

# NEXT-GENERATION CRM

THE ROI OF USING AN  
INTELLIGENT SYSTEM OF  
ENGAGEMENT

**ABERDEEN**

# Overview •

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Between January and May of 2018, Aberdeen surveyed 164 customer experience (CX) leaders from firms across the world, including companies of all industries and sizes.

Respondents were asked to share insights on various aspects of their CX programs, including the strategies they pursue, technologies they use, etc.

This slide deck provides an overview of the ROI of moving beyond using CRM as a traditional system of record to using it more intelligently as a system of engagement. Specifically, the latter refers to fine-tuning how customer data is captured, analyzed, and used to drive truly data-driven customer interactions.

# Next-Generation vs. Traditional CRM Users •

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Of the 164 respondents, 113 (69%) indicated current use of a CRM system.

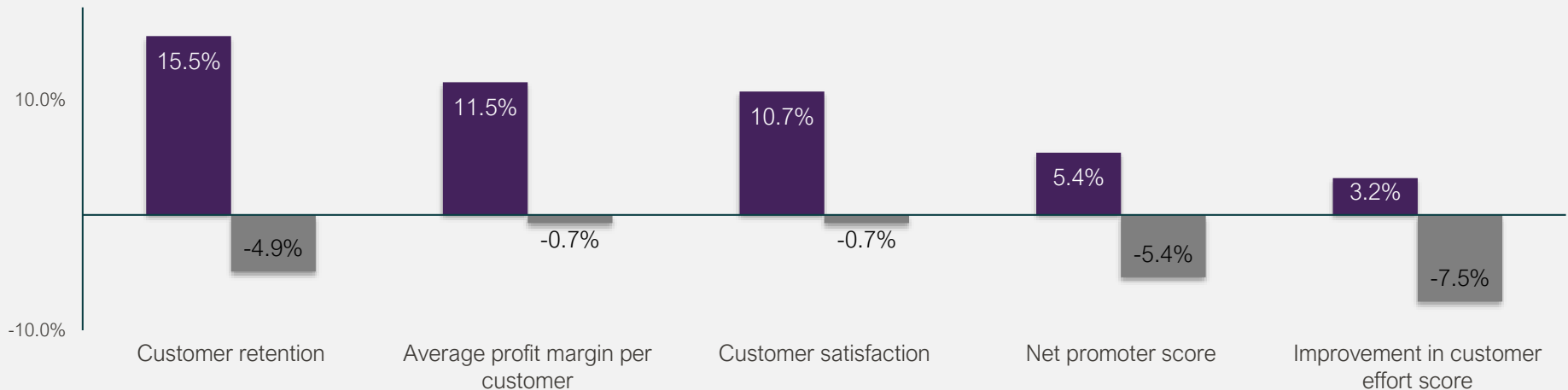
To determine what distinguishes savvy CRM users from their more traditional counterparts who struggle to maximize performance, we separated CRM users into two categories:

- **Next-Generation CRM Users** – users who achieve year-over-year gains across customer satisfaction, customer profit margin, customer lifetime value, and company revenue.
- **Traditional CRM Users** – users who report worsening or no change in performance across all the metrics listed above.

# Next-Generation CRM Users Achieve Superior Annual Improvement Across Vital CX Measures

➤ Transforming CRM from a system of record which only provides visibility into historical account data into a system that sheds light on the broader customer journeys is a strategy that pays off. Next-generation CRM users transform their customer experience performance across a variety of KPIs, including customer retention and customer satisfaction rates.

➤ Savvy CRM users understand that simply capturing account data isn't enough to deliver truly data-driven customer interactions. These firms focus to establish visibility into customer journeys, while enabling employees with relevant and timely views through the CRM, to meet and exceed customer expectations in order to unlock such improvements across key CX metrics.



■ Next-Generation CRM Users

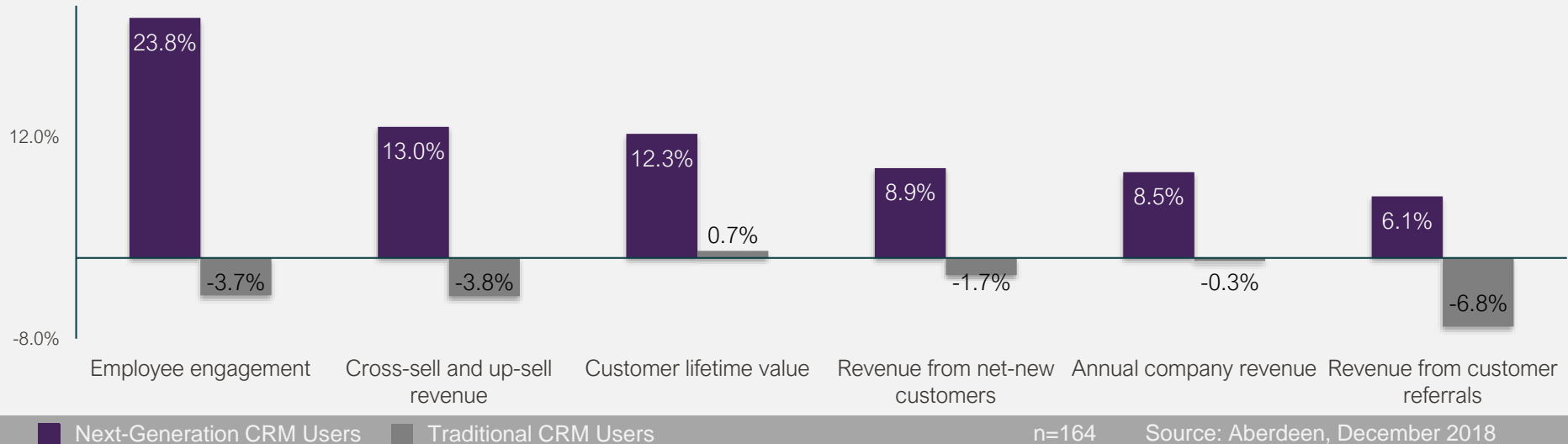
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Source: Aberdeen, December 2018

# Savvy CRM Use Empowers Employees and Boosts Financial Results

➤ Data shows a startling difference between employee engagement levels comparing savvy vs. traditional CRM users. Savvy users report significant annual improvement in overall engagement within sales, marketing, service, and the back office. CTM use empowers these employees do their jobs more easily and more timely because they have access to key customer data.

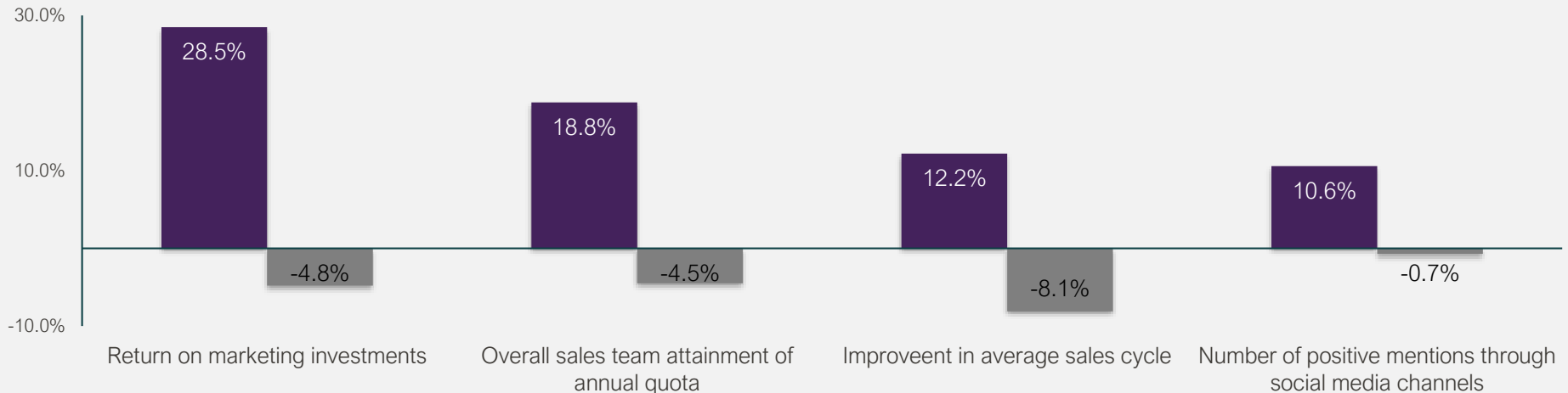
➤ It's important to remember that for CX programs to succeed, they must create happy customers *and* deliver shareholder value. They boost corporate financial success by improving revenue, reducing cost, and enriching profitability, ultimately. The figure below shows that next-generation CRM users outpace others across multiple financial metrics.



# Sales and Marketing Observe Significant Annual Improvements Making Better Use of CRM

➤ For CRM to be truly helpful, it needs to enable every customer-facing employee to do their jobs better. In Marketing, this means providing the right data and tools to improve effectiveness as measured by the influence on revenue growth and return on marketing investments. Savvy CRM users report 28.5% annual improvement in this metric compared to 4.8% worsening by others.

➤ When it comes to benefiting from CRM deployment, Sales effectiveness is no exception. To boost adoption and utilization, sellers must see the CRM as a positive tool that helps them to do their jobs rather than as yet another system that they must use. The graph below shows that next-generation CRM systems help sales by improving (shortening) the average sales cycle while increasing overall quotas reached.



■ Next-Generation CRM Users ■ Traditional CRM Users

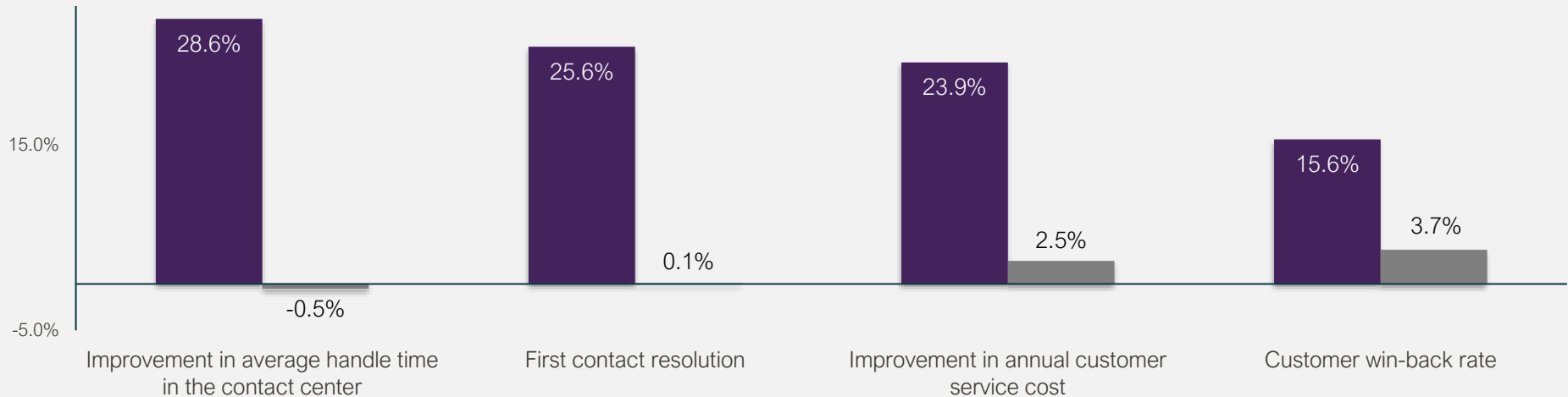
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Source: Aberdeen, December 2018

# Service Leaders Drive Maximum Efficiency Utilizing CRM Better

➤ Customer service has transformed drastically over the past decade. Gone are the days of viewing service activities as cost-centric and reactionary. Today, the most successful brands differentiate themselves through superior customer service. CRM plays a key role in achieving and maintaining this service excellence by providing contact center agents and field technicians with visibility into the relevant account data that they need to do their jobs.

➤ The figure below reveals that next-generation CRM users improve (shorten) the average handle times (the average time to resolve client issues.) Better visibility into client needs helps service leaders users to address customer issues more quickly. These savvy firms also use CRM to improve first-contact resolution rates while decreasing overall support costs.



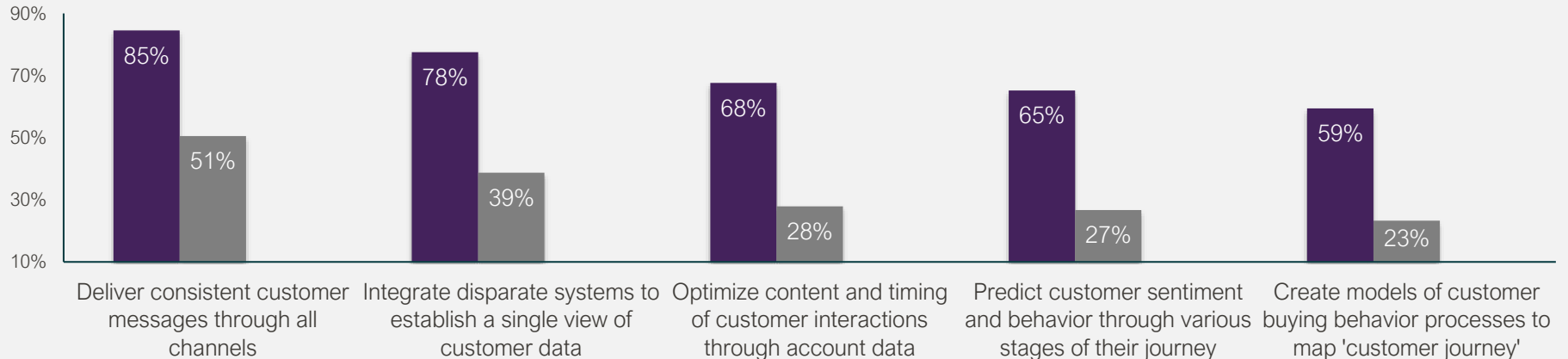
■ Next-Generation CRM Users ■ Traditional CRM Users

n=164

Source: Aberdeen, December 2018

# Seamlessly Map and Manage Customer Journeys Using CRM Across All Channels

- It is clear that next-generation CRM users deploy a certain set of activities much more widely than traditional users. The next-generation companies are 67% more likely to ensure consistency of customer interactions across all channels — a requirement for omni-channel CX activities. Not only do these firms ensure the interaction consistency across channels, they also map customer journeys. Visibility into the previous interaction allows them to tailor each interaction.
- Building maps and managing journeys requires CRM users to incorporate supporting capabilities (i.e., dashboards and machine learning) to digest and analyze vast volumes of interaction data. By seamlessly integrating all their enterprise systems to ensure accuracy and minimized the risk of fragmented views, savvy CRM users turn these analytics into meaningful insights for employees to use.



■ Next-Generation CRM Users ■ Traditional CRM Users

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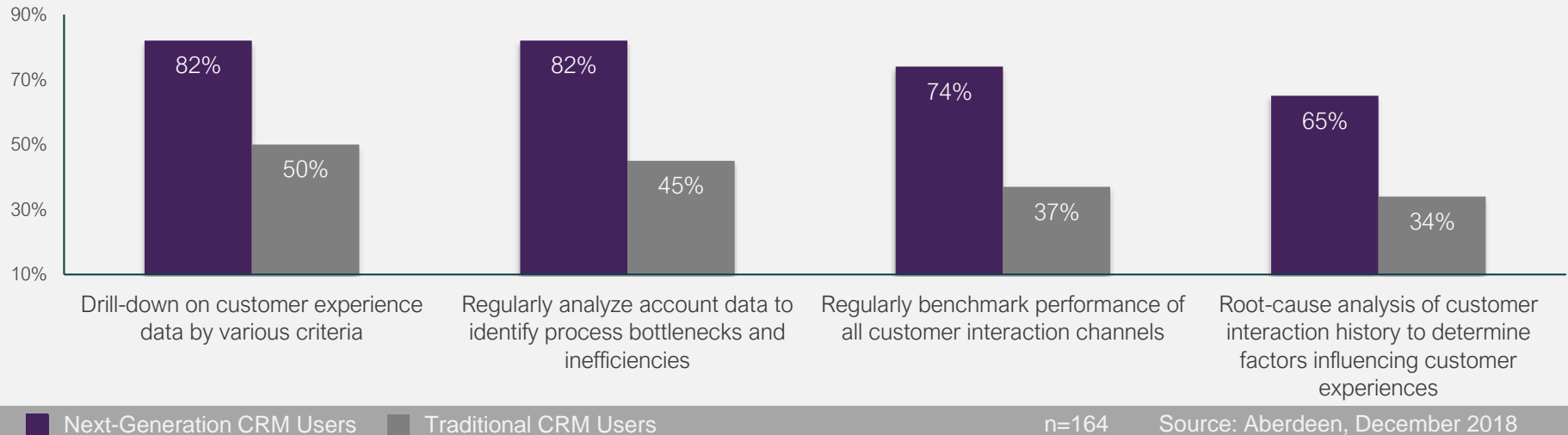
Source: Aberdeen, December 2018



# Enrich CRM Data with Analytics To Improve Use

➤ Having established seamless views into customer journeys across all channels, next-generation CRM users turn their attention to analyzing this data to determine insights such as the top reasons why customers stop doing business the firm, average handle times of client issues each channel, etc. Data shows that these firms are 64% more likely to drill-down into customer data based on various criteria. This includes doing root-cause analysis to uncover what activities have the greatest positive or negative impact on influencing company success in achieving key goals.

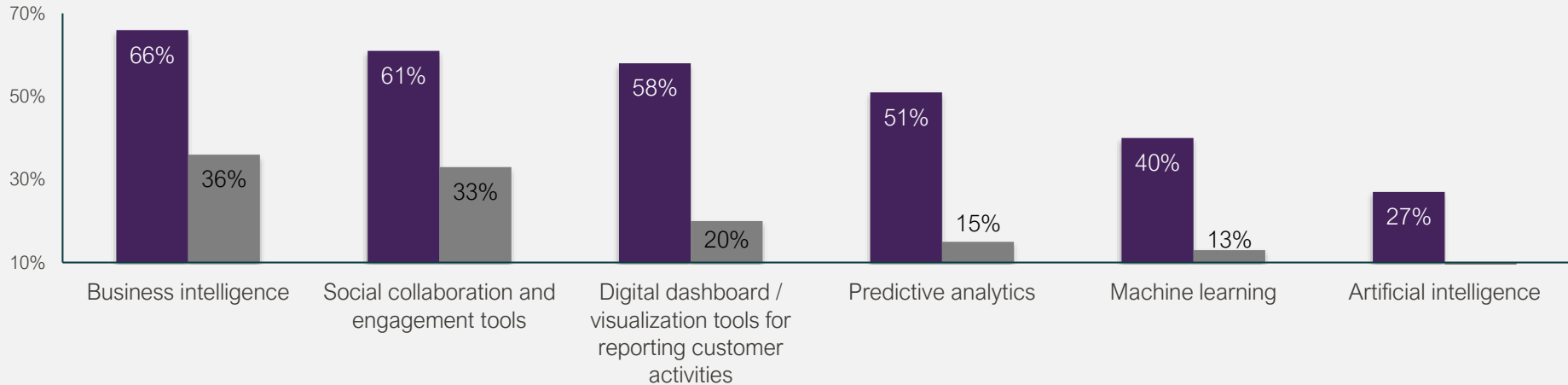
➤ Aberdeen's latest CX survey shows that 55% of businesses use at least 8 channels to interact with clients. In such a world, adding more channels is no longer enough for brands to differentiate themselves. Companies with next-generation CRM systems therefore focus on gauging the effectiveness of each channel within their channel-mix to ensure optimal performance. They also regularly monitor voice of the customer and overall market data to determine if they should enrich their channel-mix with any new channels.



# Supporting Technologies Drive Performance Results

## Turning CRM Data into High-Octane Fuel

- Aberdeen's CX survey (conducted January – May of 2018) shows that a mere 17% of companies confidently use CRM data to manage customer interactions. While businesses may have a wealth of captured insights, they are not able to apply it to achieve desired goals. Adoption of machine learning and artificial intelligence (AI) has driven improved analysis and guidance to deploy the data better.
- Next-generation CRM users enjoy elevated, employee engagement rates annually. They expect employees will not use the CRM data captured within a silo. By incorporating capabilities that encourage collaboration, these savvy businesses share insights gained across the enterprise to create a more productive environment and increases employee engagement.



■ Next-Generation CRM Users ■ Traditional CRM Users

n=164

Source: Aberdeen, December 2018

# Conclusions •

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CRM is no longer *just* a system of record; it drives engagement across all channels.

If you struggle with CRM adoption, make it easy for employees to share and collaborate.

To achieve desired results, use analytics to enrich your customer data.

The performance differences between next-generation and traditional users highlight the evolution of CRM. Traditional users see CRM as a way to capture and store account data. Companies must learn how to make better use of this captured content to make the leap to next-generation CRM users. This leap starts with a holistic mindset to commit to mapping customer journeys and interaction in a truly personalized and consistent fashion across all channels.

On average, employees spend 14% of their time hunting for data within the CRM; this is time away from tackling true responsibilities. Gather employee feedback (through surveys) and analyze employee use of the CRM (through focus groups and dashboard technologies) to identify what are the issues that prevent efficient CRM use. To boost adoption and performance results, make addressing these identified employee concerns a top priority.

Context is everything. To make the leap from data to insight, next-generation CRM users deploy analytical tools effectively. They also incorporate AI capabilities within their activities. If you currently use CRM, and your performance is behind that of the next-generation CRM users, identify what technologies and activities you are not currently using or might use better. Once defined, prioritize incorporation within your activities to meet your top objectives.