

2021

THE STATE OF CRM

presented by: **tinyclues**

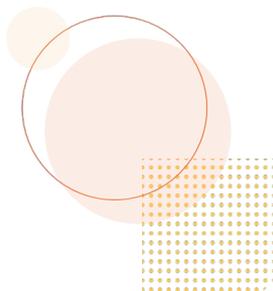
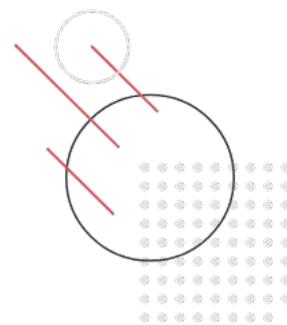
Customer centric is a state of mind, not a final destination

We've polled professionals in CRM, customer marketing, and digital marketing for B2C companies around the world to find out where the CRM industry is, what is coming up in the next year and where leaders in the industry plan to take it in the future.

What we found is that customer-centricity remains the top priority and at the same time, the top challenge for CRM teams.

People have been talking about customer-centric marketing for a long time. A buzz word that has become the status quo.

Truly customer-centric marketing requires a fundamental shift from the way traditional marketing operated and still operates in many companies. It requires **a real strategy, a competent staff, and some adapted tools** in order to execute it.



Customer-centricity remains the top priority and at the same time, the top challenge for CRM teams.

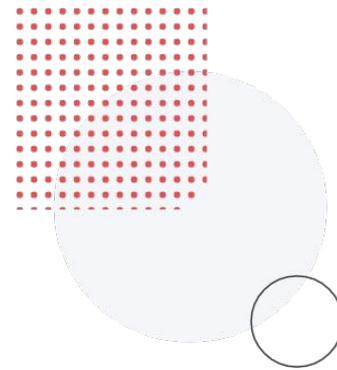
Customer-centric might still be an option today, but no doubt that it will be a requirement to compete in tomorrow's marketplace. **CRM is established and here to stay.** This is perhaps why **48%** of our survey respondents have been working in CRM for over 5 years and why **61%** of our respondents say they see themselves working in CRM 5 years from now.

Many companies have established dedicated CRM teams who are engaged in dialogue about putting the customer first, so **why do companies still struggle to achieve the dream of customer-focused omnichannel marketing after talking about it for so long?**

"Many teams are still struggling to manage multi-channel communication strategies."

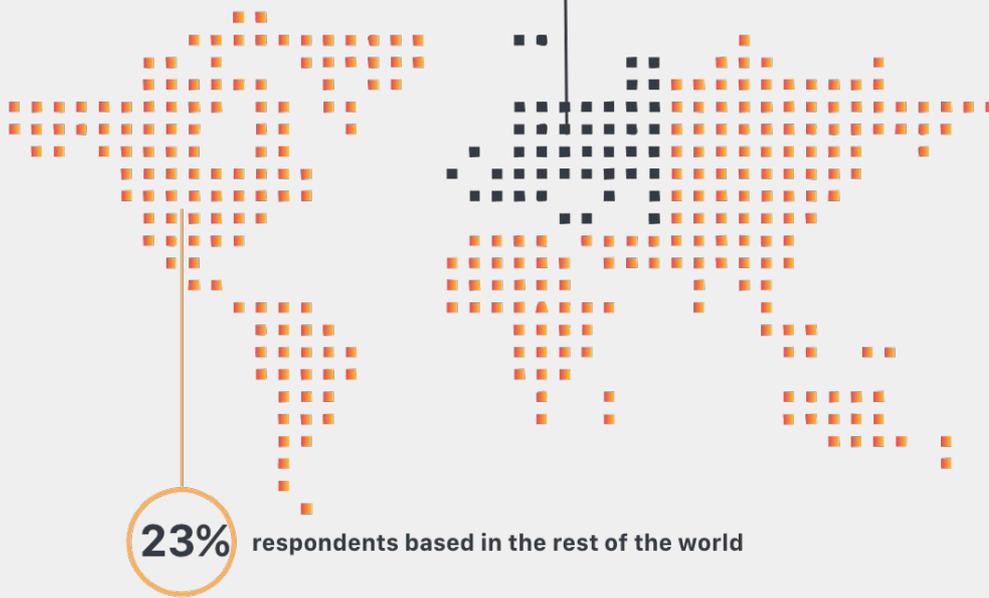
One thing is certain, the **marketing environment continues to become more complex.** Even as companies make progress towards a more customer-centric approach to marketing, **new marketing channels and an increase in the amount of data** make the perfect 1 to 1 strategy harder to execute properly or even at all.

Truly customer-centric marketing remains elusive for now. Even the most advanced CRM teams admit that they face challenges that prevent them from being truly customer centric. Companies are closer than ever though. And, despite the challenges they face, CRM professionals remain committed to the dream because customer centric is a state of mind, not the final destination.



In a glance

77% respondents based in Europe



23% respondents based in the rest of the world

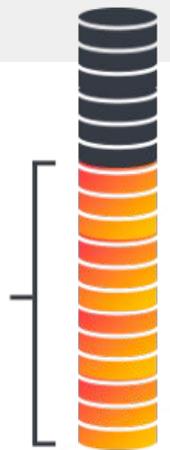


CRM and customer marketing responsibilities 99%

In marketing for 5+ years 69%

Manager & Sr Manager titles 64%

60% manage a database over 1 million



85% of our respondents are working for small to larger mid-sized companies (50-10,000 people)

A little over half of the respondents are in various retail industries while the rest are working in industries such as hospitality, travel, and beauty.



Age of companies

71%

of our respondents work for established companies that have been in existence for 10+ years.

91%

have dedicated CRM departments

A tiny peek inside

Here's what we have in store for you...

1. The top challenges CRM teams are facing.
2. A look at advanced CRM practices.
3. The first steps towards realizing the customer-centric dream.

Finally, we will share our thoughts on the importance and role of CRM in the future of marketing.

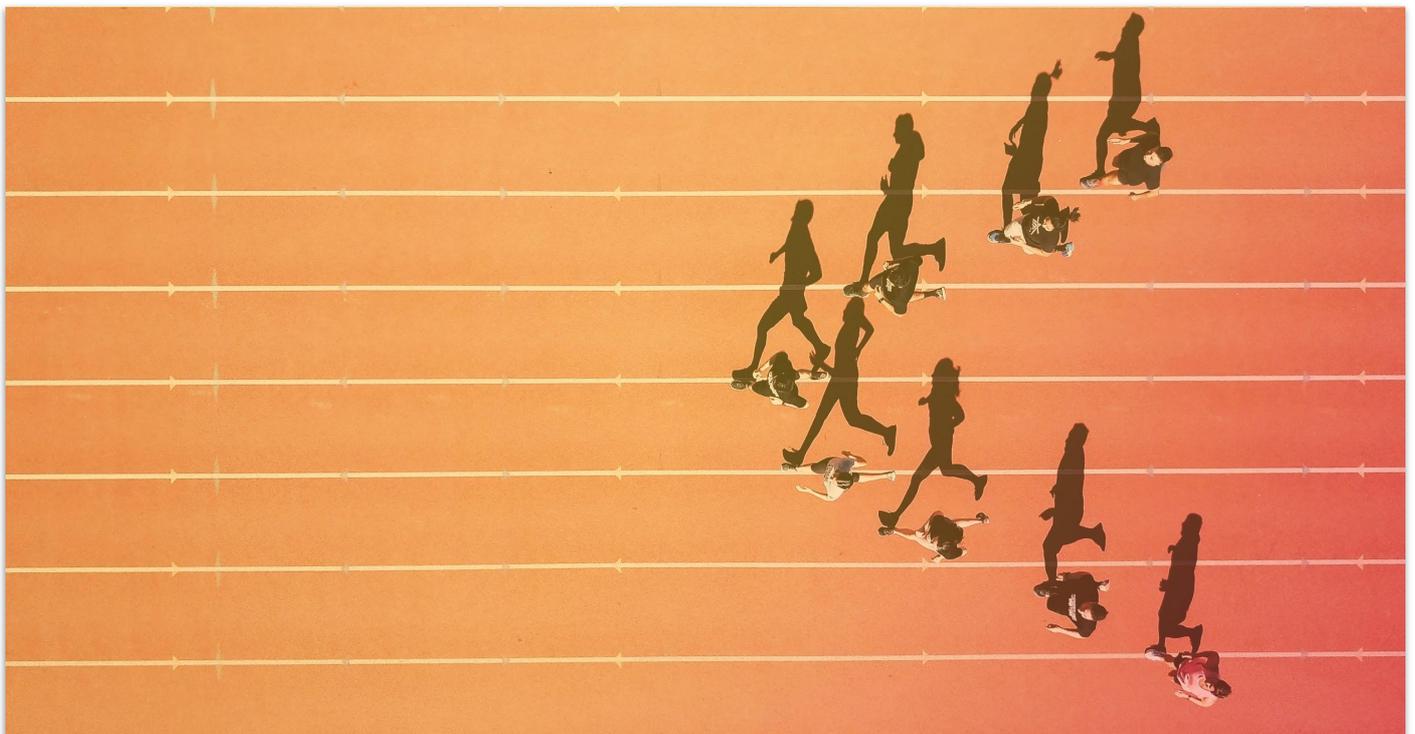
Our objective is to provide an **in-depth understanding of how CRM teams and professionals can keep working towards becoming customer-centric** in a fast-paced, ever-changing environment. This report will not share a magic recipe, but it will provide the fundamental ingredients needed to compete.

Let's get started!



1.

Identifying top CRM challenges



Identifying top CRM challenges

As we mentioned above, CRM teams are accustomed to facing a fair share of challenges and the need to quickly adapt to a rapidly changing environment. In order for teams to move forward, it is critical to talk about what is missing and/or what is slowing them down.

It is worth pointing out that these insights imply that the marketplace might be missing key solutions to make CRM easier for teams. Many respondents spoke of the lack of tools that allow a central hub to operate all channels. And, interestingly, many respondents said they hope the future of CRM holds cohesive integration between tools to improve workflow and streamline operations.

Clear advice on strategy

47.1%

Advice on how to best measure CRM performance

38.8%

Easier access to customer data

37.6%

Better tools to operate

35.3%

Other

4.8%

What is missing in the CRM industry?

It's interesting to see that, more than tools and access to data, what's missing in the CRM industry appears to be advice on strategies to follow.

Everyone wants to be customer centric but many respondents confess the path is not always clear and it can be difficult to know where to start.

Of course, tools to help address multichannel planning and execution as well as easier access to data are also appearing in responses. But why? The martech industry is booming. Certainly lack of financial resources has a part to play here, but it could be that the engagement and investment from the top management on CRM topics are also missing.

Top challenges CRM teams are facing

Increasing customer lifetime value through loyalty, improved retention, better targeting and segmentation.

82% of the respondents selected "Active customer retention" as one of the most important objectives for their CRM team.

At the same time, over $\frac{1}{3}$ of our respondents listed loyalty, retention, segmentation and targeting as their top challenges they are facing in the upcoming year.

Which is perhaps why we also see that 47% of our respondents are saying that "Clear advice on strategy" is missing from CRM. Teams haven't quite cracked the code yet.

Given this is such a common challenge among CRM teams, it is surprising to see that only $\frac{1}{2}$ of our respondents list customer satisfaction KPIs as a measure of success. Nearly **every** respondent listed email and revenue KPIs as a measure of success though.

Performance is fundamental to success, but tracking, measuring and reporting on customer satisfaction in order to better inform strategy is perhaps the secret sauce some CRM teams are missing here.

Multichannel planning and strategy

Multichannel strategy was identified as a common objective among our respondents.

Global marketing pressure is a concern for **87%** of the respondents even if only a portion of them are able to have data on the number of touchpoints that one user is actually receiving.

Multichannel CRM is without a doubt seen as the future of CRM by those who are working in CRM.

This strategy cannot be applied without tools to manage those different parameters and data to follow-up on the different metrics.

That also explains why tools and data are among the top challenges for CRM marketers.

Some ways teams stay informed on their customers to better inform strategy

53% of respondents track socio-demo information on customers. **67%** conduct regular AB testing on campaigns. **53%** have implemented control group measurement.

Top challenges CRM teams are facing

Tools & data

As more channels become available for CRM teams to operate on and increased amounts of personal information is stored on each user, companies are managing enormous amounts of data across more and more platforms.

This is in fact as complicated as it sounds- data storage, normalization and cleaning have become known as a costly and painstaking hurdle to overcome. However, it is not controversial to say that it is a non-negotiable.

Once you have the data under control, **teams need to have the tools to help manage and take action with it-** Which is why these two go hand in hand.

Integration of new tools will help CRM teams take their strategy to the next level and deliver stronger customer experience, but they can be slow to integrate as there are internal challenges to face with process, strategy and adoption.

What are the tools to manage and access data?

80%

○ use multiple tools/sources to track results of campaigns via ESP, analytics, etc

46%

○ have a DMP

31%

○ have a specific tool that helps to manage campaign pressure.

28%

○ have a CDP

17%

○ Consolidated BI tool

One more challenge

Automation

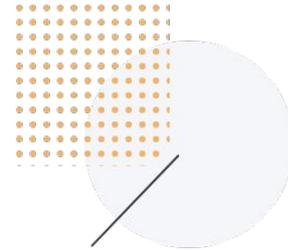
This particular challenge is our wild card- it's not the most common challenge mentioned, in fact it only popped up in 10% of respondents' top concerns. Perhaps this is because automated campaigns and automated customer journeys have been established in most companies. However, it is not something to be forgotten as it can continue to deliver quick wins for CRM teams both in revenue and efficiency.

Can you think of some manual tasks that your team could automate?

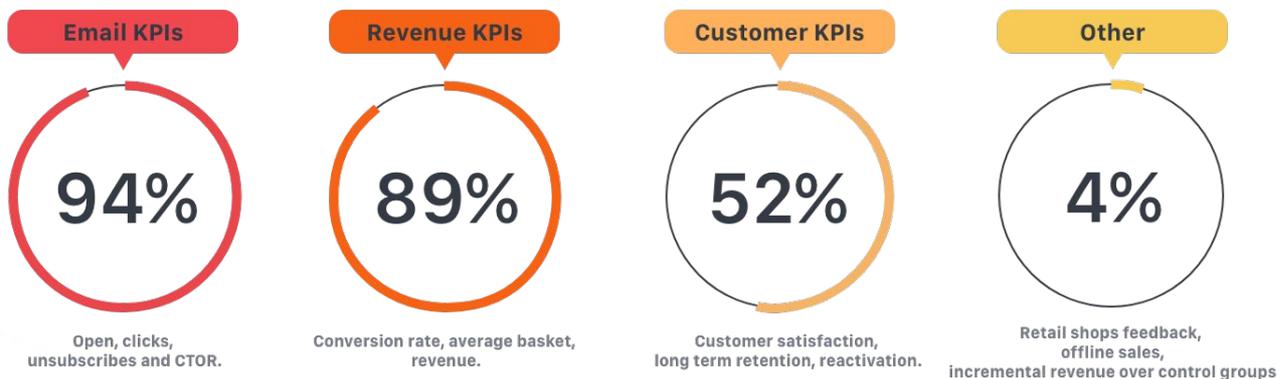
Some respondents that listed automation made mention of tasks. Streamlining processes so that manual tasks can become automated usually pose a significant level of effort upfront, but it's the pay off over the long run and the saving of time and effort that make this a worthy investment. Commonly tasks related to the transferring of data are among some of the first to be automated, but also tasks around campaign execution and even campaign creation shouldn't be overlooked.

How is success measured?

Almost all respondents are tracking success with email KPIs (94% of the respondents)! Revenue KPIs are not too far behind though (89% of the respondents). Interestingly, customer satisfaction KPIs are not as widely used to measure success despite teams being focused on customer centricity.



How do you measure success?

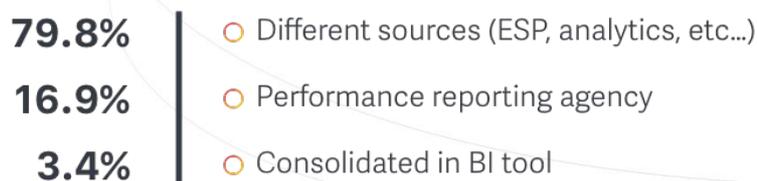


Overcome your challenges...

Being customer centric is not a final destination. It's a state of mind. It takes constant work, evaluation and adaptation to anticipate and deliver on the needs of your customers.

Sometimes it's difficult to know what the next step in an evolving industry looks like though. For this we recommend looking to see what those who have overcome some of the major challenges are doing for inspiration.

How do you track the results of your campaigns?



2.



What does best in class look like?



What does best in class look like?

To translate the definition of CRM's best practices into data, we have selected the following indicators

- ✓ Building a customer-centric strategy
- ✓ Executing a multichannel marketing plan
- ✓ Automation
- ✓ Data

1. Building a customer-centric strategy

to increase customer lifetime value :

We chose to look at companies that are already **sending targeted campaigns and that have life-cycle campaigns**

2. Executing a multichannel marketing plan

We have selected the companies that use at least the email channel and push app (but can also use SMS, Direct mail or Social media as CRM channel). But sending on different channels can mean blasting on those different channels, so we have only kept the companies that **estimate that marketing pressure is a concern and who consider that they are doing a multichannel strategy.**

3. Automation

We translated automation as the companies who have set up trigger campaigns.

4. Data

The ability for a company to manage data was translated into the existence of RFM segments of the database.

This way to segment a database is pretty advanced and appeared as an interesting maturity criteria as it sounds impossible to achieve customer centricity if you don't know who your customers are.

What does best in class look like?

What do we observe

The first observation is the companies that respect the criterias represent **17%** of the total.

Similar to the rest of the respondents, **80%** of these best in class companies are located in Europe (vs. **77%**) Not surprisingly, **67%** are working in retail vs **56%** of the total respondents.

Bigger companies with 500+ employees are over-represented among the most advanced ones (**60%** have more than 500 employees, vs **52%** of the total respondents).

In terms of database size, we see a major difference as only 7% of them are under 1M users, vs 38% on the global respondents.

17%

This is the percentage of participants matching the best In class criteria

For this section, the “best in class” and “all respondents” will be represented with the two icons shown below.



Best-in-class



All respondents

CRM Teams

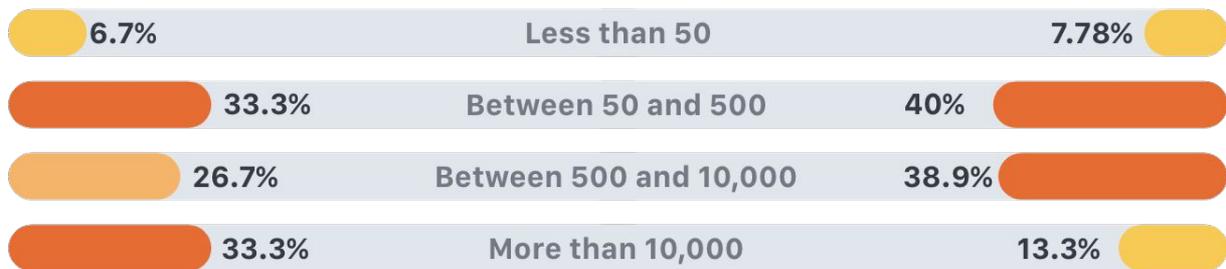
Let's first take a moment to better understand the makeup of these teams and the size of databases they are working with.

What is the size of your company?



Best-in-class

All respondents



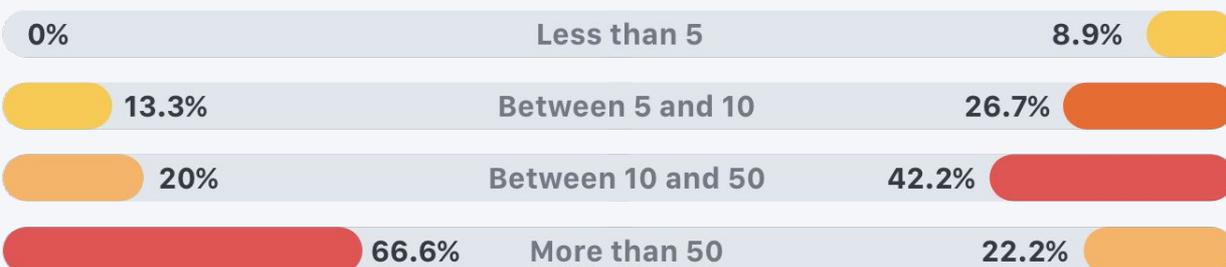
The majority of best in class strategies are operating in companies larger than 500 people with marketing teams comprised of over 50.

What is the size of your marketing department?



Best-in-class

All respondents



CRM Teams

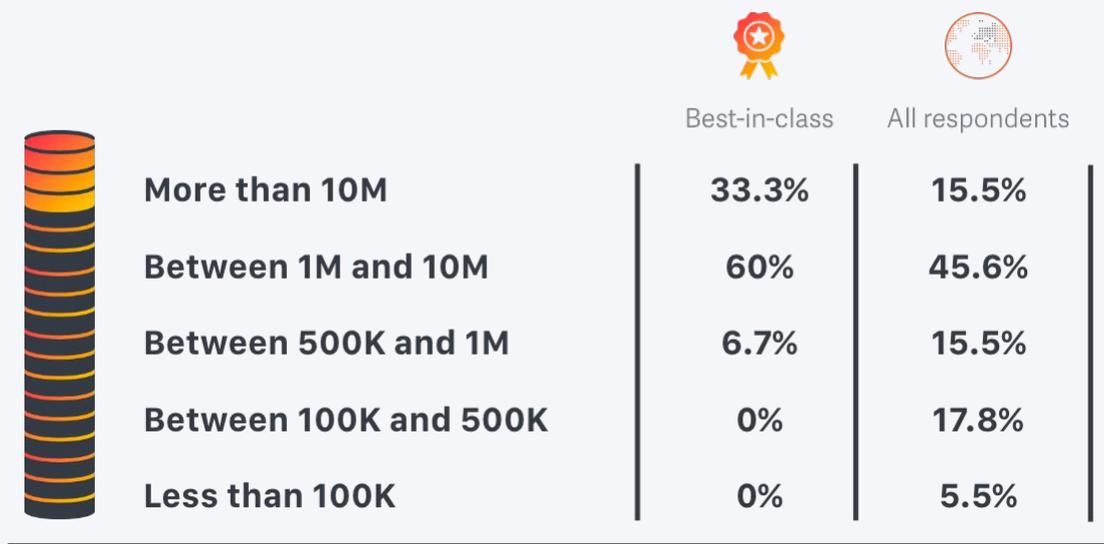
Similarly, the size of the CRM team appears to be an important factor when it comes to executing a best in class strategy.

Size of the CRM team



Finally, the size of the emailable database skews on the larger side of the spectrum for the best in class teams.

What is the size of your email database?



Email Planning

The most advanced companies **have intense email planning (40% send more than 10 campaigns per week vs 29% of all the respondents).**

This, in fact, is a cause of their necessity to be more customer centric. The intensity of their planning forced them into targeting emails to avoid over contacting their full database.

40%

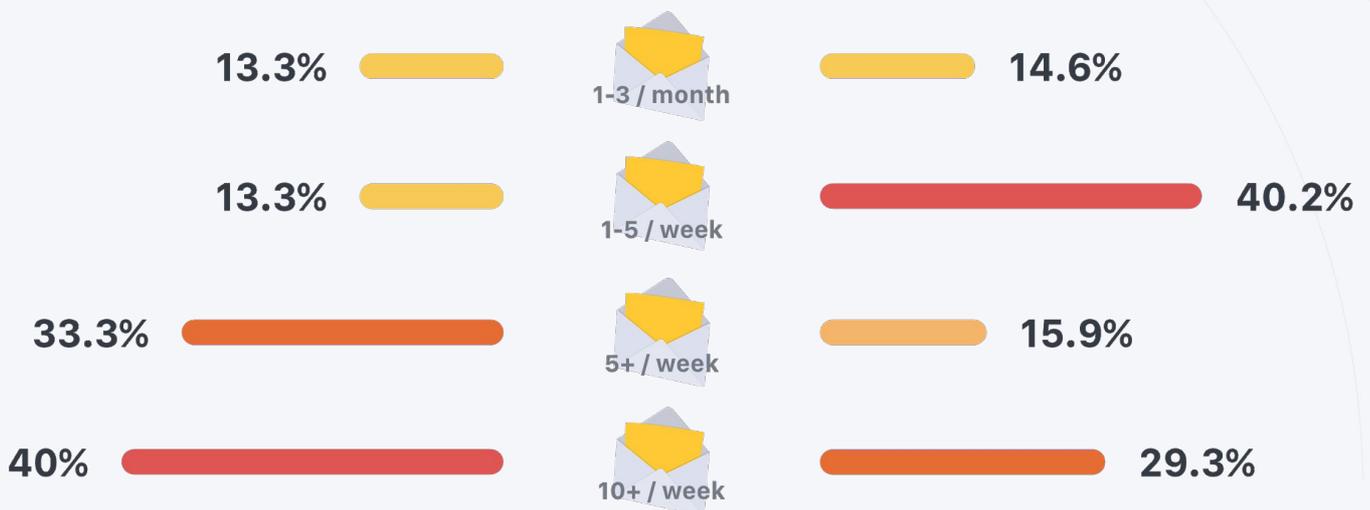
of best in class send more than 10 campaigns per week



Best-in-class



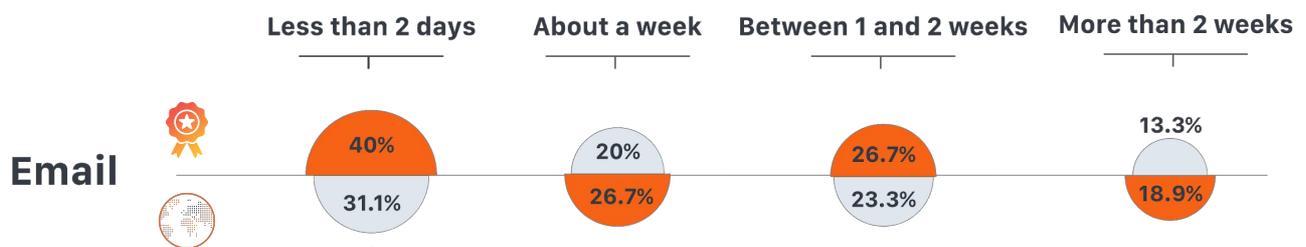
All respondents



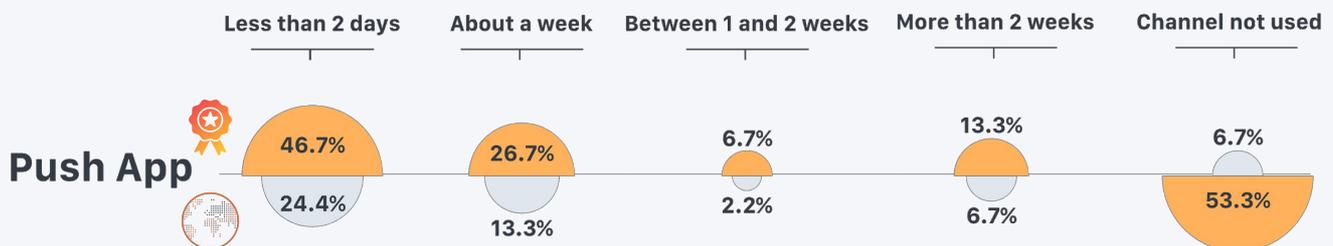
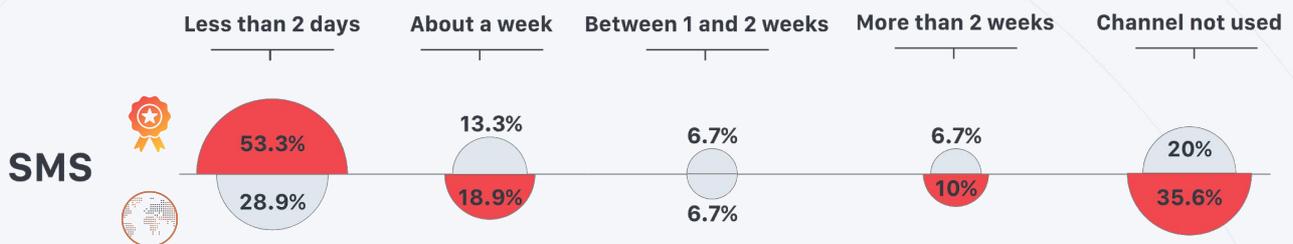
Number of emails sent

Email Creation & Sending Process

The companies who succeed in operating a customer centric strategy have a quicker process than the average to decide what their campaign agenda will look like and to execute the CRM campaigns. Simply put, these teams are agile.



For email, as an illustration, **40% are able to create email campaigns in less than 2 days from decision to email sent (vs 31% in general).**



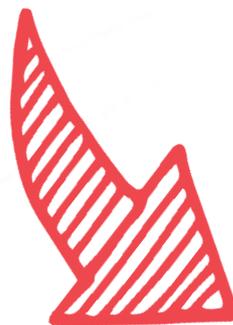
Email Creation & Sending Process



***How did best
in class
optimize
their agility?***



We could imagine that this agility comes from the size of the company, that a smaller company would be faster than the bigger ones. In fact we observed that it was not related to the number of people working for the company but more closely linked to the process



Email Creation & Sending Process

Some teams rely on a **fast validation circuit** :

47% of best in class companies have less than 3 people validating an email, vs 37% of the total respondents.

This is even more surprising knowing that bigger companies 500+ employees are over-represented among the most advanced ones (60% more than 500 employees, vs 52% of the respondents).



Email Creation & Sending Process

Most of the companies have dedicated internal teams to create emails. What's interesting is that most advanced companies are using templating tools much more than the average (33% vs 18%).

It proves that the autonomy given to the team, on every aspect, is crucial when comparing CRM maturity

The majority of the companies who responded are relying on their internal creative teams, dedicated to CRM only, or to marketing to create campaigns.

Who is creating the visuals of the email campaigns?



Best-in-class

All respondents



Where do you spend your time?

An important question to estimate how mature your CRM is would be to estimate the time dedicated to create new emails from scratch versus the continuous improvements of the existing templates?

In many cases teams are spending a lot of time creating new html that will never be reused and not enough time to optimize every pixel of the template used for ad hoc but also for automated campaigns (i.e. call to actions, colors).

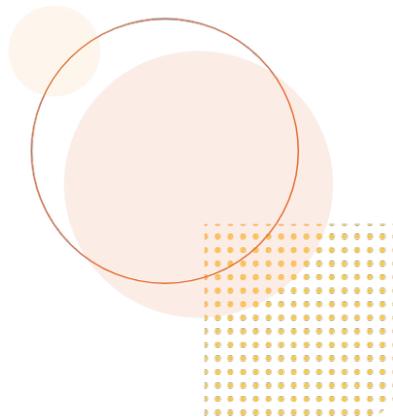
Marketing Pressure

We have observed that marketing pressure is a big concern for the most advanced CRM companies.

As a consequence, they logically found solutions to manage customer pressure:

53% of them even acquired a specific tool to manage pressure vs 31% in average.

This shows the limits of manually managing marketing pressure when the number of campaigns increases.



How do you limit the number of messages per user?



Customer Data & Reporting

As access to customer data appeared to be one of the most important challenges for CRM teams, we have detailed what differentiates the “best in class” versus the rest of the respondents when it comes to securing access to data and having the ability to act on insights from it:

The ability to track and test is what differentiates “best in class” from the average.

The more advanced teams have BI tools (27% vs 17% global) where all the data (click, purchase, etc...) is available.

The majority of the companies, including the most advanced, still rely on different sources to track the results (73%).

Where is your data stored and tracked?

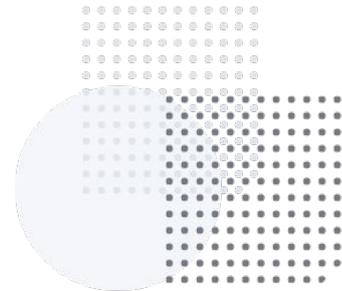


Google analytics is by far the most popular tool when it comes to analytics.

Database Knowledge & Insights

Tracking is not everything when talking about knowing the database. It's also important for the most customer centric companies to have complementary information regarding their customers. In general, the customer centric companies have clear KPIs and segments. 67% know the socio demo split of their database (vs 53% for the global respondents).

When it comes to customer centricity, it's impossible to imagine a good strategy without a deep knowledge of the customers, how they purchase, and who they are.



Do you know the socio-demo split of your database?



Best-in-class

All respondents



67%

YES

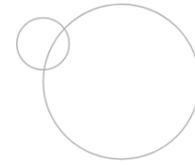
53%

Test & Learn

Database knowledge is clearly a must have, but **even more important, is the ability of a company to act based on this information.**

When talking about having actionable data, we are necessarily thinking about ways to test your strategies.

AB testing and control groups are two good ways of checking your strategy efficiency.



AB test are of course very popular for the most advanced companies to test their strategies and are more used than for the average (93% vs 67%).

An important difference in using control groups can also be noticed (73% of most advanced vs 53% average) :

Do you test your strategies?



Best-in-class

All respondents



93%

AB TEST

73%

67%

CONTROL GROUP

53%

Sharing Results & Validation Period

When checking if there is a difference among tracking KPIs and the frequency to share results, we don't see a significant difference between the average respondents and the most advanced companies.

Around 80% of all the respondents regularly share results with their CMO, which appears to be a best practice.

Some differences do appear when we relate those figures to the number of people validating a campaign.

Among the most advanced companies, we see that when the validation circuit is short (less than 3 people), it sometimes also means that CMO's are not as informed (71% vs 80%). And when the circuit is longer it also means that the CMO's are more informed (100% vs 80%)



2 models seem to appear among the most advanced companies :

- Very autonomous CRM teams who are going faster than their organization (with ability to create campaigns quickly but lack of involvement from the management).
- Teams with advanced CRM practices but also include longer than normal validation circuits- most commonly due to highly involved management teams.

IT Capacity

CRM marketers and digital marketing in general is relying a lot on the IT department. So it's interesting to see how the companies already doing advanced multichannel CRM are working with IT teams.

This, again, shows the importance of the organization, not only in the CRM team, but around the CRM team.

We observe that the majority of best in class companies rely on autonomous teams for IT related subjects or they have a dedicated IT team or contact (87%)

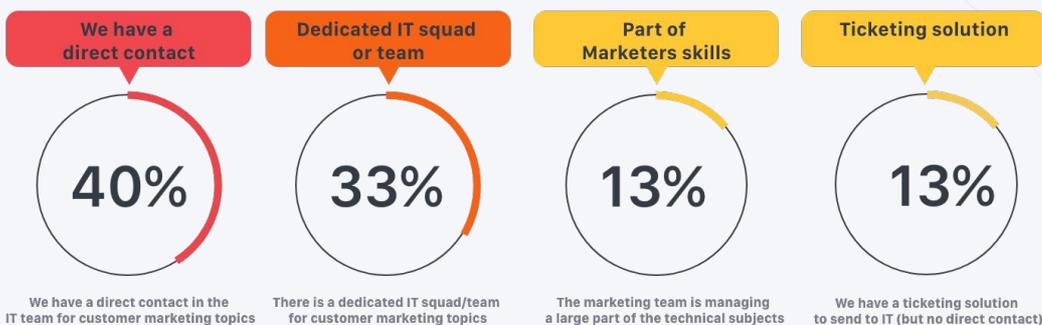
Only 13% of the most advanced are using a ticketing solution vs 21% in average (even if bigger companies are more represented).

Ability to easily send / import data from a partner company is the same



How do you handle IT projects?

 Best-in-class



 All respondents



Technical Stack

We can observe that among the most advanced companies, a larger percentage of them are using Adobe (47% vs 25%) to send their emails. Companies seem to use these tools as orchestrators and to plug all the rest of their stack (push senders, analytics, etc...).

Globally, only some parts of the technical stack seem to differentiate the most advanced and the other companies. Not having CDP for instance does not seem to constitute a problem to have a mature CRM.

We still see a difference with the number of DMPs : only 27% have DMP's in place. 47% including the "empty answers" do not have a DMP among the most advanced companies vs 48% (59% including empty) globally.

What seems important for CRM marketers is the actionability of the tools.

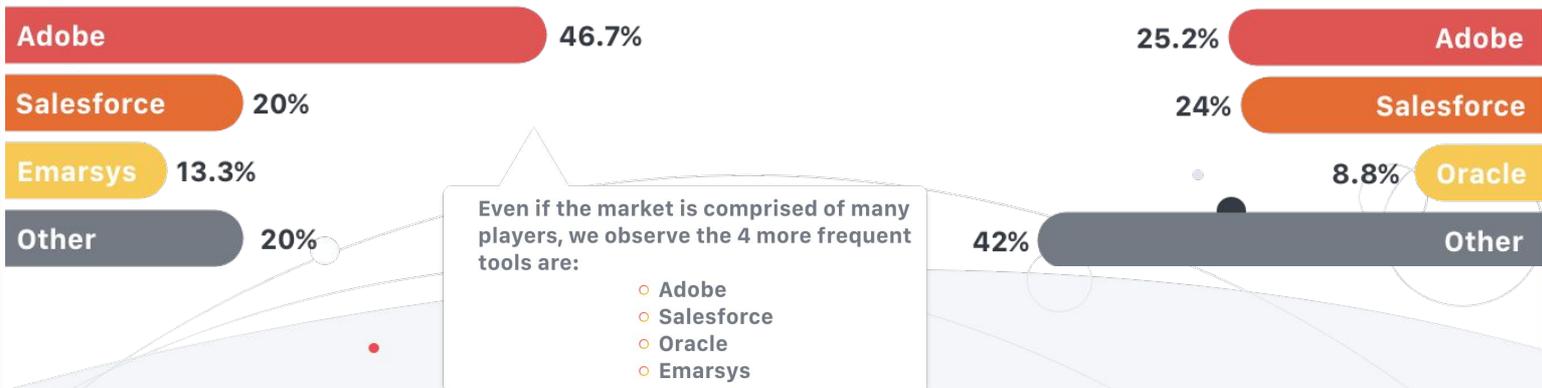


Best-in-class

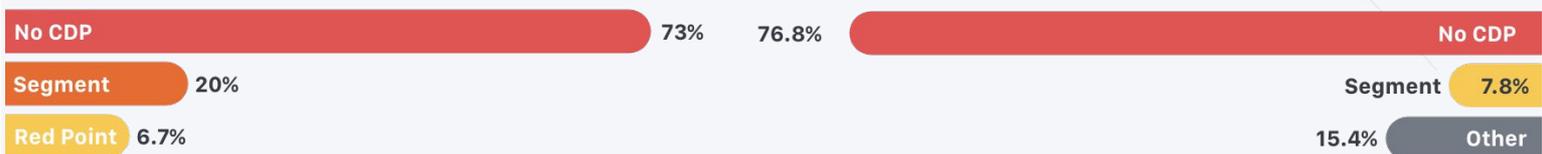


All respondents

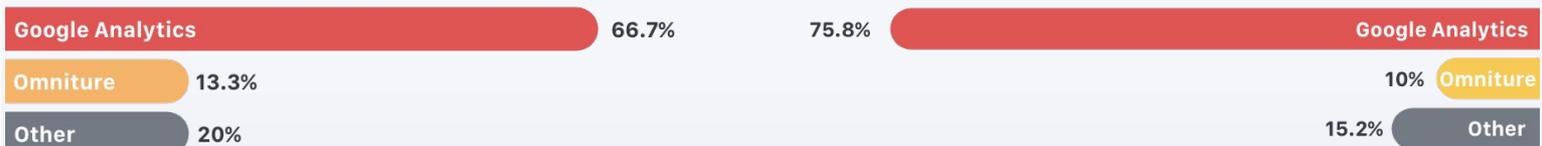
ESP



CDP

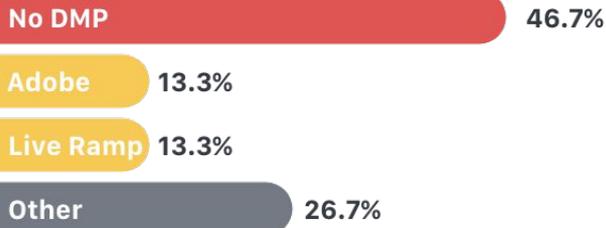


Analytics

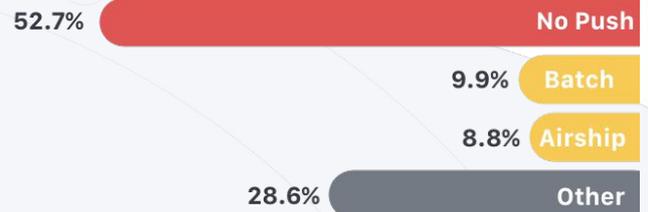
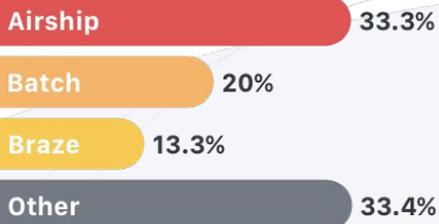


Technical Stack

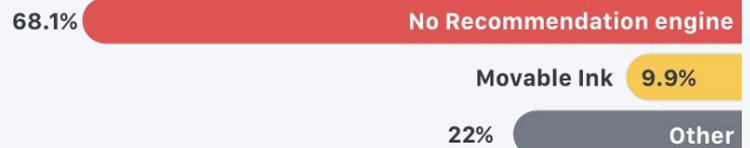
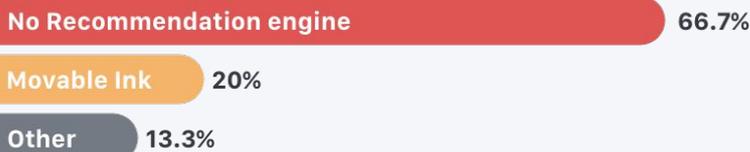
DMP



Push App



Recommendation Engine



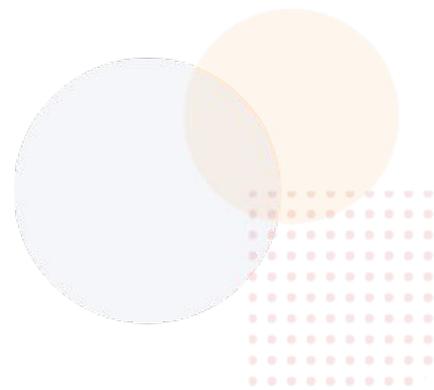


Where does all of this leave us? With a slew of challenges and goals that feel out of reach?

Not at all.

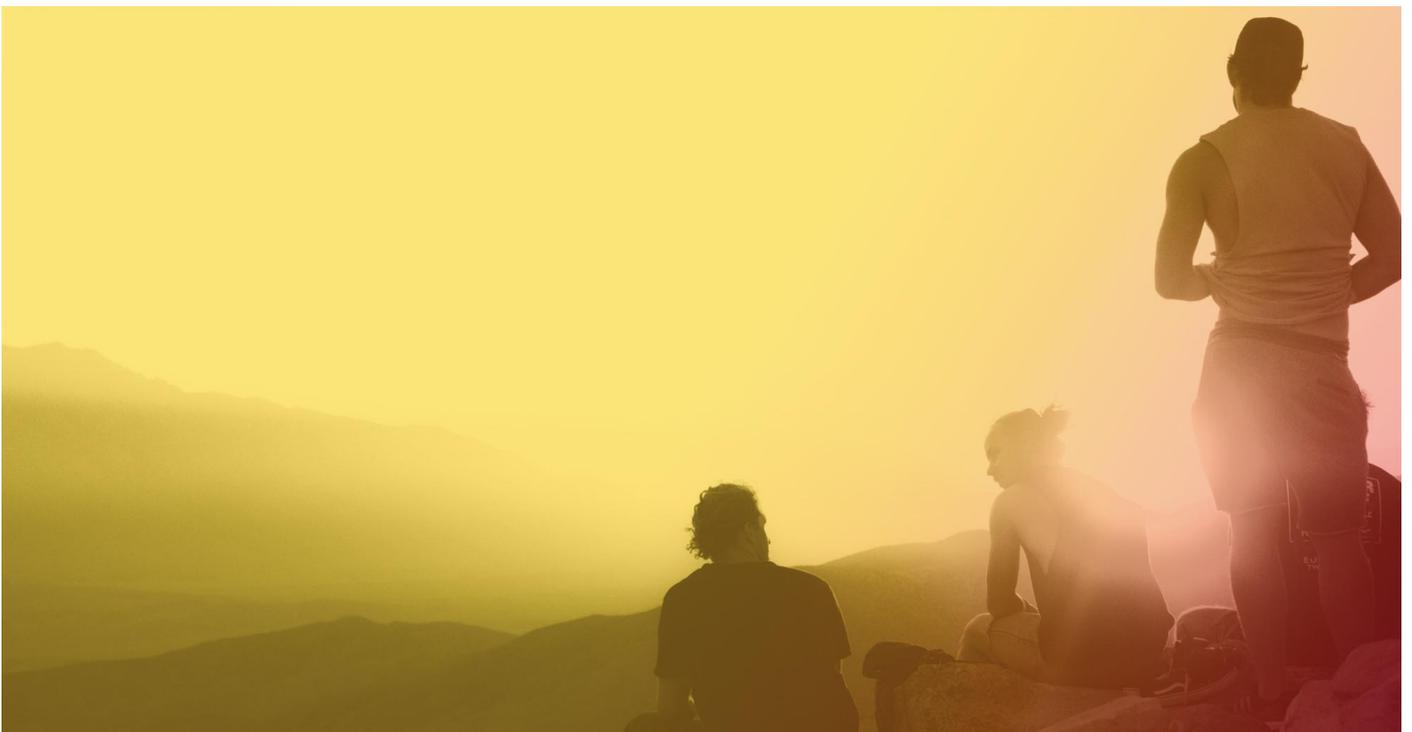
Regardless of where you find yourself on the spectrum from young to mature with regard to CRM practices, there appear to be a few key components every CRM professional should always have top of mind.

The following pages are meant to inspire you towards taking first steps or even the final steps towards advancing CRM within your organization, within the industry, and yes, so you can move towards being *truly customer centric*.



3.

Three keys to success



KEY TO SUCCESS 1

Organization plays a crucial role

In fact, the organization seems to be the foundation to mature and advanced CRM.

- It starts with strong internal sponsors that are really interested in CRM and are informed.
- It means the CRM team is equipped with the tools and people who can track performance and know their database.
- CRM teams have the autonomy and resources which allows them to create and deploy content quickly.
- The most advanced teams are able to have dedicated support in other departments such as IT and Creative.

2 KEY TO SUCCESS

Execute, measure, socialize, repeat

- Testing is critical to improve strategy and performance. Most teams are in the practice of A/B testing, but advanced teams are dedicated to the test and learn philosophy.
- The implementation of control groups to help measure performance and impact of CRM strategy is an important step to show the power of CRM.
- Socializing information internally plays a critical role in the advancement of CRM within an organization, but advanced teams are doing it frequently and consistently. Especially, with senior and C-suite leadership teams.

KEY TO SUCCESS **3**

You need the right equipment to get the job done

- ESPs that are ready to offer the most advanced features for analytics and plug-ins such as push sender, email templating software, etc.
- If not already part of your ESP, a tool that enables you to measure and manage campaign pressure is an important step towards customer centricity.
- Maybe surprisingly, CDPs and DMPs do not appear to be must haves. Perhaps due to not providing enough operational value and actionable features.

All tools are measured according to ROI and advanced teams are ready to invest if it allows them to improve what they do.

Quick wins

Finally, there are some fundamental components for success that every CRM team should be considering if they haven't done so already

- Streamlined template creation
- Campaign targeting
- Trigger and life cycle automation
- Results measurement
- Ability to operate on channels other than email
- Share information weekly with management.

KEY TO SUCCESS **BONUS**

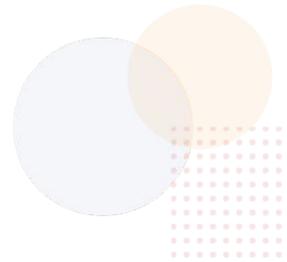
Do not only talk to your customer, listen to them.

Customer centricity is about improving customer experience with a brand. Marketers use means such as improving communication, strengthening relationships and specific product offerings or services that cater to the needs of customers in order to do this.

There is no doubt teams are taking action to improve customer experience, but how are they measuring it?

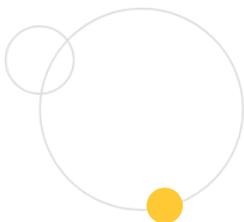
When describing the measures of success it's all about whether the marketer successfully got through to the customer. Almost all of our respondents are measuring success with Email and Revenue KPI's.

However, the feedback loop or the 2 way communication of how successful the customer is able to get back in touch with the marketer hasn't been discussed or mentioned for the most part. In fact, only 52% of our respondents said they were considering Customer Satisfaction KPIs as key measures of success.



To truly foster a customer centric marketing strategy we cannot overlook the need to be in touch with the customer and what better way to be in touch than to let them reach out directly?

- CRM can be a conversation between marketer and customer, not just a one sided discussion.
- It does not have to be a complex set-up. Some simple tricks are also good ways to interact. For example: Instead of having a "do not reply" mail when replying to a commercial email, you can have a more welcoming mailbox and check it from time to time.
- Some more advanced setups are also possible through dedicated products available on the market which gather customer feedback on your emails and other campaigns.
- It can also be important for the CRM teams to stay in close contact with community management teams as, in fact, both team's objective is to improve the experience of the customer with the brand.



The future of CRM

Even if the dream of a multichannel, truly customer centric CRM has not been achieved yet. Many companies continue to focus their efforts on achieving this objective. Furthermore, the COVID 19 pandemic has reinforced once again the importance of the relationship between a company and its customers.

CRM professionals will continue to play an important role.

If anything, the results of this report show us how valuable CRM teams remain for companies and the great responsibility that CRM managers have as they are responsible for talking to millions of customers.

And, if you stop to think about it, CRM marketing is a really unique way to talk to very different people that are all only related by the fact that they have purchased products from the same company.

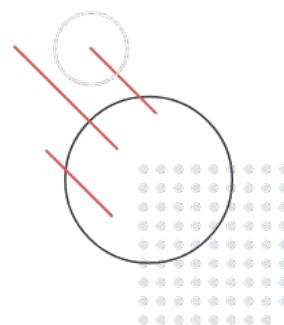
We could easily compare the situation to the one of a big city mayor.

Many people are living in the city and share this common point but they are individually all very different.

The objective then is, as the city's mayor would be to find the best place and moment to talk to the people, to adapt the speech to the channel of communication and the audience and to always have the ability to listen to the people's needs and replies. *Sound familiar?*

Additionally, CRM marketing tends to be a more digital domain with plenty of data available, therefore, it has also gained a reputation as a great place to innovate. It remains a really exciting and creative sector to work for and a perfect domain to test new practices and ways to communicate.

Suffice to say, CRM remains a critical investment for companies. And, based on all the evidence we've seen, it will continue to be critical to success in the future.



The future of CRM

What does the future hold?

While we do not have psychic abilities, we do have some ideas as to what the future might look like from a customer perspective.

It seems inevitable that being over contacted by a brand will become less and less acceptable from a customer's perspective. Companies that have not taken the critical steps towards becoming customer centric will observe customer dissatisfaction and its consequences.

At the same time, customers will reward the companies that are sending them relevant communications and have the right marketing pressure by being more loyal and by becoming true ambassadors to their network- or by just simply moving their emails from the promotions tab to the inbox.

From a technological perspective, we've already observed that Google or Apple have the ability to curate and filter the communication that a customer receives, thus managing marketing pressure at a global level.

Given the already existing promotion tab, unsub features and ads in google mail, we could easily imagine that our inboxes will continue to transform. As a result, marketers' access to customers will continue to evolve as well- not just on email, but on all channels as these platforms work to improve customer experience too..

In that case, only the companies identified as important *by the customer* will continue to have a direct link.



A special thank you!

Last but not least, a very special thank you to all of the respondents!

This report would not be possible without the participation of CRM professionals around the world. Thank you for completing our survey and sharing insights for the benefit of the entire CRM industry!

Our show of appreciation

Our promise has been kept. For every response our survey received Tinyclues has donated a tree to support the Jubilación Segura project in the Amazonian forest in Peru through the [PUR Projeet](#).



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