

From the CRM Trenches: A 30-Year Perspective, Part 2

Brace yourself: Mobility, social CRM, and wearables will create new challenges—and opportunities

AS NOTED in this space last month, I'm a proud 30-year veteran of our ever-changing CRM industry. Part one of my 30th anniversary column (Customer Experience, July 2015 CRM) focused on the critical people, process, and technology mix and how the evolving customer engagement model makes it more crucial than ever that companies get the mix right. Now let's look ahead five years and examine how three technologies—mobile, social CRM, and the Internet of Things—will help to define and shape how we engage with customers, and how they engage with us.

THE NEW CUSTOMER ENGAGEMENT MODEL

But first, a refresher: The advent of the Internet and social media has forever altered the customer engagement model, swinging the pendulum away from the organization and toward the customer, who increasingly is forming (and shaping) perceptions of products or services via social media. The old one-way company-to-customer dialogue has been replaced with a two-way dialogue via the customer's channel(s) of preference. All organizations now face the same issue: How do we change our go-to-market strategy to ensure we're selling the right product or service to the right customer at the right time via the right channel?

ENHANCED MOBILITY

Eight years ago, the iPhone ushered in a new era of mobile computing. Today, more than a billion consumers worldwide leverage mobile devices and their apps to perform day-to-day activities. U.S. consumers spend an average of 2.5 hours per day on smartphones and tablets.

The 2013 IDC mobile applications survey found that CRM software is the most suitable business app for mobile deployment because it is (1) tightly linked to email; (2) often delivered from the cloud; and (3) typically used by sales and service personnel who work in the field. In 2013 more than 35 percent of all manufacturers had enhanced their CRM solutions to enable mobile access.

A 2014 survey from Software Advice found that 48 percent of CRM users access the software from a smartphone, and 45 percent from a tablet. As CRM applications increasingly move to the cloud, access via mobile devices will become increasingly prevalent. By the end of 2014,

for example, connections to the Internet via smartphones outnumbered connections via PCs/laptops.

Productivity improvements along with new mobile technologies, including wearables and the Internet of Things—more on these later—are propelling mobile CRM. Field personnel are using mobile CRM apps to access real-time information on customer sales or service issues, project status, inventory, and so on, allowing them to speak more intelligently with customers. Field personnel also benefit from new mobile features such as geo-mapping and new vertical market applications such as the Retention app for the insurance industry, a result of the IBM-Apple partnership. Workers can enter data directly from the field to achieve more accurate and timely input, and for their part, customers can enter orders or customer service issues on a customer portal and track them directly from their mobile devices.

All of these developments allow field personnel to do their job better, smarter, and more productively within the new customer engagement model. In this model, organizations create a two-way dialogue with their customers and work within each customer's preferred channel—be it face-to-face, on the Web, through social media, or on the phone.

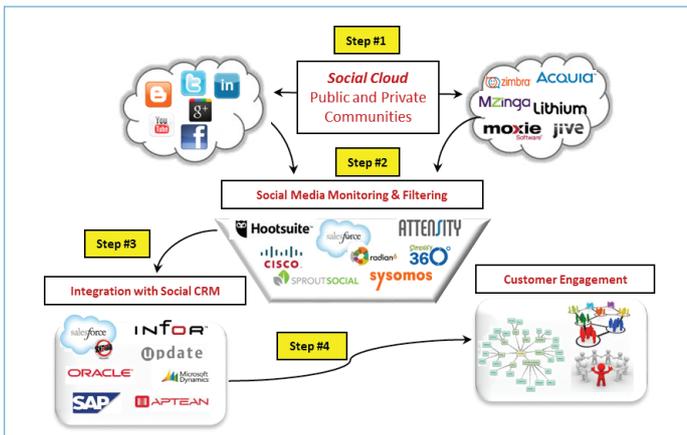
And there is great news on the horizon regarding both mobile access and mobile security. Tim Bajarin, president of Creative Strategies, based in San Jose, CA, forecasts that by 2020, we will see the deployment of 5G LTE networks, which will deliver incredibly fast speeds—1 gigabyte per second via LTE modems, compared to today's 4 to 15 megabits per second. On the security front, CRM and mobility vendors are putting greater emphasis on the encryption and authentication of customer data.

SOCIAL CRM

Social CRM refers to the integration of social media and CRM, and it enables an organization to bring social insight gathered from public and private social media communities into the customer profiles housed within the organization's CRM system. This in turn allows the organization's sales, marketing, and customer service personnel to leverage a customer's comprehensive CRM profile—which now includes social insight—to better engage with the customer through his channel of preference.

In my new book *The Definitive Guide to Social CRM* (Pearson, 2015), I propose a four-step approach for achieving social CRM success, which starts with the social cloud of public and private communities and proceeds to the monitoring and filtering of social media, the integration of relevant insights with CRM applications, and engagement with the customer.

I've had the pleasure of working with many best-in-class companies on social CRM initiatives, including, most recently, ExxonMobil, Kraft Foods, and the American Automobile Association (AAA). These and other companies that have adopted social CRM are in a unique position to successfully implement the new customer engagement model; they are more knowledgeable about their customers' needs and have created omnichannel products and services aimed at specific customer segments. The results have been impressive: a more rewarding customer experience along with enhanced customer satisfaction, loyalty, and advocacy. To learn more about the power of social CRM, see my recent column "Social CRM in Action" (*CRM*, April 2015).



THE INTERNET OF THINGS (IOT)

The IoT is a global system of interconnected computer networks, sensors, actuators, and devices all using the Internet protocol. The IoT holds so much potential for changing people's lives that it is often referred to as the Internet's next generation. There are 9 billion connected devices and sensors today, and the forecast calls for 2 trillion devices and sensors to be connected by 2020. These include machine-to-machine Internet connections (as with robots or drones), machine-to-people connections (wearables, for example, or home security devices), and people-to-people connections (like social networks).

In the past two years, the IoT has moved from concept to reality. Belayim Petroleum Co. (Petrobel) in Egypt, for instance, is using the IoT on rigs in the Mediterranean off the Nile Delta, allowing production management and

troubleshooting to be managed from an on-shore control center. The result is an estimated savings of \$125,000 per rig per month.

The most intriguing IoT applications, however, are wearable devices, which are already having an impact. Wearables can be touch screen devices with built-in voice- and gesture-based IoT sensors to facilitate their use; examples range from the Apple Watch (which has created a true paradigm shift) to medical devices and health-monitoring services that help prevent and treat diseases. Wearables also include virtual and augmented reality goggles that are aimed mostly at gamers today but will by 2020 allow for some interesting customer interactions. The enormous potential of wearables may explain why leading CRM vendor Salesforce.com launched Salesforce Wear last summer, with its Salesforce Wear Developer Pack, and why Apple is leading the way with its iHealth initiative.

Wearables and other IoT devices will increasingly serve as a preferred front end for gathering and distributing customer data. For example, the Apple Watch—an important extension of the smartphone—is enhancing the mobile experience by enabling customers to make faster and simpler transactions. The Apple Watch leverages Siri voice technology to perform all kinds of tasks, such as sending emails or texts, checking inventory or order status, receiving action items and alerts, and more. Customers will increasingly use the Apple Watch to make credit card charges or gain access to their hotel room or office building. All of which leads to new levels of customer connectivity while enhancing the customer experience and deepening the dialogue between customers and organizations.

EMBRACE THE FUTURE

Of course, many challenges remain in leveraging mobile, social CRM, and IoT technologies to support the new customer engagement model, ranging from data privacy, security risks, and user adoption hurdles to managing, interpreting, and reacting to the huge amounts of real-time information in a manner that actually enhances the customer relationship. But every new technology has its obstacles. Think of the initial challenges posed by the Internet or Facebook, then consider how quickly and successfully those challenges were overcome. The same will occur with mobility, social CRM, and the IoT; it is just a matter of time.

Here's to the CRM industry's next 30 years, where together we'll propel the industry to new heights! 

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