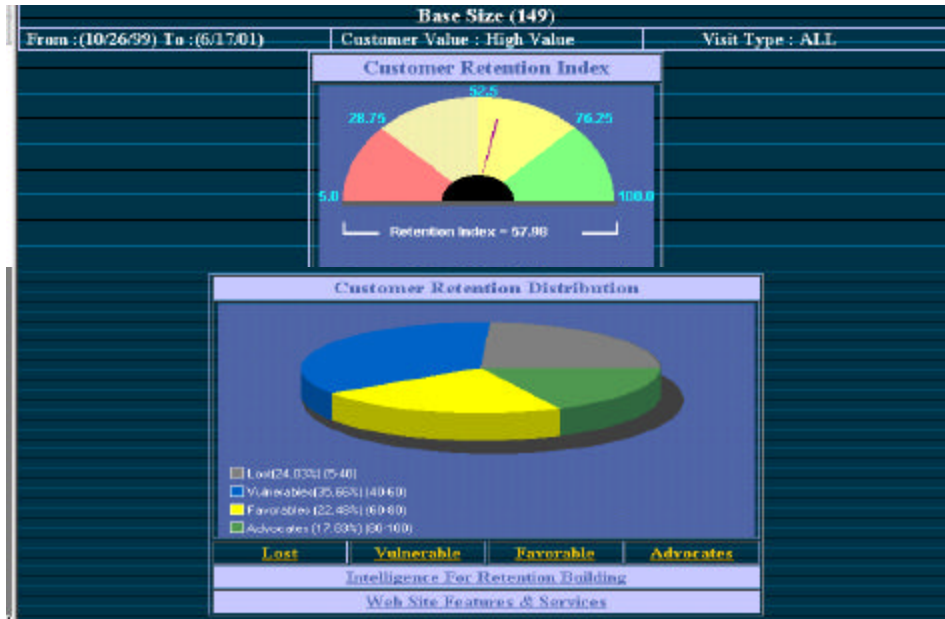
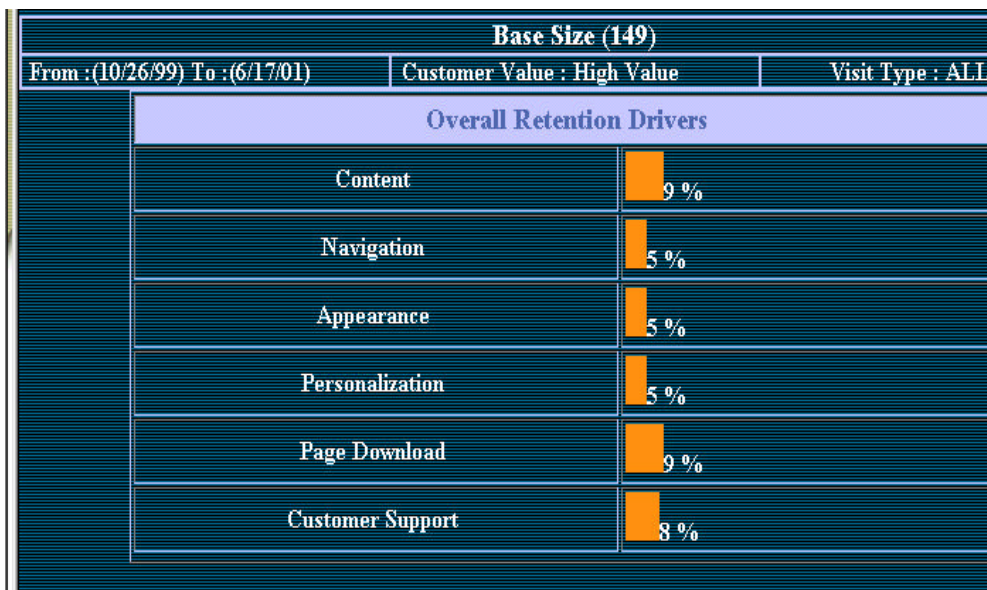


Figure 6
DRIVERS OF SITE RETENTION



3. Act on customer knowledge, and continuously improve knowledge (tracking, control, learning, action....)

From the last paragraphs it should become obvious to the reader that thanks to the analytical power of the platform, it is therefore easy to understand and act appropriately to maximize customer retention. Given the continuous and dynamic nature of the system, it remains natural to control and learn as the site changes. By learning from these changes, the decision-maker is really empowered by the analytical platform.

In this process, the next step then is to offer simulations based on collected knowledge. This becomes possible thanks to the Simulation Radar that provides an ability to model customer satisfaction or retention based on specific changes of the site key dimensions. This model is dynamic and evolves as data is collected to provide up-to-date and to the point insights. The approach allows marketers to value specific points of improvement on each site dimension. In each case, going beyond the information provided by the Retention Drivers Radar, the Simulation platform evaluates the potential financial impact of site improvement on customer retention. Moving from the simple control feature of the platform, the system becomes dynamic in suggesting and improving customer experience source of better profitability. As a stand-alone platform or integrated with behavioral data coming from existing CRM program, the system offers a tremendous opportunity to capitalize on consumer input. As Bill Gates suggests in his book, the company is then empowered by its customers themselves and can then drive its business for maximum client satisfaction and profitability:

“Companies that invest early in digital nervous systems to capture, analyze, and capitalize on consumer input will differentiate themselves from competition. You should examine customer complaints more often than company financials. And your digital systems should help you convert bad news to improved products and service.”

CONCLUSIONS

Marketing research companies have much to gain from the momentum behind CRM. But to gain anything, they must get in the game. By examining the unique characteristics of CRM, namely: always on and accessible; linked customer information; integrated product and business information; immediately actionable; and trackable value; marketing research companies can evolve from their current offerings to products and services that meld with the CRM systems corporations need to build sustainable value. Marketing research companies looking to build products should consider the “nervous system” that captures, analyzes and capitalizes on consumer thought that Mr.

Gates describes. While marketing research companies are typically strong at the data capture and analysis, most will have to work at expanding their competencies to help their customers capitalize on the insight in a more tactical, continuous and integrated fashion.

FOOTNOTE

1. We are specifically thankful to CRM Metrix for sharing information on the Ezviews SiteCRM solution.

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