

CRM systems work best when companies spend time cleaning up their existing customer data to eliminate duplicate and incomplete records before they supplement CRM data with external sources of information.

Customer relationship management (CRM) is a strategy to learn more about customer's needs and behaviours. Do that and you can create, develop and enhance relationships with the customers you want to keep.

Many organisations view CRM as a technological issue. As a result, they implement systems that often fail. This is because they assume that CRM is 'done' once they've found the right system.

But to get real value from CRM, use it as an approach to better understand and process relationships and customer behaviour. It's also important to get the whole organisation on board.

Technological CRM solutions link different sources of customer information. For example, from email campaigns, web sites, call centres, sales and marketing. And that, they organise information by operational and analytical systems (such as sales and inventory).

But these systems "don't provide the personal and holistic customer view needed". That's because they underrate the value of individual customer relationships, and the benefits of a strategy to really benefit from this information.

Merlin Stone suggests you should manage customer relationship in stages.

1. **Recruitment.** Target the customer and encourage them to purchase.
2. **Welcome.** Ensure the customer knows how to use the product or service and has a contact in the company for queries.
3. **Get to know.** At this stage, you can analyse loyalty, satisfaction and retention to plan future customer strategies. (See our 'Measuring Customer Value' article).
4. **Account management.** At this stage, you should communicate with your customers. Do that and you can better manage relationships, identify their needs and spot any problems early.
5. **Intensive care.** If a problem arises and the customer is dissatisfied (e.g. from bad service or changing needs) give them special attention to return them to stage four.
6. **Dissociation of the relationship.** This is where a customer no longer purchases. It may be possible to win them back in time if you resolve the reason they left.