

for Affiliates this month in Center research:

Personalized Printing and Customer Relationship Marketing (CRM) Systems

As we saw last month, the corporate marketing executive has a profound influence on the selection of the media used in advertising. RIT's study entitled "Marketing Communications Demand Creation: Marketing Executive Study" goes on to take a hard look at customer relationship marketing (CRM) systems. These systems are designed to allow the customer to communicate via any desired channel. The implementation of CRM solutions is the infrastructure catalyst that will drive the growth of personalized digital print solutions. Besides a relationship marketing strategy itself, the marketing executive needs the appropriate customer information to support it, and the customer's perception that print will be effective versus other forms of marketing media.

What a CRM System is All About

Marketing managers realize that a good CRM system will expand relationships with existing customers, make it easy for old and new clients to do business with them, and cross-sell through personalization. Once thought of as just a technology solution, CRM has evolved into a customer-centric philosophy that can permeate an entire organization. The best CRM systems connect information from all data sources within an organization to provide one holistic view of each customer in real time. This allows customer-facing employees (in such areas as sales, customer support, and marketing) to make immediate and informed decisions on everything from cross-selling opportunities to target marketing strategies, and even competitive positioning tactics.

One of the problems that marketing executives face is the reluctance of their firms to embrace and adequately implement a CRM system. The cost of a complete CRM system is tremendous, mainly because it requires an extensive customer-data infrastructure to make it work. Only 21% of our study's respondents already had CRM systems in place. Even if relationship goals were present in the other firms, the infrastructure was still too weak to support implementation.

A firm does not need an enterprise-wide CRM system, though, to engage in relationship marketing. A database of customer information is all that is required. An effective database marketing program requires companies to have extensive, clean data in sufficient detail to be used for marketing communications.

If Not CRM, Then...Customer Databases

We asked the marketing executives in our survey whether they

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The e review

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maintained a customer database. Ninety-four percent replied that they did maintain one internally. Almost half of the respondents (48%) indicated that they updated their databases daily, and 13% did it hourly. When asked what software applications they used to manage their customer database, our respondents did not favor any one package: over 160 software applications were mentioned. Seventeen percent of these were custom-built.

Respondents were asked how they populated database information. The most frequent response, at 79%, was manual data entry via paper forms, followed by telephone sales representatives (58%), and Web site data capture (48%). When asked if their customer databases were clean, 60% of the respondents indicated that they were (4 or 5 on a five-point scale of cleanliness).

A lack of quality data is the biggest single obstacle to successful personalized advertising campaigns. To the extent that the print services provider can assist with gathering data on customers or prospective customers for campaigns, the market can accelerate.

The respondents were also asked if they integrated their marketing database and CRM packages with their in-house printing technology. Slightly more than half (56%) said yes. Those respondents were then asked to rate how well their marketing database and CRM packages were integrated with their in-house printing. Nearly half indicated that they were integrated relatively well (40% reported a 7,8,9, or 10 on a ten point scale).

One open-ended question asked what it would take to create an enterprise-wide solution to more effectively leverage customer information. While software was mentioned most frequently, many other ideas also surfaced, such as better integration among existing programs and acquiring better information about customers.

Conclusion

In order to identify high-potential corporate opportunities for personalized printing, the study concludes, the print services provider should focus efforts on firms that are committed to or planning CRM solutions. While their CRM systems may not yet be fully implemented, in the long term these organizations will offer higher levels of potential for targeted campaigns.

2003 Research Monographs:

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Next Month:

Next month, we take a look at the success of print services providers that leverage value-added services and understand their customers.

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