

## 'Customer dissatisfaction is staggering,' CRMGURU study finds

A new study that finds widespread disenchantment with CRM is a stinging indictment of how most vendors go about the business of creating, selling and installing CRM systems, according to analysts, who nonetheless say that users must share some of the blame for their unhappiness.

CRM vendors have long trumpeted the virtues of their software. Yet a new study, commissioned by CRMGuru.com and sponsored by High-Yield Marketing and Mangen Research Associates, bursts the bubble of many vendors that claim universal customer satisfaction.

CRMGuru conducted the study on its Web site to share customer feedback on CRM software with the rest of the market, according to Dick Lee, a principal at St. Paul, Minn.-based High-Yield. The study -- "Multi-Function CRM Software: How Good Is It?" -- found that companies overall were not happy with their CRM software vendors.

"The level of customer dissatisfaction is staggering," he said. "No one scored at an acceptable customer satisfaction level."

The average score for vendors, which included all of the industry main players, was 63.1. According to Lee, a score below 70 "is at abandon ship level in a competitive industry."

The findings were based on the views of 1,294 CRMGuru members who took part in the survey. The customer satisfaction index that was used rated companies on a scale of 0 to 100, based on factors such as support, customer focus, implementation difficulty, functionality and price satisfaction. In other industries, companies at the head of their class typically rate in the mid-80s to low-90s, according to the study.

### Reasons for unhappiness

Part of the dissatisfaction stems from the inflexibility of many out-of-the-box CRM applications, according to Lee. These packages often aren't customisable to a company's needs. The extras that a lot of CRM applications include only make them harder to modify, he said.

Another point of contention with CRM vendors is the way software is sold. Vendors sell software on a license-based model, but customers are focused on custom development of the software, he said.

"Everyone in that field seems to be high-pressure seat-sellers without concern for the customer at all," said Jim Cecil, a principal at Bellevue, Wash.-based Nurture Marketing, which handles customer relationship strategies. "Nobody has asked what the users really want."

Lee was surprised at how enterprise resource planning (ERP) vendors who offer CRM lagged in the study.

### ***The high ratings were for CRM that had been implemented using independent partners to manage the suppliers.***

Cecil said he was pleased to see these high scores, proving that with this approach the customer ends up with an installation that does what it should do.

Siebel's model, on the other hand, seems to make the sale and "run for the hills," leaving its non too independent consulting partner, Accenture, with a two- to five-year installation, said Christopher Fletcher, vice president and managing director at Boston-based AMR Research

Inc. This is at odds with what the end user is trying to accomplish, which is a quick, painless implementation, he added.

Siebel declined to comment on the findings of the study or on AMR's criticism.

### **Solving business problems**

Others have a similar dim view of how CRM systems are sold and implemented. Barry Trailer, president of Carlsbad, Calif.-based consultancy Sales Mastery Inc., said CRM vendors need to focus on solving business problems for companies, not just providing them with technology.

***Unfortunately, using a tied in consultancy partner as part of the deal this rarely is achieved, as typically that partner has a vested interest in the sale.***

Yet not all of the dissatisfaction may be the vendors' fault, Trailer said. Companies sometimes underestimate the impact of a CRM installation and are unprepared to automate various functions. Additionally, companies often do not have clear processes to automate, he added.

Another part of the dissatisfaction may be that companies purchasing CRM expect it to be the "silver bullet" that solves all their business woes, Trailer said.

***Source – CRMGuru.com***