

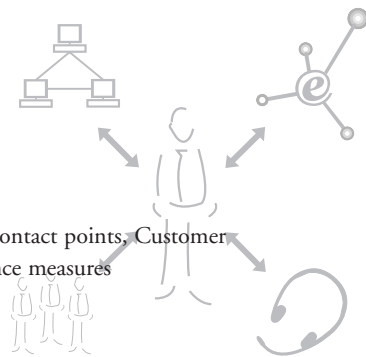


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Developing Systems for CRM Solutions

Abstract: The presence of CRM in many organisations is often characterised by the installation of enabling technology. This paper concentrates on demonstrating a foundation for CRM systems planning. Initially, we provide a case for relationship management as a fundamental component of marketing. Using this to underpin development work, we then set out a series of frameworks to help guide companies to business-led systems implementation.

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Marketing: too big to be left to marketers?

There is an oft-quoted phrase that ‘marketing is too big to be left to marketers’. Whoever originally made the comment could well have had the principles of CRM in mind, since the approach requires a broad strategy involving most, if not all areas of an organisation. We are nevertheless mindful that the deployment of CRM within businesses is dominated by technology applications. Some 5,000 companies worldwide are said to be offering software solutions, yet there are regular reports of project failure. Clearly, significant gaps between Relationship Management theory and practice remain to be bridged.

We should voice our concern at the outset that the proliferation of labels relating to CRM, such as Demand Chain Network Management and Technology Enabled Relationship Management, creates an unhelpful fragmentation that businesses must try and make sense of. It is therefore no surprise to us that we encounter a good deal of scepticism about the application of these various terms, and by default, CRM. We address this suspicion by taking clients through a brief history of marketing and showing that Relationship Management has always been a consistent element, if not always recognised as such. The fol-

lowing section lays out some of the material we use for this review.

We commence the process by observing that CRM is at one end of a scale (described in marketing literature as the “Marketing Strategy Continuum”^[1]) from transactional marketing and that the challenge is therefore to determine the type of approach that is relevant to each customer (Figure 1).

From this basis, we point out that transactional marketing, characterised by the 4 Ps - product, price, promotion and place - and referred to by Kent as “the holy quadruple...of the marketing faith...written in tablets of stone”^[2], has dominated business administration for over 40 years. The origin of the 4 Ps lies in the development of mass production and distribution, which gave rise to a mechanistic approach to marketing strategy, in which customer focus is notable by its relative absence. Grönroos observes that “Marketing the way most textbooks treat it today was introduced around 1960. The concept of the marketing mix and the Four Ps of marketing...entered the marketing textbooks at that time. Quickly they also became treated as the unchallenged basic model of marketing...”^[3]. The consequence of this primacy has been that Relationship Marketing has developed largely subservient to the Marketing ►