Modern Marketing, CX, CRM, Customer Trust and Identity

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Abstract

It is a real need to better understand the importance of maintaining company’s CRM applications and capabilities within the context of the spectacular evolution of the CRM industry, and the role of adequately calibrated CRM data in refining marketing strategy, better understanding the customer behavior, including by applying the emotional connection targeting framework on a company’s CRM data, knowing how CX is made up, and the significance of the (micro) moments throughout CX. We are in full debate centered on the “Internet of Things” (IoT) and “Internet of Everything” (IoE), on the significant use of Blockchain in CRM, on technology becoming our 6th sense and customer intimacy at the confluence between operational excellence and emotional connections, on the higher impact of the seamless and unique customer journeys compared to touchpoints, on the essential digital CX channels and the digital CX must-haves for the long run. We are also witnessing the continuing preoccupation with regard to the modern marketer, beginning with Econsultancy’s “Modern Marketing Manifesto”, “Modern Marketing Model”, (M3), Modern Marketing Blueprint (MMB) and the new report “Skills of the Modern Marketer”, and continuing with NGData’s preoccupation to redefine the customer relationship with data so as to deliver value and contextually relevant CX every time an organization interacts with their customers engaged via both physical and digital channels, while applying best practices for data-driven marketing in accordance with the data-driven marketing strategy recommended by Smart Insights. There is no doubt, as demonstrated by the 5th Salesforce State of Marketing Report, that marketers are being particularly well positioned to take a leading role in CX initiatives, while needing a completely unified view of customer data and unlocking the data needed for personalization at scale, as well as to improve their ability to achieve true cross-channel engagement.

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The role of CRM data in refining marketing strategy,

better understanding the customer behavior

Customer Relationship Management (CRM) is defined by Salesforce as “a strategy for managing an organisation’s relationships and interactions with customers and potential customers.” As also shown by Salesforce, people are usually talking about CRM as: Technology (also called a CRM system or solution - a technology product, often in the cloud used by teams to record, report and analyse interactions between a company and its users); Strategy (how to manage relationships with customers and potential customers); Process (a system ensuring nurturing and managing those relationships). According to Microsoft (Microsoft Dynamics CRM being offered in two categories: CRM online, a cloud-based offering; CRM on-premise, CRM application and databases being deployed on clients’ servers): “Customer Relationship Management (CRM) is a system for managing a company’s interactions with current and future customers. It often involves using technology to organize, automate, and synchronize sales,
marketing, customer service, and technical support. CRM can help reduce costs and increase profitability by organizing and automating business processes that nurture customer satisfaction and loyalty.”

Joseph Michelli, Ph.D., Official Member at Forbes Coaches Council, and author of well-known books (such as: The Starbucks Experience, The New Gold Standard, Prescription for Excellence, The Zappos Experience), recalled more recently (Michelli, 2018) how the term CRM was coined in 1995, while in the late 1990s: was introduced the first mobile CRM solution (Software as a service/SaaS transforming CRM platforms); began moving CRM and sales applications to the cloud (thanks to companies like Salesforce). Michelli showed how businesses shift their focus from transactions to interactions with the help of CRM platforms whose benefits are evident (+44% more leads; +37% increase in sales revenue; +45% increase in customer relations; +52% faster integration of business apps), this tool of CRM platforms needing to be used by both established or startup enterprises, the next action being anticipated by the artificial intelligence (AI).

Marketers are challenged to adequately calibrate CRM data and act judiciously on the basis of the key elements of their business, including by avoiding misusing their CRM data, which could affect their business’ growth because of: outdated, incomplete, duplicate or invalid entry data; unnecessary or utilized fields; failure to automate lead management, lead engagement logs, lead nurturing, customer retention, organization and planning; lack of social integration; failure to define the top KPIs (such as: sales revenue, cost per lead, customer value, inbound marketing ROI, traffic-to-lead ratio); not acting on their data. (Smart Insights, 2018) That is why marketers need a CRM system ensuring the ease of use, the schedule management and the ability to see a clear snapshot of their data.

As demonstrated by Motista, the solution provider with regard to predictive emotional connection, an emotional connection matters more than customer satisfaction. (Zorfas and Leemon, 2016) According to Motista, the validation of emotional connection targeting begins by applying the same emotional connection targeting framework on a company’s CRM data. For instance, based on their analysis, they can: see if an existing customer of their client company is emotionally connected to this company’s brand, being likely to behave accordingly from the viewpoint of purchase frequency, spending thresholds etc.; look then at this existing customer’s actual purchase history stored in their client company’s CRM system to assess how accurate are Motista’s predictions. (Kaura, 2018)

Speaking about emotion, it was also demonstrated recently that relationships with customers are all about emotions, a customer experience (CX) being made up of both the rational experience (things customers are doing) and the emotional experience (how customers are feeling about their experience, how they feel affecting how they behave), without forgetting about both the subconscious experience (customers not being aware of it even this is happening), and the psychological experience (how customers’ brains are influencing their interpretation of
and behavior during their interactions), CX triggering reactions. (Shaw, 2018) That is why it was recommended that companies take an outside-in approach, putting themselves in customers’ shoes (considering how the moments throughout CX evoke customers’ emotions and how those emotions affect their next steps).

In their struggle for adequately manage their marketing efforts, marketers were in the best position to see and understand the evolution of the CRM systems till today’s mobile-optimized CRM software, when mobile CRM changed businesses’ supply and sales strategies. (Davis, 2018) One of the biggest ways from this point of view is for example the creation of clean and consistent reports (simplifying the CRM user interface) for the retail industry as shown by Repsly in the figure below:

![Figure 1: Reports populated with real-time data keep your brand ahead of the curve](image)

*Source: Davis, M. (2018). 4 Ways Mobile CRMs are disrupting the retail industry, Repsly Blog (work cited)*

The importance of maintaining company’s CRM applications and capabilities, within the context of the spectacular evolution of the CRM industry, is largely recognized: significant resources are invested into artificial intelligence (AI) by main CRM vendors (such as Salesforce, Microsoft and Oracle); cloud services are becoming standard (as shown recently by Gartner’s
research director for CRM and CX about 80 percent of all new CRM purchases are already in the cloud; CX projects are about 50 percent technology, the difference being covered by customer emotions, perceptions and related qualitative factors). (Harpham, 2018) And considering the proliferation of affordable SaaS solutions even small businesses can use powerful CRM software. (Bushnell, 2018) Smaller SaaS companies are continuing to fight to compete by adding valuable functionality (such as: click to call, live dashboards and collaboration tools), major players in the CRM industry trying to win small businesses (including the CRM giant Salesforce, for example) with more integrations for broadly used apps. (Bushnell, 2019)

The term “Internet of Everything” (IoE) was coined by the worldwide leader in IT, networking, and cybersecurity solutions Cisco, which defines IoE as “the networked connection of people, process, data, and things,” its benefit deriving from the compound impact of this networked connection, and the value this increased connectedness creates as “everything” comes online. On the other hand, the “Internet of Things” (IoT), also according to Cisco: “refers simply to the networked connection of physical objects (doesn’t include the “people” and “process” components of IoE). IoT is a single technology transition, while IoE comprises many technology transitions (including IoT).” (Cisco, 2013) It is considered that IoT emphasis on machine-to-machine (M2M) communications is extended by IoE in order to describe a more complex system that also encompasses people and processes. (TechTarget) Very recently, the third annual Global IoT Executive Survey (including nearly 400 responses from key executives around the world, an in-depth research detailing the components which make up the IoT ecosystem) conducted by Business Insider Intelligence revealed among other aspects that in the opinion of the vast majority of respondents “blockchain will either be a tool that most companies employ at times, or a niche product that only certain solutions use.” (Business Insider, 2019)

At the beginning of last year, the CEO of ConvergeHub (headquartered in Silicon Valley, California, whose CRM product has been positioned as the #1 Easiest Converged CRM for SMB and has been successively nominated twice in CRM Idol competition) made reference to Don Tapscott (first author of the Audiobook “Blockchain Revolution: How the Technology Behind Bitcoin and Other Cryptocurrencies Is Changing the World”, Publisher: Brilliance Audio, Unabridged edition, May 2, 2017; ranked by Thinkers 50 as the fourth most influential management thinker in the world) who argued that IoE will need a Ledger of Everything, that is Blockchain. The CEO of ConvergeHub showed (Chaudhuri, 2018) that there are important case uses (Supply Chain Logistics, Healthcare, Real Estate, Voting, Charities and Non-Profit Organizations, Blockchain as a Service/BaaS) of Blockchain technology, and underlined the significant use of Blockchain in CRM by providing: a greater 360-degree view of the current state of company’s customers, a granular view of the demands of these customers (who are also enabled to make peaceful decisions with regard to their purchases on the Web), and a competitive advantage over company’s competitors (offering customers more personalized and accurate offers, making legitimate use of digital currency in the CRM space, ensuring an adequate customer loyalty and rewards management etc.).
The new relationships with customers through the customer lifecycle.

Customer journeys and CX

There is no doubt that relationships with customers through the customer lifecycle must be adequately nurtured, so as to continuously strengthen and improve these relationships, and turn leads into brand advocates, (Monroe, 2018) developing personal relationships with prospects and customers by starting from listening, understanding and caring about their challenges. (Monroe, 2019) According to an Ontraport Growth Team’s representative, in order to connect this way with leads it is necessary to map out the customer lifecycle (see the figure below), to find opportunities to add valuable human interactions (such as: thank you notes, sales follow-up calls, new customer welcome calls, in-person appointments, annual customer check-in calls), and to personalize and humanize company’s automated interactions (by using sales automation technology).

Figure 2: Mapping out the customer lifecycle, Ontraport

And as highlighted by Professor Steven Van Belleghem from Vlerick Business School (recognized as a thought leader on the transformation of customer relationships and the future of marketing), it’s time now (when technology becomes our 6th sense, when products are becoming digital and are starting to collect data, while going from digital first to mobile first, and from mobile first to AI first) for digital to become human because humans have become digital (the human transformation being the consequence of the digital transformation), creating a human touch becoming a necessity (emotion being at the confluence of empathy, passion and creativity). (Van Belleghem, 2018) In the opinion of Van Belleghem the new customer relationship involves taking into account the digital relationship adds, the human relationship adds, automation plus data, and empathy plus passion plus creativity, customer intimacy being at the confluence between operational excellence and emotional connections.

In December 2018, Bob Thompson, Founder/CEO of CustomerThink, underlined that journeys have higher impact than touchpoints (as revealed by McKinsey’s research) and customer journeys must be mapped comprehensively, considering both the top 5 differentiators of winning CX initiatives (developed personas for each customer segment; developed end-to-end future state journey map; included both rational and emotional factors at touchpoints; involved customers in creating and validating journey maps; clearly defined the customers’ end goal or desired outcomes), and some major recommendations such as define a vision for seamless and unique customer journeys. (Thompson, 2018) Within the same framework: Sarah Tarraf, Director CX at Gongos, Inc., (Tarraf, 2018) highlighted (while approaching the topic of “CX ROI: Getting Return on Investment and Involvement”) the need of giving employees an avenue to share their own customer-centric experiences, of identifying barriers to deliver a great experience plus co-creating solutions, and of integrating VOC (Voice of the Customer) with primary research, company’s CRM system plus sales data; Jeff Epstein, VP Product Marketing and Communications, Comm100, (Epstein, 2018) showed (while approaching the topic of “How to Get CX Value from Digital Support Channels”) that CX is a way of thinking and attracted the attention on the essential digital CX channels (Knowledge Base, Email, Live Chat, Social Media, Messaging, Bots and AI) and the digital CX must-haves for the long run (AI, Analytics, Security, and Reliability).

The Modern Marketing, CRM and Data-Driven Marketing

Preoccupied to define the “modern marketer”, Econsultancy launched six years ago the so-called “Modern Marketing Manifesto” having twelve components: Strategy (marketers’ role in defining the organization’s horizon), Brand (marketers need a strong brand in today’s digital age), Experience (the persistent focus of modern marketing must be to improve CX), Data (modern marketers must turn data into insight and action, predicting future customer behaviour), Digital (embedding the digital thinking in marketing strategies), Personalisation (delivering value to customers in exchange for personal data), Technology (having increasing ownership of technology as an enabler), Creative (believing to the same extent in the power of emotions and the irrational, one hand, and of rational, on the other hand), Content (which become a vital
expression of the brand, reinforcing its credibility and authenticity), Multi-screen (thinking and delivering CX without indicating the exact position of a boundary, considering all the screens which both control and mediate CX), Social (which is a must, businesses needing having social in their DNA), and Commercial (optimizing the customer journey along its entire path becoming a must, the ultimate click in the customer journey being the transaction within ecommerce).

(Friedlein, 2013) Going on this way and trying to identify a new unifying framework as a reference for the current state of marketing from the viewpoint of what an organisation’s marketing function does, Econsultancy introduced two years ago – as we already shown in our HMM journal (Purcarea, 2018) – the Modern Marketing Model (M3: ten elements broken down into four stages, see the figure below) as a holistic view (there were also highlighted competencies and capabilities aligned to M3 elements, considering the key challenge for each element). (Friedlein, 2017) According to Econsultancy, the only completely new element added here in M3 (considering that “Product” was changed to “CX”, and that “Price” was covered under “Brand & Value” and “Marketing Strategy”) is “Data & Measurement”, data being considered part of the marketing mix.

### Figure 3: Competencies and capabilities aligned to M3 elements, Econsultancy

After the presentation of M3 (seen as the world’s first digital makeover of traditional marketing models) for the first time, Econsultancy crafted the Modern Marketing Blueprint (MMB), with the view to help an organisation achieving the modern marketing competencies by taking actionable measures so as to ensure competitive performance (considering ROI, KPIs etc.). (Coates, 2018) More recently, the Econsultancy’s new report – entitled “Skills of the Modern Marketer” (both a quantitative study of over 500 marketers and a review of the academic and professional literature related to these marketing skills) (Donnelly, 2019) – revealed a shortage of generalist marketing knowledge and skills, as well as data acumen (strategy, data & measurement and brand management skills, considered the foundation of every professional marketer’s career, being confirmed by only 13% or less from respondents). (Robinson, 2019) This Econsultancy’s new report sets out what defines the modern marketer: Modern Marketing Knowledge (understanding marketing competence, concepts and the guiding principles), Modern Marketing Skills (so as to competently apply marketing knowledge and with some amount of confidence), and Modern Marketing Mindset (so as to drive the behaviours and attitudes necessary to build a sustainable career in modern marketing, coping with the possibility which digital creates).

We have seen above how important is for modern marketers to turn data into insight and action, predicting future customer behavior, data being considered part of the marketing mix, and data & measurement being a component of the foundation of every professional marketer’s career. It is also important to note that NGData , known as being focused on redefining the customer relationship with data, invites companies to take advantage of: the opportunity to extend the relationships and deliver value every time they interact with their customers engaged via physical and digital channels identified with great accuracy in our Omni-channeled, constantly-connected and instantly-gratified world; (Cross, 2019) all of the touch points and interaction moments with their on the go and constantly multi-tasking customers by being relevant in their customers’ context, on the basis of updated, accessible and available in real-time data adequately organized, CX being a very personal endeavor; (Cross, 2019) capturing and synthesizing customers’ data on the individual customer-level so as to deliver contextually relevant CX. (Cross, 2019)

NGData also invited companies for many years to use data (collected on every aspect of a user’s engagement) to derive marketing insights and inform decision-making, better understanding the process of data-driven marketing “by which marketers glean insights and trends by analyzing company-generated or market data, then translating these insights into actionable decisions informed by the numbers”. (Stringfellow, 2017) They were considering both the benefits (such as: improvement of audience targeting, analyzing the types of messaging and offers which consumers are most responsive to, optimizing CX) and the challenges (such as adequately leveraging data-derived insights, without affecting creativity and brand identity standards and values) of data-driven marketing. And while pledging for best practices for data-
driven marketing, they also made reference to the “Data-driven marketing strategy” (Smart Insights, 2015) recommended by Smart Insights.

**Instead of conclusions**

Last year, beginning with the first issue of our HMM we underlined: the significant reevaluation of the customer journey from end to end, integrating customer thinking across the business performance and customer perception, considering the evolution of customers preferences for channels and technology, and marketing co-creation with customers, using customer intelligence tools to create a better CX, including with the help of AI; (Purcarea, 2018) how CMOs need to face change driven by revenue and customer feedback, to align the customer-centric marketing’s layers of meaning and brand authenticity with a continually improved CX, to build trust and mutual value by using the best customer engagement strategies and decoding connectivity, (Purcarea, 2018) accelerating the ways of adequately thinking and acting in the new world of the micro-moments, better understanding what drives not only CX and loyalty, but also profitability growth, linking marketing’s metrics to finance and embarking on growth. (Purcarea, 2018) We also highlighted finally that marketers’ need to delight customers at every touchpoint (by adequately managing the combination of X-data and O-data, and considering the employee experience and the conduct risk), to simplify their company’s marketing stack approach (and within their focus on creating an Omni channel view to consider both the opportunity provided by an all-in-one CRM and marketing automation platform, and the fact that customer feedback goes multi-channel), to give customers value and delivering them a great CX (with the help of a balanced approach of the four forces of marketing operations & technology), and in the midst of the next disruption of the CX market (which among other aspects will access AI to evolve from reporting to prediction) to continually increase their focus on insight and action. (Purcarea, 2018)

Released on December 13, 2018, the 5th Salesforce State of Marketing Report (insights and trends from more than 4,100 marketing leaders across the globe) mirrors the remarkable amount of change of the marketing landscape (the explosion of data accessed by marketers, the proliferation of channels, the maturation of media, the granularization of market segmentations, the expansion of budgets), and especially the most noteworthy change – the experience a company provides it is considered by 80% of customers as being equally important as its products and services. To attract, acquire, and retain today’s savvy customers (benefitting of both more choices and more access to information) companies must act with more tact and precision than ever, and taking into account their unique perspective of customer needs, behaviors, and trends, marketers are considered as being particularly well positioned to take a leading role in CX initiatives. (Davis, 2018) This new Salesforce Report revealed among other aspects that: despite the fact that marketers have more customer data than ever before, only 47% of them have a completely unified view of customer data, and in the quest to unite customer data no universal solution has emerged, CRM system being ranked as no. 2 in the top of most common
technologies used for customer identity purposes (see also the figure 4 below); marketers emphasize customer trust within the context of AI evolution, personalization being the job no.1 for them (see the figure 5 below) as their solution to unlock the data needed for personalization at scale being their turning to AI (marketers needing to balance personalization with privacy); as customers use now an average of 10 channels to communicate with companies, marketers also need to improve their ability to achieve true cross-channel engagement, real-time engagement being rated by marketers as their top priority and challenge; as CX takes priority, marketers are redefining success, and there is a clear shift of the key performance indicators (KPIs) tracked by them (see also the figure 6 below).

![Most common technologies used for customer identity purposes](image.png)

*Figure 4: Most common technologies used for customer identity purposes, Salesforce Research*

*Source: Davis, J.S. (2018). Introducing the 5th Salesforce State of Marketing Report: Here are the Top Trends Redefining the Profession, Salesforce, Dec 13 (work cited)*

![Percentage of marketers who say personalization improves the following](image.png)

*Figure 5: Percentage of marketers who say personalization improves the following, Salesforce Research*

*Source: Davis, J.S. (2018). Introducing the 5th Salesforce State of Marketing Report: Here are the Top Trends Redefining the Profession, Salesforce, Dec 13 (work cited)*
We have seen above that CRM system was ranked as no. 2 in the top of most common technologies used for customer identity purposes (as revealed by the above figure 4, according to Salesforce Research). This made us think to the article published last summer by Ryan Engle, the General Manager for the Neustar Customer Intelligence business (Neustar, Inc.), and entitled “Customer Identity Management: What It Is, Why It Matters, How It’s Done”. (Engle, 2018) Engle, who is also consultant to Fortune 150 companies and worked over 15 years for Nielsen (including as Vice President, Technology & Strategy, Nielsen Connected System, Top 3 Product – September 2016 - December 2017), demonstrated how the customer identity management (defined as: “the marketing method of connecting a customer’s data across every channel – and activating that information into more effective engagements at every turn”) helps companies within the context of a brand spreading out across any number of addressable channels to well coordinate their customer engagement across all of these channels, and to turn effectively the moment when the customer comes into view of any one channel into an opportunity. He showed, among other aspects, that there are three steps to a successful customer identity program: to
diversify the data (by going Omni channel, and using not just shopping data but people data); to get accurate data (by starting with a clean-up, including considering that “precious few customers update brands’ CRM teams about their life changes, and working with authoritative data sources); to set organization’s strategy (by having a data strategy, taking into account that methods matter, and ensuring organizational alignment, plus knowing that to link the data it is necessary to link the teams). Finally, Engle recommended to think about getting all the data in sync (from the viewpoint of the corporate strategy), avoiding to think just in terms of the data alone.

As argued by Experian (which has a leadership position in identity management, being focused on putting people at the heart of companies’ business, making better marketing decisions and having more meaningful interactions with their customers), marketers need to prioritize customer identity and to link together differing systems of audience insights and engagement so as to develop a more seamless and personalized Omni channel CX. (Portoff, 2018) More recently, the CEO of Janrain, while approaching the topic of what’s next for Consumer Identity & Access Management (CIAM), underlined, among other aspects, that an urgent concern in 2019 will become the consumer “Crisis of Trust” (within the predicted decline of people’s trust in government, media and business like never before), the recover and re-establish of the consumer confidence in who and how their personal information is being used imposing the adoption of consumer identity solutions. (Kaskade, 2019)

It is also interesting to note finally within this framework that Consumer Identity World EU 2019 Conference, October 22-24, Amsterdam, Netherlands, has as central theme “The Future of Consumer Identity & Access Management (CIAM) & Customer Experience”, the Key Topics being as follows: Consumer Identity, Data Protection, Biometrics, Strong Authentication, Privacy, Identity Management with Blockchain, Customer Experience, Behavioral Analytics, Marketing Automation, Trust building, Consent Management, and AI, Machine Learning & Bots. Highlights from this announced Consumer Identity World event revealed, among other aspects, that when it comes to the strategic definition of an organization’s CIAM the central starting point is CX, and that one of today’s biggest challenges is to adequately manage customer information in the digitally changing economy with many business partners in need of access. On the other hand, in the presentation of the Gartner Identity & Access Management Summit 2019, 7 - 8 March, London, UK, it was highlighted that: << Businesses demand that IAM protect assets, ensure compliance and enable great customer experience the “digital way”: agile, efficient and customer-friendly >>.

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