

5.5: Customer Relationship Management (CRM) Systems and IMC

What you'll learn to do: describe the uses of customer relationship management (CRM) systems for marketing communication purposes

An important tool for sales and marketing activities is the customer relationship management system (CRM). At their core, CRM systems are software systems used to collect and manage information about customers and prospects, making them a valuable source of internal data. CRM system providers have also built a set of technology tools around this core to help marketers analyze customer information and use it to create smarter, better targeted, and more effective marketing communication.

In the next section, you'll learn about the role of CRM systems in helping marketers deliver the right types of marketing campaigns and interaction opportunities to the right people at the right time.

The specific things you'll learn in this section include:

- Discuss how organizations use CRM systems for targeted marketing communication

Using CRM to Support Marketing Communication

Earlier in this course we introduced customer relationship management (CRM) systems, which serve key functions for marketing, sales, and account management. These systems capture data about customers as well as an organization's interactions with these customers. They also provide tools to help marketers and salespeople better manage customer relationships and meet their customers' needs. CRM systems generally capture and maintain information about prospective as well as current customers, making them very useful to both marketing and sales processes.

The overall business goals of CRM systems are to help organizations 1) capture new leads and move them through the sales process; 2) support and manage relationships with current customers to maximize their lifetime value to the company; and 3) boost productivity and lower the overall costs of marketing, sales, and account management.

CRM systems can be complicated to implement because they are intended to support a complex set of processes and business functions. At times, the systems themselves are so sophisticated that organizations never fully use all their capabilities. However, a wide selection of CRM systems are now available at different levels of pricing and complexity. As managers refine their understanding of how CRM systems can help them achieve their business and marketing objectives, they can identify suitable systems and implementation approaches to fit their needs.

CRM Uses in Sales and Marketing

CRM systems are transformational for marketing communication because they allow marketers to use customer data to personalize their interactions to fit the unique needs of individuals. When marketers or salespeople know more about the customer—thanks to information the CRM telling them who the customer is, how she found the company, what information she has requested, and so forth—they can anticipate that person's needs and tailor the next set of interactions to help her progress through the decision-making process.

Information gained through CRM initiatives can support the development of sales and marketing strategy by developing the organization's knowledge in key areas: identifying customer segments, improving customer retention, improving product offerings (by better understanding customer needs), improving the customer experience, and identifying the organization's most profitable customers.

In the following video, Amazon CEO Jeff Bezos explains how his company captures data about what products customers buy to tailor the shopping experience every time someone visits the Amazon Web site. The customer data, captured in Amazon's CRM system, feeds a "recommendation engine" to suggest products Amazon thinks customers will want, based on their prior purchases and the purchase histories of other customers who buy the same types of things they do. You can view the video at YouTube



[Read the transcript for the video “Personalize Recommendations Online.”](#)

Marketing and IMC

CRM systems for marketing help an organization identify and target potential clients and generate leads. A key marketing capability is tracking and measuring the effectiveness of multichannel campaigns, including email, search, social media, telephone, direct mail, and other channels. The CRM system can monitor which individuals click, respond, and participate in any call to action. It also reports overall campaign metrics such as clicks, responses, leads generated, deals closed, and revenue. Many CRM systems are capable of tracking customer interactions and nurturing relationships from first contact through the closed sale and beyond, providing a 360-degree view of the customer relationship.

Marketing automation uses data from a CRM system to help marketers coordinate and manage marketing interaction across multiple digital-marketing channels—email, Web sites, social media, etc. Marketers use marketing automation systems to design and execute marketing campaigns targeted to specific segments based on various criteria. Campaigns might target individuals in the CRM system by job title, industry, or geography, for example, or some combination of individual traits. Campaigns may also be designed around the stage of the sales process, so that everyone at a certain stage receives a weekly email or other touch point to provide further information and help nudge the contact toward the buying decision.

Marketing automation is particularly good for automating repetitive tasks, so that marketers can maintain interaction and build relationships with a large number of contacts simultaneously. But because CRM data tracks what each prospective customer is looking for and where they are in the decision process, marketers can orchestrate an appropriate set of automated interactions to keep the relationship “warm” and eventually move them toward a sale.

Based on the characteristics and behavior of the prospective customers captured in the CRM system, marketers can also direct the system to conduct “lead scoring.” Lead scoring involves assigning points to marketing or sales leads to help marketers prioritize who is most ready to buy and move them toward a buying decision. For instance, B2B marketers could define lead scoring as follows:

- 8 points to every contact that resides within a targeted geography
- 7 points for sharing an email address
- 8 points for sharing job title
- 15 points to any contact who holds a position as vice president or higher in their organization
- 3 points each time a contact visits the company’s Web site
- 5 points each time a contact downloads a document or views a video on the Web site

The system calculates the total score for each lead, indicating which contacts are the best-prepared targets for making a sale. Marketing and sales team members then target appropriate marketing campaigns and outreach opportunities designed to help leads continue progressing through the sales process.

Sales Force Automation

Sales force automation (SFA) is another function of many CRM systems. It involves using software to streamline all phases of the sales process, minimizing the time that sales representatives need to spend on each phase. This enables a business to use fewer sales representatives to manage their clients. At the core of SFA is a contact management system for tracking and recording every stage in the sales process for each prospective client, from initial contact to final disposition. Many SFA applications also provide reporting and analytical tools to give salespeople and managers insights into specific sales opportunities, territories, and forecasting future sales. Some also offer workflow automation tools to help streamline sales-related processes and improve both the quality and efficiency of sales teams' interactions with prospective customers.

As with marketing automation, sales force automation can help salespeople streamline the task of communicating with prospective customers during the sales process. A salesperson can set up automated triggers to send specific communications to sales leads at various points in the process. For example, when an individual requests a product demonstration, a sales automation system might automatically send a set of communications to set up a virtual meeting for the demo. The system could then check whether that lead has downloaded a marketing piece comparing product features versus competitors'. If not, the system would automatically send that informational piece in a follow-up email message.

CC licensed content, Original

- Revision and adaptation. **Provided by:** Lumen Learning. **License:** [CC BY-SA: Attribution-ShareAlike](#)

CC licensed content, Shared previously

- CRM and Personal Selling, from Boundless Marketing. **Provided by:** Boundless. **Located at:** <https://courses.lumenlearning.com/boundless-marketing/>. **License:** [CC BY-SA: Attribution-ShareAlike](#)
- Personalized Recommendations Online. **Provided by:** BBC. **Located at:** <https://youtu.be/I952kdcPE3Y>. **License:** [CC BY-NC-ND: Attribution-NonCommercial-NoDerivatives](#)

All rights reserved content

- Pardot Customer Story: Precor. **Provided by:** Pardot. **Located at:** https://youtu.be/GVH4THFmjrU?list=PLNmYf_HyHDDo5uLP-Fowrm5LIKNM8zj0d. **License:** *All Rights Reserved*. **License Terms:** Standard YouTube license

5.5: Customer Relationship Management (CRM) Systems and IMC is shared under a [not declared](#) license and was authored, remixed, and/or curated by LibreTexts.