

## VNUNet – Has Technology Killed CRM?

By Clive Longbottom, Service Director, Quocirca Ltd

Many moons ago, one of the areas I covered as an analyst was customer relationship management (CRM) software. It rapidly became clear that although the majority of the software had much in the way of capabilities, many businesses would not gain from them, due to misconceptions around what CRM software did. The common approach seemed to be along the lines of "we've spent £x million on CRM, and it's not worked". Much blame was laid at the feet of the vendors (OK, a lot of it was well-founded), and much more money has been spent since on trying to get the expected returns from the investments.

Back in those dim and dark times, I spent a lot of my time talking to end users about how CRM was a set of corporate policies and procedures, with the chosen technology just there to enact and support these. I spoke with retailers about how the owner of the corner shop inherently understood the relationship between themselves and their customers, knowing what their names were, what they would buy on a regular basis, giving help as and when required and so on. I spoke with people in charge of contact centres about how callers would expect a company to have a view of all their interactions from the one place. I spoke to those looking towards automation as to how to make sure that the exceptions didn't outnumber the rules and cause higher costs in dealing with customers who were upset due to trawling through interminable menu systems on phone systems and so on.

All this was close to 10 years ago, and yet I believe that on the whole, the average relationship between the commercial entity and the customer is getting progressively worse.

Let's just take a few examples of problems that have occurred to me personally in the last few months:

- A large communications company that let slip that it had been overcharging me for an unspecified period of time. Its systems couldn't

tell me for how long, nor could the agent fix the problem there and then

- A mobile telephony company that only paid a part of a cash back offer, as I had included two pieces of paper in the envelope, and its automated systems could only scan in the first page

- A bank whose systems seem incapable of dealing with the deletion of certain information required under DPA

- A telephone complaints system where I had to go through six layers of push-button hell, at which point I was told that the wait time would be considerable and that I would have to call back later. I was then cut off

- A public service group whose answer phone apologises that no-one is there, told me to leave a message, but that I had to know the number of the mailbox – which is not provided anywhere. The system then just stated that it has not received a box number from me and disconnected me.

I'm sure that we could all add more to this list from our own personal experiences, and yet every one of these companies has a CRM system underpinning such pathetic service. What has happened is that they have fallen into the trap of having thought that they have bought a solution, whereas what has really happened is that they have bought some technology. This technology may make things work faster – but if the over-riding CRM processes are bad, all you will do is hack off customers more quickly than you were doing before – and possibly more of them.

The great thing for the vast majority of companies is that it makes little difference – the thought of jumping from VirginMedia to Sky or to BT is not a thought that excites many people, as any conversation down the pub will just show how each of these companies is vying for the 'Worst Customer Service in History' award. Likewise, moving banks may save a little money



## Comment Article



on a day-to-day basis, but as soon as things go wrong, we all know that these poor companies do not make enough profits to fund good customer service (just as a reminder, the combined profits for HSBC, HBOS, RBS, Barclays and LloydsTSB topped £37b in 2006, or a little over £6 for every man, woman and child on the planet).

With the majority of companies trying to blame technology for all customer relationship problems ("The computer says no"), maybe it's time that they all took a step backwards and looked at the real issue – that the corporate processes are still poor.

In the first example above, my dealings with VirginMedia have been going on for five months and have resulted in proceedings going to the small claims court. I have spent around 40 hours on the case so far and I presume that VirginMedia has spent a degree of time as well. Their time seems to have been spent in just hoping that I will lose the will to continue fighting them – but with little choice of alternative supplier, I feel that I have to continue.

However, if it had put in place good procedures in the first place, the problem would have been dealt with rapidly, I would have had my overpayment dealt with (if it had happened at all), I would have taken out the extra services I am still waiting for from them – and I would have been telling everyone how impressed I was with them. Now, I am that worst nightmare: the unhappy customer who tells others, and those others tend to put a lot more store in the opinion of those who have had experience of a company than in the marketing blurb from the company itself.

Technology is just technology – CRM is all about dealing with the issues that prospects and customers perceive to be imminent or ongoing problems. CRM technology cannot deal with these issues itself – it needs help. Companies have to sit down and decide how they want to deal with such issues and what processes have to be put in place to ensure that problems are dealt with efficiently, effectively and successfully. However, if a company decides that within its domain, things are so bad that it can deal with bad publicity from unhappy customers, then so be it – but I believe it is time that customers bite back as hard as they can.

## About Quocirca

Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With world-wide, native language reach, Quocirca provides in-depth insights into the views of buyers and influencers in large, mid-sized and small organisations. Its analyst team is made up of real-world practitioners with first hand experience of ITC delivery who continuously research and track the industry and its real usage in the markets.

Through researching perceptions, Quocirca uncovers the real hurdles to technology adoption – the personal and political aspects of an organisation's environment and the pressures of the need for demonstrable business value in any implementation. This capability to uncover and report back on the end-user perceptions in the market enables Quocirca to advise on the realities of technology adoption, not the promises.

Quocirca research is always pragmatic, business orientated and conducted in the context of the bigger picture. ITC has the ability to transform businesses and the processes that drive them, but often fails to do so. Quocirca's mission is to help organisations improve their success rate in process enablement through better levels of understanding and the adoption of the correct technologies at the correct time.

Quocirca has a pro-active primary research programme, regularly surveying users, purchasers and resellers of ITC products and services on emerging, evolving and maturing technologies. Over time, Quocirca has built a picture of long term investment trends, providing invaluable information for the whole of the ITC community.

Quocirca works with global and local providers of ITC products and services to help them deliver on the promise that ITC holds for business. Quocirca's clients include Oracle, Microsoft, IBM, Dell, T-Mobile, Vodafone, EMC, Symantec and Cisco, along with other large and medium sized vendors, service providers and more specialist firms.

Details of Quocirca's work and the services it offers can be found at  
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