

## **CRM in retail still undervalued by retail organisations.**

The subject of CRM in retail has been frequently debated and, as we have seen in the last couple of years, has become increasingly complex as retailers try to plan how to manage their customer interactions across an increasing plethora of channels?

Customers now expect to receive the same level of service at the check-out, on the Internet, the call centre, and even when using in-store devices such as PDAs and kiosks. So what CRM strategies are retailers using to better service their customers?

European research conducted by Blue Martini Software has cast new light on retailers' attitudes to CRM. The research found that British retailers are strides ahead of their European counterparts in deploying customer relationship technologies. Sixty-seven percent of UK retailers have already deployed CRM initiatives, compared with 57% in France and only 50% in Germany. As a testament to the power of CRM, this year alone some of the UK's leading retailers, including Tesco's, Sainsburys and Debenhams, have announced better profits, citing technology as one of the drivers.

Critically, the research shows that the majority of retailers (74%) see the ability to manage customer relationships across all touch points as vital to the provision of a personalised service for customers. Given the notoriously fickle nature of customers - a recent Forrester paper showed that one in two Europeans, when buying off line, choose a different supplier to the one used to research online with - this highlights the growing need amongst retailers to integrate the web and in-store customer experience to persuade more on-line shoppers to make the store purchase with the same retailer.

However, there is still a long way to go before retailers truly get their heads around integration. Only 36% of those surveyed have the necessary 'multi-channel' CRM initiatives in place to gather and analyse data from all the relevant touch points. Equally alarming is the finding that while 63% of retailers collect transactional data, only half analyse this data to identify valuable customers. These figures resonate with the findings of a recent Gartner report, which identifies ignoring data as the key reason for the failure of CRM projects.

Furthermore, given that most retailers (94%) recognise the place where they are most likely to have contact with customers is at the point of sale (PoS), it is surprising to learn that this is the channel through which retailers are least likely to be able to deliver personalised promotions.

An integrated customer experience across all relevant channels is the benchmark by which to measure retailers' success. The challenge, of course, in light of the high-profile CRM failures, is how to plan, prioritise and implement this in a way that delivers sales, profits and competitive advantage.