

Web 2.0 Moving CRM in the Direction of CMR (Customer-managed Relationships)

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Performing an internet search on the term “What is CRM” returns over 184,000 definitions for customer relationship management. A formal definition of CRM typically includes the integration of people, process, and technology to maximize relationships and provide seamless coordination between all customer-facing functions. In plain terms, CRM uses technology to implement strategies aimed at helping companies acquire new customers, sell more to current customers, analyze the effectiveness of marketing activities, and provide better customer service. All in the name of building stronger, longer lasting business relationships. And today there a number of great, affordable applications and services being used by companies of all sizes to improve the effectiveness of their customer-focused sales and marketing initiatives. In past years using CRM tools like Salesforce.com, NetSuite and others to manage relationships would be more than enough to build competitive advantages, but that was before we entered the Web 2.0 world.

Web 2.0 and the Empowered Customer

Web 2.0, along with other terms like social computing and the business web, is being used to describe the ongoing evolution of the World Wide Web from an infinite number of individual, unrelated websites to a full-fledged platform fostering collaboration, participation and community building. In the Web 2.0 world the user/community has the power to manage, not to be managed. A great example of this is Digg.com. Digg.com has become a top 100 site on the Web by allowing community members to create and submit articles. Those same community members then decide which articles get promoted to the Digg.com homepage, which basically insures a tremendous amount of exposure for the author. The power to control what shows up on the homepage is with the community, not with editors or site operators.

Digg serves as a great example of not just letting users/members/customers take control of the relationship, but welcoming it as a way to create an amazingly loyal community. Web 2.0 technologies like blogging, podcasting, wikis and RSS (Really Simple Syndication) are being implemented to improve relationships with prospects and customers, making them feel like partners as well as customers. And with inboxes growing more uncontrollable due to spam and unsolicited messages, empowered buyers are increasingly using web search to initiate contact with vendors on their terms. And the Internet has made it possible to have vendors from all over the world fulfill requests, increasing the power customers wield even more. Because of this, companies like Salesforce.com

and NetSuite have added capabilities to manage Google AdWords campaigns from within their applications.

It seems like it was just yesterday that companies were re-discovering the importance of implementing CRM tools and strategies to better manage interactions with the people they wished to do business with. Well today is a new day, and the people now decide who they do business with, as well as how and when they will do so. Welcome to the dawn.

About the Author:

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