



A Peek at the CRM market

The “**Knowledge Economy**” has prescribed new rules of doing business and it's all about

- co-optition not competition
- abundance not scarcity
- mouse clicks not kilometers or yards
- service differentiation not product differentiation

And all this has made it imperative for business to put more emphasis on understanding their customers better in order to retain the existing profitable ones as well as acquire new ones. Hence Customer Relationship Management (**CRM**) has become the top priority for businesses seeking to gain a competitive advantage in today's “**Knowledge Economy**”.

But what exactly is CRM - technology, business philosophy or a new buzzword - it's an ongoing debate. Ask 5 different CRM experts and you will get 5 different answers and it is likely that all of them are right. Hence, I am not going to talk about the definition of the CRM but I am sure that none of them would disagree to CRM being **an enterprise wide customer centric business philosophy**. So why is there so much excitement about CRM in the market? Business realized long ago that only by putting the customer in the center would they be able to generate more profit. Don't believe me; consider a typical business store at the corner of the road - *your grocer or your paanwala*. He has been practicing CRM for ages. He is well aware of your preferences and would offer you exactly what you like before you utter a word.

Then why has CRM suddenly become such a talking point? What is so new and unique about CRM? Why is there so much hype around it?

If you look closely you will notice that the hype is not about CRM as a business philosophy but about CRM technologies and the various vendors' offering them. So should we blame the hype on the technology vendors? Well actually no, because like all its predecessors - be it Business Process Reengineering (BPR), Supply Chain Management (SCM), Enterprise Resource Planning (ERP) or any other enterprise application, CRM has also gotten its fair share of hype that was needed to gain the attention of the CEO's, CFO's and CTO's. Now as CRM has already started its descent from the much talked about **Gartners' hype curve**, the market is also becoming mature and buzz is being separated from reality.



If we take a closer look at the various CRM technology offerings in the market we realize that they can be divided into three clear domains each adding value to the business in its own way.

Operational- This is perhaps the earliest CRM technology in the market and it manages and synchronizes customer interactions in marketing, sales, and service. Sales Force Automation (SFA), Enterprise Marketing Automation (EMA), Customer Service & Support (CSS), etc are the common Operational CRM applications.

Analytical- Analytical CRM is basically capturing, storing, and analyzing an organizational database to uncover patterns and relationships that are hidden and are normally overlooked. Analytical CRM is gaining currency in the market because of its ability not only to tell *what was there* but also to predict *what could be there* and suggest a future *course of action*. Various Data Warehousing (DW) and Data Mining (DM) applications qualify for this.

Collaborative – This is almost an overlay on other CRM technologies. It lets you collaborate with suppliers, partners, and customers to improve processes and meet customer needs. Collaborative CRM applications include *Partner Relationship Management (PRM)*, *Customer Interaction Center (CIC)* applications or even *portals*.

Choosing an option among the available CRM technologies is certainly a matter of organizational priorities, requirements and investment decisions. But while choosing, it should be kept in mind that presence of one technology does not necessitate or justify the presence of other. Hence, one has an option to go comprehensive or incremental with CRM implementation.

I am sure that by now the mist around CRM technologies must have been cleared and you must be asking to yourself the next logical question. Who are all the vendors and does there exist a line of differentiation among them? To answer it –the market is full of vendors starting from industry heavy weights like Siebel, SAP, Oracle, PeopleSoft to niche players like SAS, NCR, Comergent, Antenna etc. and to your advantage there is a line of differentiation among them i.e. depth and breadth of functionality. CRM technology vendors could be classified into three major categories

CRM Suite Suppliers- These suppliers cover various CRM functionalities comprehensively. Suite suppliers usually have the advantage of providing a consistent view of the customer, integration across touchpoints, a single architecture, and support from a single vendor. The leading CRM suite suppliers are (alphabetically) E.piphany, Oracle, PeopleSoft, SAP, and Siebel



CRM Point Solution Suppliers- As the name suggests they cover one or two major areas of CRM functionality or there is a predominance of one functionality over the other. But the advantage of choosing point solution suppliers is choice of best-in-breed super specialist and the ease of adding an incremental application to an existing environment. Major players include SAS, NCR, Unica in analytical, MarketFirst in enterprise market automation, and SalesLogix in sales force automation.

E-Commerce Suppliers- Their offerings include customer touching e-commerce applications like campaign management, contact center etc. The leading suppliers and products are (alphabetically) ATG Dynamo, Blue Martini 4, BroadVision Business Commerce and Retail Commerce, IBM WebSphere Commerce Suite, and Microsoft Commerce Server.

By now if you have made up your mind about what CRM technology to choose, mind my words that a successful CRM initiative always starts with a customer centric business philosophy that drives changes in the organization and business processes. Technology is just an enabler to your initiative of being customer centric. The market may create hype or buzz around technologies but the reality is going to remain the same. Businesses that focus on technology first, rather than business objectives, are destined for failure,

About Author

Author is working with **Digitra Infostructure Ltd** promoted by **SKIL** and is one of the founder members of the company. Author has extensive experience in Strategic Planning, Business Development and IT consultancy. As an independent consultant he has also helped the companies in the field of CRM, E-Commerce, Storage Technology and Digital Services on the utility format. He can be reached at siddhartha@positra.com